

Annual Comprehensive Financial Report

September 30, 2023



City of Fruitland Park, Florida

Introductory Section

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November 5, 2024

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, 2023 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, 2023 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 McDirmit Davis, 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. McDermitt Davis 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, 2023, 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 8,675 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 2023, same as the last 6 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 Pine Ridge Dairy. There was a total of 893 certificates of occupancy issued in Fruitland Park in FY2023.

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: Oak Forest, Chelsea's Run, Mirror Lake Village- Phase II, and Village Park (First Baptist Church). The Glen is completing it's final phase. Future developments are Lake Saunder's Grove, Crystal Lake Vista, ParkSquare Homes (Arbor Park), The Hawthornes, and Rolling Acres (113 & 1342 Lake Ella Road).

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 of \$5.32 million. The City of Fruitland Park along with Lake County solicited help of the



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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 FY2025.

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 382 business licenses issued in Fruitland Park as of September 30, 2023. 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, which allows for easy and efficient distribution throughout the state.



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Lake County's September 2023 unemployment rate was 3.0%. This is down 0.1% for the same time period last year. This rate is slightly lower than the state average of 3.42% 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 \$1,022,856,114 rose 8.16% from FY2022 (\$945,608,358) due to growth. FY2017 taxable value finally caught up to the property values of 2008, although that was due to the Village growth.

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 (CRA) funds were utilized to renovate the Community Center. We continue to renovate parks and upgrade basketball facilities. The City repaved ten streets, 7 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 FY2023 on improvements to the Community Center totaled \$107,984 and \$85,089 to the Parks. Road Improvements total cost was \$161,740 for (Fruitland, Fox Hill, Mariland, Williams, E. Berckman, Thomas, Tropic, and many patches along with painting double yellow striping) Non-CRA roads totaled \$124,086 for Myrtle Breeze Court, Hoof Print Ct, and Deer Glen Ct.

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 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



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plus a new sewer line connection to Lady Lake.

At September 30, 2023 the unassigned fund balance in the General Fund was \$6,627,043, 8.7 months (73%) 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.

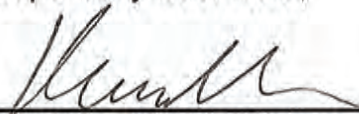
Awards

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.

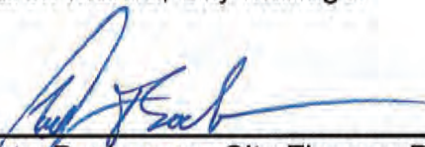
This report represents numerous hours of preparation and it would not have been possible without the dedicated efforts of the

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

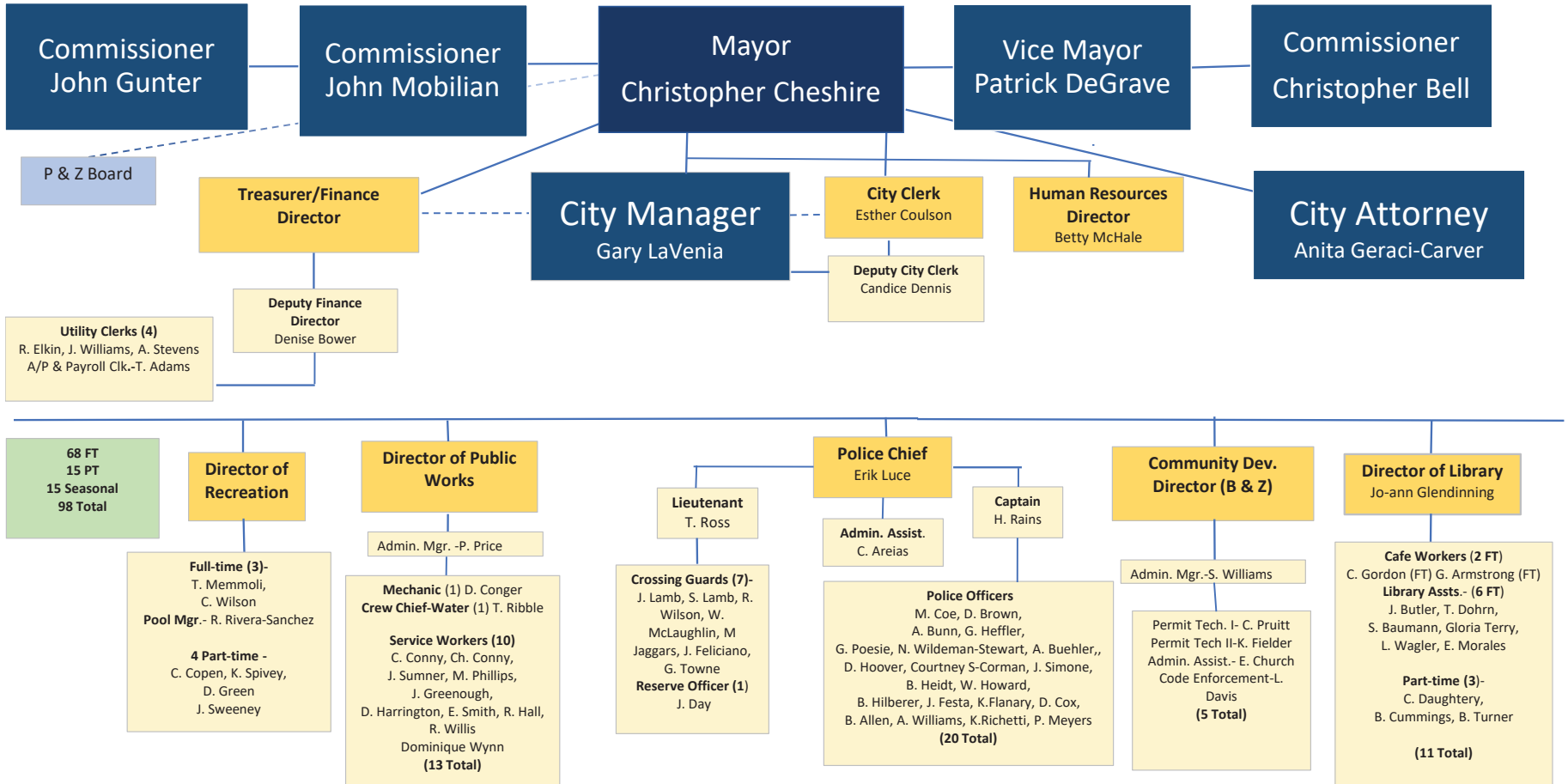
CITY COMMISSION AND OFFICIALS

September 30, 2023

Mayor	Christopher "Chris" Cheshire
Vice Mayor-Commissioner.....	Patrick DeGrave
Commissioner.....	Christopher "Chris" Bell
Commissioner.....	John Mobilian
Commissioner.....	John L. Gunter Jr.
City Manager.....	Gary La Venia
City Finance Director.....	Gary Bachmann
City Clerk.....	Esther Lewin-Coulson
Police Chief.....	Erik Luce
Community Development Director.....	M. Rankin
Public Works Director.....	Rob Dicus
Library Director.....	Jo-Ann D. Glendinning
Recreation Director.....	C. Michelle Yoder
City Attorney.....	Anita Geraci-Carver

CITY OF FRUITLAND PARK ORGANIZATIONAL CHART

Updated July 10, 2023



Financial Section



INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and City Commission
City of Fruitland Park, Florida

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the *City of Fruitland Park, Florida*, (the "City") as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City, as of September 30, 2023, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the general fund, and community redevelopment fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

The City's management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and Government Auditing Standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and Government Auditing Standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control–related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and the pension disclosures on pages 3 through 10, and 51 through 52 be presented to supplement the basic financial statements. Such information, is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise *City of Fruitland Park's* basic financial statements. The Individual Fund Financial Schedules and the Schedule of Expenditures of State Financial Assistance (the "Schedule"), as required by the audit requirements of *Chapter 10.550, Rules of the Auditor General*, are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information Included in the Annual Report

Management is responsible for the other information included in the annual report. The other information comprises the introductory section and statistical section but does not include the financial statements and our auditor's report thereon. Our opinions on the financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued a report dated November 5, 2024, on our consideration of *City of Fruitland Park's* internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering *City of Fruitland Park's* internal control over financial reporting and compliance.

McDermitt Davis

Orlando, Florida
November 5, 2024

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, 2023. 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 \$29,916,395 (net position). Of this amount, \$7,961,310 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 \$2,669,618.
- At the close of the current fiscal year, the *City of Fruitland Park's* governmental funds reported combined ending fund balances of \$16,143,963, an increase of \$910,670 in comparison with the prior year. Approximately (41%) of this total amount, \$6,627,043 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 \$6,627,043, or (73%) of total general fund expenditures.

Overview of the 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 11 - 12 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, proprietary funds and fiduciary funds.

Governmental Funds

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

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund Balance Sheet and the governmental fund Statement of Revenues, Expenditures, and Changes in Fund Balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The *City 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 17 - 18. Budgetary comparison schedule for the Capital Projects fund is at page 50.

The basic governmental fund financial statements can be found on pages 13 - 16 of this report.

Proprietary Funds

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.

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

The basic proprietary fund financial statements can be found on pages 19 - 23 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 24 - 47 of this report.

Required Supplementary Information (RSI)

RSI can be found on pages 48 - 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 \$29,916,395 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 11.

City of Fruitland Park
Statement of Net Position

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2023	2022	2023	2022	2023	2022
Assets:						
Current and other assets	\$ 21,974,366	\$ 21,352,223	\$ 2,696,489	\$ 2,329,528	\$ 24,670,855	\$ 23,681,751
Capital assets	9,554,497	7,360,407	9,883,865	8,749,358	19,438,362	16,109,765
Total assets	31,528,863	28,712,630	12,580,354	11,078,886	44,109,217	39,791,516
Deferred Outflows	1,821,233	1,537,916	102,690	124,957	1,923,923	1,662,873
Liabilities:						
Long term liabilities	5,384,594	4,050,876	4,223,424	2,251,989	9,608,018	6,302,865
Other liabilities	5,832,504	6,121,523	420,400	1,468,166	6,252,904	7,589,689
Total liabilities	11,217,098	10,172,399	4,643,824	3,720,155	15,860,922	13,892,554
Deferred Inflows:	242,168	291,383	13,655	23,675	255,823	315,058
Net Position:						
Net investment in capital assets	9,467,046	7,252,471	5,962,174	5,627,521	15,429,220	12,879,992
Restricted	5,576,287	6,753,712	949,578	943,810	6,525,865	7,697,522
Unrestricted	6,847,497	5,780,581	1,113,813	888,682	7,961,310	6,669,263
Total net position	\$ 21,890,830	\$ 19,786,764	\$ 8,025,565	\$ 7,460,013	\$ 29,916,395	\$ 27,246,777

\$15,429,220 (52%) 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 \$6,525,865 (22%). The remaining balance of *unrestricted net position*, \$7,961,310 or 26%, may be used to meet the government's ongoing obligations to citizens and creditors.

City of Fruitland Park, Florida
Management's Discussion and Analysis

The City's net position increased by \$2,669,618 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 12.

City of Fruitland Park
Changes in Net Position

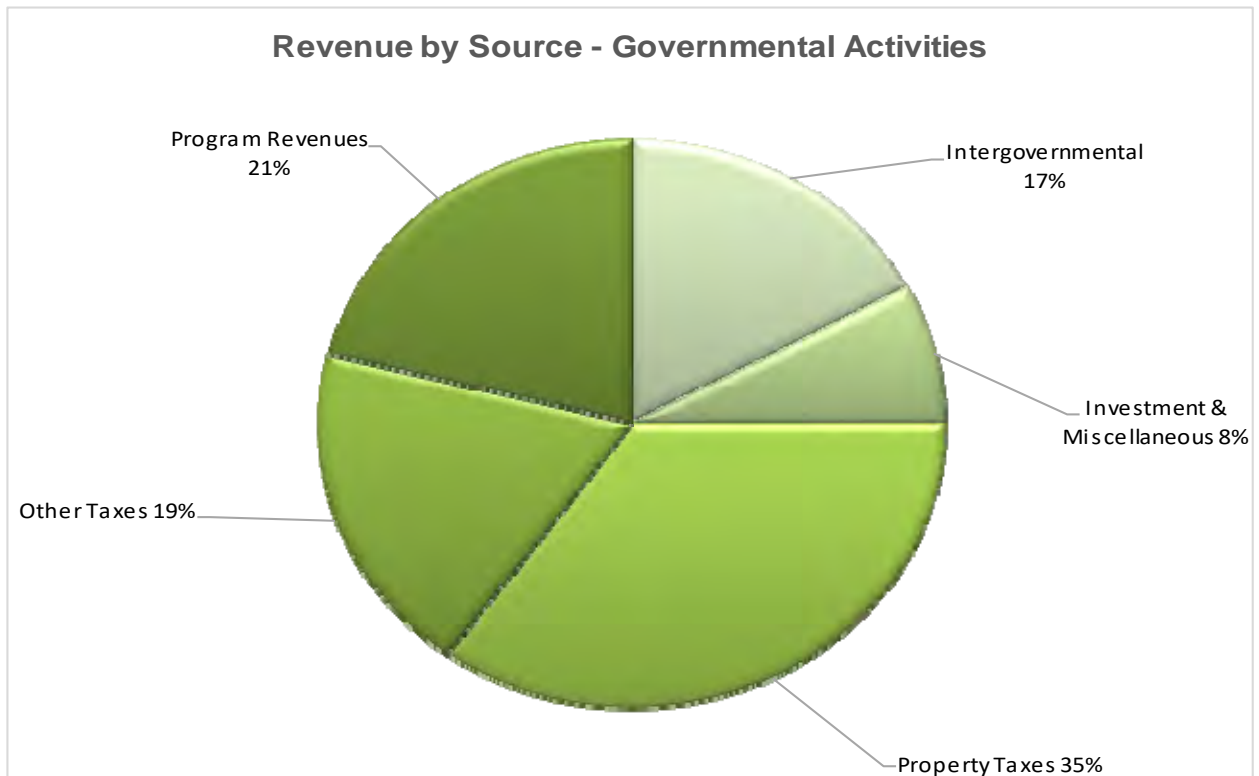
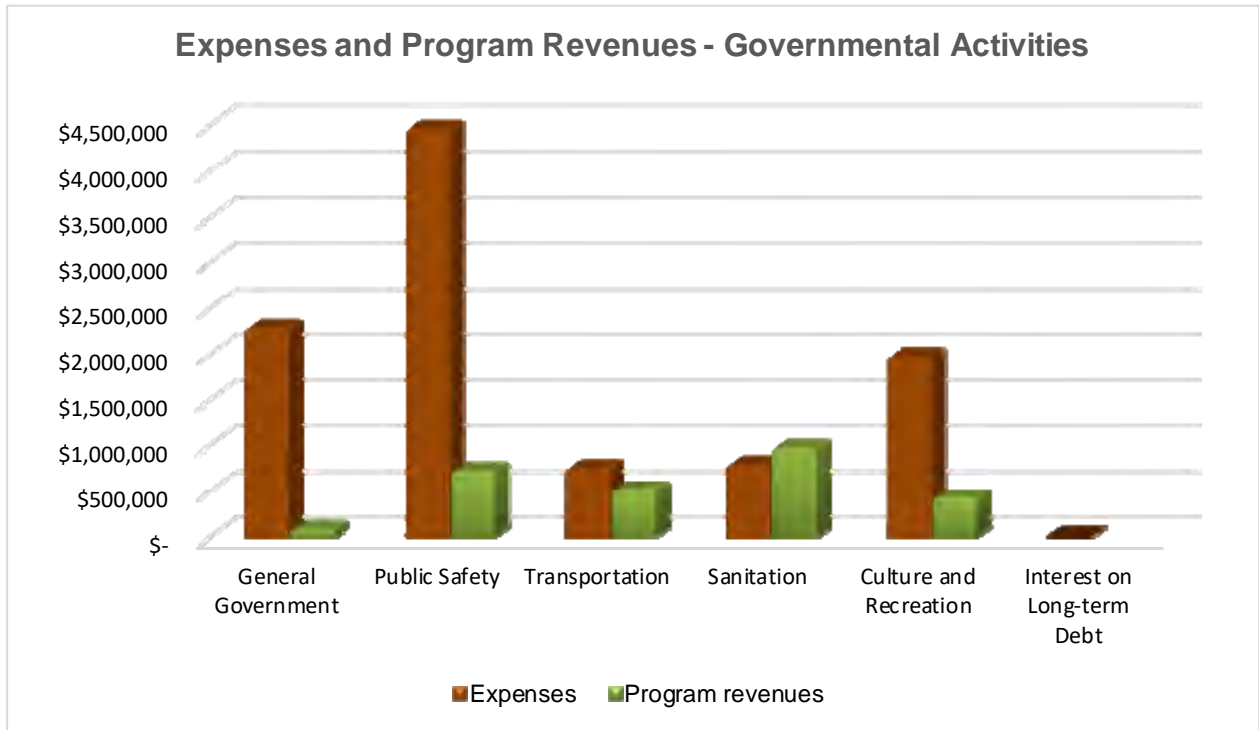
	Governmental Activities		Business-Type Activities		Total Primary Government	
	2023	2022	2023	2022	2023	2022
Revenues:						
Program Revenues:						
Charges for services	\$ 1,974,110	\$ 1,730,405	\$ 1,991,435	\$ 2,048,541	\$ 3,965,545	\$ 3,778,946
Operating grants and contributions	327,465	333,401	-	-	327,465	333,401
Capital grants and contributions	423,109	22,430	62,584	23,652	485,693	46,082
General Revenues:						
Property taxes	4,461,958	3,951,139	-	-	4,461,958	3,951,139
Franchise and public service taxes	2,402,609	2,285,679	-	-	2,402,609	2,285,679
Intergovernmental	2,093,738	2,406,864	-	-	2,093,738	2,406,864
Investment income and miscellaneous	1,048,251	495,656	47,836	9,692	1,096,087	505,348
Total revenues	12,731,240	11,225,574	2,101,855	2,081,885	14,833,095	13,307,459
Expenses:						
General government	2,282,538	1,790,668	-	-	2,282,538	1,790,668
Public safety	4,460,414	3,540,665	-	-	4,460,414	3,540,665
Transportation	749,794	609,602	-	-	749,794	609,602
Sanitation	790,337	873,473	-	-	790,337	873,473
Culture and recreation	1,983,226	1,487,390	-	-	1,983,226	1,487,390
Interest on long-term debt	2,337	2,872	-	-	2,337	2,872
Utility	-	-	1,894,831	1,763,061	1,894,831	1,763,061
Recreation programs	-	-	-	58,889	-	58,889
Total expenses	10,268,646	8,304,670	1,894,831	1,821,950	12,163,477	10,126,620
Increase (decrease) in net position before transfers	2,462,594	2,920,904	207,024	259,935	2,669,618	3,180,839
Transfers	(358,528)	(330,070)	358,528	330,070	-	-
Increase (decrease) in net position	2,104,066	2,590,834	565,552	590,005	2,669,618	3,180,839
Net position, October 1	19,786,764	17,195,930	7,460,013	6,870,008	27,246,777	24,065,938
Net position, September 30	\$ 21,890,830	\$ 19,786,764	\$ 8,025,565	\$ 7,460,013	\$ 29,916,395	\$ 27,246,777

Governmental Activities

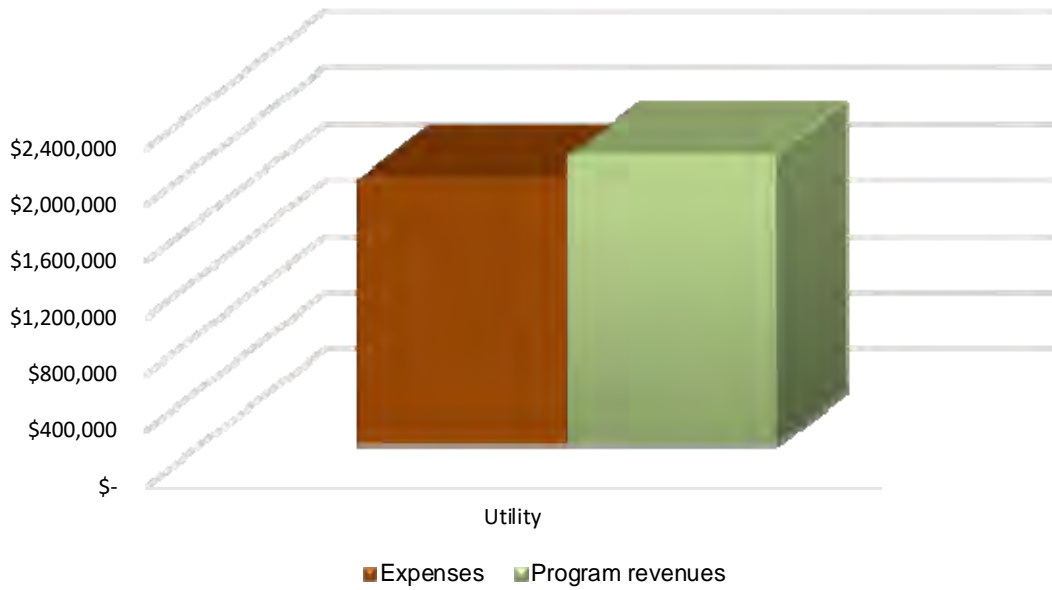
Governmental activities increased the *City of Fruitland Park's* net position by \$2,104,066. This was due to increases in property values, and intergovernmental revenues.

Business-Type Activities

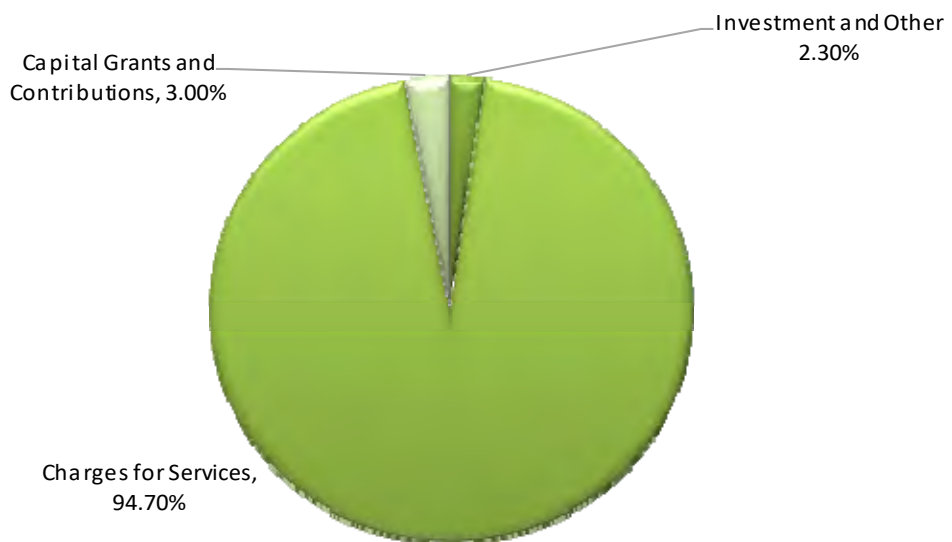
Business-type activities increased the *City of Fruitland Park's* net position by \$565,552 primarily due to increases in grants.



Expenses and Program Revenues - Business -Type Activities



Revenue by Source - Business-Type Activities



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 \$16,143,963, an increase of \$910,670 in comparison with the prior year. However, the majority of the fund balances are restricted or committed, so there is only \$6,627,043 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 \$6,627,043, while total fund balance was \$13,831,108. 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 73% while total fund balance is 153% of total General Fund expenditures.

The fund balance of the general fund increased by \$1,616,645 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 \$527,100 primarily due to increased property tax revenues.

The capital projects fund balance decreased by \$1,233,075. This is due to more capital outlay spending.

Proprietary Funds

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

Unrestricted net position of the proprietary funds at the year-end amounted to \$1,113,813. The total increase in net position for these funds was \$565,552. Other factors concerning the finances of these two funds have 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 \$942,051 more than budgeted revenues and actual expenditures were \$2,029,283 less than budgeted expenditures. Expenses were lower than budgeted primarily due to lower than projected personnel costs due to employee turnover and vacant positions, as well as anticipated capital projects that were delayed due to lack of personnel and supply chain issues.

Capital Asset 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, 2023, amounts to \$19,438,362 (net of accumulated depreciation), for an increase of \$3,328,597 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 20.66% (a 29.81% increase for governmental activities, and a 12.97% increase for business-type activities).

City of Fruitland Park, Florida
Management's Discussion and Analysis

City of Fruitland Park
Capital Assets (Net of Depreciation)

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2023	2022	2023	2022	2023	2022
Land	\$ 1,311,203	\$ 1,313,703	\$ 354,952	\$ 354,952	\$ 1,666,155	\$ 1,668,655
Construction in progress	2,470,235	576,154	365,163	1,640,103	2,835,398	2,216,257
Buildings	3,396,144	3,537,041	35,765	42,261	3,431,909	3,579,302
Improvements	1,107,384	746,804	-	-	1,107,384	746,804
Machinery and equipment	844,111	818,774	137,812	168,072	981,923	986,846
Infrastructure	425,420	367,931	8,990,173	6,543,970	9,415,593	6,911,901
Intangibles	-	-	-	-	-	-
Total	\$ 9,554,497	\$ 7,360,407	\$ 9,883,865	\$ 8,749,358	\$ 19,438,362	\$ 16,109,765

Additional information on the *City of Fruitland Park's* capital assets can be found in Note 6 of this report.

Long-Term Debt

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 7 of this report.

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2023	2022	2023	2022	2023	2022
Financed purchases	\$ 87,451	\$ 107,936	\$ -	\$ -	\$ 87,451	\$ 107,936
Notes payable	-	-	3,921,691	1,931,783	3,921,691	1,931,783
	\$ 87,451	\$ 107,936	\$ 3,921,691	\$ 1,931,783	\$ 4,009,142	\$ 2,039,719

The *City of Fruitland Park's* total debt increased by \$1,969,423 (97%) during the current fiscal year, due to the issuance of new debt.

Next Year's Budget and Rates

At September 30, 2023, the unassigned fund balance in the General Fund is \$6,627,043. The City anticipates resuming expenditure on planned capital projects.

Requests for Information

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

City of Fruitland Park, Florida
Statement of Net Position
September 30, 2023

	Governmental Activities	Business-type Activities	Total
Assets:			
Cash and cash equivalents	\$ 20,090,817	\$ 800,745	\$ 20,891,562
Investments	1,237,525	-	1,237,525
Receivables, net	149,293	301,392	450,685
Internal balances	(188,068)	188,068	-
Due from other governments	678,638	-	678,638
Inventories	6,161	252,474	258,635
Prepays	-	1,296	1,296
Restricted cash and cash equivalents	-	1,152,514	1,152,514
Capital Assets:			
Capital assets not being depreciated	3,781,438	720,115	4,501,553
Capital assets being depreciated, net of accumulated depreciation	5,773,059	9,163,750	14,936,809
Total assets	31,528,863	12,580,354	44,109,217
Deferred Outflow of Resources:			
Deferred outflow of pension earnings	1,821,233	102,690	1,923,923
Liabilities:			
Accounts payable and accrued expenses	379,254	214,738	593,992
Due to other governmental agencies	23,658	-	23,658
Accrued interest	2,101	10,572	12,673
Deposits payable	1,554	195,090	196,644
Unearned revenue	5,425,937	-	5,425,937
Noncurrent Liabilities:			
Due within one year	52,022	536,141	588,163
Due in more than one year	5,332,572	3,687,283	9,019,855
Total liabilities	11,217,098	4,643,824	15,860,922
Deferred Inflow of Resources:			
Deferred inflow of pension earnings	242,168	13,655	255,823
Net Position:			
Net investment in capital assets	9,467,046	5,962,174	15,429,220
Restricted for:			
Capital improvements	3,266,093	891,316	4,157,409
Debt service	-	58,262	58,262
Community redevelopment	1,581,628	-	1,581,628
Police	22,184	-	22,184
Building inspections	706,382	-	706,382
Unrestricted	6,847,497	1,113,813	7,961,310
Total net position	\$ 21,890,830	\$ 8,025,565	\$ 29,916,395

City of Fruitland Park, Florida
Statement of Activities
For the Year Ended September 30, 2023

Functions/Programs	Program Revenue				Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		
					Governmental Activities	Business-type Activities	Total
Primary Government							
Governmental Activities:							
General government	\$ 2,282,538	\$ 84,908	\$ 1,000	\$ -	\$ (2,196,630)	\$ -	\$ (2,196,630)
Public safety	4,460,414	718,035	-	7,709	(3,734,670)	-	(3,734,670)
Transportation	749,794	1,998	245,849	265,400	(236,547)	-	(236,547)
Sanitation	790,337	970,296	-	-	179,959	-	179,959
Culture and recreation	1,983,226	198,873	80,616	150,000	(1,553,737)	-	(1,553,737)
Interest on long-term debt	2,337	-	-	-	(2,337)	-	(2,337)
Total governmental activities	10,268,646	1,974,110	327,465	423,109	(7,543,962)	-	(7,543,962)
Business-type Activities:							
Water	1,894,831	1,991,435	-	62,584	-	159,188	159,188
Total business-type activities	1,894,831	1,991,435	-	62,584	-	159,188	159,188
Total primary government	\$ 12,163,477	\$ 3,965,545	\$ 327,465	\$ 485,693	(7,543,962)	159,188	(7,384,774)
General Revenues:							
Property taxes					4,461,958	-	4,461,958
Franchise taxes					1,003,240	-	1,003,240
Intergovernmental					2,093,738	-	2,093,738
Public service taxes					1,399,369	-	1,399,369
Unrestricted investment earnings					875,241	47,836	923,077
Miscellaneous					173,010	-	173,010
Transfers					(358,528)	358,528	-
Total general revenues and transfers					9,648,028	406,364	10,054,392
Change in net position					2,104,066	565,552	2,669,618
Net position, beginning					19,786,764	7,460,013	27,246,777
Net position, ending					\$ 21,890,830	\$ 8,025,565	\$ 29,916,395

City of Fruitland Park, Florida
Balance Sheet
Governmental Funds
September 30, 2023

	General Fund	Community Redevelopment Fund	Capital Projects Fund	Total Governmental Funds
Assets:				
Cash and cash equivalents	\$ 17,998,479	\$ 1,503,882	\$ 588,456	\$ 20,090,817
Investments	1,037,525	100,000	100,000	1,237,525
Accounts receivable, net	149,293	-	-	149,293
Due from other governments	496,056	-	182,582	678,638
Due from other funds	137,644	-	-	137,644
Inventories	6,161	-	-	6,161
Total assets	\$ 19,825,158	\$ 1,603,882	\$ 871,038	\$ 22,300,078
Liabilities:				
Accounts payable	\$ 278,841	\$ 21,500	\$ 2,167	\$ 302,508
Accrued liabilities	76,746	-	-	76,746
Due to other funds	188,068	-	137,644	325,712
Due to other governments	23,658	-	-	23,658
Deposits payable	800	754	-	1,554
Unearned revenue	5,425,937	-	-	5,425,937
Total liabilities	5,994,050	22,254	139,811	6,156,115
Fund Balances:				
Nonspendable	6,161	-	-	6,161
Restricted	3,263,432	1,581,628	731,227	5,576,287
Committed	3,934,472	-	-	3,934,472
Unassigned	6,627,043	-	-	6,627,043
Total fund balances	13,831,108	1,581,628	731,227	16,143,963
Total liabilities, deferred inflows and fund balances	\$ 19,825,158	\$ 1,603,882	\$ 871,038	\$ 22,300,078

City of Fruitland Park, Florida
**Reconciliation of the Governmental Funds Balance Sheet to the
Statement of Net Position**
September 30, 2023

Total Fund Balance, Governmental Funds \$ 16,143,963

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

Capital assets used in governmental activities are not current financial resources and therefore are not reported in this fund financial statement, but are reported in the governmental activities of the Statement of Net Position. 9,554,497

Deferred inflows and outflows of resources related to pension earning are not recognized in the governmental funds, however, they are recorded in net position under full accrual accounting. 1,579,065

Long-term liabilities, including notes payable, are not due and payable in the current period and therefore are not reported in the funds:

Financed purchases	\$ (87,451)	
Accrued interest payable	(2,101)	
Compensated absences	(155,001)	
Net pension liability	(5,142,142)	(5,386,695)

Net Position of Governmental Activities in the Statement of Net Position \$ 21,890,830

City of Fruitland Park, Florida
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended September 30, 2023

	General Fund	Community Redevelopment Fund	Capital Projects Fund	Total Governmental Funds
Revenues:				
Taxes:				
Property	\$ 3,561,489	\$ 900,469	\$ -	\$ 4,461,958
Franchise and utility	2,402,609	-	-	2,402,609
Fees and fines	32,223	-	-	32,223
Licenses and permits	246,183	-	-	246,183
Intergovernmental	1,765,364	-	1,070,239	2,835,603
Impact fees	7,709	-	-	7,709
Charges for services	1,695,704	-	-	1,695,704
Investment earnings	708,706	78,694	87,841	875,241
Miscellaneous	174,010	-	-	174,010
Total revenues	10,593,997	979,163	1,158,080	12,731,240
Expenditures:				
Current:				
General government	1,845,061	5,875	-	1,850,936
Public safety	3,739,752	-	-	3,739,752
Transportation	665,965	-	-	665,965
Sanitation/ other utility	790,337	-	-	790,337
Culture and recreation	1,964,147	-	-	1,964,147
Debt Service:				
Principal	20,485	-	-	20,485
Interest	2,829	-	-	2,829
Capital Outlay	-	394,964	2,032,627	2,427,591
Total expenditures	9,028,576	400,839	2,032,627	11,462,042
Excess (deficiency) of revenues over expenditures	1,565,421	578,324	(874,547)	1,269,198
Other Financing Sources (Uses):				
Transfers in	51,224	-	-	51,224
Transfers out	-	(51,224)	(358,528)	(409,752)
Total other financing sources (uses)	51,224	(51,224)	(358,528)	(358,528)
Net change in fund balances	1,616,645	527,100	(1,233,075)	910,670
Fund balances, beginning	12,214,463	1,054,528	1,964,302	15,233,293
Fund balances, ending	\$ 13,831,108	\$ 1,581,628	\$ 731,227	\$ 16,143,963

City of Fruitland Park, Florida
**Reconciliation of the Statement of Revenues, Expenditures and Changes
in Fund Balances of Governmental Funds to the Statement of Activities**
For the Year Ended September 30, 2023

Net Change in Fund Balances, Total Governmental Funds: \$ 910,670

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

Governmental funds report outlays for capital assets as expenditures because such outlays use current financial resources. In contrast, the Statement of Activities reports only a portion of the outlay as expense. The outlay is allocated over the assets' estimated useful lives as depreciation expense for the period.

Expenditures for capital assets	\$ 2,704,254	
Less: current year depreciation	<u>(495,728)</u>	2,208,526

The net effect of various miscellaneous transactions involving capital assets (i.e. sales, trade-ins and disposals) is to decrease net position. (14,436)

Governmental funds report bond proceeds as current financial resources. In contrast, the Statement of Activities treats such issuance of debt as a liability. Governmental funds report repayment of bond principal as an expenditure, In contrast, the Statement of Activities treats such repayments as a reduction in long-term liabilities. This is the amount by which repayments exceeded proceeds.

Principal payments		20,485
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Cash pension contributions reported in the funds were more than the calculated pension expense on the statement of activities, and therefore increased net position. (1,048,643)

Some expenses reported in the statement of activities do not require the use of current financial resources and these are not reported as expenditures in governmental funds.

Change in compensated absences	\$ 26,972	
Change in accrued interest payable	<u>492</u>	<u>27,464</u>

Change in Net Position of Governmental Activities		<u><u>\$ 2,104,066</u></u>
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City of Fruitland Park, Florida
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual - General Fund
For the Year Ended September 30, 2023

	Budgeted Amounts		Actual Amounts, Budgetary Basis	Variance with Final Budget - Positive (Negative)
	Original	Final		
	Revenues:			
Taxes:				
Property taxes	\$ 3,525,691	\$ 3,525,691	\$ 3,561,489	\$ 35,798
Franchise and utility	2,057,300	2,057,300	2,402,609	345,309
Fees and fines	29,931	29,931	32,223	2,292
Licenses and permits	419,503	419,503	246,183	(173,320)
Intergovernmental	1,554,359	1,804,359	1,765,364	(38,995)
Impact fees	4,968	4,968	7,709	2,741
Charges for services	1,580,677	1,580,677	1,695,704	115,027
Investment earnings	120,052	120,051	708,706	588,655
Miscellaneous	79,966	109,466	174,010	64,544
Total revenues	9,372,447	9,651,946	10,593,997	942,051
Expenditures:				
Current:				
General government	2,084,166	2,084,166	1,845,061	239,105
Public safety	4,400,283	4,900,283	3,739,752	1,160,531
Transportation	783,363	783,363	665,965	117,398
Sanitation/ other utility	1,128,275	1,128,275	790,337	337,938
Culture and recreation	1,876,683	2,161,772	1,964,147	197,625
Debt Service:				
Principal	-	-	20,485	(20,485)
Interest	-	-	2,829	(2,829)
Total expenditures	10,272,770	11,057,859	9,028,576	2,029,283
Excess (deficiency) of revenues over expenditures	(900,323)	(1,405,913)	1,565,421	2,971,334
Other Financing Sources (Uses):				
Transfers in	905,323	1,405,323	51,224	(1,354,099)
Transfers out	(5,000)	(5,000)	-	5,000
Total other financing sources (uses)	900,323	1,400,323	51,224	(1,349,099)
Net change in fund balances	-	(5,590)	1,616,645	1,622,235
Fund balance, beginning	12,214,463	12,214,463	12,214,463	-
Fund balance, ending	\$ 12,214,463	\$ 12,208,873	\$ 13,831,108	\$ 1,622,235

City of Fruitland Park, Florida
Statement of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - Community Redevelopment Fund
For the Year Ended September 30, 2023

	Budgeted Amounts		Actual Amounts, Budgetary Basis	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Taxes:				
Property taxes	\$ 907,311	\$ 907,311	\$ 900,469	\$ (6,842)
Investment earnings	1,148	1,148	78,694	77,546
Total revenues	<u>908,459</u>	<u>908,459</u>	<u>979,163</u>	<u>70,704</u>
Expenditures:				
Current:				
General government	73,528	73,528	5,875	67,653
Capital outlay	947,212	1,001,945	394,964	606,981
Total expenditures	<u>1,020,740</u>	<u>1,075,473</u>	<u>400,839</u>	<u>674,634</u>
Excess (deficiency) of revenues over expenditures	<u>(112,281)</u>	<u>(167,014)</u>	<u>578,324</u>	<u>745,338</u>
Other Financing Sources (Uses):				
Transfers out	(51,223)	(51,223)	(51,224)	(1)
Total other financing sources (uses)	<u>(51,223)</u>	<u>(51,223)</u>	<u>(51,224)</u>	<u>(1)</u>
Net change in fund balances	<u>(163,504)</u>	<u>(218,237)</u>	<u>527,100</u>	<u>745,337</u>
Fund balance, beginning	1,054,528	1,054,528	1,054,528	-
Fund balance, ending	<u>\$ 891,024</u>	<u>\$ 836,291</u>	<u>\$ 1,581,628</u>	<u>\$ 745,337</u>

City of Fruitland Park, Florida
Statement of Net Position
Proprietary Funds
September 30, 2023

	<u>Enterprise Funds</u>	
	<u>Utility Fund</u>	<u>Total</u>
Assets:		
Current Assets:		
Cash and cash equivalents	\$ 800,745	\$ 800,745
Accounts receivable, net	301,392	301,392
Due from other funds	188,068	188,068
Prepaid items	1,296	1,296
Inventories	252,474	252,474
Total current assets	<u>1,543,975</u>	<u>1,543,975</u>
Noncurrent Assets:		
Restricted cash and cash equivalents	1,152,514	1,152,514
Capital Assets:		
Land	354,952	354,952
Construction in progress	365,163	365,163
Buildings	240,808	240,808
Infrastructure	12,833,524	12,833,524
Intangible assets	346,296	346,296
Machinery and equipment	633,277	633,277
Less: accumulated depreciation	<u>(4,890,155)</u>	<u>(4,890,155)</u>
Net capital assets	<u>9,883,865</u>	<u>9,883,865</u>
Total noncurrent assets	<u>11,036,379</u>	<u>11,036,379</u>
Total assets	<u>12,580,354</u>	<u>12,580,354</u>
Deferred Outflow of Resources:		
Deferred outflow of pension earnings	<u>102,690</u>	<u>102,690</u>

City of Fruitland Park, Florida
Statement of Net Position
Proprietary Funds
September 30, 2023

	<u>Enterprise Funds</u>	
	<u>Utility Fund</u>	<u>Total</u>
Liabilities:		
Current Liabilities:		
Accounts payable	206,731	206,731
Salaries payable	8,007	8,007
Accrued interest payable	10,572	10,572
Customer deposits payable	195,090	195,090
Compensated absences	2,539	2,539
Notes and loans payable, current	533,602	533,602
Total current liabilities	<u>956,541</u>	<u>956,541</u>
Noncurrent Liabilities:		
Compensated absences	9,256	9,256
Net pension liability	289,938	289,938
Notes and loans payable	3,388,089	3,388,089
Total noncurrent liabilities	<u>3,687,283</u>	<u>3,687,283</u>
Total liabilities	<u>4,643,824</u>	<u>4,643,824</u>
Deferred Inflows of Resources:		
Deferred inflow of pension earnings	13,655	13,655
Net Position:		
Net investment in capital assets	5,962,174	5,962,174
Restricted for capital improvements	891,316	891,316
Restricted for debt service	58,262	58,262
Unrestricted	1,113,813	1,113,813
Total net position	<u>\$ 8,025,565</u>	<u>\$ 8,025,565</u>

City of Fruitland Park, Florida
**Statement of Revenues, Expenses and Changes in Fund Net Position -
Proprietary Funds**
For the Year Ended September 30, 2023

	<u>Enterprise Funds</u>	
	<u>Utility Fund</u>	<u>Total</u>
Revenues:		
Charges for services	\$ 1,918,535	\$ 1,918,535
Other operating revenues	72,900	72,900
Total operating revenues	<u>1,991,435</u>	<u>1,991,435</u>
Operating Expenses:		
Personal services	485,445	485,445
Other operating expenses	1,026,891	1,026,891
Depreciation	345,014	345,014
Total operating expenses	<u>1,857,350</u>	<u>1,857,350</u>
Operating income (loss)	<u>134,085</u>	<u>134,085</u>
Nonoperating Revenues (Expenses):		
Interest and investment income	47,836	47,836
Interest expense	(33,506)	(33,506)
Loss on sale of capital assets	(3,975)	(3,975)
Total nonoperating revenue (expenses)	<u>10,355</u>	<u>10,355</u>
Income (loss) before transfers	144,440	144,440
Impact fees	62,584	62,584
Transfers in	358,528	358,528
Change in net position	565,552	565,552
Total net position, beginning	7,460,013	7,460,013
Total net position, ending	<u>\$ 8,025,565</u>	<u>\$ 8,025,565</u>

City of Fruitland Park, Florida
Statement of Cash Flows
Proprietary Funds
For the Year Ended September 30, 2023

	Enterprise Funds		
	Utility Fund	Recreation Programs Fund	Total
Cash Flows from Operating Activities:			
Receipts from customers	\$ 1,988,410	\$ -	\$ 1,988,410
Payments to suppliers	(974,716)	(5,736)	(980,452)
Payments to employees	(496,700)	-	(496,700)
Net cash provided by (used in) operating activities	516,994	(5,736)	511,258
Cash Flows from Noncapital Financing Activities:			
Increase (decrease) in due to other funds	(1,143)	-	(1,143)
Increase in due from other funds	(188,068)	-	(188,068)
Net transfers in (out)	358,528	-	358,528
Net cash provided by (used in) noncapital financing activities	169,317	-	169,317
Cash Flows from Capital and Related Financing Activities:			
Purchase of capital assets	(2,673,550)	-	(2,673,550)
Impact fees	62,584	-	62,584
Debt proceeds	2,451,434	-	2,451,434
Principal paid on long-term debt	(461,526)	-	(461,526)
Interest paid on long-term debt	(36,031)	-	(36,031)
Net cash provided by (used in) capital and related financing activities	(657,089)	-	(657,089)
Cash Flows from Investing Activities:			
Investment income	47,836	-	47,836
Net cash provided by (used in) investing activities	47,836	-	47,836
Net increase (decrease) in cash and cash equivalents	77,058	(5,736)	71,322
Cash and cash equivalents, beginning	1,876,201	5,736	1,881,937
Cash and cash equivalents, ending	\$ 1,953,259	\$ -	\$ 1,953,259
Classified As:			
Cash and cash equivalents	\$ 800,745	\$ -	\$ 800,745
Restricted cash and cash equivalents	1,152,514	-	1,152,514
Total cash and cash equivalents	\$ 1,953,259	\$ -	\$ 1,953,259

City of Fruitland Park, Florida
Statement of Cash Flows
Proprietary Funds
For the Year Ended September 30, 2023

	<u>Enterprise Funds</u>		
	<u>Utility Fund</u>	<u>Recreation Programs Fund</u>	<u>Total</u>
Reconciliation of Operating Income to Net			
Cash Provided by (Used in) Operating Activities:			
Operating income (loss)	\$ 134,085	\$ -	\$ 134,085
Adjustments Not Affecting Cash:			
Depreciation and amortization	345,014	-	345,014
Change in Assets and Liabilities:			
Decrease (increase) in accounts receivable	(6,000)	-	(6,000)
Decrease (increase) in inventory	(100,428)	-	(100,428)
Decrease (increase) in deferred outflows	22,267	-	22,267
Increase (decrease) in accounts payable	152,603	(5,736)	146,867
Increase (decrease) in accrued liabilities	(5,029)	-	(5,029)
Increase (decrease) in compensated absences	(2,828)	-	(2,828)
Increase (decrease) in net pension liability	(15,645)	-	(15,645)
Increase (decrease) in deferred inflows	(10,020)	-	(10,020)
Increase (decrease) in customer deposits	2,975	-	2,975
Total adjustments	382,909	(5,736)	377,173
Net cash provided by (used in) operating activities	\$ 516,994	\$ (5,736)	\$ 511,258

Notes to 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.

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:

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.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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 government reports the following funds:

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.

Major Proprietary Funds

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.

Recreation Programs Fund - used for the receipt of recreation sports program fees and related direct costs associated with each recreation sports program (except for activities of the City's municipal swimming pool) sponsored by the City. This fund was closed during the year.

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)

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.

Assets, Liabilities, Deferred Outflows/Inflows and Net Position/Fund Balance

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.

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.

Inventories 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.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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

	<u>Years</u>
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.

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.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 position 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.

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 position 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.

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.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 2023, the City has not implemented any new accounting standards with a material effect on the City's financial statements.

NOTE 2 RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

Explanation of Certain Differences Between the Governmental Fund Balance Sheet and the Government-Wide Statement of Net Positions:

The governmental fund balance sheet includes a reconciliation between *fund balance - total governmental funds* and *net position - governmental activities* as reported in the government-wide statement of net position.

Explanation of Certain Differences Between the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances and the Government-Wide Statement of Activities:

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between *net changes in fund balances - total governmental funds* and *changes in net positions of governmental activities* as reported in the government-wide statement of activities.

NOTE 3 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 4 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".

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.

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NOTE 4 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, 2023, 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, 2023 are detailed below:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Credit Rating</u>	<u>Weighted Avg. Maturity</u>
Florida Prime	\$ 18,239,522	AAAm	35 days
Asset backed securities	11,091	N/A	11.4 years
Mutual funds	796,464	N/A	N/A
Money market	239	N/A	N/A
Certificates of deposit	429,731	N/A	N/A
	<u>\$ 19,477,047</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.

The City has the following recurring fair value measurements as of September 30, 2023:

<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	\$ 11,091	\$ -	\$ 11,091
Mutual Funds	796,464	-	796,464
	<u>\$ 807,555</u>	<u>\$ -</u>	<u>\$ 807,555</u>

NOTE 5 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>Utility Fund</u>	<u>Total</u>
Receivables:			
Accounts	\$ 149,293	\$ 309,147	\$ 458,440
Less allowance for uncollectible accounts	-	(7,755)	(7,755)
	<u>\$ 149,293</u>	<u>\$ 301,392</u>	<u>\$ 450,685</u>

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NOTE 6 CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2023 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities:				
Capital assets, not being depreciated:				
Land	\$ 1,313,703	\$ -	\$ (2,500)	\$ 1,311,203
Construction in progress	576,154	2,388,107	(494,026)	2,470,235
Total capital assets, not being depreciated	1,889,857	2,388,107	(496,526)	3,781,438
Capital assets, being depreciated:				
Buildings	5,078,073	10,200	-	5,088,273
Improvements	1,612,150	462,931	(63,599)	2,011,482
Machinery and equipment	3,028,600	255,184	(218,912)	3,064,872
Infrastructure	687,726	81,858	-	769,584
Total capital assets, being depreciated	10,406,549	810,173	(282,511)	10,934,211
Less accumulated depreciation for:				
Buildings	(1,541,032)	(151,097)	-	(1,692,129)
Improvements	(865,346)	(101,921)	63,169	(904,098)
Machinery and equipment	(2,209,826)	(218,341)	207,406	(2,220,761)
Infrastructure	(319,795)	(24,369)	-	(344,164)
Total accumulated depreciation	(4,935,999)	(495,728)	270,575	(5,161,152)
Total capital assets, being depreciated, net	5,470,550	314,445	(11,936)	5,773,059
Government activities capital assets, net	\$ 7,360,407	\$ 2,702,552	\$ (508,462)	\$ 9,554,497

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NOTE 6 CAPITAL ASSETS (CONTINUED)

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Business-type Activities:				
Capital assets, not being depreciated:				
Land	\$ 354,952	\$ -	\$ -	\$ 354,952
Construction in progress	1,640,103	1,466,733	(2,741,673)	365,163
Total capital assets, not being depreciated	<u>1,995,055</u>	<u>1,466,733</u>	<u>(2,741,673)</u>	<u>720,115</u>
Capital assets, being depreciated:				
Buildings	243,408	-	(2,600)	240,808
Infrastructure	10,091,446	2,750,163	(8,085)	12,833,524
Machinery and equipment	669,614	8,273	(44,610)	633,277
Intangible assets	346,296	-	-	346,296
Total capital assets, being depreciated	<u>11,350,764</u>	<u>2,758,436</u>	<u>(55,295)</u>	<u>14,053,905</u>
Less accumulated depreciation for:				
Buildings	(201,147)	(6,496)	2,600	(205,043)
Improvements/Infrastructure	(3,547,476)	(299,985)	4,110	(3,843,351)
Machinery and equipment	(501,542)	(38,533)	44,610	(495,465)
Intangible assets	(346,296)	-	-	(346,296)
Total accumulated depreciation	<u>(4,596,461)</u>	<u>(345,014)</u>	<u>51,320</u>	<u>(4,890,155)</u>
Total capital assets, being depreciated, net	<u>6,754,303</u>	<u>2,413,422</u>	<u>(3,975)</u>	<u>9,163,750</u>
Business-type activities capital assets, net	<u>\$ 8,749,358</u>	<u>\$ 3,880,155</u>	<u>\$ (2,745,648)</u>	<u>\$ 9,883,865</u>

Depreciation expense was charged to functions/programs as follows:

Governmental Activities:	
General government	\$ 98,502
Public safety	119,612
Transportation	53,883
Culture and recreation	223,731
Total depreciation expense, governmental activities	<u>\$ 495,728</u>
Business-type Activities:	
Utility	\$ 345,014
Total depreciation expense, business type activities	<u>\$ 345,014</u>

NOTE 7 LONG-TERM DEBT

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 \$40,825. For the year ended September 30, 2023, 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 2023.

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 \$303,346. For the year ended September 30, 2023, 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 2023.

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, 2023, 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 \$23,800. For the year ended September 30, 2023, 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 2023.

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, 2023 the total amount borrowed was \$2,451,434.

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 \$2,451,434. 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 2023.

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.

NOTE 7 LONG-TERM DEBT (CONTINUED)

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.

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 \$283,725. 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 percent, 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 \$860,853. 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:

<u>Year Ending</u> <u>September 30,</u>	<u>Business-Type Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2024	\$ 533,602	\$ 25,241
2025	605,941	14,187
2026	376,258	2,862
2027	138,118	-
2028	138,118	-
2029-2033	690,590	-
2034-2038	690,590	-
2039-2043	687,195	-
2044	61,279	-
Total	\$ 3,921,691	\$ 42,290

NOTE 7 LONG-TERM DEBT (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:

<u>Year Ending September 30</u>	<u>Governmental Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2024	\$ 21,022	\$ 2,292
2025	21,573	1,741
2026	22,138	1,176
2027	22,718	595
Total	\$ 87,451	\$ 5,804

Changes in Long-Term Liabilities

Long-term liability activity for the year ended September 30, 2023 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental Activities:					
Financed purchases	\$ 107,936	\$ -	\$ (20,485)	\$ 87,451	\$ 21,022
Compensated absences	181,973	2,234	(29,206)	155,001	31,000
Net pension liability	3,760,967	1,381,175	-	5,142,142	-
Governmental activity long-term liabilities	\$ 4,050,876	\$ 1,383,409	\$ (49,691)	\$ 5,384,594	\$ 52,022
Business-Type Activities:					
Notes payable - direct borrowing:					
SRF Loan, preconstruction	\$ 53,708	\$ -	\$ (14,749)	\$ 38,959	\$ 15,218
SRF Loan, construction	404,065	-	(111,857)	292,208	114,693
SRF Loan, construction -2021	25,160	-	(1,360)	23,800	1,360
SRF Loan, construction	-	2,451,434	-	2,451,434	61,286
FDOT Note	297,912	-	(14,187)	283,725	14,186
Capital Improvement Note	1,150,938	-	(319,373)	831,565	326,859
Total notes payable	1,931,783	2,451,434	(461,526)	3,921,691	533,602
Compensated absences	14,623	-	(2,828)	11,795	2,359
Net pension liability	305,583	-	(15,645)	289,938	-
Business-type activity long-term liabilities	\$ 2,251,989	\$ 2,451,434	\$ (479,999)	\$ 4,223,424	\$ 535,961

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

NOTE 8 INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

Interfund transfers for the year ended September 30, 2023 are summarized below:

<u>Transfers Out:</u>	<u>Transfers In</u>		<u>Total</u>
	<u>General Fund</u>	<u>Utility Fund</u>	
Community redevelopment	\$ 51,224	\$ -	\$ 51,224
Capital projects	-	358,528	358,528
	<u>\$ 51,224</u>	<u>\$ 358,528</u>	<u>\$ 409,752</u>

Transfers out of the Community redevelopment fund was to fund related portions of personnel wages related to Community redevelopment projects. The other transfers were completed to support operations.

At September 30, 2023, the capital projects fund owed the general fund \$137,644 and the general fund owed the utility fund \$188,068. Amounts payable relate to disbursements made on behalf of the respective funds near the end of the fiscal year. Balances are expected to be collected in these funds and reimbursed in the subsequent year.

NOTE 9 DEFINED BENEFIT RETIREMENT PLANS

Florida Retirement System

Effective February 1, 2015, the City joined the State of Florida Retirement System (FRS) for the covered groups of Police and General Employees. The FRS is a cost-sharing multiple employer public employee retirement system administered by the State of Florida Department of Management Services, Division of Retirement, to provide retirement and survivor benefits to participating public employees. Chapter 121, Florida Statutes, establishes the authority for participant eligibility, contribution requirements, vesting eligibility and benefit provisions.

Early retirement benefits may also be provided; however, there is a reduction in benefits for each year prior to normal retirement. Generally, membership was compulsory for all full-time and part-time employees. There is a 3% requirement for employees to contribute to FRS effective July 1, 2011.

The 2007 Florida Legislature continued the uniform contribution rate system under which participating employers make uniform contributions to support the FRS Pension Plan and the Retiree Health Insurance Subsidy (HIS Plan). Under Section 121.405, Florida Statutes, FRS also provides a defined contribution plan (Investment Plan) alternative to the FRS defined benefit pension plan. Employers contribute based upon blended rates determined as a percentage of the total payroll for each class or subclass of FRS membership, regardless of which retirement plan individuals elect.

The State of Florida issues a report that includes financial statements and required supplementary information for FRS. That report may be obtained by writing to Florida Retirement System, Tallahassee, Florida 32399-1560.

Funding Policy

The FRS has ten (10) classes of membership. Only two (2) classes are applicable to the City's eligible employees. These two (2) classes, with descriptions and contribution rates in effect during the period ended September 30, 2023 are as follows:

NOTE 9 DEFINED BENEFIT RETIREMENT PLANS (CONTINUED)

Regular Class - Members not qualifying for other classes (16.57% [includes 3% employee contribution] from July 1, 2023 through September 30, 2023 and 14.91% [includes 3% employee contribution] from October 1, 2022 through June 30, 2022.)

Special Risk Class - Members employed as law enforcement officers, firefighters, or correctional officers and meet the criteria set to qualify for this class (35.67% [includes 3% employee contribution] from July 1, 2023 through September 30, 2023 and 30.83% [included 3% employee contribution] from October 1, 2022 through June 30, 2022.)

Pension Plan (FRS)

Plan Description

The Pension Plan is a cost-sharing multiple-employer defined benefit pension plan, with a Deferred Retirement Option Program ("DROP") for eligible employees.

Benefits Provided

Benefits under the Pension Plan are computed on the basis of age, average final compensation, and service credit. For Pension Plan members enrolled before July 1, 2011, Regular class members who retire at or after age 62 with at least six years of credited service or 30 years of service regardless of age are entitled to a retirement benefit payable monthly for life, equal to 1.6% of their final average compensation based on five highest years of salary, for each year of credited service. Vested members with less than 30 years of service may retire before age 62 and receive reduced retirement benefits. Special Risk class members (sworn law enforcement officers, firefighters, and correctional officers) who retire at or after age 55 with at least six years of credited service, or with 25 years of service regardless of age, are entitled to a retirement benefit payable monthly for life, equal to 3.0% of their final average compensation based on the five highest years of salary for each year of credited service.

As provided in Section 121.101, Florida Statutes, if the member is initially enrolled in the Pension Plan before July 1, 2011, and all service credit was accrued before July 1, 2011, the annual cost-of-living adjustment is three percent per year. If the member is initially enrolled before July 1, 2011, and has service credit on or after July 1, 2011, there is an individually calculated cost-of living adjustment. The annual cost-of-living adjustment is a proportion of three percent determined by dividing the sum of the pre-July 2011 service credit by the total service credit at retirement multiplied by three percent.

In addition to the above benefits, the DROP program allows eligible members to defer receipt of monthly retirement benefit payments while continuing employment with a FRS employer for a period not to exceed 60 months after electing to participate. Deferred monthly benefits are held in the FRS Trust Fund and accrue interest. There are no required contributions by DROP participants.

Contributions

Effective July 1, 2011, all enrolled members of the FRS, other than DROP participants are required to contribute three percent of their salary to the FRS. In addition to member contributions, governmental employers are required to make contributions to the FRS based on state-wide contribution rates established by the Florida Legislature. These rates are updated as of July 1 of each year.

The employer contribution rates include 1.66% and 2.00% HIS Plan subsidy for the periods October 1, 2022 through June 30, 2023 and from July 1, 2023 through September 30, 2023, respectively.

The City's contributions, including employee contributions, to the Pension Plan totaled \$522,226 for the fiscal year ended September 30, 2023.

NOTE 9 DEFINED BENEFIT RETIREMENT PLANS (CONTINUED)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions
At September 30, 2023, the City reported a liability of \$4,109,261 for its proportionate share of the Pension Plan's net pension liability. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2023. The City's proportionate share of the net pension liability was based on the City's 2023 fiscal year contributions relative to the 2022 fiscal year contributions of all participating members. At June 30, 2023, the City's proportionate share was .010313 percent, which was an increase of .001423 percent from its proportionate share measured as of June 30, 2022.

For the fiscal year ended September 30, 2023, the City recognized pension expense of \$1,041,125. In addition, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Description	Deferred Outflow of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 385,824	\$ -
Change of assumptions	267,876	-
Net difference between projected and actual earnings on pension plan investments	171,614	-
Changes in proportion and differences between pension plan contributions and proportionate share of contributions	570,566	61,163
Pension plan contributions subsequent to the measurement date	136,633	-
	\$ 1,532,513	\$ 61,163

The deferred outflows of resources related to the Pension Plan, totaling \$136,633 resulting from City contributions to the Plan subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the fiscal year ended September 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the Pension Plan will be recognized in pension expense as follows:

Year Ended September 30,	
2024	\$ 283,654
2025	71,306
2026	784,158
2027	154,371
2028	41,228
Thereafter	-

NOTE 9 DEFINED BENEFIT RETIREMENT PLANS (CONTINUED)

Actuarial Assumptions

The total pension liability in the June 30, 2023 actuarial valuation was determined using the following actuarial assumption, applied to all period included in the measurement:

Inflation	2.40 %
Salary Increases	3.25%, average, including inflation
Investment Rate of Return	6.70%, net of pension plan investment expense, including inflation

Mortality rates were based on the PUB2010 base table varies by member category and sex, projected generationally with Scale MP 2018.

The actuarial assumptions used in the June 30, 2023, valuation were based on the results of an actuarial experience study for the period July 1, 2013 through June 30, 2018.

The long-term expected rate of return on Pension Plan investments was not based on historical returns, but instead is based on a forward-looking capital market economic model. The allocation policy's description of each asset class was used to map the target allocation to the asset classes shown below. Each asset class assumption is based on a consistent set of underlying assumptions and includes an adjustment for the inflation assumption. The target allocation and best estimates of arithmetic and geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation (1)	Annual Arithmetic Return	Compound Annual (Geometric) Return	Standard Deviation
Cash	1.00%	2.90%	2.90%	1.10%
Fixed income	19.80%	4.50%	4.40%	3.40%
Global equities	54.00%	8.70%	7.10%	18.10%
Real estate	10.30%	7.60%	6.60%	14.80%
Private equity	11.10%	11.90%	8.80%	26.30%
Strategic investments	3.80%	6.30%	6.10%	7.70%
Total	100.00%			
Assumed Inflation, mean			2.40%	1.40%

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

Discount Rate

The discount rate used to measure the total pension liability was 6.70%. The Pension Plan's 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 calculation the total pension liability is equal to the long-term expected rate of return.

NOTE 9 DEFINED BENEFIT RETIREMENT PLANS (CONTINUED)

Sensitivity of the City's Proportionate Share of the Net Position Liability to Changes in the Discount Rate

The following represents the City's proportionate share of the net pension liability calculated using the discount rate of 6.70%, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (5.70%) or one percentage point higher (7.70%) than the current rate:

	Discount Rate Minus 1% 5.70%	Current Discount Rate 6.70%	Discount Rate Plus 1% 7.70%
City's proportionate share of net pension liability (FRS)	\$ 7,019,455	\$ 4,109,261	\$ 1,674,536

Pension Plan Fiduciary Net Position

Detailed information regarding the Pension Plan's fiduciary net position is available in the separately issued FRS Pension Plan and Other State-Administered Systems Annual Comprehensive Financial Report.

Payables to the Pension Plan

At September 30, 2023, the City does not have any payables for outstanding contributions to the Pension Plan required for the fiscal year ended September 30, 2023.

HIS Plan

Plan Description

The HIS Plan is a cost-sharing multiple-employer defined benefit pension plan established under Section 112.363, Florida Statutes, and may be amended by the Florida legislature at any time. The benefit is a monthly payment to assist retirees of State-administered retirement systems in paying their health insurance costs and is administered by the Florida Department of Management Services, Division of Retirement.

Benefits Provided

For the fiscal year ended September 30, 2023, eligible retirees and beneficiaries received a monthly HIS payment of \$5 for each year of creditable service completed at the time of retirement, with a minimum HIS payment of \$30 and a maximum HIS payment of \$150 per month. To be eligible to receive these benefits, a retiree under a State-administered retirement system must provide proof of health insurance coverage, which may include Medicare.

Contributions

The HIS Plan is funded by required contributions from FRS participating employers as set by the Florida Legislature. Employer contributions are a percentage of gross compensation for all active FRS members. For the fiscal year ended September 30, 2023, the HIS contribution for the period October 1, 2022 through June 30, 2023 and from July 1, 2023 through September 30, 2023 was 1.66% and 2.00%, respectively. The City contributed 100% of its statutorily required contributions for the current and preceding three years. HIS Plan contributions are deposited in a separate trust fund from which payments are authorized. HIS Plan benefits are not guaranteed and are subject to annual legislative appropriation. In the event legislative appropriation or available funds fail to provide full subsidy benefits to all participants, benefits may be reduced or cancelled.

The City's contributions to the HIS Plan totaled \$59,822 for the fiscal year ended September 30, 2023.

NOTE 9 DEFINED BENEFIT RETIREMENT PLANS (CONTINUED)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions
At September 30, 2023, the City reported a liability of \$1,322,819 for its proportionate share of the HIS Plan's net pension liability. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2023. The City's proportionate share of the net pension liability was based on the City's 2023 fiscal year contributions relative to the 2022 fiscal year contributions of all participating members. At June 30, 2023, the City's proportionate share was .008329 percent, which was an increase of .001164 percent from its proportionate share measured as of June 30, 2022.

For the fiscal year ended September 30, 2023, the City recognized pension expense of \$586,168. In addition, the City reported deferred outflows of resources and deferred in flows of resources related to pensions from the following sources:

Description	Deferred Outflow of Resources	Deferred Inflows of Resources
Change of assumptions	\$ 19,365	\$ 3,105
Differences between expected and actual experience	34,777	114,627
Net difference between projected and actual earnings on pension plan investments	683	-
Changes in proportion and differences between pension plan contributions and proportionate share of contributions	319,319	76,928
Pension plan contributions subsequent to the measurement date	17,266	-
	\$ 391,410	\$ 194,660

The deferred outflows of resources related to the HIS Plan, totaling \$17,266 resulting from City contributions to the HIS Plan subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the fiscal year ended September 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the HIS Plan will be recognized in pension expense as follows:

Year Ended September 30,	
2024	\$ 70,654
2025	64,194
2026	17,452
2027	8,644
2028	13,150
Thereafter	5,390

NOTE 9 DEFINED BENEFIT RETIREMENT PLANS (CONTINUED)

Actuarial Assumptions

The total pension liability in the July 1, 2023, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.40 %
Salary Increases	3.25 %, average, including inflation
Municipal Bond Rate	3.65 % net of pension plan investment expense

Mortality rates were based on the Generational PUB-2010 with Projection Scale MP-2018.

The actuarial assumptions used in the July 1, 2023, valuation were based on the results of an actuarial experience study for the period July 1, 2013 through June 30, 2018.

Discount Rate

The discount rate used to measure the total pension liability was 3.65%. In general, the discount rate for calculating the total pension liability is equal to the single rate equivalent to discounting at the long-term expected rate of return for benefit payments prior to the projected depletion date. Because the HIS benefit is essentially funded on a pay-as-you-go basis, the depletion date is considered to be immediate, and the single equivalent discount rate is equal to the municipal bond rate selected by the HIS Plan sponsor. The Bond Buyer General Obligation 20-Bond Municipal Bond Index was adopted as the applicable municipal bond index.

Sensitivity of the City's Proportionate Share of the Net Position Liability to Changes in the Discount Rate

The following represents the City's proportionate share of the net pension liability calculated using the discount rate of 3.65%, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (2.65%) or one percentage point higher (4.65%) than the current rate:

	Discount Rate Minus 1% 2.65%	Current Discount Rate 3.65%	Discount Rate Plus 1% 4.65%
City's proportionate share of net pension liability (HIS)	\$ 1,509,130	\$ 1,322,819	\$ 1,168,380

Pension Plan Fiduciary Net Position

Detailed information regarding the HIS Plan's fiduciary net position is available in the separately issued FRS Pension Plan and Other State-Administered Systems Annual Comprehensive Financial Report.

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NOTE 9 DEFINED BENEFIT RETIREMENT PLANS (CONTINUED)

Investment Plan

The SBA administers the defined contribution plan officially titled the FRS Investment Plan. The investment Plan is reported in the SBA's annual financial statements and in the State of Florida Annual Comprehensive Financial Report.

As provided in Section 121.4501, Florida Statutes, eligible FRS members may elect to participate in the Investment Plan in lieu of the FRS defined benefit plan. City employees participating in DROP are not eligible to participate in the Investment Plan. Employer and employee contributions, including amounts contributed to individual member's accounts, are defined by law, but the ultimate benefit depends in part on the performance of investment funds. Benefit terms, including contribution requirements, for the Investment Plan are established and may be amended by the Florida Legislature. The Investment Plan is funded with the same employer and employee contribution rates that are based on salary and membership class (Regular Class, Elected City Officers, etc.), as the Pension Plan. Contributions are directed to individual member accounts, and the individual members allocate contributions and account balances among various approved investment choices. Costs of administering the Investment Plan, including the FRS Financial Guidance Program, are funded through an employer contribution of 0.04 percent of payroll and by forfeited benefits of plan members. Allocations to the investment member's accounts during the 2023 fiscal year, as established by Section 121.72, Florida Statutes, are based on a percentage of gross compensation, by class, as follows: Regular class 11.30%, and Special Risk class 19.00%.

For all membership classes, employees are immediately vested in their own contributions and are vested after one year of service for employer contributions and investment earnings. If an accumulated benefit obligation for service credit originally earned under the Pension Plan is transferred to the Investment Plan, the member must have the years of service required for Pension Plan vesting (including the service credit represented by the transferred funds) to be vested for these funds and the earnings on the funds. Nonvested employer contributions are placed in a suspense account for up to five years. If the employee returns to FRS-covered employment within the five-year period, the employee will regain control over their account. If the employee does not return within the five-year period, the employee will forfeit the accumulated account balance. For the fiscal year ended September 30, 2023, the information for the amount of forfeitures was unavailable from the SBA; however, management believes that these amounts, if any, would be immaterial to the City.

After termination and applying to receive benefits, the member may rollover vested funds to another qualified plan, structure a periodic payment under the Investment Plan, receive a lump-sum distribution, leave the funds invested for future distribution, or any combination of these options. Disability coverage is provided; the member may either transfer the account balance to the Pension Plan when approved for disability retirement to receive guaranteed lifetime monthly benefits under the Pension Plan or remain in the Investment Plan and rely upon that account balance for retirement income.

The City had 37 employees who participated in the Investment Plan during 2023 and the City's contributions totaled \$169,756.

Aggregate Amounts of All Pension Plans

The aggregate amounts for all of the City's defined benefit pension plans at September 30, 2023 are as follows:

	<u>Net Pension Asset (Liability)</u>	<u>Deferred Inflows</u>	<u>Deferred Outflows</u>	<u>Pension Expense</u>
FRS Pension Plan	\$ (4,109,261)	\$ (61,163)	\$ 1,532,513	\$ 1,041,125
HIS Pension Plan	(1,322,819)	(194,660)	391,410	586,168
	<u>\$ (5,432,080)</u>	<u>\$ (255,823)</u>	<u>\$ 1,923,923</u>	<u>\$ 1,627,293</u>

NOTE 10 DEFINED CONTRIBUTION RETIREMENT PLANS

ICMA 401a 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, 2023 there were 4 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, 2023, the city did not use any forfeited amounts for payment of contributions for current plan participants. The City contributed \$20,459 to the plan for the year ended September 30, 2023.

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, 2023, the plan had 5 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 (1 as of September 30, 2023) 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 11 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 no retirees currently receiving benefits, and therefore no liability has been recorded.

NOTE 12 COMMITMENTS AND CONTINGENCIES

Litigation

The City is engaged in various liability claims incidental to the conduct of its general government operations at September 30, 2023. 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 13 FUND BALANCE

At September 30, 2023 the City's governmental fund balances were as follows:

	<u>General Fund</u>	<u>Community Redevelopment Fund</u>	<u>Capital Projects Fund</u>	<u>Total</u>
Fund Balances				
Nonspendable				
Inventory	\$ 6,161	\$ -	\$ -	\$ 6,161
Spendable				
Restricted for:				
Police education	2,455	-	-	2,455
Police drug forfeiture	3,373	-	-	3,373
Police donations	16,356	-	-	16,356
Library donations	2,238	-	-	2,238
Recreation donations	10,584	-	-	10,584
Public safety capital improvements	2,522,044	-	-	2,522,044
Building Inspections	706,382	-	-	706,382
Community redevelopment	-	1,581,628	-	1,581,628
Infrastructure	-	-	731,227	731,227
Committed to:				
Cemetery care	90,670	-	-	90,670
Paving	1,350,000	-	-	1,350,000
Abandoned property	38,334	-	-	38,334
Centennial fund	10,000	-	-	10,000
Disaster fund	500,000	-	-	500,000
Public works building	1,600,000	-	-	1,600,000
Stormwater utility	345,468	-	-	345,468
Unassigned	<u>6,627,043</u>	<u>-</u>	<u>-</u>	<u>6,627,043</u>
	<u>\$ 13,831,108</u>	<u>\$ 1,581,628</u>	<u>\$ 731,227</u>	<u>\$ 16,143,963</u>

Required Supplementary Information

**Schedule of the City's Proportionate Share of Net Pension Liability
Florida Retirement System (FRS) - Last 10 Fiscal Years***

	2023	2022	2021	2020	2019	2018	2017	2016	2015
City's proportion of the net pension liability	0.01031264%	0.00888967%	0.00832841%	0.00819901%	0.00894420%	0.00628522%	0.00554083%	0.00487763%	0.00211393%
City's proportionate share of the net pension liability	\$ 4,109,261	\$ 3,307,671	\$ 629,116	\$ 3,553,570	\$ 3,080,262	\$ 1,893,142	\$ 1,638,941	\$ 1,231,606	\$ 273,043
City's covered payroll	\$ 2,101,458	\$ 2,777,771	\$ 2,074,670	\$ 1,456,259	\$ 1,835,308	\$ 1,072,321	\$ 1,032,609	\$ 896,744	\$ 607,451
City's proportionate share of the net pension liability as a percentage of its covered payroll	195.54%	119.08%	30.32%	244.02%	167.83%	176.55%	158.72%	137.34%	44.95%
Plan fiduciary net position as a percentage of the total pension liability	82.38%	82.89%	96.40%	78.85%	82.61%	84.26%	83.89%	84.88%	92.00%

**Schedule of the City's Proportionate Share of Net Pension Liability
Health Insurance Subsidy (HIS) - Last 10 Fiscal Years***

	2023	2022	2021	2020	2019	2018	2017	2016	2015
City's proportion of the net pension liability	0.00832940%	0.00716492%	0.00664190%	0.00592949%	0.00755040%	0.00409443%	0.00321444%	0.00289156%	0.00119572%
City's proportionate share of the net pension liability	\$ 1,322,819	\$ 758,879	\$ 814,728	\$ 723,981	\$ 844,814	\$ 433,359	\$ 343,703	\$ 337,000	\$ 121,944
City's covered payroll	\$ 2,101,458	\$ 2,777,771	\$ 2,074,670	\$ 1,456,259	\$ 1,835,308	\$ 1,072,321	\$ 1,032,609	\$ 896,744	\$ 607,451
City's proportionate share of the net pension liability as a percentage of its covered payroll	62.95%	27.32%	39.27%	49.72%	46.03%	40.41%	33.28%	37.58%	20.07%
Plan fiduciary net position as a percentage of the total pension liability	4.12%	4.81%	3.56%	3.00%	2.63%	2.15%	1.64%	0.97%	0.50%

*Information for prior years not available.

City of Fruitland Park, Florida
Required Supplementary Information
Year Ended September 30, 2023

Schedule of City Contributions
Florida Retirement System (FRS) - Last 10 Fiscal Years*

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contribution	\$ 522,226	\$ 406,638	\$ 333,326	\$ 277,879	\$ 249,879	\$ 230,211	\$ 147,403	\$ 125,279	\$ 80,126
Contributions in relation to the contractually required contribution	(522,226)	(406,638)	(333,326)	(277,879)	(249,879)	(230,211)	(147,403)	(125,279)	(80,126)
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	\$ 2,101,458	\$ 2,777,771	\$ 2,074,670	\$ 1,479,600	\$ 1,904,291	\$ 1,200,561	\$ 1,048,564	\$ 929,056	\$ 815,906
Contributions as a percentage of covered payroll	24.85%	14.64%	16.07%	18.78%	13.12%	19.18%	14.06%	13.48%	9.82%

Schedule of City Contributions
Health Insurance Subsidy (HIS) - Last 10 Fiscal Years*

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contribution	\$ 59,822	\$ 46,111	\$ 40,265	\$ 34,887	\$ 31,999	\$ 35,406	\$ 17,292	\$ 15,422	\$ 15,422
Contributions in relation to the contractually required contribution	(59,822)	(46,111)	(40,265)	(34,887)	(31,999)	(35,406)	(17,292)	(15,422)	(15,422)
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	\$ 2,101,458	\$ 2,777,771	\$ 2,074,670	\$ 1,479,600	\$ 1,904,291	\$ 1,200,561	\$ 1,048,564	\$ 929,056	\$ 815,906
Contributions as a percentage of covered payroll	2.85%	1.66%	1.94%	2.36%	1.68%	2.95%	1.65%	1.66%	1.89%

*Information for prior years not available.

Individual Fund Schedules

City of Fruitland Park, Florida
 Schedule of Revenues, Expenditures and Changes in Fund Balances
 Budget and Actual - Capital Projects Fund
 For the Year Ended September 30, 2023

	Budgeted Amounts		Actual Amounts, Budgetary Basis	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 1,021,689	\$ 1,021,689	\$ 1,070,239	\$ 48,550
Investment earnings	2,581	2,581	87,841	85,260
Total revenues	1,024,270	1,024,270	1,158,080	133,810
Expenditures:				
Capital outlay	1,971,300	1,971,300	2,032,627	(61,327)
Total expenditures	1,971,300	1,971,300	2,032,627	(61,327)
Excess (deficiency) of revenues over expenditures	(947,030)	(947,030)	(874,547)	72,483
Other Financing Sources (Uses):				
Transfers out	(358,528)	(358,528)	(358,528)	-
Total other financing sources (uses)	(358,528)	(358,528)	(358,528)	-
Net change in fund balances	(1,305,558)	(1,305,558)	(1,233,075)	72,483
Fund balance, beginning	1,964,302	1,964,302	1,964,302	-
Fund balance, ending	\$ 658,744	\$ 658,744	\$ 731,227	\$ 72,483

Statistical Section

STATISTICAL SECTION

This section of the City of Fruitland Park's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health.

<u>Contents</u>	<u>Page</u>
Financial Trends	
These schedules contain trend information to help the reader understand how the City financial performance and well-being changed over time.	51-61
Revenue Capacity	
These schedules contain information to help the reader assess the City's most significant revenue source, the property tax.	62-65
Debt Capacity	
These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and ability to issue additional debt in the future.	66-69
Demographic and Economic Information	
These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.	70-72
Operating Information	
These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.	73-75

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

The City implemented GASB Statement 34 in fiscal year 2004; schedules presenting government-wide information include information beginning in that year.

The City implemented GASB Statement 44 in fiscal year 2006; schedules presenting demographic, operating, and capital asset statistics include information beginning in that year.

City of Fruitland Park, Florida
Net Position by Component
Last Ten Fiscal Years
(Accrual basis of accounting)

	Fiscal Year 2014	Fiscal Year 2015	Fiscal Year 2016	Fiscal Year 2017
Governmental Activities				
Net Investment in Capital Assets	\$ 3,780,058	\$ 4,183,155	\$ 4,177,487	\$ 4,211,022
Restricted for:				
Capital Improvement	930,676	1,235,269	2,384,629	3,148,361
Redevelopment Projects	366,424	447,109	215,355	126,496
Cemetery Care	142,522	80,002	68,766	83,280
Police	32,366	19,758	8,788	4,399
Building Inspections	-	142,323	1,049,582	1,996,988
Stormwater	176,947	213,803	251,781	290,259
Police/Fire Fee Refunds	130,379	112,757	94,069	70,510
Paving	-	-	-	-
Unrestricted	207,620	331,320	(31,531)	(116,536)
Total Governmental Activities Net Position	\$ 5,766,992	\$ 6,765,496	\$ 8,218,926	\$ 9,814,779
Business-Type Activities				
Net Investment in Capital Assets	\$ 3,014,579	\$ 3,055,102	\$ 3,329,022	\$ 3,930,652
Restricted for:				
Capital Improvements	187,846	268,407	549,313	546,670
Debt Service	64,384	37,367	64,721	45,304
Unrestricted	648,436	388,804	242,991	321,573
Total Business-type Activities Net Position	\$ 3,915,245	\$ 3,749,680	\$ 4,186,047	\$ 4,844,199
Net Investment in Capital Assets	\$ 6,794,637	\$ 7,238,257	\$ 7,506,509	\$ 8,141,674
Restricted for:				
Capital Improvements	1,118,522	1,503,676	2,933,942	3,695,031
Redevelopment Projects	366,424	447,109	215,355	126,496
Cemetery Care	142,522	80,002	68,766	83,280
Debt Service	64,384	37,367	64,721	45,304
Police	32,366	19,758	8,788	4,399
Building Inspections	-	142,323	1,049,582	1,996,988
Stormwater	176,947	213,803	251,781	290,259
Police/Fire Fee Refunds	130,379	112,757	94,069	70,510
Paving	-	-	-	-
Unrestricted	856,056	720,124	211,460	205,037
Total City of Fruitland Park Net Position	\$ 9,682,237	\$ 10,515,176	\$ 12,404,973	\$ 14,658,978

Fiscal Year 2018	Fiscal Year 2019	Fiscal Year 2020	Fiscal Year 2021	Fiscal Year 2022	Fiscal Year 2023
\$ 6,257,821	\$ 7,312,155	\$ 7,360,284	\$ 7,279,043	\$ 7,252,471	\$ 9,467,046
2,796,780	2,644,088	3,094,229	3,706,457	4,517,326	3,266,093
24,929	150,554	308,981	665,401	1,054,528	1,581,628
87,341	-	-	-	-	-
5,102	8,324	8,545	17,514	21,995	22,184
1,913,413	1,908,982	1,807,727	1,476,321	1,159,863	706,382
330,803	-	-	-	-	-
70,510	36,423	32,563	-	-	-
50,000	-	-	-	-	-
(40,707)	1,271,599	2,506,452	4,051,194	5,780,581	6,847,497
<u>\$ 11,495,992</u>	<u>\$ 13,332,125</u>	<u>\$ 15,118,781</u>	<u>\$ 17,195,930</u>	<u>\$ 19,786,764</u>	<u>\$ 21,890,830</u>
\$ 5,263,430	\$ 5,339,711	\$ 5,499,296	\$ 5,358,655	\$ 5,627,521	\$ 5,962,174
601,912	823,200	950,842	903,509	888,073	891,316
46,415	48,676	50,921	53,301	55,737	58,262
(481,825)	(395,592)	(88,400)	554,543	888,682	1,113,813
<u>\$ 5,429,932</u>	<u>\$ 5,815,995</u>	<u>\$ 6,412,659</u>	<u>\$ 6,870,008</u>	<u>\$ 7,460,013</u>	<u>\$ 8,025,565</u>
\$ 11,521,251	\$ 12,651,866	\$ 12,859,580	\$ 12,637,698	\$ 12,879,992	\$ 15,429,220
3,398,692	3,467,288	4,045,071	4,609,966	5,405,399	4,157,409
24,929	150,554	308,981	665,401	1,054,528	1,581,628
87,341	-	-	-	-	-
46,415	48,676	50,921	53,301	55,737	58,262
5,102	8,324	8,545	17,514	21,995	22,184
1,913,413	1,908,982	1,807,727	1,476,321	1,159,863	706,382
330,803	-	-	-	-	-
70,510	36,423	32,563	-	-	-
50,000	-	-	-	-	-
(522,532)	876,007	2,418,052	4,605,737	6,669,263	7,961,310
<u>\$ 16,925,924</u>	<u>\$ 19,148,120</u>	<u>\$ 21,531,440</u>	<u>\$ 24,065,938</u>	<u>\$ 27,246,777</u>	<u>\$ 29,916,395</u>

City of Fruitland Park, Florida
Changes in Net Position
Last Ten Fiscal Years
(Accrual basis of accounting)

	Fiscal Year 2014	Fiscal Year 2015	Fiscal Year 2016	Fiscal Year 2017	Fiscal Year 2018
Expenses					
Governmental Activities:					
General Government	\$ 737,827	\$ 898,643	\$ 1,043,212	\$ 1,223,914	\$ 1,476,413
Public Safety	1,672,643	2,110,533	3,097,472	3,550,072	3,442,497
Transportation	363,034	324,333	291,644	359,857	727,956
Sanitation/Other Utility	471,391	475,618	462,909	500,773	504,421
Culture and Recreation	515,382	577,976	726,059	822,451	905,359
Interest on Long-term Debt	170	4,118	3,658	15,728	14,958
Total Governmental Activities Expenses	3,760,447	4,391,221	5,624,954	6,472,795	7,071,604
Business-Type Activities:					
Water Utility	673,008	710,615	682,501	820,795	1,116,962
Sewer Utility	204,558	219,554	320,984	326,422	-
Recreation Programs	37,344	37,712	32,561	26,388	31,919
Total Business-Type Activities Expenses	914,910	967,881	1,036,046	1,173,605	1,148,881
Total Expenses	\$ 4,675,357	\$ 5,359,102	\$ 6,661,000	\$ 7,646,400	\$ 8,220,485
Program Revenues					
Governmental Activities:					
Charges for Services:					
General Government	\$ 361,584	\$ 398,065	\$ 133,506	\$ 74,708	\$ 87,151
Public Safety	134,130	981,400	2,337,768	2,321,225	1,301,808
Transportation	1,431	4,128	6,884	7,206	7,524
Sanitation/Other Utility	553,905	512,650	569,969	600,056	613,348
Culture and Recreation	31,387	27,173	44,629	42,743	34,327
Operating Grants and Contributions	77,493	68,394	225,174	209,836	385,354
Capital Grants and Contributions	19,653	466,669	996,949	974,208	1,529,237
Total Governmental Activities Program Revenues	1,179,583	2,458,479	4,314,879	4,229,982	3,958,749
Business-Type Activities:					
Charges for Services:					
Water Utility	590,322	593,028	650,406	785,816	943,199
Sewer Utility	118,385	127,132	125,122	124,408	-
Recreation Programs	47,125	49,844	36,342	36,267	40,816
Operating Grants and Contributions	-	-	-	904,997	-
Capital Grants and Contributions	22,097	140,976	433,074	-	587,074
Total Business-Type Activities Program Revenues	777,929	910,980	1,244,944	1,851,488	1,571,089
Total Program Revenues	\$ 1,957,512	\$ 3,369,459	\$ 5,559,823	\$ 6,081,470	\$ 5,529,838
Net Revenue (Expense)					
Governmental Activities	\$ (2,580,864)	\$ (1,932,742)	\$ (1,310,075)	\$ (2,242,813)	\$ (3,112,855)
Business-Type Activities	(136,981)	(56,901)	208,898	677,883	422,208
Total Net Expense	\$ (2,717,845)	\$ (1,989,643)	\$ (1,101,177)	\$ (1,564,930)	\$ (2,690,647)

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	Fiscal Year 2019	Fiscal Year 2020	Fiscal Year 2021	Fiscal Year 2022	Fiscal Year 2023
\$	1,347,411	\$ 1,538,615	\$ 1,670,139	\$ 1,790,668	\$ 2,282,538
	4,208,592	4,030,722	3,988,187	3,540,665	4,460,414
	408,720	403,292	441,409	609,602	749,794
	525,294	510,717	565,949	873,473	790,337
	942,796	1,205,867	1,334,130	1,487,390	1,983,226
	16,732	10,750	3,884	2,872	2,337
	7,449,545	7,699,963	8,003,698	8,304,670	10,268,646
	1,671,164	1,686,623	2,044,868	1,763,061	1,894,831
	-	-	-	-	-
	32,067	24,702	39,021	58,889	-
	1,703,231	1,711,325	2,083,889	1,821,950	1,894,831
\$	9,152,776	\$ 9,411,288	\$ 10,087,587	\$ 10,126,620	\$ 12,163,477
\$	81,289	\$ 71,477	\$ 65,099	\$ 73,882	\$ 84,908
	1,639,824	1,523,742	1,418,655	747,636	718,035
	1,251	1,420	1,601	1,793	1,998
	628,083	644,382	684,540	854,601	970,926
	33,987	23,018	49,713	52,493	198,873
	479,557	889,126	483,097	333,401	327,465
	784,284	176,192	150,770	22,430	423,109
	3,648,275	3,329,357	2,853,475	2,086,236	2,725,314
	1,090,233	1,373,017	1,723,694	1,971,031	1,991,435
	-	-	-	-	-
	44,543	32,404	61,935	77,510	-
	-	-	-	-	-
	358,948	265,310	149,837	23,652	62,584
	1,493,724	1,670,731	1,935,466	2,072,193	2,054,019
\$	5,141,999	\$ 5,000,088	\$ 4,788,941	\$ 4,158,429	\$ 4,779,333
\$	(3,801,270)	\$ (4,370,606)	\$ (5,150,223)	\$ (6,218,434)	\$ (7,543,332)
	(209,507)	(40,594)	(148,423)	250,243	159,188
\$	(4,010,777)	\$ (4,411,200)	\$ (5,298,646)	\$ (5,968,191)	\$ (7,384,144)

City of Fruitland Park, Florida
Changes in Net Position
Last Ten Fiscal Years
(Accrual basis of accounting)

	Fiscal Year 2014	Fiscal Year 2015	Fiscal Year 2016	Fiscal Year 2017
General Revenues and Transfers				
Governmental Activities:				
Property Taxes	\$ 824,299	\$ 896,623	\$ 786,546	\$ 1,156,520
CRA Property Tax	-	-	227,253	219,109
Sales Taxes / Public Service Tax	574,586	613,859	-	-
Franchise and Utility Taxes	969,683	993,463	1,124,153	1,475,550
Excise Taxes	285,106	302,909	-	-
Intergovernmental	-	-	773,185	806,551
Misc	-	-	165,510	85,452
Unrestricted Investment Earnings	3,506	3,422	15,210	43,948
Refund of excess fire pension contributions				
Gain on Sale of Capital Assets	11,805	1,850	-	
Transfers	10,741	119,120	(302,389)	51,536
Total Governmental Activities	2,679,726	2,931,246	2,789,468	3,838,666
Business-Type Activities:				
Unrestricted Investment Earnings	(1,510)	10,456	13,289	31,625
Gain on Sale of Asset			1,622	
Transfers	(10,741)	(119,120)	302,389	(51,536)
Total Business-Type Activities	(12,251)	(108,664)	317,300	(19,911)
Total General Revenues and Transfers	\$ 2,667,475	\$ 2,822,582	\$ 3,106,768	\$ 3,818,755
Change in Net Position				
Governmental Activities	\$ 98,862	\$ 998,504	\$ 1,479,373	\$ 1,595,853
Business-Type Activities	(149,232)	(165,565)	526,198	658,152
Total Change in Net Position	\$ (50,370)	\$ 832,939	\$ 2,005,571	\$ 2,254,005

	Fiscal Year 2018	Fiscal Year 2019	Fiscal Year 2020	Fiscal Year 2021	Fiscal Year 2022	Fiscal Year 2023
\$	1,884,821	\$ 2,567,649	\$ 2,820,708	\$ 3,042,981	\$ 3,234,462	\$ 3,561,489
	237,351	333,847	451,535	592,545	716,677	900,469
	1,050,827	1,038,000	1,038,145	1,248,218	1,398,451	1,399,369
	653,135	679,339	632,322	678,499	887,228	1,003,240
	-	-	-	-	-	-
	883,370	1,386,780	1,661,175	2,090,721	2,406,864	2,093,738
	121,767	83,049	74,457	123,705	175,044	173,010
	99,424	139,801	110,653	14,560	62,516	875,241
					258,096	-
				40,345	-	-
	(136,627)	(591,062)	(631,733)	(604,202)	(330,070)	(358,528)
	4,794,068	5,637,403	6,157,262	7,227,372	8,809,268	9,648,028
	19,023	4,508	5,525	1,570	9,692	47,836
	7,875	-	-	-	-	-
	136,627	591,062	631,733	604,202	330,070	358,528
	163,525	595,570	637,258	605,772	339,762	406,364
\$	4,957,593	\$ 6,232,973	\$ 6,794,520	\$ 7,833,144	\$ 9,149,030	\$ 10,054,392
\$	1,681,213	\$ 1,836,133	\$ 1,786,656	\$ 2,077,149	\$ 2,590,834	\$ 2,104,696
	585,733	386,063	596,664	457,349	590,005	565,552
\$	2,266,946	\$ 2,222,196	\$ 2,383,320	\$ 2,534,498	\$ 3,180,839	\$ 2,670,248

City of Fruitland Park, Florida
Fund Balances - Governmental Funds
Last Ten Fiscal Years
 (Modified accrual basis of accounting)

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
General Fund				
Nonspendable	\$ 2,831	\$ 22,012	\$ 259,413	\$ 5,805
Restricted	389,278	968,040	2,842,591	4,624,870
Committed	319,469	293,805	320,547	373,539
Unassigned	168,941	287,710	13,880	471,116
Total General Fund	<u>\$ 880,519</u>	<u>\$ 1,571,567</u>	<u>\$ 3,436,431</u>	<u>\$ 5,475,330</u>
All Other Governmental Funds				
Restricted	\$ 1,070,567	\$ 989,176	\$ 909,832	\$ 721,884
Total all other governmental funds	<u>\$ 1,070,567</u>	<u>\$ 989,176</u>	<u>\$ 909,832</u>	<u>\$ 721,884</u>

	2018	2019	2020	2021	2022	2023
\$	3,600	\$ 5,399	\$ 3,777	\$ 38,685	\$ 76,630	\$ 6,161
	4,581,870	4,475,105	4,408,691	4,044,662	3,734,882	3,263,432
	468,144	439,753	529,104	1,573,873	3,905,853	3,934,472
	814,491	2,558,442	4,445,942	5,214,013	4,497,098	6,627,043
\$	5,868,105	\$ 7,478,699	\$ 9,387,514	\$ 10,871,233	\$ 12,214,463	\$ 13,831,108
\$	228,864	\$ 273,266	\$ 843,354	\$ 1,821,031	\$ 3,018,830	\$ 2,312,855
\$	228,864	\$ 273,266	\$ 843,354	\$ 1,821,031	\$ 3,018,830	\$ 2,312,855

City of Fruitland Park, Florida
Changes in Fund Balances - Governmental Funds
Last Ten Fiscal Years
(Modified accrual basis of accounting)

	2014	2015	2016	2017
Revenues				
Taxes	\$ 2,162,243	\$ 2,267,017	\$ 2,538,237	\$ 3,255,809
Licenses and Permits	47,558	942,358	2,352,455	2,304,030
Intergovernmental Revenues	656,207	708,718	624,814	732,694
Charges for Services	683,389	673,500	1,691,320	1,559,772
Fines and Forfeitures	38,522	27,840	14,927	18,417
Investment Earnings	3,821	3,422	15,210	43,948
Miscellaneous	332,306	742,934	183,860	102,442
Total Revenues	3,924,046	5,365,789	7,420,823	8,017,112
Expenditures				
General Government	1,315,865	1,043,171	964,945	875,715
Public Safety	1,651,946	2,161,552	2,917,663	3,104,480
Transportation	332,345	286,238	239,397	281,696
Sanitation/Other Utility	471,391	475,618	462,909	500,773
Culture and Recreation	456,471	519,682	643,306	757,750
Capital Outlay	228,495	502,481	582,453	725,072
Debt Service:				
Principal	-	28,603	27,033	72,083
Interest	170	2,696	4,266	15,989
Total Expenditures	4,456,683	5,020,041	5,841,972	6,333,558
Excess (Deficiency) of Revenues over (under) Expenditures	(532,637)	345,748	1,578,851	1,683,554
Other Financing Sources (Uses)				
Capital Lease Financing	-	142,939	116,536	115,861
Contributions from Fiduciary Fund				
Transfers in	60,633	201,808	167,974	169,031
Transfers out	(49,892)	(82,688)	(77,841)	(117,495)
Sale of Capital Assets	11,805	1,850		
Total Other Financing Sources (Uses)	22,546	263,909	206,669	167,397
Net Change in Fund Balances	\$ (510,091)	\$ 609,657	\$ 1,785,520	\$ 1,850,951
Debt service as a percentage of noncapital expenditures	0.0%	0.7%	0.6%	1.6%

	2018	2019	2020	2021	2022	2023
\$	3,826,134	\$ 4,618,835	\$ 4,942,710	\$ 5,562,243	\$ 6,236,818	\$ 6,864,567
	662,241	690,290	576,781	407,240	309,722	246,183
	2,684,313	2,526,332	2,606,553	2,727,412	2,797,807	2,835,603
	1,471,076	1,786,260	1,781,734	1,826,057	1,412,853	1,703,413
	19,744	32,173	25,464	34,312	23,543	32,223
	99,424	139,801	74,457	14,560	62,516	875,241
	126,512	83,049	110,653	123,705	175,044	174,010
	8,889,444	9,876,740	10,118,352	10,695,529	11,018,303	12,731,240
	1,082,715	1,061,745	1,149,417	1,678,301	1,479,306	1,850,936
	3,203,834	3,626,504	3,362,724	3,917,328	3,291,655	3,739,752
	635,359	338,337	320,538	398,191	574,799	665,965
	504,421	525,294	510,717	565,949	955,331	790,337
	2,752,169	1,792,796	1,308,959	1,186,267	1,306,759	1,964,147
	576,185	459,842	291,612	265,353	354,136	2,427,591
	84,232	123,345	89,267	36,126	19,962	20,485
	14,147	9,876	11,690	8,091	3,352	2,829
	8,853,062	7,937,739	7,044,924	8,055,606	7,985,300	11,462,042
	36,382	1,939,001	3,073,428	2,639,923	3,033,003	1,269,198
	-	293,460	-	-	258,096	-
	375,206	89,856	44,001	41,670	71,799	51,224
	(511,833)	(667,321)	(638,526)	(640,197)	(401,869)	(409,752)
	-	-	-	-	-	-
	(136,627)	(284,005)	(594,525)	(598,527)	(71,974)	(358,528)
\$	(100,245)	\$ 1,654,996	\$ 2,478,903	\$ 2,041,396	\$ 2,961,029	\$ 910,670
	1.5%	2.1%	1.9%	0.6%	0.3%	0.3%

City of Fruitland Park, Florida
 General Governmental Revenue by Source
 Last Ten Fiscal Years
 (Modified accrual basis of accounting)

Fiscal Year	Property Taxes	Infra- structure Sales Surtax	Excise Tax	Franchise Fees	Utility Taxes	Communications Services Tax	Total Taxes
2014	719,536	353,896	119,128	389,734	383,864	196,085	2,162,243
2015	768,062	380,103	125,389	395,032	410,032	188,740	2,267,358
2016	788,159	400,285	148,201	374,595	561,333	189,315	2,461,888
2017	1,156,726	404,630	135,200	585,572	658,421	231,557	3,172,106
2018	1,887,333	422,658	130,802	353,135	842,160	208,666	3,844,754
2019	2,567,649	690,943	153,511	424,088	874,174	163,825	4,874,190
2020	2,820,708	870,612	177,324	612,332	807,616	230,530	5,519,121
2021	3,042,877	1,063,169	203,609	686,080	971,632	276,586	6,243,953
2022	3,234,269	1,223,336	234,122	887,228	1,084,758	313,693	6,977,406
2023	3,561,418	1,070,239	206,853	1,003,240	1,073,468	346,327	7,261,545

City of Fruitland Park, Florida
Estimated Just Value and Taxable (Assessed) Value of Property
 Last Ten Fiscal Years

FISCAL YEAR	REAL PROPERTY		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	209,221,512	149,143,487	10,454,094	6,477,414	219,675,606	155,620,901	4.737	70.84%
2015	219,581,454	160,030,405	10,443,710	6,479,383	230,025,164	166,509,788	4.737	72.39%
2016	226,479,994	163,951,384	11,868,328	8,065,888	238,348,322	171,725,009	4.737	72.05%
2017	621,043,088	484,905,998	10,685,477	6,723,190	631,728,565	491,629,188	3.9863	77.82%
2018	870,128,033	672,784,033	11,697,831	7,367,442	881,825,864	680,151,475	3.9134	77.13%
2019	970,883,303	739,383,582	12,648,770	8,378,820	983,532,073	747,762,402	3.9134	76.03%
2020	1,083,792,337	803,148,609	13,020,301	8,742,202	1,096,812,638	811,890,811	3.9134	74.02%
2021	1,163,902,862	849,643,882	12,179,623	8,085,453	1,176,082,485	857,729,335	3.9134	72.93%
2022	1,124,233,133	936,547,550	13,265,712	9,060,808	1,137,498,845	945,608,358	3.9134	83.13%
2023	1,210,535,716	1,012,022,313	14,911,989	10,833,801	1,225,447,705	1,022,856,114	3.9134	83.47%

Source-Lake County Property Appraiser's Office

The property appraiser is required to physically inspect the property at least once every 5 years. Homesteaded property is reassessed annually on January 1. Any change resulting from such reassessment shall not exceed the lower of 3% of the prior year's assessed value or the percentage change in percentage change in the Consumer Price Index for All Urban Consumers, U.S. City Average, all items 1967=100, or successor reports for the preceding calendar year as initially reported by the United States Department of Labor, Bureau of Labor Statistics.

The estimated just value is adjusted down to the taxable value due to governmental exemptions, widows/widowers exemption, disability/blind exemption, institutional exemption for charitable, religious, scientific, literary and educational, \$25,000 homestead exemption, additional \$25,000 homestead exemption age 65 and older and the homestead assessment differential (just value minus capped value).

City of Fruitland Park, Florida
Property Tax Rates - Direct and Overlapping Governments
 Per \$1,000 of Assessed Value
 Last Ten Fiscal Years

Fiscal 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	
2014	4.737	7.170	4.921	0.256	0.328	0.385	1.000	18.7970
2015	4.737	7.246	5.546	0.256	0.316	0.463	1.000	19.5640
2016	4.737	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	16.5391
2022	3.9134	6.248	5.029	0.323	0.197	0.463	0.75	16.9236
2023	3.9134	6.206	5.0364	0.294	0.179	0.463	0.15	16.2420

Source - Lake County Property Appraiser

Florida Statutes permit municipalities to levy property taxes up to 10 mills. The City's direct rate does not have any separate components.

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

City of Fruitland Park, Florida
Principal Property Taxpayers
September 30, 2023
Current Year Compared to Nine Years Ago

<u>Taxpayer</u>	Fiscal Year 2023		Fiscal Year 2014	
	Taxable Assessed Valuation	Percentage of Total Assessed Valuation	Taxable Assessed Valuation	Percentage of Total Assessed Valuation
SOUTHERN SPRING LAKE COVE LLC	5,883,370	0.58%	3,332,081	2.14%
L & R PROPERTIES-FRUITLAND PARK LLC	5,707,720	0.56%	3,788,938	2.43%
B & D SELF STORAGE LLC	4,781,500	0.47%	-	
PARK SQUARE ENTERPRISES LLC	4,068,163	0.40%	-	
RHODES ROBERT D &	3,734,200	0.37%	1,464,097	0.94%
BELLE RIVE VENTURES LLC	3,524,350	0.35%	-	
LEESBURG J AUTOMOTIVE MGT LLC	3,396,920	0.34%		0.00%
ETHEREDGE LP	3,280,959	0.32%	1,608,220	1.03%
WALMART STORES EAST LP	3,016,037	0.30%	1,957,810	
COMCAST CABLE COMMUNICATIONS LLC	2,950,306	0.29%	-	
VILLAGES OF LAKE SUMTER INC	-		6,424,949	4.13%
ARMENTANO ENTERPRISES INC	-		1,571,541	1.01%
CRC PROPERTIES INC	-		1,828,972	1.18%
FRUITLAND PARK PROPERTY LLC	-		1,373,396	0.88%
FWB INVESTMENTS LTD	-		2,033,237	1.31%
	<u>\$ 40,343,525</u>	<u>3.99%</u>	<u>\$ 25,383,241</u>	<u>15.05%</u>
 TOTAL TAXABLE ASSESSED VALUATION	 <u>\$ 1,012,022,313</u>		 <u>\$ 155,620,901</u>	

Source - Lake County Property Appraiser

City of Fruitland Park, Florida
Property Tax Levies and Collections
 Last Ten Fiscal Years

Fiscal Year	Total Tax Levy	Current Tax Collections	Percent of Levy Collected	Delinquent Tax Collections	Total Tax Collections	Percent of Total Tax Collections to Tax Levy
2014	737,192	716,402	97.2%	3,134	719,536	97.6%
2015	788,774	765,346	97.0%	2,716	768,062	97.4%
2016	814,863	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%	0	2,820,708	96.4%
2021	3,022,226	3,042,877	100.7%	104	3,042,982	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%

See **Note 1** for discounts allowed for early payment of property taxes.

City of Fruitland Park, Florida
Legal Debt Margin
 Last Ten Fiscal Years

The City of Fruitland Park, Florida has had no general bonded debt during the last ten fiscal years.

City of Fruitland Park, Florida
 Direct and Overlapping Governmental Activities Debt
 As of September 30, 2023

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Overlapping Debt
Debt repaid with property taxes	\$ -	4.29%	\$ -
Other debt			-
Subtotal, overlapping debt			-
Direct debt			-
Total direct and overlapping debt			\$ -

Note: The City of Fruitland Park has no ordinance which limits general obligation debt to a percentage of assessed property values.

The estimated percentage applicable to the City of Fruitland Park is based upon City/Lake County population ratio.

City of Fruitland Park, Florida
Ratios of Outstanding Debt by Type
 Last Ten Fiscal Years

Fiscal Year	GOVERNMENTAL ACTIVITIES		BUSINESS-TYPE ACTIVITIES	Total Primary Government	Percentage of Personal Income	Per Capita
	Revenue Note	Financed Purchases	Loans Payable			
2014	-	-	1,786,886	1,786,886	N/A	431
2015	-	114,336	1,669,674	1,784,010	1.77%	423
2016	-	321,875	4,035,589	4,357,464	N/A	N/A
2017	-	292,683	3,912,933	4,205,615	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

Details regarding the City's outstanding debt can be found in **Note 7** to the Financial Statements.

See pages 70 and 71 for personal income and population data.

N/A - Information is not available.

City of Fruitland Park, Florida
Pledged-Revenue Debt Coverage
Infrastructure Sales Surtaxes
 Last Ten Fiscal Years

Fiscal Year	Infrastructure Sales Surtaxes Available for Debt Service	Debt Service Requirements			Coverage
		Principal	Interest	Total	
2014	353,896	-	170	170	N/A *
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

*City Hall paid off
 ** New Loan for LLSWR Interest only
 ***New Loan for LLSWR-10 Years

City of Fruitland Park, Florida
Pledge-Revenued Coverage
Utility Revenues
 Last Ten Fiscal Years

Fiscal Year	Gross Revenues	Operating Expenses 1	Net Revenue Available for Debt Service	Debt Service Requirements			Coverage
				Principal	Interest	Total	
2014	708,707	629,842	78,865	100,408	37,260	137,668	0.57
2015	720,160	805,234	(85,074)	103,026	34,643	137,669	0.00
2016	775,528	824,943	(49,415)	105,713	31,956	137,668	0.00
2017	910,404	781,986	128,418	108,470	29,198	137,668	0.93
2018	1,049,291	843,321	205,970	111,300	26,368	137,668	1.50
2019	1,453,689	1,238,526	215,163	114,205	23,464	137,669	1.56
2020	1,644,110	1,263,957	380,153	117,185	20,483	137,668	2.76
2021	1,815,612	1,237,469	578,143	120,244	17,424	137,668	4.20
2022	2,004,169	1,462,021	542,148	123,383	14,285	137,668	3.94
2023	2,123,539	1,483,915	639,624	126,605	11,064	137,668	4.65

Utility operating expenses exclusive of depreciation but including transfers to the General Fund for administrative expenses.

Note: Beginning in fiscal year 2006, covenants on the State Revolving Fund loans require a coverage ratio of 1.15 to 1.

City of Fruitland Park, Florida
Demographic and Economic Statistics
 Last Ten Fiscal Years

Year	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Population	4,153	4,214	4,274	7,291	8,963	10,094	10,206	10,730	8,615	8,615
Total Personal Income of all Fruitland Park Residents(in thousands)	N/A	\$ 100,554	N/A	N/A	N/A	275,652	N/A	72,384	N/A	70,167
Per Capita Personal Income	N/A	\$ 23,862	\$ 20,769	\$ 21,476	\$ 26,688	\$ 34,497	N/A	\$ 39,989	\$ 39,058	\$ 42,038
Median Age	45.1	45.0	47.0	N/A	N/A	51.9	N/A	52	56.6	56.0
School Enrollment Fruitland Park Elementary	656	646	762	742	751	745	736	745	736	733
Total Housing Units	N/A	1,793	1,928	2025	2920	3,562	N/A	4,177	N/A	4,067
Owner occupied	N/A	1,032	1,030	N/A	N/A	2,512	N/A	2,860	N/A	3,667
Renter occupied	N/A	566	680	N/A	N/A	1,050	N/A	667	N/A	4,90%
Vacant	N/A	198	218	N/A	N/A	N/A	N/A	N/A	N/A	400
Lake County Unemployment Rate	5.4%	5.4%	4.5%	3.50%	2.90%	2.70%	7.40%	3.00%	2.80%	3.00%

Population from the Florida Bureau of Economic and Business Research (BEBR)
 Unemployment rate from the Florida Research and Data Base (<http://fred/labormarketinfo.com>)
 Median Age, and Housing Units from Metro Orlando
 Economic Development Commission
 Hometown Locator
 Per capita personal, total personal income from US Census Bureau (<https://data.census.gov/profile/Fruitland Park city, Florida?g=160XX00US1224975>)
 School enrollment from FP Elementary - School Digger.com

N/A - Information not available.

City of Fruitland Park
Demographic Statistics
 Last Ten Fiscal Years
POPULATION

Year	City of Fruitland Park		Lake County	
	Population	% Change	Population	% Change
2014	4,153	-0.69%	309,736	0.55%
2015	4,214	1.47%	316,569	2.21%
2016	4,274	1.40%	323,985	2.29%
2017	7,291	41.38%	330,656	2.02%
2018	8,963	18.65%	341,905	3.29%
2019	10,094	11.20%	357,247	4.29%
2020	10,206	1.10%	366,742	2.59%
2021	10,730	4.88%	356,115	-2.98%
2022	8,615	-19.71%	403,857	11.82%
2023	8,615	0.00%	414,749	2.63%

LAKE COUNTY POPULATION DISTRIBUTION

Year	Median age in Years	Age Distribution (Percentage)			
		0-17	18-44	45-64	65+
1990	44.5	16.8%	33.7%	22.1%	27.4%
2000	45.0	17.1%	32.9%	23.7%	26.3%
2009	40.3	16.4%	30.8%	27.1%	25.7%
2011	47.9	13.5%	32.6%	29.3%	24.6%
2013	42.0	22.4%	26.1%	26.7%	24.8%
2014	46.0	21.8%	36.8%	15.2%	26.2%
2018	N/A	18.8%	29.7%	26.1%	25.4%
2019	36.6	17.5%	56.4%	11.5%	14.6%
2020	51.9	17.8%	56.5%	10.6%	15.2%
2021	51.9	19.7%	39.5%	14.8%	26.0%
2022	56.6	15.3%	36.2%	21.7%	26.8%
2023	56.0	11.6%	34.5%	27.5%	26.4%

Source - Bureau of Economic Business research, University of Florida (US Census Bureau, Fruitland Park, FL)

City of Fruitland Park, Florida
Principal Employers
September 30, 2023

<u>Employer</u>	<u>Employees</u>	<u>Rank</u>	<u>Percent of Total City Employment</u>
Wal-Mart	310	1	12.4%
Munn's Heating & Air	148	2	5.9%
Bill Bryan Chrysler	110	3	4.4%
Fruitland Park Elementary School	110	4	4.4%
City of Fruitland Park	109	5	4.3%
Phillips Buick/Pontiac	90	6	3.6%
	<hr/>		<hr/>
Total	<u>877</u>		<u>35.0%</u>
Total City Employment	<u>2,509</u>		

Note:

(2023 figures unavailable, used 2018 figures, updated City figures)

- Total City Employment from Metro Orlando Economic Development

City of Fruitland Park, Florida
City Government Employees by Function
 Last Ten Fiscal Years

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General Government										
Legislative	11	10	10	10	10	10	10	10	10	10
Executive	3	3.5	3.5	3.5	5	4	4	4	4	4
Finance	4	4.5	4.5	4.5	5	3	3	4	6	6
Other General Government	1	1	1	1	1	0	1	1	1	1
Public Safety										
Police Department	21	20	20	23	25.5	29	29	29	31	31
Fire	24	26	26	25	27	14	14	14	0	0
Building	2	3	3	3	3.5	4	4	5	4	6
Transportation										
Roads and Streets	2	2	2	2	5	5	5	5	7	8
Culture/Recreation										
Library	6	6	6	7	9	10	11	11	11	13
Municipal Pool	7	8	8	8	10	11	11	11	8	13
Recreation										
Maintenance	1	2	2	2	2	2	3	4	2	4
Recreation Programs	2	2	3	3	4	4	4	4	5	7
Utilities										
Water	5	5	6	6	9	8	8	8	4	4
Sewer	0	1	1	1	2	2	2	1	1	2
Total Employees	89	94	96	99	118	106	109	111	94	109

Source: City Finance Department

City of Fruitland Park, Florida
Operating Indicators by Function and Activity
 Last Ten Fiscal Years

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Police Protection:										
Number of Sworn Police Officers	13	13	16	18	19	21	21	21	21	22
Number of Reserve Officers	4	2	2	2	1	1	1	1	2	2
Fire Protection:										
Number of Volunteer Firefighters	23	21	21	25	21	14	14	14	0	0
Building Inspections:										
Construction Permits:										
Commercials	1	9	3	1	3	1	1	0	106	27
Residential	9	529	861	792	110	105	100	88	755	128
Roads and Streets:										
Street Resurfacing (miles)	1.31	3	0	1.6	1.2	1.1	1.33	1.12	3.05	12.04
Recreation:										
Number of City-wide events	3	3	3	4	4	4	1	1	2	2
Municipal Water System:										
Number of Consumers	1,799	1,784	1,826	1,922	1,981	2,039	2,150	2,256	2,279	2,403
New Connections	14	12	10	63	111	102	100	106	129	147

Source: Various City departments

City of Fruitland Park, Florida
Capital Asset and Infrastructure Statistics
 Last Ten Fiscal Years

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
City Land Area (square miles)	6.83	6.84	7.274	7.287	7.295	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	18	20	22	22	22	24	24	22	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	1	0	0	0	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

Well 6 is out of service

Note: The City implemented GASB 44 in fiscal year 2006.

Note: The Fire Station is County operated starting fiscal year 2022.

Source: Various City departments

Other Reports

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

Honorable Mayor and City Commission
City of Fruitland Park, Florida

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the *City of Fruitland Park, Florida*, as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated November 5, 2024.

Report on Internal Control Over Financial Reporting

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

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. However, we identified certain deficiencies in internal control that we consider to be significant deficiencies.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiency described below to be a significant deficiency.

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

During our audit, we noted significant adjustments were required to correctly report the financials in accordance with GAAP. Significant balances of accounts payable were not reconciled by fund, and all loan activity was not properly recorded. AU-C Section 265 *Communicating Internal Control Related Matters Identified in an Audit*, requires auditors to evaluate whether or not the City's employees have the necessary skill and knowledge to apply generally accepted accounting principles (GAAP) in recording the City's financial transactions and preparing its financial statements. Due to the small size of the City, the staff does not have the necessary qualifications and training to record transactions and prepare financial statements in accordance with GAAP. As a result, material misstatements in financial reporting could go undetected. While we noted some improvement from the prior year, we recommend that the City staff continue to receive additional training on governmental accounting standards, as well as make all required adjustments to the year-end financial statements.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether *City of Fruitland Park's* financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance that is described below:

23-02- Timely Completion of Annual Audit

Florida Statutes require the annual audit to be submitted no later than nine months after the City's fiscal year end. We recommend the City implement procedures to ensure that annual audits are completed in a timely manner.

City's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the City's response to the findings identified in our engagement and described previously. The City's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

McDiernit Davis

Orlando, Florida
November 5, 2024



INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR STATE PROJECT AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY CHAPTER 10.550, RULES OF THE AUDITOR GENERAL

Honorable Mayor and City Commission
City of Fruitland Park, Florida

Report on Compliance for Each Major State Project

Opinion on Each Major State Project

We have audited the *City of Fruitland Park's* (the City) compliance with the types of compliance requirements described in the Florida Department of Financial Services *State Projects Compliance Supplement*, and Chapter 10.550, Rules of the Auditor General, that could have a direct and material effect on each of the City's major State projects for the fiscal year ended September 30, 2023. The City's major State projects are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each major State project for the year ended September 30, 2023.

Basis for Opinion on Each Major State Project

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and Chapter 10.550, Rules of the Auditor General. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major State project. Our audit does not provide a legal determination of the City's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above, and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the City's State projects.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and Chapter 10.550, Rules of the Auditor General will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the City's compliance with the requirements of each major State project as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and Chapter 10.550, Rules of the Auditor General, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the City's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the City's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with Chapter 10.550, Rules of the Auditor General, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a State project on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a State project will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with the type of compliance requirement of a State project that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of Chapter 10.550, Rules of the Auditor General. Accordingly, this report is not suitable for any other purpose.

McDermitt Davis

Orlando, Florida
November 5, 2024

City of Fruitland Park, Florida
Schedule of Expenditures of State Financial Assistance
 Year Ended September 30, 2023

Award type				
Grantor			Agency or	
Pass-through grantor	CSFA		Pass-through	
Grantor program title	Number	Entity	Grant Number	Expenditures
State Awards				
State of Florida, Department of Environmental Protection				
Wastewater Treatment Facility Construction, Urick Sewer Line *	37.077		WW350821	\$ 1,345,875
Total state awards				<u>\$ 1,345,875</u>

* Denotes a major program or project

NOTE 1 BASIS OF PRESENTATION

The accompanying schedule of expenditures of state financial assistance (the Schedule) includes the State grant activity of the City of Fruitland Park (the City) under programs and projects of the state government for the year ended September 30, 2023. The information in this Schedule is presented in accordance with the requirements of Section 215.97, Florida Statutes. Because the Schedule presents only a selected portion of the operations of the City, it is not intended to and does not present the financial position, changes in net position or cash flows of the City.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Therefore, amounts reported on the Schedule are based on expenditures incurred as of September 30, 2023, even if grant or loan was received subsequent to that date. State expenditures are recognized following cost principles contained in the Chapter 10.550, *Rules of the Auditor General* wherein certain types of expenditures are not allowable or are limited to reimbursement. Pass-through entity identifying numbers are presented where available.

NOTE 3 LOANS AND LOAN GUARANTEES

In 2022, the City executed State Revolving Fund Loan agreement WW350821 for the City's Urick sewer line construction. Loan balance as of September 30, 2023 is \$2,451,434 for WW350821. Loan expenditures reported in the current year Schedule are \$1,345,875.

Section I - Summary of Independent Auditor's Results:

Financial Statements

Type of auditors' report issued:	Unmodified Opinion	
Internal control over financial reporting:		
• Material weakness identified?	<u> </u> Yes	<u> X </u> No
• Significant deficiency identified	<u> X </u> Yes	<u> </u> None reported
Noncompliance material to financial Statements noted?	<u> X </u> Yes	<u> </u> No

State Projects

Type of auditors' report issued on compliance for major programs and projects:	Unmodified Opinion	
Internal control over major State projects:		
• Material weakness identified?	<u> </u> Yes	<u> X </u> No
• Significant deficiency identified	<u> </u> Yes	<u> X </u> None reported
Any audit findings disclosed that are required to be reported in accordance with Chapter 10.550?	<u> </u> Yes	<u> X </u> No

Identification of Major State Projects

CSFA 37.077 Wastewater Treatment Facility
 Construction, Urick Sewer Line

Dollar threshold used to distinguish between type A and type B projects

\$403,763

Section II - Financial Statement Findings:

None

Section III - State Project Findings and Questioned Costs:

None

Section IV - State Project Summary Schedule of Prior Year Findings:

No prior year findings



MANAGEMENT LETTER

Honorable Mayor and City Commission
City of Fruitland Park, Florida

Report on the Financial Statements

We have audited the financial statements of the *City of Fruitland Park, Florida*, as of and for the fiscal year ended September 30, 2023, and have issued our report thereon dated November 5, 2024.

Auditor’s Responsibility

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and Chapter 10.550, Rules of the Florida Auditor General.

Other Reporting Requirements

We have issued our Independent Auditor’s Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*; and Independent Auditor’s Report on Compliance for Each Major State Project and Report on Internal Control over Compliance; Schedule of Findings and Questioned Costs; and Independent Accountant’s Report on examination conducted in accordance with AICPA Professional Standards, AT-C Section 315, regarding compliance requirements accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports and schedule, which are dated November 5, 2024, should be considered in conjunction with this management letter.

Prior Audit Findings

Section 10.554(1)(i)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. Corrective actions have been taken to address findings and recommendations made in the preceding financial audit report except as noted below.

Tabulation of Uncorrected Audit Findings		
Current Year Finding #	FY21-22 Finding #	FY20-21 Finding #
23-01	22-01	N/A

Official Title and Legal Authority

Section 10.554(1)(i)4., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. This information has been disclosed in the notes to the financial statements.

Financial Condition and Management

Section 10.554(1)(i)5.a. and 10.556(7), Rules of the Auditor General, require us to apply appropriate procedures and communicate the results of our determination as to whether or not the *City of Fruitland Park, Florida* has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and to identify the specific conditions(s) met. In connection with our audit, we determined that the *City of Fruitland Park, Florida* did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

Pursuant to Sections 10.554(1)(i)5.b. and 10.556(8), Rules of the Auditor General, we applied financial condition assessment procedures for the City. It is management’s responsibility to monitor the *City of Fruitland Park, Florida’s* financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information provided by same.

Section 10.554(1)(i)2., Rules of the Auditor General, requires that we communicate any recommendations to improve financial management. In connection with our audit, we did not have any such recommendations.

Additional Matters

Section 10.554(1)(i)3, Rules of the Auditor General, requires us to communicate noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but which warrants the attention of those charged with governance. In connection with our audit, we did not note any such findings.

Purpose of this Letter

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, Federal and other granting agencies, the City Council, and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.

McDiarmid Davis

Orlando, Florida
November 5, 2024



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**INDEPENDENT ACCOUNTANT'S REPORT ON COMPLIANCE WITH
THE REQUIREMENTS OF SECTION 218.415, FLORIDA STATUTES**

Honorable Mayor and City Commission
City of Fruitland Park, Florida

We have examined City of Fruitland Park's (the City) compliance with the requirements of Section 218.415, Florida Statutes, during the year ended September 30, 2023. Management is responsible for the City's compliance with those requirements. Our responsibility is to express an opinion on the City's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and the standards applicable to attestation engagements contained in Government Auditing Standards issued by the Comptroller General of the United States and, accordingly, included examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the City's compliance with specified requirements.

In our opinion, the City of Fruitland Park complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2023.

McDermitt Davis

Orlando, Florida
November 5, 2024



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Fruitland Park, FL 34731

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November 5, 2024

McDermitt Davis
934 N. Magnolia Ave, Ste 100
Orlando, FL 32803

RE: City of Fruitland Park FYE September 30, 2023, Response to audit Comments.


The management comments related to fiscal year ending September 30, 2023 were received by both the City Manager and the Finance Director.

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

During our audit, we noted significant adjustments were required to correctly report the financials in accordance with GAAP. Significant balances of accounts payable were not reconciled by fund, and all loan activity was not properly recorded. AU-C Section 265 *Communicating Internal Control Related Matters Identified in an Audit*, requires auditors to evaluate whether or not the City's employees have the necessary skill and knowledge to apply generally accepted accounting principals (GAAP) in recording the City's financial transactions and preparing financial statements. Due to the small size of the City, the staff does not have the necessary qualifications and training to record transactions and prepare financial statements in accordance with GAAP. As a result, material misstatements in financial reporting could go undetected. While we noted some improvement from the prior year, we recommend that the city staff continue to receive additional training on governmental accounting standards, as well as make the all required adjustments to the year-end financial statements.

Response

While our main focus was accruing accounts payable in the correct periods, it was declared up front that the fund accounting was not completely understood, and that additional training on the governmental processes for fund accounting courses are scheduled in 2024-2025. Loan activity was set up in the chart of accounts by the prior finance director, and was assumed these transactions were set up and properly recorded. New personnel for the finance department have been scheduled to receive training in governmental accounting to obtain the necessary qualifications and training to record transactions and prepare financial statements. A new advanced municipal accounting system has been approved by the commission and has been implemented in 2024. Steps have already been taken to accurately record year end adjustments to the FY2024 financial statements.


Karen Manila, City Manager


Gary Bachmann, Finance Director