

CITY OF KISSIMMEE, FLORIDA
COMPREHENSIVE ANNUAL
FINANCIAL REPORT

Year Ended September 30, 2019



Prepared by Department of Finance

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CITY OF KISSIMMEE, FLORIDA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
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The City of Kissimmee, Florida
City Officials
As of September 30, 2019

Elected Officials

Mayor/Commissioner.....	Jose Alvarez
Commissioner/Vice Mayor.....	Jim Fisher
Commissioner/Mayor Pro Tem.....	Angela Eady
Commissioner.....	Olga Gonzalez
Commissioner.....	Felix Ortiz

Financial Related Management

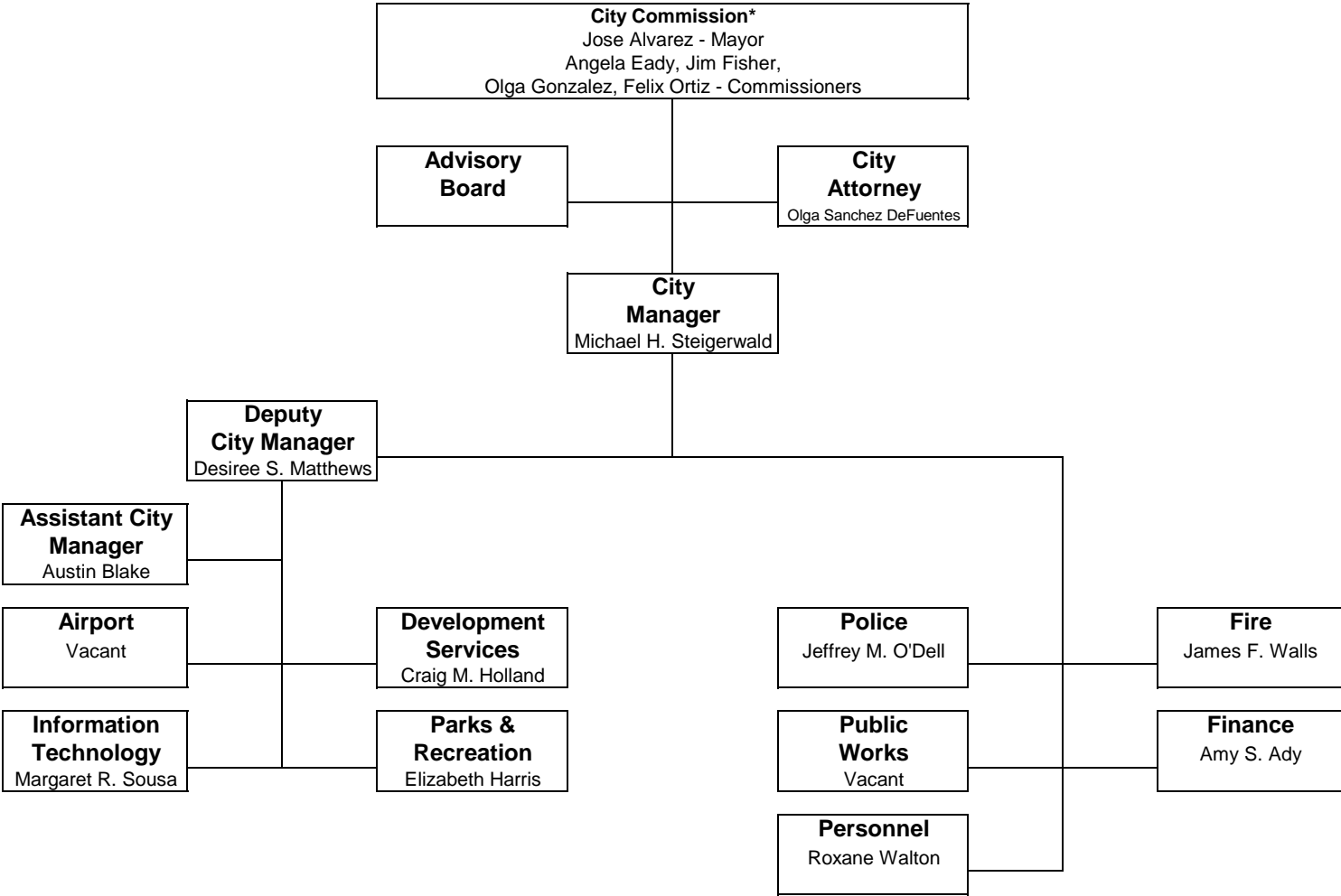
City Manager.....	Michael H. Steigerwald
Deputy City Manager.....	Desiree S. Matthews
Finance Director.....	Amy S. Ady
Assistant Finance Director.....	Vacant

Other Departmental Officials

Airport Director.....	Vacant
City Attorney.....	Olga Sanchez DeFuentes
Development Services Director.....	Craig M. Holland
Fire Chief.....	James F. Walls
Information Technology Director.....	Margaret R. Sousa
Parks & Recreation Director.....	Elizabeth Harris
Personnel & Risk Management Director.....	Roxane Walton
Police Chief.....	Jeffrey M. O'Dell
Public Works & Engineering Director.....	Vacant

CITY OF KISSIMMEE

ORGANIZATION CHART



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



Government Finance Officers Association

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

Presented to

**City of Kissimmee
Florida**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

September 30, 2018

Christopher P. Morill

Executive Director/CEO



City of Kissimmee

City Manager

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

April 14, 2020

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

Florida Statutes require that all general-purpose local governments publish a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP), and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. Pursuant to that requirement, we hereby submit the comprehensive annual financial report of the City of Kissimmee, Florida for the fiscal year ended September 30, 2019.

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

The City of Kissimmee's financial statements have been audited by Purvis, Gray and Company, LLP, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City of Kissimmee for the fiscal year ended September 30, 2019, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amount and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the City of Kissimmee's financial statements for the fiscal year ended September 30, 2019, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

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

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

THE CITY

The City of Kissimmee (the "City"), near the geographic center of Florida, is the county seat of Osceola County. Of Florida's 67 counties, Osceola is the State's sixth largest in geographical size, with a land area of 1,506 square miles. There are approximately 21.82 square miles within the corporate limits of the City. The 2010 U.S. Census reported 59,682 people living within the City. The current State population estimate for the City is 74,800.

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

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

ACCOUNTING SYSTEM, INTERNAL ACCOUNTING CONTROLS, AND BUDGETARY CONTROL

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

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

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

The concept of reasonable assurance recognizes that:

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

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

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

THE REPORTING ENTITY AND ITS SERVICES

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

ECONOMIC CONDITION AND OUTLOOK

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

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

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

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

The country is currently experiencing economic disruptions as a result of the COVID-19 pandemic. The City is evaluating the impacts from the overall declining economic activity and expects some losses in user fees, local and state shared revenues, and investment income; however, it is not quantifiable at this time.

LONG-TERM FINANCIAL PLANNING

The City prepares a rolling five-year capital budget each year. During this process, revenues and expenditures for key operating funds, such as General Fund, Local Option Sales Tax, Local Option Gas Tax, Stormwater, Sanitation and Airport funds, are analyzed to ensure the financial sustainability of each fund over the long term. With regard to the General Fund and Enterprise Funds, the goal is to ensure that a minimum reserve of 20% will be maintained at the end of each five-year period. This exercise allows the City to plan for major capital expenditures. Therefore, during the fiscal year 2018-2019 capital budget process, various projects for continued road and road related improvements, technology improvements, drainage projects, airport enhancements, parks and park land projects, and various pieces of heavy equipment were planned. The total projected cost for capital improvements identified in the 2019-2023 capital improvement plan totaled \$62,094,300.

MAJOR INITIATIVES

The City continued work on the fourth and final phase of the Lakefront Park project as well as the Shingle Creek Regional Trail. Significant progress was also made on its road improvement plan with the completion of the Carroll Street project, traffic signal upgrade projects, and various grant funded projects. The municipally owned airport continued to embark on several improvement projects this past year as well and has seen an increase in the opening of new businesses serving the aviation industry. In fiscal year 2019, the City began construction on the new Public Safety Training Facility as well as the initial phase of a City-wide ERP conversion. Some of these projects were underway during fiscal year 2018 as well.

FUND BALANCE

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

RELEVANT FINANCIAL POLICIES

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

FIDUCIARY OPERATIONS

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

STATUTORY REQUIREMENTS – INDEPENDENT AUDIT

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

CERTIFICATE OF ACHIEVEMENT PROGRAM

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Kissimmee, Florida for its comprehensive annual financial report for the fiscal year ended September 30, 2018. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. The report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

ACKNOWLEDGEMENTS

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

Respectfully submitted,



Mike Steigerwald
City Manager



Amy S. Ady
Finance Director

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INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Kissimmee, Florida (the City) as of and for the year ended September 30, 2019, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

CERTIFIED PUBLIC ACCOUNTANTS

Gainesville | Ocala | Tallahassee | Sarasota | Orlando

purvisgray.com

*Members of American and Florida Institutes of Certified Public Accountants
An Independent Member of the BDO Alliance USA.*

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

INDEPENDENT AUDITOR'S REPORT

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, 2019, 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.

Emphasis of a Matter – COVID-19

As more fully described in Note 14 to the financial statements, the City may be impacted by the outbreak of a novel coronavirus (COVID-19), which was declared a global pandemic by the World Health Organization in March 2020.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and required supplementary information as listed in the table of contents (collectively, the required supplementary information) be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the 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 non-major funds and internal service funds financial statements and other schedules, budgetary comparison schedules, schedule of expenditures of federal awards and state projects, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards and state financial assistance is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and Chapter 10.550, *Rules of the Auditor General* and is also not a required part of the basic financial statements.

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

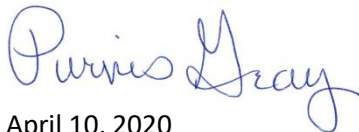
INDEPENDENT AUDITOR'S REPORT

The combining and individual non-major fund and internal service funds financial statements and budgetary comparison schedules, and the schedule of expenditures of federal awards and state projects are the responsibility of management and were derived from, and relate directly to, the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the 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 non-major fund and internal service funds financial statements and budgetary comparison schedules, and the schedule of expenditures of federal awards and state financial assistance are fairly stated in all material respects in relation to the basic financial statements as a whole.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated April 10, 2020, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.



April 10, 2020
Ocala, Florida

CITY OF KISSIMMEE, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
 September 30, 2019
 (In Thousands)

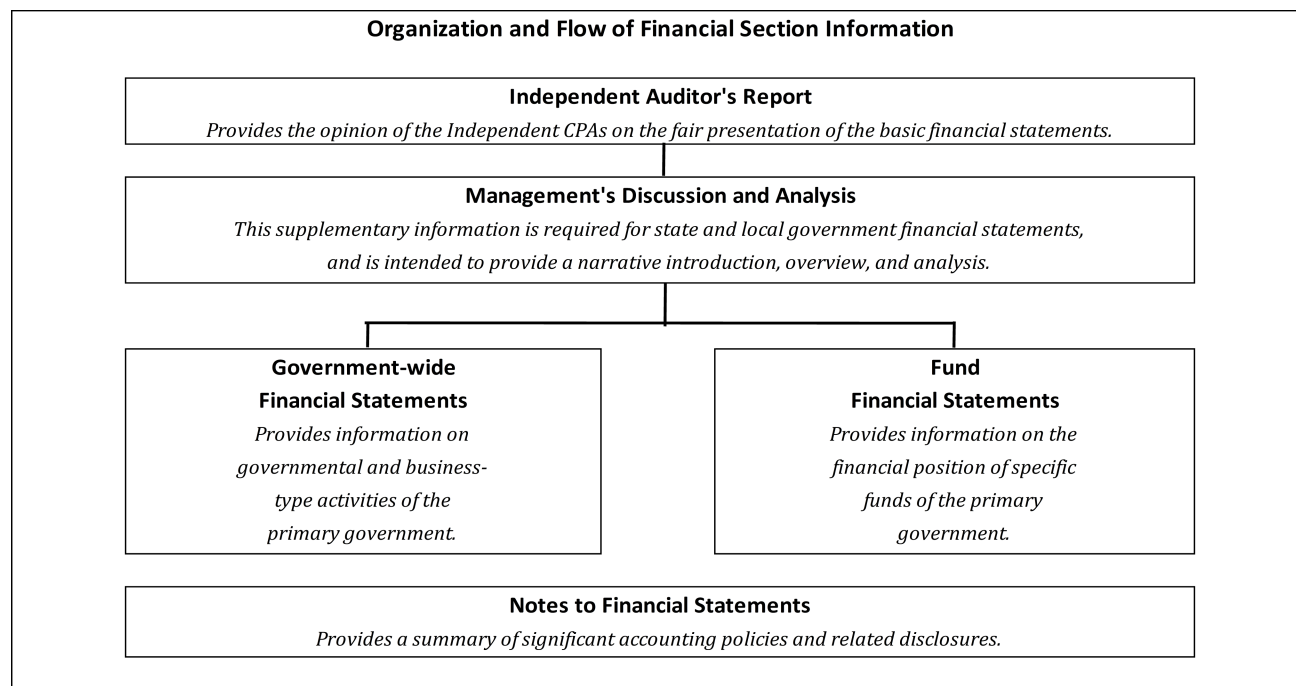
The City of Kissimmee, Florida's (the "City") Management's Discussion and Analysis (the "MD&A") presents an overview of the City's financial activities for the fiscal year ended September 30, 2019. Please read it in conjunction with the letter of transmittal in the introductory section, and the City's financial statements following the MD&A.

Financial Highlights

- The assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources at the close of fiscal year 2019 by \$254,157 (net position).
- The City's net position increased by \$20,216 from current year activities, of which governmental activities contributed \$18,516 of this increase.
- The fund balance for governmental funds decreased by \$3,121 from the prior year. The majority of this decrease resulted from the City's use of previously-acquired resources for capital improvement projects in the current year.

Overview of the Financial Statements

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



Government-wide financial statements

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

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

The *statement of activities* presents information showing how the government's net position changed during fiscal year 2019. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected but earned revenue and unused vacation leave).

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

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

Fund financial statements

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

Governmental Funds

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

CITY OF KISSIMMEE, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
September 30, 2019
(In Thousands)

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

Proprietary Funds

The City maintains two different types of proprietary funds. The *enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The City uses enterprise funds to account for the fiscal activities relating to storm water, sanitation/solid waste, and airport operations. The *internal service funds* are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses internal service funds to account for its risk management programs and to allocate costs from central services (such as information technology, warehouse, garage, and building maintenance). Because these activities predominantly benefit governmental rather than business-type functions, they have been included within *governmental activities* in the government-wide financial statements.

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

Fiduciary Funds

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

Notes to the financial statements and Other Information

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

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

CITY OF KISSIMMEE, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
September 30, 2019
(In Thousands)

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City, assets and deferred outflows exceeded liabilities and deferred inflows by \$254,157 at the close of the fiscal year ended September 30, 2019. At the end of fiscal year 2019, the City is able to report positive balances in all categories of net position for its business-type activities, and two categories for its governmental activities.

The largest portion of the City's net position of \$218,061 reflects its net investment in capital assets (land, buildings, infrastructure and equipment less any related outstanding debt used to acquire those assets). The City uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the City's net investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources since the capital assets themselves cannot be used to liquidate these liabilities. The City has restricted net position of \$32,694 for construction projects, public safety programs, supplementary care, and other purposes. The remaining balance is unrestricted net position of \$3,402.

City of Kissimmee, Florida
Net Position
(In Thousands)

	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
Current and Other Assets	\$ 97,139	\$ 94,490	\$ 7,712	\$ 6,183	\$ 104,851	\$ 100,673
Capital Assets (Net)	248,255	225,547	49,994	49,095	298,249	274,642
Total Assets	345,394	320,037	57,706	55,278	403,100	375,315
Deferred Outflows	6,360	7,096	367	378	6,727	7,474
Current and Other Liabilities	12,624	10,072	1,724	1,245	14,348	11,317
Long-term Liabilities	135,062	129,693	3,505	3,111	138,567	132,804
Total Liabilities	147,686	139,765	5,229	4,356	152,915	144,121
Deferred Inflows	2,616	4,432	139	295	2,755	4,727
Net Position:						
Net Investment in						
Capital Assets	168,706	160,750	49,355	49,095	218,061	209,845
Restricted	32,621	26,878	73	36	32,694	26,914
Unrestricted	125	(4,692)	3,277	1,874	3,402	(2,818)
Total Net Position	\$ 201,452	\$ 182,936	\$ 52,705	\$ 51,005	\$ 254,157	\$ 233,941

There was a net increase of \$20,216 in the City's net position over fiscal year 2018. There was a net increase of \$18,516 in net position reported in connection with the City's governmental activities and a \$1,700 increase in business-type activities. Reasons for these changes are presented in the following pages for governmental and business-type activities.

Capital assets increased by \$23,607 from the prior year due to several large park improvements and transportation projects. Long term liabilities increased by \$5,763 from the prior year, including an increase of \$5,369 in connection with governmental activities for revenue notes issued in the current year.

CITY OF KISSIMMEE, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
September 30, 2019
(In Thousands)

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

	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
REVENUES						
Program Revenues:						
Charges for Services	\$ 38,375	\$ 35,054	\$ 11,798	\$ 11,130	\$ 50,173	\$ 46,184
Operating Grants and Contributions	2,900	1,296	-	-	2,900	1,296
Capital Grants and Contributions	7,545	10,921	2,022	2,615	9,567	13,536
General Revenues:						
Property Taxes	14,608	13,228	-	-	14,608	13,228
Other Taxes	26,997	26,203	-	-	26,997	26,203
Other	33,776	30,553	360	134	34,136	30,687
Total Revenues	<u>124,201</u>	<u>117,255</u>	<u>14,180</u>	<u>13,879</u>	<u>138,381</u>	<u>131,134</u>
EXPENSES						
General Government	41,436	38,402	-	-	41,436	38,402
Public Safety	42,946	39,039	-	-	42,946	39,039
Transportation	13,908	10,834	-	-	13,908	10,834
Economic Environment	1,302	1,944	-	-	1,302	1,944
Culture/Recreation	3,940	7,659	-	-	3,940	7,659
Interest on Long-term Debt	2,854	2,791	-	-	2,854	2,791
Stormwater	-	-	4,941	4,633	4,941	4,633
Airport	-	-	1,707	1,564	1,707	1,564
Solid Waste	-	-	5,131	4,559	5,131	4,559
Total Expenses	<u>106,386</u>	<u>100,669</u>	<u>11,779</u>	<u>10,756</u>	<u>118,165</u>	<u>111,425</u>
Excess Before Transfers	17,815	16,586	2,401	3,123	20,216	19,709
Transfers	<u>701</u>	<u>669</u>	<u>(701)</u>	<u>(669)</u>	<u>-</u>	<u>-</u>
Change in Net Position	18,516	17,255	1,700	2,454	20,216	19,709
Net Position - Beginning, Original	<u>182,936</u>	<u>190,803</u>	<u>51,005</u>	<u>45,604</u>	<u>233,941</u>	<u>236,407</u>
Adjustment to Net Position	-	(25,122)	-	2,947	-	(22,175)
Net Position - Beginning, Restated	<u>182,936</u>	<u>165,681</u>	<u>51,005</u>	<u>48,551</u>	<u>233,941</u>	<u>214,232</u>
Net Position - Ending	<u>\$ 201,452</u>	<u>\$ 182,936</u>	<u>\$ 52,705</u>	<u>\$ 51,005</u>	<u>\$ 254,157</u>	<u>\$ 233,941</u>

Governmental activities

Governmental activities accounted for an increase of \$18,516 from the prior year net position. Charges for services increased by \$3,321 from increased use by citizens and businesses. Operating grants and contributions increased by \$1,604 from the prior year due to federal and state reimbursements for hurricane expenses in the prior period. Capital grants and contributions decreased by \$3,376 due to a large capital donation (garage) that occurred in the prior year. Interest income increased by \$1,567 from the prior year as the City's investments experienced greater returns in line with major financial indexes

CITY OF KISSIMMEE, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
September 30, 2019
(In Thousands)

Transportation expenses increased by \$3,074 from the prior year for increased depreciation expense on large transportation projects completed early in the year. Culture and recreation expenses decreased by \$3,719 due to reduced costs to provide recreation activities during the year.

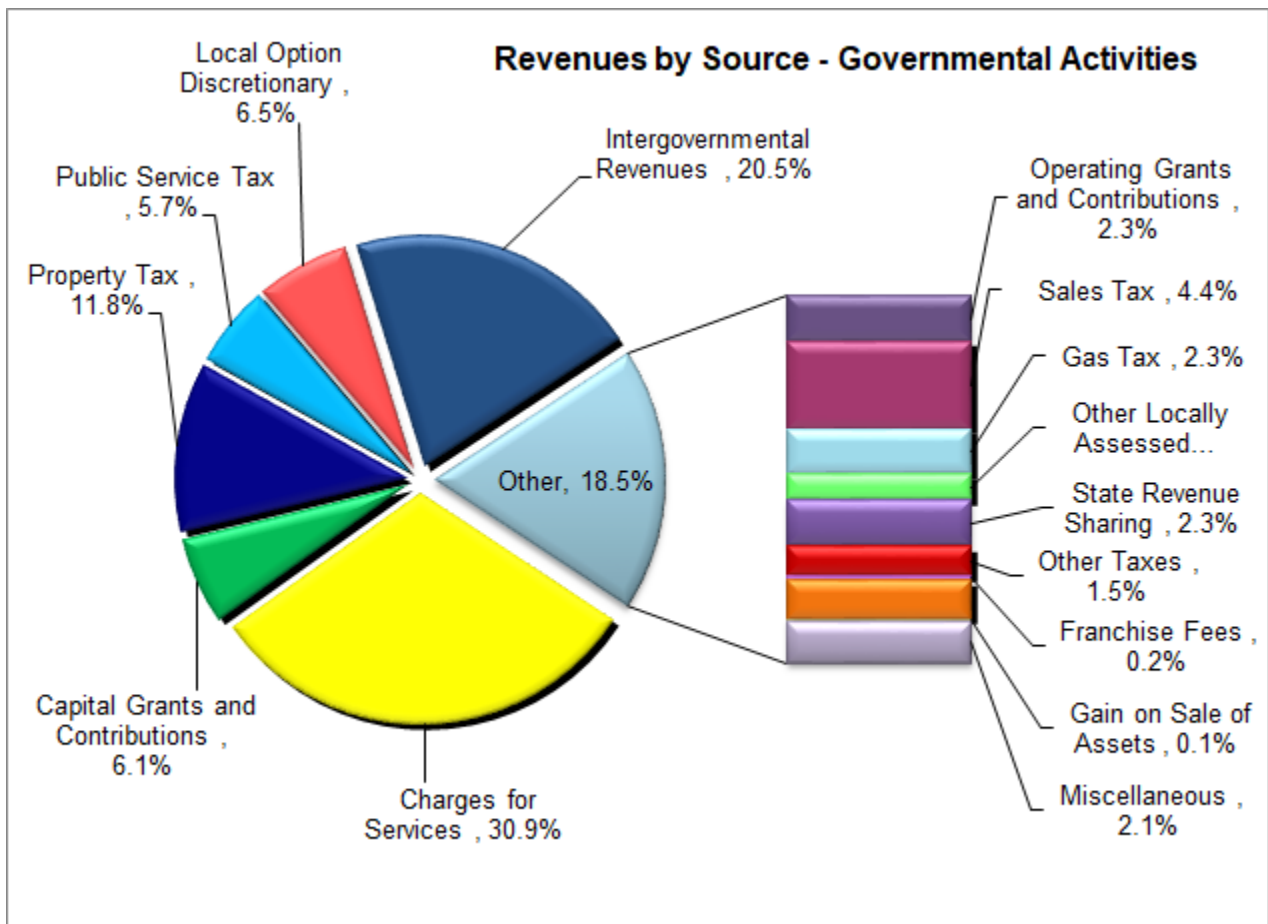
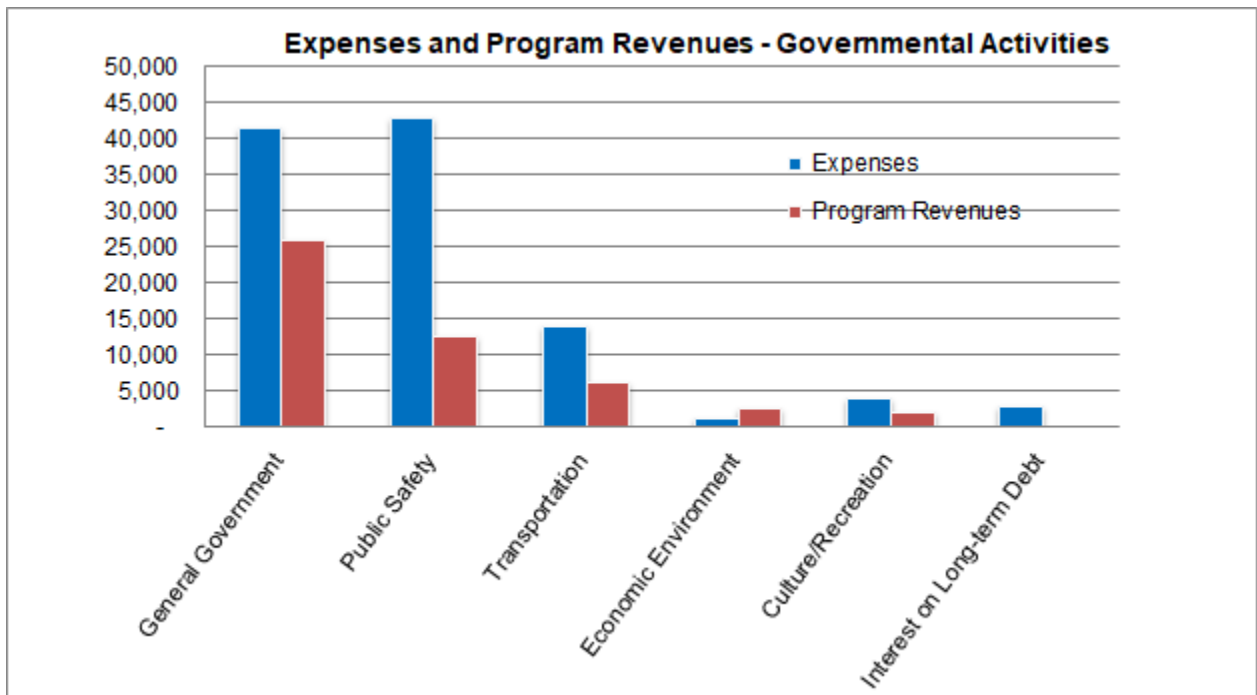
The following tables and graphs show the results of governmental activities for fiscal year ended 2019.

Expenses and Program Revenues – Governmental Activities
(In Thousands)

	Expenses				Net Cost of Services		
	2019	% of Total	2018	% Change	2019	2018	% Change
Functions/Programs							
General Government	\$ 41,436	39 %	\$ 38,402	8 %	\$ (15,520)	\$ (15,426)	1 %
Public Safety	42,946	40 %	39,039	10 %	(30,393)	(28,400)	7 %
Transportation	13,908	13 %	10,834	28 %	(7,929)	(940)	744 %
Economic Environment	1,302	1 %	1,944	(33) %	1,062	(169)	(728) %
Culture/Recreation	3,940	4 %	7,659	(49) %	(1,932)	(5,672)	(66) %
Interest on Long-term Debt	2,854	3 %	2,791	2 %	(2,854)	(2,791)	2 %
	<u>\$ 106,386</u>	<u>100 %</u>	<u>\$ 100,669</u>		<u>\$ (57,566)</u>	<u>\$ (53,398)</u>	

Revenue by Source – Governmental Activities
(In Thousands)

Description	2019	% of Total	2018	% Change
Program Revenues				
Charges for services	\$ 38,375	30 %	\$ 35,054	9 %
Operating grants and contributions	2,900	2 %	1,296	124 %
Capital grants and contributions	7,545	6 %	10,921	(31) %
General Revenues				
Property tax	14,608	12 %	13,228	10 %
Sales tax	5,434	4 %	5,318	2 %
Public service tax	7,024	6 %	6,979	1 %
Gas tax	2,831	2 %	2,811	1 %
Local option discretionary tax	8,144	7 %	7,986	2 %
Other locally assessed utility tax	1,650	1 %	-	100 %
Other taxes	1,650	1 %	3,109	(47) %
State revenue sharing	2,914	2 %	2,735	7 %
Unrestricted intergovernmental revenues	25,546	20 %	25,531	- %
Franchise fees	184	0 %	179	3 %
Investment income	2,448	2 %	881	178 %
Gain on sale of capital assets	127	0 %	26	- %
Miscellaneous	2,557	2 %	1,201	113 %
Transfers	701	1 %	669	5 %
	<u>\$ 124,638</u>	<u>100 %</u>	<u>\$ 117,924</u>	



CITY OF KISSIMMEE, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
 September 30, 2019
 (In Thousands)

Business-type activities

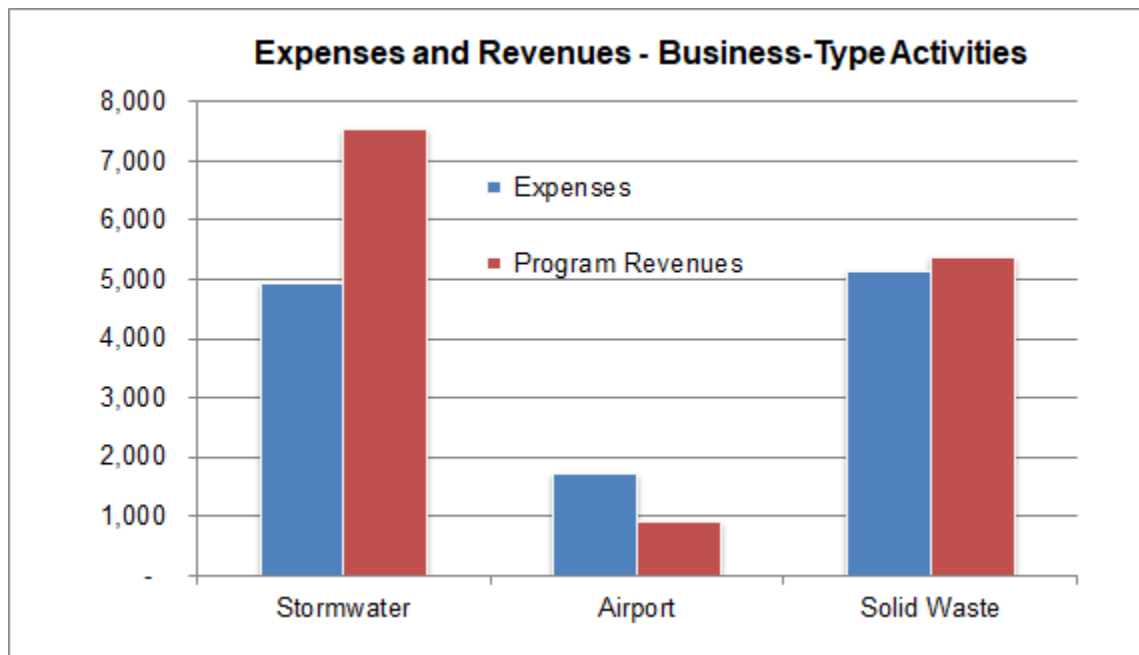
Business-type activities increased the City's net position by \$1,700. The increase of net position from the prior year resulted primarily from capital contributions for Stormwater Fund assets in 2019. The Stormwater, Airport, and Solid Waste expenses remained relatively unchanged from the prior year from operating strategies to provide cost effective services to users during the year. Additional information on the results of individual business-type activity funds is discussed in a different section.

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

Functions/Programs	Expenses			Net Increase (Decrease) in Net Position		
	2019	2018	% Change	2019	2018	% Change
Stormwater	\$ 4,941	\$ 4,633	7 %	\$ 2,602	\$ 555	369 %
Airport	1,707	1,564	9 %	(792)	1,983	(140) %
Solid Waste	5,131	4,559	13 %	231	451	(49) %
	<u>\$ 11,779</u>	<u>\$ 10,756</u>		<u>\$ 2,041</u>	<u>\$ 2,989</u>	

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

	2019	% of Total	2018	% Change
Charges for services	\$ 11,798	83 %	\$ 11,130	6 %
Capital grants and contributions	2,022	14 %	2,615	(23) %
Investment income	143	1 %	45	218 %
Miscellaneous	48	- %	37	30 %
Gain on sale of capital assets	169	1 %	52	225 %
	<u>\$ 14,180</u>	<u>100 %</u>	<u>\$ 13,879</u>	



Financial Analysis of the City's Funds

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

Governmental funds

The focus of the City's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable resources*. Such information is useful in assessing the City's financing requirements. In particular, *unassigned fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of fiscal year 2019, the City's governmental funds reported combined ending fund balances of \$74,201, a decrease of \$3,121 in comparison with the prior year. This decrease was largely the result of spending funds received in prior periods on capital projects in the current year. Components of fund balance are now comprised of nonspendable, restricted, committed, assigned, and unassigned. The components of committed, assigned and unassigned are considered spendable unrestricted fund balance. The total spendable unrestricted fund balance of governmental funds in fiscal year 2019 was \$31,537 compared to \$29,980 for fiscal year 2018, an increase of \$1,557 for all governmental funds. The main cause of this increase was effective budgeting for services provided primarily from general revenue sources.

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

Major Funds - Governmental

General Fund

The General Fund is the chief operating fund of the City. At the end of fiscal year 2019, the spendable unrestricted fund balance (assigned for budgetary carryforward \$736 and unassigned fund balance \$31,723) of the General Fund totaled \$32,459 compared to \$30,321 in fiscal year 2018, an increase of \$2,138. As a measure of the General Fund's liquidity, it may be useful to compare the spendable unrestricted fund balance of \$32,459 to the total fund's expenditures of \$68,177. This represents 47.6% of total expenditures compared to 48.3% in the prior fiscal year. Thus, the City was able to maintain its liquidity available to meet upcoming expenditures. The fund balance in the General Fund increased by \$2,198 during the current fiscal year. The General Fund overall maintained the same level of spending as the prior year. Taxes increased by \$1,419 as the City's property values increased.

CITY OF KISSIMMEE, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
September 30, 2019
(In Thousands)

Shingle Creek Regional Trail

The Shingle Creek Regional Trail fund total fund balance decreased by \$622 from the prior year. Current year revenues were greater than expenditures for capital improvement projects due to timing of the receipt of reimbursement grants from other governmental agencies. Future grant receipts should eliminate the deficit fund balance.

The Community Redevelopment Agency

The Community Redevelopment Agency (CRA) total fund balance increased by \$1,555 from the prior year. There were no significant increases or decreases in revenues; however, expenditures decreased from the prior year for unfinished capital projects carried to the next year. The fund balance of \$2,853 is restricted for economic development.

2016 Revenue Note Debt Service

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

2016 Revenue Note Capital Project

The 2016 Revenue Note Capital Project fund is used to track the spending of the 2016 Revenue Note. It had an ending fund balance of \$7,595 from bond issuance during a previous year that is restricted for future capital improvements and \$12,953 was expended during the year on capital projects.

Major funds - Enterprise

The City's enterprise funds provide the same type of information found in the government-wide financial statements, but in more detail. The City has three major enterprise funds – the Stormwater Fund, the Airport Fund, and the Solid Waste Fund. Unrestricted net position in the Stormwater Fund increased by \$1,144, in the Airport Fund decreased by \$197, and in the Solid Waste Fund increased by \$456 over the prior year. The decrease in the Airport Fund resulted from increased expenses for personnel and contracted services. The Stormwater and Solid Waste Funds experienced increases in operating revenues for increased use of services.

Stormwater Fund

The Stormwater Fund had an increase in net position of \$2,409. The increase of \$2,409 shows the fund is operating effectively on current rates. Operating expenses were consistent with the prior year; however, charges for services increased by \$373 from the prior year due to increased service.

Airport Fund

The Airport Fund had a decrease in net position of \$777. The Airport benefited from capital contributions for current improvements of \$40; however, operating revenue decreased by \$57 and operating expenses increased by \$145 for personnel and contracted costs.

Solid Waste Fund

The Solid Waste Fund had an increase in net position of \$68 from the prior year. Operating revenues were greater than operating expenses by \$234 in the current year, confirming that the City's rates are sufficient to cover operational costs of the solid waste system.

General Fund Budgetary Highlights

The General Fund's original budget was amended to increase expenditures by \$5,616 (not including transfers out). The changes for expenditures within functions are summarized in the table below. Adjustments were made for additional grant-funded expenditures and personnel changes during the course of the year.

	Original Budget	Final Budget	Change
General Government	\$ 15,215	\$ 19,426	\$ 4,211
Public Safety	39,273	40,370	1,097
Transportation	5,627	5,846	219
Culture/Recreation	7,012	7,343	331
Non-departmental	27,789	27,547	(242)
	<u>\$ 94,916</u>	<u>\$ 100,532</u>	<u>\$ 5,616</u>

The General Fund under-spent the final budget by \$32,336 during fiscal year 2019. All departments spent less than their final budget (from reduced personnel costs and delayed capital purchases) during the year while trying to provide the same levels of service to the City's citizens. The largest reduction resulted as the non-departmental budget included reserves for capital that were not spent in the current year. The general government and public safety functions experienced the greatest reductions from the final budget totals primarily in personnel costs. The changes within functions are summarized in the table presented here.

	Actual Expenditures	Final Budget	Difference
General Government	\$ 16,318	\$ 19,426	\$ 3,108
Public Safety	38,083	40,370	2,287
Transportation	5,362	5,846	484
Culture/Recreation	7,077	7,343	266
Non-departmental	1,337	27,547	26,210
Transfers Out	2,555	2,536	(19)
	<u>\$ 70,732</u>	<u>\$ 103,068</u>	<u>\$ 32,336</u>

Capital Assets and Long-term Debt

Capital Assets

The City's capital assets for its governmental and business-type activities as of September 30, 2019 amounts to \$298,249 (net of accumulated depreciation). These capital assets include land, software, parking capacity, buildings, improvements other than buildings (including leasehold improvements), equipment, vehicles, infrastructure, and construction in progress. The total increase in the City's capital assets for the current fiscal year was \$23,607. Governmental activities increased capital assets by \$22,708 and business-type activities increased by \$899.

Within governmental activities, the largest increases from the beginning balances were in improvements for \$7,113, and construction in progress for \$16,020. These were primarily attributed to the Lakefront Park improvements project, Shingle Creek Regional Trail, and other major transportation projects. Additionally, depreciation expense increased by \$1,457 from the prior year as large projects were put in service.

The capital assets of business-type activities increased for system improvements for \$833 and construction in progress for \$2,049. Depreciation expense remained consistent with the prior year.

CITY OF KISSIMMEE, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
September 30, 2019
(In Thousands)

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

	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
Land	\$ 43,861	\$ 39,137	\$ 1,892	\$ 1,892	\$ 45,753	\$ 41,029
Intangibles, net	3,429	3,500	234	243	3,663	3,743
Buildings	18,307	18,051	12,076	12,076	30,383	30,127
Improvements Other than Buildings	178,914	171,801	43,196	42,363	222,110	214,164
Equipment	34,233	32,623	10,926	11,208	45,159	43,831
Construction in Progress	49,065	33,044	5,521	3,472	54,586	36,516
	<u>327,809</u>	<u>298,156</u>	<u>73,845</u>	<u>71,254</u>	<u>401,654</u>	<u>369,410</u>
Less: Accumulated Depreciation	(79,554)	(72,609)	(23,851)	(22,159)	(103,405)	(94,768)
Capital Assets, net	<u>\$ 248,255</u>	<u>\$ 225,547</u>	<u>\$ 49,994</u>	<u>\$ 49,095</u>	<u>\$ 298,249</u>	<u>\$ 274,642</u>

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

Long-term Debt

At the end of fiscal year 2019, governmental activities had total debt outstanding of \$85,356. This is an increase of \$1,151 from the prior year, primarily due to \$5,400 for additional debt issued offset by \$4,249 for scheduled debt service payments and amortization of premium. Notes from direct borrowings and direct placements and revenue bonds account for the majority of the City's overall outstanding debt.

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

	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
Notes from Direct						
Borrowings and Placements	\$ 41,860	\$ 39,250	\$ -	\$ -	\$ 41,860	\$ 39,250
Revenue Bonds	43,358	44,778	-	-	43,358	44,778
Capital Lease Payable	138	177	-	-	138	177
	<u>\$ 85,356</u>	<u>\$ 84,205</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 85,356</u>	<u>\$ 84,205</u>

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

Economic Factors and Next Year's Budgets and Rates

- The unemployment rate for the City at September 30, 2019 was 3.2%, which is level with the 3.2% unemployment rate from the prior year.
- Population increased by 2,637 to 74,800 compared to 72,163 in the prior fiscal year.
- The ad valorem tax rate for the General Fund stayed constant at 4.6253 for the 2020 approved fiscal year budget.

Requests for Information

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

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CITY OF KISSIMMEE, FLORIDA
STATEMENT OF NET POSITION
September 30, 2019
(In Thousands)

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and Cash Equivalents	\$ 48,584	\$ 4,712	\$ 53,296
Restricted Cash and Investments	32,621	73	32,694
Receivables (net)	4,136	941	5,077
Due from Other Governments	8,310	1,983	10,293
Due from KUA	1,968	-	1,968
Due from TWA	1,039	3	1,042
Inventories	253	-	253
Prepaid Items	228	-	228
Capital Assets:			
Capital Assets not Being Depreciated	92,926	7,413	100,339
Capital Assets Being Amortized (Net)	3,429	234	3,663
Capital Assets Being Depreciated (Net)	151,900	42,347	194,247
Total Capital Assets	<u>248,255</u>	<u>49,994</u>	<u>298,249</u>
Total Assets	<u>345,394</u>	<u>57,706</u>	<u>403,100</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Outflows Related to OPEB	258	20	278
Deferred Outflows Related to Pensions	6,102	347	6,449
Total Deferred Outflows of Resources	<u>6,360</u>	<u>367</u>	<u>6,727</u>
LIABILITIES			
Accounts Payable	5,001	1,568	6,569
Contracts Payable	1,365	115	1,480
Accrued Liabilities	5,302	-	5,302
Due to Other Governments	880	9	889
Unearned Revenue	4	32	36
Deposits	72	-	72
Long-term Liabilities:			
Due Within One Year	6,801	62	6,863
Due in More Than One Year	128,261	3,443	131,704
Total Liabilities	<u>147,686</u>	<u>5,229</u>	<u>152,915</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred Inflows Related to OPEB	1,122	86	1,208
Deferred Inflows Related to Pensions	1,494	53	1,547
Total Deferred Inflows of Resources	<u>2,616</u>	<u>139</u>	<u>2,755</u>
NET POSITION			
Net Investment in Capital Assets	168,706	49,355	218,061
Restricted:			
Supplementary Care - Nonexpendable	995	-	995
Construction Projects	16,301	-	16,301
Public Safety	677	-	677
Charter School	2,953	-	2,953
Building Safety	6,857	-	6,857
Community Redevelopment	2,853	-	2,853
Airport Projects	-	73	73
Other Purposes	1,985	-	1,985
Unrestricted	125	3,277	3,402
Total Net Position	<u>\$ 201,452</u>	<u>\$ 52,705</u>	<u>\$ 254,157</u>

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

CITY OF KISSIMMEE, FLORIDA
STATEMENT OF ACTIVITIES
For the Year Ended September 30, 2019
(In Thousands)

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental Activities:							
General Government	\$ 41,436	\$ 25,376	\$ 540	\$ -	\$ (15,520)	\$ -	\$ (15,520)
Public Safety	42,946	11,071	315	1,167	(30,393)	-	(30,393)
Transportation	13,908	800	-	5,179	(7,929)	-	(7,929)
Economic Environment	1,302	-	1,990	374	1,062	-	1,062
Culture/Recreation	3,940	1,128	55	825	(1,932)	-	(1,932)
Interest on Long-term Debt	2,854	-	-	-	(2,854)	-	(2,854)
Total Governmental Activities	106,386	38,375	2,900	7,545	(57,566)	-	(57,566)
Business-Type Activities:							
Stormwater	4,941	5,561	-	1,982	-	2,602	2,602
Airport	1,707	875	-	40	-	(792)	(792)
Solid Waste	5,131	5,362	-	-	-	231	231
Total Business-Type Activities	11,779	11,798	-	2,022	-	2,041	2,041
Total	\$ 118,165	\$ 50,173	\$ 2,900	\$ 9,567	(57,566)	2,041	(55,525)
General revenues:							
Property Tax					14,608	-	14,608
Sales Tax					5,434	-	5,434
Public Service Tax					7,024	-	7,024
Gas Tax					2,831	-	2,831
Other Locally Assessed Utility Tax					1,650	-	1,650
Other Taxes					1,914	-	1,914
Local Option Discretionary Tax					8,144	-	8,144
State Revenue Sharing					2,914	-	2,914
Unrestricted Intergovernmental Revenues					25,546	-	25,546
Franchise Fees					184	-	184
Investment Income					2,448	143	2,591
Gain on Sale of Capital Assets					127	169	296
Miscellaneous					2,557	48	2,605
Transfers					701	(701)	-
Total General Revenues and Transfers					76,082	(341)	75,741
Change in Net Position					18,516	1,700	20,216
Net Position - Beginning					182,936	51,005	233,941
Net Position - Ending					\$ 201,452	\$ 52,705	\$ 254,157

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

CITY OF KISSIMMEE, FLORIDA
BALANCE SHEET - GOVERNMENTAL FUNDS
September 30, 2019
(In Thousands)

	General	Shingle Creek Regional Trail	Community Redevelopment Agency
ASSETS			
Cash and Cash Equivalents	\$ 23,716	\$ 490	\$ 2,854
Restricted Cash and Investments	-	-	-
Accounts Receivable (net)	4,108	-	-
Special Assessments Receivable (net)	24	-	-
Due from KUA	1,968	-	-
Due from TWA	603	-	-
Due from Other Funds	2,755	-	-
Due from Other Governments	3,563	1,177	-
Prepaid Items	227	-	-
Inventories	134	-	-
Total Assets	<u>\$ 37,098</u>	<u>\$ 1,667</u>	<u>\$ 2,854</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES			
Liabilities:			
Accounts Payable	\$ 1,008	\$ 223	\$ 1
Contracts Payable	-	210	-
Accrued Liabilities	-	-	-
Due to Other Funds	-	972	-
Due to Other Governments	880	-	-
Deposits Payable	72	-	-
Revenue Collected in Advance	-	-	-
Total Liabilities	<u>1,960</u>	<u>1,405</u>	<u>1</u>
Deferred Inflows of Resources:			
Unavailable Earned Revenues	<u>1,651</u>	<u>1,177</u>	<u>-</u>
Total Deferred Inflows of Resources	<u>1,651</u>	<u>1,177</u>	<u>-</u>
Fund Balances (Deficits):			
Nonspendable Prepays and Inventories	361	-	-
Nonspendable Supplementary Care	-	-	-
Restricted for Transportation Projects	-	-	-
Restricted for Public Safety Projects	653	-	-
Restricted for Development Services	-	-	-
Restricted for Economic Development	-	-	2,853
Restricted for Recreation Projects	-	-	-
Restricted for Charter School	-	-	-
Restricted for Construction Projects	-	-	-
Restricted for Other Capital Improvements	14	-	-
Assigned for Budgetary Carryforward	736	-	-
Assigned for Debt Service	-	-	-
Unassigned (Deficits)			
General Fund	31,723	-	-
Special Revenue Funds	-	(915)	-
Total Fund Balances (Deficits)	<u>33,487</u>	<u>(915)</u>	<u>2,853</u>
Total Liabilities, Deferred Inflows and Fund Balances (Deficits)	<u>\$ 37,098</u>	<u>\$ 1,667</u>	<u>\$ 2,854</u>

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

2016 Revenue Note Debt Service	2016 Revenue Note Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
\$ 2,107	\$ 10,422	\$ 26,905	\$ 66,494
-	-	7,596	7,596
-	-	4	4,112
-	-	-	24
-	-	-	1,968
-	-	2	605
-	-	-	2,755
-	-	3,274	8,014
-	-	-	227
-	-	-	134
<u>\$ 2,107</u>	<u>\$ 10,422</u>	<u>\$ 37,781</u>	<u>\$ 91,929</u>

\$ -	\$ 1,680	\$ 1,599	\$ 4,511
-	1,147	-	1,357
2,090	-	3,212	5,302
-	-	1,637	2,609
-	-	-	880
-	-	-	72
-	-	4	4
<u>2,090</u>	<u>2,827</u>	<u>6,452</u>	<u>14,735</u>

-	-	165	2,993
-	-	165	2,993

-	-	-	361
-	-	995	995
-	-	7,978	7,978
-	-	24	677
-	-	6,857	6,857
-	-	403	3,256
-	-	1,782	1,782
-	-	2,953	2,953
-	7,595	5,122	12,717
-	-	5,074	5,088
-	-	-	736
17	-	42	59
-	-	-	31,723
-	-	(66)	(981)
<u>17</u>	<u>7,595</u>	<u>31,164</u>	<u>74,201</u>
<u>\$ 2,107</u>	<u>\$ 10,422</u>	<u>\$ 37,781</u>	<u>\$ 91,929</u>

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CITY OF KISSIMMEE, FLORIDA
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
as of September 30, 2019
(In Thousands)

Total fund balances of governmental funds	\$	74,201
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 \$335,282, the accumulated depreciation is \$75,329, and the accumulated amortization is \$13,730. The difference does not include the net capital assets of the internal service funds which are included below.		246,223
The internal service fund is used by management to charge the costs of risk management services to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.		3,583
Long-term liabilities are not due and payable in the current period and accordingly are not reported as fund liabilities. Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due. All liabilities-both current and long term-are reported in the statement of net position. The amount does not include the long-term liabilities of the internal service funds which are included above. Long-term liabilities at yearend consist of:		
Bonds payable	\$ (39,003)	
Bonds premium	(4,355)	
Notes from direct borrowing and direct placements	(41,860)	
Capital leases	(138)	
Other postemployment benefits liability	(5,642)	
Compensated absences	(1,962)	(92,960)
Net pension liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds.		(36,197)
Deferred inflows and outflows of resources related to pensions and OPEB are not recognized in the governmental funds; however, they are recorded in the statement of net position.		
Deferred outflows of resources related to OPEB	242	
Deferred outflows of resources related to pensions	5,889	
Deferred inflows of resources related to OPEB	(1,055)	
Deferred inflows of resources related to pensions	(1,467)	3,609
Amount for earned but unavailable revenues recognized as revenue of the current period		2,993
Total net position of governmental activities	\$	201,452
<i>The notes to the financial statements are an integral part of the financial statements.</i>		

CITY OF KISSIMMEE, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Year Ended September 30, 2019
(In Thousands)

	General	Shingle Creek Regional Trail	Community Redevelopment Agency
REVENUES			
Taxes	\$ 21,898	\$ -	\$ -
Permits, Fees and Special Assessments	188	-	-
Intergovernmental Revenues	36,842	1,547	1,381
Charges for Services	9,965	-	-
Fines and Forfeitures	923	-	-
Investment Income	906	-	80
Miscellaneous Revenues	597	-	58
Total Revenues	71,319	1,547	1,519
EXPENDITURES			
Current:			
General Government	17,592	-	282
Public Safety	38,083	-	-
Transportation	5,362	2,358	-
Economic Environment	-	-	-
Culture/Recreation	7,077	-	-
Capital Outlay	-	-	-
Debt Service:			
Principal Retirement	39	-	-
Interest and Fiscal Charges	-	-	-
Professional Fees	24	-	-
Total Expenditures	68,177	2,358	282
Excess (Deficiency) of Revenues Over (Under) Expenditures	3,142	(811)	1,237
OTHER FINANCING SOURCES and (USES)			
Transfers In	1,392	189	1,004
Transfers (Out)	(2,555)	-	(686)
Issuance of Notes Payable/Refunded Notes Payable	-	-	-
Proceeds from Sale of Capital Assets	219	-	-
Total Other Financing Sources and (Uses)	(944)	189	318
Net Change in Fund Balances	2,198	(622)	1,555
Fund Balances (Deficits) - Beginning	31,289	(293)	1,298
Fund Balances (Deficits) - Ending	\$ 33,487	\$ (915)	\$ 2,853

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

2016 Revenue Note Debt Service	2016 Revenue Note Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
\$ -	\$ -	\$ 10,975	\$ 32,873
-	-	4,979	5,167
-	-	9,227	48,997
-	-	125	10,090
-	-	-	923
-	428	863	2,277
-	665	581	1,901
-	1,093	26,750	102,228
-	-	6,539	24,413
-	-	5,908	43,991
-	-	4,252	11,972
-	-	1,302	1,302
-	-	466	7,543
-	12,953	2,438	15,391
1,220	-	2,829	4,088
1,739	-	1,252	2,991
-	-	-	24
2,959	12,953	24,986	111,715
(2,959)	(11,860)	1,764	(9,487)
2,959	10	5,355	10,909
-	-	(6,921)	(10,162)
-	-	5,400	5,400
-	-	-	219
2,959	10	3,834	6,366
-	(11,850)	5,598	(3,121)
17	19,445	25,566	77,322
<u>\$ 17</u>	<u>\$ 7,595</u>	<u>\$ 31,164</u>	<u>\$ 74,201</u>

CITY OF KISSIMMEE, FLORIDA
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
For The Year Ended September 30, 2019
(In Thousands)

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

Net change in fund balances - total governmental funds	\$	(3,121)
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Governmental funds report capital purchases as expenditures. However, in the statement of activities, the cost of those assets is depreciated and amortized over their estimated useful lives and reported as depreciation expense. This is the amount by which capital purchases (\$32,112) and donations (\$0) exceeds depreciation (\$8,451, which excludes the amount related to internal service funds accounted for below) and amortization (\$923).		22,738
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The issuance of bonds and similar long-term debt provides current financial resources to governmental funds and thus contributes to the change in fund balance. In the statement of net position, however, issuing debt increases long-term liabilities and does not affect the statement of activities. Similarly, repayment of principal is an expenditure in the governmental funds, but reduces the liability in the statement of net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. The amounts of the items that make up these differences in the treatment of long-term debt and related items are:

Debt issued or incurred:		
Proceeds from notes	\$	(5,400)
Principal repayments:		
Bonds		1,259
Amortization of bond premium		161
Notes from direct borrowings and direct placements		2,790
Capital leases		39
		(1,151)

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

Compensated absences	(106)	
	-	(106)

Continued

CITY OF KISSIMMEE, FLORIDA
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES - Continued
For The Year Ended September 30, 2019
(In Thousands)

Cash pension and OPEB contributions recorded in the funds were less than the calculated pension and OPEB expenses on the statement of activities and therefore decreased net position.	\$ (2,748)
Under the modified accrual basis of accounting, governmental revenues are recognized when both the measureable and available criteria have been met. Those revenues earned in the current year were not recognized since the availability criteria was not met. Under full accrual accounting, all revenues would be recognized.	2,163
In the statement of activities, only the loss on the sale/disposal of capital assets is reported. The change in net position differs from the change in fund balance by the cost of the capital assets sold/disposed or adjusted in value.	(92)
The internal service fund is used by management to charge the costs of risk management services to other funds. The net revenue of the internal service fund is reported with governmental activities.	833
Change in net position of governmental activities	\$ 18,516

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

CITY OF KISSIMMEE, FLORIDA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
September 30, 2019
(In Thousands)

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Stormwater	Airport	Solid Waste	Total	
ASSETS					
Current Assets:					
Cash and Cash Equivalents	\$ 2,178	\$ 637	\$ 1,970	\$ 4,785	\$ 7,115
Accounts Receivable (net)	375	95	471	941	-
Due from Other Governments	1,982	1	-	1,983	296
Due from TWA	-	-	3	3	434
Prepays	-	-	-	-	1
Inventories	-	-	-	-	119
Total Current Assets	4,535	733	2,444	7,712	7,965
Capital Assets:					
Land	1,583	309	-	1,892	-
Buildings	509	11,160	407	12,076	71
Improvements Other Than Buildings	27,112	15,991	93	43,196	3,534
Software, Net	43	191	-	234	5
Machinery, Equipment and Vehicles	5,507	798	4,621	10,926	2,644
Construction in Progress	2,653	2,795	73	5,521	8
Less: Accumulated Depreciation	(10,182)	(10,742)	(2,927)	(23,851)	(4,230)
Total Capital Assets	27,225	20,502	2,267	49,994	2,032
Total Noncurrent Assets	27,225	20,502	2,267	49,994	2,032
Total Assets	31,760	21,235	4,711	57,706	9,997
DEFERRED OUTFLOWS OF RESOURCES					
Deferred Outflows Related to OPEB	9	3	8	20	16
Deferred Outflows Related to Pensions	163	35	149	347	213
Total Deferred Outflows of Resources	172	38	157	367	229

CITY OF KISSIMMEE, FLORIDA
STATEMENT OF NET POSITION - Continued
PROPRIETARY FUNDS
September 30, 2019
(In Thousands)

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Stormwater	Airport	Solid Waste	Total	
LIABILITIES					
Current Liabilities:					
Accounts Payable	\$ 962	\$ 10	\$ 596	\$ 1,568	\$ 490
Contracts Payable	115	-	-	115	8
Accrued Liabilities	-	9	-	9	-
Due to Other Funds	-	-	-	-	146
Deposits	-	32	-	32	-
Compensated Absences Payable	26	4	12	42	34
Other Postemployment Benefits Current	9	3	8	20	16
Estimated Claims Payable	-	-	-	-	1,891
Total Current Liabilities	1,112	58	616	1,786	2,585
Noncurrent Liabilities:					
Compensated Absences Payable	102	18	49	169	134
Other Postemployment Benefits	317	69	270	656	368
Net Pension Liability	1,240	277	1,101	2,618	1,570
Estimated Claims Payable	-	-	-	-	1,892
Total Noncurrent Liabilities	1,659	364	1,420	3,443	3,964
Total Liabilities	2,771	422	2,036	5,229	6,549
DEFERRED INFLOWS OF RESOURCES					
Deferred Inflows Related to OPEB	41	12	33	86	67
Deferred Inflows Related to Pensions	22	4	27	53	27
Total Deferred Inflows of Resources	63	16	60	139	94
NET POSITION					
Net Investment in Capital Assets	26,586	20,502	2,267	49,355	1,949
Restricted for Airport Projects	-	73	-	73	-
Unrestricted	2,512	260	505	3,277	1,634
Total Net Position	\$ 29,098	\$ 20,835	\$ 2,772	\$ 52,705	\$ 3,583

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

CITY OF KISSIMMEE, FLORIDA
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
For the Year Ended September 30, 2019
(In Thousands)

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Stormwater	Airport	Solid Waste	Total	
Operating Revenues:					
Charges for Services	\$ 5,561	\$ 875	\$ 5,362	\$ 11,798	\$ 18,787
Miscellaneous Revenues	45	-	3	48	223
Total Operating Revenues	<u>5,606</u>	<u>875</u>	<u>5,365</u>	<u>11,846</u>	<u>19,010</u>
Operating Expenses:					
Personal Services	2,539	635	2,003	5,177	3,069
Contracted Services	596	141	1,337	2,074	2,076
Supplies and Materials	217	20	298	535	163
Repairs and Maintenance	362	49	393	804	2,288
Other Services and Charges	112	185	341	638	1,772
Depreciation	1,040	659	682	2,381	375
Claims/Premium Expense	75	16	77	168	9,052
Total Operating Expenses	<u>4,941</u>	<u>1,705</u>	<u>5,131</u>	<u>11,777</u>	<u>18,795</u>
Operating Income (Loss)	<u>665</u>	<u>(830)</u>	<u>234</u>	<u>69</u>	<u>215</u>
Nonoperating Revenues (Expenses):					
Investment Income	80	17	46	143	171
Insurance Recoveries	-	-	-	-	502
Gain or (Loss) from Sale of Capital Assets	113	(2)	56	167	(9)
Total Nonoperating Revenues (Expenses)	<u>193</u>	<u>15</u>	<u>102</u>	<u>310</u>	<u>664</u>
Income (Loss) Before Contributions and Transfers	858	(815)	336	379	879
Capital Contributions	1,982	40	-	2,022	-
Transfers (Out)	(431)	(2)	(268)	(701)	(46)
Change in Net Position	<u>2,409</u>	<u>(777)</u>	<u>68</u>	<u>1,700</u>	<u>833</u>
Net Position - Beginning	<u>26,689</u>	<u>21,612</u>	<u>2,704</u>	<u>51,005</u>	<u>2,750</u>
Net Position - Ending	<u>\$ 29,098</u>	<u>\$ 20,835</u>	<u>\$ 2,772</u>	<u>\$ 52,705</u>	<u>\$ 3,583</u>

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

CITY OF KISSIMMEE, FLORIDA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For The Year Ended September 30, 2019
(In Thousands)

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Stormwater	Airport	Solid Waste	Total	
Cash Flows from Operating Activities					
Receipts from Customers and Users	\$ 3,630	\$ 918	\$ 5,384	\$ 9,932	\$ 18,969
Payments to Suppliers	(1,308)	(664)	(2,370)	(4,342)	(15,175)
Payments to Employees	(2,406)	(614)	(1,908)	(4,928)	(2,899)
Net Cash Provided (Used) by Operating Activities	(84)	(360)	1,106	662	895
Cash Flows from Noncapital Financing Activities					
Transfers (to) Other Funds	(431)	(2)	(268)	(701)	(46)
Transfers from Other Funds	-	-	-	-	146
Net Cash Provided (Used) by Noncapital Financing Activities	(431)	(2)	(268)	(701)	100
Cash Flows from Capital and Related Financing Activities					
Acquisition/Construction of Capital Assets	(2,376)	(44)	(294)	(2,714)	(363)
Capital Contributions	1,982	458	-	2,440	-
Proceeds from Insurance Recoveries	-	-	-	-	502
Proceeds from Sale of Capital Assets	115	-	56	171	-
Net Cash Provided (Used) by Capital and Related Financing Activities	(279)	414	(238)	(103)	139
Cash Flows from Investing Activities					
Investment Income	80	17	46	143	171
Net Cash Provided (Used) by Investing Activities	80	17	46	143	171
Net Increase (Decrease) in Cash and Cash Equivalents	(714)	69	646	1	1,305
Cash and Cash Equivalents at Beginning of Year	2,892	568	1,324	4,784	5,810
Cash and Cash Equivalents at End of Year	\$ 2,178	\$ 637	\$ 1,970	\$ 4,785	\$ 7,115

Continued

CITY OF KISSIMMEE, FLORIDA
STATEMENT OF CASH FLOWS - Continued
PROPRIETARY FUNDS
For The Year Ended September 30, 2019
(In Thousands)

	<u>Business-type Activities - Enterprise Funds</u>				<u>Governmental Activities - Internal Service Funds</u>
	<u>Stormwater</u>	<u>Airport</u>	<u>Solid Waste</u>	<u>Total</u>	
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities					
Operating Income (Loss)	\$ 665	\$ (830)	\$ 234	\$ 69	\$ 215
Depreciation	1,040	659	682	2,381	375
Change in Assets and Liabilities:					
(Increase) Decrease in Accounts Receivable	6	11	12	29	2
(Increase) Decrease in Due from Other Governments	-	-	-	-	27
(Increase) Decrease in Due from KUA	(1,982)	-	3	(1,979)	-
(Increase) Decrease in Due from TWA	-	-	4	4	(70)
(Increase) Decrease in Inventories	-	-	-	-	(6)
(Increase) Decrease in Deferred Outflows OPEB	2	1	1	4	2
(Increase) Decrease in Deferred Outflows Pensions	3	1	3	7	5
Increase (Decrease) in Accounts Payable	54	(253)	76	(123)	68
Increase (Decrease) in Customer Deposits	-	32	-	32	-
Increase (Decrease) in Accrued Liabilities	-	-	-	-	-
Increase (Decrease) in OPEB	(23)	(7)	(18)	(48)	(37)
Increase (Decrease) in Compensated Absences	24	(7)	8	25	29
Increase (Decrease) in Claims Payable	-	-	-	-	114
Increase (Decrease) in Net Pension Liability	203	52	162	417	252
Increase (Decrease) in Deferred Inflows OPEB	33	9	26	68	54
Increase (Decrease) in Deferred Inflows Pensions	(109)	(28)	(87)	(224)	(135)
Total Adjustments	<u>(749)</u>	<u>470</u>	<u>872</u>	<u>593</u>	<u>680</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ (84)</u>	<u>\$ (360)</u>	<u>\$ 1,106</u>	<u>\$ 662</u>	<u>\$ 895</u>

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

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

CITY OF KISSIMMEE, FLORIDA
STATEMENT OF FIDUCIARY NET POSITION
PENSION TRUST FUNDS
September 30, 2019
(In Thousands)

ASSETS

Cash and Cash Equivalents	\$	4,583
Receivables:		
Interest Receivable		205
Total Receivables		205
Investments, at Fair Value:		
Fixed Income		40,953
Equities		119,261
Mutual Funds		49,591
Commingled Funds		11,756
Total Investments		221,561
Total Assets		226,349
Net Position Restricted for Pension Benefits	\$	226,349

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

CITY OF KISSIMMEE, FLORIDA
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
PENSION TRUST FUNDS
For The Year Ended September 30, 2019
(In Thousands)

ADDITIONS

Contributions:	
Employer	\$ 6,508
Plan Members	1,377
State	<u>1,167</u>
Total Contributions	<u>9,052</u>
Investment earnings:	
Net increase (decrease) in fair value of investments	3,342
Interest and dividends	<u>6,021</u>
Total Investment Earnings	9,363
Less Investment Expense ¹	<u>981</u>
Net Investment Earnings	<u>8,382</u>
Other	<u>1,639</u>
Total Additions	<u><u>19,073</u></u>

DEDUCTIONS

Benefits	14,498
Administrative Expense	<u>205</u>
Total Deductions	<u><u>14,703</u></u>

Change in Net Position	4,370
Net Position - Beginning of Year	<u>221,979</u>
Net Position - End of Year	<u><u>\$ 226,349</u></u>

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

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

CITY OF KISSIMMEE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
September 30, 2019

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CITY OF KISSIMMEE, FLORIDA
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September 30, 2019

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NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. The Reporting Entity

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

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

B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the nonfiduciary activities of the primary government and its component unit. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support. The Statement of Activities demonstrates the degree to which the direct expenses and indirect costs of a given function, or segment, are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Indirect expenses* are those costs that are allocated to functions and activities in accordance with the City’s adopted indirect cost allocation plan. The “Expenses” column includes both direct and indirect expenses. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items properly not included among program revenues are reported instead as *general revenues*.

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

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

1. Government-wide Financial Statements

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

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

2. Fund Financial Statements

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

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

The City reports the following major governmental funds:

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

The City reports the following major enterprise funds:

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

Additionally, the City reports the following fund types:

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

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

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

D. Budgetary Requirements

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

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

E. Cash and Cash Equivalents

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

F. Investments

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

G. Receivables

Property Taxes Receivable

Under Florida law, the assessment of all properties and the collection of all county, municipal and school board property taxes are consolidated in the offices of the County Property Appraiser and County Tax Collector. The laws of the State regulating tax assessments are also designed to assure a consistent property valuation method statewide. State Statutes permit municipalities to levy property taxes at a rate of up to 10 mills. The City's millage for the fiscal year 2018-2019 is 4.6253 mills. All real and tangible personal property taxes are due and payable on the levy date of November 1 of each year or as soon thereafter as the assessment roll is certified by the Osceola County Property Appraiser (levy date). Osceola County mails to each property owner on the assessment roll a notice of the taxes due and the County also collects the taxes for the City. Taxes may be paid upon receipt of such notice from the County, with discounts at the rate of four percent (4%) if paid in the month of November, three percent (3%) if paid in the month of December, two percent (2%) if paid in the month of January, and one percent (1%) if paid in the month of February.

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

Special Assessments Receivable

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

H. Inventories and Prepays

Inventories are valued at cost using the first-in/first-out (FIFO) method. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased. Prepays represent payments made to vendors for services that will benefit the City beyond September 30, 2019. These payments are recorded as expenditures or expenses when consumed rather than when purchased.

I. Restricted Assets

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

J. Capital Assets

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

CITY OF KISSIMMEE, FLORIDA
NOTES TO FINANCIAL STATEMENTS – Continued
 September 30, 2019
(In Thousands)

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. Infrastructure capital assets are included in improvements other than buildings for financial statement classification.

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

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

K. Bond/Note Issuance Costs

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

L. Compensated Absences

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

M. Total Other Postemployment Benefits (OPEB) Liability

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

N. Unearned Revenue

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

O. Deferred Outflows/Inflows of Resources

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

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

P. Pensions/Net Pension Liability

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

Q. Contributions

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

R. Fund Balances

The City classified governmental fund balances as follows:

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

CITY OF KISSIMMEE, FLORIDA
NOTES TO FINANCIAL STATEMENTS – Continued
September 30, 2019
(In Thousands)

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

S. Net Position Restricted by Enabling Legislation

In the government-wide financial statements, governmental activities report restricted net position of \$32,621, of which management has determined \$6,857 for building code enforcement is restricted by enabling legislation.

T. Tax Abatements

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

NOTE 2 – DEPOSITS AND INVESTMENTS

Deposits

Deposits consist of demand accounts (interest and non-interest bearing). All deposits with financial institutions were 100% insured by Federal depository insurance or by collateral pursuant to the Public Depository Security Act of the State of Florida. The bank balance of demand accounts was \$12,454. The carrying amount of the demand deposits, cash with fiscal agent, and cash on hand at September 30, 2019 was \$10,686 due to timing of transactions.

Investments

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

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

CITY OF KISSIMMEE, FLORIDA
NOTES TO FINANCIAL STATEMENTS – Continued
September 30, 2019
(In Thousands)

The following is a summary of the City’s pooled investments at September 30, 2019. The valuation method for investments measured at the net asset value (NAV) per share (or its equivalent) is also presented.

<u>Measured using the net asset value:</u>	<u>Fair Value</u>	<u>Weighted Average</u>	
		<u>Maturity (Yrs)</u>	<u>Credit Rating</u>
FLGIT Short Term Bond Fund	\$ 21,110	2.00	Fitch AAf/S1
FL FIT Enhanced Cash	430	0.48	S&P AAf/S1
FL FIT 1-3 Year	31,454	2.53	S&P AA+f/S1
Total fair value investments	52,994		
<u>Measured at amortized cost:</u>			
Florida PRIME	22,310	37 days	S&P AAf
Total City investments	\$ 75,304		

<u>Investments measured at NAV</u>	<u>Unfunded</u>	
	<u>Fair Value</u>	<u>Commitments</u>
FLGIT Short Term Bond Fund	\$ 21,110	\$ -
FL FIT Enhanced Cash	430	-
FL FIT 1-3 Year	31,454	-

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

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

The following is a summary of the City’s Pension Trust Funds at September 30, 2019.

	<u>General Employees' Pension</u>			<u>Police Officers' Pension</u>		<u>Firefighters' Pension</u>	
	<u>Quoted</u>	<u>Observ</u>	<u>Unobserv</u>	<u>Quoted</u>	<u>Observ</u>	<u>Quoted</u>	<u>Observ</u>
	<u>Prices</u>	<u>Input</u>	<u>Input</u>	<u>Prices</u>	<u>Input</u>	<u>Prices</u>	<u>Input</u>
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 1</u>	<u>Level 2</u>
Fixed Income	\$ 11,305	\$ 11,963	\$ -	\$ -	\$ 15,213	\$ -	\$ 2,472
Equities	78,327	1,000	-	8,860	13,830	17,243	-
Mutual Funds	-	9,296	-	18,186	-	15,766	-
Commingled Funds & Real Estate	-	-	6,344	1,467	7,127	1,166	1,996
Total Investments	\$ 89,632	\$ 22,259	\$ 6,344	\$ 28,513	\$ 36,170	\$ 34,175	\$ 4,468
Money Market	1,529			2,013		1,041	
Total Investment Fair Values	\$ 119,764			\$ 66,696		\$ 39,684	

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

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

For the City's General Employees' Pension investments, the weighted average maturity (in years) for Eaton Vance is 7.30, Pimco Diversified Fund (PDIIIX) is 9.04, and Vanguard Inflation Protected (VAIPX) is 8.60. For the City's Police Officers' Pension investments, the weighted average maturity (in years) for Galliard Intermediate Core is 4.48, Pimco Diversified Fund (PDIIIX) is 9.04, and Vanguard Inflation Protected (VAIPX) is 8.60. For the City's Firefighters' Pension investments, the weighted average maturity (in years) for their collective portfolio is 8.55.

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

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

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

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

	<u>City</u>
Cash in Bank and On Hand	\$ 10,686
Investments	75,304
	<u>85,990</u>
Cash and Cash Equivalents	53,296
Restricted Cash and Investments	32,694
	<u>\$ 85,990</u>

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NOTE 3 – RECEIVABLES

The following is a detail listing of receivables for the City's individual major funds and the aggregate of nonmajor funds at September 30, 2019. Special assessment receivables are secured by liens placed on benefited properties at the time of the original assessment.

Description	General	Stormwater	Airport	Nonmajor and Internal			Total
				Solid Waste	Service Funds	Pension Funds	
Accounts	\$ 9,225	\$ 375	\$ 95	\$ 471	\$ 4	\$ -	\$ 10,170
Interest	-	-	-	-	-	209	209
Special assessments	24	-	-	-	-	-	24
	9,249	375	95	471	4	209	10,403
Less: Allowance for uncollectibles	(5,117)	-	-	-	-	-	(5,117)
	<u>\$ 4,132</u>	<u>\$ 375</u>	<u>\$ 95</u>	<u>\$ 471</u>	<u>\$ 4</u>	<u>\$ 209</u>	<u>\$ 5,286</u>

NOTE 4 – INTERFUND ACCOUNTS

Individual interfund receivables, payables and transfers with a description of their purpose at September 30, 2019 are:

	<u>Due From</u>	<u>Due To</u>	<u>Purpose</u>
General Fund	\$ 2,755	\$ -	To cover negative pooled cash position of Funds
Shingle Creek Regional Trail	-	972	To cover negative pooled cash position of Funds
Nonmajor Funds:			
Special Revenue Funds	-	1,637	To cover negative pooled cash position of Funds
Internal Service Funds	-	146	To cover negative pooled cash position of Funds
	<u>\$ 2,755</u>	<u>\$ 2,755</u>	
	<u>Transfer In</u>	<u>Transfers Out</u>	<u>Purpose</u>
General Fund	\$ 1,392	\$ 2,555	Transfer to cover debt service payments
Shingle Creek Regional Trail	189	-	Transfer for project expenditures
Community Redevelopment Agency	1,004	686	Transfer to cover debt service and tax increment funds
2016 Revenue Note Debt Service	2,959	-	Transfer to cover debt service payments
2016 Revenue Note Capital Projects	10	-	
Stormwater	-	431	Transfer to General Fund for PILOT
Airport	-	2	
Solid Waste	-	268	Transfer to General Fund for PILOT
Nonmajor Funds:			
Special Revenue Funds	1,276	6,921	Transfer for grant match funding and debt service
Debt Service Funds	4,079	-	Transfer to cover debt service payments
Internal Service Funds	-	46	Building and software costs
	<u>\$ 10,909</u>	<u>\$ 10,909</u>	

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NOTE 5 – CAPITAL ASSETS

A. Changes in Capital Assets

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

Governmental Activities	Beginning			Ending
	Balance	Increases	Decreases	Balance
	10/01/2018			9/30/2019
Capital Assets, Not Being Depreciated:				
Land	\$ 39,137	\$ 4,724	\$ -	\$ 43,861
Construction In Progress	<u>33,044</u>	<u>16,021</u>	<u>-</u>	<u>49,065</u>
Total Capital Assets, Not Being Depreciated	<u>72,181</u>	<u>20,745</u>	<u>-</u>	<u>92,926</u>
Capital Assets, Being Amortized, Net:				
Software - Charter School	2	-	(2)	-
Software - Other City	600	852	(22)	1,430
Parking Capacity	<u>2,898</u>	<u>-</u>	<u>(899)</u>	<u>1,999</u>
Total Capital Assets Being Amortized, Net	<u>3,500</u>	<u>852</u>	<u>(923)</u>	<u>3,429</u>
Capital Assets, Being Depreciated:				
Buildings				
Charter School	1,208	256	-	1,464
Other City	<u>16,843</u>	<u>-</u>	<u>-</u>	<u>16,843</u>
Improvements other than buildings				
Charter School	165	18	-	183
Other City	<u>171,636</u>	<u>7,511</u>	<u>(416)</u>	<u>178,731</u>
Equipment				
Charter School	1,098	-	-	1,098
Other City	<u>31,525</u>	<u>3,151</u>	<u>(1,541)</u>	<u>33,135</u>
Total Capital Assets Being Depreciated	<u>222,475</u>	<u>10,936</u>	<u>(1,957)</u>	<u>231,454</u>
Less Accumulated Depreciation For:				
Buildings				
Charter School	(429)	(84)	-	(513)
Other City	<u>(7,820)</u>	<u>(508)</u>	<u>-</u>	<u>(8,328)</u>
Improvements other than buildings				
Charter School	(108)	(7)	-	(115)
Other City	<u>(42,840)</u>	<u>(5,141)</u>	<u>391</u>	<u>(47,590)</u>
Equipment				
Charter School	(897)	(63)	-	(960)
Other City	<u>(20,515)</u>	<u>(3,023)</u>	<u>1,490</u>	<u>(22,048)</u>
Total Accumulated Depreciation	<u>(72,609)</u>	<u>(8,826)</u>	<u>1,881</u>	<u>(79,554)</u>
Total Capital Assets, Being Depreciated, Net	<u>149,866</u>	<u>2,110</u>	<u>(76)</u>	<u>151,900</u>
Governmental Activities Capital Assets, Net	<u>\$ 225,547</u>	<u>\$ 23,707</u>	<u>\$ (999)</u>	<u>\$ 248,255</u>

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Business-type Activities	Beginning Balance 10/01/2018	Increases	Decreases	Ending Balance 9/30/2019
<u>Stormwater Fund</u>				
Capital Assets, Not Being Depreciated:				
Land	\$ 1,583	\$ -	\$ -	\$ 1,583
Construction In Progress	604	2,653	(604)	2,653
Total Capital Assets, Not Being Depreciated:	<u>2,187</u>	<u>2,653</u>	<u>(604)</u>	<u>4,236</u>
Capital Assets, Being Amortized, Net:				
Software	46	(3)	-	43
Total Capital Assets, Being Amortized, Net	<u>46</u>	<u>(3)</u>	<u>-</u>	<u>43</u>
Capital Assets, Being Depreciated:				
Buildings	509	-	-	509
Improvements other than Buildings	26,300	812	-	27,112
Equipment	5,489	85	(67)	5,507
Total Capital Assets Being Depreciated	<u>32,298</u>	<u>897</u>	<u>(67)</u>	<u>33,128</u>
Less Accumulated Depreciation For:				
Buildings	(346)	(20)	-	(366)
Improvements other than Buildings	(5,846)	(558)	-	(6,404)
Equipment	(3,018)	(459)	65	(3,412)
Total Accumulated Depreciation	<u>(9,210)</u>	<u>(1,037)</u>	<u>65</u>	<u>(10,182)</u>
Total Capital Assets, Being Depreciated, Net	<u>23,088</u>	<u>(140)</u>	<u>(2)</u>	<u>22,946</u>
Solid Waste Fund Capital Assets, Net	<u>\$ 25,321</u>	<u>\$ 2,510</u>	<u>\$ (606)</u>	<u>\$ 27,225</u>
<u>Airport Fund</u>				
Capital Assets, Not Being Depreciated:				
Land	\$ 309	\$ -	\$ -	\$ 309
Construction In Progress	2,795	-	-	2,795
Total Capital Assets, Not Being Depreciated	<u>3,104</u>	<u>-</u>	<u>-</u>	<u>3,104</u>
Capital Assets, Being Amortized, Net:				
Software	197	(6)	-	191
Total Capital Assets, Being Amortized, Net	<u>197</u>	<u>(6)</u>	<u>-</u>	<u>191</u>
Capital Assets, Being Depreciated:				
Buildings	11,160	-	-	11,160
Improvements other than Buildings	15,970	21	-	15,991
Equipment	787	22	(11)	798
Total Capital Assets Being Depreciated	<u>27,917</u>	<u>43</u>	<u>(11)</u>	<u>27,949</u>
Less Accumulated Depreciation For:				
Buildings	(6,657)	(303)	-	(6,960)
Improvements other than Buildings	(2,833)	(306)	-	(3,139)
Equipment	(609)	(44)	10	(643)
Total Accumulated Depreciation	<u>(10,099)</u>	<u>(653)</u>	<u>10</u>	<u>(10,742)</u>
Total Capital Assets, Being Depreciated, Net	<u>17,818</u>	<u>(610)</u>	<u>(1)</u>	<u>17,207</u>
Airport Fund Capital Assets, Net	<u>\$ 21,119</u>	<u>\$ (616)</u>	<u>\$ (1)</u>	<u>\$ 20,502</u>

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	Beginning Balance 10/01/2018	Increases	Decreases	Ending Balance 9/30/2019
<u>Solid Waste Fund</u>				
Capital Assets, Not Being Depreciated:				
Construction In Progress	\$ 73	\$ -	\$ -	\$ 73
Total Capital Assets, Not Being Depreciated	<u>73</u>	<u>-</u>	<u>-</u>	<u>73</u>
Capital Assets, Being Depreciated:				
Buildings	\$ 407	\$ -	\$ -	\$ 407
Improvements other than Buildings	93	-	-	93
Equipment	<u>4,932</u>	<u>294</u>	<u>(605)</u>	<u>4,621</u>
Total Capital Assets Being Depreciated	<u>5,432</u>	<u>294</u>	<u>(605)</u>	<u>5,121</u>
Less Accumulated Depreciation For:				
Buildings	(284)	(15)	-	(299)
Improvements other than Buildings	(38)	(7)	-	(45)
Equipment	<u>(2,528)</u>	<u>(660)</u>	<u>605</u>	<u>(2,583)</u>
Total Accumulated Depreciation	<u>(2,850)</u>	<u>(682)</u>	<u>605</u>	<u>(2,927)</u>
Total Capital Assets, Being Depreciated, Net	<u>2,582</u>	<u>(388)</u>	<u>-</u>	<u>2,194</u>
Solid Waste Fund Capital Assets, Net	<u>\$ 2,655</u>	<u>\$ (388)</u>	<u>\$ -</u>	<u>\$ 2,267</u>
<u>Total Business-type Activities</u>				
Capital Assets, Not Being Depreciated:				
Land	\$ 1,892	\$ -	\$ -	\$ 1,892
Construction In Progress	<u>3,472</u>	<u>2,653</u>	<u>(604)</u>	<u>5,521</u>
Total Capital Assets, Not Being Depreciated	<u>5,364</u>	<u>2,653</u>	<u>(604)</u>	<u>7,413</u>
Capital Assets, Being Amortized, Net:				
Software	<u>243</u>	<u>(9)</u>	<u>-</u>	<u>234</u>
Total Capital Assets, Being Amortized, Net	<u>243</u>	<u>(9)</u>	<u>-</u>	<u>234</u>
Capital Assets, Being Depreciated:				
Buildings	12,076	-	-	12,076
Improvements other than Buildings	42,363	833	-	43,196
Equipment	<u>11,208</u>	<u>401</u>	<u>(683)</u>	<u>10,926</u>
Total Capital Assets Being Depreciated	<u>65,647</u>	<u>1,234</u>	<u>(683)</u>	<u>66,198</u>
Less Accumulated Depreciation For:				
Buildings	(7,287)	(338)	-	(7,625)
Improvements other than Buildings	(8,717)	(871)	-	(9,588)
Equipment	<u>(6,155)</u>	<u>(1,163)</u>	<u>680</u>	<u>(6,638)</u>
Total Accumulated Depreciation	<u>(22,159)</u>	<u>(2,372)</u>	<u>680</u>	<u>(23,851)</u>
Total Capital Assets, Being Depreciated, Net	<u>43,488</u>	<u>(1,138)</u>	<u>(3)</u>	<u>42,347</u>
Total Business-type Activities, Net	<u>\$ 49,095</u>	<u>\$ 1,506</u>	<u>\$ (607)</u>	<u>\$ 49,994</u>

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Governmental Activities:

Depreciation and Amortization Expense By Function

General Government	\$ 2,077
Public Safety	2,020
Transportation	3,183
Culture/Recreation	2,094
Capital assets held by the City's internal service funds are charged to the various functions based on their usage of the assets	<u>375</u>
Total Governmental Activities Depreciation and Amortization	<u>\$ 9,749</u>

Business-type Activities:

Depreciation Expense By Function

Stormwater	\$ 1,040
Airport	659
Solid Waste	<u>682</u>
	<u>\$ 2,381</u>

B. Net Capital Assets

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

	Governmental	Business-type	Total
	Activities	Activities	Total
Land	\$ 43,861	\$ 1,892	\$ 45,753
Software, net	1,430	234	1,664
Parking Capacity, net	1,999	-	1,999
Buildings	18,307	12,076	30,383
Improvements other than Buildings	178,914	43,196	222,110
Equipment	34,233	10,926	45,159
Construction in Progress	<u>49,065</u>	<u>5,521</u>	<u>54,586</u>
	327,809	73,845	401,654
Less: Accumulated Depreciation	<u>(79,554)</u>	<u>(23,851)</u>	<u>(103,405)</u>
Capital Assets, net	<u>\$ 248,255</u>	<u>\$ 49,994</u>	<u>\$ 298,249</u>

C. Construction Commitments

The following is a schedule of significant capital construction projects with remaining commitment amounts of greater than \$1 million as of September 30, 2019:

Projects	Spent-to-Date	Remaining Commitment
Oak Street Widening Improvements	\$ 2,393	\$ 1,002
Utility Relocation	-	1,263
Police and Fire Joint Training Range Facility	4,872	6,243
Lakefront Park	5,154	3,829
Mill Slough Restoration	<u>2,653</u>	<u>1,812</u>
Total	<u>\$ 15,072</u>	<u>\$ 14,149</u>

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NOTE 6 – INCOME FROM LEASED PROPERTY

The City is the lessor on various leases at the Airport. Assets available for lease consist primarily of land, land improvements and buildings. As of September 30, 2019, the book value of assets in these categories is \$11,469 with accumulated depreciation of \$6,960. The following is a schedule of minimum future lease income on non-cancellable operating leases:

<u>Year</u>	<u>Amount</u>
2020	\$ 677
2021	670
2022	675
2023	680
2024	686
After 2024	<u>688</u>
Total minimum lease income	<u><u>\$ 4,076</u></u>

Total income on non-cancellable operating leases for the year ended September 30, 2019 was \$723.

NOTE 7 – LONG-TERM LIABILITIES

A. Schedule of Changes in Long-term Liabilities

The City's outstanding long-term liabilities includes revenue bonds payable, notes from direct borrowings and direct placements, capital leases payable, claims payable, net pension liability, other postemployment benefits, and compensated absences. The following is a schedule of changes in the City's long-term liabilities for the fiscal year ended September 30, 2019:

	<u>Balance</u>			<u>Balance</u>	<u>Due Within</u>	<u>Long-term</u>
	<u>10/01/18</u>	<u>Additions</u>	<u>Reductions</u>	<u>9/30/19</u>	<u>One Year</u>	<u>Portion</u>
Governmental Activities:						
Notes from Direct Borrowings and						
Direct Placements	\$ 39,250	\$ 5,400	\$ (2,790)	\$ 41,860	\$ 2,885	\$ 38,975
Revenue Bonds	40,262	-	(1,259)	39,003	1,295	37,708
Bond Premium	4,516	-	(161)	4,355	-	4,355
subtotal Revenue Bonds	<u>44,778</u>	<u>-</u>	<u>(1,420)</u>	<u>43,358</u>	<u>1,295</u>	<u>42,063</u>
Capital Lease Payable	177	-	(39)	138	46	92
Claims Payable	3,669	8,752	(8,638)	3,783	1,891	1,892
Net Pension Liability	33,176	6,829	(2,238)	37,767	-	37,767
Other Postemployment Benefits	6,648	-	(622)	6,026	258	5,768
Compensated Absences	<u>1,995</u>	<u>2,465</u>	<u>(2,330)</u>	<u>2,130</u>	<u>426</u>	<u>1,704</u>
Governmental Activity						
Long-term Liabilities	<u>\$ 129,693</u>	<u>\$ 23,446</u>	<u>\$ (18,077)</u>	<u>\$ 135,062</u>	<u>\$ 6,801</u>	<u>\$ 128,261</u>
Business-type Activities:						
Net Pension Liability	\$ 2,201	\$ 887	\$ (470)	\$ 2,618	\$ -	\$ 2,618
Other Postemployment Benefits	724	-	(48)	676	20	656
Compensated Absences	<u>186</u>	<u>312</u>	<u>(287)</u>	<u>211</u>	<u>42</u>	<u>169</u>
Business-type Activity						
Long-term Liabilities	<u>\$ 3,111</u>	<u>\$ 1,199</u>	<u>\$ (805)</u>	<u>\$ 3,505</u>	<u>\$ 62</u>	<u>\$ 3,443</u>

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

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B. Debt Service Requirements

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

Governmental Activities:	Notes from Direct		Revenue Bonds		Total
	Borrowings and Placements		Principal	Interest	
Fiscal Year	Principal	Interest	Principal	Interest	
2020	\$ 2,885	\$ 1,160	\$ 1,295	\$ 1,695	\$ 7,035
2021	2,990	1,072	1,350	1,643	7,055
2022	19,450	981	1,403	1,575	23,409
2023	3,210	483	1,430	1,505	6,628
2024	2,385	385	820	1,476	5,066
2025-2029	7,065	1,083	3,605	6,901	18,654
2030-2034	3,875	299	6,620	5,963	16,757
2035-2039	-	-	8,885	4,409	13,294
2040-2044	-	-	11,060	2,230	13,290
2045-2048	-	-	2,535	121	2,656
Total	\$ 41,860	\$ 5,463	\$ 39,003	\$ 27,518	\$ 113,844

C. Debt Defeasance and Refundings

The City refunds and/or defeases long-term debt primarily to reduce debt service requirements. Since U.S government securities are held in escrow for the payment of principal and interest on these bonds, they are not liabilities to the City and are not included in the City's financial statements. As of September 30, 2019, the City has no outstanding bonds issued by the City, which were funded in previous years by the placement of assets in an irrevocable trust to be used for satisfying debt service requirements:

D. Capital Leases

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

Year Ending September 30	Governmental Activities
2020	\$ 46
2021	46
2022	46
Total minimum lease payments	138
Less: amount representing interest	-
Present value of minimum lease payments	<u>\$ 138</u>

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E. Bonds and Notes Outstanding

The City has revenue bonds and notes outstanding at September 30, 2019. The revenue bonds and notes under governmental activities are secured by several pledged revenue sources. The following is a summary schedule of these long-term obligations of the City and their impact on those present and future pledged revenue sources:

<u>Governmental Activities:</u>	<u>Revenue Pledged</u>	<u>Amount Issued</u>	<u>Principal Outstanding</u>	<u>Total Pledged Revenue (1)</u>	<u>Future Pledged Revenue Over Debt Service Required (2)</u>	<u>Current Year Debt Srvc Paid</u>	<u>Current Year Total Revenue</u>
Notes from Direct Borrowings and Direct Placements:							
2010A Capital Improvement Refunding Note Maturity: 2023, Interest Rate: 2.61% Purpose: Refunding 2005 Series Note	Local option sales tax	\$ 9,500	\$ 3,445	\$ 3,723	9.6%	\$ 785	\$ 8,144
2010B Capital Improvement Revenue Note Maturity: 2025, Interest Rate: 2.79% Purpose: Road Improvements	Local option sales tax	8,000	4,065	4,472	7.5%	610	8,144
2010C Capital Improvement Revenue Note Maturity: 2030, Interest Rate: 2.69% Purpose: Road Improvements	N/A	4,000	2,755	3,229	N/A	200	N/A
2017 Commercial Paper Note Maturity: 2022, Interest Rate: Purpose: Various	N/A	16,350	16,350	17,559	N/A	-	N/A
2011B Capital Improvement Refunding Note Maturity: 2025, Interest Rate: 2.86% Purpose: Road Improvements	Local option sales tax	9,140	4,225	4,750	7.9%	640	8,144
2014A Capital Improvement Revenue Note Maturity: 2034, Interest Rate: 2.86% Purpose: Lakefront Park and Road Improvements	Local option sales tax	9,600	7,920	9,901	4.6%	375	8,144
2015B CRA Refunding Revenue Note Maturity: 2030, Interest Rate: 2.81% Purpose: Refund 2009 CRA Note	N/A	3,820	<u>3,100</u>	N/A	N/A	180	N/A
	Total Revenue Notes		<u>41,860</u>				

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<u>Governmental Activities:</u>	<u>Revenue Pledged</u>	<u>Amount Issued</u>	<u>Principal Outstanding</u>	<u>Total Pledged Revenue (1)</u>	<u>Future Pledged Revenue Over Debt Service Required (2)</u>	<u>Current Year Debt Srvc Paid</u>	<u>Current Year Total Revenue</u>
Revenue Bonds:							
2016 Capital Improvement Revenue Bonds Maturity: 2045, Interest Rate: 4.803% Purpose: Capital Improvements and Refunding	1/2 Cent Sales Tax, Public Serv & Comm Taxes	\$ 42,930	\$ 38,925	\$ 66,434	9.8%	\$ 1,220	\$ 12,458
Excise Tax Revenue Bonds, Series 1980 Maturity: 2019, Interest Rate: 5.00% Purpose: Refunding	Occupational License Tax	265	-	-	5.6%	15	266
Excise Tax Revenue Bonds, Series 1982 Maturity: 2022, Interest Rate: 5.00% Purpose: Refunding	Occupational License Tax	500	<u>78</u>	87	9.0%	24	266
	Total Revenue Bonds		<u>39,003</u>				
Total Revenue Notes and Bonds - Governmental Activities			<u>\$ 80,863</u>				

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

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

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

The City's revenue bonds and notes from direct borrowings and direct placements contain remedies for events of default that are dependent upon judicial actions that may be limited. For most of the City's debt, in the event a default is longer than 30 days after notice to the City, the registered owners of not less than 25% in aggregate principal of the individual outstanding debt instruments shall be entitled to the appointment of a receiver of the pledged revenues. The receiver shall be entitled to take possession of various funds and accounts established by the City upon issuance of that debt, and shall collect all pledged revenues to apply towards satisfaction of the outstanding principal and interest.

In the event of default under the City's line of credit, the bank shall have the right to declare all outstanding loan balances immediately due and payable or take legal action as necessary to collect the amounts then due.

NOTE 8 – EMPLOYEE RETIREMENT SYSTEMS

The City administers three public employee retirement systems for all full-time employees. The employees of the Tohopekalgia Water Authority (TWA) also participate in the general employees' retirement plan.

Actuarial studies were conducted on all three plans as of October 1, 2018. The City does not produce separately available financial reports for these pension plans. All required disclosures and financial data are contained in the City's Comprehensive Annual Financial Report.

A. Description of Plans

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

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

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

B. Summary of Significant Accounting Policies

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

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

CITY OF KISSIMMEE, FLORIDA
NOTES TO FINANCIAL STATEMENTS – Continued
September 30, 2019
(In Thousands)

C. Membership and Contribution Information

Membership of each plan consisted of the following at October 1, 2018, the date of the latest actuarial valuations:

	Pension Plans		
	General Employees'	Police Officers'	Firefighters'
Inactive Plan Members or Beneficiaries Currently Receiving Benefits	309	113	77
Inactive Plan Members Entitled to but Not Yet Receiving Benefits	119	25	27
Active Plan Members	432	133	91
Total	860	271	195

For the fiscal year ended September 30, 2019, the following plan provisions are listed below:

	Pension Plans		
	General Employees'	Police Officers'	Firefighters'
Required Plan Member Contribution	3.69% Tier 1 7.14% Tier 2	3.70% ¹	1.00% ²
Actuarial Cost Method	Entry Age Normal	Entry Age Normal	Entry Age Normal
Amortization Method	Level Dollar, closed	Level % of pay, closed	Level % of pay, closed
Remaining Amortization Period	13 Years	28 Years	28 Years
Asset Valuation Method	20% of the difference between FMV and expected actuarial value	4 yr geometric average of market value returns	5 yr smooth mkt
Actuarial Assumptions:			
Investment rate of return	7.40%	7.50%	7.85%
Projected salary increases	4.00% to 6.50%	Service based	Service based
Post retirement benefit increases	3.00%	3.50%	3.50%
Inflation and payroll growth	3.00%	2.5%, 0%	2.7%, 0%
Cost-of-living adjustments	None	1% per year age 55 to 65	None

¹ 5.00% for Members hired after May 6, 2014

² 3.00% for Members hired after December 31, 2012

D. Benefits Provided

General Employees'

Retirement Age

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

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

CITY OF KISSIMMEE, FLORIDA
NOTES TO FINANCIAL STATEMENTS – Continued
September 30, 2019
(In Thousands)

Retirement Benefits

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

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

Delayed: Benefit continues to accrue.

Termination Benefits

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

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

Disability

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

Death Benefits (Pre-Retirement)

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

Cost-of-Living Adjustment

There is no cost-of-living adjustment.

Deferred Retirement Option Program (DROP)

Members who continue in employment past normal retirement date may either accrue larger pensions or freeze their accrued benefit and enter the DROP. Each participant in the DROP has an account credited with benefits not received and investment earnings. The DROP period is 60 months, but no more than five years from the date of eligibility. The DROP balance as of September 30, 2019 is \$2,464.

Police Officers'

Retirement Age

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

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

Retirement Benefits

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

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

Delayed: Benefit continues to accrue.

CITY OF KISSIMMEE, FLORIDA
NOTES TO FINANCIAL STATEMENTS – Continued
 September 30, 2019
(In Thousands)

Termination Benefits

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

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

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

Disability

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

Death Benefits (Pre-Retirement)

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

Cost-of-Living Adjustment (COLA)

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

Deferred Retirement Option Program (DROP)

Members who continue in employment past normal retirement date may either accrue larger pensions or freeze their accrued benefit and enter the DROP. Each participant in the DROP has an account credited with benefits not received and investment earnings. The DROP balance as of September 30, 2019 is \$971.

Firefighters'

Retirement Age

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

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

Retirement Benefits

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

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

Delayed: Benefit continues to accrue.

CITY OF KISSIMMEE, FLORIDA
NOTES TO FINANCIAL STATEMENTS – Continued
September 30, 2019
(In Thousands)

Termination Benefits

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

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

Disability

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

Death Benefits (Pre-Retirement)

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

Cost-of-Living Adjustment

There is no cost-of-living adjustment

Deferred Retirement Option Program (DROP)

Members who continue in employment past normal retirement date may either accrue larger pensions or freeze their accrued benefit and enter the DROP. Each participant in the DROP has an account credited with benefits not received and investment earnings. The DROP balance as of September 30, 2019 is \$2,788.

E. Net Pension Liability of the Sponsor

The components of the net pension liability of the sponsor as of September 30, 2019 were as follows:

	<u>Pension Plans</u>		
	<u>General*</u>	<u>Police</u>	
	<u>Employees'</u>	<u>Officers'</u>	
Total Pension Liability	\$ 143,871	\$ 77,954	\$ 53,907
Plan Fiduciary Net Position	119,878	66,752	39,698
Sponsor's Net Pension Liability	23,993	11,202	14,209
Plan Fiduciary Net Position as a Percentage of			
Total Pension Liability	83.32%	85.63%	73.64%

* Information shown above is for the City and Toho combined

The total pension liability for all plans was determined by an actuarial valuation as of October 1, 2018 updated to September 30, 2019 using the following actuarial assumption applied to all measurement periods.

CITY OF KISSIMMEE, FLORIDA
NOTES TO FINANCIAL STATEMENTS – Continued
September 30, 2019
(In Thousands)

	Pension Plans		
	General	Police	Firefighters'
	Employees'	Officers'	
Inflation	2.50%	2.50%	2.70%
Salary Increases	4.00% to 6.50%	Service based	Service based
Investment Rate of Return	7.40%	7.50%	7.80%

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

Long-term Expected Rate of Return – The long-term expected rate of return on all pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expenses and inflations) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocations as of September 30, 2019 are summarized in the following table:

Asset Class	Pension Plans					
	General Employees'		Police Officers'		Firefighters'	
	Target Allocation	Long-term Expected Real Rate of Return	Target Allocation	Long-term Expected Real Rate of Return	Target Allocation	Long-term Expected Real Rate of Return
Domestic Equity	44%	7.50%	40%	7.50%	38%	7.30%
International Equity	16%	8.50%	15%	8.50%	15%	2.70%
Domestic Fixed	20%	2.50%	-	-	-	-
Global Fixed	5%	3.50%	5%	3.50%	-	-
Real Estate	10%	4.50%	10%	4.50%	-	-
Private Equity	5%	6.09%	5%	8.50%	-	-
Fixed Income	-	-	25%	2.50%	-	-
Bonds	-	-	-	-	26%	3.60%
Convertibles	-	-	-	-	10%	6.30%
REITs	-	-	-	-	5%	7.20%
Infrastructure	-	-	-	-	6%	8.10%

Rate of Return – The following is a schedule for the annual money-weighted rate of return on Pension Plan investments, net of plan investment expense as of September 30, 2019:

Fiscal Year 2019	Pension Plans		
	General Employees'	Police Officers'	Firefighters'
Annual Money-Weighted Rate of Return			
Net of Investment Expense	3.53%	3.82%	4.27%

Discount Rate – The discount rate used to measure the total General Employees' pension liability was 7.40%, the total Police Officers' pension liability was 7.50%, and the total Firefighters' pension liability was 7.80%. In the development of a single discount rate for the General Employees' pension liability, a long-term municipal bond rate of 2.75% was used based on the Fidelity 20-Year Municipal GO Bond Index.

CITY OF KISSIMMEE, FLORIDA
NOTES TO FINANCIAL STATEMENTS – Continued
September 30, 2019
(In Thousands)

The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and the sponsor contributions will be made at rates equal to the difference between the actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payment to determine the total pension liability as shown in the table below.

Sponsor's Net Pension Liability	1% Decrease	Current Discount	1% Increase
	6.40%	Rate 7.40%	8.40%
General Employees' Fund City and Toho	\$ 41,017	\$ 23,993	\$ 9,724
General Employees' Fund City only	25,599	14,974	6,069

Sponsor's Net Pension Liability	1% Decrease	Current Discount	1% Increase
	6.50%	Rate 7.50%	8.50%
Police Officers' Fund	\$ 20,822	\$ 11,202	\$ 3,250

Sponsor's Net Pension Liability	1% Decrease	Current Discount	1% Increase
	6.80%	Rate 7.80%	8.80%
Firefighters' Fund	\$ 20,219	\$ 14,209	\$ 9,224

CITY OF KISSIMMEE, FLORIDA
NOTES TO FINANCIAL STATEMENTS – Continued
September 30, 2019
(In Thousands)

Changes in Net Pension Liability			
	<u>General Employees'</u>	<u>Police Officers'</u>	<u>Firefighters'</u>
Total pension liability			
Service Cost	\$ 1,654	\$ 1,773	\$ 992
Interest	6,308	5,590	4,064
Change in Excess State Money	-	-	-
Share Plan Allocation	-	-	-
Changes of Benefit Terms	664	-	(31)
Difference Between Actual & Expected Experience	(287)	(88)	(567)
Change in Employer's Proportion	(632)	-	-
Changes of Assumptions	-	-	370
Contributions - Buy Back	-	-	-
Benefit Payments	(4,284)	(4,171)	(3,475)
Net Change in Total Pension Liability	<u>3,423</u>	<u>3,104</u>	<u>1,353</u>
Total Pension Liability - Beginning	<u>86,367</u>	<u>74,850</u>	<u>52,554</u>
Total Pension Liability - Ending (a)	<u>\$ 89,790</u>	<u>\$ 77,954</u>	<u>\$ 53,907</u>
Plan Fiduciary Net Position			
Contributions - Employer	\$ 2,708	\$ 1,893	\$ 1,909
Contributions - State	-	799	368
Contributions - Member	546	366	136
Change in Employer's Proportion	(541)	-	-
Net Investment Income	2,637	2,480	1,671
Benefit Payments	(4,284)	(4,171)	(3,475)
Administrative Expense	(49)	(65)	(56)
Net Change in Plan Fiduciary Net Position	<u>1,017</u>	<u>1,302</u>	<u>553</u>
Plan Fiduciary Net Position - Beginning	<u>73,799</u>	<u>65,450</u>	<u>39,145</u>
Plan Fiduciary Net Position - Ending (b)	<u>\$ 74,816</u>	<u>\$ 66,752</u>	<u>\$ 39,698</u>
Net Pension Liability - Ending (a)-(b)	14,974	11,202	14,209
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	83.32%	85.63%	73.64%
Covered Payroll	\$ 16,032	\$ 8,550	\$ 6,183
Net Pension Liability as a Percentage of Covered Payroll	93.40%	131.03%	229.81%

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

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

For the year ended September 30, 2019, the City recognized pension expense of \$10,442, and had ending balances of deferred outflows for pensions of \$6,449, net pension liability of \$40,385, and deferred inflows for pensions of \$1,547 for its activities in three pension plans. The City recognized a pension expense of \$3,868 related to the general employees' pension fund in 2019. The City's proportionate share of the total Plan's net position is 62.41%. Employer contributions were used as a basis to determine the allocation; the allocation decreased 0.46% from the prior year allocation of 62.87%. The City also reported deferred outflows of resources and deferred inflows of resources related to the general employees' pension from the following sources.

CITY OF KISSIMMEE, FLORIDA
NOTES TO FINANCIAL STATEMENTS – Continued
September 30, 2019
(In Thousands)

	Deferred Outflows of Resources	Deferred Inflows of Resources	Net Deferred Outflows of Resources
Differences between expected and actual experience	\$ 123	\$ 231	\$ (108)
Change in cost-sharing allocation percentage	306	68	238
Assumptions changes	697	-	697
Net Difference between projected and actual earnings on pension plan investments	857	-	857
Total	\$ 1,983	\$ 299	\$ 1,684

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

Year Ending September 30	Net Outflows of Resources
2020	\$ 411
2021	199
2022	515
2023	559
Total	\$ 1,684

For the year ended September 30, 2019, the City recognized a pension expense of \$3,067 related to the police officers' pension fund. The City also reported deferred outflows of resources and deferred inflows of resources related to the police officers' pension from the following sources.

	Deferred Outflows of Resources	Deferred Inflows of Resources	Net Deferred Outflows of Resources
Differences between expected and actual experience	\$ 799	\$ 426	\$ 373
Change of assumptions	742	-	742
Net Difference between projected and actual earnings on pension plan investments	318	-	318
Total	\$ 1,859	\$ 426	\$ 1,433

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

Year Ending September 30	Net Outflows of Resources
2020	\$ 397
2021	48
2022	529
2023	459
Total	\$ 1,433

For the year ended September 30, 2019, the City recognized a pension expense of \$3,507 related to the firefighters' pension fund. The City also reported deferred outflows of resources and deferred inflows of resources related to the firefighters' pension from the following sources.

CITY OF KISSIMMEE, FLORIDA
NOTES TO FINANCIAL STATEMENTS – Continued
September 30, 2019
(In Thousands)

	Deferred Outflows of Resources	Deferred Inflows of Resources	Net Deferred Outflows of Resources
Differences between expected and actual experience	\$ 942	\$ 822	\$ 120
Change of assumptions	1,078	-	1,078
Net Difference between projected and actual earnings on pension plan investments	587	-	587
Total	\$ 2,607	\$ 822	\$ 1,785

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

Year Ending September 30	Net Outflows of Resources
2020	\$ 652
2021	283
2022	618
2023	<u>232</u>
Total	\$ 1,785

F. Combining Statements of the Pension Trust Funds

CITY OF KISSIMMEE, FLORIDA
COMBINING STATEMENT OF FIDUCIARY NET POSITION
PENSION TRUST FUNDS
September 30, 2019
(In Thousands)

	General Employees' Pension	Police Officers' Pension	Firefighters' Pension	Totals
ASSETS				
Cash and Cash Equivalents:	\$ 1,529	\$ 2,013	\$ 1,041	\$ 4,583
Receivable:				
Interest Receivable	114	77	14	205
Total Receivable:	114	77	14	205
Investments, at Fair Value:				
Fixed Income	23,268	15,213	2,472	40,953
Equities	79,328	22,690	17,243	119,261
Mutual Funds	15,639	18,186	15,766	49,591
Commingled Funds	-	8,594	3,162	11,756
Total Investments:	<u>118,235</u>	<u>64,683</u>	<u>38,643</u>	<u>221,561</u>
Total Assets	<u>119,878</u>	<u>66,773</u>	<u>39,698</u>	<u>226,349</u>
Net Position Restricted for Pension Benefits	<u>\$ 119,878</u>	<u>\$ 66,773</u>	<u>\$ 39,698</u>	<u>\$ 226,349</u>

CITY OF KISSIMMEE, FLORIDA
NOTES TO FINANCIAL STATEMENTS – Continued
September 30, 2019
(In Thousands)

CITY OF KISSIMMEE, FLORIDA
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
PENSION TRUST FUNDS

For The Year Ended September 30, 2019
(In Thousands)

	General Employees' Pension	Police Officers' Pension	Firefighters' Pension	Totals
ADDITIONS				
Contributions:				
Employer	\$ 2,707	\$ 1,893	\$ 1,908	\$ 6,508
Plan Members	875	366	136	1,377
State	-	799	368	1,167
Total Contributions	<u>3,582</u>	<u>3,058</u>	<u>2,412</u>	<u>9,052</u>
Investment earnings:				
Net increase (decrease) in fair value of investments	1,256	1,024	1,062	3,342
Interest and dividends	3,555	1,703	763	6,021
Total investment earnings	4,811	2,727	1,825	9,363
Less investment expense	624	209	148	981
Net investment earnings	<u>4,187</u>	<u>2,518</u>	<u>1,677</u>	<u>8,382</u>
Other	1,639	-	-	1,639
Total Additions	<u>9,408</u>	<u>5,576</u>	<u>4,089</u>	<u>19,073</u>
DEDUCTIONS				
Benefits	6,865	4,158	3,475	14,498
Administrative Expense	49	95	61	205
Total Deductions	<u>6,914</u>	<u>4,253</u>	<u>3,536</u>	<u>14,703</u>
Change in Net Position	2,494	1,323	553	4,370
Net Position - Beginning of Year	<u>117,384</u>	<u>65,450</u>	<u>39,145</u>	<u>221,979</u>
Net Position - End of Year	<u>\$ 119,878</u>	<u>\$ 66,773</u>	<u>\$ 39,698</u>	<u>\$ 226,349</u>

NOTE 9 – OTHER POSTEMPLOYMENT BENEFITS (OPEB)

A. Plan Description, Benefit Terms and Contribution Requirements

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

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

CITY OF KISSIMMEE, FLORIDA
NOTES TO FINANCIAL STATEMENTS – Continued
September 30, 2019
(In Thousands)

At measurement date September 30, 2018, the following employees were covered by the benefit terms:

Retirees and beneficiaries currently receiving benefits	26
Active employees	<u>548</u>
	574

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

B. Total OPEB Liability and Changes in Total OPEB Liability

The measurement date for the City's total/net OPEB liability was September 30, 2018, one year prior to the City's fiscal reporting date of September 30, 2019. The measurement period for OPEB cost was October 1, 2017 to September 30, 2018. The components of the changes in the total OPEB liability are as follows:

<u>Total OPEB Liability</u>	Fiscal Year <u>2019</u>
Service cost	\$ 531
Interest	271
Difference between expected and actual experience	(255)
Change of assumptions and other inputs	(894)
Benefit payments	<u>(323)</u>
Net change in total OPEB liability	(670)
Total OPEB liability - beginning	<u>7,372</u>
Total OPEB liability - ending	<u>\$ 6,702</u>

Changes of assumptions and other inputs reflect a change in the discount rate from 3.50% at the beginning of the measurement period to 3.83% as of September 30, 2018.

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

The total OPEB liability reported at September 30, 2019 was based on an actuarial valuation dated September 30, 2018 using the following actuarial assumptions:

Inflation	2.50% per annum
Discount rate	3.83%
Salary increases	Rates used in Oct 1, 2018 valuations of City pension plans
Mortality rates	Tables used in July 1, 2018 valuation of the Florida Retirement System (based on results of statewide experience study covering period 2008 through 2013)
Healthcare trend	Trend starting at 6.75% for claims costs and thereafter trends based on Getzen model, with trend rate of 6.50% and gradually decreasing to ultimate trend rate of 4.24% plus .65% increase for excise tax

The development of per capita costs included aging factors based on the 2013 Society of Actuaries Study "Healthcare Costs – From Birth to Death". There have been no significant changes (other than premium rate increases) in any health benefits or life insurance benefits between September 30, 2018 and September 30, 2019.

CITY OF KISSIMMEE, FLORIDA
NOTES TO FINANCIAL STATEMENTS – Continued
September 30, 2019
(In Thousands)

Sensitivity of OPEB liability to healthcare cost trend rate

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

	1% Decrease	Current Trend Rate	1% Increase
Total OPEB Liability	\$ 5,967	\$ 6,702	\$ 7,569

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

The discount rate used to measure the total OPEB liability reported as of September 30, 2019 was 3.83%. Because the City's OPEB costs are essentially funded on a pay-as-you-go funding structure, a municipal bond rate was used to determine the total OPEB liability for the OPEB Plan. Fidelity's 20-Year Municipal G.O. AA Index daily rate closest but not after the measurement date was used for this purpose.

Sensitivity of OPEB liability to discount rate

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

	1% Decrease	Current Discount Rate	1% Increase
Total OPEB Liability	\$ 7,377	\$ 6,702	\$ 6,103

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

For the year ended September 30, 2019, the City recognized OPEB expense of \$625. At September 30, 2019, the City had deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ -	\$ 224
Change of assumptions		984
Transactions after measurement date		
	<u>278</u>	<u>-</u>
	<u>\$ 278</u>	<u>\$ 1,208</u>

Deferred outflows of resources of \$278 are reported by the City for employer benefit payments subsequent to the measurement date, and will be recognized as a reduction of the total OPEB liability in the year ended September 30, 2020. Deferred inflows of resources shown above will be recognized in OPEB expense in the following years.

Fiscal Year Ending	Net Inflows
2020	\$ (177)
2021	(177)
2022	(177)
2023	(177)
2024	(177)
Thereafter	(323)
	<u>\$ (1,208)</u>

CITY OF KISSIMMEE, FLORIDA
NOTES TO FINANCIAL STATEMENTS – Continued
September 30, 2019
(In Thousands)

NOTE 10 – RISK MANAGEMENT

The City has a risk management program accounted for in two internal service funds. The funds are used to account for the costs of employee health, workers' compensation, automobile, and general property and casualty programs. Other City funds are charged by this fund for policy premiums and claims for which the City is self-insured. The City maintains cash reserves in excess of \$1 million and carries excess coverage for claims between \$100 thousand and \$5 million on all coverage except criminal liability. Criminal liability excess coverage is carried for claims between \$50 thousand and \$250 thousand. During 2019, there were no reductions in insurance coverage, and over the past three years there were no settlements that exceeded insurance coverage. As of the fiscal year ended September 30, 2019, the total outstanding unpaid claims were \$3,783 which includes an estimate for incurred but not reported claims. Insurance premiums paid out of this fund totaled \$8,638 for the fiscal year ended September 30, 2019. The change in the claims liability for the past two years is as follows:

	Balance at Beginning of Fiscal Year	Current Year Claims and Changes in Estimates	Current Year Claims Payments or Other Adjustments	Balance at End of Fiscal Year
2018-2019	\$ 3,669	\$ 8,752	\$ (8,638)	\$ 3,783
2017-2018	3,212	9,238	(8,781)	3,669

NOTE 11 – NET INVESTMENT IN CAPITAL ASSETS CALCULATION

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

	Governmental Activities	Business-type Activities	Total
Capital Assets (Net)	\$ 248,255	\$ 49,994	\$ 298,249
Debt Related to Capital Assets	(85,356)	-	(85,356)
Other Liabilities Related to Capital Assets	(4,741)	(639)	(5,380)
Unspent Proceeds of Capital-Related Debt	10,548	-	10,548
	<u>\$ 168,706</u>	<u>\$ 49,355</u>	<u>\$ 218,061</u>

NOTE 12 – FUND BALANCE DEFICITS

The following funds have a deficit fund balance at September 30, 2019:

<u>Fund Name</u>	<u>Deficit Amounts</u>
<u>Deficit Fund Balance</u>	
Shingle Creek Regional Trail	\$ 915
Nonmajor Funds:	
Special Revenue Fund:	
Community Development Block Grant	(65)
W Oak Street Improvement Grant	1
<u>Deficit Net Position</u>	
Health Insurance	353

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

NOTE 13 – COMMITMENTS, RELATED PARTIES, AND CONTINGENCIES

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

Kissimmee Utility Authority – The Kissimmee Utility Authority (KUA) provides a payment to the City's General Fund annually. The minimum payment is a charter requirement of KUA. For the fiscal year ended September 30, 2019, the payment made by KUA to the City was \$17.9 million. KUA's total operating revenues for the fiscal year ended September 30, 2019 were \$189.8 million. KUA also provides customer billing services to the City's Solid Waste and Stormwater Utility Funds.

Tohopekaliga Water Authority – The Tohopekaliga Water Authority (TWA) was created effective October 1, 2003. The TWA was created pursuant to a state legislative act. The City and Osceola County agreed to transfer all assets, liabilities and operations of their water and sewer systems to the TWA. The TWA issued in excess of \$100 million in revenue bonds to pay off the City's utility revenue bonds, other outstanding obligations, and to provide for new construction and system expansion. TWA provides a payment to the City's General Fund annually. The annual amount for 2019 was \$7.5 million and all future annual amounts will be calculated based on the gross annual revenues of the system for an additional 10 years.

Intergovernmental Grants - Amounts received or receivable from grantors are subject to audit and adjustment by grantor agencies, principally federal and state governments. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time, although the City expects such amounts to be immaterial.

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

NOTE 14 – SUBSEQUENT EVENT

The COVID-19 pandemic has created economic disruptions throughout the country as of the issuance date of this report resulting in significant declines in the financial markets and economic activity overall. The City expects to experience losses of various local and state shared revenues, declines in user fees, declines in investment values for both government and pension plans which could result in increased pension contributions and declines in financial reserves as a result. Depending upon the length and severity of the economic disruption, the City also may not be able to meet all debt covenants. The ultimate effects of these items are expected to be significant but are not quantifiable at this time.

REQUIRED SUPPLEMENTARY INFORMATION

Budgetary Comparison Schedules (GAAP BASIS):

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

City Retirement Plans Schedules and Notes:

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

City Other Postemployment Benefits Plan Schedule:

- Schedule of Total OPEB Liability and Related Ratios

CITY OF KISSIMMEE, FLORIDA
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
For the Year Ended September 30, 2019
(In Thousands)

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Over (Under)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES AND OTHER SOURCES				
Taxes:				
Ad valorem	\$ 14,461	\$ 14,461	\$ 14,608	\$ 147
Utility taxes	7,214	7,214	7,024	(190)
Local business taxes	275	275	266	(9)
	<u>21,950</u>	<u>21,950</u>	<u>21,898</u>	<u>(52)</u>
Permits, Fees and Special Assessments:				
Franchise fees	175	175	184	9
Other permits and fees	1	1	4	3
	<u>176</u>	<u>176</u>	<u>188</u>	<u>12</u>
Intergovernmental Revenues:				
Federal grants	-	15	295	280
State grants	-	135	196	61
State revenue sharing	3,000	3,000	2,914	(86)
Half cent sales tax	5,400	5,400	5,434	34
Shared taxes and licenses	307	307	390	83
County shared revenue	2,245	2,245	2,203	(42)
Kissimmee Utility Authority	17,500	17,500	17,922	422
Tohopekaliga Water Authority	7,150	7,150	7,488	338
	<u>35,602</u>	<u>35,752</u>	<u>36,842</u>	<u>1,090</u>
Charges for Services:				
General government charges	555	555	561	6
Public safety charges	6,490	6,490	7,505	1,015
Physical environment charges	64	64	60	(4)
Transportation charges	788	788	772	(16)
Culture/recreation charges	1,174	1,174	1,067	(107)
	<u>9,071</u>	<u>9,071</u>	<u>9,965</u>	<u>894</u>
Fines and Forfeitures:				
Court fines and costs	506	506	923	417
Miscellaneous Revenue:				
Investment income	293	293	906	613
Rents	25	25	59	34
Other revenue	296	370	353	(17)
Sales of cemetery lots	167	167	185	18
	<u>781</u>	<u>855</u>	<u>1,503</u>	<u>648</u>

Continued

CITY OF KISSIMMEE, FLORIDA
BUDGETARY COMPARISON SCHEDULE - CONTINUED
GENERAL FUND
For the Year Ended September 30, 2019
(In Thousands)

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Over (Under)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES AND OTHER SOURCES - Continued				
Transfers In:				
Stormwater Utility Fund	\$ 269	\$ 269	\$ 278	\$ 9
Charter School	639	639	639	-
Airport	2	2	2	-
Solid Waste Fund	256	256	268	12
Other Nonmajor Funds	50	162	205	43
	<u>1,216</u>	<u>1,328</u>	<u>1,392</u>	<u>64</u>
Other Sources:				
Proceeds from Sale of Capital Assets	100	2,300	219	(2,081)
	<u>100</u>	<u>2,300</u>	<u>219</u>	<u>(2,081)</u>
Total Revenues and Other Sources	<u>69,402</u>	<u>71,938</u>	<u>72,930</u>	<u>992</u>
EXPENDITURES AND OTHER (USES)				
General Government:				
City Commission:				
Personal Services	290	291	285	(6)
Operating	593	657	630	(27)
	<u>883</u>	<u>948</u>	<u>915</u>	<u>(33)</u>
City Manager:				
Personal Services	1,210	1,215	1,207	(8)
Operating	680	1,516	552	(964)
Capital Outlay	181	2,423	2,405	(18)
	<u>2,071</u>	<u>5,154</u>	<u>4,164</u>	<u>(990)</u>
Development Services:				
Personal Services	1,528	1,561	1,346	(215)
Operating	690	1,275	640	(635)
Capital Outlay	97	282	14	(268)
	<u>2,315</u>	<u>3,118</u>	<u>2,000</u>	<u>(1,118)</u>
Legal:				
Personal Services	574	581	560	(21)
Operating	311	474	141	(333)
Capital Outlay	5	5	4	(1)
	<u>890</u>	<u>1,060</u>	<u>705</u>	<u>(355)</u>

Continued

CITY OF KISSIMMEE, FLORIDA
BUDGETARY COMPARISON SCHEDULE - CONTINUED
GENERAL FUND
For the Year Ended September 30, 2019
(In Thousands)

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Over (Under)</u>
	<u>Original</u>	<u>Final</u>		
EXPENDITURES AND OTHER (USES) - Continued				
General Government:				
Finance:				
Personal Services	\$ 1,086	\$ 1,084	\$ 1,059	\$ (25)
Operating	285	302	220	(82)
Capital Outlay	24	68	6	(62)
	<u>1,395</u>	<u>1,454</u>	<u>1,285</u>	<u>(169)</u>
Personnel:				
Personal Services	1,061	1,072	743	(329)
Operating	218	235	122	(113)
Capital Outlay	2	5	4	(1)
	<u>1,281</u>	<u>1,312</u>	<u>869</u>	<u>(443)</u>
Central Service Charges:				
Operating	6,380	6,380	6,380	-
	<u>6,380</u>	<u>6,380</u>	<u>6,380</u>	<u>-</u>
Total General Government	<u>15,215</u>	<u>19,426</u>	<u>16,318</u>	<u>(3,108)</u>
Public Safety:				
Police:				
Personal Services	20,322	20,346	19,696	(650)
Operating	2,789	3,027	2,551	(476)
Capital Outlay	1,195	1,807	1,410	(397)
	<u>24,306</u>	<u>25,180</u>	<u>23,657</u>	<u>(1,523)</u>
Fire:				
Personal Services	12,600	12,367	11,737	(630)
Operating	1,870	1,901	1,845	(56)
Capital Outlay	497	922	844	(78)
	<u>14,967</u>	<u>15,190</u>	<u>14,426</u>	<u>(764)</u>
Total Public Safety	<u>39,273</u>	<u>40,370</u>	<u>38,083</u>	<u>(2,287)</u>
Transportation:				
Public Works:				
Personal Services	2,929	2,939	2,889	(50)
Operating	2,258	2,314	2,319	5
Capital Outlay	440	593	154	(439)
Total Transportation	<u>5,627</u>	<u>5,846</u>	<u>5,362</u>	<u>(484)</u>

Continued

CITY OF KISSIMMEE, FLORIDA
BUDGETARY COMPARISON SCHEDULE - CONTINUED
GENERAL FUND
For the Year Ended September 30, 2019
(In Thousands)

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Over (Under)</u>
	<u>Original</u>	<u>Final</u>		
EXPENDITURES AND OTHER (USES) - Continued				
Culture/Recreation				
Recreation:				
Personal Services	\$ 4,806	\$ 4,921	\$ 4,644	\$ (277)
Operating	1,633	1,737	2,033	296
Capital Outlay	573	685	400	(285)
Total Culture / Recreation	<u>7,012</u>	<u>7,343</u>	<u>7,077</u>	<u>(266)</u>
Non-Departmental				
Bad Debt	2,055	2,055	1,274	(781)
Capital Reserves	24,629	24,431	-	(24,431)
Operating Reserves	1,036	992	-	(992)
Principal Retirement	39	39	39	-
Debt Service Interest and Costs	30	30	24	(6)
Total Non-Departmental	<u>27,789</u>	<u>27,547</u>	<u>1,337</u>	<u>(26,210)</u>
Other (Uses)				
Transfers Out	2,177	2,536	2,555	19
Total Other (Uses)	<u>2,177</u>	<u>2,536</u>	<u>2,555</u>	<u>19</u>
Total Expenditures and Other (Uses)	<u>97,093</u>	<u>103,068</u>	<u>70,732</u>	<u>(32,336)</u>
Excess of Revenues and Other Sources Over Expenditures and Other (Uses)	(27,691)	(31,130)	2,198	33,328
Fund Balance - Beginning of Year	<u>27,691</u>	<u>31,130</u>	<u>31,289</u>	<u>159</u>
Fund Balance - End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 33,487</u>	<u>\$ 33,487</u>

CITY OF KISSIMMEE, FLORIDA
BUDGETARY COMPARISON SCHEDULE
SHINGLE CREEK REGIONAL TRAIL
For the Year Ended September 30, 2019
(In Thousands)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Over (Under)
	Original	Final		
REVENUES				
Intergovernmental Revenues	\$ -	\$ 464	\$ 1,547	\$ 1,083
Total Revenues	<u>-</u>	<u>464</u>	<u>1,547</u>	<u>1,083</u>
EXPENDITURES				
Transportation	-	3,540	2,358	1,182
Total Expenditures	<u>-</u>	<u>3,540</u>	<u>2,358</u>	<u>1,182</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	(3,076)	(811)	2,265
OTHER FINANCING SOURCES (USES)				
Transfers In	-	189	189	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>189</u>	<u>189</u>	<u>-</u>
Net Change in Fund Balance	-	(2,887)	(622)	2,265
Fund Balance (Deficit) - Beginning	-	2,887	(293)	(3,180)
Fund Balance (Deficit) - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (915)</u>	<u>\$ (915)</u>

CITY OF KISSIMMEE, FLORIDA
BUDGETARY COMPARISON SCHEDULE
COMMUNITY REDEVELOPMENT AGENCY
For the Year Ended September 30, 2019
(In Thousands)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Over (Under)
	Original	Final		
REVENUES				
Intergovernmental Revenues	\$ 1,328	\$ 1,328	\$ 1,381	\$ 53
Investment Income	9	9	80	71
Miscellaneous Revenues	59	59	58	(1)
Total Revenues	1,396	1,396	1,519	123
EXPENDITURES				
General Government	1,890	2,164	282	1,882
Total Expenditures	1,890	2,164	282	1,882
Excess (Deficiency) of Revenues Over (Under) Expenditures	(494)	(768)	1,237	2,005
OTHER FINANCING SOURCES (USES)				
Transfers In	961	961	1,004	43
Transfers (Out)	(670)	(686)	(686)	-
Total Other Financing Sources (Uses)	291	275	318	43
Net Change in Fund Balance	(203)	(493)	1,555	2,048
Fund Balance (Deficit) - Beginning	203	493	1,298	805
Fund Balance (Deficit) - Ending	\$ -	\$ -	\$ 2,853	\$ 2,853

CITY OF KISSIMMEE, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
September 30, 2019
(In Thousands)

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

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Total Pension Liability						
Service Cost	\$ 2,651	\$ 2,535	\$ 2,440	\$ 2,437	\$ 2,362	\$ 2,383
Interest	10,108	9,687	9,095	8,589	8,227	7,758
Benefit changes	1,063	-	-	-	-	339
Assumption changes	-	1,492	1,397	-	-	-
Difference Between Actual & Expected Experience	(460)	(54)	595	919	(952)	(12)
Benefit Payments and Refunds	<u>(6,865)</u>	<u>(5,822)</u>	<u>(5,592)</u>	<u>(4,857)</u>	<u>(4,902)</u>	<u>(3,483)</u>
Net Change in Total Pension Liability	6,497	7,838	7,935	7,088	4,735	6,985
Total Pension Liability - Beginning	<u>137,374</u>	<u>129,536</u>	<u>121,601</u>	<u>114,513</u>	<u>109,778</u>	<u>102,793</u>
Total Pension Liability - Ending (a)	<u>\$143,871</u>	<u>\$137,374</u>	<u>\$129,536</u>	<u>\$121,601</u>	<u>\$114,513</u>	<u>\$109,778</u>
Plan Fiduciary Net Position						
Contributions - Employer (from City and Toho)	\$ 4,338	\$ 4,119	\$ 3,851	\$ 3,579	\$ 3,587	\$ 3,135
Contributions - Member	875	880	849	856	841	844
Net Investment Income	4,225	7,866	12,906	8,257	1,129	7,817
Benefit Payments	(6,865)	(5,822)	(5,592)	(4,857)	(4,902)	(3,483)
Administrative Expense	<u>(79)</u>	<u>(47)</u>	<u>(54)</u>	<u>(76)</u>	<u>(76)</u>	<u>(65)</u>
Net Change in Plan Fiduciary Net Position	2,494	6,996	11,960	7,759	579	8,248
Plan Fiduciary Net Position - Beginning	<u>117,384</u>	<u>110,388</u>	<u>98,428</u>	<u>90,669</u>	<u>90,090</u>	<u>81,842</u>
Plan Fiduciary Net Position - Ending (b)	<u>\$119,878</u>	<u>\$117,384</u>	<u>\$110,388</u>	<u>\$ 98,428</u>	<u>\$ 90,669</u>	<u>\$ 90,090</u>
Net Pension Liability - Ending (a)-(b)	23,993	19,990	19,148	23,173	23,844	19,688
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	83.32%	85.45%	85.22%	80.94%	79.18%	82.07%
Covered Payroll	\$ 22,188	\$ 21,266	\$ 20,671	\$ 20,342	\$ 19,872	\$ 20,096
Net Pension Liability as a Percentage of Covered Payroll	108.14%	94.00%	92.63%	113.92%	119.99%	97.97%

This schedule represents entire plan with City and Toho combined.

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

Notes to the Schedule:

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

CITY OF KISSIMMEE, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
September 30, 2019
(In Thousands)

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

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Total Pension Liability						
Service Cost	\$ 1,654	\$ 1,594	\$ 1,485	\$ 1,442	\$ 1,378	\$ 1,390
Interest	6,308	6,090	5,535	5,084	4,798	4,524
Benefit Changes	664	-	-	-	-	198
Change in Employer's Proportion	(632)	2,605	2,030	997	-	-
Change in Assumptions	-	938	850	-	-	-
Difference Between Actual & Expected Experience	(287)	(34)	362	544	(555)	(7)
Benefit Payments	<u>(4,284)</u>	<u>(3,661)</u>	<u>(3,403)</u>	<u>(2,875)</u>	<u>(2,859)</u>	<u>(2,032)</u>
Net Change in Total Pension Liability	3,423	7,532	6,859	5,192	2,762	4,073
Total Pension Liability - Beginning	<u>86,367</u>	<u>78,835</u>	<u>71,976</u>	<u>66,784</u>	<u>64,022</u>	<u>59,949</u>
Total Pension Liability - Ending (a)	<u>\$89,790</u>	<u>\$86,367</u>	<u>\$78,835</u>	<u>\$71,976</u>	<u>\$66,784</u>	<u>\$64,022</u>
Plan Fiduciary Net Position						
Contributions - Employer	\$ 2,708	\$ 2,591	\$ 2,345	\$ 2,119	\$ 2,088	\$ 1,984
Contributions - Member	546	554	517	507	490	492
Change in Employer's Proportion	(541)	2,218	1,641	789	-	-
Net Investment Income	2,637	4,945	7,855	4,887	663	4,404
Benefit Payments	(4,284)	(3,661)	(3,403)	(2,875)	(2,859)	(2,032)
Administrative Expense	(49)	(30)	(33)	(45)	(44)	(38)
Net Change in Plan Fiduciary Net Position	1,017	6,617	8,922	5,382	338	4,810
Plan Fiduciary Net Position - Beginning	<u>73,799</u>	<u>67,182</u>	<u>58,260</u>	<u>52,878</u>	<u>52,540</u>	<u>47,730</u>
Plan Fiduciary Net Position - Ending (b)	<u>\$74,816</u>	<u>\$73,799</u>	<u>\$67,182</u>	<u>\$58,260</u>	<u>\$52,878</u>	<u>\$52,540</u>
City's Proportionate % of Total Plan Net Position	62.41%	62.87%	60.86%	59.19%	58.32%	58.32%
Net Pension Liability - Ending (a)-(b)	14,974	12,568	11,653	13,716	13,906	11,482
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	83.32%	85.45%	85.22%	80.94%	79.18%	82.07%
Covered Payroll	\$16,032	\$14,740	\$13,947	\$13,653	\$12,852	\$12,758
Net Pension Liability as a Percentage of Covered Payroll	93.40%	85.26%	83.55%	100.46%	108.20%	90.00%

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

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

Notes to the Schedule:

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

CITY OF KISSIMMEE, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
September 30, 2019
(In Thousands)

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

	2019	2018	2017	2016	2015	2014
Total Pension Liability						
Service Cost	\$ 1,773	\$ 2,008	\$ 1,838	\$ 1,911	\$ 1,841	\$ 1,815
Interest	5,590	5,544	5,299	4,818	4,577	4,317
Change in Excess State Money	-	-	-	(328)	-	-
Share Plan Allocation	-	-	-	218	-	-
Change of Benefit Terms	-	-	-	(68)	-	-
Difference Between Actual & Expected Experience	(88)	953	(889)	1,136	(427)	-
Changes of Assumptions	-	861	-	1,127	-	-
Benefit Payments	(4,171)	(3,611)	(3,116)	(3,122)	(2,849)	(2,957)
Net Change in Total Pension Liability	3,104	5,755	3,132	5,692	3,142	3,175
Total Pension Liability - Beginning	74,850	69,095	65,963	60,271	57,129	53,954
Total Pension Liability - Ending (a)	\$77,954	\$74,850	\$69,095	\$65,963	\$60,271	\$57,129
Plan Fiduciary Net Position						
Contributions - Employer	\$ 1,893	\$ 1,971	\$ 1,882	\$ 1,948	\$ 1,907	\$ 2,476
Contributions - State	799	747	655	582	521	501
Contributions - Member	366	321	295	275	270	253
Net Investment Income	2,480	6,229	5,845	4,519	1,144	4,412
Benefit Payments	(4,171)	(3,611)	(3,116)	(3,122)	(2,849)	(2,957)
Administrative Expense	(65)	(47)	(42)	(46)	(48)	(51)
Net Change in Plan Fiduciary Net Position	1,302	5,610	5,519	4,156	945	4,634
Plan Fiduciary Net Position - Beginning	65,450	59,840	54,321	50,165	49,220	44,586
Plan Fiduciary Net Position - Ending (b)	\$66,752	\$65,450	\$59,840	\$54,321	\$50,165	\$49,220
Net Pension Liability - Ending (a)-(b)	11,202	9,400	9,255	11,642	10,106	7,909
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	85.63%	87.44%	86.61%	82.35%	83.23%	86.16%
Covered Payroll	\$ 8,550	\$ 7,921	\$ 7,725	\$ 7,506	\$ 7,754	\$ 6,841
Net Pension Liability as a Percentage of Covered Payroll	131.03%	118.68%	119.81%	155.10%	130.33%	115.61%

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

Notes to the Schedule:

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

Changes of Benefit Terms:

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

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

Changes of Assumptions:

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

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

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

CITY OF KISSIMMEE, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
September 30, 2019
(In Thousands)

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

	2019	2018	2017	2016	2015	2014
Total Pension Liability						
Service Cost	\$ 992	\$ 915	\$ 693	\$ 761	\$ 826	\$ 846
Interest	4,064	3,836	3,787	3,573	3,512	3,366
Change in Excess State Money	-	-	-	-	-	(555)
Change in Benefit Terms	(31)	72	-	-	-	-
Difference Between Actual & Expected Experience	(567)	1,552	(920)	58	(606)	-
Changes of Assumptions	370	463	211	2,097	-	-
Contributions - Buy Back	-	-	3	-	-	-
Benefit Payments	(3,475)	(3,700)	(3,713)	(3,168)	(2,657)	(2,063)
Net Change in Total Pension Liability	1,353	3,138	61	3,321	1,075	1,594
Total Pension Liability - Beginning	52,554	49,416	49,355	46,034	44,959	43,365
Total Pension Liability - Ending (a)	\$53,907	\$52,554	\$49,416	\$49,355	\$46,034	\$44,959
Plan Fiduciary Net Position						
Contributions - Employer	\$ 1,908	\$ 2,095	\$ 1,542	\$ 834	\$ 1,434	\$ 1,392
Contributions - State	368	377	370	337	385	417
Contributions - Member	136	117	104	74	63	68
Net Investment Income	1,671	2,986	3,709	2,985	(1,773)	4,343
Benefit Payments	(3,475)	(3,700)	(3,713)	(3,168)	(2,657)	(2,063)
Administrative Expense	(55)	(62)	(59)	(54)	(52)	(52)
Net Change in Plan Fiduciary Net Position	553	1,813	1,953	1,008	(2,600)	4,105
Plan Fiduciary Net Position - Beginning	39,145	37,332	35,379	34,371	36,971	32,866
Plan Fiduciary Net Position - Ending (b)	\$39,698	\$39,145	\$37,332	\$35,379	\$34,371	\$36,971
Net Pension Liability - Ending (a)-(b)	14,209	13,409	12,084	13,976	11,663	7,988
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	73.64%	74.49%	75.55%	71.68%	74.66%	82.23%
Covered Payroll	\$ 6,183	\$ 5,756	\$ 5,829	\$ 4,557	\$ 4,987	\$ 4,218
Net Pension Liability as a Percentage of Covered Payroll	229.81%	232.96%	207.33%	306.71%	233.87%	189.39%

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

Notes to the Schedule:

The covered payroll numbers presented are in compliance with GASB Statement No. 82, *Pension Issues*, except for the 9/30/15 measurement period which includes DROP payroll.

Changes of Benefit Terms:

For measurement date 9/30/19, changes of benefit terms resulted from provisions of Chapter 112.1816, Florida Statutes, regarding death or disability due to a diagnosis of cancer. The expected deaths and disabilities in line-of-duty were increased from 75% to 90%.

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

Changes of Assumptions:

For measurement date 09/30/19, amounts reported as changes of assumptions resulted from the following changes:

The investment return assumption has been reduced from 7.85% to 7.80%. Rates for early retirement for members pre-07/01/13 have been reduced from 6.0% to 4.5%.

For measurement date 09/30/18, amounts reported as changes of assumptions resulted from the following changes:

A 100% retirement probability for the addition of the Normal Retirement Date for members hired after December 31, 2012. The investment return assumption has been reduced from 7.90% to 7.85%. The rates for early retirement members hired prior to January 2013 have been reduced from 9.0% to 6.0%.

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

For measurement date 09/30/16, amounts reported as changes of assumptions resulted from the following changes:

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

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

CITY OF KISSIMMEE, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
September 30, 2019
(In Thousands)

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

	2019	2018	2017	2016	2015	2014
Actuarially Determined Contribution	\$ 2,707	\$ 2,590	\$ 2,344	\$ 2,119	\$ 2,160	\$ 1,980
Contributions in Relation to the						
Actuarially Determined Contributions	<u>2,707</u>	<u>2,590</u>	<u>2,344</u>	<u>2,119</u>	<u>2,088</u>	<u>1,984</u>
Contribution Deficiency (Excess)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>72</u>	<u>(4)</u>
Covered Payroll	\$ 16,032	\$ 14,740	\$ 13,947	\$ 13,653	\$ 12,852	\$ 12,758
Contributions as a percentage of						
Covered Payroll	16.88%	17.57%	16.81%	15.52%	16.25%	15.55%

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

Notes to Schedule:

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

Valuation Date: 10/1/18

General Employees' only includes the City portion.

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

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

Methods and assumptions used to determine contribution rates:

Actuarial Cost Method:	Entry Age Normal
Amortization Method:	Level Dollar, closed
Remaining Amortization Period:	13 Years (as of 10/01/2018)
Asset Valuation Method:	20% of the difference between FMV and expected actuarial value
Inflation:	2.5%
Salary Increase:	4.00% to 6.50%
Interest Rate	7.4%
Retirement Age	Experience-based table of rates specific to type of eligibility condition
Early Retirement	Age 55 and 10 years of service
Cost-of-Living Adjustment	None

Changes of Benefit Terms:

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

Changes of Assumptions:

For 2019, the interest rate decreased from 7.5% to 7.4%.

CITY OF KISSIMMEE, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
September 30, 2019
(In Thousands)

Schedule of Actuarially Determined Contributions (Police Officers')

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Actuarially Determined Contribution	\$ 2,554	\$ 2,640	\$ 2,626	\$ 2,464	\$ 2,469	\$2,408
Contributions in Relation to the						
Actuarially Determined Contributions	<u>2,693</u>	<u>2,717</u>	<u>2,537</u>	<u>2,530</u>	<u>2,428</u>	<u>2,977</u>
Contribution Deficiency (Excess)	<u>(139)</u>	<u>(77)</u>	<u>89</u>	<u>(66)</u>	<u>41</u>	<u>(569)</u>
Covered Payroll	\$ 8,550	\$ 7,921	\$ 7,725	\$ 7,506	\$ 7,754	\$6,841
Contributions as a percentage of						
Covered Payroll	31.50%	34.30%	32.84%	33.71%	31.31%	43.52%

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

Notes to Schedule:

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

Valuation Date: 10/1/18

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

Methods and assumptions used to determine contribution rates:

Actuarial Cost Method:	Entry Age Normal
Amortization Method:	Level % of pay, closed
Remaining Amortization Period:	30 Years (as of 10/01/2018)
Asset Valuation Method:	4 Year geometric average of market value returns
Salary Increase:	Service based
Interest Rate	7.5%, net of investment related expenses
Mortality:	RP2000 Generational, separate assumptions for Healthy Active Lives, Healthy Inactive Lives, and Disabled Lives
Retirement Age	Age 50 and 25 years of credited service
Early Retirement	Subsidized benefit - 2% age 40-44, 10% age 45 and older
Cost-of-Living Adjustment	1% increase in benefits annually

Changes of Benefit Terms:

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

Changes of Assumptions:

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

CITY OF KISSIMMEE, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
September 30, 2019
(In Thousands)

Schedule of Actuarially Determined Contributions (Firefighters')

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Actuarially Determined Contribution	\$ 2,450	\$ 2,286	\$ 2,465	\$ 1,880	\$ 1,774	\$ 1,851
Contributions in Relation to the						
Actuarially Determined Contributions	<u>2,276</u>	<u>2,472</u>	<u>1,912</u>	<u>1,171</u>	<u>1,819</u>	<u>2,363</u>
Contribution Deficiency (Excess)	<u>174</u>	<u>(186)</u>	<u>553</u>	<u>709</u>	<u>(45)</u>	<u>(512)</u>
Covered Payroll	\$ 6,183	\$ 5,756	\$ 5,829	\$ 4,557	\$ 4,987	\$ 4,218
Contributions as a percentage of						
Covered Payroll	36.81%	42.95%	32.80%	25.70%	36.47%	56.02%

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

Notes to Schedule:

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

Valuation Date: 10/1/18

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

Methods and assumptions used to determine contribution rates:

Actuarial Cost Method:	Entry Age Normal
Amortization Method:	Level % of pay, closed
Remaining Amortization Period:	30 Years (as of 10/01/2018)
Asset Valuation Method:	5 Year Smooth
Inflation:	2.7%
Interest Rate	7.85%
Mortality:	RP2000 Generational, separate assumptions for Healthy Active Lives, Healthy Inactive Lives, and Disabled Lives
Retirement Age	Age 50 and 10 years of service, or any age with 25 years of credit service
Early Retirement	Age 40 with ten years service or age 50 - subsidized benefit at 10% per year
Cost-of-Living Adjustment	None

Changes in Benefit Terms:

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

Changes of Assumptions:

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

**CITY OF KISSIMMEE, FLORIDA
 REQUIRED SUPPLEMENTARY INFORMATION
 September 30, 2019
 (In Thousands)**

Money-weighted Rate of Return

		General Employees'					
		<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Annual Money-Weighted Rate of Return							
Net of Investment Expense		3.53%	7.04%	6.09%	6.09%	1.54%	11.45%
		Police Officers'					
		<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Annual Money-Weighted Rate of Return							
Net of Investment Expense		3.82%	10.42%	10.74%	8.99%	2.29%	9.71%
		Firefighters'					
		<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Annual Money-Weighted Rate of Return							
Net of Investment Expense		4.27%	8.03%	10.75%	8.90%	-4.79%	13.20%

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

CITY OF KISSIMMEE, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
September 30, 2019
(In Thousands)

Schedule of Changes in the Total OPEB Liability and Related Ratios

	2019	2018
Total OPEB Liability		
Service cost	\$ 531	\$ 544
Interest	271	233
Difference between expected and actual experience	(255)	-
Change of assumptions and other inputs	(894)	(270)
Benefit payments	(323)	(234)
Net change in total OPEB liability	(670)	273
Total OPEB liability - beginning	7,372	7,099
Total OPEB liability - ending	<u>\$ 6,702</u>	<u>\$ 7,372</u>
Covered-employee payroll	\$ 28,415	\$ 26,226
Total OPEB liability as a percentage of covered-employee payroll	23.59%	28.11%

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

Notes to the Schedule:

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

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

Note 3: Significant assumption changes 2019: discount rate increased to 3.83% from 3.50%.

OTHER SUPPLEMENTAL INFORMATION

Budgetary Comparison Schedules (GAAP BASIS):

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

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

Non-Major Governmental Funds:

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

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

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

Budgeted Special Revenue Funds (GAAP Basis)

Local Option Gas Tax

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

Recreation Impact Fee Fund

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

Transportation Impact Fee Fund

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

Local Option Sales Tax

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

Building Division

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

Mobility Fee Fund

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

State Housing Initiative Program

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

Victims of Crime Act Grant

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

NONMAJOR GOVERNMENTAL FUNDS - CONTINUED

Justice Assistance Grant

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

Paving Assessments

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

Charter School

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

Neighborhood Stabilization and HOME

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

Community Development Block Grant

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

W Oak Street Improvement Grant

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

Non-Budgeted Special Revenue Funds

Section 8 HAPP

To account for expenditures associated with various housing related projects.

Police and Firefighters Premium Tax Trust

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

Supplementary Care

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

NONMAJOR GOVERNMENTAL FUNDS - CONTINUED

DEBT SERVICE FUNDS

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

Budgeted Debt Service Funds (GAAP Basis)

FmHA Bond

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

2015B Refunding Note

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

2014A Revenue Note

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

Series 2017 Revenue Note

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

2010A Refunding Revenue Note

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

2010B Refunding Revenue Note

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

2010C Refunding Revenue Note

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

2011B Capital Refunding Note

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

NONMAJOR GOVERNMENTAL FUNDS - CONTINUED

CAPITAL PROJECTS FUNDS

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

Budgeted Capital Projects Fund (GAAP Basis)

2014A Note Capital Project

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

2010C Note Capital Project

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

Lakefront Sales Tax 2009A Capital Project Fund

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

2018 Line of Credit

To account for the proceeds of the 2018 Line of Credit Direct Borrowing to be used for various improvement projects.

2017 Note Capital Projects

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

CITY OF KISSIMMEE, FLORIDA
BUDGETARY COMPARISON SCHEDULE
2016 REVENUE NOTE DEBT SERVICE
For the Year Ended September 30, 2019
(In Thousands)

	<u>Budget</u>	<u>Actual Amounts</u>	<u>Variance with Budget - Over (Under)</u>
REVENUES			
Investment Income	\$ -	\$ -	\$ -
Total Revenues	<u>-</u>	<u>-</u>	<u>-</u>
EXPENDITURES			
General Government	17	-	17
Principal Retirement	1,220	1,220	-
Interest and Fiscal Charges	1,739	1,739	-
Professional Fees	-	-	-
Total Expenditures	<u>2,976</u>	<u>2,959</u>	<u>17</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(2,976)</u>	<u>(2,959)</u>	<u>17</u>
OTHER FINANCING SOURCES AND (USES)			
Transfers In	2,959	2,959	-
Total Other Financing Sources and (Uses)	<u>2,959</u>	<u>2,959</u>	<u>-</u>
Net Change in Fund Balance	(17)	-	17
Fund Balance - Beginning	17	17	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ 17</u>	<u>\$ 17</u>

CITY OF KISSIMMEE, FLORIDA
BUDGETARY COMPARISON SCHEDULE
2016 REVENUE NOTE CAPITAL PROJECTS
For the Year Ended September 30, 2019
(In Thousands)

	<u>Budget</u>	<u>Actual Amounts</u>	<u>Variance with Budget - Over (Under)</u>
REVENUES			
Investment Income	\$ -	\$ 428	\$ 428
Miscellaneous Revenues	666	665	(1)
Total Revenues	<u>666</u>	<u>1,093</u>	<u>427</u>
EXPENDITURES			
Capital Outlay	20,203	12,953	7,250
Total Expenditures	<u>20,203</u>	<u>12,953</u>	<u>7,250</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(19,537)</u>	<u>(11,860)</u>	<u>7,677</u>
OTHER FINANCING SOURCES			
Transfers In	10	10	-
Total Other Financing Sources	<u>10</u>	<u>10</u>	<u>-</u>
Net Change in Fund Balance	<u>(19,527)</u>	<u>(11,850)</u>	<u>7,677</u>
Fund Balance - Beginning	<u>19,527</u>	<u>19,445</u>	<u>(82)</u>
Fund Balance - Ending	<u>\$ -</u>	<u>\$ 7,595</u>	<u>\$ 7,595</u>

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

September 30, 2019

(In Thousands)

	Total Nonmajor Special Revenue Funds	Total Nonmajor Debt Service Funds	Total Nonmajor Capital Project Funds	Total Nonmajor Governmental Funds
ASSETS				
Cash and Cash Equivalents	\$ 23,651	\$ 3,254	\$ -	\$ 26,905
Restricted Cash and Investments	1,432	-	6,164	7,596
Accounts Receivable (net)	4	-	-	4
Due from TWA	2	-	-	2
Due from Other Governments	3,274	-	-	3,274
Total Assets	\$ 28,363	\$ 3,254	\$ 6,164	\$ 37,781
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities:				
Accounts Payable	\$ 557	\$ -	\$ 1,042	\$ 1,599
Accrued Liabilities	-	3,212	-	3,212
Due to Other Funds	1,637	-	-	1,637
Revenue Collected in Advance	4	-	-	4
Total Liabilities	2,198	3,212	1,042	6,452
Deferred Inflows of Resources				
Unavailable Earned Revenues	165	-	-	165
Total Deferred Inflows of Resources	165	-	-	165
Fund Balances:				
Nonspendable Supplementary Care	995	-	-	995
Restricted for Transportation Projects	7,978	-	-	7,978
Restricted for Public Safety Projects	24	-	-	24
Restricted for Development Services	6,857	-	-	6,857
Restricted for Economic Development	403	-	-	403
Restricted for Recreation Projects	1,782	-	-	1,782
Restricted for Charter School	2,953	-	-	2,953
Restricted for Construction Projects	-	-	5,122	5,122
Restricted for Other Capital Improvements	5,074	-	-	5,074
Assigned for Debt Service	-	42	-	42
Unassigned (Deficit)	(66)	-	-	(66)
Total Fund Balances	26,000	42	5,122	31,164
Total Liabilities, Deferred Inflows and Fund Balances	\$ 28,363	\$ 3,254	\$ 6,164	\$ 37,781

CITY OF KISSIMMEE, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
ALL NONMAJOR GOVERNMENTAL FUNDS
Fiscal Year Ended September 30, 2019
(In Thousands)

	Total Nonmajor Special Revenue Funds	Total Nonmajor Debt Service Funds	Total Nonmajor Capital Project Funds	Total Nonmajor Governmental Funds
REVENUES				
Taxes	\$ 10,975	\$ -	\$ -	\$ 10,975
Permits, Fees and Special Assessments	4,979	-	-	4,979
Intergovernmental Revenues	9,227	-	-	9,227
Charges for Services	125	-	-	125
Investment Income	727	-	136	863
Miscellaneous Revenues	581	-	-	581
Total Revenues	<u>26,614</u>	<u>-</u>	<u>136</u>	<u>26,750</u>
EXPENDITURES				
Current:				
General Government	6,527	-	12	6,539
Public Safety	5,908	-	-	5,908
Transportation	4,252	-	-	4,252
Economic Environment	1,302	-	-	1,302
Culture/Recreation	466	-	-	466
Capital Outlay	-	-	2,438	2,438
Debt Service:				
Principal Retirement	-	2,829	-	2,829
Interest and Fiscal Charges	-	1,250	2	1,252
Total Expenditures	<u>18,455</u>	<u>4,079</u>	<u>2,452</u>	<u>24,986</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>8,159</u>	<u>(4,079)</u>	<u>(2,316)</u>	<u>1,764</u>
OTHER FINANCING SOURCES and (USES)				
Transfers In	1,276	4,079	-	5,355
Transfers (Out)	(6,921)	-	-	(6,921)
Issuance of Notes Payable/Refunded Notes Payable	-	-	5,400	5,400
Total Other Financing Sources and (Uses)	<u>(5,645)</u>	<u>4,079</u>	<u>5,400</u>	<u>3,834</u>
Net Change in Fund Balances	<u>2,514</u>	<u>-</u>	<u>3,084</u>	<u>5,598</u>
Fund Balances - Beginning	<u>23,486</u>	<u>42</u>	<u>2,038</u>	<u>25,566</u>
Fund Balances - Ending	<u>\$ 26,000</u>	<u>\$ 42</u>	<u>\$ 5,122</u>	<u>\$ 31,164</u>

CITY OF KISSIMMEE, FLORIDA
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
September 30, 2019
(In Thousands)

	Local Option Gas Tax	Recreation Impact Fee Fund	Transportation Impact Fee Fund	Local Option Sales Tax
ASSETS				
Cash and Cash Equivalents	\$ 2,895	\$ 1,607	\$ -	\$ 4,258
Restricted Cash and Investments	-	-	-	-
Accounts Receivable (net)	-	-	-	-
Due from TWA	2	-	-	-
Due from Other Governments	253	-	-	1,399
Total Assets	\$ 3,150	\$ 1,607	\$ -	\$ 5,657
LIABILITIES				
Accounts Payable	\$ 23	\$ 25	\$ -	\$ 197
Due to Other Funds	-	-	-	88
Revenue Collected in Advance	-	-	-	-
Total Liabilities	23	25	-	285
DEFERRED INFLOWS OF RESOURCES				
Unavailable Earned Revenues	-	-	-	98
Total Deferred Inflows of Resources	-	-	-	98
FUND BALANCES (DEFICITS)				
Nonspendable Supplementary Care	-	-	-	-
Restricted for Transportation Projects	3,127	-	-	-
Restricted for Public Safety Projects	-	-	-	-
Restricted for Development Services	-	-	-	-
Restricted for Economic Development	-	-	-	-
Restricted for Recreation Projects	-	1,582	-	200
Restricted for Charter School	-	-	-	-
Restricted for Other Capital Improvements	-	-	-	5,074
Unassigned (Deficit)	-	-	-	-
Total Fund Balances (Deficits)	3,127	1,582	-	5,274
Total Liabilities, Deferred Inflows and Fund Balances	\$ 3,150	\$ 1,607	\$ -	\$ 5,657

Building Division	Mobility Fee Fund	State Housing Initiative Program	Victim of Crime Act	Justice Assistance Grant	Paving Assessments
\$ 6,867	\$ 4,866	\$ 312	\$ 13	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	6	5	-
<u>\$ 6,867</u>	<u>\$ 4,866</u>	<u>\$ 312</u>	<u>\$ 19</u>	<u>\$ 5</u>	<u>\$ -</u>
\$ 10	\$ 15	\$ 4	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
10	15	4	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	4,851	-	-	-	-
-	-	-	19	5	-
6,857	-	-	-	-	-
-	-	308	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
6,857	4,851	308	19	5	-
<u>\$ 6,867</u>	<u>\$ 4,866</u>	<u>\$ 312</u>	<u>\$ 19</u>	<u>\$ 5</u>	<u>\$ -</u>

Continued

CITY OF KISSIMMEE, FLORIDA
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
September 30, 2019
(In Thousands)

	Charter School	Neighborhood Stabilization and Home	Community Development Block Grant	W Oak Street Improvement Grant
ASSETS				
Cash and Cash Equivalents	\$ 1,700	\$ 101	\$ 33	\$ -
Restricted Cash and Investments	1,432	-	-	-
Accounts Receivable (net)	-	4	-	-
Due from TWA	-	-	-	-
Due from Other Governments	-	4	240	1,367
Total Assets	\$ 3,132	\$ 109	\$ 273	\$ 1,367
LIABILITIES				
Accounts Payable	\$ 179	\$ 1	\$ 102	\$ 1
Due to Other Funds	-	13	169	1,367
Revenue Collected in Advance	-	4	-	-
Total Liabilities	179	18	271	1,368
DEFERRED INFLOWS OF RESOURCES				
Unavailable Earned Revenues	-	-	67	-
Total Deferred Inflows of Resources	-	-	67	-
FUND BALANCES (DEFICITS)				
Nonspendable Supplementary Care	-	-	-	-
Restricted for Transportation Projects	-	-	-	-
Restricted for Public Safety Projects	-	-	-	-
Restricted for Development Services	-	-	-	-
Restricted for Economic Development	-	91	-	-
Restricted for Recreation Projects	-	-	-	-
Restricted for Charter School	2,953	-	-	-
Restricted for Other Capital Improvements	-	-	-	-
Unassigned (Deficit)	-	-	(65)	(1)
Total Fund Balances (Deficits)	2,953	91	(65)	(1)
Total Liabilities, Deferred Inflows and Fund Balances	\$ 3,132	\$ 109	\$ 273	\$ 1,367

Section 8 HAPP Fund	Police and Firefighters Premium Tax Trust	Supplementary Care	Total Nonmajor Special Revenue Funds
\$ 4	\$ -	\$ 995	\$ 23,651
-	-	-	1,432
-	-	-	4
-	-	-	2
-	-	-	3,274
<u>\$ 4</u>	<u>\$ -</u>	<u>\$ 995</u>	<u>\$ 28,363</u>
\$ -	\$ -	\$ -	\$ 557
-	-	-	1,637
-	-	-	4
-	-	-	2,198
-	-	-	165
-	-	-	165
-	-	995	995
-	-	-	7,978
-	-	-	24
-	-	-	6,857
4	-	-	403
-	-	-	1,782
-	-	-	2,953
-	-	-	5,074
-	-	-	(66)
<u>4</u>	<u>-</u>	<u>995</u>	<u>26,000</u>
<u>\$ 4</u>	<u>\$ -</u>	<u>\$ 995</u>	<u>\$ 28,363</u>

CITY OF KISSIMMEE, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
For the Year Ended September 30, 2019
(In Thousands)

	Local Option Gas Tax	Recreation Impact Fee Fund	Transportation Impact Fee Fund	Local Option Sales Tax
REVENUES				
Taxes	\$ 2,831	\$ -	\$ -	\$ 8,144
Permits, Fees and Special Assessments	-	825	-	-
Intergovernmental Revenues	-	-	-	-
Charges for Services	5	-	-	-
Investment Income	86	38	-	166
Miscellaneous Revenues	-	-	-	-
Total Revenues	<u>2,922</u>	<u>863</u>	<u>-</u>	<u>8,310</u>
EXPENDITURES				
Current:				
General Government	-	-	-	1,301
Public Safety	-	-	-	2,799
Transportation	2,073	-	-	209
Economic Environment	-	-	-	-
Culture/Recreation	-	185	-	281
Total Expenditures	<u>2,073</u>	<u>185</u>	<u>-</u>	<u>4,590</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>849</u>	<u>678</u>	<u>-</u>	<u>3,720</u>
OTHER FINANCING SOURCES and (USES)				
Transfers In	312	-	-	646
Transfers (Out)	(906)	(340)	(61)	(4,443)
Total Other Financing Sources and (Uses)	<u>(594)</u>	<u>(340)</u>	<u>(61)</u>	<u>(3,797)</u>
Net Change in Fund Balances	255	338	(61)	(77)
Fund Balances (Deficits) - Beginning	2,872	1,244	61	5,351
Fund Balances (Deficits) - Ending	<u>\$ 3,127</u>	<u>\$ 1,582</u>	<u>\$ -</u>	<u>\$ 5,274</u>

Building Division	Mobility Fee Fund	State Housing Initiative Program	Victim of Crime Act	Justice Assistance Grant	Paving Assessments
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2,626	1,501	-	-	-	27
-	-	114	52	35	-
120	-	-	-	-	-
175	133	7	-	-	1
-	-	-	-	-	3
<u>2,921</u>	<u>1,634</u>	<u>121</u>	<u>52</u>	<u>35</u>	<u>31</u>
-	-	-	-	-	-
1,571	-	-	73	298	-
-	514	-	-	-	-
-	-	347	-	-	-
-	-	-	-	-	-
<u>1,571</u>	<u>514</u>	<u>347</u>	<u>73</u>	<u>298</u>	<u>-</u>
<u>1,350</u>	<u>1,120</u>	<u>(226)</u>	<u>(21)</u>	<u>(263)</u>	<u>31</u>
40	-	-	28	250	-
(56)	(445)	-	-	-	(31)
<u>(16)</u>	<u>(445)</u>	<u>-</u>	<u>28</u>	<u>250</u>	<u>(31)</u>
1,334	675	(226)	7	(13)	-
<u>5,523</u>	<u>4,176</u>	<u>534</u>	<u>12</u>	<u>18</u>	<u>-</u>
<u>\$ 6,857</u>	<u>\$ 4,851</u>	<u>\$ 308</u>	<u>\$ 19</u>	<u>\$ 5</u>	<u>\$ -</u>

Continued

CITY OF KISSIMMEE, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
For the Year Ended September 30, 2019
(In Thousands)

	Charter School	Neighborhood Stabilization and Home	Community Development Block Grant	W Oak Street Improvement Grant
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ -
Permits, Fees and Special Assessments	-	-	-	-
Intergovernmental Revenues	5,946	-	396	1,517
Charges for Services	-	-	-	-
Investment Income	90	4	-	-
Miscellaneous Revenues	-	538	-	-
Total Revenues	6,036	542	396	1,517
EXPENDITURES				
Current:				
General Government	5,226	-	-	-
Public Safety	-	-	-	-
Transportation	-	-	-	1,456
Economic Environment	-	539	416	-
Culture/Recreation	-	-	-	-
Total Expenditures	5,226	539	416	1,456
Excess (Deficiency) of Revenues Over (Under) Expenditures	810	3	(20)	61
OTHER FINANCING SOURCES and (USES)				
Transfers In	-	-	-	-
Transfers (Out)	(639)	-	-	-
Total Other Financing Sources and (Uses)	(639)	-	-	-
Net Change in Fund Balances	171	3	(20)	61
Fund Balances (Deficits) - Beginning	2,782	88	(45)	(62)
Fund Balances (Deficits) - Ending	\$ 2,953	\$ 91	\$ (65)	\$ (1)

Section 8 HAPP Fund	Police and Firefighters Premium Tax Trust	Supplementary Care	Total Nonmajor Special Revenue Funds
\$ -	\$ -	\$ -	\$ 10,975
-	-	-	4,979
-	1,167	-	9,227
-	-	-	125
-	-	27	727
-	-	40	581
-	1,167	67	26,614
-	-	-	6,527
-	1,167	-	5,908
-	-	-	4,252
-	-	-	1,302
-	-	-	466
-	1,167	-	18,455
-	-	67	8,159
-	-	-	1,276
-	-	-	(6,921)
-	-	-	(5,645)
-	-	67	2,514
4	-	928	23,486
\$ 4	\$ -	\$ 995	\$ 26,000

CITY OF KISSIMMEE, FLORIDA
BUDGETARY COMPARISON SCHEDULE
LOCAL OPTION GAS TAX
For the Year Ended September 30, 2019
(In Thousands)

	<u>Budget</u>	<u>Actual Amounts</u>	<u>Variance with Budget - Over (Under)</u>
REVENUES			
Taxes	\$ 2,792	\$ 2,831	\$ 39
Charges for Services	2	5	3
Investment Income	20	86	66
Miscellaneous Revenues	1	-	(1)
Total Revenues	<u>2,815</u>	<u>2,922</u>	<u>107</u>
EXPENDITURES			
Transportation	4,961	2,073	2,888
Capital Outlay	-	-	-
Total Expenditures	<u>4,961</u>	<u>2,073</u>	<u>2,888</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(2,146)</u>	<u>849</u>	<u>2,995</u>
OTHER FINANCING SOURCES AND (USES)			
Transfers In	287	312	25
Transfers (Out)	(906)	(906)	-
Total Other Financing Sources and (Uses)	<u>(619)</u>	<u>(594)</u>	<u>25</u>
Net Change in Fund Balance	<u>(2,765)</u>	<u>255</u>	<u>3,020</u>
Fund Balance (Deficit) - Beginning	<u>2,765</u>	<u>2,872</u>	<u>107</u>
Fund Balance (Deficit) - Ending	<u>\$ -</u>	<u>\$ 3,127</u>	<u>\$ 3,127</u>

CITY OF KISSIMMEE, FLORIDA
BUDGETARY COMPARISON SCHEDULE
RECREATION IMPACT FEE FUND
For the Year Ended September 30, 2019
(In Thousands)

	<u>Budget</u>	<u>Actual Amounts</u>	<u>Variance with Budget - Over (Under)</u>
REVENUES			
Permits, Fees and Special Assessments	\$ 500	\$ 825	\$ 325
Investment Income	5	38	33
Total Revenues	<u>505</u>	<u>863</u>	<u>358</u>
EXPENDITURES			
Culture/Recreation	1,407	185	1,222
Capital Outlay	-	-	-
Total Expenditures	<u>1,407</u>	<u>185</u>	<u>1,222</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(902)</u>	<u>678</u>	<u>1,580</u>
OTHER FINANCING SOURCES AND (USES)			
Transfers (Out)	(340)	(340)	-
Total Other Financing Sources and (Uses)	<u>(340)</u>	<u>(340)</u>	<u>-</u>
Net Change in Fund Balance	(1,242)	338	1,580
Fund Balance (Deficit) - Beginning	<u>1,242</u>	<u>1,244</u>	<u>2</u>
Fund Balance (Deficit) - Ending	<u>\$ -</u>	<u>\$ 1,582</u>	<u>\$ 1,582</u>

CITY OF KISSIMMEE, FLORIDA
BUDGETARY COMPARISON SCHEDULE
TRANSPORTATION IMPACT FEE FUND
For the Year Ended September 30, 2019
(In Thousands)

	<u>Budget</u>	<u>Actual Amounts</u>	<u>Variance with Budget - Over (Under)</u>
REVENUES			
Investment Income	\$ -	\$ -	\$ -
Total Revenues	<u>-</u>	<u>-</u>	<u>-</u>
EXPENDITURES			
Transportation	-	-	-
Capital Outlay	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>-</u>	<u>-</u>	<u>-</u>
OTHER FINANCING SOURCES AND (USES)			
Transfers In	-	-	-
Transfers (Out)	(61)	(61)	-
Total Other Financing Sources and (Uses)	<u>(61)</u>	<u>(61)</u>	<u>-</u>
Net Change in Fund Balance	(61)	(61)	-
Fund Balance (Deficit) - Beginning	<u>61</u>	<u>61</u>	<u>-</u>
Fund Balance (Deficit) - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF KISSIMMEE, FLORIDA
BUDGETARY COMPARISON SCHEDULE
LOCAL OPTION SALES TAX
For the Year Ended September 30, 2019
(In Thousands)

	<u>Budget</u>	<u>Actual Amounts</u>	<u>Variance with Budget - Over (Under)</u>
REVENUES			
Taxes	\$ 8,491	\$ 8,144	\$ (347)
Intergovernmental Revenues	200	-	(200)
Investment Income	50	166	116
Total Revenues	<u>8,741</u>	<u>8,310</u>	<u>(431)</u>
EXPENDITURES			
General Government	3,987	1,301	2,686
Public Safety	3,771	2,799	972
Transportation	1,995	209	1,786
Culture/Recreation	920	281	639
Capital Outlay	-	-	-
Debt Service:			
Total Expenditures	<u>10,673</u>	<u>4,590</u>	<u>6,083</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(1,932)</u>	<u>3,720</u>	<u>5,652</u>
OTHER FINANCING SOURCES AND (USES)			
Transfers In	646	646	-
Transfers (Out)	(4,443)	(4,443)	-
Total Other Financing Sources and (Uses)	<u>(3,797)</u>	<u>(3,797)</u>	<u>-</u>
Net Change in Fund Balance	<u>(5,729)</u>	<u>(77)</u>	<u>5,652</u>
Fund Balance (Deficit) - Beginning	<u>5,729</u>	<u>5,351</u>	<u>(378)</u>
Fund Balance (Deficit) - Ending	<u>\$ -</u>	<u>\$ 5,274</u>	<u>\$ 5,274</u>

CITY OF KISSIMMEE, FLORIDA
BUDGETARY COMPARISON SCHEDULE
BUILDING DIVISION
For the Year Ended September 30, 2019
(In Thousands)

	<u>Budget</u>	<u>Actual Amounts</u>	<u>Variance with Budget - Over (Under)</u>
REVENUES			
Permits, Fees and Special Assessments	\$ 2,035	\$ 2,626	\$ 591
Charges for Services	165	120	(45)
Investment Income	50	175	125
Total Revenues	<u>2,250</u>	<u>2,921</u>	<u>671</u>
EXPENDITURES			
Public Safety	6,910	1,571	5,339
Capital Outlay	-	-	-
Total Expenditures	<u>6,910</u>	<u>1,571</u>	<u>5,339</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(4,660)</u>	<u>1,350</u>	<u>6,010</u>
OTHER FINANCING SOURCES AND (USES)			
Transfers In	40	40	-
Transfers (Out)	(56)	(56)	-
Total Other Financing Sources and (Uses)	<u>(16)</u>	<u>(16)</u>	<u>-</u>
Net Change in Fund Balance	(4,676)	1,334	6,010
Fund Balance (Deficit) - Beginning	4,676	5,523	847
Fund Balance (Deficit) - Ending	<u>\$ -</u>	<u>\$ 6,857</u>	<u>\$ 6,857</u>

CITY OF KISSIMMEE, FLORIDA
BUDGETARY COMPARISON SCHEDULE
MOBILITY FEE FUND
For the Year Ended September 30, 2019
(In Thousands)

	<u>Budget</u>	<u>Actual Amounts</u>	<u>Variance with Budget - Over (Under)</u>
REVENUES			
Permits, Fees and Special Assessments	\$ 1,563	\$ 1,501	\$ (62)
Charges for Services	5	-	(5)
Investment Income	50	133	83
Total Revenues	<u>1,618</u>	<u>1,634</u>	<u>16</u>
EXPENDITURES			
Transportation	5,836	514	5,322
Capital Outlay	-	-	-
Total Expenditures	<u>5,836</u>	<u>514</u>	<u>5,322</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(4,218)</u>	<u>1,120</u>	<u>5,338</u>
OTHER FINANCING SOURCES AND (USES)			
Transfers (Out)	(445)	(445)	-
Total Other Financing Sources and (Uses)	<u>(445)</u>	<u>(445)</u>	<u>-</u>
Net Change in Fund Balance	(4,663)	675	5,338
Fund Balance (Deficit) - Beginning	<u>4,663</u>	<u>4,176</u>	<u>(487)</u>
Fund Balance (Deficit) - Ending	<u>\$ -</u>	<u>\$ 4,851</u>	<u>\$ 4,851</u>

CITY OF KISSIMMEE, FLORIDA
BUDGETARY COMPARISON SCHEDULE
STATE HOUSING INITIATIVE PROGRAM
For the Year Ended September 30, 2019
(In Thousands)

	<u>Budget</u>	<u>Actual Amounts</u>	<u>Variance with Budget - Over (Under)</u>
REVENUES			
Intergovernmental Revenues	\$ 114	\$ 114	\$ -
Investment Income	-	7	7
Total Revenues	<u>114</u>	<u>121</u>	<u>7</u>
EXPENDITURES			
Economic Environment	648	347	301
Total Expenditures	<u>648</u>	<u>347</u>	<u>301</u>
Net Change in Fund Balance	(534)	(226)	308
Fund Balance (Deficit) - Beginning	<u>534</u>	<u>534</u>	<u>-</u>
Fund Balance (Deficit) - Ending	<u>\$ -</u>	<u>\$ 308</u>	<u>\$ 308</u>

CITY OF KISSIMMEE, FLORIDA
BUDGETARY COMPARISON SCHEDULE
VICTIM OF CRIME ACT
For the Year Ended September 30, 2019
(In Thousands)

	<u>Budget</u>	<u>Actual Amounts</u>	<u>Variance with Budget - Over (Under)</u>
REVENUES			
Intergovernmental Revenues	\$ 53	\$ 52	\$ (1)
Total Revenues	<u>53</u>	<u>52</u>	<u>(1)</u>
EXPENDITURES			
Public Safety	81	73	8
Total Expenditures	<u>81</u>	<u>73</u>	<u>8</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(28)</u>	<u>(21)</u>	<u>7</u>
OTHER FINANCING SOURCES AND (USES)			
Transfers In	28	28	-
Total Other Financing Sources and (Uses)	<u>28</u>	<u>28</u>	<u>-</u>
Net Change in Fund Balance	-	7	7
Fund Balance (Deficit) - Beginning	<u>-</u>	<u>12</u>	<u>12</u>
Fund Balance (Deficit) - Ending	<u>\$ -</u>	<u>\$ 19</u>	<u>\$ 19</u>

CITY OF KISSIMMEE, FLORIDA
BUDGETARY COMPARISON SCHEDULE
JUSTICE ASSISTANCE GRANT
For the Year Ended September 30, 2019
(In Thousands)

	<u>Budget</u>	<u>Actual Amounts</u>	<u>Variance with Budget - Over (Under)</u>
REVENUES			
Intergovernmental Revenues	\$ 34	\$ 35	\$ 1
Total Revenues	<u>34</u>	<u>35</u>	<u>1</u>
EXPENDITURES			
Public Safety	298	298	-
Total Expenditures	<u>298</u>	<u>298</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(264)</u>	<u>(263)</u>	<u>1</u>
OTHER FINANCING SOURCES AND (USES)			
Transfers In	264	250	(14)
Total Other Financing Sources and (Uses)	<u>264</u>	<u>250</u>	<u>(14)</u>
Net Change in Fund Balance	-	(13)	(13)
Fund Balance (Deficit) - Beginning	<u>-</u>	<u>18</u>	<u>18</u>
Fund Balance (Deficit) - Ending	<u><u>\$ -</u></u>	<u><u>\$ 5</u></u>	<u><u>\$ 5</u></u>

CITY OF KISSIMMEE, FLORIDA
BUDGETARY COMPARISON SCHEDULE
PAVING ASSESSMENTS
For the Year Ended September 30, 2019
(In Thousands)

	<u>Budget</u>	<u>Actual Amounts</u>	<u>Variance with Budget - Over (Under)</u>
REVENUES			
Permits, Fees and Special Assessments	\$ 45	\$ 27	\$ (18)
Investment Income	-	1	1
Miscellaneous Revenues	-	3	3
Total Revenues	<u>45</u>	<u>31</u>	<u>(14)</u>
EXPENDITURES			
Transportation	40	-	40
Bad Debt	-	-	-
Total Expenditures	<u>40</u>	<u>-</u>	<u>40</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>5</u>	<u>31</u>	<u>26</u>
OTHER FINANCING SOURCES AND (USES)			
Transfers (Out)	(5)	(31)	(26)
Total Other Financing Sources and (Uses)	<u>(5)</u>	<u>(31)</u>	<u>(26)</u>
Net Change in Fund Balance	-	-	-
Fund Balance (Deficit) - Beginning	-	-	-
Fund Balance (Deficit) - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF KISSIMMEE, FLORIDA
BUDGETARY COMPARISON SCHEDULE
CHARTER SCHOOL
For the Year Ended September 30, 2019
(In Thousands)

	<u>Budget</u>	<u>Actual Amounts</u>	<u>Variance with Budget - Over (Under)</u>
REVENUES			
Intergovernmental Revenues	\$ 5,918	\$ 5,946	\$ 28
Investment Income	40	90	50
Total Revenues	<u>5,958</u>	<u>6,036</u>	<u>78</u>
EXPENDITURES			
General Government	8,120	5,226	2,894
Operating Reserves	-	-	-
Total Expenditures	<u>8,120</u>	<u>5,226</u>	<u>2,894</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(2,162)</u>	<u>810</u>	<u>2,972</u>
OTHER FINANCING SOURCES AND (USES)			
Transfers (Out)	(639)	(639)	-
Total Other Financing Sources and (Uses)	<u>(639)</u>	<u>(639)</u>	<u>-</u>
Net Change in Fund Balance	(2,801)	171	2,972
Fund Balance (Deficit) - Beginning	<u>2,801</u>	<u>2,782</u>	<u>(19)</u>
Fund Balance (Deficit) - Ending	<u>\$ -</u>	<u>\$ 2,953</u>	<u>\$ 2,953</u>

CITY OF KISSIMMEE, FLORIDA
BUDGETARY COMPARISON SCHEDULE
NEIGHBORHOOD STABILIZATION AND HOME
For the Year Ended September 30, 2019
(In Thousands)

	<u>Budget</u>	<u>Actual Amounts</u>	<u>Variance with Budget - Over (Under)</u>
REVENUES			
Intergovernmental Revenues	\$ -	\$ -	\$ -
Investment Income	-	4	4
Miscellaneous Revenues	371	538	167
Total Revenues	<u>371</u>	<u>542</u>	<u>171</u>
EXPENDITURES			
Economic Environment	1,363	539	824
Total Expenditures	<u>1,363</u>	<u>539</u>	<u>824</u>
Net Change in Fund Balance	(992)	3	995
Fund Balance (Deficit) - Beginning	<u>992</u>	<u>88</u>	<u>(904)</u>
Fund Balance (Deficit) - Ending	<u>\$ -</u>	<u>\$ 91</u>	<u>\$ 91</u>

CITY OF KISSIMMEE, FLORIDA
BUDGETARY COMPARISON SCHEDULE
COMMUNITY DEVELOPMENT BLOCK GRANT
For the Year Ended September 30, 2019
(In Thousands)

	<u>Budget</u>	<u>Actual Amounts</u>	<u>Variance with Budget - Over (Under)</u>
REVENUES			
Intergovernmental Revenues	\$ 670	\$ 396	\$ (274)
Total Revenues	<u>670</u>	<u>396</u>	<u>(274)</u>
EXPENDITURES			
Economic Environment	895	416	479
Total Expenditures	<u>895</u>	<u>416</u>	<u>479</u>
Net Change in Fund Balance	(225)	(20)	205
Fund Balance (Deficit) - Beginning	<u>225</u>	<u>(45)</u>	<u>(270)</u>
Fund Balance (Deficit) - Ending	<u>\$ -</u>	<u>\$ (65)</u>	<u>\$ (65)</u>

CITY OF KISSIMMEE, FLORIDA
BUDGETARY COMPARISON SCHEDULE
W OAK STREET IMPROVEMENT GRANT
For the Year Ended September 30, 2019
(In Thousands)

	<u>Budget</u>	<u>Actual Amounts</u>	<u>Variance with Budget - Over (Under)</u>
REVENUES			
Intergovernmental Revenues	\$ -	\$ 1,517	\$ 1,517
Total Revenues	<u>-</u>	<u>1,517</u>	<u>1,517</u>
EXPENDITURES			
Transportation	1,473	1,456	17
Total Expenditures	<u>1,473</u>	<u>1,456</u>	<u>17</u>
Net Change in Fund Balance	(1,473)	61	1,534
Fund Balance (Deficit) - Beginning	<u>1,473</u>	<u>(62)</u>	<u>(1,535)</u>
Fund Balance (Deficit) - Ending	<u>\$ -</u>	<u>\$ (1)</u>	<u>\$ (1)</u>

CITY OF KISSIMMEE, FLORIDA
COMBINING BALANCE SHEET
NONMAJOR DEBT SERVICE FUNDS
September 30, 2019
(In Thousands)

	FmHA Bond	2015B Refunding Note	2014A Revenue Note	Series 2017 Revenue Note	2010A Refunding Revenue Note
ASSETS					
Cash and Cash Equivalents	\$ 42	\$ 226	\$ 494	\$ -	\$ 852
Total Assets	<u>\$ 42</u>	<u>\$ 226</u>	<u>\$ 494</u>	<u>\$ -</u>	<u>\$ 852</u>
LIABILITIES					
Accrued Liabilities	\$ -	\$ 226	\$ 494	\$ -	\$ 852
Total Liabilities	<u>-</u>	<u>226</u>	<u>494</u>	<u>-</u>	<u>852</u>
FUND BALANCE					
Assigned for Debt Service	42	-	-	-	-
Total Fund Balances	<u>42</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Liabilities and Fund Balances	<u>\$ 42</u>	<u>\$ 226</u>	<u>\$ 494</u>	<u>\$ -</u>	<u>\$ 852</u>

2010B Refunding Revenue Note	2010C Refunding Revenue Note	2011B Capital Refunding Note	Total Nonmajor Debt Service Funds
\$ 675	\$ 240	\$ 725	\$ 3,254
<u>\$ 675</u>	<u>\$ 240</u>	<u>\$ 725</u>	<u>\$ 3,254</u>
\$ 675	\$ 240	\$ 725	\$ 3,212
<u>675</u>	<u>240</u>	<u>725</u>	<u>3,212</u>
-	-	-	42
-	-	-	42
<u>\$ 675</u>	<u>\$ 240</u>	<u>\$ 725</u>	<u>\$ 3,254</u>

CITY OF KISSIMMEE, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR DEBT SERVICE FUNDS
For the Year Ended September 30, 2019
(In Thousands)

	FmHA Bond	2015B Refunding Note	2014A Revenue Note	Series 2017 Revenue Note	2010A Refunding Revenue Note
REVENUES					
Investment Income	\$ -	\$ -	\$ -	\$ -	\$ -
Total Revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXPENDITURES					
Debt Service					
Principal Retirement	39	180	375	-	785
Interest and Fiscal Charges	6	92	237	403	134
Total Expenditures	<u>45</u>	<u>272</u>	<u>612</u>	<u>403</u>	<u>919</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(45)</u>	<u>(272)</u>	<u>(612)</u>	<u>(403)</u>	<u>(919)</u>
OTHER FINANCING SOURCES AND (USES)					
Transfers In	45	272	612	403	919
Total Other Financing Sources And (Uses)	<u>45</u>	<u>272</u>	<u>612</u>	<u>403</u>	<u>919</u>
Net Change in Fund Balances	-	-	-	-	-
Fund Balances - Beginning	42	-	-	-	-
Fund Balances - Ending	<u>\$ 42</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

2010B Refunding Revenue Note	2010C Refunding Revenue Note	2011B Capital Refunding Note	Total Nonmajor Debt Service Funds
\$ -	\$ -	\$ -	\$ -
-	-	-	-
610	200	640	2,829
130	79	169	1,250
<u>740</u>	<u>279</u>	<u>809</u>	<u>4,079</u>
<u>(740)</u>	<u>(279)</u>	<u>(809)</u>	<u>(4,079)</u>
<u>740</u>	<u>279</u>	<u>809</u>	<u>4,079</u>
<u>740</u>	<u>279</u>	<u>809</u>	<u>4,079</u>
-	-	-	-
-	-	-	42
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 42</u>

CITY OF KISSIMMEE, FLORIDA
BUDGETARY COMPARISON SCHEDULE
FmHA BOND
For the Year Ended September 30, 2019
(In Thousands)

	<u>Budget</u>	<u>Actual Amounts</u>	<u>Variance with Budget - Over (Under)</u>
REVENUES			
Investment Income	\$ -	\$ -	\$ -
Total Revenues	<u>-</u>	<u>-</u>	<u>-</u>
EXPENDITURES			
General Government	42	-	42
Debt Service			
Principal Retirement	39	39	-
Interest and Fiscal Charges	6	6	-
Total Expenditures	<u>87</u>	<u>45</u>	<u>42</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(87)</u>	<u>(45)</u>	<u>42</u>
OTHER FINANCING SOURCES			
Transfers In	45	45	-
Total Other Financing Sources	<u>45</u>	<u>45</u>	<u>-</u>
Net Change in Fund Balance	(42)	-	42
Fund Balance - Beginning	42	42	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ 42</u>	<u>\$ 42</u>

CITY OF KISSIMMEE, FLORIDA
BUDGETARY COMPARISON SCHEDULE
2015B REFUNDING NOTE
For the Year Ended September 30, 2019
(In Thousands)

	<u>Budget</u>	<u>Actual Amounts</u>	<u>Variance with Budget - Over (Under)</u>
REVENUES			
Investment Income	\$ -	\$ -	\$ -
Total Revenues	<u>-</u>	<u>-</u>	<u>-</u>
EXPENDITURES			
Debt Service			
Principal Retirement	180	180	-
Interest and Fiscal Charges	92	92	-
Total Expenditures	<u>272</u>	<u>272</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(272)</u>	<u>(272)</u>	<u>-</u>
OTHER FINANCING SOURCES			
Transfers In	272	272	-
Total Other Financing Sources	<u>272</u>	<u>272</u>	<u>-</u>
Net Change in Fund Balance	-	-	-
Fund Balance - Beginning	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance - Ending	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

CITY OF KISSIMMEE, FLORIDA
BUDGETARY COMPARISON SCHEDULE
2014A REVENUE NOTE
For the Year Ended September 30, 2019
(In Thousands)

	<u>Budget</u>	<u>Actual Amounts</u>	<u>Variance with Budget - Over (Under)</u>
REVENUES			
Investment Income	\$ -	\$ -	\$ -
Total Revenues	<u>-</u>	<u>-</u>	<u>-</u>
EXPENDITURES			
Debt Service			
Principal Retirement	375	375	-
Interest and Fiscal Charges	237	237	-
Total Expenditures	<u>612</u>	<u>612</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(612)</u>	<u>(612)</u>	<u>-</u>
OTHER FINANCING SOURCES			
Transfers In	612	612	-
Total Other Financing Sources	<u>612</u>	<u>612</u>	<u>-</u>
Net Change in Fund Balance	-	-	-
Fund Balance - Beginning	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance - Ending	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

CITY OF KISSIMMEE, FLORIDA
BUDGETARY COMPARISON SCHEDULE
2017 REVENUE NOTE
For the Year Ended September 30, 2019
(In Thousands)

	<u>Budget</u>	<u>Actual Amounts</u>	<u>Variance with Budget - Over (Under)</u>
REVENUES			
Investment Income	\$ -	\$ -	\$ -
Total Revenues	<u>-</u>	<u>-</u>	<u>-</u>
EXPENDITURES			
Interest and Fiscal Charges	403	403	-
Total Expenditures	<u>403</u>	<u>403</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(403)</u>	<u>(403)</u>	<u>-</u>
OTHER FINANCING SOURCES			
Transfers In	403	403	-
Total Other Financing Sources	<u>403</u>	<u>403</u>	<u>-</u>
Net Change in Fund Balance	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance - Beginning	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance - Ending	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

CITY OF KISSIMMEE, FLORIDA
BUDGETARY COMPARISON SCHEDULE
2010A REFUNDING REVENUE NOTE
For the Year Ended September 30, 2019
(In Thousands)

	<u>Budget</u>	<u>Actual Amounts</u>	<u>Variance with Budget - Over (Under)</u>
REVENUES			
Investment Income	\$ -	\$ -	\$ -
Total Revenues	<u>-</u>	<u>-</u>	<u>-</u>
EXPENDITURES			
Debt Service			
Principal Retirement	785	785	-
Interest and Fiscal Charges	134	134	-
Total Expenditures	<u>919</u>	<u>919</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(919)</u>	<u>(919)</u>	<u>-</u>
OTHER FINANCING SOURCES			
Transfers In	919	919	-
Total Other Financing Sources	<u>919</u>	<u>919</u>	<u>-</u>
Net Change in Fund Balance	-	-	-
Fund Balance - Beginning	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance - Ending	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

CITY OF KISSIMMEE, FLORIDA
BUDGETARY COMPARISON SCHEDULE
2010B REFUNDING REVENUE NOTE
For the Year Ended September 30, 2019
(In Thousands)

	<u>Budget</u>	<u>Actual Amounts</u>	<u>Variance with Budget - Over (Under)</u>
REVENUES			
Investment Income	\$ -	\$ -	\$ -
Total Revenues	<u>-</u>	<u>-</u>	<u>-</u>
EXPENDITURES			
Debt Service			
Principal Retirement	610	610	-
Interest and Fiscal Charges	130	130	-
Total Expenditures	<u>740</u>	<u>740</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(740)</u>	<u>(740)</u>	<u>-</u>
OTHER FINANCING SOURCES			
Transfers In	740	740	-
Total Other Financing Sources	<u>740</u>	<u>740</u>	<u>-</u>
Net Change in Fund Balance	-	-	-
Fund Balance - Beginning	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance - Ending	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

CITY OF KISSIMMEE, FLORIDA
BUDGETARY COMPARISON SCHEDULE
2010C REFUNDING REVENUE NOTE
For the Year Ended September 30, 2019
(In Thousands)

	<u>Budget</u>	<u>Actual Amounts</u>	<u>Variance with Budget - Over (Under)</u>
REVENUES			
Investment Income	\$ -	\$ -	\$ -
Total Revenues	<u>-</u>	<u>-</u>	<u>-</u>
EXPENDITURES			
Debt Service			
Principal Retirement	200	200	-
Interest and Fiscal Charges	79	79	-
Total Expenditures	<u>279</u>	<u>279</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(279)</u>	<u>(279)</u>	<u>-</u>
OTHER FINANCING SOURCES			
Transfers In	279	279	-
Total Other Financing Sources	<u>279</u>	<u>279</u>	<u>-</u>
Net Change in Fund Balance	-	-	-
Fund Balance - Beginning	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance - Ending	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

CITY OF KISSIMMEE, FLORIDA
BUDGETARY COMPARISON SCHEDULE
2011B CAPITAL REFUNDING NOTE
For the Year Ended September 30, 2019
(In Thousands)

	<u>Budget</u>	<u>Actual Amounts</u>	<u>Variance with Budget - Over (Under)</u>
REVENUES			
Investment Income	\$ -	\$ -	\$ -
Total Revenues	<u>-</u>	<u>-</u>	<u>-</u>
EXPENDITURES			
Debt Service			
Principal Retirement	640	640	-
Interest and Fiscal Charges	169	169	-
Total Expenditures	<u>809</u>	<u>809</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(809)</u>	<u>(809)</u>	<u>-</u>
OTHER FINANCING SOURCES			
Transfers In	809	809	-
Total Other Financing Sources	<u>809</u>	<u>809</u>	<u>-</u>
Net Change in Fund Balance	-	-	-
Fund Balance - Beginning	-	-	-
Fund Balance - Ending	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

CITY OF KISSIMMEE, FLORIDA
COMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECTS FUNDS
September 30, 2019
(In Thousands)

	<u>2014A Note Capital Project</u>	<u>2010C Note Capital Project</u>	<u>Lakefront Sales Tax 2009A Capital Project</u>	<u>2018 Line of Credit</u>
ASSETS				
Restricted Assets				
Restricted Cash and Investments	\$ 664	\$ 14	\$ 2	\$ 4,667
Total Restricted Assets	<u>664</u>	<u>14</u>	<u>2</u>	<u>4,667</u>
LIABILITIES				
Accounts Payable	\$ 2	\$ -	\$ -	\$ 1,040
Total Liabilities	<u>2</u>	<u>-</u>	<u>-</u>	<u>1,040</u>
FUND BALANCES				
Restricted for Construction Projects	<u>662</u>	<u>14</u>	<u>2</u>	<u>3,627</u>
Total Fund Balances	<u>662</u>	<u>14</u>	<u>2</u>	<u>3,627</u>
Total Liabilities and Fund Balances	<u>\$ 664</u>	<u>\$ 14</u>	<u>\$ 2</u>	<u>\$ 4,667</u>

<u>2017 Note Capital Project</u>	<u>Total Nonmajor Capital Projects Funds</u>
\$ 817	\$ 6,164
<u>817</u>	<u>6,164</u>
\$ -	\$ 1,042
-	1,042
<u>817</u>	<u>5,122</u>
<u>817</u>	<u>5,122</u>
<u>\$ 817</u>	<u>\$ 6,164</u>

CITY OF KISSIMMEE, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR CAPITAL PROJECTS FUNDS
For the Fiscal Year Ended September 30, 2019
(In Thousands)

	2014A Note Capital Project	2010C Note Capital Project	Lakefront Sales Tax 2009A Capital Project	2018 Line of Credit
REVENUES				
Investment Income	\$ 20	\$ -	\$ -	\$ 90
Total Revenues	<u>20</u>	<u>-</u>	<u>-</u>	<u>90</u>
EXPENDITURES				
General Government	-	-	-	14
Capital Outlay	89	-	-	1,849
Total Expenditures	<u>89</u>	<u>-</u>	<u>-</u>	<u>1,863</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(69)</u>	<u>-</u>	<u>-</u>	<u>(1,773)</u>
OTHER FINANCING SOURCES (USES)				
Issuance of Notes Payable/Refunded Notes Payable	-	-	-	5,400
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,400</u>
Net Change in Fund Balances	<u>(69)</u>	<u>-</u>	<u>-</u>	<u>3,627</u>
Fund Balances - Beginning	<u>731</u>	<u>14</u>	<u>2</u>	<u>-</u>
Fund Balances - Ending	<u>\$ 662</u>	<u>\$ 14</u>	<u>\$ 2</u>	<u>\$ 3,627</u>

2017 Note Capital Project	Total Nonmajor Capital Projects Funds
\$ 26	\$ 136
<u>26</u>	<u>136</u>
-	14
<u>500</u>	<u>2,438</u>
<u>500</u>	<u>2,452</u>
<u>(474)</u>	<u>(2,316)</u>
-	5,400
-	5,400
(474)	3,084
<u>1,291</u>	<u>2,038</u>
<u>\$ 817</u>	<u>\$ 5,122</u>

CITY OF KISSIMMEE, FLORIDA
BUDGETARY COMPARISON SCHEDULE
2014A NOTE CAPITAL PROJECT
For the Year Ended September 30, 2019
(In Thousands)

	<u>Budget</u>	<u>Actual Amounts</u>	<u>Variance with Budget - Over (Under)</u>
REVENUES			
Investment Income	\$ -	\$ 20	\$ 20
Total Revenues	<u>-</u>	<u>20</u>	<u>20</u>
EXPENDITURES			
Capital Outlay	734	89	645
Total Expenditures	<u>734</u>	<u>89</u>	<u>645</u>
Net Change in Fund Balance	(734)	(69)	665
Fund Balance - Beginning	<u>734</u>	<u>731</u>	<u>(3)</u>
Fund Balance - Ending	<u>\$ -</u>	<u>\$ 662</u>	<u>\$ 662</u>

CITY OF KISSIMMEE, FLORIDA
BUDGETARY COMPARISON SCHEDULE
2010C NOTE CAPITAL PROJECT
For the Year Ended September 30, 2019
(In Thousands)

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

CITY OF KISSIMMEE, FLORIDA
BUDGETARY COMPARISON SCHEDULE
LAKEFRONT SALES TAX 2009A CAPITAL PROJECT FUND
For the Year Ended September 30, 2019
(In Thousands)

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

CITY OF KISSIMMEE, FLORIDA
BUDGETARY COMPARISON SCHEDULE
2018 LINE OF CREDIT
For the Year Ended September 30, 2019
(In Thousands)

	<u>Budget</u>	<u>Actual Amounts</u>	<u>Variance with Budget - Over (Under)</u>
REVENUES			
Investment Income	\$ -	\$ 90	\$ 90
Total Revenues	<u>-</u>	<u>90</u>	<u>90</u>
EXPENDITURES			
General Government	12	12	-
Capital Outlay	5,378	1,849	3,529
Total Expenditures	<u>5,400</u>	<u>1,863</u>	<u>3,537</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(5,400)</u>	<u>(1,773)</u>	<u>3,627</u>
OTHER FINANCING SOURCES (USES)			
Issuance of Notes Payable/Refunded Notes Payable	5,400	5,400	-
Total Other Financing Sources (Uses)	<u>5,400</u>	<u>5,400</u>	<u>-</u>
Net Change in Fund Balance	-	3,627	3,627
Fund Balance - Beginning	-	-	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ 3,627</u>	<u>\$ 3,627</u>

CITY OF KISSIMMEE, FLORIDA
BUDGETARY COMPARISON SCHEDULE
2017 NOTE CAPITAL PROJECTS
For the Year Ended September 30, 2019
(In Thousands)

	<u>Budget</u>	<u>Actual Amounts</u>	<u>Variance with Budget - Over (Under)</u>
REVENUES			
Investment Income	\$ -	\$ 26	\$ 26
Total Revenues	<u>-</u>	<u>26</u>	<u>26</u>
EXPENDITURES			
General Government	16	-	16
Capital Outlay	1,280	500	780
Total Expenditures	<u>1,296</u>	<u>500</u>	<u>796</u>
Net Change in Fund Balance	<u>(1,296)</u>	<u>(474)</u>	<u>822</u>
Fund Balance - Beginning	<u>1,296</u>	<u>1,291</u>	<u>(5)</u>
Fund Balance - Ending	<u>\$ -</u>	<u>\$ 817</u>	<u>\$ 817</u>

INTERNAL SERVICE FUNDS

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

Central Services

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

Health Insurance

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

Risk Management

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

CITY OF KISSIMMEE, FLORIDA
COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
September 30, 2019
(In Thousands)

	Central Services	Health Insurance	Risk Management	Total
ASSETS				
Current Assets:				
Cash and Cash Equivalents	\$ 1,185	\$ -	\$ 5,930	\$ 7,115
Due from Other Governments	296	-	-	296
Due from TWA	155	49	230	434
Prepays	-	-	1	1
Inventories	119	-	-	119
Total Current Assets	1,755	49	6,161	7,965
Capital Assets:				
Buildings	71	-	-	71
Improvements Other Than Buildings	3,150	91	293	3,534
Software, Net	5	-	-	5
Machinery, Equipment and Vehicles	2,486	40	118	2,644
Construction in Progress	8	-	-	8
Less: Accumulated Depreciation	(4,070)	(27)	(133)	(4,230)
Total Capital Assets	1,650	104	278	2,032
DEFERRED OUTFLOWS OF RESOURCES				
Deferred Outflows Related to OPEB	16	-	-	16
Deferred Outflows Related to Pensions	213	-	-	213
Total Deferred Outflows of Resources	229	-	-	229
LIABILITIES				
Current liabilities:				
Accounts Payable	\$ 490	\$ -	\$ -	\$ 490
Contracts Payable	8	-	-	8
Due to Other Funds	-	146	-	146
Compensated Absences Payable	34	-	-	34
Other Postemployment Benefits Current	16	-	-	16
Estimated Claims Payable	-	180	1,711	1,891
Total current liabilities	548	326	1,711	2,585
Noncurrent liabilities:				
Compensated Absences Payable	134	-	-	134
Other Postemployment Benefits	368	-	-	368
Net Pension Liability	1,570	-	-	1,570
Estimated Claims Payable	-	180	1,712	1,892
Total Noncurrent Liabilities	2,072	180	1,712	3,964
DEFERRED INFLOWS OF RESOURCES				
Deferred Inflows Related to OPEB	67	-	-	67
Deferred Inflows Related to Pensions	27	-	-	27
Total Deferred Inflows of Resources	94	-	-	94
NET POSITION				
Net Investment in Capital Assets	1,567	104	278	1,949
Unrestricted	(647)	(457)	2,738	1,634
Total Net Position	\$ 920	\$ (353)	\$ 3,016	\$ 3,583

CITY OF KISSIMMEE, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
INTERNAL SERVICE FUNDS
For the Year Ended September 30, 2019
(In Thousands)

	Central Services	Health Insurance	Risk Management	Total
Operating Revenues:				
Charges for Services	\$ 8,130	\$ 8,144	\$ 2,513	\$ 18,787
Miscellaneous Revenues	219	4	-	223
Total Operating Revenues	8,349	8,148	2,513	19,010
Operating Expenses:				
Personal Services	3,048	-	21	3,069
Contracted Services	412	1,634	30	2,076
Supplies and Materials	99	62	2	163
Repairs and Maintenance	2,200	-	88	2,288
Other Services and Charges	1,559	2	211	1,772
Depreciation	325	5	45	375
Claims/Premium Expense	113	6,731	2,208	9,052
Total Operating Expenses	7,756	8,434	2,605	18,795
Operating Income (Loss)	593	(286)	(92)	215
Nonoperating Revenues and Expenses:				
Investment Income	19	-	152	171
Insurance Recoveries	-	-	502	502
Gain or (Loss) from Sale of Capital Assets	(8)	-	(1)	(9)
Total Nonoperating Revenues and Expenses	11	-	653	664
Income (Loss) Before Contributions and Transfers	604	(286)	561	879
Transfers (Out)	(46)	-	-	(46)
	(46)	-	-	(46)
Change in Net Position	558	(286)	561	833
Total Net Position - Beginning	362	(67)	2,455	2,750
Total Net Position - Ending	\$ 920	\$ (353)	\$ 3,016	\$ 3,583

CITY OF KISSIMMEE, FLORIDA
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
For The Year Ended September 30, 2019
(In Thousands)

	Central Services	Health Insurance	Risk Management	Total
Cash Flows from Operating Activities				
Receipts from Customers and Users	\$ 8,326	\$ 8,143	\$ 2,500	\$ 18,969
Payments to Suppliers	(4,321)	(8,359)	(2,495)	(15,175)
Payments to Employees	(2,878)	-	(21)	(2,899)
Net Cash Provided (Used) by Operating Activities	<u>1,127</u>	<u>(216)</u>	<u>(16)</u>	<u>895</u>
Cash Flows from Noncapital Financing Activities				
Transfers in	-	146	-	146
Transfers (out)	(46)	-	-	(46)
Net Cash Provided (Used) by Noncapital Financing Activities	<u>(46)</u>	<u>146</u>	<u>-</u>	<u>100</u>
Cash Flows from Capital and Related Financing Activities				
Acquisition/Construction of Capital Assets	(265)	-	(98)	(363)
Capital Contributions	-	-	-	-
Proceeds from Sales of Capital Assets	-	-	-	-
Proceeds from Insurance Recoveries	-	-	502	502
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(265)</u>	<u>-</u>	<u>404</u>	<u>139</u>
Cash Flows from Investing Activities				
Investment Income	19	-	152	171
Net Cash Provided (Used) by Investing Activities	<u>19</u>	<u>-</u>	<u>152</u>	<u>171</u>
Net Increase (Decrease) in Cash and Cash Equivalents	835	(70)	540	1,305
Cash and Cash Equivalents at Beginning of Year	350	70	5,390	5,810
Cash and Cash Equivalents at End of Year	<u>\$ 1,185</u>	<u>\$ -</u>	<u>\$ 5,930</u>	<u>\$ 7,115</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities				
Operating Income (Loss)	\$ 593	\$ (286)	\$ (92)	\$ 215
Depreciation	325	5	45	375
Changes in Assets and Liabilities:				
(Increase) Decrease in Due from TWA	(52)	(5)	(13)	(70)
(Increase) Decrease in Accounts Receivable	2	-	-	2
(Increase) Decrease in Inventories	(6)	-	-	(6)
(Increase) Decrease in Due From Other Governments	27	-	-	27
(Increase) Decrease in Deferred Outflows OPEB	2	-	-	2
(Increase) Decrease in Deferred Outflows Pensions	5	-	-	5
Increase (Decrease) in Accounts Payable	68	-	-	68
Increase (Decrease) in Accrued Liabilities	-	-	-	-
Increase (Decrease) in Claims Payable	-	70	44	114
Increase (Decrease) in OPEB Liability	(37)	-	-	(37)
Increase (Decrease) in Compensated Absences	29	-	-	29
Increase (Decrease) in Net Pension Liability	252	-	-	252
Increase (Decrease) in Deferred Inflows OPEB	54	-	-	54
Increase (Decrease) in Deferred Inflows Pensions	(135)	-	-	(135)
Total Adjustments	<u>534</u>	<u>70</u>	<u>76</u>	<u>680</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ 1,127</u>	<u>\$ (216)</u>	<u>\$ (16)</u>	<u>\$ 895</u>

City of Kissimmee, Florida
Statistical Section
September 30, 2019

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

Financial Trends

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

Revenue Capacity

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

Debt Capacity

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

Demographic and Economic Information

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

Operating Information

These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs

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

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**Schedule 1
City of Kissimmee, Florida**

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

Last Ten Fiscal Years

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Governmental activities										
Net investment										
in capital assets	\$ 124,615	\$ 127,332	\$ 130,537	\$ 137,945	\$ 148,239	\$ 163,458	\$ 159,525	\$ 171,862	\$ 160,750	\$ 168,706
Restricted	14,574	16,573	17,963	14,019	12,220	16,865	20,474	21,469	26,878	32,621
Unrestricted	12,385	12,589	16,872	19,796	25,233	(5,079)	(3,698)	(2,528)	(4,692)	125
Total governmental activities net position	<u>\$ 151,574</u>	<u>\$ 156,494</u>	<u>\$ 165,372</u>	<u>\$ 171,760</u>	<u>\$ 185,692</u>	<u>\$ 175,244</u>	<u>\$ 176,301</u>	<u>\$ 190,803</u>	<u>\$ 182,936</u>	<u>\$ 201,452</u>
Business-type activities										
Net investment										
in capital assets	\$ 30,997	\$ 31,091	\$ 34,488	\$ 37,374	\$ 41,655	\$ 42,959	\$ 42,126	\$ 43,725	\$ 49,095	\$ 49,355
Restricted	86	101	1,383	388	12	488	24	-	36	73
Unrestricted	4,564	4,896	2,842	3,549	4,509	1,858	2,996	1,879	1,874	3,277
Total business-type activities net position	<u>\$ 35,647</u>	<u>\$ 36,088</u>	<u>\$ 38,713</u>	<u>\$ 41,311</u>	<u>\$ 46,176</u>	<u>\$ 45,305</u>	<u>\$ 45,146</u>	<u>\$ 45,604</u>	<u>\$ 51,005</u>	<u>\$ 52,705</u>
Primary government										
Net investment										
in capital assets	\$ 155,612	\$ 158,423	\$ 165,025	\$ 175,319	\$ 189,894	\$ 206,417	\$ 201,651	\$ 215,587	\$ 209,845	\$ 218,061
Restricted	14,660	16,674	19,346	14,407	12,232	17,353	20,498	21,469	26,914	32,694
Unrestricted	16,949	17,485	19,714	23,345	29,742	(3,221)	(702)	(649)	(2,818)	3,402
Total primary government net position	<u>\$ 187,221</u>	<u>\$ 192,582</u>	<u>\$ 204,085</u>	<u>\$ 213,071</u>	<u>\$ 231,868</u>	<u>\$ 220,549</u>	<u>\$ 221,447</u>	<u>\$ 236,407</u>	<u>\$ 233,941</u>	<u>\$ 254,157</u>

**Schedule 2
City of Kissimmee, Florida**

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

Last Ten Fiscal Years

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Expenses										
Governmental activities:										
General government	\$ 27,460	\$ 29,095	\$ 29,314	\$ 32,203	\$ 34,892	\$ 32,649	\$ 38,386	\$ 37,622	\$ 38,402	\$ 41,436
Public safety	27,219	30,980	30,865	31,600	32,134	33,644	36,631	40,187	39,039	42,946
Physical environment	2,912	-	-	-	-	-	-	-	-	-
Transportation	7,040	6,966	5,883	6,559	7,738	8,437	18,435	6,651	10,834	13,908
Economic environment	3,178	1,939	845	1,526	1,053	962	389	1,103	1,944	1,302
Culture/Recreation	6,031	4,778	5,924	5,430	5,499	4,255	8,360	7,534	7,659	3,940
Interest on long-term debt	1,259	1,307	1,520	1,332	1,352	1,499	3,028	2,620	2,791	2,854
Total governmental activities expenses	\$ 75,099	\$ 75,065	\$ 74,351	\$ 78,650	\$ 82,668	\$ 81,446	\$ 105,229	\$ 95,717	\$ 100,669	\$ 106,386
Business-type activities:										
Stormwater	\$ 3,030	\$ 3,085	\$ 3,312	\$ 3,409	\$ 3,546	\$ 3,725	\$ 4,029	\$ 3,998	\$ 4,633	\$ 4,941
Airport	1,009	1,060	1,181	1,248	1,231	1,425	2,160	2,497	1,564	1,707
Solid waste	3,506	3,856	3,855	3,773	4,107	4,288	4,436	4,497	4,559	5,131
Total business-type activities expenses	\$ 7,545	\$ 8,001	\$ 8,348	\$ 8,430	\$ 8,884	\$ 9,438	\$ 10,625	\$ 10,992	\$ 10,756	\$ 11,779
Total primary government net expenses	\$ 82,644	\$ 83,066	\$ 82,699	\$ 87,080	\$ 91,552	\$ 90,884	\$ 115,854	\$ 106,709	\$ 111,425	\$ 118,165
Program revenues										
Governmental activities:										
Charges for services - general government	\$ 12,176	\$ 16,193	\$ 18,328	\$ 18,661	\$ 21,352	\$ 21,837	\$ 21,855	\$ 22,162	\$ 22,737	\$ 25,376
Charges for services - public safety	8,062	7,587	8,349	10,255	8,136	6,567	8,373	8,574	10,223	11,071
Charges for services - all others	2,392	2,431	2,998	1,956	2,030	2,454	2,064	1,981	2,094	1,928
Operating grants and contributions	3,614	1,016	445	1,039	894	594	951	1,374	1,296	2,900
Capital grants and contributions	3,593	4,790	2,210	1,988	7,455	7,040	11,361	5,322	10,921	7,545
Total governmental activities program revenues	\$ 29,837	\$ 32,017	\$ 32,330	\$ 33,899	\$ 39,867	\$ 38,492	\$ 44,604	\$ 39,413	\$ 47,271	\$ 48,820
Business-type activities:										
Charges for services - stormwater	\$ 3,602	\$ 3,701	\$ 3,886	\$ 4,399	\$ 4,432	\$ 4,659	\$ 4,732	\$ 5,105	\$ 5,188	\$ 5,561
Charges for services - airport	859	856	878	824	925	844	856	868	932	875
Charges for services - solid waste	3,724	3,928	4,324	4,608	4,822	4,773	4,772	5,066	5,010	5,362
Operating grants and contributions	-	-	-	-	-	-	-	-	-	-
Capital grants and contributions	665	289	3,152	1,749	3,890	934	1,007	651	2,615	2,022
Total business-type activities program revenues	\$ 8,850	\$ 8,774	\$ 12,240	\$ 11,580	\$ 14,069	\$ 11,210	\$ 11,367	\$ 11,690	\$ 13,745	\$ 13,820
Total primary government program revenues	\$ 38,687	\$ 40,791	\$ 44,570	\$ 45,479	\$ 53,936	\$ 49,702	\$ 55,971	\$ 51,103	\$ 61,016	\$ 62,640
Net (expense) / revenue										
Governmental activities	\$ (45,262)	\$ (43,048)	\$ (42,021)	\$ (44,751)	\$ (42,801)	\$ (42,954)	\$ (60,625)	\$ (56,304)	\$ (53,398)	\$ (57,566)
Business-type activities	1,305	773	3,892	3,150	5,185	1,772	742	698	2,989	2,041
Total primary government net expense	\$ (43,957)	\$ (42,275)	\$ (38,129)	\$ (41,601)	\$ (37,616)	\$ (41,182)	\$ (59,883)	\$ (55,606)	\$ (50,409)	\$ (55,525)

Continued next page

**Schedule 2
City of Kissimmee, Florida**

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

Last Ten Fiscal Years

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
General revenues and other changes in net position										
Governmental activities:										
Property tax	\$ 15,818	\$ 12,175	\$ 11,146	\$ 11,085	\$ 11,456	\$ 11,756	\$ 11,620	\$ 12,275	\$ 13,228	\$ 14,608
Sales tax	8,473	8,832	9,135	9,601	10,420	11,106	11,885	12,412	5,318	5,434
Public service tax	6,439	5,755	6,480	6,389	6,572	6,556	6,703	6,892	6,979	7,024
Gas tax	2,375	2,284	2,397	2,634	2,581	2,582	2,773	2,657	2,811	2,831
Local option discretionary tax	-	-	-	-	-	-	-	-	7,986	8,144
State revenue sharing	1,521	1,597	1,672	1,838	2,517	2,564	2,339	2,579	2,735	2,914
Other Locally Assessed Utility Tax	-	-	-	-	-	-	-	-	-	1,650
Other taxes	1,274	2,069	2,262	2,389	2,032	2,257	2,738	2,872	3,109	1,914
Franchise fees (1)	143	142	133	141	140	159	165	154	179	184
Unrestricted intergovernmental revenues	13,670	13,264	14,370	15,000	19,616	21,069	23,911	23,371	25,531	25,546
Investment income (loss)	180	90	920	178	138	233	418	688	881	2,448
Miscellaneous revenues	1,151	1,420	951	1,116	765	1,095	1,385	1,092	1,201	2,557
Gain on sale of capital assets	328	-	157	202	171	-	-	168	26	127
Transfers in (out)	180	340	1,276	566	325	651	780	1,212	669	701
Total governmental activities	\$ 51,552	\$ 47,968	\$ 50,899	\$ 51,139	\$ 56,733	\$ 60,028	\$ 64,717	\$ 66,372	\$ 70,653	\$ 76,082
Business-type activities:										
Investment income (loss)	\$ 13	\$ 8	\$ 9	\$ 14	\$ 5	\$ 17	\$ 24	\$ 29	\$ 45	\$ 143
Miscellaneous revenues	-	-	-	-	-	-	-	-	37	48
Gain on sale of capital assets	-	-	-	-	-	-	48	27	52	169
Transfers in (out)	(180)	(340)	(1,276)	(566)	(325)	(651)	(780)	(1,212)	(669)	(701)
Total business-type activities	\$ (167)	\$ (332)	\$ (1,267)	\$ (552)	\$ (320)	\$ (634)	\$ (708)	\$ (1,156)	\$ (535)	\$ (341)
Total primary government	\$ 51,385	\$ 47,636	\$ 49,632	\$ 50,587	\$ 56,413	\$ 59,394	\$ 64,009	\$ 65,216	\$ 70,118	\$ 75,741
Change in net position										
Governmental activities	\$ 6,290	\$ 4,920	\$ 8,878	\$ 6,388	\$ 13,932	\$ 17,074	\$ 4,092	\$ 10,068	\$ 17,255	\$ 18,516
Business-type activities	1,138	441	2,625	2,598	4,865	1,138	34	(458)	2,454	1,700
	\$ 7,428	\$ 5,361	\$ 11,503	\$ 8,986	\$ 18,797	\$ 18,212	\$ 4,126	\$ 9,610	\$ 19,709	\$ 20,216

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

Schedule 3
City of Kissimmee, Florida

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

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
General fund										
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	-	-	-	-	-	-	-	-	-	-
Nonspendable	153	167	373	378	199	199	330	339	334	361
Restricted	1,235	894	685	599	1,355	1,347	1,287	930	634	667
Assigned	2,373	961	927	1,614	1,695	990	2,188	1,814	1,971	736
Unassigned	14,588	16,307	18,755	19,724	21,729	23,023	23,449	25,435	28,350	31,723
Total general fund	\$ 18,349	\$ 18,329	\$ 20,740	\$ 22,315	\$ 24,978	\$ 25,559	\$ 27,254	\$ 28,518	\$ 31,289	\$ 33,487
All other governmental funds										
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved (deficit), reported in:										
Special revenue funds	-	-	-	-	-	-	-	-	-	-
Debt service funds	-	-	-	-	-	-	-	-	-	-
Capital projects funds	-	-	-	-	-	-	-	-	-	-
Nonspendable	655	678	703	739	762	802	839	883	1,033	995
Restricted	18,498	25,421	21,696	15,199	15,863	20,123	52,800	48,117	45,341	40,641
Assigned	46	1,354	42	42	42	86	103	59	59	59
Unassigned	(4,762)	(3,712)	(1,435)	(1,435)	(527)	(1,005)	(1,397)	(816)	(400)	(981)
Total all other governmental funds	\$ 14,437	\$ 23,741	\$ 21,006	\$ 14,545	\$ 16,140	\$ 20,006	\$ 52,345	\$ 48,243	\$ 46,033	\$ 40,714
Total fund balances all governmental funds	\$ 32,786	\$ 42,070	\$ 41,746	\$ 36,860	\$ 41,118	\$ 45,565	\$ 79,599	\$ 76,761	\$ 77,322	\$ 74,201

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

Schedule 4
City of Kissimmee, Florida

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

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Revenues										
Taxes	\$ 29,789	\$ 25,621	\$ 25,586	\$ 25,967	\$ 27,032	\$ 26,866	\$ 28,398	\$ 29,524	\$ 31,276	\$ 32,873
Special assessments 1	-	-	-	-	-	-	-	-	-	-
Impact fees 1	-	-	-	-	-	-	-	-	-	-
Permits, fees and special assessments	4,053	4,523	5,047	4,218	2,276	3,702	3,452	5,252	5,674	5,167
Intergovernmental revenues	31,040	31,885	28,214	30,014	39,955	41,566	41,969	42,524	45,836	48,997
Charges for services	5,966	5,820	6,482	8,288	8,397	7,930	8,689	8,483	9,881	10,090
Fines and forfeitures	1,860	808	865	910	1,561	572	455	697	387	923
Investment income (loss)	158	76	909	157	137	211	390	643	823	2,277
Miscellaneous revenues	765	1,363	1,167	540	592	722	766	743	810	1,901
Total revenues	\$ 73,631	\$ 70,096	\$ 68,270	\$ 70,094	\$ 79,950	\$ 81,569	\$ 84,119	\$ 87,866	\$ 94,687	\$ 102,228
Expenditures										
General government	\$ 18,095	\$ 16,765	\$ 15,346	\$ 16,136	\$ 18,438	\$ 16,524	\$ 22,951	\$ 23,576	\$ 21,181	\$ 24,413
Public safety	30,072	29,637	29,552	33,003	31,708	33,638	33,906	37,393	39,453	43,991
Physical environment	2,912	-	-	-	-	-	-	-	-	-
Transportation	7,646	9,353	7,056	8,113	16,184	13,239	10,803	10,017	10,691	11,972
Economic environment	2,789	1,735	641	1,322	1,067	757	429	899	1,943	1,302
Culture/Recreation	6,922	5,592	6,729	11,500	6,686	7,048	7,546	7,231	6,956	7,543
Debt service:										
Principal retirement	3,144	2,562	2,722	3,661	3,906	3,853	3,832	4,163	4,144	4,088
Interest and fiscal charges	1,259	1,307	1,520	1,332	1,352	1,498	2,246	2,764	2,939	2,991
Professional fees	97	106	-	-	-	-	438	17	13	24
Capital Outlay	8,038	6,210	6,461	2,615	6,784	1,450	6,504	10,778	14,058	15,391
Total expenditures	\$ 80,974	\$ 73,267	\$ 70,027	\$ 77,682	\$ 86,125	\$ 78,007	\$ 88,655	\$ 96,838	\$ 101,378	\$ 111,715
Excess of revenues over (under) expenditures	\$ (7,343)	\$ (3,171)	\$ (1,757)	\$ (7,588)	\$ (6,175)	\$ 3,562	\$ (4,536)	\$ (8,972)	\$ (6,691)	\$ (9,487)
Other financing sources (uses)										
Transfers in	\$ 42,071	\$ 30,961	\$ 9,862	\$ 9,381	\$ 7,218	\$ 12,419	\$ 51,835	\$ 11,351	\$ 10,224	\$ 10,909
Transfers (out)	(40,241)	(30,621)	(8,586)	(8,772)	(6,893)	(11,751)	(50,716)	(10,112)	(9,537)	(10,162)
Proceeds from sale of capital assets	780	-	157	202	508	110	147	165	126	219
Issuance of notes payable	26,492	28,215	-	-	9,600	3,875	42,930	4,730	6,220	5,400
Issuance of capital lease	-	-	-	1,891	-	-	-	-	219	-
Issuance Premium	-	-	-	-	-	-	4,838	-	-	-
Payment to bond escrow agent	(9,455)	(16,100)	-	-	-	(3,768)	(10,464)	-	-	-
Payment for current redemption	(7,355)	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	\$ 12,292	\$ 12,455	\$ 1,433	\$ 2,702	\$ 10,433	\$ 885	\$ 38,570	\$ 6,134	\$ 7,252	\$ 6,366
Net change in fund balances	\$ 4,949	\$ 9,284	\$ (324)	\$ (4,886)	\$ 4,258	\$ 4,447	\$ 34,034	\$ (2,838)	\$ 561	\$ (3,121)
Debt service as a percentage of non-capital expenditures	7.1%	6.6%	7.5%	8.4%	7.1%	8.3%	9.0%	9.4%	9.2%	8.9%

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

**Schedule 5
City of Kissimmee, Florida**

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

Fiscal Year	Assessed Values			Less: Tax Exempt Property	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Assessed Value as a Percentage of Actual Value
	Real Property	Personal Property	Total					
2010	\$ 4,033,942	\$ 255,821	\$ 4,289,763	\$ 1,164,792	\$ 3,124,971	4.6253	\$ 3,124,971	137.274%
2011	3,018,690	231,486	3,250,176	848,389	2,401,787	4.6253	2,401,787	135.323%
2012	2,805,770	223,301	3,029,071	833,278	2,195,793	4.6253	2,195,793	137.949%
2013	2,776,988	469,255	3,246,243	1,071,233	2,175,010	4.6253	2,175,010	149.252%
2014	2,894,416	423,367	3,317,783	1,051,534	2,266,249	4.6253	2,266,249	146.400%
2015	3,046,246	430,402	3,476,648	1,057,067	2,419,581	4.6253	2,419,581	143.688%
2016	3,221,933	432,684	3,654,617	1,051,050	2,603,567	4.6253	2,603,567	140.370%
2017	3,672,184	565,323	4,237,507	1,261,016	2,976,491	4.6253	2,976,491	142.366%
2018	4,096,454	545,629	4,642,083	1,355,470	3,286,613	4.6253	3,286,613	141.242%
2019	4,576,175	657,682	5,233,857	1,555,998	3,677,859	4.6253	3,677,859	142.307%

Source: Osceola County Property Appraiser's Office.

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

**Schedule 6
City of Kissimmee, Florida**

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

Fiscal Year	City of Kissimmee Florida	Osceola County			Okeechobee and Everglades Basins	South Florida Water Mgmt. Dist.	Total
		Government	Library	School Board			
2010	4.625	6.700	0.256	7.663	0.369	0.255	19.868
2011	4.625	6.700	0.257	7.600	0.369	0.255	19.806
2012	4.625	6.700	0.257	7.577	0.369	0.255	19.783
2013	4.625	6.700	0.257	7.454	0.253	0.176	19.465
2014	4.625	6.700	0.257	7.375	0.243	0.169	19.369
2015	4.625	6.700	0.257	7.261	0.227	0.158	19.228
2016	4.625	6.700	0.257	6.905	0.195	0.136	18.818
2017	4.625	6.700	0.257	6.905	0.195	0.136	18.818
2018	4.625	6.700	0.300	6.411	0.173	0.129	18.338
2019	4.625	6.700	0.300	6.240	0.164	0.115	18.144

Source: Osceola County Tax Collector's Office.

**Schedule 7
City of Kissimmee, Florida**

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

Fiscal Year	Total Tax Levy	Current Tax Collections	Percent of Levy Collected	Delinquent Tax Collections	Total Tax Collections	Total Collections as a Percent of Current Levy
2010	\$ 14,454	\$ 12,967	89.7%	\$ 1,460	\$ 14,427	99.8%
2011	11,109	9,684	87.2%	963	10,647	95.8%
2012	10,156	9,642	94.9%	72	9,714	95.6%
2013	10,060	9,357	93.0%	394	9,751	96.9%
2014	10,496	9,629	91.7%	516	10,145	96.7%
2015	11,191	10,470	93.6%	419	10,889	97.3%
2016	12,048	11,191	92.9%	429	11,620	96.4%
2017	12,732	11,937	93.8%	338	12,275	96.4%
2018	13,720	12,617	92.0%	611	13,228	96.4%
2019	15,143	14,140	93.4%	467	14,607	96.5%

Source: Osceola County Tax Collector's Office.

Schedule 8
City of Kissimmee, Florida

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

Property Description	Use	Taxpayer	Fiscal Year 2018 / 2019 (a)			Fiscal Year 2009 / 2010 (b)		
			Taxable Value	Percent of Total Taxable Value	Rank	Taxable Value	Percent of Total Taxable Value	Rank
Local hospital	Medical care	Osceola Regional Hospital, Inc.	\$ 101,646	25.19%	1	\$ 81,916	26.36%	1
Apartment complex	Rentals	LSREF3 Bravo LLC	47,587	11.79%	2	-	-	-
Apartment complex	Rentals	Lake Tivoli LLC	43,419	10.76%	3	-	-	-
Apartment complex	Rentals	FL Arrow Ridge LLC	40,210	9.96%	4	-	-	-
Apartment complex	Rentals	Continental 330 Fund LLC	36,783	9.12%	5	-	-	-
Retail store	Merchandising	Loop West LLC	36,068	8.94%	6	34,394	11.07%	4
Apartment complex	Rentals	Alliance HTFL Ltd Partnership	28,034	6.95%	7	20,330	6.54%	7
Apartment complex	Rentals	Goldelm at Valencia LLC	27,528	6.82%	8	-	-	-
Apartment complex	Rentals	Vineland Investment Partners	22,798	5.65%	9	-	-	-
Retail store	Merchandising	Wal-Mart Stores, Inc.	19,447	4.82%	10	29,949	-	5
Condominiums	Timeshare sales	Oak Plantation Realty Partners	-	-	-	38,620	12.43%	2
Retail store	Communications	Embarq / Sprint Florida	-	-	-	22,015	7.08%	6
Condominiums	Rentals	G&I Vineyards LLC	-	-	-	32,207	10.36%	3
Apartment complex	Rentals	Dalcor Reef Club Apartments	-	-	-	17,566	5.65%	8
Apartment complex	Rentals	Fountainhead Phase I, Inc.	-	-	-	16,948	5.45%	9
Apartment complex	Rentals	MPG Osceola Ltd	-	-	-	16,856	5.42%	10
Totals			<u>\$ 403,520</u>	<u>100.00%</u>		<u>\$ 310,801</u>	<u>90.36%</u>	

(a) The fiscal year ended September 30, 2019 tax levy is based on the 2018 taxable value.

(b) The fiscal year ended September 30, 2010 tax levy is based on the 2009 taxable value.

Source: Osceola County Property Appraiser's Office.

**Schedule 9
City of Kissimmee, Florida**

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

Fiscal Year	Governmental Activities					Business-type Activities		Total Primary Government	City of Kissimmee Personal Income	Percentage of Personal Income	Per Capita
	Tax Revenue Bonds	Sales Tax Revenue Notes	Commerical Notes	Covenant Revenue Notes	Capital Leases	Capital Leases					
2010	\$ 369	\$ 18,580	\$ -	\$ 20,381	\$ 204	\$ -	\$ -	\$ 39,534	\$ 1,272,818	3.1%	0.65
2011	343	25,635	-	22,974	135	730	-	49,817	1,253,989	4.0%	0.83
2012	315	24,565	-	21,778	62	587	-	47,307	1,727,192	2.7%	0.76
2013	287	22,935	-	20,378	1,707	441	-	45,748	1,799,661	2.5%	0.72
2014	256	30,835	-	18,928	1,338	292	-	51,649	1,874,438	2.8%	0.80
2015	224	28,780	-	17,882	963	141	-	47,990	1,958,685	2.5%	0.72
2016	47,508	26,630	-	6,945	582	-	-	81,665	2,032,013	3.8%	1.14
2017	46,161	24,390	4,730	6,595	195	-	-	82,071	2,092,934	3.5%	1.04
2018	44,778	22,065	10,950	6,235	177	-	-	84,205	2,141,987	3.9%	1.18
2019	43,358	19,655	16,350	5,855	138	-	-	85,356	2,232,608	3.6%	1.09

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

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

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

Schedule 10
City of Kissimmee, Florida

DIRECT AND OVERLAPPING GOVERNMENTAL DEBT
September 30, 2019
(dollar amounts are expressed in thousands)

<u>Taxing District</u>	<u>Net Debt Outstanding</u>	<u>Estimated Overlapping (1)</u>	<u>City's Share of Debt</u>
Osceola County School District			
State School Bonds:			
Series 2010A	\$ 365	11.9%	\$ 43
Series 2011ARFD	580	11.9%	69
Series 2014A	1,123	11.9%	134
Series 2014B	25	11.9%	3
Series 2017ARFD	831	11.9%	99
District Revenue Bonds:			
Sales Tax Revenue Bonds, Series 2015	23,182	11.9%	2,759
Sales Tax Revenue Bonds, Series 2017	14,105	11.9%	1,678
Capital Sales Tax Revenue Bonds, Series 2017	81,530	11.9%	9,702
Certificates of Participation:			
Series 2009A	7,615	11.9%	906
Series 2013A	30,190	11.9%	3,593
Series 2014A	3,605	11.9%	429
Series 2015A	5,750	11.9%	684
Series 2017A	55,310	11.9%	6,582
Qualified School Construction Bonds:			
Series 2010A	40,500	11.9%	4,820
Education Benefit Districts:			
Bellalago Benefit District	8,650	11.9%	1,029
Total Osceola County School District	<u>273,361</u>	11.9%	<u>32,530</u>
Osceola County			
Limited General Obligation Debt, Series 2006	7,045	12.9%	909
Environmental Land, Series 2010	12,865	12.9%	1,660
Total Osceola County	<u>19,910</u>	12.9%	<u>2,568</u>
Total Overlapping Debt	<u>\$ 293,271</u>		<u>\$ 35,098</u>
Total Direct Governmental Activities Debt	\$ 85,356	100.0%	85,356
Total Direct and Overlapping Debt	<u>\$ 378,627</u>		<u>\$ 120,454</u>

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

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

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

**Schedule 11
City of Kissimmee, Florida**

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

Fiscal Year	Excise Tax Revenue Bonds					Sales Tax Revenue Bonds				
	Excise Tax Revenues	Debt Service Requirements			Coverage	Sales Tax Revenues	Debt Service Requirements			Coverage
		Principal	Interest				Principal	Interest		
2010	\$ 177	\$ 25	\$ 20	3.93	\$ 4,980	\$ 1,336	\$ 533	2.66		
2011	200	26	18	4.55	4,385	1,305	575	2.66		
2012	195	27	17	4.43	5,408	1,070	676	3.10		
2013	166	29	16	3.69	4,759	1,630	676	2.06		
2014	211	31	14	4.69	6,211	1,700	742	2.54		
2015	176	32	13	3.91	6,642	2,055	859	2.28		
2016	301	34	12	4.37	7,102	2,150	803	2.41		
2017	292	36	10	6.35	7,408	2,240	743	2.48		
2018	271	37	8	6.02	6,715	2,325	728	2.20		
2019	266	39	6	5.91	8,144	2,410	671	2.64		

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

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

Source: City of Kissimmee Finance Department.

Continued on next page

Tax Revenue Bonds (1)

Debt Service Requirements

Fiscal Year	Revenues (1)	Principal	Interest	Coverage
2010	\$ -	\$ -	\$ -	-
2011	-	-	-	-
2012	-	-	-	-
2013	-	-	-	-
2014	-	-	-	-
2015	-	-	-	-
2016	11,487	450	1,199	6.97
2017	11,897	1,150	1,813	4.02
2018	10,727	1,185	1,779	3.62
2019	12,458	1,220	1,739	4.21

**Schedule 12
City of Kissimmee, Florida**

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

Fiscal Year	Population (1)	Per Capita Personal Income (2)	Personal Income (2)	School Enrollment (3)	Unemployment Rate (4)
2010	59,682	\$ 20,797	\$ 1,272,818	53,140	11.9%
2011	60,375	20,770	1,253,989	54,167	10.3%
2012	62,322	27,714	1,727,192	55,922	8.4%
2013	63,662	28,269	1,799,661	57,639	6.6%
2014	64,365	29,122	1,874,438	58,851	5.3%
2015	66,592	29,413	1,958,685	64,689	5.5%
2016	68,401	29,707	2,032,013	62,648	4.8%
2017	69,962	29,915	2,092,934	65,179	3.6%
2018	72,163	30,125	2,141,987	67,796	3.2%
2019	74,800	30,336	2,232,608	69,114	3.2%

Sources:

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

**Schedule 13
City of Kissimmee, Florida**

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

Employer	Business	Fiscal Year 2018 / 2019 (1)			Fiscal Year 2009 / 2010		
		Employees	Percent of Total City Employment	Rank	Employees	Percent of Total City Employment	Rank
Osceola County School District	Education	8,332	11.14%	1	6,425	10.50%	1
Walt Disney Company	Entertainment	3,700	4.95%	2	3,700	6.05%	2
Walmart Stores	Retail	3,370	4.51%	3	2,730	4.46%	3
Publix Supermarkets	Retail	1,838	2.46%	4	1,350	2.31%	7
Florida Hospital - Celebration	Healthcare	1,626	2.17%	5	1,300	2.12%	8
Gaylord Palms Resort	Resort	1,625	2.17%	6	1,445	2.36%	5
Osceola County Government	Government	1,442	1.93%	7	1,529	2.50%	4
Osceola Regional Medical Center	Healthcare	1,357	1.81%	8	1,357	2.22%	6
Valencia Community College	Education	975	1.30%	9	-		
Omni ChampionsGate Resort	Resort	908	1.21%	10	-		
McLane/Suneast	Distribution	-	-		900	1.47%	9
City of Kissimmee	Government				646	1.06%	10
Total		<u>25,173</u>			<u>21,382</u>		

Sources: (1) Osceola County Office of Economic Development

**Schedule 14
City of Kissimmee, Florida**

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

	Full-time Equivalent Employees as of September 30									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<u>General government</u>										
Central Services	36	31	28	34	35	35	32	35	35	40
City Attorney	3	3	3	3	4	5	5	5	5	5
City Commission	5	5	5	5	5	5	5	5	5	5
City Manager	12	12	14	14	14	14	13	13	13	13
Finance	10	10	12	12	12	13	12	13	13	13
Personnel	8	8	8	8	8	8	12	10	10	9
<u>Public safety</u>										
Fire	102	102	105	105	105	105	106	112	112	113
Police	204	198	198	199	201	204	208	208	210	227
Law Enforcement Grant	3	3	3	3	3	3	3	3	3	3
School Crossing Guard	21	21	11	11	11	11	11	-	-	-
<u>Physical environment</u>										
Public Works	40	39	37	38	40	40	40	39	40	41
Sanitation	27	26	24	26	26	26	26	27	27	27
Stormwater	29	29	30	30	34	33	34	34	36	36
<u>Transportation</u>										
Airport	7	8	7	8	8	8	8	8	8	8
Local Option Gas Tax	10	10	10	12	10	10	12	12	12	12
<u>Economic Environment</u>										
Development Services	26	23	21	23	23	24	31	33	33	33
Community Development Blk Grant	2	2	2	2	2	2	2	2	2	2
<u>Culture / Recreation</u>										
Parks & Recreation	68	66	80	78	80	82	85	69	67	68
Civic Center	14	13	-	-	-	-	-	-	-	-
Total	627	609	598	611	621	628	645	628	631	655

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

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

**Schedule 15
City of Kissimmee, Florida**

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

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<u>Building Inspections</u>										
Building permits issued	2,133	2,855	3,335	2,964	4,099	4,206	4,371	5,894	7,855	5,374
<u>Law Enforcement</u>										
Physical arrests	2,098	2,484	2,379	2,221	2,498	1,964	1,848	2,022	2,160	2,262
Traffic and parking violations	17,602	13,680	15,092	14,499	11,613	11,390	9,603	11,225	7,449	7,083
<u>Fire</u>										
Emergency responses	9,550	10,285	10,746	11,273	11,875	12,191	12,879	13,394	13,322	13,817
Fire incidents	238	264	261	257	244	226	274	334	273	231
Emergency medical services incidents	7,961	8,709	8,979	9,553	9,863	10,194	10,547	10,988	10,562	11,113
Fire safety inspections	700	914	878	740	995	888	968	1,326	1,345	1,193
Fire plan reviews	586	760	780	760	871	1,065	1,041	1,002	889	853
<u>Other Public Works</u>										
Street resurfacing (tons of asphalt)	3,091	1,369	681	3,013	3,582	5,134	-	1,524	3,067	1,524
Other street repairs (tons of asphalt) 1	149	96	50,138	40,104	193	109	175	107	96	119

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

Source: Various City Departments.

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

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

**Schedule 16
City of Kissimmee, Florida**

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

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<u>Transportation</u>										
Miles of streets (lane miles)	317	342	342	342	342	486	352	352	356	358
<u>Refuse collection trucks</u>										
	17	17	17	17	16	16	16	17	18	18
<u>Other public works</u>										
Traffic signals	48	52	52	52	52	52	52	52	52	50
Highways (miles)	63	17	17	17	17	15	8	8	8	8
<u>Public Safety</u>										
Fire stations	4	4	4	4	4	4	4	4	4	4
Police stations	1	1	1	1	1	1	1	1	1	1
Patrol units:										
Marked vehicles	109	120	126	126	131	118	120	127	140	147
Motorcycles	6	4	6	6	6	3	3	3	3	7
<u>Parks and Recreation</u>										
Park acreage	833	833	835	832	832	832	832	885	885	885
Number of regional parks	2	2	2	2	2	2	2	2	2	2
Number of large urban parks	1	1	1	1	1	1	1	1	1	1
Number of community parks	3	3	3	7	7	7	7	7	7	7
Number of neighborhood parks	11	11	12	8	8	8	8	8	8	8
Number of special use parks	5	5	5	5	5	5	5	5	5	5

Source: Various City Departments.

COMPLIANCE SECTION

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Kissimmee, Florida (the City) as of and for the year ended September 30, 2019, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated April 10, 2020.

Internal Control Over Financial Reporting

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

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

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

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

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

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, non-compliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of non-compliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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



April 10, 2020
Ocala, Florida

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

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

Report on Compliance for Each Major Federal Program and State Project

We have audited the City of Kissimmee (the City) compliance with the types of compliance requirements described in the OMB *Compliance Supplement*, and the requirements described in the Department of Financial Services, *State Projects Compliance Supplement*, that could have a direct and material effect on each of the City's major federal programs and state projects for the year ended September 30, 2019. The City's major federal programs and state projects are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

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

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

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

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

Opinion on Each Major Federal Program and State Project

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs and state projects for the year ended September 30, 2019.

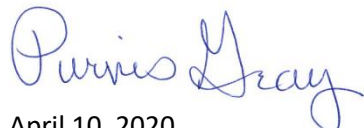
Report on Internal Control over Compliance

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

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

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

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



April 10, 2020
Ocala, Florida

CITY OF KISSIMMEE, FLORIDA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND
STATE FINANCIAL ASSISTANCE
For the year ended September 30, 2019

Agency/Program	CFDA #	Grant #	Federal Expenditures	Through to Subrecipients
<u>U.S. Department of Agriculture Natural Resources Conservation Service</u>	10.923	NR184209XXXXC041	\$ 1,982,280	\$ -
Total U.S. Department of Agriculture Natural Resources Conservation Service			<u>1,982,280</u>	
<u>U.S. Department of Housing and Urban Development</u>				
CDBG - Entitlement Grants Cluster				
Community Development Block Grant 2018	14.218	B-18-MC-12-0051	382,929	208,618
Community Development Block Grant 2017	14.218	B-17-MC-12-0051	57	
Community Development Block Grant 2016	14.218	B-16-MC-12-0051	4,500	
Community Development Block Grant 2015	14.218	B-15-MC-12-0051	23,703	
Community Development Block Grant 2013	14.218	B-13-MC-12-0051	5	
Community Development Block Grant 2010	14.218	B-10-MC-12-0051	600	
Subtotal			<u>411,794</u>	<u>208,618</u>
CDBG - State Administered Grants Cluster				
(HERA) Neighborhood Stabilization Program III	14.228	B-11-MN-12-0012	124,135	
Subtotal			<u>124,135</u>	
Home Investment Partnerships Program				
Home Investment Partnerships Program 2016	14.239		202,215	15,086
Home Investment Partnerships Program 2017	14.239		193,252	
Home Investment Partnerships Program 2018	14.239		18,963	
Subtotal			<u>414,430</u>	<u>15,086</u>
Total U.S. Department of Housing and Urban Development			<u>950,358</u>	<u>223,704</u>
<u>U.S. Department of Justice</u>				
Passed through the Florida Office of the Attorney General				
Victims of Crime Act	16.575	VOCA2018-00106	51,720	
Edward Byrne Memorial Justice Assistance Grant(JAG)	16.592	JAG 2017-DJ-BX-0926	34,833	
Bulletproof Vest Partnership	16.607	None	19,869	
Total U.S. Department of Justice			<u>106,422</u>	
<u>U.S. Department of Transportation</u>				
Highway Planning and Construction Cluster				
Passed through the Florida Department of Transportation				
Central Avenue Corridor Study	20.205	437932-1-18.01/GOB47	56,644	
Shingle Creek Regional Trail North, Phase 2A	20.205	430225-8-58.68-01/G0I63	84,904	
R-O-W West Oak Street Intersection at John Young Parkway	20.205	434916-1-48-01/G0I40	1,455,714	
Shingle Creek Trail, Sequence II	20.205	430225-1-38-90/AQQ79	235,214	
Toho-Valencia Trail II, Along Us 192/Mill Slough To Valencia College	20.205	439084-1-38-01/G1084	98,474	
Total Highway Planning and Construction Cluster			<u>1,930,949</u>	
Total U.S. Department of Transportation			<u>1,930,949</u>	
<u>U.S. Department of Homeland Security/FEMA</u>				
Passed through the Florida Division of Emergency Management:				
Public Assistance - Hurricane Irma	97.036	-PA-00-06-59-01-232	1,824,770	
Total U.S. Department of Homeland Security/FEMA			<u>1,824,770</u>	
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u>\$ 6,794,779</u>	<u>\$ 223,704</u>

Continued

CITY OF KISSIMMEE, FLORIDA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND
STATE FINANCIAL ASSISTANCE - Continued
For the year ended September 30, 2019

<u>Agency/State Project</u>	<u>CSFA#</u>	<u>Grant #</u>	<u>State Expenditures</u>	<u>Through to Subrecipients</u>
<u>Florida Housing Finance Corporation</u>				
State Housing Initiatives Partnership Program (SHIP) 2018	40.901		\$ 12,222	\$ -
State Housing Initiatives Partnership Program (SHIP) 2017	40.901		117,245	
State Housing Initiatives Partnership Program (SHIP) 2016	40.901		165,149	
State Housing Initiatives Partnership Program (SHIP) 2015	40.901		52,597	
State Housing Initiatives Partnership Program (SHIP) 2013	40.901		50	
Total Florida Housing Finance Corporation			347,264	
<u>Florida Department of Transportation</u>				
Shingle Creek Regional Trail, Non-motorized, South Phase 1B	55.038	439879-1-54-01/G0N67	1,932,329	
Taxiway Echo Extension (24 End) - Design	55.004	438441-1-94-01/GOJ80	1,600	
Airport Security Improvement Design	55.004	438442-1-94-01/G0Y05	14,944	
Subtotal			16,544	
Total Florida Department of Transportation			1,948,873	
<u>Florida Department of Health</u>				
Passed through Osceola County Emergency Services				
Emergency Medical Services County Grant	64.003	C7049	16,496	
Total Florida Department of Health			16,496	
TOTAL EXPENDITURES OF STATE FINANCIAL ASSISTANCE			\$ 2,312,632	\$ -
TOTAL EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE			\$ 9,107,412	\$ 223,704

NOTE 1 Basis of Presentation

The Schedule of Expenditures of Federal Awards and State Financial Assistance includes the federal and state grant activity of the City of Kissimmee, Florida, and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations, Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance); and Chapter 10.550 Rules of the Auditor General. Therefore, amounts presented in this schedule may differ from amounts presented in, or used in, the preparation of the basic financial statements.

NOTE 2 Indirect Cost Rate

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

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS –
FEDERAL AWARD PROGRAMS AND
STATE FINANCIAL ASSISTANCE PROJECTS
CITY OF KISSIMMEE
YEAR ENDED SEPTEMBER 30, 2019**

1. Summary of Audit Results

I. Type of Audit Report Issued on Financial Statements

Unmodified Opinion

II. Internal Control Over Financial Reporting

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

III. Non-Compliance Material to Audited Financial Statements

Audit disclosed no material instances of non-compliance.

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

Audit disclosed no material instances and/or significant deficiencies of non-compliance.

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

Unmodified Opinion

VI. Major Federal Programs and Major State Financial Assistance Projects

Federal Programs:

- U.S. Department of Agriculture
 - Emergency Watershed Protection Program – CFDA 10.923
- U.S. Department of Transportation
 - Florida Department of Transportation
 - ▶ Highway Planning and Construction Cluster – CFDA 20.205
- U.S. Department of Homeland Security/FEMA
 - Florida Department of Emergency Management
 - ▶ Disaster Grants – Public Assistance (Presidentially Declared Disaster) – CFDA 97.036

State Assistance Projects:

- State of Florida Department of Transportation:
 - Transportation System Operations – CSFA No. 55.038

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS –
FEDERAL AWARD PROGRAMS AND
STATE FINANCIAL ASSISTANCE PROJECTS
CITY OF KISSIMMEE
YEAR ENDED SEPTEMBER 30, 2019**

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

\$750,000 for Federal Programs and State Awards

VIII. Auditee Qualification as Low-Risk Auditee

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

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

Noted no current year recommendations.

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

Noted no current year recommendations.

4. Prior Audit Findings

Noted that all prior year recommendations have been addressed.

MANAGEMENT LETTER

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

Report on the Financial Statements

We have audited the financial statements of the City of Kissimmee, Florida (the City) as of and for the fiscal year ended September 30, 2019, and have issued our report thereon dated April 10, 2020.

Auditor's Responsibility

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance); and Chapter 10.550, *Rules of the Auditor General*.

Other Reporting Requirements

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*; Independent Auditor's Report on Compliance for Each Major Federal Program and State Project and Report on Internal Control over Compliance; Schedule of Findings and Questioned Costs; and Independent Accountant's Report on an examination conducted in accordance with the American Institute of Certified Public Accountants *Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, *Rules of the Auditor General*. Disclosures in those reports and schedule, which are dated April 10, 2020, should be considered in conjunction with this Management Letter.

Prior Audit Findings

Section 10.554(1)(i)1., *Rules of the Auditor General*, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding financial audit report. Corrective actions have been taken to address findings and recommendations made in the preceding financial audit report, except 2018-1 and certain aspects of 2018-2 that are included in 2019-01.

Official Title and Legal Authority

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

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

MANAGEMENT LETTER

in 1907 and incorporated in 1937, under the legal authority of the Laws of Florida 18623. The Kissimmee Community Redevelopment Agency is considered a blended component unit and was established pursuant to Chapter 163 of the Florida Statutes. The three pension plans are not considered component units since they are not legally separate entities.

Financial Condition and Management

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

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

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

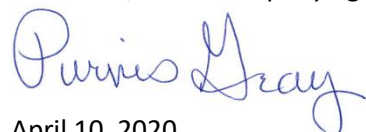
Additional Matters

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

Purpose of this Letter

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

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



April 10, 2020
Ocala, Florida

MANAGEMENT LETTER COMMENTS

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

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

Current Year Comments and Recommendations

2019-01 Period End Closing Routine for Financial Reporting

For the past several years the City's Comprehensive Annual Financial Report (CAFR) has been issued in late March or sometimes early April, a full 6 months after year-end, which is an indication that the City's monthly and year-end closing routines are not functioning as intended. Accurate and timely financial reporting is dependent upon regular and timely monthly and year-end closing routine procedures. This includes timely reconciliations and analysis of key financial statement accounts to facilitate interim and year-end financial reporting.

During the course of our audit process, we identified several areas where reconciliations were incomplete, requiring journal entries to accurately report year-end financial information, including entries related to capital assets, grants, and pension accounting.

Below are the major areas requiring attention during the course of the audit that are related to year-end closing routines:

- **Capital Assets** - The City now keeps its detailed property records in Excel as the result of a physical inventory and adjustment of old balances maintained in the current financial system that had become out of date. There were delays in updating the Excel worksheets for additions and deletions during the year with appropriate reconciliation back to general ledger control accounts and recording of depreciation. This created delays in the closing process and CAFR preparation and should ideally be done monthly or quarterly to avoid unnecessary year-end work load and adjustments. Additionally, the City is working towards implementing a new ERP system in the near future and should target the Capital Asset module for early implementation because maintaining these records in Excel is suboptimal.
- **Grant Management and Schedule of Expenditures of Financial Assistance (SEFA) Preparation** - Multiple adjustments and changes were needed to both the SEFA and grant accounts in order to properly report and present grants. Additionally, grant reimbursement requests for several grants were not timely filed with the grantors, leaving the City out of pocket for the grant costs for extended

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The Honorable Members of the City Council
City of Ocala
Ocala, Florida

MANAGEMENT LETTER COMMENTS

periods of time. Most of these issues appear to be the result of decentralized grants management, whereby the grant is actually administered by the various implementing departments, with inadequate communication between the department and the grant accountant in the finance and accounting department. We recommend that the City review the communication channels between the implementing department and the grant accountant so the books and records and grantor billings can be kept current and ready for financial reporting.

- Pension Accounting - During the audit, we noted some differences between investments from the pension statements and balances recorded in the general ledger, which resulted in additional entries being made at year-end. We attribute this to the fact that one person appears to be summarizing and recording all of the pension investment statement activity without anyone reviewing the work. We recommend that the pension worksheets used for recording in the general ledger be reviewed by someone other than the preparer during interim and at year-end.
- Interim Financial Reporting - Interim financial reporting can assist in both the year-end and monthly closing procedures because it requires all accounting information to be up to date and reconciled. We believe that the City would benefit from interim financial statement reporting for the City's major funds. We recommend that management continue to evaluate the ability to produce and distribute interim financial statements from the existing financial system and plan for this in the new ERP system, which could assist in timelier reporting at year-end.

In summary, we recommend management review their monthly and year-end close processes over the above and all other areas to ensure timely reporting and preparation of the year-end financial statements. After this initial review has been completed with changes implemented we would expect these efforts to benefit the City for many years.

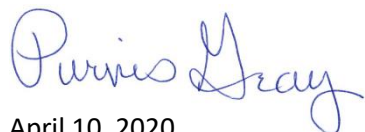
Prior Year Comment and Recommendations Remaining

2018-1 Central Services and Airport Rates

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

Update: It was observed that the City was in the process of completing a rate study for Central Services and had recently hired an Airport Director.

Therefore, we further recommend the City continue to complete the rates study and monitor the progress of both funds to ensure each fund's financial health.



April 10, 2020
Ocala, Florida

INDEPENDENT ACCOUNTANT'S REPORT ON COMPLIANCE WITH SECTION 218.415, FLORIDA STATUTES

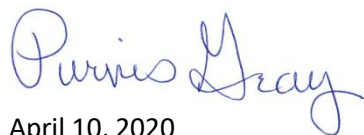
The Honorable Mayor and Members of the City Commission
City of Kissimmee
Kissimmee, Florida

We have examined the City of Kissimmee, Florida's (the City) compliance with Section 218.415, Florida Statutes, as of and for the year ended September 30, 2019, as required by Section 10.556 (10)(a), *Rules of the Auditor General*. Management is responsible for the City's compliance with those requirements. Our responsibility is to express an opinion on the City's compliance based on our examination.

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

In our opinion, the City complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2019.

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



April 10, 2020
Ocala, Florida

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CITY OF KISSIMMEE

Finance Department

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

April 14, 2020

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

Re: Response to Auditor's Management Letter Comments

Dear Ladies and Gentlemen:

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

2019-1 Period End Closing Routine for Financial Reporting

Management's Response

As the City transitions to its new financial accounting software suite in the next year, monthly closings and timely reporting will become a requirement via the new software platform. In addition, staff has already determined that the capital assets will be reconciled on a quarterly basis as opposed to the current annual basis. With regard to grants, comprehensive training will be provided to the Finance staff to ensure that all parties have a thorough understanding of the requirements of the Schedule of Expenditures of Financial Assistance (SEFA). While staff would like to move the completion of the audit and the Comprehensive Annual Financial Report (CAFR) earlier into March, that might not be possible since the go-live date for the new accounting software is in March of next year as well. These competing deadlines will involve the same members of the Finance team; however, staff will work towards improving that deadline over the next two years.

Prior Year Comment and Recommendations

2018-1 Central Services and Airport Rates

Management's Response

The City has been working with a consulting firm that is an expert in the field of fleet operations. This consultant is reviewing the City's controls, rates, costs and processes for billing. City staff will evaluate the recommendations in the consultant's final report and will begin making the necessary changes to ensure the financial sustainability of the fleet operation.

The City recently hired a new Airport Director that has a significant amount of experience with airport economic development efforts. In addition, he has already begun to review the rent structure associated with all of the leased properties at the Airport. Lastly, the City will continue to evaluate all

grant opportunities to ensure that funding for the ongoing operations of the Airport will take priority over the use of monies for matching grant funds.

Respectfully Submitted,



Amy S. Ady
Finance Director

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