

CITY OF KISSIMMEE, FLORIDA
COMPREHENSIVE ANNUAL
FINANCIAL REPORT

Year Ended September 30, 2018



Prepared by Department of Finance

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CITY OF KISSIMMEE, FLORIDA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
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The City of Kissimmee, Florida
City Officials
As of September 30, 2018

Elected Officials

Mayor/Commissioner.....	Jose Alvarez
Commissioner/Vice Mayor.....	Wanda Rentas
Commissioner/Mayor Pro Tem.....	Jim Fisher
Commissioner.....	Angela Eady
Commissioner.....	Olga Gonzalez

Financial Related Management

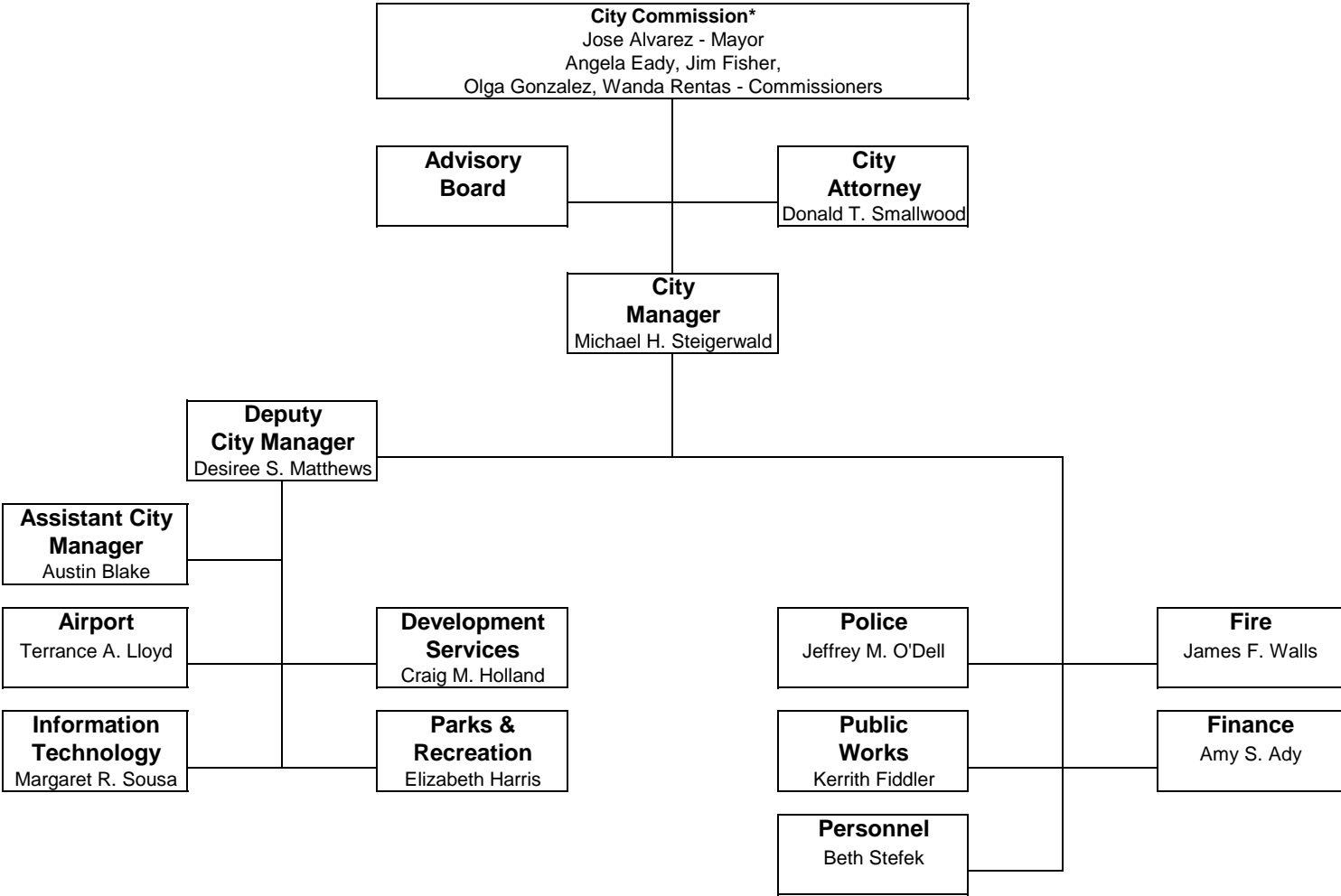
City Manager.....	Michael H. Steigerwald
Deputy City Manager.....	Desiree S. Matthews
Finance Director.....	Amy S. Ady
Assistant Finance Director.....	Mary K. O'Day

Other Departmental Officials

Airport Director.....	Terrance A. Lloyd
City Attorney.....	Donald T. Smallwood
Development Services Director.....	Craig M. Holland
Fire Chief.....	James F. Walls
Information Technology Director.....	Margaret R. Sousa
Parks & Recreation Director.....	Elizabeth Harris
Personnel & Risk Management Director.....	Beth Stefek
Police Chief.....	Jeffrey M. O'Dell
Public Works & Engineering Director.....	Kerrith Fiddler

CITY OF KISSIMMEE

ORGANIZATION CHART



* The City Commission is composed of representatives elected by the citizens of the City of Kissimmee.



Government Finance Officers Association

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

Presented to

**City of Kissimmee
Florida**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

September 30, 2017

Christopher P. Morill

Executive Director/CEO



City of Kissimmee

City Manager

101 Church Street, Kissimmee, Florida 34741-5054 • Telephone (407)-518-2210
Fax (407)-518-2208 • Email: aady@kissimmee.org

March 25, 2019

The Honorable Mayor and
Members of the City Commission
City of Kissimmee, Florida

Florida Statutes require that all general-purpose local governments publish 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. Pursuant to that requirement, we hereby submit the comprehensive annual financial report of the City of Kissimmee, Florida for the fiscal year ended September 30, 2018.

This report consists of management's representations concerning the finances of the City of Kissimmee. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, the management of the City of Kissimmee has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the City of Kissimmee's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the City of Kissimmee's 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 of Kissimmee's financial statements have been audited by Purvis, Gray and Company, LLP, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City of Kissimmee for the fiscal year ended September 30, 2018, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amount and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the City of Kissimmee's financial statements for the fiscal year ended September 30, 2018, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

The independent audit of the financial statements of the City of Kissimmee was performed in conjunction with a federally mandated "Single Audit" designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards.

GAAP requires 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 of Kissimmee's MD&A can be found immediately following the report of the independent auditors.

THE CITY

The City of Kissimmee (the "City"), near the geographic center of Florida, is the county seat of Osceola County. Of Florida's 67 counties, Osceola is the State's sixth largest in geographical size, with a land area of 1,506 square miles. There are approximately 21.25 square miles within the corporate limits of the City. The 2010 U.S. Census reported 61,202 people living within the City. The current State population estimate for the City is 72,369.

The City has a commission/manager form of government, with a Mayor-Commissioner and four other Commissioners who are elected at large for four-year staggered terms. Elections are held on the Tuesday, nine (9) weeks prior to the State of Florida General Elections. The City employs a full-time manager who is the chief executive and administrative officer of the City.

The City provides a full range of municipal services, including police, fire, public works, social services, public improvements, planning, economic development, zoning, recreational services and general administrative services. The City also provides garbage and trash collection and operates a municipal airport as well as a stormwater utility.

ACCOUNTING SYSTEM, INTERNAL ACCOUNTING CONTROLS, AND BUDGETARY CONTROL

The City's accounting records for General, Special Revenue, Debt Service, and Capital Projects Funds are maintained on a modified accrual basis. Revenues are recognized when they become measurable and available, while expenditures are recorded at the time the related fund liabilities are incurred. Accounting records for Enterprise, Internal Service and Pension Trust Funds are maintained on a full accrual basis.

In designing and developing the City's accounting system, consideration is given to the adequacy of internal accounting controls. Internal accounting controls are designed to provide reasonable, but not absolute, assurance regarding:

1. The safeguarding of assets against loss from unauthorized use or disposition; and
2. The reliability of financial records for preparing financial statements and maintaining accountability for assets.

The concept of reasonable assurance recognizes that:

1. The cost of a control should not exceed the benefits likely to be derived; and
2. The evaluation of cost and benefits requires estimates and judgments by management.

All internal control evaluations occur within the above framework. We believe that the City's internal accounting controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.

The Director of Finance maintains budgetary control, in conformance with the City Charter and Florida Statutes, through constant review. Budgetary responsibility for the General, Special Revenue, Debt Service, Capital Projects and Enterprise Funds is established at the sub-object of expenditure level. The City Manager is authorized to approve transfers between non-salary sub-object line items within departments; however, transfers from salary line items, transfers between departments and changes in total budget appropriations for a fund must have prior approval of the City Commission. However, the City Manager can approve transfers of unused amounts in salary account line items to advertising, recruiting and/or professional service account line items. Interim financial reports are provided for internal use.

THE REPORTING ENTITY AND ITS SERVICES

The funds and entities related to the City, included in the Comprehensive Annual Financial Report, are controlled by or dependent on the City. Determination of “controlled by or dependent on” is based on criteria and disclosure requirements of Governmental Accounting Standards Board Statement Number 14 *Defining the Reporting Entity*. The criteria deal with the selection of governing authority, designation of management, and ability to significantly influence operations and accountability for fiscal matters. Based on these criteria, the various funds shown in the Table of Contents are included in this report. This report, together with the accounting and budgeting systems, have been designed to conform to the standards set forth by the Governmental Accounting Standards Board and the American Institute of Certified Public Accountants. Fund structure has also been designed to comply with the legal requirements of the various revenue bond covenants and resolutions.

ECONOMIC CONDITION AND OUTLOOK

The City is primarily residential in character but also serves as a regional retail and commercial center. It derives a substantial portion of its economic activity from its proximity to Walt Disney World, its medical district which is the third largest in central Florida, its airport and its position as the County seat.

Osceola County has funded the \$160 million NeoCity project that will provide a state of the art advanced manufacturing research and development center for the nano sensor industry. This 500-acre technology and research district is currently under construction and has attracted investment from both national and international research and manufacturing partners. The center is expected to have a major impact on the State of Florida’s economy and presents significant opportunities for Kissimmee’s future.

There are more than 50 attractions easily accessible from the Kissimmee Resort area. In addition to Walt Disney World, located approximately 7 miles west of the City, some of the tourist attractions near the City include Sea World, Gatorland Zoo, Reptile World Serpentarium, Medieval Times, and Kennedy Space Center. Special events that take place in the City each year are the Silver Spurs Rodeo, RAM National Rodeo, the festival series at Lakefront Park, and the Mecum Auto Auction.

The City’s comprehensive plan, including a five-year capital growth program, has been developed to establish goals, objectives and policies for effective and realistic growth management. This plan is reviewed and will be revised if necessary. Management is committed and prepared to implement proactive alternatives that will insure the City’s economic viability. The City will continue to budget and manage all resources in the most cost-effective manner. The City will maintain strict due-diligence measures and aggressively seek out opportunities to reduce or maintain expenditures on operations to within budgetary limits in order to develop and maintain the community’s infrastructure and to enhance City services.

LONG-TERM FINANCIAL PLANNING

The City prepares a rolling five-year capital budget each year. During this process, revenues and expenditures for key operating funds, such as General Fund, Local Option Sales Tax, Local Option Gas Tax, Stormwater, Sanitation and Airport funds, are analyzed to ensure the financial sustainability of each fund over the long term. With regard to the General Fund and Enterprise Funds, the goal is to ensure that a minimum reserve of 20% will be maintained at the end of each five-year period. This exercise allows the City to plan for major capital expenditures. Therefore, during the fiscal year 2017-2018 capital budget process, various projects for continued road and road related improvements, technology improvements, drainage projects, airport enhancements, parks and park land projects, and various pieces of heavy equipment were planned. The total projected cost for capital improvements identified in the 2018-2022 capital improvement plan totaled \$64,583,500.

MAJOR INITIATIVES

The City continued work on the fourth and final phase of the Lakefront Park project as well as the Shingle Creek Regional Trail. Significant progress was also made on its road improvement plan with the expansion of Carroll Street, traffic signal upgrade projects, and various grant funded projects. The municipally owned airport continued to embark on several improvement projects this past year as well and has seen an increase in the opening of new businesses serving the aviation industry. The City also completed one new playground at the Oak Street Sports Complex, a new toddler playground at Chambers Park Community Center, and various other park improvements including a new pavilion, picnic area, fencing, and lighting. In fiscal year 2018, the City acquired the Beaumont property as well as additional acreage at Lancaster Ranch. The Beaumont property will eventually be used for further economic development in the Medical Arts District while the additional property at Lancaster Ranch will be used for the new Police Department gun range/joint training facility with the Fire Department. During the year, the City also completed the Oak Street widening project, the Toho Square parking garage associated with the Mosaic redevelopment project, and extended Tohopekaliga Street through the Civic Center property. Some of these projects were underway during fiscal year 2017 as well.

FUND BALANCE

The City has established a fund balance policy in accordance with GASB Statement No. 54 "Fund Balance Reporting and Governmental Fund Type Definitions". The purpose of the fund balance policy is to establish a key element of the financial stability of the City by setting guidelines for fund balance. Unassigned fund balance is an important measure of economic stability. It is essential that the City maintain adequate levels of unassigned fund balance to mitigate financial risk that can occur from unforeseen revenue fluctuations, unanticipated expenditures, and similar circumstances.

RELEVANT FINANCIAL POLICIES

The City has adopted a comprehensive set of financial policies. In accordance with Government Accounting Standards Board (GASB) Statement No. 68, Accounting and Financial Reporting for Pensions, the City now includes in the government-wide statements and proprietary fund statements its proportionate share of the net pension liability of the cost-sharing and single employer pension plans in which it participates. This proportionate amount represents a share of the present value of projected benefit payments to be provided through the cost sharing and single employer pension plans to current active and inactive employees that is attributed to those employees' past periods of service (total pension liability), less the amount of the cost-sharing and single employer pension plan's fiduciary net position. See note 8 to the financial statements for more information. In addition, the City implemented GASB 75 – Accounting and Financial Reporting Postemployment Benefits Other than Pensions in fiscal year 2018. This new standard replaced GASB 45 and moves the accounting for other postemployment benefits to the balance sheet and income statement rather than being in the notes to the financial statements.

FIDUCIARY OPERATIONS

The City has fiduciary responsibility for the self-directed deferred compensation plan that allows employees to defer a portion of salary for future years. The City also has separate Pension Trust Funds for General Employees, Police Officers and Firefighters. These Funds were created to account for the accumulation of resources to be used for the retirement annuities of all City employees. The City continues to contribute to these funds in accordance with City Commission established criteria that includes annual independent actuarial analyses.

STATUTORY REQUIREMENTS – INDEPENDENT AUDIT

Florida Statutes require the City's financial statements to be subjected to an annual examination by an independent Certified Public Accountant. Those provisions have been satisfied and the opinion of the independent accountant is included.

CERTIFICATE OF ACHIEVEMENT PROGRAM

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 Kissimmee, Florida for its comprehensive annual financial report for the fiscal year ended September 30, 2017. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. The 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 the City's 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.

ACKNOWLEDGEMENTS

The presentation of this report could not have been accomplished without the efficient and dedicated service of the Finance Department. We would like to express our appreciation to all members of the department who assisted and contributed to its preparation. We would also like to thank the Commissioners for their interest and support in planning and conducting the financial operations of the City in a responsible and progressive manner.

Respectfully submitted,



Mike Steigerwald
City Manager



Amy S. Ady
Finance Director

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INDEPENDENT AUDITORS' REPORT

Honorable Mayor and Members of the City Commission
City of Kissimmee
Kissimmee, 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 Kissimmee, Florida (the City) as of and for the year ended September 30, 2018, 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.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America 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 from 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.

Certified Public Accountants

P.O. Box 141270 • 222 N.E 1st Street • Gainesville, Florida 32614-1270 • (352) 378-2461
Laurel Ridge Professional Center • 2347 S.E. 17th Street • Ocala, Florida 34471 • (352) 732-3872
443 East College Avenue • Tallahassee, Florida 32301 • (850) 224-7144
5001 Lakewood Ranch Blvd. N., Suite 101 • Sarasota, Florida 34240 • (941) 907-0350

1560 N. Orange Ave., Suite #450 • Winter Park, Florida 32789

MEMBERS OF AMERICAN AND FLORIDA INSTITUTES OF CERTIFIED PUBLIC ACCOUNTANTS
MEMBER OF AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS PRIVATE COMPANIES AND S.E.C. PRACTICE SECTIONS

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

INDEPENDENT AUDITORS' REPORT
(Continued)

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of September 30, 2018, and the respective changes in financial position and, where applicable, cash flows thereof, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphases-of-Matter

Change in Accounting Principle

As described in Note 1, the City adopted new accounting guidance Governmental Accounting Standards Board Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and required supplementary information as listed in the table of contents (collectively, the required supplementary information) 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 management's discussion and analysis, major fund budgetary comparison schedules, schedule of total OPEB liability and related ratios, schedule of proportionate share of net pension liability, and schedule of contributions 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 response 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. The introductory section, combining and individual nonmajor funds and internal service funds financial statements and other schedules, budgetary comparison schedules, schedule of expenditures of federal awards and state projects, and statistical sections are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards and state financial assistance is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and Chapter 10.550, *Rules of the Auditor General* and is also not a required part of the basic financial statements.

The combining and individual nonmajor fund and internal service funds financial statements and budgetary comparison schedules, and the schedule of expenditures of federal awards and state projects are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the

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

INDEPENDENT AUDITORS' REPORT
(Concluded)

Other Matters (Concluded)

Other Information (Concluded)

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 basic financial statements or to the basic 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 nonmajor fund and internal service funds financial statements and budgetary comparison schedules, and the schedule of expenditures of federal awards and state financial assistance are fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 25, 2019, 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's 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.

Purvis, Gray and Company, LLP

March 25, 2019
Ocala, Florida

CITY OF KISSIMMEE, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
 September 30, 2018
 (In Thousands)

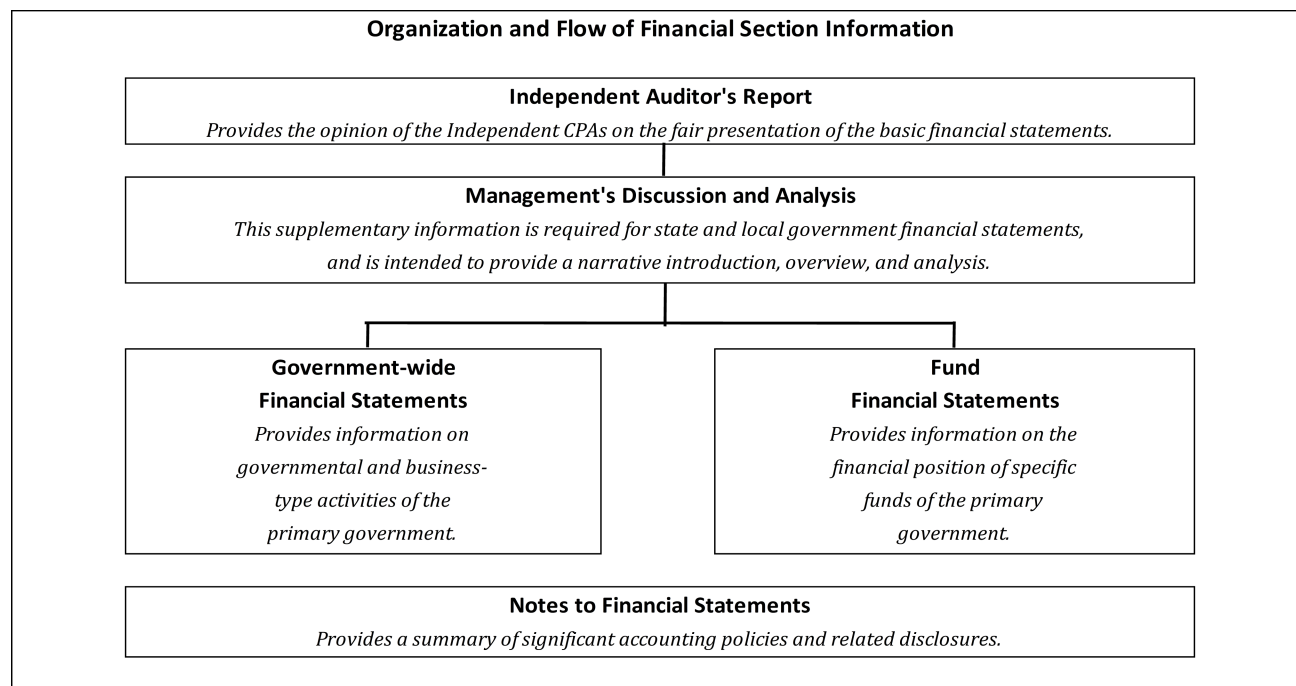
The City of Kissimmee, Florida's (the "City") Management's Discussion and Analysis (the "MD&A") presents an overview of the City's financial activities for the fiscal year ended September 30, 2018. Please read it in conjunction with the letter of transmittal in the introductory section, and the City's financial statements following the MD&A.

Financial Highlights

- The assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources at the close of fiscal year 2018 by \$233,941 (net position).
- The City's net position increased by \$19,709 from current year activities, of which governmental activities contributed \$17,255 of this increase.
- The fund balance for governmental funds increased by \$561 from the prior year. The majority of this increase resulted from the City's issuance of revenue notes for capital improvement projects in the current year.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements comprise 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*, which consist of the following two statements, are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business.

The *statement of net position* presents information on all of the City's assets, deferred outflows of resources, liabilities, and deferred inflows of resources with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating. Additionally, nonfinancial factors, such as a change in the City's property tax base or the condition of City facilities and infrastructure, should be considered to assess the overall financial health of the City.

The *statement of activities* presents information showing how the government's net position changed during fiscal year 2018. 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 in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected but earned revenue and unused vacation leave).

Both of these financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the City include general government, public safety, transportation, economic environment, and culture/recreation. The business-type activities of the City include sanitation/solid waste services, storm water services, and the operation of an airport. The government-wide financial statements can be found immediately following the MD&A.

The government-wide financial statements include not only the City itself (known as the primary government) but also legally separate entities known as component units. Component units, which are other governmental units over which the City Commission can exercise influence and/or may be obligated to provide financial subsidy, are presented within governmental activities in the government-wide financial statements, and as an individual special revenue fund in the basic and fund financial statements. The City's component unit (the Community Redevelopment Agency) is a major fund of the City and will be addressed in this MD&A.

Fund financial statements

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

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements. Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

CITY OF KISSIMMEE, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
September 30, 2018
(In Thousands)

The City maintains several individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for the General Fund, Shingle Creek Regional Trail, Community Redevelopment Agency, 2016 Revenue Note Debt Service, and 2016 Revenue Note Capital Projects, which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation noted as Nonmajor Governmental Funds. Individual fund data for each of these nonmajor governmental funds is provided in the form of *combining statements* in the other supplemental information section of this report. The City adopts an annual appropriated budget for its general fund, most capital projects funds, debt service funds, and most special revenue funds. Budgetary comparison schedules have been provided for these funds to demonstrate budgetary compliance.

Proprietary Funds

The City maintains two different types of proprietary funds. The *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 the fiscal activities relating to storm water, sanitation/solid waste, and airport operations. The *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 its risk management programs and to allocate costs from central services (such as information technology, warehouse, garage, and building maintenance). Because these activities predominantly benefit governmental rather than business-type functions, they have been included within *governmental activities* in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Stormwater Utility Fund, the Solid Waste Fund and the Airport Fund, which are considered to be major funds of the City, and the aggregate of the internal service funds.

Fiduciary Funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City's own programs. The accounting used for fiduciary funds is similar to proprietary funds. The City has three pension trust funds to account for the general employees' pension plan, the police officers' pension plan, and the firefighters' pension plan.

Notes to the financial statements and Other Information

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. In addition to the basic financial statements and accompanying notes, *required supplementary information* is included which presents budgetary comparison schedules for the City's General Fund, Shingle Creek Regional Trail, and Community Redevelopment Agency; schedule of total OPEB liability and related ratios for the City's Other Postemployment Benefits Plan; and required pension schedules for the City's three pension plans. Required supplementary information can be found following the notes to the financial statements.

The other supplementary information section of this report includes budgetary comparison schedules for the major 2016 Revenue Note Debt Service and 2016 Revenue Note Capital Project funds. The combining statements referred to earlier in connection with nonmajor governmental funds and internal service funds are also presented in this section. Combining and individual fund budgetary comparison schedules for nonmajor funds can be found after the required supplementary information.

CITY OF KISSIMMEE, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
September 30, 2018
(In Thousands)

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City, assets and deferred outflows exceeded liabilities and deferred inflows by \$233,941 at the close of the fiscal year ended September 30, 2018. At the end of fiscal year 2018, the City is able to report positive balances in all categories of net position for its business-type activities, and two categories for its governmental activities.

The largest portion of the City's net position of \$209,845 reflects its net investment in capital assets (land, buildings, infrastructure and equipment less any related outstanding debt used to acquire those assets). The City uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the City's net investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources since the capital assets themselves cannot be used to liquidate these liabilities. The City has restricted net position of \$26,914 for construction projects, public safety programs, supplementary care, and other purposes. The remaining balance is deficit unrestricted net position of \$(2,818).

City of Kissimmee, Florida
Net Position
(In Thousands)

	Governmental Activities		Business-type Activities		Total	
	2018	2017	2018	2017	2018	2017
Current and Other Assets	\$ 94,490	\$ 97,261	\$ 6,183	\$ 5,440	\$ 100,673	\$ 102,701
Capital Assets (Net)	225,547	226,435	49,095	43,733	274,642	270,168
Total Assets	320,037	323,696	55,278	49,173	375,315	372,869
Deferred Outflows	7,096	4,716	378	280	7,474	4,996
Current and Other Liabilities	10,072	10,596	1,245	697	11,317	11,293
Long-term Liabilities	129,693	122,972	3,111	2,793	132,804	125,765
Total Liabilities	139,765	133,568	4,356	3,490	144,121	137,058
Deferred Inflows	4,432	4,041	295	359	4,727	4,400
Net Position:						
Net Investment in						
Capital Assets	160,750	171,862	49,095	43,725	209,845	215,587
Restricted	26,878	21,469	36	-	26,914	21,469
Unrestricted	(4,692)	(2,528)	1,874	1,879	(2,818)	(649)
Total Net Position	\$ 182,936	\$ 190,803	\$ 51,005	\$ 45,604	\$ 233,941	\$ 236,407

There was a net decrease of \$(2,466) in the City's net position over fiscal year 2017. There was a net decrease of \$(7,867) in net position reported in connection with the City's governmental activities and a \$5,401 increase in business-type activities. These changes include a restatement of beginning net position along with current year activities. More information regarding the restatement can be found in Note 14. Additional reasons for these changes are presented in the following pages for governmental and business-type activities.

Deferred outflows of resources increased by \$2,478 from the prior year primarily from the effects of recording current year activities of the City's three pension funds. Long term liabilities increased by \$7,039 from the prior year, including an increase of \$6,721 in connection with governmental activities for revenue notes issued in the current year.

CITY OF KISSIMMEE, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
September 30, 2018
(In Thousands)

City of Kissimmee, Florida
Change in Net Position
(In Thousands)

	Governmental Activities		Business-type Activities		Total	
	2018	2017	2018	2017	2018	2017
REVENUES						
Program Revenues:						
Charges for Services	\$ 35,054	\$ 32,717	\$ 11,130	\$ 11,039	\$ 46,184	\$ 43,756
Operating Grants and Contributions	1,296	1,374	-	-	1,296	1,374
Capital Grants and Contributions	10,921	5,322	2,615	651	13,536	5,973
General Revenues:						
Property Taxes	13,228	12,275	-	-	13,228	12,275
Other Taxes	26,203	24,833	-	-	26,203	24,833
Other	30,553	28,052	134	56	30,687	28,108
Total Revenues	<u>117,255</u>	<u>104,573</u>	<u>13,879</u>	<u>11,746</u>	<u>131,134</u>	<u>116,319</u>
EXPENSES						
General Government	38,402	37,622	-	-	38,402	37,622
Public Safety	39,039	40,187	-	-	39,039	40,187
Transportation	10,834	6,651	-	-	10,834	6,651
Economic Environment	1,944	1,103	-	-	1,944	1,103
Culture/Recreation	7,659	7,534	-	-	7,659	7,534
Interest on Long-term Debt	2,791	2,620	-	-	2,791	2,620
Stormwater	-	-	4,633	3,998	4,633	3,998
Airport	-	-	1,564	2,497	1,564	2,497
Solid Waste	-	-	4,559	4,497	4,559	4,497
Total Expenses	<u>100,669</u>	<u>95,717</u>	<u>10,756</u>	<u>10,992</u>	<u>111,425</u>	<u>106,709</u>
Excess Before Transfers	16,586	8,856	3,123	754	19,709	9,610
Transfers	<u>669</u>	<u>1,212</u>	<u>(669)</u>	<u>(1,212)</u>	<u>-</u>	<u>-</u>
Change in Net Position	17,255	10,068	2,454	(458)	19,709	9,610
Net Position - Beginning, Original	<u>190,803</u>	<u>176,301</u>	<u>45,604</u>	<u>45,146</u>	<u>236,407</u>	<u>221,447</u>
Adjustment to Net Position	(25,122)	4,434	2,947	916	(22,175)	5,350
Net Position - Beginning, Restated	<u>165,681</u>	<u>180,735</u>	<u>48,551</u>	<u>46,062</u>	<u>214,232</u>	<u>226,797</u>
Net Position - Ending	<u>\$ 182,936</u>	<u>\$ 190,803</u>	<u>\$ 51,005</u>	<u>\$ 45,604</u>	<u>\$ 233,941</u>	<u>\$ 236,407</u>

Governmental activities

Governmental activities accounted for an increase of \$17,255 from the prior year restated net position. The largest factor in this increase is the donation of a parking garage for \$6,628. Charges for services increased by \$2,337 from increased use by citizens and businesses. Governmental activities expenses were in line with prior years.

CITY OF KISSIMMEE, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
September 30, 2018
(In Thousands)

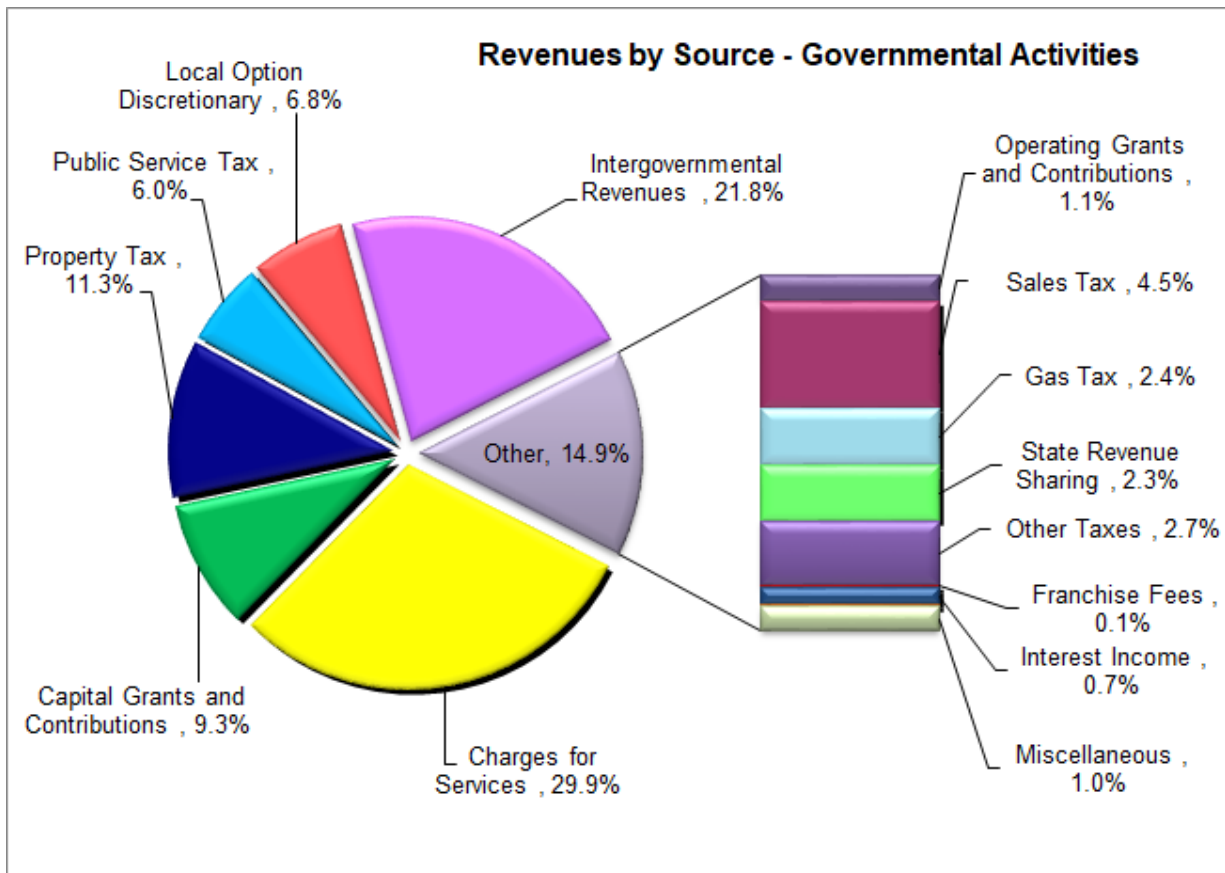
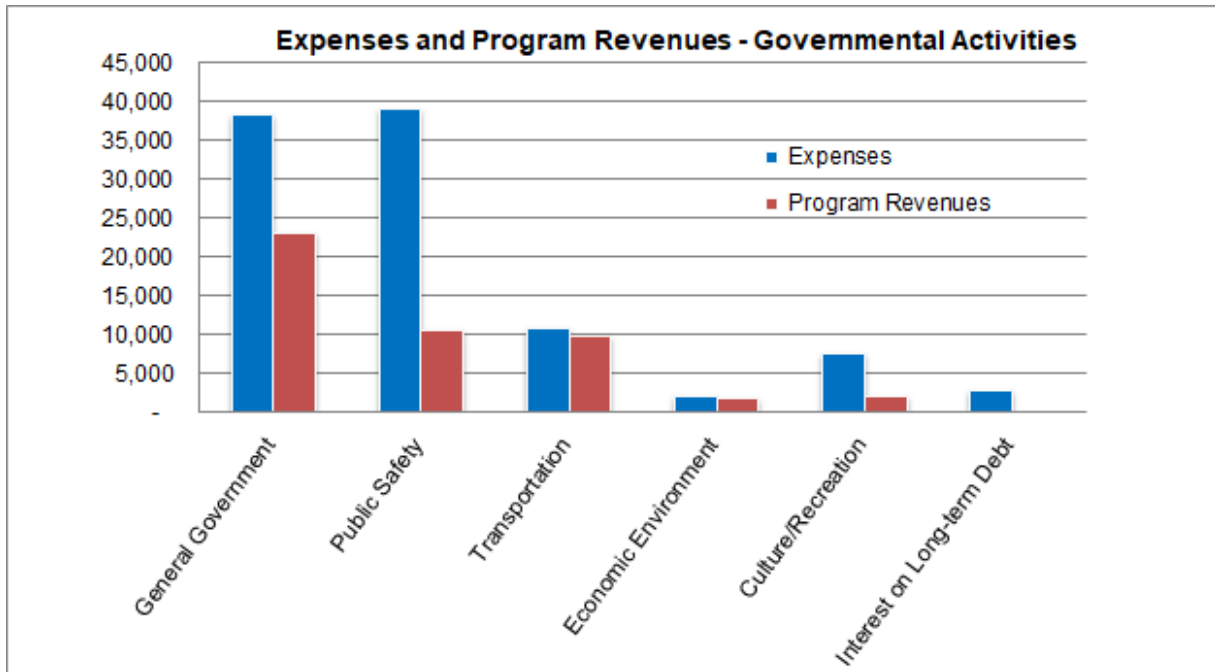
The following tables and graphs show the results of governmental activities for fiscal year ended 2018.

Expenses and Program Revenues – Governmental Activities
(In Thousands)

Functions/Programs	Expenses				Net Cost of Services		
	2018	% of Total	2017	% Change	2018	2017	% Change
General Government	\$ 38,402	37 %	\$ 37,622	2 %	\$ (15,426)	\$ (15,221)	1 %
Public Safety	39,039	39 %	40,187	(3) %	(28,400)	(30,287)	(6) %
Transportation	10,834	11 %	6,651	63 %	(940)	(2,994)	(69) %
Economic Environment	1,944	2 %	1,103	76 %	(169)	200	(185) %
Culture/Recreation	7,659	8 %	7,534	2 %	(5,672)	(5,382)	5 %
Interest on Long-term Debt	2,791	3 %	2,620	7 %	(2,791)	(2,620)	7 %
	<u>\$ 100,669</u>	<u>99 %</u>	<u>\$ 95,717</u>		<u>\$ (53,398)</u>	<u>\$ (56,304)</u>	

Revenue by Source – Governmental Activities
(In Thousands)

Description	2018	% of Total	2017	% Change
Program Revenues				
Charges for services	\$ 35,054	29 %	\$ 32,717	7 %
Operating grants and contributions	1,296	1 %	1,374	(6) %
Capital grants and contributions	10,921	9 %	5,322	105 %
General Revenues				
Property tax	13,228	11 %	12,275	8 %
Sales tax	5,318	5 %	12,412	(57) %
Public service tax	6,979	6 %	6,892	1 %
Gas tax	2,811	2 %	2,657	6 %
Local option discretionary tax	7,986	7 %	-	100 %
Other taxes	3,109	3 %	2,872	8 %
State revenue sharing	2,735	2 %	2,579	6 %
Unrestricted intergovernmental revenues	25,531	22 %	23,371	9 %
Franchise fees	179	0 %	154	16 %
Investment income	881	1 %	688	28 %
Gain on sale of capital assets	26	0 %	168	- %
Miscellaneous	1,201	1 %	1,092	10 %
Transfers	669	1 %	1,212	(45) %
	<u>\$ 117,924</u>	<u>100 %</u>	<u>\$ 105,785</u>	



CITY OF KISSIMMEE, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
 September 30, 2018
 (In Thousands)

Business-type activities

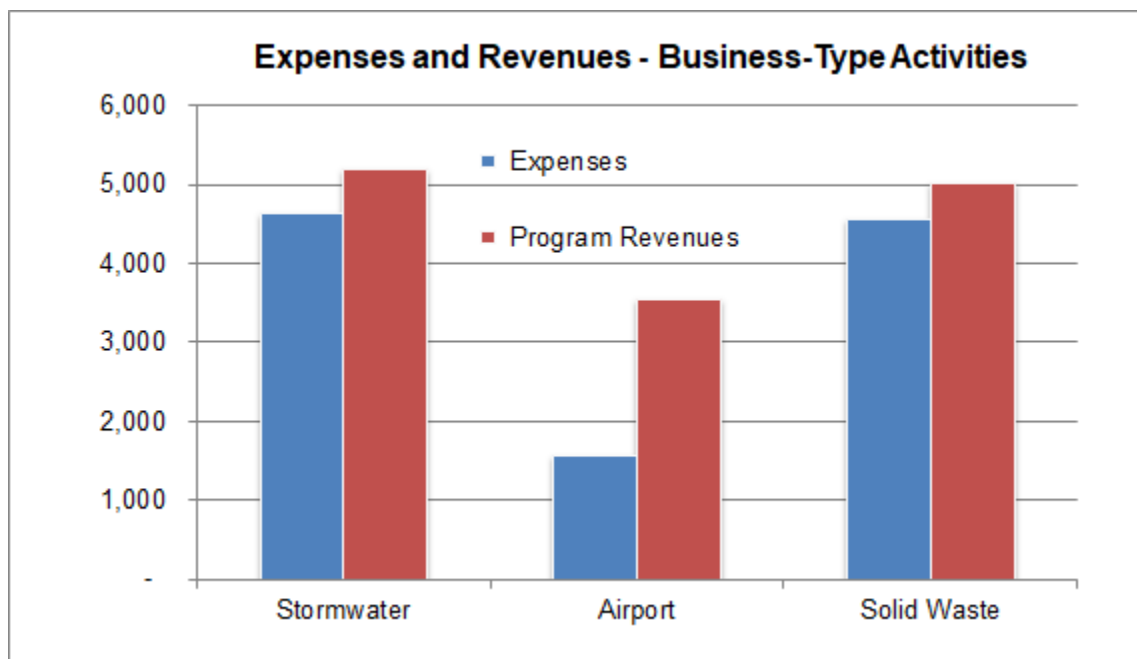
Business-type activities increased the City's restated beginning net position by \$2,454. The increase of net position from the prior year resulted primarily from capital contributions for Airport Fund assets in 2018. The Stormwater and Solid Waste expenses remained relatively unchanged from the prior year from operating strategies to provide cost effective services to users during the year. Additional information on the results of individual business-type activity funds is discussed in a different section.

Expenses and Program Revenues – Business-type Activities
 (In Thousands)

Functions/Programs	Expenses			Net Increase (Decrease) in Net Position		
	2018	2017	% Change	2018	2017	% Change
Stormwater	\$ 4,633	\$ 3,998	16 %	\$ 555	\$ 1,533	(64) %
Airport	1,564	2,497	(37) %	1,983	(1,404)	(241) %
Solid Waste	4,559	4,497	1 %	451	569	(21) %
	<u>\$ 10,756</u>	<u>\$ 10,992</u>		<u>\$ 2,989</u>	<u>\$ 698</u>	

Revenues by Source – Business-type Activities
 (In Thousands)

	2018	% of Total	2017	% Change
Charges for services	\$ 11,130	80 %	\$ 11,039	1 %
Capital grants and contributions	2,615	19 %	651	302 %
Investment income	45	- %	29	55 %
Miscellaneous	37	- %	-	100 %
Gain on sale of capital assets	52	0 %	27	93 %
	<u>\$ 13,879</u>	<u>100 %</u>	<u>\$ 11,746</u>	



Financial Analysis of the City's Funds

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

Governmental funds

The focus of the City's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable resources*. Such information is useful in assessing the City's financing requirements. In particular, *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 fiscal year 2018, the City's governmental funds reported combined ending fund balances of \$77,322, an increase of \$561 in comparison with the prior year. This increase was largely the result of receiving revenue note proceeds for capital projects. Components of fund balance are now comprised of nonspendable, restricted, committed, assigned, and unassigned. The components of committed, assigned and unassigned are considered spendable unrestricted fund balance. The total spendable unrestricted fund balance of governmental funds in fiscal year 2018 was \$29,980 compared to \$26,492 for fiscal year 2017, an increase of \$3,488 for all governmental funds. The main cause of this increase was effective budgeting for services provided primarily from general revenue sources.

The City has five major governmental funds - the General Fund, Shingle Creek Regional Trail, Community Redevelopment Agency, 2016 Revenue Note Debt Service fund, and 2016 Revenue Note Capital Project fund. More detailed information regarding these major funds is provided in the following section.

Major Funds - Governmental

General Fund

The General Fund is the chief operating fund of the City. At the end of fiscal year 2018, the spendable unrestricted fund balance (assigned for budgetary carryforward \$1,971 and unassigned fund balance \$28,350) of the General Fund totaled \$30,321 compared to \$27,249 in fiscal year 2017, an increase of \$3,072. As a measure of the General Fund's liquidity, it may be useful to compare the spendable unrestricted fund balance of \$30,321 to the total fund's expenditures of \$62,789. This represents 48.3% of total expenditures compared to 45.4% in the prior fiscal year. Thus, the City was able to maintain its liquidity available to meet upcoming expenditures. The fund balance in the General Fund increased by \$2,771 during the current fiscal year. The General Fund overall maintained the same level of spending as the prior year. Taxes increased as the City's property values increased and charges for services increased by \$1,381 from increased use of City programs.

CITY OF KISSIMMEE, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
September 30, 2018
(In Thousands)

Shingle Creek Regional Trail

The Shingle Creek Regional Trail fund total fund balance increased by \$495 from the prior year. Current year revenues were greater than expenditures for capital improvement projects due to timing of the receipt of reimbursement grants from other governmental agencies. Future grant receipts should eliminate the deficit fund balance.

The Community Redevelopment Agency

The Community Redevelopment Agency (CRA) total fund balance increased by \$366 from the prior year. There were no significant increases or decreases in revenues; however, expenditures decreased from the prior year for unfinished capital projects carried to the next year. The fund balance of \$1,298 is restricted for economic development.

2016 Revenue Note Debt Service

The 2016 Revenue Note Debt Service fund is used to account for debt service on the 2016 Revenue Note. It had an ending fund balance of \$17 from bond refunding transactions and transfers for current debt service payments that is assigned for future debt service.

2016 Revenue Note Capital Project

The 2016 Revenue Note Capital Project fund is used to track the spending of the 2016 Revenue Note. It had an ending fund balance of \$19,445 from bond issuance during the prior year that is restricted for future capital improvements and \$4,483 was expended during the year on capital projects.

Major funds - Enterprise

The City's enterprise funds provide the same type of information found in the government-wide financial statements, but in more detail. The City has three major enterprise funds – the Stormwater Fund, the Airport Fund, and the Solid Waste Fund. Unrestricted net position in the Stormwater Fund increased by \$233, in the Airport Fund decreased by \$(172), and in the Solid Waste Fund decreased by \$(66) over the prior year. These mainly resulted from increased expenses and a restatement of net position in all three funds in the current year.

Stormwater Fund

The Stormwater Fund had an increase in net position of \$13,618. The majority of this increase was the result of a restatement in net position of \$13,424. The increase of \$194 from the result of current year operations shows the fund is effectively operating on current rates. Operating expenses were consistent with the prior year; however, charges for services increased by \$83 from the prior year due to increased service.

Airport Fund

The Airport Fund had a decrease in net position of \$(8,758). The majority of this change was the result of a restatement in net position of \$(10,745). The Airport benefited from capital contributions for current improvements of \$2,615 that accounted for most of the increase in net position of \$1,987 due to current year operations.

Solid Waste Fund

The Solid Waste Fund had an increase in net position of \$541 from the prior year mostly from the restatement of net position of \$268. Operating revenues were greater than operating expenses by \$456 in the current year, confirming that the City's rates are sufficient to cover operational costs of the solid waste system.

General Fund Budgetary Highlights

The General Fund's original budget was amended to increase expenditures by \$3,528 (not including transfers out). The changes for expenditures within functions are summarized in the table below. Adjustments were made for additional grant-funded expenditures and personnel changes during the course of the year.

	Original Budget	Final Budget	Change
General Government	\$ 13,714	\$ 15,560	\$ 1,846
Public Safety	37,206	38,825	1,619
Transportation	5,247	5,955	708
Culture/Recreation	6,752	6,861	109
Non-departmental	22,818	22,064	(754)
	<u>\$ 85,737</u>	<u>\$ 89,265</u>	<u>\$ 3,528</u>

The General Fund under-spent the final budget by \$26,460 during fiscal year 2018. All departments spent less than their final budget (from reduced personnel costs and delayed capital purchases) during the year while trying to provide the same levels of service to the City's citizens. The largest reduction resulted as the non-departmental budget included reserves for capital that were not spent in the current year. The general government and public safety functions experienced the greatest reductions from the final budget totals primarily in personnel costs. The changes within functions are summarized in the table presented here.

	Actual Expenditures	Final Budget	Difference
General Government	\$ 12,990	\$ 15,559	\$ 2,569
Public Safety	35,916	38,823	2,907
Transportation	5,647	5,954	307
Culture/Recreation	6,198	6,862	664
Non-departmental	2,038	22,070	20,032
Transfers Out	2,380	2,361	(19)
	<u>\$ 65,169</u>	<u>\$ 91,629</u>	<u>\$ 26,460</u>

Capital Assets and Long-term Debt

Capital Assets

The City's capital assets for its governmental and business-type activities as of September 30, 2018 amounts to \$274,642 (net of accumulated depreciation). These capital assets include land, software, parking capacity, buildings, improvements other than buildings (including leasehold improvements), equipment, vehicles, infrastructure, and construction in progress. The total increase in the City's capital assets for the current fiscal year was \$4,474 and includes restated beginning balances. Governmental activities decreased capital assets by \$(888) and business-type activities increased by \$5,362. More information regarding the restatement of capital assets and the net effect on net position can be found in Note 14.

Within governmental activities, the largest increases from the restated beginning balances were in land for \$9,968, construction in progress for \$7,077, and buildings for \$6,628. These were primarily attributed to the Lakefront Park improvements project, Oak Street widening improvements, a donated parking facility and other major transportation projects being completed and put into service within the year. Additionally, depreciation expense was consistent with the prior year.

CITY OF KISSIMMEE, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
September 30, 2018
(In Thousands)

The capital assets of business-type activities increased for system improvements for \$2,425 and land for \$1,481. Depreciation expense remained consistent with the prior year.

City of Kissimmee, Florida
Capital Assets (Net)
(In Thousands)

	Governmental Activities		Business-type Activities		Total	
	2018	2017	2018	2017	2018	2017
Land	\$ 39,137	\$ 19,170	\$ 1,892	\$ 411	\$ 41,029	\$ 19,581
Intangibles, net	3,500	2,230	243	1	3,743	2,231
Buildings	18,051	55,283	12,076	7,217	30,127	62,500
Improvements Other than Buildings	171,801	198,856	42,363	39,938	214,164	238,794
Equipment	32,623	30,881	11,208	12,399	43,831	43,280
Construction in Progress	33,044	26,380	3,472	2,795	36,516	29,175
	298,156	332,800	71,254	62,761	369,410	395,561
Less: Accumulated Depreciation	(72,609)	(106,365)	(22,159)	(19,028)	(94,768)	(125,393)
Capital Assets, net	<u>\$ 225,547</u>	<u>\$ 226,435</u>	<u>\$ 49,095</u>	<u>\$ 43,733</u>	<u>\$ 274,642</u>	<u>\$ 270,168</u>

Additional information on the City's capital assets, including major construction commitments, can be found in Note 5 of this report.

Long-term Debt

At the end of fiscal year 2018, governmental activities had total debt outstanding of \$84,205. This is an increase of \$2,134 from the prior year, primarily due to \$6,439 for additional debt issued offset by \$1,620 for scheduled debt service payments and amortization of premium. Notes and bonds payable account for the majority of the City's overall outstanding debt.

City of Kissimmee, Florida
Outstanding Long-term Debt
(In Thousands)

	Governmental Activities		Business-type Activities		Total	
	2018	2017	2018	2017	2018	2017
Revenue Notes	\$ 39,250	\$ 35,715	\$ -	\$ -	\$ 39,250	\$ 35,715
Revenue Bonds	44,778	46,161	-	-	44,778	46,161
Capital Lease Payable	177	195	-	-	177	195
	<u>\$ 84,205</u>	<u>\$ 82,071</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 84,205</u>	<u>\$ 82,071</u>

Additional information on the City's debt, including the current year issuance and any major changes to the City's credit ratings, can be found in Note 7 of this report.

Economic Factors and Next Year's Budgets and Rates

- The unemployment rate for the City at September 30, 2018 was 3.2%, which represents an improvement of .4% from the 3.6% unemployment rate from the prior year. This is consistent with the improvement seen in the previous years.
- Population increased slightly to 72,369 compared to 69,962 in the prior fiscal year.
- The ad valorem tax rate for the General Fund stayed constant at 4.6253 for the 2019 approved fiscal year budget.

Requests for Information

This financial report is designed to present users with a general overview of the City's finances and to demonstrate the City's accountability. If you have questions concerning any of the information provided in this report or need additional financial information, contact the City's Finance Department, 101 Church Street, Kissimmee, Florida 34741.

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CITY OF KISSIMMEE, FLORIDA
STATEMENT OF NET POSITION
September 30, 2018
(In Thousands)

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and Cash Equivalents	\$ 55,762	\$ 4,748	\$ 60,510
Restricted Cash and Investments	26,878	36	26,914
Receivables (net)	3,542	970	4,512
Due from Other Governments	4,769	423	5,192
Due from KUA	1,987	-	1,987
Due from TWA	999	6	1,005
Inventories	247	-	247
Prepaid Items	306	-	306
Capital Assets:			
Capital Assets not Being Depreciated	72,181	5,364	77,545
Capital Assets Being Amortized (Net)	3,500	243	3,743
Capital Assets Being Depreciated (Net)	149,866	43,488	193,354
Total Capital Assets	<u>225,547</u>	<u>49,095</u>	<u>274,642</u>
Total Assets	<u>320,037</u>	<u>55,278</u>	<u>375,315</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Outflows Related to OPEB	299	24	323
Deferred Outflows Related to Pensions	6,797	354	7,151
Total Deferred Outflows of Resources	<u>7,096</u>	<u>378</u>	<u>7,474</u>
LIABILITIES			
Accounts Payable	2,672	1,167	3,839
Contracts Payable	1,118	69	1,187
Accrued Liabilities	5,222	-	5,222
Due to Other Governments	926	9	935
Unearned Revenue	127	-	127
Deposits	7	-	7
Long-term Liabilities:			
Due Within One Year	6,620	61	6,681
Due in More Than One Year	123,073	3,050	126,123
Total Liabilities	<u>139,765</u>	<u>4,356</u>	<u>144,121</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred Inflows Related to OPEB	217	18	235
Deferred Inflows Related to Pensions	4,215	277	4,492
Total Deferred Inflows of Resources	<u>4,432</u>	<u>295</u>	<u>4,727</u>
NET POSITION			
Net Investment in Capital Assets	160,750	49,095	209,845
Restricted:			
Supplementary Care - Nonexpendable	928	-	928
Construction Projects	13,825	-	13,825
Public Safety	652	-	652
Charter School	2,782	-	2,782
Building Safety	5,523	-	5,523
Community Redevelopment	1,298	-	1,298
Airport Projects	-	36	36
Other Purposes	1,870	-	1,870
Unrestricted	(4,692)	1,874	(2,818)
Total Net Position	<u>\$ 182,936</u>	<u>\$ 51,005</u>	<u>\$ 233,941</u>

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

CITY OF KISSIMMEE, FLORIDA
STATEMENT OF ACTIVITIES
For the Year Ended September 30, 2018
(In Thousands)

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental Activities:							
General Government	\$ 38,402	\$ 22,737	\$ 239	\$ -	\$ (15,426)	\$ -	\$ (15,426)
Public Safety	39,039	10,223	416	-	(28,400)	-	(28,400)
Transportation	10,834	944	-	8,950	(940)	-	(940)
Economic Environment	1,944	-	557	1,218	(169)	-	(169)
Culture/Recreation	7,659	1,150	84	753	(5,672)	-	(5,672)
Interest on Long-term Debt	2,791	-	-	-	(2,791)	-	(2,791)
Total Governmental Activities	100,669	35,054	1,296	10,921	(53,398)	-	(53,398)
Business-Type Activities:							
Stormwater	4,633	5,188	-	-	-	555	555
Airport	1,564	932	-	2,615	-	1,983	1,983
Solid Waste	4,559	5,010	-	-	-	451	451
Total Business-Type Activities	10,756	11,130	-	2,615	-	2,989	2,989
Total	\$ 111,425	\$ 46,184	\$ 1,296	\$ 13,536	(53,398)	2,989	(50,409)
General revenues:							
Property Tax					13,228	-	13,228
Sales Tax					5,318	-	5,318
Public Service Tax					6,979	-	6,979
Gas Tax					2,811	-	2,811
Other Taxes					3,109	-	3,109
Local Option Discretionary Tax					7,986	-	7,986
State Revenue Sharing					2,735	-	2,735
Unrestricted Intergovernmental Revenues					25,531	-	25,531
Franchise Fees					179	-	179
Investment Income					881	45	926
Gain on Sale of Capital Assets					26	52	78
Miscellaneous					1,201	37	1,238
Transfers					669	(669)	-
Total General Revenues and Transfers					70,653	(535)	70,118
Change in Net Position					17,255	2,454	19,709
Net Position - Beginning, as Restated					165,681	48,551	214,232
Net Position - Ending					\$ 182,936	\$ 51,005	\$ 233,941

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

CITY OF KISSIMMEE, FLORIDA
BALANCE SHEET - GOVERNMENTAL FUNDS
September 30, 2018
(In Thousands)

	General	Shingle Creek Regional Trail	Community Redevelopment Agency
ASSETS			
Cash and Cash Equivalents	\$ 24,488	\$ 322	\$ 1,335
Restricted Cash and Investments	-	-	-
Accounts Receivable (net)	3,482	-	-
Special Assessments Receivable (net)	24	-	-
Due from KUA	1,987	-	-
Due from TWA	621	-	-
Due from Other Funds	760	-	-
Due from Other Governments	1,553	784	-
Prepaid Items	200	-	-
Inventories	134	-	-
Total Assets	<u>\$ 33,249</u>	<u>\$ 1,106</u>	<u>\$ 1,335</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES			
Liabilities:			
Accounts Payable	\$ 1,080	\$ 250	\$ 37
Contracts Payable	-	52	-
Accrued Liabilities	-	-	-
Due to Other Funds	-	452	-
Due to Other Governments	821	-	-
Deposits Payable	7	-	-
Revenue Collected in Advance	-	-	-
Total Liabilities	<u>1,908</u>	<u>754</u>	<u>37</u>
Deferred Inflows of Resources:			
Unavailable Earned Revenues	<u>52</u>	<u>645</u>	<u>-</u>
Total Deferred Inflows of Resources	<u>52</u>	<u>645</u>	<u>-</u>
Fund Balances (Deficits):			
Nonspendable Prepaids and Inventories	334	-	-
Nonspendable Supplementary Care	-	-	-
Restricted for Transportation Projects	-	-	-
Restricted for Public Safety Projects	622	-	-
Restricted for Development Services	-	-	-
Restricted for Economic Development	-	-	1,298
Restricted for Recreation Projects	-	-	-
Restricted for Charter School	-	-	-
Restricted for Construction Projects	-	-	-
Restricted for Other Capital Improvements	12	-	-
Assigned for Budgetary Carryforward	1,971	-	-
Assigned for Debt Service	-	-	-
Unassigned (Deficits)			
General Fund	28,350	-	-
Special Revenue Funds	-	(293)	-
Total Fund Balances (Deficits)	<u>31,289</u>	<u>(293)</u>	<u>1,298</u>
Total Liabilities, Deferred Inflows and Fund Balances (Deficits)	<u>\$ 33,249</u>	<u>\$ 1,106</u>	<u>\$ 1,335</u>

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

2016 Revenue Note Debt Service	2016 Revenue Note Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
\$ 2,092	\$ -	\$ 24,974	\$ 53,211
-	20,149	3,470	23,619
-	-	34	3,516
-	-	-	24
-	-	-	1,987
-	-	14	635
-	-	-	760
-	-	2,109	4,446
-	-	105	305
-	-	-	134
<u>\$ 2,092</u>	<u>\$ 20,149</u>	<u>\$ 30,706</u>	<u>\$ 88,637</u>
\$ -	\$ 376	\$ 582	\$ 2,325
-	328	738	1,118
2,075	-	3,147	5,222
-	-	308	760
-	-	105	926
-	-	-	7
-	-	127	127
<u>2,075</u>	<u>704</u>	<u>5,007</u>	<u>10,485</u>
-	-	133	830
-	-	133	830
-	-	105	439
-	-	928	928
-	-	7,004	7,004
-	-	30	652
-	-	5,523	5,523
-	-	626	1,924
-	-	1,244	1,244
-	-	2,782	2,782
-	19,445	2,038	21,483
-	-	5,351	5,363
-	-	-	1,971
17	-	42	59
-	-	-	28,350
-	-	(107)	(400)
<u>17</u>	<u>19,445</u>	<u>25,566</u>	<u>77,322</u>
<u>\$ 2,092</u>	<u>\$ 20,149</u>	<u>\$ 30,706</u>	<u>\$ 88,637</u>

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CITY OF KISSIMMEE, FLORIDA
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
as of September 30, 2018
(In Thousands)

Total fund balances of governmental funds \$ 77,322

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

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. The cost of the assets is \$305,034, the accumulated depreciation is \$68,650, and the accumulated amortization is \$12,807. The difference does not include the net capital assets of the internal service funds which are included below. 223,577

The internal service fund is used by management to charge the costs of risk management services to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position. 2,750

Long-term liabilities are not due and payable in the current period and accordingly are not reported as fund liabilities. Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due. All liabilities-both current and long term-are reported in the statement of net position. The amount does not include the long-term liabilities of the internal service funds which are included above. Long-term liabilities at yearend consist of:

Bonds payable	\$ (40,262)	
Bonds premium	(4,516)	
Notes payable	(39,250)	
Capital leases	(177)	
Other postemployment benefits liability	(6,227)	
Compensated absences	(1,856)	(92,288)

Net pension liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds. (31,858)

Deferred inflows and outflows of resources related to pensions and OPEB are not recognized in the governmental funds; however, they are recorded in the statement of net position.

Deferred outflows of resources related to OPEB	281	
Deferred outflows of resources related to pensions	6,579	
Deferred inflows of resources related to OPEB	(204)	
Deferred inflows of resources related to pensions	(4,053)	2,603

Amount for earned but unavailable revenues recognized as revenue of the current period 830

Total net position of governmental activities \$ 182,936

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

CITY OF KISSIMMEE, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Year Ended September 30, 2018
(In Thousands)

	General	Shingle Creek Regional Trail	Community Redevelopment Agency
REVENUES			
Taxes	\$ 20,479	\$ -	\$ -
Permits, Fees and Special Assessments	181	-	-
Intergovernmental Revenues	34,841	1,481	1,006
Charges for Services	9,637	-	-
Fines and Forfeitures	387	-	-
Investment Income	301	-	20
Miscellaneous Revenues	574	-	62
Total Revenues	66,400	1,481	1,088
EXPENDITURES			
Current:			
General Government	14,973	-	792
Public Safety	35,916	-	-
Transportation	5,647	1,105	-
Economic Environment	-	-	-
Culture/Recreation	6,198	-	-
Capital Outlay	-	-	-
Debt Service:			
Principal Retirement	41	-	-
Interest and Fiscal Charges	1	-	-
Professional Fees	13	-	-
Total Expenditures	62,789	1,105	792
Excess (Deficiency) of Revenues Over (Under) Expenditures	3,611	376	296
OTHER FINANCING SOURCES and (USES)			
Transfers In	1,200	119	713
Transfers (Out)	(2,380)	-	(643)
Issuance of Notes Payable/Refunded Notes Payable	-	-	-
Proceeds from Sale of Capital Assets	121	-	-
Issuance of Capital Lease	219	-	-
Total Other Financing Sources and (Uses)	(840)	119	70
Net Change in Fund Balances	2,771	495	366
Fund Balances (Deficits) - Beginning	28,518	(788)	932
Fund Balances (Deficits) - Ending	\$ 31,289	\$ (293)	\$ 1,298

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

2016 Revenue Note Debt Service	2016 Revenue Note Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
\$ -	\$ -	\$ 10,797	\$ 31,276
-	-	5,493	5,674
-	-	8,508	45,836
-	-	244	9,881
-	-	-	387
-	227	275	823
-	-	174	810
-	227	25,491	94,687
-	-	5,416	21,181
-	-	3,537	39,453
-	-	3,939	10,691
-	-	1,943	1,943
-	-	758	6,956
-	4,483	9,575	14,058
1,185	-	2,918	4,144
1,779	-	1,159	2,939
-	-	-	13
2,964	4,483	29,245	101,378
(2,964)	(4,256)	(3,754)	(6,691)
2,964	-	5,228	10,224
-	-	(6,514)	(9,537)
-	-	6,220	6,220
-	-	5	126
-	-	-	219
2,964	-	4,939	7,252
-	(4,256)	1,185	561
17	23,701	24,381	76,761
\$ 17	\$ 19,445	\$ 25,566	\$ 77,322

CITY OF KISSIMMEE, FLORIDA
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
For The Year Ended September 30, 2018
(In Thousands)

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

Net change in fund balances - total governmental funds \$ 561

Governmental funds report capital purchases as expenditures. However, in the statement of activities, the cost of those assets is depreciated and amortized over their estimated useful lives and reported as depreciation expense. This is the amount by which capital purchases (\$24,462) and donations (\$6,628) exceeds depreciation (\$7,178, which excludes the amount related to internal service funds accounted for below) and amortization (\$941). 22,971

The issuance of bonds and similar long-term debt provides current financial resources to governmental funds and thus contributes to the change in fund balance. In the statement of net position, however, issuing debt increases long-term liabilities and does not affect the statement of activities. Similarly, repayment of principal is an expenditure in the governmental funds, but reduces the liability in the statement of net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. The amounts of the items that make up these differences in the treatment of long-term debt and related items are:

Debt issued or incurred:		
Proceeds from notes	\$ (6,220)	
Proceeds from capital lease	(219)	
Principal repayments:		
Bonds	1,222	
Amortization of bond premium	161	
Notes	2,685	
Capital leases	237	
	(2,134)	(2,134)

Under the modified accrual basis of accounting used in governmental funds, expenditures are not recognized for transactions that are not normally paid with expendable available financial resources. In the statement of activities, however, which is presented on the accrual basis, expenses and liabilities are reported regardless of when financial resources are available. These adjustments are as follows:

Compensated absences	(16)	
	-	(16)

Continued

CITY OF KISSIMMEE, FLORIDA
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES - Continued
For The Year Ended September 30, 2018
(In Thousands)

Cash pension and OPEB contributions recorded in the funds were less than the calculated pension and OPEB expenses on the statement of activities and therefore decreased net position.	\$ (677)
Under the modified accrual basis of accounting, governmental revenues are recognized when both the measureable and available criteria have been met. Those revenues earned in the current year were not recognized since the availability criteria was not met. Under full accrual accounting, all revenues would be recognized.	(1,087)
In the statement of activities, only the loss on the sale/disposal of capital assets is reported. The change in net position differs from the change in fund balance by the cost of the capital assets sold/disposed or adjusted in value.	(100)
The internal service fund is used by management to charge the costs of risk management services to other funds. The net revenue of the internal service fund is reported with governmental activities.	<u>(2,263)</u>
Change in net position of governmental activities	<u>\$ 17,255</u>
<i>The notes to the financial statements are an integral part of the financial statements.</i>	

CITY OF KISSIMMEE, FLORIDA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
September 30, 2018
(In Thousands)

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Stormwater	Airport	Solid Waste	Total	
ASSETS					
Current Assets:					
Cash and Cash Equivalents	\$ 2,892	\$ 568	\$ 1,324	\$ 4,784	\$ 5,810
Accounts Receivable (net)	381	106	483	970	2
Due from Other Governments	-	419	4	423	323
Due from TWA	-	-	6	6	364
Prepays	-	-	-	-	1
Inventories	-	-	-	-	113
Total Current Assets	3,273	1,093	1,817	6,183	6,613
Capital Assets:					
Land	1,583	309	-	1,892	-
Buildings	509	11,160	407	12,076	71
Improvements Other Than Buildings	26,300	15,970	93	42,363	3,223
Software, Net	46	197	-	243	5
Machinery, Equipment and Vehicles	5,489	787	4,932	11,208	2,631
Construction in Progress	604	2,795	73	3,472	-
Less: Accumulated Depreciation	(9,210)	(10,099)	(2,850)	(22,159)	(3,960)
Total Capital Assets	25,321	21,119	2,655	49,095	1,970
Total Noncurrent Assets	25,321	21,119	2,655	49,095	1,970
Total Assets	28,594	22,212	4,472	55,278	8,583
DEFERRED OUTFLOWS OF RESOURCES					
Deferred Outflows Related to OPEB	11	4	9	24	18
Deferred Outflows Related to Pensions	166	36	152	354	218
Total Deferred Outflows of Resources	177	40	161	378	236

CITY OF KISSIMMEE, FLORIDA
STATEMENT OF NET POSITION - Continued
PROPRIETARY FUNDS
September 30, 2018
(In Thousands)

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Stormwater	Airport	Solid Waste	Total	
LIABILITIES					
Current Liabilities:					
Accounts Payable	\$ 384	\$ 263	\$ 520	\$ 1,167	\$ 347
Contracts Payable	69	-	-	69	-
Accrued Liabilities	-	9	-	9	-
Compensated Absences Payable	21	6	10	37	28
Other Postemployment Benefits Current	11	4	9	24	18
Estimated Claims Payable	-	-	-	-	1,834
Total Current Liabilities	485	282	539	1,306	2,227
Noncurrent Liabilities:					
Compensated Absences Payable	83	23	43	149	111
Other Postemployment Benefits	338	75	287	700	403
Net Pension Liability	1,037	225	939	2,201	1,318
Estimated Claims Payable	-	-	-	-	1,835
Total Noncurrent Liabilities	1,458	323	1,269	3,050	3,667
Total Liabilities	1,943	605	1,808	4,356	5,894
DEFERRED INFLOWS OF RESOURCES					
Deferred Inflows Related to OPEB	8	3	7	18	13
Deferred Inflows Related to Pensions	131	32	114	277	162
Total Deferred Inflows of Resources	139	35	121	295	175
NET POSITION					
Net Investment in Capital Assets	25,321	21,119	2,655	49,095	1,970
Restricted for Airport Projects	-	36	-	36	-
Unrestricted	1,368	457	49	1,874	780
Total Net Position	\$ 26,689	\$ 21,612	\$ 2,704	\$ 51,005	\$ 2,750

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

CITY OF KISSIMMEE, FLORIDA
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
For the Year Ended September 30, 2018
(In Thousands)

	<u>Business-type Activities - Enterprise Funds</u>				Governmental Activities - Internal Service Funds
	<u>Stormwater</u>	<u>Airport</u>	<u>Solid Waste</u>	<u>Total</u>	
Operating Revenues:					
Charges for Services	\$ 5,188	\$ 932	\$ 5,010	\$ 11,130	\$ 16,459
Miscellaneous Revenues	32	-	5	37	204
Total Operating Revenues	<u>5,220</u>	<u>932</u>	<u>5,015</u>	<u>11,167</u>	<u>16,663</u>
Operating Expenses:					
Personal Services	2,261	572	1,883	4,716	2,601
Contracted Services	506	69	1,149	1,724	2,274
Supplies and Materials	208	29	322	559	169
Repairs and Maintenance	322	42	365	729	2,313
Other Services and Charges	124	200	425	749	1,761
Depreciation	1,060	648	415	2,123	359
Claims/Premium Expense	-	-	-	-	9,769
Total Operating Expenses	<u>4,481</u>	<u>1,560</u>	<u>4,559</u>	<u>10,600</u>	<u>19,246</u>
Operating Income (Loss)	<u>739</u>	<u>(628)</u>	<u>456</u>	<u>567</u>	<u>(2,583)</u>
Nonoperating Revenues (Expenses):					
Investment Income	26	6	13	45	59
Insurance Recoveries	-	-	-	-	279
Gain or (Loss) from Sale of Capital Assets	(152)	(4)	52	(104)	-
Total Nonoperating Revenues (Expenses)	<u>(126)</u>	<u>2</u>	<u>65</u>	<u>(59)</u>	<u>338</u>
Income (Loss) Before Contributions and Transfers	613	(626)	521	508	(2,245)
Capital Contributions	-	2,615	-	2,615	-
Transfers (Out)	(419)	(2)	(248)	(669)	(18)
Change in Net Position	194	1,987	273	2,454	(2,263)
Net Position - Beginning, as Restated	26,495	19,625	2,431	48,551	5,013
Net Position - Ending	<u>\$ 26,689</u>	<u>\$ 21,612</u>	<u>\$ 2,704</u>	<u>\$ 51,005</u>	<u>\$ 2,750</u>

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

CITY OF KISSIMMEE, FLORIDA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For The Year Ended September 30, 2018
(In Thousands)

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Stormwater	Airport	Solid Waste	Total	
Cash Flows from Operating Activities					
Receipts from Customers and Users	\$ 5,288	\$ 890	\$ 5,120	\$ 11,298	\$ 16,997
Payments to Suppliers	(884)	(108)	(2,295)	(3,287)	(15,822)
Payments to Employees	(2,242)	(557)	(1,869)	(4,668)	(2,594)
Net Cash Provided (Used) by Operating Activities	2,162	225	956	3,343	(1,419)
Cash Flows from Noncapital Financing Activities					
Transfers (to) Other Funds	(419)	(2)	(248)	(669)	(18)
Transfers from Other Funds	-	-	-	-	-
Net Cash Provided (Used) by Noncapital Financing Activities	(419)	(2)	(248)	(669)	(18)
Cash Flows from Capital and Related Financing Activities					
Acquisition/Construction of Capital Assets	(1,051)	(2,750)	(710)	(4,511)	(297)
Capital Contributions	-	2,262	-	2,262	-
Proceeds from Insurance Recoveries	-	-	-	-	279
Proceeds from Sale of Capital Assets	(2)	1	52	51	-
Net Cash Provided (Used) by Capital and Related Financing Activities	(1,053)	(487)	(658)	(2,198)	(18)
Cash Flows from Investing Activities					
Gain on Investments	26	6	13	45	59
Net Cash Provided (Used) by Investing Activities	26	6	13	45	59
Net Increase (Decrease) in Cash and Cash Equivalents	716	(258)	63	521	(1,396)
Cash and Cash Equivalents at Beginning of Year	2,176	826	1,261	4,263	7,206
Cash and Cash Equivalents at End of Year	\$ 2,892	\$ 568	\$ 1,324	\$ 4,784	\$ 5,810

Continued

CITY OF KISSIMMEE, FLORIDA
STATEMENT OF CASH FLOWS - Continued
PROPRIETARY FUNDS
For The Year Ended September 30, 2018
(In Thousands)

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Stormwater	Airport	Solid Waste	Total	
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities					
Operating Income (Loss)	\$ 739	\$ (628)	\$ 456	\$ 567	\$ (2,583)
Depreciation	1,060	648	415	2,123	359
Change in Assets and Liabilities:					
(Increase) Decrease in Accounts Receivable	68	(42)	115	141	-
(Increase) Decrease in Due from Other Governments	-	-	-	-	(181)
(Increase) Decrease in Due from KUA	-	-	(6)	(6)	-
(Increase) Decrease in Due from TWA	-	-	(4)	(4)	514
(Increase) Decrease in Inventories	-	-	-	-	9
(Increase) Decrease in Deferred Outflows OPE	(3)	(1)	(3)	(7)	(5)
(Increase) Decrease in Deferred Outflows Pens	(37)	(9)	(28)	(74)	(43)
Increase (Decrease) in Accounts Payable	276	232	(34)	474	(17)
Increase (Decrease) in Customer Deposits	-	-	-	-	-
Increase (Decrease) in Accrued Liabilities	-	5	-	5	-
Increase (Decrease) in OPEB	9	3	8	20	16
Increase (Decrease) in Compensated Absences	2	4	(1)	5	(3)
Increase (Decrease) in Claims Payable	-	-	-	-	457
Increase (Decrease) in Net Pension Liability	81	20	62	163	92
Increase (Decrease) in Deferred Inflows OPEB	8	3	7	18	13
Increase (Decrease) in Deferred Inflows Pensis	(41)	(10)	(31)	(82)	(47)
Total Adjustments	1,423	853	500	2,776	1,164
Net Cash Provided (Used) by Operating Activities	\$ 2,162	\$ 225	\$ 956	\$ 3,343	\$ (1,419)

There are no noncash investing, capital, and financing activities in the Proprietary Funds.

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

CITY OF KISSIMMEE, FLORIDA
STATEMENT OF FIDUCIARY NET POSITION
PENSION TRUST FUNDS
September 30, 2018
(In Thousands)

ASSETS

Cash and Cash Equivalents	\$	4,076
Receivables:		
Interest Receivable		216
Total Receivables		216
Investments, at Fair Value:		
Fixed Income		42,673
Equities		100,860
Mutual Funds		61,545
Commingled Funds		12,609
Total Investments		217,687
Total Assets		221,979

Net Position Restricted for Pension Benefits	\$	221,979
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The notes to the financial statements are an integral part of the financial statements.

CITY OF KISSIMMEE, FLORIDA
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
PENSION TRUST FUNDS
For The Year Ended September 30, 2018
(In Thousands)

ADDITIONS

Contributions:	
Employer	\$ 6,656
Plan Members	1,319
State	1,124
Total Contributions	9,099
Investment earnings:	
Net increase (decrease) in fair value of investments	11,770
Interest and dividends	6,391
Total Investment Earnings	18,161
Less Investment Expense ¹	1,104
Net Investment Earnings	17,057
Other	1,553
Total Additions	27,709

DEDUCTIONS

Benefits	13,134
Administrative Expense	156
Total Deductions	13,290

Change in Net Position	14,419
Net Position - Beginning of Year	207,560
Net Position - End of Year	\$ 221,979

¹ Investment related expenses include investment advisory, custodial and performance monitoring fees.

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

CITY OF KISSIMMEE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
September 30, 2018

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CITY OF KISSIMMEE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
September 30, 2018

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NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the City of Kissimmee, Florida (the “City”) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. Significant City accounting policies are described below.

A. The Reporting Entity

The City was established pursuant to 65-1775 laws of Florida. The legislative branch of the City is composed of a five (5) member elected Commission, including a city-wide elected mayor. The City Commission is governed by the City Charter, and by state and local laws and regulations. The City Commission is responsible for the establishment and adoption of policy. The execution of such policy is the responsibility of the Commission-appointed City Manager.

The accompanying financial statements present the City and its component unit, an entity for which the City is considered to be financially accountable. A blended component unit, although legally separate, is in substance, part of the City’s operations. The City has only one blended component unit, the Community Redevelopment Agency (the “CRA”). For financial reporting purposes, the CRA is reported as if it were a part of the City’s operations. The CRA is an incremental taxing district created by City Ordinance #1893, in April of 1993, pursuant to Florida Statute 163.356. The City Commission serves as the governing board, approves the budget, provides funding and performs all accounting functions for the CRA. The CRA’s services are provided exclusively to the City. The CRA has been presented as a blended component unit classified as a special revenue fund. The City has no discretely presented component units.

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 nonfiduciary activities of the primary government and its component unit. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support. The Statement of Activities demonstrates the degree to which the direct expenses and indirect costs of a given function, or segment, are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Indirect expenses* are those costs that are allocated to functions and activities in accordance with the City’s adopted indirect cost allocation plan. The “Expenses” column includes both direct and indirect expenses. *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 properly not included among program revenues are reported instead as *general revenues*.

Separate fund financial statements are provided for governmental funds, enterprise funds, internal service funds and the pension trust funds. The pension trust funds are excluded from the government-wide financial statements. Major individual governmental and enterprise funds are reported as separate columns in the fund financial statements. The internal service funds are grouped together and shown alongside the enterprise funds. The internal service funds are combined with the governmental funds to aggregate governmental activities in the government-wide financial statements.

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

1. Government-wide 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 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. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

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. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes.

2. Fund Financial Statements

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

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

The City reports the following major governmental funds:

- The *General Fund* is the City's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.
- The *Community Redevelopment Agency Fund* is a special revenue fund used to account for operations of the Community Redevelopment Agency (CRA). Costs will ultimately be funded with restricted incremental tax increases of property located within the CRA.
- The *Shingle Creek Regional Trail* fund is a special revenue fund used to account for the revenues and expenditures related to the LAP Agreement with the FDOT to provide the construction of the Shingle Creek Regional Trail.
- The *2016 Revenue Note Debt Service* fund is a debt service fund used to account for the proceeds and refunding payments from the 2016 Refunding Revenue Note.
- The *2016 Revenue Note Capital Projects* fund is a capital projects fund used to account for the capital improvement projects funded from the 2016 Refunding Revenue Note proceeds.

The City reports the following major enterprise funds:

- The *Stormwater Fund* accounts for the fiscal activities of the City's stormwater operations and maintenance.
- The *Airport Fund* accounts for the fiscal activities of the City's airport operations and maintenance.
- The *Solid Waste Fund* accounts for the fiscal activities of the City's solid waste removal service operations.

Additionally, the City reports the following fund types:

- *Special Revenue Funds* account for the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes.
- *Debt Service Funds* account for financial resources that are restricted, committed, or assigned to expenditure for principal and interest.
- *Capital Projects Funds* account for financial resources that are restricted, committed, or assigned to expenditure for capital outlays (excluding proprietary fund capital outlays).
- *Internal Service Funds* account for certain activities of the City's centralized services and risk management program. Centralized services include information technology, purchasing, warehouse, garage, building maintenance, and printing. Risk management activities include legal expenses incurred related to activities not specifically covered by City insurance policies and collections of settlements or refunds from related cases.
- *Pension Trust Funds* account for the activities of the City's General Employees', Police Officers', and Firefighters' Pension Plans, which accumulate resources for pension benefit payments to qualified employees.

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the City's enterprise funds and of the City's internal service funds are charges to customers for sales and services. Operating expenses for the enterprise funds and internal service funds include the cost of sales and services, administrative expenses, claims expense, and depreciation on capital assets. All revenues and expenses not meeting these definitions are reported as nonoperating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the City's policy to use unrestricted resources first, and then restricted resources, as they are needed for their intended purposes. For unrestricted resources, the City considers that committed amounts would be reduced first, followed by assigned amounts, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used.

D. Budgetary Requirements

The following procedures are used to establish the budgetary data reflected in the financial statements pursuant to Florida Statutes and the City Charter:

- 1) The City Manager submits to the City Commission a proposed operating budget for the fiscal year commencing the following October 1. Work sessions are held to review the proposed budget.
- 2) Public hearings are held to obtain taxpayer comments.
- 3) Prior to October 1, the City Commission conducts the final budget hearing to consider additional public comments and to adopt the final ad valorem millage and final budget.
- 4) Budgets are legally adopted and formal budgetary integration is employed as a management control device during the year for the general fund, certain special revenue funds, certain debt service funds, and all capital projects funds. Budgets are not adopted for the Pension Trust Funds and Police and Firefighters Premium Tax Fund, Kissimmee Pedestrian Bridge, Section 8 HAPP Fund, and Supplementary Care special revenue funds.
- 5) Budgets for the governmental funds are adopted on a basis consistent with generally accepted accounting principles (GAAP).
- 6) The City Manager is authorized to approve transfers between line items other than salary accounts within any department, with all such adjustments reported on a monthly basis to the City Commission. However, the City Manager can approve transfers of unused amounts in salary account line items to advertising, recruiting and/or professional service account line items. Transfers between departments, other transfers between salary account line items and changes in total budget appropriations for a fund must have prior approval of the City Commission. During the current fiscal year, various appropriations were approved in accordance with this policy. Budgeted amounts shown in the financial statements are as originally adopted and as further amended.
- 7) Budget appropriations lapse at year-end. Encumbrances outstanding at year-end are charged against the ensuing year's budget, and thus are not shown in budget to actual presentations and are carried forward.

E. Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, demand deposits, certificates of deposit, money market accounts, savings accounts, investments in the State Board of Administration (SBA) Florida PRIME (Florida PRIME), and highly liquid investments (including restricted assets) with a maturity of three months or less when purchased.

F. Investments

Investments are stated at fair value, with the exception of the investments with Florida PRIME, which are reported at amortized cost in accordance with GASB Statement No. 79, *Certain External Investment Pools and Pool Participants*. GASB Statement No. 79 establishes criteria for an external investment pool to qualify for making the election to measure all of its investments at amortized cost for financial reporting purposes. The City's investments in the Florida PRIME are similar to money market funds in which units are owned in the fund rather than the underlying investments. There are no limitations or restrictions on withdrawals from Florida PRIME; although in the occurrence of an event that has a material impact on liquidity or operations of the trust fund, the fund's executive director may limit contributions to or withdrawals from the trust fund for a period of 48 hours.

G. Receivables

Property Taxes Receivable

Under Florida law, the assessment of all properties and the collection of all county, municipal and school board property taxes are consolidated in the offices of the County Property Appraiser and County Tax Collector. The laws of the State regulating tax assessments are also designed to assure a consistent property valuation method statewide. State Statutes permit municipalities to levy property taxes at a rate of up to 10 mills. The City's millage for the fiscal year 2017-2018 is 4.6253 mills. All real and tangible personal property taxes are due and payable on the levy date of November 1 of each year or as soon thereafter as the assessment roll is certified by the Osceola County Property Appraiser (levy date). Osceola County mails to each property owner on the assessment roll a notice of the taxes due and the County also collects the taxes for the City. Taxes may be paid upon receipt of such notice from the County, with discounts at the rate of four percent (4%) if paid in the month of November, three percent (3%) if paid in the month of December, two percent (2%) if paid in the month of January, and one percent (1%) if paid in the month of February.

Taxes paid during the month of March are without discount and all unpaid taxes on real and tangible property become delinquent on April 1 (the lien date) of the year following the year in which taxes were assessed. Procedures for collecting delinquent taxes, including applicable tax certificate sales, are provided for by the Laws of Florida.

Special Assessments Receivable

Special assessments receivable are recorded at the time the related project is completed and are secured by liens on the property benefited. Revenue in governmental funds is deferred until such time it becomes an available, spendable or appropriable resource. Special assessment revenues are recorded in the government-wide and enterprise fund financial statements when earned.

H. Inventories and Prepays

Inventories are valued at cost using the first-in/first-out (FIFO) method. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased. Prepays represent payments made to vendors for services that will benefit the City beyond September 30, 2018. These payments are recorded as expenditures or expenses when consumed rather than when purchased.

I. Restricted Assets

Restricted cash and cash equivalents of governmental funds arise from provisions within revenue bonds issued by the City and are so designated on the statement of net position and balance sheets of governmental funds.

J. Capital Assets

Capital assets include property, plant, equipment, intangibles, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), and are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Property, plant, equipment, and intangibles with initial, individual costs that equal or exceed one thousand dollars and estimated useful lives of over one year are recorded as capital assets. Infrastructure is capitalized when the initial costs equal or exceed \$25 and has an estimated useful life of more than one year. Capital assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

CITY OF KISSIMMEE, FLORIDA
NOTES TO FINANCIAL STATEMENTS – Continued
 September 30, 2018
(In Thousands)

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. Infrastructure capital assets are included in improvements other than buildings for financial statement classification.

Intangibles assets are amortized over their useful lives, when the length of their lives is limited by contractual or legal limitations. Buildings, improvements, infrastructure, and equipment are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings	25
Improvements Other than Buildings	4-12
Infrastructure	20-50
Equipment	5-20

K. Bond/Note Issuance Costs

These costs are charged to current expenditures/expenses when bonds are issued.

L. Compensated Absences

City policy allows each employee to accumulate up to three times the accrual rate, ranging from 30 to 60 days of vacation leave. Time accrued beyond that is forfeited unless an exception is granted by the City Manager. The majority of employees utilize their annual accrual of vacation leave during the year accrued. Employees are allowed to accumulate up to 60 days of medical leave. Time accrued beyond that is paid to the employees every year at the rate of one-half their pay rate. The City records compensated absences in governmental funds, only if they have matured, as expenditures for the amount accrued during the year that would normally be liquidated with expendable, available financial resources. The City accrues compensated absences in the period they are earned in the government-wide and enterprise fund financial statements.

M. Total Other Postemployment Benefits (OPEB) Liability

The total OPEB liability of the City Other Postemployment Benefits Plan (the OPEB Plan) has been determined using the flow of economic resources measurement focus and full accrual basis of accounting in accordance with GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*. This includes for purposes of measuring the total OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB benefits, and OPEB expense. Current payroll costs are used as a basis to allocate deferred elements, total OPEB liability, and OPEB expense. Benefit payments are recognized when due and payable in accordance with the benefit terms. The plan is not administered through a trust.

N. Unearned Revenue

Unearned revenue in the governmental funds represent paving assessment receivables and grant receivables that are measurable but the revenue was unearned.

O. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City has two items that qualify for reporting in this category. In the statement of net position, the deferred outflow for pensions is an aggregate of items related to pensions and the deferred outflow for

OPEB is an aggregate of items related to OPEB. The deferred outflows related to pensions and OPEB will be recognized as either expense or a reduction in the related liability in future reporting years. Details on the composition of the deferred outflows related to pensions and OPEB are further discussed in the Notes. In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. In the statement of net position, the deferred inflow for pensions is an aggregate of items related to pensions and the deferred inflows for OPEB is an aggregate of items related to OPEB. The deferred inflows related to pensions and OPEB will be recognized as reductions to expense in future reporting years. Details on the composition of the deferred inflows related to pensions and OPEB are further discussed in Notes 8 and 9.

P. Pensions/Net Pension Liability

In the government-wide financial statements and also the proprietary funds statements, net pension liability represents the present value of projected benefit payments to be provided through the cost-sharing and single employer pension plans to current active and inactive employees that is attributed to those employees' past periods of service (total pension liability), less the amount of the pension plan's fiduciary net position. For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pension plans, and pension expense, information about the fiduciary net position and additions to/deductions from fiduciary net position have been determined on the same basis as they are reported by the plans. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. Current contributions are used as a basis to allocate deferred elements, net pension liability, and pension expense.

Q. Contributions

Contributions consist primarily of donations from federal and state aid programs. Contributions are recognized when earned or when legal title is transferred to the City for contributed capital assets.

R. Fund Balances

The City classified governmental fund balances as follows:

- Nonspendable Fund Balance - represents fund balance that is (a) not in a spendable form such as prepaid items or (b) legally or contractually required to be maintained intact such as an endowment.
- Restricted Fund Balance - consists of amounts that can be spent only on the specific purposes stipulated by law or by the external providers of those resources.
- Committed Fund Balance - self-imposed limitations set in place prior to the end of the fiscal period. These amounts can be used only for the specific purposes determined by a formal action of the City Commission, which is the highest level of decision-making authority, and that require the same level of formal action to remove the constraint. The City Commission can establish, modify or rescind committed fund balance through the formal approval of an ordinance.
- Assigned Fund Balance - amounts that are subject to a purpose constraint that represents an intended use established by the City Commission or by their designated body or official. The City Manager was appointed with the authority to assign fund balance through the City Commission's approval of the City's fund balance policy. Formal action is *not* necessary to impose, remove, or modify a constraint in assigned fund balance. Additionally, this category is used to reflect the appropriation of a portion of existing fund balance to eliminate a projected deficit in the subsequent year's budget.

CITY OF KISSIMMEE, FLORIDA
NOTES TO FINANCIAL STATEMENTS – Continued
September 30, 2018
(In Thousands)

- Unassigned Fund Balance - represents the residual classification or fund balance and includes all spendable amounts not contained within the other classifications of the General Fund. Unassigned fund balances may also include negative balances for any governmental fund if expenditures exceed amounts restricted, committed, or assigned for those specific purposes. Currently, the Shingle Creek Regional Trail Fund, the Community Development Block Grant, and the W Oak Street Improvement Grant have negative unassigned fund balance.

S. Net Position Restricted by Enabling Legislation

In the government-wide financial statements, governmental activities report restricted net position of \$26,878, of which management has determined \$5,523 for building code enforcement is restricted by enabling legislation.

T. Tax Abatements

GASB Statement No. 77, *Tax Abatement Disclosures*, requires disclosure of tax abatement information about the City's tax abatement agreements and those entered by other governments that would reduce the City's tax revenues. The City has evaluated this statement and has determined no agreements meet the criteria to be disclosed.

NOTE 2 – DEPOSITS AND INVESTMENTS

Deposits

Deposits consist of demand accounts (interest and non-interest bearing). All deposits with financial institutions were 100% insured by Federal depository insurance or by collateral pursuant to the Public Depository Security Act of the State of Florida. The bank balance of demand accounts was \$8,784. The carrying amount of the demand deposits, cash with fiscal agent, and cash on hand at September 30, 2018 was \$9,141 due to timing of transactions.

Investments

The City's investment policy is governed by local resolution and bond covenants. Allowable investments include: the SBA Florida PRIME; negotiable direct obligations, or obligations the principal and interest of which are unconditionally guaranteed by the United States government; bonds, debentures, notes or other evidence of indebtedness issued or guaranteed by United States agencies, provided such obligations are backed by the full faith and credit of the United States Government; bonds, debentures, notes or other evidence of indebtedness issued or guaranteed by United States Government agencies which are not full faith and credit agencies; repurchase agreements; bankers' acceptances; commercial paper; state and/or local government taxable and tax-exempt debt; and fixed income mutual funds. In addition, the City's retirement plans may invest in corporate bonds and stocks as well as limited partnerships.

The City categorizes the fair value measurements of its investments based on the hierarchy established by GASB Statement No. 72, *Fair Value Measurement and Application*. The hierarchy has three levels based on the valuation inputs used to measure an asset's fair value: Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs. GASB 72 allows for the use of quoted prices provided by third parties. The City uses quoted prices provided by its third-party custodians for its pension trust funds.

CITY OF KISSIMMEE, FLORIDA
NOTES TO FINANCIAL STATEMENTS – Continued
September 30, 2018
(In Thousands)

The following is a summary of the City's pooled investments (including the Pension Trust Funds) at September 30, 2018. The valuation method for investments measured at the net asset value (NAV) per share (or its equivalent) is also presented.

<u>Measured using the net asset value:</u>	<u>Fair Value</u>	<u>Weighted Average</u>	
		<u>Maturity (Yrs)</u>	<u>Credit Rating</u>
FLGIT Short Term Bond Fund	\$ 20,254	1.94	Fitch AA+/S1
FL FIT Enhanced Cash	7,244	0.75	S&P AA+/S1
FL FIT 1-3 Year	30,545	2.22	S&P AA+/S1
Total fair value investments	58,043		
<u>Measured at amortized cost:</u>			
Florida PRIME	20,240	33 days	S&P AA+
Total City investments	\$ 78,283		

<u>Investments measured at NAV</u>	<u>Fair Value</u>	<u>Unfunded</u>	
		<u>Fair Value</u>	<u>Commitments</u>
FLGIT Short Term Bond Fund	\$ 20,254	\$ -	-
FL FIT Enhanced Cash	7,244	-	-
FL FIT 1-3 Year	30,545	-	-

For investments in the FL FIT, there is no limitation or restriction on participant withdrawals, and the Trust has not put in place a redemption gate. The FL FIT Enhanced Cash investments consist of money market mutual funds, FDIC deposits, U.S. treasury bonds, U.S. government agency bonds, commercial paper, and corporate bonds. The FL FIT 1-3 Year investments consist primarily of CMOs, government agency and U.S. treasury bonds, corporate bonds, and money market and FDIC insured deposits. Fair value of the investments is determined daily for calculation of the pool participants' net asset value.

For investments in the FLGIT Short Term Bond Fund, there is no limitation or restriction on participant withdrawals, and there is no redemption gate in place. The FLGIT investments consist primarily of U.S. treasury notes, U.S. Government agency notes, asset-backed securities, corporate bonds, and municipal bonds.

	<u>General Employees' Pension</u>			<u>Police Officers' Pension</u>		<u>Firefighters' Pension</u>	
	<u>Quoted</u>	<u>Observ</u>	<u>Unobserv</u>	<u>Quoted</u>	<u>Observ</u>	<u>Quoted</u>	<u>Observ</u>
	<u>Prices</u>	<u>Input</u>	<u>Input</u>	<u>Prices</u>	<u>Input</u>	<u>Prices</u>	<u>Input</u>
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 1</u>	<u>Level 2</u>
Fixed Income	\$ 11,402	\$ 12,097	\$ -	\$ -	\$ 15,559	\$ -	\$ 3,060
Equities	75,705	804	-	8,493	11,974	3,611	-
Mutual Funds	-	9,629	-	18,074	-	22,824	5,887
Commingled Funds & Real Estate	-	-	6,005	2,500	6,813	1,242	2,008
Total Investments	\$ 87,107	\$ 22,530	\$ 6,005	\$ 29,067	\$ 34,346	\$ 27,677	\$ 10,955
Money Market	1,610			1,959		507	
Total Investment Fair Values	\$ 117,252			\$ 65,372		\$ 39,139	

As mentioned previously, for the City's pension trust fund investments, quoted prices provided by its third-party custodians are used. Debt securities classified in Level 2 are valued using a matrix pricing model. Real estate investments in Level 3 are valued using discounted cash flow techniques.

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Interest Rate Risk - To mitigate interest rate risk, the City's investment policy requires that the investment portfolio structure maturities to meet the City's cash needs for ongoing operations and that operating funds be invested primarily in short-term securities. Of the City's investments outstanding at year-end, all of them have maturities less than three years. The City's policy requires that investments have maturities that match known cash needs and anticipated cash-flow requirements.

For the City's General Employees' Pension investments, the weighted average maturity (in years) for Eaton Vance is 7.79, Pimco Diversified Fund (PDIIIX) is 8.99, and Vanguard Inflation Protected (VAIPX) is 8.30. For the City's Police Officers' Pension investments, the weighted average maturity (in years) for Galliard Intermediate Core is 5.39, Pimco Diversified Fund (PDIIIX) is 8.99, and Vanguard Inflation Protected (VAIPX) is 8.30. For the City's Firefighters' Pension investments, the weighted average maturity (in years) for their collective portfolio is 9.37.

Credit Risk – To mitigate credit risk, the City's investment policy limits the minimum credit quality rating of investments, as rated by nationally recognized statistical rating organizations (NRSROs). The City primarily invests in U.S. government securities, mutual funds, corporate stocks, corporate bonds, and overnight repurchase agreements. Money market accounts are held with qualified public depositories who meet the State of Florida requirements.

Custodial Risk – To mitigate custodial risk, broker/dealers must meet established capital requirements as set forth by the Securities Exchange Commission, be registered in the State of Florida, provide proof of registration, complete a broker/dealer questionnaire, certify understanding of the City's investment policy, and provide a copy of the most recent audit report. The City's investment policy does not place any limits on the amount allowed to be held by counterparties.

Concentration of Credit Risk – The City's investment policy requires that investments be diversified by security type and institution. No more than 50% of the City's funds will be invested with the same issuer, dealer or banking institution and no more than 20% of the City's funds will be invested beyond five years in any security with the same maturity date.

A reconciliation of the City's cash and investments to the financial statements is as follows:

	<u>City</u>
Cash in Bank and On Hand	\$ 9,141
Investments	78,283
	<u>87,424</u>
Cash and Cash Equivalents	60,510
Restricted Cash and Investments	26,914
	<u>\$ 87,424</u>

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NOTE 3 – RECEIVABLES

The following is a detail listing of receivables for the City's individual major funds and the aggregate of nonmajor funds at September 30, 2018. Special assessment receivables are secured by liens placed on benefited properties at the time of the original assessment.

Description	General	Stormwater	Airport	Solid Waste	Nonmajor and Internal		Total
					Service Funds	Pension Funds	
Accounts	\$ 9,300	\$ 381	\$ 106	\$ 483	\$ 36	\$ -	\$ 10,306
Interest	-	-	-	-	-	277	277
Special assessments	28	-	-	-	-	-	28
	9,328	381	106	483	36	277	10,611
Less: Allowance for uncollectibles	(5,822)	-	-	-	-	-	(5,822)
	<u>\$ 3,506</u>	<u>\$ 381</u>	<u>\$ 106</u>	<u>\$ 483</u>	<u>\$ 36</u>	<u>\$ 277</u>	<u>\$ 4,789</u>

NOTE 4 – INTERFUND ACCOUNTS

Individual interfund receivables, payables and transfers with a description of their purpose at September 30, 2018 are:

	<u>Due From</u>	<u>Due To</u>	Purpose
General Fund	\$ 760	\$ -	To cover negative pooled cash position of Funds
Shingle Creek Regional Trail	-	452	To cover negative pooled cash position of Funds
Nonmajor Funds:			
Special Revenue Funds	-	308	To cover negative pooled cash position of Funds
	<u>\$ 760</u>	<u>\$ 760</u>	
	<u>Transfer In</u>	<u>Transfers Out</u>	Purpose
General Fund	\$ 1,200	\$ 2,380	Transfer to cover debt service payments
Shingle Creek Regional Trail	119	-	Transfer for project expenditures
Community Redevelopment Agency	713	643	Transfer to cover debt service and tax increment funds
2016 Revenue Note Debt Service	2,964	-	Transfer to cover debt service payments
Stormwater	-	419	Transfer to General Fund for PILOT
Airport	-	2	
Solid Waste	-	248	Transfer to General Fund for PILOT
Internal Service Funds	-	18	Building and software costs
Nonmajor Funds:			
Special Revenue Funds	1,349	6,514	Transfer for grant match funding and debt service
Debt Service Funds	3,879	-	Transfer to cover debt service payments
	<u>\$ 10,224</u>	<u>\$ 10,224</u>	

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NOTE 5 – CAPITAL ASSETS

A. Changes in Capital Assets

The following tables show the changes in capital assets by governmental activities and business-type activities. Also shown is a summary of depreciation and amortization expense by function:

Governmental Activities	Beginning Balance 10/01/2017 *	Increases	Decreases	Ending Balance 9/30/2018
Capital Assets, Not Being Depreciated:				
Land	\$ 29,169	\$ 9,968	\$ -	\$ 39,137
Construction In Progress	<u>26,383</u>	<u>7,077</u>	<u>(416)</u>	<u>33,044</u>
Total Capital Assets, Not Being Depreciated	<u>55,552</u>	<u>17,045</u>	<u>(416)</u>	<u>72,181</u>
Capital Assets, Being Amortized, Net:				
Software - Charter School	3	-	(1)	2
Software - Other City	595	5	-	600
Parking Capacity	<u>3,838</u>	<u>-</u>	<u>(940)</u>	<u>2,898</u>
Total Capital Assets Being Amortized, Net	<u>4,436</u>	<u>5</u>	<u>(941)</u>	<u>3,500</u>
Capital Assets, Being Depreciated:				
Buildings				
Charter School	1,208	-	-	1,208
Other City	10,215	6,628	-	16,843
Improvements other than buildings				
Charter School	133	32	-	165
Other City	167,821	3,851	(36)	171,636
Equipment				
Charter School	1,031	67	-	1,098
Other City	<u>29,480</u>	<u>4,135</u>	<u>(2,090)</u>	<u>31,525</u>
Total Capital Assets Being Depreciated	<u>209,888</u>	<u>14,713</u>	<u>(2,126)</u>	<u>222,475</u>
Less Accumulated Depreciation For:				
Buildings				
Charter School	(357)	(72)	-	(429)
Other City	(7,578)	(242)	-	(7,820)
Improvements other than buildings				
Charter School	(101)	(7)	-	(108)
Other City	(38,566)	(4,293)	19	(42,840)
Equipment				
Charter School	(835)	(62)	-	(897)
Other City	<u>(19,701)</u>	<u>(2,821)</u>	<u>2,007</u>	<u>(20,515)</u>
Total Accumulated Depreciation	<u>(67,138)</u>	<u>(7,497)</u>	<u>2,026</u>	<u>(72,609)</u>
Total Capital Assets, Being Depreciated, Net	<u>142,750</u>	<u>7,216</u>	<u>(100)</u>	<u>149,866</u>
Governmental Activities Capital Assets, Net	<u>\$ 202,738</u>	<u>\$ 24,266</u>	<u>\$ (1,457)</u>	<u>\$ 225,547</u>

* Beginning balance adjusted to reflect effect of prior period correction.

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Business-type Activities	Beginning Balance 10/01/2017 *	Increases	Decreases	Ending Balance 9/30/2018
Stormwater Fund				
Capital Assets, Not Being Depreciated:				
Land	\$ 1,583	\$ -	\$ -	\$ 1,583
Construction In Progress	-	604	-	604
Total Capital Assets, Not Being Depreciated:	<u>1,583</u>	<u>604</u>	<u>-</u>	<u>2,187</u>
Capital Assets, Being Amortized, Net:				
Software	49	(3)	-	46
Total Capital Assets, Being Amortized, Net	<u>49</u>	<u>(3)</u>	<u>-</u>	<u>46</u>
Capital Assets, Being Depreciated:				
Buildings	509	-	-	509
Improvements other than Buildings	26,300	-	-	26,300
Equipment	5,654	518	(683)	5,489
Total Capital Assets Being Depreciated	<u>32,463</u>	<u>518</u>	<u>(683)</u>	<u>32,298</u>
Less Accumulated Depreciation For:				
Buildings	(325)	(21)	-	(346)
Improvements other than Buildings	(5,319)	(527)	-	(5,846)
Equipment	(3,040)	(509)	531	(3,018)
Total Accumulated Depreciation	<u>(8,684)</u>	<u>(1,057)</u>	<u>531</u>	<u>(9,210)</u>
Total Capital Assets, Being Depreciated, Net	<u>23,779</u>	<u>(539)</u>	<u>(152)</u>	<u>23,088</u>
Solid Waste Fund Capital Assets, Net	<u>\$ 25,411</u>	<u>\$ 62</u>	<u>\$ (152)</u>	<u>\$ 25,321</u>
Airport Fund				
Capital Assets, Not Being Depreciated:				
Land	\$ 309	\$ -	\$ -	\$ 309
Construction In Progress	2,795	-	-	2,795
Total Capital Assets, Not Being Depreciated	<u>3,104</u>	<u>-</u>	<u>-</u>	<u>3,104</u>
Capital Assets, Being Amortized, Net:				
Software	202	-	(5)	197
Total Capital Assets, Being Amortized, Net	<u>202</u>	<u>-</u>	<u>(5)</u>	<u>197</u>
Capital Assets, Being Depreciated:				
Buildings	11,146	14	-	11,160
Improvements other than Buildings	13,247	2,723	-	15,970
Equipment	792	13	(18)	787
Total Capital Assets Being Depreciated	<u>25,185</u>	<u>2,750</u>	<u>(18)</u>	<u>27,917</u>
Less Accumulated Depreciation For:				
Buildings	(6,354)	(303)	-	(6,657)
Improvements other than Buildings	(2,531)	(302)	-	(2,833)
Equipment	(584)	(43)	18	(609)
Total Accumulated Depreciation	<u>(9,469)</u>	<u>(648)</u>	<u>18</u>	<u>(10,099)</u>
Total Capital Assets, Being Depreciated, Net	<u>15,716</u>	<u>2,102</u>	<u>-</u>	<u>17,818</u>
Airport Fund Capital Assets, Net	<u>\$ 19,022</u>	<u>\$ 2,102</u>	<u>\$ (5)</u>	<u>\$ 21,119</u>

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	Beginning Balance 10/01/2017 *	Increases	Decreases	Ending Balance 9/30/2018
<u>Solid Waste Fund</u>				
Capital Assets, Not Being Depreciated:				
Construction In Progress	\$ -	\$ 73	\$ -	\$ 73
Total Capital Assets, Not Being Depreciated	<u>-</u>	<u>73</u>	<u>-</u>	<u>73</u>
Capital Assets, Being Depreciated:				
Buildings	\$ 407	\$ -	\$ -	\$ 407
Improvements other than Buildings	93	-	-	93
Equipment	<u>4,319</u>	<u>637</u>	<u>(24)</u>	<u>4,932</u>
Total Capital Assets Being Depreciated	<u>4,819</u>	<u>637</u>	<u>(24)</u>	<u>5,432</u>
Less Accumulated Depreciation For:				
Buildings	(269)	(15)	-	(284)
Improvements other than Buildings	(31)	(7)	-	(38)
Equipment	<u>(2,159)</u>	<u>(393)</u>	<u>24</u>	<u>(2,528)</u>
Total Accumulated Depreciation	<u>(2,459)</u>	<u>(415)</u>	<u>24</u>	<u>(2,850)</u>
Total Capital Assets, Being Depreciated, Net	<u>2,360</u>	<u>222</u>	<u>-</u>	<u>2,582</u>
Solid Waste Fund Capital Assets, Net	<u>\$ 2,360</u>	<u>\$ 295</u>	<u>\$ -</u>	<u>\$ 2,655</u>
<u>Total Business-type Activities</u>				
Capital Assets, Not Being Depreciated:				
Land	\$ 1,892	\$ -	\$ -	\$ 1,892
Construction In Progress	<u>2,795</u>	<u>677</u>	<u>-</u>	<u>3,472</u>
Total Capital Assets, Not Being Depreciated	<u>4,687</u>	<u>677</u>	<u>-</u>	<u>5,364</u>
Capital Assets, Being Amortized, Net:				
Software	<u>251</u>	<u>(3)</u>	<u>(5)</u>	<u>243</u>
Total Capital Assets, Being Amortized, Net	<u>251</u>	<u>(3)</u>	<u>(5)</u>	<u>243</u>
Capital Assets, Being Depreciated:				
Buildings	12,062	14	-	12,076
Improvements other than Buildings	39,640	2,723	-	42,363
Equipment	<u>10,765</u>	<u>1,168</u>	<u>(725)</u>	<u>11,208</u>
Total Capital Assets Being Depreciated	<u>62,467</u>	<u>3,905</u>	<u>(725)</u>	<u>65,647</u>
Less Accumulated Depreciation For:				
Buildings	(6,948)	(339)	-	(7,287)
Improvements other than Buildings	(7,881)	(836)	-	(8,717)
Equipment	<u>(5,783)</u>	<u>(945)</u>	<u>573</u>	<u>(6,155)</u>
Total Accumulated Depreciation	<u>(20,612)</u>	<u>(2,120)</u>	<u>573</u>	<u>(22,159)</u>
Total Capital Assets, Being Depreciated, Net	<u>41,855</u>	<u>1,785</u>	<u>(152)</u>	<u>43,488</u>
Total Business-type Activities, Net	<u>\$ 46,793</u>	<u>\$ 2,459</u>	<u>\$ (157)</u>	<u>\$ 49,095</u>

* Beginning balance adjusted to reflect effect of prior period correction.

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Governmental Activities:

Depreciation and Amortization Expense By Function

General Government	\$ 3,259
Public Safety	1,652
Transportation	1,299
Culture/Recreation	1,723
Capital assets held by the City's internal service funds are charged to the various functions based on their usage of the assets	<u>359</u>
Total Governmental Activities Depreciation and Amortization	<u>\$ 8,292</u>

Business-type Activities:

Depreciation Expense By Function

Stormwater	\$ 1,060
Airport	648
Solid Waste	<u>415</u>
	<u>\$ 2,123</u>

B. Net Capital Assets

The following is a summary of net capital assets as shown on the government-wide statement of net position:

	Governmental	Business-type	
	Activities	Activities	Total
Land	\$ 39,137	\$ 1,892	\$ 41,029
Software, net	602	243	845
Parking Capacity, net	2,898	-	2,898
Buildings	18,051	12,076	30,127
Improvements other than Buildings	171,801	42,363	214,164
Equipment	32,623	11,208	43,831
Construction in Progress	<u>33,044</u>	<u>3,472</u>	<u>36,516</u>
	298,156	71,254	369,410
Less: Accumulated Depreciation	<u>(72,609)</u>	<u>(22,159)</u>	<u>(94,768)</u>
Capital Assets, net	<u>\$ 225,547</u>	<u>\$ 49,095</u>	<u>\$ 274,642</u>

C. Construction Commitments

The following is a schedule of significant capital construction projects with remaining commitment amounts of greater than \$1 million as of September 30, 2018:

Projects	Spent-to-Date	Remaining Commitment
Oak Street Widening Improvements	\$ 14,453	\$ 1,473
Carroll Street Widening Improvements	22,377	5,560
Police and Fire Joint Training Range Facility	5,058	4,889
SCRT Phase 1B S Construction	<u>2,450</u>	<u>4,240</u>
Total	<u>\$ 44,338</u>	<u>\$ 16,162</u>

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NOTE 6 – INCOME FROM LEASED PROPERTY

The City is the lessor on various leases at the Airport. Assets available for lease consist primarily of land, land improvements and buildings. As of September 30, 2018, the book value of assets in these categories is \$11,469 with accumulated depreciation of \$6,657. The following is a schedule of minimum future lease income on non-cancellable operating leases:

Year	Amount
2019	\$ 661
2020	664
2021	633
2022	637
2023	608
After 2023	<u>21,640</u>
Total minimum lease income	<u>\$ 24,843</u>

Total income on non-cancellable operating leases for the year ended September 30, 2018 was \$806.

NOTE 7 – LONG-TERM LIABILITIES

A. Schedule of Changes in Long-term Liabilities

The City's outstanding long-term liabilities includes revenue bonds payable, notes payable, capital leases payable, net pension liability, claims payable, other postemployment benefits, and compensated absences. The following is a schedule of changes in the City's long-term liabilities for the fiscal year ended September 30, 2018:

	Balance			Balance			Due Within		Long-term	
	10/01/17 *			9/30/18			One Year		Portion	
	Balance	Additions	Reductions	Balance	Due Within	One Year	Due Within	One Year	Long-term	Portion
Governmental Activities:										
Notes Payable	\$ 35,715	\$ 6,220	\$ (2,685)	\$ 39,250	\$ 2,790	\$ 36,460				
Bonds Payable	41,484	-	(1,222)	40,262	1,259	39,003				
Bond Premium	4,677	-	(161)	4,516	-	4,516				
subtotal Bonds	<u>46,161</u>	<u>-</u>	<u>(1,383)</u>	<u>44,778</u>	<u>1,259</u>	<u>43,519</u>				
Capital Lease Payable	195	219	(237)	177	39	138				
Claims Payable	3,212	9,238	(8,781)	3,669	1,834	1,835				
Net Pension Liability	30,954	2,222	-	33,176	-	33,176				
Other Postemployment Benefits	6,395	442	(189)	6,648	299	6,349				
Compensated Absences	<u>1,982</u>	<u>2,265</u>	<u>(2,252)</u>	<u>1,995</u>	<u>399</u>	<u>1,596</u>				
Governmental Activity										
Long-term Liabilities	<u>\$ 124,614</u>	<u>\$ 20,606</u>	<u>\$ (15,527)</u>	<u>\$ 129,693</u>	<u>\$ 6,620</u>	<u>\$ 123,073</u>				
Business-type Activities:										
Net Pension Liability	\$ 2,038	\$ 163	\$ -	\$ 2,201	\$ -	\$ 2,201				
Other Postemployment Benefits	704	65	(45)	724	24	700				
Compensated Absences	<u>181</u>	<u>298</u>	<u>(293)</u>	<u>186</u>	<u>37</u>	<u>149</u>				
Business-type Activity										
Long-term Liabilities	<u>\$ 2,923</u>	<u>\$ 526</u>	<u>\$ (338)</u>	<u>\$ 3,111</u>	<u>\$ 61</u>	<u>\$ 3,050</u>				

* Beginning balance of OPEB Liability restated for implementation of GASB Statement No. 75.

Governmental activities' compensated absences, net pension liability and other postemployment benefits liability will be liquidated in future periods primarily by the General Fund and Central Services Fund.

CITY OF KISSIMMEE, FLORIDA
NOTES TO FINANCIAL STATEMENTS – Continued
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B. Debt Service Requirements

The following are the debt service requirements to maturity on the City's outstanding revenue bonds and notes payable:

Governmental Activities: Fiscal Year	Notes Payable		Bonds Payable		Total
	Principal	Interest	Principal	Interest	
2019	\$ 2,790	\$ 1,090	\$ 1,259	\$ 1,745	\$ 6,884
2020	2,885	1,019	1,295	1,695	6,894
2021	2,990	931	1,350	1,643	6,914
2022	14,050	839	1,403	1,575	17,867
2023	3,210	483	1,430	1,505	6,628
2024-2028	8,225	1,324	3,790	7,052	20,391
2029-2033	4,415	424	5,650	6,233	16,722
2034-2038	685	20	8,565	4,731	14,001
2039-2043	-	-	10,565	2,726	13,291
2044-2048	-	-	4,955	358	5,313
Total	\$ 39,250	\$ 6,130	\$ 40,262	\$ 29,263	\$ 114,905

C. Debt Defeasance and Refundings

The City advance refunds and/or defeases long-term debt primarily to reduce debt service requirements. Since U.S government securities are held in escrow for the payment of principal and interest on these bonds, they are not liabilities to the City and are not included in the City's financial statements. As of September 30, 2018, the City has no outstanding bonds issued by the City, which were funded in previous years by the placement of assets in an irrevocable trust to be used for satisfying debt service requirements:

D. Capital Leases

The City has capital leases outstanding at year-end. The gross cost of the equipment acquired with capital lease proceeds is \$3,223 for governmental activities. The following is a summary schedule of these capital lease obligations and their net present value.

Year Ending September 30	Governmental Activities
2019	\$ 39
2020	46
2021	46
2022	46
Total minimum lease payments	177
Less: amount representing interest	-
Present value of minimum lease payments	<u>\$ 177</u>

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E. Bonds and Notes Payable

The City has revenue bonds and notes outstanding at September 30, 2018. The revenue bonds and notes under governmental activities are secured by several pledged revenue sources. The following is a summary schedule of these long-term obligations of the City and their impact on those present and future pledged revenue sources:

<u>Governmental Activities:</u>	<u>Revenue Pledged</u>	<u>Amount Issued</u>	<u>Principal Outstanding</u>	<u>Total Pledged Revenue (1)</u>	<u>Future Pledged Revenue Over Debt Service Required (2)</u>	<u>Current Year Debt Srvc Paid</u>	<u>Current Year Total Revenue</u>
Revenue Notes:							
2010A Capital Improvement Refunding Note Maturity: 2023, Interest Rate: 2.61% Purpose: Refunding 2005 Series Note	Local option sales tax	\$ 9,500	\$ 4,230	\$ 4,642	11.2%	\$ 755	\$ 6,715
2010B Capital Improvement Revenue Note Maturity: 2025, Interest Rate: 2.79% Purpose: Road Improvements	Local option sales tax	8,000	4,675	5,212	8.9%	595	6,715
2010C Capital Improvement Revenue Note Maturity: 2030, Interest Rate: 2.69% Purpose: Road Improvements	N/A	4,000	2,955	3,508	N/A	190	N/A
2017 Commercial Paper Note Maturity: 2022, Interest Rate: Purpose: Various	N/A	10,950	10,950	11,997	N/A	-	N/A
2011B Capital Improvement Refunding Note Maturity: 2025, Interest Rate: 2.86% Purpose: Road Improvements	Local option sales tax	9,140	4,865	5,545	9.2%	620	6,715
2014 Capital Improvement Revenue Note Maturity: 2034, Interest Rate: 2.86% Purpose: Lakefront Park and Road Improvements	Local option sales tax	9,600	8,295	10,514	5.3%	355	6,715
2015B CRA Refunding Revenue Note Maturity: 2030, Interest Rate: 2.81% Purpose: Refund 2009 CRA Note	N/A	3,820	<u>3,280</u>	N/A	N/A	170	N/A
	Total Revenue Notes		<u>39,250</u>				

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<u>Governmental Activities:</u>	<u>Revenue Pledged</u>	<u>Amount Issued</u>	<u>Principal Outstanding</u>	<u>Total Pledged Revenue (1)</u>	<u>Future Pledged Revenue Over Debt Service Required (2)</u>	<u>Current Year Debt Srvc Paid</u>	<u>Current Year Total Revenue</u>
Revenue Bonds:							
2016 Capital Improvement Revenue Bonds Maturity: 2045, Interest Rate: 4.803% Purpose: Capital Improvements and Refunding	1/2 Cent Sales Tax, Public Serv & Comm Taxes	\$ 42,930	\$ 40,145	\$ 69,393	11.1%	\$ 1,185	\$ 10,727
Excise Tax Revenue Bonds, Series 1980 Maturity: 2019, Interest Rate: 5.00% Purpose: Refunding	Occupational License Tax	265	15	16	5.2%	14	271
Excise Tax Revenue Bonds, Series 1982 Maturity: 2022, Interest Rate: 5.00% Purpose: Refunding	Occupational License Tax	500	<u>102</u>	116	8.4%	23	271
	Total Revenue Bonds		<u>40,262</u>				
Total Revenue Notes and Bonds - Governmental Activities			<u>\$ 79,512</u>				

(1) Total pledged revenue is the total outstanding principal and interest.

(2) Future pledged revenue over debt service required is calculated using the current year total revenues for the remaining years of debt service.

(3) Total pledged infrastructure surtax for each outstanding debt issue is calculated based on its proportionate share of total annual debt service paid.

NOTE 8 – EMPLOYEE RETIREMENT SYSTEMS

The City administers three public employee retirement systems for all full-time employees. The employees of the Tohopekaliga Water Authority (TWA) also participate in the general employees' retirement plan. Actuarial studies were conducted on all three plans as of October 1, 2017. The City does not produce separately available financial reports for these pension plans. All required disclosures and financial data are contained in the City's Comprehensive Annual Financial Report.

A. Description of Plans

The City administers the general employees', municipal police officers', and municipal firefighters' retirement plans. The general employees' retirement plan is a multi-employer cost sharing defined benefit plan while the municipal police officers' and municipal firefighters' retirement plans are both single employer defined benefit plans. All three plans are established by ordinance pursuant to Florida Statutes. These plans provide retirement, disability, and death benefits to plan members and their beneficiaries. All three plans may be amended by ordinances adopted by the City Commission for benefits, funding policies, contribution requirements, investment policies and other plan administration changes. However, the City must adhere to the restrictions and limitations set forth in Florida Statutes for the police officers' and firefighters' pension plans.

Each plan has a board of trustees that is responsible for the proper operation of the plan. The general employees' board consists of seven trustees, two of whom shall be appointed by the City Manager, two of whom shall be members of the system and who shall be elected by a majority of the general employees who are employed by the City and who are members of the system, one of whom shall be appointed by the TWA executive director and one of whom shall be a member of the system and elected by a majority of the general employees who are employed by TWA and who are members of the system. The seventh trustee shall be chosen by a majority of the previous six.

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(In Thousands)

The police officers' and firefighters' boards consist of five trustees each, two of whom, unless otherwise prohibited by law, shall be legal residents of the City, who shall be appointed by the City Commission and two of whom shall be members of the system, who shall be elected by a majority of the police officers/firefighters who are members of the system. The fifth trustee shall be selected by a majority of the previous four trustees, and such person's name shall be submitted to the City Commission. Upon receipt of the fifth person's name, the City Commission shall, as a ministerial duty, appoint such person to the board of trustees as its fifth trustee.

B. Summary of Significant Accounting Policies

Basis of Accounting – The pension trust fund financial statements are prepared using the accrual basis of accounting. Plan member contributions are recognized in the period in which the contributions are due. Employer contributions to each plan are recognized when due and the employer has made a formal commitment to provide the contribution (i.e., the annual budget process). Benefits and refunds are recognized when due and payable in accordance with the terms of each plan. Costs of administering the plans are charged to the pension trust fund and factored into the City's contribution rate. Total net position in all three pension trust funds are held in trust for plan benefits.

Method Used to Value Investments – Investments are reported at fair value. Short-term investments are reported at amortized cost. Each pension plan board of trustees has the authority to establish and amend its investment policy. There were no investments in any one organization that represent 5 percent or more of plan total assets in any of the pension trust funds.

C. Membership and Contribution Information

Membership of each plan consisted of the following at October 1, 2017, the date of the latest actuarial valuations:

	Pension Plans		
	General Employees'	Police Officers'	Firefighters'
Inactive Plan Members or Beneficiaries Currently Receiving Benefits	294	110	76
Inactive Plan Members Entitled to but Not Yet Receiving Benefits	113	24	24
Active Plan Members	432	119	89
Total	839	253	189

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September 30, 2018
(In Thousands)

For the fiscal year ended September 30, 2018, the following plan provisions are listed below:

	Pension Plans		
	General Employees'	Police Officers'	Firefighters'
Required Plan Member Contribution	3.69% Tier 1 7.14% Tier 2	3.70% ¹	1.00% ²
Actuarial Cost Method	Entry Age Normal	Entry Age Normal	Entry Age Normal
Amortization Method	Level Dollar, closed	Level % of pay, closed	Level % of pay, closed
Remaining Amortization Period	14 Years	29 Years	29 Years
Asset Valuation Method	20% of the difference between FMV and expected actuarial value	4 yr smooth mkt	5 yr smooth mkt
Actuarial Assumptions:			
Investment rate of return	7.40%	7.50%	7.85%
Projected salary increases	4.00% to 6.50%	7.00%	Service based
Post retirement benefit increases	3.00%	3.50%	3.50%
Inflation and payroll growth	3.00%	2.5%, 1.48%	2.7%, 0.7% of UAAL
Cost-of-living adjustments	None	1% per year age 55 to 65	None

¹ 5.00% for Members hired after May 6, 2014

² 3.00% for Members hired after December 31, 2012

D. Benefits Provided

General Employees'

Retirement Age

Normal: A member may retire following age 60 with 10 years of credited service.

Early: A member may elect to retire early upon the attainment of age 55 with 10 years of credited service.

Retirement Benefits

Normal: Tier 1 Members: 2.8% of Average Final Compensation (AFC) multiplied by years of credited service up to a maximum of 30 years. Tier 2 Members: 3% of AFC multiplied by years of credited service up to a maximum of 30 years.

Early: The normal retirement benefit is reduced by 2% for each year before normal retirement.

Delayed: Benefit continues to accrue.

Termination Benefits

Less than five years of credited service-return of employee contributions. five years or more receive vested portion of accrued pension payable at age 60 or earlier, if contributions are left in the fund, or refund of contributions with interest, when applicable. Vested portion is as follows:

Service	Vested %
5 years	25%
6	40
7	55
8	70
9	85
10	100

CITY OF KISSIMMEE, FLORIDA
NOTES TO FINANCIAL STATEMENTS – Continued
 September 30, 2018
(In Thousands)

Disability

Any member with two or more years of service is eligible for service connected disability with a benefit taking into account compensation earned and service credited until the date of disability with a minimum equal to 42% of AFC. Any member with two or more years of service is eligible for a non-service connected disability with a benefit taking into account compensation earned and service credited until the date of disability with a minimum equal to 25% of AFC.

Death Benefits (Pre-Retirement)

Upon the death of a member with at least five years of credited service before early or normal retirement date, beneficiary will receive monthly income, payable in the form of a 10 year certain and life annuity, which can be provided by (a) or (b), whichever is greater, where: (a) is the single-sum value of the member's accrued pension, and (b) is the smaller of 24 times average compensation or 100 times the anticipated monthly normal retirement benefit.

Cost-of-Living Adjustment

There is no cost-of-living adjustment.

Deferred Retirement Option Program (DROP)

Members who continue in employment past normal retirement date may either accrue larger pensions or freeze their accrued benefit and enter the DROP. Each participant in the DROP has an account credited with benefits not received and investment earnings. The DROP period is 60 months, but no more than five years from the date of eligibility. The DROP balance as of September 30, 2018 is \$2,573.

Police Officers'

Retirement Age

Normal: Earlier of 1) Age 50 with 10 years of credited service or 2) the attainment of 25 years of credited service, regardless of age.

Early: Age 40 and 10 years of credited service. Age 40 with 15 years of credited service for members hired after May 6, 2014.

Retirement Benefits

Normal: 3.5% of the AFC for each year of service subject to a maximum of 100% of AFC. For members hired after May 6, 2014, 3% of AFC for each year of service subject to a maximum of 100% of AFC.

Early: Same as normal except reduced actuarially from Normal Retirement.

Delayed: Benefit continues to accrue.

Termination Benefits

Less than five years of credited service-return of employee contributions with 4.5% interest. Five years or more receive vested portion of accrued pension payable at age 50 or earlier, if contributions are left in the fund, or refund of contributions with interest. Vested portion is as follows:

<u>Service</u>	<u>Vested %</u>
5 years	25%
6	30
7	35
8	40
9	45
10	100

Members' hired after May 6, 2014 are 100% vested upon the completion of 10 years of credited service.

CITY OF KISSIMMEE, FLORIDA
NOTES TO FINANCIAL STATEMENTS – Continued
 September 30, 2018
(In Thousands)

Disability

All members are eligible for line of duty benefit; five years of credited service is needed for non-line of duty. Accrued pension benefit with a minimum of 42% of AFC if line of duty or 25% if non-line of duty. Under certain conditions, the minimum line of duty benefit is 80% of AFC.

Death Benefits (Pre-Retirement)

Upon the death of a member with at least five years of credited service before early or normal retirement date, beneficiary will receive monthly income, payable in the form of a 10 year certain and life annuity, which can be provided by (a) or (b), whichever is greater, where: (a) is the single-sum value of the member's accrued pension, and (b) is the smaller of 24 times average compensation or 100 times the anticipated monthly normal retirement benefit.

Cost-of-Living Adjustment (COLA)

Each retiree, beneficiary and disability retiree will receive a 1% increase in benefits each year on October 1st from age 55 to age 65.

Deferred Retirement Option Program (DROP)

Members who continue in employment past normal retirement date may either accrue larger pensions or freeze their accrued benefit and enter the DROP. Each participant in the DROP has an account credited with benefits not received and investment earnings. The DROP balance as of September 30, 2018 is \$1,138.

Firefighters'

Retirement Age

Normal: Earlier of 1) Age 50 with 10 years of credited service or 2) the attainment of 30 years of credited service, regardless of age. For members hired prior to January 1, 2013, the normal retirement date is the earlier of 1) Age of 50 and 10 years of credited service and 2) the completion of 25 years of credited service regardless of age.

Early: Age 50 and 10 years of credited service. Age 40 with 15 years of credited service for members hired prior to January 1, 2013.

Retirement Benefits

Normal: 3% of the AFC for each year of service, up to 30 years, and 2% for each year in excess of 30 years, subject to a maximum of 100% of AFC. Members hired prior to January 1, 2013, 3.23% of AFC for the first 30 years of credited service.

Early: Same as normal, reduced actuarially for commencement of benefits prior to the normal retirement date.

Delayed: Benefit continues to accrue.

Termination Benefits

Less than 10 years of credited service-return of employee contributions with 4.5% interest. 10 years or more receive vested portion of accrued pension payable at age 50 or earlier, if contributions are left in the fund, or refund of contributions with interest. Vested portion is as follows:

<u>Service</u>	<u>Vested %</u>
5 years	25%
6	30
7	35
8	40
9	45
10	100

CITY OF KISSIMMEE, FLORIDA
NOTES TO FINANCIAL STATEMENTS – Continued
September 30, 2018
(In Thousands)

Disability

All members are eligible for service connected disability benefit; five years of credited service is needed for non-service. Accrued pension benefit with a minimum of 42% of AFC if service connected or 25% if non-service.

Death Benefits (Pre-Retirement)

Upon the death of a member with at least five years of credited service before early or normal retirement date, beneficiary will receive monthly income, payable in the form of a 10 year certain and life annuity, which can be provided by (a) or (b), whichever is greater, where: (a) is the single-sum value of the member's accrued pension, and (b) is the smaller of 24 times average compensation or 100 times the anticipated monthly normal retirement benefit.

Cost-of-Living Adjustment

There is no cost-of-living adjustment

Deferred Retirement Option Program (DROP)

Members who continue in employment past normal retirement date may either accrue larger pensions or freeze their accrued benefit and enter the DROP. Each participant in the DROP has an account credited with benefits not received and investment earnings. The DROP balance as of September 30, 2018 is \$3,074.

E. Net Pension Liability of the Sponsor

The components of the net pension liability of the sponsor as of September 30, 2018 were as follows:

	Pension Plans		
	General*	Police	Firefighters'
	Employees'	Officers'	
Total Pension Liability	\$ 137,373	\$ 74,850	\$ 52,554
Plan Fiduciary Net Position	117,384	65,450	39,145
Sponsor's Net Pension Liability	19,989	9,400	13,409
Plan Fiduciary Net Position as a Percentage of			
Total Pension Liability	85.45%	87.44%	74.49%

* Information shown above is for the City and Toho combined

The total pension liability for all plans was determined by an actuarial valuation as of October 1, 2017 updated to September 30, 2018 using the following actuarial assumption applied to all measurement periods.

	Pension Plans		
	General	Police	Firefighters'
	Employees'	Officers'	
Inflation	3.00%	2.50%	2.70%
Salary Increases	4.00% to 6.50%	Service based	Service based
Investment Rate of Return	7.50%	7.50%	7.85%

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NOTES TO FINANCIAL STATEMENTS – Continued
September 30, 2018
(In Thousands)

Mortality rates for the General Employees' Fund were based on the RP-2000 Mortality Table, projected to all future years after 2000 using scale BB. Mortality rates for the Police Officers' and Firefighters' Funds were based on the RP-2000 Generational mortality table, with disabled females set forward two years and disabled males set back four years.

Long-term Expected Rate of Return – The long-term expected rate of return on all 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 inflations) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocations as of September 30, 2018 are summarized in the following table:

Asset Class	Pension Plans					
	General Employees'		Police Officers'		Firefighters'	
	Target Allocation	Long-term Expected Real Rate of Return	Target Allocation	Long-term Expected Real Rate of Return	Target Allocation	Long-term Expected Real Rate of Return
Domestic Equity	44%	7.50%	40%	7.50%	38%	8.10%
International Equity	16%	8.50%	15%	8.50%	15%	3.40%
Domestic Fixed	20%	2.50%	-	-	-	-
Global Fixed	5%	3.50%	5%	3.50%	-	-
Real Estate	10%	4.50%	10%	4.50%	-	-
Private Equity	5%	6.09%	5%	8.50%	-	-
Fixed Income	-	-	25%	2.50%	-	-
Bonds	-	-	-	-	26%	3.60%
Convertibles	-	-	-	-	10%	6.70%
REITs	-	-	-	-	5%	6.80%
Infrastructure	-	-	-	-	6%	9.10%

Rate of Return – The following is a schedule for the annual money-weighted rate of return on Pension Plan investments, net of plan investment expense as of September 30, 2018:

Fiscal Year 2018	General Employees'	Police Officers'	Firefighters'
Annual Money-Weighted Rate of Return			
Net of Investment Expense	7.04%	10.42%	8.03%

Discount Rate – The discount rate used to measure the total General Employees' pension liability was 7.40%, the total Police Officers' pension liability was 7.50%, and the total Firefighters' pension liability was 7.85%. In the development of a single discount rate for the General Employees' pension liability, a long-term municipal bond rate of 3.5% was used based on the 20-Bond Fidelity GO Index.

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 the sponsor contributions will be made at rates equal to the difference between the actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future 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 payment to determine the total pension liability as shown in the table below.

CITY OF KISSIMMEE, FLORIDA
NOTES TO FINANCIAL STATEMENTS – Continued
September 30, 2018
(In Thousands)

Sponsor's Net Pension Liability	Current Discount		
	1% Decrease 6.40%	Rate 7.40%	1% Increase 8.40%
General Employees' Fund City and Toho	\$ 36,481	\$ 19,989	\$ 6,178
General Employees' Fund City only	22,936	12,568	3,884

Sponsor's Net Pension Liability	Current Discount		
	1% Decrease 6.50%	Rate 7.50%	1% Increase 8.50%
Police Officers' Fund	\$ 18,676	\$ 9,400	\$ 1,740

Sponsor's Net Pension Liability	Current Discount		
	1% Decrease 6.85%	Rate 7.85%	1% Increase 8.85%
Firefighters' Fund	\$ 19,139	\$ 13,409	\$ 8,650

CITY OF KISSIMMEE, FLORIDA
NOTES TO FINANCIAL STATEMENTS – Continued
September 30, 2018
(In Thousands)

Changes in Net Pension Liability			
	General Employees'	Police Officers'	Firefighters'
Total pension liability			
Service Cost	\$ 1,594	\$ 2,008	\$ 915
Interest	6,090	5,544	3,836
Change in Excess State Money	-	-	-
Share Plan Allocation	-	-	-
Changes of Benefit Terms	-	-	72
Difference Between Actual & Expected Experience	(34)	953	1,551
Change in Employer's Proportion	2,605	-	-
Changes of Assumptions	938	861	463
Contributions - Buy Back	-	-	-
Benefit Payments	(3,661)	(3,611)	(3,700)
Net Change in Total Pension Liability	7,532	5,755	3,137
Total Pension Liability - Beginning	78,835	69,095	49,417
Total Pension Liability - Ending (a)	\$ 86,367	\$ 74,850	\$ 52,554
Plan Fiduciary Net Position			
Contributions - Employer	\$ 2,591	\$ 1,971	\$ 2,095
Contributions - State	-	747	377
Contributions - Member	554	321	117
Change in Employer's Proportion	2,218	-	-
Net Investment Income	4,945	6,229	2,986
Benefit Payments	(3,661)	(3,611)	(3,700)
Administrative Expense	(30)	(47)	(62)
Net Change in Plan Fiduciary Net Position	6,617	5,610	1,813
Plan Fiduciary Net Position - Beginning	67,182	59,840	37,332
Plan Fiduciary Net Position - Ending (b)	\$ 73,799	\$ 65,450	\$ 39,145
Net Pension Liability - Ending (a)-(b)	12,568	9,400	13,409
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	85.45%	87.44%	74.49%
Covered Payroll	\$ 14,740	\$ 7,921	\$ 5,756
Net Pension Liability as a Percentage of Covered Payroll	85.26%	118.68%	232.96%

* Information shown above for the General Employees' plan is for the City portion only.

Pension Expense and Deferred Inflows/Outflows of Resources Related to Pensions

For the year ended September 30, 2018, the City recognized pension expense of \$8,101, and had ending balances of deferred outflows for pensions of \$7,151, net pension liability of \$35,377, and deferred inflows for pensions of \$4,492 for its activities in three pension plans. The City recognized a pension expense of \$2,614 related to the general employees' pension fund in 2018. The City's proportionate share of the total Plan's net position is 62.87%. Employer contributions were used as a basis to determine the allocation; the allocation increased 2.01% from the prior year allocation of 60.86%. The City also reported deferred outflows of resources and deferred inflows of resources related to the general employees' pension from the following sources.

CITY OF KISSIMMEE, FLORIDA
NOTES TO FINANCIAL STATEMENTS – Continued
September 30, 2018
(In Thousands)

	Deferred Outflows of Resources	Deferred Inflows of Resources	Net Deferred Inflows of Resources
Differences between expected and actual experience	\$ 342	\$ 65	\$ 277
Change in cost-sharing allocation percentage	546	-	546
Assumptions changes	1,139	-	1,139
Net Difference between projected and actual earnings on pension plan investments	-	1,524	(1,524)
Total	\$ 2,027	\$ 1,589	\$ 438

Deferred outflows and deferred inflows of resources by year to be recognized in future pension expenses for the General Employees' Plan:

Year Ending September 30	Net Deferred Inflows of Resources
2019	\$ 708
2020	(51)
2021	(263)
2022	44
Total	\$ 438

For the year ended September 30, 2018, the City recognized a pension expense of \$2,758 related to the police officers' pension fund. The City also reported deferred outflows of resources and deferred inflows of resources related to the police officers' pension from the following sources.

	Deferred Outflows of Resources	Deferred Inflows of Resources	Net Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,217	\$ 619	\$ 598
Change of assumptions	1,139	-	1,139
Net Difference between projected and actual earnings on pension plan investments	-	1,732	(1,732)
Total	\$ 2,356	\$ 2,351	\$ 5

Deferred outflows and deferred inflows of resources by year to be recognized in future pension expenses for the Police Officers' Plan:

Year Ending September 30	Net Deferred Inflows of Resources
2019	\$ 409
2020	(63)
2021	(411)
2022	70
Total	\$ 5

For the year ended September 30, 2018, the City recognized a pension expense of \$2,729 related to the firefighters' pension fund. The City also reported deferred outflows of resources and deferred inflows of resources related to the firefighters' pension from the following sources.

CITY OF KISSIMMEE, FLORIDA
NOTES TO FINANCIAL STATEMENTS – Continued
September 30, 2018
(In Thousands)

	Deferred Outflows of Resources	Deferred Inflows of Resources	Net Deferred Outflows of Resources
Differences between expected and actual experience	\$ 1,265	\$ 552	\$ 713
Change of assumptions	1,336	-	1,336
Net Difference between projected and actual earnings on pension plan investments	167	-	167
Total	\$ 2,768	\$ 552	\$ 2,216

Deferred outflows and deferred inflows of resources by year to be recognized in future pension expenses for the Firefighters' Plan:

Year Ending September 30	Net Deferred Outflows of Resources
2019	\$ 1,359
2020	420
2021	51
2022	386
Total	\$ 2,216

F. Combining Statements of the Pension Trust Funds

CITY OF KISSIMMEE, FLORIDA
COMBINING STATEMENT OF FIDUCIARY NET POSITION
PENSION TRUST FUNDS
September 30, 2018
(In Thousands)

	General Employees' Pension	Police Officers' Pension	Firefighters' Pension	Totals
ASSETS				
Cash and Cash Equivalents:	\$ 1,610	\$ 1,959	\$ 507	\$ 4,076
Receivable:				
Interest Receivable	132	78	6	216
Total Receivable:	132	78	6	216
Investments, at Fair Value:				
Fixed Income	23,499	15,559	3,615	42,673
Equities	76,509	20,467	3,884	100,860
Mutual Funds	15,634	18,074	27,837	61,545
Commingled Funds	-	9,313	3,296	12,609
Total Investments:	115,642	63,413	38,632	217,687
Total Assets	117,384	65,450	39,145	221,979
Net Position Restricted for Pension Benefits	\$ 117,384	\$ 65,450	\$ 39,145	\$ 221,979

CITY OF KISSIMMEE, FLORIDA
NOTES TO FINANCIAL STATEMENTS – Continued
September 30, 2018
(In Thousands)

CITY OF KISSIMMEE, FLORIDA				
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION				
PENSION TRUST FUNDS				
For The Year Ended September 30, 2018				
(In Thousands)				
	General			
	Employees'	Police Officers'	Firefighters'	
	Pension	Pension	Pension	Totals
ADDITIONS				
Contributions:				
Employer	\$ 2,590	\$ 1,971	\$ 2,095	\$ 6,656
Plan Members	881	321	117	1,319
State	-	747	377	1,124
Total Contributions	<u>3,471</u>	<u>3,039</u>	<u>2,589</u>	<u>9,099</u>
Investment earnings:				
Net increase (decrease) in fair value of investments	4,576	5,079	2,115	11,770
Interest and dividends	4,011	1,363	1,017	6,391
Total investment earnings	<u>8,587</u>	<u>6,442</u>	<u>3,132</u>	<u>18,161</u>
Less investment expense	745	213	146	1,104
Net investment earnings	<u>7,842</u>	<u>6,229</u>	<u>2,986</u>	<u>17,057</u>
Other	1,553	-	-	1,553
Total Additions	<u>12,866</u>	<u>9,268</u>	<u>5,575</u>	<u>27,709</u>
DEDUCTIONS				
Benefits	5,823	3,611	3,700	13,134
Administrative Expense	47	47	62	156
Total Deductions	<u>5,870</u>	<u>3,658</u>	<u>3,762</u>	<u>13,290</u>
Change in Net Position	6,996	5,610	1,813	14,419
Net Position - Beginning of Year	<u>110,388</u>	<u>59,840</u>	<u>37,332</u>	<u>207,560</u>
Net Position - End of Year	<u>\$ 117,384</u>	<u>\$ 65,450</u>	<u>\$ 39,145</u>	<u>\$ 221,979</u>

NOTE 9 – OTHER POSTEMPLOYMENT BENEFITS (OPEB)

In 2018, the City has implemented GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*, which supersedes previous accounting and financial reporting guidance for its other postemployment healthcare and life insurance benefits provided by the City. The implementation resulted in a restatement of net position as discussed further in Note 14.

A. Plan Description, Benefit Terms and Contribution Requirements

The Other Postemployment Benefit Plan (“OPEB Plan”) is a single-employer benefit plan administered by the City. Retirees are charged whatever the insurance company charges for the type of coverage elected. However, the premiums charged by the insurance company are based on a blending of the experience among younger active employees and older retired employees. Since the older retirees actually have higher costs, it means that the City is subsidizing the cost of the retiree coverage because it pays all or a significant portion of that premium on behalf of the active employees. GASB Statement No.75 calls this the “implicit rate subsidy”.

Retirees and their dependents are permitted to remain covered under the City’s respective medical and insurance plans as long as they pay a full premium applicable to coverage elected. This conforms to the minimum required of Florida governmental employers per Ch. 112.08, F.S. The City Commission has the authority to amend the benefits of the OPEB Plan. The OPEB Plan does not issue a stand-alone report. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

CITY OF KISSIMMEE, FLORIDA
NOTES TO FINANCIAL STATEMENTS – Continued
September 30, 2018
(In Thousands)

At measurement date September 30, 2017, the following employees were covered by the benefit terms:

Retirees and beneficiaries currently receiving benefits	25
Active employees	<u>541</u>
	566

Contributions (benefit payment reductions) to the OPEB Plan are shared by the retiree and the City. OPEB Plan participants must reimburse the City for the City's average blended cost. Contribution requirements of the City are established and may be amended through action by the City Commission.

B. Total OPEB Liability and Changes in Total OPEB Liability

The measurement date for the City's total/net OPEB liability was September 30, 2017, one year prior to the City's fiscal reporting date of September 30, 2018. The measurement period for OPEB cost was October 1, 2016 to September 30, 2017. The components of the City's net OPEB liability reported at September 30, 2018 are as follows:

Total OPEB liability	\$ 7,372
OPEB Plan fiduciary net position	<u>-</u>
City's net OPEB liability	7,372
OPEB Plan fiduciary net position as percentage of total OPEB liability	0%

The components of the changes in the total OPEB liability are as follows:

	Fiscal Year 2018
<u>Total OPEB Liability</u>	
Service cost	\$ 544
Interest	233
Change of assumptions and other inputs	(270)
Benefit payments	<u>(234)</u>
Net change in total OPEB liability	273
Total OPEB liability - beginning, original	<u>5,327</u>
Adjustment for GASB 75	1,772
Total OPEB liability - beginning, restated	<u>7,099</u>
Total OPEB liability - ending	<u>\$ 7,372</u>

Changes of assumptions and other inputs reflect a change in the discount rate from 3.10% at the beginning of the measurement period to 3.50% as of September 30, 2017.

C. Actuarial Assumptions and Total OPEB Liability Sensitivity to Healthcare Trend Rate

The total OPEB liability reported at September 30, 2018 was based on an actuarial valuation dated September 30, 2017 using the following actuarial assumptions:

Inflation	2.50% per annum
Discount rate	3.50%
Salary increases	Rates used in Oct 1, 2016 valuations of City pension plans
Mortality rates	Tables used in July 1, 2016 valuation of the Florida Retirement System (based on results of statewide experience study covering period 2008 through 2013)
Healthcare trend	Trend starting at 7.25% for claims costs and 10.94% for premiums (based on actual premium rates effective January 1, 2017), thereafter trend based on Getzen model with trend decreasing to 7.00% and gradually decreasing to ultimate trend rate of 4.24% plus .65% increase for excise tax

CITY OF KISSIMMEE, FLORIDA
NOTES TO FINANCIAL STATEMENTS – Continued
September 30, 2018
(In Thousands)

The development of per capita costs included aging factors based on the 2013 Society of Actuaries Study “Healthcare Costs – From Birth to Death”. There have been no significant changes (other than premium rate increases) in any health benefits or life insurance benefits between September 30, 2017 and September 30, 2018.

Sensitivity of OPEB liability to healthcare cost trend rate

The following table presents the total OPEB liability of the City, as well as what the City’s total OPEB liability would be if it were calculated using a healthcare trend rate that is 1% lower or 1% higher than the current rate.

	1% Decrease	Current Trend Rate	1% Increase
Total OPEB Liability	\$ 6,502	\$ 7,372	\$ 8,404

D. Discount Rate and Total OPEB Liability Sensitivity to Discount Rate

The discount rate used to measure the total OPEB liability reported as of September 30, 2018 was 3.50%. Because the City’s OPEB costs are essentially funded on a pay-as-you-go funding structure, a municipal bond rate was used to determine the total OPEB liability for the OPEB Plan. Fidelity’s 20-Year Municipal G.O. AA Index daily rate closest but not after the measurement date was used for this purpose.

Sensitivity of OPEB liability to discount rate

The following table presents the total OPEB liability of the City, as well as what the City’s total OPEB liability would be if it were calculated using a discount rate that is 1% lower or 1% higher than the current rate.

	1% Decrease 2.50%	Current Discount Rate 3.50%	1% Increase 4.50%
Total OPEB Liability	\$ 8,071	\$ 7,372	\$ 6,746

E. OPEB Expense and Deferred Outflows/Deferred Inflows of Resources related to OPEB

For the year ended September 30, 2018, the City recognized OPEB expense of \$742. At September 30, 2018, the City had deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Change of assumptions	\$ -	\$ 235
Transactions after measurement date	323	-
	<u>\$ 323</u>	<u>\$ 235</u>

Deferred outflows of resources of \$323 are reported by the City for employer benefit payments subsequent to the measurement date, and will be recognized as a reduction of the total OPEB liability in the year ended September 30, 2019. Deferred inflows of resources shown above will be recognized in OPEB expense in the following years.

Fiscal Year Ending	Net Inflows
2019	\$ 35
2020	35
2021	35
2022	35
2023	35
Thereafter	60
	<u>\$ 235</u>

CITY OF KISSIMMEE, FLORIDA
NOTES TO FINANCIAL STATEMENTS – Continued
September 30, 2018
(In Thousands)

NOTE 10 – RISK MANAGEMENT

The City has a risk management program accounted for in two internal service funds. The funds are used to account for the costs of employee health, workers' compensation, automobile, and general property and casualty programs. Other City funds are charged by this fund for policy premiums and claims for which the City is self-insured. The City maintains cash reserves in excess of \$1 million and carries excess coverage for claims between \$100 thousand and \$5 million on all coverage except criminal liability. Criminal liability excess coverage is carried for claims between \$50 thousand and \$250 thousand. During 2018, there were no reductions in insurance coverage, and over the past three years there were no settlements that exceeded insurance coverage. As of the fiscal year ended September 30, 2018, the total outstanding unpaid claims were \$3,669 which includes an estimate for incurred but not reported claims. Insurance premiums paid out of this fund totaled \$8,781 for the fiscal year ended September 30, 2018. The change in the claims liability for the past two years is as follows:

	Balance at Beginning of Fiscal Year	Current Year Claims and Changes in Estimates	Current Year Claims Payments or Other Adjustments	Balance at End of Fiscal Year
2017-2018	\$ 3,212	\$ 9,238	\$ (8,781)	\$ 3,669
2016-2017	2,982	7,526	(7,296)	3,212

NOTE 11 – NET INVESTMENT IN CAPITAL ASSETS CALCULATION

The elements for the calculation of this component of net position are as follows:

	Governmental Activities	Business-type Activities	Total
Capital Assets (Net)	\$ 225,547	\$ 49,095	\$ 274,642
Debt Related to Capital Assets	(84,205)	-	(84,205)
Other Liabilities Related to Capital Assets	(1,118)	-	(1,118)
Unspent Proceeds of Capital-Related Debt	20,526	-	20,526
	<u>\$ 160,750</u>	<u>\$ 49,095</u>	<u>\$ 209,845</u>

NOTE 12 – FUND BALANCE DEFICITS

The following funds have a deficit fund balance at September 30, 2018:

<u>Fund Name</u>	<u>Deficit Amounts</u>
<u>Deficit Fund Balance</u>	
Shingle Creek Regional Trail	\$ 293
Nonmajor Funds:	
Special Revenue Funds:	
Community Development Block Grant	45
W Oak Street Improvement Grant	62
<u>Deficit Net Position</u>	
Health Insurance	67

Deficits in the grant funds represent amounts spent on grant programs that will ultimately be reimbursed from federal and state grantor agencies, or transfers from City funds for City match requirements in the subsequent period. The deficit in the Health Insurance Fund will be remedied with receipts in the next year.

NOTE 13 – COMMITMENTS, RELATED PARTIES, AND CONTINGENCIES

Charter School - The City entered into an interlocal agreement with the Osceola County School Board to operate a charter elementary school within the City. Originally the City issued a tax-exempt note and built the school facilities. In 2011, the debt was refinanced at a fixed rate. The City entered into a contract with a management company to run the day-to-day operation of the school. The management company is required to report to the City Commission all activities and results of operations on a monthly and an annual basis. The City pays the management company based upon an approved operating budget. The City records revenue received from the Osceola County School Board, makes debt service payments on the notes, and pays the management company. The charter school is not a separate legal entity and is reflected in the City's financial statements as part of the City's governmental funds.

Kissimmee Utility Authority – The Kissimmee Utility Authority (KUA) provides a payment to the City's General Fund annually. The minimum payment is a charter requirement of KUA. For the fiscal year ended September 30, 2018, the payment made by KUA to the City was \$17.2 million. KUA's total operating revenues for the fiscal year ended September 30, 2018 were \$213.9 million. KUA also provides customer billing services to the City's Solid Waste and Stormwater Utility Funds.

Tohopekaliga Water Authority – The Tohopekaliga Water Authority (TWA) was created effective October 1, 2003. The TWA was created pursuant to a state legislative act. The City and Osceola County agreed to transfer all assets, liabilities and operations of their water and sewer systems to the TWA. The TWA issued in excess of \$100 million in reserve bonds to pay off the City's utility revenue bonds, other outstanding obligations, and to provide for new construction and system expansion. TWA provides a payment to the City's General Fund annually. The annual amount for 2018 was \$7.0 million and all future annual amounts will be calculated based on the gross annual revenues of the system for an additional 10 years.

Intergovernmental Grants - Amounts received or receivable from grantors are subject to audit and adjustment by grantor agencies, principally federal and state governments. 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 to be immaterial.

Litigation - Various suits and claims arising in the ordinary course of operations are pending against the City. While the ultimate effect of such litigation cannot be ascertained at this time, in the opinion of legal counsel, the City has sufficient insurance coverage to cover any claims and/or the liabilities that may arise from such action. The effect of such losses would not materially affect the financial position of the City or the results of its operations.

CITY OF KISSIMMEE, FLORIDA
NOTES TO FINANCIAL STATEMENTS – Continued
September 30, 2018
(In Thousands)

NOTE 14 – NET POSITION RESTATEMENTS

The beginning balances of net position for governmental activities and the enterprise funds have been restated as the result of a change in accounting for implementation of a new standard and the correction of errors in a prior period. This correction resulted from errors in recording some of the City’s capital assets. The effect of the restatements is presented in the following table.

	Governmental Activities	Business-Type Activities			Total Business- Type
		Stormwater Fund	Airport Fund	Solid Waste Fund	
Net Position - Beginning, Originally Reported	\$ 190,803	\$ 13,071	\$ 30,370	\$ 2,163	\$ 45,604
Adjustment for Correction	(23,697)	13,475	(10,727)	312	3,060
Adjustment for Change in Accounting	(1,425)	(51)	(18)	(44)	(113)
Net Position - Beginning, as Restated	\$ 165,681	\$ 26,495	\$ 19,625	\$ 2,431	\$ 48,551

CHANGE IN ACCOUNTING PRINCIPLES

In 2018, The City implemented GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*, resulting in a restatement of beginning net position for governmental activities and proprietary funds. The components of this restatement are as follows:

	Governmental Activities	Business-Type Activities			Total Business- Type
		Stormwater Fund	Airport Fund	Solid Waste Fund	
<u>Elements of Adjustment:</u>					
City OPEB Liability	\$ (1,642)	\$ (59)	\$ (21)	\$ (50)	\$ (130)
Deferred Outflows - Transactions subsequent to Measurement Date	217	8	3	6	17
Adjustment to Beginning Net Position	\$ (1,425)	\$ (51)	\$ (18)	\$ (44)	\$ (113)

NOTE 15 – SUBSEQUENT EVENT

In December 2018, the Commission approved borrowing \$5.4 million from the City’s commercial paper loan program to finance various public safety and transportation related infrastructure improvements within the City. In January 2019, \$3.6 million of the proceeds was received by the City, with the remaining \$1.8 million available to be drawn in the coming fiscal year for future approved infrastructure projects.

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REQUIRED SUPPLEMENTARY INFORMATION

Budgetary Comparison Schedules (GAAP BASIS):

- General Fund
- Major Special Revenue Funds:
 - Shingle Creek Regional Trail Fund
 - Community Redevelopment Agency

City Retirement Plans Schedules and Notes:

- Schedule of Changes in Net Pension Liability and Related Ratios
- Schedule of Actuarially Determined Contributions
- Plan Changes in Benefit Terms
- Change of Assumptions
- Methods and Assumptions used to Determine Contribution Rates
- Money-weighted Rate of Return

City Other Postemployment Benefits Plan Schedule:

- Schedule of Total OPEB Liability and Related Ratios

CITY OF KISSIMMEE, FLORIDA
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
For the Year Ended September 30, 2018
(In Thousands)

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Over (Under)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES AND OTHER SOURCES				
Taxes:				
Ad valorem	\$ 13,015	\$ 13,015	\$ 13,228	\$ 213
Utility taxes	6,940	6,940	6,979	39
Local business taxes	204	204	272	68
	<u>20,159</u>	<u>20,159</u>	<u>20,479</u>	<u>320</u>
Permits, Fees and Special Assessments:				
Franchise fees	163	163	179	16
Other permits and fees	1	1	2	1
	<u>164</u>	<u>164</u>	<u>181</u>	<u>17</u>
Intergovernmental Revenues:				
Federal grants	-	-	107	107
State grants	-	23	204	181
State revenue sharing	2,527	2,527	2,735	208
Half cent sales tax	5,100	5,100	5,318	218
Shared taxes and licenses	194	194	382	188
County shared revenue	1,887	1,887	1,814	(73)
Kissimmee Utility Authority	17,000	17,000	17,249	249
Tohopekaliga Water Authority	6,727	6,727	7,032	305
	<u>33,435</u>	<u>33,458</u>	<u>34,841</u>	<u>1,383</u>
Charges for Services:				
General government charges	406	406	679	273
Public safety charges	6,280	6,400	6,964	564
Physical environment charges	60	60	60	-
Transportation charges	732	732	844	112
Culture/recreation charges	1,187	1,192	1,090	(102)
	<u>8,665</u>	<u>8,790</u>	<u>9,637</u>	<u>847</u>
Fines and Forfeitures:				
Court fines and costs	515	515	387	(128)
Miscellaneous Revenue:				
Investment income	133	133	301	168
Rents	23	23	26	3
Other revenue	296	386	380	(6)
Sales of cemetery lots	160	160	168	8
	<u>612</u>	<u>702</u>	<u>875</u>	<u>173</u>

Continued

CITY OF KISSIMMEE, FLORIDA
BUDGETARY COMPARISON SCHEDULE - CONTINUED
GENERAL FUND
For the Year Ended September 30, 2018
(In Thousands)

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Over (Under)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES AND OTHER SOURCES - Continued				
Transfers In:				
Stormwater Utility Fund	\$ 256	\$ 256	\$ 256	\$ -
Charter School	640	640	640	-
Airport	2	2	2	-
Solid Waste Fund	247	247	248	1
Other Nonmajor Funds	50	54	54	-
	<u>1,195</u>	<u>1,199</u>	<u>1,200</u>	<u>1</u>
Other Sources:				
Proceeds from Sale of Capital Assets	100	100	121	21
Proceeds from Capital Lease	-	219	219	-
	<u>100</u>	<u>319</u>	<u>340</u>	<u>21</u>
Total Revenues and Other Sources	<u>64,845</u>	<u>65,306</u>	<u>67,940</u>	<u>2,634</u>
EXPENDITURES AND OTHER (USES)				
General Government:				
City Commission:				
Personal Services	286	288	295	7
Operating	588	650	577	(73)
	<u>874</u>	<u>938</u>	<u>872</u>	<u>(66)</u>
City Manager:				
Personal Services	1,146	1,158	1,101	(57)
Operating	625	1,325	423	(902)
Capital Outlay	414	494	454	(40)
	<u>2,185</u>	<u>2,977</u>	<u>1,978</u>	<u>(999)</u>
Development Services:				
Personal Services	1,457	1,461	1,364	(97)
Operating	656	1,185	488	(697)
Capital Outlay	86	304	47	(257)
	<u>2,199</u>	<u>2,950</u>	<u>1,899</u>	<u>(1,051)</u>
Legal:				
Personal Services	549	555	536	(19)
Operating	309	449	314	(135)
Capital Outlay	3	4	3	(1)
	<u>861</u>	<u>1,008</u>	<u>853</u>	<u>(155)</u>

Continued

CITY OF KISSIMMEE, FLORIDA
BUDGETARY COMPARISON SCHEDULE - CONTINUED

GENERAL FUND

For the Year Ended September 30, 2018

(In Thousands)

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Over (Under)</u>
	<u>Original</u>	<u>Final</u>		
EXPENDITURES AND OTHER (USES) - Continued				
General Government:				
Finance:				
Personal Services	\$ 1,047	\$ 1,050	\$ 1,003	\$ (47)
Operating	304	337	244	(93)
Capital Outlay	28	64	18	(46)
	<u>1,379</u>	<u>1,451</u>	<u>1,265</u>	<u>(186)</u>
Personnel:				
Personal Services	720	722	672	(50)
Operating	133	151	92	(59)
Capital Outlay	8	8	4	(4)
	<u>861</u>	<u>881</u>	<u>768</u>	<u>(113)</u>
Central Service Charges:				
Operating	5,355	5,355	5,355	-
	<u>5,355</u>	<u>5,355</u>	<u>5,355</u>	<u>-</u>
Total General Government	<u>13,714</u>	<u>15,560</u>	<u>12,990</u>	<u>(2,570)</u>
Public Safety:				
Police:				
Personal Services	18,819	19,016	17,926	(1,090)
Operating	2,690	2,998	2,565	(433)
Capital Outlay	1,257	2,053	1,544	(509)
	<u>22,766</u>	<u>24,067</u>	<u>22,035</u>	<u>(2,032)</u>
Fire:				
Personal Services	12,195	12,213	11,762	(451)
Operating	1,770	1,872	1,831	(41)
Capital Outlay	475	673	288	(385)
	<u>14,440</u>	<u>14,758</u>	<u>13,881</u>	<u>(877)</u>
Total Public Safety	<u>37,206</u>	<u>38,825</u>	<u>35,916</u>	<u>(2,909)</u>
Transportation:				
Public Works:				
Personal Services	2,794	2,800	2,642	(158)
Operating	2,141	2,622	2,695	73
Capital Outlay	312	533	310	(223)
Total Transportation	<u>5,247</u>	<u>5,955</u>	<u>5,647</u>	<u>(308)</u>

Continued

CITY OF KISSIMMEE, FLORIDA
BUDGETARY COMPARISON SCHEDULE - CONTINUED
GENERAL FUND
For the Year Ended September 30, 2018
(In Thousands)

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Over (Under)</u>
	<u>Original</u>	<u>Final</u>		
EXPENDITURES AND OTHER (USES) - Continued				
Culture/Recreation				
Recreation:				
Personal Services	\$ 4,623	\$ 4,642	\$ 4,375	\$ (267)
Operating	1,639	1,687	1,435	(252)
Capital Outlay	490	532	388	(144)
Total Culture / Recreation	<u>6,752</u>	<u>6,861</u>	<u>6,198</u>	<u>(663)</u>
Non-Departmental				
Bad Debt	1,555	3,057	1,983	(1,074)
Capital Reserves	20,300	18,043	-	(18,043)
Operating Reserves	933	892	-	(892)
Principal Retirement	-	42	41	(1)
Debt Service Interest and Costs	30	30	14	(16)
Total Non-Departmental	<u>22,818</u>	<u>22,064</u>	<u>2,038</u>	<u>(20,026)</u>
Other (Uses)				
Transfers Out	2,175	2,361	2,380	19
Total Other (Uses)	<u>2,175</u>	<u>2,361</u>	<u>2,380</u>	<u>19</u>
Total Expenditures and Other (Uses)	<u>87,912</u>	<u>91,626</u>	<u>65,169</u>	<u>(26,457)</u>
Excess of Revenues and Other Sources Over Expenditures and Other (Uses)				
	(23,067)	(26,320)	2,771	29,091
Fund Balance - Beginning of Year	<u>23,067</u>	<u>26,320</u>	<u>28,518</u>	<u>2,198</u>
Fund Balance - End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 31,289</u>	<u>\$ 31,289</u>

CITY OF KISSIMMEE, FLORIDA
BUDGETARY COMPARISON SCHEDULE
SHINGLE CREEK REGIONAL TRAIL
For the Year Ended September 30, 2018
(In Thousands)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Over (Under)
	Original	Final		
REVENUES				
Intergovernmental Revenues	\$ -	\$ 94	\$ 1,481	\$ 1,387
Total Revenues	<u>-</u>	<u>94</u>	<u>1,481</u>	<u>1,387</u>
EXPENDITURES				
Transportation	-	4,012	1,105	2,907
Total Expenditures	<u>-</u>	<u>4,012</u>	<u>1,105</u>	<u>2,907</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	(3,918)	376	4,294
OTHER FINANCING SOURCES (USES)				
Transfers In	-	119	119	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>119</u>	<u>119</u>	<u>-</u>
Net Change in Fund Balance	-	(3,799)	495	4,294
Fund Balance (Deficit) - Beginning	-	3,799	(788)	(4,587)
Fund Balance (Deficit) - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (293)</u>	<u>\$ (293)</u>

CITY OF KISSIMMEE, FLORIDA
BUDGETARY COMPARISON SCHEDULE
COMMUNITY REDEVELOPMENT AGENCY
For the Year Ended September 30, 2018
(In Thousands)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Over (Under)
	Original	Final		
REVENUES				
Intergovernmental Revenues	\$ 1,011	\$ 1,011	\$ 1,006	\$ (5)
Investment Income	3	3	20	17
Miscellaneous Revenues	56	56	62	6
Total Revenues	1,070	1,070	1,088	18
EXPENDITURES				
General Government	1,296	2,226	792	1,434
Total Expenditures	1,296	2,226	792	1,434
Excess (Deficiency) of Revenues Over (Under) Expenditures	(226)	(1,156)	296	1,452
OTHER FINANCING SOURCES (USES)				
Transfers In	717	717	713	(4)
Transfers (Out)	(557)	(643)	(643)	-
Total Other Financing Sources (Uses)	160	74	70	(4)
Net Change in Fund Balance	(66)	(1,082)	366	1,448
Fund Balance (Deficit) - Beginning	66	1,082	932	(150)
Fund Balance (Deficit) - Ending	\$ -	\$ -	\$ 1,298	\$ 1,298

CITY OF KISSIMMEE, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
September 30, 2018
(In Thousands)

Schedule of Changes in Net Pension Liability and Related Ratios (General Employees')

	2018	2017	2016	2015	2014
Total Pension Liability					
Service Cost	\$ 2,535	\$ 2,440	\$ 2,437	\$ 2,362	\$ 2,383
Interest	9,687	9,095	8,589	8,227	7,758
Benefit changes	-	-	-	-	339
Assumption changes	1,492	1,397	-	-	-
Difference Between Actual & Expected Experience	(54)	595	919	(952)	(12)
Benefit Payments and Refunds	(5,822)	(5,592)	(4,857)	(4,902)	(3,483)
Net Change in Total Pension Liability	7,838	7,935	7,088	4,735	6,985
Total Pension Liability - Beginning	129,536	121,601	114,513	109,778	102,793
Total Pension Liability - Ending (a)	\$137,374	\$129,536	\$121,601	\$114,513	\$109,778
Plan Fiduciary Net Position					
Contributions - Employer (from City and Toho)	\$ 4,119	\$ 3,851	\$ 3,579	\$ 3,587	\$ 3,135
Contributions - Member	880	849	856	841	844
Net Investment Income	7,866	12,906	8,257	1,129	7,817
Benefit Payments	(5,822)	(5,592)	(4,857)	(4,902)	(3,483)
Administrative Expense	(47)	(54)	(76)	(76)	(65)
Net Change in Plan Fiduciary Net Position	6,996	11,960	7,759	579	8,248
Plan Fiduciary Net Position - Beginning	110,388	98,428	90,669	90,090	81,842
Plan Fiduciary Net Position - Ending (b)	\$117,384	\$110,388	\$ 98,428	\$ 90,669	\$ 90,090
Net Pension Liability - Ending (a)-(b)	19,990	19,148	23,173	23,844	19,688
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	85.45%	85.22%	80.94%	79.18%	82.07%
Covered Payroll	\$ 21,266	\$ 20,671	\$ 20,342	\$ 19,872	\$ 20,096
Net Pension Liability as a Percentage of Covered Payroll	94.00%	92.63%	113.92%	119.99%	97.97%

This schedule represents entire plan with City and Toho combined.

This schedule is present to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, information for those years for which information is available is presented.

Notes to the Schedule:

The covered payroll numbers presented are in compliance with GASB Statement No. 82, *Pension Issues*.

CITY OF KISSIMMEE, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
September 30, 2018
(In Thousands)

Schedule of Changes in Net Pension Liability and Related Ratios (General Employees' City Only)

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Total Pension Liability					
Service Cost	\$ 1,594	\$ 1,485	\$ 1,442	\$ 1,378	\$ 1,390
Interest	6,090	5,535	5,084	4,798	4,524
Benefit Changes	-	-	-	-	198
Change in Employer's Proportion	2,605	2,030	997	-	-
Change in Assumptions	938	850	-	-	-
Difference Between Actual & Expected Experience	(34)	362	544	(555)	(7)
Benefit Payments	<u>(3,661)</u>	<u>(3,403)</u>	<u>(2,875)</u>	<u>(2,859)</u>	<u>(2,032)</u>
Net Change in Total Pension Liability	<u>7,532</u>	<u>6,859</u>	<u>5,192</u>	<u>2,762</u>	<u>4,073</u>
Total Pension Liability - Beginning	<u>78,835</u>	<u>71,976</u>	<u>66,784</u>	<u>64,022</u>	<u>59,949</u>
Total Pension Liability - Ending (a)	<u><u>\$86,367</u></u>	<u><u>\$78,835</u></u>	<u><u>\$71,976</u></u>	<u><u>\$66,784</u></u>	<u><u>\$64,022</u></u>
Plan Fiduciary Net Position					
Contributions - Employer	\$ 2,591	\$ 2,345	\$ 2,119	\$ 2,088	\$ 1,984
Contributions - Member	554	517	507	490	492
Change in Employer's Proportion	2,218	1,641	789	-	-
Net Investment Income	4,945	7,855	4,887	663	4,404
Benefit Payments	(3,661)	(3,403)	(2,875)	(2,859)	(2,032)
Administrative Expense	<u>(30)</u>	<u>(33)</u>	<u>(45)</u>	<u>(44)</u>	<u>(38)</u>
Net Change in Plan Fiduciary Net Position	<u>6,617</u>	<u>8,922</u>	<u>5,382</u>	<u>338</u>	<u>4,810</u>
Plan Fiduciary Net Position - Beginning	<u>67,182</u>	<u>58,260</u>	<u>52,878</u>	<u>52,540</u>	<u>47,730</u>
Plan Fiduciary Net Position - Ending (b)	<u><u>\$73,799</u></u>	<u><u>\$67,182</u></u>	<u><u>\$58,260</u></u>	<u><u>\$52,878</u></u>	<u><u>\$52,540</u></u>
City's Proportionate % of Total Plan Net Position	62.87%	60.86%	59.19%	58.32%	58.32%
Net Pension Liability - Ending (a)-(b)	12,568	11,653	13,716	13,906	11,482
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	85.45%	85.22%	80.94%	79.18%	82.07%
Covered Payroll	\$14,740	\$13,947	\$13,653	\$12,852	\$12,758
Net Pension Liability as a Percentage of Covered Payroll	85.26%	83.55%	100.46%	108.20%	90.00%

This schedule represents only the City's portion of the Net Pension Liability.

This schedule is present to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, information for those years for which information is available is presented.

Notes to the Schedule:

The covered payroll numbers presented are in compliance with GASB Statement No. 82, *Pension Issues*.

CITY OF KISSIMMEE, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
September 30, 2018
(In Thousands)

Schedule of Changes in Net Pension Liability and Related Ratios (Police Officers')

	2018	2017	2016	2015	2014
Total Pension Liability					
Service Cost	\$ 2,008	\$ 1,838	\$ 1,911	\$ 1,841	\$ 1,815
Interest	5,544	5,299	4,818	4,577	4,317
Change in Excess State Money	-	-	(328)	-	-
Share Plan Allocation	-	-	218	-	-
Change of Benefit Terms	-	-	(68)	-	-
Difference Between Actual & Expected Experience	953	(889)	1,136	(427)	-
Changes of Assumptions	861	-	1,127	-	-
Benefit Payments	(3,611)	(3,116)	(3,122)	(2,849)	(2,957)
Net Change in Total Pension Liability	5,755	3,132	5,692	3,142	3,175
Total Pension Liability - Beginning	69,095	65,963	60,271	57,129	53,954
Total Pension Liability - Ending (a)	\$74,850	\$69,095	\$65,963	\$60,271	\$57,129
Plan Fiduciary Net Position					
Contributions - Employer	\$ 1,971	\$ 1,882	\$ 1,948	\$ 1,907	\$ 2,476
Contributions - State	747	655	582	521	501
Contributions - Member	321	295	275	270	253
Net Investment Income	6,229	5,845	4,519	1,144	4,412
Benefit Payments	(3,611)	(3,116)	(3,122)	(2,849)	(2,957)
Administrative Expense	(47)	(42)	(46)	(48)	(51)
Net Change in Plan Fiduciary Net Position	5,610	5,519	4,156	945	4,634
Plan Fiduciary Net Position - Beginning	59,840	54,321	50,165	49,220	44,586
Plan Fiduciary Net Position - Ending (b)	\$65,450	\$59,840	\$54,321	\$50,165	\$49,220
Net Pension Liability - Ending (a)-(b)	9,400	9,255	11,642	10,106	7,909
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	87.44%	86.61%	82.35%	83.23%	86.16%
Covered Payroll	\$ 7,921	\$ 7,725	\$ 7,506	\$ 7,754	\$ 6,841
Net Pension Liability as a Percentage of Covered Payroll	118.68%	119.81%	155.10%	130.33%	115.61%

This schedule is present to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, information for those years for which information is available is presented.

Notes to the Schedule:

The covered payroll numbers presented are in compliance with GASB Statement No. 82, *Pension Issues*, except for the 09/30/15 measurement period which includes DROP payroll.

Changes of Benefit Terms:

For measurement date 09/30/16, amounts reported as changes of benefit terms was a result of the adoption of Ordinance No. 2939 which made the following changes:

- Resumption of prior graded vesting schedule for Members who were employed prior to 05/06/14.
- Allocation of a portion of the Excess State Monies Reserve necessary to cover the increase in the present value of benefits associated with the proposed vesting change described above. For purposes of this Impact Statement, \$110 is the increase in present value of benefits for the proposed vesting change. Accordingly, the Excess State Monies Reserve was diminished by this amount, leaving \$218 as an allocation to the Share Plan.
- Future share allocations once the annual State Monies exceed \$1,177.

Changes of Assumptions:

For measurement date 09/30/18, amounts reported as changes in assumptions resulted from an experience study dated September 2018, and the Board approved changes in salary increases, retirement and withdrawal rates, and investment return.

For measurement date 09/30/16, as a result of Chapter 2015-157, Laws of Florida, the assumed rates of mortality were changed to the assumptions used by the Florida Retirement System for special risk employees.

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

CITY OF KISSIMMEE, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
September 30, 2018
(In Thousands)

Schedule of Changes in Net Pension Liability and Related Ratios (Firefighters')

	2018	2017	2016	2015	2014
Total Pension Liability					
Service Cost	\$ 915	\$ 693	\$ 761	\$ 826	\$ 846
Interest	3,836	3,787	3,573	3,512	3,366
Change in Excess State Money	-	-	-	-	(555)
Change in Benefit Terms	72	-	-	-	-
Difference Between Actual & Expected Experience	1,552	(920)	58	(606)	-
Changes of Assumptions	463	211	2,097	-	-
Contributions - Buy Back	-	3	-	-	-
Benefit Payments	(3,700)	(3,713)	(3,168)	(2,657)	(2,063)
Net Change in Total Pension Liability	3,138	61	3,321	1,075	1,594
Total Pension Liability - Beginning	49,416	49,355	46,034	44,959	43,365
Total Pension Liability - Ending (a)	\$52,554	\$49,416	\$49,355	\$46,034	\$44,959
Plan Fiduciary Net Position					
Contributions - Employer	\$ 2,095	\$ 1,542	\$ 834	\$ 1,434	\$ 1,392
Contributions - State	377	370	337	385	417
Contributions - Member	117	104	74	63	68
Net Investment Income	2,986	3,709	2,985	(1,773)	4,343
Benefit Payments	(3,700)	(3,713)	(3,168)	(2,657)	(2,063)
Administrative Expense	(62)	(59)	(54)	(52)	(52)
Net Change in Plan Fiduciary Net Position	1,813	1,953	1,008	(2,600)	4,105
Plan Fiduciary Net Position - Beginning	37,332	35,379	34,371	36,971	32,866
Plan Fiduciary Net Position - Ending (b)	\$39,145	\$37,332	\$35,379	\$34,371	\$36,971
Net Pension Liability - Ending (a)-(b)	13,409	12,084	13,976	11,663	7,988
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	74.49%	75.55%	71.68%	74.66%	82.23%
Covered Payroll	\$ 5,756	\$ 5,829	\$ 4,557	\$ 4,987	\$ 4,218
Net Pension Liability as a Percentage of Covered Payroll	232.96%	207.33%	306.71%	233.87%	189.39%

This schedule is present to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, information for those years for which information is available is presented.

Notes to the Schedule:

The covered payroll numbers presented are in compliance with GASB Statement No. 82, *Pension Issues*, except for the 09/30/15 measurement period which includes DROP payroll.

Changes of Benefit Terms:

For measurement date 9/30/18, changes of benefit terms resulted from Ordinance 2986, adopted in 2018.

Changes of Assumptions:

For measurement date 09/30/18, amounts reported as changes of assumptions resulted from the following changes:
A 100% retirement probability for the addition of the Normal Retirement Date for members hired after December 31, 2012.
The investment return assumption has been reduced from 7.90% to 7.85%.
The rates for early retirement members hired prior to January 2013 have been reduced from 9.0% to 6.0%.

For measurement date 09/30/17, as required by Chapter 2015-157, Laws of Florida, the assumed rates of mortality have been changed from those in the July 1, 2015 FRS valuation report to those used in the July 1, 2016 FRS valuation report. Additionally, the assumption of investment return was lowered from 7.95% to 7.90% compounded annually, net on investment related expenses.

For measurement date 09/30/16, amounts reported as changes of assumptions resulted from the following changes:
The investment return assumption was lowered from 8.0% to 7.95%. This assumption rate will be reduced annually until it reaches an ultimate rate of 7.75% in the 10/1/20 actuarial valuation.
The normal retirement and early retirement rates for members hired before 1/1/13 have been updated based on the experience study dated 10/28/16. The Tier 1 early retirement rates for ages 44 to 49 have been reduced to 9%, and will be reduced annually until it reaches an ultimate rate of 3% is reached in the 10/1/20 actuarial valuation.
The termination and salary increase assumptions have been updated to better reflect anticipated future Plan experience.
As a result of Chapter 2015-157, Laws of Florida, the assumed rates of mortality were changed to the assumptions used by the Florida Retirement System for special risk employees.
The inflation assumption rate was lowered from 3.0% to 2.7%, matching the long-term inflation assumption utilized by the Plan's investment consultant.

For measurement date 09/30/15, the inflation assumption was lowered from 3.5% to 3.0%.

CITY OF KISSIMMEE, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
September 30, 2018
(In Thousands)

Schedule of Actuarially Determined Contributions (General Employees' City Only)

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Actuarially Determined Contribution	\$ 2,590	\$ 2,344	\$ 2,119	\$ 2,160	\$ 1,980
Contributions in Relation to the					
Actuarially Determined Contributions	<u>2,590</u>	<u>2,344</u>	<u>2,119</u>	<u>2,088</u>	<u>1,984</u>
Contribution Deficiency (Excess)	<u>-</u>	<u>-</u>	<u>-</u>	<u>72</u>	<u>(4)</u>
Covered Payroll	\$ 14,740	\$ 13,947	\$ 13,653	\$ 12,852	\$ 12,758
Contributions as a percentage of					
Covered Payroll	17.57%	16.81%	15.52%	16.25%	15.55%

This schedule is present to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, information for those years for which information is available is presented.

Notes to Schedule:

The covered payroll numbers presented are in compliance with GASB Statement No. 82, *Pension Issues*.

Valuation Date: 10/1/16

General Employees' only includes the City portion.

Actuarially determined contribution rates are calculated as of October 1, which is 15 months prior to the expected contribution date.

Prepaid contributions were used to meet the remaining of the actuarially determined contribution for the fiscal year ended September 30, 2015.

Methods and assumptions used to determine contribution rates:

Actuarial Cost Method:	Entry Age Normal
Amortization Method:	Level % of pay, closed
Remaining Amortization Period:	14 Years (as of 10/01/2016)
Asset Valuation Method:	20% of the difference between FMV and expected actuarial value
Inflation:	3%
Salary Increase:	4.00% to 6.50%
Interest Rate	7.5%
Retirement Age	Experience-based table of rates specific to type of eligibility condition
Early Retirement	Age 55 and 10 years of service
Cost-of-Living Adjustment	None

Changes of Benefit Terms:

There have been no changes in benefits since the prior valuation.

Changes of Assumptions:

There have been no changes in assumptions since the prior valuation.

CITY OF KISSIMMEE, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
September 30, 2018
(In Thousands)

Schedule of Actuarially Determined Contributions (Police Officers')

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Actuarially Determined Contribution	\$ 2,640	\$ 2,626	\$ 2,464	\$ 2,469	\$2,408
Contributions in Relation to the Actuarially Determined Contributions	<u>2,717</u>	<u>2,537</u>	<u>2,530</u>	<u>2,428</u>	<u>2,977</u>
Contribution Deficiency (Excess)	<u>(77)</u>	<u>89</u>	<u>(66)</u>	<u>41</u>	<u>(569)</u>
Covered Payroll	\$ 7,921	\$ 7,725	\$ 7,506	\$ 7,754	\$6,841
Contributions as a percentage of Covered Payroll	34.30%	32.84%	33.71%	31.31%	43.52%

This schedule is present to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, information for those years for which information is available is presented.

Notes to Schedule:

The covered payroll numbers presented are in compliance with GASB Statement No. 82, *Pension Issues*, except for the 09/30/15 measurement period which includes DROP payroll.

Valuation Date: 10/1/17

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

Methods and assumptions used to determine contribution rates:

Actuarial Cost Method:	Entry Age Normal
Amortization Method:	Level % of pay, closed
Remaining Amortization Period:	30 Years (as of 10/01/2017)
Asset Valuation Method:	4 Year Smooth
Salary Increase:	Service based
Interest Rate	8%, net of investment related expenses
Mortality:	RP2000 Generational, separate assumptions for Healthy Active Lives, Healthy Inactive Lives, and Disabled Lives
Retirement Age	Age 50 and 10 years of credited service
Early Retirement	Age 40 with 10 years credited service - subsidized benefit at 5% per year
Cost-of-Living Adjustment	1% per year from 55-65

Changes of Benefit Terms:

For measurement date 09/30/16, amounts reported as changes of benefit terms was a result of the adoption of Ordinance No. 2939 which made changes. Please see Required Supplementary Information Schedule "Net Pension Liability and Related Ratios - Police Officers" for details.

Changes of Assumptions:

For measurement dates 09/30/18 and 09/30/16, the assumed rates of mortality were changed. Please see Required Supplementary Information Schedule "Net Pension Liability and Related Ratios - Police Officers" for details.

CITY OF KISSIMMEE, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
September 30, 2018
(In Thousands)

Schedule of Actuarially Determined Contributions (Firefighters')

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Actuarially Determined Contribution	\$ 2,286	\$ 2,465	\$ 1,880	\$ 1,774	\$ 1,851
Contributions in Relation to the Actuarially Determined Contributions	<u>2,472</u>	<u>1,912</u>	<u>1,171</u>	<u>1,819</u>	<u>2,363</u>
Contribution Deficiency (Excess)	<u>(186)</u>	<u>553</u>	<u>709</u>	<u>(45)</u>	<u>(512)</u>
Covered Payroll	\$ 5,756	\$ 5,829	\$ 4,557	\$ 4,987	\$ 4,218
Contributions as a percentage of Covered Payroll	42.95%	32.80%	25.70%	36.47%	56.02%

This schedule is present to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, information for those years for which information is available is presented.

Notes to Schedule:

The covered payroll numbers presented are in compliance with GASB Statement No. 82, *Pension Issues*, except for the 09/30/15 measurement period which includes DROP payroll.

Valuation Date: 10/1/17

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

Methods and assumptions used to determine contribution rates:

Actuarial Cost Method:	Entry Age Normal
Amortization Method:	Level % of pay, closed
Remaining Amortization Period:	30 Years (as of 10/01/2017)
Asset Valuation Method:	5 Year Smooth
Inflation:	2.7%
Interest Rate	7.9%
Mortality:	RP2000 Generational, separate assumptions for Healthy Active Lives, Healthy Inactive Lives, and Disabled Lives
Retirement Age	Age 50 and 10 years of service, or any age with 25 years of credit service
Early Retirement	Age 40 with ten years service or age 50 - subsidized benefit at 10% per year
Cost-of-Living Adjustment	None

Changes in Benefit Terms:

For measurement date 9/30/18, changes of benefit terms resulted from Ordinance 2986, adopted in 2018.

Changes of Assumptions:

For measurement dates 09/30/18, 09/30/17 and 09/30/16, several assumptions were changed. Please see Required Supplementary Information Schedule "Net Pension Liability and Related Ratios - Firefighters" for details.

**CITY OF KISSIMMEE, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
September 30, 2018
(In Thousands)**

Money-weighted Rate of Return

		General Employees'				
		<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Annual Money-Weighted Rate of Return						
Net of Investment Expense		7.04%	6.09%	6.09%	1.54%	11.45%
		Police Officers'				
		<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Annual Money-Weighted Rate of Return						
Net of Investment Expense		10.42%	10.74%	8.99%	2.29%	9.71%
		Firefighters'				
		<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Annual Money-Weighted Rate of Return						
Net of Investment Expense		8.03%	10.75%	8.90%	-4.79%	13.20%

This schedule is present to illustrate the requirement to show information for 10 years. However, until full 10 year trend is compiled, information for those years for which information is available is presented.

**CITY OF KISSIMMEE, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
September 30, 2018
(In Thousands)**

Schedule of Changes in the Total OPEB Liability and Related Ratios

	2018
Total OPEB Liability	
Service cost	\$ 544
Interest	233
Difference between expected and actual experience	-
Change of assumptions and other inputs	(270)
Benefit payments	(234)
Net change in total OPEB liability	273
Total OPEB liability - beginning	7,099
Total OPEB liability - ending	\$ 7,372
Covered-employee payroll	\$ 26,226
Total OPEB liability as a percentage of covered-employee payroll	28.11%

Fiscal year 2018 presents information on the Plan's measurement year ended September 30, 2017.

Notes to the Schedule:

Note 1: GASB 75 requires information for 10 years. However, until a full 10-year trend is compiled, the City is presenting information for only those years for which information is available.

Note 2: No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB 75.

OTHER SUPPLEMENTAL INFORMATION

Budgetary Comparison Schedules (GAAP BASIS):

- Major Debt Service Fund:
 - 2016 Revenue Note Debt Service

- Major Capital Projects Fund:
 - 2016 Revenue Note Capital Project

Non-Major Governmental Funds:

Combining Financial Statements for All Non-major Governmental Funds and Individual Budgetary Comparison Schedules (GAAP Basis) for All Budgeted Nonmajor Governmental Funds

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

Special Revenue Funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes other than debt service or capital projects. The City has the following nonmajor special revenue funds:

Budgeted Special Revenue Funds (GAAP Basis)

Local Option Gas Tax

To account for the City's share of the six-cent local option gas tax revenues designated for road improvements and maintenance projects.

Recreation Impact Fee Fund

To account for impact fees collected and spent based on charges to new living units constructed. Revenue is restricted for park acquisition and improvements. Impact fees are assessed based upon City ordinance and adopted pursuant to Florida Law.

Transportation Impact Fee Fund

To account for impact fees collected and spent based on charges to new living units constructed. Revenue is restricted for transportation improvements. Impact fees are assessed based upon City ordinance and adopted pursuant to Florida Law.

Local Option Sales Tax

To account for the City's share of the local option sales tax revenues designated for improvements and infrastructure projects.

Building Division

To account for the collection of building permit revenues and payment of expenditures associated with providing inspection related services.

Mobility Fee Fund

To account for mobility fees collected and spent based on charges to new living units constructed. Revenue is restricted for transportation improvements. Mobility fees are assessed based upon City ordinance and replace the transportation impact fee program.

State Housing Initiative Program

To account for revenues and expenditures related to the State Housing Initiative Program with funding provided by the Florida Housing Finance Corporation. These funds are used to provide down payment assistance, housing rehabilitation, foreclosure prevention, and rental deposit assistance.

Victims of Crime Act Grant

To account for revenues and expenditures related to the U.S. DOJ grant established under the 1984 Victims of Crime Act awarded for the various prevention programs.

NONMAJOR GOVERNMENTAL FUNDS - CONTINUED

Justice Assistance Grant

To account for the revenues and expenditures associated with the U. S. Department of Justice (DOJ), Bureau of Justice Assistance, Edward Byrne Memorial Justice Assistance Grant (JAG) program which allows states and local governments to support a broad range of activities to prevent and control crime and to improve the criminal justice system.

Paving Assessments

To account for the costs associated with paving projects. One-third of the project costs are paid by the Gas Tax Fund while the remaining two-thirds are assessed to property owners.

Charter School

To account for the funds received from the Osceola County School District and related expenditures to the management firm that operates the City's charter school.

Neighborhood Stabilization and HOME

To account for revenues and expenditures related to the U.S. Department of Housing and Urban Development (HUD) housing assistance programs to qualifying low-income families.

Community Development Block Grant

To account for revenues and expenditures related to the U.S. Department of HUD Community Development Block Grant.

Traffic Signal Cabinet Grant

To account for the revenues and expenditures related to the agreement with the FDOT to provide for traffic signal upgrades.

W Oak Street Improvement Grant

To account for the revenues and expenditures related to the LAP Agreement with the FDOT to provide for the construction of improvement along West Oak Street.

Non-Budgeted Special Revenue Funds

Kissimmee Pedestrian Bridge Project

To account for the revenues and expenditures related to the LAP Agreement with the FDOT to provide for the construction of a pedestrian bridge.

Section 8 HAPP

To account for expenditures associated with various housing related projects.

Police and Firefighters Premium Tax Trust

To account for excise tax imposed on homeowners' insurance premiums collected by the State of Florida Department of Revenue and remitted to the City. These tax revenues are to be used as retirement contributions to Police and Firefighters' Pension plans.

Supplementary Care

To account for revenue received from individuals buying supplementary care in the City cemetery. Interest can be transferred to the General Fund to defray the cost of cemetery operations and maintenance.

NONMAJOR GOVERNMENTAL FUNDS - CONTINUED

DEBT SERVICE FUNDS

Debt Service Funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest. The City has the following nonmajor debt service funds:

Budgeted Debt Service Funds (GAAP Basis)

FmHA Bond

Accounts for the payment of principal and interest on the 1980 and 1981 Excise Tax Revenue Bonds. Occupational license revenue is pledged for payment of these bonds. Transfers are made from the General Fund.

2015B Refunding Note

Accounts for the payment of principal and interest on the 2015B Refunding Note to refund the 2004 CRA Revenue Note. Tax increment financing revenues are used for annual debt service payments.

2014A Revenue Note

Accounts for the payment of principal and interest on the 2014A Revenue Note. Monies from the one-cent sales tax are used for annual debt service payments.

2017 Revenue Note

Accounts for the payment of principal and interest on the 2017 Revenue Note. Monies from the one-cent sales tax are used for annual debt service payments.

2010A Refunding Revenue Note

Accounts for the payment of principal and interest on the 2010A Refunding Revenue Note to advance refund the 2005 Revenue Note. Monies from the one-cent sales tax are used for annual debt service payments.

2010B Refunding Revenue Note

Accounts for the payment of principal and interest on the 2010B Refunding Revenue Note. Monies from the Local Option sales tax are used for annual debt service payments.

2010C Refunding Revenue Note

Accounts for the payment of principal and interest on the 2010C Refunding Revenue Note. Monies from the Local Option gas tax are used for annual debt service payments.

2011B Capital Refunding Note

Accounts for the payment of principal and interest on the 2011B Capital Refunding Note. Revenue received from Local Option sales tax is used for annual debt service payments.

NONMAJOR GOVERNMENTAL FUNDS - CONTINUED

CAPITAL PROJECTS FUNDS

Capital Projects Funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital outlay. The City has the following capital projects funds:

Budgeted Capital Projects Fund (GAAP Basis)

2014A Note Capital Project

To account for the proceeds of the 2014A Revenue Note to be used for Lakefront Park and road improvement projects.

2010C Note Capital Project

To account for the proceeds of the 2010C Revenue Note to be used for road improvement projects.

Lakefront Sales Tax 2009A Capital Project Fund

To account for the proceeds of the 2009A Revenue Note to be used for the construction of projects in the Lakefront Restoration Project.

2017 Note Capital Project

To account for the proceeds of the 2017 Commercial Note to be used for various improvement projects.

CITY OF KISSIMMEE, FLORIDA
BUDGETARY COMPARISON SCHEDULE
2016 REVENUE NOTE DEBT SERVICE
For the Year Ended September 30, 2018
(In Thousands)

	<u>Budget</u>	<u>Actual Amounts</u>	<u>Variance with Budget - Over (Under)</u>
REVENUES			
Investment Income	\$ -	\$ -	\$ -
Total Revenues	<u>-</u>	<u>-</u>	<u>-</u>
EXPENDITURES			
Principal Retirement	1,185	1,185	-
Interest and Fiscal Charges	1,779	1,779	-
Professional Fees	17	-	17
Total Expenditures	<u>2,981</u>	<u>2,964</u>	<u>17</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(2,981)</u>	<u>(2,964)</u>	<u>17</u>
OTHER FINANCING SOURCES AND (USES)			
Transfers In	2,964	2,964	-
Total Other Financing Sources and (Uses)	<u>2,964</u>	<u>2,964</u>	<u>-</u>
Net Change in Fund Balance	(17)	-	17
Fund Balance - Beginning	<u>17</u>	<u>17</u>	<u>-</u>
Fund Balance - Ending	<u><u>\$ -</u></u>	<u><u>\$ 17</u></u>	<u><u>\$ 17</u></u>

CITY OF KISSIMMEE, FLORIDA
BUDGETARY COMPARISON SCHEDULE
2016 REVENUE NOTE CAPITAL PROJECTS
For the Year Ended September 30, 2018
(In Thousands)

	<u>Budget</u>	<u>Actual Amounts</u>	<u>Variance with Budget - Over (Under)</u>
REVENUES			
Investment Income	\$ -	\$ 227	\$ 227
Total Revenues	<u>-</u>	<u>227</u>	<u>227</u>
EXPENDITURES			
Capital Outlay	<u>23,720</u>	<u>4,483</u>	<u>19,237</u>
Total Expenditures	<u>23,720</u>	<u>4,483</u>	<u>19,237</u>
Net Change in Fund Balance	(23,720)	(4,256)	19,464
Fund Balance - Beginning	<u>23,720</u>	<u>23,701</u>	<u>(19)</u>
Fund Balance - Ending	<u>\$ -</u>	<u>\$ 19,445</u>	<u>\$ 19,445</u>

CITY OF KISSIMMEE, FLORIDA
COMBINING BALANCE SHEET
ALL NONMAJOR GOVERNMENTAL FUNDS

September 30, 2018

(In Thousands)

	Total Nonmajor Special Revenue Funds	Total Nonmajor Debt Service Funds	Total Nonmajor Capital Project Funds	Total Nonmajor Governmental Funds
ASSETS				
Cash and Cash Equivalents	\$ 21,785	\$ 3,189	\$ -	\$ 24,974
Restricted Cash and Investments	1,432	-	2,038	3,470
Accounts Receivable (net)	34	-	-	34
Due from TWA	14	-	-	14
Due from Other Governments	2,109	-	-	2,109
Prepaid Items	105	-	-	105
Total Assets	\$ 25,479	\$ 3,189	\$ 2,038	\$ 30,706
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities:				
Accounts Payable	\$ 582	\$ -	\$ -	\$ 582
Contracts Payable	738	-	-	738
Accrued Liabilities	-	3,147	-	3,147
Due to Other Funds	308	-	-	308
Due to Other Governments	105	-	-	105
Revenue Collected in Advance	127	-	-	127
Total Liabilities	1,860	3,147	-	5,007
Deferred Inflows of Resources				
Unavailable Earned Revenues	133	-	-	133
Total Deferred Inflows of Resources	133	-	-	133
Fund Balances:				
Nonspendable Prepays and Inventories	105	-	-	105
Nonspendable Supplementary Care	928	-	-	928
Restricted for Transportation Projects	7,004	-	-	7,004
Restricted for Public Safety Projects	30	-	-	30
Restricted for Development Services	5,523	-	-	5,523
Restricted for Economic Development	626	-	-	626
Restricted for Recreation Projects	1,244	-	-	1,244
Restricted for Charter School	2,782	-	-	2,782
Restricted for Construction Projects	-	-	2,038	2,038
Restricted for Other Capital Improvements	5,351	-	-	5,351
Assigned for Debt Service	-	42	-	42
Unassigned (Deficit)	(107)	-	-	(107)
Total Fund Balances	23,486	42	2,038	25,566
Total Liabilities, Deferred Inflows and Fund Balances	\$ 25,479	\$ 3,189	\$ 2,038	\$ 30,706

CITY OF KISSIMMEE, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
ALL NONMAJOR GOVERNMENTAL FUNDS
Fiscal Year Ended September 30, 2018
(In Thousands)

	Total Nonmajor Special Revenue Funds	Total Nonmajor Debt Service Funds	Total Nonmajor Capital Project Funds	Total Nonmajor Governmental Funds
REVENUES				
Taxes	\$ 10,797	\$ -	\$ -	\$ 10,797
Permits, Fees and Special Assessments	5,493	-	-	5,493
Intergovernmental Revenues	8,508	-	-	8,508
Charges for Services	244	-	-	244
Investment Income	236	-	39	275
Miscellaneous Revenues	174	-	-	174
Total Revenues	<u>25,452</u>	<u>-</u>	<u>39</u>	<u>25,491</u>
EXPENDITURES				
Current:				
General Government	5,401	-	15	5,416
Public Safety	3,537	-	-	3,537
Transportation	3,939	-	-	3,939
Economic Environment	1,943	-	-	1,943
Culture/Recreation	758	-	-	758
Capital Outlay	-	-	9,575	9,575
Debt Service:				
Principal Retirement	196	2,722	-	2,918
Interest and Fiscal Charges	2	1,157	-	1,159
Total Expenditures	<u>15,776</u>	<u>3,879</u>	<u>9,590</u>	<u>29,245</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>9,676</u>	<u>(3,879)</u>	<u>(9,551)</u>	<u>(3,754)</u>
OTHER FINANCING SOURCES and (USES)				
Transfers In	1,349	3,879	-	5,228
Transfers (Out)	(6,514)	-	-	(6,514)
Issuance of Notes Payable/Refunded Notes Payable	-	-	6,220	6,220
Proceeds from Sale of Capital Assets	5	-	-	5
Total Other Financing Sources and (Uses)	<u>(5,160)</u>	<u>3,879</u>	<u>6,220</u>	<u>4,939</u>
Net Change in Fund Balances	<u>4,516</u>	<u>-</u>	<u>(3,331)</u>	<u>1,185</u>
Fund Balances - Beginning	<u>18,970</u>	<u>42</u>	<u>5,369</u>	<u>24,381</u>
Fund Balances - Ending	<u>\$ 23,486</u>	<u>\$ 42</u>	<u>\$ 2,038</u>	<u>\$ 25,566</u>

CITY OF KISSIMMEE, FLORIDA
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
September 30, 2018
(In Thousands)

	Local Option Gas Tax	Recreation Impact Fee Fund	Transportation Impact Fee Fund	Local Option Sales Tax
ASSETS				
Cash and Cash Equivalents	\$ 2,701	\$ 1,303	\$ 61	\$ 4,884
Restricted Cash and Investments	-	-	-	-
Accounts Receivable (net)	-	-	-	-
Due from TWA	14	-	-	-
Due from Other Governments	241	-	-	1,271
Prepaid Items	105	-	-	-
Total Assets	\$ 3,061	\$ 1,303	\$ 61	\$ 6,155
LIABILITIES				
Accounts Payable	\$ 84	\$ 59	\$ -	\$ 66
Contracts Payable	-	-	-	738
Due to Other Funds	-	-	-	-
Due to Other Governments	105	-	-	-
Revenue Collected in Advance	-	-	-	-
Total Liabilities	189	59	-	804
DEFERRED INFLOWS OF RESOURCES				
Unavailable Earned Revenues	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-
FUND BALANCES (DEFICITS)				
Nonspendable Prepays and Inventories	105	-	-	-
Nonspendable Supplementary Care	-	-	-	-
Restricted for Transportation Projects	2,767	-	61	-
Restricted for Public Safety Projects	-	-	-	-
Restricted for Development Services	-	-	-	-
Restricted for Economic Development	-	-	-	-
Restricted for Recreation Projects	-	1,244	-	-
Restricted for Charter School	-	-	-	-
Restricted for Other Capital	-	-	-	-
Improvements	-	-	-	5,351
Unassigned (Deficit)	-	-	-	-
Total Fund Balances (Deficits)	2,872	1,244	61	5,351
Total Liabilities, Deferred Inflows and Fund Balances	\$ 3,061	\$ 1,303	\$ 61	\$ 6,155

Building Division	Mobility Fee Fund	State Housing Initiative Program	Victim of Crime Act	Justice Assistance Grant	Paving Assessments
\$ 5,527	\$ 4,185	\$ 547	\$ -	\$ 18	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	12	-	-
-	-	-	-	-	-
<u>\$ 5,527</u>	<u>\$ 4,185</u>	<u>\$ 547</u>	<u>\$ 12</u>	<u>\$ 18</u>	<u>\$ -</u>
\$ 4	\$ 9	\$ 13	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>4</u>	<u>9</u>	<u>13</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	4,176	-	-	-	-
-	-	-	12	18	-
5,523	-	-	-	-	-
-	-	534	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>5,523</u>	<u>4,176</u>	<u>534</u>	<u>12</u>	<u>18</u>	<u>-</u>
<u>\$ 5,527</u>	<u>\$ 4,185</u>	<u>\$ 547</u>	<u>\$ 12</u>	<u>\$ 18</u>	<u>\$ -</u>

Continued

CITY OF KISSIMMEE, FLORIDA
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
September 30, 2018
(In Thousands)

	<u>Charter School</u>	<u>Neighborhood Stabilization and Home</u>	<u>Community Development Block Grant</u>	<u>Traffic Signal Cabinet Grant</u>
ASSETS				
Cash and Cash Equivalents	\$ 1,405	\$ 222	\$ -	\$ -
Restricted Cash and Investments	1,432	-	-	-
Accounts Receivable (net)	-	34	-	-
Due from TWA	-	-	-	-
Due from Other Governments	205	-	336	-
Prepaid Items	-	-	-	-
Total Assets	\$ 3,042	\$ 256	\$ 336	\$ -
LIABILITIES				
Accounts Payable	\$ 260	\$ -	\$ 63	\$ -
Contracts Payable	-	-	-	-
Due to Other Funds	-	41	229	-
Due to Other Governments	-	-	-	-
Revenue Collected in Advance	-	127	-	-
Total Liabilities	260	168	292	-
DEFERRED INFLOWS OF RESOURCES				
Unavailable Earned Revenues	-	-	89	-
Total Deferred Inflows of Resources	-	-	89	-
FUND BALANCES (DEFICITS)				
Nonspendable Prepaids and Inventories	-	-	-	-
Nonspendable Supplementary Care	-	-	-	-
Restricted for Transportation Projects	-	-	-	-
Restricted for Public Safety Projects	-	-	-	-
Restricted for Development Services	-	-	-	-
Restricted for Economic Development	-	88	-	-
Restricted for Recreation Projects	-	-	-	-
Restricted for Charter School	2,782	-	-	-
Restricted for Other Capital Improvements	-	-	-	-
Unassigned (Deficit)	-	-	(45)	-
Total Fund Balances (Deficits)	2,782	88	(45)	-
Total Liabilities, Deferred Inflows and Fund Balances	\$ 3,042	\$ 256	\$ 336	\$ -

W Oak Street Improvement Grant	Kissimmee Pedestrian Bridge	Section 8 HAPP Fund	Police and Firefighters Premium Tax Trust	Supplementary Care	Total Nonmajor Special Revenue Funds
\$ -	\$ -	\$ 4	\$ -	\$ 928	\$ 21,785
-	-	-	-	-	1,432
-	-	-	-	-	34
-	-	-	-	-	14
44	-	-	-	-	2,109
-	-	-	-	-	105
<u>\$ 44</u>	<u>\$ -</u>	<u>\$ 4</u>	<u>\$ -</u>	<u>\$ 928</u>	<u>\$ 25,479</u>
\$ 24	\$ -	\$ -	\$ -	\$ -	\$ 582
-	-	-	-	-	738
38	-	-	-	-	308
-	-	-	-	-	105
-	-	-	-	-	127
<u>62</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,860</u>
<u>44</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>133</u>
<u>44</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>133</u>
-	-	-	-	-	105
-	-	-	-	928	928
-	-	-	-	-	7,004
-	-	-	-	-	30
-	-	-	-	-	5,523
-	-	4	-	-	626
-	-	-	-	-	1,244
-	-	-	-	-	2,782
-	-	-	-	-	5,351
(62)	-	-	-	-	(107)
<u>(62)</u>	<u>-</u>	<u>4</u>	<u>-</u>	<u>928</u>	<u>23,486</u>
<u>\$ 44</u>	<u>\$ -</u>	<u>\$ 4</u>	<u>\$ -</u>	<u>\$ 928</u>	<u>\$ 25,479</u>

CITY OF KISSIMMEE, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
For the Year Ended September 30, 2018
(In Thousands)

	Local Option Gas Tax	Recreation Impact Fee Fund	Transportation Impact Fee Fund	Local Option Sales Tax	Building Division
REVENUES					
Taxes	\$ 2,811	\$ -	\$ -	\$ 7,986	\$ -
Permits, Fees and Special Assessments	-	753	18	-	2,855
Intergovernmental Revenues	-	-	-	-	-
Charges for Services	14	-	-	-	230
Investment Income	25	14	1	65	43
Miscellaneous Revenues	-	-	-	-	-
Total Revenues	2,850	767	19	8,051	3,128
EXPENDITURES					
Current:					
General Government	-	-	-	923	-
Public Safety	-	-	-	1,044	999
Transportation	1,682	-	-	1,941	-
Economic Environment	-	-	-	-	-
Culture/Recreation	-	702	-	56	-
Debt Service:					
Principal Retirement	-	-	-	196	-
Interest and Fiscal Charges	-	-	-	2	-
Total Expenditures	1,682	702	-	4,162	999
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,168	65	19	3,889	2,129
OTHER FINANCING SOURCES and (USES)					
Transfers In	549	-	-	427	30
Transfers (Out)	(1,006)	(78)	-	(4,285)	(15)
Proceeds from Sale of Capital Assets	-	-	-	-	-
Total Other Financing Sources and (Uses)	(457)	(78)	-	(3,858)	15
Net Change in Fund Balances	711	(13)	19	31	2,144
Fund Balances (Deficits) - Beginning	2,161	1,257	42	5,320	3,379
Fund Balances (Deficits) - Ending	\$ 2,872	\$ 1,244	\$ 61	\$ 5,351	\$ 5,523

Mobility Fee Fund	State Housing Initiative Program	Victim of Crime Act	Justice Assistance Grant	Paving Assessments
\$ -	\$ -	\$ -	\$ -	\$ -
1,838	-	-	-	29
-	335	57	40	-
-	-	-	-	-
36	7	-	-	-
-	-	-	-	-
<u>1,874</u>	<u>342</u>	<u>57</u>	<u>40</u>	<u>29</u>
-	-	-	-	-
-	-	77	293	-
125	-	-	-	25
-	399	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>125</u>	<u>399</u>	<u>77</u>	<u>293</u>	<u>25</u>
<u>1,749</u>	<u>(57)</u>	<u>(20)</u>	<u>(253)</u>	<u>4</u>
-	40	24	271	-
(446)	-	-	-	(4)
-	-	-	-	-
<u>(446)</u>	<u>40</u>	<u>24</u>	<u>271</u>	<u>(4)</u>
1,303	(17)	4	18	-
2,873	551	8	-	-
<u>\$ 4,176</u>	<u>\$ 534</u>	<u>\$ 12</u>	<u>\$ 18</u>	<u>\$ -</u>

Continued

CITY OF KISSIMMEE, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
For the Year Ended September 30, 2018
(In Thousands)

	<u>Charter School</u>	<u>Neighborhood Stabilization and Home</u>	<u>Community Development Block Grant</u>	<u>Traffic Signal Cabinet Grant</u>
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ -
Permits, Fees and Special Assessments	-	-	-	-
Intergovernmental Revenues	5,469	225	1,135	-
Charges for Services	-	-	-	-
Investment Income	34	2	-	-
Miscellaneous Revenues	-	138	-	-
Total Revenues	<u>5,503</u>	<u>365</u>	<u>1,135</u>	<u>-</u>
EXPENDITURES				
Current:				
General Government	4,478	-	-	-
Public Safety	-	-	-	-
Transportation	-	-	-	-
Economic Environment	-	360	1,184	-
Culture/Recreation	-	-	-	-
Debt Service:				
Principal Retirement	-	-	-	-
Interest and Fiscal Charges	-	-	-	-
Total Expenditures	<u>4,478</u>	<u>360</u>	<u>1,184</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>1,025</u>	<u>5</u>	<u>(49)</u>	<u>-</u>
OTHER FINANCING SOURCES and (USES)				
Transfers In	-	-	8	-
Transfers (Out)	(640)	-	-	(14)
Proceeds from Sale of Capital Assets	-	-	5	-
Total Other Financing Sources and (Uses)	<u>(640)</u>	<u>-</u>	<u>13</u>	<u>(14)</u>
Net Change in Fund Balances	385	5	(36)	(14)
Fund Balances (Deficits) - Beginning	<u>2,397</u>	<u>83</u>	<u>(9)</u>	<u>14</u>
Fund Balances (Deficits) - Ending	<u>\$ 2,782</u>	<u>\$ 88</u>	<u>\$ (45)</u>	<u>\$ -</u>

W Oak Street Improvement Grant	Kissimmee Pedestrian Bridge	Section 8 HAPP Fund	Police and Firefighters Premium Tax Trust	Supplementary Care	Total Nonmajor Special Revenue Funds
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10,797
-	-	-	-	-	5,493
123	-	-	1,124	-	8,508
-	-	-	-	-	244
-	-	-	-	9	236
-	-	-	-	36	174
<u>123</u>	<u>-</u>	<u>-</u>	<u>1,124</u>	<u>45</u>	<u>25,452</u>
-	-	-	-	-	5,401
-	-	-	1,124	-	3,537
166	-	-	-	-	3,939
-	-	-	-	-	1,943
-	-	-	-	-	758
-	-	-	-	-	196
-	-	-	-	-	2
<u>166</u>	<u>-</u>	<u>-</u>	<u>1,124</u>	<u>-</u>	<u>15,776</u>
<u>(43)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>45</u>	<u>9,676</u>
-	-	-	-	-	1,349
-	(26)	-	-	-	(6,514)
-	-	-	-	-	5
-	(26)	-	-	-	(5,160)
<u>(43)</u>	<u>(26)</u>	<u>-</u>	<u>-</u>	<u>45</u>	<u>4,516</u>
<u>(19)</u>	<u>26</u>	<u>4</u>	<u>-</u>	<u>883</u>	<u>18,970</u>
<u>\$ (62)</u>	<u>\$ -</u>	<u>\$ 4</u>	<u>\$ -</u>	<u>\$ 928</u>	<u>\$ 23,486</u>

CITY OF KISSIMMEE, FLORIDA
BUDGETARY COMPARISON SCHEDULE
LOCAL OPTION GAS TAX
For the Year Ended September 30, 2018
(In Thousands)

	<u>Budget</u>	<u>Actual Amounts</u>	<u>Variance with Budget - Over (Under)</u>
REVENUES			
Taxes	\$ 2,619	\$ 2,811	\$ 192
Charges for Services	40	14	(26)
Investment Income	10	25	15
Miscellaneous Revenues	2	-	(2)
Total Revenues	<u>2,671</u>	<u>2,850</u>	<u>179</u>
EXPENDITURES			
Transportation	4,192	1,682	2,510
Capital Outlay	-	-	-
Total Expenditures	<u>4,192</u>	<u>1,682</u>	<u>2,510</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(1,521)</u>	<u>1,168</u>	<u>2,689</u>
OTHER FINANCING SOURCES AND (USES)			
Transfers In	510	549	39
Transfers (Out)	(1,006)	(1,006)	-
Total Other Financing Sources and (Uses)	<u>(496)</u>	<u>(457)</u>	<u>39</u>
Net Change in Fund Balance	<u>(2,017)</u>	<u>711</u>	<u>2,728</u>
Fund Balance (Deficit) - Beginning	<u>2,017</u>	<u>2,161</u>	<u>144</u>
Fund Balance (Deficit) - Ending	<u>\$ -</u>	<u>\$ 2,872</u>	<u>\$ 2,872</u>

CITY OF KISSIMMEE, FLORIDA
BUDGETARY COMPARISON SCHEDULE
RECREATION IMPACT FEE FUND
For the Year Ended September 30, 2018
(In Thousands)

	<u>Budget</u>	<u>Actual Amounts</u>	<u>Variance with Budget - Over (Under)</u>
REVENUES			
Permits, Fees and Special Assessments	\$ 500	\$ 753	\$ 253
Investment Income	1	14	13
Total Revenues	<u>501</u>	<u>767</u>	<u>266</u>
EXPENDITURES			
Culture/Recreation	1,532	702	830
Capital Outlay	-	-	-
Total Expenditures	<u>1,532</u>	<u>702</u>	<u>830</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(1,031)</u>	<u>65</u>	<u>1,096</u>
OTHER FINANCING SOURCES AND (USES)			
Transfers (Out)	(78)	(78)	-
Total Other Financing Sources and (Uses)	<u>(78)</u>	<u>(78)</u>	<u>-</u>
Net Change in Fund Balance	(1,109)	(13)	1,096
Fund Balance (Deficit) - Beginning	<u>1,109</u>	<u>1,257</u>	<u>148</u>
Fund Balance (Deficit) - Ending	<u>\$ -</u>	<u>\$ 1,244</u>	<u>\$ 1,244</u>

CITY OF KISSIMMEE, FLORIDA
BUDGETARY COMPARISON SCHEDULE
TRANSPORTATION IMPACT FEE FUND
For the Year Ended September 30, 2018
(In Thousands)

	<u>Budget</u>	<u>Actual Amounts</u>	<u>Variance with Budget - Over (Under)</u>
REVENUES			
Permits, Fees and Special Assessments	\$ 6	\$ 18	\$ 12
Investment Income	-	1	1
Total Revenues	<u>6</u>	<u>19</u>	<u>13</u>
EXPENDITURES			
Transportation	52	-	52
Capital Outlay	-	-	-
Total Expenditures	<u>52</u>	<u>-</u>	<u>52</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(46)</u>	<u>19</u>	<u>65</u>
OTHER FINANCING SOURCES AND (USES)			
Transfers In	-	-	-
Transfers (Out)	-	-	-
Total Other Financing Sources and (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	(46)	19	65
Fund Balance (Deficit) - Beginning	<u>46</u>	<u>42</u>	<u>(4)</u>
Fund Balance (Deficit) - Ending	<u>\$ -</u>	<u>\$ 61</u>	<u>\$ 61</u>

CITY OF KISSIMMEE, FLORIDA
BUDGETARY COMPARISON SCHEDULE
LOCAL OPTION SALES TAX
For the Year Ended September 30, 2018
(In Thousands)

	<u>Budget</u>	<u>Actual Amounts</u>	<u>Variance with Budget - Over (Under)</u>
REVENUES			
Taxes	\$ 7,687	\$ 7,986	\$ 299
Investment Income	11	65	54
Total Revenues	<u>7,698</u>	<u>8,051</u>	<u>353</u>
EXPENDITURES			
General Government	2,834	923	1,911
Public Safety	3,771	1,044	2,727
Transportation	3,316	1,941	1,375
Culture/Recreation	432	56	376
Capital Outlay	-	-	-
Debt Service:			
Principal Retirement	196	196	-
Interest and Fiscal Charges	2	2	-
NOT CODED	-	-	-
Total Expenditures	<u>10,551</u>	<u>4,162</u>	<u>6,389</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(2,853)</u>	<u>3,889</u>	<u>6,742</u>
OTHER FINANCING SOURCES AND (USES)			
Transfers In	427	427	-
Transfers (Out)	(4,371)	(4,285)	86
Total Other Financing Sources and (Uses)	<u>(3,944)</u>	<u>(3,858)</u>	<u>86</u>
Net Change in Fund Balance	(6,797)	31	6,828
Fund Balance (Deficit) - Beginning	<u>6,797</u>	<u>5,320</u>	<u>(1,477)</u>
Fund Balance (Deficit) - Ending	<u>\$ -</u>	<u>\$ 5,351</u>	<u>\$ 5,351</u>

CITY OF KISSIMMEE, FLORIDA
BUDGETARY COMPARISON SCHEDULE
BUILDING DIVISION
For the Year Ended September 30, 2018
(In Thousands)

	<u>Budget</u>	<u>Actual Amounts</u>	<u>Variance with Budget - Over (Under)</u>
REVENUES			
Permits, Fees and Special Assessments	\$ 1,644	\$ 2,855	\$ 1,211
Charges for Services	92	230	138
Investment Income	10	43	33
Total Revenues	<u>1,746</u>	<u>3,128</u>	<u>1,382</u>
EXPENDITURES			
Public Safety	5,273	999	4,274
Capital Outlay	-	-	-
Total Expenditures	<u>5,273</u>	<u>999</u>	<u>4,274</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(3,527)</u>	<u>2,129</u>	<u>5,656</u>
OTHER FINANCING SOURCES AND (USES)			
Transfers In	30	30	-
Transfers (Out)	(15)	(15)	-
Total Other Financing Sources and (Uses)	<u>15</u>	<u>15</u>	<u>-</u>
Net Change in Fund Balance	(3,512)	2,144	5,656
Fund Balance (Deficit) - Beginning	<u>3,512</u>	<u>3,379</u>	<u>(133)</u>
Fund Balance (Deficit) - Ending	<u>\$ -</u>	<u>\$ 5,523</u>	<u>\$ 5,523</u>

CITY OF KISSIMMEE, FLORIDA
BUDGETARY COMPARISON SCHEDULE
MOBILITY FEE FUND
For the Year Ended September 30, 2018
(In Thousands)

	<u>Budget</u>	<u>Actual Amounts</u>	<u>Variance with Budget - Over (Under)</u>
REVENUES			
Permits, Fees and Special Assessments	\$ 1,622	\$ 1,838	\$ 216
Charges for Services	30	-	(30)
Investment Income	2	36	34
Total Revenues	<u>1,654</u>	<u>1,874</u>	<u>220</u>
EXPENDITURES			
Transportation	3,620	125	3,495
Capital Outlay	-	-	-
Total Expenditures	<u>3,620</u>	<u>125</u>	<u>3,495</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(1,966)</u>	<u>1,749</u>	<u>3,715</u>
OTHER FINANCING SOURCES AND (USES)			
Transfers (Out)	(446)	(446)	-
Total Other Financing Sources and (Uses)	<u>(446)</u>	<u>(446)</u>	<u>-</u>
Net Change in Fund Balance	(2,412)	1,303	3,715
Fund Balance (Deficit) - Beginning	<u>2,412</u>	<u>2,873</u>	<u>461</u>
Fund Balance (Deficit) - Ending	<u>\$ -</u>	<u>\$ 4,176</u>	<u>\$ 4,176</u>

CITY OF KISSIMMEE, FLORIDA
BUDGETARY COMPARISON SCHEDULE
STATE HOUSING INITIATIVE PROGRAM
For the Year Ended September 30, 2018
(In Thousands)

	<u>Budget</u>	<u>Actual Amounts</u>	<u>Variance with Budget - Over (Under)</u>
REVENUES			
Intergovernmental Revenues	\$ 296	\$ 335	\$ 39
Investment Income	-	7	7
Total Revenues	<u>296</u>	<u>342</u>	<u>46</u>
EXPENDITURES			
Economic Environment	888	399	489
Total Expenditures	<u>888</u>	<u>399</u>	<u>489</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(592)</u>	<u>(57)</u>	<u>535</u>
OTHER FINANCING SOURCES AND (USES)			
Transfers In	40	40	-
Total Other Financing Sources and (Uses)	<u>40</u>	<u>40</u>	<u>-</u>
Net Change in Fund Balance	(552)	(17)	535
Fund Balance (Deficit) - Beginning	<u>552</u>	<u>551</u>	<u>(1)</u>
Fund Balance (Deficit) - Ending	<u>\$ -</u>	<u>\$ 534</u>	<u>\$ 534</u>

CITY OF KISSIMMEE, FLORIDA
BUDGETARY COMPARISON SCHEDULE
VICTIM OF CRIME ACT
For the Year Ended September 30, 2018
(In Thousands)

	<u>Budget</u>	<u>Actual Amounts</u>	<u>Variance with Budget - Over (Under)</u>
REVENUES			
Intergovernmental Revenues	\$ 59	\$ 57	\$ (2)
Total Revenues	<u>59</u>	<u>57</u>	<u>(2)</u>
EXPENDITURES			
Public Safety	<u>78</u>	<u>77</u>	<u>1</u>
Total Expenditures	<u>78</u>	<u>77</u>	<u>1</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(19)</u>	<u>(20)</u>	<u>(1)</u>
OTHER FINANCING SOURCES AND (USES)			
Transfers In	<u>20</u>	<u>24</u>	<u>4</u>
Total Other Financing Sources and (Uses)	<u>20</u>	<u>24</u>	<u>4</u>
Net Change in Fund Balance	1	4	3
Fund Balance (Deficit) - Beginning	<u>(1)</u>	<u>8</u>	<u>9</u>
Fund Balance (Deficit) - Ending	<u>\$ -</u>	<u>\$ 12</u>	<u>\$ 12</u>

CITY OF KISSIMMEE, FLORIDA
BUDGETARY COMPARISON SCHEDULE
JUSTICE ASSISTANCE GRANT
For the Year Ended September 30, 2018
(In Thousands)

	<u>Budget</u>	<u>Actual Amounts</u>	<u>Variance with Budget - Over (Under)</u>
REVENUES			
Intergovernmental Revenues	\$ 40	\$ 40	\$ -
Total Revenues	<u>40</u>	<u>40</u>	<u>-</u>
EXPENDITURES			
Public Safety	293	293	-
Total Expenditures	<u>293</u>	<u>293</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(253)</u>	<u>(253)</u>	<u>-</u>
OTHER FINANCING SOURCES AND (USES)			
Transfers In	253	271	18
Transfers (Out)	-	-	-
Total Other Financing Sources and (Uses)	<u>253</u>	<u>271</u>	<u>18</u>
Net Change in Fund Balance	-	18	18
Fund Balance (Deficit) - Beginning	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance (Deficit) - Ending	<u>\$ -</u>	<u>\$ 18</u>	<u>\$ 18</u>

CITY OF KISSIMMEE, FLORIDA
BUDGETARY COMPARISON SCHEDULE
PAVING ASSESSMENTS
For the Year Ended September 30, 2018
(In Thousands)

	<u>Budget</u>	<u>Actual Amounts</u>	<u>Variance with Budget - Over (Under)</u>
REVENUES			
Permits, Fees and Special Assessments	\$ 48	\$ 29	\$ (19)
Investment Income	-	-	-
Total Revenues	<u>48</u>	<u>29</u>	<u>(19)</u>
EXPENDITURES			
Transportation	43	25	18
Bad Debt	-	-	-
Total Expenditures	<u>43</u>	<u>25</u>	<u>18</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>5</u>	<u>4</u>	<u>(1)</u>
OTHER FINANCING SOURCES AND (USES)			
Transfers (Out)	(5)	(4)	1
Total Other Financing Sources and (Uses)	<u>(5)</u>	<u>(4)</u>	<u>1</u>
Net Change in Fund Balance	-	-	-
Fund Balance (Deficit) - Beginning	-	-	-
Fund Balance (Deficit) - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF KISSIMMEE, FLORIDA
BUDGETARY COMPARISON SCHEDULE
CHARTER SCHOOL
For the Year Ended September 30, 2018
(In Thousands)

	<u>Budget</u>	<u>Actual Amounts</u>	<u>Variance with Budget - Over (Under)</u>
REVENUES			
Intergovernmental Revenues	\$ 5,366	\$ 5,469	\$ 103
Investment Income	9	34	25
Total Revenues	<u>5,375</u>	<u>5,503</u>	<u>128</u>
EXPENDITURES			
General Government	7,123	4,478	2,645
Operating Reserves	-	-	-
Total Expenditures	<u>7,123</u>	<u>4,478</u>	<u>2,645</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(1,748)</u>	<u>1,025</u>	<u>2,773</u>
OTHER FINANCING SOURCES AND (USES)			
Transfers (Out)	(640)	(640)	-
Total Other Financing Sources and (Uses)	<u>(640)</u>	<u>(640)</u>	<u>-</u>
Net Change in Fund Balance	(2,388)	385	2,773
Fund Balance (Deficit) - Beginning	<u>2,388</u>	<u>2,397</u>	<u>9</u>
Fund Balance (Deficit) - Ending	<u>\$ -</u>	<u>\$ 2,782</u>	<u>\$ 2,782</u>

CITY OF KISSIMMEE, FLORIDA
BUDGETARY COMPARISON SCHEDULE
NEIGHBORHOOD STABILIZATION AND HOME
For the Year Ended September 30, 2018
(In Thousands)

	<u>Budget</u>	<u>Actual Amounts</u>	<u>Variance with Budget - Over (Under)</u>
REVENUES			
Intergovernmental Revenues	\$ 317	\$ 225	\$ (92)
Investment Income	-	2	2
Miscellaneous Revenues	229	138	(91)
Total Revenues	<u>546</u>	<u>365</u>	<u>(181)</u>
EXPENDITURES			
Economic Environment	1,322	360	962
Total Expenditures	<u>1,322</u>	<u>360</u>	<u>962</u>
Net Change in Fund Balance	(776)	5	781
Fund Balance (Deficit) - Beginning	<u>776</u>	<u>83</u>	<u>(693)</u>
Fund Balance (Deficit) - Ending	<u>\$ -</u>	<u>\$ 88</u>	<u>\$ 88</u>

CITY OF KISSIMMEE, FLORIDA
BUDGETARY COMPARISON SCHEDULE
COMMUNITY DEVELOPMENT BLOCK GRANT
For the Year Ended September 30, 2018
(In Thousands)

	<u>Budget</u>	<u>Actual Amounts</u>	<u>Variance with Budget - Over (Under)</u>
REVENUES			
Intergovernmental Revenues	\$ 576	\$ 1,135	\$ 559
Total Revenues	<u>576</u>	<u>1,135</u>	<u>559</u>
EXPENDITURES			
Economic Environment	1,429	1,184	245
Total Expenditures	<u>1,429</u>	<u>1,184</u>	<u>245</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(853)</u>	<u>(49)</u>	<u>804</u>
OTHER FINANCING SOURCES AND (USES)			
Transfers In	8	8	-
Proceeds from Sale of Capital Assets	-	5	5
Total Other Financing Sources and (Uses)	<u>8</u>	<u>13</u>	<u>5</u>
Net Change in Fund Balance	(845)	(36)	809
Fund Balance (Deficit) - Beginning	<u>845</u>	<u>(9)</u>	<u>(854)</u>
Fund Balance (Deficit) - Ending	<u>\$ -</u>	<u>\$ (45)</u>	<u>\$ (45)</u>

CITY OF KISSIMMEE, FLORIDA
BUDGETARY COMPARISON SCHEDULE
TRAFFIC SIGNAL CABINET GRANT
For the Year Ended September 30, 2018
(In Thousands)

	<u>Budget</u>	<u>Actual Amounts</u>	<u>Variance with Budget - Over (Under)</u>
REVENUES			
Investment Income	\$ -	\$ -	\$ -
Total Revenues	<u>-</u>	<u>-</u>	<u>-</u>
EXPENDITURES			
Transportation	14	-	14
Total Expenditures	<u>14</u>	<u>-</u>	<u>14</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(14)</u>	<u>-</u>	<u>14</u>
OTHER FINANCING SOURCES AND (USES)			
Transfers (Out)	-	(14)	(14)
Total Other Financing Sources and (Uses)	<u>-</u>	<u>(14)</u>	<u>(14)</u>
Net Change in Fund Balance	<u>(14)</u>	<u>(14)</u>	<u>-</u>
Fund Balance (Deficit) - Beginning	<u>14</u>	<u>14</u>	<u>-</u>
Fund Balance (Deficit) - Ending	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

CITY OF KISSIMMEE, FLORIDA
BUDGETARY COMPARISON SCHEDULE
W OAK STREET IMPROVEMENT GRANT
For the Year Ended September 30, 2018
(In Thousands)

	<u>Budget</u>	<u>Actual Amounts</u>	<u>Variance with Budget - Over (Under)</u>
REVENUES			
Intergovernmental Revenues	\$ -	\$ 123	\$ 123
Total Revenues	<u>-</u>	<u>123</u>	<u>123</u>
EXPENDITURES			
Transportation	1,641	166	1,475
Total Expenditures	<u>1,641</u>	<u>166</u>	<u>1,475</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(1,641)</u>	<u>(43)</u>	<u>1,598</u>
OTHER FINANCING SOURCES AND (USES)			
Transfers In	-	-	-
Total Other Financing Sources and (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	(1,641)	(43)	1,598
Fund Balance (Deficit) - Beginning	<u>1,641</u>	<u>(19)</u>	<u>(1,660)</u>
Fund Balance (Deficit) - Ending	<u>\$ -</u>	<u>\$ (62)</u>	<u>\$ (62)</u>

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CITY OF KISSIMMEE, FLORIDA
COMBINING BALANCE SHEET
NONMAJOR DEBT SERVICE FUNDS
September 30, 2018
(In Thousands)

	FmHA Bond	2015B Refunding Note	2014A Revenue Note	Series 2017 Revenue Note	2010A Refunding Revenue Note
ASSETS					
Cash and Cash Equivalents	\$ 42	\$ 218	\$ 479	\$ -	\$ 834
Total Assets	<u>\$ 42</u>	<u>\$ 218</u>	<u>\$ 479</u>	<u>\$ -</u>	<u>\$ 834</u>
LIABILITIES					
Accrued Liabilities	\$ -	\$ 218	\$ 479	\$ -	\$ 834
Total Liabilities	<u>-</u>	<u>218</u>	<u>479</u>	<u>-</u>	<u>834</u>
FUND BALANCE					
Assigned for Debt Service	42	-	-	-	-
Total Fund Balances	<u>42</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Liabilities and Fund Balances	<u>\$ 42</u>	<u>\$ 218</u>	<u>\$ 479</u>	<u>\$ -</u>	<u>\$ 834</u>

2010B Refunding Revenue Note	2010C Refunding Revenue Note	2011B Capital Refunding Note	Total Nonmajor Debt Service Funds
\$ 669	\$ 232	\$ 715	\$ 3,189
<u>\$ 669</u>	<u>\$ 232</u>	<u>\$ 715</u>	<u>\$ 3,189</u>
\$ 669	\$ 232	\$ 715	\$ 3,147
<u>669</u>	<u>232</u>	<u>715</u>	<u>3,147</u>
-	-	-	42
-	-	-	42
<u>\$ 669</u>	<u>\$ 232</u>	<u>\$ 715</u>	<u>\$ 3,189</u>

CITY OF KISSIMMEE, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR DEBT SERVICE FUNDS
For the Year Ended September 30, 2018
(In Thousands)

	FmHA Bond	2015B Refunding Note	2014A Revenue Note	Series 2017 Revenue Note	2010A Refunding Revenue Note
REVENUES					
Investment Income	\$ -	\$ -	\$ -	\$ -	\$ -
Total Revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXPENDITURES					
Debt Service					
Principal Retirement	37	170	355	-	755
Interest and Fiscal Charges	8	97	247	240	151
Total Expenditures	<u>45</u>	<u>267</u>	<u>602</u>	<u>240</u>	<u>906</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(45)</u>	<u>(267)</u>	<u>(602)</u>	<u>(240)</u>	<u>(906)</u>
OTHER FINANCING SOURCES AND (USES)					
Transfers In	45	267	602	240	906
Total Other Financing Sources And (Uses)	<u>45</u>	<u>267</u>	<u>602</u>	<u>240</u>	<u>906</u>
Net Change in Fund Balances	-	-	-	-	-
Fund Balances - Beginning	42	-	-	-	-
Fund Balances - Ending	<u>\$ 42</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

2010B Refunding Revenue Note	2010C Refunding Revenue Note	2011B Capital Refunding Note	Total Nonmajor Debt Service Funds
\$ -	\$ -	\$ -	\$ -
-	-	-	-
595	190	620	2,722
147	85	182	1,157
<u>742</u>	<u>275</u>	<u>802</u>	<u>3,879</u>
<u>(742)</u>	<u>(275)</u>	<u>(802)</u>	<u>(3,879)</u>
<u>742</u>	<u>275</u>	<u>802</u>	<u>3,879</u>
<u>742</u>	<u>275</u>	<u>802</u>	<u>3,879</u>
-	-	-	-
-	-	-	42
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 42</u>

CITY OF KISSIMMEE, FLORIDA
BUDGETARY COMPARISON SCHEDULE
FmHA BOND
For the Year Ended September 30, 2018
(In Thousands)

	<u>Budget</u>	<u>Actual Amounts</u>	<u>Variance with Budget - Over (Under)</u>
REVENUES			
Investment Income	\$ -	\$ -	\$ -
Total Revenues	<u>-</u>	<u>-</u>	<u>-</u>
EXPENDITURES			
General Government	42	-	42
Debt Service			
Principal Retirement	37	37	-
Interest and Fiscal Charges	8	8	-
Total Expenditures	<u>87</u>	<u>45</u>	<u>42</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(87)</u>	<u>(45)</u>	<u>42</u>
OTHER FINANCING SOURCES			
Transfers In	45	45	-
Total Other Financing Sources	<u>45</u>	<u>45</u>	<u>-</u>
Net Change in Fund Balance	(42)	-	42
Fund Balance - Beginning	42	42	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ 42</u>	<u>\$ 42</u>

CITY OF KISSIMMEE, FLORIDA
BUDGETARY COMPARISON SCHEDULE
2015B REFUNDING NOTE
For the Year Ended September 30, 2018
(In Thousands)

	<u>Budget</u>	<u>Actual Amounts</u>	<u>Variance with Budget - Over (Under)</u>
REVENUES			
Investment Income	\$ -	\$ -	\$ -
Total Revenues	<u>-</u>	<u>-</u>	<u>-</u>
EXPENDITURES			
Debt Service			
Principal Retirement	170	170	-
Interest and Fiscal Charges	97	97	-
Total Expenditures	<u>267</u>	<u>267</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(267)</u>	<u>(267)</u>	<u>-</u>
OTHER FINANCING SOURCES			
Transfers In	267	267	-
Total Other Financing Sources	<u>267</u>	<u>267</u>	<u>-</u>
Net Change in Fund Balance	-	-	-
Fund Balance - Beginning	-	-	-
Fund Balance - Ending	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

CITY OF KISSIMMEE, FLORIDA
BUDGETARY COMPARISON SCHEDULE
2014A REVENUE NOTE
For the Year Ended September 30, 2018
(In Thousands)

	<u>Budget</u>	<u>Actual Amounts</u>	<u>Variance with Budget - Over (Under)</u>
REVENUES			
Investment Income	\$ -	\$ -	\$ -
Total Revenues	<u>-</u>	<u>-</u>	<u>-</u>
EXPENDITURES			
Debt Service			
Principal Retirement	355	355	-
Interest and Fiscal Charges	247	247	-
Total Expenditures	<u>602</u>	<u>602</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(602)</u>	<u>(602)</u>	<u>-</u>
OTHER FINANCING SOURCES			
Transfers In	602	602	-
Total Other Financing Sources	<u>602</u>	<u>602</u>	<u>-</u>
Net Change in Fund Balance	-	-	-
Fund Balance - Beginning	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance - Ending	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

CITY OF KISSIMMEE, FLORIDA
BUDGETARY COMPARISON SCHEDULE
2017 REVENUE NOTE
For the Year Ended September 30, 2018
(In Thousands)

	<u>Budget</u>	<u>Actual Amounts</u>	<u>Variance with Budget - Over (Under)</u>
REVENUES			
Investment Income	\$ -	\$ -	\$ -
Total Revenues	<u>-</u>	<u>-</u>	<u>-</u>
EXPENDITURES			
Interest and Fiscal Charges	480	240	240
Total Expenditures	<u>480</u>	<u>240</u>	<u>240</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(480)</u>	<u>(240)</u>	<u>240</u>
OTHER FINANCING SOURCES			
Transfers In	480	240	(240)
Total Other Financing Sources	<u>480</u>	<u>240</u>	<u>(240)</u>
Net Change in Fund Balance	-	-	-
Fund Balance - Beginning	-	-	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF KISSIMMEE, FLORIDA
BUDGETARY COMPARISON SCHEDULE
2010A REFUNDING REVENUE NOTE
For the Year Ended September 30, 2018
(In Thousands)

	<u>Budget</u>	<u>Actual Amounts</u>	<u>Variance with Budget - Over (Under)</u>
REVENUES			
Investment Income	\$ -	\$ -	\$ -
Total Revenues	<u>-</u>	<u>-</u>	<u>-</u>
EXPENDITURES			
Debt Service			
Principal Retirement	755	755	-
Interest and Fiscal Charges	151	151	-
Total Expenditures	<u>906</u>	<u>906</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(906)</u>	<u>(906)</u>	<u>-</u>
OTHER FINANCING SOURCES			
Transfers In	906	906	-
Total Other Financing Sources	<u>906</u>	<u>906</u>	<u>-</u>
Net Change in Fund Balance	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance - Beginning	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance - Ending	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

CITY OF KISSIMMEE, FLORIDA
BUDGETARY COMPARISON SCHEDULE
2010B REFUNDING REVENUE NOTE
For the Year Ended September 30, 2018
(In Thousands)

	<u>Budget</u>	<u>Actual Amounts</u>	<u>Variance with Budget - Over (Under)</u>
REVENUES			
Investment Income	\$ -	\$ -	\$ -
Total Revenues	<u>-</u>	<u>-</u>	<u>-</u>
EXPENDITURES			
Debt Service			
Principal Retirement	595	595	-
Interest and Fiscal Charges	147	147	-
Total Expenditures	<u>742</u>	<u>742</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(742)</u>	<u>(742)</u>	<u>-</u>
OTHER FINANCING SOURCES			
Transfers In	742	742	-
Total Other Financing Sources	<u>742</u>	<u>742</u>	<u>-</u>
Net Change in Fund Balance	-	-	-
Fund Balance - Beginning	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance - Ending	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

CITY OF KISSIMMEE, FLORIDA
BUDGETARY COMPARISON SCHEDULE
2010C REFUNDING REVENUE NOTE
For the Year Ended September 30, 2018
(In Thousands)

	<u>Budget</u>	<u>Actual Amounts</u>	<u>Variance with Budget - Over (Under)</u>
REVENUES			
Investment Income	\$ -	\$ -	\$ -
Total Revenues	<u>-</u>	<u>-</u>	<u>-</u>
EXPENDITURES			
Debt Service			
Principal Retirement	190	190	-
Interest and Fiscal Charges	85	85	-
Total Expenditures	<u>275</u>	<u>275</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(275)</u>	<u>(275)</u>	<u>-</u>
OTHER FINANCING SOURCES			
Transfers In	275	275	-
Total Other Financing Sources	<u>275</u>	<u>275</u>	<u>-</u>
Net Change in Fund Balance	-	-	-
Fund Balance - Beginning	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance - Ending	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

CITY OF KISSIMMEE, FLORIDA
BUDGETARY COMPARISON SCHEDULE
2011B CAPITAL REFUNDING NOTE
For the Year Ended September 30, 2018
(In Thousands)

	<u>Budget</u>	<u>Actual Amounts</u>	<u>Variance with Budget - Over (Under)</u>
REVENUES			
Investment Income	\$ -	\$ -	\$ -
Total Revenues	<u>-</u>	<u>-</u>	<u>-</u>
EXPENDITURES			
Debt Service			
Principal Retirement	620	620	-
Interest and Fiscal Charges	182	182	-
Total Expenditures	<u>802</u>	<u>802</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(802)</u>	<u>(802)</u>	<u>-</u>
OTHER FINANCING SOURCES			
Transfers In	802	802	-
Total Other Financing Sources	<u>802</u>	<u>802</u>	<u>-</u>
Net Change in Fund Balance	-	-	-
Fund Balance - Beginning	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance - Ending	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

CITY OF KISSIMMEE, FLORIDA
COMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECTS FUNDS
September 30, 2018
(In Thousands)

	<u>2014A Note Capital Project</u>	<u>2010C Note Capital Project</u>	<u>Lakefront Sales Tax 2009A Capital Project</u>	<u>2017 Note Capital Project</u>	<u>Total Nonmajor Capital Projects Funds</u>
ASSETS					
Restricted Assets					
Restricted Cash and Investments	\$ 731	\$ 14	\$ 2	\$ 1,291	\$ 2,038
Total Restricted Assets	<u>731</u>	<u>14</u>	<u>2</u>	<u>1,291</u>	<u>2,038</u>
FUND BALANCES					
Restricted for Construction Projects	\$ 731	\$ 14	\$ 2	\$ 1,291	\$ 2,038
Total Fund Balances	<u>731</u>	<u>14</u>	<u>2</u>	<u>1,291</u>	<u>2,038</u>
Total Liabilities and Fund Balances	<u>\$ 731</u>	<u>\$ 14</u>	<u>\$ 2</u>	<u>\$ 1,291</u>	<u>\$ 2,038</u>

CITY OF KISSIMMEE, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR CAPITAL PROJECTS FUNDS
For the Fiscal Year Ended September 30, 2018
(In Thousands)

	2014A Note Capital Project	2010C Note Capital Project	Lakefront Sales Tax 2009A Capital Project	2017 Note Capital Project	Total Nonmajor Capital Projects Funds
REVENUES					
Investment Income	\$ 8	\$ -	\$ -	\$ 31	\$ 39
Total Revenues	<u>8</u>	<u>-</u>	<u>-</u>	<u>31</u>	<u>39</u>
EXPENDITURES					
General Government	-	-	-	15	15
Capital Outlay	117	-	-	9,458	9,575
Total Expenditures	<u>117</u>	<u>-</u>	<u>-</u>	<u>9,473</u>	<u>9,590</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(109)</u>	<u>-</u>	<u>-</u>	<u>(9,442)</u>	<u>(9,551)</u>
OTHER FINANCING SOURCES (USES)					
Issuance of Notes Payable/Refunded Notes Payable	-	-	-	6,220	6,220
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,220</u>	<u>6,220</u>
Net Change in Fund Balances	<u>(109)</u>	<u>-</u>	<u>-</u>	<u>(3,222)</u>	<u>(3,331)</u>
Fund Balances - Beginning	<u>840</u>	<u>14</u>	<u>2</u>	<u>4,513</u>	<u>5,369</u>
Fund Balances - Ending	<u>\$ 731</u>	<u>\$ 14</u>	<u>\$ 2</u>	<u>\$ 1,291</u>	<u>\$ 2,038</u>

CITY OF KISSIMMEE, FLORIDA
BUDGETARY COMPARISON SCHEDULE
2014A NOTE CAPITAL PROJECT
For the Year Ended September 30, 2018
(In Thousands)

	<u>Budget</u>	<u>Actual Amounts</u>	<u>Variance with Budget - Over (Under)</u>
REVENUES			
Investment Income	\$ -	\$ 8	\$ 8
Total Revenues	<u>-</u>	<u>8</u>	<u>8</u>
EXPENDITURES			
Capital Outlay	841	117	724
Total Expenditures	<u>841</u>	<u>117</u>	<u>724</u>
Net Change in Fund Balance	(841)	(109)	732
Fund Balance - Beginning	<u>841</u>	<u>840</u>	<u>(1)</u>
Fund Balance - Ending	<u>\$ -</u>	<u>\$ 731</u>	<u>\$ 731</u>

CITY OF KISSIMMEE, FLORIDA
BUDGETARY COMPARISON SCHEDULE
2010C NOTE CAPITAL PROJECT
For the Year Ended September 30, 2018
(In Thousands)

	<u>Budget</u>	<u>Actual Amounts</u>	<u>Variance with Budget - Over (Under)</u>
REVENUES			
Investment Income	\$ -	\$ -	\$ -
Total Revenues	<u>-</u>	<u>-</u>	<u>-</u>
EXPENDITURES			
Capital Outlay	14	-	14
Total Expenditures	<u>14</u>	<u>-</u>	<u>14</u>
Net Change in Fund Balance	(14)	-	14
Fund Balance - Beginning	<u>14</u>	<u>14</u>	<u>-</u>
Fund Balance - Ending	<u>\$ -</u>	<u>\$ 14</u>	<u>\$ 14</u>

CITY OF KISSIMMEE, FLORIDA
BUDGETARY COMPARISON SCHEDULE
LAKEFRONT SALES TAX 2009A CAPITAL PROJECT FUND
For the Year Ended September 30, 2018
(In Thousands)

	<u>Budget</u>	<u>Actual Amounts</u>	<u>Variance with Budget - Over (Under)</u>
REVENUES			
Investment Income	\$ -	\$ -	\$ -
Total Revenues	<u>-</u>	<u>-</u>	<u>-</u>
EXPENDITURES			
Culture and Recreation			
Capital Outlay	2	-	2
Total Expenditures	<u>2</u>	<u>-</u>	<u>2</u>
Net Change in Fund Balance	(2)	-	2
Fund Balance - Beginning	<u>2</u>	<u>2</u>	<u>-</u>
Fund Balance - Ending	<u>\$ -</u>	<u>\$ 2</u>	<u>\$ 2</u>

CITY OF KISSIMMEE, FLORIDA
BUDGETARY COMPARISON SCHEDULE
2017 NOTE CAPITAL PROJECTS
For the Year Ended September 30, 2018
(In Thousands)

	<u>Budget</u>	<u>Actual Amounts</u>	<u>Variance with Budget - Over (Under)</u>
REVENUES			
Investment Income	\$ -	\$ 31	\$ 31
Total Revenues	<u>-</u>	<u>31</u>	<u>31</u>
EXPENDITURES			
General Government	24	15	9
Capital Outlay	10,702	9,458	1,244
Total Expenditures	<u>10,726</u>	<u>9,473</u>	<u>1,253</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(10,726)</u>	<u>(9,442)</u>	<u>1,284</u>
OTHER FINANCING (USES)			
Issuance of Notes Payable/Refunded Notes Payable	6,220	6,220	-
Total Other Financing (Uses)	<u>6,220</u>	<u>6,220</u>	<u>-</u>
Net Change in Fund Balance	<u>(4,506)</u>	<u>(3,222)</u>	<u>1,284</u>
Fund Balance - Beginning	<u>4,506</u>	<u>4,513</u>	<u>7</u>
Fund Balance - Ending	<u>\$ -</u>	<u>\$ 1,291</u>	<u>\$ 1,291</u>

INTERNAL SERVICE FUNDS

The City has three internal service funds. These funds are used to accumulate costs related to various activities and charge them back to user departments. They are as follows:

Central Services

This fund accounts for costs associated with central services which include information technology, purchasing, warehouse, garage, building maintenance, and printing. Charges for services to other departments are based on actual costs incurred.

Health Insurance

This fund accounts for the City's self-funded employee health insurance plan. Costs include insurance costs, self-insurance claims expenses, and administrative costs. Charges for services are made to other departments based on estimated premiums.

Risk Management

This fund accounts for the City's risk management program. Costs include all insurance costs, self-insurance claims expenses, and administrative costs. Charges for services are made to other departments based on estimated premiums.

CITY OF KISSIMMEE, FLORIDA
COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
September 30, 2018
(In Thousands)

	Central Services	Health Insurance	Risk Management	Total
ASSETS				
Current Assets:				
Cash and Cash Equivalents	\$ 350	\$ 70	\$ 5,390	\$ 5,810
Accounts Receivable (net)	2	-	-	2
Due from Other Governments	323	-	-	323
Due from TWA	103	44	217	364
Prepays	-	-	1	1
Inventories	113	-	-	113
Total Current Assets	891	114	5,608	6,613
Capital Assets:				
Buildings	71	-	-	71
Improvements Other Than Buildings	2,904	91	228	3,223
Software, Net	5	-	-	5
Machinery, Equipment and Vehicles	2,468	41	122	2,631
Less: Accumulated Depreciation	(3,813)	(23)	(124)	(3,960)
Total Capital Assets	1,635	109	226	1,970
DEFERRED OUTFLOWS OF RESOURCES				
Deferred Outflows Related to OPEB	18	-	-	18
Deferred Outflows Related to Pensions	218	-	-	218
Total Deferred Outflows of Resources	236	-	-	236
LIABILITIES				
Current liabilities:				
Accounts Payable	\$ 347	\$ -	\$ -	\$ 347
Compensated Absences Payable	28	-	-	28
Other Postemployment Benefits Current	18	-	-	18
Estimated Claims Payable	-	145	1,689	1,834
Total current liabilities	393	145	1,689	2,227
Noncurrent liabilities:				
Compensated Absences Payable	111	-	-	111
Other Postemployment Benefits	403	-	-	403
Net Pension Liability	1,318	-	-	1,318
Estimated Claims Payable	-	145	1,690	1,835
Total Noncurrent Liabilities	1,832	145	1,690	3,667
DEFERRED INFLOWS OF RESOURCES				
Deferred Inflows Related to OPEB	13	-	-	13
Deferred Inflows Related to Pensions	162	-	-	162
Total Deferred Inflows of Resources	175	-	-	175
NET POSITION				
Net Investment in Capital Assets	1,635	109	226	1,970
Unrestricted	(1,273)	(176)	2,229	780
Total Net Position	\$ 362	\$ (67)	\$ 2,455	\$ 2,750

CITY OF KISSIMMEE, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
INTERNAL SERVICE FUNDS
For the Year Ended September 30, 2018
(In Thousands)

	Central Services	Health Insurance	Risk Management	Total
Operating Revenues:				
Charges for Services	\$ 6,565	\$ 7,497	\$ 2,397	\$ 16,459
Miscellaneous Revenues	202	2	-	204
Total Operating Revenues	<u>6,767</u>	<u>7,499</u>	<u>2,397</u>	<u>16,663</u>
Operating Expenses:				
Personal Services	2,577	-	24	2,601
Contracted Services	591	1,652	31	2,274
Supplies and Materials	120	43	6	169
Repairs and Maintenance	2,164	-	149	2,313
Other Services and Charges	1,555	5	201	1,761
Depreciation	317	6	36	359
Claims/Premium Expense	111	6,584	3,074	9,769
Total Operating Expenses	<u>7,435</u>	<u>8,290</u>	<u>3,521</u>	<u>19,246</u>
Operating Income (Loss)	<u>(668)</u>	<u>(791)</u>	<u>(1,124)</u>	<u>(2,583)</u>
Nonoperating Revenues and Expenses:				
Investment Income	8	1	50	59
Insurance Recoveries	-	-	279	279
Total Nonoperating Revenues and Expenses	<u>8</u>	<u>1</u>	<u>329</u>	<u>338</u>
Income (Loss) Before Contributions and Transfers	(660)	(790)	(795)	(2,245)
Transfers (Out)	(18)	-	-	(18)
	<u>(18)</u>	<u>-</u>	<u>-</u>	<u>(18)</u>
Change in Net Position	(678)	(790)	(795)	(2,263)
Total Net Position - Beginning, Restated	1,040	723	3,250	5,013
Total Net Position - Ending	<u>\$ 362</u>	<u>\$ (67)</u>	<u>\$ 2,455</u>	<u>\$ 2,750</u>

CITY OF KISSIMMEE, FLORIDA
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
For The Year Ended September 30, 2018
(In Thousands)

	Central Services	Health Insurance	Risk Management	Total
Cash Flows from Operating Activities				
Receipts from Customers and Users	\$ 6,589	\$ 7,480	\$ 2,928	\$ 16,997
Payments to Suppliers	(4,520)	(8,491)	(2,811)	(15,822)
Payments to Employees	(2,570)	-	(24)	(2,594)
Net Cash Provided (Used) by Operating Activities	<u>(501)</u>	<u>(1,011)</u>	<u>93</u>	<u>(1,419)</u>
Cash Flows from Noncapital Financing Activities				
Transfers in	-	-	-	-
Transfers (out)	(18)	-	-	(18)
Net Cash Provided (Used) by Noncapital Financing Activities	<u>(18)</u>	<u>-</u>	<u>-</u>	<u>(18)</u>
Cash Flows from Capital and Related Financing Activities				
Acquisition/Construction of Capital Assets	(237)	-	(60)	(297)
Capital Contributions	-	-	-	-
Proceeds from Sales of Capital Assets	-	-	-	-
Proceeds from Insurance Recoveries	-	-	279	279
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(237)</u>	<u>-</u>	<u>219</u>	<u>(18)</u>
Cash Flows from Investing Activities				
Gain (Loss) on Investments	8	1	50	59
Net Cash Provided (Used) by Investing Activities	<u>8</u>	<u>1</u>	<u>50</u>	<u>59</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(748)	(1,010)	362	(1,396)
Cash and Cash Equivalents at Beginning of Year	1,098	1,080	5,028	7,206
Cash and Cash Equivalents at End of Year	<u>\$ 350</u>	<u>\$ 70</u>	<u>\$ 5,390</u>	<u>\$ 5,810</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities				
Operating Income (Loss)	\$ (668)	\$ (791)	\$ (1,124)	\$ (2,583)
Depreciation	317	6	36	359
Changes in Assets and Liabilities:				
(Increase) Decrease in Due from TWA	2	(19)	531	514
(Increase) Decrease in Accounts Receivable	-	-	-	-
(Increase) Decrease in Inventories	9	-	-	9
(Increase) Decrease in Due From Other Governments	(180)	-	(1)	(181)
(Increase) Decrease in Deferred Outflows OPEB	(5)	-	-	(5)
(Increase) Decrease in Deferred Outflows Pensions	(43)	-	-	(43)
Increase (Decrease) in Accounts Payable	(4)	-	(13)	(17)
Increase (Decrease) in Claims Payable	-	(207)	664	457
Increase (Decrease) in OPEB Liability	16	-	-	16
Increase (Decrease) in Compensated Absences	(3)	-	-	(3)
Increase (Decrease) in Net Pension Liability	92	-	-	92
Increase (Decrease) in Deferred Inflows OPEB	13	-	-	13
Increase (Decrease) in Deferred Inflows Pensions	(47)	-	-	(47)
Total Adjustments	<u>(150)</u>	<u>(226)</u>	<u>1,181</u>	<u>805</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ (501)</u>	<u>\$ (1,011)</u>	<u>\$ 93</u>	<u>\$ (1,419)</u>

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City of Kissimmee, Florida
Statistical Section
September 30, 2018

This part of the City of Kissimmee, Florida'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 City's overall financial health.

Financial Trends

These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time

Revenue Capacity

These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax

Debt Capacity

These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place

Operating Information

These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City 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 years.

Schedule 1
City of Kissimmee, Florida

NET POSITION BY COMPONENT
(accrual basis of accounting)
(dollar amounts are expressed in thousands)

Last Ten Fiscal Years

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Governmental activities										
Net investment										
in capital assets	\$ 118,647	\$ 124,615	\$ 127,332	\$ 130,537	\$ 137,945	\$ 148,239	\$ 163,458	\$ 159,525	\$ 171,862	\$ 160,750
Restricted	14,939	14,574	16,573	17,963	14,019	12,220	16,865	20,474	21,469	26,878
Unrestricted	11,698	12,385	12,589	16,872	19,796	25,233	(5,079)	(3,698)	(2,528)	(4,692)
Total governmental activities net position	<u>\$ 145,284</u>	<u>\$ 151,574</u>	<u>\$ 156,494</u>	<u>\$ 165,372</u>	<u>\$ 171,760</u>	<u>\$ 185,692</u>	<u>\$ 175,244</u>	<u>\$ 176,301</u>	<u>\$ 190,803</u>	<u>\$ 182,936</u>
Business-type activities										
Net investment										
in capital assets	\$ 30,631	\$ 30,997	\$ 31,091	\$ 34,488	\$ 37,374	\$ 41,655	\$ 42,959	\$ 42,126	\$ 43,725	\$ 49,095
Restricted	705	86	101	1,383	388	12	488	24	-	36
Unrestricted	3,173	4,564	4,896	2,842	3,549	4,509	1,858	2,996	1,879	1,874
Total business-type activities net position	<u>\$ 34,509</u>	<u>\$ 35,647</u>	<u>\$ 36,088</u>	<u>\$ 38,713</u>	<u>\$ 41,311</u>	<u>\$ 46,176</u>	<u>\$ 45,305</u>	<u>\$ 45,146</u>	<u>\$ 45,604</u>	<u>\$ 51,005</u>
Primary government										
Net investment										
in capital assets	\$ 149,278	\$ 155,612	\$ 158,423	\$ 165,025	\$ 175,319	\$ 189,894	\$ 206,417	\$ 201,651	\$ 215,587	\$ 209,845
Restricted	15,644	14,660	16,674	19,346	14,407	12,232	17,353	20,498	21,469	26,914
Unrestricted	14,871	16,949	17,485	19,714	23,345	29,742	(3,221)	(702)	(649)	(2,818)
Total primary government net position	<u>\$ 179,793</u>	<u>\$ 187,221</u>	<u>\$ 192,582</u>	<u>\$ 204,085</u>	<u>\$ 213,071</u>	<u>\$ 231,868</u>	<u>\$ 220,549</u>	<u>\$ 221,447</u>	<u>\$ 236,407</u>	<u>\$ 233,941</u>

**Schedule 2
City of Kissimmee, Florida**

**CHANGES IN NET POSITION
(accrual basis of accounting)
(dollar amounts are expressed in thousands)**

Last Ten Fiscal Years

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Expenses										
Governmental activities:										
General government	\$ 24,965	\$ 27,460	\$ 29,095	\$ 29,314	\$ 32,203	\$ 34,892	\$ 32,649	\$ 38,386	\$ 37,622	\$ 38,402
Public safety	31,839	27,219	30,980	30,865	31,600	32,134	33,644	36,631	40,187	39,039
Physical environment	-	2,912	-	-	-	-	-	-	-	-
Transportation	5,841	7,040	6,966	5,883	6,559	7,738	8,437	18,435	6,651	10,834
Economic environment	1,251	3,178	1,939	845	1,526	1,053	962	389	1,103	1,944
Culture/Recreation	6,524	6,031	4,778	5,924	5,430	5,499	4,255	8,360	7,534	7,659
Interest on long-term debt	1,261	1,259	1,307	1,520	1,332	1,352	1,499	3,028	2,620	2,791
Total governmental activities expenses	\$ 71,681	\$ 75,099	\$ 75,065	\$ 74,351	\$ 78,650	\$ 82,668	\$ 81,446	\$ 105,229	\$ 95,717	\$ 100,669
Business-type activities:										
Stormwater	\$ 3,180	\$ 3,030	\$ 3,085	\$ 3,312	\$ 3,409	\$ 3,546	\$ 3,725	\$ 4,029	\$ 3,998	\$ 4,633
Airport	1,031	1,009	1,060	1,181	1,248	1,231	1,425	2,160	2,497	1,564
Solid waste	3,739	3,506	3,856	3,855	3,773	4,107	4,288	4,436	4,497	4,559
Total business-type activities expenses	\$ 7,950	\$ 7,545	\$ 8,001	\$ 8,348	\$ 8,430	\$ 8,884	\$ 9,438	\$ 10,625	\$ 10,992	\$ 10,756
Total primary government net expenses	\$ 79,631	\$ 82,644	\$ 83,066	\$ 82,699	\$ 87,080	\$ 91,552	\$ 90,884	\$ 115,854	\$ 106,709	\$ 111,425
Program revenues										
Governmental activities:										
Charges for services - general government	\$ 12,039	\$ 12,176	\$ 16,193	\$ 18,328	\$ 18,661	\$ 21,352	\$ 21,837	\$ 21,855	\$ 22,162	\$ 22,737
Charges for services - public safety	7,892	8,062	7,587	8,349	10,255	8,136	6,567	8,373	8,574	10,223
Charges for services - all others	2,043	2,392	2,431	2,998	1,956	2,030	2,454	2,064	1,981	2,094
Operating grants and contributions	1,069	3,614	1,016	445	1,039	894	594	951	1,374	1,296
Capital grants and contributions	1,744	3,593	4,790	2,210	1,988	7,455	7,040	11,361	5,322	10,921
Total governmental activities program revenues	\$ 24,787	\$ 29,837	\$ 32,017	\$ 32,330	\$ 33,899	\$ 39,867	\$ 38,492	\$ 44,604	\$ 39,413	\$ 47,271
Business-type activities:										
Charges for services - stormwater	\$ 3,535	\$ 3,602	\$ 3,701	\$ 3,886	\$ 4,399	\$ 4,432	\$ 4,659	\$ 4,732	\$ 5,105	\$ 5,188
Charges for services - airport	899	859	856	878	824	925	844	856	868	932
Charges for services - solid waste	3,963	3,724	3,928	4,324	4,608	4,822	4,773	4,772	5,066	5,010
Operating grants and contributions	-	-	-	-	-	-	-	-	-	-
Capital grants and contributions	2,687	665	289	3,152	1,749	3,890	934	1,007	651	2,615
Total business-type activities program revenues	\$ 11,084	\$ 8,850	\$ 8,774	\$ 12,240	\$ 11,580	\$ 14,069	\$ 11,210	\$ 11,367	\$ 11,690	\$ 13,745
Total primary government program revenues	\$ 35,871	\$ 38,687	\$ 40,791	\$ 44,570	\$ 45,479	\$ 53,936	\$ 49,702	\$ 55,971	\$ 51,103	\$ 61,016
Net (expense) / revenue										
Governmental activities	\$ (46,894)	\$ (45,262)	\$ (43,048)	\$ (42,021)	\$ (44,751)	\$ (42,801)	\$ (42,954)	\$ (60,625)	\$ (56,304)	\$ (53,398)
Business-type activities	3,134	1,305	773	3,892	3,150	5,185	1,772	742	698	2,989
Total primary government net expense	\$ (43,760)	\$ (43,957)	\$ (42,275)	\$ (38,129)	\$ (41,601)	\$ (37,616)	\$ (41,182)	\$ (59,883)	\$ (55,606)	\$ (50,409)

Continued next page

Schedule 2
City of Kissimmee, Florida

CHANGES IN NET POSITION
(accrual basis of accounting)
(dollar amounts are expressed in thousands)

Last Ten Fiscal Years

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
General revenues and other changes in net position										
Governmental activities:										
Property tax	\$ 15,174	\$ 15,818	\$ 12,175	\$ 11,146	\$ 11,085	\$ 11,456	\$ 11,756	\$ 11,620	\$ 12,275	\$ 13,228
Sales tax	8,381	8,473	8,832	9,135	9,601	10,420	11,106	11,885	12,412	5,318
Public service tax	6,403	6,439	5,755	6,480	6,389	6,572	6,556	6,703	6,892	6,979
Gas tax	2,428	2,375	2,284	2,397	2,634	2,581	2,582	2,773	2,657	2,811
Local option discretionary tax	-	-	-	-	-	-	-	-	-	7,986
State revenue sharing	1,518	1,521	1,597	1,672	1,838	2,517	2,564	2,339	2,579	2,735
Other taxes	1,192	1,274	2,069	2,262	2,389	2,032	2,257	2,738	2,872	3,109
Franchise fees (1)	144	143	142	133	141	140	159	165	154	179
Unrestricted intergovernmental revenues	13,317	13,670	13,264	14,370	15,000	19,616	21,069	23,911	23,371	25,531
Investment income (loss)	292	180	90	920	178	138	233	418	688	881
Miscellaneous revenues	990	1,151	1,420	951	1,116	765	1,095	1,385	1,092	1,201
Gain on sale of capital assets	-	328	-	157	202	171	-	-	168	26
Transfers in (out)	173	180	340	1,276	566	325	651	780	1,212	669
Total governmental activities	\$ 50,012	\$ 51,552	\$ 47,968	\$ 50,899	\$ 51,139	\$ 56,733	\$ 60,028	\$ 64,717	\$ 66,372	\$ 70,653
Business-type activities:										
Investment income (loss)	\$ 22	\$ 13	\$ 8	\$ 9	\$ 14	\$ 5	\$ 17	\$ 24	\$ 29	\$ 45
Miscellaneous revenues	-	-	-	-	-	-	-	-	-	37
Gain on sale of capital assets	-	-	-	-	-	-	-	48	27	52
Transfers in (out)	(173)	(180)	(340)	(1,276)	(566)	(325)	(651)	(780)	(1,212)	(669)
Total business-type activities	\$ (151)	\$ (167)	\$ (332)	\$ (1,267)	\$ (552)	\$ (320)	\$ (634)	\$ (708)	\$ (1,156)	\$ (535)
Total primary government	\$ 49,861	\$ 51,385	\$ 47,636	\$ 49,632	\$ 50,587	\$ 56,413	\$ 59,394	\$ 64,009	\$ 65,216	\$ 70,118
Change in net position										
Governmental activities	\$ 3,118	\$ 6,290	\$ 4,920	\$ 8,878	\$ 6,388	\$ 13,932	\$ 17,074	\$ 4,092	\$ 10,068	\$ 17,255
Business-type activities	2,983	1,138	441	2,625	2,598	4,865	1,138	34	(458)	2,454
	\$ 6,101	\$ 7,428	\$ 5,361	\$ 11,503	\$ 8,986	\$ 18,797	\$ 18,212	\$ 4,126	\$ 9,610	\$ 19,709

- (1) Franchise fees reported in charges for services in 2007 and 2008; however, clarification determined classification proper as general revenues in 2009;
- (2) During the fiscal year ended September 30, 2015, GASB Statement No. 68 was implemented resulting in adjustments to beginning net position. Periods prior to that fiscal year were not adjusted for these changes.
- (3) During the fiscal year ended September 30, 2014, a restatement of net position for governmental activities was reported due to changes in accounting principles and prior period adjustments. Periods prior to September 30, 2014 were not adjusted for these changes.
- (4) During the fiscal year ended September 30, 2018, GASB Statement No. 75 was implemented resulting in adjustments to beginning net position. Periods prior to that fiscal year were not adjusted for these changes.

Schedule 3
City of Kissimmee, Florida

FUND BALANCES, GOVERNMENTAL FUNDS
(modified accrual basis of accounting)
(dollar amounts are expressed in thousands)

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
General fund										
Reserved	\$ 186	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	13,240	-	-	-	-	-	-	-	-	-
Nonspendable	-	153	167	373	378	199	199	330	339	334
Restricted	-	1,235	894	685	599	1,355	1,347	1,287	930	634
Assigned	-	2,373	961	927	1,614	1,695	990	2,188	1,814	1,971
Unassigned	-	14,588	16,307	18,755	19,724	21,729	23,023	23,449	25,435	28,350
Total general fund	\$ 13,426	\$ 18,349	\$ 18,329	\$ 20,740	\$ 22,315	\$ 24,978	\$ 25,559	\$ 27,254	\$ 28,518	\$ 31,289
All other governmental funds										
Reserved	\$ 17,773	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved (deficit), reported in:										
Special revenue funds	(1,831)	-	-	-	-	-	-	-	-	-
Debt service funds	-	-	-	-	-	-	-	-	-	-
Capital projects funds	(1,531)	-	-	-	-	-	-	-	-	-
Nonspendable	-	655	678	703	739	762	802	839	883	1,033
Restricted	-	18,498	25,421	21,696	15,199	15,863	20,123	52,800	48,117	45,341
Assigned	-	46	1,354	42	42	42	86	103	59	59
Unassigned	-	(4,762)	(3,712)	(1,435)	(1,435)	(527)	(1,005)	(1,397)	(816)	(400)
Total all other governmental funds	\$ 14,411	\$ 14,437	\$ 23,741	\$ 21,006	\$ 14,545	\$ 16,140	\$ 20,006	\$ 52,345	\$ 48,243	\$ 46,033
Total fund balances all governmental funds	\$ 27,837	\$ 32,786	\$ 42,070	\$ 41,746	\$ 36,860	\$ 41,118	\$ 45,565	\$ 79,599	\$ 76,761	\$ 77,322

Note: Fund balance not presented using GASB 34 revised classifications for periods prior to 2010 due to lack of information available to accurately report.

Schedule 4
City of Kissimmee, Florida

CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS
(modified accrual basis of accounting)
(dollar amounts are expressed in thousands)

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Revenues										
Taxes	\$ 29,005	\$ 29,789	\$ 25,621	\$ 25,586	\$ 25,967	\$ 27,032	\$ 26,866	\$ 28,398	\$ 29,524	\$ 31,276
Special assessments 1	-	-	-	-	-	-	-	-	-	-
Impact fees 1	-	-	-	-	-	-	-	-	-	-
Permits, fees and special assessments	4,912	4,053	4,523	5,047	4,218	2,276	3,702	3,452	5,252	5,674
Intergovernmental revenues	26,779	31,040	31,885	28,214	30,014	39,955	41,566	41,969	42,524	45,836
Charges for services	4,676	5,966	5,820	6,482	8,288	8,397	7,930	8,689	8,483	9,881
Fines and forfeitures	962	1,860	808	865	910	1,561	572	455	697	387
Investment income (loss)	243	158	76	909	157	137	211	390	643	823
Miscellaneous revenues	838	765	1,363	1,167	540	592	722	766	743	810
Total revenues	\$ 67,415	\$ 73,631	\$ 70,096	\$ 68,270	\$ 70,094	\$ 79,950	\$ 81,569	\$ 84,119	\$ 87,866	\$ 94,687
Expenditures										
General government	\$ 18,929	\$ 18,095	\$ 16,765	\$ 15,346	\$ 16,136	\$ 18,438	\$ 16,524	\$ 22,951	\$ 23,576	\$ 21,181
Public safety	30,181	30,072	29,637	29,552	33,003	31,708	33,638	33,906	37,393	39,453
Physical environment	-	2,912	-	-	-	-	-	-	-	-
Transportation	8,494	7,646	9,353	7,056	8,113	16,184	13,239	10,803	10,017	10,691
Economic environment	1,047	2,789	1,735	641	1,322	1,067	757	429	899	1,943
Culture/Recreation	7,839	6,922	5,592	6,729	11,500	6,686	7,048	7,546	7,231	6,956
Debt service:										
Principal retirement	2,868	3,144	2,562	2,722	3,661	3,906	3,853	3,832	4,163	4,144
Interest and fiscal charges	1,261	1,259	1,307	1,520	1,332	1,352	1,498	2,246	2,764	2,939
Professional fees	-	97	106	-	-	-	-	438	17	13
Capital Outlay	3,436	8,038	6,210	6,461	2,615	6,784	1,450	6,504	10,778	14,058
Total expenditures	\$ 74,055	\$ 80,974	\$ 73,267	\$ 70,027	\$ 77,682	\$ 86,125	\$ 78,007	\$ 88,655	\$ 96,838	\$ 101,378
Excess of revenues over (under) expenditures	\$ (6,640)	\$ (7,343)	\$ (3,171)	\$ (1,757)	\$ (7,588)	\$ (6,175)	\$ 3,562	\$ (4,536)	\$ (8,972)	\$ (6,691)
Other financing sources (uses)										
Transfers in	\$ 17,479	\$ 42,071	\$ 30,961	\$ 9,862	\$ 9,381	\$ 7,218	\$ 12,419	\$ 51,835	\$ 11,351	\$ 10,224
Transfers (out)	(17,306)	(40,241)	(30,621)	(8,586)	(8,772)	(6,893)	(11,751)	(50,716)	(10,112)	(9,537)
Proceeds from sale of capital assets	-	780	-	157	202	508	110	147	165	126
Issuance of notes payable	595	26,492	28,215	-	-	9,600	3,875	42,930	4,730	6,220
Issuance of capital lease	-	-	-	-	1,891	-	-	-	-	219
Issuance Premium	-	-	-	-	-	-	-	4,838	-	-
Payment to bond escrow agent	-	(9,455)	(16,100)	-	-	-	(3,768)	(10,464)	-	-
Payment for current redemption	-	(7,355)	-	-	-	-	-	-	-	-
Total other financing sources (uses)	\$ 768	\$ 12,292	\$ 12,455	\$ 1,433	\$ 2,702	\$ 10,433	\$ 885	\$ 38,570	\$ 6,134	\$ 7,252
Net change in fund balances	\$ (5,872)	\$ 4,949	\$ 9,284	\$ (324)	\$ (4,886)	\$ 4,258	\$ 4,447	\$ 34,034	\$ (2,838)	\$ 561
Debt service as a percentage of non-capital expenditures	6.9%	7.1%	6.6%	7.5%	8.4%	7.1%	8.3%	9.0%	9.4%	9.2%

1 Special Assessments and impact fees consolidated into "Permits, fees and special assessments" classification starting in 2009.

**Schedule 5
City of Kissimmee, Florida**

**ASSESSED AND ACTUAL VALUE OF TAXABLE PROPERTY
Last Ten Fiscal Years
(dollar amounts are expressed in thousands)**

Fiscal Year	Assessed Values			Less: Tax Exempt Property	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Assessed Value as a Percentage of Actual Value
	Real Property	Personal Property	Total					
2009	\$ 4,882,783	\$ 255,499	\$ 5,138,282	\$ 1,344,135	\$ 3,794,147	3.7058	\$ 3,794,147	135.427%
2010	4,033,942	255,821	4,289,763	1,164,792	3,124,971	4.6253	3,124,971	137.274%
2011	3,018,690	231,486	3,250,176	848,389	2,401,787	4.6253	2,401,787	135.323%
2012	2,805,770	223,301	3,029,071	833,278	2,195,793	4.6253	2,195,793	137.949%
2013	2,776,988	469,255	3,246,243	1,071,233	2,175,010	4.6253	2,175,010	149.252%
2014	2,894,416	423,367	3,317,783	1,051,534	2,266,249	4.6253	2,266,249	146.400%
2015	3,046,246	430,402	3,476,648	1,057,067	2,419,581	4.6253	2,419,581	143.688%
2016	3,221,933	432,684	3,654,617	1,051,050	2,603,567	4.6253	2,603,567	140.370%
2017	3,672,184	565,323	4,237,507	1,261,016	2,976,491	4.6253	2,976,491	142.366%
2018	4,096,454	545,629	4,642,083	1,355,470	3,286,613	4.6253	3,286,613	141.242%

Source: Osceola County Property Appraiser's Office.

Note: Property is reassessed each year by the Osceola County Property Appraiser. Property is assessed at actual value, therefore the assessed values are equal to the actual values. Tax rates are per \$1,000 of assessed valuation.

**Schedule 6
City of Kissimmee, Florida**

**DIRECT AND OVERLAPPING PROPERTY TAX RATES
Last Ten Fiscal Years
(per \$1,000 of Assessed Taxable Value)**

Fiscal Year	City of Kissimmee Florida	Osceola County			Okeechobee and Everglades Basins	South Florida Water Mgmt. Dist.	Total
		Government	Library	School Board			
2009	3.705	5.358	0.377	7.513	0.369	0.255	17.577
2010	4.625	6.700	0.256	7.663	0.369	0.255	19.868
2011	4.625	6.700	0.257	7.600	0.369	0.255	19.806
2012	4.625	6.700	0.257	7.577	0.369	0.255	19.783
2013	4.625	6.700	0.257	7.454	0.253	0.176	19.465
2014	4.625	6.700	0.257	7.375	0.243	0.169	19.369
2015	4.625	6.700	0.257	7.261	0.227	0.158	19.228
2016	4.625	6.700	0.257	6.905	0.195	0.136	18.818
2017	4.625	6.700	0.257	6.905	0.195	0.136	18.818
2018	4.625	6.700	0.300	6.411	0.173	0.129	18.338

Source: Osceola County Tax Collector's Office.

**Schedule 7
City of Kissimmee, Florida**

**PROPERTY TAX LEVIES AND COLLECTIONS
Last Ten Fiscal Years
(dollar amounts are expressed in thousands)**

Fiscal Year	Total Tax Levy	Current Tax Collections	Percent of Levy Collected	Delinquent Tax Collections	Total Tax Collections	Total Collections as a Percent of Current Levy
2009	\$ 14,060	\$ 12,572	89.4%	\$ 1,349	\$ 13,921	99.0%
2010	14,454	12,967	89.7%	1,460	14,427	99.8%
2011	11,109	9,684	87.2%	963	10,647	95.8%
2012	10,156	9,642	94.9%	72	9,714	95.6%
2013	10,060	9,357	93.0%	394	9,751	96.9%
2014	10,496	9,629	91.7%	516	10,145	96.7%
2015	11,191	10,470	93.6%	419	10,889	97.3%
2016	12,048	11,191	92.9%	429	11,620	96.4%
2017	12,732	11,937	93.8%	338	12,275	96.4%
2018	13,720	12,617	92.0%	611	13,228	96.4%

Source: Osceola County Tax Collector's Office.

Schedule 8
City of Kissimmee, Florida

PRINCIPAL PROPERTY TAXPAYERS
Current Year and Nine Years Ago
(dollar amounts are expressed in thousands)

Property Description	Use	Taxpayer	Fiscal Year 2017 / 2018 (a)			Fiscal Year 2008 / 2009 (b)		
			Taxable Value	Percent of Total Taxable Value	Rank	Taxable Value	Percent of Total Taxable Value	Rank
Local hospital	Medical care	Osceola Regional Hospital, Inc.	\$ 100,561	28.87%	1	\$ 86,065	24.95%	1
Apartment complex	Rentals	LSREF3 Bravo LLC	43,261	12.42%	2	-	-	
Apartment complex	Rental	Lake Tivoli LLC	41,901	12.03%	3	-	-	
Retail store	Merchandising	Loop West LLC	36,510	10.48%	4	37,479	10.86%	4
Apartment complex	Rentals	Alliance HTFL Ltd Partnership	25,486	7.32%	5	25,440	7.37%	5
Apartment complex	Rentals	Goldem at Valencia LLC	25,383	7.29%	6	-	-	
Apartment complex	Rentals	Dalcor Reef Club Apartments	23,252	6.68%	7	20,016	5.80%	9
Retail store	Merchandising	Wal-Mart Stores, Inc.	20,293	5.83%	8	39,056	11.32%	3
Apartment complex	Rentals	Weaver Drive Associates	16,494	4.74%	9	-	-	
Apartment complex	Rentals	Regatta Bay Partners LTD	15,126	4.34%	10	-	-	
Condominiums	Timeshare sales	Oak Plantation Realty Partners	-	-		51,253	14.86%	2
Retail store	Communications	Embarq / Sprint Florida	-	-		24,563	7.12%	6
Condominiums	Rentals	G&I Vineyards LLC	-	-		21,462	6.22%	7
Apartment complex	Rentals	Fountainhead Phase I, Inc.	-	-		20,350	5.90%	8
Apartment complex	Rentals	MPG Osceola Ltd	-	-		19,309	5.60%	10
Totals			<u>\$ 348,267</u>	<u>100.00%</u>		<u>\$ 344,993</u>	<u>100.00%</u>	

(a) The fiscal year ended September 30, 2018 tax levy is based on the 2017 taxable value.

(b) The fiscal year ended September 30, 2009 tax levy is based on the 2008 taxable value.

Source: Osceola County Property Appraiser's Office.

**Schedule 9
City of Kissimmee, Florida**

**RATIOS OF OUTSTANDING DEBT BY TYPE
Last Ten Fiscal Years
(dollar amounts of debt are expressed in thousands)**

Fiscal Year	Governmental Activities					Business-type Activities		Total Primary Government	City of Kissimmee Personal Income	Percentage of Personal Income	Per Capita
	Tax Revenue Bonds	Sales Tax Revenue Notes	Commerical Notes	Covenant Revenue Notes	Capital Leases	Capital Leases					
2009	\$ 394	\$ 10,786	\$ -	\$ 21,398	\$ 418	\$ -	\$ -	32,996	\$ 1,463,350	2.3%	0.54
2010	369	18,580	-	20,381	204	-	-	39,534	1,272,818	3.1%	0.65
2011	343	25,635	-	22,974	135	730	730	49,817	1,253,989	4.0%	0.83
2012	315	24,565	-	21,778	62	587	587	47,307	1,727,192	2.7%	0.76
2013	287	22,935	-	20,378	1,707	441	441	45,748	1,799,661	2.5%	0.72
2014	256	30,835	-	18,928	1,338	292	292	51,649	1,874,438	2.8%	0.80
2015	224	28,780	-	17,882	963	141	141	47,990	1,958,685	2.5%	0.72
2016	47,508	26,630	-	6,945	582	-	-	81,665	2,032,013	3.8%	1.14
2017	46,161	24,390	4,730	6,595	195	-	-	82,071	2,092,934	3.5%	1.04
2018	44,778	22,065	10,950	6,235	177	-	-	84,205	2,141,987	3.9%	1.18

Sources: Population and personal income data from University of Florida, Bureau of Economics and Business Research published August 2014. Annual increases for CPI of 3%.

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

Debt limitation: There are no legal debt limits for Florida municipalities.

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Schedule 10
City of Kissimmee, Florida

DIRECT AND OVERLAPPING GOVERNMENTAL DEBT
September 30, 2018
(dollar amounts are expressed in thousands)

Taxing District	Net Debt Outstanding	Estimated Overlapping (1)	City's Share of Debt
Osceola County School District			
State School Bonds:			
Series 2009ARFD	\$ 105	12.0%	\$ 13
Series 2010A	490	12.0%	59
Series 2011ARFD	695	12.0%	83
Series 2014A	1,288	12.0%	155
Series 2014B	49	12.0%	6
Series 2017ARFD	912	12.0%	109
District Revenue Bonds:			
Sales Tax Revenue Bonds, Series 2015	26,242	12.0%	3,149
Sales Tax Revenue Bonds, Series 2017	16,785	12.0%	2,014
Capital Sales Tax Revenue Bonds, Series 2017	86,250	12.0%	10,350
Certificates of Participation:			
Series 2009A	10,930	12.0%	1,312
Series 2013A	32,695	12.0%	3,923
Series 2014A	5,375	12.0%	645
Series 2015A	5,750	12.0%	690
Series 2017A	56,755	12.0%	6,811
Qualified School Construction Bonds:			
Series 2010A	40,500	12.0%	4,860
Education Benefit Districts:			
Bellalago Benefit District	9,001	12.0%	1,080
Total Osceola County School District	293,822	12.0%	35,259
Osceola County			
Limited General Obligation Debt, Series 2006	7,890	12.9%	1,018
Environmental Land, Series 2010	14,495	12.9%	1,870
Total Osceola County	22,385	12.9%	2,888
Total Overlapping Debt	\$ 316,207		\$ 38,146
Total Direct Governmental Activities Debt	\$ 84,205	100.0%	84,205
Total Direct and Overlapping Debt	\$ 400,412		\$ 122,351

Sources: Osceola County Finance Department.
City of Kissimmee Finance Department.
Osceola County School Board Finance Department.

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the City of Kissimmee, Florida. This process recognizes that when considering the City's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

(1) Allocated on the basis of assessed values used for the purpose of ad valorem taxation.

**Schedule 11
City of Kissimmee, Florida**

**PLEDGED REVENUE COVERAGE
Last Ten Fiscal Years
(dollar amounts are expressed in thousands)**

<u>Excise Tax Revenue Bonds</u>					<u>Sales Tax Revenue Bonds</u>				
<u>Fiscal Year</u>	<u>Excise Tax Revenues</u>	<u>Debt Service Requirements</u>			<u>Sales Tax Revenues</u>	<u>Debt Service Requirements</u>			
		<u>Principal</u>	<u>Interest</u>	<u>Coverage</u>		<u>Principal</u>	<u>Interest</u>	<u>Coverage</u>	
2009	\$ 168	\$ 25	\$ 20	3.73	\$ 4,832	\$ 1,460	\$ 553	2.40	
2010	177	25	20	3.93	4,980	1,336	533	2.66	
2011	200	26	18	4.55	4,385	1,305	575	2.66	
2012	195	27	17	4.43	5,408	1,070	676	3.10	
2013	166	29	16	3.69	4,759	1,630	676	2.06	
2014	211	31	14	4.69	6,211	1,700	742	2.54	
2015	176	32	13	3.91	6,642	2,055	859	2.28	
2016	301	34	12	4.37	7,102	2,150	803	2.41	
2017	292	36	10	6.35	7,408	2,240	743	2.48	
2018	271	37	8	6.02	6,715	2,325	728	2.20	

(1) Pledged revenues are half-cent sales tax, public service taxes, and communication services taxes; however, debt service paid from local option sales tax, CRA fund, Mobility Fund, and gas taxes.

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

Source: City of Kissimmee Finance Department.

Continued on next page

Tax Revenue Bonds (1)

Debt Service Requirements

Fiscal Year	Revenues (1)	Principal	Interest	Coverage
2009	\$ -	\$ -	\$ -	-
2010	-	-	-	-
2011	-	-	-	-
2012	-	-	-	-
2013	-	-	-	-
2014	-	-	-	-
2015	-	-	-	-
2016	11,487	450	1,199	6.97
2017	11,897	1,150	1,813	4.02
2018	10,727	1,185	1,779	3.62

**Schedule 12
City of Kissimmee, Florida**

**DEMOGRAPHIC AND ECONOMIC STATISTICS
Last Ten Fiscal Years**

Fiscal Year	Population (1)	Per Capita Personal Income (2)	Personal Income (2)	School Enrollment (3)	Unemployment Rate (4)
2009	61,250	\$ 23,891	\$ 1,463,350	51,266	11.6%
2010	61,202	20,797	1,272,818	53,140	11.9%
2011	60,375	20,770	1,253,989	54,167	10.3%
2012	62,322	27,714	1,727,192	55,922	8.4%
2013	63,662	28,269	1,799,661	57,639	6.6%
2014	64,365	29,122	1,874,438	58,851	5.3%
2015	66,592	29,413	1,958,685	64,689	5.5%
2016	68,401	29,707	2,032,013	62,648	4.8%
2017	69,962	29,915	2,092,934	65,179	3.6%
2018	72,369	30,125	2,141,987	67,796	3.2%

Sources:

- (1) U.S. Census of Population and Housing. University of Florida, Bureau of Economic and Business Research, "Florida Statistical Abstract".
- (2) U.S. Department of Commerce, Bureau of Economic Analysis, Regional Economic Information System. The actual per capita personal income is for Osceola County. The per capita figures are multiplied by the population to determine the total personal income.
- (3) Osceola County School Board. (Enrollment is determined in February of each year at the conclusion of the full-time equivalent survey period)
http://www.osceolaschools.net/departments/businessfiscalservices/budget/f_t_e_enrollment/
- (4) Florida Agency for Workforce Innovation, Labor Market Statistics, Local Area Unemployment Statistics Program, in cooperation with the U.S. Department of Labor, Bureau of Labor Statistics. Orlando-Kissimmee (Lake, Orange, Osceola & Seminole)
<http://www.labormarketinfo.com/library/laus/MSAs/LFSoct2.xls>

**Schedule 13
City of Kissimmee, Florida**

**PRINCIPAL EMPLOYERS ¹
Current Year and Nine Years Ago**

Employer	Business	Fiscal Year 2017 / 2018 (1)			Fiscal Year 2008 / 2009		
		Employees	Percent of Total City Employment	Rank	Employees	Percent of Total City Employment	Rank
Osceola County School District	Education	8,332	11.94%	1	6,295	10.28%	1
Walt Disney Company	Entertainment	3,700	5.30%	2	3,700	6.04%	2
Walmart Stores	Retail	3,370	4.83%	3	2,730	4.46%	3
Publix Supermarkets	Retail	1,838	2.63%	4	1,350	2.20%	7
Florida Hospital - Celebration	Healthcare	1,626	2.33%	5	1,076	1.76%	9
Gaylord Palms Resort	Resort	1,625	2.33%	6	1,900	3.10%	5
Osceola County Government	Government	1,442	2.07%	7	1,604	2.62%	6
Osceola Regional Medical Center	Healthcare	1,357	1.94%	8	1,200	1.96%	8
Valencia Community College	Education	975	1.40%	9	-		
Omni ChampionsGate Resort	Resort	908	1.30%	10	-		
Orange Lake Country Club	Resort	-	-		2,400	3.92%	4
McLane/Suneast	Distribution				1,000	1.63%	10
Total		<u>25,173</u>			<u>23,255</u>		

Sources: (1) Osceola County Office of Economic Development

**Schedule 14
City of Kissimmee, Florida**

**FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION / PROGRAM
Last Ten Fiscal Years**

	Full-time Equivalent Employees as of September 30									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<u>General government</u>										
Central Services	36	36	31	28	34	35	35	32	35	35
City Attorney	3	3	3	3	3	4	5	5	5	5
City Commission	5	5	5	5	5	5	5	5	5	5
City Manager	13	12	12	14	14	14	14	13	13	13
Finance	10	10	10	12	12	12	13	12	13	13
Personnel	8	8	8	8	8	8	8	12	10	10
<u>Public safety</u>										
Fire	104	102	102	105	105	105	105	106	112	112
Police	210	204	198	198	199	201	204	208	208	210
Law Enforcement Grant	3	3	3	3	3	3	3	3	3	3
School Crossing Guard	21	21	21	11	11	11	11	11	-	-
<u>Physical environment</u>										
Public Works	40	40	39	37	38	40	40	40	39	40
Sanitation	27	27	26	24	26	26	26	26	27	27
Stormwater	29	29	29	30	30	34	33	34	34	36
<u>Transportation</u>										
Airport	7	7	8	7	8	8	8	8	8	8
Local Option Gas Tax	10	10	10	10	12	10	10	12	12	12
<u>Economic Environment</u>										
Development Services	30	26	23	21	23	23	24	31	33	33
Community Development Blk Grant	3	2	2	2	2	2	2	2	2	2
<u>Culture / Recreation</u>										
Parks & Recreation	74	68	66	80	78	80	82	85	69	69
Civic Center	14	14	13	-	-	-	-	-	-	-
Total	647	627	609	598	611	621	628	645	628	633

Source: City of Kissimmee Office of Management and Budget.
Budgeted full-time equivalents.

Public Safety: Police - 20 auxillary officers (unpaid positions) have been excluded.

**Schedule 15
City of Kissimmee, Florida**

**OPERATING INDICATORS BY FUNCTION/PROGRAM
Last Ten Fiscal Years**

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<u>Building Inspections</u>										
Building permits issued	2,580	2,133	2,855	3,335	2,964	4,099	4,206	4,371	5,894	7,855
<u>Law Enforcement</u>										
Physical arrests	1,898	2,098	2,484	2,379	2,221	2,498	1,964	1,848	2,022	2,160
Traffic and parking violations	20,686	17,602	13,680	15,092	14,499	11,613	11,390	9,603	11,225	7,449
<u>Fire</u>										
Emergency responses	9,228	9,550	10,285	10,746	11,273	11,875	12,191	12,879	13,394	13,322
Fire incidents	236	238	264	261	257	244	226	274	334	273
Emergency medical services incidents	7,745	7,961	8,709	8,979	9,553	9,863	10,194	10,547	10,988	10,562
Fire safety inspections	752	700	914	878	740	995	888	968	1,326	1,345
Fire plan reviews	640	586	760	780	760	871	1,065	1,041	1,002	889
<u>Other Public Works</u>										
Street resurfacing (tons of asphalt)	3,011	3,091	1,369	681	3,013	3,582	5,134	-	1,524	3,067
Other street repairs (tons of asphalt) 1	181	149	96	50,138	40,104	193	109	175	107	96

Note: Indicators are not currently available for the general government and culture/recreation functions.

Source: Various City Departments.

(1) In FY 2012 and 2013, microsurfacing utilized sq. yd measurement replacing tons of asphalt measurement.

In FY 2016, there was no street resurfacing done by the City. All resurfacing was done by the Florida Department of Transportation.

**Schedule 16
City of Kissimmee, Florida**

**CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM
Last Ten Fiscal Years**

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<u>Transportation</u>										
Miles of streets (lane miles)	317	317	342	342	342	342	486	352	352	356
<u>Refuse collection trucks</u>										
	17	17	17	17	17	16	16	16	17	18
<u>Other public works</u>										
Traffic signals	47	48	52	52	52	52	52	52	52	52
Highways (miles)	56	63	17	17	17	17	15	8	8	8
<u>Public Safety</u>										
Fire stations	4	4	4	4	4	4	4	4	4	4
Police stations	1	1	1	1	1	1	1	1	1	1
Patrol units:										
Marked vehicles	100	109	120	126	126	131	118	120	127	140
Motorcycles	6	6	4	6	6	6	3	3	3	3
<u>Parks and Recreation</u>										
Park acreage	786	833	833	835	832	832	832	832	885	885
Number of regional parks	2	2	2	2	2	2	2	2	2	2
Number of large urban parks	2	1	1	1	1	1	1	1	1	1
Number of community parks	3	3	3	3	7	7	7	7	7	7
Number of neighborhood parks	9	11	11	12	8	8	8	8	8	8
Number of special use parks	4	5	5	5	5	5	5	5	5	5

Source: Various City Departments.

COMPLIANCE SECTION

**INDEPENDENT AUDITORS' 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***

The Honorable Mayor and Members of the City Commission
City of Kissimmee
Kissimmee, 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 Kissimmee, Florida (the City) as of and for the year ended September 30, 2018, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated March 25, 2019.

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 a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. 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 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.

Certified Public Accountants

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MEMBERS OF AMERICAN AND FLORIDA INSTITUTES OF CERTIFIED PUBLIC ACCOUNTANTS
MEMBER OF AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS PRIVATE COMPANIES AND S.E.C. PRACTICE SECTIONS

The Honorable Mayor and Members of the City Commission
City of Kissimmee
Kissimmee, Florida

**INDEPENDENT AUDITORS' 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*
(Concluded)**

Compliance and Other Matters

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

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 City'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 City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Purvis, Gray and Company, LLP

March 25, 2019
Ocala, Florida

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND STATE PROJECT AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE AND CHAPTER 10.550, RULES OF THE AUDITOR GENERAL

The Honorable Mayor and Members of the City Commission
City of Kissimmee
Kissimmee, Florida

Report on Compliance for Each Major Federal Program and State Project

We have audited the City of Kissimmee (the City) compliance with the types of compliance requirements described in the OMB *Compliance Supplement*, and the requirements described in the Department of Financial Services, *State Projects Compliance Supplement*, that could have a direct and material effect on each of the City's major federal programs and state projects for the year ended September 30, 2018. The City's major federal programs and state projects are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards and state projects applicable to its federal programs and state projects.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the City's major federal programs and state projects based on our audit of the types of compliance requirements referred to above. 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; the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance); and the Department of Financial Services, *State Projects Compliance Supplement*. Those standards and the Uniform Guidance and State Compliance Supplement require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program or the state project occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Certified Public Accountants

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The Honorable Mayor and Members of the City Commission
City of Kissimmee
Kissimmee, Florida

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL
PROGRAM AND STATE PROJECT AND ON INTERNAL CONTROL OVER
COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE AND CHAPTER 10.550,
RULES OF THE AUDITOR GENERAL
(Continued)**

Opinion on Each Major Federal Program and State Project

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs and state projects for the year ended September 30, 2018.

Report on Internal Control Over Compliance

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program or state project and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies may exist that have not been identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we identified a certain deficiency in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as item 2018-4 that we consider to be a significant deficiency.

The City's response to the internal control over compliance findings identified in our audit is described in the management letter response. The City's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

The Honorable Mayor and Members of the City Commission
City of Kissimmee
Kissimmee, Florida

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL
PROGRAM AND STATE PROJECT AND ON INTERNAL CONTROL OVER
COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE AND CHAPTER 10.550,
RULES OF THE AUDITOR GENERAL
(Concluded)**

Report on Internal Control Over Compliance (Concluded)

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

Purvis, Gray and Company, LLP

March 25, 2019
Ocala, Florida

CITY OF KISSIMMEE, FLORIDA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND
STATE FINANCIAL ASSISTANCE

Preliminary/For the year ended September 30, 2018

<u>Agency/Program</u>	<u>CFDA #</u>	<u>Grant #</u>	<u>Federal Expenditures</u>	<u>Through to Sub-recipients</u>
<u>U.S. Department of Housing and Urban Development</u>				
CDBG - Entitlement Grants Cluster				
Community Development Block Grant 2017	14.218	B-1-MC-12-0051		
Community Development Block Grant 2017	14.218	B-17-MC-12-0051	\$ 545,731	\$ 233,105
Community Development Block Grant 2016	14.218	B-16-MC-12-0051	168,537	
Community Development Block Grant 2015	14.218	B-15-MC-12-0051	195,035	
Community Development Block Grant 2014	14.218	B-14-MC-12-0051	131,791	
Community Development Block Grant 2013	14.218	B-13-MC-12-0051	130,960	
Community Development Block Grant 2011	14.218	B-11-MC-12-0051	-	
Community Development Block Grant 2010	14.218	B-10-MC-12-0051	12,255	
Community Development Block Grant 2008	14.218	B-08-MC-12-0051	-	
Community Development Block Grant 2005	14.218	B-05-MC-12-0051	-	-
			1,184,307	233,105
Subtotal			1,184,307	233,105
CDBG - State Administered Grants Cluster				
(HERA) Neighborhood Stabilization Program III	14.228	B-11-MN-12-0012	102,604	-
Subtotal			102,604	-
Home Investment Partnerships Program				
Home Investment Partnerships Program 2015	14.239		210,366	210,366
Home Investment Partnerships Program 2016	14.239		39,634	
Home Investment Partnerships Program 2017	14.239		5,334	-
Subtotal			255,335	210,366
Total U.S. Department of Housing and Urban Development			1,542,246	443,471
<u>U.S. Department of Justice</u>				
Passed through the Florida Office of the Attorney General				
Victims of Crime Act	16.575	VOCA2017-00286	53,453	
Edward Byrne Memorial Justice Assistance Grant(JAG)	16.592	JAG 2016-DJ-BX-1021	39,953	
Bulletproof Vest Partnership	16.607	None	11,234	
Total U.S. Department of Justice			104,640	
U.S. Department of Transportation				
Federal Aviation Administration				
Airport Improvement Program				
Construct Runway 24, Rehabilitate and Align Taxiway B	20.106	3-12-0038-035-2017	2,304,406	
Total Airport Improvement Program			2,304,406	
Highway Planning and Construction Cluster				
Passed through the Florida Department of Transportation				
Downtown Kissimmee Corridor Study	20.205	437472-1-18.01/GO071	6,942	
Central Avenue Corridor Study	20.205	437932-1-18.01/GOB47	156,856	
Shingle Creek Regional Trail North, Phase 2A	20.205	430225-8-58.68-01/GOI63	638,667	
R-O-W West Oak Street Intersection at John Young Parkway	20.205	434916-1-48-01/GOI40	167,650	
Shingle Creek Trail, Sequence II	20.205	430225-1-38-90/AQQ79	171,168	
Total Highway Planning and Construction Cluster			1,141,283	
Total U.S. Department of Transportation			3,445,689	
U.S. Department of Homeland Security/FEMA				
Passed through the Florida Division of Emergency Management:				
Public Assistance - Hurricane Irma	97.036	-PA-00-06-59-01-232	22,376	
Total U.S. Department of Homeland Security/FEMA			22,376	
TOTAL EXPENDITURES OF FEDERAL AWARDS			\$ 5,114,951	\$ 443,471

CITY OF KISSIMMEE, FLORIDA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND
STATE FINANCIAL ASSISTANCE - Continued
For the year ended September 30, 2018

<u>Agency/State Project</u>	<u>CSFA#</u>	<u>Grant #</u>	<u>State Expenditures</u>	<u>Through to Subrecipients</u>
<u>Florida Housing Finance Corporation</u>				
State Housing Initiatives Partnership Program (SHIP) 2017	40.901		\$ 129,270	\$ -
State Housing Initiatives Partnership Program (SHIP) 2016	40.901		171,717	
State Housing Initiatives Partnership Program (SHIP) 2015	40.901		98,431	
Total Florida Housing Finance Corporation			<u>399,418</u>	
<u>Florida Department of Transportation</u>				
Shingle Creek Regional Trail, Non-motorized, South Phase 1B	55.038	439879-1-54-01/G0N67	200,163	
Runway 15/33 Lighting, Signage, and Pavement Improvements	55.004	431557-1-94-02/AS761	128,023	
Taxiway Echo Extension (24 End) - Design	55.004	438441-1-94-01/GOJ80	124,936	
Airport Security Improvement Design	55.004	4384421-1-94-01/G0Y05	4,560	
Subtotal			<u>257,519</u>	
Total Florida Department of Transportation			<u>457,682</u>	
<u>Florida Department of Health</u>				
Passed through Osceola County Emergency Services				
Emergency Medical Services County Grant	64.003	C5049	23,290	
Total Florida Department of Health			<u>23,290</u>	
<u>U.S. Department of Homeland Security/FEMA</u>				
Passed through the Florida Division of Emergency Management:				
Public Assistance - Hurricane Irma	xx.xxx	-PA-00-06-59-01-232	3,729	
Total U.S. Department of Homeland Security/FEMA			<u>3,729</u>	
TOTAL EXPENDITURES OF STATE FINANCIAL ASSISTANCE			<u>\$ 880,390</u>	
TOTAL EXPENDITURES OF STATE AWARDS			<u>\$ 884,119</u>	<u>\$ -</u>

NOTE 1 Basis of Presentation

The Schedule of Expenditures of Federal Awards and State Financial Assistance includes the federal and state grant activity of the City of Kissimmee, Florida, and is presented on the modified accrual basis of accounting.

The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations, Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance); and Chapter 10.550 *Rules of the Auditor General*. Therefore, amounts presented in this schedule may differ from amounts presented in, or used in, the preparation of the basic financial statements.

NOTE 2 Indirect Cost Rate

The City of Kissimmee has elected not to use the de minimis indirect cost rate allowed under the OMB Uniform Guidance.

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS –
FEDERAL AWARD PROGRAMS AND
STATE FINANCIAL ASSISTANCE PROJECT
CITY OF KISSIMMEE
YEAR ENDED SEPTEMBER 30, 2018**

1. Summary of Audit Results

I. Type of Audit Report Issued on Financial Statements

Unmodified Opinion

II. Internal Control Over Financial Reporting

The Audit disclosed no significant deficiencies or material weaknesses in internal control.

III. Noncompliance Material to Audited Financial Statements

Audit disclosed no material instances of noncompliance.

IV. Significant Deficiencies and/or Material Weaknesses in Internal Control over Major Federal Award Programs and State Financial Assistance Projects

Audit disclosed a significant deficiency (Finding 2018-04) below and no significant deficiencies, which were material weaknesses in internal control over major federal award programs and state financial assistance projects.

V. Type of Audit Report Issued on Compliance with Requirements Applicable to Major Federal Awards Programs and State Financial Assistance Projects

Unmodified Opinion

VI. Major Federal Programs and Major State Financial Assistance Projects

Federal Programs:

- U.S. Department of Transportation
 - Federal Aviation Administration
 - Airport Improvement Program – CFDA No. 20.106

State Assistance Projects:

- State of Florida Department of Transportation:
 - Airport Improvement Program – CSFA No. 55.004
- Florida Housing Finance Corporation:
 - State Housing Initiatives Partnership Program – CSFA No. 40.901

VII. Dollar Threshold Used to Distinguish Between Type A and Type B Federal Programs/State Assistance Projects

\$750,000 for Federal Programs and \$300,000 for State Awards

VIII. Auditee Qualification as Low-risk Auditee

The auditee does qualify as a low-risk auditee per the criteria set forth in Section .530 of The Uniform Guidance. This does not apply to state financial assistance projects.

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS –
FEDERAL AWARD PROGRAMS AND
STATE FINANCIAL ASSISTANCE PROJECT
CITY OF KISSIMMEE
YEAR ENDED SEPTEMBER 30, 2018
(Concluded)**

2. **Findings Related to the Financial Statements Required to be Reported Under Generally Accepted Government Auditing Standards (GAGAS)**

Noted no current year recommendations.

3. **Findings and Questioned Costs for Major Federal Programs and State Financial Assistance Projects**

2018 - 4 Local Housing Assistance Plan (LHAP) Requirements and Purchasing Policy

The LHAP is a State and Commission level approved document that details the types of assistance for which State Housing Initiatives Partnership Program (SHIP) funds may be utilized. The document sets ceiling dollar limits for each type of assistance. In certain cases, the City did not have consistent documentation of approval, consistency, and timeliness of their procurement policy in conjunction with their LHAP purchasing limits.

We recommend that the City continue to evaluate their internal control processes within the various departments to ensure that the policies are followed, personnel are trained in the requirements, and appropriate documentation is retained.

4. **Prior Audit Findings**

Noted that all prior year recommendations have been addressed.

MANAGEMENT LETTER

The Honorable Mayor and Members of the City Commission
City of Kissimmee
Kissimmee, Florida

Report on the Financial Statements

We have audited the financial statements of the City of Kissimmee, Florida (the City) as of and for the fiscal year ended September 30, 2018, and have issued our report thereon dated March 25, 2019.

Auditors' 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; the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance); and Chapter 10.550, *Rules of the Auditor General*.

Other Reporting Requirements

We have issued our Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*; Independent Auditors' Report on Compliance for Each Major Federal Program and State Project and Report on Internal Control over Compliance; Schedule of Findings and Questioned Costs; and Independent Accountants' Report on an examination conducted in accordance with AICPA *Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, *Rules of the Auditor General*. Disclosures in those reports and schedule, which are dated March 25, 2019, 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 financial audit report. Corrective actions have been taken to address findings and recommendations made in the preceding 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 City was established in 1907 and incorporated in 1937, under the legal authority of the Laws of Florida 18623. The Kissimmee Community Redevelopment Agency is considered a blended component unit and was established pursuant to Chapter 163 of the Florida Statutes. The three pension plans are not considered component units since they are not legally separate entities.

Certified Public Accountants

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MEMBERS OF AMERICAN AND FLORIDA INSTITUTES OF CERTIFIED PUBLIC ACCOUNTANTS
MEMBER OF AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS PRIVATE COMPANIES AND S.E.C. PRACTICE SECTIONS

The Honorable Mayor and Members of the City Commission
City of Kissimmee
Kissimmee, Florida

MANAGEMENT LETTER
(Concluded)

Financial Condition and Management

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

Pursuant to Sections 10.554(1)(i)5.b. and 10.556(8), *Rules of the Auditor General*, we applied financial condition assessment procedures for the City. 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 review of financial information provided by same.

Section 10.554(1)(i)2., *Rules of the Auditor General*, requires that we communicate any recommendations to improve financial management. Please see the attached Management Letter Comments.

Additional Matters

Section 10.554(1)(i)3., *Rules of the Auditor General*, requires us to communicate 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 note 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 and pass-through entities, the Mayor and City Commission Members, and applicable management, and is not intended to be, and should not be, used by anyone other than these specified parties.

We wish to take this opportunity to thank you and your staff for the cooperation and courtesies extended to us during the course of our audit. Please let us know if you have any questions or comments concerning this letter, our accompanying reports, or other matters.


March 25, 2019
Ocala, Florida

MANAGEMENT LETTER COMMENTS

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

During the course of our audit, the following items came to our attention. We offer this comment and recommendation to improve the financial management of the City of Kissimmee, Florida, (the City):

Current Year Comments and Recommendations

2018 - 1 Central Services and Airport Rates

During our 2018 audit, we noted both cash reserves for central services and airport have decreased significantly after being relatively consistent over the prior years. The cause of the cash depletion appears to be different in each fund; for the airport fund, it is matching grant proceeds, and for central services fund, it is likely using older rates that have not been updated recently. Each fund needs to have applicable reserves for operation and/or matching; therefore, we recommend the City review both rates and cost levels to ensure the financial health of each fund.

2018 - 2 Building Permits

During review of building permits, a system calculation issue was noted for rates of certain permit valuation levels. Of the sample reviewed, there were two exceptions noted. These exceptions resulted in the City undercharging the customer, which resulted in a loss of revenue for the City.

We would recommend management to review the controls in place and if necessary create mitigating controls to test that building permit rates are being charged appropriately based on existing ordinances.

2018 - 3 Period End Closing Routine - Capital Assets

In prior years, we noted that the City's period end closing routine needed improvement in the area of the City's capital asset general ledger control accounts and the detail subsidiary property records.

During 2018, the City addressed the detailed records; however, the capital assets reconciliation appears to be an ongoing project that will require additional work through 2019 and implementation of the new software system.

Accordingly, we recommend that the City continue its efforts to fully reconcile and adjust its capital asset records, which constitute the single largest asset class on the City's net position.

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

MANAGEMENT LETTER COMMENTS
(Concluded)

Prior Year Comment and Recommendations Remaining

All prior year comments have been addressed.

Purvis, Gray and Company, LLP

March 25, 2019
Ocala, Florida

**INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE
WITH SECTION 218.415, FLORIDA STATUTES**

The Honorable Mayor and Members of the City Commission
City of Kissimmee
Kissimmee, Florida

We have examined the City of Kissimmee, Florida's (the City) compliance with Section 218.415, Florida Statutes, as of and for the year ended September 30, 2018, as required by Section 10.556 (10)(a), *Rules of the Auditor General*. 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 of the City's compliance with specified requirements.

In our opinion, the City complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2018.

This report is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, Federal and other granting agencies and pass-through entities, the Mayor and City Commission Members, and applicable management, and is not intended to be, and should not be, used by anyone other than these specified parties.

Purvis, Gray and Company, LLP

March 25, 2019
Ocala, Florida

Certified Public Accountants

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CITY OF KISSIMMEE

Finance Department

101 Church Street . Kissimmee, Florida 34741-5054 . Phone 407-518-2210 . FAX 407-518-2208

March 25, 2019

City of Kissimmee
City Commission
101 Church Street
Kissimmee, Florida 34741-5054

Re: Response to Auditor's Management Letter Comment and Findings

Dear Ladies and Gentlemen:

The following is the response to the independent auditor's management letter for the Auditor Comments:

2018 – 1 Central Services and Airport Rates

Management's Response

The City is researching the cause of the decreased cash reserve in its central service operations and is hiring an operations consulting firm to review multiple aspects of operations, including controls, rates, costs, and processes for billing.

The City Airport collects most of its revenue from airport leased sites, non-aviation leased sites, fuel sales, and rentals. These revenues are intended to support the daily operations of the Airport as well as to provide matching funds for both federal and state grants. The expenses associated with the ongoing operation of the Airport take precedent over matching grant funds. Consequently, the City only commits to matching funds if the operation can support such activity. In an effort to continue to improve revenue generation at the Airport, the City is aggressively pursuing economic development opportunities at the Airport.

2018-2 Building Permits

Management's Response

The City has determined that there is a flaw in the calculation of permit fees with a base valuation of \$1,000,000 or more; therefore, the Building staff will manually calculate all permit fees that fall into this category until the new software is implemented sometime in FY 2020.

2018 – 3 Period Ending Closing Routine – Capital Assets

Management's Response

The City will continue its efforts to fully reconcile and adjust its capital asset records as necessary.

The following is the response to the independent auditor's schedule of findings and questioned costs:

2018 – 4 Local Housing Assistance Plan (LHAP) Requirements and Purchasing Policy

Management's Response

The City will evaluate its internal control process within the various departments to ensure that the policies related to the LHAP and purchasing are followed, personnel are trained in the requirements, and appropriate documentation is retained.

Respectfully Submitted,



Amy S. Ady
Finance Director

Cc: Purvis Gray & Company
Auditor General, State of Florida