



STATE OF FLORIDA
DEPARTMENT OF CITRUS

1115 E. MEMORIAL BLVD./P.O. BOX 148/LAKELAND, FLORIDA 33802-0148



KENNETH O. KECK
EXECUTIVE DIRECTOR
Phone: 863-499-2500
Fax: 863-284-4300

STEPHEN W. RYAN
CHAIRMAN
FLORIDA CITRUS COMMISSION

August 10, 2006

Florida Citrus Commission
Lakeland, Florida

Submitted herewith is the Annual Financial Report of the Florida Department of Citrus for the year ending June 30, 2006. This report has been prepared in conformance with generally accepted accounting principles as prescribed in pronouncements of the Governmental Accounting Standards Board. Every effort has been made to ensure that all financial transactions were conducted and records maintained in a complete and accurate manner.

Marketing and research expenditures in 2005-06 accounted for approximately 90% of total expenditures. Revenue and expenditures have substantially declined over the past two seasons due to the effects of hurricanes on the Florida citrus crop. Details of all departmental expenditures are included in this financial report.

		2004-05	2005-06
Revenue	-Assessments	\$30,393,383	\$33,285,320
	-General Revenue/ Federal Hurricane Relief	14,000,000	1,952,000
	-FAS Program	4,456,328	5,192,844
	-Interest & Other	1,408,992	1,822,889
		\$50,258,703	\$42,253,053
Expenditures	-Marketing	\$42,238,880	\$36,763,841
	-Research	4,679,508	4,454,192
	-Other	5,005,574	4,656,058
		\$51,923,962	\$45,874,091

The direction given by the Florida Citrus Commission and the cooperation of the Florida Citrus Industry to implement current marketing programs is sincerely appreciated.

Debra J. Funkhouser
Comptroller

FLORIDA DEPARTMENT OF CITRUS

TABLE OF CONTENTS

Combined Balance Sheet	1
Statement of Changes in Fund Balances	2
Comparative Statement of Revenue and Expenditures	3
Cash Flow Statement	4
Statement of Revenue, Expenditures and Fund Balances by Fruit Variety	5
Notes to Financial Statements	6
Comparative Expenditures-General Operations	12
Comparative Schedule of Budgets	13
Ten-Year History of Operations	14
Citrus Advertising Tax Rates	15
Comparative Schedule of Revenue Boxes	16
Budgeted Revenue	17
Budgeted Expenditures by Category	18

FLORIDA DEPARTMENT OF CITRUS

COMBINED BALANCE SHEET

JUNE 30, 2006

	SPECIAL REVENUE FUNDS	COMBINED GENERAL ACCOUNT GROUPS	TOTAL (MEMORANDUM ONLY)
ASSETS			
Cash and Cash Equivalents	\$752,541		\$752,541
Pooled Investments with State Treasury (See Note A.5.)	9,563,429		9,563,429
Grants Receivable	2,396,953		2,396,953
Development Loans Receivable	1,743,300		1,743,300
Interest Receivable	30,720		30,720
Prepaid Assets	10,949		10,949
Inventories	578,742		578,742
Deferred Charges-Current	500,000		500,000
-Long Term		500,000	500,000
Fixed Assets at Cost			
Land		246,125	246,125
Buildings		763,452	763,452
Equipment and Autos		3,007,142	3,007,142
Other Fixed Assets		2,990	2,990
Less: Accumulated Depreciation		(2,950,546)	(2,950,546)
Total Assets	\$15,576,634	\$1,569,163	\$17,145,797
LIABILITIES			
Accounts Payable	\$3,659,869		\$3,659,869
Due to Other State Agencies	600,088		600,088
Compensated Absences - Non-Current		764,454	764,454
Other Liabilities	539,806		539,806
Other Liabilities - Non-Current		500,000	500,000
Total Liabilities	4,799,763	1,264,454	6,064,217
FUND EQUITY			
Invested in General Account Groups		304,709	304,709
Fund Balances			
Designated	9,596,871		9,596,871
Undesignated	1,180,000		1,180,000
Total Fund Equity	10,776,871	304,709	11,081,580
Total Liabilities & Fund Equity	\$15,576,634	\$1,569,163	\$17,145,797

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

FLORIDA DEPARTMENT OF CITRUS

STATEMENT OF CHANGES IN FUND BALANCES

FISCAL YEAR ENDED JUNE 30, 2006

<u>DESCRIPTION</u>	<u>FLORIDA CITRUS ADVERTISING TRUST FUND</u>	<u>CITRUS STABILIZATION FUND</u>	<u>TOTAL ALL FUNDS</u>
Fund Balances, July 1	\$13,069,320	\$451,370	\$13,520,690
Adjustments to Fund Balances	<u>870,904</u>	<u>6,315</u>	<u>877,219</u>
Fund Balances, July 1, as restated	13,940,224	457,685	14,397,909
Revenue	42,253,053	0	42,253,053
Expenditures	<u>45,442,276</u>	<u>431,815</u>	<u>45,874,091</u>
Fund Balances, June 30			
Designated	9,571,001	25,870	9,596,871
Undesignated	<u>1,180,000</u>	<u>0</u>	<u>1,180,000</u>
TOTAL	<u><u>\$10,751,001</u></u>	<u><u>\$25,870</u></u>	<u><u>\$10,776,871</u></u>

FLORIDA DEPARTMENT OF CITRUS
COMPARATIVE STATEMENT OF REVENUE AND EXPENDITURES
FISCAL YEARS ENDING JUNE 30, 2005 AND 2006

DESCRIPTION	JUNE 30, 2005	INCREASE/ (DECREASE)	JUNE 30, 2006
REVENUE			
Assessment on Domestic Fruit			
Orange	\$24,734,252	\$1,338,189	\$26,072,441
Grapefruit	3,066,245	1,542,194	4,608,439
Specialty	1,201,678	203,185	1,404,863
	<u>29,002,175</u>	<u>3,083,568</u>	<u>32,085,743</u>
Assessment on Imported Product			
Orange	1,286,466	(114,118)	1,172,348
Grapefruit	104,742	(77,513)	27,229
	<u>1,391,208</u>	<u>(191,631)</u>	<u>1,199,577</u>
Total Assessment	30,393,383	2,891,937	33,285,320
General Revenue Hurricane Relief	10,000,000	(10,000,000)	0
Investment Earnings	305,802	(93,643)	212,159
Other Income	522,102	(131,359)	390,743
Federal Appropriation - Research	581,088	638,899	1,219,987
Federal Appropriation - Marketing	4,000,000	(2,048,000)	1,952,000
Foreign Agricultural Service (FAS) Program	4,456,328	736,516	5,192,844
TOTAL REVENUE	<u>\$50,258,703</u>	<u>(\$8,005,650)</u>	<u>\$42,253,053</u>
EXPENDITURES			
Commission Special Legal	\$585,003	(\$67,344)	\$517,659
Administrative and Support Services	3,403,457	(377,407)	3,026,050
State General Revenue Charge	1,017,114	95,234	1,112,348
Research & Development - General Operations	1,907,278	(689,824)	1,217,454
Scientific Research-Product Research	814,338	138,273	952,611
Scientific Research-Harvesting	794,260	166,992	961,252
Economic and Market Research	1,163,632	159,242	1,322,874
Subtotal Non-Marketing	<u>9,685,082</u>	<u>(574,833)</u>	<u>9,110,249</u>
Marketing			
Marketing/Public Relations - General Operations	1,637,273	(458,805)	1,178,468
Public Relations Programs	3,828,477	(727,101)	3,101,376
Processed Orange Promotions	26,303,043	(5,415,755)	20,887,288
Processed Grapefruit Promotions	60,601	(60,601)	0
Fresh/Gift Fruit and Fundraising	1,670,105	(967,669)	702,436
Consumer/Trade/Industry Comm	2,219,748	573,971	2,793,719
International Marketing	6,519,633	1,580,923	8,100,556
Subtotal Marketing	<u>42,238,880</u>	<u>(5,475,039)</u>	<u>36,763,841</u>
TOTAL EXPENDITURES	<u>\$51,923,962</u>	<u>(\$6,049,871)</u>	<u>\$45,874,091</u>
EXCESS (DEFICIT) OF REVENUE OVER EXPENDITURES	<u>(\$1,665,259)</u>	<u>(\$1,955,779)</u>	<u>(\$3,621,038)</u>

FLORIDA DEPARTMENT OF CITRUS

CASH FLOW STATEMENT

FISCAL YEAR ENDED JUNE 30, 2006

Operating Income (Loss) \$ (12,304,958)

Adjustments to reconcile operating income
to net cash provided by operating activities:

Net loss on disposal of assets 14,500
Depreciation expense 237,975

CASH FLOWS FROM OPERATING ACTIVITIES

Change in assets and liabilities:

(Increase) decrease in receivables (466,341)
(Increase) decrease in prepaids 534
(Increase) decrease in inventories 2,006
Increase (decrease) in accounts payable (1,413,920)
Increase (decrease) in due to other state agencies (349,257)
Increase (decrease) in compensated absences -
Increase (decrease) in other liabilities 26,906

Net cash provided (used) by operating activities (14,252,555)

CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES

Cash received from grants 8,364,831

Net cash provided (used) by noncapital financing activities 8,364,831

CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES

Cash receipts from sale of capital assets 1,401
Purchase of capital assets (146,946)

Net cash (used) by capital and related financing activities (145,545)

CASH FLOWS FROM INVESTING ACTIVITIES

Investment earnings 212,159

Net cash provided (used) by investing activities 212,159

Net increase (decrease) in cash and cash equivalents (5,821,110)

Cash and cash equivalents - beginning of period 16,137,080

Cash and cash equivalents - end of period \$ 10,315,970

FLORIDA DEPARTMENT OF CITRUS

STATEMENT OF REVENUE, EXPENDITURES AND FUND BALANCES BY FRUIT VARIETY

FISCAL YEAR ENDED JUNE 30, 2006

	TOTAL	PROCESSED ORANGE	PROCESSED GRAPEFRUIT	FRESH ORANGE	FRESH GRAPEFRUIT	FRESH SPECIALTY	SCHOOL MARKETING
Fund Balances, July 1	\$13,520,690	\$7,405,222	\$1,976,452	\$1,579,845	\$1,565,529	\$542,271	\$451,370
Adjustments to Fund Balances	877,219	760,414	34,866	21,070	37,218	17,336	6,315
Revenue	42,253,053	30,830,638	4,602,153	1,038,111	4,958,713	823,438	0
Total Available	56,650,962	38,996,274	6,613,471	2,639,026	6,561,460	1,383,045	457,685
EXPENDITURES							
Commission Special Legal Administration	517,659	517,655	4	0	0	0	0
Admin & Supp Srvc	3,026,050	2,451,101	272,345	90,782	151,303	60,521	0
State Gen Rev Charge	1,112,348	896,449	101,418	33,821	53,877	26,783	0
Scientific Research & Development							
General Operations	1,217,454	986,138	109,571	36,524	60,873	24,349	0
Scientific Res-Proc	952,611	706,196	114,470	21,145	94,095	16,705	0
Scientific Res-Harvest	961,252	865,127	96,125	0	0	0	0
Economic & Market Research	1,322,874	1,160,320	91,556	25,803	27,296	17,899	0
Subtotal Non-Marketing	9,110,249	7,582,985	785,490	208,074	387,443	146,257	0
Marketing & Public Relations							
General Operations	1,178,468	978,128	106,062	35,354	23,569	35,354	0
Public Relations Programs	3,101,376	1,962,230	435,709	242,628	254,292	206,517	0
Processed Orange Promotions	20,887,288	20,887,288	0	0	0	0	0
Fresh Fruit Advertising	702,436	0	10,125	465,463	43,966	182,882	0
Consumer/Trade/Industry Comm	2,793,719	1,636,753	84,000	294,350	154,554	192,247	431,815
International Promotions-DOC	2,907,711	668,103	948,559	0	1,291,049	0	0
International Promotions-FAS	5,192,844	656,652	1,352,416	0	3,183,776	0	0
Subtotal Marketing	36,763,841	26,789,156	2,936,871	1,037,795	4,951,205	616,999	431,815
Total Expenditures	\$45,874,091	\$34,372,141	\$3,722,361	\$1,245,869	\$5,338,648	\$763,256	\$431,815
Fund Balances, June 30							
Designated	9,596,871	4,624,133	2,041,110	1,303,157	1,102,812	499,789	25,870
Undesignated	1,180,000	0	850,000	90,000	120,000	120,000	0
	\$10,776,871	\$4,624,133	\$2,891,110	\$1,393,157	\$1,222,812	\$619,789	\$25,870

FLORIDA DEPARTMENT OF CITRUS

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2006

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The following summary of significant accounting policies of the Department of Citrus is presented to assist the reader in interpreting the financial statements. These policies should be viewed as an integral part of the accompanying financial statements.

1. Reporting Entity

The Department of Citrus is an agency of the State of Florida.

The powers and duties of the Department of Citrus are defined in Chapter 601, Florida Statutes (the Florida Citrus Code of 1949). The Department of Citrus is a corporate body with power to contract, and be contracted with, in order to carry out the provisions and requirements of this Chapter. Lakeland, Florida, is designated as its official headquarters.

The Florida Citrus Commission is designated as the head of the Department and is composed of twelve practical citrus persons appointed by the Governor, subject to confirmation by the Senate, for a three-year term. Seven members shall be designated as grower members and five shall be designated as grower-handler members. The Commission administers the various laws which provide broad regulatory powers with respect to packing, processing, labeling, and handling of citrus fruits and products.

2. Fund Accounting

The accounts of the Department of Citrus are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures or expenses, as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

Special revenue funds (a governmental fund type) are used to account for revenues which are legally restricted to expenditures for specific purposes. Special revenue funds are established within the accounts of the Department to account for the proceeds of specific sources of revenue as follows:

a. Florida Citrus Advertising Trust Fund

The trust fund was created by Section 601.15(7), Florida Statutes, for the payment of expenditures for general overhead, administration, research and development, advertising, merchandising, public relations, and other associated activities. An excise tax per standard (1-3/5 bu.) box on grapefruit, oranges, and on other citrus varieties is levied by the Florida Citrus Commission in accordance with a sliding tax table. The excise tax is effective August 1 for the ensuing year.

b. Citrus Stabilization Fund (School Marketing Program)

Section 601.154, Florida Statutes, authorizes the Department to administer and enforce the Citrus Stabilization Act by the issuance of a marketing order. The marketing order, creating the School Marketing Program, became effective February 1, 1969, implementing the levy of an excise tax of five cents per standard (1-3/5 bu.) box of oranges grown in Florida, and terminated on January 1, 1971. The monies generated from the investment of this assessment, after deducting the state general revenue service charge, have been used to develop and expand the sale of Florida orange juice and fresh Florida oranges to schools and children in school. The fund is projected to be fully expended by June 30, 2007.

The general fixed assets account group is used to establish accounting control for general fixed assets.

The general long-term debt account group is used to establish accounting control for long-term obligations.

3. Basis of Accounting

Basis of accounting refers to when revenues, expenditures, transfers and the related assets and liabilities are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the nature of the measurement.

The governmental funds are accounted for using the modified accrual basis of accounting. Revenue is recognized when it becomes measurable and available to finance expenditures of the current period. Under the modified accrual basis of accounting, expenditures are recognized when the related fund liability is incurred.

4. Basis of Presentation

The financial statements of the Department of Citrus have been prepared in accordance with generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board (GASB). In June 1999, the GASB approved Statement #34, "Basic Financial Statements and Management Discussion and Analysis for State and Local Governments," which provides for the most significant change in financial reporting in over twenty years. Although GASB #34 eliminates the requirement to present account groups, the Department has elected to combine and present the fixed asset and long-term debt account groups.

The total column on the accompanying combined financial statement is captioned "memorandum only" to indicate that it is presented only to facilitate financial analysis. Inasmuch as the total column includes fund types and account groups that use different bases of accounting, data in this column does not present financial position in conformity with generally accepted accounting principles. Such data is not comparable to a consolidation.

5. Deposits and Investments

Cash deposits include demand deposit accounts and time deposit accounts. In addition, investments in the State Treasurer's investment pool are considered to be a cash equivalent. Cash equivalents are defined as short-term, highly liquid investments.

Unless specifically exempted by statute, all cash of the state must be deposited in the State Treasury. The State Treasury, in turn, keeps the funds fully invested to maximize interest earnings. Authorized investments include certificates of deposit in Florida banks and savings and loan associations, direct obligations of the United States Treasury, obligations of federal agencies, asset-backed or mortgage-backed securities, commercial paper, bankers' acceptances, medium term corporate obligations, repurchase agreements and commingled and mutual funds.

6. Inventories

Inventories of \$578,742 are expensed using the consumption method and are valued at cost determined on a first-in, first-out basis. Inventories consist mainly of display material and reproduction and other expendable supplies held for consumption.

7. Fixed Assets

Buildings, furniture and equipment are recorded at historical cost. Land, which was donated, is recorded at the appraised value at the time it was donated. GASB #34 requires that the State have a policy on capitalization, depreciation, and useful lives of fixed assets. Fixed assets are recorded at cost and depreciated over the following useful lives:

Buildings	30 years
Equipment	3-5 years
Automobiles	5 years

8. Compensated Absences

Employees earn the right to be compensated during absences for vacation and illness. Within the limits established by law or rule, the value of unused leave benefits will be paid to employees upon separation from state service. The cost of leave benefits is normally recognized when payments are made to employees; however, a non-current liability of \$764,454 for unused vacation and vested sick leave benefits has been recorded in the general long-term debt account group.

The compensated absences amounts are based on June 30, 2006, salary rates and include employer social security and pension contributions at current rates.

B. CASH AND CASH EQUIVALENTS

Cash and cash equivalents totaling \$752,541 consist of cash held in the State Treasury - \$41,156; foreign currency time deposits - \$695,135; and local demand deposits - \$16,250.

Foreign currency time deposits consist of foreign currency held for subsequent payment of contracts with foreign entities. These funds are held in a bank which has been approved by the State Treasurer.

C. POOLED INVESTMENTS WITH STATE TREASURY

Available monies are invested through the State Treasurer pursuant to Section 215.44, Florida Statutes. Investments totaled \$9,563,429 and are stated at cost plus interest earned and reinvested. Interest earned on these investments during the fiscal year ended June 30, 2006, totaled \$202,100. Total investment earnings for the year of \$212,159 included interest earned on foreign currency time deposits and on local demand deposits.

D. DUE FROM FEDERAL GOVERNMENT

At June 30, 2006, \$2,022,914 is due from the United States Department of Agriculture/Foreign Agricultural Service. This balance represents marketing expenditures incurred by the Department of Citrus as of June 30, 2006, not yet reimbursed by the Foreign Agricultural Service program.

An additional \$374,039 is due from other federal agencies to support grants received for several research activities. A total of \$2,396,953 is due from federal appropriations.

E. CHANGES IN GENERAL FIXED ASSETS

Changes during the year in general fixed assets are summarized below:

	<u>Balances</u> <u>7/1/05</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balances</u> <u>6/30/06</u>
Fixed Assets at Cost				
Land	\$ 246,125	\$ 0	\$ 0	\$ 246,125
Buildings	747,688	39,753	(23,989)	763,452
Equipment & Autos	3,062,232	134,269	(189,359)	3,007,142
Other	2,990	0	0	2,990
Less: Accumulated Depreciation				
Buildings	(708,104)	(4,196)	22,196	(690,104)
Equipment & Autos	(2,199,257)	(233,447)	175,252	(2,257,452)
Other	<u>(2,658)</u>	<u>(332)</u>	<u>0</u>	<u>(2,990)</u>
	<u>\$ 1,149,016</u>	<u>\$ (63,953)</u>	<u>\$ (15,900)</u>	<u>\$ 1,069,163</u>

F. ACCOUNTS PAYABLE

Accounts payable of \$3,659,869 consist primarily of advertising and merchandising expenditures incurred in the normal course of operation of the Department.

G. DUE TO OTHER STATE AGENCIES

Amounts payable to other state agencies, totaling \$600,088, consist primarily of general revenue service charges due to the State Comptroller, and amounts due to University of Florida for various Research Projects.

H. CHANGES IN GENERAL LONG-TERM DEBT

Changes during the year in general long-term debt are summarized below:

	Balances <u>7/1/05</u>	<u>Additions</u>	<u>Deletions</u>	Balances <u>6/30/06</u>
Compensated absences	\$751,555	\$322,780	(\$309,881)	\$764,454
Other Liabilities				
Non-Current	<u>1,000,000</u>	<u>0</u>	<u>(500,000)</u>	<u>500,000</u>
Total Long-Term Debt	<u>\$1,751,555</u>	<u>\$322,780</u>	<u>(\$809,881)</u>	<u>\$1,264,454</u>

The liability for compensated absences at June 30, 2006, was determined in accordance with the provisions of the Governmental Accounting Standards Board *Codification*, Section C60.

Pursuant to a settlement agreement dated June 30, 2003, a \$2,000,000 long-term liability was incurred, payable annually in four equal installments beginning July, 2004. Following State CAFR requirements, the liability is recorded with an offset to Deferred Charges, - Current or - Long Term.

I. DESIGNATED FUND BALANCE

Designated fund balance represents an amount to provide adequate funds to continue normal operations during periods of minimal tax collections. At current budget levels \$13,000,000 is the target Designated Fund Balance.

To fund a continuous level of advertising reach with no tax increase, Designated Fund Balance was drawn down in previous years, utilizing advances from the Department of Financial Services to provide cash for continuing operations. At June 30, 2006, Designated Fund Balance was \$9,571,000, an increase of \$871,000 over June 30, 2005, with a projection of \$11,300,000 at the end of the 2006-07 fiscal year.

J. PRIOR PERIOD ADJUSTMENT

Adjustments were made to fund balances at July 1, 2005, totaling \$877,219. Accounts payable at June 30, 2005, were overstated by approximately \$900,000 due to recorded payables which did not materialize.

K. RETIREMENT PLANS

The Department does not administer a separate retirement plan for its employees. However, pursuant to Florida Statutes, all officers and salaried employees are, with minor exceptions, members of defined retirement plans administered by the Florida Department of Management Services, Division of Retirement. The retirement plans of the State of Florida consist of contributory and noncontributory benefit plans. The plans provide for retirement, death, and disability benefits and require contributions by employees and/or participating agencies at stated percentages of compensation set by law as determined from time to time by the State Legislature. The Department's contributions to the plans for the fiscal year ended June 30, 2006, totaled \$300,893. The plans' accounting and funding policies, actuarial present value of accumulated plan benefits, net assets available for benefits, and other plan-related matters are the responsibility of the Florida Department of Management Services, Division of Retirement, and are not computed on an individual agency basis.

L. LITIGATION

On November 16, 2005, the Florida Citrus Commission voted to enter into an agreement with plaintiff growers in the box tax case which will end the constitutional challenge. All parties agree that the U.S. Supreme Court decision handed down earlier this year in *Johanns v. Livestock Marketing* is the controlling law in the Florida citrus box tax case. *Johanns* upheld the constitutionality of the federal beef program by determining that the generic advertising in question constituted "government speech." The Supreme Court ruled that government speech, such as Florida Department of Citrus advertising, is not subject to a First Amendment challenge. In light of the beef case, the Commission and growers have agreed that both the Florida appellate and trial courts should enter orders reversing their earlier decisions. These orders would constitute a final adjudication. Each party has further agreed to bear its own costs and fees.

M. SUPPLEMENTAL SCHEDULES

To assist the reader in analysis of these statements, the following supplemental schedules are included: Cash Flow Statement, Comparative Expenditures - General Operations, Comparison of Periodic Budgets and a Ten-Year History of Operations.

FLORIDA DEPARTMENT OF CITRUS
COMPARATIVE EXPENDITURES - GENERAL OPERATIONS
FISCAL YEARS ENDING JUNE 30, 2005 AND 2006

	<u>Year to Date</u> <u>6/30/2005</u>	<u>Year to Date</u> <u>6/30/2006</u>	<u>Variance</u>	<u>Percent</u>
Salaries and Benefits	\$5,565,380	\$4,769,431	(\$795,949)	(14.3)
Other Personal Services	358,745	102,617	(256,128)	(71.4)
Travel	172,769	191,405	18,636	10.8
People First Initiative	48,474	37,191	(11,283)	(23.3)
Telephone	94,270	61,155	(33,115)	(35.1)
Postage/Freight	50,524	50,935	411	0.8
Data Processing	124,817	113,693	(11,124)	(8.9)
Supplies	25,099	17,695	(7,404)	(29.5)
Insurance and Bond Premiums	118,471	41,451	(77,020)	(65.0)
Reproduction	15,703	30,271	14,568	92.8
Subscriptions and Memberships	33,286	22,079	(11,207)	(33.7)
Trade Meals/Meetings	2,066	1,433	(633)	(30.7)
Training	4,621	1,265	(3,356)	(72.6)
Repairs and Maintenance	107,034	151,659	44,625	41.7
Utilities	31,941	30,044	(1,897)	(5.9)
Leases/Rent Expense	23,247	16,851	(6,396)	(27.5)
Promotional Items	97	0	(97)	(100.0)
Capital Equipment (OCO)	123,328	104,222	(19,106)	(15.5)
Office/Research Equipment	14,261	5,625	(8,636)	(60.6)
Miscellaneous	15,085	28,466	13,381	88.7
CREC Expenses	208,492	131,110	(77,382)	(37.1)
Research Materials	40,096	45,648	5,552	13.8
Conventions	21,416	7,159	(14,257)	(66.6)
Fruit Inspection Data	16,650	14,925	(1,725)	(10.4)
Legal Settlement	500,000	500,000	0	0.0
Legislative Programs	194,125	198,481	4,356	2.2
Consultants/Grad Assistantship	187,615	250,111	62,496	33.3
Total	<u>\$8,097,612</u>	<u>\$6,924,923</u>	<u>(\$1,172,689)</u>	<u>(14.5)</u>

FLORIDA DEPARTMENT OF CITRUS

COMPARISON OF PRELIMINARY, NOVEMBER BUDGET REVISION AND CURRENT BUDGETS FISCAL YEAR ENDED JUNE 30, 2006

	<u>July 1, 2005 Operating Budget</u>	<u>Adjustment</u>	<u>November 16, 2005 Budget Revision</u>	<u>Current Budget</u>	<u>Variance</u>	<u>Percent</u>
REVENUE						
Carryover	\$3,411,000	\$471,319	\$3,882,319	\$4,083,019	\$200,700	5.2
Carryover Federal Approp	3,618,125	(3,131,125)	487,000	487,000	0	0.0
2004-2005 Unspent Cert	0	878,200	878,200	878,200	0	0.0
Tax Assessments-Domestic	43,916,530	(8,268,030)	35,648,500	33,747,985	(1,900,515)	(5.3)
Tax Assessments-Import	1,313,333	564,167	1,877,500	1,293,333	(584,167)	(31.1)
Interest/Other	432,500	0	432,500	432,500	0	0.0
Federal Approp	2,406,168	1,974,000	4,380,168	4,645,168	265,000	6.0
FAS Program-Prior Year	22,125	0	22,125	22,125	0	0.0
FAS Program	4,446,862	0	4,446,862	5,546,526	1,099,664	24.7
Utl Schl Mktg Principal	447,500	3,870	451,370	451,370	0	0.0
TOTAL REVENUE	\$60,014,143	(\$7,507,599)	\$52,506,544	\$51,587,226	(\$919,318)	(1.8)
EXPENDITURES						
Commission Special Legal Administration	\$585,000	(\$45,000)	\$540,000	\$526,000	(\$14,000)	(2.6)
Admin and Support Services	3,315,000	27,900	3,342,900	3,234,500	(108,400)	(3.2)
State General Revenue Charge	1,503,300	(254,200)	1,249,100	1,167,100	(82,000)	(6.6)
Scientific research & Development						
General Operations	1,496,900	(152,000)	1,344,900	1,322,900	(22,000)	(1.6)
Scientific Research-Processed	1,560,168	(246,700)	1,313,468	1,422,168	108,700	8.3
Scientific Research-Harvesting	3,579,900	(1,000,000)	2,579,900	2,257,900	(322,000)	(12.5)
Economic and Market Research	2,037,800	(58,300)	1,979,500	1,669,200	(310,300)	(15.7)
Marketing & Public Relations						
Gen. Ops-Mktg/PR/Dom. Advertising	1,366,900	(109,300)	1,257,600	1,225,900	(31,700)	(2.5)
Public Relations Programs	5,022,685	(994,985)	4,027,700	3,857,500	(170,200)	(4.2)
Processed Orange Promotions	24,755,300	(2,787,400)	21,967,900	20,889,090	(1,078,810)	(4.9)
Fresh Fruit/Advertising	680,800	35,000	715,800	727,700	11,900	1.7
Retail/Communications	4,129,000	(604,030)	3,524,970	3,157,370	(367,600)	(10.4)
International Promotions-DOC	4,031,261	(1,081,100)	2,950,161	2,920,961	(29,200)	(1.0)
International Promotions-FAS	4,468,987	0	4,468,987	5,568,651	1,099,664	24.6
Subtotal	58,533,001	(7,270,115)	51,262,886	49,946,940	(1,315,946)	(2.6)
FCC Required Reserves	1,481,142	(237,484)	1,243,658	1,640,286	396,628	31.9
TOTAL BUDGET	\$60,014,143	(\$7,507,599)	\$52,506,544	\$51,587,226	(\$919,318)	(1.8)

FLORIDA DEPARTMENT OF CITRUS
TEN-YEAR HISTORY OF OPERATIONS (000's)
FISCAL YEARS AS INDICATED

	1996-97		1997-98		1998-99		1999-00		2000-01		2001-02		2002-03		2003-04		2004-05		2005-06	
		%		%		%		%		%		%		%		%		%		%
Production Boxes																				
Domestic	289,431		304,504		242,056		286,934		275,758		287,085		249,799		283,503		168,053		187,100	
Imports	29,313		22,153		31,653		24,987		19,830		14,831		24,412		19,587		22,869		30,000	
Begin Fund Balance	\$24,541		\$22,539		\$22,494		\$16,911		\$21,742		\$18,296		\$23,534		\$20,335		\$14,312		\$13,521	
Adjustment	692		854		753		934		730		1,982		2,048		1,141		874		878	
Revenue																				
Assessments	68,339	93	64,976	93	54,093	93	64,796	93	59,667	91	54,137	90	47,914	88	48,460	89	30,394	60	33,285	80
Other	5,468	7	5,530	7	7,256	7	5,024	7	5,760	9	6,040	10	6,447	12	6,072	11	19,865	40	8,967	20
Total Revenue	<u>73,807</u>	100	<u>70,506</u>	100	<u>61,349</u>	100	<u>69,820</u>	100	<u>65,427</u>	100	<u>60,177</u>	100	<u>54,361</u>	100	<u>54,532</u>	100	<u>50,259</u>	100	<u>42,252</u>	100
Expenditures																				
Marketing																				
Domestic-PO*	38,446	50	37,321	52	31,021	46	32,203	49	34,049	49	30,164	53	31,918	54	33,537	54	32,972	64	25,896	57
Domestic-PG	8,812	12	6,228	9	6,804	10	6,206	13	9,175	13	3,408	6	3,506	6	4,121	7	501	1	636	1
Domestic-Fresh	6,657	9	5,656	8	7,088	10	5,217	6	4,389	6	2,948	5	3,446	6	2,911	5	2,246	4	2,131	5
International	10,230	13	11,165	15	12,099	18	9,788	14	9,949	14	8,590	15	8,463	14	9,708	16	6,520	13	8,101	18
Research																				
Econ & Mkt Res	1,606	2	1,265	2	1,222	2	1,478	2	1,380	2	1,317	3	1,223	2	1,374	2	1,164	2	1,323	3
Scientific Res	4,144	5	3,272	5	3,179	5	3,134	5	3,174	5	3,447	6	3,151	5	3,588	6	2,722	5	2,170	5
Harvesting	663	1	791	1	948	1	2,117	2	1,665	2	1,750	3	1,111	2	1,266	2	794	2	961	2
Administrative	3,664	5	3,538	5	3,517	5	3,620	6	3,805	6	3,479	6	5,159	8	3,576	6	3,988	7	3,544	7
Gen Rev Srvc Chrg	2,279	3	2,169	3	1,807	3	2,160	3	2,017	3	1,818	3	1,631	3	1,615	2	1,017	2	1,112	2
Total Expenditures	<u>76,501</u>	100	<u>71,405</u>	100	<u>67,685</u>	100	<u>65,923</u>	100	<u>69,603</u>	100	<u>56,921</u>	100	<u>59,608</u>	100	<u>61,696</u>	100	<u>51,924</u>	100	<u>45,874</u>	100
Surplus/(Deficit)	<u>(2,694)</u>		<u>(899)</u>		<u>(6,336)</u>		<u>3,897</u>		<u>(4,176)</u>		<u>3,256</u>		<u>(5,247)</u>		<u>(7,164)</u>		<u>(1,665)</u>		<u>(3,622)</u>	
End Fund Balance	<u>\$22,539</u>		<u>\$22,494</u>		<u>\$16,911</u>		<u>\$21,742</u>		<u>\$18,296</u>		<u>\$23,534</u>		<u>\$20,335</u>		<u>\$14,312</u>		<u>\$13,521</u>		<u>\$10,777</u>	
Cash on Hand	\$31,043		\$27,837		\$21,723		\$27,559		\$23,222		\$27,720		\$23,629		\$17,817		\$16,137		\$10,316	
Salaries & Benefits	\$7,751		\$7,857		\$8,179		\$7,907		\$8,581		\$6,369		\$6,310		\$6,458		\$5,566		\$5,006	
# Employees	149		141		137		141		110		94		92		93		64		62	

* Includes School Marketing Expenditures

FLORIDA DEPARTMENT OF CITRUS

SCHEDULE OF TAX RATES*

FISCAL YEARS ENDING JUNE 30, 2005 AND 2006

	2004-2005		2005-2006		STATUTE
	FRESH	PROCESSED	FRESH	PROCESSED	
<u>DOMESTIC</u>					
Orange	<u>\$ 0.200</u>	<u>\$ 0.165</u>	<u>\$ 0.200</u>	<u>\$ 0.185</u>	601.15(3a)
Grapefruit	<u>\$ 0.250</u>	<u>\$ 0.240</u>	<u>\$ 0.250</u>	<u>\$ 0.240</u>	601.15(3a)
All Other Varieties	<u>\$ 0.210</u>	<u>\$ 0.165</u>	<u>\$ 0.200</u>	<u>\$ 0.185</u>	601.15(3a)
<u>IMPORTS</u>					
Orange		<u>\$ 0.165</u>		<u>\$ 0.185</u>	601.155(2)
Grapefruit		<u>\$ 0.240</u>		<u>\$ 0.240</u>	601.155(2)

*Rates are per 1-3/5 bushel equivalent, and are effective August 1 each fiscal year.

FLORIDA DEPARTMENT OF CITRUS

COMPARATIVE SCHEDULE OF REVENUE BOXES

FISCAL YEARS ENDING JUNE 30, 2005 AND 2006

	ACTUAL REVENUE BOXES 2004-2005	ESTIMATED REVENUE BOXES 2005-2006	ACTUAL REVENUE BOXES 2005-2006		
			2004-2005 PAID IN 2005-2006	2005-2006 PAID IN 2005-2006	TOTAL
DOMESTIC					
ORANGE:					
Fresh	5,409,934	4,900,000	406,642	4,589,872	4,996,514
Processed	143,879,108	145,300,000	4,375,751	131,627,778	136,003,529
GRAPEFRUIT:					
Fresh	7,004,617	6,270,000	54,093	6,377,578	6,431,671
Processed	5,479,540	12,330,000	29,389	12,472,781	12,502,170
SPECIALTY:					
Fresh	3,679,754	3,769,000	24,609	3,976,048	4,000,657
Processed	2,600,045	3,281,000	13,938	3,255,069	3,269,007
TOTAL DOMESTIC					
Fresh	16,094,305	14,939,000	485,344	14,943,498	15,428,842
Processed	151,958,693	160,911,000	4,419,078	147,355,628	151,774,706
	<u>168,052,998</u>	<u>175,850,000</u>	<u>4,904,422</u>	<u>162,299,126</u>	<u>167,203,548</u>
IMPORTS					
Orange	21,560,219	20,000,000	6,426,912	13,242,875	19,669,787
Grapefruit	1,309,278	750,000	166,513	172,737	339,250
TOTAL IMPORTS	<u>22,869,497</u>	<u>20,750,000</u>	<u>6,593,425</u>	<u>13,415,612</u>	<u>20,009,037</u>
TOTAL	<u>190,922,495</u>	<u>196,600,000</u>	<u>11,497,847</u>	<u>175,714,738</u>	<u>187,212,585</u>

FLORIDA DEPARTMENT OF CITRUS

BUDGETED REVENUE

FISCAL YEAR ENDED JUNE 30, 2006

DESCRIPTION	BUDGETED 2005-2006	REVENUE TO DATE	% TO BUDGETED
Assessment on Domestic Fruit			
Orange			
Fresh	\$980,000	\$999,302	100.+
Processed	26,880,500	25,073,139	93.3
	<u>27,860,500</u>	<u>26,072,441</u>	93.6
Grapefruit			
Fresh	1,567,500	1,607,919	100.+
Processed	2,959,200	3,000,521	100.+
	<u>4,526,700</u>	<u>4,608,439</u>	100.+
Specialty			
Fresh	753,800	800,375	100.+
Processed	606,985	604,488	99.6
	<u>1,360,785</u>	<u>1,404,863</u>	100.+
Assessment on Import Fruit			
Orange	1,233,333	1,172,348	95.1
Grapefruit	60,000	27,229	45.4
	<u>1,293,333</u>	<u>1,199,577</u>	92.8
Total Assessments	35,041,318	33,285,320	95.0
Investment Earnings	255,000	212,159	83.2
Other Income	177,500	390,743	100.+
Federal Appropriation - Research	2,695,168	1,219,987	45.3
Federal Appropriation - Marketing	1,950,000	1,952,000	100.+
Foreign Agricultural Svc Funds - Prior Year	22,125	22,125	100.0
Foreign Agricultural Svc Funds	<u>5,546,526</u>	<u>5,170,719</u>	93.2
TOTAL	<u>\$45,687,637</u>	<u>\$42,253,053</u>	92.5

FLORIDA DEPARTMENT OF CITRUS

BUDGETED EXPENDITURES BY CATEGORY

FISCAL YEAR ENDED JUNE 30, 2006

DESCRIPTION	APPROVED BUDGET	YEAR TO DATE	% TO DATE	UNEXPENDED BALANCE
GENERAL OPERATIONS				
Salaries and Benefits	\$4,965,700	\$4,769,431	96.0	\$196,269
Other Personal Services	169,200	102,617	60.6	66,583
Travel	226,300	191,405	84.6	34,895
People First Initiative	45,900	37,191	81.0	8,709
Telephone	65,600	61,155	93.2	4,445
Postage/Freight	54,000	50,935	94.3	3,065
Data Processing	117,000	113,693	97.2	3,307
Supplies	31,800	17,695	55.6	14,105
Insurance and Bond Premiums	47,700	41,451	86.9	6,249
Reproduction	32,100	30,271	94.3	1,829
Subscriptions and Memberships	28,300	22,079	78.0	6,221
Trade Meals/Meetings	3,100	1,433	46.2	1,667
Training	3,000	1,265	42.2	1,735
Repairs and Maintenance	166,600	151,659	91.0	14,941
Utilities	30,100	30,044	99.8	56
Leases/Rent Expense	23,200	16,851	72.6	6,349
Capital Equipment (OCO)	112,400	104,222	92.7	8,178
Office/Research Equipment	14,400	5,625	39.1	8,775
Miscellaneous	32,100	28,466	88.7	3,634
CREC Expenses	131,200	131,110	99.9	90
Research Materials	47,700	45,648	95.7	2,052
Conventions	10,000	7,159	71.6	2,841
Fruit Inspection Data	20,000	14,925	74.6	5,075
Legal Settlement	500,000	500,000	100.0	0
Legislative Programs	215,000	198,481	92.3	16,519
Consultants/Grad Assistantship	296,100	250,111	84.5	45,989
Subtotal General Operations	<u>7,388,500</u>	<u>6,924,923</u>	93.7	<u>463,577</u>
PROGRAMS*				
Legal Services	200,500	153,445	76.5	47,055
General Revenue Charge	1,167,100	1,112,348	95.3	54,752
Scientific Research	3,618,468	1,871,169	51.7	1,747,299
Economic & Market Research	935,100	706,163	75.5	228,937
Public Relations Programs	3,862,500	3,101,396	80.3	761,104
Processed Orange Advertising	20,889,090	20,887,288	100.0	1,802
Fresh Fruit Advertising	727,700	702,436	96.5	25,264
Consumer/Trade/Industry Comm.	3,157,370	2,793,719	88.5	363,651
International Marketing	8,000,612	7,621,204	95.3	379,408
Reserves	1,640,286	0	0.0	1,640,286
Subtotal Programs	<u>44,198,726</u>	<u>38,949,168</u>	88.1	<u>5,249,558</u>
TOTAL GENERAL OPERATIONS	<u>\$51,587,226</u>	<u>\$45,874,091</u>	88.9	<u>\$5,713,135</u>

*Program costs exclude general operating expenses

Further details available by contacting Finance and Accounting Office