

CITY OF FRUITLAND PARK
COMPREHENSIVE ANNUAL FINANCIAL REPORT
SEPTEMBER 30, 2009

Prepared by:
Elizabeth P. Palmer
City Treasurer

Cover photo by:
Elizabeth P. Palmer

CITY OF FRUITLAND PARK, FLORIDA
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
 FOR THE YEAR ENDED SEPTEMBER 30, 2009

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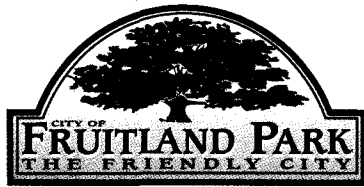
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Fruitland Park, Florida 34731

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March 31, 2010

To the Honorable Mayor, Members of the City Commission, and Citizens of the City of Fruitland Park, Florida:

The Comprehensive Annual Financial Report (CAFR) for the City of Fruitland Park, Florida, for the fiscal year ended September 30, 2009 is hereby submitted pursuant to Florida Statutes Chapter 218.39 and Chapter 10.550 of the Rules of the Auditor General of the State of Florida. State law requires an annual financial audit of local government entities be completed no later than twelve months after the end of the fiscal year. This CAFR is published to fulfill this requirement for the fiscal year ended September 30, 2009 and to provide the citizens, city commission, city staff, creditors and other interested parties with detailed information concerning the financial condition and activities of the City.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal controls established for this purpose. Because the cost of the internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

We believe that the City's internal accounting controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions. In addition, we believe the information

contained in this report is presented in a manner designed to fairly set forth the financial position and results of operation of the City as measured by the financial activity of its various funds; and that all disclosures necessary to enable the reader to gain a maximum understanding of the City's financial affairs are included.

The City of Fruitland Park maintains budgetary controls to ensure compliance with legal provisions contained in the annual appropriated budget approved by the City Commission. Annual budgets are legally adopted for the activities of the General Fund, Redevelopment Fund, Capital Projects Fund, Utility Fund and the Recreation Programs Fund. Budgets are controlled at the department level and total expenditures may not legally exceed appropriations for each budgeted department without Commission approval. Encumbrance accounting is utilized to reserve the encumbered portion of the appropriation.

The City of Fruitland Park's financial statements have been audited in accordance with generally accepted auditing standards by Shumacker, Johnston & Ross, P.A., Certified Public Accountants. The goal of the independent audit is to provide reasonable assurance that the financial statements of the City of Fruitland Park are free of material misstatement. The independent audit involves examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and estimates made by management; and evaluating the overall financial statement

presentation. Shumacker Johnston & Ross concluded, based upon the audit, that there is reasonable basis for rendering an unqualified ("clean report") opinion that the City of Fruitland Park's financial statements for the fiscal year ending September 30, 2009, are fairly presented in conformity with generally accepted accounting principles (GAAP). The independent auditor's report is located at the front of the financial section of this report.

Management's Discussion and Analysis (MD&A), immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. The MD&A provides "financial highlights" and interprets the financial report by analyzing trends and by explaining changes, fluctuations and variances in the financial data. This letter of transmittal complements the MD&A and should be read in conjunction with it.

Profile of the City

The City of Fruitland Park is operated under a Commission-Manager form of government. Policymaking and legislative authorities are vested in the City Commission that consists of a Mayor and four other members. The Mayor presides over commission meeting and public ceremonies. The Commission is non-partisan and the members are elected to four year staggered terms. The City Commission is responsible, among other things, for passing ordinances, adopting the budget, appointing boards, and hiring the City Manager, City Treasurer, City Clerk, City Attorney and the City Auditor. The City Manager is responsible for carrying out the

policies of the Commission, overseeing the day-to-day operations and appointing department heads.

The City of Fruitland Park, incorporated in 1927, is located in central Florida. It is empowered by Florida Statute to extend its corporate limits by annexation, which it does from time to time. Fruitland Park has a population of 3,978 and a land area of approximately 7 square miles. The City's property tax millage rate is 4.36 for fiscal year 2009.

The City of Fruitland Park provides a full range of services to its residents. These services include a library, police and fire protection, the construction and maintenance of local streets, and recreational and cultural activities. The City also maintains and operates water and wastewater utilities. Garbage collection and disposal services are provided by way of an exclusive franchise agreement with Waste Management Inc.

The annual budget serves as the foundation for the City of Fruitland Park's financial planning and control. All department heads are required to submit requests for appropriation to the City Manager. The City Manager uses these requests as a starting point for developing a proposed budget and then presents the proposed budget to the City Commission for review. The City Commission is required to hold public hearings on the proposed budget and adopt a final budget by no later than September 30th, the close of the fiscal year. The City Manager and Department Heads may transfer resources within a

department as necessary; however transfers between departments require special approval (budget amendment by resolution) from the City Commission. The City of Fruitland Park utilizes an encumbrance accounting system to maintain budgetary control. These encumbrances lapse at year-end.

Local economy

Fruitland Park, which is located in northwest Lake County, is essentially residential in character and its economy is primarily centered in retail trade. Fruitland Park is next door to the biggest residential retirement community (The Villages) in the state.

Fruitland Park, like other communities nationwide, has been impacted by the recent decline in the economy. Housing and development continues but at a much slower pace. Currently the City is working with Smart Fuels Florida LLC, a company that will produce bio-diesel from waste cooking oil. This project is in the final phase of site plan approval and it is anticipated that this project will add more than 70 new jobs to the local economy. Recently completed Spring Lake Cove, the City's first multi-story apartment complex, is now in full operation offering 144 new residential apartments. Fruitland Park Center, a multi use commercial complex, has now completed the second phase of their construction, and is doing a brisk business.

There are 495 licensed businesses in Fruitland Park, which is 30 more than last year.

Businesses looking to build or relocate in Lake County can take advantage of various incentives. The Jobs Growth Investment Trust pays incentives to businesses that create quality jobs in Lake County. The Lake County Impact Fee Deferral Program allows new businesses to defer the payment of impact fees from the date of issuance of a building permit to the certificate of occupancy. Another incentive, Lake County's Fast Track Permitting expedites the review method for new business site plans and building permits.

Lake County along with Lake Sumter Community College, the Sumter County Economic Development Council and other local economic development-oriented agencies established the Business Assistance Center; a partnership to help new and nurture existing businesses. This partnership provides small-business mentoring and is a resource when small businesses hit the inevitable bump or hurdle.

Affordable land and a pro-business approach contributes to the areas overall success in attracting new business. Large distributors such as Marriott, Domino's Pizza, Toyota and Goodyear Tire and Rubber Company have located in Lake County because of the central location, which allows for easy and efficient distribution throughout the state.

Lake County's December 2009 unemployment rate was 12.6%. This is up from 8.5% for the same time period last year. This rate is higher than the state

average of 11.6% and the national average of 9.7% for the same period.

Major Initiatives

In effort to attract quality business along US Highway 27/441, the City of Fruitland Park recently constructed a 98,000 gallons per day wastewater collection, transmission and treatment facility. These improvements enhanced the City's ability to attract and service customers along the commercial corridor. At the end of fiscal year 2009, 223 customers were connected to the City's wastewater system. The City of Fruitland Park financed construction of this project (\$2,161,586— 40 semi-annual payments over 20 years) utilizing the Department of Environmental Protection's State Revolving Fund low interest (2.52%) loan program.

Long Term Financial Planning

Lake County voters renewed a One-Cent Discretionary Infrastructure Surtax on November 6, 2002. This tax is authorized through December 31, 2017 and provides a funding source for infrastructure and capital projects. Among other projects, the City pledged these dollars for debt service on City Hall. The sixth of ten annual payments was made in February 2009 leaving an outstanding principal balance of \$444,495 on this loan.

At September 30, 2009 the unreserved, undesignated fund balance in the General Fund increased from 2.05 to 2.18 months of current General Fund expenditures. This figure is just over the "no less than one to two months of regular general fund operating expenditures" provided for in the

Government Finance Officers Association's Appropriate Level of Unreserved Fund Balance recommendation; however it is approximately one month shy of the 3-6 months of operating expenditures informally established by the City for budgetary and planning purposes.

Awards

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 Fruitland Park for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ending September 30, 2008. This is the tenth consecutive year that the City of Fruitland Park has received this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This 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 this Comprehensive Annual Financial Report continues to meet the Certificate of Achievement Program's requirements and will submit it to GFOA to determine its eligibility for another Certificate.


This report represents numerous hours of preparation and it would not have been possible without the efficient and dedicated efforts of the finance department staff. We would like to express our appreciation to all staff members who assisted and contributed to the preparation

of this report. Special recognition is given to the finance department and to the Certified Public Accounting Firm of Shumacker, Johnston & Ross, who worked diligently to ensure the timeliness and accuracy of this report. We also thank the Mayor and Commission Members for their interest and support in planning and conducting the operations of the City in a responsible and professional manner.

Respectfully Submitted,



Ralph O. Bowers, City Manager



Elizabeth P. Palmer, City Treasurer

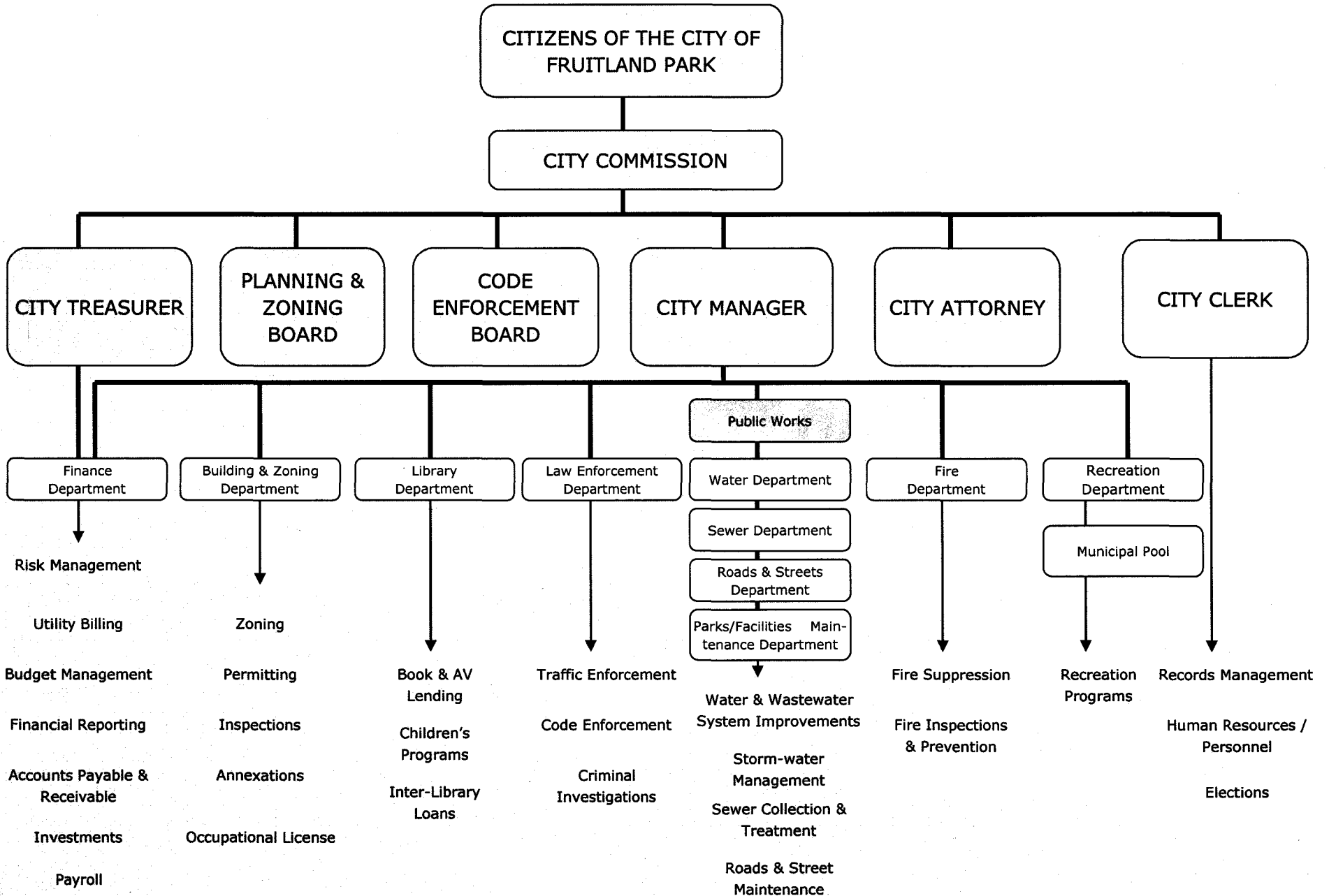
CITY COMMISSION AND OFFICIALS

September 30, 2009

Mayor	Christopher J. Bell
Vice Mayor-Commissioner.....	Sharon A. Kelly
Commissioner.....	Al Goldberg
Commissioner.....	John Gunter
Commissioner.....	Darrel E. Martin
City Manager.....	Ralph O. Bowers
City Treasurer.....	Elizabeth P. Palmer
City Clerk.....	Diane Gibson-Smith
Police Chief.....	J. Mark Isom
Building and Zoning Director.....	Peggy S. Newman
Public Works Director.....	John Bostic III
Librarian.....	Jo-Ann D. Glendinning
Recreation Director.....	Sherry L. Bechtel
City Attorney.....	Scott A. Gerken

CITY OF FRUITLAND PARK

Organizational Chart



Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Fruitland Park
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.



President

Executive Director

Shumacker, Johnston & Ross, PA

Certified Public Accountants

J. Cecil Shumacker, CPA
Robert E. Johnston, CPA (1982-2001)
W. Chet Ross, CPA

American Institute of
Certified Public Accountants

Florida Institute of
Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

March 31, 2010

Honorable Mayor and Members of
the City Commission
City of Fruitland Park, Florida

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Fruitland Park, Florida as of and for the year ended September 30, 2009, which collectively comprise the City's basic financial statements, and the individual fund financial statements of the City of Fruitland Park, Florida as of and for the years ended September 30, 2009 and 2008, as listed in the table of contents. These financial statements are the responsibility of the City of Fruitland Park, Florida'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 the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the 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 in the first paragraph 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 of Fruitland Park, Florida as of September 30, 2009, and the respective changes in financial position and cash flows, where applicable, thereof, and the respective budgetary comparison for the General Fund and Community Redevelopment Fund, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Also, in our opinion, the individual fund financial statements as of September 30, 2009 and 2008, and for the years then ended, present fairly, in all material respects, the financial position of each of the individual funds of the City of Fruitland Park, Florida, as of September 30, 2009 and 2008, and the results of operations of such funds and the cash flows of individual proprietary funds for the years 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 31, 2010 on our consideration of the City of Fruitland Park's internal control over financial reporting and 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 on pages 3 through 12 is not a required part of the basic financial statements but is 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.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Fruitland Park, Florida basic financial statements and on the individual fund financial statements. The financial information listed as Schedule of Budgetary Compliance and Capital Assets Used in the Operation of Governmental Activities in the table of contents is presented for the purpose of additional analysis and is not a required part of the basic financial statements of the City of Fruitland Park, Florida. The information in these schedules has been subjected to the auditing procedures applied in the audit of the basic and individual fund financial statements, and, in our opinion, is fairly presented in all material respects in relation to the financial statements of each of the respective individual funds taken as a whole. The accompanying Schedule of Expenditures of Federal Awards and State Financial Assistance is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole. The accompanying information listed under Statistical Section in the table of contents is presented for the purpose of additional analysis and is not a required part of the basic financial statements of the City of Fruitland Park, Florida. Such information has not been subjected to the auditing procedures applied in the audit of the basic and individual fund financial statements, and, accordingly, we express no opinion on it.



Shumacker, Johnston & Ross, PA

CITY OF FRUITLAND PARK
Management's Discussion and Analysis (MD&A)
For the Fiscal Year Ending September 30, 2009

As management of the City of Fruitland Park, Florida (the "City"), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City of Fruitland Park for the fiscal year ended September 30, 2009. We encourage readers to consider the information presented here in conjunction with additional information furnished in our letter of transmittal, which can be found on pages i – v of this report.

As with other sections of this financial report, the information contained within this MD&A should be considered only a part of a greater whole. We encourage readers to consider all sections of this report including the financial statements, the notes to the financial statements and other supplementary information that is provided in addition to this MD&A.

FINANCIAL HIGHLIGHTS

- The assets of the City exceeded its liabilities at the close of the fiscal year by \$10,283,314 (net assets). Of this amount, \$1,401,053 (unrestricted net assets) may be used to meet the City's ongoing obligations to citizens and creditors in accordance with the City's fund designation and fiscal policies.
- The City's total net assets increased \$33,999. Net assets for governmental activities increased \$353,107 and net assets for business activities decreased \$319,108.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$2,629,786. Thirty-two percent of this amount or \$853,946 is unreserved and available for spending in accordance with the City's fund designation and fiscal policies.
- The City's total debt decreased \$234,935 during the fiscal year. The reduction is due to scheduled debt service payments on outstanding debt issues.
- At the end of the current fiscal year, unreserved, undesignated fund balance for the General Fund was \$674,625 or 18% of total General Fund expenditures.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the City of Fruitland Park's basic financial statements. The City's basic financial statements are comprised of 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.

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

CITY OF FRUITLAND PARK
Management's Discussion and Analysis (MD&A)
For the Fiscal Year Ending September 30, 2009

The *statement of net assets* presents information on all of the City of Fruitland Park'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.

The *statement of activities* presents information showing how the City's net assets changed during the most recent fiscal year. 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 result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the City of Fruitland Park 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 of Fruitland Park include general government, public safety, transportation (which includes roads and street maintenance), sanitation and culture and recreation. The business-type activities of the City of Fruitland Park include an enterprise fund to account for the water and wastewater utility services. The government-wide financial statements do not include any component units and can be found on pages 13-15 of this report.

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 of Fruitland Park, 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 of Fruitland Park 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* 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 of Fruitland Park maintains three individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, Community

CITY OF FRUITLAND PARK
Management's Discussion and Analysis (MD&A)
For the Fiscal Year Ending September 30, 2009

Redevelopment Fund and the Capital Projects Fund. The General, Redevelopment and Capital Project funds are major funds.

The City of Fruitland Park adopts an annual appropriated budget for all governmental funds. Budgetary comparison schedules are provided for these funds to demonstrate budgetary compliance. Governmental fund financial statements can be found on pages 17-19 of this report.

Proprietary funds. The City of Fruitland Park maintains two proprietary funds; the Utility Fund and the Recreation Programs Fund. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The City of Fruitland Park uses an enterprise fund to account for its Water and Sewer operations.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The Utility Fund is a major fund of the City. The basic proprietary fund financial statements can be found on pages 22-26 of this report.

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 of Fruitland Park's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The fiduciary funds include a pension trust fund for the volunteer firefighters and a pension trust fund for the City's general employees. The basic fiduciary fund financial statements can be found on pages 27-28 of this report.

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. The notes to the financial statements can be found on pages 29-45 of this report.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents *required supplementary* information concerning the City of Fruitland Park. Required supplementary information can be found on page 46 of this report.

Combining and individual fund statements and schedules can be found on pages 50-78 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

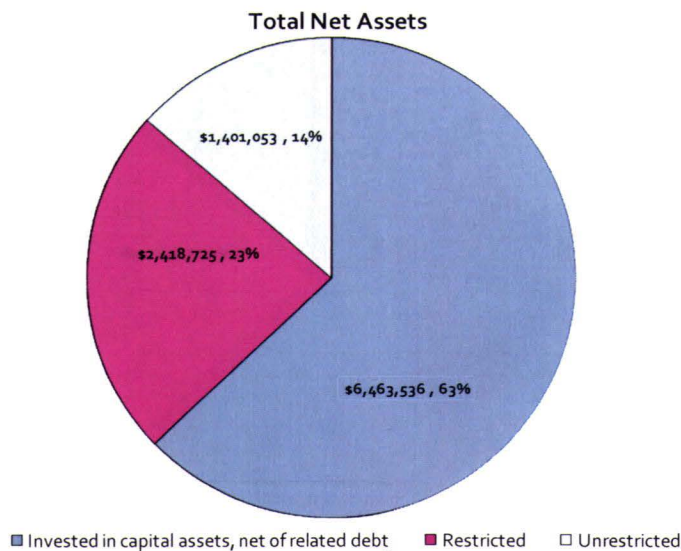
Statement of net assets. As noted earlier, over time net assets may serve as a useful indicator of a government's financial position. In the case of the City of Fruitland Park, assets exceeded liabilities by \$10,283,314 as of September 30, 2009. The following table reflects the condensed statement of net assets for the current fiscal year compared to the prior year.

CITY OF FRUITLAND PARK
Management's Discussion and Analysis (MD&A)
For the Fiscal Year Ending September 30, 2009

CITY OF FRUITLAND PARK - NET ASSETS

	Governmental Activities		Business-type Activities		Total	
	2009	2008	2009	2008	2009	2008
Current and other assets	2,971,744	3,008,689	1,460,703	1,655,982	4,432,447	4,664,671
Capital Assets	4,070,811	3,814,065	4,697,046	4,889,925	8,767,857	8,703,990
Net Pension Obligation	<u>8,938</u>	-	-	-	<u>8,938</u>	-
Total Assets	<u>7,051,493</u>	<u>6,822,754</u>	<u>6,157,749</u>	<u>6,545,907</u>	<u>13,209,242</u>	<u>13,368,661</u>
Current and other liabilities	355,865	334,423	126,851	108,895	482,716	443,318
Long-term liabilities outstanding	<u>598,410</u>	<u>744,220</u>	<u>1,844,802</u>	<u>1,931,808</u>	<u>2,443,212</u>	<u>2,676,028</u>
Total liabilities	<u>954,275</u>	<u>1,078,643</u>	<u>1,971,653</u>	<u>2,040,703</u>	<u>2,925,928</u>	<u>3,119,346</u>
Net Assets:						
Invested in capital assets, net of related debt	3,525,988	3,115,183	2,937,548	3,029,311	6,463,536	6,144,494
Restricted	1,748,873	1,782,604	669,852	792,863	2,418,725	2,575,467
Unrestricted	<u>822,357</u>	<u>846,324</u>	<u>578,696</u>	<u>683,030</u>	<u>1,401,053</u>	<u>1,529,354</u>
Total net assets	<u>\$ 6,097,218</u>	<u>\$ 5,744,111</u>	<u>\$ 4,186,096</u>	<u>\$ 4,505,204</u>	<u>\$ 10,283,314</u>	<u>\$ 10,249,315</u>

The largest portion of the City's net assets (\$6,463,536 or 63%) reflects its investment in capital assets (e.g., land, buildings and system improvements other than buildings, equipment, and infrastructure); less any related debt used to acquire those assets that is outstanding. The City of Fruitland Park uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the City of Fruitland Park'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.



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An additional portion of the City of Fruitland Park's net assets (\$2,418,725 or 23%) represents resources that are subject to external restrictions on how they may be used. The remaining balance, unrestricted net assets (\$1,401,053 or 14%), may be used to meet the government's ongoing obligations to citizens and creditors.

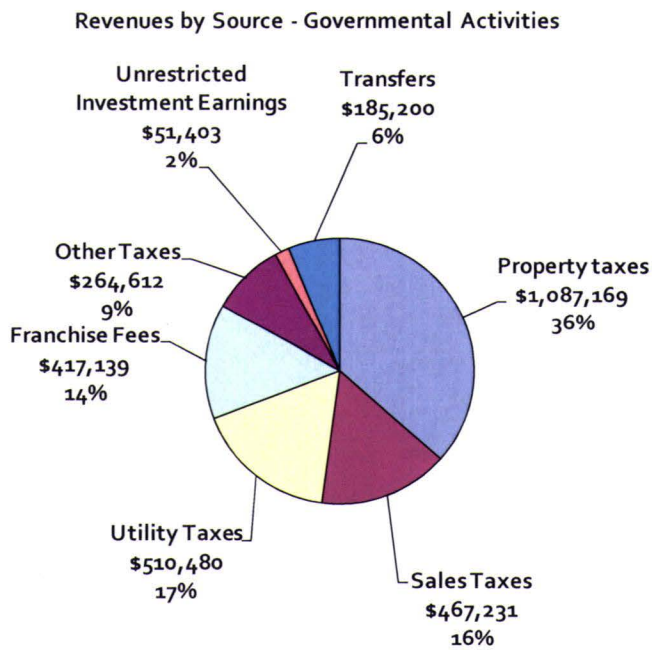
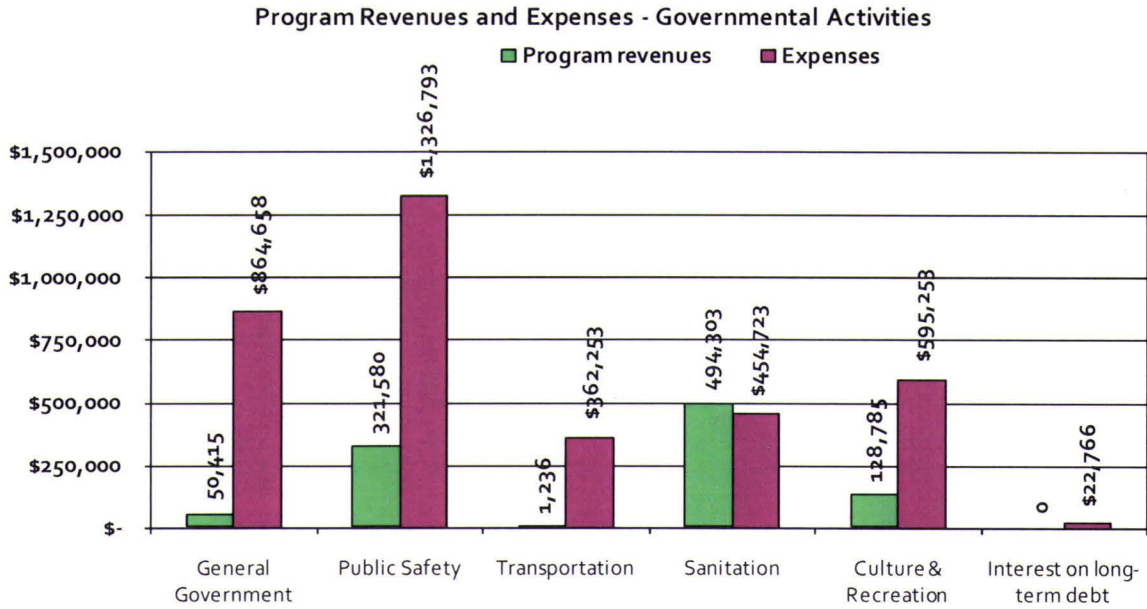
At the end of the current fiscal year, the City of Fruitland Park is able to report positive balances in all three categories of net assets, both for the government as a whole, as well as for its separate governmental and business-type activities. The same situation held true for the prior fiscal year.

Statement of Activities. As noted earlier, the statement of activities presents information showing how the City's net assets changed during the year. The following table reflects the condensed statement of activities for the current fiscal year as compared to the prior fiscal year.

	CITY OF FRUITLAND PARK'S CHANGES IN NET ASSETS					
	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	2009	2008	2009	2008	2009	2008
Revenues:						
Program revenues:						
Charges for services	\$ 810,022	\$ 1,117,834	\$ 667,830	\$ 731,690	\$ 1,477,852	\$ 1,849,524
Operating grants and contributions	108,020	131,451	-	-	108,020	131,451
Capital grants and contributions	78,277	103,175	37,254	121,887	115,531	225,062
General revenues:						
Property taxes	1,087,169	1,133,802	-	-	1,087,169	1,133,802
Sales Taxes	467,231	499,811	-	-	467,231	499,811
Franchise fees and utility taxes	927,619	869,774	-	-	927,619	869,774
Exise taxes	264,612	254,467	-	-	264,612	254,467
Unrestricted investment earnings	51,403	86,555	(11,631)	16,482	39,772	103,037
Gain on Sale of Capital Assets	-	1,346	-	-	-	1,346
Total revenues	<u>3,794,353</u>	<u>4,198,215</u>	<u>693,453</u>	<u>870,059</u>	<u>4,487,806</u>	<u>5,068,274</u>
Expenses:						
General Government	864,658	973,800	-	-	864,658	973,800
Public Safety	1,326,793	1,536,379	-	-	1,326,793	1,536,379
Transportation	362,253	433,573	-	-	362,253	433,573
Sanitation	454,723	457,451	-	-	454,723	457,451
Culture and Recreation	595,253	604,994	-	-	595,253	604,994
Water	-	-	482,437	459,317	482,437	459,317
Recreation Programs	-	-	22,645	15,618	22,645	15,618
Sewer	-	-	322,279	241,167	322,279	241,167
Interest on Long-term Debt	22,766	28,174	-	-	22,766	28,174
Total expenses	<u>3,626,446</u>	<u>4,034,371</u>	<u>827,361</u>	<u>716,102</u>	<u>4,453,807</u>	<u>4,750,473</u>
Change in net assets before transfers	167,907	163,844	(133,908)	153,957	33,999	317,801
Transfers	185,200	153,864	(185,200)	(153,864)	-	-
Change in net assets	353,107	317,708	(319,108)	93	33,999	317,801
Net assets - 10/01/2008	<u>5,744,111</u>	<u>5,426,403</u>	<u>4,505,204</u>	<u>4,505,111</u>	<u>10,249,315</u>	<u>9,931,514</u>
Net assets - 09/30/2009	<u>\$6,097,218</u>	<u>\$ 5,744,111</u>	<u>\$ 4,186,096</u>	<u>\$ 4,505,204</u>	<u>\$ 10,283,314</u>	<u>\$ 10,249,315</u>

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Governmental Activities. Governmental activities increased the City's net assets by \$353,107. The primary reason for this increase was the collection of infrastructure surtax revenue and redevelopment (appropriated ad valorem) taxes there were not spent.



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Business-Type Activities. Business-type activities decreased the City's net assets by \$319,108. The main reasons for the decrease were a 9% decrease in charges for services and increased expenses caused by operational problem in the City's wastewater treatment collection system.

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

As noted earlier, the City of Fruitland Park 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, the *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 \$2,629,786. Approximately 32% of this total amount (\$853,946) constitutes the unreserved fund balance. The remainder of the fund balance is reserved to indicate that it is not available for new spending because it has already been committed: 1) to provide for police education (\$44,217), 2) police equipment (\$73,297), 3) cemetery care (\$112,567), 4) storm-water utility (\$59,105) 5) redevelopment (\$726,864) 6) infrastructure (\$493,415), 7) prepaid items (\$26,967) and 8) public safety capital improvements (\$239,408).

The General Fund is the primary operating fund of the City. As of the end of fiscal year 2009 the fund balance of the General Fund increased \$188,886, from \$1,041,300 to \$1,230,186, of which \$555,561 is reserved. As a measure of the General Fund's liquidity, it is useful to compare the unreserved fund balance to total expenditures. The unreserved fund balance represents 18% of General Fund's current expenditures.

Proprietary funds. The City's proprietary fund statements provide the same type of information found in the government-wide financial statements, but in more detail.

At the end of fiscal year 2009 the City's Utility Fund reported total net assets of \$4,186,096. Of this amount \$2,937,548 or 70% is invested in capital assets (net of related debt); \$607,025 is restricted for utility capital improvements; \$62,827 is restricted for debt service and \$574,794 is unrestricted. Utility Fund net assets decreased \$311,269 in fiscal year 2009.

As of September 30, 2009 the City's Recreation Programs Fund reported unrestricted net assets of \$3,902, a decrease of \$7,839 compared to the prior fiscal year.

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GENERAL FUND BUDGETARY HIGHLIGHTS

Revisions to the original appropriation resulted in an increase in the original budget of 1.3% or \$49,073. The original fiscal year 2009 General Fund budget was balanced by appropriating \$99,128 of unreserved fund balance. The unreserved fund balance decreased \$30,631 from \$705,256 in 2008 to \$674,625 in fiscal year 2009.

CAPITAL ASSETS

The City's investment in capital assets for its governmental and business-type activities as of September 30, 2009, amounts to \$8,723,007 (net of depreciation). Capital assets are summarized below.

CITY OF FRUITLAND PARK'S Capital Assets (net of depreciation)						
	Governmental Activities		Business-Type Activities		Total	
	2009	2008	2009	2008	2009	2008
Land	674,672	674,672	339,699	339,699	1,014,371	1,014,371
Design in Progress	44,850					
Buildings	1,976,682	2,038,220	117,505	124,001	2,094,187	2,162,221
Improvements other than buildings	303,011	345,472			303,011	345,472
Utility Systems			4,107,773	4,261,875		
Equipment	416,690	380,150	132,069	164,340	548,759	544,490
Infrastructure	654,906	367,755	-	-	654,906	367,755
Total Capital Assets	<u>\$ 4,070,811</u>	<u>\$ 3,806,269</u>	<u>\$4,697,046</u>	<u>\$ 4,889,915</u>	<u>\$ 4,615,234</u>	<u>\$ 4,434,309</u>

Additional information on the City's capital assets can be found in Note 5 on page 35 of this report.

LONG-TERM DEBT

The City owns and operates a municipal water supply system which provides service to the incorporated and unincorporated areas of Fruitland Park. To encourage and provide for commercial growth along the US 27/441 corridor, the City purchased approximately 19.3 acres off of Spring Lake Road to construct a wastewater collection, transmission and treatment plant. In 2005 the City executed an agreement with Florida Department of Environmental Protection under the State Revolving Loan Program for \$2,347,338 to fund the construction of this project. Semiannual loan payments each in the amount of \$68,834 (\$8,165 for the pre-construction; \$60,669 for the

CITY OF FRUITLAND PARK
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construction loan) began in August 2006. The City is using sewer impact fees and/or discretionary tax to repay the debt.

At the end of fiscal year 2009, the City's long-term debt decreased \$234,935 from \$2,618,221 to \$2,383,286. The outstanding balance includes a \$444,495 note for City Hall, \$208,717 State Revolving Fund (SRF) loan balance for preconstruction planning and engineering of the sewer utility system, \$1,629,746 for a SRF loan for the construction of the wastewater collection and treatment system, \$87,676 for a fire pumper truck and \$12,652 for a video system lease. The final lease payment for the fire SCBA equipment was made in fiscal year 2009. The City also reports a long-term liability of \$59,926 for compensated absences.

Additional information on the City's long-term debt can be found in Note 6 on pages 36-39 of this report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The City's final taxable value of commercial and residential property decreased \$8,129,417 or 3.7% from \$218,257,628 in fiscal year 2008 to \$210,128,211 in fiscal year 2009. The decrease in taxable value produced a decrease of \$19,529 of budgeted ad valorem tax revenue even though the tax rate increased from 4.14 to 4.36 mills.

On January 29, 2008 the Florida electorate approved an amendment to the Florida Constitution relative to property taxes. This amendment (referred to as Amendment 1) was placed on the ballot by the Florida Legislature at a special session held in October 2007. With respect to homestead property, Amendment 1 increases the current \$25,000 homestead exemption another \$25,000 (for property values between \$50,000 - \$75,000), except for school district taxes. Amendment 1 also allows property owners to transfer (make portable) up to \$500,000 of their Save Our Homes benefits to their next homestead when they move. Save Our Homes became effective in 1992 and limits or caps the annual increase in assessed value for homestead property to three percent (3%) or the percentage change in the Consumer Price Index, whichever is less.

With respect to non-homestead property, Amendment 1 limits or caps the annual increase in assessed value for non-homestead property (business, industrial property, rental property, second homes, etc.) to ten percent (10%), except for school district taxes. Amendment 1 also provides a \$25,000 exemption for tangible personal property.

Amendment 1 became effective on January 1, 2008, with the exception of the ten percent (10%) assessment cap on non-homestead property, which became effective January 1, 2009.

CITY OF FRUITLAND PARK
Management's Discussion and Analysis (MD&A)
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REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the City's finances for all those with an interest in the government's finances and for accountability. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Office of the City Treasurer, 506 W. Berckman Street, Fruitland Park, Florida 34731.

BASIC FINANCIAL STATEMENTS

**CITY OF FRUITLAND PARK, FLORIDA
STATEMENT OF NET ASSETS
SEPTEMBER 30, 2009**

ASSETS	<u>GOVERNMENTAL ACTIVITIES</u>	<u>BUSINESS-TYPE ACTIVITIES</u>	<u>TOTAL</u>
Cash	\$1,835,615	\$ 127,442	\$ 1,963,057
Certificates of Deposit	900,000	200,000	1,100,000
Investments	-	71,884	71,884
Restricted Cash	-	763,654	763,654
Receivables (net of allowance for uncollectibles)	126,253	109,634	235,887
Due from Other Governments	82,909	-	82,909
Inventory and Prepaids	26,967	68,938	95,905
Deferred Charges	-	119,151	119,151
Capital Assets (net of accumulated depreciation):			
Land	674,672	339,699	1,014,371
Buildings	1,976,682	117,505	2,094,187
Improvements Other Than Buildings	303,011	-	303,011
Utility Systems	-	4,107,773	4,107,773
Equipment	416,690	132,069	548,759
Infrastructure	654,906	-	654,906
Design in Progress	44,850	-	44,850
Net Pension Obligation	<u>8,938</u>	<u>-</u>	<u>8,938</u>
TOTAL ASSETS	<u>7,051,493</u>	<u>6,157,749</u>	<u>13,209,242</u>
LIABILITIES			
Accounts Payable	116,874	24,040	140,914
Accrued Liabilities	71,196	9,009	80,205
Due to Other Governments	80,990	-	80,990
Accrued Interest Payable	13,907	6,007	19,914
Customer Deposits	-	87,795	87,795
Unearned Revenue	72,898	-	72,898
Noncurrent Liabilities:			
Due within one year	190,661	96,924	287,585
Due in more than one year	<u>407,749</u>	<u>1,747,878</u>	<u>2,155,627</u>
TOTAL LIABILITIES	<u>954,275</u>	<u>1,971,653</u>	<u>2,925,928</u>
NET ASSETS			
Invested in Capital Assets, net of related debt	3,525,988	2,937,548	6,463,536
Restricted for:			
Capital Improvements	732,823	607,025	1,339,848
Redevelopment Projects	726,864	-	726,864
Debt Service	-	62,827	62,827
Cemetery Care	112,567	-	112,567
Police	117,514	-	117,514
Stormwater	59,105	-	59,105
Unrestricted	<u>822,357</u>	<u>578,696</u>	<u>1,401,053</u>
TOTAL NET ASSETS	<u>\$6,097,218</u>	<u>\$4,186,096</u>	<u>\$10,283,314</u>

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

CITY OF FRUITLAND PARK, FLORIDA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2009

	<u>EXPENSES</u>	<u>PROGRAM REVENUES</u>		
		<u>CHARGES FOR SERVICES</u>	<u>OPERATING GRANTS AND CONTRIBUTIONS</u>	<u>CAPITAL GRANTS AND CONTRIBUTIONS</u>
GOVERNMENTAL ACTIVITIES:				
General Government	\$ 864,658	\$ 45,695	\$ 4,720	\$ -
Public Safety	1,326,793	242,303	1,000	78,277
Transportation	362,253	-	1,236	-
Sanitation/Other Utility	454,723	494,231	72	-
Culture and Recreation	595,253	27,793	100,992	-
Interest on Long-term Debt	<u>22,766</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL GOVERNMENTAL ACTIVITIES	<u>3,626,446</u>	<u>810,022</u>	<u>108,020</u>	<u>78,277</u>
BUSINESS-TYPE ACTIVITIES:				
Water Utility	482,437	569,723	-	22,409
Sewer Utility	322,279	75,381	-	14,845
Recreation Programs	<u>22,645</u>	<u>22,726</u>	<u>-</u>	<u>-</u>
TOTAL BUSINESS-TYPE ACTIVITIES	<u>827,361</u>	<u>667,830</u>	<u>-</u>	<u>37,254</u>
TOTAL	<u>\$4,453,807</u>	<u>\$1,447,852</u>	<u>\$ 108,020</u>	<u>\$ 115,531</u>

GENERAL REVENUES:
Property Taxes
Sales Taxes
Franchise Fees
Utility Taxes
Excise Taxes
Unrestricted Investment Earnings
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 this statement.

NET (EXPENSE) REVENUE AND
CHANGES IN NET ASSETS

<u>GOVERNMENTAL ACTIVITIES</u>	<u>BUSINESS-TYPE ACTIVITIES</u>	<u>TOTAL</u>
\$ (814,243)	\$ -	\$ (814,243)
(1,005,213)	-	(1,005,213)
(361,017)	-	(361,017)
39,580	-	39,580
(466,468)	-	(466,468)
<u>(22,766)</u>	<u>-</u>	<u>(22,766)</u>
 <u>(2,630,127)</u>	 <u>-</u>	 <u>(2,630,127)</u>
 -	109,695	109,695
-	(232,053)	(232,053)
<u>-</u>	<u>81</u>	<u>81</u>
 <u>-</u>	 <u>(122,277)</u>	 <u>(122,277)</u>
 <u>(2,630,127)</u>	 <u>(122,277)</u>	 <u>(2,752,404)</u>
 1,087,169	-	1,087,169
467,231	-	467,231
417,139	-	417,139
510,480	-	510,480
264,612	-	264,612
51,403	(11,631)	39,772
<u>185,200</u>	<u>(185,200)</u>	<u>-</u>
 <u>2,983,234</u>	 <u>(196,831)</u>	 <u>2,786,403</u>
353,107	(319,108)	33,999
<u>5,744,111</u>	<u>4,505,204</u>	<u>10,249,315</u>
<u>\$6,097,218</u>	<u>\$4,186,096</u>	<u>\$10,283,314</u>

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CITY OF FRUITLAND PARK, FLORIDA
BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2009

ASSETS	GENERAL	COMMUNITY REDEVELOPMENT	CAPITAL PROJECTS	TOTAL GOVERNMENTAL FUNDS
Cash	\$ 861,946	\$ 346,206	\$627,463	\$1,835,615
Certificates of Deposit	500,000	400,000	-	900,000
Accounts Receivable (net of allowance for uncollectibles)	126,253	-	-	126,253
Due from Other Governments	55,768	-	27,141	82,909
Inventory and Prepays	26,967	-	-	26,967
TOTAL ASSETS	<u>\$1,570,934</u>	<u>\$ 746,206</u>	<u>\$654,604</u>	<u>\$2,971,744</u>
LIABILITIES AND FUND BALANCES				
LIABILITIES:				
Accounts Payable	\$ 115,664	\$ 1,210	\$ -	\$ 116,874
Accrued Liabilities	71,196	-	-	71,196
Due to Other Governments	80,990	-	-	80,990
Unearned Revenues	72,898	-	-	72,898
TOTAL LIABILITIES	<u>340,748</u>	<u>1,210</u>	<u>-</u>	<u>341,958</u>
FUND BALANCES:				
Reserved for:				
Prepays	26,967	-	-	26,967
Cemetery Care	112,567	-	-	112,567
Police	117,514	-	-	117,514
Stormwater	59,105	-	-	59,105
Capital Improvements	239,408	-	-	239,408
Redevelopment	-	726,864	-	726,864
Infrastructure	-	-	493,415	493,415
Unreserved	674,625	18,132	161,189	853,946
TOTAL FUND BALANCES	<u>1,230,186</u>	<u>744,996</u>	<u>654,604</u>	<u>2,629,786</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$1,570,934</u>	<u>\$ 746,206</u>	<u>\$654,604</u>	

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 governmental funds. Cost of capital assets \$6,185,480 less accumulated depreciation of \$2,114,669.

4,070,811

Net pension obligation is not an available financial resource and, therefore, is not reported as an asset in the funds.

8,938

Long-term liabilities are not due and payable in the current-period and, accordingly, are not reported in the governmental funds. Long-term liabilities consist of:

Accrued Interest	(13,907)
Capital Leases	(100,328)
Note Payable	(444,495)
Compensated Absences	<u>(53,587)</u>

NET ASSETS OF GOVERNMENTAL ACTIVITIES

\$6,097,218

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

CITY OF FRUITLAND PARK, FLORIDA
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED SEPTEMBER 30, 2009

	<u>GENERAL</u>	<u>COMMUNITY REDEVELOPMENT</u>	<u>CAPITAL PROJECTS</u>	<u>TOTAL GOVERNMENTAL FUNDS</u>
REVENUES:				
Taxes	\$1,917,192	\$ -	\$ 301,985	\$2,219,177
Licenses and Permits	35,244	-	-	35,244
Intergovernmental	452,722	403,204	-	855,926
Charges for Services	532,335	-	-	532,335
Fines and Forfeitures	203,153	-	-	203,153
Miscellaneous Revenues	<u>67,389</u>	<u>31,587</u>	<u>8,356</u>	<u>107,332</u>
TOTAL REVENUES	<u>3,208,035</u>	<u>434,791</u>	<u>310,341</u>	<u>3,953,167</u>
EXPENDITURES:				
Current:				
General Government	999,683	6,396	-	1,006,079
Public Safety	1,353,010	-	-	1,353,010
Transportation	344,005	-	-	344,005
Sanitation/Other Utility	454,723	-	-	454,723
Culture and Recreation	518,319	-	-	518,319
Capital Outlay	-	299,232	44,850	344,082
Debt Service:				
Principal	44,946	-	101,317	146,263
Interest	<u>6,338</u>	<u>-</u>	<u>20,339</u>	<u>26,677</u>
TOTAL EXPENDITURES	<u>3,721,024</u>	<u>305,628</u>	<u>166,506</u>	<u>4,193,158</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(512,989)</u>	<u>129,163</u>	<u>143,835</u>	<u>(239,991)</u>
OTHER FINANCING SOURCES (USES):				
Transfers In	701,875	-	-	701,875
Transfers Out	<u>-</u>	<u>(426,657)</u>	<u>(90,018)</u>	<u>(516,675)</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>701,875</u>	<u>(426,657)</u>	<u>(90,018)</u>	<u>185,200</u>
NET CHANGE IN FUND BALANCES	188,886	(297,494)	53,817	(54,791)
FUND BALANCES:				
Beginning of Year	<u>1,041,300</u>	<u>1,042,490</u>	<u>600,787</u>	<u>2,684,577</u>
End of Year	<u>\$1,230,186</u>	<u>\$ 744,996</u>	<u>\$ 654,604</u>	<u>\$2,629,786</u>

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

CITY OF FRUITLAND PARK, 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

Amounts reported for governmental activities in the Statement of Activities (pages 14-15) are different because:

NET CHANGE IN FUND BALANCES-TOTAL GOVERNMENTAL FUNDS	\$ (54,791)
Governmental funds report capital outlays as expenditures. In the Statement of Activities the costs of those assets are allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays, \$471,772 exceeded depreciation, \$239,230 in the current period.	232,542
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds. (Infrastructure surtaxes)	(7,507)
Donations of capital assets increase net assets in the statement of activities, but do not appear in the governmental funds because they are not financial resources. This is the value of the police car received this year.	32,000
Repayment of long-term debt is reported as an expenditure in governmental funds, but a reduction of long-term liabilities in the Statement of Net Assets.	146,263
Interest accrued on long-term debt reported in the Statement of Activities does not require the use of current financial resources and, therefore, is not reported as expenditures in governmental funds.	3,911
Compensated absences reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	(453)
Changes in the Net Pension Obligation do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	<u>1,142</u>
CHANGE IN NET ASSETS OF GOVERNMENTAL ACTIVITIES	<u>\$ 353,107</u>

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

CITY OF FRUITLAND PARK, FLORIDA
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2009

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
REVENUES:				
Taxes	\$1,846,882	\$1,927,233	\$1,917,192	\$ (10,041)
Licenses and Permits	215,450	60,450	35,244	(25,206)
Intergovernmental	457,435	493,535	452,722	(40,813)
Charges for Services	558,750	558,750	532,335	(26,415)
Fines and Forfeitures	228,200	228,200	203,153	(25,047)
Miscellaneous	210,125	211,229	67,389	(143,840)
TOTAL REVENUES	<u>3,516,842</u>	<u>3,479,397</u>	<u>3,208,035</u>	<u>(271,362)</u>
EXPENDITURES:				
Current:				
General Government	1,112,475	1,115,854	999,683	116,171
Public Safety	1,395,252	1,398,569	1,353,010	45,559
Transportation	379,319	354,274	344,005	10,269
Sanitation/Other Utility	438,775	498,183	454,723	43,460
Culture and Recreation	544,168	547,272	518,319	28,953
Debt Service	46,374	51,284	51,284	-
TOTAL EXPENDITURES	<u>3,916,363</u>	<u>3,965,436</u>	<u>3,721,024</u>	<u>244,412</u>
DEFICIENCY OF REVENUES UNDER EXPENDITURES	<u>(399,521)</u>	<u>(486,039)</u>	<u>(512,989)</u>	<u>(26,950)</u>
OTHER FINANCING SOURCES (USES):				
Transfers In	275,218	739,150	701,875	(37,275)
TOTAL OTHER FINANCING SOURCES (USES)	<u>275,218</u>	<u>739,150</u>	<u>701,875</u>	<u>(37,275)</u>
NET CHANGE IN FUND BALANCE	(124,303)	253,111	188,886	(64,225)
FUND BALANCE, Beginning of Year	<u>1,041,300</u>	<u>1,041,300</u>	<u>1,041,300</u>	<u>-</u>
FUND BALANCE, End of Year	<u>\$ 916,997</u>	<u>\$1,294,411</u>	<u>\$1,230,186</u>	<u>\$ (64,225)</u>

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

CITY OF FRUITLAND PARK, FLORIDA
COMMUNITY REDEVELOPMENT FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2009

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
REVENUES:				
Intergovernmental	\$ 410,908	\$ 410,908	\$ 403,204	\$ (7,704)
Miscellaneous	<u>36,000</u>	<u>36,000</u>	<u>31,587</u>	<u>(4,413)</u>
TOTAL REVENUES	<u>446,908</u>	<u>446,908</u>	<u>434,791</u>	<u>(12,117)</u>
EXPENDITURES:				
General Government:				
Other General Government	870	870	6,396	(5,526)
Contingency	50,000	12,725	-	12,725
Capital Outlay	<u>1,196,500</u>	<u>1,196,500</u>	<u>299,232</u>	<u>897,268</u>
TOTAL EXPENDITURES	<u>1,247,370</u>	<u>1,210,095</u>	<u>305,628</u>	<u>904,467</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(800,462)	(763,187)	129,163	892,350
OTHER FINANCING SOURCES (USES):				
Transfers Out	<u>(22,875)</u>	<u>(463,932)</u>	<u>(426,657)</u>	<u>37,275</u>
NET CHANGE IN FUND BALANCES	(823,337)	(1,227,119)	(297,494)	929,625
FUND BALANCE, Beginning of Year	<u>1,042,490</u>	<u>1,042,490</u>	<u>1,042,490</u>	<u>-</u>
FUND BALANCE, End of Year	<u>\$ 219,153</u>	<u>\$ (184,629)</u>	<u>\$ 744,996</u>	<u>\$929,625</u>

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

CITY OF FRUITLAND PARK, FLORIDA
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
SEPTEMBER 30, 2009

ASSETS	ENTERPRISE FUNDS		
	UTILITY FUND	RECREATION PROGRAMS FUND	TOTAL
<u>CURRENT ASSETS</u>			
Cash	\$ 119,867	\$ 7,575	\$ 127,442
Certificates of Deposit	200,000	-	200,000
Investments	71,884	-	71,884
Restricted Cash:			
SRF Loan Reserves	68,834	-	68,834
Customer Deposits	87,795	-	87,795
Customer Accounts Receivable (net of allowance for uncollectibles)	74,550	-	74,550
Inventory	68,938	-	68,938
TOTAL CURRENT ASSETS	691,868	7,575	699,443
<u>NONCURRENT ASSETS</u>			
RESTRICTED CASH:			
Water and Sewer Impact Fees	607,025	-	607,025
SEWER IMPACT FEE RECEIVABLES	35,084	-	35,084
DEFERRED ENGINEERING COSTS	78,965	-	78,965
SRF LOAN COSTS	40,186	-	40,186
CAPITAL ASSETS:			
Land	339,699	-	339,699
Buildings	243,408	-	243,408
Water System	3,199,076	-	3,199,076
Sewer System	2,225,794	-	2,225,794
Equipment	336,403	-	336,403
	6,344,380	-	6,344,380
Less Accumulated Depreciation	1,647,334	-	1,647,334
NET CAPITAL ASSETS	4,697,046	-	4,697,046
TOTAL NONCURRENT ASSETS	5,458,306	-	5,458,306
TOTAL ASSETS	6,150,174	7,575	6,157,749

CITY OF FRUITLAND PARK, FLORIDA
STATEMENT OF NET ASSETS (continued)
PROPRIETARY FUNDS
SEPTEMBER 30, 2009

LIABILITIES	ENTERPRISE FUNDS		
	UTILITY FUND	RECREATION PROGRAMS FUND	TOTAL
<u>CURRENT LIABILITIES</u>			
Accounts Payable	\$ 20,367	\$ 3,673	\$ 24,040
Accrued Payroll	9,009	-	9,009
Customer Deposits	87,795	-	87,795
State Revolving Fund Loans:			
Accrued Interest	6,007	-	6,007
Current Portion	90,585	-	90,585
Compensated Absences	6,339	-	6,339
 TOTAL CURRENT LIABILITIES	 <u>220,102</u>	 <u>3,673</u>	 <u>223,775</u>
<u>NONCURRENT LIABILITIES</u>			
SRF LOANS PAYABLE	<u>1,747,878</u>	<u>-</u>	<u>1,747,878</u>
 TOTAL LIABILITIES	 <u>1,967,980</u>	 <u>3,673</u>	 <u>1,971,653</u>
 NET ASSETS			
Invested in Capital Assets, net of related debt	2,937,548	-	2,937,548
Restricted for utility capital improvements	607,025	-	607,025
Restricted for debt service	62,827	-	62,827
Unrestricted	<u>574,794</u>	<u>3,902</u>	<u>578,696</u>
 TOTAL NET ASSETS	 <u>\$4,182,194</u>	 <u>\$ 3,902</u>	 <u>\$4,186,096</u>

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

CITY OF FRUITLAND PARK, FLORIDA
STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN FUND NET ASSETS
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2009

	ENTERPRISE FUNDS		
	UTILITY FUND	RECREATION PROGRAMS FUND	TOTAL
OPERATING REVENUES:			
Charges for Services	\$ 570,522	\$22,726	\$ 593,248
Other Operating Revenues	<u>74,582</u>	<u>-</u>	<u>74,582</u>
TOTAL OPERATING REVENUES	<u>645,104</u>	<u>22,726</u>	<u>667,830</u>
OPERATING EXPENSES:			
Personal Services	196,032	-	196,032
Other Operating Expenses	361,113	22,645	383,758
Depreciation	<u>197,435</u>	<u>-</u>	<u>197,435</u>
TOTAL OPERATING EXPENSES	<u>754,580</u>	<u>22,645</u>	<u>777,225</u>
OPERATING INCOME (LOSS)	<u>(109,476)</u>	<u>81</u>	<u>(109,395)</u>
NONOPERATING REVENUES (EXPENSES):			
Interest Income	20,575	93	20,668
Decrease in Fair Value of Investments	(32,299)	-	(32,299)
Interest Expense	(49,149)	-	(49,149)
Debt Issuance Costs	<u>(987)</u>	<u>-</u>	<u>(987)</u>
TOTAL NONOPERATING REVENUES (EXPENSES)	<u>(61,860)</u>	<u>93</u>	<u>(61,767)</u>
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	(171,336)	174	(171,162)
CONTRIBUTIONS	37,254	-	37,254
TRANSFERS OUT	<u>(177,187)</u>	<u>(8,013)</u>	<u>(185,200)</u>
CHANGE IN NET ASSETS	(311,269)	(7,839)	(319,108)
NET ASSETS, Beginning of Year	<u>4,493,463</u>	<u>11,741</u>	<u>4,505,204</u>
NET ASSETS, End of Year	<u>\$4,182,194</u>	<u>\$ 3,902</u>	<u>\$4,186,096</u>

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

CITY OF FRUITLAND PARK, FLORIDA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2009

	ENTERPRISE FUNDS		
	UTILITY FUND	RECREATION PROGRAMS FUND	TOTAL
CASH FLOWS FROM OPERATING ACTIVITIES:			
Cash received from customers	\$ 636,492	\$ 22,726	\$ 659,218
Cash payments to suppliers for goods and services	(363,236)	(19,107)	(382,343)
Cash payments to employees for services	(186,430)	-	(186,430)
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>86,826</u>	<u>3,619</u>	<u>90,445</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:			
Transfers out to General Fund	(177,187)	(8,013)	(185,200)
NET CASH USED IN NONCAPITAL FINANCING ACTIVITIES	<u>(177,187)</u>	<u>(8,013)</u>	<u>(185,200)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
Impact Fees received	35,694	-	35,694
SRF Loan principal repayments	(88,672)	-	(88,672)
SRF Loan interest paid	(48,997)	-	(48,997)
Acquisition and construction of capital assets	(4,556)	-	(4,556)
NET CASH USED IN CAPITAL AND RELATED FINANCING ACTIVITIES	<u>(106,531)</u>	<u>-</u>	<u>(106,531)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:			
State Board Pool B investments	(6,590)	-	(6,590)
Certificate of Deposit investments	(200,000)	-	(200,000)
Interest received on investments	20,575	93	20,668
NET CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES	<u>(186,015)</u>	<u>93</u>	<u>(185,922)</u>
NET DECREASE IN CASH	(382,907)	(4,301)	(387,208)
CASH, Beginning of Year	<u>1,266,428</u>	<u>11,876</u>	<u>1,278,304</u>
CASH, End of Year	<u>\$ 883,521</u>	<u>\$ 7,575</u>	<u>\$ 891,096</u>

continued on next page

CITY OF FRUITLAND PARK, FLORIDA
STATEMENT OF CASH FLOWS (continued)
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2009

	ENTERPRISE FUNDS		
	RECREATION		
	UTILITY FUND	PROGRAMS FUND	TOTAL
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED			
OPERATING ACTIVITIES:			
Operating Income (Loss)	\$(109,476)	\$ 81	\$(109,395)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:			
Depreciation	197,435	-	197,435
Changes in Assets and Liabilities:			
Increase in Customer Receivables	(16,137)	-	(16,137)
Increase in Inventory	(928)	-	(928)
Increase (Decrease) in Accounts Payable	(1,195)	3,538	2,343
Increase in Accrued Payroll	7,936	-	7,936
Increase in Customer Deposits	7,525	-	7,525
Increase in Compensated Absences	1,666	-	1,666
 TOTAL ADJUSTMENTS	 196,302	 3,538	 199,840
 NET CASH PROVIDED BY OPERATING ACTIVITIES	 \$ 86,826	 \$ 3,619	 \$ 90,445

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

CITY OF FRUITLAND PARK, FLORIDA
STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
SEPTEMBER 30, 2009

ASSETS	<u>PENSION TRUST FUNDS</u>
Cash	\$190,370
Certificates of Deposit	100,000
Investment in State Board Fund B Pool	8,112
Investments with Trustees:	
Cash management funds	83,891
US Government securities	20,671
Corporate equity funds	66,946
Corporate bond funds	<u>4,928</u>
 TOTAL ASSETS	 <u>474,918</u>
 LIABILITIES	
LIABILITIES	<u>-</u>
 NET ASSETS	
Held in trust for City's Contributions	17,279
Held in trust for Firefighters' Contributions	10,605
Held in trust for Pension Benefits	<u>447,034</u>
 TOTAL NET ASSETS	 <u>\$474,918</u>

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

CITY OF FRUITLAND PARK, FLORIDA
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2009

	<u>PENSION TRUST FUNDS</u>
ADDITIONS	
CONTRIBUTIONS:	
City	\$ 32,370
Employees	1,747
State of Florida	<u>24,178</u>
Total Contributions	<u>58,295</u>
INVESTMENT INCOME:	
Net Depreciation in Fair Value of Investments	(5,489)
Interest/Dividend Income	<u>6,232</u>
Total Investment Income	743
Less Investment Expenses	<u>10</u>
Net Investment Income	<u>733</u>
TOTAL ADDITIONS	<u>59,028</u>
DEDUCTIONS	
Benefit Payments	2,791
Administration Expense	<u>750</u>
TOTAL DEDUCTIONS	<u>3,541</u>
CHANGE IN NET ASSETS	55,487
NET ASSETS HELD IN TRUST FOR PENSION BENEFITS:	
Beginning of Year	<u>419,431</u>
End of Year	<u>\$474,918</u>

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

CITY OF FRUITLAND PARK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2009

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Fruitland Park, Florida was created by charter in 1927. The City operates under a Commission-Manager form of government and provides the following services as authorized by its charter: public safety (police, fire and building inspections), roads and streets, culture (library) and recreation, planning and zoning, and water, sewer and garbage utility services. Except for a few customers, utility services are provided only within the incorporated boundaries of the City.

The financial statements of the City of Fruitland Park, Florida conform to generally accepted accounting principles (GAAP) as applicable to governmental entities. Effective October 1, 2003, the City implemented Government Accounting Standards Board (GASB) Statement No. 34, *Basic Financial Statements-and Management's Discussion and Analysis-for State and Local Governments*.

Management uses estimates and assumptions in preparing these financial statements in conformity with generally accepted accounting principles. Those estimates and assumptions affect the reported amounts of assets and liabilities, and the reported revenues and expenditures or expenses. Actual results could vary from the estimates that were used.

Significant accounting policies are described below:

A. Reporting Entity

The City of Fruitland Park is a political subdivision of the State of Florida, governed by an elected board of 5 city commissioners. These financial statements present all the entities for which the City is considered financially accountable. The financial statements include the activities of the Fruitland Park Community Redevelopment Agency, a dependent special district, as a component unit blended into the primary government. A majority of the Redevelopment Agency's board members are City commissioners. Separate financial statements are not issued for the Redevelopment Agency. There are no other legally separate entities that could be included as component units of the City.

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 City. *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 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. *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 not properly included among program revenues are reported instead as *general revenues*.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental and enterprise funds are reported as separate columns in the fund financial statements.

CITY OF FRUITLAND PARK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2009

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the 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. Unbilled utility service receivables are estimated and recorded at year end.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized when they become both measurable and available. *Measurable* means the amount of the transaction can be determined, and *available* means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The City considers revenues available if they are collected within 30 days of year end. Revenues that are susceptible to accrual in the governmental funds include property taxes, sales taxes, franchise fees, municipal utility taxes, and State and County shared revenues. All other revenue items are considered to be measurable and available only when cash is received by the City.

Expenditures are generally recorded when a related liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, are recorded only when payment is due.

The City reports the following governmental funds:

General Fund - The General Fund (a major fund) is the general operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund.

Community Redevelopment Fund - This special revenue fund (a major fund) accounts activities within the City's community redevelopment project area.

Capital Projects Fund - This fund is used to account for financial resources segregated for the acquisition or construction of major capital facilities. The fund also accounts for discretionary sales surtax revenues that are legally restricted for expenditure on infrastructure and related debt.

The City reports the following proprietary funds:

Utility Fund - This enterprise fund (a major fund) is used to account for the activities of the City's water and sewer utility operations.

Recreation Programs Fund - This enterprise fund accounts for the receipt of recreation programs fees and related direct costs associated with each recreation program (except for activities of the City's municipal swimming pool) sponsored by the City.

CITY OF FRUITLAND PARK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2009

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

The City reports the following fiduciary funds:

Firemen's Retirement Trust Fund - This pension trust fund accounts for the accumulation of resources for pension benefit payments to qualified City volunteer firefighters.

ICMA Retirement Trust Fund - This pension trust fund accounts for the accumulation of resources for retirement benefit payments to qualified City 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 Governmental Accounting Standards Board (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.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. An exception to this rule are charges between the City's water function and various other functions of government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

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.

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 conjunction with a proprietary fund's principal ongoing operations. Principal operating revenues of the City's Utility Fund and Recreation Programs Fund are charges for providing water services and recreation program user fees, respectively. Operating expenses include the cost of sales and service, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

D. Cash and Investments

Cash includes amounts in bank demand deposits as well as funds on deposit with the State Board of Administration Fund A investment pool bearing interest at 0.37% as of September 30, 2009. The State Board of Administration pool is an external 2a7-like investment pool. The fair value of the City's deposits in the pool is the same as the value of the pool shares. Oversight of the State Board of Administration pool is provided by the Florida Auditor General.

Investments in the State Board of Administration Fund B Surplus Funds Trust Fund are accounted for as a fluctuating net asset pool. At September 30, 2009, shares in the Fund B pool are stated net of a fair value factor of 0.549151.

Pension trust fund investments are reported at fair value, determined by the last reported sales price for securities traded on a national exchange.

CITY OF FRUITLAND PARK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2009

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

E. Inventory

Inventory held in the Utility Fund consists of water and sewer system supplies and is valued at cost (first-in, first-out). Governmental fund-type inventory (office supplies) is valued at cost (first-in, first-out), and recorded as expenditures when consumed rather than when purchased.

F. Capital Assets

Capital assets, which include property, plant and equipment, and infrastructure assets (roads, sidewalks, drainage systems, and similar items) are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost of more than \$500 and an estimated useful life of more than two years.

In the case of the initial capitalization of general infrastructure assets, the City chose to include such items beginning October 1, 2003, the year of implementation of GASB Statement No. 34. The City completed construction of its first infrastructure assets under this policy during 2008. As the City constructs or acquires additional capital assets, including infrastructure assets, they are capitalized and reported at historical cost. Donated capital assets are recorded at their estimated fair value on the date donated.

Interest incurred during construction of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

Depreciation is provided using the straight-line method over the estimated useful lives of the various classes of depreciable assets as follows:

Buildings	30 to 40 years
Improvements other than Buildings	10 to 20 years
Water & Sewer Systems	20 to 50 years
Equipment	5 to 10 years
Infrastructure	30 years

G. Compensated Absences

The City accrues accumulated unpaid vacation benefits when incurred in the government-wide and proprietary fund financial statements. Vacation benefits are generally not reported in the governmental fund financial statements, as these liabilities would not normally be liquidated with expendable available financial resources. Personnel policies allow employees to accumulate a maximum of 20 days vacation leave. Upon termination, employees are paid for their unused vacation leave. Compensated absences for governmental activities are generally liquidated by the General Fund.

H. Long-term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets.

CITY OF FRUITLAND PARK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2009

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

I. Fund Equity

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 management determines on a case by case basis whether restricted funds will be used for an expenditure when there is choice to use restricted or unrestricted assets. Designations of fund balance represent tentative management plans that are subject to change.

J. Transfers

Transfers are made from the enterprise funds to the General Fund for administrative costs. Transfers are made from the Capital Projects Fund to other funds in order to use infrastructure surtax revenues on qualified "infrastructure" expenditures.

K. Comparative data/reclassifications

Comparative individual fund financial statements are presented as supplementary information. Certain amounts presented in the prior year data have been reclassified in order to be consistent with the current year's presentation.

NOTE 2 BUDGETING

The following procedures are used in establishing budgetary data reflected in the financial statements:

- 1) The budgets for the governmental fund types are adopted on a basis consistent with generally accepted accounting principles. All appropriations lapse at year end.
- 2) Prior to September 30, the City Manager submits a proposed operating budget for the upcoming fiscal year. The budget includes proposed expenditures and the means of financing them.
- 3) Public workshops are held where the Commission, City Manager and department heads refine budget detail items. Public hearings are held to obtain taxpayer comments. The budget is then enacted through passage of a resolution no later than September 30.
- 5) Appropriations are authorized by resolution at the major department level. These are the legal levels of budgetary control. Administrative control is maintained through the establishment of more detailed line-item budgets.
- 6) The City Manager is authorized to transfer budgeted amounts between line items within any department; however, any revisions that alter the total expenditures of a department must be approved by a majority vote of the City Commission.
- 7) Formal budgetary integration is employed as a management control device during the year for governmental funds. Total budgeted appropriations within a governmental fund type may not be exceeded legally. The budget amounts shown in the financial statements are the final legally authorized amounts as amended during the year. These amendments increased total appropriations by \$11,798.
- 8) Encumbrance accounting is currently employed by the City. Encumbrances outstanding at year end do not constitute expenditures or liabilities and are not reported as reserved fund balances.

**CITY OF FRUITLAND PARK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2009**

NOTE 3 CASH AND INVESTMENTS

Cash Deposits

At September 30, 2009, the carrying amount of the City's cash deposits, including cash on deposit with the State Board of Administration Fund A pool, was \$2,726,711. The actual bank balances at September 30, 2009 totaled \$2,880,680, and were entirely insured by Federal depository insurance or by a State collateral insurance pool held by the Treasurer, State of Florida, in the Public Deposit Security Trust Fund.

Investments

Florida Statutes authorize the City to invest without limitation in bonds, notes, or other obligations of the United States. Additionally, investments of the ICMA Retirement Trust Fund may be held in stocks and bonds issued by a corporation if the corporation meets certain rating and profitability criteria. All of the City's investments are insured, or are securities held by the City or its agent in the City's name. At September 30, 2009 the City's investments are as follows:

	<u>Fair Value</u>
Certificates of Deposit	\$1,200,000
State Board Fund B Pool	79,996
US Government Securities	20,671
Mutual Funds	155,765
	<u>\$1,456,432</u>

Credit risk. The City's investment policy limits its investments to the State Board of Administration investment pool, certificates of deposit, highly rated money market funds, government obligations, and mutual funds. The City's mutual bond fund investments are not rated. The State Board of Administration investment pool is not rated by any nationally recognized statistical rating agency.

Interest Rate Risk. Interest rate risk exists when there is a possibility that changes in interest rates could adversely affect an investment's fair value. The Fund B Pool has a weighted average life of 6.69 years. The City's investment policy does not specifically address interest rate risk.

Custodial credit risk - certificates of deposit. Custodial credit risk is the risk that in the event of a bank failure, the City's certificates of deposit may not be returned to it. The City's investment policy limits investments in certificates of deposit to be made only with state-certified qualified public depositories. As of September 30, 2009 all of the City's certificates of deposit were with Citizens First Bank and CenterState Bank, which are included on the listing of state-certified qualified public depositories.

NOTE 4 ACCOUNTS RECEIVABLE

Accounts receivable at September 30, 2009 are as follows:

	<u>General Fund</u>	<u>Utility Fund</u>
Customer Accounts Receivable	\$ 45,934	\$ 80,580
Franchise and Utility Taxes	62,846	-
Other Receivables	17,473	35,084
Less Allowance for Uncollectibles	-	(6,030)
Net Receivables	<u>\$126,253</u>	<u>\$109,634</u>

CITY OF FRUITLAND PARK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2009

NOTE 5 CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2009:

	October 1, 2008	Additions	Transfers/ Deletions	Sept 30, 2009
GOVERNMENTAL ACTIVITIES				
Capital assets not being depreciated:				
Land	\$ 674,672	\$ -	\$ -	\$ 674,672
Design in Progress	<u>-</u>	<u>44,850</u>	<u>-</u>	<u>44,850</u>
	<u>674,672</u>	<u>44,850</u>	<u>-</u>	<u>719,522</u>
Capital assets being depreciated:				
Buildings	2,590,160	-	-	2,590,160
Improvements	751,680	-	-	751,680
Equipment	1,350,462	159,690	(60,710)	1,449,442
Infrastructure	<u>375,444</u>	<u>299,232</u>	<u>-</u>	<u>674,676</u>
	<u>5,067,746</u>	<u>458,922</u>	<u>(60,710)</u>	<u>5,465,958</u>
Less accumulated depreciation for:				
Buildings	(551,940)	(61,538)	-	(613,478)
Improvements	(406,208)	(42,461)	-	(448,669)
Equipment	(970,312)	(123,150)	60,710	(1,032,752)
Infrastructure	<u>(7,689)</u>	<u>(12,081)</u>	<u>-</u>	<u>(19,770)</u>
Total accumulated depreciation	<u>(1,936,149)</u>	<u>(239,230)</u>	<u>60,710</u>	<u>(2,114,669)</u>
Total capital assets being depreciated, net	<u>3,131,597</u>	<u>219,692</u>	<u>-</u>	<u>3,351,289</u>
GOVERNMENTAL ACTIVITIES				
CAPITAL ASSETS, NET	<u>\$3,806,269</u>	<u>\$ 264,542</u>	<u>\$ -</u>	<u>\$4,070,811</u>
BUSINESS-TYPE ACTIVITIES				
Capital assets not being depreciated:				
Land	\$ 339,699	\$ -	\$ -	\$ 339,699
Capital assets being depreciated:				
Buildings	243,408	-	-	243,408
Water System	3,199,076	-	-	3,199,076
Sewer System	2,223,944	1,850	-	2,225,794
Equipment	<u>333,697</u>	<u>2,706</u>	<u>-</u>	<u>336,403</u>
	<u>6,000,125</u>	<u>4,556</u>	<u>-</u>	<u>6,004,681</u>
Less accumulated depreciation for:				
Buildings	(119,397)	(6,506)	-	(125,903)
Water System	(1,041,146)	(81,733)	-	(1,122,879)
Sewer System	(119,999)	(74,219)	-	(194,218)
Equipment	<u>(169,357)</u>	<u>(34,977)</u>	<u>-</u>	<u>(204,334)</u>
Total accumulated depreciation	<u>(1,449,899)</u>	<u>(197,435)</u>	<u>-</u>	<u>(1,647,334)</u>
Total assets being depreciated, net	<u>4,550,226</u>	<u>(192,879)</u>	<u>-</u>	<u>4,357,347</u>
BUSINESS-TYPE ACTIVITIES				
CAPITAL ASSETS, NET	<u>\$4,889,925</u>	<u>\$(192,879)</u>	<u>\$ -</u>	<u>\$4,697,046</u>

During the year ended September 30, 2009, a transfer of \$403,781 was made from the Redevelopment Fund to the General Fund. The purpose of the transfer was to reimburse the General Fund for the purchase price of real property that is in the City's redevelopment project area, to be used for a redevelopment project. The property was originally purchased on October 30, 2006.

CITY OF FRUITLAND PARK, FLORIDA
 NOTES TO FINANCIAL STATEMENTS
 SEPTEMBER 30, 2009

NOTE 5 CAPITAL ASSETS (continued)

Depreciation expense was charged to functions/programs of the City as follows:

GOVERNMENTAL ACTIVITIES:	
General Government	\$ 52,938
Public Safety	88,519
Transportation	22,729
Culture and Recreation	<u>75,044</u>
Total Depreciation Expense- Governmental Activities	<u>\$239,230</u>
BUSINESS-TYPE ACTIVITIES:	
Water	\$110,027
Sewer	<u>87,408</u>
Total Depreciation Expense- Business-type Activities	<u>\$197,435</u>

NOTE 6 LONG-TERM DEBT

Infrastructure Sales Surtax Note

On February 28, 2003, the City issued a \$1,000,000 note payable to SunTrust Bank for the purpose of funding the construction of a new City Hall complex. The note is secured by a pledge of and lien on the City's "infrastructure sales surtax revenue". The note is repayable in annual installments of \$121,676 including interest at 3.73% beginning March 1, 2004. The schedule of remaining debt service payments for the note is as follows:

<u>Date</u>	<u>Principal</u>	<u>Interest</u>	<u>Payment</u>
3/01/10	\$ 105,096	\$16,580	\$121,676
3/01/11	109,016	12,660	121,676
3/01/12	113,083	8,593	121,676
3/01/13	<u>117,300</u>	<u>4,375</u>	<u>121,675</u>
	<u>\$ 444,495</u>	<u>\$42,208</u>	<u>\$487,063</u>

The note may be redeemed prior to its maturity at 100% of the principal balance outstanding, plus accrued interest, plus a redemption premium based upon a formula using the "yield-to-maturity" interest rate of U.S. Treasury Notes or Bonds as reported in the Wall Street Journal.

State Revolving Fund Loans

On September 17, 2001, the City entered into a loan agreement with the State of Florida Department of Environmental Protection under the Clean Water State Revolving Fund (SRF) loan program. The purpose of the loan was to provide funding for preconstruction planning and engineering activities for a sewer utility system for the City's highway commercial corridor. The gross revenues of the City's water system, net of operating expenses except depreciation, are pledged for repayment of the loan. Maximum borrowing under this agreement was \$237,108. All pre-construction activities have been completed, and all loan disbursements have been received. At September 30, 2009, the total loan balance outstanding was \$208,717.

Interest accrues on the outstanding balance at a rate of 3.16% per year. At September 30, 2009, accrued interest totaled \$831.

CITY OF FRUITLAND PARK, FLORIDA
 NOTES TO FINANCIAL STATEMENTS
 SEPTEMBER 30, 2009

NOTE 6 LONG-TERM DEBT (continued)

Semi-annual loan payments of \$8,054 began on August 15, 2006, and continue each February 15 and August 15 thereafter through February 15, 2026. At September 30, 2009, the repayment schedule is as follows:

<u>Date</u>	<u>Principal</u>	<u>Interest</u>	<u>Payment</u>
2/15/10	\$ 4,867	\$ 3,298	\$ 8,165
8/15/10	4,944	3,221	8,165
2/15/11	5,022	3,143	8,165
8/15/11	5,102	3,063	8,165
2/15/12	5,182	2,983	8,165
8/15/12	5,264	2,901	8,165
2/15/13	5,347	2,818	8,165
8/15/13	5,432	2,733	8,165
2/15/14	5,518	2,647	8,165
8/15/14	5,605	2,560	8,165
Thereafter	<u>156,434</u>	<u>31,361</u>	<u>187,795</u>
	<u>\$208,717</u>	<u>\$60,728</u>	<u>\$269,445</u>

On March 29, 2005, the City entered into a second loan agreement with the State of Florida Department of Environmental Protection under the Clean Water SRF loan program. The purpose of the loan was to provide funding for construction of a sewer utility system, consisting of a 98,000 gallons per day wastewater treatment plant and a low-pressure sewer collection system along the City's highway commercial corridor. The gross revenues of the City's water and sewer systems, including related connection fees, net of operating expenses except depreciation and amortization, are pledged for repayment of the loan. Maximum borrowing under this agreement is \$2,393,745.

All loan disbursements have been received. The total amount borrowed was \$1,937,529. The outstanding loan balance at September 30, 2009 was \$1,629,746.

Interest accrues on the outstanding balance at a rate of 2.52% per year. At September 30, 2009, accrued interest totaled \$5,176. No interest was capitalized during the year. For the year ended September 30, 2009, interest totaling \$42,176 was paid on the loan.

Semi-annual loan payments of \$76,589 began on August 15, 2006. Beginning February 15, 2009, the semi-annual loan payments were reduced to \$60,669, and continue each February 15 and August 15 thereafter through February 15, 2026. The current repayment schedule is as follows:

<u>Date</u>	<u>Principal</u>	<u>Interest</u>	<u>Payment</u>
2/15/10	\$ 40,134	\$ 20,535	\$ 60,669
8/15/10	40,640	20,029	60,669
2/15/11	41,152	19,517	60,669
8/15/11	41,671	18,999	60,670
2/15/12	42,196	18,473	60,669
8/15/12	42,727	17,942	60,669
2/15/13	43,266	17,404	60,670
8/15/13	43,811	16,858	60,669
2/15/14	44,363	16,306	60,669
8/15/14	44,922	15,747	60,669
Thereafter	<u>1,204,864</u>	<u>190,528</u>	<u>1,395,392</u>
	<u>\$1,629,746</u>	<u>\$372,338</u>	<u>\$2,002,084</u>

CITY OF FRUITLAND PARK, FLORIDA
 NOTES TO FINANCIAL STATEMENTS
 SEPTEMBER 30, 2009

NOTE 6 LONG-TERM DEBT (continued)

Covenants of the SRF loans require creation of separate accounts. A "loan debt service account" accumulates the upcoming semi-annual payment. The City has fully funded this account for both loans, totaling \$68,834 at September 30, 2009.

Capital Leases

On October 8, 2007, the City purchased 7 Eagleye digital in-car video systems for the police department under a lease agreement. The agreement qualifies as a capital lease for accounting purposes, and therefore, has been recorded at the present value of the future minimum lease payments of \$21,170.

On October 26, 2005, the City recorded the purchase of a 2004 Pierce fire truck under a lease agreement. The lease agreement qualifies as a capital lease for accounting purposes and, therefore, has been recorded at the present value of the future minimum lease payments of \$192,641.

On November 25, 2003, the City took delivery of firefighter SCBA airmask equipment that was financed under a lease agreement. The lease qualifies as a capital lease for accounting purposes and, therefore, has been recorded at the present value of the future minimum lease payments of \$68,000. The final lease payment was made October 3, 2008.

The future minimum lease obligations and the net present value of these minimum lease payments as of September 30, 2009 were as follows:

<u>Year Ending</u>	<u>Fire Truck</u>	<u>Video Systems</u>
September 30, 2010	\$ 31,606	\$ 4,909
September 30, 2011	31,606	4,909
September 30, 2012	<u>31,606</u>	<u>4,910</u>
Total minimum lease payments	94,818	14,728
Less amount representing interest	<u>(7,142)</u>	<u>(2,076)</u>
Present value of minimum lease payments	<u>\$ 87,676</u>	<u>\$ 12,652</u>

CITY OF FRUITLAND PARK, FLORIDA
 NOTES TO FINANCIAL STATEMENTS
 SEPTEMBER 30, 2009

NOTE 6 LONG-TERM DEBT (continued)

Changes in Long-term Liabilities

	<u>Balances</u> <u>10/01/08</u>	<u>Additions</u>	<u>Repayments</u>	<u>Balances</u> <u>9/30/09</u>	<u>Due in</u> <u>one year</u>
GOVERNMENTAL					
ACTIVITIES:					
SunTrust Note	\$545,812	\$ -	\$(101,317)	\$ 444,495	\$105,096
Fire Truck Lease	114,672	-	(26,996)	87,676	28,081
Fire SCBA Lease	14,341	-	(14,341)	-	-
Video System Lease	16,261	-	(3,609)	12,652	3,897
Vacation Leave	<u>53,134</u>	<u>101,460</u>	<u>(101,007)</u>	<u>53,587</u>	<u>53,587</u>
GOVERNMENTAL					
ACTIVITY LONG-TERM					
LIABILITIES	<u>\$744,220</u>	<u>\$101,460</u>	<u>\$(247,270)</u>	<u>\$ 598,410</u>	<u>\$190,661</u>
BUSINESS-TYPE					
ACTIVITIES:					
SRF Loan-preconstr	\$ 218,226	\$ -	(9,509)	\$ 208,717	\$ 9,811
SRF Loan-construct	1,708,909	-	(79,163)	1,629,746	80,774
Vacation Leave	<u>4,673</u>	<u>13,552</u>	<u>(11,886)</u>	<u>6,339</u>	<u>6,339</u>
BUSINESS-TYPE					
ACTIVITY LONG-TERM					
LIABILITIES	<u>\$1,931,808</u>	<u>\$ 13,552</u>	<u>\$(100,558)</u>	<u>\$1,844,802</u>	<u>\$ 96,924</u>

NOTE 7 LEASE COMMITMENTS

The City leases police cars under noncancelable operating leases. Total costs for such leases were \$45,563 for the year ended September 30, 2009. The future minimum lease payments for operating leases are as follows:

<u>Year Ending</u> <u>September 30,</u>	<u>Amount</u>
2010	\$ 45,563
2011	45,563
2012	37,094
2013	<u>14,387</u>
Total	<u>\$142,607</u>

NOTE 8 RESERVED FUND BALANCES

Fund balances have been reserved within the General Fund \$26,967 for prepaid items, \$112,567 for cemetery care and maintenance, \$44,217 for police education expenditures, \$73,297 for police equipment expenditures, \$59,105 for stormwater expenditures, \$239,408 for public safety capital improvements; within the Community Redevelopment Fund \$726,864 for redevelopment projects; within the Capital Projects Fund \$493,415 for infrastructure; within the Firemen's Retirement Trust Fund \$333,330 for the payment of pension benefits; and within the ICMA Retirement Trust Fund \$141,588 for the payment of pension benefits.

Fund balances reserved for infrastructure represent unspent discretionary sales surtax amounts that are required by Florida Statute to be spent on *infrastructure*. Infrastructure is defined as public facilities with a useful life of at least five years, as well as certain emergency vehicles. The statute permits these funds to be spent on debt related to the construction or acquisition of infrastructure.

CITY OF FRUITLAND PARK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2009

NOTE 9 RETIREMENT COMMITMENTS

A. The Municipal Firemen's Retirement Plan

The Municipal Firemen's Retirement Plan was established to conform to provisions of the Florida Statutes for all sworn firefighters. The Plan is a single-employers, defined benefit pension plan, and is administered by the City. There is no separately issued report on the Plan.

Firefighters attaining the age of 55 who have completed 10 or more creditable years of service or attaining the age of 52 who have completed 25 years of creditable service are entitled to annual benefits of 3.0 percent of their average final compensation times years of credited service. The Plan permits early retirement at the completion of 10 years of continuous service and attaining the age of 50 years. Active firefighters who retire disabled receive not less than 42 percent of their average monthly earnings at the time of disability.

Disability benefits are paid for ten years certain or life or recovery from disability. If a firefighter dies prior to retirement but has at least 10 years of contributing service, his or her beneficiary is entitled to the benefits payable to the firefighter at early or normal retirement age.

As of September 30, 2009, there were no retirees currently receiving benefits, and no terminated firefighters were entitled to benefits but not yet receiving them. Out of the 24 active volunteer firefighters, 3 have vested retirement benefits. Benefits and refunds are recognized when due and payable in accordance with the terms of the Plan.

Effective January 1, 1995, each firefighter is required by local ordinance to contribute five percent of his/her compensation to the Plan. The City also contributes five percent of each plan member's compensation to the Plan. Additionally, the Plan is funded by a 1% State excise tax on all fire insurance premiums collected from policyholders insuring property within the City limits. For the year ended September 30, 2009, the City collected \$24,178 in fire insurance premium taxes, which are reported as tax revenue in the General Fund. The City is required by State Statute to contribute these taxes to the plan within 5 days of receipt. The corresponding contribution to the pension fund is reported as a fire department expenditure in the General Fund.

The total required contribution to the Plan for the year ended September 30, 2009 was zero. Employee and City contributions for the year ended September 30, 2009 were each \$1,747.

The City's contribution requirements are not actuarially determined, and the actuarial implication of the City's funding policy has also not been determined. There were no changes during the year ended September 30, 2009 in the method used to calculate or establish contribution requirements. Most administrative costs of the Plan are absorbed by the General Fund.

The funded status of the plan as of October 1, 2007 follows:

Actuarial accrued liability		\$ 107,341
Actuarial value of plan assets		<u>277,943</u>
Unfunded actuarial accrued liability		(170,602)
Funded ratio	259%	
Covered payroll		27,321
UAAL as a percent of covered payroll	(624)%	

CITY OF FRUITLAND PARK, FLORIDA
 NOTES TO FINANCIAL STATEMENTS
 SEPTEMBER 30, 2009

NOTE 9 RETIREMENT COMMITMENTS (continued)

Additional information as of the latest (10/01/07) actuarial valuation follows:

Valuation date:	10/01/05	Actuarial Assumptions:	
		Investment rate	
Actuarial cost method:	Aggregate Actuarial Cost	of return	4.0%
		Projected salary increases*	4.5%
Amortization method:	N/A	Cost-of-living adjustments	None
Remaining amortization period:	N/A	* Includes inflation at 3.0%	
Asset valuation method:	Market Value		

Three-Year Trend Information:

Year Ending	Annual Pension Cost	Percentage of Annual Pension Cost Contributed	Net Pension Obligation
9/30/08	\$283	100%	\$(8,938)
9/30/07	243	100%	(7,796)
9/30/06	217	100%	(6,674)

Development of Net Pension Obligation (NPO):

This municipal defined benefit plan has been subject to the minimum funding standards since the adoption of the "Florida Protection of Public Employee Retirement Benefits Act" (Part VII of Chapter 112, Florida Statutes) in 1980. Accordingly, the City has funded the actuarially determined required contributions for all years from October 1, 1987 through the transition date, October 1, 1997. Thus, the Net Pension Obligation on October 1, 1997 is zero.

The development of the NPO through September 30, 2007 (which is the latest actuarial information available) is as follows:

	<u>9/30/05</u>	<u>9/30/06</u>	<u>9/30/07</u>	<u>9/30/08</u>
Actuarially determined contribution	\$ -	\$ -	\$ -	\$ -
Interest on NPO	(209)	(238)	(267)	(312)
Adjustment to actuarially determined contribution	<u>408</u>	<u>455</u>	<u>510</u>	<u>595</u>
Annual Pension Cost	199	217	243	283
Contributions made	<u>917</u>	<u>937</u>	<u>1,365</u>	<u>1,425</u>
Increase in NPO	(718)	(720)	(1,122)	(1,142)
NPO, beginning of year	<u>(5,236)</u>	<u>(5,954)</u>	<u>(6,674)</u>	<u>(7,796)</u>
NPO, end of year	<u><u>\$ (5,954)</u></u>	<u><u>\$ (6,674)</u></u>	<u><u>\$ (7,796)</u></u>	<u><u>\$ (8,938)</u></u>

Although the NPO calculation for September 30, 2009 is not available, management believes it will not be materially different from the September 30, 2008 balance.

CITY OF FRUITLAND PARK, FLORIDA
 NOTES TO FINANCIAL STATEMENTS
 SEPTEMBER 30, 2009

NOTE 9 RETIREMENT COMMITMENTS (continued)

B. ICMA 401-a Retirement Plan

Effective January 1, 1997, the City established, by resolution, a money purchase plan and trust called "The City of Fruitland Park 401-a Plan" in the form of the ICMA Retirement Corporation Prototype Money Purchase Plan and Trust. The plan is a defined contribution pension plan administered by the ICMA Retirement Corporation. The City Commission must authorize plan amendments to benefit provisions or the obligation to make contributions.

All full-time employees at least 18 years of age are eligible to participate in this pension plan once they have completed a 90-day period of service. An employee does not become vested in any pension benefits until the completion of five years of service, at which time the employee becomes 100% vested. At September 30, 2009 there were 27 members in the plan, 10 of which had vested benefits.

Contributions into the plan are made only by the City. The City will contribute a minimum of 2% of a participant's earnings, not including overtime or bonuses, into the plan. The City will contribute up to 5% into the plan, depending upon (and matching) a participant's contribution into the City's ICMA 457 deferred compensation plan. During the year ended September 30, 2009, the City contributed \$30,623 into the plan.

Participant's separating from service with the City before the five year vesting period of service is complete forfeit their entire account balance in the plan. The City may use forfeited amounts to reduce the City's required payment of contributions for current plan participants. During the year ended September 30, 2009, the City used \$6,806 in forfeited amounts for payment of contributions for current plan participants. Distributions of the account balances of vested participants that separate from service are subject to the Internal Revenue Code rules for distributions from qualified plans.

C. Financial Statements for Individual Pension Funds

STATEMENT OF FIDUCIARY NET ASSETS
 AS OF SEPTEMBER 30, 2009

	<u>Firemen's Retirement Trust Fund</u>	<u>ICMA Retirement Trust Fund</u>	<u>Total</u>
ASSETS			
Cash	\$190,370	\$ -	\$190,370
Certificates of Deposit	100,000	-	100,000
Investments with Trustees	<u>42,960</u>	<u>141,588</u>	<u>184,548</u>
TOTAL ASSETS	333,330	141,588	474,918
LIABILITIES			
	<u>-</u>	<u>-</u>	<u>-</u>
NET ASSETS			
Held in trust for Pension Benefits	<u>\$333,330</u>	<u>\$141,588</u>	<u>\$474,918</u>

**CITY OF FRUITLAND PARK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2009**

NOTE 9 RETIREMENT COMMITMENTS (continued)

STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FOR THE YEAR ENDED SEPTEMBER 30, 2009

	<u>Firemen's Retirement Trust Fund</u>	<u>ICMA Retirement Trust Fund</u>	<u>Total</u>
ADDITIONS			
Contributions:			
City	\$ 1,747	\$ 30,623	\$ 32,370
Employees	1,747	-	1,747
State of Florida	<u>24,178</u>	<u>-</u>	<u>24,178</u>
Total Contributions	<u>27,672</u>	<u>30,623</u>	<u>58,295</u>
Investment Income:			
Net Appreciation (Depreciation) in Fair Value of Investments	2,976	(8,465)	(5,489)
Interest/Dividend Income	6,232	-	6,232
Less Investment Expenses	<u>(10)</u>	<u>-</u>	<u>(10)</u>
Net Investment Income	<u>9,198</u>	<u>(8,465)</u>	<u>733</u>
TOTAL ADDITIONS	<u>36,870</u>	<u>22,158</u>	<u>59,028</u>
DEDUCTIONS			
Benefit Payments	760	2,031	2,791
Administration Expense	<u>750</u>	<u>-</u>	<u>750</u>
TOTAL DEDUCTIONS	<u>1,510</u>	<u>2,031</u>	<u>3,541</u>
NET INCREASE	35,360	20,127	55,487
NET ASSETS			
Beginning of Year	<u>297,970</u>	<u>121,461</u>	<u>419,431</u>
End of Year	<u>\$333,330</u>	<u>\$141,588</u>	<u>\$474,918</u>

NOTE 10 ICMA 457 DEFERRED COMPENSATION PLAN

Effective May 18, 1990, the City participates in and offers to its employees a multiple-employer retirement system which is administered by the ICMA Retirement Corporation. This deferred compensation plan was created in accordance with Internal Revenue Code Section 457. The plan permits the City's employees to defer a portion of their salary until future years.

All of the City's employees are eligible to participate in the ICMA deferred compensation plan after completion of a three month probationary period upon their first date of employment. Participation is strictly on a voluntary basis. Participants become immediately 100% vested in contributions credited to their account. At September 30, 2009 there were 28 participants in the plan.

The City does not make any contributions to this plan for participants who entered the plan after January 1, 1997. For those employees participating in the plan on January 1, 1997, the City contributes a minimum of 2% and will match up to 5% of a participant's contribution into the plan.

**CITY OF FRUITLAND PARK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2009**

NOTE 10 ICMA 457 DEFERRED COMPENSATION PLAN (continued)

Participants have a choice of designation among various investment types for their contributions. Investments are managed by the ICMA Retirement Corporation. Contributions are made through voluntary payroll deductions. Upon retirement or termination of employment with the City, participants must decide within sixty days of that date as to the disposition of their account balance as follows:

- 1) Take a lump-sum distribution
- 2) Leave their funds in the plan until mandatory retirement age
- 3) Select a series of payments

On January 1, 1997, the plan document was amended to conform to Internal Revenue Code changes pertaining to Section 457 deferred compensation plans contained in the 1996 Small Business Tax/Minimum Wage Bill (H.R. 3448). Prior to these changes, assets held in the plan were solely the property of the City (until paid or made available to the employee or other beneficiary), and were subject to the claims of the City's general creditors. Accordingly, the City previously reported the plan in an agency fund. The plan amendment established a trust to hold the assets of the plan for the exclusive benefit of plan participants and their beneficiaries. Plan assets at September 30, 2009, which totaled \$763,080, are therefore no longer subject to the claims of the City's general creditors. Since the City does not have fiduciary accountability for the Section 457 plan, the fund is not reported in the City's financial statements.

NOTE 11 INSURANCE COVERAGE

The City is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters. The City manages its various risks of loss by the purchase of commercial insurance coverages primarily through Preferred Government Insurance. During the year ended September 30, 2009 there were no significant reductions in coverages from the prior year.

Insurance claim settlements have not exceeded coverages on any policies during the past three fiscal years.

NOTE 12 BUDGETARY BASIS OF ACCOUNTING

The City Commission adopts budget resolutions for all governmental and proprietary funds. The budget for the Utility Fund was adopted on an accounting basis other than in accordance with generally accepted accounting principles. Adjustments necessary to convert the results of operations for the year ended September 30, 2009 from the GAAP basis to the budget basis are as follows:

Change in net assets, GAAP Basis	\$(311,269)
Increase due to change in fair value of investments	32,299
Decrease due to debt principal payments	(88,672)
Increase due to accrued interest	152
Increase due to depreciation expense	197,435
Increase due to debt issuance costs	987
Decrease due to equipment purchases	(2,706)
Decrease due to sewer project construction	<u>(1,850)</u>
Deficiency of Revenues under Expenses, Budget Basis	<u><u>\$(173,624)</u></u>

CITY OF FRUITLAND PARK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2009

NOTE 13 PROPERTY TAXES

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 Lake County Property Appraiser and Lake County Tax Collector. The laws of the State regulating tax assessment are also designed to assure a consistent property valuation method state wide. State statutes permit municipalities to levy property taxes at a rate of up to 10 mills. The millage rate assessed by the City for taxes collected during the fiscal year ended September 30, 2009 was 4.360. The millage rate assessed by the City on taxable property to be levied on November 1, 2009 was 4.360.

All property is assessed according to its fair market value on January 1 of each year. Each assessment roll is submitted to the Executive Director of the State Department of Revenue for review to determine if the rolls meet all of the appropriate requirements of State statutes.

The current year taxes for the fiscal year, beginning October 1, are billed in the month of November and are due no later than March 31. On April 1, all unpaid amounts become delinquent and are subject to interest and penalties. Discounts are allowed for early payment as follows:

November	4%
December	3%
January	2%
February	1%

Delinquent taxes on real property bear interest of 18% per year. On or prior to June 1 of the following tax year, certificates are sold for all delinquent taxes on real property. After sale, tax certificates bear interest of 18% per year or at any lower rate bid by the buyer. Application for a tax deed on any unredeemed tax certificates may be made by the certificate holder after a period of two years.

Delinquent taxes on personal property bear interest of 18% per year until the tax is satisfied either by seizure and sale of the property, or by the five year statute of limitations.

The City's tax calendar is as follows:

Valuation Date:	January 1
Levy Date:	November 1
Due Date:	March 31, Succeeding Year
Lien Date:	April 1, Succeeding Year

CITY OF FRUITLAND PARK, FLORIDA
 FIREMEN'S RETIREMENT TRUST FUND
 REQUIRED SUPPLEMENTARY INFORMATION
 SEPTEMBER 30, 2009

SCHEDULE OF FUNDING PROGRESS

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) -Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
10/01/2007	\$277,943	\$107,341	\$(170,602)	259%	\$27,321	-624%

The Plan uses the "aggregate actuarial cost method" for determining the actuarial value of assets. This method does not identify or separately amortize unfunded actuarial liabilities. Beginning with the 10/01/07 actuarial valuation report, GASB Statement 50 requires that plans using the aggregate actuarial cost method disclose the funded ratio the plan would have if it were utilizing the entry age normal cost method.

SCHEDULE OF CONTRIBUTIONS FROM EMPLOYER AND OTHERS

Year Ended Sept. 30	Annual Required Contribution	City (Employer) Contribution	State Contribution	Percentage Contributed
2009	\$ -	\$1,747	\$24,178	100%
2008	-	1,425	22,651	100%
2007	-	1,365	18,972	100%
2006	-	937	16,087	100%
2005	-	917	14,959	100%
2004	-	933	14,657	100%

The information presented in the above required supplementary schedules was determined as part of the actuarial valuation dated 10/01/05, which is the latest actuarial valuation available.

FINANCIAL STATEMENTS OF INDIVIDUAL FUNDS

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GENERAL FUND

To account for resources traditionally associated with governments which are not required legally or by sound financial management to be accounted for in another fund.

CITY OF FRUITLAND PARK, FLORIDA
GENERAL FUND
COMPARATIVE BALANCE SHEETS
SEPTEMBER 30, 2009 AND 2008

ASSETS	<u>2009</u>	<u>2008</u>
Cash	\$ 861,946	\$ 464,455
Certificates of Deposit	500,000	700,000
Accounts Receivable:		
Franchise/Utility Taxes	62,846	66,247
Garbage/Solid Waste Customers	45,934	44,546
Cemetery Lots	1,340	3,818
Miscellaneous	16,133	3,895
Due from Other Governments:		
State of Florida	35,626	32,437
Lake County	20,142	18,462
Prepaid Items	<u>26,967</u>	<u>23,295</u>
 TOTAL ASSETS	 <u>\$1,570,934</u>	 <u>\$1,357,155</u>
 LIABILITIES AND FUND BALANCE		
LIABILITIES:		
Accounts Payable	\$ 115,664	\$ 120,911
Accrued Payroll and Related Liabilities	71,196	76,932
Due to Lake County	80,990	23,814
Developer Maintenance Deposits	-	27,895
Unearned Revenues	<u>72,898</u>	<u>66,303</u>
 TOTAL LIABILITIES	 <u>340,748</u>	 <u>315,855</u>
 FUND BALANCE:		
Reserved:		
For Prepaid Items	26,967	-
For Police Education	44,217	40,450
For Police Equipment and Automation	73,297	96,565
For Cemetery Care	112,567	109,577
For Building Inspections	-	42,285
For Stormwater Utility	59,105	45,747
For Public Safety Capital Improvements	239,408	-
For Infrastructure	-	1,420
Unreserved	<u>674,625</u>	<u>705,256</u>
 TOTAL FUND BALANCE	 <u>1,230,186</u>	 <u>1,041,300</u>
 TOTAL LIABILITIES AND FUND BALANCE	 <u>\$1,570,934</u>	 <u>\$1,357,155</u>

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

CITY OF FRUITLAND PARK, FLORIDA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2009
With comparative actual amounts for the year ended September 30, 2008

	2009		VARIANCE WITH FINAL BUDGET	2008 ACTUAL
	FINAL BUDGET	ACTUAL		
REVENUES:				
Taxes	\$1,927,233	\$1,917,192	\$ (10,041)	\$1,850,504
Licenses and Permits	60,450	35,244	(25,206)	247,769
Intergovernmental	493,535	452,722	(40,813)	458,602
Charges for Services	558,750	532,335	(26,415)	540,892
Fines and Forfeitures	228,200	203,153	(25,047)	265,358
Miscellaneous	<u>211,229</u>	<u>67,389</u>	<u>(143,840)</u>	<u>207,661</u>
TOTAL REVENUES	<u>3,479,397</u>	<u>3,208,035</u>	<u>(271,362)</u>	<u>3,570,786</u>
EXPENDITURES:				
Current:				
General Government	1,115,854	999,683	116,171	1,143,071
Public Safety	1,398,569	1,353,010	45,559	1,523,693
Transportation	354,274	344,005	10,269	416,641
Sanitation/Other Utility	498,183	454,723	43,460	457,451
Culture and Recreation	547,272	518,319	28,953	536,252
Debt Service	<u>51,284</u>	<u>51,284</u>	<u>-</u>	<u>51,283</u>
TOTAL EXPENDITURES	<u>3,965,436</u>	<u>3,721,024</u>	<u>244,412</u>	<u>4,128,391</u>
DEFICIENCY OF REVENUES UNDER EXPENDITURES	<u>(486,039)</u>	<u>(512,989)</u>	<u>(26,950)</u>	<u>(557,605)</u>
OTHER FINANCING SOURCES (USES):				
Capital Lease	-	-	-	21,170
Transfers in from Community Redevelopment Fund	463,932	426,657	(37,275)	-
Transfers in from Capital Projects Fund	90,018	90,018	-	95,175
Transfers in from Utility Fund	177,187	177,187	-	191,131
Transfers in from Recreation Programs Fund	8,013	8,013	-	5,000
Sale of Capital Assets	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,346</u>
TOTAL OTHER FINANCING SOURCES	<u>739,150</u>	<u>701,875</u>	<u>(37,275)</u>	<u>313,822</u>
NET CHANGE IN FUND BALANCE	253,111	188,886	(64,225)	(243,783)
FUND BALANCE, Beginning of Year	<u>1,041,300</u>	<u>1,041,300</u>	<u>-</u>	<u>1,285,083</u>
FUND BALANCE, End of Year	<u>\$1,294,411</u>	<u>\$1,230,186</u>	<u>\$ (64,225)</u>	<u>\$1,041,300</u>

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

CITY OF FRUITLAND PARK, FLORIDA
GENERAL FUND
SCHEDULE OF REVENUES COMPARED TO BUDGET
FOR THE YEAR ENDED SEPTEMBER 30, 2009
With comparative actual amounts for the year ended September 30, 2008

	2009		VARIANCE WITH FINAL BUDGET	2008 ACTUAL
	FINAL BUDGET	ACTUAL		
TAXES:				
Ad-Valorem Taxes	\$ 884,377	\$ 867,272	\$ (17,105)	\$ 876,669
Local Option Gas Tax	84,405	78,923	(5,482)	81,410
Fire Insurance Premium Tax	18,000	24,178	6,178	22,651
Franchise Fees:				
Electric	348,609	348,609	-	318,612
Gas	25,000	21,193	(3,807)	23,279
Solid Waste	48,000	47,337	(663)	46,381
Utility Taxes:				
Electric	263,742	279,826	16,084	254,687
Water	42,000	43,949	1,949	44,305
Gas	30,000	22,915	(7,085)	26,860
Propane	2,600	3,850	1,250	3,038
Communications Services Tax	161,000	159,940	(1,060)	152,612
City Business Tax	19,500	19,200	(300)	16,403
TOTAL TAXES	<u>1,927,233</u>	<u>1,917,192</u>	<u>(10,041)</u>	<u>1,866,907</u>
LICENSES AND PERMITS:				
Building Permits	57,000	34,564	(22,436)	230,541
Burn/Clearing Permits	400	165	(235)	285
Highway Sign Permits	2,100	-	(2,100)	-
Cemetery Permits	650	480	(170)	320
Vending Machine Permits	300	35	(265)	220
TOTAL LICENSES AND PERMITS	<u>60,450</u>	<u>35,244</u>	<u>(25,206)</u>	<u>231,366</u>
INTERGOVERNMENTAL REVENUE:				
Federal Law Enforcement Grants	1,000	1,000	-	1,275
Federal Dept of Transport Grant	35,100	34,358	(742)	-
County Recycling/Education Grant	500	72	(428)	303
State Revenue Sharing	105,779	92,856	(12,923)	106,866
Mobile Home Licenses	9,000	10,963	1,963	9,404
Alcoholic Beverage Licenses	1,300	1,325	25	1,226
Local Government ½ Cent Sales Tax	199,328	172,753	(26,575)	186,271
FDOT Traffic Signal Maintenance	1,236	1,236	-	1,200
County Library Agreement	100,992	100,992	-	113,219
County Business Tax	4,000	4,292	292	5,928
County Gas Tax	34,800	32,875	(1,925)	32,910
County Youth Recreation Assistance	500	-	(500)	-
TOTAL INTERGOVERNMENTAL REVENUE	<u>493,535</u>	<u>452,722</u>	<u>(40,813)</u>	<u>458,602</u>

CITY OF FRUITLAND PARK, FLORIDA
GENERAL FUND
SCHEDULE OF REVENUES COMPARED TO BUDGET (continued)
FOR THE YEAR ENDED SEPTEMBER 30, 2009
With comparative actual amounts for the year ended September 30, 2008

	2009		VARIANCE WITH FINAL BUDGET	2008 ACTUAL
	FINAL BUDGET	ACTUAL		
CHARGES FOR SERVICES:				
Zoning Fees	\$ 1,000	\$ 215	\$ (785)	\$ 115
Annexation Fees	2,600	200	(2,400)	1,400
Comprehensive Plan Fees	5,100	600	(4,500)	2,100
Land Development Procedure	6,000	582	(5,418)	4,072
Site Plan Fees	7,000	6,267	(733)	1,906
Certification and Copying	2,200	2,695	495	2,065
Fire Inspection Fees	5,550	2,910	(2,640)	3,440
Garbage Fees	418,800	421,104	2,304	411,200
Garbage Billing Admin Fees	52,800	51,680	(1,120)	52,712
Impact Fee Collection Fees	12,000	1,200	(10,800)	18,389
Stormwater Fees	19,800	21,447	1,647	20,073
Library Fees	200	280	80	110
Pool Admissions and Fees	11,000	11,058	58	10,830
Other Recreation Fees	700	-	(700)	120
Special Event Fees	4,000	4,110	110	3,805
Casino Fees	10,000	7,987	(2,013)	8,555
TOTAL CHARGES FOR SERVICES	<u>558,750</u>	<u>532,335</u>	<u>(26,415)</u>	<u>540,892</u>
FINES AND FORFEITURES:				
Court Fines	165,000	134,496	(30,504)	128,953
Police Education	8,000	8,684	684	7,648
Law Enforcement Automation	38,500	37,054	(1,446)	34,722
Library Fines	4,700	4,358	(342)	4,642
Parking Violation Fines	2,000	2,993	993	1,630
Forfeitures	10,000	15,568	5,568	87,763
TOTAL FINES AND FORFEITURES	<u>228,200</u>	<u>203,153</u>	<u>(25,047)</u>	<u>265,358</u>
MISCELLANEOUS REVENUES:				
Interest Earnings	53,000	20,610	(32,390)	40,257
Cemetery Lot Sales	7,600	3,510	(4,090)	4,450
Building Rental	-	-	-	270
Police Impact Fees	50,000	4,555	(45,445)	46,173
Fire Impact Fees	60,000	7,364	(52,636)	57,002
Insurance Proceeds	-	310	310	14,519
Planning/Zoning Reimbursements	20,000	8,127	(11,873)	14,277
Donations	1,104	4,720	3,616	15,454
Other Police Revenue	7,000	5,869	(1,131)	6,749
Fuel Tax Refunds	2,500	4,048	1,548	3,136
Other Revenue	10,025	8,276	(1,749)	5,374
TOTAL MISCELLANEOUS REVENUES	<u>211,229</u>	<u>67,389</u>	<u>(143,840)</u>	<u>207,661</u>
TOTAL REVENUES	<u>\$3,479,397</u>	<u>\$3,208,035</u>	<u>\$ (271,362)</u>	<u>\$3,570,786</u>

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

CITY OF FRUITLAND PARK, FLORIDA
GENERAL FUND
SCHEDULE OF EXPENDITURES COMPARED TO BUDGET
FOR THE YEAR ENDED SEPTEMBER 30, 2009
With comparative actual amounts for the year ended September 30, 2008

	2009		VARIANCE WITH FINAL BUDGET	2008 ACTUAL
	FINAL BUDGET	ACTUAL		
GENERAL GOVERNMENT SERVICES:				
Legislative (City Commission):				
Personal Services	\$ 39,382	\$ 39,348	\$ 34	\$ 39,541
Operating Expenses	15,926	12,760	3,166	13,804
Capital Outlay	-	-	-	13,925
Contingency	6,612	-	6,612	-
Total Legislative	<u>61,920</u>	<u>52,108</u>	<u>9,812</u>	<u>67,270</u>
Executive:				
Personal Services	223,253	219,728	3,525	220,435
Operating Expenses	13,738	14,049	(311)	15,021
Capital Outlay	5,400	4,809	591	-
Total Executive	<u>242,391</u>	<u>238,586</u>	<u>3,805</u>	<u>235,456</u>
Finance:				
Personal Services	207,161	199,484	7,677	198,840
Operating Expenses	55,166	45,138	10,028	51,085
Capital Outlay	7,507	6,378	1,129	523
Total Finance	<u>269,834</u>	<u>251,000</u>	<u>18,834</u>	<u>250,448</u>
Legal Counsel:				
Operating Expenses	93,807	93,786	21	70,600
Other General Government:				
Personal Services	41,338	40,012	1,326	39,023
Operating Expenses	175,943	140,884	35,059	271,828
Redevelopment Taxes	190,621	183,307	7,314	200,240
Capital Outlay	40,000	-	40,000	8,026
Total Other General Government	<u>447,902</u>	<u>364,203</u>	<u>83,699</u>	<u>519,297</u>
TOTAL GENERAL GOVERNMENT SERVICES	<u>1,115,854</u>	<u>999,683</u>	<u>116,171</u>	<u>1,143,071</u>
PUBLIC SAFETY:				
Police Department:				
Personal Services	871,719	818,861	52,858	815,837
Operating Expenses	196,902	214,460	(17,558)	298,809
Capital Outlay	91,392	82,391	9,001	66,018
Debt Service - Principal	3,609	3,609	-	4,909
Debt Service - Interest	1,301	1,301	-	-
Contingency	2,000	1,000	1,000	3,600
Total Police Department	<u>1,166,923</u>	<u>1,121,622</u>	<u>45,301</u>	<u>1,189,173</u>
Fire Department:				
Personal Services	59,848	65,267	(5,419)	57,024
Operating Expenses	49,961	53,012	(3,051)	56,458
Capital Outlay	37,392	28,736	8,656	5,848
Debt Service - Principal	41,337	41,337	-	39,878
Debt Service - Interest	5,037	5,037	-	6,496
Total Fire Department	<u>193,575</u>	<u>193,389</u>	<u>186</u>	<u>165,704</u>

CITY OF FRUITLAND PARK, FLORIDA
GENERAL FUND
SCHEDULE OF EXPENDITURES COMPARED TO BUDGET (continued)
FOR THE YEAR ENDED SEPTEMBER 30, 2009
With comparative actual amounts for the year ended September 30, 2008

	2009		VARIANCE WITH FINAL BUDGET	2008 ACTUAL
	FINAL BUDGET	ACTUAL		
PUBLIC SAFETY (CONTINUED):				
Protective Building Inspections:				
Personal Services	\$ 61,473	\$ 59,827	\$ 1,646	\$ 85,506
Operating Expenses	<u>27,882</u>	<u>29,456</u>	<u>(1,574)</u>	<u>134,593</u>
Total Protective Inspections	<u>89,355</u>	<u>89,283</u>	<u>72</u>	<u>220,099</u>
TOTAL PUBLIC SAFETY	<u>1,449,853</u>	<u>1,404,294</u>	<u>45,559</u>	<u>1,574,976</u>
TRANSPORTATION:				
Roads and Streets:				
Personal Services	210,236	208,432	1,804	215,082
Street Lighting	81,911	88,674	(6,763)	83,174
Operating Expenses	45,627	41,523	4,104	53,120
Road Resurfacing	-	-	-	65,265
Capital Outlay	<u>16,500</u>	<u>5,376</u>	<u>11,124</u>	<u>-</u>
Total Roads and Streets	<u>354,274</u>	<u>344,005</u>	<u>10,269</u>	<u>416,641</u>
TOTAL TRANSPORTATION	<u>354,274</u>	<u>344,005</u>	<u>10,269</u>	<u>416,641</u>
SANITATION/OTHER UTILITY:				
Garbage Collection/Disposal:				
Operating Expenses	<u>418,800</u>	<u>420,735</u>	<u>(1,935)</u>	<u>411,285</u>
Electric Utility:				
Personal Services	17,008	1,480	15,528	-
Operating Expenses	<u>42,400</u>	<u>24,419</u>	<u>17,981</u>	<u>39,789</u>
Total Electric Utility	<u>59,408</u>	<u>25,899</u>	<u>33,509</u>	<u>39,789</u>
Stormwater Management:				
Operating Expenses	<u>19,975</u>	<u>8,089</u>	<u>11,886</u>	<u>6,377</u>
TOTAL SANITATION/OTHER UTILITY	<u>498,183</u>	<u>454,723</u>	<u>43,460</u>	<u>457,451</u>
CULTURE AND RECREATION:				
Library:				
Personal Services	165,005	154,267	10,738	152,609
Operating Expenses	44,491	44,013	478	39,946
Library Books	31,500	29,743	1,757	32,506
Capital Outlay	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,264</u>
Total Library	<u>240,996</u>	<u>228,023</u>	<u>12,973</u>	<u>227,325</u>

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

CITY OF FRUITLAND PARK, FLORIDA
GENERAL FUND
SCHEDULE OF EXPENDITURES COMPARED TO BUDGET (continued)
FOR THE YEAR ENDED SEPTEMBER 30, 2009
With comparative actual amounts for the year ended September 30, 2008

	2009		VARIANCE WITH FINAL BUDGET	2008 ACTUAL
	FINAL BUDGET	ACTUAL		
CULTURE AND RECREATION (CONTINUED):				
Municipal Pool:				
Personal Services	\$ 35,294	\$ 27,823	\$ 7,471	\$ 35,922
Operating Expenses	27,221	27,321	(100)	24,739
Capital Outlay	-	-	-	1,500
Total Municipal Pool	<u>62,515</u>	<u>55,144</u>	<u>7,371</u>	<u>62,161</u>
Recreation Facilities				
Maintenance:				
Personal Services	86,607	88,114	(1,507)	82,435
Operating Expenses	43,706	40,431	3,275	54,242
Capital Outlay	-	-	-	2,495
Total Recreation Facilities Maintenance	<u>130,313</u>	<u>128,545</u>	<u>1,768</u>	<u>139,172</u>
Recreation:				
Personal Services	90,436	83,211	7,225	82,105
Operating Expenses	22,212	23,396	(1,184)	24,089
Capital Outlay	800	-	800	1,400
Total Recreation	<u>113,448</u>	<u>106,607</u>	<u>6,841</u>	<u>107,594</u>
TOTAL CULTURE AND RECREATION	<u>547,272</u>	<u>518,319</u>	<u>28,953</u>	<u>536,252</u>
TOTAL EXPENDITURES	<u>\$3,965,436</u>	<u>\$3,721,024</u>	<u>\$244,412</u>	<u>\$4,128,391</u>

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

SPECIAL REVENUE FUND

Community Redevelopment Fund - To account for financial resources segregated for the rehabilitation, conservation and redevelopment of the City's redevelopment project area. This fund also includes the activities of the Fruitland Park Community Redevelopment Agency, a Florida dependent special district.

CITY OF FRUITLAND PARK, FLORIDA
COMMUNITY REDEVELOPMENT FUND
COMPARATIVE BALANCE SHEETS
SEPTEMBER 30, 2009 AND 2008

	<u>2009</u>	<u>2008</u>
ASSETS		
Cash	\$ 346,206	\$1,043,240
Certificates of Deposit	<u>400,000</u>	<u>-</u>
TOTAL ASSETS	<u>\$ 746,206</u>	<u>\$1,043,240</u>
 LIABILITIES AND FUND BALANCE		
LIABILITIES:		
Accounts Payable	\$ 460	\$ -
Rental Security Deposit	<u>750</u>	<u>750</u>
TOTAL LIABILITIES	<u>1,210</u>	<u>750</u>
FUND BALANCE:		
Reserved for Redevelopment Projects	726,864	1,005,215
Unreserved	<u>18,132</u>	<u>37,275</u>
TOTAL FUND BALANCE	<u>744,996</u>	<u>1,042,490</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 746,206</u>	<u>\$1,043,240</u>

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

CITY OF FRUITLAND PARK, FLORIDA
COMMUNITY REDEVELOPMENT FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2009

With comparative actual amounts for the year ended September 30, 2008

	2009		VARIANCE WITH FINAL	2008
	FINAL BUDGET	ACTUAL	BUDGET	ACTUAL
REVENUES:				
Intergovernmental:				
Appropriated Incremental				
Ad-Valorem Taxes	\$ 410,908	\$ 403,204	\$ (7,704)	\$ 457,373
Miscellaneous:				
Interest Earnings	27,000	22,437	(4,563)	29,748
Building Rental Fees	<u>9,000</u>	<u>9,150</u>	<u>150</u>	<u>9,112</u>
TOTAL REVENUES	<u>446,908</u>	<u>434,791</u>	<u>(12,117)</u>	<u>496,233</u>
EXPENDITURES:				
General Government:				
Other General Government:				
Operating Expenditures	870	6,396	(5,526)	570
Contingency	12,725	-	12,725	-
Capital Outlay:				
Land Purchase	750,000	-	750,000	-
Buildings - Community Center	50,000	-	50,000	-
Streetscape Project	<u>396,500</u>	<u>299,232</u>	<u>97,268</u>	<u>280,120</u>
TOTAL EXPENDITURES	<u>1,210,095</u>	<u>305,628</u>	<u>904,467</u>	<u>280,690</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>(763,187)</u>	<u>129,163</u>	<u>892,350</u>	<u>215,543</u>
OTHER FINANCING SOURCES (USES):				
Transfers out to General Fund	<u>(463,932)</u>	<u>(426,657)</u>	<u>37,275</u>	<u>-</u>
TOTAL OTHER FINANCING USES	<u>(463,932)</u>	<u>(426,657)</u>	<u>37,275</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	(1,227,119)	(297,494)	929,625	215,543
FUND BALANCE, Beginning of Year	<u>1,042,490</u>	<u>1,042,490</u>	-	<u>826,947</u>
FUND BALANCE, End of Year	<u>\$ (184,629)</u>	<u>\$ 744,996</u>	<u>\$929,625</u>	<u>\$1,042,490</u>

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

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CAPITAL PROJECTS FUND

To account for financial resources segregated for the acquisition or construction of major capital facilities.

CITY OF FRUITLAND PARK, FLORIDA
 CAPITAL PROJECTS FUND
 COMPARATIVE BALANCE SHEETS
 SEPTEMBER 30, 2009 AND 2008

	<u>2009</u>	<u>2008</u>
ASSETS		
Cash	\$ 627,463	\$ 579,363
Due from State of Florida	<u>27,141</u>	<u>28,931</u>
TOTAL ASSETS	<u>\$ 654,604</u>	<u>\$ 608,294</u>
 LIABILITIES AND FUND BALANCE		
LIABILITIES:		
Accounts Payable	\$ -	\$ -
Deferred Revenue:		
Infrastructure Surtax	<u>-</u>	<u>7,507</u>
TOTAL LIABILITIES	<u>-</u>	<u>7,507</u>
FUND BALANCE:		
Reserved for Infrastructure	493,415	441,345
Unreserved:		
Undesignated	<u>161,189</u>	<u>159,442</u>
TOTAL FUND BALANCE	<u>654,604</u>	<u>600,787</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 654,604</u>	<u>\$ 608,294</u>

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

CITY OF FRUITLAND PARK, FLORIDA
 CAPITAL PROJECTS FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL
 FOR THE YEAR ENDED SEPTEMBER 30, 2009
 With comparative actual amounts for the year ended September 30, 2008

	2009		VARIANCE WITH FINAL BUDGET	2008 ACTUAL
	FINAL BUDGET	ACTUAL		
REVENUES:				
Local Government Infrastructure Surtax	\$ 328,532	\$ 301,985	\$ (26,547)	\$ 313,664
State FRDAP Recreation Grants	100,000	-	(100,000)	-
Interest Earnings	15,000	8,356	(6,644)	16,550
TOTAL REVENUES	443,532	310,341	(133,191)	330,214
EXPENDITURES:				
Capital Outlay:				
Police Department:				
Public Safety Complex	50,000	44,850	5,150	-
Roads and Streets:				
Sidewalk Project	75,000	-	75,000	66,421
New Road Construction	-	-	-	9,436
Parks and Recreation:				
Cales Complex	100,000	-	100,000	-
Debt Service:				
Principal	101,317	101,317	-	97,674
Interest	20,359	20,339	20	23,972
TOTAL EXPENDITURES	346,676	166,506	180,170	197,503
EXCESS OF REVENUES OVER EXPENDITURES	98,856	143,835	46,979	132,711
OTHER FINANCING SOURCES (USES):				
Transfers out to General Fund	(90,018)	(90,018)	-	(95,175)
Transfers out to Utility Fund	(80,000)	-	80,000	(42,267)
TOTAL OTHER FINANCING SOURCES (USES)	(170,018)	(90,018)	80,000	(137,442)
NET CHANGE IN FUND BALANCES	(73,162)	53,817	126,979	(4,731)
FUND BALANCE, Beginning of Year	600,787	600,787	-	605,518
FUND BALANCE, End of Year	<u>\$ 527,625</u>	<u>\$ 654,604</u>	<u>\$ 126,979</u>	<u>\$ 600,787</u>

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

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ENTERPRISE FUNDS

Utility Fund - To account for the provision of water and sewer utility services to the residents of the City and some residents of the County. All activities necessary to provide such services are accounted for in this fund, including, but not limited to, administration, operations, maintenance, financing and related debt service, and billing and collection.

Recreation Programs Fund - To account for the receipt of recreation program fees for activities sponsored by the City's Recreation Department, and the direct costs associated with each program. Administrative costs of maintaining the various recreation facilities are accounted for in the General Fund.

CITY OF FRUITLAND PARK, FLORIDA
UTILITY FUND
COMPARATIVE STATEMENTS OF NET ASSETS
SEPTEMBER 30, 2009 AND 2008

ASSETS	<u>2009</u>	<u>2008</u>
<u>CURRENT ASSETS</u>		
Cash	\$ 119,867	\$ 387,440
Certificates of Deposit	200,000	-
Investments	71,884	97,593
Restricted Cash:		
State Revolving Fund Loan Reserves	68,834	84,754
Customer Deposits	87,795	80,270
Customer Accounts Receivable:		
Billed Utility Service, net of allowance for uncollectibles of \$6,030 and \$4,000 for 2009 and 2008, respectively	42,666	45,474
Unbilled Utility Service	12,998	10,992
Other Customer Receivables	18,886	1,947
Inventory	<u>68,938</u>	<u>68,010</u>
 TOTAL CURRENT ASSETS	 <u>691,868</u>	 <u>776,480</u>
<u>NONCURRENT ASSETS</u>		
<u>RESTRICTED CASH:</u>		
Water Impact Fees	146,307	123,898
Sewer Impact Fees	460,718	583,540
State Revolving Fund Loan Reserves	<u>-</u>	<u>6,526</u>
 Total Restricted Cash	 <u>607,025</u>	 <u>713,964</u>
 SEWER IMPACT FEE RECEIVABLES	 <u>35,084</u>	 <u>33,524</u>
 DEFERRED ENGINEERING COSTS	 <u>78,965</u>	 <u>78,965</u>
 SRF LOAN COSTS	 <u>40,186</u>	 <u>41,173</u>
<u>PROPERTY, PLANT AND EQUIPMENT:</u>		
Land	339,699	339,699
Buildings	243,408	243,408
Water System	3,199,076	3,199,076
Sewer System	2,225,794	2,223,944
Equipment	<u>336,403</u>	<u>333,697</u>
	6,344,380	6,339,824
Less Accumulated Depreciation	<u>1,647,334</u>	<u>1,449,899</u>
 Net Property, Plant and Equipment	 <u>4,697,046</u>	 <u>4,889,925</u>
 TOTAL NONCURRENT ASSETS	 <u>5,458,306</u>	 <u>5,757,551</u>
 TOTAL ASSETS	 <u>6,150,174</u>	 <u>6,534,031</u>

CITY OF FRUITLAND PARK, FLORIDA
UTILITY FUND
COMPARATIVE STATEMENTS OF NET ASSETS (continued)
SEPTEMBER 30, 2009 AND 2008

	<u>2009</u>	<u>2008</u>
LIABILITIES		
<u>CURRENT LIABILITIES</u>		
Accounts Payable	\$ 20,367	\$ 9,121
Retainage Payable	-	12,441
Accrued Payroll	9,009	1,073
Customer Deposits	87,795	80,270
State Revolving Fund Loans:		
Accrued Interest Payable	6,007	5,855
Current Portion	90,585	120,316
Vacation Leave Payable	<u>6,339</u>	<u>4,673</u>
TOTAL CURRENT LIABILITIES	<u>220,102</u>	<u>233,749</u>
<u>NONCURRENT LIABILITIES</u>		
SRF LOANS PAYABLE:		
Preconstruction	198,906	208,717
Construction	<u>1,548,972</u>	<u>1,598,102</u>
Total SRF Loans Payable	<u>1,747,878</u>	<u>1,806,819</u>
TOTAL LIABILITIES	<u>1,967,980</u>	<u>2,040,568</u>
NET ASSETS		
Invested in Capital Assets, net of related debt	2,937,548	3,029,311
Restricted for Utility Capital Improvements	607,025	707,438
Restricted for Debt Service	62,827	85,425
Unrestricted	<u>574,794</u>	<u>671,289</u>
TOTAL NET ASSETS	<u>\$4,182,194</u>	<u>\$4,493,463</u>

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

CITY OF FRUITLAND PARK, FLORIDA
UTILITY FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENSES
AND CHANGES IN NET ASSETS
FOR THE YEARS ENDED SEPTEMBER 30, 2009 AND 2008

	<u>2009</u>	<u>2008</u>
OPERATING REVENUES:		
Water Sales	\$ 487,981	\$ 491,918
Sewer Revenue	63,286	38,337
Connection Fees	19,255	105,732
Septic Decommission Fees	5,896	25,600
Other Operating Revenues	<u>68,686</u>	<u>49,623</u>
 TOTAL OPERATING REVENUES	 <u>645,104</u>	 <u>711,210</u>
 OPERATING EXPENSES:		
Personal Services	196,032	169,732
Depreciation	197,435	187,533
Engineering Fees	109,648	62,447
Contractual Services	56,113	66,620
Utilities	55,336	48,018
Operating Supplies and Fuel	45,983	54,730
Repairs and Maintenance	42,752	23,923
Insurance	13,640	12,903
Other Professional Fees	14,573	7,478
Postage	6,546	5,931
Telephone	5,803	5,611
Bad Debt Expense	2,030	485
Other Operating Expenses	<u>8,689</u>	<u>6,468</u>
 TOTAL OPERATING EXPENSES	 <u>754,580</u>	 <u>651,879</u>
 OPERATING INCOME (LOSS)	 <u>(109,476)</u>	 <u>59,331</u>
 NONOPERATING REVENUES (EXPENSES):		
Interest Income	20,575	42,964
Decrease in Fair Value of Investments	(32,299)	(26,718)
Interest Expense	(49,149)	(47,003)
Debt Issuance Costs	<u>(987)</u>	<u>(1,602)</u>
 TOTAL NONOPERATING REVENUES (EXPENSES)	 <u>(61,860)</u>	 <u>(32,359)</u>
 INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	 <u>(171,336)</u>	 <u>26,972</u>
 CAPITAL CONTRIBUTIONS:		
Water Impact Fees	22,409	(5,359)
Sewer Impact Fees	14,845	127,246
 TRANSFERS IN FROM CAPITAL PROJECTS FUND	 -	 42,267
TRANSFERS OUT TO GENERAL FUND	<u>(177,187)</u>	<u>(191,131)</u>
 CHANGE IN NET ASSETS	 <u>(311,269)</u>	 <u>(5)</u>
 TOTAL NET ASSETS, Beginning of Year	 <u>4,493,463</u>	 <u>4,493,468</u>
 TOTAL NET ASSETS, End of Year	 <u>\$4,182,194</u>	 <u>\$4,493,463</u>

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

CITY OF FRUITLAND PARK, FLORIDA
UTILITY FUND
COMPARATIVE STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED SEPTEMBER 30, 2009 AND 2008

	<u>2009</u>	<u>2008</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash received from customers	\$ 636,492	\$ 711,419
Cash payments to suppliers for goods and services	(363,236)	(247,680)
Cash payments to employees for services	<u>(186,430)</u>	<u>(172,506)</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>86,826</u>	<u>291,233</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:		
Transfers in from Capital Projects Fund	-	42,267
Transfers out to General Fund	<u>(177,187)</u>	<u>(191,131)</u>
NET CASH USED IN NONCAPITAL FINANCING ACTIVITIES	<u>(177,187)</u>	<u>(148,864)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
State Revolving Fund Loan borrowings	-	164,723
Water and Sewer Impact Fees received	35,694	114,449
SRF Loan principal repayments	(88,672)	(122,314)
SRF Loan interest paid	(48,997)	(47,194)
Water System construction	-	(190,232)
Sewer System construction	(1,850)	(206,674)
Purchase of Equipment	<u>(2,706)</u>	<u>(33,028)</u>
NET CASH USED IN CAPITAL AND RELATED FINANCING ACTIVITIES	<u>(106,531)</u>	<u>(320,270)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
State Board Fund B pool investment	(6,590)	(124,311)
Certificate of Deposit investments	(200,000)	-
Interest received on investments	<u>20,575</u>	<u>42,964</u>
NET CASH USED IN INVESTING ACTIVITIES	<u>(186,015)</u>	<u>(81,347)</u>
NET DECREASE IN CASH	(382,907)	(259,248)
CASH, Beginning of Year	<u>1,266,428</u>	<u>1,525,676</u>
CASH, End of Year	<u>\$ 883,521</u>	<u>\$1,266,428</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:		
Operating Income (Loss)	\$ (109,476)	\$ 59,331
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:		
Depreciation	197,435	187,533
Changes in Assets and Liabilities:		
(Increase) Decrease in Customer Receivables	(16,137)	6,659
(Increase) Decrease in Inventory	(928)	58,209
Decrease in Accounts Payable	(1,195)	(11,275)
Increase (Decrease) in Accrued Payroll	7,936	(3,974)
Increase in Vacation Leave Payable	1,666	1,200
Increase (Decrease) in Unearned Revenue	-	(17,400)
Increase in Customer Deposits	<u>7,525</u>	<u>10,950</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>\$ 86,826</u>	<u>\$ 291,233</u>
SIGNIFICANT TRANSACTIONS NOT AFFECTING CASH:		
Sewer system construction on account	\$ -	\$ 2,036

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

CITY OF FRUITLAND PARK, FLORIDA
 RECREATION PROGRAMS FUND
 COMPARATIVE STATEMENTS OF NET ASSETS
 SEPTEMBER 30, 2009 AND 2008

	<u>2009</u>	<u>2008</u>
ASSETS		
<u>CURRENT ASSETS</u>		
Cash	\$ 7,575	\$11,876
TOTAL ASSETS	<u>7,575</u>	<u>11,876</u>
LIABILITIES		
<u>CURRENT LIABILITIES</u>		
Accounts Payable	<u>3,673</u>	<u>135</u>
TOTAL LIABILITIES	3,673	135
NET ASSETS		
Unrestricted	<u>3,902</u>	<u>11,741</u>
TOTAL NET ASSETS	<u>\$ 3,902</u>	<u>\$11,741</u>

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

CITY OF FRUITLAND PARK, FLORIDA
RECREATION PROGRAMS FUND
SCHEDULE OF REVENUES, EXPENSES AND
CHANGES IN NET ASSETS - BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2009

With comparative actual amounts for the year ended September 30, 2008

	2009		VARIANCE WITH FINAL BUDGET	2008 ACTUAL
	FINAL BUDGET	ACTUAL		
OPERATING REVENUES:				
Adult Softball Fees	\$15,390	\$ 7,900	\$(7,490)	\$12,580
Soccer Fees	10,050	4,580	(5,470)	2,140
Tennis Fees	2,500	2,550	50	1,975
T Ball Fees	1,800	3,106	1,306	1,660
Summer Camp	-	4,350	4,350	1,825
Baseball	4,925	150	(4,775)	-
Other Revenue	-	90	90	300
TOTAL OPERATING REVENUES	<u>34,665</u>	<u>22,726</u>	<u>(11,939)</u>	<u>20,480</u>
OPERATING EXPENSES:				
Softball Program	13,630	8,175	5,455	9,369
Soccer Program	10,990	8,454	2,536	2,614
T Ball Program	2,110	2,808	(698)	1,659
Tennis Program	-	1,150	(1,150)	1,260
Summer Camp	-	2,058	(2,058)	715
Baseball	5,274	-	5,274	-
Other Expenses	125	-	125	1
Fruitland Park Day	2,450	-	2,450	-
TOTAL OPERATING EXPENSES	<u>34,579</u>	<u>22,645</u>	<u>11,934</u>	<u>15,618</u>
OPERATING INCOME	86	81	(5)	4,862
NONOPERATING INCOME:				
Interest Income	600	93	(507)	236
INCOME BEFORE CONTRIBUTIONS AND TRANSFERS	686	174	(512)	5,098
TRANSFERS OUT TO GENERAL FUND	(8,013)	(8,013)	-	(5,000)
CHANGE IN NET ASSETS	(7,327)	(7,839)	(512)	98
NET ASSETS, Beginning of Year	11,741	11,741	-	11,643
NET ASSETS, End of Year	<u>\$ 4,414</u>	<u>\$ 3,902</u>	<u>\$ (512)</u>	<u>\$11,741</u>

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

CITY OF FRUITLAND PARK, FLORIDA
RECREATION PROGRAMS FUND
COMPARATIVE STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED SEPTEMBER 30, 2009 AND 2008

	<u>2009</u>	<u>2008</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash received from program participants	\$ 22,726	\$ 20,480
Cash payments to suppliers for goods and services	<u>(19,107)</u>	<u>(15,513)</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>3,619</u>	<u>4,967</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:		
Transfers out to General Fund	<u>(8,013)</u>	<u>(5,000)</u>
NET CASH USED IN NONCAPITAL FINANCING ACTIVITIES	<u>(8,013)</u>	<u>(5,000)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Interest received on cash investments	<u>93</u>	<u>236</u>
NET CASH PROVIDED BY INVESTING ACTIVITIES	<u>93</u>	<u>236</u>
NET INCREASE (DECREASE) IN CASH	(4,301)	203
CASH, Beginning of Year	<u>11,876</u>	<u>11,673</u>
CASH, End of Year	<u>\$ 7,575</u>	<u>\$ 11,876</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:		
Operating Income	\$ 81	\$ 4,862
Changes in Assets and Liabilities:		
Increase in Accounts Payable	<u>3,538</u>	<u>105</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>\$ 3,619</u>	<u>\$ 4,967</u>

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

**UTILITY FUND
SCHEDULE OF BUDGETARY COMPLIANCE**

The City Commission adopted budget resolutions for all governmental and proprietary funds. The budget for the Utility Fund is adopted on an accounting basis other than in accordance with generally accepted accounting principles (GAAP). The following schedule is presented to report legal compliance with the City's budget resolutions.

CITY OF FRUITLAND PARK, FLORIDA
UTILITY FUND
SCHEDULE OF REVENUES AND EXPENSES -
BUDGET AND ACTUAL (BASIS OTHER THAN GAAP)
FOR THE YEAR ENDED SEPTEMBER 30, 2009

	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE WITH FINAL BUDGET</u>
REVENUES:			
Sale of Water	\$ 547,000	\$ 487,981	\$ (59,019)
Installation of Meters	40,200	19,255	(20,945)
Other Revenues	64,126	68,686	4,560
Sewer Revenue	36,800	63,286	26,486
Sewer Decommission	-	5,896	5,896
Interest Earnings	48,000	20,575	(27,425)
Water Impact Fees	19,100	22,409	3,309
Sewer Impact Fees	30,800	14,845	(15,955)
Developer Contribution	335,000	-	(335,000)
Transfer in from Capital Projects Fund	<u>80,000</u>	<u>-</u>	<u>(80,000)</u>
TOTAL REVENUES	<u>1,201,026</u>	<u>702,933</u>	<u>(498,093)</u>
EXPENSES:			
Water Utility Services:			
Personal Services	161,068	162,690	(1,622)
Operating Expenses	207,500	208,040	(540)
Bad Debt Expense	750	1,680	(930)
Sewer Utility Services:			
Personal Services	40,028	33,342	6,686
Operating Expenses	64,758	151,043	(86,285)
Bad Debt Expense	750	350	400
Equipment Purchases - Water	-	1,468	(1,468)
Water System Extensions	25,000	-	25,000
Water System Construction using Impact Fees	335,000	-	335,000
Equipment Purchases - Sewer	20,000	1,238	18,762
Sewer System Addition	60,000	1,850	58,150
Debt Service Payments	169,513	137,669	31,844
Transfer out to General Fund	177,187	177,187	-
Contingency	<u>15,000</u>	<u>-</u>	<u>15,000</u>
TOTAL EXPENSES	<u>1,276,554</u>	<u>876,557</u>	<u>399,997</u>
DEFICIENCY OF REVENUES UNDER EXPENSES	<u>\$ (75,528)</u>	<u>\$ (173,624)</u>	<u>\$ (98,096)</u>

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

CAPITAL ASSETS USED IN THE OPERATION
OF GOVERNMENTAL ACTIVITIES

CITY OF FRUITLAND PARK, FLORIDA
 COMPARATIVE SCHEDULES OF CAPITAL ASSETS
 USED IN GOVERNMENTAL ACTIVITIES - BY SOURCE
 SEPTEMBER 30, 2009 AND 2008

	<u>2009</u>	<u>2008</u>
CAPITAL ASSETS:		
Land	\$ 674,672	\$ 674,672
Buildings	2,590,160	2,590,160
Improvements other than Buildings	751,680	751,680
Equipment	1,449,442	1,350,462
Infrastructure	<u>674,676</u>	<u>375,444</u>
TOTAL CAPITAL ASSETS	6,140,630	<u>\$5,742,418</u>
Design in Progress	<u>44,850</u>	
	<u>\$6,185,480</u>	
INVESTMENT IN CAPITAL ASSETS FROM:		
Federal Grants	\$ 145,307	\$ 110,949
State and Local Grants	881,419	881,419
General Fund	1,087,845	1,427,003
Infrastructure Surtaxes	2,858,285	2,845,436
Redevelopment Taxes	1,109,476	406,463
Gifts	80,828	48,828
Special Assessments	<u>22,320</u>	<u>22,320</u>
TOTAL INVESTMENT IN CAPITAL ASSETS	<u>\$6,185,480</u>	<u>\$5,742,418</u>

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

CITY OF FRUITLAND PARK, FLORIDA
SCHEDULE OF CAPITAL ASSETS USED IN GOVERNMENTAL ACTIVITIES
BY FUNCTION AND ACTIVITY
SEPTEMBER 30, 2009

<u>FUNCTION AND ACTIVITY</u>	<u>TOTAL</u>	<u>LAND</u>	<u>BUILDINGS</u>	<u>IMPROVEMENTS OTHER THAN BUILDINGS</u>	<u>EQUIPMENT</u>	<u>INFRA- STRUCTURE</u>
GENERAL GOVERNMENT:						
Legislative	\$1,595,649	\$131,532	\$1,379,290	\$ 16,753	\$ 68,074	\$ -
Executive	46,040	15,000	-	-	31,040	-
Finance	55,474	-	-	-	55,474	-
Other General Government	<u>554,001</u>	<u>428,081</u>	<u>94,931</u>	<u>22,523</u>	<u>8,466</u>	<u>-</u>
TOTAL GENERAL GOVERNMENT	<u>2,751,164</u>	<u>574,613</u>	<u>1,474,221</u>	<u>39,276</u>	<u>163,054</u>	<u>-</u>
PUBLIC SAFETY:						
Police Department	455,548	-	-	150	455,398	-
Fire Department	603,826	1,000	74,381	2,425	526,020	-
Building Inspections	<u>12,503</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>12,503</u>	<u>-</u>
TOTAL PUBLIC SAFETY	<u>1,071,877</u>	<u>1,000</u>	<u>74,381</u>	<u>2,575</u>	<u>993,921</u>	<u>-</u>
TRANSPORTATION:						
Roads and Streets	<u>830,013</u>	<u>-</u>	<u>4,709</u>	<u>-</u>	<u>150,628</u>	<u>674,676</u>
CULTURE AND RECREATION:						
Library	744,420	-	698,834	-	45,586	-
Municipal Pool	266,619	-	143,356	114,186	9,077	-
Recreation Facilities	<u>976,537</u>	<u>99,059</u>	<u>194,659</u>	<u>595,643</u>	<u>87,176</u>	<u>-</u>
TOTAL CULTURE AND RECREATION	<u>1,987,576</u>	<u>99,059</u>	<u>1,036,849</u>	<u>709,829</u>	<u>141,839</u>	<u>-</u>
TOTAL CAPITAL ASSETS	<u>\$6,140,630</u>	<u>\$674,672</u>	<u>\$2,590,160</u>	<u>\$751,680</u>	<u>\$1,449,442</u>	<u>\$674,676</u>

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

CITY OF FRUITLAND PARK, FLORIDA
 SCHEDULE OF CHANGES IN CAPITAL ASSETS USED IN
 GOVERNMENTAL ACTIVITIES - BY FUNCTION AND ACTIVITY
 FOR THE YEAR ENDED SEPTEMBER 30, 2009

<u>FUNCTION AND ACTIVITY</u>	<u>CAPITAL ASSETS 10/01/08</u>	<u>ADDITIONS</u>	<u>TRANSFERS/ DELETIONS</u>	<u>CAPITAL ASSETS 9/30/09</u>
GENERAL GOVERNMENT:				
Legislative	\$1,595,649	\$ -	\$ -	\$1,595,649
Executive	41,231	4,809	-	46,040
Finance	49,096	6,378	-	55,474
Other General Government	<u>554,001</u>	<u>-</u>	<u>-</u>	<u>554,001</u>
TOTAL GENERAL GOVERNMENT	<u>2,239,977</u>	<u>11,187</u>	<u>-</u>	<u>2,251,164</u>
PUBLIC SAFETY:				
Police Department	341,157	159,241	-	500,398
Fire Department	635,700	28,736	(60,610)	603,826
Building Inspections	<u>12,503</u>	<u>-</u>	<u>-</u>	<u>12,503</u>
TOTAL PUBLIC SAFETY	<u>989,360</u>	<u>187,977</u>	<u>(60,610)</u>	<u>1,116,727</u>
TRANSPORTATION:				
Roads and Streets	<u>525,405</u>	<u>304,608</u>	<u>-</u>	<u>830,013</u>
CULTURE AND RECREATION:				
Library	744,520	-	(100)	744,420
Municipal Pool	266,619	-	-	266,619
Recreation Facilities	<u>976,537</u>	<u>-</u>	<u>-</u>	<u>976,537</u>
TOTAL CULTURE AND RECREATION	<u>1,987,676</u>	<u>-</u>	<u>(100)</u>	<u>1,987,576</u>
TOTAL CAPITAL ASSETS	<u>\$5,742,418</u>	<u>\$ 503,772</u>	<u>\$ (60,710)</u>	<u>\$6,185,480</u>

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

STATISTICAL SECTION

This section of the City of Fruitland Park'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.

Contents

Page

Financial Trends

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

80-90

Revenue Capacity

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

91-94

Debt Capacity

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

95-98

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.

99-101

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.

102-104

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

The City implemented GASB Statement 34 in fiscal year 2004; schedules presenting government-wide information include information beginning in that year.

The City implemented GASB Statement 44 in fiscal year 2006; schedules presenting demographic, operating, and capital asset statistics include information beginning in that year.

CITY OF FRUITLAND PARK, FLORIDA
NET ASSETS BY COMPONENT
LAST SIX FISCAL YEARS
(Accrual basis of accounting)

	Fiscal Year 2004	Fiscal Year 2005	Fiscal Year 2006	Fiscal Year 2007
GOVERNMENTAL ACTIVITIES				
Invested in Capital Assets, net of related debt	\$ 2,101,761	\$ 2,205,735	\$ 2,236,620	\$ 2,770,028
Restricted for:				
Capital Improvements	140,324	245,637	394,978	454,785
Redevelopment Projects	166,122	293,918	474,701	799,763
Cemetery Care	87,185	90,735	95,145	105,807
Police	44,648	59,914	70,235	105,744
Building Inspections	-	-	67,910	41,843
Library	1,664	1,664	1,664	-
Stormwater	-	-	12,532	32,051
Unrestricted	944,935	1,145,548	1,492,180	1,116,382
 Total Governmental Activities Net Assets	 <u>\$ 3,486,639</u>	 <u>\$ 4,043,151</u>	 <u>\$ 4,845,965</u>	 <u>\$ 5,426,403</u>
 BUSINESS-TYPE ACTIVITIES				
Invested in Capital Assets, net of related debt	\$ 2,633,635	\$ 2,811,240	\$ 2,666,774	\$ 3,086,299
Restricted for:				
Capital Improvements	-	-	730,630	907,847
Debt Service	9,106	3,495	76,884	85,234
Unrestricted	257,028	253,638	599,515	425,731
 Total Business-type Activities Net Assets	 <u>\$ 2,899,769</u>	 <u>\$ 3,068,373</u>	 <u>\$ 4,073,803</u>	 <u>\$ 4,505,111</u>
 CITY OF FRUITLAND PARK				
Invested in Capital Assets, net of related debt	\$ 4,735,396	\$ 5,016,975	\$ 4,903,394	\$ 5,856,327
Restricted for:				
Capital Improvements	140,324	245,637	1,125,608	1,362,632
Redevelopment Projects	166,122	293,918	474,701	799,763
Cemetery Care	87,185	90,735	95,145	105,807
Debt Service	9,106	3,495	76,884	85,234
Police	44,648	59,914	70,235	105,744
Building Inspections	-	-	67,910	41,843
Library	1,664	1,664	1,664	-
Stormwater	-	-	12,532	32,051
Unrestricted	1,201,963	1,399,186	2,091,695	1,542,113
 Total City of Fruitland Park Net Assets	 <u>\$ 6,386,408</u>	 <u>\$ 7,111,524</u>	 <u>\$ 8,919,768</u>	 <u>\$ 9,931,514</u>

Note: This schedule reports trend information for all years beginning with the year the City implemented GASB 34.

<u>Fiscal Year</u> <u>2008</u>	<u>Fiscal Year</u> <u>2009</u>
\$ 3,115,183	\$ 3,525,988
442,765	732,823
1,005,215	726,864
109,577	112,567
137,015	117,514
42,285	-
-	-
45,747	59,105
<u>846,324</u>	<u>822,357</u>
<u>\$ 5,744,111</u>	<u>\$ 6,097,218</u>
\$ 3,029,311	\$ 2,937,548
707,438	607,025
85,425	62,827
<u>683,030</u>	<u>578,696</u>
<u>\$ 4,505,204</u>	<u>\$ 4,186,096</u>
\$ 6,144,494	\$ 6,463,536
1,150,203	1,339,848
1,005,215	726,864
109,577	112,567
85,425	62,827
137,015	117,514
42,285	-
-	-
45,747	59,105
<u>1,529,354</u>	<u>1,401,053</u>
<u>\$ 10,249,315</u>	<u>\$ 10,283,314</u>

CITY OF FRUITLAND PARK, FLORIDA
CHANGES IN NET ASSETS
LAST SIX FISCAL YEARS
(Accrual basis of accounting)

	Fiscal Year 2004	Fiscal Year 2005	Fiscal Year 2006	Fiscal Year 2007
EXPENSES				
Governmental Activities:				
General Government	\$ 639,549	\$ 649,104	\$ 724,409	\$ 821,081
Public Safety	817,694	923,960	1,142,069	1,258,599
Transportation	260,744	255,346	284,642	337,899
Sanitation/Other Utility	347,176	347,233	372,582	401,062
Culture and Recreation	387,297	412,294	448,416	547,970
Interest on Long-term Debt	62,614	34,175	40,783	32,105
Total Governmental Activities Expenses	2,515,074	2,622,112	3,012,901	3,398,716
Business-Type Activities:				
Water Utility	276,547	280,670	326,229	325,603
Sewer Utility	-	-	48,083	161,796
Recreation Programs	11,445	11,217	11,585	13,172
Total Business-Type Activities Expenses	287,992	291,887	385,897	500,571
Total Expenses	\$ 2,803,066	\$ 2,913,999	\$ 3,398,798	\$ 3,899,287
PROGRAM REVENUES				
Governmental Activities:				
Charges for Services:				
General Government	\$ 76,699	\$ 92,918	\$ 112,514	\$ 111,499
Public Safety	230,589	338,249	514,812	407,780
Sanitation/Other Utility	390,831	408,708	434,975	472,207
Culture and Recreation	23,562	17,987	22,396	25,673
Operating Grants and Contributions	205,669	131,452	114,067	100,991
Capital Grants and Contributions	16,477	97,550	105,997	108,032
Total Governmental Activities Program Revenues	943,827	1,086,864	1,304,761	1,226,182
Business-Type Activities:				
Charges for Services:				
Water Utility	366,890	468,381	625,598	600,677
Sewer Utility	-	-	-	21,226
Recreation Programs	13,641	15,927	17,866	12,748
Operating Grants and Contributions	-	-	-	750
Capital Grants and Contributions	370	35,000	815,384	346,725
Total Business-Type Activities Program Revenues	380,901	519,308	1,458,848	982,126
Total Program Revenues	\$ 1,324,728	\$ 1,606,172	\$ 2,763,609	\$ 2,208,308
NET REVENUE (EXPENSE)				
Governmental Activities	\$ (1,571,247)	\$ (1,535,248)	\$ (1,708,140)	\$ (2,172,534)
Business-Type Activities	92,909	227,421	1,072,951	481,555
Total Net Expense	\$ (1,478,338)	\$ (1,307,827)	\$ (635,189)	\$ (1,690,979)

Fiscal Year 2008	Fiscal Year 2009
\$ 973,800	\$ 864,658
1,536,379	1,326,793
433,573	362,253
457,451	454,723
604,994	595,253
28,174	22,766
<u>4,034,371</u>	<u>3,626,446</u>
459,317	482,437
241,167	322,279
15,618	22,645
<u>716,102</u>	<u>827,361</u>
<u>\$ 4,750,473</u>	<u>\$ 4,453,807</u>
\$ 104,056	\$ 45,695
501,731	242,303
483,985	494,231
28,062	27,793
131,451	108,020
103,175	78,277
<u>1,352,460</u>	<u>996,319</u>
643,694	569,723
67,516	75,381
20,480	22,726
-	-
121,887	37,254
<u>853,577</u>	<u>705,084</u>
<u>\$ 2,206,037</u>	<u>\$ 1,701,403</u>
\$ (2,681,911)	\$ (2,630,127)
137,475	(122,277)
<u>\$ (2,544,436)</u>	<u>\$ (2,752,404)</u>

Continued on Next Page

CITY OF FRUITLAND PARK, FLORIDA
 CHANGES IN NET ASSETS
 LAST SIX FISCAL YEARS
 (Accrual basis of accounting)

	Fiscal Year 2004	Fiscal Year 2005	Fiscal Year 2006	Fiscal Year 2007
GENERAL REVENUES AND TRANSFERS				
Governmental Activities:				
Property Taxes	\$ 456,660	\$ 502,067	\$ 658,866	\$ 864,129
Sales Taxes	477,476	528,069	579,235	529,045
Franchise and Utility Taxes	654,959	688,498	794,327	827,658
Excise Taxes	182,345	263,044	267,294	266,616
Unrestricted Investment Earnings	24,388	45,082	110,232	140,524
Gain on Sale of Capital Assets	537	-	-	-
Transfers	(212,332)	65,000	101,000	125,000
Total Governmental Activities	1,584,033	2,091,760	2,510,954	2,752,972
Business-Type Activities:				
Unrestricted Investment Earnings	1,348	6,183	33,479	74,753
Transfers	212,332	(65,000)	(101,000)	(125,000)
Total Business-Type Activities	213,680	(58,817)	(67,521)	(50,247)
Total General Revenues and Transfers	\$ 1,797,713	\$ 2,032,943	\$ 2,443,433	\$ 2,702,725
CHANGE IN NET ASSETS				
Governmental Activities	\$ 12,786	\$ 556,512	\$ 802,814	\$ 580,438
Business-Type Activities	306,589	168,604	1,005,430	431,308
Total Change in Net Assets	\$ 319,375	\$ 725,116	\$ 1,808,244	\$ 1,011,746

Note: This schedule reports trend information for all years beginning with the year the City implemented GASB 34.

<u>Fiscal Year</u> <u>2008</u>	<u>Fiscal Year</u> <u>2009</u>
\$ 1,133,802	\$ 1,087,169
499,811	467,231
869,774	927,619
254,467	264,612
86,555	51,403
1,346	-
<u>153,864</u>	<u>185,200</u>
<u>2,999,619</u>	<u>2,983,234</u>
16,482	(11,631)
<u>(153,864)</u>	<u>(185,200)</u>
<u>(137,382)</u>	<u>(196,831)</u>
<u>\$ 2,862,237</u>	<u>\$ 2,786,403</u>
\$ 317,708	\$ 353,107
93	(319,108)
<u>\$ 317,801</u>	<u>\$ 33,999</u>

CITY OF FRUITLAND PARK
FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(Modified accrual basis of accounting)

	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>
GENERAL FUND				
Reserved	\$ 145,860	\$ 147,014	\$ 126,180	\$ 126,899
Unreserved	<u>714,562</u>	<u>923,616</u>	<u>932,056</u>	<u>773,682</u>
Total General Fund	<u>\$ 860,422</u>	<u>\$ 1,070,630</u>	<u>\$ 1,058,236</u>	<u>\$ 900,581</u>
ALL OTHER GOVERNMENTAL FUNDS				
Reserved	\$ 396,848	\$ 652,225	\$ 799,107	\$ 970,393
Unreserved, reported in:				
Special revenue funds	7,395	7,568	7,671	7,755
Capital projects funds	<u>166,620</u>	<u>203,027</u>	<u>199,513</u>	<u>116,471</u>
Total all other governmental funds	<u>\$ 570,863</u>	<u>\$ 862,820</u>	<u>\$ 1,006,291</u>	<u>\$1,094,619</u>

<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
\$ 133,497	\$ 152,313	\$ 247,486	\$ 285,445	\$ 336,044	\$ 555,561
<u>757,674</u>	<u>1,037,161</u>	<u>1,380,714</u>	<u>999,638</u>	<u>705,256</u>	<u>674,625</u>
<u>\$ 891,171</u>	<u>\$ 1,189,474</u>	<u>\$ 1,628,200</u>	<u>\$ 1,285,083</u>	<u>\$ 1,041,300</u>	<u>\$ 1,230,186</u>
\$ 306,446	\$ 539,555	\$ 869,679	\$ 1,254,548	\$ 1,446,560	\$ 1,220,279
7,881	7,149	16,836	27,184	37,275	18,132
<u>113,841</u>	<u>32,376</u>	<u>111,973</u>	<u>150,733</u>	<u>159,442</u>	<u>161,189</u>
<u>\$ 428,168</u>	<u>\$ 579,080</u>	<u>\$ 998,488</u>	<u>\$ 1,432,465</u>	<u>\$ 1,643,277</u>	<u>\$ 1,399,600</u>

CITY OF FRUITLAND PARK
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(Modified accrual basis of accounting)

	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>
REVENUES				
Taxes	\$1,040,641	\$1,154,134	\$1,233,381	\$1,260,681
Licenses and Permits	40,922	42,889	46,023	50,495
Intergovernmental Revenues	649,529	422,499	758,157	790,997
Charges for Services	165,893	167,559	73,828	407,772
Fines and Forfeitures	212,902	181,047	172,527	131,213
Investment Earnings	76,668	81,586	41,835	36,687
Miscellaneous	140,123	132,206	130,028	93,823
Total Revenues	<u>2,326,678</u>	<u>2,181,920</u>	<u>2,455,779</u>	<u>2,771,668</u>
EXPENDITURES				
General Government	393,209	389,950	471,819	493,415
Public Safety	602,436	659,082	686,940	761,762
Transportation	198,066	201,771	334,498	281,728
Sanitation/Other Utility	110,111	110,516	11,664	333,109
Culture and Recreation	298,551	290,000	336,856	409,450
Capital Outlay	670,409	28,874	410,558	1,420,622
Debt Service:				
Principal	20,000	16,753	17,750	18,806
Interest	-	5,613	4,617	11,671
Total Expenditures	<u>2,292,782</u>	<u>1,702,559</u>	<u>2,274,702</u>	<u>3,730,563</u>
Excess (Deficiency) of Revenues over (under) Expenditures	33,896	479,361	181,077	(958,895)
OTHER FINANCING SOURCES (USES)				
Capital Lease Financing	114,344	-	-	-
Debt Proceeds	-	-	-	1,000,000
Transfers in	38,845	88,470	113,845	76,707
Transfers out	(38,845)	(68,470)	(163,845)	(187,139)
Sale of Capital Assets	-	2,804	-	-
Total Other Financing Sources (Uses)	<u>114,344</u>	<u>22,804</u>	<u>(50,000)</u>	<u>889,568</u>
Net Change in Fund Balances	<u>\$ 148,240</u>	<u>\$ 502,165</u>	<u>\$ 131,077</u>	<u>\$ (69,327)</u>
Debt service as a percentage of noncapital expenditures	1.2%	1.3%	1.2%	1.3%

<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
\$1,377,469	\$1,491,154	\$1,760,394	\$1,952,017	\$2,164,168	\$2,219,177
102,289	222,622	348,455	197,628	247,769	35,244
528,352	711,126	778,616	826,703	915,975	855,926
429,793	456,927	500,752	525,949	540,892	532,335
145,521	129,820	166,530	239,822	265,358	203,153
24,388	45,082	110,232	140,524	86,555	51,403
43,567	61,141	126,900	128,463	176,516	55,929
<u>2,651,379</u>	<u>3,117,872</u>	<u>3,791,879</u>	<u>4,011,106</u>	<u>4,397,233</u>	<u>3,953,167</u>
643,580	613,061	676,348	888,340	1,143,641	1,006,079
858,290	893,853	1,283,673	1,257,098	1,523,693	1,353,010
262,201	262,746	276,732	354,767	416,641	344,005
347,176	347,233	372,582	401,062	457,451	454,723
330,169	367,407	382,016	484,968	536,252	518,319
597,986	90,581	68,012	490,989	355,977	344,082
103,990	121,702	130,973	132,634	142,461	146,263
40,053	37,074	37,050	35,388	30,468	26,677
<u>3,183,445</u>	<u>2,733,657</u>	<u>3,227,386</u>	<u>4,045,246</u>	<u>4,606,584</u>	<u>4,193,158</u>
(532,066)	384,215	564,493	(34,140)	(209,351)	(239,991)
68,000	-	192,641	-	21,170	-
-	-	-	-	-	-
148,593	166,337	173,523	256,768	291,306	701,875
(360,925)	(101,337)	(72,523)	(131,768)	(137,442)	(516,675)
537	-	-	-	1,346	-
<u>(143,795)</u>	<u>65,000</u>	<u>293,641</u>	<u>125,000</u>	<u>176,380</u>	<u>185,200</u>
<u>\$ (675,861)</u>	<u>\$ 449,215</u>	<u>\$ 858,134</u>	<u>\$ 90,860</u>	<u>\$ (32,971)</u>	<u>\$ (54,791)</u>
5.9%	6.4%	5.6%	5.1%	4.2%	4.7%

CITY OF FRUITLAND PARK, FLORIDA
GENERAL GOVERNMENTAL TAX REVENUE BY SOURCE
LAST TEN FISCAL YEARS
(Modified accrual basis of accounting)

<u>Fiscal Year</u>	<u>Property Taxes</u>	<u>Infra-structure Sales Surtax</u>	<u>Excise Taxes</u>	<u>Franchise Fees</u>	<u>Utility Taxes</u>	<u>Communications Services Tax</u>	<u>Total Taxes</u>
2000	\$257,348	\$228,294	\$ 68,594	\$218,037	\$268,368	\$ -	\$1,040,641
2001	274,222	235,466	69,954	232,034	342,458	-	1,154,134
2002	300,958	254,264	71,894	217,803	228,726	159,736	1,233,381
2003	314,853	252,753	75,880	233,229	246,629	137,337	1,260,681
2004	349,720	287,236	85,554	258,390	255,456	141,113	1,377,469
2005	377,984	323,797	100,875	274,300	256,871	157,327	1,491,154
2006	498,241	363,227	104,599	330,041	280,321	183,965	1,760,394
2007	687,148	331,153	106,058	345,392	309,861	172,405	1,952,017
2008	876,669	313,664	104,061	388,272	328,890	152,612	2,164,168
2009	867,272	301,985	122,301	417,139	350,540	159,940	2,219,177

CITY OF FRUITLAND PARK, FLORIDA
 ESTIMATED JUST VALUE AND TAXABLE (ASSESSED) VALUE OF PROPERTY
 LAST TEN FISCAL YEARS

FISCAL YEAR	REAL PROPERTY		PERSONAL PROPERTY		TOTAL		DIRECT TAX RATE	TAXABLE VALUE PERCENTAGE OF JUST VALUE
	ESTIMATED JUST VALUE	TAXABLE VALUE	ESTIMATED JUST VALUE	TAXABLE VALUE	ESTIMATED JUST VALUE	TAXABLE VALUE		
2000	91,611,422	61,588,190	8,302,984	6,583,776	99,914,406	68,171,966	3.89	68.23%
2001	99,464,748	67,315,498	7,682,410	5,870,554	107,147,158	73,186,052	3.89	68.30%
2002	105,322,448	71,462,811	9,466,758	7,456,466	114,789,206	78,919,277	3.89	68.75%
2003	110,733,923	75,547,110	9,420,008	7,513,043	120,153,931	83,060,153	3.89	69.13%
2004	121,438,325	84,175,275	9,342,395	7,514,026	130,780,720	91,689,301	3.89	70.11%
2005	135,911,909	92,292,023	9,680,678	7,903,447	145,592,587	100,195,470	3.89	68.82%
2006	153,933,598	108,770,742	9,877,594	8,121,282	163,811,192	116,892,024	4.39	71.36%
2007	215,124,077	152,967,325	10,028,294	8,266,214	225,152,371	161,233,539	4.39	71.61%
2008	278,220,681	209,424,410	10,603,907	8,833,218	288,824,588	218,257,628	4.14	75.57%
2009	287,912,447	202,464,548	11,777,264	7,663,663	299,689,711	210,128,211	4.36	70.11%

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Source-Lake County Property Appraiser's Office

The property appraiser is required to physically inspect the property at least once every 5 years. Homesteaded property is reassessed annually on January 1. Any change resulting from such reassessment shall not exceed the lower of 3% of the prior year's assessed value or the percentage change in percentage change in the Consumer Price Index for All Urban Consumers, U.S. City Average, all items 1967=100, or successor reports for the preceding calendar year as initially reported by the United States Department of Labor, Bureau of Labor Statistics.

The estimated just value is adjusted down to the taxable value due to governmental exemptions, widows/widowers exemption, disability/blind exemption, institutional exemption for charitable, religious, scientific, literary and educational, \$25,000 homestead exemption, and the homestead assessment differential (just value minus capped value).

CITY OF FRUITLAND PARK, FLORIDA
PROPERTY TAX RATES* - DIRECT AND OVERLAPPING GOVERNMENTS
PER \$1,000 OF ASSESSED VALUE
LAST TEN FISCAL YEARS

Fiscal Year	City Direct Rate	OVERLAPPING RATES					Hospital District	Total Direct and Overlapping Rates
		County School District	Lake County	Water Conservation Authority	Water Management District	Ambulance District		
2000	3.890	8.742	4.733	0.500	0.482	0.316	1.000	19.663
2001	3.890	8.495	5.117	0.500	0.472	0.550	1.000	20.024
2002	3.890	8.202	5.117	0.500	0.462	0.529	1.000	19.700
2003	3.890	8.395	5.917	0.482	0.462	0.529	1.000	20.675
2004	3.890	8.440	5.917	0.408	0.462	0.529	1.000	20.646
2005	3.890	7.990	5.817	0.383	0.462	0.529	1.000	20.071
2006	4.390	7.981	5.797	0.337	0.462	0.529	1.000	20.496
2007	4.390	7.648	5.947	0.253	0.462	0.529	1.000	20.229
2008	4.140	7.698	4.941	0.213	0.416	0.465	1.000	18.873
2009	4.360	7.517	4.761	0.213	0.416	0.465	1.000	18.732

* Source - Lake County Property Appraiser

Florida Statutes permit municipalities to levy property taxes up to 10 mills. The City's direct rate does not have any separate components.

CITY OF FRUITLAND PARK, FLORIDA
 PRINCIPAL PROPERTY TAXPAYERS
 SEPTEMBER 30, 2009
 CURRENT YEAR COMPARED TO NINE YEARS AGO

<u>Taxpayer</u>	<u>Fiscal Year 2009</u>		<u>Fiscal Year 2000</u>	
	<u>Taxable Assessed Valuation</u>	<u>Percentage of Total Assessed Valuation</u>	<u>Taxable Assessed Valuation</u>	<u>Percentage of Total Assessed Valuation</u>
Fruitland Park LLC - L&R Prop	\$ 5,343,063	2.54%	\$ -	
Southern Spring Lake Cove LLC	3,532,488	1.68%	-	
Armentano Enterprises Inc	2,495,758	1.19%	-	
FWB Investments Ltd	2,403,741	1.14%	809,073	1.11%
Lake Saunders Groves Land LLP	2,061,701	0.98%	-	
West Highland Center LLC	1,969,331	0.94%	-	
CRC Properties Inc	1,966,208	0.94%	-	
Etheredge Limited Partnership	1,960,770	0.93%	1,254,460	1.71%
Wal-Mart Stores East Inc	1,929,408	0.92%	2,056,947	2.81%
Robert D & Leane E Rhodes	1,932,036	0.92%	-	
Sprint-Florida Inc	-		1,517,735	2.07%
A A Mouktara Inc	-		1,380,389	1.89%
Holiday World Investments LLC	-		1,192,357	1.63%
Highland Associates	-		1,187,609	1.62%
Fruitland Acres Limited	-		1,117,613	1.53%
Fruitland Park of Lake Co Ltd	-		926,199	1.27%
Larry M Phillips, Trustee	-		742,161	1.01%
	<u>\$25,594,504</u>	<u>12.18%</u>	<u>\$12,184,543</u>	<u>16.65%</u>
TOTAL TAXABLE ASSESSED VALUATION	<u>\$210,128,211</u>		<u>\$73,186,052</u>	

Source - Lake County Property Appraiser

CITY OF FRUITLAND PARK, FLORIDA
PROPERTY TAX LEVIES AND COLLECTIONS
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>Percent of Total Tax Collections to Tax Levy</u>
2000	\$265,189	\$257,127	97.0%	\$ 221	\$257,348	97.0%
2001	284,694	272,631	95.8%	1,591	274,222	96.3%
2002	306,996	296,952	96.7%	4,006	300,958	98.0%
2003	323,104	312,419	96.7%	2,434	314,853	97.4%
2004	356,671	344,419	96.6%	5,301	349,720	98.0%
2005	389,760	377,409	96.8%	575	377,984	97.0%
2006	513,156	496,358	96.7%	1,883	498,241	97.1%
2007	707,815	686,563	97.0%	585	687,148	97.1%
2008	903,587	874,560	96.8%	2,109	876,669	97.0%
2009	916,159	863,272	94.2%	4,000	867,272	94.7%

See Note 13 for discounts allowed for early payment of property taxes.

CITY OF FRUITLAND PARK, FLORIDA
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS

Fiscal Year	<u>GOVERNMENTAL ACTIVITIES</u>		<u>BUSINESS-TYPE ACTIVITIES</u>		Total Primary Government	Percentage of Personal Income	Per Capita
	<u>Revenue Note</u>	<u>Capital Leases</u>	<u>Revenue Notes</u>	<u>Loans Payable</u>			
2000	\$ -	\$ 94,344	\$205,000	\$ -	\$ 299,344	N/A	\$ 98
2001	-	77,591	168,325	-	245,916	N/A	77
2002	-	59,841	129,266	-	189,107	N/A	59
2003	1,000,000	41,035	-	45,508	1,086,543	N/A	333
2004	915,935	89,110	-	154,273	1,159,318	N/A	342
2005	828,423	54,920	-	854,311	1,737,654	N/A	502
2006	737,647	207,364	-	1,957,244	2,902,255	4.13%	800
2007	643,486	168,891	-	1,845,975	2,658,352	3.70%	694
2008	545,812	145,274	-	1,927,135	2,618,221	3.66%	684
2009	444,495	100,328	-	1,838,463	2,383,286	3.34%	599

Details regarding the City's outstanding debt can be found in **Note 6** to the Financial Statements.

See pages 98 and 99 for personal income and population data.

N/A - Information is not available.

CITY OF FRUITLAND PARK, FLORIDA
RATIOS OF GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS

The City of Fruitland Park, Florida has had no general bonded debt during the last ten fiscal years.

CITY OF FRUITLAND PARK, FLORIDA
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF SEPTEMBER 30, 2009

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Overlapping Debt</u>
Debt repaid with property taxes	\$ -	1.36%	\$ -
Other debt			-

Subtotal, overlapping debt			-
Direct debt			<u>544,823</u>
Total direct and overlapping debt			<u>\$544,823</u>

Note: The City of Fruitland Park has no ordinance which limits general obligation debt to a percentage of assessed property values.

The estimated percentage applicable to the City of Fruitland Park is based upon City/Lake County population ratio.

CITY OF FRUITLAND PARK, FLORIDA
 PLEDGED-REVENUE DEBT COVERAGE
 INFRASTRUCTURE SALES SURTAXES
 LAST TEN FISCAL YEARS

<u>Fiscal Year</u>	<u>Infrastructure Sales Surtaxes Available for Debt Service</u>	<u>Debt Service Requirements</u>			<u>Coverage</u>
		<u>Principal</u>	<u>Interest</u>	<u>Total</u>	
2000	\$228,294	\$ -	\$ -	\$ -	N/A
2001	235,466	-	-	-	N/A
2002	254,264	-	-	-	N/A
2003	252,753	-	-	-	N/A
2004	287,236	84,065	37,611	121,676	2.36
2005	323,797	87,512	34,129	121,641	2.66
2006	363,227	90,776	30,873	121,649	2.99
2007	331,153	94,161	27,487	121,648	2.72
2008	313,664	97,674	23,972	121,646	2.58
2009	301,985	101,317	20,339	121,656	2.48

**CITY OF FRUITLAND PARK, FLORIDA
 PLEDGED-REVENUE COVERAGE
 UTILITY REVENUES
 LAST TEN FISCAL YEARS**

<u>Fiscal Year</u>	<u>Gross Revenues</u>	<u>Operating Expenses¹</u>	<u>Net Revenue Available for Debt Service</u>	<u>Debt Service Requirements</u>			<u>Coverage</u>
				<u>Principal</u>	<u>Interest</u>	<u>Total</u>	
2000	\$298,634	\$241,810	\$ 56,824	\$ 5,000	\$15,314	\$ 20,314	2.80
2001	287,015	236,635	50,380	6,000	13,126	19,126	2.63
2002	278,827	267,712	11,115	6,000	10,729	16,729	0.66
2003	331,707	266,847	64,860	-	-	-	N/A
2004	366,890	253,568	113,322	-	-	-	N/A
2005	468,381	253,310	215,071	-	-	-	N/A
2006	625,598	346,534	279,064	43,970	40,784	84,754	3.29
2007	621,903	407,239	214,664	111,269	58,239	169,508	1.27
2008	711,210	655,477	55,733	122,314	47,194	169,508	0.33
2009	645,104	734,332	(89,228)	88,672	48,997	137,669	0.00

¹ Utility operating expenses exclusive of depreciation but including transfers to the General Fund for administrative expenses.

Note: On February 28, 2003, the City paid off the entire outstanding principal balance of \$129,266 on the water revenue bond, and was not subject to any pledged-revenue coverage covenants for the years 2003, 2004 and 2005. Beginning in fiscal year 2006, covenants on the State Revolving Fund loans require a coverage ratio of 1.15 to 1.

CITY OF FRUITLAND PARK, FLORIDA
 DEMOGRAPHIC AND ECONOMIC STATISTICS
 SEPTEMBER 30, 2009

Year	2006	2007	2008	2009
Population	3,628	3,829	3,879	3,978
Total Personal Income of all Fruitland Park Residents	\$ 71,395,412	\$ 71,778,434	\$ 71,480,220	\$ 71,463,440
Per Capita Personal Income	\$ 19,679	\$ 18,746	\$ 18,427	\$ 17,965
Median Age	35.5	36.6	40.3	40.3
School Enrollment				
Fruitland Park Elementary	670	632	630	633
Total Housing Units	1,580	1,485	1,452	1,453
Owner occupied	1,157	1,019	1,041	1,042
Renter occupied	379	408	287	287
Vacant	44	58	124	124
Lake County Unemployment Rate	3.0%	4.7%	8.5%	12.6%

Note: This is the City's fourth year of implementation under GASB 44.

Population from the Florida Bureau of Economic and Business Research (BEBR)
 Unemployment rate from the Florida Research and Data Base (<http://fred/labormarketinfo.com>)
 Per Capita Income, Median Age, and Housing Units from Metro Orlando
 Economic Development Commission

CITY OF FRUITLAND PARK, FLORIDA
 DEMOGRAPHIC STATISTICS
 SEPTEMBER 30, 2009

POPULATION

<u>Year</u>	<u>City of Fruitland Park</u>		<u>Lake County</u>	
	<u>Population</u>	<u>% Change</u>	<u>Population</u>	<u>% Change</u>
2000	3,186	4.70%	210,528	3.27%
2001	3,193	0.22%	220,323	4.65%
2002	3,220	0.85%	231,072	4.88%
2003	3,265	1.40%	240,716	4.17%
2004	3,393	3.92%	251,878	4.64%
2005	3,463	2.06%	263,017	4.42%
2006	3,628	4.76%	276,783	5.67%
2007	3,829	5.54%	285,422	3.12%
2008	3,879	1.31%	288,379	1.04%
2009	3,978	2.55%	291,993	1.25%

LAKE COUNTY POPULATION DISTRIBUTION

<u>Median Age in Years</u>	<u>Age Distribution (Percentage)</u>				
	<u>0-14</u>	<u>15-44</u>	<u>45-64</u>	<u>65+</u>	
1980	43.2	17.8%	33.9%	22.9%	25.4%
1990	44.5	16.8%	33.7%	22.1%	27.4%
2000	45.0	17.1%	32.9%	23.7%	26.3%
2008		16.5%	31.1%	26.8%	25.6%

Source - Bureau of Economic Business Research, University of Florida

CITY OF FRUITLAND PARK, FLORIDA
 PRINCIPAL EMPLOYERS
 SEPTEMBER 30, 2009

<u>Employer</u>	<u>Employees</u>	<u>Rank</u>	<u>Percent of Total City Employment</u>
Wal-mart	375	1	37.5%
City of Fruitland Park	97	2	9.7%
Fruitland Park Elementary School	90	3	9.0%
Phillips Buick/Pontiac	60	4	6.0%
Bill Bryan Chrysler	76	5	7.6%
Munn's Heating & Air	40	6	4.0%
Total	<u>738</u>		<u>73.8%</u>
 Total City Employment	 <u>1,000</u>		

Note: This is the City's fourth year of implementation under GASB 44.

Source - Number of employees from direct calls to employers

- Total City Employment from Metro Orlando Economic Development
 Commission

CITY OF FRUITLAND PARK, FLORIDA
 CITY GOVERNMENT EMPLOYEES BY FUNCTION
 SEPTEMBER 30, 2009

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
GENERAL GOVERNMENT				
Legislative	10	10	10	10
Executive	3	3	3	3
Finance	4	4	4	4
Other General Government	1	1	1	1
PUBLIC SAFETY				
Police Department	21	22	23	23
Fire	25	25	25	25
Building Inspections	2	2	1	1
TRANSPORTATION				
Roads and Streets	5	5	5	5
CULTURE AND RECREATION				
Library	5	7	7	7
Municipal Pool	9	9	9	9
Recreation Maintenance	2	2	2	2
Recreation Programs	2	2	2	2
UTILITIES				
Water	3	3	3	3
Sewer	1	1	1	1
 Total Employees	 <u>93</u>	 <u>96</u>	 <u>96</u>	 <u>96</u>
Full-Time	39			
Part-Time	57			

Note: This is the City's fourth year of implementation under GASB 44.

Source: City Finance Department

CITY OF FRUITLAND PARK, FLORIDA
 OPERATING INDICATORS BY FUNCTION AND ACTIVITY
 SEPTEMBER 30, 2009

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Police Protection:				
Number of Sworn Police Officers	11	13	13	13
Number of Reserve Officers	5	5	5	5
Fire Protection:				
Number of Volunteer Firefighters	25	25	25	25
Building Inspections:				
Commercial Construction Permits	7	33	6	
Residential Construction Permits	100	30	33	
Roads and Streets:				
Street Resurfacing	None	None	.6 mile	.8 mile
Recreation:				
Number of City-wide events	2	2	2	2
Municipal Water System:				
Number of Consumers	1,610	1,617	1,728	1,712
New Connections	94	62	152	110

Note: This is the City's fourth year of implementation under GASB 44.

Source: Various City departments

**CITY OF FRUITLAND PARK, FLORIDA
CAPITAL ASSET AND INFRASTRUCTURE STATISTICS
SEPTEMBER 30, 2009**

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
City Land Area (square miles)	5.9	6.0	7.5	7.5
Police Protection:				
Number of Stations	1	1	1	1
Number of Patrol Units	12	13	13	13
Fire Protection:				
Number of Stations	1	1	1	1
Number of Fire Trucks	2	2	2	2
Culture and Recreation:				
Number of Libraries	1	1	1	1
Number of Municipal Pools	1	1	1	1
Number of Parks	4	4	4	4
Number of Baseball/softball fields	3	3	3	3
Number of Soccer fields	1	1	1	1
Number of Skateparks	1	1	1	1
Number of Community Centers	2	2	1	1
Municipal Water System:				
Wells	5	5	5	5
Water Towers	1	1	1	1

Note: This is the City's fourth year of implementation under GASB 44.

Source: Various City departments

Shumacker, Johnston & Ross, PA

Certified Public Accountants

J. Cecil Shumacker, CPA
Robert E. Johnston, CPA (1982-2001)
W. Chet Ross, CPA

American Institute of
Certified Public Accountants

Florida Institute of
Certified Public Accountants

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

March 31, 2010

Honorable Mayor and Members of
the City Commission
City of Fruitland Park, Florida

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Fruitland Park, Florida, as of and for the year ended September 30, 2009, which collectively comprise the City of Fruitland Park, Florida's basic financial statements and have issued our report thereon dated March 31, 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 of Fruitland Park, Florida's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City of Fruitland Park's internal control over financial reporting.

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the City's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood

that a misstatement of the City's financial statements that is more than inconsequential will not be prevented or detected by the City's internal control.

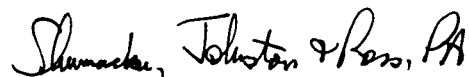
A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the City's internal control.

Our consideration of the internal control over financial reporting 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 financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of Fruitland Park, Florida's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of the City Commission, management and Federal and State of Florida awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.



Shumacker, Johnston & Ross, PA

CITY OF FRUITLAND PARK, FLORIDA
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 AND STATE FINANCIAL ASSISTANCE
 FOR THE YEAR ENDED SEPTEMBER 30, 2009

FEDERAL AWARDS				
Federal Grantor/ Program Title	Federal CFDA Number	Federal Revenues	Federal Expenditures	Federal through State Receipts
U.S. DEPARTMENT OF JUSTICE				
Pass through the Florida Dept. of Law Enforcement:				
Local Law Enforcement Block Grant (total grant \$1,000)				
Contract #2009-JAGD-LAKE-4-T8-040	16.738	\$ 1,000	\$ 1,000	\$ 1,000
U.S. DEPARTMENT OF TRANSPORTATION				
Pass through the Florida Dept. of Transportation:				
Aggressive Driving Enforcement Project Grant (total grant \$35,100)				
Project #SC-09-13-17 DOT Contract #APE43	20.600	34,358	34,358	34,358
U.S. ENVIRONMENTAL PROTECTION AGENCY				
Pass through the Florida Dept. of Environmental Protection:				
Clean Water State Revolving Fund Loan #WW91203S (maximum loan \$2,393,745)				
	66.458	-	-	-
Clean Water State Revolving Fund Loan #CS12091201P (maximum loan \$237,108)				
	66.458	-	-	-
Total Federal Awards		<u>\$ 35,358</u>	<u>\$ 35,358</u>	<u>35,358</u>

(Federal Single Audit not required)

Continued on next page

CITY OF FRUITLAND PARK, FLORIDA
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 AND STATE FINANCIAL ASSISTANCE
 FOR THE YEAR ENDED SEPTEMBER 30, 2009

STATE OF FLORIDA FINANCIAL ASSISTANCE

<u>State Agency/ Program Title</u>	<u>State Revenues</u>	<u>State Expenditures</u>	<u>State Receipts</u>
FLORIDA DEPARTMENT OF ENVIRONMENTAL PROTECTION			
NONE			
Total State Financial Assistance	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>
Total State Receipts			<u>\$35,358</u>

(Florida Single Audit not required)

NOTE: This schedule was prepared using the modified accrual basis of accounting for *Federal and State Revenues and Expenditures*, and the cash basis for *Federal through State Receipts and State Receipts*.

Shumacker, Johnston & Ross, PA

Certified Public Accountants

J. Cecil Shumacker, CPA
Robert E. Johnston, CPA (1982-2001)
W. Chet Ross, CPA

American Institute of
Certified Public Accountants

Florida Institute of
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INDEPENDENT AUDITOR'S REPORT ON EXAMINATION OF MANAGEMENT'S ASSERTION ABOUT COMPLIANCE WITH SPECIFIED REQUIREMENTS

March 31, 2010

Honorable Mayor and Members of the
City Commission
City of Fruitland Park, Florida

We have examined management's assertion included in its representation letter dated March 31, 2010, that the City of Fruitland Park, Florida complied with the allowable cost requirements of the grants and aids appropriations identified in the Schedule of Expenditures of Federal Awards and State Financial Assistance for the year ended September 30, 2009. Management is responsible for the City of Fruitland Park, Florida's compliance with those requirements. Our responsibility is to express an opinion on management's assertion about the City's compliance based on our examination.

Our examination was made in accordance with standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the City's compliance with specified requirements.

In our opinion, management's assertion that the City of Fruitland Park, Florida complied with the allowable cost requirements of the grants and aids appropriations identified in the Schedule of Expenditures of Federal Awards and State Financial Assistance during the year ended September 30, 2009 is fairly stated, in all material respects.

This report is intended solely for the information and use of management, the City Commission, and applicable State of Florida agencies and is not intended and should not be used by anyone other than these specified parties.



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MANAGEMENT LETTER

March 31, 2010

Honorable Mayor and Members of
the City Commission
City of Fruitland Park, Florida


We have audited the basic financial statements of the City of Fruitland Park, Florida as of and for the year ended September 30, 2009, and have issued our report thereon dated March 31, 2010.

The following comments and recommendations are provided as required by Chapter 10.550, Section 10.554(1)(i) *Rules of the Auditor General* for the State of Florida.

1. There were no significant findings or recommendations made in the preceding annual financial audit.
2. The City is in compliance with Section 218.415 *Florida Statutes* regarding the investment of public funds.
3. We have made no recommendations to improve the City's present financial management, accounting procedures, and internal controls.
4. We did not discover any violations of contracts and grant agreements or abuse that have an effect on the financial statements that is less than material but more than inconsequential.
- 5a. For matters that are inconsequential to the determination of financial statement amounts, considering both quantitative and qualitative factors and based on professional judgment, we have not reported any violations of laws, regulations, contracts or grant agreements or abuse that have occurred, or are likely to have occurred.

- 5b. We have not reported any control deficiencies that are not significant deficiencies, including but not limited to:
1. Improper or inadequate accounting procedures.
 2. Failures to properly record financial transactions.
 3. Inaccuracies, shortages or defalcations. Also, we did not either discover any instances of fraud, or have any instances of fraud come to our attention.
6. The name of the primary government is the City of Fruitland Park, Florida, created by charter under the legal authority of Chapter 12755, Laws of Florida, Session 1927. The reporting entity includes the activities of the Fruitland Park Community Redevelopment Agency, a dependent special district, as a blended component unit.
- 7a. The City has not met any of the financial emergency conditions described in Section 218.503(1), *Florida Statutes*.
- 7b. The financial report 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 year ended September 30, 2009.
- 7c. Financial condition assessment procedures pursuant to Rule 10.556(7) were applied during the audit of the basic financial statements. The City is not, and during the fiscal year, was not experiencing deteriorating financial conditions which may cause a financial emergency described in Section 218.503(1), *Florida Statutes*. Accordingly, we have made no recommendations addressing deteriorating financial conditions in accordance with Rule 10.557(6).

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



Shumacker, Johnston & Ross, PA