

CITY OF KISSIMMEE, FLORIDA

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

Year Ended September 30, 2013



Prepared by Department of Finance

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CITY OF KISSIMMEE, FLORIDA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
TABLE OF CONTENTS
Year Ended September 30, 2013

INTRODUCTORY SECTION

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

FINANCIAL SECTION

Independent Auditor’s Report	1
Management’s Discussion and Analysis	3
Basic Financial Statements:	
<i>Government-wide Financial Statements:</i>	
Statement of Net Position	17
Statement of Activities.....	18
<i>Fund Financial Statements:</i>	
Balance Sheet – Governmental Funds	20
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position	23
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds	24
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	26
Statement of Net Position – Proprietary Funds	28
Statement of Revenues, Expenses, and Changes in Fund Net Position – Proprietary Funds	30
Statement of Cash Flows – Proprietary Funds	31
Statement of Fiduciary Net Position – Pension Trust Funds.....	33
Statement of Changes in Fiduciary Net Position – Pension Trust Funds	34
<i>Notes to the Financial Statements</i>	37
Required Supplementary Information:	
<i>Budgetary Comparison Schedules (GAAP Basis):</i>	
General Fund	64
Community Redevelopment Agency.....	68
Local Option Sales Tax Fund.....	69
<i>City Other Postemployment Benefits Plan Schedules:</i>	
City Other Postemployment Benefits Plan Schedule of Funding Progress.....	70
City Other Postemployment Benefits Plan Schedule of Employer Contributions.....	71
<i>City Retirement Plan Schedules:</i>	
City Retirement Plans Schedules of Funding Progress	72
City Retirement Plans Schedules of Employer Contributions	73
Other Supplemental Information:	
<i>Nonmajor Governmental Funds:</i>	
Combining Balance Sheet – All Nonmajor Governmental Funds	80
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – All Nonmajor Governmental Funds	81
Combining Balance Sheet – Nonmajor Special Revenue Funds.....	82
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Special Revenue Funds	88

Nonmajor Governmental Funds - continued:

Budgetary Comparison Schedules (GAAP Basis):

Local Option Gas Tax	94
Hazard Mitigation Grant Program	95
Recreation Impact Fee Fund	96
Transportation Impact Fee Fund	97
Building Division.....	98
Fire Assessment Fee Fund	99
Assistance to Firefighters Grant	100
Victims of Crime Act	101
Columbia Avenue Culvert Project.....	102
Columbia Avenue Sidewalk Project.....	103
Justice Assistance Grant	104
Paving Assessments	105
Charter School.....	106
Neighborhood Stabilization Program	107
Community Development Block Grant	108
Kissimmee Multi-Use Trail.....	109
Shingle Creek Trail Grant	110
Section H.A.P.P. Grant Program	111
Combining Balance Sheet – Nonmajor Debt Service Funds	112
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Debt Service Funds	114
Budgetary Comparison Schedules (GAAP Basis):	
FmHA Bond	116
2004 CRA Note.....	117
2006 Revenue Note	118
2010A Refunding Revenue Note	119
2010B Refunding Revenue Note	120
2010C Refunding Revenue Note.....	121
2011A Capital Refunding Note	122
2011B Capital Refunding Note	123
Combining Balance Sheet – Nonmajor Capital Projects Funds.....	124
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Capital Projects Funds.....	125
Budgetary Comparison Schedules (GAAP Basis):	
2010B Note Construction Project	126
2010C Note Construction Project	127
2005 Capital Construction Note Project.....	128
Lakefront Sales Tax 2009A Capital Project Fund.....	129
<i>Internal Service Funds:</i>	
Combining Statement of Net Position – Internal Service Funds	131
Combining Statement of Revenues, Expenses, and Changes in Fund Net Position – Internal Service Funds	132
Combining Statement of Cash Flows – Internal Service Funds.....	133

STATISTICAL SECTION

Schedule 1	Net Position by Component – <i>Last Ten Fiscal Years</i>	136
Schedule 2	Change in Net Position – <i>Last Ten Fiscal Years</i>	137
Schedule 3	Fund Balances, Governmental Funds – <i>Last Ten Fiscal Years</i>	140
Schedule 4	Changes in Fund Balances, Governmental Funds – <i>Last Ten Fiscal Years</i>	142
Schedule 5	Assessed and Actual Value of Taxable Property – <i>Last Ten Fiscal Years</i>	144
Schedule 6	Direct and Overlapping Property Tax Rates – <i>Last Ten Fiscal Years</i>	146
Schedule 7	Property Tax Levies and Collections – <i>Last Ten Fiscal Years</i>	147
Schedule 8	Principal Property Taxpayers – <i>Current Year and Nine Years Ago</i>	148
Schedule 9	Ratios of Outstanding Debt by Type – <i>Last Ten Fiscal Years</i>	150
Schedule 10	Direct and Overlapping Governmental Activities Debt.....	153
Schedule 11	Pledged Revenue Coverage – <i>Last Ten Fiscal Years</i>	154
Schedule 12	Demographic and Economic Statistics – <i>Last Ten Fiscal Years</i>	157
Schedule 13	Principal Employers – <i>Current Year and Nine Years Ago</i>	159

STATISTICAL SECTION - Continued

Schedule 14 Full-Time Equivalent City Government Employees by Function/Program – *Last Ten Fiscal Years*..... 160

Schedule 15 Operating Indicators by Function/Program – *Last Ten Fiscal Years*..... 162

Schedule 16 Capital Asset Statistics by Function/Program – *Last Ten Fiscal Years*..... 164

COMPLIANCE SECTION

Independent Auditor’s Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*..... 167

Independent Auditor’s Report on Compliance for Each Major Federal Program and Major State Project, and on Internal Control over Compliance and Report on Schedule of Expenditures of Federal Awards and State Financial Assistance in Accordance with OMB Circular A-133 and Chapter 10.550, Rules of the Auditor General 169

Schedule of Expenditures of Federal Awards and State Financial Assistance..... 172

Schedule of Findings and Questioned Costs 174

Independent Auditor’s Management Letter 177

The City of Kissimmee, Florida
City Officials
As of September 30, 2013

Elected Officials

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

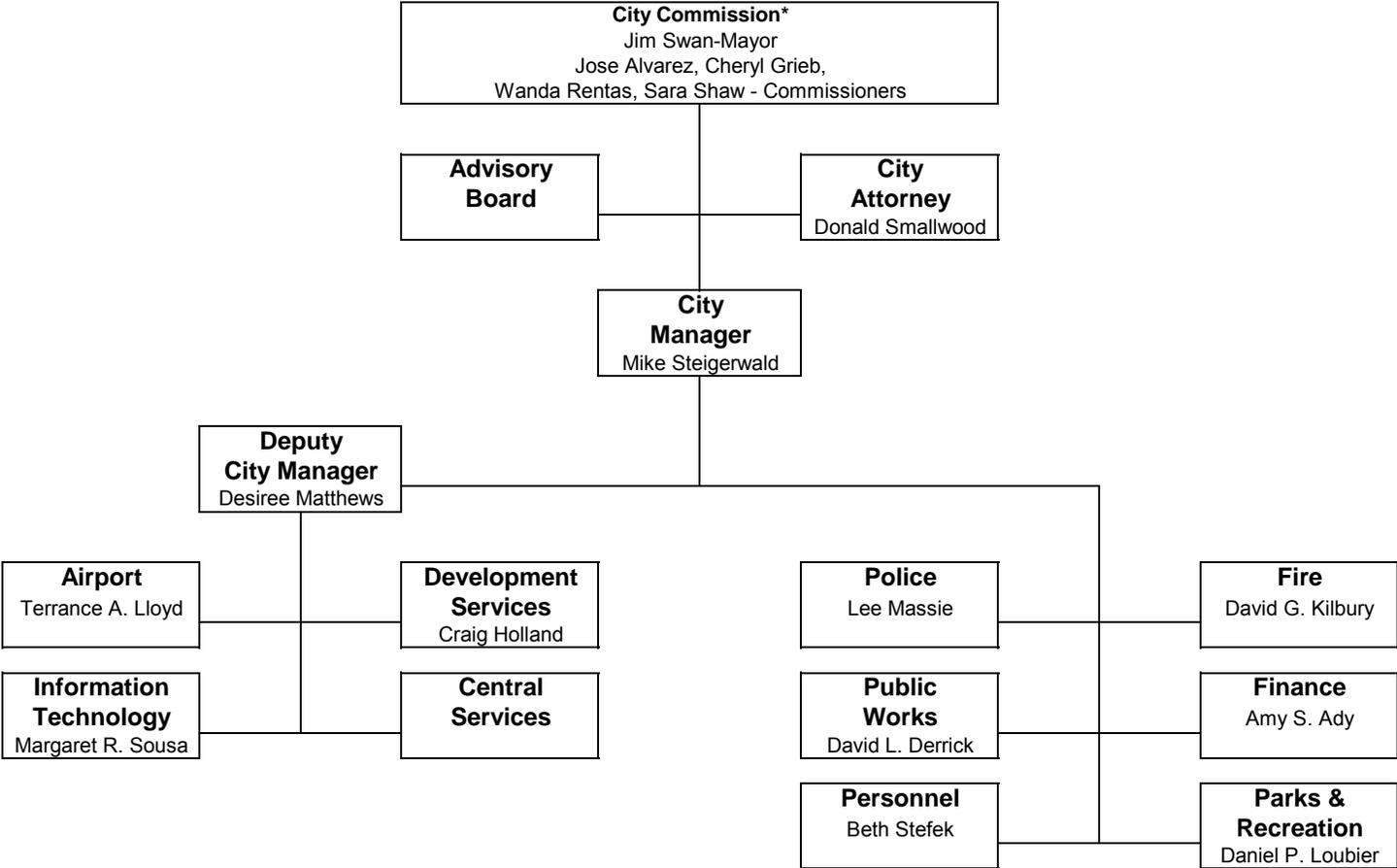
Financial Related Management

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

Other Departmental Officials

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

CITY OF KISSIMMEE ORGANIZATION CHART



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



Government Finance Officers Association

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

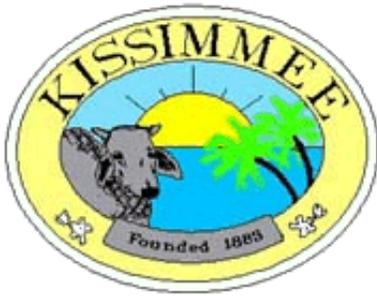
Presented to

**City of Kissimmee
Florida**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

September 30, 2012

Executive Director/CEO



City of Kissimmee

City Manager

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

March 21, 2014

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, 2013.

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, 2013, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amount and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the City of Kissimmee's financial statements for the fiscal year ended September 30, 2013, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

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

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

THE CITY

The City of Kissimmee (the "City"), near the geographic center of Florida, is the County Seat of Osceola County. Of Florida's 67 counties, Osceola is the State's sixth largest in geographical size, with a land area of 1,506 square miles. There are approximately 13,580 acres within the corporate limits of the City. The 2010 U.S. Census reported 59,682 people living within the City. The current population figure is 63,662.

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, and the Osceola County Art Festival.

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

MAJOR INITIATIVES

In Parks and Recreation, construction continued on the third phase of the lakefront redevelopment project. Public Works continued to make significant progress on its road improvement plan as well as various grant funded drainage projects. In addition, Public Works continued making progress on right-of-way acquisition for a major road widening project. 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 initiated the design and planning for the second phase of the streetscape project. In an effort to further minimize health care costs, the Personnel Department opened the City's Employee Wellness Clinic. Finally, the City has continued, on a contractual basis, to provide certain administrative services to Tohopekaliga Water Authority.

FUND BALANCE

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

FIDUCIARY OPERATIONS

The City has fiduciary responsibility for the self-directed deferred compensation plan that allows employees to defer a portion of salary for future years. The City also has separate Pension Trust Funds for General Employees, Police Officers and Firefighters. These Funds were created to account for the accumulation of resources to be used for the retirement annuities of all City employees. The City continues to contribute to these funds in accordance with City Commission established criteria that includes an annual independent actuarial analyses. Effective for fiscal years beginning after June 2014, the City will be required by changes in Governmental Accounting Standards to recognize the unfunded portion of the actuarially determined liability.

STATUTORY REQUIREMENTS – INDEPENDENT AUDIT

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

CERTIFICATE OF ACHIEVEMENT PROGRAM

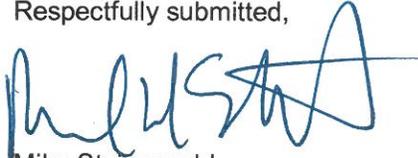
The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Kissimmee, Florida for its comprehensive annual financial report for the fiscal year ended September 30, 2012. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. The report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

ACKNOWLEDGEMENTS

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

Respectfully submitted,



Mike Steigerwald
City Manager



Amy S. Ady
Finance Director

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MOORE STEPHENS
LOVELACE, P.A.

CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Kissimmee, Florida (the "City"), as of and for the year ended September 30, 2013, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of September 30, 2013, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

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

INDEPENDENT AUDITOR'S REPORT
(Concluded)

Other Matters

Required Supplementary Information

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

Supplementary Information

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 21, 2014, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Moore Stephens Lovelace, P.A.

MOORE STEPHENS LOVELACE, P.A.
Certified Public Accountants

Orlando, Florida
March 21, 2014

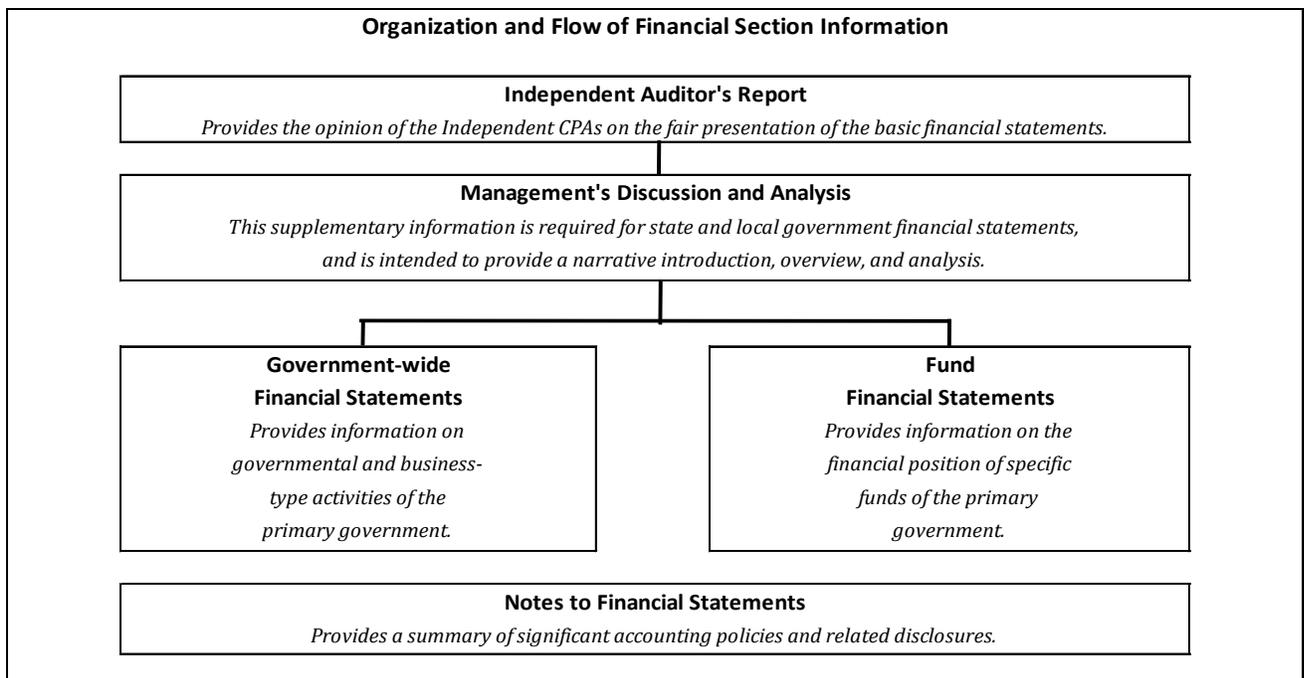
The City of Kissimmee, Florida's (the "City") Management's Discussion and Analysis (the "MD&A") presents an overview of the City's financial activities for the fiscal year ended September 30, 2013. Please read it in conjunction with the letter of transmittal in the introductory section, and the City's financial statements following the MD&A.

Financial Highlights

- The assets of the City exceeded its liabilities at the close of fiscal year 2013 by \$213,071 (net position). Of this amount, \$23,345 (unrestricted net position) may be used to meet the government's ongoing obligations to citizens and creditors.
- The City's net position increased by \$8,986, of which governmental activities contributed 71% of the increase.
- The City's net capital assets increased \$14,085 or 6.8% from the prior year.

Overview of the Financial Statements

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



Government-wide financial statements

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

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

The *statement of activities* presents information showing how the government's net position changed during fiscal year 2013. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected but earned revenue and unused vacation leave).

Both of these financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the City include general government, public safety, 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, 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, debt service funds, and most special revenue funds. Budgetary comparison schedules have been provided for these funds to demonstrate budgetary compliance.

Proprietary Funds

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

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

Fiduciary Funds

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

Notes to the financial statements

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

Other information

In addition to the basic financial statements and accompanying notes, *required supplementary information* is included which presents budgetary comparison schedules for the City's General Fund, Community Redevelopment Agency, and Local Option Sales Tax Fund; schedules of funding progress and employer contributions for the City's Other Postemployment Benefits 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. 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, 2013
(In Thousands)

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City, assets exceeded liabilities by \$213,071 at the close of the fiscal year ended September 30, 2013.

At the end of fiscal year 2013, the City is able to report positive balances in all three categories of net position, both for the government as a whole, as well as for its separate governmental and business-type activities.

The largest portion of the City's net position (82%) reflects its net investment in capital assets (land, buildings, infrastructure and equipment less any related outstanding debt used to acquire those assets). The City uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the City's net investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources since the capital assets themselves cannot be used to liquidate these liabilities. The City has *restricted net position* (\$14,407) for construction projects, public safety programs, supplementary care, and other purposes. The remaining balance of *unrestricted net position* (\$23,345) may be used to meet the government's ongoing obligations to citizens and creditors.

City of Kissimmee, Florida
Net Position
(In Thousands)

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
Current and Other Assets	\$ 53,109	\$ 56,122	\$ 5,173	\$ 6,126	\$ 58,282	\$ 62,248
Capital Assets (Net)	<u>182,941</u>	<u>172,063</u>	<u>38,282</u>	<u>35,075</u>	<u>221,223</u>	<u>207,138</u>
Total Assets	<u>236,050</u>	<u>228,185</u>	<u>43,455</u>	<u>41,201</u>	<u>279,505</u>	<u>269,386</u>
Current and Other Liabilities	9,587	7,254	1,225	1,447	10,812	8,701
Long-term Liabilities	<u>54,703</u>	<u>55,559</u>	<u>964</u>	<u>1,041</u>	<u>55,667</u>	<u>56,600</u>
Total Liabilities	<u>64,290</u>	<u>62,813</u>	<u>2,189</u>	<u>2,488</u>	<u>66,479</u>	<u>65,301</u>
Net Position						
Net Investment in						
Capital Assets	137,945	130,537	37,374	34,488	175,319	165,025
Restricted	14,019	17,963	388	1,383	14,407	19,346
Unrestricted	<u>19,796</u>	<u>16,872</u>	<u>3,549</u>	<u>2,842</u>	<u>23,345</u>	<u>19,714</u>
Total Net Position	<u>\$ 171,760</u>	<u>\$ 165,372</u>	<u>\$ 41,311</u>	<u>\$ 38,713</u>	<u>\$ 213,071</u>	<u>\$ 204,085</u>

There was a net increase of \$8,986 in the City's net position over fiscal year 2012. There was a net increase of \$6,388 in net position reported in connection with the City's governmental activities and \$2,598 in business-type activities. The governmental activities increase represents 71% of the total increase, and business-type activities contributed 29% 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, 2013
(In Thousands)

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

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
REVENUES						
Program Revenues:						
Charges for Services	\$ 30,872	\$ 29,675	\$ 9,831	\$ 9,088	\$ 40,703	\$ 38,763
Operating Grants and Contributions	1,039	445	-	-	1,039	445
Capital Grants and Contributions	1,988	2,210	1,749	3,152	3,737	5,362
General Revenues:						
Property Taxes	11,085	11,146	-	-	11,085	11,146
Other Taxes	21,013	20,274	-	-	21,013	20,274
Other	<u>18,475</u>	<u>18,203</u>	<u>14</u>	<u>9</u>	<u>18,489</u>	<u>18,212</u>
Total Revenues	<u>84,472</u>	<u>81,953</u>	<u>11,594</u>	<u>12,249</u>	<u>96,066</u>	<u>94,202</u>
EXPENSES						
General Government	32,203	29,314	-	-	32,203	29,314
Public Safety	31,600	30,865	-	-	31,600	30,865
Transportation	6,559	5,883	-	-	6,559	5,883
Economic Environment	1,526	845	-	-	1,526	845
Culture/Recreation	5,430	5,924	-	-	5,430	5,924
Interest on Long-term Debt	1,332	1,520	-	-	1,332	1,520
Stormwater	-	-	3,409	3,312	3,409	3,312
Airport	-	-	1,248	1,181	1,248	1,181
Solid Waste	<u>-</u>	<u>-</u>	<u>3,773</u>	<u>3,855</u>	<u>3,773</u>	<u>3,855</u>
Total Expenses	<u>78,650</u>	<u>74,351</u>	<u>8,430</u>	<u>8,348</u>	<u>87,080</u>	<u>82,699</u>
Excess Before Transfers	5,822	7,602	3,164	3,901	8,986	11,503
Transfers	<u>566</u>	<u>1,276</u>	<u>(566)</u>	<u>(1,276)</u>	<u>-</u>	<u>-</u>
Change in Net Position	6,388	8,878	2,598	2,625	8,986	11,503
Net Position - Beginning	<u>165,372</u>	<u>156,494</u>	<u>38,713</u>	<u>36,088</u>	<u>204,085</u>	<u>192,582</u>
Net Position - Ending	<u>\$ 171,760</u>	<u>\$ 165,372</u>	<u>\$ 41,311</u>	<u>\$ 38,713</u>	<u>\$ 213,071</u>	<u>\$ 204,085</u>

Governmental activities

Governmental activities accounted for an increase of \$6,388 from the prior year net position. The largest factor in this increase is a result of additions to capital assets being greater than the current year's depreciation expense by \$10,894. Capital purchases are not recorded as expenses in the statement of activities; however, the revenues needed to pay for those purchases is recorded in that statement. The difference between capital outlay and depreciation expense is reflected as an increase in net position in 2013.

CITY OF KISSIMMEE, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued
September 30, 2013
(In Thousands)

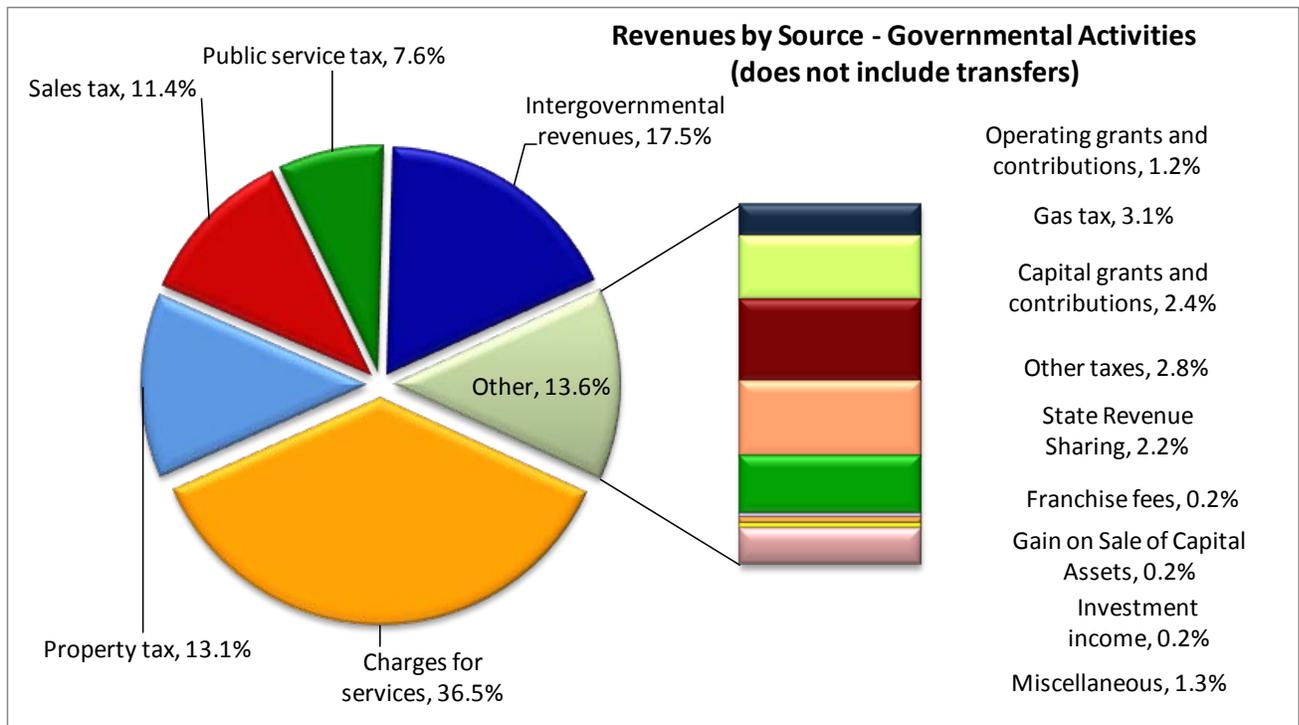
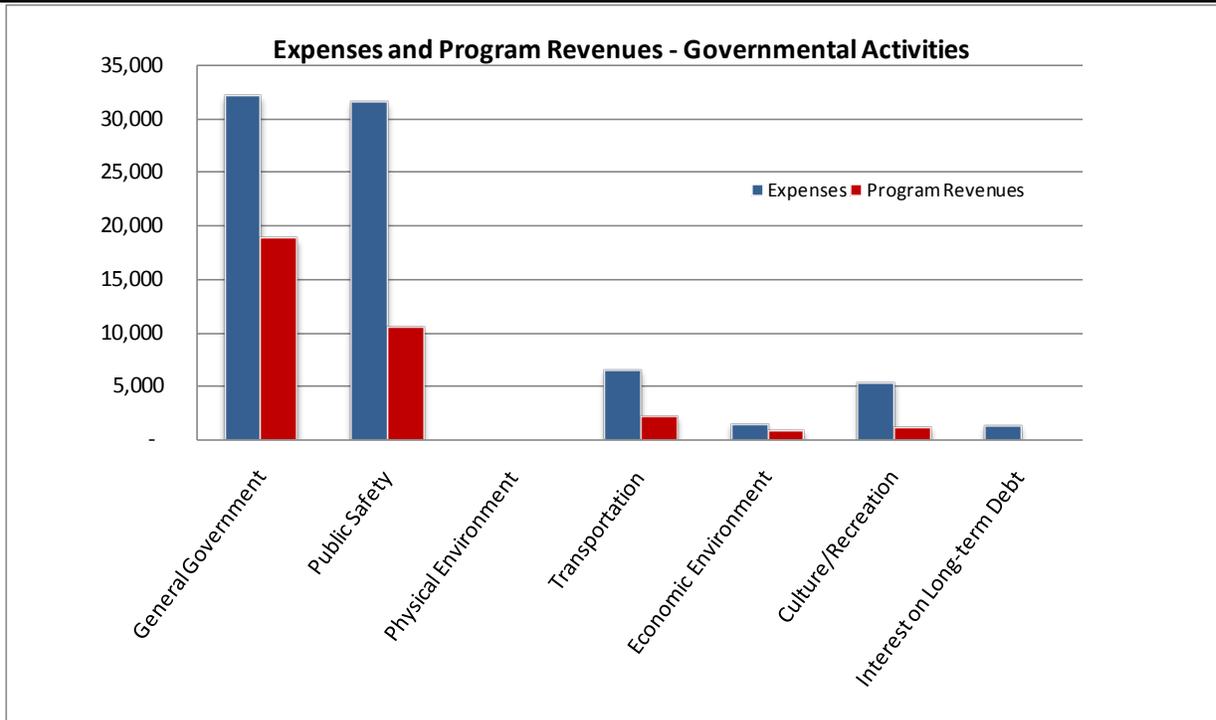
The following tables and graphs show the results of governmental activities for fiscal year ended 2013.

Expenses and Program Revenues – Governmental Activities
(In Thousands)

Functions/Programs	Expenses				Net Cost of Services		
	2013	% of	2012	% Change	2013	2012	% Change
		Total					
General Government	\$ 32,203	41%	\$ 29,314	10%	\$ (13,328)	\$ (10,811)	23%
Public Safety	31,600	40%	30,865	2%	(21,023)	(22,042)	-5%
Physical Environment	-	0%	-	0%	62	108	-43%
Transportation	6,559	8%	5,883	11%	(4,347)	(2,800)	55%
Economic Environment	1,526	2%	845	81%	(589)	(607)	-3%
Culture/Recreation	5,430	7%	5,924	-8%	(4,194)	(4,349)	-4%
Interest on Long-term Debt	<u>1,332</u>	<u>2%</u>	<u>1,520</u>	-12%	<u>(1,332)</u>	<u>(1,520)</u>	-12%
	<u>\$ 78,650</u>	<u>100%</u>	<u>\$ 74,351</u>		<u>\$ (44,751)</u>	<u>\$ (42,021)</u>	

Revenue by Source – Governmental Activities
(In Thousands)

Description	2013	% of	2012	% Change
		Total		
Program Revenues				
Charges for services	\$ 30,872	37%	\$ 29,675	4%
Operating grants and contributions	1,039	1%	445	133%
Capital grants and contributions	1,988	2%	2,210	-10%
General Revenues				
Property tax	11,085	13%	11,146	-1%
Sales tax	9,601	11%	9,135	5%
Public service tax	6,389	8%	6,480	-1%
Gas tax	2,634	3%	2,397	10%
Other taxes	2,389	3%	2,262	6%
State revenue sharing	1,838	2%	1,672	10%
Unrestricted intergovernmental revenues	15,000	18%	14,370	4%
Franchise fees	141	0%	133	6%
Investment income	178	0%	920	-81%
Gain on sale of capital assets	202	0%	157	0%
Miscellaneous	1,116	1%	951	17%
Transfers	<u>566</u>	<u>1%</u>	<u>1,276</u>	-56%
	<u>\$ 85,038</u>	<u>100%</u>	<u>\$ 83,229</u>	



CITY OF KISSIMMEE, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued
September 30, 2013
(In Thousands)

Business-type activities

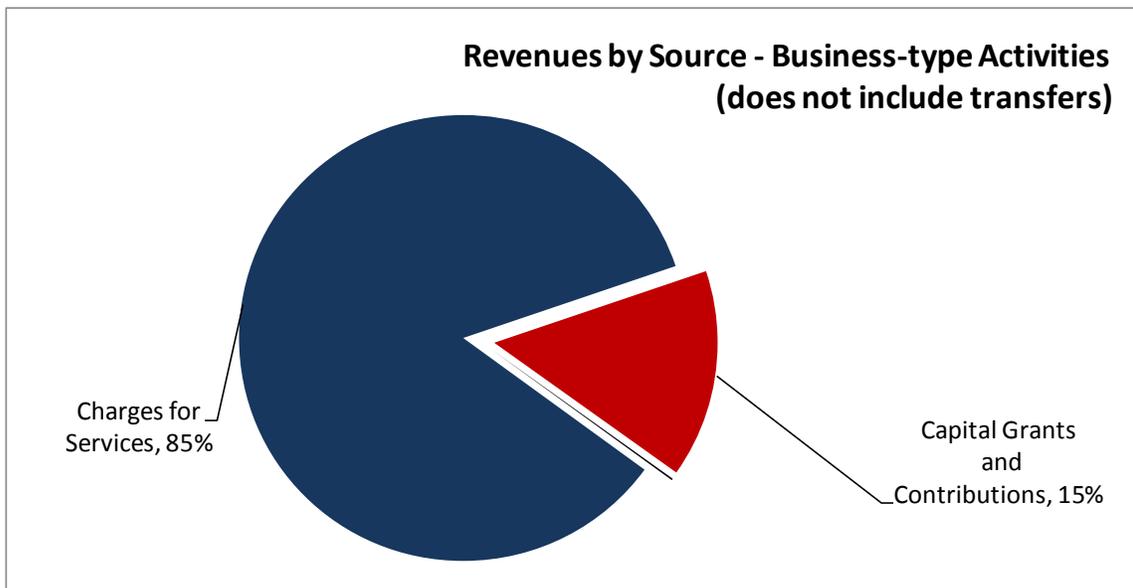
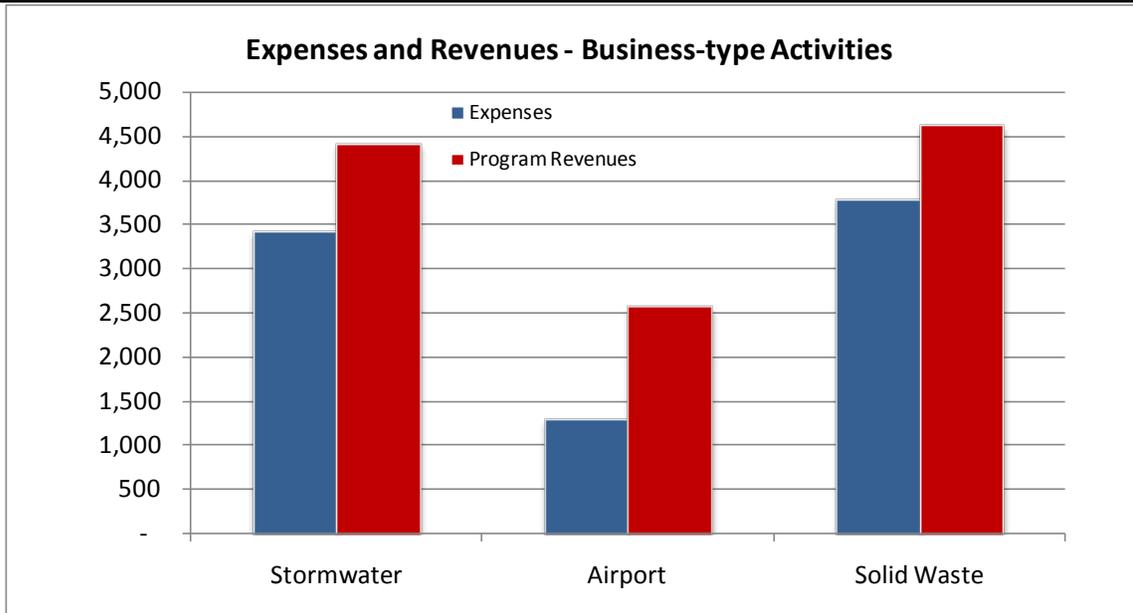
Business-type activities increased the City's net position by \$2,598 accounting for 29% of the total growth in the City's net position. The majority of this increase resulted from capital contributions received for future improvements at the City Airport of \$1,745.

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

Functions/Programs	Expenses			Net Increase (Decrease) In Net Position		
	2013	2012	% Change	2013	2012	% Change
	Stormwater	\$ 3,409	\$ 3,312	3%	\$ 990	\$ 588
Airport	1,248	1,181	6%	1,321	2,835	-53%
Solid Waste	<u>3,773</u>	<u>3,855</u>	-2%	<u>839</u>	<u>469</u>	79%
	<u>\$ 8,430</u>	<u>\$ 8,348</u>		<u>\$ 3,150</u>	<u>\$ 3,892</u>	

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

	2013	% of Total	2012	% Change
Charges for services	\$ 9,831	85%	\$ 9,088	8%
Capital grants and contributions	1,749	15%	3,152	-45%
Investment income	<u>14</u>	0%	<u>9</u>	56%
	<u>\$ 11,594</u>	<u>100%</u>	<u>\$ 12,249</u>	



Financial Analysis of the City's Funds

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

Governmental funds

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

As of the end of fiscal year 2013, the City's governmental funds reported combined ending fund balances of \$36,860, a decrease of \$(4,886) in comparison with the prior year. This decrease was largely the result of capital project expenditures using local option sales taxes received in prior years. In 2011, the Governmental Accounting Standards Board (GASB) issued Statement No. 54 with the objective to enhance the usefulness of fund balance information by providing classifications that would be consistently applied. Components of fund balance are now comprised of nonspendable, restricted, committed, assigned, and unassigned. The components of committed, assigned and unassigned are considered spendable unrestricted fund balance. The total spendable unrestricted fund balance of governmental funds in fiscal year 2013 was \$19,945 compared to \$18,289 for fiscal year 2012, an increase of \$1,656 for all governmental funds. The main cause of this increase in spendable unrestricted fund balance was effective budgeting for services provided primarily from general revenues sources.

The City has three major governmental funds - the General Fund, Community Redevelopment Agency, and Local Option Sales Tax Fund. More detailed information regarding these major funds is provided in the following section.

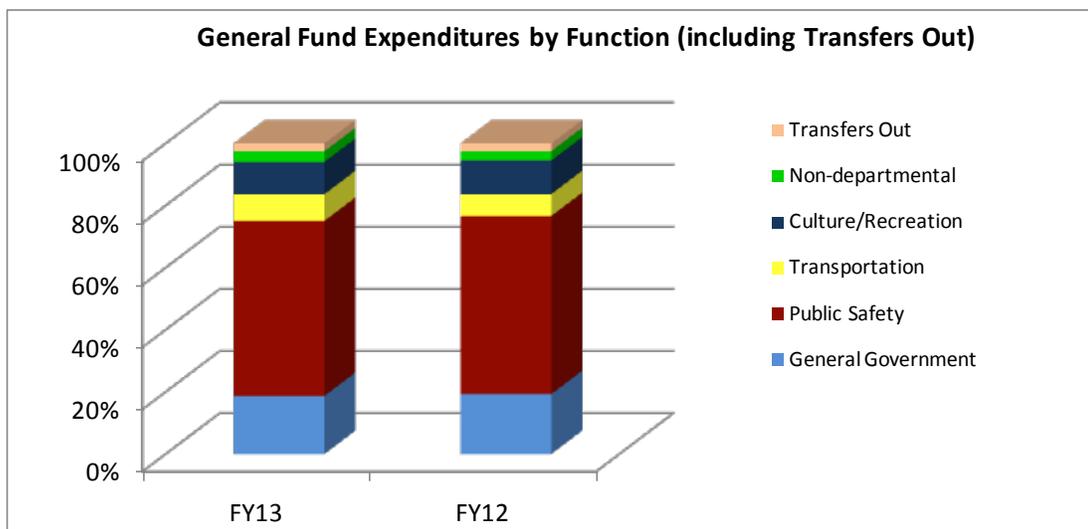
Major Funds

General Fund

The General Fund is the chief operating fund of the City. At the end of fiscal year 2013, the spendable unrestricted fund balance (assigned for budgetary carryforward \$1,614 and unassigned fund balance \$19,724) of the General Fund totaled \$21,338 compared to \$19,682 in fiscal year 2012, an increase of \$1,656. As a measure of the General Fund's liquidity, it may be useful to compare the spendable unrestricted fund balance of \$21,338 to the total fund's expenditures of \$49,699. This represents 42.9% of total expenditures compared to 41.9% in the prior fiscal year. Thus, the City was able to improve liquidity available to meet upcoming expenditures in its chief operating fund.

The fund balance in the General Fund increased by \$1,575 during the current fiscal year. The General Fund maintained the same level of spending as the prior year while increasing its revenues from services provided to citizens for public safety and recreation. The General Fund intergovernmental revenue increased from its share of fees from local electric and water utilities.

The following graph displays the General Fund current expenditures (not including debt service) by function for fiscal years 2013 and 2012. As the graph displays, there were no major fluctuations in expenditures by function from the prior year.



The Community Redevelopment Agency

The Community Redevelopment Agency (CRA) total fund balance increased by \$36 from the prior year. There were no significant increases or decreases in revenues and expenditures from the prior year. The fund balance of the CRA remains a deficit as it continues to repay advanced funding from the Local Option Sales Tax Fund.

The Local Option Sales Tax Fund

The Local Option Sales Tax Fund total fund balance decreased by \$(4,619) from the prior year. Current year revenues were consistent with the prior year; however, expenditures for capital improvement projects were more than 150% greater in 2013 compared to 2012. The remaining fund balance of \$4,176 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. Unrestricted net position in the Stormwater Fund increased by \$593, in the Airport Fund increased by \$189, and in the Solid Waste Fund decreased by \$(75) over the prior year. These mainly resulted from effective budgeting for operating expenses in all three funds in the current year.

Stormwater Fund

The Stormwater Fund had an increase in net position of \$657. Operating expenses were consistent with the prior year; however, charges for services increased by \$595 from the prior year due to a rate increase during 2012.

Airport Fund

The Airport Fund had an increase in net position of \$1,325. The largest component of this increase was from capital contributions for current improvements of \$1,745. This was evident in the increase of \$2,131 in net investment in capital assets from the prior year.

Solid Waste Fund

The Solid Waste Fund had an increase in net position of \$616 from the prior year. Operating revenues were greater than operating expenses by \$746 in the current year, confirming that the City's rates are sufficient to cover operational costs of the solid waste system. The net investment in capital assets increased by \$691 for improvements to the system, which decreased the available unrestricted net position.

General Fund Budgetary Highlights

The General Fund's original budget was amended to increase expenditures and transfers out by \$3,480. The changes for expenditures and transfers out within functions are summarized in the table below. Adjustments were made for additional grant-funded expenditures during the course of the year.

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Change</u>
General Government	\$ 10,052	\$ 11,029	\$ 977
Public Safety	29,711	30,256	545
Transportation	3,899	4,794	895
Culture/Recreation	5,423	5,526	103
Non-departmental	1,225	1,827	602
Transfers Out	<u>934</u>	<u>1,292</u>	<u>358</u>
	<u>\$ 51,244</u>	<u>\$ 54,724</u>	<u>\$ 3,480</u>

The General Fund under-spent the final budget by \$3,737 during fiscal year 2013. All departments spent less than their final budget (from reduced personnel costs and delayed capital purchases) during the year while trying to provide the same levels of service to the City's citizens. The general government and public safety functions experienced the greatest reductions from the final budget totals primarily in personnel costs. The changes within functions are summarized in the table presented here.

	<u>Actual</u>	<u>Final Budget</u>	<u>Difference</u>
	<u>Expenditures</u>		
General Government	\$ 9,531	\$ 11,029	\$ 1,498
Public Safety	28,744	30,256	1,512
Transportation	4,376	4,794	418
Culture/Recreation	5,301	5,526	225
Non-departmental	1,747	1,827	80
Transfers Out	<u>1,288</u>	<u>1,292</u>	<u>4</u>
	<u>\$ 50,987</u>	<u>\$ 54,724</u>	<u>\$ 3,737</u>

Capital Assets and Long-term Debt

Capital Assets

The City's investment in capital assets for its governmental and business-type activities as of September 30, 2013 amounts to \$221,223 (net of accumulated depreciation). This investment in capital assets includes land, software, parking capacity, buildings, improvements other than buildings (including leasehold improvements), equipment, vehicles, infrastructure, and construction in progress. The total increase in the City's investment in capital assets for the current fiscal year was \$14,085. Governmental activities increased capital assets by \$10,878 and business-type activities increased by \$3,207.

CITY OF KISSIMMEE, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued
September 30, 2013
(In Thousands)

The largest increase was in improvements other than buildings of \$14,531, primarily attributed to the Lakefront improvement project, Oak Street improvements, and other major transportation projects being completed and put into service.

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

	Governmental Activities		Business-type Activities		Total	
	2013	2012	2013	2012	2013	2012
Land	\$ 18,152	\$ 17,455	\$ 401	\$ 401	\$ 18,553	\$ 17,856
Intangibles, net	2,705	2,994	1	1	2,706	2,995
Buildings	54,765	54,215	4,650	3,978	59,415	58,193
Improvements Other than Buildings	119,552	107,777	34,460	31,704	154,012	139,481
Equipment	27,325	27,954	7,497	6,970	34,822	34,924
Construction in Progress	43,839	42,462	2,265	2,121	46,104	44,583
	266,338	252,857	49,274	45,175	315,612	298,032
Less: Accumulated Depreciation	(83,397)	(80,794)	(10,992)	(10,100)	(94,389)	(90,894)
Capital Assets, net	<u>\$ 182,941</u>	<u>\$ 172,063</u>	<u>\$ 38,282</u>	<u>\$ 35,075</u>	<u>\$ 221,223</u>	<u>\$ 207,138</u>

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

Long-term Debt

At the end of fiscal year 2013, the City had total debt outstanding of \$46,341. This is a decrease of \$1,916 or 4% from the prior year, primarily due to scheduled principal payments. Of the total outstanding, \$43,600 is notes and bonds payable at year-end. Notes and bonds payable are the largest percentage (94.1%) of the City's overall outstanding debt.

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

	Governmental Activities		Business-type Activities		Total	
	2013	2012	2013	2012	2013	2012
Revenue Notes	\$ 43,313	\$ 46,343	\$ -	\$ -	\$ 43,313	\$ 46,343
Revenue Bonds	287	316	-	-	287	316
Capital Lease Payable	1,707	62	441	587	2,148	649
Other	593	949	-	-	593	949
	<u>\$ 45,900</u>	<u>\$ 47,670</u>	<u>\$ 441</u>	<u>\$ 587</u>	<u>\$ 46,341</u>	<u>\$ 48,257</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, 2013 was 6.6%, which represents an improvement of 1.8% from the 8.4% unemployment rate from the prior year. This is consistent with the improvement seen in the previous year.
- Population increased slightly to 63,662 compared to 62,322 in the prior fiscal year.
- The ad valorem tax rate for the General Fund stayed constant at 4.6253 for the 2014 fiscal year budget.

Requests for Information

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

CITY OF KISSIMMEE, FLORIDA
STATEMENT OF NET POSITION
September 30, 2013
(In Thousands)

	Governmental	Business-type	Total
	Activities	Activities	
ASSETS			
Cash and Cash Equivalents	\$ 25,985	\$ 3,116	\$ 29,101
Investments	53	-	53
Restricted Cash and Investments	14,019	388	14,407
Receivables (net)	6,708	862	7,570
Due from Other Governments	2,490	800	3,290
Due from KUA	2,088	-	2,088
Due from TWA	1,081	7	1,088
Inventories	525	-	525
Pension Asset	104	-	104
Prepaid Items	56	-	56
Capital Assets:			
Capital Assets not Being Depreciated	61,991	2,666	64,657
Capital Assets Being Amortized (Net)	2,705	1	2,706
Capital Assets Being Depreciated (Net)	<u>118,245</u>	<u>35,615</u>	<u>153,860</u>
Total Capital Assets	<u>182,941</u>	<u>38,282</u>	<u>221,223</u>
Total Assets	<u>236,050</u>	<u>43,455</u>	<u>279,505</u>
LIABILITIES			
Accounts Payable	2,764	955	3,719
Contracts Payable	365	107	472
Accrued Liabilities	4,255	118	4,373
Due to Other Governments	1,835	-	1,835
Unearned Revenue	293	-	293
Deposits	75	-	75
Long-term Liabilities:			
Due Within One Year	6,308	195	6,503
Due in More Than One Year	<u>48,395</u>	<u>769</u>	<u>49,164</u>
Total Liabilities	<u>64,290</u>	<u>2,144</u>	<u>66,434</u>
NET POSITION			
Net Investment in Capital Assets	137,945	37,374	175,319
Restricted:			
Supplementary Care - Nonexpendable	739	-	739
Construction Projects	10,767	-	10,767
Public Safety	425	-	425
Charter School	1,489	-	1,489
Airport Projects	-	388	388
Other Purposes	599	-	599
Unrestricted	<u>19,796</u>	<u>3,549</u>	<u>23,345</u>
Total Net Position	<u>\$ 171,760</u>	<u>\$ 41,311</u>	<u>\$ 213,071</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, 2013
(In Thousands)

FUNCTIONS/PROGRAMS	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities:				
General Government	\$ 32,203	\$ 18,661	\$ 163	\$ 51
Public Safety	31,600	10,255	214	108
Physical Environment	-	62	-	-
Transportation	6,559	689	-	1,523
Economic Environment	1,526	-	638	299
Culture/Recreation	5,430	1,205	24	7
Interest on Long-term Debt	1,332	-	-	-
Total Governmental Activities	<u>78,650</u>	<u>30,872</u>	<u>1,039</u>	<u>1,988</u>
Business-type Activities:				
Stormwater	3,409	4,399	-	-
Airport	1,248	824	-	1,745
Solid Waste	3,773	4,608	-	4
Total Business-type Activities	<u>8,430</u>	<u>9,831</u>	<u>-</u>	<u>1,749</u>
Total	<u>\$ 87,080</u>	<u>\$ 40,703</u>	<u>\$ 1,039</u>	<u>\$ 3,737</u>

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

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

Net (Expense) Revenue and Changes in Net Position

Governmental Activities	Business-type Activities	Total
\$ (13,328)	\$ -	\$ (13,328)
(21,023)	-	(21,023)
62	-	62
(4,347)	-	(4,347)
(589)	-	(589)
(4,194)	-	(4,194)
(1,332)	-	(1,332)
<u>(44,751)</u>	<u>-</u>	<u>(44,751)</u>
-	990	990
-	1,321	1,321
-	839	839
<u>-</u>	<u>3,150</u>	<u>3,150</u>
<u>(44,751)</u>	<u>3,150</u>	<u>(41,601)</u>
11,085	-	11,085
9,601	-	9,601
6,389	-	6,389
2,634	-	2,634
2,389	-	2,389
1,838	-	1,838
15,000	-	15,000
141	-	141
178	14	192
202	-	202
1,116	-	1,116
566	(566)	-
<u>51,139</u>	<u>(552)</u>	<u>50,587</u>
6,388	2,598	8,986
165,372	38,713	204,085
<u>\$ 171,760</u>	<u>\$ 41,311</u>	<u>\$ 213,071</u>

CITY OF KISSIMMEE, FLORIDA
BALANCE SHEET - GOVERNMENTAL FUNDS
September 30, 2013
(In Thousands)

	General	Community Redevelopment Agency	Local Option Sales Tax
ASSETS			
Cash and Cash Equivalents	\$ 14,786	\$ 919	\$ 2,544
Investments	53	-	-
Restricted Cash and Investments	-	-	-
Accounts Receivable (net)	5,933	-	12
Special Assessments Receivable (net)	36	-	-
Due from KUA	2,082	-	-
Due from TWA	430	-	-
Due from Other Funds	349	-	300
Due from Other Governments	986	-	933
Prepaid Items	56	-	-
Inventories	322	-	-
Advance to Other Funds	-	-	1,841
Total Assets	\$ 25,033	\$ 919	\$ 5,630
LIABILITIES AND FUND BALANCES (DEFICITS)			
Liabilities:			
Accounts Payable	\$ 734	\$ 24	\$ 1,121
Contracts Payable	-	-	333
Accrued Liabilities	851	-	-
Due to Other Funds	-	-	-
Due to Other Governments	1,062	-	-
Advance from Other Funds	-	1,841	-
Deposits Payable	71	-	-
Deferred Revenue	-	-	-
Total Liabilities	2,718	1,865	1,454
Fund Balances (Deficits):			
Nonspendable Prepaids and Inventories	378	-	-
Nonspendable Supplementary Care	-	-	-
Restricted for Transportation Projects	-	-	-
Restricted for Public Safety Projects	416	-	-
Restricted for Development Services	-	-	-
Restricted for Economic Development	180	-	-
Restricted for Recreation Projects	-	-	-
Restricted for Charter School	-	-	-
Restricted for Construction Projects	-	-	-
Restricted for Other Capital Improvements	3	-	4,176
Assigned for Budgetary Carryforward	1,614	-	-
Assigned for Debt Service	-	-	-
Unassigned (Deficits)			
General Fund	19,724	-	-
Special Revenue Funds	-	(946)	-
Total Fund Balances (Deficits)	22,315	(946)	4,176
Total Liabilities and Fund Balances (Deficits)	\$ 25,033	\$ 919	\$ 5,630

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

Nonmajor Governmental Funds	Total Governmental Funds
\$ 13,457	\$ 31,706
-	53
2,476	2,476
233	6,178
-	36
-	2,082
5	435
16	665
571	2,490
-	56
-	322
-	1,841
<u>\$ 16,758</u>	<u>\$ 48,340</u>

\$ 312	\$ 2,191
32	365
3,332	4,183
665	665
773	1,835
-	1,841
4	75
<u>325</u>	<u>325</u>
<u>5,443</u>	<u>11,480</u>

-	378
739	739
6,559	6,559
9	425
271	271
132	312
118	118
1,489	1,489
2,445	2,445
-	4,179
-	1,614
42	42
-	19,724
<u>(489)</u>	<u>(1,435)</u>
<u>11,315</u>	<u>36,860</u>
<u>\$ 16,758</u>	<u>\$ 48,340</u>

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CITY OF KISSIMMEE, FLORIDA
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
as of September 30, 2013
(In Thousands)

Total fund balances of governmental funds \$ 36,860

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

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. The cost of the assets is \$263,458, the accumulated depreciation is \$79,770, and the accumulated amortization is \$1,352. The difference does not include the net capital assets of the internal service funds which are included below. 182,336

The internal service fund is used by management to charge the costs of risk management services to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position. 3,247

Long-term liabilities are not due and payable in the current period and accordingly are not reported as fund liabilities. Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due. All liabilities--both current and long-term--are reported in the statement of net position. The amount does not include the net long-term liabilities of the internal service funds which are included above. Long-term liabilities at year-end consist of:

Bonds payable	\$	287	
Capital leases		1,707	
Notes payable		43,313	
KUA-County liability		593	
Other postemployment benefits		2,953	
Compensated absences		1,966	(50,819)

The pension asset on the government-wide statement of net position resulted from contributions in excess of the required annual contribution. This is not considered to represent a current financial asset and, therefore, is not reported in the governmental funds. 104

Deferred revenue from federal and state grants recognized as revenue of the current period 32

Total net position of governmental activities \$ 171,760

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, 2013
(In Thousands)

	<u>General</u>	<u>Community Redevelopment Agency</u>	<u>Local Option Sales Tax</u>
REVENUES			
Taxes	\$ 16,307	\$ 1,334	\$ 5,692
Permits, Fees and Special Assessments	142	-	-
Intergovernmental Revenues	22,342	-	-
Charges for Services	8,132	-	13
Fines and Forfeitures	910	-	-
Investment Income	96	6	19
Miscellaneous Revenues	493	1	2
Total Revenues	<u>48,422</u>	<u>1,341</u>	<u>5,726</u>
EXPENDITURES			
Current:			
General Government	10,900	770	709
Public Safety	28,744	-	2,159
Transportation	4,376	-	838
Economic Environment	-	-	-
Culture/Recreation	5,301	-	6,174
Capital Outlay	-	-	-
Debt Service:			
Principal Retirement	356	-	183
Interest and Fiscal Charges	22	-	15
Total Expenditures	<u>49,699</u>	<u>770</u>	<u>10,078</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(1,277)</u>	<u>571</u>	<u>(4,352)</u>
OTHER FINANCING SOURCES and (USES)			
Transfers In	4,058	-	10
Transfers (Out)	(1,288)	(655)	(2,168)
Proceeds from Sale of Capital Assets	82	120	-
Issuance of Capital Lease	-	-	1,891
Total Other Financing Sources and (Uses)	<u>2,852</u>	<u>(535)</u>	<u>(267)</u>
Net Change in Fund Balances	1,575	36	(4,619)
Fund Balances (Deficits) - Beginning	<u>20,740</u>	<u>(982)</u>	<u>8,795</u>
Fund Balances (Deficits) - Ending	<u>\$ 22,315</u>	<u>\$ (946)</u>	<u>\$ 4,176</u>

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

Nonmajor Governmental Funds	Total Governmental Funds
\$ 2,634	\$ 25,967
4,076	4,218
7,672	30,014
143	8,288
-	910
36	157
44	540
<u>14,605</u>	<u>70,094</u>
3,757	16,136
2,100	33,003
2,899	8,113
1,322	1,322
25	11,500
2,615	2,615
3,122	3,661
1,295	1,332
<u>17,135</u>	<u>77,682</u>
<u>(2,530)</u>	<u>(7,588)</u>
5,313	9,381
(4,661)	(8,772)
-	202
-	1,891
<u>652</u>	<u>2,702</u>
(1,878)	(4,886)
<u>13,193</u>	<u>41,746</u>
<u>\$ 11,315</u>	<u>\$ 36,860</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, 2013
(In Thousands)

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

Net change in fund balances - total governmental funds	\$	(4,886)
--	----	---------

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 (\$18,083) exceeds depreciation (\$6,924, which excludes the amount related to internal service funds accounted for below) and amortization (\$265). 10,894

The issuance of bonds and similar long-term debt provides current financial resources to governmental funds and thus contributes to the change in fund balance. In the statement of net position, however, issuing debt increases long-term liabilities and does not affect the statement of activities. Similarly, repayment of principal is an expenditure in the governmental funds, but reduces the liability in the statement of net position. Also, governmental funds report the effect of 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 capital lease	\$	(1,891)
Principal repayments:		
Bonds		29
Leases		246
Notes		<u>3,030</u>
		1,414

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	(176)	
KUA-County liability	356	
Other postemployment benefits	<u>(529)</u>	(349)

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, 2013
(In Thousands)

Payments made contributing to a pension asset do not require the use of current financial resources; therefore, are not an expenditure in the governmental fund statements. On the statement of activities, these payments decrease the pension obligation for public safety.	\$ 2
Under the modified accrual basis of accounting, grant revenues are recognized when both the measurable 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.	(42)
In the statement of activities, only the loss on the sale/disposal of capital assets is reported. The change in net position differs from the change in fund balance by the cost of the capital assets sold/disposed or adjusted in value.	(339)
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>(306)</u>
Change in net position of governmental activities	<u>\$ 6,388</u>

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

CITY OF KISSIMMEE, FLORIDA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
September 30, 2013
(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	\$ 1,608	\$ 1,081	\$ 427	\$ 3,116	\$ 5,822
Restricted Cash and Cash Equivalents	-	388	-	388	-
Accounts Receivable (net)	406	51	405	862	494
Due from Other Funds	-	-	-	-	800
Due from Other Governments	-	800	-	800	-
Due from KUA	-	-	-	-	6
Due from TWA	6	-	1	7	646
Inventories	-	-	-	-	203
Total Current Assets	<u>2,020</u>	<u>2,320</u>	<u>833</u>	<u>5,173</u>	<u>7,971</u>
Capital Assets:					
Land	-	401	-	401	-
Buildings	93	4,552	5	4,650	71
Improvements Other Than Buildings	9,637	24,718	105	34,460	1,618
Software	1	-	-	1	-
Machinery, Equipment and Vehicles	2,610	451	4,436	7,497	2,544
Construction in Progress	-	2,265	-	2,265	-
Less: Accumulated Depreciation	<u>(2,612)</u>	<u>(6,110)</u>	<u>(2,270)</u>	<u>(10,992)</u>	<u>(3,628)</u>
Total Capital Assets (Net)	<u>9,729</u>	<u>26,277</u>	<u>2,276</u>	<u>38,282</u>	<u>605</u>
Total Noncurrent Assets	<u>9,729</u>	<u>26,277</u>	<u>2,276</u>	<u>38,282</u>	<u>605</u>
Total Assets	<u>\$ 11,749</u>	<u>\$ 28,597</u>	<u>\$ 3,109</u>	<u>\$ 43,455</u>	<u>\$ 8,576</u>

Continued

CITY OF KISSIMMEE, FLORIDA
STATEMENT OF NET POSITION - Continued
PROPRIETARY FUNDS
September 30, 2013
(In Thousands)

	<u>Business-type Activities - Enterprise Funds</u>				Governmental
	<u>Stormwater</u>	<u>Airport</u>	<u>Solid Waste</u>	<u>Total</u>	Activities - Internal Service Funds
LIABILITIES					
Current Liabilities:					
Accounts Payable	\$ 292	\$ 150	\$ 513	\$ 955	\$ 573
Contracts Payable	36	71	-	107	-
Accrued Liabilities	55	14	49	118	72
Due to Other Funds	-	-	-	-	800
Compensated Absences Payable	25	4	18	47	39
Capital Lease Payable	-	-	148	148	-
Estimated Claims Payable	-	-	-	-	1,773
Total Current Liabilities	<u>408</u>	<u>239</u>	<u>728</u>	<u>1,375</u>	<u>3,257</u>
Noncurrent Liabilities:					
Compensated Absences Payable	58	10	41	109	91
Other Postemployment Benefits	179	32	156	367	208
Capital Lease Payable	-	-	293	293	-
Estimated Claims Payable	-	-	-	-	1,773
Total Noncurrent Liabilities	<u>237</u>	<u>42</u>	<u>490</u>	<u>769</u>	<u>2,072</u>
Total Liabilities	<u>645</u>	<u>281</u>	<u>1,218</u>	<u>2,144</u>	<u>5,329</u>
NET POSITION					
Net Investment in Capital Assets	9,470	26,069	1,835	37,374	561
Restricted for Airport Projects	-	388	-	388	-
Unrestricted	1,634	1,859	56	3,549	2,686
Total Net Position	<u>\$ 11,104</u>	<u>\$ 28,316</u>	<u>\$ 1,891</u>	<u>\$ 41,311</u>	<u>\$ 3,247</u>

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

CITY OF KISSIMMEE, FLORIDA
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
For The Year Ended September 30, 2013
(In Thousands)

	<u>Business-type Activities - Enterprise Funds</u>				<u>Governmental</u>
	<u>Stormwater</u>	<u>Airport</u>	<u>Solid Waste</u>	<u>Total</u>	<u>Activities - Internal Service Funds</u>
Operating Revenues:					
Charges for Services	\$ 4,423	\$ 809	\$ 4,497	\$ 9,729	\$ 13,501
Miscellaneous Revenues	-	-	12	12	277
Total Operating Revenues	<u>4,423</u>	<u>809</u>	<u>4,509</u>	<u>9,741</u>	<u>13,778</u>
Operating Expenses:					
Personal Services	1,684	390	1,576	3,650	2,182
Contracted Services	508	98	826	1,432	1,306
Supplies and Materials	226	28	427	681	247
Repairs and Maintenance	298	50	306	654	1,349
Other Services and Charges	88	77	243	408	509
Depreciation	549	594	326	1,469	139
Claims/Premium Expense	56	11	59	126	8,749
Total Operating Expenses	<u>3,409</u>	<u>1,248</u>	<u>3,763</u>	<u>8,420</u>	<u>14,481</u>
Operating Income (Loss)	<u>1,014</u>	<u>(439)</u>	<u>746</u>	<u>1,321</u>	<u>(703)</u>
Nonoperating Revenues (Expenses):					
Interest Expense	-	-	(10)	(10)	-
Investment Income	6	6	2	14	21
Insurance Recoveries	-	-	-	-	363
Gain or (Loss) from Sale of Capital Assets	(24)	15	99	90	(14)
Total Nonoperating Revenues (Expenses)	<u>(18)</u>	<u>21</u>	<u>91</u>	<u>94</u>	<u>370</u>
Income (Loss) Before Contributions and Transfers	996	(418)	837	1,415	(333)
Capital Contributions	-	1,745	4	1,749	70
Transfers In	-	-	-	-	150
Transfers (Out)	(339)	(2)	(225)	(566)	(193)
Change in Net Position	657	1,325	616	2,598	(306)
Total Net Position - Beginning	<u>10,447</u>	<u>26,991</u>	<u>1,275</u>	<u>38,713</u>	<u>3,553</u>
Total Net Position - Ending	<u>\$ 11,104</u>	<u>\$ 28,316</u>	<u>\$ 1,891</u>	<u>\$ 41,311</u>	<u>\$ 3,247</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, 2013
(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	\$ 4,323	\$ 833	\$ 4,467	\$ 9,623	\$ 13,491
Payments to Suppliers	(1,275)	(676)	(1,995)	(3,946)	(11,597)
Payments to Employees	(1,649)	(380)	(1,546)	(3,575)	(2,131)
Net Cash Provided (Used) by Operating Activities	<u>1,399</u>	<u>(223)</u>	<u>926</u>	<u>2,102</u>	<u>(237)</u>
Cash Flows from Noncapital Financing Activities					
Transfers (to) Other Funds	(339)	(2)	(225)	(566)	(193)
Transfers from Other Funds	-	-	-	-	150
Net Cash (Used) by Noncapital Financing Activities	<u>(339)</u>	<u>(2)</u>	<u>(225)</u>	<u>(566)</u>	<u>(43)</u>
Cash Flows from Capital and Related Financing Activities					
Acquisition/Construction of Capital Assets	(613)	(3,169)	(867)	(4,649)	(356)
Capital Contributions	-	1,745	-	1,745	8
Proceeds from Capital Lease	-	-	(146)	(146)	-
Proceeds from Insurance Recoveries	-	-	-	-	363
Proceeds from Sale of Capital Assets	(24)	15	99	90	(14)
Interest Payments on Debt	-	-	(10)	(10)	-
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(637)</u>	<u>(1,409)</u>	<u>(924)</u>	<u>(2,970)</u>	<u>1</u>
Cash Flows from Investing Activities					
Gain on Investments	6	6	2	14	21
Net Cash Provided by Investing Activities	<u>6</u>	<u>6</u>	<u>2</u>	<u>14</u>	<u>21</u>
Net Increase (Decrease) in Cash and Cash Equivalents	429	(1,628)	(221)	(1,420)	(258)
Cash and Cash Equivalents at Beginning of Year	<u>1,179</u>	<u>3,097</u>	<u>648</u>	<u>4,924</u>	<u>6,080</u>
Cash and Cash Equivalents at End of Year	<u>\$ 1,608</u>	<u>\$ 1,469</u>	<u>\$ 427</u>	<u>\$ 3,504</u>	<u>\$ 5,822</u>

Continued

CITY OF KISSIMMEE, FLORIDA
STATEMENT OF CASH FLOWS - Continued
PROPRIETARY FUNDS
For The Year Ended September 30, 2013
(In Thousands)

	Business-type Activities - Enterprise Funds			Governmental Activities - Internal Service Funds	
	Stormwater	Airport	Solid Waste		Total
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities					
Operating Income (Loss)	\$ 1,014	\$ (439)	\$ 746	\$ 1,321	\$ (703)
Depreciation	549	594	326	1,469	139
Bad Debt	11	3	10	24	-
Change in Assets and Liabilities:					
(Increase) Decrease in Accounts Receivable	(94)	24	(49)	(119)	(131)
(Increase) Decrease in Due from KUA	(6)	-	-	(6)	(5)
(Increase) Decrease in Due from TWA	-	-	7	7	(25)
(Increase) Decrease in Inventories	-	-	-	-	(6)
Increase (Decrease) in Accounts Payable	(133)	(351)	(137)	(621)	282
Increase (Decrease) in Retainage Payable	-	(64)	-	(64)	-
Increase (Decrease) in Due to KUA	(13)	-	(7)	(20)	-
Increase (Decrease) in Accrued Liabilities	4	1	1	6	3
Increase (Decrease) in OPEB	34	5	27	66	38
Increase (Decrease) in Compensated Absences	(3)	4	2	3	26
Increase (Decrease) in Capital Leases	36	-	-	36	-
Increase (Decrease) in Claims Payable	-	-	-	-	145
Total Adjustments	385	216	180	781	466
Net Cash Provided (Used) by Operating Activities	\$ 1,399	\$ (223)	\$ 926	\$ 2,102	\$ (237)

There are no noncash investing, capital, and financing activities in the Enterprise Funds.
There was \$62 in noncash contributions in the Governmental Activities - Internal Service Funds.

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

CITY OF KISSIMMEE, FLORIDA
STATEMENT OF FIDUCIARY NET POSITION
PENSION TRUST FUNDS
September 30, 2013
(In Thousands)

ASSETS

Pension Cash and Short Term Investments	\$	2,902
Interest Receivable		300
Investments, at Fair Value:		
U.S. Government Obligations		6,013
U.S. Instrumentalities		13,752
Corporate Bonds		13,295
Corporate Stocks		58,448
Mutual Funds		<u>64,584</u>
Total Investments		<u>156,092</u>
Total Assets		<u><u>159,294</u></u>

LIABILITIES

-

**Net Position Restricted
for Pension Benefits**

\$ 159,294

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

CITY OF KISSIMMEE, FLORIDA
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
PENSION TRUST FUNDS
For The Year Ended September 30, 2013
(In Thousands)

ADDITIONS	
Employer Contributions	\$ 8,164
Employee Contributions	<u>1,132</u>
Total Contributions	<u>9,296</u>
Investment Income	<u>18,544</u>
Total Contributions and Investment Income	<u>27,840</u>
DEDUCTIONS	
Benefits	8,186
Administrative Expense	<u>872</u>
Total Deductions	<u>9,058</u>
Change in Net Position	18,782
Net Position - Beginning of Year	<u>140,512</u>
Net Position - End of Year	<u><u>\$ 159,294</u></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, 2013

INDEX TO NOTES

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES	PAGE
Reporting Entity	37
Government-wide and Fund Financial Statements	37
Measurement Focus, Basis of Accounting, and Financial Statement Presentation	38
Budgetary Requirements	39
Cash and Cash Equivalents.....	40
Investments.....	40
Receivables	40
Inventories	41
Prepays.....	41
Restricted Assets	41
Capital Assets.....	41
Bond / Note Issuance Costs.....	42
Compensated Absences.....	42
Other Postemployment Benefits	42
Deferred Revenues.....	42
Contributions.....	42
Fund Balances	42
Net Position Restricted by Enabling Legislation.....	43
 NOTE 2 – DEPOSITS AND INVESTMENTS	
Deposits.....	43
Investments.....	43
 NOTE 3 – RECEIVABLES.....	44
 NOTE 4 – INTERFUND ACCOUNTS	45
 NOTE 5 - CAPITAL ASSETS	
Changes in Capital Assets.....	45
Net Capital Assets	49
Construction Commitments.....	49
 NOTE 6 – INCOME FROM LEASED PROPERTY	50
 NOTE 7 – LONG-TERM LIABILITIES	
Schedule of Changes in Long-term Liabilities.....	50
Debt Service Requirements	51
Debt Defeasance and Refundings	51
Capital Leases	51
Bonds and Notes Payable.....	52
KUA-County Liability.....	53
 NOTE 8 – EMPLOYEE RETIREMENT SYSTEMS	
Description of Plans	53
Summary of Significant Accounting Policies	53
Contribution Information.....	54
Combining Statements of the Pension Trust Funds.....	56
 NOTE 9 – OTHER POSTEMPLOYMENT BENEFITS (OPEB)	
Plan Description.....	57
Funding Policy	57
Annual OPEB Cost and Net OPEB Obligation.....	57
Funded Status and Funding Progress	58
Actuarial Methods and Assumptions.....	58
 NOTE 10 – RISK MANAGEMENT.....	59

CITY OF KISSIMMEE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
September 30, 2013

INDEX TO NOTES
(Continued)

	PAGE
NOTE 11 – NET INVESTMENT IN CAPITAL ASSETS CALCULATION	59
NOTE 12 – EXCESS OF EXPENDITURES OVER APPROPRIATIONS	59
NOTE 13 – FUND BALANCE DEFICITS AND DEFICIT NET POSITION	60
NOTE 14 – COMMITMENTS, RELATED PARTIES, AND CONTINGENCIES	60

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. The Reporting Entity

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

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

B. Government-wide and Fund Financial Statements

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

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

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

1. Government-wide Financial Statements

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

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

2. Fund Financial Statements

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

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

The City reports the following major governmental funds:

- The *General Fund* is the City's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.
- The *Community Redevelopment Agency Fund* is a special revenue fund used to account for operations of the Community Redevelopment Agency (CRA). Costs will ultimately be funded with restricted incremental tax increases of property located within the CRA.
- The *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.

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.

CITY OF KISSIMMEE, FLORIDA

NOTES TO FINANCIAL STATEMENTS – Continued

September 30, 2013

(In Thousands)

- 4) Budgets are legally adopted and formal budgetary integration is employed as a management control device during the year for the general fund, certain special revenue funds, all debt service funds, and all capital projects funds. Budgets are not adopted for the Police and Firefighters Premium Tax Fund, West Cypress Sidewalk Grant, Mobility Fee Fund, State Housing Initiative Program, Hurricane Housing Recovery Program Trust, Post Disaster Redevelopment Plan, and Supplementary Care special revenue funds.
- 5) Budgets for the governmental funds are adopted on a basis consistent with generally accepted accounting principles (GAAP).
- 6) The City Manager is authorized to approve transfers between line items other than salary accounts within any department, with all such adjustments reported on a monthly basis to the City Commission. However, the City Manager can approve transfers of unused amounts in salary account line items to advertising, recruiting and/or professional service account line items. Transfers between departments, other transfers between salary account line items and changes in total budget appropriations for a fund must have prior approval of the City Commission. During the current fiscal year, various appropriations were approved in accordance with this policy. Budgeted amounts shown in the financial statements are as originally adopted and as further amended.
- 7) Budget appropriations lapse at year-end. Encumbrances outstanding at year-end are charged against the ensuing year's budget, and thus are not shown in budget to actual presentations and are carried forward.

E. Cash and Cash Equivalents

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

F. Investments

Investments are stated at fair value, with the exception of 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, 2013 was 1.13262284 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 2012-2013 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.

CITY OF KISSIMMEE, FLORIDA
NOTES TO FINANCIAL STATEMENTS – Continued
 September 30, 2013
(In Thousands)

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

Special Assessments Receivable

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

H. Inventories

Inventories are valued at cost using the first-in/first-out (FIFO) method. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased.

I. Prepaids

Prepaids represent payments made to vendors for services that will benefit the City beyond September 30, 2013. These payments are recorded as expenditures or expenses when consumed rather than when purchased.

J. Restricted Assets

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

K. Capital Assets

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

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 of medical leave. Time accrued beyond that is paid to the employees every year at the rate of one-half their pay rate. The City records compensated absences in governmental funds, only if they have matured, as expenditures for the amount accrued during the year that would normally be liquidated with expendable, available financial resources. The City accrues compensated absences in the period they are earned in the government-wide and enterprise fund financial statements.

N. Other Postemployment Benefits

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

O. Deferred Revenues

Deferred revenues in the governmental funds represent paving assessment receivables and grant receivables that are measurable but the revenue is not available or was unearned. For government-wide reporting, unavailable 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.
- Assigned Fund Balance - amounts that are subject to a purpose constraint that represents an intended use established by the City Commission or by their designated body or official. The City Manager was appointed with the authority to assign fund balance through the City Commission's approval of the City's fund balance policy.

CITY OF KISSIMMEE, FLORIDA
NOTES TO FINANCIAL STATEMENTS – Continued
September 30, 2013
(In Thousands)

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 Position Restricted by Enabling Legislation

In the government-wide financial statements, governmental activities report restricted net position of \$14,019, of which management has determined \$271 for building code enforcement is restricted by enabling legislation that is reported within the category of "other purposes".

NOTE 2 – DEPOSITS AND INVESTMENTS

Deposits

Deposits consist of demand accounts (interest and non-interest bearing). All deposits with financial institutions were 100% insured by Federal depository insurance or by collateral pursuant to the Public Depository Security Act of the State of Florida. The bank balance held in accounts covered by Federal depository insurance was \$124. The carrying amount of the demand deposits and cash on hand at September 30, 2013 was \$533.

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.

The following is a summary of the City's pooled investments (including the Pension Trust Funds) at September 30, 2013.

	Fair Value	Weighted Average Maturity (Years)	Credit Rating
U.S. Government Instrumentalities	\$ 8,058	4.42	S&P AA+
SunTrust MUNI Investment	7,030	n/a	n/a
BB&T Bank Agency Project Fund	2,198	n/a	n/a
Florida PRIME	20,716	See below (1)	S&P AAAm
Local Government Surplus Funds Trust Fund Pool B	53	See below (2)	not rated
Mutual Funds	4,998	n/a	n/a
Total Investments	\$ 43,053		

(1) The weighted average maturity at September 30, 2013 was 44 days.

(2) The weighted average life at September 30, 2013 was 4.04 years.

CITY OF KISSIMMEE, FLORIDA
NOTES TO FINANCIAL STATEMENTS – Continued
September 30, 2013
(In Thousands)

	General Employees Pension Fair Value	Weighted Average Maturity (Years)	Police Officers' Pension Fair Value	Weighted Average Maturity (Years)	Firefighters' Pension Fair Value	Weighted Average Maturity (Years)	Total All Pensions
U.S. Government Obligations	\$ 4,541	19.10	\$ 380	7.89	\$ 1,092	20.15	\$ 6,013
U.S. Government Instrumentalities	4,973	26.46	5,090	28.42	3,688	31.50	13,752
Corporate Bonds	4,168	13.64	3,401	14.89	5,726	33.13	13,295
Corporate Stocks	29,053	n/a	11,959	n/a	17,436	n/a	58,448
Total Investments	42,736		20,830		27,942		91,507
Mutual Funds	38,931	n/a	23,674	n/a	4,857	n/a	67,462
Total Cash and Investments	\$ 81,667		\$ 44,504		\$ 32,799		\$ 158,969

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, 81% of them have maturities of less than one year. The City's policy requires that investments have maturities that match known cash needs and anticipated cash-flow requirements.

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

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

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

NOTE 3 – RECEIVABLES

The following is a detail listing of receivables for the City's individual major funds and the aggregate of nonmajor funds at September 30, 2013. Special assessment receivables are secured by liens placed on benefited properties at the time of the original assessment.

Description	Local Option				Nonmajor and Internal			Total
	General	Sales Tax	Stormwater	Airport	Solid Waste	Service Funds	Pension Funds	
Accounts	\$ 7,155	\$ 12	\$ 406	\$ 51	\$ 405	\$ 727	\$ -	\$ 8,756
Interest	-	-	-	-	-	-	300	300
Special assessments	40	-	-	-	-	-	-	40
	7,195	12	406	51	405	727	300	9,096
Less: Allowance for uncollectibles	(1,226)	-	-	-	-	-	-	(1,226)
	\$ 5,969	\$ 12	\$ 406	\$ 51	\$ 405	\$ 727	\$ 300	\$ 7,870

CITY OF KISSIMMEE, FLORIDA
NOTES TO FINANCIAL STATEMENTS – Continued
September 30, 2013
(In Thousands)

NOTE 4 – INTERFUND ACCOUNTS

Individual interfund receivables, payables and transfers with a description of their purpose at September 30, 2013 are:

	<u>Advance To</u>	<u>Advance From</u>	Purpose
Local Option Sales Tax	\$ 1,841	\$ -	Loan to CRA for improvement projects to be repaid with tax increment revenue
Community Redevelopment Agency Fund	-	1,841	
	<u>\$ 1,841</u>	<u>\$ 1,841</u>	
	<u>Due From</u>	<u>Due To</u>	Purpose
General Fund	\$ 349	\$ -	To cover negative pooled cash position of Funds
Local Option Sales Tax	300	-	To cover negative pooled cash position of Funds
Nonmajor Funds:			
Special Revenue Funds	16	365	To cover negative pooled cash position of Funds
Capital Projects Funds	-	300	To cover negative pooled cash position of Funds
Internal Service Funds	800	800	To cover negative pooled cash position of Funds
	<u>\$ 1,465</u>	<u>\$ 1,465</u>	
	<u>Transfer In</u>	<u>Transfers Out</u>	Purpose
General Fund	\$ 4,058	\$ 1,288	Transfer to cover debt service payments
Community Redevelopment Agency	-	655	Transfer to cover debt service payments
Local Option Sales Tax	10	2,168	Transfer sales tax revenue to General Fund and debt
Stormwater	-	339	Transfer to General Fund for PILOT
Airport	-	2	
Solid Waste	-	225	Transfer to General Fund for PILOT
Nonmajor Funds:			
Special Revenue Funds	960	4,523	Transfer to cover cash balances and cover debt service
Debt Service Funds	4,353	-	Transfer to cover debt service payment
Capital Projects Funds	-	138	
Internal Service Funds	150	193	Transfer to cover cash balances
	<u>\$ 9,531</u>	<u>\$ 9,531</u>	

NOTE 5 – CAPITAL ASSETS

A. Changes in Capital Assets

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

CITY OF KISSIMMEE, FLORIDA
NOTES TO FINANCIAL STATEMENTS – Continued
September 30, 2013
(In Thousands)

Governmental Activities	Beginning Balance 10/01/2012	Increases	Decreases	Transfers	Ending Balance 9/30/2013
Capital Assets, Not Being Depreciated:					
Land	\$ 17,455	\$ 697	\$ -	\$ -	\$ 18,152
Construction In Progress	<u>42,462</u>	<u>1,377</u>	<u>-</u>	<u>-</u>	<u>43,839</u>
Total Capital Assets, Not Being Depreciated	<u>59,917</u>	<u>2,074</u>	<u>-</u>	<u>-</u>	<u>61,991</u>
Capital Assets, Being Amortized, Net:					
Software - Charter School	70	(19)	(48)	-	3
Software - Other City	680	(18)	-	-	662
Parking Capacity	<u>2,244</u>	<u>(204)</u>	<u>-</u>	<u>-</u>	<u>2,040</u>
Total Capital Assets Being Amortized, Net	<u>2,994</u>	<u>(241)</u>	<u>(48)</u>	<u>-</u>	<u>2,705</u>
Capital Assets, Being Depreciated:					
Buildings					
Charter School	497	463	-	-	960
Other City	53,718	87	-	-	53,805
Improvements other than buildings					
Charter School	97	14	-	-	111
Other City	107,680	11,964	(203)	-	119,441
Equipment					
Charter School	699	31	-	-	730
Other City	<u>27,255</u>	<u>3,887</u>	<u>(4,484)</u>	<u>(63)</u>	<u>26,595</u>
Total Capital Assets Being Depreciated	<u>189,946</u>	<u>16,446</u>	<u>(4,687)</u>	<u>(63)</u>	<u>201,642</u>
Less Accumulated Depreciation For:					
Buildings					
Charter School	(81)	(33)	-	-	(114)
Other City	(22,263)	(2,007)	-	-	(24,270)
Improvements other than buildings					
Charter School	(79)	(4)	-	-	(83)
Other City	(31,015)	(2,629)	85	-	(33,559)
Equipment					
Charter School	(458)	(83)	-	-	(541)
Other City	<u>(26,898)</u>	<u>(2,307)</u>	<u>4,312</u>	<u>63</u>	<u>(24,830)</u>
Total Accumulated Depreciation	<u>(80,794)</u>	<u>(7,063)</u>	<u>4,397</u>	<u>63</u>	<u>(83,397)</u>
Total Capital Assets, Being Depreciated, Net	<u>109,152</u>	<u>9,383</u>	<u>(290)</u>	<u>-</u>	<u>118,245</u>
Governmental Activities Capital Assets, Net	<u>\$ 172,063</u>	<u>\$ 11,216</u>	<u>\$ (338)</u>	<u>\$ -</u>	<u>\$ 182,941</u>

CITY OF KISSIMMEE, FLORIDA
NOTES TO FINANCIAL STATEMENTS – Continued
September 30, 2013
(In Thousands)

Business-type Activities	Beginning Balance 10/01/2012	Increases	Decreases	Ending Balance 9/30/2013
Stormwater Fund				
Capital Assets, Being Amortized, Net:				
Software	\$ 1	\$ -	\$ -	\$ 1
Total Capital Assets, Being Amortized, Net	<u>1</u>	<u>-</u>	<u>-</u>	<u>1</u>
Capital Assets, Being Depreciated:				
Buildings	89	4	-	93
Improvements other than Buildings	9,024	618	(5)	9,637
Equipment	<u>2,470</u>	<u>353</u>	<u>(213)</u>	<u>2,610</u>
Total Capital Assets Being Depreciated	<u>11,583</u>	<u>975</u>	<u>(218)</u>	<u>12,340</u>
Less Accumulated Depreciation For:				
Buildings	-	(1)	-	(1)
Improvements other than Buildings	(1,018)	(223)	(4)	(1,245)
Equipment	<u>(1,160)</u>	<u>(325)</u>	<u>119</u>	<u>(1,366)</u>
Total Accumulated Depreciation	<u>(2,178)</u>	<u>(549)</u>	<u>115</u>	<u>(2,612)</u>
Total Capital Assets, Being Depreciated, Net	<u>9,405</u>	<u>426</u>	<u>(103)</u>	<u>9,728</u>
Solid Waste Fund Capital Assets, Net	<u>\$ 9,406</u>	<u>\$ 426</u>	<u>\$ (103)</u>	<u>\$ 9,729</u>
Airport Fund				
Capital Assets, Not Being Depreciated:				
Land	\$ 401	\$ -	\$ -	\$ 401
Construction In Progress	<u>2,121</u>	<u>144</u>	<u>-</u>	<u>2,265</u>
Total Capital Assets, Not Being Depreciated	<u>2,522</u>	<u>144</u>	<u>-</u>	<u>2,666</u>
Capital Assets, Being Depreciated:				
Buildings	3,884	668	-	4,552
Improvements other than Buildings	22,647	2,090	(19)	24,718
Equipment	<u>434</u>	<u>51</u>	<u>(34)</u>	<u>451</u>
Total Capital Assets Being Depreciated	<u>26,965</u>	<u>2,809</u>	<u>(53)</u>	<u>29,721</u>
Less Accumulated Depreciation For:				
Buildings	(605)	(207)	-	(812)
Improvements other than Buildings	(4,523)	(310)	-	(4,833)
Equipment	<u>(421)</u>	<u>(77)</u>	<u>33</u>	<u>(465)</u>
Total Accumulated Depreciation	<u>(5,549)</u>	<u>(594)</u>	<u>33</u>	<u>(6,110)</u>
Total Capital Assets, Being Depreciated, Net	<u>21,416</u>	<u>2,215</u>	<u>(20)</u>	<u>23,611</u>
Airport Fund Capital Assets, Net	<u>\$ 23,938</u>	<u>\$ 2,359</u>	<u>\$ (20)</u>	<u>\$ 26,277</u>

CITY OF KISSIMMEE, FLORIDA
NOTES TO FINANCIAL STATEMENTS – Continued
September 30, 2013
(In Thousands)

<u>Solid Waste Fund</u>	Beginning Balance 10/01/2012	Increases	Decreases	Ending Balance 9/30/2013
Capital Assets, Being Depreciated:				
Buildings	\$ 5	\$ -	\$ -	\$ 5
Improvements other than Buildings	33	75	(3)	105
Equipment	4,066	370	-	4,436
Total Capital Assets Being Depreciated	<u>4,104</u>	<u>445</u>	<u>(3)</u>	<u>4,546</u>
Less Accumulated Depreciation For:				
Buildings	(1)	(1)	-	(2)
Improvements other than Buildings	(15)	(1)	-	(16)
Equipment	(2,357)	(324)	429	(2,252)
Total Accumulated Depreciation	<u>(2,373)</u>	<u>(326)</u>	<u>429</u>	<u>(2,270)</u>
Total Capital Assets, Being Depreciated, Net	<u>1,731</u>	<u>119</u>	<u>426</u>	<u>2,276</u>
Solid Waste Fund Capital Assets, Net	<u>\$ 549</u>	<u>\$ 119</u>	<u>\$ 426</u>	<u>\$ 2,276</u>
<u>Total Business-type Activities</u>				
Capital Assets, Not Being Depreciated:				
Land	\$ 401	\$ -	\$ -	\$ 401
Construction In Progress	2,121	144	-	2,265
Total Capital Assets, Not Being Depreciated	<u>2,522</u>	<u>144</u>	<u>-</u>	<u>2,666</u>
Capital Assets, Being Amortized, Net:				
Software	1	-	-	1
Total Capital Assets, Being Amortized, Net	<u>1</u>	<u>-</u>	<u>-</u>	<u>1</u>
Capital Assets, Being Depreciated:				
Buildings	3,978	672	-	4,650
Improvements other than Buildings	31,704	2,783	(27)	34,460
Equipment	6,970	774	(247)	7,497
Total Capital Assets Being Depreciated	<u>42,652</u>	<u>4,229</u>	<u>(274)</u>	<u>46,607</u>
Less Accumulated Depreciation For:				
Buildings	(606)	(209)	-	(815)
Improvements other than Buildings	(5,556)	(534)	(4)	(6,094)
Equipment	(3,938)	(726)	581	(4,083)
Total Accumulated Depreciation	<u>(10,100)</u>	<u>(1,469)</u>	<u>577</u>	<u>(10,992)</u>
Total Capital Assets, Being Depreciated, Net	<u>32,552</u>	<u>2,760</u>	<u>303</u>	<u>35,615</u>
Total Business-type Activities, Net	<u>\$ 35,075</u>	<u>\$ 2,904</u>	<u>\$ 303</u>	<u>\$ 38,282</u>

CITY OF KISSIMMEE, FLORIDA
NOTES TO FINANCIAL STATEMENTS – Continued
September 30, 2013
(In Thousands)

Governmental Activities:

Depreciation and Amortization Expense By Function

General Government	\$ 2,703
Public Safety	1,825
Transportation	1,751
Economic Environment	204
Culture/Recreation	706
Capital assets held by the City's internal service funds are charged to the various functions based on their usage of the assets	<u>139</u>
Total Governmental Activities Depreciation and Amortization	<u><u>\$ 7,328</u></u>

Business-type Activities:

Depreciation Expense By Function

Stormwater	\$ 549
Airport	594
Solid Waste	<u>326</u>
	<u><u>\$ 1,469</u></u>

B. Net Capital Assets

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

	Governmental Activities	Business-type Activities	Total
Land	\$ 18,152	\$ 401	\$ 18,553
Software, net	665	1	666
Parking Capacity, net	2,040	-	2,040
Buildings	54,765	4,650	59,415
Improvements other than Buildings	119,552	34,460	154,012
Equipment	27,325	7,497	34,822
Construction in Progress	<u>43,839</u>	<u>2,265</u>	<u>46,104</u>
	266,338	49,274	315,612
Less: Accumulated Depreciation	<u>(83,397)</u>	<u>(10,992)</u>	<u>(94,389)</u>
Capital Assets, net	<u><u>\$ 182,941</u></u>	<u><u>\$ 38,282</u></u>	<u><u>\$ 221,223</u></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, 2013:

Projects	Spent-to-Date	Remaining Commitment
Oak Street Improvements	\$ 1,605	\$ 4,873
Martin Luther King Roadway Improvements	453	1,830
Kissimmee Trail Bridge	1	5,432
Airport Improvements	3,167	10,252
Lakefront Improvements	<u>1,893</u>	<u>2,127</u>
Total	<u><u>\$ 7,119</u></u>	<u><u>\$ 24,514</u></u>

CITY OF KISSIMMEE, FLORIDA
NOTES TO FINANCIAL STATEMENTS – Continued
September 30, 2013
(In Thousands)

NOTE 6 – INCOME FROM LEASED PROPERTY

The City is the lessor on various leases at the Airport. Assets available for lease consist primarily of land, land improvements and buildings. As of September 30, 2013, the total book value of assets in these categories is \$4,953 with accumulated depreciation of \$812. The following is a schedule of minimum future lease income on non-cancellable operating leases:

<u>Year</u>	<u>Amount</u>
2014	\$ 623
2015	635
2016	686
2017	695
2018	667
After 2018	<u>1,519</u>
Total minimum lease income	<u>\$ 4,825</u>

Total income on non-cancellable operating leases for the year ended September 30, 2013 was \$659.

NOTE 7 – LONG-TERM LIABILITIES

A. Schedule of Changes in Long-term Liabilities

The City's outstanding long-term liabilities includes revenue bonds payable, notes payable, capital leases payable, claims payable, other postemployment benefits, a Kissimmee Utility Authority (KUA) - County long-term liability, and compensated absences. The following is a schedule of changes in the City's long-term liabilities for the fiscal year ended September 30, 2013:

	<u>Balance</u>			<u>Balance</u>	<u>Due Within</u>	<u>Long-term</u>
	<u>10/01/12</u>	<u>Additions</u>	<u>Reductions</u>	<u>9/30/13</u>	<u>One Year</u>	<u>Portion</u>
Governmental Activities:						
Revenue Notes Payable	\$ 46,343	\$ -	\$ (3,030)	\$ 43,313	\$ 3,150	\$ 40,163
Revenue Bonds Payable	316	-	(29)	287	31	256
Capital Lease Payable	62	1,891	(246)	1,707	369	1,338
KUA County Liability	949	-	(356)	593	356	237
Claims Payable	3,401	145	-	3,546	1,773	1,773
Other Postemployment Benefits	2,594	567	-	3,161	-	3,161
Compensated Absences	<u>1,894</u>	<u>2,436</u>	<u>(2,234)</u>	<u>2,096</u>	<u>629</u>	<u>1,467</u>
Governmental Activity						
Long-term Liabilities	<u>\$ 55,559</u>	<u>\$ 5,039</u>	<u>\$ (5,895)</u>	<u>\$ 54,703</u>	<u>\$ 6,308</u>	<u>\$ 48,395</u>
Business-type Activities:						
Capital Lease Payable	\$ 587	\$ -	\$ (146)	\$ 441	\$ 148	\$ 293
Other Postemployment Benefits	301	66	-	367	-	367
Compensated Absences	<u>153</u>	<u>245</u>	<u>(242)</u>	<u>156</u>	<u>47</u>	<u>109</u>
Business-type Activity						
Long-term Liabilities	<u>\$ 1,041</u>	<u>\$ 311</u>	<u>\$ (388)</u>	<u>\$ 964</u>	<u>\$ 195</u>	<u>\$ 769</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, 2013
(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	
2014	\$ 3,150	\$ 1,232	\$ 31	\$ 14	\$ 4,427
2015	3,280	1,144	32	13	4,469
2016	3,386	1,070	34	11	4,501
2017	3,518	973	36	10	4,537
2018	3,650	873	37	8	4,568
2019-2023	19,669	2,755	117	14	22,555
2024-2028	6,070	456	-	-	6,526
2029-2030	590	24	-	-	614
Total	\$ 43,313	\$ 8,527	\$ 287	\$ 70	\$ 52,197

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, 2013, 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 10/01/12	Additions/ Reductions	Outstanding at 09/30/13
1984	\$ 3,640	\$ (780)	\$ 2,860
1986	3,895	(875)	3,020
1990	4,225	(945)	3,280
	<u>\$ 11,760</u>	<u>\$ (2,600)</u>	<u>\$ 9,160</u>

D. Capital Leases

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

Year Ending September 30	Governmental Activities	Business-type Activities
2014	\$ 394	\$ 156
2015	394	155
2016	394	143
2017	394	-
2018	197	-
Total minimum lease payments	1,773	454
Less: amount representing interest	(66)	(13)
Present value of minimum lease payments	<u>\$ 1,707</u>	<u>\$ 441</u>

CITY OF KISSIMMEE, FLORIDA
NOTES TO FINANCIAL STATEMENTS – Continued
September 30, 2013
(In Thousands)

E. Bonds and Notes Payable

The City has revenue bonds and notes outstanding at September 30, 2013. The revenue bonds and notes under governmental activities are secured by several pledged revenue sources. The following is a summary schedule of these long-term obligations of the City and their impact on those present and future pledged revenue sources:

<u>Governmental Activities:</u>	<u>Revenue Pledged</u>	<u>Amount Issued</u>	<u>Principal Outstanding</u>	<u>Total Pledged Revenue (1)</u>	<u>Future Pledged Revenue Over Debt Service Required (2)</u>	<u>Current Year Debt Srvc Paid</u>	<u>Current Year Total Revenue</u>
Revenue Notes:							
2006 Revenue Note Maturity: 2026, Interest Rate: 3.85% Purpose: Road improvements	Local option gas tax	\$ 9,000	\$ 6,685	\$ 8,630	16.4%	\$ 385	\$ 2,343
2009 CRA Redevelopment Trust Note Maturity: 2022, Interest Rate: 0.619% Purpose: CRA redevelopment plan	CRA incremental	6,000	4,163	4,581	28.5%	380	1,334
2010A Capital Improvement Refunding Note Maturity: 2023, Interest Rate: 2.61% Purpose: Refunding 2005 Series Note	Local option sales tax	9,500	7,720	8,892	13.0%	620	4,759
2010B Capital Improvement Revenue Note Maturity: 2025, Interest Rate: 2.79% Purpose: Road Improvements	Local option sales tax	8,000	7,490	8,920	10.7%	510	4,759
2010C Capital Improvement Revenue Note Maturity: 2030, Interest Rate: 2.69% Purpose: Road Improvements	Local option gas tax	4,000	3,840	4,864	6.8%	160	2,343
2011A Capital Improvement Revenue Note Maturity: 2023, Interest Rate: 3.11% Purpose: Refunding Charter School Note	School Board State grant	7,075	5,690	6,709	10.2%	475	4,667
2011B Capital Improvement Refunding Note Maturity: 2025, Interest Rate: 2.86% Purpose: Road Improvements	Local option sales tax	9,140	<u>7,725</u>	9,244	10.5%	500	4,759
	Total Revenue Notes		<u>43,313</u>				
Revenue Bonds:							
Excise Tax Revenue Bonds, Series 1980 Maturity: 2018, Interest Rate: 3.50 - 5.45% Purpose: Refunding	Infrastructure surtax	265	80	95	6.6%	11	166
					(3)		
Excise Tax Revenue Bonds, Series 1982 Maturity: 2019, Interest Rate: 5.00% Purpose: Refunding	Infrastructure surtax	500	<u>207</u>	261	10.7%	18	166
					(3)		
	Total Revenue Bonds		<u>287</u>				
Total Revenue Notes and Bonds - Governmental Activities			<u>\$ 43,600</u>				

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

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

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

F. KUA - County Liability

The City agreed to a structured repayment of its liability to KUA for their reimbursement to the County of collected utility taxes remitted to the City in error from June 2007 through November 2010. The payments commenced October 1, 2011 in monthly installments for 44 months to end no later than May 1, 2015. The remaining liability is \$593 at September 30, 2013.

NOTE 8 – EMPLOYEE RETIREMENT SYSTEMS

The City administers three public employee retirement systems for all full-time employees. The employees of the Tohopekaliga Water Authority also participate in the general employees' retirement plan. Actuarial studies were conducted on all three plans as of October 1, 2013. 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 position 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 total assets in any of the pension trust funds.

CITY OF KISSIMMEE, FLORIDA
NOTES TO FINANCIAL STATEMENTS – Continued
September 30, 2013
(In Thousands)

C. Contribution Information

Membership of each plan consisted of the following at October 1, 2013, the date of the latest actuarial valuations:

	Pension Plans		
	General	Police	Firefighters'
	Employees'	Officers'	
Active members	295	124	79
Terminated vested members	81	11	10
DROP participants	19	4	18
Service retirees and beneficiaries	143	90	44
Total	538	229	151

For the fiscal year ended September 30, 2013, the following plan member and employer (including amount to be received from the State) contribution rates were actuarially determined:

	Pension Plans		
	General	Police	Firefighters'
	Employees'	Officers'	Firefighters'
Required Employer Contribution (<i>includes estimate for state excise tax proceeds</i>)	17.98%	45.23% ¹	42.49% ¹
Required Plan Member Contribution	3.69% Tier 1 7.14% 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	7.50%	8.00%	8.00%
Projected salary increases	Service-Based Rule	7.00%	Service-Based Rule
Post retirement benefit increases	3.00%	3.50%	3.50%
Includes inflation and payroll growth	3.00%	3.50%	3.50%
Cost-of-living adjustments	None	1% per year age 55 to 65	None

¹ Required Employer Contribution includes City and State rate

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'	10/01/13	\$ 84,508	\$ 101,428	\$ 16,920	83.3%	\$ 19,850	85.2%
Police Officers'	10/01/13	45,041	56,594	11,553	79.6%	7,066	163.5%
Firefighters'	10/01/13	32,469	43,601	11,132	74.5%	4,469	249.1%

CITY OF KISSIMMEE, FLORIDA
NOTES TO FINANCIAL STATEMENTS – Continued
September 30, 2013
(In Thousands)

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

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

<u>Plan/Fiscal Year Ended</u>	<u>APC</u>	<u>Actual</u>	<u>% of APC</u>
General Employees'			
09/30/11	\$ 3,272	\$ 3,272	100%
09/30/12	3,169	3,169	100%
09/30/13	3,127	3,127	100%
Police Officers'			
09/30/11	\$ 2,537	\$ 2,536	100%
09/30/12	2,734	2,735	100%
09/30/13	2,995	2,996	100%
Firefighters'			
09/30/11	\$ 1,819	\$ 1,816	100%
09/30/12	1,929	1,930	100%
09/30/13	1,858	1,858	100%

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

	<u>Police</u>	<u>Firefighters</u>	<u>Total</u>
Actuarially Determined			
Contribution (A)	\$ 2,996	\$ 1,858	\$ 4,854
Interest on NPO	(5)	(4)	(9)
Adjustment to (A)	<u>4</u>	<u>3</u>	<u>7</u>
Annual Pension Cost (APC)	2,995	1,857	4,852
Contributions Made	<u>2,996</u>	<u>1,858</u>	<u>4,854</u>
Increase in NPO	(1)	(1)	(2)
NPO at Beginning of Year	<u>(59)</u>	<u>(43)</u>	<u>(102)</u>
NPO at End of Year	<u>\$ (60)</u>	<u>\$ (44)</u>	<u>\$ (104)</u>

CITY OF KISSIMMEE, FLORIDA
NOTES TO FINANCIAL STATEMENTS – Continued
September 30, 2013
(In Thousands)

D. Combining Statements of the Pension Trust Funds

CITY OF KISSIMMEE, FLORIDA				
<u>COMBINING STATEMENT OF FIDUCIARY NET POSITION</u>				
<u>PENSION TRUST FUNDS</u>				
September 30, 2013				
(In Thousands)				
	General			
	Employees'	Police Officers'	Firefighters'	
	Pension	Pension	Pension	Totals
ASSETS				
Pension Cash and Short Term Investments	\$ 630	\$ 885	\$ 1,387	\$ 2,902
Interest Receivable	176	57	67	300
Investments, at Fair Value				
U.S. Government Obligations	4,541	380	1,092	6,013
U.S. Instrumentalities	4,974	5,090	3,688	13,752
Corporate Bonds	4,168	3,401	5,726	13,295
Corporate Stocks	29,053	11,959	17,436	58,448
Mutual Funds	38,300	22,814	3,470	64,584
Total Investments	<u>81,036</u>	<u>43,644</u>	<u>31,412</u>	<u>156,092</u>
Total Assets	<u>81,842</u>	<u>44,586</u>	<u>32,866</u>	<u>159,294</u>
Net Position Restricted				
for Pension Benefits	<u>\$ 81,842</u>	<u>\$ 44,586</u>	<u>\$ 32,866</u>	<u>\$ 159,294</u>

CITY OF KISSIMMEE, FLORIDA				
<u>COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION</u>				
<u>PENSION TRUST FUNDS</u>				
For The Year Ended September 30, 2013				
(In Thousands)				
	General			
	Employees'	Police Officers'	Firefighters'	
	Pension	Pension	Pension	Totals
ADDITIONS				
Employer Contributions	\$ 3,276	\$ 2,773	\$ 2,115	\$ 8,164
Employee Contributions	848	245	39	1,132
Total Contributions	<u>4,124</u>	<u>3,018</u>	<u>2,154</u>	<u>9,296</u>
Investment Income	9,354	5,255	3,935	18,544
Total Additions	<u>13,478</u>	<u>8,273</u>	<u>6,089</u>	<u>27,840</u>
DEDUCTIONS				
Benefits	3,417	3,174	1,595	8,186
Administrative Expense	408	270	194	872
Total Deductions	<u>3,825</u>	<u>3,444</u>	<u>1,789</u>	<u>9,058</u>
Change in Net Position	9,653	4,829	4,300	18,782
Net Position - Beginning of Year	<u>72,189</u>	<u>39,757</u>	<u>28,566</u>	<u>140,512</u>
Net Position - End of Year	<u>\$ 81,842</u>	<u>\$ 44,586</u>	<u>\$ 32,866</u>	<u>\$ 159,294</u>

NOTE 9 – OTHER POSTEMPLOYMENT BENEFITS (OPEB)

A. Plan Description

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

The Other Postemployment Benefit Plan (“OPEB Plan”) is a single-employer benefit plan administered by the City. Retirees are charged whatever the insurance company charges for the type of coverage elected. However, the premiums charged by the insurance company are based on a blending of the experience among younger active employees and older retired employees. Since the older retirees actually have higher costs, it means that the City is subsidizing the cost of the retiree coverage because it pays all or a significant portion of that premium on behalf of the active employees. GASB No.45 calls this the “implicit rate subsidy”.

Retirees and their dependents are permitted to remain covered under the City’s respective medical and insurance plans as long as they pay a full premium applicable to coverage elected. This conforms to the minimum required of Florida governmental employers per Ch. 112.08, F.S. The City Commission has the authority to amend the benefits of the OPEB Plan. The OPEB Plan does not issue a stand-alone report.

B. Funding Policy

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

C. Annual OPEB Cost and Net OPEB Obligation

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

CITY OF KISSIMMEE, FLORIDA
NOTES TO FINANCIAL STATEMENTS – Continued
September 30, 2013
(In Thousands)

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

	FY13 Valuation as of 10/01/12
Normal Cost (service cost for one year)	\$ 596
Amortization of Unfunded Actuarial Accrued Liability	208
Interest on Normal Cost and Amortization	-
Annual Required Contribution (ARC)	804
Interest on Net OPEB Obligation	101
Adjustment to ARC	(111)
Annual OPEB Cost (expense)	794
Employer Contributions Made	(161)
Increase/(Decrease) in Net OPEB Obligation	633
Net OPEB Obligation at Beginning of Year	2,895
Net OPEB Obligation at End of Year	<u>\$ 3,528</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 2013, 2012 and 2011 were as follows:

Fiscal Year Ended	Annual OPEB Cost	Employer Contributions toward OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
9/30/2013	\$ 794	\$ 161	20.28%	\$ 3,528
9/30/2012	743	151	20.32%	2,895
9/30/2011	707	131	18.53%	2,303

D. Funded Status and Funding Progress

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

E. Actuarial Methods and Assumptions

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

CITY OF KISSIMMEE, FLORIDA
NOTES TO FINANCIAL STATEMENTS – Continued
September 30, 2013
(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 7.3%, adjusted annually to an ultimate rate of 5% after seven years. The remaining amortization period at September 30, 2013, was 26 years. The Normal Entry Age actuarial cost method was used, with amortization of the UAAL as a level percent of expected payroll (closed over 30 years).

NOTE 10 – RISK MANAGEMENT

The City has a risk management program accounted for in two internal service funds. The funds are used to account for the costs of employee health, workers' compensation, automobile, and general property and casualty programs. Other City funds are charged by this fund for policy premiums and claims for which the City is self-insured. The City maintains cash reserves in excess of \$1 million and carries excess coverage for claims between \$100 thousand and \$5 million on all coverage except criminal liability. Criminal liability excess coverage is carried for claims between \$50 thousand and \$250 thousand. During 2013, 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, 2013, the total outstanding unpaid claims were \$3,546 which includes an estimate for incurred but not reported claims. Insurance premiums paid out of this fund totaled \$2,175 for the fiscal year ended September 30, 2013. The change in the claims liability for the past two years is as follows:

	Balance at Beginning of Fiscal Year	Current Year Claims and Changes in Estimates	Current Year Claims Payments or Other Adjustments	Balance at End of Fiscal Year
2012-2013	\$ 3,401	\$ 2,320	\$ (2,175)	\$ 3,546
2011-2012	3,693	1,538	(1,830)	3,401

NOTE 11 – NET INVESTMENT IN CAPITAL ASSETS CALCULATION

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

	Governmental Activities	Business-type Activities	Total
Capital Assets (Net)	\$ 182,941	\$ 38,282	\$ 221,223
Debt Related to Capital Assets	(45,307)	(441)	(45,748)
Other Liabilities Related to Capital Assets	(1,810)	(467)	(2,277)
Unspent Proceeds of Capital-Related Debt	2,121	-	2,121
	<u>\$ 137,945</u>	<u>\$ 37,374</u>	<u>\$ 175,319</u>

NOTE 12 – EXCESS OF EXPENDITURES OVER APPROPRIATIONS

For the year ended September 30, 2013, actual expenditures in the 2010B Note Construction Project fund exceeded budgeted expenditures by \$307 and actual expenditures in the Paving Assessments fund exceeded budgeted expenditures by \$15. The excess of expenditures will be paid for by proceeds from future local option sales taxes and paving assessment collections.

NOTE 13 – FUND BALANCE DEFICITS AND DEFICIT NET POSITION

The following funds have a deficit fund balance or net position at September 30, 2013:

<u>Fund Name</u>	<u>Deficit Amounts</u>
<u>Deficit Fund Balance</u>	
Community Redevelopment Agency	\$ 946
Nonmajor Funds:	
Special Revenue Funds:	
Community Development Block Grant	26
West Cypress Sidewalk Grant	16
Kissimmee Multi-Use Trail	141
Capital Projects Fund:	
2010B Note Construction Project	306
<u>Deficit Net Position</u>	
Health Insurance	482

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 Health Insurance Self Insurance Fund will be reversed with future required funding from the General Fund.

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, 2013, the payment made by KUA to the City was \$8.6 million. KUA's total operating revenues for the fiscal year ended September 30, 2013 were \$171 million. KUA also provides customer billing services to the City's Solid Waste and Stormwater Utility Funds.

Tohopekaliga Water Authority – The Tohopekaliga Water Authority (TWA) was created effective October 1, 2003. The TWA was created pursuant to a state legislative act. The City and Osceola County agreed to transfer all assets, liabilities and operations of their water and sewer systems to the TWA. The TWA issued in excess of \$100 million in reserve bonds to pay off the City's utility revenue bonds, other outstanding obligations, and to provide for new construction and system expansion. TWA provides a payment to the City's General Fund annually. The annual amount for 2013 was \$4.8 million and all future annual amounts will be calculated based on the gross annual revenues of the system for an additional 15 years.

CITY OF KISSIMMEE, FLORIDA
NOTES TO FINANCIAL STATEMENTS – Continued
September 30, 2013
(In Thousands)

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

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

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REQUIRED SUPPLEMENTARY INFORMATION

Budgetary Comparison Schedules (GAAP BASIS):

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

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, 2013
(In Thousands)

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Over (Under)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES AND OTHER SOURCES				
Taxes:				
Ad valorem	\$ 9,573	\$ 9,758	\$ 9,752	\$ (6)
Utility taxes	6,230	6,230	6,389	159
Local business taxes	185	185	166	(19)
	<u>15,988</u>	<u>16,173</u>	<u>16,307</u>	<u>134</u>
Permits, Fees and Special Assessments:				
Franchise fees	142	142	141	(1)
Other permits and fees	2	2	1	(1)
	<u>144</u>	<u>144</u>	<u>142</u>	<u>(2)</u>
Intergovernmental Revenues:				
Federal grants	-	-	9	9
State grants	-	191	191	-
State revenue sharing	1,825	1,825	1,838	13
Half cent sales tax	3,852	3,852	3,909	57
Shared taxes and licenses	166	170	209	39
County shared revenue	150	1,194	1,342	148
Kissimmee Utility Authority	10,794	9,779	9,540	(239)
Tohopekalgiga Water Authority	5,367	5,367	5,304	(63)
	<u>22,154</u>	<u>22,378</u>	<u>22,342</u>	<u>(36)</u>
Charges for Services:				
General government charges	335	457	379	(78)
Public safety charges	4,545	4,500	5,936	1,436
Physical environment charges	67	67	62	(5)
Transportation charges	572	572	654	82
Culture/recreation charges	1,049	1,049	1,101	52
	<u>6,568</u>	<u>6,645</u>	<u>8,132</u>	<u>1,487</u>
Fines and Forfeitures:				
Court fines and costs	700	700	910	210
Miscellaneous Revenue:				
Investment income	23	23	96	73
Rents	21	21	21	-
Other revenue	284	266	309	43
Sales of cemetery lots	110	110	163	53
	<u>438</u>	<u>420</u>	<u>589</u>	<u>169</u>

Continued

CITY OF KISSIMMEE, FLORIDA
BUDGETARY COMPARISON SCHEDULE - CONTINUED
GENERAL FUND
For the Year Ended September 30, 2013
(In Thousands)

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Over (Under)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES AND OTHER SOURCES - Continued				
Transfers In:				
Stormwater Utility Fund	\$ 195	\$ 195	\$ 221	\$ 26
Charter School	667	667	667	-
Airport	2	2	2	-
Other Nonmajor Funds	-	35	37	2
Solid Waste Fund	219	219	225	6
Transportation Impact Fee	15	15	-	(15)
Fire Assessment Fees	3,070	3,070	2,906	(164)
	<u>4,168</u>	<u>4,203</u>	<u>4,058</u>	<u>(145)</u>
Other Sources:				
Proceeds from Sale of Capital Assets	40	40	82	42
	<u>40</u>	<u>40</u>	<u>82</u>	<u>42</u>
Total Revenues and Other Sources	<u>50,200</u>	<u>50,703</u>	<u>52,562</u>	<u>1,859</u>
EXPENDITURES AND OTHER USES				
General Government:				
City Commission:				
Personal Services	169	215	210	(5)
Operating	169	543	439	(104)
Capital Outlay	-	50	50	-
	<u>338</u>	<u>808</u>	<u>699</u>	<u>(109)</u>
City Manager:				
Personal Services	1,179	1,136	1,055	(81)
Operating	459	402	65	(337)
Capital Outlay	13	70	20	(50)
	<u>1,651</u>	<u>1,608</u>	<u>1,140</u>	<u>(468)</u>
Development Services:				
Personal Services	998	1,000	922	(78)
Operating	257	458	264	(194)
Capital Outlay	64	286	66	(220)
	<u>1,319</u>	<u>1,744</u>	<u>1,252</u>	<u>(492)</u>
Legal:				
Personal Services	359	360	358	(2)
Operating	602	675	355	(320)
Capital Outlay	1	4	3	(1)
	<u>962</u>	<u>1,039</u>	<u>716</u>	<u>(323)</u>

Continued

CITY OF KISSIMMEE, FLORIDA
BUDGETARY COMPARISON SCHEDULE - CONTINUED
GENERAL FUND
For the Year Ended September 30, 2013
(In Thousands)

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Over (Under)</u>
	<u>Original</u>	<u>Final</u>		
EXPENDITURES AND OTHER USES - Continued				
General Government:				
Finance:				
Personal Services	\$ 878	\$ 880	\$ 849	\$ (31)
Operating	138	151	149	(2)
Capital Outlay	11	39	11	(28)
	<u>1,027</u>	<u>1,070</u>	<u>1,009</u>	<u>(61)</u>
Personnel:				
Personal Services	588	590	562	(28)
Operating	49	52	44	(8)
Capital Outlay	4	4	3	(1)
	<u>641</u>	<u>646</u>	<u>609</u>	<u>(37)</u>
Central Service Charges:				
Operating	4,114	4,114	4,106	(8)
	<u>4,114</u>	<u>4,114</u>	<u>4,106</u>	<u>(8)</u>
Total General Government	<u>10,052</u>	<u>11,029</u>	<u>9,531</u>	<u>(1,498)</u>
Public Safety:				
Police:				
Personal Services	15,279	15,336	14,744	(592)
Operating	2,340	2,392	2,258	(134)
Capital Outlay	943	1,213	751	(462)
	<u>18,562</u>	<u>18,941</u>	<u>17,753</u>	<u>(1,188)</u>
Fire:				
Personal Services	9,287	9,297	9,152	(145)
Operating	1,505	1,530	1,488	(42)
Capital Outlay	357	488	351	(137)
	<u>11,149</u>	<u>11,315</u>	<u>10,991</u>	<u>(324)</u>
Total Public Safety	<u>29,711</u>	<u>30,256</u>	<u>28,744</u>	<u>(1,512)</u>
Transportation:				
Public Works:				
Personal Services	2,391	2,396	2,218	(178)
Operating	1,345	2,115	1,969	(146)
Capital Outlay	163	283	189	(94)
	<u>3,899</u>	<u>4,794</u>	<u>4,376</u>	<u>(418)</u>

Continued

CITY OF KISSIMMEE, FLORIDA
BUDGETARY COMPARISON SCHEDULE - CONTINUED
GENERAL FUND
For the Year Ended September 30, 2013
(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	\$ 3,376	\$ 3,388	\$ 3,246	\$ (142)
Operating	1,748	1,749	1,733	(16)
Capital Outlay	299	389	322	(67)
Total Culture / Recreation	<u>5,423</u>	<u>5,526</u>	<u>5,301</u>	<u>(225)</u>
Non-Departmental				
Bad Debt	825	1,427	1,369	(58)
Debt Service Principal	360	360	356	(4)
Debt Service Interest and Costs	40	40	22	(18)
Total Non-Departmental	<u>1,225</u>	<u>1,827</u>	<u>1,747</u>	<u>(80)</u>
Other (Uses)				
Transfers	667	675	667	8
Transfers	267	617	621	(4)
	<u>934</u>	<u>1,292</u>	<u>1,288</u>	<u>4</u>
Total Other (Uses)	<u>934</u>	<u>1,292</u>	<u>1,288</u>	<u>4</u>
Total Expenditures and Other Uses	<u>51,244</u>	<u>54,724</u>	<u>50,987</u>	<u>(3,737)</u>
Excess of Revenues and Other Sources Over Expenditures and Other Uses	(1,044)	(4,021)	1,575	5,596
Fund Balance - Beginning of Year	<u>1,044</u>	<u>4,021</u>	<u>20,740</u>	<u>16,719</u>
Fund Balance - End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 22,315</u>	<u>\$ 22,315</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, 2013
(In Thousands)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Over (Under)
	Original	Final		
REVENUES				
Taxes	\$ 1,353	\$ 1,353	\$ 1,334	\$ (19)
Investment Income	3	3	6	3
Miscellaneous Revenues	-	-	1	1
Total Revenues	1,356	1,356	1,341	(15)
EXPENDITURES				
General Government				
Operating	618	694	537	(157)
Capital Outlay	200	456	233	(223)
Total Expenditures	818	1,150	770	(380)
Excess (Deficiency) of Revenues Over (Under) Expenditures	538	206	571	365
OTHER FINANCING SOURCES (USES)				
Transfers (Out)	(530)	(776)	(655)	121
Proceeds from Sale of Capital Assets	-	-	120	120
Total Other Financing (Uses)	(530)	(776)	(535)	241
Net Change in Fund Balance	8	(570)	36	606
Fund Balance (Deficit) - Beginning	(8)	570	(982)	(1,552)
Fund Balance (Deficit) - Ending	\$ -	\$ -	\$ (946)	\$ (946)

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, 2013
(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				
Taxes	\$ 5,775	\$ 5,775	\$ 5,692	\$ (83)
Intergovernmental Revenues	-	77	-	(77)
Charges for Services	-	-	13	13
Investment Income	20	20	19	(1)
Miscellaneous Revenues	-	-	2	2
Total Revenues	<u>5,795</u>	<u>5,872</u>	<u>5,726</u>	<u>(146)</u>
EXPENDITURES				
General Government				
Capital Outlay	563	1,150	709	(441)
Public Safety				
Capital Outlay	2,063	2,258	2,159	(99)
Transportation				
Capital Outlay	110	1,005	838	(167)
Culture/Recreation				
Capital Outlay	2,775	7,181	6,174	(1,007)
Debt Service				
Principal Retirement	378	378	183	(195)
Interest and Fiscal Charges	25	25	15	(10)
Total Expenditures	<u>5,914</u>	<u>11,997</u>	<u>10,078</u>	<u>(1,919)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(119)</u>	<u>(6,125)</u>	<u>(4,352)</u>	<u>1,773</u>
OTHER FINANCING SOURCES and (USES)				
Transfers In	100	110	10	(100)
Transfers (Out)	(2,306)	(2,168)	(2,168)	-
Issuance of Capital Lease	1,941	1,941	1,891	(50)
Total Other Financing Sources and (Uses)	<u>(265)</u>	<u>(117)</u>	<u>(267)</u>	<u>(150)</u>
Net Change in Fund Balance	(384)	(6,242)	(4,619)	1,623
Fund Balance - Beginning	<u>384</u>	<u>6,242</u>	<u>8,795</u>	<u>2,553</u>
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,176</u>	<u>\$ 4,176</u>

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) -		Unfunded AAL (UAAL) (b) - (a)	Funded Ratio (a)/(b)	Covered Payroll (c)	UAAL As % of Covered Payroll (b-a)/(c)
		Entry Age (b)					
10/01/10	\$ -	\$ 4,218		\$ 4,218	0.0%	\$ 23,585	17.9%
10/01/11 *	-	4,218		4,218	0.0%	23,585	17.9%
10/01/12	-	5,313		5,313	0.0%	24,289	21.9%

* Roll-forward performed for various calculations pertaining to fiscal year end; 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
2011	\$ 705	\$ 131	18.58%	\$ 2,303
2012	742	151	20.35%	2,895
2013	804	161	20.02%	3,528

**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) -		Unfunded AAL (UAAL) (b) - (a)	Funded Ratio (a)/(b)	Covered Payroll (c)	UAAL As % of Covered Payroll (b-a)/(c)
		Entry Age (b)					
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%
10/01/12	78,448	91,568		13,120	85.7%	19,962	65.7%
10/01/13	84,509	101,428		16,919	83.3%	19,850	85.2%

Police Officers' Retirement Plan

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) -		Unfunded AAL (UAAL) (b) - (a)	Funded Ratio (a)/(b)	Covered Payroll (c)	UAAL As % of Covered Payroll (b-a)/(c)
		Entry Age (b)					
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%
10/01/12	41,103	55,870		14,767	73.6%	6,686	220.9%
10/01/13	45,041	56,594		11,553	79.6%	7,066	163.5%

Firefighters' Retirement Plan

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) -		Unfunded AAL (UAAL) (b) - (a)	Funded Ratio (a)/(b)	Covered Payroll (c)	UAAL As % of Covered Payroll (b-a)/(c)
		Entry Age (b)					
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%
10/01/12	29,765	42,279		12,514	70.4%	4,397	284.6%
10/01/13	32,469	43,601		11,132	74.5%	4,469	249.1%

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
2008	\$ 2,549	100.00%
2009	3,047	100.00%
2010	3,287	100.00%
2011	3,272	100.00%
2012	3,169	100.00%
2013	3,127	100.00%

Police Officers' Retirement Plan

Year Ended September 30	Annual Required Contribution	Percentage Contributed
2008	\$ 2,058	100.00%
2009	2,295	100.00%
2010	2,398	100.00%
2011	2,536	100.00%
2012	2,735	100.00%
2013	2,996	100.00%

Firefighters' Retirement Plan

Year Ended September 30	Annual Required Contribution	Percentage Contributed
2008	\$ 1,509	100.00%
2009	1,669	100.00%
2010	1,666	100.00%
2011	1,816	100.00%
2012	1,930	100.00%
2013	1,858	100.00%

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OTHER SUPPLEMENTAL INFORMATION

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

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

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

Budgeted Special Revenue Funds (GAAP Basis)

Local Option Gas Tax

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

Hazard Mitigation Grant Program

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

Recreation Impact Fee Fund

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

Transportation Impact Fee Fund

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

Building Division

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

Fire Assessment Fee

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

Assistance to Firefighters Grant

To account for the revenues and expenditures associated with the U. S. Department of Homeland Security, Assistance to Firefighters Grant program to be used for acquisition of capital equipment to assist in the City's public safety efforts.

Victims of Crime Act Grant

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

Columbia Avenue Culvert Project

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

Columbia Avenue Sidewalk Project

To account for revenues and expenditures related to the Columbia Avenue sidewalk replacement project funded by a grant from the Department of Economic Opportunity.

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.

NONMAJOR GOVERNMENTAL FUNDS - CONTINUED

Paving Assessments

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

Charter School

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

Neighborhood Stabilization Program Grant

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

Community Development Block Grant

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

Kissimmee Multi-Use Trail

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

Shingle Creek Trail Grant

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

Section 8 HAPP

To account for expenditures associated with various housing related projects.

Non-Budgeted Special Revenue Funds

Police and Firefighters Premium Tax Trust

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

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.

Mobility Fee Fund

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

State Housing Initiative Program

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

Hurricane Housing Recovery Program Trust

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

NONMAJOR GOVERNMENTAL FUNDS – CONTINUED

Non-Budgeted Special Revenue Funds - continued

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.

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.

2004 CRA Revenue Note

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

2006 Revenue Note

Accounts for the payment of principal and interest on the 2006 Revenue Note. Monies from the one-cent sales tax are used for annual debt service payments.

2010A Refunding Revenue Note

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

2010B Refunding Revenue Note

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

2010C Refunding Revenue Note

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

2011A Capital Refunding Note

Accounts for the payment of principal and interest on the 2011A Capital Refunding Note. Revenue received from the Charter School is used for annual debt service payments.

2011B Capital Refunding Note

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

NONMAJOR GOVERNMENTAL FUNDS - CONTINUED

CAPITAL PROJECTS FUNDS

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

Budgeted Capital Projects Fund (GAAP Basis)

2010B Note Construction Project

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

2010C Note Construction Project

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

2005 Capital Construction Note Project

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

Lakefront Sales Tax 2009A Capital Project Fund

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

CITY OF KISSIMMEE, FLORIDA
COMBINING BALANCE SHEET
ALL NONMAJOR GOVERNMENTAL FUNDS
September 30, 2013
(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	\$ 10,140	\$ 3,317	\$ -	\$ 13,457
Restricted Cash and Investments	-	-	2,476	2,476
Accounts Receivable (net)	233	-	-	233
Due from TWA	5	-	-	5
Due from Other Funds	16	-	-	16
Due from Other Governments	571	-	-	571
Total Assets	\$ 10,965	\$ 3,317	\$ 2,476	\$ 16,758
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts Payable	\$ 275	\$ -	\$ 37	\$ 312
Contracts Payable	32	-	-	32
Accrued Liabilities	57	3,275	-	3,332
Due to Other Funds	365	-	300	665
Due to Other Governments	773	-	-	773
Deposits Payable	4	-	-	4
Deferred Revenue	325	-	-	325
Total Liabilities	1,831	3,275	337	5,443
Fund Balances:				
Nonspendable Supplementary Care	739	-	-	739
Restricted for Transportation Projects	6,559	-	-	6,559
Restricted for Public Safety Projects	9	-	-	9
Restricted for Development Services	271	-	-	271
Restricted for Economic Development	132	-	-	132
Restricted for Recreation Projects	118	-	-	118
Restricted for Construction Projects	-	-	2,445	2,445
Restricted for Charter School	1,489	-	-	1,489
Assigned for Debt Service	-	42	-	42
Unassigned (Deficit)				
Special Revenue Funds	(183)	-	(306)	(489)
Total Fund Balances	9,134	42	2,139	11,315
Total Liabilities and Fund Balances	\$ 10,965	\$ 3,317	\$ 2,476	\$ 16,758

CITY OF KISSIMMEE, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
ALL NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended September 30, 2013
(In Thousands)

	Total Nonmajor Special Revenue Funds	Total Nonmajor Debt Service Funds	Total Nonmajor Capital Project Funds	Total Nonmajor Governmental Funds
REVENUES				
Taxes	\$ 2,634	\$ -	\$ -	\$ 2,634
Permits, Fees and Special Assessments	4,076	-	-	4,076
Intergovernmental Revenues	7,672	-	-	7,672
Charges for Services	143	-	-	143
Investment Income (Loss)	44	-	(8)	36
Miscellaneous Revenues	44	-	-	44
Total Revenues	<u>14,613</u>	<u>-</u>	<u>(8)</u>	<u>14,605</u>
EXPENDITURES				
Current:				
General Government	3,757	-	-	3,757
Public Safety	2,100	-	-	2,100
Transportation	2,899	-	-	2,899
Economic Environment	1,322	-	-	1,322
Culture/Recreation	25	-	-	25
Capital Outlay	-	-	2,615	2,615
Debt Service:				
Principal Retirement	63	3,059	-	3,122
Interest and Fiscal Charges	1	1,294	-	1,295
Total Expenditures	<u>10,167</u>	<u>4,353</u>	<u>2,615</u>	<u>17,135</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>4,446</u>	<u>(4,353)</u>	<u>(2,623)</u>	<u>(2,530)</u>
OTHER FINANCING SOURCES and (USES)				
Transfers In	960	4,353	-	5,313
Transfers (Out)	(4,523)	-	(138)	(4,661)
Total Other Financing Sources and (Uses)	<u>(3,563)</u>	<u>4,353</u>	<u>(138)</u>	<u>652</u>
Net Change in Fund Balances	883	-	(2,761)	(1,878)
Fund Balances - Beginning	<u>8,251</u>	<u>42</u>	<u>4,900</u>	<u>13,193</u>
Fund Balances - Ending	<u>\$ 9,134</u>	<u>\$ 42</u>	<u>\$ 2,139</u>	<u>\$ 11,315</u>

CITY OF KISSIMMEE, FLORIDA
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
September 30, 2013
(In Thousands)

	Local Option Gas Tax	Hazard Mitigation Grant Program	Recreation Impact Fee Fund	Transportation Impact Fee Fund
ASSETS				
Cash and Cash Equivalents	\$ 3,167	\$ 97	\$ 118	\$ 3,585
Accounts Receivable (net)	39	-	-	187
Due from TWA	5	-	-	-
Due from Other Funds	16	-	-	-
Due from Other Governments	291	-	-	-
Total Assets	\$ 3,518	\$ 97	\$ 118	\$ 3,772
LIABILITIES				
Accounts Payable	\$ 155	\$ -	\$ -	\$ -
Contracts Payable	32	-	-	-
Accrued Liabilities	22	-	-	-
Due to Other Funds	-	-	-	-
Due to Other Governments	-	-	-	773
Deposits Payable	-	-	-	-
Deferred Revenue	-	-	-	182
Total Liabilities	209	-	-	955
FUND BALANCES (DEFICITS)				
Nonspendable Supplementary Care	-	-	-	-
Restricted for Transportation Projects	3,309	-	-	2,817
Restricted for Public Safety Projects	-	-	-	-
Restricted for Development Services	-	-	-	-
Restricted for Economic Development	-	97	-	-
Restricted for Recreation Projects	-	-	118	-
Restricted for Charter School	-	-	-	-
Unassigned (Deficit)	-	-	-	-
Total Fund Balances (Deficits)	3,309	97	118	2,817
Total Liabilities and Fund Balances	\$ 3,518	\$ 97	\$ 118	\$ 3,772

Continued

Building Division	Fire Assessment Fee	Assistance to Firefighters Grant	Victim of Crime Act	Columbia Avenue Culvert Project	Columbia Avenue Sidewalk Project
\$ 294	\$ 4	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	6	-	23
<u>\$ 294</u>	<u>\$ 4</u>	<u>\$ -</u>	<u>\$ 6</u>	<u>\$ -</u>	<u>\$ 23</u>
\$ 2	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
21	-	-	2	-	-
-	-	-	-	-	23
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>23</u>	<u>-</u>	<u>-</u>	<u>2</u>	<u>-</u>	<u>23</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	4	-	4	-	-
271	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>271</u>	<u>4</u>	<u>-</u>	<u>4</u>	<u>-</u>	<u>-</u>
<u>\$ 294</u>	<u>\$ 4</u>	<u>\$ -</u>	<u>\$ 6</u>	<u>\$ -</u>	<u>\$ 23</u>

CITY OF KISSIMMEE, FLORIDA
COMBINING BALANCE SHEET - Continued
NONMAJOR SPECIAL REVENUE FUNDS
September 30, 2013
(In Thousands)

	Justice Assistance Grant	Paving Assessments	Charter School	Neighborhood Stabilization Program
ASSETS				
Cash and Cash Equivalents	\$ -	\$ -	\$ 1,489	\$ 18
Accounts Receivable (net)	-	-	-	-
Due from TWA	-	-	-	-
Due from Other Funds	-	-	-	-
Due from Other Governments	8	-	-	58
Total Assets	\$ 8	\$ -	\$ 1,489	\$ 76
LIABILITIES				
Accounts Payable	\$ -	\$ -	\$ -	\$ 53
Contracts Payable	-	-	-	-
Accrued Liabilities	7	-	-	-
Due to Other Funds	-	-	-	5
Due to Other Governments	-	-	-	-
Deposits Payable	-	-	-	-
Deferred Revenue	-	-	-	-
Total Liabilities	7	-	-	58
FUND BALANCES (DEFICITS)				
Nonspendable Supplementary Care	-	-	-	-
Restricted for Transportation Projects	-	-	-	-
Restricted for Public Safety Projects	1	-	-	-
Restricted for Development Services	-	-	-	-
Restricted for Economic Development	-	-	-	18
Restricted for Recreation Projects	-	-	-	-
Restricted for Charter School	-	-	1,489	-
Unassigned (Deficit)	-	-	-	-
Total Fund Balances (Deficits)	1	-	1,489	18
Total Liabilities and Fund Balances	\$ 8	\$ -	\$ 1,489	\$ 76

Continued

Community Development Block Grant	Kissimmee Multi-Use Trail	Shingle Creek Trail	Section 8 HAPP Fund	Police and Firefighters Premium Tax Trust	West Cypress Sidewalk Grant
\$ 73	\$ -	\$ -	\$ 12	\$ -	\$ -
3	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
35	22	128	-	-	-
<u>\$ 111</u>	<u>\$ 22</u>	<u>\$ 128</u>	<u>\$ 12</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 16	\$ -	\$ 49	\$ -	\$ -	\$ -
-	-	-	-	-	-
5	-	-	-	-	-
116	163	42	-	-	16
-	-	-	-	-	-
-	-	-	-	-	-
-	-	32	-	-	-
<u>137</u>	<u>163</u>	<u>123</u>	<u>-</u>	<u>-</u>	<u>16</u>
-	-	-	-	-	-
-	-	5	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	12	-	-
-	-	-	-	-	-
-	-	-	-	-	-
(26)	(141)	-	-	-	(16)
<u>(26)</u>	<u>(141)</u>	<u>5</u>	<u>12</u>	<u>-</u>	<u>(16)</u>
<u>\$ 111</u>	<u>\$ 22</u>	<u>\$ 128</u>	<u>\$ 12</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF KISSIMMEE, FLORIDA
COMBINING BALANCE SHEET - Continued
NONMAJOR SPECIAL REVENUE FUNDS
September 30, 2013
(In Thousands)

	<u>Mobility Fee</u> <u>Fund</u>	<u>State Housing</u> <u>Initiative</u> <u>Program</u>	<u>Hurricane</u> <u>Housing</u> <u>Recovery</u> <u>Program Trust</u>	<u>Post-Disaster</u> <u>Redevelopment</u> <u>Plan</u>
ASSETS				
Cash and Cash Equivalents	\$ 432	\$ 111	\$ 1	\$ -
Accounts Receivable (net)	-	4	-	-
Due from TWA	-	-	-	-
Due from Other Funds	-	-	-	-
Due from Other Governments	-	-	-	-
Total Assets	<u>\$ 432</u>	<u>\$ 115</u>	<u>\$ 1</u>	<u>\$ -</u>
LIABILITIES				
Accounts Payable	\$ -	\$ -	\$ -	\$ -
Contracts Payable	-	-	-	-
Accrued Liabilities	-	-	-	-
Due to Other Funds	-	-	-	-
Due to Other Governments	-	-	-	-
Deposits Payable	4	-	-	-
Deferred Revenue	-	111	-	-
Total Liabilities	<u>4</u>	<u>111</u>	<u>-</u>	<u>-</u>
FUND BALANCES (DEFICITS)				
Nonspendable Supplementary Care	-	-	-	-
Restricted for Transportation Projects	428	-	-	-
Restricted for Public Safety Projects	-	-	-	-
Restricted for Development Services	-	-	-	-
Restricted for Economic Development	-	4	1	-
Restricted for Recreation Projects	-	-	-	-
Restricted for Charter School	-	-	-	-
Unassigned (Deficit)	-	-	-	-
Total Fund Balances (Deficits)	<u>428</u>	<u>4</u>	<u>1</u>	<u>-</u>
Total Liabilities and Fund Balances	<u>\$ 432</u>	<u>\$ 115</u>	<u>\$ 1</u>	<u>\$ -</u>

Supplementary Care	Total Nonmajor Special Revenue Funds
\$ 739	\$ 10,140
-	233
-	5
-	16
-	571
<u>\$ 739</u>	<u>\$ 10,965</u>
\$ -	\$ 275
-	32
-	57
-	365
-	773
-	4
-	325
<u>-</u>	<u>1,831</u>
739	739
-	6,559
-	9
-	271
-	132
-	118
-	1,489
-	(183)
<u>739</u>	<u>9,134</u>
<u>\$ 739</u>	<u>\$ 10,965</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, 2013
(In Thousands)

	Local Option Gas Tax	Hazard Mitigation Grant Program	Recreation Impact Fee Fund	Transportation Impact Fee Fund
REVENUES				
Taxes	\$ 2,634	\$ -	\$ -	\$ -
Permits, Fees and Special Assessments	-	-	104	26
Intergovernmental Revenues	-	-	-	-
Charges for Services	16	-	-	-
Investment Income	17	-	-	14
Miscellaneous Revenues	6	-	-	-
Total Revenues	<u>2,673</u>	<u>-</u>	<u>104</u>	<u>40</u>
EXPENDITURES				
Current:				
General Government	-	-	-	-
Public Safety	-	-	-	-
Transportation	2,014	-	-	231
Economic Environment	-	-	-	-
Culture and Recreation	-	-	25	-
Debt Service:				
Principal Retirement	-	-	-	-
Interest and Fiscal Charges	-	-	-	-
Total Expenditures	<u>2,014</u>	<u>-</u>	<u>25</u>	<u>231</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>659</u>	<u>-</u>	<u>79</u>	<u>(191)</u>
OTHER FINANCING SOURCES and (USES)				
Transfers In	421	-	-	-
Transfers (Out)	(925)	-	-	-
Total Other Financing Sources and (Uses)	<u>(504)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	155	-	79	(191)
Fund Balances (Deficits) - Beginning	<u>3,154</u>	<u>97</u>	<u>39</u>	<u>3,008</u>
Fund Balances (Deficits) - Ending	<u>\$ 3,309</u>	<u>\$ 97</u>	<u>\$ 118</u>	<u>\$ 2,817</u>

Continued

Building Division	Fire Assessment Fee	Assistance to Firefighters Grant	Victim of Crime Act	Columbia Avenue Culvert Project	Columbia Avenue Sidewalk Project
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
446	2,906	-	-	-	-
-	-	104	51	-	23
120	-	-	-	-	-
2	1	-	-	-	-
-	-	-	-	-	-
<u>568</u>	<u>2,907</u>	<u>104</u>	<u>51</u>	<u>-</u>	<u>23</u>
-	-	-	-	-	-
677	-	130	56	-	-
-	-	-	-	-	23
-	-	-	-	-	-
-	-	-	-	-	-
<u>677</u>	<u>-</u>	<u>130</u>	<u>56</u>	<u>-</u>	<u>23</u>
(109)	2,907	(26)	(5)	-	-
30	-	26	1	-	-
-	(2,906)	-	-	(4)	-
<u>30</u>	<u>(2,906)</u>	<u>26</u>	<u>1</u>	<u>(4)</u>	<u>-</u>
(79)	1	-	(4)	(4)	-
<u>350</u>	<u>3</u>	<u>-</u>	<u>8</u>	<u>4</u>	<u>-</u>
<u>\$ 271</u>	<u>\$ 4</u>	<u>\$ -</u>	<u>\$ 4</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF KISSIMMEE, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - Continued
NONMAJOR SPECIAL REVENUE FUNDS
For the Year Ended September 30, 2013
(In Thousands)

	Justice Assistance Grant	Paving Assessments	Charter School	Neighborhood Stabilization Program
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ -
Permits, Fees and Special Assessments	-	174	-	-
Intergovernmental Revenues	52	-	4,667	634
Charges for Services	-	-	-	-
Investment Income	-	-	7	-
Miscellaneous Revenues	-	-	-	-
Total Revenues	<u>52</u>	<u>174</u>	<u>4,674</u>	<u>634</u>
EXPENDITURES				
Current:				
General Government	-	-	3,757	-
Public Safety	249	-	-	-
Transportation	-	156	-	-
Economic Environment	-	-	-	634
Culture and Recreation	-	-	-	-
Debt Service:				
Principal Retirement	-	-	63	-
Interest and Fiscal Charges	-	-	1	-
Total Expenditures	<u>249</u>	<u>156</u>	<u>3,821</u>	<u>634</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(197)</u>	<u>18</u>	<u>853</u>	<u>-</u>
OTHER FINANCING SOURCES and (USES)				
Transfers In	197	-	-	-
Transfers (Out)	(3)	(18)	(667)	-
Total Other Financing Sources and (Uses)	<u>194</u>	<u>(18)</u>	<u>(667)</u>	<u>-</u>
Net Change in Fund Balances	(3)	-	186	-
Fund Balances (Deficits) - Beginning	<u>4</u>	<u>-</u>	<u>1,303</u>	<u>18</u>
Fund Balances (Deficits) - Ending	<u>\$ 1</u>	<u>\$ -</u>	<u>\$ 1,489</u>	<u>\$ 18</u>

Continued

Community Development Block Grant	Kissimmee Multi-Use Trail	Shingle Creek Trail	Section 8 HAPP Fund	Police and Firefighters Premium Tax Trust	West Cypress Sidewalk Grant
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
688	22	443	-	988	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>688</u>	<u>22</u>	<u>443</u>	<u>-</u>	<u>988</u>	<u>-</u>
-	-	-	-	-	-
-	-	-	-	988	-
-	-	475	-	-	-
688	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>688</u>	<u>-</u>	<u>475</u>	<u>-</u>	<u>988</u>	<u>-</u>
-	22	(32)	-	-	-
247	-	37	-	-	-
-	-	-	-	-	-
<u>247</u>	<u>-</u>	<u>37</u>	<u>-</u>	<u>-</u>	<u>-</u>
247	22	5	-	-	-
(273)	(163)	-	12	-	(16)
<u>\$ (26)</u>	<u>\$ (141)</u>	<u>\$ 5</u>	<u>\$ 12</u>	<u>\$ -</u>	<u>\$ (16)</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, 2013
(In Thousands)

	Mobility Fee Fund	State Housing Initiative Program	Hurricane Housing Recovery Program Trust	Post-Disaster Redevelopment Plan
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ -
Permits, Fees and Special Assessments	420	-	-	-
Intergovernmental Revenues	-	-	-	-
Charges for Services	7	-	-	-
Investment Income	1	-	-	-
Miscellaneous Revenues	-	4	-	-
Total Revenues	<u>428</u>	<u>4</u>	<u>-</u>	<u>-</u>
EXPENDITURES				
Current:				
General Government	-	-	-	-
Public Safety	-	-	-	-
Transportation	-	-	-	-
Economic Environment	-	-	-	-
Culture and Recreation	-	-	-	-
Debt Service:				
Principal Retirement	-	-	-	-
Interest and Fiscal Charges	-	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>428</u>	<u>4</u>	<u>-</u>	<u>-</u>
OTHER FINANCING SOURCES and (USES)				
Transfers In	-	-	-	1
Transfers (Out)	-	-	-	-
Total Other Financing Sources and (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>1</u>
Net Change in Fund Balances	428	4	-	1
Fund Balances (Deficits) - Beginning	-	-	1	(1)
Fund Balances (Deficits) - Ending	<u>\$ 428</u>	<u>\$ 4</u>	<u>\$ 1</u>	<u>\$ -</u>

Supplementary Care	Total Nonmajor Special Revenue Funds
\$ -	\$ 2,634
-	4,076
-	7,672
-	143
2	44
<u>34</u>	<u>44</u>
<u>36</u>	<u>14,613</u>
-	3,757
-	2,100
-	2,899
-	1,322
-	25
-	63
<u>-</u>	<u>1</u>
<u>-</u>	<u>10,167</u>
<u>36</u>	<u>4,446</u>
-	960
<u>-</u>	<u>(4,523)</u>
<u>-</u>	<u>(3,563)</u>
36	883
<u>703</u>	<u>8,251</u>
<u>\$ 739</u>	<u>\$ 9,134</u>

CITY OF KISSIMMEE, FLORIDA
BUDGETARY COMPARISON SCHEDULE
LOCAL OPTION GAS TAX
For the Year Ended September 30, 2013
(In Thousands)

	<u>Budget</u>	<u>Actual Amounts</u>	<u>Variance with Budget - Over (Under)</u>
REVENUES			
Taxes	\$ 2,451	\$ 2,634	\$ 183
Intergovernmental Revenues	5,392	-	(5,392)
Charges for Services	7	16	9
Investment Income	6	17	11
Miscellaneous Revenues	6	6	-
Total Revenues	<u>7,862</u>	<u>2,673</u>	<u>(5,189)</u>
EXPENDITURES			
Transportation			
Personal Services	765	729	(36)
Operating	127	80	(47)
Capital Outlay	8,907	1,205	(7,702)
Total Expenditures	<u>9,799</u>	<u>2,014</u>	<u>(7,785)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(1,937)</u>	<u>659</u>	<u>2,596</u>
OTHER FINANCING SOURCES AND (USES)			
Transfers In	408	421	13
Transfers (Out)	(925)	(925)	-
Total Other Financing Sources and (Uses)	<u>(517)</u>	<u>(504)</u>	<u>13</u>
Net Change in Fund Balance	(2,454)	155	2,609
Fund Balance - Beginning	<u>2,454</u>	<u>3,154</u>	<u>700</u>
Fund Balance - Ending	<u>\$ -</u>	<u>\$ 3,309</u>	<u>\$ 3,309</u>

CITY OF KISSIMMEE, FLORIDA
BUDGETARY COMPARISON SCHEDULE
HAZARD MITIGATION GRANT PROGRAM
For the Year Ended September 30, 2013
(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			
General Government			
Capital Outlay	18	-	(18)
Public Safety			
Capital Outlay	<u>108</u>	<u>-</u>	<u>(108)</u>
Total Expenditures	<u>126</u>	<u>-</u>	<u>(126)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(126)</u>	<u>-</u>	<u>126</u>
Net Change in Fund Balance	(126)	-	126
Fund Balance - Beginning	<u>126</u>	<u>97</u>	<u>(29)</u>
Fund Balance - Ending	<u>\$ -</u>	<u>\$ 97</u>	<u>\$ 97</u>

CITY OF KISSIMMEE, FLORIDA
BUDGETARY COMPARISON SCHEDULE
RECREATION IMPACT FEE FUND
For the Year Ended September 30, 2013
(In Thousands)

	<u>Budget</u>	<u>Actual Amounts</u>	<u>Variance with Budget - Over (Under)</u>
REVENUES			
Permits, Fees and Special Assessments	\$ 100	\$ 104	\$ 4
Total Revenues	<u>100</u>	<u>104</u>	<u>4</u>
EXPENDITURES			
Culture and Recreation			
Capital Outlay	36	25	(11)
Total Expenditures	<u>36</u>	<u>25</u>	<u>(11)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>64</u>	<u>79</u>	<u>15</u>
Net Change in Fund Balance	64	79	15
Fund Balance (Deficit) - Beginning	<u>(64)</u>	<u>39</u>	<u>103</u>
Fund Balance - Ending	<u>\$ -</u>	<u>\$ 118</u>	<u>\$ 118</u>

CITY OF KISSIMMEE, FLORIDA
BUDGETARY COMPARISON SCHEDULE
TRANSPORTATION IMPACT FEE FUND
For the Year Ended September 30, 2013
(In Thousands)

	<u>Budget</u>	<u>Actual Amounts</u>	<u>Variance with Budget - Over (Under)</u>
REVENUES			
Permits, Fees and Special Assessments	\$ 515	\$ 26	\$ (489)
Investment Income	2	14	12
Total Revenues	<u>517</u>	<u>40</u>	<u>(477)</u>
EXPENDITURES			
Transportation Capital Outlay	<u>3,180</u>	<u>231</u>	<u>(2,949)</u>
Total Expenditures	<u>3,180</u>	<u>231</u>	<u>(2,949)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(2,663)</u>	<u>(191)</u>	<u>2,472</u>
OTHER FINANCING (USES)			
Transfers (Out)	<u>(15)</u>	<u>-</u>	<u>15</u>
Total Other Financing (Uses)	<u>(15)</u>	<u>-</u>	<u>15</u>
Net Change in Fund Balance	(2,678)	(191)	2,487
Fund Balance - Beginning	<u>2,678</u>	<u>3,008</u>	<u>330</u>
Fund Balance - Ending	<u>\$ -</u>	<u>\$ 2,817</u>	<u>\$ 2,817</u>

CITY OF KISSIMMEE, FLORIDA
BUDGETARY COMPARISON SCHEDULE
BUILDING DIVISION
For the Year Ended September 30, 2013
(In Thousands)

	<u>Budget</u>	<u>Actual Amounts</u>	<u>Variance with Budget - Over (Under)</u>
REVENUES			
Permits, Fees and Special Assessments	\$ 486	\$ 446	\$ (40)
Charges for Services	184	120	(64)
Investment Income	<u>1</u>	<u>2</u>	<u>1</u>
Total Revenues	<u>671</u>	<u>568</u>	<u>(103)</u>
EXPENDITURES			
Public Safety			
Personal Services	617	617	-
Operating	94	57	(37)
Capital Outlay	<u>4</u>	<u>3</u>	<u>(1)</u>
Total Expenditures	<u>715</u>	<u>677</u>	<u>(38)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(44)</u>	<u>(109)</u>	<u>(65)</u>
OTHER FINANCING SOURCES AND (USES)			
Transfers In	<u>30</u>	<u>30</u>	<u>-</u>
Total Other Financing Sources and Uses	<u>30</u>	<u>30</u>	<u>-</u>
Net Change in Fund Balance	(14)	(79)	(65)
Fund Balance - Beginning	<u>14</u>	<u>350</u>	<u>336</u>
Fund Balance - Ending	<u>\$ -</u>	<u>\$ 271</u>	<u>\$ 271</u>

CITY OF KISSIMMEE, FLORIDA
BUDGETARY COMPARISON SCHEDULE
FIRE ASSESSMENT FEE FUND
For the Year Ended September 30, 2013
(In Thousands)

	<u>Budget</u>	<u>Actual Amounts</u>	<u>Variance with Budget - Over (Under)</u>
REVENUES			
Permits, Fees and Special Assessments	\$ 3,090	\$ 2,906	\$ (184)
Investment Income	-	1	1
Total Revenues	<u>3,090</u>	<u>2,907</u>	<u>(183)</u>
EXPENDITURES			
General Government			
Operating	<u>20</u>	<u>-</u>	<u>(20)</u>
Total Expenditures	<u>20</u>	<u>-</u>	<u>(20)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>3,070</u>	<u>2,907</u>	<u>(163)</u>
OTHER FINANCING (USES)			
Transfers (Out)	<u>(3,070)</u>	<u>(2,906)</u>	<u>164</u>
Total Other Financing (Uses)	<u>(3,070)</u>	<u>(2,906)</u>	<u>164</u>
Net Change in Fund Balance	-	1	1
Fund Balance - Beginning	<u>-</u>	<u>3</u>	<u>3</u>
Fund Balance - Ending	<u>\$ -</u>	<u>\$ 4</u>	<u>\$ 4</u>

CITY OF KISSIMMEE, FLORIDA
BUDGETARY COMPARISON SCHEDULE
ASSISTANCE TO FIREFIGHTERS GRANT
For the Year Ended September 30, 2013
(In Thousands)

	<u>Budget</u>	<u>Actual Amounts</u>	<u>Variance with Budget - Over (Under)</u>
REVENUES			
Intergovernmental Revenues	\$ 130	\$ 104	\$ (26)
Total Revenues	<u>130</u>	<u>104</u>	<u>(26)</u>
EXPENDITURES			
Public Safety			
Capital Outlay	130	130	-
Total Expenditures	<u>130</u>	<u>130</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>-</u>	<u>(26)</u>	<u>(26)</u>
OTHER FINANCING SOURCES			
Transfers In	-	26	26
Total Other Financing Sources	<u>-</u>	<u>26</u>	<u>26</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
VICTIM OF CRIME ACT
For the Year Ended September 30, 2013
(In Thousands)

	<u>Budget</u>	<u>Actual Amounts</u>	<u>Variance with Budget - Over (Under)</u>
REVENUES			
Intergovernmental Revenues	\$ 56	\$ 51	\$ (5)
Total Revenues	<u>56</u>	<u>51</u>	<u>(5)</u>
EXPENDITURES			
Public Safety			
Personal Services	56	56	-
Total Expenditures	<u>56</u>	<u>56</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>-</u>	<u>(5)</u>	<u>(5)</u>
OTHER FINANCING SOURCES			
Transfers In	-	1	1
Total Other Financing Sources	<u>-</u>	<u>1</u>	<u>1</u>
Net Change in Fund Balance	<u>-</u>	<u>(4)</u>	<u>(4)</u>
Fund Balance - Beginning	<u>-</u>	<u>8</u>	<u>8</u>
Fund Balance - Ending	<u>\$ -</u>	<u>\$ 4</u>	<u>\$ 4</u>

CITY OF KISSIMMEE, FLORIDA
BUDGETARY COMPARISON SCHEDULE
COLUMBIA AVENUE CULVERT PROJECT
For the Year Ended September 30, 2013
(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	8	-	(8)
Total Expenditures	<u>8</u>	<u>-</u>	<u>(8)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(8)</u>	<u>-</u>	<u>8</u>
OTHER FINANCING SOURCES			
Transfers (Out)	-	(4)	(4)
Total Other Financing Sources	<u>-</u>	<u>(4)</u>	<u>(4)</u>
Net Change in Fund Balance	(8)	(4)	4
Fund Balance - Beginning	<u>8</u>	<u>4</u>	<u>(4)</u>
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF KISSIMMEE, FLORIDA
BUDGETARY COMPARISON SCHEDULE
COLUMBIA AVENUE SIDEWALK PROJECT
For the Year Ended September 30, 2013
(In Thousands)

	<u>Budget</u>	<u>Actual Amounts</u>	<u>Variance with Budget - Over (Under)</u>
REVENUES			
Intergovernmental Revenues	\$ 26	\$ 23	\$ (3)
Total Revenues	<u>26</u>	<u>23</u>	<u>(3)</u>
EXPENDITURES			
Transportation			
Capital Outlay	26	23	(3)
Total Expenditures	<u>26</u>	<u>23</u>	<u>(3)</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
JUSTICE ASSISTANCE GRANT
For the Year Ended September 30, 2013
(In Thousands)

	<u>Budget</u>	<u>Actual Amounts</u>	<u>Variance with Budget - Over (Under)</u>
REVENUES			
Intergovernmental Revenues	\$ 39	\$ 52	\$ 13
Total Revenues	<u>39</u>	<u>52</u>	<u>13</u>
EXPENDITURES			
Public Safety			
Personal Services	240	240	-
Capital Outlay	<u>9</u>	<u>9</u>	<u>-</u>
Total Expenditures	<u>249</u>	<u>249</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(210)</u>	<u>(197)</u>	<u>13</u>
OTHER FINANCING SOURCES AND (USES)			
Transfers In	201	197	(4)
Transfers (Out)	<u>-</u>	<u>(3)</u>	<u>3</u>
Total Other Financing Sources and (Uses)	<u>201</u>	<u>194</u>	<u>(1)</u>
Net Change in Fund Balance	(9)	(3)	6
Fund Balance - Beginning	<u>9</u>	<u>4</u>	<u>(5)</u>
Fund Balance - Ending	<u>\$ -</u>	<u>\$ 1</u>	<u>\$ 1</u>

CITY OF KISSIMMEE, FLORIDA
BUDGETARY COMPARISON SCHEDULE
PAVING ASSESSMENTS
For the Year Ended September 30, 2013
(In Thousands)

	<u>Budget</u>	<u>Actual Amounts</u>	<u>Variance with Budget - Over (Under)</u>
REVENUES			
Permits, Fees and Special Assessments	\$ 150	\$ 174	\$ 24
Total Revenues	<u>150</u>	<u>174</u>	<u>24</u>
EXPENDITURES			
Transportation			
Operating	141	156	15
Total Expenditures	<u>141</u>	<u>156</u>	<u>15</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>9</u>	<u>18</u>	<u>9</u>
OTHER FINANCING (USES)			
Transfers (Out)	(10)	(18)	(8)
Total Other Financing (Uses)	<u>(10)</u>	<u>(18)</u>	<u>(8)</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, 2013
(In Thousands)

	<u>Budget</u>	<u>Actual Amounts</u>	<u>Variance with Budget - Over (Under)</u>
REVENUES			
Intergovernmental Revenues	\$ 4,790	\$ 4,667	\$ (123)
Investment Income	3	7	4
Total Revenues	<u>4,793</u>	<u>4,674</u>	<u>(119)</u>
EXPENDITURES			
General Government			
Operating	4,053	3,481	(572)
Capital Outlay	-	276	276
Debt Service			
Principal Retirement	63	63	-
Interest and Fiscal Charges	1	1	-
Total Expenditures	<u>4,117</u>	<u>3,821</u>	<u>(296)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>676</u>	<u>853</u>	<u>177</u>
OTHER FINANCING (USES)			
Transfers (Out)	(667)	(667)	-
Total Other Financing (Uses)	<u>(667)</u>	<u>(667)</u>	<u>-</u>
Net Change in Fund Balance	9	186	177
Fund Balance - Beginning	<u>(9)</u>	<u>1,303</u>	<u>1,312</u>
Fund Balance - Ending	<u>\$ -</u>	<u>\$ 1,489</u>	<u>\$ 1,489</u>

CITY OF KISSIMMEE, FLORIDA
BUDGETARY COMPARISON SCHEDULE
NEIGHBORHOOD STABILIZATION PROGRAM
For the Year Ended September 30, 2013
(In Thousands)

	<u>Budget</u>	<u>Actual Amounts</u>	<u>Variance with Budget - Over (Under)</u>
REVENUES			
Intergovernmental Revenues	\$ -	\$ 634	\$ 634
Total Revenues	<u>-</u>	<u>634</u>	<u>634</u>
EXPENDITURES			
Economic Environment			
Personal Services	17	3	(14)
Operating	<u>1,030</u>	<u>631</u>	<u>(399)</u>
Total Expenditures	<u>1,047</u>	<u>634</u>	<u>(413)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(1,047)</u>	<u>-</u>	<u>1,047</u>
Net Change in Fund Balance	(1,047)	-	1,047
Fund Balance - Beginning	<u>1,047</u>	<u>18</u>	<u>(1,029)</u>
Fund Balance - Ending	<u>\$ -</u>	<u>\$ 18</u>	<u>\$ 18</u>

CITY OF KISSIMMEE, FLORIDA
BUDGETARY COMPARISON SCHEDULE
COMMUNITY DEVELOPMENT BLOCK GRANT
For the Year Ended September 30, 2013
(In Thousands)

	<u>Budget</u>	<u>Actual Amounts</u>	<u>Variance with Budget - Over (Under)</u>
REVENUES			
Intergovernmental Revenues	\$ 518	\$ 688	\$ 170
Total Revenues	<u>518</u>	<u>688</u>	<u>170</u>
EXPENDITURES			
Economic Environment			
Personal Services	163	136	(27)
Operating	168	85	(83)
Capital Outlay	<u>896</u>	<u>467</u>	<u>(429)</u>
Total Expenditures	<u>1,227</u>	<u>688</u>	<u>(539)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(709)</u>	<u>-</u>	<u>709</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	<u>247</u>	<u>247</u>	<u>-</u>
Total Other Financing Sources and (Uses)	<u>247</u>	<u>247</u>	<u>-</u>
Net Change in Fund Balance	(462)	247	709
Fund Balance (Deficit) - Beginning	<u>462</u>	<u>(273)</u>	<u>(735)</u>
Fund Balance (Deficit) - Ending	<u>\$ -</u>	<u>\$ (26)</u>	<u>\$ (26)</u>

CITY OF KISSIMMEE, FLORIDA
BUDGETARY COMPARISON SCHEDULE
KISSIMMEE MULTI-USE TRAIL
For the Year Ended September 30, 2013
(In Thousands)

	<u>Budget</u>	<u>Actual Amounts</u>	<u>Variance with Budget - Over (Under)</u>
REVENUES			
Intergovernmental Revenues	\$ -	\$ 22	\$ 22
Total Revenues	<u>-</u>	<u>22</u>	<u>22</u>
EXPENDITURES			
Transportation			
Capital Outlay	132	-	(132)
Total Expenditures	<u>132</u>	<u>-</u>	<u>(132)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(132)</u>	<u>22</u>	<u>154</u>
 Net Change in Fund Balance	 (132)	 22	 154
Fund Balance (Deficit) - Beginning	<u>132</u>	<u>(163)</u>	<u>(295)</u>
Fund Balance (Deficit) - Ending	<u>\$ -</u>	<u>\$ (141)</u>	<u>\$ (141)</u>

CITY OF KISSIMMEE, FLORIDA
BUDGETARY COMPARISON SCHEDULE
SHINGLE CREEK TRAIL GRANT
For the Year Ended September 30, 2013
(In Thousands)

	<u>Budget</u>	<u>Actual Amounts</u>	<u>Variance with Budget - Over (Under)</u>
REVENUES			
Intergovernmental Revenues	\$ 50	\$ 443	\$ 393
Total Revenues	<u>50</u>	<u>443</u>	<u>393</u>
EXPENDITURES			
Transportation			
Capital Outlay	569	475	(94)
Total Expenditures	<u>569</u>	<u>475</u>	<u>(94)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(519)</u>	<u>(32)</u>	<u>487</u>
OTHER FINANCING SOURCES			
Transfers In	37	37	-
Total Other Financing Sources	<u>37</u>	<u>37</u>	<u>-</u>
Net Change in Fund Balance	(482)	5	487
Fund Balance - Beginning	<u>482</u>	<u>-</u>	<u>(482)</u>
Fund Balance - Ending	<u>\$ -</u>	<u>\$ 5</u>	<u>\$ 5</u>

CITY OF KISSIMMEE, FLORIDA
BUDGETARY COMPARISON SCHEDULE
SECTION 8 H.A.P.P.
For the Year Ended September 30, 2013
(In Thousands)

	<u>Budget</u>	<u>Actual Amounts</u>	<u>Variance with Budget - Over (Under)</u>
REVENUES			
Miscellaneous Revenues	\$ -	\$ -	\$ -
Total Revenues	<u>-</u>	<u>-</u>	<u>-</u>
EXPENDITURES			
Economic Environment			
Capital Outlay	12	-	(12)
Total Expenditures	<u>12</u>	<u>-</u>	<u>(12)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(12)</u>	<u>-</u>	<u>12</u>
Net Change in Fund Balance	(12)	-	12
Fund Balance - Beginning	<u>12</u>	<u>-</u>	<u>(12)</u>
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF KISSIMMEE, FLORIDA
COMBINING BALANCE SHEET
NONMAJOR DEBT SERVICE FUNDS
September 30, 2013
(In Thousands)

	<u>FmHA Bond</u>	<u>2004 CRA Note</u>	<u>2006 Revenue Note</u>	<u>2010A Refunding Revenue Note</u>	<u>2010B Refunding Revenue Note</u>
ASSETS					
Cash and Cash Equivalents	\$ 42	\$ -	\$ 521	\$ 729	\$ 622
Total Assets	<u>\$ 42</u>	<u>\$ -</u>	<u>\$ 521</u>	<u>\$ 729</u>	<u>\$ 622</u>
LIABILITIES					
Accrued Interest Payable	\$ -	\$ -	\$ 136	\$ 109	\$ 112
Bonds/Notes Payable - Current	-	-	385	620	510
Total Liabilities	<u>-</u>	<u>-</u>	<u>521</u>	<u>729</u>	<u>622</u>
FUND BALANCES					
Assigned for Debt Service	42	-	-	-	-
Total Fund Balances	<u>42</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Liabilities and Fund Balances	<u>\$ 42</u>	<u>\$ -</u>	<u>\$ 521</u>	<u>\$ 729</u>	<u>\$ 622</u>

2010C Refunding Revenue Note	2011A Capital Refunding Note	2011B Capital Refunding Note	Total Nonmajor Debt Service Funds
\$ 214	\$ 571	\$ 618	\$ 3,317
<u>\$ 214</u>	<u>\$ 571</u>	<u>\$ 618</u>	<u>\$ 3,317</u>
\$ 54	\$ 96	\$ 118	\$ 625
160	475	500	2,650
<u>214</u>	<u>571</u>	<u>618</u>	<u>3,275</u>
-	-	-	42
-	-	-	42
<u>\$ 214</u>	<u>\$ 571</u>	<u>\$ 618</u>	<u>\$ 3,317</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, 2013
(In Thousands)

	<u>FmHA Bond</u>	<u>2004 CRA Note</u>	<u>2006 Revenue Note</u>	<u>2010A Refunding Revenue Note</u>	<u>2010B Refunding Revenue Note</u>
REVENUES					
Investment Income	\$ -	\$ -	\$ -	\$ -	\$ -
Total Revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXPENDITURES					
Debt Service					
Principal Retirement	29	380	385	620	510
Interest and Fiscal Charges	16	29	273	218	223
Total Expenditures	<u>45</u>	<u>409</u>	<u>658</u>	<u>838</u>	<u>733</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(45)</u>	<u>(409)</u>	<u>(658)</u>	<u>(838)</u>	<u>(733)</u>
OTHER FINANCING SOURCES AND (USES)					
Transfers In	45	409	658	838	733
Total Other Financing Sources And (Uses)	<u>45</u>	<u>409</u>	<u>658</u>	<u>838</u>	<u>733</u>
Net Change in Fund Balances	-	-	-	-	-
Fund Balances - Beginning	<u>42</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances - Ending	<u>\$ 42</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

2010C Refunding Revenue Note	2011A Capital Refunding Note	2011B Capital Refunding Note	Total Nonmajor Debt Service Funds
\$ -	\$ -	\$ -	\$ -
-	-	-	-
160	475	500	3,059
108	192	235	1,294
<u>268</u>	<u>667</u>	<u>735</u>	<u>4,353</u>
(268)	(667)	(735)	(4,353)
<u>268</u>	<u>667</u>	<u>735</u>	<u>4,353</u>
<u>268</u>	<u>667</u>	<u>735</u>	<u>4,353</u>
-	-	-	-
-	-	-	42
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 42</u>

CITY OF KISSIMMEE, FLORIDA
BUDGETARY COMPARISON SCHEDULE
FmHA BOND
For the Year Ended September 30, 2013
(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	29	29	-
Interest and Fiscal Charges	16	16	-
Total Expenditures	<u>45</u>	<u>45</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(45)</u>	<u>(45)</u>	<u>-</u>
OTHER FINANCING SOURCES			
Transfers In	45	45	-
Total Other Financing Sources	<u>45</u>	<u>45</u>	<u>-</u>
Net Change in Fund Balance	-	-	-
Fund Balance - Beginning	<u>-</u>	<u>42</u>	<u>42</u>
Fund Balance - Ending	<u>\$ -</u>	<u>\$ 42</u>	<u>\$ 42</u>

CITY OF KISSIMMEE, FLORIDA
BUDGETARY COMPARISON SCHEDULE
2004 CRA NOTE
For the Year Ended September 30, 2013
(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	380	380	-
Interest and Fiscal Charges	<u>50</u>	<u>29</u>	<u>(21)</u>
Total Expenditures	<u>430</u>	<u>409</u>	<u>(21)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(430)</u>	<u>(409)</u>	<u>21</u>
OTHER FINANCING SOURCES			
Transfers In	<u>430</u>	<u>409</u>	<u>(21)</u>
Total Other Financing Sources	<u>430</u>	<u>409</u>	<u>(21)</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, 2013
(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	385	385	-
Interest and Fiscal Charges	<u>273</u>	<u>273</u>	<u>-</u>
Total Expenditures	<u>658</u>	<u>658</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(658)</u>	<u>(658)</u>	<u>-</u>
OTHER FINANCING SOURCES			
Transfers In	<u>658</u>	<u>658</u>	<u>-</u>
Total Other Financing Sources	<u>658</u>	<u>658</u>	<u>-</u>
Net Change in Fund Balance	-	-	-
Fund Balance - Beginning	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF KISSIMMEE, FLORIDA
BUDGETARY COMPARISON SCHEDULE
2010A REFUNDING REVENUE NOTE
For the Year Ended September 30, 2013
(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	620	620	-
Interest and Fiscal Charges	218	218	-
Total Expenditures	<u>838</u>	<u>838</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(838)</u>	<u>(838)</u>	<u>-</u>
OTHER FINANCING SOURCES			
Transfers In	838	838	-
Total Other Financing Sources	<u>838</u>	<u>838</u>	<u>-</u>
Net Change in Fund Balance	-	-	-
Fund Balance - Beginning	-	-	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF KISSIMMEE, FLORIDA
BUDGETARY COMPARISON SCHEDULE
2010B REFUNDING REVENUE NOTE
For the Year Ended September 30, 2013
(In Thousands)

	<u>Budget</u>	<u>Actual Amounts</u>	<u>Variance with Budget - Over (Under)</u>
REVENUES			
Investment Income	\$ -	\$ -	\$ -
Total Revenues	<u>-</u>	<u>-</u>	<u>-</u>
EXPENDITURES			
Debt Service			
Principal Retirement	510	510	-
Interest and Fiscal Charges	<u>223</u>	<u>223</u>	<u>-</u>
Total Expenditures	<u>733</u>	<u>733</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(733)</u>	<u>(733)</u>	<u>-</u>
OTHER FINANCING SOURCES			
Transfers In	<u>733</u>	<u>733</u>	<u>-</u>
Total Other Financing Sources	<u>733</u>	<u>733</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, 2013
(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	160	160	-
Interest and Fiscal Charges	<u>108</u>	<u>108</u>	<u>-</u>
Total Expenditures	<u>268</u>	<u>268</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(268)</u>	<u>(268)</u>	<u>-</u>
OTHER FINANCING SOURCES			
Transfers In	<u>268</u>	<u>268</u>	<u>-</u>
Total Other Financing Sources	<u>268</u>	<u>268</u>	<u>-</u>
Net Change in Fund Balance	-	-	-
Fund Balance - Beginning	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF KISSIMMEE, FLORIDA
BUDGETARY COMPARISON SCHEDULE
2011A CAPITAL REFUNDING NOTE
For the Year Ended September 30, 2013
(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	475	475	-
Interest and Fiscal Charges	<u>192</u>	<u>192</u>	<u>-</u>
Total Expenditures	<u>667</u>	<u>667</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(667)</u>	<u>(667)</u>	<u>-</u>
OTHER FINANCING SOURCES			
Transfers In	<u>667</u>	<u>667</u>	<u>-</u>
Total Other Financing Sources	<u>667</u>	<u>667</u>	<u>-</u>
Net Change in Fund Balance	-	-	-
Fund Balance - Beginning	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF KISSIMMEE, FLORIDA
BUDGETARY COMPARISON SCHEDULE
2011B CAPITAL REFUNDING NOTE
For the Year Ended September 30, 2013
(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	500	500	-
Interest and Fiscal Charges	<u>235</u>	<u>235</u>	<u>-</u>
Total Expenditures	<u>735</u>	<u>735</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(735)</u>	<u>(735)</u>	<u>-</u>
OTHER FINANCING SOURCES			
Transfers In	<u>735</u>	<u>735</u>	<u>-</u>
Total Other Financing Sources	<u>735</u>	<u>735</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, 2013
(In Thousands)

	2010B Note Construction Project	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	\$ -	\$ 2,455	\$ 1	\$ 20	\$ 2,476
Total Restricted Assets	<u>\$ -</u>	<u>\$ 2,455</u>	<u>\$ 1</u>	<u>\$ 20</u>	<u>\$ 2,476</u>
LIABILITIES					
Accounts Payable	\$ 6	\$ 31	\$ -	\$ -	\$ 37
Due to Other Funds	<u>300</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>300</u>
Total Liabilities	<u>306</u>	<u>31</u>	<u>-</u>	<u>-</u>	<u>337</u>
FUND BALANCES					
Restricted for Construction Projects	-	2,424	1	20	2,445
Unassigned	<u>(306)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(306)</u>
Total Fund Balances (Deficit)	<u>(306)</u>	<u>2,424</u>	<u>1</u>	<u>20</u>	<u>2,139</u>
Total Liabilities and Fund Balances	<u>\$ -</u>	<u>\$ 2,455</u>	<u>\$ 1</u>	<u>\$ 20</u>	<u>\$ 2,476</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, 2013
(In Thousands)

	2010B Note Construction Project	2010C Note Construction Project	2005 Capital Construction Note Project	Lakefront Sales Tax 2009A Capital Project Fund	Total Nonmajor Capital Projects Funds
REVENUES					
Investment Income (Loss)	\$ (1)	\$ (3)	\$ -	\$ (4)	\$ (8)
Total Revenues	<u>(1)</u>	<u>(3)</u>	<u>-</u>	<u>(4)</u>	<u>(8)</u>
EXPENDITURES					
Capital Outlay	1,047	994	-	574	2,615
Total Expenditures	<u>1,047</u>	<u>994</u>	<u>-</u>	<u>574</u>	<u>2,615</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(1,048)</u>	<u>(997)</u>	<u>-</u>	<u>(578)</u>	<u>(2,623)</u>
OTHER FINANCING (USES)					
Transfers (Out)	-	-	(138)	-	(138)
Total Other Financing (Uses)	<u>-</u>	<u>-</u>	<u>(138)</u>	<u>-</u>	<u>(138)</u>
Net Change in Fund Balances	(1,048)	(997)	(138)	(578)	(2,761)
Fund Balances - Beginning	<u>742</u>	<u>3,421</u>	<u>139</u>	<u>598</u>	<u>4,900</u>
Fund Balances (Deficit) - Ending	<u>\$ (306)</u>	<u>\$ 2,424</u>	<u>\$ 1</u>	<u>\$ 20</u>	<u>\$ 2,139</u>

CITY OF KISSIMMEE, FLORIDA
BUDGETARY COMPARISON SCHEDULE
2010B NOTE CONSTRUCTION PROJECT
For the Year Ended September 30, 2013
(In Thousands)

	Budget	Actual Amounts	Variance with Budget - Over (Under)
REVENUES			
Investment Income (Loss)	\$ -	\$ (1)	\$ (1)
Total Revenues	-	(1)	(1)
EXPENDITURES			
Culture and Recreation			
Capital Outlay	740	1,047	307
Total Expenditures	740	1,047	307
Excess (Deficiency) of Revenues Over (Under) Expenditures	(740)	(1,048)	(308)
Net Change in Fund Balance	(740)	(1,048)	(308)
Fund Balance - Beginning	740	742	2
Fund Balance (Deficit) - Ending	\$ -	\$ (306)	\$ (306)

CITY OF KISSIMMEE, FLORIDA
BUDGETARY COMPARISON SCHEDULE
2010C NOTE CONSTRUCTION PROJECT
For the Year Ended September 30, 2013
(In Thousands)

	<u>Budget</u>	<u>Actual Amounts</u>	<u>Variance with Budget - Over (Under)</u>
REVENUES			
Investment Income (Loss)	\$ -	\$ (3)	\$ (3)
Total Revenues	<u>-</u>	<u>(3)</u>	<u>(3)</u>
EXPENDITURES			
Transportation			
Capital Outlay	<u>3,416</u>	<u>994</u>	<u>(2,422)</u>
Total Expenditures	<u>3,416</u>	<u>994</u>	<u>(2,422)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(3,416)</u>	<u>(997)</u>	<u>2,419</u>
 Net Change in Fund Balance	 (3,416)	 (997)	 2,419
 Fund Balance - Beginning	 <u>3,416</u>	 <u>3,421</u>	 <u>5</u>
 Fund Balance - Ending	 <u>\$ -</u>	 <u>\$ 2,424</u>	 <u>\$ 2,424</u>

CITY OF KISSIMMEE, FLORIDA
BUDGETARY COMPARISON SCHEDULE
2005 CAPITAL CONSTRUCTION NOTE PROJECT
For the Year Ended September 30, 2013
(In Thousands)

	Budget	Actual Amounts	Variance with Budget - Over (Under)
REVENUES			
Investment Income	\$ -	\$ -	\$ -
Total Revenues	-	-	-
OTHER FINANCING (USES)			
Transfers (Out)	(138)	(138)	-
Total Other Financing (Uses)	(138)	(138)	-
Net Change in Fund Balance	(138)	(138)	-
Fund Balance - Beginning	138	139	1
Fund Balance - Ending	\$ -	\$ 1	\$ 1

CITY OF KISSIMMEE, FLORIDA
BUDGETARY COMPARISON SCHEDULE
LAKEFRONT SALES TAX 2009A CAPITAL PROJECT FUND
For the Year Ended September 30, 2013
(In Thousands)

	Budget	Actual Amounts	Variance with Budget - Over (Under)
REVENUES			
Investment Income (Loss)	\$ -	\$ (4)	\$ (4)
Total Revenues	-	(4)	(4)
EXPENDITURES			
Culture and Recreation			
Capital Outlay	579	574	(5)
Total Expenditures	579	574	(5)
Excess (Deficiency) of Revenues Over (Under) Expenditures	(579)	(578)	1
Net Change in Fund Balance	(579)	(578)	1
Fund Balance - Beginning	579	598	19
Fund Balance - Ending	\$ -	\$ 20	\$ 20

INTERNAL SERVICE FUNDS

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

Central Services

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

Health Insurance

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

Risk Management

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

CITY OF KISSIMMEE, FLORIDA
COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
September 30, 2013
(In Thousands)

	Central Services	Health Insurance	Risk Management	Total
ASSETS				
Current Assets:				
Cash and Cash Equivalents	\$ 1,493	\$ 351	\$ 3,978	\$ 5,822
Accounts Receivable (net)	468	1	25	494
Due from Other Funds	-	-	800	800
Due from KUA	6	-	-	6
Due from TWA	116	301	229	646
Inventories	203	-	-	203
Total Current Assets	<u>2,286</u>	<u>653</u>	<u>5,032</u>	<u>7,971</u>
Capital Assets:				
Buildings	71	-	-	71
Improvements Other Than Building	1,404	90	124	1,618
Machinery, Equipment and Vehicles	2,531	10	3	2,544
Less Accumulated Depreciation	(3,573)	(2)	(53)	(3,628)
Total Capital Assets	<u>433</u>	<u>98</u>	<u>74</u>	<u>605</u>
Total Assets	<u>2,719</u>	<u>751</u>	<u>5,106</u>	<u>8,576</u>
LIABILITIES				
Current Liabilities:				
Accounts Payable	449	85	39	573
Accrued Liabilities	72	-	-	72
Due to Other Funds	-	800	-	800
Compensated Absences Payable	39	-	-	39
Estimated Claims Payable	-	174	1,599	1,773
Total Current Liabilities	<u>560</u>	<u>1,059</u>	<u>1,638</u>	<u>3,257</u>
Noncurrent Liabilities:				
Compensated Absences Payable	91	-	-	91
Other Postemployment Benefits	208	-	-	208
Estimated Claims Payable	-	174	1,599	1,773
Total Noncurrent Liabilities	<u>299</u>	<u>174</u>	<u>1,599</u>	<u>2,072</u>
Total Liabilities	<u>859</u>	<u>1,233</u>	<u>3,237</u>	<u>5,329</u>
NET POSITION				
Investment in Capital Assets	389	98	74	561
Unrestricted (Deficit)	1,471	(580)	1,795	2,686
Total Net Position (Deficit)	<u>\$ 1,860</u>	<u>\$ (482)</u>	<u>\$ 1,869</u>	<u>\$ 3,247</u>

CITY OF KISSIMMEE, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
INTERNAL SERVICE FUNDS
For The Year Ended September 30, 2013
(In Thousands)

	Central Services	Health Insurance	Risk Management	Total
Operating Revenues:				
Charges for Services	\$ 4,476	\$ 7,282	\$ 1,743	\$ 13,501
Miscellaneous Revenues	240	35	2	277
Total Operating Revenues	<u>4,716</u>	<u>7,317</u>	<u>1,745</u>	<u>13,778</u>
Operating Expenses:				
Personal Services	2,166	-	16	2,182
Contracted Services	414	852	40	1,306
Supplies and Materials	201	38	8	247
Repairs and Maintenance	1,150	-	199	1,349
Other Services and Charges	330	16	163	509
Depreciation	135	2	2	139
Claims/Premium Expense	58	6,517	2,174	8,749
Total Operating Expenses	<u>4,454</u>	<u>7,425</u>	<u>2,602</u>	<u>14,481</u>
Operating Income (Loss)	<u>262</u>	<u>(108)</u>	<u>(857)</u>	<u>(703)</u>
Nonoperating Revenues and Expenses:				
Investment Income (Loss)	5	(2)	18	21
Gain or (Loss) on Sale of Capital Assets	(5)	-	(9)	(14)
Insurance Recoveries	-	-	363	363
Total Nonoperating Revenues and Expenses	<u>-</u>	<u>(2)</u>	<u>372</u>	<u>370</u>
Income (Loss) Before Contributions and Transfers	<u>262</u>	<u>(110)</u>	<u>(485)</u>	<u>(333)</u>
Capital Contributions	70	-	-	70
Transfers In	-	150	-	150
Transfers (Out)	(43)	-	(150)	(193)
Change in Net Position	<u>289</u>	<u>40</u>	<u>(635)</u>	<u>(306)</u>
Total Net Position (Deficit) - Beginning	<u>1,571</u>	<u>(522)</u>	<u>2,504</u>	<u>3,553</u>
Total Net Position (Deficit) - Ending	<u>\$ 1,860</u>	<u>\$ (482)</u>	<u>\$ 1,869</u>	<u>\$ 3,247</u>

CITY OF KISSIMMEE, FLORIDA
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
For The Year Ended September 30, 2013
(In Thousands)

	<u>Central</u> <u>Services</u>	<u>Health</u> <u>Insurance</u>	<u>Risk</u> <u>Management</u>	<u>Total</u>
Cash Flows from Operating Activities				
Receipts from Customers and Users	\$ 4,601	\$ 7,159	\$ 1,731	\$ 13,491
Payments to Suppliers	(1,844)	(7,194)	(2,559)	(11,597)
Payments to Employees	(2,115)	-	(16)	(2,131)
Net Cash Provided (Used) by Operating Activities	<u>642</u>	<u>(35)</u>	<u>(844)</u>	<u>(237)</u>
Cash Flows from Noncapital Financing Activities				
Transfers in	-	150	-	150
Transfers (out)	(43)	-	(150)	(193)
Advance from / (to) Other Funds	-	65	(65)	-
Net Cash Provided (Used) by Noncapital Financing Activities	<u>(43)</u>	<u>215</u>	<u>(215)</u>	<u>(43)</u>
Cash Flows from Capital and Related Financing Activities				
Acquisition/Construction of Capital Assets	(256)	(100)	-	(356)
Capital Contributions	8	-	-	8
Proceeds from Sales of Capital Assets	(5)	-	(9)	(14)
Proceeds from Insurance Recoveries	-	-	363	363
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(253)</u>	<u>(100)</u>	<u>354</u>	<u>1</u>
Cash Flows from Investing Activities				
Gain (Loss) on Investments	5	(2)	18	21
Net Cash Provided (Used) by Investing Activities	<u>5</u>	<u>(2)</u>	<u>18</u>	<u>21</u>
Net Increase (Decrease) in Cash and Cash Equivalents	351	78	(687)	(258)
Cash and Cash Equivalents at Beginning of Year	1,142	273	4,665	6,080
Cash and Cash Equivalents at End of Year	<u>\$ 1,493</u>	<u>\$ 351</u>	<u>\$ 3,978</u>	<u>\$ 5,822</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities				
Operating Income (Loss)	\$ 262	\$ (108)	\$ (857)	\$ (703)
Depreciation	135	2	2	139
Changes in Assets and Liabilities:				
(Increase) Decrease in Due from KUA	(5)	-	-	(5)
(Increase) Decrease in Due from TWA	126	(158)	7	(25)
(Increase) Decrease in Accounts Receivable	(110)	-	(21)	(131)
(Increase) Decrease in Prepays	-	-	-	-
(Increase) Decrease in Inventories	(6)	-	-	(6)
Increase (Decrease) in Accounts Payable	173	84	25	282
Increase (Decrease) in Accrued Liabilities	3	-	-	3
Increase (Decrease) in Claims Payable	-	145	-	145
Increase (Decrease) in OPEB	38	-	-	38
Increase (Decrease) in Compensated Absences	26	-	-	26
Total Adjustments	<u>380</u>	<u>73</u>	<u>13</u>	<u>466</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ 642</u>	<u>\$ (35)</u>	<u>\$ (844)</u>	<u>\$ (237)</u>

There was \$62 in noncash contributions in the Central Service Fund.

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City of Kissimmee, Florida
Statistical Section
September 30, 2013

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

Financial Trends

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

Revenue Capacity

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

Debt Capacity

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

Demographic and Economic Information

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

Operating Information

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

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

Schedule 1
City of Kissimmee, Florida

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

Last Ten Fiscal Years

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
<u>Governmental activities</u>										
Net investment										
in capital assets	\$ 75,368	\$ 81,187	\$ 73,416	\$ 96,296	\$ 110,615	\$ 118,647	\$ 124,615	\$ 127,332	\$ 130,537	\$ 137,945
Restricted	13,170	15,706	19,106	10,346	15,367	14,939	14,574	16,573	17,963	14,019
Unrestricted	19,389	19,132	16,778	8,424	16,184	11,698	12,385	12,589	16,872	19,796
Total governmental activities net position	<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>\$ 165,372</u>	<u>\$ 171,760</u>
<u>Business-type activities</u>										
Net investment										
in capital assets	\$ 14,409	\$ 17,558	\$ 18,391	\$ 24,381	\$ 27,711	\$ 30,631	\$ 30,997	\$ 31,091	\$ 34,488	\$ 37,374
Restricted	-	-	-	740	685	705	86	101	1,383	388
Unrestricted	1,955	2,203	2,307	1,040	3,130	3,173	4,564	4,896	2,842	3,549
Total business-type activities net position	<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>\$ 38,713</u>	<u>\$ 41,311</u>
<u>Primary government</u>										
Net investment										
in capital assets	\$ 89,777	\$ 98,745	\$ 91,807	\$ 120,677	\$ 138,326	\$ 149,278	\$ 155,612	\$ 158,423	\$ 165,025	\$ 175,319
Restricted	13,170	15,706	19,106	11,086	16,052	15,644	14,660	16,674	19,346	14,407
Unrestricted	21,344	21,335	19,085	9,464	19,314	14,871	16,949	17,485	19,714	23,345
Total primary government net position	<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>	<u>\$ 204,085</u>	<u>\$ 213,071</u>

Schedule 2
City of Kissimmee, Florida

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

Last Ten Fiscal Years

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Expenses										
Governmental activities:										
General government	\$ 16,486	\$ 18,949	\$ 19,755	\$ 25,795	\$ 24,294	\$ 24,965	\$ 27,460	\$ 29,095	\$ 29,314	\$ 32,203
Public safety	20,699	25,344	33,942	29,623	30,949	31,839	27,219	30,980	30,865	31,600
Physical environment	2,028	2,531	1,989	1,500	82	-	2,912	-	-	-
Transportation	9,783	6,317	5,948	370	2,724	5,841	7,040	6,966	5,883	6,559
Economic environment	24	11	-	1,663	2,663	1,251	3,178	1,939	845	1,526
Culture/Recreation	5,246	5,830	6,339	6,840	8,162	6,524	6,031	4,778	5,924	5,430
Interest on long-term debt	1,144	1,352	558	1,572	1,531	1,261	1,259	1,307	1,520	1,332
Total governmental activities expenses	\$ 55,410	\$ 60,334	\$ 68,531	\$ 67,363	\$ 70,405	\$ 71,681	\$ 75,099	\$ 75,065	\$ 74,351	\$ 78,650
Business-type activities:										
Stormwater	\$ -	\$ 1,721	\$ 1,992	\$ 3,771	\$ 2,805	\$ 3,180	\$ 3,030	\$ 3,085	\$ 3,312	\$ 3,409
Airport	558	707	781	887	967	1,031	1,009	1,060	1,181	1,248
Solid waste	3,106	2,938	3,321	2,221	3,827	3,739	3,506	3,856	3,855	3,773
Total business-type activities expenses	\$ 3,664	\$ 5,366	\$ 6,094	\$ 6,879	\$ 7,599	\$ 7,950	\$ 7,545	\$ 8,001	\$ 8,348	\$ 8,430
Total primary government net expenses	\$ 59,074	\$ 65,700	\$ 74,625	\$ 74,242	\$ 78,004	\$ 79,631	\$ 82,644	\$ 83,066	\$ 82,699	\$ 87,080
Program revenues										
Governmental activities:										
Charges for services - general government	\$ 2,195	\$ 5,913	\$ 6,304	\$ 15,532	\$ 13,384	\$ 12,039	\$ 12,176	\$ 16,193	\$ 18,328	\$ 18,661
Charges for services - public safety	3,595	5,018	6,195	4,282	5,653	7,892	8,062	7,587	8,349	10,255
Charges for services - all others	12,690	3,106	1,777	4,606	2,746	2,043	2,392	2,431	2,998	1,956
Operating grants and contributions	5,905	3,053	971	2,839	2,592	1,069	3,614	1,016	445	1,039
Capital grants and contributions	2,880	1,468	2,493	3,227	2,299	1,744	3,593	4,790	2,210	1,988
Total governmental activities program revenues	\$ 27,265	\$ 18,558	\$ 17,740	\$ 30,486	\$ 26,674	\$ 24,787	\$ 29,837	\$ 32,017	\$ 32,330	\$ 33,899
Business-type activities:										
Charges for services - stormwater	\$ -	\$ 1,238	\$ 1,852	\$ 2,175	\$ 3,317	\$ 3,535	\$ 3,602	\$ 3,701	\$ 3,886	\$ 4,399
Charges for services - airport	746	743	858	859	890	899	859	856	878	824
Charges for services - solid waste	2,501	3,163	3,230	3,669	3,772	3,963	3,724	3,928	4,324	4,608
Operating grants and contributions	-	-	25	-	-	-	-	-	-	-
Capital grants and contributions	1,849	3,007	1,860	4,811	4,164	2,687	665	289	3,152	1,749
Total business-type activities program revenues	\$ 5,096	\$ 8,151	\$ 7,825	\$ 11,514	\$ 12,143	\$ 11,084	\$ 8,850	\$ 8,774	\$ 12,240	\$ 11,580
Total primary government program revenues	\$ 32,361	\$ 26,709	\$ 25,565	\$ 42,000	\$ 38,817	\$ 35,871	\$ 38,687	\$ 40,791	\$ 44,570	\$ 45,479
Net (expense) / revenue										
Governmental activities	\$(28,145)	\$(41,776)	\$(50,791)	\$(36,877)	\$(43,731)	\$(46,894)	\$(45,262)	\$(43,048)	\$(42,021)	\$(44,751)
Business-type activities	1,432	2,785	1,731	4,635	4,544	3,134	1,305	773	3,892	3,150
Total primary government net expense	\$(26,713)	\$(38,991)	\$(49,060)	\$(32,242)	\$(39,187)	\$(43,760)	\$(43,957)	\$(42,275)	\$(38,129)	\$(41,601)

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Schedule 2
City of Kissimmee, Florida

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

Last Ten Fiscal Years

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
General revenues and other										
<u>changes in net position</u>										
Governmental activities:										
Property tax	\$ 8,410	\$ 9,542	\$ 14,480	\$ 19,219	\$ 15,405	\$ 15,174	\$ 15,818	\$ 12,175	\$ 11,146	\$ 11,085
Sales tax	9,663	11,139	10,759	10,015	9,992	8,381	8,473	8,832	9,135	9,601
Public service tax	4,939	5,795	6,105	6,297	6,490	6,403	6,439	5,755	6,480	6,389
Gas tax	2,106	2,583	2,697	2,656	2,430	2,428	2,375	2,284	2,397	2,634
State revenue sharing	1,433	1,941	1,890	1,851	1,708	1,518	1,521	1,597	1,672	1,838
Other taxes	-	-	-	-	1,273	1,192	1,274	2,069	2,262	2,389
Franchise fees ⁽¹⁾	97	89	77	-	-	144	143	142	133	141
Unrestricted intergovernmental revenues	4,151	13,363	14,043	13,670	13,610	13,317	13,670	13,264	14,370	15,000
Investment income (loss)	4,301	2,416	(1,464)	(11,504)	18,744	292	180	90	920	178
Miscellaneous revenues	632	3,618	1,920	1,519	951	990	1,151	1,420	951	1,116
Gain on sale of capital assets	-	-	-	-	-	-	328	-	157	202
Transfers in (out)	-	(612)	429	(1,080)	228	173	180	340	1,276	566
Total governmental activities	\$ 35,732	\$ 49,874	\$ 50,936	\$ 42,643	\$ 70,831	\$ 50,012	\$ 51,552	\$ 47,968	\$ 50,899	\$ 51,139
Business-type activities:										
Investment income (loss)	\$ 177	\$ -	\$ 56	\$ (252)	\$ 1,049	\$ 22	\$ 13	\$ 8	\$ 9	\$ 14
Gain on sale of capital assets	-	-	-	-	-	-	-	-	-	-
Transfers in (out)	-	612	(429)	1,080	(228)	(173)	(180)	(340)	(1,276)	(566)
Total business-type activities	\$ 177	\$ 612	\$ (373)	\$ 828	\$ 821	\$ (151)	\$ (167)	\$ (332)	\$ (1,267)	\$ (552)
Total primary government	\$ 35,909	\$ 50,486	\$ 50,563	\$ 43,471	\$ 71,652	\$ 49,861	\$ 51,385	\$ 47,636	\$ 49,632	\$ 50,587
<u>Change in net position</u>										
Governmental activities	\$ 7,587	\$ 8,098	\$ 145	\$ 5,766	\$ 27,100	\$ 3,118	\$ 6,290	\$ 4,920	\$ 8,878	\$ 6,388
Business-type activities	1,609	3,397	1,358	5,463	5,365	2,983	1,138	441	2,625	2,598
	\$ 9,196	\$ 11,495	\$ 1,503	\$ 11,229	\$ 32,465	\$ 6,101	\$ 7,428	\$ 5,361	\$ 11,503	\$ 8,986

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

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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

	2004	2005	2006	2007	2008	2009
<u>General fund</u>						
Reserved	\$ 27	\$ 299	\$ 60	\$ 318	\$ 217	\$ 186
Unreserved	7,818	12,564	10,998	9,867	13,567	13,240
Nonspendable	-	-	-	-	-	-
Restricted	-	-	-	-	-	-
Assigned	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-
Total general fund	<u>\$ 7,845</u>	<u>\$ 12,863</u>	<u>\$ 11,058</u>	<u>\$ 10,185</u>	<u>\$ 13,784</u>	<u>\$ 13,426</u>
<u>All other governmental funds</u>						
Reserved	\$ 1,196	\$ 590	\$ 22,552	\$ 17,140	\$ 19,592	\$ 17,773
Unreserved (deficit), reported in:						
Special revenue funds	103	19	(1,167)	(1,868)	1,055	(1,831)
Debt service funds	-	(24)	(85)	-	(32)	-
Capital projects funds	400	351	(126)	(120)	(690)	(1,531)
Nonspendable	-	-	-	-	-	-
Restricted	-	-	-	-	-	-
Assigned	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-
Total all other governmental funds	<u>\$ 1,699</u>	<u>\$ 936</u>	<u>\$ 21,174</u>	<u>\$ 15,152</u>	<u>\$ 19,925</u>	<u>\$ 14,411</u>
Total fund balances all governmental funds	<u>\$ 9,544</u>	<u>\$ 13,799</u>	<u>\$ 32,232</u>	<u>\$ 25,337</u>	<u>\$ 33,709</u>	<u>\$ 27,837</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.

	2010	2011	2012	2013
\$	-	\$ -	\$ -	\$ -
	-	-	-	-
	153	167	373	378
	1,235	894	685	599
	2,373	961	927	1,614
	14,588	16,307	18,755	19,724
\$	18,349	\$ 18,329	\$ 20,740	\$ 22,315

\$	-	\$ -	\$ -	\$ -
	-	-	-	-
	-	-	-	-
	-	-	-	-
	655	678	703	739
	18,498	25,421	21,696	15,199
	46	1,354	42	42
	(4,762)	(3,712)	(1,435)	(1,435)
\$	14,437	\$ 23,741	\$ 21,006	\$ 14,545

\$ 32,786 \$ 42,070 \$ 41,746 \$ 36,860

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

	2004	2005	2006	2007	2008	2009
Revenues						
Taxes	\$ 21,358	\$ 24,912	\$ 29,602	\$ 34,022	\$ 31,453	\$ 29,005
Special assessments ¹	243	608	164	108	220	-
Impact fees ¹	1,262	995	856	2,665	870	-
Permits, fees and special assessments	1,476	1,399	982	1,155	2,299	4,912
Intergovernmental revenues	22,374	31,921	28,135	32,874	29,431	26,779
Charges for services	4,875	6,245	6,919	6,831	5,154	4,676
Fines and forfeitures	754	604	1,191	616	653	962
Investment income (loss)	3,840	2,015	(1,465)	(10,299)	15,701	243
Miscellaneous revenues	632	726	1,088	1,041	931	838
Total revenues	\$ 56,814	\$ 69,425	\$ 67,472	\$ 69,013	\$ 86,712	\$ 67,415
Expenditures						
General government	\$ 13,477	\$ 13,524	\$ 16,499	\$ 18,373	\$ 17,197	\$ 18,929
Public safety	24,106	25,687	30,163	32,893	32,966	30,181
Physical environment	2,028	2,531	1,893	789	82	-
Transportation	13,782	9,763	13,099	12,420	11,329	8,494
Economic environment	24	11	-	1,663	2,223	1,047
Culture/Recreation	6,995	7,425	6,568	7,917	8,837	7,839
Debt service:						
Principal retirement	2,588	2,279	1,764	2,207	2,316	2,868
Interest and fiscal charges	1,242	1,271	1,133	1,572	1,531	1,261
Professional fees	-	-	-	4	-	-
Capital Outlay	77	897	-	10,019	2,534	3,436
Total expenditures	\$ 64,319	\$ 63,388	\$ 71,119	\$ 87,857	\$ 79,015	\$ 74,055
Excess of revenues over (under) expenditures	\$ (7,505)	\$ 6,037	\$ (3,647)	\$ (18,844)	\$ 7,697	\$ (6,640)
Other financing sources (uses)						
Transfers in	\$ -	\$ 10,191	\$ 12,074	\$ 16,337	\$ 14,458	\$ 17,479
Transfers (out)	-	(10,803)	(12,874)	(17,412)	(14,230)	(17,306)
Proceeds from sale of capital assets	-	-	-	-	-	-
Issuance of notes payable	-	927	10,570	12,750	316	595
Issuance of capital lease	-	-	708	274	131	-
Payment to bond escrow agent	-	-	-	-	-	-
Payment for current redemption	-	-	-	-	-	-
Total other financing sources (uses)	\$ -	\$ 315	\$ 10,478	\$ 11,949	\$ 675	\$ 768
Net change in fund balances	\$ (7,505)	\$ 6,352	\$ 6,831	\$ (6,895)	\$ 8,372	\$ (5,872)
Debt service as a percentage of non-capital expenditures	7.3%	6.7%	5.1%	6.2%	6.7%	6.9%

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

	2010	2011	2012	2013
\$	29,789	\$ 25,621	\$ 25,586	\$ 25,967
	-	-	-	-
	-	-	-	-
	4,053	4,523	5,047	4,218
	31,040	31,885	28,214	30,014
	5,966	5,820	6,482	8,288
	1,860	808	865	910
	158	76	909	157
	765	1,363	1,167	540
\$	73,631	\$ 70,096	\$ 68,270	\$ 70,094
\$	18,095	\$ 16,765	\$ 15,346	\$ 16,136
	30,072	29,637	29,552	33,003
	2,912	-	-	-
	7,646	9,353	7,056	8,113
	2,789	1,735	641	1,322
	6,922	5,592	6,729	11,500
	3,144	2,562	2,722	3,661
	1,259	1,307	1,520	1,332
	97	106	-	-
	8,038	6,210	6,461	2,615
\$	80,974	\$ 73,267	\$ 70,027	\$ 77,682
\$	(7,343)	\$ (3,171)	\$ (1,757)	\$ (7,588)
\$	42,071	\$ 30,961	\$ 9,862	\$ 9,381
	(40,241)	(30,621)	(8,586)	(8,772)
	780	-	157	202
	26,492	28,215	-	-
	-	-	-	1,891
	(9,455)	(16,100)	-	-
	(7,355)	-	-	-
\$	12,292	\$ 12,455	\$ 1,433	\$ 2,702
\$	4,949	\$ 9,284	\$ (324)	\$ (4,886)
	7.1%	6.6%	7.5%	8.4%

**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		
2004	\$ 2,244,433	\$ 292,548	\$ 2,536,981	\$ 622,232	\$ 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
2012	2,776,988	469,255	3,246,243	1,071,233	2,175,010
2013	2,894,416	423,367	3,317,783	1,048,497	2,269,286

Source: Osceola County Property Appraiser's Office.

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

Total Direct Tax Rate	Estimated Actual Taxable Value	Assessed Value as a Percentage of Actual Value
4.2953	\$ 1,914,749	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%
4.6253	2,175,010	149.252%
4.6253	2,269,286	146.204%

**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			
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
2012	4.625	6.700	0.257	7.577	0.369	0.255	19.783
2013	4.625	6.700	0.257	7.454	0.253	0.176	19.465

Source: Osceola County Tax Collector's Office.

Schedule 7

City of Kissimmee, Florida

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

Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>Total Tax Levy</u>	<u>Current Tax Collections</u>	<u>Percent of Levy Collected</u>	<u>Delinquent Tax Collections</u>	<u>Total Tax Collections</u>	<u>Total Collections as a Percent of Current Levy</u>
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%
2012	13,208	12,529	94.9%	93	12,622	95.6%
2013	13,145	12,611	95.9%	119	12,730	96.8%

Source: Osceola County Tax Collector's Office.

**Schedule 8
City of Kissimmee, Florida**

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

Current Year and Nine Years Ago

Property Description	Use	Taxpayer	Fiscal Year 2012 / 2013 (a)		
			Taxable Value	Percent of Total Taxable Value	Rank
Local hospital	Medical care	Osceola Regional Hospital, Inc.	\$ 62,205	25.05%	1
Apartment complex	Rentals	G&I VI Vinyards LLC	29,928	12.05%	2
Retail store	Merchandising	Loop West LLC	29,635	11.93%	3
Condominiums	Timeshare sales	Oak Plantation Realty Partners	25,418	10.24%	4
Retail store	Merchandising	Wal-Mart Stores, Inc.	20,746	8.35%	5
Apartment complex	Rentals	Alliance HTFL Ltd Partnership	18,603	7.49%	6
Apartment complex	Rentals	Fountainhead Phase 1, Inc.	18,471	7.44%	7
Apartment complex	Rentals	Reef Club Apartments	16,305	6.57%	8
Apartment complex	Rentals	MPG Osceola Ltd.	14,612	5.88%	9
Apartment complex	Rentals	Grande Court Associates Ltd.	12,396	4.99%	10
Retail store	Communications	Embarq (Sprint) Florida, Inc.	-	-	
Apartment complex	Rentals	United Dominion Realty	-	-	
Apartment complex	Rentals	Caribbean Isle Fund LLC	-	-	
Apartment complex	Rentals	Tropical Isle LTD	-	-	
Apartment complex	Rentals	Sendera Apartments LLC	-	-	
Totals			<u>\$ 248,319</u>	<u>100.00%</u>	

(a) The fiscal year ended September 30, 2013 tax levy is based on the 2012 taxable value.
(b) The fiscal year ended September 30, 2004 tax levy is based on the 2003 taxable value.

Source: Osceola County Property Appraiser's Office.

Fiscal Year 2003 / 2004 (b)			
	Taxable Value	Percent of Total Taxable Value	Rank
\$	45,503	17.98%	1
	-	-	
	-	-	
	42,798	16.92%	2
	27,710	10.95%	4
	-	-	
	13,609	5.38%	10
	18,910	7.47%	6
	-	-	
	-	-	
	35,000	13.83%	3
	24,530	9.69%	5
	15,865	6.27%	7
	14,686	5.80%	8
	14,407	5.69%	9
\$	253,018	100.00%	

Schedule 9
City of Kissimmee, Florida

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

Last Ten Fiscal Years

Fiscal Year	Governmental Activities						Business-type Activities
	Excise Tax Revenue Bonds	Sales Tax Revenue Notes	Covenant Revenue Notes	Gas Tax Revenue Notes	Other Revenue Notes	Capital Leases	Capital Leases
2004	\$ 501	\$ 6,390	\$ 3,740	\$ -	\$ 8,785	\$ 267	\$ -
2005	482	4,900	3,220	-	9,462	180	-
2006	461	14,008	2,690	-	9,772	646	-
2007	441	12,584	1,600	8,795	13,030	820	-
2008	417	11,583	1,125	8,475	13,046	623	-
2009	394	10,786	680	8,145	12,573	418	-
2010	369	18,580	301	7,800	12,280	204	-
2011	343	25,635	-	11,440	11,534	135	730
2012	315	24,565	-	11,070	10,708	62	587
2013	287	22,935	-	10,525	9,853	1,707	441

Sources: Population and personal income data from University of Florida, Bureau of Economic and Business Research published August 2012.
Annual increases for CPI of 3%.

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

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

	<u>Total Primary Government</u>	<u>City of Kissimmee Personal Income</u>	<u>Percentage of Personal Income</u>	<u>Per Capita</u>
\$	19,683	\$ 1,162,419	1.7%	\$ 0.35
	18,244	1,248,029	1.5%	0.31
	27,577	1,330,024	2.1%	0.46
	37,270	1,411,023	2.6%	0.60
	35,269	1,467,894	2.4%	0.56
	32,996	1,463,350	2.3%	0.54
	39,534	1,272,818	3.1%	0.65
	49,817	1,253,989	4.0%	0.83
	47,307	1,727,192	2.7%	0.76
	45,748	1,799,661	2.5%	0.72

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Schedule 10
City of Kissimmee, Florida

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

September 30, 2013

Taxing District	Net Debt Outstanding	Estimated Overlapping (1)	City's Share of Debt
Osceola County School District			
Series 2004A	\$ 1,045	11.0%	\$ 115
Series 2005A	4,610	11.0%	509
Series 2006A	1,420	11.0%	157
Series 2009ARFD	560	11.0%	62
Series 2010A	1,030	11.0%	114
District Revenue Bonds			
Sales Tax Revenue Bonds, Series 2007	64,645	11.0%	7,135
Certificates of Participation			
Series 2004A	15,365	11.0%	1,696
Series 2005A	9,555	11.0%	1,055
Series 2007A and Series 2007B	60,810	11.0%	6,712
Series 2009A	28,350	11.0%	3,129
Series 2013A	41,880	11.0%	4,622
Qualified School Construction Bonds			
Series 2010A	40,500	11.0%	4,470
Classrooms First Loans			
Indian River County dated 7/1/2002	2,408	11.0%	266
Collier County dated 7/1/2002	10,039	11.0%	1,108
Education Benefits Districts			
Bellalago Benefit District	8,973	11.0%	990
Total Osceola County School District	291,190	11.0%	32,139
Osceola County			
Limited General Obligation Debt, Series 2006	11,645	11.7%	1,363
Environmental Land, Series 2010	21,735	11.7%	2,544
Total Osceola County	33,380	11.7%	3,906
Total Overlapping Debt	\$ 324,570		\$ 36,046
Total Direct Governmental Activities Debt	\$ 45,307	100.0%	\$ 45,307

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

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

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

**Schedule 11
City of Kissimmee, Florida**

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

Last Ten Fiscal Years

Fiscal Year	Excise Tax Revenue Bonds				Sales Tax Revenue Bonds				
	Excise Tax Revenues	Debt Service Requirements		Coverage	Sales Tax Revenues	Debt Service Requirements		Coverage	
		Principal	Interest			Principal	Interest		
2004	\$ 145	\$ 18	\$ 27	3.22	\$ 5,807	\$ -	\$ 233	24.92	
2005	263	19	25	5.98	6,903	930	213	6.04	
2006	200	21	24	4.44	6,243	934	189	5.56	
2007	243	21	23	5.52	5,851	1,528	620	2.72	
2008	203	23	22	3.03	5,790	1,493	520	2.88	
2009	168	25	20	3.73	4,832	1,460	553	2.40	
2010	177	25	20	3.93	4,980	1,336	533	2.66	
2011	200	26	18	4.55	4,385	1,305	575	2.33	
2012	195	27	17	4.43	5,408	1,070	676	3.10	
2013	166	29	16	3.69	4,759	1,630	676	2.06	

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

Source: City of Kissimmee Finance Department.

Continued next page

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

**Schedule 11
City of Kissimmee, Florida**

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

Last Ten Fiscal Years

Charter School Revenue (Refunding) Note					
Fiscal Year	Sales Tax Revenues	Debt Service Requirements		Coverage	
		Principal	Interest		
2004	\$ 2,855	\$ 235	\$ 409	4.43	
2005	3,428	250	402	5.26	
2006	4,071	260	386	6.30	
2007	4,686	275	382	7.13	
2008	5,416	301	357	8.23	
2009	4,830	416	263	7.11	
2010	4,875	340	296	7.67	
2011	4,824	450	175	7.72	
2012	4,212	460	206	6.32	
2013	4,667	475	192	7.00	

**Schedule 12
City of Kissimmee, Florida**

DEMOGRAPHIC AND ECONOMIC STATISTICS

Last Ten Fiscal Years

Fiscal Year	Population (1)	Per Capita Personal Income (2)	Personal Income (2)	School Enrollment (3)	Unemployment Rate (4)
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%
2012	62,322	27,714	1,727,192	55,922	8.4%
2013	63,662	28,269	1,799,661	57,639	6.6%

- Sources:** (1) U.S. Census of Population and Housing. University of Florida, Bureau of Economic and Business Research, "Florida Statistical Abstract".
- (2) U.S. Department of Commerce, Bureau of Economic Analysis, Regional Economic Information System. The actual per capita personal income is for Osceola County. The per capita figures are multiplied by the population to determine the total personal income.
- (3) Osceola County School Board. (Enrollment is determined in February of each year at the conclusion of the full-time equivalent survey period)
http://www.osceola.k12.fl.us/Demographics/PDF/District_Level.pdf
- (4) Florida Agency for Workforce Innovation, Labor Market Statistics, Local Area Unemployment Statistics Program, in cooperation with the U.S. Department of Labor, Bureau of Labor Statistics. Orlando-Kissimmee (Lake, Orange, Osceola & Seminole)
<http://www.labormarketinfo.com/library/laus/MSAs/LFSoc2.xls>

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**Schedule 13
City of Kissimmee, Florida**

PRINCIPAL EMPLOYERS ¹

Current Year and Nine Years Ago

<u>Employer</u>	<u>Business</u>	<u>Fiscal Year 2012 / 2013 (1)</u>			<u>Fiscal Year 2003 / 2004 (2)</u>		
		<u>Employees</u>	<u>Percent of Total City Employment</u>	<u>Rank</u>	<u>Employees</u>	<u>Percent of Total City Employment</u>	<u>Rank</u>
Osceola County School District	Education	7,087	11.13%	1	2,700	4.82%	1
Walt Disney Company	Entertainment	3,700	5.81%	2	-		
Walmart	Retail	2,730	4.29%	3	-		
Gaylord Palms	Resort	1,445	2.27%	4	-		
Osceola Regional Medical Center	Healthcare	1,357	2.13%	5	1,159	2.07%	3
Osceola County Government	Government	1,311	2.06%	6	1,400	2.50%	2
Publix Supermarkets	Retail	1,350	2.12%	7	-		
McLane/Suneast, Inc.	Distribution	900	1.41%	8	-		
City of Kissimmee	Government	684	1.07%	9	-		
Florida Hospital - Kissimmjee	Healthcare	<u>450</u>	0.71%	10	<u>794</u>	1.42%	4
Total		<u><u>21,014</u></u>			<u><u>6,053</u></u>		

Sources: (1) Osceola County Office of Economic Development

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

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

**Schedule 14
City of Kissimmee, Florida**

FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION / PROGRAM

Last Ten Fiscal Years

	Full-time Equivalent Employees as of September 30					
	2004	2005	2006	2007	2008	2009
<u>General government</u>						
Central Services	39	38	38	39	38	36
City Attorney	3	3	3	3	3	3
City Commission	5	5	5	5	5	5
City Manager	18	17	16	16	15	13
Finance	12	12	12	10	10	10
Personnel	7	8	8	8	8	8
<u>Public safety</u>						
Fire	92	96	108	110	106	104
Police	182	191	203	214	214	210
Law Enforcement Grant	3	3	3	3	3	3
School Crossing Guard	18	19	19	19	20	21
Vehicle Theft Prevention	0	0	0	0	0	0
Victim's Crime Act Grant	0	0	0	0	0	0
<u>Physical environment</u>						
Public Works	75	48	50	51	44	40
Sanitation	20	23	24	25	27	27
Stormwater	0	26	27	27	29	29
Water Resources	0	0	0	0	0	0
<u>Transportation</u>						
Airport	4	6	6	6	6	7
Local Option Gas Tax	9	9	9	9	10	10
<u>Economic Environment</u>						
Development Services	30	33	38	40	40	30
Community Development Blk Grant	0	0	2	2	2	3
<u>Culture / Recreation</u>						
Parks & Recreation	73	78	95	80	77	74
Civic Center	11	11	16	16	15	14
Total	601	626	682	683	672	647

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

2010	2011	2012	2013
36	31	28	34
3	3	3	3
5	5	5	5
12	12	14	14
10	10	12	12
8	8	8	8
102	102	105	105
204	198	198	199
3	3	3	3
21	21	11	11
0	0	0	0
0	0	0	0
40	39	37	38
27	26	24	26
29	29	30	30
0	0	0	0
7	8	7	8
10	10	10	12
26	23	21	23
2	2	2	2
68	66	80	78
14	13	0	0
627	609	598	611

**Schedule 15
City of Kissimmee, Florida**

OPERATING INDICATORS BY FUNCTION/PROGRAM

Last Ten Fiscal Years

	2004	2005	2006	2007	2008	2009
<u>Building Inspections</u>						
Building permits issued	4,241	7,932	4,158	4,256	3,384	2,580
<u>Law Enforcement</u>						
Physical arrests	1,926	2,198	2,139	2,407	2,331	1,898
Traffic and parking violations	22,102	27,285	22,391	17,068	19,616	20,686
<u>Fire</u>						
Emergency responses	9,114	10,311	10,253	9,459	9,038	9,228
Fires extinguished	501	502	545	268	235	236
Inspections	177	775	563	2,213	1,646	1,640
<u>Other Public Works</u>						
Street resurfacing (tons of asphalt) ¹	208	39	190	7,368	6,156	3,011
Other street repairs (sq. yds.) ²	21	3	17	148	125	181

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

Source: Various City Departments.

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

2 - Beginning in FY 2012 Micro surfacing utilized sq. yd measurement replacing tons of asphalt measurement.

2010	2011	2012	2013
2,133	2,855	3,335	2,964
2,098	2,484	2,379	2,221
17,602	13,680	15,092	14,499
9,501	10,068	10,771	10,279
132	247	252	223
725	1,751	1,594	1,363
3,091	1,369	681	3,013
149	96	50,138	40,104

**Schedule 16
City of Kissimmee, Florida**

CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM

Last Ten Fiscal Years

	2004	2005	2006	2007	2008	2009
<u>Transportation</u>						
Miles of streets (lane miles)	270	270	207	207	304	317
<u>Refuse collection trucks</u>						
	12	12	12	12	13	17
<u>Other public works</u>						
Traffic signals	36	39	41	43	47	47
Highways (miles)	30	30	30	30	30	56
<u>Public Safety</u>						
Fire stations	3	4	4	4	4	4
Police stations	1	1	1	1	1	1
Patrol units:						
Marked vehicles	104	93	105	101	127	100
Motorcycles	6	6	12	9	9	6
<u>Parks and Recreation</u>						
Park acreage	490	490	562	578	802	786
Number of regional parks	-	-	-	2	2	2
Number of large urban parks	5	5	5	2	2	2
Number of community parks	3	3	3	3	3	3
Number of neighborhood parks	8	8	8	8	8	9
Number of special use parks	6	6	6	6	6	4

Source: Various City Departments.

2010	2011	2012	2013
317	342	342	342
17	17	17	17
48	52	52	52
63	17	17	17
4	4	4	4
1	1	1	1
109	120	126	126
6	4	6	6
833	833	835	832
2	2	2	2
1	1	1	1
3	3	3	7
11	11	12	8
5	5	5	5

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MOORE STEPHENS
LOVELACE, P.A.

CERTIFIED PUBLIC ACCOUNTANTS

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund of the City of Kissimmee, Florida (the "City"), as of and for the year ended September 30, 2013, and the related notes to the financial statement, which collectively comprise the City's basic financial statements, and have issued our report thereon dated March 21, 2014.

Internal Control over Financial Reporting

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

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

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We did identify certain deficiencies in internal control, described in the accompanying Schedule of Findings and Questioned Costs as Item 2012-01.

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*.

We noted certain matters that we reported to management of the City in a separate letter dated March 21, 2014.

City's Response to the Finding

The City's response was not subject to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

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



MOORE STEPHENS LOVELACE, P.A.
Certified Public Accountants

Orlando, Florida
March 21, 2014



MOORE STEPHENS
LOVELACE, P.A.

CERTIFIED PUBLIC ACCOUNTANTS

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

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

Report on Compliance for Each Major Federal Program and State Project

We have audited the compliance of the City of Kissimmee, Florida (the "City"), with the types of compliance requirements described in the U.S. Office of Management and Budget ("OMB") Circular A-133 *Compliance Supplement* and the requirements described in the Department of Financial Services State Projects Compliance Supplement that could have a direct and material effect on each of its major federal programs and major state projects for the year ended September 30, 2013. The City's major federal programs and state projects are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

Management Responsibility

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

Auditor's Responsibility

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

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

Opinion on Each Major Federal Program and State Project

In our opinion, the City complied, in all material respects, with the types compliance requirements referred to above that could have a direct and material effect on each of its major federal programs and major state projects for the year ended September 30, 2013.

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

Report on Internal Control over Compliance

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

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133 and Chapter 10.550, Rules of the Auditor General. Accordingly, this report is not suitable for any other purpose.

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

We have audited the basic financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of and for the year ended September 30, 2013, and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We issued our report thereon dated March 21, 2014, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying Schedule of Expenditures of Federal Awards and State Financial Assistance is presented for the purposes of additional analysis, as required by OMB Circular A-133, Chapter 69I-5, *Schedule of Expenditures of State Financial Assistance*, Rules of the Department of Financial Services, and Chapter 10.550, Rules of the Auditor General, and is not a required part of the financial statements. Such

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

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

Moore Stephens Lovelace, P.A.

MOORE STEPHENS LOVELACE, P.A.
Certified Public Accountants

Orlando, Florida
March 21, 2014

CITY OF KISSIMMEE, FLORIDA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND
STATE FINANCIAL ASSISTANCE
For the year ended September 30, 2013

Agency/Program	CFDA #	Grant #	Federal Expenditures	Passed Through to Sub-recipients
<u>U.S. Department of Housing and Urban Development</u>				
CDBG - Entitlement Grants Cluster				
Community Development Block Grant 2012	14.218	B-12-MC-12-0051	\$ 389,019	\$ 72,818
Community Development Block Grant 2011	14.218	B-11-MC-12-0051	160,580	-
Community Development Block Grant 2010	14.218	B-10-MC-12-0051	122,309	-
Community Development Block Grant 2009	14.218	B-09-MC-12-0051	14,362	-
Community Development Block Grant 2005	14.218	B-05-MC-12-0051	1,870	-
Subtotal			<u>688,140</u>	<u>72,818</u>
CDBG - State Administered Grants Cluster				
(HERA) Neighborhood Stabilization Program III	14.228	B-11-MN-12-0012	633,855	56,000
Passed through the Florida Department of Community Affairs				
FFY2008 Disaster Recovery - Columbia Avenue Sidewalks	14.228	12DB-P5-06-59-02-K 64	23,336	-
Subtotal			<u>657,191</u>	<u>56,000</u>
Total U.S. Department of Housing and Urban Development			<u>1,345,331</u>	<u>128,818</u>
<u>U.S. Department of Justice</u>				
Passed through the Florida Office of the Attorney General				
Victims of Crime Act	16.575	V12268	51,243	
Edward Byrne Memorial Justice Assistance Grant(JAG)	16.592	2011-DJ-BX-2707	44,198	
Bulletproof Vest Partnership	16.607	None	3,495	
ARRA: Edward Byrne Memorial Justice Assistance Grant (JAG)	16.804	2009-SB-B9-1312	8,957	
Total U.S. Department of Justice			<u>107,893</u>	
<u>U.S. Department of Transportation</u>				
Highway Planning and Construction Cluster				
Passed through the Florida Department of Transportation				
Shingle Creek Trail Phases 1 and 2	20.205	430225-1 / AQF 05	474,919	
Shingle Creek Trail Sequence 02	20.205	430225-1 / AQF 79	199	
Construction of the Toho-Valencia Trail	20.205	430227-1 / AQF 84	44,982	
Total Highway Planning and Construction Cluster			<u>520,100</u>	
Total U.S. Department of Transportation			<u>520,100</u>	
<u>U.S. Department of Homeland Security/FEMA</u>				
Passed through the Florida Division of Emergency Management:				
Assistance to Firefighters Grant - Fire Station Renovations	97.044	EMW-2011-FO-09709	104,000	
Total U.S. Department of Homeland Security/FEMA			<u>104,000</u>	
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u>\$ 2,077,325</u>	<u>\$ 128,818</u>

Continued

CITY OF KISSIMMEE, FLORIDA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND
STATE FINANCIAL ASSISTANCE - Continued
For the year ended September 30, 2013

Agency/State Project	CSFA#	Grant #	State Expenditures	Passed Through to Sub-recipients
<u>Florida Department of Transportation</u>				
Design Airport Administration Building	55.004	409776-1-94-01 / AQA83	\$ 28,890	
Alaska Avenue Pond Aviation Airspace Services	55.004	409776-2-94-01/AQL57	11,869	
Design Runway 06/24 Rehabilitation	55.004	414435-1-94-01 / AQI97	26,218	
Design Review for the Aviation Business Park Infrastructure	55.004	418489-1-94-01 / AQJ10	1,030,958	
Runway & Taxiway Rehab & Construction	55.004	418465-1-94-01 / AQP03	<u>563,520</u>	
Subtotal			<u>1,661,455</u>	
Total Florida Department of Transportation			<u>1,661,455</u>	
 <u>Florida Department of Health</u>				
Passed through Osceola County Emergency Services				
Emergency Medical Services County Grant	64.003	C1049	28,985	
Emergency Medical Services Matching Grant	64.003	M2051	<u>88,920</u>	
Total Florida Department of Health			<u>117,905</u>	
TOTAL EXPENDITURES OF STATE FINANCIAL ASSISTANCE			<u>\$ 1,779,360</u>	<u>\$ -</u>

NOTE 1 Basis of Presentation

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

The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations; Chapter 215.97, Florida Statutes; and

Rule 69I-5.003 (1)(f), F.A.C. Therefore, amounts presented in this schedule may differ from amounts presented in, or used in, the preparation of the basic financial statements.

CITY OF KISSIMMEE, FLORIDA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended September 30, 2013

SECTION I - SUMMARY OF AUDITOR'S RESULTS

Financial Statements

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

Internal control over financial reporting:

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

Noncompliance material to financial statements noted? _____ **Yes** X **No**

Federal Awards and State Financial Assistance

Internal control over major Federal programs and State projects:

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

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

Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of Circular A-133 or Chapter 10.557, Rules of the Auditor General? _____ **Yes** X **No**

Identification of Major Federal Programs and State Projects:

<u>CFDA Number</u> 14.218	<u>Name of Federal Program</u> Community Development Block Grants
-------------------------------------	---

<u>CSFA Number</u> 55.004	<u>Name of State Project</u> Aviation Development Grants
-------------------------------------	--

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

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

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

CITY OF KISSIMMEE, FLORIDA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)
For the Year Ended September 30, 2013

SECTION II - FINANCIAL STATEMENT FINDINGS

Finding reported in Section IV below as item number 2012-01 was not resolved to our satisfaction.

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

None Reported

SECTION IV - PRIOR-YEAR AUDIT FINDINGS

2012-01 Cash Reconciliation

Finding Type: *Significant Deficiency – Internal Control over Cash Reconciliation*

Criteria

In order to ensure the proper accounting for all transactions, it is important that all items noted during the reconciliation process be identified and properly accounted for.

Condition

During our audit, we noted the September 30, 2012 bank reconciliation include an “Unreconciled” item in the amount of \$82,834.

Context

During our testing of the client’s September 30, 2012 bank reconciliation, we noted the unreconciled item. We then performed additional procedures which determined that unidentified reconciling items had been carried forward for several months.

Effect

Monthly bank account reconciliations are important internal control procedures relating to the City’s cash accounts. Unreconciled amounts should be investigated and not be allowed to carry over from month to month.

Cause

During the fiscal year ended September 30, 2012, the City was in the process of converting to a new general ledger system. This process required the resources of various City accounting staff and they were unable to go back and perform a full evaluation of the unreconciled amount. City management has indicated that they intend to correct this issue as soon as possible.

Current Year Status

The City maintained an unreconciled balance through the year and a write-off was made at year end in the amount of \$100,465. Finding was not resolved to our satisfaction.

Recommendation

We recommend that the City improve their investigation process for all reconciling items on a monthly basis during the cash reconciliation process to ensure they are properly reported.

CITY OF KISSIMMEE, FLORIDA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)
For the Year Ended September 30, 2013

Views of Responsible Officials and Planned Corrective Actions

During fiscal year 2013, staff resources were stretched very thin as a result of the financial system conversions that were ongoing throughout the year. This in part prevented staff from adequately conducting a thorough reconciliation of all cash related items. In addition, as with any conversion there were some issues that occurred that staff believed were completely resolved; however, it is possible that there were some issues that might have been missed. Having said that, during the year end reconciliation process, staff discovered that there were issues with how EFT and ePayable transactions were voided or cleared, which has led to some discrepancies. Finance staff is already working on a set of written procedures for handling these issues as well as a written process for reviewing all cash related transactions. Finally, staff is already working on a detailed review of the FY 2014 cash reconciliation to ensure that these issues are addressed for the coming year.

SA 2012-01 Grant Reporting

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

Identification of Federal Program

U.S. Department of Transportation
Airport Improvement Program
CFDA# 20.106

Condition

During our testing of the current-year SEFA, we noted that amounts reported for the Airport Improvement Program grant included both fiscal year 2011 and 2012 expenditures.

Recommendation

We recommend that the City strengthen procedures to ensure that all grant expenditures are identified and properly included in the City's SEFA and other grant financial report filings.

Current Year Status

Finding was resolved to our satisfaction.



MOORE STEPHENS
LOVELACE, P.A.

CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S MANAGEMENT LETTER

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

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, 2013, and have issued our report thereon dated March 21, 2014.

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; OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*; and Chapter 10.550, Rules of the Auditor General. 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 That Could Have a Direct and Material Effect on Each Major Federal Program and State Project and on Internal Control over Compliance in Accordance with OMB Circular A-133 and Chapter 10.550, Rules of the Florida Auditor General; and Schedule of Findings and Questioned Costs. Disclosures in those reports and schedule, which are dated March 21, 2014, 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
Members of the City Commission
City of Kissimmee, Florida

- 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 identified the following observation reported below:

MLO 2013-001 CRA Final Disbursement Approval

Criteria

Community Redevelopment Agency's (CRA) cash disbursement policy required that expenditures be properly approved by CRA management before final disbursement is made by the City's finance department.

Condition

During our audit we noted 7 of the expenditures tested were not properly approved by the CRA management prior to final payment made by the City's finance department.

Effect

The expenditures appeared to be reasonable and within the CRA Plan. However, final approval by the appropriate level of the CRA's management was not noted. This could increase the risk of unauthorized disbursements.

Recommendation

By ensuring that Expenditures are authorized by the appropriate level of the City's personnel, the City will reduce the risk of unauthorized disbursements.

Management's Response

Finance Department staff will provide additional training to the CRA management staff to ensure they understand that all documents that are processed for payment should be approved by the CRA management staff prior to submission to the Finance Department.

- 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
Members of the City Commission
City of Kissimmee, Florida

- 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, 2013, 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, 2013. 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.

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

Moore Stephens Lovelace, P.A.

MOORE STEPHENS LOVELACE, P.A.
Certified Public Accountants

Orlando, Florida
March 21, 2014