

CITY OF KISSIMMEE, FLORIDA
COMPREHENSIVE ANNUAL
FINANCIAL REPORT

Year Ended September 30, 2014



Prepared by Department of Finance

THIS PAGE INTENTIONALLY LEFT BLANK



CITY OF KISSIMMEE, FLORIDA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
TABLE OF CONTENTS
Year Ended September 30, 2014

INTRODUCTORY SECTION

Table of Contents	i
City Officials	iv
Organizational Chart	v
Certificate of Achievement for Excellence in Financial Reporting	vi
Letter of Transmittal	vii

FINANCIAL SECTION

Independent Auditor’s Report	1
Management’s Discussion and Analysis	3
Basic Financial Statements:	
<i>Government-wide Financial Statements:</i>	
Statement of Net Position	17
Statement of Activities.....	18
<i>Fund Financial Statements:</i>	
Balance Sheet – Governmental Funds	20
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position	23
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds	24
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	26
Statement of Net Position – Proprietary Funds	28
Statement of Revenues, Expenses, and Changes in Fund Net Position – Proprietary Funds.....	30
Statement of Cash Flows – Proprietary Funds	31
Statement of Fiduciary Net Position – Pension Trust Funds.....	33
Statement of Changes in Fiduciary Net Position – Pension Trust Funds	34
<i>Notes to the Financial Statements</i>	37
Required Supplementary Information:	
<i>Budgetary Comparison Schedules (GAAP Basis):</i>	
General Fund	68
Transportation Impact Fees Fund.....	72
Kissimmee Pedestrian Bridge	73
Community Redevelopment Agency.....	74
<i>City Retirement Plan Schedules and Notes:</i>	
Schedule of Changes in Net Pension Liability and Related Ratios (All Pension Plans).....	76
Schedule of Actuarially Determined Contributions (All Pension Plans).....	77
Plan Changes in Benefit Terms	77
Change of Assumptions	77
Methods and Assumptions used to determine contribution rates	78
Money-weighted Rate of Return.....	78
<i>City Other Postemployment Benefits Plan Schedules:</i>	
Other Postemployment Benefits Plan Schedule of Funding Progress.....	79
Other Postemployment Benefits Plan Schedule of Employer Contributions	79
Other Supplemental Information:	
<i>Nonmajor Governmental Funds:</i>	
Combining Balance Sheet – All Nonmajor Governmental Funds	86
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – All Nonmajor Governmental Funds	87
Combining Balance Sheet – Nonmajor Special Revenue Funds.....	88
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Special Revenue Funds	94

Nonmajor Governmental Funds - continued:

Budgetary Comparison Schedules (GAAP Basis):

Local Option Gas Tax	99
Hazard Mitigation Grant Program	100
Recreation Impact Fee Fund	100
Local Option Sales Tax.....	102
Building Division.....	103
Fire Assessment Fee Fund	104
Shingle Creek Regional Trail	105
Mobility Fee.....	106
State Housing Initiative Program	107
Victims of Crime Act	108
Justice Assistance Grant	109
Paving Assessments	110
Charter School.....	111
Neighborhood Stabilization Program	112
Community Development Block Grant	113
Kissimmee Multi-Use Trail.....	114
Shingle Creek Trail Grant	115
Section H.A.P.P. Grant Program	116
West Cypress Sidewalk Grant.....	117
Combining Balance Sheet – Nonmajor Debt Service Funds	118
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Debt Service Funds	120
Budgetary Comparison Schedules (GAAP Basis):	
FmHA Bond	122
2014A Refunding Revenue Note	123
2004 CRA Note.....	124
2006 Revenue Note.....	125
2010A Refunding Revenue Note	126
2010B Refunding Revenue Note	127
2010C Refunding Revenue Note.....	128
2011A Capital Refunding Note	129
2011B Capital Refunding Note	130
Combining Balance Sheet – Nonmajor Capital Projects Funds.....	131
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Capital Projects Funds.....	132
Budgetary Comparison Schedules (GAAP Basis):	
2014A Note Construction Project	133
2010B Note Construction Project	134
2010C Note Construction Project	135
2005 Capital Construction Note Project.....	136
Lakefront Sales Tax 2009A Capital Project Fund.....	137

Internal Service Funds:

Combining Statement of Net Position – Internal Service Funds	139
Combining Statement of Revenues, Expenses, and Changes in Fund Net Position – Internal Service Funds	140
Combining Statement of Cash Flows – Internal Service Funds.....	141

STATISTICAL SECTION

Schedule 1 Net Position by Component – *Last Ten Fiscal Years* 144
Schedule 2 Change in Net Position – *Last Ten Fiscal Years* 145
Schedule 3 Fund Balances, Governmental Funds – *Last Ten Fiscal Years* 148
Schedule 4 Changes in Fund Balances, Governmental Funds – *Last Ten Fiscal Years* 150
Schedule 5 Assessed and Actual Value of Taxable Property – *Last Ten Fiscal Years* 152
Schedule 6 Direct and Overlapping Property Tax Rates – *Last Ten Fiscal Years* 154
Schedule 7 Property Tax Levies and Collections – *Last Ten Fiscal Years* 155
Schedule 8 Principal Property Taxpayers – *Current Year and Nine Years Ago* 156
Schedule 9 Ratios of Outstanding Debt by Type – *Last Ten Fiscal Years* 158
Schedule 10 Direct and Overlapping Governmental Activities Debt 161
Schedule 11 Pledged Revenue Coverage – *Last Ten Fiscal Years* 162
Schedule 12 Demographic and Economic Statistics – *Last Ten Fiscal Years* 165
Schedule 13 Principal Employers – *Current Year and Nine Years Ago* 167
Schedule 14 Full-Time Equivalent City Government Employees by Function/Program – *Last Ten Fiscal Years* 168
Schedule 15 Operating Indicators by Function/Program – *Last Ten Fiscal Years* 170
Schedule 16 Capital Asset Statistics by Function/Program – *Last Ten Fiscal Years* 172

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* 175
Independent Auditor's Report on Compliance for Each Major Federal Program and Major State Project, and on Internal Control over Compliance and Report on Schedule of Expenditures of Federal Awards and State Financial Assistance in Accordance with OMB Circular A-133 and Chapter 10.550, Rules of the Auditor General 177
Schedule of Expenditures of Federal Awards and State Financial Assistance 180
Schedule of Findings and Questioned Costs 182
Independent Auditor's Management Letter 184
Independent Accountant's Report 187

The City of Kissimmee, Florida
City Officials
As of September 30, 2014

Elected Officials

Mayor/Commissioner.....	Jim Swan
Commissioner/Vice Mayor.....	Cheryl Grieb
Commissioner/Mayor Pro Tem.....	Wanda Y. Rentas
Commissioner.....	Jose Alvarez
Commissioner.....	Sara Shaw

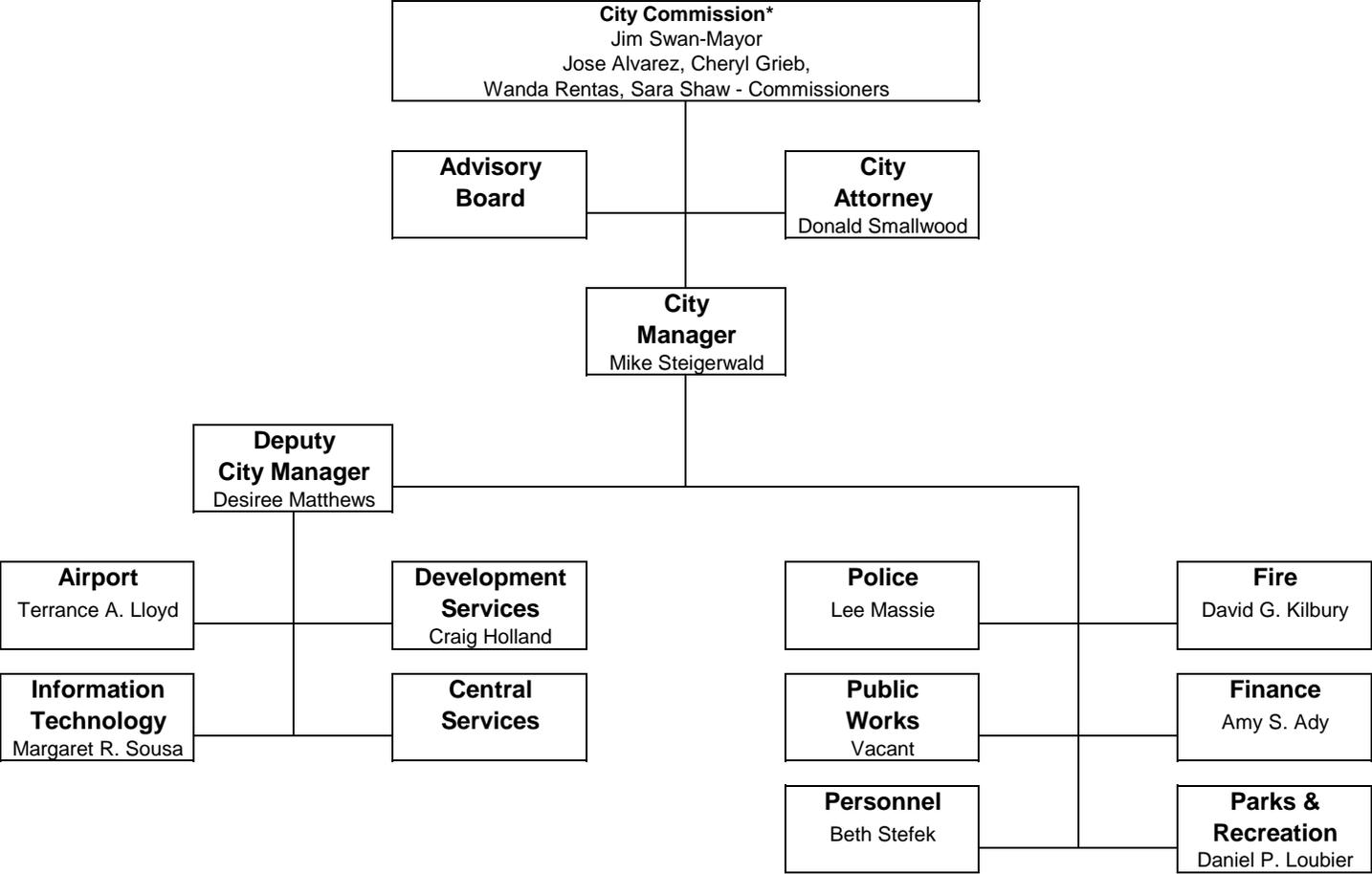
Financial Related Management

City Manager.....	Michael H. Steigerwald
Deputy City Manager.....	Desiree S. Matthews
Finance Director.....	Amy S. Ady
Assistant Finance Director.....	Jeff Wolf
Assistant Finance Director.....	Joseph A. Skalamera

Other Departmental Officials

Airport Director.....	Terrence A. Lloyd
City Attorney.....	Donald T. Smallwood
Development Services Director.....	Craig M. Holland
Fire Chief.....	David G. Kilbury
Information Technology Director.....	Margaret R. Sousa
Parks & Recreation Director.....	Daniel P. Loubier
Personnel & Risk Management Director.....	Beth Stefek
Police Chief.....	Lee Massie
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, 2013

Executive Director/CEO



City of Kissimmee

City Manager

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

March 30, 2015

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, 2014.

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 Moore Stephens Lovelace, P.A., 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, 2014, 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, 2014, 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 13,580 acres within the corporate limits of the City. The 2010 U.S. Census reported 59,682 people living within the City. The current population figure is 64,365.

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 as well as from the surrounding cattle industry.

The Walt Disney World complex has been largely responsible for growth in the City and its adjacent areas since it opened on October 1, 1971. The complex is the site of the “Magic Kingdom”, an amusement theme park, and a variety of other facilities designed to attract visitors for an extended stay by offering a wide range of recreational activities for the entire family.

Disney initiated a major development in the western part of Osceola County. This project, known as “Celebration”, has hotels and other commercial development, and has over 8,000 residential units. This endeavor has had a favorable impact on the County’s ad valorem and sales tax revenue base.

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, Sunshine State Regional Chili Cookoff, and the Osceola County Art Festival.

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.

MAJOR INITIATIVES

In Parks and Recreation, the third phase of the lakefront redevelopment project was substantially completed. Public Works continued to make significant progress on its road improvement plan as well as various grant funded drainage projects. In addition, Public Works continued making progress on right-of-way acquisition for a major road widening project and also began construction on the Kissimmee Pedestrian Bridge that is funded through a State grant. The municipally owned airport continued to embark on several expansion/improvement projects this past year as well. The Development Services Department received additional entitlement monies via the Community Development Block Grant program. The Community Redevelopment Agency continued the design and planning for the second phase of the streetscape project. Finally, the City has continued, on a contractual basis, to provide certain administrative services to Tohopekaliga Water Authority.

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.

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 an annual independent actuarial analyses. Effective for fiscal years beginning after June 2014, the City will be required by changes in Governmental Accounting Standards to recognize the unfunded portion of the actuarially determined liability.

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, 2013. 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

THIS PAGE INTENTIONALLY LEFT BLANK





MOORE STEPHENS
LOVELACE, P.A.

CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and
Members of the City Commission
City of 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, 2014, 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 of material misstatement.

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

Opinions

In our opinion, 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, 2014, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

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

INDEPENDENT AUDITOR'S REPORT
(Concluded)

Other Matters

Required Supplementary Information

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

Supplementary Information

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 30, 2015, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Moore Stephens Lovelace, P.A.

MOORE STEPHENS LOVELACE, P.A.
Certified Public Accountants

Orlando, Florida
March 30, 2015

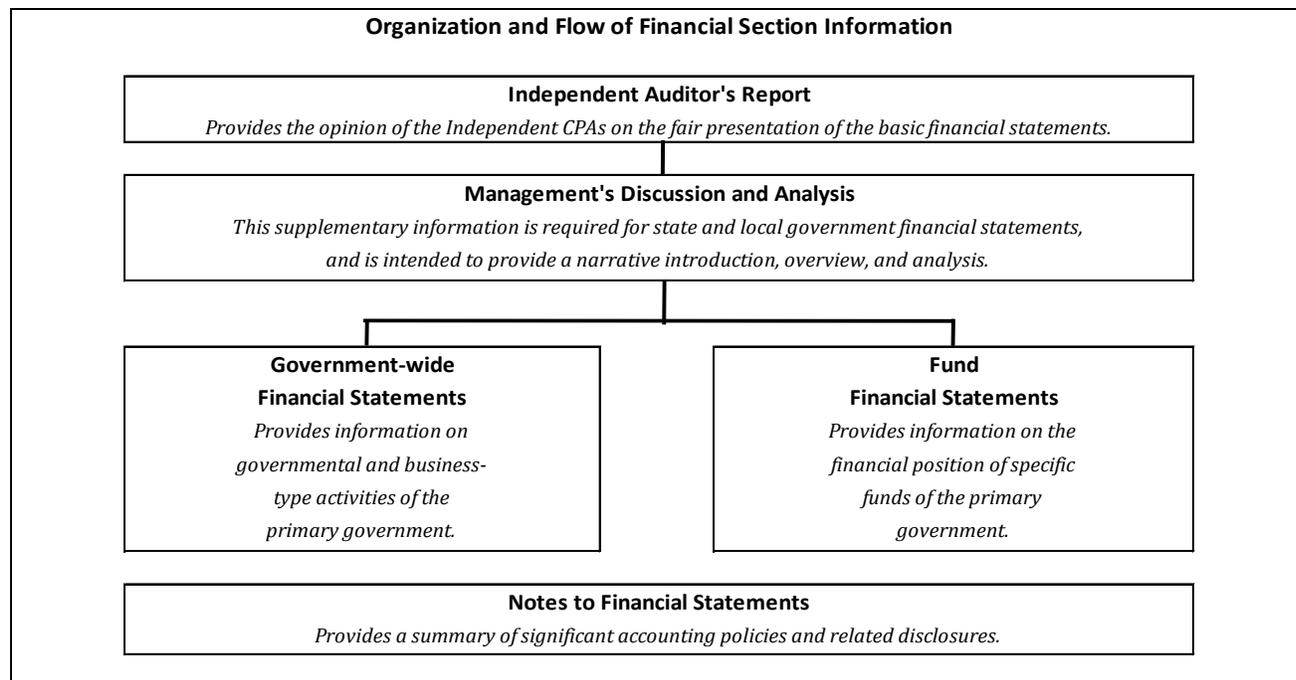
The City of Kissimmee, Florida's (the "City") Management's Discussion and Analysis (the "MD&A") presents an overview of the City's financial activities for the fiscal year ended September 30, 2014. Please read it in conjunction with the letter of transmittal in the introductory section, and the City's financial statements following the MD&A.

Financial Highlights

- The assets of the City exceeded its liabilities at the close of fiscal year 2014 by \$231,868 (net position). Of this amount, \$29,742 (unrestricted net position) may be used to meet the government's ongoing obligations to citizens and creditors.
- The City's net position increased by \$18,797, of which governmental activities contributed 74% of the increase.
- The City's net capital assets increased \$20,605 or 9.3% from the prior 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, liabilities, and deferred inflows 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 2014. 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*.

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, Community Redevelopment Agency, Transportation Impact Fees Fund and Kissimmee Pedestrian Bridge Fund, 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, 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, purchasing, and warehouse, garage, building maintenance, and printing). 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

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

Other information

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, Community Redevelopment Agency, Transportation Impact Fees Fund and Kissimmee Pedestrian Bridge Fund; schedules of funding progress and employer contributions 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 combining statements referred to earlier in connection with nonmajor governmental funds and internal service funds are presented in the other supplemental information section of this report. 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, Continued
September 30, 2014
(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 exceeded liabilities by \$231,868 at the close of the fiscal year ended September 30, 2014.

At the end of fiscal year 2014, the City is able to report positive balances in all three categories of net position, both for the government as a whole, as well as for its separate governmental and business-type activities.

The largest portion of the City's net position (82%) 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* (\$12,232) for construction projects, public safety programs, supplementary care, and other purposes. The remaining balance of *unrestricted net position* (\$29,742) may be used to meet the government's ongoing obligations to citizens and creditors.

City of Kissimmee, Florida
Net Position
(In Thousands)

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Current and Other Assets	\$ 61,606	\$ 53,109	\$ 5,833	\$ 5,173	\$ 67,439	\$ 58,282
Capital Assets (Net)	<u>199,478</u>	<u>182,941</u>	<u>42,350</u>	<u>38,282</u>	<u>241,828</u>	<u>221,223</u>
Total Assets	<u>261,084</u>	<u>236,050</u>	<u>48,183</u>	<u>43,455</u>	<u>309,267</u>	<u>279,505</u>
Current and Other Liabilities	14,283	9,587	1,096	1,225	15,379	10,812
Long-term Liabilities	<u>61,109</u>	<u>54,703</u>	<u>911</u>	<u>964</u>	<u>62,020</u>	<u>55,667</u>
Total Liabilities	<u>75,392</u>	<u>64,290</u>	<u>2,007</u>	<u>2,189</u>	<u>77,399</u>	<u>66,479</u>
Net Position						
Net Investment in						
Capital Assets	148,239	137,945	41,655	37,374	189,894	175,319
Restricted	12,220	14,019	12	388	12,232	14,407
Unrestricted	<u>25,233</u>	<u>19,796</u>	<u>4,509</u>	<u>3,549</u>	<u>29,742</u>	<u>23,345</u>
Total Net Position	<u>\$ 185,692</u>	<u>\$ 171,760</u>	<u>\$ 46,176</u>	<u>\$ 41,311</u>	<u>\$ 231,868</u>	<u>\$ 213,071</u>

There was a net increase of \$18,797 in the City's net position over fiscal year 2013. There was a net increase of \$13,932 in net position reported in connection with the City's governmental activities and \$4,865 in business-type activities. The governmental activities increase represents 74% of the total increase, and business-type activities contributed 26% of the increase at year end. Key reasons for these changes are presented in the following pages for governmental and business-type activities.

CITY OF KISSIMMEE, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued
September 30, 2014
(In Thousands)

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

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
<u>REVENUES</u>						
Program Revenues:						
Charges for Services	\$ 31,518	\$ 30,872	\$ 10,179	\$ 9,831	\$ 41,697	\$ 40,703
Operating Grants and Contributions	894	1,039	-	-	894	1,039
Capital Grants and Contributions	7,455	1,988	3,890	1,749	11,345	3,737
General Revenues:						
Property Taxes	11,456	11,085	-	-	11,456	11,085
Other Taxes	22,090	21,013	-	-	22,090	21,013
Other	<u>22,862</u>	<u>18,475</u>	<u>5</u>	<u>14</u>	<u>22,867</u>	<u>18,489</u>
Total Revenues	<u>96,275</u>	<u>84,472</u>	<u>14,074</u>	<u>11,594</u>	<u>110,349</u>	<u>96,066</u>
<u>EXPENSES</u>						
General Government	34,892	32,203	-	-	34,892	32,203
Public Safety	32,134	31,600	-	-	32,134	31,600
Transportation	7,738	6,559	-	-	7,738	6,559
Economic Environment	1,053	1,526	-	-	1,053	1,526
Culture/Recreation	5,499	5,430	-	-	5,499	5,430
Interest on Long-term Debt	1,352	1,332	-	-	1,352	1,332
Stormwater	-	-	3,546	3,409	3,546	3,409
Airport	-	-	1,231	1,248	1,231	1,248
Solid Waste	<u>-</u>	<u>-</u>	<u>4,107</u>	<u>3,773</u>	<u>4,107</u>	<u>3,773</u>
Total Expenses	<u>82,668</u>	<u>78,650</u>	<u>8,884</u>	<u>8,430</u>	<u>91,552</u>	<u>87,080</u>
Excess Before Transfers	13,607	5,822	5,190	3,164	18,797	8,986
Transfers	<u>325</u>	<u>566</u>	<u>(325)</u>	<u>(566)</u>	<u>-</u>	<u>-</u>
Change in Net Position	13,932	6,388	4,865	2,598	18,797	8,986
Net Position - Beginning	<u>171,760</u>	<u>165,372</u>	<u>41,311</u>	<u>38,713</u>	<u>213,071</u>	<u>204,085</u>
Net Position - Ending	<u>\$ 185,692</u>	<u>\$ 171,760</u>	<u>\$ 46,176</u>	<u>\$ 41,311</u>	<u>\$ 231,868</u>	<u>\$ 213,071</u>

Governmental activities

Governmental activities accounted for an increase of \$13,932 from the prior year net position. The largest factor in this increase is a result of additions to capital assets being greater than the current year's depreciation expense by \$15,904. Capital purchases are not recorded as expenses in the statement of activities; however, the revenues needed to pay for those purchases is recorded in that statement. The difference between capital outlay and depreciation expense is reflected as an increase in net position in 2014.

CITY OF KISSIMMEE, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued
September 30, 2014
(In Thousands)

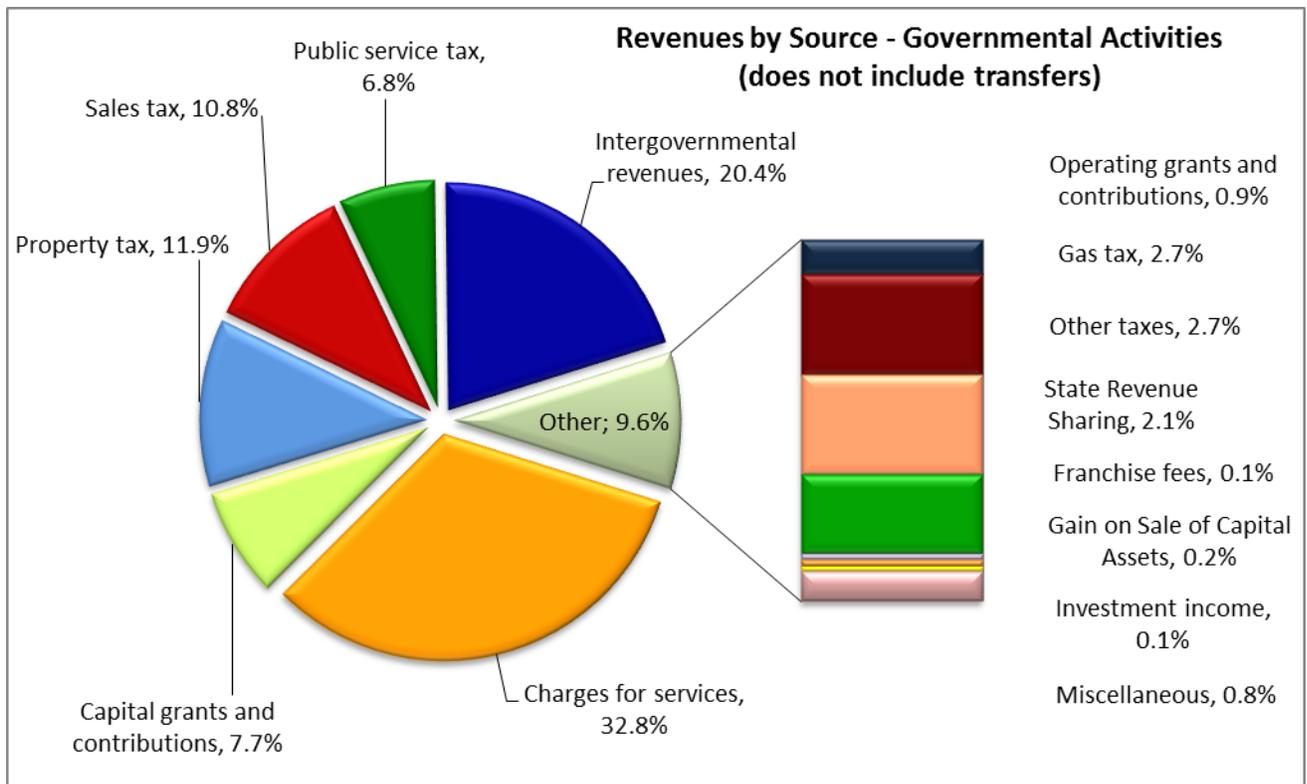
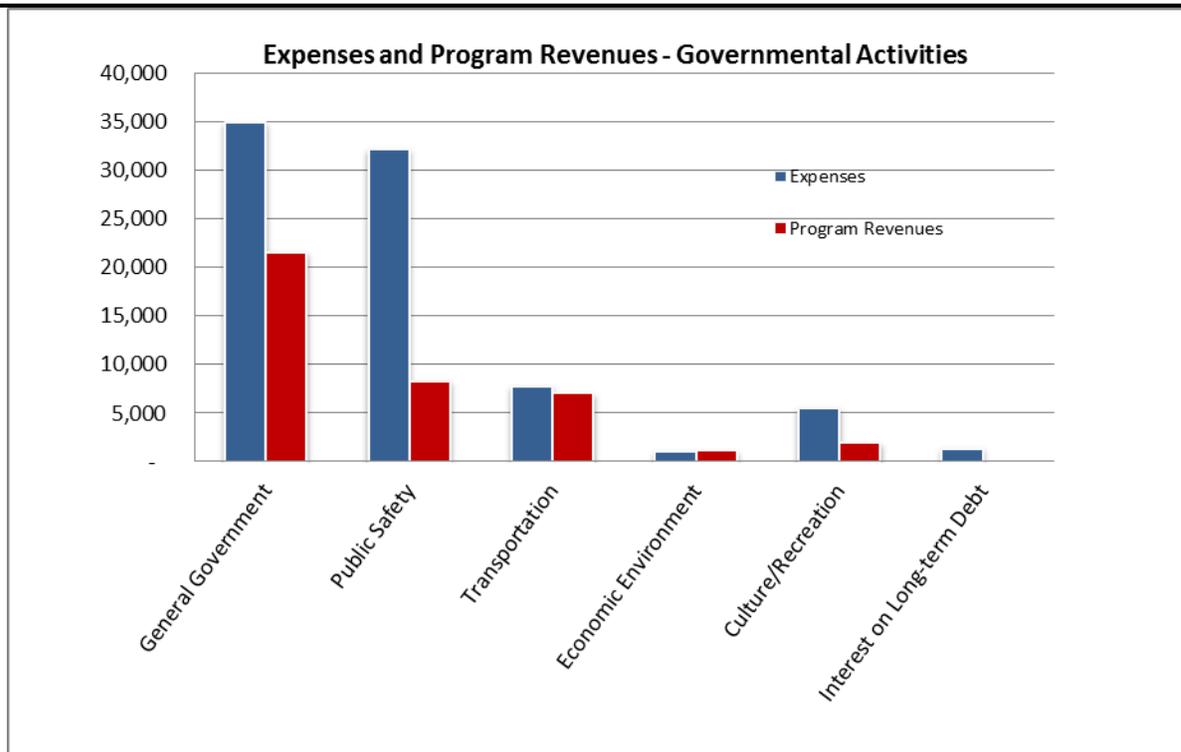
The following tables and graphs show the results of governmental activities for fiscal year ended 2014.

Expenses and Program Revenues – Governmental Activities
(In Thousands)

Functions/Programs	Expenses				Net Cost of Services		
	2014	Total	2013	% Change	2014	2013	% Change
General Government	\$ 34,892	42%	\$ 32,203	8%	\$ (13,330)	\$ (13,328)	0%
Public Safety	32,134	39%	31,600	2%	(23,841)	(21,023)	13%
Physical Environment	-	0%	-	0%	-	62	-100%
Transportation	7,738	9%	6,559	18%	(733)	(4,347)	-83%
Economic Environment	1,053	1%	1,526	-31%	64	(589)	-111%
Culture/Recreation	5,499	7%	5,430	1%	(3,609)	(4,194)	-14%
Interest on Long-term Debt	<u>1,352</u>	<u>2%</u>	<u>1,332</u>	<u>2%</u>	<u>(1,352)</u>	<u>(1,332)</u>	<u>2%</u>
	<u>\$ 82,668</u>	<u>100%</u>	<u>\$ 78,650</u>		<u>\$ (42,801)</u>	<u>\$ (44,751)</u>	

Revenue by Source – Governmental Activities
(In Thousands)

Description	2014	Total	2013	% Change
Program Revenues				
Charges for services	\$ 31,518	32%	\$ 30,872	2%
Operating grants and contributions	894	1%	1,039	-14%
Capital grants and contributions	7,455	8%	1,988	275%
General Revenues				
Property tax	11,456	12%	11,085	3%
Sales tax	10,420	11%	9,601	9%
Public service tax	6,572	7%	6,389	3%
Gas tax	2,581	3%	2,634	-2%
Other taxes	2,517	3%	2,389	5%
State revenue sharing	2,032	2%	1,838	11%
Unrestricted intergovernmental revenues	19,616	20%	15,000	31%
Franchise fees	140	<1%	141	-1%
Investment income	138	<1%	178	-22%
Gain on sale of capital assets	171	<1%	202	-15%
Miscellaneous	765	1%	1,116	-31%
Transfers	<u>325</u>	<u><1%</u>	<u>566</u>	<u>-43%</u>
	<u>\$ 96,600</u>	<u>100%</u>	<u>\$ 85,038</u>	



Business-type activities

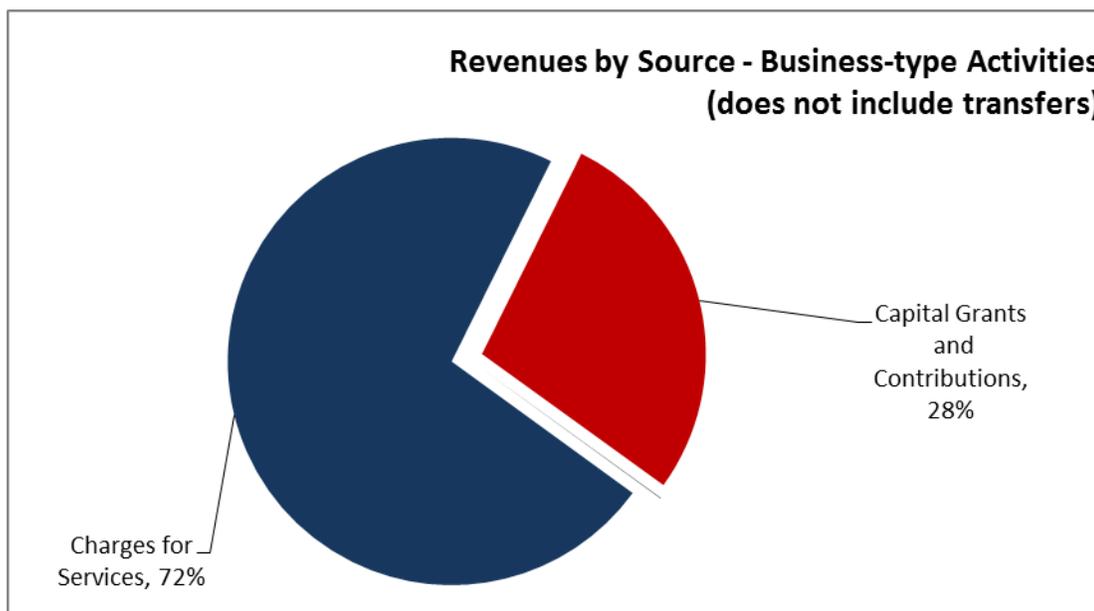
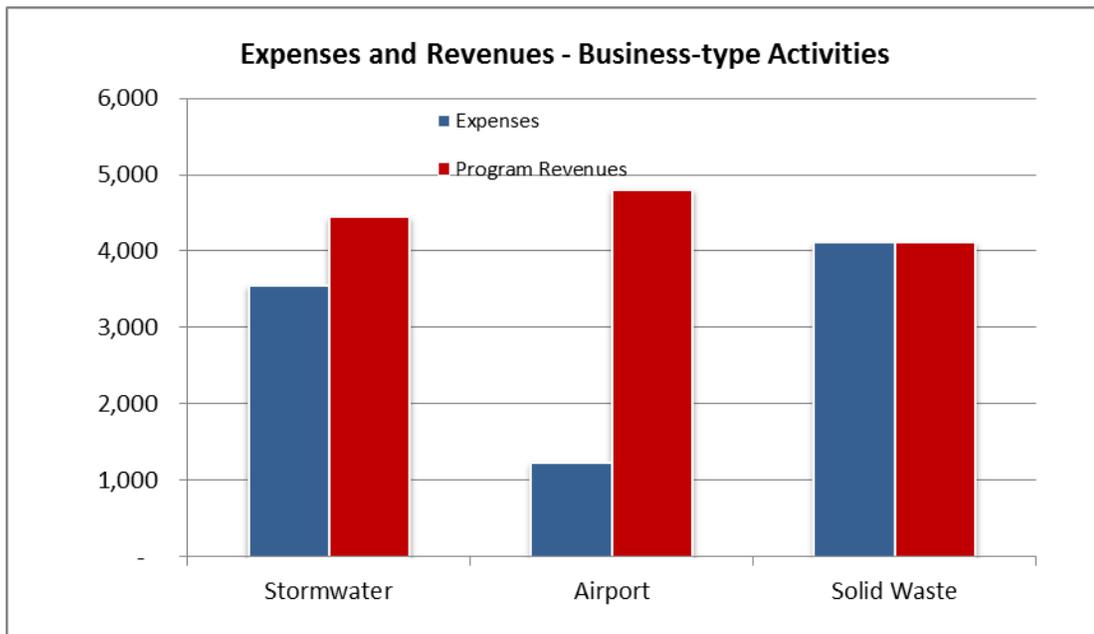
Business-type activities increased the City's net position by \$4,865 accounting for 26% of the total growth in the City's net position. The majority of this increase resulted from capital contributions received for future improvements at the City Airport of \$3,880.

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

Functions/Programs	Expenses			Net Increase (Decrease) In Net Position		
	2014	2013	% Change	2014	2013	% Change
	Stormwater	\$ 3,546	\$ 3,409	4%	\$ 868	\$ 990
Airport	1,231	1,248	-1%	3,491	1,321	164%
Solid Waste	<u>4,107</u>	<u>3,773</u>	9%	<u>506</u>	<u>839</u>	-40%
	<u>\$ 8,884</u>	<u>\$ 8,430</u>		<u>\$ 4,865</u>	<u>\$ 3,150</u>	

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

	2014	Total	2013	Change
Charges for services	\$ 10,179	72%	\$ 9,088	12%
Capital grants and contributions	3,890	28%	3,152	23%
Investment income	<u>5</u>	<u>0%</u>	<u>9</u>	-44%
	<u>\$ 14,074</u>	<u>100%</u>	<u>\$ 12,249</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 2014, the City's governmental funds reported combined ending fund balances of \$41,118, an increase of \$4,258 in comparison with the prior year. This increase was largely the result of unspent proceeds from the issuance of the Series 2014 Capital Improvements Revenue Note. In 2011, the Governmental Accounting Standards Board (GASB) issued Statement No. 54 with the objective to enhance the usefulness of fund balance information by providing classifications that would be consistently applied. 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 2014 was \$22,939 compared to \$19,945 for fiscal year 2013, an increase of \$2,994 for all governmental funds. The main cause of this increase in spendable unrestricted fund balance was effective budgeting for services provided primarily from general revenues sources.

The City has four major governmental funds - the General Fund, Community Redevelopment Agency, Transportation Impact Fees Funds and the Kissimmee Pedestrian Bridge Fund. More detailed information regarding these major funds is provided in the following section.

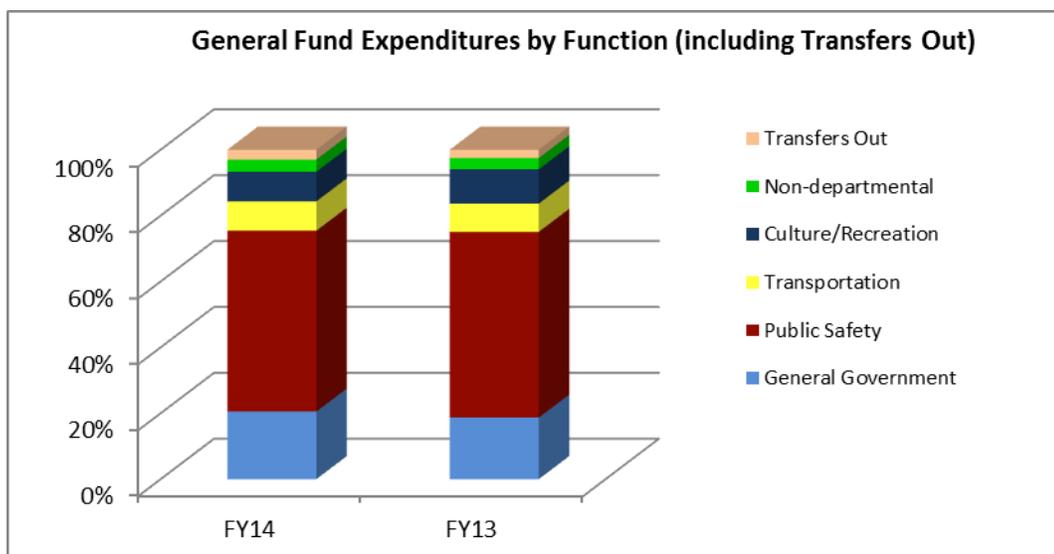
Major Funds

General Fund

The General Fund is the chief operating fund of the City. At the end of fiscal year 2014, the spendable unrestricted fund balance (assigned for budgetary carryforward \$1,695 and unassigned fund balance \$21,729) of the General Fund totaled \$23,424 compared to \$21,338 in fiscal year 2013, an increase of \$2,086. As a measure of the General Fund's liquidity, it may be useful to compare the spendable unrestricted fund balance of \$23,424 to the total fund's expenditures of \$52,137. This represents 44.9% of total expenditures compared to 42.9% in the prior fiscal year. Thus, the City was able to improve liquidity available to meet upcoming expenditures in its chief operating fund.

The fund balance in the General Fund increased by \$2,663 during the current fiscal year. The General Fund maintained the same level of spending as the prior year while increasing its revenues from services provided to citizens for public safety and recreation. The General Fund intergovernmental revenue increased from its share of fees from local electric and water utilities.

The following graph displays the General Fund current expenditures (not including debt service) by function for fiscal years 2014 and 2013. As the graph displays, there were no major fluctuations in expenditures by function from the prior year.



The Community Redevelopment Agency

The Community Redevelopment Agency (CRA) total fund balance increased by \$1,646 from the prior year. The fund balance of the CRA increased significantly due to the forgiveness of the advanced funding from the Local Option Sales Tax Fund. The fund balance of \$700 is restricted for economic development.

Transportation Impact Fees Fund

The Transportation Impact Fees Fund total fund balance decreased by \$(2,145) from the prior year. Current year expenditures exceeded revenues due to the City no longer charging Transportation Impact Fees. The remaining fund balance of \$672 is restricted for future transportation projects.

Kissimmee Pedestrian Bridge Fund

The Kissimmee Pedestrian Bridge Fund total fund balance decreased by \$(541) from the prior year. Current year expenditures exceeded revenues by \$541 due to retainage payable to the contractor. The current year fund balance deficit of \$(501) will be reimbursed by the State through the grant.

Enterprise funds

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 \$150, in the Airport Fund increased by \$189, and in the Solid Waste Fund increased by \$572 over the prior year. These mainly resulted from effective budgeting for operating expenses in all three funds in the current year.

Stormwater Fund

The Stormwater Fund had an increase in net position of \$868. Change in net position is consistent with prior year.

Airport Fund

The Airport Fund had an increase in net position of \$3,491. The largest component of this increase was from capital contributions for current improvements of \$3,880. This was evident in the increase of \$3,629 in net investment in capital assets from the prior year.

Solid Waste Fund

The Solid Waste Fund had an increase in net position of \$506 from the prior year. Operating revenues were greater than operating expenses by \$564 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 and transfers out by \$2,688. The changes for expenditures and transfers out within functions are summarized in the table below. Adjustments were made for additional grant-funded expenditures during the course of the year. Budgeted non-departmental capital and operating reserves are not included in the next two tables.

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Change</u>
General Government	\$ 11,822	\$ 12,558	\$ 736
Public Safety	31,546	32,248	702
Transportation	4,841	5,021	180
Culture/Recreation	5,173	5,263	90
Non-departmental	1,255	2,080	825
Transfers Out	1,441	1,596	155
	<u>\$ 56,078</u>	<u>\$ 58,766</u>	<u>\$ 2,688</u>

The General Fund under-spent the final budget by \$5,020 during fiscal year 2014. 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 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.

	<u>Actual</u>	<u>Final Budget</u>	<u>Difference</u>
	<u>Expenditures</u>		
General Government	\$ 11,029	\$ 12,558	\$ 1,529
Public Safety	29,507	32,248	2,741
Transportation	4,785	5,021	236
Culture/Recreation	4,822	5,263	441
Non-departmental	1,994	2,080	86
Transfers Out	1,609	1,596	(13)
	<u>\$ 53,746</u>	<u>\$ 58,766</u>	<u>\$ 5,020</u>

Capital Assets and Long-term Debt

Capital Assets

The City's investment in capital assets for its governmental and business-type activities as of September 30, 2014 amounts to \$241,828 (net of accumulated depreciation). This investment in capital assets includes 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 investment in capital assets for the current fiscal year was \$20,605. Governmental activities increased capital assets by \$16,537 and business-type activities increased by \$4,068.

CITY OF KISSIMMEE, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued
 September 30, 2014
 (In Thousands)

The largest increase was in improvements other than buildings of \$13,148, primarily attributed to the Lakefront improvement project, Kissimmee Pedestrian Bridge, and other major transportation projects being completed and put into service.

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

	Governmental Activities		Business-type Activities		Total	
	2014	2013	2014	2013	2014	2013
Land	\$ 18,276	\$ 18,152	\$ 401	\$ 401	\$ 18,677	\$ 18,553
Intangibles, net	2,481	2,705	1	1	2,482	2,706
Buildings	54,780	54,765	5,181	4,650	59,961	59,415
Improvements Other than Buildings	130,918	119,552	36,242	34,460	167,160	154,012
Equipment	23,980	27,325	7,244	7,497	31,224	34,822
Construction in Progress	52,755	43,839	4,703	2,265	57,458	46,104
	283,190	266,338	53,772	49,274	336,962	315,612
Less: Accumulated Depreciation	(83,712)	(83,397)	(11,422)	(10,992)	(95,134)	(94,389)
Capital Assets, net	<u>\$ 199,478</u>	<u>\$ 182,941</u>	<u>\$ 42,350</u>	<u>\$ 38,282</u>	<u>\$ 241,828</u>	<u>\$ 221,223</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 2014, the City had total debt outstanding of \$51,887. This is an increase of \$5,546 or 12% from the prior year, due to the issuance of the Series 2014 Capital Improvement Revenue Note less the amount for scheduled principal payments. Of the total outstanding, \$50,019 is notes and bonds payable at year-end. Notes and bonds payable are the largest percentage (96.4%) of the City's overall outstanding debt.

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

	Governmental Activities		Business-type Activities		Total	
	2014	2013	2014	2013	2014	2013
Revenue Notes	\$ 49,763	\$ 43,313	\$ -	\$ -	\$ 49,763	\$ 43,313
Revenue Bonds	256	287	-	-	256	287
Capital Lease Payable	1,338	1,707	292	441	1,630	2,148
Other	237	593	-	-	237	593
	<u>\$ 51,594</u>	<u>\$ 45,900</u>	<u>\$ 292</u>	<u>\$ 441</u>	<u>\$ 51,886</u>	<u>\$ 46,341</u>

Additional information on the City's debt, including 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, 2014 was 5.3%, which represents an improvement of 1.3% from the 6.6% unemployment rate from the prior year. This is consistent with the improvement seen in the previous year.
- Population increased slightly to 64,365 compared to 63,662 in the prior fiscal year.
- The ad valorem tax rate for the General Fund stayed constant at 4.6253 for the 2015 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.

CITY OF KISSIMMEE, FLORIDA
STATEMENT OF NET POSITION
September 30, 2014
(In Thousands)

	Governmental	Business-type	
	Activities	Activities	Total
ASSETS			
Cash and Cash Equivalents	\$ 33,032	\$ 4,204	\$ 37,236
Restricted Cash and Investments	12,220	6	12,226
Receivables (net)	7,031	822	7,853
Due from Other Governments	5,844	794	6,638
Due from KUA	1,841	-	1,841
Due from TWA	1,115	7	1,122
Inventories	360	-	360
Pension Asset	106	-	106
Prepaid Items	57	-	57
Capital Assets:			
Capital Assets not Being Depreciated	71,031	5,104	76,135
Capital Assets Being Amortized (Net)	2,481	1	2,482
Capital Assets Being Depreciated (Net)	125,966	37,245	163,211
Total Capital Assets	199,478	42,350	241,828
Total Assets	261,084	48,183	309,267
LIABILITIES			
Accounts Payable	5,920	952	6,872
Contracts Payable	1,383	22	1,405
Accrued Liabilities	4,334	122	4,456
Due to Other Governments	1,986	-	1,986
Unearned Revenue	16	-	16
Deposits	644	-	644
Long-term Liabilities:			
Due Within One Year	6,689	207	6,896
Due in More Than One Year	54,420	704	55,124
Total Liabilities	75,392	2,007	77,399
NET POSITION			
Net Investment in Capital Assets	148,239	41,655	189,894
Restricted:			
Supplementary Care - Nonexpendable	762	-	762
Construction Projects	7,355	6	7,361
Public Safety	1,170	-	1,170
Charter School	1,307	-	1,307
Airport Projects	-	6	6
Other Purposes	1,626	-	1,626
Unrestricted	25,233	4,509	29,742
Total Net Position	\$ 185,692	\$ 46,176	\$ 231,868

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, 2014
(In Thousands)

FUNCTIONS/PROGRAMS	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities:				
General Government	\$ 34,892	\$ 21,352	\$ 210	\$ -
Public Safety	32,134	8,136	62	95
Transportation	7,738	783	-	6,222
Economic Environment	1,053	-	601	516
Culture/Recreation	5,499	1,247	21	622
Interest on Long-term Debt	1,352	-	-	-
Total Governmental Activities	<u>82,668</u>	<u>31,518</u>	<u>894</u>	<u>7,455</u>
Business-type Activities:				
Stormwater	3,546	4,432	-	10
Airport	1,231	925	-	3,880
Solid Waste	4,107	4,822	-	-
Total Business-type Activities	<u>8,884</u>	<u>10,179</u>	<u>-</u>	<u>3,890</u>
Total	<u>\$ 91,552</u>	<u>\$ 41,697</u>	<u>\$ 894</u>	<u>\$ 11,345</u>

General Revenues:
Property Tax
Sales Tax
Public Service Tax
Gas Tax
Other Taxes
State Revenue Sharing
Unrestricted Intergovernmental Revenues
Franchise Fees
Investment Income
Gain on Sale of Capital Assets
Miscellaneous
Transfers
Total General Revenues and Transfers
Change in Net Position
Net Position - Beginning
Net Position - Ending

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

Net (Expense) Revenue and Changes in Net Position

Governmental Activities	Business-type Activities	Total
\$ (13,330)	\$ -	\$ (13,330)
(23,841)	-	(23,841)
(733)	-	(733)
64	-	64
(3,609)	-	(3,609)
(1,352)	-	(1,352)
<u>(42,801)</u>	<u>-</u>	<u>(42,801)</u>
-	896	896
-	3,574	3,574
-	715	715
<u>-</u>	<u>5,185</u>	<u>5,185</u>
<u>(42,801)</u>	<u>5,185</u>	<u>(37,616)</u>
11,456	-	11,456
10,420	-	10,420
6,572	-	6,572
2,581	-	2,581
2,517	-	2,517
2,032	-	2,032
19,616	-	19,616
140	-	140
138	5	143
171	-	171
765	-	765
325	(325)	-
<u>56,733</u>	<u>(320)</u>	<u>56,413</u>
13,932	4,865	18,797
<u>171,760</u>	<u>41,311</u>	<u>213,071</u>
<u>\$ 185,692</u>	<u>\$ 46,176</u>	<u>\$ 231,868</u>

CITY OF KISSIMMEE, FLORIDA
BALANCE SHEET - GOVERNMENTAL FUNDS
September 30, 2014
(In Thousands)

	<u>General</u>	<u>Transportation Impact Fees Fund</u>	<u>Kissimmee Pedestrian Bridge</u>
ASSETS			
Cash and Cash Equivalents	\$ 17,445	\$ 2,043	\$ -
Restricted Cash and Investments	-	-	-
Accounts Receivable (net)	6,534	153	-
Special Assessments Receivable (net)	36	-	-
Due from KUA	1,840	-	-
Due from TWA	423	-	-
Due from Other Funds	689	-	-
Due from Other Governments	1,037	-	2,943
Prepaid Items	57	-	-
Inventories	142	-	-
Total Assets	<u>\$ 28,203</u>	<u>\$ 2,196</u>	<u>\$ 2,943</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES			
Liabilities:			
Accounts Payable	\$ 1,123	\$ 233	\$ 2,368
Contracts Payable	-	390	546
Accrued Liabilities	767	-	-
Due to Other Funds	-	-	530
Due to Other Governments	1,219	767	-
Deposits Payable	108	-	-
Revenue Collected in Advance	8	-	-
Advanced Grants	-	-	-
Total Liabilities	<u>3,225</u>	<u>1,390</u>	<u>3,444</u>
Deferred Inflows of Resources:			
Unavailable Earned Revenues	-	134	-
Fund Balances (Deficits):			
Nonspendable Prepays and Inventories	199	-	-
Nonspendable Supplementary Care	-	-	-
Restricted for Transportation Projects	-	672	-
Restricted for Public Safety Projects	1,170	-	-
Restricted for Development Services	-	-	-
Restricted for Economic Development	181	-	-
Restricted for Recreation Projects	-	-	-
Restricted for Charter School	-	-	-
Restricted for Construction Projects	-	-	-
Restricted for Other Capital Improvements	4	-	-
Assigned for Budgetary Carryforward	1,695	-	-
Assigned for Debt Service	-	-	-
Unassigned (Deficits)			
General Fund	21,729	-	-
Special Revenue Funds	-	-	(501)
Total Fund Balances (Deficits)	<u>24,978</u>	<u>672</u>	<u>(501)</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 28,203</u>	<u>\$ 2,196</u>	<u>\$ 2,943</u>

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

<u>Community Redevelopment Agency</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ 719	\$ 13,156	\$ 33,363
-	6,207	6,207
-	32	6,719
-	87	123
-	-	1,840
-	7	430
-	-	689
-	1,864	5,844
-	-	57
-	-	142
<u>\$ 719</u>	<u>\$ 21,353</u>	<u>\$ 55,414</u>
\$ 19	\$ 1,517	\$ 5,260
-	447	1,383
-	3,498	4,265
-	159	689
-	-	1,986
-	455	563
-	-	8
-	8	8
<u>19</u>	<u>6,084</u>	<u>14,162</u>
-	-	134
-	-	199
-	762	762
-	3,722	4,394
-	-	1,170
-	833	833
700	208	1,089
-	404	404
-	1,307	1,307
-	5,220	5,220
-	2,797	2,801
-	-	1,695
-	42	42
-	-	21,729
-	(26)	(527)
<u>700</u>	<u>15,269</u>	<u>41,118</u>
<u>\$ 719</u>	<u>\$ 21,353</u>	<u>\$ 55,414</u>

THIS PAGE INTENTIONALLY LEFT BLANK



CITY OF KISSIMMEE, FLORIDA
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
as of September 30, 2014
(In Thousands)

Total fund balances of governmental funds \$ 41,118

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 \$279,616, the accumulated depreciation is \$80,133, and the accumulated amortization is \$1,580. The difference does not include the net capital assets of the internal service funds which are included below. 197,903

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. 3,548

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 net long-term liabilities of the internal service funds which are included above. Long-term liabilities at year-end consist of:

Bonds payable	\$ 256	
Capital leases	1,338	
Notes payable	49,763	
KUA-County liability	237	
Other postemployment benefits	3,421	
Compensated absences	2,102	(57,117)

The pension asset on the government-wide statement of net position resulted from contributions in excess of the required annual contribution. This is not considered to represent a current financial asset and, therefore, is not reported in the governmental funds. 106

Deferred inflows for earned but unavailable revenues recognized as revenue of the current period 134

Total net position of governmental activities \$ 185,692

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

CITY OF KISSIMMEE, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Year Ended September 30, 2014
(In Thousands)

	<u>General</u>	<u>Transportation Impact Fees Fund</u>	<u>Kissimmee Pedestrian Bridge</u>
REVENUES			
Taxes	\$ 16,929	\$ -	\$ -
Permits, Fees and Special Assessments	144	38	-
Intergovernmental Revenues	27,488	-	5,219
Charges for Services	7,998	-	-
Fines and Forfeitures	1,561	-	-
Investment Income	123	7	-
Miscellaneous Revenues	424	-	-
Total Revenues	<u>54,667</u>	<u>45</u>	<u>5,219</u>
EXPENDITURES			
Current:			
General Government	12,646	-	-
Public Safety	29,507	-	-
Transportation	4,785	2,189	5,760
Economic Environment	-	-	-
Culture/Recreation	4,822	-	-
Capital Outlay	-	-	-
Debt Service:			
Principal Retirement	356	-	-
Interest and Fiscal Charges	21	-	-
Total Expenditures	<u>52,137</u>	<u>2,189</u>	<u>5,760</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>2,530</u>	<u>(2,144)</u>	<u>(541)</u>
OTHER FINANCING SOURCES, (USES)			
Transfers In	1,234	-	-
Transfers (Out)	(1,609)	(1)	-
Proceeds from Sale of Capital Assets	508	-	-
Issuance of Refunding Notes/Bonds	-	-	-
Total Other Financing Sources, (Uses)	<u>133</u>	<u>(1)</u>	<u>-</u>
SPECIAL ITEM			
Forgiveness of Advance	-	-	-
Net Change in Fund Balances	2,663	(2,145)	(541)
Fund Balances (Deficits) - Beginning	<u>22,315</u>	<u>2,817</u>	<u>40</u>
Fund Balances (Deficits) - Ending	<u>\$ 24,978</u>	<u>\$ 672</u>	<u>\$ (501)</u>

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

Community Redevelopment Agency	Nonmajor Governmental Funds	Total Governmental Funds
\$ 1,311	\$ 8,792	\$ 27,032
-	2,094	2,276
-	7,248	39,955
-	399	8,397
-	-	1,561
1	6	137
5	163	592
<u>1,317</u>	<u>18,702</u>	<u>79,950</u>
798	4,994	18,438
-	2,201	31,708
-	3,450	16,184
-	1,067	1,067
-	1,864	6,686
-	6,784	6,784
-	3,550	3,906
-	1,331	1,352
<u>798</u>	<u>25,241</u>	<u>86,125</u>
<u>519</u>	<u>(6,539)</u>	<u>(6,175)</u>
-	5,984	7,218
(614)	(4,669)	(6,893)
-	-	508
-	9,600	9,600
<u>(614)</u>	<u>10,915</u>	<u>10,433</u>
<u>1,741</u>	<u>(1,741)</u>	<u>-</u>
1,646	2,635	4,258
<u>(946)</u>	<u>12,634</u>	<u>36,860</u>
<u>\$ 700</u>	<u>\$ 15,269</u>	<u>\$ 41,118</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, 2014
(In Thousands)

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

Net change in fund balances - total governmental funds	\$	4,258
--	----	-------

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 (\$22,239) exceeds depreciation (\$6,107, which excludes the amount related to internal service funds accounted for below) and amortization (\$228). 15,904

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 amortized over time 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 note	\$	(9,600)
Principal repayments:		
Bonds		31
Leases		369
Notes		<u>3,150</u>
		(6,050)

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	(136)
KUA-County liability	356
Other postemployment benefits	<u>(468)</u>
	(248)

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, 2014
(In Thousands)

Payments made contributing to a pension asset do not require the use of current financial resources; therefore, are not an expenditure in the governmental fund statements. On the statement of activities, these payments decrease the pension obligation for public safety.	\$ 2
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 availability criteria was not met. Under full accrual accounting, all revenues would be recognized.	102
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.	(337)
The internal service fund is used by management to charge the costs of risk management services to other funds. The net revenue of the internal service fund is reported with governmental activities.	<u>301</u>
Change in net position of governmental activities	<u>\$ 13,932</u>

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, 2014
(In Thousands)

	<u>Business-type Activities - Enterprise Funds</u>				Governmental
	<u>Stormwater</u>	<u>Airport</u>	<u>Solid Waste</u>	<u>Total</u>	Activities - Internal <u>Service Funds</u>
ASSETS					
Current Assets:					
Cash and Cash Equivalents	\$ 1,894	\$ 1,333	\$ 977	\$ 4,204	\$ 5,682
Restricted Cash and Cash Equivalents	-	6	-	6	-
Accounts Receivable (net)	333	62	427	822	189
Due from Other Funds	-	-	-	-	978
Due from Other Governments	-	794	-	794	-
Due from KUA	-	-	-	-	1
Due from TWA	6	-	1	7	685
Inventories	-	-	-	-	218
Total Current Assets	<u>2,233</u>	<u>2,195</u>	<u>1,405</u>	<u>5,833</u>	<u>7,753</u>
Capital Assets:					
Land	-	401	-	401	-
Buildings	119	5,057	5	5,181	71
Improvements Other Than Buildings	10,122	26,018	102	36,242	2,447
Software	1	-	-	1	-
Machinery, Equipment and Vehicles	2,959	470	3,815	7,244	2,625
Construction in Progress	-	4,703	-	4,703	-
Less: Accumulated Depreciation	<u>(3,002)</u>	<u>(6,627)</u>	<u>(1,793)</u>	<u>(11,422)</u>	<u>(3,568)</u>
Total Capital Assets (Net)	<u>10,199</u>	<u>30,022</u>	<u>2,129</u>	<u>42,350</u>	<u>1,575</u>
Total Noncurrent Assets	<u>10,199</u>	<u>30,022</u>	<u>2,129</u>	<u>42,350</u>	<u>1,575</u>
Total Assets	<u>\$ 12,432</u>	<u>\$ 32,217</u>	<u>\$ 3,534</u>	<u>\$ 48,183</u>	<u>\$ 9,328</u>

Continued

CITY OF KISSIMMEE, FLORIDA
STATEMENT OF NET POSITION - Continued
PROPRIETARY FUNDS
September 30, 2014
(In Thousands)

	<u>Business-type Activities - Enterprise Funds</u>				Governmental
	<u>Stormwater</u>	<u>Airport</u>	<u>Solid Waste</u>	<u>Total</u>	Activities - Internal Service Funds
LIABILITIES					
Current Liabilities:					
Accounts Payable	\$ 94	\$ 318	\$ 540	\$ 952	\$ 660
Contracts Payable	-	22	-	22	-
Accrued Liabilities	60	12	50	122	69
Due to Other Funds	-	-	-	-	978
Deposits	-	-	-	-	81
Compensated Absences Payable	28	6	22	56	39
Capital Lease Payable	-	-	151	151	-
Estimated Claims Payable	-	-	-	-	1,810
Total Current Liabilities	<u>182</u>	<u>358</u>	<u>763</u>	<u>1,303</u>	<u>3,637</u>
Noncurrent Liabilities:					
Compensated Absences Payable	65	13	51	129	90
Other Postemployment Benefits	213	39	182	434	242
Capital Lease Payable	-	-	141	141	-
Estimated Claims Payable	-	-	-	-	1,811
Total Noncurrent Liabilities	<u>278</u>	<u>52</u>	<u>374</u>	<u>704</u>	<u>2,143</u>
Total Liabilities	<u>460</u>	<u>410</u>	<u>1,137</u>	<u>2,007</u>	<u>5,780</u>
NET POSITION					
Net Investment in Capital Assets	10,188	29,698	1,769	41,655	1,575
Restricted for Construction Projects	-	6	-	6	-
Restricted for Airport Projects	-	6	-	6	-
Unrestricted	1,784	2,097	628	4,509	1,973
Total Net Position	<u>\$ 11,972</u>	<u>\$ 31,807</u>	<u>\$ 2,397</u>	<u>\$ 46,176</u>	<u>\$ 3,548</u>

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, 2014
(In Thousands)

	Business-type Activities - Enterprise Funds				Governmental
	Stormwater	Airport	Solid Waste	Total	Activities - Internal Service Funds
Operating Revenues:					
Charges for Services	\$ 4,469	\$ 923	\$ 4,662	\$ 10,054	\$ 15,692
Miscellaneous Revenues	-	-	2	2	178
Total Operating Revenues	<u>4,469</u>	<u>923</u>	<u>4,664</u>	<u>10,056</u>	<u>15,870</u>
Operating Expenses:					
Personal Services	1,885	429	1,623	3,937	2,266
Contracted Services	529	67	838	1,434	1,817
Supplies and Materials	229	27	319	575	197
Repairs and Maintenance	291	57	334	682	1,848
Other Services and Charges	7	74	252	333	1,227
Depreciation	543	565	671	1,779	173
Claims/Premium Expense	62	12	63	137	8,223
Total Operating Expenses	<u>3,546</u>	<u>1,231</u>	<u>4,100</u>	<u>8,877</u>	<u>15,751</u>
Operating Income (Loss)	<u>923</u>	<u>(308)</u>	<u>564</u>	<u>1,179</u>	<u>119</u>
Nonoperating Revenues (Expenses):					
Interest Expense	-	-	(7)	(7)	-
Investment Income	1	4	-	5	1
Insurance Recoveries	-	-	-	-	173
Gain or (Loss) from Sale of Capital Assets	(37)	2	158	123	8
Total Nonoperating Revenues (Expenses)	<u>(36)</u>	<u>6</u>	<u>151</u>	<u>121</u>	<u>182</u>
Income (Loss) Before Contributions and Transfers	<u>887</u>	<u>(302)</u>	<u>715</u>	<u>1,300</u>	<u>301</u>
Capital Contributions	10	3,880	-	3,890	-
Transfers In	194	-	8	202	-
Transfers (Out)	(223)	(87)	(217)	(527)	-
Change in Net Position	<u>868</u>	<u>3,491</u>	<u>506</u>	<u>4,865</u>	<u>301</u>
Total Net Position - Beginning	<u>11,104</u>	<u>28,316</u>	<u>1,891</u>	<u>41,311</u>	<u>3,247</u>
Total Net Position - Ending	<u>\$ 11,972</u>	<u>\$ 31,807</u>	<u>\$ 2,397</u>	<u>\$ 46,176</u>	<u>\$ 3,548</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, 2014
(In Thousands)

	<u>Business-type Activities - Enterprise Funds</u>				<u>Governmental</u>
	<u>Stormwater</u>	<u>Airport</u>	<u>Solid Waste</u>	<u>Total</u>	<u>Activities - Internal Service Funds</u>
Cash Flows from Operating Activities					
Receipts from Customers and Users	\$ 4,539	\$ 882	\$ 4,663	\$ 10,084	\$ 16,387
Payments to Suppliers	(1,360)	(412)	(1,868)	(3,640)	(13,314)
Payments to Employees	(1,836)	(419)	(1,582)	(3,837)	(2,252)
Net Cash Provided by Operating Activities	<u>1,343</u>	<u>51</u>	<u>1,213</u>	<u>2,607</u>	<u>821</u>
Cash Flows from Noncapital Financing Activities					
Transfers (to) Other Funds	(223)	(87)	(217)	(527)	-
Transfers from Other Funds	194	-	8	202	-
Net Cash (Used) by Noncapital Financing Activities	<u>(29)</u>	<u>(87)</u>	<u>(209)</u>	<u>(325)</u>	<u>-</u>
Cash Flows from Capital and Related Financing Activities					
Acquisition/Construction of Capital Assets	(1,054)	(3,981)	(1,172)	(6,207)	(1,148)
Capital Contributions	10	3,880	-	3,890	-
Proceeds from Capital Lease	-	-	(149)	(149)	-
Proceeds from Insurance Recoveries	-	-	-	-	173
Proceeds from Sale of Capital Assets	15	3	874	892	13
Interest Payments on Debt	-	-	(7)	(7)	-
Net Cash (Used) by Capital and Related Financing Activities	<u>(1,029)</u>	<u>(98)</u>	<u>(454)</u>	<u>(1,581)</u>	<u>(962)</u>
Cash Flows from Investing Activities					
Gain on Investments	1	4	-	5	1
Net Cash Provided by Investing Activities	<u>1</u>	<u>4</u>	<u>-</u>	<u>5</u>	<u>1</u>
Net Increase (Decrease) in Cash and Cash Equivalents	286	(130)	550	706	(140)
Cash and Cash Equivalents at Beginning of Year	<u>1,608</u>	<u>1,469</u>	<u>427</u>	<u>3,504</u>	<u>5,822</u>
Cash and Cash Equivalents at End of Year	<u>\$ 1,894</u>	<u>\$ 1,339</u>	<u>\$ 977</u>	<u>\$ 4,210</u>	<u>\$ 5,682</u>

Continued

CITY OF KISSIMMEE, FLORIDA
STATEMENT OF CASH FLOWS - Continued
PROPRIETARY FUNDS
For The Year Ended September 30, 2014
(In Thousands)

	<u>Business-type Activities - Enterprise Funds</u>			<u>Governmental</u>
	<u>Stormwater</u>	<u>Airport</u>	<u>Solid Waste</u>	<u>Activities - Internal Service Funds</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities				
Operating Income (Loss)	\$ 923	\$ (308)	\$ 564	\$ 1,179
Depreciation	543	565	671	1,779
Bad Debt	3	30	(21)	12
Change in Assets and Liabilities:				
(Increase) Decrease in Accounts Receivable	70	(41)	(1)	28
(Increase) Decrease in Due from KUA	-	-	-	-
(Increase) Decrease in Due from TWA	-	-	-	-
(Increase) Decrease in Inventories	-	-	-	-
Increase (Decrease) in Accounts Payable	(209)	(156)	(41)	(406)
Increase (Decrease) in Retainage Payable	-	(49)	-	(49)
Increase (Decrease) in Customer Deposits	-	-	-	-
Increase (Decrease) in Accrued Liabilities	5	(2)	1	4
Increase (Decrease) in OPEB	34	7	26	67
Increase (Decrease) in Compensated Absences	10	5	14	29
Increase (Decrease) in Capital Leases	(36)	-	-	(36)
Increase (Decrease) in Claims Payable	-	-	-	-
Total Adjustments	<u>420</u>	<u>359</u>	<u>649</u>	<u>1,428</u>
Net Cash Provided by Operating Activities	<u>\$ 1,343</u>	<u>\$ 51</u>	<u>\$ 1,213</u>	<u>\$ 2,607</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, 2014
(In Thousands)

ASSETS

Cash and Cash Equivalents	\$	2,213
Receivables:		
Interest Receivable		209
Due From Government		417
Total Receivables		<u>626</u>
Investments, at Fair Value:		
U.S. Government Obligations		4,036
U.S. Instrumentalities		5,711
Corporate Bonds		18,167
Corporate Stocks		77,763
Mutual Funds		67,765
Total Investments		<u>173,442</u>
Total Assets		<u>176,281</u>

LIABILITIES

-

**Net Position Restricted
for Pension Benefits**

\$ 176,281

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, 2014
(In Thousands)

ADDITIONS

Contributions:

Employer	\$	7,004
Plan Members		1,165
State		918
Total Contributions		9,087

Investment earnings:

Net increase (decrease) in fair value of investments		5,438
Interest and dividends		12,198
Total Investment Earnings		17,636
Less Investment Expense		1,068
Net Investment Earnings		16,568
Total Additions		25,655

DEDUCTIONS

Benefits		8,503
Administrative Expense		165
Total Deductions		8,668

Change in Net Position		16,987
Net Position - Beginning of Year		159,294
Net Position - End of Year	\$	176,281

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

CITY OF KISSIMMEE, FLORIDA
NOTES TO FINANCIAL STATEMENTS

September 30, 2014

INDEX TO NOTES

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES	PAGE
Reporting Entity	37
Government-wide and Fund Financial Statements	37
Measurement Focus, Basis of Accounting, and Financial Statement Presentation	38
Budgetary Requirements	40
Cash and Cash Equivalents.....	40
Investments.....	40
Receivables	41
Inventories	41
Prepays.....	41
Restricted Assets	41
Capital Assets.....	41
Bond / Note Issuance Costs.....	42
Compensated Absences.....	42
Other Postemployment Benefits	42
Unearned Revenue.....	42
Deferred Inflows.....	42
Contributions.....	42
Fund Balances	43
Net Position Restricted by Enabling Legislation.....	44
 NOTE 2 – DEPOSITS AND INVESTMENTS	
Deposits.....	43
Investments.....	43
 NOTE 3 – RECEIVABLES.....	45
 NOTE 4 – INTERFUND ACCOUNTS	45
 NOTE 5 - CAPITAL ASSETS	
Changes in Capital Assets.....	45
Net Capital Assets	49
Construction Commitments.....	49
 NOTE 6 – INCOME FROM LEASED PROPERTY	50
 NOTE 7 – LONG-TERM LIABILITIES	
Schedule of Changes in Long-term Liabilities	50
Debt Service Requirements	51
Debt Defeasance and Refundings	51
Capital Leases	51
Bonds and Notes Payable.....	52
KUA-County Liability	53
 NOTE 8 – EMPLOYEE RETIREMENT SYSTEMS	
Description of Plans	53
Summary of Significant Accounting Policies	53
Contribution Information.....	54
Benefits Provided.....	55
Net Pension Liability of the Sponsor	59
Combining Statements of the Pension Trust Funds.....	61
 NOTE 9 – OTHER POSTEMPLOYMENT BENEFITS (OPEB)	
Plan Description.....	62
Funding Policy	62
Annual OPEB Cost and Net OPEB Obligation.....	62
Funded Status and Funding Progress	63
Actuarial Methods and Assumptions.....	63
 NOTE 10 – RISK MANAGEMENT.....	64

CITY OF KISSIMMEE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
September 30, 2014

INDEX TO NOTES
(Continued)

	PAGE
NOTE 11 – NET INVESTMENT IN CAPITAL ASSETS CALCULATION	64
NOTE 12 – FUND BALANCE DEFICITS AND DEFICT NET POSITION	65
NOTE 13 – COMMITMENTS, RELATED PARTIES, AND CONTINGENCIES	66
NOTE 14 – SPECIAL ITEM	66
NOTE 15 – SUBSEQUENT EVENTS	66

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 *Transportation Impact Fee Fund* is a special revenue fund used to account for impact fees collected and spent based on charges to new living units constructed. Revenue is restricted for transportation improvements.
- The *Kissimmee Pedestrian Bridge 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 Kissimmee Pedestrian Bridge.

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, all debt service funds, and all capital projects funds. Budgets are not adopted for the Police and Firefighters Premium Tax Fund, West Cypress Sidewalk Grant, Mobility Fee Fund, State Housing Initiative Program, Hurricane Housing Recovery Program Trust, Post Disaster Redevelopment Plan, 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, 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 recorded at amortized cost.

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 2013-2014 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

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.

I. Prepaids

Prepaids represent payments made to vendors for services that will benefit the City beyond September 30, 2014. These payments are recorded as expenditures or expenses when consumed rather than when purchased.

J. 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.

K. 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 seven-hundred and fifty 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 estimated fair value at the date of donation.

CITY OF KISSIMMEE, FLORIDA
NOTES TO FINANCIAL STATEMENTS – Continued
 September 30, 2014
(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

L. Bond/Note Issuance Costs

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

M. 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.

N. Other Postemployment Benefits

It is the City's policy to allow retirees to participate in its employee health and life insurance programs. The City accrues other postemployment benefit liabilities for the cost of providing those benefits in the government-wide and enterprise fund financial statements based on actuarial measurement annually.

O. Unearned Revenue

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

P. Deferred Inflows

Deferred inflows in the governmental funds represent transportation impact fees receivables that are earned but not available. For government-wide reporting, unavailable amounts are recognized as revenue when earned on the full accrual basis of accounting.

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

In accordance with GASB Statement No. 54, 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.
- 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 Kissimmee Pedestrian Bridge Fund and the Community Development Block Grant Fund 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 \$12,220, of which management has determined \$833 for building code enforcement is restricted by enabling legislation that is reported within the category of "other purposes".

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 held in accounts covered by Federal depository insurance was \$124. The carrying amount of the demand deposits and cash on hand at September 30, 2014 was \$490.

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,

CITY OF KISSIMMEE, FLORIDA
NOTES TO FINANCIAL STATEMENTS – Continued
September 30, 2014
(In Thousands)

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 following is a summary of the City's pooled investments (including the Pension Trust Funds) at September 30, 2014.

	Weighted Average		
	Fair Value	Maturity (Years)	Credit Rating
U.S. Government Instrumentalities	\$ 8,030	3.86	S&P AA+
SunTrust MUNI Investment	16,422	n/a	n/a
BB&T Bank Agency Project Fund	1,728	n/a	n/a
Florida PRIME	22,792	See below (1)	S&P AAAm
Total Investments	\$ 48,972		

(1) The weighted average maturity at September 30, 2014 was 39 days.

	General Employees Pension Fair Value	Weighted Average Maturity (Years)	Police Officers' Pension Fair Value	Weighted Average Maturity (Years)	Firefighters' Pension Fair Value	Weighted Average Maturity (Years)	Total All Pensions
U.S. Government Obligations	\$ 4,036	1.75	\$ -		\$ -		\$ 4,036
U.S. Government Instrumentalities	4,978	20.20	733	28.42	-		5,711
Corporate Bonds	4,688	12.77	10,252	15.20	3,227	13.77	18,167
Mutual Funds	53,088	n/a	2,937	n/a	11,740	n/a	67,765
Corporate Stocks	22,677	n/a	34,238	n/a	20,848	n/a	77,763
Total Investments	89,467		48,160		35,815		173,442
Money Market	502	n/a	997	n/a	714	n/a	2,213
Total Cash and Investments	\$ 89,969		\$ 49,157		\$ 36,529		\$ 175,655

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, 84% of them have maturities of less than one year. The City's policy requires that investments have maturities that match known cash needs and anticipated cash-flow requirements.

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.

CITY OF KISSIMMEE, FLORIDA
NOTES TO FINANCIAL STATEMENTS – Continued
September 30, 2014
(In Thousands)

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.

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, 2014. Special assessment receivables are secured by liens placed on benefited properties at the time of the original assessment.

Description	Nonmajor and Internal							Total
	General	Transportation Impact	Stormwater	Airport	Solid Waste	Service Funds	Pension Funds	
Accounts	\$ 8,380	\$ 153	\$ 333	\$ 62	\$ 427	\$ 221	\$ -	\$ 9,576
Interest	-	-	-	-	-	-	209	209
Special assessments	40	-	-	-	-	87	-	127
	8,420	153	333	62	427	308	209	9,912
Less: Allowance for uncollectibles	(1,850)	-	-	-	-	-	-	(1,850)
	<u>\$ 6,570</u>	<u>\$ 153</u>	<u>\$ 333</u>	<u>\$ 62</u>	<u>\$ 427</u>	<u>\$ 308</u>	<u>\$ 209</u>	<u>\$ 8,062</u>

NOTE 4 – INTERFUND ACCOUNTS

Individual interfund receivables, payables and transfers with a description of their purpose at September 30, 2014 are:

	<u>Due From</u>	<u>Due To</u>	<u>Purpose</u>
General Fund	\$ 689	\$ -	To cover negative pooled cash position of Funds
Kissimmee Pedestrian Bridge	-	530	To cover negative pooled cash position of Funds
Nonmajor Funds:			
Special Revenue Funds	-	159	To cover negative pooled cash position of Funds
Internal Service Funds	978	978	To cover negative pooled cash position of Funds
	<u>\$ 1,667</u>	<u>\$ 1,667</u>	
	<u>Transfer In</u>	<u>Transfers Out</u>	<u>Purpose</u>
General Fund	\$ 1,234	\$ 1,609	Transfer to cover debt service payments
Community Redevelopment Agency	-	614	Transfer to cover debt service payments
Transportation Impact Fees Fund	-	1	
Stormwater	194	223	Transfer to General Fund for PILOT
Airport	-	87	Transfer to Sales Tax fund for MLK Blvd
Solid Waste	8	217	Transfer to General Fund for PILOT
Nonmajor Funds:			
Special Revenue Funds	1,191	4,668	Transfer to cover cash balances and cover debt service
Debt Service Funds	4,487	-	Transfer to cover debt service payment
Capital Projects Funds	306	1	
	<u>\$ 7,420</u>	<u>\$ 7,420</u>	

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:

CITY OF KISSIMMEE, FLORIDA
NOTES TO FINANCIAL STATEMENTS – Continued
September 30, 2014
(In Thousands)

Governmental Activities	Beginning Balance 10/01/2013	Increases	Decreases	Ending Balance 9/30/2014
Capital Assets, Not Being Depreciated:				
Land	\$ 18,152	\$ 124	\$ -	\$ 18,276
Construction In Progress	43,839	8,916	-	52,755
Total Capital Assets, Not Being Depreciated	<u>61,991</u>	<u>9,040</u>	<u>-</u>	<u>71,031</u>
Capital Assets, Being Amortized, Net:				
Software - Charter School	3	-	-	3
Software - Other City	662	(24)	4	642
Parking Capacity	2,040	(204)	-	1,836
Total Capital Assets Being Amortized, Net	<u>2,705</u>	<u>(228)</u>	<u>4</u>	<u>2,481</u>
Capital Assets, Being Depreciated:				
Buildings				
Charter School	960	-	-	960
Other City	53,805	15	-	53,820
Improvements other than buildings				
Charter School	111	18	-	129
Other City	119,441	11,518	(170)	130,789
Equipment				
Charter School	730	64	-	794
Other City	26,595	2,477	(5,886)	23,186
Total Capital Assets Being Depreciated	<u>201,642</u>	<u>14,092</u>	<u>(6,056)</u>	<u>209,678</u>
Less Accumulated Depreciation For:				
Buildings				
Charter School	(114)	(51)	-	(165)
Other City	(24,270)	(1,628)	-	(25,898)
Improvements other than buildings				
Charter School	(83)	(3)	-	(86)
Other City	(33,559)	(2,766)	91	(36,234)
Equipment				
Charter School	(541)	(88)	-	(629)
Other City	(24,830)	(1,744)	5,874	(20,700)
Total Accumulated Depreciation	<u>(83,397)</u>	<u>(6,280)</u>	<u>5,965</u>	<u>(83,712)</u>
Total Capital Assets, Being Depreciated, Net	<u>118,245</u>	<u>7,812</u>	<u>(91)</u>	<u>125,966</u>
Governmental Activities Capital Assets, Net	<u>\$ 182,941</u>	<u>\$ 16,624</u>	<u>\$ (87)</u>	<u>\$ 199,478</u>

CITY OF KISSIMMEE, FLORIDA
NOTES TO FINANCIAL STATEMENTS – Continued
September 30, 2014
(In Thousands)

Business-type Activities	Beginning Balance 10/01/2013	Increases	Decreases	Ending Balance 9/30/2014
<u>Stormwater Fund</u>				
Capital Assets, Being Amortized, Net:				
Software	\$ 1	\$ -	\$ -	\$ 1
Total Capital Assets, Being Amortized, Net	<u>1</u>	<u>-</u>	<u>-</u>	<u>1</u>
Capital Assets, Being Depreciated:				
Buildings	93	26	-	119
Improvements other than Buildings	9,637	485	-	10,122
Equipment	2,610	555	(206)	2,959
Total Capital Assets Being Depreciated	<u>12,340</u>	<u>1,066</u>	<u>(206)</u>	<u>13,200</u>
Less Accumulated Depreciation For:				
Buildings	(1)	(3)	-	(4)
Improvements other than Buildings	(1,245)	(204)	-	(1,449)
Equipment	(1,366)	(336)	153	(1,549)
Total Accumulated Depreciation	<u>(2,612)</u>	<u>(543)</u>	<u>153</u>	<u>(3,002)</u>
Total Capital Assets, Being Depreciated, Net	<u>9,728</u>	<u>523</u>	<u>(53)</u>	<u>10,198</u>
Solid Waste Fund Capital Assets, Net	<u>\$ 9,729</u>	<u>\$ 523</u>	<u>\$ (53)</u>	<u>\$ 10,199</u>
<u>Airport Fund</u>				
Capital Assets, Not Being Depreciated:				
Land	\$ 401	\$ -	\$ -	\$ 401
Construction In Progress	2,265	2,438	-	4,703
Total Capital Assets, Not Being Depreciated	<u>2,666</u>	<u>2,438</u>	<u>-</u>	<u>5,104</u>
Capital Assets, Being Depreciated:				
Buildings	4,552	505	-	5,057
Improvements other than Buildings	24,718	1,300	-	26,018
Equipment	451	67	(48)	470
Total Capital Assets Being Depreciated	<u>29,721</u>	<u>1,872</u>	<u>(48)</u>	<u>31,545</u>
Less Accumulated Depreciation For:				
Buildings	(812)	(171)	-	(983)
Improvements other than Buildings	(4,833)	(347)	-	(5,180)
Equipment	(465)	(47)	48	(464)
Total Accumulated Depreciation	<u>(6,110)</u>	<u>(565)</u>	<u>48</u>	<u>(6,627)</u>
Total Capital Assets, Being Depreciated, Net	<u>23,611</u>	<u>1,307</u>	<u>-</u>	<u>24,918</u>
Airport Fund Capital Assets, Net	<u>\$ 26,277</u>	<u>\$ 3,745</u>	<u>\$ -</u>	<u>\$ 30,022</u>

CITY OF KISSIMMEE, FLORIDA
NOTES TO FINANCIAL STATEMENTS – Continued
September 30, 2014
(In Thousands)

	Beginning Balance 10/01/2013	Increases	Decreases	Ending Balance 9/30/2014
Solid Waste Fund				
Capital Assets, Being Depreciated:				
Buildings	\$ 5	\$ -	\$ -	\$ 5
Improvements other than Buildings	105	-	(3)	102
Equipment	4,436	527	(1,148)	3,815
Total Capital Assets Being Depreciated	<u>4,546</u>	<u>527</u>	<u>(1,151)</u>	<u>3,922</u>
Less Accumulated Depreciation For:				
Buildings	(2)	-	-	(2)
Improvements other than Buildings	(16)	(4)	3	(17)
Equipment	(2,252)	(667)	1,145	(1,774)
Total Accumulated Depreciation	<u>(2,270)</u>	<u>(671)</u>	<u>1,148</u>	<u>(1,793)</u>
Total Capital Assets, Being Depreciated, Net	<u>2,276</u>	<u>(144)</u>	<u>(3)</u>	<u>2,129</u>
Solid Waste Fund Capital Assets, Net	<u>\$ 2,276</u>	<u>\$ (144)</u>	<u>\$ (3)</u>	<u>\$ 2,129</u>
Total Business-type Activities				
Capital Assets, Not Being Depreciated:				
Land	\$ 401	\$ -	\$ -	\$ 401
Construction In Progress	2,265	2,438	-	4,703
Total Capital Assets, Not Being Depreciated	<u>2,666</u>	<u>2,438</u>	<u>-</u>	<u>5,104</u>
Capital Assets, Being Amortized, Net:				
Software	1	-	-	1
Total Capital Assets, Being Amortized, Net	<u>1</u>	<u>-</u>	<u>-</u>	<u>1</u>
Capital Assets, Being Depreciated:				
Buildings	4,650	531	-	5,181
Improvements other than Buildings	34,460	1,785	(3)	36,242
Equipment	7,497	1,149	(1,402)	7,244
Total Capital Assets Being Depreciated	<u>46,607</u>	<u>3,465</u>	<u>(1,405)</u>	<u>48,667</u>
Less Accumulated Depreciation For:				
Buildings	(815)	(174)	-	(989)
Improvements other than Buildings	(6,094)	(555)	3	(6,646)
Equipment	(4,083)	(1,050)	1,346	(3,787)
Total Accumulated Depreciation	<u>(10,992)</u>	<u>(1,779)</u>	<u>1,349</u>	<u>(11,422)</u>
Total Capital Assets, Being Depreciated, Net	<u>35,615</u>	<u>1,686</u>	<u>(56)</u>	<u>37,245</u>
Total Business-type Activities, Net	<u>\$ 38,282</u>	<u>\$ 4,124</u>	<u>\$ (56)</u>	<u>\$ 42,350</u>

CITY OF KISSIMMEE, FLORIDA
NOTES TO FINANCIAL STATEMENTS – Continued
September 30, 2014
(In Thousands)

Governmental Activities:

Depreciation and Amortization Expense By Function

General Government	\$ 1,924
Public Safety	1,803
Transportation	1,543
Culture/Recreation	838
Capital assets held by the City's internal service funds are charged to the various functions based on their usage of the assets	172
Total Governmental Activities Depreciation and Amortization	\$ 6,280

Business-type Activities:

Depreciation Expense By Function

Stormwater	\$ 543
Airport	565
Solid Waste	671
	\$ 1,779

B. Net Capital Assets

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

	Governmental Activities	Business-type Activities	Total
Land	\$ 18,276	\$ 401	\$ 18,677
Software, net	645	1	646
Parking Capacity, net	1,836	-	1,836
Buildings	54,780	5,181	59,961
Improvements other than Buildings	130,918	36,242	167,160
Equipment	23,980	7,244	31,224
Construction in Progress	52,755	4,703	57,458
	283,190	53,772	336,962
Less: Accumulated Depreciation	(83,712)	(11,422)	(95,134)
Capital Assets, net	\$ 199,478	\$ 42,350	\$ 241,828

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, 2014:

Projects	Spent-to-Date	Remaining Commitment
Oak Street Improvements	\$ 155	\$ 5,454
Shingle Creek Trail	67	4,775
Airport Improvements	4,047	3,903
Lakefront Improvements	7,003	3,321
Kissimmee Trail Bridge	5,214	2,846
Martin Luther King Roadway Improvements	3,244	1,690
Total	\$ 19,730	\$ 21,989

CITY OF KISSIMMEE, FLORIDA
NOTES TO FINANCIAL STATEMENTS – Continued
September 30, 2014
(In Thousands)

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, 2014, the total book value of assets in these categories is \$5,458 with accumulated depreciation of \$983. The following is a schedule of minimum future lease income on non-cancellable operating leases:

Year	Amount
2015	\$ 753
2016	804
2017	815
2018	786
2019	824
After 2020	<u>834</u>
Total minimum lease income	<u>\$ 4,816</u>

Total income on non-cancellable operating leases for the year ended September 30, 2014 was \$761.

NOTE 7 – LONG-TERM LIABILITIES

A. Schedule of Changes in Long-term Liabilities

The City's outstanding long-term liabilities includes revenue bonds payable, notes payable, capital leases payable, claims payable, other postemployment benefits, a Kissimmee Utility Authority (KUA) - County long-term liability, and compensated absences. The following is a schedule of changes in the City's long-term liabilities for the fiscal year ended September 30, 2014:

	Balance			Balance			Due Within	Long-term
	10/01/13	Additions	Reductions	9/30/14	One Year	Portion		
Governmental Activities:								
Revenue Notes Payable	\$ 43,313	\$ 9,600	\$ (3,150)	\$ 49,763	\$ 3,565	\$ 46,198		
Revenue Bonds Payable	287	-	(31)	256	32	224		
Capital Lease Payable	1,707	-	(369)	1,338	375	963		
KUA County Liability	593	-	(356)	237	237	-		
Claims Payable	3,546	267	(191)	3,622	1,811	1,811		
Other Postemployment Benefits	3,161	502	-	3,663	-	3,663		
Compensated Absences	<u>2,096</u>	<u>1,511</u>	<u>(1,377)</u>	<u>2,230</u>	<u>669</u>	<u>1,561</u>		
Governmental Activity								
Long-term Liabilities	<u>\$ 54,703</u>	<u>\$ 11,880</u>	<u>\$ (5,474)</u>	<u>\$ 61,109</u>	<u>\$ 6,689</u>	<u>\$ 54,420</u>		
Business-type Activities:								
Capital Lease Payable	\$ 441	\$ -	\$ (149)	\$ 292	\$ 151	\$ 141		
Other Postemployment Benefits	367	67	-	434	-	434		
Compensated Absences	<u>156</u>	<u>150</u>	<u>(121)</u>	<u>185</u>	<u>56</u>	<u>129</u>		
Business-type Activity								
Long-term Liabilities	<u>\$ 964</u>	<u>\$ 217</u>	<u>\$ (270)</u>	<u>\$ 911</u>	<u>\$ 207</u>	<u>\$ 704</u>		

Governmental activities' compensated absences, other postemployment benefits, and the KUA-County liability will be liquidated in future periods primarily by the General Fund.

CITY OF KISSIMMEE, FLORIDA
NOTES TO FINANCIAL STATEMENTS – Continued
September 30, 2014
(In Thousands)

B. Debt Service Requirements

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

Governmental Activities: Fiscal Year	Revenue Notes		Revenue Bonds		Total
	Principal	Interest	Principal	Interest	
2015	\$ 3,565	\$ 1,419	32	13	\$ 5,029
2016	3,711	1,336	34	11	5,092
2017	3,858	1,230	36	10	5,134
2018	4,005	1,120	37	8	5,170
2019	4,153	1,006	39	6	5,204
2020-2024	20,290	3,206	78	8	23,582
2025-2029	6,695	953	-	-	7,648
2030-2034	3,486	288	-	-	3,774
Total	\$ 49,763	\$ 10,558	\$ 256	\$ 56	\$ 60,633

C. Debt Defeasance and Refundings

The City advance refunds and/or defeases long-term debt primarily to reduce debt service requirements. Since U.S government securities are held in escrow for the payment of principal and interest on these bonds, they are not liabilities to the City and are not included in the City's financial statements. As of September 30, 2014, the City has the following outstanding bonds, notes, or other obligations 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:

Bond Issue	Outstanding at 10/01/13	Additions/ Reductions	Outstanding at 09/30/14
1984	\$ 2,860	\$ (860)	\$ 2,000
1986	3,020	(935)	2,085
1990	3,280	(1,020)	2,260
	<u>\$ 9,160</u>	<u>\$ (2,815)</u>	<u>\$ 6,345</u>

D. Capital Leases

The City has capital leases outstanding at year-end. The gross value of the equipment acquired with capital lease proceeds is \$3,004 for governmental activities and \$741 for business-type activities. The following is a summary schedule of these capital lease obligations and their net present value.

Year Ending September 30	Governmental Activities	Business-type Activities
2015	\$ 394	\$ 155
2016	394	143
2017	394	-
2018	197	-
Total minimum lease payments	1,379	298
Less: amount representing interest	(41)	(6)
Present value of minimum lease payments	<u>\$ 1,338</u>	<u>\$ 292</u>

CITY OF KISSIMMEE, FLORIDA
NOTES TO FINANCIAL STATEMENTS – Continued
September 30, 2014
(In Thousands)

E. Bonds and Notes Payable

The City has revenue bonds and notes outstanding at September 30, 2014. The revenue bonds and notes under governmental activities are secured by several pledged revenue sources. The following is a summary schedule of these long-term obligations of the City and their impact on those present and future pledged revenue sources:

<u>Governmental Activities:</u>	<u>Revenue Pledged</u>	<u>Amount Issued</u>	<u>Principal Outstanding</u>	<u>Total Pledged Revenue (1)</u>	<u>Future Pledged Revenue Over Debt Service Required (2)</u>	<u>Current Year Debt Srvc Paid</u>	<u>Current Year Total Revenue</u>
Revenue Notes:							
2006 Revenue Note Maturity: 2026, Interest Rate: 3.85% Purpose: Road improvements	Local option gas tax	\$ 9,000	\$ 6,285	\$ 7,973	15.5%	\$ 400	\$ 2,581
2004 CRA Redevelopment Trust Note Maturity: 2022, Interest Rate: 0.619% Purpose: CRA redevelopment plan	CRA incremental	6,000	3,768	4,124	30.1%	395	1,311
2010A Capital Improvement Refunding Note Maturity: 2023, Interest Rate: 2.61% Purpose: Refunding 2005 Series Note	Local option sales tax	9,500	7,075	8,045	10.4%	645	6,211
2010B Capital Improvement Revenue Note Maturity: 2025, Interest Rate: 2.79% Purpose: Road Improvements	Local option sales tax	8,000	6,960	8,181	8.5%	530	6,211
2010C Capital Improvement Revenue Note Maturity: 2030, Interest Rate: 2.69% Purpose: Road Improvements	Local option gas tax	4,000	3,675	4,595	6.4%	165	2,581
2011A Capital Improvement Revenue Note Maturity: 2023, Interest Rate: 3.11% Purpose: Refunding Charter School Note	School Board State grant	7,075	5,200	6,042	10.1%	490	4,876
2011B Capital Improvement Refunding Note Maturity: 2025, Interest Rate: 2.86% Purpose: Road Improvements	Local option sales tax	9,140	7,200	8,498	8.5%	525	6,211
2014 Capital Improvement Revenue Note Maturity: 2034, Interest Rate: 2.86% Purpose: Lakefrom Park & Road Improvements	Local option sales tax	9,600	<u>9,600</u>	12,864	-	-	6,211
	Total Revenue Notes		<u>49,763</u>				
Revenue Bonds:							
Excise Tax Revenue Bonds, Series 1980 Maturity: 2022, Interest Rate: 5.00% Purpose: Refunding	Infrastructure surtax	265	68	79	5.7% (3)	12	211
Excise Tax Revenue Bonds, Series 1982 Maturity: 2019, Interest Rate: 5.00% Purpose: Refunding	Infrastructure surtax	500	<u>188</u>	232	8.9% (3)	19	211
	Total Revenue Bonds		<u>256</u>				
Total Revenue Notes and Bonds - Governmental Activities			<u>\$ 50,019</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.

F. KUA - County Liability

The City agreed to a structured repayment of its liability to KUA for their reimbursement to the County of collected utility taxes remitted to the City in error from June 2007 through November 2010. The payments commenced October 1, 2011 in monthly installments for 44 months to end no later than May 1, 2015. The remaining liability is \$237 at September 30, 2014.

NOTE 8 – EMPLOYEE RETIREMENT SYSTEMS

The City administers three public employee retirement systems for all full-time employees. The employees of the Tohopekaliga Water Authority (TWA) also participate in the general employees' retirement plan. Actuarial studies were conducted on all three plans as of October 1, 2014. 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. All three plans are single-employer defined benefit plans 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, 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 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.

CITY OF KISSIMMEE, FLORIDA
NOTES TO FINANCIAL STATEMENTS – Continued
September 30, 2014
(In Thousands)

Method Used to Value Investments – Investments are reported at fair value. Short-term investments are reported at cost, which approximates fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. Investments that do not have an established market are reported at estimated fair value. Each pension plan board of trustees has the authority to establish and amend its investment policy. There were no investments in any one organization that represent 5 percent or more of plan total assets in any of the pension trust funds.

C. Contribution Information

Membership of each plan consisted of the following at October 1, 2014, the date of the latest actuarial valuations:

	Pension Plans		
	General	Police	Firefighters'
	Employees'	Officers'	
Inactive Plan Members or Beneficiaries Currently Receiving Benefits	155	93	37
Inactive Plan Members Entitled to but Not Yet Receiving Benefits	107	17	48
Active Plan Members	301	124	77
Total	563	234	162

For the fiscal year ended September 30, 2014, the following plan member and employer (including amount to be received from the State) contribution rates were actuarially determined:

	Pension Plans		
	General	Police	Firefighters'
	Employees'	Officers'	
Required Employer Contribution (<i>includes estimate for state excise tax proceeds</i>)	16.26%	35.20% ¹	43.88%
Required Plan Member Contribution	3.69% Tier 1 7.14% Tier 2	3.70% ²	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	20 Years	30 Years	30 Years
Asset Valuation Method	20% of the difference between FMV and expected actuarial value	4 yr smooth mkt	5 yr smooth mkt
Actuarial Assumptions:			
Investment rate of return	7.50%	8.00%	8.00%
Projected salary increases	Service-Based Rule	7.00%	6.86%
Post retirement benefit increases	3.00%	3.50%	3.50%
Includes inflation and payroll growth	3.00%	3.50%	3.50%
Cost-of-living adjustments	None	1% per year age 55 to 65	None

¹ Required Employer Contribution includes City and State rate

² 5.00% for Members hired after May 6, 2014

³ 3.00% for Members hired after December 31, 2012

For all plans, the amount required in order to pay current costs and amortize unfunded past service cost, if any, is provided in Chapter 112, Florida Statutes.

D. Benefits Provided

General Employees'

Retirement Age

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

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

Retirement Benefits

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

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

Delayed: Benefit continues to accrue.

Termination Benefits

Less than 5 years of credited service-return of employee contributions. 5 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 2 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 2 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 5 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 5 years from the date of eligibility. The DROP balance as of September 30, 2014 is \$1,953.

CITY OF KISSIMMEE, FLORIDA
NOTES TO FINANCIAL STATEMENTS – Continued
 September 30, 2014
(In Thousands)

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 3% for each of the first 5 years and 2% for each of the next 5 years early. The reduction for members hired after May 6, 2014 is an actuarial reduction.

Delayed: Benefit continues to accrue.

Termination Benefits

Less than 5 years of credited service-return of employee contributions with 4.5% interest. 5 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; 5 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

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, 2014 is \$227.

CITY OF KISSIMMEE, FLORIDA
NOTES TO FINANCIAL STATEMENTS – Continued
 September 30, 2014
(In Thousands)

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 earlier of 1) Age of 50 and 10 years of credited service and 2) the completion of 25 years of credited service regardless of age.

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

Retirement Benefits

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

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

Delayed: Benefit continues to accrue.

Termination Benefits

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

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

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 5 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, 2014 is \$4,112.

CITY OF KISSIMMEE, FLORIDA
NOTES TO FINANCIAL STATEMENTS – Continued
September 30, 2014
(In Thousands)

The Schedules of Funding Progress for the three defined benefit pension plans immediately following the notes to the financial statements present multi-year trend information about whether the actuarial value of plans assets is increasing or decreasing relative to the actuarial accrued liability for benefits over time.

The following schedules show the annual pension cost (APC) and actual contributions made.

<u>Plan/Fiscal Year Ended</u>	<u>APC</u>	<u>Actual</u>	<u>% of APC</u>	<u>NPO</u>
General Employees'				
09/30/12	\$ 3,169	\$ 3,169	100%	\$ -
09/30/13	3,127	3,127	100%	-
09/30/14	3,703	3,703	100%	-
Police Officers'				
09/30/12	\$ 2,734	\$ 2,735	100%	\$ (59)
09/30/13	2,995	2,996	100%	(60)
09/30/14	2,407	2,408	100%	(61)
Firefighters'				
09/30/12	\$ 1,929	\$ 1,930	100%	\$ (43)
09/30/13	1,857	1,858	100%	(44)
09/30/14	1,850	1,851	100%	(45)

The City paid in 100% of their required amount in the current year and prior two years for all three plans. Employer contributions for firefighters and police officers include on-behalf payments from the state of Florida related to state excise taxes collected on homeowner's insurance policies. The on-behalf payment amounts are recorded as revenue in the City's Police and Firefighters Premium Tax Trust Fund and as an operating expenditure for the amounts contributed to the pension funds. The following table presents the calculation of the annual pension cost and the net negative pension obligation presented as an asset on the Statement of Net Position.

Development of the Net Pension Asset

	<u>Police</u>	<u>Firefighters</u>	<u>Total</u>
Actuarially Determined			
Contribution (A)	\$ 2,408	\$ 1,851	\$ 4,259
Interest on NPO	(5)	(4)	(9)
Adjustment to (A)	<u>4</u>	<u>3</u>	<u>7</u>
Annual Pension Cost (APC)	2,407	1,850	4,257
Contributions Made	<u>2,408</u>	<u>1,851</u>	<u>4,259</u>
Increase in NPO	(1)	(1)	(2)
NPO at Beginning of Year	<u>(60)</u>	<u>(44)</u>	<u>(104)</u>
NPO at End of Year	<u>\$ (61)</u>	<u>\$ (45)</u>	<u>\$ (106)</u>

CITY OF KISSIMMEE, FLORIDA
NOTES TO FINANCIAL STATEMENTS – Continued
September 30, 2014
(In Thousands)

E. Net Pension Liability of the Sponsor

The components of the net pension liability of the sponsor as of September 30, 2014 were as follows:

	Pension Plans		
	General*	Police	Firefighters'
	Employees'	Officers'	
Total Pension Liability	\$ 69,644	\$ 57,129	\$ 44,957
Plan Fiduciary Net Position	\$ 60,522	\$ 51,517	\$ 37,484
Sponsor's Net Pension Liability	\$ 9,122	\$ 5,612	\$ 7,473
Plan Fiduciary Net Position as a percentage of Total Pension Liability	86.90%	90.18%	83.38%

* Information shown above is for the City portion only

The total pension liability for all plans was determined by an actuarial valuation as of October 1, 2013 updated to September 30, 2014 using the following actuarial assumption applied to all measurement periods.

	Pension Plans		
	General	Police	Firefighters'
	Employees'	Officers'	
Inflation	3.00%	3.50%	3.50%
Salary Increases	4.00% to 6.50%	7.00%	7.20%
Investment Rate of Return	7.50%	8.00%	8.00%

Mortality rates for the General Employees' Fund were based on the RP-2000, projected to valuation date using scale AA. Mortality rates for the Police Officers' and Firefighters' Funds were based on the RP-2000 table with no projections; based on a study of over 650 public safety funds, the table reflects a 10% margin for future mortality improvements.

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, 2014 are summarized in the following table:

CITY OF KISSIMMEE, FLORIDA
NOTES TO FINANCIAL STATEMENTS – Continued
September 30, 2014
(In Thousands)

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%	9.00%	-	-	38%	7.80%
International Equity	16%	5.00%	15%	8.50%	15%	2.20%
Domestic Fixed	20%	5.00%	-	-	-	-
Global Fixed	5%	1.50%	5%	3.50%	-	-
Real Estate	10%	10.00%	10%	4.50%	-	-
Private Equity	5%	N/A	-	-	-	-
Large Cap	-	-	10%	7.50%	-	-
Broad Cap Value	-	-	15%	7.50%	-	-
Broad Cap Growth	-	-	15%	7.50%	-	-
Fixed Income	-	-	20%	2.50%	-	-
TIPS	-	-	5%	2.50%	-	-
Managed Futures	-	-	5%	7.50%	-	-
Bonds	-	-	-	-	27%	3.70%
Convertibles	-	-	-	-	10%	5.30%
REITs	-	-	-	-	5%	8.20%
MLPs	-	-	-	-	5%	12.70%

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, 2014:

Fiscal Year 2014	Pension Plans		
	General Employees'	Police Officers'	Firefighters'
Annual Money-Weighted Rate of Return			
Net of Investment Expense	11.45%	10.56%	12.10%

Discount Rate – The discount rate used to measure the total General Employees' pension liability was 7.50%. The discount rate used to measure the total Police Officers' and Firefighters' pension liability was 8.00%.

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	Current Discount		
	1% Decrease	Rate	1% Increase
General Employees' Fund*	\$ 17,679	\$ 9,122	\$ 1,948

* Information shown above is for the City portion only

Sponsor's Net Pension Liability	Current Discount		
	1% Decrease	Rate	1% Increase
Police Officers' Fund	\$ 12,214	\$ 5,612	\$ 72
Firefighters' Fund	\$ 11,680	\$ 7,473	\$ 3,934

CITY OF KISSIMMEE, FLORIDA
NOTES TO FINANCIAL STATEMENTS – Continued
September 30, 2014
(In Thousands)

F. Combining Statements of the Pension Trust Funds

CITY OF KISSIMMEE, FLORIDA
COMBINING STATEMENT OF FIDUCIARY NET POSITION
PENSION TRUST FUNDS
September 30, 2014
(In Thousands)

	General Employees' Pension	Police Officers' Pension	Firefighters' Pension	Totals
ASSETS				
Cash and Cash Equivalents:	\$ 502	\$ 997	\$ 714	\$ 2,213
Receivable:				
Interest Receivable	121	63	25	209
Due From Government	-	-	417	417
Total Receivable:	121	63	442	626
Investments, at Fair Value:				
U.S. Government Obligations	4,036	-	-	4,036
U.S. Instrumentalities	4,978	733	-	5,711
Corporate Bonds	4,688	10,252	3,227	18,167
Corporate Stocks	22,677	34,238	20,848	77,763
Mutual Funds	53,088	2,937	11,740	67,765
Total Investments:	89,467	48,160	35,815	173,442
Total Assets	90,090	49,220	36,971	176,281
Net Position Restricted for Pension Benefits	\$ 90,090	\$ 49,220	\$ 36,971	\$ 176,281

CITY OF KISSIMMEE, FLORIDA
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
PENSION TRUST FUNDS
For The Year Ended September 30, 2014
(In Thousands)

	General Employees' Pension	Police Officers' Pension	Firefighters' Pension	Totals
ADDITIONS				
Contributions:				
Employer	\$ 3,135	\$ 2,477	\$ 1,392	\$ 7,004
Plan Members	844	253	68	1,165
State	-	501	417	918
Total Contributions	3,979	3,231	1,877	9,087
Investment earnings:				
Net increase (decrease) in fair value of investments	(384)	2,559	3,263	5,438
Interest and dividends	8,805	2,147	1,246	12,198
Total investment earnings	8,421	4,706	4,509	17,636
Less investment expense	604	299	165	1,068
Net investment earnings	7,817	4,407	4,344	16,568
Total Additions	11,796	7,638	6,221	25,655
DEDUCTIONS				
Benefits	3,483	2,957	2,063	8,503
Administrative Expense	65	47	53	165
Total Deductions	3,548	3,004	2,116	8,668
Change in Net Position	8,248	4,634	4,105	16,987
Net Position - Beginning of Year	81,842	44,586	32,866	159,294
Net Position - End of Year	\$ 90,090	\$ 49,220	\$ 36,971	\$ 176,281

The amount reported as Ending Net Position in the City's Combining Pension Trust Funds Statements differs from the amounts being disclosed in section D of this note and also the required supplemental information. This difference is due to the recognition of the December 2014 City contributions. The City does not recognize the December 2014 contributions until fiscal year 2015, while the plan actuaries recorded these contributions as a receivable in fiscal year 2014. This treatment resulted in the Net Position of the Pension Trust Funds Financial statements being higher by \$3,742 for the General Employees', \$2,297 for the Police Officers' and \$513 for the Firefighters' than the amount used to calculate the Net Pension Liability of the Sponsor. This discrepancy will be resolved in fiscal year 2015 with the implementation of GASB Statement No. 68 "Accounting and Financial Report for Pensions-An Amendment of GASB Statement No. 27"

NOTE 9 – OTHER POSTEMPLOYMENT BENEFITS (OPEB)

A. Plan Description

The City has implemented GASB Statement No. 45, *Accounting and Reporting for Postemployment Benefits Other than Pensions*, for certain post employment healthcare and life insurance benefits provided by the City. The requirements of this statement were implemented prospectively, with the actuarially determined liability of \$5,313 at October 1, 2012, the date of the most recent actuarial valuation.

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 No.45 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.

B. Funding Policy

For the OPEB Plan, contribution requirements of the City are established and may be amended through action of the City Commission. Currently, there are 536 active participants and 20 retirees and their spouses. The City's OPEB benefits are unfunded. The required contributions are based on pay-as-you-go financing requirements. There is no OPEB trust fund or equivalent arrangement into which the City would make contributions to advance-fund the obligation, as it does for its pension plans. Therefore, ultimate subsidies which are provided over time are financed directly by general assets of the City, which are invested in short-term investments in accordance with the investment policy and described previously. The interest rate used to calculate the present values and costs of OPEB must be the long-range expected return on those investments. The City selected an interest rate of 3.5% for this purpose.

C. Annual OPEB Cost and Net OPEB Obligation

The City's annual OPEB cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed 30 years.

CITY OF KISSIMMEE, FLORIDA
NOTES TO FINANCIAL STATEMENTS – Continued
September 30, 2014
(In Thousands)

The following table shows the components of the City's net obligation to the OPEB Plan:

	FY14 Valuation as of 10/01/12
Normal Cost (service cost for one year)	\$ 623
Amortization of Unfunded Actuarial Accrued Liability	216
Interest on Normal Cost and Amortization	-
Annual Required Contribution (ARC)	840
Interest on Net OPEB Obligation	123
Adjustment to ARC	(136)
Annual OPEB Cost (expense)	827
Employer Contributions Made	(258)
Increase/(Decrease) in Net OPEB Obligation	569
Net OPEB Obligation at Beginning of Year	3,528
Net OPEB Obligation at End of Year	\$ 4,097

Calculations are based upon the types of benefits provided under the terms of the OPEB plan at the time of the valuation and on the pattern of sharing of costs between the employer and plan members to that point. The City's annual OPEB cost, the percentage of annual expected employer contribution toward OPEB cost, and the net OPEB obligation for 2014, 2013 and 2012 were as follows:

Fiscal Year Ended	Annual OPEB Cost	Employer Contributions toward OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
9/30/2014	\$ 827	\$ 258	31.20%	\$ 4,097
9/30/2013	794	165	20.78%	3,528
9/30/2012	743	151	20.32%	2,895

D. Funded Status and Funding Progress

As of October 1, 2012, the OPEB Plan was unfunded. The actuarial accrued liability (AAL) for benefits was \$5,313. Assets of the OPEB Plan are valued at market; however, the current value is \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$5,313 or 0%. The covered payroll (annual payroll of active employees covered by the OPEB Plan) was \$24,289. The ratio of the UAAL to the covered payroll was 21.87%. The Schedule of Funding Progress for the OPEB plan immediately following the notes to the financial statements presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing relative to the AAL for benefits over time.

E. Actuarial Methods and Assumptions

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, termination, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the OPEB Plan and the ARC are subject to continued revision as actual results are compared with past expectations and new estimates are made about the future. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations.

CITY OF KISSIMMEE, FLORIDA
NOTES TO FINANCIAL STATEMENTS – Continued
September 30, 2014
(In Thousands)

Actuarial calculations reflect a long-term perspective and actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets. The actuarial assumptions included a payroll growth rate of 3.5%, projected salary increases of 5 – 8%, inflation rate of 3%, and healthcare inflation of 7.3%, adjusted annually to an ultimate rate of 5.4% after seven years. The remaining amortization period at September 30, 2014, was 25 years. The Normal Entry Age actuarial cost method was used, with amortization of the UAAL as a level percent of expected payroll (closed over 30 years).

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 2014, 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, 2014, the total outstanding unpaid claims were \$3,622 which includes an estimate for incurred but not reported claims. Insurance premiums paid out of this fund totaled \$8,052 for the fiscal year ended September 30, 2014. 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
2013-2014	\$ 3,546	\$ 8,128	\$ (8,052)	3,622
2012-2013	3,401	8,692	(8,547)	3,546

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)	\$ 199,478	\$ 42,350	\$ 241,828
Debt Related to Capital Assets	(51,355)	(292)	(51,647)
Other Liabilities Related to Capital Assets	(5,076)	(403)	(5,479)
Unspent Proceeds of Capital-Related Debt	5,192	-	5,192
	<u>\$ 148,239</u>	<u>\$ 41,655</u>	<u>\$ 189,894</u>

NOTE 12 – FUND BALANCE DEFICITS AND DEFICIT NET POSITION

The following funds have a deficit fund balance or net position at September 30, 2014:

<u>Fund Name</u>	<u>Deficit Amounts</u>
<u>Deficit Fund Balance</u>	
Kissimmee Pedestrian Bridge	\$ 501
Nonmajor Funds:	
Special Revenue Funds:	
Community Development Block Grant	26
<u>Deficit Net Position</u>	
Health Insurance	468

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 Self Insurance Fund will be reversed with future required funding from the General Fund and Enterprise Funds on an equitable basis.

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, 2014, the payment made by KUA to the City was \$13.6 million. KUA's total operating revenues for the fiscal year ended September 30, 2014 were \$169 million. KUA also provides customer billing services to the City's Solid Waste and Stormwater Utility Funds.

Tohopekaliga Water Authority – The Tohopekaliga Water Authority (TWA) was created effective October 1, 2003. The TWA was created pursuant to a state legislative act. The City and Osceola County agreed to transfer all assets, liabilities and operations of their water and sewer systems to the TWA. The TWA issued in excess of \$100 million in reserve bonds to pay off the City's utility revenue bonds, other outstanding obligations, and to provide for new construction and system expansion. TWA provides a payment to the City's General Fund annually. The annual amount for 2014 was \$5.0 million and all future annual amounts will be calculated based on the gross annual revenues of the system for an additional 14 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.

CITY OF KISSIMMEE, FLORIDA
NOTES TO FINANCIAL STATEMENTS – Continued
September 30, 2014
(In Thousands)

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 – Special Item

During the fiscal year, the City Commission voted to forgive the remaining balance of the advance of funds from the Local Options Sales Tax Fund to the CRA Fund. The total amount forgiven was \$1,741 and is recorded as a special item in the Statement of Revenues, Expenditures, and Changes in Fund Balances.

NOTE 15 – SUBSEQUENT EVENTS

Subsequent to September 30, 2014, the City issued Capital Improvement Revenue Notes, Series 2015A-1 and Series 2015A-2 for an amount not to exceed \$9,500 to pay for transportation infrastructure improvements. The notes are secured by a covenant to budget and appropriate moneys to pay the Notes.

REQUIRED SUPPLEMENTARY INFORMATION

Budgetary Comparison Schedules (GAAP BASIS):

- General Fund
- Major Special Revenue Funds:
 - Transportation Impact Fees Fund
 - Kissimmee Pedestrian Bridge
 - Community Redevelopment Agency

City Retirement Plans Schedules and Notes:

- Schedule of Changes in Net Pension Liability and Related Ratios Schedules of Employer Contributions
- 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 Schedules:

- Schedule of Funding Progress
- Schedule of Employer Contributions

CITY OF KISSIMMEE, FLORIDA
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
For the Year Ended September 30, 2014
(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	\$ 9,971	\$ 9,971	\$ 10,144	\$ 173
Utility taxes	6,315	6,315	6,572	257
Local business taxes	185	185	213	28
	<u>16,471</u>	<u>16,471</u>	<u>16,929</u>	<u>458</u>
Permits, Fees and Special Assessments:				
Franchise fees	142	142	140	(2)
Other permits and fees	2	2	4	2
	<u>144</u>	<u>144</u>	<u>144</u>	<u>-</u>
Intergovernmental Revenues:				
State grants	-	20	45	25
State revenue sharing	1,815	1,815	2,032	217
Half cent sales tax	3,955	3,955	4,209	254
Shared taxes and licenses	170	170	177	7
County shared revenue	1,528	1,528	1,521	(7)
Kissimmee Utility Authority	14,492	14,492	14,093	(399)
Tohopekaliga Water Authority	5,600	5,600	5,411	(189)
	<u>27,560</u>	<u>27,580</u>	<u>27,488</u>	<u>(92)</u>
Charges for Services:				
General government charges	373	373	482	109
Public safety charges	5,835	5,835	5,576	(259)
Physical environment charges	66	66	63	(3)
Transportation charges	576	576	693	117
Culture/recreation charges	1,035	1,035	1,184	149
	<u>7,885</u>	<u>7,885</u>	<u>7,998</u>	<u>113</u>
Fines and Forfeitures:				
Court fines and costs	619	619	1,561	942
Miscellaneous Revenue:				
Investment income	21	21	123	102
Rents	21	21	23	2
Other revenue	211	272	298	26
Sales of cemetery lots	117	117	103	(14)
	<u>370</u>	<u>431</u>	<u>547</u>	<u>116</u>

Continued

CITY OF KISSIMMEE, FLORIDA
BUDGETARY COMPARISON SCHEDULE - CONTINUED
GENERAL FUND
For the Year Ended September 30, 2014
(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	\$ 220	\$ 220	\$ 223	\$ 3
Charter School	667	667	667	-
Airport	2	2	2	-
Other Nonmajor Funds	12	39	110	71
Solid Waste Fund	222	222	217	(5)
Transportation Impact Fee	1	1	1	-
Fire Assessment Fees	-	-	14	14
	<u>1,124</u>	<u>1,151</u>	<u>1,234</u>	<u>83</u>
Other Sources:				
Proceeds from Sale of Capital Assets	40	40	508	468
	<u>40</u>	<u>40</u>	<u>508</u>	<u>468</u>
Total Revenues and Other Sources	<u>54,213</u>	<u>54,321</u>	<u>56,409</u>	<u>2,088</u>
EXPENDITURES AND OTHER (USES)				
General Government:				
City Commission:				
Personal Services	229	242	242	-
Operating	521	554	480	(74)
	<u>750</u>	<u>796</u>	<u>722</u>	<u>(74)</u>
City Manager:				
Personal Services	1,178	1,180	1,066	(114)
Operating	363	448	256	(192)
Capital Outlay	33	82	59	(23)
	<u>1,574</u>	<u>1,710</u>	<u>1,381</u>	<u>(329)</u>
Development Services:				
Personal Services	1,030	1,032	985	(47)
Operating	273	460	228	(232)
Capital Outlay	30	254	37	(217)
	<u>1,333</u>	<u>1,746</u>	<u>1,250</u>	<u>(496)</u>
Legal:				
Personal Services	419	420	390	(30)
Operating	596	615	110	(505)
Capital Outlay	-	2	-	(2)
	<u>1,015</u>	<u>1,037</u>	<u>500</u>	<u>(537)</u>

Continued

CITY OF KISSIMMEE, FLORIDA
BUDGETARY COMPARISON SCHEDULE - CONTINUED
GENERAL FUND
For the Year Ended September 30, 2014
(In Thousands)

	<u>Budgeted Amounts</u>		<u>Actual</u> <u>Amounts</u>	<u>Variance with</u> <u>Final Budget -</u> <u>Over (Under)</u>
	<u>Original</u>	<u>Final</u>		
EXPENDITURES AND OTHER (USES) - Continued				
General Government:				
Finance:				
Personal Services	\$ 919	\$ 960	\$ 927	\$ (33)
Operating	128	175	175	-
Capital Outlay	-	27	13	(14)
	<u>1,047</u>	<u>1,162</u>	<u>1,115</u>	<u>(47)</u>
Personnel:				
Personal Services	623	624	582	(42)
Operating	36	39	40	1
Capital Outlay	1	1	1	-
	<u>660</u>	<u>664</u>	<u>623</u>	<u>(41)</u>
Central Service Charges:				
Operating	5,443	5,443	5,438	(5)
	<u>5,443</u>	<u>5,443</u>	<u>5,438</u>	<u>(5)</u>
Total General Government	<u>11,822</u>	<u>12,558</u>	<u>11,029</u>	<u>(1,529)</u>
Public Safety:				
Police:				
Personal Services	16,430	16,468	15,669	(799)
Operating	2,129	2,243	1,990	(253)
Capital Outlay	1,339	1,719	1,073	(646)
	<u>19,898</u>	<u>20,430</u>	<u>18,732</u>	<u>(1,698)</u>
Fire:				
Personal Services	10,024	10,040	9,100	(940)
Operating	1,382	1,402	1,336	(66)
Capital Outlay	242	376	339	(37)
	<u>11,648</u>	<u>11,818</u>	<u>10,775</u>	<u>(1,043)</u>
Total Public Safety	<u>31,546</u>	<u>32,248</u>	<u>29,507</u>	<u>(2,741)</u>
Transportation:				
Public Works:				
Personal Services	2,494	2,500	2,284	(216)
Operating	2,146	2,192	2,244	52
Capital Outlay	201	329	257	(72)
	<u>4,841</u>	<u>5,021</u>	<u>4,785</u>	<u>(236)</u>
Total Transportation	<u>4,841</u>	<u>5,021</u>	<u>4,785</u>	<u>(236)</u>

Continued

CITY OF KISSIMMEE, FLORIDA
BUDGETARY COMPARISON SCHEDULE - CONTINUED
GENERAL FUND
For the Year Ended September 30, 2014
(In Thousands)

	<u>Budgeted Amounts</u>		<u>Actual</u> <u>Amounts</u>	<u>Variance with</u> <u>Final Budget -</u> <u>Over (Under)</u>
	<u>Original</u>	<u>Final</u>		
EXPENDITURES AND OTHER (USES) - Continued				
Culture/Recreation				
Recreation:				
Personal Services	\$ 3,645	\$ 3,662	\$ 3,323	\$ (339)
Operating	1,311	1,315	1,289	(26)
Capital Outlay	217	286	210	(76)
Total Culture / Recreation	<u>5,173</u>	<u>5,263</u>	<u>4,822</u>	<u>(441)</u>
Non-Departmental				
Bad Debt	855	1,680	1,617	(63)
Capital Reserves	16,843	15,673	-	(15,673)
Operating Reserves	319	319	-	(319)
Debt Service Principal	360	360	356	(4)
Debt Service Interest and Costs	40	40	21	(19)
Total Non-Departmental	<u>18,417</u>	<u>18,072</u>	<u>1,994</u>	<u>(16,078)</u>
Other (Uses)				
Transfers	667	667	667	-
Transfers	774	929	942	(13)
	<u>1,441</u>	<u>1,596</u>	<u>1,609</u>	<u>(13)</u>
Total Other (Uses)	<u>1,441</u>	<u>1,596</u>	<u>1,609</u>	<u>(13)</u>
Total Expenditures and Other (Uses)	<u>73,240</u>	<u>74,758</u>	<u>53,746</u>	<u>(21,012)</u>
Excess of Revenues and Other Sources Over Expenditures and Other (Uses)				
	(19,027)	(20,437)	2,663	23,100
Fund Balance - Beginning of Year	<u>19,027</u>	<u>20,437</u>	<u>22,315</u>	<u>1,878</u>
Fund Balance - End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 24,978</u>	<u>\$ 24,978</u>

Notes to Schedule

Budgets for the General Fund are adopted on a basis consistent with generally accepted accounting principles (GAAP). There is no difference between GAAP and the budgetary basis of accounting.

CITY OF KISSIMMEE, FLORIDA
BUDGETARY COMPARISON SCHEDULE
TRANSPORTATION IMPACT FEES FUND
For the Year Ended September 30, 2014
(In Thousands)

	<u>Budgeted Amounts</u>		<u>Actual</u> <u>Amounts</u>	<u>Variance with</u> <u>Final Budget -</u> <u>Over (Under)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Permits, Fees and Special Assessments	\$ 39	\$ 39	\$ 38	\$ (1)
Investment Income	1	1	7	6
Total Revenues	<u>40</u>	<u>40</u>	<u>45</u>	<u>5</u>
EXPENDITURES				
Transportation				
Operating	1	1	-	(1)
Capital Outlay	62	3,011	2,189	(822)
Total Expenditures	<u>63</u>	<u>3,012</u>	<u>2,189</u>	<u>(823)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(23)</u>	<u>(2,972)</u>	<u>(2,144)</u>	<u>828</u>
OTHER FINANCING (USES)				
Transfers (Out)	(1)	(1)	(1)	-
Total Other Financing (Uses)	<u>(1)</u>	<u>(1)</u>	<u>(1)</u>	<u>-</u>
Net Change in Fund Balance	(24)	(2,973)	(2,145)	828
Fund Balance - Beginning	<u>24</u>	<u>2,973</u>	<u>2,817</u>	<u>(156)</u>
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 672</u>	<u>\$ 672</u>

Notes to Schedule

The budget for the Transportation Impact Fees Fund is adopted on a basis consistent with generally accepted accounting principles (GAAP). There is no difference between GAAP and the budgetary basis of accounting.

CITY OF KISSIMMEE, FLORIDA
BUDGETARY COMPARISON SCHEDULE
KISSIMMEE PEDESTRIAN BRIDGE
For the Year Ended September 30, 2014
(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				
Intergovernmental Revenues	\$ -	\$ 2,628	\$ 5,219	\$ 2,591
Total Revenues	<u>-</u>	<u>2,628</u>	<u>5,219</u>	<u>2,591</u>
EXPENDITURES				
Transportation:				
Capital Outlay	-	8,060	5,760	(2,300)
Total Expenditures	<u>-</u>	<u>8,060</u>	<u>5,760</u>	<u>(2,300)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>-</u>	<u>(5,432)</u>	<u>(541)</u>	<u>4,891</u>
Fund Balance - Beginning	<u>-</u>	<u>5,432</u>	<u>40</u>	<u>(5,392)</u>
Fund Balance (Deficit) - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (501)</u>	<u>\$ (501)</u>

Notes to Schedule

The budget for the Kissimmee Pedestrian Bridge is adopted on a basis consistent with generally accepted accounting principles (GAAP). There is no difference between GAAP and the budgetary basis of accounting.

CITY OF KISSIMMEE, FLORIDA
BUDGETARY COMPARISON SCHEDULE
COMMUNITY REDEVELOPMENT AGENCY
For the Year Ended September 30, 2014
(In Thousands)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Over (Under)
	Original	Final		
REVENUES				
Taxes	\$ 1,324	\$ 1,324	\$ 1,311	\$ (13)
Investment Income	3	3	1	(2)
Miscellaneous Revenues	1	1	5	4
Total Revenues	1,328	1,328	1,317	(11)
EXPENDITURES				
General Government				
Operating	613	642	580	(62)
Capital Outlay	387	497	218	(279)
Total Expenditures	1,000	1,139	798	(341)
Excess (Deficiency) of Revenues Over (Under) Expenditures	328	189	519	330
OTHER FINANCING (USES) AND SPECIAL ITEM				
Transfers (Out)	(739)	(739)	(614)	125
Special Item	-	-	1,741	1,741
Total Other Financing (Uses) And Special Item	(739)	(739)	1,127	1,866
Net Change in Fund Balance	(411)	(550)	1,646	2,196
Fund Balance (Deficit) - Beginning	411	550	(946)	(1,496)
Fund Balance - Ending	\$ -	\$ -	\$ 700	\$ 700

Notes to Schedule

The budget for the Community Redevelopment Agency is adopted on a basis consistent with generally accepted accounting principles (GAAP). There is no difference between GAAP and the budgetary basis of accounting.

THIS PAGE INTENTIONALLY LEFT BLANK



CITY OF KISSIMMEE, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
September 30, 2014
(In Thousands)

1. Schedule of Changes in Net Pension Liability and Related Ratios (All Pension Plans)

	<u>General Employees'</u> <u>2014</u>	<u>Police Officers'</u> <u>2014</u>	<u>Firefighters'</u> <u>2014</u>
Total pension liability			
Service Cost	\$ 1,495	\$ 1,815	\$ 846
Interest	4,949	4,317	3,366
Change in Excess State Money	-	-	(555)
Benefit Changes	-	-	-
Difference between actual & expected experience	(5)	-	-
Assumption Changes	-	-	-
Benefit Payments	<u>(2,566)</u>	<u>(2,957)</u>	<u>(2,065)</u>
Net Change in Total Pension Liability	3,873	3,175	1,592
Total Pension Liability - Beginning	65,771	53,954	43,365
Total Pension Liability - Ending (a)	<u>\$ 69,644</u>	<u>\$ 57,129</u>	<u>\$ 44,957</u>
Plan Fiduciary Net Position			
Contributions - Employer	\$ 2,160	\$ 1,907	\$ 879
Contributions - State	-	501	417
Contributions - Member	516	253	68
Net Investment Income	5,192	4,798	3,982
Benefit Payments	(2,566)	(2,957)	(2,064)
Administrative Expense	(43)	(47)	(53)
Other	-	-	-
Net Change in Plan Fiduciary Net Position	5,259	4,455	3,229
Plan Fiduciary Net Position - Beginning	55,263	47,062	34,254
Plan Fiduciary Net Position - Ending (b)	<u>\$ 60,522</u>	<u>\$ 51,517</u>	<u>\$ 37,483</u>
Net Pension Liability - Ending (a)-(b)	9,122	5,612	7,474
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	86.90%	90.18%	83.38%
Covered Employee Payroll	\$ 12,549	\$ 6,841	\$ 4,218
Net Pension Liability as a Percentage of covered Employee Payroll	72.69%	82.03%	177.19%

This schedule is present to illustrate the requirement to show information for 10 years. However, until and 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, 2014
(In Thousands)

2. Schedule of Actuarially Determined Contributions (All Pensions Plans)

	<u>General Employees'</u> <u>2014</u>	<u>Police Officers'</u> <u>2014</u>	<u>Firefighters'</u> <u>2014</u>
Actuarially Determined Contribution	\$ 2,160	\$ 2,408	\$ 1,851
Contributions in Relation to the			
Actuarially Determined Contributions	<u>2,160</u>	<u>2,408</u>	<u>1,851</u>
Contribution Deficiency (Excess)	<u>-</u>	<u>-</u>	<u>-</u>
Covered Employee Payroll			
Contributions as a percentage of	\$ 12,549	\$ 6,841	\$ 4,218
Covered Employee Payroll	17.21%	35.20%	43.88%

Notes to Schedule

Valuation Date: 10/1/13

General Employees' only includes the City portion

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

3. Plan Changes in Benefit Terms

General Employees' - there has been no changes in benefits since the prior valuation

Police Officers' - employees hired after May 6, 2014 receives 3% of AFC for each year of service

Firefighters' - there has been no changes in benefits since the prior valuation

4. Change of Assumptions

General Employees' - there has been no changes in assumptions since the prior valuation

Police Officers' - payroll growth assumption rate changed from 2.7% to 2.3%

Firefighters' - payroll growth assumption rate changed from 2.6% to 2.0%

**CITY OF KISSIMMEE, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
September 30, 2014
(In Thousands)**

5. Methods and Assumptions used to determine contribution rates

	<u>General Employees'</u>	<u>Police Officers'</u>	<u>Firefighters'</u>
Actuarial Cost Method:	Entry Age Normal	Entry Age Normal	Entry Age Normal
Amortization Method:	Level % of pay, closed	Level % of pay, closed	Level % of pay, closed
Remaining Amortization Period:	16 Years (as of 10/01/2013)	30 Years (as of 10/01/2013)	30 Years (as of 10/01/2013)
Asset Valuation Method:	20% of the difference between FMV and expect actuarial value	4 Year Smooth	5 Year Smooth
Inflation:	3.0%	3.5%	3.5%
Payroll Increase:	4.0%	2.3%	2.0%
Salary Increase:	Service Based	7.0%	Service Based
Interest Rate	7.5%	8.0%	8.0%
Retirement Age	Age 60 and 10 years of service	Age 50 and 10 years of service, or 25 years regardless of age	Age 50 or 55 and 10 years of service, or 25 or 30 years regardless of age
Early Retirement	Age 55 and 10 years of service	Age 40 - subsidized benefit at 5% per year	Age 40 or 50 - subsidized benefit at 10% per year
Cost-of-Living Adjustment	None	1% per year from 55-65	None

6. Money-weighted Rate of Return

Fiscal Year 2014	<u>Pension Plans</u>		
	<u>General Employees'</u>	<u>Police Officers'</u>	<u>Firefighters'</u>
Annual Money-Weighted Rate of Return Net of Investment Expense	11.45%	10.56%	12.10%

CITY OF KISSIMMEE, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
September 30, 2014
(In Thousands)

7. Schedule of Funding Progress (OPEB Obligation)

Schedule of Funding Progress						
Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - Entry Age (b)	Unfunded AAL (UAAL) (b) - (a)	Funded Ratio (a)/(b)	Covered Payroll (c)	UAAL As % of Covered Payroll (b-a)/(c)
10/01/10	\$ -	\$ 4,218	\$ 4,218	0.0%	\$ 23,585	17.9%
10/01/12	\$ -	\$ 5,313	\$ 5,313	0.0%	\$ 24,289	21.9%

8. Schedule of Employer Contributions (OPEB Obligation)

Schedule of Employer Contributions				
Year Ended September 30	Annual Required Contribution	Annual Amount Contributed	Percentage Contributed	Net OPEB Obligation
2012	\$ 742	\$ 151	20.35%	\$ 2,895
2013	804	161	20.02%	3,528
2014	840	258	30.71%	4,097

OTHER SUPPLEMENTAL INFORMATION

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.

Hazard Mitigation Grant Program

To account for the revenues and expenditures related to the monies received from the Federal Emergency Management Agency to fund various mitigation projects that will prevent damage to facilities in the event of a disaster.

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.

Local Option Sales Tax

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

Building Division

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

Fire Assessment Fee

To account for fire assessment fees collected. Revenue is restricted for fire control activities.

Shingle Creek Regional Trail Grant

To account for the revenues and expenditures related to the FDOT grant to provide the construction of the Shingle Creek Regional Trail project.

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 Program Grant

To account for revenues and expenditures related to the U.S. Department of Housing and Urban Development (HUD) program to purchase and rehabilitate foreclosed homes and resell them 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.

Kissimmee Multi-Use Trail

To account for the revenues and expenditures related to the LAP Agreement with the FDOT to provide the construction of the Kissimmee Multi-Use Trail project.

Shingle Creek Trail Grant

To account for the revenues and expenditures related to the FDOT grant to provide the construction of the Shingle Creek Trail project.

Section 8 HAPP

To account for expenditures associated with various housing related projects.

West Cypress Sidewalk Grant

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

Non-Budgeted Special Revenue Funds

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.

Hurricane Housing Recovery Program Trust

To account for revenues and expenditures related to the Hurricane Housing Recovery Program Trust.

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.

2014A Revenue Note

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

2004 CRA Revenue Note

Accounts for the payment of principal and interest on the 2004 Revenue Note. Tax increment financing revenues are used for annual debt service payments.

2006 Revenue Note

Accounts for the payment of principal and interest on the 2006 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.

2011A Capital Refunding Note

Accounts for the payment of principal and interest on the 2011A Capital Refunding Note. Revenue received from the Charter School is 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 Construction Project

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

2010B Note Construction Project

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

2010C Note Construction Project

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

2005 Capital Construction Note Project

To account for the proceeds of the 2005 Revenue Note to be used for construction of a fire station and various road and design improvements.

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.

THIS PAGE INTENTIONALLY LEFT BLANK



CITY OF KISSIMMEE, FLORIDA
COMBINING BALANCE SHEET
ALL NONMAJOR GOVERNMENTAL FUNDS
September 30, 2014
(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	\$ 9,677	\$ 3,479	\$ -	\$ 13,156
Restricted Cash and Investments	-	-	6,207	6,207
Accounts Receivable (net)	32	-	-	32
Special Assessments Receivable (net)	87	-	-	87
Due from TWA	7	-	-	7
Due from Other Governments	1,864	-	-	1,864
Total Assets	\$ 11,667	\$ 3,479	\$ 6,207	\$ 21,353
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts Payable	\$ 936	\$ -	\$ 581	\$ 1,517
Contracts Payable	41	-	406	447
Accrued Liabilities	61	3,437	-	3,498
Due to Other Funds	159	-	-	159
Deposits Payable	455	-	-	455
Advanced Grants	8	-	-	8
Total Liabilities	1,660	3,437	987	6,084
Fund Balances:				
Nonspendable Supplementary Care	762	-	-	762
Restricted for Transportation Projects	3,722	-	-	3,722
Restricted for Development Services	833	-	-	833
Restricted for Economic Development	208	-	-	208
Restricted for Recreation Projects	404	-	-	404
Restricted for Construction Projects	-	-	5,220	5,220
Restricted for Other Capital Improveme	2,797	-	-	2,797
Restricted for Charter School	1,307	-	-	1,307
Assigned for Debt Service	-	42	-	42
Unassigned (Deficit)				
Special Revenue Funds	(26)	-	-	(26)
Total Fund Balances	10,007	42	5,220	15,269
Total Liabilities and Fund Balances	\$ 11,667	\$ 3,479	\$ 6,207	\$ 21,353

CITY OF KISSIMMEE, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
ALL NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended September 30, 2014
(In Thousands)

	Total Nonmajor Special Revenue Funds	Total Nonmajor Debt Service Funds	Total Nonmajor Capital Project Funds	Total Nonmajor Governmental Funds
REVENUES				
Taxes	\$ 8,792	\$ -	\$ -	\$ 8,792
Permits, Fees and Special Assessments	2,094	-	-	2,094
Intergovernmental Revenues	7,248	-	-	7,248
Charges for Services	399	-	-	399
Investment Income (Loss)	(2)	-	8	6
Miscellaneous Revenues	163	-	-	163
Total Revenues	<u>18,694</u>	<u>-</u>	<u>8</u>	<u>18,702</u>
EXPENDITURES				
Current:				
General Government	4,946	-	48	4,994
Public Safety	2,201	-	-	2,201
Transportation	3,450	-	-	3,450
Economic Environment	1,067	-	-	1,067
Culture/Recreation	1,864	-	-	1,864
Capital Outlay	-	-	6,784	6,784
Debt Service:				
Principal Retirement	369	3,181	-	3,550
Interest and Fiscal Charges	25	1,306	-	1,331
Total Expenditures	<u>13,922</u>	<u>4,487</u>	<u>6,832</u>	<u>25,241</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>4,772</u>	<u>(4,487)</u>	<u>(6,824)</u>	<u>(6,539)</u>
OTHER FINANCING SOURCES, (USES), AND SPECIAL ITEM				
Transfers In	1,191	4,487	306	5,984
Transfers (Out)	(4,668)	-	(1)	(4,669)
Issuance of Notes/Bonds/ Refunded Bonds Payable	-	-	9,600	9,600
Special Item	(1,741)	-	-	(1,741)
Total Other Financing Sources, (Uses), and Special Item	<u>(5,218)</u>	<u>4,487</u>	<u>9,905</u>	<u>9,174</u>
Net Change in Fund Balances	(446)	-	3,081	2,635
Fund Balances - Beginning	<u>10,453</u>	<u>42</u>	<u>2,139</u>	<u>12,634</u>
Fund Balances - Ending	<u>\$ 10,007</u>	<u>\$ 42</u>	<u>\$ 5,220</u>	<u>\$ 15,269</u>

CITY OF KISSIMMEE, FLORIDA
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
September 30, 2014
(In Thousands)

	<u>Local Option Gas Tax</u>	<u>Hazard Mitigation Grant Program</u>	<u>Recreation Impact Fee Fund</u>	<u>Local Option Sales Tax</u>
ASSETS				
Cash and Cash Equivalents	\$ 2,594	\$ -	\$ 406	\$ 1,771
Accounts Receivable (net)	31	-	-	-
Special Assessments Receivable (net)	-	-	-	-
Due from TWA	7	-	-	-
Due from Other Governments	178	-	-	1,034
Total Assets	<u>\$ 2,810</u>	<u>\$ -</u>	<u>\$ 406</u>	<u>\$ 2,805</u>
LIABILITIES				
Accounts Payable	\$ 21	\$ -	\$ 2	\$ 8
Contracts Payable	41	-	-	-
Accrued Liabilities	23	-	-	-
Due to Other Funds	-	-	-	-
Deposits Payable	-	-	-	-
Advanced Grants	-	-	-	-
Total Liabilities	<u>85</u>	<u>-</u>	<u>2</u>	<u>8</u>
FUND BALANCES (DEFICITS)				
Nonspendable Supplementary Care	-	-	-	-
Restricted for Transportation Projects	2,725	-	-	-
Restricted for Development Services	-	-	-	-
Restricted for Economic Development	-	-	-	-
Restricted for Recreation Projects	-	-	404	-
Restricted for Other Capital Improvements	-	-	-	2,797
Restricted for Charter School	-	-	-	-
Unassigned (Deficit)	-	-	-	-
Total Fund Balances (Deficits)	<u>2,725</u>	<u>-</u>	<u>404</u>	<u>2,797</u>
Total Liabilities and Fund Balances	<u>\$ 2,810</u>	<u>\$ -</u>	<u>\$ 406</u>	<u>\$ 2,805</u>

Continued

Building Division	Fire Assessment Fee	Shingle Creek Regional Trail	Mobility Fee Fund	State Housing Initiative Program	Victim of Crime Act
\$ 855	\$ -	\$ -	\$ 1,360	\$ 202	\$ -
-	-	-	-	1	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	2	-	-	12
<u>\$ 855</u>	<u>\$ -</u>	<u>\$ 2</u>	<u>\$ 1,360</u>	<u>\$ 203</u>	<u>\$ 12</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
22	-	-	-	-	2
-	-	2	-	-	2
-	-	-	455	-	-
-	-	-	-	-	8
<u>22</u>	<u>-</u>	<u>2</u>	<u>455</u>	<u>-</u>	<u>12</u>
-	-	-	-	-	-
-	-	-	905	-	-
833	-	-	-	-	-
-	-	-	-	203	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>833</u>	<u>-</u>	<u>-</u>	<u>905</u>	<u>203</u>	<u>-</u>
<u>\$ 855</u>	<u>\$ -</u>	<u>\$ 2</u>	<u>\$ 1,360</u>	<u>\$ 203</u>	<u>\$ 12</u>

CITY OF KISSIMMEE, FLORIDA
COMBINING BALANCE SHEET - Continued
NONMAJOR SPECIAL REVENUE FUNDS
September 30, 2014
(In Thousands)

	Justice Assistance Grant	Paving Assessments	Charter School	Neighborhood Stabilization Program
ASSETS				
Cash and Cash Equivalents	\$ 3	\$ -	\$ 1,648	\$ -
Accounts Receivable (net)	-	-	-	-
Special Assessments Receivable (net)	-	87	-	-
Due from TWA	-	-	-	-
Due from Other Governments	5	-	-	37
Total Assets	\$ 8	\$ 87	\$ 1,648	\$ 37
LIABILITIES				
Accounts Payable	\$ -	\$ -	\$ 341	\$ 4
Contracts Payable	-	-	-	-
Accrued Liabilities	8	-	-	-
Due to Other Funds	-	-	-	31
Deposits Payable	-	-	-	-
Advanced Grants	-	-	-	-
Total Liabilities	8	-	341	35
FUND BALANCES (DEFICITS)				
Nonspendable Supplementary Care	-	-	-	-
Restricted for Transportation Projects	-	87	-	-
Restricted for Development Services	-	-	-	-
Restricted for Economic Development	-	-	-	2
Restricted for Recreation Projects	-	-	-	-
Restricted for Other Capital Improvements	-	-	-	-
Restricted for Charter School	-	-	1,307	-
Unassigned (Deficit)	-	-	-	-
Total Fund Balances (Deficits)	-	87	1,307	2
Total Liabilities and Fund Balances	\$ 8	\$ 87	\$ 1,648	\$ 37

Continued

Community Development Block Grant	Kissimmee Multi-Use Trail	Shingle Creek Trail	Section 8 HAPP Fund	Police and Firefighters Premium Tax Trust	West Cypress Sidewalk Grant
\$ 73	\$ -	\$ -	\$ 3	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
151	-	28	-	417	-
<u>\$ 224</u>	<u>\$ -</u>	<u>\$ 28</u>	<u>\$ 3</u>	<u>\$ 417</u>	<u>\$ -</u>
\$ 143	\$ -	\$ -	\$ -	\$ 417	\$ -
-	-	-	-	-	-
6	-	-	-	-	-
101	-	23	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>250</u>	<u>-</u>	<u>23</u>	<u>-</u>	<u>417</u>	<u>-</u>
-	-	-	-	-	-
-	-	5	-	-	-
-	-	-	-	-	-
-	-	-	3	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
(26)	-	-	-	-	-
(26)	-	5	3	-	-
<u>\$ 224</u>	<u>\$ -</u>	<u>\$ 28</u>	<u>\$ 3</u>	<u>\$ 417</u>	<u>\$ -</u>

CITY OF KISSIMMEE, FLORIDA
COMBINING BALANCE SHEET - Continued
NONMAJOR SPECIAL REVENUE FUNDS
September 30, 2014
(In Thousands)

	Hurricane Housing Recovery Program Trust	Supplementary Care	Total Nonmajor Special Revenue Funds
ASSETS			
Cash and Cash Equivalents	\$ -	\$ 762	\$ 9,677
Accounts Receivable (net)	-	-	32
Special Assessments Receivable (net)	-	-	87
Due from TWA	-	-	7
Due from Other Governments	-	-	1,864
Total Assets	\$ -	\$ 762	\$ 11,667
LIABILITIES			
Accounts Payable	\$ -	\$ -	\$ 936
Contracts Payable	-	-	41
Accrued Liabilities	-	-	61
Due to Other Funds	-	-	159
Deposits Payable	-	-	455
Advanced Grants	-	-	8
Total Liabilities	-	-	1,660
FUND BALANCES (DEFICITS)			
Nonspendable Supplementary Care	-	762	762
Restricted for Transportation Projects	-	-	3,722
Restricted for Development Services	-	-	833
Restricted for Economic Development	-	-	208
Restricted for Recreation Projects	-	-	404
Restricted for Other Capital Improvements	-	-	2,797
Restricted for Charter School	-	-	1,307
Unassigned (Deficit)	-	-	(26)
Total Fund Balances (Deficits)	-	762	10,007
Total Liabilities and Fund Balances	\$ -	\$ 762	\$ 11,667

THIS PAGE INTENTIONALLY LEFT BLANK



CITY OF KISSIMMEE, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
For the Year Ended September 30, 2014
(In Thousands)

	Local Option Gas Tax	Hazard Mitigation Grant Program	Recreation Impact Fee Fund	Local Option Sales Tax
REVENUES				
Taxes	\$ 2,581	\$ -	\$ -	\$ 6,211
Permits, Fees and Special Assessments	-	-	486	-
Intergovernmental Revenues	-	54	-	-
Charges for Services	7	-	-	69
Investment Income (Loss)	3	-	-	(5)
Miscellaneous Revenues	2	-	136	-
Total Revenues	<u>2,593</u>	<u>54</u>	<u>622</u>	<u>6,275</u>
EXPENDITURES				
Current:				
General Government	-	-	-	554
Public Safety	-	72	-	182
Transportation	2,816	-	-	571
Economic Environment	-	-	-	-
Culture and Recreation	-	-	265	1,599
Debt Service:				
Principal Retirement	-	-	-	369
Interest and Fiscal Charges	-	-	-	25
Total Expenditures	<u>2,816</u>	<u>72</u>	<u>265</u>	<u>3,300</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(223)</u>	<u>(18)</u>	<u>357</u>	<u>2,975</u>
OTHER FINANCING SOURCES, (USES), AND SPECIAL ITEM				
Transfers In	613	-	-	165
Transfers (Out)	(934)	(79)	(71)	(2,778)
Special Item	-	-	-	(1,741)
Total Other Financing Sources, (Uses), and Special Item	<u>(321)</u>	<u>(79)</u>	<u>(71)</u>	<u>(4,354)</u>
Net Change in Fund Balances	(544)	(97)	286	(1,379)
Fund Balances (Deficits) - Beginning	3,269	97	118	4,176
Fund Balances (Deficit) - Ending	<u>\$ 2,725</u>	<u>\$ -</u>	<u>\$ 404</u>	<u>\$ 2,797</u>

Continued

Building Division	Fire Assessment Fee	Shingle Creek Regional Trail	Mobility Fee Fund	State Housing Initiative Program	Victim of Crime Act
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
926	13	-	469	-	-
-	-	3	-	251	47
316	-	-	7	-	-
1	(3)	-	1	-	-
-	-	-	-	-	-
<u>1,243</u>	<u>10</u>	<u>3</u>	<u>477</u>	<u>251</u>	<u>47</u>
-	-	-	-	-	-
711	-	-	-	-	64
-	-	3	-	-	-
-	-	-	-	52	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>711</u>	<u>-</u>	<u>3</u>	<u>-</u>	<u>52</u>	<u>64</u>
<u>532</u>	<u>10</u>	<u>-</u>	<u>477</u>	<u>199</u>	<u>(17)</u>
30	-	-	-	-	13
-	(14)	-	-	-	-
-	-	-	-	-	-
<u>30</u>	<u>(14)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>13</u>
562	(4)	-	477	199	(4)
271	4	-	428	4	4
<u>\$ 833</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 905</u>	<u>\$ 203</u>	<u>\$ -</u>

CITY OF KISSIMMEE, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - Continued
NONMAJOR SPECIAL REVENUE FUNDS
For the Year Ended September 30, 2014
(In Thousands)

	Justice Assistance Grant	Paving Assessments	Charter School	Neighborhood Stabilization Program
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ -
Permits, Fees and Special Assessments	-	200	-	-
Intergovernmental Revenues	40	-	4,876	350
Charges for Services	-	-	-	-
Investment Income (Loss)	-	-	1	-
Miscellaneous Revenues	-	-	-	-
Total Revenues	<u>40</u>	<u>200</u>	<u>4,877</u>	<u>350</u>
EXPENDITURES				
Current:				
General Government	-	-	4,392	-
Public Safety	254	-	-	-
Transportation	-	-	-	-
Economic Environment	-	-	-	366
Culture and Recreation	-	-	-	-
Debt Service:				
Principal Retirement	-	-	-	-
Interest and Fiscal Charges	-	-	-	-
Total Expenditures	<u>254</u>	<u>-</u>	<u>4,392</u>	<u>366</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(214)</u>	<u>200</u>	<u>485</u>	<u>(16)</u>
OTHER FINANCING SOURCES, (USES), AND SPECIAL ITEM				
Transfers In	213	-	-	-
Transfers (Out)	-	(113)	(667)	-
Special Item	-	-	-	-
Total Other Financing Sources, (Uses), and Special Item	<u>213</u>	<u>(113)</u>	<u>(667)</u>	<u>-</u>
Net Change in Fund Balances	(1)	87	(182)	(16)
Fund Balances (Deficits) - Beginning	<u>1</u>	<u>-</u>	<u>1,489</u>	<u>18</u>
Fund Balances (Deficit) - Ending	<u>\$ -</u>	<u>\$ 87</u>	<u>\$ 1,307</u>	<u>\$ 2</u>

Continued

Community Development Block Grant	Kissimmee Multi-Use Trail	Shingle Creek Trail	Section 8 HAPP Fund	Police and Firefighters Premium Tax Trust	West Cypress Sidewalk Grant
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
649	-	60	-	918	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	3	-	-
<u>649</u>	<u>-</u>	<u>60</u>	<u>3</u>	<u>918</u>	<u>-</u>
-	-	-	-	-	-
-	-	-	-	918	-
649	-	60	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>649</u>	<u>-</u>	<u>60</u>	<u>-</u>	<u>918</u>	<u>-</u>
-	-	-	3	-	-
-	141	-	-	-	16
-	-	-	(12)	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	141	-	(12)	-	16
-	141	-	(9)	-	16
<u>(26)</u>	<u>(141)</u>	<u>5</u>	<u>12</u>	<u>-</u>	<u>(16)</u>
<u>\$ (26)</u>	<u>\$ -</u>	<u>\$ 5</u>	<u>\$ 3</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF KISSIMMEE, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - Continued
NONMAJOR SPECIAL REVENUE FUNDS
For the Year Ended September 30, 2014
(In Thousands)

	Hurricane Housing Recovery Program Trust	Supplementary Care	Total Nonmajor Special Revenue Funds
REVENUES			
Taxes	\$ -	\$ -	\$ 8,792
Permits, Fees and Special Assessments	-	-	2,094
Intergovernmental Revenues	-	-	7,248
Charges for Services	-	-	399
Investment Income (Loss)	(1)	1	(2)
Miscellaneous Revenues	-	22	163
Total Revenues	<u>(1)</u>	<u>23</u>	<u>18,694</u>
EXPENDITURES			
Current:			
General Government	-	-	4,946
Public Safety	-	-	2,201
Transportation	-	-	3,450
Economic Environment	-	-	1,067
Culture and Recreation	-	-	1,864
Debt Service:			
Principal Retirement	-	-	369
Interest and Fiscal Charges	-	-	25
Total Expenditures	<u>-</u>	<u>-</u>	<u>13,922</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(1)</u>	<u>23</u>	<u>4,772</u>
OTHER FINANCING SOURCES, (USES), AND SPECIAL ITEM			
Transfers In	-	-	1,191
Transfers (Out)	-	-	(4,668)
Special Item	-	-	(1,741)
Total Other Financing Sources, (Uses), and Special Item	<u>-</u>	<u>-</u>	<u>(5,218)</u>
Net Change in Fund Balances	(1)	23	(446)
Fund Balances (Deficits) - Beginning	<u>1</u>	<u>739</u>	<u>10,453</u>
Fund Balances (Deficit) - Ending	<u>\$ -</u>	<u>\$ 762</u>	<u>\$ 10,007</u>

CITY OF KISSIMMEE, FLORIDA
BUDGETARY COMPARISON SCHEDULE
LOCAL OPTION GAS TAX
For the Year Ended September 30, 2014
(In Thousands)

	<u>Budget</u>	<u>Actual Amounts</u>	<u>Variance with Budget - Over (Under)</u>
REVENUES			
Taxes	\$ 2,622	\$ 2,581	\$ (41)
Charges for Services	7	7	-
Investment Income	7	3	(4)
Miscellaneous Revenues	6	2	(4)
Total Revenues	<u>2,642</u>	<u>2,593</u>	<u>(49)</u>
EXPENDITURES			
Transportation			
Personal Services	722	630	(92)
Operating	1,386	1,102	(284)
Capital Outlay	3,848	1,084	(2,764)
Total Expenditures	<u>5,956</u>	<u>2,816</u>	<u>(3,140)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(3,314)</u>	<u>(223)</u>	<u>3,091</u>
OTHER FINANCING SOURCES AND (USES)			
Transfers In	510	613	103
Transfers (Out)	(934)	(934)	-
Total Other Financing Sources and (Uses)	<u>(424)</u>	<u>(321)</u>	<u>103</u>
Net Change in Fund Balance	(3,738)	(544)	3,194
Fund Balance - Beginning	<u>3,738</u>	<u>3,269</u>	<u>(469)</u>
Fund Balance - Ending	<u>\$ -</u>	<u>\$ 2,725</u>	<u>\$ 2,725</u>

CITY OF KISSIMMEE, FLORIDA
BUDGETARY COMPARISON SCHEDULE
HAZARD MITIGATION GRANT PROGRAM
For the Year Ended September 30, 2014
(In Thousands)

	<u>Budget</u>	<u>Actual Amounts</u>	<u>Variance with Budget - Over (Under)</u>
REVENUES			
Intergovernmental Revenues	\$ 54	\$ 54	\$ -
Total Revenues	<u>54</u>	<u>54</u>	<u>-</u>
EXPENDITURES			
Public Safety			
Capital Outlay	<u>108</u>	<u>72</u>	<u>(36)</u>
Total Expenditures	<u>108</u>	<u>72</u>	<u>(36)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(54)</u>	<u>(18)</u>	<u>36</u>
OTHER FINANCING (USES)			
Transfers (Out)	<u>(54)</u>	<u>(79)</u>	<u>25</u>
Total Other Financing (Uses)	<u>(54)</u>	<u>(79)</u>	<u>(25)</u>
Net Change in Fund Balance	(108)	(97)	11
Fund Balance - Beginning	<u>108</u>	<u>97</u>	<u>(11)</u>
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF KISSIMMEE, FLORIDA
BUDGETARY COMPARISON SCHEDULE
RECREATION IMPACT FEE FUND
For the Year Ended September 30, 2014
(In Thousands)

	<u>Budget</u>	<u>Actual Amounts</u>	<u>Variance with Budget - Over (Under)</u>
REVENUES			
Permits, Fees and Special Assessments	\$ 171	\$ 486	\$ 315
Miscellaneous Revenues	<u>136</u>	<u>136</u>	<u>-</u>
Total Revenues	<u>307</u>	<u>622</u>	<u>315</u>
EXPENDITURES			
Culture and Recreation			
Capital Outlay	<u>355</u>	<u>265</u>	<u>(90)</u>
Total Expenditures	<u>355</u>	<u>265</u>	<u>(90)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(48)</u>	<u>357</u>	<u>405</u>
OTHER FINANCING (USES)			
Transfers (Out)	<u>(71)</u>	<u>(71)</u>	<u>-</u>
Total Other Financing (Uses)	<u>(71)</u>	<u>(71)</u>	<u>-</u>
Net Change in Fund Balance	(119)	286	405
Fund Balance - Beginning	<u>119</u>	<u>118</u>	<u>(1)</u>
Fund Balance - Ending	<u>\$ -</u>	<u>\$ 404</u>	<u>\$ 404</u>

CITY OF KISSIMMEE, FLORIDA
BUDGETARY COMPARISON SCHEDULE
LOCAL OPTION SALES TAX
For the Year Ended September 30, 2014
(In Thousands)

	<u>Budget</u>	<u>Actual Amounts</u>	<u>Variance with Budget - Over (Under)</u>
REVENUES			
Taxes	\$ 6,000	\$ 6,211	\$ 211
Charges for Services	-	69	69
Investment Income (Loss)	20	(5)	(25)
Total Revenues	<u>6,020</u>	<u>6,275</u>	<u>255</u>
EXPENDITURES			
General Government			
Capital Outlay	1,153	554	(599)
Public Safety			
Capital Outlay	205	182	(23)
Transportation			
Capital Outlay	1,341	571	(770)
Culture and Recreation			
Capital Outlay	1,614	1,599	(15)
Debt Service:			
Principal Retirement	369	369	
Interest and Fiscal Charges	25	25	-
Total Expenditures	<u>4,707</u>	<u>3,300</u>	<u>(1,407)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>1,313</u>	<u>2,975</u>	<u>1,662</u>
OTHER FINANCING SOURCES, (USES), AND SPECIAL ITEM			
Transfers In	85	165	80
Transfers (Out)	(2,778)	(2,778)	-
Special Item	-	(1,741)	(1,741)
Total Other Financing Sources, And Special Item	<u>(2,693)</u>	<u>(4,354)</u>	<u>(1,661)</u>
Net Change in Fund Balance	(1,380)	(1,379)	1
Fund Balance - Beginning	<u>3,121</u>	<u>4,176</u>	<u>1,055</u>
Fund Balance - Ending	<u>\$ 1,741</u>	<u>\$ 2,797</u>	<u>\$ 1,056</u>

CITY OF KISSIMMEE, FLORIDA
BUDGETARY COMPARISON SCHEDULE
BUILDING DIVISION
For the Year Ended September 30, 2014
(In Thousands)

	<u>Budget</u>	<u>Actual Amounts</u>	<u>Variance with Budget - Over (Under)</u>
REVENUES			
Permits, Fees and Special Assessments	\$ 525	\$ 926	\$ 401
Charges for Services	163	316	153
Investment Income	1	1	-
Total Revenues	<u>689</u>	<u>1,243</u>	<u>554</u>
EXPENDITURES			
Public Safety			
Personal Services	653	634	(19)
Operating	87	51	(36)
Capital Outlay	275	26	(249)
Total Expenditures	<u>1,015</u>	<u>711</u>	<u>(304)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(326)</u>	<u>532</u>	<u>858</u>
OTHER FINANCING SOURCES			
Transfers In	30	30	-
Total Other Financing Sources	<u>30</u>	<u>30</u>	<u>-</u>
Net Change in Fund Balance	(296)	562	858
Fund Balance - Beginning	<u>296</u>	<u>271</u>	<u>(25)</u>
Fund Balance - Ending	<u>\$ -</u>	<u>\$ 833</u>	<u>\$ 833</u>

CITY OF KISSIMMEE, FLORIDA
BUDGETARY COMPARISON SCHEDULE
FIRE ASSESSMENT FEE FUND
For the Year Ended September 30, 2014
(In Thousands)

	<u>Budget</u>	<u>Actual Amounts</u>	<u>Variance with Budget - Over (Under)</u>
REVENUES			
Permits, Fees and Special Assessments	\$ 13	\$ 13	\$ -
Investment (Loss)	-	(3)	(3)
Total Revenues	<u>13</u>	<u>10</u>	<u>(3)</u>
EXPENDITURES			
General Government Operating	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>13</u>	<u>10</u>	<u>(3)</u>
OTHER FINANCING (USES)			
Transfers (Out)	(13)	(14)	(1)
Total Other Financing (Uses)	<u>(13)</u>	<u>(14)</u>	<u>(1)</u>
Net Change in Fund Balance	-	(4)	(4)
Fund Balance - Beginning	-	4	4
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF KISSIMMEE, FLORIDA
BUDGETARY COMPARISON SCHEDULE
SHINGLE CREEK REGIONAL TRAIL
For the Year Ended September 30, 2014
(In Thousands)

	<u>Budget</u>	<u>Actual Amounts</u>	<u>Variance with Budget - Over (Under)</u>
REVENUES			
Intergovernmental Revenues	\$ 2,831	\$ 3	\$ (2,828)
Total Revenues	<u>2,831</u>	<u>3</u>	<u>(2,828)</u>
EXPENDITURES			
Transportation:			
Capital Outlay	2,831	3	(2,828)
Total Expenditures	<u>2,831</u>	<u>3</u>	<u>(2,828)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance - Beginning	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF KISSIMMEE, FLORIDA
BUDGETARY COMPARISON SCHEDULE
MOBILITY FEE FUND
For the Year Ended September 30, 2014
(In Thousands)

	<u>Budget</u>	<u>Actual Amounts</u>	<u>Variance with Budget - Over (Under)</u>
REVENUES			
Permits, Fees and Special Assessments	\$ 939	\$ 469	\$ (470)
Charges for Services	28	7	(21)
Investment Income	-	1	1
Total Revenues	<u>967</u>	<u>477</u>	<u>(490)</u>
EXPENDITURES			
Transportation			
Capital Outlay	1,276	-	(1,276)
Total Expenditures	<u>1,276</u>	<u>-</u>	<u>(1,276)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(309)</u>	<u>477</u>	<u>786</u>
Fund Balance - Beginning	<u>309</u>	<u>428</u>	<u>119</u>
Fund Balance - Ending	<u>\$ -</u>	<u>\$ 905</u>	<u>\$ 905</u>

CITY OF KISSIMMEE, FLORIDA
BUDGETARY COMPARISON SCHEDULE
STATE HOUSING INITIATIVE PROGRAM
For the Year Ended September 30, 2014
(In Thousands)

	<u>Budget</u>	<u>Actual Amounts</u>	<u>Variance with Budget - Over (Under)</u>
REVENUES			
Intergovernmental Revenues	\$ 433	\$ 251	\$ (182)
Total Revenues	<u>433</u>	<u>251</u>	<u>(182)</u>
EXPENDITURES			
Economic Environment			
Personal Services	17	1	(16)
Operating	<u>416</u>	<u>51</u>	<u>(365)</u>
Total Expenditures	<u>433</u>	<u>52</u>	<u>(381)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>-</u>	<u>199</u>	<u>199</u>
Fund Balance - Beginning	<u>-</u>	<u>4</u>	<u>4</u>
Fund Balance - Ending	<u>\$ -</u>	<u>\$ 203</u>	<u>\$ 203</u>

CITY OF KISSIMMEE, FLORIDA
BUDGETARY COMPARISON SCHEDULE
VICTIM OF CRIME ACT
For the Year Ended September 30, 2014
(In Thousands)

	<u>Budget</u>	<u>Actual Amounts</u>	<u>Variance with Budget - Over (Under)</u>
REVENUES			
Intergovernmental Revenues	\$ 56	\$ 47	\$ (9)
Total Revenues	<u>56</u>	<u>47</u>	<u>(9)</u>
EXPENDITURES			
Public Safety			
Personal Services	<u>70</u>	<u>64</u>	<u>(6)</u>
Total Expenditures	<u>70</u>	<u>64</u>	<u>(6)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(14)</u>	<u>(17)</u>	<u>(3)</u>
OTHER FINANCING SOURCES			
Transfers In	<u>14</u>	<u>13</u>	<u>(1)</u>
Total Other Financing Sources	<u>14</u>	<u>13</u>	<u>(1)</u>
Net Change in Fund Balance	-	(4)	(4)
Fund Balance - Beginning	<u>-</u>	<u>4</u>	<u>4</u>
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF KISSIMMEE, FLORIDA
BUDGETARY COMPARISON SCHEDULE
JUSTICE ASSISTANCE GRANT
For the Year Ended September 30, 2014
(In Thousands)

	<u>Budget</u>	<u>Actual Amounts</u>	<u>Variance with Budget - Over (Under)</u>
REVENUES			
Intergovernmental Revenues	\$ 40	\$ 40	\$ -
Total Revenues	<u>40</u>	<u>40</u>	<u>-</u>
EXPENDITURES			
Public Safety			
Personal Services	<u>254</u>	<u>254</u>	<u>-</u>
Total Expenditures	<u>254</u>	<u>254</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(214)</u>	<u>(214)</u>	<u>-</u>
OTHER FINANCING SOURCES			
Transfers In	<u>214</u>	<u>213</u>	<u>(1)</u>
Total Other Financing Sources	<u>214</u>	<u>213</u>	<u>(1)</u>
Net Change in Fund Balance	-	(1)	(1)
Fund Balance - Beginning	<u>-</u>	<u>1</u>	<u>1</u>
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF KISSIMMEE, FLORIDA
BUDGETARY COMPARISON SCHEDULE
PAVING ASSESSMENTS
For the Year Ended September 30, 2014
(In Thousands)

	<u>Budget</u>	<u>Actual Amounts</u>	<u>Variance with Budget - Over (Under)</u>
REVENUES			
Permits, Fees and Special Assessments	\$ 150	\$ 200	\$ 50
Total Revenues	<u>150</u>	<u>200</u>	<u>50</u>
EXPENDITURES			
Transportation			
Operating	145	-	(145)
Total Expenditures	<u>145</u>	<u>-</u>	<u>(145)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>5</u>	<u>200</u>	<u>195</u>
OTHER FINANCING (USES)			
Transfers (Out)	(10)	(113)	(103)
Total Other Financing (Uses)	<u>(10)</u>	<u>(113)</u>	<u>(103)</u>
Net Change in Fund Balance	(5)	87	92
Fund Balance - Beginning	<u>5</u>	<u>-</u>	<u>(5)</u>
Fund Balance - Ending	<u>\$ -</u>	<u>\$ 87</u>	<u>\$ 87</u>

CITY OF KISSIMMEE, FLORIDA
BUDGETARY COMPARISON SCHEDULE
CHARTER SCHOOL
For the Year Ended September 30, 2014
(In Thousands)

	<u>Budget</u>	<u>Actual Amounts</u>	<u>Variance with Budget - Over (Under)</u>
REVENUES			
Intergovernmental Revenues	\$ 4,876	\$ 4,876	\$ -
Investment Income	3	1	(2)
Total Revenues	<u>4,879</u>	<u>4,877</u>	<u>(2)</u>
EXPENDITURES			
General Government			
Operating	<u>5,501</u>	<u>4,392</u>	<u>(1,109)</u>
Total Expenditures	<u>5,501</u>	<u>4,392</u>	<u>(1,109)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(622)</u>	<u>485</u>	<u>1,107</u>
OTHER FINANCING (USES)			
Transfers (Out)	<u>(667)</u>	<u>(667)</u>	<u>-</u>
Total Other Financing (Uses)	<u>(667)</u>	<u>(667)</u>	<u>-</u>
Net Change in Fund Balance	(1,289)	(182)	1,107
Fund Balance - Beginning	<u>1,289</u>	<u>1,489</u>	<u>200</u>
Fund Balance - Ending	<u>\$ -</u>	<u>\$ 1,307</u>	<u>\$ 1,307</u>

CITY OF KISSIMMEE, FLORIDA
BUDGETARY COMPARISON SCHEDULE
NEIGHBORHOOD STABILIZATION PROGRAM
For the Year Ended September 30, 2014
(In Thousands)

	<u>Budget</u>	<u>Actual</u> <u>Amounts</u>	<u>Variance with</u> <u>Budget -</u> <u>Over (Under)</u>
REVENUES			
Intergovernmental Revenues	\$ -	\$ 350	\$ 350
Total Revenues	<u>-</u>	<u>350</u>	<u>350</u>
EXPENDITURES			
Economic Environment			
Personal Services	14	-	(14)
Operating	86	68	(18)
Capital Outlay	361	298	(63)
Total Expenditures	<u>461</u>	<u>366</u>	<u>(95)</u>
Excess (Deficiency) of Revenues			
Over (Under) Expenditures	<u>(461)</u>	<u>(16)</u>	<u>445</u>
Fund Balance - Beginning	<u>606</u>	<u>18</u>	<u>(588)</u>
Fund Balance - Ending	<u>\$ 145</u>	<u>\$ 2</u>	<u>\$ (143)</u>

CITY OF KISSIMMEE, FLORIDA
BUDGETARY COMPARISON SCHEDULE
COMMUNITY DEVELOPMENT BLOCK GRANT
For the Year Ended September 30, 2014
(In Thousands)

	<u>Budget</u>	<u>Actual Amounts</u>	<u>Variance with Budget - Over (Under)</u>
REVENUES			
Intergovernmental Revenues	\$ 491	\$ 649	\$ 158
Total Revenues	<u>491</u>	<u>649</u>	<u>158</u>
EXPENDITURES			
Economic Environment			
Personal Services	160	141	(19)
Operating	242	121	(121)
Capital Outlay	<u>628</u>	<u>387</u>	<u>(241)</u>
Total Expenditures	<u>1,030</u>	<u>649</u>	<u>(381)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(539)</u>	<u>-</u>	<u>539</u>
Fund Balance (Deficit) - Beginning	<u>539</u>	<u>(26)</u>	<u>(565)</u>
Fund Balance (Deficit) - Ending	<u>\$ -</u>	<u>\$ (26)</u>	<u>\$ (26)</u>

CITY OF KISSIMMEE, FLORIDA
BUDGETARY COMPARISON SCHEDULE
KISSIMMEE MULTI-USE TRAIL
For the Year Ended September 30, 2014
(In Thousands)

	<u>Budget</u>	<u>Actual Amounts</u>	<u>Variance with Budget - Over (Under)</u>
REVENUES			
Intergovernmental Revenues	\$ -	\$ -	\$ -
Total Revenues	<u>-</u>	<u>-</u>	<u>-</u>
EXPENDITURES			
Transportation			
Capital Outlay	273	-	(273)
Total Expenditures	<u>273</u>	<u>-</u>	<u>(273)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(273)</u>	<u>-</u>	<u>273</u>
OTHER FINANCING SOURCES			
Transfers In	141	141	-
Total Other Financing Sources	<u>141</u>	<u>141</u>	<u>-</u>
Net Change in Fund Balance	(132)	141	273
Fund Balance (Deficit) - Beginning	<u>132</u>	<u>(141)</u>	<u>(273)</u>
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF KISSIMMEE, FLORIDA
BUDGETARY COMPARISON SCHEDULE
SHINGLE CREEK TRAIL GRANT
For the Year Ended September 30, 2014
(In Thousands)

	<u>Budget</u>	<u>Actual Amounts</u>	<u>Variance with Budget - Over (Under)</u>
REVENUES			
Intergovernmental Revenues	\$ -	\$ 60	\$ 60
Total Revenues	<u>-</u>	<u>60</u>	<u>60</u>
EXPENDITURES			
Transportation			
Capital Outlay	94	60	(34)
Total Expenditures	<u>94</u>	<u>60</u>	<u>(34)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(94)</u>	<u>-</u>	<u>94</u>
Fund Balance - Beginning	<u>94</u>	<u>5</u>	<u>(89)</u>
Fund Balance - Ending	<u>\$ -</u>	<u>\$ 5</u>	<u>\$ 5</u>

CITY OF KISSIMMEE, FLORIDA
BUDGETARY COMPARISON SCHEDULE
SECTION 8 H.A.P.P.
For the Year Ended September 30, 2014
(In Thousands)

	<u>Budget</u>	<u>Actual Amounts</u>	<u>Variance with Budget - Over (Under)</u>
REVENUES			
Miscellaneous Revenues	\$ -	\$ 3	\$ 3
Total Revenues	<u>-</u>	<u>3</u>	<u>3</u>
EXPENDITURES			
Economic Environment			
Capital Outlay	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>-</u>	<u>3</u>	<u>3</u>
OTHER FINANCING (USES)			
Transfers (Out)	(12)	(12)	-
Total Other Financing (Uses)	<u>(12)</u>	<u>(12)</u>	<u>-</u>
Net Change in Fund Balance	(12)	(9)	3
Fund Balance - Beginning	<u>12</u>	<u>12</u>	<u>-</u>
Fund Balance - Ending	<u>\$ -</u>	<u>\$ 3</u>	<u>\$ 3</u>

CITY OF KISSIMMEE, FLORIDA
BUDGETARY COMPARISON SCHEDULE
WEST CYPRESS SIDEWALK GRANT
For the Year Ended September 30, 2014
(In Thousands)

	<u>Budget</u>	<u>Actual Amounts</u>	<u>Variance with Budget - Over (Under)</u>
REVENUES			
Intergovernmental Revenues	\$ -	\$ -	\$ -
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			
Transfers In	-	16	16
Transfers (Out)	(16)	-	(16)
Total Other Financing Sources	<u>(16)</u>	<u>16</u>	<u>-</u>
Net Change in Fund Balance	(16)	16	32
Fund Balance (Deficit) - Beginning	<u>16</u>	<u>(16)</u>	<u>(32)</u>
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF KISSIMMEE, FLORIDA
COMBINING BALANCE SHEET
NONMAJOR DEBT SERVICE FUNDS
September 30, 2014
(In Thousands)

	<u>FmHA Bond</u>	<u>2014A Revenue Note</u>	<u>2004 CRA Note</u>	<u>2006 Revenue Note</u>	<u>2010A Refunding Revenue Note</u>
ASSETS					
Cash and Cash Equivalents	\$ 42	\$ 98	\$ -	\$ 529	\$ 746
Total Assets	<u>\$ 42</u>	<u>\$ 98</u>	<u>\$ -</u>	<u>\$ 529</u>	<u>\$ 746</u>
LIABILITIES					
Accrued Interest Payable	\$ -	\$ 98	\$ -	\$ 129	\$ 101
Bonds/Notes Payable - Current	<u>-</u>	<u>-</u>	<u>-</u>	<u>400</u>	<u>645</u>
Total Liabilities	<u>-</u>	<u>98</u>	<u>-</u>	<u>529</u>	<u>746</u>
FUND BALANCES					
Assigned for Debt Service	<u>42</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Fund Balances	<u>42</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Liabilities and Fund Balances	<u>\$ 42</u>	<u>\$ 98</u>	<u>\$ -</u>	<u>\$ 529</u>	<u>\$ 746</u>

2010B Refunding Revenue Note	2010C Refunding Revenue Note	2011A Capital Refunding Note	2011B Capital Refunding Note	Total Nonmajor Debt Service Funds
\$ 634	\$ 217	\$ 578	\$ 635	\$ 3,479
<u>\$ 634</u>	<u>\$ 217</u>	<u>\$ 578</u>	<u>\$ 635</u>	<u>\$ 3,479</u>
\$ 104	\$ 52	\$ 88	\$ 110	\$ 682
530	165	490	525	2,755
<u>634</u>	<u>217</u>	<u>578</u>	<u>635</u>	<u>3,437</u>
-	-	-	-	42
-	-	-	-	42
<u>\$ 634</u>	<u>\$ 217</u>	<u>\$ 578</u>	<u>\$ 635</u>	<u>\$ 3,479</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, 2014

(In Thousands)

	<u>FmHA Bond</u>	<u>2014A Revenue Note</u>	<u>2004 CRA Note</u>	<u>2006 Revenue Note</u>	<u>2010A Refunding Revenue Note</u>
REVENUES					
Investment Income	\$ -	\$ -	\$ -	\$ -	\$ -
Total Revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXPENDITURES					
Debt Service					
Principal Retirement	31	-	395	400	645
Interest and Fiscal Charges	14	98	25	258	201
Total Expenditures	<u>45</u>	<u>98</u>	<u>420</u>	<u>658</u>	<u>846</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(45)</u>	<u>(98)</u>	<u>(420)</u>	<u>(658)</u>	<u>(846)</u>
OTHER FINANCING SOURCES					
Transfers In	45	98	420	658	846
Total Other Financing Sources	<u>45</u>	<u>98</u>	<u>420</u>	<u>658</u>	<u>846</u>
Net Change in Fund Balances	-	-	-	-	-
Fund Balances - Beginning	<u>42</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances - Ending	<u>\$ 42</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

2010B Refunding Revenue Note	2010C Refunding Revenue Note	2011A Capital Refunding Note	2011B Capital Refunding Note	Total Nonmajor Debt Service Funds
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
530	165	490	525	3,181
209	103	177	221	1,306
<u>739</u>	<u>268</u>	<u>667</u>	<u>746</u>	<u>4,487</u>
(739)	(268)	(667)	(746)	(4,487)
<u>739</u>	<u>268</u>	<u>667</u>	<u>746</u>	<u>4,487</u>
<u>739</u>	<u>268</u>	<u>667</u>	<u>746</u>	<u>4,487</u>
-	-	-	-	-
-	-	-	-	42
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 42</u>

CITY OF KISSIMMEE, FLORIDA
BUDGETARY COMPARISON SCHEDULE
FmHA BOND
For the Year Ended September 30, 2014
(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	31	31	-
Interest and Fiscal Charges	<u>56</u>	<u>14</u>	<u>(42)</u>
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	<u>45</u>	<u>45</u>	<u>-</u>
Total Other Financing Sources	<u>45</u>	<u>45</u>	<u>-</u>
Net Change in Fund Balance	(42)	-	42
Fund Balance - Beginning	<u>42</u>	<u>42</u>	<u>-</u>
Fund Balance - Ending	<u>\$ -</u>	<u>\$ 42</u>	<u>\$ 42</u>

CITY OF KISSIMMEE, FLORIDA
BUDGETARY COMPARISON SCHEDULE
2014A REVENUE NOTE
For the Year Ended September 30, 2014
(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			
Interest and Fiscal Charges	98	98	-
Total Expenditures	<u>98</u>	<u>98</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(98)</u>	<u>(98)</u>	<u>-</u>
OTHER FINANCING SOURCES			
Transfers In	98	98	-
Total Other Financing Sources	<u>98</u>	<u>98</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>

CITY OF KISSIMMEE, FLORIDA
BUDGETARY COMPARISON SCHEDULE
2004 CRA NOTE
For the Year Ended September 30, 2014
(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	395	395	-
Interest and Fiscal Charges	<u>50</u>	<u>25</u>	<u>(25)</u>
Total Expenditures	<u>445</u>	<u>420</u>	<u>(25)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(445)</u>	<u>(420)</u>	<u>25</u>
OTHER FINANCING SOURCES			
Transfers In	<u>445</u>	<u>420</u>	<u>(25)</u>
Total Other Financing Sources	<u>445</u>	<u>420</u>	<u>(25)</u>
Net Change in Fund Balance	-	-	-
Fund Balance - Beginning	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF KISSIMMEE, FLORIDA
BUDGETARY COMPARISON SCHEDULE
2006 REVENUE NOTE
For the Year Ended September 30, 2014
(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	400	400	-
Interest and Fiscal Charges	258	258	-
Total Expenditures	<u>658</u>	<u>658</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(658)</u>	<u>(658)</u>	<u>-</u>
OTHER FINANCING SOURCES			
Transfers In	658	658	-
Total Other Financing Sources	<u>658</u>	<u>658</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>

CITY OF KISSIMMEE, FLORIDA
BUDGETARY COMPARISON SCHEDULE
2010A REFUNDING REVENUE NOTE
For the Year Ended September 30, 2014
(In Thousands)

	Budget	Actual Amounts	Variance with Budget - Over (Under)
REVENUES			
Investment Income	\$ -	\$ -	\$ -
Total Revenues	-	-	-
EXPENDITURES			
Debt Service			
Principal Retirement	645	645	-
Interest and Fiscal Charges	201	201	-
Total Expenditures	846	846	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	(846)	(846)	-
OTHER FINANCING SOURCES			
Transfers In	846	846	-
Total Other Financing Sources	846	846	-
Net Change in Fund Balance	-	-	-
Fund Balance - Beginning	-	-	-
Fund Balance - Ending	\$ -	\$ -	\$ -

CITY OF KISSIMMEE, FLORIDA
BUDGETARY COMPARISON SCHEDULE
2010B REFUNDING REVENUE NOTE
For the Year Ended September 30, 2014
(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	530	530	-
Interest and Fiscal Charges	<u>209</u>	<u>209</u>	<u>-</u>
Total Expenditures	<u>739</u>	<u>739</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(739)</u>	<u>(739)</u>	<u>-</u>
OTHER FINANCING SOURCES			
Transfers In	<u>739</u>	<u>739</u>	<u>-</u>
Total Other Financing Sources	<u>739</u>	<u>739</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>

CITY OF KISSIMMEE, FLORIDA
BUDGETARY COMPARISON SCHEDULE
2010C REFUNDING REVENUE NOTE
For the Year Ended September 30, 2014
(In Thousands)

	<u>Budget</u>	<u>Actual</u> <u>Amounts</u>	<u>Variance with</u> <u>Budget -</u> <u>Over (Under)</u>
REVENUES			
Investment Income	\$ -	\$ -	\$ -
Total Revenues	<u>-</u>	<u>-</u>	<u>-</u>
EXPENDITURES			
Debt Service			
Principal Retirement	165	165	-
Interest and Fiscal Charges	<u>103</u>	<u>103</u>	<u>-</u>
Total Expenditures	<u>268</u>	<u>268</u>	<u>-</u>
Excess (Deficiency) of Revenues			
Over (Under) Expenditures	<u>(268)</u>	<u>(268)</u>	<u>-</u>
OTHER FINANCING SOURCES			
Transfers In	<u>268</u>	<u>268</u>	<u>-</u>
Total Other Financing			
Sources	<u>268</u>	<u>268</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>

CITY OF KISSIMMEE, FLORIDA
BUDGETARY COMPARISON SCHEDULE
2011A CAPITAL REFUNDING NOTE
For the Year Ended September 30, 2014
(In Thousands)

	<u>Budget</u>	<u>Actual</u> <u>Amounts</u>	<u>Variance with</u> <u>Budget -</u> <u>Over (Under)</u>
REVENUES			
Investment Income	\$ -	\$ -	\$ -
Total Revenues	<u>-</u>	<u>-</u>	<u>-</u>
EXPENDITURES			
Debt Service			
Principal Retirement	490	490	-
Interest and Fiscal Charges	<u>177</u>	<u>177</u>	<u>-</u>
Total Expenditures	<u>667</u>	<u>667</u>	<u>-</u>
Excess (Deficiency) of Revenues			
Over (Under) Expenditures	<u>(667)</u>	<u>(667)</u>	<u>-</u>
OTHER FINANCING SOURCES			
Transfers In	<u>667</u>	<u>667</u>	<u>-</u>
Total Other Financing			
Sources	<u>667</u>	<u>667</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>

CITY OF KISSIMMEE, FLORIDA
BUDGETARY COMPARISON SCHEDULE
2011B CAPITAL REFUNDING NOTE
For the Year Ended September 30, 2014
(In Thousands)

	<u>Budget</u>	<u>Actual</u> <u>Amounts</u>	<u>Variance with</u> <u>Budget -</u> <u>Over (Under)</u>
REVENUES			
Investment Income	\$ -	\$ -	\$ -
Total Revenues	<u>-</u>	<u>-</u>	<u>-</u>
EXPENDITURES			
Debt Service			
Principal Retirement	525	525	-
Interest and Fiscal Charges	221	221	-
Total Expenditures	<u>746</u>	<u>746</u>	<u>-</u>
Excess (Deficiency) of Revenues			
Over (Under) Expenditures	<u>(746)</u>	<u>(746)</u>	<u>-</u>
OTHER FINANCING SOURCES			
Transfers In	746	746	-
Total Other Financing			
Sources	<u>746</u>	<u>746</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>

CITY OF KISSIMMEE, FLORIDA
COMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECTS FUNDS
September 30, 2014
(In Thousands)

	2014A	2010B	2010C		Lakefront	Total
	Note	Note	Note	2005 Note	Sales Tax	Nonmajor
	Capital	Capital	Capital	Capital	2009A	Capital
	Project	Project	Project	Project	Capital	Projects
	Project	Project	Project	Project	Project	Funds
ASSETS						
Restricted Assets						
Cash and Cash Equivalents	\$ 4,461	\$ -	\$ 1,731	\$ -	\$ 15	\$ 6,207
Total Restricted Assets	\$ 4,461	\$ -	\$ 1,731	\$ -	\$ 15	\$ 6,207
LIABILITIES						
Accounts Payable	\$ 579	\$ -	\$ 2	\$ -	\$ -	\$ 581
Contracts Payable	406	-	-	-	-	406
Total Liabilities	985	-	2	-	-	987
FUND BALANCES						
Restricted for Construction Projects	3,476	-	1,729	-	15	5,220
Total Fund Balances	3,476	-	1,729	-	15	5,220
Total Liabilities and Fund Balances	\$ 4,461	\$ -	\$ 1,731	\$ -	\$ 15	\$ 6,207

CITY OF KISSIMMEE, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR CAPITAL PROJECTS FUNDS
For the Year Ended September 30, 2014
(In Thousands)

	2014A	2010B	2010C		Lakefront	Total
	Note	Note	Note	2005 Note	Sales Tax	Nonmajor
	Capital	Capital	Capital	Capital	2009A	Capital
	Project	Project	Project	Project	Capital	Projects
	Project	Project	Project	Project	Project	Funds
REVENUES						
Investment Income	\$ 2	\$ -	\$ 6	\$ -	\$ -	\$ 8
Total Revenues	<u>2</u>	<u>-</u>	<u>6</u>	<u>-</u>	<u>-</u>	<u>8</u>
EXPENDITURES						
General Government						
Operating	48	-	-	-	-	48
Capital Outlay	6,078	-	701	-	5	6,784
Total Expenditures	<u>6,126</u>	<u>-</u>	<u>701</u>	<u>-</u>	<u>5</u>	<u>6,832</u>
Excess (Deficiency) of Revenues						
Over (Under) Expenditures	<u>(6,124)</u>	<u>-</u>	<u>(695)</u>	<u>-</u>	<u>(5)</u>	<u>(6,824)</u>
OTHER FINANCING SOURCES AND (USES)						
Transfers In	-	306	-	-	-	306
Transfers (Out)	-	-	-	(1)	-	(1)
Issuance of Notes/Bonds/ Refunded Bonds Payable	9,600	-	-	-	-	9,600
Total Other Financing Sources	<u>9,600</u>	<u>306</u>	<u>-</u>	<u>(1)</u>	<u>-</u>	<u>9,905</u>
and (Uses)						
Net Change in Fund Balances	3,476	306	(695)	(1)	(5)	3,081
Fund Balances (Deficit) - Beginning	<u>-</u>	<u>(306)</u>	<u>2,424</u>	<u>1</u>	<u>20</u>	<u>2,139</u>
Fund Balances - Ending	<u>\$ 3,476</u>	<u>\$ -</u>	<u>\$ 1,729</u>	<u>\$ -</u>	<u>\$ 15</u>	<u>\$ 5,220</u>

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

	<u>Budget</u>	<u>Actual Amounts</u>	<u>Variance with Budget - Over (Under)</u>
REVENUES			
Investment Income	\$ -	\$ 2	\$ 2
Total Revenues	<u>-</u>	<u>2</u>	<u>2</u>
EXPENDITURES			
General Government			
Operating	49	48	(1)
Transportation			
Capital Outlay	1,358	-	(1,358)
Recreation			
Capital Outlay	<u>8,193</u>	<u>6,078</u>	<u>(2,115)</u>
Total Expenditures	<u>9,600</u>	<u>6,126</u>	<u>(3,474)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(9,600)</u>	<u>(6,124)</u>	<u>3,476</u>
OTHER FINANCING SOURCES			
Issuance of Notes Payable	<u>9,600</u>	<u>9,600</u>	<u>-</u>
Total Other Financing Sources	<u>9,600</u>	<u>9,600</u>	<u>-</u>
Net Change in Fund Balance	-	3,476	3,476
Fund Balance - Beginning	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance - Ending	<u>\$ -</u>	<u>\$ 3,476</u>	<u>\$ 3,476</u>

CITY OF KISSIMMEE, FLORIDA
BUDGETARY COMPARISON SCHEDULE
2010B NOTE CAPITAL PROJECT
For the Year Ended September 30, 2014
(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	335	-	(335)
Total Expenditures	<u>335</u>	<u>-</u>	<u>(335)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(335)</u>	<u>-</u>	<u>335</u>
OTHER FINANCING SOURCES			
Transfers In	306	306	-
Total Other Financing Sources	<u>306</u>	<u>306</u>	<u>-</u>
Net Change in Fund Balance	(29)	306	335
Fund Balance (Deficit) - Beginning	<u>29</u>	<u>(306)</u>	<u>(335)</u>
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF KISSIMMEE, FLORIDA
BUDGETARY COMPARISON SCHEDULE
2010C NOTE CAPITAL PROJECT
For the Year Ended September 30, 2014
(In Thousands)

	<u>Budget</u>	<u>Actual Amounts</u>	<u>Variance with Budget - Over (Under)</u>
REVENUES			
Investment Income	\$ -	\$ 6	\$ 6
Total Revenues	<u>-</u>	<u>6</u>	<u>6</u>
EXPENDITURES			
Transportation			
Capital Outlay	2,422	701	(1,721)
Total Expenditures	<u>2,422</u>	<u>701</u>	<u>(1,721)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(2,422)</u>	<u>(695)</u>	<u>1,727</u>
Fund Balance - Beginning	<u>2,422</u>	<u>2,424</u>	<u>2</u>
Fund Balance - Ending	<u>\$ -</u>	<u>\$ 1,729</u>	<u>\$ 1,729</u>

CITY OF KISSIMMEE, FLORIDA
BUDGETARY COMPARISON SCHEDULE
2005 NOTE CAPITAL PROJECT
For the Year Ended September 30, 2014
(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 (USES)			
Transfers (Out)	(1)	(1)	-
Total Other Financing (Uses)	<u>(1)</u>	<u>(1)</u>	<u>-</u>
Net Change in Fund Balance	(1)	(1)	-
Fund Balance - Beginning	<u>1</u>	<u>1</u>	<u>-</u>
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF KISSIMMEE, FLORIDA
BUDGETARY COMPARISON SCHEDULE
LAKEFRONT SALES TAX 2009A CAPITAL PROJECT
For the Year Ended September 30, 2014
(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	21	5	(16)
Total Expenditures	<u>21</u>	<u>5</u>	<u>(16)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(21)</u>	<u>(5)</u>	<u>16</u>
Fund Balance - Beginning	<u>21</u>	<u>20</u>	<u>(1)</u>
Fund Balance - Ending	<u>\$ -</u>	<u>\$ 15</u>	<u>\$ 15</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, 2014
(In Thousands)

	Central Services	Health Insurance	Risk Management	Total
ASSETS				
Current Assets:				
Cash and Cash Equivalents	\$ 1,194	\$ 513	\$ 3,975	\$ 5,682
Accounts Receivable (net)	163	-	26	189
Due from Other Funds	-	-	978	978
Due from KUA	1	-	-	1
Due from TWA	281	178	226	685
Inventories	218	-	-	218
Total Current Assets	1,857	691	5,205	7,753
Capital Assets:				
Buildings	71	-	-	71
Improvements Other Than Building	2,233	90	124	2,447
Machinery, Equipment and Vehicles	2,612	10	3	2,625
Less Accumulated Depreciation	(3,506)	(7)	(55)	(3,568)
Total Capital Assets	1,410	93	72	1,575
Total Assets	3,267	784	5,277	9,328
LIABILITIES				
Current Liabilities:				
Accounts Payable	589	36	35	660
Accrued Liabilities	69	-	-	69
Due to Other Funds	-	978	-	978
Deposits	-	81	-	81
Compensated Absences Payable	39	-	-	39
Estimated Claims Payable	-	78	1,732	1,810
Total Current Liabilities	697	1,173	1,767	3,637
Noncurrent Liabilities:				
Compensated Absences Payable	90	-	-	90
Other Postemployment Benefits	242	-	-	242
Estimated Claims Payable	-	79	1,732	1,811
Total Noncurrent Liabilities	332	79	1,732	2,143
Total Liabilities	1,029	1,252	3,499	5,780
NET POSITION				
Investment in Capital Assets	1,410	93	72	1,575
Unrestricted (Deficit)	828	(561)	1,706	1,973
Total Net Position (Deficit)	\$ 2,238	\$ (468)	\$ 1,778	\$ 3,548

CITY OF KISSIMMEE, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
INTERNAL SERVICE FUNDS
For The Year Ended September 30, 2014
(In Thousands)

	<u>Central Services</u>	<u>Health Insurance</u>	<u>Risk Management</u>	<u>Total</u>
Operating Revenues:				
Charges for Services	\$ 6,446	\$ 7,249	\$ 1,997	\$ 15,692
Miscellaneous Revenues	150	28	-	178
Total Operating Revenues	<u>6,596</u>	<u>7,277</u>	<u>1,997</u>	<u>15,870</u>
Operating Expenses:				
Personal Services	2,244	-	22	2,266
Contracted Services	590	1,206	21	1,817
Supplies and Materials	142	55	-	197
Repairs and Maintenance	1,848	-	-	1,848
Other Services and Charges	1,177	2	48	1,227
Depreciation	166	5	2	173
Claims/Premium Expense	62	5,993	2,168	8,223
Total Operating Expenses	<u>6,229</u>	<u>7,261</u>	<u>2,261</u>	<u>15,751</u>
Operating Income (Loss)	<u>367</u>	<u>16</u>	<u>(264)</u>	<u>119</u>
Nonoperating Revenues and Expenses:				
Investment Income (Loss)	3	(2)	-	1
Gain or (Loss) on Sale of Capital Assets	8	-	-	8
Insurance Recoveries	-	-	173	173
Total Nonoperating Revenues and Expenses	<u>11</u>	<u>(2)</u>	<u>173</u>	<u>182</u>
Change in Net Position	378	14	(91)	301
Total Net Position (Deficit) - Beginning	<u>1,860</u>	<u>(482)</u>	<u>1,869</u>	<u>3,247</u>
Total Net Position (Deficit) - Ending	<u>\$ 2,238</u>	<u>\$ (468)</u>	<u>\$ 1,778</u>	<u>\$ 3,548</u>

CITY OF KISSIMMEE, FLORIDA
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
For The Year Ended September 30, 2014
(In Thousands)

	<u>Central Services</u>	<u>Health Insurance</u>	<u>Risk Management</u>	<u>Total</u>
Cash Flows from Operating Activities				
Receipts from Customers and Users	\$ 6,906	\$ 7,482	\$ 1,999	\$ 16,387
Payments to Suppliers	(3,843)	(7,496)	(1,975)	(13,314)
Payments to Employees	(2,230)	-	(22)	(2,252)
Net Cash Provided (Used) by Operating Activities	<u>833</u>	<u>(14)</u>	<u>2</u>	<u>821</u>
Cash Flows from Noncapital Financing Activities				
Advance from / (to) Other Funds	-	178	(178)	-
Net Cash Provided (Used) by Noncapital Financing Activities	<u>-</u>	<u>178</u>	<u>(178)</u>	<u>-</u>
Cash Flows from Capital and Related Financing Activities				
Acquisition/Construction of Capital Assets	(1,148)	-	-	(1,148)
Proceeds from Sales of Capital Assets	13	-	-	13
Proceeds from Insurance Recoveries	-	-	173	173
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(1,135)</u>	<u>-</u>	<u>173</u>	<u>(962)</u>
Cash Flows from Investing Activities				
Gain (Loss) on Investments	3	(2)	-	1
Net Cash Provided (Used) by Investing Activities	<u>3</u>	<u>(2)</u>	<u>-</u>	<u>1</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(299)	162	(3)	(140)
Cash and Cash Equivalents at Beginning of Year	1,493	351	3,978	5,822
Cash and Cash Equivalents at End of Year	<u>\$ 1,194</u>	<u>\$ 513</u>	<u>\$ 3,975</u>	<u>\$ 5,682</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities				
Operating Income (Loss)	\$ 367	\$ 16	\$ (264)	\$ 119
Depreciation	166	5	2	173
Changes in Assets and Liabilities:				
(Increase) Decrease in Due from KUA	5	-	-	5
(Increase) Decrease in Due from TWA	(165)	123	3	(39)
(Increase) Decrease in Accounts Receivable	305	1	(1)	305
(Increase) Decrease in Inventories	(15)	-	-	(15)
Increase (Decrease) in Accounts Payable	140	(49)	(4)	87
Increase (Decrease) in Accrued Liabilities	(3)	-	-	(3)
Increase (Decrease) in Deposits Payable	-	81	-	81
Increase (Decrease) in Claims Payable	-	(191)	266	75
Increase (Decrease) in OPEB	34	-	-	34
Increase (Decrease) in Compensated Absences	(1)	-	-	(1)
Total Adjustments	<u>466</u>	<u>(30)</u>	<u>266</u>	<u>702</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ 833</u>	<u>\$ (14)</u>	<u>\$ 2</u>	<u>\$ 821</u>

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

THIS PAGE INTENTIONALLY LEFT BLANK



City of Kissimmee, Florida
Statistical Section
September 30, 2014

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

Financial Trends

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

Revenue Capacity

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

Debt Capacity

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

Demographic and Economic Information

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

Operating Information

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

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

Schedule 1
City of Kissimmee, Florida

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

Last Ten Fiscal Years

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
<u>Governmental activities</u>										
Net investment										
in capital assets	\$ 81,187	\$ 73,416	\$ 96,296	\$ 110,615	\$ 118,647	\$ 124,615	\$ 127,332	\$ 130,537	\$ 137,945	\$ 148,239
Restricted	15,706	19,106	10,346	15,367	14,939	14,574	16,573	17,963	14,019	12,220
Unrestricted	19,132	16,778	8,424	16,184	11,698	12,385	12,589	16,872	19,796	25,233
Total governmental activities net position	<u>\$ 116,025</u>	<u>\$ 109,300</u>	<u>\$ 115,066</u>	<u>\$ 142,166</u>	<u>\$ 145,284</u>	<u>\$ 151,574</u>	<u>\$ 156,494</u>	<u>\$ 165,372</u>	<u>\$ 171,760</u>	<u>\$ 185,692</u>
<u>Business-type activities</u>										
Net investment										
in capital assets	\$ 17,558	\$ 18,391	\$ 24,381	\$ 27,711	\$ 30,631	\$ 30,997	\$ 31,091	\$ 34,488	\$ 37,374	\$ 41,655
Restricted	-	-	740	685	705	86	101	1,383	388	12
Unrestricted	2,203	2,307	1,040	3,130	3,173	4,564	4,896	2,842	3,549	4,509
Total business-type activities net position	<u>\$ 19,761</u>	<u>\$ 20,698</u>	<u>\$ 26,161</u>	<u>\$ 31,526</u>	<u>\$ 34,509</u>	<u>\$ 35,647</u>	<u>\$ 36,088</u>	<u>\$ 38,713</u>	<u>\$ 41,311</u>	<u>\$ 46,176</u>
<u>Primary government</u>										
Net investment										
in capital assets	\$ 98,745	\$ 91,807	\$ 120,677	\$ 138,326	\$ 149,278	\$ 155,612	\$ 158,423	\$ 165,025	\$ 175,319	\$ 189,894
Restricted	15,706	19,106	11,086	16,052	15,644	14,660	16,674	19,346	14,407	12,232
Unrestricted	21,335	19,085	9,464	19,314	14,871	16,949	17,485	19,714	23,345	29,742
Total primary government net position	<u>\$ 135,786</u>	<u>\$ 129,998</u>	<u>\$ 141,227</u>	<u>\$ 173,692</u>	<u>\$ 179,793</u>	<u>\$ 187,221</u>	<u>\$ 192,582</u>	<u>\$ 204,085</u>	<u>\$ 213,071</u>	<u>\$ 231,868</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

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Expenses										
Governmental activities:										
General government	\$ 18,949	\$ 19,755	\$ 25,795	\$ 24,294	\$ 24,965	\$ 27,460	\$ 29,095	\$ 29,314	\$ 32,203	\$ 34,892
Public safety	25,344	33,942	29,623	30,949	31,839	27,219	30,980	30,865	31,600	32,134
Physical environment	2,531	1,989	1,500	82	-	2,912	-	-	-	-
Transportation	6,317	5,948	370	2,724	5,841	7,040	6,966	5,883	6,559	7,738
Economic environment	11	-	1,663	2,663	1,251	3,178	1,939	845	1,526	1,053
Culture/Recreation	5,830	6,339	6,840	8,162	6,524	6,031	4,778	5,924	5,430	5,499
Interest on long-term debt	1,352	558	1,572	1,531	1,261	1,259	1,307	1,520	1,332	1,352
Total governmental activities expenses	\$ 60,334	\$ 68,531	\$ 67,363	\$ 70,405	\$ 71,681	\$ 75,099	\$ 75,065	\$ 74,351	\$ 78,650	\$ 82,668
Business-type activities:										
Stormwater	\$ 1,721	\$ 1,992	\$ 3,771	\$ 2,805	\$ 3,180	\$ 3,030	\$ 3,085	\$ 3,312	\$ 3,409	\$ 3,546
Airport	707	781	887	967	1,031	1,009	1,060	1,181	1,248	1,231
Solid waste	2,938	3,321	2,221	3,827	3,739	3,506	3,856	3,855	3,773	4,107
Total business-type activities expenses	\$ 5,366	\$ 6,094	\$ 6,879	\$ 7,599	\$ 7,950	\$ 7,545	\$ 8,001	\$ 8,348	\$ 8,430	\$ 8,884
Total primary government net expenses	\$ 65,700	\$ 74,625	\$ 74,242	\$ 78,004	\$ 79,631	\$ 82,644	\$ 83,066	\$ 82,699	\$ 87,080	\$ 91,552
Program revenues										
Governmental activities:										
Charges for services - general government	\$ 5,913	\$ 6,304	\$ 15,532	\$ 13,384	\$ 12,039	\$ 12,176	\$ 16,193	\$ 18,328	\$ 18,661	\$ 21,352
Charges for services - public safety	5,018	6,195	4,282	5,653	7,892	8,062	7,587	8,349	10,255	8,136
Charges for services - all others	3,106	1,777	4,606	2,746	2,043	2,392	2,431	2,998	1,956	2,030
Operating grants and contributions	3,053	971	2,839	2,592	1,069	3,614	1,016	445	1,039	894
Capital grants and contributions	1,468	2,493	3,227	2,299	1,744	3,593	4,790	2,210	1,988	7,455
Total governmental activities program revenues	\$ 18,558	\$ 17,740	\$ 30,486	\$ 26,674	\$ 24,787	\$ 29,837	\$ 32,017	\$ 32,330	\$ 33,899	\$ 39,867
Business-type activities:										
Charges for services - stormwater	\$ 1,238	\$ 1,852	\$ 2,175	\$ 3,317	\$ 3,535	\$ 3,602	\$ 3,701	\$ 3,886	\$ 4,399	\$ 4,432
Charges for services - airport	743	858	859	890	899	859	856	878	824	925
Charges for services - solid waste	3,163	3,230	3,669	3,772	3,963	3,724	3,928	4,324	4,608	4,822
Operating grants and contributions	-	25	-	-	-	-	-	-	-	-
Capital grants and contributions	3,007	1,860	4,811	4,164	2,687	665	289	3,152	1,749	3,890
Total business-type activities program revenues	\$ 8,151	\$ 7,825	\$ 11,514	\$ 12,143	\$ 11,084	\$ 8,850	\$ 8,774	\$ 12,240	\$ 11,580	\$ 14,069
Total primary government program revenues	\$ 26,709	\$ 25,565	\$ 42,000	\$ 38,817	\$ 35,871	\$ 38,687	\$ 40,791	\$ 44,570	\$ 45,479	\$ 53,936
Net (expense) / revenue										
Governmental activities	\$(41,776)	\$(50,791)	\$(36,877)	\$(43,731)	\$(46,894)	\$(45,262)	\$(43,048)	\$(42,021)	\$(44,751)	\$(42,801)
Business-type activities	2,785	1,731	4,635	4,544	3,134	1,305	773	3,892	3,150	5,185
Total primary government net expense	\$(38,991)	\$(49,060)	\$(32,242)	\$(39,187)	\$(43,760)	\$(43,957)	\$(42,275)	\$(38,129)	\$(41,601)	\$(37,616)

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

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
General revenues and other										
<u>changes in net position</u>										
Governmental activities:										
Property tax	\$ 9,542	\$ 14,480	\$ 19,219	\$ 15,405	\$ 15,174	\$ 15,818	\$ 12,175	\$ 11,146	\$ 11,085	\$ 11,456
Sales tax	11,139	10,759	10,015	9,992	8,381	8,473	8,832	9,135	9,601	10,420
Public service tax	5,795	6,105	6,297	6,490	6,403	6,439	5,755	6,480	6,389	6,572
Gas tax	2,583	2,697	2,656	2,430	2,428	2,375	2,284	2,397	2,634	2,581
State revenue sharing	1,941	1,890	1,851	1,708	1,518	1,521	1,597	1,672	1,838	2,517
Other taxes	-	-	-	1,273	1,192	1,274	2,069	2,262	2,389	2,032
Franchise fees ⁽¹⁾	89	77	-	-	144	143	142	133	141	140
Unrestricted intergovernmental revenues	13,363	14,043	13,670	13,610	13,317	13,670	13,264	14,370	15,000	19,616
Investment income (loss)	2,416	(1,464)	(11,504)	18,744	292	180	90	920	178	138
Miscellaneous revenues	3,618	1,920	1,519	951	990	1,151	1,420	951	1,116	765
Gain on sale of capital assets	-	-	-	-	-	328	-	157	202	171
Transfers in (out)	(612)	429	(1,080)	228	173	180	340	1,276	566	325
Total governmental activities	\$ 49,874	\$ 50,936	\$ 42,643	\$ 70,831	\$ 50,012	\$ 51,552	\$ 47,968	\$ 50,899	\$ 51,139	\$ 56,733
Business-type activities:										
Investment income (loss)	\$ -	\$ 56	\$ (252)	\$ 1,049	\$ 22	\$ 13	\$ 8	\$ 9	\$ 14	\$ 5
Gain on sale of capital assets	-	-	-	-	-	-	-	-	-	-
Transfers in (out)	612	(429)	1,080	(228)	(173)	(180)	(340)	(1,276)	(566)	(325)
Total business-type activities	\$ 612	\$ (373)	\$ 828	\$ 821	\$ (151)	\$ (167)	\$ (332)	\$ (1,267)	\$ (552)	\$ (320)
Total primary government	\$ 50,486	\$ 50,563	\$ 43,471	\$ 71,652	\$ 49,861	\$ 51,385	\$ 47,636	\$ 49,632	\$ 50,587	\$ 56,413
<u>Change in net position</u>										
Governmental activities	\$ 8,098	\$ 145	\$ 5,766	\$ 27,100	\$ 3,118	\$ 6,290	\$ 4,920	\$ 8,878	\$ 6,388	\$ 13,932
Business-type activities	3,397	1,358	5,463	5,365	2,983	1,138	441	2,625	2,598	4,865
	\$ 11,495	\$ 1,503	\$ 11,229	\$ 32,465	\$ 6,101	\$ 7,428	\$ 5,361	\$ 11,503	\$ 8,986	\$ 18,797

(1) Franchise fees reported in charges for services in 2007 and 2008; however, clarification determined classification proper as general revenues in 2009.

THIS PAGE INTENTIONALLY LEFT BLANK



**Schedule 3
City of Kissimmee, Florida**

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

Last Ten Fiscal Years

	2005	2006	2007	2008	2009	2010
<u>General fund</u>						
Reserved	\$ 299	\$ 60	\$ 318	\$ 217	\$ 186	\$ -
Unreserved	12,564	10,998	9,867	13,567	13,240	-
Nonspendable	-	-	-	-	-	153
Restricted	-	-	-	-	-	1,235
Assigned	-	-	-	-	-	2,373
Unassigned	-	-	-	-	-	14,588
Total general fund	<u>\$ 12,863</u>	<u>\$ 11,058</u>	<u>\$ 10,185</u>	<u>\$ 13,784</u>	<u>\$ 13,426</u>	<u>\$ 18,349</u>
<u>All other governmental funds</u>						
Reserved	\$ 590	\$ 22,552	\$ 17,140	\$ 19,592	\$ 17,773	\$ -
Unreserved (deficit), reported in:						
Special revenue funds	19	(1,167)	(1,868)	1,055	(1,831)	-
Debt service funds	(24)	(85)	-	(32)	-	-
Capital projects funds	351	(126)	(120)	(690)	(1,531)	-
Nonspendable	-	-	-	-	-	655
Restricted	-	-	-	-	-	18,498
Assigned	-	-	-	-	-	46
Unassigned	-	-	-	-	-	(4,762)
Total all other governmental funds	<u>\$ 936</u>	<u>\$ 21,174</u>	<u>\$ 15,152</u>	<u>\$ 19,925</u>	<u>\$ 14,411</u>	<u>\$ 14,437</u>
Total fund balances all governmental funds	<u>\$ 13,799</u>	<u>\$ 32,232</u>	<u>\$ 25,337</u>	<u>\$ 33,709</u>	<u>\$ 27,837</u>	<u>\$ 32,786</u>

Note: Fund balance not presented using GASB 54 revised classifications for periods prior to 2010 due to lack of information available to accurately report.

	2011	2012	2013	2014
\$	-	\$ -	\$ -	\$ -
	-	-	-	-
	167	373	378	199
	894	685	599	1,355
	961	927	1,614	1,695
	16,307	18,755	19,724	21,729
\$	18,329	\$ 20,740	\$ 22,315	\$ 24,978
\$	-	\$ -	\$ -	\$ -
	-	-	-	-
	-	-	-	-
	-	-	-	-
	678	703	739	762
	25,421	21,696	15,199	15,863
	1,354	42	42	42
	(3,712)	(1,435)	(1,435)	(527)
\$	23,741	\$ 21,006	\$ 14,545	\$ 16,140
\$	42,070	\$ 41,746	\$ 36,860	\$ 41,118

Schedule 4
City of Kissimmee, Florida

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

Last Ten Fiscal Years

	2005	2006	2007	2008	2009	2010
Revenues						
Taxes	\$ 24,912	\$ 29,602	\$ 34,022	\$ 31,453	\$ 29,005	\$ 29,789
Special assessments ¹	608	164	108	220	-	-
Impact fees ¹	995	856	2,665	870	-	-
Permits, fees and special assessments	1,399	982	1,155	2,299	4,912	4,053
Intergovernmental revenues	31,921	28,135	32,874	29,431	26,779	31,040
Charges for services	6,245	6,919	6,831	5,154	4,676	5,966
Fines and forfeitures	604	1,191	616	653	962	1,860
Investment income (loss)	2,015	(1,465)	(10,299)	15,701	243	158
Miscellaneous revenues	726	1,088	1,041	931	838	765
Total revenues	\$ 69,425	\$ 67,472	\$ 69,013	\$ 86,712	\$ 67,415	\$ 73,631
Expenditures						
General government	\$ 13,524	\$ 16,499	\$ 18,373	\$ 17,197	\$ 18,929	\$ 18,095
Public safety	25,687	30,163	32,893	32,966	30,181	30,072
Physical environment	2,531	1,893	789	82	-	2,912
Transportation	9,763	13,099	12,420	11,329	8,494	7,646
Economic environment	11	-	1,663	2,223	1,047	2,789
Culture/Recreation	7,425	6,568	7,917	8,837	7,839	6,922
Debt service:						
Principal retirement	2,279	1,764	2,207	2,316	2,868	3,144
Interest and fiscal charges	1,271	1,133	1,572	1,531	1,261	1,259
Professional fees	-	-	4	-	-	97
Capital Outlay	897	-	10,019	2,534	3,436	8,038
Total expenditures	\$ 63,388	\$ 71,119	\$ 87,857	\$ 79,015	\$ 74,055	\$ 80,974
Excess of revenues over (under) expenditures	\$ 6,037	\$ (3,647)	\$ (18,844)	\$ 7,697	\$ (6,640)	\$ (7,343)
Other financing sources (uses)						
Transfers in	\$ 10,191	\$ 12,074	\$ 16,337	\$ 14,458	\$ 17,479	\$ 42,071
Transfers (out)	(10,803)	(12,874)	(17,412)	(14,230)	(17,306)	(40,241)
Proceeds from sale of capital assets	-	-	-	-	-	780
Issuance of notes payable	927	10,570	12,750	316	595	26,492
Issuance of capital lease	-	708	274	131	-	-
Payment to bond escrow agent	-	-	-	-	-	(9,455)
Payment for current redemption	-	-	-	-	-	(7,355)
Total other financing sources (uses)	\$ 315	\$ 10,478	\$ 11,949	\$ 675	\$ 768	\$ 12,292
Net change in fund balances	\$ 6,352	\$ 6,831	\$ (6,895)	\$ 8,372	\$ (5,872)	\$ 4,949
Debt service as a percentage of non-capital expenditures	6.7%	5.1%	6.2%	6.7%	6.9%	7.1%

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

	2011	2012	2013	2014
\$	25,621	\$ 25,586	\$ 25,967	\$ 27,032
	-	-	-	-
	-	-	-	-
	4,523	5,047	4,218	2,276
	31,885	28,214	30,014	39,955
	5,820	6,482	8,288	8,397
	808	865	910	1,561
	76	909	157	137
	1,363	1,167	540	592
\$	70,096	\$ 68,270	\$ 70,094	\$ 79,950
\$	16,765	\$ 15,346	\$ 16,136	\$ 18,438
	29,637	29,552	33,003	31,708
	-	-	-	-
	9,353	7,056	8,113	16,184
	1,735	641	1,322	1,067
	5,592	6,729	11,500	6,686
	2,562	2,722	3,661	3,906
	1,307	1,520	1,332	1,352
	106	-	-	-
	6,210	6,461	2,615	6,784
\$	73,267	\$ 70,027	\$ 77,682	\$ 86,125
\$	(3,171)	\$ (1,757)	\$ (7,588)	\$ (6,175)
\$	30,961	\$ 9,862	\$ 9,381	\$ 7,218
	(30,621)	(8,586)	(8,772)	(6,893)
	-	157	202	508
	28,215	-	-	9,600
	-	-	1,891	-
	(16,100)	-	-	-
	-	-	-	-
\$	12,455	\$ 1,433	\$ 2,702	\$ 10,433
\$	9,284	\$ (324)	\$ (4,886)	\$ 4,258
	6.6%	7.5%	8.4%	7.1%

**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
	Real Property	Personal Property	Total		
2005	\$ 2,519,456	\$ 299,735	\$ 2,819,191	\$ 587,003	\$ 2,232,188
2006	2,965,838	422,169	3,388,007	898,362	2,489,645
2007	4,024,343	242,664	4,267,007	973,090	3,293,917
2008	4,883,554	247,413	5,130,967	1,221,921	3,909,046
2009	4,882,783	255,499	5,138,282	1,344,395	3,793,887
2010	4,033,942	255,761	4,289,703	1,164,792	3,124,911
2011	3,018,690	231,486	3,250,176	848,389	2,401,787
2012	2,805,770	223,302	3,029,072	833,279	2,195,793
2013	2,776,988	469,255	3,246,243	1,071,233	2,175,010
2014	2,894,416	423,367	3,317,783	1,051,534	2,266,249

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.

Total Direct Tax Rate	Estimated Actual Taxable Value	Assessed Value as a Percentage of Actual Value
4.2953	\$ 1,914,749	147.236%
5.5453	2,130,968	158.989%
5.5453	2,489,645	171.390%
3.7058	3,293,917	155.771%
3.7058	3,793,887	135.436%
4.6253	3,124,911	137.274%
4.6253	2,401,787	135.323%
4.6253	2,214,374	136.791%
4.6253	2,175,010	149.252%
4.6253	2,266,249	146.400%

**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			
2005	4.295	5.995	0.500	8.514	0.413	0.284	20.001
2006	5.545	5.995	0.500	8.367	0.413	0.284	21.104
2007	5.545	5.995	0.500	8.251	0.413	0.284	20.988
2008	3.705	4.982	0.415	7.772	0.369	0.255	17.498
2009	3.705	5.358	0.377	7.513	0.369	0.255	17.577
2010	4.625	6.700	0.256	7.663	0.369	0.255	19.868
2011	4.625	6.700	0.257	7.600	0.369	0.255	19.806
2012	4.625	6.700	0.257	7.577	0.369	0.255	19.783
2013	4.625	6.700	0.257	7.454	0.253	0.176	19.465
2014	4.625	6.939	0.257	7.375	0.243	0.169	19.608

Source: Osceola County Tax Collector's Office.

Schedule 7

City of Kissimmee, Florida

PROPERTY TAX LEVIES AND COLLECTIONS
(dollar amounts are expressed in thousands)

Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>Total Tax Levy</u>	<u>Current Tax Collections</u>	<u>Percent of Levy Collected</u>	<u>Delinquent Tax Collections</u>	<u>Total Tax Collections</u>	<u>Total Collections as a Percent of Current Levy</u>
2005	\$ 9,588	\$ 8,845	92.3%	\$ 20	\$ 8,865	92.5%
2006	13,806	13,234	95.9%	6	13,240	95.9%
2007	18,269	16,692	91.4%	861	17,553	96.1%
2008	14,486	12,922	89.2%	1,090	14,012	96.7%
2009	14,060	12,572	89.4%	1,349	13,921	99.0%
2010	14,454	12,967	89.7%	1,460	14,427	99.8%
2011	11,109	9,684	87.2%	963	10,647	95.8%
2012	10,156	9,642	94.9%	72	9,714	95.6%
2013	10,060	9,357	93.0%	394	9,751	96.9%
2014	10,496	9,629	91.7%	516	10,145	96.7%

Source: Osceola County Tax Collector's Office.

**Schedule 8
City of Kissimmee, Florida**

**PRINCIPAL PROPERTY TAXPAYERS
(dollar amounts are expressed in thousands)**

Current Year and Nine Years Ago

Property Description	Use	Taxpayer	Fiscal Year 2013 / 2014 (a)		
			Taxable Value	Percent of Total Taxable Value	Rank
Local hospital	Medical care	Osceola Regional Hospital, Inc.	\$ 97,273	32.64%	1
Retail store	Merchandising	Loop West LLC	37,111	12.45%	2
Apartment complex	Rentals	G&I VI Vinyards LLC	29,502	9.90%	3
Retail store	Merchandising	Wal-Mart Stores, Inc.	25,304	8.49%	4
Condominiums	Timeshare sales	Oak Plantation Realty Partners	23,404	7.85%	5
Apartment complex	Rentals	Reef Club Apartments	20,226	6.79%	6
Apartment complex	Rentals	Lake Tivoli LLC	18,804	6.31%	7
Apartment complex	Rentals	Alliance HTFL Ltd Partnership	17,408	5.84%	8
Apartment complex	Rentals	TNP SRT Osceola Village LLC	14,612	4.90%	9
Retail store	Merchandising	Vine Street Shoppes LP	14,403	4.83%	10
Retail store	Communications	Embarq (Sprint) Florida, Inc.	-	-	
Apartment complex	Rentals	United Dominion Realty	-	-	
Apartment complex	Rentals	Caribbean Isle Fund LLC	-	-	
Apartment complex	Rentals	Tropical Isle LTD	-	-	
Apartment complex	Rentals	Sendera Apartments LLC	-	-	
Totals			<u>\$ 298,047</u>	<u>100.00%</u>	

(a) The fiscal year ended September 30, 2014 tax levy is based on the 2013 taxable value.
(b) The fiscal year ended September 30, 2005 tax levy is based on the 2004 taxable value.

Source: Osceola County Property Appraiser's Office.

Fiscal Year 2004 / 2005 (b)			
	Taxable Value	Percent of Total Taxable Value	Rank
\$	82,903	23.88%	1
	-	-	
	-	-	
	34,421	9.91%	4
	48,775	14.05%	2
	-	-	
	-	-	
	-	-	
	29,551	8.51%	6
	20,748	5.98%	10
	32,636	9.40%	5
	36,686	10.57%	3
	24,803	7.14%	7
	14,686	4.23%	8
	21,998	6.34%	9
\$	347,207	100.00%	

Schedule 9
City of Kissimmee, Florida

RATIOS OF OUTSTANDING DEBT BY TYPE
(dollar amounts of debt are expressed in thousands)

Last Ten Fiscal Years

Fiscal Year	Governmental Activities						Business-type Activities
	Excise Tax Revenue Bonds	Sales Tax Revenue Notes	Covenant Revenue Notes	Gas Tax Revenue Notes	Other Revenue Notes	Capital Leases	Capital Leases
2005	\$ 482	\$ 4,900	\$ 3,220	\$ -	\$ 9,462	\$ 180	\$ -
2006	461	14,008	2,690	-	9,772	646	-
2007	441	12,584	1,600	8,795	13,030	820	-
2008	417	11,583	1,125	8,475	13,046	623	-
2009	394	10,786	680	8,145	12,573	418	-
2010	369	18,580	301	7,800	12,280	204	-
2011	343	25,635	-	11,440	11,534	135	730
2012	315	24,565	-	11,070	10,708	62	587
2013	287	22,935	-	10,525	9,853	1,707	441
2014	256	30,835	-	9,960	5,200	1,338	292

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

Note: 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.

	<u>Total Primary Government</u>	<u>City of Kissimmee Personal Income</u>	<u>Percentage of Personal Income</u>	<u>Per Capita</u>
\$	18,244	\$ 1,248,029	1.5%	0.31
	27,577	1,330,024	2.1%	0.46
	37,270	1,411,023	2.6%	0.60
	35,269	1,467,894	2.4%	0.56
	32,996	1,463,350	2.3%	0.54
	39,534	1,272,818	3.1%	0.65
	49,817	1,253,989	4.0%	0.83
	47,307	1,727,192	2.7%	0.76
	45,748	1,799,661	2.5%	0.72
	47,881	1,874,438	2.6%	0.74

THIS PAGE INTENTIONALLY LEFT BLANK



Schedule 10
City of Kissimmee, Florida

DIRECT AND OVERLAPPING GOVERNMENTAL DEBT
(dollar amounts are expressed in thousands)

September 30, 2014

Taxing District	Net Debt Outstanding	Estimated Overlapping (1)	City's Share of Debt
Osceola County School District			
State School Bonds			
Series 2005A	\$ 2,770	10.3%	\$ 285
Series 2006A	1,355	10.3%	140
Series 2009ARFD	480	10.3%	49
Series 2010A	925	10.3%	95
Series 2011ARFD	1,060	10.3%	109
Series 2014A	1,796	10.3%	185
District Revenue Bonds			
Sales Tax Revenue Bonds, Series 2007	60,520	10.3%	6,234
Certificates of Participation			
Series 2004A	11,850	10.3%	1,221
Series 2005A	8,850	10.3%	912
Series 2007A and Series 2007B	60,000	10.3%	6,180
Series 2009A	22,995	10.3%	2,368
Series 2013A	41,725	10.3%	4,298
Qualified School Construction Bonds			
Series 2010A	40,500	10.3%	4,172
Classrooms First Loans			
Indian River County dated 7/1/2002	1,650	10.3%	170
Collier County dated 7/1/2002	7,719	10.3%	795
Education Benefits Districts			
Bellalago Benefit District	4,020	10.3%	414
Total Osceola County School District	<u>268,215</u>	10.3%	<u>27,626</u>
Osceola County			
Limited General Obligation Debt, Series 2006	10,950	11.1%	1,215
Environmental Land, Series 2010	<u>20,400</u>	11.1%	<u>2,264</u>
Total Osceola County	<u>31,350</u>	11.1%	<u>3,480</u>
Total Overlapping Debt	<u>\$ 299,565</u>		<u>\$ 31,106</u>
Total Direct Governmental Activities Debt	<u>\$ 51,357</u>	100.0%	<u>\$ 51,357</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
(dollar amounts are expressed in thousands)**

Last Ten Fiscal Years

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	
2005	\$ 263	\$ 19	\$ 25	5.98%	\$ 6,903	\$ 930	\$ 213	6.04%		
2006	200	21	24	4.44	6,243	934	189	5.56		
2007	243	21	23	5.52	5,851	1,528	620	2.72		
2008	203	23	22	3.03	5,790	1,493	520	2.88		
2009	168	25	20	3.73	4,832	1,460	553	2.40		
2010	177	25	20	3.93	4,980	1,336	533	2.66		
2011	200	26	18	4.55	4,385	1,305	575	2.33		
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		

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 next page

Gas Tax Revenue Bonds				CRA Redevelopment Trust Fund Revenue Note			
Sales Tax Revenues	Debt Service Requirements		Coverage	Sales Tax Revenues	Debt Service Requirements		Coverage
	Principal	Interest			Principal	Interest	
\$ -	\$ -	\$ -	0%	\$ -	\$ -	\$ -	0%
-	-	-	0.00	1,240	-	40	0.00
2,656	205	269	0.00	1,665	-	176	9.46
2,430	320	342	3.67	1,423	-	154	9.24
2,428	330	326	3.70	1,490	401	71	3.16
2,375	345	314	3.60	1,778	339	37	4.73
2,284	360	394	3.03	1,529	352	35	3.95
2,358	370	395	3.08	1,432	366	33	3.59
2,343	545	381	2.53	1,334	380	32	3.24
2,581	565	361	2.79	1,311	395	25	3.12

**Schedule 11
City of Kissimmee, Florida**

**PLEDGED REVENUE COVERAGE
(dollar amounts are expressed in thousands)**

Last Ten Fiscal Years

Charter School Revenue (Refunding) Note					
Fiscal Year	Sales Tax Revenues	Debt Service Requirements		Coverage	
		Principal	Interest		
2005	\$ 3,428	\$ 250	\$ 402	5.26%	
2006	4,071	260	386	6.30	
2007	4,686	275	382	7.13	
2008	5,416	301	357	8.23	
2009	4,830	416	263	7.11	
2010	4,875	340	296	7.67	
2011	4,824	450	175	7.72	
2012	4,212	460	206	6.32	
2013	4,667	475	192	7.00	
2014	4,876	490	177	7.31	

**Schedule 12
City of Kissimmee, Florida**

DEMOGRAPHIC AND ECONOMIC STATISTICS

Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>Population (1)</u>	<u>Per Capita Personal Income (2)</u>	<u>Personal Income (2)</u>	<u>School Enrollment (3)</u>	<u>Unemployment Rate (4)</u>
2005	58,223	\$ 21,435	\$ 1,248,029	47,321	3.7%
2006	60,241	22,078	1,330,024	49,677	3.3%
2007	62,048	22,741	1,411,023	53,335	4.0%
2008	62,669	23,423	1,467,894	51,368	6.5%
2009	61,250	23,891	1,463,350	51,266	11.6%
2010	61,202	20,797	1,272,818	53,140	11.9%
2011	60,375	20,770	1,253,989	54,167	10.3%
2012	62,322	27,714	1,727,192	55,922	8.4%
2013	63,662	28,269	1,799,661	57,639	6.6%
2014	64,365	29,122	1,874,438	58,851	5.3%

- 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.osceola.k12.fl.us/Demographics/PDF/District_Level.pdf
- (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/LFSoc2.xls>

THIS PAGE INTENTIONALLY LEFT BLANK



**Schedule 13
City of Kissimmee, Florida**

PRINCIPAL EMPLOYERS ¹

Current Year and Nine Years Ago

Employer	Business	Fiscal Year 2013 / 2014 (1)			Fiscal Year 2004 / 2005 (2)		
		Employees	Percent of Total City Employment	Rank	Employees	Percent of Total City Employment	Rank
Osceola County School District	Education	6,593	10.36%	1	6,458	11.53%	1
Walt Disney Company	Entertainment	3,700	5.81%	2	-	-	
Walmart	Retail	2,730	4.29%	3	2,800	-	2
Florida Hospital-Celebration	Healthcare	1,600	2.51%	4	-	-	
Gaylord Palms	Resort	1,553	2.44%	5	1,952	3.49%	4
Osceola Regional Medical Center	Healthcare	1,400	2.20%	6	800	1.43%	8
Publix	Retail	1,350	2.12%	7	-	-	
Osceola County Government	Government	1,334	2.10%	8	1,921	-	5
McLane/Suneast, Inc.	Distribution	900	1.41%	9	1,035	-	7
Omni ChampionsGate Resort	Resort	750	1.18%	10	-	-	
Total		<u>21,910</u>			<u>14,966</u>		

Sources: (1) Osceola County Office of Economic Development

(2) Earliest Data Available for Fiscal Year 2003/2004. Only the top four employers could be determined with available data.

Note: Data provided for principal employers located within Osceola County; data unavailable for City of Kissimmee only.

**Schedule 14
City of Kissimmee, Florida**

FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION / PROGRAM

Last Ten Fiscal Years

	2005	2006	2007	2008	2009	2010
<u>General government</u>						
Central Services	38	38	39	38	36	36
City Attorney	3	3	3	3	3	3
City Commission	5	5	5	5	5	5
City Manager	17	16	16	15	13	12
Finance	12	12	10	10	10	10
Personnel	8	8	8	8	8	8
<u>Public safety</u>						
Fire	96	108	110	106	104	102
Police	191	203	214	214	210	204
Law Enforcement Grant	3	3	3	3	3	3
School Crossing Guard	19	19	19	20	21	21
<u>Physical environment</u>						
Public Works	48	50	51	44	40	40
Sanitation	23	24	25	27	27	27
Stormwater	26	27	27	29	29	29
<u>Transportation</u>						
Airport	6	6	6	6	7	7
Local Option Gas Tax	9	9	9	10	10	10
<u>Economic Environment</u>						
Development Services	33	38	40	40	30	26
Community Development Blk Grant	0	2	2	2	3	2
<u>Culture / Recreation</u>						
Parks & Recreation	78	95	80	77	74	68
Civic Center	11	16	16	15	14	14
Total	626	682	683	672	647	627

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

2011	2012	2013	2014
31	28	34	35
3	3	3	4
5	5	5	5
12	14	14	14
10	12	12	12
8	8	8	8
102	105	105	105
198	198	199	201
3	3	3	3
21	11	11	11
39	37	38	40
26	24	26	26
29	30	30	34
8	7	8	8
10	10	12	10
23	21	23	23
2	2	2	2
66	80	78	80
13	0	0	0
609	598	611	621

**Schedule 15
City of Kissimmee, Florida**

OPERATING INDICATORS BY FUNCTION/PROGRAM

Last Ten Fiscal Years

	2005	2006	2007	2008	2009	2010
<u>Building Inspections</u>						
Building permits issued	7,932	4,158	4,256	3,384	2,580	2,133
<u>Law Enforcement</u>						
Physical arrests	2,198	2,139	2,407	2,331	1,898	2,098
Traffic and parking violations	27,285	22,391	17,068	19,616	20,686	17,602
<u>Fire</u>						
Emergency responses	10,311	10,253	9,459	9,038	9,228	9,501
Fires extinguished	502	545	268	235	236	132
Inspections	775	563	2,213	1,646	1,640	725
<u>Other Public Works</u>						
Street resurfacing (tons of asphalt) ¹	39	190	7,368	6,156	3,011	3,091
Other street repairs (tons of asphalt) ²	3	17	148	125	181	149

Note: Indicators are not available for the general government function.

Source: Various City Departments.

1 - Prior to FY 2007 accurate data collection for this operating indicator was not available

2 - In FY 2012 and 2013 Micro surfacing utilized sq. yd measurement replacing tons of asphalt measurement.

2011	2012	2013	2014
2,855	3,335	2,964	4,099
2,484	2,379	2,221	2,498
13,680	15,092	14,499	11,613
10,068	10,771	10,279	11,875
247	252	223	244
1,751	1,594	1,363	1,686
1,369	681	3,013	3,582
96	50,138	40,104	193

**Schedule 16
City of Kissimmee, Florida**

CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM

Last Ten Fiscal Years

	2005	2006	2007	2008	2009	2010
<u>Transportation</u>						
Miles of streets (lane miles)	270	207	207	304	317	317
<u>Refuse collection trucks</u>						
	12	12	12	13	17	17
<u>Other public works</u>						
Traffic signals	39	41	43	47	47	48
Highways (miles)	30	30	30	30	56	63
<u>Public Safety</u>						
Fire stations	4	4	4	4	4	4
Police stations	1	1	1	1	1	1
Patrol units:						
Marked vehicles	93	105	101	127	100	109
Motorcycles	6	12	9	9	6	6
<u>Parks and Recreation</u>						
Park acreage	490	562	578	802	786	833
Number of regional parks	-	-	2	2	2	2
Number of large urban parks	5	5	2	2	2	1
Number of community parks	3	3	3	3	3	3
Number of neighborhood parks	8	8	8	8	9	11
Number of special use parks	6	6	6	6	4	5

Source: Various City Departments.

2011	2012	2013	2014
342	342	342	342
17	17	17	16
52	52	52	52
17	17	17	17
4	4	4	4
1	1	1	1
120	126	126	131
4	6	6	6
833	835	832	832
2	2	2	2
1	1	1	1
3	3	7	7
11	12	8	8
5	5	5	5

THIS PAGE INTENTIONALLY LEFT BLANK





MOORE STEPHENS
LOVELACE, P.A.

CERTIFIED PUBLIC ACCOUNTANTS

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

Honorable Mayor and
Members of the City Commission
City of 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 of the City of Kissimmee, Florida (the "City") as of and for the year ended September 30, 2014, and the related notes to the financial statement, which collectively comprise the City's basic financial statements, and have issued our report thereon dated March 30, 2015.

Internal Control over Financial Reporting

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

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

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

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

Compliance and Other Matters

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

Pursuant to provisions of Chapter 10.550, *Rules of the Auditor General*, we reported certain matters to management of the City in a separate management letter and Independent Accountant's Report dated March 30, 2015.

Purpose of this Report

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

Moore Stephens Lovelace, P.A.

MOORE STEPHENS LOVELACE, P.A.
Certified Public Accountants

Orlando, Florida
March 30, 2015



MOORE STEPHENS
LOVELACE, P.A.

CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND MAJOR STATE PROJECT AND ON INTERNAL CONTROL OVER COMPLIANCE AND REPORT ON SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE IN ACCORDANCE WITH OMB CIRCULAR A-133 AND CHAPTER 10.550, RULES OF THE AUDITOR GENERAL

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

Report on Compliance for Each Major Federal Program and State Project

We have audited the compliance of the City of Kissimmee, Florida (the "City"), with the types of compliance requirements described in the U.S. Office of Management and Budget ("OMB") Circular A-133 *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 its major federal programs and major state projects for the year ended September 30, 2014. 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 Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on the City's compliance based on our audit. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*; and Chapter 10.550, *Rules of the Auditor General*. Those standards, OMB Circular A-133, and Chapter 10.550, *Rules of the Auditor General*, require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program or major state project identified in the accompanying Schedule of Findings and Questioned Costs occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

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

Opinion on Each Major Federal Program and State Project

In our opinion, the City complied, in all material respects, with the types compliance requirements referred to above that could have a direct and material effect on each of its major federal programs and major state projects for the year ended September 30, 2014.

Report on Internal Control over Compliance

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the compliance requirements referred to above. In planning and performing our audit, we considered the City's internal control over compliance with requirements that could have a direct and material effect on a major federal program or major state project in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133; and Chapter 10.550, *Rules of the Auditor General*, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a 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 OMB Circular A-133 and Chapter 10.550, *Rules of the Auditor General*. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards and State Financial Assistance

We have audited the basic financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of and for the year ended September 30, 2014, and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We issued our report thereon dated March 30, 2015, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying Schedule of Expenditures of Federal Awards and State Financial Assistance is presented for the purposes of additional analysis, as required by OMB Circular A-133, Chapter 69I-5, *Schedule of Expenditures of State Financial Assistance*, Rules of the Department of Financial Services, and Chapter 10.550, *Rules of the Auditor General*, and is not a required part of the financial statements.

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

Report on Schedule of Expenditures of Federal Awards and State Financial Assistance (Cont.)

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

Moore Stephens Lovelace, P.A.

MOORE STEPHENS LOVELACE, P.A.
Certified Public Accountants

Orlando, Florida
March 30, 2015

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

Preliminary/For the year ended September 30, 2014

<u>Agency/Program</u>	<u>CFDA #</u>	<u>Grant #</u>	<u>Federal Expenditures</u>	<u>Passed Through to Sub-recipients</u>
<u>U.S. Department of Housing and Urban Development</u>				
CDBG - Entitlement Grants Cluster				
Community Development Block Grant 2013	14.218	B-13-MC-12-0051	\$ 250,377	\$ 48,429
Community Development Block Grant 2012	14.218	B-12-MC-12-0051	132,511	10,233
Community Development Block Grant 2005	14.218	B-05-MC-12-0051	880	-
Community Development Block Grant 2008	14.218	B-08-MC-12-0051	245,743	-
Community Development Block Grant 2010	14.218	B-10-MC-12-0051	19,449	-
Subtotal			648,960	58,662
CDBG - State Administered Grants Cluster				
(HERA) Neighborhood Stabilization Program	14.228	B-08-MN-12-0012	48,555	48,555
(HERA) Neighborhood Stabilization Program III	14.228	B-11-MN-12-0012	316,160	18,000
Subtotal			364,715	66,555
Total U.S. Department of Housing and Urban Development			1,013,675	125,217
<u>U.S. Department of Justice</u>				
Passed through the Florida Office of the Attorney General				
Victims of Crime Act	16.575	V12268	55,273	
Edward Byrne Memorial Justice Assistance Grant(JAG)	16.592	2011-DJ-BX-2707	1,578	
Edward Byrne Memorial Justice Assistance Grant(JAG)	16.592	2012-DJ-BX-0191	39,123	
Bulletproof Vest Partnership	16.607	None	8,255	
Total U.S. Department of Justice			104,229	
<u>U.S. Department of Transportation</u>				
Federal Aviation Administration				
Airport Improvement Program				
Airport Construction; Rehabilitate, Mark and Light Runway 6/24	20.106	3-12-0038-033-2013	1,945,145	
Total Airport Improvement Program			1,945,145	
Highway Planning and Construction Cluster				
Passed through the Florida Department of Transportation				
Kissimmee Pedestrian Bridge Over John Young Parkway/Construction	20.205	428043-1-58-01/AR 286	4,912,161	
Kissimmee Pedestrian Bridge Over John Young Parkway/CEI	20.205	428043-1-68-01/AR 286	301,777	
Shingle Creek Regional Trail North, Phase I	20.205	430225-7-68-01/ARB38	3,358	
Shingle Creek Trail Phases 1 and 2	20.205	430225-1 / AQF 05	59,545	
Construction of the Toho-Valencia Trail	20.205	430227-1 / AQF 84	-	
Total Highway Planning and Construction Cluster			5,276,841	
Total U.S. Department of Transportation			7,221,986	
<u>U.S. Department of Homeland Security/FEMA</u>				
Passed through the Florida Division of Emergency Management:				
Hazard Mitigation - Charley	97.039	11HS-4A-06-59-02-451	53,921	
Total U.S. Department of Homeland Security/FEMA			53,921	
TOTAL EXPENDITURES OF FEDERAL AWARDS			\$ 8,393,811	\$ 125,217

Continued

CITY OF KISSIMMEE, FLORIDA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended September 30, 2014

SECTION I - SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued: **Unmodified Opinion**

Internal control over financial reporting:

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

Federal Awards and State Financial Assistance

Internal control over major federal programs and state projects:

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

Type of auditor's report issued on compliance for major federal programs and state projects: **Unmodified Opinion**

Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of Circular A-133 or Chapter 10.557, *Rules of the Auditor General*?

_____ **Yes** X **No**

Identification of Major Federal Programs and State Projects:

<u>CFDA Number(s)</u>	<u>Name of Federal Program(s)</u>
14.228	Neighborhood Stabilization Program
20.205	Highway Planning and Construction
<u>CSFA Number</u>	<u>Name of State Project</u>
55.004	Aviation Development Grants

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

Federal	<u>\$300,000</u>
State	<u>\$300,000</u>

Auditee qualified as low-risk auditee pursuant to OMB Circular A-133? X **Yes** _____ **No**

CITY OF KISSIMMEE, FLORIDA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (*Continued*)
For the Year Ended September 30, 2014

SECTION II - FINANCIAL STATEMENT FINDINGS

None Reported.

SECTION III - FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE FINDINGS AND QUESTIONED COSTS

None Reported.

SECTION IV - PRIOR-YEAR AUDIT FINDINGS

2012-01 Cash Reconciliation

Finding Type: Significant Deficiency – Internal Control over Cash Reconciliation

Current Year Status

Finding was resolved to our satisfaction.



MOORE STEPHENS
LOVELACE, P.A.

CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S MANAGEMENT LETTER

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

Report on Financial Statements

We have audited the financial statements of the City of Kissimmee, Florida (the "City") as of and for the year ended September 30, 2014, and have issued our report thereon dated March 30, 2015.

Auditor's Responsibility

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*; and Chapter 10.550, *Rules of the Auditor General*.

Other Reporting Requirements

We have also issued our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters, Independent Auditor's Report on Compliance for Each Major Federal Program and State Project and on Internal Control over Compliance and Report on Schedule of Expenditures of Federal Awards and State Financial Assistance in Accordance with OMB Circular A-133 and Chapter 10.550, *Rules of the Florida Auditor General*; Independent Accountant's Report; and Schedule of Findings and Questioned Costs. Disclosures in those reports and schedule, which are dated March 30, 2015, 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 report. In conjunction with our audit, we determined all audit findings identified in the preceding annual financial report and all audit findings reported in the second preceding annual financial report were resolved to our satisfaction.

Official Title and Legal Authority

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

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

Financial Condition

Section 10.554(1)(i)5.a., *Rules of the Auditor General*, requires that we report 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 identification of specific condition(s) met. In conjunction with our audit, we determined that the City did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

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

Annual Financial Report

Section 10.554(1)(i)5.b., *Rules of the Auditor General*, requires that we report the results of our determination as to whether the annual financial report for the City for the fiscal year ended September 30, 2014, filed with the Florida Department of Financial Services pursuant to Section 218.32(1)(a), Florida Statutes, is in agreement with the annual financial audit report for the fiscal year ended September 30, 2014. In connection with our audit, we determined that these two reports were in agreement.

Special District Component Units

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

Other Matters

Section 10.554(1)(i)2., *Rules of the Auditor General*, requires that we address in the management letter any recommendations to improve financial management. In conjunction with our audit, we did not have any such findings.

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

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

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 City Commission members, and applicable management and is not intended to be, and should not be, used by anyone other than these specified parties.

Moore Stephens Lovelace, P.A.

MOORE STEPHENS LOVELACE, P.A.
Certified Public Accountants

Orlando, Florida
March 30, 2015



MOORE STEPHENS
LOVELACE, P.A.

CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT ACCOUNTANT'S REPORT

Honorable Mayor and
Members of the City Commission
Kissimmee, Florida

We have examined the City of Kissimmee, Florida's (the "City") compliance with the requirements of Section 218.415, Florida Statutes, during the fiscal year ended September 30, 2014. Management is responsible for the City's compliance with those requirements. Our responsibility is to express an opinion on the City's compliance based on our examination.

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

In our opinion, the City complied, in all material respects, with the aforementioned requirements for the fiscal year ended September 30, 2014.

Moore Stephens Lovelace, P.A.

MOORE STEPHENS LOVELACE, P.A.
Certified Public Accountants

Orlando, Florida
March 30, 2015