

Kissimmee Community Redevelopment Agency  
Kissimmee, Florida  
Annual Financial Report  
For the Year Ended September 30, 2021

**FINANCIAL STATEMENTS  
AND  
INDEPENDENT AUDITOR'S REPORT**

**KISSIMMEE COMMUNITY REDEVELOPMENT AGENCY  
KISSIMMEE, FLORIDA**

**SEPTEMBER 30, 2021**

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## INDEPENDENT AUDITOR'S REPORT

The Board of Directors  
Kissimmee Community Redevelopment Agency  
Kissimmee, Florida

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and the major fund of the Kissimmee Community Redevelopment Agency (the CRA), a component unit of the City of Kissimmee, Florida (the City), as of and for the year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the CRA's 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 an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material 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 entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall 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.

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The Board of Directors  
Kissimmee Community Redevelopment Agency  
Kissimmee, Florida

## INDEPENDENT AUDITOR'S REPORT

### Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the CRA as of September 30, 2021, and its changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### Other Matters

#### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis (MD&A) and the budgetary comparison information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the MD&A and the budgetary comparison information, 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 MD&A and the budgetary comparison information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued a report dated June 17, 2022, on our consideration of the CRA's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.



June 17, 2022  
Ocala, Florida

**KISSIMMEE COMMUNITY REDEVELOPMENT AGENCY  
CITY OF KISSIMMEE, FLORIDA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
SEPTEMBER 30, 2021**

This supplement to the Independent Auditor's Report and Financial Statements has been developed in accordance with the Government Accounting Standards Board Statement No. 34. It is intended to provide the readers of this report with a general overview of the financial activities of the Kissimmee Community Redevelopment Agency (the CRA). The CRA provides the following discussion and analysis of the CRA's financial activities for the fiscal year ended September 30, 2021. Management's Discussion and Analysis is designed to: (a) assist the reader to focus on significant financial issues, (b) provide an overview of the CRA's financial activities, (c) identify changes in the CRA's financial position, (d) identify material deviations from the financial plan, and (e) identify individual fund issues or concerns. We encourage readers to consider the information presented here in conjunction with the CRA's financial statements.

**The CRA**

The CRA was created under Chapter 163, Florida Statutes, and City of Kissimmee (the City) Ordinance No. 1893. The Governing Board of the CRA (the Board) is the City Commission and, therefore, the City exercises significant influence over its operations and fiscal management. The CRA is considered a component unit of the City for financial reporting purposes and is included as a blended special revenue fund within the City's overall basic financial statements.

These financial statements are presented for the purpose of complying with state law, specifically Florida Statute Section 163.387(8)(a), which requires separate audited financial statements for each Community Redevelopment Agency that has revenues or expenditures that exceed \$100,000.

**Financial Highlights**

- The assets of the CRA exceeded its liabilities at the close of the most recent fiscal year by \$2,977,853.
- The CRA's fund balance increased by \$715,502 as a result of 2021 operations.
- Revenues for fiscal year 2021 were \$2,320,294 while expenditures totaled \$1,604,792.
- For the period ended September 30, 2021, actual revenues exceeded budgeted revenues by \$5,423 while actual expenditures were \$2,876,466 less than budgeted expenditures.

**Overview of the Financial Statements**

This discussion and analysis is intended to serve as an introduction to the CRA's basic financial statements, which are comprised of the following four (4) components:

- Government-Wide Financial Statements
- Fund Financial Statements
- Notes to the Financial Statements
- Required Supplementary Information

**Government-Wide Financial Statements**

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

**KISSIMMEE COMMUNITY REDEVELOPMENT AGENCY  
CITY OF KISSIMMEE, FLORIDA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
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The *Statement of Net Position* presents financial information on all of the CRA's assets and liabilities, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the CRA is improving or deteriorating.

The *Statement of Activities* presents information showing how the CRA's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported for some items that will only result in cash flows in future fiscal periods.

The government-wide financial statements listed above distinguish functions of the CRA that are principally supported by ad-valorem 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 activity of the CRA is general government. The CRA currently has no business-type activities.

The government-wide financial statements include only the activities of the CRA. However, the CRA is considered a blended component unit of the City and, as such, the financial information of the CRA is also included in the City's Annual Comprehensive Financial Report for each fiscal year.

### **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 CRA uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

### **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 the CRA'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 CRA's near-term financing decisions. Both the Governmental Fund Balance Sheet and the Governmental Fund Statement of Revenues, Expenditures and Changes in Fund Balance provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

### **General Fund**

The General Fund is the primary operating fund of the CRA and accounts for all financial resources of the CRA.

**KISSIMMEE COMMUNITY REDEVELOPMENT AGENCY  
CITY OF KISSIMMEE, FLORIDA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
SEPTEMBER 30, 2021**

**Restricted Fund Balance**

Fund Balance should be reported as restricted when constraints are placed on the use of resources, such as enabling legislation which authorizes the government to assess, levy, charge, or otherwise mandate payment of resources. All of the CRA's fund balance is considered restricted.

**Notes to the Financial Statements**

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

**Required Supplementary Information (RSI)**

Included in this section of the report is the Budgetary Comparison Schedule.

**Government-Wide Financial Analysis**

*Statement of Net Position*

As noted earlier, net position may serve over time as a useful indicator of the CRA's financial position. In the case of the CRA, assets exceeded liabilities by \$2,977,853 (*net position*) as of the close of the most recent fiscal year with an increase of \$763,460 in Cash and Cash Equivalents in comparison with the prior year.

The following table reflects a summary of the *Statement of Net Position* for the current and prior year as of September 30:

	<b>2021</b>	<b>2020</b>
<b>Assets</b>		
Cash and Cash Equivalents	\$ 3,134,257	\$ 2,370,797
<b>Total Assets</b>	3,134,257	2,370,797
<b>Liabilities and Fund Balances</b>		
<b>Liabilities</b>		
Accounts Payable	107,955	108,446
Retainage Payable	48,449	-
<b>Total Liabilities</b>	156,404	108,446
<b>Net Position</b>		
Restricted for Community Redevelopment	2,977,853	2,262,351
<b>Total Net Position</b>	\$ 2,977,853	\$ 2,262,351

**KISSIMMEE COMMUNITY REDEVELOPMENT AGENCY  
CITY OF KISSIMMEE, FLORIDA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
SEPTEMBER 30, 2021**

*Statement of Activities*

The following table reflects the *Statement of Activities* for the current and prior year for the fiscal year ended September 30:

	<b>2021</b>	<b>2020</b>
<b>Expenses</b>		
General Government	\$ 1,604,792	\$ 2,276,127
<b>Total Expenses</b>	1,604,792	2,276,127
<b>General Revenues</b>		
Property Taxes	2,224,580	2,117,889
Investment Income	(860)	64,663
Miscellaneous Revenue	96,574	60,384
<b>Total General Revenues</b>	2,320,294	2,242,936
<b>Net Change in Net Position</b>	715,502	(33,191)
<b>Net Position, Beginning of Year</b>	2,262,351	2,295,542
<b>Net Position, End of Year</b>	\$ 2,977,853	\$ 2,262,351

Fiscal year 2021 activities increased the CRA's net position by \$715,502 from the prior year. This change resulted from a decrease in expenses by \$671,335 from decreased work on redevelopment projects during the 2021 year, offset by a minimal increase in tax increment revenues of \$106,691.

**Financial Analysis of the CRA's Funds**

**Governmental Funds**

The focus of the CRA's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the CRA's financing requirements. In particular, fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. The CRA's fund balance of \$2,977,853 is restricted for redevelopment projects within the CRA district.

Property taxes totaling \$2,224,580 represented approximately 96% of all revenues. The CRA's fund balance increased by \$715,502 in the current year. The decrease of expenditures by \$671,335 were addressed above in the governmental activities discussion.



**KISSIMMEE COMMUNITY REDEVELOPMENT AGENCY  
CITY OF KISSIMMEE, FLORIDA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
SEPTEMBER 30, 2021**

**Budgetary Highlights**

An annual budget is prepared for the CRA and approved by the Board. The legal level of control is maintained at the fund level. During 2021, the Board approved a supplemental budget appropriation to provide for unanticipated requirements of the period. This appropriation caused an increase from the original budget of \$991,072, for general government expenditures. Budget appropriations may not be legally exceeded on a fund basis. Appropriations lapse at the end of the fiscal year. The budget is adopted on a basis consistent with generally accepted accounting principles. The CRA underspent the final amended budget by \$2,876,466 for redevelopment project costs that carried over to the next year.

**Capital Assets and Debt Administration**

The CRA's capital assets are considered to be property of the City and, therefore, are included as capital assets in the City's government-wide financial statements. Capital asset activity for the year ended September 30, 2021, can be found in the City's audited financial statements.

At September 30, 2021, the CRA had no long-term debt. Throughout each fiscal year, the CRA provides funds to the City's General Fund to cover a portion of the long-term debt that was incurred to be used for redevelopment and infrastructure projects.

**Economic Factors and Future Developments**

The CRA will continue to plan projects and infrastructure improvements that align with its redevelopment priorities for the designated district. The CRA will continue to implement the community's shared development goals through its redevelopment strategies and critical tasks.

**Request for Information**

This financial information is designed to present users with a general overview of the CRA's finances for all those with an interest in its finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Kissimmee Community Redevelopment Agency located at 101 Church Street, Kissimmee, Florida 34741.

## **FINANCIAL STATEMENTS**

**KISSIMMEE COMMUNITY REDEVELOPMENT AGENCY**  
**STATEMENT OF NET POSITION AND GOVENMENTAL FUND BALANCE SHEET**  
**SEPTEMBER 30, 2021**

	<u>General Fund</u>	<u>Adjustments (Note 2)</u>	<u>Statement of Net Position</u>
<b>Assets</b>			
Cash and Cash Equivalents	\$ 3,134,257	\$ -	\$ 3,134,257
<b>Total Assets</b>	<u>3,134,257</u>	<u>-</u>	<u>3,134,257</u>
<b>Liabilities</b>			
Accounts Payable	107,955	-	107,955
Retainage Payable	48,449	-	48,449
<b>Total Liabilities</b>	<u>156,404</u>	<u>-</u>	<u>156,404</u>
<b>Fund Balance</b>			
Restricted for Community Redevelopment Projects	<u>2,977,853</u>	<u>(2,977,853)</u>	<u>-</u>
<b>Total Fund Balance</b>	<u>2,977,853</u>	<u>(2,977,853)</u>	<u>-</u>
<b>Total Liabilities and Fund Balance</b>	<u>\$ 3,134,257</u>		
<b>Net Position</b>			
Restricted for:			
Community Redevelopment Projects		<u>2,977,853</u>	<u>2,977,853</u>
<b>Total Net Position</b>		<u>\$ 2,977,853</u>	<u>\$ 2,977,853</u>

See accompanying notes

**KISSIMMEE COMMUNITY REDEVELOPMENT AGENCY  
STATEMENT OF ACTIVITIES AND GOVERNMENTAL FUND STATEMENT OF REVENUES,  
EXPENDITURES, AND CHANGES IN FUND BALANCE  
SEPTEMBER 30, 2021**

	<u>General Fund</u>	<u>Adjustments (Note 2)</u>	<u>Statement of Activities</u>
<b>Revenues</b>			
Property Taxes - County	\$ 1,316,052	\$ -	\$ 1,316,052
Property Taxes - City	908,528	-	908,528
Investment Income (Loss)	(860)	-	(860)
Miscellaneous Revenue	96,574	-	96,574
<b>Total Revenues</b>	<u>2,320,294</u>	<u>-</u>	<u>2,320,294</u>
<b>Expenditures / Expenses</b>			
Current:			
General Government	1,109,694	-	1,109,694
Capital Outlay:			
General Government - Contributed to Primary Government	495,098	-	495,098
<b>Total Expenditures / Expenses</b>	<u>1,604,792</u>	<u>-</u>	<u>1,604,792</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures / Expenses</b>	<u>715,502</u>	<u>-</u>	<u>715,502</u>
<b>Fund Balance/Net Position, Beginning of Year</b>	<u>2,262,351</u>	<u>-</u>	<u>2,262,351</u>
<b>Fund Balance/Net Position, End of Year</b>	<u>\$ 2,977,853</u>	<u>\$ -</u>	<u>\$ 2,977,853</u>

See accompanying notes.

**NOTES TO FINANCIAL STATEMENTS  
KISSIMMEE COMMUNITY REDEVELOPMENT AGENCY  
KISSIMMEE, FLORIDA**

**Note 1 - Summary of Significant Accounting Policies**

The Kissimmee Community Redevelopment Agency's (the CRA) financial statements are prepared in accordance with generally accepted accounting principles, as applicable to governments. The following is a summary of the more significant policies:

**Reporting Entity**

The CRA was created under the Florida Statutes, Chapter 163 Part III, and City of Kissimmee (the City) ordinance with the purpose of establishing the redevelopment priorities for the designated CRA district. In June 1993, City Ordinance No. 1893 established the Downtown redevelopment district (defined by Resolution 47-91 and added to by Resolution 11-93). The Governing Board of the CRA (the Board) is the City Commission and, therefore, the City exercises significant influence over its operations and fiscal management. The CRA is considered a component unit of the City for financial reporting purposes and is included as a blended special revenue fund within the City's overall basic financial statements.

**Financial Statements**

These financial statements are presented for the purpose of complying with state law, specifically Florida Statutes, Section 163.387(8)(a), which requires separate audited financial statements for each Community Redevelopment Agency that has revenues or expenditures that exceed \$100,000. Entity-wide financial statements are prepared at the City-wide level by the City and include the CRA. Copies of that report can be obtained from the City's Finance Department.

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

**Government-Wide Financial Statements**

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are resources when a liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized as revenue 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.

**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, except for debt service expenditures, which are recorded only when payment is due.

Considering that the fund statements are presented on a different measurement focus and basis of accounting than the government-wide governmental activities column, a reconciliation is sometimes necessary to explain the adjustments needed to reconcile the fund based financial statements to the governmental activities column of the government-wide presentation.

**NOTES TO FINANCIAL STATEMENTS  
KISSIMMEE COMMUNITY REDEVELOPMENT AGENCY  
KISSIMMEE, FLORIDA**

Tax increment financing revenue and interest associated with the current fiscal period is considered to be measurable and has been recognized as revenues of the current fiscal year, if available.

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

The CRA reports the General Fund as a major governmental fund. The General Fund is used to account for all financial resources received by the CRA. The General Fund serves as the primary operating fund of the CRA. The CRA does not have any non-major funds.

**Budgetary Requirements**

An annual budget is prepared for the CRA as part of the City's budget process. The budget amounts presented in the accompanying financial statements are as originally adopted, or as legally amended, by the Commission during the year ended September 30, 2021. The City Manager is authorized to transfer budgeted amounts within the fund; however, all budget amendments require CRA Board approval and any budget amendments that alter the total expenditures of the fund must be approved by the Commission. During 2021, the Commission approved supplemental budget appropriations to provide for unanticipated requirements of the period and carryforward fund balance. Budget appropriations may not be legally exceeded on a fund basis. Appropriations lapse at the end of each fiscal year. The budget is adopted on a basis consistent with generally accepted accounting principles.

**Assets, Liabilities and Net Position**

*Cash and Cash Equivalents and Investments*

The CRA participates in the City's pooled cash and investment portfolio. This pool includes deposits and overnight repurchase agreements, amounts with the State Board of Administration (SBA) Florida PRIME, Florida Fixed Income Trust, and the Florida Local Government Investment Trust. Interest income earned as a result of pooling is distributed to the appropriate funds based on the average daily balance of cash in each fund for the period.

*Capital Assets*

Capital assets include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items). The CRA's capital assets are considered to be property of the City and, therefore, are included as capital assets in the City's government-wide financial statements. Capital asset activity for the year ended September 30, 2021, can be found in the City's audited financial statements. As the capital assets are retained by the City, the CRA contributes capital to the City's General Fund for capital outlay related to the CRA's redevelopment and infrastructure projects.

*Nature and Purpose of the Fund Balance*

In the fund financial statements, the governmental fund reports fund classifications that comprise a hierarchy based primarily on the extent to which the CRA is bound to honor constraints on the specific purposes for which amounts in the fund can be spent. Amounts that are restricted to specific purposes either by: a) constraints placed on the use of resources by creditors, grantors, contributors, or laws or regulations of other governments, or b) imposed by law through constitutional provisions or enabling legislation, are classified as restricted fund balances.

**NOTES TO FINANCIAL STATEMENTS  
KISSIMMEE COMMUNITY REDEVELOPMENT AGENCY  
KISSIMMEE, FLORIDA**

Amounts that can only be used for specific purposes pursuant to constraints imposed by the Board through an ordinance are classified as committed fund balances. Amounts that are constrained by the CRA's intent to be used for specific purposes but are neither restricted nor committed are classified as assigned fund balances. Assignments are made by the Board or the City Manager. Non-spendable fund balances include amounts that cannot be spent because they are either: a) not in spendable form, or b) legally or contractually required to be maintained intact. Unassigned fund balance represents fund balance that is not restricted, committed, or assigned to specific purposes within the General Fund.

Unspent tax increment financing revenues are restricted for future redevelopment projects and are reported as restricted fund balance in the financial statements. Unassigned fund balance, if any, represents fund balance that has not been restricted, committed, or assigned to specific purposes within the General Fund.

**Net Position**

The government-wide statements utilize a net position presentation. Restricted net position is unspent tax increment financing revenues that are restricted for future redevelopment projects. Unrestricted net position represents the net position of the CRA that is not restricted for any project or purpose.

**Other Significant Accounting Policies**

**Use of Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities at the date of the financial statement and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

**Contributions and Payments to City**

Capital outlay is contributed by the CRA to the City's General Fund for capital outlay incurred for the CRA's redevelopment and infrastructure projects. The CRA also makes payments to the City's General Fund to cover a portion of the debt that was incurred and related to the CRA's redevelopment and infrastructure projects.

**Payroll-Related Expenses and Liabilities**

The employees that manage or are involved in day-to-day operations of the CRA are employees of the City. Per an agreement with the City, the CRA is charged an administrative fee related to those employees. Payroll-related activity for the year ended September 30, 2021, can be found in the City's audited financial statements.

**Note 2 - Explanation of Certain Differences Between the Government-Wide and Fund Financial Statements**

**Statement of Net Position and Governmental Fund Balance Sheet**

The governmental fund balance sheet includes a reconciliation between fund balance - total governmental funds and net position of governmental activities as reported in the government-wide statement of net position.

**NOTES TO FINANCIAL STATEMENTS  
KISSIMMEE COMMUNITY REDEVELOPMENT AGENCY  
KISSIMMEE, FLORIDA**

**Statement of Activities and Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances**

The governmental fund statement of revenues, expenditures, and changes in fund balance includes no adjustments to the statements of activities for the current year.

**Note 3 - Cash and Equity in Pooled Cash and Investments**

At September 30, 2021, the CRA's funds are part of the City's cash and investment pool. The CRA's balance in the pool as of September 30, 2021 is \$3,134,257. The City's cash deposits are held by a bank that qualifies as a public depository under the *Florida Security for Public Deposits Act* as required by Chapter 280, Florida Statutes. The City maintains an investment policy managing pooled cash and investments. Further information on the City's pooled cash and investments can be found in the notes to the annual financial statements of the City.

**Note 4 - Tax Increment Financing Revenue**

The CRA is primarily funded through tax increment financing revenue. The tax increment revenue is calculated by applying the adopted millage rate to the increase in current year taxable assessed valuations within the designated CRA district, using the year in which it was established as the "base year" (1992 for the Downtown district). The City and Osceola County (the County) are required to contribute 95% of the incremental property taxes levied each year for the Downtown district. For fiscal year 2021, the CRA received its calculated shares of \$1,316,052 from the County and \$908,528 from the City.

**Note 5 - Contingency - COVID-19**

In December 2019, COVID-19 emerged and has subsequently spread worldwide. The World Health Organization declared COVID-19 a global pandemic, resulting in federal, state, and local governments and private entities to mandate various restrictions. These included travel and public gathering restrictions, stay-at-home orders and advisories, and quarantining of people who may have been exposed to the virus.

At this point in time, we cannot reasonably estimate the duration and severity of this pandemic, which could have an adverse impact on the CRA.



**REQUIRED SUPPLEMENTARY INFORMATION**

**KISSIMMEE COMMUNITY REDEVELOPMENT AGENCY  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN  
FUND BALANCE - BUDGET TO ACTUAL  
SEPTEMBER 30, 2021**

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance</b>
	<b>Original</b>	<b>Final</b>		
<b>Revenues</b>				
Property Taxes - County	\$ 1,314,925	\$ 1,314,925	\$ 1,316,052	\$ 1,127
Property Taxes - City	907,750	907,750	908,528	778
Investment Income (Loss)	30,000	30,000	(860)	(30,860)
Miscellaneous Revenue	62,196	62,196	96,574	34,378
<b>Total Revenues</b>	<u>2,314,871</u>	<u>2,314,871</u>	<u>2,320,294</u>	<u>5,423</u>
<b>Expenditures</b>				
Current:				
General Government	2,990,186	3,328,400	1,109,694	2,218,706
Capital Outlay:				
General Government - Contributed	500,000	1,152,858	495,098	657,760
<b>Total Expenditures</b>	<u>3,490,186</u>	<u>4,481,258</u>	<u>1,604,792</u>	<u>2,876,466</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>(1,175,315)</u>	<u>(2,166,387)</u>	<u>715,502</u>	<u>2,881,889</u>
<b>Fund Balances, Beginning of Year</b>	<u>1,175,315</u>	<u>2,166,387</u>	<u>2,262,351</u>	<u>1,087,036</u>
<b>Fund Balances, End of Year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,977,853</u>	<u>\$ 3,968,925</u>

## **OTHER REPORTS**

**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 Board of Directors  
Kissimmee Community Redevelopment Agency  
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 Kissimmee Community Redevelopment Agency (the CRA) as of and for the year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the CRA's basic financial statements, and have issued our report thereon dated June 17, 2022.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the CRA's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness on the CRA's internal control. Accordingly, we do not express an opinion on the effectiveness of the CRA'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 CRA'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 Board of Directors  
Kissimmee Community Redevelopment Agency  
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 CRA'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 financial statements. 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 CRA'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 CRA's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



June 17, 2022  
Ocala, Florida

## INDEPENDENT ACCOUNTANT'S REPORT ON COMPLIANCE WITH SECTIONS 163.387(6) AND (7), FLORIDA STATUTES

The Board of Directors  
Kissimmee Community Redevelopment Agency  
Kissimmee, Florida

We have examined the Kissimmee Community Redevelopment Agency's (the CRA) compliance with the requirements of Sections 163.387(6) and (7), Florida Statutes, as of and for the year ended September 30, 2021, as required by Section 10.556(10)(f), *Rules of the Auditor General*. Management is responsible for the CRA's compliance with those requirements. Our responsibility is to express an opinion on the CRA's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the CRA complied, in all material respects, with the requirements referenced above. An examination involves performing procedures to obtain evidence about whether the CRA complied with the specific requirements. The nature, timing, and extent of procedures selected depend on our judgement, including an assessment of the risk of material non-compliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

Our examination does not provide a legal determination on the CRA's compliance with specific requirements.

In our opinion, the CRA complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2021.

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, the CRA, its management, and the Board of Directors of the City of Kissimmee, Florida, and is not intended to be, and should not be, used by anyone other than these specified parties.



June 17, 2022  
Ocala, Florida

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

The Board of Directors  
Kissimmee Community Redevelopment Agency  
Kissimmee, Florida

We have examined the Kissimmee Community Redevelopment Agency's (the CRA) compliance with the requirements of Section 218.415, Florida Statutes, as of and for the year ended September 30, 2021, as required by Section 10.556(10)(a), *Rules of the Auditor General*. Management is responsible for the CRA's compliance with those requirements. Our responsibility is to express an opinion on the CRA's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the CRA complied, in all material respects, with the requirements referenced above. An examination involves performing procedures to obtain evidence about whether the CRA complied with the specific requirements. The nature, timing, and extent of procedures selected depend on our judgement, including an assessment of the risk of material non-compliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

Our examination does not provide a legal determination on the CRA's compliance with specific requirements.

In our opinion, the CRA complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2021.

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, the CRA, its management, and the Board of Directors of the City of Kissimmee, Florida, and is not intended to be, and should not be, used by anyone other than these specified parties.



June 17, 2022  
Ocala, Florida

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## MANAGEMENT LETTER

The Board of Directors  
Kissimmee Community Redevelopment Agency  
Kissimmee, Florida

### Report on the Financial Statements

We have audited the financial statements of the Kissimmee Community Redevelopment Agency (the CRA) as of and for the fiscal year ended September 30, 2021, and have issued our report thereon dated June 17, 2022.

### Auditor's Responsibility

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

### Other 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 Financial Statements Performed in Accordance with *Government Auditing Standards*; and Independent Accountant's Report on examination conducted in accordance with 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 June 17, 2022, should be considered in conjunction with this management letter.

### Prior Audit Findings

Section 10.554(1)(i)1., *Rules of the Auditor General*, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. There were no findings and recommendations made in the preceding annual financial audit report.

### Official Title and Legal Authority

Section 10.554(1)(i)4., *Rules of the Auditor General*, requires that the name or official title and legal authority for the primary government be disclosed in the Management Letter, unless disclosed in the notes to the financial statements (see Note 1 of the CRA's financial statements as of and for the year ended September 30, 2021, for this information).

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The Board of Directors  
Kissimmee Community Redevelopment Agency  
Kissimmee, Florida

## MANAGEMENT LETTER

### 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 CRA has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and identify the specific condition(s) met. In connection with our audit, we determined that the CRA 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. It is management's responsibility to monitor the CRA's financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information provided by same.

Section 10.554(1)(i)2, *Rules of the Auditor General*, requires that we communicate any recommendations to improve financial management. In our Management Letter for the City of Kissimmee, the primary government associated with the CRA, we included Management Letter Comment **2021-1 Enterprise Resource Planning (ERP) System Implementation**, including management's response, which has partial applicability to the CRA. We also identified the following matter related to the CRA:

- **2021-1 CRA Budget:** The Auditor General Compliance Supplement, Section 163.387(6)(b), Florida Statutes, requires the CRA Board of Directors to provide the adopted budget to the county which the CRA is located within 10 days of adoption. The adopted budget and amendments were provided to the county during the year, but not within the required 10 days of adoption. We recommend that the City develop a process after the adoption of the CRA budget that it is then timely sent to the county.

### Special District Component Units

Section 10.554(1)(i)5.c., *Rules of the Auditor General*, requires, if appropriate, that we communicate the failure of a special district that is a component unit of a county, municipality, or special district, to provide the financial information necessary for proper reporting of the component unit, within the audited financial statements of the county, municipality, or special district in accordance with Section 218.39(3)(b), Florida Statutes. In connection with our audit, we determined that all special district component units provided the necessary information for proper reporting in accordance with Section 218.39(3)(b), Florida Statutes.

As required by Section 218.39(3)(c), Florida Statutes, and Section 10.554(1)(i)6, *Rules of the Auditor General*, the CRA reported the following information that was not subject to auditing procedures: Please see the attached information.

### 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.

The Board of Directors  
Kissimmee Community Redevelopment Agency  
Kissimmee, Florida

## MANAGEMENT LETTER

### **Purpose of this Letter**

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



June 17, 2022  
Ocala, Florida



# CITY OF KISSIMMEE

Finance Department

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

## **Kissimmee Community Redevelopment Agency -**

As required by Section 218.39(3)(c), Florida Statutes, and Section 10.554(1)(i)6, *Rules of the Auditor General*, the Kissimmee Community Redevelopment Agency (CRA) reported:

a. The total number of district employees compensated in the last pay period of the district's fiscal year as the employees that manage or are involved in day-to-day operations of the CRA are employees of the City.

Per an agreement with the City, the CRA is charged an administrative fee related to those employees. Payroll-related activity for the year ended September 30, 2021, can be found in the City's audited financial statements.

b. The total number of independent contractors to whom nonemployee compensation was paid in the last month of the district's fiscal year being reported.

N/A

c. All compensation earned by or awarded to employees, whether paid or accrued, regardless of contingency.

N/A

d. All compensation earned by or awarded to nonemployee independent contractors, whether paid or accrued, regardless of contingency.

N/A

e. Each construction project with a total cost of at least \$65,000 approved by the district that is scheduled to begin on or after October 1 of the fiscal year being reported, together with the total expenditures for such project.

Downtown CRA – Church Street Improvement Project cost at the end of the fiscal year - \$ 488,148

f. The annual financial report of a dependent special district or an independent special district amending a final adopted budget under s. [189.016](#)(6) must include a budget variance report based on the budget adopted under s. [189.016](#)(4) before the beginning of the fiscal year being reported.

This information can be found on page 14 of the CRA financial statements.



## FINANCE DEPARTMENT

101 CHURCH STREET - KISSIMMEE, FLORIDA 34741 - 407.518.2210

June 21, 2022

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

Re: Response to Auditor's Management Letter Comment

Honorable Mayor and Commissioners,

The following is the response to the independent auditor's management letter auditor comment:

### **Current Year Comment and Recommendation**

#### **2021-1 CRA Budget**

##### **Management's Response**

The City has adjusted its processes to include providing the adopted budget to the County within 10 days of adoption.

Respectfully Submitted,

A handwritten signature in blue ink, appearing to read "Tavia Ritchie".

Tavia Ritchie, CPA, CGFO  
Finance Director

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

