

GOING FURTHER

CITY OF FRUITLAND PARK, FLORIDA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED
SEPTEMBER 30, 2024

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ANNUAL COMPREHENSIVE FINANCIAL REPORT

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**PREPARED BY:
FINANCE DEPARTMENT**

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INTRODUCTORY SECTION

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October 23, 2025

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

The Annual Comprehensive Financial Report for the City of Fruitland Park, Florida, for the fiscal year ended September 30, 2024 is hereby submitted pursuant to Florida Statutes Chapter 218.39 and Chapter 10.550 of the Rules of the Auditor General of the State of Florida. State law requires an annual financial audit of local government entities be completed no later than nine months after the end of the fiscal year. This Annual Comprehensive Financial Report is published to fulfill this requirement for the fiscal year ended September 30, 2024 and to provide our citizens, city commission, city staff, creditors and other interested parties with detailed information concerning the financial condition and activities of the City.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, which is based on a comprehensive framework of internal controls established for this purpose. Because the cost of the internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

We believe that the City's internal accounting controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions. In

addition, we believe the information contained in this report is presented in a manner designed to fairly present the financial position and results of operation of the City as measured by the financial activity of its various funds; and that all disclosures necessary to enable the reader to gain a maximum understanding of the City's financial affairs are included.

The City of Fruitland Park maintains budgetary controls to ensure compliance with legal provisions contained in the annual appropriated budget approved by the City Commission. Annual budgets are legally adopted for the activities of the General Fund, Redevelopment Fund, Capital Projects Fund, Utility Fund, Firefighter Pension Trust Fund and the Recreation Programs Fund. Budgets are controlled at the department level and total expenditures may not legally exceed appropriations for each budgeted department without Commission approval. Encumbrance accounting is utilized to reserve the encumbered portion of the appropriation.

The City of Fruitland Park's financial statements have been audited in accordance with generally accepted auditing standards by Mauldin & Jenkins, Certified Public Accountants and Advisors. The goal of the independent audit is to provide reasonable assurance that the financial statements of the City of Fruitland Park are free of material misstatement. The independent audit involves examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and estimates made by management; and evaluating the overall financial statement



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presentation. Mauldin & Jenkins concluded, based upon the audit, that there is reasonable basis for rendering an unmodified ("clean report") opinion that the City of Fruitland Park's financial statements for the fiscal year ending September 30, 2024, are fairly presented in conformity with generally accepted accounting principles (GAAP). The independent auditor's report is located at the front of the financial section of this report.

Management's Discussion and Analysis (MD&A), immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. The MD&A provides "financial highlights" and interprets the financial report by analyzing trends and by explaining changes, fluctuations, and variances in the financial data. This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it.

Profile of the City

The City of Fruitland Park is operated under a Commission-Manager form of government. Policymaking and legislative authorities are vested in the City Commission that consists of a Mayor and four other Commission members. The Mayor presides over commission meetings and public ceremonies. The Commission is non-partisan and the members are elected to four year staggered terms. The City Commission is responsible, among other things, for passing ordinances, adopting the budget, appointing boards, and hiring the City Manager, City Finance Director, City Clerk, City Attorney and the City Auditor. The City Manager is responsible for carrying

out the policies of the Commission, overseeing the day-to-day operations and appointing department heads.

The City of Fruitland Park, incorporated in 1927, is located in central Florida. It is empowered by Florida Statute to extend its corporate limits by annexation, which it does from time to time. Fruitland Park has a population of 8,634 and a land area of approximately 7.31 square miles. It has 73.73 miles of street. The Villages added an additional 17.008 miles of streets. The City's property tax millage rate is \$3.9134 per \$1000 for fiscal year 2024, same as the last 7 years.

The City of Fruitland Park provides a full range of services to its residents. These services include a public library, police protection, the construction and maintenance of local streets and infrastructure, and recreational and cultural activities and events. The City also maintains and operates water and sewer utilities. Garbage collection and disposal services are provided by way of an exclusive franchise agreement with Waste Management Inc.

The annual budget serves as the foundation for the City of Fruitland Park's financial planning and control. All department heads are required to submit requests for appropriation to the City Manager. The City Manager uses these requests as a basis for developing a proposed budget and then presents the proposed budget to the City Commission for review. The City Commission is required to hold two public hearings, one on the proposed budget and a second to adopt a final budget by no later



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than September 30th, the close of the fiscal year. The City Manager and Department Heads may transfer resources within a department as necessary; however transfers between departments require special approval (budget amendment by resolution) from the City Commission. The City of Fruitland Park utilizes an encumbrance accounting system to maintain budgetary control. These encumbrances lapse at year-end.

Local economy

Fruitland Park, which is located in northwest Lake County, is essentially residential in character and its economy is primarily centered in retail trade and service industries. Fruitland Park is located in the triangle between Leesburg, Lady Lake and The Villages, the largest residential retirement community in the state.

Evidence of growth has begun to show all over the City of Fruitland Park. One of the most visible signs of this event is taking place on the north western boundaries of the City. In 2008, approximately 989 acres of property was annexed into the City of Fruitland Park. This development is referred to as the "Pine Ridge Dairy". In May 2014, 780 of those acres were purchased by The Villages and approved for development as the "Villages of Fruitland Park". The approved plan includes 2,055 residential homes, 3 recreation centers, and an 18-hole golf course. The residential home values range from \$275,000 to over \$2,000,000. There were 348 certificates of occupancy issued in the Villages of Fruitland Park in FY2015, 689 issued in FY2016, 894 issued in FY2017, 90 issued in FY2018, and 31 issued in FY2019 for a total of 2,052

certificates of occupancy issued in the Villages of Fruitland Park. There was a total of 316 certificates of occupancy issued in Fruitland Park in FY2024.

The Villages is known for causing an economic domino effect to all of its surrounding areas. The City of Fruitland Park should experience a growth pattern similar to Lady Lake over the next 1-4 years. Several other parcels in Fruitland Park are making plans because of the growth brought by The Villages to develop commercial infrastructures such as warehouses, retail shops, apartments, family housing, and restaurants. We have several subdivisions being built: Lake Saunder's Grove, Crystal Lake Vista, ParkSquare Homes (Arbor Park), The Hawthornes, and Rolling Acres (113 & 1342 Lake Ella Road). Future developments are Pine Ridge Dairy (199 homes), Enclave (123 homes & 421 apartments), Urick & Wilder (150 homes), Arbor Park Phases 1-3 (136,300, & 198 homes), and Kensington Gardens (198 homes).

Lake County made a three phase expansion design for the City's second major thorough fare, County Road 466A, from two to four lanes in 2012. However, due to budget constraints the project was placed on hold. The County has now teamed up with the City of Fruitland Park and the Villages to get this roadway completed. Lake County completed construction on Phase I (from US Highway 27/441 to Sunny Court) in April 2017. The estimated cost of Phase 1 is \$2.3 million plus \$374,094 to relocate the utilities. The Villages handled all of the road construction in Phase 2 (from Windy Acres to the Sumter County Line) in 2016, with an estimated cost



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of \$5.32 million. The City of Fruitland Park along with Lake County solicited help of the State of Florida for Phase 3. Phase 3a, at 3.3 million (from Sunny Court to Janice Drive) and Phase 3b at 7.3 million (from Janice Drive to Windy Acres). The county worked on Phase 3a in FY2019 and completed construction in December 2019. There is a total of 3.05 miles of roadway that will be widened once the project is complete. Phase 3b should be completed by FY2026.

The Florida Department of Transportation began its construction on U.S. Highway 27/441 in Fruitland Park in 2011. This project expanded the City's main corridor from four to six lanes and was completed in June 2014. This expansion will also facilitate the expected growth.

There were 375 business licenses issued in Fruitland Park as of September 30, 2024. There are several new businesses in Fruitland Park: Countryside Baptist Church, Dave Wade Studio of Social and Stage Art, Just Dandy Pet Parlour, Lake Village Dental, Pax Premium Lawn Care, Suly Beauty Salon. As previously stated, the City of Fruitland Park expects the number of commercial businesses to grow because the area will be more attractive for several industries around the country.

Businesses looking to build or relocate in Lake County can take advantage of various incentives. Lake County's Department of Economic Growth and Redevelopment sponsors several Business Incentive programs.

Lake County's Business Opportunity Centers (BOC) offer full-service business

support to all businesses in Lake County, regardless of size, industry or business cycle. Whether you are an entrepreneur with the next big idea or a successful business owner looking to take your company to the next level, the Lake County BOC has a program or service designed to help you achieve your economic goals.

High Value Job Creation Program (HVJCP) is a program designed to encourage and target industry businesses that offer significant economic benefit and create high-value jobs. This program provides a cash award for the creation of jobs that pay a minimum of 115% of the County's average annual wage.

The Artist Relocation Program (ARP) is designed to encourage arts and culture in downtown art districts by providing matching funds to new or relocating art businesses to offset building improvement costs.

Lake County along with Lake-Sumter State College, the Sumter County Economic Development Council, and other local economic development-oriented agencies established the Business Assistance Center; a partnership to help new and nurture existing businesses. This partnership provides small-business mentoring and is a resource when small businesses hit the inevitable bump or hurdle.

Affordable land and a pro-business approach contributes to the areas overall success in attracting new business. Large distributors such as Marriott, Domino's Pizza, Toyota and Goodyear Tire and Rubber Company have located in Lake County because of the central location,



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which allows for easy and efficient distribution throughout the state.

Lake County's September 2024 unemployment rate was 2.9%. This is down 0.1% for the same time period last year. This rate is slightly lower than the state average of 3.22% and lower than the national average of 3.5% for the same period.

The taxable values for real and personal property has decreased 28.7% from 2008 to 2013, when property values were at its peak. Amendment 1 was approved in 2008 which limited growth in taxable values. Taxable values \$1,103,878,607 rose 7.92% from FY2023 (\$81,022,493) due to growth. FY2017 taxable value finally caught up to the property values of 2008.

Major Initiatives

The City of Fruitland Park is taking a proactive stance to promote the economic development in the area. The Commission is revitalizing the City for residents of all ages to enjoy. There were several properties acquired that will be used for recreational purposes in the future. The old Library has been renovated to the new Community Center. Additionally, Community Redevelopment Agency funds were utilized to renovate the Community Center. We continue to renovate parks and upgrade basketball facilities. The City repaved eleven streets, 8 in CRA. The City added a pavilion at the Community Center.

The City built a new soccer field and added electricity and lighting to the field in FY2019. Sidewalks and bleacher pads and handicap parking were installed in FY2020. Sidewalks, sod, and vinyl fences were

installed in FY2021. Bathrooms were constructed and completed in FY2022. Additional bleachers and covers were added in 2023. The City constructed a new library. The construction cost was \$2,842,954 but we received grants from the state and the county for \$1,919,003 which means the Library cost Fruitland Park \$923,951. The final cost which includes furnishing was \$3,134,732. The new Library opened July 2019. A new service crane mount and Sewer Inspection camera for the Water Department were installed. The loan borrowed for construction of the Lady Lake sewer connection was paid off. The Lady Lake sewer connection became operational in October 2018. The architectural design of the new Public Works building was engineered in 2022 and construction was completed at the end of 2023. CRA funds for FY2024 on improvements to the Community Center totaled \$94,067 for video and sound systems and & \$94,181 for parks improvements. Road Improvements total cost was \$95,585 for (Iona Ave. S Berckman, Gardenia Ave, W Lavista St. W Griffin St, Poinsetta Ave, Community Center Parking Lot, and patches on Chelsea /Brookston) Non-CRA roads totaled Zero for FY2024. A land purchase for \$53,550 for 105 Berckman St. The future plans for this property is for additional parking for the community center and pool.

Long Term Financial Planning

Lake County voters renewed a One-Cent Discretionary Infrastructure Surtax on November 6, 2002 and again on November 3, 2015. The original tax, was authorized through December 31, 2017 and is now authorized through December 31, 2032, this provides a funding source for infrastructure



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and capital projects. These funds were used to construct City Hall. The City used these funds on several major Capital Improvement Projects which included the construction of two major sewer lines along 466a and Shiloh plus a new sewer line connection to Lady Lake.

At September 30, 2024 the unassigned fund balance in the General Fund was \$8,663,484, 9.4 months (78.5%) of current General Fund expenditures. This figure is over the "no less than two months of regular general fund operating expenditures" provided for in the Government Finance Officers Association's Appropriate Level of Unreserved Fund Balance recommendation. Also, it is over than the minimum range of the 6 months of operating expenditures informally established by the City for budgetary and planning purposes.

Awards

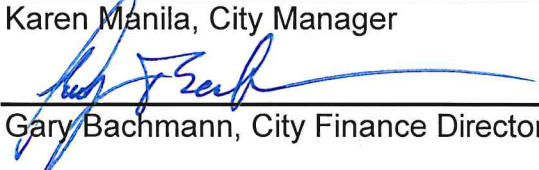
The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Fruitland Park for its Annual Comprehensive Financial Report for the fiscal year ending September 30, 2018. The City of Fruitland Park had received this prestigious award for fourteen consecutive years. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. The City was not eligible for the achievement

award in FY2019-23 due to a qualified opinion.

This report represents numerous hours of preparation and it would not have been possible without the dedicated efforts of the finance department. We would like to express our appreciation to members who assisted and contributed to the preparation of this report. Special recognition is given to finance department who worked diligently to ensure the timeliness and accuracy of this report. We also thank the Mayor and Commission Members for their interest and support in planning and conducting the operations of the City in a responsible and professional manner.

Respectfully Submitted,


Karen Manila, City Manager


Gary Bachmann, City Finance Director

City of Fruitland Park, Florida

LIST OF PRINCIPAL OFFICIALS

SEPTEMBER 30, 2024

Mayor Christopher Cheshire

Vice Mayor-Commissioner Patrick DeGrave

Commissioner Joseph Cosenza III

Commissioner Martina Williams

Commissioner David "Michael" Raysin

City Manager Karen Manila

City Finance Director Gary Bachmann

City Clerk Gwen Keough-Johns

Interim Police Chief Henry Rains

Community Development Director M. Rankin

Public Works Director Robb Dicus

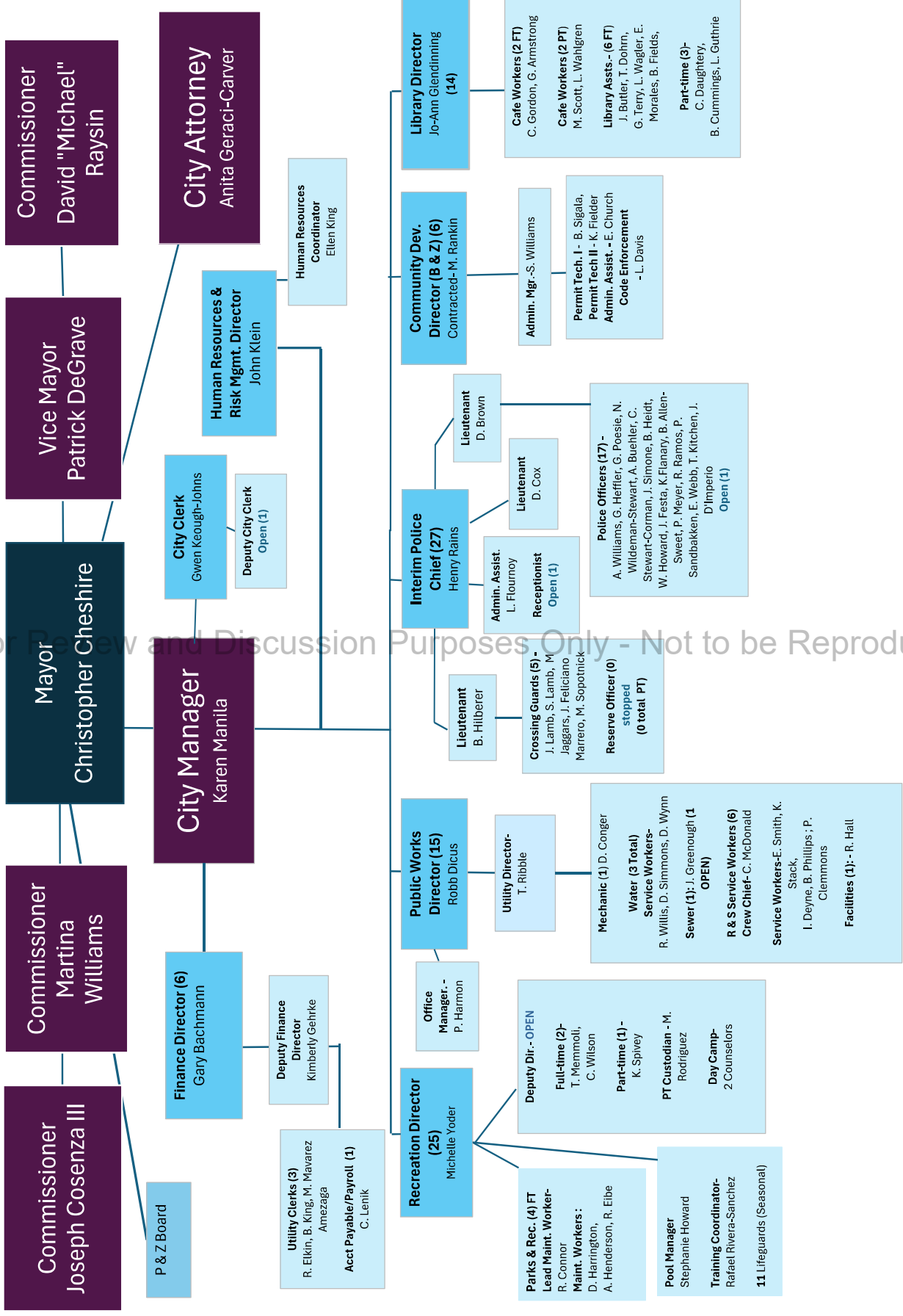
Library Director Jo-Ann Glendinning

Recreation Director Michelle Yoder

City Attorney Anita Geraci-Carver

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CITY OF FRUITLAND PARK ORGANIZATIONAL CHART



FINANCIAL SECTION

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Management's Discussion and Analysis

As management of the City of Fruitland Park, Florida we offer readers of the City of Fruitland Park's financial statements this narrative overview and analysis of the financial activities of the City of Fruitland Park for the fiscal year ended September 30, 2024. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal.

FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of the City of Fruitland Park exceeded its liabilities and deferred inflows at the close of the most recent fiscal year by \$34,676,942 (net position). Of this amount, \$5,664,050 represents unrestricted net position, which may be used to meet the government's ongoing obligations to citizens and creditors.
- The government's total net position increased by \$4,760,547.
- At the close of the current fiscal year, the City of Fruitland Park's governmental funds reported combined ending fund balances of \$17,665,201, an increase of \$1,521,238 in comparison with the prior year. Approximately (44%) of this total amount, \$7,849,284 is available for spending at the government's discretion (unassigned fund balance).
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$7,849,284, or (81%) of total General Fund expenditures.

OVERVIEW OF THE BASIC FINANCIAL STATEMENTS

The financial statements focus on both the City as a whole (government-wide) and on the major individual funds. Both perspectives (government-wide and major fund) allow the user to address relevant questions, broaden a basis for comparison (year-to-year or government-to-government) and enhance the City's accountability.

This discussion and analysis are intended to serve as an introduction to the City of Fruitland Park's (the "City") 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 are designed to provide readers with a broad overview of the City of Fruitland Park's financial position, in a manner similar to a private-sector business. They include a *Statement of Net Position* and a *Statement of Activities*.

The *Statement of Net Position* presents information on all of the City's assets, liabilities, and deferred inflows/outflows of resources, with the difference reported as net position. Over time, increases or decreases in net position 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 position changed during the most recent fiscal year. All changes in net position 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 taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the City of Fruitland Park that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City of Fruitland Park include general government, public safety, transportation, sanitation and culture and recreation services. The business-type activities of the City of Fruitland Park include utility services and recreation programs.

The government-wide financial statements include only the City of Fruitland Park itself (known as the primary government) and one blended component unit (The Community Redevelopment Fund).

The government-wide financial statements can be found on pages 10 and 11 of this report.

Fund Financial Statements

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

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the governmentwide 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 governmentwide 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 of Fruitland Park maintains three individual governmental funds. Information is presented separately in the governmental funds Balance Sheet and in the governmental fund Statement of Revenues, Expenditures, and Changes in Fund Balances for the General Fund, the Community Redevelopment Fund, and Capital Projects Fund which are considered to be major funds.

The City of Fruitland Park adopts an annual appropriated budget for all of its governmental funds. Budgetary comparison statements have been provided for the General Fund, and the Community Redevelopment Fund to demonstrate compliance with this budget at pages 43 and 44. Budgetary comparison schedule for the Capital Projects fund is at page 50.

The basic governmental fund financial statements can be found on pages 12 through 15 of this report.

Proprietary Fund

City of Fruitland Park maintains one type of proprietary fund. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City of Fruitland Park uses enterprise funds to account for utility management.

The proprietary fund provides the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for Utility management.

The basic proprietary fund financial statements can be found on pages 16 through 19 of this report.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to financial statements can be found on pages 20 through 42 of this report.

Required Supplementary Information (RSI)

RSI can be found on pages 43 through 49 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Statement of Net Position

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City of Fruitland Park, assets exceeded liabilities by \$34,676,942 at the close of the most recent fiscal year. The following table reflects the condensed statement of net position for the current and prior year. For more detail see the Statement of Net Position on page 10.

Statement of Net Position
September 30, 2024 and 2023

	Governmental Activities		Business-Type Activities		Totals	
	2024	2023	2024	2023	2024	2023
Current and other assets	\$ 23,972,304	\$ 21,974,366	\$ 3,463,688	\$ 2,696,489	\$ 27,435,992	\$ 24,670,855
Capital assets	11,482,845	9,554,497	10,329,850	9,883,865	21,812,695	19,438,362
Total assets	35,455,149	31,528,863	13,793,538	12,580,354	49,248,687	44,109,217
Total deferred outflows of resources	1,577,091	1,821,233	96,051	102,690	1,673,142	1,923,923
Other liabilities	6,308,699	5,384,594	1,459,586	4,223,424	7,768,285	9,608,018
Long-term liabilities	4,976,531	5,832,504	2,838,657	420,400	7,815,188	6,252,904
Total liabilities	11,285,230	11,217,098	4,298,243	4,643,824	15,583,473	15,860,922
Total deferred inflows of resources	623,444	242,168	37,970	13,655	661,414	255,823
Net position						
Net investment in capital assets	11,416,416	9,467,046	7,788,703	5,962,174	19,205,119	15,429,220
Restricted	8,850,960	5,576,287	956,813	949,578	9,807,773	6,525,865
Unrestricted	4,856,190	6,847,497	807,860	1,113,813	5,664,050	7,961,310
Total net position	\$ 25,123,566	\$ 21,890,830	\$ 9,553,376	\$ 8,025,565	\$ 34,676,942	\$ 29,916,395

\$19,205,119 (55%) of the City's net position reflects its investment in capital assets (e.g., land, buildings, improvements, infrastructure and equipment) less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending.

Although the City of Fruitland Park's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Net position that are subject to external restrictions as to how they may be used total \$9,807,773 (28%). The remaining balance of unrestricted net position, \$5,664,050 or 16%, may be used to meet the government's ongoing obligations to citizens and creditors.

Statement of Activities

The City's net position increased by \$4,760,547 during the current fiscal year. The following table reflects the condensed Statement of Activities for the current year. For more detail see the Statement of Activities on page 11.

Statement of Activities						
For the Years Ended September 30, 2024 and 2023						
	Governmental Activities		Business-Type Activities		Totals	
	2024	2023	2024	2023	2024	2023
Revenues						
Program Revenues						
Charges for services	\$ 3,167,582	\$ 1,974,110	\$ 2,186,918	\$ 1,991,435	\$ 5,354,500	\$ 3,965,545
Operating grants and contributions	116,736	327,465	-	-	116,736	327,465
Capital grants and contributions	1,281,973	423,109	1,216,726	62,584	2,498,699	485,693
General revenues						
Property taxes	4,924,111	4,461,958	-	-	4,924,111	4,461,958
Franchise and public service taxes	2,193,356	2,402,609	-	-	2,193,356	2,402,609
Intergovernmental	1,180,021	2,093,738	-	-	1,180,021	2,093,738
Investment income and miscellaneous	1,398,453	1,048,251	161,509	47,836	1,559,962	1,096,087
Total revenues	14,262,232	12,731,240	3,565,153	2,101,855	17,827,385	14,833,095
Operating expenses						
General government	2,308,069	2,282,538	-	-	2,308,069	2,282,538
Public safety	4,697,444	4,460,414	-	-	4,697,444	4,460,414
Transportation	714,339	749,794	-	-	714,339	749,794
Sanitation	752,718	790,337	-	-	752,718	790,337
Culture and recreation	2,556,926	1,983,226	-	-	2,556,926	1,983,226
Interest	-	2,337	-	-	-	2,337
Utility	-	-	2,037,342	1,894,831	2,037,342	1,894,831
Total operating expenses	11,029,496	10,268,646	2,037,342	1,894,831	13,066,838	12,163,477
Increase in net position before transfers	3,232,736	2,462,594	1,527,811	207,024	4,760,547	2,669,618
Transfers	-	(358,528)	-	358,528	-	-
Change in net position	3,232,736	2,104,066	1,527,811	565,552	4,760,547	2,669,618
Net position, beginning	21,890,830	19,786,764	8,025,565	7,460,013	29,916,395	27,246,777
Net position, ending	\$ 25,123,566	\$ 21,890,830	\$ 9,553,376	\$ 8,025,565	\$ 34,676,942	\$ 29,916,395

Governmental Activities

Governmental activities increased the City of Fruitland Park's net position by \$3,232,736. This was due to increases in property values, and intergovernmental revenues.

Business-Type Activities

Business-type activities increased the City of Fruitland Park's net position by \$1,527,811 primarily due to increases in grants.

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

As noted earlier, the City of Fruitland Park used fund accounting to ensure and demonstrate compliance with finance-related requirements.

Governmental Funds

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

As of the end of the current fiscal year, the City of Fruitland Park's governmental funds reported combined ending fund balances of \$17,665,201, an increase of \$1,521,238 in comparison with the prior year. However, the majority of the fund balances are restricted or committed, so there is only \$7,849,284 available for spending at the City's discretion.

The General Fund is the chief operating fund of the City of Fruitland Park. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$8,198,791, while total fund balance was \$15,522,102. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 53% while total fund balance is 153% of total General Fund expenditures.

The fund balance of the General Fund increased by \$1,690,994 during the current fiscal year primarily due to increased property tax revenue and higher than expected revenues.

The fund balance of the community redevelopment fund increased by \$910,978 primarily due to increased property tax revenues.

The capital projects fund balance decreased by \$1,080,734. This is due to more capital outlay spending.

Proprietary Fund

The City Fruitland Park's proprietary fund provides the same type of information found in the government-wide financial statements, but in more detail.

Unrestricted net position of the proprietary fund at the year-end amounted to \$807,860. The total increase in net position for the fund was \$1,527,811. Other factors concerning the finances of the fund has already been addressed in the discussion of the City of Fruitland Park's business-type activities.

General Fund Budgetary Highlights

During the year, actual revenues were \$663,260 more than budgeted revenues and actual expenditures were \$992,735 less than budgeted expenditures. Expenses were lower than budgeted.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The City of Fruitland Park's investment in capital assets for its governmental and business-type activities as of September 30, 2024, amounts to \$21,812,695 (net of accumulated depreciation), for an increase of \$2,374,333 from the prior year. This investment in capital assets includes land, buildings, improvements, machinery and equipment and infrastructure. The total increase in the City's investment in capital assets for the current fiscal year was 24.47% (a 20.59% increase for governmental activities, and a 30.64% increase for business-type activities).

	Governmental Activities		Business-Type Activities		Totals	
	2024	2023	2024	2023	2024	2023
Land	\$ 1,311,203	\$ 1,311,203	\$ 354,952	\$ 354,952	\$ 1,666,155	\$ 1,666,155
Construction in progress	588,373	2,470,235	1,090,039	365,163	1,678,412	2,835,398
Buildings	7,141,010	3,396,144	29,269	35,765	7,170,279	3,431,909
Improvements	1,164,371	1,107,384	9,035,963	8,990,173	10,200,334	10,097,557
Machinery and equipment	400,644	844,111	(180,373)	137,812	220,271	981,923
Infrastructure	877,244	425,420	-	-	877,244	425,420
Total capital assets	<u>\$ 11,482,845</u>	<u>\$ 9,554,497</u>	<u>\$ 10,329,850</u>	<u>\$ 9,883,865</u>	<u>\$ 21,812,695</u>	<u>\$ 19,438,362</u>

Additional information on the City's capital assets can be found in Note 5 of this report.

Debt Administration

At the end of the current fiscal year, the City of Fruitland Park had total debt outstanding of \$4,009,142. This debt includes financed purchases payable and notes payable. Additional information on long-term debt can be found in Note 6 of this report.

Long-Term Liabilities As of September 30, 2024

	Governmental Activities		Business-Type Activities		Totals	
	2024	2023	2024	2023	2024	2023
Financed purchases	\$ 66,429	\$ 87,451	\$ -	\$ -	\$ 66,429	\$ 87,451
Notes payable	-	-	2,541,147	3,921,691	2,541,147	3,921,691
Net pension liability	4,688,860	5,142,142	285,570	289,938	4,974,430	5,432,080
Compensated absences	221,242	155,001	11,940	11,795	233,182	166,796
Total long-term liabilities	<u>\$ 4,976,531</u>	<u>\$ 5,384,594</u>	<u>\$ 2,838,657</u>	<u>\$ 4,223,424</u>	<u>\$ 7,815,188</u>	<u>\$ 9,608,018</u>

ECONOMIC FACTORS

We are not currently aware of any conditions that are expected to have a significant effect on the City's financial position or results of operations.

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

This financial report is designed to provide a general overview of the City of Fruitland Park's finances for all those with an interest in the government's finances. Questions concerning any of the information should be addressed to the office of the Finance Director, City of Fruitland Park, 506 W. Berkman Street, Fruitland Park, Florida 34731.

BASIC FINANCIAL STATEMENTS

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City of Fruitland Park

STATEMENT OF NET POSITION SEPTEMBER 30, 2024

	Primary Government		
	Governmental	Business-Type	Total
	Activities	Activities	
Assets			
Cash and cash equivalents	\$ 22,065,297	\$ 1,185,430	\$ 23,250,727
Investments	1,414,732	-	1,414,732
Receivables, net	161,541	329,083	490,624
Due from other governments	477,530	-	477,530
Internal balances	(152,978)	152,978	-
Prepaid items	-	1,296	1,296
Inventory	6,182	254,428	260,610
Restricted asset, cash and cash equivalents	-	1,540,473	1,540,473
Capital assets			
Non-depreciable	1,899,576	1,444,991	3,344,567
Depreciable, net	9,583,269	8,884,859	18,468,128
Total assets	35,455,149	13,793,538	49,248,687
Deferred outflows of resources			
Deferred outflows - pension	1,577,091	96,051	1,673,142
Total deferred outflows of resources	1,577,091	96,051	1,673,142
Liabilities			
Accounts payable and accrued expenses	680,774	240,125	920,899
Due to other governmental agencies	198,336	-	198,336
Accrued interest	1,596	7,456	9,052
Deposits payable	2,701	212,005	214,706
Unearned revenue	5,425,292	1,000,000	6,425,292
Noncurrent liabilities			
Due within one year	65,821	556,117	621,938
Due in more than one year	4,910,710	2,282,540	7,193,250
Total liabilities	11,285,230	4,298,243	15,583,473
Deferred inflows of resources			
Deferred inflows - pension	623,444	37,970	661,414
Total deferred inflows of resources	623,444	37,970	661,414
Net position			
Net investment in capital assets	11,416,416	7,788,703	19,205,119
Restricted for			
Capital improvements	5,374,160	903,509	6,277,669
Debt service	-	53,304	53,304
Community redevelopment	2,492,606	-	2,492,606
Police	56,376	-	56,376
Recreation	12,802	-	12,802
Building inspections	927,818	-	927,818
Unrestricted	4,843,388	807,860	5,651,248
Total net position	\$ 25,123,566	\$ 9,553,376	\$ 34,676,942

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

City of Fruitland Park

STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government	
					Governmental Activities	Business-Type Activities
Functions/programs						
Primary government:						
Governmental activities:						
General government	\$ 2,308,069	\$ 1,336,842	\$ -	\$ 1,248,222	\$ 276,995	\$ -
Public safety	4,695,657	543,965	-	33,751	(4,117,941)	-
Transportation	714,339	-	33,746	-	(680,593)	-
Sanitation	752,718	1,045,742	-	-	293,024	-
Culture and recreation	2,556,926	241,033	82,990	-	(2,232,903)	-
Interest on long-term debt	1,787	-	-	-	(1,787)	-
Total governmental activities	11,029,496	3,167,582	116,736	1,281,973	(6,463,205)	-
Business-type activities:						
Water	2,037,342	2,186,918	-	1,216,726	-	1,366,302
Total business-type activities	2,037,342	2,186,918	-	1,216,726	-	1,366,302
Total primary government	\$ 13,066,838	\$ 5,354,500	\$ 116,736	\$ 2,498,699	(6,463,205)	1,366,302
General revenues						
Property taxes					4,924,111	-
Franchise taxes					816,821	-
Public service taxes					1,376,535	-
Unrestricted intergovernmental					1,180,021	-
Unrestricted investment earnings					1,238,966	87,895
Miscellaneous					159,487	70,033
Gain on sale of capital assets					-	3,581
Total general revenues and transfers					9,695,941	161,509
Change in net position					3,232,736	1,527,811
Net position, beginning of year					21,890,830	8,025,565
Net position, end of year					\$ 25,123,566	\$ 9,553,376

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

City of Fruitland Park

BALANCE SHEET GOVERNMENTAL FUNDS SEPTEMBER 30, 2024

	General Fund	Community Redevelopment Agency Fund	Capital Projects Fund	Total Governmental Funds
Assets				
Cash and cash equivalents	\$ 19,476,691	\$ 2,588,606	\$ -	\$ 22,065,297
Investments	1,214,732	100,000	100,000	1,414,732
Accounts receivable, net	161,541	-	-	161,541
Due from other governments	357,433	-	120,097	477,530
Due from other funds	516,493	-	-	516,493
Inventory	6,182	-	-	6,182
Total assets	<u>\$ 21,733,072</u>	<u>\$ 2,688,606</u>	<u>\$ 220,097</u>	<u>\$ 24,641,775</u>
Liabilities and fund balances				
Liabilities				
Accounts payable	\$ 342,671	\$ 181,393	\$ 64,459	\$ 588,523
Accrued liabilities	92,251	-	-	92,251
Due to other funds	151,520	12,806	505,145	669,471
Due to other governments	198,336	-	-	198,336
Deposits payable	900	1,801	-	2,701
Unearned revenue	5,425,292	-	-	5,425,292
Total liabilities	<u>6,210,970</u>	<u>196,000</u>	<u>569,604</u>	<u>6,976,574</u>
Fund balances				
Nonspendable	6,182	-	-	6,182
Restricted	6,371,156	2,492,606	-	8,863,762
Committed	945,973	-	-	945,973
Unassigned	8,198,791	-	(349,507)	7,849,284
Total fund balances (deficit)	<u>15,522,102</u>	<u>2,492,606</u>	<u>(349,507)</u>	<u>17,665,201</u>
Total liabilities and fund balances	<u>\$ 21,733,072</u>	<u>\$ 2,688,606</u>	<u>\$ 220,097</u>	<u>\$ 24,641,775</u>

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

City of Fruitland Park

RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION SEPTEMBER 30, 2024

Amounts reported for governmental activities in the Statement of Net Position are different because:

Total fund balances - governmental funds	\$ 17,665,201
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	
Governmental capital assets	16,958,698
Accumulated depreciation	(5,475,853)
Deferred outflows, deferred inflows, the net pension liability and the total OPEB liability related to the City's pension and OPEB plans are not expected to be liquidated with expendable available financial resources and, therefore are not reported in the funds.	
Deferred outflows - pension	1,577,091
Deferred inflows - pension	(623,444)
Net pension liability	(4,688,860)
Certain liabilities are not due and payable in the current period and are therefore not reported in the funds.	
Compensated absences	(221,242)
Financed purchases payable	(66,429)
Accrued interest	(1,596)
Net position of governmental activities	<u>\$ 25,123,566</u>

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

City of Fruitland Park

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES GOVERNMENTAL FUNDS FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

	General Fund	Community Redevelopment Agency Fund	Capital Projects Fund	Total Governmental Funds
Revenues				
Property taxes	\$ 3,854,844	\$ 1,069,267	\$ -	\$ 4,924,111
Franchise taxes	2,193,356	-	-	2,193,356
Fees and fines	70,465	-	-	70,465
Licenses and permits	1,294,828	-	-	1,294,828
Intergovernmental	1,328,684	152,684	1,063,611	2,544,979
Impact fees	33,751	-	-	33,751
Charges for services	1,802,289	-	-	1,802,289
Investment earnings	1,061,318	116,490	61,158	1,238,966
Miscellaneous revenues	159,487	-	-	159,487
Total revenues	11,799,022	1,338,441	1,124,769	14,262,232
Expenditures				
Current				
General government	2,080,945	12,071	-	2,093,016
Public safety	4,447,742	-	-	4,447,742
Transportation	672,481	-	-	672,481
Sanitation/other utility	697,981	-	-	697,981
Culture and recreation	2,236,788	-	-	2,236,788
Debt service				
Principal retirement	21,022	-	-	21,022
Interest	2,292	-	-	2,292
Capital outlay	-	364,169	2,205,503	2,569,672
Total expenditures	10,159,251	376,240	2,205,503	12,740,994
Excess (deficiency) of revenues over (under) expenditures	1,639,771	962,201	(1,080,734)	1,521,238
Other financing sources (uses)				
Transfers in	51,223	-	-	51,223
Transfers out	-	(51,223)	-	(51,223)
Total other financing sources (uses)	51,223	(51,223)	-	-
Change in fund balances	1,690,994	910,978	(1,080,734)	1,521,238
Fund balances, beginning of year	13,831,108	1,581,628	731,227	16,143,963
Fund balances (deficit), end of year	\$ 15,522,102	\$ 2,492,606	\$ (349,507)	\$ 17,665,201

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

City of Fruitland Park

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

Net Change in Fund Balances – Total Governmental Funds	\$ 1,521,238
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Amounts reported for governmental activities in the Statement of Activities are different because:

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of these assets are depreciated/amortized over their estimated useful lives.

Capital outlay	\$ 2,526,688	
Less current year depreciation and amortization	(593,190)	1,933,498

The net effect of various miscellaneous transactions involving capital assets (i.e. sales) is to decrease net position.	(5,150)
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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	(66,241)	
Change in accrued interest	505	
Pension expense	(172,136)	(237,872)

Debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Position. Repayment of principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position and does not affect the Statement of Activities.

Debt repayments:	
Financed purchases	21,022

Change in net position of governmental activities	\$ 3,232,736
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The accompanying notes to financial statements are an integral part of this statement.

City of Fruitland Park

STATEMENT OF NET POSITION

PROPRIETARY FUNDS

SEPTEMBER 30, 2024

	Utility Fund
Assets	
Current assets	
Cash and cash equivalents	\$ 1,185,430
Accounts receivable, net	329,083
Due from other funds	152,978
Prepays	1,296
Inventory	254,428
Total current assets	1,923,215
Noncurrent assets	
Restricted cash and cash equivalents	1,540,473
Capital assets, non-depreciable	1,444,991
Capital assets, net	8,884,859
Total noncurrent assets	11,870,323
Total assets	13,793,538
Deferred outflows of resources	
Deferred outflows - pension	96,051
Total deferred outflows of resources	96,051
Liabilities	
Current liabilities	
Accounts payable	230,614
Accrued liabilities	9,511
Accrued interest	7,456
Unearned revenue	1,000,000
Customer deposits payable	212,005
Compensated absences	2,359
Notes payable	553,758
Total current liabilities	2,015,703
Noncurrent liabilities	
Compensated absences	9,581
Notes payable, net of current portion	1,987,389
Net pension liability	285,570
Total noncurrent liabilities	2,282,540
Total liabilities	4,298,243
Deferred inflows of resources	
Deferred inflows - pension	37,970
Total deferred inflows of resources	37,970
Net position	
Net investment in capital assets	7,788,703
Restricted for	
Debt service	53,304
Capital improvements	903,509
Unrestricted	807,860
Total net position	\$ 9,553,376

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

City of Fruitland Park

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION PROPRIETARY FUNDS FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

	Utility Fund
Operating revenues	
Charges for services	\$ 2,186,918
Miscellaneous	70,033
Total operating revenues	<u>2,256,951</u>
Operating expenses	
Personnel costs	655,753
Other operating expenses	994,968
Depreciation	364,497
Total operating expenses	<u>2,015,218</u>
Operating income	<u>241,733</u>
Nonoperating revenues (expenses)	
Gain on sale of capital assets	3,581
Investment earnings	87,895
Interest expense	(22,124)
Total nonoperating revenues, net	<u>69,352</u>
Income before impact fees and capital contribution	311,085
Impact fees	308,497
Contributed capital	<u>908,229</u>
Changes in net position	1,527,811
Total net position, beginning of year	<u>8,025,565</u>
Total net position, end of year	<u><u>\$ 9,553,376</u></u>

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

City of Fruitland Park

STATEMENT OF CASH FLOWS PROPRIETARY FUNDS FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

	Utility Fund
Cash flows from operating activities	
Cash received from customers	\$ 3,246,175
Cash paid to suppliers for goods and services	(937,949)
Cash paid to employees for services and benefits	(627,518)
Net cash provided by operating activities	<u>1,680,708</u>
Cash flows from noncapital financing activities	
Transfer from other funds	908,229
Net cash used in noncapital financing activities	<u>908,229</u>
Cash flows from capital and related financing activities	
Acquisition and construction of capital assets	(810,482)
Principal paid on notes payable	(1,380,544)
Capital contributions	308,497
Insurance proceeds	3,581
Interest paid	(25,240)
Net cash used in capital and related financing activities	<u>(1,904,188)</u>
Cash flows from investing activities	
Interest received	87,895
Net cash provided by investing activities	<u>87,895</u>
Net change in cash and cash equivalents	772,644
Cash and cash equivalents, beginning of year	<u>1,953,259</u>
Cash and cash equivalents, end of year	<u><u>\$ 2,725,903</u></u>
Cash and cash equivalents classified as	
Cash and cash equivalents	\$ 1,185,430
Restricted cash and cash equivalents	1,540,473
Total cash and cash equivalents	<u><u>\$ 2,725,903</u></u>

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

City of Fruitland Park

STATEMENT OF CASH FLOWS PROPRIETARY FUNDS FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

	Utility Fund
Reconciliation of operating income to net cash provided by operating activities	
Operating income	\$ 241,733
Adjustment to reconcile operating income to net cash provided by operating activities:	
Depreciation and amortization	364,497
Change in operating assets and liabilities:	
(Increase) decrease in assets:	
Accounts receivable	(27,691)
Due from other funds	35,090
Deferred outflows - pension	6,639
Inventory	(1,954)
Increase (decrease) in liabilities:	
Accounts payable	23,883
Accrued liabilities	1,504
Unearned revenue	1,000,000
Compensated absences payable	145
Net pension liability	(4,368)
Deferred inflows - pension	24,315
Customer deposits	16,915
Net cash provided by operating activities	<u>\$ 1,680,708</u>

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

Notes To The Financial Statements

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

The City of Fruitland Park, Florida (the "City") is a political subdivision of the state of Florida located in Lake County. The City of Fruitland Park was created by charter in 1927. The City operates under a Commission-Manager form of government and provides the following services as authorized by its charter: public safety (police, fire and building inspections), roads and streets, culture (library) and recreation, planning and zoning, and water, sewer and garbage utility service. Except for a few customers, utility services are provided only within the incorporated boundaries of the City.

The financial statements of the City have been prepared in accordance with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standard Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The more significant of the government's accounting policies are described below.

In evaluating how to define the government, for financial reporting purposes, the City has considered all potential component units. The definition of the reporting entity is based primarily on the notion of financial accountability. A primary government is financially accountable for the organizations that make up its legal entity. It is also financially accountable for legally separate organizations if its officials appoint a voting majority of an organization's governing body, and either it is able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to, or to impose specific financial burdens on, the primary government. A primary government may also be financially accountable for governmental organizations that are fiscally dependent on it.

A primary government has the ability to impose its will on an organization if it can significantly influence the programs, projects or activities of, or the level of services performed or provided by, the organization. A financial benefit or burden relationship exists if the primary government: (a) is entitled to the organizations' resources; (b) is legally obligated or has otherwise assumed the obligation to finance the deficits of, or provide financial support to, the organization; or (c) is obligated in some manner for the debt of the organization. In applying the above criteria, the City has one blended component unit as follows:

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NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The City of Fruitland Park Community Redevelopment Fund

The City of Fruitland Park created the Community Redevelopment Agency in March of 1995. This is a dependent taxing district established in accordance with Chapter 163, Part III, Florida Statutes. Notification to affected taxing agency was done in compliance with Chapter 163.346, Part III, Florida Statutes. The incremental annual increase in tax over the base years will be used to fund projects designed to enhance and improve the described area. The City Commission, being the duly elected governmental body for the designated area, passed Resolution 95-012, which established the City of Fruitland Park as the Redevelopment Agency for the purpose of carrying out the community redevelopment programs and plans within the area and adopted a community development redevelopment plan. Through Ordinance 95-001 the City established the Community Redevelopment Trust Fund to account for all transactions generated by this special revenue fund. In September 2006, the City adopted Resolution 2006-022 to expand the CRA boundaries and modified the redevelopment plan.

Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the City. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include: (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment, and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of 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.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

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 90 days of the end of the current fiscal period. 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 taxes, 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. All other revenue items are considered to be measurable and available only when cash is received by the City.

The City reports the following major governmental funds:

General Fund – the government'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 Fund – established as a dependent taxing district. The incremental annual increase in tax over the base years will be used to fund projects designed to enhance and improve the described area.

Capital Projects Fund – a capital projects fund used to account for the acquisition or construction of major capital facilities. The fund also accounts for discretionary sales surtax revenues that are legally restricted for expenditure on infrastructure and related debt.

The City reports the following major enterprise fund:

Utility Fund – used to account for the operations of the City's water and sewer utility operations, which are financed in a manner similar to private business enterprises, where the costs, including depreciation, of providing services to the general public on an ongoing basis are financed primarily through user charges.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are other charges between the City's water function and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

Amounts reported as program revenues include: (1) charges to customers or applicants for goods, services, or privileges provided, (2) operating grants and contributions, and (3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish operating revenues and expenses from 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 water and recreation programs funds are charges to customers for sales and services. The City also recognizes as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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

Deposits and Investments

The government's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

Investments of the City are reported at fair value and are categorized within the fair value hierarchy established in accordance with GASB Statement No. 72, *Fair Value Measurement and Application*. The City's investments consist of investments authorized per their investment policy, adopted in accordance with Section 218.415, Florida Statutes.

Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds". Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances".

Advances between funds, as reported in the fund financial statements, are offset by a non-spendable fund balance in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

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NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Receivables and Payables (Continued)

All receivables are shown net of an allowance for uncollectable. The County bills and collects property taxes and remits them to the City. City property tax revenues are recognized when levied to the extent that they result in current receivables.

All property is reassessed according to its fair value on the lien date, or January 1 of each year. Taxes are levied on October 1 of each year. Discounts are allowed for early payment at the rate of 4% in the month of November, 3% in the month of December, 2% in the month of January, and 1% in the month of February. The taxes paid in March are without discount. All unpaid taxes become delinquent on April 1 following the year in which they are assessed. On or around May 31 following the tax year, certificates are sold for all delinquent taxes on real property.

Inventory and Prepaid Items

All inventories are valued at cost using the first-in/first-out (FIFO) method. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

Restricted Assets

The use of certain assets of the Utility fund may be restricted by specific provisions of bond resolutions, city ordinances and/or agreements with various parties. Assets so designated are identified as restricted assets on the balance sheet.

Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the City's capitalization policy as assets with an initial, individual cost of \$1,000 or more and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital Assets (Continued)

Property, plant, and equipment of the City are depreciated using the straight-line method over the following estimated useful lives:

	Years
Buildings	30 - 40
Improvements	10 - 20
Infrastructure	20 - 50
Equipment	5 - 10
Intangible assets	10

Compensated Absences

It is the City's policy to permit employees to accumulate earned but unused vacation benefits. Since the City's policy is to pay all vacation benefits when employees separate from service, these amounts are accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

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Long-Term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City has one item that that qualifies for reporting in this category, which is the deferred outflows of pension earnings.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Deferred Outflows/Inflows of Resources (Continued)

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has one item that qualifies for reporting in this category, which are the deferred inflows of pension earnings.

Net Position Flow Assumptions

Sometimes the City will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position in the government-wide and proprietary fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the City's policy to consider restricted net position to have been depleted before unrestricted net position is applied.

Fund Balance Flow Assumptions

Sometimes the City will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balances). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the City's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

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NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Balance Policies

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The City itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the city's highest level of decision-making authority. The Commission is the highest level of decision-making authority for the City that can, by adoption of an ordinance prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken (the adoption of another ordinance) to remove or revise the limitation.

Amounts in the assigned fund balance classification are intended to be used by the City for specific purposes but do not meet the criteria to be classified as committed. The commission has maintained authority to assign fund balance. The Commission may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities and disclosure of contingent assets and liabilities as of the financial statement date and the reported amounts of revenues and expenses or expenditures during the reporting period. Actual results could differ from those estimates.

New Accounting Standards

In fiscal year 2024, the City implemented GASB Statement No. 100, *Accounting Changes and Error Corrections*-an amendment of GASB Statement No. 62. Implementation of this standard did not impact the City's Financial Statements.

NOTE 2. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Budgetary Information

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

1. Prior to the end of the fiscal year, the City Manager submits to the City Commission a proposed operating budget for the fiscal year commencing the following October 1. The operating budget includes proposed expenditures and the means of financing them.
2. Public workshops are held where the Commission, City Manager and department heads refine budget detail items. Public hearings are held to obtain taxpayer comments. The budget is then enacted through passage of a resolution no later than September 30.
3. Appropriations are authorized by resolution at the department level. These are the legal levels of budgetary control. Administrative control is maintained through the establishment of more detailed line-item budgets.
4. The City Manager is authorized to transfer budgeted amounts between line items within any department; however, any revisions that alter the total expenditures of a department must be approved by a majority vote of the City Commission.
5. Formal budgetary integration is employed as a management control device during the year for governmental funds. Total budgeted appropriations within a governmental fund type may not be exceeded legally.
6. Encumbrance accounting is currently employed by the City. Encumbrances outstanding at year end do not constitute expenditures or liabilities and are not reported as committed or assigned fund balances. All appropriations and encumbrances lapse at year-end.

NOTE 3. DEPOSITS AND INVESTMENTS

Deposits

All bank deposits were covered by Federal Depository Insurance or by collateral held in banks that are members of the State of Florida's Collateral Pool as specified under Florida law. Florida Statutes provide for collateral pooling by banks and savings and loans. This limits local government deposits to "authorized depositories".

NOTE 3. DEPOSITS AND INVESTMENTS (CONTINUED)

Investments

The City's investment policies are governed by State Statutes and City ordinances. City ordinance allows investments in any financial institution that is a qualified public depository of the State of Florida as identified by the State Treasurer, in accordance with Chapter 280 of the Florida Statutes. Authorized investments are:

1. U.S. Government obligations, U.S. Government agency obligations, and U.S. Government instrumentality obligations;
2. Canadian Government obligation (payable in local currency);
3. Certificates of deposit;
4. Savings and loan association deposits;
5. Prime bankers acceptances;
6. Prime commercial paper;
7. Investment-grade obligations of state, provincial and local governments and public authorities;
8. Money market mutual funds regulated by the Securities and Exchange Commission and whose portfolios consist only of domestic securities;
9. Statewide investment pools;
10. Mutual funds;
11. The Local Government Surplus Funds Trust Fund, or any intergovernmental investment pool authorized pursuant to the Florida Interlocal Cooperation Act, as provided as provided in F.S. § 163.01;
12. Securities and Exchange Commission registered money market funds with the highest credit quality rating from a nationally recognized rating agency;
13. Savings accounts in state-certified qualified public depositories, as defined in F.S. § 280.02;
14. Certificates of deposit in state-certified qualified public depositories, as defined in F.S. § 280.02;
15. Direct obligations of the U.S. Treasury;
16. Federal agencies and instrumentalities.

Interest Rate Risk

Interest rate risk exists when there is a possibility that changes in interest rates could adversely affect an investment's fair value. The City's investment policy does not specifically address interest rate risk.

Credit Risk

The City's investment policy limits its investments to the State Board of Administration investment pool, certificates of deposit, highly rated money market funds, government obligation, and mutual funds. The City's mutual bond fund investments are not rated.

NOTE 3. DEPOSITS AND INVESTMENTS (CONTINUED)

Custodial Credit Risk

Custodial risk is the risk that, in the event of the failure of the counterparty, the government will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. At September 30, 2024, none of the trust investments listed are exposed to custodial credit risk because their existence is not evidenced by securities that exist in physical or book entry form.

The State Board of Administration (SBA) Local Government Investment Pool (LGIP), operated by the Florida State Board of Administration, is a "2a-7 like" pool in accordance with GASB 31; therefore, it is not presented at fair value but at its actual pooled share price which approximates fair value. The LGIP is not a registrant with the SEC; however, the State of Florida does provide regulatory oversight.

Investments held by the City at September 30, 2024 are detailed below:

Cash and Investment Type	Fair Value	Credit Rating	Weighted Average Maturity
Demand deposits	\$ 4,675,802	N/A	N/A
Florida Prime	20,304,680	AAAm	45 days
Asset basket securities	9,731	N/A	11.4 years
Mutual funds	1,014,732	N/A	N/A
Money market	987	N/A	N/A
Certificates of deposit	200,000	N/A	N/A
	<u>\$ 26,205,932</u>		

Fair Value

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The fair value is the price that would be received to sell an asset, or paid to transfer a liability, in an orderly transaction between market participants at the measurement date. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. The City uses a market approach in measuring fair value that uses prices and other relevant information generated by market transaction involving identical or similar assets, liabilities, or groups of assets and liabilities.

Assets or liabilities are classified into one of three levels. Level 1 is the most reliable and is based on quoted prices for identical assets, or liabilities, in an active market. Level 2 uses significant other observable inputs when obtaining quoted prices for identical or similar assets, or liabilities, in markets that not active. Level 3 is the least reliable and uses significant unobservable inputs that uses the best information available under the circumstances, which includes the City's own data in measuring unobservable inputs.

NOTE 3. DEPOSITS AND INVESTMENTS (CONTINUED)**Fair Value (Continued)**

The City has the following recurring fair value measurements as of September 30, 2024:

<u>Investments Valued by Fair Value Level</u>	<u>Fair Value</u>	<u>Quoted Prices in Active Markets for Identical Assets (Level 1)</u>	<u>Significant Other Observable Inputs (Level 2)</u>
Asset backed securities	\$ 9,731	\$ -	\$ 9,731
Mutual funds	1,014,732	-	1,014,732
	<u>\$ 1,024,463</u>	<u>\$ -</u>	<u>\$ 1,024,463</u>

NOTE 4. RECEIVABLES

Receivables as of year-end for the City's individual funds, including the applicable allowances for uncollectible accounts, are as follows:

	<u>General Fund</u>	<u>Capital Projects Fund</u>	<u>Utility Fund</u>	<u>Total</u>
Receivables				
Accounts	\$ 161,541	\$ -	\$ 336,838	\$ 498,379
Due from other governments	357,433	120,097	-	477,530
Less allowance for uncollectible receivables	-	-	(7,755)	(7,755)
	<u>\$ 518,974</u>	<u>\$ 120,097</u>	<u>\$ 329,083</u>	<u>\$ 968,154</u>

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NOTE 5. CAPITAL ASSETS

	Beginning Balance	Additions	Deletions	Net Transfers	Ending Balance
Primary government					
Governmental activities					
Capital assets not being depreciated					
Land	\$ 1,311,203	\$ -	\$ -	\$ -	\$ 1,311,203
Construction in progress	2,470,235	588,373	-	(2,470,235)	588,373
Total assets not being depreciated	3,781,438	588,373	-	(2,470,235)	1,899,576
Capital assets being depreciated					
Buildings	5,088,273	1,474,009	(63,686)	2,470,235	8,968,831
Improvements	2,011,482	294,691	(120,376)	-	2,185,797
Machinery and equipment	3,064,872	169,615	(99,577)	-	3,134,910
Infrastructure	769,584	-	-	-	769,584
Total assets being depreciated	10,934,211	1,938,315	(283,639)	2,470,235	15,059,122
Less accumulated depreciation					
Buildings	(1,692,129)	(196,000)	60,308	-	(1,827,821)
Improvements	(904,098)	(235,932)	118,604	-	(1,021,426)
Machinery and equipment	(2,220,761)	(136,482)	99,577	-	(2,257,666)
Infrastructure	(344,164)	(24,776)	-	-	(368,940)
Total accumulated depreciation	(5,161,152)	(593,190)	278,489	-	(5,475,853)
Total assets depreciated, net	5,773,059	1,345,125	(5,150)	2,470,235	9,583,269
Governmental activities, net	\$ 9,554,497	\$ 1,933,498	\$ (5,150)	\$ -	\$ 11,482,845
	Beginning Balance	Additions	Deletions	Net Transfers	Ending Balance
Business-type activities					
Capital assets not being depreciated					
Land	\$ 354,952	\$ -	\$ -	\$ -	\$ 354,952
Construction in progress	365,163	724,876	-	-	1,090,039
Total assets not being depreciated	720,115	724,876	-	-	1,444,991
Capital assets being depreciated					
Buildings	240,808	-	-	-	240,808
Improvements	12,833,524	85,606	-	-	12,919,130
Machinery and equipment	633,277	-	-	-	633,277
Intangible assets	346,296	-	-	-	346,296
Total assets being depreciated	14,053,905	85,606	-	-	14,139,511
Less accumulated depreciation					
Buildings	(205,043)	(6,496)	-	-	(211,539)
Improvements	(3,843,351)	(39,816)	-	-	(3,883,167)
Machinery and equipment	(495,465)	(318,185)	-	-	(813,650)
Intangible assets	(346,296)	-	-	-	(346,296)
Total accumulated depreciation	(4,890,155)	(364,497)	-	-	(5,254,652)
Total assets depreciated, net	9,163,750	(278,891)	-	-	8,884,859
Business-type activities, net	\$ 9,883,865	\$ 445,985	\$ -	\$ -	\$ 10,329,850

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NOTE 5. CAPITAL ASSETS (CONTINUED)

Depreciation/amortization expense was charged to functions/programs of the primary government as follows:

Governmental activities	
General government	\$ 117,866
Public safety	143,131
Transportation	64,476
Culture and recreation	267,717
	<u>\$ 593,190</u>
Business-type activities	
Utility	\$ 364,497
	<u>\$ 364,497</u>

NOTE 6. LONG-TERM OBLIGATIONS

State Revolving Fund Loans

On September 17, 2001, the City entered into a loan agreement with the State of Florida Department of Environmental Protection under the Clean Water State Revolving Fund (SRF) loan program. The purpose of the loan was to provide funding for preconstruction planning and engineering activities for a sewer utility system for the City's highway commercial corridor. Maximum borrowing under this agreement was \$237,108. All preconstruction activities have been completed, and all loan disbursements have been received.

Interest accrues on the outstanding balance at a rate of 3.16% per year. Semi-annual loan payments of \$8,165 are due each February 15 and August 15 through February 15, 2026. Total principal and interest remaining to be paid on this series is \$23,989. For the year ended September 30, 2024, principal and interest paid on this series was \$16,331. The net revenue of the water and sewer utility is pledged as security for repayment and totaled \$561,418 in 2024.

On March 29, 2005, the City entered into a second loan agreement with the State under the Clean Water SRF loan program. The purpose of the loan was to provide funding for construction of a sewer utility system, consisting of a 98,000 gallons per day wastewater treatment plant and a low-pressure sewer collection system along the City's highway commercial corridor. Maximum borrowing under this agreement is \$2,393,745. All loan disbursements have been received. The total amount borrowed was \$1,937,529.

Semi-annual loan payments of \$76,589 began on August 15, 2006. Beginning February 15, 2010, the semi-annual loan payments were reduced to \$60,669, and continue each February 15 and August 15 thereafter through February 15, 2026. Total principal and interest remaining to be paid on this series is \$178,997. For the year ended September 30, 2024, principal and interest paid on this series was \$121,338. The net revenue of the water and sewer utility is pledged as security for repayment and totaled \$561,418 in 2024.

NOTE 6. LONG-TERM OBLIGATIONS (CONTINUED)

State Revolving Fund Loans (Continued)

On November 18, 2020, the City entered into a third loan agreement with the State under the Clean Water SRF loan program. The purpose of the loan was to provide funding for construction of a wastewater treatment and stormwater management treatment facility. Maximum borrowing under this agreement is \$85,000. At September 30, 2024, only \$27,200 has been disbursed and borrowed.

Semi-annual loan payments will be \$680 until the final disbursements of the loan proceeds have been made, then the semiannual loan payment will be adjusted based on actual costs. Semi-annual loan payments will be made each August 15 and February 15, until all amounts have been paid. Total principal and interest remaining to be paid on this series is \$22,440. For the year ended September 30, 2024, principal and interest paid on this series was \$1,360. The net revenue of water and sewer utility is pledged as a security for repayment and totaled \$561,418 in 2024.

In September 2022, the City entered into a loan agreement with the State under the Clean Water SRF loan program. The purpose of the loan was to provide funding for construction of a force main in an unsewered area of the City. Maximum borrowing under this agreement is \$2,767,953. As of September 30, 2024 the total amount borrowed was \$1,543,205.

Semi-annual loan payments will be \$39,806 with the first payment due on August 15th, 2024, and continue each February 15 and August 15 of each year until all amounts due have been fully paid. Total principal and interest remaining to be paid on this series is \$1,558,524. There were no payments made in the current year. The net revenue of the water and sewer utility is pledged as security for repayment and totaled \$561,418 in 2024.

In the event of default, the Florida Department of Environmental Protection may cause to establish rates and collect fees, require the City to account for all moneys received and used, appoint a receiver to manage the Water and Sewer Systems, intercept delinquent amounts plus a penalty due to the City under State Revenue Sharing, recover all amounts due including costs of collection and attorney fees, and accelerate the repayment schedule or increase the interest rate by a factor of up to 1.667.

Florida Department of Transportation Note

On May 2, 2011 the City Signed a promissory note with the State of Florida Department of Transportation (FDOT) in the amount of \$913,460. In exchange, the City agreed to have FDOT move water and sewer utility lines out of State highway right-of-way in order to allow FDOT to complete a highway widening project. The note carries a 0% interest rate and is payable in 30 equal annual installments beginning October 15, 2014. The amount of the note was an estimate of the utility construction cost, and the note states that in the event that the actual cost of the utility relocation work is different, that a new promissory note will be executed for the actual cost amount. The note is secured by gross revenues of the water and sewer utility. In the event of default, the entire remaining unpaid principal balance shall become immediately due and payable in at the option of FDOT.

NOTE 6. LONG-TERM OBLIGATIONS (CONTINUED)**Florida Department of Transportation Note (Continued)**

At September 30, 2013, the utility work was complete, and the City recorded estimated costs of \$619,882. The highway project was completed in June 2014, and FDOT adjusted the note to the actual costs of \$425,588.

Total principal and interest remaining to be paid on this series is \$269,539. For the fiscal year, principal paid on this series was \$14,187 and total pledged revenue was \$2,101,855.

2016 Capital Improvement Revenue Note

In January 2016, the City issued a Capital Improvement Revenue Note Series 2016 in the amount of \$2,500,000, at an interest rate of 2.33%, provided for the cost of acquiring and constructing improvements to the City's Wastewater System and related improvements. The note is secured by infrastructure sales surtax received by the City and recorded in the Capital Projects Fund. In the event of default, the Note holder may increase the interest rate by 2.0%, and recover all expenses incurred including attorney fees.

Total principal and interest remaining to be paid on this series is \$504,706. For the fiscal year, principal and interest paid on this series was \$344,340 and total pledged revenue was \$1,070,239.

Annual debt service requirements to maturity for notes payable are as follows:

Fiscal Year	Business-Type Activities		
	Principal	Interest	Total
2025	\$ 553,758	\$ 14,187	\$ 567,945
2026	333,298	2,862	336,160
2027	95,158	-	95,158
2028	95,158	-	95,158
2029	95,158	-	95,158
2030-2034	475,790	-	475,790
2035-2039	475,790	-	475,790
2040-2044	417,037	-	417,037
	<u>\$ 2,541,147</u>	<u>\$ 17,049</u>	<u>\$ 2,558,196</u>

NOTE 6. LONG-TERM OBLIGATIONS (CONTINUED)**Financed Purchases**

The City has entered into agreements for financing the acquisition of radio equipment. These agreements qualify as financed purchases for accounting purposes. For the fiscal year, principal and interest paid was \$23,314.

Annual debt service requirements to maturity for financed purchases are as follows:

Fiscal Year	Governmental Activities		
	Principal	Interest	Total
2025	\$ 21,573	\$ 1,741	\$ 23,314
2026	22,138	1,176	23,314
2027	22,718	595	23,313
	<u>\$ 66,429</u>	<u>\$ 3,512</u>	<u>\$ 69,941</u>

Changes in Long-Term Liabilities

Long-term liability activity for the year ended September 30, 2024 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due Within One Year
Governmental activities					
Financed purchases	\$ 87,451	\$ -	\$ (21,022)	\$ 66,429	\$ 21,573
Compensated absences	155,001	66,241	-	221,242	44,248
Net pension liability	5,142,142	2,280,306	(2,733,588)	4,688,860	-
Total governmental activities	<u>\$ 5,384,594</u>	<u>\$ 2,346,547</u>	<u>\$ (2,754,610)</u>	<u>\$ 4,976,531</u>	<u>\$ 65,821</u>
Business-type activities					
Notes payable - direct borrowings					
SRF Loan, preconstruction	\$ 38,959	\$ -	\$ (15,218)	\$ 23,741	\$ 15,703
SRF Loan, construction	292,208	-	(114,693)	177,515	117,601
SRF Loan, construction - 2021	23,800	-	(1,360)	22,440	1,360
SRF Loan, construction	2,451,434	-	(908,229)	1,543,205	70,389
FDOT note	283,725	-	(14,186)	269,539	14,186
Capital improvement note	831,565	-	(326,858)	504,707	334,519
Compensated absences	11,795	145	-	11,940	2,359
Net pension liability	289,938	138,879	(143,247)	285,570	-
Total business-type activities	<u>\$ 4,223,424</u>	<u>\$ 139,024</u>	<u>\$ (1,523,791)</u>	<u>\$ 2,838,657</u>	<u>\$ 556,117</u>

The governmental activities liabilities for compensated absences and pension related liabilities are generally liquidated by the General Fund.

NOTE 6. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

Interfund receivable/payable amounts as of September 30, 2024 are summarized below:

Fund	Due From	Due To
General Fund	\$ 516,493	\$ 151,520
Community Redevelopment Agency	-	12,806
Capital Projects Fund	-	505,145
Utility Fund	152,978	-
	<u>\$ 669,471</u>	<u>\$ 669,471</u>

Interfund transfers for the year ended September 30, 2024 are summarized below:

Fund	Transfer In	Transfer Out
General Fund	\$ 51,223	\$ -
Community Redevelopment Agency	-	51,223
	<u>\$ 51,223</u>	<u>\$ 51,223</u>

NOTE 7. DEFINED BENEFIT RETIREMENT PLANS**Defined Benefit Plans**

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The City participates in two defined benefit pension plans that are administered by the State of Florida, Department of Management Services, Division of Retirement. The plans provide retirement, disability or death benefits to retirees or their designated beneficiaries. Chapter 121, Florida Statutes, establishes the authority for benefit provisions. Changes to the law can only occur through an act of the Florida Legislature. The State of Florida issues a publicly available financial report that includes financial statements and required supplementary information for the plans. That report is available from the Florida Department of Management Services' website (www.dms.myflorida.com).

The Florida Retirement System (FRS) Pension Plan is a cost-sharing, multiple-employer defined benefit pension plan with a Deferred Retirement Option Program (DROP) available for eligible employees. The FRS was established and is administered in accordance with Chapter 121, Florida Statutes. Retirees receive a lifetime pension benefit with joint and survivor payment options. FRS membership is compulsory for employees filling regularly established positions in a state agency, county agency, state university, state college, or district school board, unless restricted from FRS membership under Sections 121.053 or 121.122, Florida Statutes, or allowed to participate in a defined contribution plan in lieu of FRS membership. Participation by cities, municipalities, special districts, charter schools and metropolitan planning organizations is optional.

The Retiree Health Insurance Subsidy (HIS) Program is a cost-sharing, multiple-employer defined benefit pension plan established and administered in accordance with Section 112.363, Florida Statutes. The benefit is a monthly payment to assist retirees of the state-administered retirement systems in paying their health insurance costs. To be eligible to receive a HIS benefit, a retiree under a state-administered retirement system must provide proof of eligible health insurance coverage, which can include Medicare.

NOTE 7. DEFINED BENEFIT RETIREMENT PLANS (CONTINUED)

Benefits Provided

Benefits under the FRS Pension Plan are computed on the basis of age and/or years of service, average final compensation, and service credit. Credit for each year of service is expressed as a percentage of the average final compensation. For members initially enrolled before July 1, 2011, the average final compensation is the average of the five highest fiscal years' earnings; for members initially enrolled on or after July 1, 2011, the average final compensation is the average of the eight highest fiscal years' earnings. The total percentage value of the benefit received is determined by calculating the total value of all service, which is based on the retirement plan and/or class to which the member belonged when the service credit was earned.

Eligible retirees and beneficiaries receive a monthly HIS payment equal to the number of years of service credited at retirement multiplied by \$5. The minimum payment is \$30 and the maximum payment is \$150 per month, pursuant to Section 112.363, Florida Statutes.

Contributions

The contribution requirements of plan members and the employer are established and may be amended by the Florida Legislature. Employees are required to contribute 3% of their salary to FRS. The employer's contribution rates for the period October 1, 2023 through June 30, 2024, and July 1, 2024 through September 30, 2024, were as follows: Regular Class 13.57% and 13.63%, Senior Management 34.52% and 34.52%, Special Risk Employee Class 32.67% and 32.79%, Elected Officials 58.68% and 58.68%, and DROP Participants 21.13% and 21.13%. These employer contribution rates include 2.00% HIS Plan subsidy for the periods October 1, 2023 through June 30, 2024, and from July 1, 2024 through September 30, 2024.

The City's contributions for the year ended September 30, 2024 were \$559,411 to the FRS Plan and \$71,119 to the HIS plan.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At September 30, 2024, the City reported a liability of \$3,746,601 for its proportionate share of the FRS Pension Plan's net pension liability and \$1,227,829 for its proportionate share of the HIS Plan's net pension liability. The net pension liabilities were measured as of June 30, 2024, and the total pension liabilities used to calculate the net pension liabilities were determined by an actuarial valuation as of July 1, 2024. The City's proportionate share of the net pension liabilities were based on the City's 2023-2024 fiscal year contributions relative to the 2022-2023 fiscal year contributions of all participating members. At June 30, 2024, the City's proportionate share of the FRS and HIS plans were 0.00968497% and 0.00818499%, respectively, which was a decrease of 0.000627672% and 0.000144408%, respectively, from its proportionate share measured as of June 30, 2023.

NOTE 7. DEFINED BENEFIT RETIREMENT PLANS (CONTINUED)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

At September 30, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Description	FRS Plan		HIS Plan	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 378,507	\$ -	\$ 11,856	\$ 2,358
Change of assumptions	513,506	-	21,730	145,359
Net difference between projected and actual earnings on Pension Plan investments	-	249,019	-	444
Changes in proportion and differences between City Pension Plan contributions and proportionate share of contributions	367,202	191,135	213,633	73,099
City Pension Plan contributions subsequent to the measurement date	147,620	-	19,088	-
Total	<u>\$ 1,406,835</u>	<u>\$ 440,154</u>	<u>\$ 266,307</u>	<u>\$ 221,260</u>

Deferred outflows of resources related to employer contributions paid subsequent to the measurement date and prior to the employer's fiscal year end will be recognized as a reduction of the net pension liability in the reporting period ending September 30, 2025. Other pension-related amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in pension expense as follows:

Fiscal Year Ending

September 30:

	FRS	HIS
2025	\$ (72,552)	\$ 4,211
2026	788,172	5,196
2027	57,457	7,570
2028	2,718	5,293
2029	43,266	2,884
Thereafter	-	805
	<u>\$ 819,061</u>	<u>\$ 25,959</u>

Actuarial Assumptions

The total pension liability for each of the defined benefit plans was measured as of June 30, 2024. The total pension liability for the FRS Pension Plan was determined by an actuarial valuation dated July 1, 2024. For the HIS Program, the total pension liability was determined by an actuarial valuation dated July 1, 2024, rolled-forward using standard actuarial procedures. The individual entry age normal actuarial cost method was used for each plan, along with the following significant actuarial assumptions:

	FRS	HIS
Inflation rate	2.40%	2.40%
Salary increases	3.50%	3.50%
Investment rate of return	6.70%	N/A
Discount rate	6.70%	3.93%

NOTE 7. DEFINED BENEFIT RETIREMENT PLANS (CONTINUED)

Actuarial Assumptions (Continued)

Mortality assumptions for both plans were based on the PUB-2010 base table with Projection Scale MP-2021.

For both plans, the actuarial assumptions were based on the results of an actuarial experience study for the period July 1, 2018 through June 30, 2023.

The following changes in key actuarial assumptions occurred in 2024:

HIS: The municipal bond index rate and the discount rate used to determine the total pension liability increased from 3.65% to 3.93%.

The long-term expected investment rate of return was not based on historical returns, but instead was based on a forward-looking capital market economic model. Each asset class assumption is based on a consistent set of underlying assumptions, and includes an adjustment for the inflation assumption.

For the FRS Pension Plan, the table below summarizes the consulting actuary's assumptions based on the long-term target asset allocation.

Asset Class	Target Allocation ⁽¹⁾	Annual Arithmetic Return	Compound	
			Annual (Geometric) Return	Standard Deviation
Cash	1.00%	3.30%	3.30%	1.10%
Fixed income	29.00%	5.70%	5.60%	3.90%
Global equity	45.00%	8.60%	7.00%	18.20%
Real estate	12.00%	8.10%	6.80%	16.60%
Private equity	11.00%	12.40%	8.80%	28.40%
Strategic investments	2.00%	6.60%	6.20%	8.70%
Total	100.00%			
Assumed Inflation - Mean			2.40%	1.50%

⁽¹⁾ As outlined in the Pension Plan's investment policy

Discount Rate

The discount rate used to measure the total pension liability for the FRS Pension Plan was 6.70%. The FRS fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the total pension liability is equal to the long-term expected rate of return.

Because the HIS Program is essentially funded on a pay-as-you-go basis, a municipal bond rate of 3.93% was used to determine the total pension liability for the program. The Bond Buyer General Obligation Bond 20-Bond Municipal Bond Index was used as the applicable municipal bond index.

NOTE 7. DEFINED BENEFIT RETIREMENT PLANS (CONTINUED)**Sensitivity Analysis**

The following tables demonstrate the sensitivity of the net pension liability to changes in the discount rate. The sensitivity analysis shows the impact to the employer's proportionate share of the net pension liability if the discount rate was 1.00% higher or 1.00% lower than the current discount rate.

	FRS		
	Current		
	1% Decrease	Discount Rate	1% Increase
	(5.70%)	(6.70%)	(7.70%)
City's proportionate share of the net pension liability	\$ 6,590,140	\$ 3,746,601	\$ 1,364,534

	HIS		
	Current		
	1% Decrease	Discount Rate	1% Increase
	(2.93%)	(3.93%)	(4.93%)
City's proportionate share of the net pension liability	\$ 1,397,725	\$ 1,227,829	\$ 1,086,787

Pension Plans Fiduciary Net Position

Detailed information about the pension plans' fiduciary net position is available in the state's separately issued financial reports.

Investment Plan

Pursuant to Chapter 121, Florida Statutes, the Florida Legislature created the Florida Retirement Investment Plan ("FRS Investment Plan"), a defined contribution pension plan qualified under Section 401(a) of the Internal Revenue Code. The FRS Investment Plan is an alternative available to members of the Florida Retirement System in lieu of the defined benefit plan. There is a uniform contribution rate covering both the defined benefit and defined contribution plans, depending on membership class. Required employer contributions made to the plan during the year ended September 30, 2024 totaled \$772,077.

Aggregate Amounts of All Pension Plans

The aggregate amounts for all of the City's defined benefit pension plans at September 30, 2024 are as follows:

	Net Pension Liability	Deferred Inflows	Deferred Outflows	Pension Expense
FRS Pension Plan	\$ 3,746,601	\$ 440,154	\$ 1,406,835	\$ 701,420
HIS Pension Plan	1,227,829	221,260	266,307	127,832
	<u>\$ 4,974,430</u>	<u>\$ 661,414</u>	<u>\$ 1,673,142</u>	<u>\$ 829,252</u>

NOTE 8. DEFINED CONTRIBUTION RETIREMENT PLANS

ICMA 401-a Retirement Plan

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

All full-time employees at least 18 years of age, other than those participating in FRS, are eligible to participate in this plan once they have completed a 90-day period of service. An employee does not become vested in any benefits until the completion of five years of service, at which time the employee becomes 100% vested. At September 30, 2024 there were four participants in the plan.

Contributions to the plan are made only by the City. The City will contribute a minimum of 2% of a participant’s earnings, not including overtime or bonuses, into the plan. The City will contribute up to 5% into the plan, depending upon (and matching) a participant’s contribution into the City’s ICMA 457 deferred compensation plan.

Participant’s separating from service with the City before the five-year vesting period of service is complete forfeit their entire account balance in the plan. The City may use forfeited amounts to reduce the City’s required payment of contributions for current plan participants. During the year ended September 30, 2024, the city did not use any forfeited amounts for payment of contributions for current plan participants. The City contributed \$23,969 to the plan for the year ended September 30, 2024.

ICMA 457 Deferred Compensation Plan

The City offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan is administered by ICMA Retirement Corporation. The plan permits participants to defer a portion of their salary until future years. At September 30, 2024, the plan had five participants.

All of the City’s employees are eligible to participate in the ICMA deferred compensation plan after completion of a three-month probationary period upon their first date of employment. Participation is strictly on a voluntary basis. Participants become immediately 100% vested in contributions credited to their account.

The City does not make any contributions to this plan for participants who entered the plan after January 1, 1997. For those employees (one as of September 30, 2024) participating in the plan on January 1, 1997, the City contributes a minimum of 2% and will match up to 5% of a participant’s contribution into the plan.

Because the Plan Assets are held in trust for the exclusive benefit of plan participants and their beneficiaries, the Plan is not accounted for in the City’s fund financials.

NOTE 9. OTHER POST-EMPLOYMENT BENEFITS

In accordance with Florida Statutes Section 112.0801, the City makes continued group health insurance through the City's current provider available to retirees and eligible dependents provided certain service requirements and normal age retirement requirements have been met. This benefit has no cost to the City, other than the implicit cost of including retirees in the group calculation. All premiums are paid by the retiree. The City has historically had a participation rate of zero and therefore, no liability has been recorded.

NOTE 10. COMMITMENTS AND CONTINGENCIES

Litigation

The City is engaged in various liability claims incidental to the conduct of its general government operations at September 30, 2024. While the ultimate outcome of the litigation cannot be determined at this time, management believes that any amounts not covered by insurance, if any, resulting from these lawsuits would not materially affect the financial position of the City.

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 carries commercial insurance. There have been no significant reductions in insurance coverage from the prior year and settlements have not exceeded insurance coverage during the past three years.

NOTE 11. FUND BALANCE

At September 30, 2024, the City's governmental fund balances were as follows:

	General Fund	Community Redevelopment Agency Fund	Capital Projects Fund	Total Governmental Funds
Fund balances				
Nonspendable				
Inventory	\$ 6,182	\$ -	\$ -	\$ 6,182
Restricted				
Police education	3,743	-	-	3,743
Police drug forfeiture	3,373	-	-	3,373
Police donations	49,260	-	-	49,260
Library donations	2,238	-	-	2,238
Recreation donations	10,564	-	-	10,564
Public safety capital improvements	5,374,160	-	-	5,374,160
Building inspections	927,818	-	-	927,818
Community redevelopment	-	2,492,606	-	2,492,606
Committed				
Cemetery care	94,950	-	-	94,950
Abandoned property	32,687	-	-	32,687
Centennial fund	10,000	-	-	10,000
Disaster fund	500,000	-	-	500,000
Stormwater utility	308,336	-	-	308,336
Unassigned	8,198,791	-	(349,507)	7,849,284
Total fund balances	\$ 15,522,102	\$ 2,492,606	\$ (349,507)	\$ 17,665,201

REQUIRED SUPPLEMENTARY INFORMATION

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City of Fruitland Park

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL GENERAL FUND FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
Revenues				
Property taxes	\$ 3,801,993	\$ 3,801,993	\$ 3,854,844	\$ 52,851
Franchise taxes	2,279,309	2,279,309	2,193,356	(85,953)
Fees and fines	26,774	26,774	70,465	43,691
Licenses and permits	236,338	236,338	1,294,828	1,058,490
Intergovernmental	1,298,231	1,298,231	1,328,684	30,453
Impact fees	6,600	6,600	33,751	27,151
Charges for services	1,707,083	1,707,083	1,802,289	95,206
Investment earnings	739,722	739,722	1,061,318	321,596
Miscellaneous revenues	1,024,216	1,039,712	159,487	(880,225)
Total revenues	11,120,266	11,135,762	11,799,022	663,260
Expenditures				
Current				
General government	2,304,167	2,284,167	2,080,945	203,222
Public safety	4,961,216	4,976,712	4,447,742	528,970
Transportation	988,488	988,488	672,481	316,007
Sanitation/other utility	713,275	713,275	697,981	15,294
Culture and recreation	2,099,343	2,119,343	2,236,788	(117,445)
Debt service				
Principal retirement	-	-	21,022	(21,022)
Interest	-	-	2,292	(2,292)
Total expenditures	11,066,489	11,081,985	10,159,251	922,734
Excess of revenues over expenditures	53,777	53,777	1,639,771	1,585,994
Other financing sources (uses)				
Transfers in	51,223	51,223	51,223	-
Transfers out	(105,000)	(105,000)	-	105,000
Total other financing uses, net	(53,777)	(53,777)	51,223	105,000
Change in fund balance	-	-	1,690,994	1,690,994
Fund balance, beginning of year	13,831,108	13,831,108	13,831,108	-
Fund balance, end of year	\$ 13,831,108	\$ 13,831,108	\$ 15,522,102	\$ 1,690,994

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City of Fruitland Park

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL COMMUNITY REDEVELOPMENT FUND FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
Revenues				
Property taxes	\$ 1,025,255	\$ 1,025,255	\$ 1,069,267	\$ 44,012
Intergovernmental revenues	-	-	152,684	152,684
Investment earnings	36,000	36,000	116,490	80,490
Total revenues	1,061,255	1,061,255	1,338,441	277,186
Expenditures				
Current				
General government	87,032	87,032	12,071	74,961
Capital outlay	923,000	923,000	364,169	558,831
Total expenditures	1,010,032	1,010,032	376,240	633,792
Excess of revenues over expenditures	51,223	51,223	962,201	910,978
Other financing uses				
Transfers out	(51,223)	(51,223)	(51,223)	-
Total other financing uses	(51,223)	(51,223)	(51,223)	-
Change in fund balance	-	-	910,978	910,978
Fund balance, beginning of year	1,581,628	1,581,628	1,581,628	-
Fund balance, end of year	\$ 1,581,628	\$ 1,581,628	\$ 2,492,606	\$ 910,978

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City of Fruitland Park, Florida

NOTES TO SCHEDULES OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL

The budgets were prepared on a basis that did not differ materially from generally accepted accounting principles. The City's procedures in establishing the budgetary data reflected in the financial statements are as follows:

- In July, the Lake County Property Appraiser notifies the City as to its tentative property tax assessed valuation, from which the City can estimate the property tax resources available and the limitations thereon.
- During August, budget workshops are held to determine proposed expenditures and the means of financing them. The Commission then adopts the proposed property tax millage rate and sets the date, time, and place of the first public hearing.
- A public hearing on the tentative budget is held. Within 15 days of the first public hearing, the City advertises its intention to finalize its budget and millage rate, and a date, time, and place for the public hearing. The second public hearing is convened several days after the final advertisement, at which time the final budget and millage are adopted.
- Appropriations lapse at year-end.
- The fund level is the legal level of control.

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City of Fruitland Park

REQUIRED SUPPLEMENTARY INFORMATION SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY - FLORIDA RETIREMENT SYSTEM PENSION PLAN

Reporting period ending Measurement date	9/30/2024 6/30/2024	9/30/2023 6/30/2023	9/30/2022 6/30/2022	9/30/2021 6/30/2021	9/30/2020 6/30/2020
City's proportion of the FRS net pension liability	0.00968497%	0.01031264%	0.00832841%	0.00894420%	0.00819901%
City's proportionate share of the FRS net pension liability	\$ 3,746,601	\$ 4,109,261	\$ 3,307,671	\$ 629,116	\$ 3,553,570
City's covered payroll	\$ 3,464,850	\$ 2,101,458	\$ 2,777,771	\$ 2,074,670	\$ 1,456,259
City's proportionate share of the pension liability as a percentage of its covered payroll	108.13%	195.54%	119.08%	30.32%	244.02%
FRS plan fiduciary net position as a percentage of the FRS total pension liability	83.70%	82.38%	82.89%	96.40%	78.85%
Reporting period ending Measurement date	9/30/2019 6/30/2019	9/30/2018 6/30/2018	9/30/2017 6/30/2017	9/30/2016 6/30/2016	9/30/2015 6/30/2015
City's proportion of the FRS net pension liability	0.00894420%	0.00628522%	0.00554083%	0.004877630%	0.002113930%
City's proportionate share of the FRS net pension liability	\$ 3,080,262	\$ 1,893,142	\$ 1,638,941	\$ 1,231,606	\$ 273,043
City's covered payroll	\$ 1,835,308	\$ 1,072,321	\$ 1,032,609	\$ 896,744	\$ 607,451
City's proportionate share of the pension liability as a percentage of its covered payroll	167.83%	176.55%	158.72%	137.34%	44.95%
FRS plan fiduciary net position as a percentage of the FRS total pension liability	82.61%	84.26%	83.89%	84.88%	92.00%

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City of Fruitland Park

REQUIRED SUPPLEMENTARY INFORMATION SCHEDULE OF CONTRIBUTIONS FLORIDA RETIREMENT SYSTEM PENSION PLAN

Reporting period ending	9/30/2024	9/30/2023	9/30/2022	9/30/2021	9/30/2020
Contractually required FRS contribution	\$ 559,411	\$ 522,226	\$ 406,638	\$ 333,326	\$ 277,879
FRS contributions in relation to the contractually required FRS contribution	559,411	522,226	406,638	333,326	277,879
FRS contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 3,555,950	\$ 2,101,458	\$ 2,777,771	\$ 2,074,670	\$ 1,479,600
FRS contributions as a percentage of covered payroll	15.73%	24.85%	14.64%	16.07%	18.78%

Reporting period ending	9/30/2019	9/30/2018	9/30/2017	9/30/2016	9/30/2015
Contractually required FRS contribution	\$ 249,879	\$ 230,211	\$ 147,403	\$ 125,279	\$ 80,126
FRS contributions in relation to the contractually required FRS contribution	249,879	230,211	147,403	125,279	80,126
FRS contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 1,904,291	\$ 1,200,561	\$ 1,048,564	\$ 929,056	\$ 815,906
FRS contributions as a percentage of covered payroll	13.12%	19.18%	14.06%	13.48%	9.82%

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City of Fruitland Park

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY – HEALTH INSURANCE SUBSIDY PENSION PLAN

Reporting period ending Measurement date	9/30/2024 6/30/2024	9/30/2023 6/30/2023	9/30/2022 6/30/2022	9/30/2021 6/30/2021	9/30/2020 6/30/2020
City's proportion of the HIS net pension liability	0.00818499%	0.00832940%	0.00716492%	0.00664190%	0.00592949%
City's proportionate share of the HIS net pension liability	\$ 1,227,829	\$ 1,322,819	\$ 758,879	\$ 814,728	\$ 723,981
City's covered payroll	\$ 3,464,850	\$ 2,101,458	\$ 2,777,771	\$ 2,074,670	\$ 1,456,259
City's proportionate share of the pension liability as a percentage of its covered payroll	35.44%	62.95%	27.32%	39.27%	49.72%
HIS plan fiduciary net position as a percentage of the HIS total pension liability	4.80%	4.12%	4.81%	3.56%	3.00%
Reporting period ending Measurement date	9/30/2019 6/30/2019	9/30/2018 6/30/2018	9/30/2017 6/30/2017	9/30/2016 6/30/2016	9/30/2015 6/30/2015
City's proportion of the HIS net pension liability	0.00755040%	0.00409443%	0.003214440%	0.002891560%	0.001195720%
City's proportionate share of the HIS net pension liability	\$ 844,814	\$ 433,359	\$ 343,703	\$ 337,000	\$ 121,944
City's covered employee payroll	\$ 1,835,308	\$ 1,072,321	\$ 1,032,609	\$ 896,744	\$ 607,451
City's proportionate share of the pension liability as a percentage of its covered employee payroll	46.03%	40.41%	33.28%	37.58%	20.07%
HIS plan fiduciary net position as a percentage of the HIS total pension liability	2.63%	2.15%	1.64%	0.97%	0.50%

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City of Fruitland Park

REQUIRED SUPPLEMENTARY INFORMATION SCHEDULE OF CONTRIBUTIONS HEALTH INSURANCE SUBSIDY PENSION PLAN

Reporting period ending	9/30/2024	9/30/2023	9/30/2022	9/30/2021	9/30/2020
Contractually required HIS contribution	\$ 71,119	\$ 59,822	\$ 46,111	\$ 40,265	\$ 34,887
HIS contributions in relation to the contractually required HIS contribution	71,119	59,822	46,111	40,265	34,887
HIS contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 3,555,950	\$ 2,101,458	\$ 2,777,771	\$ 2,074,670	\$ 1,479,600
HIS contributions as a percentage of covered payroll	2.00%	2.85%	1.66%	1.94%	2.36%

Reporting period ending	9/30/2019	9/30/2018	9/30/2017	9/30/2016	9/30/2015
Contractually required HIS contribution	\$ 31,999	\$ 35,406	\$ 17,292	\$ 15,422	\$ 15,422
HIS contributions in relation to the contractually required HIS contribution	31,999	35,406	17,292	15,422	15,422
HIS contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 1,904,291	\$ 1,200,561	\$ 1,048,564	\$ 929,056	\$ 815,906
HIS contributions as a percentage of covered payroll	1.68%	2.95%	1.65%	1.66%	1.89%

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SUPPLEMENTARY INFORMATION

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City of Fruitland Park

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES BUDGET AND ACTUAL - CAPITAL PROJECTS FUND FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Intergovernmental	\$ 1,107,589	\$ 1,107,589	\$ 1,063,611	\$ (43,978)
Investment earnings	80,625	80,625	61,158	(19,467)
Total revenues	1,188,214	1,188,214	1,124,769	(63,445)
Expenditures				
Capital outlay	1,882,900	1,882,900	2,205,503	(322,603)
Total expenditures	1,882,900	1,882,900	2,205,503	(322,603)
Excess (deficiency) of revenues over (under) expenditures	(694,686)	(694,686)	(1,080,734)	(386,048)
Other financing sources				
Transfer in	1,053,214	1,053,214	-	(1,053,214)
Transfer out	(358,528)	(358,528)	-	358,528
Total other financing sources	694,686	694,686	-	(694,686)
Change in fund balance	-	-	(1,080,734)	(1,080,734)
Fund balance, beginning of year	731,227	731,227	731,227	-
Fund (deficit), end of year	\$ 731,227	\$ 731,227	\$ (349,507)	\$ (1,080,734)

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STATISTICAL SECTION

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City of Fruitland Park, Florida

SCHEDULE 1
NET POSITION BY COMPONENT
(ACCRUAL BASIS OF ACCOUNTING)
LAST TEN FISCAL YEARS

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Governmental activities										
Net investment in capital assets	\$ 4,183,155	\$ 4,177,487	\$ 4,211,022	\$ 6,257,821	\$ 7,312,155	\$ 7,360,284	\$ 7,279,043	\$ 7,252,471	\$ 9,467,046	\$ 11,416,416
Restricted for:										
Capital improvement	1,235,269	2,384,629	3,148,361	2,796,780	2,644,088	3,094,229	3,706,457	4,517,326	3,266,093	5,374,160
Redevelopment projects	447,109	215,355	126,496	24,929	150,554	308,981	665,401	1,054,528	1,581,628	2,492,606
Cemetery care	80,002	68,766	83,280	87,341	-	-	-	-	-	-
Police	19,758	8,788	4,399	5,102	8,324	8,545	17,514	21,995	22,184	56,376
Building inspections	142,323	1,049,582	1,996,988	1,913,413	1,908,982	1,807,727	1,476,321	1,159,863	706,382	927,818
Stormwater	213,803	251,781	290,259	330,803	-	-	-	-	-	-
Police/fire fee refunds	112,757	94,069	70,510	70,510	36,432	32,563	-	-	-	-
Paving	-	-	-	50,000	-	-	-	-	-	-
Unrestricted	331,320	(31,531)	(116,536)	(40,707)	1,271,599	2,506,452	4,051,194	5,780,581	6,847,497	4,843,388
Total governmental activities net position	\$ 6,765,496	\$ 8,218,926	\$ 9,814,779	\$ 11,495,992	\$ 13,332,134	\$ 15,118,781	\$ 17,195,930	\$ 19,786,764	\$ 21,890,830	\$ 25,110,764
Business-type activities										
Net investment in capital assets	\$ 3,055,102	\$ 3,329,022	\$ 3,930,652	\$ 5,263,430	\$ 5,339,711	\$ 5,499,296	\$ 5,358,655	\$ 5,627,521	\$ 5,962,174	\$ 7,788,703
Restricted for:										
Capital improvements	268,407	549,313	546,670	601,912	823,200	950,842	903,509	888,073	891,316	903,509
Debt service	37,367	64,721	45,304	46,415	48,676	50,921	53,301	55,737	58,262	53,304
Unrestricted	388,804	242,991	321,573	(481,825)	(395,592)	(88,400)	554,543	888,682	1,113,813	807,860
Total business-type activities net position	\$ 3,749,680	\$ 4,186,047	\$ 4,844,199	\$ 5,429,932	\$ 5,815,995	\$ 6,412,659	\$ 6,870,008	\$ 7,460,013	\$ 8,025,565	\$ 9,553,376
Primary government										
Net investment in capital assets	\$ 7,238,257	\$ 7,506,509	\$ 8,141,674	\$ 11,521,251	\$ 12,651,866	\$ 12,859,580	\$ 12,637,698	\$ 12,879,992	\$ 15,429,220	\$ 19,205,119
Restricted for:										
Capital improvements	1,503,676	2,933,942	3,695,031	3,398,692	3,467,288	4,045,071	4,609,966	5,405,399	4,157,409	6,277,669
Redevelopment projects	447,109	215,355	126,496	24,929	150,554	308,981	665,401	1,054,528	1,581,628	2,492,606
Cemetery care	80,002	68,766	83,280	87,341	-	-	-	-	-	-
Debt service	37,367	64,721	45,304	46,415	48,676	50,921	53,301	55,737	58,262	53,304
Police	19,758	8,788	4,399	5,102	8,324	8,545	17,514	21,995	22,184	56,376
Building inspections	142,323	1,049,582	1,996,988	1,913,413	1,908,982	1,807,727	1,476,321	1,159,863	706,382	927,818
Stormwater	213,803	251,781	290,259	330,803	-	-	-	-	-	-
Police/fire fee refunds	112,757	94,069	70,510	70,510	36,432	32,563	-	-	-	-
Paving	-	-	-	50,000	-	-	-	-	-	-
Unrestricted	720,124	211,460	205,037	(522,532)	876,007	2,418,052	4,605,737	6,669,263	7,961,310	5,651,248
Total primary government net position	\$ 10,515,176	\$ 12,404,973	\$ 14,658,978	\$ 16,925,924	\$ 19,148,129	\$ 21,531,440	\$ 24,065,938	\$ 27,246,777	\$ 29,916,395	\$ 34,664,140

Sources: Information derived from the Annual Comprehensive Financial Report or annual financial reports for the relevant year.

City of Fruitland Park, Florida

SCHEDULE 2
CHANGES IN NET POSITION
(ACCRUAL BASIS OF ACCOUNTING)
LAST TEN FISCAL YEARS

Program expenses	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Governmental activities										
General government	\$ 898,643	\$ 1,043,212	\$ 1,223,914	\$ 1,476,413	\$ 1,347,411	\$ 1,538,615	\$ 1,670,139	\$ 1,790,668	\$ 2,282,538	\$ 2,308,069
Public safety	2,110,533	3,097,472	3,550,072	3,442,497	4,208,592	4,030,722	3,988,187	3,540,665	4,460,414	4,695,657
Transportation	324,333	291,644	359,857	727,956	408,720	403,292	441,409	609,602	749,794	714,339
Sanitation/other utility	475,618	462,909	500,773	504,421	525,294	510,717	565,949	873,473	790,337	752,718
Culture and recreation	577,976	726,059	822,451	905,359	942,796	1,205,867	1,334,130	1,487,390	1,983,226	2,556,926
Interest on long-term debt	4,118	3,658	15,728	14,958	16,732	10,750	3,884	2,872	2,337	1,787
Total governmental activities expenses	4,391,221	5,624,954	6,472,795	7,071,604	7,449,545	7,699,963	8,003,698	8,304,670	10,268,646	11,029,496
Business-type activities										
Water utility	710,615	682,501	820,795	1,116,962	1,671,164	1,686,623	2,044,868	1,763,061	1,894,831	2,037,342
Sewer utility	219,554	320,984	326,422	-	-	-	-	-	-	-
Recreation programs	37,712	32,561	26,388	31,919	32,067	24,702	39,021	58,889	-	-
Total business-type activities expenses	967,881	1,036,046	1,173,605	1,148,881	1,703,231	1,711,325	2,083,889	1,821,950	1,894,831	2,037,342
Total expenses	5,359,102	6,661,000	7,646,400	8,220,485	9,152,776	9,411,288	10,087,587	10,126,620	12,163,477	13,066,838
Program revenues										
Governmental activities										
Charges for services:										
General government	398,065	133,506	74,708	87,151	81,289	71,477	65,099	73,882	84,908	1,336,842
Public safety	981,400	2,337,768	2,321,225	1,301,808	1,639,824	1,523,742	1,418,655	747,636	718,035	543,965
Transportation	4,128	6,884	7,206	7,524	1,251	1,420	1,601	1,793	1,998	-
Sanitation/other utility	512,650	569,969	600,056	613,348	628,083	644,382	684,540	854,601	970,926	1,045,742
Culture and recreation	27,173	44,629	42,743	34,327	33,987	23,018	49,713	52,493	198,873	241,033
Operating grants and contributions	68,394	225,174	209,836	385,354	479,557	889,126	483,097	333,401	327,465	116,736
Capital grants and contributions	466,669	996,949	974,208	1,529,237	784,284	176,192	150,770	22,430	423,109	1,281,973
Total governmental activities program revenues	2,458,479	4,314,879	4,229,982	3,958,749	3,648,275	3,329,357	2,853,475	2,086,236	2,725,314	4,566,291
Business-type activities										
Charges for services										
Water utility	593,028	650,406	785,816	943,199	1,090,233	1,373,017	1,723,694	1,971,031	1,991,435	2,186,918
Sewer utility	127,132	125,122	124,408	-	-	-	-	-	-	-
Recreation programs	49,844	36,342	36,267	40,816	44,543	32,404	61,935	77,510	-	-
Operating grants and contributions	-	-	904,997	-	-	-	-	-	-	-
Capital grants and contributions	140,976	433,074	-	587,074	358,948	265,310	149,837	23,652	62,584	1,216,726
Total business-type activities program revenues	910,980	1,244,944	1,851,488	1,571,089	1,493,724	1,670,731	1,935,466	2,072,193	2,054,019	3,403,644
Total program revenues	3,369,459	5,559,823	6,081,470	5,529,838	5,141,999	5,000,088	4,788,941	4,158,429	4,779,333	7,969,935
Net revenue (expense)										
Governmental activities	(1,932,742)	(1,310,075)	(2,242,813)	(3,112,855)	(3,801,270)	(4,370,606)	(5,150,223)	(6,218,434)	(7,543,332)	(6,463,205)
Business-type activities	(56,901)	208,898	677,883	422,208	(209,507)	(40,594)	(148,423)	250,243	159,188	1,366,302
Total net expense	(1,989,643)	(1,101,177)	(1,564,930)	(2,690,647)	(4,010,777)	(4,411,200)	(5,298,646)	(5,968,191)	(7,384,144)	(5,096,903)

Sources: Information derived from the annual financial reports for the relevant year.

(Continued)

City of Fruitland Park, Florida

SCHEDULE 2 (CONTINUED)
CHANGES IN NET POSITION
(ACCRUAL BASIS OF ACCOUNTING)
LAST TEN FISCAL YEARS

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
General revenues and other changes in net position										
Governmental activities										
Property taxes	\$ 896,623	\$ 786,546	\$ 1,156,520	\$ 1,884,821	\$ 2,567,649	\$ 2,820,708	\$ 3,042,981	\$ 3,234,462	\$ 3,561,489	\$ 3,854,844
CRA property tax	-	227,253	219,109	237,351	333,847	451,535	592,545	716,677	900,469	1,069,267
Sales taxes/public service tax	613,859	-	-	1,050,827	1,038,000	1,038,145	1,248,218	1,398,451	1,399,369	1,376,535
Franchise and utility taxes	993,463	1,124,153	1,475,550	653,135	679,339	632,322	678,499	887,228	1,003,240	816,821
Excise taxes	302,909	-	-	-	-	-	-	-	-	-
Intergovernmental	-	773,185	806,551	883,370	1,386,780	1,661,175	2,090,721	2,406,864	2,093,738	1,180,021
Miscellaneous	-	165,510	85,452	121,767	83,049	74,457	123,705	175,044	173,010	159,487
Unrestricted investment earnings	3,422	15,210	43,948	99,424	139,801	110,653	14,560	62,516	875,241	1,238,966
Refund of excess fire pension contributions	-	-	-	-	-	-	-	258,096	-	-
Gain on sale of capital assets	1,850	-	-	-	-	-	40,345	-	-	-
Transfers	119,120	(302,389)	51,536	(136,627)	(591,062)	(631,733)	(604,202)	(330,070)	(358,528)	-
Total governmental activities	2,931,246	2,789,468	3,838,666	4,794,068	5,637,403	6,157,262	7,227,372	8,809,268	9,648,028	9,695,941
Business-type activities										
Unrestricted investment earnings	10,456	13,289	31,625	19,023	4,508	5,525	1,570	9,692	47,836	87,895
Miscellaneous	-	-	-	-	-	-	-	-	-	70,033
Gain on sale of asset	-	1,622	-	7,875	-	-	-	-	-	3,581
Transfers	(119,120)	302,389	(51,536)	136,627	591,062	631,733	604,202	330,070	358,528	-
Total business-type activities	(108,664)	317,300	(19,911)	163,525	595,570	637,258	605,772	339,762	406,364	161,509
Total general revenues and transfers	2,822,582	3,106,768	3,818,755	4,957,593	6,232,973	6,794,520	7,833,144	9,149,030	10,054,392	9,857,450
Change in net position										
Governmental activities	998,504	1,479,393	1,595,853	1,681,213	1,836,133	1,786,656	2,077,149	2,590,834	2,104,696	3,232,736
Business-type activities	(165,565)	526,198	657,972	585,733	386,063	596,664	457,349	590,005	565,552	1,527,811
Total change in net position	\$ 832,939	\$ 2,005,591	\$ 2,253,825	\$ 2,266,946	\$ 2,222,196	\$ 2,383,320	\$ 2,534,498	\$ 3,180,839	\$ 2,670,248	\$ 4,760,547

Sources: Information derived from the Annual Comprehensive Financial Report or annual financial reports for the relevant year.

City of Fruitland Park, Florida

SCHEDULE 3
FUND BALANCES, GOVERNMENTAL FUNDS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)
LAST TEN FISCAL YEARS

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
General Fund										
Nonspendable	\$ 22,012	\$ 259,413	\$ 5,805	\$ 3,600	\$ 5,399	\$ 3,777	\$ 38,685	\$ 76,630	\$ 6,161	\$ 6,182
Restricted	968,040	2,842,591	4,624,870	4,581,870	4,475,105	4,408,691	4,044,662	3,734,882	3,263,432	6,371,156
Committed	293,805	320,547	373,539	468,144	439,753	529,104	1,573,873	3,905,853	3,934,472	945,973
Unassigned	287,710	13,880	471,116	814,491	2,558,442	4,445,942	5,214,013	4,497,098	6,627,043	8,198,791
Total General Fund	<u>\$ 1,571,567</u>	<u>\$ 3,436,431</u>	<u>\$ 5,475,330</u>	<u>\$ 5,868,105</u>	<u>\$ 7,478,699</u>	<u>\$ 9,387,514</u>	<u>\$ 10,871,233</u>	<u>\$ 12,214,463</u>	<u>\$ 13,831,108</u>	<u>\$ 15,522,102</u>
All other governmental funds										
Restricted	989,176	909,832	721,884	228,864	273,266	843,354	1,821,031	3,018,830	2,312,855	2,492,606
Unassigned, reported in Capital Projects Fund	-	-	-	-	-	-	-	-	-	(349,507)
Total all other governmental funds	<u>\$ 989,176</u>	<u>\$ 909,832</u>	<u>\$ 721,884</u>	<u>\$ 228,864</u>	<u>\$ 273,266</u>	<u>\$ 843,354</u>	<u>\$ 1,821,031</u>	<u>\$ 3,018,830</u>	<u>\$ 2,312,855</u>	<u>\$ 2,143,099</u>

Sources: Information derived from the Annual Comprehensive Financial Report or annual financial reports for the relevant year.

City of Fruitland Park, Florida

SCHEDULE 4

CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS

(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

LAST TEN FISCAL YEARS

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Revenues										
Taxes	\$ 2,267,017	\$ 2,538,237	\$ 3,255,809	\$ 3,826,134	\$ 4,618,835	\$ 4,942,710	\$ 5,562,243	\$ 6,236,818	\$ 6,864,567	\$ 7,117,467
Licenses and permits	942,358	2,352,455	2,304,030	662,241	690,290	576,781	407,240	309,722	246,183	1,294,828
Intergovernmental revenues	708,718	624,814	732,694	2,684,313	2,526,332	2,606,553	2,727,412	2,797,807	2,835,603	2,544,979
Charges for services	673,500	1,691,320	1,559,772	1,471,076	1,786,260	1,781,734	1,826,057	1,412,853	1,703,413	1,802,289
Fines and forfeitures	27,840	14,927	18,417	19,744	32,173	25,464	34,312	23,543	32,223	70,465
Investment earnings	3,422	15,210	43,948	99,424	139,801	74,457	14,560	62,516	875,241	1,238,966
Miscellaneous	742,934	183,860	102,442	126,512	83,049	110,653	123,705	175,044	174,010	193,238
Total revenues	5,365,789	7,420,823	8,017,112	8,889,444	9,876,740	10,118,352	10,695,529	11,018,303	12,731,240	14,262,232
Expenditures										
General government	1,043,171	964,945	875,715	1,082,715	1,061,745	1,149,417	1,678,301	1,479,306	1,850,936	2,093,016
Public safety	2,161,552	2,917,663	3,104,480	3,203,834	3,626,504	3,362,724	3,917,328	3,291,655	3,739,752	4,447,742
Transportation	286,238	239,397	281,696	635,359	338,337	320,538	398,191	574,799	665,965	672,481
Sanitation/other utility	475,618	462,909	500,773	504,421	525,294	510,717	565,949	955,331	790,337	697,981
Culture and recreation	519,682	643,306	757,750	2,752,169	1,792,796	1,308,959	1,186,267	1,306,759	1,964,147	2,236,788
Capital outlay	502,481	582,453	725,072	576,185	459,842	291,612	265,353	354,136	2,427,591	2,569,672
Debt service										
Principal	28,603	27,033	72,083	84,232	123,345	89,267	36,126	19,962	20,485	21,022
Interest	2,696	4,266	15,989	14,147	9,876	11,690	8,091	3,352	2,829	2,292
Total expenditures	5,020,041	5,841,972	6,333,558	8,853,062	7,937,739	7,044,924	8,055,606	7,985,300	11,462,042	12,740,994
Excess (deficiency) of revenues over (under) expenditures	345,748	1,578,851	1,683,554	36,382	1,939,001	3,073,428	2,639,923	3,033,003	1,269,198	1,521,238
Other financing sources (uses)										
Capital lease financing	142,939	116,536	115,861	-	293,460	-	-	-	-	-
Contributions from fiduciary fund								258,096	-	-
Transfers in	201,808	167,974	169,031	375,206	89,856	44,001	41,670	71,799	51,224	51,223
Transfers out	(82,688)	(77,841)	(117,495)	(511,833)	(667,321)	(638,526)	(640,197)	(401,869)	(409,752)	(51,223)
Sale of capital assets	1,850	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	263,909	206,669	167,397	(136,627)	(284,005)	(594,525)	(598,527)	(71,974)	(358,528)	-
Net change in fund balances	\$ 609,657	\$ 1,785,520	\$ 1,850,951	\$ (100,245)	\$ 1,654,996	\$ 2,478,903	\$ 2,041,396	\$ 2,961,029	\$ 910,670	\$ 1,521,238
Debt service as a percentage of non-capital expenditures	0.7%	0.6%	1.6%	1.5%	2.1%	1.9%	0.6%	0.3%	0.3%	0.2%

Sources: Information derived from the Annual Comprehensive Financial Report or annual financial reports for the relevant year.

City of Fruitland Park, Florida

SCHEDULE 5

ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY LAST TEN FISCAL YEARS

Fiscal Year	Real Property		Adjusted Personal Property		Total		Direct Tax Rate	Taxable Value Percentage of Just Value
	Estimated Just Value	Taxable Value	Estimated Just Value	Taxable Value	Estimated Just Value	Taxable Value		
2014-15	\$ 219,581,454	\$ 160,030,405	\$ 10,443,710	\$ 6,479,383	\$ 230,025,164	\$ 166,509,788	4.7370	72.39%
2015-16	226,479,994	163,951,384	11,868,328	8,065,888	238,348,322	171,725,009	4.7370	72.05%
2016-17	621,043,088	484,905,998	10,685,477	6,723,190	631,728,565	491,629,188	3.9863	77.82%
2017-18	870,128,033	672,784,033	11,697,831	7,367,442	881,825,864	680,151,475	3.9134	77.13%
2018-19	970,883,303	739,383,582	12,648,770	8,378,820	983,532,073	747,762,402	3.9134	76.03%
2019-20	1,083,792,337	803,148,609	13,020,301	8,742,202	1,096,812,638	811,890,811	3.9134	74.02%
2020-21	1,163,902,862	849,643,882	12,179,623	8,085,453	1,176,082,485	857,729,335	3.9134	72.93%
2021-22	1,124,233,133	936,547,550	13,265,712	9,060,808	1,137,498,845	945,608,358	3.9134	83.13%
2022-23	1,210,535,716	1,012,022,313	14,911,989	10,833,801	1,225,447,706	1,022,856,114	3.9134	83.47%
2023-24	1,302,465,078	1,091,499,354	16,505,467	12,379,253	1,318,970,545	1,103,878,607	3.9134	83.7%

Source: Sumter County Property Appraiser

City of Fruitland Park, Florida

SCHEDULE 6

DIRECT AND OVERLAPPING PROPERTY TAX RATES

(RATE PER \$1,000 OF ASSESSED VALUE)

LAST TEN FISCAL YEARS

Calendar Year	City Direct Rate	Overlapping Rates						Total Taxes
		County School District	Lake County BCC	Lake County Water Authority	St John's Water Management District	Ambulance District	Hospital District	
2015	4.7370	7.246	5.546	0.256	0.316	0.463	1.000	19.5640
2016	4.7370	7.197	5.305	0.255	0.349	0.463	1.000	19.3062
2017	3.9863	6.603	5.118	0.255	0.313	0.463	1.000	17.7387
2018	3.9134	6.355	5.118	0.490	0.296	0.463	0.980	17.6148
2019	3.9134	6.883	5.073	0.356	0.280	0.463	0.950	17.9185
2020	3.9134	6.699	5.033	0.337	0.229	0.463	0.895	17.5685
2021	3.9134	6.592	5.029	0.323	0.219	0.463	0.000	16.5391
2022	3.9134	6.248	5.029	0.323	0.197	0.463	0.750	16.9236
2023	3.9134	6.206	5.0364	0.294	0.179	0.463	0.150	16.2420
2024	3.9134	6.122	5.0364	0.294	0.179	0.463	0.410	16.4180

Source: Sumter County 2024 Annual Comprehensive Financial Report

Note: 2025 Data not yet available

City of Fruitland Park, Florida

SCHEDULE 7

PRINCIPAL PROPERTY TAXPAYERS

CURRENT YEAR

	2024		
	Taxable Assessed Values	Rank	Percent of Total City of Fruitland Park Assessed Values
Top 10 City of Fruitland Park Taxpayers			
Villages of Southwest Plazas LLC	\$ 89,121,250	1	6.76%
Fruitland Park Village Apartments LLC	46,689,000	2	3.54%
Wilds Apartments LLC	40,974,900	3	3.11%
VCP Fruitland Park LLC	37,252,440	4	2.82%
Fruitland Park Land Holdings LLC	33,620,000	5	2.55%
The Villages Operating Company	30,423,280	6	2.31%
Fruitland Park Development LLC	27,084,330	7	2.05%
AH Fruitland Park LLC	20,859,230	8	1.58%
The Villages Operating Company	16,849,100	9	1.28%
Primus Pipe and Tube Inc	15,651,340	10	1.19%
	<u>\$ 358,524,870</u>		<u>27.18%</u>
Total City of Fruitland Park Assessed Value	\$ 1,318,970,545		

Sources: Sumter County Property Appraiser

Note: Information from nine years ago not available.

City of Fruitland Park, Florida

SCHEDULE 8 PROPERTY TAX LEVIES AND COLLECTIONS LAST TEN FISCAL YEARS

Fiscal Year Ended September 30	Total Tax Levy ⁽¹⁾	Current Tax Collections	Percent of Levy Collected	Delinquent Tax Collections	Total Tax Collections	Percent of Total Tax Collections to Tax Levy
2015	\$ 788,774	\$ 765,346	97.0%	\$ 2,716	\$ 768,062	97.4%
2016	814,683	786,277	96.5%	269	786,546	96.5%
2017	1,209,303	1,153,923	95.4%	2,597	1,156,520	95.6%
2018	1,962,182	1,884,203	96.0%	618	1,884,821	96.1%
2019	2,669,637	2,563,964	96.0%	3,685	2,567,649	96.2%
2020	2,926,293	2,820,708	96.4%	-	2,820,708	96.4%
2021	3,022,226	3,042,877	100.7%	104	3,042,981	100.7%
2022	3,192,752	3,234,269	101.3%	193	3,234,462	101.3%
2023	3,525,656	3,561,418	101.0%	71	3,561,489	101.0%
2024	4,002,030	3,854,366	96.3%	478	3,854,844	96.3%

Sources: (1) DR 420 MM Line 22

City of Fruitland Park, Florida

SCHEDULE 9 RATIOS OF OUTSTANDING DEBT BY TYPE (MODIFIED ACCRUAL BASIS OF ACCOUNTING) LAST TEN FISCAL YEARS

Fiscal Year	Government Activities		Business-Type Activities		Total Primary Government	Percentage of Personal Income ^(a)	Per Capita ^(a)
	Revenue Note	Financed Purchases	Loans Payable				
2015	\$ -	\$ 114,336	\$ 1,669,674	\$	1,784,010	1.77%	\$ 431
2016	-	321,875	4,035,589		4,357,464	N/A	423
2017	-	292,683	3,912,933		4,205,616	N/A	N/A
2018	-	163,385	3,644,401		3,807,786	N/A	N/A
2019	-	333,500	3,224,899		3,558,399	N/A	N/A
2020	-	244,233	2,795,597		3,039,830	N/A	N/A
2021	-	127,898	2,382,774		2,510,672	N/A	N/A
2022	-	107,936	1,931,783		2,039,719	N/A	N/A
2023	-	87,451	3,921,691		4,009,142	N/A	N/A
2024	-	66,429	2,541,147		2,607,576	N/A	N/A

Notes: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

^(a) See Schedule 14 for personal income and population data. These ratios are calculated using personal income and population for the prior calendar year.

City of Fruitland Park, Florida

SCHEDULE 10
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF SEPTEMBER 30, 2024

	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Direct and Overlapping Debt
Overlapping debt ^(a)			
Debt repaid with property taxes ^(b)	\$ 6,250,000	4.29%	\$ 268,125
Other debt			
Subtotal, overlapping debt			268,125
City of Fruitland Park direct debt			
Direct debt			66,429
Total direct and overlapping debt			\$ 334,554

Sources: County Annual Comprehensive Financial Report Schedules

Notes: ^(a) The City of Fruitland Park is not responsible for the Overlapping Debt. The applicable percentage was estimated using assessed property values.
Overlapping governments are those that coincide, at least in part with the geographic boundaries of the City.

^(b) County debt outstanding as of September 30, 2023 (2024 ACFR not available yet).

City of Fruitland Park, Florida

SCHEDULE 11 PLEDGED REVENUE COVERAGE LAST TEN FISCAL YEARS

Fiscal Year	Infrastructure Sales Surtaxes Available for Debt Service	Debt Service Requirements			Coverage
		Principal	Interest	Total	
2015	\$ 380,103	\$ -	\$ -	\$ -	N/A
2016	400,285	-	19,740	19,740	20.28
2017	404,630	-	58,250	58,250	6.95
2018	445,786	143,045	58,250	201,295	2.21
2019	690,943	388,363	54,357	442,720	1.56
2020	870,612	362,220	46,409	408,629	2.13
2021	1,063,169	304,914	39,427	344,341	3.09
2022	1,223,336	312,060	32,281	344,341	3.55
2023	1,070,239	319,374	24,967	344,341	3.11
2024	1,063,611	328,219	17,483	345,702	3.08

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City of Fruitland Park, Florida

SCHEDULE 12 DEMOGRAPHIC AND ECONOMIC STATISTICS LAST TEN CALENDAR YEARS

Calendar Year	Population	Total Personal Income of all Fruitland Park Residents (in thousands)	Per Capita Personal Income	Median Age	School Enrollment Fruitland Park Elementary	Total Housing Units	Owner Occupied	Renter Occupied	Vacant	Lake County Unemployment Rate
2015	4,214	\$ 100,554	\$ 23,862	45.0	646	1793	1032	566	198	5.4%
2016	4,274	N/A	20,769	47.0	762	1928	1030	680	218	4.5%
2017	7,291	N/A	21,476	N/A	742	2025	N/A	N/A	N/A	3.5%
2018	8,963	N/A	26,688	N/A	751	2920	N/A	N/A	N/A	2.9%
2019	10,094	275,652	34,497	51.9	745	3562	2512	1050	N/A	2.7%
2020	10,206	N/A	N/A	N/A	736	N/A	N/A	N/A	N/A	7.4%
2021	10,730	72,384	39,989	52.0	745	4177	2860	667	N/A	3.0%
2022	8,615	N/A	39,058	56.6	736	N/A	N/A	N/A	N/A	2.8%
2023	8,615	70,167	42,038	56.0	733	4067	3667	490	400	3.0%
2024	8,634	78,791	49,317	56.4	707	4277	3183	710	384	2.9%

Sources: Population provided by the U.S. Census Bureau; Per Capita Personal Income by the Census Bureau (*), Bureau of Economic and Business Research; Median Age by American Community Survey; County school enrollment data provided by Sumter County School Board.

City of Fruitland Park, Florida

SCHEDULE 13

PRINCIPAL EMPLOYERS

CURRENT YEAR AND 9 YEARS AGO

Employer	2024			2019*		
	Employees ⁽¹⁾	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Wal-Mart	310	1	12.4%	310	1	8.2%
Munn's Heating & Air	148	2	5.9%	148	2	3.9%
Bill Bryan Chrysler	110	3	4.4%	110	3	2.9%
Fruitland Park Elementary School	110	4	4.4%	110	4	2.9%
City of Fruitland Park	109	5	4.3%	94	5	2.5%
Philips Buick/Pontiac	90	6	3.6%	90	6	2.4%
Total	877		35.0%	862		22.8%

Sources: Sumter County Economic Development

Notes: *Data for 2015 not available

City of Fruitland Park, Florida

SCHEDULE 14

FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM

LAST TEN FISCAL YEARS

Function/program	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
General government										
Legislative	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0
Executive	3.5	3.5	3.5	5.0	4.0	4.0	4.0	4.0	4.0	4.0
Finance	4.5	4.5	4.5	5.0	3.0	3.0	4.0	6.0	6.0	6.0
Other general government	1.0	1.0	1.0	1.0	0.0	1.0	1.0	1.0	1.0	1.0
Public safety										
Police department	20.0	20.0	23.0	25.5	29.0	29.0	29.0	31.0	31.0	31.0
Fire	26.0	26.0	25.0	27.0	14.0	14.0	14.0	0.0	0.0	0.0
Building	3.0	3.0	3.0	3.5	4.0	4.0	5.0	4.0	6.0	5.0
Transportation										
Roads and streets	2.0	2.0	2.0	5.0	5.0	5.0	5.0	7.0	8.0	8.0
Culture/recreation										
Library	6.0	6.0	7.0	9.0	10.0	11.0	11.0	11.0	13.0	13.0
Municipal pool recreation	8.0	8.0	8.0	10.0	11.0	11.0	11.0	8.0	13.0	13.0
Maintenance	2.0	2.0	2.0	2.0	2.0	3.0	4.0	2.0	4.0	4.0
Recreation programs	2.0	3.0	3.0	4.0	4.0	4.0	4.0	5.0	7.0	7.0
Utilities										
Water	5.0	6.0	6.0	9.0	8.0	8.0	8.0	4.0	4.0	5.0
Sewer	1.0	1.0	1.0	2.0	2.0	2.0	1.0	1.0	2.0	2.0
Total Employees	94.0	96.0	99.0	118.0	106.0	109.0	111.0	94.0	109.0	109.0

Source: City Budget Document

City of Fruitland Park, Florida

SCHEDULE 15 OPERATING INDICATORS BY FUNCTION/PROGRAM LAST TEN FISCAL YEARS

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Function/program										
Police protection										
Number of sworn police officers	13	16	18	19	21	21	21	21	22	22
Number of reserve officers	2	2	2	1	1	1	1	2	2	2
Fire protection:										
Number of volunteer firefighters	21	21	25	21	14	14	14	0	0	0
Building inspections:										
Constructions permits										
Commercials	9	3	1	3	1	1	0	106	27	331
Residential	529	861	792	110	105	100	88	755	128	316
Roads and streets										
Street resurfacing (miles)	3	0	1.6	1.2	1.1	1.33	1.12	3.05	12.04	7.1
Recreation:										
Number of City-wide events	3	3	4	4	4	1	1	2	2	2
Municipal water system:										
Number of consumers	1,784	1,826	1,922	1,981	2,039	2,150	2,256	2,279	2,403	2,453
New connections	12	10	63	111	102	100	106	129	147	50

Sources: Various City Departments

City of Fruitland Park, Florida

SCHEDULE 16

CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM

LAST TEN FISCAL YEARS

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Function/program										
City land area (square miles)	6.84	7.274	7.287	7.295	7.31	7.31	7.31	7.31	7.31	7.31
Police protection:										
Number of stations	1	1	1	1	1	1	1	1	1	1
Number of patrol units	18	20	22	22	22	24	24	22	23	23
Fire protection:										
Number of stations	1	1	1	1	1	1	1	1	1	1
Number of fire trucks	2	2	2	2	2	2	2	2	2	2
Culture and recreation:										
Number of libraries	1	1	1	1	1	1	1	1	1	1
Number of municipal pools	1	1	1	1	1	1	1	1	1	1
Number of parks	4	4	4	4	4	4	4	4	4	4
Number of baseball/softball fields	3	3	3	3	3	3	3	3	3	3
Number of soccer fields	0	0	0	1	1	1	1	1	1	1
Number of skate parks	1	1	1	1	1	1	1	1	1	1
Number of community centers	1	1	1	1	1	1	1	1	1	1
Municipal water system:										
Wells	5	5	5	5	5	5	5	5	5	5
Water towers	1	1	1	1	1	1	1	1	1	1
Ground storage tank	1	1	1	1	1	1	1	1	1	1

Sources: Various departments

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COMPLIANCE REPORTS

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City of Fruitland Park, Florida

SUMMARY SCHEDULE OF FINDINGS AND RESPONSES FOR THE YEAR ENDED SEPTEMBER 30, 2024

SECTION I SUMMARY OF AUDIT RESULTS

Financial Statements

Type of report the auditor issued on whether the financial statements audited were presented in accordance with GAAP:

Unmodified

Internal control over financial reporting:
Material weaknesses identified?

☐ yes ☒ no

Significant deficiencies identified not considered
to be material weaknesses?

☐ yes ☒ none reported

Noncompliance material to financial statements noted?

☒ yes ☐ no

Federal Awards and State Financial Assistance

Federal and state Single Audits were not required as the City did not expend greater than \$750,000 of federal funds or state financial assistance during its fiscal year ended September 30, 2024.

SECTION II FINANCIAL STATEMENT FINDINGS AND RESPONSES

2024-001. Timely Completion of Annual Audit

Criteria: Florida Statutes require the annual audit to be submitted no later than nine months after the City's fiscal year-end.

Condition: The City did not have policies and procedures in place to close the year-end and provide supporting documentation for audit procedures to be performed in a timely manner.

Context: Supporting schedules related to capital assets and compensated absences were delayed in being provided to the auditor for testing.

Effect: The City's audit was not completed by the statutory due date of June 30, 2025.

Recommendation: We recommend the City implement procedures to ensure that annual audits are completed in a timely manner.

View of Responsible Officials: We agree with the finding and steps have already been taken to accurately record year-end adjustments to ensure the City's 2025 audited financial statements are issued prior to June 30, 2026.

City of Fruitland Park, Florida

SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS FOR THE YEAR ENDED SEPTEMBER 30, 2024

23-01. Internal Controls Over Recording Transactions in Accordance with GAAP

Criteria: Internal Controls should be in place to provide reasonable assurance that all transactions are recorded in accordance with accounting principles generally accepted in the United States of America (GAAP). During our audit, we noted significant adjustments were required to correctly report the financials in accordance with GAAP.

Condition: Significant balances of accounts payable were not reconciled by fund, and all loan activity was not properly recorded.

Status: Resolved.

23-02. Timely Completion of Annual Audit

Criteria: Florida Statutes require the annual audit to be submitted no later than nine months after the City's fiscal year-end.

Condition: The City did not have policies and procedures in place to close the year-end and provide supporting documentation for audit procedures to be performed in a timely manner.

Status: Repeat finding. See 2024-001.

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