

CITY OF KISSIMMEE, FLORIDA

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

Year Ended September 30, 2009



Prepared by Department of Finance

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CITY OF KISSIMMEE, FLORIDA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
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The City of Kissimmee, Florida
City Officials
As of September 30, 2009

Elected Officials

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

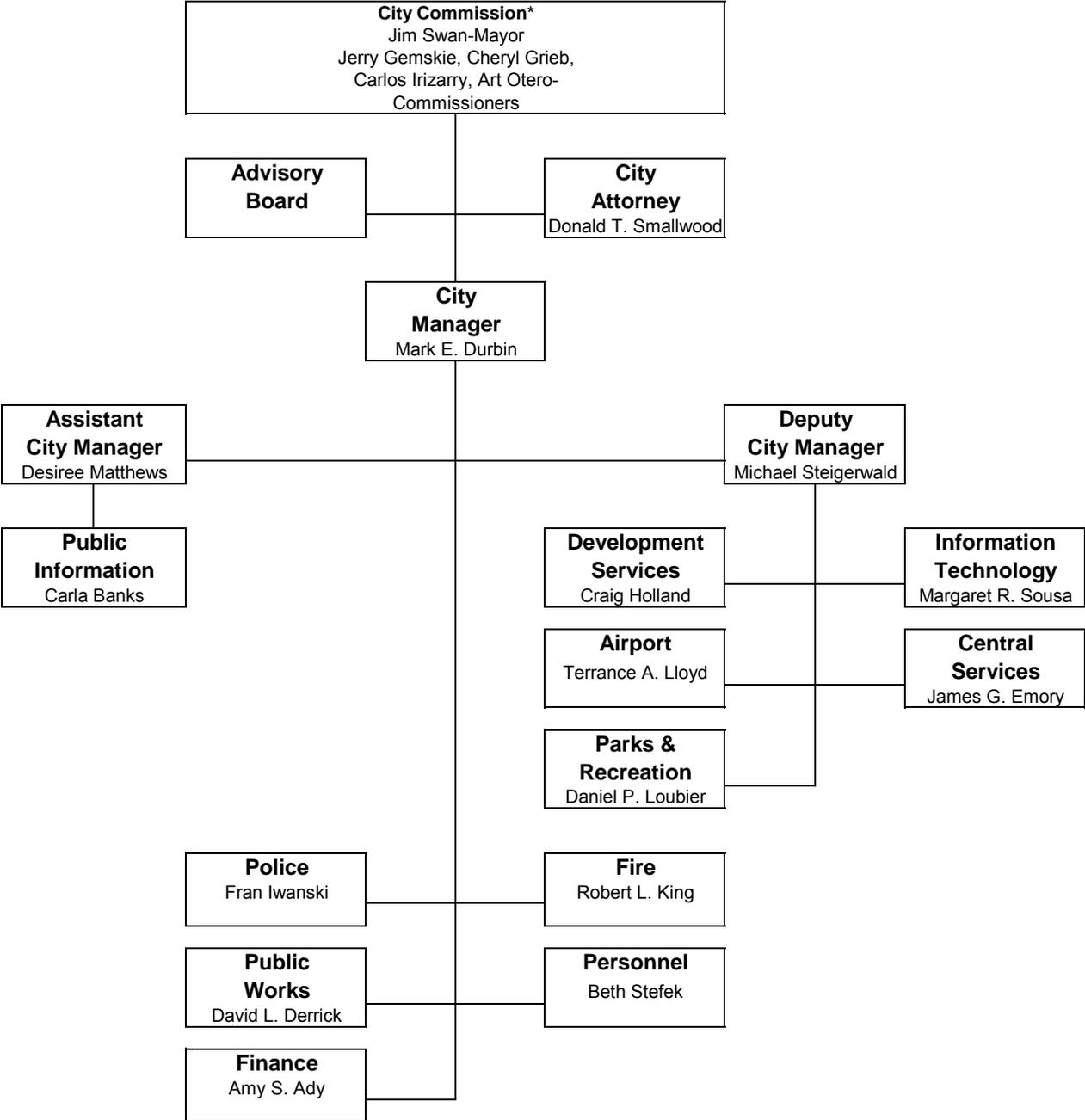
Financial Related Management

City Manager.....	Mark E. Durbin
Deputy 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
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, 2008

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.

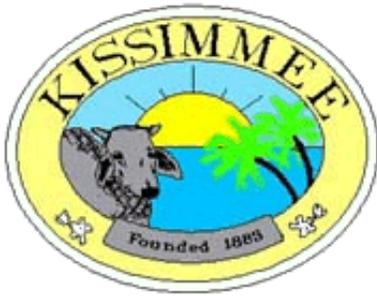


A stylized handwritten signature in black ink.

President

A handwritten signature in black ink that reads "Jeffrey R. Emer".

Executive Director



City of Kissimmee

City Manager

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

March 26, 2010

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, 2009.

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, 2009, 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, 2009, 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 13,530 acres within the corporate limits of the City. The 2000 U.S. Census reported 47,814 people living within the City. The current population figure is 61,250.

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, Arabian Nights and Kennedy Space Center. Special events that take place in the City each year are the Silver Spurs Rodeo, Kissimmee Boat-A-Cade, 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 design phase of the lakefront redevelopment project was completed. Public Works continued to make significant progress on its road improvement plan as well as various drainage projects. In addition, construction was completed on phase two of a major east-west corridor through the City. Finally, in Public Works substantial 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 streetscape improvements within its district. In the Fire Department, construction of a replacement fire station was initiated. Finally, the City has continued, on a contractual basis, to provide certain administrative services to Tohopekaliga Water Authority.

CASH MANAGEMENT

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

The City has a banking service agreement with the local depository bank, which provides for all City deposits in an interest bearing master account. In addition, the City participates in the Florida State Board of Administration's Program for pooled investment of local government surplus funds. Also, during 2009, 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, 2008. 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,



Mark E. Durbin
City Manager



Amy S. Ady
Finance Director

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REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

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, 2009, 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, 2009, 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 26, 2010 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.

The management's discussion and analysis and the required supplementary information, as listed in the table of contents, are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

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

REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS
(Concluded)

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, the other supplemental information section, and the statistical section, listed in the table of contents, are presented for additional analysis and are not a required part of the basic financial statements. We subjected the other supplemental information section to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, this information is fairly stated, in all material respects, in relation to the basic financial statements taken 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 express no opinion on them.

Moore Stephens Lovelace, P.A.

Certified Public Accountants

Orlando, Florida
March 26, 2010

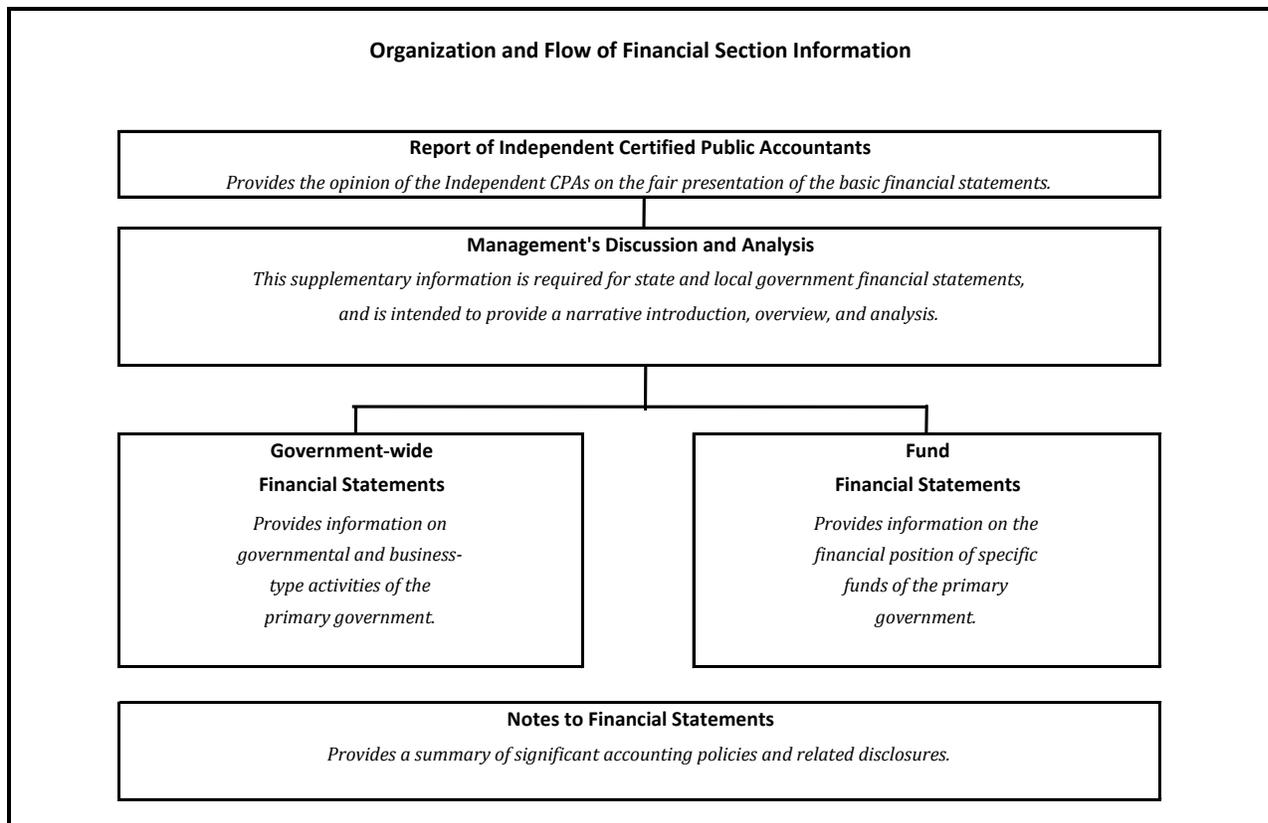
The City of Kissimmee, Florida's (the "City") Management's Discussion and Analysis (the "MD&A") presents an overview of the City's financial activities for the fiscal year ended September 30, 2009. Please read it in conjunction with the letter of transmittal in the introductory section, and the City's financial statements following the MD&A.

Financial Highlights

- The assets of the City exceeded its liabilities at the close of fiscal year 2009 by \$179,793 (net assets). Of this amount, \$14,871 (unrestricted net assets) may be used to meet the government's ongoing obligations to citizens and creditors.
- The City's net assets increased by \$6,101 of which governmental activities contributed 51.1% of the increase.
- At September 30, 2009, the City's governmental funds reported combined ending fund balances of \$27,837 a decrease of \$5,872 in comparison with the prior year.
- The City's capital assets increased \$10,033 or 6.0% 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 2009. 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, Local Option Gas Tax Fund, Lakefront Sales Tax 2009A Capital Project Fund, 2005 Construction Note 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, 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, Local Option Gas Tax 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, 2009
 (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 \$179,793 at the close of the fiscal year ended September 30, 2009.

At the end of fiscal year 2009, 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 (83.0%) 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* (\$15,644) for construction projects, supplementary care, Charter School, and other purposes. The remaining balance of *unrestricted net assets* (\$14,871) 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	
	2009	2008	2009	2008	2009	2008
Current and other assets	\$ 44,925	\$ 50,637	\$ 4,988	\$ 4,633	\$ 49,913	\$ 55,270
Capital Assets (Net)	147,125	140,012	30,631	27,711	177,756	167,723
Total Assets	192,050	190,649	35,619	32,344	227,669	222,993
Current and other liabilities	8,205	8,419	880	656	9,085	9,075
Long-term Liabilities	38,561	40,064	230	162	38,791	40,226
Total Liabilities	46,766	48,483	1,110	818	47,876	49,301
Net Assets:						
Invested in Capital Assets,						
Net of Related Debt	118,647	110,615	30,631	27,711	149,278	138,326
Restricted	14,939	15,367	705	685	15,644	16,052
Unrestricted	11,698	16,184	3,173	3,130	14,871	19,314
Total Net Assets	\$ 145,284	\$ 142,166	\$ 34,509	\$ 31,526	\$ 179,793	\$ 173,692

There was a net increase of \$6,101 in the City's net assets over fiscal year 2008. There was a net increase of \$3,118 in net assets reported in connection with the City's governmental activities and \$2,983 in business-type activities. The governmental activities increase represents 51.1% of the total increase, and business-type activities contributed 48.9% 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, 2009
(In Thousands)

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

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>
REVENUES						
Program Revenues:						
Charges for Services	\$ 21,974	\$ 21,783	\$ 8,397	\$ 7,979	\$ 30,371	\$ 29,762
Operating Grants and Contributions	1,069	2,592	-	-	1,069	2,592
Capital Grants and Contributions	1,744	2,299	2,687	4,164	4,431	6,463
General Revenues:						
Property Taxes	15,174	15,405	-	-	15,174	15,405
Other Taxes	18,404	20,185	-	-	18,404	20,185
Other	16,261	35,013	22	1,049	16,283	36,062
Total Revenues	<u>74,626</u>	<u>97,277</u>	<u>11,106</u>	<u>13,192</u>	<u>85,732</u>	<u>110,469</u>
EXPENSES						
General Government	24,965	24,294	-	-	24,965	24,294
Public Safety	31,839	30,949	-	-	31,839	30,949
Physical Environment	-	82	-	-	-	82
Transportation	5,841	2,724	-	-	5,841	2,724
Economic Environment	1,251	2,663	-	-	1,251	2,663
Culture/Recreation	6,524	8,162	-	-	6,524	8,162
Interest on Long-term Debt	1,261	1,531	-	-	1,261	1,531
Stormwater	-	-	3,180	2,805	3,180	2,805
Airport	-	-	1,031	967	1,031	967
Solid Waste	-	-	3,739	3,827	3,739	3,827
Total Expenses	<u>71,681</u>	<u>70,405</u>	<u>7,950</u>	<u>7,599</u>	<u>79,631</u>	<u>78,004</u>
Excess (Deficiency) Before Transfers	2,945	26,872	3,156	5,593	6,101	32,465
Transfers	173	228	(173)	(228)	-	-
Change in Net Assets	3,118	27,100	2,983	5,365	6,101	32,465
Net Assets - Beginning	142,166	115,066	31,526	26,161	173,692	141,227
Net Assets - Ending	<u>\$ 145,284</u>	<u>\$ 142,166</u>	<u>\$ 34,509</u>	<u>\$ 31,526</u>	<u>\$ 179,793</u>	<u>\$ 173,692</u>

Governmental activities

Governmental activities accounted for an increase of \$3,118 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

CITY OF KISSIMMEE, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued
September 30, 2009
(In Thousands)

the related expense is largely not recognized in the same year as the related grant revenues. In periods with large grant reimbursements, this has the effect of increasing net assets. The public safety function (primarily police, fire and building code enforcement) has the largest percentage of governmental activity expenses (44%) and it presents the largest deficit from associated program revenues. Their expenses are largely covered by general revenues of the City.

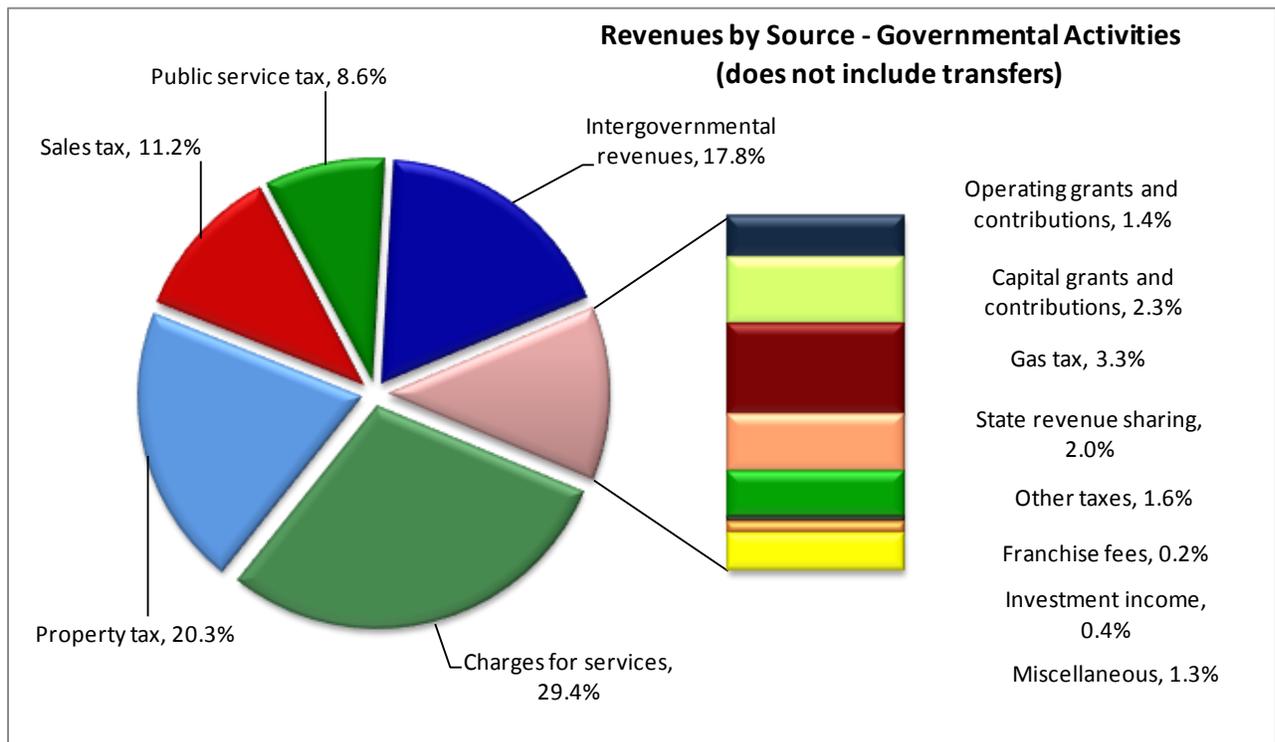
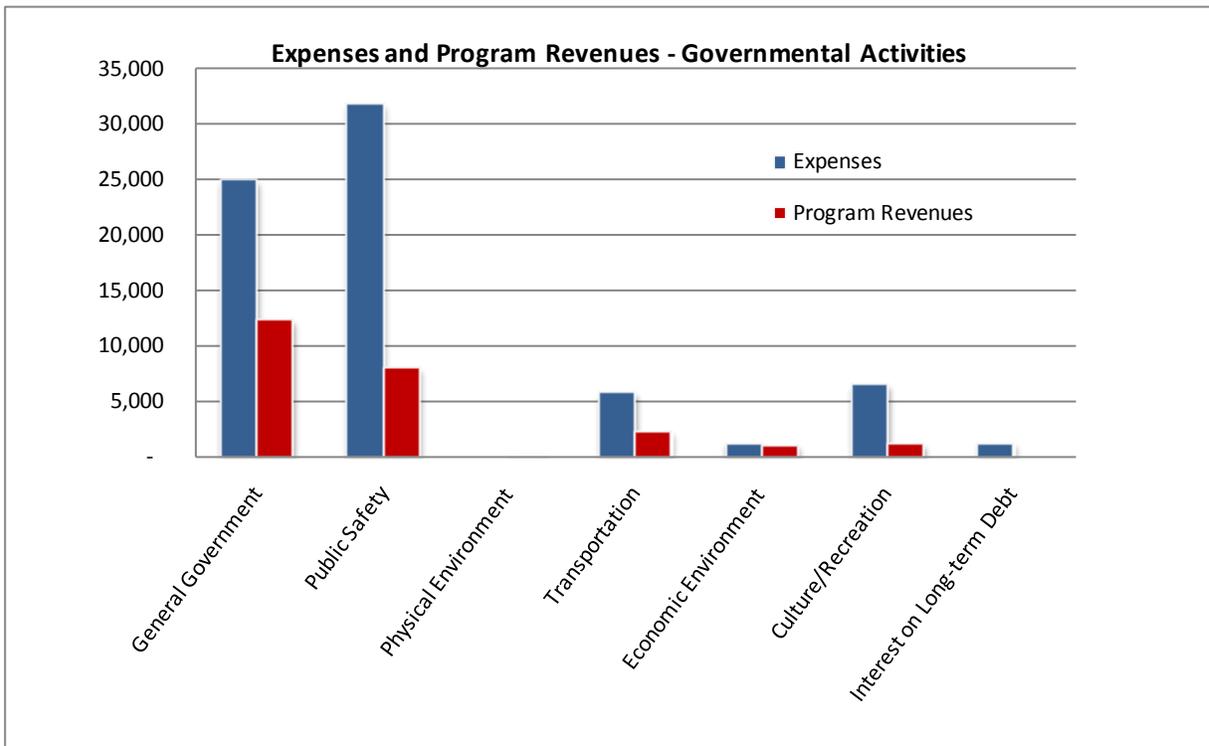
The following tables and graphs show the results of governmental activities for fiscal year ended 2009.

Expenses and Program Revenues – Governmental Activities
(In Thousands)

Functions/Programs	Expenses				Net Cost of Services		
			% of				
	2009	Total	2008	% Change	2009	2008	% Change
General Government	\$ 24,965	35%	\$ 24,294	2.8%	\$ (12,653)	\$ (10,571)	19.7%
Public Safety	31,839	44%	30,949	2.9%	(23,883)	(24,953)	-4.3%
Physical Environment	-	0%	82	-100.0%	95	783	-87.9%
Transportation	5,841	8%	2,724	114.4%	(3,545)	322	-1200.9%
Economic Environment	1,251	2%	2,663	-53.0%	(245)	(796)	-69.2%
Culture/Recreation	6,524	9%	8,162	-20.1%	(5,402)	(6,985)	-22.7%
Interest on Long-Term Debt	<u>1,261</u>	<u>2%</u>	<u>1,531</u>	-17.6%	<u>(1,261)</u>	<u>(1,531)</u>	-17.6%
	<u>\$ 71,681</u>	<u>100%</u>	<u>\$ 70,405</u>		<u>\$ (46,894)</u>	<u>\$ (43,731)</u>	

Revenue by Source – Governmental Activities
(In Thousands)

Description	% of			
	2009	Total	2008	% Change
Program Revenues				
Charges for services	\$ 21,974	29.4%	\$ 21,668	1.4%
Operating grants and contributions	1,069	1.4%	2,592	-58.8%
Capital grants and contributions	1,744	2.3%	2,299	-24.1%
General Revenues				
Property tax	15,174	20.3%	15,405	-1.5%
Sales tax	8,381	11.2%	9,992	-16.1%
Public service tax	6,403	8.6%	6,490	-1.3%
Gas tax	2,428	3.2%	2,430	-0.1%
State revenue sharing	1,518	2.0%	1,708	-11.1%
Other taxes	1,192	1.6%	1,273	-6.4%
Unrestricted intergovernmental revenues	13,317	17.8%	13,610	-2.2%
Franchise fees	144	0.2%	115	25.2%
Investment income (loss)	292	0.4%	18,744	-98.4%
Miscellaneous	990	1.3%	951	4.1%
Transfers	<u>173</u>	<u>0.2%</u>	<u>228</u>	<u>-24.1%</u>
	<u>\$ 74,799</u>	<u>100.0%</u>	<u>\$ 97,505</u>	



CITY OF KISSIMMEE, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued
September 30, 2009
(In Thousands)

Business-type activities

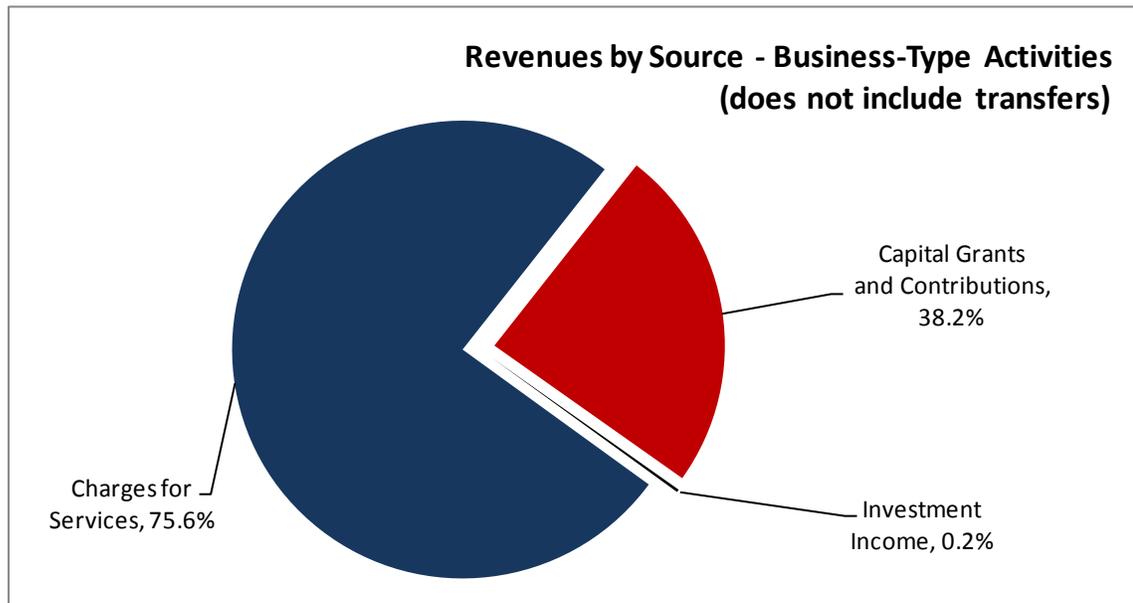
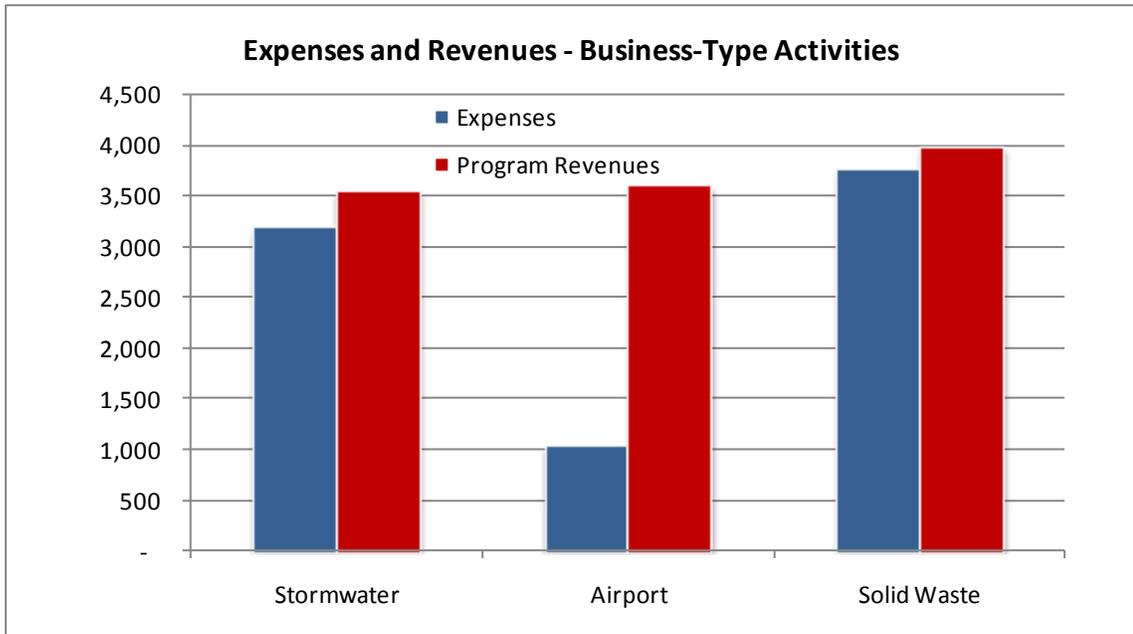
Business-type activities increased the City's net assets by \$2,983 accounting for 48.9% of the total growth in the City's net assets. The primary reason for this increase was capital grants for airport improvements. There were no major fluctuations in the business-type expenses from the prior year as no major operational changes occurred in FY09.

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

Functions/Programs	Expenses			Net Increase (Decrease) In Net Assets		
	2009	2008	% Change	2009	2008	% Change
	Stormwater	\$ 3,180	\$ 2,805	13.4%	\$ 355	\$ 3,688
Airport	1,031	967	6.6%	2,555	911	180.5%
Solid Waste	<u>3,739</u>	<u>3,827</u>	-2.3%	<u>224</u>	<u>(55)</u>	-507.3%
	<u>\$ 7,950</u>	<u>\$ 7,599</u>		<u>\$ 3,134</u>	<u>\$ 4,544</u>	

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

	2009	% of Total	2008	% Change
Charges for services	\$ 8,397	77%	\$ 7,979	5.2%
Operating grants and contributions	-	0%	-	0.0%
Capital grants and contributions	2,687	25%	4,164	-35.5%
Investment income (loss)	22	0%	1,049	-97.9%
Transfers	<u>(173)</u>	-2%	<u>(228)</u>	-24.1%
	<u>\$ 10,933</u>		<u>\$ 12,964</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

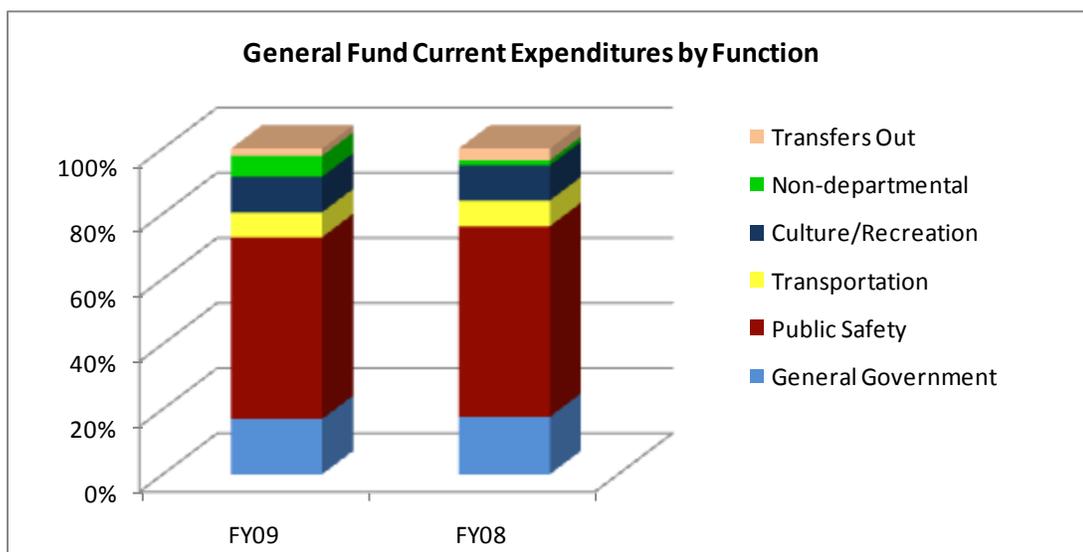
The focus of the City's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable resources*. Such information is useful in assessing the City's financing requirements. In particular, *unreserved fund balance* may serve as a useful measure of a government's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

As of the end of fiscal year 2009, the City's governmental funds reported combined ending fund balances of \$27,837, a decrease of \$5,872 in comparison with the prior year. *Unreserved fund balance* is \$9,878 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 \$50, 2) for inventories \$136, 3) for advanced funds \$2,741, 4) for capital projects \$14,057, 5) for development services \$95, 6) for economic development \$2, 7) for supplementary care \$624, and 8) for debt service \$254.

The General Fund is the chief operating fund of the City. At the end of fiscal year 2009, unreserved fund balance of the General Fund was \$13,240, while total fund balance reached \$13,426. 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 26.5% of the total general fund expenditures and transfers out, while total fund balance represents 26.9% 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 decreased by \$358 during the current fiscal year. This was not a substantial decrease from the prior year. One major change in expenditures from the prior year was for bad debt associated with a large write off of ambulance receivables that arose from a change in the City's collection agency and its collection policies reported in non-departmental.

The following graph displays the General Fund current expenditures (not including debt service) by function for FY09 and FY08. 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, 2009
 (In Thousands)

The Local Option Gas Tax fund balance increased by \$283 from the prior year. Current year expenditures decreased by \$941 from the prior year due to reductions in planned capital improvements and completion of some major improvement projects in 2008. Remaining fund balance of \$4,234 is reserved for future transportation capital improvements.

The Lakefront Sales Tax 2009A Capital Project Fund ended the year with a fund balance deficit of \$(1,328). The capital improvements were started during the year; however, debt issuance to fund those improvements was not completed during 2009. Funds for the improvement costs were loaned by the General Fund until future debt issuance.

The 2005 Construction Note Capital Project Fund experienced a decrease in fund balance of \$1,869 from the prior year. The decrease resulted from capital improvement expenditures in the current period funded by debt proceeds received in a prior period. The remaining fund balance of \$4,172 is reserved for future capital construction expenditures.

The Community Redevelopment Agency (CRA) fund balance decreased by \$1,571 from the prior year. This decrease was due to tax revenues that remained the same as the prior year, but increased capital improvement expenditures of \$1,723. Operational expenditures for the CRA remained the same as the prior year. The remaining fund deficit will be settled by future tax revenues.

The Local Option Sales Tax fund balance increased by \$1,079 from the prior year. Tax revenues decreased by \$1,079 from the prior year; however, expenditures for improvements also decreased by \$2,706. 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 \$189. Operating revenues were greater than operating expenses by \$355 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 \$2,566 that resulted from capital grants for improvements to the airport's infrastructure. The Airport's unrestricted net assets decreased by \$346 from the prior year. The capital grants for infrastructure improvements increased the net assets that are invested in capital assets.

The Solid Waste Fund had an increase in net assets of \$228 from the prior year. Operating revenues were greater than operating expenses by \$216 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)	
	2009	2008
Stormwater	\$ 1,183	\$ 1,155
Airport	1,564	1,910
Solid Waste	426	65
Total	\$ 3,173	\$ 3,130

CITY OF KISSIMMEE, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued
 September 30, 2009
 (In Thousands)

Unrestricted net assets in the Solid Waste Fund increased by \$361 to \$426 which is available for future expenses. Unrestricted net assets in the Stormwater Fund increased by \$28 to \$1,183, which is available for future expenses.

General Fund Budgetary Highlights

The General Fund's original budget increased by \$3,955, to arrive at the final amended budget for expenditures and transfers out. The changes 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	\$ 8,632	\$ 9,634	\$ 1,002
Public Safety	29,747	30,055	308
Transportation	3,953	4,144	191
Culture/Recreation	5,621	6,326	705
Non-departmental	425	880	455
Transfers Out	-	1,294	1,294
	<u>\$ 48,378</u>	<u>\$ 52,333</u>	<u>\$ 3,955</u>

The General Fund under-spent the final budget by \$2,434 during fiscal year 2009. 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	\$ 8,468	\$ 9,634	\$ 1,166
Public Safety	27,862	30,055	2,193
Transportation	3,808	4,144	336
Culture/Recreation	5,467	6,326	859
Non-departmental	3,179	880	(2,299)
Transfers Out	1,115	1,294	179
	<u>\$ 49,899</u>	<u>\$ 52,333</u>	<u>\$ 2,434</u>

General government under-spent the final budget by \$1,166 which was due primarily to reductions in operating expenditures and capital purchases delayed to a future period. Public safety under-spent the final budget by \$2,193 which was due primarily to anticipated capital purchases in the fiscal year that were delayed for a future period. Non-departmental expenditures were greater than the final budget due to additional adjustments made for bad debt from ambulance receivables at year-end.

CITY OF KISSIMMEE, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued
 September 30, 2009
 (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, 2009 amounts to \$177,756 (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 \$10,033. Governmental activities increased capital assets by \$7,113 and business-type activities increased capital assets by \$2,920.

The largest increase in capital assets (\$7,203) was in improvements for transportation projects that were completed and put into service in the current year including Dakin Street and Martin Luther King Boulevard expansion. Construction in progress increased by \$4,063 for airport projects and additional transportation projects in the City.

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

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>
Land	\$ 16,793	\$ 16,239	\$ 401	\$ 401	\$ 17,194	\$ 16,640
Parking Capacity, net	2,856	3,060	-	-	2,856	3,060
Buildings	45,288	44,071	2,051	1,342	47,339	45,413
Improvements Other than Buildings	89,298	82,888	26,620	25,827	115,918	108,715
Equipment	34,516	33,631	3,595	3,088	38,111	36,719
Construction in Progress	<u>25,942</u>	<u>23,634</u>	<u>5,486</u>	<u>3,731</u>	<u>31,428</u>	<u>27,365</u>
	214,693	203,523	38,153	34,389	252,846	237,912
Less: Accumulated Depreciation	<u>(67,568)</u>	<u>(63,511)</u>	<u>(7,522)</u>	<u>(6,678)</u>	<u>(75,090)</u>	<u>(70,189)</u>
Capital Assets, net	<u>\$ 147,125</u>	<u>\$ 140,012</u>	<u>\$ 30,631</u>	<u>\$ 27,711</u>	<u>\$ 177,756</u>	<u>\$ 167,723</u>

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

Long-term debt

At the end of fiscal year 2009, the City had total debt outstanding of \$32,996. This is a decrease of \$2,273 from the prior year. This decrease represents the retirement of principal that was greater than new debt issued in FY09. Of the total outstanding, \$32,578 is notes and bonds payable at year-end. Notes and bonds payable are the largest percentage of the City's overall outstanding debt. The decrease of notes and bonds payable amounted to \$2,068 in principal retirement for governmental activities. Business-type activities have no long term debt outstanding at year-end.

CITY OF KISSIMMEE, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued
 September 30, 2009
 (In Thousands)

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

	Governmental Activities		Business-type Activities		Total	
	2009	2008	2009	2008	2009	2008
Revenue Notes	\$ 32,184	\$ 34,229	\$ -	\$ -	\$ 32,184	\$ 34,229
Revenue Bonds	394	417	-	-	394	417
Capital Lease Payable	418	623	-	-	418	623
	\$ 32,996	\$ 35,269	\$ -	\$ -	\$ 32,996	\$ 35,269

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, 2009 was 11.6%. This represents an increase of 78.5% from the 6.5% unemployment rate from the prior year.
- The taxable assessed value decreased 17.6% in the 2009 fiscal year.
- Population decreased approximately 2.3% from the prior fiscal year to 61,250 at September 30, 2009.

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

Rates for the City's solid waste and stormwater services were not increased in fiscal year 2009 for the annual CPI (consumer price index) adjustment. Rates will be reviewed during the 2010 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, 2009
(In Thousands)

	Governmental	Business-type	
	Activities	Activities	Total
ASSETS			
Cash and Cash Equivalents	\$ 33,476	\$ 3,187	\$ 36,663
Investments	1,763	205	1,968
Restricted Cash and Investments	346	705	1,051
Receivables (net)	3,943	706	4,649
Due from Other Governments	3,154	185	3,339
Due From KUA	1,467	-	1,467
Due From TWA	431	-	431
Inventories	295	-	295
Prepaid Items	50	-	50
Capital Assets:			
Capital Assets not Being Depreciated	42,735	5,887	48,622
Capital Assets Being Amortized (Net)	2,856	-	2,856
Capital Assets Being Depreciated (Net)	101,534	24,744	126,278
Total Capital Assets	<u>147,125</u>	<u>30,631</u>	<u>177,756</u>
Total Assets	<u>192,050</u>	<u>35,619</u>	<u>227,669</u>
LIABILITIES			
Accounts Payable	3,168	764	3,932
Liabilities Payable from Restricted Assets	-	10	10
Contracts Payable	363	-	363
Accrued Liabilities	3,043	87	3,130
Due to Other Governments	498	-	498
Due To KUA	-	19	19
Unearned Revenue	968	-	968
Deposits	165	-	165
Long-term Liabilities:			
Due Within One Year	11,520	28	11,548
Due in More Than One Year	27,041	202	27,243
Total Liabilities	<u>46,766</u>	<u>1,110</u>	<u>47,876</u>
NET ASSETS			
Invested in Capital Assets, Net of Related Debt	118,647	30,631	149,278
Restricted			
Construction Projects	12,883	695	13,578
Supplementary Care	624	-	624
Charter School	1,178	-	1,178
Other Purposes	254	10	264
Unrestricted	<u>11,698</u>	<u>3,173</u>	<u>14,871</u>
Total Net Assets	<u>\$ 145,284</u>	<u>\$ 34,509</u>	<u>\$ 179,793</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, 2009
(In Thousands)

FUNCTIONS/PROGRAMS	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities:				
General Government	\$ 24,965	\$ 12,039	\$ 273	\$ -
Public Safety	31,839	7,892	64	-
Physical Environment	-	57	-	38
Transportation	5,841	1,042	-	1,254
Economic Environment	1,251	-	637	369
Culture/Recreation	6,524	944	95	83
Interest on Long-Term Debt	1,261	-	-	-
Total Governmental Activities	71,681	21,974	1,069	1,744
Business-type Activities:				
Stormwater	3,180	3,535	-	-
Airport	1,031	899	-	2,687
Solid Waste	3,739	3,963	-	-
Total Business-type Activities	7,950	8,397	-	2,687
Total	\$ 79,631	\$ 30,371	\$ 1,069	\$ 4,431

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

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

Net (Expense) Revenue and Changes in Net Assets

Governmental Activities	Business-type Activities	Total
\$ (12,653)	\$ -	\$ (12,653)
(23,883)	-	(23,883)
95	-	95
(3,545)	-	(3,545)
(245)	-	(245)
(5,402)	-	(5,402)
(1,261)	-	(1,261)
<u>(46,894)</u>	<u>-</u>	<u>(46,894)</u>
-	355	355
-	2,555	2,555
-	224	224
<u>-</u>	<u>3,134</u>	<u>3,134</u>
<u>(46,894)</u>	<u>3,134</u>	<u>(43,760)</u>
15,174	-	15,174
8,381	-	8,381
6,403	-	6,403
2,428	-	2,428
1,518	-	1,518
1,192	-	1,192
13,317	-	13,317
144	-	144
292	22	314
990	-	990
173	(173)	-
<u>50,012</u>	<u>(151)</u>	<u>49,861</u>
3,118	2,983	6,101
<u>142,166</u>	<u>31,526</u>	<u>173,692</u>
<u>\$ 145,284</u>	<u>\$ 34,509</u>	<u>\$ 179,793</u>

CITY OF KISSIMMEE, FLORIDA
BALANCE SHEET - GOVERNMENTAL FUNDS
September 30, 2009
(In Thousands)

	<u>General</u>	<u>Local Option Gas Tax</u>	<u>Lakefront Sales Tax 2009A Capital Project Fund</u>
ASSETS			
Cash and Cash Equivalents	\$ 6,081	\$ 4,229	\$ -
Investments	320	223	-
Restricted Cash and Investments	-	-	-
Accounts Receivable (net)	3,397	15	-
Special Assessments Receivable (net)	50	-	-
Due from KUA	1,467	-	-
Due from TWA	181	-	-
Due from Other Funds	2,905	-	-
Due from Other Governments	991	202	-
Prepaid Items	50	-	-
Inventories	136	-	-
Advance to Other Funds	-	-	-
Total Assets	<u>\$ 15,578</u>	<u>\$ 4,669</u>	<u>\$ -</u>
LIABILITIES AND FUND BALANCES (DEFICITS)			
Liabilities:			
Accounts Payable	\$ 425	\$ 416	\$ -
Contracts Payable	-	-	-
Accrued Liabilities	849	17	-
Due to Other Funds	-	-	1,328
Due to Other Governments	481	-	-
Advance From Other Funds	-	-	-
Deposits Payable	63	2	-
Deferred Revenue	334	-	-
Total Liabilities	<u>2,152</u>	<u>435</u>	<u>1,328</u>
Fund Balances (Deficits):			
Reserved for:			
Prepaid Items	50	-	-
Inventories	136	-	-
Advance to Other Funds	-	-	-
Capital Projects	-	4,234	-
Development Services	-	-	-
Economic Development	-	-	-
Supplementary Care	-	-	-
Debt Service	-	-	-
Unreserved (Deficits) Reported In:			
General Fund	13,240	-	-
Special Revenue Funds	-	-	-
Capital Projects Funds	-	-	(1,328)
Total Fund Balances (Deficits)	<u>13,426</u>	<u>4,234</u>	<u>(1,328)</u>
Total Liabilities and Fund Balances (Deficits)	<u>\$ 15,578</u>	<u>\$ 4,669</u>	<u>\$ -</u>

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

2005				
Construction Note Capital Project Fund	Community Redevelopment Agency	Local Option Sales Tax	Nonmajor Governmental Funds	Total Governmental Funds
\$ 4,385	\$ 557	\$ 3,147	\$ 7,511	\$ 25,910
231	29	166	396	1,365
-	-	-	346	346
-	-	-	461	3,873
-	-	-	-	50
-	-	-	-	1,467
-	-	-	-	181
-	-	-	-	2,905
-	-	1,067	894	3,154
-	-	-	-	50
-	-	-	-	136
-	-	2,741	-	2,741
<u>\$ 4,616</u>	<u>\$ 586</u>	<u>\$ 7,121</u>	<u>\$ 9,608</u>	<u>\$ 42,178</u>
\$ 327	\$ 887	\$ 233	\$ 693	\$ 2,981
117	-	42	204	363
-	-	-	2,104	2,970
-	-	-	1,577	2,905
-	-	-	17	498
-	2,741	-	-	2,741
-	-	-	100	165
-	-	-	1,384	1,718
<u>444</u>	<u>3,628</u>	<u>275</u>	<u>6,079</u>	<u>14,341</u>
-	-	-	-	50
-	-	-	-	136
-	-	2,741	-	2,741
4,172	-	4,105	1,546	14,057
-	-	-	95	95
-	-	-	2	2
-	-	-	624	624
-	-	-	254	254
-	-	-	-	13,240
-	(3,042)	-	1,211	(1,831)
-	-	-	(203)	(1,531)
<u>4,172</u>	<u>(3,042)</u>	<u>6,846</u>	<u>3,529</u>	<u>27,837</u>
<u>\$ 4,616</u>	<u>\$ 586</u>	<u>\$ 7,121</u>	<u>\$ 9,608</u>	<u>\$ 42,178</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, 2009
(In Thousands)

Total fund balances of governmental funds \$ 27,837

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 \$210,960, the accumulated depreciation is \$63,724, and the accumulated amortization is \$408. The difference does not include the net capital assets of the internal service funds which are included below. 146,828

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. 5,466

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	\$ 394	
Capital leases	418	
Notes payable	32,184	
Other postemployment benefits	716	
Compensated absences	1,885	(35,597)

Deferred revenue from federal and state grants recognized as revenue of the current period 750

Total net assets of governmental activities \$ 145,284

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, 2009
(In Thousands)

	General	Local Option Gas Tax	Lakefront Sales Tax 2009A Capital Project Fund
REVENUES			
Taxes	\$ 13,853	\$ 2,428	\$ -
Permits, Fees and Special Assessments	145	-	-
Intergovernmental Revenues	18,811	100	-
Charges for Services	4,240	12	-
Fines and Forfeitures	962	-	-
Investment Income	68	29	-
Miscellaneous Revenues	474	19	-
Total Revenues	38,553	2,588	-
EXPENDITURES			
Current:			
General Government	11,465	-	-
Public Safety	27,862	-	-
Transportation	3,808	1,910	-
Economic Environment	-	-	-
Culture/Recreation	5,467	-	56
Capital Outlay	-	-	1,522
Debt Service:			
Principal Retirement	141	-	-
Interest and Fiscal Charges	41	-	-
Total Expenditures	48,784	1,910	1,578
Excess (Deficiency) of Revenues Over (Under) Expenditures	(10,231)	678	(1,578)
OTHER FINANCING SOURCES and (USES)			
Transfers In	10,988	323	-
Transfers (Out)	(1,115)	(718)	-
Issuance of Notes Payable	-	-	250
Total Other Financing Sources and (Uses)	9,873	(395)	250
Net Change in Fund Balances	(358)	283	(1,328)
Fund Balances (Deficit) - Beginning	13,784	3,951	-
Fund Balances (Deficits) - Ending	\$ 13,426	\$ 4,234	\$ (1,328)

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

2005					
Construction	Community		Nonmajor	Total	
Note Capital	Redevelopment	Local Option	Governmental	Governmental	
Project Fund	Agency	Sales Tax	Funds	Funds	
\$ -	\$ 1,490	\$ 4,831	\$ 6,403	\$ 29,005	
-	-	-	4,767	4,912	
-	-	454	7,414	26,779	
-	-	-	424	4,676	
-	-	-	-	962	
45	13	20	68	243	
-	152	28	165	838	
<u>45</u>	<u>1,655</u>	<u>5,333</u>	<u>19,241</u>	<u>67,415</u>	
-	2,366	578	4,520	18,929	
-	-	372	1,947	30,181	
-	-	277	2,499	8,494	
-	-	-	1,047	1,047	
-	-	947	1,369	7,839	
1,914	-	-	-	3,436	
-	-	-	2,727	2,868	
-	-	-	1,220	1,261	
<u>1,914</u>	<u>2,366</u>	<u>2,174</u>	<u>15,329</u>	<u>74,055</u>	
<u>(1,869)</u>	<u>(711)</u>	<u>3,159</u>	<u>3,912</u>	<u>(6,640)</u>	
-	249	660	5,259	17,479	
-	(1,109)	(2,740)	(11,624)	(17,306)	
-	-	-	345	595	
<u>-</u>	<u>(860)</u>	<u>(2,080)</u>	<u>(6,020)</u>	<u>768</u>	
(1,869)	(1,571)	1,079	(2,108)	(5,872)	
<u>6,041</u>	<u>(1,471)</u>	<u>5,767</u>	<u>5,637</u>	<u>33,709</u>	
<u>\$ 4,172</u>	<u>\$ (3,042)</u>	<u>\$ 6,846</u>	<u>\$ 3,529</u>	<u>\$ 27,837</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, 2009
(In Thousands)

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

Net change in fund balances - total governmental funds	\$	(5,872)
--	----	---------

Governmental funds report capital purchases as expenditures. However, in the statement of activities, the cost of those assets is depreciated and amortized over their estimated useful lives and reported as depreciation expense. This is the amount by which capital purchases (\$14,081) exceeds depreciation (\$6,823, which excludes the amount related to internal service funds accounted for below) and amortization (\$204). 7,054

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	\$	(595)
Principal repayments:		
Bonds		23
Leases		205
Notes		2,640
		2,273

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		8	
Other postemployment benefits		(716)	(708)

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, 2009
(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.	13
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.	65
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>293</u>
Change in net assets of governmental activities	<u>\$ 3,118</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, 2009
(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	\$ 1,107	\$ 1,476	\$ 604	\$ 3,187	\$ 7,566
Investments	58	115	32	205	398
Restricted Cash and Cash Equivalents	-	10	-	10	-
Accounts Receivable (net)	272	17	417	706	20
Due From Other Governments	-	185	-	185	-
Due From TWA	-	-	-	-	250
Inventories	-	-	-	-	159
Total Current Assets	<u>1,437</u>	<u>1,803</u>	<u>1,053</u>	<u>4,293</u>	<u>8,393</u>
Noncurrent Assets:					
Restricted Assets:					
Cash and Cash Equivalents	-	695	-	695	-
Total Restricted Assets	<u>-</u>	<u>695</u>	<u>-</u>	<u>695</u>	<u>-</u>
Capital Assets:					
Land	-	401	-	401	140
Buildings	-	2,046	5	2,051	59
Improvements Other Than Buildings	8,817	17,800	3	26,620	595
Machinery, Equipment and Vehicles	813	259	2,523	3,595	3,347
Construction in Progress	-	5,486	-	5,486	-
Less: Accumulated Depreciation	<u>(798)</u>	<u>(4,682)</u>	<u>(2,042)</u>	<u>(7,522)</u>	<u>(3,844)</u>
Total Capital Assets (Net)	<u>8,832</u>	<u>21,310</u>	<u>489</u>	<u>30,631</u>	<u>297</u>
Total Noncurrent Assets	<u>8,832</u>	<u>22,005</u>	<u>489</u>	<u>31,326</u>	<u>297</u>
Total Assets	<u>10,269</u>	<u>23,808</u>	<u>1,542</u>	<u>35,619</u>	<u>8,690</u>

Continued

CITY OF KISSIMMEE, FLORIDA
STATEMENT OF NET ASSETS - Continued
PROPRIETARY FUNDS
September 30, 2009
(In Thousands)

	<u>Business-type Activities - Enterprise Funds</u>				Governmental Activities - Internal
	<u>Stormwater</u>	<u>Airport</u>	<u>Solid Waste</u>	<u>Total</u>	<u>Service Funds</u>
LIABILITIES					
Current Liabilities:					
Accounts Payable	\$ 88	\$ 179	\$ 497	\$ 764	\$ 187
Due To KUA	12	-	7	19	-
Accrued Liabilities	39	11	37	87	73
Liabilities Payable from Restricted Assets - Deposits	-	10	-	10	-
Compensated Absences Payable	15	4	9	28	22
Estimated Claims Payable	-	-	-	-	1,401
Total Current Liabilities	<u>154</u>	<u>204</u>	<u>550</u>	<u>908</u>	<u>1,683</u>
Noncurrent Liabilities:					
Compensated Absences Payable	59	16	38	113	90
Other Postemployment Benefits	41	9	39	89	50
Estimated Claims Payable	-	-	-	-	1,401
Total Noncurrent Liabilities	<u>100</u>	<u>25</u>	<u>77</u>	<u>202</u>	<u>1,541</u>
Total Liabilities	<u>254</u>	<u>229</u>	<u>627</u>	<u>1,110</u>	<u>3,224</u>
NET ASSETS					
Invested in Capital Assets	8,832	21,310	489	30,631	297
Restricted for Construction Projects	-	695	-	695	-
Restricted for Other Purposes	-	10	-	10	-
Unrestricted	1,183	1,564	426	3,173	5,169
Total Net Assets	<u>\$ 10,015</u>	<u>\$ 23,579</u>	<u>\$ 915</u>	<u>\$ 34,509</u>	<u>\$ 5,466</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, 2009
(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	\$ 3,455	\$ 899	\$ 3,954	\$ 8,308	\$ 6,862
Miscellaneous Revenues	80	-	1	81	2
Total Operating Revenues	<u>3,535</u>	<u>899</u>	<u>3,955</u>	<u>8,389</u>	<u>6,864</u>
Operating Expenses:					
Personal Services	1,568	426	1,582	3,576	2,188
Contracted Services	648	36	912	1,596	62
Supplies and Materials	169	27	247	443	80
Repairs and Maintenance	241	66	318	625	1,606
Other Services and Charges	107	207	292	606	676
Depreciation	403	260	334	997	103
Claims/Premium Expense	44	9	54	107	2,190
Total Operating Expenses	<u>3,180</u>	<u>1,031</u>	<u>3,739</u>	<u>7,950</u>	<u>6,905</u>
Operating Income (Loss)	<u>355</u>	<u>(132)</u>	<u>216</u>	<u>439</u>	<u>(41)</u>
Nonoperating Revenues:					
Investment Income	5	13	4	22	49
Insurance Recoveries	-	-	-	-	285
Proceeds from Sale of Capital Assets	-	-	8	8	-
Total Nonoperating Revenues	<u>5</u>	<u>13</u>	<u>12</u>	<u>30</u>	<u>334</u>
Income (Loss) Before Contributions and Transfers	360	(119)	228	469	293
Capital Contributions	-	2,687	-	2,687	-
Transfers (Out)	(171)	(2)	-	(173)	-
Change in Net Assets	189	2,566	228	2,983	293
Total Net Assets - Beginning	<u>9,826</u>	<u>21,013</u>	<u>687</u>	<u>31,526</u>	<u>5,173</u>
Total Net Assets - Ending	<u>\$ 10,015</u>	<u>\$ 23,579</u>	<u>\$ 915</u>	<u>\$ 34,509</u>	<u>\$ 5,466</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, 2009
(In Thousands)

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Stormwater	Airport	Solid Waste	Total	
Cash Flows from Operating Activities					
Receipts from Customers and Users	\$ 3,763	\$ 1,086	\$ 3,978	\$ 8,827	\$ 6,943
Payments to Suppliers	(1,143)	(200)	(1,508)	(2,851)	(4,754)
Payments to Employees	(1,524)	(433)	(1,739)	(3,696)	(2,119)
Net Cash Provided (Used) by Operating Activities	<u>1,096</u>	<u>453</u>	<u>731</u>	<u>2,280</u>	<u>70</u>
Cash Flows from Noncapital Financing Activities					
Transfers (to) Other Funds	(171)	(2)	-	(173)	-
Net Cash (Used) by Noncapital Financing Activities	<u>(171)</u>	<u>(2)</u>	<u>-</u>	<u>(173)</u>	<u>-</u>
Cash Flows from Capital and Related Financing Activities					
Acquisition/Construction of Capital Assets	(564)	(3,295)	(201)	(4,060)	(97)
Capital Contributions	-	2,687	-	2,687	-
Proceeds from Insurance Recoveries	-	-	-	-	285
Proceeds from Sale of Capital Assets	-	-	8	8	-
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(564)</u>	<u>(608)</u>	<u>(193)</u>	<u>(1,365)</u>	<u>188</u>
Cash Flows from Investing Activities					
(Purchase) of Investments	-	-	(22)	(22)	-
Proceeds from Sale and Maturity of Investments	30	78	-	108	444
Gain (Loss) on Investments	5	13	4	22	49
Net Cash Provided (Used) by Investing Activities	<u>35</u>	<u>91</u>	<u>(18)</u>	<u>108</u>	<u>493</u>
Net Increase (Decrease) in Cash and Cash Equivalents	396	(66)	520	850	751
Cash and Cash Equivalents at Beginning of Year	<u>711</u>	<u>2,247</u>	<u>84</u>	<u>3,042</u>	<u>6,815</u>
Cash and Cash Equivalents at End of Year	<u>\$ 1,107</u>	<u>\$ 2,181</u>	<u>\$ 604</u>	<u>\$ 3,892</u>	<u>\$ 7,566</u>

Continued

CITY OF KISSIMMEE, FLORIDA
STATEMENT OF CASH FLOWS - Continued
PROPRIETARY FUNDS
For The Year Ended September 30, 2009
(In Thousands)

	<u>Business-type Activities - Enterprise Funds</u>			<u>Governmental</u>	
	<u>Stormwater</u>	<u>Airport</u>	<u>Solid Waste</u>		<u>Internal Service Funds</u>
	<u>Total</u>				
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities					
Operating Income (Loss)	\$ 355	\$ (132)	\$ 216	\$ 439	\$ (41)
Depreciation	403	260	334	997	103
Change in Assets and Liabilities:					
(Increase) Decrease in Accounts Receivable	147	187	23	357	(12)
(Increase) Decrease in Due from KUA	81	-	-	81	5
(Increase) Decrease in Due from TWA	-	-	-	-	(100)
(Increase) Decrease in Prepaid Items	-	-	-	-	110
(Increase) Decrease in Inventories	-	114	-	114	32
Increase (Decrease) in Accounts Payable	66	44	315	425	(112)
Increase (Decrease) in Retainage Payable	-	(13)	-	(13)	-
Increase (Decrease) in Accrued Liabilities	7	(4)	(191)	(188)	23
Increase (Decrease) in OPEB	41	9	39	89	50
Increase (Decrease) in Compensated Absences	(4)	(12)	(5)	(21)	12
Total Adjustments	<u>741</u>	<u>585</u>	<u>515</u>	<u>1,841</u>	<u>111</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ 1,096</u>	<u>\$ 453</u>	<u>\$ 731</u>	<u>\$ 2,280</u>	<u>\$ 70</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, 2009
(In Thousands)

ASSETS

Pension Cash and Short Term Investments	\$	4,539
Interest Receivable		313
Investments, at Fair Value:		
U.S. Government Obligations		4,871
U.S. Instrumentalities		13,420
Corporate Bonds		13,486
Corporate Stocks		46,528
Mutual Funds		<u>18,722</u>
Total Investments		<u>97,027</u>
Total Assets		<u><u>101,879</u></u>

LIABILITIES

Accounts Payable		<u>1</u>
Total Liabilities		1

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

\$ 101,878

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, 2009
(In Thousands)

ADDITIONS	
Employer Contributions	\$ 6,611
Employee Contributions	<u>1,252</u>
Total Contributions	<u>7,863</u>
Investment Income	<u>5,561</u>
Total Contributions and Income	<u>13,424</u>
DEDUCTIONS	
Benefits	4,667
Administrative Expense	<u>672</u>
Total Deductions	<u>5,339</u>
Change in Net Assets	8,085
Net Assets - Beginning of Year	<u>93,793</u>
Net Assets - End of Year	<u>\$ 101,878</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, 2009

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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 *Local Option Gas Tax Fund* is a special revenue fund used to account for the City's share of the six-cent local option gas tax revenues designated for road improvements and maintenance 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 *2005 Construction Note Capital Project Fund* is a capital projects fund used to account for the proceeds of the 2005 Construction Note and the construction of a fire station and various road and design improvements.

CITY OF KISSIMMEE, FLORIDA
NOTES TO FINANCIAL STATEMENTS – Continued
September 30, 2009
(In Thousands)

- 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 Neighborhood Stabilization Program, Victims Crime Act Grant, Police and Firefighters Premium Tax Fund, and Supplementary Care special revenue funds. Budgets are not adopted for the 2004 CRA Revenue Note, 2009A Revenue Note, and 2008 Revenue Note debt service funds.
- 5) Budgets for the governmental funds are adopted on a basis consistent with generally accepted accounting principles (GAAP).
- 6) The City Manager is authorized to approve transfers between line items other than salary accounts within any department, with all such adjustments reported on a monthly basis to the City Commission. However, the City Manager can approve transfers of unused amounts in salary account line items to advertising, recruiting and/or professional service account line items. Transfers between departments, other transfers between salary account line items and changes in total budget appropriations for a fund must have prior approval of the City Commission. During the current fiscal year, various appropriations were approved in accordance with this policy. Budgeted amounts shown in the financial statements are as originally adopted and as further amended.
- 7) Budget appropriations lapse at year-end. Encumbrances outstanding at year-end are charged against the ensuing year's budget, and thus are not shown in budget to actual presentations and are carried forward.

E. Cash and Cash Equivalents

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

F. Investments

Investments are stated at fair value, with the exception of investments in the SBA Fund B Surplus Funds Trust Fund (Fund B), an external investment pool which is accounted for as a fluctuating net asset value (NAV) pool. The Fund B fair value factor at September 30, 2009 was .549151 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 current millage 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, 2009. 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 market value at the date of donation.

CITY OF KISSIMMEE, FLORIDA
NOTES TO FINANCIAL STATEMENTS – Continued
 September 30, 2009
 (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 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 an other postemployment benefit liability 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, 2009
(In Thousands)

R. Net Assets Restricted by Enabling Legislation

In the government-wide financial statements, governmental activities report restricted net assets of \$14,939, of which management has determined \$95 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, 2009 was \$8,185.

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, 2009.

	Fair Value	Weighted Average Maturity (Years)	Credit Rating
U.S. Government Instrumentalities	\$2,033	0.37	S&P AAA
Florida PRIME	20,043	See below (1)	S&P AAAm
Local Government Surplus Funds Trust Fund Pool B	110	See below (2)	not rated
Certificate of Deposit	1,512	0.01	n/a
Mutual Funds	8,771	0.02	S&P A+
Total Investments	\$32,469		

(1) The weighted average maturity at September 30, 2009 was 33 days.

(2) The weighted average life at September 30, 2009 was 6.69 years.

CITY OF KISSIMMEE, FLORIDA
NOTES TO FINANCIAL STATEMENTS – Continued
September 30, 2009
(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	\$2,056	8.62	\$1,806	14.62	\$1,009	7.70	\$4,871
U.S Government Instrumentalities	5,810	19.47	5,088	16.23	2,522	20.63	\$13,420
Corporate Bonds	8,434	10.94	2,069	4.27	2,983	1.33	\$13,486
Corporate Stocks	25,756	n/a	13,755	n/a	7,017	n/a	\$46,528
Total Investments	42,056		22,718		13,531		\$78,305
Mutual Funds	9,857	n/a	5,985	n/a	6,447	n/a	\$22,289
Total Cash and Investments	<u>\$51,913</u>		<u>\$28,703</u>		<u>\$19,978</u>		<u>\$100,594</u>

Interest Rate Risk - To mitigate interest rate risk, the City's investment policy requires that the investment portfolio structure maturities to meet the City's cash needs for ongoing operations and that operating funds be invested primarily in short-term securities. Of the City's investments outstanding at year-end, 24% 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, 2009, the City did have a concentration of investments with the SBA. Due to the current unstable economic condition of the financial market, the City determined that a conservative approach to banking primarily with the SBA was a prudent measure. The City is currently searching for an investment manager to assist in diversification of its investments in the subsequent year.

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, 2009. Special assessment receivables are secured by liens placed on benefited properties at the time of the original assessment.

Description	Local Option				Solid Waste	Nonmajor Funds	Pension Funds	Total
	General	Gas Tax	Stormwater	Airport				
Accounts	\$ 5,313	\$ 15	\$ 272	\$ 17	\$ 417	\$ 481	\$ 313	\$ 6,828
Special assessments	53	-	-	-	-	-	-	53
	5,366	15	272	17	417	481	313	6,881
Less: Allowance for uncollectibles	(1,919)	-	-	-	-	-	-	(1,919)
	<u>\$ 3,447</u>	<u>\$ 15</u>	<u>\$ 272</u>	<u>\$ 17</u>	<u>\$ 417</u>	<u>\$ 481</u>	<u>\$ 313</u>	<u>\$ 4,962</u>

CITY OF KISSIMMEE, FLORIDA
NOTES TO FINANCIAL STATEMENTS – Continued
September 30, 2009
(In Thousands)

NOTE 4 – INTERFUND ACCOUNTS

Individual interfund receivables and payables with a description of their purpose at September 30, 2009 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	\$ 2,905	\$ -	To cover negative cash position of Funds
Lakefront Sales Tax 2009A Project	-	1,328	To cover negative cash position of construction project
Nonmajor Funds:			
Special Revenue Funds	-	1,577	Negative cash balances.
	<u>\$ 2,905</u>	<u>\$ 2,905</u>	

Individual interfund transfers with a description of their purpose at September 30, 2009 are:

	<u>Transfer In</u>	<u>Transfers Out</u>	Purpose
General Fund	\$ 10,988	\$ 1,115	Transfer to cover debt service payments
Local Option Gas Tax	323	718	Transfer gas tax revenue to General Fund and debt
Community Redevelopment Agency	249	1,109	Transfer to General Fund for overhead allocation
Local Option Sales Tax	660	2,740	Transfer sales tax revenue to General Fund and debt
Stormwater	-	171	Transfer to General Fund for overhead allocation
Airport	-	2	Transfer to General Fund for overhead allocation
Nonmajor Funds:			
Special Revenue Funds	839	11,117	Transfer to cover cash balances and correct cash
Debt Service Funds	3,933	-	Transfer to cover debt service payment
Capital Projects Funds	487	507	Transfer to cover cost of construction projects
	<u>\$ 17,479</u>	<u>\$ 17,479</u>	

CITY OF KISSIMMEE, FLORIDA
NOTES TO FINANCIAL STATEMENTS – Continued
September 30, 2009
(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 10/01/2008	Increases	Decreases	Transfers	Ending Balance 9/30/2009
Capital Assets, Not Being Depreciated:					
Land	\$ 16,239	\$ 554	\$ -	\$ -	\$ 16,793
Construction In Progress	23,634	2,347	(39)	-	25,942
Total Capital Assets, Not Being Depreciated	<u>39,873</u>	<u>2,901</u>	<u>(39)</u>	<u>-</u>	<u>42,735</u>
Capital Assets, Being Amortized:					
Parking Capacity	3,060	(204)	-	-	2,856
Total Capital Assets Being Amortized, Net	<u>3,060</u>	<u>(204)</u>	<u>-</u>	<u>-</u>	<u>2,856</u>
Capital Assets, Being Depreciated:					
Buildings					
Charter School	308	133	-	-	441
Other City	43,763	1,084	-	-	44,847
Improvements other than buildings					
Charter School	97	-	-	-	97
Other City	82,791	7,964	-	(1,554)	89,201
Equipment					
Charter School	390	26	-	-	416
Other City	33,241	2,174	(2,869)	1,554	34,100
Total Capital Assets Being Depreciated	<u>160,590</u>	<u>11,381</u>	<u>(2,869)</u>	<u>-</u>	<u>169,102</u>
Less Accumulated Depreciation For:					
Buildings					
Charter School	(5)	(15)	-	-	(20)
Other City	(14,562)	(1,780)	-	-	(16,342)
Improvements other than buildings					
Charter School	(37)	(11)	-	-	(48)
Other City	(17,723)	(2,815)	-	-	(20,538)
Equipment					
Charter School	(220)	(62)	-	-	(282)
Other City	(30,964)	(2,243)	2,869	-	(30,338)
Total Accumulated Depreciation	<u>(63,511)</u>	<u>(6,926)</u>	<u>2,869</u>	<u>-</u>	<u>(67,568)</u>
Total Capital Assets, Being Depreciated, Net	<u>97,079</u>	<u>4,455</u>	<u>-</u>	<u>-</u>	<u>101,534</u>
Governmental Activities Capital Assets, Net	<u>\$ 140,012</u>	<u>\$ 7,152</u>	<u>\$ (39)</u>	<u>\$ -</u>	<u>\$ 147,125</u>

CITY OF KISSIMMEE, FLORIDA
NOTES TO FINANCIAL STATEMENTS – Continued
September 30, 2009
(In Thousands)

Amortization Expense By Function

Governmental Activities:

Economic Environment \$ 204

Depreciation Expense By Function

Governmental Activities:

General Government \$ 2,425

Public Safety 2,107

Transportation 1,625

Culture/Recreation 666

Capital assets held by the City's internal service funds are charged to the various functions based on their usage of the assets 103

Total Governmental Activities Depreciation \$ 6,926

	Beginning Balance 10/01/2008	Increases	Decreases	Ending Balance 9/30/2009
Business-type Activities				
<u>Solid Waste Fund</u>				
Capital Assets, Being Depreciated:				
Buildings	\$ 5	\$ -	\$ -	\$ 5
Improvements other than Buildings	3	-	-	3
Equipment	<u>2,476</u>	<u>201</u>	<u>(154)</u>	<u>2,523</u>
Total Capital Assets Being Depreciated	<u>2,484</u>	<u>201</u>	<u>(154)</u>	<u>2,531</u>
Less Accumulated Depreciation For:				
Buildings	-	(1)	-	(1)
Improvements other than Buildings	(3)	-	-	(3)
Equipment	<u>(1,859)</u>	<u>(333)</u>	<u>154</u>	<u>(2,038)</u>
Total Accumulated Depreciation	<u>(1,862)</u>	<u>(334)</u>	<u>154</u>	<u>(2,042)</u>
Total Capital Assets, Being Depreciated, Net	<u>622</u>	<u>(133)</u>	<u>-</u>	<u>489</u>
Solid Waste Fund Capital Assets, Net	<u>\$ 622</u>	<u>\$ (133)</u>	<u>\$ -</u>	<u>\$ 489</u>
<u>Stormwater Fund</u>				
Capital Assets, Being Depreciated:				
Improvements other than Buildings	\$ 8,702	\$ 115	\$ -	\$ 8,817
Equipment	<u>369</u>	<u>449</u>	<u>(5)</u>	<u>813</u>
Total Capital Assets Being Depreciated	<u>9,071</u>	<u>564</u>	<u>(5)</u>	<u>9,630</u>
Less Accumulated Depreciation For:				
Improvements other than Buildings	(205)	(196)	-	(401)
Equipment	<u>(195)</u>	<u>(207)</u>	<u>5</u>	<u>(397)</u>
Total Accumulated Depreciation	<u>(400)</u>	<u>(403)</u>	<u>5</u>	<u>(798)</u>
Total Capital Assets, Being Depreciated, Net	<u>8,671</u>	<u>161</u>	<u>-</u>	<u>8,832</u>
Solid Waste Fund Capital Assets, Net	<u>\$ 8,671</u>	<u>\$ 161</u>	<u>\$ -</u>	<u>\$ 8,832</u>

CITY OF KISSIMMEE, FLORIDA
NOTES TO FINANCIAL STATEMENTS – Continued
September 30, 2009
(In Thousands)

	Beginning Balance 10/01/2008	Increases	Decreases	Ending Balance 9/30/2009
<u>Airport Fund</u>				
Capital Assets, Not Being Depreciated:				
Land	\$ 401	\$ -	\$ -	\$ 401
Construction In Progress	3,731	1,755	-	5,486
Total Capital Assets, Not Being Depreciated	<u>4,132</u>	<u>1,755</u>	<u>-</u>	<u>5,887</u>
Capital Assets, Being Depreciated:				
Buildings	1,337	709	-	2,046
Improvements other than Buildings	17,122	678	-	17,800
Equipment	243	11	5	259
Total Capital Assets Being Depreciated	<u>18,702</u>	<u>1,398</u>	<u>5</u>	<u>20,105</u>
Less Accumulated Depreciation For:				
Buildings	(340)	(44)	-	(384)
Improvements other than Buildings	(3,696)	(194)	-	(3,890)
Equipment	(380)	(22)	(6)	(408)
Total Accumulated Depreciation	<u>(4,416)</u>	<u>(260)</u>	<u>(6)</u>	<u>(4,682)</u>
Total Capital Assets, Being Depreciated, Net	<u>14,286</u>	<u>1,138</u>	<u>(1)</u>	<u>15,423</u>
Airport Fund Capital Assets, Net	<u>\$ 18,418</u>	<u>\$ 2,893</u>	<u>\$ (1)</u>	<u>\$ 21,310</u>
<u>Total Business-type Activities</u>				
Capital Assets, Not Being Depreciated:				
Land	\$ 401	\$ -	\$ -	\$ 401
Construction In Progress	3,731	1,755	-	5,486
Total Capital Assets, Not Being Depreciated	<u>4,132</u>	<u>1,755</u>	<u>-</u>	<u>5,887</u>
Capital Assets, Being Depreciated:				
Buildings	1,342	709	-	2,051
Improvements other than Buildings	25,827	793	-	26,620
Equipment	3,088	661	(154)	3,595
Total Capital Assets Being Depreciated	<u>30,257</u>	<u>2,163</u>	<u>(154)</u>	<u>32,266</u>
Less Accumulated Depreciation For:				
Buildings	(340)	(45)	-	(385)
Improvements other than Buildings	(3,904)	(390)	-	(4,294)
Equipment	(2,434)	(562)	153	(2,843)
Total Accumulated Depreciation	<u>(6,678)</u>	<u>(997)</u>	<u>153</u>	<u>(7,522)</u>
Total Capital Assets, Being Depreciated, Net	<u>23,579</u>	<u>1,166</u>	<u>(1)</u>	<u>24,744</u>
Total Business-type Activities, Net	<u>\$ 27,711</u>	<u>\$ 2,921</u>	<u>\$ (1)</u>	<u>\$ 30,631</u>
Depreciation Expense By Function				
Business-type Activities:				
Solid Waste			\$ 334	
Stormwater			403	
Airport			<u>260</u>	
			<u>\$ 997</u>	

CITY OF KISSIMMEE, FLORIDA
NOTES TO FINANCIAL STATEMENTS – Continued
September 30, 2009
(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:

	<u>Governmental</u> <u>Activities</u>	<u>Business-type</u> <u>Activities</u>	<u>Total</u>
Land	\$ 16,793	\$ 401	\$ 17,194
Parking Capacity, net	2,856	-	2,856
Buildings	45,288	2,051	47,339
Improvements other than Buildings	89,298	26,620	115,918
Equipment	34,516	3,595	38,111
Construction in Progress	<u>25,942</u>	<u>5,486</u>	<u>31,428</u>
	214,693	38,153	252,846
Less: Accumulated Depreciation	<u>(67,568)</u>	<u>(7,522)</u>	<u>(75,090)</u>
Capital Assets, net	<u>\$ 147,125</u>	<u>\$ 30,631</u>	<u>\$ 177,756</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, 2009:

<u>Projects</u>	<u>Spent-to-Date</u>	<u>Remaining</u> <u>Commitment</u>
Hoagland Boulevard Improvement	\$ 698	\$ 1,302
Oak Street Improvements	-	2,191
Lakefront Improvements	1,522	8,785
Taxiway B Apron	1	1,211
Fire Station 11	2,383	4,415
Thacker Avenue Phase III	<u>1</u>	<u>1,009</u>
Total	<u>\$ 4,605</u>	<u>\$ 18,913</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, 2009, the total book value of assets in these categories is \$2,447 with accumulated depreciation of \$384. The following is a schedule of minimum future lease income on noncancelable operating leases:

<u>Year</u>	<u>Amount</u>
2010	\$ 477
2011	469
2012	464
2013	454
2014	569
After 2014	<u>10,555</u>
Total minimum lease income	<u>\$ 12,988</u>

Total income on noncancelable operating leases for the year ended September 30, 2009 was \$565.

CITY OF KISSIMMEE, FLORIDA
NOTES TO FINANCIAL STATEMENTS – Continued
September 30, 2009
(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, and compensated absences. The following is a schedule of changes in the City's long-term debt for the fiscal year ended September 30, 2009:

	Balance 10/01/08	Additions	Reductions	Balance 9/30/09	Due Within One Year	Long-Term Portion
Governmental Activities:						
Revenue Notes Payable	\$ 34,229	\$ 595	\$ (2,640)	\$ 32,184	\$ 9,481	\$ 22,703
Revenue Bonds Payable	417	-	(23)	394	25	369
Capital Lease Payable	623	-	(205)	418	214	204
Claims Payable	2,802	2,119	(2,119)	2,802	1,401	1,401
Other Postemployment Benefits	-	766	-	766	-	766
Compensated Absences	1,993	2,398	(2,394)	1,997	399	1,598
Governmental Activity Long-term Liabilities	<u>\$ 40,064</u>	<u>\$ 5,878</u>	<u>\$ (7,381)</u>	<u>\$ 38,561</u>	<u>\$ 11,520</u>	<u>\$ 27,041</u>
Business-type Activities:						
Other Postemployment Benefits	\$ -	\$ 89	\$ -	\$ 89	\$ -	\$ 89
Compensated Absences	162	225	(246)	141	28	113
Business-type Activity Long-term Liabilities	<u>\$ 162</u>	<u>\$ 314</u>	<u>\$ (246)</u>	<u>\$ 230</u>	<u>\$ 28</u>	<u>\$ 202</u>

Compensated absences of governmental activities 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	
	2010	\$ 9,481	\$ 995	\$ 25	\$ 20	\$ 10,521
	2011	1,808	742	26	18	2,594
	2012	1,300	687	27	17	2,031
	2013	1,354	645	29	16	2,044
	2014	1,408	607	31	14	2,060
	2015-2019	7,935	2,406	177	47	10,565
	2020-2024	7,633	1,137	79	8	8,857
	2025-2027	1,265	109	-	-	1,374
Total		<u>\$ 32,184</u>	<u>\$ 7,328</u>	<u>\$ 394</u>	<u>\$ 140</u>	<u>\$ 40,046</u>

CITY OF KISSIMMEE, FLORIDA
NOTES TO FINANCIAL STATEMENTS – Continued
September 30, 2009
(In Thousands)

C. Bonds and Notes Payable

The City has revenue bonds and notes outstanding at September 30, 2009. 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:							
2000A Revenue Note Maturity: 2010, Interest Rate: 4.62% Purpose: Refinance Charter School loan	School Board State grant	\$ 9,400	\$ 7,356	\$ 7,525	6.9%	\$ 335	\$ 4,824
2001 Revenue Note Maturity: 2010, Interest Rate: 4.68% Purpose: Construction of City Hall	Sales tax	4,900	536	587	23.2%	1,123	4,832
2006 Revenue Note Maturity: 2026, Interest Rate: 3.85% Purpose: Road improvements	Local option gas tax	9,000	8,145	11,428	27.1%	657	2,428
2004 CRA Redevelopment Trust Loan Maturity: 2012, Interest Rate: 2.06% Purpose: CRA redevelopment plan		5,613	5,212	5,491	n/a	472	n/a
2008 Revenue Note Maturity: 2025, Interest Rate: variable Purpose: Refunding Charter School Debt		345	5	5	5729.0%	344	6
2009A Revenue Note Maturity: 2025, Interest Rate: variable Purpose: Lakefront Improvements	Infrastructure surtax	250	250	257	3.7% (3)	4	107
2001A Revenue Note Maturity: 2012, Interest Rate: 3.70% Purpose: Acquisition of Lancaster Ranch	Infrastructure surtax	4,100	680	738	167.9% (3)	487	290
2005 Revenue Note Maturity: 2023, Interest Rate: 4.03% Purpose: Construction of fire station	Infrastructure surtax	10,000	<u>10,000</u>	13,480	9.4% (3)	403	4,267
	Total Revenue Notes		<u>32,184</u>				
Revenue Bonds:							
Excise Tax Revenue Bonds, Series 1980 Maturity: 2018, Interest Rate: 3.50 - 5.45% Purpose: Refunding	Infrastructure surtax	265	121	157	30.0% (3)	16	52
Excise Tax Revenue Bonds, Series 1982 Maturity: 2019, Interest Rate: 5.00% Purpose: Refunding	Infrastructure surtax	500	<u>273</u>	378	25.0% (3)	29	116
	Total Revenue Bonds		<u>394</u>				
Total Revenue Notes and Bonds - Governmental Activities			<u>\$ 32,578</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, 2009
(In Thousands)

D. Debt Defeasance and Advance Refunding

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, 2009, 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 10/01/08	Additions/ Reductions	Outstanding at 09/30/09
1984	\$ 6,090	\$ (525)	\$ 5,565
1986	6,840	(660)	6,180
1990	7,390	(710)	6,680
1993	2,435	(560)	1,875
1999	24,470	(3,745)	20,725
	\$ 47,225	\$ (6,200)	\$ 41,025

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
2010	\$ 231
2011	77
2012	77
2013	64
Total minimum lease payments	449
Less: amount representing interest	(31)
Present value of minimum lease payments	\$ 418

NOTE 8 – EXCESS OF EXPENDITURES OVER APPROPRIATIONS

For the year ended September 30, 2009, expenditures in the Community Redevelopment Agency, Fire Assessment Fee, and Paving Assessments 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.

NOTE 9 – EMPLOYEE RETIREMENT SYSTEMS

The City administers three public employee retirement systems for all full-time employees. The employees of the Tohopekaliga Water Authority also participate in the general employees' retirement plan. Actuarial studies were conducted on all three plans as of October 1, 2008. 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, 2008, the date of the latest actuarial valuations:

	Pension Plans		
	General	Police	Firefighters'
	Employees'	Officers'	
Active members	497	130	85
Terminated vested members	127	14	4
DROP participants	9	3	7
Service retirees and beneficiaries	127	59	34
Total	760	206	130

CITY OF KISSIMMEE, FLORIDA
NOTES TO FINANCIAL STATEMENTS – Continued
September 30, 2009
(In Thousands)

For the fiscal year ended September 30, 2009, 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%	23.90%	25.10%
Required Plan Member Contribution	3.69% Tier 1 7.04% Tier 2	3.70%	1.00%
Actuarial Cost Method	Aggregate	Aggregate	Entry Age Normal
Amortization Method	N/A	N/A	Level % of pay, closed
Remaining Amortization Period	N/A	N/A	30 Years
Asset Valuation Method	5 yr smooth mkt	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%	5.00%	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

For the General Employees' and Police Officers' pension plans, the aggregate actuarial cost method is used. Because this method does not identify or separately amortize unfunded actuarial accrued liability, information about funded status and funding progress is presented using the entry age actuarial cost method for that purpose. The information presented is intended to serve as a surrogate for the funding progress of the plans. 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'	10/01/08	60,916	71,960	11,044	84.7%	22,301	49.5%
Police Officers'	10/01/08	35,519	41,424	5,905	85.7%	6,649	88.8%
Firefighters'	10/01/08	22,216	31,681	9,465	70.1%	5,444	173.9%

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, 2009
(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'			
09/30/07	\$ 2,714	\$ 2,714	100%
09/30/08	2,549	2,549	100%
09/30/09	2,549	2,549	100%
Police Officers'			
09/30/07	\$ 1,878	\$ 1,878	100%
09/30/08	1,438	1,438	100%
09/30/09	1,438	1,438	100%
Firefighters'			
09/30/07	\$ 1,495	\$ 1,495	100%
09/30/08	1,207	1,207	100%
09/30/09	1,367	1,367	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, 2009
(In Thousands)

	General			Totals
	Employees'	Police Officers'	Firefighters'	
	Pension	Pension	Pension	
ASSETS				
Pension Cash and Short Term Investments	\$ 2,253	\$ 1,078	\$ 1,208	\$ 4,539
Interest Receivable	186	81	46	313
Investments, at Fair Value				
U.S. Government Obligations	2,056	1,806	1,009	4,871
U.S. Instrumentalities	5,810	5,088	2,522	13,420
Corporate Bonds	8,434	2,069	2,983	13,486
Corporate Stocks	25,756	13,755	7,017	46,528
Mutual Funds	7,545	5,480	5,697	18,722
Total Investments	49,601	28,198	19,228	97,027
Total Assets	52,040	29,357	20,482	101,879
LIABILITIES				
Accounts Payable	1	-	-	1
Total Liabilities	1	-	-	1
Net Assets Held in Trust				
for Pension Benefits	\$ 52,039	\$ 29,357	\$ 20,482	\$ 101,878

CITY OF KISSIMMEE, FLORIDA
NOTES TO FINANCIAL STATEMENTS – Continued
September 30, 2009
(In Thousands)

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

For The Year Ended September 30, 2009

(In Thousands)

	General			Totals
	Employees' Pension	Police Officers' Pension	Firefighters' Pension	
ADDITIONS				
Employer Contributions:	\$ 2,749	\$ 1,980	\$ 1,882	\$ 6,611
Employee Contributions	941	258	53	1,252
Total Contributions	<u>3,690</u>	<u>2,238</u>	<u>1,935</u>	<u>7,863</u>
Investment Income	937	4,331	293	5,561
Total Additions	<u>4,627</u>	<u>6,569</u>	<u>2,228</u>	<u>13,424</u>
DEDUCTIONS				
Benefits	2,146	1,690	831	4,667
Administrative Expense	345	209	118	672
Total Deductions	<u>2,491</u>	<u>1,899</u>	<u>949</u>	<u>5,339</u>
Change in Net Assets	2,136	4,670	1,279	8,085
Net Assets - Beginning of Year	<u>49,903</u>	<u>24,687</u>	<u>19,203</u>	<u>93,793</u>
Net Assets - End of Year	<u>\$ 52,039</u>	<u>\$ 29,357</u>	<u>\$ 20,482</u>	<u>\$ 101,878</u>

NOTE 10 – OTHER POSTEMPLOYMENT BENEFITS

A. Plan Description

Effective for the fiscal year ended September 30, 2009, the City implemented GASB Statement No. 45, *Accounting and Reporting for Postemployment Benefits Other than Pensions*, for certain post employment healthcare and life insurance benefits provided by the City. The requirements of this statement are being implemented prospectively, with the actuarially determined liability of \$6,966 at October 1, 2008, the date of the transition amortized over 30 years. Accordingly, for financial reporting purposes, no liability is reported for the postemployment healthcare benefit liability at the date of transition.

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, 2009
(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:

	FY09 Valuation as of 10/01/08
Normal Cost (service cost for one year)	\$ 793
Amortization of Unfunded Actuarial Accrued Liability	220
Interest on Normal Cost and Amortization	-
Annual Required Contribution (ARC)	<u>1,013</u>
Adjustment to ARC	-
Annual OPEB Cost (expense)	<u>1,013</u>
Employer Contributions Made	<u>(158)</u>
Increase/(Decrease) in Net OPEB Obligation	855
Net OPEB Obligation at Beginning of Year	-
Net OPEB Obligation at End of Year	<u><u>\$ 855</u></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 2009 (with no applicable preceding years) were as follows:

Fiscal Year Ended	Annual OPEB Cost	Employer Contributions toward OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
9/30/2009	\$ 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.

CITY OF KISSIMMEE, FLORIDA
NOTES TO FINANCIAL STATEMENTS – Continued
September 30, 2009
(In Thousands)

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.

E. Actuarial Methods and Assumptions

In any long-term actuarial valuation, certain assumptions are made regarding the population, the investment discount rates and the benefits provided. 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). This is the most common method used for government pension valuations (and likely for OPEB valuations).

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 2009, 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, 2009, the total outstanding unpaid claims were \$2,802 which includes an estimate for incurred but not reported claims. Insurance premiums paid out of this fund totaled \$2,119 for the fiscal year ended September 30, 2009. 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
2008-2009	\$ 2,802	\$ 2,119	\$ (2,119)	\$ 2,802
2007-2008	2,104	3,802	(3,104)	2,802

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)	\$ 147,125	\$ 30,631	\$ 177,756
Debt Related to Capital Assets	(32,996)	-	(32,996)
Unspent Proceeds of Capital-Related Debt	4,518	-	4,518
	<u>\$ 118,647</u>	<u>\$ 30,631</u>	<u>\$ 149,278</u>

CITY OF KISSIMMEE, FLORIDA
NOTES TO FINANCIAL STATEMENTS – Continued
September 30, 2009
(In Thousands)

NOTE 13 – FUND DEFICITS

The following funds have a deficit fund balance at September 30, 2009:

<u>Fund Name</u>	<u>Deficit Amounts</u>
Community Redevelopment Agency	\$ 3,042
Lakefront Sales Tax 2009A Capital Project	1,328
Nonmajor Funds:	
Special Revenue Funds:	
Recreation Impact Fee Fund	160
Neighborhood Stabilization Program	2
Community Development Block Grant	260
USDA Grant	398
Hazard Mitigation Grant Program	94
Martin Luther King Phase II	285
Justice Assistance Grant	152
Capital Project Fund:	
Community Redevelopment Project	203

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 Lakefront Sales Tax 2009A Capital Project Fund will be eliminated by proceeds from the 2009A Capital Project Note in the subsequent period. The deficit in the Community Redevelopment Project fund will be eliminated by line of credit draw requests made subsequent to year-end.

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. The City originally issued a tax-exempt note and built the school facilities and 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.

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, 2009, the payment made by KUA to the City was \$9.0 million. KUA's total operating revenues for the fiscal year ended September 30, 2009 were \$191 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 2009 was \$4.3 million and all future annual amounts will be calculated based on the gross annual revenues of the system for an additional nineteen years.

CITY OF KISSIMMEE, FLORIDA
NOTES TO FINANCIAL STATEMENTS – Continued
September 30, 2009
(In Thousands)

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.

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REQUIRED SUPPLEMENTARY INFORMATION

Budgetary Comparison Schedules (GAAP BASIS):

- General Fund
- Major Special Revenue Funds:
 - Local Option Gas Tax
 - 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, 2009
(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	\$ 13,502	\$ 13,597	\$ 13,685	\$ 88
Local business taxes	205	205	168	(37)
	<u>13,707</u>	<u>13,802</u>	<u>13,853</u>	<u>51</u>
Permits, Fees and Special Assessments:				
Franchise fees	94	94	144	50
Other permits and fees	5	4	1	(3)
	<u>99</u>	<u>98</u>	<u>145</u>	<u>47</u>
Intergovernmental Revenues:				
Federal grants	-	8	51	43
State grants	-	250	3	(247)
Local grants	365	333	268	(65)
State revenue sharing	1,725	1,804	1,518	(286)
Half cent sales tax	4,400	4,167	3,549	(618)
Shared taxes and licenses	26	154	146	(8)
County shared revenue	-	27	32	5
Kissimmee Utility Authority	9,800	9,800	8,999	(801)
Tohopekalgiga Water Authority	4,253	4,253	4,245	(8)
	<u>20,569</u>	<u>20,796</u>	<u>18,811</u>	<u>(1,985)</u>
Charges for Services:				
General government charges	250	250	155	(95)
Public safety charges	2,661	2,662	2,876	214
Physical environment charges	41	41	57	16
Transportation charges	537	537	485	(52)
Culture/recreation charges	685	685	667	(18)
	<u>4,174</u>	<u>4,175</u>	<u>4,240</u>	<u>65</u>
Fines and Forfeitures:				
Court fines and costs	473	510	962	452
Miscellaneous Revenue:				
Investment income	265	268	68	(200)
Rents	38	37	46	9
Other revenue	249	345	301	(44)
Sales of cemetery lots	141	142	127	(15)
	<u>693</u>	<u>792</u>	<u>542</u>	<u>(250)</u>

Continued

CITY OF KISSIMMEE, FLORIDA
BUDGETARY COMPARISON SCHEDULE - CONTINUED
GENERAL FUND
For the Year Ended September 30, 2009
(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	\$ 6,665	\$ 6,665	\$ 6,393	\$ (272)
Stormwater Utility Fund	168	168	171	3
Charter School	660	660	678	18
Airport	-	2	2	-
Victims of Crime Act	-	-	6	6
Community Redevelopment Agency	-	50	50	-
Transportation Impact Fee	54	54	21	(33)
Fire Assessment Fees	2,700	2,700	3,667	967
	<u>10,247</u>	<u>10,299</u>	<u>10,988</u>	<u>689</u>
Other Sources:				
Issuance of Capital Lease	416	416	-	(416)
Total Revenues and Other Sources	<u>50,378</u>	<u>50,888</u>	<u>49,541</u>	<u>(1,347)</u>
EXPENDITURES AND OTHER USES				
General Government:				
City Commission:				
Personal Services	100	127	120	(7)
Operating	348	333	282	(51)
	<u>448</u>	<u>460</u>	<u>402</u>	<u>(58)</u>
City Manager:				
Personal Services	668	668	621	(47)
Operating	155	180	114	(66)
Capital Outlay	-	15	5	(10)
	<u>823</u>	<u>863</u>	<u>740</u>	<u>(123)</u>
Development Services:				
Personal Services	1,256	1,256	1,217	(39)
Operating	455	1,264	405	(859)
Capital Outlay	10	10	7	(3)
	<u>1,721</u>	<u>2,530</u>	<u>1,629</u>	<u>(901)</u>
Legal:				
Personal Services	237	237	221	(16)
Operating	180	218	196	(22)
	<u>417</u>	<u>455</u>	<u>417</u>	<u>(38)</u>

Continued

CITY OF KISSIMMEE, FLORIDA
BUDGETARY COMPARISON SCHEDULE - CONTINUED
GENERAL FUND
For the Year Ended September 30, 2009
(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	\$ 513	\$ 500	\$ 471	\$ (29)
Operating	133	172	158	(14)
Capital Outlay	-	26	17	(9)
	<u>646</u>	<u>698</u>	<u>646</u>	<u>(52)</u>
Personnel:				
Personal Services	344	389	366	(23)
Operating	97	104	93	(11)
Capital Outlay	8	7	5	(2)
	<u>449</u>	<u>500</u>	<u>464</u>	<u>(36)</u>
Central Service Charges:				
Operating	4,128	4,128	4,170	42
	<u>4,128</u>	<u>4,128</u>	<u>4,170</u>	<u>42</u>
Total General Government	<u>8,632</u>	<u>9,634</u>	<u>8,468</u>	<u>(1,166)</u>
Public Safety:				
Police:				
Personal Services	15,396	15,426	14,297	(1,129)
Operating	2,493	2,649	2,167	(482)
Capital Outlay	839	843	834	(9)
	<u>18,728</u>	<u>18,918</u>	<u>17,298</u>	<u>(1,620)</u>
Fire:				
Personal Services	9,252	9,248	8,988	(260)
Operating	1,397	1,439	1,245	(194)
Capital Outlay	370	450	331	(119)
	<u>11,019</u>	<u>11,137</u>	<u>10,564</u>	<u>(573)</u>
Total Public Safety	<u>29,747</u>	<u>30,055</u>	<u>27,862</u>	<u>(2,193)</u>
Transportation:				
Public Works:				
Personal Services	2,427	2,427	2,442	15
Operating	1,411	1,449	1,264	(185)
Capital Outlay	115	268	102	(166)
Total Transportation	<u>3,953</u>	<u>4,144</u>	<u>3,808</u>	<u>(336)</u>

Continued

CITY OF KISSIMMEE, FLORIDA
BUDGETARY COMPARISON SCHEDULE - CONTINUED
GENERAL FUND
For the Year Ended September 30, 2009
(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	\$ 3,251	\$ 3,251	\$ 3,044	\$ (207)
Operating	2,049	2,182	1,729	(453)
Capital Outlay	321	893	694	(199)
Total Culture / Recreation	<u>5,621</u>	<u>6,326</u>	<u>5,467</u>	<u>(859)</u>
Non-Departmental				
Bad Debt	425	425	2,997	2,572
Debt Service Principal	-	445	141	(304)
Debt Service Interest and Costs	-	10	41	31
Total Non-Departmental	<u>425</u>	<u>880</u>	<u>3,179</u>	<u>2,299</u>
Transfers Out:				
Transfers to other funds	-	1,294	1,115	(179)
Total Transfers Out	<u>-</u>	<u>1,294</u>	<u>1,115</u>	<u>(179)</u>
Total Expenditures and Other Uses	<u>48,378</u>	<u>52,333</u>	<u>49,899</u>	<u>(2,434)</u>
Excess (Deficiency) of Revenues and Other Sources Over (Under) Expenditures and Other Uses				
Fund Balance - Beginning of Year	2,000	(1,445)	(358)	1,087
	<u>13,950</u>	<u>15,636</u>	<u>13,784</u>	<u>(1,852)</u>
Fund Balance - End of Year	<u>\$ 15,950</u>	<u>\$ 14,191</u>	<u>\$ 13,426</u>	<u>\$ (765)</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
LOCAL OPTION GAS TAX FUND
For the Year Ended September 30, 2009
(In Thousands)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Over (Under)
	Original	Final		
REVENUES				
Taxes	\$ 2,550	\$ 2,550	\$ 2,428	\$ (122)
Intergovernmental Revenues	-	-	100	100
Charges for Services	-	-	12	12
Investment Income	100	100	29	(71)
Miscellaneous Revenues	20	20	19	(1)
Total Revenues	2,670	2,670	2,588	(82)
EXPENDITURES				
Transportation				
Personal Services	604	604	600	(4)
Operating	610	636	562	(74)
Capital Outlay	1,814	2,854	748	(2,106)
Total Expenditures	3,028	4,094	1,910	(2,184)
Excess (Deficiency) of Revenues Over (Under) Expenditures	(358)	(1,424)	678	2,102
OTHER FINANCING SOURCES and (USES)				
Transfers In	50	322	323	1
Transfers (Out)	-	(657)	(718)	(61)
Total Other Financing Sources and (Uses)	50	(335)	(395)	(60)
Net Change in Fund Balance	(308)	(1,759)	283	2,042
Fund Balance - Beginning	308	1,759	3,951	2,192
Fund Balance - Ending	\$ -	\$ -	\$ 4,234	\$ 4,234

Notes to Schedule

The budget for the Local Option Gas 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
BUDGETARY COMPARISON SCHEDULE
COMMUNITY REDEVELOPMENT AGENCY
For the Year Ended September 30, 2009
(In Thousands)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Over (Under)
	Original	Final		
REVENUES				
Taxes	\$ 1,349	\$ 1,349	\$ 1,490	\$ 141
Investment Income	25	25	13	(12)
Miscellaneous Revenues	<u>1</u>	<u>1</u>	<u>152</u>	<u>151</u>
Total Revenues	<u>1,375</u>	<u>1,375</u>	<u>1,655</u>	<u>280</u>
EXPENDITURES				
General Government				
Operating	978	958	643	(315)
Capital Outlay	<u>5</u>	<u>1,157</u>	<u>1,723</u>	<u>566</u>
Total Expenditures	<u>983</u>	<u>2,115</u>	<u>2,366</u>	<u>251</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>392</u>	<u>(740)</u>	<u>(711)</u>	<u>29</u>
OTHER FINANCING SOURCES AND (USES)				
Transfers In	271	271	249	(22)
Transfers (Out)	<u>(327)</u>	<u>(327)</u>	<u>(1,109)</u>	<u>(782)</u>
Total Other Financing Sources and (Uses)	<u>(56)</u>	<u>(56)</u>	<u>(860)</u>	<u>(804)</u>
Net Change in Fund Balance	336	(796)	(1,571)	(775)
Fund Balance (Deficit) - Beginning	<u>(336)</u>	<u>796</u>	<u>(1,471)</u>	<u>(2,267)</u>
Fund Balance (Deficit) - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (3,042)</u>	<u>\$ (3,042)</u>

Notes to Schedule

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

CITY OF KISSIMMEE, FLORIDA
BUDGETARY COMPARISON SCHEDULE
LOCAL OPTION SALES TAX FUND
For the Year Ended September 30, 2009
(In Thousands)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Over (Under)
	Original	Final		
REVENUES				
Taxes	\$ 5,800	\$ 5,800	\$ 4,831	\$ (969)
Intergovernmental Revenues	-	-	454	454
Investment Income	58	58	20	(38)
Miscellaneous Revenues	-	50	28	(22)
Total Revenues	5,858	5,908	5,333	(575)
EXPENDITURES				
General Government				
Capital Outlay	720	2,524	578	(1,946)
Public Safety				
Capital Outlay	332	677	372	(305)
Transportation				
Capital Outlay	763	4,444	277	(4,167)
Culture/Recreation				
Capital Outlay	5,285	1,734	947	(787)
Total Expenditures	7,100	9,379	2,174	(7,205)
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,242)	(3,471)	3,159	6,630
OTHER FINANCING SOURCES and (USES)				
Transfers In	100	100	660	560
Transfers (Out)	-	(3,757)	(2,740)	1,017
Issuance of Note Payable	5,000	-	-	-
Total Other Financing Sources and (Uses)	5,100	(3,657)	(2,080)	1,577
Net Change in Fund Balance	3,858	(7,128)	1,079	8,207
Fund Balance - Beginning	(3,858)	7,128	5,767	(1,361)
Fund Balance - Ending	\$ -	\$ -	\$ 6,846	\$ 6,846

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%

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

Year Ended September 30	Annual OPEB Cost	Amount Contributed	Percentage Contributed	Net OPEB Obligation
2009	\$ 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) (1)	Unfunded AAL (UAAL) (b) - (a)			
10/01/03	\$ 34,338	\$ 43,126	\$ 8,788	79.6%	\$ 16,115	54.5%
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%

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) (1)	Unfunded AAL (UAAL) (b) - (a)			
10/01/03	\$ 23,678	\$ 25,840	\$ 2,162	91.6%	\$ 5,624	38.4%
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%

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) (1)	Unfunded AAL (UAAL) (b) - (a)			
10/01/03	\$ 15,779	\$ 20,097	\$ 4,318	78.5%	\$ 3,684	117.2%
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%

(1) The aggregate actuarial cost method does not identify or separately amortize unfunded actuarial accrued liabilities. Information about funded status and funding progress is presented using the entry age actuarial cost method for that purpose and information presented is intended to serve as a surrogate for the funding progress of the plan.

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
2004	\$ 2,297	100.00%
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%

Police Officers' Retirement Plan

Year Ended September 30	Annual Required Contribution	Percentage Contributed
2004	\$ 1,189	100.00%
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%

Firefighters' Retirement Plan

Year Ended September 30	Annual Required Contribution	Percentage Contributed
2004	\$ 963	100.00%
2005	992	100.00%
2006	1,252	100.00%
2007	1,495	100.00%
2008	1,207	100.00%
2009	1,367	100.00%

OTHER SUPPLEMENTAL INFORMATION

Budgetary Comparison Schedules (GAAP BASIS):

Major Capital Project Funds:

- Lakefront Sales Tax 2009A Capital Project
- 2005 Construction Note 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, 2009
(In Thousands)

	<u>Budget</u>	<u>Actual Amounts</u>	<u>Variance with Budget - Over (Under)</u>
REVENUES			
Investment Income	\$ -	\$ -	\$ -
Total Revenues	<u>-</u>	<u>-</u>	<u>-</u>
EXPENDITURES			
Culture and Recreation			
Operating	56	56	-
Capital Outlay	9,444	1,522	(7,922)
Total Expenditures	<u>9,500</u>	<u>1,578</u>	<u>(7,922)</u>
(Deficiency) of Revenues (Under) Expenditures	<u>(9,500)</u>	<u>(1,578)</u>	<u>7,922</u>
OTHER FINANCING SOURCES			
Issuance of Note Payable	9,500	250	(9,250)
Total Other Financing Sources	<u>9,500</u>	<u>250</u>	<u>(9,250)</u>
Net Change in Fund Balance	-	(1,328)	(1,328)
Fund Balance - Beginning	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance (Deficit) - Ending	<u>\$ -</u>	<u>\$ (1,328)</u>	<u>\$ (1,328)</u>

CITY OF KISSIMMEE, FLORIDA
BUDGETARY COMPARISON SCHEDULE
2005 CONSTRUCTION NOTE CAPITAL PROJECT FUND
For the Year Ended September 30, 2009
(In Thousands)

	<u>Budget</u>	<u>Actual Amounts</u>	<u>Variance with Budget - Over (Under)</u>
REVENUES			
Investment Income	\$ -	\$ 45	\$ 45
Total Revenues	<u>-</u>	<u>45</u>	<u>45</u>
EXPENDITURES			
Public Safety			
Capital Outlay	5,506	1,141	(4,365)
Transportation			
Capital Outlay	<u>915</u>	<u>773</u>	<u>(142)</u>
Total Expenditures	<u>6,421</u>	<u>1,914</u>	<u>(4,507)</u>
(Deficiency) of Revenues (Under) Expenditures	<u>(6,421)</u>	<u>(1,869)</u>	<u>4,552</u>
Net Change in Fund Balance	(6,421)	(1,869)	4,552
Fund Balance - Beginning	<u>6,421</u>	<u>6,041</u>	<u>(380)</u>
Fund Balance - Ending	<u>\$ -</u>	<u>\$ 4,172</u>	<u>\$ 4,172</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)

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.

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.

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.

Local Law Enforcement Block Grant

To account for revenues and expenditures related to the U.S. Department of Justice Law Enforcement Block Grant.

USDA Grant

To account for revenues and expenditures related to the US Department of Agriculture Natural Resource Conservation Service grant for the Mill Slough Debris Removal Project.

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.

NONMAJOR GOVERNMENTAL FUNDS - CONTINUED

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.

Disaster Recovery Initiative Grant

To account for revenues and expenditures related to the Disaster Recovery Initiative Grant.

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.

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.

Section 8 HAPP

To account for expenditures associated with various housing related projects.

NONMAJOR GOVERNMENTAL FUNDS – CONTINUED

Non-Budgeted Special Revenue Funds

Neighborhood Stabilization Program

To account for revenues and expenditures related to the Neighborhood Stabilization Grant for housing related projects.

Juvenile Justice Grant

To account for revenues and expenditures related to the Juvenile Justice Grant to improve youth after school programs.

Victims Crime Act Grant

To account for revenues and expenditures related to the Florida Department of Law Enforcement Victims Crime Investigation Program.

Police and Firefighters Premium Tax Trust

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

Supplementary Care

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

DEBT SERVICE FUNDS

The City has nine 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.

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.

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.

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.

NONMAJOR GOVERNMENTAL FUNDS - CONTINUED

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 Funds

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.

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.

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.

Sales Tax 1999 Project

To account for the proceeds of the 1999 Sales Tax Note to be used for the construction of the City Hall facilities.

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, 2009
(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	\$ 5,290	\$ 2,221	\$ -	\$ 7,511
Investments	280	116	-	396
Restricted Cash and Investments	-	-	346	346
Accounts Receivable (net)	461	-	-	461
Due from Other Governments	894	-	-	894
Total Assets	\$ 6,925	\$ 2,337	\$ 346	\$ 9,608
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts Payable	\$ 693	\$ -	\$ -	\$ 693
Contracts Payable	204	-	-	204
Accrued Liabilities	38	2,066	-	2,104
Due to Other Funds	1,374	-	203	1,577
Due to Other Governments	-	17	-	17
Deposits Payable	100	-	-	100
Deferred Revenue	1,384	-	-	1,384
Total Liabilities	3,793	2,083	203	6,079
Fund Balances:				
Reserved for:				
Capital Projects	1,200	-	346	1,546
Development Services	95	-	-	95
Economic Development	2	-	-	2
Supplementary Care	624	-	-	624
Debt Service	-	254	-	254
Unreserved (Deficits) Reported In:				
Special Revenue Funds	1,211	-	-	1,211
Capital Projects Funds	-	-	(203)	(203)
Total Fund Balances	3,132	254	143	3,529
Total Liabilities and Fund Balances	\$ 6,925	\$ 2,337	\$ 346	\$ 9,608

CITY OF KISSIMMEE, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
ALL NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended September 30, 2009
(In Thousands)

	Total Nonmajor Special Revenue Funds	Total Nonmajor Debt Service Funds	Total Nonmajor Capital Project Funds	Total Nonmajor Governmental Funds
REVENUES				
Taxes	\$ 6,403	\$ -	\$ -	\$ 6,403
Permits, Fees and Special Assessments	4,767	-	-	4,767
Intergovernmental Revenues	7,414	-	-	7,414
Charges for Services	424	-	-	424
Investment Income	44	6	18	68
Miscellaneous Revenues	164	-	1	165
Total Revenues	<u>19,216</u>	<u>6</u>	<u>19</u>	<u>19,241</u>
EXPENDITURES				
Current:				
General Government	4,520	-	-	4,520
Public Safety	1,947	-	-	1,947
Transportation	2,499	-	-	2,499
Economic Environment	1,047	-	-	1,047
Culture/Recreation	1,369	-	-	1,369
Debt Service:				
Principal Retirement	63	2,664	-	2,727
Interest and Fiscal Charges	14	1,206	-	1,220
Total Expenditures	<u>11,459</u>	<u>3,870</u>	<u>-</u>	<u>15,329</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>7,757</u>	<u>(3,864)</u>	<u>19</u>	<u>3,912</u>
OTHER FINANCING SOURCES and (USES)				
Transfers In	839	3,933	487	5,259
Transfers (Out)	(11,117)	-	(507)	(11,624)
Issuance of Notes Payable	345	-	-	345
Total Other Financing Sources and (Uses)	<u>(9,933)</u>	<u>3,933</u>	<u>(20)</u>	<u>(6,020)</u>
Net Change in Fund Balances	(2,176)	69	(1)	(2,108)
Fund Balances - Beginning	<u>5,308</u>	<u>185</u>	<u>144</u>	<u>5,637</u>
Fund Balances - Ending	<u>\$ 3,132</u>	<u>\$ 254</u>	<u>\$ 143</u>	<u>\$ 3,529</u>

CITY OF KISSIMMEE, FLORIDA
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
September 30, 2009
(In Thousands)

	Assistance to Firefighters		
	Grant	Utility Tax	Renee Terrace
ASSETS			
Cash and Cash Equivalents	\$ -	\$ -	\$ 277
Investments	-	-	15
Accounts Receivable (net)	-	461	-
Due from Other Governments	-	238	-
Total Assets	\$ -	\$ 699	\$ 292
LIABILITIES			
Accounts Payable	\$ -	\$ -	\$ 114
Contracts Payable	-	-	31
Accrued Liabilities	-	-	-
Due to Other Funds	-	-	-
Deposits Payable	-	-	-
Deferred Revenue	-	-	-
Total Liabilities	-	-	145
FUND BALANCES (DEFICITS)			
Reserved for:			
Capital Projects	-	-	147
Development Services	-	-	-
Economic Development	-	-	-
Supplementary Care	-	-	-
Unreserved (deficit)	-	699	-
Total Fund Balances (Deficits)	-	699	147
Total Liabilities and Fund Balances	\$ -	\$ 699	\$ 292

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>
\$ -	\$ 1,056	\$ 1	\$ -	\$ 104
-	56	-	-	6
-	-	-	-	-
-	-	-	12	-
<u>\$ -</u>	<u>\$ 1,112</u>	<u>\$ 1</u>	<u>\$ 12</u>	<u>\$ 110</u>
\$ -	\$ 384	\$ -	\$ -	\$ 2
-	-	-	-	-
-	-	-	2	13
160	-	-	12	-
-	-	-	-	-
-	-	-	-	-
<u>160</u>	<u>384</u>	<u>-</u>	<u>14</u>	<u>15</u>
-	728	-	-	-
-	-	-	-	95
-	-	-	-	-
-	-	-	-	-
<u>(160)</u>	<u>-</u>	<u>1</u>	<u>(2)</u>	<u>-</u>
<u>(160)</u>	<u>728</u>	<u>1</u>	<u>(2)</u>	<u>95</u>
<u>\$ -</u>	<u>\$ 1,112</u>	<u>\$ 1</u>	<u>\$ 12</u>	<u>\$ 110</u>

CITY OF KISSIMMEE, FLORIDA
COMBINING BALANCE SHEET - Continued
NONMAJOR SPECIAL REVENUE FUNDS
September 30, 2009
(In Thousands)

	Community Development Block Grant	Victims Crime Act Grant	Local Law Enforcement Block Grant	USDA Grant
ASSETS				
Cash and Cash Equivalents	\$ 8	\$ -	\$ -	\$ -
Investments	-	-	-	-
Accounts Receivable (net)	-	-	-	-
Due from Other Governments	64	-	-	344
Total Assets	<u>\$ 72</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 344</u>
LIABILITIES				
Accounts Payable	\$ 4	\$ -	\$ -	\$ -
Contracts Payable	-	-	-	-
Accrued Liabilities	3	-	-	-
Due to Other Funds	311	-	-	398
Deposits Payable	-	-	-	-
Deferred Revenue	14	-	-	344
Total Liabilities	<u>332</u>	<u>-</u>	<u>-</u>	<u>742</u>
FUND BALANCES (DEFICITS)				
Reserved for:				
Capital Projects	-	-	-	-
Development Services	-	-	-	-
Economic Development	-	-	-	-
Supplementary Care	-	-	-	-
Unreserved (deficit)	(260)	-	-	(398)
Total Fund Balances (Deficits)	<u>(260)</u>	<u>-</u>	<u>-</u>	<u>(398)</u>
Total Liabilities and Fund Balances	<u>\$ 72</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 344</u>

Continued

<u>Paving Assessments</u>	<u>Charter School</u>	<u>Hazard Mitigation Grant Program</u>	<u>Disaster Recovery Initiative Grant</u>	<u>Hurricane Housing Recovery Program Trust</u>	<u>Civic Center</u>
\$ -	\$ 1,119	\$ -	\$ -	\$ 789	\$ 800
-	59	-	-	42	42
-	-	-	-	-	-
-	-	192	-	-	-
<u>\$ -</u>	<u>\$ 1,178</u>	<u>\$ 192</u>	<u>\$ -</u>	<u>\$ 831</u>	<u>\$ 842</u>
\$ -	\$ -	\$ -	\$ -	\$ 100	\$ 56
-	-	-	-	-	-
-	-	-	-	1	14
-	-	228	-	-	-
-	-	-	-	-	100
-	-	58	-	728	-
<u>-</u>	<u>-</u>	<u>286</u>	<u>-</u>	<u>829</u>	<u>170</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	2	-
-	-	-	-	-	-
-	1,178	(94)	-	-	672
-	1,178	(94)	-	2	672
<u>\$ -</u>	<u>\$ 1,178</u>	<u>\$ 192</u>	<u>\$ -</u>	<u>\$ 831</u>	<u>\$ 842</u>

CITY OF KISSIMMEE, FLORIDA
COMBINING BALANCE SHEET - Continued
NONMAJOR SPECIAL REVENUE FUNDS
September 30, 2009
(In Thousands)

	<u>Sidewalk Grant</u>	<u>Hoagland Road Project</u>	<u>Martin Luther King Phase II</u>	<u>Justice Assistance Grant</u>
ASSETS				
Cash and Cash Equivalents	\$ -	\$ 303	\$ 1	\$ 228
Investments	-	16	-	12
Accounts Receivable (net)	-	-	-	-
Due from Other Governments	5	39	-	-
Total Assets	<u>\$ 5</u>	<u>\$ 358</u>	<u>\$ 1</u>	<u>\$ 240</u>
LIABILITIES				
Accounts Payable	\$ -	\$ 33	\$ -	\$ -
Contracts Payable	-	-	173	-
Accrued Liabilities	-	-	-	5
Due to Other Funds	5	-	113	147
Deposits Payable	-	-	-	-
Deferred Revenue	-	-	-	240
Total Liabilities	<u>5</u>	<u>33</u>	<u>286</u>	<u>392</u>
FUND BALANCES (DEFICITS)				
Reserved for:				
Capital Projects	-	325	-	-
Development Services	-	-	-	-
Economic Development	-	-	-	-
Supplementary Care	-	-	-	-
Unreserved (deficit)	-	-	(285)	(152)
Total Fund Balances (Deficits)	<u>-</u>	<u>325</u>	<u>(285)</u>	<u>(152)</u>
Total Liabilities and Fund Balances	<u>\$ 5</u>	<u>\$ 358</u>	<u>\$ 1</u>	<u>\$ 240</u>

Police and Firefighters Premium Tax Trust	Section 8 HAPP Fund	Supplementary Care	Total Nonmajor Special Revenue Funds
\$ -	\$ 11	\$ 593	\$ 5,290
-	1	31	280
-	-	-	461
-	-	-	894
<u>\$ -</u>	<u>\$ 12</u>	<u>\$ 624</u>	<u>\$ 6,925</u>
\$ -	\$ -	\$ -	\$ 693
-	-	-	204
-	-	-	38
-	-	-	1,374
-	-	-	100
-	-	-	1,384
<u>-</u>	<u>-</u>	<u>-</u>	<u>3,793</u>
-	-	-	1,200
-	-	-	95
-	-	-	2
-	-	624	624
-	12	-	1,211
<u>-</u>	<u>12</u>	<u>624</u>	<u>3,132</u>
<u>\$ -</u>	<u>\$ 12</u>	<u>\$ 624</u>	<u>\$ 6,925</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, 2009
(In Thousands)

	Assistance to Firefighters		
	<u>Grant</u>	<u>Utility Tax</u>	<u>Renee Terrace</u>
REVENUES			
Taxes	\$ -	\$ 6,403	\$ -
Permits, Fees and Special Assessments	-	-	-
Intergovernmental Revenues	2	-	-
Charges for Services	-	-	-
Investment Income	-	-	-
Miscellaneous Revenues	-	17	-
Total Revenues	<u>2</u>	<u>6,420</u>	<u>-</u>
EXPENDITURES			
Current:			
General Government	-	-	-
Public Safety	3	-	-
Transportation	-	-	303
Economic Environment	-	-	-
Culture and Recreation	-	-	-
Debt Service:			
Principal Retirement	-	-	-
Interest and Fiscal Charges	-	-	-
Total Expenditures	<u>3</u>	<u>-</u>	<u>303</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(1)</u>	<u>6,420</u>	<u>(303)</u>
OTHER FINANCING SOURCES and (USES)			
Transfers In	-	-	450
Transfers (Out)	-	(6,393)	-
Issuance of Notes Payable	-	-	-
Total Other Financing Sources and (Uses)	<u>-</u>	<u>(6,393)</u>	<u>450</u>
Net Change in Fund Balances	(1)	27	147
Fund Balances (Deficits) - Beginning	<u>1</u>	<u>672</u>	<u>-</u>
Fund Balances (Deficits) - Ending	<u>\$ -</u>	<u>\$ 699</u>	<u>\$ 147</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>
\$ -	\$ -	\$ -	\$ -	\$ -
12	545	3,675	-	379
-	-	-	12	-
-	-	-	-	159
2	8	4	-	1
-	-	-	-	1
<u>14</u>	<u>553</u>	<u>3,679</u>	<u>12</u>	<u>540</u>
-	-	11	-	-
-	-	-	-	700
-	141	-	-	-
-	-	-	14	-
320	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>320</u>	<u>141</u>	<u>11</u>	<u>14</u>	<u>700</u>
<u>(306)</u>	<u>412</u>	<u>3,668</u>	<u>(2)</u>	<u>(160)</u>
-	-	-	-	50
-	(21)	(3,667)	-	-
-	-	-	-	-
-	(21)	(3,667)	-	50
(306)	391	1	(2)	(110)
<u>146</u>	<u>337</u>	<u>-</u>	<u>-</u>	<u>205</u>
<u>\$ (160)</u>	<u>\$ 728</u>	<u>\$ 1</u>	<u>\$ (2)</u>	<u>\$ 95</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, 2009
(In Thousands)

	<u>Community Development Block Grant</u>	<u>Victims Crime Act Grant</u>	<u>Local Law Enforcement Block Grant</u>	<u>USDA Grant</u>
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ -
Permits, Fees and Special Assessments	-	-	-	-
Intergovernmental Revenues	413	-	-	-
Charges for Services	-	-	-	-
Investment Income	-	-	-	-
Miscellaneous Revenues	-	-	-	-
Total Revenues	<u>413</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXPENDITURES				
Current:				
General Government	-	-	-	-
Public Safety	-	-	7	-
Transportation	-	-	-	398
Economic Environment	387	-	-	-
Culture and Recreation	-	-	-	-
Debt Service:				
Principal Retirement	-	-	-	-
Interest and Fiscal Charges	-	-	-	-
Total Expenditures	<u>387</u>	<u>-</u>	<u>7</u>	<u>398</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>26</u>	<u>-</u>	<u>(7)</u>	<u>(398)</u>
OTHER FINANCING SOURCES and (USES)				
Transfers In	-	-	-	-
Transfers (Out)	(246)	(6)	-	(52)
Issuance of Notes Payable	-	-	-	-
Total Other Financing Sources and (Uses)	<u>(246)</u>	<u>(6)</u>	<u>-</u>	<u>(52)</u>
Net Change in Fund Balances	(220)	(6)	(7)	(450)
Fund Balances (Deficits) - Beginning	<u>(40)</u>	<u>6</u>	<u>7</u>	<u>52</u>
Fund Balances (Deficits) - Ending	<u>\$ (260)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (398)</u>

Continued

<u>Paving Assessments</u>	<u>Charter School</u>	<u>Hazard Mitigation Grant Program</u>	<u>Disaster Recovery Initiative Grant</u>	<u>Hurricane Housing Recovery Program Trust</u>	<u>Civic Center</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
156	-	-	-	-	-
-	4,830	38	178	649	-
-	-	-	-	-	265
-	7	-	-	6	8
-	133	-	-	-	-
<u>156</u>	<u>4,970</u>	<u>38</u>	<u>178</u>	<u>655</u>	<u>273</u>
-	4,509	-	-	-	-
-	-	90	-	-	-
110	-	2	-	-	-
-	-	-	-	646	-
-	-	160	-	-	889
-	63	-	-	-	-
-	14	-	-	-	-
<u>110</u>	<u>4,586</u>	<u>252</u>	<u>-</u>	<u>646</u>	<u>889</u>
<u>46</u>	<u>384</u>	<u>(214)</u>	<u>178</u>	<u>9</u>	<u>(616)</u>
-	-	-	-	-	339
(51)	(678)	-	-	(3)	-
-	345	-	-	-	-
<u>(51)</u>	<u>(333)</u>	<u>-</u>	<u>-</u>	<u>(3)</u>	<u>339</u>
(5)	51	(214)	178	6	(277)
<u>5</u>	<u>1,127</u>	<u>120</u>	<u>(178)</u>	<u>(4)</u>	<u>949</u>
<u>\$ -</u>	<u>\$ 1,178</u>	<u>\$ (94)</u>	<u>\$ -</u>	<u>\$ 2</u>	<u>\$ 672</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, 2009
(In Thousands)

	<u>Sidewalk Grant</u>	<u>Hoagland Road Project</u>	<u>Martin Luther King Phase II</u>	<u>Justice Assistance Grant</u>
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ -
Permits, Fees and Special Assessments	-	-	-	-
Intergovernmental Revenues	27	253	62	-
Charges for Services	-	-	-	-
Investment Income	-	-	5	-
Miscellaneous Revenues	-	-	-	-
Total Revenues	<u>27</u>	<u>253</u>	<u>67</u>	<u>-</u>
EXPENDITURES				
Current:				
General Government	-	-	-	-
Public Safety	-	-	-	197
Transportation	27	231	1,287	-
Economic Environment	-	-	-	-
Culture and Recreation	-	-	-	-
Debt Service:				
Principal Retirement	-	-	-	-
Interest and Fiscal Charges	-	-	-	-
Total Expenditures	<u>27</u>	<u>231</u>	<u>1,287</u>	<u>197</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>-</u>	<u>22</u>	<u>(1,220)</u>	<u>(197)</u>
OTHER FINANCING SOURCES and (USES)				
Transfers In	-	-	-	-
Transfers (Out)	-	-	-	-
Issuance of Notes Payable	-	-	-	-
Total Other Financing Sources and (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	-	22	(1,220)	(197)
Fund Balances (Deficits) - Beginning	<u>-</u>	<u>303</u>	<u>935</u>	<u>45</u>
Fund Balances (Deficits) - Ending	<u>\$ -</u>	<u>\$ 325</u>	<u>\$ (285)</u>	<u>\$ (152)</u>

Police and Firefighters Premium Tax Trust	Section 8 HAPP Fund	Supplementary Care	Total Nonmajor Special Revenue Funds
\$ -	\$ -	\$ -	\$ 6,403
-	-	-	4,767
950	-	-	7,414
-	-	-	424
-	-	3	44
-	-	13	164
<u>950</u>	<u>-</u>	<u>16</u>	<u>19,216</u>
-	-	-	4,520
950	-	-	1,947
-	-	-	2,499
-	-	-	1,047
-	-	-	1,369
-	-	-	63
-	-	-	14
<u>950</u>	<u>-</u>	<u>-</u>	<u>11,459</u>
-	-	16	7,757
-	-	-	839
-	-	-	(11,117)
-	-	-	345
-	-	-	(9,933)
-	-	16	(2,176)
-	12	608	5,308
<u>\$ -</u>	<u>\$ 12</u>	<u>\$ 624</u>	<u>\$ 3,132</u>

CITY OF KISSIMMEE, FLORIDA
BUDGETARY COMPARISON SCHEDULE
ASSISTANCE TO FIREFIGHTERS GRANT
For the Year Ended September 30, 2009
(In Thousands)

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

CITY OF KISSIMMEE, FLORIDA
BUDGETARY COMPARISON SCHEDULE
UTILITY TAX FUND
For the Year Ended September 30, 2009
(In Thousands)

	<u>Budget</u>	<u>Actual Amounts</u>	<u>Variance with Budget - Over (Under)</u>
REVENUES			
Taxes	\$ 6,665	\$ 6,403	\$ (262)
Miscellaneous Revenues	-	17	17
Total Revenues	<u>6,665</u>	<u>6,420</u>	<u>(245)</u>
EXPENDITURES			
General Government Operating	<u>75</u>	-	<u>(75)</u>
Total Expenditures	<u>75</u>	<u>-</u>	<u>(75)</u>
Excess of Revenues Over Expenditures	<u>6,590</u>	<u>6,420</u>	<u>(170)</u>
OTHER FINANCING (USES)			
Transfers (Out)	<u>(7,327)</u>	<u>(6,393)</u>	<u>934</u>
Total Other Financing (Uses)	<u>(7,327)</u>	<u>(6,393)</u>	<u>934</u>
Net Change in Fund Balance	<u>(737)</u>	<u>27</u>	<u>764</u>
Fund Balance - Beginning	<u>737</u>	<u>672</u>	<u>(65)</u>
Fund Balance - Ending	<u>\$ -</u>	<u>\$ 699</u>	<u>\$ 699</u>

CITY OF KISSIMMEE, FLORIDA
BUDGETARY COMPARISON SCHEDULE
RENEE TERRACE
For the Year Ended September 30, 2009
(In Thousands)

	<u>Budget</u>	<u>Actual Amounts</u>	<u>Variance with Budget - Over (Under)</u>
REVENUES			
Intergovernmental Revenues	\$ 274	\$ -	\$ (274)
Total Revenues	<u>274</u>	<u>-</u>	<u>(274)</u>
EXPENDITURES			
Transportation			
Capital Outlay	<u>724</u>	<u>303</u>	<u>(421)</u>
Total Expenditures	<u>724</u>	<u>303</u>	<u>(421)</u>
(Deficiency) of Revenues (Under) Expenditures	<u>(450)</u>	<u>(303)</u>	<u>147</u>
OTHER FINANCING SOURCES			
Transfers In	<u>450</u>	<u>450</u>	<u>-</u>
Total Other Financing Sources	<u>450</u>	<u>450</u>	<u>-</u>
Net Change in Fund Balance	-	147	147
Fund Balance - Beginning	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance - Ending	<u>\$ -</u>	<u>\$ 147</u>	<u>\$ 147</u>

CITY OF KISSIMMEE, FLORIDA
BUDGETARY COMPARISON SCHEDULE
RECREATION IMPACT FEE FUND
For the Year Ended September 30, 2009
(In Thousands)

	Budget	Actual Amounts	Variance with Budget - Over (Under)
REVENUES			
Permits, Fees and Special Assessments	\$ 50	\$ 12	\$ (38)
Investment Income	3	2	(1)
Total Revenues	53	14	(39)
EXPENDITURES			
Culture and Recreation			
Capital Outlay	357	320	(37)
Total Expenditures	357	320	(37)
(Deficiency) of Revenues (Under) Expenditures	(304)	(306)	(2)
 Net Change in Fund Balance	 (304)	 (306)	 (2)
 Fund Balance - Beginning	 304	 146	 (158)
 Fund Balance (Deficit) - Ending	 \$ -	 \$ (160)	 \$ (160)

CITY OF KISSIMMEE, FLORIDA
BUDGETARY COMPARISON SCHEDULE
TRANSPORTATION IMPACT FEE FUND
For the Year Ended September 30, 2009
(In Thousands)

	Budget	Actual Amounts	Variance with Budget - Over (Under)
REVENUES			
Permits, Fees and Special Assessments	\$ 1,800	\$ 545	\$ (1,255)
Investment Income	65	8	(57)
Total Revenues	1,865	553	(1,312)
EXPENDITURES			
Transportation			
Capital Outlay	4,727	141	(4,586)
Total Expenditures	4,727	141	(4,586)
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,862)	412	3,274
OTHER FINANCING (USES)			
Transfers (Out)	(666)	(21)	645
Total Other Financing (Uses)	(666)	(21)	645
Net Change in Fund Balance	(3,528)	391	3,919
Fund Balance - Beginning	3,528	337	(3,191)
Fund Balance - Ending	\$ -	\$ 728	\$ 728

CITY OF KISSIMMEE, FLORIDA
BUDGETARY COMPARISON SCHEDULE
FIRE ASSESSMENT FEE FUND
For the Year Ended September 30, 2009
(In Thousands)

	Budget	Actual Amounts	Variance with Budget - Over (Under)
REVENUES			
Permits, Fees and Special Assessments	\$ 2,700	\$ 3,675	\$ 975
Investment Income	-	4	4
Total Revenues	2,700	3,679	979
EXPENDITURES			
General Government			
Operating	-	11	11
Total Expenditures	-	11	11
Excess of Revenues Over Expenditures	2,700	3,668	968
OTHER FINANCING (USES)			
Transfers (Out)	(2,700)	(3,667)	(967)
Total Other Financing (Uses)	(2,700)	(3,667)	(967)
Net Change in Fund Balance	-	1	1
Fund Balance - Beginning	-	-	-
Fund Balance - Ending	\$ -	\$ 1	\$ 1

CITY OF KISSIMMEE, FLORIDA
BUDGETARY COMPARISON SCHEDULE
BUILDING DIVISION
For the Year Ended September 30, 2009
(In Thousands)

	<u>Budget</u>	<u>Actual Amounts</u>	<u>Variance with Budget - Over (Under)</u>
REVENUES			
Permits, Fees and Special Assessments	\$ 674	\$ 379	\$ (295)
Charges for Services	385	159	(226)
Investment Income	6	1	(5)
Miscellaneous Revenues	-	1	1
Total Revenues	<u>1,065</u>	<u>540</u>	<u>(525)</u>
EXPENDITURES			
Public Safety			
Personal Services	801	646	(155)
Operating	108	54	(54)
Capital Outlay	18	-	(18)
Total Expenditures	<u>927</u>	<u>700</u>	<u>(227)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>138</u>	<u>(160)</u>	<u>(298)</u>
OTHER FINANCING SOURCES			
Transfers In	<u>30</u>	<u>50</u>	<u>20</u>
Total Other Financing Sources	<u>30</u>	<u>50</u>	<u>20</u>
Net Change in Fund Balance	168	(110)	(278)
Fund Balance - Beginning	<u>(168)</u>	<u>205</u>	<u>373</u>
Fund Balance - Ending	<u>\$ -</u>	<u>\$ 95</u>	<u>\$ 95</u>

CITY OF KISSIMMEE, FLORIDA
BUDGETARY COMPARISON SCHEDULE
COMMUNITY DEVELOPMENT BLOCK GRANT
For the Year Ended September 30, 2009
(In Thousands)

	<u>Budget</u>	<u>Actual Amounts</u>	<u>Variance with Budget - Over (Under)</u>
REVENUES			
Intergovernmental Revenues	\$ 609	\$ 413	\$ (196)
Total Revenues	<u>609</u>	<u>413</u>	<u>(196)</u>
EXPENDITURES			
Economic Environment			
Personal Services	139	115	(24)
Operating	251	154	(97)
Capital Outlay	458	118	(340)
Total Expenditures	<u>848</u>	<u>387</u>	<u>(461)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(239)</u>	<u>26</u>	<u>265</u>
OTHER FINANCING (USES)			
Transfers (Out)	<u>(246)</u>	<u>(246)</u>	<u>-</u>
Total Other Financing (Uses)	<u>(246)</u>	<u>(246)</u>	<u>-</u>
Net Change in Fund Balance	(485)	(220)	(705)
Fund Balance (Deficit) - Beginning	<u>485</u>	<u>(40)</u>	<u>(525)</u>
Fund Balance (Deficit) - Ending	<u>\$ -</u>	<u>\$ (260)</u>	<u>\$ (260)</u>

CITY OF KISSIMMEE, FLORIDA
BUDGETARY COMPARISON SCHEDULE
LOCAL LAW ENFORCEMENT BLOCK GRANT
For the Year Ended September 30, 2009
(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			
Personal Services	13	7	(6)
Total Expenditures	<u>13</u>	<u>7</u>	<u>(6)</u>
(Deficiency) of Revenues (Under) Expenditures	<u>(13)</u>	<u>(7)</u>	<u>6</u>
Net Change in Fund Balance	(13)	(7)	6
Fund Balance - Beginning	<u>13</u>	<u>7</u>	<u>(6)</u>
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF KISSIMMEE, FLORIDA
BUDGETARY COMPARISON SCHEDULE
USDA GRANT
For the Year Ended September 30, 2009
(In Thousands)

	<u>Budget</u>	<u>Actual Amounts</u>	<u>Variance with Budget - Over (Under)</u>
REVENUES			
Intergovernmental Revenues	\$ 451	\$ -	\$ (451)
Total Revenues	<u>451</u>	<u>-</u>	<u>(451)</u>
EXPENDITURES			
Transportation			
Capital Outlay	451	398	(53)
Total Expenditures	<u>451</u>	<u>398</u>	<u>(53)</u>
(Deficiency) of Revenues (Under) Expenditures	<u>-</u>	<u>(398)</u>	<u>(398)</u>
OTHER FINANCING (USES)			
Transfers (Out)	-	(52)	52
Total Other Financing (Uses)	<u>-</u>	<u>(52)</u>	<u>52</u>
Net Change in Fund Balance	-	(450)	(450)
Fund Balance - Beginning	-	52	52
Fund Balance (Deficit) - Ending	<u>\$ -</u>	<u>\$ (398)</u>	<u>\$ (398)</u>

CITY OF KISSIMMEE, FLORIDA
BUDGETARY COMPARISON SCHEDULE
PAVING ASSESSMENTS
For the Year Ended September 30, 2009
(In Thousands)

	<u>Budget</u>	<u>Actual Amounts</u>	<u>Variance with Budget - Over (Under)</u>
REVENUES			
Permits, Fees and Special Assessments	\$ 50	\$ 156	\$ 106
Total Revenues	<u>50</u>	<u>156</u>	<u>106</u>
EXPENDITURES			
Transportation			
Operating	<u>1</u>	<u>110</u>	<u>109</u>
Total Expenditures	<u>1</u>	<u>110</u>	<u>109</u>
Excess of Revenues Over Expenditures	<u>49</u>	<u>46</u>	<u>(3)</u>
OTHER FINANCING (USES)			
Transfers (Out)	<u>(50)</u>	<u>(51)</u>	<u>(1)</u>
Total Other Financing (Uses)	<u>(50)</u>	<u>(51)</u>	<u>(1)</u>
Net Change in Fund Balance	(1)	(5)	(4)
Fund Balance - Beginning	<u>1</u>	<u>5</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, 2009
(In Thousands)

	<u>Budget</u>	<u>Actual Amounts</u>	<u>Variance with Budget - Over (Under)</u>
REVENUES			
Intergovernmental Revenues	\$ 5,650	\$ 4,830	\$ (820)
Investment Income	10	7	(3)
Miscellaneous Revenues	-	133	133
Total Revenues	<u>5,660</u>	<u>4,970</u>	<u>(690)</u>
EXPENDITURES			
General Government			
Operating	5,005	4,376	(629)
Capital Outlay	138	133	(5)
Debt Service			
Principal Retirement	63	63	-
Interest and Fiscal Charges	14	14	-
Total Expenditures	<u>5,220</u>	<u>4,586</u>	<u>(634)</u>
Excess of Revenues Over Expenditures	<u>440</u>	<u>384</u>	<u>(56)</u>
OTHER FINANCING SOURCES AND (USES)			
Transfers (Out)	(660)	(678)	(18)
Issuance of Notes Payable	-	345	345
Total Other Financing Sources and (Uses)	(660)	(333)	327
Net Change in Fund Balance	(220)	51	271
Fund Balance - Beginning	<u>220</u>	<u>1,127</u>	<u>907</u>
Fund Balance - Ending	<u>\$ -</u>	<u>\$ 1,178</u>	<u>\$ 1,178</u>

CITY OF KISSIMMEE, FLORIDA
BUDGETARY COMPARISON SCHEDULE
HAZARD MITIGATION GRANT PROGRAM
For the Year Ended September 30, 2009
(In Thousands)

	<u>Budget</u>	<u>Actual Amounts</u>	<u>Variance with Budget - Over (Under)</u>
REVENUES			
Intergovernmental Revenues	\$ 78	\$ 38	\$ (40)
Total Revenues	<u>78</u>	<u>38</u>	<u>(40)</u>
EXPENDITURES			
General Government			
Capital Outlay	37	-	(37)
Public Safety			
Capital Outlay	198	90	(108)
Transportation			
Capital Outlay	78	2	(76)
Culture and Recreation			
Capital Outlay	160	160	-
Total Expenditures	<u>473</u>	<u>252</u>	<u>(221)</u>
(Deficiency) of Revenues (Under) Expenditures	<u>(395)</u>	<u>(214)</u>	<u>181</u>
Net Change in Fund Balance	(395)	(214)	181
Fund Balance - Beginning	<u>395</u>	<u>120</u>	<u>(275)</u>
Fund Balance (Deficit) - Ending	<u>\$ -</u>	<u>\$ (94)</u>	<u>\$ (94)</u>

CITY OF KISSIMMEE, FLORIDA
BUDGETARY COMPARISON SCHEDULE
DISASTER RECOVERY INITIATIVE GRANT
For the Year Ended September 30, 2009
(In Thousands)

	Budget	Actual Amounts	Variance with Budget - Over (Under)
REVENUES			
Intergovernmental Revenues	\$ -	\$ 178	\$ 178
Total Revenues	-	178	178
EXPENDITURES			
Economic Environment			
Personal Services	6	-	(6)
Operating	56	-	(56)
Capital Outlay	85	-	(85)
Total Expenditures	147	-	(147)
Excess (Deficiency) of Revenues Over (Under) Expenditures	(147)	178	325
Net Change in Fund Balance	(147)	178	325
Fund Balance (Deficit) - Beginning	147	(178)	(325)
Fund Balance - Ending	\$ -	\$ -	\$ -

CITY OF KISSIMMEE, FLORIDA
BUDGETARY COMPARISON SCHEDULE
HURRICANE HOUSING RECOVERY PROGRAM TRUST
For the Year Ended September 30, 2009
(In Thousands)

	<u>Budget</u>	<u>Actual Amounts</u>	<u>Variance with Budget - Over (Under)</u>
REVENUES			
Intergovernmental Revenues	\$ -	\$ 649	\$ 649
Investment Income	-	6	6
Total Revenues	<u>-</u>	<u>655</u>	<u>655</u>
EXPENDITURES			
Economic Environment			
Personal Services	34	41	7
Operating	199	77	(122)
Capital Outlay	1,095	528	(567)
Total Expenditures	<u>1,328</u>	<u>646</u>	<u>(682)</u>
(Deficiency) of Revenues (Under) Expenditures	<u>(1,328)</u>	<u>9</u>	<u>1,337</u>
OTHER FINANCING (USES)			
Transfers (Out)	<u>(25)</u>	<u>(3)</u>	<u>22</u>
Total Other Financing (Uses)	<u>(25)</u>	<u>(3)</u>	<u>22</u>
Net Change in Fund Balance	(1,353)	6	1,359
Fund Balance (Deficit) - Beginning	<u>1,353</u>	<u>(4)</u>	<u>(1,357)</u>
Fund Balance - Ending	<u>\$ -</u>	<u>\$ 2</u>	<u>\$ 2</u>

CITY OF KISSIMMEE, FLORIDA
BUDGETARY COMPARISON SCHEDULE
CIVIC CENTER
For the Year Ended September 30, 2009
(In Thousands)

	<u>Budget</u>	<u>Actual Amounts</u>	<u>Variance with Budget - Over (Under)</u>
REVENUES			
Charges for Services	\$ 556	\$ 265	\$ (291)
Investment Income	18	8	(10)
Total Revenues	<u>574</u>	<u>273</u>	<u>(301)</u>
EXPENDITURES			
Culture and Recreation			
Personal Services	509	503	(6)
Operating	432	367	(65)
Capital Outlay	26	19	(7)
Total Expenditures	<u>967</u>	<u>889</u>	<u>(78)</u>
(Deficiency) of Revenues (Under) Expenditures	<u>(393)</u>	<u>(616)</u>	<u>(223)</u>
OTHER FINANCING SOURCES			
Transfers In	371	339	(32)
Total Other Financing Sources	<u>371</u>	<u>339</u>	<u>(32)</u>
Net Change in Fund Balance	(22)	(277)	(255)
Fund Balance - Beginning	<u>22</u>	<u>949</u>	<u>927</u>
Fund Balance - Ending	<u>\$ -</u>	<u>\$ 672</u>	<u>\$ 672</u>

CITY OF KISSIMMEE, FLORIDA
BUDGETARY COMPARISON SCHEDULE
SIDEWALK GRANT
For the Year Ended September 30, 2009
(In Thousands)

	<u>Budget</u>	<u>Actual Amounts</u>	<u>Variance with Budget - Over (Under)</u>
REVENUES			
Intergovernmental Revenues	\$ -	\$ 27	\$ 27
Total Revenues	<u>-</u>	<u>27</u>	<u>27</u>
EXPENDITURES			
Transportation			
Capital Outlay	<u>40</u>	<u>27</u>	<u>(13)</u>
Total Expenditures	<u>40</u>	<u>27</u>	<u>(13)</u>
(Deficiency) of Revenues (Under) Expenditures	<u>(40)</u>	<u>-</u>	<u>40</u>
 Net Change in Fund Balance	 (40)	 -	 40
Fund Balance - Beginning	<u>40</u>	<u>-</u>	<u>(40)</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, 2009
(In Thousands)

	<u>Budget</u>	<u>Actual Amounts</u>	<u>Variance with Budget - Over (Under)</u>
REVENUES			
Intergovernmental Revenues	\$ -	\$ 253	\$ 253
Total Revenues	<u>-</u>	<u>253</u>	<u>253</u>
EXPENDITURES			
Transportation			
Capital Outlay	<u>1,532</u>	<u>231</u>	<u>(1,301)</u>
Total Expenditures	<u>1,532</u>	<u>231</u>	<u>(1,301)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(1,532)</u>	<u>22</u>	<u>1,554</u>
Net Change in Fund Balance	(1,532)	22	1,554
Fund Balance - Beginning	<u>1,532</u>	<u>303</u>	<u>(1,229)</u>
Fund Balance - Ending	<u>\$ -</u>	<u>\$ 325</u>	<u>\$ 325</u>

CITY OF KISSIMMEE, FLORIDA
BUDGETARY COMPARISON SCHEDULE
MARTIN LUTHER KING PHASE II
For the Year Ended September 30, 2009
(In Thousands)

	<u>Budget</u>	<u>Actual Amounts</u>	<u>Variance with Budget - Over (Under)</u>
REVENUES			
Intergovernmental Revenues	\$ -	\$ 62	\$ 62
Investment Income	-	5	5
Total Revenues	<u>-</u>	<u>67</u>	<u>67</u>
EXPENDITURES			
Transportation			
Capital Outlay	<u>1,506</u>	<u>1,287</u>	<u>(219)</u>
Total Expenditures	<u>1,506</u>	<u>1,287</u>	<u>(219)</u>
(Deficiency) of Revenues			
(Under) Expenditures	<u>(1,506)</u>	<u>(1,220)</u>	<u>286</u>
Net Change in Fund Balance	(1,506)	(1,220)	(2,726)
Fund Balance - Beginning	<u>1,506</u>	<u>935</u>	<u>(571)</u>
Fund Balance (Deficit) - Ending	<u>\$ -</u>	<u>\$ (285)</u>	<u>\$ (285)</u>

CITY OF KISSIMMEE, FLORIDA
BUDGETARY COMPARISON SCHEDULE
JUSTICE ASSISTANCE GRANT
For the Year Ended September 30, 2009
(In Thousands)

	<u>Budget</u>	<u>Actual Amounts</u>	<u>Variance with Budget - Over (Under)</u>
REVENUES			
Intergovernmental Revenues	\$ 15	\$ -	\$ (15)
Investment Income	1	-	(1)
Total Revenues	<u>16</u>	<u>-</u>	<u>(16)</u>
EXPENDITURES			
Public Safety			
Personal Services	<u>254</u>	<u>197</u>	<u>(57)</u>
Total Expenditures	<u>254</u>	<u>197</u>	<u>(57)</u>
(Deficiency) of Revenues (Under) Expenditures	<u>(238)</u>	<u>(197)</u>	<u>41</u>
OTHER FINANCING SOURCES			
Transfers In	<u>188</u>	<u>-</u>	<u>(188)</u>
Total Other Financing Sources	<u>188</u>	<u>-</u>	<u>(188)</u>
Net Change in Fund Balance	(50)	(197)	(247)
Fund Balance - Beginning	<u>50</u>	<u>45</u>	<u>(5)</u>
Fund Balance (Deficit) - Ending	<u>\$ -</u>	<u>\$ (152)</u>	<u>\$ (152)</u>

CITY OF KISSIMMEE, FLORIDA
BUDGETARY COMPARISON SCHEDULE
SECTION 8 H.A.P.P.
For the Year Ended September 30, 2009
(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	<u>12</u>	<u>-</u>	<u>(12)</u>
Total Expenditures	<u>12</u>	<u>-</u>	<u>(12)</u>
(Deficiency) of Revenues (Under) Expenditures	<u>(12)</u>	<u>-</u>	<u>12</u>
Net Change in Fund Balance	(12)	-	12
Fund Balance - Beginning	<u>12</u>	<u>12</u>	<u>-</u>
Fund Balance - Ending	<u>\$ -</u>	<u>\$ 12</u>	<u>\$ 12</u>

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CITY OF KISSIMMEE, FLORIDA
COMBINING BALANCE SHEET
NONMAJOR DEBT SERVICE FUNDS
September 30, 2009
(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	\$ 43	\$ 235	\$ -	\$ 498
Investments	<u>2</u>	<u>12</u>	-	<u>26</u>
Total Assets	<u>\$ 45</u>	<u>\$ 247</u>	<u>\$ -</u>	<u>\$ 524</u>
LIABILITIES				
Accrued Interest Payable	\$ -	\$ 201	\$ -	\$ 163
Bonds/Notes Payable - Current	-	-	-	330
Due to Other Governments	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Liabilities	<u>-</u>	<u>201</u>	<u>-</u>	<u>493</u>
FUND BALANCES				
Reserved for:				
Debt Service	<u>45</u>	<u>46</u>	<u>-</u>	<u>31</u>
Total Fund Balances	<u>45</u>	<u>46</u>	<u>-</u>	<u>31</u>
Total Liabilities and Fund Balances	<u>\$ 45</u>	<u>\$ 247</u>	<u>\$ -</u>	<u>\$ 524</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>Total Nonmajor Debt Service Funds</u>
\$ 3	\$ 325	\$ 51	\$ 623	\$ 443	\$ 2,221
-	17	3	33	23	116
<u>\$ 3</u>	<u>\$ 342</u>	<u>\$ 54</u>	<u>\$ 656</u>	<u>\$ 466</u>	<u>\$ 2,337</u>
\$ 3	\$ 2	\$ -	\$ 25	\$ 21	\$ 415
-	340	-	536	445	1,651
-	-	-	17	-	17
<u>3</u>	<u>342</u>	<u>-</u>	<u>578</u>	<u>466</u>	<u>2,083</u>
-	-	54	78	-	254
-	-	54	78	-	254
<u>\$ 3</u>	<u>\$ 342</u>	<u>\$ 54</u>	<u>\$ 656</u>	<u>\$ 466</u>	<u>\$ 2,337</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, 2009
(In Thousands)

	<u>FmHA Bond</u>	<u>2005 Revenue Note</u>	<u>2004 CRA Note</u>	<u>2006 Revenue Note</u>
REVENUES				
Investment Income	\$ -	\$ 1	\$ -	\$ -
Total Revenues	<u>-</u>	<u>1</u>	<u>-</u>	<u>-</u>
EXPENDITURES				
Debt Service				
Principal Retirement	24	-	401	330
Interest and Fiscal Charges	21	403	71	326
Total Expenditures	<u>45</u>	<u>403</u>	<u>472</u>	<u>656</u>
(Deficiency) of Revenues				
(Under) Expenditures	<u>(45)</u>	<u>(402)</u>	<u>(472)</u>	<u>(656)</u>
OTHER FINANCING SOURCES				
Transfers In	45	403	472	718
Total Other Financing Sources	<u>45</u>	<u>403</u>	<u>472</u>	<u>718</u>
Net Change in Fund Balances	-	1	-	62
Fund Balances (Deficits) - Beginning	<u>45</u>	<u>45</u>	<u>-</u>	<u>(31)</u>
Fund Balances - Ending	<u>\$ 45</u>	<u>\$ 46</u>	<u>\$ -</u>	<u>\$ 31</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>Total Nonmajor Debt Service Funds</u>
\$ -	\$ -	\$ 1	\$ 4	\$ -	\$ 6
-	-	1	4	-	6
-	340	76	1,048	445	2,664
4	4	259	75	43	1,206
4	344	335	1,123	488	3,870
(4)	(344)	(334)	(1,119)	(488)	(3,864)
4	344	335	1,123	489	3,933
4	344	335	1,123	489	3,933
-	-	1	4	1	69
-	-	53	74	(1)	185
\$ -	\$ -	\$ 54	\$ 78	\$ -	\$ 254

CITY OF KISSIMMEE, FLORIDA
BUDGETARY COMPARISON SCHEDULE
FmHA BOND
For the Year Ended September 30, 2009
(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	24	-
Interest and Fiscal Charges	<u>21</u>	<u>21</u>	<u>-</u>
Total Expenditures	<u>45</u>	<u>45</u>	<u>-</u>
(Deficiency) of Revenues			
(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, 2009
(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>1</u>	<u>-</u>
EXPENDITURES			
Debt Service			
Principal Retirement	-	-	-
Interest and Fiscal Charges	403	403	-
Professional Fees	<u>9</u>	<u>-</u>	<u>(9)</u>
Total Expenditures	<u>412</u>	<u>403</u>	<u>(9)</u>
(Deficiency) of Revenues			
(Under) Expenditures	<u>(411)</u>	<u>(402)</u>	<u>9</u>
OTHER FINANCING SOURCES			
Transfers In	<u>415</u>	<u>403</u>	<u>(12)</u>
Total Other Financing Sources	<u>415</u>	<u>403</u>	<u>(12)</u>
Net Change in Fund Balance	4	1	(3)
Fund Balance - Beginning	<u>(4)</u>	<u>45</u>	<u>49</u>
Fund Balance - Ending	<u>\$ -</u>	<u>\$ 46</u>	<u>\$ 46</u>

CITY OF KISSIMMEE, FLORIDA
BUDGETARY COMPARISON SCHEDULE
2006 REVENUE NOTE
For the Year Ended September 30, 2009
(In Thousands)

	<u>Budget</u>	<u>Actual Amounts</u>	<u>Variance with Budget - Over (Under)</u>
REVENUES			
Investment Income	\$ 2	\$ -	\$ (2)
Total Revenues	<u>2</u>	<u>-</u>	<u>(2)</u>
EXPENDITURES			
Debt Service			
Principal Retirement	330	330	-
Interest and Fiscal Charges	<u>326</u>	<u>326</u>	<u>-</u>
Total Expenditures	<u>656</u>	<u>656</u>	<u>-</u>
(Deficiency) of Revenues (Under) Expenditures	<u>(654)</u>	<u>(656)</u>	<u>(2)</u>
OTHER FINANCING SOURCES			
Transfers In	<u>657</u>	<u>718</u>	<u>61</u>
Total Other Financing Sources	<u>657</u>	<u>718</u>	<u>61</u>
Net Change in Fund Balance	3	62	59
Fund Balance (Deficit) - Beginning	<u>(3)</u>	<u>(31)</u>	<u>(28)</u>
Fund Balance - Ending	<u>\$ -</u>	<u>\$ 31</u>	<u>\$ 31</u>

CITY OF KISSIMMEE, FLORIDA
BUDGETARY COMPARISON SCHEDULE
2000A REVENUE NOTE
For the Year Ended September 30, 2009
(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>1</u>	<u>-</u>
EXPENDITURES			
Debt service			
Principal Retirement	404	76	(328)
Interest and Fiscal Charges	259	259	-
Professional Fees	<u>3</u>	<u>-</u>	<u>(3)</u>
Total Expenditures	<u>666</u>	<u>335</u>	<u>1,001</u>
(Deficiency) of Revenues			
(Under) Expenditures	<u>(665)</u>	<u>(334)</u>	<u>331</u>
OTHER FINANCING SOURCES			
Transfers In	<u>660</u>	<u>335</u>	<u>(325)</u>
Total Other Financing Sources	<u>660</u>	<u>335</u>	<u>(325)</u>
Net Change in Fund Balance	(5)	1	6
Fund Balance - Beginning	<u>9</u>	<u>53</u>	<u>44</u>
Fund Balance - Ending	<u>\$ 4</u>	<u>\$ 54</u>	<u>\$ 50</u>

CITY OF KISSIMMEE, FLORIDA
BUDGETARY COMPARISON SCHEDULE
2001 REVENUE NOTE
For the Year Ended September 30, 2009
(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	\$ 2	\$ 4	\$ 2
Total Revenues	<u>2</u>	<u>4</u>	<u>2</u>
EXPENDITURES			
Debt Service			
Principal Retirement	1,048	1,048	-
Interest and Fiscal Charges	75	75	-
Professional Fees	<u>9</u>	<u>-</u>	<u>(9)</u>
Total Expenditures	<u>1,132</u>	<u>1,123</u>	<u>(9)</u>
(Deficiency) of Revenues			
(Under) Expenditures	<u>(1,130)</u>	<u>(1,119)</u>	<u>11</u>
OTHER FINANCING SOURCES			
Transfers In	<u>1,125</u>	<u>1,123</u>	<u>(2)</u>
Total Other Financing Sources	<u>1,125</u>	<u>1,123</u>	<u>(2)</u>
Net Change in Fund Balance	(5)	4	9
Fund Balance - Beginning	<u>5</u>	<u>74</u>	<u>69</u>
Fund Balance - Ending	<u>\$ -</u>	<u>\$ 78</u>	<u>\$ 78</u>

CITY OF KISSIMMEE, FLORIDA
BUDGETARY COMPARISON SCHEDULE
2001A REVENUE NOTE
For the Year Ended September 30, 2009
(In Thousands)

	Budget	Actual Amounts	Variance with Budget - Over (Under)
REVENUES			
Investment Income	\$ 1	\$ -	\$ (1)
Total Revenues	1	-	(1)
EXPENDITURES			
Debt Service			
Principal Retirement	445	445	-
Interest and Fiscal Charges	42	43	1
Professional Fees	9	-	(9)
Total Expenditures	496	488	(8)
(Deficiency) of Revenues			
(Under) Expenditures	(495)	(488)	7
OTHER FINANCING SOURCES			
Transfers In	495	489	(6)
Total Other Financing Sources	495	489	(6)
Net Change in Fund Balance	-	1	1
Fund Balance (Deficit) - Beginning	-	(1)	(1)
Fund Balance - Ending	\$ -	\$ -	\$ -

CITY OF KISSIMMEE, FLORIDA
COMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECTS FUNDS
September 30, 2009
(In Thousands)

	2006 Capital Construction Note Project	Sales Tax 1999 Project	Community Redevelopment Project	Total Nonmajor Capital Projects Funds
ASSETS				
Restricted Assets				
Cash and Cash Equivalents	\$ 329	\$ -	\$ -	\$ 329
Investments	<u>17</u>	<u>-</u>	<u>-</u>	<u>17</u>
Total Restricted Assets	<u>\$ 346</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 346</u>
LIABILITIES				
Due to Other Funds	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 203</u>	<u>\$ 203</u>
Total Liabilities	<u>-</u>	<u>-</u>	<u>203</u>	<u>203</u>
FUND BALANCES (DEFICIT)				
Reserves:				
Reserved for Capital Projects	346	-	-	346
Unreserved (Deficit)	<u>-</u>	<u>-</u>	<u>(203)</u>	<u>(203)</u>
Total Fund Balances (Deficit)	<u>346</u>	<u>-</u>	<u>(203)</u>	<u>143</u>
Total Liabilities and Fund Balances	<u>\$ 346</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 346</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, 2009
(In Thousands)

	2006 Capital Construction Note Project	Sales Tax 1999 Project	Community Redevelopment Project	Total Nonmajor Capital Projects Funds
REVENUES				
Investment Income	\$ 15	\$ 3	\$ -	\$ 18
Miscellaneous Revenues	<u>1</u>	<u>-</u>	<u>-</u>	<u>1</u>
Total Revenues	<u>16</u>	<u>3</u>	<u>-</u>	<u>19</u>
EXPENDITURES				
Capital Outlay	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of Revenues Over Expenditures	<u>16</u>	<u>3</u>	<u>-</u>	<u>19</u>
OTHER FINANCING SOURCES AND (USES)				
Transfers In	-	-	487	487
Transfers (Out)	<u>-</u>	<u>(507)</u>	<u>-</u>	<u>(507)</u>
Total Other Financing Sources and (Uses)	<u>-</u>	<u>(507)</u>	<u>487</u>	<u>(20)</u>
Net Change in Fund Balances	16	(504)	487	(1)
Fund Balances (Deficit) - Beginning	<u>330</u>	<u>504</u>	<u>(690)</u>	<u>144</u>
Fund Balances (Deficit) - Ending	<u>\$ 346</u>	<u>\$ -</u>	<u>\$ (203)</u>	<u>\$ 143</u>

CITY OF KISSIMMEE, FLORIDA
BUDGETARY COMPARISON SCHEDULE
2006 CAPITAL CONSTRUCTION NOTE PROJECT
For the Year Ended September 30, 2009
(In Thousands)

	Budget	Actual Amounts	Variance with Budget - Over (Under)
REVENUES			
Investment Income	\$ -	\$ 15	\$ 15
Miscellaneous Revenues	-	1	1
Total Revenues	-	16	16
EXPENDITURES			
Capital Outlay	1,798	-	(1,798)
Total Expenditures	1,798	-	(1,798)
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,798)	16	1,814
Net Change in Fund Balance	(1,798)	16	1,814
Fund Balance - Beginning	1,798	330	(1,468)
Fund Balance - Ending	\$ -	\$ 346	\$ 346

CITY OF KISSIMMEE, FLORIDA
BUDGETARY COMPARISON SCHEDULE
SALES TAX 1999 PROJECT
For the Year Ended September 30, 2009
(In Thousands)

	<u>Budget</u>	<u>Actual Amounts</u>	<u>Variance with Budget - Over (Under)</u>
REVENUES			
Investment Income	\$ -	\$ 3	\$ 3
Total Revenues	<u>-</u>	<u>3</u>	<u>3</u>
EXPENDITURES			
Capital Outlay	<u>5</u>	<u>-</u>	<u>(5)</u>
Total Expenditures	<u>5</u>	<u>-</u>	<u>(5)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(5)</u>	<u>3</u>	<u>8</u>
OTHER FINANCING (USES)			
Transfers (Out)	<u>-</u>	<u>(507)</u>	<u>(507)</u>
Total Other Financing (Uses)	<u>-</u>	<u>(507)</u>	<u>(507)</u>
Net Change in Fund Balance	(5)	(504)	(499)
Fund Balance - Beginning	<u>5</u>	<u>504</u>	<u>499</u>
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF KISSIMMEE, FLORIDA
BUDGETARY COMPARISON SCHEDULE
COMMUNITY REDEVELOPMENT PROJECT
For the Year Ended September 30, 2009
(In Thousands)

	<u>Budget</u>	<u>Actual Amounts</u>	<u>Variance with Budget - Over (Under)</u>
REVENUES			
Investment Income	\$ -	\$ -	\$ -
Total Revenues	<u>-</u>	<u>-</u>	<u>-</u>
EXPENDITURES			
General Government			
Operating	217	-	(217)
Capital Outlay	<u>177</u>	<u>-</u>	<u>(177)</u>
Total Expenditures	<u>394</u>	<u>-</u>	<u>(394)</u>
(Deficiency) of Revenues			
(Under) Expenditures	<u>(394)</u>	<u>-</u>	<u>394</u>
OTHER FINANCING SOURCES			
Transfers In	<u>177</u>	<u>487</u>	<u>310</u>
Total Other Financing Sources	<u>177</u>	<u>487</u>	<u>310</u>
Net Change in Fund Balance	(217)	487	704
Fund Balance (Deficit) - Beginning	<u>217</u>	<u>(690)</u>	<u>(907)</u>
Fund Balance (Deficit) - Ending	<u>\$ -</u>	<u>\$ (203)</u>	<u>\$ (203)</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, 2009
(In Thousands)

	<u>Central Services</u>	<u>Risk Management</u>	<u>Total</u>
ASSETS			
Current Assets:			
Cash and Cash Equivalents	\$ 1,928	\$ 5,638	\$ 7,566
Investments	101	297	398
Accounts Receivable (net)	20	-	20
Due From TWA	188	62	250
Inventories	159	-	159
Total Current Assets	<u>2,396</u>	<u>5,997</u>	<u>8,393</u>
Capital Assets:			
Land	140	-	140
Buildings	59	-	59
Improvements Other Than Building	517	78	595
Machinery, Equipment and Vehicles	2,831	516	3,347
Less Accumulated Depreciation	<u>(3,547)</u>	<u>(297)</u>	<u>(3,844)</u>
Total Capital Assets	<u>-</u>	<u>297</u>	<u>297</u>
Total Assets	<u>2,396</u>	<u>6,294</u>	<u>8,690</u>
LIABILITIES			
Current Liabilities:			
Accounts Payable	158	29	187
Accrued Liabilities	73	-	73
Compensated Absences Payable	22	-	22
Estimated Claims Payable	-	1,401	1,401
Total Current Liabilities	<u>253</u>	<u>1,430</u>	<u>1,683</u>
Noncurrent Liabilities:			
Compensated Absences Payable	90	-	90
Other Postemployment Benefits	50	-	50
Estimated Claims Payable	-	1,401	1,401
Total Noncurrent Liabilities	<u>140</u>	<u>1,401</u>	<u>1,541</u>
Total Liabilities	<u>393</u>	<u>2,831</u>	<u>3,224</u>
NET ASSETS			
Invested in Capital Assets	-	297	297
Unrestricted	2,003	3,166	5,169
Total Net Assets	<u>\$ 2,003</u>	<u>\$ 3,463</u>	<u>\$ 5,466</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, 2009
(In Thousands)

	<u>Central Services</u>	<u>Risk Management</u>	<u>Total</u>
Operating Revenues:			
Charges for Services	\$ 4,664	\$ 2,198	\$ 6,862
Miscellaneous Revenues	2	-	2
Total Operating Revenues	<u>4,666</u>	<u>2,198</u>	<u>6,864</u>
Operating Expenses:			
Personal Services	2,167	21	2,188
Contracted Services	15	47	62
Supplies and Materials	80	-	80
Repairs and Maintenance	1,309	297	1,606
Other Services and Charges	529	147	676
Depreciation	87	16	103
Claims/Premium Expense	61	2,129	2,190
Total Operating Expenses	<u>4,248</u>	<u>2,657</u>	<u>6,905</u>
Operating Income (Loss)	<u>418</u>	<u>(459)</u>	<u>(41)</u>
Nonoperating Revenues:			
Investment Income	7	42	49
Insurance Recoveries	-	285	285
Total Nonoperating Revenues	<u>7</u>	<u>327</u>	<u>334</u>
Change in Net Assets	425	(132)	293
Total Net Assets - Beginning	<u>1,578</u>	<u>3,595</u>	<u>5,173</u>
Total Net Assets - Ending	<u>\$ 2,003</u>	<u>\$ 3,463</u>	<u>\$ 5,466</u>

CITY OF KISSIMMEE, FLORIDA
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
For The Year Ended September 30, 2009
(In Thousands)

	<u>Central</u>	<u>Risk</u>	
	<u>Services</u>	<u>Management</u>	<u>Total</u>
Cash Flows from Operating Activities			
Receipts from Customers and Users	\$ 4,659	\$ 2,284	\$ 6,943
Payments to Suppliers	(2,161)	(2,593)	(4,754)
Payments to Employees	(2,098)	(21)	(2,119)
Net Cash Provided (Used) by Operating Activities	<u>400</u>	<u>(330)</u>	<u>70</u>
Cash Flows from Capital and Related Financing Activities			
Acquisition/Construction of Capital Assets	(43)	(54)	(97)
Proceeds from Insurance Recoveries	-	285	285
Net Cash Provided by Capital and Related Financing Activities	<u>(43)</u>	<u>231</u>	<u>188</u>
Cash Flows from Investing Activities			
Proceeds from sale and maturity of investments	82	362	444
Gain on Investments	7	42	49
Net Cash Provided by Investing Activities	<u>89</u>	<u>404</u>	<u>493</u>
Net Increase in Cash and Cash Equivalents	446	305	751
Cash and Cash Equivalents at Beginning of Year	1,482	5,333	6,815
Cash and Cash Equivalents at End of Year	<u>\$ 1,928</u>	<u>\$ 5,638</u>	<u>\$ 7,566</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities			
Operating Income (Loss)	\$ 418	\$ (459)	\$ (41)
Depreciation	87	16	103
Change in Assets and Liabilities:			
(Increase) Decrease in Due from KUA	5	-	5
(Increase) Decrease in Due from TWA	(186)	86	(100)
(Increase) Decrease in Accounts Receivable	(12)	-	(12)
(Increase) Decrease in Prepaids	110	-	110
(Increase) Decrease in Inventories	32	-	32
Increase (Decrease) in Accounts Payable	(139)	27	(112)
Increase (Decrease) in Accrued Liabilities	23	-	23
Increase (Decrease) in OPEB	50	-	50
Increase (Decrease) in Compensated Absences	12	-	12
Total Adjustments	<u>(18)</u>	<u>129</u>	<u>111</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ 400</u>	<u>\$ (330)</u>	<u>\$ 70</u>

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

City of Kissimmee, Florida
Statistical Section
September 30, 2009

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

Financial Trends

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

Revenue Capacity

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

Debt Capacity

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

Demographic and Economic Information

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

Operating Information

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

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

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Schedule 1
City of Kissimmee, Florida

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

Last Seven Fiscal Years

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
<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
Restricted	17,339	13,170	15,706	19,106	10,346	15,367	14,939
Unrestricted	16,173	19,389	19,132	16,778	8,424	16,184	11,698
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>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
Restricted	3	-	-	-	740	685	705
Unrestricted	71,104	1,955	2,203	2,307	1,040	3,130	3,173
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>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
Restricted	17,342	13,170	15,706	19,106	11,086	16,052	15,644
Unrestricted	87,277	21,344	21,335	19,085	9,464	19,314	14,871
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>

Schedule 2
City of Kissimmee, Florida

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

Last Seven Fiscal Years

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

Continued next page

Schedule 2
City of Kissimmee, Florida

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

Last Seven Fiscal Years

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

(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

	2000	2001	2002	2003	2004	2005
<u>General fund</u>						
Reserved	\$ 441	\$ 285	\$ 726	\$ 6	\$ 27	\$ 299
Unreserved	14,792	15,229	15,087	13,652	7,818	12,564
Total general fund	<u>\$ 15,233</u>	<u>\$ 15,514</u>	<u>\$ 15,813</u>	<u>\$ 13,658</u>	<u>\$ 7,845</u>	<u>\$ 12,863</u>
<u>All other governmental funds</u>						
Reserved	\$ 1,329	\$ 1,589	\$ 1,018	\$ 1,441	\$ 1,196	\$ 590
Unreserved (deficit), reported in:						
Special revenue funds	13,385	16,823	17,019	7,090	103	19
Debt service funds	-	-	-	-	-	(24)
Capital projects funds	374	1,653	2,066	1,815	400	351
Total all other governmental funds	<u>\$ 15,088</u>	<u>\$ 20,065</u>	<u>\$ 20,103</u>	<u>\$ 10,346</u>	<u>\$ 1,699</u>	<u>\$ 936</u>

2006	2007	2008	2009
\$ 60	\$ 318	\$ 217	\$ 186
10,998	9,867	13,567	13,240
\$ 11,058	\$ 10,185	\$ 13,784	\$ 13,426
\$ 22,552	\$ 17,140	\$ 19,592	\$ 17,773
(1,167)	(1,868)	1,055	(1,831)
(85)	-	(32)	-
(126)	(120)	(690)	(1,531)
\$ 21,174	\$ 15,152	\$ 19,925	\$ 14,411

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

	2000	2001	2002	2003	2004	2005
Revenues						
Taxes	\$ 16,939	\$ 17,500	\$ 18,984	\$ 20,342	\$ 21,358	\$ 24,912
Special assessments ¹	67	63	47	256	243	608
Impact fees ¹	821	630	484	1,238	1,262	995
Permits and fees	772	851	936	1,249	1,476	1,399
Intergovernmental revenues	13,277	15,383	14,032	17,499	22,374	31,921
Charges for services	3,709	4,179	4,441	5,014	4,875	6,245
Fines and forfeitures	993	1,012	961	736	754	604
Investment income (loss)	-	-	-	245	3,840	2,015
Miscellaneous revenues	1,248	4,677	1,797	376	632	726
Total revenues	\$ 37,826	\$ 44,295	\$ 41,682	\$ 46,955	\$ 56,814	\$ 69,425
Expenditures						
General government	\$ 8,282	\$ 9,901	\$ 9,286	\$ 14,695	\$ 13,477	\$ 13,524
Public safety	15,434	16,693	18,741	19,617	24,106	25,687
Physical environment	-	-	-	400	2,028	2,531
Transportation	8,131	5,785	7,402	9,913	13,782	9,763
Economic environment	1,455	390	582	9	24	11
Culture/Recreation	4,459	6,243	5,715	5,887	6,995	7,425
Debt service:						
Principal retirement	2,656	3,267	2,564	2,812	2,588	2,279
Interest and fiscal charges	-	-	-	1,011	1,242	1,271
Capital Outlay	-	-	-	67	77	897
Total expenditures	\$ 40,417	\$ 42,279	\$ 44,290	\$ 54,411	\$ 64,319	\$ 63,388
Excess of revenues over (under) expenditures	\$ (2,591)	\$ 2,016	\$ (2,608)	\$ (7,456)	\$ (7,505)	\$ 6,037
Other financing sources (uses)						
Transfers in	\$ 8,881	\$ 11,708	\$ 16,310	\$ 13,876	\$ -	\$ 10,191
Operating transfers to/from primary govt	-	-	(13,575)	-	-	-
Transfers (out)	(6,179)	(8,873)	-	(10,699)	-	(10,803)
Operating transfers from component unit	6	-	-	-	-	-
Issuance of notes payable	-	-	-	-	-	927
Issuance of capital lease	-	-	-	-	-	-
Total other financing sources (uses)	\$ 2,708	\$ 2,835	\$ 2,735	\$ 3,177	\$ -	\$ 315
Net change in fund balances	\$ 117	\$ 4,851	\$ 127	\$ (4,279)	\$ (7,505)	\$ 6,352
Debt service as a percentage of non-capital expenditures	11.8%	11.8%	11.5%	8.7%	7.3%	6.7%

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

	2006	2007	2008	2009
\$	29,602	\$ 34,022	\$ 31,453	\$ 29,005
	164	108	220	-
	856	2,665	870	-
	982	1,155	2,299	4,912
	28,135	32,874	29,431	26,779
	6,919	6,831	5,154	4,676
	1,191	616	653	962
	(1,465)	(10,299)	15,701	243
	1,088	1,041	931	838
\$	67,472	\$ 69,013	\$ 86,712	\$ 67,415
\$	16,499	\$ 18,373	\$ 17,197	\$ 18,929
	30,163	32,893	32,966	30,181
	1,893	789	82	-
	13,099	12,420	11,329	8,494
	-	1,663	2,223	1,047
	6,568	7,917	8,837	7,839
	1,764	2,207	2,316	2,868
	1,133	1,576	1,531	1,261
	-	10,019	2,534	3,436
\$	71,119	\$ 87,857	\$ 79,015	\$ 74,055
\$	(3,647)	\$ (18,844)	\$ 7,697	\$ (6,640)
\$	12,074	\$ 16,337	\$ 14,458	\$ 17,479
	-	-	-	-
	(12,874)	(17,412)	(14,230)	(17,306)
	-	-	-	-
	10,570	12,750	316	595
	708	274	131	-
\$	10,478	\$ 11,949	\$ 675	\$ 768
\$	6,831	\$ (6,895)	\$ 8,372	\$ (5,872)
	5.1%	6.2%	6.7%	6.9%

**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		
2000	\$ 1,525,503	\$ 422,206	\$ 1,583,246	\$ 352,311	\$ 1,324,224
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

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
4.5453	\$ 1,324,224	119.560%
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%

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**Schedule 6
City of Kissimmee, Florida**

DIRECT AND OVERLAPPING PROPERTY TAX RATES

Last Ten Fiscal Years

(Per \$1,000 of Assessed Taxable Value)

Fiscal Year	City of Kissimmee Florida	Osceola County			Okeechobee and Everglades Basins	South Florida Water Mgmt. Dist.	Total
		Government	Library	School Board			
2000	4.545	5.995	0.500	9.270	0.413	0.284	21.007
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

Source: Osceola County Tax Collector's Office.

**Schedule 7
City of Kissimmee, Florida**

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

Current Year and Nine Years Ago

Property Description	Use	Taxpayer	Fiscal Year 2008 / 2009 (a)		
			Taxable Value	Percent of Total Taxable Value	Rank
Local hospital	Medical care	Osceola Regional Hospital, Inc.	\$ 86,065	24.95%	1
Condominiums	Timeshare sales	Oak Plantation Realty Partners	51,253	14.86%	2
Retail store	Merchandising	Wal-Mart Stores, Inc.	39,056	11.32%	3
Retail store	Merchandising	Loop West LLC	37,479	10.86%	4
Apartment complex	Rentals	Alliance HTFL Ltd Partnership	25,440	7.37%	5
Retail store	Communications	Embarq (Sprint) Florida, Inc.	24,563	7.12%	6
Apartment complex	Rentals	G&I VI Vinyards LLC	21,462	6.22%	7
Apartment complex	Rentals	Fountainhead Phase 1, Inc.	20,350	5.90%	8
Apartment complex	Rentals	Reef Club Apartments	20,016	5.80%	9
Apartment complex	Rentals	MPG Osceola Ltd.	19,306	5.60%	10
Retail store	Merchandising	Osceola Square Properties	-	-	-
Commercial property	Office rentals	John H. Streicker, Trustee	-	-	-
Apartment complex	Rentals	Hideway Bay Apartments, Inc.	-	-	-
Apartment complex	Rentals	Kissimmee Osceola Land Assoc	-	-	-
Apartment complex	Rentals	WRH Horizons Ltd.	-	-	-
Totals			<u>\$ 344,990</u>	<u>100.00%</u>	

(a) The fiscal year ended September 30, 2009 tax levy is based on the 2008 taxable value.
(b) The fiscal year ended September 30, 2000 tax levy is based on the 1999 taxable value.

Source: Osceola County Property Appraiser's Office.

Fiscal Year 1999 / 2000 (b)			
	Taxable Value	Percent of Total Taxable Value	Rank
\$	45,606	21.86%	1
	40,000	19.17%	2
	10,909	5.23%	10
	-	-	
	-	-	
	31,306	15.01%	3
	-	-	
	11,818	5.66%	8
	-	-	
	-	-	
	17,996	8.63%	4
	14,564	6.98%	5
	12,758	6.12%	6
	12,693	6.08%	7
	10,983	5.26%	9
\$	208,633	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>
2000	\$ 6,019	\$ 5,819	95.7%	\$ 42	\$ 5,375	96.1%
2001	6,281	6,051	96.7%	20	5,861	97.4%
2002	7,007	6,728	96.3%	16	6,071	96.7%
2003	7,564	7,201	96.0%	6	6,744	96.2%
2004	8,224	7,874	95.2%	26	7,207	95.3%
2005	9,588	8,845	95.7%	20	7,900	96.1%
2006	13,687	13,234	92.3%	6	8,865	92.5%
2007	18,269	16,692	96.7%	861	13,240	96.7%
2008	14,502	12,922	91.4%	1,060	17,553	96.1%
2009	14,060	12,338	87.8%	1,346	13,684	97.3%

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				
2000	\$ 571	\$ 10,366	\$ 10,937	\$ 961,635	1.1%	\$ 0.23
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

Sources: Population and personal income data from University of Florida, Bureau of Economic and Business Research. For the 2009 year, per capita income was calculated using an estimated 2% annual increase for CPI.

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, 2009

Taxing District	Net Debt Outstanding	Estimated Overlapping (1)	City's Share of Debt
Osceola County School District			
Series 1999A	\$ 925	15.4%	\$ 143
Series 2000A	25	15.4%	4
Series 2001A dated 7/1/2001	1,020	15.4%	157
Series 2002A, dated 4/15/2002	665	15.4%	103
Series 2003A	1,590	15.4%	245
Series 2004A	1,305	15.4%	201
Series 2005A	7,405	15.4%	1,142
Series 2006A	1,665	15.4%	257
District Revenue Bonds			
Sales Tax Revenue Bonds, Series 2001	3,290	15.4%	507
Sales Tax Revenue Bonds, Series 2007	76,250	15.4%	11,761
Certificates of Participation			
Series 1999A	34,415	15.4%	5,308
Series 2000A and 2000B	495	15.4%	76
Series 2002A	1,295	15.4%	200
Series 2004A	70,890	15.4%	10,934
Series 2005A	11,625	15.4%	1,793
Series 2007A and Series 2007B	62,390	15.4%	9,623
Classrooms First Loans			
Indian River County dated 7/1/2002	5,048	15.4%	779
Collier County dated 7/1/2002	18,217	15.4%	2,810
Education Benefits Districts			
Bellalago Benefit District	9,139	15.4%	1,410
Total Osceola County School District (1)	<u>\$ 307,654</u>	15.4%	<u>\$ 47,452</u>
Osceola County			
Limited General Obligation Debt	\$ 14,165	15.4%	\$ 2,185
Total Osceola County	<u>\$ 14,165</u>	15.4%	<u>\$ 2,185</u>
Total Overlapping Debt	<u><u>\$ 321,819</u></u>		<u><u>\$ 49,636</u></u>

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

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

- (1) Excludes capital leases, installment purchases, compensated absences, and estimated insurance.
- (2) Allocated on the basis of assessed values used for the purpose of ad valorem taxation

**Schedule 11
City of Kissimmee, Florida**

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

Last Ten Fiscal Years

Fiscal Year	Excise Tax Revenue Bonds				Sales Tax Revenue Bonds			
	Excise Tax Revenues	Debt Service Requirements		Coverage	Sales Tax Revenues	Debt Service Requirements		Coverage
		Principal	Interest			Principal	Interest	
2000	\$ 184	\$ 16	\$ 29	4.09	\$ 4,912	\$ 2,098	\$ 534	1.87
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

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>
2000	47,814	\$20,112	\$961,635	32,017	3.4%
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%

- 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 2008 / 2009 (1)</u>			<u>Fiscal Year 2000 / 2001 (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	6,295	10.28%	1	2,700	4.82%	1
Walt Disney Company	Entertainment	3,700	6.04%	2	-		
Walmart	Retail	2,730	4.46%	3	-		
Orange Lake Country Club	Resort	2,400	3.92%	4	-		
Gaylord Palms	Resort	1,900	3.10%	5	-		
Osceola County Government	Government	1,604	2.62%	6	1,400	2.50%	2
Publix Supermarkets	Retail	1,350	2.20%	7	-		
Osceola Regional Medical Center	Healthcare	1,200	1.96%	8	1,159	2.07%	3
Florida Hospital - Celebration	Healthcare	1,076	1.76%	9	794	1.42%	4
McLane/Suncoast, Inc.	Distribution	<u>1,000</u>	1.63%	10	<u>-</u>		
Total		<u>23,255</u>			<u>6,053</u>		

Sources: (1) Osceola County Office of Economic Development

(2) Earliest Data Available for Fiscal Year 2000/2001. 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					
	2000	2001	2002	2003	2004	2005
<u>General government</u>						
Central Services	35	36	38	38	39	38
City Attorney	2	3	3	3	3	3
City Commission	5	5	5	5	5	5
City Manager	15	15	17	15	18	17
Finance	10	11	12	12	12	12
Personnel	9	9	10	10	7	8
<u>Public safety</u>						
Fire	72	72	72	90	92	96
Police	152	157	173	181	182	191
C.O.P.S. Grant	3	3	3	0	0	0
C.O.P.S. More Grant	4	4	0	0	0	0
D.U.I. Highway Safety Grant	2	2	0	0	0	0
Law Enforcement Grant	3	3	3	3	3	3
School Crossing Guard	12	14	18	18	18	19
Vehicle Theft Prevention	0	1	1	0	0	0
Victim's Crime Act Grant	0	0	1	0	0	0
<u>Physical environment</u>						
Public Works	65	66	69	71	75	48
Sanitation	16	16	17	20	20	23
Stormwater	0	0	0	0	0	26
Water Resources	107	112	115	107	0	0
<u>Transportation</u>						
Airport	5	4	5	4	4	6
Local Option Gas Tax	9	9	9	8	9	9
<u>Economic Environment</u>						
Development Services	24	24	26	28	30	33
Community Development Blk Grant	0	0	0	0	0	0
<u>Human Services</u>						
Section 8	3	0	0	0	0	0
<u>Culture / Recreation</u>						
Parks & Recreation	67	62	67	63	73	78
Civic Center	10	10	10	11	11	11
Total	630	638	674	687	601	626

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

2006	2007	2008	2009
38	39	38	36
3	3	3	3
5	5	5	5
16	16	15	13
12	10	10	10
8	8	8	8
108	110	106	104
203	214	214	210
0	0	0	0
0	0	0	0
0	0	0	0
3	3	3	3
19	19	20	21
0	0	0	0
0	0	0	0
50	51	44	40
24	25	27	27
27	27	29	29
0	0	0	0
6	6	6	7
9	9	10	10
38	40	40	30
2	2	2	3
0	0	0	0
95	80	77	74
16	16	15	14
682	683	672	647

**Schedule 15
City of Kissimmee, Florida**

OPERATING INDICATORS BY FUNCTION/PROGRAM

Last Ten Fiscal Years

	2000	2001	2002	2003	2004	2005
<u>Building Inspections</u>						
Building permits issued	2,701	2,744	6,716	3,146	4,241	7,932
<u>Law Enforcement</u>						
Physical arrests	3,019	2,593	3,291	2,111	1,926	2,198
Traffic and parking violations ¹	23,660	19,868	19,814	16,765	22,102	27,285
<u>Fire</u>						
Emergency responses ¹	5,751	6,285	7,091	7,785	9,114	10,311
Fires extinguished ¹	358	383	334	384	501	502
Inspections	183	198	206	323	177	775
<u>Other Public Works</u>						
Street resurfacing (tons of asphalt) ^z	n/a	n/a	28	300	208	39
Other street repairs (tons of asphalt) ^z	n/a	n/a	22	30	21	3

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

Source: Various City Departments.

1 - Prior to FY 2000 accurate data collection for this operating indicator was not available.

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

2006	2007	2008	2009
4,158	4,256	3,384	2,580
2,139	2,407	2,331	1,898
22,391	17,068	19,616	20,686
10,253	9,459	9,038	9,228
545	268	235	236
563	2,213	1,646	1,640
190	7,368	6,156	3,011
17	148	125	181

**Schedule 16
City of Kissimmee, Florida**

CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM

Last Ten Fiscal Years

	2000	2001	2002	2003	2004	2005
<u>Transportation</u>						
Miles of streets (lane miles)	256	260	264	268	270	270
<u>Refuse collection trucks</u>						
	11	11	11	11	12	12
<u>Other public works</u>						
Traffic signals	32	32	32	34	36	39
Highways (miles)	30	30	30	30	30	30
<u>Public Safety</u>						
Fire stations	3	3	3	3	3	4
Police stations	1	1	1	1	1	1
Patrol units: ¹						
Marked vehicles	n/a	n/a	n/a	89	104	93
Motorcycles	n/a	n/a	n/a	7	6	6
<u>Parks and Recreation</u>						
Park acreage	339	375	486	486	490	490
Number of regional parks	-	-	-	-	-	-
Number of large urban parks	4	4	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	5	6	6	6	6	6

Source: Various City Departments.

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

2006	2007	2008	2009
207	207	304	371
12	12	13	13
41	43	47	48
30	30	30	56
4	4	4	4
1	1	1	1
105	101	127	100
12	9	9	6
562	578	802	786
-	2	2	2
5	2	2	2
3	3	3	3
8	8	8	9
6	6	6	4

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

**REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS
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, 2009, and have issued our report thereon dated March 26, 2010. 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 noted certain matters that we reported to management of the City in a separate letter dated March 26, 2010.

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 26, 2010



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

**REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS
ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO 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 are applicable to each of its major federal programs and major state projects for the year ended September 30, 2009. 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 are applicable to each of its major federal programs and major state projects for the year ended September 30, 2009.

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, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

A control deficiency in an entity's internal control over compliance 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 noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program, such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program or state project that is more than inconsequential will not be prevented or detected by the entity's internal control.

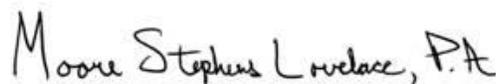
A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program or state project will not be prevented or detected by the entity's internal control.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be 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 governmental activities, business-type activities, each major fund, and aggregate remaining fund information of the City as of and for the year ended September 30, 2009, and have issued our report thereon dated March 26, 2010. Our audit was performed for the purpose of forming our opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying schedule of expenditures of federal awards and state financial assistance is presented for 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 has been subjected to auditing procedures, as considered necessary, and, in our opinion, 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, 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.



Certified Public Accountants

Orlando, Florida
March 26, 2010

CITY OF KISSIMMEE, FLORIDA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE
For the year ended September 30, 2009

Agency/Federal Program	CFDA #	Grant #	Federal Expenditures	Transfers To Sub-recipients
<u>U.S. Department of Agriculture</u>				
Passed through				
Natural Resources Conservation Services				
Thunderstorm Fay - Mill Slough	10.923	69-4209-9-1701	\$ 363,839	
Total U.S. Department of Agriculture			363,839	
<u>U.S. Department of Housing and Urban Development</u>				
Community Development Block Grant 2008	14.218	B-08-MC-12-0051	293,774	\$ 138,662
Community Development Block Grant 2007	14.218	B-07-MC-12-0051	74,934	29,130
Community Development Block Grant 2005	14.218	B-05-MC-12-0051	14,466	-
(HERA) Neighborhood Stabilization Program	14.228	B-08-MN-12-0012	12,118	-
Total U.S. Department of Housing and Urban Development			395,292	167,792
<u>U.S. Department of Justice</u>				
Edward Byrne Memorial Justice Assistance Grant(JAG)	16.592	2007-DJ-BX-1263	35,126	
Edward Byrne Memorial Justice Assistance Grant(JAG)	16.592	2006-DJ-BX-0994	2,439	
Bulletproof Vest Partnership	16.607	None	31,938	
ARRA:Edward Byrne Memorial Justice Assistance Grant (JAG)	16.804	2009-SB-B9-1312	-	
Total U.S. Department of Justice			69,503	
<u>U.S. Department of Transportation</u>				
Passed through the Florida Department of Transportation				
Kissimmee Trail - MLK Right of Way Acquisition	20.205	410828-1-38-01	8,169	
Kissimmee Trail - MLK Dyer-Shingle Creek/US 192	20.205	410829-1-38-01	92,375	
Sidewalks - Central Avenue/Kissimmee Elementary	20.205	423623-1-38-01	27,309	
Conduct a FAR Part 150 Noise Study	20.106	3-12-0038-031-2008	211,015	
Design Rehab Txy Bravo Phase 1; Design Hold Apron Rwy 24	20.106	3-12-0038-030-2008	77,871	
Total U.S. Department of Transportation			416,739	
<u>U.S. Department of Energy</u>				
ARRA:Energy Efficiency And Conservation Block Grant (EECBG)	81.128	DE-SC0002480	-	
Total U.S. Department of Energy			-	
<u>U.S. Department of Homeland Security/FEMA</u>				
Passed through the Florida Department of Community Affairs:				
Public Assistance Grant/Fay	97.036	08-PA-B9-06-59-01-725	22,352	
Hazard Mitigation - Charley	97.039	06HM-7@-06-59-02-036	123,880	
Assistance to Firefighters Grant	97.044	EMW-2007-FO-06510	2,079	
Total U.S. Department of Homeland Security/FEMA			148,311	
TOTAL EXPENDITURES OF FEDERAL AWARDS			\$ 1,393,684	\$ 167,792

Continued

CITY OF KISSIMMEE, FLORIDA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE - Continued
For the year ended September 30, 2009

Agency/State Project	CSFA#	Grant #	State Expenditures	Transfers To Sub-recipients
<u>Department of Environmental Protection</u>				
Dakin Street Box Culvert Replacement	37.039	LP6740	\$ 454,166	
Total Florida Department of Environmental Protection			<u>454,166</u>	
<u>Florida Housing Finance Corporation</u>				
Hurricane Housing Recovery	52.902		649,139	
Total Florida Housing Finance Corporation			<u>649,139</u>	
<u>Florida Department of Transportation</u>				
Rehab Terminal Parking Lot	55.004	414436-1-94-01	131,540	
Construct T-Hangars/Perimeter Security	55.004	414437-1-94-01	291,356	
Design & Construct Executive Clearspan Hangar	55.004	418466-1-94-01	115,073	
Construct Clearspan Hangar	55.004	409770-1-94-01	507,684	
Construct Fuel Farm on North Quad/Demolish & Remove Old	55.004	247991-1-94-01	328,433	
Airfield Painting	55.004	409775-1-94-01	115,818	
County Incentive Grant - Hoagland/Pleasant Hill	55.008	419663-1-34-01/A0Q48	172,999	
Total Florida Department of Transportation			<u>1,662,903</u>	
TOTAL EXPENDITURES OF STATE FINANCIAL ASSISTANCE			<u>\$ 2,766,208</u>	

NOTE 1

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

NOTE 2

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

City of Kissimmee, Florida
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended September 30, 2009

Section I – Summary of Auditor’s Results

Financial Statements

Type of auditor’s report issued: **Unqualified Opinion**

Internal control over financial reporting:

- Material weakness(es) identified? _____ **Yes** **X** **No**
- Significant deficiency(ies) identified that are not considered to be material weakness(es)? _____ **Yes** **X** **No**

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

Federal Awards

Internal control over major federal programs:

- Material weakness(es) identified? _____ **Yes** **X** **No**
- Significant deficiency(ies) identified that are not considered to be material weakness(es)? _____ **Yes** **X** **None reported**

Type of auditor’s report issued on compliance for Federal Programs: **Unqualified Opinion**

Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of Circular A-133? _____ **Yes** **X** **No**

Identification of Major Federal Program and State Projects:

<u>CFDA Number</u> 10.923 14.218	<u>Name of Federal Program</u> Thunderstorm Fay – Mill Slough Community Development Block Grant
<u>CSFA Number</u> 55.004	<u>Name of State Project</u> Construct Clearspam Hangar/Construct Fuel Farm

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

Federal	\$300,000
State	\$300,000

Auditee qualified as low-risk auditee? **X** **Yes** _____ **No**

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.



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, 2009, and have issued our report thereon dated March 26, 2010.

We conducted our audit in accordance with United States generally accepted auditing standards and *Government Auditing Standards*, issued by the Comptroller General of the United States. We have issued our Report of Independent Certified Public Accountants on Internal Control over Financial Reporting and on Compliance and Other Matters. That report dated March 26, 2010 includes findings which 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 and, unless otherwise required to be reported in the report on compliance and internal controls or schedule of findings and questioned costs, this letter is required to include the following information:

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 significant findings and recommendations made in the preceding annual financial audit report. Those not fully completed, if any, have been included in the current year 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, findings as reported in the Schedule of Findings and Questioned Costs, should be considered in conjunction with this management letter.

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.

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

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 grants agreements, fraud, illegal acts, or abuse, and (2) control deficiencies that are not significant deficiencies. In connection with our audit, we did not have any such findings.

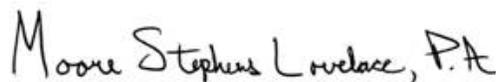
Section 10.554(1)(i)6., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. The legal authority 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, 2009, 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, 2009. 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.

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.



Certified Public Accountants

Orlando, Florida
March 26, 2010

MANAGEMENT LETTER COMMENTS

Prior Year Comments

2008-01 - ENTITY RISK ASSESSMENT AND MONITORING

Observation

The City does not have formalized processes in place for risk assessment and monitoring internal control activities entity-wide on an ongoing basis.

Current Year Status

This finding was fully addressed in the current fiscal year.

2008-02 - PAYROLL PROCEDURES

Observation

During our test of controls and account balances of the September 30, 2008 financial statements, we found a number of instances in which employee attendance reports were not approved by the employees' supervisor and instances in which the reports were not authorized by the City Manager.

Current Year Status

This finding was fully addressed in the current fiscal year.

2008-03 - AUDIT ADJUSTMENTS

Observation

During the audit, we recommended more than 5 adjusting journal entries. The effect of such entries was to increase net income and net assets by approximately \$3 million and \$3.4 million, respectively. Substantially all of the entries were to correct bookkeeping errors or to make accruals and other adjustments that should have been made by the Accounting Department.

Current Year Status

During the current year audit, we noticed an improvement in the Accounting Department providing the final trial balance for our audit. However, there were significant adjustments made to correct fixed assets, due from other Government and Account receivable allowance accounts. This finding is still applicable for the current year.

Management Response

As indicated by the auditors, the Finance staff did improve in the area of adjusting entries for the fiscal year ended 2009; however, there were still a few audit areas that required adjustment after completion of the final trial balance. Staff will continue to work towards a more thorough review of these audit areas to ensure that significant accounting issues have been addressed.

2008-04 - IMPROVEMENTS TO INFORMATION TECHNOLOGY ("IT") CONTROLS

Observation

During our audit of the City's financial statements, we are required to do an assessment of the City's Information Technology ("IT") processes and controls. During this assessment, we noted several areas which could improve the City's IT security. These findings did not disclose any significant deficiencies or weaknesses related to financial accounting and reporting. Areas for improvement noted during our assessment are provided here for your consideration: external security scanning for public electronic payments website, password policies, and encryption of backup data.

MANAGEMENT LETTER COMMENTS *(Continued)*

Current Year Status

This finding was fully addressed in the current fiscal year.

Current-Year Findings

None noted.