

CITY OF KISSIMMEE, FLORIDA

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

Year Ended September 30, 2010



Prepared by Department of Finance

CITY OF KISSIMMEE, FLORIDA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
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Year Ended September 30, 2010

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The City of Kissimmee, Florida
City Officials
As of September 30, 2010

Elected Officials

Mayor/Commissioner.....	Jim Swan
Commissioner/Vice Mayor.....	Jerry Gemskie
Commissioner/Mayor Pro Tem.....	Cheryl Grieb
Commissioner.....	Art Otero
Commissioner.....	Vacant

Financial Related Management

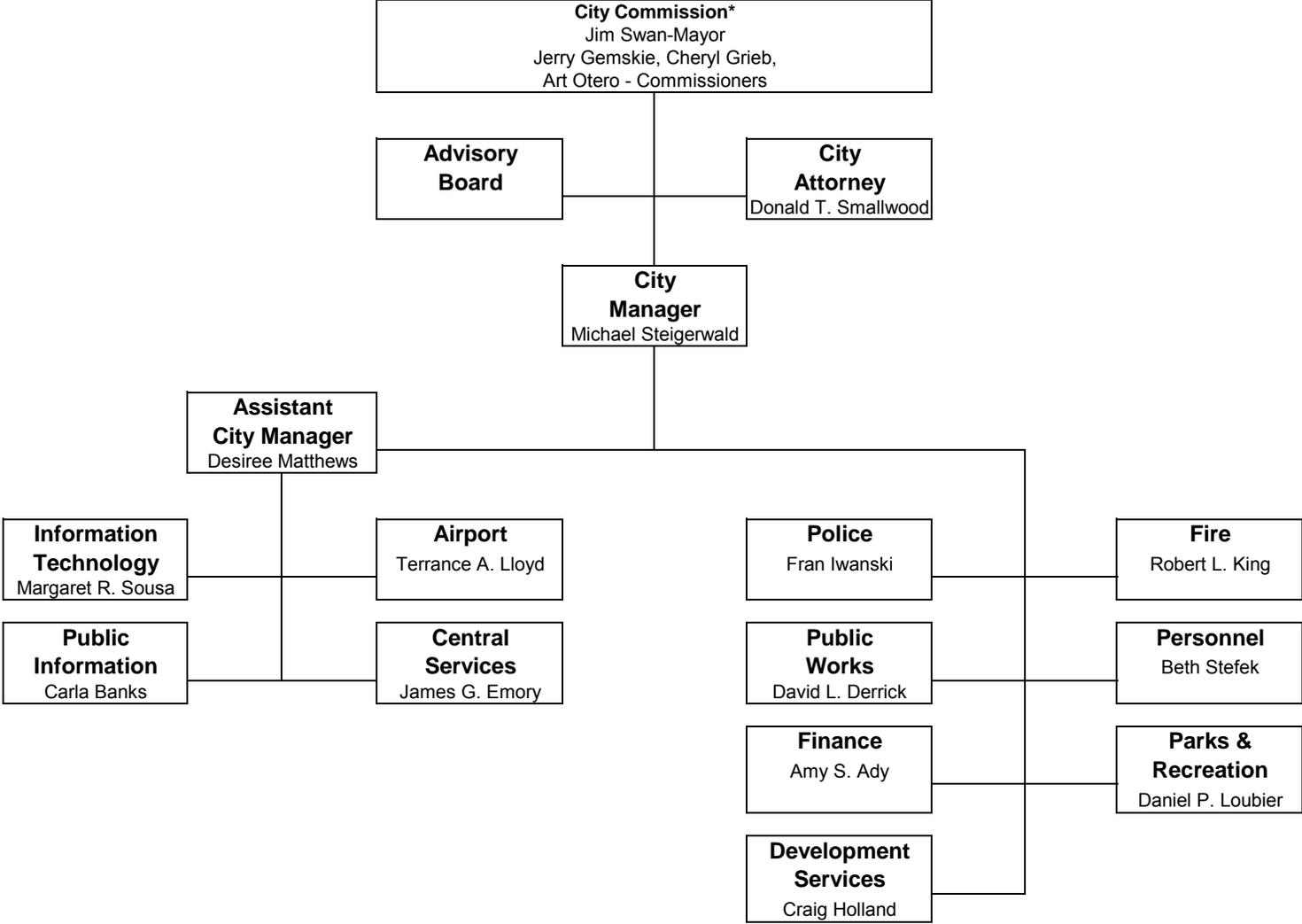
City Manager.....	Michael H. Steigerwald
Assistant City Manager.....	Desiree S. Matthews
Finance Director.....	Amy S. Ady
Assistant Finance Director.....	Joseph A. Skalamera

Other Departmental Officials

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

CITY OF KISSIMMEE

ORGANIZATION CHART



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

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Kissimmee
Florida

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
September 30, 2009

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



President

Executive Director



City of Kissimmee

City Manager

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

March 28, 2011

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, 2010.

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, 2010, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amount and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the City of Kissimmee's financial statements for the fiscal year ended September 30, 2010, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

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

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

THE CITY

The City of Kissimmee (the "City"), near the geographic center of Florida, is the County Seat of Osceola County. Of Florida's 67 counties, Osceola is the State's sixth largest in geographical size, with a land area of 1,506 square miles. There are approximately 13,549 acres within the corporate limits of the City. The 2010 U.S. Census reported 47,814 people living within the City. The Current population figure is 61,202.

The City has a commission/manager form of government, with a Mayor-Commissioner and four other Commissioners who are elected at large for four-year staggered terms. Elections are held on the Tuesday, nine (9) weeks prior to the State of Florida General Elections. The City employs a full-time manager who is the chief executive and administrative officer of the City.

The City provides a full range of municipal services, including police, fire, public works, social services, public improvements, planning, economic development, zoning, recreational services and general administrative services. The City also provides garbage and trash collection and operates a municipal airport as well as a stormwater utility.

ACCOUNTING SYSTEM, INTERNAL ACCOUNTING CONTROLS, AND BUDGETARY CONTROL

The City's accounting records for General, Special Revenue, Debt Service, and Capital Projects Funds are maintained on a modified accrual basis. Revenues are recognized when they become measurable and available, while expenditures are recorded at the time the related fund liabilities are incurred. Accounting records for Enterprise, Internal Service and Pension Trust Funds are maintained on a full accrual basis.

In designing and developing the City's accounting system, consideration is given to the adequacy of internal accounting controls. Internal accounting controls are designed to provide reasonable, but not absolute, assurance regarding:

1. The safeguarding of assets against loss from unauthorized use or disposition; and
2. The reliability of financial records for preparing financial statements and maintaining accountability for assets.

The concept of reasonable assurance recognizes that:

1. The cost of a control should not exceed the benefits likely to be derived; and
2. The evaluation of cost and benefits requires estimates and judgments by management.

All internal control evaluations occur within the above framework. We believe that the City's internal accounting controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.

The Director of Finance maintains budgetary control, in conformance with the City Charter and Florida Statutes, through constant review. Budgetary responsibility for the General, Special Revenue, Debt Service, Capital Projects and Enterprise Funds is established at the sub-object of expenditure level. The City Manager is authorized to approve transfers between non-salary sub-object line items within departments; however, transfers from salary line items, transfers between departments and changes in total budget appropriations for a fund must have prior approval of the City Commission. However, the City Manager can approve transfers of unused amounts in salary account line items to advertising, recruiting and/or professional service account line items. Interim financial reports are provided for internal use.

THE REPORTING ENTITY AND ITS SERVICES

The funds and entities related to the City, included in the Comprehensive Annual Financial Report, are controlled by or dependent on the City. Determination of “controlled by or dependent on” is based on criteria and disclosure requirements of Governmental Accounting Standards Board Statement Number 14 *Defining the Reporting Entity*. The criteria deal with the selection of governing authority, designation of management, and ability to significantly influence operations and accountability for fiscal matters. Based on these criteria, the various funds shown in the Table of Contents are included in this report. This report, together with the accounting and budgeting systems, have been designed to conform to the standards set forth by the Governmental Accounting Standards Board and the American Institute of Certified Public Accountants. Fund structure has also been designed to comply with the legal requirements of the various revenue bond covenants and resolutions.

ECONOMIC CONDITION AND OUTLOOK

The City is primarily residential in character but also serves as a regional retail and commercial center. It derives a substantial portion of its economic activity from its proximity to Walt Disney World as well as from the surrounding cattle and citrus industries.

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

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

There are more than 50 attractions easily accessible from the Kissimmee Resort area. In addition to Walt Disney World, located approximately 7 miles west of the City, some of the tourist attractions near the City include Sea World, Gatorland Zoo, Reptile World Serpentarium, Medieval Times, and Kennedy Space Center. Special events that take place in the City each year are the Silver Spurs Rodeo, Sunshine State Regional Chili Cookoff, Osceola County Art Festival and the Kissimmee Bluegrass Festival.

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

MAJOR INITIATIVES

In Parks and Recreation, the first phase of construction for the lakefront redevelopment project was initiated. Public Works continued to make significant progress on its road improvement plan as well as various grant funded drainage projects. In addition, construction was completed on the expansion of a north-south corridor through the west side of the City. Finally, in Public Works continued progress was made on the design and 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 continued with the improvements to an historic structure within its district. In the Fire Department, construction of a replacement fire station was completed. Finally, the City has continued, on a contractual basis, to provide certain administrative services to Tohopekalgia Water Authority.

CASH MANAGEMENT

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

The City has a banking service agreement with the local depository bank, which provides for all City deposits in an interest bearing master account. In addition, the City participates in the Florida State Board of Administration's Program for pooled investment of local government surplus funds. Also, during 2010, the City continued to invest in various types of government securities.

RISK MANAGEMENT

The Risk Management Fund was established to account for all insurance costs of the City, except employee group insurance, and to maintain the reserves for those risks that the City self-insures. Each fund, at the division level, budgets an allocated share of current year premiums plus a supplemental amount to maintain reserves for self-insurance.

OTHER POST EMPLOYMENT BENEFITS

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

FIDUCIARY OPERATIONS

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

STATUTORY REQUIREMENTS – INDEPENDENT AUDIT

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

CERTIFICATE OF ACHIEVEMENT PROGRAM

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Kissimmee, Florida for its comprehensive annual financial report for the fiscal year ended September 30, 2009. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. The report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

ACKNOWLEDGEMENTS

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

Respectfully submitted,



Michael H. Steigerwald
City Manager



Amy S. Ady
Finance Director



INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying financial statements of governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Kissimmee, Florida (the "City"), as of and for the year ended September 30, 2010, which collectively comprise the City's basic financial statements, as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain reasonable assurance about whether the basic financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of September 30, 2010, and the respective changes in financial position, and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated March 28, 2011 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

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

INDEPENDENT AUDITOR'S REPORT
(Concluded)

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

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

Moore Stephens Lovelace, P.A.

Certified Public Accountants

Orlando, Florida
March 28, 2011

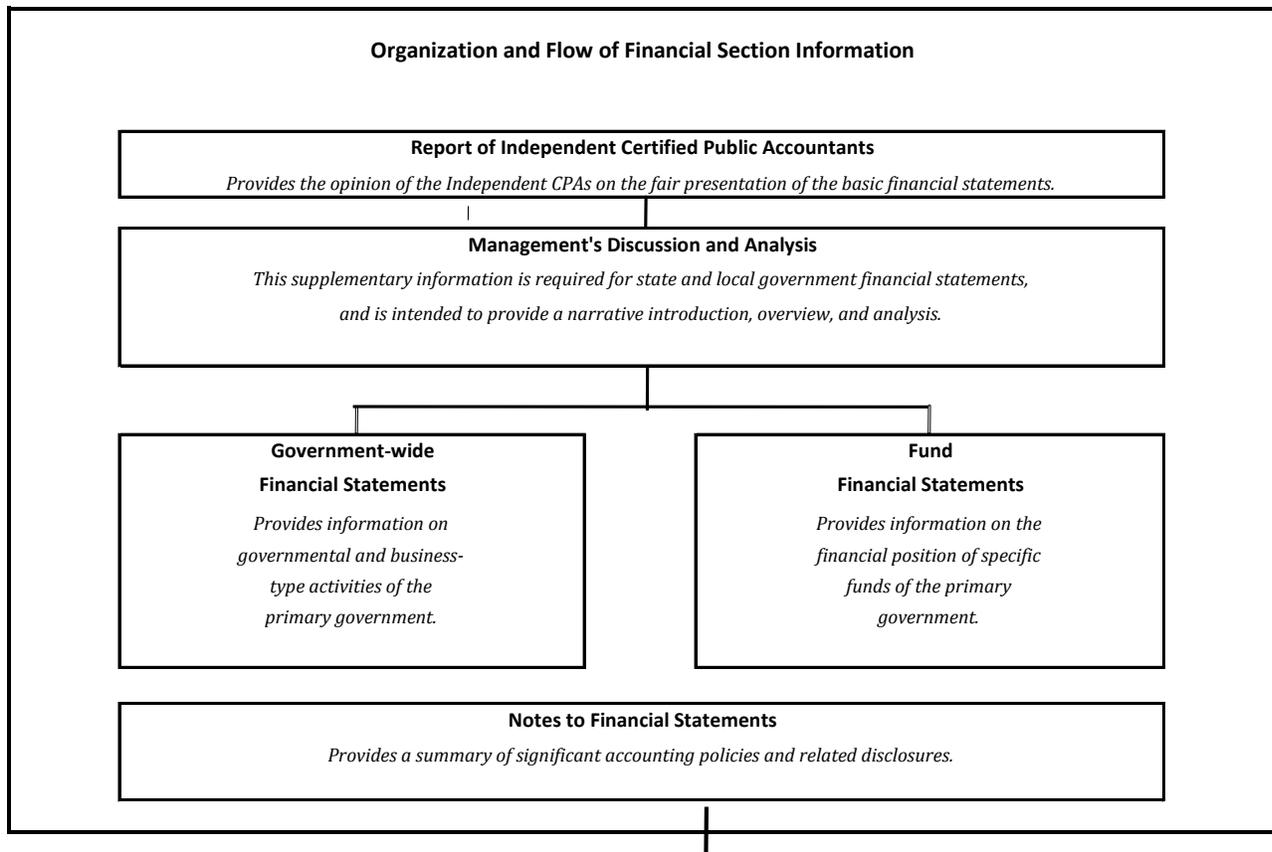
The City of Kissimmee, Florida's (the "City") Management's Discussion and Analysis (the "MD&A") presents an overview of the City's financial activities for the fiscal year ended September 30, 2010. Please read it in conjunction with the letter of transmittal in the introductory section, and the City's financial statements following the MD&A.

Financial Highlights

- The assets of the City exceeded its liabilities at the close of fiscal year 2010 by \$187,221 (net assets). Of this amount, \$16,949 (unrestricted net assets) may be used to meet the government's ongoing obligations to citizens and creditors.
- The City's net assets increased by \$6,290 of which governmental activities contributed 85% of the increase.
- At September 30, 2010, the City's governmental funds reported combined ending fund balances of \$32,786 an increase of \$4,949 in comparison with the prior year.
- The City's capital assets increased \$11,466 or 6.5% from the prior year.

Overview of the Financial Statements

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



Government-wide financial statements

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

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

The *statement of activities* presents information showing how the government's net assets changed during fiscal year 2010. All changes in net assets are reported as soon as the underlying event, giving rise to the change, occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected but earned revenue, and unused vacation leave).

Both of these financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the City include general government, public safety, physical environment, transportation, economic environment, and culture/recreation. The business-type activities of the City include sanitation/solid waste services, storm water services, and the operation of an airport. The government-wide financial statements can be found immediately following the MD&A.

The government-wide financial statements include not only the City itself (known as the primary government) but also legally separate entities known as component units. Component units, which are other governmental units over which the City Commission can exercise influence and/or may be obligated to provide financial subsidy, are presented within governmental activities in the government-wide financial statements, and as an individual special revenue fund in the basic and fund financial statements. The City's component unit (the Community Redevelopment Agency) is a major fund of the City and will be addressed in this MD&A.

Fund financial statements

A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The City maintains several individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for the General Fund, USDA Grants, Lakefront Sales Tax 2009A Capital Project 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. Individual fund data for each of these nonmajor governmental funds is provided in the form of *combining statements* in the other supplemental information section of this report.

The City adopts an annual appropriated budget for its general fund, capital projects funds, most debt service funds, and most special revenue funds. Budgetary comparison schedules have been provided for these funds to demonstrate budgetary compliance.

Proprietary Funds

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

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

Fiduciary Funds

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

Notes to the financial statements

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

Other information

In addition to the basic financial statements and accompanying notes, *required supplementary information* is included which presents budgetary comparison schedules for the City's General Fund, USDA Grants Fund, Community Redevelopment Agency, and Local Option Sales Tax Fund; schedules of funding progress and employer contributions for the City's OPEB Plan; and schedules of funding progress and employer contributions for the City's three pension plans. Required supplementary information can be found following the notes to the financial statements.

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

CITY OF KISSIMMEE, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued
September 30, 2010
(In Thousands)

Government-wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the City, assets exceeded liabilities by \$187,221 at the close of the fiscal year ended September 30, 2010.

At the end of fiscal year 2010, the City is able to report positive balances in all three categories of net assets, both for the government as a whole, as well as for its separate governmental and business-type activities.

The largest portion of the City's net assets (83%) reflects its investment in capital assets (e.g., land, buildings, and equipment); less any related outstanding debt used to acquire those assets. The City uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. The City has *restricted net assets* (\$14,660) for construction projects, supplementary care, Charter School, and other purposes. The remaining balance of *unrestricted net assets* (\$16,949) may be used to meet the government's ongoing obligations to citizens and creditors.

City of Kissimmee, Florida
Net Assets
(In Thousands)

	Governmental Activities		Business-type Activities		Total	
	2010	2009	2010	2009	2010	2009
Current and other assets	\$ 46,928	\$ 44,925	\$ 5,609	\$ 4,986	\$ 52,537	\$ 49,911
Capital Assets (Net)	158,225	147,125	30,997	30,631	189,222	177,756
Total Assets	205,153	192,050	36,606	35,617	241,759	227,667
Current and other liabilities	6,226	8,205	641	880	6,867	9,085
Long-term Liabilities	47,353	38,561	318	230	47,671	38,791
Total Liabilities	53,579	46,766	959	1,110	54,538	47,876
Net Assets:						
Invested in Capital Assets,						
Net of Related Debt	124,615	118,647	30,997	30,631	155,612	149,278
Restricted	14,574	14,939	86	705	14,660	15,644
Unrestricted	12,385	11,698	4,564	3,173	16,949	14,871
Total Net Assets	\$ 151,574	\$ 145,284	\$ 35,647	\$ 34,509	\$ 187,221	\$ 179,793

There was a net increase of \$7,428 in the City's net assets over fiscal year 2009. There was a net increase of \$6,290 in net assets reported in connection with the City's governmental activities and \$1,138 in business-type activities. The governmental activities increase represents 85% of the total increase, and business-type activities contributed 15% 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, 2010
(In Thousands)

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

	Governmental Activities		Business-type Activities		Total	
	2010	2009	2010	2009	2010	2009
REVENUES						
Program Revenues:						
Charges for Services	\$ 22,630	\$ 21,974	\$ 8,185	\$ 8,397	\$ 30,815	\$ 30,371
Operating Grants and Contributions	3,614	1,069	-	-	3,614	1,069
Capital Grants and Contributions	3,593	1,744	665	2,687	4,258	4,431
General Revenues:						
Property Taxes	15,818	15,174	-	-	15,818	15,174
Other Taxes	18,561	18,404	-	-	18,561	18,404
Other	<u>16,993</u>	<u>16,261</u>	<u>13</u>	<u>22</u>	<u>17,006</u>	<u>16,283</u>
Total Revenues	<u>81,209</u>	<u>74,626</u>	<u>8,863</u>	<u>11,106</u>	<u>90,072</u>	<u>85,732</u>
EXPENSES						
General Government	27,460	24,965	-	-	27,460	24,965
Public Safety	27,219	31,839	-	-	27,219	31,839
Physical Environment	2,912	-	-	-	2,912	-
Transportation	7,040	5,841	-	-	7,040	5,841
Economic Environment	3,178	1,251	-	-	3,178	1,251
Culture/Recreation	6,031	6,524	-	-	6,031	6,524
Interest on Long-term Debt	1,259	1,261	-	-	1,259	1,261
Stormwater	-	-	3,030	3,180	3,030	3,180
Airport	-	-	1,009	1,031	1,009	1,031
Solid Waste	<u>-</u>	<u>-</u>	<u>3,506</u>	<u>3,739</u>	<u>3,506</u>	<u>3,739</u>
Total Expenses	<u>75,099</u>	<u>71,681</u>	<u>7,545</u>	<u>7,950</u>	<u>82,644</u>	<u>79,631</u>
Excess (Deficiency) Before Transfers	6,110	2,945	1,318	3,156	7,428	6,101
Transfers	<u>180</u>	<u>173</u>	<u>(180)</u>	<u>(173)</u>	<u>-</u>	<u>-</u>
Change in Net Assets	6,290	3,118	1,138	2,983	7,428	6,101
Net Assets - Beginning	<u>145,284</u>	<u>142,166</u>	<u>34,509</u>	<u>31,526</u>	<u>179,793</u>	<u>173,692</u>
Net Assets - Ending	<u>\$ 151,574</u>	<u>\$ 145,284</u>	<u>\$ 35,647</u>	<u>\$ 34,509</u>	<u>\$ 187,221</u>	<u>\$ 179,793</u>

Governmental activities

Governmental activities accounted for an increase of \$6,290 from the prior year. A key element of this increase was new construction during the current fiscal year that was reimbursed by grant revenues. While the City's funds were used for these major capital improvements, the related assets are depreciated over many years in the government-wide financial statements, or not depreciated at all in the case of land. Thus the related expense is largely not recognized in the same year as the related grant revenues. In periods with

CITY OF KISSIMMEE, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued
September 30, 2010
(In Thousands)

large grant reimbursements, this has the effect of increasing net assets. The public safety function (primarily police, fire and building code enforcement) has the second largest percentage of governmental activity expenses (**36%**); however it represents the largest deficit (**\$18,571**) from associated program revenues. Their expenses are largely covered by general revenues of the City.

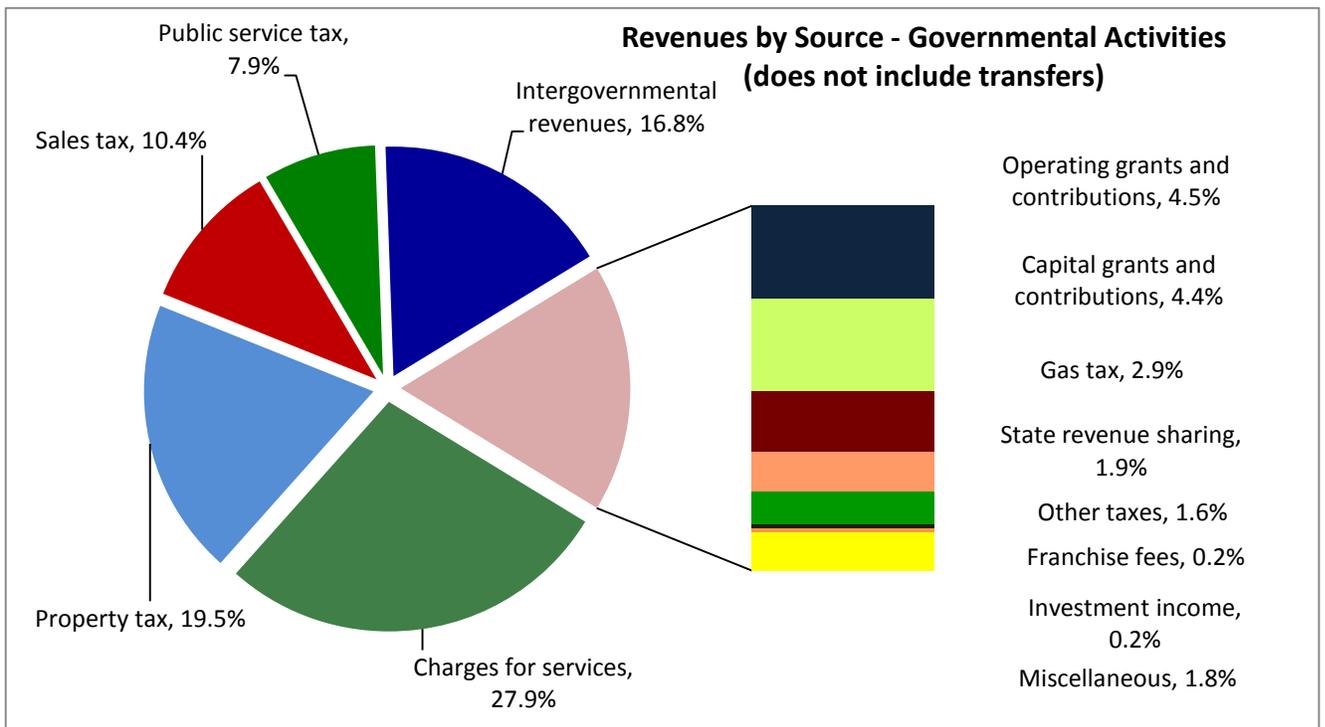
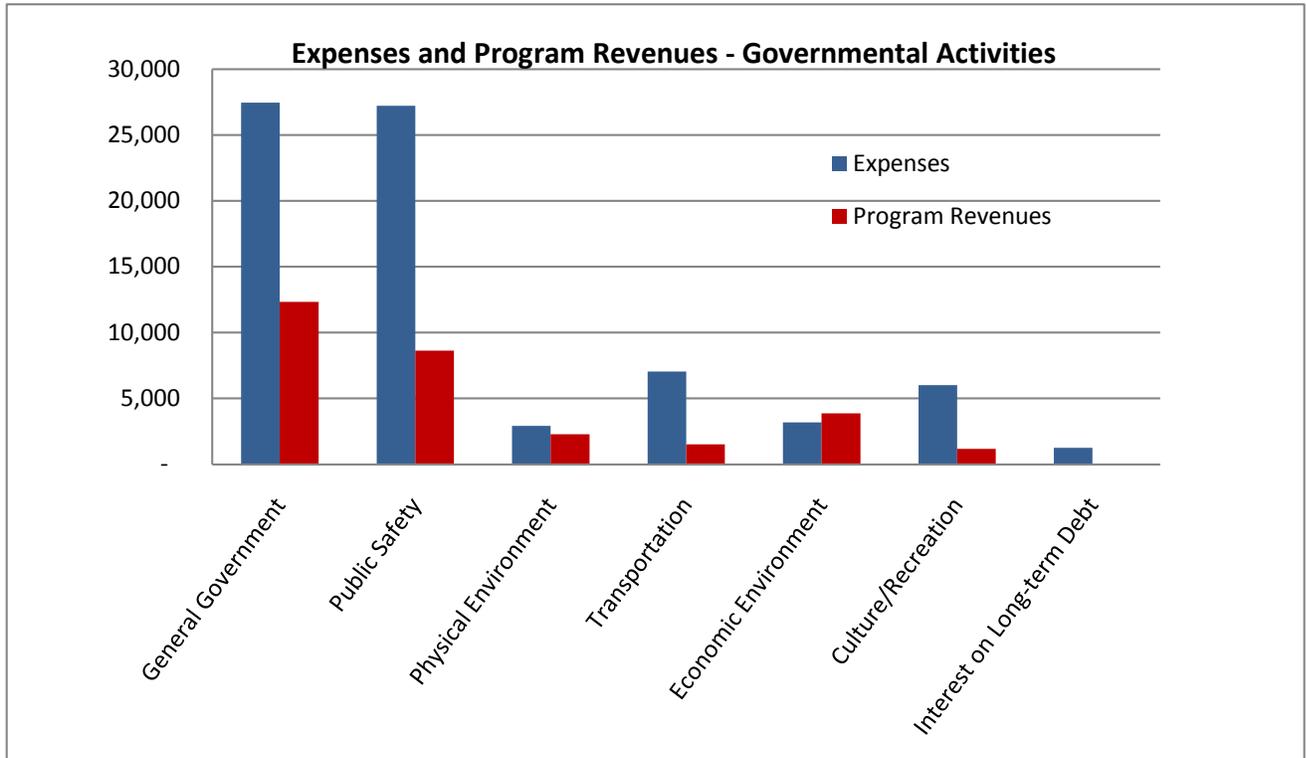
The following tables and graphs show the results of governmental activities for fiscal year ended 2010.

Expenses and Program Revenues – Governmental Activities
(In Thousands)

Functions/Programs	Expenses				Net Cost of Services		
	2010	% of	2009	% Change	2010	2009	% Change
		Total					
General Government	\$ 27,460	37%	\$ 24,965	10.0%	\$ (15,132)	\$ (12,653)	19.6%
Public Safety	27,219	36%	31,839	-14.5%	(18,571)	(23,883)	-22.2%
Physical Environment	2,912	4%	-		(631)	95	-764.2%
Transportation	7,040	9%	5,841	20.5%	(5,520)	(3,545)	55.7%
Economic Environment	3,178	4%	1,251	154.0%	705	(245)	-387.8%
Culture/Recreation	6,031	8%	6,524	-7.6%	(4,854)	(5,402)	-10.1%
Interest on Long-Term Debt	1,259	2%	1,261	-0.2%	(1,259)	(1,261)	-0.2%
	<u>\$ 75,099</u>	<u>100%</u>	<u>\$ 71,681</u>		<u>\$ (45,262)</u>	<u>\$ (46,894)</u>	

Revenue by Source – Governmental Activities
(In Thousands)

Description	2010	% of	2009	% Change
		Total		
Program Revenues				
Charges for services	\$ 22,630	27.8%	\$ 21,974	3.0%
Operating grants and contributions	3,614	4.4%	1,069	238.1%
Capital grants and contributions	3,593	4.4%	1,744	106.0%
General Revenues				
Property tax	15,818	19.4%	15,174	4.2%
Sales tax	8,473	10.4%	8,381	1.1%
Public service tax	6,439	7.9%	6,403	0.6%
Gas tax	2,375	2.9%	2,428	-2.2%
State revenue sharing	1,521	1.9%	1,518	0.2%
Other taxes	1,274	1.6%	1,192	6.9%
Unrestricted intergovernmental revenues	13,670	16.8%	13,317	2.7%
Franchise fees	143	0.2%	144	-0.7%
Investment income (loss)	180	0.2%	292	-38.4%
Miscellaneous	1,479	1.8%	990	49.4%
Transfers	180	0.2%	173	4.0%
	<u>\$ 81,389</u>	<u>100.0%</u>	<u>\$ 74,799</u>	



CITY OF KISSIMMEE, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued
 September 30, 2010
 (In Thousands)

Business-type activities

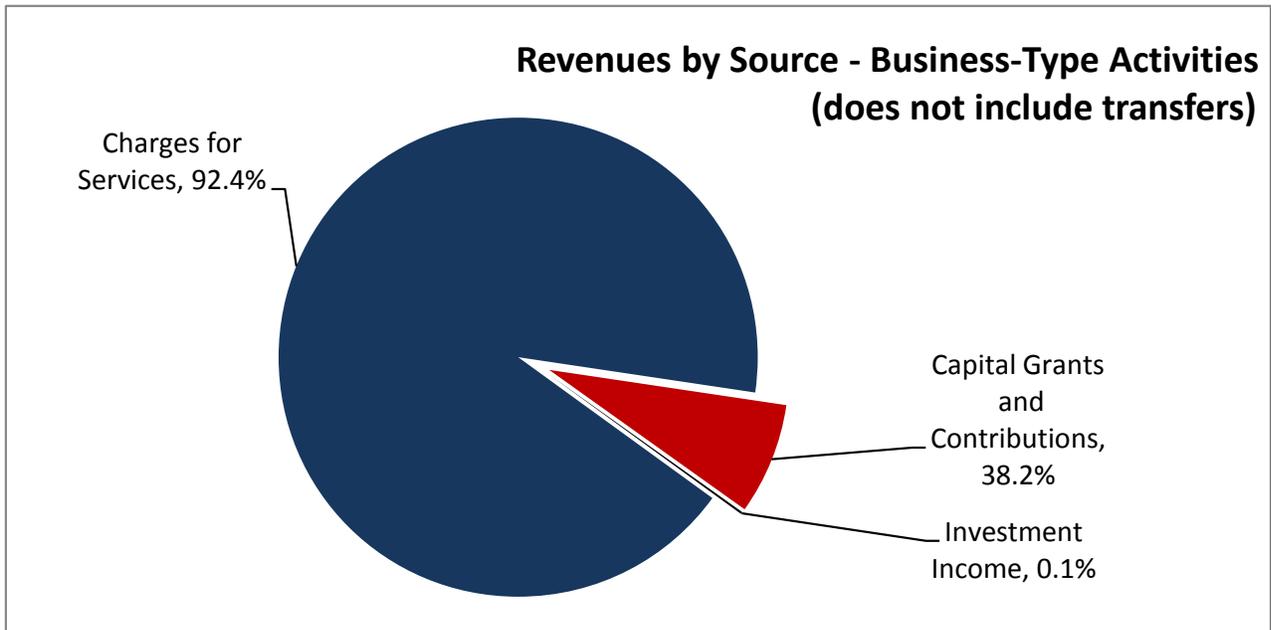
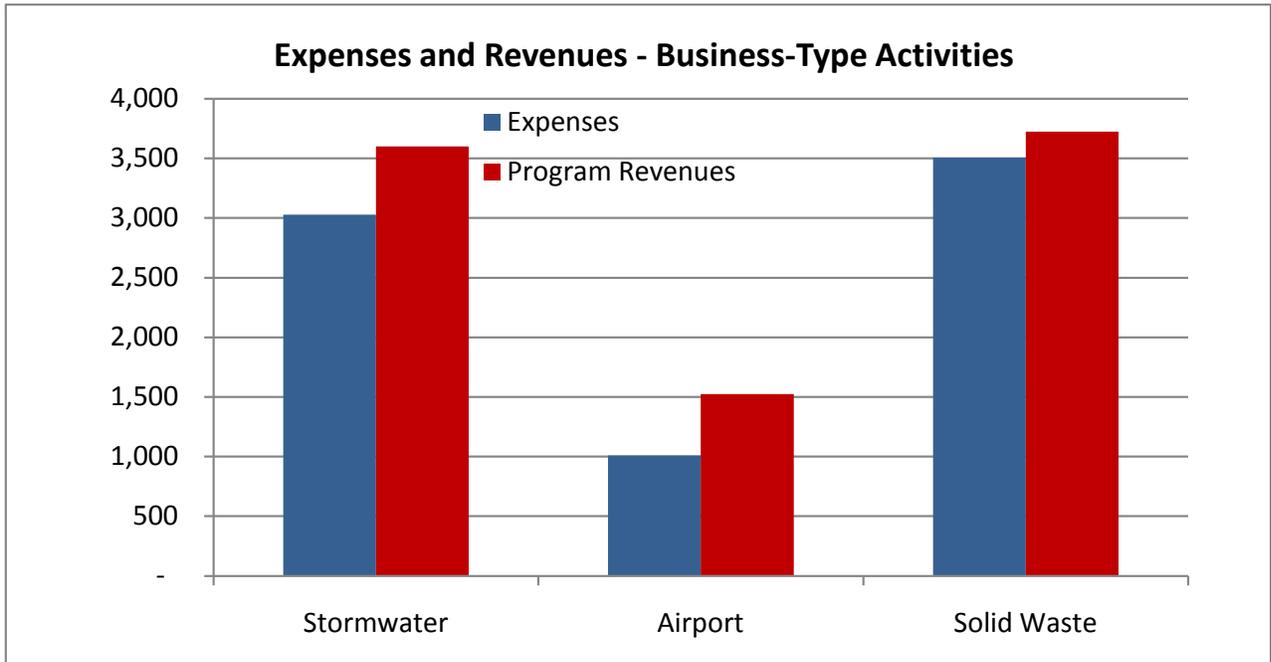
Business-type activities increased the City's net assets by \$1,138 (\$1,305- \$167 in transfers) accounting for 15% of the total growth in the City's net assets. The primary reason for this increase was capital grants for airport improvements. There were no major fluctuations in the business-type expenses from the prior year as no major operational changes occurred in FY10.

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

Functions/Programs	Expenses			Net Increase (Decrease) In Net Assets		
	2010	2009	% Change	2010	2009	% Change
	Stormwater	\$ 3,030	\$ 3,180	-4.7%	\$ 572	\$ 355
Airport	1,009	1,031	-2.1%	515	2,555	-79.8%
Solid Waste	<u>3,506</u>	<u>3,739</u>	-6.2%	<u>218</u>	<u>224</u>	-2.7%
	<u>\$ 7,545</u>	<u>\$ 7,950</u>		<u>\$ 1,305</u>	<u>\$ 3,134</u>	

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

	2010	% of Total	2009	% Change
Charges for services	\$ 8,185	94%	\$ 8,397	-2.5%
Operating grants and contributions	-	0%	-	0.0%
Capital grants and contributions	665	8%	2,687	-75.3%
Investment income (loss)	13	0%	22	-40.9%
Transfers	<u>(180)</u>	-2%	<u>(173)</u>	4.0%
	<u>\$ 8,683</u>		<u>\$ 10,933</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

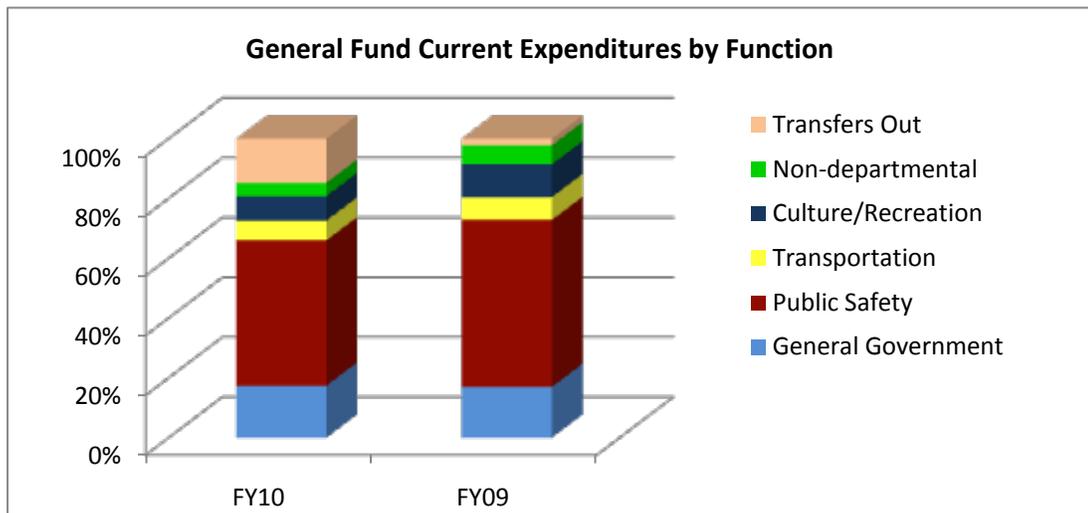
The focus of the City's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable resources*. Such information is useful in assessing the City's financing requirements. In particular, *unreserved fund balance* may serve as a useful measure of a government's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

As of the end of fiscal year 2010, the City's governmental funds reported combined ending fund balances of \$32,786, an increase of \$4,949 in comparison with the prior year. *Unreserved fund balance* is \$17,465 and is available for spending in accordance with related ordinances, resolutions, laws and regulations, Florida Statutes, and City policies. The remainder of fund balance is *reserved* to indicate that it is not available for new spending because it has already been committed: 1) for prepaid items \$58, 2) for inventories \$95, 3) for advanced to other funds \$2,741, 4) for capital projects \$11,440, 5) for public safety projects \$3, for development services \$66, 6) for economic development \$217, 7) for supplementary care \$655, and 8) for debt service \$46.

The General Fund is the chief operating fund of the City. At the end of fiscal year 2010, unreserved fund balance of the General Fund was \$17,341, while total fund balance in the General Fund reached \$17,494. As a measure of the General Fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures and transfers out. Unreserved fund balance represents 30.4% of the total general fund expenditures and transfers out, while total fund balance represents 30.7% of that same amount. This means that the majority of the fund balance is available to meet upcoming expenditures.

The fund balance of the City's General Fund increased by \$4,068 during the current fiscal year. Revenues increase \$3,287 and the net of transfers in/out from/to other funds also increased \$901.

The following graph displays the General Fund current expenditures (not including debt service) by function for FY10 and FY09. As the graph displays, there were no major fluctuations in expenditures by function from the prior year.



CITY OF KISSIMMEE, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued
 September 30, 2010
 (In Thousands)

The USDA Grants Fund received \$1,498 in intergovernmental revenues and spent \$2,912. These grants reimburse after expenses have been incurred and paid. The total amount due from various grant agencies was \$2,402.

The Lakefront Sales Tax 2009A Capital Project fund balance increased by \$6,408 from the prior year due to the final draws of \$9,250 from the related financing note. Current year expenditures increased by \$1,279 from the prior year. Remaining fund balance of \$5,080 is reserved for future transportation capital improvements.

The Community Redevelopment Agency (CRA) fund balance increased by \$682 from the prior year. Tax revenues increased \$288, expenditures decreased \$1,170, and proceeds from the sale of capital assets totaled \$780. The remaining fund deficit will be settled by future tax revenues.

The Local Option Sales Tax fund balance increased by \$597 as intergovernmental revenues decreased \$367 and expenditures increased by \$386. Adjustments to the long-range capital improvement plan were made to address the revenue shortfalls of the coming years. The remaining fund balance of \$6,846 is reserved for future capital projects and an advance receivable from the CRA.

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 Solid Waste Fund, the Airport Fund and the Stormwater Fund.

The Stormwater Fund had an increase in net assets of \$400. Operating revenues were greater than operating expenses by \$572 which reflects that the City's current charges for service are appropriate to cover costs incurred to provide stormwater service to its citizens.

The Airport Fund had an increase in net assets of \$515 even though revenues from capital grants for improvements to the airport's infrastructure decreased \$2,002 compare to the prior year. The Airport's unrestricted net assets increased by \$850 from the prior year.

The Solid Waste Fund had an increase in net assets of \$222 from the prior year. Operating revenues were greater than operating expenses by \$218 which reflects that the City's current charges for service are appropriate to cover costs incurred to provide solid waste collections to its citizens.

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

Fund	Unrestricted Net Assets (In Thousands)	
	2010	2009
Stormwater	\$ 1,410	\$ 1,183
Airport	2,414	1,564
Solid Waste	740	426
Total	\$ 4,564	\$ 3,173

Unrestricted net assets in the Stormwater Fund increased \$227 to \$1,410; Airport increased \$850 to \$2,414 Solid Waste Fund increased by \$314 to \$740. Unrestricted net assets are available for future expenses.

General Fund Budgetary Highlights

The General Fund's original budget was amended to increase expenditures and transfers out by \$3,433. This was offset by an amended budget to increase revenues by \$1,093. The changes for expenditures and transfers out within functions are summarized in the table below. Adjustments were made for capital expenditures, transfers to other funds for revenue shortfalls, and additional grant-funded expenditures during the course of the year, primarily in the general government function.

(In Thousands)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Change</u>
General Government	\$ 9,554	\$ 10,794	\$ 1,240
Public Safety	29,219	29,899	680
Transportation	3,853	4,020	167
Culture/Recreation	4,923	5,179	256
Non-departmental	500	785	285
Transfers Out	-	805	805
	<u>\$ 48,049</u>	<u>\$ 51,482</u>	<u>\$ 3,433</u>

The General Fund over-spent the final budget by \$5,478 during fiscal year 2010. The changes within functions are summarized in the table below:

(In Thousands)

	<u>Actual</u> <u>Expenditures</u>	<u>Final Budget</u>	<u>Difference</u>
General Government	\$ 9,905	\$ 10,794	\$ 889
Public Safety	27,691	29,899	2,208
Transportation	3,747	4,020	273
Culture/Recreation	4,656	5,179	523
Non-departmental	2,547	785	(1,762)
Transfers Out	8,414	805	(7,609)
	<u>\$ 56,960</u>	<u>\$ 51,482</u>	<u>\$ (5,478)</u>

General government total expenditures and other uses were \$5,478 over the final budget due primarily to transfers out of \$7,609 that were, however, offset by a favorable revenue variance of \$10,872 including \$8,774 favorable variance in transfers in; transactions related to a refunding of the Charter School variable interest rate note for new financing at a fix rate was the primary reason for the variances. Public safety under-spent the final budget by \$2,208 but Non-departmental expenditures were greater than the final budget due to additional adjustments of \$1,868 made for bad debt from ambulance receivables at year-end.

CITY OF KISSIMMEE, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued
September 30, 2010
(In Thousands)

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, 2010 amounts to \$189,222 (net of accumulated depreciation). This investment in capital assets includes land, parking capacity, buildings, improvements other than buildings (including leasehold improvements), equipment, vehicles, infrastructure, and construction in progress. The total increase in the City's investment in capital assets for the current fiscal year was \$11,466. Governmental activities increased capital assets by \$11,100 and business-type activities increased capital assets by \$366.

The largest increases in capital assets over the prior year of \$10,149 was in buildings as Fire Station 11 was completed; improvements other than buildings projects increased \$11,323 as transportation and airport projects were completed and put into service in the current year including Thacker Avenue Phase III, Taxiway B Apron, West Ramp Expansion and the N Quad Fuel Farm. Construction in progress decreased by \$4,590 as expected.

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

	Governmental Activities		Business-type Activities		Total	
	2010	2009	2010	2009	2010	2009
Land	\$ 17,069	\$ 16,793	\$ 401	\$ 401	\$ 17,470	\$ 17,194
Parking Capacity, net	2,714	2,856	-	-	2,714	2,856
Buildings	53,850	45,288	3,638	2,051	57,488	47,339
Improvements Other than Buildings	96,424	89,298	30,775	26,620	127,199	115,918
Equipment	32,819	34,516	4,542	3,595	37,361	38,111
Construction in Progress	26,742	25,942	96	5,486	26,838	31,428
	229,618	214,693	39,452	38,153	269,070	252,846
Less: Accumulated Depreciation	(71,393)	(67,568)	(8,455)	(7,522)	(79,848)	(75,090)
Capital Assets, net	\$ 158,225	\$ 147,125	\$ 30,997	\$ 30,631	\$ 189,222	\$ 177,756

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 2010, the City had total debt outstanding of \$40,838. This is an increase of \$7,842 from the prior year primarily due to additional funding of the Lakefront project. Of the total outstanding, \$39,330 is notes and bonds payable at year-end. Notes and bonds payable are the largest percentage of the City's overall outstanding debt. This increase of notes and bonds payable represents principal payments due to lenders through the various terms of such debt agreements. Business-type activities have no long term debt outstanding at year-end.

CITY OF KISSIMMEE, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued
 September 30, 2010
 (In Thousands)

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

	Governmental Activities		Business-type Activities		Total	
	2010	2009	2010	2009	2010	2009
Revenue Notes	\$ 38,961	\$ 32,184	\$ -	\$ -	\$ 38,961	\$ 32,184
Revenue Bonds	369	394	-	-	369	394
Capital Lease Payable	204	418	-	-	204	418
Other	1,304	-	-	-	1,304	-
	<u>\$ 40,838</u>	<u>\$ 32,996</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 40,838</u>	<u>\$ 32,996</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, 2010 was 11.9%. This represents an increase of 2.6% from the 11.6% unemployment rate from the prior year.
- The taxable assessed value decreased another 23.1% in the 2010 fiscal year.
- Population decreased slightly 61,202 (48) compared to 61,250 in the prior fiscal year.

The ad valorem tax rate for the General Fund was increased 0.92 to 4.6253 for the 2010 fiscal year budget.

Rates for the City's solid waste and stormwater services did not increased in fiscal year 2010 for the annual CPI (consumer price index) adjustment. Rates will be reviewed during the 2011 fiscal year for any necessary adjustments.

Requests for Information

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

CITY OF KISSIMMEE, FLORIDA
STATEMENT OF NET ASSETS
September 30, 2010
(In Thousands)

	Governmental	Business-type	Total
	Activities	Activities	
ASSETS			
Cash and Cash Equivalents	\$ 35,629	\$ 4,848	\$ 40,477
Investments	508	74	582
Restricted Cash and Investments	556	-	556
Receivables (net)	3,185	598	3,783
Due from Other Governments	4,710	86	4,796
Due From KUA	1,532	-	1,532
Due From TWA	510	3	513
Inventories	240	-	240
Prepaid Items	58	-	58
Capital Assets:			
Capital Assets not Being Depreciated	43,811	497	44,308
Capital Assets Being Amortized (Net)	2,714	-	2,714
Capital Assets Being Depreciated (Net)	111,700	30,500	142,200
Total Capital Assets	<u>158,225</u>	<u>30,997</u>	<u>189,222</u>
Total Assets	<u>205,153</u>	<u>36,606</u>	<u>241,759</u>
LIABILITIES			
Accounts Payable	2,469	530	2,999
Contracts Payable	601	-	601
Accrued Liabilities	2,818	92	2,910
Due to Other Governments	322	-	322
Due To KUA	-	19	19
Deposits	16	-	16
Long-term Liabilities:			
Due Within One Year	4,379	28	4,407
Due in More Than One Year	42,974	290	43,264
Total Liabilities	<u>53,579</u>	<u>959</u>	<u>54,538</u>
NET ASSETS			
Invested in Capital Assets, Net of Related Debt	124,615	30,997	155,612
Restricted:			
Construction Projects	12,579	86	12,665
Supplementary Care	655	-	655
Charter School	1,273	-	1,273
Other Purposes	67	-	67
Unrestricted	<u>12,385</u>	<u>4,564</u>	<u>16,949</u>
Total Net Assets	<u>\$ 151,574</u>	<u>\$ 35,647</u>	<u>\$ 187,221</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, 2010
(In Thousands)

FUNCTIONS/PROGRAMS	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities:				
General Government	\$ 27,460	\$ 12,176	\$ 130	\$ 22
Public Safety	27,219	8,062	189	397
Physical Environment	2,912	76	-	2,205
Transportation	7,040	1,208	-	312
Economic Environment	3,178	-	3,272	611
Culture/Recreation	6,031	1,108	23	46
Interest on Long-Term Debt	1,259	-	-	-
Total Governmental Activities	75,099	22,630	3,614	3,593
Business-type Activities:				
Stormwater	3,030	3,602	-	-
Airport	1,009	859	-	665
Solid Waste	3,506	3,724	-	-
Total Business-type Activities	7,545	8,185	-	665
Total	\$ 82,644	\$ 30,815	\$ 3,614	\$ 4,258

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

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

Net (Expense) Revenue and Changes in Net Assets

Governmental Activities	Business-type Activities	Total
\$ (15,132)	\$ -	\$ (15,132)
(18,571)	-	(18,571)
(631)	-	(631)
(5,520)	-	(5,520)
705	-	705
(4,854)	-	(4,854)
(1,259)	-	(1,259)
<u>(45,262)</u>	<u>-</u>	<u>(45,262)</u>
-	572	572
-	515	515
-	218	218
<u>-</u>	<u>1,305</u>	<u>1,305</u>
<u>(45,262)</u>	<u>1,305</u>	<u>(43,957)</u>
15,818	-	15,818
8,473	-	8,473
6,439	-	6,439
2,375	-	2,375
1,521	-	1,521
1,274	-	1,274
13,670	-	13,670
143	-	143
180	13	193
328	-	328
1,151	-	1,151
180	(180)	-
<u>51,552</u>	<u>(167)</u>	<u>51,385</u>
6,290	1,138	7,428
<u>145,284</u>	<u>34,509</u>	<u>179,793</u>
<u>\$ 151,574</u>	<u>\$ 35,647</u>	<u>\$ 187,221</u>

CITY OF KISSIMMEE, FLORIDA
BALANCE SHEET - GOVERNMENTAL FUNDS
September 30, 2010
(In Thousands)

	General	USDA Grants	Lakefront Sales Tax 2009A Capital Project Fund
ASSETS			
Cash and Cash Equivalents	\$ 11,060	\$ -	\$ 5,754
Investments	138	-	88
Restricted Cash and Investments	-	-	-
Accounts Receivable (net)	2,553	-	-
Special Assessments Receivable (net)	41	-	-
Due from KUA	1,528	-	-
Due from TWA	345	-	-
Due from Other Funds	2,772	-	-
Due from Other Governments	697	2,402	-
Prepaid Items	58	-	-
Inventories	95	-	-
Advance to Other Funds	-	-	-
Total Assets	\$ 19,287	\$ 2,402	\$ 5,842
LIABILITIES AND FUND BALANCES (DEFICITS)			
Liabilities:			
Accounts Payable	\$ 466	\$ 781	\$ 481
Contracts Payable	-	229	281
Accrued Liabilities	925	-	-
Due to Other Funds	67	1,902	-
Due to Other Governments	322	-	-
Advance From Other Funds	-	-	-
Deposits Payable	13	-	-
Deferred Revenue	-	1,260	-
Total Liabilities	1,793	4,172	762
Fund Balances (Deficits):			
Reserved for:			
Prepaid Items	58	-	-
Inventories	95	-	-
Advance to Other Funds	-	-	-
Capital Projects	-	-	5,080
Public Safety Projects	-	-	-
Development Services	-	-	-
Economic Development	-	-	-
Supplementary Care	-	-	-
Debt Service	-	-	-
Unreserved (Deficits) Reported In:			
General Fund	17,341	-	-
Special Revenue Funds	-	(1,770)	-
Total Fund Balances (Deficits)	17,494	(1,770)	5,080
Total Liabilities and Fund Balances (Deficits)	\$ 19,287	\$ 2,402	\$ 5,842

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

Community Redevelopment Agency	Local Option Sales Tax	Nonmajor Governmental Funds	Total Governmental Funds
\$ 404	\$ 3,827	\$ 8,200	\$ 29,245
6	58	121	411
-	-	556	556
-	-	589	3,142
-	-	-	41
-	-	-	1,528
-	-	1	346
-	-	67	2,839
-	821	790	4,710
-	-	-	58
-	-	-	95
-	2,741	-	2,741
<u>\$ 410</u>	<u>\$ 7,447</u>	<u>\$ 10,324</u>	<u>\$ 45,712</u>
\$ 29	\$ 4	\$ 539	\$ 2,300
-	-	91	601
-	-	1,835	2,760
-	-	870	2,839
-	-	-	322
2,741	-	-	2,741
-	-	3	16
-	-	87	1,347
<u>2,770</u>	<u>4</u>	<u>3,425</u>	<u>12,926</u>
-	-	-	58
-	-	-	95
-	2,741	-	2,741
-	4,702	1,658	11,440
-	-	3	3
-	-	66	66
-	-	217	217
-	-	655	655
-	-	46	46
-	-	-	17,341
(2,360)	-	4,254	124
<u>(2,360)</u>	<u>7,443</u>	<u>6,899</u>	<u>32,786</u>
<u>\$ 410</u>	<u>\$ 7,447</u>	<u>\$ 10,324</u>	<u>\$ 45,712</u>

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CITY OF KISSIMMEE, FLORIDA
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET ASSETS
as of September 30, 2010
(In Thousands)

Total fund balances of governmental funds \$ 32,786

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

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. The cost of the assets is \$226,335, the accumulated depreciation is \$67,789, and the accumulated amortization is \$639. The difference does not include the net capital assets of the internal service funds which are included below. 157,907

The internal service fund is used by management to charge the costs of risk management services to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net assets. 3,581

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

Bonds payable	\$ 369	
Capital leases	204	
Notes payable	38,961	
KUA-County liability	1,305	
Other postemployment benefits	1,447	
Compensated absences	1,761	(44,047)

Deferred revenue from federal and state grants recognized as revenue of the current period 1,347

Total net assets of governmental activities \$ 151,574

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, 2010
(In Thousands)

	General	USDA Grants	Lakefront Sales Tax 2009A Capital Project Fund
REVENUES			
Taxes	\$ 14,217	\$ -	\$ -
Permits, Fees and Special Assessments	144	-	-
Intergovernmental Revenues	19,656	1,498	-
Charges for Services	5,501	-	-
Fines and Forfeitures	1,860	-	-
Investment Income	61	-	15
Miscellaneous Revenues	401	-	-
Total Revenues	41,840	1,498	15
EXPENDITURES			
Current:			
General Government	12,273	-	-
Public Safety	27,691	-	-
Physical Environment	-	2,912	-
Transportation	3,747	-	-
Economic Environment	-	-	-
Culture/Recreation	4,656	-	-
Capital Outlay	-	-	2,857
Debt Service:			
Principal Retirement	147	-	-
Interest and Fiscal Charges	32	-	-
Professional Fees	-	-	-
Total Expenditures	48,546	2,912	2,857
Excess (Deficiency) of Revenues Over (Under) Expenditures	(6,706)	(1,414)	(2,842)
OTHER FINANCING SOURCES and (USES)			
Transfers In	19,188	42	-
Transfers (Out)	(8,414)	-	-
Proceeds from Sale of Capital Assets	-	-	-
Issuance of Notes/Bonds/ Refunded Bonds Payable	-	-	9,250
Payment for Current Redemption	-	-	-
Payment to Refunded Bonds Escrow Agent	-	-	-
Total Other Financing Sources and (Uses)	10,774	42	9,250
Net Change in Fund Balances	4,068	(1,372)	6,408
Fund Balances (Deficits) - Beginning	13,426	(398)	(1,328)
Fund Balances (Deficits) - Ending	\$ 17,494	\$ (1,770)	\$ 5,080

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

Community Redevelopment Agency	Local Option Sales Tax	Nonmajor Governmental Funds	Total Governmental Funds
\$ 1,778	\$ 4,980	\$ 8,814	\$ 29,789
-	-	3,909	4,053
-	87	9,799	31,040
-	-	465	5,966
-	-	-	1,860
6	20	56	158
1	26	337	765
<u>1,785</u>	<u>5,113</u>	<u>23,380</u>	<u>73,631</u>
1,196	425	4,201	18,095
-	409	1,972	30,072
-	-	-	2,912
-	541	3,358	7,646
-	-	2,789	2,789
-	1,185	1,081	6,922
-	-	5,181	8,038
-	-	2,997	3,144
-	-	1,227	1,259
-	-	97	97
<u>1,196</u>	<u>2,560</u>	<u>22,903</u>	<u>80,974</u>
<u>589</u>	<u>2,553</u>	<u>477</u>	<u>(7,343)</u>
22	433	22,386	42,071
(709)	(2,389)	(28,729)	(40,241)
780	-	-	780
-	-	17,242	26,492
-	-	(7,355)	(7,355)
-	-	(9,455)	(9,455)
<u>93</u>	<u>(1,956)</u>	<u>(5,911)</u>	<u>12,292</u>
682	597	(5,434)	4,949
<u>(3,042)</u>	<u>6,846</u>	<u>12,333</u>	<u>27,837</u>
<u>\$ (2,360)</u>	<u>\$ 7,443</u>	<u>\$ 6,899</u>	<u>\$ 32,786</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, 2010
(In Thousands)

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

Net change in fund balances - total governmental funds	\$	4,949
--	----	-------

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 (\$18,553) exceeds depreciation (\$6,808, which excludes the amount related to internal service funds accounted for below) and amortization (\$214). 11,531

The issuance of bonds and similar long-term debt provides current financial resources to governmental funds and thus contributes to the change in fund balance. In the statement of net assets, however, issuing debt increases long-term liabilities and does not affect the statement of activities. Similarly, repayment of principal is an expenditure in the governmental funds, but reduces the liability in the statement of net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. The amounts of the items that make up these differences in the treatment of long-term debt and related items are:

Debt issued or incurred:		
Proceeds from note	\$ (26,492)	
Principal repayments:		
Bonds	25	
Leases	214	
Notes	<u>19,715</u>	(6,538)

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	124	
KUA-County liability	(1,305)	
Other postemployment benefits	<u>(731)</u>	(1,912)

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, 2010
(In Thousands)

Under the modified accrual basis of accounting, grant revenues are recognized when both the measureable and available criteria have been met. Grant revenues earned in the current year were not recognized since availability criteria was not met. Under full accrual accounting, all revenues would be recognized.	597
In the statement of activities, only the loss on the sale/disposal of capital assets is reported. The change in net assets differs from the change in fund balance by the cost of the capital assets sold/disposed or adjusted in value.	(452)
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>(1,885)</u>
Change in net assets of governmental activities	<u>\$ 6,290</u>

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

CITY OF KISSIMMEE, FLORIDA
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
September 30, 2010
(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	\$ 1,389	\$ 2,429	\$ 1,030	\$ 4,848	\$ 6,384
Investments	21	37	16	74	97
Accounts Receivable (net)	275	28	295	598	2
Due From Other Governments	-	86	-	86	-
Due From TWA	-	-	3	3	164
Inventories	-	-	-	-	145
Total Current Assets	<u>1,685</u>	<u>2,580</u>	<u>1,344</u>	<u>5,609</u>	<u>6,796</u>
Capital Assets:					
Land	-	401	-	401	140
Buildings	-	3,633	5	3,638	59
Improvements Other Than Buildings	8,781	21,987	7	30,775	666
Machinery, Equipment and Vehicles	1,426	392	2,724	4,542	3,058
Construction in Progress	-	96	-	96	-
Less: Accumulated Depreciation	<u>(1,202)</u>	<u>(4,914)</u>	<u>(2,339)</u>	<u>(8,455)</u>	<u>(3,605)</u>
Total Capital Assets (Net)	<u>9,005</u>	<u>21,595</u>	<u>397</u>	<u>30,997</u>	<u>318</u>
Total Noncurrent Assets	<u>9,005</u>	<u>21,595</u>	<u>397</u>	<u>30,997</u>	<u>318</u>
Total Assets	<u>\$ 10,690</u>	<u>\$ 24,175</u>	<u>\$ 1,741</u>	<u>\$ 36,606</u>	<u>\$ 7,114</u>

Continued

CITY OF KISSIMMEE, FLORIDA
STATEMENT OF NET ASSETS - Continued
PROPRIETARY FUNDS
September 30, 2010
(In Thousands)

	<u>Business-type Activities - Enterprise Funds</u>				<u>Governmental Activities - Internal Service Funds</u>
	<u>Stormwater</u>	<u>Airport</u>	<u>Solid Waste</u>	<u>Total</u>	
LIABILITIES					
Current Liabilities:					
Accounts Payable	\$ 55	\$ 38	\$ 437	\$ 530	\$ 169
Due To KUA	12	-	7	19	-
Accrued Liabilities	45	9	38	92	58
Compensated Absences Payable	16	3	9	28	25
Estimated Claims Payable	-	-	-	-	1,540
Total Current Liabilities	<u>128</u>	<u>50</u>	<u>491</u>	<u>669</u>	<u>1,792</u>
Noncurrent Liabilities:					
Compensated Absences Payable	65	12	34	111	99
Other Postemployment Benefits	82	18	79	179	101
Estimated Claims Payable	-	-	-	-	1,541
Total Noncurrent Liabilities	<u>147</u>	<u>30</u>	<u>113</u>	<u>290</u>	<u>1,741</u>
Total Liabilities	<u>275</u>	<u>80</u>	<u>604</u>	<u>959</u>	<u>3,533</u>
NET ASSETS					
Invested in Capital Assets	9,005	21,595	397	30,997	318
Restricted for Construction Projects	-	86	-	86	-
Unrestricted	1,410	2,414	740	4,564	3,263
Total Net Assets	<u>\$ 10,415</u>	<u>\$ 24,095</u>	<u>\$ 1,137</u>	<u>\$ 35,647</u>	<u>\$ 3,581</u>

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

CITY OF KISSIMMEE, FLORIDA
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS
PROPRIETARY FUNDS
For The Year Ended September 30, 2010
(In Thousands)

	<u>Business-type Activities - Enterprise Funds</u>				Governmental
	<u>Stormwater</u>	<u>Airport</u>	<u>Solid Waste</u>	<u>Total</u>	Activities - Internal <u>Service Funds</u>
Operating Revenues:					
Charges for Services	\$ 3,602	\$ 814	\$ 3,723	\$ 8,139	\$ 6,182
Miscellaneous Revenues	-	45	1	46	17
Total Operating Revenues	<u>3,602</u>	<u>859</u>	<u>3,724</u>	<u>8,185</u>	<u>6,199</u>
Operating Expenses:					
Personal Services	1,601	378	1,478	3,457	2,106
Contracted Services	512	42	894	1,448	27
Supplies and Materials	188	24	216	428	181
Repairs and Maintenance	178	55	233	466	1,714
Other Services and Charges	74	192	313	579	714
Depreciation	427	307	317	1,051	46
Claims/Premium Expense	50	11	55	116	2,100
Total Operating Expenses	<u>3,030</u>	<u>1,009</u>	<u>3,506</u>	<u>7,545</u>	<u>6,888</u>
Operating Income (Loss)	<u>572</u>	<u>(150)</u>	<u>218</u>	<u>640</u>	<u>(689)</u>
Nonoperating Revenues:					
Investment Income	6	3	4	13	22
Insurance Recoveries	-	-	-	-	424
Proceeds from Sale of Capital Assets	-	-	-	-	8
Total Nonoperating Revenues	<u>6</u>	<u>3</u>	<u>4</u>	<u>13</u>	<u>454</u>
Income (Loss) Before Contributions and Transfers	578	(147)	222	653	(235)
Capital Contributions	-	665	-	665	-
Transfers (Out)	(178)	(2)	-	(180)	(1,650)
Change in Net Assets	400	516	222	1,138	(1,885)
Total Net Assets - Beginning	<u>10,015</u>	<u>23,579</u>	<u>915</u>	<u>34,509</u>	<u>5,466</u>
Total Net Assets - Ending	<u>\$ 10,415</u>	<u>\$ 24,095</u>	<u>\$ 1,137</u>	<u>\$ 35,647</u>	<u>\$ 3,581</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, 2010
(In Thousands)

	<u>Business-type Activities - Enterprise Funds</u>				Governmental
	<u>Stormwater</u>	<u>Airport</u>	<u>Solid Waste</u>	<u>Total</u>	Activities - Internal Service Funds
Cash Flows from Operating Activities					
Receipts from Customers and Users	\$ 3,550	\$ 818	\$ 3,781	\$ 8,149	\$ 6,182
Payments to Suppliers	(986)	(468)	(1,709)	(3,163)	(4,328)
Payments to Employees	(1,547)	(376)	(1,441)	(3,364)	(2,074)
Net Cash Provided (Used) by Operating Activities	<u>1,017</u>	<u>(26)</u>	<u>631</u>	<u>1,622</u>	<u>(220)</u>
Cash Flows from Noncapital Financing Activities					
Transfers (to) Other Funds	(178)	(2)	-	(180)	(1,650)
Net Cash (Used) by Noncapital Financing Activities	<u>(178)</u>	<u>(2)</u>	<u>-</u>	<u>(180)</u>	<u>(1,650)</u>
Cash Flows from Capital and Related Financing Activities					
Acquisition/Construction of Capital Assets	(600)	(470)	(225)	(1,295)	(67)
Capital Contributions	-	665	-	665	-
Proceeds from Insurance Recoveries	-	-	-	-	424
Proceeds from Sale of Capital Assets	-	-	-	-	8
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(600)</u>	<u>195</u>	<u>(225)</u>	<u>(630)</u>	<u>365</u>
Cash Flows from Investing Activities					
Proceeds from Sale and Maturity of Investments	37	78	16	131	301
Gain on Investments	6	3	4	13	22
Net Cash Provided by Investing Activities	<u>43</u>	<u>81</u>	<u>20</u>	<u>144</u>	<u>323</u>
Net Increase (Decrease) in Cash and Cash Equivalents	282	248	426	956	(1,182)
Cash and Cash Equivalents at Beginning of Year	<u>1,107</u>	<u>2,181</u>	<u>604</u>	<u>3,892</u>	<u>7,566</u>
Cash and Cash Equivalents at End of Year	<u>\$ 1,389</u>	<u>\$ 2,429</u>	<u>\$ 1,030</u>	<u>\$ 4,848</u>	<u>\$ 6,384</u>

Continued

CITY OF KISSIMMEE, FLORIDA
STATEMENT OF CASH FLOWS - Continued
PROPRIETARY FUNDS
For The Year Ended September 30, 2010
(In Thousands)

	<u>Business-type Activities - Enterprise Funds</u>			<u>Total</u>	<u>Governmental</u>
	<u>Stormwater</u>	<u>Airport</u>	<u>Solid Waste</u>		<u>Internal Service Funds</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities					
Operating Income (Loss)	\$ 572	\$ (150)	\$ 218	\$ 640	\$ (689)
Depreciation	427	307	317	1,051	46
Bad Debt	49	20	62	131	-
Change in Assets and Liabilities:					
(Increase) Decrease in Accounts Receivable	(52)	(31)	60	(23)	18
(Increase) Decrease in Due from KUA	-	-	-	-	(4)
(Increase) Decrease in Due from TWA	-	-	(3)	(3)	86
(Increase) Decrease in Inventories	-	-	-	-	14
Increase (Decrease) in Accounts Payable	(33)	(164)	(60)	(257)	(18)
Increase (Decrease) in Customer Deposits	-	(10)	-	(10)	-
Increase (Decrease) in Accrued Liabilities	6	(2)	1	5	(15)
Increase (Decrease) in OPEB	41	9	40	90	51
Increase (Decrease) in Compensated Absences	7	(5)	(4)	(2)	12
Increase (Decrease) in Claims Payable	-	-	-	-	279
Total Adjustments	<u>445</u>	<u>124</u>	<u>413</u>	<u>982</u>	<u>469</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ 1,017</u>	<u>\$ (26)</u>	<u>\$ 631</u>	<u>\$ 1,622</u>	<u>\$ (220)</u>

There were no noncash transactions.

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

CITY OF KISSIMMEE, FLORIDA
STATEMENT OF FIDUCIARY NET ASSETS
PENSION TRUST FUNDS
September 30, 2010
(In Thousands)

ASSETS

Pension Cash and Short Term Investments	\$	5,060
Interest Receivable		322
Due From Government		46
Investments, at Fair Value:		
U.S. Government Obligations		6,713
U.S. Instrumentalities		11,233
Corporate Bonds		12,911
Corporate Stocks		48,475
Mutual Funds		30,538
Total Investments		<u>109,870</u>
Total Assets		<u>115,298</u>

LIABILITIES

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

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

\$ 115,298

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

CITY OF KISSIMMEE, FLORIDA
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
PENSION TRUST FUNDS
For The Year Ended September 30, 2010
(In Thousands)

ADDITIONS

Employer Contributions	\$ 7,324
Employee Contributions	<u>1,231</u>
Total Contributions	<u>8,555</u>
Investment Income	<u>10,932</u>
Total Contributions and Income	<u>19,487</u>

DEDUCTIONS

Benefits	5,330
Administrative Expense	<u>737</u>
Total Deductions	<u>6,067</u>

Change in Net Assets	13,420
Net Assets - Beginning of Year	<u>101,878</u>
Net Assets - End of Year	<u>\$ 115,298</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, 2010

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NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. The Reporting Entity

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

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

B. Government-wide and Fund Financial Statements

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

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

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

1. Government-wide Financial Statements

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

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

2. Fund Financial Statements

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 90 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

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

The City reports the following major governmental funds:

- The *General Fund* is the City's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.
- The *USDA Grants Fund* is a special revenue fund used to account for revenues and expenditures related to the National Resources Conservation Services grant projects.
- The *Lakefront Sales Tax 2009A Capital Project Fund* is a capital projects fund used to account for the proceeds of the 2009A Construction Note.
- 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 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 designated 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 legally restricted to expenditure for specified purposes.
- *Debt Service Funds* account for the accumulation of resources for, and the payment of, governmental long-term debt principal and interest.
- *Capital Projects Funds* account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds).
- *Internal Service Funds* account for certain activities of the City's centralized services and risk management program. Centralized services include information technology, purchasing, warehouse, garage, building maintenance, and printing. Risk management activities include legal expenses incurred related to activities not specifically covered by City insurance policies and collections of settlements or refunds from related cases.
- *Pension Trust Funds* account for the activities of the City's General Employees', Police Officers', and Firefighters' Pension Plans, which accumulate resources for pension benefit payments to qualified employees.

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

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

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

D. Budgetary Requirements

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

- 1) The City Manager submits to the City Commission a proposed operating budget for the fiscal year commencing the following October 1. Work sessions are held to review the proposed budget.
- 2) Public hearings are held to obtain taxpayer comments.
- 3) Prior to October 1, the City Commission conducts the final budget hearing to consider additional public comments and to adopt the final ad valorem millage and final budget.
- 4) Budgets are legally adopted and formal budgetary integration is employed as a management control device during the year for the general fund, certain special revenue funds, certain debt service funds and all capital projects funds. Budgets are not adopted for the Police and Firefighters Premium Tax Fund, Dyer Boulevard Pavement Rehabilitation, and Supplementary Care special revenue funds. A budget is not adopted for the 2010A Refunding Revenue Note debt service fund.
- 5) Budgets for the governmental funds are adopted on a basis consistent with generally accepted accounting principles (GAAP).
- 6) The City Manager is authorized to approve transfers between line items other than salary accounts within any department, with all such adjustments reported on a monthly basis to the City Commission. However, the City Manager can approve transfers of unused amounts in salary account line items to advertising, recruiting and/or professional service account line items. Transfers between departments, other transfers between salary account line items and changes in total budget appropriations for a fund must have prior approval of the City Commission. During the current fiscal year, various appropriations were approved in accordance with this policy. Budgeted amounts shown in the financial statements are as originally adopted and as further amended.
- 7) Budget appropriations lapse at year-end. Encumbrances outstanding at year-end are charged against the ensuing year's budget, and thus are not shown in budget to actual presentations and are carried forward.

E. Cash and Cash Equivalents

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

F. Investments

Investments are stated at fair value, with the exception of investments in the SBA Fund B Surplus Funds Trust Fund (Fund B), an external investment pool which is accounted for as a fluctuating net asset value (NAV) pool. The Fund B fair value factor at September 30, 2010 was .707058094 which was used to calculate the fair value of the City's investment. The Office of the Auditor General of the State of Florida performs the operational audit of the activities and investments of the SBA.

G. Receivables

Property Taxes Receivable

Under Florida law, the assessment of all properties and the collection of all county, municipal and school board property taxes are consolidated in the offices of the County Property Appraiser and County Tax Collector. The laws of the State regulating tax assessments are also designed to assure a consistent property valuation method statewide. State Statutes permit municipalities to levy property taxes at a rate of up to 10 mills. The City's millage for the fiscal year 2009-2010 is 4.6253 mills. All real and tangible personal property taxes are due and payable on the levy date of November 1 of each year or as soon thereafter as the assessment roll is certified by the Osceola County Property Appraiser (levy date). Osceola County mails to each property owner on the assessment roll a notice of the taxes due and the County also collects the taxes for the City. Taxes may be paid upon receipt of such notice from the County, with discounts at the rate of four percent (4%) if paid in the month of November, three percent (3%) if paid in the month of December, two percent (2%) if paid in the month of January, and one percent (1%) if paid in the month of February. Taxes paid during the month of March are without discount and all unpaid taxes on real and tangible property become delinquent on April 1 (the lien date) of the year following the year in which taxes were assessed. Procedures for collecting delinquent taxes, including applicable tax certificate sales, are provided for by the Laws of Florida.

Special Assessments Receivable

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

H. Inventories

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

I. Prepaids

Prepaids represent payments made to vendors for services that will benefit the City beyond September 30, 2010. These payments are recorded as expenditures or expenses when consumed rather than when purchased.

J. Restricted Assets

The uses of certain assets of the Airport Enterprise Funds are restricted by specific provisions of grant agreements. Assets so designated are identified as restricted assets on the statement of net assets. Restricted cash and cash equivalents of governmental funds arise from provisions within revenue bonds issued by the City and are so designated on the Statement of Net Assets and balance sheets of governmental funds.

K. Capital Assets

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

CITY OF KISSIMMEE, FLORIDA
NOTES TO FINANCIAL STATEMENTS – Continued
 September 30, 2010
 (In Thousands)

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. Infrastructure capital assets are included in improvements other than buildings for financial statement classification.

Intangibles assets are amortized over their useful lives, when the length of their lives is limited by contractual or legal limitations. Buildings, improvements, infrastructure, and equipment are depreciated using the straight line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings	25
Improvements Other than Buildings	4-12
Infrastructure	20-50
Equipment	5-20

L. Bond/Note Issuance Costs

In the governmental funds, these costs are charged to current expenditures when bonds are issued.

M. Compensated Absences

City policy allows each employee to accumulate up to three times the accrual rate, ranging from 30 to 60 days of vacation leave. Time accrued beyond that is forfeited unless an exception is granted by the City Manager. The majority of employees utilize their annual accrual of vacation leave during the year accrued. Employees are allowed to accumulate up to 60 days medical leave. Time accrued beyond that is paid to the employees every year at the rate of one-half their pay rate. The City records compensated absences in governmental funds, only if they have matured, as expenditures for the amount accrued during the year that would normally be liquidated with expendable, available financial resources. The City accrues compensated absences in the period they are earned in the government-wide and enterprise fund financial statements.

N. Other Postemployment Benefits

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

O. Deferred Revenues

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

P. Contributions

Contributions consist primarily of donations from federal and state aid programs. Contributions are recognized when earned or when legal title is transferred to the City for contributed capital assets.

Q. Reserves of Fund Balances

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose.

CITY OF KISSIMMEE, FLORIDA
NOTES TO FINANCIAL STATEMENTS – Continued
September 30, 2010
(In Thousands)

R. Net Assets Restricted by Enabling Legislation

In the government-wide financial statements, governmental activities report restricted net assets of \$14,574, of which management has determined \$66 for building code enforcement is restricted by enabling legislation.

NOTE 2 – DEPOSITS AND INVESTMENTS

Deposits

Deposits consist of demand accounts (interest and non-interest bearing). All deposits with financial institutions were 100% insured by Federal depository insurance or by collateral pursuant to the Public Depository Security Act of the State of Florida. The carrying amount of the demand deposits and cash on hand at September 30, 2010 was \$(1,785) from outstanding checks and EFTs.

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, 2010.

	Weighted Average		
	Fair Value	Maturity (Years)	Credit Rating
U.S. Government Instrumentalities	\$ 473	1.00	S&P AAA/Aaa
SunTrust MUNI Investment	30,476	n/a	n/a
Florida PRIME	2,049	See below (1)	S&P AAAm
Local Government Surplus Funds Trust Fund Pool B	109	See below (2)	not rated
Certificate of Deposit	1,533	1.20	n/a
Mutual Funds	8,795	n/a	n/a
Total Investments	\$ 43,435		

(1) The weighted average maturity at September 30, 2010 was 52 days.

(2) The weighted average life at September 30, 2010 was 7.49 years.

CITY OF KISSIMMEE, FLORIDA
NOTES TO FINANCIAL STATEMENTS – Continued
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(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	\$3,164	14.47	\$2,029	15.20	\$1,520	14.25	\$6,713
U.S Government Instrumentalities	3,208	25.98	4,987	26.18	3,038	25.83	\$11,233
Corporate Bonds	8,501	19.84	2,174	5.89	2,236	10.19	\$12,911
Corporate Stocks	29,071	n/a	9,675	n/a	9,729	n/a	\$48,475
Total Investments	43,944		18,865		16,523		\$79,332
Mutual Funds	14,634	n/a	14,163	n/a	6,766	n/a	\$35,563
Total Cash and Investments	\$58,578		\$33,028		\$23,289		\$114,895

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, 82% of them have maturities of less than one year. The City's policy requires that investments have maturities that match known cash needs and anticipated cash-flow requirements.

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

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

Concentration of Credit Risk – The City's investment policy requires that investments be diversified by security type and institution. No more than 50% of the City's funds will be invested with the same issuer, dealer or banking institution and no more than 20% of the City's funds will be invested beyond five years in any security with the same maturity date. At September 30, 2010, the City did have a concentration of investments with SunTrust. Due to the current unstable economic condition of the financial market, the City determined that a conservative approach to banking primarily with local institution, SunTrust, was a prudent measure.

NOTE 3 – RECEIVABLES

The following is a detail listing of receivables for the City's individual major funds and the aggregate of nonmajor funds at September 30, 2010. Special assessment receivables are secured by liens placed on benefited properties at the time of the original assessment.

Description	General	Stormwater	Airport	Solid Waste	Nonmajor Funds	Pension Funds	Total
Accounts	\$ 3,377	\$ 275	\$ 28	\$ 295	\$ 591	\$ -	\$ 4,566
Interest	-	-	-	-	-	322	322
Special assessments	44	-	-	-	-	-	44
	3,421	275	28	295	591	322	4,932
Less: Allowance for uncollectibles	(827)	-	-	-	-	-	(827)
	\$ 2,594	\$ 275	\$ 28	\$ 295	\$ 591	\$ 322	\$ 4,105

CITY OF KISSIMMEE, FLORIDA
NOTES TO FINANCIAL STATEMENTS – Continued
September 30, 2010
(In Thousands)

NOTE 4 – INTERFUND ACCOUNTS

Individual interfund receivables and payables with a description of their purpose at September 30, 2010 are:

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

	<u>Due From</u>	<u>Due To</u>	Purpose
General Fund	\$ 2,772	\$ 67	To cover negative cash position of Funds
USDA Grants	-	1,902	To cover negative cash position of construction project
Nonmajor Funds:			
Special Revenue Funds	67	870	Negative cash balances.
	<u>\$ 2,839</u>	<u>\$ 2,839</u>	

Individual interfund transfers with a description of their purpose at September 30, 2010 are:

	<u>Transfer In</u>	<u>Transfers Out</u>	Purpose
General Fund	\$ 19,188	\$ 8,414	Transfer to cover debt service payments
USDA Grants	42	-	Transfer gas tax revenue to General Fund and debt
Community Redevelopment Agency	22	709	Transfer to cover construction costs
Local Option Sales Tax	433	2,389	Transfer sales tax revenue to General Fund and debt
Stormwater	-	178	Transfer to General Fund for PILOT
Airport	-	2	Transfer to General Fund for overhead allocation
Nonmajor Funds:			
Internal Service Fund	-	1,650	
Special Revenue Funds	727	19,095	Transfer to cover cash balances and cover debt service
Debt Service Funds	20,929	9,634	Transfer to cover debt service payment
Capital Projects Funds	730	-	Transfer to cover cost of construction projects
	<u>\$ 42,071</u>	<u>\$ 42,071</u>	

CITY OF KISSIMMEE, FLORIDA
NOTES TO FINANCIAL STATEMENTS – Continued
September 30, 2010
(In Thousands)

NOTE 5 – CAPITAL ASSETS

A. Changes in Capital Assets

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

Governmental Activities	Beginning Balance 10/01/2009	Additions	Deletions	Transfers	Ending Balance 9/30/2010
Capital Assets, Not Being Depreciated:					
Land	\$ 16,793	\$ 731	\$ (455)	\$ -	\$ 17,069
Construction In Progress	<u>25,942</u>	<u>8,441</u>	<u>-</u>	<u>(7,641)</u>	<u>26,742</u>
Total Capital Assets, Not Being Depreciated	<u>42,735</u>	<u>9,172</u>	<u>(455)</u>	<u>(7,641)</u>	<u>43,811</u>
Capital Assets, Being Amortized, Net:					
Software - Charter School	-	(10)	-	28	18
Software - Other City	-	-	-	44	44
Parking Capacity	<u>2,856</u>	<u>(204)</u>	<u>-</u>	<u>-</u>	<u>2,652</u>
Total Capital Assets Being Amortized, Net	<u>2,856</u>	<u>(214)</u>	<u>-</u>	<u>72</u>	<u>2,714</u>
Capital Assets, Being Depreciated:					
Buildings					
Charter School	441	49	-	-	490
Other City	<u>44,847</u>	<u>872</u>	<u>-</u>	<u>7,641</u>	<u>53,360</u>
Improvements other than buildings					
Charter School	97	-	-	-	97
Other City	<u>89,201</u>	<u>7,127</u>	<u>(8)</u>	<u>7</u>	<u>96,327</u>
Equipment					
Charter School	416	56	-	(44)	428
Other City	<u>34,100</u>	<u>1,356</u>	<u>(3,013)</u>	<u>(52)</u>	<u>32,391</u>
Total Capital Assets Being Depreciated	<u>169,102</u>	<u>9,460</u>	<u>(3,021)</u>	<u>7,552</u>	<u>183,093</u>
Less Accumulated Depreciation For:					
Buildings					
Charter School	(20)	(19)	-	-	(39)
Other City	<u>(16,342)</u>	<u>(1,809)</u>	<u>-</u>	<u>-</u>	<u>(18,151)</u>
Improvements other than buildings					
Charter School	(48)	(11)	-	-	(59)
Other City	<u>(20,538)</u>	<u>(2,694)</u>	<u>8</u>	<u>(50)</u>	<u>(23,274)</u>
Equipment					
Charter School	(282)	(58)	-	16	(324)
Other City	<u>(30,338)</u>	<u>(2,263)</u>	<u>3,004</u>	<u>51</u>	<u>(29,546)</u>
Total Accumulated Depreciation	<u>(67,568)</u>	<u>(6,854)</u>	<u>3,012</u>	<u>17</u>	<u>(71,393)</u>
Total Capital Assets, Being Depreciated, Net	<u>101,534</u>	<u>2,606</u>	<u>(9)</u>	<u>7,569</u>	<u>111,700</u>
Governmental Activities Capital Assets, Net	<u>\$ 147,125</u>	<u>\$ 11,564</u>	<u>\$ (464)</u>	<u>\$ -</u>	<u>\$ 158,225</u>

CITY OF KISSIMMEE, FLORIDA
NOTES TO FINANCIAL STATEMENTS – Continued
September 30, 2010
(In Thousands)

Amortization Expense By Function

Governmental Activities:

General Government	\$	10
Economic Environment		<u>204</u>
Total Governmental Activities Amortization	<u>\$</u>	<u>214</u>

Depreciation Expense By Function

Governmental Activities:

General Government	\$	2,377
Public Safety		2,121
Transportation		1,622
Culture/Recreation		688
Capital assets held by the City's internal service funds are charged to the various functions based on their usage of the assets		<u>46</u>
Total Governmental Activities Depreciation	<u>\$</u>	<u>6,854</u>

Business-type Activities	Beginning Balance 10/01/2009	Additions	Deletions and Transfers	Ending Balance 9/30/2010
<u>Solid Waste Fund</u>				
Capital Assets, Being Depreciated:				
Buildings	\$ 5	\$ -	\$ -	\$ 5
Improvements other than Buildings	3	-	4	7
Equipment	<u>2,523</u>	<u>225</u>	<u>(24)</u>	<u>2,724</u>
Total Capital Assets Being Depreciated	<u>2,531</u>	<u>225</u>	<u>(20)</u>	<u>2,736</u>
Less Accumulated Depreciation For:				
Buildings	(1)	-	-	(1)
Improvements other than Buildings	(3)	-	(2)	(5)
Equipment	<u>(2,038)</u>	<u>(317)</u>	<u>22</u>	<u>(2,333)</u>
Total Accumulated Depreciation	<u>(2,042)</u>	<u>(317)</u>	<u>20</u>	<u>(2,339)</u>
Total Capital Assets, Being Depreciated, Net	<u>489</u>	<u>(92)</u>	<u>-</u>	<u>397</u>
Solid Waste Fund Capital Assets, Net	<u>\$ 489</u>	<u>\$ (92)</u>	<u>\$ -</u>	<u>\$ 397</u>
<u>Stormwater Fund</u>				
Capital Assets, Being Depreciated:				
Improvements other than Buildings	\$ 8,817	\$ 10	\$ (46)	\$ 8,781
Equipment	<u>813</u>	<u>587</u>	<u>26</u>	<u>1,426</u>
Total Capital Assets Being Depreciated	<u>9,630</u>	<u>597</u>	<u>(20)</u>	<u>10,207</u>
Less Accumulated Depreciation For:				
Improvements other than Buildings	(401)	(198)	(24)	(623)
Equipment	<u>(397)</u>	<u>(229)</u>	<u>47</u>	<u>(579)</u>
Total Accumulated Depreciation	<u>(798)</u>	<u>(427)</u>	<u>23</u>	<u>(1,202)</u>
Total Capital Assets, Being Depreciated, Net	<u>8,832</u>	<u>170</u>	<u>3</u>	<u>9,005</u>
Solid Waste Fund Capital Assets, Net	<u>\$ 8,832</u>	<u>\$ 170</u>	<u>\$ 3</u>	<u>\$ 9,005</u>

CITY OF KISSIMMEE, FLORIDA
NOTES TO FINANCIAL STATEMENTS – Continued
September 30, 2010
(In Thousands)

	Beginning Balance 10/01/2009	Additions	Deletions and Transfers	Ending Balance 9/30/2010
<u>Airport Fund</u>				
Capital Assets, Not Being Depreciated:				
Land	\$ 401	\$ -	\$ -	\$ 401
Construction In Progress	5,486	-	(5,390)	96
Total Capital Assets, Not Being Depreciated	<u>5,887</u>	<u>-</u>	<u>(5,390)</u>	<u>497</u>
Capital Assets, Being Depreciated:				
Buildings	2,046	1,587	-	3,633
Improvements other than Buildings	17,800	4,187	-	21,987
Equipment	259	214	(81)	392
Total Capital Assets Being Depreciated	<u>20,105</u>	<u>5,988</u>	<u>(81)</u>	<u>26,012</u>
Less Accumulated Depreciation For:				
Buildings	(384)	(69)	-	(453)
Improvements other than Buildings	(3,890)	(206)	-	(4,096)
Equipment	(408)	(32)	75	(365)
Total Accumulated Depreciation	<u>(4,682)</u>	<u>(307)</u>	<u>75</u>	<u>(4,914)</u>
Total Capital Assets, Being Depreciated, Net	<u>15,423</u>	<u>5,681</u>	<u>(6)</u>	<u>21,098</u>
Airport Fund Capital Assets, Net	<u>\$ 21,310</u>	<u>\$ 5,681</u>	<u>\$ (5,396)</u>	<u>\$ 21,595</u>
<u>Total Business-type Activities</u>				
Capital Assets, Not Being Depreciated:				
Land	\$ 401	\$ -	\$ -	\$ 401
Construction In Progress	5,486	-	(5,390)	96
Total Capital Assets, Not Being Depreciated	<u>5,887</u>	<u>-</u>	<u>(5,390)</u>	<u>497</u>
Capital Assets, Being Depreciated:				
Buildings	2,051	1,587	-	3,638
Improvements other than Buildings	26,620	4,197	(42)	30,775
Equipment	3,595	1,026	(79)	4,542
Total Capital Assets Being Depreciated	<u>32,266</u>	<u>6,810</u>	<u>(121)</u>	<u>38,955</u>
Less Accumulated Depreciation For:				
Buildings	(385)	(69)	-	(454)
Improvements other than Buildings	(4,294)	(404)	(26)	(4,724)
Equipment	(2,843)	(578)	144	(3,277)
Total Accumulated Depreciation	<u>(7,522)</u>	<u>(1,051)</u>	<u>118</u>	<u>(8,455)</u>
Total Capital Assets, Being Depreciated, Net	<u>24,744</u>	<u>5,759</u>	<u>(3)</u>	<u>30,500</u>
Total Business-type Activities, Net	<u>\$ 30,631</u>	<u>\$ 5,759</u>	<u>\$ (5,393)</u>	<u>\$ 30,997</u>

Depreciation Expense By Function

Business-type Activities:

Solid Waste	\$ 317
Stormwater	427
Airport	307
	<u>\$ 1,051</u>

CITY OF KISSIMMEE, FLORIDA
NOTES TO FINANCIAL STATEMENTS – Continued
September 30, 2010
(In Thousands)

B. Net Capital Assets

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

	Governmental Activities	Business-type Activities	Total
Land	\$ 17,069	\$ 401	\$ 17,470
Software, net	62	-	62
Parking Capacity, net	2,652	-	2,652
Buildings	53,850	3,638	57,488
Improvements other than Buildings	96,424	30,775	127,199
Equipment	32,819	4,542	37,361
Construction in Progress	<u>26,742</u>	<u>96</u>	<u>26,838</u>
	229,618	39,452	269,070
Less: Accumulated Depreciation	<u>(71,393)</u>	<u>(8,455)</u>	<u>(79,848)</u>
Capital Assets, net	<u>\$ 158,225</u>	<u>\$ 30,997</u>	<u>\$ 189,222</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, 2010:

Projects	Spent-to-Date	Remaining Commitment
Hoagland Boulevard Improvement	\$ 1,056	\$ 943
Oak Street Improvements	2,249	4,785
Lakefront Improvements	6,060	7,408
Martin Luther King Boulevard Phase III	-	1,400
Thacker Avenue Phase III	<u>209</u>	<u>13</u>
Total	<u>\$ 9,574</u>	<u>\$ 14,549</u>

NOTE 6 – INCOME FROM LEASED PROPERTY

The City is lessor on various leases at the Airport. Assets available for lease consist primarily of land, land improvements and buildings. As of September 30, 2010, the total book value of assets in these categories is \$4,034 with accumulated depreciation of \$453. The following is a schedule of minimum future lease income on noncancelable operating leases:

<u>Year</u>	<u>Amount</u>
2011	\$ 469
2012	464
2013	454
2014	569
2015	529
After 2015	<u>10,497</u>
Total minimum lease income	<u>\$ 12,982</u>

Total income on noncancelable operating leases for the year ended September 30, 2010 was \$610.

CITY OF KISSIMMEE, FLORIDA
NOTES TO FINANCIAL STATEMENTS – Continued
September 30, 2010
(In Thousands)

NOTE 7 – LONG-TERM DEBT

A. Schedule of Changes in Long-Term Debt

The City's outstanding long-term debt includes revenue bonds payable, notes payable, capital leases payable, claims payable, other postemployment benefits, a Kissimmee Utility Authority (KUA) - County long-term liability, and compensated absences. The following is a schedule of changes in the City's long-term debt for the fiscal year ended September 30, 2010:

	Balance			Balance	Due Within	Long-Term
	10/01/09	Additions	Reductions	9/30/10	One Year	Portion
Governmental Activities:						
Revenue Notes Payable	\$ 32,184	\$ 26,492	\$ (19,715)	\$ 38,961	\$ 2,367	\$ 36,594
Revenue Bonds Payable	394	-	(25)	369	26	343
Capital Lease Payable	418	-	(214)	204	69	135
Claims Payable	2,802	2,314	(2,035)	3,081	1,540	1,541
KUA-County Liability	-	1,305	-	1,305	-	1,305
Other Postemployment Benefits	766	782	-	1,548	-	1,548
Compensated Absences	<u>1,997</u>	<u>2,443</u>	<u>(2,555)</u>	<u>1,885</u>	<u>377</u>	<u>1,508</u>
Governmental Activity						
Long-term Liabilities	<u>\$ 38,561</u>	<u>\$ 33,336</u>	<u>\$ (24,544)</u>	<u>\$ 47,353</u>	<u>\$ 4,379</u>	<u>\$ 42,974</u>
Business-type Activities:						
Other Postemployment Benefits	\$ 89	\$ 90	\$ -	\$ 179	\$ -	\$ 179
Compensated Absences	<u>141</u>	<u>234</u>	<u>(236)</u>	<u>139</u>	<u>28</u>	<u>111</u>
Business-type Activity						
Long-term Liabilities	<u>\$ 230</u>	<u>\$ 324</u>	<u>\$ (236)</u>	<u>\$ 318</u>	<u>\$ 28</u>	<u>\$ 290</u>

Compensated absences of governmental activities and the KUA-County long term liability will be liquidated in future periods primarily by the General Fund.

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	
	2011	\$ 2,367	\$ 798	\$ 26	\$ 18	\$ 3,209
	2012	2,141	1,127	27	17	3,312
	2013	2,230	1,061	29	16	3,336
	2014	2,330	994	31	14	3,369
	2015	2,420	923	32	13	3,388
	2016-2020	13,594	3,453	170	38	17,255
	2021-2025	13,233	1,289	54	4	14,580
	2026-2030	<u>646</u>	<u>25</u>	<u>-</u>	<u>-</u>	<u>671</u>
Total		<u>\$ 38,961</u>	<u>\$ 9,670</u>	<u>\$ 369</u>	<u>\$ 120</u>	<u>\$ 49,120</u>

CITY OF KISSIMMEE, FLORIDA
NOTES TO FINANCIAL STATEMENTS – Continued
September 30, 2010
(In Thousands)

C. Bonds and Notes Payable

The City has revenue bonds and notes outstanding at September 30, 2010. The revenue notes and bonds under governmental activities are secured by several pledged revenue sources. The following is a summary schedule of these long term obligations of the City and their impact on those present and future pledged revenue sources:

<u>Governmental Activities:</u>	<u>Revenue Pledged</u>	<u>Amount Issued</u>	<u>Principal Outstanding</u>	<u>Total Pledged Revenue (1)</u>	<u>Future Pledged Revenue Over Debt Service Required (2)</u>	<u>Current Year Debt Srvc Paid</u>	<u>Current Year Total Revenue</u>
Revenue Notes:							
2001A Revenue Note	Sales tax	\$ 4,900	\$ 301	\$ 303	7.6%	\$ 380	\$ 5,015
Maturity: 2012, Interest Rate: 3.70%							
Purpose: Acquisition of Lancaster Ranch							
2006 Revenue Note	Local option gas tax	9,000	7,800	10,605	14.5%	345	2,382
Maturity: 2026, Interest Rate: 3.85%							
Purpose: Road improvements							
2004 CRA Redevelopment Trust Loan		5,613	5,260	6,253	19.1%	339	1,778
Maturity: 2012, Interest Rate: 2.06%							
Purpose: CRA redevelopment plan							
2008 Revenue Note	School Board	7,360	7,020	8,791	7.0%	340	4,875
Maturity: 2025, Interest Rate: variable							
State grant							
Purpose: Refunding Charter School Debt							
2009A Revenue Note	Local option sales tax	9,500	9,080	11,301	8.4%	420	5,015
Maturity: 2025, Interest Rate: variable							
Purpose: Lakefront Improvements							
2010A Refunding Revenue Note	Local option sales tax	9,500	<u>9,500</u>	11,375	0.0%	-	5,015
Maturity: 2023, Interest Rate: 2.61%							
Purpose: Refunding 2005 Series Note							
Total Revenue Notes			<u>38,961</u>				
Revenue Bonds:							
Excise Tax Revenue Bonds, Series 1980	Infrastructure surtax	265	111	141	17.5%	10	57
Maturity: 2018, Interest Rate: 3.50 - 5.45%							
Purpose: Refunding							
Excise Tax Revenue Bonds, Series 1982	Infrastructure surtax	500	<u>258</u>	348	12.0%	15	128
Maturity: 2019, Interest Rate: 5.00%							
Purpose: Refunding							
Total Revenue Bonds			<u>369</u>				
Total Revenue Notes and Bonds - Governmental Activities			<u>\$ 39,330</u>				

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

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

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

CITY OF KISSIMMEE, FLORIDA
NOTES TO FINANCIAL STATEMENTS – Continued
September 30, 2010
(In Thousands)

D. 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, 2010, 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 10/01/09	Additions/ Reductions	Outstanding at 09/30/10
1984	\$ 5,565	\$ (580)	\$ 4,985
1986	6,180	(710)	5,470
1990	6,680	(760)	5,920
1993	1,875	(590)	1,285
1999	20,725	(3,920)	16,805
	<u>\$ 41,025</u>	<u>\$ (6,560)</u>	<u>\$ 34,465</u>

On September 23, 2010, the City issued a Capital Improvement Refunding Revenue Note, Series 2010A, in the amount of \$9,500,000 to complete a current refunding of the City's Capital Improvement Revenue Note, Series 2005. The refunding transaction resulted in a cash flow savings over the next 13 years of \$1,701,627.

E. Capital Leases

The City has capital leases outstanding at year-end. The gross value of the equipment acquired with capital lease proceeds is \$1,113. The following is a summary schedule of these capital lease obligations and their net present value.

Year Ending September 30	Governmental Activities
2011	\$ 77
2012	77
2013	64
Total minimum lease payments	218
Less: amount representing interest	(14)
Present value of minimum lease payments	<u>\$ 204</u>

F. KUA-County Long-term Liability

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

NOTE 8 – EXCESS OF EXPENDITURES OVER APPROPRIATIONS

For the year ended September 30, 2010, expenditures in the Neighborhood Stabilization Program, Paving Assessments, 2005 Revenue Note, 2000A Revenue Note, and Community Redevelopment Project funds exceeded appropriations. These excesses of expenditures were funded by prior year unrestricted fund balances available in the current fiscal period for all funds except the Community Redevelopment Agency, which will be funded by proceeds in the subsequent fiscal period and the Neighborhood Stabilization Fund which will be funded by future grant revenues.

NOTE 9 – EMPLOYEE RETIREMENT SYSTEMS

The City administers three public employee retirement systems for all full-time employees. The employees of the Tohopekalgia Water Authority also participate in the general employees' retirement plan. Actuarial studies were conducted on all three plans as of October 1, 2009. The City does not produce separately available financial reports for these pension plans. All required disclosures and financial data are contained in the City's Comprehensive Annual Financial Report.

A. Description of Plans

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

B. Summary of Significant Accounting Policies

Basis of Accounting – The pension trust fund financial statements are prepared using the accrual basis of accounting. Plan member contributions are recognized in the period in which the contributions are due. Employer contributions to each plan are recognized when due and the employer has made a formal commitment to provide the contribution (i.e. the annual budget process). Benefits and refunds are recognized when due and payable in accordance with the terms of each plan. Costs of administering the plans are charged to the pension trust fund and factored into the City's contribution rate. Total net assets in all three pension trust funds are held in trust for plan benefits. The three pension plans do not issue separate financial statements; however, more information on each individual plan can be found in this section.

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

C. Contribution Information

Membership of each plan consisted of the following at October 1, 2009, the date of the latest actuarial valuations:

	Pension Plans		
	General	Police	Firefighters'
	Employees'	Officers'	
Active members	489	120	85
Terminated vested members	119	12	4
DROP participants	12	6	5
Service retirees and beneficiaries	139	64	38
Total	759	202	132

CITY OF KISSIMMEE, FLORIDA
NOTES TO FINANCIAL STATEMENTS – Continued
September 30, 2010
(In Thousands)

For the fiscal year ended September 30, 2010, the following plan member and employer (including amount to be received from the State) contribution rates were actuarially determined:

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

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

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

	Date of Actuarial Valuation	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as % of Covered Payroll
General Employees'	10/01/09	\$ 64,887	\$ 78,120	\$ 13,233	83.1%	\$ 22,338	59.2%
Police Officers'	10/01/09	36,605	45,071	8,466	81.2%	6,307	134.2%
Firefighters'	10/01/09	23,662	33,710	10,048	70.2%	4,930	203.8%

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

CITY OF KISSIMMEE, FLORIDA
NOTES TO FINANCIAL STATEMENTS – Continued
September 30, 2010
(In Thousands)

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

<u>Plan/Fiscal Year Ended</u>	<u>APC</u>	<u>Actual</u>	<u>% of APC</u>
General Employees'			
09/30/08	\$ 2,549	\$ 2,549	100%
09/30/09	3,041	3,041	100%
09/30/10	3,287	3,287	100%
Police Officers'			
09/30/08	\$ 1,438	\$ 1,438	100%
09/30/09	1,736	1,736	100%
09/30/10	1,916	1,916	100%
Firefighters'			
09/30/08	\$ 1,207	\$ 1,207	100%
09/30/09	1,367	1,367	100%
09/30/10	1,364	1,364	100%

The City paid in 100% of their required amount in the current year and prior two years for all three plans.

D. Combining Statements of the Pension Trust Funds

CITY OF KISSIMMEE, FLORIDA
COMBINING STATEMENT OF FIDUCIARY NET ASSETS
PENSION TRUST FUNDS
September 30, 2010
(In Thousands)

	General			Totals
	Employees'	Police Officers'	Firefighters'	
	Pension	Pension	Pension	
ASSETS				
Pension Cash and Short Term Investments	\$ 3,347	\$ 674	\$ 1,039	\$ 5,060
Interest Receivable	200	74	48	322
Due From Government	-	-	46	46
Investments, at Fair Value				
U.S. Government Obligations	3,164	2,029	1,520	6,713
U.S. Instrumentalities	3,208	4,987	3,038	11,233
Corporate Bonds	8,501	2,174	2,236	12,911
Corporate Stocks	29,071	9,675	9,729	48,475
Mutual Funds	11,302	13,507	5,729	30,538
Total Investments	55,246	32,372	22,252	109,870
Total Assets	58,793	33,120	23,385	115,298
LIABILITIES				
Accounts Payable	-	-	-	-
Total Liabilities	-	-	-	-
Net Assets Held in Trust				
for Pension Benefits	\$ 58,793	\$ 33,120	\$ 23,385	\$ 115,298

CITY OF KISSIMMEE, FLORIDA
NOTES TO FINANCIAL STATEMENTS – Continued
September 30, 2010
(In Thousands)

CITY OF KISSIMMEE, FLORIDA
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
PENSION TRUST FUNDS

For The Year Ended September 30, 2010

(In Thousands)

	General			Totals
	Employees'	Police Officers'	Firefighters'	
	Pension	Pension	Pension	
ADDITIONS				
Employer Contributions:	\$ 3,203	\$ 2,257	\$ 1,864	\$ 7,324
Employee Contributions	944	240	47	1,231
Total Contributions	4,147	2,497	1,911	8,555
Investment Income	5,372	3,314	2,246	10,932
Total Additions	9,519	5,811	4,157	19,487
DEDUCTIONS				
Benefits	2,398	1,821	1,111	5,330
Administrative Expense	367	227	143	737
Total Deductions	2,765	2,048	1,254	6,067
Change in Net Assets	6,754	3,763	2,903	13,420
Net Assets - Beginning of Year	52,039	29,357	20,482	101,878
Net Assets - End of Year	\$ 58,793	\$ 33,120	\$ 23,385	\$ 115,298

NOTE 10 – OTHER POSTEMPLOYMENT BENEFITS

A. Plan Description

Effective for the fiscal year ended September 30, 2009, the City implemented GASB Statement No. 45, *Accounting and Reporting for Postemployment Benefits Other than Pensions*, for certain post employment healthcare and life insurance benefits provided by the City. The requirements of this statement were implemented prospectively, with the actuarially determined liability of \$6,966 at October 1, 2008, the date of the most recent actuarial valuation. A roll-forward calculation report dated October 1, 2009 was prepared to make various adjustments applicable to the fiscal period ended September 30, 2010.

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.

CITY OF KISSIMMEE, FLORIDA
NOTES TO FINANCIAL STATEMENTS – Continued
September 30, 2010
(In Thousands)

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 559 active participants and 24 retirees and their spouses. The City's OPEB benefits are unfunded. The required contributions are based on pay-as-you-go financing requirements. There is no OPEB trust fund or equivalent arrangement into which the City would make contributions to advance-fund the obligation, as it does for its pension plans. Therefore, ultimate subsidies which are provided over time are financed directly by general assets of the City, which are invested in short-term investments in accordance with the investment policy and described previously. The interest rate used to calculate the present values and costs of OPEB must be the long-range expected return on those investments. The City selected an interest rate of 3.5% for this purpose.

C. Annual OPEB Cost and Net OPEB Obligation

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

	FY10 Valuation as of 10/01/09
Normal Cost (service cost for one year)	\$ 793
Amortization of Unfunded Actuarial Accrued Liability	229
Interest on Normal Cost and Amortization	27
Annual Required Contribution (ARC)	1,049
Interest on Net OPEB Obligation	30
Adjustment to ARC	(27)
Annual OPEB Cost (expense)	1,052
Employer Contributions Made	(180)
Increase/(Decrease) in Net OPEB Obligation	872
Net OPEB Obligation at Beginning of Year	855
Net OPEB Obligation at End of Year	<u>\$ 1,727</u>

Calculations are based upon the types of benefits provided under the terms of the OPEB plan at the time of the valuation and on the pattern of sharing of costs between the employer and plan members to that point. The City's annual OPEB cost, the percentage of annual expected employer contribution toward OPEB cost, and the net OPEB obligation for 2010 and 2009 were as follows:

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

D. Funded Status and Funding Progress

As of October 1, 2008, the OPEB Plan was unfunded. The actuarial accrued liability (AAL) for benefits was \$6,966. Assets of the OPEB Plan are valued at market; however, the current value is \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$6,966 or 0%. The covered payroll (annual payroll of active employees covered by the OPEB Plan) was \$25,134. The ratio of the UAAL to the covered payroll was 27.72%. The Schedule of Funding Progress for the OPEB plan immediately following the notes to the financial statements presents multi-year trend information about whether the actuarial value of plan net assets is increasing or decreasing relative to the AAL for benefits over time.

E. Actuarial Methods and Assumptions

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

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%, inflation rate of 3.5%, and healthcare inflation of (7)%, adjusted annually to an ultimate rate of 5% after nine years. The remaining amortization period at September 30, 2009, was 30 years. The Normal Entry Age actuarial cost method was used, with amortization of the UAAL as a level percent of expected payroll (closed over 30 years).

NOTE 11 – RISK MANAGEMENT

The City has a risk management program accounted for in an internal service fund. The fund is used to account for the costs of 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 2010, 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, 2010, the total outstanding unpaid claims were \$3,081 which includes an estimate for incurred but not reported claims. Insurance premiums paid out of this fund totaled \$2,035 for the fiscal year ended September 30, 2010. The change in the claims liability for the past two years is as follows:

	Balance at Beginning of Fiscal Year	Current Year Claims and Changes in Estimates	Current Year Claim Payments or Other Adjustments	Balance at End of Fiscal Year
2009-2010	\$ 2,802	\$ 2,314	\$ (2,035)	\$ 3,081
2008-2009	2,802	2,119	(2,119)	2,802

CITY OF KISSIMMEE, FLORIDA
NOTES TO FINANCIAL STATEMENTS – Continued
September 30, 2010
(In Thousands)

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

The elements of this calculation are as follows:

	Governmental Activities	Business-Type Activities	Total
Capital Assets (Net)	\$ 158,225	\$ 30,997	\$ 189,222
Debt Related to Capital Assets	(39,534)	-	(39,534)
Unspent Proceeds of Capital-Related Debt	5,924	-	5,924
	<u>\$ 124,615</u>	<u>\$ 30,997</u>	<u>\$ 155,612</u>

NOTE 13 – FUND DEFICITS

The following funds have a deficit fund balance at September 30, 2010:

<u>Fund Name</u>	<u>Deficit Amounts</u>
USDA Grants	\$ 1,770
Community Redevelopment Agency	2,360
Nonmajor Funds:	
Special Revenue Funds:	
Energy Efficiency and Conservation Block Grant	4
Justice Assistance Grant	8
Recreation Impact Fee	237
Community Development Block Grant	273
Hazard Mitigation Grant Program	75
FDLE Grant for Public Education	18
Hoagland Road Project	16
Dyer Boulevard Pavement Rehabilitation	1

The deficit in the Community Redevelopment Agency (CRA) will be reversed in future years with tax incremental revenue deposits. Deficits in the grant funds represent amounts spent on grant programs that will ultimately be reimbursed from federal and state grantor agencies, or transfers from City funds for City match requirements in the subsequent period. The deficit in the Recreation Impact Fee fund will be reversed in future years with incremental revenue deposits.

NOTE 14 – COMMITMENTS, RELATED PARTIES, AND CONTINGENCIES

Charter School - The City entered into an interlocal agreement with the Osceola County School Board to operate a charter elementary school within the City. Originally the City issued a tax-exempt note and built the school facilities. In 2009, the debt was refinanced. 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.

CITY OF KISSIMMEE, FLORIDA
NOTES TO FINANCIAL STATEMENTS – Continued
September 30, 2010
(In Thousands)

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, 2010, the payment made by KUA to the City was \$8.5 million. KUA's total operating revenues for the fiscal year ended September 30, 2010 were \$196.3 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 2010 was \$4.4 million and all future annual amounts will be calculated based on the gross annual revenues of the system for an additional eighteen years.

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

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

NOTE 15 – SUBSEQUENT EVENTS

The City has issued four long-term notes subsequent to September 30, 2010. A summary of each note is provided below.

The Capital Improvement Revenue Note, Series 2010B was issued in November 2010 for \$8,000 to pay for the capital improvement of a 50 acre lakefront parcel. The 2010B Note is secured by a future pledge of infrastructure surtax revenues and will mature in 2025.

The Capital Improvement Revenue Note, Series 2010C was issued in November 2010 for \$4,000 to pay for transportation capital improvements. The 2010C Note is secured by a future pledge of non-ad valorem revenues and will mature in 2025.

The Improvement Refunding Revenue Note, Series 2011A was issued in February 2011 for \$7,075 to advance refund the Improvement Refunding Revenue Note, Series 2008. The 2011A Note is secured by a future pledge of non-ad valorem revenues.

The Capital Improvement Refunding Revenue Note, Series 2011B was issued in February 2011 for \$9,140 to advance refund the Capital Improvement Revenue Note, Series 2009A. The 2011B Note is secured by a future pledge of infrastructure surtax revenues and will mature in 2025.

REQUIRED SUPPLEMENTARY INFORMATION

Budgetary Comparison Schedules (GAAP BASIS):

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

City Other Postemployment Benefits Plan Schedules:

- Schedule of Funding Progress
- Schedule of Employer Contributions

City Retirement Plans Schedules:

- Schedules of Funding Progress
- Schedules of Employer Contributions

CITY OF KISSIMMEE, FLORIDA
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
For the Year Ended September 30, 2010
(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	\$ 13,357	\$ 13,866	\$ 14,040	\$ 174
Local business taxes	185	185	177	(8)
	<u>13,542</u>	<u>14,051</u>	<u>14,217</u>	<u>166</u>
Permits, Fees and Special Assessments:				
Franchise fees	120	120	143	23
Other permits and fees	3	3	1	(2)
	<u>123</u>	<u>123</u>	<u>144</u>	<u>21</u>
Intergovernmental Revenues:				
Federal grants	-	-	484	484
State grants	651	701	183	(518)
Local grants	133	133	126	(7)
State revenue sharing	1,478	1,478	1,521	43
Half cent sales tax	3,510	3,510	3,493	(17)
Shared taxes and licenses	146	145	157	12
County shared revenue	751	751	816	65
Kissimmee Utility Authority	8,210	8,210	8,525	315
Tohopekalgiga Water Authority	4,125	4,125	4,351	226
	<u>19,004</u>	<u>19,053</u>	<u>19,656</u>	<u>603</u>
Charges for Services:				
General government charges	840	840	1,010	170
Public safety charges	5,733	2,725	3,099	374
Physical environment charges	62	62	76	14
Transportation charges	730	730	597	(133)
Culture/recreation charges	657	657	719	62
	<u>8,022</u>	<u>5,014</u>	<u>5,501</u>	<u>487</u>
Fines and Forfeitures:				
Court fines and costs	465	782	1,860	1,078
Miscellaneous Revenue:				
Investment income	93	94	61	(33)
Rents	44	44	36	(8)
Other revenue	278	261	232	(29)
Sales of cemetery lots	132	131	133	2
	<u>547</u>	<u>530</u>	<u>462</u>	<u>(68)</u>

Continued

CITY OF KISSIMMEE, FLORIDA
BUDGETARY COMPARISON SCHEDULE - CONTINUED
GENERAL FUND
For the Year Ended September 30, 2010
(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:				
Utility Tax Fund	\$ 6,420	\$ 6,420	\$ 6,401	\$ (19)
Stormwater Utility Fund	171	171	178	7
Charter School	572	572	7,937	7,365
Airport	-	2	2	-
Community Redevelopment Agency	-	233	233	-
Central Services	-	-	1,650	1,650
Transportation Impact Fee	8	8	18	10
Fire Assessment Fees	-	3,008	2,769	(239)
	<u>7,171</u>	<u>10,414</u>	<u>19,188</u>	<u>8,774</u>
Other Sources:				
Issuance of Capital Lease	189	189	-	(189)
Total Revenues and Other Sources	<u>49,063</u>	<u>50,156</u>	<u>61,028</u>	<u>10,872</u>
EXPENDITURES AND OTHER USES				
General Government:				
City Commission:				
Personal Services	189	189	181	(8)
Operating	392	433	415	(18)
	<u>581</u>	<u>622</u>	<u>596</u>	<u>(26)</u>
City Manager:				
Personal Services	1,002	1,028	1,006	(22)
Operating	26	390	421	31
Capital Outlay	23	29	5	(24)
	<u>1,051</u>	<u>1,447</u>	<u>1,432</u>	<u>(15)</u>
Development Services:				
Personal Services	1,231	1,244	1,136	(108)
Operating	309	1,021	411	(610)
Capital Outlay	2	2	2	-
	<u>1,542</u>	<u>2,267</u>	<u>1,549</u>	<u>(718)</u>
Legal:				
Personal Services	355	357	351	(6)
Operating	190	189	163	(26)
Capital Outlay	-	15	15	-
	<u>545</u>	<u>561</u>	<u>529</u>	<u>(32)</u>

Continued

CITY OF KISSIMMEE, FLORIDA
BUDGETARY COMPARISON SCHEDULE - CONTINUED
GENERAL FUND
For the Year Ended September 30, 2010
(In Thousands)

	<u>Budgeted Amounts</u>		<u>Actual</u> <u>Amounts</u>	<u>Variance with</u> <u>Final Budget -</u> <u>Over (Under)</u>
	<u>Original</u>	<u>Final</u>		
EXPENDITURES AND OTHER USES - Continued				
General Government:				
Finance:				
Personal Services	\$ 760	\$ 767	\$ 745	\$ (22)
Operating	78	99	108	9
Capital Outlay	23	35	14	(21)
	<u>861</u>	<u>901</u>	<u>867</u>	<u>(34)</u>
Personnel:				
Personal Services	618	624	548	(76)
Operating	16	32	39	7
Capital Outlay	-	-	-	-
	<u>634</u>	<u>656</u>	<u>587</u>	<u>(69)</u>
Central Service Charges:				
Operating	4,340	4,340	4,345	5
	<u>4,340</u>	<u>4,340</u>	<u>4,345</u>	<u>5</u>
Total General Government	<u>9,554</u>	<u>10,794</u>	<u>9,905</u>	<u>(889)</u>
Public Safety:				
Police:				
Personal Services	15,342	15,489	14,279	(1,210)
Operating	1,993	2,285	2,244	(41)
Capital Outlay	531	763	657	(106)
	<u>17,866</u>	<u>18,537</u>	<u>17,180</u>	<u>(1,357)</u>
Fire:				
Personal Services	9,212	9,293	8,886	(407)
Operating	1,333	1,450	1,361	(89)
Capital Outlay	808	619	264	(355)
	<u>11,353</u>	<u>11,362</u>	<u>10,511</u>	<u>(851)</u>
Total Public Safety	<u>29,219</u>	<u>29,899</u>	<u>27,691</u>	<u>(2,208)</u>
Transportation:				
Public Works:				
Personal Services	2,445	2,478	2,440	(38)
Operating	1,368	1,412	1,237	(175)
Capital Outlay	40	130	70	(60)
	<u>3,853</u>	<u>4,020</u>	<u>3,747</u>	<u>(273)</u>
Total Transportation	<u>3,853</u>	<u>4,020</u>	<u>3,747</u>	<u>(273)</u>

Continued

CITY OF KISSIMMEE, FLORIDA
BUDGETARY COMPARISON SCHEDULE - CONTINUED
GENERAL FUND
For the Year Ended September 30, 2010
(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	\$ 3,104	\$ 3,155	\$ 2,969	\$ (186)
Operating	1,705	1,793	1,493	(300)
Capital Outlay	114	231	194	(37)
Total Culture / Recreation	<u>4,923</u>	<u>5,179</u>	<u>4,656</u>	<u>(523)</u>
Non-Departmental				
Bad Debt	500	500	2,368	1,868
Debt Service Principal	-	260	147	(113)
Debt Service Interest and Costs	-	25	32	7
Total Non-Departmental	<u>500</u>	<u>785</u>	<u>2,547</u>	<u>1,762</u>
Other (Uses)				
Transfers to other funds	-	805	8,414	7,609
Total Transfers Out	<u>-</u>	<u>805</u>	<u>8,414</u>	<u>7,609</u>
Total Expenditures and Other Uses	<u>48,049</u>	<u>51,482</u>	<u>56,960</u>	<u>5,478</u>
Excess (Deficiency) of Revenues and Other Sources Over (Under) Expenditures and Other Uses				
Fund Balance - Beginning of Year	<u>18,219</u>	<u>19,757</u>	<u>13,426</u>	<u>(6,331)</u>
Fund Balance - End of Year	<u>\$ 19,233</u>	<u>\$ 18,431</u>	<u>\$ 17,494</u>	<u>\$ (937)</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
USDA GRANTS
For the Year Ended September 30, 2010
(In Thousands)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Over (Under)
	Original	Final		
REVENUES				
Intergovernmental Revenues	\$ 3,609	\$ 3,609	\$ 1,498	\$ (2,111)
Total Revenues	<u>3,609</u>	<u>3,609</u>	<u>1,498</u>	<u>(2,111)</u>
EXPENDITURES				
Physical Environment				
Capital Outlay	4,404	4,404	2,912	(1,492)
Total Expenditures	<u>4,404</u>	<u>4,404</u>	<u>2,912</u>	<u>(1,492)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(795)</u>	<u>(795)</u>	<u>(1,414)</u>	<u>(619)</u>
OTHER FINANCING SOURCES				
Transfers In	795	795	42	(753)
Total Other Financing Sources	<u>795</u>	<u>795</u>	<u>42</u>	<u>(753)</u>
Net Change in Fund Balance	-	-	(1,372)	(1,372)
Fund Balance (Deficit) - Beginning	-	-	(398)	(398)
Fund Balance (Deficit) - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (1,770)</u>	<u>\$ (1,770)</u>

Notes to Schedule

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

CITY OF KISSIMMEE, FLORIDA
BUDGETARY COMPARISON SCHEDULE
COMMUNITY REDEVELOPMENT AGENCY
For the Year Ended September 30, 2010
(In Thousands)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Over (Under)
	Original	Final		
REVENUES				
Taxes	\$ 1,622	\$ 1,622	\$ 1,778	\$ 156
Investment Income	8	8	6	(2)
Miscellaneous Revenues	1	1	1	-
Total Revenues	1,631	1,631	1,785	154
EXPENDITURES				
General Government				
Operating	996	1,038	715	(323)
Capital Outlay	8	436	481	45
Total Expenditures	1,004	1,474	1,196	(278)
Excess (Deficiency) of Revenues Over (Under) Expenditures	627	157	589	432
OTHER FINANCING SOURCES AND (USES)				
Transfers In	-	-	22	22
Transfers (Out)	(545)	(728)	(709)	19
Proceeds from Sale of Capital Assets	-	780	780	-
Total Other Financing Sources and (Uses)	(545)	52	93	41
Net Change in Fund Balance	82	209	682	473
Fund Balance (Deficit) - Beginning	(82)	(209)	(3,042)	(2,833)
Fund Balance (Deficit) - Ending	\$ -	\$ -	\$ (2,360)	\$ (2,360)

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, 2010
(In Thousands)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Over (Under)
	Original	Final		
REVENUES				
Taxes	\$ 5,050	\$ 5,050	\$ 4,980	\$ (70)
Intergovernmental Revenues	-	20	87	67
Investment Income	23	23	20	(3)
Miscellaneous Revenues	-	-	26	26
Total Revenues	5,073	5,093	5,113	20
EXPENDITURES				
General Government				
Capital Outlay	467	1,197	425	(772)
Public Safety				
Capital Outlay	129	432	409	(23)
Transportation				
Capital Outlay	25	3,617	541	(3,076)
Culture/Recreation				
Capital Outlay	2,000	3,380	1,185	(2,195)
Total Expenditures	2,621	8,626	2,560	(6,066)
Excess (Deficiency) of Revenues Over (Under) Expenditures	2,452	(3,533)	2,553	6,086
OTHER FINANCING SOURCES and (USES)				
Transfers In	100	354	433	79
Transfers (Out)	-	(3,357)	(2,389)	968
Total Other Financing Sources and (Uses)	100	(3,003)	(1,956)	1,047
Net Change in Fund Balance	2,552	(6,536)	597	7,133
Fund Balance - Beginning	(2,552)	6,536	6,846	310
Fund Balance - Ending	\$ -	\$ -	\$ 7,443	\$ 7,443

Notes to Schedule

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

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

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - Entry Age (b)	Unfunded AAL (UAAL) (b) - (a)	Funded Ratio (a)/(b)	Covered Payroll (c)	UAAL As % of Covered Payroll (b-a)/(c)
10/01/08	\$ -	\$ 6,966	\$ 6,966	0.0%	\$ 25,134	27.7%
10/1/09 *	-	6,966	6,966	0.0%	25,134	27.7%

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

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

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

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

General Employees' Retirement Plan

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) -		Funded Ratio (a)/(b)	Covered Payroll (c)	UAAL As % of Covered Payroll (b-a)/(c)
		Entry Age (b)	Unfunded AAL (UAAL) (b) - (a)			
10/01/04	\$ 37,797	\$ 45,594	\$ 7,797	82.9%	\$ 16,750	46.5%
10/01/05	41,572	50,106	8,534	83.0%	18,046	47.3%
10/01/06	46,603	55,649	9,046	83.7%	19,295	46.9%
10/01/07	57,125	64,742	7,617	88.2%	20,777	36.7%
10/01/08	60,916	71,960	11,044	84.7%	22,301	49.5%
10/01/09	64,887	78,120	13,233	83.1%	22,338	59.2%

Police Officers' Retirement Plan

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) -		Funded Ratio (a)/(b)	Covered Payroll (c)	UAAL As % of Covered Payroll (b-a)/(c)
		Entry Age (b)	Unfunded AAL (UAAL) (b) - (a)			
10/01/04	\$ 24,261	\$ 28,097	\$ 3,836	86.3%	\$ 5,721	67.1%
10/01/05	26,271	30,703	4,432	85.6%	5,947	74.5%
10/01/06	29,992	34,828	4,836	86.1%	6,325	76.5%
10/01/07	33,725	39,272	5,547	85.9%	6,740	82.3%
10/01/08	35,519	41,424	5,905	85.7%	6,649	88.8%
10/01/09	36,605	45,071	8,466	81.2%	6,307	134.2%

Firefighters' Retirement Plan

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) -		Funded Ratio (a)/(b)	Covered Payroll (c)	UAAL As % of Covered Payroll (b-a)/(c)
		Entry Age (b)	Unfunded AAL (UAAL) (b) - (a)			
10/01/04	\$ 15,879	\$ 21,001	\$ 5,122	75.6%	\$ 3,790	135.1%
10/01/05	16,896	24,294	7,398	69.5%	4,131	179.1%
10/01/06	18,415	26,776	8,361	68.8%	4,975	168.1%
10/01/07	21,139	29,078	7,939	72.7%	5,349	148.4%
10/01/08	22,216	31,681	9,465	70.1%	5,444	173.9%
10/01/09	23,662	33,710	10,048	70.2%	4,930	203.8%

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
2005	\$ 2,266	100.00%
2006	2,504	100.00%
2007	2,714	100.00%
2008	1,777	100.00%
2009	1,925	100.00%
2010	2,023	100.00%

Police Officers' Retirement Plan

Year Ended September 30	Annual Required Contribution	Percentage Contributed
2005	\$ 1,346	100.00%
2006	1,458	100.00%
2007	1,878	100.00%
2008	1,438	100.00%
2009	1,736	100.00%
2010	1,916	100.00%

Firefighters' Retirement Plan

Year Ended September 30	Annual Required Contribution	Percentage Contributed
2005	\$ 992	100.00%
2006	1,252	100.00%
2007	1,495	100.00%
2008	1,207	100.00%
2009	1,367	100.00%
2010	1,364	100.00%

OTHER SUPPLEMENTAL INFORMATION

Budgetary Comparison Schedules (GAAP BASIS):

Major Capital Project Funds:

Lakefront Sales Tax 2009A Capital Project

Non-Major Governmental Funds:

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

CITY OF KISSIMMEE, FLORIDA
BUDGETARY COMPARISON SCHEDULE
LAKEFRONT SALES TAX 2009A CAPITAL PROJECT FUND
For the Year Ended September 30, 2010
(In Thousands)

	<u>Budget</u>	<u>Actual Amounts</u>	<u>Variance with Budget - Over (Under)</u>
REVENUES			
Investment Income	\$ -	\$ 15	\$ 15
Total Revenues	<u>-</u>	<u>15</u>	<u>15</u>
EXPENDITURES			
Culture and Recreation			
Capital Outlay	7,922	2,857	(5,065)
Total Expenditures	<u>7,922</u>	<u>2,857</u>	<u>(5,065)</u>
(Deficiency) of Revenues (Under) Expenditures	<u>(7,922)</u>	<u>(2,842)</u>	<u>5,080</u>
OTHER FINANCING SOURCES			
Issuance of Note Payable	9,500	9,250	(250)
Total Other Financing Sources	<u>9,500</u>	<u>9,250</u>	<u>(250)</u>
Net Change in Fund Balance	1,578	6,408	4,830
Fund Balance (Deficit) - Beginning	<u>(1,578)</u>	<u>(1,328)</u>	<u>250</u>
Fund Balance - Ending	<u>\$ -</u>	<u>\$ 5,080</u>	<u>\$ 5,080</u>

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

Special Revenue Funds account for revenues from specific taxes or other earmarked revenue sources which, by law are designated to finance particular functions or activities of government. The City has the following nonmajor special revenue funds:

Budgeted Special Revenue Funds (GAAP Basis)

Energy Efficiency and Conservation Block Grant

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

Justice Assistance Grant

To account for the revenues and expenditures associated with the U. S. Department of Justice, 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.

Utility Tax Fund

To account for the receipt and disbursement of an 8% tax on all purchases of electric, water and gas services as well as a 7% tax on all telephone and telegraph services. Monies are typically used for general governmental purposes.

Renee Terrace

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

Recreation Impact Fee Fund

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

Transportation Impact Fee Fund

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

Fire Assessment Fee

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

Neighborhood Stabilization Program Grant

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

Building Division

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

Community Development Block Grant

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

Columbia Avenue Culvert Project

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

NONMAJOR GOVERNMENTAL FUNDS - CONTINUED

Assistance to Firefighters Grant

To account for revenues and expenditures related to the U.S. Department of Homeland Security grant awarded for the acquisition of firefighter protective gear.

Local Option Gas Tax

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

Paving Assessments

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

Charter School

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

Hazard Mitigation Grant Program

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

FDLE Grant for Public Education

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

Hurricane Housing Recovery Program Trust

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

Civic Center

To account for the operations of the Civic Center.

Sidewalk Grant

To account for the revenues and expenditures associated with the Local Agency Program (LAP) Agreement between the Florida Department of Transportation and the City to provide for the design of sidewalk between Central Avenue and Kissimmee Elementary School.

Hoagland Road Project

To account for the revenues and expenditures of the County Incentive Grant Program which provides funding for improving transportation facilities located on State Highway Systems or those that relieve traffic congestion on the State Highway System. The funds awarded to the City by Osceola County via the Florida State Department of Transportation will be used to conduct a corridor study/preliminary design for Hoagland Boulevard and Pleasant Hill Road Improvements.

Martin Luther King Phase II

To account for the revenues and expenditures from the Florida Department of Transportation, through its Transportation Regional Incentive Program (TRIP), that will provide funding for the construction of the City's Martin Luther King Boulevard Phase 2 project. This project will provide for a new east-west corridor through the City.

Section 8 HAPP

To account for expenditures associated with various housing related projects.

NONMAJOR GOVERNMENTAL FUNDS – CONTINUED

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.

Dyer Boulevard Pavement Rehabilitation

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

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

The City has ten debt service funds. They are used to account for the payment of principal and interest and long-term debt as specified by bond and note covenants.

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.

2005 Revenue Note

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

2004 CRA Revenue Note

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

2006 Revenue Note

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

2009A Revenue Note

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

2008 Revenue Note

Accounts for the payment of principal and interest on the 2008 Revenue Note. Revenue received from the Osceola School Board is used for annual debt service payments.

2000A Revenue Note

Accounts for the payment of principal and interest on the 2000A Charter School Improvement Revenue Note. Revenue received from the Osceola School Board is used for annual debt service payments.

NONMAJOR GOVERNMENTAL FUNDS - CONTINUED

2001 Revenue Note

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

2001A Revenue Note

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

Non-Budgeted Debt Service Fund

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.

CAPITAL PROJECTS FUNDS

The City has three nonmajor capital projects funds. These funds account for the activities of various capital projects funded by different revenue sources. Monies deposited into these funds can only be used in accordance with note covenants.

Budgeted Capital Projects Fund (GAAP Basis)

2006 Capital Construction Note Project

To account for the proceeds of the 2006 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.

Community Redevelopment Project

To account for the proceeds of the 2004 Redevelopment Trust Fund Revenue Note to be used for the construction of projects in the CRA Master Development Plan.

CITY OF KISSIMMEE, FLORIDA
COMBINING BALANCE SHEET
ALL NONMAJOR GOVERNMENTAL FUNDS
September 30, 2010
(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	\$ 6,399	\$ 1,801	\$ -	\$ 8,200
Investments	94	27	-	121
Restricted Cash and Investments	-	-	556	556
Accounts Receivable (net)	589	-	-	589
Due from TWA	1	-	-	1
Due from Other Funds	67	-	-	67
Due from Other Governments	790	-	-	790
Total Assets	\$ 7,940	\$ 1,828	\$ 556	\$ 10,324
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts Payable	\$ 339	\$ -	\$ 200	\$ 539
Contracts Payable	-	-	91	91
Accrued Liabilities	53	1,782	-	1,835
Due to Other Funds	870	-	-	870
Deposits Payable	3	-	-	3
Deferred Revenue	87	-	-	87
Total Liabilities	1,352	1,782	291	3,425
Fund Balances:				
Reserved for:				
Capital Projects	1,393	-	265	1,658
Public Safety Projects	3	-	-	3
Development Services	66	-	-	66
Economic Development	217	-	-	217
Supplementary Care	655	-	-	655
Debt Service	-	46	-	46
Unreserved (Deficits) Reported In:				
Special Revenue Funds	4,254	-	-	4,254
Total Fund Balances	6,588	46	265	6,899
Total Liabilities and Fund Balances	\$ 7,940	\$ 1,828	\$ 556	\$ 10,324

CITY OF KISSIMMEE, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
ALL NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended September 30, 2010
(In Thousands)

	Total Nonmajor Special Revenue Funds	Total Nonmajor Debt Service Funds	Total Nonmajor Capital Project Funds	Total Nonmajor Governmental Funds
REVENUES				
Taxes	\$ 8,814	\$ -	\$ -	\$ 8,814
Permits, Fees and Special Assessments	3,909	-	-	3,909
Intergovernmental Revenues	9,799	-	-	9,799
Charges for Services	465	-	-	465
Investment Income	39	3	14	56
Miscellaneous Revenues	289	48	-	337
Total Revenues	<u>23,315</u>	<u>51</u>	<u>14</u>	<u>23,380</u>
EXPENDITURES				
Current:				
General Government	4,201	-	-	4,201
Public Safety	1,972	-	-	1,972
Transportation	3,358	-	-	3,358
Economic Environment	2,789	-	-	2,789
Culture/Recreation	1,081	-	-	1,081
Capital Outlay	-	-	5,181	5,181
Debt Service:				
Principal Retirement	66	2,931	-	2,997
Interest and Fiscal Charges	11	1,216	-	1,227
Professional Fees	-	97	-	97
Total Expenditures	<u>13,478</u>	<u>4,244</u>	<u>5,181</u>	<u>22,903</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>9,837</u>	<u>(4,193)</u>	<u>(5,167)</u>	<u>477</u>
OTHER FINANCING SOURCES and (USES)				
Transfers In	727	20,929	730	22,386
Transfers (Out)	(19,095)	(9,634)	-	(28,729)
Issuance of Notes/Bonds/ Refunded Bonds Payable	7,355	9,500	387	17,242
Payment for Current Redemption	-	(7,355)	-	(7,355)
Payment to Refunded Bonds Escrow Agent	-	(9,455)	-	(9,455)
Total Other Financing Sources and (Uses)	<u>(11,013)</u>	<u>3,985</u>	<u>1,117</u>	<u>(5,911)</u>
Net Change in Fund Balances	(1,176)	(208)	(4,050)	(5,434)
Fund Balances - Beginning	<u>7,764</u>	<u>254</u>	<u>4,315</u>	<u>12,333</u>
Fund Balances - Ending	<u>\$ 6,588</u>	<u>\$ 46</u>	<u>\$ 265</u>	<u>\$ 6,899</u>

CITY OF KISSIMMEE, FLORIDA
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
September 30, 2010
(In Thousands)

	Energy			
	Efficiency and	Justice		Renee
	Conservation	Assistance	Utility Tax	Terrace
	Block Grant	Grant		
ASSETS				
Cash and Cash Equivalents	\$ 8	\$ 84	\$ -	\$ -
Investments	-	1	-	-
Accounts Receivable (net)	-	-	477	-
Due from TWA	-	-	-	-
Due from Other Funds	-	-	-	67
Due from Other Governments	17	-	220	7
Total Assets	\$ 25	\$ 85	\$ 697	\$ 74
LIABILITIES				
Accounts Payable	\$ 29	\$ -	\$ -	\$ -
Accrued Liabilities	-	6	-	-
Due to Other Funds	-	-	-	-
Deposits Payable	-	-	-	-
Deferred Revenue	-	87	-	-
Total Liabilities	29	93	-	-
FUND BALANCES (DEFICITS)				
Reserved for:				
Capital Projects	-	-	-	74
Public Safety Projects	-	-	-	-
Development Services	-	-	-	-
Economic Development	-	-	-	-
Supplementary Care	-	-	-	-
Unreserved (deficit)	(4)	(8)	697	-
Total Fund Balances (Deficits)	(4)	(8)	697	74
Total Liabilities and Fund Balances	\$ 25	\$ 85	\$ 697	\$ 74

Continued

<u>Recreation Impact Fee Fund</u>	<u>Transportation Impact Fee Fund</u>	<u>Fire Assessment Fee</u>	<u>Neighborhood Stabilization Program</u>	<u>Building Division</u>
\$ 1	\$ 1,338	\$ 3	\$ -	\$ 83
-	20	-	-	-
-	-	-	103	-
-	-	-	-	-
-	-	-	-	-
-	-	-	297	-
<u>\$ 1</u>	<u>\$ 1,358</u>	<u>\$ 3</u>	<u>\$ 400</u>	<u>\$ 83</u>
\$ -	\$ 61	\$ -	\$ 1	\$ 2
-	-	-	1	15
238	-	-	200	-
-	-	-	-	-
-	-	-	-	-
<u>238</u>	<u>61</u>	<u>-</u>	<u>202</u>	<u>17</u>
-	1,297	-	-	-
-	-	3	-	-
-	-	-	-	66
-	-	-	198	-
-	-	-	-	-
(237)	-	-	-	-
<u>(237)</u>	<u>1,297</u>	<u>3</u>	<u>198</u>	<u>66</u>
<u>\$ 1</u>	<u>\$ 1,358</u>	<u>\$ 3</u>	<u>\$ 400</u>	<u>\$ 83</u>

CITY OF KISSIMMEE, FLORIDA
COMBINING BALANCE SHEET - Continued
NONMAJOR SPECIAL REVENUE FUNDS
September 30, 2010
(In Thousands)

	<u>Community Development Block Grant</u>	<u>Columbia Avenue Culvert Project</u>	<u>Assistance to Firefighters Grant</u>	<u>Local Option Gas Tax</u>
ASSETS				
Cash and Cash Equivalents	\$ 10	\$ 23	\$ -	\$ 2,714
Investments	-	-	-	41
Accounts Receivable (net)	-	-	-	9
Due from TWA	-	-	-	1
Due from Other Funds	-	-	-	-
Due from Other Governments	19	-	-	189
Total Assets	<u>\$ 29</u>	<u>\$ 23</u>	<u>\$ -</u>	<u>\$ 2,954</u>
LIABILITIES				
Accounts Payable	\$ 13	\$ 1	\$ -	\$ 180
Accrued Liabilities	1	-	-	18
Due to Other Funds	288	-	-	-
Deposits Payable	-	-	-	-
Deferred Revenue	-	-	-	-
Total Liabilities	<u>302</u>	<u>1</u>	<u>-</u>	<u>198</u>
FUND BALANCES (DEFICITS)				
Reserved for:				
Capital Projects	-	22	-	-
Public Safety Projects	-	-	-	-
Development Services	-	-	-	-
Economic Development	-	-	-	-
Supplementary Care	-	-	-	-
Unreserved (deficit)	(273)	-	-	2,756
Total Fund Balances (Deficits)	<u>(273)</u>	<u>22</u>	<u>-</u>	<u>2,756</u>
Total Liabilities and Fund Balances	<u>\$ 29</u>	<u>\$ 23</u>	<u>\$ -</u>	<u>\$ 2,954</u>

Continued

<u>Paving Assessments</u>	<u>Charter School</u>	<u>Hazard Mitigation Grant Program</u>	<u>FDLE Grant for Public Education</u>	<u>Hurricane Housing Recovery Program Trust</u>	<u>Civic Center</u>
\$ -	\$ 1,254	\$ -	\$ 1	\$ 1	\$ 220
-	19	-	-	-	3
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	38	-
<u>\$ -</u>	<u>\$ 1,273</u>	<u>\$ -</u>	<u>\$ 1</u>	<u>\$ 39</u>	<u>\$ 223</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 51
-	-	-	1	-	11
-	-	75	18	32	-
-	-	-	-	-	3
-	-	-	-	-	-
-	-	75	19	32	65
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	7	-
-	1,273	(75)	(18)	-	158
-	1,273	(75)	(18)	7	158
<u>\$ -</u>	<u>\$ 1,273</u>	<u>\$ -</u>	<u>\$ 1</u>	<u>\$ 39</u>	<u>\$ 223</u>

CITY OF KISSIMMEE, FLORIDA
COMBINING BALANCE SHEET - Continued
NONMAJOR SPECIAL REVENUE FUNDS
September 30, 2010
(In Thousands)

	<u>Sidewalk Grant</u>	<u>Hoagland Road Project</u>	<u>Martin Luther King Phase II</u>	<u>Section 8 HAPP Fund</u>
ASSETS				
Cash and Cash Equivalents	\$ -	\$ -	\$ 2	\$ 12
Investments	-	-	-	-
Accounts Receivable (net)	-	-	-	-
Due from TWA	-	-	-	-
Due from Other Funds	-	-	-	-
Due from Other Governments	-	3	-	-
Total Assets	<u>\$ -</u>	<u>\$ 3</u>	<u>\$ 2</u>	<u>\$ 12</u>
LIABILITIES				
Accounts Payable	\$ -	\$ -	\$ -	\$ -
Accrued Liabilities	-	-	-	-
Due to Other Funds	-	19	-	-
Deposits Payable	-	-	-	-
Deferred Revenue	-	-	-	-
Total Liabilities	<u>-</u>	<u>19</u>	<u>-</u>	<u>-</u>
FUND BALANCES (DEFICITS)				
Reserved for:				
Capital Projects	-	-	-	-
Public Safety Projects	-	-	-	-
Development Services	-	-	-	-
Economic Development	-	-	-	12
Supplementary Care	-	-	-	-
Unreserved (deficit)	-	(16)	2	-
Total Fund Balances (Deficits)	<u>-</u>	<u>(16)</u>	<u>2</u>	<u>12</u>
Total Liabilities and Fund Balances	<u>\$ -</u>	<u>\$ 3</u>	<u>\$ 2</u>	<u>\$ 12</u>

Police and Firefighters Premium Tax Trust	Dyer Boulevard Pavement Rehabilitation	Supplementary Care	Total Nonmajor Special Revenue Funds
\$ -	\$ -	\$ 645	\$ 6,399
-	-	10	94
-	-	-	589
-	-	-	1
-	-	-	67
-	-	-	790
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 655</u>	<u>\$ 7,940</u>
\$ -	\$ 1	\$ -	\$ 339
-	-	-	53
-	-	-	870
-	-	-	3
-	-	-	87
<u>-</u>	<u>1</u>	<u>-</u>	<u>1,352</u>
-	-	-	1,393
-	-	-	3
-	-	-	66
-	-	-	217
-	-	655	655
-	(1)	-	4,254
<u>-</u>	<u>(1)</u>	<u>655</u>	<u>6,588</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 655</u>	<u>\$ 7,940</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, 2010
(In Thousands)

	Energy			
	Efficiency and	Justice		Renee
	Conservation	Assistance		Terrace
	Block Grant	Grant	Utility Tax	
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
REVENUES				
Taxes	\$ -	\$ -	\$ 6,439	\$ -
Permits, Fees and Special Assessments	-	-	-	-
Intergovernmental Revenues	204	207	-	388
Charges for Services	-	-	-	-
Investment Income	-	-	-	-
Miscellaneous Revenues	-	-	-	-
Total Revenues	<u>204</u>	<u>207</u>	<u>6,439</u>	<u>388</u>
EXPENDITURES				
Current:				
General Government	22	1	40	-
Public Safety	107	395	-	-
Transportation	-	-	-	461
Economic Environment	-	-	-	-
Culture and Recreation	79	-	-	-
Debt Service:				
Principal Retirement	-	-	-	-
Interest and Fiscal Charges	-	-	-	-
Total Expenditures	<u>208</u>	<u>396</u>	<u>40</u>	<u>461</u>
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	<u>(4)</u>	<u>(189)</u>	<u>6,399</u>	<u>(73)</u>
OTHER FINANCING				
SOURCES and (USES)				
Transfers In	-	333	-	-
Transfers (Out)	-	-	(6,401)	-
Issuance of Notes/Bonds/ Refunded Bonds Payable	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing	<u>-</u>	<u>333</u>	<u>(6,401)</u>	<u>-</u>
Sources and (Uses)	<u>-</u>	<u>333</u>	<u>(6,401)</u>	<u>-</u>
Net Change in Fund Balances	(4)	144	(2)	(73)
Fund Balances (Deficits) - Beginning	<u>-</u>	<u>(152)</u>	<u>699</u>	<u>147</u>
Fund Balances (Deficits) - Ending	<u>\$ (4)</u>	<u>\$ (8)</u>	<u>\$ 697</u>	<u>\$ 74</u>

Continued

<u>Recreation Impact Fee Fund</u>	<u>Transportation Impact Fee Fund</u>	<u>Fire Assessment Fee</u>	<u>Neighborhood Stabilization Program</u>	<u>Building Division</u>
\$ -	\$ -	\$ -	\$ -	\$ -
38	604	2,782	-	321
-	-	-	1,665	-
-	-	-	-	108
-	6	-	-	-
-	-	-	199	-
<u>38</u>	<u>610</u>	<u>2,782</u>	<u>1,864</u>	<u>429</u>
-	-	11	-	-
-	-	-	-	488
-	23	-	-	-
-	-	-	1,664	-
115	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>115</u>	<u>23</u>	<u>11</u>	<u>1,664</u>	<u>488</u>
<u>(77)</u>	<u>587</u>	<u>2,771</u>	<u>200</u>	<u>(59)</u>
-	-	-	-	30
-	(18)	(2,769)	-	-
-	-	-	-	-
-	(18)	(2,769)	-	30
(77)	569	2	200	(29)
(160)	728	1	(2)	95
<u>\$ (237)</u>	<u>\$ 1,297</u>	<u>\$ 3</u>	<u>\$ 198</u>	<u>\$ 66</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, 2010
(In Thousands)

	Community Development Block Grant	Columbia Avenue Culvert Project	Assistance to Firefighters Grant	Local Option Gas Tax
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ 2,375
Permits, Fees and Special Assessments	-	-	-	-
Intergovernmental Revenues	611	-	-	-
Charges for Services	-	-	-	6
Investment Income	-	-	-	20
Miscellaneous Revenues	-	-	-	16
Total Revenues	<u>611</u>	<u>-</u>	<u>-</u>	<u>2,417</u>
EXPENDITURES				
Current:				
General Government	-	-	-	-
Public Safety	-	-	11	-
Transportation	-	34	-	2,280
Economic Environment	385	-	-	-
Culture and Recreation	-	-	-	-
Debt Service:				
Principal Retirement	-	-	-	-
Interest and Fiscal Charges	-	-	-	-
Total Expenditures	<u>385</u>	<u>34</u>	<u>11</u>	<u>2,280</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>226</u>	<u>(34)</u>	<u>(11)</u>	<u>137</u>
OTHER FINANCING SOURCES and (USES)				
Transfers In	14	56	11	40
Transfers (Out)	(253)	-	-	(1,655)
Issuance of Notes/Bonds/ Refunded Bonds Payable	-	-	-	-
Total Other Financing Sources and (Uses)	<u>(239)</u>	<u>56</u>	<u>11</u>	<u>(1,615)</u>
Net Change in Fund Balances	(13)	22	-	(1,478)
Fund Balances (Deficits) - Beginning	<u>(260)</u>	<u>-</u>	<u>-</u>	<u>4,234</u>
Fund Balances (Deficits) - Ending	<u>\$ (273)</u>	<u>\$ 22</u>	<u>\$ -</u>	<u>\$ 2,756</u>

Continued

<u>Paving Assessments</u>	<u>Charter School</u>	<u>Hazard Mitigation Grant Program</u>	<u>FDLE Grant for Public Education</u>	<u>Hurricane Housing Recovery Program Trust</u>	<u>Civic Center</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
164	-	-	-	-	-
-	4,875	114	35	765	-
-	-	-	-	-	351
-	6	-	-	2	2
-	-	-	-	-	-
<u>164</u>	<u>4,881</u>	<u>114</u>	<u>35</u>	<u>767</u>	<u>353</u>
-	4,127	-	-	-	-
-	-	-	53	-	-
124	-	75	-	-	-
-	-	-	-	740	-
-	-	20	-	-	867
-	66	-	-	-	-
-	11	-	-	-	-
<u>124</u>	<u>4,204</u>	<u>95</u>	<u>53</u>	<u>740</u>	<u>867</u>
<u>40</u>	<u>677</u>	<u>19</u>	<u>(18)</u>	<u>27</u>	<u>(514)</u>
-	-	-	-	-	-
(40)	(7,937)	-	-	(22)	-
-	7,355	-	-	-	-
<u>(40)</u>	<u>(582)</u>	<u>-</u>	<u>-</u>	<u>(22)</u>	<u>-</u>
-	95	19	(18)	5	(514)
-	1,178	(94)	-	2	672
<u>\$ -</u>	<u>\$ 1,273</u>	<u>\$ (75)</u>	<u>\$ (18)</u>	<u>\$ 7</u>	<u>\$ 158</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, 2010
(In Thousands)

	<u>Sidewalk Grant</u>	<u>Hoagland Road Project</u>	<u>Martin Luther King Phase II</u>	<u>Section 8 HAPP Fund</u>
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ -
Permits, Fees and Special Assessments	-	-	-	-
Intergovernmental Revenues	-	17	-	-
Charges for Services	-	-	-	-
Investment Income	-	-	-	-
Miscellaneous Revenues	-	-	46	-
Total Revenues	<u>-</u>	<u>17</u>	<u>46</u>	<u>-</u>
EXPENDITURES				
Current:				
General Government	-	-	-	-
Public Safety	-	-	-	-
Transportation	2	358	-	-
Economic Environment	-	-	-	-
Culture and Recreation	-	-	-	-
Debt Service:				
Principal Retirement	-	-	-	-
Interest and Fiscal Charges	-	-	-	-
Total Expenditures	<u>2</u>	<u>358</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(2)</u>	<u>(341)</u>	<u>46</u>	<u>-</u>
OTHER FINANCING SOURCES and (USES)				
Transfers In	2	-	241	-
Transfers (Out)	-	-	-	-
Issuance of Notes/Bonds/ Refunded Bonds Payable	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources and (Uses)	<u>2</u>	<u>-</u>	<u>241</u>	<u>-</u>
Net Change in Fund Balances	-	(341)	287	-
Fund Balances (Deficits) - Beginning	<u>-</u>	<u>325</u>	<u>(285)</u>	<u>12</u>
Fund Balances (Deficits) - Ending	<u>\$ -</u>	<u>\$ (16)</u>	<u>\$ 2</u>	<u>\$ 12</u>

Police and Firefighters Premium Tax Trust	Dyer Boulevard Pavement Rehabilitation	Supplementary Care	Total Nonmajor Special Revenue Funds
\$ -	\$ -	\$ -	\$ 8,814
-	-	-	3,909
918	-	-	9,799
-	-	-	465
-	-	3	39
-	-	28	289
<u>918</u>	<u>-</u>	<u>31</u>	<u>23,315</u>
-	-	-	4,201
918	-	-	1,972
-	1	-	3,358
-	-	-	2,789
-	-	-	1,081
-	-	-	66
-	-	-	11
<u>918</u>	<u>1</u>	<u>-</u>	<u>13,478</u>
<u>-</u>	<u>(1)</u>	<u>31</u>	<u>9,837</u>
-	-	-	727
-	-	-	(19,095)
-	-	-	7,355
-	-	-	(11,013)
-	(1)	31	(1,176)
-	-	624	7,764
<u>\$ -</u>	<u>\$ (1)</u>	<u>\$ 655</u>	<u>\$ 6,588</u>

CITY OF KISSIMMEE, FLORIDA
BUDGETARY COMPARISON SCHEDULE
ENERGY EFFICIENCY AND CONSERVATION BLOCK GRANT
For the Year Ended September 30, 2010
(In Thousands)

	<u>Budget</u>	<u>Actual Amounts</u>	<u>Variance with Budget - Over (Under)</u>
REVENUES			
Intergovernmental Revenues	\$ 606	\$ 204	\$ (402)
Total Revenues	<u>606</u>	<u>204</u>	<u>(402)</u>
EXPENDITURES			
General Government			
Personal Services	27	6	(21)
Capital Outlay	16	16	-
Public Safety			
Operating	33	-	(33)
Capital Outlay	164	107	(57)
Transportation			
Operating	28	-	(28)
Capital Outlay	259	-	(259)
Culture and Recreation			
Capital Outlay	79	79	-
Total Expenditures	<u>606</u>	<u>208</u>	<u>(398)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>-</u>	<u>(4)</u>	<u>(4)</u>
 Net Change in Fund Balance	 -	 (4)	 (4)
Fund Balance (Deficit) - Beginning	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance (Deficit) - Ending	<u>\$ -</u>	<u>\$ (4)</u>	<u>\$ (4)</u>

CITY OF KISSIMMEE, FLORIDA
BUDGETARY COMPARISON SCHEDULE
JUSTICE ASSISTANCE GRANT
For the Year Ended September 30, 2010
(In Thousands)

	<u>Budget</u>	<u>Actual Amounts</u>	<u>Variance with Budget - Over (Under)</u>
REVENUES			
Intergovernmental Revenues	\$ 279	\$ 207	\$ (72)
Total Revenues	<u>279</u>	<u>207</u>	<u>(72)</u>
EXPENDITURES			
General Government			
Personal Services	-	1	1
Public Safety			
Personal Services	270	198	(72)
Operating	123	98	(25)
Capital Outlay	102	99	(3)
Total Expenditures	<u>495</u>	<u>396</u>	<u>(99)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(216)</u>	<u>(189)</u>	<u>27</u>
OTHER FINANCING SOURCES			
Transfers In	147	333	186
Total Other Financing Sources	<u>147</u>	<u>333</u>	<u>186</u>
Net Change in Fund Balance	(69)	144	75
Fund Balance (Deficit) - Beginning	<u>69</u>	<u>(152)</u>	<u>(221)</u>
Fund Balance (Deficit) - Ending	<u>\$ -</u>	<u>\$ (8)</u>	<u>\$ (8)</u>

CITY OF KISSIMMEE, FLORIDA
BUDGETARY COMPARISON SCHEDULE
UTILITY TAX FUND
For the Year Ended September 30, 2010
(In Thousands)

	<u>Budget</u>	<u>Actual Amounts</u>	<u>Variance with Budget - Over (Under)</u>
REVENUES			
Taxes	\$ 6,420	\$ 6,439	\$ 19
Total Revenues	<u>6,420</u>	<u>6,439</u>	<u>19</u>
EXPENDITURES			
General Government Operating	<u>75</u>	<u>40</u>	<u>(35)</u>
Total Expenditures	<u>75</u>	<u>40</u>	<u>(35)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>6,345</u>	<u>6,399</u>	<u>54</u>
OTHER FINANCING (USES)			
Transfers (Out)	<u>(6,420)</u>	<u>(6,401)</u>	<u>19</u>
Total Other Financing (Uses)	<u>(6,420)</u>	<u>(6,401)</u>	<u>19</u>
Net Change in Fund Balance	(75)	(2)	73
Fund Balance - Beginning	<u>75</u>	<u>699</u>	<u>624</u>
Fund Balance - Ending	<u>\$ -</u>	<u>\$ 697</u>	<u>\$ 697</u>

CITY OF KISSIMMEE, FLORIDA
BUDGETARY COMPARISON SCHEDULE
RENEE TERRACE
For the Year Ended September 30, 2010
(In Thousands)

	<u>Budget</u>	<u>Actual Amounts</u>	<u>Variance with Budget - Over (Under)</u>
REVENUES			
Intergovernmental Revenues	\$ -	\$ 388	\$ 388
Total Revenues	<u>-</u>	<u>388</u>	<u>388</u>
EXPENDITURES			
Transportation			
Capital Outlay	<u>472</u>	<u>461</u>	<u>(11)</u>
Total Expenditures	<u>472</u>	<u>461</u>	<u>(11)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(472)</u>	<u>(73)</u>	<u>399</u>
Net Change in Fund Balance	(472)	(73)	399
Fund Balance - Beginning	<u>472</u>	<u>147</u>	<u>(325)</u>
Fund Balance - Ending	<u>\$ -</u>	<u>\$ 74</u>	<u>\$ 74</u>

CITY OF KISSIMMEE, FLORIDA
BUDGETARY COMPARISON SCHEDULE
RECREATION IMPACT FEE FUND
For the Year Ended September 30, 2010
(In Thousands)

	<u>Budget</u>	<u>Actual Amounts</u>	<u>Variance with Budget - Over (Under)</u>
REVENUES			
Permits, Fees and Special Assessments	\$ 54	\$ 38	\$ (16)
Investment Income	5	-	(5)
Total Revenues	<u>59</u>	<u>38</u>	<u>(21)</u>
EXPENDITURES			
Culture and Recreation			
Capital Outlay	<u>120</u>	<u>115</u>	<u>(5)</u>
Total Expenditures	<u>120</u>	<u>115</u>	<u>(5)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(61)</u>	<u>(77)</u>	<u>(16)</u>
Net Change in Fund Balance	(61)	(77)	(16)
Fund Balance (Deficit) - Beginning	<u>61</u>	<u>(160)</u>	<u>(221)</u>
Fund Balance (Deficit) - Ending	<u>\$ -</u>	<u>\$ (237)</u>	<u>\$ (237)</u>

CITY OF KISSIMMEE, FLORIDA
BUDGETARY COMPARISON SCHEDULE
TRANSPORTATION IMPACT FEE FUND
For the Year Ended September 30, 2010
(In Thousands)

	<u>Budget</u>	<u>Actual Amounts</u>	<u>Variance with Budget - Over (Under)</u>
REVENUES			
Permits, Fees and Special Assessments	\$ 250	\$ 604	\$ 354
Investment Income	5	6	1
Total Revenues	<u>255</u>	<u>610</u>	<u>355</u>
EXPENDITURES			
Transportation			
Capital Outlay	2,087	23	(2,064)
Total Expenditures	<u>2,087</u>	<u>23</u>	<u>(2,064)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(1,832)</u>	<u>587</u>	<u>2,419</u>
OTHER FINANCING (USES)			
Transfers (Out)	(93)	(18)	75
Total Other Financing (Uses)	<u>(93)</u>	<u>(18)</u>	<u>75</u>
Net Change in Fund Balance	(1,925)	569	2,494
Fund Balance - Beginning	<u>1,925</u>	<u>728</u>	<u>(1,197)</u>
Fund Balance - Ending	<u>\$ -</u>	<u>\$ 1,297</u>	<u>\$ 1,297</u>

CITY OF KISSIMMEE, FLORIDA
BUDGETARY COMPARISON SCHEDULE
FIRE ASSESSMENT FEE FUND
For the Year Ended September 30, 2010
(In Thousands)

	Budget	Actual Amounts	Variance with Budget - Over (Under)
REVENUES			
Permits, Fees and Special Assessments	\$ 3,023	\$ 2,782	\$ (241)
Total Revenues	3,023	2,782	(241)
EXPENDITURES			
General Government			
Operating	19	11	(8)
Total Expenditures	19	11	(8)
Excess (Deficiency) of Revenues Over (Under) Expenditures	3,004	2,771	(233)
OTHER FINANCING (USES)			
Transfers (Out)	(3,008)	(2,769)	239
Total Other Financing (Uses)	(3,008)	(2,769)	239
Net Change in Fund Balance	(4)	2	6
Fund Balance - Beginning	4	1	(3)
Fund Balance - Ending	\$ -	\$ 3	\$ 3

CITY OF KISSIMMEE, FLORIDA
BUDGETARY COMPARISON SCHEDULE
NEIGHBORHOOD STABILIZATION PROGRAM
For the Year Ended September 30, 2010
(In Thousands)

	<u>Budget</u>	<u>Actual</u>	<u>Amount</u>	<u>Variance with Budget - Over (Under)</u>
REVENUES				
Intergovernmental Revenues	\$ 254	\$ 1,665		\$ 1,411
Total Revenues	<u>254</u>	<u>1,664</u>		<u>1,610</u>
EXPENDITURES				
Economic Environment				
Personal Services	1	24		23
Operating	29	1,640		1,611
Capital Outlay	17	-		(17)
Total Expenditures	<u>47</u>	<u>1,664</u>		<u>1,617</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>207</u>	<u>200</u>		<u>(7)</u>
OTHER FINANCING (USES)				
Transfers (Out)	(207)	-		207
Total Other Financing (Uses)	<u>(207)</u>	<u>-</u>		<u>207</u>
Net Change in Fund Balance	-	200		200
Fund Balance (Deficit) - Beginning	<u>-</u>	<u>(2)</u>		<u>(2)</u>
Fund Balance - Ending	<u>\$ -</u>	<u>\$ 198</u>		<u>\$ 198</u>

CITY OF KISSIMMEE, FLORIDA
BUDGETARY COMPARISON SCHEDULE
BUILDING DIVISION
For the Year Ended September 30, 2010
(In Thousands)

	<u>Budget</u>	<u>Actual Amounts</u>	<u>Variance with Budget - Over (Under)</u>
REVENUES			
Permits, Fees and Special Assessments	\$ 368	\$ 321	\$ (47)
Charges for Services	179	108	(71)
Investment Income	1	-	(1)
Total Revenues	<u>548</u>	<u>429</u>	<u>(119)</u>
EXPENDITURES			
Public Safety			
Personal Services	549	445	(104)
Operating	55	43	(12)
Total Expenditures	<u>604</u>	<u>488</u>	<u>(116)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(56)</u>	<u>(59)</u>	<u>(3)</u>
OTHER FINANCING SOURCES			
Transfers In	30	30	-
Total Other Financing Sources	<u>30</u>	<u>30</u>	<u>-</u>
Net Change in Fund Balance	(26)	(29)	(3)
Fund Balance - Beginning	<u>26</u>	<u>95</u>	<u>69</u>
Fund Balance - Ending	<u>\$ -</u>	<u>\$ 66</u>	<u>\$ 66</u>

CITY OF KISSIMMEE, FLORIDA
BUDGETARY COMPARISON SCHEDULE
COMMUNITY DEVELOPMENT BLOCK GRANT
For the Year Ended September 30, 2010
(In Thousands)

	<u>Budget</u>	<u>Actual Amounts</u>	<u>Variance with Budget - Over (Under)</u>
REVENUES			
Intergovernmental Revenues	\$ 782	\$ 611	\$ (171)
Total Revenues	<u>782</u>	<u>611</u>	<u>(171)</u>
EXPENDITURES			
Economic Environment			
Personal Services	179	150	(29)
Operating	516	92	(424)
Capital Outlay	339	143	(196)
Total Expenditures	<u>1,034</u>	<u>385</u>	<u>(649)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(252)</u>	<u>226</u>	<u>478</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	-	14	14
Transfers (Out)	(253)	(253)	-
Total Other Financing Sources and (Uses)	<u>(253)</u>	<u>(239)</u>	<u>14</u>
Net Change in Fund Balance	(505)	(13)	(518)
Fund Balance (Deficit) - Beginning	<u>505</u>	<u>(260)</u>	<u>(765)</u>
Fund Balance (Deficit) - Ending	<u>\$ -</u>	<u>\$ (273)</u>	<u>\$ (273)</u>

CITY OF KISSIMMEE, FLORIDA
BUDGETARY COMPARISON SCHEDULE
COLUMBIA AVENUE CULVERT PROJECT
For the Year Ended September 30, 2010
(In Thousands)

	<u>Budget</u>	<u>Actual Amounts</u>	<u>Variance with Budget - Over (Under)</u>
REVENUES			
Intergovernmental Revenues	\$ 242	\$ -	\$ (242)
Total Revenues	<u>242</u>	<u>-</u>	<u>(242)</u>
EXPENDITURES			
Transportation			
Capital Outlay	298	34	(264)
Total Expenditures	<u>298</u>	<u>34</u>	<u>(264)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(56)</u>	<u>(34)</u>	<u>22</u>
OTHER FINANCING SOURCES			
Transfers In	56	56	-
Total Other Financing Sources	<u>56</u>	<u>56</u>	<u>-</u>
Net Change in Fund Balance	-	22	22
Fund Balance - Beginning	-	-	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ 22</u>	<u>\$ 22</u>

CITY OF KISSIMMEE, FLORIDA
BUDGETARY COMPARISON SCHEDULE
ASSISTANCE TO FIREFIGHTERS GRANT
For the Year Ended September 30, 2010
(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			
Public Safety			
Operating	11	11	-
Total Expenditures	<u>11</u>	<u>11</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(11)</u>	<u>(11)</u>	<u>-</u>
OTHER FINANCING SOURCES			
Transfers In	11	11	-
Total Other Financing Sources	<u>11</u>	<u>11</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
LOCAL OPTION GAS TAX
For the Year Ended September 30, 2010
(In Thousands)

	<u>Budget</u>	<u>Actual Amounts</u>	<u>Variance with Budget - Over (Under)</u>
REVENUES			
Taxes	\$ 2,395	\$ 2,375	\$ (20)
Charges for Services	5	6	1
Investment Income	25	20	(5)
Miscellaneous Revenues	1	16	15
Total Revenues	<u>2,426</u>	<u>2,417</u>	<u>(9)</u>
EXPENDITURES			
Transportation			
Personal Services	613	602	(11)
Operating	814	169	(645)
Capital Outlay	6,070	1,509	(4,561)
Total Expenditures	<u>7,497</u>	<u>2,280</u>	<u>(5,217)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(5,071)</u>	<u>137</u>	<u>5,208</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	40	40	-
Transfers (Out)	(736)	(1,655)	919
Total Other Financing Sources and (Uses)	<u>(696)</u>	<u>(1,615)</u>	<u>919</u>
Net Change in Fund Balance	(5,767)	(1,478)	4,289
Fund Balance - Beginning	<u>5,767</u>	<u>4,234</u>	<u>(1,533)</u>
Fund Balance - Ending	<u>\$ -</u>	<u>\$ 2,756</u>	<u>\$ 2,756</u>

CITY OF KISSIMMEE, FLORIDA
BUDGETARY COMPARISON SCHEDULE
PAVING ASSESSMENTS
For the Year Ended September 30, 2010
(In Thousands)

	<u>Budget</u>	<u>Actual Amounts</u>	<u>Variance with Budget - Over (Under)</u>
REVENUES			
Permits, Fees and Special Assessments	\$ 50	\$ 164	\$ 114
Total Revenues	<u>50</u>	<u>164</u>	<u>114</u>
EXPENDITURES			
Transportation			
Operating	14	124	110
Total Expenditures	<u>14</u>	<u>124</u>	<u>110</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>36</u>	<u>40</u>	<u>4</u>
OTHER FINANCING (USES)			
Transfers (Out)	(40)	(40)	-
Total Other Financing (Uses)	<u>(40)</u>	<u>(40)</u>	<u>-</u>
Net Change in Fund Balance	(4)	-	4
Fund Balance - Beginning	<u>4</u>	<u>-</u>	<u>(4)</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, 2010
(In Thousands)

	<u>Budget</u>	<u>Actual Amounts</u>	<u>Variance with Budget - Over (Under)</u>
REVENUES			
Intergovernmental Revenues	\$ 5,000	\$ 4,875	\$ (125)
Investment Income	5	6	1
Total Revenues	<u>5,005</u>	<u>4,881</u>	<u>(124)</u>
EXPENDITURES			
General Government			
Operating	4,308	4,127	(181)
Debt Service			
Principal Retirement	66	66	-
Interest and Fiscal Charges	11	11	-
Total Expenditures	<u>4,385</u>	<u>4,204</u>	<u>(181)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>620</u>	<u>677</u>	<u>57</u>
OTHER FINANCING SOURCES AND (USES)			
Transfers (Out)	(572)	(7,937)	(7,365)
Issuance of Notes Payable	-	7,355	7,355
Total Other Financing Sources and (Uses)	<u>(572)</u>	<u>(582)</u>	<u>(10)</u>
Net Change in Fund Balance	48	95	47
Fund Balance - Beginning	<u>(48)</u>	<u>1,178</u>	<u>1,226</u>
Fund Balance - Ending	<u>\$ -</u>	<u>\$ 1,273</u>	<u>\$ 1,273</u>

CITY OF KISSIMMEE, FLORIDA
BUDGETARY COMPARISON SCHEDULE
HAZARD MITIGATION GRANT PROGRAM
For the Year Ended September 30, 2010
(In Thousands)

	<u>Budget</u>	<u>Actual Amounts</u>	<u>Variance with Budget - Over (Under)</u>
REVENUES			
Intergovernmental Revenues	\$ -	\$ 114	\$ 114
Total Revenues	<u>-</u>	<u>114</u>	<u>114</u>
EXPENDITURES			
General Government			
Capital Outlay	18	-	(18)
Public Safety			
Capital Outlay	108	-	(108)
Transportation			
Capital Outlay	75	75	-
Culture and Recreation			
Capital Outlay	20	20	-
Total Expenditures	<u>221</u>	<u>95</u>	<u>(126)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(221)</u>	<u>19</u>	<u>240</u>
Net Change in Fund Balance	(221)	19	240
Fund Balance (Deficit) - Beginning	<u>221</u>	<u>(94)</u>	<u>(315)</u>
Fund Balance (Deficit) - Ending	<u>\$ -</u>	<u>\$ (75)</u>	<u>\$ (75)</u>

CITY OF KISSIMMEE, FLORIDA
BUDGETARY COMPARISON SCHEDULE
FDLE GRANT FOR PUBLIC EDUCATION
For the Year Ended September 30, 2010
(In Thousands)

	<u>Budget</u>	<u>Actual Amounts</u>	<u>Variance with Budget - Over (Under)</u>
REVENUES			
Intergovernmental Revenues	\$ 66	\$ 35	\$ (31)
Total Revenues	<u>66</u>	<u>35</u>	<u>(31)</u>
EXPENDITURES			
Public Safety			
Personal Services	54	46	(8)
Operating	10	7	(3)
Capital Outlay	2	-	(2)
Total Expenditures	<u>66</u>	<u>53</u>	<u>(13)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>-</u>	<u>(18)</u>	<u>(18)</u>
Net Change in Fund Balance	-	(18)	(18)
Fund Balance - Beginning	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance (Deficit) - Ending	<u>\$ -</u>	<u>\$ (18)</u>	<u>\$ (18)</u>

CITY OF KISSIMMEE, FLORIDA
BUDGETARY COMPARISON SCHEDULE
HURRICANE HOUSING RECOVERY PROGRAM TRUST
For the Year Ended September 30, 2010
(In Thousands)

	<u>Budget</u>	<u>Actual Amounts</u>	<u>Variance with Budget - Over (Under)</u>
REVENUES			
Intergovernmental Revenues	\$ -	\$ 765	\$ 765
Investment Income	-	2	2
Total Revenues	<u>-</u>	<u>767</u>	<u>767</u>
EXPENDITURES			
Economic Environment			
Personal Services	41	29	(12)
Operating	320	504	184
Capital Outlay	766	207	(559)
Total Expenditures	<u>1,127</u>	<u>740</u>	<u>(387)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(1,127)</u>	<u>27</u>	<u>1,154</u>
OTHER FINANCING (USES)			
Transfers (Out)	(22)	(22)	-
Total Other Financing (Uses)	<u>(22)</u>	<u>(22)</u>	<u>-</u>
Net Change in Fund Balance	(1,149)	5	1,154
Fund Balance - Beginning	<u>1,149</u>	<u>2</u>	<u>(1,147)</u>
Fund Balance - Ending	<u>\$ -</u>	<u>\$ 7</u>	<u>\$ 7</u>

CITY OF KISSIMMEE, FLORIDA
BUDGETARY COMPARISON SCHEDULE
CIVIC CENTER
For the Year Ended September 30, 2010
(In Thousands)

	<u>Budget</u>	<u>Actual Amounts</u>	<u>Variance with Budget - Over (Under)</u>
REVENUES			
Charges for Services	\$ 299	\$ 351	\$ 52
Investment Income	4	2	(2)
Total Revenues	<u>303</u>	<u>353</u>	<u>50</u>
EXPENDITURES			
Culture and Recreation			
Personal Services	507	476	(31)
Operating	326	357	31
Capital Outlay	54	34	(20)
Total Expenditures	<u>887</u>	<u>867</u>	<u>(20)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(584)</u>	<u>(514)</u>	<u>70</u>
Net Change in Fund Balance	(584)	(514)	70
Fund Balance - Beginning	<u>584</u>	<u>672</u>	<u>88</u>
Fund Balance - Ending	<u>\$ -</u>	<u>\$ 158</u>	<u>\$ 158</u>

CITY OF KISSIMMEE, FLORIDA
BUDGETARY COMPARISON SCHEDULE
SIDEWALK GRANT
For the Year Ended September 30, 2010
(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	13	2	(11)
Total Expenditures	<u>13</u>	<u>2</u>	<u>(11)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(13)</u>	<u>(2)</u>	<u>11</u>
OTHER FINANCING SOURCES			
Transfers In	-	2	2
Total Other Financing Sources	<u>-</u>	<u>2</u>	<u>2</u>
Net Change in Fund Balance	(13)	-	13
Fund Balance - Beginning	<u>13</u>	<u>-</u>	<u>(13)</u>
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF KISSIMMEE, FLORIDA
BUDGETARY COMPARISON SCHEDULE
HOAGLAND BOULEVARD PROJECT
For the Year Ended September 30, 2010
(In Thousands)

	<u>Budget</u>	<u>Actual Amounts</u>	<u>Variance with Budget - Over (Under)</u>
REVENUES			
Intergovernmental Revenues	\$ -	\$ 17	\$ 17
Total Revenues	<u>-</u>	<u>17</u>	<u>17</u>
EXPENDITURES			
Transportation			
Capital Outlay	1,302	358	(944)
Total Expenditures	<u>1,302</u>	<u>358</u>	<u>(944)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(1,302)</u>	<u>(341)</u>	<u>961</u>
Net Change in Fund Balance	(1,302)	(341)	961
Fund Balance - Beginning	<u>1,302</u>	<u>325</u>	<u>(977)</u>
Fund Balance - Ending	<u>\$ -</u>	<u>\$ (16)</u>	<u>\$ (16)</u>

CITY OF KISSIMMEE, FLORIDA
BUDGETARY COMPARISON SCHEDULE
MARTIN LUTHER KING PHASE II
For the Year Ended September 30, 2010
(In Thousands)

	<u>Budget</u>	<u>Actual Amounts</u>	<u>Variance with Budget - Over (Under)</u>
REVENUES			
Miscellaneous Revenues	\$ -	\$ 46	\$ 46
Total Revenues	<u>-</u>	<u>46</u>	<u>46</u>
EXPENDITURES			
Transportation			
Capital Outlay	139	-	(139)
Total Expenditures	<u>139</u>	<u>-</u>	<u>(139)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(139)</u>	<u>46</u>	<u>185</u>
OTHER FINANCING SOURCES			
Transfers In	-	241	241
Total Other Financing Sources	<u>-</u>	<u>241</u>	<u>241</u>
Net Change in Fund Balance	(139)	287	148
Fund Balance (Deficit) - Beginning	<u>139</u>	<u>(285)</u>	<u>(424)</u>
Fund Balance - Ending	<u>\$ -</u>	<u>\$ 2</u>	<u>\$ 2</u>

CITY OF KISSIMMEE, FLORIDA
BUDGETARY COMPARISON SCHEDULE
SECTION 8 H.A.P.P.
For the Year Ended September 30, 2010
(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>

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CITY OF KISSIMMEE, FLORIDA
COMBINING BALANCE SHEET
NONMAJOR DEBT SERVICE FUNDS
September 30, 2010
(In Thousands)

	<u>FmHA Bond</u>	<u>2005 Revenue Note</u>	<u>2004 CRA Note</u>	<u>2006 Revenue Note</u>
ASSETS				
Cash and Cash Equivalents	\$ 45	\$ -	\$ -	\$ 494
Investments	-	-	-	8
Total Assets	<u>\$ 45</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 502</u>
LIABILITIES				
Accrued Interest Payable	\$ -	\$ -	\$ -	\$ 157
Bonds/Notes Payable - Current	-	-	-	345
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>502</u>
FUND BALANCES				
Reserved for:				
Debt Service	45	-	-	-
Total Fund Balances	<u>45</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Liabilities and Fund Balances	<u>\$ 45</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 502</u>

<u>2009A Revenue Note</u>	<u>2008 Revenue Note</u>	<u>2000A Revenue Note</u>	<u>2001 Revenue Note</u>	<u>2001A Revenue Note</u>	<u>2010A Refunding Revenue Note</u>	<u>Total Nonmajor Debt Service Funds</u>
\$ 488	\$ 387	\$ -	\$ -	\$ 387	\$ -	\$ 1,801
<u>7</u>	<u>6</u>	<u>-</u>	<u>-</u>	<u>6</u>	<u>-</u>	<u>27</u>
<u>\$ 495</u>	<u>\$ 393</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 393</u>	<u>\$ -</u>	<u>\$ 1,828</u>
\$ 74	\$ 53	\$ -	\$ -	\$ 13	\$ -	\$ 297
<u>420</u>	<u>340</u>	<u>-</u>	<u>-</u>	<u>380</u>	<u>-</u>	<u>1,485</u>
<u>494</u>	<u>393</u>	<u>-</u>	<u>-</u>	<u>393</u>	<u>-</u>	<u>1,782</u>
<u>1</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>46</u>
<u>1</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>46</u>
<u>\$ 495</u>	<u>\$ 393</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 393</u>	<u>\$ -</u>	<u>\$ 1,828</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, 2010
(In Thousands)

	<u>FmHA Bond</u>	<u>2005 Revenue Note</u>	<u>2004 CRA Note</u>	<u>2006 Revenue Note</u>
REVENUES				
Investment Income	\$ -	\$ -	\$ -	\$ -
Miscellaneous Revenues	-	-	-	-
Total Revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXPENDITURES				
Debt Service				
Principal Retirement	25	545	339	345
Interest and Fiscal Charges	20	395	37	314
Professional Fees	-	49	-	-
Total Expenditures	<u>45</u>	<u>989</u>	<u>376</u>	<u>659</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(45)</u>	<u>(989)</u>	<u>(376)</u>	<u>(659)</u>
OTHER FINANCING SOURCES AND (USES)				
Transfers In	45	10,398	376	628
Transfers (Out)	-	-	-	-
Issuance of Notes/Bonds/ Refunded Bonds Payable	-	-	-	-
Payment for Current Redemption	-	-	-	-
Payment to Refunded Bonds Escrow Agent	-	(9,455)	-	-
Total Other Financing Sources And (Uses)	<u>45</u>	<u>943</u>	<u>376</u>	<u>628</u>
Net Change in Fund Balances	-	(46)	-	(31)
Fund Balances - Beginning	<u>45</u>	<u>46</u>	<u>-</u>	<u>31</u>
Fund Balances - Ending	<u>\$ 45</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

<u>2009A Revenue Note</u>	<u>2008 Revenue Note</u>	<u>2000A Revenue Note</u>	<u>2001 Revenue Note</u>	<u>2001A Revenue Note</u>	<u>2010A Refunding Revenue Note</u>	<u>Total Nonmajor Debt Service Funds</u>
\$ 1	\$ -	\$ -	\$ 2	\$ -	\$ -	\$ 3
-	-	-	-	-	48	48
<u>1</u>	<u>-</u>	<u>-</u>	<u>2</u>	<u>-</u>	<u>48</u>	<u>51</u>
420	340	-	537	380	-	2,931
105	102	194	24	25	-	1,216
-	-	-	-	-	48	97
<u>525</u>	<u>442</u>	<u>194</u>	<u>561</u>	<u>405</u>	<u>48</u>	<u>4,244</u>
(524)	(442)	(194)	(559)	(405)	-	(4,193)
525	442	7,549	561	405	-	20,929
-	-	(54)	(80)	-	(9,500)	(9,634)
-	-	-	-	-	9,500	9,500
-	-	(7,355)	-	-	-	(7,355)
-	-	-	-	-	-	(9,455)
<u>525</u>	<u>442</u>	<u>140</u>	<u>481</u>	<u>405</u>	<u>-</u>	<u>3,985</u>
1	-	(54)	(78)	-	-	(208)
-	-	54	78	-	-	254
<u>\$ 1</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 46</u>

CITY OF KISSIMMEE, FLORIDA
BUDGETARY COMPARISON SCHEDULE
FmHA BOND
For the Year Ended September 30, 2010
(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	24	25	1
Interest and Fiscal Charges	<u>21</u>	<u>20</u>	<u>(1)</u>
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	<u>45</u>	<u>45</u>	<u>-</u>
Total Other Financing Sources	<u>45</u>	<u>45</u>	<u>-</u>
Net Change in Fund Balance	-	-	-
Fund Balance - Beginning	<u>-</u>	<u>45</u>	<u>45</u>
Fund Balance - Ending	<u>\$ -</u>	<u>\$ 45</u>	<u>\$ 45</u>

CITY OF KISSIMMEE, FLORIDA
BUDGETARY COMPARISON SCHEDULE
2005 REVENUE NOTE
For the Year Ended September 30, 2010
(In Thousands)

	<u>Budget</u>	<u>Actual Amounts</u>	<u>Variance with Budget - Over (Under)</u>
REVENUES			
Investment Income	\$ 1	\$ -	\$ (1)
Total Revenues	<u>1</u>	<u>-</u>	<u>(1)</u>
EXPENDITURES			
Debt Service			
Principal Retirement	545	545	-
Interest and Fiscal Charges	403	395	(8)
Professional Fees	<u>9</u>	<u>49</u>	<u>40</u>
Total Expenditures	<u>957</u>	<u>989</u>	<u>32</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(956)</u>	<u>(989)</u>	<u>(33)</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	957	10,398	9,441
Payment to Refunded Bonds Escrow Agent	<u>-</u>	<u>(9,455)</u>	<u>9,455</u>
Total Other Financing Sources and (Uses)	<u>957</u>	<u>943</u>	<u>(14)</u>
Net Change in Fund Balance	1	(46)	(47)
Fund Balance - Beginning	<u>(1)</u>	<u>46</u>	<u>47</u>
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF KISSIMMEE, FLORIDA
BUDGETARY COMPARISON SCHEDULE
2004 CRA NOTE
For the Year Ended September 30, 2010
(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	339	339	-
Interest and Fiscal Charges	56	37	(19)
Professional Fees	-	-	-
Total Expenditures	<u>395</u>	<u>376</u>	<u>(19)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(395)</u>	<u>(376)</u>	<u>19</u>
OTHER FINANCING SOURCES			
Transfers In	395	376	(19)
Total Other Financing Sources	<u>395</u>	<u>376</u>	<u>(19)</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, 2010
(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	345	345	-
Interest and Fiscal Charges	<u>314</u>	<u>314</u>	<u>-</u>
Total Expenditures	<u>659</u>	<u>659</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(659)</u>	<u>(659)</u>	<u>-</u>
OTHER FINANCING SOURCES			
Transfers In	<u>659</u>	<u>628</u>	<u>(31)</u>
Total Other Financing Sources	<u>659</u>	<u>628</u>	<u>(31)</u>
Net Change in Fund Balance	-	(31)	(31)
Fund Balance - Beginning	<u>-</u>	<u>31</u>	<u>31</u>
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF KISSIMMEE, FLORIDA
BUDGETARY COMPARISON SCHEDULE
2009A REVENUE NOTE
For the Year Ended September 30, 2010
(In Thousands)

	<u>Budget</u>	<u>Actual Amounts</u>	<u>Variance with Budget - Over (Under)</u>
REVENUES			
Investment Income	\$ 1	\$ 1	\$ -
Total Revenues	<u>1</u>	<u>1</u>	<u>-</u>
EXPENDITURES			
Debt Service			
Principal Retirement	420	420	-
Interest and Fiscal Charges	190	105	(85)
Professional Fees	<u>9</u>	<u>-</u>	<u>(9)</u>
Total Expenditures	<u>619</u>	<u>525</u>	<u>(94)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(618)</u>	<u>(524)</u>	<u>94</u>
OTHER FINANCING SOURCES			
Transfers In	<u>620</u>	<u>525</u>	<u>(95)</u>
Total Other Financing Sources	<u>620</u>	<u>525</u>	<u>(95)</u>
Net Change in Fund Balance	2	1	(1)
Fund Balance - Beginning	<u>(2)</u>	<u>-</u>	<u>2</u>
Fund Balance - Ending	<u>\$ -</u>	<u>\$ 1</u>	<u>\$ 1</u>

CITY OF KISSIMMEE, FLORIDA
BUDGETARY COMPARISON SCHEDULE
2008 REVENUE NOTE
For the Year Ended September 30, 2010
(In Thousands)

	<u>Budget</u>	<u>Actual Amounts</u>	<u>Variance with Budget - Over (Under)</u>
REVENUES			
Investment Income	\$ 1	\$ -	\$ (1)
Total Revenues	<u>1</u>	<u>-</u>	<u>(1)</u>
EXPENDITURES			
Debt Service			
Principal Retirement	340	340	-
Interest and Fiscal Charges	147	102	(45)
Professional Fees	<u>3</u>	<u>-</u>	<u>(3)</u>
Total Expenditures	<u>490</u>	<u>442</u>	<u>(48)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(489)</u>	<u>(442)</u>	<u>47</u>
OTHER FINANCING SOURCES			
Transfers In	<u>487</u>	<u>442</u>	<u>(45)</u>
Total Other Financing Sources	<u>487</u>	<u>442</u>	<u>(45)</u>
Net Change in Fund Balance	(2)	-	2
Fund Balance - Beginning	<u>2</u>	<u>-</u>	<u>(2)</u>
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF KISSIMMEE, FLORIDA
BUDGETARY COMPARISON SCHEDULE
2000A REVENUE NOTE
For the Year Ended September 30, 2010
(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	-	-	-
Interest and Fiscal Charges	<u>85</u>	<u>194</u>	<u>109</u>
Total Expenditures	<u>85</u>	<u>194</u>	<u>279</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(85)</u>	<u>(194)</u>	<u>(109)</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	85	7,549	7,464
Transfers (Out)	-	(54)	(54)
Payment for Current Redemption	<u>-</u>	<u>(7,355)</u>	<u>(7,355)</u>
Total Other Financing Sources and (Uses)	<u>85</u>	<u>140</u>	<u>55</u>
Net Change in Fund Balance	-	(54)	(54)
Fund Balance - Beginning	<u>-</u>	<u>54</u>	<u>54</u>
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF KISSIMMEE, FLORIDA
BUDGETARY COMPARISON SCHEDULE
2001 REVENUE NOTE
For the Year Ended September 30, 2010
(In Thousands)

	<u>Budget</u>	<u>Actual Amounts</u>	<u>Variance with Budget - Over (Under)</u>
REVENUES			
Investment Income	\$ 1	\$ 2	\$ 1
Total Revenues	<u>1</u>	<u>2</u>	<u>1</u>
EXPENDITURES			
Debt Service			
Principal Retirement	536	537	1
Interest and Fiscal Charges	25	24	(1)
Professional Fees	<u>9</u>	<u>-</u>	<u>(9)</u>
Total Expenditures	<u>570</u>	<u>561</u>	<u>(9)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(569)</u>	<u>(559)</u>	<u>10</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	570	561	(9)
Transfers (Out)	<u>-</u>	<u>(80)</u>	<u>80</u>
Total Other Financing Sources and (Uses)	<u>570</u>	<u>481</u>	<u>(89)</u>
Net Change in Fund Balance	1	(78)	(79)
Fund Balance - Beginning	<u>(1)</u>	<u>78</u>	<u>79</u>
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF KISSIMMEE, FLORIDA
BUDGETARY COMPARISON SCHEDULE
2001A REVENUE NOTE
For the Year Ended September 30, 2010
(In Thousands)

	<u>Budget</u>	<u>Actual</u> <u>Amounts</u>	<u>Variance with</u> <u>Budget -</u> <u>Over (Under)</u>
REVENUES			
Investment Income	\$ 1	\$ -	\$ (1)
Total Revenues	<u>1</u>	<u>-</u>	<u>(1)</u>
EXPENDITURES			
Debt Service			
Principal Retirement	380	380	-
Interest and Fiscal Charges	25	25	-
Professional Fees	<u>9</u>	<u>-</u>	<u>(9)</u>
Total Expenditures	<u>414</u>	<u>405</u>	<u>(9)</u>
Excess (Deficiency) of Revenues			
Over (Under) Expenditures	<u>(413)</u>	<u>(405)</u>	<u>8</u>
OTHER FINANCING SOURCES			
Transfers In	<u>415</u>	<u>405</u>	<u>(10)</u>
Total Other Financing			
Sources	<u>415</u>	<u>405</u>	<u>(10)</u>
Net Change in Fund Balance	2	-	(2)
Fund Balance - Beginning	<u>(2)</u>	<u>-</u>	<u>2</u>
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF KISSIMMEE, FLORIDA
COMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECTS FUNDS
September 30, 2010
(In Thousands)

	<u>2006 Capital Construction Note Project</u>	<u>2005 Capital Construction Note Project</u>	<u>Community Redevelopment Project</u>	<u>Total Nonmajor Capital Projects Funds</u>
ASSETS				
Restricted Assets				
Cash and Cash Equivalents	\$ -	\$ 373	\$ 174	\$ 547
Investments	<u>-</u>	<u>6</u>	<u>3</u>	<u>9</u>
Total Restricted Assets	<u>\$ -</u>	<u>\$ 379</u>	<u>\$ 177</u>	<u>\$ 556</u>
LIABILITIES				
Accounts Payable	\$ -	\$ 53	\$ 147	\$ 200
Contracts Payable	<u>-</u>	<u>61</u>	<u>30</u>	<u>91</u>
Total Liabilities	<u>-</u>	<u>114</u>	<u>177</u>	<u>291</u>
FUND BALANCES				
Reserves:				
Reserved for Capital Projects	<u>-</u>	<u>265</u>	<u>-</u>	<u>265</u>
Total Fund Balances	<u>-</u>	<u>265</u>	<u>-</u>	<u>265</u>
Total Liabilities and Fund Balances	<u>\$ -</u>	<u>\$ 379</u>	<u>\$ 177</u>	<u>\$ 556</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, 2010
(In Thousands)

	<u>2006 Capital Construction Note Project</u>	<u>2005 Capital Construction Note Project</u>	<u>Community Redevelopment Project</u>	<u>Total Nonmajor Capital Projects Funds</u>
REVENUES				
Investment Income	\$ 2	\$ 11	\$ 1	\$ 14
Total Revenues	<u>2</u>	<u>11</u>	<u>1</u>	<u>14</u>
EXPENDITURES				
Capital Outlay	<u>1,078</u>	<u>3,918</u>	<u>185</u>	<u>5,181</u>
Total Expenditures	<u>1,078</u>	<u>3,918</u>	<u>185</u>	<u>5,181</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(1,076)</u>	<u>(3,907)</u>	<u>(184)</u>	<u>(5,167)</u>
OTHER FINANCING SOURCES				
Transfers In	730	-	-	730
Issuance of Notes/Bonds/ Refunded Bonds Payable	<u>-</u>	<u>-</u>	<u>387</u>	<u>387</u>
Total Other Financing Sources	<u>730</u>	<u>-</u>	<u>387</u>	<u>1,117</u>
Net Change in Fund Balances	(346)	(3,907)	203	(4,050)
Fund Balances (Deficit) - Beginning	<u>346</u>	<u>4,172</u>	<u>(203)</u>	<u>4,315</u>
Fund Balances - Ending	<u>\$ -</u>	<u>\$ 265</u>	<u>\$ -</u>	<u>\$ 265</u>

CITY OF KISSIMMEE, FLORIDA
BUDGETARY COMPARISON SCHEDULE
2006 CAPITAL CONSTRUCTION NOTE PROJECT
For the Year Ended September 30, 2010
(In Thousands)

	<u>Budget</u>	<u>Actual Amounts</u>	<u>Variance with Budget - Over (Under)</u>
REVENUES			
Investment Income	\$ -	\$ 2	\$ 2
Total Revenues	<u>-</u>	<u>2</u>	<u>2</u>
EXPENDITURES			
Capital Outlay	1,798	1,078	(720)
Total Expenditures	<u>1,798</u>	<u>1,078</u>	<u>(720)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(1,798)</u>	<u>(1,076)</u>	<u>722</u>
OTHER FINANCING SOURCES			
Transfers In	-	730	730
Total Other Financing Sources	<u>-</u>	<u>730</u>	<u>730</u>
Net Change in Fund Balance	(1,798)	(346)	1,452
Fund Balance - Beginning	<u>1,798</u>	<u>346</u>	<u>(1,452)</u>
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF KISSIMMEE, FLORIDA
BUDGETARY COMPARISON SCHEDULE
2005 CONSTRUCTION NOTE CAPITAL PROJECT
For the Year Ended September 30, 2010
(In Thousands)

	<u>Budget</u>	<u>Actual Amounts</u>	<u>Variance with Budget - Over (Under)</u>
REVENUES			
Investment Income	\$ -	\$ 11	\$ 11
Total Revenues	<u>-</u>	<u>11</u>	<u>11</u>
EXPENDITURES			
Public Safety			
Capital Outlay	4,365	3,827	(538)
Transportation			
Capital Outlay	<u>179</u>	<u>91</u>	<u>(88)</u>
Total Expenditures	<u>4,544</u>	<u>3,918</u>	<u>(626)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(4,544)</u>	<u>(3,907)</u>	<u>637</u>
 Net Change in Fund Balance	 (4,544)	 (3,907)	 637
 Fund Balance - Beginning	 <u>4,544</u>	 <u>4,172</u>	 <u>(372)</u>
 Fund Balance - Ending	 <u>\$ -</u>	 <u>\$ 265</u>	 <u>\$ 265</u>

CITY OF KISSIMMEE, FLORIDA
BUDGETARY COMPARISON SCHEDULE
COMMUNITY REDEVELOPMENT PROJECT
For the Year Ended September 30, 2010
(In Thousands)

	<u>Budget</u>	<u>Actual Amounts</u>	<u>Variance with Budget - Over (Under)</u>
REVENUES			
Investment Income	\$ -	\$ 1	\$ 1
Total Revenues	<u>-</u>	<u>1</u>	<u>1</u>
EXPENDITURES			
Capital Outlay	184	185	1
Total Expenditures	<u>184</u>	<u>185</u>	<u>1</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(184)</u>	<u>(184)</u>	<u>-</u>
OTHER FINANCING SOURCES			
Issuance of Notes Payable	184	387	203
Total Other Financing Sources	<u>184</u>	<u>387</u>	<u>203</u>
Net Change in Fund Balance	-	203	203
Fund Balance (Deficit) - Beginning	<u>-</u>	<u>(203)</u>	<u>(203)</u>
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

INTERNAL SERVICE FUNDS

The City has two 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.

Risk Management

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

CITY OF KISSIMMEE, FLORIDA
COMBINING STATEMENT OF NET ASSETS
INTERNAL SERVICE FUNDS

September 30, 2010

(In Thousands)

	<u>Central Services</u>	<u>Risk Management</u>	<u>Total</u>
ASSETS			
Current Assets:			
Cash and Cash Equivalents	\$ 734	\$ 5,650	\$ 6,384
Investments	11	86	97
Accounts Receivable (net)	2	-	2
Due From KUA	4	-	4
Due From TWA	71	93	164
Inventories	145	-	145
Total Current Assets	<u>967</u>	<u>5,829</u>	<u>6,796</u>
Capital Assets:			
Land	140	-	140
Buildings	59	-	59
Improvements Other Than Building	551	115	666
Machinery, Equipment and Vehicles	2,536	522	3,058
Less Accumulated Depreciation	(3,286)	(319)	(3,605)
Total Capital Assets	<u>-</u>	<u>318</u>	<u>318</u>
Total Assets	<u>967</u>	<u>6,147</u>	<u>7,114</u>
LIABILITIES			
Current Liabilities:			
Accounts Payable	143	26	169
Accrued Liabilities	58	-	58
Compensated Absences Payable	25	-	25
Estimated Claims Payable	-	1,540	1,540
Total Current Liabilities	<u>226</u>	<u>1,566</u>	<u>1,792</u>
Noncurrent Liabilities:			
Compensated Absences Payable	99	-	99
Other Postemployment Benefits	101	-	101
Estimated Claims Payable	-	1,541	1,541
Total Noncurrent Liabilities	<u>200</u>	<u>1,541</u>	<u>1,741</u>
Total Liabilities	<u>426</u>	<u>3,107</u>	<u>3,533</u>
NET ASSETS			
Invested in Capital Assets	-	318	318
Unrestricted	541	2,722	3,263
Total Net Assets	<u>\$ 541</u>	<u>\$ 3,040</u>	<u>\$ 3,581</u>

CITY OF KISSIMMEE, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
INTERNAL SERVICE FUNDS
For The Year Ended September 30, 2010
(In Thousands)

	Central Services	Risk Management	Total
Operating Revenues:			
Charges for Services	\$ 4,294	\$ 1,888	\$ 6,182
Miscellaneous Revenues	17	-	17
Total Operating Revenues	4,311	1,888	6,199
Operating Expenses:			
Personal Services	2,064	42	2,106
Contracted Services	7	20	27
Supplies and Materials	173	8	181
Repairs and Maintenance	1,280	434	1,714
Other Services and Charges	524	190	714
Depreciation	23	23	46
Claims/Premium Expense	58	2,042	2,100
Total Operating Expenses	4,129	2,759	6,888
Operating Income (Loss)	182	(871)	(689)
Nonoperating Revenues:			
Investment Income (Loss)	(2)	24	22
Proceeds from Sale of Capital Assets	8	-	8
Insurance Recoveries	-	424	424
Total Nonoperating Revenues	6	448	454
Income Before Transfers	188	(423)	(235)
Transfers (Out)	(1,650)	-	(1,650)
Change in Net Assets	(1,462)	(423)	(1,885)
Total Net Assets - Beginning	2,003	3,463	5,466
Total Net Assets - Ending	\$ 541	\$ 3,040	\$ 3,581

CITY OF KISSIMMEE, FLORIDA
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
For The Year Ended September 30, 2010
(In Thousands)

	<u>Central</u>	<u>Risk</u>	<u>Total</u>
	<u>Services</u>	<u>Management</u>	
Cash Flows from Operating Activities			
Receipts from Customers and Users	\$ 4,325	\$ 1,857	\$ 6,182
Payments to Suppliers	(1,910)	(2,418)	(4,328)
Payments to Employees	(2,032)	(42)	(2,074)
Net Cash Provided (Used) by Operating Activities	<u>383</u>	<u>(603)</u>	<u>(220)</u>
Cash Flows from Noncapital Financing Activities			
Transfers (out)	(1,650)	-	(1,650)
Net Cash (Used) by Noncapital Financing Activities	<u>(1,650)</u>	<u>-</u>	<u>(1,650)</u>
Cash Flows from Capital and Related Financing Activities			
Acquisition/Construction of Capital Assets	(23)	(44)	(67)
Proceeds from Sales of Capital Assets	8	-	8
Proceeds from Insurance Recoveries	-	424	424
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(15)</u>	<u>380</u>	<u>365</u>
Cash Flows from Investing Activities			
Proceeds from sale and maturity of investments	90	211	301
Gain (loss) on Investments	(2)	24	22
Net Cash Provided by Investing Activities	<u>88</u>	<u>235</u>	<u>323</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(1,194)	12	(1,182)
Cash and Cash Equivalents at Beginning of Year	<u>1,928</u>	<u>5,638</u>	<u>7,566</u>
Cash and Cash Equivalents at End of Year	<u>\$ 734</u>	<u>\$ 5,650</u>	<u>\$ 6,384</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities			
Operating Income (Loss)	\$ 182	\$ (871)	\$ (689)
Depreciation	23	23	46
Change in Assets and Liabilities:			
(Increase) Decrease in Due from KUA	(4)	-	(4)
(Increase) Decrease in Due from TWA	117	(31)	86
(Increase) Decrease in Accounts Receivable	18	-	18
(Increase) Decrease in Inventories	14	-	14
Increase (Decrease) in Accounts Payable	(15)	(3)	(18)
Increase (Decrease) in Accrued Liabilities	(15)	-	(15)
Increase (Decrease) in Claims Payable	-	279	279
Increase (Decrease) in OPEB	51	-	51
Increase (Decrease) in Compensated Absences	12	-	12
Total Adjustments	<u>201</u>	<u>268</u>	<u>469</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ 383</u>	<u>\$ (603)</u>	<u>\$ (220)</u>

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

City of Kissimmee, Florida
Statistical Section
September 30, 2010

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

Financial Trends

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

Revenue Capacity

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

Debt Capacity

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

Demographic and Economic Information

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

Operating Information

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

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant years. The City implemented GASB Statement 34 in 2003; schedules presenting government-wide information include information beginning in that year.

Schedule 1
City of Kissimmee, Florida

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

Last Eight Fiscal Years

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

Schedule 2
City of Kissimmee, Florida

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

Last Eight Fiscal Years

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

Continued next page

Schedule 2
City of Kissimmee, Florida

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

Last Eight Fiscal Years

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

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

**Schedule 3
City of Kissimmee, Florida**

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

Last Ten Fiscal Years

	2001	2002	2003	2004	2005	2006
<u>General fund</u>						
Reserved	\$ 285	\$ 726	\$ 6	\$ 27	\$ 299	\$ 60
Unreserved	15,229	15,087	13,652	7,818	12,564	10,998
Total general fund	<u>\$ 15,514</u>	<u>\$ 15,813</u>	<u>\$ 13,658</u>	<u>\$ 7,845</u>	<u>\$ 12,863</u>	<u>\$ 11,058</u>
<u>All other governmental funds</u>						
Reserved	\$ 1,589	\$ 1,018	\$ 1,441	\$ 1,196	\$ 590	\$ 22,552
Unreserved (deficit), reported in:						
Special revenue funds	16,823	17,019	7,090	103	19	(1,167)
Debt service funds	-	-	-	-	(24)	(85)
Capital projects funds	1,653	2,066	1,815	400	351	(126)
Total all other governmental funds	<u>\$ 20,065</u>	<u>\$ 20,103</u>	<u>\$ 10,346</u>	<u>\$ 1,699</u>	<u>\$ 936</u>	<u>\$ 21,174</u>

2007	2008	2009	2010
\$ 318	\$ 217	\$ 186	\$ 153
9,867	13,567	13,240	17,341
\$ 10,185	\$ 13,784	\$ 13,426	\$ 17,494
\$ 17,140	\$ 19,592	\$ 17,773	\$ 15,168
(1,868)	1,055	(1,831)	124
-	(32)	-	-
(120)	(690)	(1,531)	-
\$ 15,152	\$ 19,925	\$ 14,411	\$ 15,292

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

	2001	2002	2003	2004	2005	2006
Revenues						
Taxes	\$ 17,500	\$ 18,984	\$ 20,342	\$ 21,358	\$ 24,912	\$ 29,602
Special assessments ¹	63	47	256	243	608	164
Impact fees ¹	630	484	1,238	1,262	995	856
Permits and fees	851	936	1,249	1,476	1,399	982
Intergovernmental revenues	15,383	14,032	17,499	22,374	31,921	28,135
Charges for services	4,179	4,441	5,014	4,875	6,245	6,919
Fines and forfeitures	1,012	961	736	754	604	1,191
Investment income (loss)	-	-	245	3,840	2,015	(1,465)
Miscellaneous revenues	4,677	1,797	376	632	726	1,088
Total revenues	\$ 44,295	\$ 41,682	\$ 46,955	\$ 56,814	\$ 69,425	\$ 67,472
Expenditures						
General government	\$ 9,901	\$ 9,286	\$ 14,695	\$ 13,477	\$ 13,524	\$ 16,499
Public safety	16,693	18,741	19,617	24,106	25,687	30,163
Physical environment	-	-	400	2,028	2,531	1,893
Transportation	5,785	7,402	9,913	13,782	9,763	13,099
Economic environment	390	582	9	24	11	-
Culture/Recreation	6,243	5,715	5,887	6,995	7,425	6,568
Debt service:						
Principal retirement	3,267	2,564	2,812	2,588	2,279	1,764
Interest and fiscal charges	-	-	1,011	1,242	1,271	1,133
Capital Outlay	-	-	67	77	897	-
Total expenditures	\$ 42,279	\$ 44,290	\$ 54,411	\$ 64,319	\$ 63,388	\$ 71,119
Excess of revenues over (under) expenditures	\$ 2,016	\$ (2,608)	\$ (7,456)	\$ (7,505)	\$ 6,037	\$ (3,647)
Other financing sources (uses)						
Transfers in	\$ 11,708	\$ 16,310	\$ 13,876	\$ -	\$ 10,191	\$ 12,074
Operating transfers to/from primary govt	-	(13,575)	-	-	-	-
Transfers (out)	(8,873)	-	(10,699)	-	(10,803)	(12,874)
Proceeds from sale of capital assets	-	-	-	-	-	-
Issuance of notes payable	-	-	-	-	927	10,570
Issuance of capital lease	-	-	-	-	-	708
Payment to bond escrow agent	-	-	-	-	-	-
Payment for current redemption	-	-	-	-	-	-
Total other financing sources (uses)	\$ 2,835	\$ 2,735	\$ 3,177	\$ -	\$ 315	\$ 10,478
Net change in fund balances	\$ 4,851	\$ 127	\$ (4,279)	\$ (7,505)	\$ 6,352	\$ 6,831
Debt service as a percentage of non-capital expenditures	11.8%	11.5%	8.7%	7.3%	6.7%	5.1%

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

	2007	2008	2009	2010
\$	34,022	\$ 31,453	\$ 29,005	\$ 29,789
	108	220	-	-
	2,665	870	-	-
	1,155	2,299	4,912	4,053
	32,874	29,431	26,779	31,040
	6,831	5,154	4,676	5,966
	616	653	962	1,860
	(10,299)	15,701	243	158
	1,041	931	838	765
\$	69,013	\$ 86,712	\$ 67,415	\$ 73,631
\$	18,373	\$ 17,197	\$ 18,929	\$ 18,095
	32,893	32,966	30,181	30,072
	789	82	-	2,912
	12,420	11,329	8,494	7,646
	1,663	2,223	1,047	2,789
	7,917	8,837	7,839	6,922
	2,207	2,316	2,868	3,144
	1,576	1,531	1,261	1,356
	10,019	2,534	3,436	8,038
\$	87,857	\$ 79,015	\$ 74,055	\$ 80,974
\$	(18,844)	\$ 7,697	\$ (6,640)	\$ (7,343)
\$	16,337	\$ 14,458	\$ 17,479	\$ 42,071
	-	-	-	-
	(17,412)	(14,230)	(17,306)	(40,241)
	-	-	-	780
	12,750	316	595	26,492
	274	131	-	-
	-	-	-	(9,455)
	-	-	-	(7,355)
\$	11,949	\$ 675	\$ 768	\$ 12,292
\$	(6,895)	\$ 8,372	\$ (5,872)	\$ 4,949
	6.2%	6.7%	6.9%	7.2%

**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		
2001	\$ 1,678,936	\$ 428,960	\$ 2,107,896	\$ 645,538	\$ 1,462,358
2002	1,921,562	437,878	2,359,440	728,200	1,631,240
2003	2,095,599	275,271	2,370,870	609,903	1,760,967
2004	2,244,433	292,546	2,536,979	622,230	1,914,749
2005	2,540,529	299,735	2,840,264	709,296	2,130,968
2006	2,992,078	422,169	3,414,247	924,602	2,489,645
2007	4,074,328	242,664	4,316,992	1,023,075	3,293,917
2008	5,071,750	255,499	5,327,249	1,533,362	3,793,887
2009	4,033,942	255,761	4,289,703	1,164,792	3,124,911
2010	3,018,690	231,486	3,250,176	848,389	2,401,787

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	\$ 1,462,358	144.144%
4.2953	1,631,240	144.641%
4.2953	1,760,967	134.635%
4.2953	1,914,749	132.497%
4.2953	2,130,968	133.285%
5.5453	2,489,645	137.138%
5.5453	3,293,917	131.060%
3.7058	3,793,887	140.417%
3.7058	3,124,911	137.274%
4.6253	2,401,787	135.323%

**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			
2001	4.295	5.995	0.500	9.231	0.413	0.284	20.718
2002	4.295	5.995	0.500	8.871	0.413	0.284	20.358
2003	4.295	5.995	0.500	8.812	0.413	0.284	20.299
2004	4.295	5.995	0.500	8.798	0.413	0.284	20.285
2005	4.295	5.995	0.500	8.514	0.413	0.284	20.001
2006	5.545	5.995	0.500	8.367	0.413	0.284	21.104
2007	5.545	5.995	0.500	8.251	0.413	0.284	20.988
2008	3.705	4.982	0.415	7.772	0.369	0.255	17.498
2009	3.705	5.358	0.377	7.513	0.369	0.255	17.577
2010	4.625	6.700	0.256	7.663	0.369	0.255	19.868

Source: Osceola County Tax Collector's Office.

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**Schedule 7
City of Kissimmee, Florida**

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

Current Year and Nine Years Ago

Property Description	Use	Taxpayer	Fiscal Year 2009 / 2010 (a)		
			Taxable Value	Percent of Total Taxable Value	Rank
Local hospital	Medical care	Osceola Regional Hospital, Inc.	\$ 81,916	26.36%	1
Condominiums	Timeshare sales	Oak Plantation Realty Partners	38,620	12.43%	2
Apartment complex	Rentals	G&I VI Vinyards LLC	32,207	10.36%	3
Retail store	Merchandising	Loop West LLC	34,394	11.07%	4
Retail store	Merchandising	Wal-Mart Stores, Inc.	29,949	9.64%	5
Retail store	Communications	Embarq (Sprint) Florida, Inc.	22,015	7.08%	6
Apartment complex	Rentals	Alliance HTFL Ltd Partnership	20,330	6.54%	7
Apartment complex	Rentals	Reef Club Apartments	17,566	5.65%	8
Apartment complex	Rentals	Fountainhead Phase 1, Inc.	16,948	5.45%	9
Apartment complex	Rentals	MPG Osceola Ltd.	16,856	5.42%	10
Commercial property	Office rentals	John H. Streicker, Trustee	-	-	-
Retail store	Merchandising	Osceola Square Properties	-	-	-
Apartment complex	Rentals	Tropical Isle LTD	-	-	-
Apartment complex	Rentals	Hideway Bay Apartments, Inc.	-	-	-
Apartment complex	Rentals	Kissimmee Osceola Land Assoc	-	-	-
Totals			<u>\$ 310,801</u>	<u>100.00%</u>	

- (a) The fiscal year ended September 30, 2010 tax levy is based on the 2009 taxable value.
(b) The fiscal year ended September 30, 2001 tax levy is based on the 2000 taxable value.

Source: Osceola County Property Appraiser's Office.

Fiscal Year 2000 / 2001 (b)			
	Taxable Value	Percent of Total Taxable Value	Rank
\$	41,247	19.61%	1
	39,790	18.92%	2
	-	-	
	-	-	
	14,394	6.84%	7
	31,306	14.88%	3
	-	-	
	-	-	
	11,818	5.62%	10
	-	-	
	15,393	7.32%	4
	14,902	7.08%	5
	14,509	6.90%	6
	13,838	6.58%	8
	13,146	6.25%	9
\$	210,343	100.00%	

Schedule 8

City of Kissimmee, Florida

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

Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>Total Tax Levy</u>	<u>Current Tax Collections</u>	<u>Percent of Levy Collected</u>	<u>Delinquent Tax Collections</u>	<u>Total Tax Collections</u>	<u>Total Collections as a Percent of Current Levy</u>
2001	\$ 6,281	\$ 6,051	96.3%	\$ 20	\$ 6,071	96.7%
2002	7,007	6,728	96.0%	16	6,744	96.2%
2003	7,564	7,201	95.2%	6	7,207	95.3%
2004	8,224	7,874	95.7%	26	7,900	96.1%
2005	9,588	8,845	92.3%	20	8,865	92.5%
2006	13,687	13,234	96.7%	6	13,240	96.7%
2007	18,269	16,692	91.4%	861	17,553	96.1%
2008	14,259	13,891	97.4%	119	14,010	98.3%
2009	17,442	17,224	98.8%	167	17,391	99.7%
2010	17,094	16,601	97.1%	204	16,805	98.3%

Source: Osceola County Tax Collector's Office.

Schedule 9
City of Kissimmee, Florida

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

Last Ten Fiscal Years

Fiscal Year	Governmental Activities		Total Primary Government	City of Kissimmee Personal Income	Percentage of Personal Income	Per Capita
	Excise Tax Revenue Bonds	Sales Tax Revenue Notes				
2001	\$ 555	\$ 13,103	\$ 13,658	\$ 985,928	1.4%	\$ 0.28
2002	538	10,844	11,382	1,016,705	1.1%	0.22
2003	520	3,639	4,159	1,064,739	0.4%	0.08
2004	501	6,390	6,891	1,162,419	0.6%	0.12
2005	482	4,900	5,382	1,248,029	0.4%	0.09
2006	462	14,008	14,470	1,330,024	1.1%	0.24
2007	441	15,224	15,665	1,411,023	1.1%	0.25
2008	417	12,708	13,125	1,467,894	0.9%	0.21
2009	394	11,466	11,860	1,463,350	0.8%	0.19
2010	369	18,880	19,249	1,272,818	1.5%	0.31

Sources: Population and personal income data from University of Florida, Bureau of Economic and Business Research published August 2010.
For the 2007 year, per capita income was calculated using an estimated 3% annual increase for CPI. For the 2008 year CPI increase was 1.81%.

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

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

Schedule 10
City of Kissimmee, Florida

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

September 30, 2010

Taxing District	Net Debt Outstanding	Estimated Overlapping (1)	City's Share of Debt
Osceola County School District			
Series 2001A dated 7/1/2001	\$ 925	15.4%	\$ 143
Series 2002A, dated 4/15/2002	625	15.4%	96
Series 2003A	1,515	15.4%	234
Series 2004A	1,240	15.4%	191
Series 2005A	6,780	15.4%	1,046
Series 2006A	1,610	15.4%	248
Series 2009ARFD	790	15.4%	122
District Revenue Bonds			
Sales Tax Revenue Bonds, Series 2001	1,680	15.4%	259
Sales Tax Revenue Bonds, Series 2007	74,350	15.4%	11,468
Certificates of Participation			
Series 2002A dated 4/1/2002	855	15.4%	132
Series 2004A	68,310	15.4%	10,536
Series 2005A	11,515	15.4%	1,776
Series 2007A and Series 2007B	62,135	15.4%	9,584
Series 2009A	32,330	15.4%	4,986
Qualified School Construction Bonds			
Series 2010A	40,500	15.4%	6,247
Classrooms First Loans			
Indian River County dated 7/1/2002	4,442	15.4%	685
Collier County dated 7/1/2002	16,327	15.4%	2,518
Education Benefits Districts			
Bellalago Benefit District	9,520	15.4%	1,468
Total Osceola County School District (1)	\$ 335,449	15.4%	\$ 51,739
Osceola County			
Limited General Obligation Debt	\$ 13,570	15.4%	\$ 2,093
Environmental Land, Series 2010	24,295	15.4%	3,747
Total Osceola County	\$ 37,865	15.4%	\$ 5,840
Total Overlapping Debt	\$ 373,314		\$ 57,579

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

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

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

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

Schedule 11
City of Kissimmee, Florida

PLEDGED REVENUE COVERAGE
(dollar amounts are expressed in thousands)

Last Ten Fiscal Years

Fiscal Year	Excise Tax Revenue Bonds				Sales Tax Revenue Bonds			
	Excise Tax Revenues	Debt Service Requirements		Coverage	Sales Tax Revenues	Debt Service Requirements		Coverage
		Principal	Interest			Principal	Interest	
2001	\$ 305	\$ 17	\$ 28	6.78	\$ 4,720	\$ 2,163	\$ 446	1.81
2002	282	18	28	6.13	5,180	2,259	582	1.82
2003	227	19	27	4.93	5,384	2,149	145	2.35
2004	145	19	26	3.22	5,807	-	233	24.92
2005	263	20	25	5.84	6,903	930	213	6.04
2006	200	21	24	4.44	6,243	934	189	5.56
2007	243	23	22	5.40	5,851	1,528	620	2.72
2008	203	24	21	4.51	5,790	1,493	520	2.88
2009	168	25	20	3.73	4,832	1,460	553	2.40
2010	177	26	18	4.02	4,980	1,336	533	2.66

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

Source: City of Kissimmee Finance Department.

**Schedule 12
City of Kissimmee, Florida**

DEMOGRAPHIC AND ECONOMIC STATISTICS

Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>Population (1)</u>	<u>Per Capita Personal Income (2)</u>	<u>Personal Income (2)</u>	<u>School Enrollment (3)</u>	<u>Unemployment Rate (4)</u>
2001	49,574	\$19,888	\$985,928	34,871	3.2%
2002	50,978	19,944	1,016,705	37,875	6.3%
2003	52,749	20,185	1,064,739	40,659	6.2%
2004	55,856	20,811	1,162,419	44,412	5.5%
2005	58,223	21,435	1,248,029	47,321	3.7%
2006	60,241	22,078	1,330,024	49,677	3.3%
2007	62,048	22,741	1,411,023	53,335	4.0%
2008	62,669	23,423	1,467,894	51,368	6.5%
2009	61,250	23,891	1,463,350	51,266	11.6%
2010	61,202	20,797	1,272,818	53,140	11.9%

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

**Schedule 13
City of Kissimmee, Florida**

PRINCIPAL EMPLOYERS ¹

Current Year and Nine Years Ago

<u>Employer</u>	<u>Business</u>	<u>Fiscal Year 2009 / 2010 (1)</u>			<u>Fiscal Year 2001 / 2002 (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	6,425	10.50%	1	2,700	4.82%	1
Walt Disney Company	Entertainment	3,700	6.05%	2	-		
Walmart	Retail	2,730	4.46%	3	-		
Osceola County Government	Government	1,529	2.50%	4	1,400	2.50%	2
Gaylord Palms	Resort	1,445	2.36%	5	-		
Osceola Regional Medical Center	Healthcare	1,357	2.22%	6	1,159	2.07%	3
Publix Supermarkets	Retail	1,350	2.21%	7	-		
Florida Hospital -Celebration	Healthcare	1,300	2.12%	8	794	1.42%	4
McLane/Suncoast, Inc.	Distribution	900	1.47%	9	-		
City of Kissimmee	Government	<u>646</u>	1.06%	10	<u>-</u>		
Total		<u>21,382</u>			<u>6,053</u>		

Sources: (1) Osceola County Office of Economic Development

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

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

**Schedule 14
City of Kissimmee, Florida**

FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION / PROGRAM

Last Ten Fiscal Years

	Full-time Equivalent Employees as of September 30					
	2001	2002	2003	2004	2005	2006
<u>General government</u>						
Central Services	36	38	38	39	38	38
City Attorney	3	3	3	3	3	3
City Commission	5	5	5	5	5	5
City Manager	15	17	15	18	17	16
Finance	11	12	12	12	12	12
Personnel	9	10	10	7	8	8
<u>Public safety</u>						
Fire	72	72	90	92	96	108
Police	157	173	181	182	191	203
C.O.P.S. Grant	3	3	0	0	0	0
C.O.P.S. More Grant	4	0	0	0	0	0
D.U.I. Highway Safety Grant	2	0	0	0	0	0
Law Enforcement Grant	3	3	3	3	3	3
School Crossing Guard	14	18	18	18	19	19
Vehicle Theft Prevention	1	1	0	0	0	0
Victim's Crime Act Grant	0	1	0	0	0	0
<u>Physical environment</u>						
Public Works	66	69	71	75	48	50
Sanitation	16	17	20	20	23	24
Stormwater	0	0	0	0	26	27
Water Resources	112	115	107	0	0	0
<u>Transportation</u>						
Airport	4	5	4	4	6	6
Local Option Gas Tax	9	9	8	9	9	9
<u>Economic Environment</u>						
Development Services	24	26	28	30	33	38
Community Development Blk Grant	0	0	0	0	0	2
<u>Human Services</u>						
Section 8	0	0	0	0	0	0
<u>Culture / Recreation</u>						
Parks & Recreation	62	67	63	73	78	95
Civic Center	10	10	11	11	11	16
Total	638	674	687	601	626	682

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

2007	2008	2009	2010
39	38	36	36
3	3	3	3
5	5	5	5
16	15	13	12
10	10	10	10
8	8	8	8
110	106	104	102
214	214	210	204
0	0	0	0
0	0	0	0
0	0	0	0
3	3	3	3
19	20	21	21
0	0	0	0
0	0	0	0
51	44	40	40
25	27	27	27
27	29	29	29
0	0	0	0
6	6	7	7
9	10	10	10
40	40	30	26
2	2	3	2
0	0	0	0
80	77	74	68
16	15	14	14
683	672	647	627

**Schedule 15
City of Kissimmee, Florida**

OPERATING INDICATORS BY FUNCTION/PROGRAM

Last Ten Fiscal Years

	2001	2002	2003	2004	2005	2006
<u>Building Inspections</u>						
Building permits issued	2,744	6,716	3,146	4,241	7,932	4,158
<u>Law Enforcement</u>						
Physical arrests	2,593	3,291	2,111	1,926	2,198	2,139
Traffic and parking violations ¹	19,868	19,814	16,765	22,102	27,285	22,391
<u>Fire</u>						
Emergency responses ¹	6,285	7,091	7,785	9,114	10,311	10,253
Fires extinguished ¹	383	334	384	501	502	545
Inspections	198	206	323	177	775	563
<u>Other Public Works</u>						
Street resurfacing (tons of asphalt) ¹	n/a	28	300	208	39	190
Other street repairs (tons of asphalt) ¹	n/a	22	30	21	3	17

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

Source: Various City Departments.

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

2007	2008	2009	2010
4,256	3,384	2,580	2,133
2,407	2,331	1,898	2,098
17,068	19,616	20,686	17,602
9,459	9,038	9,228	9,501
268	235	236	132
2,213	1,646	1,640	725
7,368	6,156	3,011	3,091
148	125	181	149

**Schedule 16
City of Kissimmee, Florida**

CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM

Last Ten Fiscal Years

	2001	2002	2003	2004	2005	2006
<u>Transportation</u>						
Miles of streets (lane miles)	260	264	268	270	270	207
<u>Refuse collection trucks</u>						
	11	11	11	12	12	12
<u>Other public works</u>						
Traffic signals	32	32	34	36	39	41
Highways (miles)	30	30	30	30	30	30
<u>Public Safety</u>						
Fire stations	3	3	3	3	4	4
Police stations	1	1	1	1	1	1
Patrol units: ¹						
Marked vehicles	n/a	n/a	89	104	93	105
Motorcycles	n/a	n/a	7	6	6	12
<u>Parks and Recreation</u>						
Park acreage	375	486	486	490	490	562
Number of regional parks	-	-	-	-	-	-
Number of large urban parks	4	5	5	5	5	5
Number of community parks	3	3	3	3	3	3
Number of neighborhood parks	8	8	8	8	8	8
Number of special use parks	6	6	6	6	6	6

Source: Various City Departments.

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

2007	2008	2009	2010
207	304	317	317
12	13	17	17
43	47	47	48
30	30	56	63
4	4	4	4
1	1	1	1
101	127	100	109
9	9	6	6
578	802	786	833
2	2	2	2
2	2	2	1
3	3	3	3
8	8	9	11
6	6	4	5

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

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

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

We have audited the basic financial statements of the City of Kissimmee, Florida (the “City”), as of and for the year ended September 30, 2010, and have issued our report thereon dated March 28, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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

A *deficiency* in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity’s financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's basic financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, grant agreements and contracts, 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 have issued a management letter to the City Commissioners, City of Kissimmee, Florida, dated March 28, 2011, presenting certain required disclosures and comments pursuant to Rules of the Auditor General, Chapter 10.550.

The City's response to our management letter comments is described in the accompanying response to management letter comments. We did not audit the City's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of the Mayor, City Commission, management, the State of Florida Auditor General, and federal and state awarding agencies and is not intended to be, and should not be, used by anyone other than these specified parties.

Moore Stephens Lovelace, P.A.

Certified Public Accountants

Orlando, Florida
March 28, 2011



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

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS
THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR FEDERAL
PROGRAM AND MAJOR STATE PROJECT AND ON INTERNAL CONTROL OVER
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133 AND THE DEPARTMENT
OF FINANCIAL SERVICES STATE PROJECTS COMPLIANCE SUPPLEMENT**

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

Compliance

We have audited the compliance of the City of Kissimmee, Florida (the "City"), with the types of compliance requirements described in the U.S. Office of Management and Budget ("OMB") Circular A-133 *Compliance Supplement*, 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, 2010. The City's major federal programs and major state projects are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to its major federal programs and major state projects is the responsibility of the City's management. Our responsibility is to express an opinion on the City's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*; Section 215.97, Florida Statutes; and Chapter 10.550, Rules of the Auditor General. Those standards, OMB Circular A-133, Section 215.97, Florida Statutes, 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 state financial assistance project occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the City's compliance with those requirements.

In our opinion, the City complied, in all material respects, with the 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, 2010.

Internal Control Over Compliance

The management of the City is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs and state projects. 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 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, 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, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

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

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 or state project 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.

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

Schedule of Expenditures of Federal Awards and State Financial Assistance

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City as of and for the year ended September 30, 2010, and have issued our report thereon dated March 28, 2011. Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements as a whole. 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 information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United State of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements taken as a whole.

This report is intended solely for the information and use of the Mayor, the City Commission, management, and specific legislative or regulatory bodies and is not intended to be, and should not be, used by anyone other than these specified parties.

Moore Stephens Lovelace, P.A

Certified Public Accountants

Orlando, Florida
March 28, 2011

CITY OF KISSIMMEE, FLORIDA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND
STATE FINANCIAL ASSISTANCE
For the year ended September 30, 2010

<u>Agency/Program</u>	<u>CFDA #</u>	<u>Grant #</u>	<u>Federal Expenditures</u>	<u>Transfers To Sub-recipients</u>
<u>U.S. Department of Agriculture Forest Service</u>				
Passed through the Florida Department Agriculture and Consumer Services Urban and Community Forestry				
Kissimmee Tree Inventory	10.664	15146	\$ 20,000	
Total U.S. Department of Agriculture Forest Service			20,000	
<u>U.S. Department of Agriculture</u>				
Passed through Natural Resources Conservation Services				
Flash Floods - East City Ditch	10.923	69-4209-10-1747	536,129	
Flash Floods - West City Ditch	10.923	69-4209-10-1755	1,866,200	
Total U.S. Department of Agriculture			2,402,329	
<u>U.S. Department of Housing and Urban Development</u>				
Community Development Block Grant 2009	14.218	B-09-MC-12-0051	288,887	\$ 56,375
Community Development Block Grant 2008	14.218	B-08-MC-12-0051	39,351	5,714
Community Development Block Grant 2007	14.218	B-07-MC-12-0051	299,354	-
Community Development Block Grant 2006	14.218	B-06-MC-12-0051	7,381	-
Community Development Block Grant 2005	14.218	B-05-MC-12-0051	2,230	-
Community Development Block Grant 2004	14.218	B-04-MC-12-0051	239	-
(HERA) Neighborhood Stabilization Program	14.228	B-08-MN-12-0012	1,664,446	-
ARRA: Community Development Block Grant 2009	14.253	B-09-MY-12-0051	5,101	-
Total U.S. Department of Housing and Urban Development			2,306,989	62,089
<u>U.S. Department of Justice</u>				
Edward Byrne Memorial Justice Assistance Grant(JAG)	16.592	2009-DJ-BX-1096	33	
Edward Byrne Memorial Justice Assistance Grant(JAG)	16.592	2008-DJ-BX-0536	15,456	
Edward Byrne Memorial Justice Assistance Grant(JAG)	16.592	2007-DJ-BX-1263	14,440	
Bulletproof Vest Partnership	16.607	None	3,178	
ARRA: Edward Byrne Memorial Justice Assistance Grant (JAG)	16.804	2009-SB-B9-1312	191,687	
Passed through the Florida Department of Law Enforcement				
ARRA: Edward Byrne Memorial Justice Assistance Grant (JAG)	16.803	2010-ARRC-OSCE-7-W7-207	44,700	
Total U.S. Department of Justice			269,494	
<u>U.S. Department of Transportation</u>				
Passed through the Florida Department of Transportation				
Kissimmee Bicycle Pedestrian Master Plan	20.205	424273-1-14-01	100,000	
Conduct a FAR Part 150 Noise Study	20.106	3-12-0038-031-2008	150,573	
Design Rehab Txy Bravo Phase 1; Design Hold Apron Rwy 24	20.106	3-12-0038-030-2008	13,804	
Total U.S. Department of Transportation			264,377	
<u>U.S. Department of Energy</u>				
ARRA:Energy Efficiency And Conservation Block Grant (EECBG)	81.128	DE-SC0002480	207,716	
Total U.S. Department of Energy			207,716	
<u>U.S. Department of Homeland Security/FEMA</u>				
Passed through the Florida Department of Community Affairs:				
Hazard Mitigation - Charley	97.039	06HM-7@-06-59-02-036	72,179	
Total U.S. Department of Homeland Security/FEMA			72,179	
TOTAL EXPENDITURES OF FEDERAL AWARDS			\$ 5,543,084	\$ 62,089

Continued

CITY OF KISSIMMEE, FLORIDA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND
STATE FINANCIAL ASSISTANCE - Continued
For the year ended September 30, 2010

<u>Agency/State Project</u>	<u>CSFA#</u>	<u>Grant #</u>	<u>State Expenditures</u>	<u>Transfers To Sub-recipients</u>
<u>Department of Environmental Protection</u>				
Dakin Street Box Culvert Replacement	37.039	LP6740	\$ 66,666	
Total Florida Department of Environmental Protection			66,666	
<u>Florida Housing Finance Corporation</u>				
Hurricane Housing Recovery	52.902		763,011	
Total Florida Housing Finance Corporation			763,011	
<u>Florida Department of Transportation</u>				
Rehab Terminal Parking Lot	55.004	414436-1-94-01	752	
ATCT Safety Equipment	55.004	445334-1-94-01	178,472	
Design & Construct Sunstate Clearspan Hangar	55.004	247-983-1-94-01	56,982	
Construct Clearspan Hangar/Security Camera	55.004	409770-1-94-01	4,543	
Construct Fuel Farm and 100% Security Fencing/Barbed Wire	55.004	247991-1-94-01	35,473	
Airfield Painting	55.004	409770-1-94-01	513	
ATCT Siting Study	55.004	404954-1-94-01	6,342	
County Incentive Grant - Hoagland/Pleasant Hill	55.008	419663-1-34-01/A0Q48	17,341	
Total Florida Department of Transportation			300,418	
<u>Florida Department of Health</u>				
passed through Osceola County Emergency Services				
Emergency Medical Services County Grant	64.003	C7049	28,378	
Emergency Medical Services County Grant	64.003	C8049	35,256	
Total Florida Department of Health			63,634	
TOTAL EXPENDITURES OF STATE FINANCIAL ASSISTANCE			\$ 1,193,729	

NOTE 1

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

NOTE 2

The City made payments to sub recipients from federal or state program during the year.

City of Kissimmee, Florida
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)
For the Year Ended September 30, 2010

Section II - Findings Related to the Financial Statement Audit, as Required to be Reported in Accordance with Generally Accepted *Government Auditing Standards*

No matters are reported.

Section III - Federal Award Findings and Questioned Costs Section

No matters are reported.

Section IV - Prior-Year Audit Findings

No matters are reported.



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

INDEPENDENT AUDITOR'S MANAGEMENT LETTER

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

We have audited the basic financial statements of the City of Kissimmee, Florida (the "City"), as of and for the fiscal year ended September 30, 2010, and have issued our report thereon dated March 28, 2011.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. We have also issued our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters, Independent Auditor's Report on Compliance with Requirements Applicable to Each Major Federal Award Program and Major State Project and on Internal Control over Compliance, and Schedule of Findings and Questioned Costs. Disclosures in those reports, which are dated March 28, 2011, 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.

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, accounting procedures, and internal controls. In connection with our audit, we have the following observation.

MLO 2010-01 Monthly Reconciliations

Observation:

During our audit procedures, we noted that reconciliations for cash, inventory, and grants include unreconciled variances that were not identified on a timely basis. Although the variances are considered to be immaterial to the City's financial statements, if these accounts are not reconciled monthly, errors or other problems might not be recognized and resolved on a timely basis.

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

Criteria:

In order to generate the most reliable financial reports possible, the City should reconcile its significant financial balances and activity with the general ledger on a monthly basis.

Recommendation:

We recommend that the City's unreconciled variances to bank accounts, inventory, and grants schedules be reconciled to the general ledger each month. Any reconciling differences should be corrected before the books are closed for the month end.

Management Response:

City staff concur that unreconciled differences should be resolved on a timely basis; therefore, procedures are being developed to ensure that these differences are reviewed each month to ensure that timely corrections are recorded.

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 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.

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, 2010, 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, 2010. In connection with our audit, we determined that these two reports were in agreement.

Sections 10.554(1)(i)7.c. and 10.556(7), Rules of the Auditor General, require that we apply financial condition assessment procedures. In connection with our audit, 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.

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

Pursuant to Chapter 119, Florida Statutes, this management letter is a public record and its distribution is not limited. Auditing standards generally accepted in the United States of America require us to indicate that this letter is intended solely for the information and use of the Mayor, City Commission, management, and the State of Florida Auditor General and is not intended to be, and should not be, used by anyone other than these specified parties.

Moore Stephens Lovelace, P.A.

Certified Public Accountants

Orlando, Florida
March 28, 2011