

Shumacker, Johnston & Ross, PA

Certified Public Accountants

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

American Institute of
Certified Public Accountants

Florida Institute of
Certified Public Accountants

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

March 31, 2010

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

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Fruitland Park, Florida, as of and for the year ended September 30, 2009, which collectively comprise the City of Fruitland Park, Florida's basic financial statements and have issued our report thereon dated March 31, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the City's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood

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

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

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

Compliance and Other Matters

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

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



Shumacker, Johnston & Ross, PA

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

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

(Federal Single Audit not required)

Continued on next page

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

STATE OF FLORIDA FINANCIAL ASSISTANCE

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

(Florida Single Audit not required)

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

Shumacker, Johnston & Ross, PA

Certified Public Accountants

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

American Institute of
Certified Public Accountants

Florida Institute of
Certified Public Accountants

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

March 31, 2010

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

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

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

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

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



Shumacker, Johnston & Ross, PA

This page is intentionally blank.

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

MANAGEMENT LETTER

March 31, 2010

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

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

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

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

- 5b. We have not reported any control deficiencies that are not significant deficiencies, including but not limited to:
1. Improper or inadequate accounting procedures.
 2. Failures to properly record financial transactions.
 3. Inaccuracies, shortages or defalcations. Also, we did not either discover any instances of fraud, or have any instances of fraud come to our attention.
6. The name of the primary government is the City of Fruitland Park, Florida, created by charter under the legal authority of Chapter 12755, Laws of Florida, Session 1927. The reporting entity includes the activities of the Fruitland Park Community Redevelopment Agency, a dependent special district, as a blended component unit.
- 7a. The City has not met any of the financial emergency conditions described in Section 218.503(1), *Florida Statutes*.
- 7b. The financial report filed with the Florida Department of Financial Services pursuant to Section 218.32(1)(a), *Florida Statutes* is in agreement with the annual financial audit report for the year ended September 30, 2009.
- 7c. Financial condition assessment procedures pursuant to Rule 10.556(7) were applied during the audit of the basic financial statements. The City is not, and during the fiscal year, was not experiencing deteriorating financial conditions which may cause a financial emergency described in Section 218.503(1), *Florida Statutes*. Accordingly, we have made no recommendations addressing deteriorating financial conditions in accordance with Rule 10.557(6).

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



Shumacker, Johnston & Ross, PA