

CITY OF KISSIMMEE, FLORIDA

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

Year Ended September 30, 2011



Prepared by Department of Finance

CITY OF KISSIMMEE, FLORIDA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
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Year Ended September 30, 2011

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The City of Kissimmee, Florida
City Officials
As of September 30, 2011

Elected Officials

Mayor/Commissioner.....	Jim Swan
Commissioner/Vice Mayor.....	Art Otero
Commissioner/Mayor Pro Tem.....	Cheryl Grieb
Commissioner.....	Jerry Gemskie
Commissioner.....	Wanda Y. Rentas

Financial Related Management

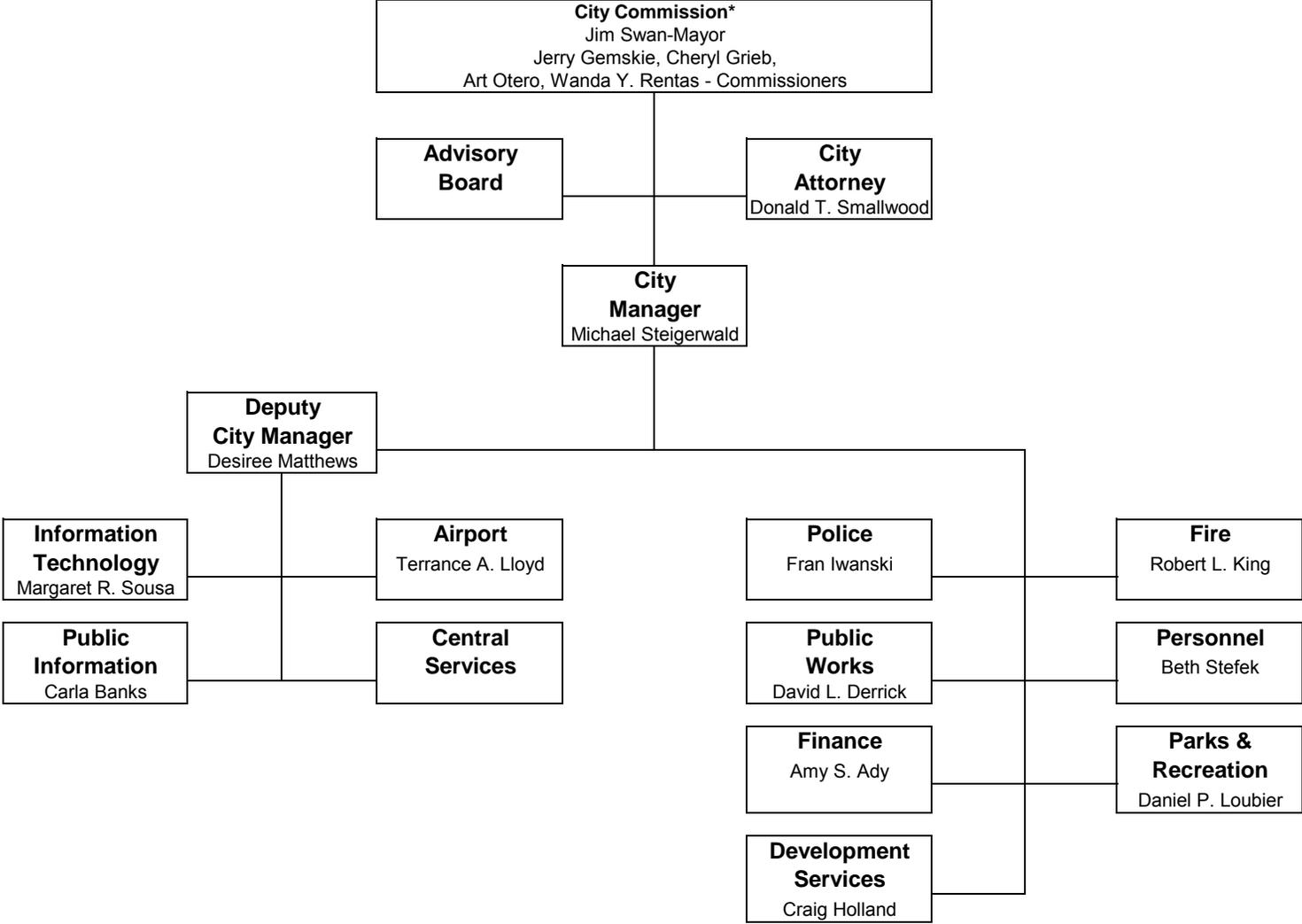
City Manager.....	Michael H. Steigerwald
Deputy City Manager.....	Desiree S. Matthews
Finance Director.....	Amy S. Ady
Assistant Finance Director.....	Joseph A. Skalamera

Other Departmental Officials

Airport Director.....	Terrence A. Lloyd
City Attorney.....	Donald T. Smallwood
Development Services Director.....	Craig M. Holland
Fire Chief.....	Robert L. King
Information Technology Director.....	Margaret R. Sousa
Parks & Recreation Director.....	Daniel P. Loubier
Personnel & Risk Management Director.....	Beth Stefek
Police Chief.....	Fran Iwanski
Public Works & Engineering Director.....	David L. Derrick

CITY OF KISSIMMEE

ORGANIZATION CHART



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

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, 2010

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.

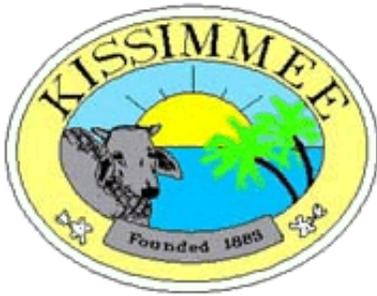


Linda C. Dandison

President

Jeffrey R. Emer

Executive Director



City of Kissimmee

City Manager

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

March 26, 2012

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, 2011.

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, 2011, 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 unqualified opinion that the City of Kissimmee's financial statements for the fiscal year ended September 30, 2011, 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 13,549 acres within the corporate limits of the City. The 2010 U.S. Census reported 59,682 people living within the City. The Current population figure is 60,375.

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 and citrus industries.

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, Osceola County Art Festival and the Kissimmee Bluegrass 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 first phase of construction for the lakefront redevelopment project was completed and phase two was initiated. Public Works continued to make significant progress on its road improvement plan as well as various grant funded drainage projects. In addition, in Public Works continued progress was made on right-of-way acquisition for a major road widening project. The municipally owned airport continued to embark on several expansion/improvement projects this past year as well. The Development Services Department received additional entitlement monies via the Community Development Block Grant program. The Community Redevelopment Agency finalized the improvements to an historic structure within its district. Finally, the City has continued, on a contractual basis, to provide certain administrative services to Tohopekaliga Water Authority.

CASH MANAGEMENT

The cash management program involves a theory of minimizing credit and market risks, maintaining reasonable liquidity to meet maturing obligations and maximizing return through the use of various investments.

The City has a banking service agreement with the local depository bank, which provides for all City deposits in an interest bearing master account. In addition, the City participates in the Florida State Board of Administration's Program for pooled investment of local government surplus funds. Also, during 2011, the City continued to invest in various types of government securities.

RISK MANAGEMENT

The Risk Management Fund was established to account for all insurance costs of the City, except employee group insurance, and to maintain the reserves for those risks that the City self-insures. Each fund, at the division level, budgets an allocated share of current year premiums plus a supplemental amount to maintain reserves for self-insurance. During 2011, the City implemented a self-insurance program for employee health insurance. As in the workers compensation and general liability self-insurance fund, an allocation from each operating fund is made based upon the employees within those funds.

OTHER POST EMPLOYMENT BENEFITS

The City implemented Governmental Accounting Standards Board Statement 45 - Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions (OPEB) starting with the 2008/2009 fiscal year. An actuarial valuation was performed by an independent actuary to establish the City's liability for OPEB. OPEB is the City's implicit rate subsidy for providing retirees the ability to participate in the City's health and life insurance programs.

FIDUCIARY OPERATIONS

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

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, 2010. 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,



Michael H. Steigerwald
City Manager



Amy S. Ady
Finance Director

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INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying financial statements of 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, 2011, which collectively comprise the City's basic financial statements, as listed in the table of contents. These financial statements are the responsibility of the City's management. 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 our audit to obtain reasonable assurance about whether the basic financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our 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, 2011, 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.

In accordance with *Government Auditing Standards*, we have also issued our report dated March 26, 2012 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 the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

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

INDEPENDENT AUDITOR'S REPORT
(Concluded)

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.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, the other supplemental information section, and the statistical section, listed in the table of contents, are presented for additional analysis and are not a required part of the financial statements. The other supplemental information section 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 other supplemental 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 information is 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.

Moore Stephens Lovelace, P.A.

MOORE STEPHENS LOVELACE, P.A.
Certified Public Accountants

Orlando, Florida
March 26, 2012

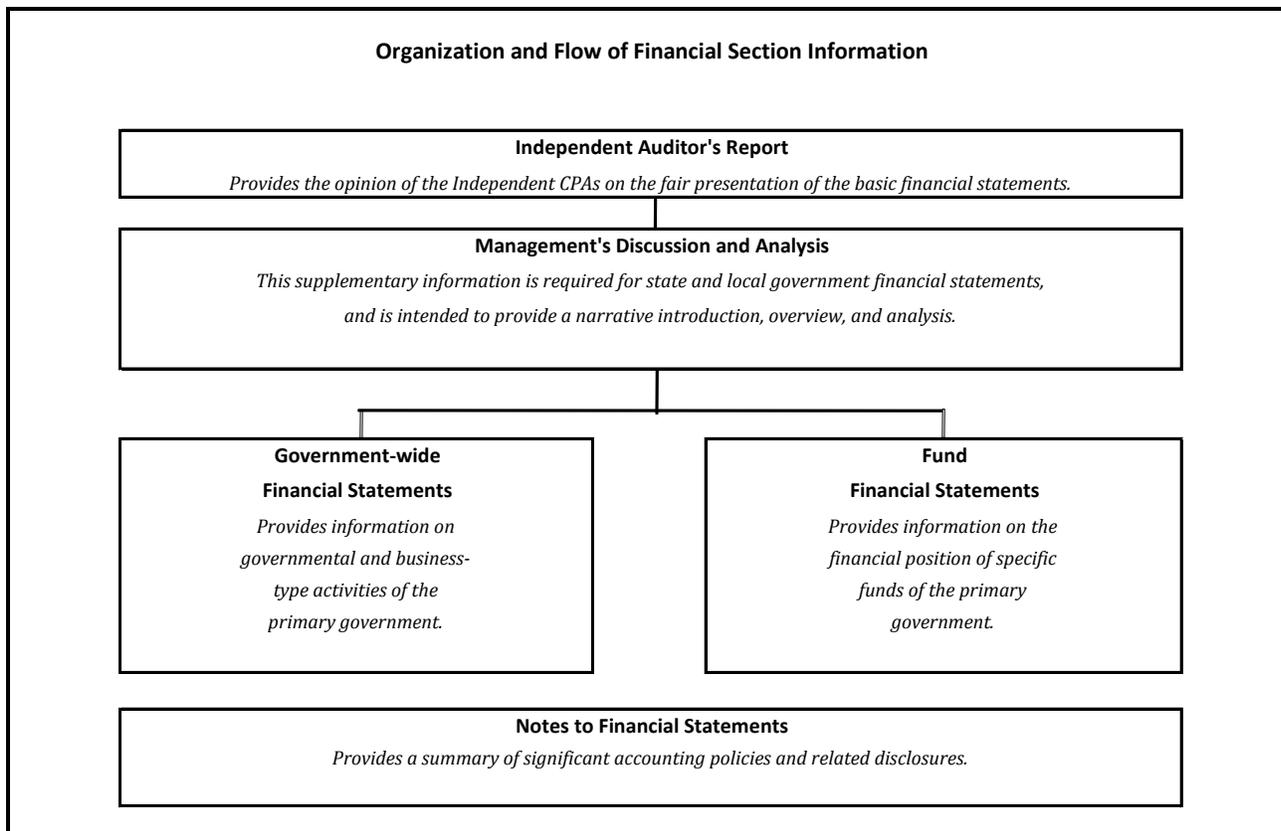
The City of Kissimmee, Florida's (the "City") Management's Discussion and Analysis (the "MD&A") presents an overview of the City's financial activities for the fiscal year ended September 30, 2011. Please read it in conjunction with the letter of transmittal in the introductory section, and the City's financial statements following the MD&A.

Financial Highlights

- The assets of the City exceeded its liabilities at the close of fiscal year 2011 by \$192,582 (net assets). Of this amount, \$17,485 (unrestricted net assets) may be used to meet the government's ongoing obligations to citizens and creditors.
- The City's net assets increased by \$5,361 of which governmental activities contributed 92% of the increase.
- At September 30, 2011, the City's governmental funds reported combined ending fund balances of \$42,070 an increase of \$9,284 in comparison with the prior year.
- The City's net capital assets increased \$7,372 or 3.9% 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 assets* presents information on all of the City's assets and liabilities, with the difference between the two reported as *net assets*. Over time, increases or decreases in net assets 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 assets changed during fiscal year 2011. All changes in net assets 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, physical environment, 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, 2010B Note Construction Project, Community Redevelopment Agency, and Local Option Sales Tax 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, most 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 statement 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, and Local Option Sales Tax Fund; schedules of funding progress and employer contributions for the City's OPEB Plan; and schedules of funding progress and employer contributions for the City's three pension plans. Required supplementary information can be found following the notes to the financial statements.

The combining statements referred to earlier in connection with nonmajor governmental funds and internal service funds are presented in the other supplemental information section of this report. A budgetary comparison schedule for the City's major capital projects fund is presented in this section. Combining and individual fund budgetary comparison schedules for nonmajor funds can be found after the required supplementary information.

CITY OF KISSIMMEE, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued
 September 30, 2011
 (In Thousands)

Government-wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the City, assets exceeded liabilities by \$192,582 at the close of the fiscal year ended September 30, 2011.

At the end of fiscal year 2011, the City is able to report positive balances in all three categories of net assets, both for the government as a whole, as well as for its separate governmental and business-type activities.

The largest portion of the City's net assets (82%) reflects its investment in capital assets (e.g., land, buildings, 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 investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. The City has *restricted net assets* (\$16,674) for construction projects, supplementary care, Charter School, and other purposes. The remaining balance of *unrestricted net assets* (\$17,485) may be used to meet the government's ongoing obligations to citizens and creditors.

City of Kissimmee, Florida
Net Assets
(In Thousands)

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
Current and other assets	\$ 56,290	\$ 46,928	\$ 6,885	\$ 5,609	\$ 63,175	\$ 52,537
Capital Assets (Net)	<u>165,503</u>	<u>158,225</u>	<u>31,091</u>	<u>30,997</u>	<u>196,594</u>	<u>189,222</u>
Total Assets	<u>221,793</u>	<u>205,153</u>	<u>37,976</u>	<u>36,606</u>	<u>259,769</u>	<u>241,759</u>
Current and other liabilities	7,301	6,226	777	641	8,078	6,867
Long-term Liabilities	<u>57,998</u>	<u>47,353</u>	<u>1,111</u>	<u>318</u>	<u>59,109</u>	<u>47,671</u>
Total Liabilities	<u>65,299</u>	<u>53,579</u>	<u>1,888</u>	<u>959</u>	<u>67,187</u>	<u>54,538</u>
Net Assets:						
Invested in Capital Assets,						
Net of Related Debt	127,332	124,615	31,091	30,997	158,423	155,612
Restricted	16,573	14,574	101	86	16,674	14,660
Unrestricted	<u>12,589</u>	<u>12,385</u>	<u>4,896</u>	<u>4,564</u>	<u>17,485</u>	<u>16,949</u>
Total Net Assets	<u>\$ 156,494</u>	<u>\$ 151,574</u>	<u>\$ 36,088</u>	<u>\$ 35,647</u>	<u>\$ 192,582</u>	<u>\$ 187,221</u>

There was a net increase of \$5,361 in the City's net assets over fiscal year 2010. There was a net increase of \$4,920 in net assets reported in connection with the City's governmental activities and \$441 in business-type activities. The governmental activities increase represents 92% of the total increase, and business-type activities contributed 8% of the increase at year end. Key reasons for these changes are presented in the following pages for governmental and business-type activities.

CITY OF KISSIMMEE, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued
September 30, 2011
(In Thousands)

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

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
REVENUES						
Program Revenues:						
Charges for Services	\$ 26,211	\$ 22,630	\$ 8,485	\$ 8,185	\$ 34,696	\$ 30,815
Operating Grants and Contributions	1,016	3,614	-	-	1,016	3,614
Capital Grants and Contributions	4,790	3,593	289	665	5,079	4,258
General Revenues:						
Property Taxes	12,175	15,818	-	-	12,175	15,818
Other Taxes	18,940	18,561	-	-	18,940	18,561
Other	<u>16,513</u>	<u>16,993</u>	<u>8</u>	<u>13</u>	<u>16,521</u>	<u>17,006</u>
Total Revenues	<u>79,645</u>	<u>81,209</u>	<u>8,782</u>	<u>8,863</u>	<u>88,427</u>	<u>90,072</u>
EXPENSES						
General Government	29,095	27,460	-	-	29,095	27,460
Public Safety	30,980	27,219	-	-	30,980	27,219
Physical Environment	-	2,912	-	-	-	2,912
Transportation	6,966	7,040	-	-	6,966	7,040
Economic Environment	1,939	3,178	-	-	1,939	3,178
Culture/Recreation	4,778	6,031	-	-	4,778	6,031
Interest on Long-term Debt	1,307	1,259	-	-	1,307	1,259
Stormwater	-	-	3,085	3,030	3,085	3,030
Airport	-	-	1,060	1,009	1,060	1,009
Solid Waste	<u>-</u>	<u>-</u>	<u>3,856</u>	<u>3,506</u>	<u>3,856</u>	<u>3,506</u>
Total Expenses	<u>75,065</u>	<u>75,099</u>	<u>8,001</u>	<u>7,545</u>	<u>83,066</u>	<u>82,644</u>
Excess Before Transfers	4,580	6,110	781	1,318	5,361	7,428
Transfers	<u>340</u>	<u>180</u>	<u>(340)</u>	<u>(180)</u>	<u>-</u>	<u>-</u>
Change in Net Assets	4,920	6,290	441	1,138	5,361	7,428
Net Assets - Beginning	<u>151,574</u>	<u>145,284</u>	<u>35,647</u>	<u>34,509</u>	<u>187,221</u>	<u>179,793</u>
Net Assets - Ending	<u>\$ 156,494</u>	<u>\$ 151,574</u>	<u>\$ 36,088</u>	<u>\$ 35,647</u>	<u>\$ 192,582</u>	<u>\$ 187,221</u>

Governmental activities

Governmental activities accounted for an increase of \$4,920 from the prior year. Charges for services increased \$3,581 or 16%, grants and contributions decreased \$1,401 or 19%, and property taxes decreased \$3,643 or 23%; however, total expenses decreased \$34. The physical environment expenses of \$2,912 in 2010 were expenses for a grant received in 2010 only. The public safety function (primarily police, fire and building code enforcement) represented the largest percentage of expenses (41%) in governmental activities; and had the largest deficit (\$23,228) from associated program revenues which were covered by the general revenues of the City.

CITY OF KISSIMMEE, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued
September 30, 2011
(In Thousands)

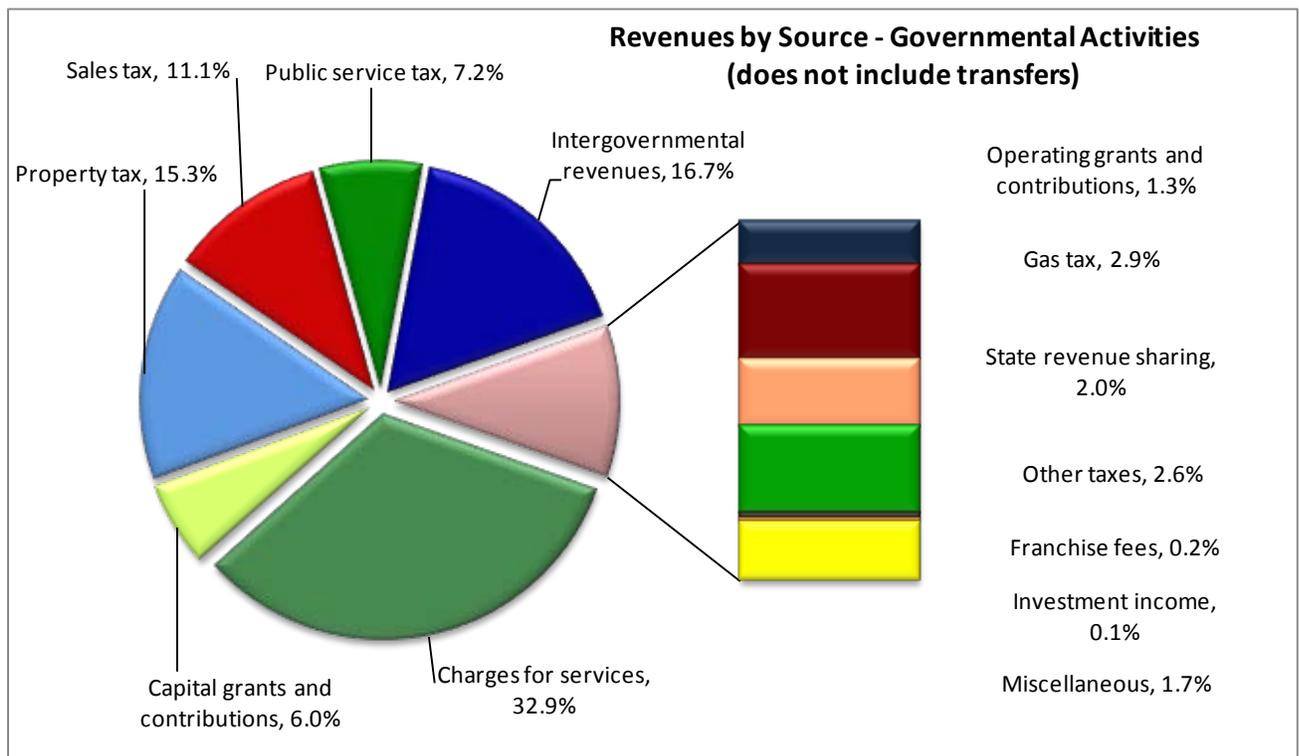
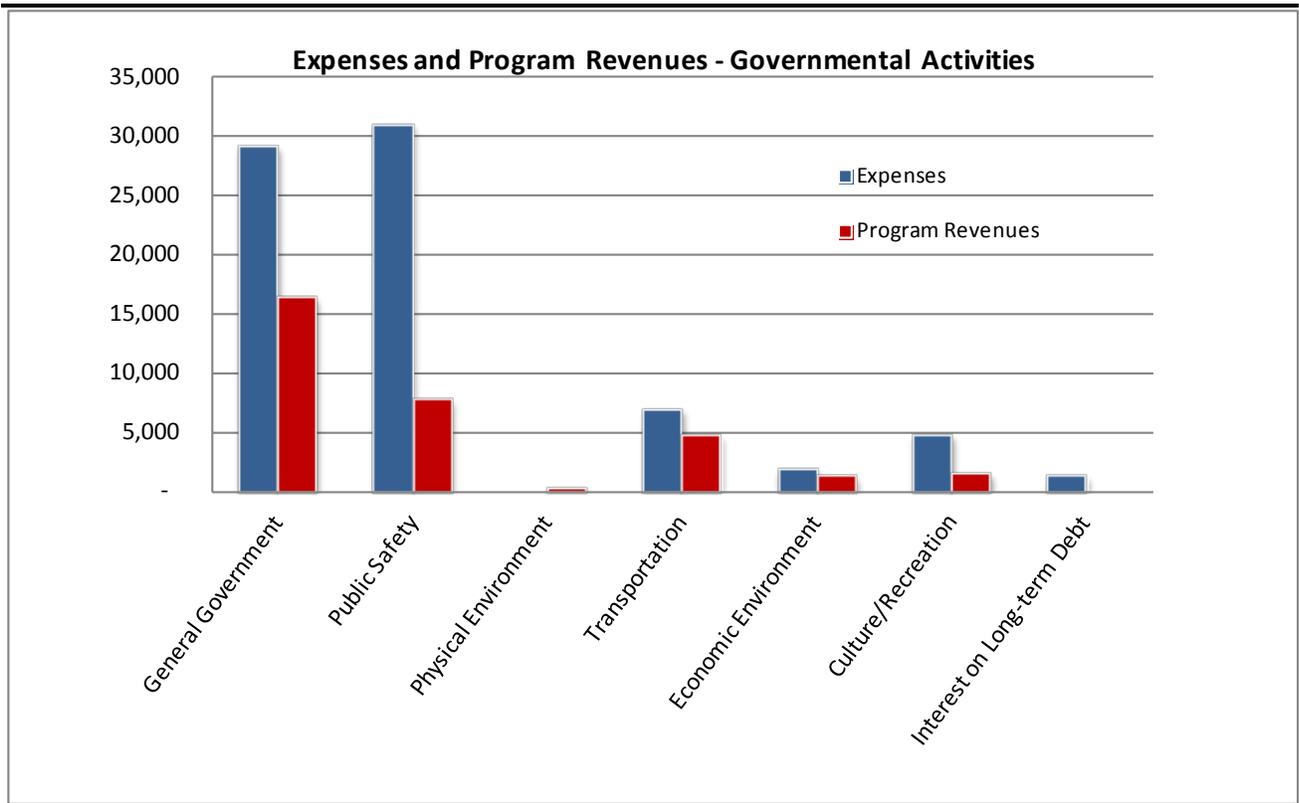
The following tables and graphs show the results of governmental activities for fiscal year ended 2011.

Expenses and Program Revenues – Governmental Activities
(In Thousands)

Functions/Programs	Expenses				Net Cost of Services		
	2011	% of	2010	% Change	2011	2010	% Change
		Total					
General Government	\$ 29,095	39%	\$ 27,460	6%	\$ (12,753)	\$ (15,132)	-16%
Public Safety	30,980	41%	\$ 27,219	14%	(23,228)	(18,571)	25%
Physical Environment	-	0%	\$ 2,912	0%	359	(631)	-157%
Transportation	6,966	9%	\$ 7,040	-1%	(2,210)	(5,520)	-60%
Economic Environment	1,939	3%	\$ 3,178	-39%	(669)	705	-195%
Culture/Recreation	4,778	6%	\$ 6,031	-21%	(3,240)	(4,854)	-33%
Interest on Long-Term Debt	<u>1,307</u>	<u>2%</u>	<u>\$ 1,259</u>	4%	<u>(1,307)</u>	<u>(1,259)</u>	4%
	<u>\$ 75,065</u>	<u>100%</u>	<u>\$ 75,099</u>		<u>\$ (43,048)</u>	<u>\$ (45,262)</u>	

Revenue by Source – Governmental Activities
(In Thousands)

Description	2011	% of	2010	% Change
		Total		
Program Revenues				
Charges for services	\$ 26,211	33%	\$ 22,630	16%
Operating grants and contributions	1,016	1%	3,614	-72%
Capital grants and contributions	4,790	6%	3,593	33%
General Revenues				
Property tax	12,175	15%	15,818	-23%
Sales tax	8,832	11%	8,473	4%
Public service tax	5,755	7%	6,439	-11%
Gas tax	2,284	3%	2,375	-4%
State revenue sharing	1,597	2%	1,521	5%
Other taxes	2,069	3%	1,274	62%
Unrestricted intergovernmental revenues	13,264	17%	13,670	-3%
Franchise fees	142	0%	143	-1%
Investment income	90	0%	180	-50%
Miscellaneous	1,420	2%	1,479	-4%
Transfers	<u>340</u>	<u>0%</u>	<u>180</u>	89%
	<u>\$ 79,985</u>	<u>100%</u>	<u>\$ 81,389</u>	



CITY OF KISSIMMEE, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued
 September 30, 2011
 (In Thousands)

Business-type activities

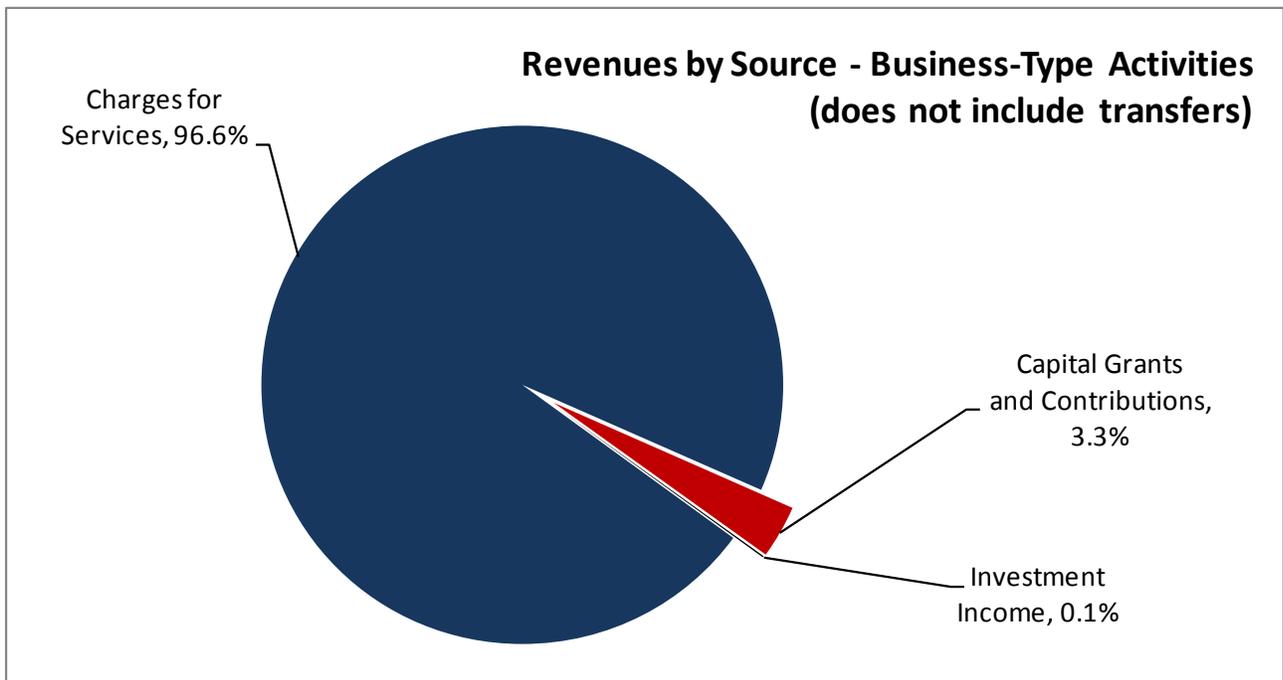
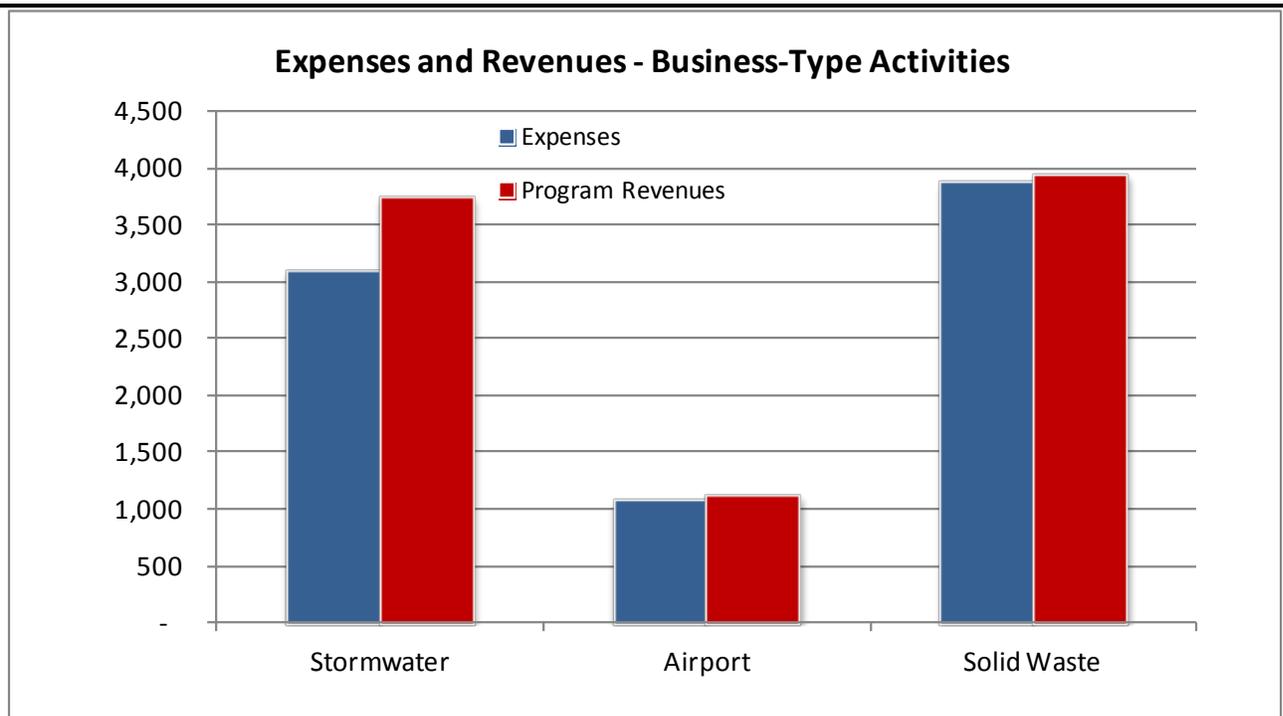
Business-type activities increased the City's net assets by \$441 (\$781 - \$340 in transfers) accounting for 8% of the total growth in the City's net assets. Solid Waste expenses increased \$350 or 10% due specifically to transfers of \$391 to other funds including a first time 5% of revenue (\$197) transfer to the General Fund.

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

Functions/Programs	Expenses			Net Increase (Decrease) In Net Assets		
	2011	2010	% Change	2011	2010	% Change
	Stormwater	\$ 3,085	\$ 3,030	2%	\$ 643	\$ 572
Airport	1,060	1,009	5%	58	515	-89%
Solid Waste	<u>3,856</u>	<u>3,506</u>	10%	<u>72</u>	<u>218</u>	-67%
	<u>\$ 8,001</u>	<u>\$ 7,545</u>		<u>\$ 773</u>	<u>\$ 1,305</u>	

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

	2011	% of Total	2010	% Change
Charges for services	\$ 8,485	97%	\$ 8,185	4%
Operating grants and contributions	-	0%	-	0%
Capital grants and contributions	289	3%	665	-57%
Investment income	8	0%	13	-38%
Transfers in	<u>-</u>	<u>0%</u>	<u>-</u>	0%
	<u>\$ 8,782</u>	<u>100%</u>	<u>\$ 8,863</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

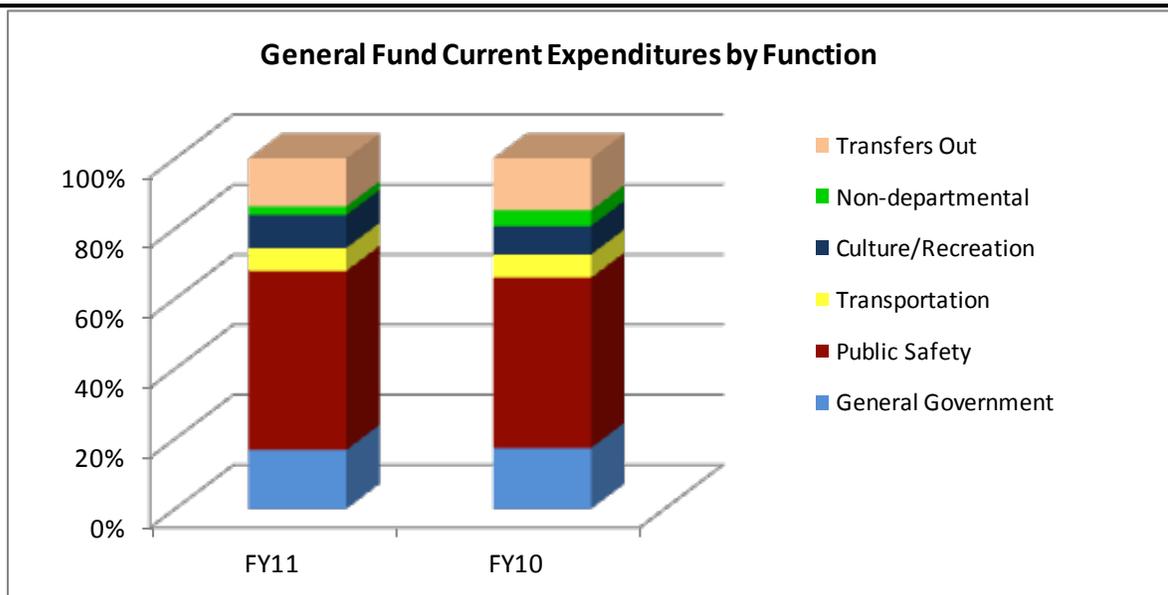
The focus of the City's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable resources*. Such information is useful in assessing the City's financing requirements. In particular, *unassigned fund balance* may serve as a useful measure of a government's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

As of the end of fiscal year 2011, the City's governmental funds reported combined ending fund balances of \$42,070, an increase of \$9,284 in comparison with the prior year. Several key items changed the methodology of this comparison in the current period. The Governmental Accounting Standards Board (GASB) issued Statement No. 54 with the objective to enhance the usefulness of fund balance information by providing classifications that would be consistently applied. Components of fund balance are now comprised of nonspendable, restricted, committed, assigned, and unassigned. The components of committed, assigned and unassigned are considered unrestricted spendable fund balance. The fiscal year 2010 fund balance was reclassified based upon the new statement requirements in order to use as a tool for comparative purposes. Those balances can be referenced in Statistical Schedule 3. The total spendable unrestricted fund balance of governmental funds in fiscal year 2011 was \$14,910 compared to \$12,245 for fiscal year 2010, an increase of \$2,665 for all governmental funds.

The General Fund is the chief operating fund of the City. At the end of fiscal year 2011, the unrestricted spendable fund balance (assigned for budgetary carryforward \$961 and unassigned fund balance \$16,307) of the General Fund totaled \$17,268 compared to \$16,961 in fiscal year 2010, an increase of \$307. As a measure of the General Fund's liquidity, it may be useful to compare the unrestricted spendable fund balance of \$17,268 to the total fund's expenditures of \$46,955 and transfers out of \$7,418. This represents 31.8% of total expenditures plus transfers out compared to 29.8% in the prior fiscal year. Thus, the City was able to slightly improve liquidity available to meet upcoming expenditures.

The City's fund balance in the General Fund (as restated) decreased slightly by \$20 during the current fiscal year. There was not much change in operations of the fund from the prior fiscal year.

The following graph displays the General Fund current expenditures (not including debt service) by function for fiscal years 2011 and 2010. As the graph displays, there were no major fluctuations in expenditures by function from the prior year.



The 2010B Note Construction Project recorded \$8,000 in refunded bond proceeds and spent \$1,192 with \$12 in investment income.

The Community Redevelopment Agency (CRA) fund balance increased by \$145 from the prior year. The tax revenue decrease of \$249 was offset by an expenditure decrease of \$296, while net transfers had a deficit of \$394 compared to the prior period. The remaining fund deficit of (\$2,215) will be settled by future tax revenues.

The Local Option Sales Tax fund balance increased by \$1,615 as tax revenues increased \$227 and expenditures decreased by \$642. Adjustments to the long-range capital improvement plan were made in prior years to address the revenue shortfalls due to poor economic conditions predicted to remain for the near future. The remaining fund balance of \$9,058 is restricted for future construction projects.

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 Stormwater Fund had an increase in net assets of \$504. Operating revenues were greater than operating expenses by \$612 which reflects that the City's current charges for service are appropriate to cover costs incurred to provide stormwater service to its citizens.

The Airport Fund had an increase in net assets of \$59. Operating expenses exceeded operating revenues by \$204, but capital grant contributions totaled \$262. The Airport's unrestricted net assets increased by \$92 from the prior year.

The Solid Waste Fund had a decrease in net assets of \$122 from the prior year. Operating revenues were greater than operating expenses by \$73 which reflects that the City's current charges for service are appropriate to cover costs incurred to provide solid waste collections to its citizens.

CITY OF KISSIMMEE, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued
 September 30, 2011
 (In Thousands)

Unrestricted net assets of all three enterprise funds for the current year and prior year are represented in the table below.

Fund	Unrestricted Net Assets (In Thousands)	
	2011	2010
Stormwater	\$ 1,924	\$ 1,410
Airport	2,506	2,414
Solid Waste	466	740
Total	<u>\$ 4,896</u>	<u>\$ 4,564</u>

Unrestricted net assets in the Stormwater Fund increased \$514 to \$1,924; Airport increased \$92 to \$2,506; Solid Waste Fund decreased by (\$274) to \$466. Unrestricted net assets are available for future expenses.

General Fund Budgetary Highlights

The General Fund's original budget was amended to increase expenditures and transfers out by \$3,502. This was offset by an amended budget to increase revenues by \$647. The changes for expenditures and transfers out within functions are summarized in the table below. Adjustments were made for capital expenditures, transfers to other funds for revenue shortfalls, and additional grant-funded expenditures during the course of the year, primarily in the general government function.

(In Thousands)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Change</u>
General Government	\$ 9,245	\$ 10,328	\$ 1,083
Public Safety	28,731	29,607	876
Transportation	3,929	3,991	62
Culture/Recreation	5,581	5,835	254
Non-departmental	575	632	57
Transfers Out	-	1,172	1,172
	<u>\$ 48,061</u>	<u>\$ 51,565</u>	<u>\$ 3,504</u>

The General Fund over-spent the final budget by \$2,808 during fiscal year 2011 primarily due to transfers out for debt service refunding. Most functions, however, evidenced favorable variances. The changes within functions are summarized in the table below:

(In Thousands)

	<u>Actual Expenditures</u>	<u>Final Budget</u>	<u>Difference</u>
General Government	\$ 9,152	\$ 10,328	\$ 1,176
Public Safety	27,789	29,607	1,818
Transportation	3,530	3,991	461
Culture/Recreation	5,141	5,835	694
Non-departmental	1,343	632	(711)
Transfers Out	7,418	1,172	(6,246)
	<u>\$ 54,373</u>	<u>\$ 51,565</u>	<u>\$ (2,808)</u>

CITY OF KISSIMMEE, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued
 September 30, 2011
 (In Thousands)

General government total expenditures were \$1,176 under the final budget. This can be attributed mostly to the Economic Development department (\$503) from unspent Economic Development funds, and the Development Services department (\$323) from unspent professional service funds. In addition, Public Safety had a savings of \$1,818 (Police - \$1,279, Fire - \$539) primarily related to unfilled positions. Public Works had a \$461 favorable variance that was the result of a more appropriate reclassification of pertinent salaries and benefits to the Stormwater Fund. There were also significant savings in utilities, as well as operating and maintenance expenses. Parks and Recreation contributed with an overall \$694 favorable variance. Non-departmental expenditures were greater than the final budget due to additional adjustments of \$738 made for bad debts on uncollected receivables. Transfers to other funds exceeded budget by \$6,246 due to the payoff of Charter School variable rate note to T.D. Bank.

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, 2011 amounts to \$196,594 (net of accumulated depreciation). This investment in capital assets includes land, 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 \$7,372. Governmental activities increased capital assets by \$7,278 and business-type activities increased capital assets by \$94.

The largest increases in capital assets over the prior year of \$7,028 in construction in progress were primarily related to the Lakefront improvement - \$5,115 and Hoagland Boulevard - \$701 projects. Capital improvements other than buildings increased \$5,009 as the City's major projects moved forward.

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

	Governmental Activities		Business-type Activities		Total	
	2011	2010	2011	2010	2011	2010
Land	\$ 17,211	\$ 17,069	\$ 401	\$ 401	\$ 17,612	\$ 17,470
Intangibles, net	3,069	2,714	1	-	3,070	2,714
Buildings	54,080	53,850	3,645	3,638	57,725	57,488
Improvements Other than Buildings	101,433	96,424	30,950	30,775	132,383	127,199
Equipment	34,297	32,819	5,357	4,542	39,654	37,361
Construction in Progress	33,747	26,742	232	96	33,979	26,838
	243,837	229,618	40,586	39,452	284,423	269,070
Less: Accumulated Depreciation	(78,334)	(71,393)	(9,495)	(8,455)	(87,829)	(79,848)
Capital Assets, net	\$ 165,503	\$ 158,225	\$ 31,091	\$ 30,997	\$ 196,594	\$ 189,222

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

CITY OF KISSIMMEE, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued
 September 30, 2011
 (In Thousands)

Long-term debt

At the end of fiscal year 2011, the City had total debt outstanding of \$50,392. This is an increase of \$11,588 or 29.3% from the prior year, primarily due to additional funding of the Lakefront project of \$8 and \$4 for road improvements. Of the total outstanding, \$48,952 is notes and bonds payable at year-end. Notes and bonds payable are the largest percentage (95.8%) of the City's overall outstanding debt. In business-type activities, the Solid Waste Fund obtained a \$730 capital lease for the purchase of recycle containers.

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

	Governmental Activities		Business-type Activities		Total	
	2011	2010	2011	2010	2011	2010
Revenue Notes	\$ 48,609	\$ 38,961	\$ -	\$ -	\$ 48,609	\$ 38,961
Revenue Bonds	343	369	-	-	343	369
Capital Lease Payable	135	204	730	-	865	204
Other	1,305	1,304	-	-	1,305	1,304
	<u>\$ 50,392</u>	<u>\$ 40,838</u>	<u>\$ 730</u>	<u>\$ -</u>	<u>\$ 51,122</u>	<u>\$ 40,838</u>

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

Economic Factors and Next Year's Budgets and Rates

- The unemployment rate for the City at September 30, 2011 was 10.3% which represents an improvement of 1.6% from the 11.9% unemployment rate from the prior year.
- The taxable assessed values decreased another 7.8% in the 2011 fiscal year. Since the 2008 highpoint assessed value has dropped 41.6% in this 3-year period. Tax collections were down \$3.9 million or 22% from the highpoint in fiscal year 2007.
- Population decreased slightly to 60,375 compared to 61,202 in the prior fiscal year.
- The ad valorem tax rate for the General Fund stayed constant at 4.6253 for the 2011 fiscal year budget.
- Rates for the City's solid waste and stormwater services did not increase in fiscal year 2011 for the annual CPI (consumer price index) adjustment. Rates will increase in fiscal year 2012 for Solid Waste and Stormwater based upon 95% of the CPI.

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 North Church Street, Kissimmee, Florida 34741.

CITY OF KISSIMMEE, FLORIDA
STATEMENT OF NET ASSETS
September 30, 2011
(In Thousands)

	<u>Governmental</u> <u>Activities</u>	<u>Business-type</u> <u>Activities</u>	<u>Total</u>
ASSETS			
Cash and Cash Equivalents	\$ 42,728	\$ 5,955	\$ 48,683
Investments	93	-	93
Restricted Cash and Investments	4,696	-	4,696
Receivables (net)	3,299	757	4,056
Due from Other Governments	2,564	162	2,726
Due From KUA	1,576	-	1,576
Due From TWA	847	11	858
Inventories	332	-	332
Pension Asset	100	-	100
Prepaid Items	55	-	55
Capital Assets:			
Capital Assets not Being Depreciated	50,958	633	51,591
Capital Assets Being Amortized (Net)	3,069	1	3,070
Capital Assets Being Depreciated (Net)	<u>111,476</u>	<u>30,457</u>	<u>141,933</u>
Total Capital Assets	<u>165,503</u>	<u>31,091</u>	<u>196,594</u>
Total Assets	<u>221,793</u>	<u>37,976</u>	<u>259,769</u>
LIABILITIES			
Accounts Payable	2,570	661	3,231
Contracts Payable	261	12	273
Accrued Liabilities	3,912	104	4,016
Due to Other Governments	531	-	531
Unearned Revenue	13	-	13
Deposits	14	-	14
Long-term Liabilities:			
Due Within One Year	4,938	186	5,124
Due in More Than One Year	<u>53,060</u>	<u>925</u>	<u>53,985</u>
Total Liabilities	<u>65,299</u>	<u>1,888</u>	<u>67,187</u>
NET ASSETS			
Invested in Capital Assets, Net of Related Debt	127,332	31,091	158,423
Restricted:			
Supplementary Care - Nonexpendable	678	-	678
Construction Projects	14,414	101	14,515
Charter School	1,312	-	1,312
Other Purposes	169	-	169
Unrestricted	<u>12,589</u>	<u>4,896</u>	<u>17,485</u>
Total Net Assets	<u>\$ 156,494</u>	<u>\$ 36,088</u>	<u>\$ 192,582</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, 2011
(In Thousands)

FUNCTIONS/PROGRAMS	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities:				
General Government	\$ 29,095	\$ 16,193	\$ 127	\$ 22
Public Safety	30,980	7,587	122	43
Physical Environment	-	63	-	296
Transportation	6,966	1,156	221	3,379
Economic Environment	1,939	-	506	764
Culture/Recreation	4,778	1,212	40	286
Interest on Long-Term Debt	1,307	-	-	-
Total Governmental Activities	<u>75,065</u>	<u>26,211</u>	<u>1,016</u>	<u>4,790</u>
Business-type Activities:				
Stormwater	3,085	3,701	-	27
Airport	1,060	856	-	262
Solid Waste	3,856	3,928	-	-
Total Business-type Activities	<u>8,001</u>	<u>8,485</u>	<u>-</u>	<u>289</u>
Total	<u>\$ 83,066</u>	<u>\$ 34,696</u>	<u>\$ 1,016</u>	<u>\$ 5,079</u>

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

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

Net (Expense) Revenue and Changes in Net Assets

Governmental Activities	Business-type Activities	Total
\$ (12,753)	\$ -	\$ (12,753)
(23,228)	-	(23,228)
359	-	359
(2,210)	-	(2,210)
(669)	-	(669)
(3,240)	-	(3,240)
(1,307)	-	(1,307)
<u>(43,048)</u>	<u>-</u>	<u>(43,048)</u>
-	643	643
-	58	58
-	<u>72</u>	<u>72</u>
-	<u>773</u>	<u>773</u>
<u>(43,048)</u>	<u>773</u>	<u>(42,275)</u>
12,175	-	12,175
8,832	-	8,832
5,755	-	5,755
2,284	-	2,284
1,597	-	1,597
2,069	-	2,069
13,264	-	13,264
142	-	142
90	8	98
1,420	-	1,420
340	<u>(340)</u>	<u>-</u>
<u>47,968</u>	<u>(332)</u>	<u>47,636</u>
4,920	441	5,361
<u>151,574</u>	<u>35,647</u>	<u>187,221</u>
<u>\$ 156,494</u>	<u>\$ 36,088</u>	<u>\$ 192,582</u>

CITY OF KISSIMMEE, FLORIDA
BALANCE SHEET - GOVERNMENTAL FUNDS
September 30, 2011
(In Thousands)

	<u>General</u>	<u>2010B Note Construction Project</u>	<u>Community Redevelopment Agency</u>
ASSETS			
Cash and Cash Equivalents	\$ 12,505	\$ 7,483	\$ 535
Investments	93	-	-
Restricted Cash and Investments	-	-	-
Accounts Receivable (net)	3,014	-	-
Special Assessments Receivable (net)	36	-	-
Due from KUA	1,575	-	-
Due from TWA	356	-	-
Due from Other Funds	1,574	-	-
Due from Other Governments	923	-	-
Prepaid Items	55	-	-
Inventories	112	-	-
Advance to Other Funds	-	-	-
Total Assets	<u>\$ 20,243</u>	<u>\$ 7,483</u>	<u>\$ 535</u>
LIABILITIES AND FUND BALANCES (DEFICITS)			
Liabilities:			
Accounts Payable	\$ 536	\$ 583	\$ 9
Contracts Payable	-	80	-
Accrued Liabilities	981	-	-
Due to Other Funds	72	-	-
Due to Other Governments	311	-	-
Advance From Other Funds	-	-	2,741
Deposits Payable	14	-	-
Deferred Revenue	-	-	-
Total Liabilities	<u>1,914</u>	<u>663</u>	<u>2,750</u>
Fund Balances (Deficits):			
Nonspendable Prepays and Inventories	167	-	-
Nonspendable Supplementary Care	-	-	-
Restricted for Transportation Projects	-	-	-
Restricted for Public Safety Projects	708	-	-
Restricted for Development Services	-	-	-
Restricted for Economic Development	181	-	-
Restricted for Construction Projects	-	6,820	-
Restricted for Other Capital Improvements	5	-	-
Assigned for Budgetary Carryforward	961	-	-
Assigned for Charter School	-	-	-
Assigned for Debt Service	-	-	-
Unassigned (Deficit)			
General Fund	16,307	-	-
Special Revenue Funds	-	-	(2,215)
Total Fund Balances (Deficits)	<u>18,329</u>	<u>6,820</u>	<u>(2,215)</u>
Total Liabilities and Fund Balances (Deficits)	<u>\$ 20,243</u>	<u>\$ 7,483</u>	<u>\$ 535</u>

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

<u>Local Option Sales Tax</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ 5,613	\$ 10,264	\$ 36,400
-	-	93
-	4,696	4,696
-	-	3,014
-	-	36
-	-	1,575
-	-	356
-	72	1,646
822	819	2,564
-	-	55
-	-	112
<u>2,741</u>	<u>-</u>	<u>2,741</u>
<u>\$ 9,176</u>	<u>\$ 15,851</u>	<u>\$ 53,288</u>
\$ 104	\$ 848	\$ 2,080
14	167	261
-	2,873	3,854
-	1,574	1,646
-	220	531
-	-	2,741
-	-	14
-	91	91
<u>118</u>	<u>5,773</u>	<u>11,218</u>
-	-	167
-	678	678
-	5,046	5,046
-	3	711
-	166	166
-	99	280
-	4,229	11,049
9,058	-	9,063
-	-	961
-	1,312	1,312
-	42	42
-	-	16,307
<u>-</u>	<u>(1,497)</u>	<u>(3,712)</u>
<u>9,058</u>	<u>10,078</u>	<u>42,070</u>
<u>\$ 9,176</u>	<u>\$ 15,851</u>	<u>\$ 53,288</u>

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CITY OF KISSIMMEE, FLORIDA
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET ASSETS
as of September 30, 2011
(In Thousands)

Total fund balances of governmental funds \$ 42,070

Amounts reported for governmental activities in the statement of net assets 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 \$240,648, the accumulated depreciation is \$74,588, and the accumulated amortization is \$852. The difference does not include the net capital assets of the internal service funds which are included below. 165,208

The internal service fund is used by management to charge the costs of risk management services to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net assets. 3,106

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 Assets. The amount does not include the net long term liabilities of the internal service funds which are included below. Long-term liabilities at year-end consist of:

Bonds payable	\$ 343	
Capital leases	135	
Notes payable	48,609	
KUA-County liability	1,305	
Other postemployment benefits	1,929	
Compensated absences	1,747	(54,068)

The pension asset on the government-wide statement of net assets resulted from contributions in excess of the required annual contribution. This is not considered to represent a financial asset and, therefore, is not reported in the governmental funds. 100

Deferred revenue from federal and state grants recognized as revenue of the current period 78

Total net assets of governmental activities \$ 156,494

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, 2011
(In Thousands)

	<u>General</u>	<u>2010B Note Construction Project</u>	<u>Community Redevelopment Agency</u>
REVENUES			
Taxes	\$ 16,601	\$ -	\$ 1,529
Permits, Fees and Special Assessments	143	-	-
Intergovernmental Revenues	19,830	-	-
Charges for Services	5,651	-	-
Fines and Forfeitures	808	-	-
Investment Income	31	12	2
Miscellaneous Revenues	906	-	1
Total Revenues	<u>43,970</u>	<u>12</u>	<u>1,532</u>
EXPENDITURES			
Current:			
General Government	10,465	55	900
Public Safety	27,789	-	-
Transportation	3,530	-	-
Economic Environment	-	-	-
Culture/Recreation	5,141	-	-
Capital Outlay	-	1,137	-
Debt Service:			
Principal Retirement	-	-	-
Interest and Fiscal Charges	30	-	-
Professional Fees	-	-	-
Total Expenditures	<u>46,955</u>	<u>1,192</u>	<u>900</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(2,985)</u>	<u>(1,180)</u>	<u>632</u>
OTHER FINANCING SOURCES and (USES)			
Transfers In	10,383	-	-
Transfers (Out)	(7,418)	-	(487)
Issuance of Notes/Bonds/ Refunded Bonds Payable	-	8,000	-
Payment to Refunded Bonds Escrow Agent	-	-	-
Total Other Financing Sources and (Uses)	<u>2,965</u>	<u>8,000</u>	<u>(487)</u>
Net Change in Fund Balances	(20)	6,820	145
Fund Balances (Deficits) - Beginning, Restated	<u>18,349</u>	<u>-</u>	<u>(2,360)</u>
Fund Balances (Deficits) - Ending	<u>\$ 18,329</u>	<u>\$ 6,820</u>	<u>\$ (2,215)</u>

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

Local Option Sales Tax	Nonmajor Governmental Funds	Total Governmental Funds
\$ 5,207	\$ 2,284	\$ 25,621
-	4,380	4,523
-	12,055	31,885
-	169	5,820
-	-	808
11	20	76
-	456	1,363
<u>5,218</u>	<u>19,364</u>	<u>70,096</u>
1,195	4,150	16,765
79	1,769	29,637
270	5,553	9,353
-	1,735	1,735
374	77	5,592
-	5,073	6,210
-	2,562	2,562
-	1,277	1,307
-	106	106
<u>1,918</u>	<u>22,302</u>	<u>73,267</u>
<u>3,300</u>	<u>(2,938)</u>	<u>(3,171)</u>
308	20,270	30,961
(1,993)	(20,723)	(30,621)
-	20,215	28,215
-	(16,100)	(16,100)
<u>(1,685)</u>	<u>3,662</u>	<u>12,455</u>
1,615	724	9,284
<u>7,443</u>	<u>9,354</u>	<u>32,786</u>
<u>\$ 9,058</u>	<u>\$ 10,078</u>	<u>\$ 42,070</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, 2011
(In Thousands)

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

Net change in fund balances - total governmental funds	\$	9,284
--	----	-------

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 (\$14,525) exceeds depreciation (\$6,916, which excludes the amount related to internal service funds accounted for below) and amortization (\$213). 7,396

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 assets, 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 assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. The amounts of the items that make up these differences in the treatment of long-term debt and related items are:

Debt issued or incurred:		
Proceeds from note	\$ (28,215)	
Principal repayments:		
Bonds	26	
Leases	69	
Notes	<u>18,567</u>	(9,553)

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	14	
Other postemployment benefits	<u>(482)</u>	(468)

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, 2011
(In Thousands)

Payments made contributing to a pension asset do not require the use of current financial resources therefore, are not an expenditure in the governmental fund statements. On the statement of activities, these payments decrease the pension obligation for public safety.	100
Under the modified accrual basis of accounting, grant revenues are recognized when both the measureable and available criteria have been met. Grant revenues earned in the current year were not recognized since availability criteria was not met. Under full accrual accounting, all revenues would be recognized.	(1,269)
In the statement of activities, only the loss on the sale/disposal of capital assets is reported. The change in net assets differs from the change in fund balance by the cost of the capital assets sold/disposed or adjusted in value.	(95)
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>(475)</u>
Change in net assets of governmental activities	<u>\$ 4,920</u>

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

CITY OF KISSIMMEE, FLORIDA
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
September 30, 2011
(In Thousands)

	<u>Business-type Activities - Enterprise Funds</u>				Governmental
	<u>Stormwater</u>	<u>Airport</u>	<u>Solid Waste</u>	<u>Total</u>	Activities - Internal Service Funds
ASSETS					
Current Assets:					
Cash and Cash Equivalents	\$ 1,965	\$ 2,648	\$ 1,342	\$ 5,955	\$ 6,328
Accounts Receivable (net)	303	16	438	757	249
Due From Other Governments	-	162	-	162	-
Due From KUA	-	-	-	-	1
Due From TWA	-	-	11	11	491
Inventories	-	-	-	-	220
Total Current Assets	<u>2,268</u>	<u>2,826</u>	<u>1,791</u>	<u>6,885</u>	<u>7,289</u>
Capital Assets:					
Land	-	401	-	401	140
Buildings	-	3,640	5	3,645	59
Improvements Other Than Buildings	8,812	22,131	7	30,950	722
Software	1	-	-	1	-
Machinery, Equipment and Vehicles	1,893	379	3,085	5,357	3,119
Construction in Progress	-	232	-	232	-
Less: Accumulated Depreciation	<u>(1,711)</u>	<u>(5,236)</u>	<u>(2,548)</u>	<u>(9,495)</u>	<u>(3,745)</u>
Total Capital Assets (Net)	<u>8,995</u>	<u>21,547</u>	<u>549</u>	<u>31,091</u>	<u>295</u>
Total Noncurrent Assets	<u>8,995</u>	<u>21,547</u>	<u>549</u>	<u>31,091</u>	<u>295</u>
Total Assets	<u>\$ 11,263</u>	<u>\$ 24,373</u>	<u>\$ 2,340</u>	<u>\$ 37,976</u>	<u>\$ 7,584</u>

Continued

CITY OF KISSIMMEE, FLORIDA
STATEMENT OF NET ASSETS - Continued
PROPRIETARY FUNDS
September 30, 2011
(In Thousands)

	<u>Business-type Activities - Enterprise Funds</u>				Governmental Activities - Internal
	<u>Stormwater</u>	<u>Airport</u>	<u>Solid Waste</u>	<u>Total</u>	<u>Service Funds</u>
LIABILITIES					
Current Liabilities:					
Accounts Payable	\$ 99	\$ 163	\$ 399	\$ 661	\$ 490
Contracts Payable	-	12	-	12	-
Accrued Liabilities	51	10	43	104	58
Compensated Absences Payable	24	4	15	43	31
Capital Lease Payable	-	-	143	143	-
Estimated Claims Payable	-	-	-	-	1,846
Total Current Liabilities	<u>174</u>	<u>189</u>	<u>600</u>	<u>963</u>	<u>2,425</u>
Noncurrent Liabilities:					
Compensated Absences Payable	57	8	34	99	71
Other Postemployment Benefits	113	22	104	239	135
Capital Lease Payable	-	-	587	587	-
Estimated Claims Payable	-	-	-	-	1,847
Total Noncurrent Liabilities	<u>170</u>	<u>30</u>	<u>725</u>	<u>925</u>	<u>2,053</u>
Total Liabilities	<u>344</u>	<u>219</u>	<u>1,325</u>	<u>1,888</u>	<u>4,478</u>
NET ASSETS					
Invested in Capital Assets	8,995	21,547	549	31,091	295
Restricted for Construction Projects	-	101	-	101	-
Unrestricted	<u>1,924</u>	<u>2,506</u>	<u>466</u>	<u>4,896</u>	<u>2,811</u>
Total Net Assets	<u>\$ 10,919</u>	<u>\$ 24,154</u>	<u>\$ 1,015</u>	<u>\$ 36,088</u>	<u>\$ 3,106</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 ASSETS
PROPRIETARY FUNDS
For The Year Ended September 30, 2011
(In Thousands)

	<u>Business-type Activities - Enterprise Funds</u>				Governmental
	<u>Stormwater</u>	<u>Airport</u>	<u>Solid Waste</u>	<u>Total</u>	Activities - Internal <u>Service Funds</u>
Operating Revenues:					
Charges for Services	\$ 3,697	\$ 856	\$ 3,928	\$ 8,481	\$ 10,554
Miscellaneous Revenues	-	-	-	-	122
Total Operating Revenues	<u>3,697</u>	<u>856</u>	<u>3,928</u>	<u>8,481</u>	<u>10,676</u>
Operating Expenses:					
Personal Services	1,658	369	1,457	3,484	2,001
Contracted Services	424	94	805	1,323	540
Supplies and Materials	198	30	306	534	170
Repairs and Maintenance	262	42	329	633	1,436
Other Services and Charges	48	169	515	732	554
Depreciation	445	347	391	1,183	148
Claims/Premium Expense	50	9	52	111	6,444
Total Operating Expenses	<u>3,085</u>	<u>1,060</u>	<u>3,855</u>	<u>8,000</u>	<u>11,293</u>
Operating Income (Loss)	<u>612</u>	<u>(204)</u>	<u>73</u>	<u>481</u>	<u>(617)</u>
Nonoperating Revenues:					
Interest Expense	-	-	(1)	(1)	-
Investment Income	3	3	2	8	14
Insurance Recoveries	-	-	-	-	120
Proceeds from Sale of Capital Assets	4	-	-	4	8
Total Nonoperating Revenues	<u>7</u>	<u>3</u>	<u>1</u>	<u>11</u>	<u>142</u>
Income (Loss) Before Contributions and Transfers	619	(201)	74	492	(475)
Capital Contributions	27	262	-	289	-
Transfers In	40	-	-	40	-
Transfers (Out)	(182)	(2)	(196)	(380)	-
Change in Net Assets	504	59	(122)	441	(475)
Total Net Assets - Beginning	<u>10,415</u>	<u>24,095</u>	<u>1,137</u>	<u>35,647</u>	<u>3,581</u>
Total Net Assets - Ending	<u>\$ 10,919</u>	<u>\$ 24,154</u>	<u>\$ 1,015</u>	<u>\$ 36,088</u>	<u>\$ 3,106</u>

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

CITY OF KISSIMMEE, FLORIDA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For The Year Ended September 30, 2011
(In Thousands)

	<u>Business-type Activities - Enterprise Funds</u>				Governmental
	<u>Stormwater</u>	<u>Airport</u>	<u>Solid Waste</u>	<u>Total</u>	Activities - Internal Service Funds
Cash Flows from Operating Activities					
Receipts from Customers and Users	\$ 3,635	\$ 848	\$ 3,706	\$ 8,189	\$ 10,135
Payments to Suppliers	(916)	(319)	(1,981)	(3,216)	(8,300)
Payments to Employees	(1,621)	(367)	(1,421)	(3,409)	(2,005)
Net Cash Provided (Used) by Operating Activities	<u>1,098</u>	<u>162</u>	<u>304</u>	<u>1,564</u>	<u>(170)</u>
Cash Flows from Noncapital Financing Activities					
Transfers (to) Other Funds	(182)	(2)	(196)	(380)	-
Net Cash (Used) by Noncapital Financing Activities	<u>(142)</u>	<u>(2)</u>	<u>(196)</u>	<u>(340)</u>	<u>-</u>
Cash Flows from Capital and Related Financing Activities					
Acquisition/Construction of Capital Assets	(435)	(243)	(543)	(1,221)	(125)
Capital Contributions	27	262	-	289	-
Proceeds from Capital Lease	-	-	730	730	-
Proceeds from Insurance Recoveries	-	-	-	-	120
Proceeds from Sale of Capital Assets	4	-	-	4	8
Interest Payments on Debt	-	-	(1)	(1)	-
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(404)</u>	<u>19</u>	<u>186</u>	<u>(199)</u>	<u>3</u>
Cash Flows from Investing Activities					
Proceeds from Sale and Maturity of Investments	21	37	16	74	97
Gain on Investments	3	3	2	8	14
Net Cash Provided by Investing Activities	<u>24</u>	<u>40</u>	<u>18</u>	<u>82</u>	<u>111</u>
Net Increase (Decrease) in Cash and Cash Equivalents	576	219	312	1,107	(56)
Cash and Cash Equivalents at Beginning of Year	<u>1,389</u>	<u>2,429</u>	<u>1,030</u>	<u>4,848</u>	<u>6,384</u>
Cash and Cash Equivalents at End of Year	<u>\$ 1,965</u>	<u>\$ 2,648</u>	<u>\$ 1,342</u>	<u>\$ 5,955</u>	<u>\$ 6,328</u>

Continued

CITY OF KISSIMMEE, FLORIDA
STATEMENT OF CASH FLOWS - Continued
PROPRIETARY FUNDS
For The Year Ended September 30, 2011
(In Thousands)

	<u>Business-type Activities - Enterprise Funds</u>			<u>Governmental</u>	
	<u>Stormwater</u>	<u>Airport</u>	<u>Solid Waste</u>		<u>Internal Service Funds</u>
	<u>Total</u>				
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities					
Operating Income (Loss)	\$ 612	\$ (204)	\$ 73	\$ 481	\$ (617)
Depreciation	445	347	391	1,183	148
Change in Assets and Liabilities:					
(Increase) Decrease in Accounts Receivable	(28)	12	(143)	(159)	(247)
(Increase) Decrease in Due from KUA	(12)	-	-	(12)	3
(Increase) Decrease in Due from TWA	-	-	(8)	(8)	(327)
(Increase) Decrease in Inventories	-	-	-	-	(75)
Increase (Decrease) in Accounts Payable	44	(7)	(38)	(1)	321
Increase (Decrease) in Accrued Liabilities	6	1	5	12	-
Increase (Decrease) in OPEB	31	4	25	60	34
Increase (Decrease) in Compensated Absences	-	(3)	6	3	(22)
Increase (Decrease) in Claims Payable	-	-	-	-	612
Total Adjustments	<u>486</u>	<u>366</u>	<u>231</u>	<u>1,083</u>	<u>447</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ 1,098</u>	<u>\$ 162</u>	<u>\$ 304</u>	<u>\$ 1,564</u>	<u>\$ (170)</u>

There were no noncash transactions.

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

CITY OF KISSIMMEE, FLORIDA
STATEMENT OF FIDUCIARY NET ASSETS
PENSION TRUST FUNDS
September 30, 2011
(In Thousands)

ASSETS

Pension Cash and Short Term Investments	\$	5,969
Interest Receivable		228
Investments, at Fair Value:		
U.S. Government Obligations		4,929
U.S. Instrumentalities		9,263
Corporate Bonds		10,102
Corporate Stocks		46,663
Mutual Funds		39,315
Total Investments		<u>110,272</u>
Total Assets		<u>116,469</u>

LIABILITIES

Accounts Payable		<u>-</u>
Total Liabilities		<u>-</u>

**Net Assets Held in Trust
for Pension Benefits**

\$ 116,469

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

CITY OF KISSIMMEE, FLORIDA
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
PENSION TRUST FUNDS
For The Year Ended September 30, 2011
(In Thousands)

ADDITIONS	
Employer Contributions	\$ 7,487
Employee Contributions	<u>1,163</u>
Total Contributions	<u>8,650</u>
Investment Income (Loss)	<u>(91)</u>
Total Contributions and Income (Loss)	<u>8,559</u>
 DEDUCTIONS	
Benefits	6,570
Administrative Expense	<u>818</u>
Total Deductions	<u>7,388</u>
Change in Net Assets	1,171
Net Assets - Beginning of Year	<u>115,298</u>
Net Assets - End of Year	<u>\$ 116,469</u>

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

CITY OF KISSIMMEE, FLORIDA
NOTES TO FINANCIAL STATEMENTS

September 30, 2011

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NOTES TO FINANCIAL STATEMENTS
September 30, 2011

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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 tax district created by City Ordinance #1893, in April of 1993, pursuant to Florida Statutes 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 Assets 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 90 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 *2010B Note Construction Project* is a capital projects fund used to account for approved expenditures related to the 2010B Capital Construction Note proceeds.
- 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 *Local Option Sales Tax Fund* is a special revenue fund used to account for sales tax revenues restricted for improvements to infrastructure.

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.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the GASB. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The City has elected not to follow subsequent private-sector guidance.

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

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

D. Budgetary Requirements

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

- 1) The City Manager submits to the City Commission a proposed operating budget for the fiscal year commencing the following October 1. Work sessions are held to review the proposed budget.
- 2) Public hearings are held to obtain taxpayer comments.
- 3) Prior to October 1, the City Commission conducts the final budget hearing to consider additional public comments and to adopt the final ad valorem millage and final budget.
- 4) Budgets are legally adopted and formal budgetary integration is employed as a management control device during the year for the general fund, certain special revenue funds, certain debt service funds and all capital projects funds. Budgets are not adopted for the Hurricane Housing Recovery Program Trust, Section 8 HAPP Fund, Police and Firefighters Premium Tax Fund, and Supplementary Care special revenue funds. A budget is not adopted for the 2011A Capital Refunding Note debt service fund.
- 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 investments in the SBA Fund B Surplus Funds Trust Fund (Fund B), an external investment pool which is accounted for as a fluctuating net asset value (NAV) pool. The Fund B fair value factor at September 30, 2011 was .7568386 which was used to calculate the fair value of the City's investment. The Office of the Auditor General of the State of Florida performs the operational audit of the activities and investments of the SBA.

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 2009-2010 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. Prepays

Prepays represent payments made to vendors for services that will benefit the City beyond September 30, 2011. 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 Assets and balance sheets of governmental funds.

K. Capital Assets

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

CITY OF KISSIMMEE, FLORIDA
NOTES TO FINANCIAL STATEMENTS – Continued
 September 30, 2011
(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

In the governmental funds, these costs are charged to current expenditures 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 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. Deferred Revenues

Deferred revenues in the governmental funds represent paving assessment receivables and grant receivables that are measurable but the revenue is not available. For government-wide reporting, these amounts are recognized as revenue when earned on the full accrual basis of accounting.

P. 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.

Q. Fund Balances

In accordance with GASB Statement No. 54, the City classified governmental fund balances as follows:

- Nonspendable Fund Balance - represents fund balance that is (a) not in a spendable form such as prepaid items or (b) legally or contractually required to be maintained intact such as an endowment.

- Restricted Fund Balance - consists of amounts that can be spent only on the specific purposes stipulated by law or by the external providers of those resources.
- Committed Fund Balance - self-imposed limitations set in place prior to the end of the fiscal period. These amounts can be used only for the specific purposes determined by a formal action of the City Commission, which is the highest level of decision-making authority, and that require the same level of formal action to remove the constraint. The City Commission can establish, modify or rescind committed fund balance through the formal approval of an ordinance or resolution.
- 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 purpose of the assignment must be narrower than the purpose of the General Fund. Formal action is *not* necessary to impose, remove, or modify a constraint in Assigned Fund Balance. Additionally, this category is used to reflect the appropriation of a portion of existing fund balance to eliminate a projected deficit in the subsequent year's budget.
- Unassigned Fund Balance - represents the residual classification or fund balance and includes all spendable amounts not contained within the other classifications of the General Fund.

R. Net Assets Restricted by Enabling Legislation

In the government-wide financial statements, governmental activities report restricted net assets of \$16,573, of which management has determined \$166 for building code enforcement is restricted by enabling legislation.

NOTE 2 – DEPOSITS AND INVESTMENTS

Deposits

Deposits consist of demand accounts (interest and non-interest bearing). All deposits with financial institutions were 100% insured by Federal depository insurance or by collateral pursuant to the Public Depository Security Act of the State of Florida. The carrying amount of the demand deposits and cash on hand at September 30, 2011 was \$813.

Investments

The City's investment policy is governed by local resolution and bond covenants. Allowable investments include: the SBA Florida PRIME; SBA Fund B; 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.

CITY OF KISSIMMEE, FLORIDA
NOTES TO FINANCIAL STATEMENTS – Continued
September 30, 2011
(In Thousands)

The following is a summary of the City's pooled investments (including the Pension Trust Funds) at September 30, 2011.

	Weighted Average		
	Fair Value	Maturity (Years)	Credit Rating
U.S. Government Instrumentalities	\$ 319	0.05	S&P AAA/Aaa
SunTrust MUNI Investment	40,195	n/a	n/a
BB&T Bank Agency Project Fund	3,435	n/a	n/a
Florida PRIME	2,086	See below (1)	S&P AAAm
Local Government Surplus Funds Trust Fund Pool B	93	See below (2)	not rated
Certificate of Deposit	1,533	0.20	n/a
Mutual Funds	4,998	n/a	n/a
Total Investments	<u>\$ 52,659</u>		

(1) The weighted average maturity at September 30, 2011 was 38 days.

(2) The weighted average life at September 30, 2011 was 4.82 years.

	General Employees		Police Officers'		Firefighters'		Total All Pensions
	Pension Fair Value	Weighted Average Maturity (Years)	Pension Fair Value	Weighted Average Maturity (Years)	Pension Fair Value	Weighted Average Maturity (Years)	
U.S. Government Obligations	\$ 2,576	17.76	\$ 725	8.99	\$ 1,628	7.44	\$ 4,929
U.S. Government Instrumentalities	2,799	26.76	3,398	29.07	3,066	24.67	9,263
Corporate Bonds	3,411	21.74	3,466	14.37	3,225	30.15	10,102
Corporate Stocks	28,072	n/a	8,981	n/a	9,610	n/a	46,663
Total Investments	36,858		16,570		17,529		70,957
Mutual Funds	22,233	n/a	17,006	n/a	6,045	n/a	45,284
Total Cash and Investments	<u>\$ 59,091</u>		<u>\$ 33,576</u>		<u>\$ 23,574</u>		<u>\$ 116,241</u>

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.

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, and overnight repurchase agreements. Money market accounts are held with qualified public depositories who meet the State of Florida requirements.

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

CITY OF KISSIMMEE, FLORIDA
NOTES TO FINANCIAL STATEMENTS – Continued
September 30, 2011
(In Thousands)

Concentration of Credit Risk – The City’s investment policy requires that investments be diversified by security type and institution. No more than 50% of the City’s funds will be invested with the same issuer, dealer or banking institution and no more than 20% of the City’s funds will be invested beyond five years in any security with the same maturity date. At September 30, 2011, the City did have a concentration of investments with SunTrust. Due to the current unstable economic condition of the financial market, the City determined that a conservative approach to banking primarily with local institution, SunTrust, was a prudent measure.

NOTE 3 – RECEIVABLES

The following is a detail listing of receivables for the City’s individual major funds and the aggregate of nonmajor funds at September 30, 2011. Special assessment receivables are secured by liens placed on benefited properties at the time of the original assessment.

Description	General	Stormwater	Airport	Solid Waste	Internal Service Fund	Pension Funds	Total
Accounts	\$ 3,903	\$ 303	\$ 16	\$ 438	\$ 249	\$ -	\$ 4,909
Interest	-	-	-	-	-	228	228
Special assessments	40	-	-	-	-	-	40
	3,943	303	16	438	249	228	5,177
Less: Allowance for uncollectibles	(893)	-	-	-	-	-	(893)
	\$ 3,050	\$ 303	\$ 16	\$ 438	\$ 249	\$ 228	\$ 4,284

NOTE 4 – INTERFUND ACCOUNTS

Individual interfund receivables, payables and transfers with a description of their purpose at September 30, 2011 are:

	Advance To	Advance From	Purpose
Local Option Sales Tax	\$ 2,741	\$ -	Loan to CRA for improvement projects to be repaid with tax increment revenue
Community Redevelopment Agency Fund	-	2,741	
	\$ 2,741	\$ 2,741	

	Due From	Due To	Purpose
General Fund	\$ 1,574	\$ 72	To cover negative cash position of Funds
Nonmajor Funds:			
Special Revenue Funds	72	1,574	Negative cash balances.
	\$ 1,646	\$ 1,646	

	Transfer In	Transfers Out	Purpose
General Fund	\$ 10,383	\$ 7,418	Transfer to cover debt service payments
Community Redevelopment Agency	-	487	Transfer to cover construction costs
Local Option Sales Tax	308	1,993	Transfer sales tax revenue to General Fund and debt
Stormwater	40	182	Transfer to General Fund for PILOT
Airport	-	2	
Solid Waste	-	196	Transfer to General Fund for PILOT
Nonmajor Funds:			
Special Revenue Funds	357	11,634	Transfer to cover cash balances and cover debt service
Debt Service Funds	19,913	9,089	Transfer to cover debt service payment
	\$ 31,001	\$ 31,001	

CITY OF KISSIMMEE, FLORIDA
NOTES TO FINANCIAL STATEMENTS – Continued
September 30, 2011
(In Thousands)

NOTE 5 – CAPITAL ASSETS

A. Changes in Capital Assets

The following 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 10/01/2010	Increases	Decreases	Transfers	Ending Balance 9/30/2011
Capital Assets, Not Being Depreciated:					
Land	\$ 17,069	\$ 142	\$ -	\$ -	\$ 17,211
Construction In Progress	<u>26,742</u>	<u>7,867</u>	<u>(862)</u>	<u>-</u>	<u>33,747</u>
Total Capital Assets, Not Being Depreciated	<u>43,811</u>	<u>8,009</u>	<u>(862)</u>	<u>-</u>	<u>50,958</u>
Capital Assets, Being Amortized, Net:					
Software - Charter School	18	26	-	-	44
Software - Other City	44	533	-	-	577
Parking Capacity	<u>2,652</u>	<u>(204)</u>	<u>-</u>	<u>-</u>	<u>2,448</u>
Total Capital Assets Being Amortized, Net	<u>2,714</u>	<u>355</u>	<u>-</u>	<u>-</u>	<u>3,069</u>
Capital Assets, Being Depreciated:					
Buildings					
Charter School	490	3	-	-	493
Other City	53,360	227	-	-	53,587
Improvements other than buildings					
Charter School	97	-	-	-	97
Other City	96,327	5,133	(124)	-	101,336
Equipment					
Charter School	428	12	-	-	440
Other City	<u>32,391</u>	<u>1,567</u>	<u>(159)</u>	<u>58</u>	<u>33,857</u>
Total Capital Assets Being Depreciated	<u>183,093</u>	<u>6,942</u>	<u>(283)</u>	<u>58</u>	<u>189,810</u>
Less Accumulated Depreciation For:					
Buildings					
Charter School	(39)	(21)	-	-	(60)
Other City	(18,151)	(2,067)	-	-	(20,218)
Improvements other than buildings					
Charter School	(59)	(10)	-	-	(69)
Other City	(23,274)	(2,300)	-	-	(25,574)
Equipment					
Charter School	(324)	(46)	-	-	(370)
Other City	<u>(29,546)</u>	<u>(2,620)</u>	<u>138</u>	<u>(15)</u>	<u>(32,043)</u>
Total Accumulated Depreciation	<u>(71,393)</u>	<u>(7,064)</u>	<u>138</u>	<u>(15)</u>	<u>(78,334)</u>
Total Capital Assets, Being Depreciated, Net	<u>111,700</u>	<u>(122)</u>	<u>(145)</u>	<u>43</u>	<u>111,476</u>
Governmental Activities Capital Assets, Net	<u>\$ 158,225</u>	<u>\$ 8,242</u>	<u>\$ (1,007)</u>	<u>\$ 43</u>	<u>\$ 165,503</u>

CITY OF KISSIMMEE, FLORIDA
NOTES TO FINANCIAL STATEMENTS – Continued
September 30, 2011
(In Thousands)

Business-type Activities	Beginning Balance 10/01/2010	Increases	Decreases	Ending Balance 9/30/2011
<u>Stormwater Fund</u>				
Capital Assets, Being Amortized, Net:				
Software	\$ -	\$ 1	\$ -	\$ 1
Total Capital Assets, Being Amortized, Net	-	1	-	1
Capital Assets, Being Depreciated:				
Improvements other than Buildings	8,781	31	-	8,812
Equipment	1,426	450	17	1,893
Total Capital Assets Being Depreciated	10,207	481	17	10,705
Less Accumulated Depreciation For:				
Improvements other than Buildings	(623)	(198)	-	(821)
Equipment	(579)	(247)	(64)	(890)
Total Accumulated Depreciation	(1,202)	(445)	(64)	(1,711)
Total Capital Assets, Being Depreciated, Net	9,005	36	(47)	8,994
Solid Waste Fund Capital Assets, Net	<u>\$ 9,005</u>	<u>\$ 37</u>	<u>\$ (47)</u>	<u>\$ 8,995</u>
<u>Airport Fund</u>				
Capital Assets, Not Being Depreciated:				
Land	\$ 401	\$ -	\$ -	\$ 401
Construction In Progress	96	136	-	232
Total Capital Assets, Not Being Depreciated	497	136	-	633
Capital Assets, Being Depreciated:				
Buildings	3,633	7	-	3,640
Improvements other than Buildings	21,987	139	5	22,131
Equipment	392	19	(32)	379
Total Capital Assets Being Depreciated	26,012	165	(27)	26,150
Less Accumulated Depreciation For:				
Buildings	(453)	(74)	-	(527)
Improvements other than Buildings	(4,096)	(214)	-	(4,310)
Equipment	(365)	(59)	25	(399)
Total Accumulated Depreciation	(4,914)	(347)	25	(5,236)
Total Capital Assets, Being Depreciated, Net	21,098	(182)	(2)	20,914
Airport Fund Capital Assets, Net	<u>\$ 21,595</u>	<u>\$ (46)</u>	<u>\$ (2)</u>	<u>\$ 21,547</u>

CITY OF KISSIMMEE, FLORIDA
NOTES TO FINANCIAL STATEMENTS – Continued
September 30, 2011
(In Thousands)

	Beginning Balance 10/01/2010	Increases	Decreases	Ending Balance 9/30/2011
Solid Waste Fund				
Capital Assets, Being Depreciated:				
Buildings	\$ 5	\$ -	\$ -	\$ 5
Improvements other than Buildings	7	-	-	7
Equipment	2,724	543	(182)	3,085
Total Capital Assets Being Depreciated	<u>2,736</u>	<u>543</u>	<u>(182)</u>	<u>3,097</u>
Less Accumulated Depreciation For:				
Buildings	(1)	-	-	(1)
Improvements other than Buildings	(5)	(1)	-	(6)
Equipment	(2,333)	(390)	182	(2,541)
Total Accumulated Depreciation	<u>(2,339)</u>	<u>(391)</u>	<u>182</u>	<u>(2,548)</u>
Total Capital Assets, Being Depreciated, Net	<u>397</u>	<u>152</u>	<u>-</u>	<u>549</u>
Solid Waste Fund Capital Assets, Net	<u>\$ 397</u>	<u>\$ 152</u>	<u>\$ -</u>	<u>\$ 549</u>
Total Business-type Activities				
Capital Assets, Not Being Depreciated:				
Land	\$ 401	\$ -	\$ -	\$ 401
Construction In Progress	96	136	-	232
Total Capital Assets, Not Being Depreciated	<u>497</u>	<u>136</u>	<u>-</u>	<u>633</u>
Capital Assets, Being Amortized, Net:				
Software	-	1	-	1
Total Capital Assets, Being Amortized, Net	<u>-</u>	<u>1</u>	<u>-</u>	<u>1</u>
Capital Assets, Being Depreciated:				
Buildings	3,638	7	-	3,645
Improvements other than Buildings	30,775	170	5	30,950
Equipment	4,542	1,012	(197)	5,357
Total Capital Assets Being Depreciated	<u>38,955</u>	<u>1,189</u>	<u>(192)</u>	<u>39,952</u>
Less Accumulated Depreciation For:				
Buildings	(454)	(74)	-	(528)
Improvements other than Buildings	(4,724)	(413)	-	(5,137)
Equipment	(3,277)	(696)	143	(3,830)
Total Accumulated Depreciation	<u>(8,455)</u>	<u>(1,183)</u>	<u>143</u>	<u>(9,495)</u>
Total Capital Assets, Being Depreciated, Net	<u>30,500</u>	<u>6</u>	<u>(49)</u>	<u>30,457</u>
Total Business-type Activities, Net	<u>\$ 30,997</u>	<u>\$ 143</u>	<u>\$ (49)</u>	<u>\$ 31,091</u>

CITY OF KISSIMMEE, FLORIDA
NOTES TO FINANCIAL STATEMENTS – Continued
September 30, 2011
(In Thousands)

Governmental Activities:

Amortization Expense By Function

General Government	\$	9
Economic Environment		204
Total Governmental Activities Amortization	\$	<u>213</u>

Depreciation Expense By Function

General Government	\$	2,319
Public Safety		2,249
Transportation		1,665
Culture/Recreation		683
Capital assets held by the City's internal service funds are charged to the various functions based on their usage of the assets		<u>148</u>
Total Governmental Activities Depreciation	\$	<u>7,064</u>

Business-type Activities:

Depreciation Expense By Function

Stormwater	\$	445
Airport		347
Solid Waste		<u>391</u>
	\$	<u>1,183</u>

B. Net Capital Assets

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

	Governmental Activities	Business-type Activities	Total
Land	\$ 17,211	\$ 401	\$ 17,612
Software, net	621	1	622
Parking Capacity, net	2,448	-	2,448
Buildings	54,080	3,645	57,725
Improvements other than Buildings	101,433	30,950	132,383
Equipment	34,297	5,357	39,654
Construction in Progress	<u>33,747</u>	<u>232</u>	<u>33,979</u>
	243,837	40,586	284,423
Less: Accumulated Depreciation	<u>(78,334)</u>	<u>(9,495)</u>	<u>(87,829)</u>
Capital Assets, net	<u>\$ 165,503</u>	<u>\$ 31,091</u>	<u>\$ 196,594</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, 2011:

Projects	Spent-to-Date	Remaining Commitment
Hoagland Boulevard Improvement	\$ 698	\$ 1,302
Oak Street Improvements	1,218	2,553
Thacker Avenue Phase III	<u>290</u>	<u>2,469</u>
Total	<u>\$ 2,206</u>	<u>\$ 6,324</u>

CITY OF KISSIMMEE, FLORIDA
NOTES TO FINANCIAL STATEMENTS – Continued
September 30, 2011
(In Thousands)

NOTE 6 – INCOME FROM LEASED PROPERTY

The City is lessor on various leases at the Airport. Assets available for lease consist primarily of land, land improvements and buildings. As of September 30, 2011, the total book value of assets in these categories is \$4,041 with accumulated depreciation of \$527. The following is a schedule of minimum future lease income on non-cancellable operating leases:

<u>Year</u>	<u>Amount</u>
2012	\$ 616
2013	615
2014	581
2015	560
2016	562
After 2016	<u>969</u>
Total minimum lease income	<u>\$ 3,903</u>

Total income on non-cancellable operating leases for the year ended September 30, 2011 was \$633.

NOTE 7 – LONG-TERM DEBT

A. Schedule of Changes in Long-Term Debt

The City's outstanding long-term debt includes revenue bonds payable, notes payable, capital leases payable, claims payable, other postemployment benefits, a Kissimmee Utility Authority (KUA) - County long-term liability, and compensated absences. The following is a schedule of changes in the City's long-term debt for the fiscal year ended September 30, 2011:

	<u>Balance</u>			<u>Balance</u>	<u>Due Within</u>	<u>Long-Term</u>
	<u>10/01/10</u>	<u>Additions</u>	<u>Reductions</u>	<u>9/30/11</u>	<u>One Year</u>	<u>Portion</u>
Governmental Activities:						
Revenue Notes Payable	\$ 38,961	\$ 28,215	\$ (18,567)	\$ 48,609	\$ 2,266	\$ 46,343
Revenue Bonds Payable	369	-	(26)	343	27	316
Capital Lease Payable	204	-	(69)	135	73	62
KUA County Liability	1,305	-	-	1,305	356	949
Claims Payable	3,081	2,332	(1,720)	3,693	1,846	1,847
Other Postemployment Benefits	1,548	516	-	2,064	-	2,064
Compensated Absences	<u>1,885</u>	<u>2,389</u>	<u>(2,425)</u>	<u>1,849</u>	<u>370</u>	<u>1,479</u>
Governmental Activity						
Long-term Liabilities	<u>\$ 47,353</u>	<u>\$ 33,452</u>	<u>\$ (22,807)</u>	<u>\$ 57,998</u>	<u>\$ 4,938</u>	<u>\$ 53,060</u>
Business-type Activities:						
Capital Lease Payable	\$ -	\$ 730	\$ -	\$ 730	\$ 143	\$ 587
Other Postemployment Benefits	179	60	-	239	-	239
Compensated Absences	<u>139</u>	<u>239</u>	<u>(236)</u>	<u>142</u>	<u>43</u>	<u>99</u>
Business-type Activity						
Long-term Liabilities	<u>\$ 318</u>	<u>\$ 1,029</u>	<u>\$ (236)</u>	<u>\$ 1,111</u>	<u>\$ 186</u>	<u>\$ 925</u>

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

CITY OF KISSIMMEE, FLORIDA
NOTES TO FINANCIAL STATEMENTS – Continued
September 30, 2011
(In Thousands)

B. Debt Service Requirements

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

Governmental Activities: Fiscal Year	Revenue Notes		Revenue Bonds		Total
	Principal	Interest	Principal	Interest	
2012	\$ 2,266	\$ 1,403	\$ 27	\$ 17	\$ 3,713
2013	3,030	1,338	29	16	4,413
2014	3,150	1,293	31	14	4,488
2015	3,280	1,199	32	13	4,524
2016	3,386	1,126	34	11	4,557
2017-2021	18,884	3,964	163	30	23,041
2022-2026	13,472	1,170	27	1	14,670
2027-2031	1,141	78	-	-	1,219
Total	\$ 48,609	\$ 11,571	\$ 343	\$ 102	\$ 60,625

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, 2011, 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 10/01/10	Additions/ Reductions	Outstanding at 09/30/11
1984	\$ 4,985	\$ (640)	\$ 4,345
1986	5,470	(760)	4,710
1990	5,920	(815)	5,105
1993	1,285	(625)	660
1999	16,805	(4,110)	12,695
	<u>\$ 34,465</u>	<u>\$ (6,950)</u>	<u>\$ 27,515</u>

On February 1, 2011, the City issued a Capital Improvement Refunding Revenue Note, Series 2011A, in the amount of \$7,075 to complete a current refunding of the City's Improvement Refunding Revenue Note, Series 2008. The refunding transaction resulted in a cash flow savings of \$158, at a fixed rate versus variable rate debt. The City also issued a Capital Improvement Refunding Revenue Note, Series 2011B, in the amount of \$9,140 to complete a current refunding of the City's Capital Improvement Revenue Note, Series 2009A. The refunding transaction resulted in a cash flow loss of \$11, at a fixed rate versus variable rate debt. Both refundings resulted in negligible losses, which were not recorded.

CITY OF KISSIMMEE, FLORIDA
NOTES TO FINANCIAL STATEMENTS – Continued
September 30, 2011
(In Thousands)

D. Bonds and Notes Payable

The City has revenue bonds and notes outstanding at September 30, 2011. The revenue notes and bonds under governmental activities are secured by several pledged revenue sources. The following is a summary schedule of these long term obligations of the City and their impact on those present and future pledged revenue sources.

<u>Governmental Activities:</u>	<u>Revenue Pledged</u>	<u>Amount Issued</u>	<u>Principal Outstanding</u>	<u>Total Pledged Revenue (1)</u>	<u>Future Pledged Revenue Over Debt Service Required (2)</u>	<u>Current Year Debt Srvc Paid</u>	<u>Current Year Total Revenue</u>
Revenue Notes:							
2006 Revenue Note Maturity: 2026, Interest Rate: 3.85% Purpose: Road improvements	Local option gas tax	\$ 9,000	\$ 7,440	\$ 9,945	16.9%	\$ 360	\$ 2,136
2009 CRA Redevelopment Trust Note Maturity: 2022, Interest Rate: 0.619% Purpose: CRA redevelopment plan	CRA incremental	6,000	4,909	5,816	23.1%	352	1,527
2010A Capital Improvement Refunding Note Maturity: 2023, Interest Rate: 2.61% Purpose: Refunding 2005 Series Note	Local option sales tax	9,500	8,930	10,553	13.0%	570	4,385
2010B Capital Improvement Revenue Note Maturity: 2025, Interest Rate: 2.79% Purpose: Road Improvements	Local option sales tax	8,000	8,000	9,876	0.0%	-	4,385
2010C Capital Improvement Revenue Note Maturity: 2030, Interest Rate: 2.69% Purpose: Road Improvements	Local option gas tax	4,000	4,000	5,239	0.0%	-	2,136
2011A Capital Improvement Revenue Note Maturity: 2023, Interest Rate: 3.11% Purpose: Refunding Charter School Note	School Board State grant	7,075	6,625	8,041	9.3%	450	4,824
2011B Capital Improvement Refunding Note Maturity: 2025, Interest Rate: 2.86% Purpose: Road Improvements	Local option sales tax	9,140	<u>8,705</u>	10,708	9.9%	435	4,385
	Total Revenue Notes		<u>48,609</u>				
Revenue Bonds:							
Excise Tax Revenue Bonds, Series 1980 Maturity: 2018, Interest Rate: 3.50 - 5.45% Purpose: Refunding	Infrastructure surtax	265	101	125	14.3%	10	70
					(3)		
Excise Tax Revenue Bonds, Series 1982 Maturity: 2019, Interest Rate: 5.00% Purpose: Refunding	Infrastructure surtax	500	<u>242</u>	319	12.4%	16	130
					(3)		
	Total Revenue Bonds		<u>343</u>				
Total Revenue Notes and Bonds - Governmental Activities			<u>\$ 48,952</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.

CITY OF KISSIMMEE, FLORIDA
NOTES TO FINANCIAL STATEMENTS – Continued
September 30, 2011
(In Thousands)

E. Capital Leases

The City has capital leases outstanding at year-end. The gross value of the equipment acquired with capital lease proceeds is \$1,113 for governmental activities. The equipment associated with capital lease entered in 2011 for business-type activities will be capitalized in 2012. 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
2012	\$ 77	\$ 156
2013	64	155
2014	-	156
2015	-	155
2016	-	<u>143</u>
Total minimum lease payments	141	765
Less: amount representing interest	<u>(6)</u>	<u>(35)</u>
Present value of minimum lease payments	<u>\$ 135</u>	<u>\$ 730</u>

F. KUA - County Liability

The City agreed to a structured repayment of its liability to KUA for their reimbursement to the County of collected utility taxes remitted to the City in error from June 2007 through November 2010. The payments will commence October 1, 2011 in monthly installments for 44 months to end no later than May 1, 2015. The total liability amounts to \$1,305 plus interest calculated using the SBA average monthly interest rate.

NOTE 8 – EXCESS OF EXPENDITURES OVER APPROPRIATIONS

For the year ended September 30, 2011, expenditures in the General Fund, Justice Assistance Grant, Neighborhood Stabilization Program, Building Division, Paving Assessments, Charter School, Dyer Boulevard Pavement Rehabilitation, 2009A Revenue Note, and 2008 Revenue Note funds exceeded appropriations. These excesses of expenditures were funded by prior year unrestricted fund balances available in the current fiscal period for all funds except the Community Redevelopment Agency, which will be funded by proceeds in the subsequent fiscal period and the Neighborhood Stabilization Fund which will be funded by future grant revenues. The Charter School, 2009A Revenue Note and 2008 Revenue Note other financing uses were offset by unbudgeted transfers in and issuance of notes payable.

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 also participate in the general employees' retirement plan. Actuarial studies were conducted on all three plans as of October 1, 2011. The City does not produce separately available financial reports for these pension plans. All required disclosures and financial data are contained in the City's Comprehensive Annual Financial Report.

A. Description of Plans

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

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 assets in all three pension trust funds are held in trust for plan benefits. The three pension plans do not issue separate financial statements; however, more information on each individual plan can be found in this section.

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. There were no investments in any one organization that represent 5 percent or more of plan net assets in any of the pension trust funds.

C. Contribution Information

Membership of each plan consisted of the following at October 1, 2011, the date of the latest actuarial valuations:

	Pension Plans		
	General Employees'	Police Officers'	Firefighters'
Active members	296	122	75
Terminated vested members	89	12	8
DROP participants	12	4	17
Service retirees and beneficiaries	117	79	37
Total	<u>514</u>	<u>217</u>	<u>137</u>

CITY OF KISSIMMEE, FLORIDA
NOTES TO FINANCIAL STATEMENTS – Continued
September 30, 2011
(In Thousands)

For the fiscal year ended September 30, 2011, the following plan member and employer (including amount to be received from the State) contribution rates were actuarially determined:

	Pension Plans		
	General Employees'	Police Officers'	Firefighters'
Required Employer Contribution (<i>includes estimate for state excise tax proceeds</i>)	13.11%	20.60%	30.65%
Required Plan Member Contribution	3.69% Tier 1 7.04% Tier 2	3.70%	1.00%
Actuarial Cost Method	Entry Age Normal	Entry Age Normal	Entry Age Normal
Amortization Method	Level Dollar, closed	Level % of pay, closed	Level % of pay, closed
Remaining Amortization Period	20 Years	30 Years	30 Years
Asset Valuation Method	20% of the difference between FMV and expected actuarial value	4 yr smooth mkt	5 yr smooth mkt
Actuarial Assumptions:			
Investment rate of return	8.00%	8.00%	8.25%
Projected salary increases	Service-Based Rule	7.00%	6.00%
Post retirement benefit increases	3.00%	3.50%	3.50%
Includes inflation and payroll growth	3.00%	3.00%	3.50%
Cost-of-living adjustments	None	1% per year age 55 to 65	None

Benefits are projected based upon the types of benefits and benefit levels and cost-sharing arrangements as of the date of the valuation and do not explicitly reflect the potential effects of legal or contractual funding limitations.

The following is a schedule of funding progress for the most recent actuarial valuation of all three plans.

	Date of Actuarial Valuation	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as % of Covered Payroll
General Employees'	10/01/11	\$ 73,099	\$ 87,362	\$ 14,263	83.7%	\$ 20,561	69.4%
Police Officers'	10/01/11	37,419	51,649	14,230	72.4%	6,864	207.3%
Firefighters'	10/01/11	24,691	37,884	13,193	65.2%	4,175	316.0%

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

CITY OF KISSIMMEE, FLORIDA
NOTES TO FINANCIAL STATEMENTS – Continued
September 30, 2011
(In Thousands)

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

<u>Plan/Fiscal Year Ended</u>	<u>APC</u>	<u>Actual</u>	<u>% of APC</u>
General Employees'			
09/30/09	\$ 3,041	\$ 3,041	100%
09/30/10	3,287	3,287	100%
09/30/11	3,272	3,272	100%
Police Officers'			
09/30/09	\$ 2,296	\$ 2,296	100%
09/30/10	2,400	2,400	100%
09/30/11	2,478	2,536	102%
Firefighters'			
09/30/09	\$ 1,672	\$ 1,672	100%
09/30/10	1,670	1,670	100%
09/30/11	1,774	1,816	102%

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

Development of the Net Pension Asset

	<u>Police</u>	<u>Firefighters</u>
Actuarially Determined		
Contribution (A)	\$ 2,536	\$ 1,816
Interest on NPO	(5)	(4)
Adjustment to (A)	<u>(53)</u>	<u>(38)</u>
Annual Pension Cost (APC)	2,478	1,774
Contributions Made	<u>2,536</u>	<u>1,816</u>
Increase in NPO	(58)	(42)
NPO at Beginning of Year	<u>-</u>	<u>-</u>
NPO at End of Year	<u>\$ (58)</u>	<u>\$ (42)</u>

CITY OF KISSIMMEE, FLORIDA
NOTES TO FINANCIAL STATEMENTS – Continued
September 30, 2011
(In Thousands)

D. Combining Statements of the Pension Trust Funds

CITY OF KISSIMMEE, FLORIDA				
<u>COMBINING STATEMENT OF FIDUCIARY NET ASSETS</u>				
<u>PENSION TRUST FUNDS</u>				
September 30, 2011				
(In Thousands)				
	General			
	Employees'	Police Officers'	Firefighters'	
	Pension	Pension	Pension	Totals
ASSETS				
Pension Cash and Short Term Investments	\$ 3,976	\$ 519	\$ 1,474	\$ 5,969
Interest Receivable	118	57	53	228
Due From Government	-	-	-	-
Investments, at Fair Value				
U.S. Government Obligations	2,576	725	1,628	4,929
U.S. Instrumentalities	2,799	3,398	3,066	9,263
Corporate Bonds	3,411	3,466	3,225	10,102
Corporate Stocks	28,072	8,981	9,610	46,663
Mutual Funds	18,257	16,487	4,571	39,315
Total Investments	<u>55,115</u>	<u>33,057</u>	<u>22,100</u>	<u>110,272</u>
Total Assets	<u>59,209</u>	<u>33,633</u>	<u>23,627</u>	<u>116,469</u>
LIABILITIES				
Accounts Payable	-	-	-	-
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Assets Held in Trust				
for Pension Benefits	<u>\$ 59,209</u>	<u>\$ 33,633</u>	<u>\$ 23,627</u>	<u>\$ 116,469</u>

CITY OF KISSIMMEE, FLORIDA				
<u>COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS</u>				
<u>PENSION TRUST FUNDS</u>				
For The Year Ended September 30, 2011				
(In Thousands)				
	General			
	Employees'	Police Officers'	Firefighters'	
	Pension	Pension	Pension	Totals
ADDITIONS				
Employer Contributions	\$ 3,287	\$ 2,405	\$ 1,795	\$ 7,487
Employee Contributions	880	238	45	1,163
Total Contributions	<u>4,167</u>	<u>2,643</u>	<u>1,840</u>	<u>8,650</u>
Investment Income (Loss)	(427)	522	(186)	(91)
Total Additions	<u>3,740</u>	<u>3,165</u>	<u>1,654</u>	<u>8,559</u>
DEDUCTIONS				
Benefits	2,899	2,398	1,273	6,570
Administrative Expense	425	255	138	818
Total Deductions	<u>3,324</u>	<u>2,653</u>	<u>1,411</u>	<u>7,388</u>
Change in Net Assets	416	512	243	1,171
Net Assets - Beginning of Year	<u>58,793</u>	<u>33,121</u>	<u>23,384</u>	<u>115,298</u>
Net Assets - End of Year	<u>\$ 59,209</u>	<u>\$ 33,633</u>	<u>\$ 23,627</u>	<u>\$ 116,469</u>

NOTE 10 – OTHER POSTEMPLOYMENT BENEFITS

A. Plan Description

Effective for the fiscal year ended September 30, 2009, the City 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 \$4,218 at October 1, 2010, 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 538 active participants and 21 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 thirty years.

CITY OF KISSIMMEE, FLORIDA
NOTES TO FINANCIAL STATEMENTS – Continued
September 30, 2011
(In Thousands)

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

	FY11 Valuation as of 10/01/10
Normal Cost (service cost for one year)	\$ 561
Amortization of Unfunded Actuarial Accrued Liability	144
Interest on Normal Cost and Amortization	-
Annual Required Contribution (ARC)	705
Interest on Net OPEB Obligation	60
Adjustment to ARC	(58)
Annual OPEB Cost (expense)	707
Employer Contributions Made	(131)
Increase/(Decrease) in Net OPEB Obligation	576
Net OPEB Obligation at Beginning of Year	1,727
Net OPEB Obligation at End of Year	<u>\$ 2,303</u>

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 2010, 2009 and 2008 were as follows:

Fiscal Year Ended	Annual OPEB Cost	Employer Contributions toward OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
9/30/2011	\$ 707	\$ 131	18.53%	\$ 2,303
9/30/2010	1,053	180	17.09%	1,727
9/30/2009	1,013	158	15.60%	855

D. Funded Status and Funding Progress

As of October 1, 2010, the OPEB Plan was unfunded. The actuarial accrued liability (AAL) for benefits was \$4,218. Assets of the OPEB Plan are valued at market; however, the current value is \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$4,218 or 0%. The covered payroll (annual payroll of active employees covered by the OPEB Plan) was \$23,585. The ratio of the UAAL to the covered payroll was 17.88%. 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 net assets is increasing or decreasing relative to the AAL for benefits over time.

E. Actuarial Methods and Assumptions

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

CITY OF KISSIMMEE, FLORIDA
NOTES TO FINANCIAL STATEMENTS – Continued
September 30, 2011
(In Thousands)

Actuarial calculations reflect a long-term perspective and actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets. The actuarial assumptions included a payroll growth rate of 4%, projected salary increases of 4.5 – 10%, inflation rate of 3%, and healthcare inflation of 8%, adjusted annually to an ultimate rate of 5% after nine years. The remaining amortization period at September 30, 2011, was 28 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 2011, 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, 2011, the total outstanding unpaid claims were \$3,693 which includes an estimate for incurred but not reported claims. Insurance premiums paid out of this fund totaled \$1,720 for the fiscal year ended September 30, 2011. 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 Claim Payments or Other Adjustments	Balance at End of Fiscal Year
2010-2011	\$ 3,081	\$ 2,332	\$ (1,720)	\$ 3,693
2009-2010	2,802	2,314	(2,035)	3,081

NOTE 12 – NET ASSETS, INVESTED IN CAPITAL ASSETS NET OF RELATED DEBT CALCULATION

The elements of this calculation are as follows:

	Governmental Activities	Business-Type Activities	Total
Capital Assets (Net)	\$ 165,503	\$ 31,091	\$ 196,594
Debt Related to Capital Assets	(49,087)	-	(49,087)
Unspent Proceeds of Capital-Related Debt	10,916	-	10,916
	<u>\$ 127,332</u>	<u>\$ 31,091</u>	<u>\$ 158,423</u>

CITY OF KISSIMMEE, FLORIDA
NOTES TO FINANCIAL STATEMENTS – Continued
September 30, 2011
(In Thousands)

NOTE 13 – FUND DEFICITS AND DEFICIT NET ASSETS

The following funds have a deficit fund balance or net assets at September 30, 2011:

<u>Fund Name</u>	<u>Deficit Amounts</u>
<u>Deficit Fund Balance</u>	
Community Redevelopment Agency	\$ 2,215
Nonmajor Funds:	
Special Revenue Funds:	
Justice Assistance Grant	1
USDA Grant	772
Recreation Impact Fee	127
Community Development Block Grant	273
Victim of Crime Act	19
FDLE Grant for Public Education	10
West Cypress Sidewalk Grant	57
Kissimmee Multi-Use Trail	186
Post Disaster Redevelopment Plan	25
Dyer Boulevard Pavement Rehabilitation	25
Hurricane Housing Recovery Program Trust	2
<u>Deficit Net Assets</u>	
Health Insurance	577

The deficit in the Community Redevelopment Agency (CRA) will be reversed in future years with tax incremental revenue deposits. 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 Recreation Impact Fee fund will be reversed in future years with incremental revenue deposits.

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, 2011, the payment made by KUA to the City was \$7.9 million. KUA's total operating revenues for the fiscal year ended September 30, 2011 were \$174 million. KUA also provides customer billing services to the City's Solid Waste and Stormwater Utility Funds.

CITY OF KISSIMMEE, FLORIDA
NOTES TO FINANCIAL STATEMENTS – Continued
 September 30, 2011
 (In Thousands)

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 2011 was \$4.2 million and all future annual amounts will be calculated based on the gross annual revenues of the system for an additional seventeen years.

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

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

NOTE 15 – RESTATEMENT OF PRIOR PERIOD FUND BALANCE

During fiscal year ended September 30, 2011, GASB Statement No. 54 was implemented resulting in the restatement of beginning fund balance for the General Fund. GASB Statement No. 54 restructured governmental fund balances and clarified the definitions of governmental fund types. In light of this standard, the City determined that the Utility Tax Fund and Civic Center Fund no longer met the criteria for reporting as special revenue funds and were consolidated into the General Fund. The components of the restatement are outlined in the following table.

General Fund Beginning Fund Balance	\$ 17,494
Consolidation of Fund Balance:	
Utility Tax Fund	697
Civic Center Fund	158
General Fund Restated Fund Balance	<u>\$ 18,349</u>

REQUIRED SUPPLEMENTARY INFORMATION

Budgetary Comparison Schedules (GAAP BASIS):

- General Fund
- Major Special Revenue Funds:
 - Community Redevelopment Agency
 - Local Option Sales Tax

City Other Postemployment Benefits Plan Schedules:

- Schedule of Funding Progress
- Schedule of Employer Contributions

City Retirement Plans Schedules:

- Schedules of Funding Progress
- Schedules of Employer Contributions

CITY OF KISSIMMEE, FLORIDA
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
For the Year Ended September 30, 2011
(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	\$ 10,609	\$ 10,609	\$ 10,646	\$ 37
Utility taxes	6,648	6,648	5,755	(893)
Local business taxes	169	169	200	31
	<u>17,426</u>	<u>17,426</u>	<u>16,601</u>	<u>(825)</u>
Permits, Fees and Special Assessments:				
Franchise fees	132	132	142	10
Other permits and fees	2	2	1	(1)
	<u>134</u>	<u>134</u>	<u>143</u>	<u>9</u>
Intergovernmental Revenues:				
Federal grants	-	-	14	14
State grants	-	10	235	225
Local grants	-	195	125	(70)
State revenue sharing	1,548	1,548	1,597	49
Half cent sales tax	3,459	3,459	3,625	166
Shared taxes and licenses	152	152	187	35
County shared revenue	949	816	917	101
Kissimmee Utility Authority	8,385	8,385	8,504	119
Tohopekalgiga Water Authority	4,510	4,510	4,626	116
	<u>19,003</u>	<u>19,075</u>	<u>19,830</u>	<u>755</u>
Charges for Services:				
General government charges	127	561	656	95
Public safety charges	2,923	2,923	3,336	413
Physical environment charges	71	71	63	(8)
Transportation charges	485	485	494	9
Culture/recreation charges	1,006	1,007	1,102	95
	<u>4,612</u>	<u>5,047</u>	<u>5,651</u>	<u>604</u>
Fines and Forfeitures:				
Court fines and costs	503	536	808	272
Miscellaneous Revenue:				
Investment income	56	58	31	(27)
Rents	39	39	25	(14)
Other revenue	243	506	777	271
Sales of cemetery lots	134	134	104	(30)
	<u>472</u>	<u>737</u>	<u>937</u>	<u>200</u>

Continued

CITY OF KISSIMMEE, FLORIDA
BUDGETARY COMPARISON SCHEDULE - CONTINUED
GENERAL FUND
For the Year Ended September 30, 2011
(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:				
Local Option Sales Tax	\$ -	\$ 48	\$ 48	\$ -
Stormwater Utility Fund	181	181	182	1
Charter School	458	458	7,112	6,654
Airport	2	2	2	-
Community Redevelopment Agency	50	50	-	(50)
Solid Waste Fund	206	-	-	-
Transportation Impact Fee	8	8	19	11
Fire Assessment Fees	3,073	3,073	3,020	(53)
	<u>3,978</u>	<u>3,820</u>	<u>10,383</u>	<u>6,563</u>
Total Revenues and Other Sources	<u>46,128</u>	<u>46,775</u>	<u>54,353</u>	<u>7,578</u>
EXPENDITURES AND OTHER USES				
General Government:				
City Commission:				
Personal Services	113	196	172	(24)
Operating	420	432	422	(10)
	<u>533</u>	<u>628</u>	<u>594</u>	<u>(34)</u>
City Manager:				
Personal Services	831	978	913	(65)
Operating	327	661	95	(566)
Capital Outlay	22	45	14	(31)
	<u>1,180</u>	<u>1,684</u>	<u>1,022</u>	<u>(662)</u>
Development Services:				
Personal Services	1,201	1,203	1,138	(65)
Operating	360	411	154	(257)
Capital Outlay	8	8	7	(1)
	<u>1,569</u>	<u>1,622</u>	<u>1,299</u>	<u>(323)</u>
Legal:				
Personal Services	202	362	355	(7)
Operating	300	249	190	(59)
Capital Outlay	21	27	25	(2)
	<u>523</u>	<u>638</u>	<u>570</u>	<u>(68)</u>

Continued

CITY OF KISSIMMEE, FLORIDA
BUDGETARY COMPARISON SCHEDULE - CONTINUED
GENERAL FUND
For the Year Ended September 30, 2011
(In Thousands)

	<u>Budgeted Amounts</u>		<u>Actual</u> <u>Amounts</u>	<u>Variance with</u> <u>Final Budget -</u> <u>Over (Under)</u>
	<u>Original</u>	<u>Final</u>		
EXPENDITURES AND OTHER USES - Continued				
General Government:				
Finance:				
Personal Services	\$ 537	\$ 780	\$ 763	\$ (17)
Operating	226	130	128	(2)
Capital Outlay	26	42	16	(26)
	<u>789</u>	<u>952</u>	<u>907</u>	<u>(45)</u>
Personnel:				
Personal Services	431	596	556	(40)
Operating	118	55	57	2
Capital Outlay	8	8	5	(3)
	<u>557</u>	<u>659</u>	<u>618</u>	<u>(41)</u>
Central Service Charges:				
Operating	4,094	4,145	4,142	(3)
	<u>4,094</u>	<u>4,145</u>	<u>4,142</u>	<u>(3)</u>
Total General Government	<u>9,245</u>	<u>10,328</u>	<u>9,152</u>	<u>(1,176)</u>
Public Safety:				
Police:				
Personal Services	15,397	15,350	14,366	(984)
Operating	2,112	2,346	2,188	(158)
Capital Outlay	295	856	719	(137)
	<u>17,804</u>	<u>18,552</u>	<u>17,273</u>	<u>(1,279)</u>
Fire:				
Personal Services	9,297	9,290	8,880	(410)
Operating	1,324	1,527	1,452	(75)
Capital Outlay	306	238	184	(54)
	<u>10,927</u>	<u>11,055</u>	<u>10,516</u>	<u>(539)</u>
Total Public Safety	<u>28,731</u>	<u>29,607</u>	<u>27,789</u>	<u>(1,818)</u>
Transportation:				
Public Works:				
Personal Services	2,487	2,487	2,344	(143)
Operating	1,369	1,377	1,115	(262)
Capital Outlay	73	127	71	(56)
	<u>3,929</u>	<u>3,991</u>	<u>3,530</u>	<u>(461)</u>

Continued

CITY OF KISSIMMEE, FLORIDA
BUDGETARY COMPARISON SCHEDULE - CONTINUED
GENERAL FUND
For the Year Ended September 30, 2011
(In Thousands)

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Over (Under)</u>
	<u>Original</u>	<u>Final</u>		
EXPENDITURES AND OTHER USES - Continued				
Culture/Recreation				
Recreation:				
Personal Services	\$ 3,173	\$ 3,607	\$ 3,267	\$ (340)
Operating	2,308	1,932	1,651	(281)
Capital Outlay	100	296	223	(73)
Total Culture / Recreation	<u>5,581</u>	<u>5,835</u>	<u>5,141</u>	<u>(694)</u>
Non-Departmental				
Bad Debt	575	575	1,313	738
Debt Service Principal	-	32	-	(32)
Debt Service Interest and Costs	-	25	30	5
Total Non-Departmental	<u>575</u>	<u>632</u>	<u>1,343</u>	<u>711</u>
Other (Uses)				
Transfers to other funds	-	1,172	7,418	6,246
Total Transfers Out	<u>-</u>	<u>1,172</u>	<u>7,418</u>	<u>6,246</u>
Total Expenditures and Other Uses	<u>48,061</u>	<u>51,565</u>	<u>54,373</u>	<u>2,808</u>
Excess (Deficiency) of Revenues and Other Sources Over (Under) Expenditures and Other Uses				
	(1,933)	(4,790)	(20)	4,770
Fund Balance - Beginning of Year, Restated	<u>1,933</u>	<u>4,790</u>	<u>18,349</u>	<u>13,559</u>
Fund Balance - End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 18,329</u>	<u>\$ 18,329</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
COMMUNITY REDEVELOPMENT AGENCY
For the Year Ended September 30, 2011
(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				
Taxes	\$ 1,486	\$ 1,486	\$ 1,529	\$ 43
Investment Income	5	5	2	(3)
Miscellaneous Revenues	<u>1</u>	<u>1</u>	<u>1</u>	<u>-</u>
Total Revenues	<u>1,492</u>	<u>1,492</u>	<u>1,532</u>	<u>40</u>
EXPENDITURES				
General Government				
Operating	835	639	541	(98)
Capital Outlay	<u>-</u>	<u>390</u>	<u>359</u>	<u>(31)</u>
Total Expenditures	<u>835</u>	<u>1,029</u>	<u>900</u>	<u>(129)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>657</u>	<u>463</u>	<u>632</u>	<u>169</u>
OTHER FINANCING (USES)				
Transfers (Out)	<u>(512)</u>	<u>(512)</u>	<u>(487)</u>	<u>25</u>
Total Other Financing (Uses)	<u>(512)</u>	<u>(512)</u>	<u>(487)</u>	<u>25</u>
Net Change in Fund Balance	145	(49)	145	194
Fund Balance (Deficit) - Beginning	<u>(145)</u>	<u>49</u>	<u>(2,360)</u>	<u>(2,409)</u>
Fund Balance (Deficit) - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (2,215)</u>	<u>\$ (2,215)</u>

Notes to Schedule

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

CITY OF KISSIMMEE, FLORIDA
BUDGETARY COMPARISON SCHEDULE
LOCAL OPTION SALES TAX FUND
For the Year Ended September 30, 2011
(In Thousands)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Over (Under)
	Original	Final		
REVENUES				
Taxes	\$ 5,050	\$ 5,050	\$ 5,207	\$ 157
Investment Income	20	20	11	(9)
Total Revenues	5,070	5,070	5,218	148
EXPENDITURES				
General Government				
Capital Outlay	936	1,718	1,195	(523)
Public Safety				
Capital Outlay	75	92	79	(13)
Transportation				
Capital Outlay	25	3,755	270	(3,485)
Culture/Recreation				
Capital Outlay	7,555	1,676	374	(1,302)
Total Expenditures	8,591	7,241	1,918	(5,323)
Excess (Deficiency) of Revenues Over (Under) Expenditures	(3,521)	(2,171)	3,300	5,471
OTHER FINANCING SOURCES and (USES)				
Transfers In	100	308	308	-
Transfers (Out)	(2,070)	(2,120)	(1,993)	127
Issuance of Note Payable	7,500	-	-	-
Total Other Financing Sources and (Uses)	5,530	(1,812)	(1,685)	127
Net Change in Fund Balance	2,009	(3,983)	1,615	5,598
Fund Balance - Beginning	(2,009)	3,983	7,443	3,460
Fund Balance - Ending	\$ -	\$ -	\$ 9,058	\$ 9,058

Notes to Schedule

The budget for the Local Option Sales Tax Fund is adopted on a basis consistent with generally accepted accounting principles (GAAP). There is no difference between GAAP and the budgetary basis of accounting.

CITY OF KISSIMMEE, FLORIDA
POST EMPLOYMENT BENEFITS PLAN
SCHEDULE OF FUNDING PROGRESS
(in thousands)

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)
10/01/08	\$ -	\$ 6,966	\$ 6,966	0.0%	\$ 25,134	27.7%
10/01/09 *	-	6,966	6,966	0.0%	25,134	27.7%
10/01/10	-	4,218	4,218	0.0%	23,585	17.9%

* Roll-forward performed for various calculations pertaining to fiscal year ended September 30, 2010; however, actuarial valuation of OPEB Plan (including accrued actuarial liability) calculated biennially.

CITY OF KISSIMMEE, FLORIDA
POST EMPLOYMENT BENEFITS PLAN
SCHEDULE OF EMPLOYER CONTRIBUTIONS
(in thousands)

Year Ended September 30	Annual Required Contribution	Amount Contributed	Percentage Contributed	Net OPEB Obligation
2009	\$ 1,013	\$ 158	15.60%	\$ 855
2010	1,049	180	17.16%	1,727
2011	705	131	18.58%	2,303

CITY OF KISSIMMEE, FLORIDA
EMPLOYEE RETIREMENT PLANS
SCHEDULES OF FUNDING PROGRESS
(in thousands)

General Employees' Retirement Plan

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) -		Funded Ratio (a)/(b)	Covered Payroll (c)	UAAL As % of Covered Payroll (b-a)/(c)
		Entry Age (b)	Unfunded AAL (UAAL) (b) - (a)			
10/01/06	\$ 46,603	\$ 55,649	\$ 9,046	83.7%	\$ 19,295	46.9%
10/01/07	57,125	64,742	7,617	88.2%	20,777	36.7%
10/01/08	60,916	71,960	11,044	84.7%	22,301	49.5%
10/01/09	64,887	78,120	13,233	83.1%	22,338	59.2%
10/01/10	69,344	82,850	13,506	83.7%	21,742	62.1%
10/01/11	73,099	87,362	14,263	83.7%	20,561	69.4%

Police Officers' Retirement Plan

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) -		Funded Ratio (a)/(b)	Covered Payroll (c)	UAAL As % of Covered Payroll (b-a)/(c)
		Entry Age (b)	Unfunded AAL (UAAL) (b) - (a)			
10/01/06	\$ 29,992	\$ 34,828	\$ 4,836	86.1%	\$ 6,325	76.5%
10/01/07	33,725	39,272	5,547	85.9%	6,740	82.3%
10/01/08	35,519	41,424	5,905	85.7%	6,704	88.1%
10/01/09	36,605	45,071	8,466	81.2%	6,307	134.2%
10/01/10	37,840	48,330	10,490	78.3%	6,452	162.6%
10/01/11	37,419	51,649	14,230	72.4%	6,864	207.3%

Firefighters' Retirement Plan

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) -		Funded Ratio (a)/(b)	Covered Payroll (c)	UAAL As % of Covered Payroll (b-a)/(c)
		Entry Age (b)	Unfunded AAL (UAAL) (b) - (a)			
10/01/06	\$ 18,415	\$ 26,776	\$ 8,361	68.8%	\$ 4,975	168.1%
10/01/07	21,139	29,078	7,939	72.7%	5,168	153.6%
10/01/08	22,216	31,681	9,465	70.1%	5,260	179.9%
10/01/09	23,662	33,710	10,048	70.2%	4,930	203.8%
10/01/10	24,364	35,881	11,517	67.9%	4,548	253.2%
10/01/11	24,691	37,884	13,193	65.2%	4,175	316.0%

CITY OF KISSIMMEE, FLORIDA
EMPLOYEE RETIREMENT PLANS
SCHEDULES OF EMPLOYER CONTRIBUTIONS
(in thousands)

General Employees' Retirement Plan

Year Ended September 30	Annual Required Contribution	Percentage Contributed
2006	\$ 2,504	100.00%
2007	2,714	100.00%
2008	2,549	100.00%
2009	3,047	100.00%
2010	3,287	100.00%
2011	3,272	100.00%

Police Officers' Retirement Plan

Year Ended September 30	Annual Required Contribution	Percentage Contributed
2006	\$ 1,458	100.00%
2007	1,875	100.00%
2008	2,058	100.00%
2009	2,295	100.00%
2010	2,398	100.00%
2011	2,536	100.00%

Firefighters' Retirement Plan

Year Ended September 30	Annual Required Contribution	Percentage Contributed
2006	\$ 1,252	100.00%
2007	1,495	100.00%
2008	1,509	100.00%
2009	1,669	100.00%
2010	1,666	100.00%
2011	1,816	100.00%

OTHER SUPPLEMENTAL INFORMATION

Budgetary Comparison Schedules (GAAP BASIS):

Major Capital Project Funds:

2010B Note Construction Project

Non-Major Governmental Funds:

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

CITY OF KISSIMMEE, FLORIDA
BUDGETARY COMPARISON SCHEDULE
2010B NOTE CONSTRUCTION PROJECT
For the Year Ended September 30, 2011
(In Thousands)

	<u>Budget</u>	<u>Actual Amounts</u>	<u>Variance with Budget - Over (Under)</u>
REVENUES			
Investment Income	\$ -	\$ 12	\$ 12
Total Revenues	<u>-</u>	<u>12</u>	<u>12</u>
EXPENDITURES			
General Government			
Operating	56	55	(1)
Culture and Recreation			
Capital Outlay	<u>7,944</u>	<u>1,137</u>	<u>(6,807)</u>
Total Expenditures	<u>8,000</u>	<u>1,192</u>	<u>(6,808)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(8,000)</u>	<u>(1,180)</u>	<u>6,820</u>
OTHER FINANCING SOURCES			
Issuance of Notes Payable	<u>8,000</u>	<u>8,000</u>	<u>-</u>
Total Other Financing Sources	<u>8,000</u>	<u>8,000</u>	<u>-</u>
Net Change in Fund Balance	-	6,820	6,820
Fund Balance - Beginning	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance - Ending	<u>\$ -</u>	<u>\$ 6,820</u>	<u>\$ 6,820</u>

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)

Energy Efficiency and Conservation Block Grant

To account for revenues and expenditures related to the U.S. Department of Energy Recovery Act-funded Energy Efficiency and Conservation Block Grant.

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.

USDA Grant Fund

To account for the revenues and expenditures associated with the U. S. Department of Agriculture Grant.

Renee Terrace

To account for revenues and expenditures related to the Renee Terrace ditch project, an Interlocal project with Osceola County.

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 transportation impact fees collected based on charges assessed against commercial and residential construction projects. Revenue is restricted for transportation improvements.

Fire Assessment Fee

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

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.

Building Division

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

Community Development Block Grant

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

Columbia Avenue Culvert Project

To account for revenues and expenditures related to the Columbia Avenue Culvert project.

NONMAJOR GOVERNMENTAL FUNDS - CONTINUED

Victim 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.

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.

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.

Hazard Mitigation Grant Program

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

FDLE Grant for Public Education

To account for revenues and expenditures related to the funding of a Public Education Coordinator to facilitate the City's intervention program for all arson and juvenile fire setters.

John Young Parkway Traffic Signal

To account for revenues and expenditures related to the Local Agency Program (LAP) Agreement with the Florida Department of Transportation (FDOT) for the installation of a fully actuated traffic signal at U.S. 17/92 and Osceola Park Drive.

West Cypress Sidewalk Grant

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

Forest Health Grant – ARRA

To account for the revenues and expenditures of the Department of Agriculture and Consumer Services Forest Health ARRA Grant through the Division of Forestry. This grant was awarded to fund the installation of trees at the gateway of Airport, MLK Blvd, and Shingle Creek Regional Park.

Kissimmee Multi-Use Trail

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

Post Disaster Redevelopment Plan

To account for the revenues and expenditures related to the monies received from the Federal Emergency Management Agency to fund the development of a post disaster redevelopment plan.

Dyer Boulevard Pavement Rehabilitation

To account for the revenues and expenditures related to the Dyer Boulevard Pavement Rehabilitation project.

NONMAJOR GOVERNMENTAL FUNDS – CONTINUED

Non-Budgeted Special Revenue Funds

Hurricane Housing Recovery Program Trust

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

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.

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.

2001A Revenue Note

Accounts for the payment of principal and interest on the 2001A Local Option Sales Tax Notes. Monies from the one-cent sales tax are pledged.

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.

2009A Revenue Note

Accounts for the payment of principal and interest on the 2009A Revenue Note. Infrastructure Surtax revenues are used for annual debt service payments.

2008 Revenue Note

Accounts for the payment of principal and interest on the 2008 Revenue Note. Revenue received from the Osceola School Board 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

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.

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.

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.

Non-Budgeted Debt Service Fund

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.

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)

2010C Note Construction Project

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

2005 Capital Construction Note Project

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

Lakefront Sales Tax 2009A Capital Project Fund

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

CITY OF KISSIMMEE, FLORIDA
COMBINING BALANCE SHEET
ALL NONMAJOR GOVERNMENTAL FUNDS
September 30, 2011
(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	\$ 7,394	\$ 2,870	\$ -	\$ 10,264
Restricted Cash and Investments	-	-	4,696	4,696
Due from Other Funds	72	-	-	72
Due from Other Governments	819	-	-	819
Total Assets	\$ 8,285	\$ 2,870	\$ 4,696	\$ 15,851
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts Payable	\$ 381	\$ -	\$ 467	\$ 848
Contracts Payable	167	-	-	167
Accrued Liabilities	45	2,828	-	2,873
Due to Other Funds	1,574	-	-	1,574
Due to Other Governments	220	-	-	220
Deferred Revenue	91	-	-	91
Total Liabilities	2,478	2,828	467	5,773
Fund Balances:				
Nonspendable Supplementary Care	678	-	-	678
Restricted for Transportation Projects	5,046	-	-	5,046
Restricted for Public Safety Projects	3	-	-	3
Restricted for Development Services	166	-	-	166
Restricted for Economic Development	99	-	-	99
Restricted for Construction Projects	-	-	4,229	4,229
Assigned for Charter School	1,312	-	-	1,312
Assigned for Debt Service	-	42	-	42
Unassigned (Deficit)				
Special Revenue Funds	(1,497)	-	-	(1,497)
Total Fund Balances	5,807	42	4,229	10,078
Total Liabilities and Fund Balances (Deficit)	\$ 8,285	\$ 2,870	\$ 4,696	\$ 15,851

CITY OF KISSIMMEE, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
ALL NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended September 30, 2011
(In Thousands)

	Total Nonmajor Special Revenue Funds	Total Nonmajor Debt Service Funds	Total Nonmajor Capital Project Funds	Total Nonmajor Governmental Funds
REVENUES				
Taxes	\$ 2,284	\$ -	\$ -	\$ 2,284
Permits, Fees and Special Assessments	4,380	-	-	4,380
Intergovernmental Revenues	12,055	-	-	12,055
Charges for Services	169	-	-	169
Investment Income	13	-	7	20
Miscellaneous Revenues	456	-	-	456
Total Revenues	<u>19,357</u>	<u>-</u>	<u>7</u>	<u>19,364</u>
EXPENDITURES				
Current:				
General Government	4,100	-	50	4,150
Public Safety	1,769	-	-	1,769
Transportation	5,553	-	-	5,553
Economic Environment	1,735	-	-	1,735
Culture/Recreation	77	-	-	77
Capital Outlay	-	-	5,073	5,073
Debt Service:				
Principal Retirement	69	2,493	-	2,562
Interest and Fiscal Charges	8	1,269	-	1,277
Professional Fees	-	106	-	106
Total Expenditures	<u>13,311</u>	<u>3,868</u>	<u>5,123</u>	<u>22,302</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>6,046</u>	<u>(3,868)</u>	<u>(5,116)</u>	<u>(2,938)</u>
OTHER FINANCING SOURCES and (USES)				
Transfers In	357	19,913	-	20,270
Transfers (Out)	(11,634)	(9,089)	-	(20,723)
Issuance of Notes/Bonds/ Refunded Bonds Payable	7,075	9,140	4,000	20,215
Payment to Refunded Bonds Escrow Agent	-	(16,100)	-	(16,100)
Total Other Financing Sources and (Uses)	<u>(4,202)</u>	<u>3,864</u>	<u>4,000</u>	<u>3,662</u>
Net Change in Fund Balances	1,844	(4)	(1,116)	724
Fund Balances - Beginning	<u>3,963</u>	<u>46</u>	<u>5,345</u>	<u>9,354</u>
Fund Balances - Ending	<u>\$ 5,807</u>	<u>\$ 42</u>	<u>\$ 4,229</u>	<u>\$ 10,078</u>

CITY OF KISSIMMEE, FLORIDA
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
September 30, 2011
(In Thousands)

	Energy			
	Efficiency and	Justice		Renee
	Conservation	Assistance		Terrace
	Block Grant	Grant	USDA Grant	
ASSETS				
Cash and Cash Equivalents	\$ -	\$ 17	\$ -	\$ -
Due from Other Funds	-	-	-	72
Due from Other Governments	-	-	-	-
Total Assets	\$ -	\$ 17	\$ -	\$ 72
LIABILITIES				
Accounts Payable	\$ -	\$ -	\$ -	\$ -
Contracts Payable	-	-	-	-
Accrued Liabilities	-	6	-	-
Due to Other Funds	-	-	772	-
Due to Other Governments	-	-	-	-
Deferred Revenue	-	12	-	-
Total Liabilities	-	18	772	-
FUND BALANCES (DEFICITS)				
Nonspendable Supplementary Care	-	-	-	-
Restricted for Transportation Projects	-	-	-	72
Restricted for Public Safety Projects	-	-	-	-
Restricted for Development Services	-	-	-	-
Restricted for Economic Development	-	-	-	-
Assigned for Charter School	-	-	-	-
Unassigned (Deficit)	-	(1)	(772)	-
Total Fund Balances (Deficits)	-	(1)	(772)	72
Total Liabilities and Fund Balances	\$ -	\$ 17	\$ -	\$ 72

Continued

<u>Recreation Impact Fee Fund</u>	<u>Transportation Impact Fee Fund</u>	<u>Fire Assessment Fee</u>	<u>Neighborhood Stabilization Program</u>	<u>Building Division</u>
\$ 1	\$ 2,151	\$ 3	\$ 28	\$ 180
-	-	-	-	-
-	-	-	-	-
<u>\$ 1</u>	<u>\$ 2,151</u>	<u>\$ 3</u>	<u>\$ 28</u>	<u>\$ 180</u>
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
-	-	-	-	14
128	-	-	-	-
-	220	-	-	-
-	-	-	-	-
<u>128</u>	<u>220</u>	<u>-</u>	<u>-</u>	<u>14</u>
-	-	-	-	-
-	1,931	-	-	-
-	-	3	-	-
-	-	-	-	166
-	-	-	28	-
-	-	-	-	-
(127)	-	-	-	-
<u>(127)</u>	<u>1,931</u>	<u>3</u>	<u>28</u>	<u>166</u>
<u>\$ 1</u>	<u>\$ 2,151</u>	<u>\$ 3</u>	<u>\$ 28</u>	<u>\$ 180</u>

CITY OF KISSIMMEE, FLORIDA
COMBINING BALANCE SHEET - Continued
NONMAJOR SPECIAL REVENUE FUNDS
September 30, 2011
(In Thousands)

	<u>Community Development Block Grant</u>	<u>Columbia Avenue Culvert Project</u>	<u>Victim of Crime Act</u>	<u>Local Option Gas Tax</u>
ASSETS				
Cash and Cash Equivalents	\$ 4	\$ -	\$ -	\$ 2,948
Due from Other Funds	-	-	-	-
Due from Other Governments	213	84	7	149
Total Assets	<u>\$ 217</u>	<u>\$ 84</u>	<u>\$ 7</u>	<u>\$ 3,097</u>
LIABILITIES				
Accounts Payable	\$ 180	\$ -	\$ -	\$ 47
Contracts Payable	-	-	-	-
Accrued Liabilities	-	-	2	23
Due to Other Funds	297	68	17	-
Due to Other Governments	-	-	-	-
Deferred Revenue	13	-	7	-
Total Liabilities	<u>490</u>	<u>68</u>	<u>26</u>	<u>70</u>
FUND BALANCES (DEFICITS)				
Nonspendable Supplementary Care	-	-	-	-
Restricted for Transportation Projects	-	16	-	3,027
Restricted for Public Safety Projects	-	-	-	-
Restricted for Development Services	-	-	-	-
Restricted for Economic Development	-	-	-	-
Assigned for Charter School	-	-	-	-
Unassigned (Deficit)	(273)	-	(19)	-
Total Fund Balances (Deficits)	<u>(273)</u>	<u>16</u>	<u>(19)</u>	<u>3,027</u>
Total Liabilities and Fund Balances	<u>\$ 217</u>	<u>\$ 84</u>	<u>\$ 7</u>	<u>\$ 3,097</u>

Continued

<u>Paving Assessments</u>	<u>Charter School</u>	<u>Hazard Mitigation Grant Program</u>	<u>FDLE Grant for Public Education</u>	<u>John Young Parkway Traffic Signal</u>
\$ -	\$ 1,312	\$ 59	\$ -	\$ -
-	-	-	-	-
-	-	-	-	-
<u>\$ -</u>	<u>\$ 1,312</u>	<u>\$ 59</u>	<u>\$ -</u>	<u>\$ -</u>
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
-	-	-	-	-
-	-	-	10	-
-	-	-	-	-
-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>10</u>	<u>-</u>
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	59	-	-
-	1,312	-	-	-
-	-	-	(10)	-
<u>-</u>	<u>1,312</u>	<u>59</u>	<u>(10)</u>	<u>-</u>
<u>\$ -</u>	<u>\$ 1,312</u>	<u>\$ 59</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF KISSIMMEE, FLORIDA
COMBINING BALANCE SHEET - Continued
NONMAJOR SPECIAL REVENUE FUNDS
September 30, 2011
(In Thousands)

	<u>West Cypress</u>	<u>Forest Health -</u>	<u>Kissimmee</u>	<u>Post-Disaster</u>
	<u>Sidewalk Grant</u>	<u>ARRA</u>	<u>Multi-Use Trail</u>	<u>Redevelopment</u>
				<u>Plan</u>
ASSETS				
Cash and Cash Equivalents	\$ -	\$ -	\$ -	\$ -
Due from Other Funds	-	-	-	-
Due from Other Governments	41	-	307	18
Total Assets	<u>\$ 41</u>	<u>\$ -</u>	<u>\$ 307</u>	<u>\$ 18</u>
LIABILITIES				
Accounts Payable	\$ 1	\$ -	\$ 128	\$ 25
Contracts Payable	-	-	167	-
Accrued Liabilities	-	-	-	-
Due to Other Funds	56	-	198	-
Due to Other Governments	-	-	-	-
Deferred Revenue	41	-	-	18
Total Liabilities	<u>98</u>	<u>-</u>	<u>493</u>	<u>43</u>
FUND BALANCES (DEFICITS)				
Nonspendable Supplementary Care	-	-	-	-
Restricted for Transportation Projects	-	-	-	-
Restricted for Public Safety Projects	-	-	-	-
Restricted for Development Services	-	-	-	-
Restricted for Economic Development	-	-	-	-
Assigned for Charter School	-	-	-	-
Unassigned (Deficit)	(57)	-	(186)	(25)
Total Fund Balances (Deficits)	<u>(57)</u>	<u>-</u>	<u>(186)</u>	<u>(25)</u>
Total Liabilities and Fund Balances	<u>\$ 41</u>	<u>\$ -</u>	<u>\$ 307</u>	<u>\$ 18</u>

<u>Dyer Boulevard Pavement Rehabilitation</u>	<u>Hurricane Housing Recovery Program Trust</u>	<u>Section 8 HAPP Fund</u>	<u>Police and Firefighters Premium Tax Trust</u>	<u>Supplementary Care</u>	<u>Total Nonmajor Special Revenue Funds</u>
\$ -	\$ 1	\$ 12	\$ -	\$ 678	\$ 7,394
-	-	-	-	-	72
-	-	-	-	-	819
<u>\$ -</u>	<u>\$ 1</u>	<u>\$ 12</u>	<u>\$ -</u>	<u>\$ 678</u>	<u>\$ 8,285</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 381
-	-	-	-	-	167
-	-	-	-	-	45
25	3	-	-	-	1,574
-	-	-	-	-	220
-	-	-	-	-	91
<u>25</u>	<u>3</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,478</u>
-	-	-	-	678	678
-	-	-	-	-	5,046
-	-	-	-	-	3
-	-	-	-	-	166
-	-	12	-	-	99
-	-	-	-	-	1,312
(25)	(2)	-	-	-	(1,497)
<u>(25)</u>	<u>(2)</u>	<u>12</u>	<u>-</u>	<u>678</u>	<u>5,807</u>
<u>\$ -</u>	<u>\$ 1</u>	<u>\$ 12</u>	<u>\$ -</u>	<u>\$ 678</u>	<u>\$ 8,285</u>

CITY OF KISSIMMEE, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
For the Year Ended September 30, 2011
(In Thousands)

	Energy			
	Efficiency and	Justice		Renee
	Conservation	Assistance		Terrace
	Block Grant	Grant	USDA Grant	
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ -
Permits, Fees and Special Assessments	-	-	-	-
Intergovernmental Revenues	69	76	2,758	-
Charges for Services	-	-	-	-
Investment Income	-	-	-	-
Miscellaneous Revenues	-	-	-	-
Total Revenues	<u>69</u>	<u>76</u>	<u>2,758</u>	<u>-</u>
EXPENDITURES				
Current:				
General Government	2	-	-	-
Public Safety	55	247	-	-
Transportation	8	-	1,760	2
Economic Environment	-	-	-	-
Culture and Recreation	-	-	-	-
Debt Service:				
Principal Retirement	-	-	-	-
Interest and Fiscal Charges	-	-	-	-
Total Expenditures	<u>65</u>	<u>247</u>	<u>1,760</u>	<u>2</u>
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	<u>4</u>	<u>(171)</u>	<u>998</u>	<u>(2)</u>
OTHER FINANCING				
SOURCES and (USES)				
Transfers In	-	178	-	-
Transfers (Out)	-	-	-	-
Issuance of Notes/Bonds/ Refunded Bonds Payable	-	-	-	-
Total Other Financing	<u>-</u>	<u>178</u>	<u>-</u>	<u>-</u>
Sources and (Uses)	<u>-</u>	<u>178</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	4	7	998	(2)
Fund Balances (Deficits) - Beginning	<u>(4)</u>	<u>(8)</u>	<u>(1,770)</u>	<u>74</u>
Fund Balances (Deficits) - Ending	<u>\$ -</u>	<u>\$ (1)</u>	<u>\$ (772)</u>	<u>\$ 72</u>

Continued

<u>Recreation Impact Fee Fund</u>	<u>Transportation Impact Fee Fund</u>	<u>Fire Assessment Fee</u>	<u>Neighborhood Stabilization Program</u>	<u>Building Division</u>
\$ -	\$ -	\$ -	\$ -	\$ -
110	653	3,030	-	413
-	-	-	499	-
-	-	-	-	159
-	3	-	-	-
-	-	-	286	-
<u>110</u>	<u>656</u>	<u>3,030</u>	<u>785</u>	<u>572</u>
-	-	10	-	-
-	-	-	-	502
-	2	-	-	-
-	-	-	955	-
-	-	-	-	-
-	-	-	-	-
<u>-</u>	<u>2</u>	<u>10</u>	<u>955</u>	<u>502</u>
<u>110</u>	<u>654</u>	<u>3,020</u>	<u>(170)</u>	<u>70</u>
-	-	-	-	30
-	(20)	(3,020)	-	-
-	-	-	-	-
<u>-</u>	<u>(20)</u>	<u>(3,020)</u>	<u>-</u>	<u>30</u>
110	634	-	(170)	100
<u>(237)</u>	<u>1,297</u>	<u>3</u>	<u>198</u>	<u>66</u>
<u>\$ (127)</u>	<u>\$ 1,931</u>	<u>\$ 3</u>	<u>\$ 28</u>	<u>\$ 166</u>

CITY OF KISSIMMEE, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - Continued
NONMAJOR SPECIAL REVENUE FUNDS
For the Year Ended September 30, 2011
(In Thousands)

	Community Development Block Grant	Columbia Avenue Culvert Project	Victim of Crime Act	Local Option Gas Tax
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ 2,284
Permits, Fees and Special Assessments	-	-	-	-
Intergovernmental Revenues	746	221	37	-
Charges for Services	-	-	-	10
Investment Income	-	-	-	6
Miscellaneous Revenues	-	-	-	5
Total Revenues	<u>746</u>	<u>221</u>	<u>37</u>	<u>2,305</u>
EXPENDITURES				
Current:				
General Government	-	-	-	-
Public Safety	-	-	63	-
Transportation	-	227	-	1,237
Economic Environment	746	-	-	-
Culture and Recreation	-	-	-	-
Debt Service:				
Principal Retirement	-	-	-	-
Interest and Fiscal Charges	-	-	-	-
Total Expenditures	<u>746</u>	<u>227</u>	<u>63</u>	<u>1,237</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>-</u>	<u>(6)</u>	<u>(26)</u>	<u>1,068</u>
OTHER FINANCING SOURCES and (USES)				
Transfers In	-	-	7	113
Transfers (Out)	-	-	-	(896)
Issuance of Notes/Bonds/ Refunded Bonds Payable	-	-	-	-
Total Other Financing Sources and (Uses)	<u>-</u>	<u>-</u>	<u>7</u>	<u>(783)</u>
Net Change in Fund Balances	-	(6)	(19)	285
Fund Balances (Deficits) - Beginning	<u>(273)</u>	<u>22</u>	<u>-</u>	<u>2,742</u>
Fund Balances (Deficits) - Ending	<u>\$ (273)</u>	<u>\$ 16</u>	<u>\$ (19)</u>	<u>\$ 3,027</u>

Continued

<u>Paving Assessments</u>	<u>Charter School</u>	<u>Hazard Mitigation Grant Program</u>	<u>FDLE Grant for Public Education</u>	<u>John Young Parkway Traffic Signal</u>
\$ -	\$ -	\$ -	\$ -	\$ -
174	-	-	-	-
-	4,824	204	11	-
-	-	-	-	-
-	3	-	-	-
-	-	-	-	143
<u>174</u>	<u>4,827</u>	<u>204</u>	<u>11</u>	<u>143</u>
-	4,088	-	-	-
-	-	-	3	-
174	-	-	-	143
-	-	-	-	-
-	-	70	-	-
-	69	-	-	-
-	8	-	-	-
<u>174</u>	<u>4,165</u>	<u>70</u>	<u>3</u>	<u>143</u>
-	662	134	8	-
-	-	-	-	-
-	(7,698)	-	-	-
-	7,075	-	-	-
-	(623)	-	-	-
-	39	134	8	-
-	1,273	(75)	(18)	-
<u>\$ -</u>	<u>\$ 1,312</u>	<u>\$ 59</u>	<u>\$ (10)</u>	<u>\$ -</u>

CITY OF KISSIMMEE, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - Continued
NONMAJOR SPECIAL REVENUE FUNDS
For the Year Ended September 30, 2011
(In Thousands)

	West		Kissimmee	Post-Disaster
	Cypress		Multi-Use	Redevelopment
	Sidewalk	Forest Health	Trail	Plan
	Grant	- ARRA		
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ -
Permits, Fees and Special Assessments	-	-	-	-
Intergovernmental Revenues	92	16	1,513	-
Charges for Services	-	-	-	-
Investment Income	-	-	-	-
Miscellaneous Revenues	-	-	-	-
Total Revenues	<u>92</u>	<u>16</u>	<u>1,513</u>	<u>-</u>
EXPENDITURES				
Current:				
General Government	-	-	-	-
Public Safety	-	-	-	-
Transportation	149	9	1,699	-
Economic Environment	-	-	-	25
Culture and Recreation	-	7	-	-
Debt Service:				
Principal Retirement	-	-	-	-
Interest and Fiscal Charges	-	-	-	-
Total Expenditures	<u>149</u>	<u>16</u>	<u>1,699</u>	<u>25</u>
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	<u>(57)</u>	<u>-</u>	<u>(186)</u>	<u>(25)</u>
OTHER FINANCING				
SOURCES and (USES)				
Transfers In	-	-	-	-
Transfers (Out)	-	-	-	-
Issuance of Notes/Bonds/ Refunded Bonds Payable	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Sources and (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	(57)	-	(186)	(25)
Fund Balances (Deficits) - Beginning	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances (Deficits) - Ending	<u>\$ (57)</u>	<u>\$ -</u>	<u>\$ (186)</u>	<u>\$ (25)</u>

Dyer Boulevard Pavement Rehabilitation	Hurricane Housing Recovery Program Trust	Section 8 HAPP Fund	Police and Firefighters Premium Tax Trust	Supplementary Care	Total Nonmajor Special Revenue Funds
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,284
-	-	-	-	-	4,380
90	-	-	899	-	12,055
-	-	-	-	-	169
-	-	-	-	1	13
-	-	-	-	22	456
<u>90</u>	<u>-</u>	<u>-</u>	<u>899</u>	<u>23</u>	<u>19,357</u>
-	-	-	-	-	4,100
-	-	-	899	-	1,769
143	-	-	-	-	5,553
-	9	-	-	-	1,735
-	-	-	-	-	77
-	-	-	-	-	69
-	-	-	-	-	8
<u>143</u>	<u>9</u>	<u>-</u>	<u>899</u>	<u>-</u>	<u>13,311</u>
<u>(53)</u>	<u>(9)</u>	<u>-</u>	<u>-</u>	<u>23</u>	<u>6,046</u>
29	-	-	-	-	357
-	-	-	-	-	(11,634)
-	-	-	-	-	7,075
<u>29</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(4,202)</u>
(24)	(9)	-	-	23	1,844
(1)	7	12	-	655	3,963
<u>\$ (25)</u>	<u>\$ (2)</u>	<u>\$ 12</u>	<u>\$ -</u>	<u>\$ 678</u>	<u>\$ 5,807</u>

CITY OF KISSIMMEE, FLORIDA
BUDGETARY COMPARISON SCHEDULE
ENERGY EFFICIENCY AND CONSERVATION BLOCK GRANT
For the Year Ended September 30, 2011
(In Thousands)

	<u>Budget</u>	<u>Actual Amounts</u>	<u>Variance with Budget - Over (Under)</u>
REVENUES			
Intergovernmental Revenues	\$ -	\$ 69	\$ 69
Total Revenues	<u>-</u>	<u>69</u>	<u>69</u>
EXPENDITURES			
General Government			
Personal Services	2	2	-
Capital Outlay	336	-	(336)
Public Safety			
Capital Outlay	52	55	3
Transportation			
Capital Outlay	8	8	-
Total Expenditures	<u>398</u>	<u>65</u>	<u>(333)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(398)</u>	<u>4</u>	<u>402</u>
 Net Change in Fund Balance	 (398)	 4	 402
Fund Balance (Deficit) - Beginning	<u>398</u>	<u>(4)</u>	<u>(402)</u>
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF KISSIMMEE, FLORIDA
BUDGETARY COMPARISON SCHEDULE
JUSTICE ASSISTANCE GRANT
For the Year Ended September 30, 2011
(In Thousands)

	<u>Budget</u>	<u>Actual Amounts</u>	<u>Variance with Budget - Over (Under)</u>
REVENUES			
Intergovernmental Revenues	\$ 55	\$ 76	\$ 21
Total Revenues	<u>55</u>	<u>76</u>	<u>21</u>
EXPENDITURES			
Public Safety			
Personal Services	218	227	9
Operating	25	19	(6)
Capital Outlay	2	1	(1)
Total Expenditures	<u>245</u>	<u>247</u>	<u>2</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(190)</u>	<u>(171)</u>	<u>19</u>
OTHER FINANCING SOURCES			
Transfers In	163	178	15
Total Other Financing Sources	<u>163</u>	<u>178</u>	<u>15</u>
Net Change in Fund Balance	(27)	7	34
Fund Balance (Deficit) - Beginning	<u>27</u>	<u>(8)</u>	<u>(35)</u>
Fund Balance (Deficit) - Ending	<u>\$ -</u>	<u>\$ (1)</u>	<u>\$ (1)</u>

CITY OF KISSIMMEE, FLORIDA
BUDGETARY COMPARISON SCHEDULE
USDA GRANT
For the Year Ended September 30, 2011
(In Thousands)

	<u>Budget</u>	<u>Actual Amounts</u>	<u>Variance with Budget - Over (Under)</u>
REVENUES			
Intergovernmental Revenues	\$ 280	\$ 2,758	\$ 2,478
Total Revenues	<u>280</u>	<u>2,758</u>	<u>2,478</u>
EXPENDITURES			
Transportation			
Capital Outlay	1,771	1,760	(11)
Total Expenditures	<u>1,771</u>	<u>1,760</u>	<u>(11)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(1,491)</u>	<u>998</u>	<u>2,489</u>
Net Change in Fund Balance	(1,491)	998	2,489
Fund Balance (Deficit) - Beginning	<u>1,491</u>	<u>(1,770)</u>	<u>(3,261)</u>
Fund Balance (Deficit) - Ending	<u>\$ -</u>	<u>\$ (772)</u>	<u>\$ (772)</u>

CITY OF KISSIMMEE, FLORIDA
BUDGETARY COMPARISON SCHEDULE
RENEE TERRACE
For the Year Ended September 30, 2011
(In Thousands)

	<u>Budget</u>	<u>Actual Amounts</u>	<u>Variance with Budget - Over (Under)</u>
REVENUES			
Intergovernmental Revenues	\$ -	\$ -	\$ -
Total Revenues	<u>-</u>	<u>-</u>	<u>-</u>
EXPENDITURES			
Transportation			
Capital Outlay	<u>36</u>	<u>2</u>	<u>(34)</u>
Total Expenditures	<u>36</u>	<u>2</u>	<u>(34)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(36)</u>	<u>(2)</u>	<u>34</u>
Net Change in Fund Balance	(36)	(2)	34
Fund Balance - Beginning	<u>36</u>	<u>74</u>	<u>38</u>
Fund Balance - Ending	<u>\$ -</u>	<u>\$ 72</u>	<u>\$ 72</u>

CITY OF KISSIMMEE, FLORIDA
BUDGETARY COMPARISON SCHEDULE
RECREATION IMPACT FEE FUND
For the Year Ended September 30, 2011
(In Thousands)

	Budget	Actual Amounts	Variance with Budget - Over (Under)
REVENUES			
Permits, Fees and Special Assessments	\$ 10	\$ 110	\$ 100
Total Revenues	10	110	100
EXPENDITURES			
Culture and Recreation			
Capital Outlay	-	-	-
Total Expenditures	-	-	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	10	110	100
Net Change in Fund Balance	10	110	100
Fund Balance (Deficit) - Beginning	(10)	(237)	(227)
Fund Balance (Deficit) - Ending	\$ -	\$ (127)	\$ (127)

CITY OF KISSIMMEE, FLORIDA
BUDGETARY COMPARISON SCHEDULE
TRANSPORTATION IMPACT FEE FUND
For the Year Ended September 30, 2011
(In Thousands)

	Budget	Actual Amounts	Variance with Budget - Over (Under)
REVENUES			
Permits, Fees and Special Assessments	\$ 250	\$ 653	\$ 403
Investment Income	2	3	1
Total Revenues	252	656	404
EXPENDITURES			
Transportation			
Capital Outlay	50	2	(48)
Total Expenditures	50	2	(48)
Excess (Deficiency) of Revenues Over (Under) Expenditures	202	654	452
OTHER FINANCING (USES)			
Transfers (Out)	(93)	(20)	73
Total Other Financing (Uses)	(93)	(20)	73
Net Change in Fund Balance	109	634	525
Fund Balance - Beginning	(109)	1,297	1,406
Fund Balance - Ending	\$ -	\$ 1,931	\$ 1,931

CITY OF KISSIMMEE, FLORIDA
BUDGETARY COMPARISON SCHEDULE
FIRE ASSESSMENT FEE FUND
For the Year Ended September 30, 2011
(In Thousands)

	Budget	Actual Amounts	Variance with Budget - Over (Under)
REVENUES			
Permits, Fees and Special Assessments	\$ 3,088	\$ 3,030	\$ (58)
Total Revenues	3,088	3,030	(58)
EXPENDITURES			
General Government			
Operating	19	10	(9)
Total Expenditures	19	10	(9)
Excess (Deficiency) of Revenues Over (Under) Expenditures	3,069	3,020	(49)
OTHER FINANCING (USES)			
Transfers (Out)	(3,073)	(3,020)	53
Total Other Financing (Uses)	(3,073)	(3,020)	53
Net Change in Fund Balance	(4)	-	4
Fund Balance - Beginning	4	3	(1)
Fund Balance - Ending	\$ -	\$ 3	\$ 3

CITY OF KISSIMMEE, FLORIDA
BUDGETARY COMPARISON SCHEDULE
NEIGHBORHOOD STABILIZATION PROGRAM
For the Year Ended September 30, 2011
(In Thousands)

	<u>Budget</u>	<u>Actual</u>	<u>Amount</u>	<u>Variance with Budget - Over (Under)</u>
REVENUES				
Intergovernmental Revenues	\$ -	\$	499	\$ 499
Total Revenues	<u>-</u>		<u>785</u>	<u>785</u>
EXPENDITURES				
Economic Environment				
Personal Services	-		7	7
Operating	-		948	948
Capital Outlay	17		-	(17)
Total Expenditures	<u>17</u>		<u>955</u>	<u>938</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(17)</u>		<u>(170)</u>	<u>(153)</u>
Net Change in Fund Balance	(17)		(170)	(153)
Fund Balance - Beginning	<u>17</u>		<u>198</u>	<u>181</u>
Fund Balance - Ending	<u>\$ -</u>		<u>\$ 28</u>	<u>\$ 28</u>

CITY OF KISSIMMEE, FLORIDA
BUDGETARY COMPARISON SCHEDULE
BUILDING DIVISION
For the Year Ended September 30, 2011
(In Thousands)

	<u>Budget</u>	<u>Actual Amounts</u>	<u>Variance with Budget - Over (Under)</u>
REVENUES			
Permits, Fees and Special Assessments	\$ 279	\$ 413	\$ 134
Charges for Services	98	159	61
Total Revenues	<u>377</u>	<u>572</u>	<u>195</u>
EXPENDITURES			
Public Safety			
Personal Services	428	467	39
Operating	39	35	(4)
Total Expenditures	<u>467</u>	<u>502</u>	<u>35</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(90)</u>	<u>70</u>	<u>160</u>
OTHER FINANCING SOURCES			
Transfers In	90	30	(60)
Total Other Financing Sources	<u>90</u>	<u>30</u>	<u>(60)</u>
Net Change in Fund Balance	-	100	100
Fund Balance - Beginning	<u>-</u>	<u>66</u>	<u>66</u>
Fund Balance - Ending	<u>\$ -</u>	<u>\$ 166</u>	<u>\$ 166</u>

CITY OF KISSIMMEE, FLORIDA
BUDGETARY COMPARISON SCHEDULE
COMMUNITY DEVELOPMENT BLOCK GRANT
For the Year Ended September 30, 2011
(In Thousands)

	<u>Budget</u>	<u>Actual Amounts</u>	<u>Variance with Budget - Over (Under)</u>
REVENUES			
Intergovernmental Revenues	\$ 667	\$ 746	\$ 79
Total Revenues	<u>667</u>	<u>746</u>	<u>79</u>
EXPENDITURES			
Economic Environment			
Personal Services	159	131	(28)
Operating	243	115	(128)
Capital Outlay	832	500	(332)
Total Expenditures	<u>1,234</u>	<u>746</u>	<u>(488)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(567)</u>	<u>-</u>	<u>567</u>
Net Change in Fund Balance	(567)	-	567
Fund Balance (Deficit) - Beginning	<u>567</u>	<u>(273)</u>	<u>(840)</u>
Fund Balance (Deficit) - Ending	<u>\$ -</u>	<u>\$ (273)</u>	<u>\$ (273)</u>

CITY OF KISSIMMEE, FLORIDA
BUDGETARY COMPARISON SCHEDULE
COLUMBIA AVENUE CULVERT PROJECT
For the Year Ended September 30, 2011
(In Thousands)

	Budget	Actual Amounts	Variance with Budget - Over (Under)
REVENUES			
Intergovernmental Revenues	\$ -	\$ 221	\$ 221
Total Revenues	-	221	221
EXPENDITURES			
Transportation			
Capital Outlay	264	227	(37)
Total Expenditures	264	227	(37)
Excess (Deficiency) of Revenues Over (Under) Expenditures	(264)	(6)	258
Net Change in Fund Balance	(264)	(6)	258
Fund Balance - Beginning	264	22	(242)
Fund Balance - Ending	\$ -	\$ 16	\$ 16

CITY OF KISSIMMEE, FLORIDA
BUDGETARY COMPARISON SCHEDULE
VICTIM OF CRIME ACT
For the Year Ended September 30, 2011
(In Thousands)

	<u>Budget</u>	<u>Actual Amounts</u>	<u>Variance with Budget - Over (Under)</u>
REVENUES			
Intergovernmental Revenues	\$ 56	\$ 37	\$ (19)
Total Revenues	<u>56</u>	<u>37</u>	<u>(19)</u>
EXPENDITURES			
Public Safety			
Personal Services	<u>63</u>	<u>63</u>	<u>-</u>
Total Expenditures	<u>63</u>	<u>63</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(7)</u>	<u>(26)</u>	<u>(19)</u>
OTHER FINANCING SOURCES			
Transfers In	<u>7</u>	<u>7</u>	<u>-</u>
Total Other Financing Sources	<u>7</u>	<u>7</u>	<u>-</u>
Net Change in Fund Balance	-	(19)	(19)
Fund Balance - Beginning	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance (Deficit) - Ending	<u>\$ -</u>	<u>\$ (19)</u>	<u>\$ (19)</u>

CITY OF KISSIMMEE, FLORIDA
BUDGETARY COMPARISON SCHEDULE
LOCAL OPTION GAS TAX
For the Year Ended September 30, 2011
(In Thousands)

	<u>Budget</u>	<u>Actual Amounts</u>	<u>Variance with Budget - Over (Under)</u>
REVENUES			
Taxes	\$ 2,450	\$ 2,284	\$ (166)
Charges for Services	5	10	5
Investment Income	28	6	(22)
Miscellaneous Revenues	1	5	4
Total Revenues	<u>2,484</u>	<u>2,305</u>	<u>(179)</u>
EXPENDITURES			
Transportation			
Personal Services	624	629	5
Operating	387	195	(192)
Capital Outlay	2,796	413	(2,383)
Total Expenditures	<u>3,807</u>	<u>1,237</u>	<u>(2,570)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(1,323)</u>	<u>1,068</u>	<u>2,391</u>
OTHER FINANCING SOURCES AND (USES)			
Transfers In	122	113	(9)
Transfers (Out)	(1,150)	(896)	(254)
Total Other Financing Sources and (Uses)	<u>(1,028)</u>	<u>(783)</u>	<u>(263)</u>
Net Change in Fund Balance	(2,351)	285	2,636
Fund Balance - Beginning	<u>2,351</u>	<u>2,742</u>	<u>391</u>
Fund Balance - Ending	<u>\$ -</u>	<u>\$ 3,027</u>	<u>\$ 3,027</u>

CITY OF KISSIMMEE, FLORIDA
BUDGETARY COMPARISON SCHEDULE
PAVING ASSESSMENTS
For the Year Ended September 30, 2011
(In Thousands)

	<u>Budget</u>	<u>Actual Amounts</u>	<u>Variance with Budget - Over (Under)</u>
REVENUES			
Permits, Fees and Special Assessments	\$ 40	\$ 174	\$ 134
Total Revenues	<u>40</u>	<u>174</u>	<u>134</u>
EXPENDITURES			
Transportation			
Operating	9	174	165
Total Expenditures	<u>9</u>	<u>174</u>	<u>165</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>31</u>	<u>-</u>	<u>(31)</u>
OTHER FINANCING (USES)			
Transfers (Out)	(30)	-	30
Total Other Financing (Uses)	<u>(30)</u>	<u>-</u>	<u>30</u>
Net Change in Fund Balance	1	-	(1)
Fund Balance - Beginning	<u>(1)</u>	<u>-</u>	<u>1</u>
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF KISSIMMEE, FLORIDA
BUDGETARY COMPARISON SCHEDULE
CHARTER SCHOOL
For the Year Ended September 30, 2011
(In Thousands)

	<u>Budget</u>	<u>Actual Amounts</u>	<u>Variance with Budget - Over (Under)</u>
REVENUES			
Intergovernmental Revenues	\$ 4,795	\$ 4,824	\$ 29
Investment Income	5	3	(2)
Total Revenues	<u>4,800</u>	<u>4,827</u>	<u>27</u>
EXPENDITURES			
General Government			
Operating	4,203	4,088	(115)
Debt Service			
Principal Retirement	69	69	-
Interest and Fiscal Charges	8	8	-
Total Expenditures	<u>4,280</u>	<u>4,165</u>	<u>(115)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>520</u>	<u>662</u>	<u>142</u>
OTHER FINANCING SOURCES AND (USES)			
Transfers (Out)	(458)	(7,698)	(7,240)
Issuance of Notes Payable	-	7,075	7,075
Total Other Financing Sources and (Uses)	<u>(458)</u>	<u>(623)</u>	<u>(165)</u>
Net Change in Fund Balance	62	39	(23)
Fund Balance - Beginning	<u>(62)</u>	<u>1,273</u>	<u>1,335</u>
Fund Balance - Ending	<u>\$ -</u>	<u>\$ 1,312</u>	<u>\$ 1,312</u>

CITY OF KISSIMMEE, FLORIDA
BUDGETARY COMPARISON SCHEDULE
HAZARD MITIGATION GRANT PROGRAM
For the Year Ended September 30, 2011
(In Thousands)

	<u>Budget</u>	<u>Actual Amounts</u>	<u>Variance with Budget - Over (Under)</u>
REVENUES			
Intergovernmental Revenues	\$ -	\$ 204	\$ 204
Total Revenues	<u>-</u>	<u>204</u>	<u>204</u>
EXPENDITURES			
General Government			
Capital Outlay	18	-	(18)
Public Safety			
Capital Outlay	108	-	(108)
Culture and Recreation			
Capital Outlay	-	70	70
Total Expenditures	<u>126</u>	<u>70</u>	<u>(56)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(126)</u>	<u>134</u>	<u>260</u>
Net Change in Fund Balance	(126)	134	260
Fund Balance (Deficit) - Beginning	<u>126</u>	<u>(75)</u>	<u>(201)</u>
Fund Balance - Ending	<u>\$ -</u>	<u>\$ 59</u>	<u>\$ 59</u>

CITY OF KISSIMMEE, FLORIDA
BUDGETARY COMPARISON SCHEDULE
FDLE GRANT FOR PUBLIC EDUCATION
For the Year Ended September 30, 2011
(In Thousands)

	<u>Budget</u>	<u>Actual Amounts</u>	<u>Variance with Budget - Over (Under)</u>
REVENUES			
Intergovernmental Revenues	\$ -	\$ 11	\$ 11
Total Revenues	<u>-</u>	<u>11</u>	<u>11</u>
EXPENDITURES			
Public Safety			
Personal Services	1	2	1
Capital Outlay	<u>2</u>	<u>1</u>	<u>(1)</u>
Total Expenditures	<u>3</u>	<u>3</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(3)</u>	<u>8</u>	<u>11</u>
Net Change in Fund Balance	(3)	8	11
Fund Balance (Deficit) - Beginning	<u>3</u>	<u>(18)</u>	<u>(21)</u>
Fund Balance (Deficit) - Ending	<u>\$ -</u>	<u>\$ (10)</u>	<u>\$ (10)</u>

CITY OF KISSIMMEE, FLORIDA
BUDGETARY COMPARISON SCHEDULE
JOHN YOUNG PARKWAY TRAFFIC SIGNAL
For the Year Ended September 30, 2011
(In Thousands)

	<u>Budget</u>	<u>Actual Amounts</u>	<u>Variance with Budget - Over (Under)</u>
REVENUES			
Miscellaneous Revenues	\$ -	\$ 143	\$ 143
Total Revenues	<u>-</u>	<u>143</u>	<u>143</u>
EXPENDITURES			
Transportation			
Capital Outlay	143	143	-
Total Expenditures	<u>143</u>	<u>143</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(143)</u>	<u>-</u>	<u>143</u>
 Net Change in Fund Balance	 (143)	 -	 143
Fund Balance - Beginning	<u>143</u>	<u>-</u>	<u>(143)</u>
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF KISSIMMEE, FLORIDA
BUDGETARY COMPARISON SCHEDULE
WEST CYPRESS SIDEWALK GRANT
For the Year Ended September 30, 2011
(In Thousands)

	<u>Budget</u>	<u>Actual Amounts</u>	<u>Variance with Budget - Over (Under)</u>
REVENUES			
Intergovernmental Revenues	\$ -	\$ 92	\$ 92
Total Revenues	<u>-</u>	<u>92</u>	<u>92</u>
EXPENDITURES			
Transportation			
Capital Outlay	304	149	(155)
Total Expenditures	<u>304</u>	<u>149</u>	<u>(155)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(304)</u>	<u>(57)</u>	<u>247</u>
 Net Change in Fund Balance	 (304)	 (57)	 247
Fund Balance - Beginning	<u>304</u>	<u>-</u>	<u>(304)</u>
Fund Balance (Deficit) - Ending	<u>\$ -</u>	<u>\$ (57)</u>	<u>\$ (57)</u>

CITY OF KISSIMMEE, FLORIDA
BUDGETARY COMPARISON SCHEDULE
FOREST HEALTH - ARRA
For the Year Ended September 30, 2011
(In Thousands)

	<u>Budget</u>	<u>Actual Amounts</u>	<u>Variance with Budget - Over (Under)</u>
REVENUES			
Intergovernmental Revenues	\$ 16	\$ 16	\$ -
Total Revenues	<u>16</u>	<u>16</u>	<u>-</u>
EXPENDITURES			
Transportation			
Operating	9	9	-
Culture and Recreation			
Operating	<u>7</u>	<u>7</u>	<u>-</u>
Total Expenditures	<u>16</u>	<u>16</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	-	-	-
Fund Balance - Beginning	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF KISSIMMEE, FLORIDA
BUDGETARY COMPARISON SCHEDULE
KISSIMMEE MULTI-USE TRAIL
For the Year Ended September 30, 2011
(In Thousands)

	<u>Budget</u>	<u>Actual Amounts</u>	<u>Variance with Budget - Over (Under)</u>
REVENUES			
Intergovernmental Revenues	\$ 1,981	\$ 1,513	\$ (468)
Total Revenues	<u>1,981</u>	<u>1,513</u>	<u>(468)</u>
EXPENDITURES			
Transportation			
Capital Outlay	<u>1,981</u>	<u>1,699</u>	<u>(282)</u>
Total Expenditures	<u>1,981</u>	<u>1,699</u>	<u>(282)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>-</u>	<u>(186)</u>	<u>(186)</u>
 Net Change in Fund Balance	 -	 (186)	 (186)
Fund Balance - Beginning	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance (Deficit) - Ending	<u>\$ -</u>	<u>\$ (186)</u>	<u>\$ (186)</u>

CITY OF KISSIMMEE, FLORIDA
BUDGETARY COMPARISON SCHEDULE
POST DISASTER REDEVELOPMENT PLAN
For the Year Ended September 30, 2011
(In Thousands)

	<u>Budget</u>	<u>Actual Amounts</u>	<u>Variance with Budget - Over (Under)</u>
REVENUES			
Intergovernmental Revenues	\$ 60	\$ -	\$ (60)
Total Revenues	<u>60</u>	<u>-</u>	<u>(60)</u>
EXPENDITURES			
Transportation			
Operating	<u>60</u>	<u>25</u>	<u>(35)</u>
Total Expenditures	<u>60</u>	<u>25</u>	<u>(35)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>-</u>	<u>(25)</u>	<u>(25)</u>
 Net Change in Fund Balance	 -	 (25)	 (25)
Fund Balance - Beginning	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance (Deficit) - Ending	<u>\$ -</u>	<u>\$ (25)</u>	<u>\$ (25)</u>

CITY OF KISSIMMEE, FLORIDA
BUDGETARY COMPARISON SCHEDULE
DYER BOULEVARD PAVEMENT REHABILITATION
For the Year Ended September 30, 2011
(In Thousands)

	<u>Budget</u>	<u>Actual Amounts</u>	<u>Variance with Budget - Over (Under)</u>
REVENUES			
Intergovernmental Revenues	\$ -	\$ 90	\$ 90
Total Revenues	<u>-</u>	<u>90</u>	<u>90</u>
EXPENDITURES			
Transportation			
Operating	133	143	10
Total Expenditures	<u>133</u>	<u>143</u>	<u>10</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(133)</u>	<u>(53)</u>	<u>80</u>
OTHER FINANCING SOURCES			
Transfers In	29	29	-
Total Other Financing Sources	<u>29</u>	<u>29</u>	<u>-</u>
Net Change in Fund Balance	(104)	(24)	80
Fund Balance (Deficit) - Beginning	<u>104</u>	<u>(1)</u>	<u>(105)</u>
Fund Balance (Deficit) - Ending	<u>\$ -</u>	<u>\$ (25)</u>	<u>\$ (25)</u>

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CITY OF KISSIMMEE, FLORIDA
COMBINING BALANCE SHEET
NONMAJOR DEBT SERVICE FUNDS
September 30, 2011
(In Thousands)

	<u>FmHA Bond</u>	<u>2001A Revenue Note</u>	<u>2004 CRA Note</u>	<u>2006 Revenue Note</u>	<u>2009A Revenue Note</u>
ASSETS					
Cash and Cash Equivalents	\$ 42	\$ 302	\$ -	\$ 510	\$ -
Total Assets	<u>\$ 42</u>	<u>\$ 302</u>	<u>\$ -</u>	<u>\$ 510</u>	<u>\$ -</u>
LIABILITIES					
Accrued Interest Payable	\$ -	\$ 2	\$ -	\$ 150	\$ -
Bonds/Notes Payable - Current	-	300	-	360	-
Total Liabilities	<u>-</u>	<u>302</u>	<u>-</u>	<u>510</u>	<u>-</u>
FUND BALANCES					
Assigned for Debt Service	<u>42</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Fund Balances	<u>42</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Liabilities and Fund Balances	<u>\$ 42</u>	<u>\$ 302</u>	<u>\$ -</u>	<u>\$ 510</u>	<u>\$ -</u>

<u>2008 Revenue Note</u>	<u>2011B Capital Refunding Note</u>	<u>2010C Refunding Revenue Note</u>	<u>2010B Refunding Revenue Note</u>	<u>2010A Refunding Revenue Note</u>	<u>2011A Capital Refunding Note</u>	<u>Total Nonmajor Debt Service Funds</u>
\$ -	\$ 604	\$ 54	\$ 104	\$ 694	\$ 560	\$ 2,870
<u>\$ -</u>	<u>\$ 604</u>	<u>\$ 54</u>	<u>\$ 104</u>	<u>\$ 694</u>	<u>\$ 560</u>	<u>\$ 2,870</u>
\$ -	\$ 169	\$ 54	\$ 104	\$ 124	\$ 110	\$ 713
-	435	-	-	570	450	2,115
<u>-</u>	<u>604</u>	<u>54</u>	<u>104</u>	<u>694</u>	<u>560</u>	<u>2,828</u>
-	-	-	-	-	-	42
-	-	-	-	-	-	42
<u>\$ -</u>	<u>\$ 604</u>	<u>\$ 54</u>	<u>\$ 104</u>	<u>\$ 694</u>	<u>\$ 560</u>	<u>\$ 2,870</u>

CITY OF KISSIMMEE, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR DEBT SERVICE FUNDS
For the Year Ended September 30, 2011
(In Thousands)

	FmHA Bond	2011A Revenue Note	2004 CRA Note	2006 Revenue Note	2009A Revenue Note
REVENUES					
Investment Income	\$ -	\$ -	\$ -	\$ -	\$ -
Total Revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXPENDITURES					
Debt Service					
Principal Retirement	26	300	352	360	-
Interest and Fiscal Charges	18	3	35	300	79
Professional Fees	-	-	-	-	-
Total Expenditures	<u>44</u>	<u>303</u>	<u>387</u>	<u>660</u>	<u>79</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(44)</u>	<u>(303)</u>	<u>(387)</u>	<u>(660)</u>	<u>(79)</u>
OTHER FINANCING SOURCES AND (USES)					
Transfers In	41	303	387	660	9,158
Transfers (Out)	-	-	-	-	-
Issuance of Notes/Bonds/ Refunded Bonds Payable	-	-	-	-	-
Payment to Refunded Bonds Escrow Agent	-	-	-	-	(9,080)
Total Other Financing Sources And (Uses)	<u>41</u>	<u>303</u>	<u>387</u>	<u>660</u>	<u>78</u>
Net Change in Fund Balances	(3)	-	-	-	(1)
Fund Balances - Beginning	<u>45</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1</u>
Fund Balances - Ending	<u>\$ 42</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

<u>2008 Revenue Note</u>	<u>2011B Capital Refunding Note</u>	<u>2010C Refunding Revenue Note</u>	<u>2010B Refunding Revenue Note</u>	<u>2010A Refunding Revenue Note</u>	<u>2011A Capital Refunding Note</u>	<u>Total Nonmajor Debt Service Funds</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
-	435	-	-	570	450	2,493
37	169	94	143	253	138	1,269
-	53	-	-	-	53	106
<u>37</u>	<u>657</u>	<u>94</u>	<u>143</u>	<u>823</u>	<u>641</u>	<u>3,868</u>
(37)	(657)	(94)	(143)	(823)	(641)	(3,868)
7,057	606	94	143	823	641	19,913
-	(9,089)	-	-	-	-	(9,089)
-	9,140	-	-	-	-	9,140
<u>(7,020)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(16,100)</u>
<u>37</u>	<u>657</u>	<u>94</u>	<u>143</u>	<u>823</u>	<u>641</u>	<u>3,864</u>
-	-	-	-	-	-	(4)
-	-	-	-	-	-	46
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 42</u>

CITY OF KISSIMMEE, FLORIDA
BUDGETARY COMPARISON SCHEDULE
FmHA BOND
For the Year Ended September 30, 2011
(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	26	26	-
Interest and Fiscal Charges	<u>18</u>	<u>18</u>	<u>-</u>
Total Expenditures	<u>44</u>	<u>44</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(44)</u>	<u>(44)</u>	<u>-</u>
OTHER FINANCING SOURCES			
Transfers In	<u>44</u>	<u>41</u>	<u>(3)</u>
Total Other Financing Sources	<u>44</u>	<u>41</u>	<u>(3)</u>
Net Change in Fund Balance	-	(3)	(3)
Fund Balance - Beginning	<u>-</u>	<u>45</u>	<u>45</u>
Fund Balance - Ending	<u>\$ -</u>	<u>\$ 42</u>	<u>\$ 42</u>

CITY OF KISSIMMEE, FLORIDA
BUDGETARY COMPARISON SCHEDULE
2001A REVENUE NOTE
For the Year Ended September 30, 2011
(In Thousands)

	<u>Budget</u>	<u>Actual Amounts</u>	<u>Variance with Budget - Over (Under)</u>
REVENUES			
Investment Income	\$ 1	\$ -	\$ (1)
Total Revenues	<u>1</u>	<u>-</u>	<u>(1)</u>
EXPENDITURES			
Debt Service			
Principal Retirement	311	300	(11)
Interest and Fiscal Charges	-	3	3
Professional Fees	<u>9</u>	<u>-</u>	<u>(9)</u>
Total Expenditures	<u>320</u>	<u>303</u>	<u>(17)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(319)</u>	<u>(303)</u>	<u>16</u>
OTHER FINANCING SOURCES			
Transfers In	<u>319</u>	<u>303</u>	<u>(16)</u>
Total Other Financing Sources	<u>319</u>	<u>303</u>	<u>(16)</u>
Net Change in Fund Balance	-	-	-
Fund Balance - Beginning	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF KISSIMMEE, FLORIDA
BUDGETARY COMPARISON SCHEDULE
2004 CRA NOTE
For the Year Ended September 30, 2011
(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	-	352	352
Interest and Fiscal Charges	<u>412</u>	<u>35</u>	<u>(377)</u>
Total Expenditures	<u>412</u>	<u>387</u>	<u>(25)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(412)</u>	<u>(387)</u>	<u>25</u>
OTHER FINANCING SOURCES			
Transfers In	<u>412</u>	<u>387</u>	<u>(25)</u>
Total Other Financing Sources	<u>412</u>	<u>387</u>	<u>(25)</u>
Net Change in Fund Balance	-	-	-
Fund Balance - Beginning	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF KISSIMMEE, FLORIDA
BUDGETARY COMPARISON SCHEDULE
2006 REVENUE NOTE
For the Year Ended September 30, 2011
(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	360	360	-
Interest and Fiscal Charges	<u>300</u>	<u>300</u>	<u>-</u>
Total Expenditures	<u>660</u>	<u>660</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(660)</u>	<u>(660)</u>	<u>-</u>
OTHER FINANCING SOURCES			
Transfers In	<u>660</u>	<u>660</u>	<u>-</u>
Total Other Financing Sources	<u>660</u>	<u>660</u>	<u>-</u>
Net Change in Fund Balance	-	-	-
Fund Balance - Beginning	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF KISSIMMEE, FLORIDA
BUDGETARY COMPARISON SCHEDULE
2009A REVENUE NOTE
For the Year Ended September 30, 2011
(In Thousands)

	<u>Budget</u>	<u>Actual Amounts</u>	<u>Variance with Budget - Over (Under)</u>
REVENUES			
Investment Income	\$ -	\$ -	\$ -
Total Revenues	<u>-</u>	<u>-</u>	<u>-</u>
EXPENDITURES			
Debt Service			
Principal Retirement	785	-	(785)
Interest and Fiscal Charges	-	79	79
Professional Fees	9	-	(9)
Total Expenditures	<u>794</u>	<u>79</u>	<u>(715)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(794)</u>	<u>(79)</u>	<u>715</u>
OTHER FINANCING SOURCES AND (USES)			
Transfers In	794	9,158	8,364
Payment to Refunded Bonds Escrow Agent	-	(9,080)	9,080
Total Other Financing Sources And (Uses)	<u>794</u>	<u>78</u>	<u>(716)</u>
Net Change in Fund Balance	-	(1)	(1)
Fund Balance - Beginning	<u>-</u>	<u>1</u>	<u>1</u>
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF KISSIMMEE, FLORIDA
BUDGETARY COMPARISON SCHEDULE
2008 REVENUE NOTE
For the Year Ended September 30, 2011
(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	350	-	(350)
Interest and Fiscal Charges	105	37	(68)
Professional Fees	<u>3</u>	<u>-</u>	<u>(3)</u>
Total Expenditures	<u>458</u>	<u>37</u>	<u>(421)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(458)</u>	<u>(37)</u>	<u>421</u>
OTHER FINANCING SOURCES AND (USES)			
Transfers In	458	7,057	6,599
Payment to Refunded Bonds Escrow Agent	<u>-</u>	<u>(7,020)</u>	<u>7,020</u>
Total Other Financing Sources And (Uses)	<u>458</u>	<u>37</u>	<u>(421)</u>
Net Change in Fund Balance	-	-	-
Fund Balance - Beginning	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

	<u>Budget</u>	<u>Actual</u> <u>Amounts</u>	<u>Variance with</u> <u>Budget -</u> <u>Over (Under)</u>
REVENUES			
Investment Income	\$ -	\$ -	\$ -
Total Revenues	<u>-</u>	<u>-</u>	<u>-</u>
EXPENDITURES			
Debt service			
Principal Retirement	435	435	-
Interest and Fiscal Charges	169	169	-
Professional Fees	<u>53</u>	<u>53</u>	<u>-</u>
Total Expenditures	<u>657</u>	<u>657</u>	<u>-</u>
Excess (Deficiency) of Revenues			
Over (Under) Expenditures	<u>(657)</u>	<u>(657)</u>	<u>-</u>
OTHER FINANCING SOURCES AND (USES)			
Transfers In	606	606	-
Transfers (Out)	(9,089)	(9,089)	-
Issuance of Notes/Bonds/ Refunded Bonds Payable	<u>9,140</u>	<u>9,140</u>	<u>-</u>
Total Other Financing			
Sources and (Uses)	<u>657</u>	<u>657</u>	<u>-</u>
Net Change in Fund Balance	-	-	-
Fund Balance - Beginning	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF KISSIMMEE, FLORIDA
BUDGETARY COMPARISON SCHEDULE
2010C REFUNDING REVENUE NOTE
For the Year Ended September 30, 2011
(In Thousands)

	<u>Budget</u>	<u>Actual</u> <u>Amounts</u>	<u>Variance with</u> <u>Budget -</u> <u>Over (Under)</u>
REVENUES			
Investment Income	\$ -	\$ -	\$ -
Total Revenues	<u>-</u>	<u>-</u>	<u>-</u>
EXPENDITURES			
Debt Service			
Principal Retirement	230	-	(230)
Interest and Fiscal Charges	<u>120</u>	<u>94</u>	<u>(26)</u>
Total Expenditures	<u>350</u>	<u>94</u>	<u>(256)</u>
Excess (Deficiency) of Revenues			
Over (Under) Expenditures	<u>(350)</u>	<u>(94)</u>	<u>256</u>
OTHER FINANCING SOURCES			
Transfers In	<u>350</u>	<u>94</u>	<u>(256)</u>
Total Other Financing Sources	<u>350</u>	<u>94</u>	<u>(256)</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
2010B REFUNDING REVENUE NOTE
For the Year Ended September 30, 2011
(In Thousands)

	<u>Budget</u>	<u>Actual Amounts</u>	<u>Variance with Budget - Over (Under)</u>
REVENUES			
Investment Income	\$ -	\$ -	\$ -
Total Revenues	<u>-</u>	<u>-</u>	<u>-</u>
EXPENDITURES			
Debt Service			
Interest and Fiscal Charges	143	143	-
Total Expenditures	<u>143</u>	<u>143</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(143)</u>	<u>(143)</u>	<u>-</u>
OTHER FINANCING SOURCES			
Transfers In	143	143	-
Total Other Financing Sources	<u>143</u>	<u>143</u>	<u>-</u>
Net Change in Fund Balance	-	-	-
Fund Balance - Beginning	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF KISSIMMEE, FLORIDA
BUDGETARY COMPARISON SCHEDULE
2010A REFUNDING REVENUE NOTE
For the Year Ended September 30, 2011
(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	570	570	-
Interest and Fiscal Charges	<u>253</u>	<u>253</u>	<u>-</u>
Total Expenditures	<u>823</u>	<u>823</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(823)</u>	<u>(823)</u>	<u>-</u>
OTHER FINANCING SOURCES			
Transfers In	<u>823</u>	<u>823</u>	<u>-</u>
Total Other Financing Sources	<u>823</u>	<u>823</u>	<u>-</u>
Net Change in Fund Balance	-	-	-
Fund Balance - Beginning	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF KISSIMMEE, FLORIDA
COMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECTS FUNDS
September 30, 2011
(In Thousands)

	2010C Note Construction Project	2005 Capital Construction Note Project	Lakefront Sales Tax 2009A Capital Project Fund	Total Nonmajor Capital Projects Funds
ASSETS				
Restricted Assets				
Cash and Cash Equivalents	\$ 3,387	\$ 172	\$ 1,137	\$ 4,696
Total Restricted Assets	<u>\$ 3,387</u>	<u>\$ 172</u>	<u>\$ 1,137</u>	<u>\$ 4,696</u>
LIABILITIES				
Accounts Payable	\$ 27	\$ -	\$ 440	\$ 467
Total Liabilities	<u>27</u>	<u>-</u>	<u>440</u>	<u>467</u>
FUND BALANCES				
Restricted for Construction Projects	3,360	172	697	4,229
Total Fund Balances	<u>3,360</u>	<u>172</u>	<u>697</u>	<u>4,229</u>
Total Liabilities and Fund Balances	<u>\$ 3,387</u>	<u>\$ 172</u>	<u>\$ 1,137</u>	<u>\$ 4,696</u>

CITY OF KISSIMMEE, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR CAPITAL PROJECTS FUNDS
For the Year Ended September 30, 2011
(In Thousands)

	<u>2010C Note Construction Project</u>	<u>2005 Capital Construction Note Project</u>	<u>Lakefront Sales Tax 2009A Capital Project Fund</u>	<u>Total Nonmajor Capital Projects Funds</u>
REVENUES				
Investment Income	\$ 2	\$ 1	\$ 4	\$ 7
Total Revenues	<u>2</u>	<u>1</u>	<u>4</u>	<u>7</u>
EXPENDITURES				
General Government				
Operating	50	-	-	50
Capital Outlay	<u>592</u>	<u>94</u>	<u>4,387</u>	<u>5,073</u>
Total Expenditures	<u>642</u>	<u>94</u>	<u>4,387</u>	<u>5,123</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(640)</u>	<u>(93)</u>	<u>(4,383)</u>	<u>(5,116)</u>
OTHER FINANCING SOURCES				
Issuance of Notes/Bonds/ Refunded Bonds Payable	<u>4,000</u>	<u>-</u>	<u>-</u>	<u>4,000</u>
Total Other Financing Sources	<u>4,000</u>	<u>-</u>	<u>-</u>	<u>4,000</u>
Net Change in Fund Balances	3,360	(93)	(4,383)	(1,116)
Fund Balances - Beginning	<u>-</u>	<u>265</u>	<u>5,080</u>	<u>5,345</u>
Fund Balances - Ending	<u>\$ 3,360</u>	<u>\$ 172</u>	<u>\$ 697</u>	<u>\$ 4,229</u>

CITY OF KISSIMMEE, FLORIDA
BUDGETARY COMPARISON SCHEDULE
2010C NOTE CONSTRUCTION PROJECT
For the Year Ended September 30, 2011
(In Thousands)

	<u>Budget</u>	<u>Actual Amounts</u>	<u>Variance with Budget - Over (Under)</u>
REVENUES			
Investment Income	\$ -	\$ 2	\$ 2
Total Revenues	<u>-</u>	<u>2</u>	<u>2</u>
EXPENDITURES			
General Government			
Operating	51	50	(1)
Transportation			
Capital Outlay	<u>3,949</u>	<u>592</u>	<u>(3,357)</u>
Total Expenditures	<u>4,000</u>	<u>642</u>	<u>(3,358)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(4,000)</u>	<u>(640)</u>	<u>3,360</u>
OTHER FINANCING SOURCES			
Issuance of Notes Payable	<u>4,000</u>	<u>4,000</u>	<u>-</u>
Total Other Financing Sources	<u>4,000</u>	<u>4,000</u>	<u>-</u>
Net Change in Fund Balance	-	3,360	3,360
Fund Balance - Beginning	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance - Ending	<u>\$ -</u>	<u>\$ 3,360</u>	<u>\$ 3,360</u>

CITY OF KISSIMMEE, FLORIDA
BUDGETARY COMPARISON SCHEDULE
2005 CONSTRUCTION NOTE CAPITAL PROJECT
For the Year Ended September 30, 2011
(In Thousands)

	<u>Budget</u>	<u>Actual Amounts</u>	<u>Variance with Budget - Over (Under)</u>
REVENUES			
Investment Income	\$ -	\$ 1	\$ 1
Total Revenues	<u>-</u>	<u>1</u>	<u>1</u>
EXPENDITURES			
Public Safety			
Capital Outlay	265	94	(171)
Total Expenditures	<u>265</u>	<u>94</u>	<u>(171)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(265)</u>	<u>(93)</u>	<u>172</u>
 Net Change in Fund Balance	 (265)	 (93)	 172
Fund Balance - Beginning	<u>265</u>	<u>265</u>	<u>-</u>
Fund Balance - Ending	<u>\$ -</u>	<u>\$ 172</u>	<u>\$ 172</u>

CITY OF KISSIMMEE, FLORIDA
BUDGETARY COMPARISON SCHEDULE
LAKEFRONT SALES TAX 2009A CAPITAL PROJECT FUND
For the Year Ended September 30, 2011
(In Thousands)

	<u>Budget</u>	<u>Actual Amounts</u>	<u>Variance with Budget - Over (Under)</u>
REVENUES			
Investment Income	\$ -	\$ 4	\$ 4
Total Revenues	<u>-</u>	<u>4</u>	<u>4</u>
EXPENDITURES			
Culture and Recreation			
Capital Outlay	5,065	4,387	(678)
Total Expenditures	<u>5,065</u>	<u>4,387</u>	<u>(678)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(5,065)</u>	<u>(4,383)</u>	<u>682</u>
 Net Change in Fund Balance	 (5,065)	 (4,383)	 682
Fund Balance - Beginning	<u>5,065</u>	<u>5,080</u>	<u>15</u>
Fund Balance - Ending	<u>\$ -</u>	<u>\$ 697</u>	<u>\$ 697</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 ASSETS
INTERNAL SERVICE FUNDS
September 30, 2011
(In Thousands)

	Central Services	Health Insurance	Risk Management	Total
ASSETS				
Current Assets:				
Cash and Cash Equivalents	\$ 1,019	\$ -	\$ 5,309	\$ 6,328
Accounts Receivable (net)	249	-	-	249
Due From KUA	1	-	-	1
Due From TWA	101	259	131	491
Inventories	220	-	-	220
Total Current Assets	1,590	259	5,440	7,289
Capital Assets:				
Land	140	-	-	140
Buildings	59	-	-	59
Improvements Other Than Building	607	-	115	722
Machinery, Equipment and Vehicles	2,665	-	454	3,119
Less Accumulated Depreciation	(3,456)	-	(289)	(3,745)
Total Capital Assets	15	-	280	295
Total Assets	1,605	259	5,720	7,584
LIABILITIES				
Current Liabilities:				
Accounts Payable	247	224	19	490
Accrued Liabilities	58	-	-	58
Compensated Absences Payable	31	-	-	31
Estimated Claims Payable	-	306	1,540	1,846
Total Current Liabilities	336	530	1,559	2,425
Noncurrent Liabilities:				
Compensated Absences Payable	71	-	-	71
Other Postemployment Benefits	135	-	-	135
Estimated Claims Payable	-	306	1,541	1,847
Total Noncurrent Liabilities	206	306	1,541	2,053
Total Liabilities	542	836	3,100	4,478
NET ASSETS				
Invested in Capital Assets	15	-	280	295
Unrestricted	1,048	(577)	2,340	2,811
Total Net Assets (Deficit)	\$ 1,063	\$ (577)	\$ 2,620	\$ 3,106

CITY OF KISSIMMEE, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
INTERNAL SERVICE FUNDS
For The Year Ended September 30, 2011
(In Thousands)

	<u>Central Services</u>	<u>Health Insurance</u>	<u>Risk Management</u>	<u>Total</u>
Operating Revenues:				
Charges for Services	\$ 4,189	\$ 4,592	\$ 1,773	\$ 10,554
Miscellaneous Revenues	118	-	4	122
Total Operating Revenues	<u>4,307</u>	<u>4,592</u>	<u>1,777</u>	<u>10,676</u>
Operating Expenses:				
Personal Services	1,953	-	48	2,001
Contracted Services	4	500	36	540
Supplies and Materials	156	-	14	170
Repairs and Maintenance	1,129	-	307	1,436
Other Services and Charges	382	-	172	554
Depreciation	119	-	29	148
Claims/Premium Expense	55	4,669	1,720	6,444
Total Operating Expenses	<u>3,798</u>	<u>5,169</u>	<u>2,326</u>	<u>11,293</u>
Operating Income (Loss)	<u>509</u>	<u>(577)</u>	<u>(549)</u>	<u>(617)</u>
Nonoperating Revenues:				
Investment Income	5	-	9	14
Proceeds from Sale of Capital Assets	8	-	-	8
Insurance Recoveries	-	-	120	120
Total Nonoperating Revenues	<u>13</u>	<u>-</u>	<u>129</u>	<u>142</u>
Income Before Transfers	<u>522</u>	<u>(577)</u>	<u>(420)</u>	<u>(475)</u>
Change in Net Assets	522	(577)	(420)	(475)
Total Net Assets - Beginning	<u>541</u>	<u>-</u>	<u>3,040</u>	<u>3,581</u>
Total Net Assets (Deficit) - Ending	<u>\$ 1,063</u>	<u>\$ (577)</u>	<u>\$ 2,620</u>	<u>\$ 3,106</u>

CITY OF KISSIMMEE, FLORIDA
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
For The Year Ended September 30, 2011
(In Thousands)

	Central Services	Health Insurance	Risk Management	Total
Cash Flows from Operating Activities				
Receipts from Customers and Users	\$ 4,063	\$ 4,333	\$ 1,739	\$ 10,135
Payments to Suppliers	(1,711)	(4,333)	(2,256)	(8,300)
Payments to Employees	(1,957)	-	(48)	(2,005)
Net Cash Provided (Used) by Operating Activities	<u>395</u>	<u>-</u>	<u>(565)</u>	<u>(170)</u>
Cash Flows from Capital and Related Financing Activities				
Acquisition/Construction of Capital Assets	(134)	-	9	(125)
Proceeds from Sales of Capital Assets	8	-	-	8
Proceeds from Insurance Recoveries	-	-	120	120
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(126)</u>	<u>-</u>	<u>129</u>	<u>3</u>
Cash Flows from Investing Activities				
Proceeds from sale and maturity of investments	11	-	86	97
Gain on Investments	5	-	9	14
Net Cash Provided by Investing Activities	<u>16</u>	<u>-</u>	<u>95</u>	<u>111</u>
Net Increase (Decrease) in Cash and Cash Equivalents	<u>285</u>	<u>-</u>	<u>(341)</u>	<u>(56)</u>
Cash and Cash Equivalents at Beginning of Year	<u>734</u>	<u>-</u>	<u>5,650</u>	<u>6,384</u>
Cash and Cash Equivalents at End of Year	<u>\$ 1,019</u>	<u>\$ -</u>	<u>\$ 5,309</u>	<u>\$ 6,328</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities				
Operating Income (Loss)	\$ 509	\$ (577)	\$ (549)	\$ (617)
Depreciation	119	-	29	148
Change in Assets and Liabilities:				
(Increase) Decrease in Due from KUA	3	-	-	3
(Increase) Decrease in Due from TWA	(30)	(259)	(38)	(327)
(Increase) Decrease in Accounts Receivable	(247)	-	-	(247)
(Increase) Decrease in Inventories	(75)	-	-	(75)
Increase (Decrease) in Accounts Payable	104	224	(7)	321
Increase (Decrease) in Claims Payable	-	612	-	612
Increase (Decrease) in OPEB	34	-	-	34
Increase (Decrease) in Compensated Absences	(22)	-	-	(22)
Total Adjustments	<u>(114)</u>	<u>577</u>	<u>(16)</u>	<u>447</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ 395</u>	<u>\$ -</u>	<u>\$ (565)</u>	<u>\$ (170)</u>

There are no noncash investing, capital, and financing activities.

City of Kissimmee, Florida
Statistical Section
September 30, 2011

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. The City implemented GASB Statement 34 in 2003; schedules presenting government-wide information include information beginning in that year.

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Schedule 1
City of Kissimmee, Florida

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

Last Nine Fiscal Years

	2003	2004	2005	2006	2007	2008	2009	2010	2011
<u>Governmental activities</u>									
Invested in capital assets, net of related debt	\$ 66,828	\$ 75,368	\$ 81,187	\$ 73,416	\$ 96,296	\$ 110,615	\$ 118,647	\$ 124,615	\$ 127,332
Restricted	17,339	13,170	15,706	19,106	10,346	15,367	14,939	14,574	16,573
Unrestricted	16,173	19,389	19,132	16,778	8,424	16,184	11,698	12,385	12,589
Total governmental activities net assets	<u>\$100,340</u>	<u>\$107,927</u>	<u>\$116,025</u>	<u>\$109,300</u>	<u>\$115,066</u>	<u>\$142,166</u>	<u>\$145,284</u>	<u>\$151,574</u>	<u>\$156,494</u>
<u>Business-type activities</u>									
Invested in capital assets, net of related debt	\$216,663	\$ 14,409	\$ 17,558	\$ 18,391	\$ 24,381	\$ 27,711	\$ 30,631	\$ 30,997	\$ 31,091
Restricted	3	-	-	-	740	685	705	86	101
Unrestricted	71,104	1,955	2,203	2,307	1,040	3,130	3,173	4,564	4,896
Total business-type activities net assets	<u>\$287,770</u>	<u>\$ 16,364</u>	<u>\$ 19,761</u>	<u>\$ 20,698</u>	<u>\$ 26,161</u>	<u>\$ 31,526</u>	<u>\$ 34,509</u>	<u>\$ 35,647</u>	<u>\$ 36,088</u>
<u>Primary government</u>									
Invested in capital assets, net of related debt	\$283,491	\$ 89,777	\$ 98,745	\$ 91,807	\$120,677	\$138,326	\$149,278	\$155,612	\$158,423
Restricted	17,342	13,170	15,706	19,106	11,086	16,052	15,644	14,660	16,674
Unrestricted	87,277	21,344	21,335	19,085	9,464	19,314	14,871	16,949	17,485
Total primary government net assets	<u>\$388,110</u>	<u>\$124,291</u>	<u>\$135,786</u>	<u>\$129,998</u>	<u>\$141,227</u>	<u>\$173,692</u>	<u>\$179,793</u>	<u>\$187,221</u>	<u>\$192,582</u>

Schedule 2
City of Kissimmee, Florida

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

Last Nine Fiscal Years

	2003	2004	2005	2006	2007	2008	2009	2010	2011
Expenses									
Governmental activities:									
General government	\$ 13,752	\$ 16,486	\$ 18,949	\$ 19,755	\$ 25,795	\$ 24,294	\$ 24,965	\$ 27,460	\$ 29,095
Public safety	18,983	20,699	25,344	33,942	29,623	30,949	31,839	27,219	30,980
Physical environment	400	2,028	2,531	1,989	1,500	82	-	2,912	-
Transportation	7,284	9,783	6,317	5,948	370	2,724	5,841	7,040	6,966
Economic environment	9	24	11	-	1,663	2,663	1,251	3,178	1,939
Culture/Recreation	5,411	5,246	5,830	6,339	6,840	8,162	6,524	6,031	4,778
Interest on long-term debt	912	1,144	1,352	558	1,572	1,531	1,261	1,259	1,307
Total governmental activities expenses	\$ 46,751	\$ 55,410	\$ 60,334	\$ 68,531	\$ 67,363	\$ 70,405	\$ 71,681	\$ 75,099	\$ 75,065
Business-type activities:									
Water resources	\$ 25,270	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Stormwater	-	-	1,721	1,992	3,771	2,805	3,180	3,030	3,085
Airport	744	558	707	781	887	967	1,031	1,009	1,060
Solid waste	2,497	3,106	2,938	3,321	2,221	3,827	3,739	3,506	3,856
Total business-type activities expenses	\$ 28,511	\$ 3,664	\$ 5,366	\$ 6,094	\$ 6,879	\$ 7,599	\$ 7,950	\$ 7,545	\$ 8,001
Total primary government net expenses	\$ 75,262	\$ 59,074	\$ 65,700	\$ 74,625	\$ 74,242	\$ 78,004	\$ 79,631	\$ 82,644	\$ 83,066
Program revenues									
Governmental activities:									
Charges for services - general government	\$ 2,417	\$ 2,195	\$ 5,913	\$ 6,304	\$ 15,532	\$ 13,384	\$ 12,039	\$ 12,176	\$ 16,193
Charges for services - public safety	3,293	3,595	5,018	6,195	4,282	5,653	7,892	8,062	7,587
Charges for services - all other functions	9,596	12,690	3,106	1,777	4,606	2,746	2,043	2,392	2,431
Operating grants and contributions	200	5,905	3,053	971	2,839	2,592	1,069	3,614	1,016
Capital grants and contributions	2,247	2,880	1,468	2,493	3,227	2,299	1,744	3,593	4,790
Total governmental activities program revenues	\$ 17,753	\$ 27,265	\$ 18,558	\$ 17,740	\$ 30,486	\$ 26,674	\$ 24,787	\$ 29,837	\$ 32,017
Business-type activities:									
Charges for services - stormwater	\$ -	\$ -	\$ 1,238	\$ 1,852	\$ 2,175	\$ 3,317	\$ 3,535	\$ 3,602	\$ 3,701
Charges for services - airport	668	746	743	858	859	890	899	859	856
Charges for services - solid waste	2,484	2,501	3,163	3,230	3,669	3,772	3,963	3,724	3,928
Charges for services - water resources	28,559	-	-	-	-	-	-	-	-
Operating grants and contributions	-	-	-	25	-	-	-	-	-
Capital grants and contributions	30,498	1,849	3,007	1,860	4,811	4,164	2,687	665	289
Total business-type activities program revenues	\$ 62,209	\$ 5,096	\$ 8,151	\$ 7,825	\$ 11,514	\$ 12,143	\$ 11,084	\$ 8,850	\$ 8,774
Total primary government program revenues	\$ 79,962	\$ 32,361	\$ 26,709	\$ 25,565	\$ 42,000	\$ 38,817	\$ 35,871	\$ 38,687	\$ 40,791
Net (expense) / revenue									
Governmental activities	\$ (28,998)	\$ (28,145)	\$ (41,776)	\$ (50,791)	\$ (36,877)	\$ (43,731)	\$ (46,894)	\$ (45,262)	\$ (43,048)
Business-type activities	33,698	1,432	2,785	1,731	4,635	4,544	3,134	1,305	773
Total primary government net expense	\$ 4,700	\$ (26,713)	\$ (38,991)	\$ (49,060)	\$ (32,242)	\$ (39,187)	\$ (43,760)	\$ (43,957)	\$ (42,275)

Continued next page

Schedule 2
City of Kissimmee, Florida

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

Last Nine Fiscal Years

	2003	2004	2005	2006	2007	2008	2009	2010	2011
General revenues and other									
changes in net assets									
Governmental activities:									
Property tax	\$ 7,673	\$ 8,410	\$ 9,542	\$ 14,480	\$ 19,219	\$ 15,405	\$ 15,174	\$ 15,818	\$ 12,175
Sales tax	8,972	9,663	11,139	10,759	10,015	9,992	8,381	8,473	8,832
Public service tax	5,271	4,939	5,795	6,105	6,297	6,490	6,403	6,439	5,755
Gas tax	1,909	2,106	2,583	2,697	2,656	2,430	2,428	2,375	2,284
State revenue sharing	1,315	1,433	1,941	1,890	1,851	1,708	1,518	1,521	1,597
Other taxes	-	-	-	-	-	1,273	1,192	1,274	2,069
Franchise fees ⁽¹⁾	105	97	89	77	-	-	144	143	142
Unrestricted intergovernmental revenues	4,089	4,151	13,363	14,043	13,670	13,610	13,317	13,670	13,264
Investment income (loss)	250	4,301	2,416	(1,464)	(11,504)	18,744	292	180	90
Miscellaneous revenues	256	632	3,618	1,920	1,519	951	990	1,151	1,420
Gain on sale of capital assets	-	-	-	-	-	-	-	328	-
Transfers in (out)	3,165	-	(612)	429	(1,080)	228	173	180	340
Total governmental activities	\$ 33,005	\$ 35,732	\$ 49,874	\$ 50,936	\$ 42,643	\$ 70,831	\$ 50,012	\$ 51,552	\$ 47,968
Business-type activities:									
Investment income (loss)	\$ 922	\$ 177	\$ -	\$ 56	\$ (252)	\$ 1,049	\$ 22	\$ 13	\$ 8
Gain on sale of capital assets	7,732	-	-	-	-	-	-	-	-
Transfers in (out)	(3,165)	-	612	(429)	1,080	(228)	(173)	(180)	(340)
Total business-type activities	\$ 5,489	\$ 177	\$ 612	\$ (373)	\$ 828	\$ 821	\$ (151)	\$ (167)	\$ (332)
Total primary government	\$ 38,494	\$ 35,909	\$ 50,486	\$ 50,563	\$ 43,471	\$ 71,652	\$ 49,861	\$ 51,385	\$ 47,636
Change in net assets									
Governmental activities	\$ 4,007	\$ 7,587	\$ 8,098	\$ 145	\$ 5,766	\$ 27,100	\$ 3,118	\$ 6,290	\$ 4,920
Business-type activities	39,187	1,609	3,397	1,358	5,463	5,365	2,983	1,138	441
Total	\$ 43,194	\$ 9,196	\$ 11,495	\$ 1,503	\$ 11,229	\$ 32,465	\$ 6,101	\$ 7,428	\$ 5,361

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

**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

	2002	2003	2004	2005	2006	2007
<u>General fund</u>						
Reserved	\$ 726	\$ 6	\$ 27	\$ 299	\$ 60	\$ 318
Unreserved	15,087	13,652	7,818	12,564	10,998	9,867
Nonspendable	-	-	-	-	-	-
Restricted	-	-	-	-	-	-
Assigned	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-
Total general fund	<u>\$ 15,813</u>	<u>\$ 13,658</u>	<u>\$ 7,845</u>	<u>\$ 12,863</u>	<u>\$ 11,058</u>	<u>\$ 10,185</u>
<u>All other governmental funds</u>						
Reserved	\$ 1,018	\$ 1,441	\$ 1,196	\$ 590	\$ 22,552	\$ 17,140
Unreserved (deficit), reported in:						
Special revenue funds	17,019	7,090	103	19	(1,167)	(1,868)
Debt service funds	-	-	-	(24)	(85)	-
Capital projects funds	2,066	1,815	400	351	(126)	(120)
Nonspendable	-	-	-	-	-	-
Restricted	-	-	-	-	-	-
Assigned	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-
Total all other governmental funds	<u>\$ 20,103</u>	<u>\$ 10,346</u>	<u>\$ 1,699</u>	<u>\$ 936</u>	<u>\$ 21,174</u>	<u>\$ 15,152</u>
Total fund balances all governmental funds	<u>\$ 35,916</u>	<u>\$ 24,004</u>	<u>\$ 9,544</u>	<u>\$ 13,799</u>	<u>\$ 32,232</u>	<u>\$ 25,337</u>

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

2008	2009	2010	2011
\$ 217	\$ 186	\$ -	\$ -
13,567	13,240	-	-
-	-	153	167
-	-	1,235	894
-	-	2,373	961
-	-	14,588	16,307
<u>\$ 13,784</u>	<u>\$ 13,426</u>	<u>\$ 18,349</u>	<u>\$ 18,329</u>
\$ 19,592	\$ 17,773	\$ -	\$ -
1,055	(1,831)	-	-
(32)	-	-	-
(690)	(1,531)	-	-
-	-	655	678
-	-	18,498	25,421
-	-	46	1,354
-	-	(4,762)	(3,712)
<u>\$ 19,925</u>	<u>\$ 14,411</u>	<u>\$ 14,437</u>	<u>\$ 23,741</u>
\$ 33,709	\$ 27,837	\$ 32,786	\$ 42,070

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

	2002	2003	2004	2005	2006	2007
Revenues						
Taxes	\$ 18,984	\$ 20,342	\$ 21,358	\$ 24,912	\$ 29,602	\$ 34,022
Special assessments ¹	47	256	243	608	164	108
Impact fees ¹	484	1,238	1,262	995	856	2,665
Permits and fees	936	1,249	1,476	1,399	982	1,155
Intergovernmental revenues	14,032	17,499	22,374	31,921	28,135	32,874
Charges for services	4,441	5,014	4,875	6,245	6,919	6,831
Fines and forfeitures	961	736	754	604	1,191	616
Investment income (loss)	-	245	3,840	2,015	(1,465)	(10,299)
Miscellaneous revenues	1,797	376	632	726	1,088	1,041
Total revenues	\$ 41,682	\$ 46,955	\$ 56,814	\$ 69,425	\$ 67,472	\$ 69,013
Expenditures						
General government	\$ 9,286	\$ 14,695	\$ 13,477	\$ 13,524	\$ 16,499	\$ 18,373
Public safety	18,741	19,617	24,106	25,687	30,163	32,893
Physical environment	-	400	2,028	2,531	1,893	789
Transportation	7,402	9,913	13,782	9,763	13,099	12,420
Economic environment	582	9	24	11	-	1,663
Culture/Recreation	5,715	5,887	6,995	7,425	6,568	7,917
Debt service:						
Principal retirement	2,564	2,812	2,588	2,279	1,764	2,207
Interest and fiscal charges	-	1,011	1,242	1,271	1,133	1,576
Capital Outlay	-	67	77	897	-	10,019
Total expenditures	\$ 44,290	\$ 54,411	\$ 64,319	\$ 63,388	\$ 71,119	\$ 87,857
Excess of revenues over (under) expenditures	\$ (2,608)	\$ (7,456)	\$ (7,505)	\$ 6,037	\$ (3,647)	\$ (18,844)
Other financing sources (uses)						
Transfers in	\$ 16,310	\$ 13,876	\$ -	\$ 10,191	\$ 12,074	\$ 16,337
Operating transfers to/from primary govt	(13,575)	-	-	-	-	-
Transfers (out)	-	(10,699)	-	(10,803)	(12,874)	(17,412)
Proceeds from sale of capital assets	-	-	-	-	-	-
Issuance of notes payable	-	-	-	927	10,570	12,750
Issuance of capital lease	-	-	-	-	708	274
Payment to bond escrow agent	-	-	-	-	-	-
Payment for current redemption	-	-	-	-	-	-
Total other financing sources (uses)	\$ 2,735	\$ 3,177	\$ -	\$ 315	\$ 10,478	\$ 11,949
Net change in fund balances	\$ 127	\$ (4,279)	\$ (7,505)	\$ 6,352	\$ 6,831	\$ (6,895)
Debt service as a percentage of non-capital expenditures	11.5%	8.7%	7.3%	6.7%	5.1%	6.2%

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

	2008	2009	2010	2011
\$	31,453	\$ 29,005	\$ 29,789	\$ 25,621
	220	-	-	-
	870	-	-	-
	2,299	4,912	4,053	4,523
	29,431	26,779	31,040	31,885
	5,154	4,676	5,966	5,820
	653	962	1,860	808
	15,701	243	158	76
	931	838	765	1,363
\$	86,712	\$ 67,415	\$ 73,631	\$ 70,096
\$	17,197	\$ 18,929	\$ 18,095	\$ 16,765
	32,966	30,181	30,072	29,637
	82	-	2,912	-
	11,329	8,494	7,646	9,353
	2,223	1,047	2,789	1,735
	8,837	7,839	6,922	5,592
	2,316	2,868	3,144	2,562
	1,531	1,261	1,356	1,413
	2,534	3,436	8,038	6,210
\$	79,015	\$ 74,055	\$ 80,974	\$ 73,267
\$	7,697	\$ (6,640)	\$ (7,343)	\$ (3,171)
\$	14,458	\$ 17,479	\$ 42,071	\$ 30,961
	-	-	-	-
	(14,230)	(17,306)	(40,241)	(30,621)
	-	-	780	-
	316	595	26,492	28,215
	131	-	-	-
	-	-	(9,455)	(16,100)
	-	-	(7,355)	-
\$	675	\$ 768	\$ 12,292	\$ 12,455
\$	8,372	\$ (5,872)	\$ 4,949	\$ 9,284
	6.7%	6.9%	7.2%	6.8%

**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		
2002	\$ 1,921,562	\$ 437,878	\$ 2,359,440	\$ 728,200	\$ 1,631,240
2003	2,095,599	275,271	2,370,870	609,903	1,760,967
2004	2,244,433	292,546	2,536,979	622,230	1,914,749
2005	2,540,529	299,735	2,840,264	709,296	2,130,968
2006	2,992,078	422,169	3,414,247	924,602	2,489,645
2007	4,074,328	242,664	4,316,992	1,023,075	3,293,917
2008	5,071,750	255,499	5,327,249	1,533,362	3,793,887
2009	4,033,942	255,761	4,289,703	1,164,792	3,124,911
2010	3,018,690	231,486	3,250,176	848,389	2,401,787
2011	2,929,816	223,338	3,153,154	938,780	2,214,374

Source: Osceola County Property Appraiser's Office.

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

Total Direct Tax Rate	Estimated Actual Taxable Value	Assessed Value as a Percentage of Actual Value
4.2953	\$ 1,631,240	144.641%
4.2953	1,760,967	134.635%
4.2953	1,914,749	132.497%
4.2953	2,130,968	133.285%
5.5453	2,489,645	137.138%
5.5453	3,293,917	131.060%
3.7058	3,793,887	140.417%
3.7058	3,124,911	137.274%
4.6253	2,401,787	135.323%
4.6253	2,214,374	142.395%

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**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			
2002	4.295	5.995	0.500	8.871	0.413	0.284	20.358
2003	4.295	5.995	0.500	8.812	0.413	0.284	20.299
2004	4.295	5.995	0.500	8.798	0.413	0.284	20.285
2005	4.295	5.995	0.500	8.514	0.413	0.284	20.001
2006	5.545	5.995	0.500	8.367	0.413	0.284	21.104
2007	5.545	5.995	0.500	8.251	0.413	0.284	20.988
2008	3.705	4.982	0.415	7.772	0.369	0.255	17.498
2009	3.705	5.358	0.377	7.513	0.369	0.255	17.577
2010	4.625	6.700	0.256	7.663	0.369	0.255	19.868
2011	4.625	6.700	0.257	7.600	0.369	0.255	19.806

Source: Osceola County Tax Collector's Office.

**Schedule 7
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 2010 / 2011 (a)		
			Taxable Value	Percent of Total Taxable Value	Rank
Local hospital	Medical care	Osceola Regional Hospital, Inc.	\$ 86,109	30.70%	1
Retail store	Merchandising	Loop West LLC	31,510	11.23%	2
Condominiums	Timeshare sales	Oak Plantation Realty Partners	30,720	10.95%	3
Apartment complex	Rentals	G&I VI Vinyards LLC	28,232	10.07%	4
Retail store	Merchandising	Wal-Mart Stores, Inc.	26,785	9.55%	5
Retail store	Communications	Embarq (Sprint) Florida, Inc.	16,127	5.75%	6
Apartment complex	Rentals	Reef Club Apartments	15,343	5.47%	7
Apartment complex	Rentals	Alliance HTFL Ltd Partnership	15,302	5.46%	8
Apartment complex	Rentals	MPG Osceola Ltd.	15,239	5.43%	9
Apartment complex	Rentals	Fountainhead Phase 1, Inc.	15,096	5.38%	10
Apartment complex	Rentals	United Dominion Realty	-	-	-
Commercial property	Office rentals	John H. Streicker, Trustee	-	-	-
Apartment complex	Rentals	Tropical Isle LTD	-	-	-
Apartment complex	Rentals	Hideway Bay Apartments, Inc.	-	-	-
Apartment complex	Rentals	Kissimmee Osceola Land Assoc	-	-	-
Totals			<u>\$ 280,463</u>	<u>100.00%</u>	

(a) The fiscal year ended September 30, 2011 tax levy is based on the 2010 taxable value.
(b) The fiscal year ended September 30, 2002 tax levy is based on the 2001 taxable value.

Source: Osceola County Property Appraiser's Office.

Fiscal Year 2001 / 2002 (b)			
	Taxable Value	Percent of Total Taxable Value	Rank
\$	40,780	16.05%	2
	-	-	
	44,569	17.54%	1
	-	-	
	33,165	13.05%	4
	35,627	14.02%	3
	-	-	
	-	-	
	-	-	
	19,526	7.68%	6
	22,802	8.97%	5
	15,145	5.96%	7
	15,055	5.93%	8
	14,172	5.58%	9
	13,246	5.21%	10
\$	254,087	100.00%	

Schedule 8

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>
2002	\$ 7,007	\$ 6,728	96.0%	\$ 16	\$ 6,744	96.2%
2003	7,564	7,201	95.2%	6	7,207	95.3%
2004	8,224	7,874	95.7%	26	7,900	96.1%
2005	9,588	8,845	92.3%	20	8,865	92.5%
2006	13,687	13,234	96.7%	6	13,240	96.7%
2007	18,269	16,692	91.4%	861	17,553	96.1%
2008	14,259	13,891	97.4%	119	14,010	98.3%
2009	17,442	17,224	98.8%	167	17,391	99.7%
2010	17,094	16,601	97.1%	204	16,805	98.3%
2011	14,155	13,580	95.9%	93	13,673	96.6%

Source: Osceola County Tax Collector's Office.

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		Total Primary Government	City of Kissimmee Personal Income	Percentage of Personal Income	Per Capita
	Excise Tax Revenue Bonds	Sales Tax Revenue Notes				
2002	\$ 538	\$ 10,844	\$ 11,382	\$ 1,016,705	1.1%	\$ 0.22
2003	520	3,639	4,159	1,064,739	0.4%	0.08
2004	501	6,390	6,891	1,162,419	0.6%	0.12
2005	482	4,900	5,382	1,248,029	0.4%	0.09
2006	462	14,008	14,470	1,330,024	1.1%	0.24
2007	441	15,224	15,665	1,411,023	1.1%	0.25
2008	417	12,708	13,125	1,467,894	0.9%	0.21
2009	394	11,466	11,860	1,463,350	0.8%	0.19
2010	369	18,880	19,249	1,272,818	1.5%	0.31
2011	342	25,635	25,977	1,253,989	2.1%	0.43

Sources: Population and personal income data from University of Florida, Bureau of Economic and Business Research published August 2011.
For the 2007 year, per capita income was calculated using an estimated 3% annual increase for CPI. For the 2008 year CPI increase was 1.81%.

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.

Schedule 10
City of Kissimmee, Florida

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

September 30, 2011

Taxing District	Net Debt Outstanding	Estimated Overlapping (1)	City's Share of Debt
Osceola County School District			
Series 2002A, dated 4/15/2002	\$ 580	15.4%	\$ 89
Series 2003A	1,435	15.4%	221
Series 2004A	1,175	15.4%	181
Series 2005A	6,095	15.4%	940
Series 2006A	1,550	15.4%	239
Series 2009ARFD	715	15.4%	110
Series 2010A	1,205	15.4%	186
District Revenue Bonds			
Sales Tax Revenue Bonds, Series 2007	72,385	15.4%	11,164
Certificates of Participation			
Series 2002A dated 4/1/2002	475	15.4%	73
Series 2004A	65,065	15.4%	10,035
Series 2005A	10,880	15.4%	1,678
Series 2007A and Series 2007B	61,870	15.4%	9,543
Series 2009A	30,915	15.4%	4,768
Qualified School Construction Bonds			
Series 2010A	40,500	15.4%	6,247
Classrooms First Loans			
Indian River County dated 7/1/2002	3,802	15.4%	586
Collier County dated 7/1/2002	14,337	15.4%	2,211
Education Benefits Districts			
Bellalago Benefit District	9,715	15.4%	1,498
Total Osceola County School District (1)	<u>\$ 322,699</u>	15.4%	<u>\$ 49,772</u>
Osceola County			
Limited General Obligation Debt, Series 2006	\$ 13,570	15.4%	\$ 2,093
Environmental Land, Series 2010	24,295	15.4%	3,747
Total Osceola County	<u>\$ 37,865</u>	15.4%	<u>\$ 5,840</u>
 Total Overlapping Debt	 <u>\$ 360,564</u>		 <u>\$ 55,612</u>

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

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

(1) Excludes capital leases, installment purchases, compensated absences, and estimated insurance.

(2) 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	
2002	\$ 282	\$ 18	\$ 28	6.13	\$ 5,180	\$ 2,259	\$ 582	1.82		
2003	227	19	27	4.93	5,384	2,149	145	2.35		
2004	145	19	26	3.22	5,807	-	233	24.92		
2005	263	20	25	5.84	6,903	930	213	6.04		
2006	200	21	24	4.44	6,243	934	189	5.56		
2007	243	23	22	5.40	5,851	1,528	620	2.72		
2008	203	24	21	4.51	5,790	1,493	520	2.88		
2009	168	25	20	3.73	4,832	1,460	553	2.40		
2010	177	26	18	4.02	4,980	1,336	533	2.66		
2011	200	26	18	4.55	4,385	1,305	575	2.33		

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>
2002	50,978	\$19,944	\$1,016,705	37,875	6.3%
2003	52,749	20,185	1,064,739	40,659	6.2%
2004	55,856	20,811	1,162,419	44,412	5.5%
2005	58,223	21,435	1,248,029	47,321	3.7%
2006	60,241	22,078	1,330,024	49,677	3.3%
2007	62,048	22,741	1,411,023	53,335	4.0%
2008	62,669	23,423	1,467,894	51,368	6.5%
2009	61,250	23,891	1,463,350	51,266	11.6%
2010	61,202	20,797	1,272,818	53,140	11.9%
2011	60,375	20,770	1,253,989	54,167	10.3%

- 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 3)
http://www.osceola.k12.fl.us/Demographics/PDF/District_Level.pdf
- (4) Florida Agency for Workforce Innovation, Labor Market Statistics, Local Area Unemployment Statistics Program, in cooperation with the U.S. Department of Labor, Bureau of Labor Statistics. Orlando-Kissimmee (Lake, Orange, Osceola & Seminole)
<http://www.labormarketinfo.com/library/laus/MSAs/LFSoc2.xls>

**Schedule 13
City of Kissimmee, Florida**

PRINCIPAL EMPLOYERS ¹

Current Year and Nine Years Ago

Employer	Business	Fiscal Year 2010 / 2011 (1)			Fiscal Year 2001 / 2002 (2)		
		Employees	Percent of Total City Employment	Rank	Employees	Percent of Total City Employment	Rank
Osceola County School District	Education	6,425	10.64%	1	2,700	4.82%	1
Walt Disney Company	Entertainment	3,700	6.13%	2	-		
Walmart	Retail	2,730	4.52%	3	-		
Gaylord Palms	Resort	1,445	2.39%	4	1,400	2.50%	2
Osceola County Government	Government	1,604	2.66%	5	-		
Osceola Regional Medical Center	Healthcare	1,357	2.25%	6	1,159	2.07%	3
Publix Supermarkets	Retail	1,350	2.24%	7	-		
Florida Hospital -Celebration	Healthcare	1,300	2.15%	8	794	1.42%	4
McLane/Suneast, Inc.	Distribution	900	1.49%	9	-		
City of Kissimmee	Government	<u>646</u>	1.07%	10	<u>-</u>		
Total		<u><u>21,457</u></u>			<u><u>6,053</u></u>		

Sources: (1) Osceola County Office of Economic Development

(2) Earliest Data Available for Fiscal Year 2001/2002. Only the top five employers could be determined with available data.

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

**Schedule 14
City of Kissimmee, Florida**

FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION / PROGRAM

Last Ten Fiscal Years

	Full-time Equivalent Employees as of September 30					
	2002	2003	2004	2005	2006	2007
<u>General government</u>						
Central Services	38	38	39	38	38	39
City Attorney	3	3	3	3	3	3
City Commission	5	5	5	5	5	5
City Manager	17	15	18	17	16	16
Finance	12	12	12	12	12	10
Personnel	10	10	7	8	8	8
<u>Public safety</u>						
Fire	72	90	92	96	108	110
Police	173	181	182	191	203	214
C.O.P.S. Grant	3	0	0	0	0	0
C.O.P.S. More Grant	0	0	0	0	0	0
D.U.I. Highway Safety Grant	0	0	0	0	0	0
Law Enforcement Grant	3	3	3	3	3	3
School Crossing Guard	18	18	18	19	19	19
Vehicle Theft Prevention	1	0	0	0	0	0
Victim's Crime Act Grant	1	0	0	0	0	0
<u>Physical environment</u>						
Public Works	69	71	75	48	50	51
Sanitation	17	20	20	23	24	25
Stormwater	0	0	0	26	27	27
Water Resources	115	107	0	0	0	0
<u>Transportation</u>						
Airport	5	4	4	6	6	6
Local Option Gas Tax	9	8	9	9	9	9
<u>Economic Environment</u>						
Development Services	26	28	30	33	38	40
Community Development Blk Grant	0	0	0	0	2	2
<u>Culture / Recreation</u>						
Parks & Recreation	67	63	73	78	95	80
Civic Center	10	11	11	11	16	16
Total	674	687	601	626	682	683

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

2008	2009	2010	2011
38	36	36	31
3	3	3	3
5	5	5	5
15	13	12	12
10	10	10	10
8	8	8	8
106	104	102	102
214	210	204	198
0	0	0	0
0	0	0	0
0	0	0	0
3	3	3	3
20	21	21	21
0	0	0	0
0	0	0	0
44	40	40	39
27	27	27	26
29	29	29	29
0	0	0	0
6	7	7	8
10	10	10	10
40	30	26	23
2	3	2	2
77	74	68	66
15	14	14	13
672	647	627	609

**Schedule 15
City of Kissimmee, Florida**

OPERATING INDICATORS BY FUNCTION/PROGRAM

Last Ten Fiscal Years

	2002	2003	2004	2005	2006	2007
<u>Building Inspections</u>						
Building permits issued	6,716	3,146	4,241	7,932	4,158	4,256
<u>Law Enforcement</u>						
Physical arrests	3,291	2,111	1,926	2,198	2,139	2,407
Traffic and parking violations ¹	19,814	16,765	22,102	27,285	22,391	17,068
<u>Fire</u>						
Emergency responses ¹	7,091	7,785	9,114	10,311	10,253	9,459
Fires extinguished ¹	334	384	501	502	545	268
Inspections	206	323	177	775	563	2,213
<u>Other Public Works</u>						
Street resurfacing (tons of asphalt) ¹	28	300	208	39	190	7,368
Other street repairs (tons of asphalt) ¹	22	30	21	3	17	148

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

Source: Various City Departments.

1 - Prior to FY 2002 accurate data collection for this operating indicator was not available

2008	2009	2010	2011
3,384	2,580	2,133	2,855
2,331	1,898	2,098	2,484
19,616	20,686	17,602	3,680
9,038	9,228	9,501	10,068
235	236	132	247
1,646	1,640	725	1,751
6,156	3,011	3,091	1,369
125	181	149	96

**Schedule 16
City of Kissimmee, Florida**

CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM

Last Ten Fiscal Years

	2002	2003	2004	2005	2006	2007
<u>Transportation</u>						
Miles of streets (lane miles)	264	268	270	270	207	207
<u>Refuse collection trucks</u>						
	11	11	12	12	12	12
<u>Other public works</u>						
Traffic signals	32	34	36	39	41	43
Highways (miles)	30	30	30	30	30	30
<u>Public Safety</u>						
Fire stations	3	3	3	4	4	4
Police stations	1	1	1	1	1	1
Patrol units: ¹						
Marked vehicles	n/a	89	104	93	105	101
Motorcycles	n/a	7	6	6	12	9
<u>Parks and Recreation</u>						
Park acreage	486	486	490	490	562	578
Number of regional parks	-	-	-	-	-	2
Number of large urban parks	5	5	5	5	5	2
Number of community parks	3	3	3	3	3	3
Number of neighborhood parks	8	8	8	8	8	8
Number of special use parks	6	6	6	6	6	6

Source: Various City Departments.

1 - Prior to FY 2003 accurate data collection for this statistic was not available.

2008	2009	2010	2011
304	317	317	342
13	17	17	17
47	47	48	52
30	56	63	17
4	4	4	4
1	1	1	1
127	100	109	120
9	6	6	4
802	786	833	833
2	2	2	2
2	2	1	1
3	3	3	3
8	9	11	11
6	4	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 the basic financial statements of the City of Kissimmee, Florida (the “City”), as of and for the year ended September 30, 2011, and have issued our report thereon dated March 26, 2012. 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.

Internal Control Over Financial Reporting

Management of the City is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the City’s internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the basic financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City’s internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City’s internal control over financial reporting.

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.

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 over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

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*.

This report is intended solely for the information and use of the Mayor, City Commission, management, the State of Florida Auditor General, and federal and state awarding agencies 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 26, 2012



**MOORE STEPHENS
LOVELACE, P.A.**
CERTIFIED PUBLIC ACCOUNTANTS

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH
REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT
ON EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

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

Compliance

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* that could have a direct and material effect on each of the City's major federal programs for the year ended September 30, 2011. The City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the City's management. 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; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 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 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. Our audit does not provide a legal determination on the City's compliance with those requirements.

In our opinion, the City complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2011. However, the results of our auditing procedures disclosed an instance of noncompliance with those requirements, which is required to be reported in accordance with OMB Circular A-133 and which is described in the accompanying schedule of findings and questioned costs as Item SA 2011-01.

Internal Control Over Compliance

The management of the City is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the City's internal control over compliance with the requirements that could have a direct and material effect on a major federal program to determine the 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, 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.

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

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over compliance that might be significant deficiencies or material weaknesses and, therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as discussed below, we identified a certain deficiency in internal control over compliance that we consider to be a significant deficiency.

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 will not be prevented, or detected and corrected on a timely basis. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

A significant deficiency in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item SA 2011-01 to be a significant deficiency.

The City's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. We did not audit the City's response and, accordingly, we express no opinion on the response.

Schedule of Expenditures of Federal Awards

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 as of and for the year ended September 30, 2011, and have issued our report thereon dated March 26, 2012. Our audit was performed for the purpose of forming opinions on the financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for the purposes of additional analysis, as required by OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the financial statements. 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 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 as a whole.

This report is intended solely for the information and use of the Mayor, the City Commission, management, and specific legislative or regulatory bodies 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 26, 2012

CITY OF KISSIMMEE, FLORIDA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the year ended September 30, 2011

Agency/Program	CFDA #	Grant #	Federal Expenditures	Transfers To Sub-recipients
<u>U.S. Department of Agriculture Forest Service</u>				
Passed through the Florida Department Agriculture and Consumer Services Urban and Community Forestry				
ARRA: Forrest Health Grant	10.688	016167	\$ 15,900	
Total U.S. Department of Agriculture Forest Service			<u>15,900</u>	
<u>U.S. Department of Agriculture</u>				
Passed through Natural Resources Conservation Services				
Flash Floods - West City Ditch	10.923	69-4209-10-1755	1,497,481	
Total U.S. Department of Agriculture			<u>1,497,481</u>	
<u>U.S. Department of Housing and Urban Development</u>				
CDBG - Entitlement Grants Cluster				
Community Development Block Grant 2010	14.218	B-09-MC-12-0051	392,846	\$ 71,781
Community Development Block Grant 2009	14.218	B-09-MC-12-0051	197,017	15,416
Community Development Block Grant 2008	14.218	B-08-MC-12-0051	2,083	
Community Development Block Grant 2005	14.218	B-05-MC-12-0051	2,160	
			<u>594,106</u>	<u>87,197</u>
ARRA: Community Development Block Grant 2009	14.253	B-09-MY-12-0051	152,120	
Subtotal			<u>746,226</u>	<u>87,197</u>
CDBG - State Administered Grants Cluster				
(HERA) Neighborhood Stabilization Program	14.228	B-08-MN-12-0012	955,588	26,100
Passed through the Florida Department of Community Affairs				
FFY2008 Disaster Recovery - Columbia Culvert Replacement	14.228	10DB-K4-06-59-02-K 28	220,695	
Subtotal			<u>1,176,283</u>	<u>26,100</u>
Total U.S. Department of Housing and Urban Development			<u>1,922,509</u>	<u>113,297</u>
<u>U.S. Department of Justice</u>				
Passed through the Florida Office of the Attorney General				
Victims of Crime Act	16.575	V10268	44,052	
Edward Byrne Memorial Justice Assistance Grant(JAG)	16.592	2009-DJ-BX-1096	54,553	
Bulletproof Vest Partnership	16.607	None	1,745	
ARRA: Edward Byrne Memorial Justice Assistance Grant (JAG)	16.804	2009-SB-B9-1312	21,210	
Total U.S. Department of Justice			<u>121,560</u>	
<u>U.S. Department of Transportation</u>				
Passed through the Florida Department of Transportation				
ARRA: Dyer Boulevard Pavement Rehabilitation	20.205	428587-1 / AQ136	89,389	
MLK Boulevard Segment of the Kissimmee Trail Multi-Use	20.205	410828-1 / APT65	1,512,366	
West Cypress Street/Hoagland Boulevard Sidewalk Improvements	20.205	423623-1 / AQ226	133,113	
Total U.S. Department of Transportation			<u>1,734,868</u>	

Continued

CITY OF KISSIMMEE, FLORIDA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS - Continued
For the year ended September 30, 2011

<u>Agency/Program</u>	<u>CFDA #</u>	<u>Grant #</u>	<u>Federal Expenditures</u>	<u>Transfers To Sub-recipients</u>
<u>U.S. Department of Energy</u>				
ARRA:Energy Efficiency And Conservation Block Grant (EECBG)	81.128	DE-SC0002480	\$ 64,482	
Total U.S. Department of Energy			<u>64,482</u>	
<u>U.S. Department of Homeland Security/FEMA</u>				
Passed through the Florida				
Division of Emergency Management:				
Hazard Mitigation - Post Disaster Redevelopment Plan	97.039	11HS-4A-06-59-02-451	18,553	
Passed through the Florida				
Department of Community Affairs:				
Hazard Mitigation - Charley	97.039	06HM-7@-06-59-02-036	53,889	
Total U.S. Department of Homeland Security/FEMA			<u>72,442</u>	
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u>\$ 5,429,242</u>	<u>\$ 113,297</u>

NOTE 1

Grant revenue and expenditures are recorded in accordance with accounting principles generally accepted in the United States of America. Grant revenues are recognized only when allowable program costs have been incurred. This revenue recognition criteria for grants is applied to all funds. In addition, grant revenues are recognized in governmental funds when the availability criteria has been met.

NOTE 2

The City made payments to sub recipients from federal programs during the year.

City of Kissimmee, Florida
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)
For the Year Ended September 30, 2011

SECTION II - FINANCIAL STATEMENT FINDINGS

No matters are reported.

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS SECTION

SA 2011-01 Special Tests and Provisions

Finding Type: *Compliance and Significant Deficiency – Internal Control over Compliance*

Identification of Federal Program

U.S. Department of Housing and Urban Development
Community Development Block Grants - Neighborhood Stabilization Program (“NSP”)
CFDA# 14.228

Criteria or Specific Requirement

The City is required to follow environmental review requirements under 24 CFR, Part 58, National Environmental Policy Act (“NEPA”), and submit its report to HUD for review and approval of the Request for Release of Funds (“RROF”) in accordance with the procedures provided under 24 CFR, Part 58, Subpart H.

Condition

During the application process for the NSP program, the City did not perform the required environmental review and did not receive an approved RROF before initiation of the program.

Questioned Costs

Not applicable.

Context

The finding represents an isolated instance.

Effect

Noncompliance under these special tests and provisions of the NSP program could result in the grantor withholding funding to the City.

Cause

City personnel administering the grant program were not aware of the special tests and provisions that still needed to be completed for this grant.

Recommendation

We recommend that the City implement procedures to ensure that all grant compliance requirements, including special tests and provisions, are clearly identified and understood by City personnel administering the grant program.

City of Kissimmee, Florida
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)
For the Year Ended September 30, 2011

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS SECTION (Continued)

SA 2011-01 Special Tests and Provisions (Continued)

Views of Responsible Officials and Planned Corrective Actions

Within the past month, the City hired an employee that has substantial experience with HUD-related programs; therefore, staff does not believe there will be any compliance issues in the future. In order to address the current compliance issue, this individual is currently working with HUD to update the environmental review. City staff anticipates that this issue will be resolved to HUD's satisfaction within the next 30-45 days.

SECTION IV - PRIOR-YEAR AUDIT FINDINGS

No matters are 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

We have audited the basic financial statements of the City of Kissimmee, Florida (the "City"), as of and for the fiscal year ended September 30, 2011, and have issued our report thereon dated March 26, 2012.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. 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 with Requirements Applicable to Each Major Program and on Internal Control over Compliance, and Schedule of Findings and Questioned Costs. Disclosures in those reports and schedule, which are dated March 26, 2012, should be considered in conjunction with this management letter.

Additionally, our audit was conducted in accordance with the provisions of Chapter 10.550, Rules of the Auditor General, which govern the conduct of local governmental entity audits performed in the State of Florida. This letter includes the following information, which is not included in the aforementioned auditor's reports or schedule:

- Section 10.554(1)(i)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. Corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report.
- Section 10.554(1)(i)2., Rules of the Auditor General, requires our audit to include a review of the provisions of Section 218.415, Florida Statutes, regarding the investment of public funds. In connection with our audit, we determined that the City complied with Section 218.415, Florida Statutes.

Honorable Mayor and
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- Section 10.554(1)(i)3., Rules of the Auditor General, requires that we address in the management letter any recommendations to improve financial management. In connection with our audit, we had the following observation:

MLO 2011-02 – Information Technology Assessment

Observation:

During our audit of the City's financial statements, we performed an assessment of the City's Information Technology ("IT") operations and controls. During this assessment, we noted several areas which could improve the City's IT processes. These findings did not disclose any significant deficiencies or material weaknesses related to financial accounting and reporting. The following areas for improvement noted during our assessment are provided here for your consideration: physical security controls, end-user security controls, data backup controls, antivirus/malware controls, network security controls, IT policies and procedures, and disaster recovery planning. Specific details of these observations are not disclosed in this report to avoid the possibility of compromising City information. However, appropriate City personnel have been notified of our specific findings.

Criteria:

To ensure proper financial accounting and reporting, security of financial information, as well as operational effectiveness, appropriate IT controls should be implemented, maintained, and updated, as necessary, to keep pace with the constantly changing technology environment.

Recommendation:

We recommend that the City evaluate the IT issues noted above and implement cost-effective procedures to ensure the continued security of the City's IT environment.

Management Response:

Many of the specific issues identified in the IT assessment have been addressed subsequent to the end of the fiscal year. The remaining items are either being addressed currently or will be addressed during the next budget year when funding becomes available.

- Section 10.554(1)(i)4., Rules of the Auditor General, requires that we address violations of provisions of contracts and grant agreements or abuse that have occurred, or are likely to have occurred, that have an effect on the basic financial statements that is less than material but more than inconsequential. In connection with our audit, we did not have any such findings.
- Section 10.554(1)(i)5., Rules of the Auditor General, provides that the auditor may, based on professional judgment, report the following matters that have an inconsequential effect on the financial statements, considering both quantitative and qualitative factors: (1) violations of provisions of contracts or grant agreements, fraud, illegal acts, or abuse, and (2) deficiencies in internal control that are not significant deficiencies. In connection with our audit, we did not have any such findings.
- Section 10.554(1)(i)6., 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
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- Section 10.554(1)(i)7.a., Rules of the Auditor General, requires a statement be included as to whether or not the local governmental entity has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and identification of the specific condition(s) met. In connection with our audit, we determined that the City did not meet any of the conditions described in Section 218.503(1), Florida Statutes.
- Section 10.554(1)(i)7.b., Rules of the Auditor General, requires that we determine whether the annual financial report for the City for the fiscal year ended September 30, 2011, 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, 2011. In connection with our audit, we determined that these two reports were in agreement.
- Pursuant to Sections 10.554(1)(i)7.c. and 10.556(7), 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 same.

Pursuant to Chapter 119, Florida Statutes, this management letter is a public record and its distribution is not limited. Auditing standards generally accepted in the United States of America require us to indicate that this letter is intended solely for the information and use of the Mayor, City Commission, management, and the State of Florida Auditor General 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 26, 2012