

THE CITY OF

MAITLAND

FLORIDA

COMPREHENSIVE ANNUAL FINANCIAL REPORT



FOR THE YEAR ENDED
SEPTEMBER 30, 2010

Comprehensive Annual Financial Report



CITY OF MAITLAND, FLORIDA

**FOR THE YEAR
ENDED
SEPTEMBER 30, 2010**

Prepared by: Finance Department

Introductory Section

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CITY COUNCIL

Howard Schieferdecker, Mayor
Linda J. Frosch, Esq, Vice-Mayor
Philip F. Bonus
Bev Reponen
Ivan Valdes

CITY MANAGER

James S. Williams, P.E.

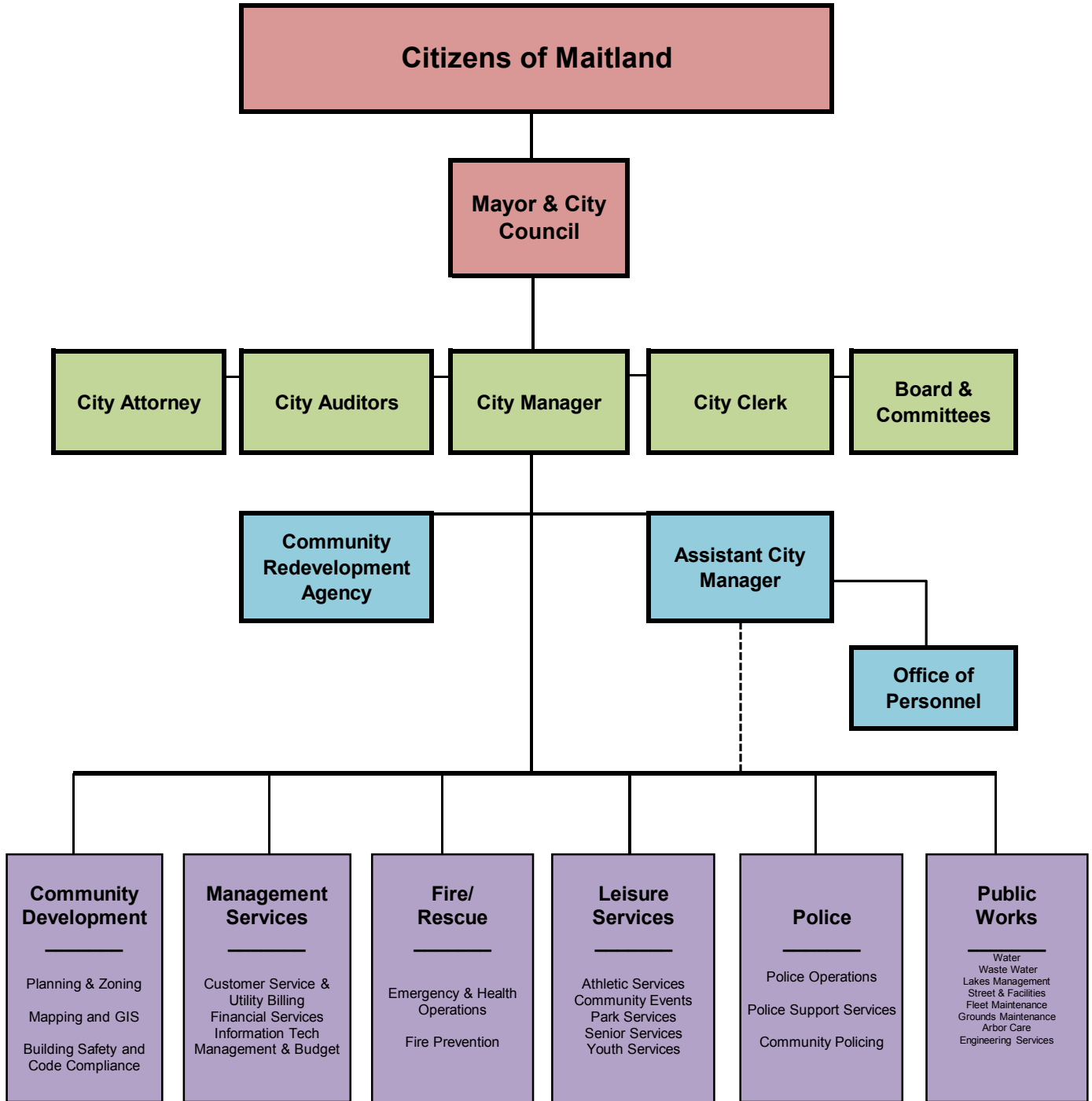
ASSISTANT CITY MANAGER

Wm. Brian Jones

MANAGEMENT SERVICES DIRECTOR

Sharon M. Anselmo, CPA

City of Maitland, Florida Organizational Chart



Mayor and Council
Howard Schieferdecker, Mayor
Linda J. Frosch, Esq., Vice Mayor
Philip F. Bonus
Bev Reponen
Ivan Valdes



City Manager
James S. Williams, P.E.

City Clerk
Maria T. Waldrop

May 12, 2011

The Citizens of Maitland, Florida
The Honorable Mayor Howard Schieferdecker and Members of the City Council
The City of Maitland, Florida

The Comprehensive Annual Financial Report (CAFR) of the City of Maitland, Florida (City) for the fiscal year ended September 30, 2010, is submitted herewith pursuant to Florida Statutes Chapter 166.241 (4) and Chapter 10.500 of the Rules of the Auditor General of the State of Florida. This report consists of management's representations concerning the finances of the City. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, management of the City has established a comprehensive internal control framework that is designed to both protect the City's assets from loss, theft or misuse and to compile sufficient reliable information for the preparation of the City's financial statements in conformity with generally accepted accounting principles (GAAP). Because the cost of internal controls should not outweigh their benefits, the City's comprehensive framework of internal controls has been designed to provide reasonable, rather than absolute, assurance that the financial statements will be free from material misstatement. As management we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

McDermitt Davis & Company, LLC, have audited the City's financial statements. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City for the fiscal year ended September 30, 2010, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditors concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the City's financial statements for the fiscal year ended September 30, 2010, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

GAAP requires that management provide a narrative introduction, overview and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The City's MD&A can be found immediately following the report of the independent auditor.

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Maitland, Florida 32751

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Profile of the City

The Town of Lake Maitland, Florida was created under the general laws of the State of Florida on July 17, 1885. The incorporation was validated by the 1909 Laws of Florida. In 1959, Chapter 59-1475 was adopted creating a new charter and changing the Town's name to the City of Maitland. The City is located in Central Florida, in north Orange County, and is part of the Orlando Metropolitan Statistical Area. Maitland, with a population of 16,786 in a 6.41 square mile area, serves as a residential suburb within this metropolitan area and is a stronghold for established, single-family neighborhoods and quality schools. The City is empowered to levy a property tax on both real and personal properties within its boundaries. It is also empowered by state statute to extend its corporate limits by annexation, which occurs periodically when deemed appropriate by the City Council.

The City operates under a council-manager form of government. Policy-making and legislative authority are vested in the City Council, consisting of the Mayor and four Council members. Among other things, the Council is responsible for passing ordinances and resolutions, adopting the budget, appointing boards and committees, and hiring the City Manager, City Clerk and City Attorney. The City Manager is responsible for carrying out the policies, ordinances and resolutions of the Council and for overseeing the day-to-day operations of the City. The Council is elected on a non-partisan basis. Council members serve three-year staggered terms, with two Council members or the Mayor's seat up for election each year. The Mayor and Council are elected at large.

The City provides a full range of services, including police and fire protection; the construction and maintenance of streets, sidewalks, parks, storm water and other infrastructure; engineering; planning and community development; code enforcement; general administration and support services; and recreational and cultural events. In addition, the City operates two enterprises: utilities (water and sewer) and solid waste services.

Economic Condition and Outlook

Over the years, the City has positioned itself well to respond to market forces. West of Interstate 4 (I-4), the Maitland Center/Summit area serves as the dominant suburban office market for the region and includes over eight million square feet of office space and employs approximately 24,000 people. Over the last decade, the area has evolved into a mixed-use activity center, with five hotels, a mix of restaurants (two quality sit down, two fast-food and twenty-five internal restaurants), the RDV Sportsplex (365,000 square foot mixed-use facility affiliated with the Orlando Magic and Florida Hospital), and over 1,300 multi-family and 230 single-family residential units added to the mix of uses. This area is home to over 350 corporations, including Sprint/Nextel, Clear Channel Communications and Fidelity Information Systems. The City has partnered with both the State and County to provide economic incentives to attract businesses in qualified targeted industries. In 2010, the City approved an agreement with one such business, Fidelity Information Systems to bring an additional 300 jobs over the next three years to newly constructed facilities in the Maitland Center/Summit area.

In recent years, the City has focused on ways in which to best assist the property owners in this area to compete actively with other regional markets in the future. Significant traffic pattern changes, as a result of changes to the Maitland I-4 interchange are proposed by the Florida

Department of Transportation and will provide both challenges and opportunities over the next decade. After a series of meetings with City staff, property owners, residents and other stakeholders during 2010, the City Council approved a Westside Redevelopment Plan. The plan was developed from five core principles identified by a property owners committee and team of City staff members: increase the variety of land use and transportation options; improve connections within the district and to the region; build partnerships to implement the vision; increase the area's competitive advantages and develop a "brand" for the district; and, improve implementation mechanisms and the development approval process.

The Maitland Boulevard corridor east of I-4 also continues to develop. Reserved for development of a residential scale and character, the area currently consists of three office parks constructed along the I-4 corridor just west of Wymore Road totaling approximately 56,000 square feet. In addition, the ramp areas north and south of Maitland Boulevard include over 60,000 square feet of office space. Two assisted living facilities and a 159-unit zero lot line/townhouse development round out the mix in this area. One major development, the Maitland Concourse, is being developed on the Maitland Boulevard corridor, with three office buildings totaling just over 150,000 square feet completed and another 690,000 square feet of office space planned at build-out. Plans for the widening of Maitland Boulevard by the Florida Department of Transportation are in the project development and environment study stage and will have a positive impact on the future development of this area.

The City's retail market is limited to the Orlando Avenue corridor and the Maitland Center/Summit area west of I-4. Currently, there is slightly more than 500,000 square feet of retail space in the City. The City completed its Master Plan to revitalize the Orlando Avenue corridor in 1997, and it is scheduled for update in 2011. This plan will foster a mixed-use revitalization in the corridor to strengthen the City's character and reflect the quality of life enjoyed by Maitland residents. The Master Plan promotes public-private partnerships and incorporates incentives for revitalizing this corridor, with an emphasis on mixed uses (including residential), and consolidating storm water, open space and parking into public amenities.

The existing housing stock remains the primary market for new residents in the market for single-family detached housing.

Major Initiatives

The City and County established a Downtown Maitland Community Redevelopment Agency (the "CRA") in August 2003. The Downtown Maitland Revitalization Plan (the "DMRP"), an extension of the Orlando Corridor Master Plan adopted in 1997, serves as the redevelopment plan for the CRA. One of the major objectives of the infrastructure portion of the DMRP is to alleviate existing deficiencies in levels of service in order to encourage redevelopment in Downtown Maitland while making Maitland an attractive place to conduct business, live, shop and play. Specific infrastructure features addressed by the DMRP include: improving traffic circulation; relocating utilities underground and improving electric power reliability; improving potable water capacity to service desired uses and to provide for required flows and fire needs of developments; improvements to the Sanitary Sewer system; and the creation of regional storm water facilities to promote and facilitate in-fill redevelopment in downtown Maitland. In 2007, the CRA completed construction of the Maitland Boulevard off-ramp and the Packwood Regional storm water pond. The extension of Swoope Avenue (Sybelia Parkway) and the master lift station were completed in early 2009, with Sybelia Parkway opened one-way for north bound traffic as additional improvements, at Horatio

and Orlando Avenue are designed and constructed. The completed projects were financed with the issuance of \$13.9 million of CRA redevelopment revenue bonds, expected to be repaid from future tax increment revenues.

The first phase of the Northbridge Developer's agreement was completed in 2009 and includes the addition of sanitary sewer infrastructure extended to the parcels north and immediately south of the project. The private investment is anchored by First Colony Bank and adds 30,000 square feet of retail and office space to the Sawmill district of Downtown Maitland. Planned for development in the Sawmill district is the Maitland Commuter Rail Station. Site selection and design development is expected to be completed by the end of 2011.

Also completed during 2010 is the final phase of the Village at Lake Lily project, which began construction in 2007. This project is located at the northwest corner of Lake Avenue and Orlando Avenue, and contains a mixed-use center of 40,000 square feet of commercial space and 437 multi-family apartment units.

Two mixed-use projects, Uptown Maitland West and Trevi, as currently approved, would result in the addition of an estimated 300 and 90 multi-family units each and 70,000 square feet of retail and service uses. Both development agreements were extended an additional two years, but due to the slowdown in construction activity and levels existing multi-family inventory, the timing and ultimate composition of the two projects remains uncertain.

The next several years will conclude an almost decade long effort to upgrade City administrative and public safety facilities. A Master Plan was adopted in September 2002, encompassing all the storage, administrative, maintenance and public safety needs for the next twenty to thirty years. In 2004, the City completed a significant portion of this plan: a new fire station west of I-4, consolidating the Public Works functions and fueling station on to one site for efficiency and service growth potential. In July 2004, voters approved a referendum to finance the then proposed Public Safety Building and City Hall with a limited Ad Valorem tax levy of up to .5 mills to support bonds of up to \$18.5 million. In July 2005, the City issued \$15.8 million of the approved Limited General Obligation Bonds which will be used to provide funding necessary for the public facilities. In March 2005, the Building and Fire Administration departments were relocated from the City Hall Annex building to leased offices on Orlando Avenue. The City Hall Annex building was demolished in January 2006 as part of the Sybelia Parkway North/Packwood District regional pond project.

During 2009, the City moved forward on the final phase of the Master Plan, construction of new police, fire and City Hall facilities. The current fire station and police station were constructed in 1972 and the current City Hall in 1974. The new buildings are needed to provide more efficiency and upgrade the existing buildings, which are deteriorating and over-utilized.

The City completed construction of the new police station in December 2009. The new police station is located on property adjacent to the Public Works Yard and Fire Station 47 west of I-4. During the first quarter of 2011, the City awarded a contract to the team of Wharton-Smith, Inc. / Schweizer Waldroff Architects, Inc. to design and build the new fire station. The fire station groundbreaking was held in January 2011. Also in January 2011, the Wharton-Smith, Inc. / Schweizer Waldroff Architects, Inc. team was awarded a contract to design and build the new City Hall. It is anticipated the City Hall construction will break ground in June 2011 and both projects are expected to be completed by the end of 2012.

Long Term Financial Planning

The City continues its history of long-term financial planning via its publishing of the City's Capital Improvement Program ("CIP"), which is reviewed by the various boards and committees, approved by City Council, and subsequently submitted to the State as an amendment to the Comprehensive Development Plan. The five year capital improvements plan is mostly financed on a mostly pay as you go basis. The Fiscal 2011-2015 plan includes \$29.6 million in infrastructure improvements, including transportation and paving (\$5 million), potable water (\$2.8 million), sanitary sewer (\$4.1 million), storm water (\$2.6 million), recreation and open space (\$1.7 million), public safety (\$422 thousand), and public facilities (\$211 thousand). Major transportation initiatives include improvements at Horatio Avenue and U.S. Highway 17-92 and initiatives related to commuter rail. Expenditures for public safety include grant funded upgrades to the City's emergency operations center. A copy of the entire CIP is available on the City's website.

Budgetary Controls

The annual budget serves as the foundation of the City's financial planning and control. All departments of the City submit their initial recommendation for appropriation during the month of February for use in developing the City's five year Capital Improvements Program, which is required to be financially feasible. During the month of April, the City Council holds its annual long range strategic planning session, which has been facilitated by the University of Central Florida's Institute of Government for the past five years. Essential priorities, outlined during the session are incorporated into the budget draft, which is presented by the City Manager at the end of June. Public workshops and presentations scheduled throughout the months of July and August conclude with a final budget presented to the City Council during September, when the final budget and proposed millage rate are adopted.

Once the budget is adopted, the City maintains budgetary controls designed to ensure compliance with legal provisions embodied in the annual budget approved by the City Council. Budgetary control (the level at which expenditures cannot legally exceed the appropriated amount) is established at the fund level. The City also maintains an encumbrance accounting system as one technique of accomplishing budgetary control. Outstanding encumbrances at year-end will represent expenditures when unperformed purchase orders and other commitments at year-end are completed. Because the City generally intends to honor purchase orders and other commitments outstanding at year-end, such encumbrances are not recorded as expenditures but rather as reservations of fund balance for the subsequent year's appropriation. Expenditure tracking reports, which compare budgeted to actual expenditures, and revenue reports are produced on a monthly basis. Performance measurement and work plan data are prepared and updated quarterly.

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 Maitland, Florida, for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended September 30, 2009. This was the twenty-third consecutive year that the City of Maitland

received this prestigious award.

In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized CAFR whose contents conform to program standards. Such reports 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 our current report continues to meet the Certificate of Achievement Program requirements, and we are submitting it to the GFOA.

In addition, the City also received the GFOA's Distinguished Budget Presentation Award for its annual budget document for the fiscal year beginning October 1, 2009. In order to qualify for the Distinguished Budget Presentation Award, the City's budget document was judged to be proficient in several categories, including as a policy document, a financial plan, an operations guide and a communications device.

Acknowledgments

The preparation of the CAFR in a timely manner was made possible by the dedicated service of the entire Finance Department staff. We sincerely appreciate the efforts of all who contributed to the preparation of this report, with special thanks to Dan Richer, Senior Accountant.

In closing, we would also like to thank you, the elected representatives of the citizens of Maitland, for your continued interest and support in planning and conducting the financial operations of the City in a professional, responsible and responsive manner.

Respectfully submitted,



James S. Williams
City Manager



Sharon M. Anselmo, CPA
Management Services Director

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Maitland
Florida

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
September 30, 2009

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



President

Executive Director



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Financial Section

**INDEPENDENT
AUDITOR'S REPORT**

**MANAGEMENT'S DISCUSSION &
ANALYSIS**

BASIC FINANCIAL STATEMENTS

**REQUIRED SUPPLEMENTARY
INFORMATION**

**OTHER SUPPLEMENTARY
INFORMATION**

INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and City Council
City of Maitland, 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 Maitland, Florida*, as of and for the year ended September 30, 2010, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express an opinion 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 above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the *City of Maitland, Florida*, as of September 30, 2010 and the respective changes in financial position and cash flows, where applicable, thereof, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated May 12, 2011 on our consideration of the *City of Maitland, Florida's* internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants 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 result 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 read in conjunction with this report in considering the results of our audit.

MCDIRMIT DAVIS & COMPANY, LLC
605 E. ROBINSON STREET, SUITE 635 • ORLANDO, FLORIDA 32801
TELEPHONE 407-843-5406 • FAX 407-649-9339 • EMAIL: INFO@MCDIRMITDAVIS.COM

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information and the pension and other post employment benefits disclosures on pages 3 through 14 and 56 through 60 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's discussion responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Maitland, Florida's financial statements as a whole. The introductory section, combining and individual fund financial statements and schedule, and statistical section are presented for purposes of additional analysis and are not a required part of the financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management Budget Circular A-133 and *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statement of the City of Maitland, Florida. The combining and individual nonmajor fund financial statements and schedule, and the schedule of expenditures of federal awards are the responsibility of management and were derived from and related directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statement themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly presented in all material respects in relation to the financial statements as a whole. The introductory section and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

McDiernit Davis & Company, LLC

May 12, 2011

City of Maitland, Florida
Management's Discussion and Analysis
September 30, 2010

The City of Maitland, Florida's (the "City") Management's Discussion and Analysis (the "MD&A") presents an overview of the City's financial activities for the fiscal year ended September 30, 2010. Please read it in conjunction with the letter of transmittal in the introductory section, and the City's financial statements following the MD&A.

Financial Highlights

- The assets of the City exceeded its liabilities at the close of fiscal year 2010 by \$60.1 million (net assets). Of this amount, \$13.7 million (unrestricted net assets) may be used to meet the City's ongoing obligations to citizens and creditors.
- At September 30, 2010, the City's governmental funds reported combined ending fund balances of \$26.1 million, an increase of \$415 thousand in comparison with the prior year.
- At September 30, 2010, unreserved fund balance for the General Fund was \$15.1 million or 71.8% of total General Fund expenditures and transfers out.
- General Fund revenues and transfers in decreased \$858 thousand or 3.7% over the prior fiscal year, primarily as a result of decreases in property tax, communications services tax and investment income in fiscal year 2010.
- The City's outstanding long-term debt increased by approximately \$2.9 million during fiscal year 2010 primarily due to the accrual of the other post employment benefit liability of \$3.2 million in the current year.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements

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

The *statement of net assets* presents information on all of the City's assets and liabilities, with the difference between the two reported as *net assets*. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The *statement of activities* presents information showing how the government's net assets changed during fiscal year 2010. All changes in net assets are reported as soon as the underlying event, giving rise to the change, occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected but earned revenue, and unused personal leave).

City of Maitland, Florida
Management's Discussion and Analysis
September 30, 2010

Both of these financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the City include general government, public safety, physical environment, transportation, and culture/recreation. The business-type activities of the City include solid waste disposal and water and sewer utilities. The government-wide financial statements can be found immediately following the MD&A.

Fund financial statements

A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental funds

Governmental funds are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The City maintains several individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for the General Fund, Community Redevelopment Agency (the "CRA") and Downtown Space Needs Fund, which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of *combining statements* in the other supplemental information section of this report.

The City adopts an annual appropriated budget for the General Fund, Environmental Stormwater Fund and the CRA, and budgetary comparison schedules have been provided for these funds to demonstrate budgetary compliance. The basic governmental fund financial statements may be found immediately following the government-wide financial statements.

City of Maitland, Florida
Management's Discussion and Analysis
September 30, 2010

Proprietary funds

The City maintains two different types of proprietary funds. The *enterprise funds* are used to report the functions presented as *business-type activities* in the government-wide financial statements. The City uses an enterprise fund to account for the fiscal activities relating to water and wastewater utilities and solid waste disposal. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses an internal service fund to account for insurance. Because the insurance services predominantly benefit governmental rather than business-type functions, the fund has been included within governmental activities in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Utility Fund, which is considered to be a major fund of the City, and the Solid Waste Fund. The basic proprietary fund financial statements follow the governmental fund financial statements.

Fiduciary funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are *not* reflected in the government-wide financial statement because the resources of those funds are *not* available to support the City's own programs. The accounting used for fiduciary funds is similar to proprietary funds. The City only has a pension trust fund. The basic fiduciary fund financial statements can be found after the basic proprietary fund financial statements.

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 after the fiduciary fund financial statements.

Other information

In addition to the basic financial statements and accompanying notes, *required supplementary information* is included which presents budgetary comparison schedules for the City's General Fund and the CRA, as well as a schedule of funding progress and employer contributions for other post employment benefits. Required supplementary information can be found following the notes to the financial statements.

The combining statements referred to earlier in connection with nonmajor governmental funds are presented in the other supplemental information section of this report. Combining statements can be found after the required supplementary information.

Government-wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the City, assets exceeded liabilities by \$60.1 million at the close of the fiscal year ended September 30, 2010. At the end of fiscal year 2010, the City is able to report positive balances in all three categories of net assets, both for the government as a whole, as well as for its separate governmental and business-type activities.

City of Maitland, Florida
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The following reflects a summary of Net Assets compared to the prior year.

City of Maitland, Florida						
Net Assets						
(in Millions)						
	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
Assets						
Current and Other Assets	\$ 29.0	\$ 30.0	\$ 5.5	\$ 4.2	\$ 34.5	\$ 34.2
Capital Assets (net)	<u>50.0</u>	<u>47.9</u>	<u>12.2</u>	<u>12.7</u>	<u>62.2</u>	<u>60.6</u>
Total Assets	<u>79.0</u>	<u>77.9</u>	<u>17.7</u>	<u>16.9</u>	<u>96.7</u>	<u>94.8</u>
Liabilities						
Current and Other Liabilities	2.8	3.3	1.7	1.8	4.5	5.1
Long-term Liabilities	<u>31.7</u>	<u>29.7</u>	<u>0.4</u>	<u>0.1</u>	<u>32.1</u>	<u>29.8</u>
Total Liabilities	<u>34.5</u>	<u>33.0</u>	<u>2.1</u>	<u>1.9</u>	<u>36.6</u>	<u>34.9</u>
Net Assets						
Invested in Capital Assets, Net of						
Related Debt	29.2	29.4	12.2	12.7	41.4	42.1
Restricted	5.0	4.2	-	-	5.0	4.2
Unrestricted	<u>10.3</u>	<u>11.3</u>	<u>3.4</u>	<u>2.3</u>	<u>13.7</u>	<u>13.6</u>
Total Net Assets	<u>\$ 44.5</u>	<u>\$ 44.9</u>	<u>\$ 15.6</u>	<u>\$ 15.0</u>	<u>\$ 60.1</u>	<u>\$ 59.9</u>

The largest portion of the City's net assets (69%) reflects its investment in capital assets (e.g., land, buildings, equipment, and infrastructure); less any related outstanding debt used to acquire those assets. The City uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

The City has *restricted net assets* of \$212 thousand for debt service, \$3.8 million for capital projects and \$964 thousand for other purposes. The remaining balance of *unrestricted net assets* (\$13.7 million) may be used to meet the government's ongoing obligations to citizens and creditors. There was a net increase of \$572 thousand in net assets reported in connection with the City's business-type activities. Governmental activities decreased the City's net assets by \$403 thousand. Government-wide net assets increased by \$169 thousand.

City of Maitland, Florida
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Below is listed a summary of the Changes in Net Assets for the current and previous fiscal years.

City of Maitland, Florida						
Changes in Net Assets						
(in Millions)						
	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
Revenues						
Program Revenues						
Charges for Service	\$ 4.3	\$ 3.8	\$ 6.7	\$ 6.7	\$ 11.0	\$ 10.5
Operating Grants and Contributions	0.4	0.5	-	-	0.4	0.5
Capital Grants and Contributions	0.8	1.0	0.8	0.2	1.6	1.2
General Revenues						
Property Taxes	9.5	10.4	-	-	9.5	10.4
Other Taxes	8.7	8.5	-	-	8.7	8.5
Other	0.9	1.5	0.1	-	1.0	1.5
Total Revenues	<u>24.6</u>	<u>25.7</u>	<u>7.6</u>	<u>6.9</u>	<u>32.2</u>	<u>32.6</u>
Expenses						
General Government	4.4	4.0	-	-	4.4	4.0
Public Safety	11.5	10.5	-	-	11.5	10.5
Physical Environment	0.9	0.9	-	-	0.9	0.9
Transportation	2.6	2.5	-	-	2.6	2.5
Culture & Recreation	4.6	4.5	-	-	4.6	4.5
Interest on Long Term Debt	1.3	1.3	-	-	1.3	1.3
Water and Wastewater	-	-	4.7	4.5	4.7	4.5
Solid Waste	-	-	2.0	1.9	2.0	1.9
Total Expenses	<u>25.3</u>	<u>23.7</u>	<u>6.7</u>	<u>6.4</u>	<u>32.0</u>	<u>30.1</u>
Change in Net Assets - before Transfers and Special Items	(0.7)	2.0	0.9	0.5	0.2	2.5
Transfers and Special Items						
Transfers	0.3	(0.2)	(0.3)	0.2	-	-
Total Transfers and Special Items	<u>0.3</u>	<u>(0.2)</u>	<u>(0.3)</u>	<u>0.2</u>	<u>-</u>	<u>-</u>
Change in Net Assets	(0.4)	1.8	0.6	0.7	0.2	2.5
Net Assets - Beginning	44.9	43.1	15.0	14.3	59.9	57.4
Net Assets - Ending	<u>\$ 44.5</u>	<u>\$ 44.9</u>	<u>\$ 15.6</u>	<u>\$ 15.0</u>	<u>\$ 60.1</u>	<u>\$ 59.9</u>

The City's total revenues decreased 1.2% or \$380 thousand, and total expenses for all programs and services increased 6.3% (\$1.9 million). Our analysis below separately considers the operations of governmental and business-type activities.

City of Maitland, Florida
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Governmental Activities

The City's total governmental revenues decreased by 2.5% (\$647 thousand) and total governmental expenses increased by 6.9% (\$1.6 million). Charges for service increased by 11.1% (\$427 thousand) over the prior year primarily as a result of an increase in law enforcement forfeiture revenue received as a result of participating in a multi-agency task force. Operating grants and contributions decreased \$150 thousand over the prior year as a result of a one-time state stormwater grant (\$133 thousand) for drainage improvements and a local grant for fire safety equipment (\$18 thousand) obtained in the prior year. Capital grants and contributions decreased by \$132 thousand over fiscal year 2009, the majority of which relates to a reduction park impact fees collected in the current year.

The City's total millage rate was increased to 4.285 mills from the prior year (4.24 mills) as a result of an increase in the City's debt millage. Even with the increase in the debt millage rate, there was a decrease of 8.8% (\$918 thousand) in property tax revenue over the prior fiscal year as a result of the decrease in taxable values city-wide. Significant decreases include communications service tax (\$236 thousand), intergovernmental revenues (\$47 thousand) and miscellaneous revenues (\$280 thousand). Investment income decreased 64.8% (\$257 thousand) as a result of continued decreases in interest rates throughout fiscal year 2010. Utility taxes and franchise fee income increased 17.5% and 5.4%, respectively, primarily as a result of increased gross receipts for electric services. The table below compares current year revenues by source to the prior year for the City's governmental activities.

Revenue by Source - Governmental Activities				
	<u>2010</u>	<u>2009</u>	<u>Change</u>	<u>%</u>
Program Revenues				
Charges for Service	\$ 4,271,861	\$ 3,844,941	\$ 426,920	11.1%
Operating Grants and Contributions	378,414	528,571	(150,157)	-28.4%
Capital Grants and Contributions	845,480	977,674	(132,194)	-13.5%
General Revenues				
Property Taxes	9,496,423	10,414,793	(918,370)	-8.8%
Utility Taxes	2,414,794	2,055,815	358,979	17.5%
Local Option Gas Tax	532,427	534,910	(2,483)	-0.5%
Communications Services Tax	1,548,765	1,784,588	(235,823)	-13.2%
State Sales Tax	1,910,502	1,884,852	25,650	1.4%
Franchise Fees	2,312,214	2,193,203	119,011	5.4%
Intergovernmental Revenues	744,046	790,716	(46,670)	-5.9%
Investment Income	139,789	396,678	(256,889)	-64.8%
Miscellaneous	2,917	283,309	(280,392)	-99.0%
Transfers	284,180	(161,597)	445,777	-275.9%
Total Governmental Revenue	<u>\$ 24,881,812</u>	<u>\$ 25,528,453</u>	<u>\$ (646,641)</u>	<u>-2.5%</u>

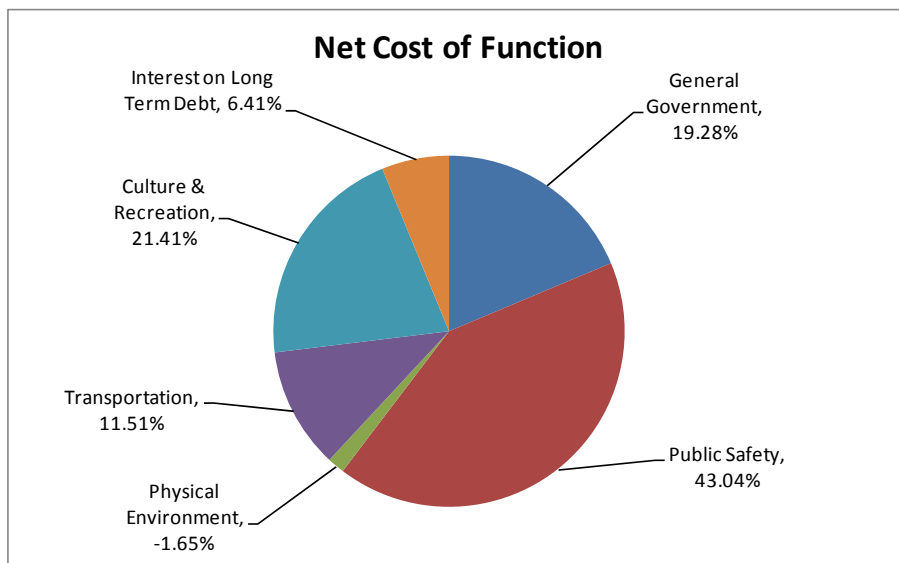
City of Maitland, Florida
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As outlined in the table below, the total cost of all governmental activities this year was \$25.3 million compared to \$23.6 million last year. However, as shown in the Statement of Activities on pages 16 and 17, the amount City taxpayers ultimately financed for these activities through City taxes was \$19.8 million because some of the cost was paid by those who directly benefited from the programs (\$4.3 million) or by other governments or organizations that subsidized certain programs with grants and contributions (\$1.2 million). The balance of funding for the activities came from general governmental revenues which includes property taxes, utility taxes, intergovernmental revenues, franchise fees, investment income, and other miscellaneous revenues. The largest increase in expenses was experienced in the public safety category (\$1 million). The major factor contributing to this increase is the accrual of the annual pension cost for the City's postemployment benefits other than pensions (see Note 9). The general government functional area also increased as a result of the accrual, which was \$401 thousand higher for fiscal year 2010. Culture and recreation costs increased \$157 thousand mostly as a result of expenditures related to a one-time federal grant for senior center materials and other post employment benefit costs.

Total Expenses by Function- Governmental Funds

Functions	2010	2009	Change	%
General Government	\$ 4,402,189	\$ 4,000,824	401,365	10.0%
Public Safety	11,523,724	10,513,481	1,010,243	9.6%
Physical Environment	934,008	939,676	(5,668)	-0.6%
Transportation	2,548,575	2,457,483	91,092	3.7%
Culture & Recreation	4,608,955	4,451,708	157,247	3.5%
Interest on Long Term Debt	1,266,941	1,291,142	(24,201)	-1.9%
	<u>\$ 25,284,392</u>	<u>\$ 23,654,314</u>	<u>\$ 1,630,078</u>	<u>6.9%</u>

The graph and table below presents the net cost (total expenses less revenues generated by the activity) of each function. The net cost shows the financial burden that was placed on the City's taxpayers by each of these functions.



City of Maitland, Florida
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Net Cost by Function - Governmental Activities

Function	Net Cost	% of Total
General Government	\$ 3,814,641	19.28%
Public Safety	8,516,722	43.04%
Physical Environment	(325,567)	-1.65%
Transportation	2,278,383	11.51%
Culture & Recreation	4,237,517	21.41%
Interest on Long Term Debt	1,266,941	6.41%
	<u>\$ 19,788,637</u>	<u>100.00%</u>

Business-type activities

Business-type activities increased the City's net assets by \$572 thousand. Water and wastewater program revenues increased 13.9% or \$639 thousand as a result of an increase in connection fees received (\$759 thousand). Solid waste revenues decreased less than 1%, as rates remained unchanged from 2009. Water and wastewater expenses increased 5.2% or \$237 thousand dollars, while solid waste expenses increased 5.6% (\$105 thousand) mostly as a result of increases in contracted solid waste hauler charges, postage and printing. The current year's net program revenues increased \$402 thousand and decreased \$105 thousand in the Utility and Solid Waste funds, respectively.

Expenses and Program Revenues - Business-type Activities

Functions	Expenses		Program Revenues		Net (Expense) Revenues	
	2010	2009	2010	2009	2010	2009
Water and Wastewater	\$ 4,732,349	\$ 4,495,294	\$ 5,252,195	\$ 4,612,724	\$ 519,846	\$ 117,430
Solid Waste	1,973,846	1,868,963	2,244,616	2,244,798	270,770	\$ 375,835
	<u>\$ 6,706,195</u>	<u>\$ 6,364,257</u>	<u>\$ 7,496,811</u>	<u>\$ 6,857,522</u>	<u>\$ 790,616</u>	<u>\$ 493,265</u>

Governmental funds

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

As of the end of fiscal year 2010, the City's governmental funds reported combined ending fund balances of \$26.2 million, an increase of \$415 thousand in comparison with the prior year. *Unreserved fund balance* is \$14 million and is available for spending, subject to regulatory, statutory, and budgetary restrictions. The remainder of fund balance is *reserved* to indicate that it is not available for new spending because it has already been committed for: 1) encumbrances (\$1.9 million), 2) prepaid items (\$25 thousand), 3) debt service (\$212 thousand), and 4) advances between the General Fund, CRA, Parks Impact Fee Fund, Road Impact Fee Fund and Fire Impact Fee Fund (\$9.7 million).

City of Maitland, Florida
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The General Fund is the chief operating fund of the City. At the end of fiscal year 2010, unreserved fund balance of the General Fund was \$15.1 million, while total fund balance reached \$25 million. As a measure of the General Fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures and transfers out. Unreserved fund balance represents 71.8% of the total general fund expenditures and transfers out, while total fund balance represents 119% of that same amount. The fund balance of the City's General Fund increased by \$1.6 million during the current fiscal year, primarily as a result of reduced spending measures instituted after the mid-year budget review, including freezing unfilled positions. The fund balance of the CRA decreased by \$658 thousand, as the operations, capital outlay and debt service expenditures of the CRA exceed tax increment revenue generated within the district. The fund balance of the Downtown Space Needs fund decreased by \$1.9 million as the construction of the new police station and design costs related to the new City Hall and Fire Station were paid from this capital project fund. The City's total fund increase of \$416 thousand is mostly a result of sales tax, utility taxes and license and permits fees in excess of what was budgeted and cautionary spending as a result of the continued concerns about sustainability.

Enterprise funds

The City's enterprise funds provide the same type of information found in the government-wide financial statements, but in more detail. The City has two enterprise funds, the Utilities Fund and Solid Waste Fund, both of which are major funds. Unrestricted net assets of the Utilities Fund at the end of the year amounted to \$2.8 million. Unrestricted net assets of the Solid Waste Fund amounted to \$642 thousand. The total net assets of the Utilities Fund increased by \$582 thousand, while the Solid Waste Fund net assets decreased by \$10 thousand. Other factors concerning the finances of these funds have been addressed in the discussion of the City's business-type activities.

General Fund Budgetary Highlights

Differences between the General Fund's original budget and final amended budget, for expenditures and transfers out, increased by \$2.4 million for the year. These increases were appropriated from additional revenue sources and fund balance. The bulk of the increase resulted from the automatic adjustment of the budget for encumbrances outstanding at the end of fiscal year 2009 (\$1.6 million), carryforward adjustments for capital and other ongoing projects at the end of fiscal year 2009 (\$428 thousand) and a mid-year adjustment for the city-wide radio system upgrade (\$1.2 million).

The changes within functions are briefly summarized as follows:

City of Maitland, Florida
General Fund - Original and Final Budget Comparison

	Original Budget	Final Budget	Increase / (Decrease)
General Government	\$ 5,752,510	\$ 7,669,104	\$ 1,916,594
Public Safety	9,270,870	9,588,350	317,480
Physical Environment	-	24,172	24,172
Transportation	2,297,209	2,642,920	345,711
Culture & Recreation	4,203,057	4,279,567	76,510
Transfers to Other Funds	816,173	519,173	(297,000)
	\$ 22,339,819	\$ 24,723,286	\$ 2,383,467

City of Maitland, Florida
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The City's total actual General Fund expenditures and transfers out (budgetary basis) were \$3.7 million less than the final amended budget for the General Fund, of which \$1.5 million was encumbered and \$852 thousand will be carried forward to fiscal 2011. The City's total actual General Fund revenues and transfers in were \$198 thousand more than the final amended budget for the General Fund. The bulk of the increase relates to property taxes (\$99 thousand), utility taxes (\$182 thousand), investment income (\$176 thousand), and licenses and permits (\$76 thousand). Additional information on budgetary compliance, including a budgetary comparison schedule for the CRA and a schedule of funding progress and contributions from employer for Other Post Employment Benefits, can be found in the required supplemental information section.

Capital Assets and Debt Administration

Capital Assets

The City's investment in capital assets for its governmental and business-type activities as of September 30, 2010 amounts to \$62.2 million (net of accumulated depreciation and amortization). This investment in capital assets includes land, buildings, improvements other than buildings, machinery and equipment, infrastructure, sewer capacity rights and construction in progress. The total net increase in the City's investment in capital assets for the current fiscal year was \$1.6 million.

Capital Assets – Net

	Governmental Activities	Business-type Activities	Total
Land	\$ 11,869,722	\$ 951,308	\$ 12,821,030
Sewer Capacity Rights	-	6,738,896	6,738,896
Buildings and Improvements	13,875,551	830,752	14,706,303
Improvements other than Buildings	4,649,351	154,804	4,804,155
Machinery, Equipment and Vehicles	10,114,179	16,096,883	26,211,062
Infrastructure	20,005,478	-	20,005,478
Construction in Progress	5,224,716	319,765	5,544,481
	<u>\$ 65,738,997</u>	<u>\$ 25,092,408</u>	<u>\$ 90,831,405</u>
Less:			
Accumulated Depreciation and Amortization	<u>(15,730,883)</u>	<u>(12,952,630)</u>	<u>(28,683,513)</u>
Capital Assets - Net	<u>\$ 50,008,114</u>	<u>\$ 12,139,778</u>	<u>\$ 62,147,892</u>

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The bulk of the increase in capital assets related to governmental activities was the final construction costs related to the new police station on the west-side of the City to replace the aging facility in the downtown area (\$842 thousand). Other additions included infrastructure improvements related to the U.S 17-92 and Lake Avenue mast arms (\$163 thousand), Lake Maitland Basin stormwater improvements (\$311 thousand), City Hall and Fire Station design costs (\$774 thousand) and city-wide radio system replacement (\$360 thousand). Overall, capital assets in business-type activities decreased by \$595 thousand. Improvements included the design costs for the Lift Station No. 4 diversion project (\$15 thousand), design of Lift Station No. 2 improvements (\$24 thousand) and water main upgrade design costs for Minnehaha Circle (\$57 thousand). Additional information on the City's capital assets can be found in Note 5 of this report.

Long-term debt

At the end of fiscal year 2010, the City had total long-term liabilities of \$32.7 million. The City had outstanding liabilities of \$27 million in bonds payable (net of bond discount), \$4.8 million in other post employment benefits, and \$922 thousand in compensated absences.

City of Maitland, Florida
Outstanding Bonds Payable and Compensated Absences

	Governmental Activities	Business-type Activities	Total
Bonds Payable	\$ 26,942,181	\$ -	\$ 26,942,181
Compensated Absences	889,342	32,743	922,085
Other Post Employment Benefits	4,502,071	341,929	4,844,000
Total Long-Term Liabilities	\$ 32,333,594	\$ 374,672	\$ 32,708,266

Additional information on the City's debt can be found in Note 6 of this report.

Economic Factors and Next Year's Budgets and Rates

General Fund revenues and transfers in for 2011 are projected at \$20.4 million, approximately 11.4% less than 2010 actual receipts. The General Fund expenditures are budgeted at \$20.9 million, resulting in a budget which decreases fund balance by \$560 thousand. The City's operating ad valorem tax rate remained at 3.88 mills for the 2011 fiscal year. The City's debt millage increased from .4050 to .50 in 2011, resulting in a total 2011 millage rate of 4.38. In 2011 water and sewer rates remained unchanged for both commercial and residential customers. Also in 2011, Environmental Stormwater Fee remained unchanged at a rate of \$7.25 per equivalent residential unit (ERU) per month for all parcels located within the City limits.

City of Maitland, Florida
Management's Discussion and Analysis
September 30, 2010

Requests for Information

This financial report is designed to present users with a general overview of the City's finances and to demonstrate the City's accountability. If you have questions concerning any of the information provided in this report or need additional financial information, contact the City's Finance Department, 1776 Independence Lane, Maitland, Florida 32751.

City of Maitland, Florida
Statement of Net Assets
September 30, 2010

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and Cash Equivalents	\$ 18,470,905	\$ 2,888,243	\$ 21,359,148
Investments	3,751,909	-	3,751,909
Restricted Assets			
Cash and Cash Equivalents	6,776,965	103,065	6,880,030
Accounts Receivable - Net	634,460	689,256	1,323,716
Accrued Interest Receivable	21,679	-	21,679
Special Assessments Receivable	20,723	-	20,723
Due from Other Governments	691,753	-	691,753
Internal Balances	(1,837,516)	1,837,516	-
Prepaid Items	95,162	495	95,657
Capital Assets:			
Non-depreciable	17,094,438	1,271,073	18,365,511
Depreciable - Net	32,913,676	10,868,705	43,782,381
Unamortized Bond Issue Costs	428,230	-	428,230
Total Assets	79,062,384	17,658,353	96,720,737
LIABILITIES			
Accounts Payable	909,647	247,403	1,157,050
Liabilities Payable from Restricted Assets			
Accrued Interest Payable	298,791	-	298,791
Customer Deposits	-	103,065	103,065
Accrued Liabilities	762,041	36,155	798,196
Due to Other Governments	3,419	-	3,419
Unearned Revenue	153,777	1,347,539	1,501,316
Deposits	41,463	-	41,463
Long-term Liabilities:			
Due Within One Year			
Bonds Payable	460,000	-	460,000
Compensated Absences	170,191	3,110	173,301
Due in More Than One Year			
Bonds Payable	26,482,181	-	26,482,181
Compensated Absences	719,151	29,633	748,784
Other Post Employment Benefits	4,502,071	341,929	4,844,000
Total Liabilities	34,502,732	2,108,834	36,611,566
NET ASSETS			
Invested in Capital Assets, Net of Related Debt	29,202,281	12,139,778	41,342,059
Restricted for:			
Debt Service	212,387	-	212,387
Capital Projects	3,844,525	-	3,844,525
Other Purposes	963,892	-	963,892
Unrestricted	10,336,567	3,409,741	13,746,308
Total Net Assets	\$ 44,559,652	\$ 15,549,519	\$ 60,109,171

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

City of Maitland, Florida
Statement of Activities
For the Year Ended September 30, 2010

FUNCTIONS/PROGRAMS	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities:				
General Government	\$ 4,402,189	\$ 587,548	\$ -	\$ -
Public Safety	11,523,724	2,447,500	376,414	183,088
Physical Environment	934,008	974,670	-	284,905
Transportation	2,548,575	51,700	-	218,492
Culture/Recreation	4,608,955	210,443	2,000	158,995
Interest on Long-Term Debt	1,266,941	-	-	-
Total Governmental Activities	25,284,392	4,271,861	378,414	845,480
Business-type Activities:				
Water & Wastewater	4,732,349	4,493,260	-	758,935
Solid Waste	1,973,846	2,244,616	-	-
Total Business-type Activities	6,706,195	6,737,876	-	758,935
Total	\$ 31,990,587	\$ 11,009,737	\$ 378,414	\$ 1,604,415

General Revenues:
Property Tax
Utility Taxes
Local Option Gas Tax
Communication Services Tax
State Sales Tax
Franchise Fees
Unrestricted Intergovernmental Revenues
Investment Income
Miscellaneous
Transfers
Total General Revenues/Transfers
Change in Net Assets
Net Assets - Beginning
Net Assets - Ending

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

Net (Expense) Revenue and Changes in Net Assets

Governmental Activities	Business-type Activities	Total
\$ (3,814,641)	\$ -	\$ (3,814,641)
(8,516,722)	-	(8,516,722)
325,567	-	325,567
(2,278,383)	-	(2,278,383)
(4,237,517)	-	(4,237,517)
(1,266,941)	-	(1,266,941)
<u>(19,788,637)</u>	<u>-</u>	<u>(19,788,637)</u>
-	519,846	519,846
-	270,770	270,770
-	790,616	790,616
<u>(19,788,637)</u>	<u>790,616</u>	<u>(18,998,021)</u>
9,496,423	-	9,496,423
2,414,794	-	2,414,794
532,427	-	532,427
1,548,765	-	1,548,765
1,910,502	-	1,910,502
2,312,214	-	2,312,214
744,046	-	744,046
139,789	43,381	183,170
2,917	22,006	24,923
284,180	(284,180)	-
<u>19,386,057</u>	<u>(218,793)</u>	<u>19,167,264</u>
(402,580)	571,823	169,243
44,962,232	14,977,696	59,939,928
<u>\$ 44,559,652</u>	<u>\$ 15,549,519</u>	<u>\$ 60,109,171</u>

City of Maitland, Florida
Balance Sheet - Governmental Fund
September 30, 2010

	<u>General</u>	<u>Community Redevelopment Agency</u>	<u>Downtown Space Needs</u>
ASSETS			
Cash and Cash Equivalents	\$ 12,756,803	\$ -	\$ -
Restricted Cash and Cash Equivalents	-	189,292	6,564,578
Investments	3,751,909	-	-
Special Assessments Receivable	20,723	-	-
Accounts Receivable	614,813	4,050	-
Accrued Interest Receivable	21,679	-	-
Prepaid Items	24,960	-	-
Due from Other Governments	691,753	-	-
Due from Other Funds	232,642	-	19,626
Advances to Other Funds	8,353,588	-	-
Total Assets	<u>\$ 26,468,870</u>	<u>\$ 193,342</u>	<u>\$ 6,584,204</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts Payable	\$ 735,460	\$ 728	\$ 23,864
Accrued Liabilities	557,094	5,285	-
Due to Other Governments	3,419	-	-
Due to Other Funds	9,819	-	3,418
Advances from Other Funds	-	10,984,471	-
Deposits	41,463	-	-
Deferred Revenue	153,777	-	-
Total Liabilities	<u>1,501,032</u>	<u>10,990,484</u>	<u>27,282</u>
Fund Balances:			
Reserved for:			
Encumbrances	1,514,862	75,268	172,870
Prepaid Items	24,960	-	-
Advances	8,353,588	-	-
Debt Service	-	189,292	-
Unreserved (Deficit) Reported In:			
General Fund	15,074,428	-	-
Special Revenue Funds	-	(11,061,702)	-
Capital Projects Funds	-	-	6,384,052
Total Fund Balances	<u>24,967,838</u>	<u>(10,797,142)</u>	<u>6,556,922</u>
Total Liabilities and Fund Balances	<u>\$ 26,468,870</u>	<u>\$ 193,342</u>	<u>\$ 6,584,204</u>

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

Nonmajor Governmental Funds	Total Governmental Funds
\$ 4,692,534	\$ 17,449,337
23,095	6,776,965
-	3,751,909
-	20,723
13,076	631,939
-	21,679
405	25,365
-	691,753
5,716	257,984
1,315,034	9,668,622
<u>\$ 6,049,860</u>	<u>\$ 39,296,276</u>

\$ 34,227	\$ 794,279
9,224	571,603
-	3,419
30,969	44,206
538,661	11,523,132
-	41,463
-	153,777
<u>613,081</u>	<u>13,131,879</u>

182,926	1,945,926
405	25,365
1,315,034	9,668,622
23,095	212,387
-	15,074,428
3,915,319	(7,146,383)
-	6,384,052
<u>5,436,779</u>	<u>26,164,397</u>
<u>\$ 6,049,860</u>	<u>\$ 39,296,276</u>

City of Maitland, Florida
Reconciliation of the Balance Sheet of Governmental Funds
To the Statement of Net Assets
September 30, 2010

Total fund balances of governmental funds	\$	26,164,397
<p>Amounts reported for governmental activities in the statement of net assets are different because:</p>		
<p>Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. The cost of the assets is \$65,738,997 and the accumulated depreciation is \$15,730,883.</p>		50,008,114
<p>A negative net pension obligation is not reported as an asset in the fund statements, but is susceptible to full accrual in the statement of net assets.</p>		19,800
<p>Other assets used in governmental activities are not financial resources and therefore not reported in the governmental fund</p> <p style="padding-left: 40px;">Unamortized bond issuance costs</p>		428,230
<p>Long-term liabilities are not due and payable in the current period and accordingly are not reported as fund liabilities. Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due. All liabilities--both current and long-term--are reported in the Statement of Net Assets. Long-term liabilities at year-end consist of:</p>		
Bonds payable	\$ 27,190,000	
Unamortized bond discount	(247,819)	
Accrued interest payable	298,791	
Other Post Employment Benefits	4,502,071	
Compensated absences	889,342	(32,632,385)
<p>Internal service funds are used by management to charge the costs of certain activities to individual funds.</p>		
The assets and liabilities of the internal service funds that are reported with governmental activities.		571,496
Total net assets of governmental activities	\$	<u>44,559,652</u>

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

City of Maitland, Florida
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended September 30, 2010

	<u>General</u>	<u>Community Redevelopment Agency</u>	<u>Downtown Space Needs</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
REVENUES					
Taxes:					
Property Taxes	\$ 8,394,627	\$ 204,354	\$ -	\$ 897,442	\$ 9,496,423
Utility Taxes	2,414,794	-	-	-	2,414,794
Communications Services Tax	1,548,765	-	-	-	1,548,765
Franchise Fees	2,348,738	-	-	-	2,348,738
Licenses and Permits	531,799	-	-	-	531,799
Intergovernmental:					
Sales Tax	1,910,502	-	-	-	1,910,502
Local Option Gas Tax	532,427	-	-	-	532,427
Other Intergovernmental	1,134,089	233,568	-	617,586	1,985,243
Charges for Services	1,161,024	-	-	979,439	2,140,463
Fines and Forfeitures	289,231	-	-	894,063	1,183,294
Investment Income	294,321	736	19,425	45,438	359,920
Miscellaneous Revenues	1,786,663	15,000	5,636	268	1,807,567
Total Revenues	<u>22,346,980</u>	<u>453,658</u>	<u>25,061</u>	<u>3,434,236</u>	<u>26,259,935</u>
EXPENDITURES					
Current:					
General Government	4,621,569	198,927	-	-	4,820,496
Public Safety	8,859,557	-	164,719	396,679	9,420,955
Physical Environment	3,891	-	-	519,527	523,418
Transportation	1,919,100	-	-	-	1,919,100
Culture and Recreation	3,584,973	-	-	-	3,584,973
Debt Service	-	897,850	-	898,270	1,796,120
Capital Improvements	1,896,509	15,301	1,726,810	424,957	4,063,577
Total Expenditures	<u>20,885,599</u>	<u>1,112,078</u>	<u>1,891,529</u>	<u>2,239,433</u>	<u>26,128,639</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>1,461,381</u>	<u>(658,420)</u>	<u>(1,866,468)</u>	<u>1,194,803</u>	<u>131,296</u>
OTHER FINANCING SOURCES AND (USES)					
Transfers In	298,827	-	19,626	120,416	438,869
Transfers Out	<u>(120,416)</u>	<u>-</u>	<u>-</u>	<u>(34,273)</u>	<u>(154,689)</u>
Total Other Financing Sources and (Uses)	<u>178,411</u>	<u>-</u>	<u>19,626</u>	<u>86,143</u>	<u>284,180</u>
Net Change in Fund Balances	1,639,792	(658,420)	(1,846,842)	1,280,946	415,476
Fund Balances (Deficits) - Beginning	<u>23,328,046</u>	<u>(10,138,722)</u>	<u>8,403,764</u>	<u>4,155,833</u>	<u>25,748,921</u>
Fund Balances (Deficits) - Ending	<u>\$ 24,967,838</u>	<u>\$ (10,797,142)</u>	<u>\$ 6,556,922</u>	<u>\$ 5,436,779</u>	<u>\$ 26,164,397</u>

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

City of Maitland, Florida
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances
of Governmental Funds to the Statement of Activities
For the Year Ended September 30, 2010

Net change in fund balances - total governmental funds \$ 415,476

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

Governmental funds report capital purchases as expenditures. However, in the statement of activities, the cost of those assets is depreciated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital purchases (\$4,063,577) exceeds depreciation (\$1,929,003) in the current period (per Note 5). 2,134,574

Repayment of principal payments on long term debt are an expenditure in the governmental funds, but reduces the liability in the statement of net assets.
Principal payments 335,000

Some revenues reported in the statement of activities do not provide current financial resources and are therefore not reported in the governmental funds.
Change in deferred revenues (200,000)

Under the modified accrual basis of accounting used in the governmental funds, a negative net pension obligation is not recognized as it does not increase financial resources. However, in the statement of activities expenditures are increased by a reduction in the amount of the asset.
Current year change in negative net pension obligation (779)

Some expenses 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.

Change in compensated absences	(776)	
Change in Other Post Employment Obligation	(2,955,500)	
Amortization of current year bond discount	(10,434)	
Amortization of current year bond issuance costs	(18,031)	
Change in accrued interest on long-term debt	2,513	(2,982,228)

In the statement of activities, only the loss on the sale/disposal of capital assets is reported. However, in the governmental funds, the proceeds from the sale increase financial resources. (16,512)

Internal service funds are used by management to charge the costs of certain activities to individual funds.
Change in net assets of the internal service funds is reported with governmental activities. (88,111)

Change in net assets of governmental activities \$ (402,580)

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



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City of Maitland, Florida
Statement of Net Assets
Proprietary Funds
September 30, 2010

	Business-type Activities Enterprise Funds			Governmental Activities Internal Service Fund
	Utility Fund - Major Fund	Solid Waste Fund - Major Fund	Total	General Insurance Fund - Nonmajor Fund
ASSETS				
Current Assets:				
Cash and Cash Equivalents	\$ 2,056,787	\$ 831,456	\$ 2,888,243	\$ 1,021,568
Accounts Receivable	658,229	31,027	689,256	2,521
Due from Other Funds	-	4,103	4,103	-
Prepays	495	-	495	49,997
Restricted Assets:				
Cash and Cash Equivalents	77,573	25,492	103,065	-
Total Current Assets	2,793,084	892,078	3,685,162	1,074,086
Noncurrent Assets:				
Advance to Other Fund	1,854,510	-	1,854,510	-
Capital Assets:				
Sewer Capacity	6,738,896	-	6,738,896	-
Land	951,308	-	951,308	-
Building and Improvements	830,752	-	830,752	-
Improvements other than Buildings	154,804	-	154,804	-
Machinery, Equipment and Vehicles	16,096,883	-	16,096,883	-
Construction in Progress	319,765	-	319,765	-
Less: Accumulated Depreciation and Amortization	(12,952,630)	-	(12,952,630)	-
Total Capital Assets (Net)	12,139,778	-	12,139,778	-
Total Noncurrent Assets	13,994,288	-	13,994,288	-
Total Assets	16,787,372	892,078	17,679,450	1,074,086

City of Maitland, Florida
Statement of Net Assets - Continued
Proprietary Funds
September 30, 2010

	Business-type Activities Enterprise Funds			Governmental Activities Internal Service Fund
	Utility Fund - Major Fund	Solid Waste Fund - Major Fund	Total	General Insurance Fund - Nonmajor Fund
LIABILITIES				
Current Liabilities:				
Accounts Payable	\$ 102,004	\$ 145,399	\$ 247,403	\$ 115,368
Accrued Liabilities	39,265	-	39,265	190,438
Due to Other Funds	21,097	-	21,097	196,784
Unearned Revenue	626,870	79,412	706,282	-
Current Liabilities Payable from Restricted Assets:				
Customer Deposits	77,573	25,492	103,065	-
Total Current Liabilities	866,809	250,303	1,117,112	502,590
Noncurrent Liabilities:				
Compensated Absences Payable	29,633	-	29,633	-
Other Post Employment Benefits	341,929	-	341,929	-
Deferred Sewer Capacity Revenues	641,257	-	641,257	-
Total Noncurrent Liabilities	1,012,819	-	1,012,819	-
Total Liabilities	1,879,628	250,303	2,129,931	502,590
NET ASSETS				
Invested in Capital Assets	12,139,778	-	12,139,778	-
Unrestricted	2,767,966	641,775	3,409,741	571,496
Total Net Assets	\$ 14,907,744	\$ 641,775	\$ 15,549,519	\$ 571,496

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

City of Maitland, Florida
Statement of Revenues, Expenses and Changes in Fund Net Assets
Proprietary Funds
For the Year Ended September 30, 2010

	Business-type Activities			Governmental
	Enterprise Funds			Activities
	Utility Fund Major Fund	Solid Waste Fund Major Fund	Total	Internal Service Fund General Insurance Fund Nonmajor Fund
Operating Revenues:				
Charges for Services	\$ 4,493,260	\$ 2,244,616	\$ 6,737,876	\$ 654,130
Miscellaneous Revenues	17,408	888	18,296	2,621
Total Operating Revenues	4,510,668	2,245,504	6,756,172	656,751
Operating Expenses:				
Personal Services	992,204	-	992,204	-
Contractual Services	979,572	1,742,503	2,722,075	93,584
Maintenance	294,610	2,709	297,319	-
Materials and Supplies	273,282	-	273,282	-
Insurance and Claims Expenses	-	-	-	654,353
Administrative Expenses	1,438,016	228,634	1,666,650	323
Depreciation and Amortization	754,665	-	754,665	-
Total Operating Expenses	4,732,349	1,973,846	6,706,195	748,260
Operating Income	(221,681)	271,658	49,977	(91,509)
Nonoperating Revenues (Expenses):				
Investment Earnings	40,557	2,824	43,381	3,398
Gain on Disposal of Assets	3,710	-	3,710	-
Total Nonoperating Revenues (Expenses)	44,267	2,824	47,091	3,398
Income Before Contributions and Transfers	(177,414)	274,482	97,068	(88,111)
Contributions and Transfers:				
Capital Contributions	758,935	-	758,935	-
Transfers Out	-	(284,180)	(284,180)	-
Total Contributions and Transfers	758,935	(284,180)	474,755	-
Change in Net Assets	581,521	(9,698)	571,823	(88,111)
Total Net Assets - Beginning	14,326,223	651,473	14,977,696	659,607
Total Net Assets - Ending	\$ 14,907,744	\$ 641,775	\$ 15,549,519	\$ 571,496

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

The City of Maitland, Florida
Statement of Cash Flows
Proprietary Funds
For the Year Ended September 30, 2010

	Business-type Activities			Governmental
	Enterprise Funds			Activities
	Utility Fund Major Fund	Solid Waste Fund Major Fund	Total	Internal Service Fund General Insurance Fund Nonmajor Fund
Cash Flows from Operating Activities				
Receipts from Customers and Users	\$ 4,509,693	\$ 2,273,921	\$ 6,783,614	\$ -
Receipts from Interfund Services Provided				656,751
Payments to Suppliers	(2,983,971)	(1,901,308)	(4,885,279)	(655,671)
Payments to Employees	(764,883)	-	(764,883)	-
Net Cash Provided by Operating Activities	760,839	372,613	1,133,452	1,080
Cash Flows from Noncapital Financing Activities				
Transfers Out	-	(284,180)	(284,180)	-
Net Cash Provided by (Used in) Noncapital Financing Activities	-	(284,180)	(284,180)	-
Cash Flows from Capital and Related Financing Activities				
Proceeds from Sale of Assets	6,370	-	6,370	-
Purchases of Capital Assets	(244,235)	-	(244,235)	-
Sewer Capacity Purchases	-	-	-	-
Connection Fees Collected	758,935	-	758,935	-
Net Cash Used in Capital and Related Financing Activities	521,070	-	521,070	-
Cash Flows from Investing Activities				
Interest on Investments	4,783	2,824	7,607	3,398
Net Cash Provided by Investing Activities	4,783	2,824	7,607	3,398
Net Increase (Decrease) in Cash and Cash Equivalents	1,286,692	91,257	1,377,949	4,478
Cash and Cash Equivalents - Beginning	847,668	765,691	1,613,359	1,017,090
Cash and Cash Equivalents - Ending	\$ 2,134,360	\$ 856,948	\$ 2,991,308	\$ 1,021,568
Cash and Cash Equivalents Classified As:				
Current Assets	\$ 2,056,787	\$ 831,456	\$ 2,888,243	\$ 1,021,568
Restricted Assets - Current	77,573	25,492	103,065	-
Total Cash and Cash Equivalents	\$ 2,134,360	\$ 856,948	\$ 2,991,308	\$ 1,021,568
Reconciliation of Operating Income to Net Cash Provided by Operating Activities:				
Operating Income	\$ (221,681)	\$ 271,658	\$ 49,977	\$ (91,509)
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:				
Depreciation & Amortization	754,665	-	754,665	-
(Increase) Decrease in Assets				
Accounts Receivable	(51,238)	19,513	(31,725)	(2,521)
Due From Other Funds	42,029	20,368	62,397	-
Prepaid Items	12,162	-	12,162	(45,495)
Increase (Decrease) in Liabilities:				
Accounts Payable	(21,411)	71,650	50,239	78,781
Compensated Absences	416	-	416	-
Other Post Employment Benefits	224,468	-	224,468	-
Customer Deposits	8,234	(8,291)	(57)	-
Deferred Revenue	-	238	238	-
Due to Other Funds	10,758	(2,523)	8,235	196,784
Accrued Liabilities	2,437	-	2,437	(134,960)
Net Cash Provided by Operating Activities	\$ 760,839	\$ 372,613	\$ 1,133,452	\$ 1,080

Note: There were no noncash investing, capital or financing activities.

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

City of Maitland, Florida
Statement of Fiduciary Net Assets
Municipal Police Officers' and Firefighters' Pension Fund
September 30, 2010

ASSETS	
Cash and Cash Equivalents	\$ 631,472
Investments, at Fair Value:	
U.S. Government Obligations	3,191,750
Domestic & Foreign Corporate Bonds	3,109,061
Domestic Stocks	4,439,544
Equity Mutual Funds	6,173,832
Total Investments	16,914,187
Accrued Income	61,515
Accounts Receivable	17
Total Assets	17,607,191
 LIABILITIES	
Accounts Payable	2,308
Refunds Payable	33,573
Total Liabilities	35,881
 NET ASSETS	
Held in Trust for Pension Benefit:	\$ 17,571,310

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

City of Maitland, Florida
Statement of Changes in Fiduciary Net Assets
Municipal Police Officers' and Firefighters' Pension Fund
For the Year Ended September 30, 2010

ADDITIONS

Contributions:

Employer Contributions	\$	1,441,541
Employee		220,157
Total Contributions		<u>1,661,698</u>

Investment Income:

Net Increase in Fair Value of Investments	1,057,282
Interest	280,963
Dividends	132,790
	<u>1,471,035</u>

Less Investment Expenses:

Investment Management Fees	75,954
Custodian Fees	14,892
Net Investment Income	<u>1,380,189</u>

Total Additions	<u>3,041,887</u>
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DEDUCTIONS

Employee Benefits	1,669,932
Refunds of Contributions	1,978
Administrative Expense	82,335
Total Deductions	<u>1,754,245</u>

Change in Net Assets	1,287,642
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Net Assets - Beginning	<u>16,283,668</u>
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Net Assets - Ending	<u>\$ 17,571,310</u>
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The notes to the financial statements are an integral part of this statement.

City of Maitland, Florida
Notes to the Financial Statements
September 30, 2010

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the City of Maitland, Florida (the "City") have been prepared in conformity with generally accepted accounting principles as applicable to government units.

A. Reporting Entity

The City of Maitland is a political subdivision of the State of Florida located in Orange County. The Town of Lake Maitland, Florida was created under the general laws of the State of Florida on July 17, 1885. The incorporation was validated by the 1909 Laws of Florida. In 1959, Chapter 59-1475 was adopted creating a new charter and changing the Town's name to the City of Maitland. In 1970, this charter was superseded pursuant to Chapter 70-793. The legislative branch of the City is composed of a four (4) member city-wide elected Council and a city-wide elected mayor. The City Council is governed by the City Charter and by state and local laws and regulations. The City Council is responsible for the establishment and adoption of policy. The execution of such policy is the responsibility of the City Manager as is appropriate for the City's Council-Manager form of government.

The accompanying financial statements present the City and its component unit, an entity for which the City is considered to be financially accountable. A blended component unit, although legally separate, is in substance, part of the City's operations. The City has only one blended component unit, the Community Redevelopment Agency (the "CRA"). For financial reporting purposes, the CRA is reported as if it were part of the City's operations. The CRA is an incremental tax district created by City Resolution #13-2003 on August 25, 2003, pursuant to Florida Statutes 163.356. The City Council and one representative appointed by the Board of Orange County Commissioners serve as the governing board, approve the budget, provide funding, and perform all accounting functions for the CRA. The CRA's services are provided exclusively to the City. The CRA has been presented as a blended component unit classified as a special revenue fund. The City has no discretely presented component units.

B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the Statement of Net Assets and the Statement of Activities) report information on all of the nonfiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. Exceptions to this general rule are charges between the City's water and sewer, solid waste and various other functions 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 and indirect costs of a given function, or segment, are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Indirect Expenses* are those costs that are allocated to functions and activities in accordance with the City's adopted indirect cost allocation plan. The "Expenses" column includes both direct and indirect expenses. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

City of Maitland, Florida
Notes to the Financial Statements
September 30, 2010

Separate financial statements are provided for governmental funds, enterprise funds and the pension trust fund. The pension trust fund is excluded from the government-wide financial statements. Major individual governmental and enterprise funds are reported as separate columns in the fund financial statements.

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

Government-wide Financial Statements

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

Fund Financial Statements

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 180 days after the end of the current fiscal period, except for property tax revenue as to which the period is 60 days. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, franchise fees, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the City.

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, and then unrestricted resources as they are needed.

The City reports the following major governmental funds:

General Fund - The General Fund is the City's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

Community Redevelopment Agency – This fund accounts for the activities of the CRA.

Downtown Space Needs Fund - This fund is used to account for the construction of a Public Safety Building and New City Hall in the Downtown Maitland area as identified by the Space Needs Master Plan.

City of Maitland, Florida
Notes to the Financial Statements
September 30, 2010

The City reports the following major enterprise funds:

Utility Fund - The Utility Fund, accounts for the fiscal activities of the City's water and wastewater operations as well as the funding and payment of related debt.

Solid Waste Fund – The Solid Waste fund accounts for the fiscal activities of the City's refuse and recycling operations.

Additionally, the City reports the following fund types:

Special Revenue Funds – The Special Revenue Funds account for the proceeds of specific revenue sources that are legally restricted to expenditure for specified purposes.

Debt Service Fund – The Debt Service Fund accounts for the accumulation of resources for, and the payment of, governmental long-term debt principal and interest.

Internal Service Fund – The General Insurance Fund accounts for risk management services provided to other departments of the City on a cost reimbursement basis.

Fiduciary Fund - The Pension Trust Fund accounts for the activities of the City's Police Officers' and Firefighters' Pension Plan, which accumulates resources for pension benefit payments to qualified police and fire employees.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the GASB. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The City has elected not to follow subsequent private-sector guidance.

Proprietary funds distinguish *operating* revenues and expenses from *non-operating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the City's enterprise funds are charges to customers for sales and services. Operating expenses for the enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting these definitions are reported as non-operating revenues and expenses.

D. Use of Estimates

In preparing the financial statements, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities as of the date of the financial statements and operations for the period. Actual amounts could differ from those estimates.

City of Maitland, Florida
Notes to the Financial Statements
September 30, 2010

E. Stewardship, Compliance and Accountability

1. Budgetary Information

The City follows these procedures in establishing the budgetary data reflected on the financial statements-

- (a) The General Fund, CRA, Environmental Stormwater, and Enterprise Funds are legally required to prepare formal budgets. Subsequent implementations of the General Fund and CRA budgets serve as a financial and authoritarian control during the year. Budgetary reporting is not legally required for any of the City's other funds.
- (b) On or before July 15th of each year, the City Manager submits to the City Council a budget for the ensuing fiscal year along with an accompanying budget message.
- (c) Budget workshop sessions are scheduled by the City Council as needed.
- (d) The general summary of the budget and notice of public hearing is published in the local newspaper.
- (e) Prior to October 1, the budget is legally enacted through passage of a resolution.
- (f) The City Council may make supplemental appropriations in excess of those estimated for the year up to the amount of available resources. During fiscal year 2010, the City made amendments to the budget, which added to the amount that was originally appropriated.
- (g) The City Manager is authorized to transfer part or all of an unencumbered appropriation balance among programs within a fund, and upon written request by the City Manager; the City Council may authorize (by majority vote) a transfer of part or all of any unencumbered appropriation balance between funds. The level of classification detail at which expenditures may not legally exceed appropriations is by fund. Administrative control is maintained at the program level.
- (h) Every appropriation, except for a capital expenditure, shall lapse at the close of the fiscal year to the extent it has not been expended or encumbered.

2. Deficit Fund Balance

The Fire Impact Fee Fund, a special revenue fund, had a deficit fund balance of \$538,661 at September 30, 2010. The fund's revenue stream from fire impact fees was not sufficient to cover the capital outlay required for the construction of a new fire station West of I-4 in FY 2003. As a result, an advance was made by the General Fund of \$700,000 to pay for this shortfall, and the deficit is expected to be liquidated in future years by receipt of fire impact fees.

The CRA, a special revenue fund, had a deficit fund balance of \$10,797,142 at September 30, 2010. The General Fund, Parks Impact Fee Fund, Road Impact Fee Fund, and Utilities Fund have advanced \$7,814,927, \$281,244, \$1,033,790, and \$1,854,510, respectively, to cover this shortfall. The advances are expected to be liquidated in future years with tax increment revenues.

City of Maitland, Florida
Notes to the Financial Statements
September 30, 2010

F. Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, demand deposits, savings accounts, and highly liquid investments (including restricted assets with a maturity of three months or less when purchased).

G. Investments

The City presents all investments at fair value. The City's investments include deposits with the Florida Local Government Surplus Funds Trust Fund (SBA), an external 2a7-like investment pool. The SBA has an executive director appointed by the Governor, State Treasurer, and the State Comptroller. An Investment Advisory Council is provided for by law and is composed of six members appointed by the Governor, State Treasurer, and State Comptroller. The Florida Senate confirms members. The Investment Advisory Council meets quarterly for the purpose of reviewing investment performance, providing insights, advice, and counsel on these matters. All valuations are based on quoted market prices and SBA pooled shares are based on amortized cost, which approximates the fair value of the SBA's underlying portfolio. In addition, investments include the City's Pension Trust Fund, which are recorded at fair value.

H. Receivables

Accounts Receivable

Utility Enterprise Fund operating revenues are generally recognized on the basis of cycle billings rendered monthly. Revenues for services delivered during the last month of the fiscal year that have not been read by September 30 are accrued based on meter readings for the applicable consumption taken in October and billed in October and November.

Property Taxes Receivable

Under Florida law, the assessment of all properties and the collection of county, municipal, special district and school board property taxes are consolidated in the offices of the County Property Appraiser and County Tax Collector. The laws of the State regulating tax assessments are also designed to assure a consistent property valuation method statewide. Florida Statutes permit municipalities to levy property taxes at a rate of up to 10 mills. The City's current millage is 4.285 mills.

All real and tangible personal property taxes are due and payable on the levy date of November 1 of each year, or as soon thereafter as the assessment roll is certified by the Orange County Property Appraiser (levy date). Orange County mails to each property owner on the assessment roll a notice of the taxes due and the County also collects the taxes for the City. Taxes may be paid upon receipt of such notice from the County, with discounts at the rate of four percent (4%) if paid in the month of November and reduces one percent (1%) per month through February. Taxes paid in March are without discount and all unpaid taxes on real and tangible property become delinquent on April 1 (the lien date) of the year following the year in which taxes were assessed. Procedures for collecting delinquent taxes, including applicable tax certificate sales, are provided for by the laws of Florida. The City recognizes ad valorem revenues in the fiscal year during which they are levied, to the extent collected within 60 days after year-end.

I. Prepaid Items

Prepaid items represent payments made to vendors for services that will benefit beyond the end of the fiscal year.

City of Maitland, Florida
Notes to the Financial Statements
September 30, 2010

J. Bond Discounts and Issuance Costs

In governmental funds bond discounts and bond issuance costs are treated as period costs in the year of issuance. Bond discounts are shown as other financing uses and bond issuance costs as debt service expenditures. In the government-wide statements, bond discounts and bond issuance costs are amortized over the term of the bonds. Bond discounts are shown as reductions of the face amount of the bonds payable, whereas issuance costs are recorded as other assets.

K. Restricted Assets

The use of certain assets of the Utility, Community Redevelopment Agency and General Obligation Debt Service funds are restricted by specific provisions of bond resolutions and other agreements. Assets so designated are identified as restricted assets on the statement of net assets.

L. Capital Assets

Capital assets include property, plant, equipment, sewer capacity rights, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), and are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. The City has no capital assets that meet the definition of intangible assets per GASB No. 51, *Accounting and Financial Reporting for Intangible Assets*, except for sewer capacity rights. Property, plant, and equipment with initial, individual costs that equal or exceed \$1,000 and estimated useful lives of over one year are recorded as capital assets. Roads, bridges, and sidewalks are capitalized when their initial costs equal or exceed \$25,000 and have estimated useful lives of more than one year. Sewer capacity rights represent rights to use City of Winter Park sewer lines and City of Altamonte Springs and City of Orlando sewer plant capacity. Capacity rights, except for those purchased from the City of Orlando, are amortized over the respective terms of the agreements, ranging from 20 to 40 years. Capacity rights purchased from the City of Orlando, for which the term of the agreement is perpetuity, are amortized over estimated useful lives of the assets constructed by the City of Orlando with the related proceeds.

Capital assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. Depreciation and amortization is provided over the estimated useful lives of depreciable assets using the straight-line method. The estimated useful lives are as follows:

Buildings and Improvements	15 - 30 years
Sewer Capacity Rights	20 - 40 years
Improvements other than Buildings	15 - 45 years
Utility System	25 - 50 years
Infrastructure	10 - 50 years
Machinery and Equipment	3 - 20 years

City of Maitland, Florida
Notes to the Financial Statements
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M. Deferred Revenues

In the governmental funds deferred revenues include amounts collected before the revenue recognition criteria are met and receivables that, under the modified accrual basis of accounting, are measurable but not yet available. Deferred revenues will be recognized as revenue in the fiscal year they are earned or become available. Deferred revenues in the General Fund represent grant revenue, a private contribution and business tax revenue received for the next fiscal year. Business tax revenue received for the next fiscal year and grant revenue where eligibility requirements have not been met is reported as unearned revenue in the Government-wide statements.

In the proprietary funds deferred revenue is reported as unearned revenue in the Government-wide statements regardless of its availability. Deferred revenues in the proprietary funds represent amounts paid by developers and sub-dividers to reserve capacity in the City's future water or sewer facilities and are recognized as operating revenue in the year the development connects to the water or sewer system.

N. Tax Increment Financing Revenues Pledged

The City (CRA) has pledged future tax increment financing revenues to repay \$13.9 million in Community Redevelopment Agency Revenue Bonds issued in December 2005. Proceeds from the bonds provided financing for the construction Sybelia Parkway, the Maitland Boulevard Off-Ramp, a Regional Stormwater Pond and a master lift station. The bonds are payable with tax increment financing revenue and a covenant to budget and appropriate from non ad valorem General Fund revenues. The bonds are payable through 2034. Annual principal and interest payments on the bonds are expected to require 100 percent of total tax increment revenues. The total principal and interest remaining to be paid on the bonds is \$24,728,590. The total principal and interest paid for the current year and total tax increment financing revenues were \$641,944 and \$437,922, respectively.

O. Compensated Absences

It is the City's policy that all general, full-time employees with less than five years of service accrue fifteen days of personal leave per year; employees with five through nine years of service accrue twenty days of personal leave per year; and employees with ten or more years of service accrue twenty-five days of personal leave per year. Regular part-time employees accrue forty hours of personal leave. Also, police officers and firefighters receive 80 hours of personal leave in lieu of holidays. Employees are not allowed to carry over from one year to the next more than one and one-half times their annual accrued personal leave without City Manager approval. Additionally, employees may also accrue compensatory time (time off with pay in lieu of overtime pay) for irregular or occasional overtime work. Full-time employees who leave City service are entitled to receive payment for any accrued personal leave (up to the maximum allowed) and compensatory time balances at the time of separation.

It is the City's policy that employees accrue non-vesting sick leave at the rate of ten days per year. In specific instances personal leave must be used before sick leave is used. Part-time and temporary employees are not eligible for sick leave.

A liability for these amounts is reported in the governmental funds only if they have matured, for example, as a result of employee resignations and retirements. The City accrues compensated absences in the period they are earned in the government-wide and proprietary fund financial statements.

City of Maitland, Florida
Notes to the Financial Statements
September 30, 2010

P. Capital Contributions

Capital contributions consist primarily of water and sewer capital facilities fees charged to customers for initial connection to the City's water and/or sewer system, federal and state aid programs and developer dedications of infrastructure.

Q. Encumbrances

Encumbrances are recorded in governmental funds at the time a purchase order or other commitment is issued. Encumbrances at year-end represent the estimated amount of expenditures to result if unperformed purchase orders and other commitments at year-end are completed. Because the City generally intends to honor purchase orders and other commitments outstanding at year-end, such encumbrances are not recorded as expenditures, but rather as reservations of fund balance for the subsequent year's appropriation.

R. Reserves of Fund Balance

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for a specific purpose.

S. Grants

Grants received or used for purposes normally financed through governmental funds are accounted for within the City's existing governmental funds. Revenues received or used from grants for governmental funds are recognized as intergovernmental revenues when they become susceptible to accrual, that is both measurable and available (modified accrual basis).

2. CASH AND INVESTMENTS

Cash and investments as of September 30, 2010 are classified in the accompanying financial statements as follows:

Statement of net assets:	
Cash and Cash Equivalents	\$ 28,239,178
Investments	3,751,909
Fiduciary Funds:	
Cash and Cash Equivalents	631,472
Investments	<u>16,914,187</u>
 Total Cash, Cash Equivalents and Investments	 <u>\$ 49,536,746</u>
Cash on hand	\$ 1,490
Deposits with Financial Institutions	14,464,727
Investments	<u>35,070,529</u>
 Total Cash, Cash Equivalents and Investments	 <u>\$ 49,536,746</u>

City of Maitland, Florida
Notes to the Financial Statements
September 30, 2010

A. Deposits

Deposits consist of demand accounts with financial institutions. All deposits with financial institutions were 100% insured by Federal depository insurance or by collateral pursuant to the Public Depository Security Act of the State of Florida. The bank balance of demand deposits was \$14,616,209 at September 30, 2010 and the book balance was \$14,464,727. At September 30, 2010, the City's petty cash funds totaled \$1,490.

B. Investments

Florida Statutes, the City's Charter and its Investment Policy authorize the investment of funds in the following:

- (1) The Florida Local Government Surplus Funds Trust,
- (2) Direct obligations of the U.S. Government,
- (3) Direct obligations of any bank or savings and loan association certified as a Qualified Public Depository by the State of Florida including: interest bearing savings accounts, money market accounts, certificates of deposit, money market certificates or time deposits, and
- (4) Obligations of the Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Federal Home Loan Bank or its district banks, Government National Mortgage Association, and Federal National Mortgage Association.

The Municipal Police Officers' and Firefighters' Pension Trust Fund has a broader investment policy. The authorized investments include bonds, stocks, savings and time deposits, obligations of the United States Government (and its agencies) including instruments guaranteed as to principal and interest by the U.S. Government, and others. The Pension Fund is prohibited from investing more than five percent (5%) of its assets in the common stock or capital stock of any one issuing company, nor shall the aggregate investment in any one issuing company exceed five percent (5%) of the outstanding stock of that company. Additionally, the aggregate of investments in the common stock or capital stock of companies at market shall not exceed sixty-five percent (65%) of the fund's assets.

Credit Risk

In compliance with the City's investment policy the City minimizes credit risk losses due to default of a security issue or backer by: limiting investments to the safest types of securities, limiting bank certificates of deposit to institutions designated as qualified public depositories in compliance with Florida Statute 280.02, and diversifying the investment portfolio so that potential losses on individual securities are minimized. The Pension Fund minimizes credit risk by limiting investment in debt securities to those corporations that hold a rating in one of the three highest classifications by a major bond rating service.

City of Maitland, Florida
Notes to the Financial Statements
September 30, 2010

The City's investments categorized by credit risk as of September 30, 2010, are:

	Fair Value	Exempt	Credit Risk - Standard and Poor's Ratings				
			AAA	AA	A	BBB	Not Rated
U.S. Treasury Notes	\$ 529,303	\$ 529,303					
U.S. Treasury Bonds	229,553	229,553					
Agencies	307,688	307,688					
Federal Instrumentality Debt	-						
Federal Home Loan Bank	1,428,906		1,428,906				
Federal Home Loan Mortgage Corp.	2,123,431		2,123,431				
Federal National Mortgage Assoc.	2,324,778		2,324,778				
Money Market Funds	631,472		631,472				
Corporate Debt	3,109,061		331,725	831,575	1,747,467	198,294	
Florida Local Government Surplus Funds	13,579,694		13,574,653				5,041
Held by Fiscal Agent - Investment Contract	193,267			193,267			
	<u>\$ 24,457,153</u>	<u>\$ 1,066,544</u>	<u>\$ 20,414,965</u>	<u>\$ 1,024,842</u>	<u>\$ 1,747,467</u>	<u>\$ 198,294</u>	<u>\$ 5,041</u>
Other Investments							
Domestic Stocks and Mutual Funds	10,613,376						
Total Fair Value	<u>\$ 35,070,529</u>						

Interest Rate Risk

As a means of limiting its exposure to fair value losses arising from rising interest rates, the City's investment policy requires a maximum maturity of no longer than five (5) years for operating funds and ten (10) years for non-operating funds. Maturities are structured to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the secondary market prior to maturity. The Pension Fund does not have a maximum maturity for its investment portfolio.

The City's investments categorized by maturity as of September 30, 2010, are:

	Fair Value	Investment Maturity (in Years)			
		Less than 1	1 - 5	6 - 10	More than 10
U.S. Treasury Notes	\$ 529,303	\$ 171,028	\$ 305,146	\$ 53,129	\$ -
U.S. Treasury Bonds	229,553				229,553
Agencies	307,688			162,302	145,386
Federal Instrumentality Debt					
Federal Home Loan Bank	1,428,906	1,428,906			
Federal Home Loan Mortgage Corp.	2,123,431		1,491,290	204,662	427,479
Federal National Mortgage Assoc.	2,324,778	4	1,169,684	139,500	1,015,589
Money Market Funds	631,472	631,472			
Corporate Debt	3,109,061	96,962	1,181,592	1,562,714	267,793
Florida Local Government Surplus Funds Trus	13,579,694	13,574,653		5,041	
Held by Fiscal Agent - Investment Contract	193,267	193,267			
	<u>\$ 24,457,153</u>	<u>\$ 16,096,292</u>	<u>\$ 4,147,712</u>	<u>\$ 2,127,348</u>	<u>\$ 2,085,801</u>
Other Investments					
Domestic Stocks and Mutual Funds	10,613,376				
Total Fair Value	<u>\$ 35,070,529</u>				

City of Maitland, Florida
Notes to the Financial Statements
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Custodial Risk

To mitigate custodial risk, the City requires brokers/dealers to provide audited financial statements, proof of National Association of Securities Dealers certification and proof of state registration. Securities transactions between a financial institution and broker/dealer and the custodian involving purchase or sale of securities by transfer of money or securities must be made on a “delivery vs. payment” basis, if applicable, to ensure the custodian will have the security or money, as appropriate, in hand at the conclusion of the transaction.

Concentration of Credit Risk

The City’s investment policy requires that investments be diversified by security type and institution. Specific limitations as to the percentage of the portfolio and length of maturity for each type of investment are outlined in the policy. The Pension Fund minimizes concentration of credit risk by prohibiting investment of more than five (5) percent of its assets in the common or capital stock of one company.

The City maintains an Employee Deferred Compensation Plan as a benefit to employees. As prescribed by the Plan documents, the Plan Administrator is authorized to invest Plan assets in a variety of investment products, which are held by the Plan Administrator, and not in the City’s name. At September 30, 2010 and during the year, Plan assets were invested in various mutual funds under a custodial account. The City has no fiduciary responsibility for these accounts; accordingly, they have not been reflected in the financial statements.

3. ACCOUNTS RECEIVABLE - NET

Accounts receivable at September 30, 2010 consists of the following:

Description	General Fund	CRA	Nonmajor Governmental	Utility Fund	Solid Waste Fund	General Insurance Fund Nonmajor Fund	Total
Accounts Receivable	\$ 614,813	\$ 4,050	\$ 33,076	\$ 312,985	\$ 73,027	\$ 2,521	\$ 1,040,472
Unbilled Receivables	-	-	-	439,244	-	-	439,244
Special Assessments	24,480	-	-	-	-	-	24,480
Interest	21,679	-	-	-	-	-	21,679
	<u>660,972</u>	<u>4,050</u>	<u>33,076</u>	<u>752,229</u>	<u>73,027</u>	<u>2,521</u>	<u>1,525,875</u>
Less: Allowance for Uncollectibles	<u>(3,757)</u>	<u>-</u>	<u>(20,000)</u>	<u>(94,000)</u>	<u>(42,000)</u>	<u>-</u>	<u>(159,757)</u>
Total Net Receivables	<u>\$ 657,215</u>	<u>\$ 4,050</u>	<u>\$ 13,076</u>	<u>\$ 658,229</u>	<u>\$ 31,027</u>	<u>\$ 2,521</u>	<u>\$ 1,366,118</u>

City of Maitland, Florida
Notes to the Financial Statements
September 30, 2010

4. INTERFUND ACCOUNTS

Individual interfund receivables, payables and transfers at September 30, 2010 are as follows:

	<u>Due From Other Funds</u>	<u>Due To Other Funds</u>	<u>Advances to Other Funds</u>	<u>Advances From Other Funds</u>
Major Funds:				
General Fund	\$ 232,642	\$ 9,819	\$ 8,353,588	\$ -
CRA	-	-	-	10,984,471
Downtown Space Needs	19,626	-	-	-
Utility Fund	-	21,097	1,854,510	-
Solid Waste Fund	4,103	3,418	-	-
Nonmajor Governmental Funds	5,716	30,969	1,315,034	538,661
Internal Service Fund	-	196,784	-	-
	<u>\$ 262,087</u>	<u>\$ 262,087</u>	<u>\$ 11,523,132</u>	<u>\$ 11,523,132</u>

The Due to Other Funds balances reported in the fund financial statements typically represent amounts with an offsetting Due from Other Funds in the General Fund as a result of the use of a pooled cash accounts payable system. The Advances to Other Funds reported in the General Fund reflects funding provided to the Fire Impact Fee Fund for the construction of a fire station west of I-4 and to the CRA for funding of operating expenses and capital projects expected to be financed with external financing or repaid with tax increment revenue in future years. The CRA has also received advances from the Parks Impact Fee Fund and Road Impact Fee Fund which are expected to be repaid with tax increment revenue. The majority of the Utilities Fund advance relates to the sale of real estate to the CRA and is expected to be repaid with tax increment revenue.

<u>Fund</u>	<u>Transfers In</u>	<u>Transfers Out</u>	<u>Purpose</u>
General Fund	\$ 298,827	\$ 120,416	Transfer in from Solid Waste fund per approved budget and from Law Enforcement Trust Fund for Police Department activities . Transfer out to Environmental Stormwater Fund.
Environmental Stormwater	120,416	-	Transfer in from General Fund for Environmental Stormwater Fee Fund projects and operational subsidy.
Law Enforcement Trust Fu	-	34,273	Transfer to General Fund and Space Needs for Police Department activities.
Downtown Space Needs	19,626	-	Transfer to Space Needs for Police Department equipment from Law Enf Trust.
Solid Waste Fund	-	284,180	Transfer out to General Fund per approved budget.
	<u>\$ 438,869</u>	<u>\$ 438,869</u>	

City of Maitland, Florida
Notes to the Financial Statements
September 30, 2010

5. CAPITAL ASSETS

A. Changes in Capital Assets

The following show the changes in capital assets by governmental activities and business-type activities for the Utility Fund. Also shown is a summary of depreciation expense by function:

Governmental Activities	Beginning Balance 10/1/2009	Increases	Decreases	Ending Balance 9/30/2010
Capital Assets, Not Being Depreciated:				
Land	\$ 11,869,722	\$ -	\$ -	\$ 11,869,722
Construction In Progress	8,103,835	1,322,228	(4,201,347)	5,224,716
Total Capital Assets, Not Being Depreciated	<u>19,973,557</u>	<u>1,322,228</u>	<u>(4,201,347)</u>	<u>17,094,438</u>
Capital Assets, Being Depreciated:				
Buildings	8,988,155	4,894,150	(6,754)	13,875,551
Improvements other than Buildings	4,595,949	58,799	(5,397)	4,649,351
Machinery, Equipment and Vehicles	9,298,215	1,341,289	(525,325)	10,114,179
Infrastructure	19,357,020	648,458	-	20,005,478
Total Capital Assets Being Depreciated	<u>42,239,339</u>	<u>6,942,696</u>	<u>(537,476)</u>	<u>48,644,559</u>
Less Accumulated Depreciation For:				
Buildings	(3,486,666)	(425,855)	4,705	(3,907,816)
Improvements other than Buildings	(2,320,010)	(172,039)	877	(2,491,172)
Machinery, Equipment and Vehicles	(6,690,670)	(669,626)	515,382	(6,844,914)
Infrastructure	(1,825,498)	(661,483)	-	(2,486,981)
Total Accumulated Depreciation	<u>(14,322,844)</u>	<u>(1,929,003)</u>	<u>520,964</u>	<u>(15,730,883)</u>
Total Capital Assets, Being Depreciated, Net	<u>27,916,495</u>	<u>5,013,693</u>	<u>(16,512)</u>	<u>32,913,676</u>
Governmental Activities Capital Assets, Net	<u>\$ 47,890,052</u>	<u>\$ 6,335,921</u>	<u>\$ (4,217,859)</u>	<u>\$ 50,008,114</u>

City of Maitland, Florida
Notes to the Financial Statements
September 30, 2010

Business-type Activities	Beginning Balance 10/1/2009	Increases	Decreases	Ending Balance 9/30/2010
Utility Fund				
Capital Assets, Not Being Depreciated:				
Land	\$ 951,308	\$ -	\$ -	\$ 951,308
Construction In Progress	214,560	105,205	-	319,765
Total Capital Assets, Not Being Depreciated	<u>1,165,868</u>	<u>105,205</u>	<u>-</u>	<u>1,271,073</u>
Capital Assets, Being Depreciated or Amortized:				
Sewer Capacity Rights	6,737,821	1,075	-	6,738,896
Buildings and Improvements	985,556	-	-	985,556
Machinery, Equipment and Vehicles	16,098,745	56,076	(57,938)	16,096,883
Total Capital Assets, Being Depreciated	<u>23,822,122</u>	<u>57,151</u>	<u>(57,938)</u>	<u>23,821,335</u>
Less Accumulated Depreciation and Amortization For:				
Sewer Capacity Rights	(3,768,935)	(247,912)	-	(4,016,847)
Buildings and Improvements	(371,519)	(32,917)	-	(404,436)
Machinery, Equipment and Vehicles	(8,112,789)	(473,836)	55,278	(8,531,347)
Total Accumulated Depreciation and Amortization	<u>(12,253,243)</u>	<u>(754,665)</u>	<u>55,278</u>	<u>(12,952,630)</u>
Total Capital Assets, Being Depreciated Or Amortized, Net	<u>11,568,879</u>	<u>(697,514)</u>	<u>(2,660)</u>	<u>10,868,705</u>
Utility Fund Capital Assets, Net	<u>\$ 12,734,747</u>	<u>\$ (592,309)</u>	<u>\$ (2,660)</u>	<u>\$ 12,139,778</u>

Depreciation and Amortization Expense By Function

Governmental Activities:

General Government	\$ 79,767
Public Safety	607,830
Physical Environment	253,312
Transportation	679,940
Culture/Recreation	308,154
Total Governmental Activities	<u>\$ 1,929,003</u>

Business-type Activities:

Utility Fund	<u>\$ 754,665</u>
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City of Maitland, Florida
Notes to the Financial Statements
September 30, 2010

B. Net Capital Assets

The following is a summary of net capital assets as shown on the government-wide statement of net assets:

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
Land	\$ 11,869,722	\$ 951,308	\$ 12,821,030
Sewer Capacity Rights	-	6,738,896	6,738,896
Buildings and Improvements	13,875,551	985,556	14,861,107
Improvements other than Buildings	4,649,351	-	4,649,351
Machinery, Equipment and Vehicles	10,114,179	16,096,883	26,211,062
Infrastructure	20,005,478	-	20,005,478
Construction in Progress	<u>5,224,716</u>	<u>319,765</u>	<u>5,544,481</u>
	<u>\$ 65,738,997</u>	<u>\$ 25,092,408</u>	<u>\$ 90,831,405</u>
Less:			
Accumulated Depreciation and Amortization	<u>(15,730,883)</u>	<u>(12,952,630)</u>	<u>(28,683,513)</u>
Capital Assets - Net	<u>\$ 50,008,114</u>	<u>\$ 12,139,778</u>	<u>\$ 62,147,892</u>

6. LONG-TERM LIABILITIES

A. A summary of changes in long-term liabilities is as follows:

	<u>Balance 10/1/2009</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance 9/30/2010</u>	<u>Due Within One Year</u>
Governmental Activities:					
Bonds Payable:					
Limited Tax GO Bonds	\$ 13,660,000	\$ -	\$ (335,000)	\$ 13,325,000	\$ 345,000
CRA Revenue Bonds	13,865,000	-	-	13,865,000	115,000
	<u>27,525,000</u>	<u>-</u>	<u>(335,000)</u>	<u>27,190,000</u>	<u>460,000</u>
Less bond discount	(258,253)	-	10,434	(247,819)	
Total Bonds Payable	<u>27,266,747</u>	<u>-</u>	<u>(324,566)</u>	<u>26,942,181</u>	<u>460,000</u>
Compensated Absences	888,566	939,719	(938,943)	889,342	170,191
Other Post Employment Benefits	1,546,571	2,955,500	-	4,502,071	-
Governmental Activities Long-term Liabilities	<u>\$ 29,701,884</u>	<u>\$ 3,895,219</u>	<u>\$ (1,263,509)</u>	<u>\$ 32,333,594</u>	<u>\$ 630,191</u>
Business-type Activities:					
Other Post Employment Benefits	\$ 117,461	\$ 224,468	\$ -	\$ 341,929	\$ -
Compensated Absences	32,293	39,888	(39,438)	32,743	3,110
Business-type Activities Long-term Liabilities	<u>\$ 149,754</u>	<u>\$ 264,356</u>	<u>\$ (39,438)</u>	<u>\$ 374,672</u>	<u>\$ 3,110</u>

Compensated absences for governmental activities will be liquidated in future periods by the General Fund, Environmental Stormwater Fund and Community Redevelopment Agency.

City of Maitland, Florida
Notes to the Financial Statements
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B. Bonds Payable

Limited Tax General Obligation Bonds Series 2005

On July 13, 2005, the City issued \$15,775,000 of limited tax general obligation bonds secured by a lien upon and pledge of the revenues received from the levy and collection of voted debt service millage not to exceed one-half of one mill per year on all the taxable property within the City. Proceeds of such tax are deposited, as received, into the Sinking Fund and applied solely for the purpose of paying the principal and interest as they become due. Of the bonds issues, \$4,705,000 were issued as serial bonds and \$11,070,000 were issued as term bonds. The serial bonds carry interest rates of 3% to 3.75% and mature between July 1, 2006 and July 1, 2016. The term bonds are divided into four lots with \$1,800,000 paying 4% due on July 1, 2020, \$2,705,000 paying 4.25% due on July 1, 2025, \$3,335,000 paying 4.375% due on July 1, 2030, and \$3,230,000 paying 4.4% due on July 1, 2034.

Community Redevelopment Agency Redevelopment Revenue Bonds Series 2005

On December 20, 2005, the City issued \$13,865,000 in Redevelopment Revenue Bonds secured by tax increment revenue and a covenant to budget and appropriate; \$840,000 were issued as serial bonds and \$13,025,000 as term bonds. The serial bonds carry interest rates of 3.75% to 4% and mature between July 1, 2011 and July 1, 2015. The term bonds are divided into five lots with \$545,000 paying 4% due on July 1, 2017, \$1,095,000 paying 4.25% due on July 1, 2020, \$2,695,000 paying 4.5% due on July 1, 2025, \$4,095,000 paying 4.625% due on July 1, 2030, and \$4,595,000 paying 5% due on July 1, 2034. Deposits to the restricted revenue account are required monthly in the amount of one sixth (1/6th) of the interest due on the next semi-annual interest payment date and one twelfth (1/12th) of the principal on the next principal date be deposited into a restricted revenue account. Funds in the restricted revenue account are to be continuously secured in the same manner as state and municipal deposits of funds are required to be secured by the Laws of the State of Florida.

The following is a schedule of these long term obligations of the City:

	<u>Purpose of Issue</u>	<u>Amount Issued</u>	<u>Amount Outstanding</u>	<u>Interest Rates</u>
Governmental Activities:				
General Obligation Bonds:				
Limited General Obligation Bonds Series 2005	Construct New Public Safety and City Hall Building	\$ 15,775,000	\$ 13,325,000	3.0% - 4.4%
Revenue Bonds				
Community Redevelopment Agency Redevelopment Revenue Bonds Series 2005	Construct transportation, stormwater and utility infrastructure related to Downtown Maitland Master Plan Projects.	\$ 13,865,000	<u>13,865,000</u>	3.75% - 5.0%
Total Governmental Activities			<u>\$ 27,190,000</u>	

City of Maitland, Florida
Notes to the Financial Statements
September 30, 2010

C. Debt Service Requirements

The following are the debt service requirements to maturity on the City's limited tax general obligation and community redevelopment agency revenue bonds:

Governmental Activities:

<u>Fiscal Year</u>	<u>Limited Tax General Obligation Bonds Series 2005</u>		<u>CRA Redevelopment Revenue Bonds Series 2005</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	
FY 2011	345,000	553,220	115,000	641,944	1,655,164
FY 2012	355,000	542,008	140,000	637,344	1,674,352
FY 2013	370,000	530,470	165,000	631,744	1,697,214
FY 2014	380,000	517,983	195,000	625,556	1,718,539
FY 2015	395,000	504,683	225,000	617,756	1,742,439
FY 2016 - 2020	2,210,000	2,285,719	1,640,000	2,925,044	9,060,763
FY 2021 - 2025	2,705,000	1,794,581	2,695,000	2,481,369	9,675,950
FY 2026 - 2030	3,335,000	1,160,788	4,095,000	1,746,300	10,337,088
FY 2031 - 2034	3,230,000	363,000	4,595,000	595,250	8,783,250
Total	<u>13,325,000</u>	<u>8,252,450</u>	<u>13,865,000</u>	<u>10,902,307</u>	<u>46,344,757</u>
Less: Bond Discount	<u>(209,102)</u>	<u>-</u>	<u>(38,717)</u>	<u>-</u>	<u>(247,819)</u>
Total	<u>\$ 13,115,898</u>	<u>\$ 8,252,450</u>	<u>\$ 13,826,283</u>	<u>\$ 10,902,307</u>	<u>\$ 46,096,938</u>

7. PENSION OBLIGATIONS

A. General Employees' Pension Plan

All full-time City employees hired prior to January 1, 1996, except for police officers and firefighters, participate in the Florida Retirement System (FRS), a cost-sharing, multiple-employer, public employee retirement system (PERS), administered by the Florida Department of Administration. The FRS is a defined benefit pension plan, qualified under section 401(a) of the Internal Revenue Code. The FRS provides retirement and disability benefits, annual cost of living adjustments, and death benefits to plan members and beneficiaries. Benefits and employer contribution levels are established by Chapter 121, Florida Statutes, and Chapter 22B, Florida Administrative Code. For the years ended September 30, 2008 through 2010, the City contributed \$168,365, \$155,867 and \$154,443 respectively, to the Plan which were equal to the required actuarially determined contributions for each fiscal year. The City has historically contributed amounts equal to required contributions and, therefore, does not have a pension asset or liability.

The State of Florida issues a publicly available financial report that includes financial statements and required supplementary information for the FRS. The report may be obtained by writing to the State of Florida, Division of Retirement, Cedars Executive Center, 2639 North Monroe Street, Building C, Tallahassee, Florida 32299-1560.

City of Maitland, Florida
Notes to the Financial Statements
September 30, 2010

B. Employee 401(a) Pension Plan

General, full-time employees hired on or after January 1, 1996, participate in a defined contribution retirement plan established under section 401(a) of the Internal Revenue Code and administered by the International City Managers' Association Retirement Corporation. The City Council established the General Employees' Money Purchase Plan by Ordinance No. 889 of the City Code of Ordinances. The City Council is responsible for amending plan provisions and contribution requirements.

Under this plan, the City contributes six percent (6%) of each eligible employee's salary. Employees are fully vested after a period of five years. As of September 30, 2010 there were 79 employees participating in the plan. The total City contribution for the year ended 2010 was \$196,612.

C. Municipal Police Officers' and Firefighters' Pension Trust Fund

Plan Description. The City administers a single employer, defined benefit pension plan for the benefit of its police officers and firefighters. The Municipal Police Officers' and Firefighters' Pension Trust Fund (the "Plan") was created by ordinance October 1, 1980 in a merger approved by the State of Florida of two pre-existing pension funds. The Florida Division of Retirement reviews and approves each local government's actuarial report prior to its being appropriated for use for funding purposes.

Funding Policy. The funding methods and determinations of benefits payable are provided in the various acts of the Florida Legislature, which created the funds including the subsequent amendments thereto. Additional funding is provided by contributions from the State of Florida from insurance premium taxes for fire (1.85% excise tax) and casualty (2% premium tax) insurance policies written in the City. The City is required under Chapters 175 and 185 Florida Statutes and City Ordinance #564, to contribute remaining amounts necessary to pay benefits when due. The Plan does not issue a separate financial report.

Annual Pension Cost and Net Pension Obligation. Three-year trend information for the Plan's Annual Pension Cost (APC) and Net Pension Obligation (NPO) is outlined in the table below.

<u>Fiscal Year Ending</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation (Benefit)</u>
9/30/08	\$ 1,408,164	99.9%	\$ (21,394)
9/30/09	\$ 1,217,117	99.9%	\$ (20,579)
9/30/10	\$ 1,274,962	99.9%	\$ (19,800)

Components of the net pension obligation at September 30, 2010 are as follows:

Annual Required Contribution	\$ 1,274,183
Interest on Net Pension Obligation	(1,646)
Adjustment to ARC	2,425
Annual Pension Cost	1,274,962
Actual Contributions	1,274,183
Increase/(Decrease) in NPO	779
NPO at Beginning of Year	(20,579)
NPO at End of Year	<u>\$ (19,800)</u>

City of Maitland, Florida
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Funding Status and Funding Progress. As of October 1, 2009, the most recent actuarial valuation date, the plan was 77 percent funded. The actuarial accrued liability for benefits was \$23.5 million, and the actuarial value of assets was \$18 million, resulting in an unfunded actuarial accrued liability (UAAL) of \$5.4 million. The covered annual payroll was \$4.2 million, and the ratio of the UAAL to the covered payroll was 130%. The schedule of funding progress, presented as RSI following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets are increasing or decreasing over time relative to the actuarial accrued liability for benefits.

ACCOUNTING POLICIES AND PLAN ASSETS:

Authority	Special Act Legislation
Basis of Accounting	Accrual
Asset Valuation	
Reporting	Fair Value
Actuarial Valuation	Market Value less unrecognized capital appreciation
Legal Reserves	None
Long Term Receivables	None
Internal/Participant Loans	None
Non governmental investment in excess of 5%	None

MEMBERSHIP AND PLAN PROVISIONS

MEMBERS:

Active Participants	75
Vested	23
Non Vested	52
Service Retirees & Beneficiaries	48
Disability Retirees	11
Terminated Vested	10

NORMAL RETIREMENT BENEFITS

Eligibility	All full-time and volunteer fire fighters and sworn police officers
Age / Years of Service - Normal	Age 55 and 10 year of service or any age and 20 years of service
Age / Years of Service - Early	Age 50 and 10 years of service with City consent
Normal	3% of average final compensation
Early	Accrued pension reduced by 2.5% per year
Delayed	Benefit continues to accrue
Normal form	10 years certain and Life
Years to Vest	10

DISABILITY BENEFITS

Service incurred	Accrued pension but not less than 60% of Average Final Compensation (AFC)
Non-service incurred	
Eligibility	10 years credited service
Benefit	Accrued pension not less than 25% AFC

PRE-RETIREMENT DEATH BENEFITS:

Benefit	One times annualized rate of base pay, plus:
Under 10 years	Refund of contributions to predecessor plans without

City of Maitland, Florida
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5 to 10 years	interest Excess of the present value of vested benefit over the death benefit listed immediately above
10 years or more	Accrued pension payable for 10 years at what would have otherwise been the early or normal retirement date

ACTUARIAL VALUATION

Frequency	Annual
Latest Date	10/1/09
Basis for Contribution	10/1/08
Cost Method	Frozen Entry Age Normal
Amortization Method	Level Dollar Funding
Amortization Period	Closed
Equivalent Single Amortization Period	30 years – 27 remaining
Asset Valuation Method	Recognition of 20% of difference between market value and expected actuarial value of assets.

ASSUMPTIONS

Investment earnings	8% (net of investment expenses)
Salary increases	6.5%
Inflation rate	4%
Post retirement benefit increase	0%
Mortality Table	1983 Group Annuity Table
Administrative expenses	Expenses paid out of the fund, other than investment related expenses, are assumed to be equal to the average of actual expenses over the previous two years
Retirements	80% at age 45, 55% at age 50, and 100% at age 55
Turnover	Probabilities are based on attained age

Employees not eligible for the normal retirement are required to contribute 1.7% of their annual salary. All other members are required to contribute 4.7% of their annual salary. The actuarially determined employer/state contribution for the year ended September 30, 2010, computed through an actuarial valuation using data as of October 1, 2008 was \$1,274,183. The payroll for employees covered by the Plan for the year ended September 30, 2010 was \$4,647,876. The City received \$332,681 in insurance premium taxes from the State of Florida which was subsequently included in the City's contributions of \$1,441,541 (31% of current covered payroll). The on-behalf payments are recognized as revenues and expenditures in the Police and Firefighters' Premium Tax special revenue fund. Employees contributed \$220,157 (4.73% of current covered payroll).

October 1, 1998, the Plan was amended to allow for members to be eligible for retirement after 20 years of aggregate service, regardless of age. Employees electing this option contribute the actuarial cost of the benefit. Additionally, the Plan enacted the Deferred Retirement Option Plan (DROP) that allows for a sixty consecutive month period in which a member may maintain employment with the City after separation as an active plan participant. The Plan disbursements are deferred and accumulate in the Pension Trust Fund, receiving interest at the actuarially assumed rate adopted by the Board of Trustees for the Plan (currently the rate is eight percent [8%]). Upon entry into the DROP, the member's contributions to the Plan cease, and upon termination of active employment the member takes possession of the Plan disbursements and the DROP assets.

City of Maitland, Florida
Notes to the Financial Statements
September 30, 2010

8. RESERVES OF FUND BALANCE AND RESTRICTION OF NET ASSETS

Reserves of fund balances of governmental funds represent portions of fund balance that are not available to be appropriated for expenditure or which have been segregated for specific future uses. The fund balances in the governmental funds at September 30, 2010, consist of the following:

	General Fund	Community Redevelopment Agency	Downtown Space Needs	Nonmajor Funds	Total
<u>Reserved for:</u>					
Encumbrances	\$ 1,514,862	\$ 75,268	\$ 172,870	\$ 182,926	\$ 1,945,926
Prepaid Items	24,960	-	-	405	25,365
Advances to Other Funds	8,353,588	-	-	1,315,034	9,668,622
Debt Service	-	189,292	-	23,095	212,387
	<u>\$ 9,893,410</u>	<u>\$ 264,560</u>	<u>\$ 172,870</u>	<u>\$ 1,521,460</u>	<u>\$ 11,852,300</u>

The City maintains several special revenue funds and a debt service fund to account for external and internal restrictions placed on revenue sources. A summary of restrictions that meet the criteria for restricted net assets are as follows:

<u>Governmental Activities</u>	<u>Description of Restriction</u>	<u>Amount</u>
Restricted for Debt Service		
General Obligation Debt Service Fund	Levied Ad Valorem debt millage must be used for debt service	\$ 23,095
Community Redevelopment Agency	Revenue bond covenants restrict use of funds for debt service.	189,292
Restricted for Capital Projects		
Park Impact Fee Fund	Levied pursuant to Florida Statutes must be used for park improvements	2,449,166
Road Impact Fee Fund	Levied pursuant to Florida Statutes must be used for road improvements	1,395,359
Restricted for Other Purposes		
Law Enforcement Trust	Forfeited property used according to Federal and State Laws	963,892
	Total Restricted Net Assets - Governmental	<u>\$ 5,020,804</u>

City of Maitland, Florida
Notes to the Financial Statements
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9. POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS

Plan Description

The Other Post-employment Benefit Plan (“OPEB Plan”) is a single-employer benefit plan administered by the City. Retirees are charged whatever the insurance company charges for the type of coverage elected. However, the premiums charged by the insurance company are based on a blending of the experience among younger, active employees and older, retired employees. Since the older retirees actually have higher costs, it means that the City is subsidizing the cost of the retiree coverage because it pays all or a significant portion of that premium on behalf of the active employees. GASB No. 45 calls this the “implicit rate subsidy.” Retirees and their dependents hired by the City after September 30, 1990, are permitted to remain covered under the City’s respective medical and insurance plans, as long as they pay a full premium applicable to coverage elected. This conforms to the minimum required of Florida governmental employers per Ch. 112.08, F.S. Under City Resolution 16-90, the City contributes 50% of health benefit costs to retired employees who were employed by the City on September 30, 1990 and 100% of the health benefit costs to employees who retired prior to October 1, 1990. The OPEB Plan does not issue a stand-alone report. At September 30, 2010, there were 33 retired employees eligible to receive health benefits.

Funding Policy

For the OPEB Plan, contribution requirements of the City are established and may be amended through action of the City’s City Council. Currently the OPEB’s benefits are unfunded. The required contributions are based on a pay-as-you-go financing requirement. There is no trust fund or equivalent arrangement into which the City would make contributions to advance-fund the obligation. Therefore, ultimate subsidies, which are provided over time are financed directly by the general assets of the City, which are invested in accordance with the City’s investment policy. The interest rate used to calculate the present values and costs of OPEB must be the long-range expected return on those investments. The City selected an interest rate of 4% for this purpose.

Annual OPEB Cost and Net OPEB Obligation

The City’s annual OPEB cost (expense) is calculated based on the annual required contribution of the employer (“ARC”), and amount actuarially determined in accordance with the parameters of GASB No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal costs each year and amortize any unfunded actuarial liabilities (or funding excess) over a period, not to exceed 30 years.

City of Maitland, Florida
Notes to the Financial Statements
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The following table shows the components of the City's net obligation to the OPEB plan:

	FY 2010 Valuation as 8/1/10
Normal cost (service cost for one year)	\$ 494,000
Amortization of UAAL	3,040,000
Amortization of OPEB	197,000
Interest on UAAL	67,000
Annual Required Contribution	3,798,000
Adjustment to ARC	(197,000)
Annual OPEB cost (expense)	3,601,000
Employer Contributions Made	(413,000)
Interest on Employer Contributions	(8,000)
Increase in net OPEB obligation	3,180,000
Net OPEB obligation at beginning of year	1,664,000
Net OPEB obligation at end of year	\$ 4,844,000

Calculations are based upon the types of benefits provided under the OPEB Plan at the time of the valuation and on the pattern of sharing costs between the employer and plan members to that point. The City's annual OPEB cost, the percentage of annual expected employer contribution toward OPEB cost, and the net OPEB obligation for 2010 and the preceding year were as follows:

Fiscal Year Ended	Annual OPEB Cost	Employer Contributions Toward OPEB Cost	Percentage of Annual OPEB Cost Contributed	Unfunded OPEB Obligation
9/30/2010	\$ 3,601,000	\$ 413,000	11.5%	\$ 4,844,000
9/30/2009	\$ 1,811,937	\$ 147,937	8.2%	\$ 1,664,000

Funding Status and Funding Progress

As of August 1, 2010, the City's OPEB Plan was unfunded. The actuarial accrued liability ("AAL") for benefits was \$27,179,000. Assets of the OPEB Plan are valued at market; however the current value is \$0, resulting in an unfunded actuarial accrued liability ("UAAL") of \$27,179,000. The covered payroll (annual payroll of active employees covered by the OPEB Plan) was \$8,503,000. The ratio of the UAAL to the covered payroll was 319.6%.

Actuarial valuations of an ongoing plan involves estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, termination, mortality, and healthcare cost trends. Amounts determined regarding the funded status of the OPEB Plan and ARC are subject to continued revision, as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the AAL.

City of Maitland, Florida
Notes to the Financial Statements
September 30, 2010

Actuarial Methods and Assumptions

In any long-term actuarial valuation, certain assumptions are made regarding the population, the investment discount rates, and benefits provided. The actuarial assumptions included healthcare cost trend rates of 10%, decreased annually to an ultimate rate of 5% in fiscal year 2019. The project unit credit actuarial cost method was used to determine all liabilities, with the liability for each employee assumed to accrue over his working lifetime based on elapsed time from date of hire until retirement. The amortization method is 10 year open period, level-dollar payment and the inflation rate is assumed to be 2.75%.

10. RISK MANAGEMENT

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 for which the City purchases commercial insurance. Settled claims have not exceeded this commercial coverage for any part of the past three years. There have been no significant reductions in insurance coverage during the current year, however effective October 1, 2009, the City transitioned from an all-lines aggregate, self-insured retention of \$500,000 to a \$250,000 self insured retention program with Public Risk Management of Florida, Inc. Under the plan, the City retains risk on an aggregate claims per year basis as follows:

<u>Type of Risk</u>	<u>Amount of Risk Retained by City</u>
General Liability	\$ 100,000
Law Enforcement Liability	\$ 100,000
Automobile Liability	\$ 100,000
Public Officials Liability	\$ 100,000
Employment Practices Liability	\$ 100,000
Workers' Compensation Liability	\$ 100,000

Liabilities are recorded when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Claims liabilities are calculated considering the effects of inflation, recent claim settlement trends and other social and economic factors. These claims liabilities are included in accrued liabilities in the financial statements. Changes in the balances of claims during the past three fiscal years are as follows:

	Year Ended September 30,		
	2010	2009	2008
Unpaid claims, beginning of fiscal year	\$ 325,398	\$ 217,752	\$ 309,985
Incurred claims	346,097	491,476	70,027
Claim payments	481,057	383,830	162,260
Unpaid claims, end of fiscal year	<u>\$ 190,438</u>	<u>\$ 325,398</u>	<u>\$ 217,752</u>

Settled claims resulting from these risks have not exceeded insurance coverage in any of the past ten years. Premiums are paid into an internal service fund, the General Insurance Fund, and are available to pay insurance premiums, claims and other related costs. The City does not participate in any risk pools.

City of Maitland, Florida
Notes to the Financial Statements
September 30, 2010

11. COMMITMENTS AND CONTINGENCIES

Iron Bridge - The City has entered into an inter-local agreement with the City of Orlando, Florida for participation in the regional sewage treatment plant at Iron Bridge. The City is funding a proportionate share of operations annually. In addition, the City is required to fund its proportionate share of certain capital improvements outlined in amendment IV to the agreement. The City's proportionate share of improvements is estimated to be \$1.9 million dollars at completion, as of September 30, 2010, \$1,858,264 had been allocated to the City. On February 8, 2010, the City executed amendment VII to the agreement, which extended the inter-local agreement until March 31, 2037.

South Seminole-North Orange County Wastewater Transmission Authority - In connection with the Iron Bridge facility, the City also participates in the South Seminole - North Orange County Wastewater Transmission Authority. The Authority is empowered to issue revenue bonds to provide for construction of transmission mains to the regional sewage treatment plant. The City is obligated to fund its proportionate share of the Authority's operations and debt service on the basis of committed capacity. In addition, the City must reimburse the operators for a proportionate share of debt service coverage charges, depreciation reserve charges and maintenance and operating expenses of the plant and transmission lines. For the year ended September 30, 2010, the City's payments were \$89,800, \$51,262, and \$53,968, respectively.

Operating Lease – Century Bank Building – In February 2005, the City entered into an operating lease for approximately 7,000 square feet of office space. This space is being utilized as an interim location for several departments as part of the City's Space Needs Master Plan. The five year lease commenced on March 1, 2005 and in January 2010, the City executed an amendment to extend the lease until February 28, 2013. Base rent under the amended agreement is \$9,104 per month and rent escalates annually on March 1st by 3%. The following schedule reflects the future minimum payments required under this operating lease:

<u>Year Ending</u> <u>September 30</u>	<u>Lease</u> <u>Payment</u>
2011	\$ 111,160
2012	114,495
2013	<u>48,292</u>
Total	<u>\$ 273,947</u>

Total rent expense incurred by the City for the year ended September 30, 2010 was \$120,394.

12. LITIGATION

The City is subject to various disputes, legal proceedings and labor relations claims which arise in the normal course of its operations. In the opinion of management, the amount of ultimate liability with respect to these activities will not be material to the City's financial condition.

13. SUBSEQUENT EVENTS

The City has evaluated subsequent events through May 6, 2011, the date the financial statements were available to be issued.

REQUIRED SUPPLEMENTAL INFORMATION

Budgetary Comparison Schedule – *General Fund and Community Redevelopment Agency*

**Schedule of Funding Progress and Schedule of Contributions from Employer and
Other Contributing Entities – *Pension Trust Fund and Other Post Employment Benefits***

City of Maitland, Florida
Budgetary Comparison Schedule
General Fund
For the Year Ended September 30, 2010

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts (Budgetary	Final Budget Positive (Negative)
			Basis)	
Resources (inflows):				
Taxes				
Property Taxes	\$ 8,442,477	\$ 8,295,335	\$ 8,394,627	\$ 99,292
Utility Tax	1,978,650	2,232,880	2,414,794	181,914
Communications Services Tax	1,750,000	1,545,000	1,548,765	3,765
Franchise Fees	2,168,000	2,311,082	2,348,738	37,656
Licenses and Permits	535,538	456,246	531,799	75,553
Intergovernmental				
Sales Tax	1,823,700	1,840,000	1,910,502	70,502
Local Option Gas Tax	524,500	518,000	532,427	14,427
Other Intergovernmental	529,860	1,297,023	1,134,089	(162,934)
Charges for Services	1,220,807	1,159,012	1,161,024	2,012
Fines and Forfeitures	339,700	305,040	289,231	(15,809)
Investment Income	204,350	118,700	294,321	175,621
Miscellaneous Revenues	1,538,463	1,799,663	1,786,663	(13,000)
Transfers from Other Funds	555,388	570,034	298,827	(271,207)
Amounts available for appropriation	21,611,433	22,448,015	22,645,807	197,792
Charges to appropriations (outflows):				
General Government				
City Council	53,292	203,413	46,629	156,784
City Clerk	160,009	158,533	154,099	4,434
City Manager	1,017,723	1,240,687	998,743	241,944
Communications	237,476	1,413,850	568,506	845,344
Information Technology	527,962	658,029	589,527	68,502
Financial Services	665,288	603,044	581,842	21,202
Citizens Services	175,240	175,240	175,133	107
Personnel Services	426,346	437,682	429,784	7,898
Office of Management and Budget	61,719	60,129	58,548	1,581
Public Relations	127,810	73,270	52,071	21,199
Planning and Zoning	791,943	862,011	837,490	24,521
Mapping & GIS	78,662	77,012	73,445	3,567
Fleet Maintenance	1,429,040	1,706,204	1,235,003	471,201
Total General Government	5,752,510	7,669,104	5,800,820	1,868,284
Public Safety				
Police Administration	194,537	194,329	190,972	3,357
Police Operations	3,596,222	3,728,833	3,524,455	204,378
Police Support Services	850,120	860,203	851,465	8,738
Fire Administration	202,989	192,603	191,271	1,332
Emergency & Health Operations	3,948,406	4,146,338	3,926,003	220,335
Standards & Safety Assurance	478,596	466,044	419,671	46,373
Total Public Safety	9,270,870	9,588,350	9,103,837	484,513
Physical Environment				
Environmental Services	-	12,712	2,443	10,269
Lakes Management	-	11,460	7,206	4,254
Total Physical Environment	-	24,172	9,649	14,523
Transportation				
Public Works Administration	367,581	328,481	320,513	7,968
Building and Street Maintenance	1,192,019	1,092,548	958,498	134,050
Engineering	1,250	8,865	6,683	2,182
Transportation Engineering	736,359	1,213,026	917,404	295,622
Total Transportation	2,297,209	2,642,920	2,203,098	439,822

Continued

City of Maitland, Florida
Budgetary Comparison Schedule - Continued
General Fund
For the Year Ended September 30, 2010

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Culture & Recreation				
Grounds Maintenance	\$ 377,258	\$ 430,210	\$ 277,496	\$ 152,714
Parks Administration	200,755	343,714	332,134	11,580
Recreation Services	99,979	56,925	32,781	24,144
Community Park	189,315	211,219	196,234	14,985
Youth Services	47,866	12,252	6,059	6,193
Athletic Services	222,929	192,851	126,956	65,895
Seniors Services	71,879	65,263	56,849	8,414
Community Events	146,454	154,910	153,605	1,305
Parks Maintenance	1,442,561	1,455,035	1,273,364	181,671
Library	745,846	744,541	725,000	19,541
Art Center	392,690	358,165	344,566	13,599
Historical Society	206,625	195,582	184,251	11,331
Performing Arts of Maitland	58,900	58,900	58,900	-
Total Culture & Recreation	<u>4,203,057</u>	<u>4,279,567</u>	<u>3,768,195</u>	<u>511,372</u>
Transfers to Other Funds	816,173	519,173	120,416	398,757
Total charges to appropriations	<u>22,339,819</u>	<u>24,723,286</u>	<u>21,006,015</u>	<u>3,717,271</u>
Excess of Resources Over Charges to Appropriations	(728,386)	(2,275,271)	1,639,792	3,915,063
Fund Balance - Beginning of Year	<u>23,328,046</u>	<u>23,328,046</u>	<u>23,328,046</u>	<u>-</u>
Fund Balance - End of Year	<u>\$ 22,599,660</u>	<u>\$ 21,052,775</u>	<u>\$ 24,967,838</u>	<u>\$ 3,915,063</u>

Note: This schedule was prepared on a budgetary basis. The reconciliation between the budgetary basis and GAAP is explained below.

Explanation of Differences between Budgetary Inflows and Outflows
and GAAP Revenues and Expenditures

Sources/inflows of resources

Actual amounts (budgetary basis) "available for appropriation" from the budgetary comparison schedule.	\$ 22,645,807
Differences - budget to GAAP:	
Transfers from other funds are inflows of budgetary resources	<u>(298,827)</u>
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds.	<u>\$ 22,346,980</u>

Uses/outflows of resources

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule.	\$ 21,006,015
Differences - budget to GAAP:	
Transfers to other funds are outflows of budgetary resources	<u>(120,416)</u>
Total expenditures as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	<u>\$ 20,885,599</u>

City of Maitland, Florida
Budgetary Comparison Schedule
Community Redevelopment Agency
For the Year Ended September 30, 2010

	<u>Budgeted Amounts</u>		<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Resources (inflows):				
Property Taxes	\$ 207,484	\$ 207,484	\$ 204,354	\$ (3,130)
Intergovernmental	237,146	237,146	233,568	(3,578)
Investment Income	-	-	736	736
Miscellaneous Revenues	-	-	15,000	15,000
Transfers from Other Funds	1,038,757	1,038,757	-	(1,038,757)
Amounts available for appropriation	<u>1,483,387</u>	<u>1,483,387</u>	<u>453,658</u>	<u>(1,029,729)</u>
Charges to appropriations (outflows):				
General Government	201,443	224,658	198,927	25,731
Capital Improvements	300,000	82,543	15,301	67,242
Debt Service	981,944	981,944	897,850	84,094
Total charges to appropriations	<u>1,483,387</u>	<u>1,289,145</u>	<u>1,112,078</u>	<u>177,067</u>
Deficiency of Resources Under Charges to Appropriations	-	194,242	(658,420)	(852,662)
Fund Balance (Deficit) - Beginning of Year	<u>(10,138,722)</u>	<u>(10,138,722)</u>	<u>(10,138,722)</u>	<u>-</u>
Fund Balance (Deficit) - End of Year	<u>\$ (10,138,722)</u>	<u>\$ (9,944,480)</u>	<u>\$ (10,797,142)</u>	<u>\$ (852,662)</u>

Note: This schedule was prepared on a budgetary basis. The reconciliation between the budgetary basis and GAAP is explained below.

Explanation of Differences between Budgetary Inflows and Outflows
and GAAP Revenues and Expenditures

Sources/inflows of resources

Actual amounts (budgetary basis) "available for appropriation" from
the budgetary comparison schedule.

\$ 453,658

Differences - budget to GAAP:

None.

-

Total revenues as reported on the statement of revenues, expenditures,
and changes in fund balances - governmental funds.

\$ 453,658

Uses/outflows of resources

Actual amounts (budgetary basis) "total charges to appropriations"
from the budgetary comparison schedule.

\$ 1,112,078

Differences - budget to GAAP:

None.

-

Total expenditures as reported on the statement of revenues,
expenditures and changes in fund balances - governmental funds.

\$ 1,112,078

City of Maitland, Florida
Municipal Police Officers' and Firefighters' Pension Fund
Required Supplementary Schedule

SCHEDULE OF FUNDING PROGRESS (1)

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)		Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percent of Covered Payroll
		Frozen Entry Age					
10/1/09	\$ 18,091,778	\$ 23,488,675		\$ 5,396,897	77.0%	\$ 4,151,382	130.0%
10/1/08	18,046,761	22,112,703		4,065,942	81.6%	3,765,138	108.0%
10/1/07	17,034,572	20,819,953		3,785,381	81.8%	3,645,640	103.8%
10/1/06	14,822,949	19,314,077		4,491,128	76.7%	4,034,034	111.3%
10/1/05	12,783,312	17,971,675		5,188,363	71.1%	3,686,356	140.7%
10/1/04	12,095,153	16,954,107		4,858,954	71.3%	3,945,310	123.2%
10/1/03	11,825,677	15,832,181		4,006,504	74.7%	3,149,197	127.2%
10/1/02	11,437,820	14,120,124		2,682,304	81.0%	2,899,699	92.5%
10/1/01	11,442,647	12,818,064		1,375,417	89.3%	2,644,735	52.0%
10/1/00	10,758,561	11,778,236		1,019,675	91.3%	2,600,742	39.2%

SCHEDULE OF CONTRIBUTIONS FROM EMPLOYER AND OTHER CONTRIBUTING ENTITIES

Fiscal Year Ended September 30,	Annual Required Contribution	ACTUAL CONTRIBUTIONS Employer		Total	Percent Contributed
		General Fund	Premium Tax Trust Fund (2)		
2010	\$ 1,274,183	\$ 1,108,866	\$ 165,317	\$ 1,274,183	100.0%
2009	1,216,302	1,050,985	165,317	1,216,302	100.0%
2008	1,408,164	1,241,818	165,317	1,407,135	99.9%
2007	1,390,767	1,224,439	165,317	1,389,756	99.9%
2006	1,364,010	1,197,740	165,317	1,363,057	99.9%
2005	1,111,263	945,946	210,100	1,156,046	104.0%
2004	905,744	740,427	186,851	927,278	102.4%
2003	687,558	522,241	183,160	705,401	102.6%
2002	643,716	484,290	158,886	643,176	99.9%
2001	449,419	351,799	142,281	494,080	109.9%

NOTES TO SCHEDULE OF FUNDING PROGRESS

(1) Actuarial methods and significant assumptions: The frozen entry age is used as the actuarial cost method and actuarial value of assets is market value less unrecognized capital appreciation. The inflation rate, investment return and projected salary increases are 4%, 8%, and 6.5% respectively. There is no assumed increase in post retirement benefits. The amortization method is level dollar closed with 27 years remaining in the amortization period.

(2) Net of excess Premium Tax funds beginning FY 2006.

City of Maitland, Florida
Other Post Employment Benefits (OPEB)
Required Supplementary Schedule

SCHEDULE OF FUNDING PROGRESS (2)

Actuarial Valuation Date (1)	Actuarial Value of Assets	Actuarial Accrued Liability (AAL) Frozen Entry Age	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percent of Covered Payroll
8/1/10	\$ -	\$ 27,179,000	\$ 27,179,000	0.0%	\$ 8,503,000	319.6%
1/1/08	-	11,101,000	11,101,000	0.0%	7,076,000	156.9%

SCHEDULE OF CONTRIBUTIONS FROM EMPLOYER

Fiscal Year Ended September 30,	Annual Required Contribution	Amount Contributed	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
2010	\$ 3,731,000	\$ 413,000	11.1%	\$ 4,844,000
2009	1,811,937	147,937	8.20%	1,664,000

NOTES TO SCHEDULE OF FUNDING PROGRESS

(1) The information presented in the required supplementary schedules was determined as part of the actuarial valuation at the dates indicated.

(2) Effective with the 8/1/10 valuation date, the following assumption changes were made: (a) assumed discount rate was decreased from 5% to 4%; (b) the annual healthcare inflation assumptions was increased from 9% with an ultimate rate of 6% to 10% with an ultimate rate of 5%; (c) the amount of the implied subsidy at age 60 has been increased from \$1,189 annually to \$2,400 annually for the employee and \$1,800 for the employee's spouse; and (d) the assumed increase in medical costs per year was increased from 1.5% to 3%. The net effect was to increase the City's annual OPEB cost dramatically from the amount shown in the previous report, primarily due to the increased assumed subsidy.

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

Special Revenue Funds are used to account for revenues from specific taxes or other earmarked revenue sources, which, by law are designated to finance particular functions or activities of government.

Fire Impact Fee Fund - The Fire Impact Fee Fund accounts for fire protection impact fees received for new commercial structures within the City limits. Use of this revenue is restricted by City ordinance to expansion of existing or construction of new City fire protection facilities or services required because of such construction.

Environmental Stormwater Fund - The Environmental Stormwater Fund accounts for the receipt and disbursement of stormwater utility fees received from residential and commercial properties within the City. Use of this revenue is restricted by City ordinance to the administration, operations, maintenance, and expansion of stormwater facilities and activities.

Road Impact Fee Fund - The Road Impact Fee Fund accounts for the receipt and disbursement of road impact fees. Council Resolution established these fees on November 26, 1990. The purpose of the road impact fees is to ensure that new development pays a fair share of the anticipated costs of road system improvements necessary to serve new development.

Parks Impact Fee Fund - The Parks Impact Fee Fund accounts for the receipt and disbursement of park impact fees. Use of these funds is restricted by City ordinance to the expansion of existing or construction of new City parks or other recreational facilities.

Law Enforcement Trust Fund - On February 23, 1981, Council established the Law Enforcement Trust Fund, pursuant to the Florida Contraband Forfeiture Act, for receipt of contraband sale proceeds to be used for law enforcement purposes.

The Fire/Rescue Trust Fund - The Fire/Rescue Trust Fund was established on July 24, 1978 to receive contributions for the purchase of fire/rescue equipment for the City.

Tactical Response Team Trust Fund - On September 8, 1980, Council established the Crime Squad Trust Fund, subsequently named Tactical Response Team Trust Fund, to receive contributions for the purchase of equipment for the Police Department.

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

DEBT SERVICE FUND

Debt service funds account for the accumulation of resources for, and the payment of governmental long-term debt principal and interest.

General Obligation Debt Service Fund - This fund accounts for the repayment of interest and principal on the Limited General Obligation Bonds Series 2005.

City of Maitland, Florida
Combining Balance Sheet
All Nonmajor Governmental Funds
September 30, 2010

	Special Revenue Funds				
	Fire Impact Fee Fund	Environmental Stormwater Fund	Road Impact Fee Fund	Parks Impact Fee Fund	Law Enforcement Trust Fund
ASSETS					
Cash and Cash Equivalents	\$ -	\$ 1,170,486	\$ 361,569	\$ 2,167,922	\$ 992,557
Restricted Cash and Cash Equivalents	-	-	-	-	-
Accounts Receivable	-	13,076	-	-	-
Prepaid Items	-	405	-	-	-
Due from Other Governments	-	-	-	-	-
Due from Other Funds	-	-	-	-	-
Advances to Other Funds	-	-	1,033,790	281,244	-
Total Assets	<u>\$ -</u>	<u>\$ 1,183,967</u>	<u>\$ 1,395,359</u>	<u>\$ 2,449,166</u>	<u>\$ 992,557</u>
LIABILITIES					
Accounts Payable	\$ -	\$ 27,138	\$ -	\$ -	\$ 7,089
Accrued Liabilities	-	9,224	-	-	-
Due to Other Funds	-	9,393	-	-	21,576
Advances from Other Funds	538,661	-	-	-	-
Total Liabilities	<u>538,661</u>	<u>45,755</u>	<u>-</u>	<u>-</u>	<u>28,665</u>
FUND BALANCES (DEFICITS)					
Reserved for:					
Prepays	-	405	-	-	-
Encumbrances	-	148,449	5,340	-	29,137
Advances	-	-	1,033,790	281,244	-
Debt Service	-	-	-	-	-
Unreserved, Undesignated	(538,661)	989,358	356,229	2,167,922	934,755
Total Fund Balances (Deficits)	<u>(538,661)</u>	<u>1,138,212</u>	<u>1,395,359</u>	<u>2,449,166</u>	<u>963,892</u>
Total Liabilities and Fund Balances	<u>\$ -</u>	<u>\$ 1,183,967</u>	<u>\$ 1,395,359</u>	<u>\$ 2,449,166</u>	<u>\$ 992,557</u>

Special Revenue Funds				Total Nonmajor Governmental Funds
Fire/Rescue Trust Fund	Tactical Response Team Trust	Total Special Revenue Funds	General Obligation Debt Service	
\$ -	\$ -	\$ 4,692,534	\$ -	\$ 4,692,534
-	-	-	23,095	23,095
-	-	13,076	-	13,076
-	-	405	-	405
-	-	-	-	-
3,311	2,405	5,716	-	5,716
-	-	1,315,034	-	1,315,034
<u>\$ 3,311</u>	<u>\$ 2,405</u>	<u>\$ 6,026,765</u>	<u>\$ 23,095</u>	<u>\$ 6,049,860</u>
\$ -	\$ -	\$ 34,227	\$ -	34,227
-	-	9,224	-	9,224
-	-	30,969	-	30,969
-	-	538,661	-	538,661
<u>-</u>	<u>-</u>	<u>613,081</u>	<u>-</u>	<u>613,081</u>
-	-	405	-	405
-	-	182,926	-	182,926
-	-	1,315,034	-	1,315,034
-	-	-	23,095	23,095
3,311	2,405	3,915,319	-	3,915,319
<u>3,311</u>	<u>2,405</u>	<u>5,413,684</u>	<u>23,095</u>	<u>5,436,779</u>
<u>\$ 3,311</u>	<u>\$ 2,405</u>	<u>\$ 6,026,765</u>	<u>\$ 23,095</u>	<u>\$ 6,049,860</u>

City of Maitland, Florida
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
All Nonmajor Governmental Funds
For the Year Ended September 30, 2010

	Special Revenue Funds				
	Fire Impact Fee Fund	Environmental Stormwater Fund	Road Impact Fee Fund	Parks Impact Fee Fund	Law Enforcement Trust
Revenues					
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	284,905	-	-	-
Charges for Services	95	972,544	6,800	-	-
Fines and Forfeitures	-	-	-	-	894,063
Investment Income	-	2,775	27,000	14,040	581
Miscellaneous Revenue	-	95	48	-	-
Total Revenues	95	1,260,319	33,848	14,040	894,644
Expenditures					
Current:					
Public Safety	-	-	-	-	63,998
Physical Environment	-	519,527	-	-	-
Culture and Recreation	-	-	-	-	-
Debt Service	-	-	-	-	-
Capital Improvements	-	359,502	-	36,400	29,055
Total Expenditures	-	879,029	-	36,400	93,053
Excess (Deficiency) of Revenues Over (Under) Expenditures	95	381,290	33,848	(22,360)	801,591
Other Financing Sources Uses					
Transfers from Other Funds	-	120,416	-	-	-
Transfers to Other Funds	-	-	-	-	(34,273)
Total Other Financing Uses	-	120,416	-	-	(34,273)
Net Change in Fund Balances	95	501,706	33,848	(22,360)	767,318
Fund Balances (Deficit) - Beginning	(538,756)	636,506	1,361,511	2,471,526	196,574
Fund Balances (Deficit) - Ending	\$ (538,661)	\$ 1,138,212	\$ 1,395,359	\$ 2,449,166	\$ 963,892

Special Revenue Funds (continued)					Total
Fire/Rescue Trust	Tactical Response Team Trust	Police and Firefighters' Premium Tax	Total Special Revenue Funds	General Obligation Debt Service	Nonmajor Governmental Funds
\$ -	\$ -	\$ -	\$ -	\$ 897,442	\$ 897,442
-	-	332,681	617,586	-	617,586
-	-	-	979,439	-	979,439
-	-	-	894,063	-	894,063
4	5	-	44,405	1,033	45,438
125	-	-	268	-	268
129	5	332,681	2,535,761	898,475	3,434,236
-	-	332,681	396,679	-	396,679
-	-	-	519,527	-	519,527
-	-	-	-	-	-
-	-	-	-	898,270	898,270
-	-	-	424,957	-	424,957
-	-	332,681	1,341,163	898,270	2,239,433
129	5	-	1,194,598	205	1,194,803
-	-	-	120,416	-	120,416
-	-	-	(34,273)	-	(34,273)
-	-	-	86,143	-	86,143
129	5	-	1,280,741	205	1,280,946
3,182	2,400	-	4,132,943	22,890	4,155,833
\$ 3,311	\$ 2,405	\$ -	\$ 5,413,684	\$ 23,095	\$ 5,436,779

City of Maitland, Florida
Budgetary Comparison Schedule
Environmental Stormwater Fund
For the Year Ended September 30, 2010

	<u>Budgeted Amounts</u>		<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Resources (inflows):				
Intergovernmental	\$ -	\$ -	\$ 284,905	\$ 284,905
Charges for Services	958,700	958,700	972,544	13,844
Investment Income	2,500	2,500	2,775	275
Miscellaneous Revenues	-	-	95	95
Transfers from Other Funds	287,972	287,972	120,416	(167,556)
Amounts available for appropriation	<u>1,249,172</u>	<u>1,249,172</u>	<u>1,380,735</u>	<u>131,563</u>
Charges to appropriations (outflows):				
Physical Environment	662,505	780,746	519,527	261,219
Capital Improvements	649,500	446,043	359,502	86,541
Total charges to appropriations	<u>1,312,005</u>	<u>1,226,789</u>	<u>879,029</u>	<u>347,760</u>
Deficiency of Resources Under Charges to Appropriations	(62,833)	22,383	501,706	479,323
Fund Balance (Deficit) - Beginning of Year	636,506	636,506	636,506	-
Fund Balance (Deficit) - End of Year	<u>\$ 573,673</u>	<u>\$ 658,889</u>	<u>\$ 1,138,212</u>	<u>\$ 479,323</u>

Note: This schedule was prepared on a budgetary basis. The reconciliation between the budgetary basis and GAAP is explained below.

Explanation of Differences between Budgetary Inflows and Outflows
and GAAP Revenues and Expenditures

Sources/inflows of resources

Actual amounts (budgetary basis) "available for appropriation" from the budgetary comparison schedule.	\$ 1,380,735
Differences - budget to GAAP:	
Transfers in are reported as other financing sources	(120,416)
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds.	<u>\$ 1,260,319</u>

Uses/outflows of resources

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule.	\$ 879,029
Differences - budget to GAAP:	
None.	-
Total expenditures as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	<u>\$ 879,029</u>

Statistical Section

UNAUDITED SCHEDULES

FINANCIAL TRENDS

REVENUE CAPACITY

DEBT CAPACITY

**DEMOGRAPHIC AND
ECONOMIC INFORMATION**

OPERATING INFORMATION

STATISTICAL SECTION

This part of the City's Comprehensive Annual Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health.

Financial Trends

Page

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

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Schedule 2 – Changes in Net Assets – Last Eight Fiscal Years	70 - 71
Schedule 3 - Fund Balances of Governmental Funds – Last Ten Fiscal Years	72 - 73
Schedule 4 – Changes in Fund Balances of Governmental Funds – Last Ten Fiscal Years	74 - 75

Revenue Capacity

These schedules contain information to help the reader assess the factors affecting the City's ability to generate its property and sales taxes.

Schedule 5 – Assessed Value and Estimated Actual Value of Taxable Property – Last Ten Fiscal Years	76 - 77
Schedule 6 – Property Tax Rates – Direct and Overlapping Governments – Last Ten Fiscal Years	78
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Debt Capacity

These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and City's ability to issue additional debt in the future. The City has no legal debt margin imposed either by Ordinance or State Statute.

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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 and to help make comparisons over time and with other governments.

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Operating Information

These schedules contain information about the City's operations and resources to help the reader understand how the City's financial information relates to the services the City provides and the activities it performs.

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Schedule 1
City of Maitland, Florida
Net Assets by Component
Last Eight Fiscal Years
(accrual basis of accounting, amounts in thousands)

	Fiscal Year							
	2003	2004	2005	2006	2007	2008	2009	2010
Governmental activities								
Invested in capital assets, net of related debt	\$ 16,010	\$ 22,789	\$ 24,924	\$ 25,673	\$ 27,328	\$ 28,709	\$ 29,442	\$ 29,202
Restricted	584	968	3,485	4,791	4,398	3,943	4,213	5,021
Unrestricted	12,844	7,377	6,125	8,050	8,740	10,434	11,307	10,337
Total governmental activities net assets	<u>\$ 29,438</u>	<u>\$ 31,134</u>	<u>\$ 34,534</u>	<u>\$ 38,514</u>	<u>\$ 40,466</u>	<u>\$ 43,086</u>	<u>\$ 44,962</u>	<u>\$ 44,560</u>
Business-type activities								
Invested in capital assets, net of related debt	\$ 10,337	\$ 10,188	\$ 9,451	\$ 12,199	\$ 12,354	\$ 12,314	\$ 12,734	\$ 12,140
Restricted	-	-	42	-	-	-	-	-
Unrestricted	1,591	1,679	3,717	1,204	1,583	1,940	2,243	3,410
Total business-type activities net assets	<u>\$ 11,928</u>	<u>\$ 11,867</u>	<u>\$ 13,210</u>	<u>\$ 13,403</u>	<u>\$ 13,937</u>	<u>\$ 14,254</u>	<u>\$ 14,977</u>	<u>\$ 15,550</u>
Primary government								
Invested in capital assets, net of related debt	\$ 26,347	\$ 32,977	\$ 34,375	\$ 37,872	\$ 39,682	\$ 41,023	\$ 42,176	\$ 41,342
Restricted	584	968	3,527	4,791	4,398	3,943	4,213	5,021
Unrestricted	14,435	9,056	9,842	9,254	10,323	12,374	13,550	13,747
Total primary government net assets	<u>\$ 41,366</u>	<u>\$ 43,001</u>	<u>\$ 47,744</u>	<u>\$ 51,917</u>	<u>\$ 54,403</u>	<u>\$ 57,340</u>	<u>\$ 59,939</u>	<u>\$ 60,110</u>

Notes: The City did not begin reporting government-wide statements until it implemented GASB 34 in 2003.

Schedule 2
City of Maitland, Florida
Changes in Net Assets
Last Eight Fiscal Years
(accrual basis of accounting, amounts in thousands)

Expenses	Fiscal Year							
	2003	2004	2005	2006	2007	2008	2009	2010
Governmental activities:								
General government	\$ 4,265	\$ 4,980	\$ 4,280	\$ 4,190	\$ 5,325	\$ 3,732	\$ 4,001	\$ 4,402
Public safety	7,035	7,629	8,120	8,426	8,846	9,928	10,513	11,524
Physical environment	425	3,915	1,677	621	580	792	940	934
Transportation	1,433	1,626	1,484	1,606	2,240	3,185	2,457	2,548
Culture/Recreation	3,603	4,257	4,077	4,270	4,221	4,311	4,452	4,609
Interest on long-term debt	215	148	249	1,145	1,260	1,316	1,291	1,267
Total governmental activities expenses	16,976	22,555	19,887	20,258	22,472	23,264	23,654	25,284
Business-type activities:								
Water & Wastewater	3,830	3,969	4,055	4,230	4,324	4,340	4,495	4,732
Solid waste	1,101	1,172	1,230	1,242	1,507	1,662	1,869	1,974
Total business-type activities expenses	\$ 4,931	\$ 5,141	\$ 5,285	\$ 5,472	\$ 5,831	\$ 6,002	\$ 6,364	\$ 6,706
 Program Revenues								
Governmental activities:								
Charges for services:								
General government	\$ 1,105	\$ 1,238	\$ 476	\$ 478	\$ 578	\$ 528	\$ 631	\$ 587
Public safety	972	1,230	2,199	1,943	2,068	1,977	1,952	2,448
Physical environment	1	-	1	-	-	1	952	975
Transportation	19	23	35	32	44	42	45	52
Culture/Recreation	526	516	560	539	528	534	265	210
Operating grants and contributions	195	3,881	1,377	409	434	605	528	378
Capital grants and contributions	899	2,207	1,794	1,235	1,758	1,102	978	845
Total governmental activities program revenues	3,717	9,095	6,442	4,636	5,410	4,789	5,351	5,495
Business-type activities:								
Charges for services:								
Water & Wastewater	3,036	3,606	3,669	4,062	4,222	4,464	4,477	4,493
Solid waste	1,354	1,435	1,478	1,504	1,860	2,085	2,245	2,245
Operating grants and contributions	-	-	-	16	-	-	-	-
Capital grants and contributions	33	279	565	161	318	58	135	759
Total business-type activities program revenues	4,423	5,320	5,712	5,743	6,400	6,607	6,857	7,497
Total government program revenues	\$ 8,140	\$ 14,415	\$ 12,154	\$ 10,379	\$ 11,810	\$ 11,396	\$ 12,208	\$ 12,992

	Fiscal Year							
	2003	2004	2005	2006	2007	2008	2009	2010
Net (expense)/revenue								
Governmental activities	\$ (13,259)	\$ (13,460)	\$ (13,445)	\$ (15,622)	\$ (17,062)	\$ (18,475)	\$ (18,303)	\$ (19,789)
Business-type activities	(508)	179	427	271	569	605	493	791
Total government net expense	<u>\$ (13,767)</u>	<u>\$ (13,281)</u>	<u>\$ (13,018)</u>	<u>\$ (15,351)</u>	<u>\$ (16,493)</u>	<u>\$ (17,870)</u>	<u>\$ (17,810)</u>	<u>\$ (18,998)</u>
General Revenues and Other Changes in Net Assets								
Governmental activities:								
Taxes								
Property taxes	\$ 5,777	\$ 6,643	\$ 7,567	\$ 8,211	\$ 9,292	\$ 10,215	\$ 10,415	\$ 9,496
Franchise fees and other taxes	7,577	7,599	7,927	8,734	8,579	8,441	8,455	8,719
Intergovernmental revenues	357	437	595	793	829	785	791	744
Investment earnings	268	135	285	1,480	1,418	954	397	140
Miscellaneous revenues	210	93	213	120	67	318	283	3
Special item - asset impairment	-	-	-	-	(1,434)	-	-	-
Transfers	244	248	259	263	263	382	(162)	284
Total governmental activities	<u>14,433</u>	<u>15,155</u>	<u>16,846</u>	<u>19,601</u>	<u>19,014</u>	<u>21,095</u>	<u>20,179</u>	<u>19,386</u>
Business-type activities:								
Intergovernmental revenues	-	3	-	-	-	-	-	-
Investment earnings	19	11	25	169	188	93	63	43
Miscellaneous revenues	1	(4)	2	17	39	1	6	22
Special item - gain on sale of real estate	-	-	1,147	-	-	-	-	-
Transfers	(244)	(249)	(259)	(263)	(263)	(382)	162	(284)
Total business-type activities	<u>(224)</u>	<u>(239)</u>	<u>915</u>	<u>(77)</u>	<u>(36)</u>	<u>(288)</u>	<u>231</u>	<u>(219)</u>
Total government	<u>\$ 14,209</u>	<u>\$ 14,916</u>	<u>\$ 17,761</u>	<u>\$ 19,524</u>	<u>\$ 18,978</u>	<u>\$ 20,807</u>	<u>\$ 20,410</u>	<u>\$ 19,167</u>
Change in Net Assets								
Governmental activities	\$ 1,174	\$ 1,695	\$ 3,401	\$ 3,979	\$ 1,952	\$ 2,620	\$ 1,876	\$ (403)
Business-type activities	(732)	(60)	1,342	194	533	317	724	572
Total government	<u>\$ 442</u>	<u>\$ 1,635</u>	<u>\$ 4,743</u>	<u>\$ 4,173</u>	<u>\$ 2,485</u>	<u>\$ 2,937</u>	<u>\$ 2,600</u>	<u>\$ 169</u>

Notes: The City did not begin reporting government-wide statements until it implemented GASB 34 in 2003.

Schedule 3
City of Maitland, Florida
Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting, amounts in thousands)

	Fiscal Year				
	2001	2002	2003	2004	2005
General fund					
Reserved	\$ 4,292	\$ 3,879	\$ 1,624	\$ 4,001	\$ 4,852
Unreserved	8,944	10,034	8,916	6,457	7,585
Total general fund	<u>\$13,236</u>	<u>\$13,913</u>	<u>\$10,540</u>	<u>\$10,458</u>	<u>\$12,437</u>
All other governmental funds					
Reserved	\$ 848	\$ 297	\$ 2,816	\$ 1,110	\$ 2,118
Unreserved, reported in:					
Special revenue funds	1,208	845	(165)	(2,590)	(5,037)
Capital projects funds	528	2,157	457	(483)	10,884
Total all other governmental funds	<u>\$ 2,584</u>	<u>\$ 3,299</u>	<u>\$ 3,108</u>	<u>\$ (1,963)</u>	<u>\$ 7,965</u>

Fiscal Year				
2006	2007	2008	2009	2010
\$ 4,046	\$ 8,064	\$ 8,033	\$ 9,305	\$ 9,893
11,019	9,409	11,977	14,023	15,074
<u>\$15,065</u>	<u>\$17,473</u>	<u>\$20,010</u>	<u>\$ 23,328</u>	<u>\$24,967</u>
\$ 6,191	\$ 2,676	\$ 2,021	\$ 2,870	\$ 1,959
(7,313)	(7,638)	(8,086)	(7,596)	(7,146)
11,404	11,814	11,577	7,146	6,384
<u>\$10,282</u>	<u>\$ 6,852</u>	<u>\$ 5,512</u>	<u>\$ 2,420</u>	<u>\$ 1,197</u>

Schedule 4
City of Maitland, Florida
Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting, amounts in thousands)

	Fiscal Year				
	2001	2002	2003	2004	2005
Revenues					
Taxes					
Taxes					
Property taxes	\$ 4,647	\$ 4,987	\$ 5,777	\$ 6,643	\$ 7,567
Utility taxes	3,272	1,535	1,678	1,651	1,766
Communications services tax (1)	-	2,392	2,215	1,882	1,722
Franchise fees	1,499	1,249	1,354	1,451	1,660
Licenses and Permits	551	549	482	655	1,338
Intergovernmental					
Sales tax	1,560	1,678	1,823	2,065	2,195
Local option gas tax	400	477	508	564	613
Other intergovernmental	449	729	1,613	5,384	2,463
Charges for services	907	1,184	926	1,709	2,621
Fines and forfeitures	364	383	297	334	304
Investment income	700	374	268	136	385
Miscellaneous	1,109	1,386	1,086	1,095	1,558
Total revenues	<u>15,458</u>	<u>16,923</u>	<u>18,027</u>	<u>23,569</u>	<u>24,192</u>
Expenditures					
Current					
General government	2,457	3,691	4,118	4,838	5,067
Public safety	5,352	6,307	6,591	7,240	7,634
Physical environment	499	379	400	3,885	1,327
Transportation	2,575	1,923	1,334	1,366	1,526
Culture and recreation	3,136	3,335	3,252	3,924	3,763
Intergovernmental services	333	371	-	-	-
Debt service		166			
Principal payments	-		220	220	225
Interest	-		145	152	498
Capital improvements	1,267	3,591	5,778	7,346	4,808
Total expenditures	<u>15,619</u>	<u>19,763</u>	<u>21,838</u>	<u>28,971</u>	<u>24,848</u>
Excess (deficiency) of revenues over (under) expenditures	(161)	(2,840)	(3,811)	(5,402)	(656)
Other financing sources and (uses)					
Transfers in	2,789	1,410	5,135	774	4,390
Transfers out	(1,558)	(1,176)	(4,891)	(526)	(4,131)
Proceeds of notes payable	-	4,000	-	-	-
Principal repayment notes payable	-	-	-	-	(3,215)
Operating transfers to component unit	-	-	-	-	-
Issuance of debt	-	-	-	-	15,775
Bond discount	-	-	-	-	(255)
Total other financing sources (uses)	<u>1,231</u>	<u>4,234</u>	<u>244</u>	<u>248</u>	<u>12,564</u>
Net change in fund balances	<u>\$ 1,070</u>	<u>\$ 1,394</u>	<u>\$ (3,567)</u>	<u>\$ (5,154)</u>	<u>\$ 11,908</u>
Debt service as a percentage of noncapital expenditures	0.00%	0.00%	2.15%	1.63%	3.39%

Notes:

(1) Communications Service Tax implemented in FY 2002, previously reported as Utility Taxes and Franchise Fees.

Fiscal Year					
2006	2007	2008	2009	2010	
\$ 8,211	\$ 9,292	\$ 10,215	\$ 10,415	\$ 9,496	
1,931	1,989	1,970	2,056	2,414	
1,783	1,719	1,789	1,785	1,549	
2,063	2,153	2,031	2,262	2,349	
1,035	907	846	716	532	
2,369	2,202	2,125	1,885	1,911	
634	585	569	535	532	
1,383	2,446	2,191	1,635	1,985	
2,292	1,534	2,481	2,843	2,141	
387	553	420	490	1,183	
1,824	1,976	1,226	687	360	
1,594	1,406	1,373	1,717	1,808	
<u>25,506</u>	<u>26,762</u>	<u>27,236</u>	<u>27,026</u>	<u>26,260</u>	
5,299	5,978	4,854	4,631	4,821	
7,898	8,259	9,413	9,309	9,421	
568	524	546	658	523	
1,354	1,938	2,732	1,876	1,919	
3,939	3,865	4,024	3,785	3,585	
-	-	-	-	-	
1,165	310	315	325	335	
1,584	1,665	1,685	1,560	1,461	
<u>12,837</u>	<u>5,509</u>	<u>2,852</u>	<u>4,934</u>	<u>4,064</u>	
<u>34,644</u>	<u>28,048</u>	<u>26,421</u>	<u>27,078</u>	<u>26,129</u>	
(9,138)	(1,286)	815	(52)	131	
265	266	417	598	439	
(1)	(2)	(35)	(319)	(155)	
-	-	-	-	-	
-	-	-	-	-	
-	-	-	-	-	
13,865	-	-	-	-	
(47)	-	-	-	-	
<u>14,082</u>	<u>264</u>	<u>382</u>	<u>279</u>	<u>284</u>	
<u>\$ 4,944</u>	<u>\$ (1,022)</u>	<u>\$ 1,197</u>	<u>\$ 227</u>	<u>\$ 415</u>	
12.61%	8.76%	8.49%	8.51%	8.14%	

Schedule 5
City of Maitland, Florida
Assessed and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years
(amounts in Thousands)

Fiscal Year	Tax Roll	Real Property		Personal Property		Centrally Assessed Property	
		Taxable Value	Estimated Actual Value	Taxable Value	Estimated Actual Value	Taxable Value	Estimated Actual Value
2010	2009	\$ 2,116,842	\$ 2,716,564	\$ 215,565	\$ 242,934	\$ 509	\$ 589
2009	2008	2,295,640	3,032,739	240,819	279,324	496	551
2008	2007	2,273,085	2,997,668	266,233	286,524	179	179
2007	2006	1,976,893	2,607,653	265,034	284,683	438	438
2006	2005	1,697,939	2,196,338	259,441	278,493	438	438
2005	2004	1,560,999	1,853,819	254,468	254,468	695	695
2004	2003	1,543,176	1,825,614	278,421	278,421	621	621
2003	2002	1,343,521	1,622,120	245,359	266,854	420	420
2002	2001	1,279,372	1,522,188	247,774	269,045	393	393
2001	2000	1,173,671	1,380,597	240,803	260,759	434	434

Source: Orange County Property Appraiser

Note: Assessed values are determined as of January 1 for each fiscal year.
The difference between Taxable Value and Estimated Actual Value includes the various exemptions: i.e. government, disability, institutional, homestead, etc.

<u>Total</u>	<u>Total</u>	<u>Total</u>	<u>Taxable Value</u>	<u>Increase in</u>
<u>Taxable</u>	<u>Estimated</u>	<u>Direct</u>	<u>to Total</u>	<u>Taxable Value</u>
<u>Value</u>	<u>Actual Value</u>	<u>Tax Rate</u>	<u>Estimated</u>	
			<u>Actual Value</u>	
\$ 2,332,916	\$ 2,960,087	4.2850	78.8%	-8%
2,536,955	3,312,614	4.2400	76.6%	0%
2,539,497	3,284,371	4.1900	77.3%	13%
2,242,365	2,892,774	4.3000	77.5%	15%
1,957,818	2,475,269	4.3000	79.1%	8%
1,816,162	2,108,982	4.3000	86.1%	0%
1,822,218	2,104,656	3.8000	86.6%	15%
1,589,300	1,889,394	3.8000	84.1%	4%
1,527,539	1,791,626	3.4000	85.3%	8%
1,414,908	1,641,790	3.4000	86.2%	15%

Schedule 6
City of Maitland, Florida
Property Tax Rates
Direct and Overlapping Governments
Last Ten Fiscal Years

Fiscal Year	Tax Year	City of Maitland			Overlapping Rates			
		Operating Millage	Debt Service Millage	Total City Millage	Orange County	Orange County School Board	St. John's Water Management District	Total Direct & Overlapping Rates
2010	2009	3.8800	0.4050	4.2850	4.4347	7.6730	0.4158	16.8085
2009	2008	3.8800	0.3600	4.2400	4.4347	7.1500	0.4158	16.2405
2008	2007	3.8800	0.3100	4.1900	4.4347	7.1210	0.4158	16.1615
2007	2006	3.8800	0.4200	4.3000	5.1639	7.1690	0.4620	17.0949
2006	2005	3.8000	0.5000	4.3000	5.1639	7.7610	0.4620	17.6869
2005	2004	3.8000	0.5000	4.3000	5.1639	7.7610	0.4620	17.6869
2004	2003	3.8000	0.0000	3.8000	5.1639	7.8880	0.4620	17.3139
2003	2002	3.8000	0.0000	3.8000	5.1639	7.8780	0.4620	17.3039
2002	2001	3.4000	0.0000	3.4000	5.1639	8.4320	0.4620	17.4579
2001	2000	3.4000	0.0000	3.4000	5.1639	8.5770	0.4620	17.6029

Source: Orange County Property Appraiser Office.

Notes:

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

Schedule 7
City of Maitland, Florida
Principal Property Taxpayers
September 30, 2010

Taxpayer	2010			2001		
	Taxable Assessed Value ⁽¹⁾	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value ⁽¹⁾	Rank	Percentage of Total Taxable Assessed Value
Liberty Property LP	\$ 61,291	1	2.92%			
P Barnett Construction LTD Inc	51,863	2	2.47%			
Zom Maitland Summit LTD	37,527	3	1.79%			
FDG Maitland Promenade	37,365	4	1.78%			
CRP-2 Colonnades	37,142	5	1.77%			
Maitland Office Company, LLC	34,002	6	1.62%			
Orlando Sportsplex Ltd	33,122	7	1.58%			
MFM Owner LLC	29,979	8	1.43%			
Highwoods / DLF 98/29 LP	29,618	9	1.41%			
SCP-Capri Mg Owner, LLC	25,822	10	1.23%			
ASP WT LLC				\$ 40,789	1	3.48%
Orlando Sportsplex Ltd				36,590	2	3.23%
ITCR Maitland Center, LP				29,905	3	2.90%
CMD Realty Investment Fund II, LP				29,233	4	2.69%
Teachers Insurance & Annuity Assoc				28,403	5	2.32%
Highwoods / DLF 98/29 LP				27,848	6	2.21%
FBEC Maitland Colonnades				25,906	7	2.17%
Praedium IV Maitland Forum, Ltd				25,500	8	1.81%
RREEF America REIT Corp				21,299	9	1.58%
Maitland Hotel Associates				18,031	10	1.48%
Totals	<u>\$ 377,731</u>		<u>18.01%</u>	<u>\$ 283,504</u>		<u>23.87%</u>

Source: Orange County Property Appraiser

(1) Amounts in thousands.

Schedule 8
City of Maitland, Florida
Property Tax Levies and Collections
Last Ten Fiscal Years
(amounts in thousands)

Fiscal Year Ended September 30,	Total Tax Levy for Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2010	\$ 10,001	\$ 9,496	94.95%	\$ -	\$ 9,496	94.95%
2009	10,804	10,415	96.40%	2	10,417	96.42%
2008	10,649	10,215	95.92%	11	10,226	96.03%
2007	9,728	9,287	95.47%	20	9,307	95.67%
2006	8,419	8,122	96.47%	14	8,136	96.64%
2005	7,828	7,507	95.90%	44	7,551	96.46%
2004	6,931	6,636	95.74%	85	6,721	96.97%
2003	6,035	5,774	95.68%	3	5,777	95.72%
2002	5,200	4,983	95.83%	4	4,987	95.90%
2001	4,819	4,628	96.04%	18	4,646	96.41%

Sources: Orange County Tax Collector, Orange County Property Appraiser, Finance Department

Schedule 9
City of Maitland, Florida
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years
(amounts in thousands, except per capita)

Fiscal Year Ended September 30,	Governmental Activities			Business- Type Activities		Total Primary Government	Percentage of Personal Income	Per Capita
	Limited General Obligation Bonds Series 2005	Redevelopment Revenue Bonds	Suntrust Note Payable	Water & Sewer Revenue Bonds				
2010	\$ 13,325	\$ 13,865	\$ -	\$ -	\$ 27,190	3.20%	\$ 1,620	
2009	13,660	13,865	-	-	27,525	3.99%	1,704	
2008	13,985	13,865	-	-	27,850	3.94%	1,718	
2007	14,300	13,865	-	-	28,165	3.98%	1,754	
2006	14,610	13,865	-	-	28,475	4.23%	1,774	
2005	15,775	-	-	50	15,825	2.28%	935	
2004	-	-	3,440	95	3,535	0.54%	215	
2003	-	-	3,660	198	3,858	0.66%	251	
2002	-	-	3,880	298	4,178	0.77%	289	
2001	-	-	-	398	398	0.08%	30	

Note: Details regarding the city's outstanding debt can be found in the notes to the financial statements
Details regarding per capital, personal income and population can be found on Schedule 13.

** Information is not available.

Schedule 10
City of Maitland, Florida
Ratios of General Bonded Debt Outstanding
Last Ten Fiscal Years
(amounts in thousands, except per capita)

Fiscal Year Ended September 30,	General Bonded Debt Outstanding				Total	Percentage of Taxable Value of Property	Per Capita
	Limited General Obligation Bonds Series 2005	Redevelopment Revenue Bonds	Franchise Revenue Bonds				
2010	\$ 13,325	\$ 13,865	\$ -	\$ 27,190	1.07%	\$ 1,620	
2009	13,660	13,865	-	27,525	1.08%	1,704	
2008	13,985	13,865	-	27,850	1.10%	1,718	
2007	14,300	13,865	-	28,165	1.26%	1,749	
2006	14,610	13,865	-	28,475	1.45%	1,774	
2005	15,775	-	-	15,775	0.87%	932	
2004	-	-	-	-	0.00%	-	
2003	-	-	-	-	0.00%	-	
2002	-	-	-	-	0.00%	-	
2001	-	-	-	-	0.00%	-	

Note: Details regarding the city's outstanding debt can be found in the notes to the financial statements
See Schedule 5 for property value data
Population data can be found in Schedule 13.

** Information is not available.

Schedule 11
City of Maitland, Florida
Direct and Overlapping Governmental Activities Debt
As of September 30, 2010
(amounts in thousands)

Governmental Unit	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable¹</u>	<u>Share of Overlapping Debt</u>
Overlapping General Obligation Debt:			
Orange County Board of County Commissioners	\$ -		\$ -
Orange County School Board			
St. John's River Management District			
	<hr/>		<hr/>
City direct debt	27,190	100%	27,190
	<hr/>		<hr/>
Total direct and overlapping debt	<u>\$ 27,190</u>		<u>\$ 27,190</u>

Note:

(1) Ratio of assessed valuation of taxable property in overlapping unit to that within the City of Maitland.

Schedule 12
City of Maitland, Florida
Pledged-Revenue Coverage
Last Ten Fiscal Years
(amounts in thousands)

Fiscal Year Ended Sept 30,	Gross Revenues (2)	Operating Expenses (3)	Net Revenue Available for Debt Service (4)	Debt Service Requirements			Coverage
				Principal	Interest	Total	
2010	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	n/a
2009	-	-	-	-	-	-	n/a
2008	-	-	-	-	-	-	n/a
2007	-	-	-	-	-	-	n/a
2006	4,062	3,558	504	50	108	158	3.19
2005	3,669	3,111	558	45	5	50	11.16
2004	3,609	3,265	344	103	11	114	3.02
2003	3,035	2,889	146	100	16	116	1.26
2002	3,055	2,808	247	100	22	122	2.02
2001	3,223	2,515	708	90	23	113	6.27

Notes:

- (1) Includes Water and Sewer Revenue Bonds paid off in 2006.
- (2) Includes Utilities Fund Charges for Services.
- (3) Includes total operating expense less depreciation and amortization.
- (4) As defined by Ordinance.
- (5) The CRA Redevelopment Revenue Bonds were issued in 2006 and pledged revenues are the tax increment revenues of the Community Redevelopment Agency. The City issued a covenant to budget and appropriate from available non Ad valorem revenues of the City.

CRA Redevelopment Revenue Bonds (5)

Debt Service Requirements

Tax Increment Revenue	Principal	Interest	Total	Coverage
\$ 438	\$ -	\$ 642	\$ 642	68.2%
524	-	642	642	81.6%
403	-	642	642	62.8%
382	-	642	642	59.5%
280	-	341	341	82.1%
-	-	-	-	
-	-	-	-	
-	-	-	-	
-	-	-	-	
-	-	-	-	

Schedule 13
City of Maitland, Florida
Demographic and Economic Statistics
Last Ten Fiscal Years

Calendar Year	Population (1)	Per Capita Income (2)	Personal Income (in thousands)	Median Age (2)	Unemployment Rate (3)
2010	16,786	\$ 50,604	\$ 849,439	42.40	11.3
2009	16,150	42,719	689,912	43.10	11.8
2008	16,209	43,614	706,939	36.40	5.9
2007	16,100	43,931	707,289	*	4.0
2006	16,055	41,952	673,539	36.20	2.9
2005	16,919	40,946	692,765	36.05	3.5
2004	16,476	39,437	649,764	35.93	4.4
2003	15,360	38,103	585,262	35.73	5.2
2002	14,441	37,622	543,299	35.57	5.7
2001	13,237	36,769	486,711	35.38	4.2

Sources:

- (1) City of Maitland Community Development Department
- (2) Metro Orlando Economic Development Commission median age for Metro Orlando area from 2000 - 2008. Metro Orlando EDC median age for Maitland 2009. Per capita income for 2000 - 2008 is U.S. Census Bureau information 2000 U.S. Census Bureau information for Maitland adjusted by the South Urban Wage Earners and Clerical Workers CPI published by the U.S. Bureau of Labor Statistics. 2009 and 2010 figures are from Metro Orlando EDC estimates for Maitland.
- (3) State of Florida, Agency for Workforce Innovation, Orlando MSA annual averages.

* not available

Schedule 14
City of Maitland, Florida
Principal Employers
Current Year and Nine Years Ago

Employer	2010 ¹			2001 ²		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Clean Event	500	1	1.78%	*	*	*
First Data Merchant Services	400	2	1.43%	*	*	*
Welbro Building Corp	375	3	1.34%	*	*	*
Publix Supermarkets	350	4	1.25%	*	*	*
CTX Mortgage Co	300	5	1.07%	*	*	*
Fidelity	275	6	0.98%	*	*	*
Concord Management LTD	250	7	0.89%	*	*	*
Sprint/Nextel	250	8	0.89%	*	*	*
Suntrust	215	9	0.77%	*	*	*
Rehabilitation Services, WP	210	10	0.75%	*	*	*
Total	3,125		11.15%			

Source: State of Florida, Agency for Workforce Innovation

Note 1: The City of Maitland has an estimated daytime population of 25,477.

Note 2: * Information is not available.

Schedule 15
City of Maitland, Florida
Operating Indicators by Function
Last Ten Fiscal Years

Function	Fiscal Year				
	2010	2009	2008	2007	2006
Police					
Non-designated patrol hours	14,253	17,476	18,263	18,075	18,149
Crash investigations	692	695	686	803	845
Criminal investigations	388	269	263	334	336
911 Calls Received	*	5,053	7,521	10,397	9,708
Fire / Rescue					
Emergency calls	1,716	1,655	1,626	1,783	1,774
Non-emergency calls	*	*	381	373	255
Public education contact hours	4,245	3,347	4,871	6,030	5,416
Construction inspections	368	528	543	815	1,197
Building and Code Compliance					
Building permit applications	517	476	486	540	695
Construction inspections	3,553	7,161	6,455	5,662	8,304
Code enforcement complaints	486	451	349	244	179
Code enforcement cases	22	17	20	25	36
Transportation					
Paved miles to maintain	57	57	57	57	57
Number of potholes repaired	130	224	342	254	244
Sidewalks/bike paths built or repaired (sq. feet)	11,997	23,241	10,540	4,360	12,788
Physical environment					
Number of curb miles swept	4,675	3,808	4,609	5,163	4,584
Acres of weed surveyed	4,454	3,440	4,278	2,152	1,774
Culture and recreation					
Community Events Participants	24,860	9,150	10,425	6,050	11,875
Farmers Market Attendance	*	112,000	45,000	*	*
Adult & Youth Basketball Participants Served	-	-	772	1,705	1,505
Senior Center Programs	181	110	105	124	126
Water and Wastewater					
Wastewater collections (millions)	922	549	465	420	421
Linear feet of sewer pipe cleaned/inspected	7,327	4,349	11,200	1,960	12,500
Number of customers	3,748	3,716	3,798	3,788	3,783
Water plant average daily flow (millions)	2.5	2.7	2.8	3.0	3.0
Gallons of water produced, in millions	932.00	988.00	1,036.00	1,102.67	1,088.47
Meter repairs and inspections	830	823	663	982	1,026
General Government					
Development applications received	14	16	21	44	25
Vehicle and small equipment repairs	737	900	900	1,322	1,251
Occupational Licenses issued	3,500	3,100	3,673	3,000	2,897
Accidents & Injuries reviewed	78	80	47	85	59
Geographic & Cartographic requests processed	418	452	359	555	531
Purchase orders processed	1,070	1,236	1,225	1,543	1,622
A/P Checks issued	4,043	3,858	4,026	4,386	4,710

Source: City of Maitland, Office of Management & Budget

Notes

* Information not available

Fiscal Year					
<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>	
20,646	20,428	19,872	18,782	18,035	
855	829	853	848	896	
327	348	273	316	425	
9,475	7,058	8,570	7,868	6,958	
1,819	1,921	1,882	1,851	1,838	
174	154	146	126	184	
6,062	7,017	5,651	6,006	6,194	
543	530	395	376	461	
885	846	785	707	829	
6,091	4,758	4,202	3,435	3,805	
193	297	285	315	341	
44	27	57	61	42	
56	57	56	45	45	
236	232	*	*	*	
3,429	3,426	4,606	3,723	8,162	
3,519	5,915	4,032	4,147	3,921	
1,552	1,225	1,610	1,395	1,605	
6,526	5,700	2,150	*	*	
*	*	*	*	*	
1,292	1,655	1,618	625	618	
119	*	*	*	*	
345	344	310	326	467	
44,000	21,110	45,800	4,500	3,200	
3,707	*	*	*	*	
2.9	2.9	2.7	2.6	3.1	
1,048.99	1,046.11	996.51	1,044.82	1,118.54	
819	581	1,907	669	984	
29	26	27	25	26	
925	1,312	1,074	1,151	646	
3,737	3,472	3,422	2,700	3,000	
68	77	28	25	16	
374	410	453	191	107	
1,701	2,012	2,590	1,178	816	
4,784	4,955	5,097	6,360	6,001	

Schedule 16
City of Maitland, Florida
Capital Asset Statistics by Function
Last Ten Fiscal Years

Function	Fiscal Year				
	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>
Public safety					
Police:					
Stations	1	1	1	1	1
Patrol units	33	34	36	37	39
Fire stations	1	1	1	2	2
Transportation					
Streets - paved (miles)	51	55	56	57	56
Streets - unpaved (miles)	1	1	3	3	3
Culture and recreation					
Park acreage	102	102	102	147	154
Parks	16	16	16	16	17
Tennis courts	10	10	10	10	10
Community centers	1	1	1	1	1
Library	1	1	1	1	1
Historical Museums	4	4	4	4	4
Water					
Water mains (miles)	79	79	78	78	78
Fire hydrants	526	526	565	583	583
Maximum daily capacity (mil gallons)	*	12.96	12.84	12.84	12.84
Wastewater					
Sanitary sewers (miles)	49	49	50	52	52
Storm sewers (miles)	20	20	22	22	22
General Government					
Square footage of buildings	*	*	*	103,963	131,111
City vehicles - non patrol	*	*	*	*	*

Source: City of Maitland - various Departments.

Notes

* Information not available

Fiscal Year				
<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
1	1	1	1	1
39	39	39	43	44
2	2	2	2	2
57	57	57	57	57
3	3	3	3	3
154	154	154	154	154
17	17	17	17	17
10	9	7	7	7
1	1	1	1	1
1	1	1	1	1
4	4	4	4	4
80	81	82	82	94
653	664	656	658	688
12.84	12.84	12.84	12.84	12.84
59	60	61	61	61
22	25	25	25	25
123,400	123,400	123,400	140,400	140,400
61	61	61	62	62

Schedule 17
City of Maitland, Florida
Full-time Equivalent City Government Employees by Function
Last Ten Fiscal Years

Full-time Equivalent Employees as of September 30,										
Function	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
General Government	34	34	35	34	32	32	30	29	30	29
Public Safety:										
Police										
Sworn Officers	45	43	42	42	42	42	43	43	43	41
Civilians	8	9	11	11	11	11	10	10	10	10
Fire										
Firefighters and officers	43	43	43	42	43	40	40	34	34	28
Civilians	2	2	2	2	1	1	1	1	1	1
Building & Life Safety	8	8	8	8	9	8	8	8	8	8
Public Works	66	65	65	64	64	63	63	56	55	51
Parks and Recreation	9	9	9	11	12	12	12	12	11	11
Total	215	213	215	214	214	209	207	193	192	179

Source: City of Maitland Personnel Division

Compliance Section

**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**

Honorable Mayor and City Council
City of Maitland, Florida

We have audited the financial statements of *City of Maitland, Florida*, as of and for the year ended September 30, 2010, and have issued our report thereon dated May 12, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion 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's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management of employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. *A material weakness* is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected on a timely basis.

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City'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*.

MCDIRMIT DAVIS & COMPANY, LLC
605 E. ROBINSON STREET, SUITE 635 • ORLANDO, FLORIDA 32801
TELEPHONE 407-843-5406 • FAX 407-649-9339 • EMAIL: INFO@MCDIRMITDAVIS.COM

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

McDiernit Davis & Company LLC

May 12, 2011

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE
WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE IN
ACCORDANCE WITH OMB CIRCULAR A-133**

Honorable Mayor and City Council
City of Maitland, Florida

Compliance

We have audited City of Maitland, Florida's (the City) compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended September 30, 2010. The City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the City's management. Our responsibility is to express an opinion on the City's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133, require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the City's compliance with those requirements.

In our opinion, the City complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2010.

MCDIRMIT DAVIS & COMPANY, LLC
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Internal Control over Compliance

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs and state projects. In planning and performing our audit, we considered the City's internal control over compliance with the requirements that could have a direct and material effect on a major federal program or state project to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with the type of compliance requirement of a federal program or state project on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program or state project will not be prevented, or detected and corrected, on a timely basis.

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

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

McDiarmid Davis & Company, LLC

May 12, 2011

CITY OF MAITLAND, FLORIDA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year Ended September 30, 2010

Award type	Federal grantor	Federal CFDA Number	Agency or Pass-through Entity Grant Number	Federal Expenditures
Pass-through grantor	Program title			
ARRA federal awards -				
United States Department of Transportation				
	passed through State of Florida, Department of Transportation			
	Highway Planning and Construction (Federal-Aid Highway Program) *	20.205	ARRA #647-B / 428093-1-58-01	\$ 13,799
United States Department of Justice				
	passed through State of Florida, Department of Law Enforcement			
	Edward Byrne Memorial Justice Assistance Grant (JAG) Program	16.803	2010-ARRC-ORAN-21-W7-219	31,500
	Edward Byrne Memorial Justice Assistance Grant (JAG) Program	16.804	2010-JAGC-ORAN-5-4X-111	15,000
Other federal awards -				
United States Department of Transportation				
	passed through State of Florida, Department of Transportation			
	Highway Planning and Construction (Federal-Aid Highway Program) *	20.205	S117-002-R/42572-1-58-01	163,589
	Highway Planning and Construction (Federal-Aid Highway Program) *	20.205	SFT1-198-R/423856-1-38/58-01	49,802
United States Department of Justice				
	COPS Technology Grant	16.710	2009CKWX0540/FL04802	61,686
	Ballistic Vest Program	16.607	Various	5,868
United States Department of Homeland Security				
	Federal Emergency Management Agency(FEMA):			
	Assistance to Firefighters Grant*	97.044	EMW-2009-FO-10509	47,500
Department of Housing and Urban Development				
	Economic Development Incentive Grant	14.246	B02-SP-FL-0138	<u>158,995</u>
	Total federal awards			<u>\$ 547,739</u>

* Denotes a major program

See Accompanying Notes to Schedule of Federal Awards

CITY OF MAITLAND, FLORIDA

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year Ended September 30, 2010

Note 1 - Basis of Presentation:

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal grant activity of the *City of Maitland, Florida* (the "City") under programs of the federal government for the year ended September 30, 2010. The information in this Schedule is presented in accordance with the requirements of the Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Because the Schedule presents only a selected portion of the operations of the City, it is not intended to and does not present the financial position, changes in net assets or cash flows of the City.

Note 2 - Summary of Significant Accounting Policies:

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in OMB Circular A-87, *Cost Principles for State, Local, and Indian Tribal Governments*, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. Pass-through entity identifying numbers are presented where available.

CITY OF MAITLAND, FLORIDA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS -
FEDERAL AWARD PROGRAMS

Year Ended September 30, 2010.

Part A - Summary of Auditor's Results:

1. The auditor's report expresses an unqualified opinion on the financial statements of the *City of Maitland, Florida* (the "City").
2. No significant deficiencies relating to the audit of the financial statements are reported in the 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*.
3. No instances of noncompliance material to the financial statements of the City, which would be required to be reported in accordance with *Government Auditing Standards*, were disclosed during the audit.
4. No significant deficiencies relating to the audit of the major federal award programs are reported in the Independent Auditor's Report on Compliance with Requirements Applicable to each Major Program and on Internal Control over Compliance in Accordance with OMB Circular A-133.
5. The auditor's report on compliance for the major federal award programs for the City expresses an unqualified opinion on all major federal programs.
6. Audit findings that are required to be reported in accordance with Section 510(a) OF OMB Circular A-133 are reported in this Schedule.
7. The programs tested as major programs included: Department of Transportation Highway Planning and Construction (Federal-aid highway program (CFDA 20.205) and Department of Homeland Security FEMA Assistance to Firefighters Grant (CFDA 97.044).
8. The threshold used for distinguishing between Type A and B programs was \$300,000.
9. The City did not qualify as a low-risk auditee.

Part B - Findings - Financial Statement Audit:

None

Part C - Findings and Questioned Costs - Major Federal Award Programs Audit:

None

MANAGEMENT LETTER

Honorable Mayor and City Council
City of Maitland, Florida

We have audited the financial statements of the City of *Maitland, Florida*, as of and for the fiscal year ended September 30, 2010, and have issued our report thereon dated May 12, 2011.

We conducted our audit in accordance with United States generally accepted auditing standards; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. We have issued our Report on Internal Control over Financial Reporting and on Compliance and Other Matters, as well as the Report on Compliance with Requirements Applicable to each Major Federal Program and Internal Control over Compliance in Accordance with OMB Circular A-133, and Schedule of Findings and Questioned Costs. Disclosures in those reports and schedules, which are dated May 12, 2011 should be considered in conjunction with this management letter.

Additionally, our audit was conducted in accordance with the provisions of Chapter 10.550, Rules of the Auditor General, which govern the conduct of local governmental entity audits performed in the State of Florida, and unless otherwise required to be reported in the report on compliance and internal controls, this letter is required to include the following information.

- Section 10.554(1)(i)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address significant findings and recommendations made in the preceding annual financial audit report. There were no prior year comments.
- Section 10.554(1)(i)2., Rules of the Auditor General, requires our audit to include a review of the provisions of Section 218.415, Florida Statutes, regarding the investment of public funds. In connection with our audit, we determined that the *City of Maitland, Florida* complied with Section 218.415, Florida Statutes.
- Section 10.554(1)(i)3., Rules of the Auditor General, requires that we address in the management letter any findings and recommendations to improve financial management, accounting procedures, and internal controls. In connection with our audit, we did not have any such findings.
- Section 10.554(1)(i)4., Rules of the Auditor General, requires that we address violations of provisions of contracts and grant agreements or abuse that have an effect on the financial statements that is less than material but more than inconsequential. In connection with our audit, we did not have any such findings.

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- Section 10.554(1)(i)5., Rules of the Auditor General, requires based on professional judgment, the reporting of the following matters that are inconsequential to the financial statements, considering both quantitative and qualitative factors: (1) violations of laws, rules, regulations, and contractual provisions or abuse that have occurred, or were likely to have occurred, and would have an immaterial effect on the financial statements; (2) improper expenditures or illegal acts that would have an immaterial effect on the financial statements; and (3) control deficiencies that are not significant deficiencies, including, but not limited to; (a) improper or inadequate accounting procedures (e.g., the omission of required disclosures from the financial statements); (b) failures to properly record financial transactions; and (c) other inaccuracies, shortages, defalcations, and instances of fraud discovered by, or that come to the attention of, the auditor. In connection with our audit, we did not have any such findings.
- Section 10.554(1)(i)6., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. This information has been disclosed in the notes to the financial statements.
- Section 10.554(1)(i)7.a., Rules of the Auditor General, requires a statement be included as to whether or not the local governmental entity has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and identification of the specific condition(s) met. In connection with our audit, we determined that the *City of Maitland, Florida* did not meet any of the conditions described in Section 218.503(1), Florida Statutes.
- Section 10.554(1)(i)7.b., Rules of the Auditor General, requires that we determine whether the annual financial report for the *City of Maitland, Florida* for the fiscal year ended September 30, 2010, filed with the Florida Department of Financial Services pursuant to Section 218.32(1)(a), Florida Statutes, is in agreement with the annual financial audit report for the fiscal year ended September 30, 2010. We determined that these two reports are in agreement.
- Sections 10.554(1)(i)7.c. and 10.556(7), Rules of the Auditor General, require that we apply financial condition assessment procedures. In connection with our audit, we applied financial condition assessment procedures. It is management's responsibility to monitor the entity's financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information provided by same.

This management letter is intended solely for the information of management, the City Council and the Florida Auditor General, and is not intended to be and should not be used by anyone other than these specified parties.

McDiernit Davis & Company, LLC

May 12, 2011



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