

CITY OF KISSIMMEE, FLORIDA
COMPREHENSIVE ANNUAL
FINANCIAL REPORT

Year Ended September 30, 2015



Prepared by Department of Finance

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CITY OF KISSIMMEE, FLORIDA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
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The City of Kissimmee, Florida
City Officials
As of September 30, 2015

Elected Officials

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

Financial Related Management

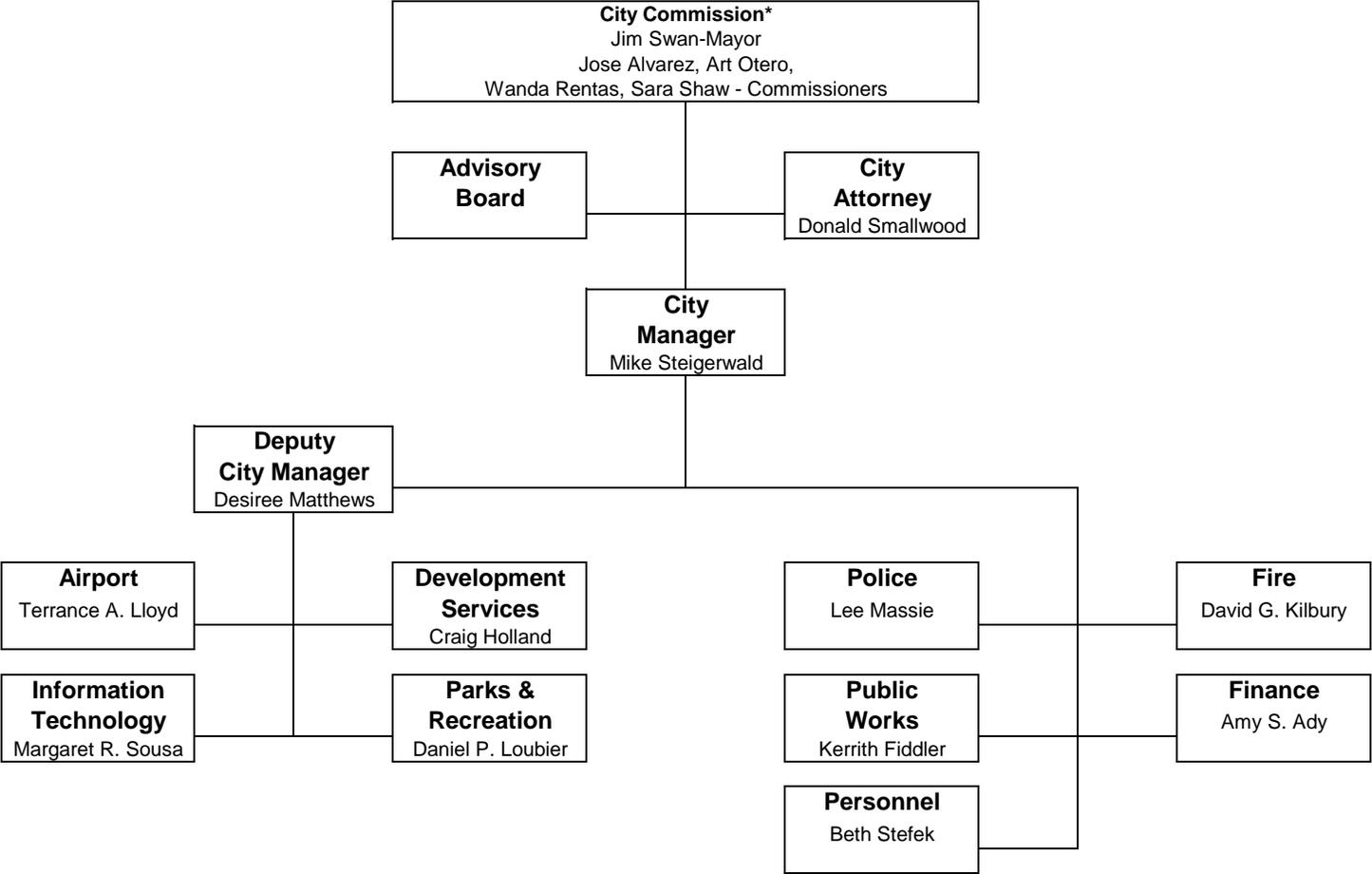
City Manager.....	Michael H. Steigerwald
Deputy City Manager.....	Desiree S. Matthews
Finance Director.....	Amy S. Ady
Assistant Finance Director.....	Jeff Wolf

Other Departmental Officials

Airport Director.....	Terrance 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.....	Kerrith Fiddler

CITY OF KISSIMMEE

ORGANIZATION CHART



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



Government Finance Officers Association

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

Presented to

**City of Kissimmee
Florida**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

September 30, 2014

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 28, 2016

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, 2015.

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, 2015, 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, 2015, 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 61,202 people living within the City. The current population figure is 66,592.

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 completed; the fourth and final phase of the project is in design. Public Works continued to make significant progress on its road improvement plan as well as various grant funded projects. In addition, Public Works continued making progress on right-of-way acquisition for a major road widening project and also completed 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 Community Redevelopment Agency refunded the 2004 CRA Note with the 2015B Refunding Note to provide debt service relief and funding for future projects..

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.

REVELANT FINANCIAL POLICIES

The City has adopted a comprehensive set of financial policies. During the current fiscal year a new policy was added to the financial statements for pensions and net pension liability and is particularly relevant. In accordance with Government Accounting Standards Board (GASB) Statement No. 68, Accounting and Financial Reporting for Pensions, the City now includes in the government-wide statements and proprietary fund statements its proportionate share of the net pension liability of the cost-sharing and single employer pension plans in which it participates. This proportionate amount represents a share of the present value of projected benefit payments to be provided through the cost sharing and single employer pension plans to current active and inactive employees that is attributed to those employees' past periods of service (total pension liability), less the amount of the cost-sharing and single employer pension plan's fiduciary net position. See the note 2, note 8, and note 9 to the financial statements for more information.

FIDUCIARY OPERATIONS

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

STATUTORY REQUIREMENTS – INDEPENDENT AUDIT

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

CERTIFICATE OF ACHIEVEMENT PROGRAM

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Kissimmee, Florida for its comprehensive annual financial report for the fiscal year ended September 30, 2014. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. The report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

ACKNOWLEDGEMENTS

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

Respectfully submitted,



Mike Steigerwald
City Manager



Amy S. Ady
Finance Director

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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, 2015, 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, 2015, 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.

Emphasis-of-Matter – Change in Accounting Principle

As discussed in Note I to the financial statements, in the fiscal year ended September 30, 2015, the City adopted the provisions of Government Accounting Standards Board Statement (GASBS) Number 68, *Accounting and Financial Reporting for Pensions* and GASBS 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*. As a result of the implementation of GASBS 68 and 71, the City reported a restatement for the change in accounting principle as of October 1, 2014. Our opinions are not modified with respect to this matter.

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 28, 2016, 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 28, 2016

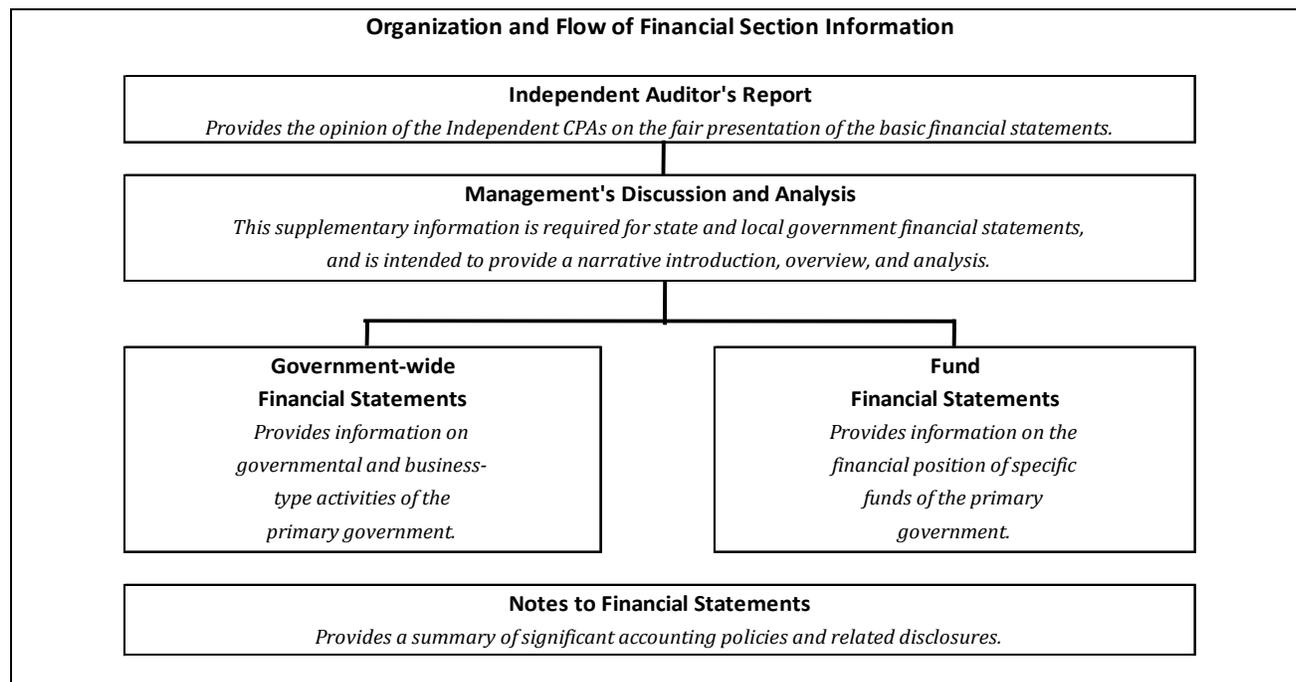
The City of Kissimmee, Florida's (the "City") Management's Discussion and Analysis (the "MD&A") presents an overview of the City's financial activities for the fiscal year ended September 30, 2015. Please read it in conjunction with the letter of transmittal in the introductory section, and the City's financial statements following the MD&A.

Financial Highlights

- The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources at the close of fiscal year 2015 by \$220,549 (net position). Of this amount, \$(3,221) represents a deficit unrestricted net position. The major change in the financial position of the City that resulted in this deficit net position was the implementation of Government Accounting Standards Board (GASB) Statement No. 68. See note 2, note 8 and note 9 to the financial statements for more information.
- The City's net position increased by \$18,212, excluding \$29,531 in adjustments made to decrease beginning net position. Governmental activities contributed 94% of the increase. The adjustments to beginning net position are explained further in note 2 to the financial statements.
- The City's net capital assets increased \$10,006 or 4.1% 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 of resources, liabilities, and deferred inflows of resources with the difference reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating. Additionally, nonfinancial factors, such as a change in the City's property tax base or the condition of City facilities and infrastructure, should be considered to assess the overall financial health of the City.

The *statement of activities* presents information showing how the government's net position changed during fiscal year 2015. 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, Shingle Creek Regional Trail 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, Shingle Creek Regional Trail 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.

CITY OF KISSIMMEE, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued
September 30, 2015
(In Thousands)

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.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City, assets and deferred outflows exceeded liabilities and deferred inflows by \$220,549 at the close of the fiscal year ended September 30, 2015.

The largest portion of the City's net position (94%) 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 (\$17,353) for construction projects, public safety programs, supplementary care, and other purposes. The unrestricted net position, a deficit amount of \$(3,221) (negative 1.5 percent) is the result of having long-term obligations that are greater than currently available resources. The major change in the financial position of the City was the implementation of GASB Statement No. 68. See note 2, note 8, and note 9 to the financial statements for more information.

At the end of fiscal year 2015, the City is able to report positive balances in all three categories of net position for business-type activities.

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>2015</u>	<u>2014 (*)</u>	<u>2015</u>	<u>2014 (*)</u>	<u>2015</u>	<u>2014 (*)</u>
Current and Other Assets	\$ 62,965	\$ 61,606	\$ 5,873	\$ 5,833	\$ 68,838	\$ 67,439
Capital Assets (Net)	<u>208,451</u>	<u>199,478</u>	<u>43,383</u>	<u>42,350</u>	<u>251,834</u>	<u>241,828</u>
Total Assets	<u>271,416</u>	<u>261,084</u>	<u>49,256</u>	<u>48,183</u>	<u>320,672</u>	<u>309,267</u>
Deferred Outflows of Resources	<u>8,145</u>	-	<u>459</u>	-	<u>8,604</u>	-
Current and Other Liabilities	10,638	14,283	1,117	1,096	11,755	15,379
Long-term Liabilities	<u>90,996</u>	<u>61,109</u>	<u>3,218</u>	<u>911</u>	<u>94,214</u>	<u>62,020</u>
Total Liabilities	<u>101,634</u>	<u>75,392</u>	<u>4,335</u>	<u>2,007</u>	<u>105,969</u>	<u>77,399</u>
Deferred Inflows of Resources	<u>2,683</u>	-	<u>75</u>	-	<u>2,758</u>	-
Net Position						
Net Investment in						
Capital Assets	163,458	148,239	42,959	41,655	206,417	189,894
Restricted	16,865	12,220	488	12	17,353	12,232
Unrestricted	<u>(5,079)</u>	<u>25,233</u>	<u>1,858</u>	<u>4,509</u>	<u>(3,221)</u>	<u>29,742</u>
Total Net Position	<u>\$ 175,244</u>	<u>\$ 185,692</u>	<u>\$ 45,305</u>	<u>\$ 46,176</u>	<u>\$ 220,549</u>	<u>\$ 231,868</u>

(*) Balances for September 30, 2014 have not been restated for adjustments to beginning net position in the fiscal year ended September 30, 2015 due to the implementation of GASB Statement No. 68. See note 2 to the financial statements.

CITY OF KISSIMMEE, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued
September 30, 2015
(In Thousands)

There was a net increase of \$18,212 in the City's net position over fiscal year 2014. There was a net increase of \$17,074 in net position reported in connection with the City's governmental activities and \$1,138 in business-type activities. The governmental activities increase represents 94% of the total increase, and business-type activities contributed 6% 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
Changes in Net Position
(In Thousands)

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>2015</u>	<u>2014 (*)</u>	<u>2015</u>	<u>2014 (*)</u>	<u>2015</u>	<u>2014 (*)</u>
REVENUES						
Program Revenues:						
Charges for Services	\$ 30,858	\$ 31,518	\$ 10,276	\$ 10,179	\$ 41,134	\$ 41,697
Operating Grants and Contributions	594	894	-	-	594	894
Capital Grants and Contributions	7,040	7,455	934	3,890	7,974	11,345
General Revenues:						
Property Taxes	11,756	11,456	-	-	11,756	11,456
Other Taxes	22,808	22,090	-	-	22,808	22,090
Other	<u>24,813</u>	<u>22,862</u>	<u>17</u>	<u>5</u>	<u>24,830</u>	<u>22,867</u>
Total Revenues	<u>97,869</u>	<u>96,275</u>	<u>11,227</u>	<u>14,074</u>	<u>109,096</u>	<u>110,349</u>
EXPENSES						
General Government	32,649	34,892	-	-	32,649	34,892
Public Safety	33,644	32,134	-	-	33,644	32,134
Transportation	8,437	7,738	-	-	8,437	7,738
Economic Environment	962	1,053	-	-	962	1,053
Culture/Recreation	4,255	5,499	-	-	4,255	5,499
Interest on Long-term Debt	1,499	1,352	-	-	1,499	1,352
Stormwater	-	-	3,725	3,546	3,725	3,546
Airport	-	-	1,425	1,231	1,425	1,231
Solid Waste	<u>-</u>	<u>-</u>	<u>4,288</u>	<u>4,107</u>	<u>4,288</u>	<u>4,107</u>
Total Expenses	<u>81,446</u>	<u>82,668</u>	<u>9,438</u>	<u>8,884</u>	<u>90,884</u>	<u>91,552</u>
Excess Before Transfers	16,423	13,607	1,789	5,190	18,212	18,797
Transfers	<u>651</u>	<u>325</u>	<u>(651)</u>	<u>(325)</u>	<u>-</u>	<u>-</u>
Change in Net Position	17,074	13,932	1,138	4,865	18,212	18,797
Net Position, beginning						
as previously reported	<u>185,692</u>	<u>171,760</u>	<u>46,176</u>	<u>41,311</u>	<u>231,868</u>	<u>213,071</u>
Adjustments to beginning net position (*)	<u>(27,522)</u>	<u>-</u>	<u>(2,009)</u>	<u>-</u>	<u>(29,531)</u>	<u>-</u>
Net Position - beginning, restated	<u>158,170</u>	<u>171,760</u>	<u>44,167</u>	<u>41,311</u>	<u>202,337</u>	<u>213,071</u>
Net Position - Ending	<u>\$ 175,244</u>	<u>\$ 185,692</u>	<u>\$ 45,305</u>	<u>\$ 46,176</u>	<u>\$ 220,549</u>	<u>\$ 231,868</u>

(*) Balances for September 30, 2014 have not been restated for adjustments to beginning net position in the fiscal year ended September 30, 2015 due to the implementation of GASB Statement No. 68. See note 2 to the financial statements.

CITY OF KISSIMMEE, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued
September 30, 2015
(In Thousands)

Governmental activities

Governmental activities accounted for an increase of \$17,074 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 \$9,401. 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 2015.

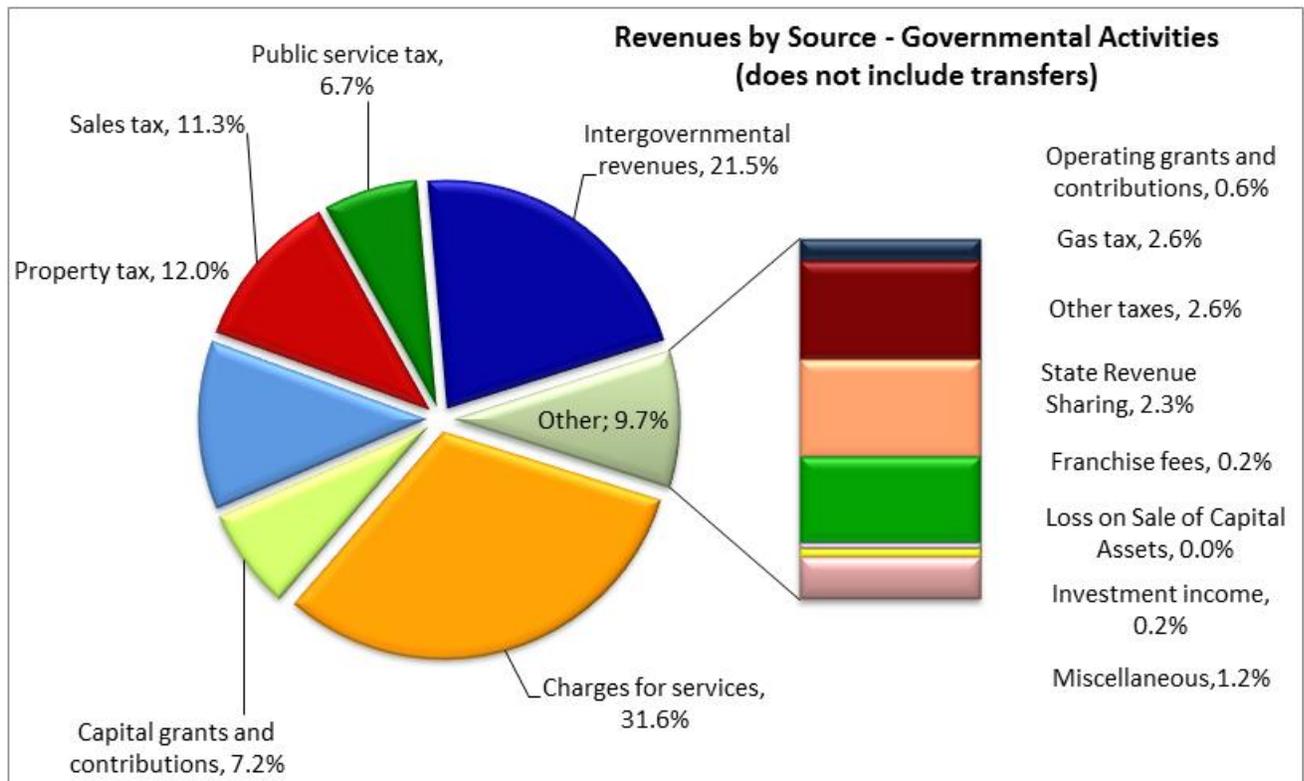
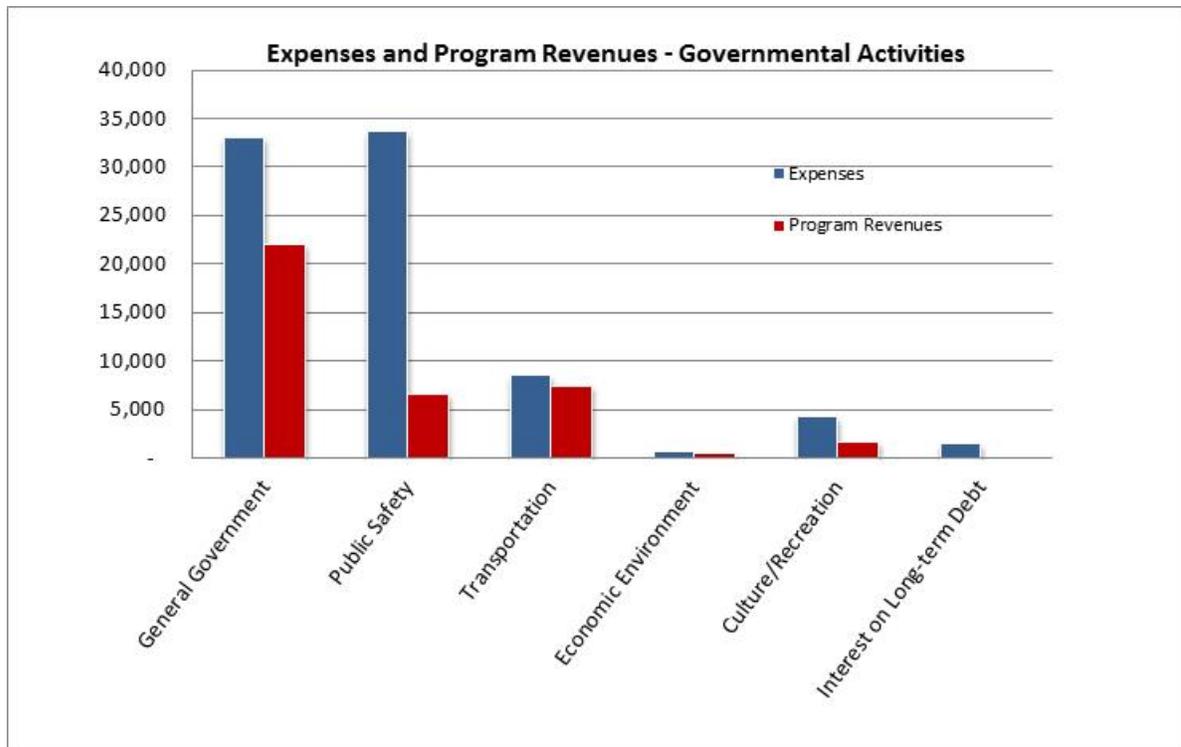
The following tables and graphs show the results of governmental activities for fiscal year ended 2015.

Expenses and Program Revenues – Governmental Activities
(In Thousands)

Functions/Programs	Expenses				Net Cost of Services		
	2015	Total	2014	% Change	2015	2014	% Change
General Government	\$ 32,649	40%	\$ 34,892	-6%	\$ (10,582)	\$ (13,330)	-21%
Public Safety	33,644	41%	32,134	5%	(26,978)	(23,841)	13%
Transportation	8,437	10%	7,738	9%	(931)	(733)	27%
Economic Environment	962	2%	1,053	-9%	(469)	64	-833%
Culture/Recreation	4,255	5%	5,499	-23%	(2,495)	(3,609)	-31%
Interest on Long-term Debt	1,499	2%	1,352	11%	(1,499)	(1,352)	11%
	<u>\$ 81,446</u>	<u>100%</u>	<u>\$ 82,668</u>		<u>\$ (42,954)</u>	<u>\$ (42,801)</u>	

Revenue by Source – Governmental Activities
(In Thousands)

Description	2015	Total	2014	% Change
Program Revenues				
Charges for services	\$ 30,858	31%	\$ 31,518	-2%
Operating grants and contributions	594	1%	894	-34%
Capital grants and contributions	7,040	7%	7,455	-6%
General Revenues				
Property tax	11,756	12%	11,456	3%
Sales tax	11,106	11%	10,420	7%
Public service tax	6,556	7%	6,572	0%
Gas tax	2,582	3%	2,581	0%
Other taxes	2,564	3%	2,517	2%
State revenue sharing	2,257	2%	2,032	11%
Unrestricted intergovernmental revenues	21,069	21%	19,616	7%
Franchise fees	159	<1%	140	14%
Investment income	233	<1%	138	69%
Gain on sale of capital assets	-		171	-100%
Miscellaneous	1,095	1%	765	43%
Transfers	651	1%	325	100%
	<u>\$ 98,520</u>	<u>100%</u>	<u>\$ 96,600</u>	



Business-type activities

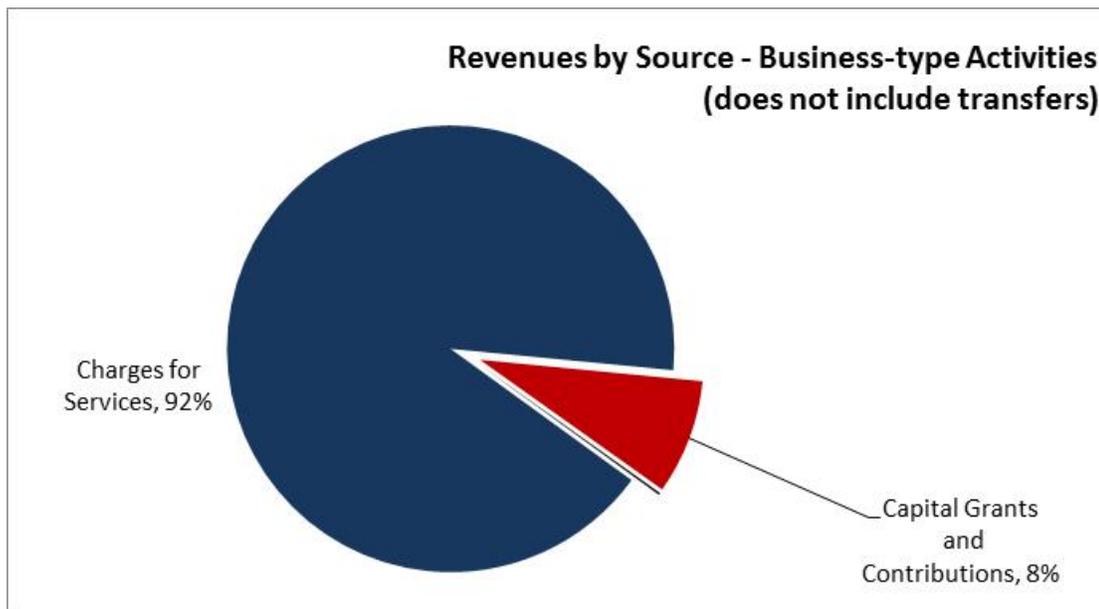
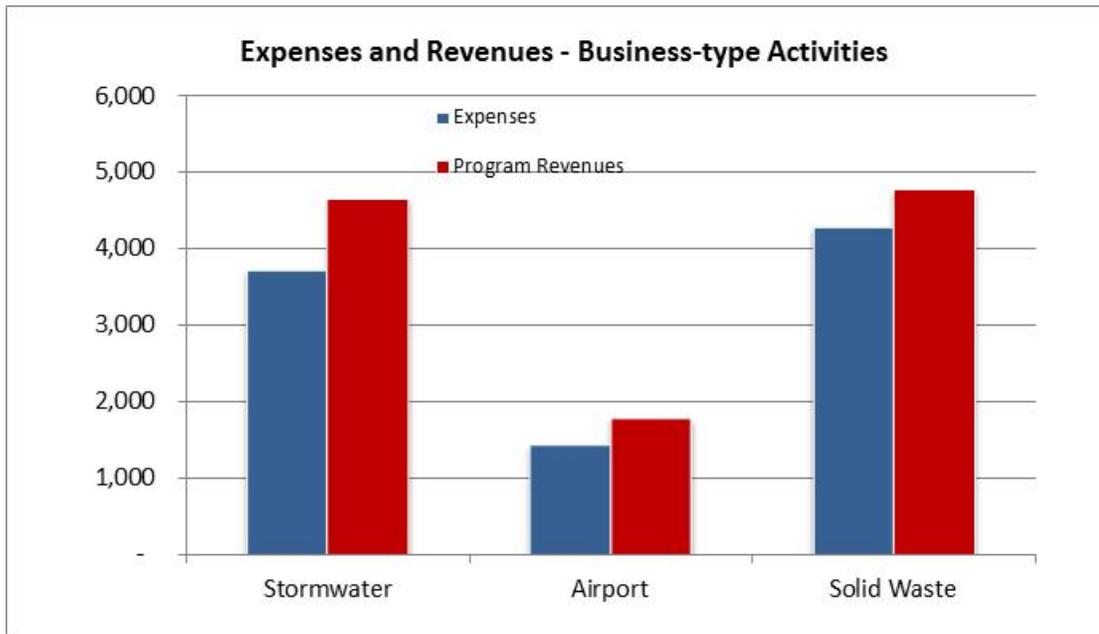
Business-type activities increased the City's net position by \$1,138 accounting for 6% of the total growth in the City's net position. Capital grants and contributions decreased by \$2,956, while net position still resulted in an increase of \$1,138. The majority of this increase resulted from charges for services exceeding expenses.

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

Functions/Programs	Expenses			Net Increase (Decrease) In Net Position		
	2015	2014	% Change	2015	2014	% Change
	Stormwater	\$ 3,725	\$ 3,546	5%	\$ 934	\$ 868
Airport	1,425	1,231	16%	353	3,491	-90%
Solid Waste	4,288	4,107	4%	485	506	-4%
	<u>\$ 9,438</u>	<u>\$ 8,884</u>		<u>\$ 1,772</u>	<u>\$ 4,865</u>	

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

	2015	Total	2014	Change
Charges for services	\$ 10,276	92%	\$ 10,179	1%
Capital grants and contributions	934	8%	3,890	-76%
Investment income	17	0%	5	240%
	<u>\$ 11,227</u>	<u>100%</u>	<u>\$ 14,074</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 2015, the City's governmental funds reported combined ending fund balances of \$45,565, an increase of \$4,447 in comparison with the prior year. This increase was largely the result of an increase in intergovernmental revenues and also sales tax revenues. 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 2015 was \$23,094 compared to \$22,939 for fiscal year 2014, an increase of \$155 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, Shingle Creek Regional Trail Fund and the Kissimmee Pedestrian Bridge Fund. More detailed information regarding these major funds is provided in the following section.

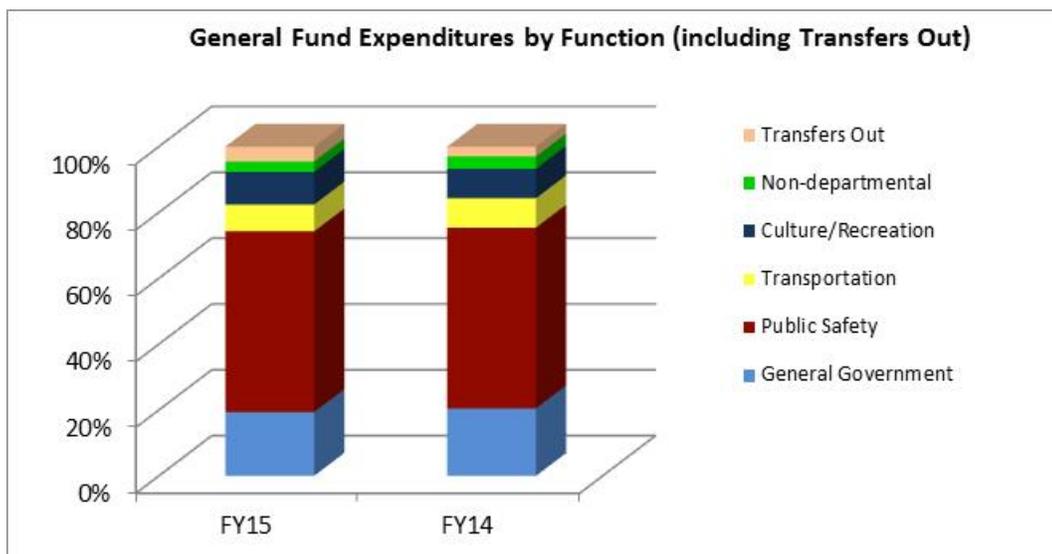
Major Funds

General Fund

The General Fund is the chief operating fund of the City. At the end of fiscal year 2015, the spendable unrestricted fund balance (assigned for budgetary carryforward \$990 and unassigned fund balance \$23,023) of the General Fund totaled \$24,013 compared to \$23,424 in fiscal year 2014, an increase of \$589. As a measure of the General Fund's liquidity, it may be useful to compare the spendable unrestricted fund balance of \$24,013 to the total fund's expenditures of \$54,502. This represents 44.1% of total expenditures compared to 44.9% in the prior fiscal year. Thus, the City was able to maintain liquidity available to meet upcoming expenditures in its chief operating fund.

The fund balance in the General Fund increased by \$581 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 2015 and 2014. 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 \$923 from the prior year. The fund balance of the CRA increased significantly due to the limited amount of expenditures in the current year. The fund balance of \$1,623 is restricted for economic development.

Shingle Creek Regional Trail Fund

The Shingle Creek Regional Trail Fund total fund balance decreased by \$(363) from the prior year. Current year expenditures exceeded revenues by \$424 due to contracts payable to the contractor. The current year fund balance deficit of \$(358) will be reimbursed by the State through the grant.

Kissimmee Pedestrian Bridge Fund

The Kissimmee Pedestrian Bridge Fund total fund balance decreased by \$(139) from the prior year. Current year expenditures exceeded revenues by \$400 due to contracts payable to the contractor. The current year fund balance deficit of \$(640) 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. The major change in the financial position of the enterprise funds was the implementation of GASB Statement No. 68. The adjustment to beginning net position in the Stormwater Fund was \$(946), \$(209) for the Airport Fund and \$(854) for the Solid Waste Fund. For the current fiscal year, unrestricted net position in the Stormwater Fund increased by \$237, the Airport Fund decreased by \$(992), and the Solid Waste Fund increased by \$113 over the prior year.

Stormwater Fund

The Stormwater Fund had an increase in net position of \$537. The largest component of the increase is due to capital additions being greater than depreciation by \$302, although resources to fund additions were budgeted in current year operating revenues.

Airport Fund

The Airport Fund had an increase in net position of \$356. The largest component of this increase was from capital contributions for current improvements of \$934.

Solid Waste Fund

The Solid Waste Fund had an increase in net position of \$245 from the prior year. Operating revenues were greater than operating expenses by \$447 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 \$2,614. 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.

CITY OF KISSIMMEE, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued
September 30, 2015
(In Thousands)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Change</u>
General Government	\$ 11,723	\$ 12,652	\$ 929
Public Safety	32,311	32,883	572
Transportation	4,944	5,042	98
Culture/Recreation	5,913	6,061	148
Non-departmental	1,150	1,624	474
Transfers Out	2,064	2,457	393
	<u>\$ 58,105</u>	<u>\$ 60,719</u>	<u>\$ 2,614</u>

The General Fund under-spent the final budget by \$3,648 during fiscal year 2015. 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.

	Actual		
	<u>Expenditures</u>	<u>Final Budget</u>	<u>Difference</u>
General Government	\$ 11,057	\$ 12,652	\$ 1,595
Public Safety	31,324	32,883	1,559
Transportation	4,641	5,042	401
Culture/Recreation	5,679	6,061	382
Non-departmental	1,801	1,624	(177)
Transfers Out	2,569	2,457	(112)
	<u>\$ 57,071</u>	<u>\$ 60,719</u>	<u>\$ 3,648</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, 2015 amounts to \$251,834 (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 \$10,006. Governmental activities increased capital assets by \$8,973 and business-type activities increased by \$1,033.

The largest increase was in improvements other than buildings of \$60,012, primarily attributed to the Lakefront improvement project, Kissimmee Pedestrian Bridge, and other major transportation projects being completed and put into service from construction in progress.

CITY OF KISSIMMEE, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued
September 30, 2015
(In Thousands)

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

	Governmental Activities		Business-type Activities		Total	
	2015	2014	2015	2014	2015	2014
Land	\$ 18,505	\$ 18,276	\$ 401	\$ 401	\$ 18,906	\$ 18,677
Intangibles, net	2,263	2,481	1	1	2,264	2,482
Buildings	54,866	54,780	6,268	5,181	61,134	59,961
Improvements Other than Buildings	190,930	130,918	36,661	36,242	227,591	167,160
Equipment	24,055	23,980	8,101	7,244	32,156	31,224
Construction in Progress	4,029	52,755	4,822	4,703	8,851	57,458
	294,648	283,190	56,254	53,772	350,902	336,962
Less: Accumulated Depreciation	(86,197)	(83,712)	(12,871)	(11,422)	(99,068)	(95,134)
Capital Assets, net	<u>\$ 208,451</u>	<u>\$ 199,478</u>	<u>\$ 43,383</u>	<u>\$ 42,350</u>	<u>\$ 251,834</u>	<u>\$ 241,828</u>

Additional information on the City's capital assets, including major construction commitments, can be found in Note 6 of this report.

Long-term Debt

At the end of fiscal year 2015, the City had total debt outstanding of \$47,990. This is a decrease of \$3,896 or 7.5% from the prior year, due to scheduled principal payments. Of the total outstanding, \$46,886 is notes and bonds payable at year-end. Notes and bonds payable are the largest percentage (97.7%) of the City's overall outstanding debt.

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

	Governmental Activities		Business-type Activities		Total	
	2015	2014	2015	2014	2015	2014
Revenue Notes	\$ 46,662	\$ 49,763	\$ -	\$ -	\$ 46,662	\$ 49,763
Revenue Bonds	224	256	-	-	224	256
Capital Lease Payable	963	1,338	141	292	1,104	1,630
Other	-	237	-	-	-	237
	<u>\$ 47,849</u>	<u>\$ 51,594</u>	<u>\$ 141</u>	<u>\$ 292</u>	<u>\$ 47,990</u>	<u>\$ 51,886</u>

Additional information on the City's debt, including any major changes to the City's credit ratings, can be found in Note 8 of this report.

Economic Factors and Next Year's Budgets and Rates

- The unemployment rate for the City at September 30, 2015 was 5.5%, which represents a slight increase of 0.2% from the 5.3% unemployment rate from the prior year
- Population increased slightly to 66,592 compared to 64,365 in the prior fiscal year.
- The ad valorem tax rate for the General Fund stayed constant at 4.6253 for the 2016 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, 2015

(In Thousands)

	Governmental	Business-type	Total
	Activities	Activities	
ASSETS			
Cash and Cash Equivalents	\$ 29,189	\$ 4,012	\$ 33,201
Restricted Cash and Investments	16,865	488	17,353
Receivables (net)	7,285	912	8,197
Due from Other Governments	4,318	451	4,769
Due from KUA	4,120	-	4,120
Due from TWA	881	10	891
Inventories	247	-	247
Prepaid Items	60	-	60
Capital Assets:			
Capital Assets not Being Depreciated	22,534	5,223	27,757
Capital Assets Being Amortized (Net)	2,263	1	2,264
Capital Assets Being Depreciated (Net)	<u>183,654</u>	<u>38,159</u>	<u>221,813</u>
Total Capital Assets	<u>208,451</u>	<u>43,383</u>	<u>251,834</u>
Total Assets	<u>271,416</u>	<u>49,256</u>	<u>320,672</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Outflows Related to Pensions	<u>8,145</u>	<u>459</u>	<u>8,604</u>
Total Deferred Outflows of Resources	<u>8,145</u>	<u>459</u>	<u>8,604</u>
LIABILITIES			
Accounts Payable	3,320	894	4,214
Contracts Payable	581	86	667
Accrued Liabilities	4,932	137	5,069
Due to Other Governments	1,340	-	1,340
Unearned Revenue	435	-	435
Deposits	30	-	30
Long-term Liabilities:			
Due Within One Year	6,290	173	6,463
Due in More Than One Year	<u>84,706</u>	<u>3,045</u>	<u>87,751</u>
Total Liabilities	<u>101,634</u>	<u>4,335</u>	<u>105,969</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred Inflows Related to Pensions	<u>2,683</u>	<u>75</u>	<u>2,758</u>
Total Deferred Inflows of Resources	<u>2,683</u>	<u>75</u>	<u>2,758</u>
NET POSITION			
Net Investment in Capital Assets	163,458	42,959	206,417
Restricted:			
Supplementary Care - Nonexpendable	802	-	802
Construction Projects	10,369	-	10,369
Public Safety	1,157	-	1,157
Charter School	2,349	-	2,349
Airport Projects	-	488	488
Other Purposes	2,188	-	2,188
Unrestricted	<u>(5,079)</u>	<u>1,858</u>	<u>(3,221)</u>
Total Net Position	<u>\$ 175,244</u>	<u>\$ 45,305</u>	<u>\$ 220,549</u>

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

CITY OF KISSIMMEE, FLORIDA
STATEMENT OF ACTIVITIES
For the Year Ended September 30, 2015
(In Thousands)

FUNCTIONS/PROGRAMS	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities:				
General Government	\$ 32,649	\$ 21,837	\$ 230	\$ -
Public Safety	33,644	6,567	99	-
Transportation	8,437	748	-	6,758
Economic Environment	962	-	211	282
Culture/Recreation	4,255	1,706	54	-
Interest on Long-term Debt	1,499	-	-	-
Total Governmental Activities	<u>81,446</u>	<u>30,858</u>	<u>594</u>	<u>7,040</u>
Business-type Activities:				
Stormwater	3,725	4,659	-	-
Airport	1,425	844	-	934
Solid Waste	4,288	4,773	-	-
Total Business-type Activities	<u>9,438</u>	<u>10,276</u>	<u>-</u>	<u>934</u>
Total	<u>\$ 90,884</u>	<u>\$ 41,134</u>	<u>\$ 594</u>	<u>\$ 7,974</u>

General Revenues:
Property Tax
Sales Tax
Public Service Tax
Gas Tax
Other Taxes
State Revenue Sharing
Unrestricted Intergovernmental Revenues
Franchise Fees
Investment Income
Miscellaneous
Transfers
Total General Revenues and Transfers
Change in Net Position
Net Position - Beginning, as previously reported
Cumulative Effect of Change in Accounting Principles
Net Position - Beginning, as restated
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
\$ (10,582)	\$ -	\$ (10,582)
(26,978)	-	(26,978)
(931)	-	(931)
(469)	-	(469)
(2,495)	-	(2,495)
(1,499)	-	(1,499)
<u>(42,954)</u>	<u>-</u>	<u>(42,954)</u>
-	934	934
-	353	353
-	<u>485</u>	<u>485</u>
-	<u>1,772</u>	<u>1,772</u>
<u>(42,954)</u>	<u>1,772</u>	<u>(41,182)</u>
11,756	-	11,756
11,106	-	11,106
6,556	-	6,556
2,582	-	2,582
2,564	-	2,564
2,257	-	2,257
21,069	-	21,069
159	-	159
233	17	250
1,095	-	1,095
651	(651)	-
<u>60,028</u>	<u>(634)</u>	<u>59,394</u>
17,074	1,138	18,212
<u>185,692</u>	<u>46,176</u>	<u>231,868</u>
<u>(27,522)</u>	<u>(2,009)</u>	<u>(29,531)</u>
<u>158,170</u>	<u>44,167</u>	<u>202,337</u>
<u>\$ 175,244</u>	<u>\$ 45,305</u>	<u>\$ 220,549</u>

CITY OF KISSIMMEE, FLORIDA
BALANCE SHEET - GOVERNMENTAL FUNDS
September 30, 2015
(In Thousands)

	<u>General</u>	<u>Shingle Creek Regional Trail</u>	<u>Kissimmee Pedestrian Bridge</u>
ASSETS			
Cash and Cash Equivalents	\$ 15,161	\$ 4	\$ -
Restricted Cash and Investments	-	-	-
Accounts Receivable (net)	6,936	-	-
Special Assessments Receivable (net)	24	-	-
Due from KUA	4,120	-	-
Due from TWA	479	-	-
Due from Other Funds	760	-	-
Due from Other Governments	1,109	837	548
Prepaid Items	60	-	-
Inventories	139	-	-
Total Assets	<u>\$ 28,788</u>	<u>\$ 841</u>	<u>\$ 548</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts Payable	\$ 973	\$ 478	\$ 185
Contracts Payable	-	193	388
Accrued Liabilities	882	-	-
Due to Other Funds	-	352	376
Due to Other Governments	1,340	-	-
Deposits Payable	30	-	-
Revenue Collected in Advance	4	176	239
Total Liabilities	<u>3,229</u>	<u>1,199</u>	<u>1,188</u>
Fund Balances (Deficits):			
Nonspendable Prepays and Inventories	199	-	-
Nonspendable Supplementary Care	-	-	-
Restricted for Transportation Projects	-	-	-
Restricted for Public Safety Projects	1,157	-	-
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	9	-	-
Assigned for Budgetary Carryforward	990	-	-
Assigned for Debt Service	-	-	-
Unassigned (Deficits)			
General Fund	23,023	-	-
Special Revenue Funds	-	(358)	(640)
Total Fund Balances (Deficits)	<u>25,559</u>	<u>(358)</u>	<u>(640)</u>
Total Liabilities and Fund Balances (Deficits)	<u>\$ 28,788</u>	<u>\$ 841</u>	<u>\$ 548</u>

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

Community Redevelopment Agency	Nonmajor Governmental Funds	Total Governmental Funds
\$ 1,649	\$ 17,905	\$ 34,719
-	4,828	4,828
-	169	7,105
-	-	24
-	-	4,120
-	16	495
-	-	760
-	1,824	4,318
-	-	60
-	-	139
<u>\$ 1,649</u>	<u>\$ 24,742</u>	<u>\$ 56,568</u>
\$ 26	\$ 1,241	\$ 2,903
-	-	581
-	4,072	4,954
-	32	760
-	-	1,340
-	-	30
-	16	435
<u>26</u>	<u>5,361</u>	<u>11,003</u>
-	-	199
-	802	802
-	6,045	6,045
-	-	1,157
-	1,017	1,017
1,623	317	2,121
-	673	673
-	2,349	2,349
-	3,784	3,784
-	4,315	4,324
-	-	990
-	86	86
-	-	23,023
-	(7)	(1,005)
<u>1,623</u>	<u>19,381</u>	<u>45,565</u>
<u>\$ 1,649</u>	<u>\$ 24,742</u>	<u>\$ 56,568</u>

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CITY OF KISSIMMEE, FLORIDA
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
as of September 30, 2015
(In Thousands)

Total fund balances of governmental funds \$ 45,565

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 \$291,228, the accumulated depreciation is \$82,946, and the accumulated amortization is \$1,798. The difference does not include the net capital assets of the internal service funds which are included below. 206,484

The internal service fund is used by management to charge the costs of risk management services to individual funds. The assets/deferred outflows and liabilities/deferred inflows of the internal service funds are included in governmental activities in the statement of net position. 3,160

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	\$ 224	
Capital leases	963	
Notes payable	46,662	
Other postemployment benefits	3,770	
Compensated absences	1,881	(53,500)

Net pension liabilities are not due and payable in the current period and, therefore are not reported in the funds. (31,791)

Deferred inflows and outflows of resources related to pension earnings are not recognized in the governmental funds; however, they are recorded in the statement of net position under full accrual accounting.

Deferred outflows of resources	\$ 7,872	
Deferred inflows of resources	(2,639)	5,233

Amount for earned but unavailable revenues recognized as revenue of the current period 93

Total net position of governmental activities \$ 175,244

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, 2015
(In Thousands)

	<u>General</u>	<u>Shingle Creek Regional Trail</u>	<u>Kissimmee Pedestrian Bridge</u>
REVENUES			
Taxes	\$ 17,641	\$ -	\$ -
Permits, Fees and Special Assessments	162	-	-
Intergovernmental Revenues	29,520	2,231	2,142
Charges for Services	7,650	-	-
Fines and Forfeitures	572	-	-
Investment Income	139	-	-
Miscellaneous Revenues	590	-	-
Total Revenues	<u>56,274</u>	<u>2,231</u>	<u>2,142</u>
EXPENDITURES			
Current:			
General Government	12,604	-	-
Public Safety	31,324	-	-
Transportation	4,641	2,655	2,542
Economic Environment	-	-	-
Culture/Recreation	5,679	-	-
Capital Outlay	-	-	-
Debt Service:			
Principal Retirement	237	-	-
Interest and Fiscal Charges	17	-	-
Total Expenditures	<u>54,502</u>	<u>2,655</u>	<u>2,542</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>1,772</u>	<u>(424)</u>	<u>(400)</u>
OTHER FINANCING SOURCES and (USES)			
Transfers In	1,268	61	261
Transfers (Out)	(2,569)	-	-
Issuance of Notes Payable/Refunded Notes Payable	-	-	-
Payment to Refunded Notes Escrow Agent	-	-	-
Proceeds from Sale of Capital Assets	110	-	-
Total Other Financing Sources and (Uses)	<u>(1,191)</u>	<u>61</u>	<u>261</u>
Net Change in Fund Balances	581	(363)	(139)
Fund Balances (Deficits) - Beginning	24,978	5	(501)
Fund Balances (Deficits) - Ending	<u>\$ 25,559</u>	<u>\$ (358)</u>	<u>\$ (640)</u>

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

Community Redevelopment Agency	Nonmajor Governmental Funds	Total Governmental Funds
\$ -	\$ 9,225	\$ 26,866
-	3,540	3,702
868	6,805	41,566
-	280	7,930
-	-	572
6	66	211
33	99	722
<u>907</u>	<u>20,015</u>	<u>81,569</u>
-	3,920	16,524
-	2,314	33,638
-	3,401	13,239
305	452	757
-	1,369	7,048
-	1,450	1,450
-	3,615	3,852
-	1,482	1,499
<u>305</u>	<u>18,003</u>	<u>78,007</u>
<u>602</u>	<u>2,012</u>	<u>3,562</u>
599	10,230	12,419
(278)	(8,904)	(11,751)
-	3,875	3,875
-	(3,768)	(3,768)
-	-	110
<u>321</u>	<u>1,433</u>	<u>885</u>
923	3,445	4,447
700	15,936	41,118
<u>\$ 1,623</u>	<u>\$ 19,381</u>	<u>\$ 45,565</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, 2015
(In Thousands)

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

Net change in fund balances - total governmental funds	\$	4,447
--------------------------------------------------------	----	-------

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 (\$14,109) exceeds depreciation (\$5,097 which excludes the amount related to internal service funds accounted for below) and amortization (\$218). 8,794

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	\$	(3,875)
Principal repayments:		
Bonds		32
Leases		375
Refunded to escrow agent		3,768
Notes		<u>3,208</u>
		3,508

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	221	
KUA-County liability	237	
Other postemployment benefits	<u>(349)</u>	109

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, 2015
(In Thousands)

Cash pension contributions reported in the funds were less than the calculated pension expense on the statement of activities and therefore decreased net position.	\$ (316)
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.	(64)
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.	(214)
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>810</u>
Change in net position of governmental activities	<u>\$ 17,074</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, 2015
(In Thousands)

	<u>Business-type Activities - Enterprise Funds</u>				Governmental Activities - Internal Service Funds
	<u>Stormwater</u>	<u>Airport</u>	<u>Solid Waste</u>	<u>Total</u>	
ASSETS					
Current Assets:					
Cash and Cash Equivalents	\$ 2,168	\$ 735	\$ 1,109	\$ 4,012	\$ 6,507
Restricted Cash and Cash Equivalents	-	488	-	488	-
Accounts Receivable (net)	349	135	428	912	156
Due from Other Governments	-	451	-	451	-
Due from TWA	6	-	4	10	386
Inventories	-	-	-	-	108
Total Current Assets	<u>2,523</u>	<u>1,809</u>	<u>1,541</u>	<u>5,873</u>	<u>7,157</u>
Capital Assets:					
Land	-	401	-	401	-
Buildings	121	6,142	5	6,268	-
Improvements Other Than Buildings	10,370	26,189	102	36,661	2,832
Software, Net	1	-	-	1	-
Machinery, Equipment and Vehicles	3,530	473	4,098	8,101	2,317
Construction in Progress	-	4,822	-	4,822	-
Less: Accumulated Depreciation	(3,521)	(7,187)	(2,163)	(12,871)	(3,182)
Total Capital Assets	<u>10,501</u>	<u>30,840</u>	<u>2,042</u>	<u>43,383</u>	<u>1,967</u>
Total Noncurrent Assets	<u>10,501</u>	<u>30,840</u>	<u>2,042</u>	<u>43,383</u>	<u>1,967</u>
Total Assets	<u>13,024</u>	<u>32,649</u>	<u>3,583</u>	<u>49,256</u>	<u>9,124</u>
DEFERRED OUTFLOWS OF RESOURCES					
Deferred Outflows Related to Pensions	216	48	195	459	273
Total Deferred Outflows of Resources	<u>216</u>	<u>48</u>	<u>195</u>	<u>459</u>	<u>273</u>

CITY OF KISSIMMEE, FLORIDA
STATEMENT OF NET POSITION - Continued
PROPRIETARY FUNDS
September 30, 2015
(In Thousands)

	<u>Business-type Activities - Enterprise Funds</u>				Governmental Activities - Internal Service Funds
	<u>Stormwater</u>	<u>Airport</u>	<u>Solid Waste</u>	<u>Total</u>	
LIABILITIES					
Current Liabilities:					
Accounts Payable	\$ 112	\$ 312	\$ 470	\$ 894	\$ 417
Contracts Payable	-	86	-	86	-
Accrued Liabilities	63	19	55	137	71
Compensated Absences Payable	17	4	11	32	26
Estimated Claims Payable	-	-	-	-	1,929
Capital Lease Payable	-	-	141	141	-
Total Current Liabilities	<u>192</u>	<u>421</u>	<u>677</u>	<u>1,290</u>	<u>2,443</u>
Noncurrent Liabilities:					
Compensated Absences Payable	68	17	45	130	106
Other Postemployment Benefits	236	44	201	481	264
Net Pension Liability	1,146	253	1,035	2,434	1,451
Estimated Claims Payable	-	-	-	-	1,929
Total Noncurrent Liabilities	<u>1,450</u>	<u>314</u>	<u>1,281</u>	<u>3,045</u>	<u>3,750</u>
Total Liabilities	<u>1,642</u>	<u>735</u>	<u>1,958</u>	<u>4,335</u>	<u>6,193</u>
DEFERRED INFLOWS OF RESOURCES					
Deferred Inflows Related to Pensions	35	8	32	75	44
Total Deferred Inflows of Resources	<u>35</u>	<u>8</u>	<u>32</u>	<u>75</u>	<u>44</u>
NET POSITION					
Net Investment in Capital Assets	10,488	30,570	1,901	42,959	1,967
Restricted for Airport Projects	-	488	-	488	-
Unrestricted	1,075	896	(113)	1,858	1,193
Total Net Position	<u>\$ 11,563</u>	<u>\$ 31,954</u>	<u>\$ 1,788</u>	<u>\$ 45,305</u>	<u>\$ 3,160</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, 2015
(In Thousands)

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Stormwater	Airport	Solid Waste	Total	
Operating Revenues:					
Charges for Services	\$ 4,654	\$ 825	\$ 4,730	\$ 10,209	\$ 16,041
Miscellaneous Revenues	1	19	1	21	197
Total Operating Revenues	4,655	844	4,731	10,230	16,238
Operating Expenses:					
Personal Services	1,994	487	1,677	4,158	2,287
Contracted Services	554	51	876	1,481	1,912
Supplies and Materials	217	29	307	553	183
Repairs and Maintenance	335	73	362	770	2,059
Other Services and Charges	98	222	340	660	1,744
Depreciation	527	563	722	1,812	146
Claims/Premium Expense	-	-	-	-	7,287
Total Operating Expenses	3,725	1,425	4,284	9,434	15,618
Operating Income (Loss)	930	(581)	447	796	620
Nonoperating Revenues (Expenses):					
Interest Expense	-	-	(4)	(4)	-
Investment Income	8	5	4	17	22
Insurance Recoveries	-	-	-	-	190
Gain or (Loss) from Sale of Capital Assets	4	-	42	46	(8)
Total Nonoperating Revenues (Expenses)	12	5	42	59	204
Income (Loss) Before Contributions and Transfers	942	(576)	489	855	824
Capital Contributions	-	934	-	934	3
Transfers In	194	-	-	194	-
Transfers (Out)	(599)	(2)	(244)	(845)	(17)
Change in Net Position	537	356	245	1,138	810
Net Position - Beginning, as previously reported	11,972	31,807	2,397	46,176	3,548
Cumulative Effect of Change in Accounting Principles	(946)	(209)	(854)	(2,009)	(1,198)
Net Position - Beginning, as restated	11,026	31,598	1,543	44,167	2,350
Total Net Position - Ending	\$ 11,563	\$ 31,954	\$ 1,788	\$ 45,305	\$ 3,160

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, 2015
(In Thousands)

	Business-type Activities - Enterprise Funds				Governmental
	Stormwater	Airport	Solid Waste	Total	Activities - Internal Service Funds
Cash Flows from Operating Activities					
Receipts from Customers and Users	\$ 4,636	\$ 741	\$ 4,747	\$ 10,124	\$ 16,320
Payments to Suppliers	(1,196)	(557)	(1,975)	(3,728)	(12,895)
Payments to Employees	(1,957)	(469)	(1,652)	(4,078)	(2,252)
Net Cash Provided (Used) by Operating Activities	<u>1,483</u>	<u>(285)</u>	<u>1,120</u>	<u>2,318</u>	<u>1,173</u>
Cash Flows from Noncapital Financing Activities					
Transfers (to) Other Funds	(599)	(2)	(244)	(845)	(17)
Transfers from Other Funds	194	-	-	194	-
Net Cash Provided (Used) by Noncapital Financing Activities	<u>(405)</u>	<u>(2)</u>	<u>(244)</u>	<u>(651)</u>	<u>(17)</u>
Cash Flows from Capital and Related Financing Activities					
Acquisition/Construction of Capital Assets	(816)	(768)	(639)	(2,223)	(551)
Capital Contributions	-	934	-	934	3
Capital Lease Principal Payments	-	-	(151)	(151)	-
Proceeds from Insurance Recoveries	-	-	-	-	190
Proceeds from Sale of Capital Assets	4	-	46	50	5
Interest Payments on Debt	-	-	(4)	(4)	-
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(812)</u>	<u>166</u>	<u>(748)</u>	<u>(1,394)</u>	<u>(353)</u>
Cash Flows from Investing Activities					
Gain on Investments	8	5	4	17	22
Net Cash Provided (Used) by Investing Activities	<u>8</u>	<u>5</u>	<u>4</u>	<u>17</u>	<u>22</u>
Net Increase (Decrease) in Cash and Cash Equivalents	274	(116)	132	290	825
Cash and Cash Equivalents at Beginning of Year	<u>1,894</u>	<u>1,339</u>	<u>977</u>	<u>4,210</u>	<u>5,682</u>
Cash and Cash Equivalents at End of Year	<u>\$ 2,168</u>	<u>\$ 1,223</u>	<u>\$ 1,109</u>	<u>\$ 4,500</u>	<u>\$ 6,507</u>

Continued

CITY OF KISSIMMEE, FLORIDA
STATEMENT OF CASH FLOWS - Continued
PROPRIETARY FUNDS
For The Year Ended September 30, 2015
(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 (Used) by Operating Activities				
Operating Income (Loss)	\$ 930	\$ (581)	\$ 447	\$ 796
Depreciation	527	563	722	1,812
Change in Assets and Liabilities:				
(Increase) Decrease in Accounts Receivable	(16)	(73)	(1)	(90)
(Increase) Decrease in Due from KUA	-	-	-	-
(Increase) Decrease in Due from TWA	-	-	(3)	(3)
(Increase) Decrease in Inventories	-	-	-	-
(Increase) Decrease in Deferred Outflows	(216)	(48)	(195)	(459)
Increase (Decrease) in Accounts Payable	5	(276)	(70)	(341)
Increase (Decrease) in Retainage Payable	-	64	-	64
Increase (Decrease) in Customer Deposits	-	-	-	-
Increase (Decrease) in Accrued Liabilities	3	7	5	15
Increase (Decrease) in OPEB	23	5	19	47
Increase (Decrease) in Compensated Absences	(8)	2	(17)	(23)
Increase (Decrease) in Claims Payable	-	-	-	-
Increase (Decrease) in Net Pension Liability	200	44	181	425
Increase (Decrease) in Deferred Inflows	35	8	32	75
Total Adjustments	<u>553</u>	<u>296</u>	<u>673</u>	<u>1,522</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ 1,483</u>	<u>\$ (285)</u>	<u>\$ 1,120</u>	<u>\$ 2,318</u>
				<u>\$ 1,173</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, 2015
(In Thousands)

ASSETS

Cash and Cash Equivalents	\$	2,819
Receivables:		
Interest Receivable		246
Due From Government		385
Total Receivables		631
Investments, at Fair Value:		
U.S. Government Obligations		7,972
U.S. Instrumentalities		6,834
Corporate Bonds		20,659
Corporate Stocks		49,096
Mutual Funds		87,194
Total Investments		171,755
Total Assets		175,205

LIABILITIES

-

**Net Position Restricted
for Pension Benefits**

\$ 175,205

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, 2015
(In Thousands)

ADDITIONS

Contributions:

Employer	\$ 6,928
Plan Members	1,174
State	<u>906</u>
Total Contributions	<u>9,008</u>

Investment earnings:

Net increase (decrease) in fair value of investments	(11,986)
Interest and dividends	<u>13,555</u>
Total Investment Earnings	1,569
Less Investment Expense	<u>1,069</u>
Net Investment Earnings	<u>500</u>
Total Additions	<u>9,508</u>

DEDUCTIONS

Benefits	10,408
Administrative Expense	<u>176</u>
Total Deductions	<u>10,584</u>

Change in Net Position (1,076)

Net Position - Beginning of Year 176,281

Net Position - End of Year \$ 175,205

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

CITY OF KISSIMMEE, FLORIDA
NOTES TO FINANCIAL STATEMENTS

September 30, 2015

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CITY OF KISSIMMEE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
September 30, 2015

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NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. The Reporting Entity

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

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

B. Government-wide and Fund Financial Statements

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

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

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

1. Government-wide Financial Statements

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

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

2. Fund Financial Statements

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

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

The City reports the following major governmental funds:

- The *General Fund* is the City's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.
- The *Community Redevelopment Agency Fund* is a special revenue fund used to account for operations of the Community Redevelopment Agency (CRA). Costs will ultimately be funded with restricted incremental tax increases of property located within the CRA.
- The *Kissimmee Pedestrian Bridge Fund* is a special revenue fund used to account for the revenues and expenditures related to the Local Agency Program "LAP" Agreement with the Florida Department of Transportation "FDOT" to provide the construction of the Kissimmee Pedestrian Bridge.
- The *Shingle Creek Regional Trail Fund* is a special revenue fund used to account for the revenues and expenditures related to the LAP Agreement with the FDOT to provide the construction of the Shingle Creek Regional Trail.

The 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, the Fire Assessment Fee Fund, the Section 8 HAPP Fund, the Pension Trust Funds 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 2014-2015 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, 2015. 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 one thousand dollars and estimated useful lives of over one year are recorded as capital assets. Infrastructure is capitalized when the initial costs equal or exceed \$25 and has an estimated useful life of more than one year. Capital assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair value at the date of donation.

CITY OF KISSIMMEE, FLORIDA
NOTES TO FINANCIAL STATEMENTS – Continued
 September 30, 2015
(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 Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/ expenditure) until then. The City only has one item that qualifies for reporting in this category. In the statement of net position, a deferred charge related to pensions is an aggregate of items related to pensions as calculated in accordance with GASB Statement No. 68, Accounting and Financial Reporting for Pensions. The deferred outflows related to pensions will be recognized as either pension expense or a reduction in the net pension liability in future reporting years. Details on the composition of the deferred outflows related to pensions are further discussed in Note 9.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. Deferred inflows in the statement of net position represent amounts related to an aggregate of items related to pensions as calculated in accordance with GASB Statement No. 68, Accounting and Financial Reporting for Pensions. The deferred inflows related to pensions will be recognized as a reduction to pension expense in future reporting years. Details on the composition of the deferred inflows related to pensions are further discussed in Note 9.

Q. Pensions/Net Pension Liability

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

R. 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.

S. Fund Balances

The City classified governmental fund balances as follows:

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

CITY OF KISSIMMEE, FLORIDA
NOTES TO FINANCIAL STATEMENTS – Continued
September 30, 2015
(In Thousands)

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

T. Net Position Restricted by Enabling Legislation

In the government-wide financial statements, governmental activities report restricted net position of \$16,865, of which management has determined \$1,017 for building code enforcement is restricted by enabling legislation that is reported within the category of "other purposes".

NOTE 2 – ACCOUNTING CHANGES AND ADJUSTMENT TO BEGINNING NET POSITION

Change in Accounting Principles

The City participates in one multi-employer and two single employer defined benefit pension plans. As a participating employer, the City implemented Governmental Accounting Standards Board (GASB) Statement No. 68, Accounting and Financial Reporting for Pensions, which requires employers participating in cost-sharing multiple-employer and single employer defined benefit pension plans to report the employers' proportionate share of the net pension liabilities of the defined benefit pension plans. The requirements of this Statement are being implemented prospectively, with the City reporting its proportionate share of the actuarially determined liabilities of \$27,379 at October 1, 2014. In addition, the City reported beginning deferred inflows for actuarial experience differences of \$2,048 as of October 1, 2014.

Adjustment to Beginning Net Position

The beginning net position of the City was decreased due to the adoption of a new GASB Pronouncement, Statement No. 68, Accounting and Financial Reporting for Pensions. GASB Statement No. 68 requires the City to recognize its proportionate share of the net pension liabilities and operating statement activities related to changes in the collective pension liabilities of cost-sharing multiple-employer and the single employer defined benefit plans. Below is a summary of the required changes in beginning net position:

	Government-wide Statements				
	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>
Beginning net position, as previously reported	\$	185,692	\$	46,176	\$ 231,868
Cumulative effect of change in accounting principles		(27,522)		(2,009)	(29,531)
Beginning net position, as restated	<u>\$</u>	<u>158,170</u>	<u>\$</u>	<u>44,167</u>	<u>\$ 202,337</u>
	Proprietary Funds				
	<u>Stormwater</u>	<u>Airport</u>	<u>Solid Waste</u>	<u>Total</u>	<u>Internal Service Funds</u>
Beginning net position, as previously reported	\$ 11,972	\$ 31,807	\$ 2,397	\$ 46,176	\$ 3,548
Cumulative effect of change in accounting principles	(946)	(209)	(854)	(2,009)	(1,198)
Beginning net position, as restated	<u>\$ 11,026</u>	<u>\$ 31,598</u>	<u>\$ 1,543</u>	<u>\$ 44,167</u>	<u>\$ 2,350</u>

CITY OF KISSIMMEE, FLORIDA
NOTES TO FINANCIAL STATEMENTS – Continued
September 30, 2015
(In Thousands)

NOTE 3 – 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 \$54. The carrying amount of the demand deposits and cash on hand at September 30, 2015 was \$474.

Investments

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

The following is a summary of the City's pooled investments (including the Pension Trust Funds) at September 30, 2015.

	Fair Value	Weighted Average Maturity (Years)	Credit Rating
U.S. Government Instrumentalities	\$ 2,025	3.33	S&P AA+
SunTrust MUNI Investment	17,120	n/a	n/a
BB&T Bank Agency Project Fund	1,088	n/a	n/a
Florida PRIME	29,847	See below (1)	S&P AAAM
Total Investments	\$ 50,080		

(1) The weighted average maturity at September 30, 2015 was 29 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	\$ 7,972	5.61	\$ -		\$ -		\$ 7,972
U.S. Government Instrumentalities	6,394	24.22	440	4.17	-		6,834
Corporate Bonds	5,691	16.31	11,906	12.97	3,062	5.15	20,659
Mutual Funds	48,642	n/a	22,166	n/a	16,386	n/a	87,194
Corporate Stocks	20,802	n/a	14,387	n/a	13,907	n/a	49,096
Total Investments	89,501		48,899		33,355		171,755
Money Market	1,012	n/a	1,198	n/a	609	n/a	2,819
Total Cash and Investments	\$ 90,513		\$ 50,097		\$ 33,964		\$ 174,574

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, 96% 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.

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

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

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

NOTE 4 – 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, 2015. Special assessment receivables are secured by liens placed on benefited properties at the time of the original assessment.

Description	General	Stormwater	Airport	Nonmajor and Internal			Total
				Solid Waste	Service Funds	Pension Funds	
Accounts	\$ 9,343	\$ 349	\$ 135	\$ 428	\$ 325	\$ -	\$ 10,580
Interest	-	-	-	-	-	246	246
Special assessments	24	-	-	-	-	-	24
	9,367	349	135	428	325	246	10,850
Less: Allowance for uncollectibles	(2,407)	-	-	-	-	-	(2,407)
	<u>\$ 6,960</u>	<u>\$ 349</u>	<u>\$ 135</u>	<u>\$ 428</u>	<u>\$ 325</u>	<u>\$ 246</u>	<u>\$ 8,443</u>

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NOTE 5 – INTERFUND ACCOUNTS

Individual interfund receivables, payables and transfers with a description of their purpose at September 30, 2015 are:

	<u>Due From</u>	<u>Due To</u>	Purpose
General Fund	\$ 760	\$ -	To cover negative pooled cash position of Funds
Shingle Creek Regional Trail	-	352	To cover negative pooled cash position of Funds
Kissimmee Pedestrian Bridge	-	376	To cover negative pooled cash position of Funds
Nonmajor Funds:			
Special Revenue Funds	-	32	To cover negative pooled cash position of Funds
	<u>\$ 760</u>	<u>\$ 760</u>	
	Transfer In	Transfers Out	Purpose
General Fund	\$ 1,268	\$ 2,569	Transfer to cover debt service payments
Shingle Creek Regional Trail	61		City contribution to grant project
Kissimmee Pedestrian Bridge	261		City contribution to grant project
Community Redevelopment Agency	599	278	Transfer to cover debt service payments
Stormwater	194	599	Transfer to General Fund for PILOT
Airport	-	2	
Solid Waste	-	244	Transfer to General Fund for PILOT
Internal Service Funds	-	17	
Nonmajor Funds:			
Special Revenue Funds	1,767	5,136	Transfer to cover cash balances and cover debt service
Debt Service Funds	8,463	3,768	Transfer to cover debt service payment
	<u>\$ 12,613</u>	<u>\$ 12,613</u>	

CITY OF KISSIMMEE, FLORIDA
NOTES TO FINANCIAL STATEMENTS – Continued
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NOTE 6 – CAPITAL ASSETS

A. Changes in Capital Assets

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

Governmental Activities	Beginning Balance 10/01/2014	Increases	Decreases	Ending Balance 9/30/2015
Capital Assets, Not Being Depreciated:				
Land	\$ 18,276	\$ 229	\$ -	\$ 18,505
Charter School Construction in Progress	-	31	-	31
Construction In Progress	<u>52,755</u>	<u>7,077</u>	<u>(55,834)</u>	<u>3,998</u>
Total Capital Assets, Not Being Depreciated	<u>71,031</u>	<u>7,337</u>	<u>(55,834)</u>	<u>22,534</u>
Capital Assets, Being Amortized, Net:				
Software - Charter School	3	(2)	-	1
Software - Other City	642	(12)	-	630
Parking Capacity	<u>1,836</u>	<u>(204)</u>	<u>-</u>	<u>1,632</u>
Total Capital Assets Being Amortized, Net	<u>2,481</u>	<u>(218)</u>	<u>-</u>	<u>2,263</u>
Capital Assets, Being Depreciated:				
Buildings				
Charter School	960	86	-	1,046
Other City	53,820	-	-	53,820
Improvements other than buildings				
Charter School	129	-	-	129
Other City	130,789	60,066	(54)	190,801
Equipment				
Charter School	794	153	-	947
Other City	<u>23,186</u>	<u>2,836</u>	<u>(2,914)</u>	<u>23,108</u>
Total Capital Assets Being Depreciated	<u>209,678</u>	<u>63,141</u>	<u>(2,968)</u>	<u>269,851</u>
Less Accumulated Depreciation For:				
Buildings				
Charter School	(165)	(53)	-	(218)
Other City	(25,898)	(1,271)	-	(27,169)
Improvements other than buildings				
Charter School	(86)	(5)	-	(91)
Other City	(36,234)	(2,073)	37	(38,270)
Equipment				
Charter School	(629)	(94)	-	(723)
Other City	<u>(20,700)</u>	<u>(1,747)</u>	<u>2,721</u>	<u>(19,726)</u>
Total Accumulated Depreciation	<u>(83,712)</u>	<u>(5,243)</u>	<u>2,758</u>	<u>(86,197)</u>
Total Capital Assets, Being Depreciated, Net	<u>125,966</u>	<u>57,898</u>	<u>(210)</u>	<u>183,654</u>
Governmental Activities Capital Assets, Net	<u>\$ 199,478</u>	<u>\$ 65,017</u>	<u>\$ (56,044)</u>	<u>\$ 208,451</u>

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NOTES TO FINANCIAL STATEMENTS – Continued
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(In Thousands)

Business-type Activities	Beginning Balance 10/01/2014	Increases	Decreases	Ending Balance 9/30/2015
<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	119	2	-	121
Improvements other than Buildings	10,122	248	-	10,370
Equipment	2,959	579	(8)	3,530
Total Capital Assets Being Depreciated	<u>13,200</u>	<u>829</u>	<u>(8)</u>	<u>14,021</u>
Less Accumulated Depreciation For:				
Buildings	(4)	(2)	-	(6)
Improvements other than Buildings	(1,449)	(205)	-	(1,654)
Equipment	(1,549)	(320)	8	(1,861)
Total Accumulated Depreciation	<u>(3,002)</u>	<u>(527)</u>	<u>8</u>	<u>(3,521)</u>
Total Capital Assets, Being Depreciated, Net	<u>10,198</u>	<u>302</u>	<u>-</u>	<u>10,500</u>
Solid Waste Fund Capital Assets, Net	<u>\$ 10,199</u>	<u>\$ 302</u>	<u>\$ -</u>	<u>\$ 10,501</u>
<u>Airport Fund</u>				
Capital Assets, Not Being Depreciated:				
Land	\$ 401	\$ -	\$ -	\$ 401
Construction In Progress	4,703	119	-	4,822
Total Capital Assets, Not Being Depreciated	<u>5,104</u>	<u>119</u>	<u>-</u>	<u>5,223</u>
Capital Assets, Being Depreciated:				
Buildings	5,057	1,085	-	6,142
Improvements other than Buildings	26,018	171	-	26,189
Equipment	470	6	(3)	473
Total Capital Assets Being Depreciated	<u>31,545</u>	<u>1,262</u>	<u>(3)</u>	<u>32,804</u>
Less Accumulated Depreciation For:				
Buildings	(983)	(168)	-	(1,151)
Improvements other than Buildings	(5,180)	(383)	-	(5,563)
Equipment	(464)	(12)	3	(473)
Total Accumulated Depreciation	<u>(6,627)</u>	<u>(563)</u>	<u>3</u>	<u>(7,187)</u>
Total Capital Assets, Being Depreciated, Net	<u>24,918</u>	<u>699</u>	<u>-</u>	<u>25,617</u>
Airport Fund Capital Assets, Net	<u>\$ 30,022</u>	<u>\$ 818</u>	<u>\$ -</u>	<u>\$ 30,840</u>

CITY OF KISSIMMEE, FLORIDA
NOTES TO FINANCIAL STATEMENTS – Continued
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	Beginning Balance 10/01/2014	Increases	Decreases	Ending Balance 9/30/2015
<u>Solid Waste Fund</u>				
Capital Assets, Being Depreciated:				
Buildings	\$ 5	\$ -	\$ -	\$ 5
Improvements other than Buildings	102	-	-	102
Equipment	3,815	639	(356)	4,098
Total Capital Assets Being Depreciated	<u>3,922</u>	<u>639</u>	<u>(356)</u>	<u>4,205</u>
Less Accumulated Depreciation For:				
Buildings	(2)	-	-	(2)
Improvements other than Buildings	(17)	(3)	-	(20)
Equipment	(1,774)	(719)	352	(2,141)
Total Accumulated Depreciation	<u>(1,793)</u>	<u>(722)</u>	<u>352</u>	<u>(2,163)</u>
Total Capital Assets, Being Depreciated, Net	<u>2,129</u>	<u>(83)</u>	<u>(4)</u>	<u>2,042</u>
Solid Waste Fund Capital Assets, Net	<u>\$ 2,129</u>	<u>\$ (83)</u>	<u>\$ (4)</u>	<u>\$ 2,042</u>
<u>Total Business-type Activities</u>				
Capital Assets, Not Being Depreciated:				
Land	\$ 401	\$ -	\$ -	\$ 401
Construction In Progress	4,703	119	-	4,822
Total Capital Assets, Not Being Depreciated	<u>5,104</u>	<u>119</u>	<u>-</u>	<u>5,223</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	5,181	1,087	-	6,268
Improvements other than Buildings	36,242	419	-	36,661
Equipment	7,244	1,224	(367)	8,101
Total Capital Assets Being Depreciated	<u>48,667</u>	<u>2,730</u>	<u>(367)</u>	<u>51,030</u>
Less Accumulated Depreciation For:				
Buildings	(989)	(170)	-	(1,159)
Improvements other than Buildings	(6,646)	(591)	-	(7,237)
Equipment	(3,787)	(1,051)	363	(4,475)
Total Accumulated Depreciation	<u>(11,422)</u>	<u>(1,812)</u>	<u>363</u>	<u>(12,871)</u>
Total Capital Assets, Being Depreciated, Net	<u>37,245</u>	<u>918</u>	<u>(4)</u>	<u>38,159</u>
Total Business-type Activities, Net	<u>\$ 42,350</u>	<u>\$ 1,037</u>	<u>\$ (4)</u>	<u>\$ 43,383</u>

CITY OF KISSIMMEE, FLORIDA
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Governmental Activities:

Depreciation and Amortization Expense By Function

General Government	\$ 1,751
Public Safety	1,595
Transportation	1,417
Culture/Recreation	552
Capital assets held by the City's internal service funds are charged to the various functions based on their usage of the assets	<u>146</u>
Total Governmental Activities Depreciation and Amortization	<u>\$ 5,461</u>

Business-type Activities:

Depreciation Expense By Function

Stormwater	\$ 527
Airport	563
Solid Waste	<u>722</u>
	<u>\$ 1,812</u>

B. Net Capital Assets

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

	Governmental Activities	Business-type Activities	Total
Land	\$ 18,505	\$ 401	\$ 18,906
Software, net	631	1	632
Parking Capacity, net	1,632	-	1,632
Buildings	54,866	6,268	61,134
Improvements other than Buildings	190,930	36,661	227,591
Equipment	24,055	8,101	32,156
Construction in Progress	<u>4,029</u>	<u>4,822</u>	<u>8,851</u>
	294,648	56,254	350,902
Less: Accumulated Depreciation	<u>(86,197)</u>	<u>(12,871)</u>	<u>(99,068)</u>
Capital Assets, net	<u>\$ 208,451</u>	<u>\$ 43,383</u>	<u>\$ 251,834</u>

C. Construction Commitments

The following is a schedule of significant capital construction projects with remaining commitment amounts of greater than \$1 million as of September 30, 2015:

Projects	Spent-to-Date	Remaining Commitment
Carroll/Dyer Road Improvements	\$ -	\$ 9,097
Oak Street Improvements	126	6,051
Shingle Creek Trail	2,489	2,628
Lakefront Improvements	<u>2,349</u>	<u>1,571</u>
Total	<u>\$ 4,964</u>	<u>\$ 19,347</u>

CITY OF KISSIMMEE, FLORIDA
NOTES TO FINANCIAL STATEMENTS – Continued
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NOTE 7 – 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, 2015, the total book value of assets in these categories is \$6,543 with accumulated depreciation of \$1,151. The following is a schedule of minimum future lease income on non-cancellable operating leases:

Year	Amount
2016	\$ 775
2017	797
2018	766
2019	779
2020	785
After 2020	1,606
Total minimum lease income	<u>\$ 5,508</u>

Total income on non-cancellable operating leases for the year ended September 30, 2015 was \$738.

NOTE 8 – LONG-TERM LIABILITIES

A. Schedule of Changes in Long-term Liabilities

The City's outstanding long-term liabilities includes revenue bonds payable, notes payable, capital leases payable, net pension liability, claims payable, other postemployment benefits, and compensated absences. The following is a schedule of changes in the City's long-term liabilities for the fiscal year ended September 30, 2015:

	Balance 10/01/14	Additions	Reductions	Balance 9/30/15	Due Within One Year	Long-term Portion
Governmental Activities:						
Revenue Notes Payable	\$ 49,763	\$ 3,875	\$ (6,976)	\$ 46,662	\$ 3,443	\$ 43,219
Revenue Bonds Payable	256	-	(32)	224	34	190
Capital Lease Payable	1,338	-	(375)	963	381	582
KUA County Liability	237	-	(237)	-	-	-
Claims Payable	3,622	236	-	3,858	1,929	1,929
Net Pension Liability	25,369	16,027	(8,154)	33,242	-	33,242
Other Postemployment Benefits	3,663	371	-	4,034	-	4,034
Compensated Absences	2,230	2,129	(2,346)	2,013	503	1,510
Governmental Activity Long-term Liabilities	<u>\$ 86,478</u>	<u>\$ 22,638</u>	<u>\$ (18,120)</u>	<u>\$ 90,996</u>	<u>\$ 6,290</u>	<u>\$ 84,706</u>
Business-type Activities:						
Capital Lease Payable	\$ 292	\$ -	\$ (151)	\$ 141	\$ 141	\$ -
Net Pension Liability	2,010	1,059	(635)	2,434	-	2,434
Other Postemployment Benefits	433	48	-	481	-	481
Compensated Absences	185	269	(292)	162	32	130
Business-type Activity Long-term Liabilities	<u>\$ 2,920</u>	<u>\$ 1,376</u>	<u>\$ (1,078)</u>	<u>\$ 3,218</u>	<u>\$ 173</u>	<u>\$ 3,045</u>

* Balance for October 1, 2014 has been restated for Net Pension Liability because of the implementation of GASB 68.

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

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NOTES TO FINANCIAL STATEMENTS – Continued
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B. Debt Service Requirements

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

Governmental Activities: Fiscal Year	Revenue Notes		Revenue Bonds		Total
	Principal	Interest	Principal	Interest	
2016	\$ 3,443	\$ 1,374	\$ 34	\$ 11	\$ 4,862
2017	3,583	1,272	36	10	4,901
2018	3,718	1,166	37	8	4,929
2019	3,858	1,056	39	6	4,959
2020	3,993	942	25	4	4,964
2021-2025	18,939	2,901	53	3	21,896
2026-2030	6,526	882	-	-	7,408
2031-2035	2,602	190	-	-	2,792
Total	\$ 46,662	\$ 9,783	\$ 224	\$ 42	\$ 56,711

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, 2015, 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 10/01/14	Additions/ Reductions	Outstanding at 09/30/15
1984	\$ 2,000	\$ (950)	\$ 1,050
1986	2,085	(1,005)	1,080
1990	2,260	(1,090)	1,170
	<u>\$ 6,345</u>	<u>\$ (3,045)</u>	<u>\$ 3,300</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
2016	\$ 394	\$ 143
2017	394	-
2018	197	-
Total minimum lease payments	985	143
Less: amount representing interest	(22)	(2)
Present value of minimum lease payments	<u>\$ 963</u>	<u>\$ 141</u>

CITY OF KISSIMMEE, FLORIDA
NOTES TO FINANCIAL STATEMENTS – Continued
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E. Bonds and Notes Payable

The City has revenue bonds and notes outstanding at September 30, 2015. 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	N/A	\$ 9,000	\$ 5,865	N/A	N/A	\$ 420	N/A
2010A Capital Improvement Refunding Note Maturity: 2023, Interest Rate: 2.61% Purpose: Refunding 2005 Series Note	Local option sales tax	9,500	6,405	7,191	10.1%	670	6,642
2010B Capital Improvement Revenue Note Maturity: 2025, Interest Rate: 2.79% Purpose: Road Improvements	Local option sales tax	8,000	6,415	7,441	8.2%	545	6,642
2010C Capital Improvement Revenue Note Maturity: 2030, Interest Rate: 2.69% Purpose: Road Improvements	N/A	4,000	3,505	N/A	N/A	170	N/A
2011A Capital Improvement Revenue Note Maturity: 2023, Interest Rate: 3.11% Purpose: Refunding Charter School Note	N/A	7,075	4,690	N/A	N/A	510	N/A
2011B Capital Improvement Refunding Note Maturity: 2025, Interest Rate: 2.86% Purpose: Road Improvements	Local option sales tax	9,140	6,645	7,737	8.4%	555	6,642
2014 Capital Improvement Revenue Note Maturity: 2034, Interest Rate: 2.86% Purpose: Lakefront Park & Road Improvements	Local option sales tax	9,600	9,315	12,305	4.3%	285	6,642
2015A-1 Capital Improvement Revenue Note Maturity: 2029, Interest Rate: 2.30% Purpose: Road Improvements	N/A	52	52	N/A	N/A	-	N/A
2015B CRA Refunding Revenue Note Maturity: 2030, Interest Rate: 2.81% Purpose: Refund 2004 CRA Note	N/A	3,820	<u>3,770</u>	N/A	N/A	50	N/A
	Total Revenue Notes		<u>46,662</u>				
Revenue Bonds:							
Excise Tax Revenue Bonds, Series 1980 Maturity: 2022, Interest Rate: 5.00% Purpose: Refunding	Occupational License Tax	265	56	63	6.8%	12	176
Excise Tax Revenue Bonds, Series 1982 Maturity: 2019, Interest Rate: 5.00% Purpose: Refunding	Occupational License Tax	500	<u>168</u>	203	11.2%	20	176
	Total Revenue Bonds		<u>224</u>				
Total Revenue Notes and Bonds - Governmental Activities			<u>\$ 46,886</u>				

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

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

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

NOTE 9 – 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. The general employees' retirement plan is a multi-employer cost sharing defined benefit plan while the municipal police officers' and municipal firefighters' retirement plans are both single employer defined benefit plans. All three plans are established by ordinance pursuant to Florida Statutes. These plans provide retirement, disability, and death benefits to plan members and their beneficiaries. All three plans may be amended by ordinances adopted by the City Commission for benefits, funding policies, contribution requirements, investment policies and other plan administration changes. However, the City must adhere to the restrictions and limitations set forth in Florida Statutes for the police officers' and firefighters' pension plans. Each plan has a board of trustees that is responsible for the proper operation of the plan. The general employees' board consists of seven trustees, two of whom shall be appointed by the City Manager, two of whom shall be members of the system and who shall be elected by a majority of the general employees who are employed by the City and who are members of the system, one of whom shall be appointed by the TWA executive director and one of whom shall be a member of the system and elected by a majority of the general employees who are employed by TWA and who are members of the system. The seventh trustee shall be chosen by a majority of the previous six. The police officers' and firefighters' boards consist of five trustees each, two of whom, unless otherwise prohibited by law, shall be legal residents of the City, who shall be appointed by the City Commission and two of whom shall be members of the system, who shall be elected by a majority of the police officers/firefighters who are members of the system. The fifth trustee shall be selected by a majority of the previous four trustees, and such person's name shall be submitted to the City Commission. Upon receipt of the fifth person's name, the City Commission shall, as a ministerial duty, appoint such person to the board of trustees as its fifth trustee.

B. Summary of Significant Accounting Policies

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

Method Used to Value Investments – Investments are reported at fair value. Short-term investments are reported at 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.

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C. Membership and Contribution Information

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

	Pension Plans		
	General Employees'	Police Officers'	Firefighters'
Inactive Plan Members or Beneficiaries Currently Receiving Benefits	204	93	37
Inactive Plan Members Entitled to but Not Yet Receiving Benefits	147	17	48
Active Plan Members	429	124	77
Total	780	234	162

For the fiscal year ended September 30, 2015, the following plan provisions are listed below:

	Pension Plans		
	General Employees'	Police Officers'	Firefighters'
Required Plan Member Contribution	3.69% Tier 1 7.14% Tier 2	3.70% ¹	1.00% ²
Actuarial Cost Method	Entry Age Normal	Entry Age Normal	Entry Age Normal
Amortization Method	Level Dollar, closed	Level % of pay, closed	Level % of pay, closed
Remaining Amortization Period	15 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	4.00% to 6.50%	7.00%	6.86%
Post retirement benefit increases	3.00%	3.50%	3.50%
Includes inflation and payroll growth	3.00%	3.50%	3.00%
Cost-of-living adjustments	None	1% per year age 55 to 65	None

¹ 5.00% for Members hired after May 6, 2014

² 3.00% for Members hired after December 31, 2012

D. Benefits Provided

General Employees'

Retirement Age

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

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

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Retirement Benefits

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

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

Delayed: Benefit continues to accrue.

Termination Benefits

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

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

Disability

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

Death Benefits (Pre-Retirement)

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

Cost-of-Living Adjustment

There is no cost-of-living adjustment.

Deferred Retirement Option Program (DROP)

Members who continue in employment past normal retirement date may either accrue larger pensions or freeze their accrued benefit and enter the DROP. Each participant in the DROP has an account credited with benefits not received and investment earnings. The DROP period is 60 months, but no more than five years from the date of eligibility. The DROP balance as of September 30, 2015 is \$1,652.

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

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Delayed: Benefit continues to accrue.

Termination Benefits

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

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

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

Disability

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

Death Benefits (Pre-Retirement)

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

Cost-of-Living Adjustment

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, 2015 is \$391.

Firefighters'

Retirement Age

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

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

Retirement Benefits

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

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

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

Cost-of-Living Adjustment

There is no cost-of-living adjustment

Deferred Retirement Option Program (DROP)

Members who continue in employment past normal retirement date may either accrue larger pensions or freeze their accrued benefit and enter the DROP. Each participant in the DROP has an account credited with benefits not received and investment earnings. The DROP balance as of September 30, 2015 is \$4,184.

E. Net Pension Liability of the Sponsor

The components of the net pension liability of the sponsor as of September 30, 2015 were as follows:

	<u>Pension Plans</u>		
	<u>General*</u> <u>Employees'</u>	<u>Police</u> <u>Officers'</u>	<u>Firefighters'</u>
Total Pension Liability	\$ 114,513	\$ 60,271	\$ 46,034
Plan Fiduciary Net Position	90,669	50,165	34,371
Sponsor's Net Pension Liability	23,844	10,106	11,663
Plan Fiduciary Net Position as a Percentage of			
Total Pension Liability	79.18%	83.23%	74.66%

* Information shown above is for the City and Toho combined

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The total pension liability for all plans was determined by an actuarial valuation as of October 1, 2014 updated to September 30, 2015 using the following actuarial assumption applied to all measurement periods.

	Pension Plans		
	General	Police	Firefighters'
	Employees'	Officers'	
Inflation	3.00%	3.00%	3.00%
Salary Increases	4.00% to 6.50%	7.00%	4.50% to 10.00%
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, 2015 are summarized in the following table:

Asset Class	Pension Plans					
	General Employees'		Police Officers'		Firefighters'	
	Target Allocation	Long-term Expected Real Rate of Return	Target Allocation	Long-term Expected Real Rate of Return	Target Allocation	Long-term Expected Real Rate of Return
Domestic Equity	44%	7.50%	-	-	38%	8.00%
International Equity	16%	3.50%	15%	8.50%	15%	3.00%
Domestic Fixed	20%	5.00%	-	-	-	-
Global Fixed	5%	1.50%	5%	3.50%	-	-
Real Estate	10%	13.00%	10%	4.50%	-	-
Private Equity	5%	1.50%	-	-	-	-
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%	4.40%
Convertibles	-	-	-	-	10%	6.40%
REITs	-	-	-	-	5%	7.00%
MLPs	-	-	-	-	5%	10.40%

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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, 2015:

Fiscal Year 2015	Pension Plans		
	General Employees'	Police Officers'	Firefighters'
Annual Money-Weighted Rate of Return			
Net of Investment Expense	1.54%	2.29%	-4.79%

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 6.50%	Rate 7.50%	1% Increase 8.50%
General Employees' Fund City and Toho	\$ 37,815	\$ 23,844	\$ 12,104
General Employees' Fund City only	\$ 22,054	\$ 13,906	\$ 7,059

Sponsor's Net Pension Liability	Current Discount		
	1% Decrease 7.00%	Rate 8.00%	1% Increase 9.00%
Police Officers' Fund	\$ 17,052	\$ 10,106	\$ 4,277
Firefighters' Fund	\$ 15,969	\$ 11,663	\$ 8,042

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Change in Net Pension Liability			
	<u>General Employees'</u>	<u>Police Officers'</u>	<u>Firefighters'</u>
Total pension liability			
Service Cost	\$ 1,378	\$ 1,841	\$ 826
Interest	4,798	4,577	3,512
Difference Between Actual & Expected Experience	(555)	(427)	(606)
Benefit Payments	(2,859)	(2,849)	(2,657)
Net Change in Total Pension Liability	<u>2,762</u>	<u>3,142</u>	<u>1,075</u>
Total Pension Liability - Beginning	64,022	57,129	44,959
Total Pension Liability - Ending (a)	<u>\$ 66,784</u>	<u>\$ 60,271</u>	<u>\$ 46,034</u>
Plan Fiduciary Net Position			
Contributions - Employer	\$ 2,088	\$ 1,907	\$ 1,434
Contributions - State	-	521	385
Contributions - Member	490	270	63
Net Investment Income	663	1,144	(1,773)
Benefit Payments	(2,859)	(2,849)	(2,657)
Administrative Expense	(44)	(48)	(52)
Net Change in Plan Fiduciary Net Position	<u>338</u>	<u>945</u>	<u>(2,600)</u>
Plan Fiduciary Net Position - Beginning	52,540	49,220	36,971
Plan Fiduciary Net Position - Ending (b)	<u>\$ 52,878</u>	<u>\$ 50,165</u>	<u>\$ 34,371</u>
Net Pension Liability - Ending (a)-(b)	13,906	10,106	11,663
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	79.18%	83.23%	74.66%
Covered Employee Payroll	\$ 13,754	\$ 7,754	\$ 4,987
Net Pension Liability as a Percentage of covered Employee Payroll	101.10%	130.33%	233.87%

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

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

For the year ended September 30, 2015, the City recognized a pension expense of \$2,326 related to the general employees' pension fund. The City's proportionate share of the total Plan's net position is 58.2%. Employer contributions were used as a basis to determine the allocation; the allocation was unchanged from prior year. The City also reported deferred outflows of resources and deferred inflows of resources related to the general employees' pension from the following sources.

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Net Deferred Outflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ 426	\$ (426)
Net Difference between projected and actual earnings on pension plan investments	2,616	-	2,616
Total	<u>\$ 2,616</u>	<u>\$ 426</u>	<u>\$ 2,190</u>

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

Year Ending September 30	Net Deferred Outflow s of Resources
2016	\$ 525
2017	525
2018	525
2019	615
Total	\$ 2,190

For the year ended September 30, 2015, the City recognized a pension expense of \$2,571 related to the police officers' pension fund. The City also reported deferred outflows of resources and deferred inflows of resources related to the police officers' pension from the following sources.

	Deferred Outflow s of Resources	Deferred Inflow s of Resources	Net Deferred Outflow s of Resources
Differences between expected and actual experience	\$ -	\$ 341	\$ (341)
Net Difference between projected and actual earnings on pension plan investments	1,728	-	1,728
Total	\$ 1,728	\$ 341	\$ 1,387

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

Year Ending September 30	Net Deferred Outflow s of Resources
2016	\$ 305
2017	305
2018	305
2019	472
Total	\$ 1,387

For the year ended September 30, 2015, the City recognized a pension expense of \$1,847 related to the firefighters' pension fund. The City also reported deferred outflows of resources and deferred inflows of resources related to the firefighters' pension from the following sources.

	Deferred Outflow s of Resources	Deferred Inflow s of Resources	Net Deferred Outflow s of Resources
Differences between expected and actual experience	\$ -	\$ 455	\$ (455)
Net Difference between projected and actual earnings on pension plan investments	2,724	-	2,724
Total	\$ 2,724	\$ 455	\$ 2,269

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

Year Ending September 30	Net Deferred Outflow s of Resources
2016	\$ 443
2017	443
2018	443
2019	940
Total	\$ 2,269

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F. Combining Statements of the Pension Trust Funds

CITY OF KISSIMMEE, FLORIDA				
COMBINING STATEMENT OF FIDUCIARY NET POSITION				
PENSION TRUST FUNDS				
September 30, 2015				
(In Thousands)				
	General			
	Employees'	Police Officers'	Firefighters'	
	Pension	Pension	Pension	Totals
ASSETS				
Cash and Cash Equivalents:	\$ 1,012	\$ 1,198	\$ 609	\$ 2,819
Receivable:				
Interest Receivable	156	68	22	246
Due From Government	-	-	385	385
Total Receivable:	156	68	407	631
Investments, at Fair Value:				
U.S. Government Obligations	7,972	-	-	7,972
U.S. Instrumentalities	6,394	440	-	6,834
Corporate Bonds	5,691	11,906	3,062	20,659
Corporate Stocks	20,802	14,387	13,907	49,096
Mutual Funds	48,642	22,166	16,386	87,194
Total Investments:	89,501	48,899	33,355	171,755
Total Assets	90,669	50,165	34,371	175,205
Net Position Restricted for Pension Benefits	\$ 90,669	\$ 50,165	\$ 34,371	\$ 175,205

CITY OF KISSIMMEE, FLORIDA				
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION				
PENSION TRUST FUNDS				
For The Year Ended September 30, 2015				
(In Thousands)				
	General			
	Employees'	Police Officers'	Firefighters'	
	Pension	Pension	Pension	Totals
ADDITIONS				
Contributions:				
Employer	\$ 3,587	\$ 1,907	\$ 1,434	\$ 6,928
Plan Members	841	270	63	1,174
State	-	521	385	906
Total Contributions	4,428	2,698	1,882	9,008
Investment earnings:				
Net increase (decrease) in fair value of investments	(7,949)	(719)	(3,318)	(11,986)
Interest and dividends	9,699	2,146	1,710	13,555
Total investment earnings	1,750	1,427	(1,608)	1,569
Less investment expense	621	283	165	1,069
Net investment earnings	1,129	1,144	(1,773)	500
Total Additions	5,557	3,842	109	9,508
DEDUCTIONS				
Benefits	4,902	2,849	2,657	10,408
Administrative Expense	76	48	52	176
Total Deductions	4,978	2,897	2,709	10,584
Change in Net Position	579	945	(2,600)	(1,076)
Net Position - Beginning of Year	90,090	49,220	36,971	176,281
Net Position - End of Year	\$ 90,669	\$ 50,165	\$ 34,371	\$ 175,205

NOTE 10 – 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 \$4,785 at October 1, 2014, 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 534 active participants and 18 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.

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

	FY15 Valuation as of 10/01/14
Normal Cost (service cost for one year)	\$ 406
Amortization of Unfunded Actuarial Accrued Liability	203
Interest on Normal Cost and Amortization	-
Annual Required Contribution (ARC)	609
Interest on Net OPEB Obligation	143
Adjustment to ARC	(171)
Annual OPEB Cost (expense)	581
Employer Contributions Made	(162)
Increase/(Decrease) in Net OPEB Obligation	419
Net OPEB Obligation at Beginning of Year	4,096
Net OPEB Obligation at End of Year	\$ 4,515

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 2015, 2014 and 2013 were as follows:

Fiscal Year Ended	Annual OPEB Cost	Employer Contributions toward OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
9/30/2015	\$ 581	\$ 162	27.88%	\$ 4,515
9/30/2014	827	258	31.20%	4,096
9/30/2013	794	165	20.78%	3,528

D. Funded Status and Funding Progress

As of October 1, 2014, the OPEB Plan was unfunded. The actuarial accrued liability (AAL) for benefits was \$4,785. Assets of the OPEB Plan are valued at market; however, the current value is \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$4,785 or 0%. The covered payroll (annual payroll of active employees covered by the OPEB Plan) was \$23,973. The ratio of the UAAL to the covered payroll was 19.96%. 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.

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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, 2015, was 24 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 11 – 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 2015, 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, 2015, the total outstanding unpaid claims were \$3,858 which includes an estimate for incurred but not reported claims. Insurance premiums paid out of this fund totaled \$6,807 for the fiscal year ended September 30, 2015. 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
2014-2015	\$ 3,622	\$ 7,043	\$ (6,807)	\$ 3,858
2013-2014	3,546	8,128	(8,052)	3,622

NOTE 12 – 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)	\$ 208,451	\$ 43,383	\$ 251,834
Debt Related to Capital Assets	(47,849)	(141)	(47,990)
Other Liabilities Related to Capital Assets	(928)	(283)	(1,211)
Unspent Proceeds of Capital-Related Debt	3,784	-	3,784
	<u>\$ 163,458</u>	<u>\$ 42,959</u>	<u>\$ 206,417</u>

NOTE 13 – FUND BALANCE DEFICITS AND DEFICIT NET POSITION

The following funds have a deficit fund balance or net position at September 30, 2015:

<u>Fund Name</u>	<u>Deficit Amounts</u>
<u>Deficit Fund Balance</u>	
Shingle Creek Regional Trail	\$ 358
Kissimmee Pedestrian Bridge	640
Nonmajor Funds:	
Special Revenue Funds:	
Justice Assitance Grant	1
Community Development Block Grant	6
<u>Deficit Net Position</u>	
Health Insurance	166

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 14 – 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, 2015, the payment made by KUA to the City was \$15.3 million. KUA's total operating revenues for the fiscal year ended September 30, 2015 were \$201 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 2015 was \$5.7 million and all future annual amounts will be calculated based on the gross annual revenues of the system for an additional 13 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,

CITY OF KISSIMMEE, FLORIDA
NOTES TO FINANCIAL STATEMENTS – Continued
September 30, 2015
(In Thousands)

of expenditures which may be disallowed by the grantor cannot be determined at this time, although the City expects such amounts to be immaterial.

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

NOTE 15 – SUBSEQUENT EVENT

On February 4, 2016, the City sold the Capital Improvement Revenue Bonds, Series 2016 for the amount of \$42,930. The Series 2016 are payable from and secured by a lien upon the funds distributed to the City from Local Government Half-Cent Sales Tax, the Public Utilities and Service Taxes and also the Communication Services Tax. The Series 2016 Bonds are being issued to construct, acquire and equip certain additions, extensions and improvements to public facilities within the City, street improvements, lakefront park improvements, park expansion, utility relocation, parking garages and renovation of City buildings. A portion of the funds will also be used to refund the Capital Improvement Revenue Note, Series 2006 and the Capital Improvement Refunding Revenue Note, Series 2011A and to pay certain expenses related to the issuance and sale of the Series 2016 Bonds.

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REQUIRED SUPPLEMENTARY INFORMATION

Budgetary Comparison Schedules (GAAP BASIS):

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

City Retirement Plans Schedules and Notes:

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

City Other Postemployment Benefits Plan Schedules:

- Schedule of Funding Progress
- Schedule of Employer Contributions

CITY OF KISSIMMEE, FLORIDA
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
For the Year Ended September 30, 2015
(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	\$ 10,641	\$ 10,641	\$ 10,889	\$ 248
Utility taxes	6,500	6,500	6,576	76
Local business taxes	185	185	176	(9)
	<u>17,326</u>	<u>17,326</u>	<u>17,641</u>	<u>315</u>
Permits, Fees and Special Assessments:				
Franchise fees	142	142	159	17
Other permits and fees	2	2	3	1
	<u>144</u>	<u>144</u>	<u>162</u>	<u>18</u>
Intergovernmental Revenues:				
State grants	-	275	10	(265)
State revenue sharing	1,958	1,958	2,257	299
Half cent sales tax	4,167	4,167	4,464	297
Shared taxes and licenses	171	171	146	(25)
County shared revenue	1,588	1,608	1,631	23
Kissimmee Utility Authority	15,270	15,270	15,313	43
Tohopekaliga Water Authority	5,700	5,700	5,699	(1)
	<u>28,854</u>	<u>29,149</u>	<u>29,520</u>	<u>371</u>
Charges for Services:				
General government charges	517	517	497	(20)
Public safety charges	5,639	5,639	5,140	(499)
Physical environment charges	70	70	64	(6)
Transportation charges	636	636	692	56
Culture/recreation charges	1,134	1,134	1,257	123
	<u>7,996</u>	<u>7,996</u>	<u>7,650</u>	<u>(346)</u>
Fines and Forfeitures:				
Court fines and costs	615	615	572	(43)
Miscellaneous Revenue:				
Investment income	17	17	139	122
Rents	26	26	34	8
Other revenue	254	347	383	36
Sales of cemetery lots	114	114	173	59
	<u>411</u>	<u>504</u>	<u>729</u>	<u>225</u>

Continued

CITY OF KISSIMMEE, FLORIDA
BUDGETARY COMPARISON SCHEDULE - CONTINUED
GENERAL FUND
For the Year Ended September 30, 2015
(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 AND OTHER SOURCES - Continued				
Transfers In:				
Stormwater Utility Fund	\$ 232	\$ 232	\$ 228	\$ (4)
Charter School	672	672	672	-
Airport	2	2	2	-
Other Nonmajor Funds	71	89	87	(2)
Solid Waste Fund	231	231	244	13
Transportation Impact Fee	25	25	24	(1)
Fire Assessment Fees	-	-	11	11
	<u>1,233</u>	<u>1,251</u>	<u>1,268</u>	<u>17</u>
Other Sources:				
Proceeds from Sale of Capital Assets	60	60	110	50
	<u>60</u>	<u>60</u>	<u>110</u>	<u>50</u>
Total Revenues and Other Sources	<u>56,639</u>	<u>57,045</u>	<u>57,652</u>	<u>607</u>
EXPENDITURES AND OTHER (USES)				
General Government:				
City Commission:				
Personal Services	299	259	248	(11)
Operating	549	572	521	(51)
	<u>848</u>	<u>831</u>	<u>769</u>	<u>(62)</u>
City Manager:				
Personal Services	1,262	1,104	1,070	(34)
Operating	251	509	172	(337)
Capital Outlay	23	44	21	(23)
	<u>1,536</u>	<u>1,657</u>	<u>1,263</u>	<u>(394)</u>
Development Services:				
Personal Services	1,082	1,247	1,108	(139)
Operating	275	723	259	(464)
Capital Outlay	30	175	27	(148)
	<u>1,387</u>	<u>2,145</u>	<u>1,394</u>	<u>(751)</u>
Legal:				
Personal Services	495	495	418	(77)
Operating	256	306	123	(183)
Capital Outlay	2	2	1	(1)
	<u>753</u>	<u>803</u>	<u>542</u>	<u>(261)</u>

Continued

CITY OF KISSIMMEE, FLORIDA
BUDGETARY COMPARISON SCHEDULE - CONTINUED
GENERAL FUND
For the Year Ended September 30, 2015
(In Thousands)

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Over (Under)</u>
	<u>Original</u>	<u>Final</u>		
EXPENDITURES AND OTHER (USES) - Continued				
General Government:				
Finance:				
Personal Services	\$ 1,033	\$ 1,035	\$ 981	\$ (54)
Operating	166	176	147	(29)
Capital Outlay	19	23	2	(21)
	<u>1,218</u>	<u>1,234</u>	<u>1,130</u>	<u>(104)</u>
Personnel:				
Personal Services	633	634	624	(10)
Operating	55	55	42	(13)
	<u>688</u>	<u>689</u>	<u>666</u>	<u>(23)</u>
Central Service Charges:				
Operating	5,293	5,293	5,293	-
	<u>5,293</u>	<u>5,293</u>	<u>5,293</u>	<u>-</u>
Total General Government	<u>11,723</u>	<u>12,652</u>	<u>11,057</u>	<u>(1,595)</u>
Public Safety:				
Police:				
Personal Services	17,462	17,526	16,339	(1,187)
Operating	2,121	1,946	1,824	(122)
Capital Outlay	1,064	1,622	1,602	(20)
	<u>20,647</u>	<u>21,094</u>	<u>19,765</u>	<u>(1,329)</u>
Fire:				
Personal Services	9,943	9,921	9,756	(165)
Operating	1,481	1,523	1,505	(18)
Capital Outlay	240	345	298	(47)
	<u>11,664</u>	<u>11,789</u>	<u>11,559</u>	<u>(230)</u>
Total Public Safety	<u>32,311</u>	<u>32,883</u>	<u>31,324</u>	<u>(1,559)</u>
Transportation:				
Public Works:				
Personal Services	2,598	2,604	2,480	(124)
Operating	2,184	2,208	2,058	(150)
Capital Outlay	162	230	103	(127)
	<u>4,944</u>	<u>5,042</u>	<u>4,641</u>	<u>(401)</u>

Continued

CITY OF KISSIMMEE, FLORIDA
BUDGETARY COMPARISON SCHEDULE - CONTINUED
GENERAL FUND
For the Year Ended September 30, 2015
(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	\$ 3,924	\$ 3,939	\$ 3,743	\$ (196)
Operating	1,574	1,649	1,533	(116)
Capital Outlay	415	473	403	(70)
Total Culture / Recreation	<u>5,913</u>	<u>6,061</u>	<u>5,679</u>	<u>(382)</u>
Non-Departmental				
Bad Debt	750	1,224	1,547	323
Capital Reserves	19,071	18,132	-	(18,132)
Operating Reserves	50	29	-	(29)
Debt Service Principal	360	360	237	(123)
Debt Service Interest and Costs	40	40	17	(23)
Total Non-Departmental	<u>20,271</u>	<u>19,785</u>	<u>1,801</u>	<u>(17,984)</u>
Other (Uses)				
Transfers Out	672	672	672	-
Transfers Out	1,392	1,785	1,897	(112)
	<u>2,064</u>	<u>2,457</u>	<u>2,569</u>	<u>(112)</u>
Total Other (Uses)	<u>2,064</u>	<u>2,457</u>	<u>2,569</u>	<u>(112)</u>
Total Expenditures and Other (Uses)	<u>77,226</u>	<u>78,880</u>	<u>57,071</u>	<u>(21,809)</u>
Excess of Revenues and Other Sources Over Expenditures and Other (Uses)				
	(20,587)	(21,835)	581	22,416
Fund Balance - Beginning of Year	<u>20,587</u>	<u>21,835</u>	<u>24,978</u>	<u>3,143</u>
Fund Balance - End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 25,559</u>	<u>\$ 25,559</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
SHINGLE CREEK REGIONAL TRAIL
For the Year Ended September 30, 2015
(In Thousands)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Over (Under)
	Original	Final		
REVENUES				
Intergovernmental Revenues	\$ -	\$ 254	\$ 2,231	\$ 1,977
Total Revenues	<u>-</u>	<u>254</u>	<u>2,231</u>	<u>1,977</u>
EXPENDITURES				
Transportation				
Capital Outlay	-	5,089	2,655	2,434
Total Expenditures	<u>-</u>	<u>5,089</u>	<u>2,655</u>	<u>2,434</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	(4,835)	(424)	4,411
OTHER FINANCING SOURCES and (USES)				
Transfers In	-	61	61	-
Total Other Financing Sources and (Uses)	<u>-</u>	<u>61</u>	<u>61</u>	<u>-</u>
Net Change in Fund Balance	-	(4,774)	(363)	4,411
Fund Balance - Beginning	-	4,774	5	(4,769)
Fund Balance (Deficit) - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (358)</u>	<u>\$ (358)</u>

Notes to Schedule

Budgets for the Shingle Creek Regional Trail 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
KISSIMMEE PEDESTRIAN BRIDGE
For the Year Ended September 30, 2015
(In Thousands)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Over (Under)
	Original	Final		
REVENUES				
Intergovernmental Revenues	\$ -	\$ 180	\$ 2,142	\$ 1,962
Total Revenues	<u>-</u>	<u>180</u>	<u>2,142</u>	<u>1,962</u>
EXPENDITURES				
Transportation				
Capital Outlay	-	2,740	2,542	198
Total Expenditures	<u>-</u>	<u>2,740</u>	<u>2,542</u>	<u>198</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	(2,560)	(400)	2,160
OTHER FINANCING SOURCES and (USES)				
Transfers In	-	261	261	-
Total Other Financing Sources and (Uses)	<u>-</u>	<u>261</u>	<u>261</u>	<u>-</u>
Net Change in Fund Balance	-	(2,299)	(139)	2,160
Fund Balance (Deficit) - Beginning	-	2,299	(501)	(2,800)
Fund Balance (Deficit) - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (640)</u>	<u>\$ (640)</u>

Notes to Schedule

Budgets for the Kissimmee Pedestrian Bridge 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
COMMUNITY REDEVELOPMENT AGENCY
For the Year Ended September 30, 2015
(In Thousands)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Over (Under)
	Original	Final		
REVENUES				
Intergovernmental Revenues	\$ 869	\$ 869	\$ 868	\$ (1)
Investment Income	3	3	6	3
Miscellaneous Revenues	1	1	33	32
Total Revenues	873	873	907	34
EXPENDITURES				
Economic Environment				
Capital Outlay	674	875	305	570
Capital Outlay Reserve	593	593	-	593
Total Expenditures	1,267	1,468	305	1,163
Excess (Deficiency) of Revenues Over (Under) Expenditures	(394)	(595)	602	1,197
OTHER FINANCING SOURCES and (USES)				
Transfers In	600	600	599	(1)
Transfers (Out)	(754)	(654)	(278)	376
Total Other Financing Sources and (Uses)	(154)	(54)	321	375
Net Change in Fund Balance	(548)	(649)	923	1,572
Fund Balance - Beginning	548	649	700	51
Fund Balance - Ending	\$ -	\$ -	\$ 1,623	\$ 1,623

Notes to Schedule

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

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CITY OF KISSIMMEE, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
September 30, 2015
(In Thousands)

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

	<u>2015</u>	<u>2014</u>
Total Pension Liability		
Service Cost	\$ 2,362	\$ 2,383
Interest	8,227	7,758
Benefit changes	-	339
Difference Between Actual & Expected Experience	(952)	(12)
Benefit Payments and Refunds	<u>(4,902)</u>	<u>(3,483)</u>
Net Change in Total Pension Liability	4,735	6,985
Total Pension Liability - Beginning	109,778	102,793
Total Pension Liability - Ending (a)	<u><u>\$ 114,513</u></u>	<u><u>\$ 109,778</u></u>
 Plan Fiduciary Net Position		
Contributions - Employer (from City and Toho)	\$ 3,587	\$ 3,135
Contributions - Member	841	844
Net Investment Income	1,129	7,817
Benefit Payments	(4,902)	(3,483)
Administrative Expense	<u>(76)</u>	<u>(65)</u>
Net Change in Plan Fiduciary Net Position	579	8,248
 Plan Fiduciary Net Position - Beginning	90,090	81,842
Plan Fiduciary Net Position - Ending (b)	<u><u>\$ 90,669</u></u>	<u><u>\$ 90,090</u></u>
 Net Pension Liability - Ending (a)-(b)	23,844	19,688
 Plan Fiduciary Net Position as a Percentage of Total Pension Liability	79.18%	82.07%
 Covered Employee Payroll	\$ 22,830	\$ 22,466
 Net Pension Liability as a Percentage of Covered Employee Payroll	104.44%	87.63%

This schedule represents entire plan with City and Toho combined.

This schedule is present to illustrate the requirement to show information for 10 years. However, until 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, 2015
(In Thousands)

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

	<u>2015</u>	<u>2014</u>
Total Pension Liability		
Service Cost	\$ 1,378	\$ 1,390
Interest	4,798	4,524
Benefit Changes	-	198
Difference Between Actual & Expected Experience	(555)	(7)
Benefit Payments	<u>(2,859)</u>	<u>(2,032)</u>
Net Change in Total Pension Liability	<u>2,762</u>	<u>4,073</u>
Total Pension Liability - Beginning	<u>64,022</u>	<u>59,949</u>
Total Pension Liability - Ending (a)	<u><u>\$66,784</u></u>	<u><u>\$64,022</u></u>
 Plan Fiduciary Net Position		
Contributions - Employer	\$ 2,088	\$ 1,984
Contributions - Member	490	492
Net Investment Income	663	4,404
Benefit Payments	(2,859)	(2,032)
Administrative Expense	<u>(44)</u>	<u>(38)</u>
Net Change in Plan Fiduciary Net Position	<u>338</u>	<u>4,810</u>
 Plan Fiduciary Net Position - Beginning	<u>52,540</u>	<u>47,730</u>
Plan Fiduciary Net Position - Ending (b)	<u><u>\$52,878</u></u>	<u><u>\$52,540</u></u>
 City's Proportionate % of Total Plan Net Position	58.32%	58.32%
 Net Pension Liability - Ending (a)-(b)	13,906	11,482
 Plan Fiduciary Net Position as a Percentage of Total Pension Liability	79.18%	82.07%
 Covered Employee Payroll	\$ 13,754	\$ 13,568
 Net Pension Liability as a Percentage of Covered Employee Payroll	101.11%	84.63%

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

This schedule is present to illustrate the requirement to show information for 10 years. However, until 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, 2015
(In Thousands)

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

	2015	2014
Total Pension Liability		
Service Cost	\$ 1,841	\$ 1,815
Interest	4,577	4,317
Difference Between Actual & Expected Experience	(427)	-
Benefit Payments	(2,849)	(2,957)
Net Change in Total Pension Liability	3,142	3,175
Total Pension Liability - Beginning	57,129	53,954
Total Pension Liability - Ending (a)	\$60,271	\$57,129
 Plan Fiduciary Net Position		
Contributions - Employer	\$ 1,907	\$ 2,476
Contributions - State	521	501
Contributions - Member	270	253
Net Investment Income	1,144	4,412
Benefit Payments	(2,849)	(2,957)
Administrative Expense	(48)	(51)
Net Change in Plan Fiduciary Net Position	945	4,634
 Plan Fiduciary Net Position - Beginning	49,220	44,586
Plan Fiduciary Net Position - Ending (b)	\$50,165	\$49,220
 Net Pension Liability - Ending (a)-(b)	10,106	7,909
 Plan Fiduciary Net Position as a Percentage of Total Pension Liability	83.23%	86.16%
 Covered Employee Payroll	\$ 7,754	\$ 6,841
 Net Pension Liability as a Percentage of Covered Employee Payroll	130.33%	115.61%

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

CITY OF KISSIMMEE, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
September 30, 2015
(In Thousands)

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

	<u>2015</u>	<u>2014</u>
Total Pension Liability		
Service Cost	\$ 826	\$ 846
Interest	3,512	3,366
Change in Excess State Money	(606)	(555)
Benefit Payments	<u>(2,657)</u>	<u>(2,063)</u>
Net Change in Total Pension Liability	1,075	1,594
Total Pension Liability - Beginning	44,959	43,365
Total Pension Liability - Ending (a)	<u>\$46,034</u>	<u>\$44,959</u>
Plan Fiduciary Net Position		
Contributions - Employer	\$ 1,434	\$ 1,392
Contributions - State	385	417
Contributions - Member	63	68
Net Investment Income	(1,773)	4,343
Benefit Payments	(2,657)	(2,063)
Administrative Expense	<u>(52)</u>	<u>(52)</u>
Net Change in Plan Fiduciary Net Position	(2,600)	4,105
Plan Fiduciary Net Position - Beginning	36,971	32,866
Plan Fiduciary Net Position - Ending (b)	<u>\$34,371</u>	<u>\$36,971</u>
Net Pension Liability - Ending (a)-(b)	11,663	7,988
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	74.66%	82.23%
Covered Employee Payroll	\$ 4,987	\$ 4,218
Net Pension Liability as a Percentage of Covered Employee Payroll	233.87%	189.38%

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

CITY OF KISSIMMEE, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
September 30, 2015
(In Thousands)

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

	2015	2014
Actuarially Determined Contribution	\$ 2,160	\$ 1,980
Contributions in Relation to the		
Actuarially Determined Contributions	2,088	1,984
Contribution Deficiency (Excess)	72	(4)
Covered Employee Payroll	\$ 13,754	\$ 13,568
Contributions as a percentage of		
Covered Employee Payroll	15.18%	14.62%

Notes to Schedule

Valuation Date: 10/1/14

General Employees' only includes the City portion.

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

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

Methods and assumptions used to determine contribution rates:

Actuarial Cost Method:	Entry Age Normal
Amortization Method:	Level % of pay, closed
Remaining Amortization Period:	15 Years (as of 10/01/2014)
Asset Valuation Method:	20% of the difference between FMV and expected actuarial value
Inflation:	3.00%
Salary Increase:	4.00% to 6.50%
Interest Rate	7.50%
Retirement Age	Age 60 and 10 years of service
Early Retirement	Age 55 and 10 years of service
Cost-of-Living Adjustment	None

Plan Changes in Benefit Terms

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

Changes of Assumptions

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

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

**CITY OF KISSIMMEE, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
September 30, 2015
(In Thousands)**

Schedule of Actuarially Determined Contributions (Police Officers')

	<u>2015</u>	<u>2014</u>
Actuarially Determined Contribution	\$ 2,469	\$ 2,408
Contributions in Relation to the		
Actuarially Determined Contributions	<u>2,428</u>	<u>2,977</u>
Contribution Deficiency (Excess)	<u>41</u>	<u>(569)</u>
Covered Employee Payroll	\$ 7,754	\$ 6,841
Contributions as a percentage of		
Covered Employee Payroll	31.31%	43.52%

Notes to Schedule

Valuation Date: 10/1/14

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

Methods and assumptions used to determine contribution rates:

Actuarial Cost Method:	Entry Age Normal
Amortization Method:	Level % of pay, closed
Remaining Amortization Period:	30 Years (as of 10/01/2014)
Asset Valuation Method:	4 Year Smooth
Inflation:	3.50%
Payroll Increase:	2.30%
Salary Increase:	7.00%
Interest Rate	8.00%
Retirement Age	Age 50 and 10 years of service, or 25 years regardless of age
Early Retirement	Age 40 - subsidized benefit at 5% per year
Cost-of-Living Adjustment	1% per year from 55-65

Plan Changes in Benefit Terms

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

Changes of Assumptions

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

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

**CITY OF KISSIMMEE, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
September 30, 2015
(In Thousands)**

Schedule of Actuarially Determined Contributions (Firefighters')

	<u>2015</u>	<u>2014</u>
Actuarially Determined Contribution	\$ 1,774	\$ 1,851
Contributions in Relation to the		
Actuarially Determined Contributions	<u>1,819</u>	<u>2,363</u>
Contribution Deficiency (Excess)	<u>(45)</u>	<u>(512)</u>
Covered Employee Payroll	\$ 4,987	\$ 4,218
Contributions as a percentage of		
Covered Employee Payroll	36.47%	56.02%

Notes to Schedule

Valuation Date: 10/1/14

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

Methods and assumptions used to determine contribution rates:

Actuarial Cost Method:	Entry Age Normal
Amortization Method:	Level % of pay, closed
Remaining Amortization Period:	30 Years (as of 10/01/2014)
Asset Valuation Method:	5 Year Smooth
Inflation:	3.00%
Payroll Increase:	2.00%
Salary Increase:	Service Based
Interest Rate	8.00%
Retirement Age	Age 50 or 55 and 10 years of service, or 25 or 30 years regardless of age
Early Retirement	Age 40 or 50 - subsidized benefit at 10% per year
Cost-of-Living Adjustment	None

Plan Changes in Benefit Terms

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

Changes of Assumptions

Inflation assumption rate changed from 3.5% to 3.0%.

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

**CITY OF KISSIMMEE, FLORIDA
 REQUIRED SUPPLEMENTARY INFORMATION
 September 30, 2015
 (In Thousands)**

Money-weighted Rate of Return

	General Employees'	
	2015	2014
Annual Money-Weighted Rate of Return		
Net of Investment Expense	1.54%	11.45%
	Police Officers'	
	2015	2014
Annual Money-Weighted Rate of Return		
Net of Investment Expense	2.29%	10.56%
	Firefighters'	
	2015	2014
Annual Money-Weighted Rate of Return		
Net of Investment Expense	-4.79%	12.10%

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

CITY OF KISSIMMEE, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
September 30, 2015
(In Thousands)

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%
10/01/14	-	4,785	4,785	0.0%	\$ 23,973	20.0%

Schedule of Employer Contributions (OPEB Obligation)

Schedule of Employer Contributions

Year Ended September 30	Annual Required Contribution	Amount Contributed	Percentage Contributed	Net OPEB Obligation
2013	\$ 804	\$ 161	20.02%	\$ 3,528
2014	840	258	30.71%	4,096
2015	609	162	26.60%	4,515

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.

Recreation Impact Fee Fund

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

Transportation Impact Fee Fund

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

Local Option Sales Tax

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

Building Division

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

Mobility Fee Fund

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

State Housing Initiative Program

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

Victims of Crime Act Grant

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

NONMAJOR GOVERNMENTAL FUNDS - CONTINUED

Justice Assistance Grant

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

Paving Assessments

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

Charter School

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

Neighborhood Stabilization 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.

W Oak Street Improvement Grant

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

Non-Budgeted Special Revenue Funds

Fire Assessment Fee

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

Section 8 HAPP

To account for expenditures associated with various housing related projects.

Police and Firefighters Premium Tax Trust

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

Supplementary Care

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

NONMAJOR GOVERNMENTAL FUNDS - CONTINUED

DEBT SERVICE FUNDS

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

Budgeted Debt Service Funds (GAAP Basis)

FmHA Bond

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

2015A Revenue Note

Accounts for the payment of principal and interest on the 2015A Revenue Note. Monies from the gas tax and mobility fees are used for annual debt service payments.

2015B Refunding Note

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

2014A Revenue Note

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

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)

2015A Note Capital Project

To account for the proceeds of the 2015A Revenue Note to be used for road improvement projects.

2014A Note Capital Project

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

2010C Note Capital Project

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

Lakefront Sales Tax 2009A Capital Project Fund

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

CITY OF KISSIMMEE, FLORIDA
COMBINING BALANCE SHEET
ALL NONMAJOR GOVERNMENTAL FUNDS
September 30, 2015
(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	\$ 13,910	\$ 3,995	\$ -	\$ 17,905
Restricted Cash and Investments	1,043	-	3,785	4,828
Accounts Receivable (net)	169	-	-	169
Due from TWA	16	-	-	16
Due from Other Governments	1,824	-	-	1,824
Total Assets	\$ 16,962	\$ 3,995	\$ 3,785	\$ 24,742
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts Payable	\$ 1,240	\$ -	\$ 1	\$ 1,241
Accrued Liabilities	163	3,909	-	4,072
Due to Other Funds	32	-	-	32
Due to Other Governments	-	-	-	-
Revenue Collected in Advance	16	-	-	16
Total Liabilities	1,451	3,909	1	5,361
Fund Balances:				
Nonspendable Supplementary Care	802	-	-	802
Restricted for Transportation Projects	6,045	-	-	6,045
Restricted for Development Services	1,017	-	-	1,017
Restricted for Economic Development	317	-	-	317
Restricted for Recreation Projects	673	-	-	673
Restricted for Charter School	2,349	-	-	2,349
Restricted for Construction Projects	-	-	3,784	3,784
Restricted for Other Capital Improvements	4,315	-	-	4,315
Assigned for Debt Service	-	86	-	86
Unassigned (Deficit)	(7)	-	-	(7)
Total Fund Balances (Deficits)	15,511	86	3,784	19,381
Total Liabilities and Fund Balances	\$ 16,962	\$ 3,995	\$ 3,785	\$ 24,742

CITY OF KISSIMMEE, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
ALL NONMAJOR GOVERNMENTAL FUNDS
Fiscal Year Ended September 30, 2015
(In Thousands)

	Total Nonmajor Special Revenue Funds	Total Nonmajor Debt Service Funds	Total Nonmajor Capital Project Funds	Total Nonmajor Governmental Funds
REVENUES				
Taxes	\$ 9,225	\$ -	\$ -	\$ 9,225
Permits, Fees and Special Assessments	3,540	-	-	3,540
Intergovernmental Revenues	6,805	-	-	6,805
Charges for Services	280	-	-	280
Investment Income	57	-	9	66
Miscellaneous Revenues	99	-	-	99
Total Revenues	<u>20,006</u>	<u>-</u>	<u>9</u>	<u>20,015</u>
EXPENDITURES				
Current:				
General Government	3,870	-	50	3,920
Public Safety	2,314	-	-	2,314
Transportation	3,401	-	-	3,401
Economic Environment	452	-	-	452
Culture/Recreation	1,369	-	-	1,369
Capital Outlay	-	-	1,450	1,450
Debt Service:				
Principal Retirement	375	3,240	-	3,615
Interest and Fiscal Charges	19	1,463	-	1,482
Total Expenditures	<u>11,800</u>	<u>4,703</u>	<u>1,500</u>	<u>18,003</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>8,206</u>	<u>(4,703)</u>	<u>(1,491)</u>	<u>2,012</u>
OTHER FINANCING SOURCES and (USES)				
Transfers In	1,767	8,463	-	10,230
Transfers (Out)	(5,136)	(3,768)	-	(8,904)
Issuance of Notes Payable/Refunded Notes Payable	-	3,820	55	3,875
Payment to Refunded Notes Escrow Agent	-	(3,768)	-	(3,768)
Total Other Financing Sources and (Uses)	<u>(3,369)</u>	<u>4,747</u>	<u>55</u>	<u>1,433</u>
Net Change in Fund Balances	<u>4,837</u>	<u>44</u>	<u>(1,436)</u>	<u>3,445</u>
Fund Balances - Beginning	<u>10,674</u>	<u>42</u>	<u>5,220</u>	<u>15,936</u>
Fund Balances - Ending	<u>\$ 15,511</u>	<u>\$ 86</u>	<u>\$ 3,784</u>	<u>\$ 19,381</u>

CITY OF KISSIMMEE, FLORIDA
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
September 30, 2015
(In Thousands)

	Local Option Gas Tax	Recreation Impact Fee Fund	Transportation Impact Fee Fund	Local Option Sales Tax
ASSETS				
Cash and Cash Equivalents	\$ 3,083	\$ 687	\$ 612	\$ 3,431
Restricted Cash and Investments	-	-	-	-
Accounts Receivable (net)	23	-	146	-
Due from TWA	16	-	-	-
Due from Other Governments	237	-	-	1,063
Total Assets	\$ 3,359	\$ 687	\$ 758	\$ 4,494
LIABILITIES				
Accounts Payable	\$ 379	\$ 14	\$ -	\$ 179
Accrued Liabilities	24	-	99	-
Due to Other Funds	-	-	-	-
Due to Other Governments	-	-	-	-
Revenue Collected in Advance	-	-	-	-
Total Liabilities	403	14	99	179
FUND BALANCES (DEFICITS)				
Nonspendable Supplementary Care	-	-	-	-
Restricted for Transportation Projects	2,956	-	659	-
Restricted for Development Services	-	-	-	-
Restricted for Economic Development	-	-	-	-
Restricted for Recreation Projects	-	673	-	-
Restricted for Charter School	-	-	-	-
Restricted for Other Capital Improvements	-	-	-	4,315
Unassigned (Deficit)	-	-	-	-
Total Fund Balances (Deficits)	2,956	673	659	4,315
Total Liabilities and Fund Balances	\$ 3,359	\$ 687	\$ 758	\$ 4,494

Building Division	Mobility Fee Fund	State Housing Initiative Program	Victim of Crime Act
\$ 1,044	\$ 2,430	\$ 251	\$ -
-	-	-	-
-	-	-	-
-	-	-	14
<u>\$ 1,044</u>	<u>\$ 2,430</u>	<u>\$ 251</u>	<u>\$ 14</u>
\$ 2	\$ -	\$ -	\$ -
25	-	-	2
-	-	-	2
-	-	-	-
-	-	-	10
<u>27</u>	<u>-</u>	<u>-</u>	<u>14</u>
-	-	-	-
-	2,430	-	-
1,017	-	-	-
-	-	251	-
-	-	-	-
-	-	-	-
-	-	-	-
<u>1,017</u>	<u>2,430</u>	<u>251</u>	<u>-</u>
<u>\$ 1,044</u>	<u>\$ 2,430</u>	<u>\$ 251</u>	<u>\$ 14</u>

Continued

CITY OF KISSIMMEE, FLORIDA
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
September 30, 2015
(In Thousands)

	Justice Assistance Grant	Paving Assessments	Charter School	Neighborhood Stabilization Program
ASSETS				
Cash and Cash Equivalents	\$ 7	\$ -	\$ 1,491	\$ 61
Restricted Cash and Investments	-	-	1,043	-
Accounts Receivable (net)	-	-	-	-
Due from TWA	-	-	-	-
Due from Other Governments	-	-	-	1
Total Assets	\$ 7	\$ -	\$ 2,534	\$ 62
LIABILITIES				
Accounts Payable	\$ -	\$ -	\$ 185	\$ -
Accrued Liabilities	8	-	-	-
Due to Other Funds	-	-	-	-
Due to Other Governments	-	-	-	-
Revenue Collected in Advance	-	-	-	-
Total Liabilities	8	-	185	-
FUND BALANCES (DEFICITS)				
Nonspendable Supplementary Care	-	-	-	-
Restricted for Transportation Projects	-	-	-	-
Restricted for Development Services	-	-	-	-
Restricted for Economic Development	-	-	-	62
Restricted for Recreation Projects	-	-	-	-
Restricted for Charter School	-	-	2,349	-
Restricted for Other Capital Improvements	-	-	-	-
Unassigned (Deficit)	(1)	-	-	-
Total Fund Balances (Deficits)	(1)	-	2,349	62
Total Liabilities and Fund Balances	\$ 7	\$ -	\$ 2,534	\$ 62

Community Development Block Grant	W Oak Street Improvement Grant	Fire Assessment Fee	Section 8 HAPP Fund	Police and Firefighters Premium Tax Trust
\$ 7	\$ -	\$ -	\$ 4	\$ -
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
51	73	-	-	385
<u>\$ 58</u>	<u>\$ 73</u>	<u>\$ -</u>	<u>\$ 4</u>	<u>\$ 385</u>
\$ 34	\$ 62	\$ -	\$ -	\$ 385
5	-	-	-	-
19	11	-	-	-
-	-	-	-	-
6	-	-	-	-
64	73	-	-	385
-	-	-	-	-
-	-	-	-	-
-	-	-	4	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
(6)	-	-	-	-
(6)	-	-	4	-
<u>\$ 58</u>	<u>\$ 73</u>	<u>\$ -</u>	<u>\$ 4</u>	<u>\$ 385</u>

Continued

CITY OF KISSIMMEE, FLORIDA
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
September 30, 2015
(In Thousands)

	Supplementary Care	Total Nonmajor Special Revenue Funds
ASSETS		
Cash and Cash Equivalents	\$ 802	\$ 13,910
Restricted Cash and Investments	-	1,043
Accounts Receivable (net)	-	169
Due from TWA	-	16
Due from Other Governments	-	1,824
Total Assets	\$ 802	\$ 16,962
LIABILITIES		
Accounts Payable	\$ -	\$ 1,240
Accrued Liabilities	-	64
Due to Other Funds	-	32
Due to Other Governments	-	99
Revenue Collected in Advance	-	16
Total Liabilities	-	1,451
FUND BALANCES (DEFICITS)		
Nonspendable Supplementary Care	802	802
Restricted for Transportation Projects	-	6,045
Restricted for Development Services	-	1,017
Restricted for Economic Development	-	317
Restricted for Recreation Projects	-	673
Restricted for Charter School	-	2,349
Restricted for Other Capital Improvements	-	4,315
Unassigned (Deficit)	-	(7)
Total Fund Balances (Deficits)	802	15,511
Total Liabilities and Fund Balances	\$ 802	\$ 16,962

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CITY OF KISSIMMEE, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
For the Year Ended September 30, 2015
(In Thousands)

	Local Option Gas Tax	Recreation Impact Fee Fund	Transportation Impact Fee Fund	Local Option Sales Tax
REVENUES				
Taxes	\$ 2,583	\$ -	\$ -	\$ 6,642
Permits, Fees and Special Assessments	-	385	814	-
Intergovernmental Revenues	-	-	-	-
Charges for Services	31	-	-	-
Investment Income	14	2	6	13
Miscellaneous Revenues	1	-	-	-
Total Revenues	2,629	387	820	6,655
EXPENDITURES				
Current:				
General Government	-	-	-	518
Public Safety	-	-	-	191
Transportation	2,259	-	788	96
Economic Environment	-	-	-	-
Culture/Recreation	-	47	-	1,322
Debt Service:				
Principal Retirement	-	-	-	375
Interest and Fiscal Charges	-	-	-	19
Total Expenditures	2,259	47	788	2,521
Excess (Deficiency) of Revenues Over (Under) Expenditures	370	340	32	4,134
OTHER FINANCING SOURCES and (USES)				
Transfers In	1,000	-	46	390
Transfers (Out)	(1,139)	(71)	(91)	(3,006)
Total Other Financing Sources and (Uses)	(139)	(71)	(45)	(2,616)
Net Change in Fund Balances	231	269	(13)	1,518
Fund Balances (Deficits) - Beginning	2,725	404	672	2,797
Fund Balances (Deficits) - Ending	\$ 2,956	\$ 673	\$ 659	\$ 4,315

Building Division	Mobility Fee Fund	State Housing Initiative Program	Victim of Crime Act
\$ -	\$ -	\$ -	\$ -
766	1,510	-	-
-	-	198	50
236	13	-	-
3	6	1	-
-	-	-	-
<u>1,005</u>	<u>1,529</u>	<u>199</u>	<u>50</u>
-	-	-	-
862	-	-	67
-	-	-	-
-	-	151	-
-	-	-	-
-	-	-	-
<u>862</u>	<u>-</u>	<u>151</u>	<u>67</u>
<u>143</u>	<u>1,529</u>	<u>48</u>	<u>(17)</u>
41	-	-	17
-	(4)	-	-
<u>41</u>	<u>(4)</u>	<u>-</u>	<u>17</u>
184	1,525	48	-
<u>833</u>	<u>905</u>	<u>203</u>	<u>-</u>
<u>\$ 1,017</u>	<u>\$ 2,430</u>	<u>\$ 251</u>	<u>\$ -</u>

Continued

CITY OF KISSIMMEE, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
For the Year Ended September 30, 2015
(In Thousands)

	Justice Assistance Grant	Paving Assessments	Charter School	Neighborhood Stabilization Program
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ -
Permits, Fees and Special Assessments	-	54	-	-
Intergovernmental Revenues	40	-	5,057	13
Charges for Services	-	-	-	-
Investment Income	-	-	9	-
Miscellaneous Revenues	-	-	-	60
Total Revenues	40	54	5,066	73
EXPENDITURES				
Current:				
General Government	-	-	3,352	-
Public Safety	287	-	-	-
Transportation	-	-	-	-
Economic Environment	-	-	-	13
Culture/Recreation	-	-	-	-
Debt Service:				
Principal Retirement	-	-	-	-
Interest and Fiscal Charges	-	-	-	-
Total Expenditures	287	-	3,352	13
Excess (Deficiency) of Revenues Over (Under) Expenditures	(247)	54	1,714	60
OTHER FINANCING SOURCES and (USES)				
Transfers In	247	-	-	-
Transfers (Out)	(1)	(141)	(672)	-
Total Other Financing Sources and (Uses)	246	(141)	(672)	-
Net Change in Fund Balances	(1)	(87)	1,042	60
Fund Balances (Deficits) - Beginning	-	87	1,307	2
Fund Balances (Deficits) - Ending	\$ (1)	\$ -	\$ 2,349	\$ 62

Community Development Block Grant	W Oak Street Improvement Grant	Fire Assessment Fee Fund	Section 8 HAPP Fund	Police and Firefighters Premium Tax Trust
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	11	-	-
282	258	-	-	907
-	-	-	-	-
-	-	-	-	-
-	-	-	1	-
<u>282</u>	<u>258</u>	<u>11</u>	<u>1</u>	<u>907</u>
-	-	-	-	-
-	-	-	-	907
-	258	-	-	-
288	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>288</u>	<u>258</u>	<u>-</u>	<u>-</u>	<u>907</u>
(6)	-	11	1	-
26	-	-	-	-
-	-	(11)	-	-
<u>26</u>	<u>-</u>	<u>(11)</u>	<u>-</u>	<u>-</u>
20	-	-	1	-
(26)	-	-	3	-
<u>\$ (6)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4</u>	<u>\$ -</u>

Continued

CITY OF KISSIMMEE, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
For the Year Ended September 30, 2015
(In Thousands)

	Supplementary Care	Total Nonmajor Special Revenue Funds
REVENUES		
Taxes	\$ -	\$ 9,225
Permits, Fees and Special Assessments	-	3,540
Intergovernmental Revenues	-	6,805
Charges for Services	-	280
Investment Income	3	57
Miscellaneous Revenues	37	99
Total Revenues	40	20,006
EXPENDITURES		
Current:		
General Government	-	3,870
Public Safety	-	2,314
Transportation	-	3,401
Economic Environment	-	452
Culture/Recreation	-	1,369
Debt Service:		
Principal Retirement	-	375
Interest and Fiscal Charges	-	19
Total Expenditures	-	11,800
Excess (Deficiency) of Revenues Over (Under) Expenditures	40	8,206
OTHER FINANCING SOURCES and (USES)		
Transfers In	-	1,767
Transfers (Out)	-	(5,136)
Total Other Financing Sources and (Uses)	-	(3,369)
Net Change in Fund Balances	40	4,837
Fund Balances (Deficits) - Beginning	762	10,674
Fund Balances (Deficits) - Ending	\$ 802	\$ 15,511

CITY OF KISSIMMEE, FLORIDA
BUDGETARY COMPARISON SCHEDULE
LOCAL OPTION GAS TAX
For the Year Ended September 30, 2015
(In Thousands)

	<u>Budget</u>	<u>Actual Amounts</u>	<u>Variance with Budget - Over (Under)</u>
REVENUES			
Taxes	\$ 2,800	\$ 2,583	\$ (217)
Charges for Services	5	31	26
Investment Income	8	14	6
Miscellaneous Revenues	6	1	(5)
Total Revenues	<u>2,819</u>	<u>2,629</u>	<u>(190)</u>
EXPENDITURES			
Transportation	4,629	2,259	2,370
Capital Outlay	758	-	758
Total Expenditures	<u>5,387</u>	<u>2,259</u>	<u>3,128</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(2,568)</u>	<u>370</u>	<u>2,938</u>
OTHER FINANCING SOURCES and (USES)			
Transfers In	870	1,000	130
Transfers (Out)	(1,139)	(1,139)	-
Total Other Financing Sources and (Uses)	<u>(269)</u>	<u>(139)</u>	<u>130</u>
Net Change in Fund Balance	<u>(2,837)</u>	<u>231</u>	<u>3,068</u>
Fund Balance - Beginning	<u>2,837</u>	<u>2,725</u>	<u>(112)</u>
Fund Balance - Ending	<u>\$ -</u>	<u>\$ 2,956</u>	<u>\$ 2,956</u>

CITY OF KISSIMMEE, FLORIDA
BUDGETARY COMPARISON SCHEDULE
RECREATION IMPACT FEE FUND
For the Year Ended September 30, 2015
(In Thousands)

	<u>Budget</u>	<u>Actual Amounts</u>	<u>Variance with Budget - Over (Under)</u>
REVENUES			
Permits, Fees and Special Assessments	\$ 250	\$ 385	\$ 135
Investment Income	1	2	1
Total Revenues	<u>251</u>	<u>387</u>	<u>136</u>
EXPENDITURES			
Culture/Recreation	312	47	265
Capital Outlay	186	-	186
Total Expenditures	<u>498</u>	<u>47</u>	<u>451</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(247)</u>	<u>340</u>	<u>587</u>
OTHER FINANCING SOURCES and (USES)			
Transfers (Out)	(71)	(71)	-
Total Other Financing Sources and (Uses)	<u>(71)</u>	<u>(71)</u>	<u>-</u>
Net Change in Fund Balance	(318)	269	587
Fund Balance - Beginning	<u>318</u>	<u>404</u>	<u>86</u>
Fund Balance - Ending	<u>\$ -</u>	<u>\$ 673</u>	<u>\$ 673</u>

CITY OF KISSIMMEE, FLORIDA
BUDGETARY COMPARISON SCHEDULE
TRANSPORTATION IMPACT FEE FUND
For the Year Ended September 30, 2015
(In Thousands)

	<u>Budget</u>	<u>Actual Amounts</u>	<u>Variance with Budget - Over (Under)</u>
REVENUES			
Permits, Fees and Special Assessments	\$ 828	\$ 814	\$ (14)
Investment Income	1	6	5
Total Revenues	<u>829</u>	<u>820</u>	<u>(9)</u>
EXPENDITURES			
Transportation	1,458	788	670
Total Expenditures	<u>1,458</u>	<u>788</u>	<u>670</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(629)</u>	<u>32</u>	<u>661</u>
OTHER FINANCING SOURCES and (USES)			
Transfers In	46	46	-
Transfers (Out)	(91)	(91)	-
Total Other Financing Sources and (Uses)	<u>(45)</u>	<u>(45)</u>	<u>-</u>
Net Change in Fund Balance	(674)	(13)	661
Fund Balance - Beginning	<u>674</u>	<u>672</u>	<u>(2)</u>
Fund Balance - Ending	<u>\$ -</u>	<u>\$ 659</u>	<u>\$ 659</u>

CITY OF KISSIMMEE, FLORIDA
BUDGETARY COMPARISON SCHEDULE
LOCAL OPTION SALES TAX
For the Year Ended September 30, 2015
(In Thousands)

	<u>Budget</u>	<u>Actual Amounts</u>	<u>Variance with Budget - Over (Under)</u>
REVENUES			
Taxes	\$ 6,667	\$ 6,642	\$ (25)
Investment Income	9	13	4
Total Revenues	<u>6,676</u>	<u>6,655</u>	<u>(21)</u>
EXPENDITURES			
General Government	1,580	518	1,062
Public Safety	906	191	715
Transportation	857	96	761
Economic Environment	76	-	76
Culture/Recreation	3,134	1,322	1,812
Capital Outlay	9	-	9
Principal Retirement	375	375	-
Interest and Fiscal Charges	19	19	-
Total Expenditures	<u>6,956</u>	<u>2,521</u>	<u>4,435</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(280)</u>	<u>4,134</u>	<u>4,414</u>
OTHER FINANCING SOURCES and (USES)			
Transfers In	390	390	-
Transfers (Out)	(3,006)	(3,006)	-
Total Other Financing Sources and (Uses)	<u>(2,616)</u>	<u>(2,616)</u>	<u>-</u>
Net Change in Fund Balance	(2,896)	1,518	4,414
Fund Balance - Beginning	<u>2,896</u>	<u>2,797</u>	<u>(99)</u>
Fund Balance - Ending	<u>\$ -</u>	<u>\$ 4,315</u>	<u>\$ 4,315</u>

CITY OF KISSIMMEE, FLORIDA
BUDGETARY COMPARISON SCHEDULE
BUILDING DIVISION
For the Year Ended September 30, 2015
(In Thousands)

	<u>Budget</u>	<u>Actual Amounts</u>	<u>Variance with Budget - Over (Under)</u>
REVENUES			
Permits, Fees and Special Assessments	\$ 735	\$ 766	\$ 31
Charges for Services	231	236	5
Investment Income	1	3	2
Total Revenues	<u>967</u>	<u>1,005</u>	<u>38</u>
EXPENDITURES			
Public Safety	915	862	53
Capital Outlay	818	-	818
Total Expenditures	<u>1,733</u>	<u>862</u>	<u>871</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(766)</u>	<u>143</u>	<u>909</u>
OTHER FINANCING SOURCES and (USES)			
Transfers In	41	41	-
Total Other Financing Sources and (Uses)	<u>41</u>	<u>41</u>	<u>-</u>
Net Change in Fund Balance	<u>(725)</u>	<u>184</u>	<u>909</u>
Fund Balance - Beginning	<u>725</u>	<u>833</u>	<u>108</u>
Fund Balance - Ending	<u>\$ -</u>	<u>\$ 1,017</u>	<u>\$ 1,017</u>

CITY OF KISSIMMEE, FLORIDA
BUDGETARY COMPARISON SCHEDULE
MOBILITY FEE FUND
For the Year Ended September 30, 2015
(In Thousands)

	<u>Budget</u>	<u>Actual Amounts</u>	<u>Variance with Budget - Over (Under)</u>
REVENUES			
Permits, Fees and Special Assessments	\$ 650	\$ 1,510	\$ 860
Charges for Services	10	13	3
Investment Income	2	6	4
Total Revenues	<u>662</u>	<u>1,529</u>	<u>867</u>
EXPENDITURES			
Transportation	1,200	-	1,200
Capital Outlay	498	-	498
Total Expenditures	<u>1,698</u>	<u>-</u>	<u>1,698</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(1,036)</u>	<u>1,529</u>	<u>2,565</u>
OTHER FINANCING SOURCES and (USES)			
Transfers (Out)	(4)	(4)	-
Total Other Financing Sources and (Uses)	<u>(4)</u>	<u>(4)</u>	<u>-</u>
Net Change in Fund Balance	(1,040)	1,525	2,565
Fund Balance - Beginning	<u>1,040</u>	<u>905</u>	<u>(135)</u>
Fund Balance - Ending	<u>\$ -</u>	<u>\$ 2,430</u>	<u>\$ 2,430</u>

CITY OF KISSIMMEE, FLORIDA
BUDGETARY COMPARISON SCHEDULE
STATE HOUSING INITIATIVE PROGRAM
For the Year Ended September 30, 2015
(In Thousands)

	<u>Budget</u>	<u>Actual Amounts</u>	<u>Variance with Budget - Over (Under)</u>
REVENUES			
Intergovernmental Revenues	\$ -	\$ 198	\$ 198
Investment Income	-	1	1
Total Revenues	<u>-</u>	<u>199</u>	<u>199</u>
EXPENDITURES			
Economic Environment	384	151	233
Total Expenditures	<u>384</u>	<u>151</u>	<u>233</u>
Net Change in Fund Balance	(384)	48	432
Fund Balance - Beginning	<u>384</u>	<u>203</u>	<u>(181)</u>
Fund Balance - Ending	<u>\$ -</u>	<u>\$ 251</u>	<u>\$ 251</u>

CITY OF KISSIMMEE, FLORIDA
BUDGETARY COMPARISON SCHEDULE
VICTIM OF CRIME ACT
For the Year Ended September 30, 2015
(In Thousands)

	<u>Budget</u>	<u>Actual Amounts</u>	<u>Variance with Budget - Over (Under)</u>
REVENUES			
Intergovernmental Revenues	\$ 56	\$ 50	\$ (6)
Total Revenues	<u>56</u>	<u>50</u>	<u>(6)</u>
EXPENDITURES			
Public Safety	70	67	3
Total Expenditures	<u>70</u>	<u>67</u>	<u>3</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(14)</u>	<u>(17)</u>	<u>(3)</u>
OTHER FINANCING SOURCES and (USES)			
Transfers In	14	17	3
Total Other Financing Sources and (Uses)	<u>14</u>	<u>17</u>	<u>3</u>
Net Change in Fund Balance	-	-	-
Fund Balance - Beginning	-	-	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF KISSIMMEE, FLORIDA
BUDGETARY COMPARISON SCHEDULE
JUSTICE ASSISTANCE GRANT
For the Year Ended September 30, 2015
(In Thousands)

	<u>Budget</u>	<u>Actual Amounts</u>	<u>Variance with Budget - Over (Under)</u>
REVENUES			
Intergovernmental Revenues	\$ 44	\$ 40	\$ (4)
Total Revenues	<u>44</u>	<u>40</u>	<u>(4)</u>
EXPENDITURES			
Public Safety	291	287	4
Total Expenditures	<u>291</u>	<u>287</u>	<u>4</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(247)</u>	<u>(247)</u>	<u>-</u>
OTHER FINANCING SOURCES and (USES)			
Transfers In	247	247	-
Transfers (Out)	-	(1)	(1)
Total Other Financing Sources and (Uses)	<u>247</u>	<u>246</u>	<u>(1)</u>
Net Change in Fund Balance	-	(1)	(1)
Fund Balance - Beginning	-	-	-
Fund Balance (Deficit) - Ending	<u>\$ -</u>	<u>\$ (1)</u>	<u>\$ (1)</u>

CITY OF KISSIMMEE, FLORIDA
BUDGETARY COMPARISON SCHEDULE
PAVING ASSESSMENTS
For the Year Ended September 30, 2015
(In Thousands)

	<u>Budget</u>	<u>Actual Amounts</u>	<u>Variance with Budget - Over (Under)</u>
REVENUES			
Permits, Fees and Special Assessments	\$ 160	\$ 54	\$ (106)
Total Revenues	<u>160</u>	<u>54</u>	<u>(106)</u>
EXPENDITURES			
Bad Debt	<u>150</u>	<u>-</u>	<u>150</u>
Total Expenditures	<u>150</u>	<u>-</u>	<u>150</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>10</u>	<u>54</u>	<u>44</u>
OTHER FINANCING SOURCES and (USES)			
Transfers (Out)	<u>(10)</u>	<u>(141)</u>	<u>(131)</u>
Total Other Financing Sources and (Uses)	<u>(10)</u>	<u>(141)</u>	<u>(131)</u>
Net Change in Fund Balance	<u>-</u>	<u>(87)</u>	<u>(87)</u>
Fund Balance (Deficit) - Beginning	<u>-</u>	<u>87</u>	<u>87</u>
Fund Balance (Deficit) - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF KISSIMMEE, FLORIDA
BUDGETARY COMPARISON SCHEDULE
CHARTER SCHOOL
For the Year Ended September 30, 2015
(In Thousands)

	<u>Budget</u>	<u>Actual Amounts</u>	<u>Variance with Budget - Over (Under)</u>
REVENUES			
Intergovernmental Revenues	\$ 5,100	\$ 5,057	\$ (43)
Investment Income	4	9	5
Total Revenues	<u>5,104</u>	<u>5,066</u>	<u>(38)</u>
EXPENDITURES			
General Government	4,338	3,352	986
Operating Reserves	1,562	-	1,562
Total Expenditures	<u>5,900</u>	<u>3,352</u>	<u>2,548</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(796)</u>	<u>1,714</u>	<u>2,510</u>
OTHER FINANCING SOURCES and (USES)			
Transfers (Out)	(672)	(672)	-
Total Other Financing Sources and (Uses)	<u>(672)</u>	<u>(672)</u>	<u>-</u>
Net Change in Fund Balance	(1,468)	1,042	2,510
Fund Balance - Beginning	<u>1,468</u>	<u>1,307</u>	<u>(161)</u>
Fund Balance - Ending	<u>\$ -</u>	<u>\$ 2,349</u>	<u>\$ 2,349</u>

CITY OF KISSIMMEE, FLORIDA
BUDGETARY COMPARISON SCHEDULE
NEIGHBORHOOD STABILIZATION PROGRAM
For the Year Ended September 30, 2015
(In Thousands)

	<u>Budget</u>	<u>Actual Amounts</u>	<u>Variance with Budget - Over (Under)</u>
REVENUES			
Intergovernmental Revenues	\$ -	\$ 13	\$ 13
Miscellaneous Revenues	-	60	60
Total Revenues	<u>-</u>	<u>73</u>	<u>73</u>
EXPENDITURES			
Economic Environment	244	13	231
Total Expenditures	<u>244</u>	<u>13</u>	<u>231</u>
Net Change in Fund Balance	(244)	60	304
Fund Balance - Beginning	<u>244</u>	<u>2</u>	<u>(242)</u>
Fund Balance - Ending	<u>\$ -</u>	<u>\$ 62</u>	<u>\$ 62</u>

CITY OF KISSIMMEE, FLORIDA
BUDGETARY COMPARISON SCHEDULE
COMMUNITY DEVELOPMENT BLOCK GRANT
For the Year Ended September 30, 2015
(In Thousands)

	<u>Budget</u>	<u>Actual Amounts</u>	<u>Variance with Budget - Over (Under)</u>
REVENUES			
Intergovernmental Revenues	\$ 514	\$ 282	\$ (232)
Total Revenues	<u>514</u>	<u>282</u>	<u>(232)</u>
EXPENDITURES			
Economic Environment	899	288	611
Total Expenditures	<u>899</u>	<u>288</u>	<u>611</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(385)</u>	<u>(6)</u>	<u>379</u>
OTHER FINANCING SOURCES and (USES)			
Transfers In	-	26	26
Total Other Financing Sources and (Uses)	<u>-</u>	<u>26</u>	<u>26</u>
Net Change in Fund Balance	(385)	20	405
Fund Balance (Deficit) - Beginning	<u>385</u>	<u>(26)</u>	<u>(411)</u>
Fund Balance (Deficit) - Ending	<u>\$ -</u>	<u>\$ (6)</u>	<u>\$ (6)</u>

CITY OF KISSIMMEE, FLORIDA
BUDGETARY COMPARISON SCHEDULE
W OAK STREET IMPROVEMENT GRANT
For the Year Ended September 30, 2015
(In Thousands)

	<u>Budget</u>	<u>Actual Amounts</u>	<u>Variance with Budget - Over (Under)</u>
REVENUES			
Intergovernmental Revenues	\$ -	\$ 258	\$ 258
Total Revenues	<u>-</u>	<u>258</u>	<u>258</u>
EXPENDITURES			
Transportation	450	258	192
Total Expenditures	<u>450</u>	<u>258</u>	<u>192</u>
Net Change in Fund Balance	(450)	-	450
Fund Balance - Beginning	<u>450</u>	<u>-</u>	<u>(450)</u>
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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CITY OF KISSIMMEE, FLORIDA
COMBINING BALANCE SHEET
NONMAJOR DEBT SERVICE FUNDS
September 30, 2015
(In Thousands)

	FmHA Bond	2015A Revenue Note	2015B Refunding Note	2014A Revenue Note
ASSETS				
Cash and Cash Equivalents	\$ 86	\$ 4	\$ 70	\$ 422
Total Assets	\$ 86	\$ 4	\$ 70	\$ 422
LIABILITIES				
Accrued Liabilities	\$ -	\$ 4	\$ 70	\$ 422
Total Liabilities	-	4	70	422
FUND BALANCE				
Assigned for Debt Service	86	-	-	-
Total Fund Balances	86	-	-	-
Total Liabilities and Fund Balances	\$ 86	\$ 4	\$ 70	\$ 422

2004 CRA Note	2006 Revenue Note	2010A Refunding Revenue Note	2010B Refunding Revenue Note	2010C Refunding Revenue Note
\$ -	\$ 541	\$ 762	\$ 642	\$ 219
<u>\$ -</u>	<u>\$ 541</u>	<u>\$ 762</u>	<u>\$ 642</u>	<u>\$ 219</u>
\$ -	\$ 541	\$ 762	\$ 642	\$ 219
-	541	762	642	219
-	-	-	-	-
-	-	-	-	-
<u>\$ -</u>	<u>\$ 541</u>	<u>\$ 762</u>	<u>\$ 642</u>	<u>\$ 219</u>

(Continued)

CITY OF KISSIMMEE, FLORIDA
COMBINING BALANCE SHEET
NONMAJOR DEBT SERVICE FUNDS
September 30, 2015
(In Thousands)

	<u>2011A Capital Refunding Note</u>	<u>2011B Capital Refunding Note</u>	<u>Total Nonmajor Debt Service Funds</u>
ASSETS			
Cash and Cash Equivalents	\$ 591	\$ 658	\$ 3,995
Total Assets	<u>\$ 591</u>	<u>\$ 658</u>	<u>\$ 3,995</u>
LIABILITIES			
Accrued Liabilities	\$ 591	\$ 658	\$ 3,909
Total Liabilities	<u>591</u>	<u>658</u>	<u>3,909</u>
FUND BALANCE			
Assigned for Debt Service	-	-	86
Total Fund Balances	<u>-</u>	<u>-</u>	<u>86</u>
Total Liabilities and Fund Balances	<u>\$ 591</u>	<u>\$ 658</u>	<u>\$ 3,995</u>

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CITY OF KISSIMMEE, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR DEBT SERVICE FUNDS
For the Year Ended September 30, 2015
(In Thousands)

	FmHA Bond	2015A Revenue Note	2015B Refunding Note	2014A Revenue Note
REVENUES				
Investment Income	\$ -	\$ -	\$ -	\$ -
Total Revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXPENDITURES				
Debt Service				
Principal Retirement	32	3	50	285
Interest and Fiscal Charges	13	1	66	275
Total Expenditures	<u>45</u>	<u>4</u>	<u>116</u>	<u>560</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(45)</u>	<u>(4)</u>	<u>(116)</u>	<u>(560)</u>
OTHER FINANCING SOURCES and (USES)				
Transfers In	89	4	64	560
Transfers (Out)	-	-	(3,768)	-
Issuance of Notes Payable/Refunded Notes Payable	-	-	3,820	-
Payment to Refunded Notes Escrow Agent	-	-	-	-
Total Other Financing Sources and (Uses)	<u>89</u>	<u>4</u>	<u>116</u>	<u>560</u>
Net Change in Fund Balances	44	-	-	-
Fund Balances - Beginning	<u>42</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances - Ending	<u>\$ 86</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

<u>2004 CRA Note</u>	<u>2006 Revenue Note</u>	<u>2010A Refunding Revenue Note</u>	<u>2010B Refunding Revenue Note</u>	<u>2010C Refunding Revenue Note</u>
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
-	420	670	545	170
20	242	185	194	99
20	662	855	739	269
(20)	(662)	(855)	(739)	(269)
3,788	662	855	739	269
-	-	-	-	-
-	-	-	-	-
(3,768)	-	-	-	-
20	662	855	739	269
-	-	-	-	-
-	-	-	-	-
\$ -	\$ -	\$ -	\$ -	\$ -

(Continued)

CITY OF KISSIMMEE, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR DEBT SERVICE FUNDS
For the Year Ended September 30, 2015
(In Thousands)

	2011A Capital Refunding Note	2011B Capital Refunding Note	Total Nonmajor Debt Service Funds
REVENUES			
Investment Income	\$ -	\$ -	\$ -
Total Revenues	<u>-</u>	<u>-</u>	<u>-</u>
EXPENDITURES			
Debt Service			
Principal Retirement	510	555	3,240
Interest and Fiscal Charges	162	206	1,463
Total Expenditures	<u>672</u>	<u>761</u>	<u>4,703</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(672)</u>	<u>(761)</u>	<u>(4,703)</u>
OTHER FINANCING SOURCES and (USES)			
Transfers In	672	761	8,463
Transfers (Out)	-	-	(3,768)
Issuance of Notes Payable/Refunded Notes Payable	-	-	3,820
Payment to Refunded Notes Escrow Agent	-	-	(3,768)
Total Other Financing Sources and (Uses)	<u>672</u>	<u>761</u>	<u>4,747</u>
Net Change in Fund Balances	<u>-</u>	<u>-</u>	<u>44</u>
Fund Balances - Beginning	<u>-</u>	<u>-</u>	<u>42</u>
Fund Balances - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 86</u>

CITY OF KISSIMMEE, FLORIDA
BUDGETARY COMPARISON SCHEDULE
FmHA BOND
For the Year Ended September 30, 2015
(In Thousands)

	<u>Budget</u>	<u>Actual Amounts</u>	<u>Variance with Budget - Over (Under)</u>
REVENUES			
Investment Income	\$ -	\$ -	\$ -
Total Revenues	<u>-</u>	<u>-</u>	<u>-</u>
EXPENDITURES			
General Government	42	-	42
Debt Service			
Principal Retirement	32	32	-
Interest and Fiscal Charges	13	13	-
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 and (USES)			
Transfers In	44	89	45
Total Other Financing Sources and (USES)	<u>44</u>	<u>89</u>	<u>45</u>
Net Change in Fund Balance	(43)	44	87
Fund Balance - Beginning	<u>43</u>	<u>42</u>	<u>(1)</u>
Fund Balance - Ending	<u>\$ -</u>	<u>\$ 86</u>	<u>\$ 86</u>

CITY OF KISSIMMEE, FLORIDA
BUDGETARY COMPARISON SCHEDULE
2015A REVENUE NOTE
For the Year Ended September 30, 2015
(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	4	3	1
Interest and Fiscal Charges	1	1	-
Total Expenditures	<u>5</u>	<u>4</u>	<u>1</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(5)</u>	<u>(4)</u>	<u>1</u>
OTHER FINANCING SOURCES and (USES)			
Transfers In	5	4	(1)
Total Other Financing Sources and (Uses)	<u>5</u>	<u>4</u>	<u>(1)</u>
Net Change in Fund Balance	-	-	-
Fund Balance - Beginning	-	-	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

	<u>Budget</u>	<u>Actual Amounts</u>	<u>Variance with Budget - Over (Under)</u>
REVENUES			
Investment Income	\$ -	\$ -	\$ -
Total Revenues	<u>-</u>	<u>-</u>	<u>-</u>
EXPENDITURES			
General Government	45	-	45
Debt Service			
Principal Retirement	50	50	-
Interest and Fiscal Charges	21	66	(45)
Total Expenditures	<u>116</u>	<u>116</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(116)</u>	<u>(116)</u>	<u>-</u>
OTHER FINANCING SOURCES and (USES)			
Transfers In	64	64	-
Transfers (Out)	(3,768)	(3,768)	-
Issuance of Notes Payable/Refunded Notes Payable	3,820	3,820	-
Total Other Financing Sources and (Uses)	<u>116</u>	<u>116</u>	<u>-</u>
Net Change in Fund Balance	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance - Beginning	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF KISSIMMEE, FLORIDA
BUDGETARY COMPARISON SCHEDULE
2014A REVENUE NOTE
For the Year Ended September 30, 2015
(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	285	285	-
Interest and Fiscal Charges	275	275	-
Total Expenditures	<u>560</u>	<u>560</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(560)</u>	<u>(560)</u>	<u>-</u>
OTHER FINANCING SOURCES and (USES)			
Transfers In	560	560	-
Total Other Financing Sources and (Uses)	<u>560</u>	<u>560</u>	<u>-</u>
Net Change in Fund Balance	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance - Beginning	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF KISSIMMEE, FLORIDA
BUDGETARY COMPARISON SCHEDULE
2004 CRA NOTE
For the Year Ended September 30, 2015
(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	410	-	410
Interest and Fiscal Charges	50	20	30
Total Expenditures	<u>460</u>	<u>20</u>	<u>440</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(460)</u>	<u>(20)</u>	<u>440</u>
OTHER FINANCING SOURCES and (USES)			
Transfers In	4,228	3,788	(440)
Payment to Refunded Notes Escrow Agent	(3,768)	(3,768)	-
Total Other Financing Sources and (Uses)	<u>460</u>	<u>20</u>	<u>(440)</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, 2015
(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	420	420	-
Interest and Fiscal Charges	242	242	-
Total Expenditures	<u>662</u>	<u>662</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(662)</u>	<u>(662)</u>	<u>-</u>
OTHER FINANCING SOURCES and (USES)			
Transfers In	662	662	-
Total Other Financing Sources and (Uses)	<u>662</u>	<u>662</u>	<u>-</u>
Net Change in Fund Balance	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance - Beginning	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF KISSIMMEE, FLORIDA
BUDGETARY COMPARISON SCHEDULE
2010A REFUNDING REVENUE NOTE
For the Year Ended September 30, 2015
(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	670	670	-
Interest and Fiscal Charges	185	185	-
Total Expenditures	<u>855</u>	<u>855</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(855)</u>	<u>(855)</u>	<u>-</u>
OTHER FINANCING SOURCES and (USES)			
Transfers In	855	855	-
Total Other Financing Sources and (Uses)	<u>855</u>	<u>855</u>	<u>-</u>
Net Change in Fund Balance	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance - Beginning	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF KISSIMMEE, FLORIDA
BUDGETARY COMPARISON SCHEDULE
2010B REFUNDING REVENUE NOTE
For the Year Ended September 30, 2015
(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	545	545	-
Interest and Fiscal Charges	194	194	-
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 and (USES)			
Transfers In	739	739	-
Total Other Financing Sources and (Uses)	<u>739</u>	<u>739</u>	<u>-</u>
Net Change in Fund Balance	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance - Beginning	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF KISSIMMEE, FLORIDA
BUDGETARY COMPARISON SCHEDULE
2010C REFUNDING REVENUE NOTE
For the Year Ended September 30, 2015
(In Thousands)

	<u>Budget</u>	<u>Actual Amounts</u>	<u>Variance with Budget - Over (Under)</u>
REVENUES			
Investment Income	\$ -	\$ -	\$ -
Total Revenues	<u>-</u>	<u>-</u>	<u>-</u>
EXPENDITURES			
Debt Service			
Principal Retirement	170	170	-
Interest and Fiscal Charges	99	99	-
Total Expenditures	<u>269</u>	<u>269</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(269)</u>	<u>(269)</u>	<u>-</u>
OTHER FINANCING SOURCES and (USES)			
Transfers In	269	269	-
Total Other Financing Sources and (Uses)	<u>269</u>	<u>269</u>	<u>-</u>
Net Change in Fund Balance	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance - Beginning	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF KISSIMMEE, FLORIDA
BUDGETARY COMPARISON SCHEDULE
2011A CAPITAL REFUNDING NOTE
For the Year Ended September 30, 2015
(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	510	510	-
Interest and Fiscal Charges	162	162	-
Total Expenditures	<u>672</u>	<u>672</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(672)</u>	<u>(672)</u>	<u>-</u>
OTHER FINANCING SOURCES and (USES)			
Transfers In	672	672	-
Total Other Financing Sources and (Uses)	<u>672</u>	<u>672</u>	<u>-</u>
Net Change in Fund Balance	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance - Beginning	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF KISSIMMEE, FLORIDA
BUDGETARY COMPARISON SCHEDULE
2011B CAPITAL REFUNDING NOTE
For the Year Ended September 30, 2015
(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	555	555	-
Interest and Fiscal Charges	206	206	-
Total Expenditures	<u>761</u>	<u>761</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(761)</u>	<u>(761)</u>	<u>-</u>
OTHER FINANCING SOURCES and (USES)			
Transfers In	761	761	-
Total Other Financing Sources and (Uses)	<u>761</u>	<u>761</u>	<u>-</u>
Net Change in Fund Balance	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance - Beginning	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF KISSIMMEE, FLORIDA
COMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECTS FUNDS
September 30, 2015
(In Thousands)

	<u>2015A Note Capital Project</u>	<u>2014A Note Capital Project</u>	<u>2010C Note Capital Project</u>	<u>Lakefront Sales Tax 2009A Capital Project</u>	<u>Total Nonmajor Capital Projects Funds</u>
ASSETS					
Restricted Assets					
Cash and Cash Equivalents	\$ 5	\$ 2,353	\$ 1,412	\$ 15	\$ 3,785
Total Restricted Assets	<u>5</u>	<u>2,353</u>	<u>1,412</u>	<u>15</u>	<u>3,785</u>
LIABILITIES					
Accounts Payable	\$ -	\$ -	\$ 1	\$ -	\$ 1
Total Liabilities	<u>-</u>	<u>-</u>	<u>1</u>	<u>-</u>	<u>1</u>
FUND BALANCES					
Restricted for Construction Projects	5	2,353	1,411	15	3,784
Total Fund Balances (Deficit)	<u>5</u>	<u>2,353</u>	<u>1,411</u>	<u>15</u>	<u>3,784</u>
Total Liabilities and Fund Balances	<u>\$ 5</u>	<u>\$ 2,353</u>	<u>\$ 1,412</u>	<u>\$ 15</u>	<u>\$ 3,785</u>

CITY OF KISSIMMEE, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR CAPITAL PROJECTS FUNDS
For the Fiscal Year Ended September 30, 2015
(In Thousands)

	2015A Note Capital Project	2014A Note Capital Project	2010C Note Capital Project	Lakefront Sales Tax 2009A Capital Project	Total Nonmajor Capital Projects Funds
REVENUES					
Investment Income	\$ -	\$ 9	\$ -	\$ -	\$ 9
Total Revenues	-	9	-	-	9
EXPENDITURES					
General Government	50	-	-	-	50
Capital Outlay	-	1,132	318	-	1,450
Total Expenditures	50	1,132	318	-	1,500
Excess (Deficiency) of Revenues Over (Under) Expenditures	(50)	(1,123)	(318)	-	(1,491)
OTHER FINANCING SOURCES and (USES)					
Issuance of Notes Payable/Refunded Notes Payable	55	-	-	-	55
Total Other Financing Sources and (Uses)	55	-	-	-	55
Net Change in Fund Balances	5	(1,123)	(318)	-	(1,436)
Fund Balances - Beginning	-	3,476	1,729	15	5,220
Fund Balances (Deficit) - Ending	\$ 5	\$ 2,353	\$ 1,411	\$ 15	\$ 3,784

CITY OF KISSIMMEE, FLORIDA
BUDGETARY COMPARISON SCHEDULE
2015A NOTE CAPITAL PROJECT
For the Year Ended September 30, 2015
(In Thousands)

	<u>Budget</u>	<u>Actual Amounts</u>	<u>Variance with Budget - Over (Under)</u>
REVENUES			
Investment Income	\$ -	\$ -	\$ -
Total Revenues	<u>-</u>	<u>-</u>	<u>-</u>
EXPENDITURES			
General Government	50	50	-
Capital Outlay	9,450	-	9,450
Total Expenditures	<u>9,500</u>	<u>50</u>	<u>9,450</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(9,500)</u>	<u>(50)</u>	<u>9,450</u>
OTHER FINANCING SOURCES and (USES)			
Issuance of Notes Payable/Refunded Notes Payable	9,500	55	(9,445)
Total Other Financing Sources and (Uses)	<u>9,500</u>	<u>55</u>	<u>(9,445)</u>
Net Change in Fund Balance	-	5	5
Fund Balance - Beginning	-	-	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ 5</u>	<u>\$ 5</u>

CITY OF KISSIMMEE, FLORIDA
BUDGETARY COMPARISON SCHEDULE
2014A NOTE CAPITAL PROJECT
For the Year Ended September 30, 2015
(In Thousands)

	<u>Budget</u>	<u>Actual Amounts</u>	<u>Variance with Budget - Over (Under)</u>
REVENUES			
Investment Income	\$ -	\$ 9	\$ 9
Total Revenues	<u>-</u>	<u>9</u>	<u>9</u>
EXPENDITURES			
Capital Outlay	3,478	1,132	2,346
Total Expenditures	<u>3,478</u>	<u>1,132</u>	<u>2,346</u>
Net Change in Fund Balance	(3,478)	(1,123)	2,355
Fund Balance - Beginning	<u>3,478</u>	<u>3,476</u>	<u>(2)</u>
Fund Balance - Ending	<u>\$ -</u>	<u>\$ 2,353</u>	<u>\$ 2,353</u>

CITY OF KISSIMMEE, FLORIDA
BUDGETARY COMPARISON SCHEDULE
2010C NOTE CAPITAL PROJECT
For the Year Ended September 30, 2015
(In Thousands)

	<u>Budget</u>	<u>Actual Amounts</u>	<u>Variance with Budget - Over (Under)</u>
REVENUES			
Investment Income	\$ -	\$ -	\$ -
Total Revenues	-	-	-
EXPENDITURES			
Capital Outlay	1,729	318	1,411
Total Expenditures	1,729	318	1,411
Net Change in Fund Balance	(1,729)	(318)	1,411
Fund Balance - Beginning	1,729	1,729	-
Fund Balance - Ending	\$ -	\$ 1,411	\$ 1,411

CITY OF KISSIMMEE, FLORIDA
BUDGETARY COMPARISON SCHEDULE
LAKEFRONT SALES TAX 2009A CAPITAL PROJECT FUND
For the Year Ended September 30, 2015
(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	15	-	15
Total Expenditures	<u>15</u>	<u>-</u>	<u>15</u>
Net Change in Fund Balance	(15)	-	15
Fund Balance - Beginning	<u>15</u>	<u>15</u>	<u>-</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, 2015
(In Thousands)

	Central Services	Health Insurance	Risk Management	Total
ASSETS				
Current Assets:				
Cash and Cash Equivalents	\$ 1,114	\$ 163	\$ 5,230	\$ 6,507
Accounts Receivable (net)	127	-	29	156
Due from TWA	111	22	253	386
Inventories	108	-	-	108
Total Current Assets	1,460	185	5,512	7,157
Capital Assets:				
Improvements Other Than Buildings	2,613	90	129	2,832
Machinery, Equipment and Vehicles	2,289	10	18	2,317
Less: Accumulated Depreciation	(3,115)	(11)	(56)	(3,182)
Total Capital Assets	1,787	89	91	1,967
Deferred Outflows of Resources:				
Deferred Outflows Related to Pensions	273	-	-	273
Total Deferred Outflows of Resources	273	-	-	273
LIABILITIES				
Current liabilities:				
Accounts Payable	\$ 319	\$ 46	\$ 52	\$ 417
Accrued Liabilities	71	-	-	71
Compensated Absences Payable	26	-	-	26
Estimated Claims Payable	-	197	1,732	1,929
Total current liabilities	416	243	1,784	2,443
Noncurrent liabilities:				
Compensated Absences Payable	106	-	-	106
Other Postemployment Benefits	264	-	-	264
Net Pension Liability	1,451	-	-	1,451
Estimated Claims Payable	-	197	1,732	1,929
Total Noncurrent Liabilities	1,821	197	1,732	3,750
Deferred Inflows of Resources				
Deferred Inflows Related to Pensions	44	-	-	44
Total Deferred Inflows of Resources:	44	-	-	44
NET POSITION				
Net Investment in Capital Assets	1,787	89	91	1,967
Unrestricted	(548)	(255)	1,996	1,193
Total Net Position (Deficit)	\$ 1,239	\$ (166)	\$ 2,087	\$ 3,160

CITY OF KISSIMMEE, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
INTERNAL SERVICE FUNDS
For the Year Ended September 30, 2015
(In Thousands)

	Central Services	Health Insurance	Risk Management	Total
Operating Revenues:				
Charges for Services	\$ 6,720	\$ 7,182	\$ 2,139	\$ 16,041
Miscellaneous Revenues	197	-	-	197
Total Operating Revenues	6,917	7,182	2,139	16,238
Operating Expenses:				
Personal Services	2,256	-	31	2,287
Contracted Services	596	1,315	1	1,912
Supplies and Materials	126	54	3	183
Repairs and Maintenance	2,059	-	-	2,059
Other Services and Charges	1,463	-	281	1,744
Depreciation	140	5	1	146
Claims/Premium Expense	86	5,506	1,695	7,287
Total Operating Expenses	6,726	6,880	2,012	15,618
Operating Income (Loss)	191	302	127	620
Nonoperating Revenues and Expenses:				
Investment Income	4	-	18	22
Insurance Recoveries	-	-	190	190
Gain or (Loss) from Sale of Capital Assets	5	-	(13)	(8)
Total Nonoperating Revenues and Expenses	9	-	195	204
Income (Loss) Before Contributions and Transfers	200	302	322	824
Capital Contributions	3	-	-	3
Transfers (Out)	(4)	-	(13)	(17)
Change in Net Position	199	302	309	810
Net Position (Deficit) - Beginning, as previously reported	2,238	(468)	1,778	3,548
Cumulative Effect of Change in Account Principles	(1,198)	-	-	(1,198)
Net Position (Deficit) - Beginning, as restated	1,040	(468)	1,778	2,350
Total Net Position (Deficit) - Ending	\$ 1,239	\$ (166)	\$ 2,087	\$ 3,160

CITY OF KISSIMMEE, FLORIDA
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
For The Year Ended September 30, 2015
(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	\$ 6,954	\$ 7,257	\$ 2,109	\$ 16,320
Payments to Suppliers	(4,304)	(6,628)	(1,963)	(12,895)
Payments to Employees	(2,221)	-	(31)	(2,252)
Net Cash Provided (Used) by Operating Activities	<u>429</u>	<u>629</u>	<u>115</u>	<u>1,173</u>
Cash Flows from Noncapital Financing Activities				
Transfers (out)	(4)	-	(13)	(17)
Advance from / (to) Other Funds	-	(978)	978	-
Net Cash Provided (Used) by Noncapital Financing Activities	<u>(4)</u>	<u>(978)</u>	<u>965</u>	<u>(17)</u>
Cash Flows from Capital and Related Financing Activities				
Acquisition/Construction of Capital Assets	(517)	(1)	(33)	(551)
Capital Contributions	3	-	-	3
Proceeds from Sales of Capital Assets	5	-	-	5
Proceeds from Insurance Recoveries	-	-	190	190
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(509)</u>	<u>(1)</u>	<u>157</u>	<u>(353)</u>
Cash Flows from Investing Activities				
Gain (Loss) on Investments	4	-	18	22
Net Cash Provided (Used) by Investing Activities	<u>4</u>	<u>-</u>	<u>18</u>	<u>22</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(80)	(350)	1,255	825
Cash and Cash Equivalents at Beginning of Year	1,194	513	3,975	5,682
Cash and Cash Equivalents at End of Year	<u>\$ 1,114</u>	<u>\$ 163</u>	<u>\$ 5,230</u>	<u>\$ 6,507</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities				
Operating Income (Loss)	\$ 191	\$ 302	\$ 127	\$ 620
Depreciation	140	5	1	146
Changes in Assets and Liabilities:				
(Increase) Decrease in Due from KUA	1	-	-	1
(Increase) Decrease in Due from TWA	170	156	(27)	299
(Increase) Decrease in Accounts Receivable	36	-	(3)	33
(Increase) Decrease in Deferred Outflows	(273)	-	-	(273)
(Increase) Decrease in Inventories	110	-	-	110
Increase (Decrease) in Accounts Payable	(270)	10	17	(243)
Increase (Decrease) in Accrued Liabilities	2	-	-	2
Increase (Decrease) in Deposits Payable	-	(81)	-	(81)
Increase (Decrease) in Claims Payable	-	237	-	237
Increase (Decrease) in OPEB	22	-	-	22
Increase (Decrease) in Compensated Absences	3	-	-	3
Increase (Decrease) in Net Pension Liability	253	-	-	253
Increase (Decrease) in Deferred Inflows	44	-	-	44
Total Adjustments	<u>238</u>	<u>327</u>	<u>(12)</u>	<u>553</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ 429</u>	<u>\$ 629</u>	<u>\$ 115</u>	<u>\$ 1,173</u>

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

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City of Kissimmee, Florida
Statistical Section
September 30, 2015

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

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<u>Governmental activities</u>										
Net investment										
in capital assets	\$ 73,416	\$ 96,296	\$ 110,615	\$ 118,647	\$ 124,615	\$ 127,332	\$ 130,537	\$ 137,945	\$ 148,239	\$ 163,458
Restricted	19,106	10,346	15,367	14,939	14,574	16,573	17,963	14,019	12,220	16,865
Unrestricted	16,778	8,424	16,184	11,698	12,385	12,589	16,872	19,796	25,233	(5,079)
Total governmental activities net position	<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>\$ 175,244</u>
<u>Business-type activities</u>										
Net investment										
in capital assets	\$ 18,391	\$ 24,381	\$ 27,711	\$ 30,631	\$ 30,997	\$ 31,091	\$ 34,488	\$ 37,374	\$ 41,655	\$ 42,959
Restricted	-	740	685	705	86	101	1,383	388	12	488
Unrestricted	2,307	1,040	3,130	3,173	4,564	4,896	2,842	3,549	4,509	1,858
Total business-type activities net position	<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>\$ 45,305</u>
<u>Primary government</u>										
Net investment										
in capital assets	\$ 91,807	\$ 120,677	\$ 138,326	\$ 149,278	\$ 155,612	\$ 158,423	\$ 165,025	\$ 175,319	\$ 189,894	\$ 206,417
Restricted	19,106	11,086	16,052	15,644	14,660	16,674	19,346	14,407	12,232	17,353
Unrestricted	19,085	9,464	19,314	14,871	16,949	17,485	19,714	23,345	29,742	(3,221)
Total primary government net position	<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>	<u>\$ 220,549</u>

- (1) During the fiscal year ended September 30, 2015, GASB Statement No. 68 was implemented, resulting in adjustments to beginning net position. Periods previous to that fiscal year have not been adjusted for these changes.
- (2) During the fiscal year ended September 30, 2014, a restatement of net position for governmental activities was reported due to changes in accounting principles and prior period adjustments. Periods prior to September 30, 2014 have not been adjusted for these changes.

Schedule 2
City of Kissimmee, Florida

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

Last Ten Fiscal Years

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Expenses										
Governmental activities:										
General government	\$ 19,755	\$ 25,795	\$ 24,294	\$ 24,965	\$ 27,460	\$ 29,095	\$ 29,314	\$ 32,203	\$ 34,892	\$ 32,649
Public safety	33,942	29,623	30,949	31,839	27,219	30,980	30,865	31,600	32,134	33,644
Physical environment	1,989	1,500	82	-	2,912	-	-	-	-	-
Transportation	5,948	370	2,724	5,841	7,040	6,966	5,883	6,559	7,738	8,437
Economic environment	-	1,663	2,663	1,251	3,178	1,939	845	1,526	1,053	962
Culture/Recreation	6,339	6,840	8,162	6,524	6,031	4,778	5,924	5,430	5,499	4,255
Interest on long-term debt	558	1,572	1,531	1,261	1,259	1,307	1,520	1,332	1,352	1,499
Total governmental activities expenses	\$ 68,531	\$ 67,363	\$ 70,405	\$ 71,681	\$ 75,099	\$ 75,065	\$ 74,351	\$ 78,650	\$ 82,668	\$ 81,446
Business-type activities:										
Stormwater	\$ 1,992	\$ 3,771	\$ 2,805	\$ 3,180	\$ 3,030	\$ 3,085	\$ 3,312	\$ 3,409	\$ 3,546	\$ 3,725
Airport	781	887	967	1,031	1,009	1,060	1,181	1,248	1,231	1,425
Solid waste	3,321	2,221	3,827	3,739	3,506	3,856	3,855	3,773	4,107	4,288
Total business-type activities expenses	\$ 6,094	\$ 6,879	\$ 7,599	\$ 7,950	\$ 7,545	\$ 8,001	\$ 8,348	\$ 8,430	\$ 8,884	\$ 9,438
Total primary government net expenses	\$ 74,625	\$ 74,242	\$ 78,004	\$ 79,631	\$ 82,644	\$ 83,066	\$ 82,699	\$ 87,080	\$ 91,552	\$ 90,884
Program revenues										
Governmental activities:										
Charges for services - general government	\$ 6,304	\$ 15,532	\$ 13,384	\$ 12,039	\$ 12,176	\$ 16,193	\$ 18,328	\$ 18,661	\$ 21,352	\$ 21,837
Charges for services - public safety	6,195	4,282	5,653	7,892	8,062	7,587	8,349	10,255	8,136	6,567
Charges for services - all others	1,777	4,606	2,746	2,043	2,392	2,431	2,998	1,956	2,030	2,454
Operating grants and contributions	971	2,839	2,592	1,069	3,614	1,016	445	1,039	894	594
Capital grants and contributions	2,493	3,227	2,299	1,744	3,593	4,790	2,210	1,988	7,455	7,040
Total governmental activities program revenues	\$ 17,740	\$ 30,486	\$ 26,674	\$ 24,787	\$ 29,837	\$ 32,017	\$ 32,330	\$ 33,899	\$ 39,867	\$ 38,492
Business-type activities:										
Charges for services - stormwater	\$ 1,852	\$ 2,175	\$ 3,317	\$ 3,535	\$ 3,602	\$ 3,701	\$ 3,886	\$ 4,399	\$ 4,432	\$ 4,659
Charges for services - airport	858	859	890	899	859	856	878	824	925	844
Charges for services - solid waste	3,230	3,669	3,772	3,963	3,724	3,928	4,324	4,608	4,822	4,773
Operating grants and contributions	25	-	-	-	-	-	-	-	-	-
Capital grants and contributions	1,860	4,811	4,164	2,687	665	289	3,152	1,749	3,890	934
Total business-type activities program revenues	\$ 7,825	\$ 11,514	\$ 12,143	\$ 11,084	\$ 8,850	\$ 8,774	\$ 12,240	\$ 11,580	\$ 14,069	\$ 11,210
Total primary government program revenues	\$ 25,565	\$ 42,000	\$ 38,817	\$ 35,871	\$ 38,687	\$ 40,791	\$ 44,570	\$ 45,479	\$ 53,936	\$ 49,702
Net (expense) / revenue										
Governmental activities	\$ (50,791)	\$ (36,877)	\$ (43,731)	\$ (46,894)	\$ (45,262)	\$ (43,048)	\$ (42,021)	\$ (44,751)	\$ (42,801)	\$ (42,954)
Business-type activities	1,731	4,635	4,544	3,134	1,305	773	3,892	3,150	5,185	1,772
Total primary government net expense	\$ (49,060)	\$ (32,242)	\$ (39,187)	\$ (43,760)	\$ (43,957)	\$ (42,275)	\$ (38,129)	\$ (41,601)	\$ (37,616)	\$ (41,182)

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

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
General revenues and other										
<u>changes in net position</u>										
Governmental activities:										
Property tax	\$ 14,480	\$ 19,219	\$ 15,405	\$ 15,174	\$ 15,818	\$ 12,175	\$ 11,146	\$ 11,085	\$ 11,456	\$ 11,756
Sales tax	10,759	10,015	9,992	8,381	8,473	8,832	9,135	9,601	10,420	11,106
Public service tax	6,105	6,297	6,490	6,403	6,439	5,755	6,480	6,389	6,572	6,556
Gas tax	2,697	2,656	2,430	2,428	2,375	2,284	2,397	2,634	2,581	2,582
State revenue sharing	1,890	1,851	1,708	1,518	1,521	1,597	1,672	1,838	2,517	2,564
Other taxes	-	-	1,273	1,192	1,274	2,069	2,262	2,389	2,032	2,257
Franchise fees ⁽¹⁾	77	-	-	144	143	142	133	141	140	159
Unrestricted intergovernmental revenues	14,043	13,670	13,610	13,317	13,670	13,264	14,370	15,000	19,616	21,069
Investment income (loss)	(1,464)	(11,504)	18,744	292	180	90	920	178	138	233
Miscellaneous revenues	1,920	1,519	951	990	1,151	1,420	951	1,116	765	1,095
Gain (loss) on sale of capital assets	-	-	-	-	328	-	157	202	171	-
Transfers in (out)	429	(1,080)	228	173	180	340	1,276	566	325	651
Total governmental activities	\$ 50,936	\$ 42,643	\$ 70,831	\$ 50,012	\$ 51,552	\$ 47,968	\$ 50,899	\$ 51,139	\$ 56,733	\$ 60,028
Business-type activities:										
Investment income (loss)	\$ 56	\$ (252)	\$ 1,049	\$ 22	\$ 13	\$ 8	\$ 9	\$ 14	\$ 5	\$ 17
Gain on sale of capital assets	-	-	-	-	-	-	-	-	-	-
Transfers in (out)	(429)	1,080	(228)	(173)	(180)	(340)	(1,276)	(566)	(325)	(651)
Total business-type activities	\$ (373)	\$ 828	\$ 821	\$ (151)	\$ (167)	\$ (332)	\$ (1,267)	\$ (552)	\$ (320)	\$ (634)
Total primary government	\$ 50,563	\$ 43,471	\$ 71,652	\$ 49,861	\$ 51,385	\$ 47,636	\$ 49,632	\$ 50,587	\$ 56,413	\$ 59,394
<u>Change in net position</u>										
Governmental activities	\$ 145	\$ 5,766	\$ 27,100	\$ 3,118	\$ 6,290	\$ 4,920	\$ 8,878	\$ 6,388	\$ 13,932	\$ 17,074
Business-type activities	1,358	5,463	5,365	2,983	1,138	441	2,625	2,598	4,865	1,138
Total	\$ 1,503	\$ 11,229	\$ 32,465	\$ 6,101	\$ 7,428	\$ 5,361	\$ 11,503	\$ 8,986	\$ 18,797	\$ 18,212

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

**Schedule 3
City of Kissimmee, Florida**

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

Last Ten Fiscal Years

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<u>General fund</u>										
Reserved	\$ 60	\$ 318	\$ 217	\$ 186	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	10,998	9,867	13,567	13,240	-	-	-	-	-	-
Nonspendable	-	-	-	-	153	167	373	378	199	199
Restricted	-	-	-	-	1,235	894	685	599	1,355	1,347
Assigned	-	-	-	-	2,373	961	927	1,614	1,695	990
Unassigned	-	-	-	-	14,588	16,307	18,755	19,724	21,729	23,023
Total general fund	<u>\$ 11,058</u>	<u>\$ 10,185</u>	<u>\$ 13,784</u>	<u>\$ 13,426</u>	<u>\$ 18,349</u>	<u>\$ 18,329</u>	<u>\$ 20,740</u>	<u>\$ 22,315</u>	<u>\$ 24,978</u>	<u>\$ 25,559</u>
<u>All other governmental funds</u>										
Reserved	\$ 22,552	\$ 17,140	\$ 19,592	\$ 17,773	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved (deficit), reported in:										
Special revenue funds	(1,167)	(1,868)	1,055	(1,831)	-	-	-	-	-	-
Debt service funds	(85)	-	(32)	-	-	-	-	-	-	-
Capital projects funds	(126)	(120)	(690)	(1,531)	-	-	-	-	-	-
Nonspendable	-	-	-	-	655	678	703	739	762	802
Restricted	-	-	-	-	18,498	25,421	21,696	15,199	15,863	20,123
Assigned	-	-	-	-	46	1,354	42	42	42	86
Unassigned	-	-	-	-	(4,762)	(3,712)	(1,435)	(1,435)	(527)	(1,005)
Total all other governmental funds	<u>\$ 21,174</u>	<u>\$ 15,152</u>	<u>\$ 19,925</u>	<u>\$ 14,411</u>	<u>\$ 14,437</u>	<u>\$ 23,741</u>	<u>\$ 21,006</u>	<u>\$ 14,545</u>	<u>\$ 16,140</u>	<u>\$ 20,006</u>
Total fund balances all governmental funds	\$ 32,232	\$ 25,337	\$ 33,709	\$ 27,837	\$ 32,786	\$ 42,070	\$ 41,746	\$ 36,860	\$ 41,118	\$ 45,565

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

Schedule 4
City of Kissimmee, Florida

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

Last Ten Fiscal Years

	2006	2007	2008	2009	2010	2011
Revenues						
Taxes	\$ 29,602	\$ 34,022	\$ 31,453	\$ 29,005	\$ 29,789	\$ 25,621
Special assessments ¹	164	108	220	-	-	-
Impact fees ¹	856	2,665	870	-	-	-
Permits, fees and special assessments	982	1,155	2,299	4,912	4,053	4,523
Intergovernmental revenues	28,135	32,874	29,431	26,779	31,040	31,885
Charges for services	6,919	6,831	5,154	4,676	5,966	5,820
Fines and forfeitures	1,191	616	653	962	1,860	808
Investment income (loss)	(1,465)	(10,299)	15,701	243	158	76
Miscellaneous revenues	1,088	1,041	931	838	765	1,363
Total revenues	\$ 67,472	\$ 69,013	\$ 86,712	\$ 67,415	\$ 73,631	\$ 70,096
Expenditures						
General government	\$ 16,499	\$ 18,373	\$ 17,197	\$ 18,929	\$ 18,095	\$ 16,765
Public safety	30,163	32,893	32,966	30,181	30,072	29,637
Physical environment	1,893	789	82	-	2,912	-
Transportation	13,099	12,420	11,329	8,494	7,646	9,353
Economic environment	-	1,663	2,223	1,047	2,789	1,735
Culture/Recreation	6,568	7,917	8,837	7,839	6,922	5,592
Debt service:						
Principal retirement	1,764	2,207	2,316	2,868	3,144	2,562
Interest and fiscal charges	1,133	1,572	1,531	1,261	1,259	1,307
Professional fees	-	4	-	-	97	106
Capital outlay	-	10,019	2,534	3,436	8,038	6,210
Total expenditures	\$ 71,119	\$ 87,857	\$ 79,015	\$ 74,055	\$ 80,974	\$ 73,267
Excess of revenues over (under) expenditures	\$ (3,647)	\$ (18,844)	\$ 7,697	\$ (6,640)	\$ (7,343)	\$ (3,171)
Other financing sources (uses)						
Transfers in	\$ 12,074	\$ 16,337	\$ 14,458	\$ 17,479	\$ 42,071	\$ 30,961
Transfers (out)	(12,874)	(17,412)	(14,230)	(17,306)	(40,241)	(30,621)
Proceeds from sale of capital assets	-	-	-	-	780	-
Issuance of notes payable/refunded	10,570	12,750	316	595	26,492	28,215
Issuance of capital lease	708	274	131	-	-	-
Payment to bond escrow agent	-	-	-	-	(9,455)	(16,100)
Payment for current redemption	-	-	-	-	(7,355)	-
Total other financing sources (uses)	\$ 10,478	\$ 11,949	\$ 675	\$ 768	\$ 12,292	\$ 12,455
Net change in fund balances	\$ 6,831	\$ (6,895)	\$ 8,372	\$ (5,872)	\$ 4,949	\$ 9,284
Debt service as a percentage of non-capital expenditures	5.1%	6.2%	6.7%	6.9%	7.1%	6.6%

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

	2012	2013	2014	2015
\$	25,586	\$ 25,967	\$ 27,032	\$ 26,866
	-	-	-	-
	5,047	4,218	2,276	3,702
	28,214	30,014	39,955	41,566
	6,482	8,288	8,397	7,930
	865	910	1,561	572
	909	157	137	211
	1,167	540	592	722
\$	68,270	\$ 70,094	\$ 79,950	\$ 81,569
\$	15,346	\$ 16,136	\$ 18,438	\$ 16,524
	29,552	33,003	31,708	33,638
	-	-	-	-
	7,056	8,113	16,184	13,239
	641	1,322	1,067	757
	6,729	11,500	6,686	7,048
	2,722	3,661	3,906	3,853
	1,520	1,332	1,352	1,498
	-	-	-	-
	6,461	2,615	6,784	1,450
\$	70,027	\$ 77,682	\$ 86,125	\$ 78,007
\$	(1,757)	\$ (7,588)	\$ (6,175)	\$ 3,562
\$	9,862	\$ 9,381	\$ 7,218	\$ 12,419
	(8,586)	(8,772)	(6,893)	(11,751)
	157	202	508	110
	-	-	9,600	3,875
	-	1,891	-	-
	-	-	-	(3,768)
	-	-	-	-
\$	1,433	\$ 2,702	\$ 10,433	\$ 885
\$	(324)	\$ (4,886)	\$ 4,258	\$ 4,447
	7.5%	8.4%	7.1%	8.3%

**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		
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
2015	3,221,933	431,410	3,653,343	1,051,050	3,654,618

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
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%
4.6253	2,603,568	140.321%

**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			
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	6.700	0.257	7.375	0.243	0.169	19.369
2015	4.625	6.700	0.257	7.261	0.227	0.158	19.228

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>
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%
2015	11,191	10,470	93.6%	419	10,889	97.3%

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 2014 / 2015 (a)		
			Taxable Value	Percent of Total Taxable Value	Rank
Local hospital	Medical care	Osceola Regional Hospital, Inc.	\$ 73,613	25.90%	1
Retail store	Merchandising	Loop West LLC	36,643	12.89%	2
Apartment complex	Rentals	LSREF3 Bravo LLC	34,924	12.29%	3
Apartment complex	Rentals	FL Belleza LLC / FL Dorado LLC / FL Sun Club LLC	29,058	10.22%	4
Apartment complex	Rentals	Reef Club Apartments	20,611	7.25%	5
Apartment complex	Rentals	Lake Tivoli LLC	19,934	7.01%	6
Apartment complex	Rentals	Alliance HTFL Ltd Partnership	19,148	6.74%	7
Retail store	Merchandising	Wal-Mart Stores East LP / Walsam Dev Co	18,919	6.66%	8
Condominiums	Timeshare	Oak Plantation Realty Partners LLC	17,124	6.02%	9
Retail store	Merchandising	Vine Street Shoppes LP	14,263	5.02%	10
Retail store	Communication	Sprint Florida, Inc.	-	-	
Apartment complex	Rentals	Fountainhead Phase 1, Inc.	-	-	
Apartment complex	Rentals	United Dominion Realty	-	-	
Apartment complex	Rentals	Caribbean Isle Fund LLC	-	-	
Condominiums	Sales/Rentals	Legacy Park Horizons LLC	-	-	
Condominiums	Rentals	Sendera Apartments LLC	-	-	
Totals			<u>\$ 284,237</u>	<u>100.00%</u>	

(a) The fiscal year ended September 30, 2015 tax levy is based on the 2014 taxable value.

(b) The fiscal year ended September 30, 2006 tax levy is based on the 2005 taxable value.

Source: Osceola County Property Appraiser's Office.

Fiscal Year 2005 / 2006 (b)			
	Taxable Value	Percent of Total Taxable Value	Rank
\$	82,903	23.27%	1
	-	-	
	-	-	
	-	-	
	20,748	5.82%	10
	-	-	
	-	-	
	34,421	9.66%	4
	48,775	13.69%	2
	-	-	
	32,636	9.16%	5
	29,551	8.29%	6
	36,686	10.30%	3
	24,803	6.96%	7
	23,808	6.68%	8
	21,998	6.17%	9
\$	356,329	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	Total Primary Government
	Excise Tax Revenue Bonds	Sales Tax Revenue Notes	Covenant Revenue Notes	Capital Leases	Capital Leases	
2006	\$ 461	\$ 14,008	\$ 12,462	\$ 646	\$ -	\$ 27,577
2007	441	12,584	23,425	820	-	37,270
2008	417	11,583	22,646	623	-	35,269
2009	394	10,786	21,398	418	-	32,996
2010	369	18,580	20,381	204	-	39,534
2011	343	25,635	22,974	135	730	49,817
2012	315	24,565	21,778	62	587	47,307
2013	287	22,935	20,378	1,707	441	45,748
2014	256	30,835	18,928	1,338	292	51,649
2015	224	28,780	17,882	963	141	47,990

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.

	City of Kissimmee Personal Income	Percentage of Personal Income	Per Capita
\$	1,330,024	2.1%	0.46
	1,411,023	2.6%	0.60
	1,467,894	2.4%	0.56
	1,463,350	2.3%	0.54
	1,272,818	3.1%	0.65
	1,253,989	4.0%	0.83
	1,727,192	2.7%	0.76
	1,799,661	2.5%	0.72
	1,874,438	2.8%	0.80
	1,958,685	2.5%	0.72

Schedule 10
City of Kissimmee, Florida

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

September 30, 2015

Taxing District	Net Debt Outstanding	Estimated Overlapping (1)	City's Share of Debt
Osceola County School District			
State School Bonds			
Series 2006A	1,285	13.3%	171
Series 2009ARFD	390	13.3%	52
Series 2010A	820	13.3%	109
Series 2011ARFD	980	13.3%	130
Series 2014A	1,724	13.3%	229
Series 2014B	1,811	13.3%	241
District Revenue Bonds			
Sales Tax Revenue Bonds, Series 2007	58,642	13.3%	7,799
Certificates of Participation			
Series 2007A and Series 2007B	59,160	13.3%	7,868
Series 2009A	20,140	13.3%	2,679
Series 2013A	39,580	13.3%	5,264
Series 2014A	10,460	13.3%	1,391
Series 2015A	8,310	13.3%	1,105
Qualified School Construction Bonds			
Series 2010A	40,500	13.3%	5,387
Classrooms First Loans			
Indian River County dated 7/1/2002	848	13.3%	113
Collier County dated 7/1/2002	5,277	13.3%	702
Education Benefits Districts			
Bellalago Benefit District	9,767	13.3%	1,299
Total Osceola County School District	259,694	13.3%	34,539
Osceola County			
Limited General Obligation Debt, Series 2006	10,950	13.3%	1,456
Environmental Land, Series 2010	20,400	13.3%	2,713
Total Osceola County	31,350	13.3%	4,170
Total Overlapping Debt	\$ 291,044		\$ 38,709
Total Direct Governmental Activities Debt	\$ 47,849	100.0%	\$ 47,849

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	
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		
2015	176	32	13	3.91	6,642	2,055	859	2.28		

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

Source: City of Kissimmee Finance Department.

**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>
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%
2015	66,592	29,413	1,958,685	64,689	5.5%

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/LFSoct2.xls>

**Schedule 13
City of Kissimmee, Florida**

PRINCIPAL EMPLOYERS ¹

Current Year and Nine Years Ago

<u>Employer</u>	<u>Business</u>	<u>Fiscal Year 2014 / 2015(1)</u>			<u>Fiscal Year 2005 / 2006</u>		
		<u>Employees</u>	<u>Percent of Total City Employment</u>	<u>Rank</u>	<u>Employees</u>	<u>Percent of Total City Employment</u>	<u>Rank</u>
Osceola County School District	Education	7,000	10.51%	1	6,458	10.72%	1
Walt Disney Company	Entertainment	3,700	5.56%	2		0.00%	
Wal-Mart Stores, Inc.	Retail	2,730	4.10%	3	2,800	4.65%	2
Gaylord Palms Resort	Resort Hotel	1,445	2.17%	4	1,952	3.24%	3
Osceola County Board Commissior	Government	1,407	2.11%	5	1,921	3.19%	4
Osceola Regional Medical Center	Healthcare	1,357	2.04%	6	794	1.32%	6
Publix Supermarkets, Inc.	Grocery	1,350	2.03%	7			
Florida Hospital Celebration	Healthcare	1,300	1.95%	8			
McLane/Suneast Inc	Distribution	900	1.35%	9	1,035	1.72%	5
Omni Champions Gate Resort	Resort Hotel	750	1.13%	10			
Total		<u>21,939</u>			<u>14,960</u>		

Sources: (1) City of Kissimmee Office of Economic Development

**Schedule 14
City of Kissimmee, Florida**

FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION / PROGRAM

Last Ten Fiscal Years

	2006	2007	2008	2009	2010	2011
<u>General Government</u>						
Central Services	38	39	38	36	36	31
City Attorney	3	3	3	3	3	3
City Commission	5	5	5	5	5	5
City Manager	16	16	15	13	12	12
Finance	12	10	10	10	10	10
Personnel	8	8	8	8	8	8
<u>Public Safety</u>						
Fire	108	110	106	104	102	102
Police	203	214	214	210	204	198
Law Enforcement Grant	3	3	3	3	3	3
School Crossing Guard	19	19	20	21	21	21
<u>Physical Environment</u>						
Public Works	50	51	44	40	40	39
Sanitation	24	25	27	27	27	26
Stormwater	27	27	29	29	29	29
<u>Transportation</u>						
Airport	6	6	6	7	7	8
Local Option Gas Tax	9	9	10	10	10	10
<u>Economic Environment</u>						
Development Services	38	40	40	30	26	23
Community Development Blk Grant	2	2	2	3	2	2
<u>Culture / Recreation</u>						
Parks & Recreation	95	80	77	74	68	66
Civic Center	16	16	15	14	14	13
Total	682	683	672	647	627	609

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

2012	2013	2014	2015
28	34	35	35
3	3	4	5
5	5	5	5
14	14	14	14
12	12	12	13
8	8	8	8
105	105	105	105
198	199	201	204
3	3	3	3
11	11	11	11
37	38	40	40
24	26	26	26
30	30	34	33
7	8	8	8
10	12	10	10
21	23	23	24
2	2	2	2
80	78	80	82
0	0	0	0
598	611	621	628

**Schedule 15
City of Kissimmee, Florida**

OPERATING INDICATORS BY FUNCTION/PROGRAM

Last Ten Fiscal Years

	2006	2007	2008	2009	2010	2011
<u>Building Inspections</u>						
Building permits issued	4,158	4,256	3,384	2,580	2,133	2,855
<u>Law Enforcement</u>						
Physical arrests	2,139	2,407	2,331	1,898	2,098	2,484
Traffic and parking violations	22,391	17,068	19,616	20,686	17,602	13,680
<u>Fire</u>						
Emergency responses	9,380	9,459	9,038	9,228	9,550	10,285
Fire Incidents	228	268	235	236	238	264
Emergency Medical Services Incidents	7,501	7,645	7,432	7,745	7,961	8,709
Fire Safety Inspections	563	1,210	718	752	700	914
Fire Plan Reviews	n/a	1,061	1,089	640	586	760
<u>Other Public Works</u>						
Street resurfacing (tons of asphalt) ¹	190	7,368	6,156	3,011	3,091	1,369
Other street repairs (tons of asphalt) ²	17	148	125	181	149	96

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.

2012	2013	2014	2015
3,335	2,964	4,099	4,206
2,379	2,221	2,498	1,964
15,092	14,499	11,613	11,390
10,746	11,273	11,875	12,191
261	257	244	226
8,979	9,553	9,863	10,194
878	740	995	888
780	760	871	1,065
681	3,013	3,582	5,134
50,138	40,104	193	109

**Schedule 16
City of Kissimmee, Florida**

CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM

Last Ten Fiscal Years

	2006	2007	2008	2009	2010	2011
<u>Transportation</u>						
Miles of streets (lane miles)	207	207	304	317	317	342
<u>Refuse collection trucks</u>						
	12	12	13	17	17	17
<u>Other public works</u>						
Traffic signals	41	43	47	47	48	52
Highways (miles)	30	30	30	56	63	17
<u>Public Safety</u>						
Fire stations	4	4	4	4	4	4
Police stations	1	1	1	1	1	1
Patrol units:						
Marked vehicles	105	101	127	100	109	120
Motorcycles	12	9	9	6	6	4
<u>Parks and Recreation</u>						
Park acreage	562	578	802	786	833	833
Number of regional parks	-	2	2	2	2	2
Number of large urban parks	5	2	2	2	1	1
Number of community parks	3	3	3	3	3	3
Number of neighborhood parks	8	8	8	9	11	11
Number of special use parks	6	6	6	4	5	5

Source: Various City Departments.

2012	2013	2014	2015
342	342	342	486
17	17	16	16
52	52	52	52
17	17	17	15
4	4	4	4
1	1	1	1
126	126	131	118
6	6	6	3
835	832	832	832
2	2	2	2
1	1	1	1
3	7	7	7
12	8	8	8
5	5	5	5

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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, 2015, 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 28, 2016.

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 28, 2016.

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 28, 2016



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, 2015. The City's major federal programs and state projects are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

Management is responsible for compliance with 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 of 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, 2015.

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, 2015, and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We issued our report thereon dated March 28, 2016, 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 28, 2016

CITY OF KISSIMMEE, FLORIDA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND
STATE FINANCIAL ASSISTANCE
For the year ended September 30, 2015

Agency/Program	CFDA #	Grant #	Federal Expenditures	Passed Through to Sub-recipients
<u>U.S. Department of Housing and Urban Development</u>				
CDBG - Entitlement Grants Cluster				
Community Development Block Grant 2014	14.218	B-14-MC-12-0051	\$ 238,649	\$ 74,729
Community Development Block Grant 2013	14.218	B-13-MC-12-0051	23,964	22,647
Community Development Block Grant 2005	14.218	B-05-MC-12-0051	1,423	-
Community Development Block Grant 2011	14.218	B-10-MC-12-0051	24,313	-
Subtotal			288,349	97,376
CDBG - State Administered Grants Cluster				
(HERA) Neighborhood Stabilization Program III	14.228	B-11-MN-12-0012	12,974	-
Subtotal			12,974	-
Total U.S. Department of Housing and Urban Development			301,323	97,376
<u>U.S. Department of Justice</u>				
Passed through the Florida Office of the Attorney General				
Victims of Crime Act	16.575	V216-14268	51,896	-
Edward Byrne Memorial Justice Assistance Grant(JAG)	16.592	2013-DJ-BX-0451	39,574	-
Bulletproof Vest Partnership	16.607	None	5,706	-
Total U.S. Department of Justice			97,176	-
<u>U.S. Department of Transportation</u>				
Federal Aviation Administration				
Airport Improvement Program				
Airport Wildlife Hazard Assessment	20.106	3-12-0038-034-2014	65,999	-
Total Airport Improvement Program			65,999	-
Highway Planning and Construction Cluster				
Passed through the Florida Department of Transportation				
West Oak Street Intersection Improvements	20.205	434916-1-38-01/ARC86	257,843	-
Shingle Creek Trail, Sequence II	20.205	430225-1-38-90/AQQ79	655,755	-
Kissimmee Pedestrian Bridge Over John Young Parkway/Construction	20.205	428043-1-58-01/AR 286	2,074,063	-
Kissimmee Pedestrian Bridge Over John Young Parkway/CEI	20.205	428043-1-68-01/AR 286	215,792	-
Shingle Creek Regional Trail North, Phase I	20.205	430225-7-68-01/ARB38	1,936,899	-
Shingle Creek Trail Phases 1 and 2	20.205	430225-1 / AQF 05	6,254	-
Total Highway Planning and Construction Cluster			5,146,606	-
Total U.S. Department of Transportation			5,212,605	-
TOTAL EXPENDITURES OF FEDERAL AWARDS			\$ 5,611,104	\$ 97,376

Continued

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND
STATE FINANCIAL ASSISTANCE - Continued**
For the year ended September 30, 2015

Agency/State Project	CSFA#	Grant #	State Expenditures	Passed Through to Sub-recipients
<u>Florida Housing Finance Corporation</u>				
State Housing Initiatives Partnership Program (SHIP) 2013	52.901		\$ 64,227	\$ -
State Housing Initiatives Partnership Program (SHIP) 2014	52.901		86,423	-
Total Florida Housing Finance Corporation			150,650	-
<u>Florida Department of Transportation</u>				
Air Traffic Control Tower Design	55.004	418488-1-94-01/ARH14	374,383	-
Design Airport Administration Building	55.004	409776-1-94-01 / AQA83	581,630	-
Design Review for the Aviation Business Park Infrastructure	55.004	418489-1-94-01 / AQJ10	129,968	-
Subtotal			1,085,981	-
Total Florida Department of Transportation			1,085,981	0
TOTAL EXPENDITURES OF STATE FINANCIAL ASSISTANCE			\$ 1,236,631	\$ -

NOTE 1 Basis of Presentation

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

The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations; Chapter 215.97, Florida Statutes; and Rule 69I-5.003 (1)(f), F.A.C. Therefore, amounts presented in this schedule may differ from amounts presented in, or used in, the preparation of the basic financial statements.

CITY OF KISSIMMEE, FLORIDA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended September 30, 2015

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</u> 20.205	<u>Name of Federal Program</u> Highway Planning and Construction
-------------------------------------	----------------------------------------------------------------------------

<u>CSFA Number</u> 55.004	<u>Name of State Project</u> 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, 2015

SECTION II - FINANCIAL STATEMENT FINDINGS

None Reported.

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

None Reported.



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, 2015, and have issued our report thereon dated March 28, 2016.

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 28, 2016, 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 the preceding audit, there were no findings or recommendations.

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, 2015, 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, 2015. 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, accounting procedures, and internal controls. In connection with our audit, we noted certain matters, as reported in Appendix A attached hereto. Included in our observations are management's responses, which we did not audit and, accordingly, we express no opinion on them.

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 28, 2016



MOORE STEPHENS
LOVELACE, P.A.

CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT ACCOUNTANT'S REPORT

Honorable Mayor and
Members of the City Commission
City of 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, 2015. 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, 2015.

Moore Stephens Lovelace, P.A.

MOORE STEPHENS LOVELACE, P.A.
Certified Public Accountants

Orlando, Florida
March 28, 2016

APPENDIX A
CITY OF KISSIMMEE, FLORIDA
Current Year Observations, Recommendations and Management Responses
For the Year Ended September 30, 2015

MLO 2016-001 – Quarterly Reporting of Investments

Observation:

During our review of the City's investments, we noted that investments reports were not being submitted to the City Manager and Commission on a quarterly basis.

Criteria

Section 2-7-36 of the City's Investment Policy requires that the Director of Finance shall submit a quarterly report on investment activity to the City Manager for transmittal to the City Commission.

Recommendation

We recommend that the City submit quarterly reports of its investment activity to the City in accordance with its policy.

Management Response:

The Finance Director will prepare a quarterly report on investment activity to the City Manager for transmittal to the City Commission.

MLO 2016-002 – Bank Reconciliation

Observation:

During our review of the City's bank reconciliation for self-insurance, we noted that the City was not reconciling the activity as noted on its bank statement to its general ledger.

Criteria:

To ensure proper financial accounting and reporting of cash, bank reconciliations should be prepared and reviewed in a timely manner for all cash accounts.

Recommendation:

We recommend that the City evaluate its controls over cash to ensure that all cash accounts are being reconciled in a timely manner.

Management Response:

The account in question is a trust account in the City's name, therefore, the City does not have the ability to deposit or withdraw funds from this account. However, Finance Department staff will start to reconcile this account on a monthly basis.

APPENDIX A
CITY OF KISSIMMEE, FLORIDA
Current Year Observations, Recommendations and Management Responses
For the Year Ended September 30, 2015

MLO 2016-003 – Approval of Minutes

Observation:

During the review of the City Commission meeting minutes, we noted that the majority of minutes for the City Commission and other City Organized Boards had not been approved at a subsequent meeting by the applicable governing body until several months after the fact. In some instances, minutes had not been approved until a year-and-a-half after the meeting had taken place.

Criteria:

The minutes of the Commission and other City Organized Boards are important legal and organizational documents. While the City does maintain a recorded record of all meetings, the minutes should be approved as soon as possible by the applicable board.

Recommendation:

We recommend that the City ensure that minutes are properly approved in a timely manner.

Management Response:

City staff will ensure the minutes are approved in a timely manner.

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