

For the City of Fruitland Park, Florida



**Comprehensive Annual Financial Report
For the Year Ended September 30, 2011**



CITY OF FRUITLAND PARK, FLORIDA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
SEPTEMBER 30, 2011

Prepared by:
Jeannine Racine Michaud
City Treasurer

Cover by:
Jeannine Racine Michaud

CITY OF FRUITLAND PARK, FLORIDA
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
 FOR THE YEAR ENDED SEPTEMBER 30, 2011

TABLE OF CONTENTS

	<u>Page</u>
SECTION I - INTRODUCTORY SECTION	
Letter of Transmittal	i - v
City Commission and Officials	vi
Organization Chart	vii
Certificate of Achievement for Excellence in Financial Reporting	viii
SECTION II - FINANCIAL SECTION	
INDEPENDENT AUDITOR'S REPORT	1-2
MANAGEMENT'S DISCUSSION AND ANALYSIS	3-11
BASIC FINANCIAL STATEMENTS:	
Government-wide Financial Statements:	
Statement of Net Assets	13
Statement of Activities	14-15
Fund Financial Statements:	
Balance Sheet - Governmental Funds	17
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	18
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities ...	19
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - General Fund	20
Statement of Revenues, Expenditures, and Changes in Fund Balance- Budget and Actual - Community Redevelopment Fund	21
Statement of Net Assets - Proprietary Funds	22-23
Statement of Revenue, Expenses, and Changes in Fund Net Assets - Proprietary Funds	24
Statement of Cash Flows - Proprietary Funds	25-26
Statement of Fiduciary Net Assets - Fiduciary Funds	27
Statement of Changes in Fiduciary Net Assets - Fiduciary Funds	28
Notes to Financial Statements	29-48

CITY OF FRUITLAND PARK, FLORIDA
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
 FOR THE YEAR ENDED SEPTEMBER 30, 2011

REQUIRED SUPPLEMENTARY INFORMATION:	<u>Page</u>
Firefighter's Retirement Trust Fund - Six Year Trend Information	49
 INDIVIDUAL FUND FINANCIAL STATEMENTS:	
<u>General Fund</u>	
Comparative Balance Sheets	54
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	55
Schedule of Revenues Compared to Budget	56-57
Schedule of Expenditures Compared to Budget	58-60
<u>Community Redevelopment Fund</u>	
Comparative Balance Sheets	62
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	63
<u>Capital Projects Fund</u>	
Comparative Balance Sheets	66
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	67
<u>Utility Fund</u>	
Comparative Statements of Net Assets	70-71
Comparative Statements of Revenues, Expenses, and Changes in Net Assets	72
Comparative Statements of Cash Flows	73
<u>Recreation Programs Fund</u>	
Comparative Statements of Net Assets	74
Schedule of Revenues, Expenses and Changes in Net Assets - Budget and Actual	75
Comparative Statements of Cash Flows	76
 SCHEDULE OF BUDGETARY COMPLIANCE:	
<u>Utility Fund</u>	
Schedule of Revenues and Expenses - Budget and Actual (Basis Other Than GAAP)	78
 CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL ACTIVITIES:	
Comparative Schedules of Capital Assets - By source	80
Schedule of Capital Assets - By Function and Activity	81
Schedule of Changes in Capital Assets - By Function and Activity	82

CITY OF FRUITLAND PARK, FLORIDA
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
 FOR THE YEAR ENDED SEPTEMBER 30, 2011

SECTION III - STATISTICAL SECTION

	<u>Page</u>
Net Assets by Component	84-85
Changes in Net Assets	86-89
Fund Balances, Governmental Funds	90-91
Changes in Fund Balances, Governmental Funds	92-93
General Government Tax Revenue by Source	94
Estimated Just Value and Taxable (Assessed) Value of Property	95
Property Tax Rates - Direct and Overlapping Governments	96
Principal Property Taxpayers	97
Property Tax Levies and Collections	98
Ratios of Outstanding Debt by Type	99
Ratios of General Bonded Debt Outstanding	100
Direct and Overlapping Governmental Activities Debt	100
Pledged-Revenue Debt Coverage (Infrastructure Sales Surtaxes)	101
Pledged-Revenue Debt Coverage (Utility Revenues)	102
Demographic and Economic Statistics	103
Demographic Statistics	104
Principal Employers	105
City Government Employees by Function	106
Operating Indicators by Function and Activity	107
Capital Asset and Infrastructure Statistics	108

SECTION IV - REGULATORY AND COMPLIANCE SECTION

Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters	109-110
Schedule of Expenditures of Federal Awards and State Financial Assistance ..	111-112
Independent Auditor's Report on Examination of Management's Assertion About Compliance with Specified Requirements	113
Management Letter	115-116

INTRODUINTRODUCTORY SECTION





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Fruitland Park, Florida 34731

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February 24, 2012

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, 2011 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 nine months after the end of the fiscal year. This CAFR is published to fulfill this requirement for the fiscal year ended September 30, 2011 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, 2011, 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 4,145 and a land area of approximately 6.58 square miles. The City's property tax millage rate is 4.36 mils for fiscal year 2011.

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 much slower and less intense pace than a few years earlier. Last year's annexation put development in prime position for quick startup once market conditions improve.

The Florida Department of Transportation recently began a major construction project for U.S. Highway 27/441 in Fruitland Park. This project is expanding 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.

New to our city, Smart Fuels Florida LLC, owns and operates a biodiesel refinery that produces bio-diesel from waste cooking oil. Currently in the planning stage are plans for a new restaurant on 466A. Burkes BBQ will create 25 new jobs.

There are 390 licensed businesses in Fruitland Park as of September 30, 2011.

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 2011 unemployment rate was 9.9%. This is down from 11.9% for the same time period last year. This rate is slightly higher than the state average of 9.7% and higher than the national average of 8.7% for the same period.

Major Initiatives

In effort to attract quality business along US Highway 27/441, the City of Fruitland Park 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 2011, 275 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 eighth of ten annual payments was made in February 2011 leaving an outstanding principal balance of \$230,383 on this loan.

At September 30, 2011 the unreserved, undesignated fund balance in the General Fund increased from 2.54 to 3.00 months of current General Fund expenditures. This figure is 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 at the minimum range 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, 2010. This is the twelfth 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


Jeannine Racine Michaud, City Treasurer

CITY COMMISSION AND OFFICIALS

September 30, 2011

Mayor	Christopher J. Bell
Vice Mayor-Commissioner.....	Albert O. " Al" Goldberg
Commissioner.....	John Gunter
Commissioner.....	Sharon A. Kelly
Commissioner.....	James C. "Jim" Richardson
City Manager.....	Ralph O. Bowers
City Treasurer.....	Jeannine Racine Michaud
City Clerk.....	Diane Gibson-Smith
Police Chief.....	Terry L. Isaacs
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

CITIZENS OF THE CITY OF
FRUITLAND PARK

CITY COMMISSION

CITY
TREASURER

PLANNING &
ZONING
BOARD

CODE
ENFORCEMENT
BOARD

CITY MANAGER

CITY
ATTORNEY

CITY CLERK

Finance
Dept

Building &
Zoning Dept

Library
Dept

Law Enforcement
Dept

Public Works

Fire Dept

Recreation
Dept

Municipal
Pool

Risk Management
Utility Billing
Budget Management
Financial Reporting
Accounts Payable
Investments
Payroll

Zoning
Permitting
Inspections
Annexations
Occupational License

Books & Av
Lending
Children's
Programs
Inter-Library
Loans

Traffic Enforcement
Code Enforcement
Criminal
Investigation

Water Dept
Sewer Dept
Roads & Streets
Dept
Parks/Facilities
Maintenance Dept
Water & Wastewater
System Improvement
Storm water
Management
Sewer Collection
& Treatment
Roads & Street
Maintenance

Fire Suppression
Fire Inspections
& Prevention
Fire & Life Safety

Recreation
Programs

Records
Management
Human
Resources/
Personnel
Elections

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, 2010

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.



Linda C. Davison

President

Jeffrey R. Emer

Executive Director

FINANCIAL 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
Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

February 23, 2012

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, 2011, 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, 2011 and 2010, 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, 2011, 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, 2011 and 2010, 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, 2011 and 2010, 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 February 23, 2012 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, 2011

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, 2011. 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 \$9,850,789 (net assets). Of this amount, \$939,062 or 9% 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 \$178,959. Net assets for governmental activities decreased \$177,865 and net assets for business activities decreased \$1,094.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$2,124,633. Forty percent of this amount or \$851,850 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 \$235,382 during the fiscal year. The reduction is due to scheduled debt service payments on the wastewater collection and transmission system, City Hall, and the fire pumper.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$851,850 or 24% of total General Fund expenditures. This is a \$85,242 increase over the \$766,608 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, 2011

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, 2011

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 statements 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.

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS

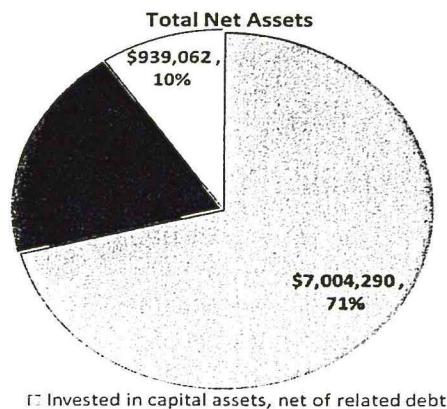
Statement of Net Assets. As noted earlier, over time net assets may serve as a useful indicator of a government's financial position. In the case of the City of Fruitland Park, assets exceeded liabilities by \$9,850,789 as of September 30, 2011. The following table reflects the condensed statement of 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, 2011

CITY OF FRUITLAND PARK - NET ASSETS

	Governmental Activities		Business-type Activities		Total	
	2011	2010	2011	2010	2011	2010
Current and other assets	\$ 2,382,914	\$ 2,555,617	\$ 1,215,003	\$ 1,224,318	\$3,597,917	\$ 3,779,935
Capital Assets	4,012,816	4,144,326	4,574,649	4,763,946	8,587,465	8,908,272
Net Pension Obligation	11,707	8,938	-	-	11,707	8,938
Total Assets	6,407,437	6,708,881	5,789,652	5,988,264	12,197,089	12,697,145
Current and other liabilities	422,267	410,902	228,388	331,671	650,655	742,573
Long-term liabilities outstanding	134,949	269,893	1,560,696	1,654,931	1,695,645	1,924,824
Total liabilities	557,216	680,795	1,789,084	1,986,602	2,346,300	2,667,397
Net Assets:						
Invested in capital assets, net of related debt	3,747,502	3,736,577	3,256,788	3,227,368	7,004,290	6,963,945
Restricted	1,247,438	1,508,927	659,999	561,529	1,907,437	2,070,456
Unrestricted	855,281	782,582	83,781	212,765	939,062	995,347
Total net assets	\$ 5,850,221	\$ 6,028,086	\$ 4,000,568	\$ 4,001,662	\$9,850,789	\$ 10,029,748

The largest portion of the City's net assets (\$7,004,290 or 71%) 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)
For the Fiscal Year Ending September 30, 2011

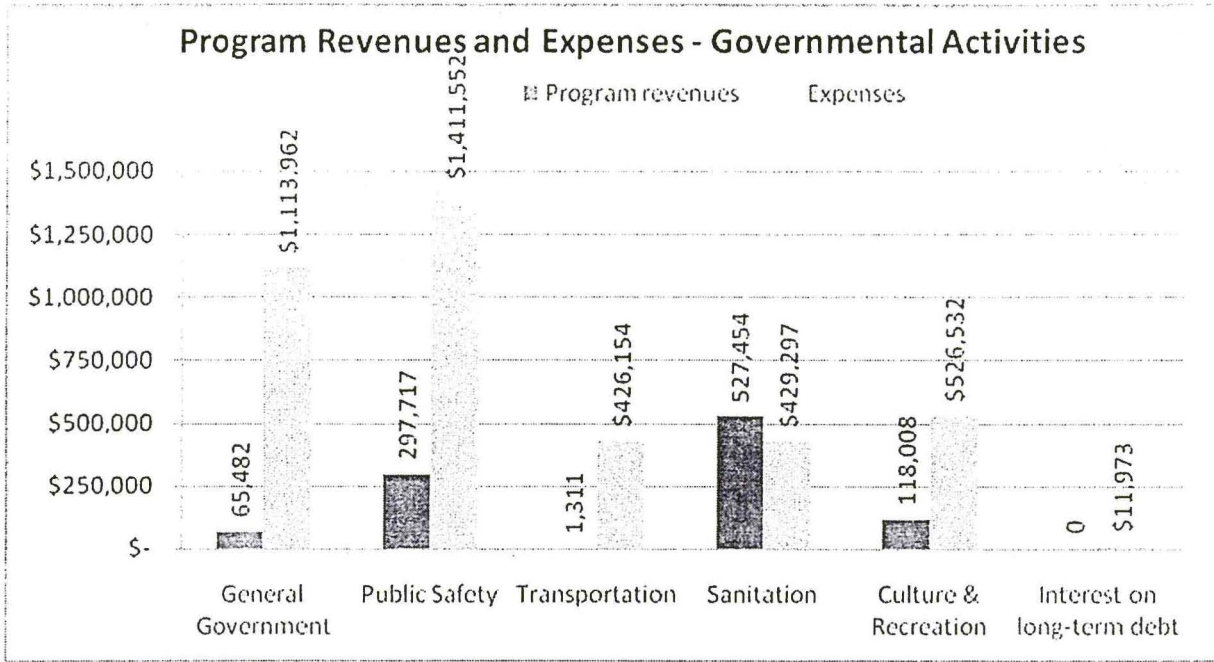
An additional portion of the City of Fruitland Park's net assets (\$1,907,437 or 19%) represents resources that are subject to external restrictions on how they may be used. The remaining balance, unrestricted net assets (\$939,062 or 10%), may be used to meet the government's ongoing obligations to 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.

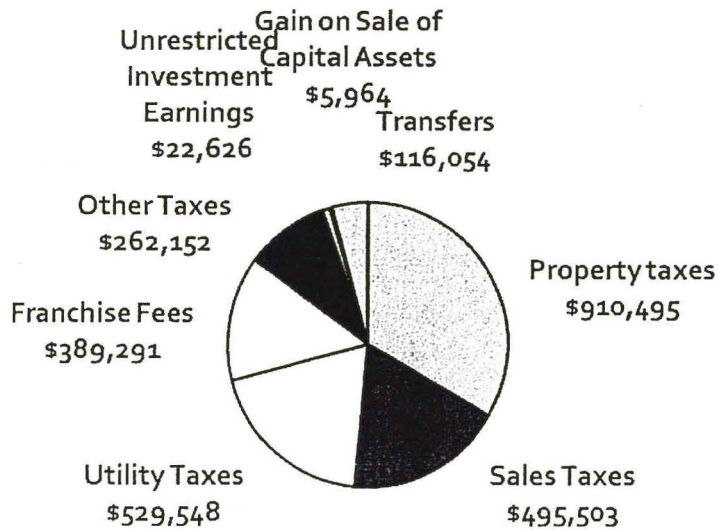
Statement of Activities. As noted earlier, the statement of activities presents information showing how the City's net assets changed during the year. The following table reflects the condensed statement of activities for the current fiscal year as compared to the prior fiscal year.

	CITY OF FRUITLAND PARK'S CHANGES IN NET ASSETS					
	Governmental Activities		Business-type Activities		Total	
	2011	2010	2011	2010	2011	2010
Revenues:						
Program revenues:						
Charges for services	871,629	887,482	733,867	669,489	1,605,496	1,556,971
Operating grants and contributions	89,210	100,267	-	-	89,210	100,267
Capital grants and contributions	49,133	91,892	235,835	45,492	284,968	137,384
General revenues:						
Property taxes	910,495	1,045,330	-	-	910,495	1,045,330
Sales Taxes	495,503	471,136	-	-	495,503	471,136
Franchise fees and utility taxes	918,839	957,318	-	-	918,839	957,318
Exise taxes	262,152	256,671	-	-	262,152	256,671
Gain on Sale Capital Asset	5,964	-	-	-	5,964	-
Unrestricted investment earnings	22,626	26,994	14,400	40,156	37,026	67,150
Total revenues	<u>3,625,551</u>	<u>3,837,090</u>	<u>984,102</u>	<u>755,137</u>	<u>4,609,653</u>	<u>4,592,227</u>
Expenses:						
General Government	1,113,962	872,323	-	-	1,113,962	872,323
Public Safety	1,411,552	1,550,621	-	-	1,411,552	1,550,621
Transportation	426,154	366,990	-	-	426,154	366,990
Sanitation	429,297	448,014	-	-	429,297	448,014
Culture and Recreation	526,532	558,258	-	-	526,532	558,258
Water	-	-	572,667	649,113	572,667	649,113
Recreation Programs	-	-	18,490	18,899	18,490	18,899
Sewer	-	-	277,985	364,080	277,985	364,080
Interest on Long-term Debt	11,973	17,495	-	-	11,973	17,495
Total expenses	<u>3,919,470</u>	<u>3,813,701</u>	<u>869,142</u>	<u>1,032,092</u>	<u>4,788,612</u>	<u>4,845,793</u>
Change in net assets before transfers	(293,919)	23,389	114,960	(276,955)	(178,959)	(253,566)
Transfers	<u>116,054</u>	<u>(92,521)</u>	<u>(116,054)</u>	<u>92,521</u>	<u>-</u>	<u>-</u>
Change in net assets	(177,865)	(69,132)	(1,094)	(184,434)	(178,959)	(253,566)
Net assets - 10/01/2010	<u>6,028,086</u>	<u>6,097,218</u>	<u>4,001,662</u>	<u>4,186,096</u>	<u>10,029,748</u>	<u>10,283,314</u>
Net assets - 09/30/2011	<u>\$5,850,221</u>	<u>\$6,028,086</u>	<u>\$4,000,568</u>	<u>\$4,001,662</u>	<u>\$9,850,789</u>	<u>\$10,029,748</u>

CITY OF FRUITLAND PARK
Management's Discussion and Analysis (MD&A)
For the Fiscal Year Ending September 30, 2011



Revenues by Source - Governmental Activities



CITY OF FRUITLAND PARK
Management's Discussion and Analysis (MD&A)
For the Fiscal Year Ending September 30, 2011

Business-Type Activities. Business-type activities decreased the City's net assets by \$1,094. The main reasons for the relatively small decrease are increased expenses due to the increased costs to renew the City's Consumptive Use Permit (CUP) offset by a one-time transfer of \$105,000 from the Community Redevelopment Fund for its proportionate share.

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 *unassigned fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of fiscal year 2011 the City's governmental funds reported combined ending fund balances of \$2,124,633. Approximately 40% of this total amount (\$851,850) constitutes the unassigned fund balance. The remainder of the fund balance has certain degrees of spending constraints to indicate that it is not available for new spending. Restricted: 1) to provide for police education (\$42,533), 2) police equipment (\$57,242), 3) police automation (\$5,814), 4) public safety capital improvements (\$261,041), 5) redevelopment (\$311,594) 6) infrastructure (\$367,075); Committed: 1) cemetery care (\$120,692), 2) storm-water utility (\$81,447); Nonspendable: 1) prepaid items (\$25,345).

The General Fund is the primary operating fund of the City. As of the end of fiscal year 2011 the fund balance of the General Fund increased \$72,107, from \$1,373,857 to \$1,445,964. As a measure of the General Fund's liquidity, it is useful to compare the unassigned fund balance to total expenditures. The unassigned fund balance, which represents 25% of General Fund's current expenditures, increased \$85,242 from \$766,608 to \$851,850.

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 2011 the City's Utility Fund reported total net assets of \$3,989,179. Of this amount \$3,256,788 or 81% is invested in capital assets (net of related debt); \$596,573 is restricted for utility capital improvements; \$63,426 is restricted for debt service and \$72,392 is unrestricted. Utility Fund net assets decreased \$5,278 from \$3,994,457 in 2010 to \$3,989,179 at September 30, 2011.

As of September 30, 2011 the City's Recreation Programs Fund reported unrestricted net assets of \$11,389, an increase of \$4,184 compared to the prior fiscal year.

CITY OF FRUITLAND PARK
Management's Discussion and Analysis (MD&A)
For the Fiscal Year Ending September 30, 2011

GENERAL FUND BUDGETARY HIGHLIGHTS

Revisions to the original appropriation resulted in a decrease in the original budget of .98% or – (\$43,897). The original fiscal year 2011 General Fund budget was balanced by appropriating \$1,257 of unassigned fund balance. The unassigned fund balance increased \$85,242 from \$766,608 in 2010 to \$851,850 in fiscal year 2010.

CAPITAL ASSETS

The City's investment in capital assets for its governmental and business-type activities as of September 30, 2011, 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	
	2011	2010	2011	2010	2011	2010
Land	943,094	943,094	339,699	339,699	1,282,793	1,282,793
Design in Progress	93,275	-	-	-	93,275	-
Buildings	1,853,606	1,915,144	104,702	111,002	1,958,308	2,026,146
Improvements other than buildings	222,218	260,736	-	-	222,218	260,736
Utility Systems			3,988,732	4,146,958	3,988,732	4,146,958
Equipment	289,829	392,502	141,516	166,287	431,345	558,789
Infrastructure	<u>610,794</u>	<u>632,850</u>	<u>-</u>	<u>-</u>	<u>610,794</u>	<u>632,850</u>
Total Capital Assets	<u>\$ 4,012,816</u>	<u>\$ 4,144,326</u>	<u>\$ 4,574,649</u>	<u>\$ 4,763,946</u>	<u>\$ 8,587,465</u>	<u>\$ 8,908,272</u>

Additional information on the City's capital assets can be found in Note 5 on page 36 & 37 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 executed an agreement with Florida Department of Environmental Protection under the State Revolving Loan Program for \$2,347,338 to fund the construction of this project. Semiannual loan payments each in the amount of \$68,834 (\$8,165 for the pre-construction; \$60,669 for the

CITY OF FRUITLAND PARK
Management's Discussion and Analysis (MD&A)
For the Fiscal Year Ending September 30, 2011

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 2011, the City's long-term debt decreased \$215,386 from \$2,206,981 to \$1,991,595. The outstanding balance includes a \$230,383 note for City Hall, \$188,782 State Revolving Fund (SRF) loan balance for preconstruction planning and engineering of the sewer utility system, \$1,466,149 for a SRF loan for the construction of the wastewater collection and treatment system, \$30,385 for a fire pumper truck and \$4,546 for a video system lease. The City also reports a long-term liability of \$71,350 for compensated absences.

Additional information on the City's long-term debt can be found in Note 6 on pages 38-40 of this report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The City's final taxable value of commercial and residential property decreased \$16,061,386 or 8.1% from \$198,350,231 in fiscal year 2010 to \$182,288,845 in fiscal year 2011. Considering this and the City's ad-valorem tax rate remained the same at 4.36 mills for 2011, the City still collected 99% of the prior year. This includes 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) became effective on January 1, 2008. 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. The ten percent (10%) assessment cap on non-homestead property, became effective January 1, 2009. Amendment 1 also provides a \$25,000 exemption for tangible personal property.

The City's final taxable value for commercial and residential property for next year decreased 16,304,435 or 8.99% from 182,288,845 in fiscal year 2011 to \$165,894,410 in fiscal year 2012. The City's ad-valorem tax rate went down slightly to 4.3284 mills for 2012. The City did not use any unassigned fund balance to balance the FY2012 budget.

CITY OF FRUITLAND PARK
Management's Discussion and Analysis (MD&A)
For the Fiscal Year Ending September 30, 2011

REQUESTS FOR INFORMATION

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

BASIC FINANCIAL STATEMENTS

CITY OF FRUITLAND PARK, FLORIDA
STATEMENT OF NET ASSETS
SEPTEMBER 30, 2011

Assets	<u>GOVERNMENTAL ACTIVITIES</u>	<u>BUSINESS-TYPE ACTIVITIES</u>	<u>TOTAL</u>
Cash	\$ 850,235	\$ 14,415	\$ 864,650
Certificates of Deposit	904,405	200,000	1,104,405
Investments	-	67,732	67,732
Restricted Cash	-	753,767	753,767
Receivables (net of allowance for uncollectibles)	171,975	120,322	292,297
Internal Balances	354,262	(354,262)	-
Due from Other Governments	76,692	-	76,692
Inventory and Prepaids	25,345	40,515	65,860
Deferred Charges	-	372,514	372,514
Capital Assets (net of accumulated depreciation):			
Land	943,094	339,699	1,282,793
Buildings	1,853,606	104,702	1,958,308
Improvements Other Than Buildings	222,218	-	222,218
Utility Systems	-	3,988,732	3,988,732
Equipment	289,829	141,516	431,345
Infrastructure	610,794	-	610,794
Construction in Progress	93,275	-	93,275
Net Pension Obligation	11,707	-	11,707
TOTAL ASSETS	<u>6,407,437</u>	<u>5,789,652</u>	<u>12,197,089</u>
LIABILITIES			
Accounts Payable	109,035	30,102	139,137
Accrued Liabilities	30,737	3,209	33,946
Accrued Interest Payable	6,492	5,408	11,900
Customer Deposits	-	88,360	88,360
Unearned Revenue	81,362	-	81,362
Noncurrent Liabilities:			
Due within one year	194,641	101,309	295,950
Due in more than one year	134,949	1,560,696	1,695,645
TOTAL LIABILITIES	<u>557,216</u>	<u>1,789,084</u>	<u>2,346,300</u>
NET ASSETS			
Invested in Capital Assets, net of related debt	3,747,502	3,256,788	7,004,290
Restricted for:			
Capital Improvements	628,116	596,573	1,224,689
Redevelopment Projects	311,594	-	311,594
Debt Service	-	63,426	63,426
Cemetery Care	120,692	-	120,692
Police	105,589	-	105,589
Stormwater	81,447	-	81,447
Unrestricted	855,281	83,781	939,062
TOTAL NET ASSETS	<u>\$ 5,850,221</u>	<u>\$ 4,000,568</u>	<u>\$ 9,850,789</u>

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, 2011

	PROGRAM REVENUES			
	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS
GOVERNMENTAL ACTIVITIES:				
General Government	\$ 1,113,962	\$ 62,532	\$ 2,950	\$ -
Public Safety	1,411,552	287,375	1,252	9,090
Transportation	426,154	-	1,311	-
Sanitation/Other Utility	429,297	486,420	991	40,043
Culture and Recreation	526,532	35,302	82,706	-
Interest on Long-term Debt	11,973	-	-	-
TOTAL GOVERNMENTAL ACTIVITIES	3,919,470	871,629	89,210	49,133
BUSINESS-TYPE ACTIVITIES:				
Water Utility	572,667	588,343	-	1,970
Sewer Utility	277,985	117,859	-	233,865
Recreation Programs	18,490	27,665	-	-
TOTAL BUSINESS-TYPE ACTIVITIES	869,142	733,867	-	235,835
TOTAL	\$ 4,788,612	\$ 1,605,496	\$ 89,210	\$ 284,968

GENERAL REVENUES:

Property Taxes
Sales Taxes
Franchise Fees
Utility Taxes
Excise Taxes
Unrestricted Investment Earnings
Gain on Sale of Capital Assets

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
\$ (1,048,480)	\$ -	\$ (1,048,480)
(1,113,835)	-	(1,113,835)
(424,843)	-	(424,843)
98,157	-	98,157
(408,524)	-	(408,524)
(11,973)	-	(11,973)
<u>(2,909,498)</u>	<u>-</u>	<u>(2,909,498)</u>
-	17,646	17,646
-	73,739	73,739
-	9,175	9,175
<u>-</u>	<u>100,560</u>	<u>100,560</u>
<u>(2,909,498)</u>	<u>100,560</u>	<u>(2,808,938)</u>
910,495	-	910,495
495,503	-	495,503
389,291	-	389,291
529,548	-	529,548
262,152	-	262,152
22,626	14,400	37,026
5,964	-	5,964
116,054	(116,054)	-
<u>2,731,633</u>	<u>(101,654)</u>	<u>2,629,979</u>
(177,865)	(1,094)	(178,959)
<u>6,028,086</u>	<u>4,001,662</u>	<u>10,029,748</u>
<u>\$ 5,850,221</u>	<u>\$ 4,000,568</u>	<u>\$ 9,850,789</u>

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CITY OF FRUITLAND PARK, FLORIDA
BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2011

ASSETS	GENERAL	COMMUNITY REDEVELOPMENT	CAPITAL PROJECTS	TOTAL GOVERNMENTAL FUNDS
Cash	\$ 612,861	\$ 762	\$ 236,612	\$ 850,235
Certificates of Deposit	404,405	400,000	100,000	904,405
Accounts Receivable (net of allowance for uncollectibles)	146,975	25,000	-	171,975
Due from Other Funds	442,680	-	-	442,680
Due from Other Governments	46,229	-	30,463	76,692
Inventory and Prepaids	25,345	-	-	25,345
TOTAL ASSETS	<u>\$ 1,678,495</u>	<u>\$ 425,762</u>	<u>\$ 367,075</u>	<u>\$ 2,471,332</u>
LIABILITIES AND FUND BALANCES				
LIABILITIES:				
Accounts Payable	\$ 108,285	\$ 750	\$ -	\$ 109,035
Accrued Liabilities	30,737	-	-	30,737
Due to Other Funds	-	88,418	-	88,418
Unearned/Deferred Revenues	93,509	25,000	-	118,509
TOTAL LIABILITIES	<u>232,531</u>	<u>114,168</u>	<u>-</u>	<u>346,699</u>
FUND BALANCES:				
Nonspendable	25,345	-	-	25,345
Restricted	366,630	311,594	367,075	1,045,299
Committed	202,139	-	-	202,139
Unassigned	851,850	-	-	851,850
TOTAL FUND BALANCES	<u>1,445,964</u>	<u>311,594</u>	<u>367,075</u>	<u>2,124,633</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 1,678,495</u>	<u>\$ 425,762</u>	<u>\$ 367,075</u>	
Amounts reported for governmental activities in the Statement of Net Assets are different because:				
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds. Cost of capital assets \$6,568,919 less accumulated depreciation of \$2,556,103.				4,012,816
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.				37,147
Net pension obligation is not an available financial resource and therefore, is not reported as an asset in the funds.				11,707
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 \$6,492 capital leases \$34,931, note payable \$230,383 and compensated absences \$64,276.				<u>(336,082)</u>
NET ASSETS OF GOVERNMENTAL ACTIVITIES				<u>\$ 5,850,221</u>

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, 2011

	GENERAL	COMMUNITY REDEVELOPMENT	CAPITAL PROJECTS	TOTAL GOVERNMENTAL FUNDS
REVENUES:				
Taxes	\$ 1,817,086	\$ -	\$ 314,320	\$ 2,131,406
License and Permits	22,681	-	-	22,681
Intergovernmental	416,171	255,358	-	671,529
Charges for Services	680,152	-	-	680,152
Fines and Forfeitures	109,903	-	-	109,903
Miscellaneous Revenues	70,667	17,444	1,987	90,098
TOTAL REVENUES	3,116,660	272,802	316,307	3,705,769
EXPENDITURES:				
Current				
General Government	881,004	294,405	-	1,175,409
Public Safety	1,317,661	-	-	1,317,661
Transportation	288,578	105,565	-	394,143
Sanitation/Other Utility	429,297	-	-	429,297
Culture and Recreation	456,868	-	-	456,868
Capital Outlay	-	96,010	-	96,010
Debt Service:				
Principal	33,419	-	109,016	142,435
Interest	3,096	-	12,660	15,756
TOTAL EXPENDITURES	3,409,923	495,980	121,676	4,027,579
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(293,263)	(223,178)	194,631	(321,810)
OTHER FINANCING SOURCES (USES);				
Transfers In	359,406	-	-	359,406
Transfers Out	-	(163,183)	(80,169)	(243,352)
Sale of Capital Assets	5,964	-	-	5,964
TOTAL OTHER FINANCING SOURCES (USES)	365,370	(163,183)	(80,169)	122,018
NET CHANGE IN FUND BALANCES	72,107	(386,361)	114,462	(199,792)
FUND BALANCES:				
Beginning of Year	1,373,857	697,955	252,613	2,324,425
End of Year	<u>\$ 1,445,964</u>	<u>\$ 311,594</u>	<u>\$ 367,075</u>	<u>\$ 2,124,633</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, 2011

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

NET CHANGE IN FUND BALANCES-TOTAL GOVERNMENTAL FUNDS	\$ (199,792)
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 depreciation, \$248,002, exceeded capital outlays \$117,300, in the current period.	(130,702)
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.	(808)
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.	24,065
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.	142,435
Interest accrued on long-term debt reported in the Statement of Activities does not require the use of current financial resources and, therefore, is not reported as expenditures in governmental funds.	3,783
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.	(19,615)
Changes in the Net Pension Obligation do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	<u>2,769</u>
CHANGE IN NET ASSETS OF GOVERNMENTAL ACTIVITIES	<u><u>\$ (177,865)</u></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, 2011

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
REVENUES:				
Taxes	\$ 1,839,681	\$ 1,859,181	\$ 1,817,086	\$ (42,095)
Licenses and Permits	60,300	22,300	22,681	381
Intergovernmental	428,593	431,845	416,171	(15,674)
Charges for Services	682,183	684,883	680,152	(4,731)
Fines and Forfeitures	176,315	131,315	109,903	(21,412)
Miscellaneous	74,129	87,780	70,667	(17,113)
TOTAL REVENUES	<u>3,261,201</u>	<u>3,217,304</u>	<u>3,116,660</u>	<u>(100,644)</u>
EXPENDITURES:				
Current:				
General Government	966,915	921,735	881,004	40,731
Public Safety	1,414,279	1,418,798	1,317,661	101,137
Transportation	293,461	296,725	288,578	8,147
Sanitation/Other Utility	437,828	435,828	429,297	6,531
Culture and Recreation	493,735	489,235	456,868	32,367
Debt Service	36,515	36,515	36,515	-
TOTAL EXPENDITURES	<u>3,642,733</u>	<u>3,598,836</u>	<u>3,409,923</u>	<u>188,913</u>
DEFICIENCY OF REVENUES UNDER EXPENDITURES	<u>(381,532)</u>	<u>(381,532)</u>	<u>(293,263)</u>	<u>88,269</u>
OTHER FINANCING SOURCES (USES):				
Transfers In	360,906	360,906	359,406	(1,500)
Sale of Capital Assets	-	-	5,964	5,964
TOTAL OTHER FINANCING SOURCES (USES)	<u>360,906</u>	<u>360,906</u>	<u>365,370</u>	<u>4,464</u>
NET CHANGE IN FUND BALANCES	<u>(20,626)</u>	<u>(20,626)</u>	<u>72,107</u>	<u>92,733</u>
FUND BALANCE, Beginning of Year	<u>1,373,857</u>	<u>1,373,857</u>	<u>1,373,857</u>	<u>-</u>
FUND BALANCE, End of Year	<u>\$ 1,353,231</u>	<u>\$ 1,353,231</u>	<u>\$ 1,445,964</u>	<u>\$ 92,733</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, 2011

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
REVENUES:				
Intergovernmental	\$ 236,496	\$ 936,496	\$ 255,358	\$ (681,138)
Miscellaneous	19,730	19,730	17,444	(2,286)
TOTAL REVENUES	<u>256,226</u>	<u>956,226</u>	<u>272,802</u>	<u>(683,424)</u>
EXPENDITURES:				
General Government:				
Other General Government	570	248,777	294,405	(45,628)
Contingency	57,552	70,724	-	70,724
Transportation:				
Roads and Streets	217,020	143,878	105,565	38,313
Capital Outlay	298,735	1,069,935	96,010	973,925
TOTAL EXPENDITURES	<u>573,877</u>	<u>1,533,314</u>	<u>495,980</u>	<u>1,037,334</u>
DEFICIENCY OF REVENUES OVER UNDER EXPENDITURES	<u>(317,651)</u>	<u>(577,088)</u>	<u>(223,178)</u>	<u>353,910</u>
OTHER FINANCING SOURCES (USES):				
Transfers In	50,000	69,680	-	(69,680)
Transfers Out	(58,183)	(163,183)	(163,183)	-
NET CHANGE IN FUND BALANCES	(325,834)	(670,591)	(386,361)	284,230
FUND BALANCE, Beginning of Year	<u>697,955</u>	<u>697,955</u>	<u>697,955</u>	<u>-</u>
FUND BALANCE, End of Year	<u>\$ 372,121</u>	<u>\$ 27,364</u>	<u>\$ 311,594</u>	<u>\$ 284,230</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, 2011

ASSETS	ENTERPRISE FUNDS		
	UTILITY FUND	RECREATION PROGRAMS FUND	TOTAL
<u>CURRENT ASSETS</u>			
Cash	\$ 1,380	\$ 13,035	\$ 14,415
Certificates of Deposit	200,000	-	200,000
Investments	67,732	-	67,732
Restricted Cash:			
SRF Loan Reserves	68,834	-	68,834
Customer Deposits	88,360	-	88,360
Customer Accounts Receivable (net of allowance for uncollectibles)	96,393	-	96,393
Inventory	40,515	-	40,515
 TOTAL CURRENT ASSETS	 563,214	 13,035	 576,249
<u>NONCURRENT ASSETS</u>			
RESTRICTED CASH:			
Water and Sewer Impact Fees	596,573	-	596,573
SEWER IMPACT FEE RECEIVABLES	23,929	-	23,929
DEFERRED CHARGES	57,962	-	57,962
CONSUMPTIVE USE PERMIT (net of accumulated amortization)	314,552	-	314,552
CAPITAL ASSETS:			
Land	339,699	-	339,699
Buildings	243,408	-	243,408
Water System	3,199,076	-	3,199,076
Sewer System	2,424,132	-	2,424,132
Equipment	415,211	-	415,211
	6,621,526	-	6,621,526
Less Accumulated Depreciation	2,046,877	-	2,046,877
 NET CAPITAL ASSETS	 4,574,649	 -	 4,574,649
 TOTAL NONCURRENT ASSETS	 5,567,665	 -	 5,567,665
 TOTAL ASSETS	 6,130,879	 13,035	 6,143,914

CITY OF FRUITLAND PARK, FLORIDA
STATEMENT OF NET ASSETS (continued)
PROPRIETARY FUNDS
SEPTEMBER 30, 2011

LIABILITIES	ENTERPRISE FUNDS		
	UTILITY FUND	RECREATION PROGRAMS FUND	TOTAL
	<u>CURRENT LIABILITIES</u>		
Accounts Payable	\$ 28,456	\$ 1,646	\$ 30,102
Accrued Payroll	3,209	-	3,209
Due to Other Funds	354,262	-	354,262
Customer Deposits	88,360	-	88,360
State Revolving Fund Loans:			
Accrued Interest	5,408	-	5,408
Current Portion	95,369	-	95,369
Compensated Absences	7,074	-	7,074
TOTAL CURRENT LIABILITIES	582,138	1,646	583,784
<u>NONCURRENT LIABILITIES</u>			
SRF LOANS PAYABLE	1,559,562	-	1,559,562
TOTAL LIABILITIES	2,141,700	1,646	2,143,346
 <u>NET ASSETS</u> 			
Invested in Capital Assets, net of related debt	3,256,788	-	3,256,788
Restricted for Utility Capital Improvements	596,573	-	596,573
Restricted for Debt Service	63,426	-	63,426
Unrestricted	72,392	11,389	83,781
TOTAL NET ASSETS	\$ 3,989,179	\$ 11,389	\$ 4,000,568

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, 2011

	ENTERPRISE FUNDS		
	UTILITY FUND	RECREATION PROGRAMS FUND	TOTAL
OPERATING REVENUES:			
Charges for Services	\$ 618,633	\$ 27,665	\$ 646,298
Other Operating Revenues	87,569	-	87,569
TOTAL OPERATING REVENUES	706,202	27,665	733,867
OPERATING EXPENSES:			
Personal Services	219,594	-	219,594
Other Operating Expenses	373,961	18,490	392,451
Depreciation	210,307	-	210,307
TOTAL OPERATING EXPENSES	803,862	18,490	822,352
OPERATING INCOME (LOSS)	(97,660)	9,175	(88,485)
NONOPERATING REVENUES (EXPENSES):			
Interest Income	3,143	9	3,152
Increase in Fair Value of Investments	11,248	-	11,248
Interest Expense	(44,419)	-	(44,419)
Debt Issuance Costs	(2,371)	-	(2,371)
TOTAL NONOPERATING REVENUES (EXPENSES)	(32,399)	9	(32,390)
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	(130,059)	9,184	(120,875)
CONTRIBUTIONS	235,835	-	235,835
TRANSFERS IN	105,000	-	105,000
TRANSFERS OUT	(216,054)	(5,000)	(221,054)
CHANGE IN NET ASSETS	(5,278)	4,184	(1,094)
NET ASSETS, Beginning of Year	3,994,457	7,205	4,001,662
NET ASSETS, End of Year	<u>\$ 3,989,179</u>	<u>\$ 11,389</u>	<u>\$ 4,000,568</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, 2011

	ENTERPRISE FUNDS		
	UTILITY FUND	RECREATION PROGRAMS FUND	TOTAL
CASH FLOWS FROM OPERATING ACTIVITIES:			
Cash received from customers	\$ 686,295	\$ 27,665	\$ 713,960
Cash payments to suppliers for goods and services	(438,019)	(16,844)	(454,863)
Cash payments to employees for services	(218,024)	-	(218,024)
NET CASH PROVIDED BY OPERATING ACTIVITIES	30,252	10,821	41,073
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:			
Advances from General Fund	292,960	-	292,960
Transfers in from Redevelopment Fund	105,000	-	105,000
Transfers out to General Fund	(216,054)	(5,000)	(221,054)
NET CASH PROVIDED BY NONCAPITAL FINANCING ACTIVITIES	181,906	(5,000)	176,906
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
Impact Fees received	243,822	-	243,822
SRF Loan principal repayments	(92,947)	-	(92,947)
SRF Loan interest paid	(44,722)	-	(44,722)
Acquisition and construction of capital assets	(222,066)	-	(222,066)
NET CASH USED IN CAPITAL AND RELATED FINANCING ACTIVITIES	(115,913)	-	(115,913)
CASH FLOWS FROM INVESTING ACTIVITIES:			
State Board Pool B investment	23,190	-	23,190
Certificate of Deposit investments	2,854	-	2,854
Interest received on investments	3,143	9	3,152
NET CASH PROVIDED BY INVESTING ACTIVITIES	29,187	9	29,196
NET INCREASE IN CASH	125,432	5,830	131,262
CASH, Beginning of Year	629,715	7,205	636,920
CASH, End of Year	\$ 755,147	\$ 13,035	\$ 768,182

continued on next page

CITY OF FRUITLAND PARK, FLORIDA
STATEMENT OF CASH FLOWS (continued)
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2011

	ENTERPRISE FUNDS		
	UTILITY FUND	RECREATION PROGRAMS FUND	TOTAL
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES:			
Operating Income (Loss)	\$ (97,660)	\$ 9,175	\$ (88,485)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:			
Depreciation and Amortization	242,051	-	242,051
Changes in Assets and Liabilities:			
Increase in Customer Receivables	(18,622)	-	(18,622)
Decrease in Inventory	10,397	-	10,397
Increase (Decrease) in Accounts Payable	(106,199)	1,646	(104,553)
Increase in Accrued Payroll	1,189	-	1,189
Decrease in Customer Deposits	(1,285)	-	(1,285)
Increase Compensated Absences	381	-	381
 TOTAL ADJUSTMENTS	 <u>127,912</u>	 <u>1,646</u>	 <u>129,558</u>
 NET CASH PROVIDED BY OPERATING ACTIVITIES	 <u>\$ 30,252</u>	 <u>\$ 10,821</u>	 <u>\$ 41,073</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, 2011

ASSETS	PENSION TRUST FUNDS
Cash	\$ 88,255
Certificates of Deposits	275,000
Investments with Trustees:	
Cash management funds	107,509
US Government securities	20,800
Corporate equity funds	91,650
Corporate bond funds	<u>7,357</u>
 TOTAL ASSETS	 <u>590,571</u>
 LIABILITIES	
LIABILITIES	<u>-</u>
 NET ASSETS	
Held in trust for City's Contributions	\$ 18,055
Held in trust for Firefighters' Contributions	10,438
Held in trust for Pension Benefits	<u>562,078</u>
 TOTAL NET ASSETS	 <u><u>\$ 590,571</u></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, 2011

	PENSION TRUST FUNDS
ADDITIONS	
CONTRIBUTIONS:	
City	\$ 31,384
Employees	1,638
State of Florida	22,109
Total Contributions	55,131
INVESTMENT INCOME:	
Net Depreciation in Fair Value of Investments	(284)
Interest/Dividend Income	9,285
Total Investment Income	9,001
Less Investment Expenses	-
Net Investment Income	9,001
TOTAL ADDITIONS	64,132
DEDUCTIONS	
Benefit Payments	5,534
Refund of Contributions	730
Administration Expense	450
TOTAL DEDUCTIONS	6,714
CHANGE IN NET ASSETS	57,418
NET ASSETS HELD IN TRUST FOR PENSION BENEFITS:	
Beginning of Year	533,153
End of Year	\$ 590,571

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

CITY OF FRUITLAND PARK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2011

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
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2011

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
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2011

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 0.24% as of September 30, 2011. 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, 2011, shares in the Fund B pool are stated net of a fair value factor of 0.756839.

CITY OF FRUITLAND PARK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2011

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. Amortization

The cost of the water consumptive use permit (CUP) agreed to in November 2010 with the St. Johns River Water Management District is amortized over its ten year term using the straight line method.

Costs incurred in obtaining the State Revolving Fund (SRF) loans are amortized straight line over the 18-year lives of the loans.

H. 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. A liability for vacation benefits is reported in governmental funds only if they have matured, for example, as a result of

CITY OF FRUITLAND PARK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2011

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

employee resignations and retirements. 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.

I. Long-term Obligations

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

J. Fund Equity

The following fund balance classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

Nonspendable fund balance - amounts that are not in spendable form, such as prepaid items.

Restricted fund balance - amounts constrained to specific purposes by their providers (such as grantors or higher levels of government), through constitutional provisions, or by enabling legislation.

Committed fund balance - amounts constrained to specific purposes by the City itself, using its highest level of decision-making authority; to be reported as committed, amounts cannot be used for any other purpose unless the City takes the same highest level action to remove or change the restraint.

Assigned fund balance - amounts the City intends to use for a specific purpose; intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority.

Unassigned fund balance - amounts that are available for any purpose.

The City Commission establishes (and modifies or rescinds) fund balance commitments by passage of an ordinance. Assigned fund balance is established by the City Commission by passage of a resolution.

City management determines on a case by case basis whether restricted funds will be used for an expenditure when there is choice to use restricted or unrestricted fund balance. The City Commission, through establishment of the budget, considers committed amounts to be used for an expenditure when there is a choice to use committed or unassigned fund balance.

K. Transfers

Transfers are made from the enterprise funds to the General Fund for administrative costs. Transfers are made from the Community Redevelopment Fund 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.

In the year ended December 31, 2011, the City made a one-time transfer of \$105,000 from the Community Redevelopment Fund to the Utility Fund to fund the redevelopment district's proportionate share of the water consumptive use permit.

CITY OF FRUITLAND PARK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2011

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

L. 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.
- 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 committed or assigned fund balances.

NOTE 3 CASH AND INVESTMENTS

Cash Deposits

At September 30, 2011, the carrying amount of the City's cash deposits, including cash on deposit with the State Board of Administration Fund A pool, was \$1,618,417, 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.

CITY OF FRUITLAND PARK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2011

NOTE 3 CASH AND INVESTMENTS (continued)

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, 2011 the City's investments at fair value are:

Certificates of Deposit	\$	1,379,405
State Board Fund B Pool		67,732
US Government Securities (GNMA)		20,800
Mutual Funds		<u>206,516</u>
	<u>\$</u>	<u>1,674,453</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 4.82 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, 2011 all of the City's certificates of deposit were with BB&T Bank, Citizens First Bank, and CenterState Bank, which are included on the listing of state-certified qualified public depositories.

NOTE 4 ACCOUNTS RECEIVABLE

Accounts receivable at September 30, 2011 are as follows:

	<u>General Fund</u>	<u>Utility Fund</u>
Customer Accounts Receivable	\$ 44,274	\$ 101,651
Franchise and Utility Taxes	64,921	-
Other Receivables	37,780	23,929
Less Allowance for Uncollectibles	<u>-</u>	<u>(5,258)</u>
Net Receivables	<u>\$ 146,975</u>	<u>\$ 120,322</u>

At September 30, 2001, the Community Redevelopment Fund reports grants receivable of \$25,000 from the Neighborhood Revitalization Community Development Block Grant program.

CITY OF FRUITLAND PARK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2011

NOTE 5 CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2011:

	October 1, 2010	Additions	Transfers/ Deletions	Sept 30, 2011
GOVERNMENTAL ACTIVITIES				
Capital assets not being depreciated:				
Land	\$ 943,094	\$ -	\$ -	\$ 943,094
Construction in progress	-	93,275	-	93,275
	<u>943,094</u>	<u>93,275</u>	<u>-</u>	<u>1,036,369</u>
Capital assets being depreciated:				
Buildings	2,590,160	-	-	2,590,160
Improvements	750,860	2,735	(207)	753,388
Equipment	1,548,865	21,290	(55,829)	1,514,326
Infrastructure	674,676	-	-	674,676
	<u>5,564,561</u>	<u>24,025</u>	<u>(56,036)</u>	<u>5,532,550</u>
Less accumulated depreciation for:				
Buildings	(675,016)	(61,538)	-	(736,554)
Improvements	(490,124)	(41,253)	207	(531,170)
Equipment	(1,156,363)	(123,155)	55,021	(1,224,497)
Infrastructure	(41,826)	(22,056)	-	(63,882)
	<u>(2,363,329)</u>	<u>(248,002)</u>	<u>55,228</u>	<u>(2,556,103)</u>
Total capital assets being depreciated, net	<u>3,201,232</u>	<u>(223,977)</u>	<u>(808)</u>	<u>2,976,447</u>
GOVERNMENTAL ACTIVITIES				
CAPITAL ASSETS, NET	<u>\$ 4,144,326</u>	<u>\$ (130,702)</u>	<u>\$ (808)</u>	<u>\$ 4,012,816</u>

CITY OF FRUITLAND PARK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2011

NOTE 5 CAPITAL ASSETS (continued)

	October 1, 2010	Additions	Transfers/ Deletions	Sept 30, 2011
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	2,421,161	2,971	-	2,424,132
Equipment	407,998	18,039	(10,826)	415,211
	6,271,643	21,010	(10,826)	6,281,827
Less accumulated depreciation for:				
Buildings	(132,406)	(6,300)	-	(138,706)
Water System	(1,204,612)	(80,272)	-	(1,284,884)
Sewer System	(268,667)	(80,925)	-	(349,592)
Equipment	(241,711)	(42,810)	10,826	(273,695)
Total accumulated depreciation	(1,847,396)	(210,307)	10,826	(2,046,877)
Total assets being depreciated, net	4,424,247	(189,297)	-	4,234,950
BUSINESS-TYPE ACTIVITIES				
CAPITAL ASSETS, NET	\$ 4,763,946	\$ (189,297)	\$ -	\$ 4,574,649

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

GOVERNMENTAL ACTIVITIES:	
General Government	\$ 48,736
Public Safety	99,581
Transportation	28,617
Culture and Recreation	71,068
Total Depreciation Expense- Governmental Activities	\$ 248,002
BUSINESS-TYPE ACTIVITIES:	
Water	\$ 110,645
Sewer	99,662
Total Depreciation Expense- Business-type Activities	\$ 210,307

CITY OF FRUITLAND PARK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2011

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, 2011 totaled \$12,660. 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>
03/01/12	\$ 113,083	\$ 8,593	\$ 121,676
03/01/13	<u>117,300</u>	<u>4,375</u>	<u>121,675</u>
	<u>\$ 230,383</u>	<u>\$ 12,968</u>	<u>\$ 243,351</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 preconstruction 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, 2011, interest totaling \$6,206 was paid on the loan.

Semi-annual loan payments of \$8,165 are due each February 15 and August 15 through February 15, 2026. At September 30, 2011, the repayment schedule is as follows:

<u>Date</u>	<u>Principal</u>	<u>Interest</u>	<u>Payment</u>
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
2/15/16	5,875	2,290	8,165
8/15/16	5,967	2,198	8,165
Thereafter	<u>133,115</u>	<u>22,020</u>	<u>155,135</u>
	<u>\$ 188,782</u>	<u>\$ 48,003</u>	<u>\$ 236,785</u>

CITY OF FRUITLAND PARK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2011

NOTE 6 LONG-TERM DEBT (continued)

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, 2011, interest totaling \$38,516 was paid on the loan.

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. The current repayment schedule is as follows:

<u>Date</u>	<u>Principal</u>	<u>Interest</u>	<u>Payment</u>
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
2/15/2016	46,642	14,028	60,670
8/15/2016	47,229	13,440	60,669
Thereafter	<u>1,019,444</u>	<u>133,271</u>	<u>1,152,715</u>
	<u>\$ 1,466,149</u>	<u>\$ 293,258</u>	<u>\$ 1,759,407</u>

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, 2011.

Capital Leases

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

On 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.

CITY OF FRUITLAND PARK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2011

NOTE 6 LONG-TERM DEBT (continued)

The future minimum lease obligations and the net present value of these minimum lease payments as of September 30, 2011 were as follows:

<u>Year Ending</u>	<u>Fire Truck</u>	<u>Video Systems</u>
September 30, 2012	\$ 31,606	\$ 4,910
Less amount representing interest	<u>(1,221)</u>	<u>(364)</u>
Present value of minimum lease payments	<u>\$ 30,385</u>	<u>\$ 4,546</u>

Changes in Long-term Liabilities

	<u>Balances 10/01/10</u>	<u>Additions</u>	<u>Repayments</u>	<u>Balances 09/30/11</u>	<u>Due in one year</u>
GOVERNMENTAL ACTIVITIES:					
SunTrust Note	\$ 339,399	\$ -	\$ (109,016)	\$ 230,383	\$ 113,083
Fire Truck Lease	59,595	-	(29,210)	30,385	30,385
Video System Lease	8,755	-	(4,209)	4,546	4,546
Vacation Leave	<u>44,661</u>	<u>54,140</u>	<u>(34,525)</u>	<u>64,276</u>	<u>46,627</u>
GOVERNMENTAL ACTIVITY LONG-TERM LIABILITIES	<u>\$ 452,410</u>	<u>\$ 54,140</u>	<u>\$ (176,960)</u>	<u>\$ 329,590</u>	<u>\$ 194,641</u>
BUSINESS-TYPE ACTIVITIES					
SRF Loan-preconstruct	\$ 198,906	\$ -	\$ (10,124)	\$ 188,782	\$ 10,446
SRF Loan-construction	1,548,972	-	(82,823)	1,466,149	84,923
Vacation Leave	<u>6,693</u>	<u>5,465</u>	<u>(5,084)</u>	<u>7,074</u>	<u>5,940</u>
BUSINESS-TYPE ACTIVITY LONG-TERM LIABILITIES	<u>\$ 1,754,571</u>	<u>\$ 5,465</u>	<u>\$ (98,031)</u>	<u>\$ 1,662,005</u>	<u>\$ 101,309</u>

NOTE 7 LEASE COMMITMENTS

The City leases police cars under noncancelable operating leases. Total costs for such leases were \$48,563 for the year ended September 30, 2011. The future minimum lease payments for operating leases are as follows:

<u>Year Ending</u>	<u>Amount</u>
September 30, 2012	\$ 37,094
September 30, 2013	<u>14,378</u>
Total	<u>\$ 51,472</u>

CITY OF FRUITLAND PARK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2011

NOTE 8 FUND BALANCES

The following details the various constraints placed on fund balances in the governmental funds:

General Fund

Nonspendable for Prepaid Items	<u>\$ 25,435</u>
Restricted for Police Education	\$ 42,533
Restricted for Police Equipment and Automation	63,056
Restricted for Safety Capital Improvements	<u>261,041</u>
	<u>\$ 366,630</u>
Committed to Cemetery Care	\$ 120,692
Committed to Stormwater Utility	<u>81,447</u>
	<u>\$ 202,139</u>
Unassigned	<u>\$ 851,850</u>

Community Redevelopment Fund

Restricted for Redevelopment Projects	<u>\$ 311,594</u>
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Capital Projects Fund

Restricted for Infrastructure	<u>\$ 367,075</u>
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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.

CITY OF FRUITLAND PARK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2011

NOTE 9 RETIREMENT COMMITMENTS (continued)

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, 2011, there were no retirees currently receiving benefits, and 4 terminated firefighters were entitled to benefits but not yet receiving them. Out of the 25 active volunteer firefighters, 4 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, 2011, the City collected \$22,109 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, 2011 was zero. Employee and city contributions for the year ended September 30, 2011 were each \$1,638.

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, 2011 in the method used to calculate or establish contribution requirements. Most administrative costs of the Plan are absorbed by the General Fund.

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

Funded status of the plan:

Actuarial accrued liability		\$ 139,529
Actuarial value of plan assets		<u>366,544</u>
Unfunded actuarial accrued liability		(227,015)
Funded ratio	262%	
Covered payroll		35,926
UAAL as a percent of covered payroll	632%	

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.

CITY OF FRUITLAND PARK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2011

NOTE 9 RETIREMENT COMMITMENTS (continued)

Additional related information:

Valuation date:	10/1/2010	Actuarial Assumptions:	
		Investment rate	
Actuarial cost method:	Aggregate	of return	4.0%
		Projected salary	
Amortization method:	N/A	increases*	4.5%
		Cost-of-living	
Remaining amortization		adjustments	None
period:	N/A		
		*Includes inflation at 3.0%	
Asset valuation method:	Market Value		

Three-Year Trend Information:

<u>Year</u> <u>Ending</u>	<u>Annual</u> <u>Pension</u> <u>Cost</u>	<u>Percentage</u> <u>of Annual</u> <u>Pension Cost</u> <u>Contributed</u>	<u>Net</u> <u>Pension</u> <u>Obligation</u>
9/30/10	\$377	457%	\$(11,707)
9/30/09	324	539%	(10,361)
9/30/08	283	504%	(8,938)

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.

The development of the NPO through September 30, 2010 (which is the latest actuarial information available) is as follows:

	<u>9/30/08</u>	<u>9/30/09</u>	<u>9/30/10</u>
Actuarially determined contribution	\$ -	\$ -	\$ -
Interest on NPO	(312)	(358)	(414)
Adjustment to actuarially determined contribution	595	682	791
Annual Pension Cost	283	324	377
Contributions made	1,425	1,747	1,723
Increase in NPO	(1,142)	(1,423)	(1,346)
NPO, beginning of year	(7,796)	(8,938)	(10,361)
NPO, end of year	<u>\$ (8,938)</u>	<u>\$ (10,361)</u>	<u>\$ (11,707)</u>

Although the NPO calculation for September 30, 2011 is not available, management believes it will not be materially different from the September 30, 2010 balance.

CITY OF FRUITLAND PARK, FLORIDA
 NOTES TO FINANCIAL STATEMENTS
 SEPTEMBER 30, 2011

NOTE 9 RETIREMENT COMMITMENTS (continued)

B. ICMA 401-a Retirement Plan

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

All full-time employees at least 18 years of age are eligible to participate in this pension plan once they have completed a 90-day period of service. An employee does not become vested in any pension benefits until the completion of five years of service, at which time the employee becomes 100% vested. At September 30, 2011 there were 24 members in the plan, 9 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, 2011, the City contributed \$29,746 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, 2011, the City used \$5,239 in forfeited amounts for payment of contributions for current plan participants. Distributions of the account balances of vested participants that separate from service are subject to the Internal Revenue Code rules for distributions from qualified plans.

C. Financial Statements for Individual Pension Funds

STATEMENT OF FIDUCIARY NET ASSETS
 AS OF SEPTEMBER 30, 2011

	<u>Firemen's Retirement Trust Fund</u>	<u>ICMA Retirement Trust Fund</u>	<u>Total</u>
ASSETS			
Cash	\$ 84,155	\$ 4,100	\$ 88,255
Certificates of Deposit	275,000	-	275,000
Investments with Trustees	<u>36,372</u>	<u>190,944</u>	<u>227,316</u>
TOTAL ASSETS	395,527	195,044	590,571
LIABILITIES			
	<u>-</u>	<u>-</u>	<u>-</u>
NET ASSETS			
Held in trust for Pension Benefits	<u>\$ 395,527</u>	<u>\$ 195,044</u>	<u>\$ 590,571</u>

CITY OF FRUITLAND PARK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2011

NOTE 9 RETIREMENT COMMITMENTS (continued)

STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FOR THE YEAR ENDED SEPTEMBER 30, 2011

	<u>Firemen's Retirement Trust Fund</u>	<u>ICMA Retirement Trust Fund</u>	<u>Total</u>
ADDITIONS			
Contributions:			
City	\$ 1,638	\$ 29,746	\$ 31,384
Employees	1,638	-	1,638
State of Florida	<u>22,109</u>	<u>-</u>	<u>22,109</u>
Total Contributions	<u>25,385</u>	<u>29,746</u>	<u>55,131</u>
Investment Income:			
Net Appreciation (Depre- ciation) in Fair Value of Investments	(453)	169	(284)
Interest/Dividend Income	<u>9,285</u>	<u>-</u>	<u>9,285</u>
Net Investment Income	<u>8,832</u>	<u>169</u>	<u>9,001</u>
TOTAL ADDITIONS	<u>34,217</u>	<u>29,915</u>	<u>64,132</u>
DEDUCTIONS			
Benefit Payments	4,054	1,480	5,534
Refund of Contributions	730	-	730
Administration Expense	<u>450</u>	<u>-</u>	<u>450</u>
TOTAL DEDUCTIONS	<u>5,234</u>	<u>1,480</u>	<u>6,714</u>
NET INCREASE	28,983	28,435	57,418
NET ASSETS			
Beginning of Year	<u>366,544</u>	<u>166,609</u>	<u>533,153</u>
End of Year	<u><u>\$ 395,527</u></u>	<u><u>\$ 195,044</u></u>	<u><u>\$ 590,571</u></u>

CITY OF FRUITLAND PARK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2011

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, 2011 there were 23 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, 2011, which totaled \$802,945, 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, 2011 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
 NOTES TO FINANCIAL STATEMENTS
 SEPTEMBER 30, 2011

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, 2011 from the GAAP basis to the budget basis are as follows:

Change in net assets, GAAP Basis	\$	(5,278)
Decrease due to change in fair value of assets		(11,248)
Decrease due to debt principal payments		(92,947)
Decrease due to accrued interest		(303)
Increase due to depreciation expense		210,307
Increase due to debt issuance costs		2,371
Decrease due to consumptive use permit costs		(169,312)
Decrease due to equipment purchases		(18,039)
Decrease due to utility system construction		<u>(2,971)</u>
Deficiency of Revenues under Expenses, Budget Basis		<u>\$ (87,420)</u>

The Utility Fund had excess of actual expenses over budgetary appropriations in the amount of \$133,516 for the year ended September 30, 2011. This was caused by the extraordinary cost incurred for the City to obtain the groundwater consumptive use permit from the St. Johns River Water Management District. The City Commission accepted the permit, contingent upon certain technical changes to be made by the Water Management District, on September 22, 2011. The actual final permit was received on February 23, 2012.

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, 2011 was 4.360. The millage rate assessed by the City on taxable property to be levied on November 1, 2011 was 4.3284.

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%	January	2%
December	3%	February	1%

CITY OF FRUITLAND PARK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2011

NOTE 13 PROPERTY TAXES (continued)

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

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

The City's tax calendar is as follows:

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

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, 2011, 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.

NOTE 15 COMMITMENTS AND CONTINGENCIES

Construction Commitments

On August 25, 2011, the City entered into a \$743,952 contract with Ciraco Underground Inc. for construction of residential sewer lines and hookups, a lift station, and fire hydrant water mains, in conjunction with the CDBG grant project. At September 30, 2011, Ciraco had not billed the City for any work performed.

FDOT Loan Contingency

On May 2, 2011, the City signed a promissory note with the Florida Department of Transportation in the amount of \$913,496 for the cost of relocating the City's underground utility lines (water and sewer) located in the Highway 27/441 right-of-way. Terms of the note are 30 annual payments of \$30,450 commencing on October 15, 2013. The note amount was an estimate, and the parties agreed to execute a new promissory note for the actual costs when the utility relocation is completed. City management believes the actual cost will be under \$700,000.

CITY OF FRUITLAND PARK, FLORIDA
 FIREMEN'S RETIREMENT TRUST FUND
 REQUIRED SUPPLEMENTARY INFORMATION
 SEPTEMBER 30, 2011

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)
10/1/2010	\$ 366,544	\$ 139,529	\$ (227,015)	263%	\$ 35,926	-632%
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
2011	\$ -	\$ 1,638	\$ 22,109	100%
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%

The information presented in the above required supplementary schedules was determined as part of the actuarial valuation date 10/01/2010, 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, 2011 AND 2010

	2011	2010
ASSETS		
Cash	\$ 612,861	\$ 798,328
Certificates of Deposit	404,405	500,000
Accounts Receivable:		
Franchise/Utility Taxes	64,921	65,305
Garbage/Stormwater Customers	44,274	45,292
Public Safety Service Fees	9,702	4,961
Cemetery Lots	2,982	1,370
Miscellaneous	25,096	21,966
Due from Redevelopment Fund	88,418	-
Due from Utility Fund	354,262	61,302
Due from other Governments:		
State of Florida	32,355	35,516
Lake County	13,874	14,851
Prepaid Items	25,345	48,890
	<u>\$ 1,678,495</u>	<u>\$ 1,597,781</u>
LIABILITIES AND FUND BALANCE		
LIABILITIES:		
Accounts Payable	\$ 108,285	\$ 115,050
Accrued Payroll and Related Liabilities	30,737	12,617
Due to Lake County	-	11,593
Deferred Revenue Lake County	2,526	-
Deferred Building & Zoning Revenue	9,621	13,082
Unearned Revenues	81,362	71,582
	<u>232,531</u>	<u>223,924</u>
FUND BALANCE:		
Nonspendable:		
For Prepaid Items	25,345	48,890
Restricted:		
For Police Education	42,533	44,060
For Police Equipment and Automation	63,056	67,649
For Public Safety Capital Improvements	261,041	258,873
Committed:		
To Cemetery Care	120,692	115,772
To Stormwater Utility	81,447	72,005
Unassigned	851,850	766,608
	<u>1,445,964</u>	<u>1,373,857</u>
TOTAL FUND BALANCE	<u>1,445,964</u>	<u>1,373,857</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 1,678,495</u>	<u>\$ 1,597,781</u>

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

CITY OF FRUITLAND PARK, FLORIDA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2011
With comparative actual amounts for the year ended September 30, 2010

	2011		VARIANCE WITH FINAL BUDGET	2010 ACTUAL
	FINAL BUDGET	ACTUAL		
REVENUES:				
Taxes	\$ 1,859,181	\$ 1,817,086	\$ (42,095)	\$ 1,943,790
Licenses and Permits	22,300	22,681	381	50,576
Intergovernmental	431,845	416,171	(15,674)	487,770
Charges for Services	684,883	680,152	(4,731)	615,395
Fines and Forfeitures	131,315	109,903	(21,412)	176,977
Miscellaneous	87,780	70,667	(17,113)	58,006
TOTAL REVENUES	<u>3,217,304</u>	<u>3,116,660</u>	<u>(100,644)</u>	<u>3,332,514</u>
EXPENDITURES:				
Current:				
General Government	921,735	881,004	40,731	947,578
Public Safety	1,418,798	1,317,661	101,137	1,421,232
Transportation	296,725	288,578	8,147	265,408
Sanitation/Other Utility	435,828	429,297	6,531	448,014
Culture and Recreation	489,235	456,868	32,367	504,703
Debt Service	36,515	36,515	-	36,515
TOTAL EXPENDITURES	<u>3,598,836</u>	<u>3,409,923</u>	<u>188,913</u>	<u>3,623,450</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(381,532)</u>	<u>(293,263)</u>	<u>88,269</u>	<u>(290,936)</u>
OTHER FINANCING SOURCES (USES):				
Transfers in from Community Redevelopment Fund	58,183	58,183	-	-
Transfers in from Capital Projects Fund	81,669	80,169	(1,500)	257,420
Transfers in from Utility Fund	216,054	216,054	-	177,187
Transfers in from Recreation Programs Fund	5,000	5,000	-	-
Sale of Capital Assets	-	5,964	5,964	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>360,906</u>	<u>365,370</u>	<u>4,464</u>	<u>434,607</u>
NET CHANGE IN FUND BALANCES	(20,626)	72,107	92,733	143,671
FUND BALANCE, Beginning of Year	<u>1,373,857</u>	<u>1,373,857</u>	<u>-</u>	<u>1,230,186</u>
FUND BALANCE, End of Year	<u>\$ 1,353,231</u>	<u>\$ 1,445,964</u>	<u>\$ 92,733</u>	<u>\$ 1,373,857</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, 2011
With comparative actual amounts for the year ended September 30, 2010

	2011		VARIANCE WITH FINAL BUDGET	2010 ACTUAL
	FINAL BUDGET	ACTUAL		
TAXES				
Ad-Valorem Taxes	\$ 778,931	\$ 780,427	\$ 1,496	\$ 871,530
Local Option Gas Tax	81,030	78,213	(2,817)	81,809
Fire Insurance Premium Tax	18,000	22,109	4,109	19,523
Franchise Fees:				
Electric	340,000	320,396	(19,604)	342,910
Gas	25,000	22,342	(2,658)	25,022
Solid Waste	46,970	46,553	(417)	46,932
Utility Taxes:				
Electric	280,276	300,729	20,453	300,196
Water	45,711	47,455	1,744	43,917
Gas	26,670	21,447	(5,223)	27,762
Propane	6,880	6,565	(315)	5,978
Communications Services Tax	169,713	153,352	(16,361)	164,601
City Business Tax	40,000	17,498	(22,502)	13,610
TOTAL TAXES	<u>1,859,181</u>	<u>1,817,086</u>	<u>(42,095)</u>	<u>1,943,790</u>
LICENSES AND PERMITS:				
Building Permits	22,000	22,641	641	50,386
Burn/Clearing Permits	200	40	(160)	125
Cemetery Permits	100	120	20	105
Vending Machine Permits	-	(120)	(120)	(40)
TOTAL LICENSES AND PERMITS	<u>22,300</u>	<u>22,681</u>	<u>381</u>	<u>50,576</u>
INTERGOVERNMENTAL REVENUE:				
Federal Law Enforcement Grants	8,175	8,174	(1)	76,265
County Recycling/Education Grant	300	991	691	770
State Revenue Sharing	99,247	94,102	(5,145)	93,234
Mobile Home Licenses	12,000	11,103	(897)	10,613
Alcoholic Beverage Licenses	1,390	1,363	(27)	1,388
Local Government 1/2 Cent Sales Tax	189,729	181,183	(8,546)	174,743
FDOT Traffic Signal Maintenance	1,311	1,311	-	1,273
County Library Agreement	82,706	82,706	-	92,990
County Business Tax	4,000	4,213	213	2,908
County Gas Tax	32,987	31,025	(1,962)	33,586
TOTAL INTERGOVERNMENTAL REVENUE	<u>431,845</u>	<u>416,171</u>	<u>(15,674)</u>	<u>487,770</u>

CITY OF FRUITLAND PARK, FLORIDA
GENERAL FUND
SCHEDULE OF REVENUES COMPARED TO BUDGET (continued)
FOR THE YEAR ENDED SEPTEMBER 30, 2011
With comparative actual amounts for the year ended September 30, 2010

	2011		VARIANCE WITH FINAL BUDGET	2010 ACTUAL
	FINAL BUDGET	ACTUAL		
CHARGES FOR SERVICES:				
Zoning Fees	\$ -	\$ -	\$ -	\$ 215
Annexation Fees	-	-	-	200
Land Development Procedure	500	-	(500)	222
Site Plan and Review Fees	6,800	4,820	(1,980)	5,020
Certification and Copying	2,700	2,386	(314)	3,282
Law Enforcement Service Fee	86,484	86,254	(230)	43,284
Fire Service and Inspection Fees	70,884	68,941	(1,943)	48,204
Garbage Fees	418,328	413,089	(5,239)	414,453
Garbage Billing Admin Fees	51,930	51,800	(130)	52,021
Impact Fee Collection Fees	1,000	200	(800)	1,100
Stormwater Fees	21,562	21,531	(31)	21,589
Library Fees	250	100	(150)	220
Pool Admissions and Fees	5,000	12,779	7,779	9,741
Repairs/Maint Vacant Property	2,000	3,250	1,250	250
Special Event Fees (FP Day)	5,445	5,294	(151)	5,485
Casino Fees	12,000	9,708	(2,292)	10,109
TOTAL CHARGES FOR SERVICES	684,883	680,152	(4,731)	615,395
FINES AND FORFEITURES:				
Court Fines	80,000	70,892	(9,108)	109,426
Police Education	9,540	5,987	(3,553)	8,916
Law Enforcement Automation	31,500	23,176	(8,324)	35,427
Library Fines	4,450	4,171	(279)	4,670
Parking Violation Fines	5,825	1,882	(3,943)	5,169
Forfeitures	-	3,795	3,795	13,369
TOTAL FINES AND FORFEITURES	131,315	109,903	(21,412)	176,977
MISCELLANEOUS REVENUES:				
Interest Earnings	13,500	13,283	(217)	14,281
Cemetery Lot Sales	4,500	5,800	1,300	4,100
Police Impact Fees	2,454	829	(1,625)	7,436
Fire Impact Fees	2,050	1,339	(711)	12,029
Insurance Proceeds	11,951	13,451	1,500	-
Planning/Zoning Reimbursements	37,000	21,817	(15,183)	5,236
Donations	1,700	2,950	1,250	1,396
Other Police Revenue	3,400	3,767	367	4,155
Fuel Tax Refunds	3,645	3,529	(116)	2,757
Other Revenue	7,580	3,902	(3,678)	6,616
TOTAL MISCELLANEOUS REVENUE	87,780	70,667	(17,113)	58,006
TOTAL REVENUES	\$ 3,217,304	\$ 3,116,660	\$ (100,644)	\$ 3,332,514

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, 2011
With comparative actual amounts for the year ended September 30, 2010

	2011		VARIANCE WITH FINAL BUDGET	2010 ACTUAL
	FINAL BUDGET	ACTUAL		
GENERAL GOVERNMENT SERVICES:				
Legislative (City Commission):				
Personal Services	\$ 39,319	\$ 39,274	\$ 45	\$ 38,188
Operating Expenses	12,753	9,969	2,784	16,264
Contingency	14,840	-	14,840	-
Total Legislative	66,912	49,243	17,669	54,452
Executive:				
Personal Services	228,683	228,634	49	225,087
Operating Expenses	13,164	12,816	348	12,479
Total Executive	241,847	241,450	397	237,566
Finance:				
Personal Services	207,697	207,225	472	206,185
Operating Expenses	39,090	30,907	8,183	30,375
Capital Outlay	2,750	2,671	79	-
Total Finance	249,537	240,803	8,734	236,560
Legal Counsel:				
Operating Expenses	86,440	97,599	(11,159)	109,102
Other General Government:				
Personal Services	70,964	56,844	14,120	80,037
Operating Expenses	99,164	84,818	14,346	83,738
Redevelopment Taxes	106,871	110,247	(3,376)	146,123
Total Other General Government	276,999	251,909	25,090	309,898
TOTAL GENERAL GOVERNMENT SERVICES	921,735	881,004	40,731	947,578
PUBLIC SAFETY:				
Police Department:				
Personal Services	871,612	832,186	39,426	842,059
Operating Expenses	250,860	250,732	128	238,352
Capital Outlay	10,500	7,969	2,531	16,908
Capital Outlay - Federal Grants	6,923	6,975	(52)	72,427
Debt Service - Principal	4,209	4,209	-	3,897
Debt Service - Interest	700	700	-	1,012
Contingency	1,006	-	1,006	4
Total Police Department:	1,145,810	1,102,771	43,039	1,174,659

CITY OF FRUITLAND PARK, FLORIDA
GENERAL FUND
SCHEDULE OF EXPENDITURES COMPARED TO BUDGET (continued)
FOR THE YEAR ENDED SEPTEMBER 30, 2011
With comparative actual amounts for the year ended September 30, 2010

	2011		VARIANCE WITH FINAL BUDGET	2010 ACTUAL
	FINAL BUDGET	ACTUAL		
PUBLIC SAFETY (CONTINUED):				
Fire Department:				
Personal Services	\$ 59,421	\$ 60,594	\$ (1,173)	\$ 60,184
Operating Expenses	50,931	38,549	12,382	55,681
Capital Outlay	5,060	1,835	3,225	-
Debt Service - Principal	29,210	29,210	-	28,081
Debt Service - Interest	2,396	2,396	-	3,525
Total Fire Department	<u>147,018</u>	<u>132,584</u>	<u>14,434</u>	<u>147,471</u>
Protective Building Inspections:				
Personal Services	64,041	71,253	(7,212)	51,176
Operating Expenses	98,444	47,568	50,876	83,066
Capital Outlay	-	-	-	1,375
Total Protective Inspections	<u>162,485</u>	<u>118,821</u>	<u>43,664</u>	<u>135,617</u>
TOTAL PUBLIC SAFETY	<u>1,455,313</u>	<u>1,354,176</u>	<u>101,137</u>	<u>1,457,747</u>
TRANSPORTATION:				
Roads and Streets:				
Personal Services	157,364	138,944	18,420	142,997
Street Lighting	90,023	83,863	6,160	83,914
Operating Expenses	49,338	65,771	(16,433)	38,497
Total Roads and Streets	<u>296,725</u>	<u>288,578</u>	<u>8,147</u>	<u>265,408</u>
TOTAL TRANSPORTATION	<u>296,725</u>	<u>288,578</u>	<u>8,147</u>	<u>265,408</u>
SANITATION/OTHER UTILITY:				
Garbage Collection/Disposal:				
Operating Expenses	418,328	412,860	5,468	415,931
Electric Utility:				
Operating Expenses	4,575	4,348	227	23,394
Stormwater Management:				
Operating Expenses	12,925	12,089	836	8,689
TOTAL SANITATION/OTHER UTILITY	<u>435,828</u>	<u>429,297</u>	<u>6,531</u>	<u>448,014</u>

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CITY OF FRUITLAND PARK, FLORIDA
GENERAL FUND

SCHEDULE OF EXPENDITURES COMPARED TO BUDGET (continued)
FOR THE YEAR ENDED SEPTEMBER 30, 2011

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

	2011		VARIANCE WITH FINAL BUDGET	2010 ACTUAL
	FINAL BUDGET	ACTUAL		
CULTURE AND RECREATION:				
Library:				
Personal Services	\$ 151,733	\$ 140,965	\$ 10,768	\$ 148,280
Operating Expenses	33,725	34,742	(1,017)	32,783
Library Books	27,816	27,820	(4)	25,978
Capital Outlay	2,000	1,840	160	4,870
Total Library	<u>215,274</u>	<u>205,367</u>	<u>9,907</u>	<u>211,911</u>
Municipal Pool:				
Personal Services	35,144	24,870	10,274	24,229
Operating Expenses	28,456	17,867	10,589	23,037
Total Municipal Pool	<u>63,600</u>	<u>42,737</u>	<u>20,863</u>	<u>47,266</u>
Recreation Facilities				
Maintenance:				
Personal Services	86,356	87,316	(960)	88,889
Operating Expenses	41,804	43,396	(1,592)	42,774
Capital Outlay	-	-	-	11,495
Total Recreation Facilities Maintenance	<u>128,160</u>	<u>130,712</u>	<u>(2,552)</u>	<u>143,158</u>
Recreation:				
Personal Services	54,639	55,260	(621)	79,472
Operating Expenses	27,562	22,792	4,770	22,896
Total Recreation	<u>82,201</u>	<u>78,052</u>	<u>4,149</u>	<u>102,368</u>
TOTAL CULTURE AND RECREATION	<u>489,235</u>	<u>456,868</u>	<u>32,367</u>	<u>504,703</u>
TOTAL EXPENDITURES	<u>\$ 3,598,836</u>	<u>\$ 3,409,923</u>	<u>\$ 188,913</u>	<u>\$ 3,623,450</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, 2011 AND 2010

	2011	2010
ASSETS		
Cash	\$ 762	\$ 305,223
Certificates of Deposit	400,000	400,000
CDBG Grant Receivable	25,000	-
TOTAL ASSETS	\$ 425,762	\$ 705,223
 LIABILITIES AND FUND BALANCE		
LIABILITIES:		
Accounts Payable	\$ -	\$ 6,518
Due to General Fund	88,418	-
Deferred Grant Revenue	25,000	-
Rental Security Deposit	750	750
TOTAL LIABILITIES	114,168	7,268
FUND BALANCE:		
Restricted for Redevelopment Projects	311,594	697,955
TOTAL FUND BALANCE	311,594	697,955
TOTAL LIABILITIES AND FUND BALANCE	\$ 425,762	\$ 705,223

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, 2011

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

	2011		VARIANCE WITH FINAL BUDGET	2010 ACTUAL
	FINAL BUDGET	ACTUAL		
REVENUES:				
Intergovernmental:				
Appropriated Incremental				
Ad-Valorem Taxes	\$ 236,496	\$ 240,315	\$ 3,819	\$ 319,923
CDBG Grant	700,000	15,043	(684,957)	-
Miscellaneous:				
Interest Earnings	10,730	7,356	(3,374)	9,420
Building Rental Fees	9,000	10,088	1,088	8,588
TOTAL REVENUES	956,226	272,802	(683,424)	337,931
EXPENDITURES:				
General Government:				
Other General Government:				
Operating Expenditures	9,020	51,568	(42,548)	18,005
CDBG Grant Matching Expenditures	239,757	242,837	(3,080)	-
Contingency	70,724	-	70,724	-
Transportation:				
Roads and Streets:				
Streetscape Project	143,878	105,565	38,313	71,808
Capital Outlay:				
Land Purchases	-	-	-	268,422
CDBG Grant	771,200	93,275	677,925	-
Parks & Rec Improvements	48,735	2,735	46,000	-
Utility - Water Main	250,000	-	250,000	-
TOTAL EXPENDITURES	1,533,314	495,980	1,037,334	358,235
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(577,088)	(223,178)	353,910	(20,304)
OTHER FINANCING SOURCES (USES):				
Transfers out to General Fund	(58,183)	(58,183)	-	-
Transfers in from Capital Projects Fund	69,680	-	(69,680)	-
Transfers out to Utility Fund	(105,000)	(105,000)	-	(26,737)
TOTAL OTHER FINANCING SOURCES (USES)	(93,503)	(163,183)	(69,680)	(26,737)
NET CHANGE IN FUND BALANCES	(670,591)	(386,361)	284,230	(47,041)
FUND BALANCE, Beginning of Year	697,955	697,955	-	744,996
FUND BALANCE, End of Year	<u>\$ 27,364</u>	<u>\$ 311,594</u>	<u>\$ 284,230</u>	<u>\$ 697,955</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, 2011 AND 2010

	2011	2010
ASSETS		
Cash	\$ 236,612	\$ 124,998
Certificates of Deposit	100,000	100,000
Due from State of Florida	30,463	27,615
TOTAL ASSETS	\$ 367,075	\$ 252,613
LIABILITIES AND FUND BALANCE		
LIABILITIES:		
Accounts Payable	\$ -	\$ -
TOTAL LIABILITIES	-	-
FUND BALANCE:		
Restricted for Infrastructure	367,075	252,613
TOTAL FUND BALANCE	367,075	252,613
TOTAL LIABILITIES AND FUND BALANCE	\$ 367,075	\$ 252,613

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, 2011

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

	2011		VARIANCE WITH FINAL BUDGET	2010 ACTUAL
	FINAL BUDGET	ACTUAL		
REVENUES:				
Local Government Infrastructure				
Surtax	\$ 311,910	\$ 314,320	\$ 2,410	\$ 296,393
Interest Earnings	4,000	1,987	(2,013)	3,293
TOTAL REVENUES	315,910	316,307	397	299,686
EXPENDITURES:				
Capital Outlay:				
General Government:				
Contingency	25,000	-	25,000	-
Police Department:				
Public Safety Complex	-	-	-	79,600
Roads and Streets:				
Sidewalk Project	90,320	-	90,320	-
Recreation:				
Equipment	2,500	-	2,500	-
Water Utility:				
Well/Water Main	130,000	-	130,000	-
Debt Service:				
Principal	109,016	109,016	-	105,096
Interest	12,660	12,660	-	16,590
TOTAL EXPENDITURES	369,496	121,676	247,820	201,286
EXCESS OF REVENUES OVER EXPENDITURES	(53,586)	194,631	248,217	98,400
OTHER FINANCING SOURCES (USES):				
Transfers out to General Fund	(81,669)	(80,169)	1,500	(257,420)
Transfers out to Redevelopment Fund	(69,680)	-	69,680	-
Transfers out to Utility Fund	-	-	-	(242,971)
TOTAL OTHER FINANCING SOURCES (USES)	(151,349)	(80,169)	71,180	(500,391)
NET CHANGE IN FUND BALANCES	(204,935)	114,462	319,397	(401,991)
FUND BALANCE, Beginning of Year	252,613	252,613	-	654,604
FUND BALANCE, End of Year	<u>\$ 47,678</u>	<u>\$ 367,075</u>	<u>\$ 319,397</u>	<u>\$ 252,613</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, 2011 AND 2010

	2011	2010
ASSETS		
<u>CURRENT ASSETS</u>		
Cash	\$ 1,380	\$ 49,120
Certificates of Deposit	200,000	202,854
Investments	67,732	79,674
Restricted Cash:		
State Revolving Fund Loan Reserves	68,834	68,834
Customer Deposits	88,360	45,270
Customer Accounts Receivable:		
Billed Utility Service, net of allowance for uncollectibles of \$5,258 and \$3,965 for 2011 and 2010, respectively	52,663	50,753
Unbilled Utility Service	13,187	12,886
Other Customer Receivables	30,543	14,132
Inventory	40,515	50,912
	<u>563,214</u>	<u>574,435</u>
TOTAL CURRENT ASSETS		
<u>NONCURRENT ASSETS</u>		
RESTRICTED CASH:		
Water Impact Fees	141,193	139,223
Sewer Impact Fees	455,380	327,268
	<u>596,573</u>	<u>466,491</u>
Total Restricted Cash		
SEWER IMPACT FEE RECEIVABLES	23,929	31,916
	<u>23,929</u>	<u>31,916</u>
DEFERRED CHARGES:		
Engineering Costs	22,518	22,518
SRF Loan Costs	35,444	37,815
	<u>57,962</u>	<u>60,333</u>
Total Deferred Charges		
CONSUMPTIVE USE PERMIT, net of accum- ulated amortization of \$31,744 in 2011	314,552	145,240
	<u>314,552</u>	<u>145,240</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	2,424,132	2,421,161
Equipment	415,211	407,998
	<u>6,621,526</u>	<u>6,611,342</u>
Less Accumulated Depreciation	2,046,877	1,847,396
	<u>4,574,649</u>	<u>4,763,946</u>
Net Property, Plant and Equipment		
TOTAL NONCURRENT ASSETS	<u>5,567,665</u>	<u>5,467,926</u>
TOTAL ASSETS	<u>6,130,879</u>	<u>6,042,361</u>

CITY OF FRUITLAND PARK, FLORIDA
UTILITY FUND
COMPARATIVE STATEMENTS OF NET ASSETS (continued)
SEPTEMBER 30, 2011 AND 2010

	2011	2010
LIABILITIES		
<u>CURRENT LIABILITIES</u>		
Accounts Payable	\$ 28,456	\$ 134,655
Accrued Payroll	3,209	2,020
Due to General Fund	354,262	61,302
Customer Deposits	88,360	89,645
State Revolving Fund Loans:		
Accrued Interest Payable	5,408	5,711
Current Portion	95,369	92,947
Vacation Leave Payable	7,074	6,693
TOTAL CURRENT LIABILITIES	582,138	392,973
<u>NONCURRENT LIABILITIES</u>		
SRF LOANS PAYABLE:		
Preconstruction	178,336	188,782
Construction	1,381,226	1,466,149
Total SRF Loans Payable	1,559,562	1,654,931
TOTAL LIABILITIES	2,141,700	2,047,904
NET ASSETS		
Invested in Capital Assets, net of related debt	3,256,788	3,227,368
Restricted for Utility Capital Improvements	596,573	498,407
Restricted for Debt Service	63,426	63,122
Unrestricted	72,392	205,560
TOTAL NET ASSETS	\$ 3,989,179	\$ 3,994,457

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, 2011 AND 2010

	2011	2010
OPERATING REVENUES:		
Water Sales	\$ 520,611	\$ 482,700
Sewer Revenue	76,428	72,792
Connection Fees	21,594	7,884
Septic Decommission Fees	34,657	24,700
Other Operating Revenues	52,912	59,213
TOTAL OPERATING REVENUES	706,202	647,289
OPERATING EXPENSES:		
Personal Services	219,594	261,678
Depreciation	210,307	200,062
Contractual Services	88,390	94,963
Engineering Fees	64,673	144,982
Utilities	49,304	42,392
Operating Supplies and Fuel	45,411	55,803
Repairs and Maintenance	36,614	39,506
Consumptive Use Permit	31,744	-
Other Professional Fees	27,668	9,029
Insurance	14,459	12,778
Bad Debt Expense	869	3,798
Other Operating Expenses	14,829	20,079
TOTAL OPERATING EXPENSES	803,862	885,070
OPERATING LOSS	(97,660)	(237,781)
NONOPERATING REVENUES (EXPENSES):		
Interest Income	3,143	10,799
Increase in Fair Value of Investments	11,248	29,355
Interest Expense	(44,419)	(46,787)
Debt Issuance Costs	(2,371)	(2,371)
Loss on Asset Disposition	-	(78,965)
TOTAL NONOPERATING REVENUES (EXPENSES)	(32,399)	(87,969)
LOSS BEFORE CONTRIBUTIONS AND TRANSFERS	(130,059)	(325,750)
CAPITAL CONTRIBUTIONS:		
Water Impact Fees	1,970	9,357
Sewer Impact Fees	233,865	36,135
TRANSFERS IN FROM REDEVELOPMENT FUND	105,000	26,737
TRANSFERS IN FROM CAPITAL PROJECTS FUND	-	242,971
TRANSFERS OUT TO GENERAL FUND	(216,054)	(177,187)
CHANGE IN NET ASSETS	(5,278)	(187,737)
TOTAL NET ASSETS, Beginning of Year	3,994,457	4,182,194
TOTAL NET ASSETS, End of Year	\$ 3,989,179	\$ 3,994,457

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, 2011 AND 2010

	2011	2010
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash received from customers	\$ 686,295	\$ 649,086
Cash payments to suppliers for goods and services	(438,019)	(291,016)
Cash payments to employees for services	(218,024)	(268,313)
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>30,252</u>	<u>89,757</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:		
Advances from General Fund	292,960	61,302
Transfers in from Redevelopment Fund	105,000	26,737
Transfers in from Capital Projects Fund	-	242,971
Transfers out to General Fund	(216,054)	(177,187)
NET CASH PROVIDED BY NONCAPITAL FINANCING ACTIVITIES	<u>181,906</u>	<u>153,823</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Water and Sewer Impact Fees received	243,822	45,492
SRF Loan principal repayments	(92,947)	(90,585)
SRF Loan interest paid	(44,722)	(47,083)
Water System engineering/CUP	(201,056)	(167,758)
Sewer System construction	(2,971)	(195,367)
Purchase of Equipment	(18,039)	(71,595)
NET CASH USED IN CAPITAL AND RELATED FINANCING ACTIVITIES	<u>(115,913)</u>	<u>(526,896)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
State Board Fund B pool investment	23,190	21,565
Certificate of Deposit investments	2,854	(2,854)
Interest received on investments	3,143	10,799
NET CASH PROVIDED BY INVESTING ACTIVITIES	<u>29,187</u>	<u>29,510</u>
NET INCREASE (DECREASE) IN CASH	125,432	(253,806)
CASH, Beginning of Year	<u>629,715</u>	<u>883,521</u>
CASH, End of Year	<u>\$ 755,147</u>	<u>\$ 629,715</u>
RECONCILIATION OF OPERATING LOSS TO NET CASH PROVIDED BY OPERATING ACTIVITIES:		
Operating Loss	\$ (97,660)	\$ (237,781)
Adjustments to reconcile operating loss to net cash provided by operating activities:		
Depreciation and Amortization	242,051	200,062
Changes in Assets and Liabilities:		
Increase in Customer Receivables	(18,622)	(53)
Decrease in Inventory	10,397	18,026
Increase (Decrease) in Accounts Payable	(106,199)	114,288
Increase (Decrease) in Accrued Payroll	1,189	(6,989)
Increase (Decrease) in Customer Deposits	(1,285)	1,850
Increase in Vacation Leave Payable	381	354
	<u>\$ 30,252</u>	<u>\$ 89,757</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, 2011 AND 2010

	2011	2010
ASSETS		
<u>CURRENT ASSETS</u>		
Cash	\$ 13,035	\$ 7,205
TOTAL ASSETS	13,035	7,205
LIABILITIES		
<u>CURRENT LIABILITIES</u>		
Accounts Payable	1,646	-
TOTAL LIABILITIES	1,646	-
NET ASSETS		
Unrestricted	11,389	7,205
TOTAL NET ASSETS	\$ 11,389	\$ 7,205

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, 2011
With comparative actual amounts for the year ended September 30, 2010

	2011		VARIANCE WITH FINAL BUDGET	2010 ACTUAL
	FINAL BUDGET	ACTUAL		
OPERATING REVENUES:				
Adult Softball Fees	\$ 13,000	\$ 17,190	\$ 4,190	\$ 9,525
Soccer Fees	1,740	2,405	665	1,230
Tennis Fees	-	-	-	715
T Ball Fees	4,600	3,530	(1,070)	2,450
Summer Camp	6,000	4,520	(1,480)	6,775
Baseball	2,700	-	(2,700)	120
Exercise Program	-	-	-	1,395
Other Revenue	-	20	20	(10)
TOTAL OPERATING REVENUES	28,040	27,665	(375)	22,200
OPERATING EXPENSES:				
Softball Program	12,950	12,329	621	7,693
Soccer Program	1,740	1,530	210	4,764
Tennis Program	-	-	-	278
T Ball Program	3,780	2,178	1,602	2,316
Summer Camp	4,190	2,453	1,737	2,203
Baseball	2,372	-	2,372	-
Exercise Program	-	-	-	1,645
Other Expenses	125	-	125	-
TOTAL OPERATING EXPENSES	25,157	18,490	6,667	18,899
OPERATING INCOME	2,883	9,175	6,292	3,301
NONOPERATING INCOME:				
Interest Income	25	9	(16)	2
INCOME BEFORE TRANSFERS	2,908	9,184	6,276	3,303
TRANSFERS OUT TO GENERAL FUND	(5,000)	(5,000)	-	-
CHANGE IN NET ASSETS	(2,092)	4,184	6,276	3,303
NET ASSETS, Beginning of Year	7,205	7,205	-	3,902
NET ASSETS, End of Year	<u>\$ 5,113</u>	<u>\$ 11,389</u>	<u>\$ 6,276</u>	<u>\$ 7,205</u>

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

CITY OF FRUITLAND PARK, FLORIDA
RECREATION PROGRAMS FUND
COMPARATIVE STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED SEPTEMBER 30, 2011 AND 2010

	2011	2010
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash received from program participants	\$ 27,665	\$ 22,200
Cash payments to suppliers for goods and services	(16,844)	(22,572)
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	10,821	(372)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:		
Transfers out to General Fund	(5,000)	-
NET CASH USED IN NONCAPITAL FINANCING ACTIVITIES	(5,000)	-
CASH FLOWS FROM INVESTING ACTIVITIES:		
Interest received on cash investments	9	2
NET CASH PROVIDED BY INVESTING ACTIVITIES	9	2
NET INCREASE (DECREASE) IN CASH	5,830	(370)
CASH, Beginning of Year	7,205	7,575
CASH, End of Year	\$ 13,035	\$ 7,205
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:		
Operating Income	\$ 9,175	\$ 3,301
Changes in Assets and Liabilities:		
Increase (Decrease) in Accounts Payable	1,646	(3,673)
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	\$ 10,821	\$ (372)

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, 2011

	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
REVENUES:			
Sale of Water	\$ 525,000	\$ 520,611	\$ (4,389)
Installation of Meters	12,160	21,594	9,434
Other Revenues	83,000	52,912	(30,088)
Sewer Revenue	74,119	76,428	2,309
Sewer Decommission	5,800	34,657	28,857
Interest Earnings	10,000	3,143	(6,857)
Water Impact Fees	17,730	1,970	(15,760)
Sewer Impact Fees	55,440	233,865	178,425
Transfer in from Redevelopment Fund	83,167	105,000	21,833
TOTAL REVENUES	866,416	1,050,180	183,764
EXPENSES:			
Water Utility Services:			
Personal Services	227,443	218,494	8,949
Operating Expenses	243,291	210,915	32,376
Bad Debt Expense	750	869	(119)
Sewer Utility Services:			
Personal Services	15,725	1,100	14,625
Operating Expenses	108,402	130,433	(22,031)
Bad Debt Expense	750	-	750
Consumptive Use Permit	25,000	201,056	(176,056)
Equipment Purchases - Water	9,000	15,091	(6,091)
Equipment Purchases - Sewer	20,000	2,948	17,052
Sewer System Addition	-	2,971	(2,971)
Debt Service Payments	137,669	137,669	-
Transfer out to General Fund	216,054	216,054	-
TOTAL EXPENSES	1,004,084	1,137,600	(133,516)
DEFICIENCY OF REVENUES UNDER EXPENSES	\$ (137,668)	\$ (87,420)	\$ 50,248

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, 2011 AND 2010

	2011	2010
CAPITAL ASSETS:		
Land	\$ 943,094	\$ 943,094
Buildings	2,590,160	2,590,160
Improvements other than Buildings	753,388	750,860
Equipment	1,514,326	1,548,865
Infrastructure	674,676	674,676
Construction in Progress	93,275	-
TOTAL CAPITAL ASSETS	6,568,919	6,507,655
 INVESTMENT IN CAPITAL ASSETS FROM:		
Federal Grants	\$ 239,752	\$ 217,734
State and Local Grants	881,419	881,419
Infrastructure Surtaxes	2,829,800	2,829,800
Redevelopment Taxes	1,458,865	1,377,898
Gifts	80,828	80,828
Special Assessments	22,320	22,320
General Fund	1,055,935	1,097,656
TOTAL INVESTMENT IN CAPITAL ASSETS	\$ 6,568,919	\$ 6,507,655

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, 2011

<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	44,423	15,000	-	-	29,423	-
Finance	46,479	-	-	-	46,479	-
Other General Government	<u>555,916</u>	<u>428,081</u>	<u>94,931</u>	<u>24,438</u>	<u>8,466</u>	<u>-</u>
TOTAL GENERAL GOVERNMENT	<u>2,506,397</u>	<u>843,035</u>	<u>1,474,221</u>	<u>41,191</u>	<u>147,950</u>	<u>-</u>
PUBLIC SAFETY:						
Police Department	542,620	-	-	150	542,470	-
Fire Department	605,661	1,000	74,381	2,425	527,855	-
Building Inspections	<u>13,878</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>13,878</u>	<u>-</u>
TOTAL PUBLIC SAFETY	<u>1,162,159</u>	<u>1,000</u>	<u>74,381</u>	<u>2,575</u>	<u>1,084,203</u>	<u>-</u>
TRANSPORTATION:						
Roads and Streets	<u>802,013</u>	<u>-</u>	<u>4,709</u>	<u>-</u>	<u>122,628</u>	<u>674,676</u>
CULTURE AND RECREATION:						
Library	751,130	-	698,834	-	52,296	-
Municipal Pool	266,619	-	143,356	114,186	9,077	-
Recreation Facilities	<u>987,326</u>	<u>99,059</u>	<u>194,659</u>	<u>595,436</u>	<u>98,172</u>	<u>-</u>
TOTAL CULTURE AND RECREATION	<u>2,005,075</u>	<u>99,059</u>	<u>1,036,849</u>	<u>709,622</u>	<u>159,545</u>	<u>-</u>
TOTALS	6,475,644	<u>\$ 943,094</u>	<u>\$ 2,590,160</u>	<u>\$ 753,388</u>	<u>\$ 1,514,326</u>	<u>\$ 674,676</u>
CONSTRUCTION IN PROGRESS	<u>93,275</u>					
TOTAL CAPITAL ASSETS	<u>\$ 6,568,919</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, 2011

<u>FUNCTION AND ACTIVITY</u>	<u>CAPITAL ASSETS 10/1/2010</u>	<u>ADDITIONS</u>	<u>TRANSFERS/ DELETIONS</u>	<u>CAPITAL ASSETS 9/30/2011</u>
GENERAL GOVERNMENT:				
Legislative	\$ 1,859,579	\$ -	\$ -	\$ 1,859,579
Executive	46,040	-	(1,617)	44,423
Finance	55,474	2,671	(11,666)	46,479
Other General Government	553,181	96,010	-	649,191
TOTAL GENERAL GOVERNMENT	<u>2,514,274</u>	<u>98,681</u>	<u>(13,283)</u>	<u>2,599,672</u>
PUBLIC SAFETY:				
Police Department	541,723	14,944	(14,047)	542,620
Fire Department	603,826	1,835	-	605,661
Building Inspections	13,878	-	-	13,878
TOTAL PUBLIC SAFETY	<u>1,159,427</u>	<u>16,779</u>	<u>(14,047)</u>	<u>1,162,159</u>
TRANSPORTATION:				
Roads and Streets	830,013	-	(28,000)	802,013
CULTURE AND RECREATION:				
Library	749,290	1,840	-	751,130
Municipal Pool	266,619	-	-	266,619
Recreation Facilities	988,032	-	(706)	987,326
TOTAL CULTURE AND RECREATION	<u>2,003,941</u>	<u>1,840</u>	<u>(706)</u>	<u>2,005,075</u>
TOTAL CAPITAL ASSETS	<u>\$ 6,507,655</u>	<u>\$ 117,300</u>	<u>\$ (56,036)</u>	<u>\$ 6,568,919</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 EIGHT 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>	<u>Fiscal Year</u> <u>2011</u>
\$ 3,115,183	\$ 3,525,988	\$ 3,736,577	\$ 3,747,502
442,765	732,823	511,486	628,116
1,005,215	726,864	697,955	311,594
109,577	112,567	115,772	120,692
137,015	117,514	111,709	105,589
42,285	-	-	-
-	-	-	-
45,747	59,105	72,005	81,447
<u>846,324</u>	<u>822,357</u>	<u>782,582</u>	<u>855,281</u>
<u>\$ 5,744,111</u>	<u>\$ 6,097,218</u>	<u>\$ 6,028,086</u>	<u>\$ 5,850,221</u>
\$ 3,029,311	\$ 2,937,548	\$ 3,227,368	\$ 3,256,788
707,438	607,025	498,407	596,573
85,425	62,827	63,122	63,426
<u>683,030</u>	<u>578,696</u>	<u>212,765</u>	<u>83,781</u>
<u>\$ 4,505,204</u>	<u>\$ 4,186,096</u>	<u>\$ 4,001,662</u>	<u>\$ 4,000,568</u>
\$ 6,144,494	\$ 6,463,536	\$ 6,963,945	\$ 7,004,290
1,150,203	1,339,848	1,009,893	1,224,689
1,005,215	726,864	697,955	311,594
109,577	112,567	115,772	120,692
85,425	62,827	63,122	63,426
137,015	117,514	111,709	105,589
42,285	-	-	-
-	-	-	-
45,747	59,105	72,005	81,447
<u>1,529,354</u>	<u>1,401,053</u>	<u>995,347</u>	<u>939,062</u>
<u>\$ 10,249,315</u>	<u>\$ 10,283,314</u>	<u>\$ 10,029,748</u>	<u>\$ 9,850,789</u>

CITY OF FRUITLAND PARK, FLORIDA
 CHANGES IN NET ASSETS
 LAST EIGHT 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	<u>2,515,074</u>	<u>2,622,112</u>	<u>3,012,901</u>	<u>3,398,716</u>
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	<u>287,992</u>	<u>291,887</u>	<u>385,897</u>	<u>500,571</u>
Total Expenses	<u>\$ 2,803,066</u>	<u>\$ 2,913,999</u>	<u>\$ 3,398,798</u>	<u>\$ 3,899,287</u>
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	<u>943,827</u>	<u>1,086,864</u>	<u>1,304,761</u>	<u>1,226,182</u>
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	<u>380,901</u>	<u>519,308</u>	<u>1,458,848</u>	<u>982,126</u>
Total Program Revenues	<u>\$ 1,324,728</u>	<u>\$ 1,606,172</u>	<u>\$ 2,763,609</u>	<u>\$ 2,208,308</u>
NET REVENUE (EXPENSE)				
Governmental Activities	\$ (1,571,247)	\$ (1,535,248)	\$ (1,708,140)	\$ (2,172,534)
Business-Type Activities	<u>92,909</u>	<u>227,421</u>	<u>1,072,951</u>	<u>481,555</u>
Total Net Expense	<u>\$ (1,478,338)</u>	<u>\$ (1,307,827)</u>	<u>\$ (635,189)</u>	<u>\$ (1,690,979)</u>

Fiscal Year 2008	Fiscal Year 2009	Fiscal Year 2010	Fiscal Year 2011
\$ 973,800	\$ 864,658	\$ 872,323	\$ 1,113,962
1,536,379	1,326,793	1,550,621	1,411,552
433,573	362,253	366,990	426,154
457,451	454,723	448,014	429,297
604,994	595,253	558,258	526,532
28,174	22,766	17,495	11,973
<u>4,034,371</u>	<u>3,626,446</u>	<u>3,813,701</u>	<u>3,919,470</u>
459,317	482,437	649,113	572,667
241,167	322,279	364,080	277,985
15,618	22,645	18,899	18,490
<u>716,102</u>	<u>827,361</u>	<u>1,032,092</u>	<u>869,142</u>
<u>\$ 4,750,473</u>	<u>\$ 4,453,807</u>	<u>\$ 4,845,793</u>	<u>\$ 4,788,612</u>
\$ 104,056	\$ 45,695	\$ 50,483	\$ 62,532
501,731	242,303	318,461	287,375
483,985	494,231	488,063	486,420
28,062	27,793	30,475	35,302
131,451	108,020	100,267	89,210
103,175	78,277	91,892	49,133
<u>1,352,460</u>	<u>996,319</u>	<u>1,079,641</u>	<u>1,009,972</u>
643,694	569,723	542,438	588,343
67,516	75,381	104,851	117,859
20,480	22,726	22,200	27,665
-	-	-	-
121,887	37,254	45,492	235,835
<u>853,577</u>	<u>705,084</u>	<u>714,981</u>	<u>969,702</u>
<u>\$ 2,206,037</u>	<u>\$ 1,701,403</u>	<u>\$ 1,794,622</u>	<u>\$ 1,979,674</u>
\$ (2,681,911)	\$ (2,630,127)	\$ (2,734,060)	\$ (2,909,498)
137,475	(122,277)	(317,111)	100,560
<u>\$ (2,544,436)</u>	<u>\$ (2,752,404)</u>	<u>\$ (3,051,171)</u>	<u>\$ (2,808,938)</u>

Continued on Next Page

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

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

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

<u>Fiscal Year</u> <u>2008</u>	<u>Fiscal Year</u> <u>2009</u>	<u>Fiscal Year</u> <u>2010</u>	<u>Fiscal Year</u> <u>2011</u>
\$ 1,133,802	\$ 1,087,169	\$ 1,045,330	\$ 910,495
499,811	467,231	471,136	495,503
869,774	927,619	957,318	918,839
254,467	264,612	256,671	262,152
86,555	51,403	26,994	22,626
1,346	-	-	5,964
153,864	185,200	(92,521)	116,054
<u>2,999,619</u>	<u>2,983,234</u>	<u>2,664,928</u>	<u>2,731,633</u>
16,482	(11,631)	40,156	14,400
(153,864)	(185,200)	92,521	(116,054)
<u>(137,382)</u>	<u>(196,831)</u>	<u>132,677</u>	<u>(101,654)</u>
<u><u>\$ 2,862,237</u></u>	<u><u>\$ 2,786,403</u></u>	<u><u>\$ 2,797,605</u></u>	<u><u>\$ 2,629,979</u></u>
\$ 317,708	\$ 353,107	\$ (69,132)	\$ (177,865)
93	(319,108)	(184,434)	(1,094)
<u>\$ 317,801</u>	<u>\$ 33,999</u>	<u>\$ (253,566)</u>	<u>\$ (178,959)</u>

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

	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>
GENERAL FUND				
Nonspendable	\$ -	\$ -	\$ -	\$ -
Restricted	-	-	-	-
Reserved	126,180	126,899	133,497	152,313
Committed	-	-	-	-
Unreserved	932,056	773,682	757,674	1,037,161
Unassigned	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total General Fund	<u>\$ 1,058,236</u>	<u>\$ 900,581</u>	<u>\$ 891,171</u>	<u>\$ 1,189,474</u>
ALL OTHER GOVERNMENTAL FUNDS				
Restricted	\$ -	\$ -	\$ -	\$ -
Reserved	799,107	970,393	306,446	539,555
Unreserved, reported in:				
Special revenue funds	7,671	7,755	7,881	7,149
Capital projects funds	199,513	116,471	113,841	32,376
	<hr/>	<hr/>	<hr/>	<hr/>
Total all other governmental funds	<u>\$ 1,006,291</u>	<u>\$ 1,094,619</u>	<u>\$ 428,168</u>	<u>\$ 579,080</u>

Note: The City implemented GASB 54 in 2011.

<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 25,345
-	-	-	-	-	366,630
247,486	285,445	336,044	555,561	607,249	-
-	-	-	-	-	202,139
1,380,714	999,638	705,256	674,625	766,608	-
-	-	-	-	-	851,850
<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>	<u>\$1,445,964</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 678,669
869,679	1,254,548	1,446,560	1,220,279	950,568	-
16,836	27,184	37,275	18,132	-	-
111,973	150,733	159,442	161,189	-	-
<u>\$ 998,488</u>	<u>\$1,432,465</u>	<u>\$1,643,277</u>	<u>\$1,399,600</u>	<u>\$ 950,568</u>	<u>\$ 678,669</u>

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

	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>
REVENUES				
Taxes	\$1,233,381	\$1,260,681	\$1,377,469	\$1,491,154
Licenses and Permits	46,023	50,495	102,289	222,622
Intergovernmental Revenues	758,157	790,997	528,352	711,126
Charges for Services	73,828	407,772	429,793	456,927
Fines and Forfeitures	172,527	131,213	145,521	129,820
Investment Earnings	41,835	36,687	24,388	45,082
Miscellaneous	130,028	93,823	43,567	61,141
Total Revenues	<u>2,455,779</u>	<u>2,771,668</u>	<u>2,651,379</u>	<u>3,117,872</u>
EXPENDITURES				
General Government	471,819	493,415	643,580	613,061
Public Safety	686,940	761,762	858,290	893,853
Transportation	334,498	281,728	262,201	262,746
Sanitation/Other Utility	11,664	333,109	347,176	347,233
Culture and Recreation	336,856	409,450	330,169	367,407
Capital Outlay	410,558	1,420,622	597,986	90,581
Debt Service:				
Principal	17,750	18,806	103,990	121,702
Interest	4,617	11,671	40,053	37,074
Total Expenditures	<u>2,274,702</u>	<u>3,730,563</u>	<u>3,183,445</u>	<u>2,733,657</u>
Excess (Deficiency) of Revenues over (under) Expenditures	181,077	(958,895)	(532,066)	384,215
OTHER FINANCING SOURCES (USES)				
Capital Lease Financing	-	-	68,000	-
Debt Proceeds	-	1,000,000	-	-
Transfers in	113,845	76,707	148,593	166,337
Transfers out	(163,845)	(187,139)	(360,925)	(101,337)
Sale of Capital Assets	-	-	537	-
Total Other Financing Sources (Uses)	<u>(50,000)</u>	<u>889,568</u>	<u>(143,795)</u>	<u>65,000</u>
Net Change in Fund Balances	<u>\$ 131,077</u>	<u>\$ (69,327)</u>	<u>\$ (675,861)</u>	<u>\$ 449,215</u>
Debt service as a percentage of noncapital expenditures	1.2%	1.3%	5.9%	6.4%

<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
\$1,760,394	\$1,952,017	\$2,164,168	\$2,219,177	\$2,240,183	\$2,131,406
348,455	197,628	247,769	35,244	50,576	22,681
778,616	826,703	915,975	855,926	807,693	671,529
500,752	525,949	540,892	532,335	615,395	680,152
166,530	239,822	265,358	203,153	176,977	109,903
110,232	140,524	86,555	51,403	26,994	22,626
126,900	128,463	176,516	55,929	52,313	67,472
<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>	<u>3,705,769</u>
676,348	888,340	1,143,641	1,006,079	965,583	1,175,409
1,283,673	1,257,098	1,523,693	1,353,010	1,421,232	1,317,661
276,732	354,767	416,641	344,005	337,216	394,143
372,582	401,062	457,451	454,723	448,014	429,297
382,016	484,968	536,252	518,319	504,703	456,868
68,012	490,989	355,977	344,082	348,022	96,010
130,973	132,634	142,461	146,263	137,074	142,435
37,050	35,388	30,468	26,677	21,127	15,756
<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>	<u>4,027,579</u>
564,493	(34,140)	(209,351)	(239,991)	(212,840)	(321,810)
192,641	-	21,170	-	-	-
-	-	-	-	-	-
173,523	256,768	291,306	701,875	434,607	359,406
(72,523)	(131,768)	(137,442)	(516,675)	(527,128)	(243,352)
-	-	1,346	-	-	5,964
<u>293,641</u>	<u>125,000</u>	<u>176,380</u>	<u>185,200</u>	<u>(92,521)</u>	<u>122,018</u>
<u>\$ 858,134</u>	<u>\$ 90,860</u>	<u>\$ (32,971)</u>	<u>\$ (54,791)</u>	<u>\$ (305,361)</u>	<u>\$ (199,792)</u>
5.6%	5.1%	4.2%	4.7%	4.3%	4.2%

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
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
2011	780,427	314,320	117,730	389,291	376,196	153,352	2,131,316

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		
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%
2011	245,295,181	174,746,180	11,527,662	7,542,665	256,822,843	182,288,845	4.36	70.98%

95

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, additional \$25,000 homestead exemption age 65 and older and the homestead assessment differential (just value minus capped value).

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

Fiscal Year	City Direct Rate	OVERLAPPING RATES					Total Taxes	
		County School District	Lake County	Water Conservation Authority	Water Management District	Ambulance District		Hospital District
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	4.761	0.213	0.416	0.465	1.000	18.747
2011	4.360	7.523	4.841	0.241	0.416	0.385	1.000	18.766

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, 2011
 CURRENT YEAR COMPARED TO NINE YEARS AGO

<u>Taxpayer</u>	<u>Fiscal Year 2011</u>		<u>Fiscal Year 2002</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	\$ 4,116,623	2.27%	\$ -	
Southern Spring Lake Cove LLC	3,411,280	1.88%	-	
Wal-Mart Stores East LP	1,998,623	1.10%	2,157,153	2.60%
FWB Investment Ltd	1,947,288	1.07%	2,250,722	2.71%
Etheredge Limited Partnership	1,788,810	0.99%	1,163,161	1.40%
Armentano Enterprises Inc	1,769,055	0.98%	-	
CRC Properties Inc	1,680,040	0.93%	-	
Robert D & Leane E Rhodes	1,640,638	0.90%	-	
Fruitland Park Property LLC	1,408,893	0.78%	-	
Lake Saunders Groves Land LLP	1,197,221	0.66%	-	
Sprint-Florida Inc	-		1,576,687	1.90%
Highland Associates	-		1,198,931	1.45%
Holiday World Investments LLC	-		1,192,357	1.44%
Fruitland Acres Limited	-		1,113,244	1.34%
Larry M Phillips, Trustee	-		1,067,520	1.29%
Fruitland Park of Lake Co Ltd	-		765,709	0.92%
Carl A. & Carol Denise Munn	-		743,989	0.90%
	<u>\$ 20,958,471</u>	<u>11.56%</u>	<u>\$ 13,229,473</u>	<u>15.95%</u>
TOTAL TAXABLE ASSESSED VALUATION	<u>\$ 181,246,865</u>		<u>\$ 82,970,107</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>
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%
2011	794,779	773,372	97.3%	7,055	780,427	98.2%

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

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

Fiscal Year	GOVERNMENTAL ACTIVITIES		BUSINESS-TYPE ACTIVITIES		Total Primary Government	Percentage of Personal Income	Per Capita
	Revenue Note	Capital Leases	Revenue Notes	Loans Payable			
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
2011	230,383	34,931	-	1,654,931	1,920,245	2.22%	498

66

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, 2011

<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	\$ -	1.20%	\$ -
Other debt			-
Subtotal, overlapping debt			-
Direct debt			<u>1,920,245</u>
Total direct and overlapping debt			<u>\$ 1,920,245</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>	Infrastructure Sales Surtaxes	<u>Debt Service Requirements</u>			<u>Coverage</u>
	<u>Available for Debt Service</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	
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
2011	314,320	109,016	12,660	121,676	2.58

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	
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
2011	706,202	809,609	(103,407)	92,947	44,722	137,669	0.00

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

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

CITY OF FRUITLAND PARK, FLORIDA
 DEMOGRAPHIC AND ECONOMIC STATISTICS
 SEPTEMBER 30, 2011

Year	2006	2007	2008	2009	2010	2011
Population	3,628	3,829	3,879	3,978	4,129	3,853
Total Personal Income of all Fruitland Park Residents (in thousands)	\$71,395	\$71,778	\$71,480	\$71,463	\$86,416	\$86,483
Per Capita Personal Income	\$19,679	\$18,746	\$18,427	\$17,965	\$20,929	\$22,036
Median Age	35.5	36.6	40.3	40.3	38.9	37.9
School Enrollment Fruitland Park Elementary	670	632	630	633	632	623
Total Housing Units	1,580	1,485	1,452	1,453	1,739	1,772
Owner occupied	1,157	1,019	1,041	1,042	1,118	1,188
Renter occupied	379	408	287	287	414	359
Vacant	44	58	124	124	207	225
Lake County Unemployment Rate	3.0%	4.7%	8.5%	12.6%	11.9%	9.9%

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

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

CITY OF FRUITLAND PARK, FLORIDA
 DEMOGRAPHIC STATISTICS
 SEPTEMBER 30, 2011

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%
2011	3,853	-1.07%	321,192	1.10%

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%
2011	47.9	13.5%	32.6%	29.3%	24.6%

Source - Bureau of Economic Business research, University of Florida

CITY OF FRUITLAND PARK, FLORIDA
 PRINCIPAL EMPLOYERS
 SEPTEMBER 30, 2011

<u>Employer</u>	<u>Employees</u>	<u>Rank</u>	<u>Percent of Total City Employment</u>
Wal-Mart	375	1	28.2%
Fruitland Park Elementary School	98	2	7.4%
Bill Bryan Chrysler	84	3	6.3%
City of Fruitland Park	76	4	5.7%
Phillips Buick/Pontiac	68	5	5.1%
Munn's Heating & Air	48	6	3.6%
	<hr/>		<hr/>
Total	<u>749</u>		<u>56.2%</u>
Total City Employment	<u>1,332</u>		

Note: This is the City's sixth year of implementation under GASB 44.
 Principal employer information from 2002 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, 2011

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
GENERAL GOVERNMENT						
Legislative	10	10	10	10	10	9
Executive	3	3	3	3	3	3
Finance	4	4	4	4	4	4
Other General Government	1	1	1	1	1	1
PUBLIC SAFETY						
Police Department	21	22	23	23	23	22
Fire	25	25	25	25	25	20
Building Inspections	2	2	1	1	1	1
TRANSPORTATION						
Roads and Streets	5	5	5	5	3	2
CULTURE AND RECREATION						
Library	5	7	7	7	7	6
Municipal Pool	9	9	9	9	8	8
Recreation Maintenance	2	2	2	2	2	2
Recreation Programs	2	2	2	2	3	2
UTILITIES						
Water	3	3	3	3	5	5
Sewer	1	1	1	1	1	0
<hr/>						
Total Employees	<u>93</u>	<u>96</u>	<u>96</u>	<u>96</u>	<u>96</u>	<u>85</u>
Full-Time	33					
Part-Time	52					

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, 2011

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Police Protection:						
Number of Sworn Police Officers	11	13	13	13	13	13
Number of Reserve Officers	5	5	5	5	5	4
Fire Protection:						
Number of Volunteer Firefighters	25	25	25	25	25	20
Building Inspections:						
Commercial Construction Permits	7	33	6	3	1	0
Residential Construction Permits	100	30	33	10	6	3
Roads and Streets:						
Street Resurfacing	None	None	.6 mile	.8 mile	.7 mile	.25 mile
Recreation:						
Number of City-wide events	2	2	2	2	2	2
Municipal Water System:						
Number of Consumers	1,610	1,617	1,728	1,712	1,739	1,749
New Connections	94	62	152	110	11	2

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, 2011

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
City Land Area (square miles)	5.9	6.0	6.5	6.6	6.6	6.6
Police Protection:						
Number of Stations	1	1	1	1	1	1
Number of Patrol Units	12	13	13	13	15	16
Fire Protection:						
Number of Stations	1	1	1	1	1	1
Number of Fire Trucks	2	2	2	2	2	2
Culture and Recreation:						
Number of Libraries	1	1	1	1	1	1
Number of Municipal Pools	1	1	1	1	1	1
Number of Parks	4	4	4	4	4	4
Number of Baseball/softball fields	3	3	3	3	3	3
Number of Soccer Fields	1	1	1	1	1	1
Number of Skate parks	1	1	1	1	1	1
Number of Community Centers	2	2	1	1	1	1
Municipal Water System:						
Wells	5	5	5	5	5	5
Water Towers	1	1	1	1	1	1

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

Source: Various City departments

REGULATORY AND 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
Certified Public Accountants

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

February 23, 2012

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, 2011, which collectively comprise the City of Fruitland Park, Florida's basic financial statements and have issued our report thereon dated February 23, 2012. 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, 2011

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 Department of Law Enforcement:				
Local Law Enforcement Block Grant (total grant \$1,252)				
Drug/DUI Interdiction Traffic Enforcement				
Contract #2011-JAGD-LAKE-1-B3-030	16.738	\$ 1,252	\$ 1,252	\$ 1,252
Byrne Memorial Justice Assistance Grant (total grant \$6,923)				
Speed Monitor/Accessories				
Contract #2011-JAGC-LAKE-9-B2-021	16.738	6,922	6,922	6,922
U. S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT				
Pass through the Florida Department of Community Affairs				
CDBG Block Grant (total grant \$700,000)				
Neighborhood Revitalization				
Contract #11DB-L4-06-45-02-N23	14.228	15,043	40,043	15,043
U. S. ENVIRONMENTAL PROTECTION AGENCY				
Pass through the Florida Department of Environmental Protection:				
Clean Water State Revolving Fund Loan #WW91203S				
(maximum loan \$2,393,745)	66.458	-	-	-
Clean Water State Revolving Fund Loan #CS12091201P				
(maximum loan \$237,108)	66.458	-	-	-
Total Federal Awards		\$ 23,217	\$ 48,217	23,217

(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, 2011

STATE OF FLORIDA FINANCIAL ASSISTANCE

<u>State Agency/ PROGRAM TITLE</u>	<u>State Revenues</u>	<u>State Expenditures</u>	<u>State Receipts</u>
Total State Financial Assistance	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>
Total State Receipts			<u>\$ 23,217</u>

(Florida Single Audit not required)

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

Shumacker, Johnston & Ross, PA

Certified Public Accountants

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

American Institute of
Certified Public Accountants

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

February 23, 2012

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 February 23, 2012, 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, 2011. 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, 2011 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

February 23, 2012

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, 2011, and have issued our report thereon dated February 23, 2012.

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.
5. For matters that have an inconsequential effect on the financial statements, considering both quantitative and qualitative factors and based on professional judgment:
 - a. We have not reported any violations of provisions of contracts or grant agreements, fraud, illegal acts, or abuse that have occurred, or are likely to have occurred.

- b. 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, 2011.
- 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



