

**CITRUS ADMINISTRATIVE COMMITTEE**  
**FEDERAL CITRUS MARKETING ORDER #905, AS AMENDED**  
**FINANCIAL STATEMENTS**  
**YEARS ENDED JULY 31, 2009 AND 2008**  
**TOGETHER WITH INDEPENDENT AUDITORS' REPORT**



The Committee Members and Alternates  
Citrus Administrative Committee  
Lakeland, Florida

### **INDEPENDENT AUDITORS' REPORT**

We have audited the accompanying statements of financial position of the Citrus Administrative Committee as of July 31, 2009 and 2008, and the related statements of changes in net assets, functional expenses, and cash flows for the years then ended. These financial statements are the responsibility of the Committee's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with U.S. generally accepted auditing standards 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 audits 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 audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Citrus Administrative Committee at July 31, 2009 and 2008, and the changes in net assets and cash flows for the years then ended, in conformity with U.S. generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 2, 2009, on our consideration of Citrus Administrative Committee's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

*Dearolf & Mereness LLP*

Tampa, Florida  
November 2, 2009

**CITRUS ADMINISTRATIVE COMMITTEE  
STATEMENT OF FINANCIAL POSITION  
JULY 31, 2009 AND 2008**

<b>ASSETS</b>	<b><u>2009</u></b>	<b><u>2008</u></b>
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 184,827	\$ 176,668
Assessments receivable	9,225	7,168
Prepaid expenses	<u>10,047</u>	<u>11,074</u>
TOTAL CURRENT ASSETS	204,099	194,910
<b>FURNITURE AND EQUIPMENT</b>		
Furniture and equipment, net of accumulated depreciation of \$13,582 and \$14,065 for 2009 and 2008, respectively	<u>2,618</u>	<u>1,083</u>
TOTAL ASSETS	<u><u>\$ 206,717</u></u>	<u><u>\$ 195,993</u></u>
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable	\$ 7,500	\$ 8,054
Assessment refunds payable	77,229	72,976
Payroll taxes payable	<u>8,000</u>	<u>-</u>
TOTAL CURRENT LIABILITIES	92,729	81,030
<b>NET ASSETS</b>		
Unrestricted	<u>113,988</u>	<u>114,963</u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 206,717</u></u>	<u><u>\$ 195,993</u></u>

**CITRUS ADMINISTRATIVE COMMITTEE  
STATEMENT OF CHANGES IN NET ASSETS  
YEARS ENDED JULY 31, 2009 AND 2008**

	<u>2009</u>	<u>2008</u>
<b>REVENUES</b>		
Assessments from handlers, net of uncollectible assessments of \$-0- in 2009 and \$1,333 in 2008	\$ 230,787	\$ 237,964
Other income	<u>473</u>	<u>811</u>
<b>TOTAL REVENUES</b>	<u>231,260</u>	<u>238,775</u>
<b>EXPENSES</b>		
Program services	198,528	201,334
Management and general	<u>29,453</u>	<u>28,593</u>
<b>TOTAL EXPENSES</b>	<u>227,981</u>	<u>229,927</u>
<b>CHANGE IN NET ASSETS FROM OPERATIONS</b>	3,279	8,848
<b>OTHER CHANGES IN NET ASSETS</b>		
Increase in assessments to be refunded to shippers	<u>(4,254)</u>	<u>(6,339)</u>
<b>CHANGE IN NET ASSETS</b>	(975)	2,509
<b>NET ASSETS - BEGINNING OF YEAR</b>	<u>114,963</u>	<u>112,454</u>
<b>NET ASSETS - END OF YEAR</b>	<u><u>\$ 113,988</u></u>	<u><u>\$ 114,963</u></u>

**CITRUS ADMINISTRATIVE COMMITTEE  
STATEMENT OF FUNCTIONAL EXPENSES  
YEARS ENDED JULY 31, 2009 AND 2008**

	<b>2 0 0 9</b>		
	<b>Total</b>	<b>Program Services</b>	<b>Management and General</b>
<b>EXPENSES</b>			
Salaries	\$ 112,000	\$ 108,000	\$ 4,000
Information and statistical services - Florida			
Dept. of Agriculture and Consumer Services	25,000	25,000	-
Retirement plan	17,600	16,971	629
Insurance and bonds	14,532	10,899	3,633
Accounting and auditing	14,430	-	14,430
Payroll taxes	9,411	9,075	336
Office rental	8,946	6,710	2,236
Travel	7,706	7,706	-
Telephone	5,530	4,148	1,382
Office supplies and stationery	4,272	3,204	1,068
Compliance and contract services	-	-	-
Repairs and maintenance - office equipment	3,183	2,387	796
Committeemen - travel and meetings	1,599	1,599	-
Postage	1,312	984	328
Miscellaneous	1,278	959	319
Depreciation	794	596	198
Statistical service and subscriptions	290	290	-
Loss on disposal of assets	98	-	98
<b>TOTAL EXPENSES</b>	<b>\$ 227,981</b>	<b>\$ 198,528</b>	<b>\$ 29,453</b>

<b>2 0 0 8</b>		
<b>Total</b>	<b>Program Services</b>	<b>Management and General</b>
\$ 112,000	\$ 108,000	\$ 4,000
25,000	25,000	-
17,600	16,971	629
14,488	10,866	3,622
13,880	-	13,880
8,697	8,386	311
6,852	5,139	1,713
6,436	6,436	-
5,639	4,229	1,410
5,405	4,054	1,351
5,000	5,000	-
2,875	2,156	719
2,004	2,004	-
1,468	1,101	367
1,346	1,010	336
1,022	767	255
215	215	-
-	-	-
<u>\$ 229,927</u>	<u>\$ 201,334</u>	<u>\$ 28,593</u>

**CITRUS ADMINISTRATIVE COMMITTEE  
STATEMENT OF CASH FLOWS  
YEARS ENDED JULY 31, 2009 AND 2008**

	<b>2009</b>	<b>2008</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ (975)	\$ 2,509
Adjustments to reconcile change in net assets to net cash flows from operations:		
Depreciation	794	1,022
Loss on disposal of equipment	97	-
Changes in assets and liabilities:		
(Increase) in receivables	(2,057)	(536)
(Increase) decrease in prepaid expenses	1,027	(3,570)
Increase (decrease) in accounts payable	(554)	1,554
Increase in assessment refunds payable	4,253	6,340
Increase in payroll taxes payable	8,000	-
	10,585	7,319
<b>CASH FLOWS PROVIDED BY OPERATING ACTIVITIES</b>		
	10,585	7,319
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of equipment	(2,426)	-
	(2,426)	-
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>		
	8,159	7,319
<b>CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR</b>		
	176,668	169,349
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>		
	\$ 184,827	\$ 176,668

**CITRUS ADMINISTRATIVE COMMITTEE**  
**NOTES TO FINANCIAL STATEMENTS**  
**JULY 31, 2009 AND 2008**

**Note 1 - Organization and Summary of Significant Accounting Policies**

**Organization** - The Citrus Administrative Committee (the Committee) was formed on February 22, 1939, by Federal Marketing Order 905, as amended. Federal Order 905 is administered by the United States Department of Agriculture. All decisions on marketing agreements and order actions are made by the Secretary of Agriculture based upon recommendations from Committee members.

The principal purpose and activity of the Committee is to regulate the handling of interstate shipments of fresh oranges, grapefruits, temples, tangerines, tangelos, and murcotts produced in the Interior, Gulf, and Indian River Districts of Florida.

**Use of Estimates** - The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**Fair Value of Financial Instruments** - Fair value of a financial instrument is the amount at which the instrument could be exchanged in a current transaction between willing parties. The carrying amounts reported in the statements of financial position for cash and cash equivalents, receivables, and accounts payable approximated fair value because of the immediate or short-term maturities of these financial instruments.

**Cash and Cash Equivalents** - For purposes of cash flows, the Committee considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents.

**Concentration of Credit Risk** - The Committee derives all of its assessment revenue from citrus shippers located within Florida.

The Committee maintains cash accounts at one institution in central Florida. The institution is insured by the Federal Deposit Insurance Corporation up to statutory limits (\$250,000 at July 31, 2009). At July 31, 2009, the Committee had no uninsured cash balances.

**Depreciation** - The Committee provides for depreciation on straight-line and accelerated methods using estimated useful lives of five to seven years.

**Accounts Receivable** - Accounts receivable are recorded net of an allowance for doubtful accounts. The allowance is based on prior bad debt experience and a review of the existing receivables. Based on these procedures, no allowance for doubtful accounts was provided at July 31, 2009 and 2008. Receivables are classified as past due if they are uncollected 30 days after the assessment date. These receivables are charged off against the allowance for doubtful accounts when management determines collection efforts have been exhausted. No late payment charges are assessed on delinquent accounts.

**Income Taxes** - The Committee is exempt from federal and state income taxes.

**Revenue Recognition** - The Committee derives operating revenue principally from a per box assessment on grower members' fruit which is paid by the handlers. The assessment was \$.0072 per equivalent 4/5 bushel box for the years ended July 31, 2009 and 2008.

**CITRUS ADMINISTRATIVE COMMITTEE  
NOTES TO FINANCIAL STATEMENTS  
JULY 31, 2009 AND 2008**

**Note 2 - Net Assets**

The Marketing Order provides for the accumulation of funds from the excess of revenues over expenses as incurred each fiscal year for the purpose of meeting future operating expenses as well as the expense of liquidation in the event of termination of the Order. The total accumulation of the net assets cannot exceed 50% of one year's expenses.

In the event any excess of revenue over expense is distributed at the end of any given fund year, each handler is entitled to receive his proportionate share of such excess as a credit to his account or in cash. Such a distribution of the excess to each handler is determined on the basis of the quantity of fruit shipped by all handlers during the same period.

**Note 3 - Retirement Plan**

The Committee has a defined contribution pension plan covering all full-time employees who have been employed by the Committee for one continuous year. The minimum age to qualify under the Plan is 21 and the normal retirement date is at age 65. With consent of the Committee, a participant may postpone retirement to age 72.

The Committee contributed \$16,800 to the retirement plan for the years ended July 31, 2009 and 2008. Additionally, the Committee paid administrative fees of \$800 in 2009 and 2008.