

# CITY OF ST. CLOUD, FLORIDA COMPREHENSIVE ANNUAL FINANCIAL REPORT

FISCAL YEAR ENDED  
SEPTEMBER 30, 2018



Celebrating Small Town Life

**CITY OF ST. CLOUD, FLORIDA**

**COMPREHENSIVE ANNUAL  
FINANCIAL REPORT**

**FISCAL YEAR ENDED  
SEPTEMBER 30, 2018**

PREPARED BY THE  
FINANCE DEPARTMENT  
RICARDO A. KISNER, MBA, CPA, CGMA  
Finance Director

STAFF:  
Edgardo Rivera-Calderon, CGFM  
Gloria R. Emanuel, CGFO  
Donna L. Cooley, CGFO  
Dawn M. Murray, CGFO  
Leslie M. Messina

COMPREHENSIVE  
ANNUAL FINANCIAL REPORT  
OF THE  
CITY OF ST. CLOUD, FLORIDA  
FOR THE  
FISCAL YEAR ENDED SEPTEMBER 30, 2018

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Leslie M. Messina

## **INTRODUCTORY SECTION**

**CITY OF ST. CLOUD, FLORIDA  
 COMPREHENSIVE ANNUAL FINANCIAL REPORT  
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018**

**TABLE OF CONTENTS**

**I. INTRODUCTORY SECTION**

Table of Contents .....	i-iii
Listing of City Officials .....	iv
Letter of Transmittal.....	v-viii
Organizational Chart .....	ix
Certificate of Achievement for Excellence in Financial Reporting.....	x

**II. FINANCIAL SECTION**

<b>Independent Auditors' Report</b> .....	1-3
---	-----

<b>Management's Discussion and Analysis</b> .....	4-15
---	------

**Basic Financial Statements**

Statement of Net Position.....	16
Statement of Activities .....	17-18
Balance Sheet - All Governmental Funds .....	19-20
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position .....	21
Statement of Revenues, Expenditures, and Changes in Fund Balances - All Governmental Funds .....	22-23
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities.....	24
Statement of Net Position - Proprietary Funds .....	25-28
Statement of Revenues, Expenses, and Changes in Net Position - Proprietary Funds .....	29-30
Statement of Cash Flows - Proprietary Funds .....	31-34
Statement of Net Position - Fiduciary Funds.....	35
Statement of Changes in Net Position - Fiduciary Funds .....	36
Notes to Financial Statements.....	37-71

**Required Supplementary Information**

Schedule of Revenues, Expenditures, and Changes in Fund Balance, Budget and Actual - General Fund.....	72
Schedule of Revenues, Expenditures, and Changes in Fund Balance, Budget and Actual - One Percent Surcharge Fund .....	73
Schedule of Revenues, Expenditures, and Changes in Fund Balance, Budget and Actual - OUC Interlocal Agreement Fund .....	74
Schedule of Revenues, Expenditures, and Changes in Fund Balance, Budget and Actual - Road Impact Fees Fund .....	75
Schedule of Revenues, Expenditures, and Changes in Fund Balance, Budget and Actual - Community Redevelopment Agency Fund.....	76
Schedule of Changes in the Employers' Net Pension - Liability and Related Ratios - General Employees' Retirement Plan .....	77

**CITY OF ST. CLOUD, FLORIDA  
 COMPREHENSIVE ANNUAL FINANCIAL REPORT  
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018**

**TABLE OF CONTENTS  
 (Continued)**

**II. FINANCIAL SECTION (Concluded)**

**Required Supplementary Information (Concluded)**

Schedule of Changes in the Employers' Net Pension - Liability and Related Ratios - Police Officers' and Firefighters' Retirement Plan .....	78-79
Schedule of Employer Contributions General Employees' Retirement Plan .....	80
Schedule of Employer Contributions Police Officers' and Firefighters' Retirement Plan .....	80
Schedules of Investment Returns - General Employees' Retirement Plan.....	81
Schedules of Investment Returns - Police Officers' and Firefighters' Retirement Plan .....	81
Schedule of Change in Other Postemployment Benefit Liability and Related Ratios .....	82

**Supplemental Information**

Schedule of Revenues, Expenditures, and Changes in Fund Balance:	
Budget and Actual - Debt Service Fund.....	83
Budget and Actual - Capital Projects Fund.....	84
Combining Balance Sheet - Nonmajor Governmental Funds.....	85-86
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Nonmajor Governmental Funds.....	87-88
Schedule of Revenues and Expenditures - Budget and Actual:	
Economic Development Fund .....	89
County Gas Tax Fund.....	90
Parks and Recreation Impact Fees Fund .....	91
Police and Fire Impact Fees Fund .....	92
Mobility Fees Fund.....	93
Combining Statement of Net Position - Internal Service Funds.....	94
Combining Statement of Revenues, Expenses, and Changes in Fund Net Position - Internal Service Funds .....	95
Combining Statement of Cash Flows - Internal Service Funds .....	96

**III. STATISTICAL SECTION (UNAUDITED)**

Net Position by Component .....	97-98
Changes in Net Position .....	99-102
Fund Balances - Governmental Funds.....	103-104
Changes in Fund Balances - Governmental Funds .....	105-106

**CITY OF ST. CLOUD, FLORIDA  
 COMPREHENSIVE ANNUAL FINANCIAL REPORT  
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018**

**TABLE OF CONTENTS  
 (Concluded)**

**III. STATISTICAL SECTION (UNAUDITED) (Concluded)**

Sanitation Revenue Indicators .....	107
Assessed Value and Actual Value of Taxable Property.....	108-109
Direct and Overlapping Property Tax Rates.....	110
Principal Property Taxpayers.....	111
Property Tax Levies and Collections.....	112
Ratios of Outstanding Debt by Type .....	113
Ratios of General Bonded Debt Outstanding .....	114
Direct and Overlapping - Governmental Activities Debt.....	115
Pledged-Revenue Coverage - Governmental-Type Activities:	
One Percent Surcharge Revenue Notes.....	116
Gas Tax Revenue Bonds.....	117
Traffic Impact Fee Bonds .....	118
Pledged-Revenue Coverage - Business-Type Activities:	
Water Utility Revenue Bonds.....	119
Sewer Utility Revenue Bonds.....	120
Demographic and Economic Statistics .....	121
Principal Employers .....	122
Full-Time Equivalent City Government Employees by	
Function/Program .....	123
Operating Indicators by Function/Program .....	124
Capital Asset Statistics by Function/Program .....	125
Commercial Construction Value and Residential Construction Value .....	126
Tourist Statistical Data for Osceola County .....	127
Insurance Coverage .....	128-129
Miscellaneous Statistical Data .....	130

**IV. 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 <i>Government Auditing Standards</i> .....	131-132
Independent Accountants' Report on Compliance with	
Section 218.415, Florida Statutes .....	133
Management Letter .....	134-135
Management Letter Comments.....	136-137
Management Letter Response.....	138-139

**CITY OF ST. CLOUD, FLORIDA**

**COMPREHENSIVE ANNUAL FINANCIAL REPORT  
Year Ended September 30, 2018**

**LISTING OF CITY OFFICIALS**

**ELECTED AND APPOINTED OFFICIALS**

**Mayor**

Nathan Blackwell

**Deputy Mayor**

David C. Askew

**Council Member**

Linette R. Matheny

**Council Member**

Donald A. Shroyer

**Council Member**

Charles "Chuck" E. Cooper

**City Manager**

William "Bill" E. Sturgeon

**DEPARTMENTAL OFFICIALS**

**Assistant City Manager**

Veronica C. Miller

**Public Safety Administrator and Chief of Police**

Peter S. Gauntlett

**Public Services Administrator**

Dianna L. Rawleigh

**Finance Director**

Ricardo A. Kisner

**Information Technology Director**

Howard W. DeYoung

**City Clerk**

Linda P. Jaworski

**Human Resources Director**

Harvey A. Bisson

**Fire Chief**

Joseph L. Silvestris

**Planning Director**

Andre' A. Anderson

**Building Director**

Douglas A. Tillery

**Parks and Recreation Director**

Stephanie Holtkamp

**Procurement Services Director**

Leslie Flores





Celebrating Small Town Life

May 24, 2019

To the Honorable Mayor  
and Members of the City Council, and Citizens  
City of St. Cloud, Florida  
1300 Ninth Street  
St. Cloud, FL 34769

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It is my pleasure to present the Comprehensive Annual Financial Report (CAFR) for the fiscal year ended September 30, 2018. State law, in accordance with the Florida Statutes 166.241; Chapter 10.500, Rules of the Auditor General, and Section 3.12 of the City Charter, requires that every general-purpose local government publish within six months of the close of each fiscal year or receive an extension for a complete set of audited financial statements.

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The CAFR is presented in four sections. The introductory section includes this Transmittal Letter and an organizational chart for the city. The financial section includes the Independent Auditor's Report, Management's Discussion and Analysis (MD&A), audited city wide and fund financial statements and notes thereto, and required supplementary information. The Statistical Section sets forth the selected unaudited economic, financial trend, and demographic information for the City of St. Cloud on a multi-year basis. The compliance section includes other information and reports required by Florida Statutes and OMB Circular A-133 when applicable.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal controls that it has established for that purpose, because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable (rather than absolute) assurance that the financial statements are free of any material misstatements.

Purvis Gray and Company, LLP has issued an unqualified ("clean") opinion on the City of St. Cloud's financial statements for the fiscal year ended September 30, 2018. GASB Statement No. 34, Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments, requires that management provide a narrative introduction, overview and analysis to accompany the basic financial statements in the form of MD&A. This letter of transmittal is designed to complement the MD&A and should be read in conjunction.

### *Profile of the Government*

The City of St. Cloud, incorporated in 1911, is located in the southeastern central part of Central Florida, which is considered to be part of the Orlando-Kissimmee-Sanford metropolitan area. The City currently occupies 20.42 square miles and serves a population of 46,519 based on 2018 estimates from the University of Florida Bureau of Economic and Business Research (BEBR). The City of St. Cloud is empowered to levy a property tax on both real and personal property located within its boundaries. It also is empowered by state statute to extend its corporate limits by annexation, which it has done from time to time.

1300 Ninth Street, St. Cloud, FL 34769-3339 ☎ 407-957-7311 ☐ 407-957-7335 (fax)  
<http://www.stcloud.org>

## *Profile of the Government (continued)*

The City of St. Cloud has operated under the Council-Manager form of government since January 16, 1925. On November 18, 1929, two new commissioners (Council Members) were added and the managerial form of government was voted to be changed to a strong Mayor-Council form of government, and the Mayor was elected by the Council Members. The City of St. Cloud was one of the first cities in the state to adopt this form of government. Then in 1965, the city once again adopted the Council-Manager form of government. Policy making and legislative authority are vested in a governing Council consisting of the Mayor and four other members, all elected on a nonpartisan basis. The Council appoints the City Manager, who, in turn, appoints the heads of the various departments. The Mayor and all Council Members are elected at large for four year terms starting with the first election held in 2012.

The City of St. Cloud provides a full range of services, including police and fire protection, emergency medical services, the construction and maintenance of sidewalks, highways, streets, traffic signalization, planning and zoning, building permit and building maintenance, parks and recreational facilities, cultural facilities and general administration services.

In addition to general government activities, certain services are provided through separate enterprise funds and the City Council governs their operations, in essence, as departments of the City of St. Cloud. The enterprise operations of the city are: water, sewer collection and treatment, stormwater, refuse collection and transfer station operations, and therefore are an integral part of the City of St. Cloud's financial statements. A new building enterprise fund was established beginning October 1, 2017 to separately account for revenues and expenses related to that activity. The City of St. Cloud Council members serve as the Board of Directors of the Stevens Dependent Special District (DSD). As the DSD's Board of Directors, they are financially accountable for the district, which is reported as a blended component unit within the City of St. Cloud's financial statements. Additional information on the Steven's DSD can be found in the notes to the financial statements (see Note 1.)

The City Council adopts the annual budget prior to the beginning of the fiscal year and amends it during the year when events and/or circumstances warrant it. The Council may amend the budget by resolution no later than 60 days after the close of the fiscal year (F.S. 166.241). This annual budget serves as the foundation for the City of St. Cloud's financial planning and control. The budget is prepared by fund, function (e.g., public safety), and department (e.g., police). With the City Manager's approval, department heads may transfer resources within a department as they see fit; however, transfers between departments requires a budget amendment by resolution through the governing council.

## *Local Economy*

The City of St. Cloud's economy continues to improve at a rapid rate. Housing starts (new homes for which construction has begun) serves as an economic indicator within the City's service area. One such large on-going development project is, "Tohoqua", which is a mixed-used plan with 730 acres of commercial, single family homes, and rental apartments. The future master plan includes a 46 acre future high school and a 20 acre K-8 school. Additionally, East of St Cloud city limits is another massive mixed use development named, "Center Lake". The City also plans to annex this project during the development stage. Both projects will bring a surplus of revenue by their ten year build out plan. In fiscal year 2018, 880 new home permits were issued with a total estimated value of 275.4 million. New business tax receipts for the same time period had a significant increase evidencing the upswing in new business establishments in the City.

### ***Local Economy*** (continued)

Another positive economic indicator is the labor market. Unemployment rates for Osceola County between 2017 and 2018 have dropped from 4.4% to 3.3% per St. Louis Fed. (FRED) which also reported that St. Cloud's per-capita income is \$32,096; the median household income is \$48,911, and a job growth rate of 2.5%. Future job growth over the next ten years is predicted to be 40.6%!

Although the City is not a top tourist spot in Central Florida, it is in close vicinity to nine out of the ten top Florida theme parks including Disney's Magic Kingdom, EPCOT, Animal Kingdom, Islands of Adventure, Universal Studios, Sea World, and many others. Many of our visitors enjoy other activities St. Cloud has to offer such as a Zip line and Aerial Adventure Park at Forever Florida, Boat Tours, Reptile World Serpentarium, prestigious Golf Course, Horse-Drawn Carriage Tours in the Historic Downtown area, Peghorn Nature Park, and a beautiful Lakefront Park with a beach.

### ***Long-term Financial Planning***

The City aggressively seeks out Federal, State, and Other operating and capital grants to leverage fund balances by reducing the amount of direct city funding for various programs. Highlights of grants received for fiscal year 2018 include: The Staffing for Adequate Fire and Emergency Response (SAFER) Grants program funded through FEMA, and Community Development Block Grant awards for infrastructure and various other improvements throughout the City. Capital and operating grant totals by function, which include impact fees, can be found in the Statement of Activities on page 17 of this Comprehensive Annual Financial Report.

Revenue generation is largely influenced by overall economic conditions. Revenues consist of taxes, user fees, shared revenues, and other financing sources. Management is diligent in their efforts to diversify revenue streams and use resources effectively to protect fund balance while maintaining efficient service levels for our citizens and stake holders. Management will also continue to budget and manage all resources in the most cost-effective manner.

### ***Major Initiatives***

Economic Development is a major focus for the City due to the availability of land and the current positive economic conditions present in every aspect of City business. An impact analysis report for a proposed \$50 million retail/hotel/restaurant development project to support the Kissimmee Park Turnpike Project was created as well as a marketing plan for Steven's Plantation North for a mixed-use complex with retail/commercial development. Downtown Revitalization is a major initiative with continued support of the St. Cloud Hotel renovations.

In 2018, the Community Redevelopment Agency invested over \$139,487 in funding to private organizations and grants to businesses and property owners within the CRA districts. The five year capital improvement plan was developed and incorporated the Envision St. Cloud which was formally adopted by the City Council in 2017. This is a large scale visioning and planning effort which will help guide the development of the City for years to come. Key drivers of this planning effort are improving roads, parks, trails, and land use; attracting employment, and growing jobs; and enhancing overall community character.

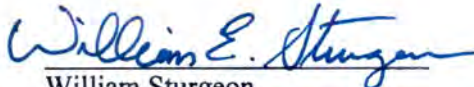
### *Awards and Acknowledgements*

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of St. Cloud for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended September 30, 2017. In order to be awarded a Certificate of Achievement, the government had to publish an easily readable and efficiently organized CAFR that satisfied both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current 2018 CAFR 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.

The preparation of this report could not have been accomplished without the professionalism and dedication demonstrated by the Finance Department and all members of the various departments who assisted and contributed to the preparation of this report. In addition, thanks go to Mayor and City Council for continuous unwavering support in maintaining the highest standards of professionalism in the management of the City of St. Cloud's finances. This CAFR reflects management's commitment to the citizen's of the City of St. Cloud and the financial community to maintain financial statements in conformance with the highest standards of financial accountability.

Respectfully submitted,

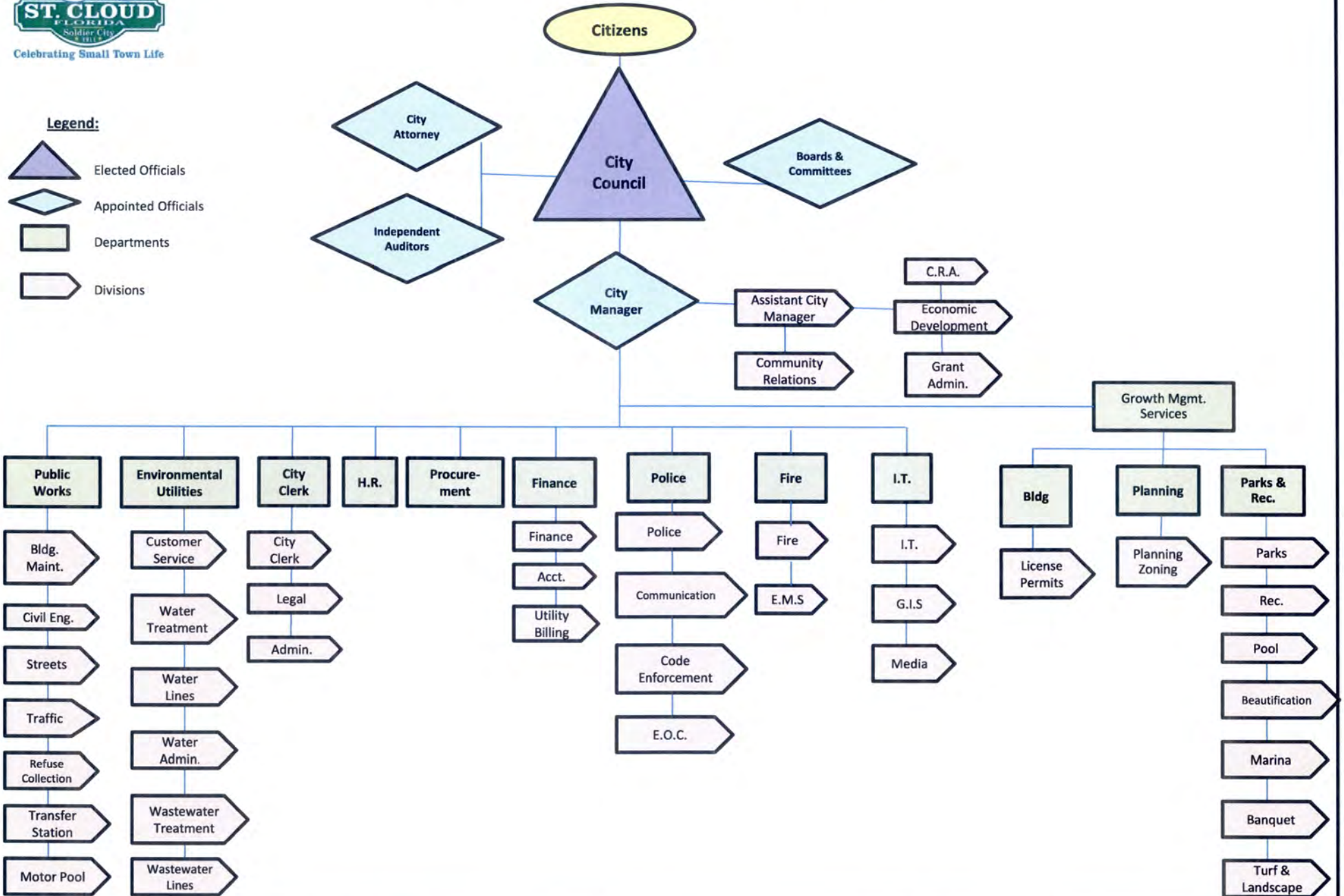
  
William Sturgeon,  
City Manager

  
Veronica C. Miller  
Interim Finance Director

VCM\djm



# 2017/2018 BUDGET ORGANIZATIONAL CHART





Government Finance Officers Association

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

Presented to

**City of St. Cloud  
Florida**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**September 30, 2017**

*Christopher P. Morill*

Executive Director/CEO

# FINANCIAL SECTION

This section Contains the Following Subsections:

REPORT OF INDEPENDENT AUDITORS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
BASIC FINANCIAL STATEMENTS  
NOTES TO FINANCIAL STATEMENTS  
REQUIRED SUPPLEMENTARY INFORMATION  
SUPPLEMENTAL INFORMATION

## **FINANCIAL SECTION**





## INDEPENDENT AUDITORS' REPORT

The Honorable Members of the City Council  
City of St. Cloud  
St. Cloud, 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 St. Cloud, 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 the 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 of material misstatements.

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 entity'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 entity'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 financial statement presentation.

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

The Honorable Members of the City Council  
City of St. Cloud  
St. Cloud, 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.

**Other Matters**

*Required Supplementary Information*

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

*Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, budgetary comparison schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and budgetary comparison schedules 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 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 financial statements and budgetary comparison schedules are fairly stated in all material respects in relation to the basic financial statements as a whole.

The Honorable Members of the City Council  
City of St. Cloud  
St. Cloud, Florida

**INDEPENDENT AUDITORS' REPORT**  
*(Concluded)*

**Other Matters (Concluded)**

*Other Information (Concluded)*

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 May 24, 2019, on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

*Purvis, Gray and Company, LLP*

May 24, 2019  
Ocala, Florida



## MANAGEMENT'S DISCUSSION AND ANALYSIS

This section in the Comprehensive Annual Financial Report has been developed in accordance with the Governmental Accounting Standards Board (GASB) Statement Number 34 (GASB 34). It is intended to provide the readers of this report with a general overview and analysis of the financial activities of the City of St. Cloud (the City) for the fiscal year ended September 30, 2018.

Management's Discussion and Analysis (MD&A) is designed to focus on the current fiscal year activities, resulting changes, and currently known facts. Please read it in conjunction with additional information in the Transmittal Letter, the financial statements, and notes to the financial statements.

### Financial Highlights

The City is in good financial condition. For the year ended September 30, 2018:

- The City's total assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources by \$342.4 million (net position). Of this amount, \$128.9 million was from governmental activities and \$213.5 million was from business-type activities.
- Unrestricted net positions for governmental and business activities, respectively, were \$2.5 million and \$7.8 million.
- The City's revenues for governmental funds, excluding transfers, were \$47.2 million. The expenditures for governmental funds were \$46.1 million.
- The business-type activities of the City had total operating revenues of \$42.9 million and total expenses of \$38.6 million before transfers.
- At the close of fiscal year 2017-18, the governmental funds reported combined ending fund balances of \$46.7 million, an increase of \$3.0 million in comparison with the prior fiscal year. Approximately \$10.6 million or 22.7% of this total amount is available for spending at the government's discretion (*unassigned fund balance*).
- The City's long-term debt decreased by \$6.6 million. Business-type activities long-term debt decreased by \$3.8 million. Long-term liabilities for governmental activities decreased by \$2.8 million.

### Overview of the Financial Statements

The *Introductory Section* of the report includes the letter of transmittal, a list of City officials, an organizational chart, and a copy of last fiscal year's Government Finance Officers Association (GFOA) Certificate of Achievement for Excellence in Financial Reporting.

The *Financial Section* of the report includes the Report of Independent Auditor, this MD&A, the basic financial statements, required supplementary information, and combining and individual fund statements and schedules.

The *MD&A* is prepared by management and is intended to serve as an introduction to the basic financial statements. It is written to provide an objective and easily readable analysis of the City's financial activities and a summary of basic financial information for the City.

## MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

### Overview of the Financial Statements (Concluded)

The Basic Financial Statements include:

- Government-wide Financial Statements
- Fund Financial Statements
- Notes to the Financial Statements

In addition to the Basic Financial Statements, the Financial Section also includes the following sections:

- Required Supplementary Information
- Combining and Individual Fund Statements and Schedules (see Supplemental Information Tab)

After the Financial Section, other information about the City and its physical and financial environment are available in the *Statistical* and *Compliance* Sections.

### Government-wide Financial Statements

The government-wide financial statements are the statement of net position and the statement of activities. This summary information is designed to provide a broad overview of the City as a whole that is similar to private sector financial statements. The *government-wide financial statements* categorize the City's financial information as governmental or business-type, and the emphasis is on the change in net position. Governmental activities are primarily supported by property taxes, sales and other taxes, federal and state grants, transfers from the proprietary funds, and state shared revenues. Business-type activities are supported by charges to the users of services. Charges and fees are intended to recover all or a significant portion of costs.

The statement of net position shows the total assets, deferred outflow of resources, liabilities, and deferred inflows of resources for the City. Net position is sub-divided into three categories:

- Net investment in capital assets
- Restricted
- Unrestricted

The statement of activities presents information on all revenues and expenses of the City and the change in net position. Revenues and expenses are reported by major function and program. Governmental activities financed by the City include public safety, physical environment, transportation, culture and recreation, and general government services. Business-type activities financed by user fees and charges include water, sewer, stormwater, and sanitation utilities, and the building department operations.

### Fund Financial Statements

The fund financial statements follow the government-wide financial statements, and are expanded under the GASB 34 reporting model. 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 uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The City categorizes funds into three basic fund types: 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 statements. However, unlike the government-wide statements, governmental fund related 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. This information may be useful in evaluating a government's near-term financing requirements.

## MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

### Fund Financial Statements (Concluded)

#### *Governmental Funds (Concluded)*

Because the focus of the governmental funds is narrower than that of the government-wide financial statements, it may be useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. This comparison highlights the long-term impact of the City's *near-term* financial decisions.

Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances offer a reconciliation to assist with this comparison.

The City maintains twelve individual governmental funds. The general fund and six other funds are major funds in this group. The other six governmental funds have been combined into a single, aggregated presentation as non-major funds. Data for each individual non-major governmental fund is provided via the combining statements elsewhere in this report.

#### *Proprietary Funds*

*Proprietary Funds* fall into two categories - *Enterprise Funds* and *Internal Service Funds*. The proprietary fund financial statements provide separate information for the City's individual enterprise funds since they are considered to be major funds. None of the internal service funds are major funds, so data for internal service funds are aggregated in a separate column. Also, because the internal service funds represent activities that predominately satisfy internal governmental needs, balance sheet, and other data are included as *governmental activities*, not business-type activities, in the government-wide financial statements.

The City's *Enterprise Funds* are the basis for the business-type activities information in the government-wide financial statements. The proprietary fund statements provide more detail about individual enterprise fund operations. The City of St. Cloud uses enterprise funds to account for its water, sewer, stormwater and sanitation utilities, and the building department operations.

*Internal Service Funds* are an accounting device used to accumulate and allocate costs internally among some of the City's various functions. Included in the internal service fund group is the City's Self Insurance Fund. Individual fund data for the internal services funds is provided in the form of *combining statements* elsewhere in this report, and is included in the governmental rather than business-type activities category in the government-wide financial statements.

#### *Fiduciary Funds*

*Fiduciary Funds* are used to account for resources held for the benefit of parties outside the City. Fiduciary funds are not reflected in the government-wide financial statements because resources of those funds are not available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The City has two pension trust funds to account for the General Employee Retirement System and the Police Officers' and Firefighters' Retirement System. The basic fiduciary fund financial statements can be found after the basic proprietary fund financial statements.

### Notes to Financial Statements

The notes provide additional information that is essential to a complete understanding of the data provided in both the government-wide and fund financial statements. The notes to the financial statements are the last section of the Basic Financial Statements and follow the fiduciary fund financial statements.



## MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

### Other Information

*Required Supplementary Information* (RSI) is the next section in this report. In the City's case, RSI schedules show the changes in net position and employer contributions for the City's employee pension funds and a schedule of funding progress for Other Postemployment Benefits (OPEB).

*The Combining and Individual Fund Statements and Schedules* section includes combining and individual fund statements for non-major and other funds, and various other statements and schedules of interest to the reader.

*The Statistical Section* presents information designed to give users a better historical perspective and to assist readers in assessing current financial status and trends of the governmental unit. Economic information is presented to allow a broader understanding of the financial and social environment in which the City government operates.

*The Compliance Section* contains various reports and schedules with information about the City's internal control, federal and state grants, and any additional comments from the auditors.

### Government-Wide Financial Analysis

#### Net Position

The Statement of Net Position and the concept of net position are useful indicators of a governmental entity's financial health and stability. In the case of the City, total assets (current and capital) plus deferred outflows of resources exceeds total liabilities (current and long-term) and deferred inflows of resources by \$342.4 million.

Furthermore, the City has combined positive balances in all the categories of net position - net investment in capital assets, restricted and unrestricted. The City's combined net position increased by \$32.7 million from the amounts previously reported at the end of fiscal year 2017. Governmental activities are responsible for an increase of \$10.8 million, while the business-type activities are responsible for an increase of \$21.8 million. In *Governmental Activities Funds*, the unrestricted net position increased by \$2.5 million. The *Business-type Activities Funds* unrestricted net position also increased by \$5.0 million. The growth in the local economic activity and positive financial results has allowed the City to increase positive balances in nearly all categories of net position.

The following schedule provides a comparative summary of net position for the City for fiscal years 2017 and 2018. For more detail, see the Statement of Net Position in the Financial Section of this report immediately following this MD&A.

**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
(Continued)

**Government-Wide Financial Analysis (Continued)**

**Net Position (Continued)**

**City of St. Cloud's Net Position**

	Governmental Activities		Business-type Activities		Total	
	2017	2018	2017	2018	2017	2018
Current and Other Assets	\$ 49,851,875	\$ 54,925,071	\$ 36,789,259	\$ 51,151,133	\$ 86,641,134	\$ 106,076,204
Capital Assets	130,675,179	134,993,205	218,622,260	224,551,776	349,297,439	359,544,981
Net Pension Asset	1,773,132	2,011,690	1,440,911	1,649,593	3,214,043	3,661,283
Unamortized Bond Insurance Cost	248,005	214,960	-	-	248,005	214,960
Total Assets	<u>182,548,191</u>	<u>192,144,926</u>	<u>256,852,430</u>	<u>277,352,502</u>	<u>439,400,621</u>	<u>469,497,428</u>
Deferred Outflows	<u>4,032,583</u>	<u>2,573,026</u>	<u>651,998</u>	<u>278,767</u>	<u>4,684,581</u>	<u>2,851,793</u>
Long-term Liabilities	49,977,740	47,315,979	56,134,772	52,278,692	106,112,512	99,594,671
Other liabilities	<u>15,620,405</u>	<u>17,727,143</u>	<u>8,534,328</u>	<u>11,282,730</u>	<u>24,154,733</u>	<u>29,009,873</u>
Total Liabilities	<u>65,598,145</u>	<u>65,043,122</u>	<u>64,669,100</u>	<u>63,561,422</u>	<u>130,267,245</u>	<u>128,604,544</u>
Deferred Inflows	<u>2,919,187</u>	<u>741,009</u>	<u>1,151,023</u>	<u>551,367</u>	<u>4,070,210</u>	<u>1,292,376</u>
Net Position:						
Net Investment in Capital Assets	87,972,999	93,017,432	166,769,263	180,191,229	254,742,262	273,208,661
Restricted	30,078,552	33,378,737	22,125,273	25,548,508	52,203,825	58,927,245
Unrestricted	<u>11,891</u>	<u>2,537,652</u>	<u>2,789,769</u>	<u>7,778,743</u>	<u>2,801,660</u>	<u>10,316,395</u>
Total Net Position	<u>\$ 118,063,442</u>	<u>\$ 128,933,821</u>	<u>\$ 191,684,305</u>	<u>\$ 213,518,480</u>	<u>\$ 309,747,747</u>	<u>\$ 342,452,301</u>

By far the largest portion of the City's net position is *investment in capital assets* (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 investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate debt.

The City's net position is also grouped as *restricted* and *unrestricted*. Restricted net position is subject to restrictions on how they may be used. Unrestricted net position may be used to meet the government's ongoing obligations to citizens and creditors.

The *Statement of Activities* reconciles and links net position to the sources of changes in net position. Program revenues and expenses are presented by function and with their positive or negative effect on net position. General revenues and transfers, and their effect on net position, are shown separately. The Statement of Activities combines the effects of all revenues, expenses, and transfers to calculate net position by governmental activities, business-type activities, and in total. The schedule below provides a comparative summary of activities and the changes in net position for the City for the fiscal years ended September 30, 2017 and 2018.

**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
*(Continued)*

**Government-Wide Financial Analysis (Concluded)**

**Net Position (Concluded)**

City of St. Cloud's Changes in Net Position

	Governmental		Business-type		Total	Total
	Activities		Activities			
	2017	2018	2017	2018	2017	2018
<b>Revenues:</b>						
<b>Program Revenue:</b>						
Charges for Services	\$ 14,205,787	\$ 13,151,765	\$ 37,184,744	\$ 41,570,750	\$ 51,390,531	\$ 54,722,515
Operating Grants and Contributions	960,078	994,344	744,000	1,336,259	1,704,078	2,330,603
Capital Grants and Contributions	7,955,513	12,666,902	18,149,610	23,016,662	26,105,123	35,683,564
<b>General Revenues:</b>						
Property Taxes	7,889,505	8,949,522	-	-	7,889,505	8,949,522
Other Taxes	14,562,180	16,301,667	-	-	14,562,180	16,301,667
Other Revenues	1,516,267	1,014,387	183,872	486,183	1,700,139	1,500,570
Total Revenues	<u>47,089,330</u>	<u>53,078,587</u>	<u>56,262,226</u>	<u>66,409,854</u>	<u>103,351,556</u>	<u>119,488,441</u>
<b>Expenses:</b>						
General Government	5,483,691	5,352,138	-	-	5,483,691	5,352,138
Public Safety	22,074,869	23,119,191	-	-	22,074,869	23,119,191
Transportation	6,398,831	7,160,776	-	-	6,398,831	7,160,776
Parks and Recreation	4,489,325	4,828,059	-	-	4,489,325	4,828,059
Other Operating	415,412	445,148	-	-	415,412	445,148
Electric System	1,557,188	894,125	-	-	1,557,188	894,125
Interest and Fees	2,500,440	2,402,654	-	-	2,500,440	2,402,654
Water Utility	-	-	11,550,809	12,216,311	11,550,809	12,216,311
Sewer Utility	-	-	11,156,101	11,613,763	11,156,101	11,613,763
Sanitation Utility	-	-	10,030,131	10,881,717	10,030,131	10,881,717
Stormwater Utility	-	-	2,225,592	2,132,730	2,225,592	2,132,730
Special District	-	-	1,677,999	1,750,321	1,677,999	1,750,321
Building Department	-	-	-	1,281,754	-	1,281,754
Total Expenses	<u>42,919,756</u>	<u>44,202,091</u>	<u>36,640,632</u>	<u>39,876,596</u>	<u>79,560,388</u>	<u>84,078,687</u>
Increase in Net Assets						
Before Transfers	4,169,574	8,876,496	19,621,594	26,533,258	23,791,168	35,409,754
Transfers	5,630,658	1,955,487	(5,630,658)	(1,955,487)	-	-
Changes in Net Assets	9,800,232	10,831,983	13,990,936	24,577,771	23,791,168	35,409,754
Net Position - Beginning	108,263,210	118,063,442	177,693,369	191,684,305	285,956,579	309,747,747
Adjustment to Beginning Net Position	-	38,396	-	(2,743,596)	-	(2,705,200)
Net Position - Beginning	108,263,210	118,101,838	177,693,369	188,940,709	285,956,579	307,042,547
Net Position - Ending	<u>\$ 118,063,442</u>	<u>\$ 128,933,821</u>	<u>\$ 191,684,305</u>	<u>\$ 213,518,480</u>	<u>\$ 309,747,747</u>	<u>\$ 342,452,301</u>

**Governmental Activities**

Net position of the City's governmental-type activities increased by \$10.8 million from the amounts previously reported at the end of fiscal year 2017. The primary reason for the increase is continual improvement in economic activity throughout the Orlando Metropolitan area. Please see notes to financial statements for further information.

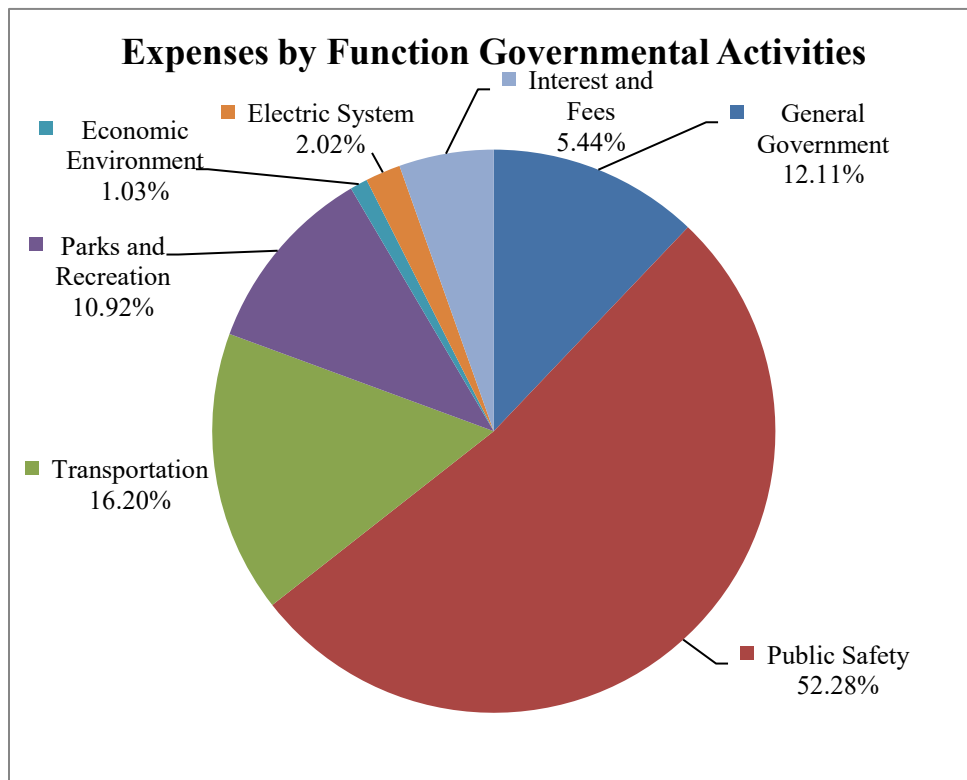
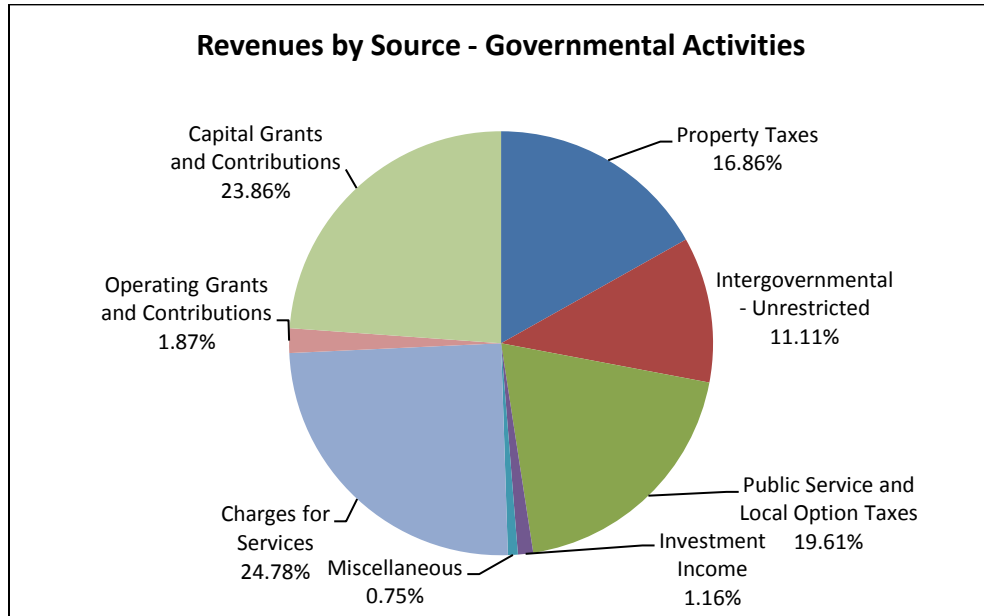
The City's major revenue sources, including property taxes, sales tax, and intergovernmental sources increased from 2017 to 2018. The Orlando Metropolitan Area continues to be one of the fastest growing regions in the United States and both residential and commercial growth is occurring within the City limits.

Overall, Governmental Activities revenues and expenses remained fairly stable. Exception to this are Capital Grants and Contributions revenues which increased by \$4.7 million mainly due to an increase in impact fees contributions from residential and commercial development and population within the City. For expenses, there was a slight change, an increase of \$761.9 thousand in transportation capital projects.

The following graphs provide an analysis of the City's revenue sources for governmental activities by type, and its governmental activities expenses by function.

**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
(Continued)

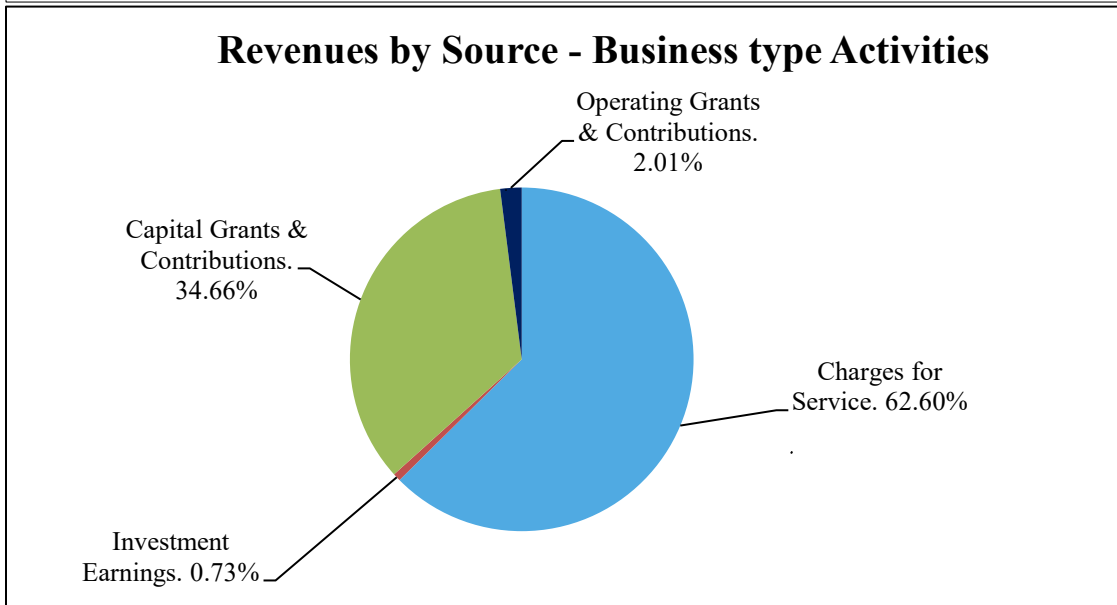
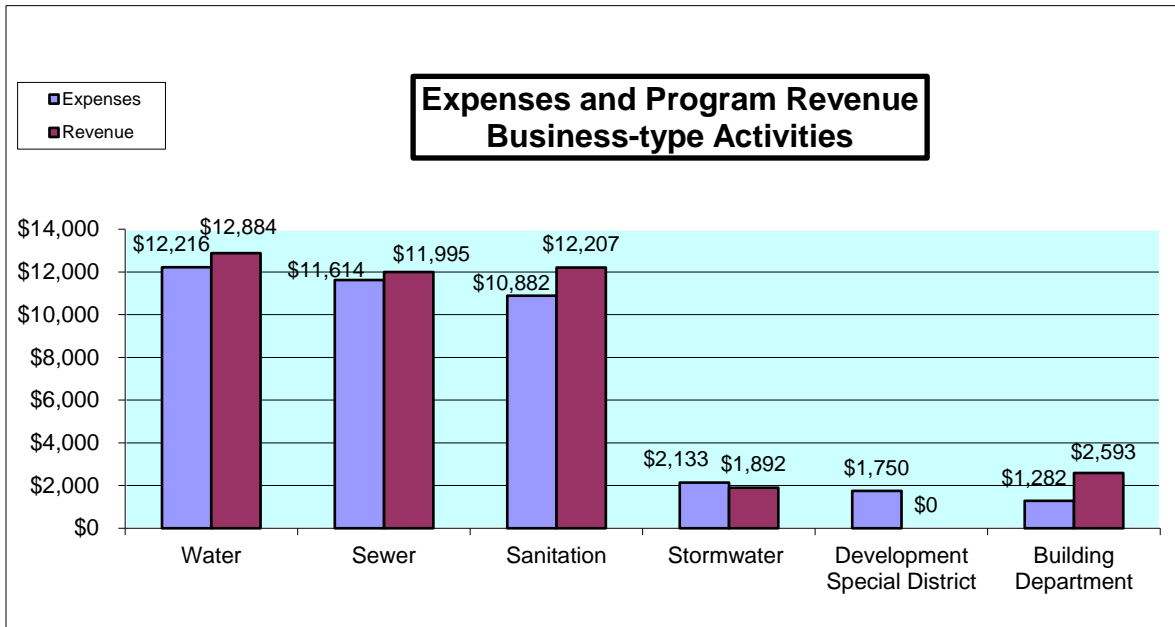
**Governmental Activities (Concluded)**



**Business-type Activities:** Net position of the City's business-type activities showed an increase of \$21.8 million from the amounts previously reported at the end of fiscal year 2017. This change is attributable primarily to an increase of \$4.9 million in capital grants and contributions. The increase in capital grants and contributions is due to an increase in development and overall economic activity. Total operating expenses for the business-type activities increased by \$3.2 million directly resulting from increased operational activity. The following graph provides an analysis of the City's business-type activity expenses by function.

**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
(Continued)

**Business-type Activities (Concluded)**



**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.

## MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

### Financial Analysis of the City's Funds (Concluded)

#### *Governmental Funds*

As of the end of fiscal year 2018, the City's *governmental funds* reported combined ending fund balances of \$46.7 million, an increase of \$3.5 million from the prior year. Total governmental revenue of \$47.2 million increased \$2.6 million from the previous year, primarily due to increases in all major revenue sources. Total governmental expenditures showed an increase of \$2.3 million. This increase occurred in nearly all-governmental expenditure categories.

The general governmental fund balances of \$44.9 million are available for spending, subject to regulatory, statutory, and budgetary restrictions. Of the available balance, \$10.6 million or 23.6% is unassigned; the remainder of the fund balance is non-spendable or restricted and not available for new spending because the funds have already been committed by law or covenant. Major commitments for specific purposes are as follows:

- \$4.0 Million for Community Redevelopment Funds
- \$5.6 Million for Transportation
- \$20.1 Million for Capital Additions
- \$1.4 Million for Economic Development

The General Fund is the City's major governmental fund. As of September 30, 2018, its fund balance was \$13.9 million with \$10.7 million of that unassigned. General Fund revenue budgeted for fiscal year 2018 was \$24.5 million in the original budget and \$25.3 million in the final budget (excluding transfers), with actual revenue received of \$24.7 million. General Fund actual expenditures were \$3.5 million less than the final budget. As result of continued prudent spending strategy and additional revenues facilitated by improved economic activity, the fiscal year 2018 ended with a net increase in fund balance of \$.6 million.

#### *Proprietary Funds*

The City's Enterprise Funds generate revenues and expenses that are shown as business- type activities in the government-wide financial statements. At the fund level, Enterprise Funds have an unrestricted net position of \$13.5 million (excluding Steven Plantation fund which has a \$2.1 million deficit). Of this amount, the Water Fund has \$8.1 million; the Sewer Fund a \$1.0 million, the Sanitation Fund has \$1.4 million and the Stormwater Fund \$.9 million. There was an increase in the total net position of the Enterprise Funds of \$21.8 million in the current fiscal year, attributable to the Water and Sewer Funds investing operating income in capital improvements and capital contributions by private developers. Moreover, the overall net position (excluding net investment in capital assets) represents an \$8.4 million increase from the amount previously reported in the prior year, due to increased capital contributions by private developers and income from charges for services.

The Internal Service Funds (a category of the City's proprietary funds) are an accounting device used to accumulate and allocate costs internally among some of the City's various functions. At the fund level, they have a total net position of \$1.1 million in the current fiscal year as compared to \$.6 million reported at the end of FY 2017. This reflects adjustments made in rates and other measures enacted to allow these funds to recover the cost of services they provide.

#### **General Fund Budgetary Highlights**

The General Fund original budget was amended to increase expenditures (excluding transfers) by \$1.4 million. Estimated revenues were increased by \$.8 million when compared to the original budget. Budget changes between the original and final budgets are summarized below:

**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
*(Continued)*

**General Fund Budgetary Highlights (Concluded)**

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND  
ACTUAL BALANCE BUDGET AND GENERAL FUND**

	<u>Original</u>	<u>Final</u>	<u>Variance</u>	<u>Actual</u>	<u>Variance</u>
<b>Revenues</b>					
Taxes	\$ 12,378,188	\$ 12,945,676	\$ 567,488	\$ 12,911,208	\$ (34,468)
Permits and Fees	751,299	883,708	132,409	1,707,508	823,800
Grants	-	168,331	168,331	366,121	197,790
Intergovernmental Revenues	4,996,171	4,996,171	-	5,155,598	159,427
Charges for Services	3,733,003	3,733,003	-	3,553,087	(179,916)
Fines and Forfeitures	155,800	155,800	-	153,285	(2,515)
Investment Income	127,104	127,104	-	189,092	61,988
Other Revenue	2,319,603	2,334,899	15,296	622,832	(1,712,067)
<b>Total Revenues</b>	<u>24,461,168</u>	<u>25,344,692</u>	<u>883,524</u>	<u>24,658,731</u>	<u>(685,961)</u>
<b>Expenditures</b>					
City Council	529,445	620,698	91,253	526,567	94,131
City Manager	874,929	950,154	75,225	792,796	157,358
Legal Services	372,809	372,809	-	204,039	168,770
Human Resources	711,962	713,057	1,095	468,962	244,095
Finance	1,143,696	1,150,696	7,000	538,831	611,865
Procurement	370,018	396,018	26,000	75,701	320,317
Grant	102,708	97,270	(5,438)	93,973	3,297
Information Technology	1,627,680	1,642,424	14,744	1,221,714	420,710
Planning/Zoning	1,030,606	1,258,648	228,042	821,701	436,947
Building	958,981	974,835	15,854	704,656	270,179
Police	13,189,178	13,579,348	390,170	13,419,850	159,498
Fire	7,689,470	7,959,362	269,892	7,874,726	84,636
Public Works	1,546,432	1,615,329	68,897	1,483,721	131,608
Parks and Recreation	4,067,361	4,047,111	(20,250)	3,763,597	283,514
Capital Outlay	289,230	538,555	249,325	433,458	105,097
<b>Total Expenditures</b>	<u>\$ 34,504,505</u>	<u>\$ 35,916,314</u>	<u>\$ 1,411,809</u>	<u>\$ 32,424,292</u>	<u>\$ 3,492,022</u>

The changes for expenditures within functions:

- There was a \$390 thousand in additional appropriations for the Police Department mostly related to the implementation salary adjustments to match market trends.
- The Fire Department was allocated a \$269 thousand in additional appropriations mostly related to the salary adjustments resulting from collective bargaining contracts.
- Capital Outlays in the amount of \$249 thousand were added to the final budget mostly for the acquisition of equipment for the Police Department.
- The Planning and Zoning Department was allocated \$228 thousand in additional appropriations related to funding previously frozen positions to meet the demand of new development.

The changes in the revenue budget during the year are based on either new or improved information or estimates of unforeseen events. The primary changes between the original and final budget are as follows:

- Taxes: Estimated tax collections were revised upward for increased collections in ad valorem taxes, utility taxes, and higher state sales tax revenue sharing than originally projected.
- Permits, Fees and Charges for Services budgets were revised upwards to reflect both increased activity during the period and rate adjustments made to match the fees charged by the County and neighboring cities.

**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
(Continued)

**Capital Assets and Debt Administration**

**Capital Assets**

The City's capital assets for its governmental and business-type activities as of September 30, 2018, are \$359.5 million (net of accumulated depreciation).

Capital assets include land, buildings, improvements other than buildings, intangible assets, infrastructure, machinery and equipment, and construction in progress and the change in each category are shown in the table above. Assets other than land and construction in progress are depreciable for the current year.

**City of St. Cloud's Capital Assets**  
(in 000's)

	<u>Governmental Activities 2017</u>	<u>Governmental Activities 2018</u>	<u>Business-type Activities 2017</u>	<u>Business-type Activities 2018</u>	<u>Total 2017</u>	<u>Total 2018</u>
Land and Improvements	\$ 27,807	\$ 29,926	\$ 2,738	\$ 2,738	\$ 30,545	\$ 32,664
Construction In Progress	4,017	6,582	5,102	5,359	9,119	11,941
Buildings and Improvements	31,053	28,260	33,474	32,991	64,527	61,251
Equipment	6,332	7,653	7,576	7,506	13,908	15,159
Electric Plant	6,610	5,717	-	-	6,610	5,717
Water/Sewer/Sanitation/Storm Water Utility Assets	-	-	163,283	175,958	163,283	175,958
Infrastructure (Roads and Streets)	54,856	56,855	-	-	54,856	56,855
Total	<u>\$ 130,675</u>	<u>\$ 134,993</u>	<u>\$ 212,173</u>	<u>\$ 224,552</u>	<u>\$ 342,848</u>	<u>\$ 359,545</u>

There was a decrease in net capital assets in government activities of \$4.3 million, with a corresponding increase of \$12.4 million in business-type assets.

**Long-Term Debt**

On September 30, 2018, the City had total long-term liabilities outstanding of \$99.6 million, of which \$92.4 million is from direct borrowing and capital leases. The remaining outstanding includes the Florida Department of Environmental Protection (FDEP) long-term landfill monitoring requirements (\$1.9 million), compensated absences (\$1.7 million), and other postemployment benefits (OPEB - \$3.5million). The City's long-term debt is secured by specified revenue sources (i.e., revenue bonds and notes) or covenants to appropriate annual debt service. The City does not have any general obligation debt which would pledge the full faith and credit of the City. At the end of the fiscal year, the City had total long-term debt outstanding of:

	<u>Governmental Activities 2017</u>	<u>Governmental Activities 2018</u>	<u>Business-type Activities 2017</u>	<u>Business-type Activities 2018</u>	<u>Total 2017</u>	<u>Total 2018</u>
Revenue Bonds and Notes	<u>\$ 46,257,802</u>	<u>\$ 43,463,140</u>	<u>\$ 52,779,183</u>	<u>\$ 48,972,187</u>	<u>\$ 99,036,985</u>	<u>\$ 92,435,327</u>

During this year, as in the prior year, the Stevens Dependent Special District (DSD) debt was in default status. The Stevens DSD debt is past the maturity date and the attorneys for the District and the bondholders are continuing to attempt to work out a settlement that is beneficial to both parties. Additional information on the City's long-term debt can be found in Note 6 of this report.

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

The State of Florida, by constitution, does not have a state personal income tax and therefore the State of Florida operates primarily using sales, gasoline, and corporate income taxes. Local governments (cities, counties, and school boards) rely primarily on property and a limited array of other permitted taxes (sales, gasoline, and utilities) and fees (franchise, occupational license) to finance governmental activities. For the business-type and certain other governmental activities (construction services and recreational programs), the user pays a related fee or charge associated with the service. In the case of business-type activities, these fees are designed to cover expenses.



**MANAGEMENT’S DISCUSSION AND ANALYSIS**  
*(Concluded)*

**Economic Factors and Next Year’s Budgets and Rates** *(Concluded)*

For some governmental activities, such as recreation, these fees do not provide for full cost recovery and these activities are subsidized by general revenues. Fees for all services are examined and adjusted as needed.

The adopted City-wide budget for fiscal year 2018 is \$142,169,320 million. The adopted millage rate of 5.1128 is the same as the prior year’s millage rate.

The adopted budget for FY 17-18 reflects the City Council’s continued commitment to public safety, recreation, and quality municipal services for its residents and visitors.

**Requests for Information**

This financial report is designed to provide a general overview of the City’s finances for all those with an interest in the City’s finances.

Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Finance Director, City of St. Cloud, 1300 Ninth St., St. Cloud, Florida 34769-3399.

The City’s CAFR is also available on-line at [www.stcloud.org](http://www.stcloud.org) under Departments - Finance.



## **BASIC FINANCIAL STATEMENTS**

**STATEMENT OF NET POSITION**  
**SEPTEMBER 30, 2018**  
**CITY OF ST. CLOUD, FLORIDA**

	<b>Governmental Activities</b>	<b>Business- Type Activities</b>	<b>Total</b>
<b>Assets</b>			
Cash and Investments	\$ 51,684,841	\$ 43,115,471	\$ 94,800,312
Receivables, Net	1,471,720	4,903,030	6,374,750
Due from Other Governments	660,638	-	660,638
Interfund Loan	831,280	(831,280)	-
Prepaid Expenses and Deposits	161,147	66,601	227,748
Inventory - Warehouse and Fuel	115,445	321,204	436,649
Land Held for Resale	-	3,576,107	3,576,107
Net Pension Asset	2,011,690	1,649,593	3,661,283
Unamortized Bond Insurance Costs	214,960	-	214,960
Capital Assets Not Being Depreciated	36,507,312	8,096,954	44,604,266
Capital Assets, Net of Depreciation	98,485,893	216,454,822	314,940,715
<b>Total Assets</b>	<b>192,144,926</b>	<b>277,352,502</b>	<b>469,497,428</b>
<b>Deferred Outflows of Resources</b>			
Deferred Amount on Refunding	67,090	-	67,090
Pension Related	2,404,350	229,254	2,633,604
OPEB Related	101,586	49,513	151,099
<b>Total Deferred Outflows of Resources</b>	<b>2,573,026</b>	<b>278,767</b>	<b>2,851,793</b>
<b>Liabilities</b>			
Accounts and Retainage Payable	5,148,095	3,140,731	8,288,826
Accrued Liabilities	1,228,822	2,063,188	3,292,010
Unearned Revenue and Deposits	1,107,457	6,078,811	7,186,268
Net Pension Liability	10,242,769	-	10,242,769
Long-term Liabilities:			
Due Within One Year	3,499,123	8,724,693	12,223,816
Due in More Than One Year	43,816,856	43,553,999	87,370,855
<b>Total Liabilities</b>	<b>65,043,122</b>	<b>63,561,422</b>	<b>128,604,544</b>
<b>Deferred Inflows of Resources</b>			
Pension Related	613,111	489,029	1,102,140
OPEB Related	127,898	62,338	190,236
<b>Total Deferred Inflows of Resources</b>	<b>741,009</b>	<b>551,367</b>	<b>1,292,376</b>
<b>Net Position</b>			
Net Investment in Capital Assets	93,017,432	180,191,229	273,208,661
Restricted for:			
Debt Service	58,934	1,604,847	1,663,781
Capital Projects	24,212,900	18,717,961	42,930,861
Transportation	5,623,791	-	5,623,791
Economic Development	335	-	335
Community Redevelopment	1,431,149	-	1,431,149
Public Safety Initiatives	39,938	-	39,938
Pension	2,011,690	1,649,593	3,661,283
Land Held for Resale	-	3,576,107	3,576,107
Unrestricted	2,537,652	7,778,743	10,316,395
<b>Total Net Position</b>	<b>\$ 128,933,821</b>	<b>\$ 213,518,480</b>	<b>\$ 342,452,301</b>

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

**STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED SEPTEMBER 30, 2018  
CITY OF ST. CLOUD, FLORIDA**

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>		
		<u>Charges for Service</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
<b>Governmental Activities</b>				
General Government	\$ 5,352,138	\$ 881,452	\$ 62,000	\$ -
Public Safety	23,119,191	4,171,948	63,940	1,375,249
Transportation	7,160,776	-	642,970	8,168,939
Parks and Recreation	4,828,059	812,796	225,434	3,122,714
Economic Environment	445,148	-	-	-
Electric System	894,125	7,285,569	-	-
Interest and Fees	2,402,654	-	-	-
<b>Total Governmental Activities</b>	<u>44,202,091</u>	<u>13,151,765</u>	<u>994,344</u>	<u>12,666,902</u>
<b>Business-type Activities</b>				
Water Utility	12,216,311	12,884,069	11,286	8,248,369
Sewer Utility	11,613,763	11,995,161	-	11,685,239
Sanitation Utility	10,881,717	12,207,178	291,171	-
Stormwater Utility	2,132,730	1,891,786	-	2,952,456
Development Special District	1,750,321	-	1,033,802	-
Building Department	1,281,754	2,592,556	-	130,598
<b>Total Business-type Activities</b>	<u>39,876,596</u>	<u>41,570,750</u>	<u>1,336,259</u>	<u>23,016,662</u>
<b>Total Primary Government</b>	<u>\$ 84,078,687</u>	<u>\$ 54,722,515</u>	<u>\$ 2,330,603</u>	<u>\$ 35,683,564</u>

**General Revenues**

Taxes:

Property Taxes

Intergovernmental, Unrestricted

Public Service Tax

Local Option Gas Tax

Sales Taxes

Investment Income

Miscellaneous

**Transfers**

**Total General Revenues and Transfers**

**Change in Net Position**

**Net Position, Beginning of Year**

Adjustment to Beginning Net Position

**Net Position, Beginning of Year, as Restated**

**Net Position, End of Year**

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

**Net (Expense) Revenue and Change in Net Position**

<b>Primary Government</b>		
<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
\$ (4,408,686)	\$ -	\$ (4,408,686)
(17,508,054)	-	(17,508,054)
1,651,133	-	1,651,133
(667,115)	-	(667,115)
(445,148)	-	(445,148)
6,391,444	-	6,391,444
(2,402,654)	-	(2,402,654)
<u>(17,389,080)</u>	<u>-</u>	<u>(17,389,080)</u>
-	8,927,413	8,927,413
-	12,066,637	12,066,637
-	1,616,632	1,616,632
-	2,711,512	2,711,512
-	(716,519)	(716,519)
-	1,441,400	1,441,400
-	<u>26,047,075</u>	<u>26,047,075</u>
<u>(17,389,080)</u>	<u>26,047,075</u>	<u>8,657,995</u>
8,949,522	-	8,949,522
5,895,419	-	5,895,419
3,154,577	-	3,154,577
7,012,052	-	7,012,052
239,619	-	239,619
615,028	486,183	1,101,211
399,359	-	399,359
1,955,487	(1,955,487)	-
<u>28,221,063</u>	<u>(1,469,304)</u>	<u>26,751,759</u>
10,831,983	24,577,771	35,409,754
118,063,442	191,684,305	309,747,747
38,396	(2,743,596)	(2,705,200)
<u>118,101,838</u>	<u>188,940,709</u>	<u>307,042,547</u>
<u>\$ 128,933,821</u>	<u>\$ 213,518,480</u>	<u>\$ 342,452,301</u>

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

**BALANCE SHEET**  
**ALL GOVERNMENTAL FUNDS**  
**SEPTEMBER 30, 2018**  
**CITY OF ST. CLOUD, FLORIDA**

	<b>General Fund</b>	<b>One Percent Surcharge Fund</b>	<b>OUC Interlocal Agreement Fund</b>	<b>Road Impact Fees Fund</b>
<b>Assets</b>				
Cash and Investments	\$ 12,577,543	\$ 3,515,270	\$ 1,579,702	\$ 8,684,917
Cash with Agent	-	1,515	-	-
Customer Receivables, Net	482,008	-	-	-
Other Receivables, Net	907,788	-	-	10,659
Due from Other Governments	58,974	481,132	-	-
Due from Other Funds	1,922,443	-	-	-
Prepaid Expenditures and Deposits	157,482	-	-	-
Inventory - Warehouse and Fuel	115,445	-	-	-
Interfund Loan Receivable	1,504,990	-	-	-
<b>Total Assets</b>	<b>17,726,673</b>	<b>3,997,917</b>	<b>1,579,702</b>	<b>8,695,576</b>
<b>Liabilities and Fund Balances</b>				
<b>Liabilities</b>				
Accounts and Retainage Payable	1,495,098	82,811	183,116	-
Accrued Liabilities	1,213,863	-	-	-
Due to Other Governments	12,060	-	-	-
Due to Other Funds	-	1,257,059	-	6,602,509
Unearned Revenues	95,210	-	-	10,478
Deposits Payable	961,603	-	-	-
Interfund Loan Payable	-	-	1,504,990	-
<b>Total Liabilities</b>	<b>3,777,834</b>	<b>1,339,870</b>	<b>1,688,106</b>	<b>6,612,987</b>
<b>Fund Balances</b>				
Nonspendable	1,777,917	-	-	-
Restricted	39,938	2,658,047	-	2,082,589
Assigned	1,433,135	-	-	-
Unassigned	10,697,849	-	(108,404)	-
<b>Total Fund Balances</b>	<b>13,948,839</b>	<b>2,658,047</b>	<b>(108,404)</b>	<b>2,082,589</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 17,726,673</b>	<b>\$ 3,997,917</b>	<b>\$ 1,579,702</b>	<b>\$ 8,695,576</b>

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

<b>Community Redevelopment Agency Fund</b>	<b>Debt Service Fund</b>	<b>Capital Projects Fund</b>	<b>Other Governmental Funds</b>	<b>Total Governmental Funds</b>
\$ 2,698,999	\$ 58,934	\$ 5,142,826	\$ 13,479,117	\$ 47,737,308
-	-	-	25,000	26,515
-	-	47,563	-	529,571
-	-	-	-	918,447
-	-	-	120,532	660,638
-	-	11,271,528	135,405	13,329,376
-	-	-	1,522	159,004
-	-	-	-	115,445
-	-	-	-	1,504,990
<u>2,698,999</u>	<u>58,934</u>	<u>16,461,917</u>	<u>13,761,576</u>	<u>64,981,294</u>
6,180	-	2,063,256	36,180	3,866,641
-	-	-	-	1,213,863
-	-	-	-	12,060
1,261,670	-	-	1,454,416	10,575,654
-	-	-	15,166	120,854
-	-	-	25,000	986,603
-	-	-	-	1,504,990
<u>1,267,850</u>	<u>-</u>	<u>2,063,256</u>	<u>1,530,762</u>	<u>18,280,665</u>
-	-	-	1,522	1,779,439
1,431,149	58,934	14,398,661	11,887,606	32,556,924
-	-	-	341,686	1,774,821
-	-	-	-	10,589,445
<u>1,431,149</u>	<u>58,934</u>	<u>14,398,661</u>	<u>12,230,814</u>	<u>46,700,629</u>
<u>\$ 2,698,999</u>	<u>\$ 58,934</u>	<u>\$ 16,461,917</u>	<u>\$ 13,761,576</u>	<u>\$ 64,981,294</u>

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



**RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF NET POSITION  
SEPTEMBER 30, 2018  
CITY OF ST. CLOUD, FLORIDA**

**Total Fund Balances of Governmental Funds** \$ 46,700,629

**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 \$268,748,254 and the accumulated depreciation is \$133,755,049 134,993,205

The internal service funds are used by management to charge the costs of fleet management and medical insurance coverage cost to individual funds. The net position of the internal service funds, net of its capital assets included above and pension related accounts, are included in governmental activities in the statement of net position. 944,579

Deferred outflows and inflows of resources are not available in the current period and, therefore, are not reported in the governmental funds. Deferred Outflows and Inflows of Resources at year-end consist of:

Deferred Outflows Related to Pensions	2,404,350
Deferred Outflows Related to OPEB	101,586
Deferred Outflows Related to Bond Refunding	67,090
Deferred Inflows Related to Pensions	(613,111)
Deferred Inflows Related to OPEB	(127,898)

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. Long-term liabilities at year-end consist of:

Net Pension Liability	(10,242,769)
Net Pension Asset	2,011,690
Revenue Bonds	(40,855,000)
Revenue Notes	(2,015,889)
Refunding Bond Premium	15,441
Unamortized Bond Insurance Costs	214,960
Accrued Interest Payable	(204,511)
Capital Lease Payable	(592,252)
OPEB Liability	(2,507,013)
Compensated Absences	(1,361,266)

**Total Net Position of Governmental Activities** \$ 128,933,821

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

**STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES  
ALL GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2018  
CITY OF ST. CLOUD, FLORIDA**

	<b>General Fund</b>	<b>One Percent Surcharge Fund</b>	<b>OUC Interlocal Agreement Fund</b>	<b>Road Impact Fees Fund</b>
<b>Revenues</b>				
Taxes	\$ 12,911,208	\$ 5,039,201	\$ -	\$ -
Permits and Fees	1,707,508	-	-	230,174
Intergovernmental Revenues	5,155,598	-	-	-
Charges for Service	3,553,087	-	7,285,569	-
Fines and Forfeitures	153,285	-	-	-
Grants	366,121	30,000	-	-
Investment Income	189,092	52,927	18,635	124,955
Other Revenue	622,832	42,132	-	-
<b>Total Revenues</b>	<b>24,658,731</b>	<b>5,164,260</b>	<b>7,304,204</b>	<b>355,129</b>
<b>Expenditures</b>				
Current:				
General Government	5,448,154	-	-	-
Public Safety	21,295,361	-	-	-
Transportation	1,483,721	-	-	-
Parks and Recreation	3,763,598	-	-	-
Economic Environment	-	-	-	-
Capital Outlay	433,458	1,732,912	-	-
Principal Payments	-	-	-	-
Interest and Fees	-	-	-	-
<b>(Total Expenditures)</b>	<b>(32,424,292)</b>	<b>(1,732,912)</b>	<b>-</b>	<b>-</b>
<b>(Deficiency) Excess of Revenues (Under) Over Expenditures</b>	<b>(7,765,561)</b>	<b>3,431,348</b>	<b>7,304,204</b>	<b>355,129</b>
<b>Other Financing Sources (Uses)</b>				
Transfers in	10,101,620	-	-	-
Transfers (out)	(1,690,901)	(3,045,929)	(7,265,787)	(2,681,436)
<b>Total Other Financing Sources (Uses)</b>	<b>8,410,719</b>	<b>(3,045,929)</b>	<b>(7,265,787)</b>	<b>(2,681,436)</b>
<b>Net Change in Fund Balances</b>	<b>645,158</b>	<b>385,419</b>	<b>38,417</b>	<b>(2,326,307)</b>
<b>Fund Balances, Beginning of Year</b>	<b>13,303,681</b>	<b>2,272,628</b>	<b>(146,821)</b>	<b>4,408,896</b>
<b>Fund Balances, End of Year</b>	<b>\$ 13,948,839</b>	<b>\$ 2,658,047</b>	<b>\$ (108,404)</b>	<b>\$ 2,082,589</b>

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

<b>Community Redevelopment Agency Fund</b>	<b>Debt Service Fund</b>	<b>Capital Projects Fund</b>	<b>Other Governmental Funds</b>	<b>Total Governmental Funds</b>
\$ -	\$ -	\$ -	\$ 1,405,361	\$ 19,355,770
-	-	-	6,418,464	8,356,146
739,819	642,970	-	-	6,538,387
-	-	-	-	10,838,656
-	-	-	-	153,285
-	-	47,563	-	443,684
44,141	-	39,523	145,755	615,028
56,940	-	-	129,774	851,678
<u>840,900</u>	<u>642,970</u>	<u>87,086</u>	<u>8,099,354</u>	<u>47,152,634</u>
-	-	-	-	5,448,154
-	-	-	13,128	21,308,489
-	-	-	396,653	1,880,374
-	-	-	-	3,763,598
323,799	-	-	127,878	451,677
-	-	5,087,360	803,869	8,057,599
-	2,794,661	-	-	2,794,661
-	2,371,289	-	-	2,371,289
<u>(323,799)</u>	<u>(5,165,950)</u>	<u>(5,087,360)</u>	<u>(1,341,528)</u>	<u>(46,075,841)</u>
<u>517,101</u>	<u>(4,522,980)</u>	<u>(5,000,274)</u>	<u>6,757,826</u>	<u>1,076,793</u>
85,137	4,527,872	6,040,682	(2,545,047)	18,210,264
(1,647,483)	-	(7,007)	83,766	(16,254,777)
<u>(1,562,346)</u>	<u>4,527,872</u>	<u>6,033,675</u>	<u>(2,461,281)</u>	<u>1,955,487</u>
(1,045,245)	4,892	1,033,401	4,296,545	3,032,280
<u>2,476,394</u>	<u>54,042</u>	<u>13,365,260</u>	<u>7,934,269</u>	<u>43,668,349</u>
<u>\$ 1,431,149</u>	<u>\$ 58,934</u>	<u>\$ 14,398,661</u>	<u>\$ 12,230,814</u>	<u>\$ 46,700,629</u>

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

**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  
CITY OF ST. CLOUD, FLORIDA**

<b>Net Change in Fund Balances - Total Governmental Funds</b>	\$	3,032,280
<b>Amounts Reported for Governmental Activities in the Statement of Activities are Different Because:</b>		
Governmental funds report capital purchases as expenditures. However, in the statement of activities, the cost of those assets is depreciated over their estimated useful lives and reported as depreciation expense. This reconciling item is the amount by which capital purchases of \$8,057,599 and capital contribution of \$5,901,620 were less than depreciation expense of \$9,451,854.		4,506,698
In the statement of activities, only the loss on the sale/disposal of capital assets is reported. However, in the governmental funds, the proceeds from the sale increase financial resources. Thus, the change in net position differs from the change in fund balance by the cost of the capital assets sold/disposed.		(172,614)
The issuance of bonds and similar long-term debt provides current financial resources to governmental funds, and thus contribute to the change in fund balance. In the statement of net position, however, issuing debt increases long-term liabilities and does not affect the statements 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 issuance costs, premium, 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 treatment of long-term debt and related items are:		
Principal Payments on Bonds, Notes, Loan, and Capital Lease		2,794,662
Amortization of Bond Insurance Costs		(33,045)
Amortization of Premium		28,972
Amortization of Deferred Charge on Refunding		(43,727)
Some expenses reported in the statement of activities, such as compensated absences and accrued interest, do not require the use of current financial resources and are not reported as expenditures in governmental funds:		
Compensated Absences		(104,121)
Accrued Interest on Long-term Debt		16,435
The net change in the net pension liability and deferred inflows and outflows related to pensions is reported in the statement of activities, but not in the fund statements.		409,635
The net change in the net OPEB liability and deferred inflows and outflows related to OPEB is reported in the statement of activities, but not in the fund statements.		(104,178)
The internal revenue fund is used by management to charge the costs of activities that benefit the entire government. The net income (expense) of the internal service fund is reported with governmental activities.		500,986
<b>Change in Net Position of Governmental Activities</b>	<b>\$</b>	<b>10,831,983</b>

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

**STATEMENT OF NET POSITION  
PROPRIETARY FUNDS  
SEPTEMBER 30, 2018  
CITY OF ST. CLOUD, FLORIDA**

	<b>Business-Type Activities</b>				
	<b>Major Funds</b>				
	<b>Water Utility</b>	<b>Sewer Utility</b>	<b>Sanitation Utility</b>	<b>Stormwater Utility</b>	<b>Stevens Plantation Dependent Special District</b>
<b>Assets</b>					
<b>Current Assets</b>					
Cash and Cash Equivalents	\$ 8,587,615	\$ 5,542,419	\$ 1,139,859	\$ 1,104,925	\$ 80,480
Restricted Assets Available for Current Liabilities	2,599,597	1,524,751	156,690	-	801,976
Receivables:					
Customers (Net of Allowance for Uncollectible Accounts)	894,889	681,904	984,671	131,726	25,054
Unbilled Utility Revenues	826,379	853,765	362,469	142,173	-
Inventories	257,890	63,314	-	-	-
Prepaid Expenses and Deposits	51,327	11,856	694	-	-
<b>Total Current Assets</b>	<b>13,217,697</b>	<b>8,678,009</b>	<b>2,644,383</b>	<b>1,378,824</b>	<b>907,510</b>
<b>Noncurrent Assets</b>					
Restricted Cash, Investments, and Accrued Interest:					
Bond Proceeds	151,639	-	-	-	-
Sinking Fund	720,243	-	-	-	-
Sinking Fund Reserves	-	1,246,471	-	-	-
Customer Deposits	311,451	278,281	-	-	-
Impact Fee Funds	11,357,886	7,360,075	-	-	-
Landfill Closure Fund	-	-	1,944,924	-	-
Debt Service Reserves (Current Portion)	-	-	-	-	801,976
Total Restricted Cash, Investments, and Accrued Interest	(2,599,597)	(1,524,751)	(156,690)	-	(801,976)
Capital Assets:					
Property, Plant and Equipment (Accumulated Depreciation and Amortization)	112,841,579	177,329,086	13,373,127	37,534,947	-
Construction in Progress	(38,478,479)	(63,373,956)	(9,025,122)	(11,187,890)	-
Total Capital Assets, Net	76,812,732	116,046,572	4,348,005	27,164,981	-
Other Assets:					
Land Held for Sale	-	-	-	-	3,576,107
Net Pension Asset	623,248	423,119	468,461	116,518	-
Total Other Assets	623,248	423,119	468,461	116,518	3,576,107
<b>Total Noncurrent Assets</b>	<b>87,377,602</b>	<b>123,829,767</b>	<b>6,604,700</b>	<b>27,281,499</b>	<b>3,576,107</b>
<b>Total Assets</b>	<b>\$ 100,595,299</b>	<b>\$ 132,507,776</b>	<b>\$ 9,249,083</b>	<b>\$ 28,660,323</b>	<b>\$ 4,483,617</b>
<b>Deferred Outflows of Resources</b>					
Pension Related	\$ 62,778	\$ 84,595	\$ 59,635	\$ 2,809	\$ -
OPEB Related	17,531	12,536	12,455	4,443	-
<b>Total Deferred Outflows of Resources</b>	<b>\$ 80,309</b>	<b>\$ 97,131</b>	<b>\$ 72,090</b>	<b>\$ 7,252</b>	<b>\$ -</b>

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

<u>Business-Type Activities</u>		<u>Governmental Activities</u>	
<u>Nonmajor Fund</u>			
<u>Building Department</u>	<u>Total</u>	<u>Internal Service Funds</u>	
\$ 2,487,227	\$ 18,942,525	\$ 3,921,018	
-	5,083,014	-	
-	2,718,244	23,702	
-	2,184,786	-	
-	321,204	-	
2,724	66,601	2,143	
<u>2,489,951</u>	<u>29,316,374</u>	<u>3,946,863</u>	
-	151,639	-	
-	720,243	-	
-	1,246,471	-	
-	589,732	-	
-	18,717,961	-	
-	1,944,924	-	
-	801,976	-	
-	(5,083,014)	-	
-	19,089,932	-	
383,895	341,462,634	487,423	
-			
(204,409)	(122,269,856)	(328,087)	
-	5,358,998	-	
<u>179,486</u>	<u>224,551,776</u>	<u>159,336</u>	
-	3,576,107	-	
18,247	1,649,593	59,661	
18,247	5,225,700	59,661	
197,733	248,867,408	218,997	
<u>\$ 2,687,684</u>	<u>\$ 278,183,782</u>	<u>\$ 4,165,860</u>	
\$ 19,437	\$ 229,254	\$ 15,728	
2,548	49,513	1,766	
<u>\$ 21,985</u>	<u>\$ 278,767</u>	<u>\$ 17,494</u>	

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

**STATEMENT OF NET POSITION**  
**PROPRIETARY FUNDS**  
**SEPTEMBER 30, 2018**  
**CITY OF ST. CLOUD, FLORIDA**  
*(Concluded)*

	Business-Type Activities				
	Major Funds				
	Water Utility	Sewer Utility	Sanitation Utility	Stormwater Utility	Stevens Plantation Dependent Special District
<b>Liabilities and Net Position</b>					
<b>Current Liabilities</b>					
Payable from Unrestricted Assets:					
Accounts Payable	\$ 967,744	\$ 499,836	\$ 459,240	\$ 352,345	\$ 823,668
Claims Payable	-	-	-	-	-
Other Payables	3,755	13,934	2,451	-	-
Accrued Liabilities	144,906	110,673	114,177	32,883	503,703
Due to Other Funds	188,850	273,850	-	-	-
Compensated Absences	125,939	24,542	50,970	-	-
Unearned Revenue	580,693	4,816,104	-	-	-
OPEB Liability	17,531	12,536	12,455	4,443	-
Long-term Liabilities Payable in One Year	-	728,065	-	-	4,460,000
<b>Total Payable from Unrestricted Assets</b>	<b>2,029,418</b>	<b>6,479,540</b>	<b>639,293</b>	<b>389,671</b>	<b>5,787,371</b>
Payable from Restricted Assets:					
Accrued Interest Payable	208,251	153,616	-	-	751,976
Deposits	311,451	278,280	42,283	-	50,000
Long-term Liabilities Payable in One Year	2,079,895	1,092,855	114,407	-	-
<b>Total Payable from Restricted Assets</b>	<b>2,599,597</b>	<b>1,524,751</b>	<b>156,690</b>	<b>-</b>	<b>801,976</b>
<b>Total Current Liabilities</b>	<b>4,629,015</b>	<b>8,004,291</b>	<b>795,983</b>	<b>389,671</b>	<b>6,589,347</b>
<b>Noncurrent Liabilities</b>					
Long-term Liabilities Payable After One Year	23,517,427	17,093,944	1,830,517	-	-
OPEB Liability	302,801	328,116	277,354	69,539	-
Compensated Absences	83,959	16,362	33,980	-	-
<b>Total Noncurrent Liabilities</b>	<b>23,904,187</b>	<b>17,438,422</b>	<b>2,141,851</b>	<b>69,539</b>	<b>-</b>
<b>Total Liabilities</b>	<b>28,533,202</b>	<b>25,442,713</b>	<b>2,937,834</b>	<b>459,210</b>	<b>6,589,347</b>
<b>Deferred Inflows of Resources</b>					
Pension Related	179,109	120,798	124,909	26,084	-
OPEB Related	22,072	15,783	15,681	5,594	-
<b>Total Deferred Inflows of Resources</b>	<b>201,181</b>	<b>136,581</b>	<b>140,590</b>	<b>31,678</b>	<b>-</b>
<b>Net Position</b>					
Net Investment in Capital Assets	51,367,049	97,131,708	4,348,005	27,164,981	-
Restricted for:					
Debt Service	511,992	1,092,855	-	-	-
Capital Projects	11,357,886	7,360,075	-	-	-
Pension	623,248	423,119	468,461	116,518	-
Land Held for Resale	-	-	-	-	3,576,107
Unrestricted	8,081,050	1,017,856	1,426,283	895,188	(5,681,837)
<b>Total Net Position</b>	<b>\$ 71,941,225</b>	<b>\$ 107,025,613</b>	<b>\$ 6,242,749</b>	<b>\$ 28,176,687</b>	<b>\$ (2,105,730)</b>

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

<u>Business-Type Activities</u>		<u>Governmental</u>
<u>Nonmajor Fund</u>		<u>Activities</u>
<u>Building</u>		<u>Internal</u>
<u>Department</u>	<u>Total</u>	<u>Service</u>
		<u>Funds</u>
\$ 17,758	\$ 3,120,591	\$ 500,870
-	-	564,013
-	20,140	-
43,003	949,345	14,959
368,580	831,280	1,922,442
-	201,451	9,856
-	5,396,797	-
1,055	48,020	-
-	5,188,065	-
<u>430,396</u>	<u>15,755,689</u>	<u>3,012,140</u>
-	1,113,843	-
-	682,014	-
-	3,287,157	-
<u>-</u>	<u>5,083,014</u>	<u>-</u>
<u>430,396</u>	<u>20,838,703</u>	<u>3,012,140</u>
-	42,441,888	-
-	977,810	731
-	134,301	6,571
<u>-</u>	<u>43,553,999</u>	<u>7,302</u>
<u>430,396</u>	<u>64,392,702</u>	<u>3,019,442</u>
38,129	489,029	18,162
3,208	62,338	2,223
<u>41,337</u>	<u>551,367</u>	<u>20,385</u>
179,486	180,191,229	159,336
-	1,604,847	-
-	18,717,961	-
18,247	1,649,593	59,661
-	3,576,107	-
2,040,203	7,778,743	924,530
<u>\$ 2,237,936</u>	<u>\$ 213,518,480</u>	<u>\$ 1,143,527</u>

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



**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION  
 PROPRIETARY FUNDS  
 FOR THE YEAR ENDED SEPTEMBER 30, 2018  
 CITY OF ST. CLOUD, FLORIDA**

	Business-Type Activities Major Funds				
	Water Utility	Sewer Utility	Sanitation Utility	Stormwater Utility	Stevens Plantation Dependent Special District
<b>Operating Revenues</b>					
Charges for Services	\$ 11,086,630	\$ 11,555,239	\$ 12,003,735	\$ 1,891,786	\$ -
Other	1,808,725	439,922	494,614	-	1,033,802
<b>Total Operating Revenues</b>	<u>12,895,355</u>	<u>11,995,161</u>	<u>12,498,349</u>	<u>1,891,786</u>	<u>1,033,802</u>
<b>Operating Expenses</b>					
Customer Service	1,289,934	-	-	-	-
Water Treatment	3,297,530	-	-	-	-
Water Lines	1,937,410	-	-	-	-
Water Administration	631,848	-	-	-	-
Sewer Treatment	-	2,925,949	-	-	-
Sewer Lines	-	1,859,104	-	-	-
Sewer Administration	-	681,222	-	-	-
Municipal Garbage Collection	-	-	4,770,715	-	-
Landfill Operations and Closure	-	-	5,669,253	-	-
Stormwater Operations	-	-	-	1,187,317	-
Building Inspection	-	-	-	-	-
Cost of Land Sales	-	-	-	-	1,465,996
Motor Pool Operations	-	-	-	-	-
Premiums and Claim Expense	-	-	-	-	-
Depreciation	4,499,265	5,548,540	611,882	950,336	-
<b>(Total Operating Expenses)</b>	<u>(11,655,987)</u>	<u>(11,014,815)</u>	<u>(11,051,850)</u>	<u>(2,137,653)</u>	<u>(1,465,996)</u>
<b>Operating Income</b>	<u>1,239,368</u>	<u>980,346</u>	<u>1,446,499</u>	<u>(245,867)</u>	<u>(432,194)</u>
<b>Nonoperating Revenues (Expenses)</b>					
Investment Income	235,375	154,510	57,392	19,459	8,267
Gain (Loss) on Sale of Capital Assets	138,943	(121,584)	170,133	4,923	-
Interest Expense	(699,267)	(477,364)	-	-	(284,325)
<b>Total Nonoperating Revenues (Expenses)</b>	<u>(324,949)</u>	<u>(444,438)</u>	<u>227,525</u>	<u>24,382</u>	<u>(276,058)</u>
<b>Income Before Contributions and Transfers</b>	<u>914,419</u>	<u>535,908</u>	<u>1,674,024</u>	<u>(221,485)</u>	<u>(708,252)</u>
<b>Contributions and Transfers</b>					
Capital Contributions	8,248,369	11,685,239	-	2,952,456	-
Transfers from Other Funds	-	-	-	-	422,578
Transfers to Other Funds	(921,956)	(952,086)	(840,765)	(447,651)	-
<b>Total Contributions and Transfers</b>	<u>7,326,413</u>	<u>10,733,153</u>	<u>(840,765)</u>	<u>2,504,805</u>	<u>422,578</u>
<b>Change in Net Position</b>	<u>8,240,832</u>	<u>11,269,061</u>	<u>833,259</u>	<u>2,283,320</u>	<u>(285,674)</u>
<b>Net Position</b>					
Beginning of Year	63,693,767	98,514,124	5,404,782	25,891,688	(1,820,056)
Adjustment to Beginning Net Position	6,626	(2,757,572)	4,708	1,679	-
<b>Beginning of Year, as Restated</b>	<u>63,700,393</u>	<u>95,756,552</u>	<u>5,409,490</u>	<u>25,893,367</u>	<u>(1,820,056)</u>
<b>End of Year</b>	<u>\$ 71,941,225</u>	<u>\$ 107,025,613</u>	<u>\$ 6,242,749</u>	<u>\$ 28,176,687</u>	<u>\$ (2,105,730)</u>

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

<u>Business-Type Activities</u>		<u>Governmental Activities</u>	
<u>Nonmajor Fund</u>			
<u>Building Department</u>	<u>Total</u>	<u>Internal Service Funds</u>	
\$ 2,469,084	\$ 39,006,474	\$ 6,641,905	
123,472	3,900,535	140,725	
<u>2,592,556</u>	<u>42,907,009</u>	<u>6,782,630</u>	
-	1,289,934	-	
-	3,297,530	-	
-	1,937,410	-	
-	631,848	-	
-	2,925,949	-	
-	1,859,104	-	
-	681,222	-	
-	4,770,715	-	
-	5,669,253	-	
-	1,187,317	-	
1,236,893	1,236,893	-	
-	1,465,996	-	
-	-	973,645	
-	-	5,330,534	
44,861	11,654,884	22,507	
<u>(1,281,754)</u>	<u>(38,608,055)</u>	<u>(6,326,686)</u>	
<u>1,310,802</u>	<u>4,298,954</u>	<u>455,944</u>	
11,180	486,183	45,042	
-	192,415	-	
-	(1,460,956)	-	
<u>11,180</u>	<u>(782,358)</u>	<u>45,042</u>	
<u>1,321,982</u>	<u>3,516,596</u>	<u>500,986</u>	
130,598	23,016,662	-	
1,152,973	1,575,551	-	
(368,580)	(3,531,038)	-	
<u>914,991</u>	<u>21,061,175</u>	<u>-</u>	
2,236,973	24,577,771	500,986	
-	191,684,305	641,874	
963	(2,743,596)	667	
<u>963</u>	<u>188,940,709</u>	<u>642,541</u>	
<u>\$ 2,237,936</u>	<u>\$ 213,518,480</u>	<u>\$ 1,143,527</u>	

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

**STATEMENT OF CASH FLOWS  
 PROPRIETARY FUNDS  
 FOR THE YEAR ENDED SEPTEMBER 30, 2018  
 CITY OF ST. CLOUD, FLORIDA**

	<b>Business-Type Activities</b>				
	<b>Major Fund</b>				
	<b>Water Utility</b>	<b>Sewer Utility</b>	<b>Sanitation Utility</b>	<b>Stormwater Utility</b>	<b>Stevens Plantation Dependent Special District</b>
<b>Cash Flows from Operating Activities</b>					
Cash Received from Customers	\$ 11,081,541	\$ 11,458,231	\$ 11,666,460	\$ 1,879,588	\$ 958,748
Cash Paid to Suppliers for Goods and Services	(3,684,105)	(2,833,649)	(7,651,365)	(100,856)	(1,244,470)
Cash Paid to Employees for Services	(3,376,297)	(2,536,155)	(2,826,752)	(761,216)	-
Cash Paid for Postclosure Costs	-	-	(103,037)	-	-
Other Operating Revenues	1,808,725	439,922	494,614	-	-
<b>Net Cash Provided by (Used in) Operating Activities</b>	<b>5,829,864</b>	<b>6,528,349</b>	<b>1,579,920</b>	<b>1,017,516</b>	<b>(285,722)</b>
<b>Cash Flows from Noncapital Financing Activities</b>					
Nonoperating Grants	-	-	-	-	-
Transfers from Other Funds	-	-	-	-	422,578
Transfers to Other Funds	(921,956)	(952,086)	(840,765)	(447,651)	-
Interfund Loan Payments	(6,871)	(6,150)	-	(1,313)	-
<b>Net Cash Provided by (Used in) Noncapital Financing Activities</b>	<b>(928,827)</b>	<b>(958,236)</b>	<b>(840,765)</b>	<b>(448,964)</b>	<b>422,578</b>
<b>Cash Flows from Capital and Related Financing Activities</b>					
Property, Plant and Equipment Acquisitions	(1,927,796)	(5,549,725)	(829,846)	(968,308)	-
Impact Fees	4,738,482	5,633,244	-	-	-
Landfill Closure Costs	-	-	(77,995)	-	-
Principal Payments on Debt	(2,026,755)	(1,780,242)	-	-	-
Interest Payments on Debt	(716,356)	(486,694)	-	-	(136,533)
<b>Net Cash Provided by (Used in) Capital and Related Financing Activities</b>	<b>67,575</b>	<b>(2,183,417)</b>	<b>(907,841)</b>	<b>(968,308)</b>	<b>(136,533)</b>
<b>Cash Flows from Investing Activities</b>					
Investment Income	235,375	154,510	57,392	19,459	8,267
<b>Net Cash Provided by (Used in) Investing Activities</b>	<b>235,375</b>	<b>154,510</b>	<b>57,392</b>	<b>19,459</b>	<b>8,267</b>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<b>5,203,987</b>	<b>3,541,206</b>	<b>(111,294)</b>	<b>(380,297)</b>	<b>8,590</b>
<b>Cash and Cash Equivalents, Beginning of Year</b>	<b>15,924,847</b>	<b>10,886,040</b>	<b>3,196,077</b>	<b>1,485,222</b>	<b>873,866</b>
<b>Cash and Cash Equivalents, End of Year</b>	<b>\$ 21,128,834</b>	<b>\$ 14,427,246</b>	<b>\$ 3,084,783</b>	<b>\$ 1,104,925</b>	<b>\$ 882,456</b>

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

<u>Business-Type Activities</u>		<u>Governmental</u>
<u>Nonmajor</u>		<u>Activities</u>
<u>Fund</u>		
<u>Building</u>	<u>Total</u>	<u>Internal</u>
<u>Department</u>		<u>Service</u>
		<u>Funds</u>
\$ 2,591,683	\$ 39,636,251	\$ 6,758,928
(441,043)	(15,955,488)	(5,813,031)
(733,817)	(10,234,237)	(328,929)
-	(103,037)	-
-	2,743,261	-
<u>1,416,823</u>	<u>16,086,750</u>	<u>616,968</u>
-	-	-
-	422,578	-
784,393	(2,378,065)	-
368,580	354,246	104,862
<u>1,152,973</u>	<u>(1,601,241)</u>	<u>104,862</u>
(93,749)	(9,369,424)	(6,449)
-	10,371,726	-
-	(77,995)	-
-	(3,806,997)	-
-	(1,339,583)	-
<u>(93,749)</u>	<u>(4,222,273)</u>	<u>(6,449)</u>
<u>11,180</u>	<u>486,183</u>	<u>45,042</u>
<u>11,180</u>	<u>486,183</u>	<u>45,042</u>
2,487,227	10,749,419	760,423
-	32,366,052	3,160,595
<u>\$ 2,487,227</u>	<u>\$ 43,115,471</u>	<u>\$ 3,921,018</u>

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

**STATEMENT OF CASH FLOWS  
 PROPRIETARY FUNDS  
 FOR THE YEAR ENDED SEPTEMBER 30, 2018  
 CITY OF ST. CLOUD, FLORIDA  
 (Concluded)**

	Business-Type Activities				
	Major Fund				
	Water Utility	Sewer Utility	Sanitation Utility	Stormwater Utility	Stevens Plantation Dependent Special District
<b><u>Reconciliation of Cash and Cash Equivalents to Statement of Net Position</u></b>					
Total Unrestricted Cash and Investments Per the Statement of Net Position	\$ 8,587,615	\$ 5,542,419	\$ 1,139,859	\$ 1,104,925	\$ 80,480
Total Current Restricted Cash and Investments Per the Statement of Net Position	2,599,597	1,524,751	156,690	-	801,976
Total Noncurrent Restricted Cash and Investments Per the Statement of Net Position	9,941,622	7,360,076	1,788,234	-	-
<b>Cash and Cash Equivalents, End of Year</b>	<b><u>\$ 21,128,834</u></b>	<b><u>\$ 14,427,246</u></b>	<b><u>\$ 3,084,783</u></b>	<b><u>\$ 1,104,925</u></b>	<b><u>\$ 882,456</u></b>
<b><u>Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities</u></b>					
Operating Income (Loss)	\$ 1,239,368	\$ 980,346	\$ 1,446,499	\$ (245,867)	\$ (432,194)
Bad Debt Expense	62,396	29,047	49,644	11,294	-
Depreciation	4,499,265	5,548,540	611,882	950,376	-
Changes in Assets - Decrease (Increase) and Liabilities - Increase (Decrease):					
Accounts Receivable, Net	41,556	(9,815)	(329,195)	11,938	(25,054)
Prepays	(1,811)	1,189	1,321	7,260	-
Unbilled Utility Revenue	(84,456)	(106,348)	(50,363)	(24,136)	-
Inventories	35,949	53,979	135	-	-
Accounts and Retainage Payable	128,172	117,334	(89,430)	334,304	221,526
Customer Deposits	37,811	19,155	42,283	-	-
Other Deposits	-	-	-	-	(50,000)
Compensated Absences	4,799	(8,560)	12,174	-	-
Net Pension Liability	(163,218)	(120,150)	(131,522)	(33,487)	-
Other Postemployment Benefits	18,425	13,175	13,090	4,669	-
Accrued Liabilities	11,608	10,457	3,402	1,165	-
<b>Net Cash Provided by (Used in) Operating Activities</b>	<b><u>\$ 5,829,864</u></b>	<b><u>\$ 6,528,349</u></b>	<b><u>\$ 1,579,920</u></b>	<b><u>\$ 1,017,516</u></b>	<b><u>\$ (285,722)</u></b>
<b><u>Schedule of Noncash Capital and Related Financing Activities</u></b>					
Contributions of Capital Assets	\$ 3,519,222	\$ 6,051,995	\$ -	\$ 2,952,456	\$ -

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

<u>Business-Type Activities</u>		<u>Governmental</u>
<u>Nonmajor</u>		<u>Activities</u>
<u>Fund</u>		
<u>Building</u>		<u>Internal</u>
<u>Department</u>	<u>Total</u>	<u>Service</u>
		<u>Funds</u>
\$ 2,487,227	\$ 18,942,525	\$ 3,921,018
-	5,083,014	-
-	19,089,932	-
<u>\$ 2,487,227</u>	<u>\$ 43,115,471</u>	<u>\$ 3,921,018</u>
\$ 1,310,802	\$ 4,298,954	\$ 455,944
873	153,254	-
44,861	11,654,924	22,507
(873)	(311,443)	(23,702)
(2,724)	5,235	(2,143)
-	(265,303)	-
-	90,063	-
17,758	729,664	177,401
-	99,249	-
-	(50,000)	-
-	8,413	331
445	(447,932)	1,855
2,678	52,037	(16,533)
43,003	69,635	1,308
<u>\$ 1,416,823</u>	<u>\$ 16,086,750</u>	<u>\$ 616,968</u>
<u>\$ 130,598</u>	<u>\$ 12,654,271</u>	<u>\$ -</u>

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

**STATEMENT OF NET POSITION  
FIDUCIARY FUNDS  
SEPTEMBER 30, 2018  
CITY OF ST. CLOUD, FLORIDA**

	<b>Employee Retirement Funds</b>
<b>Assets</b>	
Cash and Cash Equivalents	\$ 3,543,622
Investments at Fair Value:	
Domestic Equities	47,046,889
Foreign Equities	15,741,894
Domestic Fixed Income Funds	22,255,053
Foreign Fixed Income	3,799,656
Non-Core Fixed Income	2,268,163
Real Estate	10,906,894
Alternatives	4,851,710
Total Investments at Fair Value	106,870,259
<b>Total Assets</b>	110,413,881
<b>Net Position</b>	
Restricted for Pensions	\$ 110,413,881

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

**STATEMENT OF CHANGES IN NET POSITION  
FIDUCIARY FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2018  
CITY OF ST. CLOUD, FLORIDA**

	<b>Employee Retirement Funds</b>
<b>Additions</b>	
Contributions:	
Employer	\$ 4,758,088
Employer from State	567,489
Employee	576,871
Miscellaneous	31,997
Total Contributions	5,934,445
Investment Income:	
Investment Earnings	5,329,690
Dividend Income	2,450,013
Total Income on Investments	7,779,703
<b>Total Additions</b>	13,714,148
<b>Deductions</b>	
Pension Payments	4,053,747
DROP Distribution	1,253,780
Refunds to Employees	109,919
Administration	1,042,952
<b>(Total Deductions)</b>	(6,460,398)
<b>Net Increase</b>	7,253,750
<b>Net Position Restricted for Pensions</b>	-
<b>Beginning of Year</b>	103,160,131
<b>End of Year</b>	\$ 110,413,881

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





## **NOTES TO FINANCIAL STATEMENTS**

**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2018**  
**CITY OF ST. CLOUD, FLORIDA**

**Note 1 - Description of Funds and Summary of Significant Accounting Policies**

The financial statements for the City of St. Cloud (the City) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental 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.

**Reporting Entity**

The City of St. Cloud, County of Osceola, State of Florida, is the City's official name. The City was originally established under the laws of the State of Florida in 1911. In 1967, the City adopted its current charter by legal authority of Sp. Acts, Chapter 65-2166, Section 1.02 of the Florida Statutes.

The City operates under a council-manager form of government and provides the following services, as authorized by its charter: public safety, public works, public utilities, culture, recreation, and community development.

In evaluating the City as a reporting entity, management has addressed all potential component units (traditionally separate reporting entities) for which the City may or may not be financially accountable and, as such, be includable within the City's financial statements. The City (the primary government) is financially accountable if it appoints a voting majority of the organization's Governing Board and: 1) it is able to impose its will on the organization, or 2) there is a potential for the organization to provide specific financial benefit to or impose specific financial burden on the City. Additionally, the primary government is required to consider other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. Management determined that the Stevens Plantation Improvement Project Dependent Special District and the Community Redevelopment Agency are component units that should be included in the City's financial statements.

**Stevens Plantation Improvement Project Dependent Special District (the DSD)**

The DSD was created by the City on August 21, 2003, via City Ordinance 2003-47, pursuant to Section 189.4041 of the Florida Statutes. The purpose of the DSD is to acquire land within its geographical boundary from the proceeds of tax-exempt debt for resale to developers in association with the Stevens Plantation Development (a mixed-use, master planned community encompassing approximately 590 acres within the City). The City Council serves as the Governing Board of the DSD and has advanced certain costs to the DSD as of September 30, 2018, that are to be repaid in future years. The DSD is included as a blended component unit in the accompanying government-wide financial statements of the City.

**Community Redevelopment Agency (CRA)**

The CRA was created pursuant to Chapter 163, Florida Statutes, City Ordinance 2005-78, and City Resolutions 2005-174R, 2005-175R, and 2005-178R. The City Council serves as the CRA Board and the City maintains operational responsibility for the CRA's activity. Although legally separate, the CRA is appropriately blended as a governmental fund type component unit into the primary government. Separate financial statements for the CRA are not presently developed.

**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2018**  
**CITY OF ST. CLOUD, FLORIDA**  
*(Continued)*

**Note 1 - Description of Funds and Summary of Significant Accounting Policies (Continued)**

**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 units. Except for nominal amounts, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include: 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment; and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements provided for governmental funds, proprietary funds, and fiduciary 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.

**Measurement Focus, Basis of Accounting, and Financial Statement Presentation**

**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. Exceptions to this general rule are payments for services provided and other charges between the City's water, sewer, sanitation and stormwater functions, and various other functions of the government. Elimination of these charges would distort the direct cost and program revenues reported for the various functions concerned.

Amounts reported as program revenues include: 1) charges to customers or applicants for goods, services, or privileges provided; 2) operating grants and contributions; and 3) capital grants and contributions. Charges for internally dedicated resources are reported as general revenues, rather than as program revenues. Likewise, general revenues include all taxes.

**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

NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2018  
CITY OF ST. CLOUD, FLORIDA  
(Continued)

**Note 1 - Description of Funds and Summary of Significant Accounting Policies (Continued)**

**Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)**

**Fund Financial Statements (Continued)**

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, and interest associated with the current fiscal period are all considered to be susceptible to accrual and 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 government.

The City operates the following major governmental funds:

- The **General Fund** is the government'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 **Debt Service Fund** accounts for the accumulation of resources for, and the payment of, general long-term debt principal and interest.
- The **One Percent Surcharge Fund** accounts for Discretionary Tax received from the State of Florida.
- The **St. Cloud/OUC Interlocal Agreement Fund** accounts for the restricted and unrestricted resources associated with the City's agreement with Orlando Utilities Commission (the OUC) to operate the City's electric system.
- The **Road Impact Fees Fund** accounts for the restricted resources collected in accordance with the City's traffic impact fee ordinance. Resources collected must be spent to increase the capacity or to provide new roads within the City.
- The **Community Redevelopment Agency Fund** accounts for redevelopment of blighted areas within the City from the proceeds of tax increment financing.
- The **Capital Projects Funds** accounts for the costs of constructing multiyear road paving, drainage, resurfacing, recreation facilities, and public building construction and renovation.

The City reports the following major proprietary funds:

- The **Water Utility Fund** accounts for the fiscal activity of providing water services to residential and commercial customers.

**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2018**  
**CITY OF ST. CLOUD, FLORIDA**  
*(Continued)*

**Note 1 - Description of Funds and Summary of Significant Accounting Policies (Continued)**

**Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)**

**Fund Financial Statements (Concluded)**

- The **Sewer Utility Fund** accounts for the fiscal activity of providing wastewater services to residential and commercial customers.
- The **Sanitation Utility Fund** accounts for the operations and maintenance of the City's solid waste collection system.
- The **Stormwater Utility Fund** accounts for the operations, improvements, and maintenance of the storm drainage system.
- The **Stevens Plantation Dependent Special District** accounts for the acquisition of land within the DSD's geographical boundary from the proceeds of tax-exempt debt for resale to developers in association with the Stevens Plantation Development.

Additionally, the City reports the following fund types:

- The **Special Revenue Funds** account for the proceeds of specific revenue sources that are legally restricted or committed to expenditures for specified purposes.
- 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 fleet maintenance operations and self-insurance (health and workers' compensation) programs.
- The **Pension Trust Funds** account for the activities of the City's General Employees, Police Officers, and Firefighters Retirement Systems, which accumulate resources for pension benefit payments to qualified retiring employees. They are excluded from the government-wide financial statements because they are fiduciary in nature and do not represent resources available to the government for operations.

The City conforms all significant accounting policies to GAAP applicable to governmental units. The following is a summary of the more significant principles and practices used in the preparation of these financial statements:

**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2018**  
**CITY OF ST. CLOUD, FLORIDA**  
*(Continued)*

**Note 1 - Description of Funds and Summary of Significant Accounting Policies (Continued)**

**Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)**

**Proprietary Funds**

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 Fund are charges to customers for sales and services. Operating expenses for enterprise funds and the Internal Service Fund include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the City's policy to generally use restricted resources first, then unrestricted resources as they are needed for their intended purposes; however, this decision is frequently made on a case-by-case basis based upon facts and circumstances.

**Property Taxes**

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 state-wide. Florida Statutes permit municipalities to levy property taxes at a rate of up to 10 mills. The millage rate assessed by the City for the fiscal year ended September 30, 2018, was 5.1128 mills.

Property taxes are billed and collected within the same fiscal period and are reflected on the modified accrual basis. Ad valorem taxes on property values have a lien assessment and due date of January 1, with the millage established during September. The fiscal year for which taxes are levied begins October 1. Taxes are billed in November (levied) with a maximum discount available through November 30, and become delinquent April 1. Tax certificates are issued for delinquent taxes on or before June 1. After sale, the tax certificates bear interest of 18% per year, or at any lower rate bid by the buyer. The tax certificate money is then sent to the appropriate taxing agency in accordance with its tax levy to complete its ad valorem tax revenue requirement.

The City would accrue property tax receivables for unsold certificates if they were measurable and available. However, they are not measurable and available. As a result, there are no property tax receivables at September 30, 2018.

**Cash and Cash Equivalents**

For purposes of the statement of cash flows, the City considers all highly liquid investments held outside of the City's pooled cash system (including restricted assets) with a maturity of three months or less when purchased to be cash equivalents. All cash and investments held by the pooled cash system are considered cash equivalents for the cash flow statement.

**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2018**  
**CITY OF ST. CLOUD, FLORIDA**  
*(Continued)*

**Note 1 - Description of Funds and Summary of Significant Accounting Policies *(Continued)***

**Measurement Focus, Basis of Accounting, and Financial Statement Presentation *(Continued)***

**Equity in Pooled Cash and Investments**

The City utilizes a pooled cash and investment fund, which allows the various funds of the City to pool monies for investment purposes. Investment earnings are distributed monthly based on average monthly balances. Cash is maintained in an interest-bearing checking account at a local financial institution to maximize earnings on idle cash. The nature of the fund permits temporary negative cash balances upon overdrawing of cash available in individual funds, which are presented as interfund receivables and payables.

**Capital Grants and Contributions**

Accounts receivable from other governments include amounts due from grantors. Program and capital grants for capital assets are recorded as receivables and revenues at the time reimbursable costs are incurred. Revenues received in advance of costs being incurred are deferred. Capital grants and other contributions for capital asset additions to the proprietary funds are recorded as nonoperating revenues. Contributed assets are recorded in the proprietary funds and in general capital assets at acquisition value at the time received.

**Inventories and Prepaids**

Inventories consist of materials and supplies used in the City's utility and general government operations and are valued using the weighted-average cost method, which approximates market value. The cost of inventories is accounted for by the consumption method, whereby inventory is recorded as expenditure when used. Appropriate allowances are recorded for obsolete and surplus items, when applicable. Payments made to vendors for services that will benefit periods beyond September 30, 2018, are recorded as prepaid items. These payments are recorded as expenditures or expenses when consumed rather than when purchased.

**Capital Assets**

Capital assets, which include property, plant and equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items) are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Property, plant and equipment with initial, individual costs that equal or exceed \$1,000 and estimated useful lives of over one year are recorded as capital assets. Roads, bridges, and sidewalks are capitalized when dedicated to the City within a new development or when their initial costs equal or exceed \$25,000 and possess estimated useful lives 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 estimated acquisition value at the date of donation.

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

Capital asset purchases are recorded as capital outlay expenditures in the fund level governmental funds in the year of acquisition.



**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2018**  
**CITY OF ST. CLOUD, FLORIDA**  
*(Continued)*

**Note 1 - Description of Funds and Summary of Significant Accounting Policies (Continued)**

**Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)**

**Capital Assets (Concluded)**

Property, plant and equipment are depreciated using the straight-line method over the following estimated useful lives:

Buildings and Improvements	8 - 50 Years
Utility Line Extensions	15 - 60 Years
Plant and Equipment	3 - 40 Years
Meters and Transformers	15 - 50 Years
Infrastructure	15 - 50 Years

Proprietary fund expenditures for repairs and maintenance are expensed when incurred. Additions, major renewals, and replacements, which increase the useful lives of the assets, are capitalized.

**Compensated Absences**

All vacation pay is accrued when incurred in the government-wide, proprietary, and fiduciary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

In proprietary funds, the amount of compensated absences associated with employee vacations that are recorded as expenses represent the amounts paid during the year and accrued at year-end. The entire liability for compensated absences of these funds is reflected in the respective financial statements split between the current and noncurrent portions.

Compensated absences liabilities will be paid by several of the City's funds, including the General Fund, several of the enterprise funds, and the Internal Service Fund. Historically, 76% to 79% of these costs have been paid from the City's governmental funds, with the remaining 21% to 24% paid from its proprietary funds.

**Utility Impact Fees**

Utility impact fees are recorded as capital contributions and are restricted to expansion of system capacity.

**Fund Balance Reporting**

The City presenting the fund balances of the governmental funds in accordance with GASB Statement No. 54. This statement establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. Fund balance classifications under GASB Statement No. 54 are Nonspendable, Restricted, Committed, Assigned, and Unassigned. These classifications reflect not only the nature of the funds, but also provide clarity to the level of restriction placed upon fund balance. Fund balance can have different levels of restraint, such as external versus internal compliance requirements. Unassigned fund balance is a residual classification within the General Fund. The General Fund should be the only fund that reports a positive unassigned balance. In all other funds, unassigned is limited to negative residual fund balance. The fund balance classifications are as follows:

**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2018**  
**CITY OF ST. CLOUD, FLORIDA**  
*(Continued)*

**Note 1 - Description of Funds and Summary of Significant Accounting Policies (Continued)**

**Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)**

**Fund Balance Reporting (Concluded)**

***Nonspendable***—Includes fund balance amounts that cannot be spent either because they are not in spendable form or because of legal or contractual requirements. Examples of nonspendable amounts that cannot be used because of their form are long-term portion of loans to other funds, inventories, and prepaid amounts.

***Spendable Fund Balance:***

- ***Restricted***—Amounts are not available because of legally enforceable constraints, such as money awarded from criminal prosecution, money restricted based on creditors' requirements of loan agreements, and amounts restricted by law or enabling legislation.
- ***Committed***—Amounts of the fund balance are set aside by action of the City Council for a specific purpose and cannot be used for any other purpose (unless there is action by the City Council allowing for such use) and amounts specifically committed for use in satisfying contractual requirements. The City does not have any committed fund balance in the governmental funds.
- ***Assigned***—Amounts of the fund balance are intended to be used for a specific purpose to be made by City management in accordance with the City's established fund balance policy and based on recommendations by the City Council, advisory committees, or the senior management of the City, and also included amounts to be appropriated in the subsequent year budget.
- ***Unassigned***—Amounts of the fund balance will only appear in the General Fund or, if other governmental funds' expenditures are incurred in excess of amounts restricted, committed, or assigned for the purpose, the other governmental funds may have a negative unassigned fund balance.

The City Council established a Fund Balance Policy that required the unassigned fund balance be no less than twelve-and-a-half percent (12.5%) of General Fund operating expenditures. For the spending order of the fund balance, the City uses restricted amounts first, when both restricted and unrestricted fund balance is available, unless there are legal documents/contracts that prohibit this. Additionally, the City would first use committed fund balance, followed by assigned fund balance, and then unassigned fund balance when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

**Budgets and Budgetary Accounting**

The annual operating budget serves as legal authorization for expenditures and the proposed means of financing them. The 2018 annual operating budget was prepared for all funds, except the following:

- **Pension Trust Funds**

These funds are not budgeted annually by the City Council.

**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2018**  
**CITY OF ST. CLOUD, FLORIDA**  
*(Continued)*

**Note 1 - Description of Funds and Summary of Significant Accounting Policies (Continued)**

**Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)**

**Budgets and Budgetary Accounting (Concluded)**

The annual operating budgets are prepared on the same basis of accounting as that previously described for each fund. The budget is prepared by the City Manager, detailing all estimated income, including the proposed property tax levy and all proposed expenditures as deemed necessary and desirable. The City Council may adopt the budget, with or without amendment, increasing or decreasing programs or amounts after public hearing. Adoption of the budget by the City Council constitutes appropriation of the amounts specified as expenditures from the funds indicated and constitutes a levy of the property tax proposed. Budgetary control is legally maintained at the department level.

The City Manager is legally authorized to transfer part or all of the unencumbered appropriation balance within departments without seeking City Council approval. However, the City Manager must obtain approval from the City Council to transfer appropriations between departments or funds. Upon certification from the City Manager of excesses in revenue, the City Council may make supplemental appropriations for the year up to the amount of each excess. Supplemental appropriations were made during the year. If at any time during the year it appears probable to the City Manager that revenues will be insufficient to meet the amount appropriated, he shall notify the City Council who shall then take such further action as it deems necessary to prevent any deficit. Appropriations, except for open project appropriations and encumbrances, lapse at the end of each fiscal year. Contingency amounts may be used for any unforeseen purpose or emergency upon approval of City Council.

Encumbrances outstanding at year-end do not represent expenditures or liabilities under GAAP, but represent budgetary accounting controls that carry over to the next year. All budgets are prepared on a GAAP basis.

The actual results of operations are presented in accordance with GAAP, and the City's accounting policies do not recognize encumbrances as expenditures until the period in which the goods or services are actually received and a liability is incurred.

**Adoption of New Accounting Standards**

The Other Postemployment Benefits Plan (OPEB Plan) is a single-employer defined benefit plan. As a plan sponsor, the City implemented GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, which requires employers of single-employer defined benefit plans to report the employers' OPEB Plan liabilities. The requirements of this Statement are being applied retroactively by restating the actuarially determined liabilities of \$3,542,276 at September 30, 2017, date of transition and deferred outflow resources of \$128,367.

**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2018**  
**CITY OF ST. CLOUD, FLORIDA**  
*(Continued)*

**Note 1 - Description of Funds and Summary of Significant Accounting Policies (Concluded)**

**Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Concluded)**

**Adjustment to Beginning Net Position**

The beginning net position of the City was decreased by \$38,396 for governmental activities and increased for business-type activities by \$18,714 due to the adoption of a new GASB Pronouncement, Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* (GASB Statement No. 75). GASB Statement No. 75 requires the City to recognize a liability and operating statement of activities related to changes in the OPEB Plan.

In addition to the new pronouncement noted above, the beginning balance for the enterprise funds have been restated as the result of a correction required for the sewer utility fund's capital assets for the prior period. The correction resulted from prematurely recording construction work in progress to capital assets. This resulted in a \$2,762,310 decrease in the Sewer Utility Fund's beginning net position related to this issue.

As a result of this change, beginning net position has been restated as follows.

	Governmental Activities	Business-Type Activities					Building Department
		Water Utility	Sewer Utility	Sanitation Utility	Stormwater Utility		
Net Position - Beginning, Originally Reported	\$ 118,063,442	\$ 63,693,767	\$ 98,514,124	\$ 5,404,782	\$ 25,891,688	\$ -	
GASB No. 75 Adjustment	38,396	6,626	4,738	4,708	1,679	963	
Prior Period Adjustment	-	-	(2,762,310)	-	-	-	
Net Position - Beginning as Restated	\$ 118,101,838	\$ 63,700,393	\$ 95,756,552	\$ 5,409,490	\$ 25,893,367	\$ 963	

**Note 2 - Cash and Cash Equivalent**

**Pooled Cash and Investments**

The City maintains a cash and investment pool that carries substantially all cash and investments of the City, and is used by all funds except the pension trust funds. Each fund's portion of the pool is displayed in the accompanying financial statements as "Cash and Investments". The cash and investments of the pension trust funds and agency fund are held separately from those other funds of the City. All cash and investments of the pool are considered cash equivalents for the statement of cash flows.

**Cash Deposits**

As of September 30, 2018, the City's cash deposits were entirely covered by federal depository insurance or by the banking network provided by Chapter 280 of the Florida Statutes. Florida Statutes provide for collateral pooling by banks and savings and loans and limit local government deposits to "authorized depositories". Therefore, all cash deposits held by banks can be classified as fully insured.

**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2018**  
**CITY OF ST. CLOUD, FLORIDA**  
*(Continued)*

**Note 2 - Cash and Cash Equivalent (Continued)**

**Investments**

The City's investment policy is constructed with the objectives of: 1) preserving and protecting principal; 2) maintaining liquidity; and 3) earning interest on the invested funds, and allows the City to invest surplus money in instruments provided by Florida Statutes 166.261 and 218.415. Among them are U.S. Treasury bills, bonds, notes and their derivatives, federal agency securities, local government surplus trust funds, domestic time deposits, bankers' acceptance notes, commercial paper, repurchase agreements, federal securities trusts, collateralized mortgage obligations, corporate debt, asset-backed securities, taxable and tax-exempt securities, mortgage securities, and mutual funds made up of such securities.

As of September 30, 2018, the City's pooled investments (including Pension Trust Funds) are summarized below:

**Cash and Investments Note**  
**September 30, 2018**  
**City of St. Cloud**

<u>Investments</u>	<u>Maturities</u>	<u>Fair Value</u>	<u>Rating</u>	<u>FMV Level</u>
Cash and Equivalents		\$ 3,919,627		n/a
U.S. Treasury Obligations	0.31 Year average	38,724,981	AAA	Level 2
U.S. Government Agencies	1.95 Year average	19,224,116	AA	Level 2
Corporate and Local Government Bonds	0.04 Year average	1,209,952	AA	Level 2
Certificates of Deposit				
Negotiable Certificates of Deposit	1.17 Year average	4,109,205	FDIC Insured	Level 2
State Board of Administration (SBA) Local Government Surplus Funds Trust Fund (LGIP)	0.09 Year average	23,251,458	AAAm	n/a
Florida Municipal Investment Trust (FMIVT) 1-3 Year Bond Fund	1.50 Year average	594,597	AAAf/S2	Level 2
Florida Municipal Investment Trust (FMIVT) Intermediate High Quality Bond Fund	4.30 Year average	665,861	AAAf/S3	Level 2
Florida Surplus Asset Fund Trust (FLSAFE)	0.14 Year average	1,289,250	AAAm	n/a
Florida Fixed Income Trust (FLFIT)	0.33 Year average	1,011,357	AAAf/S1+	n/a
Fidelity Money Market Government Portfolio Class III	0.06 Year average	799,908	AAAm	n/a
		<u>94,800,312</u>		
Pension Funds				
Cash and Equivalents		3,543,622		n/a
Domestic Equities		47,046,889		Level 1
Foreign Equities		15,741,894		Level 1
Domestic Fixed Income	8.30 Year average	22,255,053	AA+	Level 2
Foreign Fixed Income	5.87 Year average	3,799,656	BBB	Level 2
Non-Core Fixed Income		2,268,163		Level 3
Real Estate Income Funds		10,906,894		Level 3
Middle Market Debt Alternatives	1.10 Year average	4,851,710		Level 1
Total Pension Funds		<u>110,413,881</u>		
<b>Total Investments</b>		<u>\$ 205,214,193</u>		

Cash and Investments reported in Government-wide:

Cash	\$ 3,919,627
Investments	<u>90,880,685</u>
<b>Total Reported in Government-wide</b>	<u>\$ 94,800,312</u>

Cash and Investments reported in Fiduciary Funds:

Cash	\$ 3,543,622
Investments	<u>106,870,259</u>
<b>Total Reported in Fiduciary Funds</b>	<u>\$ 110,413,881</u>

**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2018**  
**CITY OF ST. CLOUD, FLORIDA**  
*(Continued)*

**Note 2 - Cash and Cash Equivalent (Continued)**

**Investments (Concluded)**

Investments, including derivative instruments that are not hedging derivatives, are measured at fair value on a recurring basis. Recurring fair value measurements are those that GASB Statements require or permit in the statement of net position at the end of each reporting period. Fair value measurements are categorized 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.

Debt and equity securities categorized as Level 1 are valued based on prices quoted in active markets for those securities. Debt securities and Certificates of Deposit categorized as Level 2 are valued based on market-corroborated data. Private debt assets categorized as Level 3 are valued using an independent pricing service or are valued in good faith by the General Partner using such factors as financial statements, earnings forecasts, recent transactions in the same or similar securities and valuation information obtained from broker-dealers, recognized quotation services, or independent appraisal firms. Real Estate assets categorized as Level 3 use industry standard valuation approaches, which includes market analysis of comparable properties and/or financial modeling of unobservable inputs based on assumptions that are supported by property level actuals, budgets, internal market research, or periodic appraisals.

**Florida PRIME and Florida Surplus Asset Fund Trust**

The City's investments in the Florida Prime Investment Pool (Florida PRIME) and Florida Surplus Asset Trust Fund (FLSAFE) are similar to money market funds in which units are owned in the fund rather than the underlying investments. These investments are reported at amortized cost and meet the requirements of GASB Statement No. 31, as amended by GASB Statement No. 79, *Certain External Investment Pools and Pool Participants*, which 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. There is no limitation or restrictions on withdrawals from Florida PRIME or FLSAFE; although in the occurrence of an event that has a material impact on liquidity or operations of the trust fund, the funds' executive director may limit contributions to or withdrawals from the trust fund for a period of 48 hours.

**Credit Risk**

U.S. Agencies are rated by Moody's Investors Service and Standard & Poor's. The City's investment policy limits investments in debt securities to at least an AA rating, by two of the three nationally recognized rating agencies, at the time of purchase and allows holding securities downgraded to A-. The City's pension investment policy requires 85% of the fixed income securities to have a minimum rating of investment grade or higher, as reported by a major credit rating service.

**Custodial Credit Risk**

The City's investment policy, pursuant to Section 218.415(18), Florida Statutes, requires securities purchased by the City to be held in third-party safekeeping by an institution designated as the primary agent, which is qualified as a public depository, as defined in Chapter 280.02, Florida Statutes, from primary dealers (or their agents), as designated by the Federal Reserve Bank of New York or from an authorized secondary dealer/broker. The City's pension investments are held by the counterparty, not in the name of the City.

**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2018**  
**CITY OF ST. CLOUD, FLORIDA**  
*(Continued)*

**Note 2 - Cash and Cash Equivalent (Concluded)**

**Interest Rate Risk**

Interest rate risk exists when there is a possibility that changes in interest rates could adversely affect an investment's fair value. The weighted-average maturity of the City's investments is displayed with the fair value of the investments.

The City's investment policy sets limitations on instruments, diversification, and maturity based on whether the funds invested are short-term or long-term. All funds are considered short-term, except those reserved for capital projects, postclosure landfill monitoring, debt service reserves, designated impact fees and special assessment prepayments being held for debt retirement, and one-half of the contingencies of the general, utility tax, and gas tax funds.

**Concentration of Credit Risk**

■ **Nonpension Investments**

More than 5% of the City's nonpension investments are in Florida PRIME, Federal Farm Credit Bureau, and United States Treasury Obligations. These investments are 24.84%, 8.21%, and 41.38%, respectively, of the total nonpension investments of the City.

■ **General Employees' Pension**

More than 5% of the City's General Employees' Pension investments are in Euro Pacific Growth Fund, T Rowe Price Institutional Large Cap Core Growth Fund, and Intercontinental Real Estate Corporation. These investments are 14.89%, 10.07%, and 5.68%, respectively, of the total investments for the General Employees' Pension Fund.

■ **Police and Fire Pension**

More than 5% of the City's Police and Fire Pension Investments are in Euro Pacific Growth Fund, T Rowe Price Institutional Large Cap Core Growth Fund, and Intercontinental Real Estate Corporation. These investments are 13.68%, 10.62%, and 5.41%, respectively, of the total investments for the Police and Fire Pension Fund.

**Foreign Currency Risk**

The Pension Trust Fund investment policies limit international investments to no more than 25% of total fund assets for both the General Employees' Retirement Plan and 25% of total fund assets for the Police Officers' and Firefighters' Retirement Plan. At September 30, 2018, the General Employees' Retirement Plan had \$10,291,889, or 17.67% of the total fund assets and the Police Officers' and Firefighters' Retirement Plan had \$8,587,127, or 16.61% of the total fund assets invested internationally.

**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2018**  
**CITY OF ST. CLOUD, FLORIDA**  
*(Continued)*

**Note 3 - Capital Assets**

	<u>Beginning</u> <u>Balance</u>	<u>Increases</u>	<u>(Decreases)</u>	<u>Ending</u> <u>Balance</u>
<b>Governmental Activities</b>				
Capital Assets Not Being Depreciated:				
Land and Improvements	\$ 10,915,667	\$ 2,119,140	\$ -	\$ 13,034,807
Right-of-way	16,890,955	-	-	16,890,955
Construction in Progress	4,017,111	5,087,359	(2,522,920)	6,581,550
Total Capital Assets Not Being Depreciated	<u>31,823,733</u>	<u>7,206,499</u>	<u>(2,522,920)</u>	<u>36,507,312</u>
Capital Assets Being Depreciated:				
Buildings and Improvements	68,841,485	1,261,550	(144,858)	69,958,177
Equipment	27,873,135	3,877,995	(1,310,379)	30,440,751
Electric Plant	44,814,732	-	(164,838)	44,649,894
Infrastructure (Roads and Streets)	83,050,243	4,141,877	-	87,192,120
Total Capital Assets Being Depreciated	<u>224,579,595</u>	<u>9,281,422</u>	<u>(1,620,075)</u>	<u>232,240,942</u>
Less Accumulated Depreciation:				
Buildings and Improvements	(37,790,788)	(4,038,310)	130,749	(41,698,349)
Equipment	(21,541,073)	(2,398,810)	1,152,475	(22,787,408)
Electric Plant	(38,203,040)	(894,125)	164,237	(38,932,928)
Infrastructure (Roads and Streets)	(28,193,248)	(2,143,116)	-	(30,336,364)
Total Accumulated Depreciation	<u>(125,728,149)</u>	<u>(9,474,361)</u>	<u>1,447,461</u>	<u>(133,755,049)</u>
Total Capital Assets Being Depreciated, Net	<u>98,851,446</u>	<u>(192,939)</u>	<u>(172,614)</u>	<u>98,485,893</u>
<b>Governmental Activities Capital Depreciated, Net</b>	<u>\$ 130,675,179</u>	<u>\$ 7,013,560</u>	<u>\$ (2,695,534)</u>	<u>\$ 134,993,205</u>
<b>Business-type Activities</b>				
Capital Assets Not Being Depreciated:				
Land and Improvements	\$ 2,706,916	\$ -	\$ -	\$ 2,706,916
Right-of-way	31,041	-	-	31,041
Construction in Progress	5,102,216	4,942,402	(4,685,621)	5,358,997
Total Capital Assets Not Being Depreciated	<u>7,840,173</u>	<u>4,942,402</u>	<u>(4,685,621)</u>	<u>8,096,954</u>
Capital Assets Being Depreciated:				
Buildings and Improvements	45,110,750	-	-	45,110,750
Water/Sewer/Sanitation Utility Plant	244,681,056	21,661,671	(961,731)	265,380,996
Equipment	26,900,960	2,470,419	(1,138,443)	28,232,936
Total Capital Assets Being Depreciated	<u>316,692,766</u>	<u>24,132,090</u>	<u>(2,100,174)</u>	<u>338,724,682</u>
Less Accumulated Depreciation:				
Buildings	(11,636,720)	(482,993)	-	(12,119,713)
Water/Sewer/Sanitation Utility Plant	(81,396,711)	(8,887,386)	861,492	(89,422,605)
Equipment	(19,325,446)	(2,284,544)	882,448	(20,727,542)
Total Accumulated Depreciation	<u>(112,358,877)</u>	<u>(11,654,923)</u>	<u>1,743,940</u>	<u>(122,269,860)</u>
Total Capital Assets Being Depreciated, Net	<u>204,333,889</u>	<u>12,477,167</u>	<u>(356,234)</u>	<u>216,454,822</u>
<b>Total Business-type Activities Capital Assets, Net</b>	<u>\$ 212,174,062</u>	<u>\$ 17,419,569</u>	<u>\$ (5,041,855)</u>	<u>\$ 224,551,776</u>



**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2018**  
**CITY OF ST. CLOUD, FLORIDA**  
*(Continued)*

**Note 3 - Capital Assets (Concluded)**

<b>Depreciation Expense - Governmental Activities</b>	
General Government and Administration	\$ 374,544
Public Safety	1,724,567
Transportation	5,324,174
Parks and Recreation	1,134,444
Electric Plant - Interlocal	894,125
Capital Assets Held by the City's Internal Service	
Funds Charged to the Various Functions Based on	
Their Usage of the Assets	22,507
<b>Total Depreciation Expense - Governmental Activities</b>	<u>\$ 9,474,361</u>
<b>Depreciation Expense - Business-type Activities</b>	
Water Utility	\$ 4,499,265
Sewer Utility	5,548,540
Sanitation Utility	611,882
Stormwater Utility	950,376
Building Department	44,861
<b>Total Depreciation Expense - Business-type Activities</b>	<u>\$ 11,654,924</u>

**Note 4 - Defined Benefit Pension Plans**

**Plan Descriptions**

The City maintains two separate, single-employer defined-benefit pension plans, one for police officers and firefighters, and a general employees' retirement plan that covers substantially all other full-time City employees. These plans are maintained as pension trust funds and are included as part of the City's reporting entity, using the accrual basis of accounting in accordance with generally accepted accounting principles. Plan member contributions are recognized in the period in which the contributions are due. Investments are reported at fair value. City ordinance and state law requires contributions to be determined by actuarial studies at least every three years. Stand-alone financial reports are not issued.

Membership of each plan consisted of the following at the date of the latest actuarial valuation, October 1, 2018, for general employees and for police officers and firefighters:

	<u>General</u>	<u>Police Officers and Firefighters</u>
Inactive Plan Members or Beneficiaries Currently		
Receiving Benefits	137	66
Inactive Plan Members Entitled to But		
Not Yet Receiving Benefits	190	27
Active Plan Members	309	142
<b>Total</b>	<u>636</u>	<u>235</u>

**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2018**  
**CITY OF ST. CLOUD, FLORIDA**  
*(Continued)*

**Note 4 - Defined Benefit Pension Plans (Continued)**

**General Employees' Retirement Plan**

- **Plan Administration**—The General Employees' Retirement Plan (GERP) is a single-employer defined benefit pension plan administered by a Board of Trustees, which acts as the administrator of the Plan. The Board consists of seven Trustees, three of whom shall be legal residents of the City who are appointed by the City Council and four of whom are Members of the Plan who are elected by a majority of the General Employees who are Members of the Plan and who vote in the election.

- **Plan Benefits**—The GERP provides retirement, termination, disability, and death benefits to plan members and their beneficiaries.

*Normal Retirement*—Eligibility: Earlier of: 1) Age 60 and five years of Credited Service, or 2) the completion of 30 years of Credited Service, regardless of age.

Benefit Amount: 3.00% of Average Final Compensation (AFC) times Credited Service.

*Early Retirement*—Eligibility: Age 55 and five years of Credited Service.

Benefit Amount: Computed as for Normal Retirement, actuarially reduced to reflect payment prior to age 60.

*Disability*—Eligibility: Total and permanent disability as determined by the Board of Trustees.

Benefit Amount: Accrued benefit, actuarially reduced as for Early Retirement.

*Pre-Retirement Death Benefits*—Eligibility: Total and permanent disability as determined by the Board of Trustees.

Benefit Amount: Accrued benefit, actuarially reduced as for Early Retirement.

*Vesting (Termination)*—Less than five years: Refund of Member Contributions. Five years or more: Accrued benefit payable at age 60 or age 55 (reduced), or refund of Member Contributions.

- **Contributions**—The City is required to contribute at an actuarially determined rate, or 10% of the employee's compensation, whichever is greater. Plan members contribute 1.0% of their annual covered salary. Contribution requirements are based upon the Normal (current year). Cost and amortization of the accrued past service liability as provided in Part VII of Chapter 112, Florida Statutes.

**Police Officers' and Firefighters' Retirement Plan**

- **Plan Administration**—The Police Officers' and Firefighters' Retirement Plan (PFRP) is a single-employer defined benefit pension plan administered by a Board of Trustees, which acts as the administrator of the Plan. The Board of Trustees consists of five Trustees, two of whom are legal residents appointed by the City Council, one of whom is a full-time Police Officer Member and one of whom is a full-time Firefighter Member who are elected by a majority of the Police Officers or Firefighters, respectively, who are Members of the Plan and a fifth Trustee who is chosen by a majority of the first four Trustees.

**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2018**  
**CITY OF ST. CLOUD, FLORIDA**  
*(Continued)*

**Note 4 - Defined Benefit Pension Plans (Continued)**

**Police Officers' and Firefighters' Retirement Plan (Concluded)**

- **Plan Benefits**—The PFRP provides retirement, disability, and death benefits to plan members and their beneficiaries.

*Normal Retirement*—Eligibility: Earlier of: 1) Age 55 and ten years of Credited Service, or 2) the completion of 25 years of Credited Service, regardless of age.

Benefit Amount: Average Final Compensation (AFC) times (3.75% times Credited Service plus an additional fraction of 3.75% where the numerator is hours of accrued sick leave and the denominator is annual scheduled work hours).

*Early Retirement*—Eligibility: Age 50 and ten years of Credited Service.

Benefit Amount: Accrued benefit, reduced 3% for each year that benefit commencement precedes normal retirement.

*Disability*—Eligibility: Total and permanent disability as determined by the Board from date of hire (service incurred) or after ten years of Credited Service (non-service incurred).

Benefit Amount Service: Unreduced accrued benefit, but not less than 42% of Average Final Compensation.

Benefit Amount Non-Service: Unreduced accrued benefit.

*Pre-Retirement Death Benefits*—Vested: Accrued benefit, payable for ten years beginning at the member's otherwise Early Retirement Date (reduced basis) or Normal Retirement Date (unreduced).

Non-Vested: Refund of member contributions.

*Vesting (Termination)*—Less than ten years of Service: Refund of Member Contributions. Ten years or more: Accrued benefit payable at otherwise Normal or Early (reduced) Retirement Date.

*Cost of Living Adjustments (COLA)*—For Members retiring after September 15, 2016, a 1.00% automatic lifetime COLA, beginning five years after retirement, for all retirees, including normal, DROP, early, line-of-duty disability, and their beneficiaries, but excluding vested terminated and non-duty-related disability retirees.

- **Contributions**—Plan members are required to contribute 5.55% of their annual covered salary. The City is required to contribute at actuarially determined rates or 10% of the employee's compensation, whichever is greater. Per City Code Section 54.76, the City Council may amend established contribution requirements. Actuarially determined contribution rates are based upon the remaining amount necessary for payment of Normal (current year's) Cost and amortization of the accrued past service liability as provided in Part VII of Chapter 112, Florida Statutes.

**Plan Investments**

The following was the Board of Trustees' adopted asset allocation policy as of September 30, 2018:

**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2018**  
**CITY OF ST. CLOUD, FLORIDA**  
*(Continued)*

**Note 4 - Defined Benefit Pension Plans (Continued)**

**Plan Investments (Concluded)**

<u>Asset Class</u>	<u>Target Allocation</u>	
	<u>GERP</u>	<u>PFRP</u>
All Cap Value Equity	20%	20%
Broad Growth Equity	20%	20%
Foreign Equity Securities	15%	15%
Broad Market Fixed Income	20%	20%
Fixed Income (Non-Core)	5%	5%
Global Bond	5%	5%
Real Estate	10%	10%
GTAA	5%	5%
<b>Total</b>	<u>100%</u>	<u>100%</u>

**Concentrations**

Plan investment concentrations are disclosed in Note 2 to the financial statements.

**Rate of Return**

For the year ended September 30, 2018, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, are as follows:

	<u>GERP</u>	<u>PFRP</u>
Rate of Return	7.09%	7.04%

The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

**Deferred Retirement Option Program (DROP)**

When a member reaches normal retirement age, they may elect in writing to participate in the DROP for a maximum of five years. Participants elect to receive a credit equal to the monthly-calculated pension amount plus 6.5% Return On Investment (ROI) per annum, compounded monthly or Net ROI Return (total return net of brokerage commissions, management fees, and transaction costs). The balance of the participants' DROP accounts as of September 30, 2018, for GERP was \$748,491 and for PFRP \$1,313,578.

**Net Pension Liability**

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

	<u>GERP</u>	<u>PFRP</u>
Total Pension Liability	\$ 55,417,395	\$ 62,052,536
Plan Fiduciary Net Position	(59,078,678)	(51,809,767)
Sponsor's Net Pension Liability (Asset)	<u>\$ (3,661,283)</u>	<u>\$ 10,242,769</u>
Plan Fiduciary Net Position as a Percentage of Total Pension Liability (Asset)	106.60%	83.49%

The measurement date for both plans was September 30, 2018. The measurement period and the reporting period for both plans was October 1, 2017 through September 30, 2018. The Sponsor's Net Pension Liability was measured as of September 30, 2018, which was the same date used for the Total Pension Liability.

**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2018**  
**CITY OF ST. CLOUD, FLORIDA**  
*(Continued)*

**Note 4 - Defined Benefit Pension Plans (Continued)**

**Actuarial Assumptions**

The Total Pension Liability was determined by an actuarial valuation as of October 1, 2017, updated to September 30, 2018, using the following actuarial assumptions:

	<b>GERP</b>	<b>PFRP</b>
Investment Rate of Return	7.75%	7.90%
Projected Salary Increases	Service Based	5.75%
Inflation Rate	2.50%	2.50%
Discount Rate	7.75%	7.90%

**GERP**

Mortality Rate:

*Healthy Inactive Lives:*

Female: RP2000 Generational, 100%  
 White Collar, Scale BB  
 Male: RP2000 Generational, 50%  
 White Collar/50% Blue Collar, Scale  
 BB

*Healthy Active Lives:*

Female: RP2000 Generational, 100%  
 Annuitant White Collar, Scale BB.  
 Male: RP2000 Generational, 50%  
 Annuitant White Collar/50% Annuitant  
 Blue Collar, Scale BB

*Disabled Lives:*

Female: 100% RP2000 Disabled  
 Female set forward two years.  
 Male: 100% RP2000 Disabled Male  
 set back four years.

**PFRP**

Mortality Rate:

*Healthy Inactive Lives:*

Female: RP2000 Generational, 100%  
 Combined Healthy White Collar, Scale  
 BB  
 Male: RP2000 Generational, 10%  
 Combined Healthy White Collar/90%  
 Combined Healthy Blue Collar, Scale  
 BB

*Healthy Active Lives:*

Female: RP2000 Generational, 100%  
 Annuitant White Collar, Scale BB  
 Male: RP2000 Generational, 10%  
 Annuitant White Collar/90% Annuitant  
 Blue Collar, Scale BB

*Disabled Lives:*

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

**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2018**  
**CITY OF ST. CLOUD, FLORIDA**  
*(Continued)*

**Note 4 - Defined Benefit Pension Plans (Continued)**

**Long-term Expected Rate of Return**

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expenses and inflation) are developed for each major asset class.

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

	<u>GERP</u>	<u>PFRP</u>
All Cap Value Equity	7.50%	7.50%
Broad Growth Equity	7.50%	7.50%
Foreign Equity Services	8.50%	8.50%
Broad Market Fixed Income	2.50%	2.50%
Fixed Income (Non-Core)	2.50%	2.50%
Global Bond	3.50%	3.50%
Real Estate	4.50%	4.50%
GTAA	3.50%	3.50%

**Discount Rate**

The discount rate used to measure the total pension liability for GERP and PFRP was 7.75% and 7.90%, respectively. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that sponsor contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**Sensitivity of the Net Pension Liability to Changes in the Discount Rate Assumption**

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
<b>GERP</b>	6.75%	7.75%	8.75%
Sponsor's Net Pension Liability (Asset)	\$ 3,259,799	\$ (3,661,283)	\$ (9,412,278)
<b>PFRP</b>	6.90%	7.90%	8.90%
Sponsor's Net Pension Liability	\$ 18,345,912	\$ 10,242,769	\$ 3,574,842

**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2018**  
**CITY OF ST. CLOUD, FLORIDA**  
*(Continued)*

**Note 4 - Defined Benefit Pension Plans (Continued)**

**Changes in Net Pension Liability**

The Changes in Net Pension Liability for the GERP are as follows:

	<b>Total Pension Liability (a)</b>	<b>Plan Fiduciary Net Position (b)</b>	<b>Net Pension Liability (Asset) (a-b)</b>
Reporting Period Ended September 30, 2017	\$ 52,039,707	\$ 55,253,750	\$ (3,214,043)
Change for a Year:			
Service Cost	1,475,949	-	1,475,949
Interest	4,051,364	-	4,051,364
Differences between Expected and Actual Experience	330,362	-	330,362
Changes of Assumptions	-	-	-
Contributions - Employer	-	2,339,380	(2,339,380)
Contributions - Employee	-	121,357	(121,357)
Net Investment Income	-	3,917,769	(3,917,769)
Benefit Payments, Including Refunds of Employee Contributions	(2,479,987)	(2,479,987)	-
Administrative Expense	-	(73,591)	73,591
Reporting Period Ended September 30, 2018	<u>\$ 55,417,395</u>	<u>\$ 59,078,678</u>	<u>\$ (3,661,283)</u>

The difference between Plan Fiduciary Net Position for the GERP presented above and the amounts presented in the financial statements are due to timing differences in certain accruals. These differences are not considered to be significant.

The Changes in Net Pension Liability for the PFRP are as follows:

	<b>Total Pension Liability (a)</b>	<b>Plan Fiduciary Net Position (b)</b>	<b>Net Pension Liability (Asset) (a-b)</b>
Reporting Period Ended September 30, 2017	\$ 57,676,712	\$ 48,034,993	\$ 9,641,719
Change for a Year:			
Service Cost	1,891,141	-	1,891,141
Interest	4,646,449	-	4,646,449
Share Plan Allocation	61,968	-	61,968
Differences between Expected and Actual Experience	299,766	-	299,766
Changes of Assumptions	396,811	-	396,811
Contributions - Employer	-	2,418,708	(2,418,708)
Contributions - State	-	567,489	(567,489)
Contributions - Employee	-	452,315	(452,315)
Contributions - Buy Back	10,257	10,257	-
Net Investment Income	-	3,375,968	(3,375,968)
Benefit Payments, Including Refunds of Employee Contributions	(2,930,568)	(2,930,568)	-
Administrative Expense	-	(119,395)	119,395
Reporting Period Ended September 30, 2018	<u>\$ 62,052,536</u>	<u>\$ 51,809,767</u>	<u>\$ 10,242,769</u>

**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2018**  
**CITY OF ST. CLOUD, FLORIDA**  
*(Continued)*

**Note 4 - Defined Benefit Pension Plans (Continued)**

**Changes in Net Pension Liability (Concluded)**

The difference between Plan Fiduciary Net Position for the PFRP presented above and the amounts presented in the financial statements are due to timing differences in certain accruals. These differences are not considered to be significant.

**Pension Expense**

For the year ended September 30, 2018, the City recognized Pension Expense of \$1,286,356 and \$3,165,120 for the GERP and the PFRP, respectively.

**Deferred Inflow and Deferred Outflow of Resources**

On September 30, 2018, the City reported Deferred Outflows of Resources and Deferred Inflows of Resources related to pensions from the following sources:

	<b>Deferred Outflow of Resources</b>	<b>Deferred Inflow of Resources</b>
<b>GERP</b>		
Differences between Expected and Actual Experience	\$ 264,288	\$ 553,918
Changes of Assumptions	212,107	-
Net Differences between Projected and Actual Earnings on Pension Plan Investments	-	380,603
<b>PFRP</b>		
Differences between Expected and Actual Experience	555,007	-
Changes of Assumptions	1,602,202	-
Net Differences between Projected and Actual Earnings on Pension Plan Investments	-	167,619
<b>Total</b>	<b>\$ 2,633,604</b>	<b>\$ 1,102,140</b>

Amounts reported as Deferred Outflows of Resources and Deferred Inflows of Resources related to pensions will be recognized in Pension Expense as follows:

<b>Year Ending September 30,</b>	<b>GERP</b>	<b>PFRP</b>
2019	\$ (85,376)	\$ 757,235
2020	(368,785)	281,189
2021	(312,949)	236,847
2022	138,232	515,297
2023	-	99,511
Thereafter	-	99,511



**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2018**  
**CITY OF ST. CLOUD, FLORIDA**  
*(Continued)*

**Note 4 - Defined Benefit Pension Plans (Continued)**

**Deferred Inflow and Deferred Outflow of Resources (Concluded)**

**SCHEDULE OF PENSION PLAN NET POSITION AS OF SEPTEMBER 30, 2018**

	<b>General Employees' Retirement Fund</b>	<b>Police Officers' and Firefighters' Retirement Fund</b>	<b>Total</b>
<b>Assets</b>			
Cash and Cash Equivalents	\$ 1,405,276	\$ 2,138,346	\$ 3,543,622
Investments at Fair Value:			
Domestic Equities	24,883,998	22,162,891	47,046,889
Foreign Equities	8,673,470	7,068,424	15,741,894
Domestic Fixed Income Funds	12,108,006	10,147,047	22,255,053
Foreign Fixed Income Funds	1,948,207	1,851,449	3,799,656
Non-Core Fixed Income	1,226,034	1,042,129	2,268,163
Real Estate	5,907,885	4,999,009	10,906,894
Alternatives	2,656,889	2,194,821	4,851,710
Total Investments at Fair Value	<u>57,404,489</u>	<u>49,465,770</u>	<u>106,870,259</u>
<b>Total Assets</b>	<u>58,809,765</u>	<u>51,604,116</u>	<u>110,413,881</u>
<b>Net Position</b>			
Restricted for Pensions	<u>\$ 58,809,765</u>	<u>\$ 51,604,116</u>	<u>\$ 110,413,881</u>

**SCHEDULE OF THE CHANGE IN PENSION PLAN NET POSITION AS OF SEPTEMBER 30, 2018**

<b>Additions</b>			
Contributions:			
Employer	\$ 2,339,380	\$ 2,418,708	\$ 4,758,088
Employer from State	-	567,489	567,489
Employee	121,299	455,572	576,871
Miscellaneous	13,033	18,964	31,997
Total Contributions	<u>2,473,712</u>	<u>3,460,733</u>	<u>5,934,445</u>
Investment Income:			
Investment Earnings	2,855,059	2,474,631	5,329,690
Dividend Income	1,319,016	1,130,997	2,450,013
Total Income on Investments	<u>4,174,075</u>	<u>3,605,628</u>	<u>7,779,703</u>
<b>Total Additions</b>	<u>6,647,787</u>	<u>7,066,361</u>	<u>13,714,148</u>
<b>Deductions</b>			
Pension Payments	1,799,169	2,254,578	4,053,747
DROP Distribution	661,603	592,177	1,253,780
Refunds to Employees	46,097	63,822	109,919
Administration	527,179	515,773	1,042,952
<b>(Total Deductions)</b>	<u>(3,034,048)</u>	<u>(3,426,350)</u>	<u>(6,460,398)</u>
<b>Net Increase</b>	3,613,739	3,640,011	7,253,750
<b>Net Position Restricted for Pensions</b>			
Beginning of Year	<u>55,196,026</u>	<u>47,964,105</u>	<u>103,160,131</u>
End of Year	<u>\$ 58,809,765</u>	<u>\$ 51,604,116</u>	<u>\$ 110,413,881</u>

**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2018**  
**CITY OF ST. CLOUD, FLORIDA**  
*(Continued)*

**Note 4 - Defined Benefit Pension Plans (Concluded)**

**Deferred Compensation Fund**

The City offers its employees a deferred compensation plan created in accordance with Internal Revenue Code (IRC) Section 457. The deferred compensation plan, available to all City employees, permits them to defer a portion of their salary until future years. Employees' money held in the deferred compensation plan is not available to employees until termination, retirement, death, or unforeseeable emergency.

In October 1997, GASB issued Statement No. 32, *Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*. This statement allows the employer to not report the assets and liabilities in its financial statements if the employer has met the criteria of IRC Section 457, and does not retain fiduciary accountability for the Plan assets. During 1998, the City amended its deferred compensation plan to reflect the changes in the IRC and, in the opinion of management, does not retain fiduciary accountability for plan assets.

**Note 5 - Leasing Activities**

The City is the Lessor on various operating leases with individuals and businesses, which are renewable periodically. The rental income under these arrangements was \$594,962 for the year ended September 30, 2018. Assets under these leases are primarily land, buildings, and improvements, and are reported as such in the notes to the financial statements (see Note 3 - Capital Assets). As of September 30, 2018, the cost and accumulated depreciation on these assets was \$9,339,354 and \$3,610,546, respectively.

**CITY OF ST. CLOUD**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2018**  
*(Continued)*

**Note 6 - Long-term Liabilities**

Long-term liability for the year ended September 30, 2018, was as follows:

	<b>Beginning Balance*</b>	<b>Increases</b>	<b>Decreases</b>	<b>Ending Balance</b>	<b>Amounts Due Within One Year</b>
<b>Governmental Activities</b>					
Revenue Bonds, Notes, and Capital Leases:					
Capital Improvement Bonds - 2010A	\$ 8,935,000	\$ -	\$ (2,095,000)	\$ 6,840,000	\$ 2,195,000
Capital Improvement Bonds - 2010B	34,015,000	-	-	34,015,000	-
Florida DEP Revolving Fund Note - 2002	146,040	-	(14,404)	131,636	14,829
Florida DEP Revolving Fund Note - 2005	889,533	-	(89,266)	800,267	91,521
Florida DEP Revolving Fund Note - 2006	1,204,845	-	(120,859)	1,083,986	123,924
Bank of America Term Loan	330,000	-	(330,000)	-	-
PNC Finance - Capital Lease - 2016	368,555	-	(56,933)	311,622	58,659
Republic First Natl Corp - Capital Lease - 2016	368,830	-	(88,200)	280,630	90,819
Total Revenue Bonds, Notes, and Capital Leases	<u>46,257,803</u>	<u>-</u>	<u>(2,794,662)</u>	<u>43,463,141</u>	<u>2,574,752</u>
Add: Premium	13,531	-	(28,972)	(15,441)	6,025
Bonds, Notes, and Capital Leases, Net of Premium	<u>46,271,334</u>	<u>-</u>	<u>(2,823,634)</u>	<u>43,447,700</u>	<u>2,580,777</u>
Other Liabilities:					
Compensated Absences	1,240,718	1,162,942	(1,042,394)	1,361,266	816,760
Net OPEB Liability	2,512,762	220,439	(226,188)	2,507,013	101,586
Total Other Liabilities	<u>3,753,480</u>	<u>1,383,381</u>	<u>(1,268,582)</u>	<u>3,868,279</u>	<u>918,346</u>
<b>Total Government Activities</b>	<u>\$ 50,024,814</u>	<u>\$ 1,383,381</u>	<u>\$ (4,092,216)</u>	<u>\$ 47,315,979</u>	<u>\$ 3,499,123</u>
<b>Business-type Activities</b>					
Utility Revenue Notes Payable:					
<u>Water Utility:</u>					
Florida DEP Revolving Fund Note - 2007-DW	\$ 12,559,076	\$ -	(1,051,755)	11,507,321	1,079,895
Utility System Revenue Bonds - 2012A	13,620,000	-	(745,000)	12,875,000	765,000
SunTrust Revenue Note - 2013A	1,445,000	-	(230,000)	1,215,000	235,000
Total Water Utility	<u>27,624,076</u>	<u>-</u>	<u>(2,026,755)</u>	<u>25,597,321</u>	<u>2,079,895</u>
<u>Sewer Utility:</u>					
Florida DEP Revolving Fund Note - 2002	249,386	-	(21,660)	227,726	22,331
Florida DEP Revolving Fund Note - 2005	1,507,322	-	(134,599)	1,372,723	137,952
Florida DEP Revolving Fund Note - 2007-WW	16,778,399	-	(1,278,982)	15,499,417	1,310,638
SunTrust Revenue Note - 2013A	2,160,000	-	(345,000)	1,815,000	350,000
Total Sewer Utility	<u>20,695,107</u>	<u>-</u>	<u>(1,780,241)</u>	<u>18,914,866</u>	<u>1,820,921</u>
Total Utility Revenue Notes Payable	<u>48,319,183</u>	<u>-</u>	<u>(3,806,996)</u>	<u>44,512,187</u>	<u>3,900,816</u>
Stevens Plantation Dependent Special District Bonds	<u>4,460,000</u>	<u>-</u>	<u>-</u>	<u>4,460,000</u>	<u>4,460,000</u>
Total Utility Revenue Notes and Bonds Payable	<u>52,779,183</u>	<u>-</u>	<u>(3,806,996)</u>	<u>48,972,187</u>	<u>8,360,816</u>
Bonds and Notes, Net of Premium	<u>52,779,183</u>	<u>-</u>	<u>(3,806,996)</u>	<u>48,972,187</u>	<u>8,360,816</u>
Other Liabilities:					
Landfill Closure Liability	2,022,919	-	(77,995)	1,944,924	114,407
Compensated Absences	327,339	262,364	(253,952)	335,751	201,434
Net OPEB Liability	1,028,681	109,344	(112,195)	1,025,830	48,036
Total Other Liabilities	<u>3,378,939</u>	<u>371,708</u>	<u>(444,142)</u>	<u>3,306,505</u>	<u>363,877</u>
<b>Total Business-type Activities</b>	<u>\$ 56,158,122</u>	<u>\$ 371,708</u>	<u>\$ (4,251,138)</u>	<u>\$ 52,278,692</u>	<u>\$ 8,724,693</u>

\* Beginning balances were restated for the effects of GASB Statement No. 75 implementation.

**CIT OF ST. CLOUD**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2018**  
*(Continued)*

**Note 6 - Long-term Liabilities (Continued)**

Long-term liability activity for the year ended September 30, 2018, was as follows:

Description of Bonds	Purpose of Issue	Issued	Outstanding	Rates
<b>Governmental Activities</b>				
Revenue Bonds and Notes:				
Florida DEP Revolving Fund Note - 2002	Capital Improvement	\$ 281,223	\$ 131,636	2.93%
Florida DEP Revolving Fund Note - 2005	Capital Improvement	1,770,791	800,267	2.51%
Florida DEP Revolving Fund Note - 2006	Capital Improvement	2,312,479	1,083,986	2.46-2.52%
Capital Improvement - 2010A	Refunding	20,875,000	6,840,000	3.03%
Capital Improvement - 2010B	Capital Improvement	34,015,000	34,015,000	3.04%
PNC Finance	Capital Lease	513,518	311,622	2.00-5.00%
Republic First National Corp.	Capital Lease	458,972	280,630	5.01-6.00%
<b>Total Governmental Activities</b>		<b>\$ 60,226,983</b>	<b>\$ 43,463,141</b>	
<b>Business-type Activities</b>				
Revenue Notes Payable:				
<u>Water Utility:</u>				
Florida DEP Revolving Fund Note - 2007-DW	Capital Improvement	\$ 20,708,565	\$ 11,507,321	2.51-2.66%
Utility System Revenue Bonds - 2012A	Capital Improvement	15,500,000	12,875,000	2.75%
SunTrust Revenue Note - 2013A	Refunding	2,355,000	1,215,000	1.66%
Total Water Utility		<u>38,563,565</u>	<u>25,597,321</u>	
<u>Sewer Utility:</u>				
Florida DEP Revolving Fund Note - 2002	Capital Improvement	423,533	227,726	3.07%
Florida DEP Revolving Fund Note - 2005	Capital Improvement	2,647,931	1,372,723	2.40-2.51%
Florida DEP Revolving Fund Note - 2007-WW	Capital Improvement	26,600,625	15,499,417	2.38-3.10%
SunTrust Revenue Note - 2013A	Refunding	3,515,000	1,815,000	1.66%
Total Sewer Utility		<u>33,187,089</u>	<u>18,914,866</u>	
Stevens Plantation Dependent Special District Bonds*	Capital Improvement	<u>5,890,000</u>	<u>4,460,000</u>	6.38%
<b>Total Business-type Activities</b>		<b>\$ 77,640,654</b>	<b>\$ 48,972,187</b>	

\* In May 2013, the Bond Holders of the outstanding \$4,460,000 portion of the \$5,890,000 Stevens Plantation Improvement Project Dependent Special District Revenue Bonds, Series 2003 (the Bonds) received a Notice of Event Default because the Trustee did not receive sufficient payments from the District for principal and interest due May 1, 2013.

Debt service to maturity on the City's bonded indebtedness is as follows:

Fiscal Year	Governmental Activities		Business-Type Activities	
	Principal	Interest	Principal	Interest
2019	\$ 2,574,752	\$ 2,255,145	\$ 8,360,816	\$ 1,111,066
2020	2,650,117	2,178,928	3,996,280	1,012,387
2021	2,740,771	2,093,901	4,098,433	911,215
2022	2,722,562	1,986,930	4,197,319	807,489
2023	1,590,864	1,875,705	4,302,983	701,149
2024-2028	7,839,075	8,243,891	18,984,515	1,979,886
2029-2033	8,450,000	6,019,673	5,031,841	245,370
2034-2038	10,225,000	3,288,052	-	-
2039-2043	4,670,000	422,930	-	-
<b>Total</b>	<b>\$ 43,463,141</b>	<b>\$ 28,365,155</b>	<b>\$ 48,972,187</b>	<b>\$ 6,768,562</b>

**CITY OF ST. CLOUD**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2018**  
*(Continued)*

**Note 6 - Long-term Liabilities (Continued)**

The City has pledged certain revenues to repay certain bonds and notes outstanding as of September 30, 2018. The following table reports the revenues, sometimes net of related operating expenses, pledged for each debt issue, the amounts of such revenues received in the current year, the current year principal and interest paid on the debt, the approximate percentage of each revenue, which is pledged to meet the debt obligation, the date through which the revenue is pledged under the debt agreement, and the total pledged future revenues for each debt, which is the amount of the remaining principal and interest on the bonds and notes at September 30, 2018:

Description of Bonds	Pledge Revenue	Revenue Received	Principal and Interest Paid	Estimated Percentage Pledged	Outstanding Principal and Interest	Pledged Through
<b>Governmental Activities</b>						
Capital Improvement Revenue Bonds 2010A Series	1% Surcharge (Covenant to Appropriate)	N/A	\$ 1,258,346	N/A	\$ 3,822,419	2022
Florida DEP Revolving Fund Notes	Net Stormwater Revenue	\$ 1,916,167	\$ 280,079	14.62%	\$ 2,240,632	2026
Capital Improvement Revenue Bonds 2010A Series	Traffic Impact Fee (Covenant to Appropriate)	N/A	\$ 1,157,091	N/A	\$ 3,514,869	2022
Capital Improvement Revenue Bonds 2010B Series	Traffic Impact Fee *(Covenant to Appropriate)	N/A	\$ 1,966,871	N/A	\$ 61,612,388	2040
<b>Business-type Activities</b>						
Florida DEP Revolving Fund Notes - 2002, 2005, and 2007 and SunTrust Utility Revenue Note - 2013A	Net Sewer Revenue	\$ 7,902,541	\$ 2,266,932	24.61%	\$ 21,393,787	2029
Florida DEP Revolving Fund Note - 2007 - DW and Utility System Revenue Bonds 2012A and SunTrust Utility Revenue Note - 2013A	Net Water Revenue	\$ 7,607,826	\$ 2,743,118	28.06%	\$ 29,886,961	2032

\* Direct Payment Build America Bonds (BABs) that provide a federal subsidy of 35% of the interest paid on the bonds to the City (the issuer).

**Estimated Landfill Closure Cost and Postclosure Liability**

The landfill closure was officially accepted and declared by the Florida Department of Environmental Protection on October 10, 2005. State and federal laws and regulations require the City to continue to perform certain maintenance and monitoring functions at the site for 30 years after closure. During operation of the landfill, the City annually funded a liability and an escrow account to cover estimated landfill closure costs and postclosure costs. Based upon full closure of the landfill, excess funds held in the escrow account over the originally estimated closure were withdrawn and deposited to the Sanitation Fund of the City. The remaining liability and escrow funds of \$1,944,924 and \$1,944,924, respectively, have been maintained to cover the postclosure costs estimated for the entire 30-year postclosure period. Actual costs may be different due to inflation, deflation, changes in technology, or changes in regulations.

**CITY OF ST. CLOUD**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2018**  
*(Continued)*

**Note 6 - Long-term Liabilities (Concluded)**

**Capital Leases**

The City entered into lease agreements for financing the acquisition of two ambulances and a new fire truck. These lease agreements qualify as capital leases for accounting purposes and, therefore, have been recorded at the present value of the future minimum lease payments as of the inception date.

The assets acquired through capital leases are as follows:

	<b>Governmental Activities</b>
<b>Asset</b>	
Vehicles and Accessories	\$ 972,490
(Accumulated Depreciation)	(311,968)
<b>Total</b>	<b>\$ 660,522</b>

The future minimum lease obligations and the net present value of these minimum lease payments as of September 30, 2018, were as follows:

<b>Year Ending September 30,</b>	<b>Governmental Activities</b>
2019	\$ 167,259
2020	167,259
2021	167,259
2022	68,105
2023	68,105
<b>Total Minimum Lease Payments</b>	637,987
<b>(Less: Amount Representing Interest)</b>	<b>(45,735)</b>
<b>Present Value of Minimum Lease Payments</b>	<b>\$ 592,252</b>

**Note 7 - Commitment and Contingencies**

**For Grants and Loans**

Under the terms of federal and state grants and loans, periodic audits are required, and certain costs may be questioned as not allowable as expenditures under the terms of the grants, which could lead to reimbursement to the grantor agencies. City management believes disallowances, if any, will not be material.

**Lawsuits**

Various lawsuits 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, the City Attorney has expressed his opinion that there will be no material effect on the City's financial position and/or that the City has sufficient insurance to cover any claims.

**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2018**  
**CITY OF ST. CLOUD, FLORIDA**  
*(Continued)*

**Note 7 - Commitment and Contingencies (Concluded)**

**Construction Contracts**

At September 30, 2018, the City had several uncompleted construction contracts. These contracts will be paid in future periods as work is performed. Payment will be made with proceeds from debt issues, impact fees, operating revenues, restricted cash on hand, and grants to be received. The remaining commitment on these construction contracts was approximately as follows:

Capital Projects Fund	\$ 2,102,904
Water Utility	293,824
Sewer Utility	132,306
Stormwater Utility	344,811

**Encumbrances**

The City utilizes encumbrance accounting in its governmental funds. Encumbrances are recognized as a valid and proper charge against a budget appropriation in the year in which a purchase order, contract, or other commitment is issued. All unencumbered appropriations lapse at year-end.

**Note 8 - Interfund Transfers and Payables**

The following is a reconciliation of current and long-term interfund receivables and payables:

	<b>Due From</b>	<b>Due To</b>
<b>Current Interfund</b>		
General Fund	\$ 1,922,443	\$ -
One Percent Surcharge Fund	-	1,257,059
Community Redevelopment Agency	-	1,261,670
Road Impact Fees Fund	-	6,602,509
Capital Project Fund	11,271,528	-
Water Utility Fund	-	188,850
Sewer Utility Fund	-	273,850
Building Department Fund	-	368,580
Internal Service Fund	-	1,922,442
Other Governmental Funds - Nonmajor	135,405	1,454,416
<b>Total Current Interfund Receivables and Payables</b>	<b>\$ 13,329,376</b>	<b>\$ 13,329,376</b>
<b>Long-term Interfund Loan</b>		
General Fund	\$ 1,504,990	\$ -
OUC Interlocal Agreement Fund	-	1,504,990
<b>Total Long-term</b>	<b>\$ 1,504,990</b>	<b>\$ 1,504,990</b>

Vehicle Maintenance and Self-Insurance Funds received cash to cover upcoming operating expenses. All remaining interfund balances relate to the funding of various capital projects and are expected to be drawn down as the Capital Project Fund pays for construction costs.

**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2018**  
**CITY OF ST. CLOUD, FLORIDA**  
*(Continued)*

**Note 8 - Interfund Transfers and Payables (Concluded)**

The following is a reconciliation of interfund transfers:

	<u>Transfer In</u>	<u>Transfer (Out)</u>
<b>Interfund Transfers</b>		
General Fund	\$ 10,101,620	\$ (1,690,901)
One Percent Surcharge Fund	-	(3,045,929)
OUC Interlocal Agreement Fund	-	(7,265,787)
Road Impact Fees Fund	-	(2,681,436)
Capital Projects Fund	6,040,682	(7,007)
Community Redevelopment Agency	85,137	(1,647,483)
Debt Service Fund	4,527,872	-
Water Utility Fund	-	(921,956)
Sewer Utility Fund	-	(952,086)
Sanitation Utility Fund	-	(840,765)
Stormwater Utility Fund	-	(447,651)
Steven's Plantation DSD	422,578	-
Nonmajor Funds:		
Special Revenue Funds	83,766	(2,545,047)
Building Department Fund	1,152,973	(368,580)
<b>Total Interfund Transfers</b>	<u>\$ 22,414,628</u>	<u>\$ (22,414,628)</u>

The interfund transfers to the Debt Service Fund were for funding of the City's long-term notes and bonds payable. The transfer from the OUC Interlocal Agreement Fund to the General Fund was to transfer revenue received within the year to cover general expenditures of the City.

**Note 9 - Risk Management**

The City is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets, errors and omissions, and natural disasters, for which the City carries commercial insurance. Insurance against losses is provided through various commercial carriers for the following types of risk:

- General Liability
- Property
- Public Officials' and Employment Practices Liability
- Pollution Liability
- Automobile
- Crime

The City's coverage for workers' compensation is under a retrospectively rated policy. Premiums are accrued based on the ultimate cost to date of the City's experience for this type of risk.

A detailed schedule of insurance in force is located in the statistical section.

There was no significant reduction in insurance coverage from the prior year. Also, there were no settlements in excess of coverage for the past three years.



**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2018**  
**CITY OF ST. CLOUD, FLORIDA**  
*(Continued)*

**Note 9 - Risk Management (Concluded)**

In 2012, the City established a limited risk management program to help contain rising health insurance costs. In 2017, the City established a limited risk management program to help contain rising workers' comp insurance costs. The program consists of purchasing an aggregate stop loss and individual maximum claims reinsurance policy with the City being responsible for the claims not covered by the policy. Premiums collected are then deposited into the internal service funds. All administrative, network, insurance, and claims costs are charged to the funds. If there were to be a shortage that would not be recovered through user fees over a reasonable period of time, then the excess would be charged to each fund and department based upon their portioned share.

Liabilities of the funds are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported (IBNRs) based on the estimated claims incurred as of September 30 and offset by an estimated recovery from the excess insurance. The results of the process to estimate the claims liability is not an exact amount as it is dependent on timing of claims being reported and processed through the system.

	<b>Fiscal Year Ended</b>	
	<b>September 30, 2018</b>	<b>September 30, 2017</b>
<b>Unpaid Claims, Beginning of Fiscal Year</b>	\$ 554,583	\$ 188,341
Incurred Claims (including IBNRs)	4,082,217	3,778,097
Claims Payments	(4,072,787)	(3,411,855)
<b>Unpaid Claims, End of Fiscal Year</b>	<b>\$ 564,013</b>	<b>\$ 554,583</b>

**Note 10 - Orlando Utilities Commission (OUC) Interlocal Agreement**

Effective May 1, 1997, the City entered into an interlocal agreement with OUC, whereby OUC would operate the City's electric system for a period of 25 years. Terms of the agreement provide that all electric billings belong to OUC, with guaranteed payments from OUC to the City for the second preceding year's gross electric billings, not to go below \$2,361,000 per year.

As a part of the agreement, the City sold to OUC the majority of its electric materials inventory and rolling stock. Virtually all employees of the City's Electric Fund were transferred to OUC, along with accrued benefits, including a transfer from the City's defined-benefit pension plan of the present value of the accrued pension benefit. Additionally, the City terminated the electric utility Proprietary Fund by transferring the fund's assets and liabilities to other funds and account groups of the City.

During fiscal year 2014, OUC discontinued the water and sewer billing portion of the agreement and discontinued use of the City's billing system. The City brought the water and sewer billing function back under City management.

**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2018**  
**CITY OF ST. CLOUD, FLORIDA**  
*(Continued)*

**Note 11 - Other Postemployment Benefits (OPEB)**

The City adopted GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, (Statement No. 75) for reporting the employers' OPEB Plan liability for the year ending September 31, 2018.

The City of St. Cloud's Retiree Healthcare Plan (Plan) is a single-employer defined benefit postemployment health care plan that covers eligible retired employees of the City. The Plan, which is administered by the City, allows employees who retire and meet retirement eligibility requirements under one of the City's retirement plans to continue medical, vision and dental insurance coverage as a participant in the City's Plan. For purposes of applying Paragraph 4 under GASB Statement No. 75, the Plan does not meet the requirements for an OPEB plan administered through a trust.

The City subsidizes the premium rates paid by retirees by allowing them to participate in the OPEB Plan at reduced or blended group (implicitly subsidized) premium rates for both active and retired employees. These rates provide an implicit subsidy for retirees because, on an actuarial basis, their current and future claims are expected to result in higher costs to the OPEB Plan on average than those of active employees. The City does not offer any explicit subsidies for retiree coverage. Retirees are assumed to enroll in the Federal Medicare program for their primary coverage as soon as they are eligible. The OPEB Plan does not issue a stand-alone report. The authority for establishing and amending the funding policy rests with the City Council. No stand-alone financial report is issued.

Membership of the Plan consisted of the following:

<u>Date of Actuarial Valuation</u>	<u>September 30, 2017</u>
Retirees and Beneficiaries Receiving Benefits	18
Active Plan Members	<u>444</u>
<b>Total</b>	<u><u>462</u></u>

**Changes in the Total OPEB Plan Liability**

The following table shows the change in the City's OPEB Plan liability:

	<b>Increase/ (Decrease) in Total OPEB Liability</b>
<b>Reporting Period Ending September 30, 2017</b>	<u>\$ 3,542,276</u>
Changes for the Year:	
Service Cost	220,490
Interest	113,192
Changes of Assumptions	(214,017)
Benefit Payments	<u>(128,367)</u>
Net Changes	<u>(8,702)</u>
<b>Reporting Period Ending September 30, 2018</b>	<u><u>\$ 3,533,574</u></u>

**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2018**  
**CITY OF ST. CLOUD, FLORIDA**  
*(Continued)*

**Note 11 - Other Postemployment Benefits (OPEB) (Continued)**

**Changes in the Total OPEB Plan Liability (Concluded)**

As of September 30, 2017, the most recent valuation date, the total OPEB Plan liability was \$3,533,574, and assets held in trust were \$0, resulting in a funded ratio of 0 percent. The covered payroll (annual payroll of active participating employees) was \$21,185,596, and the ratio of the total OPEB Plan liability to the covered payroll was 16.68%.

**Actuarial Assumptions and Methods**

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the health care cost trend. Amounts determined regarding the funding status of a plan and the annual required contributions of the employer are subject to continual revision, as actual results are compared with past expectations and new estimates are made about the future.

Demographic assumptions employed in the actuarial valuation were the same as those employed in the July 1, 2016, actuarial valuation of the Florida Retirements System (FRS) Benefit Pension Plan.

The mortality rates are mandated by Chapter 2015-157, Florida Statutes for pension plans. This law mandates the use of the assumptions used in either of the two most recent valuations of the FRS. The rates are those outlined in Milliman's July 1, 2016 FRS valuation report.

Retirement, termination, and disability rates are consistent with those used in corresponding pension plan valuations and align with rates resulting from recent experience studies (the study dates August 6, 2016, for the General Employees' Retirement System and the study dated August 13, 2018, for the Police Officers' and Firefighters' Retirement System).

Healthcare inflation rates reflect recent healthcare trend rate surveys, blended with the long-term rates from the Getzen model published by the Society of Actuaries.

The discount rate used has been updated to utilize the mandated discount rate based on the 20-year Municipal Bond Rate as of the measurement date, as required under GASB Statement No. 75.

The valuation results were calculated using the Entry Age cost method. This is required cost method under GASB Statement Nos. 74 and 75 standards.

On September 30, 2018, the Sponsor reported Deferred Outflows of Resources and Deferred Inflows of Resources related to OPEB from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Changes of Assumptions	\$ -	\$ 190,237
Employer Contributions Subsequent to the Measurement Date	151,099	-
<b>Total</b>	<b>\$ 151,099</b>	<b>\$ 190,237</b>

**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2018**  
**CITY OF ST. CLOUD, FLORIDA**  
*(Continued)*

**Note 11 - Other Postemployment Benefits (OPEB) (Concluded)**

**Actuarial Assumptions and Methods (Concluded)**

The Deferred Outflows of Resources related to pensions totaling \$151,099 resulting from the City's contributions to the Plan subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2019. Other amounts reported as Deferred Inflows of Resources related to pensions will be recognized in pension expense as follows:

Year Ended September 30,		
2019	\$	(23,780)
2020		(23,780)
2021		(23,780)
2022		(23,780)
2023		(23,780)
Thereafter		(71,337)

**Sensitivity of the Total OPEB Liability to Changes in the Discount Rate:**

The following 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 one percentage-point lower or one percentage-point higher than the current discount rate:

	1% Decrease 2.64%	Current Discount Rate 3.64%	1% Increase 4.64%
Total OPEB Liability	\$ 3,913,510	\$ 3,533,574	\$ 3,201,984

**Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates:**

The following 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 healthcare cost trend rates that are one percentage-point lower or one percentage-point higher than the current healthcare cost trend rates:

	1% Decrease 3.00%-7.50%	Healthcare Cost Trend Rate 4.00%-8.50%	1% Increase 5.00%-9.50%
Total OPEB Liability	\$ 3,140,565	\$ 3,533,574	\$ 4,002,019

**Note 12 - Deficit Net Position**

As of September 30, 2018, the OUC Interlocal Agreement Fund, the Stevens Plantation Dependent Special District, and the Motor Pool Internal Service Fund had deficit net position of \$108,404, \$2,105,730, and \$1,003,666, respectively.

**Note 13 - Fund Balance Reporting**

GASB Statement No. 54 requires portions of governmental fund balances to be classified as shown in Note 1 - Description of Funds and Summary of Significant Accounting Policies. A detailed schedule of Governmental Fund Balances is as follows:

**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2018**  
**CITY OF ST. CLOUD, FLORIDA**  
*(Concluded)*

**Note 13 - Fund Balance Reporting (Concluded)**

<b>Fund Balances</b>	<b>General Fund</b>	<b>One Percent Surcharge</b>	<b>OUC/St. Cloud Interlocal Fund</b>	<b>Road Impact Fees Fund</b>	
<b>Nonspendable</b>					
Inventory	\$ 115,445	\$ -	\$ -	\$ -	
Prepaid Items	157,482	-	-	-	
Long-term Receivable	1,504,990	-	-	-	
<b>Restricted For</b>					
Economic Development	-	-	-	-	
Transportation	-	-	-	-	
Federal Equitable Funds	24,657	-	-	-	
Building Code/Fees	-	-	-	-	
Law Enforcement	15,281	-	-	-	
Capital Additions	-	2,658,047	-	2,082,589	
Debt Service	-	-	-	-	
<b>Assigned to</b>					
Subsequent Year's Budget	1,433,135	-	-	-	
Self-Insurance	-	-	-	-	
Economic Development	-	-	(108,404)	-	
<b>Unassigned</b>	<b>10,697,849</b>	<b>-</b>	<b>-</b>	<b>-</b>	
<b>Total Fund Balances</b>	<b>\$ 13,948,839</b>	<b>\$ 2,658,047</b>	<b>\$ (108,404)</b>	<b>\$ 2,082,589</b>	
<b>Fund Balances</b>	<b>Community Redevelopment Agency</b>	<b>Debt Service Fund</b>	<b>Capital Projects Fund</b>	<b>Total Other Governmental Funds</b>	<b>Total All Governmental Funds</b>
<b>Nonspendable</b>					
Inventory	\$ -	\$ -	\$ -	\$ -	\$ 115,445
Prepaid Items	-	-	-	1,522	159,004
Long-term Receivable	-	-	-	-	1,504,990
<b>Restricted For</b>					
Economic Development	1,431,149	-	-	335	1,431,484
Transportation	-	-	-	5,623,789	5,623,789
Federal Equitable Funds	-	-	-	-	24,657
Building Code/Fees	-	-	-	-	-
Law Enforcement	-	-	-	-	15,281
Capital Additions	-	-	14,398,661	6,263,482	25,402,779
Debt Service	-	58,934	-	-	58,934
<b>Assigned to:</b>					
Subsequent Year's Budget	-	-	-	-	1,433,135
Self-Insurance	-	-	-	-	-
Economic Development	-	-	-	341,686	233,282
<b>Unassigned</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>10,697,849</b>
<b>Total Fund Balances</b>	<b>\$ 1,431,149</b>	<b>\$ 58,934</b>	<b>\$ 14,398,661</b>	<b>\$ 12,230,814</b>	<b>\$ 46,700,629</b>



**REQUIRED SUPPLEMENTARY INFORMATION**

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**GENERAL FUND**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2018**  
**CITY OF ST. CLOUD, FLORIDA**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	
<b>Revenues</b>				
Taxes	\$ 12,378,188	\$ 12,945,676	\$ 12,911,208	\$ (34,468)
Permits and Fees	751,299	883,708	1,707,508	823,800
Intergovernmental Revenues	4,996,171	4,996,171	5,155,598	159,427
Charges for Services	3,733,003	3,733,003	3,553,087	(179,916)
Fines and Forfeitures	155,800	155,800	153,285	(2,515)
Grants	-	168,331	366,121	197,790
Investment Income	127,104	127,104	189,092	61,988
Other Revenue	2,319,603	2,334,899	622,832	(1,712,067)
<b>Total Revenues</b>	<u>24,461,168</u>	<u>25,344,692</u>	<u>24,658,731</u>	<u>(685,961)</u>
<b>Expenditures</b>				
Current:				
City Council	529,445	620,698	526,567	94,131
City Manager	874,929	950,154	792,796	157,358
Legal Services	372,809	372,809	204,039	168,770
Human Resources	711,962	713,057	468,962	244,095
Finance	1,143,696	1,150,696	538,831	611,865
Procurement	370,018	396,018	75,701	320,317
Grant	102,708	97,270	93,973	3,297
Information Technology	1,627,680	1,642,424	1,221,714	420,710
Planning/Zoning	1,030,606	1,258,648	821,701	436,947
Building Inspection/Maintenance	958,981	974,835	704,656	270,179
Police	13,189,178	13,579,348	13,419,850	159,498
Fire	7,689,470	7,959,362	7,874,726	84,636
Public Works	1,546,432	1,615,329	1,483,721	131,608
Parks and Recreation	4,067,361	4,047,111	3,763,597	283,514
Capital Outlay	289,230	538,555	433,458	105,097
<b>(Total Expenditures)</b>	<u>(34,504,505)</u>	<u>(35,916,314)</u>	<u>(32,424,292)</u>	<u>3,492,022</u>
<b>(Deficiency) of Revenues</b>				
<b>(Under) Expenditures</b>	<u>(10,043,337)</u>	<u>(10,571,622)</u>	<u>(7,765,561)</u>	<u>2,806,061</u>
<b>Other Financing Sources (Uses)</b>				
Transfers from Other Funds	10,096,620	10,101,620	10,101,620	-
Transfers to Other Funds	(85,137)	(1,688,110)	(1,690,901)	(2,791)
<b>Total Other Financing Sources (Uses)</b>	<u>10,011,483</u>	<u>8,413,510</u>	<u>8,410,719</u>	<u>(2,791)</u>
<b>Net Change in Fund Balances</b>	(31,854)	(2,158,112)	645,158	2,803,270
<b>Fund Balance, Beginning of Year</b>	<u>31,854</u>	<u>2,158,112</u>	<u>13,303,681</u>	<u>11,145,569</u>
<b>Fund Balance, End of Year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 13,948,839</u>	<u>\$ 13,948,839</u>

**Note to Schedule:**

The annual operating budgets of the City of St. Cloud, Florida (the City) are prepared on a basis consistent with the City's basic financial statements, which are presented in accordance with generally accepted accounting principles.



**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
ONE PERCENT SURCHARGE FUND  
FOR THE YEAR ENDED SEPTEMBER 30, 2018  
CITY OF ST. CLOUD, FLORIDA**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	
<b>Revenues</b>				
Taxes	\$ 4,585,001	\$ 4,585,001	\$ 5,039,201	\$ 454,200
Grants	-	-	30,000	30,000
Investment Income	35,000	35,000	52,927	17,927
Other Revenues	-	-	42,132	42,132
<b>Total Revenues</b>	<u>4,620,001</u>	<u>4,620,001</u>	<u>5,164,260</u>	<u>544,259</u>
<b>Expenditures</b>				
Expenditures	1,613,023	1,171,909	-	1,171,909
Capital Outlay	2,036,156	2,249,670	1,732,912	516,758
<b>(Total Expenditures)</b>	<u>(3,649,179)</u>	<u>(3,421,579)</u>	<u>(1,732,912)</u>	<u>1,688,667</u>
<b>Excess of Revenues Over Expenditures</b>	<u>970,822</u>	<u>1,198,422</u>	<u>3,431,348</u>	<u>2,232,926</u>
<b>Other Financing Sources (Uses)</b>				
Transfers to Other Funds	<u>(2,930,688)</u>	<u>(3,317,902)</u>	<u>(3,045,929)</u>	<u>271,973</u>
<b>Total Other Financing Sources (Uses)</b>	<u>(2,930,688)</u>	<u>(3,317,902)</u>	<u>(3,045,929)</u>	<u>271,973</u>
<b>Net Change in Fund Balances</b>	(1,959,866)	(2,119,480)	385,419	2,504,899
<b>Fund Balance, Beginning of Year</b>	<u>2,272,628</u>	<u>1,959,866</u>	<u>2,272,628</u>	<u>312,762</u>
<b>Fund Balance, End of Year</b>	<u>\$ 312,762</u>	<u>\$ (159,614)</u>	<u>\$ 2,658,047</u>	<u>\$ 2,817,661</u>

**Note to Schedule:**

The annual operating budgets of the City of St. Cloud, Florida (the City), are prepared on a basis consistent with the City's basic financial statements, which are presented in accordance with generally accepted accounting principles.

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
OUC INTERLOCAL AGREEMENT FUND  
FOR THE YEAR ENDED SEPTEMBER 30, 2018  
CITY OF ST. CLOUD, FLORIDA**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Payments from Other Governments	\$ 7,296,000	\$ 7,296,000	\$ 7,285,569	\$ (10,431)
Investment Income	-	-	18,635	18,635
<b>Total Revenues</b>	<u>7,296,000</u>	<u>7,296,000</u>	<u>7,304,204</u>	<u>8,204</u>
<b>Excess of Revenues Over Expenditures</b>	<u>7,296,000</u>	<u>7,296,000</u>	<u>7,304,204</u>	<u>8,204</u>
<b>Other Financing Sources (Uses)</b>				
Transfers to Other Funds	<u>(7,296,000)</u>	<u>(7,296,000)</u>	<u>(7,265,787)</u>	<u>30,213</u>
<b>Total Other Financing Sources (Uses)</b>	<u>(7,296,000)</u>	<u>(7,296,000)</u>	<u>(7,265,787)</u>	<u>30,213</u>
<b>Net Change in Fund Balances</b>	-	-	38,417	38,417
<b>Fund Balance, Beginning of Year</b>	-	-	<u>(146,821)</u>	<u>(146,821)</u>
<b>Fund Balance, End of Year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (108,404)</u>	<u>\$ (108,404)</u>

**Note to Schedule:**

The annual operating budgets of the City of St. Cloud, Florida (the City), are prepared on a basis consistent with the City's basic financial statements, which are presented in accordance with generally accepted accounting principles.

**SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL  
ROAD IMPACT FEES FUND  
FOR THE YEAR ENDED SEPTEMBER 30, 2018  
CITY OF ST. CLOUD, FLORIDA**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Permits and Fees	\$ -	\$ -	\$ 230,174	\$ 230,174
Investment Income	100,000	100,000	124,955	24,955
<b>Total Revenues</b>	<u>100,000</u>	<u>100,000</u>	<u>355,129</u>	<u>255,129</u>
<b>Excess of Revenues Over Expenditures</b>	<u>100,000</u>	<u>100,000</u>	<u>355,129</u>	<u>255,129</u>
<b>Other Financing (Uses) Sources</b>				
Transfers to Other Funds	<u>(2,483,067)</u>	<u>(2,678,531)</u>	<u>(2,681,436)</u>	<u>(2,905)</u>
<b>Total Other Financing (Uses) Sources</b>	<u>(2,483,067)</u>	<u>(2,678,531)</u>	<u>(2,681,436)</u>	<u>(2,905)</u>
<b>Net Change in Fund Balances</b>	(2,383,067)	(2,578,531)	(2,326,307)	252,224
<b>Fund Balance, Beginning of Year</b>	<u>5,294,276</u>	<u>5,294,276</u>	<u>4,408,896</u>	<u>(885,380)</u>
<b>Fund Balance, End of Year</b>	<u>\$ 2,911,209</u>	<u>\$ 2,715,745</u>	<u>\$ 2,082,589</u>	<u>\$ (633,156)</u>

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
COMMUNITY REDEVELOPMENT AGENCY FUND  
FOR THE YEAR ENDED SEPTEMBER 30, 2018  
CITY OF ST. CLOUD, FLORIDA**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	
<b>Revenues</b>				
Intergovernmental	\$ 796,757	\$ 796,757	\$ 796,759	2
Investment Income	30,000	30,000	44,141	14,141
<b>Total Revenues</b>	<u>826,757</u>	<u>826,757</u>	<u>840,900</u>	<u>14,143</u>
<b>Expenditures</b>				
Current:				
Operating Expenditures	1,269,471	1,551,865	323,799	(1,228,066)
<b>(Total Expenditures)</b>	<u>(1,269,471)</u>	<u>(1,551,865)</u>	<u>(323,799)</u>	<u>1,228,066</u>
<b>Excess of Revenues Over Expenditures</b>	<u>(442,714)</u>	<u>(725,108)</u>	<u>517,101</u>	<u>1,242,209</u>
<b>Other Financing (Uses) Sources</b>				
Transfers from Other Funds	85,137	85,137	85,137	-
Transfers to Other Funds	-	(1,647,483)	(1,647,483)	-
<b>Total Other Financing (Uses) Sources</b>	<u>85,137</u>	<u>(1,562,346)</u>	<u>(1,562,346)</u>	<u>-</u>
<b>Net Change in Fund Balances</b>	(357,577)	(2,287,454)	(1,045,245)	1,242,209
<b>Fund Balance, Beginning of Year</b>	<u>2,411,112</u>	<u>2,693,506</u>	<u>2,476,394</u>	<u>(217,112)</u>
<b>Fund Balance, End of Year</b>	<u>\$ 2,053,535</u>	<u>\$ 406,052</u>	<u>\$ 1,431,149</u>	<u>\$ 1,025,097</u>

**Note to Schedule:**

The annual operating budgets of the City of St. Cloud, Florida (the City), are prepared on a basis consistent with the City's basic financial statements, which are presented in accordance with generally accepted accounting principles.

**REQUIRED SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF CHANGES IN THE EMPLOYERS' NET PENSION**  
**LIABILITY AND RELATED RATIOS**  
**GENERAL EMPLOYEES' RETIREMENT PLAN**  
**LAST 10 FISCAL YEARS \***  
**(UNAUDITED)**  
**CITY OF ST. CLOUD, FLORIDA**

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
<b>Total Pension Liability</b>						
Service Cost	\$ 1,475,949	\$ 1,353,872	\$ 1,719,953	\$ 1,610,096	\$ 1,542,990	\$ 1,428,694
Interest	4,051,364	3,838,179	3,755,454	3,506,599	3,229,460	2,968,071
Differences between Expected and Actual						
Experience	330,362	(265,504)	(742,927)	(487,223)	-	-
Changes in Assumptions	-	166,757	280,136	-	-	-
Contributions - Buy Back	-	15,216	16,475	4,115	-	-
Benefit Payments, Including Refunds of Employee Contributions	(2,479,987)	(2,479,651)	(1,682,941)	(1,582,585)	(1,168,051)	(1,319,345)
<b>Net Change in Total Pension Liability</b>	<u>3,377,688</u>	<u>2,628,869</u>	<u>3,346,150</u>	<u>3,051,002</u>	<u>3,604,399</u>	<u>3,077,420</u>
<b>Total Pension Liability - Beginning</b>	<u>52,039,707</u>	<u>49,410,838</u>	<u>46,064,688</u>	<u>43,013,686</u>	<u>39,409,287</u>	<u>36,331,867</u>
<b>Total Pension Liability - Ending (a)</b>	<u>\$ 55,417,395</u>	<u>\$ 52,039,707</u>	<u>\$ 49,410,838</u>	<u>\$ 46,064,688</u>	<u>\$ 43,013,686</u>	<u>\$ 39,409,287</u>
<b>Plan Fiduciary Net Position</b>						
Contributions - Employer	\$ 2,339,380	\$ 2,142,198	\$ 1,996,026	\$ 2,427,915	\$ 2,069,336	\$ 2,145,635
Contributions - Employee	121,357	110,834	104,401	105,253	107,804	145,360
Contributions - Buy Back	-	15,216	16,475	4,115	-	-
Net Investment Income	3,917,769	5,986,946	3,488,201	799,602	4,435,658	3,920,904
Benefit Payments, Including Refunds of Employee Contributions	(2,479,987)	(2,479,651)	(1,682,941)	(1,582,585)	(1,168,051)	(1,319,345)
Administrative Expense	(73,591)	(88,341)	(72,563)	(60,839)	(55,446)	(67,453)
<b>Net Change in Plan Fiduciary Net Position</b>	<u>3,824,928</u>	<u>5,687,202</u>	<u>3,849,599</u>	<u>1,693,461</u>	<u>5,389,301</u>	<u>4,825,101</u>
<b>Plan Fiduciary Net Position - Beginning</b>	<u>55,253,750</u>	<u>49,566,548</u>	<u>45,716,949</u>	<u>44,023,488</u>	<u>38,634,187</u>	<u>33,809,086</u>
<b>Plan Fiduciary Net Position - Ending (b)</b>	<u>59,078,678</u>	<u>55,253,750</u>	<u>49,566,548</u>	<u>45,716,949</u>	<u>44,023,488</u>	<u>38,634,187</u>
<b>Net Pension Liability - Ending (a) - (b)</b>	<u>\$ (3,661,283)</u>	<u>\$ (3,214,043)</u>	<u>\$ (155,710)</u>	<u>\$ 347,739</u>	<u>\$ (1,009,802)</u>	<u>\$ 775,100</u>
<b>Plan Fiduciary Net Position as a Percentage of the Liability of Total Pension Liability</b>	106.61%	106.18%	100.32%	99.25%	102.35%	98.03%
<b>Covered Payroll</b>	<u>\$ 12,126,709</u>	<u>\$ 11,180,449</u>	<u>\$ 10,440,155</u>	<u>\$ 11,036,601</u>	<u>\$ 10,016,147</u>	<u>\$ 9,406,554</u>
<b>Net Pension Liability as a Percentage of Covered Payroll</b>	-30.19%	-28.75%	-1.49%	3.15%	-10.08%	8.24%

**Notes to Schedule:**

*Changes of assumptions:*

For measurement date September 30, 2017, as required by Chapter 2015-157, Laws of Florida, the assumed rates of mortality have been changed from those in the July 1, 2015 Florida Retirement System (FRS) valuation report to those used in the July 1, 2016 FRS valuation report.

For measurement date September 30, 2016, the following assumption changes have been made and were adopted based on recommendations from August 8, 2016 experience study.

- Salary Scale - was changed from a flat 6% assumption to one based on service that starts at 9% and grades down to 4%.
- Turnover - was changed from an age based assumption of one based on service.
- Mortality - was changed to be the same as the Florida Retirement System uses for non-special risk as required by State Law.
- Investment Return - was lowered from 8% to 7.75%, net of investment related expenses.
- Retirement Rates - were changed to reflect early retirement rates of 5% per year and a graded retirement assumption for Members reaching eligibility based on age. 100% retirement rates are still assumed upon completion of 30 years of credited service.
- Inflation Rate - was lowered from 3% to 2.5%, matching the long-term inflation assumption utilized by the Plan's investment consultant.

\* GASB Statement No. 67 was adopted for the 2014 Fiscal Year and 10-year trend information will be developed from 2013 forward.

**REQUIRED SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF CHANGES IN THE EMPLOYERS' NET PENSION**  
**LIABILITY AND RELATED RATIOS**  
**POLICE OFFICERS' AND FIREFIGHTERS' RETIREMENT PLAN**  
**LAST 10 FISCAL YEARS \***  
**CITY OF ST. CLOUD, FLORIDA**

	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>
<b>Total Pension Liability</b>						
Service Cost	\$ 1,891,141	\$ 1,829,376	\$ 1,743,397	\$ 1,534,345	\$ 1,309,112	\$ 1,209,341
Interest	4,646,449	4,337,544	3,975,751	3,527,267	3,331,345	3,146,732
Change in Excess State Money	-	-	(845,672)	167,060	179,991	-
Share Plan Allocation	61,968	41,835	-	-	-	-
Changes of Benefit Terms	-	-	2,314,678	-	-	-
Differences between Expected and Actual Experience	299,766	180,857	110,348	267,013	-	-
Changes of Assumptions	396,811	195,056	1,685,690	393,847	367,974	-
Contributions - Buy Back	10,257	14,687	63,525	-	-	-
Benefit Payments, Including Refunds of Employee Contributions	(2,930,568)	(2,669,047)	(2,509,759)	(2,041,422)	(2,838,979)	(1,597,248)
<b>Net Change in Total Pension Liability</b>	<b>4,375,824</b>	<b>3,930,308</b>	<b>6,537,958</b>	<b>3,848,110</b>	<b>2,349,443</b>	<b>2,758,825</b>
<b>Total Pension Liability - Beginning</b>	<b>57,676,712</b>	<b>53,746,404</b>	<b>47,208,446</b>	<b>43,360,336</b>	<b>41,010,893</b>	<b>38,252,068</b>
<b>Total Pension Liability - Ending (a)</b>	<b>\$ 62,052,536</b>	<b>\$ 57,676,712</b>	<b>\$ 53,746,404</b>	<b>\$ 47,208,446</b>	<b>\$ 43,360,336</b>	<b>\$ 41,010,893</b>
<b>Plan Fiduciary Net Position</b>						
Contributions - Employer	\$ 2,418,708	\$ 2,417,281	\$ 2,289,411	\$ 2,416,007	\$ 2,287,355	\$ 1,816,519
Contributions - State	567,489	499,334	465,507	444,890	457,821	439,351
Contributions - Employee	452,315	451,550	394,913	376,980	347,291	304,741
Contributions - Buyback	10,257	14,687	63,525	-	-	-
Net Investment Income	3,375,968	5,260,231	2,923,518	669,442	3,777,453	3,286,743
Benefit Payments, Including Refunds of Employee Contributions	(2,930,568)	(2,669,047)	(2,509,759)	(2,041,422)	(2,838,979)	(1,597,248)
Administrative Expense	(119,395)	(62,715)	(59,280)	(79,079)	(63,897)	(53,592)
<b>Net Change in Plan Fiduciary Net Position</b>	<b>3,774,774</b>	<b>5,911,321</b>	<b>3,567,835</b>	<b>1,786,818</b>	<b>3,967,044</b>	<b>4,196,514</b>
<b>Plan Fiduciary Net Position - Beginning</b>	<b>48,034,993</b>	<b>42,123,672</b>	<b>38,555,837</b>	<b>36,769,019</b>	<b>32,801,975</b>	<b>28,605,461</b>
<b>Plan Fiduciary Net Position - Ending (b)</b>	<b>51,809,767</b>	<b>48,034,993</b>	<b>42,123,672</b>	<b>38,555,837</b>	<b>36,769,019</b>	<b>32,801,975</b>
<b>Net Pension Liability - Ending (a) - (b)</b>	<b>\$ 10,242,769</b>	<b>\$ 9,641,719</b>	<b>\$ 11,622,732</b>	<b>\$ 8,652,609</b>	<b>\$ 6,591,317</b>	<b>\$ 8,208,918</b>
<b>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</b>	<b>83.49%</b>	<b>83.28%</b>	<b>78.37%</b>	<b>81.67%</b>	<b>84.80%</b>	<b>80.00%</b>
<b>Covered Payroll</b>	<b>\$ 10,242,769</b>	<b>\$ 8,136,139</b>	<b>\$ 7,743,398</b>	<b>\$ 7,806,883</b>	<b>\$ 6,809,621</b>	<b>\$ 5,975,318</b>
<b>Net Pension Liability as a Percentage of Covered Payroll</b>	<b>125.68%</b>	<b>118.50%</b>	<b>150.10%</b>	<b>110.83%</b>	<b>96.79%</b>	<b>137.38%</b>

**Notes to Schedule:**

*Changes of Benefit Terms:*

For the year ended September 30, 2016, Ordinance 2016-15, adopted and effective March 10, 2016, amended the Plan primarily for compliance with requirements under the Internal Revenue Code, in addition to implementation of a Share Plan. A letter of no actuarial impact was submitted for this amendment.

**REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF CHANGES IN THE EMPLOYERS' NET PENSION  
LIABILITY AND RELATED RATIOS  
POLICE OFFICERS' AND FIREFIGHTERS' RETIREMENT PLAN  
LAST 10 FISCAL YEARS \*  
CITY OF ST. CLOUD, FLORIDA  
(Concluded)**

**Notes to Schedule: (Concluded)**

*Changes of Benefit Terms: (Concluded)*

Ordinance 2016-50, adopted and effective September 15, 2016, amended the Plan for the following items:

1. A one-time increase in benefits for certain retirees and beneficiaries.
2. An automatic cost-of-living adjustment for certain future retirees and beneficiaries.
3. An increase in the Member Contribution Rate.

*Changes of Assumptions:*

1. For measurement date September 30, 2018, based on results of an Experience Study dated August 13, 2018, the Board has adopted the following changes in conjunction with the October 1, 2018 Valuation:
  - Retirement rates- The rates for Normal and Early Retirement were modified to reflect historical participant behavior.
  - Withdrawal rates- The assumed rates of turnover changed from an age-based table to a service-based table, based on historical participant behavior.
  - Disability rates- The assumed rates of Disability were doubled to reflect historical experience.
  - Investment return- Lowered from 8.00% according to the following :

<u>Valuation Date</u>	<u>Assumption</u>
10/1/2018	7.90%
10/1/2019	7.80%
10/1/2020	7.70%
10/1/2021	7.60%
10/1/2022	7.50%

2. For measurement date September 30, 2017, as required by Chapter 2015-157, Florida Statutes, the assumed rate 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.
3. For the year ended September 30, 2016, the investment return assumption has been decreased from 8.09% to 8%.
4. Pursuant to the provisions of Chapter 2015-157, Florida Statutes, the assumed rate of mortality was changed to the assumption used by the Florida Retirement System.
5. The inflation assumption rate was lowered from 3% to 2.5%, matching the long-term inflation assumption utilized by the Plan's investment consultant.

\* GASB Statement No. 67 was adopted for the 2014 Fiscal Year and 10-year trend information will be developed from 2013 forward.

**REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULES OF EMPLOYER CONTRIBUTIONS  
GENERAL EMPLOYEES' RETIREMENT PLAN AND  
POLICE OFFICERS' AND FIREFIGHTERS' RETIREMENT PLAN  
CITY OF ST. CLOUD, FLORIDA**

**GENERAL EMPLOYEES' RETIREMENT PLAN**

	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>
Actuarially Determined Contribution	\$ 1,508,563	\$ 1,675,949	\$ 1,795,707	\$ 1,981,908	\$ 2,069,336	\$ 2,145,635
Contributions in Relation to the						
Actuarially Determined Contributions	2,339,380	2,142,198	1,996,026	2,427,915	2,069,336	2,145,635
Contributions Deficiency (Excess)	<u>\$ (830,817)</u>	<u>\$ (466,249)</u>	<u>\$ (200,319)</u>	<u>\$ (446,007)</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Employee Payroll	<u>\$ 12,126,709</u>	<u>\$ 11,180,449</u>	<u>\$ 10,440,155</u>	<u>\$ 11,036,601</u>	<u>\$ 10,016,147</u>	<u>\$ 9,406,554</u>
Contributions as a Percentage of						
Covered Employee Payroll	19.29%	19.16%	19.12%	22.00%	20.66%	22.81%

**POLICE OFFICERS' AND FIREFIGHTERS' RETIREMENT PLAN**

	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>
Actuarially Determined Contribution	\$ 2,989,357	\$ 2,712,589	\$ 2,471,693	\$ 2,515,377	\$ 2,565,185	\$ 2,094,349
Contributions in Relation to the						
Actuarially Determined Contributions	2,862,262	2,860,835	2,732,965	2,693,837	2,565,185	2,094,349
Contributions Deficiency (Excess)	<u>\$ 127,095</u>	<u>\$ (148,246)</u>	<u>\$ (261,272)</u>	<u>\$ (178,460)</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll	<u>\$ 10,242,769</u>	<u>\$ 8,136,139</u>	<u>\$ 7,743,398</u>	<u>\$ 7,806,883</u>	<u>\$ 6,809,621</u>	<u>\$ 5,975,318</u>
Contributions as a Percentage of						
Covered Payroll	35.12%	35.16%	35.29%	34.51%	37.67%	35.05%

**Notes to Schedules:**

*Methods and Assumptions Used in Calculations of Actuarially Determined Contributions:*

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

Methods and assumptions used to determine contribution rates:

	<b>General Employees' Retirement Plan</b>	<b>Police Officers' and Firefighters' Retirement Plan</b>
Valuation Date	October 1, 2016	October 1, 2016
Actuarial Cost Method	Entry Age Normal	Entry Age Normal
Asset Valuation Method	Four-year Geometric Average of Market Value Returns	Four-year Geometric Average of Market Value Returns
Salary Increase	Years of Service	5% per Annum
	<1	
	1	
	2	
	9-Mar	
	10+	
Discount Rate	7.75%	8.00%

*Changes in Assumption:*

Since the prior measurement date, there have been no significant changes in assumptions.

\* GASB Statement No. 68 was adopted for the 2014 Fiscal Year and 10-year trend information will be developed from 2013 forward.



**REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULES OF INVESTMENT RETURNS  
GENERAL EMPLOYEES' RETIREMENT PLAN AND  
POLICE OFFICERS' AND FIREFIGHTERS' RETIREMENT PLAN  
LAST 10 FISCAL YEARS \*  
(UNAUDITED)  
CITY OF ST. CLOUD, FLORIDA**

**GENERAL EMPLOYEES' RETIREMENT PLAN**

<b>For the Year Ended September 30:</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>
<b>Annual Money-weighted Rate of Return</b>						
<b>Net of Investment Expense</b>	7.09%	12.11%	7.61%	1.79%	11.26%	11.35%

**POLICE OFFICERS' AND FIREFIGHTERS' RETIREMENT PLAN**

<b>For the Year Ended September 30:</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>
<b>Annual Money-weighted Rate of Return</b>						
<b>Net of Investment Expense</b>	7.04%	12.44%	7.61%	1.80%	11.53%	11.22%

\* GASB Statement No. 67 was adopted for the 2014 Fiscal Year and 10-year trend information will be developed from 2013 forward.

**REQUIRED SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF CHANGE IN OTHER POSTEMPLOYMENT BENEFIT (OPEB)**  
**LIABILITY AND RELATED RATIOS**  
**LAST 10 FISCAL YEARS \***  
**CITY OF ST. CLOUD, FLORIDA**

<b>Reporting Period Ending</b>	<b>2018</b>
Service Date	\$ 220,490
Interest	113,192
Changes of Benefit Terms	-
Differences Between Expected and Actual Experience	-
Changes of Assumptions	(214,017)
Benefit Payments	(128,367)
<b>Net Change in Total OPEB Liability</b>	<b>(8,702)</b>
<b>Total OPEB Liability - Beginning</b>	<b>3,542,276</b>
<b>Total OPEB Liability - Ending</b>	<b>\$ 3,533,574</b>
<b>Covered Payroll**</b>	<b>\$ 211,856</b>
<b>Sponsor's Total OPEB Liability as Percentage of Covered Payroll</b>	<b>16.68%</b>

\* GASB Statement No. 75 was adopted for the 2018 Fiscal Year and 10-year trend information will be developed from 2018 forward.

\*\* Fiscal Year 2018 Covered Payroll projected based on actual Fiscal Year 2017 Covered Payroll.

**Notes to Schedules:**

*Changes of assumptions.*

Changes of assumptions and other inputs reflect the effects of changes in the discount rate each period.

The following are the discount rates used in each period:

Fiscal Year 2018	3.64%
Fiscal Year 2017	3.06%

There are no assets accumulated in a trust to pay related benefits.



**SUPPLEMENTAL INFORMATION**

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
DEBT SERVICE FUND  
FOR THE YEAR ENDED SEPTEMBER 30, 2018  
CITY OF ST. CLOUD, FLORIDA**

	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance</u>
<b>Revenues</b>			
Intergovernmental Revenues	\$ 640,905	\$ 642,970	\$ 2,065
<b>Total Revenues</b>	<u>640,905</u>	<u>642,970</u>	<u>2,065</u>
<b>Expenditures</b>			
Debt Service:			
Principal Payments	2,939,980	2,794,661	145,319
Interest and Fees	2,412,863	2,371,289	41,574
<b>(Total Expenditures)</b>	<u>(5,352,843)</u>	<u>(5,165,950)</u>	<u>186,893</u>
<b>(Deficiency) of Revenues (Under) Expenditures</b>	<u>(4,711,938)</u>	<u>(4,522,980)</u>	<u>188,958</u>
<b>Other Financing Sources</b>			
Transfers from Other Funds	4,711,938	4,527,872	(184,066)
<b>Total Other Financing Sources</b>	<u>4,711,938</u>	<u>4,527,872</u>	<u>(184,066)</u>
<b>Net Change in Fund Balances</b>	-	4,892	4,892
<b>Fund Balances, Beginning of Year</b>	<u>-</u>	<u>54,042</u>	<u>54,042</u>
<b>Fund Balances, End of Year</b>	<u>\$ -</u>	<u>\$ 58,934</u>	<u>\$ 58,934</u>

\* Over expenditure of budget is related to payments made on new capital lease agreements.

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
CAPITAL PROJECTS FUND  
FOR THE YEAR ENDED SEPTEMBER 30, 2018  
CITY OF ST. CLOUD, FLORIDA**

	<u>Final Budget</u>	<u>Final Actual</u>	<u>Variance</u>
<b>Revenues</b>			
Grants	\$ -	\$ 47,563	\$ 47,563
Investment Income	-	39,523	39,523
<b>Total Revenues</b>	<u>-</u>	<u>87,086</u>	<u>87,086</u>
<b>Expenditures</b>			
Capital Outlay	9,709,510	5,087,360	4,622,150
<b>(Total Expenditures)</b>	<u>(9,709,510)</u>	<u>(5,087,360)</u>	<u>4,622,150</u>
<b>(Deficiency) of Revenues (Under)</b>			
<b>Expenditures</b>	<u>(9,709,510)</u>	<u>(5,000,274)</u>	<u>4,709,236</u>
<b>Other Financing Sources (Uses)</b>			
Transfers to Other Funds	-	(7,007)	(7,007)
Transfers from Other Funds	6,171,453	6,040,682	(130,771)
<b>Total Other Financing Sources (Uses)</b>	<u>6,171,453</u>	<u>6,033,675</u>	<u>(137,778)</u>
<b>Net Change in Fund Balances</b>	(3,538,057)	1,033,401	(137,778)
<b>Fund Balance, Beginning of Year</b>	<u>3,538,057</u>	<u>13,365,260</u>	<u>9,827,203</u>
<b>Fund Balance, End of Year</b>	<u>\$ -</u>	<u>\$ 14,398,661</u>	<u>\$ 14,398,661</u>

**COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
SEPTEMBER 30, 2018  
CITY OF ST. CLOUD, FLORIDA**

	<b>Special Revenue Funds</b>		
	<b>Economic Development Fund</b>	<b>County Gas Tax Fund</b>	<b>Parks and Recreation Impact Fees Fund</b>
<b>Assets</b>			
Cash and Investments	\$ 362,273	\$ 1,054,686	\$ 4,582,475
Customer Receivables, Net	-	-	-
Due from Other Governments	-	120,532	-
Due from Other Funds	-	-	-
Prepaid Expenditures and Deposits	1,522	-	-
<b>Total Assets</b>	<u>363,795</u>	<u>1,175,218</u>	<u>4,607,475</u>
<b>Liabilities and Fund Balances</b>			
<b>Liabilities</b>			
Accounts and Retainage Payable	5,086	31,094	-
Due to Other Funds	-	440,073	954,526
Unearned Revenues	15,166	-	-
Deposits Payable	-	-	25,000
<b>Total Liabilities</b>	<u>20,252</u>	<u>471,167</u>	<u>979,526</u>
<b>Fund Balances</b>			
Nonspendable	1,522	-	-
Restricted	335	704,051	3,627,949
Assigned	341,686	-	-
<b>Total Fund Balances</b>	<u>343,543</u>	<u>704,051</u>	<u>3,627,949</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ 363,795</u>	<u>\$ 1,175,218</u>	<u>\$ 4,607,475</u>

**Special Revenue Funds**

<b>Police and Fire Impact Fees Fund</b>	<b>Mobility Fees Fund</b>	<b>Total</b>
\$ 2,559,943	\$ 4,919,740	\$ 13,479,117
-	-	-
-	-	120,532
135,405	-	135,405
-	-	1,522
<u>2,695,348</u>	<u>4,919,740</u>	<u>13,761,576</u>
-	-	36,180
59,817	-	1,454,416
-	-	15,166
-	-	25,000
<u>59,817</u>	<u>-</u>	<u>1,530,762</u>
-	-	1,522
2,635,531	4,919,740	11,887,606
-	-	341,686
<u>2,635,531</u>	<u>4,919,740</u>	<u>12,230,814</u>
<u>\$ 2,695,348</u>	<u>\$ 4,919,740</u>	<u>\$ 13,761,576</u>



**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2018  
CITY OF ST. CLOUD, FLORIDA**

	<b>Special Revenue Funds</b>		
	<b>Economic Development Fund</b>	<b>County Gas Tax Fund</b>	<b>Parks and Recreation Impact Fees Fund</b>
<b>Revenues</b>			
Taxes	\$ -	\$ 1,405,361	\$ -
Permits and Fees	-	-	-
Impact Fees	-	-	1,363,638
Grants	-	-	-
Investment Income	3,696	34,030	50,249
Other Revenue	128,223	-	-
<b>Total Revenues</b>	<u>131,919</u>	<u>1,439,391</u>	<u>1,413,887</u>
<b>Expenditures</b>			
Current:			
General Government			
Public Safety	-	-	-
Transportation	-	396,653	-
Parks and Recreation	-	-	-
Economic Environment	127,878	-	-
Capital Outlay	-	289,957	200,000
<b>(Total Expenditures)</b>	<u>(127,878)</u>	<u>(686,610)</u>	<u>(200,000)</u>
<b>(Deficiency) Excess of Revenues (Under) Over Expenditures</b>	<u>4,041</u>	<u>752,781</u>	<u>1,213,887</u>
<b>Other Financing (Uses) Sources</b>			
Transfers to Other Funds	-	(1,477,704)	(864,425)
Transfers from Other Funds	78,792	-	-
<b>Total Other Financing (Uses) Sources</b>	<u>78,792</u>	<u>(1,477,704)</u>	<u>(864,425)</u>
<b>Net Change in Fund Balances</b>	82,833	(724,923)	349,462
<b>Fund Balances, Beginning of Year</b>	<u>260,710</u>	<u>1,428,974</u>	<u>3,278,487</u>
<b>Fund Balances, End of Year</b>	<u>\$ 343,543</u>	<u>\$ 704,051</u>	<u>\$ 3,627,949</u>

**Special Revenue Funds**

<b>Police and Fire Impact Fees Fund</b>	<b>Mobility Fees Fund</b>	<b>Total</b>
\$ -	\$ -	\$ 1,405,361
-	3,749,325	3,749,325
1,305,501	-	2,669,139
-	-	-
24,777	33,003	145,755
1,551	-	129,774
<u>1,331,829</u>	<u>3,782,328</u>	<u>8,099,354</u>
13,128	-	13,128
-	-	396,653
-	-	-
-	-	127,878
313,912	-	803,869
<u>(327,040)</u>	<u>-</u>	<u>(1,341,528)</u>
<u>1,004,789</u>	<u>3,782,328</u>	<u>6,757,826</u>
(202,918)	-	(2,545,047)
4,974	-	83,766
<u>(197,944)</u>	<u>-</u>	<u>(2,461,281)</u>
806,845	3,782,328	4,296,545
<u>1,828,686</u>	<u>1,137,412</u>	<u>7,934,269</u>
<u>\$ 2,635,531</u>	<u>\$ 4,919,740</u>	<u>\$ 12,230,814</u>

**SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL  
ECONOMIC DEVELOPMENT FUND  
FOR THE YEAR ENDED SEPTEMBER 30, 2018  
CITY OF ST. CLOUD, FLORIDA**

	<u>Actual</u>	<u>Final Budget</u>	<u>Variance</u>
<b>Revenues</b>			
Investment Income	\$ 3,696	\$ -	\$ 3,696
Other Revenue	128,223	116,729	11,494
<b>Total Revenues</b>	<u>131,919</u>	<u>116,729</u>	<u>15,190</u>
<b>Expenditures</b>			
Operating Expenditures	127,878	195,521	67,643
<b>(Total Expenditures)</b>	<u>(127,878)</u>	<u>(195,521)</u>	<u>67,643</u>
<b>Excess of Revenues and Other Financing Sources Over Expenditures</b>	<u>4,041</u>	<u>(78,792)</u>	<u>82,833</u>
<b>Other Financing Sources</b>			
Transfers to Other Funds	-	-	-
Transfers from Other Funds	78,792	78,792	-
<b>Total Other Financing Sources</b>	<u>78,792</u>	<u>78,792</u>	<u>-</u>
<b>Net Change in Fund Balances</b>	82,833	-	82,833
<b>Fund Balance, Beginning of Year, as Restated</b>	<u>260,710</u>	<u>-</u>	<u>260,710</u>
<b>Fund Balance, End of Year</b>	<u>\$ 343,543</u>	<u>\$ -</u>	<u>\$ 343,543</u>

**SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL  
COUNTY GAS TAX FUND  
FOR THE YEAR ENDED SEPTEMBER 30, 2018  
CITY OF ST. CLOUD, FLORIDA**

	<u>Actual</u>	<u>Final Budget</u>	<u>Variance</u>
<b>Revenues</b>			
Taxes	\$ 1,405,361	\$ 1,402,265	\$ 3,096
Investment Income	34,030	20,000	14,030
<b>Total Revenues</b>	<u>1,439,391</u>	<u>1,422,265</u>	<u>17,126</u>
<b>Expenditures</b>			
Operating Expenditures	396,653	849,851	453,198
Capital Outlay	289,957	-	(289,957)
<b>(Total Expenditures)</b>	<u>(686,610)</u>	<u>(849,851)</u>	<u>163,241</u>
<b>Excess of Revenues Over Expenditures</b>	<u>752,781</u>	<u>572,414</u>	<u>180,367</u>
<b>Other Financing (Uses)</b>			
Transfers to Other Funds	(1,477,704)	(1,892,557)	414,853
<b>Total Other Financing (Uses)</b>	<u>(1,477,704)</u>	<u>(1,892,557)</u>	<u>414,853</u>
<b>Net Change in Fund Balances</b>	(724,923)	(1,320,143)	595,220
<b>Fund Balance, Beginning of Year</b>	<u>1,428,974</u>	<u>1,320,143</u>	<u>108,831</u>
<b>Fund Balance, End of Year</b>	<u>\$ 704,051</u>	<u>\$ -</u>	<u>\$ 704,051</u>

**SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL  
PARKS AND RECREATION IMPACT FEES FUND  
FOR THE YEAR ENDED SEPTEMBER 30, 2018  
CITY OF ST. CLOUD, FLORIDA**

	<u>Actual</u>	<u>Final Budget</u>	<u>Variance</u>
<b>Revenues</b>			
Impact Fees	\$ 1,363,638	\$ 973,830	\$ 389,808
Investment Income	50,249	20,000	30,249
<b>Total Revenues</b>	<u>1,413,887</u>	<u>993,830</u>	<u>420,057</u>
<b>Expenditures</b>			
Capital Outlay	200,000	250,000	50,000
<b>(Total Expenditures)</b>	<u>(200,000)</u>	<u>(250,000)</u>	<u>50,000</u>
<b>Excess of Revenues Over Expenditures</b>	<u>1,213,887</u>	<u>743,830</u>	<u>420,057</u>
<b>Other Financing (Uses) Sources</b>			
Transfers to Other Funds	(864,425)	(864,425)	-
Transfers from Other Funds	-	-	-
<b>Total Other Financing (Uses) Sources</b>	<u>(864,425)</u>	<u>(864,425)</u>	<u>-</u>
<b>Net Change in Fund Balances</b>	349,462	(120,595)	470,057
<b>Fund Balance, Beginning of Year</b>	<u>3,278,487</u>	<u>2,519,702</u>	<u>758,785</u>
<b>Fund Balance, End of Year</b>	<u>\$ 3,627,949</u>	<u>\$ 2,399,107</u>	<u>\$ 1,228,842</u>

**SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL  
POLICE AND FIRE IMPACT FEES FUND  
FOR THE YEAR ENDED SEPTEMBER 30, 2018  
CITY OF ST. CLOUD, FLORIDA**

	<u>Actual</u>	<u>Final Budget</u>	<u>Variance</u>
<b>Revenues</b>			
Impact Fees	\$ 1,305,501	\$ 928,996	\$ 376,505
Investment Income	24,777	7,500	17,277
Other Revenue	1,551	-	1,551
<b>Total Revenues</b>	<u>1,331,829</u>	<u>936,496</u>	<u>395,333</u>
<b>Expenditures</b>			
Operating Expenditures	13,128	23,000	9,872
Capital Outlay	313,912	382,431	68,519
<b>(Total Expenditures)</b>	<u>(327,040)</u>	<u>(405,431)</u>	<u>78,391</u>
<b>Excess of Revenues Over Expenditures</b>	<u>1,004,789</u>	<u>531,065</u>	<u>473,724</u>
<b>Other Financing (Uses) Sources</b>			
Transfers to Other Funds	(197,944)	(228,422)	30,478
<b>Total Other Financing (Uses) Sources</b>	<u>(197,944)</u>	<u>(228,422)</u>	<u>30,478</u>
<b>Net Change in Fund Balances</b>	806,845	302,643	504,202
<b>Fund Balance, Beginning of Year</b>	<u>1,828,686</u>	<u>1,387,613</u>	<u>441,073</u>
<b>Fund Balance, End of Year</b>	<u>\$ 2,635,531</u>	<u>\$ 1,690,256</u>	<u>\$ 945,275</u>

**SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL  
MOBILITY FEES FUND  
FOR THE YEAR ENDED SEPTEMBER 30, 2018  
CITY OF ST. CLOUD, FLORIDA**

	<u>Actual</u>	<u>Final Budget</u>	<u>Variance</u>
<b>Revenues</b>			
Permits and Fees	\$ 3,749,325	\$ 3,601,005	\$ 148,320
Investment Income	33,003	20,000	13,003
<b>Total Revenues</b>	<u>3,782,328</u>	<u>3,621,005</u>	<u>161,323</u>
<b>Excess of Revenues Over Expenditures</b>	<u>3,782,328</u>	<u>3,621,005</u>	<u>161,323</u>
<b>Other Financing Sources (Uses)</b>			
Transfers to Other Funds	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net Change in Fund Balances</b>	3,782,328	3,621,005	161,323
<b>Fund Balance, Beginning of Year</b>	<u>1,137,412</u>	<u>-</u>	<u>1,137,412</u>
<b>Fund Balance, End of Year</b>	<u><u>\$ 4,919,740</u></u>	<u><u>\$ 3,621,005</u></u>	<u><u>\$ 1,298,735</u></u>

**COMBINING STATEMENT OF NET POSITION  
INTERNAL SERVICE FUNDS  
SEPTEMBER 30, 2018  
CITY OF ST. CLOUD, FLORIDA**

	<b>Motorpool Fund</b>	<b>Self- Insurance Fund Health</b>	<b>Self- Insurance Fund Workers' Comp</b>	<b>Total</b>
<b>Assets</b>				
<b>Current Assets</b>				
Cash and Investments	\$ -	\$ 2,076,209	\$ 1,844,809	\$ 3,921,018
Accounts Receivable	-	23,702	-	23,702
Prepaid Expenses	-	-	2,143	2,143
<b>Total Current Assets</b>	<b>-</b>	<b>2,099,911</b>	<b>1,846,952</b>	<b>3,946,863</b>
<b>Noncurrent Assets</b>				
Net Pension Asset	59,661	-	-	59,661
Capital Assets:				
Property, Plant and Equipment	306,238	181,185	-	487,423
(Accumulated Depreciation and Amortization)	(276,139)	(51,948)	-	(328,087)
Construction in Progress	-	-	-	-
Total Capital Assets - Cost Less Depreciation	30,099	129,237	-	159,336
<b>Total Noncurrent Assets</b>	<b>89,760</b>	<b>129,237</b>	<b>-</b>	<b>218,997</b>
<b>Total Assets</b>	<b>89,760</b>	<b>2,229,148</b>	<b>1,846,952</b>	<b>4,165,860</b>
<b>Deferred Outflows of Resources</b>				
Pension Related	15,728	-	-	15,728
OPEB Related	1,766	-	-	1,766
<b>Total Deferred Outflows of Resources</b>	<b>17,494</b>	<b>-</b>	<b>-</b>	<b>17,494</b>
<b>Liabilities and Net Position</b>				
<b>Current Liabilities</b>				
Accounts Payable	136,193	362,362	2,315	500,870
Claims Payable	-	169,865	394,148	564,013
Accrued Expenses	14,959	-	-	14,959
Due to Other Funds	922,225	1,000,217	-	1,922,442
Compensated Absences	9,856	-	-	9,856
<b>Total Current Liabilities</b>	<b>1,083,233</b>	<b>1,532,444</b>	<b>396,463</b>	<b>3,012,140</b>
<b>Long-term Liabilities</b>				
Compensated Absences	6,571	-	-	6,571
OPEB Liability	731	-	-	731
Net Pension Liability	-	-	-	-
<b>Total Long-term Liabilities</b>	<b>7,302</b>	<b>-</b>	<b>-</b>	<b>7,302</b>
<b>Total Liabilities</b>	<b>1,090,535</b>	<b>1,532,444</b>	<b>396,463</b>	<b>3,019,442</b>
<b>Deferred Inflows of Resources</b>				
Pension Related	18,162	-	-	18,162
OPEB Related	2,223	-	-	2,223
<b>Total Deferred Inflows of Resources</b>	<b>20,385</b>	<b>-</b>	<b>-</b>	<b>20,385</b>
<b>Net Position</b>				
Net Investment in Capital Assets	30,099	129,237	-	159,336
Unrestricted	(1,033,765)	567,467	1,450,489	984,191
<b>Total Net Position</b>	<b>\$(1,003,666)</b>	<b>\$ 696,704</b>	<b>\$ 1,450,489</b>	<b>\$ 1,143,527</b>



**COMBINING STATEMENT OF REVENUES, EXPENSES,  
AND CHANGES IN FUND NET POSITION  
INTERNAL SERVICE FUNDS  
SEPTEMBER 30, 2018  
CITY OF ST. CLOUD, FLORIDA**

	<b>Motorpool Fund</b>	<b>Self- Insurance Fund Health</b>	<b>Self- Insurance Fund Workers' Comp</b>	<b>Total</b>
<b>Operating Revenues</b>				
Charges for Services	\$ 784,181	\$ 4,862,015	\$ 995,709	\$ 6,641,905
Other	-	140,725	-	140,725
<b>Total Operating Revenues</b>	<u>784,181</u>	<u>5,002,740</u>	<u>995,709</u>	<u>6,782,630</u>
<b>Operating Expenses</b>				
Administration and General	973,645	4,983,942	346,592	6,304,179
Depreciation and Amortization	18,326	4,181	-	22,507
<b>Total Operating Expenses</b>	<u>991,971</u>	<u>4,988,123</u>	<u>346,592</u>	<u>6,326,686</u>
<b>Operating (Loss) Income</b>	<u>(207,790)</u>	<u>14,617</u>	<u>649,117</u>	<u>455,944</u>
<b>Non-operating Revenues</b>				
Investment Earnings	-	26,123	18,919	45,042
<b>Total Non-operating Revenues</b>	<u>-</u>	<u>26,123</u>	<u>18,919</u>	<u>45,042</u>
<b>Change in Net Position</b>	(207,790)	40,740	668,036	500,986
<b>Net Position, Beginning of Year</b>	(796,543)	655,964	782,453	641,874
Adjustment to Beginning Net Position	667	-	-	667
<b>Beginning of Year, as Restated</b>	<u>(795,876)</u>	<u>655,964</u>	<u>782,453</u>	<u>642,541</u>
<b>Net Position, End of Year</b>	<u>\$ (1,003,666)</u>	<u>\$ 696,704</u>	<u>\$ 1,450,489</u>	<u>\$ 1,143,527</u>

**COMBINING STATEMENT OF CASH FLOWS  
INTERNAL SERVICE FUNDS  
SEPTEMBER 30, 2018  
CITY OF ST. CLOUD, FLORIDA**

	Motorpool Fund	Self- Insurance Fund Health	Self- Insurance Fund Workers' Comp	Total
<b>Cash Flows from Operating Activities</b>				
Cash Received from Customers	\$ 784,181	\$ 4,979,038	\$ 995,709	\$ 6,758,928
Cash Paid to Suppliers	(553,665)	(4,905,680)	(353,686)	(5,813,031)
Cash Paid to Employees for Services	(328,929)	-	-	(328,929)
<b>Net Cash Provided by (Used in) Operating Activities</b>	<b>(98,413)</b>	<b>73,358</b>	<b>642,023</b>	<b>616,968</b>
<b>Cash Flows from Noncapital Financing Activities</b>				
Interfund Loan Receipts (Payments)	104,862	-	-	104,862
Subsidy from Grants	-	-	-	-
<b>Net Cash Provided by (Used in) Noncapital Financing Activities</b>	<b>104,862</b>	<b>-</b>	<b>-</b>	<b>104,862</b>
<b>Cash Flows from Capital and Related Financing Activities</b>				
Property, Plant and Equipment Acquisitions	(6,449)	-	-	(6,449)
<b>Net Cash Provided by (Used in) Capital and Related Financing Activities</b>	<b>(6,449)</b>	<b>-</b>	<b>-</b>	<b>(6,449)</b>
<b>Cash Flows from Investing Activities</b>				
Investment Earnings	-	26,123	18,919	45,042
<b>Total Cash Flows from Investing Activities</b>	<b>-</b>	<b>26,123</b>	<b>18,919</b>	<b>45,042</b>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<b>-</b>	<b>99,481</b>	<b>660,942</b>	<b>760,423</b>
<b>Cash and Cash Equivalents, Beginning of Year</b>	<b>-</b>	<b>1,976,728</b>	<b>1,183,867</b>	<b>3,160,595</b>
<b>Cash and Cash Equivalents, End of Year</b>	<b>\$ -</b>	<b>\$ 2,076,209</b>	<b>\$ 1,844,809</b>	<b>\$ 3,921,018</b>
<b><u>Reconciliation of Operating Income to Net Cash Provided by (Used in) Operating Activities</u></b>				
Operating Income (Loss)	\$ (207,790)	\$ 14,617	\$ 649,117	\$ 455,944
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:				
Depreciation and Amortization	18,326	4,181	-	22,507
Changes in Assets Decrease (Increase) and Liabilities Increase (Decrease):				
Accounts Receivable	-	(23,702)	-	(23,702)
Prepays	-	-	(2,143)	(2,143)
Accounts Payable	104,090	78,262	(4,951)	177,401
Accrued Expenses	1,308	-	-	1,308
Compensated Absences	331	-	-	331
Net OPEB Liability	1,855	-	-	1,855
Net Pension Liability	(16,533)	-	-	(16,533)
Total Adjustments	109,377	58,741	(7,094)	161,024
<b>Net Cash Provided by (Used in) Operating Activities</b>	<b>(98,413)</b>	<b>73,358</b>	<b>642,023</b>	<b>616,968</b>

## STATISTICAL SECTION

Statistical tables differ from financial statements because they usually cover more than one fiscal year and may present non-accounting data. They reflect social and economic data, financial trends and the fiscal capacity of the government.

**STATISTICAL SECTION  
(UNAUDITED)**

# STATISTICAL SECTION

*This part of the City of St. Cloud'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.*

<b>Contents</b>	<b>Page</b>
<b>Financial Trends</b>	
<i>These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.</i>	97
<b>Revenue Capacity</b>	
<i>These schedules contain information to help the reader access the factors related to the City's most significant local revenue sources, property tax, and sanitation revenue.</i>	107
<b>Debt Capacity</b>	
<i>These schedules present information to help the reader assess the affordability of the City's current level of outstanding debt and the City's ability to issue additional debt in the future.</i>	113
<b>Demographic and Economic Information</b>	
<i>These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place and to help make comparisons over time and with other governments.</i>	121
<b>Operating Information</b>	
<i>These schedules contain information about the City's operations and resources to help the reader understand how the City's financial information relates to the services the City provides and the activities it performs.</i>	123

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

**CITY OF ST. CLOUD**  
**Net Position by Component**  
**Last Ten Fiscal Years**  
*(accrual basis of accounting)*

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Governmental Activities				
Net Investment in Capital Assets	\$ 84,137,631	\$ 89,112,088	\$ 82,583,045	\$ 83,793,736
Restricted	19,454,060	26,684,253	30,691,610	22,362,220
Unrestricted	19,167,828	7,587,576	10,056,103	10,054,846
Total Governmental Activities Net Position	<u>\$ 122,759,519</u>	<u>\$ 123,383,917</u>	<u>\$ 123,330,758</u>	<u>\$ 116,210,802</u>
Business-type Activities				
Net Investment in Capital Assets	\$ 127,621,782	\$ 131,122,728	\$ 132,062,034	\$ 131,137,117
Restricted	9,823,772	8,150,522	6,600,008	8,048,342
Unrestricted	3,634,897	(151,067)	(1,680,544)	4,431,718
Total Business-type Activities Net Position	<u>\$ 141,080,451</u>	<u>\$ 139,122,183</u>	<u>\$ 136,981,498</u>	<u>\$ 143,617,177</u>
Primary Government				
Net Investment in Capital Assets	\$ 211,759,413	\$ 220,234,816	\$ 214,645,079	\$ 214,930,853
Restricted	29,277,832	34,834,775	37,291,618	30,410,562
Unrestricted	22,802,725	7,436,509	8,375,559	14,486,564
Total Government Net Position	<u>\$ 263,839,970</u>	<u>\$ 262,506,100</u>	<u>\$ 260,312,256</u>	<u>\$ 259,827,979</u>

<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
\$ 80,684,971	\$ 85,331,016	\$ 84,202,671	\$ 85,880,700	\$ 87,972,999	\$ 93,017,432
24,252,783	21,461,732	21,727,219	23,894,073	30,078,552	33,378,737
8,689,621	6,972,600	604,507	(1,511,563)	11,891	2,537,652
<u>\$ 113,627,375</u>	<u>\$ 113,765,348</u>	<u>\$ 106,534,397</u>	<u>\$ 108,263,210</u>	<u>\$ 118,063,442</u>	<u>\$ 128,933,821</u>
\$ 137,555,487	\$ 141,169,776	\$ 151,857,889	\$ 158,947,255	\$ 166,769,263	\$ 180,191,229
8,438,669	7,952,299	10,834,748	14,121,470	22,125,273	25,548,508
6,069,480	5,502,670	(1,737,439)	4,624,644	2,789,769	7,778,743
<u>\$ 152,063,636</u>	<u>\$ 154,624,745</u>	<u>\$ 160,955,198</u>	<u>\$ 177,693,369</u>	<u>\$ 191,684,305</u>	<u>\$ 213,518,480</u>
\$ 218,240,458	\$ 226,500,792	\$ 236,060,560	\$ 244,827,955	\$ 254,742,262	\$ 273,208,661
32,691,452	29,414,031	32,561,967	38,015,543	52,203,825	58,927,245
14,759,101	12,475,270	(1,132,932)	3,113,081	2,801,660	10,316,395
<u>\$ 265,691,011</u>	<u>\$ 268,390,093</u>	<u>\$ 267,489,595</u>	<u>\$ 285,956,579</u>	<u>\$ 309,747,747</u>	<u>\$ 342,452,301</u>

**CITY OF ST. CLOUD**  
**Changes in Net Position, Last Ten Fiscal Years**  
*(accrual basis of accounting)*

	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>
<b>Expenses</b>				
Governmental Activities:				
General Government	\$ 7,168,691	\$ 7,137,033	\$ 5,953,856	\$ 5,570,429
Public Safety	13,911,586	15,307,678	15,902,498	15,371,634
Transportation	4,241,634	5,090,016	5,437,602	5,919,165
Parks and Recreation	4,503,650	3,361,365	3,699,492	3,754,797
Economic Environment	311,165	637,948	507,637	472,221
Electric System	1,693,128	1,690,375	1,563,612	1,138,813
Interest and Fees	1,745,459	1,271,010	3,396,063	3,159,424
Total Governmental Activities Expenses	<u>33,575,313</u>	<u>34,495,425</u>	<u>36,460,760</u>	<u>35,386,483</u>
Business-type Activities:				
Water Utility	6,958,588	6,437,261	6,576,268	7,144,701
Sewer Utility	8,584,851	9,873,423	9,794,747	10,666,597
Sanitation Utility	8,112,933	7,572,010	7,944,076	8,103,475
Stormwater Utility	1,108,262	1,419,488	1,361,107	1,319,998
Development Special District	981,037	886,599	885,429	830,792
Building Department	-	-	-	-
Total Business-type Activities Expenses	<u>25,745,671</u>	<u>26,188,781</u>	<u>26,561,627</u>	<u>28,065,563</u>
Total Primary Government Expenses	<u>\$ 59,320,984</u>	<u>\$ 60,684,206</u>	<u>\$ 63,022,387</u>	<u>\$ 63,452,046</u>
<b>Program Revenues</b>				
Governmental Activities:				
Charges for Services:				
General Government	\$ 1,011,531	\$ 2,145,736	\$ 2,207,635	\$ 666,069
Public Safety	1,623,153	2,757,249	2,113,209	2,104,907
Parks and Recreation	616,626	515,311	472,224	516,935
Electric System	7,226,274	7,493,193	8,284,534	8,841,788
Operating Grants and Contributions	744,707	160,186	856,405	945,158
Capital Grants and Contributions	2,156,281	2,219,619	2,021,925	2,697,937
Total Governmental Activities	<u>13,378,572</u>	<u>15,291,294</u>	<u>15,955,932</u>	<u>15,772,794</u>
Business-type Activities:				
Charges for Services:				
Water Utility	5,886,148	6,421,921	6,912,214	7,079,078
Sewer Utility	7,541,509	7,481,925	7,624,962	7,980,977
Sanitation Utility	7,810,643	8,018,630	8,365,473	9,131,690
Stormwater Utility	1,373,985	1,397,417	1,479,377	1,535,675
Development Special District	428,098	111,951	-	418
Building Department	-	-	-	-
Operating Grants and Contributions	-	22,520	247,498	14,500
Capital Grants and Contributions	2,349,551	1,555,410	1,525,898	2,705,633
Total Business-type Activities	<u>25,389,934</u>	<u>25,009,774</u>	<u>26,155,422</u>	<u>28,447,971</u>
Total Primary Government	<u>\$ 38,768,506</u>	<u>\$ 40,301,068</u>	<u>\$ 42,111,354</u>	<u>\$ 44,220,765</u>



	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
\$	6,794,742	\$ 6,699,618	\$ 5,957,502	\$ 4,946,449	\$ 5,483,691	\$ 5,352,138
	16,112,807	18,302,419	19,760,542	23,098,871	22,074,869	23,119,191
	6,733,514	6,906,016	6,955,858	6,707,860	6,398,831	7,160,776
	3,723,262	4,005,833	4,390,950	4,398,586	4,489,325	4,828,059
	453,250	1,003,322	370,796	552,186	415,412	445,148
	1,006,715	966,718	966,718	315,708	1,557,188	894,125
	3,036,766	3,266,350	2,656,112	2,581,830	2,500,440	2,402,654
	<u>37,861,056</u>	<u>41,150,276</u>	<u>41,058,478</u>	<u>42,601,490</u>	<u>42,919,756</u>	<u>44,202,091</u>
	7,285,644	9,117,346	10,453,220	10,960,222	11,550,809	12,216,311
	9,945,058	10,583,868	10,416,969	10,622,167	11,156,101	11,613,763
	7,985,952	8,645,749	9,163,140	9,263,695	10,030,131	10,881,717
	1,428,549	1,542,745	1,513,019	1,764,047	2,225,592	2,132,730
	834,784	2,818,270	1,867,943	764,474	1,677,999	1,750,321
	-	-	-	-	-	1,281,754
	<u>27,479,987</u>	<u>32,707,978</u>	<u>33,414,291</u>	<u>33,374,605</u>	<u>36,640,632</u>	<u>39,876,596</u>
\$	<u>65,341,043</u>	<u>73,858,254</u>	<u>74,472,769</u>	<u>75,976,095</u>	<u>79,560,388</u>	<u>84,078,687</u>
\$	600,440	\$ 638,914	\$ 658,094	\$ 758,852	\$ 869,902	\$ 881,452
	2,510,798	3,800,955	3,437,009	4,541,906	5,677,410	4,171,948
	606,861	653,553	800,219	748,009	798,307	812,796
	8,670,138	8,291,746	6,037,029	6,467,419	6,860,168	7,285,569
	1,012,627	929,685	1,775,572	874,952	960,078	994,344
	3,527,608	5,295,196	3,782,450	6,870,964	7,955,513	12,666,902
	<u>16,928,472</u>	<u>19,610,049</u>	<u>16,490,373</u>	<u>20,262,102</u>	<u>23,121,378</u>	<u>26,813,011</u>
	7,948,291	8,823,640	9,932,740	11,069,722	12,894,803	12,884,069
	8,468,777	8,693,581	9,576,991	10,455,509	11,397,816	11,995,161
	8,475,746	8,396,471	9,343,414	10,244,028	11,078,291	12,207,178
	1,587,630	1,544,259	1,675,477	1,777,726	1,805,823	1,891,786
	-	1,579,500	1,260,000	7,787	8,011	-
	-	-	-	-	-	2,592,556
	9,000	28,311	11,446	893,355	744,000	1,336,259
	9,722,779	7,855,974	9,860,932	16,784,716	18,149,610	23,016,662
	<u>36,212,223</u>	<u>36,921,736</u>	<u>41,661,000</u>	<u>51,232,843</u>	<u>56,078,354</u>	<u>65,923,671</u>
\$	<u>53,140,695</u>	<u>56,531,785</u>	<u>58,151,373</u>	<u>71,494,945</u>	<u>79,199,732</u>	<u>92,736,682</u>

**CITY OF ST. CLOUD**  
**Changes in Net Position, Last Ten Fiscal Years**  
*(accrual basis of accounting)*  
*(Concluded)*

	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>
<b>Net (Expense)/Revenue</b>				
Governmental Activities	\$ (20,196,741)	\$ (19,204,131)	\$ (20,504,828)	\$ (19,613,689)
Business-type Activities	(355,737)	(1,179,007)	(406,205)	382,408
Total Primary Government Net Expense	<u>\$ (20,552,478)</u>	<u>\$ (20,383,138)</u>	<u>\$ (20,911,033)</u>	<u>\$ (19,231,281)</u>
<b>General Revenues and Other</b>				
<b>Changes in Net Position</b>				
Governmental Activities:				
General Revenues:				
Property Taxes	\$ 7,561,891	\$ 6,423,698	\$ 6,368,670	\$ 5,724,332
Intergovernmental, Unrestricted	2,616,532	3,239,623	3,368,915	3,734,137
Other Taxes	7,124,478	7,064,681	7,136,940	7,363,315
Investment Income	1,478,731	717,604	913,453	618,217
Miscellaneous	929,012	659,685	554,460	986,651
Transfers	1,945,903	1,723,238	2,109,231	(5,932,919)
Total Governmental Activities	<u>21,656,547</u>	<u>19,828,529</u>	<u>20,451,669</u>	<u>12,493,733</u>
Business-type Activities:				
Investment Income	1,195,860	553,041	280,290	320,353
Miscellaneous	96,317	390,939	94,461	-
Transfers	(1,945,903)	(1,723,238)	(2,109,231)	5,932,919
Total Business-type Activities	<u>(653,726)</u>	<u>(779,258)</u>	<u>(1,734,480)</u>	<u>6,253,272</u>
Total Primary Government	<u>\$ 21,002,821</u>	<u>\$ 19,049,271</u>	<u>\$ 18,717,189</u>	<u>\$ 18,747,005</u>
<b>Change in Net Position</b>				
Governmental Activities	\$ 1,459,806	\$ 624,398	\$ (53,159)	\$ (7,119,956)
Business-type Activities	(1,009,463)	(1,958,265)	(2,140,685)	6,635,680
Total Primary Government	<u>\$ 450,343</u>	<u>\$ (1,333,867)</u>	<u>\$ (2,193,844)</u>	<u>\$ (484,276)</u>

2013	2014	2015	2016	2017	2018
\$ (20,932,584)	\$ (21,540,227)	\$ (24,568,105)	\$ (22,339,388)	\$ (19,798,378)	\$ (17,389,080)
8,732,236	4,213,758	8,246,709	17,858,238	19,437,722	26,047,075
<u>\$ (12,200,348)</u>	<u>\$ (17,326,469)</u>	<u>\$ (16,321,396)</u>	<u>\$ (4,481,150)</u>	<u>\$ (360,656)</u>	<u>\$ 8,657,995</u>

\$ 5,527,393	\$ 5,979,320	\$ 6,524,415	\$ 7,263,646	\$ 7,889,505	\$ 8,949,522
3,517,151	3,850,890	4,206,415	4,512,622	4,848,217	5,895,419
8,220,292	9,173,342	9,074,772	9,545,394	9,743,963	10,406,248
92,726	379,388	558,801	385,495	318,793	615,028
648,564	1,010,226	847,325	1,037,481	1,197,474	399,359
343,073	1,659,984	2,641,419	1,323,563	5,630,658	1,955,487
<u>18,349,199</u>	<u>22,053,150</u>	<u>23,853,147</u>	<u>24,068,201</u>	<u>29,628,610</u>	<u>28,221,063</u>

57,295	66,650	287,235	203,496	183,272	486,183
-	-	-	-	-	-
(343,073)	(1,659,984)	(2,641,419)	(1,323,563)	(5,630,658)	(1,955,487)
(285,778)	(1,593,334)	(2,354,184)	(1,120,067)	(5,447,386)	(1,469,304)
<u>\$ 18,063,421</u>	<u>\$ 20,459,816</u>	<u>\$ 21,498,963</u>	<u>\$ 22,948,134</u>	<u>\$ 24,181,224</u>	<u>\$ 26,751,759</u>

\$ (2,583,385)	\$ 512,923	\$ (714,958)	\$ 1,728,813	\$ 9,830,232	\$ 10,831,983
8,446,458	2,620,424	5,892,525	16,738,171	13,990,336	24,577,771
<u>\$ 5,863,073</u>	<u>\$ 3,133,347</u>	<u>\$ 5,177,567</u>	<u>\$ 18,466,984</u>	<u>\$ 23,820,568</u>	<u>\$ 35,409,754</u>

**CITY OF ST. CLOUD**  
**Fund Balances - Governmental Funds**  
**Last Ten Fiscal Years**  
*(modified accrual basis of accounting)*

	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>
<b>General Fund</b>				
Reserved	\$ 513,260	\$ 2,504,950	\$ -	\$ -
Unreserved	5,840,649	4,353,960	-	-
Nonspendable	-	-	2,370,452	2,518,046
Restricted	-	-	246,604	125,959
Committed	-	-	-	-
Assigned	-	-	2,133,340	3,179,659
Unassigned	-	-	4,571,432	3,273,644
Total General Fund	<u>\$ 6,353,909</u>	<u>\$ 6,858,910</u>	<u>\$ 9,321,828</u>	<u>\$ 9,097,308</u>
<b>All Other Governmental Funds</b>				
Reserved	\$ 32,016,240	\$ 49,242,237	\$ -	\$ -
Unreserved, Reported in:				
Special Revenue Funds	1,286,868	2,593,109	-	-
Capital Projects Funds	-	(5,830,639)	-	-
Debt Service Funds	-	-	-	-
Nonspendable	-	-	7,716,532	371,689
Restricted	-	-	36,647,714	29,011,044
Committed	-	-	-	-
Assigned	-	-	3,689,701	2,349,509
Unassigned	-	-	-	-
Total All Other Governmental Funds	<u>\$ 33,303,108</u>	<u>\$ 46,004,707</u>	<u>\$ 48,053,947</u>	<u>\$ 31,732,242</u>

**Note:**

Beginning in fiscal year 2011, fund balance classifications have been revised due to the implementation of GASB Statement No. 54.

<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
2,451,601	2,442,265	2,028,328	1,801,074	1,836,846	1,777,917
35,011	710,839	310,896	892,953	1,265,947	39,938
-	-	-	-	-	-
2,704,016	4,087,045	4,231,520	207,172	31,854	1,433,135
3,939,062	3,407,545	2,918,251	7,281,247	10,169,034	10,697,849
<u>\$ 9,129,690</u>	<u>\$ 10,647,694</u>	<u>\$ 9,488,995</u>	<u>\$ 10,182,446</u>	<u>\$ 13,303,681</u>	<u>\$ 13,948,839</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
392,900	380,195	507,310	1,638	1,305	1,522
26,969,155	23,213,807	22,957,746	26,191,375	30,249,805	32,516,986
-	-	-	-	-	-
1,540,480	1,094,998	1,249,540	808,919	260,379	341,686
-	-	-	-	(146,821)	(108,404)
<u>\$ 28,902,535</u>	<u>\$ 24,689,000</u>	<u>\$ 24,714,596</u>	<u>\$ 27,001,932</u>	<u>\$ 30,364,668</u>	<u>\$ 32,751,790</u>

**CITY OF ST. CLOUD**  
**Changes in Fund Balances - Governmental Funds**  
**Last Ten Fiscal Years**  
*(modified accrual basis of accounting)*

	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>
<b>Revenues</b>				
Taxes	\$ 17,215,653	\$ 14,071,247	\$ 14,073,338	\$ 13,688,810
Licenses and Permits	349,871	2,419,398	2,468,250	2,614,851
Intergovernmental	2,627,429	2,656,756	3,764,674	4,299,705
Charges for Services	2,467,593	3,357,777	3,472,421	2,005,328
Fines and Forfeitures	337,545	1,140,639	249,220	305,678
Interest and Other	-	-	-	-
Grants	141,756	209,275	81,800	90,181
Payments from Other Governments	7,226,274	7,493,193	8,284,534	8,841,786
Investment Income	1,531,159	717,553	913,382	618,221
Other Revenues	2,724,868	1,330,747	990,751	3,194,486
<b>Total Revenues</b>	<b>34,622,148</b>	<b>33,396,585</b>	<b>34,298,370</b>	<b>35,659,046</b>
<b>Expenditures</b>				
Current:				
General Government	7,233,221	5,178,044	4,829,790	5,981,125
Public Safety	12,814,383	14,149,887	14,764,873	14,204,511
Physical Environment	-	-	-	-
Transportation	1,825,996	2,582,535	2,464,536	2,543,154
Parks and Recreation	3,346,156	2,257,219	2,602,977	2,685,031
Operating Expenditures	-	-	-	-
Economic Environment	311,165	637,948	507,637	474,680
Capital Outlay	12,419,126	9,730,857	15,457,839	12,909,124
Debt Service:				
Principal Retirement	3,115,853	3,153,866	3,341,488	4,315,931
Interest and Fees	1,370,181	1,567,493	3,235,797	3,158,796
Debt Issuance Costs	-	-	1,844,282	-
<b>(Total Expenditures)</b>	<b>(42,436,081)</b>	<b>(39,257,849)</b>	<b>(49,049,219)</b>	<b>(46,272,352)</b>
<b>(Deficiency) Excess of Revenues (Under) Over Expenditures</b>	<b>(7,813,933)</b>	<b>(5,861,264)</b>	<b>(14,750,849)</b>	<b>(10,613,306)</b>
<b>Other Financing Sources (Uses)</b>				
Insurance Claims Reimbursement	-	-	-	-
Bond Proceeds	-	-	-	-
Issuance of Debt	10,000,000	-	54,890,000	-
Bond Premium	-	-	948,402	-
Payment to Refunded Bond Escrow Agent	-	-	(21,340,000)	-
Transfers in/from Other Funds	18,978,174	15,648,853	13,962,060	15,253,836
Transfers (out)/(to) Other Funds	(11,489,075)	(13,925,615)	(11,852,829)	(21,186,755)
<b>Other Financing Sources (Uses)</b>	<b>17,489,099</b>	<b>1,723,238</b>	<b>36,607,633</b>	<b>(5,932,919)</b>
<b>Net Change in Fund Balances</b>	<b>\$ 9,675,166</b>	<b>\$ (4,138,026)</b>	<b>\$ 21,856,784</b>	<b>\$ (16,546,225)</b>
<b>Debt Service as a Percentage of Noncapital Expenditures</b>	<b>14.9%</b>	<b>16.0%</b>	<b>19.6%</b>	<b>22.4%</b>

	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
\$	13,747,685	\$ 14,691,833	\$ 15,599,187	\$ 16,809,041	\$ 17,633,468	\$ 19,355,770
	3,213,534	3,207,093	3,686,839	6,848,369	8,359,304	8,356,146
	4,310,955	4,505,628	4,887,562	5,164,335	5,580,674	6,538,387
	2,172,825	10,982,679	8,958,552	9,478,806	10,230,842	10,838,656
	227,983	188,216	150,204	190,264	205,461	153,285
	-	-	-	-	-	-
	461,348	1,923,534	1,075,282	373,532	685,407	443,684
	8,670,138	-	-	-	-	-
	92,707	318,742	558,801	385,422	317,261	615,028
	2,338,838	1,689,454	1,496,163	1,700,547	1,596,474	851,678
	<u>35,236,013</u>	<u>37,507,179</u>	<u>36,412,590</u>	<u>40,950,316</u>	<u>44,608,891</u>	<u>47,152,634</u>
	6,262,085	4,895,805	4,933,674	5,291,917	6,120,256	5,448,154
	14,878,555	16,984,759	18,560,826	19,708,851	20,443,363	21,308,489
	-	304	-	-	-	-
	2,309,765	2,407,052	2,352,860	1,844,756	1,536,532	1,880,374
	2,776,356	2,882,584	3,239,828	3,245,669	3,447,659	3,763,598
	-	-	-	-	-	-
	454,552	1,003,322	370,884	550,898	422,255	451,677
	4,164,800	5,956,120	4,518,763	4,190,641	6,277,401	8,057,599
	4,466,055	4,407,950	2,678,142	2,892,145	3,055,355	2,794,661
	3,045,367	3,313,472	2,658,275	2,540,894	2,452,757	2,371,289
	-	-	-	-	-	-
	<u>(38,357,535)</u>	<u>(41,851,368)</u>	<u>(39,313,252)</u>	<u>(40,265,771)</u>	<u>(43,755,578)</u>	<u>(46,075,841)</u>
	<u>(3,121,522)</u>	<u>(4,344,189)</u>	<u>(2,900,662)</u>	<u>684,545</u>	<u>853,313</u>	<u>1,076,793</u>
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	972,490	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	14,797,585	14,662,831	17,264,505	19,916,711	28,485,467	18,210,264
	<u>(14,473,388)</u>	<u>(13,014,173)</u>	<u>(14,983,741)</u>	<u>(18,592,959)</u>	<u>(22,854,809)</u>	<u>(16,254,777)</u>
	<u>324,197</u>	<u>1,648,658</u>	<u>2,280,764</u>	<u>2,296,242</u>	<u>5,630,658</u>	<u>1,955,487</u>
\$	<u>(2,797,325)</u>	<u>(2,695,531)</u>	<u>(619,898)</u>	<u>2,980,787</u>	<u>6,483,971</u>	<u>3,032,280</u>
	22.0%	21.5%	15.3%	15.1%	14.7%	13.6%

**CITY OF ST. CLOUD**  
**Sanitation Revenue Indicators**  
**Last Ten Fiscal Years**

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
<b>Annual Tonnage</b>										
City	22,969	23,481	22,856	20,654	21,616	22,622	23,805	25,135	27,416	29,155
Non-City	71,438	68,874	74,238	70,568	64,042	58,888	68,648	71,276	74,718	80,859
<b>Total</b>	<u>94,407</u>	<u>92,355</u>	<u>97,095</u>	<u>91,222</u>	<u>85,658</u>	<u>81,510</u>	<u>92,453</u>	<u>96,411</u>	<u>102,134</u>	<u>110,014</u>
<b>Rates</b>										
City	\$43	\$43	\$43	\$44	\$44	\$44	\$47	\$42	\$42	\$42
Non-City	\$43	\$43	\$43	\$44	\$44	\$44	\$47	\$47	\$49	\$49
<b>Customers</b>										
Residential	12,897	13,098	13,998	15,277	15,011	15,048	15,669	16,874	17,420	18,533
Commercial	352	408	388	418	442	459	458	278	567	309
Shared Containers	-	-	-	-	-	-	-	142	143	153
Dumpsters	327	331	332	340	364	362	361	326	380	346
<b>Rates</b>										
Curbside:										
Residential	\$17	\$17	\$17	\$17	\$17	\$17	\$18	\$18	\$18	\$18
Commercial	\$17	\$17	\$17	\$17	\$17	\$17	\$18	\$18	\$18	\$18
Additional	\$9	\$9	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100
Dumpsters	Variable	Variable	Variable	Variable	Variable	Variable	Variable	Variable	Variable	Variable

**Note:**



**CITY OF ST. CLOUD**  
**Assessed Value and Actual Value of Taxable Property**  
**Last Ten Fiscal Years**

<b>Fiscal Year</b>	<b>Real Property</b>		<b>Personal Property</b>	
	<b>Assessed Value</b>	<b>Estimated Actual Value</b>	<b>Assessed Value</b>	<b>Estimated Actual Value</b>
2009	\$ 2,587,913,055	\$ 2,809,257,344	\$ 96,490,915	\$ 96,792,906
2010	2,027,273,843	2,246,958,044	98,350,632	98,623,291
2011	1,260,138,855	1,857,245,020	75,868,896	89,587,224
2012	1,130,021,903	1,701,176,314	68,259,867	83,016,192
2013	1,096,284,020	1,669,866,208	70,515,273	364,835,412
2014	1,140,657,725	1,777,302,566	69,154,635	379,884,058
2015	1,249,263,227	1,999,034,036	71,600,022	392,169,804
2016	1,402,905,315	2,271,106,956	69,847,916	387,216,147
2017	1,529,793,107	2,481,494,926	67,108,420	384,641,893
2018	1,721,422,794	2,756,485,576	77,202,223	512,965,691

**Source:** Osceola County Property Appraiser (DR-403V).

**Notes:** This schedule reflects values corresponding with the fiscal year(s) in which taxes are levied and payable.

Centrally Assessed Property consists of railroad and telegraph systems, which are assessed by the State of Florida. Currently, the City of St. Cloud does not have Centrally Assessed Property.

<b>Centrally Assessed Property</b>		<b>Total</b>			<b>Percent of Total</b>
<b>Assessed Value</b>	<b>Estimated Actual Value</b>	<b>Assessed Value</b>	<b>Direct Tax Rate</b>	<b>Estimated Actual Value</b>	<b>Assessed Value to Total Estimated Actual Value</b>
\$ -	\$ -	\$ 2,684,403,970	4.0454	\$ 2,906,050,250	92.4%
-	-	2,125,624,475	4.0454	2,345,581,335	90.6%
-	-	1,336,007,751	4.9128	1,946,832,244	68.6%
-	-	1,198,281,770	4.9128	1,784,192,506	67.2%
-	-	1,166,799,293	4.9128	2,034,701,620	57.3%
-	-	1,209,812,360	5.1128	2,157,186,624	56.1%
-	-	1,320,863,249	5.1128	2,391,203,840	55.2%
-	-	1,472,753,231	5.1128	2,658,323,103	55.4%
-	-	1,596,901,527	5.1128	2,866,136,819	55.7%
-	-	1,798,625,017	5.1128	3,269,451,267	55.0%

**CITY OF ST. CLOUD**  
**Direct and Overlapping Property Tax Rates**  
**Last Ten Fiscal Years**  
*(rate per \$1,000 of assessed value)*

<u>City Direct Rates</u>				<u>Overlapping Rates</u>		
<u>Fiscal Year</u>	<u>Basic Rate</u>	<u>General Obligation Debt Service</u>	<u>Total Direct Rate</u>	<u>Osceola County</u>	<u>Osceola County School District</u>	<u>South Florida Water Management</u>
2018	5.1128	-	5.1128	7.1997	6.7490	0.3100
2017	5.1128	-	5.1128	7.1928	6.9050	0.3307
2016	5.1128	-	5.1128	7.2186	7.2610	0.3551
2015	5.1128	-	5.1128	7.1839	7.3750	0.3842
2014	5.1128	-	5.1128	7.1958	7.5090	0.4110
2013	4.9128	-	4.9128	7.1966	7.3230	0.4289
2012	4.9128	-	4.9128	7.1949	7.5770	0.4363
2011	4.9128	-	4.9128	7.1962	7.7150	0.6240
2010	4.0450	-	4.0450	6.7973	7.6630	0.6240
2009	4.0450	-	4.0450	5.7361	7.5130	0.6241

**Source:** Osceola County Tax Collector.

**Note:** This schedule reflects rates corresponding with the fiscal year(s) in which taxes are levied and payable.

**CITY OF ST. CLOUD**  
**Principal Property Taxpayers**  
**Current Year and Nine Years Ago**

Taxpayer	Fiscal Year 2017/2018 (a)			Fiscal Year 2008/2009 (b)		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
DEANCURT ST CLOUD LLC	\$ 23,146,800	1	1.287%			
OSCEOLA SC LLC/ST CLOUD REGIONAL MEDICAL CENTER	15,059,237	2	0.837%			
CALATLANTIC GROUP INC	12,226,587	3	0.839%			
WAL-MART STORES EAST LP	11,754,719	4	0.761%	14,969,795	2	0.56%
PROGRESS RESIDENTIAL BORROWER LLC	11,481,470	5	0.638%			
IH & IH2 BORROWER LLC	11,169,312	6	0.621%			
ST CLOUD STATION LLC	8,952,200	7	0.498%			
MERCURY MARINE #7 / BRUNSWICK CORP	8,723,126	8	0.485%	10,646,198	7	0.40%
SUMMIT CRESTWOOD APARTMENTS LTD / CRESTWOOD APTS	7,611,175	9	0.423%			
MULBERRY 114 LLC	7,240,100	10	0.403%			
LEVI & SONS OF OSCEOLA				16,603,200	1	0.62%
PRIME HOMES AT PORTOFINO				12,712,400	3	0.47%
RYLAND GROUP INC				12,300,900	4	0.46%
D R HORTON INC				11,982,381	5	0.45%
EMBARQ CORPORATION				10,917,959	6	0.41%
ST CLOUD 192 LLC				9,986,800	8	0.37%
OSCEOLA LLC				9,511,200	9	0.35%
STRATEGIC CAPITAL RESOURCES				8,893,200	10	0.33%
Total Taxable Assessed Value	117,364,726		6.53%	118,524,033		4.42%
Total Taxable Assessed Value all Other Taxpayers	<u>1,681,260,291</u>		<u>93.47%</u>	<u>2,565,879,937</u>		<u>95.58%</u>
Total Taxable Assessed Value all Taxpayers	<u>\$ 1,798,625,017</u>		<u>100.00%</u>	<u>\$ 2,684,403,970</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

**CITY OF ST. CLOUD**  
**Property Tax Levies and Collections**  
**Last Ten Fiscal Years**

<b>Fiscal Year</b>	<b>Taxes Levied for the Fiscal Year</b>	<b>Collected within the Fiscal Year of the Levy</b>		<b>Collections in Subsequent Years</b>	<b>Total Collections to Date</b>	
		<b>Amount</b>	<b>Percentage of Levy</b>		<b>Amount</b>	<b>Percentage of Levy</b>
2009	\$ 7,993,906	\$ 7,435,644	93.02%	\$ 126,261	\$ 7,561,905	94.60%
2010	6,661,775	6,358,226	95.44%	65,472	6,423,698	96.43%
2011	6,589,821	6,335,376	96.14%	33,294	6,368,670	96.64%
2012	5,926,418	5,690,535	96.02%	33,797	5,724,332	96.59%
2013	5,725,653	5,513,129	96.29%	14,261	5,527,390	96.54%
2014	6,193,240	5,958,031	96.20%	21,289	5,979,320	96.55%
2015	6,785,871	6,506,571	95.88%	17,844	6,524,415	96.15%
2016	7,539,265	7,243,253	96.07%	20,393	7,263,646	96.34%
2017	8,161,308	7,870,071	96.43%	19,434	7,889,505	96.67%
2018	9,193,298	8,907,454	96.89%	42,068	8,949,522	97.35%

**Sources:** Osceola County Tax Collector  
City of St. Cloud Finance Department

**CITY OF ST. CLOUD**  
**Ratios of Outstanding Debt by Type**  
**Last Ten Fiscal Years**

Fiscal Year	Governmental Type Activities		Business Type	Total Primary Government	Percentage of Personal Income	Per Capita
	Revenue Bonds	Special Assessment Bonds	Revenue Bonds			
2009	\$ 40,046,242	\$ -	\$ 61,972,623	\$ 102,018,865	12.42%	3,127
2010	36,892,376	-	57,186,774	94,079,150	10.23%	2,674
2011	67,100,888	-	56,562,709	123,663,597	12.68%	3,446
2012	62,784,957	-	69,618,819	132,403,776	12.85%	3,510
2013	58,318,905	-	66,600,479	124,919,384	11.80%	3,189
2014	53,910,955	-	63,477,977	117,388,932	10.53%	2,959
2015	51,334,604	-	60,228,808	111,563,412	9.03%	2,700
2016	49,356,603	-	56,498,966	105,855,569	8.03%	2,462
2017	46,271,334	-	52,779,183	99,050,517	6.84%	2,197
2018	43,447,700	-	48,972,187	92,419,887	N/A	1,987

**Notes:** Details regarding the City's outstanding debt can be found in the notes to the financial statements.  
N/A = Not available at time of publication.

**CITY OF ST. CLOUD**  
**Ratios of General Bonded Debt Outstanding**  
**Last Ten Fiscal Years**

<b>Fiscal Year<sup>(1)</sup></b>	<b>Limited General Obligation Bonds</b>	<b>Total</b>	<b>Percentage of Actual Taxable Value of Property</b>	<b>Per Capita</b>
2018				
2017				
2016				
2015				
2014				
2013				
2012				
2011				
2010				
2009				

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

<sup>(1)</sup> There was no general bonded debt in these fiscal years.

**CITY OF ST. CLOUD**  
**Direct and Overlapping Governmental Activities Debt**  
**as of September 30, 2018**  
**(Unaudited)**

Governmental Unit	Debt Outstanding	Estimated Overlapping (2)	Estimated Share of Direct and Overlapping Debt (2)
<b>Overlapping Debt</b>			
<b>School District of Osceola County Florida</b>			
<b>Long-term Debt (1)</b>			
Self Supporting State Bonds			
Series 2009ARFD	\$ 105,000	7.8332%	\$ 8,225
Series 2010A	490,000	7.8332%	38,383
Series 2011ARFD	695,000	7.8332%	54,442
Series 2014A	1,288,000	7.8332%	100,892
Series 2014B	49,000		
Series 2017ARFD	912,000	7.8332%	71,439
District Revenue Bonds			
Sales Tax Revenue Bonds, Series 2015	26,242,000	7.8332%	2,055,599
Sales Tax Revenue Bonds, Series 2017	16,785,000	7.8332%	1,314,809
Capital Outlay Sales Tax Revenue Bonds, Series 2017	86,250,000	7.8332%	6,756,169
Certificates of Participation			
Series 2009A	10,930,000	7.8332%	856,173
Series 2013A	32,695,000	7.8332%	2,561,078
Series 2014A	5,375,000	7.8332%	421,037
Series 2015A	5,750,000	7.8332%	450,411
Series 2017A	56,755,000	7.8332%	4,445,755
Qualified School Construction Bonds			
Series 2010A	40,500,000	7.8332%	3,172,462
Education Benefit Districts			
Bellalago Benefit District	9,001,150	7.8332%	705,083
<b>Total Osceola County School District (1)</b>	<b>293,822,150</b>	<b>7.8332%</b>	<b>23,015,795</b>
<b>Osceola County</b>			
Limited General Obligation Debt			
Series 2010	14,495,000	7.8332%	1,135,428
Series 2015	8,230,000	7.8332%	644,676
<b>Total Osceola County</b>	<b>22,725,000</b>	<b>7.8332%</b>	<b>1,780,104</b>
<b>Subtotal - Overlapping Debt</b>	<b>316,547,150</b>	<b>7.8332%</b>	<b>24,795,898</b>
<b>Direct Debt</b>			
<b>City of St. Cloud</b>	<b>43,447,700</b>	<b>100.0000%</b>	<b>43,447,700</b>
<b>Total Direct and Overlapping Debt</b>	<b>\$ 359,994,850</b>		<b>\$ 68,243,598</b>

**Sources:** Osceola County Finance Department.  
Osceola County School Board Finance Department.  
City of St. Cloud 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 outstanding debt of those overlapping governments that is borne by the residents and businesses of the City of St. Cloud, 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 debt of each overlapping government.

(1) Excluding Capital Leases, Installment Purchases, Compensated Absences, and Estimated Insurance Claims Payable.

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



**CITY OF ST. CLOUD**  
**Pledged-Revenue Coverage**  
**Last Ten Fiscal Years**

**Governmental-Type Activities**

**One Percent Surcharge Revenue Notes**

Fiscal Year	Gross Revenues (1)	Operating Expenses	Net Revenue Available for Debt Service	Debt Service		Coverage
				Principal	Interest	
2009	\$ 2,674,689	\$ -	\$ 2,674,689	\$ 675,000	\$ 596,054	2.10
2010	2,721,221	-	2,721,221	700,000	568,754	2.14
2011	2,877,183	-	2,877,183	432,395	337,893	3.74
2012	3,266,193	-	3,266,193	885,632	369,549	2.60
2013	3,504,152	-	3,504,152	906,470	351,837	2.78
2014	3,785,580	-	3,785,580	932,518	324,643	3.01
2015	4,133,978	-	4,133,978	1,574,195	359,650	2.14
2016	4,438,492	-	4,438,492	1,648,686	289,724	2.29
2017	4,661,119	-	4,661,119	1,710,363	225,089	2.41
2018	5,135,595	-	5,135,595	1,421,411	173,139	3.22

**Note:** Details regarding the City's outstanding debt can be found in the notes to the financial statements.  
Revenue pledge transferred to 1% surcharge from Utility tax beginning in 2015.

**CITY OF ST. CLOUD**  
**Pledged-Revenue Coverage**  
**Last Ten Fiscal Years**

**Governmental-Type Activities**

**Gas Tax Revenue Bonds**

Fiscal Year	Gross Revenues	Operating Expenses	Net Revenue Available for Debt Service (1)	Debt Service		Coverage
				Principal	Interest	
2009	\$ 1,239,152	\$ 241,264	\$ 1,239,152	\$ 458,501	\$ 151,198	2.03
2010	1,218,309	479,535	1,218,309	408,893	133,472	2.25
2011	1,181,603	296,013	1,181,603	386,505	119,502	2.34
2012	1,169,365	334,815	1,169,365	400,931	105,076	2.31
2013	1,317,560	340,590	1,317,560	416,055	90,061	2.60
2014	1,302,546	599,530	1,302,546	202,950	77,129	4.65
2015	1,315,950	496,930	1,315,950	208,142	71,937	4.70
2016(2)	1,794,354	1,007,362	1,794,354	213,467	66,612	6.41
2017	1,817,205	1,373,430	1,817,205	218,928	61,151	6.49
2018	1,916,167	1,634,928	1,916,167	224,529	55,550	6.84

(1) Gas tax revenue bonds are paid prior to operating expenses.

(2) Funding source changed to Stormwater revenue in FY2016.

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

**CITY OF ST. CLOUD**  
**Pledged-Revenue Coverage**  
**Last Eight Fiscal Years**

**Governmental-Type Activities**

**Traffic Impact Fee Bonds**

Fiscal Year	Gross Revenues (1)	Operating Expenses (2)	Net Revenue Available for Debt Service	Debt Service		Coverage
				Principal	Interest	
2011	\$ 1,700,807	\$ 50,350	\$ 1,650,457	\$ 397,605	\$ 2,048,109	0.67
2012	1,797,459	15,812	1,781,647	814,368	2,306,684	0.57
2013	1,393,492	-	1,393,492	833,530	2,290,397	0.45
2014	1,221,292	-	1,221,292	857,482	2,265,391	0.39
2015	1,472,656	-	1,472,656	895,805	2,226,588	0.47
2016	3,201,916	-	3,201,916	941,314	2,183,235	1.02
2017	3,265,589	-	3,265,589	979,637	2,145,583	1.04
2018	4,137,457	-	4,137,457	1,003,589	2,120,373	1.32

- (1) Total Revenues (including interest)
- (2) Total Operating Expenses Exclusive of Depreciation

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

**CITY OF ST. CLOUD**  
**Pledged-Revenue Coverage**  
**Last Ten Fiscal Years**

**Business-Type Activities**

**Water Utility Revenue Bonds**

<b>Fiscal Year</b>	<b>Gross Revenues (1)</b>	<b>Operating Expenses (2)</b>	<b>Net Revenue Available for Debt Service</b>	<b>Debt Service</b>		<b>Coverage</b>
				<b>Principal</b>	<b>Interest</b>	
2009	6,407,446	\$ 4,197,784	\$ 2,209,662	\$ 618,151	\$ 380,441	2.21
2010	7,032,222	3,766,691	3,265,531	876,730	637,584	2.16
2011	7,651,514	3,877,965	3,773,549	1,260,982	569,531	2.06
2012	8,052,183	4,202,819	3,849,364	1,179,692	648,278	2.11
2013	9,723,906	4,146,469	5,577,437	1,333,101	941,821	2.45
2014	10,551,428	5,288,846	5,262,582	1,311,355	890,730	2.39
2015	11,676,597	5,970,689	5,705,908	1,391,668	857,043	2.54
2016	12,777,184	6,141,334	6,635,850	1,927,661	814,893	2.42
2017	14,614,213	6,660,795	7,953,418	1,979,350	764,876	2.90
2018	14,764,541	7,156,715	7,607,826	2,026,755	716,363	2.77

- (1) Total operating revenues (including interest) as of FY 2010.  
(in prior years pledged revenue included other non-operating income)  
Impact fee revenue included does not exceed debt service on eligible portion of loan(s).
- (2) Total operating expenses exclusive of depreciation.

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

**CITY OF ST. CLOUD**  
**Pledged-Revenue Coverage**  
**Last Ten Fiscal Years**

**Business-Type Activities**

**Sewer Utility Revenue Bonds**

Fiscal Year	Gross Revenues (1)	Operating Expenses (2)	Net Revenue Available for Debt Service	Debt Service		Coverage
				Principal	Interest	
2009	8,502,567.00	\$ 5,205,504	\$ 3,297,063	\$ 1,801,375	\$ 548,226	1.40
2010	8,385,170	4,832,593	3,552,577	1,753,574	806,767	1.39
2011	8,450,880	4,877,186	3,573,694	2,073,311	838,565	1.23
2012	8,937,915	5,225,946	3,711,969	1,264,197	1,341,048	1.42
2013	10,718,872	5,056,485	5,662,387	2,658,008	722,936	1.67
2014	10,366,495	5,648,292	4,718,203	1,811,147	659,549	1.91
2015	11,904,870	5,287,600	6,617,270	1,857,504	612,831	2.68
2016	12,638,003	5,099,130	7,538,873	1,802,180	564,647	3.19
2017	13,440,582	5,376,924	8,063,658	1,740,432	522,654	3.56
2018	13,321,254	5,418,713	7,902,541	1,780,242	486,691	3.49

(1) Total operating revenues (including interest) as of FY 2010.  
(in prior years pledged revenue included other non-operating income)  
Impact fee revenue included does not exceed debt service on eligible portion of loan(s).

(2) Total operating expenses exclusive of depreciation.

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

**CITY OF ST. CLOUD**  
**Demographic and Economic Statistics**  
**Last Ten Calendar Years**

Year	CITY OF ST. CLOUD		OSCEOLA COUNTY			
	Population (1)	Personal Income (in thousands) (2)	Per Capita Personal Income (2)	Median Age (3)	School Enrollment (4)	Unemployment Rate (5)
2009	32,630	821,623	25,180	34.6	50,654	12.8%
2010	35,183	920,000	26,149	35.6	52,303	12.7%
2011	35,884	975,004	27,171	35.6	56,543	11.3%
2012	37,723	1,030,441	27,316	35.6	55,832	9.4%
2013	39,171	1,058,361	27,019	35.5	57,538	7.2%
2014	39,674	1,114,363	28,088	35.9	58,851	6.4%
2015	41,316	1,235,803	29,911	36.4	60,125	5.7%
2016	42,998	1,318,534	30,665	36.5	62,648	4.8%
2017	45,094	1,447,337	32,096	n/a	67,796	3.6%
2018	46,519	n/a	n/a	n/a	71,901	3.3%

- Sources:**
- (1) University of Florida Bureau of Economic and Business Research (BEBR)
  - (2) Bureau of Economic Analysis <https://www.bea.gov>  
 Per Capita shown for Osceola County. Personal Income for St. Cloud determined by multiplying per capita by City population.
  - (3) University of Florida Bureau of Economic and Business Research (BEBR) <http://bebr.ufl.edu>  
 Florida Legislature Office of Economic and Demographic Research <http://edr.state.fl.us>  
 Median age shown for Osceola County.
  - (4) Osceola County School Board; <http://www.osceolaschools.net>; Enrollment shown is for Osceola County
  - (5) Economic Data | St. Louis Fed (FRED) <https://fred.stlouisfed.org/series>  
 Unemployment rate shown for Osceola County .
- n/a = Not available at time of publication.

**CITY OF ST. CLOUD**  
**Principal Employers**  
**Osceola County, Florida**  
**Current Year and Nine Years Ago**

Employer	2018			2009		
	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
Osceola County School District	8,832	1	9.85%	6,132	1	8.60%
Orange Lake Resorts and Holiday Inn Club Vacation	4,500	2	5.02%	N/A		N/A
Walt Disney Company	3,700	3	4.13%	3,700	2	5.19%
Osceola Regional Medical Center	2,200	4	2.45%	1,357	13	1.90%
Florida Hospital Celebration Healthcare	1,648	5	1.84%	1,300	8	1.82%
Gaylord Palms Resort & Convention Center	1,594	6	1.78%	1,445	5	2.03%
Westgate Vacation Villas	1,500	7	1.67%	N/A	3	N/A
Osceola County Government	1,399	8	1.56%	2,506	9	3.52%
Valencia Community College	1,213	9	1.35%	506	17	0.71%
Wilson Resort Management	1,200	10	1.34%	N/A		N/A
Total Largest Employers	<u>27,786</u>		<u>30.99%</u>	<u>16,946</u>		<u>23.77%</u>
Total All Other Employers	<u>61,878</u>			<u>54,344</u>		
<b>Total Employment</b>	<u><u>89,664</u></u>			<u><u>71,290</u></u>		

**Sources:** Orlando Economic Development Commission [www.orlandoedc.com](http://www.orlandoedc.com)  
Osceola County CAFR - Fiscal Year 2009

**CITY OF ST. CLOUD**  
**Full-Time Equivalent City Government Employees by Function/Program**  
**Last Ten Fiscal Years**

<b>Function/Program</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
<b>General Government</b>										
Council Members	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50
City Clerk	5.50	5.50	5.50	5.50	6.50	6.50	6.50	6.50	6.00	6.00
City Manager	6.00	6.00	5.00	5.00	1.00	3.00	3.00	4.00	9.00	10.00
Human Resources	7.00	7.00	7.00	7.00	7.00	7.00	7.00	6.00	7.00	7.00
Information Technology	12.50	12.50	12.50	12.50	12.50	12.50	13.00	13.00	12.00	13.00
Finance & Accounting	19.00	19.00	19.00	19.00	19.00	19.00	18.00	34.50	18.00	19.50
Building & Permitting	30.00	30.00	30.00	30.00	30.00	30.00	30.00	21.00	22.00	25.00
Planning & Zoning	10.00	10.00	12.00	11.00	12.00	12.00	13.00	8.00	8.00	10.00
<b>Public Safety</b>										
Police										
Sworn Officers	76.50	76.50	77.00	77.00	80.50	80.50	83.00	83.50	83.50	87.50
Civilians	49.50	49.50	52.50	52.00	52.00	54.00	54.00	55.50	63.50	62.50
Fire										
Sworn Officers	32.00	32.00	33.00	33.00	36.00	35.00	48.00	48.00	48.00	46.00
Civilians	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00
Emergency Services	20.00	20.00	20.00	20.00	20.00	20.00	20.00	20.00	20.00	24.00
<b>Public Works</b>										
Engineering	10.00	10.00	10.00	10.00	12.00	10.00	8.00	7.00	7.00	5.00
Street Maintenance	16.00	16.00	15.00	15.00	16.00	16.00	16.00	16.00	15.00	15.00
Fleet Maintenance	4.00	4.00	4.00	5.00	6.00	6.00	7.00	7.00	7.00	7.00
Traffic Control	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Turf & Landscape	15.50	15.50	20.00	20.00	19.00	19.00	20.00	17.50	9.50	13.50
<b>Parks &amp; Recreation</b>	81.00	81.00	79.00	76.50	75.50	74.00	74.50	71.50	72.50	72.50
<b>Water</b>	36.30	36.30	75.50	75.50	77.50	79.50	96.50	77.00	90.00	90.00
<b>Sewer</b>	46.80	46.80	11.00	11.00	10.00	10.00	12.00	12.00	12.00	12.00
<b>Sanitation</b>	28.40	28.40	30.00	34.00	34.00	35.00	35.00	35.00	37.00	37.00
<b>Total</b>	<u>515.50</u>	<u>515.50</u>	<u>527.50</u>	<u>528.50</u>	<u>536.00</u>	<u>538.50</u>	<u>574.00</u>	<u>552.50</u>	<u>556.50</u>	<u>572.00</u>

**Source:** City of St. Cloud Annual Budget  
Funded Full Time Equivalents



**CITY OF ST. CLOUD**  
**Operating Indicators by Function/Program**  
**Last Ten Fiscal Years**

Function/Program	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
General Government:										
Building Permits Issued	1,563	1,764	1,786	1,764	2,162	2,336	2,520	3,103	6,299	9,136
Building Inspections Conducted	4,799	7,151	7,152	6,484	10,779	13,842	12,947	18,091	24,980	31,352
Police:										
Physical Arrests	1,300	1,114	1,288	1,086	1,284	1,327	1,293	1,188	1,435	1,109
Citations	7,385	8,248	3,142	3,250	6,581	5,188	4,370	3,519	3,170	5,260
Calls for Service	67,888	70,146	67,743	73,345	69,645	69,785	83,829	83,109	85,186	90,667
Fire:										
EMS Responses	3,048	3,073	3,060	3,131	4,192	3,279	4,211	4,238	4,530	4,672
Fires Emergencies	1,453	1,410	1,413	1,437	1,620	1,313	1,371	1,487	1,735	1,813
Inspections	594	747	541	558	741	1,030	1,293	1,235	1,061	1,355
Refuse Collection:										
Refuse Collected (tons per year)	22,969	23,481	22,856	25,333	26,949	30,459	31,043	33,153	35,460	37,143
Refuse - Transfer Station (tons per year)	94,407	92,355	97,095	91,498	93,841	92,180	92,465	98,172	103,305	112,909
Other Public Works:										
Street Resurfacing (miles)	-	2	3	3	3	3	1	3	-	3
Potholes Repaired (yards)	1,733	720	1,572	1,232	2,064	5,029	4,850	5,317	4,100	3,600
Parks & Recreation:										
Camp Registrations	3,831	3,749	3,700	3,459	3,398	2,998	4,102	5,799	4,661	5,281
Pool Memberships	271	214	265	223	267	322	432	182	755	448
Private Use Rentals	380	338	200	113	160	178	252	315	427	496
Boat Basin Rentals	85	109	105	102	98	109	118	200	552	546
Potable Water:										
Total Average Connections/Customers	19,052	19,218	19,997	20,279	21,200	22,282	22,887	24,255	25,602	26,978
Average Annual Daily Consumption (MGD)	5	5	6	6	6	7	5	5	6	6
Wastewater:										
Total Connections	13,615	13,875	14,164	14,469	15,035	15,261	16,437	17,437	18,512	19,772
Average Annual Daily Sewage Treatment (MGD)	3	3	5	5	5	5	5	5	5	5
Reclaim Water:										
Total Connections	3,336	3,289	3,439	3,632	3,865	4,129	4,845	5,191	5,567	6,726

**Note:** Boat basin rentals reported above are an annual average for the year indicated.

**Source:** Various City of St. Cloud Departments

**CITY OF ST. CLOUD**  
**Capital Asset Statistics by Function/Program**  
**Last Ten Fiscal Years**

Function/Program	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Police:										
Stations (Square Footage)	25,938.0	25,938.0	25,938.0	28,638.0	28,638.0	28,638.0	28,638.0	28,638.0	28,638.0	28,638.0
Training Facilities (Square Footage)	-	-	3,986.0	3,686.0	3,686.0	3,686.0	3,686.0	3,686.0	3,686.0	3,686.0
Marked Vehicles	56.0	64.0	59.0	62.0	65.0	65.0	63.0	61.0	69.0	73.0
Unmarked Vehicles	18.0	19.0	23.0	24.0	28.0	36.0	39.0	32.0	36.0	38.0
Special Operation Vehicles	-	-	4.0	4.0	9.0	12.0	14.0	16.0	19.0	22.0
Fire:										
Stations	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
Fire Trucks/Engines	6.0	6.0	6.0	6.0	6.0	6.0	6.0	5.0	6.0	6.0
Fire Rescue Vehicles (Ambulances)	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	7.0	8.0
Public Relations Vehicles								2.0	2.0	2.0
Refuse Collection:										
Collection Trucks	26.0	26.0	24.0	24.0	24.0	26.0	26.0	26.0	30.0	27.0
Public Works:										
Storm Sewers (Miles)	136.6	137.7	139.3	140.1	140.0	141.5	142.9	145.8	153.0	200.0
Miles of Streets:										
Paved Miles	158.6	146.3	146.3	147.0	147.4	148.8	174.4	175.4	161.3	200.0
Unpaved Miles	-	-	-	-	-	-	-	-	1.2	1.2
Parks and Recreation:										
Parks	13.0	13.0	13.0	13.0	13.0	15.0	15.0	15.0	16.0	17.0
Park Acreage	241.0	241.0	241.0	241.0	241.0	287.0	287.0	291.4	419.4	420.4
Boat Slips	143.0	143.0	143.0	143.0	143.0	143.0	143.0	143.0	143.0	143.0
Playgrounds	11.0	11.0	11.0	11.0	11.0	11.0	11.0	11.0	13.0	13.0
Baseball Fields	13.0	13.0	13.0	13.0	13.0	13.0	13.0	13.0	14.0	14.0
Soccer Fields	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0
Community Centers	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0
Urban Agricultural Area	-	-	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
Water:										
Water Mains (Miles)	272.8	270.8	280.2	282.7	289.0	290.9	295.4	301.4	317.7	331.1
Fire Hydrants	2,046.0	1,989.0	2,000.0	2,075.0	2,137.0	2,180.0	2,211.0	2,279.0	2,450.0	2,594.0
Storage Capacity (Millions of Gallons)	5.2	5.2	5.2	5.1	5.2	5.2	5.2	5.2	5.2	5.2
Treatment Capacity (Millions of Gallons)	17.7	17.7	17.7	16.3	15.8	15.8	15.8	15.8	15.8	15.8
Wastewater:										
Sanitary Sewers (Miles)	169.5	164.4	168.5	169.0	172.0	175.0	246.7	257.9	271.2	285.3
Treatment Capacity (Millions of Gallons)	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0

**Source:** Various City of St. Cloud Departments

**CITY OF ST. CLOUD**  
**Commercial Construction Value**  
**and Residential Construction Value**  
**Last Ten Fiscal Years**

<b>Fiscal Year</b>	<b>Commercial Construction Value</b>	<b>Residential Construction</b>	
		<b>Number of Units</b>	<b>Value</b>
2009	\$ 4,339,653	188	\$ 32,603,638
2010	841,601	269	38,556,579
2011	4,081,316	257	49,759,459
2013	7,068,724	644	72,072,288
2014	1,069,463	732	76,172,287
2015	4,035,475	788	101,991,287
2016	16,804,745	663	106,951,632
2017	11,365,658	748	230,969,900
2018	22,245,440	880	275,378,601

**Notes:**

**Source:** City of St. Cloud Building Department

**CITY OF ST. CLOUD**  
**Tourist Statistical Data for Osceola County**  
**Estimated Number of Overnight Visitors and Mode of Transportation**  
**Last Ten Years**

<u>Year<sup>(1)</sup></u>	<u>Air Visitors</u>	<u>Auto Visitors</u>	<u>Train/Bus Visitors</u>	<u>Total Visitors</u>	<u>% Change</u>
2009	3,296,061	2,003,477	61,654	5,361,192	-21.1%
2010	3,297,000	2,004,000	57,000	5,358,000	-0.1%
2011	3,555,000	2,395,000	73,000	6,023,000	12.4%
2012	3,746,000	2,676,000	77,000	6,499,000	7.9%
2013	3,709,000	3,047,000	81,000	6,837,000	5.2%
2014	3,876,000	3,185,000	84,000	7,154,000	4.6%
	<u>Total Visitors</u>	<u>Room Nights</u>	<u>Occupancy</u>	<u>Total Economic Impact</u>	<u>% Change</u>
2015 <sup>(2)</sup>	6,099,900	7,525,300	72.20%	\$ 4,546,247,300	N/A
2016 <sup>(2)</sup>	6,457,600	7,745,400	73.20%	\$ 4,991,576,000	9.8%
2017 <sup>(2)</sup>	6,874,400	8,157,100	75.90%	\$ 5,483,816,600	9.9%
2018 <sup>(2)</sup>	8,600,000	10,652,000	64.32%	\$ 6,000,000,000	9.4%

**Notes:** <sup>(1)</sup> Data is on calendar year basis.

<sup>(2)</sup> Experience Kissimmee hired a new vendor for fiscal year 2015, the new vendor used different methodology in their calculations. Information about visitors by air, auto, or train/bus is not available.

**Source:** Osceola County; Experience Kissimmee

**CITY OF ST. CLOUD**  
**Insurance Coverage**  
**September 30, 2018**

<u>Types of Coverage</u>	<u>Coverages and Limits</u>		<u>Deductibles</u>
<b>A. General Liability Insurance</b>			
1 Bodily Injury and Property Damage Limit	\$ 1,000,000	Per Occurrence	\$ 25,000
2 Personal Injury and Advertising Injury Limit		Included Per Person or Organization	\$ 25,000
3 Products & Completed Operations		Included	\$ 25,000
4 General Aggregate Limit	\$ 1,000,000		\$ 25,000
5 Employee Benefits Liability, per person	\$ 1,000,000	Per Occurrence	\$ 25,000
6 Employee Benefits Liability, Aggregate Limit	\$ 1,000,000		\$ 25,000
7 Fire Damage Limit		Included	\$ 25,000
8 Law Enforcement Liability	\$ 1,000,000	Per Person/Occurrence/Aggregate	\$ 25,000
<b>B. Property</b>			
1 <b>Building and Contents Limit, per schedule</b>	\$ 117,765,583		\$ 25,000 or 2% For Named Storm
a. Flood (Excess of NFIP where available)	\$ 1,000,000	Per Occurrence/Aggregate	\$ 25,000
b. Boiler & Machinery	\$ 50,000,000		\$ 25,000
2 <b>Inland Marine</b>			
a. Unscheduled Blanket Inland Marine	\$ 1,940,718		\$ 10,000
b. Scheduled Inland Marine	\$ 2,757,912		\$ 10,000
c. Contractor's Mobile Equipment		Included	\$ 10,000
d. Electronic Data Processing Equipment		Included	\$ 10,000
e. Emergency Services Portable Equipment		Included	\$ 10,000
f. Fine Arts		Included	\$ 10,000
g. Rented, Borrowed, Leased Equipment	\$ 200,000		\$ 10,000
h. Valuable Papers		Included	\$ 10,000
i. Watercraft	\$ 13,786		\$ 10,000
<b>C. Automobile</b>			
1 Physical Damage Comprehensive/Collision Coverage	Actual Cash Value		\$ 5,000
2 Automobile Liability	\$ 1,000,000		\$ 5,000
3 Personal Injury Protection		Statutory	\$ 5,000
<b>D. Public Officials</b>			
1 Employment Practices Liability	\$ 1,000,000	Per Claim/Aggregate	\$ 25,000
2 Professional Liability	\$ 1,000,000	Per Claim/Aggregate	\$ 25,000
<b>E. Crime</b>			
1 Employee Dishonesty	\$ 1,000,000	Per Loss	\$ 10,000
2 On Premises/In Transit	\$ 50,000	Per Loss	\$ 10,000
3 Forgery or Alteration	\$ 250,000	Per Loss	\$ 10,000
4 Computer Fraud	\$ 1,000,000	Per Loss	\$ 10,000
5 Funds Transfer	\$ 1,000,000	Per Loss	\$ 10,000
6 Claim Expense	\$ 5,000		\$ -
<b>F. Environmental (Pollution)</b>			
1 Above Ground Storage Tanks, per schedule	\$ 1,000,000		\$ 25,000
<b>G. Workers' Compensation</b>			
1 Compensation Benefits		Statutory City is self insured up to \$500,000 per occurrence	
2 Employers Liability:		Excess coverage for losses over \$ 500,000, per occurrence	
a. Each Accident	\$ 1,000,000		\$ -
b. Disease - Policy Limit	\$ 1,000,000		\$ -
c. Disease - Each Employee	\$ 1,000,000		\$ -
<b>H. Fiduciary Fund</b>			
Travelers Casualty and Surety Company of America	\$ 1,000,000		\$ 5,000

**CITY OF ST. CLOUD  
Insurance Coverage  
September 30, 2018**

<b>I. Group Health</b>	<u>Types of Coverage</u>	<u>Coverages and Limits</u>	<u>Deductibles</u>
1	PPO Coverage -- Preferred Plan	Office Co-pay \$ 30 Specialist Co-pay \$ 45 Hospital Rx - Tier 1 \$ 10 Rx - Tier 2 \$ 30 Rx - Tier 3 \$ 50 Emer. Room \$ 300 Co-Ins. 80/20	Ded + Coins
		Max. out of \$ 4,000 Individual Pocket \$ 8,000 Family	
		Deductible \$ 1,250 Individual \$ 2,500 Family	
2	PPO Coverage -- Standard Plan	Office Co-pay \$ 30 Specialist Co-pay \$ 55 Hospital Rx - Tier 1 \$ 10 Rx - Tier 2 \$ 30 Rx - Tier 3 \$ 50 Emer. Room \$ 300 Co-Ins. 80/20	Ded + Coins
		Max. out of \$ 5,000 Individual Pocket \$ 10,000 Family	
		Deductible \$ 1,750 Individual \$ 3,500 Family	
<b>J. Group Life and Accidental Death and Dismemberment Insurance</b>		1 times annual earnings rounded to the next higher multiple of \$1,000 Maximum amount of \$100,000 AD&D 3 times annual salary if wearing seatbelt	
<b>K. Accidental Death and Dismemberment</b> <i>(Statutory Death Benefit Coverages for Police Officers and Firefighters)</i>		• Line of Duty Coverage Principal Sum: \$69,801.94 • Fresh Pursuit Coverage Principal Sum: \$69,801.94 • Unlawful & Intentional Coverage Principal Sum: \$197,875.61	
<b>L. Employee Long-term Disability</b>		66-2/3 benefit percentage of own occupation period of disability up to 3 years Maximum: \$5,000; Minimum: \$100 Partial disability included	
<b>M. Group Dental Insurance</b>			
	Low Plan	Preventative Procedures Basic Procedures Co-Ins. 80/20 Major Procedures Co-Ins. 50/50 Orthodontia Co-Ins. 50/50 Year Deductible (In Network) Individual \$0/ Year Deductible (Out of Network) Individual \$50 Annual Max \$ 1,000 Annual Max Ortho \$ 1,000	
	High Plan	Preventative Procedures Basic Procedures Co-Ins. 100/0 Major Procedures Co-Ins. 60/40 Orthodontia Co-Ins. 50/50 Year Deductible (In Network) Individual \$0/ Year Deductible (Out of Network) Individual \$50 Annual Max \$ 1,500 Annual Max Ortho \$ 2,000	
<b>N. Fiduciary Liability</b>			
	Police Officers & Firefighters	\$ 1,000,000	\$ 5,000
	General Employees	\$ 1,000,000	\$ 5,000

**CITY OF ST. CLOUD**  
**Miscellaneous Statistical Data**  
**September 30, 2018**

**CITY OF ST. CLOUD, FLORIDA**

**(UNAUDITED)**

**Date of Incorporation**

March 4, 1911

**Original Charter Adopted**

September 12, 1967

**Present Charter Adopted**

January 27, 1994

Re-published on February 11, 2010

**Most Recent Referendum**

March 17, 2009

**Form of Government**

Council - Manager

**Terms of Office**

Mayor/Councilman and Four Councilmen - Staggered Four-year Terms

**Boundary Areas**

Municipality - 20.42 Square Miles

Electric Service Area - 150 Square Miles

# COMPLIANCE SECTION

Additional elements of the report prepared  
in accordance with the provisions of the  
Uniform Guidance and the Rules of the Auditor  
General of the State of Florida



## **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 Members of the City Council  
City of St. Cloud  
St. Cloud, 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, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of St. Cloud, 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 May 24, 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 opinion 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 operations 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. However, material weaknesses may exist that have not been identified.

**Certified Public Accountants**

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Laurel Ridge Professional Center • 2347 S.E. 17th Street • Ocala, Florida 34471 • (352) 732-3872  
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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 Members of the City Council  
City of St. Cloud  
St. Cloud, 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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* which consist of:

**2018-1—Notice of Event of Default**

The U.S. Bank National Association acts as trustee (the Trustee) for the Stevens Plantation Improvement Project Dependent Special District (the District). The District was formed in 2003 and is presented as a blended component unit of the City. In May 2013, the Bond Holders of the outstanding \$4,460,000 portion of the \$5,890,000 Stevens Plantation Improvement Project Dependent Special District Revenue Bonds, Series 2003 (the Bonds) received a Notice of Event of Default because the Trustee did not receive sufficient payments from the District for the payment of the: (i) interest due on the Bonds on May 1, 2013; and (ii) principal maturity on the Bonds due and payable on May 1, 2013, and the amounts on deposit in the Revenue Fund and the Reserve account were insufficient to pay the interest and principal on the Bonds due and payable on May 1, 2013. No subsequent payments have been made since the notice of default, except for a partial interest payment made in June 2017 of \$710,812 for interest accrued during the period November 1, 2011 through April 30, 2014.

The Trustee has been made aware that the District's failure to make such a payment arises from the failure by the District, as the owner of certain real property within the District, to consummate sales of the Property to third parties and distribute certain net proceeds of such sales to the Trustee. Therefore, the District is not in compliance with certain provisions of the Bonds.

Management's corrective action plan can be found in management's response letter.

Additionally, we noted certain other matters that we have reported to management in a separate letter dated May 24, 2019.

The City's responses to the management letter comments identified in our audit are described in the accompanying schedule. We did not audit the City's response and, accordingly, we express no opinion on it.

**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*

May 24, 2019  
Ocala, Florida

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

The Honorable Members of the City Council  
City of St. Cloud  
St. Cloud, Florida

We have examined the City of St. Cloud, Florida (the City) compliance with the requirements of 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. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the City complied, in all material respects, with the requirements referenced above. An examination involves performing procedures to obtain evidence about whether the City complied with the specific requirements. The nature, timing, and extent of procedures selected depend on our judgement, including an assessment of the risk of material noncompliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

Our examination does not provide a legal determination on the City's compliance with specific 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, the Members of the City Council, 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*

May 24, 2019  
Ocala, Florida

**Certified Public Accountants**

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

**MANAGEMENT LETTER**

The Honorable Members of the City Council  
 City of St. Cloud  
 St. Cloud, Florida

**Report on the Financial Statements**

We have audited the financial statements of the City of St. Cloud, Florida (the City) as of and for the fiscal year ended September 30, 2018, and have issued our report thereon dated May 24, 2019.

**Auditors' Responsibility**

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 and Chapter 10.550, *Rules of the Auditor General*.

**Other Reports and Schedules**

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*; and Independent Accountants' Report on examination conducted in accordance with AICPA Professional Standards, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, *Rules of the Auditor General*. Disclosures in those reports, which are dated May 24, 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 significant findings and recommendations made in the preceding annual financial audit report. Corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report except as noted below on the following table:

<b>Tabulation of Uncorrected Audit Findings</b>		
<b>Current Year Findings</b>	<b>2016-17 FY Findings</b>	<b>2015-16 FY Findings</b>
2018-1	2017-1	2016-1
2018-2	2017-2	2016-2

**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. These disclosures can be found in Note 1 to the financial statements.

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The Honorable Members of the City Council  
City of St. Cloud  
St. Cloud, 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 a statement be included as to whether or not the local government entity has met one or more of the conditions described in Section 218.503(1), Florida Statutes, identification of the specific condition(s) met. In connection with our audit, we determined that the City did not meet any of the conditions described in Section 218.503(1), Florida Statutes.
- Pursuant to Sections 10.554(1)(i)5.c. and 10.556(8), *Rules of the Auditor General*, we applied financial condition assessment procedures 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 the review of financial information provided by same. In connection with our audit, we noted financial condition concerns with the Steven's Plantation Dependent Special District. Additional information can be found in the management letter comment 2018-2.
- Section 10.554(1)(i)2., *Rules of the Auditor General*, requires that we communicate any recommendations to improve financial management. See attached list of the 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 which warrants the attention of those charged with governance. In connection with our audit, we did not have any such findings.

**Purpose of this Letter**

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, Federal and other granting agencies, 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.

*Purvis, Gray and Company, LLP*

May 24, 2019  
Ocala, Florida

## MANAGEMENT LETTER COMMENTS

The Honorable Members of the City Council  
City of St. Cloud  
St. Cloud, Florida

During the course of our audit, the following items came to our attention. These items involve primarily operational matters, which, if improved, will result in more efficient and effective operations:

### **2018-2—Stevens Plantation Dependent Special District**

The Stevens Plantation Dependent Development District (the District) was created by the City of St. Cloud, Florida (the City) on August 21, 2003, via City Ordinance 2003-47, pursuant to Section 189.4041 of the Florida Statutes. The purpose of the District is to acquire land within its geographical boundary from the proceeds of tax-exempt debt for resale to developers in association with the Stevens Plantation Development (a mixed-use, master planned community encompassing approximately 590 acres within the City). The District is included as a blended component unit in the accompanying government-wide financial statements of the City.

Our review of the financial condition of the District indicates that there are several issues management needs to continue to address. These issues as of September 30, 2018, consist of the following:

- Bonds Payable of the District of \$4,460,000, are currently in default. We recommend that management continue to work with both legal and bond counsel to determine the legal liability associated with the default and the plans to address how to resolve the defaulted status of the Bonds.
- Land Held for Sale is currently reported in the accounting records at \$3,576,107, which is based on the historic values at which the land was purchased for resale. We recommend management reevaluate the carrying value of the land based on current appraised values and determine possible impairments.
- The District has obtained interfund borrowings from both the General Fund and OUC Interlocal Agreement Fund to cover the deficit and meet the operating needs of the fund for several years. In prior years, a majority of this balance (approximately \$9,500,000) was reclassified from an interfund borrowing to a permanent transfer of funds. An additional \$422,578 was transferred during 2018 for the payment of 2015 tax assessments and other expenses of the District, while none of the advance was repaid in the current year. We recommend that the City continue to monitor the future potential for recovery of these advances and consider the source of funds and recoverability of future advances to the District.

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The Honorable Members of the City Council  
City of St. Cloud  
St. Cloud, Florida

**MANAGEMENT LETTER COMMENTS**  
*(Concluded)*

**2018-2—Stevens Plantation Dependent Special District (Concluded)**

- Through notifications from the Stevens Plantation Community Development District (CDD) and review of their September 30, 2018 Audit Report, the CDD is not in compliance with certain provisions of their bond indentures for their Special Assessment Revenue Bonds, Series 2003A and 2003B including those relating to: 1) collecting assessments to provide payment of debt service, and 2) making its semi-annual debt service principal and interest payments. The District holds land held for sale that is assessed annually by the CDD for operations maintenance and their proportion of the infrastructure improvements purchased through the issuance of the Bonds. Through 2013, the District had paid their annual assessments; however, no subsequent assessments have been paid, except for specific parcels sold since 2013. Additionally, there are restrictions on the land such that if there are any land sales, a portion of the sales proceeds are required to be submitted to the CDD for payment on the 2003B bonds. During the 2013 fiscal year, the District received notice from the CDD that the remaining assessment value of \$6,445,676 was due and payable for the 2003B Bonds. Since 2013, from lot closings the District has made payments of \$2,552,886 of those assessments.
  
- During 2018, the District was a party to certain land sale contracts activity through an escrow agent; however, the sales were not originally recorded in the general ledger of the District, resulting in an audit entry to record the transactions. We recommend the City obtain detailed support for all transactions of the District and ensure timely and accurate recording of all activity. Additionally, we recommend a detailed understanding be established and documented of the activity of the District, including the legal authority for the control, access, and approval of funds held in the name of the District or those funds held by other parties.

We recommend that management continue to work with legal and bond counsel to resolve these issues addressing the financial stability and legal liability associated with the indebtedness associated with the District including its relationship with the CDD.

**2018-3—Impact Fee Credits**

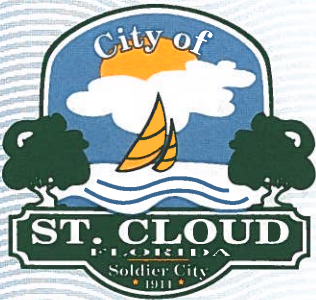
During our audit procedures, we discovered that the impact fee credits and construction work in progress (CWIP) were improperly accounted for during the year. Upon developer impact fees credits being approved by the City Council, a journal entry was made to record CWIP and deferred revenue for the ongoing project being constructed by the developer. These entries were utilized as a method of tracking outstanding developer impact fee credits. However, when the completed asset was contributed to the City, the full amount of the asset was recorded, which did not account for the portion already included in CWIP, resulting in overstatement of CWIP. A prior period adjustment was recorded to correct for projects completed in the prior year for the sewer utility fund.

We recommend management continue to review their process for recording impact fee credits and review the City's current CWIP. The City should review CWIP to ensure all items recorded as such, are attributed to an ongoing project. We would recommend the City not recognize an asset upon approval for impact fee credits, but instead recognize the asset when the contribution is made.

*Purvis, Gray and Company, LLP*

May 24, 2019  
Ocala, Florida





Celebrating Small Town Life

March 24, 2019

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Auditor General's Office  
Local Government Section  
Claude Denson Pepper Building  
111 West Madison Street  
Tallahassee, FL 32399-1450

Re: RESPONSE TO AUDITOR'S MANAGEMENT LETTER COMMENTS

Dear Ladies and Gentlemen:

The following is the City of St. Cloud's response to the independent auditor's management letter for the Auditor's Comments:

**2018-1 and 2018-2—Stevens Plantation Dependent Special District  
St. Cloud's Response:**

**Bonds Payable of the District are currently in default**

The City and the Dependent Special District (DSD) have continued to aggressively market the property for sale at the highest possible value, while urging the bondholders to work with the District toward extinguishment of the bond obligations as part of future land sale transactions. Recently there has been increased private interest to purchase the land held by the District, whereupon the net proceeds will be distributed in accordance with the Trust Agreement toward repayment of the bonds.

**Land Held for Sale is currently reported based on historic values. Consider reevaluating the carrying value based on current appraised value.**

The City agrees that the Land Held for Sale values need to be re-evaluated. As of the date of this letter, all of the land held by the District will be subject to listing agreements with professional realtors for the sale of the land. The City will work with the listing agents to re-evaluate the land values.

**The District has obtained interfund borrowings from both the General Fund and OUC Interlocal Agreement Fund to cover the deficit. Recommend the City to continue to monitor potential for recovery of these advances and consider the source of funds and recoverability of future advances to the District.**

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**2018-2—Stevens Plantation Dependent Special District (continued)**

**St. Cloud's Response:**

In FY2018, the City had no advances as it relates to the payment of District tax assessments. The City made a direct transfer for the payment of the 2015 delinquent taxes due. The direct transfer was decided due to the inability to guarantee collection of funds from the District. Budget Amendment Resolution depicted the Council's approval for the needed transfer which is also transparent in the financial statements as well as Note 8. Any future tax payment obligations of the District, for which the City agrees to pay, will be paid in the same manner with funds being restricted for Economic Development.

**The Stevens Plantation Community Development District (CDD) is not in compliance with certain provisions of the bond indentures, including paying the annual tax assessment.**

**St. Cloud's Response:**

As a subsequent event, the St. Cloud City Council approved a Budget Amendment Resolution to pay the assessed taxes as due. The payment for the 2016 taxes has been made.

**During 2018, the District was a party to certain land sale contracts activity through an escrow agent. Recommends the City obtain detail support for all transactions of the District and ensure timely and accurate recording of all activity.**

**St. Cloud's Response:**

The funds derived from land sales are controlled, handled and distributed by the Escrow/Closing Agent on each transaction as approved by the Chairman of the District in accordance with the Trust Indenture for the Bonds. The City agrees to, as recommended, to acquire a detailed understanding of and in a timely manner, properly record transactions as posted with the Escrow/Closing Agent.

**2018-3—Impact Fee Credits**

**St. Cloud's Response:**

The Finance Department has reviewed the process for developer contributions related to impact fee credits for proper recording and have made the following changes to the process to eliminate overstating amounts in CWIP: When the developer fulfills their responsibility as stated in the water/sewer agreement, the Public Services Department will attach a copy of the agreement to the "as-builts" prior to sending the documents to the GIS Department for digitizing and asset valuation; therefore, the portion related to impact fee credits is identified and flagged before the data is sent to Finance to be recorded. This will eliminate the overstatement in CWIP.

Sincerely,

CITY OF ST. CLOUD



William Sturgeon,  
City Manager