

CITY OF FRUITLAND PARK
COMPREHENSIVE ANNUAL FINANCIAL REPORT
SEPTEMBER 30, 2010

Prepared by:
Elizabeth P. Palmer
City Treasurer

Cover photos by:
Elizabeth P. Palmer



CITY OF FRUITLAND PARK, FLORIDA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED SEPTEMBER 30, 2010

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Introductory Section

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506 W. Berckman Street
Fruitland Park, Florida 34731

Tel. (352) 360-6727
Fax. (352) 360-6686

March 28, 2011

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, 2010 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, 2010 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, which is based on 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, 2010, 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 meetings 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 4,129 and a land area of approximately 7.5 square miles. The City's property tax millage rate is 4.36 mils for fiscal year 2010.

The City of Fruitland Park provides a full range of services to its residents. These services include a public 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 and service industries. Fruitland Park is located in the triangle between Leesburg, Lady Lake and The Villages, the largest residential retirement community in the state.

Fruitland Park, like other communities nationwide, has been impacted by the decline in the economy and housing markets. Development continues but at a slower and less intense pace than a few years earlier. Fruitland Park recently annexed several large parcels of property that put development in prime position for quick startup once market conditions improve.

The Florida Department of Transportation recently announced a major construction project for U.S. Highway 27/441 in Fruitland Park. This project will expand the City's main corridor from four to six lanes. Expansion design from two to four lanes of the City's second major thoroughfare, 466A, is complete and purchase of right of way is underway. Construction is expected to begin in the near future.

The City is working with Smart Fuels Florida LLC, a local company that will produce biodiesel from waste cooking oil. It is

anticipated that this project will add more than 70 new jobs to the local economy. Spring Lake Cove, the City's first multi-story apartment complex, is now in full operation offering 144 new residential apartments.

There are 404 licensed businesses in Fruitland Park as of September 30, 2010.

Businesses looking to build or relocate in Lake County can take advantage of various incentives. Lake County's Department of Economic Growth and Redevelopment sponsors several Business Incentive programs.

Review Appropriate to Priority in Development (RAPID) is a new program that provides expedited plan review and inspections affecting construction of a facility in a time frame to meet corporate goals/deadlines of the organization.

High Value Job Creation Program (HVJCP) is a new program designed to encourage and target industry businesses that offer significant economic benefit and create high-value jobs. This program provides a cash award for the creation of jobs that pay a minimum of 115% of the County's average annual wage.

The Artist Relocation Program (ARP) is designed to encourage arts and culture in downtown art districts by providing matching funds to new or relocating art businesses to offset building improvement costs.

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 2010 unemployment rate was 11.9%. This is down from 12.6% for the same time period last year. This rate is slightly lower than the state average of 12.0% and higher than the national average of 9.4% 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 2010, 232 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, authorized through December 31, 2017, provides a funding source for infrastructure and capital projects. Among other projects, the City pledged these dollars for debt service on City Hall. The seventh of ten annual payments was made in February 2010 leaving an outstanding principal balance of \$339,399 on this loan.

At September 30, 2010 the unreserved, undesignated fund balance in the General Fund increased from 2.18 to 2.53 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, 2009. This is the eleventh 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 dedicated efforts of the finance department staff. We would like to express our appreciation to staff members who assisted and contributed to the preparation of this report. Special recognition is given to finance department employees 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

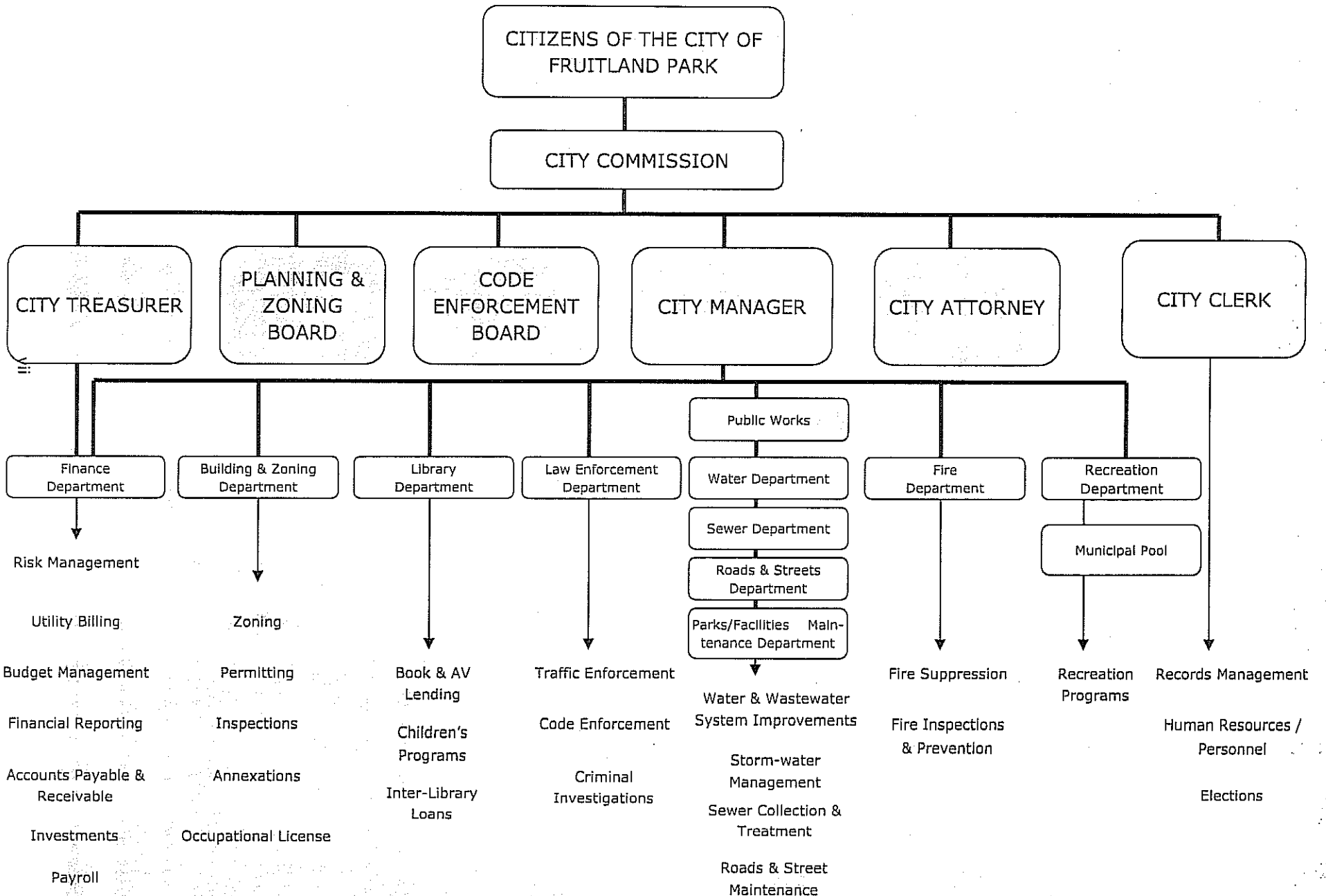
September 30, 2010

Mayor Christopher J. Bell
Vice Mayor-Commissioner..... John Gunter
Commissioner.....Albert O. "Al" Goldberg
Commissioner..... Sharon A. Kelly
Commissioner.....James C. "Jim" Richardson

City Manager..... Ralph O. Bowers
City Treasurer.....Elizabeth P. Palmer
City Clerk.....Diane Gibson-Smith
Police Chief.....J. Mark Isom
Community Development Director.....Charles W. "Charlie" Rector
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, 2009

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



President

Executive Director

Financial section

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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 28, 2011

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, 2010, 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, 2010 and 2009, 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.

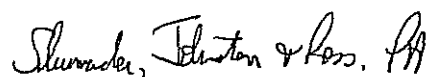
In our opinion, the financial statements referred to in the first paragraph present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Fruitland Park, Florida as of September 30, 2010, 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, 2010 and 2009, 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, 2010 and 2009, 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 28, 2011 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, 2010

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, 2010. 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 \$10,029,748 (net assets). Of this amount, \$995,347 or 10% is unrestricted net assets which 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 decreased \$253,566. Net assets for governmental activities decreased \$69,132 and net assets for business activities decreased \$184,434.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$2,324,425. Thirty-three percent of this amount or \$766,608 is unreserved and available for spending in accordance with the City's fund designation and fiscal policies.
- The City's total long term debt decreased \$227,659 during the fiscal year. The reduction is due to scheduled debt service payments on the wastewater collection and transmission system and the fire pumper.
- At the end of the current fiscal year, unreserved, undesignated fund balance for the General Fund was \$766,608 or 21% of total General Fund expenditures. This is a \$91,983 increase over the \$674,625 balance for the prior year.

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.

CITY OF FRUITLAND PARK
Management's Discussion and Analysis (MD&A)
For the Fiscal Year Ending September 30, 2010

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.

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*.

CITY OF FRUITLAND PARK
Management's Discussion and Analysis (MD&A)
For the Fiscal Year Ending September 30, 2010

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 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 17-21 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 29-48 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 49 of this report.

Combining and individual fund statements and schedules can be found on pages 54-82 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

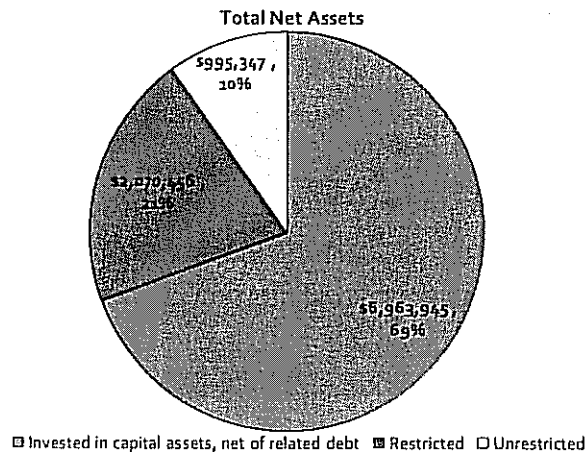
Statement of Net Assets. As noted earlier, over time net assets may serve as a useful indicator of a government's financial position. In the case of the City of Fruitland Park, assets exceeded liabilities by \$10,029,748 as of September 30, 2010. The following table reflects the condensed statement of 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, 2010

CITY OF FRUITLAND PARK - NET ASSETS

	Governmental Activities		Business-type Activities		Total	
	2010	2009	2010	2009	2010	2009
Current and other assets	\$ 2,555,617	\$ 2,971,744	\$ 1,224,318	\$ 1,460,703	\$ 3,779,935	\$ 4,432,447
Capital Assets	4,144,326	4,070,811	4,763,946	4,697,046	8,908,272	8,767,857
Net Pension Obligation	8,938	8,938	-	-	8,938	8,938
Total Assets	6,708,881	7,051,493	5,988,264	6,157,749	12,697,145	13,209,242
Current and other liabilities	410,902	355,865	331,671	126,851	742,573	482,716
Long-term liabilities outstanding	269,893	598,410	1,654,931	1,844,802	1,924,824	2,443,212
Total liabilities	680,795	954,275	1,986,602	1,971,653	2,667,397	2,925,928
Net Assets:						
Invested in capital assets, net of related debt	3,736,577	3,525,988	3,227,368	2,937,548	6,963,945	6,463,536
Restricted	1,508,927	1,748,873	561,529	669,852	2,070,456	2,418,725
Unrestricted	782,582	822,357	212,765	578,696	995,347	1,401,053
Total net assets	\$ 6,028,086	\$ 6,097,218	\$ 4,001,662	\$ 4,186,096	\$ 10,029,748	\$ 10,283,314

The largest portion of the City's net assets (\$6,963,945 or 69%) 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.



CITY OF FRUITLAND PARK
Management's Discussion and Analysis (MD&A)
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An additional portion of the City of Fruitland Park's net assets (\$2,070,456 or 21%) represents resources that are subject to external restrictions on how they may be used. The remaining balance, unrestricted net assets (\$995,347 or 10%), 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.

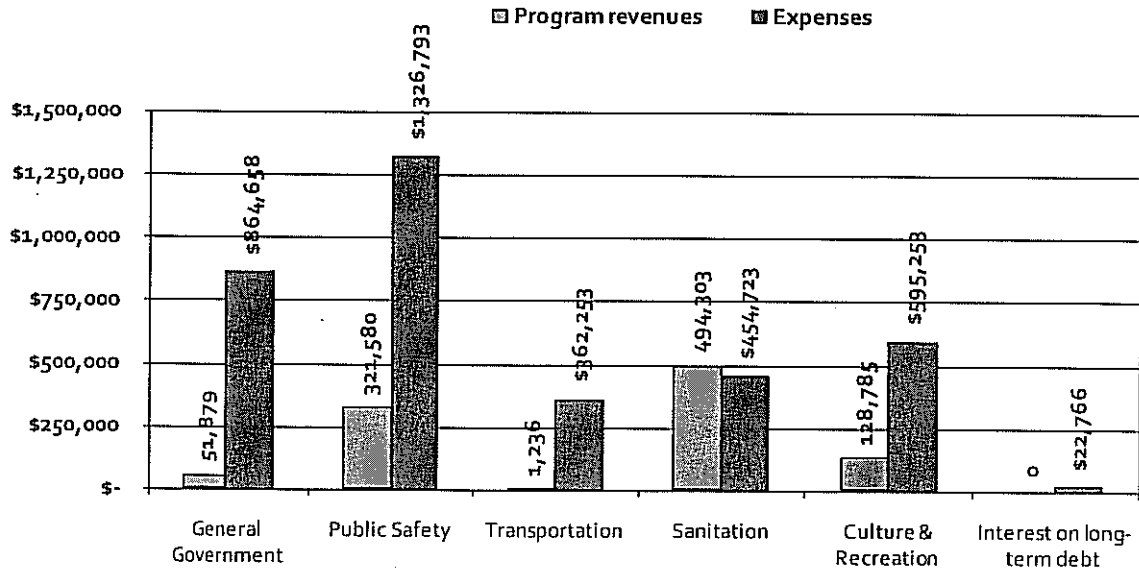
Statement of Activities. As noted earlier, the statement of activities presents information showing how the City's net assets changed during the year. The following table reflects the condensed statement of activities for the current fiscal year as compared to the prior fiscal year.

CITY OF FRUITLAND PARK'S CHANGES IN NET ASSETS

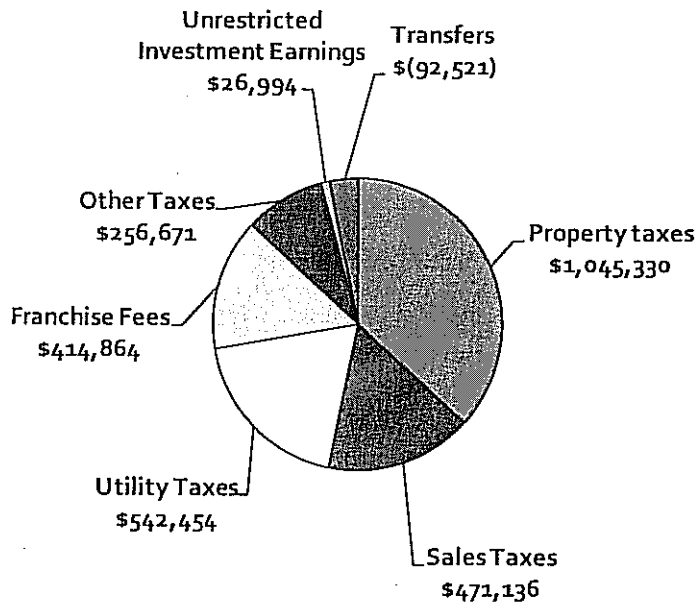
	Governmental Activities		Business-type Activities		Total	
	2010	2009	2010	2009	2010	2009
Revenues:						
Program revenues:						
Charges for services	\$ 887,482	\$ 810,022	\$ 669,489	\$ 667,830	\$ 1,556,971	\$ 1,477,852
Operating grants and contributions	100,267	108,020	-	-	100,267	108,020
Capital grants and contributions	91,892	78,277	45,492	37,254	137,384	115,531
General revenues:						
Property taxes	1,045,330	1,087,169	-	-	1,045,330	1,087,169
Sales Taxes	471,136	467,231	-	-	471,136	467,231
Franchise fees and utility taxes	957,318	927,619	-	-	957,318	927,619
Exise taxes	256,671	264,612	-	-	256,671	264,612
Unrestricted investment earnings	26,994	51,403	40,156	(11,631)	67,150	39,772
Total revenues	3,837,090	3,794,353	755,137	693,453	4,592,227	4,487,806
Expenses:						
General Government	872,323	864,658	-	-	872,323	864,658
Public Safety	1,550,621	1,326,793	-	-	1,550,621	1,326,793
Transportation	366,990	362,253	-	-	366,990	362,253
Sanitation	448,014	454,723	-	-	448,014	454,723
Culture and Recreation	558,258	595,253	-	-	558,258	595,253
Water	-	-	649,113	482,437	649,113	482,437
Recreation Programs	-	-	18,899	22,645	18,899	22,645
Sewer	-	-	364,080	322,279	364,080	322,279
Interest on Long-term Debt	17,495	22,766	-	-	17,495	22,766
Total expenses	3,813,701	3,626,446	1,032,092	827,361	4,845,793	4,453,807
Change in net assets before transfers	23,389	167,907	(276,955)	(133,908)	(253,566)	33,999
Transfers	(92,521)	185,200	92,521	(185,200)	-	-
Change in net assets	(69,132)	353,107	(184,434)	(319,108)	(253,566)	33,999
Net assets - 10/01/2009	6,097,218	5,744,111	4,186,096	4,505,204	10,283,314	10,249,315
Net assets - 09/30/2010	\$ 6,028,086	\$ 6,097,218	\$ 4,001,662	\$ 4,186,096	\$ 10,029,748	\$ 10,283,314

CITY OF FRUITLAND PARK
Management's Discussion and Analysis (MD&A)
For the Fiscal Year Ending September 30, 2010

Program Revenues and Expenses - Governmental Activities



Revenues by Source - Governmental Activities



CITY OF FRUITLAND PARK
Management's Discussion and Analysis (MD&A)
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Business-Type Activities. Business-type activities decreased the City's net assets by \$184,434. The main reasons for the decrease are increased expenses due to an operational problem in the City's wastewater treatment collection system and increased costs to renew the City's Consumptive Use Permit (CUP).

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 2010 the City's governmental funds reported combined ending fund balances of \$2,324,425. Approximately 33% of this total amount (\$766,608) 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 (\$44,060), 2) police equipment (\$67,649), 3) cemetery care (\$115,772), 4) storm-water utility (\$72,005) 5) redevelopment (\$697,955) 6) infrastructure (\$252,613), 7) prepaid items (\$48,890) and 8) public safety capital improvements (\$258,873).

The General Fund is the primary operating fund of the City. As of the end of fiscal year 2010 the fund balance of the General Fund increased \$143,671, from \$1,230,186 to \$1,373,857 of which \$607,249 or 44% is reserved. This increase is due to a transfer in of \$161,189 from the Capital Projects Fund unreserved fund balance. 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, which represents 21% of General Fund's current expenditures, increased \$91,983 from \$674,625 to \$766,608.

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 2010 the City's Utility Fund reported total net assets of \$3,994,457. Of this amount \$3,227,368 or 81% is invested in capital assets (net of related debt); \$498,407 is restricted for utility capital improvements; \$63,122 is restricted for debt service and \$205,560 is unrestricted. Utility Fund net assets decreased \$187,737 from \$4,182,194 in 2009 to \$3,994,457 at September 30, 2010. This is primarily due to increased costs for consultants working to renew the City's consumptive use permit.

As of September 30, 2010 the City's Recreation Programs Fund reported unrestricted net assets of \$7,205, an increase of \$3,303 compared to the prior fiscal year.

CITY OF FRUITLAND PARK
Management's Discussion and Analysis (MD&A)
For the Fiscal Year Ending September 30, 2010

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 2010 General Fund budget was balanced by appropriating \$39,842 of unreserved fund balance. The unreserved fund balance increased \$91,983 from \$674,625 in 2009 to \$766,608 in fiscal year 2010.

CAPITAL ASSETS

The City's investment in capital assets for its governmental and business-type activities as of September 30, 2010, amounts to \$8,908,272 (net of depreciation). Capital assets are summarized below.

CITY OF FRUITLAND PARK'S Capital Assets (net of depreciation)						
	Governmental Activities		Business-Type Activities		Total	
	2010	2009	2010	2009	2010	2009
Land	943,094	674,672	339,699	339,699	1,282,793	1,014,371
Design in Progress	-	44,850			-	44,850
Buildings	1,915,144	1,976,682	111,002	117,505	2,026,146	2,094,187
Improvements other than buildings	260,736	303,011			260,736	303,011
Utility Systems			4,146,958	4,107,773	4,146,958	4,107,773
Equipment	392,502	416,690	166,287	132,069	558,789	548,759
Infrastructure	<u>632,850</u>	<u>654,906</u>	<u>-</u>	<u>-</u>	<u>632,850</u>	<u>654,906</u>
Total Capital Assets	<u>\$ 4,144,326</u>	<u>\$ 4,070,811</u>	<u>\$ 4,763,946</u>	<u>\$ 4,697,046</u>	<u>\$ 8,908,272</u>	<u>\$ 8,767,857</u>

Additional information on the City's capital assets can be found in Note 5 on page 35 & 36 of this report.

LONG-TERM DEBT

The City owns and operates a municipal water supply system which provides service to both 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

CITY OF FRUITLAND PARK
Management's Discussion and Analysis (MD&A)
For the Fiscal Year Ending September 30, 2010

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 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 2010, the City's long-term debt decreased \$236,231 from \$2,443,212 to \$2,206,981. The outstanding balance includes a \$339,399 note for City Hall, \$198,906 State Revolving Fund (SRF) loan balance for preconstruction planning and engineering of the sewer utility system, \$1,548,972 for a SRF loan for the construction of the wastewater collection and treatment system, \$59,595 for a fire pumper truck and \$8,755 for a video system lease. The City also reports a long-term liability of \$51,354 for compensated absences.

Additional information on the City's long-term debt can be found in Note 6 on pages 36-40 of this report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The City's final taxable value of commercial and residential property decreased \$11,777,980 or 5.6% from \$210,128,211 in fiscal year 2009 to \$198,350,231 in fiscal year 2010. Considering this and the City's ad-valorem tax rate remained the same at 4.36 mills for 2010, the City still collected 96% of the prior year. This is due to the collection of delinquent taxes.

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)
For the Fiscal Year Ending September 30, 2010

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

1. 2014年12月31日 2014年12月31日 2014年12月31日

CITY OF FRUITLAND PARK, FLORIDA
STATEMENT OF NET ASSETS
SEPTEMBER 30, 2010

Assets	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
Cash	\$ 1,389,851	\$ (4,977)	\$ 1,384,874
Certificates of Deposit	900,000	202,854	1,102,854
Investments	-	79,674	79,674
Restricted Cash	-	580,595	580,595
Receivable (net of allowance for uncollectibles)	138,894	109,687	248,581
Due from Other Governments	77,982	-	77,982
Inventory and Prepaids	48,890	50,912	99,802
Deferred Charges	-	205,573	205,573
Capital Assets (net of accumulated depreciation):			
Land	943,094	339,699	1,282,793
Buildings	1,915,144	111,002	2,026,146
Improvements Other Than Buildings	260,736	-	260,736
Utility Systems	-	4,146,958	4,146,958
Equipment	392,502	166,287	558,789
Infrastructure	632,850	-	632,850
Net Pension Obligation	8,938	-	8,938
TOTAL ASSETS	6,708,881	5,988,264	12,697,145
LIABILITIES			
Accounts Payable	122,318	134,655	256,973
Accrued Liabilities	12,617	2,020	14,637
Due to Other Governments	11,593	-	11,593
Accrued Interest Payable	10,275	5,711	15,986
Customer Deposits	-	89,645	89,645
Unearned Revenue	71,582	-	71,582
Noncurrent Liabilities:			
Due within one year	182,517	99,640	282,157
Due in more than one year	269,893	1,654,931	1,924,824
TOTAL LIABILITIES	680,795	1,986,602	2,667,397
NET ASSETS			
Invested in Capital Assets, net of related debt	3,736,577	3,227,368	6,963,945
Restricted for:			
Capital Improvements	511,486	498,407	1,009,893
Redevelopment Projects	697,955	-	697,955
Debt Service	-	63,122	63,122
Cemetery Care	115,772	-	115,772
Police	111,709	-	111,709
Stormwater	72,005	-	72,005
Unrestricted	782,582	212,765	995,347
TOTAL NET ASSETS	\$ 6,028,086	\$ 4,001,662	\$ 10,029,748

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

CITY OF FRUITLAND PARK, FLORIDA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2010

	EXPENSES	PROGRAM REVENUES		
		CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS
GOVERNMENTAL ACTIVITIES:				
General Government	\$ 872,323	\$ 50,483	\$ 1,396	\$ -
Public Safety	1,550,621	318,461	3,838	91,892
Transportation	366,990	-	1,273	-
Sanitation/Other Utility	448,014	488,063	770	-
Culture and Recreation	558,258	30,475	92,990	-
Interest on Long-term Debt	17,495	-	-	-
TOTAL GOVERNMENTAL ACTIVITIES	3,813,701	887,482	100,267	91,892
BUSINESS-TYPE ACTIVITIES:				
Water Utility	649,113	542,438	-	9,357
Sewer Utility	364,080	104,851	-	36,135
Recreation Programs	18,899	22,200	-	-
TOTAL BUSINESS-TYPE ACTIVITIES	1,032,092	669,489	-	45,492
TOTAL	\$ 4,845,793	\$ 1,556,971	\$ 100,267	\$ 137,384

GENERAL REVENUES:
Property Taxes
Sales Taxes
Franchise Fees
Utility Taxes
Excise Taxes
Unrestricted Investment Earnings
TRANSFERS

TOTAL GENERAL REVENUES AND TRANSFERS

CHANGES 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

GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
\$ (820,444)	\$ -	\$ (820,444)
(1,136,430)	-	(1,136,430)
(365,717)	-	(365,717)
40,819	-	40,819
(434,793)	-	(434,793)
(17,495)	-	(17,495)
<u>(2,734,060)</u>	<u>-</u>	<u>(2,734,060)</u>
-	(97,318)	(97,318)
-	(223,094)	(223,094)
-	3,301	3,301
<u>-</u>	<u>(317,111)</u>	<u>(317,111)</u>
<u>(2,734,060)</u>	<u>(317,111)</u>	<u>(3,051,171)</u>
1,045,330	-	1,045,330
471,136	-	471,136
414,864	-	414,864
542,454	-	542,454
256,671	-	256,671
26,994	40,156	67,150
(92,521)	92,521	-
<u>2,664,928</u>	<u>132,677</u>	<u>2,797,605</u>
(69,132)	(184,434)	(253,566)
<u>6,097,218</u>	<u>4,186,096</u>	<u>10,283,314</u>
<u>\$ 6,028,086</u>	<u>\$ 4,001,662</u>	<u>\$ 10,029,748</u>

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CITY OF FRUITLAND PARK, FLORIDA

BALANCE SHEET

GOVERNMENTAL FUNDS

SEPTEMBER 30, 2010

ASSETS	GOVERNMENTAL FUNDS			TOTAL
	GENERAL	COMMUNITY REDEVELOPMENT	CAPITAL PROJECTS	GOVERNMENTAL FUNDS
Cash	\$ 859,630	\$ 305,223	\$ 224,998	\$ 1,389,851
Certificates of Deposit	500,000	400,000	-	900,000
Accounts Receivable (net of allowance for uncollectibles)	138,894	-	-	138,894
Due from Other Governments	50,367	-	27,615	77,982
Inventory and Prepaids	48,890	-	-	48,890
TOTAL ASSETS	\$ 1,597,781	\$ 705,223	\$ 252,613	\$ 2,555,617
LIABILITIES AND FUND BALANCES				
LIABILITIES:				
Accounts Payable	\$ 115,050	\$ 7,268	\$ -	\$ 122,318
Accrued Liabilities	12,617	-	-	12,617
Due to Other Governments	11,593	-	-	11,593
Unearned/Deferred Revenues	84,664	-	-	84,664
TOTAL LIABILITIES	223,924	7,268	-	231,192
FUND BALANCES:				
Reserved for:				
Prepaids	48,890	-	-	48,890
Cemetery Care	115,772	-	-	115,772
Police	111,709	-	-	111,709
Stormwater	72,005	-	-	72,005
Capital Improvements	258,873	-	-	258,873
Redevelopment	-	697,955	-	697,955
Infrastructure	-	-	252,613	252,613
Unreserved	766,608	-	-	766,608
TOTAL FUND BALANCES	1,373,857	697,955	252,613	2,324,425
TOTAL LIABILITIES AND FUND BALANCES	\$ 1,597,781	\$ 705,223	\$ 252,613	

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 \$6,507,655 less accumulated depreciation of \$2,363,329. 4,144,326

Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds. 13,082

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 \$10,275, capital leases \$68,350, note payable \$339,399 and compensated absences \$44,661.

(462,685)

NET ASSETS OF GOVERNMENTAL ACTIVITIES

\$ 6,028,086

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, 2010

	GENERAL	COMMUNITY REDEVELOPMENT	CAPITAL PROJECTS	TOTAL GOVERNMENTAL FUNDS
REVENUES:				
Taxes	\$ 1,943,790	\$ -	\$ 296,393	\$ 2,240,183
License and Permits	50,576	-	-	50,576
Intergovernmental	487,770	319,923	-	807,693
Charges for Services	615,395	-	-	615,395
Fines and Forfeitures	176,977	-	-	176,977
Miscellaneous and Revenues	58,006	18,008	3,293	79,307
TOTAL REVENUES	3,332,514	337,931	299,686	3,970,131
EXPENDITURES:				
Current				
General Government	947,578	18,005	-	965,583
Public Safety	1,421,232	-	-	1,421,232
Transportation	265,408	71,808	-	337,216
Sanitation/Other Utility	448,014	-	-	448,014
Culture and Recreation	504,703	-	-	504,703
Capital Outlay	-	268,422	79,600	348,022
Debt Service:				
Principal	31,978	-	105,096	137,074
Interest	4,537	-	16,590	21,127
TOTAL EXPENDITURES	3,623,450	358,235	201,286	4,182,971
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(290,936)	(20,304)	98,400	(212,840)
OTHER FINANCING SOURCES (USES);				
Transfers In	434,607	-	-	434,607
Transfers Out	-	(26,737)	(500,391)	(527,128)
TOTAL OTHER FINANCING SOURCES (USES)	434,607	(26,737)	(500,391)	(92,521)
NET CHANGE IN FUND BALANCES	143,671	(47,041)	(401,991)	(305,361)
FUND BALANCES:				
Beginning of Year	1,230,186	744,996	654,604	2,629,786
End of Year	<u>\$ 1,373,857</u>	<u>\$ 697,955</u>	<u>\$ 252,613</u>	<u>\$ 2,324,425</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, 2010

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

NET CHANGE IN FUND BALANCES-TOTAL GOVERNMENTAL FUNDS	\$ (305,361)
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, \$455,097 exceeded depreciation, \$257,132 in the current period.	
	197,965
The Statement of Activities reports losses arising from the disposition of existing capital assets. Conversely, governmental funds do not report gain or loss from capital asset dispositions.	
	(124,450)
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.	
	13,082
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.	
	137,074
Interest accrued on long-term debt reports in the Statement of Activities does not require the use of current financial resources and, therefore, is not reported as expenditures in governmental funds.	
	3,632
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.	
	8,926
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.	
	-
CHANGED IN NET ASSETS OF GOVERNMENTAL ACTIVITIES	<u>\$ (69,132)</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, 2010

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
REVENUES:				
Taxes	\$ 1,803,980	\$ 1,878,980	\$ 1,943,790	\$ 64,810
Licenses and Permits	62,750	62,900	50,576	(12,324)
Intergovernmental	474,929	486,701	487,770	1,069
Charges for Services	624,978	637,223	615,395	(21,828)
Fines and Forfeitures	256,300	208,001	176,977	(31,024)
Miscellaneous	128,420	85,654	58,006	(27,648)
TOTAL REVENUES	<u>3,351,357</u>	<u>3,359,459</u>	<u>3,332,514</u>	<u>(26,945)</u>
EXPENDITURES:				
Current:				
General Government	943,284	1,008,521	947,578	60,943
Public Safety	1,474,412	1,536,977	1,421,232	115,745
Transportation	304,892	291,367	265,408	25,959
Sanitation/Other Utility	445,254	545,254	448,014	97,240
Culture and Recreation	561,909	559,561	504,703	54,858
Debt Service	36,516	36,516	36,515	1
TOTAL EXPENDITURES	<u>3,766,267</u>	<u>3,978,196</u>	<u>3,623,450</u>	<u>354,746</u>
DEFICIENCY OF REVENUES UNDER EXPENDITURES	<u>(414,910)</u>	<u>(618,737)</u>	<u>(290,936)</u>	<u>327,801</u>
OTHER FINANCING SOURCES (USES):				
Transfers In	338,047	499,237	434,607	(64,630)
Sale of Capital Assets	2,000	2,000	-	(2,000)
TOTAL OTHER FINANCING SOURCES (USES)	<u>340,047</u>	<u>501,237</u>	<u>434,607</u>	<u>(66,630)</u>
NET CHANGE IN FUND BALANCES	<u>(74,863)</u>	<u>(117,500)</u>	<u>143,671</u>	<u>261,171</u>
FUND BALANCE, Beginning of Year	<u>1,230,186</u>	<u>1,230,186</u>	<u>1,230,186</u>	<u>-</u>
FUND BALANCE, End of Year	<u>\$ 1,155,323</u>	<u>\$ 1,112,686</u>	<u>\$ 1,373,857</u>	<u>\$ 261,171</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, 2010

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
REVENUES:				
Intergovernmental	\$ 323,485	\$ 319,922	\$ 319,923	\$ 1
Miscellaneous	37,560	20,225	18,008	(2,217)
TOTAL REVENUES	<u>361,045</u>	<u>340,147</u>	<u>337,931</u>	<u>(2,216)</u>
EXPENDITURES:				
General Government:				
Other General Government	870	13,770	18,005	(4,235)
Contingency	302,003	85,963	-	85,963
Transportation:				
Roads and Streets	100,050	100,050	71,808	28,242
Capital Outlay		190,042	268,422	(78,380)
TOTAL EXPENDITURES	<u>402,923</u>	<u>389,825</u>	<u>358,235</u>	<u>31,590</u>
DEFICIENCY OF REVENUES OVER UNDER EXPENDITURES	<u>(41,878)</u>	<u>(49,678)</u>	<u>(20,304)</u>	<u>29,374</u>
OTHER FINANCING SOURCES (USES):				
Transfers Out	<u>(62,612)</u>	<u>(113,689)</u>	<u>(26,737)</u>	<u>86,952</u>
NET CHANGE IN FUND BALANCES	<u>(104,490)</u>	<u>(163,367)</u>	<u>(47,041)</u>	<u>116,326</u>
FUND BALANCE, Beginning of Year	<u>744,996</u>	<u>744,996</u>	<u>744,996</u>	<u>-</u>
FUND BALANCE, End of Year	<u>\$ 640,506</u>	<u>\$ 581,629</u>	<u>\$ 697,955</u>	<u>\$ 116,326</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, 2010

ASSETS	ENTERPRISE FUNDS		
	UTILITY	RECREATION	TOTAL
	FUND	PROGRAMS FUND	
<u>CURRENT ASSETS</u>			
Cash	\$ (12,182)	\$ 7,205	\$ (4,977)
Certificates of Deposit	202,854	-	202,854
Investments	79,674	-	79,674
Restricted Cash:			
SRF Loan Reserves	68,834	-	68,834
Customer Deposits	45,270	-	45,270
Customer Accounts Receivable (net of allowance for uncollectibles)	77,771	-	77,771
Inventory	50,912	-	50,912
TOTAL CURRENT ASSETS	513,133	7,205	520,338
<u>NONCURRENT ASSETS</u>			
RESTRICTED CASH:			
Water and Sewer Impact Fees	466,491	-	466,491
SEWER IMPACT FEE RECEIVABLES	31,916	-	31,916
DEFERRED CHARGES	205,573	-	205,573
CAPITAL ASSETS:			
Land	339,699	-	339,699
Buildings	243,408	-	243,408
Water System	3,199,076	-	3,199,076
Sewer System	2,421,161	-	2,421,161
Equipment	407,998	-	407,998
	6,611,342	-	6,611,342
Less Accumulated Depreciation	1,847,396	-	1,847,396
NET CAPITAL ASSETS	4,763,946	-	4,763,946
TOTAL NONCURRENT ASSETS	5,467,926	-	5,467,926
TOTAL ASSETS	5,981,059	7,205	5,988,264

CITY OF FRUITLAND PARK, FLORIDA
STATEMENT OF NET ASSETS (continued)
PROPRIETARY FUNDS
SEPTEMBER 30, 2010

	ENTERPRISE FUNDS		
	UTILITY FUND	RECREATION PROGRAMS FUND	TOTAL
LIABILITIES			
<u>CURRENT LIABILITIES</u>			
Accounts Payable	\$ 134,655	\$ -	\$ 134,655
Accrued Payroll	2,020	-	2,020
Customer Deposits	89,645	-	89,645
State Revolving Fund Loans:			
Accrued Interest	5,711	-	5,711
Current Portion	92,947	-	92,947
Compensated Absences	6,693	-	6,693
TOTAL CURRENT LIABILITIES	<u>331,671</u>	<u>-</u>	<u>331,671</u>
<u>NONCURRENT LIABILITIES</u>			
SRF LOANS PAYABLE	<u>1,654,931</u>	<u>-</u>	<u>1,654,931</u>
TOTAL LIABILITIES	<u>1,986,602</u>	<u>-</u>	<u>1,986,602</u>
NET ASSETS			
Invested in Capital Assets, net of related debt	3,227,368	-	3,227,368
Restricted for utility capital improvements	498,407	-	498,407
Restricted for debt service	63,122	-	63,122
Unrestricted	<u>205,560</u>	<u>7,205</u>	<u>212,765</u>
TOTAL NET ASSETS	<u>\$ 3,994,457</u>	<u>\$ 7,205</u>	<u>\$ 4,001,662</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, 2010

	ENTERPRISE FUNDS		
	UTILITY FUND	RECREATION PROGRAMS FUND	TOTAL
OPERATING REVENUES:			
Charges for Services	\$ 563,376	\$ 22,200	\$ 585,576
Other Operating Revenues	83,913	-	83,913
TOTAL OPERATING REVENUES	647,289	22,200	669,489
OPERATING EXPENSES:			
Personal Services	261,678	-	261,678
Other Operating Expenses	423,330	18,899	442,229
Depreciation	200,062	-	200,062
TOTAL LIABILITIES	885,070	18,899	903,969
OPERATING INCOME (LOSS)	(237,781)	3,301	(234,480)
NONOPERATING REVENUES (EXPENSES):			
Interest Income	10,799	2	10,801
Increase in Fair Value of Investments	29,355	-	29,355
Interest Expense	(46,787)	-	(46,787)
Debt Issuance Costs	(2,371)	-	(2,371)
Loss on Asset Disposition	(78,965)	-	(78,965)
TOTAL NONOPERATING REVENUES (EXPENSES)	(87,969)	2	(87,967)
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	(325,750)	3,303	(322,447)
CONTRIBUTIONS	45,492	-	45,492
TRANSFERS IN	269,708	-	269,708
TRANSFERS OUT	(177,187)	-	(177,187)
CHANGE IN NET ASSETS	(187,737)	3,303	(184,434)
NET ASSETS, Beginning of Year	4,182,194	3,902	4,186,096
NET ASSETS, End of Year	<u>\$ 3,994,457</u>	<u>\$ 7,205</u>	<u>\$ 4,001,662</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, 2010

	ENTERPRISE FUNDS		
	UTILITY FUND	RECREATION PROGRAMS FUND	TOTAL
CASH FLOWS FROM OPERATING ACTIVITIES:			
Cash received from customers	\$ 649,086	\$ 22,200	\$ 671,286
Cash payments to suppliers for goods and services	(291,016)	(22,572)	(313,588)
Cash payments to employees for services	(268,313)	-	(268,313)
 NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	 <u>89,757</u>	 <u>(372)</u>	 <u>89,385</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:			
Transfers in from Redevelopment Fund	26,737	-	26,737
Transfers in from Capital Projects Fund	242,971	-	242,971
Transfers out to General Fund	(177,187)	-	(177,187)
 NET CASH PROVIDED BY NONCAPITAL FINANCING ACTIVITIES	 <u>92,521</u>	 <u>-</u>	 <u>92,521</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
Impact Fees received	45,492	-	45,492
SRF Loan principal repayments	(90,585)	-	(90,585)
SRF Loan interest paid	(47,083)	-	(47,083)
Acquisition and construction of capital assets	(434,720)	-	(434,720)
 NET CASH USED IN CAPITAL AND RELATED FINANCING ACTIVITIES	 <u>(526,896)</u>	 <u>-</u>	 <u>(526,896)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:			
State Board Pool B investments	21,565	-	21,565
Certificate of Deposit investments	(2,854)	-	(2,854)
Interest received on investments	10,799	2	10,801
 NET CASH PROVIDED BY INVESTING ACTIVITIES	 <u>29,510</u>	 <u>2</u>	 <u>29,512</u>
 NET DECREASE IN CASH	 <u>(315,108)</u>	 <u>(370)</u>	 <u>(315,478)</u>
CASH, Beginning of Year	<u>883,521</u>	<u>7,575</u>	<u>891,096</u>
CASH, End of Year	<u>\$ 568,413</u>	<u>\$ 7,205</u>	<u>\$ 575,618</u>

continued on next page

CITY OF FRUITLAND PARK, FLORIDA
STATEMENT OF CASH FLOWS (continued)
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2010

	ENTERPRISE FUNDS		
	UTILITY FUND	RECREATION PROGRAMS FUND	TOTAL
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED			
OPERATING ACTIVITIES:			
Operating Income (Loss)	\$ (237,781)	\$ 3,301	\$ (234,480)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:			
Depreciation	200,062	-	200,062
Changes in Assets and Liabilities:			
Increase in Customer Receivables	(53)	-	(53)
Decrease in Inventory	18,026	-	18,026
Increase (Decrease) in Accounts Payable	114,288	(3,673)	110,615
Decrease in Accrued Payroll	(6,989)	-	(6,989)
Increase in Customer Deposits	1,850	-	1,850
Increase Compensated Absences	354	-	354
TOTAL ADJUSTMENTS	<u>327,538</u>	<u>(3,673)</u>	<u>323,865</u>
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	<u>\$ 89,757</u>	<u>\$ (372)</u>	<u>\$ 89,385</u>

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, 2010

ASSETS	PENSION TRUST FUNDS
Cash	\$ 58,499
Certificates of Deposits	275,000
Investments with Trustees:	
Cash management funds	91,688
US Government securities	21,150
Corporate equity funds	81,582
Corporate bond funds	<u>5,234</u>
 TOTAL ASSETS	 <u>533,153</u>
 LIABILITIES	
LIABILITIES	<u>-</u>
 NET ASSETS	
Held in trust for City's Contributions	\$ 19,002
Held in trust for Firefighters' Contributions	12,328
Held in trust for Pension Benefits	501,823
 TOTAL NET ASSETS	 <u>\$ 533,153</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, 2010

	<u>PENSION TRUST FUNDS</u>
ADDITIONS	
CONTRIBUTIONS:	
City	\$ 30,369
Employees	1,723
State of Florida	<u>19,523</u>
Total Contributions	<u>51,615</u>
INVESTMENT INCOME:	
Net Depreciation in Fair Value of Investments	14,353
Interest/Dividend Income	<u>5,708</u>
Total Investment Income	20,061
Less Investment Expenses	<u>3</u>
Net Investment Income	<u>20,058</u>
TOTAL ADDITIONS	<u>71,673</u>
DEDUCTIONS	
Benefit Payments	12,688
Administration Expense	<u>750</u>
TOTAL DEDUCTIONS	<u>13,438</u>
CHANGE IN NET ASSETS	58,235
NET ASSETS HELD IN TRUST FOR PENSION BENEFITS:	
Beginning of Year	<u>474,918</u>
End of Year	<u><u>\$ 533,153</u></u>

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

CITY OF FRUITLAND PARK, FLORIDA
NOTE TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2010

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 segments 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 enterprises funds are reported as separate columns in the fund financial statements.

CITY OF FRUITLAND PARK, FLORIDA
NOTE TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2010

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 for 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
NOTE TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2010

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 and sewer 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 Local Government Surplus Funds Trust Fund (Fund A) investment pool bearing interest at 0.32% as of September 30, 2010. 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 value pool. At September 30, 2010, shares in the Fund B pool are stated net of a fair value factor of 0.707058.

CITY OF FRUITLAND PARK, FLORIDA
NOTE TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2010

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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

CITY OF FRUITLAND PARK, FLORIDA
NOTE TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2010

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets.

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 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.
- 4) 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.
- 5) 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.
- 6) 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.

CITY OF FRUITLAND PARK, FLORIDA
NOTE TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2010

NOTE 2 BUDGETING (continued)

7) 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.

NOTE 3 CASH AND INVESTMENTS

Cash Deposits

At September 30, 2010, the carrying amount of the City's cash deposits, including cash on deposit with the State Board of Administration Fund A pool, was \$1,965,469, 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, 2010 the City's investments are as follows:

	<u>Fair Value</u>
Certificates of Deposit	\$ 1,377,854
State Board Fund B Pool	79,674
US Government Securities	21,150
Mutual Funds	<u>178,504</u>
	<u>\$ 1,657,182</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 8.05 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 the investments in certificates of deposit to be made only with state-certified qualified public depositories. As of September 30, 2010 all of the City's certificates of deposit were with the Citizens First Bank and CenterState Bank, which are included on the listing of state-certified qualified public depositories.

CITY OF FRUITLAND PARK, FLORIDA
NOTE TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2010

NOTE 4 ACCOUNTS RECEIVABLE

Accounts receivable at September 30, 2010 are as follows:

	General Fund	Utility Fund
Customer Accounts Receivable	\$ 45,292	\$ 81,736
Franchise and Utility Taxes	65,305	-
Other Receivables	28,297	31,916
Less Allowance for Uncollectibles	-	(3,965)
Net Receivables	\$ 138,894	\$ 109,687

NOTE 5 CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2010:

	October 1, 2009	Additions	Transfers/ Deletions	Sept 30, 2010
GOVERNMENTAL ACTIVITIES				
Capital assets not being depreciated:				
Land	\$ 674,672	\$ 268,422	\$ -	\$ 943,094
Design in Progress	44,850	79,600	(124,450)	-
	719,522	348,022	(124,450)	943,094
Capital assets being depreciated:				
Buildings	2,590,160	-	-	2,590,160
Improvements	751,680	-	(820)	750,860
Equipment	1,449,442	107,075	(7,652)	1,548,865
Infrastructure	674,676	-	-	674,676
	5,465,958	107,075	(8,472)	5,564,561
Less accumulated depreciation for:				
Buildings	(613,478)	(61,538)	-	(675,016)
Improvements	(448,669)	(42,275)	820	(490,124)
Equipment	(1,032,752)	(131,263)	7,652	(1,156,363)
Infrastructure	(19,770)	(22,056)	-	(41,826)
Total accumulated depreciation	(2,114,669)	(257,132)	8,472	(2,363,329)
Total capital assets being depreciated, net	3,351,289	(150,057)	-	3,201,232
GOVERNMENTAL ACTIVITIES				
CAPITAL ASSETS, NET	\$ 4,070,811	\$ 197,965	\$ (124,450)	\$ 4,144,326

CITY OF FRUITLAND PARK, FLORIDA
NOTE TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2010

NOTE 5 CAPITAL ASSETS (continued)

	October 1, 2009	Additions	Transfers/ Deletions	Sept 30, 2010
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	2,225,794	195,367	-	2,421,161
Equipment	336,403	71,595	-	407,998
	<u>6,004,681</u>	<u>266,962</u>	<u>-</u>	<u>6,271,643</u>
Less accumulated depreciation for:				
Buildings	(125,903)	(6,503)	-	(132,406)
Water System	(1,122,879)	(81,733)	-	(1,204,612)
Sewer System	(194,218)	(74,449)	-	(268,667)
Equipment	(204,334)	(37,377)	-	(241,711)
Total accumulated depreciation	<u>(1,647,334)</u>	<u>(200,062)</u>	<u>-</u>	<u>(1,847,396)</u>
Total assets being depreciated, net	<u>4,357,347</u>	<u>66,900</u>	<u>-</u>	<u>4,424,247</u>
BUSINESS-TYPE ACTIVITIES				
CAPITAL ASSETS, NET	<u>\$ 4,697,046</u>	<u>\$ 66,900</u>	<u>\$ -</u>	<u>\$ 4,763,946</u>

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

GOVERNMENTAL ACTIVITIES:	
General Government	\$ 51,431
Public Safety	102,001
Transportation	29,230
Culture and Recreation	<u>74,470</u>
Total Depreciation Expense- Governmental Activities	<u>\$ 257,132</u>
BUSINESS-TYPE ACTIVITIES:	
Water	\$ 112,238
Sewer	<u>87,824</u>
Total Depreciation Expense- Business-type Activities	<u>\$ 200,062</u>

CITY OF FRUITLAND PARK, FLORIDA
 NOTE TO FINANCIAL STATEMENTS
 SEPTEMBER 30, 2010

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. Interest paid during the year ended September 30, 2010 totaled \$16,590. 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>
03/01/11	\$ 109,016	\$ 12,660	\$ 121,676
03/01/12	113,083	8,593	121,676
03/01/13	<u>117,300</u>	<u>4,375</u>	<u>121,675</u>
	<u>\$ 339,399</u>	<u>\$ 25,628</u>	<u>\$ 365,027</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.

Interest accrues on the outstanding balance at a rate of 3.16% per year. For the year ended September 30, 2010, interest totaling \$6,519 was paid on the loan.

CITY OF FRUITLAND PARK, FLORIDA
 NOTE TO FINANCIAL STATEMENTS
 SEPTEMBER 30, 2010

NOTE 6 LONG-TERM DEBT (continued)

Semi-annual loan payments of \$8,165 are due each February 15 and August 15 through February 15, 2026. At September 30, 2010, the repayment schedule is as follows:

<u>Date</u>	<u>Principal</u>	<u>Interest</u>	<u>Payment</u>
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
2/15/15	5,694	2,471	8,165
8/15/15	5,783	2,382	8,165
Thereafter	<u>144,957</u>	<u>26,508</u>	<u>171,465</u>
	<u>\$ 198,906</u>	<u>\$ 54,209</u>	<u>\$ 253,115</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.

Interest accrues on the outstanding balance at a rate of 2.52% per year. No interest was capitalized during the year. For the year ended September 30, 2010, interest totaling \$40,564 was paid on the loan.

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, 2010.

Semi-annual loan payments of \$76,589 began on August 15, 2006. Beginning February 15, 2010, the semi-annual loan payments were reduced to \$60,669, and continue each February 15 and August 15 thereafter through February 15, 2026.

CITY OF FRUITLAND PARK, FLORIDA
 NOTE TO FINANCIAL STATEMENTS
 SEPTEMBER 30, 2010

NOTE 6 LONG-TERM DEBT (continued)

The current repayment schedule is as follows:

<u>Date</u>	<u>Principal</u>	<u>Interest</u>	<u>Payment</u>
2/15/2011	\$ 41,152	\$ 19,517	\$ 60,669
8/15/2011	41,671	18,999	60,670
2/15/2012	42,196	18,473	60,669
8/15/2012	42,727	17,942	60,669
2/15/2013	43,266	17,404	60,670
8/15/2013	43,811	16,858	60,669
2/15/2014	44,363	16,306	60,669
8/15/2014	44,922	15,747	60,669
2/15/2015	45,488	15,181	60,669
8/15/2015	46,061	14,608	60,669
Thereafter	<u>1,113,315</u>	<u>160,739</u>	<u>1,274,054</u>
	<u>\$ 1,548,972</u>	<u>\$ 331,774</u>	<u>\$ 1,880,746</u>

Capital Leases

On October 8, 2007, the City purchased 7 Eagle eye 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.

The future minimum lease obligations and the net present value of these minimum lease payments as of September 30, 2010 were as follows:

<u>Year Ending</u>	<u>Fire Truck</u>	<u>Video Systems</u>
September 30, 2011	\$ 31,606	\$ 4,909
September 30, 2012	<u>31,606</u>	<u>4,910</u>
Total minimum lease payments	63,212	9,819
Less amount representing interest	<u>(3,617)</u>	<u>(1,064)</u>
Present value of minimum lease payments	<u>\$ 59,595</u>	<u>\$ 8,755</u>

CITY OF FRUITLAND PARK, FLORIDA
NOTE TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2010

NOTE 6 LONG-TERM DEBT (continued)

Changes in Long-term Liabilities

	Balances 10/01/09	Additions	Repayments	Balances 09/30/10	Due in one year
GOVERNMENTAL					
ACTIVITIES:					
SunTrust Note	\$ 444,495	\$ -	\$ (105,096)	\$ 339,399	\$ 109,016
Fire Truck Leas	87,676	-	(28,081)	59,595	29,210
Video system Lease	12,652	-	(3,897)	8,755	4,209
Vacation Leave	53,587	95,187	(104,113)	44,661	40,082
GOVERNMENTAL					
ACTIVITY LONG-TERM					
LIABILITIES	<u>\$ 598,410</u>	<u>\$ 95,187</u>	<u>\$ (241,187)</u>	<u>\$ 452,410</u>	<u>\$ 182,517</u>
BUSINESS-TYPE					
ACTIVITIES					
SRF Loan-preconstr	\$ 208,717	\$ -	\$ (9,811)	\$ 198,906	\$ 10,124
SRF Loan-construct	1,629,746	-	(80,774)	1,548,972	82,823
Vacation Leave	6,339	13,207	(12,853)	6,693	6,693
BUSINESS-TYPE					
ACTIVITY LONG-TERM					
LIABILITIES	<u>\$ 1,844,802</u>	<u>\$ 13,207</u>	<u>\$ (103,438)</u>	<u>\$ 1,754,571</u>	<u>\$ 99,640</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, 2010. The future minimum lease payments for operating leases are as follows:

Year Ending September 30	Amount
2011	\$ 45,563
2012	37,094
2013	14,378
Total	<u>\$ 97,035</u>

NOTE 8 RESERVED FUND BALANCES

Fund balances have been reserved within the General Fund \$48,890 for prepaid items, \$115,772 for cemetery care and maintenance, \$44,060 for police education expenditures, \$67,649 for police equipment expenditures, \$72,005 for storm water expenditures, \$258,873 for public safety capital improvements; within the Community Redevelopment Fund \$697,955 for redevelopment projects; within the Capital Projects Fund \$252,613 for infrastructure; within the Firemen's Retirement Trust Fund \$366,544 for the payment of pension benefits; and within the ICMA Retirement Trust Fund \$162,829 for the payment of pension benefits.

CITY OF FRUITLAND PARK, FLORIDA
NOTE TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2010

NOTE 8 RESERVED FUND BALANCES (continued)

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.

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, 2010, there were no retirees currently receiving benefits, and no terminated firefighters were entitled to benefits but not yet receiving them. Out of the 25 active volunteer firefighters, 5 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, 2010, the City collected \$19,523 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, 2010 was zero. Employee and city contributions for the year ended September 30, 2010 were each \$1,723.

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, 2010 in the method used to calculate or establish contribution requirements. Most administrative costs of the Plan are absorbed by the General Fund.

CITY OF FRUITLAND PARK, FLORIDA
NOTE TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2010

NOTE 9 RETIREMENT COMMITMENTS (continued)

Actuarial valuations for the Plan are provided by the State of Florida Division of Retirement on a triennial basis. Information as of the latest (10/1/07) actuarial valuation follows:

Funded status of the plan:

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%	

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. Therefore, information about funded status and funding progress is presented using the "entry age actuarial cost method", which is intended to serve as a surrogate for the funded status and funding progress of the Plan.

Additional related information:

Valuation date:	10/1/2007	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	\$238	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 is zero.

CITY OF FRUITLAND PARK, FLORIDA
 NOTE TO FINANCIAL STATEMENTS
 SEPTEMBER 30, 2010

NOTE 9 RETIREMENT COMMITMENTS (continued)

The development of the NPO through September 30, 2008 (which is the latest actuarial information available) is as follows:

	<u>09/30/06</u>	<u>09/30/07</u>	<u>09/30/08</u>
Actuarially determined contribution	\$ -	\$ -	\$ -
Interest on NPO	(238)	(267)	(312)
Adjustment to actuarially determined contribution	<u>455</u>	<u>510</u>	<u>595</u>
Annual Pension Cost	217	243	283
Contributions made	<u>937</u>	<u>1,365</u>	<u>1,425</u>
Increase in NPO	(720)	(1,122)	(1,142)
NPO, beginning of year	<u>(5,954)</u>	<u>(6,674)</u>	<u>(7,796)</u>
NPO, end of year	<u>\$ (6,674)</u>	<u>\$ (7,796)</u>	<u>\$ (8,938)</u>

Although the NPO calculation for September 30, 2010 is not available, management believes it will not be materially different from the September 30, 2008 balance.

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, 2010 there were 24 members in the plan, 7 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, 2010, the City contributed \$28,646 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, 2010, the City used \$4,956 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.

CITY OF FRUITLAND PARK, FLORIDA
 NOTE TO FINANCIAL STATEMENTS
 SEPTEMBER 30, 2010

NOTE 9 RETIREMENT COMMITMENTS (continued)

C. Financial Statements for Individual Pension Funds

STATEMENT OF FIDUCIARY NET ASSETS
 AS OF SEPTEMBER 30, 2010

	<u>Firemen's Retirement Trust Fund</u>	<u>ICMA Retirement Trust Fund</u>	<u>Total</u>
ASSETS			
Cash	\$ 54,719	\$ 3,780	\$ 58,499
Certificates of Deposit	275,000	-	275,000
Investments with Trustees	<u>36,825</u>	<u>162,829</u>	<u>199,654</u>
TOTAL ASSETS	366,544	166,609	533,153
LIABILITIES			
	<u>-</u>	<u>-</u>	<u>-</u>
NET ASSETS			
Held in trust for Pension Benefits	<u>\$ 366,544</u>	<u>\$ 166,609</u>	<u>\$ 533,153</u>

CITY OF FRUITLAND PARK, FLORIDA
 NOTE TO FINANCIAL STATEMENTS
 SEPTEMBER 30, 2010

NOTE 9 RETIREMENT COMMITMENTS (continued)

STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
 FOR THE YEAR ENDED SEPTEMBER 30, 2010

	<u>Firemen's Retirement Trust Fund</u>	<u>ICMA Retirement Trust Fund</u>	<u>Total</u>
ADDITIONS			
Contributions:			
City	\$ 1,723	\$ 28,646	\$ 30,369
Employees	1,723	-	1,723
State of Florida	<u>19,523</u>	<u>-</u>	<u>19,523</u>
Total Contributions	<u>22,969</u>	<u>28,646</u>	<u>51,615</u>
Investment Income:			
Net Appreciation (Depreciation) in Fair Value of Investments	5,290	9,063	14,353
Interest/Dividend Income	5,708	-	5,708
Less Investment Expenses	<u>(3)</u>	<u>-</u>	<u>(3)</u>
Net Investment Income	<u>10,995</u>	<u>9,063</u>	<u>20,058</u>
TOTAL ADDITIONS	<u>33,964</u>	<u>37,709</u>	<u>71,673</u>
DEDUCTIONS			
Benefit Payments	-	12,688	12,688
Administration Expense	<u>750</u>	<u>-</u>	<u>750</u>
TOTAL DEDUCTIONS	<u>750</u>	<u>12,688</u>	<u>13,438</u>
NET INCREASE	33,214	25,021	58,235
NET ASSETS			
Beginning of Year	<u>333,330</u>	<u>141,588</u>	<u>474,918</u>
End of Year	<u>\$ 366,544</u>	<u>\$ 166,609</u>	<u>\$ 533,153</u>

CITY OF FRUITLAND PARK, FLORIDA
NOTE TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2010

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, 2010 there were 24 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.

Participants have a choice of designating 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, 2010, which totaled \$820,417, 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, 2010 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.

CITY OF FRUITLAND PARK, FLORIDA
 NOTE TO FINANCIAL STATEMENTS
 SEPTEMBER 30, 2010

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, 2010 from the GAAP basis to the budget basis are as follows:

Change in net assets, GAAP Basis	\$ (187,737)
Decrease due to change in fair value of assets	(29,355)
Decrease due to debt principal payments	(90,585)
Decrease due to accrued interest	(296)
Increase due to depreciation expense	200,062
Increase due to debt issuance costs	2,371
Increase due to loss on asset disposition	78,965
Decrease due to consumptive use permit costs	(145,240)
Decrease due to equipment purchases	(71,595)
Decrease due to utility system construction	<u>(217,885)</u>
Deficiency of Revenues under Expenses, Budget Basis	<u>\$ (461,295)</u>

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, 2010 was 4.360. The millage rate assessed by the City on taxable property to be levied on November 1, 2010 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.

CITY OF FRUITLAND PARK, FLORIDA
NOTE TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2010

NOTE 13 PROPERTY TAXES (continued)

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

NOTE 14 OTHER POSTEMPLOYMENT BENEFITS

The City does not provide its employees any postemployment benefits other than pensions. Florida Statutes require local governments which provide group insurance to its employees the option of continuing to participate in the group plan following retirement. The City does not contribute to the premium cost for retired employees, so the entire cost must be paid by the retiree. At September 30, 2010, the City had no retirees continuing to participate in its group insurance plan and has never had a retiree request to continue on the group plan. Management does not anticipate a significant number of future retirees to request continued coverage. Therefore, no material other postemployment benefits liability is recognized or recorded.

CITY OF FRUITLAND PARK, FLORIDA
 FIREMEN'S RETIREMENT TRUST FUND
 REQUIRED SUPPLEMENTARY INFORMATION
 SEPTEMBER 30, 2010

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)
10/1/2007	\$ 277,943	\$ 107,341	\$ (170,602)	259%	\$ 27,321	-624%

The plan used 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
2010	\$ -	\$ 1,723	\$ 19,523	100%
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%

The information presented in the above required supplementary schedules was determined as part of the actuarial valuation date 10/01/2007, which is the latest actuarial valuation available.

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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, 2010 AND 2009

ASSETS	2010	2009
Cash	\$ 859,630	\$ 861,946
Certificates of Deposit	500,000	500,000
Accounts Receivable:		
Franchise/Utility Taxes	65,305	62,846
Garbage/Solid Waste Customers	45,292	45,934
Public Safety Service Fees	4,961	-
Cemetery Lots	1,370	1,340
Miscellaneous	21,966	16,133
Due from other Governments:		
State of Florida	35,516	35,626
Lake County	14,851	20,142
Prepaid Items	48,890	26,967
	\$ 1,597,781	\$ 1,570,934
LIABILITIES AND FUND BALANCE		
LIABILITIES:		
Accounts Payable	\$ 115,050	\$ 115,664
Accrued Payroll and Related Liabilities	12,617	71,196
Due to Lake County	11,593	80,990
Deferred B & Z Revenue	13,082	-
Unearned Revenues	71,582	72,898
	223,924	340,748
FUND BALANCE:		
Reserved:		
For Prepaid Items	48,890	26,967
For Police Education	44,060	44,217
For Police Equipment and Automation	67,649	73,297
For Cemetery Care	115,772	112,567
For Stormwater Utility	72,005	59,105
For Public Safety Capital Improvements	258,873	239,408
Unreserved	766,608	674,625
	1,373,857	1,230,186
TOTAL FUND BALANCE	1,373,857	1,230,186
TOTAL LIABILITIES AND FUND BALANCE	\$ 1,597,781	\$ 1,570,934

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, 2010
With comparative actual amounts for the year ended September 30, 2009

	2010		VARIANCE WITH FINAL BUDGET	2009 ACTUAL
	FINAL BUDGET	ACTUAL		
REVENUES:				
Taxes	\$ 1,878,980	\$ 1,943,790	\$ 64,810	\$ 1,917,192
Licenses and Permits	62,900	50,576	(12,324)	35,244
Intergovernmental	486,701	487,770	1,069	452,722
Charges for Services	637,223	615,395	(21,828)	532,335
Fines and Forfeitures	208,001	176,977	(31,024)	203,153
Miscellaneous	85,654	58,006	(27,648)	67,389
TOTAL REVENUES	3,359,459	3,332,514	(26,945)	3,208,035
EXPENDITURES:				
Current:				
General Government	1,008,521	947,578	60,943	999,683
Public Safety	1,536,977	1,421,232	115,745	1,353,010
Transportation	291,367	265,408	25,959	344,005
Sanitation/Other Utility	545,254	448,014	97,240	454,723
Culture and Recreation	559,561	504,703	54,858	518,319
Debt Service	36,516	36,515	1	51,284
TOTAL EXPENDITURES	3,978,196	3,623,450	354,746	3,721,024
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(618,737)	(290,936)	327,801	(512,989)
OTHER FINANCING SOURCES (USES):				
Transfers in from Community Redevelopment Fund	56,612	-	(56,612)	426,657
Transfers in from Capital Projects Fund	257,425	257,420	(5)	90,018
Transfers in from Utility Fund	177,187	177,187	-	177,187
Transfers in from Recreation Programs Fund	8,013	-	(8,013)	8,013
Sale of Capital Assets	2,000	-	(2,000)	-
TOTAL OTHER FINANCING SOURCES (USES)	501,237	434,607	(66,630)	701,875
NET CHANGE IN FUND BALANCES	(117,500)	143,671	261,171	188,886
FUND BALANCE, Beginning of Year	1,230,186	1,230,186	-	1,041,300
FUND BALANCE, End of Year	<u>\$ 1,112,686</u>	<u>\$ 1,373,857</u>	<u>\$ 261,171</u>	<u>\$ 1,230,186</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, 2010
With comparative actual amounts for the year ended September 30, 2009

	2010		VARIANCE WITH FINAL BUDGET	2009 ACTUAL
	FINAL BUDGET	ACTUAL		
TAXES				
Ad-Valorem Taxes	\$ 829,699	\$ 871,530	\$ 41,831	\$ 867,272
Local Option Gas Tax	76,700	81,809	5,109	78,923
Fire Insurance Premium Tax	18,000	19,523	1,523	24,178
Franchise Fees:				
Electric	340,000	342,910	2,910	348,609
Gas	25,000	25,022	22	21,193
Solid Waste	47,605	46,932	(673)	47,337
Utility Taxes:				
Electric	280,276	300,196	19,920	279,826
Water	45,711	43,917	(1,794)	43,949
Gas	26,670	27,762	1,092	22,915
Propane	6,633	5,978	(655)	3,850
Communications Services Tax	163,186	164,601	1,415	159,940
City Business Tax	19,500	13,610	(5,890)	19,200
TOTAL TAXES	1,878,980	1,943,790	64,810	1,917,192
LICENSES AND PERMITS:				
Building Permits	60,000	50,386	(9,614)	34,564
Burn/Clearing Permits	200	125	(75)	165
Highway Sign Permits	2,100	-	(2,100)	-
Cemetery Permits	300	105	(195)	480
Vending Machine Permits	300	(40)	(340)	35
TOTAL LICENSES AND PERMITS	62,900	50,576	(12,324)	35,244
INTERGOVERNMENTAL REVENUE:				
Federal Law Enforcement Grants	76,464	76,265	(199)	1,000
Federal Dept of Transport Grant	-	-	-	34,358
County Recycling/Education Grant	200	770	570	72
State Revenue Sharing	92,273	93,234	961	92,856
Mobile Home Licenses	11,000	10,613	(387)	10,963
Alcoholic Beverage Licenses	1,400	1,388	(12)	1,325
Local Government 1/2 Cent Sales Tax	173,893	174,743	850	172,753
FDOT Traffic Signal Maintenance	1,273	1,273	-	1,236
County Library Agreement	92,990	92,990	-	100,992
County Business Tax	4,000	2,908	(1,092)	4,292
County Gas Tax	33,208	33,586	378	32,875
TOTAL INTERGOVERNMENTAL REVENUE	486,701	487,770	1,069	452,722

CITY OF FRUITLAND PARK, FLORIDA

GENERAL FUND

SCHEDULE OF REVENUES COMPARED TO BUDGET (continued)

FOR THE YEAR ENDED SEPTEMBER 30, 2010

With comparative actual amounts for the year ended September 30, 2009

	2010		VARIANCE WITH FINAL BUDGET	2009 ACTUAL
	FINAL BUDGET	ACTUAL		
CHARGES FOR SERVICES:				
Zoning Fees	\$ 300	\$ 215	\$ (85)	\$ 215
Annexation Fees	200	200	-	200
Comprehensive Plan Fees	1,000	-	(1,000)	600
Land Development Procedure	1,000	222	(778)	582
Site Plan Fees	5,600	5,020	(580)	6,267
Certification and Copying	3,200	3,282	82	2,695
Law Enforcement Service Fee	43,000	43,284	284	-
Fire Service and Inspection Fees	47,000	48,204	1,204	2,910
Garbage Fees	429,579	414,453	(15,126)	421,104
Garbage Billing Admin Fees	51,802	52,021	219	51,680
Impact Fee Collection Fees	1,400	1,100	(300)	1,200
Stormwater Fees	21,457	21,589	132	21,447
Library Fees	250	220	(30)	280
Pool Admissions and Fees	12,000	9,741	(2,259)	11,058
Other Miscellaneous Fees	990	250	(740)	-
Special Event Fees (FP Day)	5,445	5,485	40	4,110
Casino Fees	13,000	10,109	(2,891)	7,987
TOTAL CHARGES FOR SERVICES	637,223	615,395	(21,828)	532,335
FINES AND FORFEITURES:				
Court Fines	140,000	109,426	(30,574)	134,496
Police Education	8,600	8,916	316	8,684
Law Enforcement Automation	38,936	35,427	(3,509)	37,054
Library Fines	4,300	4,670	370	4,358
Parking Violation Fines	5,000	5,169	169	2,993
Forfeitures	11,165	13,369	2,204	15,568
TOTAL FINES AND FORFEITURES	208,001	176,977	(31,024)	203,153
MISCELLANEOUS REVENUES:				
Interest Earnings	19,600	14,281	(5,319)	20,610
Cemetery Lot Sales	5,700	4,100	(1,600)	3,510
Police Impact Fees	8,280	7,436	(844)	4,555
Fire Impact Fees	13,389	12,029	(1,360)	7,364
Insurance Proceeds	-	-	-	310
Planning/Zoning Reimbursements	21,489	5,236	(16,253)	8,127
Donations	1,156	1,396	240	4,720
Other Police Revenue	5,760	4,155	(1,605)	5,869
Fuel Tax Refunds	3,670	2,757	(913)	4,048
Other Revenue	6,610	6,616	6	8,276
TOTAL MISCELLANEOUS REVENUE	85,654	58,006	(27,648)	67,389
TOTAL REVENUES	\$ 3,359,459	\$ 3,332,514	\$ (26,945)	\$ 3,208,035

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, 2010
With comparative actual amounts for the year ended September 30, 2009

	2010		VARIANCE WITH FINAL BUDGET	2009 ACTUAL
	FINAL BUDGET	ACTUAL		
GENERAL GOVERNMENT SERVICES:				
Legislative (City Commission):				
Personal Services	\$ 38,882	\$ 38,188	\$ 694	\$ 39,348
Operating Expenses	17,634	16,264	1,370	12,760
Contingency	948	-	948	-
Total Legislative	<u>57,464</u>	<u>54,452</u>	<u>3,012</u>	<u>52,108</u>
Executive:				
Personal Services	226,125	225,087	1,038	219,728
Operating Expenses	13,973	12,479	1,494	14,049
Capital Outlay	-	-	-	4,809
Total Executive	<u>240,098</u>	<u>237,566</u>	<u>2,532</u>	<u>238,586</u>
Finance:				
Personal Services	210,086	206,185	3,901	199,484
Operating Expenses	52,462	30,375	22,087	45,138
Capital Outlay	-	-	-	6,378
Total Finance	<u>262,548</u>	<u>236,560</u>	<u>25,988</u>	<u>251,000</u>
Legal Counsel:				
Operating Expenses	<u>109,102</u>	<u>109,102</u>	-	<u>93,786</u>
Other General Government:				
Personal Services	89,834	80,037	9,797	40,012
Operating Expenses	103,351	83,738	19,613	140,884
Redevelopment Taxes	146,124	146,123	1	183,307
Total Other General Government	<u>339,309</u>	<u>309,898</u>	<u>29,411</u>	<u>364,203</u>
TOTAL GENERAL GOVERNMENT SERVICES	<u>1,008,521</u>	<u>947,578</u>	<u>60,943</u>	<u>999,683</u>
PUBLIC SAFETY:				
Police Department:				
Personal Services	879,423	842,059	37,364	818,861
Operating Expenses	264,330	238,352	25,978	214,460
Capital Outlay	23,710	16,908	6,802	82,391
Capital Outlay - Federal Grants	75,042	72,427	2,615	-
Debt Service - Principal	3,897	3,897	-	3,609
Debt Service - Interest	1,013	1,012	1	1,301
Contingency	2,000	4	1,996	1,000
Total Police Department:	<u>1,249,415</u>	<u>1,174,659</u>	<u>74,756</u>	<u>1,121,622</u>

CITY OF FRUITLAND PARK, FLORIDA

GENERAL FUND

SCHEDULE OF EXPENDITURES COMPARED TO BUDGET (continued)

FOR THE YEAR ENDED SEPTEMBER 30, 2010

With comparative actual amounts for the year ended September 30, 2009

	2010		VARIANCE WITH FINAL BUDGET	2009 ACTUAL
	FINAL BUDGET	ACTUAL		
PUBLIC SAFETY (CONTINUED):				
Fire Department:				
Personal Services	\$ 59,848	\$ 60,184	\$ (336)	\$ 65,267
Operating Expenses	53,775	55,681	(1,906)	53,012
Capital Outlay	5,560	-	5,560	28,736
Debt Service - Principal	28,081	28,081	-	41,337
Debt Service - Interest	3,525	3,525	-	5,037
Total Fire Department	150,789	147,471	3,318	193,389
Protective Building Inspections:				
Personal Services	59,560	51,176	8,384	59,827
Operating Expenses	112,353	83,066	29,287	29,456
Capital Outlay	1,376	1,375	1	-
Total Protective Inspections	173,289	135,617	37,672	89,283
TOTAL PUBLIC SAFETY	1,573,493	1,457,747	115,746	1,404,294
TRANSPORTATION:				
Roads and Streets:				
Personal Services	157,307	142,997	14,310	208,432
Street Lighting	92,182	83,914	8,268	88,674
Operating Expenses	41,878	38,497	3,381	41,523
Capital Outlay	-	-	-	5,376
Total Roads and Streets	291,367	265,408	25,959	344,005
TOTAL TRANSPORTATION	291,367	265,408	25,959	344,005
SANITATION/OTHER UTILITY:				
Garbage Collection/Disposal:				
Operating Expenses	429,579	415,931	13,648	420,735
Electric Utility:				
Personal Services	-	-	-	1,480
Operating Expenses	100,000	23,394	76,606	24,419
Total Electric Utility	100,000	23,394	76,606	25,899
Stormwater Management:				
Operating Expenses	15,675	8,689	6,986	8,089
TOTAL SANITATION/OTHER UTILITY	545,254	448,014	97,240	454,723

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CITY OF FRUITLAND PARK, FLORIDA
GENERAL FUND

SCHEDULE OF EXPENDITURES COMPARED TO BUDGET (continued)
FOR THE YEAR ENDED SEPTEMBER 30, 2010

With comparative actual amounts for the year ended September 30, 2009

	2010		VARIANCE WITH FINAL BUDGET	2009 ACTUAL
	FINAL BUDGET	ACTUAL		
CULTURE AND RECREATION:				
Library:				
Personal Services	\$ 161,987	\$ 148,280	\$ 13,707	\$ 154,267
Operating Expenses	40,294	32,783	7,511	44,013
Library Books	26,500	25,978	522	29,743
Capital Outlay	4,870	4,870	-	-
Total Library	<u>233,651</u>	<u>211,911</u>	<u>21,740</u>	<u>228,023</u>
Municipal Pool:				
Personal Services	35,605	24,229	11,376	27,823
Operating Expenses	29,730	23,037	6,693	27,321
Total Municipal Pool	<u>65,335</u>	<u>47,266</u>	<u>18,069</u>	<u>55,144</u>
Recreation Facilities				
Maintenance:				
Personal Services	91,293	88,889	2,404	88,114
Operating Expenses	41,861	42,774	(913)	40,431
Capital Outlay	11,500	11,495	5	-
Total Recreation Facilities Maintenance	<u>144,654</u>	<u>143,158</u>	<u>1,496</u>	<u>128,545</u>
Recreation:				
Personal Services	92,034	79,472	12,562	83,211
Operating Expenses	23,887	22,896	991	23,396
Total Recreation	<u>115,921</u>	<u>102,368</u>	<u>13,553</u>	<u>106,607</u>
TOTAL CULTURE AND RECREATION	<u>559,561</u>	<u>504,703</u>	<u>54,858</u>	<u>518,319</u>
TOTAL EXPENDITURES	<u>\$ 3,978,196</u>	<u>\$ 3,623,450</u>	<u>\$ 354,746</u>	<u>\$ 3,721,024</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, 2010 AND 2009

	2010	2009
ASSETS		
Cash	\$ 305,223	\$ 346,206
Certificates of Deposit	400,000	400,000
TOTAL ASSETS	\$ 705,223	\$ 746,206
 LIABILITIES AND FUND BALANCE		
LIABILITIES:		
Accounts Payable	\$ 6,518	\$ 460
Rental Security Deposit	750	750
TOTAL LIABILITIES	7,268	1,210
FUND BALANCE:		
Reserved for Redevelopment Projects	697,955	726,864
Unreserved	-	18,132
TOTAL FUND BALANCE	697,955	744,996
TOTAL LIABILITIES AND FUND BALANCE	\$ 705,223	\$ 746,206

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, 2010
With comparative actual amounts for the year ended September 30, 2009

	2010		VARIANCE WITH FINAL BUDGET	2009 ACTUAL
	FINAL BUDGET	ACTUAL		
REVENUES:				
Intergovernmental:				
Appropriated Incremental				
Ad-Valorem Taxes	\$ 319,922	\$ 319,923	\$ 1	\$ 403,204
Miscellaneous:				
Interest Earnings	11,000	9,420	(1,580)	22,437
Building Rental Fees	9,225	8,588	(637)	9,150
TOTAL REVENUES	<u>340,147</u>	<u>337,931</u>	<u>(2,216)</u>	<u>434,791</u>
EXPENDITURES:				
General Government:				
Other General Government:				
Operating Expenditures	13,770	18,005	(4,235)	6,396
Contingency	85,963	-	85,963	-
Transportation:				
Roads and Streets:				
Streetscape Project	100,050	71,808	28,242	-
Capital Outlay:				
Land Purchases	190,042	268,422	(78,380)	-
Streetscape Project	-	-	-	299,232
TOTAL EXPENDITURES	<u>389,825</u>	<u>358,235</u>	<u>31,590</u>	<u>305,628</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(49,678)</u>	<u>(20,304)</u>	<u>29,374</u>	<u>129,163</u>
OTHER FINANCING SOURCES (USES):				
Transfers out to General Fund	(56,612)	-	56,612	(426,657)
Transfers out to Utility Fund	(57,077)	(26,737)	30,340	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>(113,689)</u>	<u>(26,737)</u>	<u>86,952</u>	<u>(426,657)</u>
NET CHANGE IN FUND BALANCES	(163,367)	(47,041)	116,326	(297,494)
FUND BALANCE, Beginning of Year	<u>744,996</u>	<u>744,996</u>	<u>-</u>	<u>1,042,490</u>
FUND BALANCE, End of Year	<u>\$ 581,629</u>	<u>\$ 697,955</u>	<u>\$ 116,326</u>	<u>\$ 744,996</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, 2010 AND 2009

	2010	2009
ASSETS		
Cash	\$ 224,998	\$ 627,463
Due from State of Florida	27,615	27,141
TOTAL ASSETS	\$ 252,613	\$ 654,604
LIABILITIES AND FUND BALANCE		
LIABILITIES:		
Accounts Payable	\$ -	\$ -
Deferred Revenue:		
Infrastructure Surtax	-	-
TOTAL LIABILITIES	-	-
FUND BALANCE:		
Reserved for Infrastructure	252,613	493,415
Unreserved:		
Undesignated	-	161,189
TOTAL FUND BALANCE	252,613	654,604
TOTAL LIABILITIES AND FUND BALANCE	\$ 252,613	\$ 654,604

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, 2010

With comparative actual amounts for the year ended September 30, 2009

	2010		VARIANCE WITH FINAL BUDGET	2009 ACTUAL
	FINAL BUDGET	ACTUAL		
REVENUES:				
Local Government Infrastructure Surtax	\$ 277,880	\$ 296,393	\$ 18,513	\$ 301,985
Interest Earnings	4,500	3,293	(1,207)	8,356
TOTAL REVENUES	282,380	299,686	17,306	310,341
EXPENDITURES:				
Capital Outlay:				
General Government:				
City Hall Complex	25,000	-	25,000	-
Contingency	18,970	-	18,970	-
Police Department:				
Public Safety Complex	103,750	79,600	24,150	44,850
Debt Service:				
Principal	105,096	105,096	-	101,317
Interest	16,580	16,590	(10)	20,339
TOTAL EXPENDITURES	269,396	201,286	68,110	166,506
EXCESS OF REVENUES OVER EXPENDITURES	12,984	98,400	85,416	143,835
OTHER FINANCING SOURCES (USES):				
Transfers out to General Fund	(257,425)	(257,420)	5	(90,018)
Transfers out to Utility Fund	(211,252)	(242,971)	(31,719)	-
TOTAL OTHER FINANCING SOURCES (USES)	(468,677)	(500,391)	(31,714)	(90,018)
NET CHANGE IN FUND BALANCES	(455,693)	(401,991)	53,702	53,817
FUND BALANCE, Beginning of Year	654,604	654,604	-	600,787
FUND BALANCE, End of Year	<u>\$ 198,911</u>	<u>\$ 252,613</u>	<u>\$ 53,702</u>	<u>\$ 654,604</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, 2010 AND 2009

ASSETS	2010	2009
<u>CURRENT ASSETS</u>		
Cash	\$ (12,182)	\$ 119,867
Certificates of Deposit	202,854	200,000
Investments	79,674	71,884
Restricted Cash:		
State Revolving Fund Loan Reserves	68,834	68,834
Customer Deposits	45,270	87,795
Customer Accounts Receivable:		
Billed Utility Service, net of allowance for uncollectibles of \$3,965 and \$6,030 for 2010 and 2009 respectively	50,753	42,666
Unbilled Utility Service	12,886	12,998
Other Customer Receivables	14,132	18,886
Inventory	50,912	68,938
TOTAL CURRENT ASSETS	<u>513,133</u>	<u>691,868</u>
<u>NONCURRENT ASSETS</u>		
RESTRICTED CASH:		
Water Impact Fees	139,223	146,307
Sewer Impact Fees	327,268	460,718
Total Restricted Cash	<u>466,491</u>	<u>607,025</u>
SEWER IMPACT FEE RECEIVABLES	<u>31,916</u>	<u>35,084</u>
DEFERRED CHARGES:		
Engineering Costs	22,518	78,965
SRF Loan Costs	37,815	40,186
Consumptive Use Permit Application	145,240	-
Total Deferred Charges	<u>205,573</u>	<u>119,151</u>
PROPERTY, PLANT AND EQUIPMENT:		
Land	339,699	339,699
Buildings	243,408	243,408
Water System	3,199,076	3,199,076
Sewer System	2,421,161	2,225,794
Equipment	407,998	336,403
	6,611,342	6,344,380
Less Accumulated Depreciation	<u>1,847,396</u>	<u>1,647,334</u>
Net Property, Plant and Equipment	<u>4,763,946</u>	<u>4,697,046</u>
TOTAL NONCURRENT ASSETS	<u>5,467,926</u>	<u>5,458,306</u>
TOTAL ASSETS	<u>5,981,059</u>	<u>6,150,174</u>

CITY OF FRUITLAND PARK, FLORIDA
UTILITY FUND
COMPARATIVE STATEMENTS OF NET ASSETS (continued)
SEPTEMBER 30, 2010 AND 2009

	2010	2009
LIABILITIES		
<u>CURRENT LIABILITIES</u>		
Accounts Payable	\$ 134,655	\$ 20,367
Accrued Payroll	2,020	9,009
Customer Deposits	89,645	87,795
State Revolving Fund Loans:		
Accrued Interest Payable	5,711	6,007
Current Portion	92,947	90,585
Vacation Leave Payable	6,693	6,339
TOTAL CURRENT LIABILITIES	331,671	220,102
<u>NONCURRENT LIABILITIES</u>		
SRF LOANS PAYABLE:		
Preconstruction	188,782	198,906
Construction	1,466,149	1,548,972
Total SRF Loans Payable	1,654,931	1,747,878
TOTAL LIABILITIES	1,986,602	1,967,980
NET ASSETS		
Invested in Capital Assets, net of related debt	3,227,368	2,937,548
Restricted for Utility Capital Improvements	498,407	607,025
Restricted for Debt Service	63,122	62,827
Unrestricted	205,560	574,794
TOTAL NET ASSETS	\$ 3,994,457	\$ 4,182,194

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, 2010 AND 2009

	2010	2009
OPERATING REVENUES:		
Water Sales	\$ 482,700	\$ 487,981
Sewer Revenue	72,792	63,286
Connection Fees	7,884	19,255
Septic Decommission Fees	24,700	5,896
Other Operating Revenues	59,213	68,686
TOTAL OPERATING REVENUES	647,289	645,104
OPERATING EXPENSES:		
Personal Services	261,678	196,032
Depreciation	200,062	197,435
Engineering Fees	144,982	109,648
Contractual Services	94,963	56,113
Utilities	42,392	55,336
Operating Supplies and Fuel	55,803	45,983
Repairs and Maintenance	39,506	42,752
Insurance	12,778	13,640
Other Professional Fees	9,029	14,573
Telephone	6,536	5,803
Bad Debt Expense	3,798	2,030
Other Operating Expenses	13,543	15,235
TOTAL OPERATING EXPENSES	885,070	754,580
OPERATING LOSS	(237,781)	(109,476)
NONOPERATING REVENUES (EXPENSES):		
Interest Income	10,799	20,575
Increase (Decrease) in Fair Value of Investments	29,355	(32,299)
Interest Expense	(46,787)	(49,149)
Debt Issuance Costs	(2,371)	(987)
Loss on Asset Disposition	(78,965)	-
TOTAL NONOPERATING REVENUES (EXPENSES)	(87,969)	(61,860)
LOSS BEFORE CONTRIBUTIONS AND TRANSFERS	(325,750)	(171,336)
CAPITAL CONTRIBUTIONS:		
Water Impact Fees	9,357	22,409
Sewer Impact Fees	36,135	14,845
TRANSFERS IN FROM REDEVELOPMENT FUND	26,737	-
TRANSFERS IN FROM CAPITAL PROJECTS FUND	242,971	-
TRANSFERS OUT TO GENERAL FUND	(177,187)	(177,187)
CHANGE IN NET ASSETS	(187,737)	(311,269)
TOTAL NET ASSETS, Beginning of Year	4,182,194	4,493,463
TOTAL NET ASSETS, End of Year	\$ 3,994,457	\$ 4,182,194

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 SEPTEMBER 30, 2010 AND 2009

	2010	2009
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash received from customers	\$ 649,086	\$ 636,492
Cash payments to suppliers for goods and services	(291,016)	(363,236)
Cash payments to employees for services	(268,313)	(186,430)
NET CASH PROVIDED BY OPERATING ACTIVITIES	89,757	86,826
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:		
Transfers in from Redevelopment Fund	26,737	-
Transfers in from Capital Projects Fund	242,971	-
Transfers out to General Fund	(177,187)	(177,187)
NET CASH PROVIDED BY (USED IN) NONCAPITAL FINANCING ACTIVITIES	92,521	(177,187)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Water and Sewer Impact Fees received	45,492	35,694
SRF Loan principal repayments	(90,585)	(88,672)
SRF Loan interest paid	(47,083)	(48,997)
Water System Engineering/CUP	(167,758)	-
Sewer System construction	(195,367)	(1,850)
Purchase of Equipment	(71,595)	(2,706)
NET CASH USED IN CAPITAL AND RELATED FINANCING ACTIVITIES	(526,896)	(106,531)
CASH FLOWS FROM INVESTING ACTIVITIES:		
State Board Fund B pool investment	21,565	(6,590)
Certificate of Deposit investments	(2,854)	(200,000)
Interest received on investments	10,799	20,575
NET CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES	29,510	(186,015)
NET DECREASE IN CASH	(315,108)	(382,907)
CASH, Beginning of Year	883,521	1,266,428
CASH, End of Year	<u>\$ 568,413</u>	<u>\$ 883,521</u>
RECONCILIATION OF OPERATING LOSS TO NET CASH PROVIDED BY OPERATING ACTIVITIES:		
Operating Loss	\$ (237,781)	\$ (109,476)
Adjustments to reconcile operating loss to net cash provided by operating activities:		
Depreciation	200,062	197,435
Changes in Assets and Liabilities:		
Increase in Customer Receivables	(53)	(16,137)
(Increase) Decrease in Inventory	18,026	(928)
Increase (Decrease) in Accounts Payable	114,288	(1,195)
Increase (Decrease) in Accrued Payroll	(6,989)	7,936
Increase in Customer Deposits	1,850	7,525
Increase in Vacation Leave Payable	354	1,666
	<u>\$ 89,757</u>	<u>\$ 86,826</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 NET ASSETS
SEPTEMBER 30, 2010 AND 2009

	2010	2009
ASSETS		
<u>CURRENT ASSETS</u>		
Cash	\$ 7,205	\$ 7,575
TOTAL ASSETS	7,205	7,575
LIABILITIES		
<u>CURRENT LIABILITIES</u>		
Accounts Payable	-	3,673
TOTAL LIABILITIES	-	3,673
NET ASSETS		
Unrestricted	7,205	3,902
TOTAL ASSETS	\$ 7,205	\$ 3,902

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, 2010
With comparative actual amounts for the year ended September 30, 2009

	2010		VARIANCE WITH FINAL BUDGET	2009 ACTUAL
	FINAL BUDGET	ACTUAL		
OPERATING REVENUES:				
Adult Softball Fees	\$ 19,100	\$ 9,525	\$ (9,575)	\$ 7,900
Soccer Fees	12,500	1,230	(11,270)	4,580
Tennis Fees	3,000	715	(2,285)	2,550
T Ball Fees	6,600	2,450	(4,150)	3,106
Summer Camp	6,000	6,775	775	4,350
Baseball	2,800	120	(2,680)	150
Exercise Program	-	1,395	1,395	-
Other Revenue	-	(10)	(10)	90
TOTAL OPERATING REVENUES	50,000	22,200	(27,800)	22,726
OPERATING EXPENSES:				
Softball Program	12,550	7,693	4,857	8,175
Soccer Program	10,090	4,764	5,326	8,454
Tennis Program	1,900	278	1,622	1,150
T Ball Program	3,780	2,316	1,464	2,808
Summer Camp	4,190	2,203	1,987	2,058
Baseball	3,614	-	3,614	-
Exercise Program	-	1,645	(1,645)	-
Other Expenses	125	-	125	-
Contingency	6,038	-	6,038	-
TOTAL OPERATING EXPENSES	42,287	18,899	23,388	22,645
OPERATING INCOME	7,713	3,301	(4,412)	81
NONOPERATING INCOME:				
Interest Income	300	2	(298)	93
INCOME BEFORE CONTRIBUTIONS AND TRANSFERS	8,013	3,303	(4,710)	174
TRANSFERS OUT TO GENERAL FUND	(8,013)	-	8,013	(8,013)
CHANGE IN NET ASSETS	-	3,303	3,303	(7,839)
NET ASSETS, Beginning of Year	3,902	3,902	-	11,741
NET ASSETS, End of Year	\$ 3,902	\$ 7,205	\$ 3,303	\$ 3,902

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, 2010 AND 2009

	2010	2009
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash received from program participants	\$ 22,200	\$ 22,726
Cash payments to suppliers for goods and services	(22,572)	(19,107)
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	(372)	3,619
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:		
Transfers out to General Fund	-	(8,013)
NET CASH USED IN NONCAPITAL FINANCING ACTIVITIES	-	(8,013)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Interest received on cash investments	2	93
NET CASH PROVIDED BY INVESTING ACTIVITIES	2	93
NET DECREASE IN CASH	(370)	(4,301)
CASH, Beginning of Year	7,575	11,876
CASH, End of Year	\$ 7,205	\$ 7,575
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:		
Operating Income	\$ 3,301	\$ 81
Changes in Assets and Liabilities:		
Increase (Decrease) in Accounts Payable	(3,673)	3,538
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	\$ (372)	\$ 3,619

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, 2010

	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
REVENUES:			
Sale of Water	\$ 525,000	\$ 482,700	\$ (42,300)
Installation of Meters	12,560	7,884	(4,676)
Other Revenues	83,000	59,213	(23,787)
Sewer Revenue	71,880	72,792	912
Sewer Decommission	6,800	24,700	17,900
Interest Earnings	10,000	10,799	799
Water Impact Fees	116,230	9,357	(106,873)
Sewer Impact Fees	30,800	36,135	5,335
Transfer in from Redevelopment Fund	57,077	26,737	(30,340)
Transfer in from Capital Projects Fund	<u>159,700</u>	<u>242,971</u>	<u>83,271</u>
TOTAL REVENUES	<u>1,073,047</u>	<u>973,288</u>	<u>(99,759)</u>
EXPENSES:			
Water Utility Services:			
Personal Services	222,736	227,326	(4,590)
Operating Expenses	317,018	305,751	11,267
Bad Debt Expense	750	3,798	(3,048)
Sewer Utility Services:			
Personal Services	39,201	34,352	4,849
Operating Expenses	118,136	113,781	4,355
Bad Debt Expense	750	-	750
Consumptive Use Permit	75,000	145,240	(70,240)
Equipment Purchases - Water	19,700	20,919	(1,219)
Water System Extensions	3,000	6,077	(3,077)
Water System Construction using Impact Fees	123,500	16,441	107,059
Equipment Purchases - Sewer	21,500	50,676	(29,176)
Sewer System Addition	166,077	195,367	(29,290)
Debt Service Payments	137,669	137,668	1
Transfer out to General Fund	<u>177,187</u>	<u>177,187</u>	<u>-</u>
TOTAL EXPENDITURES	<u>1,422,224</u>	<u>1,434,583</u>	<u>(12,359)</u>
DEFICIENCY OF REVENUES UNDER EXPENDITURES	<u>(349,177)</u>	<u>(461,295)</u>	<u>(112,118)</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, 2010 AND 2009

	2010	2009
CAPITAL ASSETS:		
Land	\$ 943,094	\$ 674,672
Buildings	2,590,160	2,590,160
Improvements other than Buildings	750,860	751,680
Equipment	1,548,865	1,449,442
Infrastructure	674,676	674,676
TOTAL CAPITAL ASSETS	6,507,655	6,140,630
Design in Progress	-	44,850
	\$ 6,507,655	\$ 6,185,480
INVESTMENT IN CAPITAL ASSETS FROM:		
Federal Grants	\$ 217,734	\$ 145,307
State and Local Grants	881,419	881,419
General Fund	1,097,656	1,087,845
Infrastructure Surtaxes	2,829,800	2,858,285
Redevelopment Taxes	1,377,898	1,109,476
Gifts	80,828	80,828
Special Assessments	22,320	22,320
TOTAL INVESTMENT IN CAPITAL ASSETS	\$ 6,507,655	\$ 6,185,480

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, 2010

<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	\$ 1,859,579	\$ 399,954	\$ 1,379,290	\$ 16,753	\$ 63,582	\$ -
Executive	46,040	15,000	-	-	31,040	-
Finance	55,474	-	-	-	55,474	-
Other General Government	<u>553,181</u>	<u>428,081</u>	<u>94,931</u>	<u>21,703</u>	<u>8,466</u>	<u>-</u>
TOTAL GENERAL GOVERNMENT	<u>2,514,274</u>	<u>843,035</u>	<u>1,474,221</u>	<u>38,456</u>	<u>158,562</u>	<u>-</u>
PUBLIC SAFETY:						
Police Department	541,723	-	-	150	541,573	-
Fire Department	603,826	1,000	74,381	2,425	526,020	-
Building Inspections	<u>13,878</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>13,878</u>	<u>-</u>
TOTAL PUBLIC SAFETY	<u>1,159,427</u>	<u>1,000</u>	<u>74,381</u>	<u>2,575</u>	<u>1,081,471</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	749,290	-	698,834	-	50,456	-
Municipal Pool	266,619	-	143,356	114,186	9,077	-
Recreation Facilities	<u>988,032</u>	<u>99,059</u>	<u>194,659</u>	<u>595,643</u>	<u>98,671</u>	<u>-</u>
TOTAL CULTURE AND RECREATION	<u>2,003,941</u>	<u>99,059</u>	<u>1,036,849</u>	<u>709,829</u>	<u>158,204</u>	<u>-</u>
TOTAL CAPITAL ASSETS	<u>\$ 6,507,655</u>	<u>\$ 943,094</u>	<u>\$ 2,590,160</u>	<u>\$ 750,860</u>	<u>\$ 1,548,865</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, 2010

<u>FUNCTION AND ACTIVITY</u>	<u>CAPITAL ASSETS 10/1/2009</u>	<u>ADDITIONS</u>	<u>TRANSFERS/ DELETIONS</u>	<u>CAPITAL ASSETS 9/30/2010</u>
GENERAL GOVERNMENT:				
Legislative	\$ 1,595,649	\$ 268,422	\$ (4,492)	\$ 1,859,579
Executive	46,040	-	-	46,040
Finance	55,474	-	-	55,474
Other General Government	554,001	-	(820)	553,181
TOTAL GENERAL GOVERNMENT	<u>2,251,164</u>	<u>268,422</u>	<u>(5,312)</u>	<u>2,514,274</u>
PUBLIC SAFETY:				
Police Department	500,398	168,935	(127,610)	541,723
Fire Department	603,826	-	-	603,826
Building Inspections	12,503	1,375	-	13,878
TOTAL PUBLIC SAFETY	<u>1,116,727</u>	<u>170,310</u>	<u>(127,610)</u>	<u>1,159,427</u>
TRANSPORTATION:				
Roads and Streets	830,013	-	-	830,013
CULTURE AND RECREATION:				
Library	744,420	4,870	-	749,290
Municipal Pool	266,619	-	-	266,619
Recreation Facilities	976,537	11,495	-	988,032
TOTAL CULTURE AND RECREATION	<u>1,987,576</u>	<u>16,365</u>	<u>-</u>	<u>2,003,941</u>
TOTAL CAPITAL ASSETS	<u>\$ 6,185,480</u>	<u>\$ 455,097</u>	<u>\$ (132,922)</u>	<u>\$ 6,507,655</u>

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

Statistical Section

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.

84-94

Revenue Capacity

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

95-98

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.

99-102

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.

103-105

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.

106-108

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 SEVEN 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>	<u>Fiscal Year</u> <u>2010</u>
\$ 3,115,183	\$ 3,525,988	\$ 3,736,577
442,765	732,823	511,486
1,005,215	726,864	697,955
109,577	112,567	115,772
137,015	117,514	111,709
42,285	-	-
-	-	-
45,747	59,105	72,005
<u>846,324</u>	<u>822,357</u>	<u>782,582</u>
<u>\$ 5,744,111</u>	<u>\$ 6,097,218</u>	<u>\$ 6,028,086</u>
\$ 3,029,311	\$ 2,937,548	\$ 3,227,368
707,438	607,025	498,407
85,425	62,827	63,122
<u>683,030</u>	<u>578,696</u>	<u>212,765</u>
<u>\$ 4,505,204</u>	<u>\$ 4,186,096</u>	<u>\$ 4,001,662</u>
\$ 6,144,494	\$ 6,463,536	\$ 6,963,945
1,150,203	1,339,848	1,009,893
1,005,215	726,864	697,955
109,577	112,567	115,772
85,425	62,827	63,122
137,015	117,514	111,709
42,285	-	-
-	-	-
45,747	59,105	72,005
<u>1,529,354</u>	<u>1,401,053</u>	<u>995,347</u>
<u>\$ 10,249,315</u>	<u>\$ 10,283,314</u>	<u>\$ 10,029,748</u>

CITY OF FRUITLAND PARK, FLORIDA
 CHANGES IN NET ASSETS
 LAST SEVEN 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	Fiscal Year 2010
\$ 973,800	\$ 864,658	\$ 872,323
1,536,379	1,326,793	1,550,621
433,573	362,253	366,990
457,451	454,723	448,014
604,994	595,253	558,258
28,174	22,766	17,495
<u>4,034,371</u>	<u>3,626,446</u>	<u>3,813,701</u>
459,317	482,437	649,113
241,167	322,279	364,080
15,618	22,645	18,899
<u>716,102</u>	<u>827,361</u>	<u>1,032,092</u>
<u>\$ 4,750,473</u>	<u>\$ 4,453,807</u>	<u>\$ 4,845,793</u>
\$ 104,056	\$ 45,695	\$ 50,483
501,731	242,303	318,461
483,985	494,231	488,063
28,062	27,793	30,475
131,451	108,020	100,267
103,175	78,277	91,892
<u>1,352,460</u>	<u>996,319</u>	<u>1,079,641</u>
643,694	569,723	542,438
67,516	75,381	104,851
20,480	22,726	22,200
-	-	-
121,887	37,254	45,492
<u>853,577</u>	<u>705,084</u>	<u>714,981</u>
<u>\$ 2,206,037</u>	<u>\$ 1,701,403</u>	<u>\$ 1,794,622</u>
\$ (2,681,911)	\$ (2,630,127)	\$ (2,734,060)
137,475	(122,277)	(317,111)
<u>\$ (2,544,436)</u>	<u>\$ (2,752,404)</u>	<u>\$ (3,051,171)</u>

Continued on Next Page

CITY OF FRUITLAND PARK, FLORIDA
 CHANGES IN NET ASSETS
 LAST SEVEN 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	<u>1,584,033</u>	<u>2,091,760</u>	<u>2,510,954</u>	<u>2,752,972</u>
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	<u>213,680</u>	<u>(58,817)</u>	<u>(67,521)</u>	<u>(50,247)</u>
Total General Revenues and Transfers	<u>\$ 1,797,713</u>	<u>\$ 2,032,943</u>	<u>\$ 2,443,433</u>	<u>\$ 2,702,725</u>
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	<u>\$ 319,375</u>	<u>\$ 725,116</u>	<u>\$ 1,808,244</u>	<u>\$ 1,011,746</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>	<u>Fiscal Year</u> <u>2010</u>
\$ 1,133,802	\$ 1,087,169	\$ 1,045,330
499,811	467,231	471,136
869,774	927,619	957,318
254,467	264,612	256,671
86,555	51,403	26,994
1,346	-	-
153,864	185,200	(92,521)
<u>2,999,619</u>	<u>2,983,234</u>	<u>2,664,928</u>
16,482	(11,631)	40,156
(153,864)	(185,200)	92,521
<u>(137,382)</u>	<u>(196,831)</u>	<u>132,677</u>
<u>\$ 2,862,237</u>	<u>\$ 2,786,403</u>	<u>\$ 2,797,605</u>
\$ 317,708	\$ 353,107	\$ (69,132)
93	(319,108)	(184,434)
<u>\$ 317,801</u>	<u>\$ 33,999</u>	<u>\$ (253,566)</u>

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

	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>
GENERAL FUND				
Reserved	\$ 147,014	\$ 126,180	\$ 126,899	\$ 133,497
Unreserved	<u>923,616</u>	<u>932,056</u>	<u>773,682</u>	<u>757,674</u>
Total General Fund	<u>\$1,070,630</u>	<u>\$ 1,058,236</u>	<u>\$ 900,581</u>	<u>\$ 891,171</u>
ALL OTHER GOVERNMENTAL FUNDS				
Reserved	\$ 652,225	\$ 799,107	\$ 970,393	\$ 306,446
Unreserved, reported in:				
Special revenue funds	7,568	7,671	7,755	7,881
Capital projects funds	<u>203,027</u>	<u>199,513</u>	<u>116,471</u>	<u>113,841</u>
Total all other governmental funds	<u>\$ 862,820</u>	<u>\$ 1,006,291</u>	<u>\$ 1,094,619</u>	<u>\$ 428,168</u>

<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
\$ 152,313	\$ 247,486	\$ 285,445	\$ 336,044	\$ 555,561	\$ 607,249
<u>1,037,161</u>	<u>1,380,714</u>	<u>999,638</u>	<u>705,256</u>	<u>674,625</u>	<u>766,608</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>	<u>\$ 1,373,857</u>
\$ 539,555	\$ 869,679	\$1,254,548	\$ 1,446,560	\$ 1,220,279	\$ 950,568
7,149	16,836	27,184	37,275	18,132	-
<u>32,376</u>	<u>111,973</u>	<u>150,733</u>	<u>159,442</u>	<u>161,189</u>	<u>-</u>
<u>\$ 579,080</u>	<u>\$ 998,488</u>	<u>\$1,432,465</u>	<u>\$ 1,643,277</u>	<u>\$ 1,399,600</u>	<u>\$ 950,568</u>

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

	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>
REVENUES				
Taxes	\$1,154,134	\$1,233,381	\$1,260,681	\$1,377,469
Licenses and Permits	42,889	46,023	50,495	102,289
Intergovernmental Revenues	422,499	758,157	790,997	528,352
Charges for Services	167,559	73,828	407,772	429,793
Fines and Forfeitures	181,047	172,527	131,213	145,521
Investment Earnings	81,586	41,835	36,687	24,388
Miscellaneous	132,206	130,028	93,823	43,567
Total Revenues	<u>2,181,920</u>	<u>2,455,779</u>	<u>2,771,668</u>	<u>2,651,379</u>
EXPENDITURES				
General Government	389,950	471,819	493,415	643,580
Public Safety	659,082	686,940	761,762	858,290
Transportation	201,771	334,498	281,728	262,201
Sanitation/Other Utility	110,516	11,664	333,109	347,176
Culture and Recreation	290,000	336,856	409,450	330,169
Capital Outlay	28,874	410,558	1,420,622	597,986
Debt Service:				
Principal	16,753	17,750	18,806	103,990
Interest	5,613	4,617	11,671	40,053
Total Expenditures	<u>1,702,559</u>	<u>2,274,702</u>	<u>3,730,563</u>	<u>3,183,445</u>
Excess (Deficiency) of Revenues over (under) Expenditures	479,361	181,077	(958,895)	(532,066)
OTHER FINANCING SOURCES (USES)				
Capital Lease Financing	-	-	-	68,000
Debt Proceeds	-	-	1,000,000	-
Transfers in	88,470	113,845	76,707	148,593
Transfers out	(68,470)	(163,845)	(187,139)	(360,925)
Sale of Capital Assets	2,804	-	-	537
Total Other Financing Sources (Uses)	<u>22,804</u>	<u>(50,000)</u>	<u>889,568</u>	<u>(143,795)</u>
Net Change in Fund Balances	<u>\$ 502,165</u>	<u>\$ 131,077</u>	<u>\$ (69,327)</u>	<u>\$ (675,861)</u>
Debt service as a percentage of noncapital expenditures	1.3%	1.2%	1.3%	5.9%

<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
\$1,491,154	\$1,760,394	\$1,952,017	\$2,164,168	\$2,219,177	\$2,240,183
222,622	348,455	197,628	247,769	35,244	50,576
711,126	778,616	826,703	915,975	855,926	807,693
456,927	500,752	525,949	540,892	532,335	615,395
129,820	166,530	239,822	265,358	203,153	176,977
45,082	110,232	140,524	86,555	51,403	26,994
61,141	126,900	128,463	176,516	55,929	52,313
<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>	<u>3,970,131</u>
613,061	676,348	888,340	1,143,641	1,006,079	965,583
893,853	1,283,673	1,257,098	1,523,693	1,353,010	1,421,232
262,746	276,732	354,767	416,641	344,005	337,216
347,233	372,582	401,062	457,451	454,723	448,014
367,407	382,016	484,968	536,252	518,319	504,703
90,581	68,012	490,989	355,977	344,082	348,022
121,702	130,973	132,634	142,461	146,263	137,074
37,074	37,050	35,388	30,468	26,677	21,127
<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>	<u>4,182,971</u>
384,215	564,493	(34,140)	(209,351)	(239,991)	(212,840)
-	192,641	-	21,170	-	-
-	-	-	-	-	-
166,337	173,523	256,768	291,306	701,875	434,607
(101,337)	(72,523)	(131,768)	(137,442)	(516,675)	(527,128)
-	-	-	1,346	-	-
<u>65,000</u>	<u>293,641</u>	<u>125,000</u>	<u>176,380</u>	<u>185,200</u>	<u>(92,521)</u>
<u>\$ 449,215</u>	<u>\$ 858,134</u>	<u>\$ 90,860</u>	<u>\$ (32,971)</u>	<u>\$ (54,791)</u>	<u>\$ (305,361)</u>
6.4%	5.6%	5.1%	4.2%	4.7%	4.3%

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

Fiscal Year	Property Taxes	Infra- structure Sales Surtax	Excise Tax	Franchise Fees	Utility Taxes	Communications Services Tax	Total Taxes
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
2010	871,530	296,393	114,942	414,864	377,853	164,601	2,240,183

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		
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%
2010	268,807,843	190,360,656	11,984,667	7,989,575	280,792,510	198,350,231	4.36	70.64%

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

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						Total Taxes
		County School District	Lake County	Water Conservation Authority	Water Management District	Ambulance District	Hospital District	
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
2010	4.360	7.532	5.083	0.213	0.416	0.465	1.000	19.069

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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.

Overlapping rates are those of county and local governments that apply to property owners within the City of Fruitland Park.

CITY OF FRUITLAND PARK, FLORIDA
 PRINCIPAL PROPERTY TAXPAYERS
 SEPTEMBER 30, 2010
 CURRENT YEAR COMPARED TO NINE YEARS AGO

<u>Taxpayer</u>	<u>Fiscal Year 2010</u>		<u>Fiscal Year 2001</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	\$ 4,539,322	2.29%	\$ -	
Southern Spring Lake Cove LLC	3,426,665	1.73%	-	
Armentano Enterprises Inc	2,452,341	1.24%	-	
FWB Investment Ltd	2,101,141	1.06%	2,263,350	2.87%
Lake Saunders Groves Land LLP	2,061,701	1.04%	-	
Wal-Mart Stores East LP	1,855,741	0.94%	2,172,889	2.75%
CRC Properties Inc	1,818,402	0.92%	-	
Etheredge Limited Partnership	1,695,464	0.85%	1,165,374	1.48%
Robert D & Leane E Rhodes	1,649,922	0.83%	-	
West Highland Center LLC	1,550,400	0.78%	-	
Sprint-Florida Inc	-		1,517,735	1.92%
Highland Associates	-		1,199,147	1.52%
Holiday World Investments LLC	-		1,192,357	1.51%
Fruitland Acres Limited	-		1,110,508	1.41%
Fruitland Park of Lake Co Ltd	-		923,957	1.17%
A A Mouktara Inc	-		904,419	1.15%
Larry M Phillips, Trustee	-		756,136	0.96%
	<u>\$ 23,151,099</u>	<u>11.67%</u>	<u>\$ 13,205,872</u>	<u>16.73%</u>
TOTAL TAXABLE ASSESSED VALUATION	<u>\$ 198,350,231</u>		<u>\$ 78,919,277</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>
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%
2010	864,807	841,298	97.3%	30,232	871,530	100.8%

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

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

Fiscal Year	GOVERNMENTAL ACTIVITIES		BUSINESS-TYPE ACTIVITIES		Total Primary Government	Percentage of Personal Income	Per Capita
	Revenue Note	Capital Leases	Revenue Notes	Loans Payable			
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
2010	339,399	68,350	-	1,747,878	2,155,627	2.49%	522

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

See pages 103 and 104 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, 2010

<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	\$ -	1.39%	\$ -
Other debt			-
Subtotal, overlapping debt			-
Direct debt			<u>2,155,627</u>
Total direct and overlapping debt			<u>\$ 2,155,627</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>	
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
2010	296,393	105,096	16,590	121,686	2.44

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

Fiscal Year	Gross Revenues	Operating Expenses 1	Net Revenue Available for Debt Service	Debt Service Requirements			Coverage
				Principal	Interest	Total	
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
2010	647,289	835,458	(188,169)	90,585	47,083	137,668	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, 2010

Year	2006	2007	2008	2009	2010
Population	3,628	3,829	3,879	3,978	4,129
Total Personal Income of all Fruitland Park Residents (in thousands)	\$71,395	\$71,778	\$71,480	\$71,463	\$86,416
Per Capita Personal Income	\$19,679	\$18,746	\$18,427	\$17,965	\$20,929
Median Age	35.5	36.6	40.3	40.3	38.9
School Enrollment Fruitland Park Elementary	670	632	630	633	632
Total Housing Units	1,580	1,485	1,452	1,453	1,739
Owner occupied	1,157	1,019	1,041	1,042	1,118
Renter occupied	379	408	287	287	414
Vacant	44	58	124	124	207
Lake County Unemployment Rate	3.0%	4.7%	8.5%	12.6%	11.9%

Note: The City implemented GASB 44 in fiscal year 2006.

Population from the Florida Bureau of Economic and Business Research (BEER)
 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, 2010

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>
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%
2010	4,129	3.80%	297,432	1.90%

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%
2009	40.3	16.4%	30.8%	27.1%	25.7%

Source - Bureau of Economic Business research, University of Florida

CITY OF FRUITLAND PARK, FLORIDA
 PRINCIPAL EMPLOYERS
 SEPTEMBER 30, 2010

<u>Employer</u>	<u>Employees</u>	<u>Rank</u>	<u>Percent of Total City Employment</u>
Wal-Mart	350	1	31.8%
City of Fruitland Park	96	2	8.7%
Fruitland Park Elementary School	93	3	8.5%
Bill Bryan Chrysler	70	4	6.3%
Phillips Buick/Pontiac	69	5	6.3%
Munn's Heating & Air	45	6	4.1%
 	<hr/>		<hr/>
Total	<u>723</u>		<u>65.7%</u>
Total City Employment	<u>1,100</u>		

Note: This is the City's fifth year of implementation under GASB 44.
 Principal employer information from 2001 is not available.

Source - Number of employees from direct calls to employers

- Total City Employment from Metro Orlando Economic Development

CITY OF FRUITLAND PARK, FLORIDA
CITY GOVERNMENT EMPLOYEES BY FUNCTION
SEPTEMBER 30, 2010

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
GENERAL GOVERNMENT					
Legislative	10	10	10	10	10
Executive	3	3	3	3	3
Finance	4	4	4	4	4
Other General Government	1	1	1	1	1
PUBLIC SAFETY					
Police Department	21	22	23	23	23
Fire	25	25	25	25	25
Building Inspections	2	2	1	1	1
TRANSPORTATION					
Roads and Streets	5	5	5	5	3
CULTURE AND RECREATION					
Library	5	7	7	7	7
Municipal Pool	9	9	9	9	8
Recreation Maintenance	2	2	2	2	2
Recreation Programs	2	2	2	2	3
UTILITIES					
Water	3	3	3	3	5
Sewer	1	1	1	1	1
Total Employees	<u>93</u>	<u>96</u>	<u>96</u>	<u>96</u>	<u>96</u>
Full-Time	39				
Part-Time	57				

The City implemented GASB 44 in fiscal year 2006.

Source: City Finance Department

CITY OF FRUITLAND PARK, FLORIDA
 OPERATING INDICATORS BY FUNCTION AND ACTIVITY
 SEPTEMBER 30, 2010

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Police Protection:					
Number of Sworn Police Officers	11	13	13	13	13
Number of Reserve Officers	5	5	5	5	5
Fire Protection:					
Number of Volunteer Firefighters	25	25	25	25	25
Building Inspections:					
Commercial Construction Permits	7	33	6	3	1
Residential Construction Permits	100	30	33	10	6
Roads and Streets:					
Street Resurfacing	None	None	.6 mile	.8 mile	.7 mile
Recreation:					
Number of City-wide events	2	2	2	2	2
Municipal Water System:					
Number of Consumers	1,610	1,617	1,728	1,712	1,739
New Connections	94	62	152	110	11

Note: The City implemented GASB 44 in fiscal year 2006.

Source: Various City departments

CITY OF FRUITLAND PARK, FLORIDA
 CAPITAL ASSET AND INFRASTRUCTURE STATISTICS
 SEPTEMBER 30, 2010

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
City Land Area (square miles)	5.9	6.0	7.5	7.5	7.5
Police Protection:					
Number of Stations	1	1	1	1	1
Number of Patrol Units	12	13	13	13	13
Fire Protection:					
Number of Stations	1	1	1	1	1
Number of Fire Trucks	2	2	2	2	2
Culture and Recreation:					
Number of Libraries	1	1	1	1	1
Number of Municipal Pools	1	1	1	1	1
Number of Parks	4	4	4	4	4
Number of Baseball/softball fields	3	3	3	3	3
Number of Soccer Fields	1	1	1	1	1
Number of Skate parks	1	1	1	1	1
Number of Community Centers	2	2	1	1	1
Municipal Water System:					
Wells	5	5	5	5	5
Water Towers	1	1	1	1	1

Note: The City implemented GASB 44 in fiscal year 2006.

Source: Various City departments

Compliance Section

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 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 28, 2011

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, 2010, which collectively comprise the City of Fruitland Park, Florida's basic financial statements and have issued our report thereon dated March 28, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City 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.

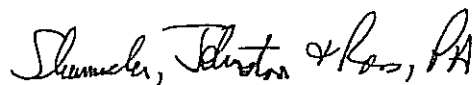
A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the City's internal control.

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, 2010

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 \$1,422) Drug/DUI Interdiction Traffic Enforcement Contract #2010-JAGD-LAKE-1-4Y-002	16.738	\$ 1,422	\$ 1,422	\$ 1,422
Byrne Memorial Justice Assistance Grant (total grant \$17,250) Vehicle Equipment Contract #2010-JAGC-LAKE-7-4X-015 Federal Award #2009-DJ-BX-1077	16.738	17,250	17,250	17,250
American Recovery Act - Byrne Memorial Justice Assistance Grant (total grant \$57,793) Enhanced Community Oriented Policing Contract #2010-ARRC-LAKE-7-W7-106 Federal Award #2009-SU-B9-0021	16.803	<u>57,593</u>	<u>57,593</u>	<u>57,593</u>
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	<u>-</u>	<u>-</u>	<u>-</u>
Total Federal Awards		<u>\$ 76,265</u>	<u>\$ 76,265</u>	<u>76,265</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, 2010

STATE OF FLORIDA FINANCIAL ASSISTANCE

State Agency/ <u>PROGRAM TITLE</u>	<u>State</u> <u>Revenues</u>	<u>State</u> <u>Expenditures</u>	<u>State</u> <u>Receipts</u>
Total State Financial Assistance	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>
Total State Receipts			<u>\$ 76,265</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

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

March 28, 2011

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 28, 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, 2010. 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, 2010 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 28, 2011

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, 2010, and have issued our report thereon dated March 28, 2011.

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, 2010.
- 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(4)(d).

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