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CITY OF FRUITLAND PARK, FLORIDA

ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED
SEPTEMBER 30, 2025

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CITY OF FRUITLAND PARK, FLORIDA

ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED
SEPTEMBER 30, 2025

PREPARED BY:
FINANCE DEPARTMENT

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INTRODUCTORY SECTION

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City of Fruitland Park

506 W. Berckman St.
Fruitland Park FL 34731
Tel. (352) 360-6727
Fax. (352) 360-6686

CITY OF FRUITLAND PARK, FLORIDA

LETTER OF TRANSMITTAL

November 5, 2026

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

We respectfully submit the Annual Comprehensive Financial Report (ACFR) of the City of Fruitland Park, Florida, for the fiscal year ended September 30, 2025 combined with a Single Audit. This report is intended to provide residents, elected officials, creditors, governmental agencies, and other interested readers with information about the City's financial condition, results of operations, and stewardship of public resources. The report has been prepared in accordance with accounting principles generally accepted in the United States of America applicable to state and local governments, subject to final audit review and approval.

Management is responsible for the completeness, reliability, and fair presentation of the information in the report, including the financial statements and accompanying disclosures. The City maintains a system of internal controls designed to provide reasonable, rather than absolute, assurance regarding the safeguarding of assets, the accuracy of financial records, and compliance with applicable requirements. The cost of controls is considered in relation to the benefits expected to be derived.

The City's independent certified public accountants, Mauldin & Jenkins, conduct the annual financial statement audit. Their independent auditor's report, once finalized, should be read with the basic financial statements. Management's Discussion and Analysis (MD&A), located immediately following the auditor's report, offers a narrative analysis of the City's financial activities and should be read in conjunction with this introductory letter.

Profile of the City

Fruitland Park is located in northwest Lake County in Central Florida, in proximity to Leesburg, Lady Lake, and The Villages. Incorporated in 1927, the City has experienced residential and commercial development associated with growth throughout the surrounding region. Its location along regional transportation corridors and near expanding residential communities shapes demand for public safety, infrastructure, recreation, and utility services.

The City operates under the Commission-Manager form of government. The elected City Commission establishes policy, adopts ordinances and budgets, and provides legislative oversight. The City Manager is responsible for implementing Commission policy and directing day-to-day municipal operations through City departments. The City's departments deliver services that include general administration, public safety, planning and development, streets and infrastructure, library and recreational programs, and water and wastewater utilities.

Financial Reporting, Budgetary Controls, and Accountability

The City adopts its annual operating and capital budgets through the public budget process. Budgetary controls are administered at the levels established by the adopted budget and applicable City policy. Departmental expenditures,

purchase commitments, transfers, and budget amendments are monitored to support compliance with authorized appropriations. Encumbrance accounting is used as an administrative tool to track outstanding commitments; year-end treatment is determined under the City's applicable budgetary and accounting policies.

The City accounts for governmental activities through the General Fund, Community Redevelopment Fund, and Capital Projects Fund, and reports its water and wastewater operations through the enterprise fund. The ACFR presents government-wide financial statements, governmental fund statements, proprietary fund statements, reconciliations, notes, and required supplementary information. The statistical section provides multiyear information intended to place current results in a broader financial and economic context.

Local Economy and Community Development

Fruitland Park's local economy reflects its position within the growing Lake County region. Residential construction, commercial services, and the continued development of nearby communities influence demand for transportation improvements, utility capacity, police and fire services, and community amenities. The City monitors changes in its property tax base, population, business activity, and service demands as part of annual budgeting and long-range planning.

The FY2024 transmittal letter described the historical development of the Villages of Fruitland Park, the Pine Ridge Dairy area, and the County Road 466A corridor, together with ongoing private residential and commercial development. These remain important background factors in understanding the City's growth. Specific FY2025 building permit totals, business tax receipts, population estimates, unemployment rates, and taxable value trends should be drawn from the finalized FY2025 statistical schedules before publication rather than carried forward from FY2024.

Major Initiatives and Capital Improvements

During FY2025, the City continued to invest in facilities, infrastructure, and capital improvements intended to meet current and future service needs. A significant undertaking was construction of the Public Safety Building. The building was not placed in service by September 30, 2025, and accordingly remained construction in progress at the FY2025 reporting date; it was placed in service on March 6, 2026. This distinction is important in presenting FY2025 capital assets and depreciation.

The City also continued planning and oversight of street, sidewalk, public facility, and utility-related improvements. Capital expenditures are evaluated in light of available restricted revenues, grants, infrastructure surtax resources, debt proceeds, and other legally available funding. The financial statements and accompanying schedules provide the accounting detail for expenditures and outstanding commitments at fiscal year-end.

Community Redevelopment Agency

The City's Community Redevelopment Agency (CRA) supports redevelopment and public improvements within its designated redevelopment area through authorized redevelopment resources, including tax-increment revenues. The CRA is presented in the City's financial reporting consistent with the applicable component-unit and fund presentation. Its activities are subject to separate legal and financial reporting requirements, including disclosures in the CRA audit and management letter.

During FY2025, the CRA continued redevelopment-related planning and capital activities. The City has confirmed that the CRA had no directly employed personnel; accordingly, no direct CRA employee compensation is expected to be reported. Independent contractor disclosures and qualifying construction project amounts require separate verification from CRA contracts, accounts payable records, and project ledgers before the audit disclosures are finalized.

Utility Services and Long-Term Infrastructure Planning

The City operates water and wastewater utility services and evaluates infrastructure needs in the context of customer growth, regulatory requirements, service reliability, and long-term affordability. Future treatment and wastewater capacity needs require careful capital planning, rate evaluation, debt service forecasting, and coordination with regulatory agencies and neighboring service providers. These considerations are important to maintaining sustainable utility operations over time.

Management continues to review financing alternatives, including eligible State Revolving Fund programs, to support utility capital improvements where appropriate. Project costs, debt terms, and future rate effects should be assessed using approved plans and financing documents rather than estimates presented as completed FY2025 transactions.

Long-Term Financial Planning and Fiscal Stewardship

The City's financial planning emphasizes maintenance of essential services, preservation of infrastructure, compliance with restricted-resource requirements, and prudent evaluation of future obligations. The local government infrastructure surtax remains an important potential source of support for eligible capital projects, subject to applicable use restrictions. Capital projects and financing decisions are reviewed alongside operating costs and expected future maintenance needs.

Management also monitors cash and investment balances, interfund transactions, outstanding debt, fund balance classifications, capital assets, and grant-related obligations. During preparation of the FY2025 audit, special attention was given to reconciling fund balance classifications and restricted public safety resources. These classifications affect the presentation of restricted, committed, and unassigned balances without necessarily changing total fund balance. Final amounts should agree across the governmental fund balance sheet, Note 11, MD&A, and supporting schedules.

Funding sources for the Public Safety Building and other major projects are accounted for separately according to their governing terms. In particular, the City distinguishes COVID-related funding, State ARPA funding, and Lake County ARPA funding; the separate Lake County $2.5 million ARPA expenditures occurred in FY2026 rather than FY2025. The City will continue to ensure that grant revenue, unearned amounts, capital expenditures, and restricted fund balances are recognized in the appropriate fiscal period.

Fiscal Year 2026 Developments and Legislative Changes

Following the September 30, 2025 reporting date, the City continued to evaluate significant legislative changes affecting municipal budgeting, financial transparency, and long-term revenue planning. These developments are discussed as subsequent planning considerations and do not represent revenues, expenditures, or changes in fund balance for FY2025.

In June 2026, Florida enacted House Bill 1329, the Local Government Financial Transparency and Accountability Act. The legislation expands the publication of local government budget and financial information, including fund, departmental, capital project, debt, staffing, and reserve information; establishes additional employee compensation reporting; and requires a budget-reduction exercise identifying potential reductions of 10 percent while protecting essential public services. The City is evaluating its reporting processes, financial schedules, and budget development calendar to support compliance with applicable implementation requirements.

Also enacted in June 2026, Senate Bill 4-F revised statutory procedures for determining and approving local property-tax millage rates in relation to the rolled-back rate. These changes increase the importance of revenue forecasting, Truth in Millage (TRIM) compliance, budgetary flexibility, and public communication concerning proposed tax levies.

At the November 3, 2026 general election, voters approved Amendment 3, proposing changes to homestead exemptions, non-homestead assessment limitations, and permissible uses of county and municipal ad valorem tax revenues, with provisions beginning January 1, 2027. Because implementation and actual local revenue effects depend on the applicable tax rolls and subsequent guidance, management will evaluate the effects on the City's multiyear projections rather than assigning an unsupported fiscal impact to FY2025.

Fiscal Year 2026 Operational and Capital Priorities

During FY2026, the City placed its new Public Safety Building into service on March 6, 2026, following construction activity reported as construction in progress at September 30, 2025. Management will address the related capitalization, depreciation commencement, financing, and funding-source reconciliation in the appropriate FY2026 accounting records and disclosures.

The City also continues to plan for future water and wastewater infrastructure capacity, including anticipated treatment needs, utility rate sustainability, capital financing, and State Revolving Fund opportunities. Growth in the service area and changes in regional wastewater arrangements make phased infrastructure planning and debt-service forecasting important components of the City's long-term financial strategy.

For the FY2026-2027 budget cycle, management will continue to review operating costs, staffing, capital priorities, reserves, restricted resources, and funding alternatives in light of legislative requirements and community service needs. Any forecasted savings, revenue changes, or project authorizations will be supported by adopted budgets and appropriate City Commission action.

Organization of the Annual Comprehensive Financial Report

The introductory section includes this letter, a listing of principal officials, and the organizational chart. The financial section includes the independent auditor's report, MD&A, government-wide and fund financial statements, accompanying notes, and required and supplementary schedules. The statistical section provides historical financial and operating information, while applicable compliance reports present the results of additional auditor procedures and required communications.

Acknowledgments

Preparation of the ACFR requires cooperation among the City Commission, City Manager, Finance Department, operating departments, and the independent auditors. We acknowledge the work of the employees and officials who maintain the City's records, administer its services, and assist in the annual audit. We also thank the residents and businesses of Fruitland Park for their interest in transparent and accountable local government.

Respectfully submitted,

Kim Gehrke, Finance Director
City of Fruitland Park, Florida

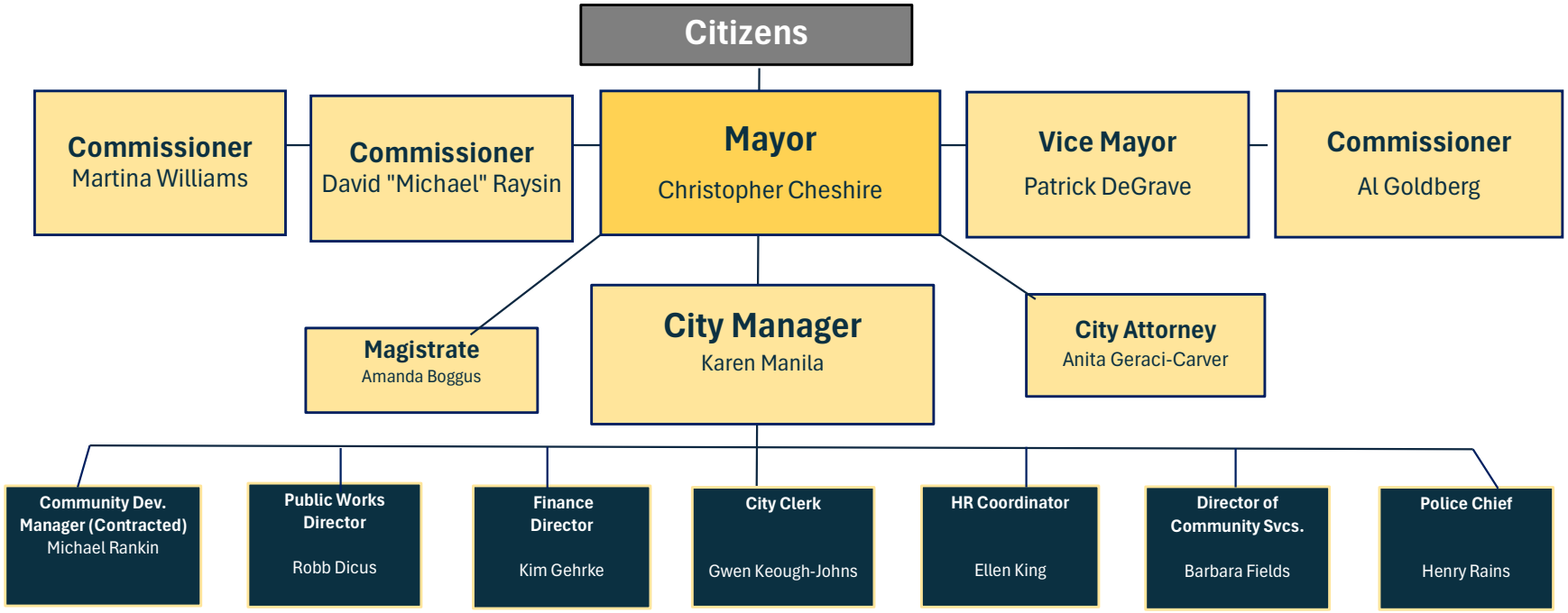
Karen Manila, City Manager
City of Fruitland Park, Florida

City of Fruitland Park, Florida

LIST OF PRINCIPAL OFFICIALS
SEPTEMBER 30, 2025

Mayor	Christopher Cheshire
Vice Mayor-Commissioner	Patrick DeGrave
Commissioner	Al Goldberg
Commissioner	Martina Williams
Commissioner	David "Michael" Raysin
City Manager	Karen Manila
City Finance Director	Kim Gehrke
City Clerk	Gwen Keough-Johns
Police Chief	Henry Rains
Community Development Manager	Michael Rankin
Public Works Director	Robb Dicus
Director of Community Services	Barbara Fields
HR Coordinator	Ellen King
City Attorney	Anita Geraci-Carver

ORGANIZATIONAL CHART
SEPTEMBER 30, 2025



Updated by HR 4.8.26

FINANCIAL SECTION

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MAULDIN & JENKINS
CPAs & ADVISORS

Independent Auditor's Report

Honorable Mayor and City Commissioners
City of Fruitland Park, Florida

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities and each major fund of the City of Fruitland Park, Florida (the "City"), as of and for the year ended September 30, 2025, 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 referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities and each major fund of the City as of September 30, 2025, and the respective changes in financial position and, where applicable, cash flows thereof 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 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

Management is responsible for the preparation and fair presentation of the 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 generally accepted auditing standards 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 generally accepted auditing standards 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 on pages 4 through 9, budgetary comparison schedules and related notes, Schedules of the City's Proportionate Share of Net Pension Liability, and Schedules of the City's Contributions, on pages 45 through 51 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 the City's basic financial statements. The accompanying budgetary comparison schedule is presented for purposes of additional analysis and is not a required part of the basic 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 has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 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 budgetary comparison schedule is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic 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 basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic 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 our report dated November 5, 2026, on our consideration of the City'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 the City's 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 the City's internal control over financial reporting and compliance.

Mauldin & Jenkins, LLC

Bradenton, Florida
November 5, 2026

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Management's Discussion and Analysis

As management of the City of Fruitland Park, Florida we offer readers of the City of Fruitland Park's financial statements this narrative overview and analysis of the financial activities of the City of Fruitland Park for the fiscal year ended September 30, 2025. 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 $44,427,558 (net position). Of this amount, $9,762,183 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 $10,121,556.
- At of the close of the current fiscal year, the City of Fruitland Park's governmental funds reported combined ending fund balances of $19,795,054, an increase of $2,129,853 in comparison with the prior year. Approximately (53%) of this total amount, $10,460,045 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 $10,460,045, or (89%) of total General Fund expenditures.

OVERVIEW OF THE BASIC FINANCIAL STATEMENTS

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

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

Government-Wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the City of Fruitland Park's financial position, in a manner similar to a private-sector business. They include a *Statement of Net Position* and a *Statement of Activities*.

The *Statement of Net Position* presents information on all of the City's assets, liabilities, and deferred inflows/outflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

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

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

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

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

Fund Financial Statements

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

Governmental Funds

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

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

The City of Fruitland Park maintains three individual governmental funds. Information is presented separately in the governmental funds Balance Sheet and in the governmental fund Statement of Revenues, Expenditures, and Changes in Fund Balances for the General Fund, the Community Redevelopment Fund, and Capital Projects Fund which are considered to be major funds.

The City of Fruitland Park adopts an annual appropriated budget for all of its governmental funds. Budgetary comparison statements have been provided for the General Fund, and the Community Redevelopment Fund to demonstrate compliance with this budget at pages 45 and 46. Budgetary comparison schedule for the Capital Projects fund is at page 52.

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

Proprietary Fund

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

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

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

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to financial statements can be found on pages 20 through 44 of this report.

Required Supplementary Information (RSI)

RSI can be found on pages 45 through 51 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 $44,427,558 at the close of the most recent fiscal year. The following table reflects the condensed statement of net position for the current and prior year. For more detail see the Statement of Net Position on page 10.

Statement of Net Position
September 30, 2025 and 2024

	Governmental Activities		Business-Type Activities		Totals	
	2025	2024	2025	2024	2025	2024
Current and other assets	$ 24,532,524	$ 23,972,304	$ 3,713,310	$ 3,463,688	$ 28,245,834	$ 27,435,992
Capital assets	18,528,391	11,482,845	10,337,020	10,329,850	28,865,411	21,812,695
Total assets	43,060,915	35,455,149	14,050,330	13,793,538	57,111,245	49,248,687
Total deferred outflows of resources	1,487,418	1,577,091	116,024	96,051	1,603,442	1,673,142
Other liabilities	4,739,066	6,308,699	1,505,996	1,459,586	6,245,062	7,768,285
Long-term liabilities	4,693,323	4,976,531	2,347,747	2,838,657	7,041,070	7,815,188
Total liabilities	9,432,389	11,285,230	3,853,743	4,298,243	13,286,132	15,583,473
Total deferred inflows of resources	928,566	623,444	72,431	37,970	1,000,997	661,414
Net position						
Net investment in capital assets	18,483,535	11,416,416	8,335,444	7,788,703	26,818,979	19,205,119
Restricted	6,889,583	8,850,960	956,813	956,813	7,846,396	9,807,773
Unrestricted	8,814,260	4,856,190	947,923	807,860	9,762,183	5,664,050
Total net position	$ 34,187,378	$ 25,123,566	$ 10,240,180	$ 9,553,376	$ 44,427,558	$ 34,676,942

$26,818,979 (60%) 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 $7,846,396 (18%). The remaining balance of unrestricted net position, $9,762,183 or 22%, may be used to meet the government's ongoing obligations to citizens and creditors.

Statement of Activities

The City's net position increased by $10,121,556 during the current fiscal year. The following table reflects the condensed Statement of Activities for the current year. For more detail see the Statement of Activities on page 11.

Statement of Activities
For the Years Ended September 30, 2025 and 2024

	Governmental Activities		Business-Type Activities		Totals	
	2025	2024	2025	2024	2025	2024
Revenues						
Program revenues						
Charges for services	$ 2,665,535	$ 3,167,582	$ 2,168,578	$ 2,186,918	$ 4,834,113	$ 5,354,500
Operating grants and contributions	120,075	116,736	-	-	120,075	116,736
Capital grants and contributions	9,005,544	1,281,973	708,839	1,216,726	9,714,383	2,498,699
General revenues						
Property taxes	5,423,867	4,924,111	-	-	5,423,867	4,924,111
Franchise and public service taxes	2,401,682	2,193,356	-	-	2,401,682	2,193,356
Intergovernmental	1,188,965	1,180,021	-	-	1,188,965	1,180,021
Investment income and miscellaneous	1,470,364	1,398,453	164,017	161,509	1,634,381	1,559,962
Total revenues	22,276,032	14,262,232	3,041,434	3,565,153	25,317,466	17,827,385
Operating expenses						
General government	3,322,209	2,308,069	-	-	3,322,209	2,308,069
Public safety	4,987,766	4,697,444	-	-	4,987,766	4,697,444
Transportation	993,979	714,339	-	-	993,979	714,339
Sanitation	996,043	752,718	-	-	996,043	752,718
Culture and recreation	2,539,542	2,556,926	-	-	2,539,542	2,556,926
Interest	1,741	-	-	-	1,741	-
Utility	-	-	2,354,630	2,037,342	2,354,630	2,037,342
Total operating expenses	12,841,280	11,029,496	2,354,630	2,037,342	15,195,910	13,066,838
Increase in net position before transfers	9,434,752	3,232,736	686,804	1,527,811	10,121,556	4,760,547
Change in net position	9,434,752	3,232,736	686,804	1,527,811	10,121,556	4,760,547
Net position, beginning, restated	24,752,626	21,890,830	9,553,376	8,025,565	34,306,002	29,916,395
Net position, ending	$ 34,187,378	$ 25,123,566	$ 10,240,180	$ 9,553,376	$ 44,427,558	$ 34,676,942

Governmental Activities
Governmental activities increased the City of Fruitland Park's net position by $9,434,752. 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 $686,804 primarily due to capital grants and contributions.

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 $19,795,054, an increase of $2,129,853 in comparison with the prior year. However, a portion of the fund balances are restricted or committed, so there is only $10,460,045 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 $10,460,045, while total fund balance was $15,635,174. 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 122% while total fund balance is 132% of total General Fund expenditures.

The fund balance of the General Fund increased by $113,072 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 $1,089,345 primarily due to increased property tax revenues.

The capital projects fund balance increased by $927,436. This is due to intergovernmental revenues in excess of capital outlay spending.

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

Unrestricted net position of the proprietary fund at the year-end amounted to $947,923. The total increase in net position for the fund was $686,804. Other factors concerning the finances of the fund has already been addressed in the discussion of the City of Fruitland Park's business-type activities.

General Fund Budgetary Highlights

During the year, actual revenues were $553,521 less than budgeted revenues and actual expenditures were $769,798 less than budgeted expenditures.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The City of Fruitland Park's investment in capital assets for its governmental and business-type activities as of September 30, 2025, amounts to $28,865,411 (net of accumulated depreciation), for an increase of $7,052,716 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 40% (a 62% increase for governmental activities, and a 7% increase for business-type activities).

	Governmental Activities		Business-Type Activities		Totals	
	2025	2024	2025	2024	2025	2024
Land	$ 1,341,142	$ 1,311,203	$ 354,952	$ 354,952	$ 1,696,094	$ 1,666,155
Construction in progress	7,440,400	588,373	1,470,641	1,090,039	8,911,041	1,678,412
Buildings	6,980,054	7,141,010	22,773	29,269	7,002,827	7,170,279
Improvements	1,048,188	1,164,371	8,717,880	9,035,963	9,766,068	10,200,334
Machinery and equipment	389,772	877,244	(229,226)	(180,373)	160,546	696,871
Infrastructure	1,328,835	400,644	-	-	1,328,835	400,644
Total capital assets	$ 18,528,391	$ 11,482,845	$ 10,337,020	$ 10,329,850	$ 28,865,411	$ 21,812,695

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

Debt Administration

At the end of the current fiscal year, the City of Fruitland Park had total long-term liabilities of $7,041,070. This debt includes financed purchases payable, notes payable, compensated absences, and net pension liabilities. Additional information on long-term debt can be found in Note 6 of this report.

Long-Term Liabilities
As of September 30, 2025

	Governmental Activities		Business-Type Activities		Totals	
	2025	2024	2025	2024	2025	2024
Financed purchases	$ 44,856	$ 66,429	$ -	$ -	$ 44,856	$ 66,429
Notes payable	-	-	2,001,576	2,541,147	2,001,576	2,541,147
Net pension liability	4,125,247	4,688,860	321,784	285,570	4,447,031	4,974,430
Compensated absences	523,220	592,182	24,387	11,940	547,607	604,122
Total long-term liabilities	$ 4,693,323	$ 5,347,471	$ 2,347,747	$ 2,838,657	$ 7,041,070	$ 8,186,128

ECONOMIC FACTORS

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

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

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

BASIC FINANCIAL STATEMENTS

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STATEMENT OF NET POSITION
SEPTEMBER 30, 2025

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
Assets			
Cash and cash equivalents	$ 22,282,635	$ 851,059	$ 23,133,694
Investments	1,507,923	-	1,507,923
Receivables, net	224,474	309,339	533,813
Due from other governments	510,599	-	510,599
Prepaid items	-	1,296	1,296
Inventory	6,893	177,571	184,464
Restricted asset, cash and cash equivalents	-	2,374,045	2,374,045
Capital assets			
Non-depreciable	8,781,542	1,825,593	10,607,135
Depreciable, net	9,746,849	8,511,427	18,258,276
Total assets	43,060,915	14,050,330	57,111,245
Deferred outflows of resources			
Deferred outflows - pension	1,487,418	116,024	1,603,442
Total deferred outflows of resources	1,487,418	116,024	1,603,442
Liabilities			
Accounts payable and accrued expenses	3,706,142	286,618	3,992,760
Due to other governmental agencies	978,952	-	978,952
Accrued interest	1,596	5,518	7,114
Deposits payable	900	213,860	214,760
Unearned revenue	51,476	1,000,000	1,051,476
Noncurrent liabilities			
Due within one year	66,386	333,298	399,684
Due in more than one year	4,626,937	2,014,449	6,641,386
Total liabilities	9,432,389	3,853,743	13,286,132
Deferred inflows of resources			
Deferred inflows - pension	928,566	72,431	1,000,997
Total deferred inflows of resources	928,566	72,431	1,000,997
Net position			
Net investment in capital assets	18,483,535	8,335,444	26,818,979
Restricted for			
Capital improvements	3,185,313	903,509	4,088,822
Debt service	-	53,304	53,304
Community redevelopment	3,581,951	-	3,581,951
Police	28,815	-	28,815
Recreation	13,934	-	13,934
Building inspections	79,570	-	79,570
Unrestricted	8,814,260	947,923	9,762,183
Total net position	$ 34,187,378	$ 10,240,180	$ 44,427,558

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

STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2025

Functions/programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position: Primary Government: Governmental Activities	Primary Government: Business-Type Activities	Primary Government: Total
Primary government:							
Governmental activities:							
General government	$ 3,322,209	$ 728,867	$ -	$ 1,079,795	$ (1,513,547)	$ -	$ (1,513,547)
Public safety	4,987,766	561,705	-	7,925,749	3,499,688	-	3,499,688
Transportation	993,979	-	32,106	-	(961,873)	-	(961,873)
Sanitation	996,043	1,131,397	-	-	135,354	-	135,354
Culture and recreation	2,539,542	243,566	87,969	-	(2,208,007)	-	(2,208,007)
Interest on long-term debt	1,741	-	-	-	(1,741)	-	(1,741)
Total governmental activities	12,841,280	2,665,535	120,075	9,005,544	(1,050,126)	-	(1,050,126)
Business-type activities:							
Water and sewer	2,354,630	2,168,578	-	708,839	-	522,787	522,787
Total business-type activities	2,354,630	2,168,578	-	708,839	-	522,787	522,787
Total primary government	$ 15,195,910	$ 4,834,113	$ 120,075	$ 9,714,383	(1,050,126)	522,787	(527,339)
General revenues							
Property taxes					5,423,867	-	5,423,867
Franchise taxes					889,875	-	889,875
Public service taxes					1,511,807	-	1,511,807
Unrestricted intergovernmental					1,188,965	-	1,188,965
Unrestricted investment earnings					1,250,434	104,616	1,355,050
Miscellaneous					219,930	59,401	279,331
Total general revenues					10,484,878	164,017	10,648,895
Change in net position					9,434,752	686,804	10,121,556
Net position, beginning of year, as previously reported					25,123,566	9,553,376	34,676,942
Change in accounting principle					(370,940)	-	(370,940)
Net position, beginning of year, restated					24,752,626	9,553,376	34,306,002
Net position, end of year					$ 34,187,378	$ 10,240,180	$ 44,427,558

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

BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2025

	General Fund	Community Redevelopment Agency Fund	Capital Projects Fund	Total Governmental Funds
Assets				
Cash and cash equivalents	$ 15,783,184	$ 2,959,816	$ 3,539,635	$ 22,282,635
Investments	1,307,923	100,000	100,000	1,507,923
Accounts receivable, net	224,474	-	-	224,474
Due from other governments	389,888	-	120,711	510,599
Due from other funds	-	522,135	-	522,135
Inventory	6,893	-	-	6,893
Total assets	$ 17,712,362	$ 3,581,951	$ 3,760,346	$ 25,054,659
Liabilities and fund balances (deficits)				
Liabilities				
Accounts payable	$ 269,104	$ -	$ 2,660,282	$ 2,929,386
Retainage payable	566,997	-	-	566,997
Accrued liabilities	209,759	-	-	209,759
Due to other funds	-	-	522,135	522,135
Due to other governments	978,952	-	-	978,952
Deposits payable	900	-	-	900
Unearned revenue	51,476	-	-	51,476
Total liabilities	2,077,188	-	3,182,417	5,259,605
Fund balances				
Nonspendable	6,893	-	-	6,893
Restricted	2,729,703	3,581,951	577,929	6,889,583
Committed	2,438,533	-	-	2,438,533
Unassigned	10,460,045	-	-	10,460,045
Total fund balances	15,635,174	3,581,951	577,929	19,795,054
Total liabilities and fund balances	$ 17,712,362	$ 3,581,951	$ 3,760,346	$ 25,054,659

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

RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION SEPTEMBER 30, 2025

Amounts reported for governmental activities in the Statement of Net Position are different because:	
Total fund balances - governmental funds	$ 19,795,054
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	
Governmental capital assets	24,725,068
Accumulated depreciation	(6,196,677)
Deferred outflows, deferred inflows, the net pension liability related to the City's pension plans are not expected to be liquidated with expendable available financial resources and, therefore are not reported in the funds.	
Deferred outflows - pension	1,487,418
Deferred inflows - pension	(928,566)
Net pension liability	(4,125,247)
Certain liabilities are not due and payable in the current period and are therefore not reported in the funds.	
Compensated absences	(523,220)
Financed purchases payable	(44,856)
Accrued interest	(1,596)
Net position of governmental activities	$ 34,187,378

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

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2025

	General Fund	Community Redevelopment Agency Fund	Capital Projects Fund	Total Governmental Funds
Revenues				
Property taxes	$ 4,166,355	$ 1,257,512	$ -	$ 5,423,867
Franchise taxes	2,401,682	-	-	2,401,682
Fees and fines	37,935	-	-	37,935
Licenses and permits	716,817	-	-	716,817
Intergovernmental	1,321,108	-	8,941,887	10,262,995
Impact fees	51,589	-	-	51,589
Charges for services	1,910,783	-	-	1,910,783
Investment earnings	1,018,498	126,901	105,035	1,250,434
Miscellaneous revenues	219,930	-	-	219,930
Total revenues	11,844,697	1,384,413	9,046,922	22,276,032
Expenditures				
Current				
General government	2,166,656	1,827	-	2,168,483
Public safety	5,246,294	-	-	5,246,294
Transportation	971,193	-	-	971,193
Sanitation/other utility	1,002,230	-	-	1,002,230
Culture and recreation	2,396,069	-	-	2,396,069
Debt service				
Principal retirement	21,573	-	-	21,573
Interest	1,741	-	-	1,741
Capital outlay	-	219,110	8,119,486	8,338,596
Total expenditures	11,805,756	220,937	8,119,486	20,146,179
Excess (deficiency) of revenues over (under) expenditures	38,941	1,163,476	927,436	2,129,853
Other financing sources (uses)				
Transfers in	74,131	-	-	74,131
Transfers out	-	(74,131)	-	(74,131)
Total other financing sources (uses)	74,131	(74,131)	-	-
Change in fund balances	113,072	1,089,345	927,436	2,129,853
Fund balances (deficit), beginning of year	15,522,102	2,492,606	(349,507)	17,665,201
Fund balances, end of year	$ 15,635,174	$ 3,581,951	$ 577,929	$ 19,795,054

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

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2025

Net Change in Fund Balances − Total Governmental Funds		$ 2,129,853
Amounts reported for governmental activities in the Statement of Activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of these assets are depreciated/amortized over their estimated useful lives.		
Capital outlay	$ 7,766,370	
Less current year depreciation and amortization	(720,824)	7,045,546
Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore, are not reported as expenditures in governmental funds.		
Change in compensated absences	68,962	
Pension expense	168,818	237,780
Debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Position. Repayment of principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position and does not affect the Statement of Activities.		
Debt repayments:		
Financed purchases		21,573
Change in net position of governmental activities		$ 9,434,752

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

STATEMENT OF NET POSITION
PROPRIETARY FUNDS
SEPTEMBER 30, 2025

	Utility Fund
Assets	
Current assets	
Cash and cash equivalents	$ 851,059
Accounts receivable, net	309,339
Prepaids	1,296
Inventory	177,571
Total current assets	1,339,265
Noncurrent assets	
Restricted cash and cash equivalents	2,374,045
Capital assets, non-depreciable	1,825,593
Capital assets, net	8,511,427
Total noncurrent assets	12,711,065
Total assets	14,050,330
Deferred outflows of resources	
Deferred outflows - pension	116,024
Total deferred outflows of resources	116,024
Liabilities	
Current liabilities	
Accounts payable	281,577
Accrued liabilities	5,041
Accrued interest	5,518
Unearned revenue	1,000,000
Customer deposits payable	213,860
Notes payable	333,298
Total current liabilities	1,839,294
Noncurrent liabilities	
Compensated absences	24,387
Notes payable, net of current portion	1,668,278
Net pension liability	321,784
Total noncurrent liabilities	2,014,449
Total liabilities	3,853,743
Deferred inflows of resources	
Deferred inflows - pension	72,431
Total deferred inflows of resources	72,431
Net position	
Net investment in capital assets	8,335,444
Restricted for	
Debt service	53,304
Capital improvements	903,509
Unrestricted	947,923
Total net position	$ 10,240,180

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

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2025

	Utility Fund
Operating revenues	
Charges for services	$ 2,168,578
Miscellaneous	59,401
Total operating revenues	2,227,979
Operating expenses	
Personnel costs	935,901
Other operating expenses	984,388
Depreciation	422,152
Total operating expenses	2,342,441
Operating loss	(114,462)
Nonoperating revenues (expenses)	
Investment earnings	104,616
Interest expense	(12,189)
Total nonoperating revenues, net	92,427
Income before impact fees	(22,035)
Impact fees	708,839
Changes in net position	686,804
Total net position, beginning of year	9,553,376
Total net position, end of year	$ 10,240,180

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

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2025

	Utility Fund
Cash flows from operating activities	
Cash received from customers	$ 2,249,578
Cash paid to suppliers for goods and services	(703,590)
Cash paid to employees for services and benefits	(877,222)
Net cash provided by operating activities	668,766
Cash flows from capital and related financing activities	
Acquisition and construction of capital assets	(429,322)
Principal paid on notes payable	(539,571)
Capital contributions	708,839
Interest paid	(14,127)
Net cash used in capital and related financing activities	(274,181)
Cash flows from investing activities	
Interest received	104,616
Net cash provided by investing activities	104,616
Net change in cash and cash equivalents	499,201
Cash and cash equivalents, beginning of year	2,725,903
Cash and cash equivalents, end of year	$ 3,225,104
Cash and cash equivalents classified as	
Cash and cash equivalents	$ 851,059
Restricted cash and cash equivalents	2,374,045
Total cash and cash equivalents	$ 3,225,104

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

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2025

	Utility Fund
Reconciliation of operating income to net cash provided by operating activities	
Operating loss	$ (114,462)
Adjustment to reconcile operating loss to net cash provided by operating activities:	
Depreciation and amortization	422,152
Change in operating assets and liabilities:	
(Increase) decrease in assets:	
Accounts receivable	19,744
Due from other funds	152,978
Deferred outflows - pension	(19,973)
Inventory	76,857
Increase (decrease) in liabilities:	
Accounts payable	50,963
Accrued liabilities	(4,470)
Compensated absences payable	12,447
Net pension liability	36,214
Deferred inflows - pension	34,461
Customer deposits	1,855
Net cash provided by operating activities	$ 668,766

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

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

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

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

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The City of Fruitland Park Community Redevelopment Fund

The City of Fruitland Park created the Community Redevelopment Agency (the CRA) 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 City reports the following major governmental funds:

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

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

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

The City reports the following major enterprise fund:

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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.

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

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

Deposits and Investments

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

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

Inventory and Prepaid Items

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

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

Restricted Assets

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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:

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

Compensated Absences

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

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 assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City has one item that 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 assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has one item that qualifies for reporting in this category, which are the deferred inflows of pension earnings.

Net Position Flow Assumptions

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

Fund Balance Flow Assumptions

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Balance Policies

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

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

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

Use of Estimates

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

New Accounting Standards

In fiscal year 2025, the City implemented GASB Statement No. 101, *Compensated Absences,* and GASB Statement No. 102, *Certain Risk Disclosures*. See Notes 6 and 13 for further disclosures related to the implementation of GASB Statement No. 101. Implementation of GASB Statement No. 102 did not impact the City's Financial Statements.

NOTE 2. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Budgetary Information

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

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

NOTE 3. DEPOSITS AND INVESTMENTS

Deposits

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

NOTE 3. DEPOSITS AND INVESTMENTS (CONTINUED)

Investments

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

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

Interest Rate Risk

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

Credit Risk

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

NOTE 3. DEPOSITS AND INVESTMENTS (CONTINUED)

Custodial Credit Risk

Custodial risk is the risk that, in the event of the failure of the counterparty, the government will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. At September 30, 2025, 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, 2025 are detailed below:

Cash and Investment Type	Fair Value	Credit Rating	Weighted Average Maturity
Demand deposits	$ 1,659,974	N/A	N/A
Florida Prime	23,847,765	AAAm	47 days
Asset-backed securities	7,966	N/A	9.4 years
Mutual funds	1,067,099	N/A	N/A
Money market	32,858	N/A	N/A
Certificates of deposit	400,000	N/A	260 days
	$ 27,015,662		

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 and liabilities are classified into three levels. Level 1, the most reliable, uses quoted prices for identical assets or liabilities in active markets. Level 2 uses other significant observable inputs, including quoted prices for identical or similar assets or liabilities in inactive markets. Level 3, the least reliable, uses significant unobservable inputs based on the best available information, including the City's own data.

NOTE 3. DEPOSITS AND INVESTMENTS (CONTINUED)

Fair Value (Continued)

The City has the following recurring fair value measurements as of September 30, 2025:

Investments Valued by Fair Value Level	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)
Asset backet securities	$ 7,966	$ -	$ 7,966
Mutual funds	1,067,099	-	1,067,099
	$ 1,075,065	$ -	$ 1,075,065

NOTE 4. RECEIVABLES

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

	General Fund	Capital Projects Fund	Utility Fund	Total
Receivables				
Accounts	$ 224,474	$ -	$ 317,094	$ 541,568
Due from other governments	389,888	120,711	-	510,599
Less allowance for uncollectible receivables	-	-	(7,755)	(7,755)
	$ 614,362	$ 120,711	$ 309,339	$ 1,044,412

NOTE 5. CAPITAL ASSETS

	Beginning Balance	Additions	Deletions	Net Transfers	Ending Balance
Primary government					
Governmental activities					
Capital assets not being depreciated					
Land	$ 1,311,203	$ 29,939	$ -	$ -	$ 1,341,142
Construction in progress	588,373	6,852,027	-	-	7,440,400
Total assets not being depreciated	1,899,576	6,881,966	-	-	8,781,542
Capital assets being depreciated					
Buildings	8,968,831	39,146	-	-	9,007,977
Improvements	2,185,797	43,454	-	-	2,229,251
Machinery and equipment	3,134,910	787,789	-	-	3,922,699
Infrastructure	769,584	14,015	-	-	783,599
Total assets being depreciated	15,059,122	884,404	-	-	15,943,526
Less accumulated depreciation					
Buildings	(1,827,821)	(200,102)	-	-	(2,027,923)
Improvements	(1,021,426)	(159,637)	-	-	(1,181,063)
Machinery and equipment	(2,257,666)	(336,198)	-	-	(2,593,864)
Infrastructure	(368,940)	(24,887)	-	-	(393,827)
Total accumulated depreciation	(5,475,853)	(720,824)	-	-	(6,196,677)
Total assets depreciated, net	9,583,269	163,580	-	-	9,746,849
Governmental activities, net	$ 11,482,845	$ 7,045,546	$ -	$ -	$ 18,528,391

	Beginning Balance	Additions	Deletions	Net Transfers	Ending Balance
Business-type activities					
Capital assets not being depreciated					
Land	$ 354,952	$ -	$ -	$ -	$ 354,952
Construction in progress	1,090,039	380,602	-	-	1,470,641
Total assets not being depreciated	1,444,991	380,602	-	-	1,825,593
Capital assets being depreciated					
Buildings	240,808	-	-	-	240,808
Improvements	12,919,130	-	-	-	12,919,130
Machinery and equipment	633,277	48,720	-	-	681,997
Intangible assets	346,296	-	-	-	346,296
Total assets being depreciated	14,139,511	48,720	-	-	14,188,231
Less accumulated depreciation					
Buildings	(211,539)	(6,496)	-	-	(218,035)
Improvements	(3,883,167)	(318,083)	-	-	(4,201,250)
Machinery and equipment	(813,650)	(97,573)	-	-	(911,223)
Intangible assets	(346,296)	-	-	-	(346,296)
Total accumulated depreciation	(5,254,652)	(422,152)	-	-	(5,676,804)
Total assets depreciated, net	8,884,859	(373,432)	-	-	8,511,427
Business-type activities, net	$ 10,329,850	$ 7,170	$ -	$ -	$ 10,337,020

NOTE 5. CAPITAL ASSETS (CONTINUED)

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

Governmental activities		
General government	$	143,228
Public safety		173,928
Transportation		78,349
Culture and recreation		325,319
	$	720,824
Business-type activities		
Utility	$	422,152
	$	422,152

NOTE 6. LONG-TERM OBLIGATIONS

State Revolving Fund Loans

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

Interest accrues on the outstanding balance at a rate of 3.16% per year. Semi-annual loan payments of $8,165 are due each February 15 and August 15 through February 15, 2026. Total principal and interest remaining to be paid on this series is $8,165. For the year ended September 30, 2025, principal and interest paid on this series was $16,330. The net revenue of the water and sewer utility is pledged as security for repayment and totaled $396,737 in 2025.

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 $60,670. For the year ended September 30, 2025, 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 $396,737 in 2025.

NOTE 6. LONG-TERM OBLIGATIONS (CONTINUED)

State Revolving Fund Loans (Continued)

On November 18, 2020, the City entered into a third loan agreement with the State under the Clean Water SRF loan program. The purpose of the loan was to provide funding for construction of a wastewater treatment and stormwater management treatment facility. Maximum borrowing under this agreement is $85,000, with the City receiving $59,500 in principal forgiveness. At September 30, 2025, $85,000 has been disbursed, and $59,500 of principal has been forgiven.

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 $21,080. For the year ended September 30, 2025, 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 $396,737 in 2025.

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, 2025 the total amount borrowed was $1,543,205.

Semi-annual loan payments will be $39,806 with the first payment due on August 15th, 2024, and continue each February 15 and August 15 of each year until all amounts due have been fully paid. Total principal and interest remaining to be paid on this series is $1,472,816. For the year ended September 30, 2025, principal and interest paid on this series was $70,388. The net revenue of the water and sewer utility is pledged as security for repayment and totaled $396,737 in 2025.

In the event of default, the Florida Department of Environmental Protection may cause rates to be established and fees to be collected, 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 6. LONG-TERM OBLIGATIONS (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 $269,539. For the fiscal year, total pledged revenue was $2,227,979.

2016 Capital Improvement Revenue Note

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

Total principal and interest remaining to be paid on this series is $172,170. For the fiscal year, principal and interest paid on this series was $344,340 and total pledged revenue was $1,067,727.

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

Fiscal Year	Business-Type Activities		
	Principal	Interest	Total
2026	$ 333,298	$ 14,187	$ 347,485
2027	95,158	2,865	98,023
2028	95,158	-	95,158
2029	95,158	-	95,158
2030	95,158	-	95,158
2031-2035	475,790	-	475,790
2036-2040	475,790	-	475,790
2041-2044	336,066	-	336,066
	$ 2,001,576	$ 17,052	$ 2,018,628

NOTE 6. LONG-TERM OBLIGATIONS (CONTINUED)

Financed Purchases

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

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

Fiscal Year	Governmental Activities		
	Principal	Interest	Total
2026	$ 22,138	$ 1,176	$ 23,314
2027	22,718	595	23,313
	$ 44,856	$ 1,771	$ 46,627

Changes in Long-Term Liabilities

Long-term liability activity for the year ended September 30, 2025 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due Within One Year
Governmental activities					
Financed purchases	$ 66,429	$ -	$ (21,573)	$ 44,856	$ 22,138
Compensated absences	592,182	-	(68,962)	523,220	-
Net pension liability	4,688,860	2,484,143	(3,047,756)	4,125,247	-
Total governmental activities	$ 5,347,471	$ 2,484,143	$ (3,138,291)	$ 4,693,323	$ 22,138
Business-type activities					
Notes payable - direct borrowings					
SRF Loan, preconstruction	$ 23,741	$ -	$ (15,703)	$ 8,038	$ 8,038
SRF Loan, construction	177,515	-	(117,601)	59,914	59,914
SRF Loan, construction - 2021	22,440	-	(1,360)	21,080	1,360
SRF Loan, construction	1,543,205	-	(70,388)	1,472,817	79,612
FDOT note	269,539	-	-	269,539	14,186
Capital improvement note	504,707	-	(334,519)	170,188	170,188
Compensated absences	11,940	12,447	-	24,387	-
Net pension liability	285,570	193,772	(157,558)	321,784	-
Total business-type activities	$ 2,838,657	$ 206,219	$ (697,129)	$ 2,347,747	$ 333,298

The governmental activities liabilities for pension related liabilities are generally liquidated by the General Fund. The change in compensated absences is reported net in accordance with GASB 101, *Compensated Absences.*

NOTE 7. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

Interfund receivable/payable amounts as of September 30, 2025 are summarized below:

Fund	Due From	Due To
Community Redevelopment Agency	$ 522,135	$ -
Capital Projects Fund	-	522,135
	$ 522,135	$ 522,135

Interfund transfers for the year ended September 30, 2025 are summarized below:

Fund	Transfer In	Transfer Out
General Fund	$ 74,131	$ -
Community Redevelopment Agency	-	74,131
	$ 74,131	$ 74,131

NOTE 8. DEFINED BENEFIT RETIREMENT PLANS

Defined Benefit Plans

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

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

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

NOTE 8. DEFINED BENEFIT RETIREMENT PLANS (CONTINUED)

Benefits Provided

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

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

Contributions

The contribution requirements of plan members and the employer are established and may be amended by the Florida Legislature. Employees are required to contribute 3% of their salary to FRS. The employer’s contribution rates for the period October 1, 2024 through June 30, 2025, and July 1, 2025 through September 30, 2025, were as follows: Regular Class 13.57% and 13.63%, Senior Management 34.52% and 34.52%, Special Risk Employee Class 32.67% and 32.79%, Elected Officials 58.68% and 58.68%, and DROP Participants 21.13% and 21.13%. These employer contribution rates include 2.00% HIS Plan subsidy for the periods October 1, 2024 through June 30, 2025, and from July 1, 2025 through September 30, 2025.

The City's contributions for the year ended September 30, 2025 were $679,016 to the FRS Plan and $83,517 to the HIS plan.

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

At September 30, 2025, the City reported a liability of $3,298,445 for its proportionate share of the FRS Pension Plan’s net pension liability and $1,148,586 for its proportionate share of the HIS Plan’s net pension liability. The net pension liabilities were measured as of June 30, 2025, and the total pension liabilities used to calculate the net pension liabilities were determined by an actuarial valuation as of July 1, 2025. The City’s proportionate share of the net pension liabilities were based on the City’s 2024-2025 fiscal year contributions relative to the 2023-2024 fiscal year contributions of all participating members. At June 30, 2025, the City's proportionate share of the FRS and HIS plans were 0.01062810% and 0.00896112%, respectively, which was a decrease of 0.000943133% and 0.000776127%, respectively, from its proportionate share measured as of June 30, 2024.

NOTE 8. DEFINED BENEFIT RETIREMENT PLANS (CONTINUED)

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

At September 30, 2025, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	FRS Plan		HIS Plan	
Description	**Deferred Outflows of Resources**	**Deferred Inflows of Resources**	**Deferred Outflows of Resources**	**Deferred Inflows of Resources**
Differences between expected and actual experience	$ 352,309	$ -	$ 6,856	$ 1,822
Change of assumptions	383,035	-	10,166	277,814
Net difference between projected and actual earnings on Pension Plan investments	-	550,709	-	956
Changes in proportion and differences between City Pension Plan contributions and proportionate share of contributions	460,289	124,451	224,079	45,245
City Pension Plan contributions subsequent to the measurement date	147,620	-	19,088	-
Total	$ 1,343,253	$ 675,160	$ 260,189	$ 325,837

Deferred outflows of resources related to employer contributions paid subsequent to the measurement date and prior to the employer's fiscal year end will be recognized as a reduction of the net pension liability in the reporting period ending September 30, 2026. Other pension-related amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in pension expense as follows:

Fiscal Year Ending September 30:	**FRS**	**HIS**
2026	$ 1,506,801	$ (18,693)
2027	(267,718)	(22,380)
2028	(400,651)	(18,842)
2029	(317,959)	(15,100)
2030	-	(9,721)
Thereafter	-	-
	$ 520,473	$ (84,736)

Actuarial Assumptions

The total pension liability for each of the defined benefit plans was measured as of June 30, 2025. The total pension liability for the FRS Pension Plan was determined by an actuarial valuation dated July 1, 2025. For the HIS Program, the total pension liability was determined by an actuarial valuation dated July 1, 2025, rolled-forward using standard actuarial procedures. The individual entry age normal actuarial cost method was used for each plan, along with the following significant actuarial assumptions:

	FRS	**HIS**
Inflation rate	2.40%	2.40%
Salary increases	3.50%	3.50%
Investment rate of return	6.70%	N/A
Discount rate	6.70%	5.20%

NOTE 8. DEFINED BENEFIT RETIREMENT PLANS (CONTINUED)

Actuarial Assumptions (Continued)

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

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

The following changes in key actuarial assumptions occurred in 2025:

HIS: The municipal bond index rate and the discount rate used to determine the total pension liability increased from 3.65% to 5.20%.

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

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

Asset Class	Target Allocation [1]	Annual Arithmetic Return	Compound Annual (Geometric) Return	Standard Deviation
Cash	1.00%	3.20%	3.20%	1.10%
Fixed income	29.00%	5.50%	5.40%	4.00%
Global equity	45.00%	8.50%	6.90%	18.30%
Real estate	12.00%	8.40%	7.10%	16.80%
Private equity	11.00%	12.40%	8.80%	28.40%
Strategic investments	2.00%	6.50%	6.10%	8.70%
Total	100.00%			
Assumed Inflation - Mean			2.40%	1.50%

[1] As outlined in the Pension Plan's investment policy.

Discount Rate

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

Because the HIS Program is essentially funded on a pay-as-you-go basis, a municipal bond rate of 5.20% was used to determine the total pension liability for the program. The Bond Buyer General Obligation Bond 20-Bond Municipal Bond Index was used as the applicable municipal bond index.

NOTE 8. DEFINED BENEFIT RETIREMENT PLANS (CONTINUED)

Sensitivity Analysis

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

	FRS		
	1% Decrease (5.70%)	Current Discount Rate (6.70%)	1% Increase (7.70%)
City's proportionate share of the net pension liability	$ 6,473,148	$ 3,298,445	$ 636,820

	HIS		
	1% Decrease (4.20%)	Current Discount Rate (5.20%)	1% Increase (6.20%)
City's proportionate share of the net pension liability	$ 1,295,216	$ 1,148,586	$ 1,025,611

Pension Plans Fiduciary Net Position

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

Investment Plan

Pursuant to Chapter 121, Florida Statutes, the Florida Legislature created the Florida Retirement Investment Plan ("FRS Investment Plan"), a defined contribution pension plan qualified under Section 401(a) of the Internal Revenue Code. The FRS Investment Plan is an alternative available to members of the Florida Retirement System in lieu of the defined benefit plan. There is a uniform contribution rate covering both the defined benefit and defined contribution plans, depending on membership class. Required employer contributions made to the plan during the year ended September 30, 2025 totaled $246,171.

Aggregate Amounts of All Pension Plans

The aggregate amounts for all of the City's defined benefit pension plans at September 30, 2025 are as follows:

	Net Pension Liability	Deferred Inflows	Deferred Outflows	Pension Expense
FRS Pension Plan	$ 3,298,445	$ 675,160	$ 1,343,253	$ 485,003
HIS Pension Plan	1,148,586	325,837	260,189	111,542
	$ 4,447,031	$ 1,000,997	$ 1,603,442	$ 596,545

NOTE 9. DEFINED CONTRIBUTION RETIREMENT PLANS

ICMA 401-a Retirement Plan

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

All full-time employees at least 18 years of age, other than those participating in FRS, are eligible to participate in this plan once they have completed a 90-day period of service. An employee does not become vested in any benefits until the completion of five years of service, at which time the employee becomes 100% vested. At September 30, 2025 there were four participants in the plan.

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

Participants 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, 2025, the city did not use any forfeited amounts for payment of contributions for current plan participants. The City contributed $13,966 to the plan for the year ended September 30, 2025.

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, 2025, the plan had five participants.

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

The City does not make any contributions to this plan for participants who entered the plan after January 1, 1997. For those employees (one as of September 30, 2025) 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 10. OTHER POST-EMPLOYMENT BENEFITS

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

NOTE 11. COMMITMENTS AND CONTINGENCIES

Litigation

The City is engaged in various liability claims incidental to the conduct of its general government operations at September 30, 2025. 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 12. FUND BALANCE

At September 30, 2025, the City's governmental fund balances were as follows:

	General Fund	Community Redevelopment Agency Fund	Capital Projects Fund	Total Governmental Funds
Fund balances				
Nonspendable				
Inventory	$ 6,893	$ -	$ -	$ 6,893
Restricted				
Police education	5,185	-	-	5,185
Police drug forfeiture	3,373	-	-	3,373
Police donations	20,257	-	-	20,257
Library donations	2,738	-	-	2,738
Recreation donations	11,196	-	-	11,196
Public safety capital improvements	2,607,384	-	577,929	3,185,313
Building inspections	79,570	-	-	79,570
Community redevelopment	-	3,581,951	-	3,581,951
Committed				
Cemetery care	105,558	-	-	105,558
Abandoned property	34,187	-	-	34,187
Centennial fund	12,493	-	-	12,493
Disaster fund	500,000	-	-	500,000
Paving	1,350,000	-	-	1,350,000
Stormwater utility	436,295	-	-	436,295
Unassigned	10,460,045	-	-	10,460,045
Total fund balances	$ 15,635,174	$ 3,581,951	$ 577,929	$ 19,795,054

NOTE 13. CHANGE IN ACCOUNTING PRINCIPLE

In conjunction with the implementation of Governmental Accounting Standards Board (GASB) Statement No. 101, *Compensated Absences*, the City is required to recognize liabilities for compensated absences for: (1) leave that has not been used, and (2) leave that has been used but not yet paid in cash or settled through noncash means. A liability should be recognized for leave that has not been used if: (a) the leave is attributable to services already rendered, (b) the leave accumulates, and (c) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. Therefore, in conjunction with the implementation of GASB Statement No. 101, an adjustment to beginning net position was required to properly report compensated absences as of October 1, 2024, as follows:

	Governmental Activities
Net position, as previously reported	$ 25,123,566
Change in accounting principle	(370,940)
Net Position, as restated	$ 24,752,626

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REQUIRED SUPPLEMENTARY INFORMATION

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SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL GENERAL FUND FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2025

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
Revenues				
Property taxes	$ 4,114,633	$ 4,114,633	$ 4,166,355	$ 51,722
Franchise taxes	2,345,214	2,345,214	2,401,682	56,468
Fees and fines	36,862	36,862	37,935	1,073
Licenses and permits	340,355	340,355	716,817	376,462
Intergovernmental	1,628,349	1,628,349	1,321,108	(307,241)
Impact fees	39,521	39,521	51,589	12,068
Charges for services	1,794,972	1,794,972	1,910,783	115,811
Investment earnings	938,681	938,681	1,018,498	79,817
Miscellaneous revenues	1,139,632	1,139,631	219,930	(919,701)
Total revenues	12,378,219	12,378,218	11,844,697	(533,521)
Expenditures				
Current				
General government	1,942,735	2,486,880	2,166,656	320,224
Public safety	5,069,403	5,728,623	5,246,294	482,329
Transportation	1,056,332	1,106,332	971,193	135,139
Sanitation/other utility	268,075	856,075	1,002,230	(146,155)
Culture and recreation	2,364,034	2,397,644	2,396,069	1,575
Debt service				
Principal retirement	-	-	21,573	(21,573)
Interest	-	-	1,741	(1,741)
Total expenditures	10,700,579	12,575,554	11,805,756	769,798
Excess of revenues over expenditures	1,677,640	(197,336)	38,941	236,277
Other financing sources (uses)				
Transfers in	74,131	297,336	74,131	(223,205)
Transfers out	(100,000)	(100,000)	-	100,000
Total other financing uses, net	(25,869)	197,336	74,131	(123,205)
Change in fund balance	1,651,771	-	113,072	113,072
Fund balance, beginning of year	15,522,102	15,522,102	15,522,102	-
Fund balance, end of year	$ 17,173,873	$ 15,522,102	$ 15,635,174	$ 113,072

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL COMMUNITY REDEVELOPMENT FUND FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2025

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
Revenues				
Property taxes	$ 1,263,605	$ 1,263,605	$ 1,257,512	$ (6,093)
Investment earnings	92,400	92,400	126,901	34,501
Total revenues	1,356,005	1,356,005	1,384,413	28,408
Expenditures				
Current				
General government	31,874	31,874	1,827	30,047
Capital outlay	600,000	1,439,172	219,110	1,220,062
Total expenditures	631,874	1,471,046	220,937	1,250,109
Excess of revenues over expenditures	724,131	(115,041)	1,163,476	1,278,517
Other financing sources (uses)				
Use of fund balance	-	189,172	-	(189,172)
Transfers out	(74,131)	(74,131)	(74,131)	-
Total other financing uses	(74,131)	115,041	(74,131)	(189,172)
Change in fund balance	650,000	-	1,089,345	1,089,345
Fund balance, beginning of year	2,492,606	2,492,606	2,492,606	-
Fund balance, end of year	$ 3,142,606	$ 2,492,606	$ 3,581,951	$ 1,089,345

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

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

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

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

Reporting period ending Measurement date	9/30/2025 6/30/2025	9/30/2024 6/30/2024	9/30/2023 6/30/2023	9/30/2022 6/30/2022	9/30/2021 6/30/2021
City's proportion of the FRS net pension liability	0.01062810%	0.00968497%	0.01031264%	0.00832841%	0.00894420%
City's proportionate share of the FRS net pension liability	$ 3,298,445	$ 3,746,601	$ 4,109,261	$ 3,307,671	$ 629,116
City's covered payroll	$ 4,044,374	$ 3,464,850	$ 2,101,458	$ 2,777,771	$ 2,074,670
City's proportionate share of the pension liability as a percentage of its covered payroll	81.56%	108.13%	195.54%	119.08%	30.32%
FRS plan fiduciary net position as a percentage of the FRS total pension liability	87.25%	83.70%	82.38%	82.89%	96.40%

Reporting period ending Measurement date	9/30/2020 6/30/2020	9/30/2019 6/30/2019	9/30/2018 6/30/2018	9/30/2017 6/30/2017	9/30/2016 6/30/2016
City's proportion of the FRS net pension liability	0.00819901%	0.00894420%	0.00628522%	0.00554083%	0.004877630%
City's proportionate share of the FRS net pension liability	$ 3,553,570	$ 3,080,262	$ 1,893,142	$ 1,638,941	$ 1,231,606
City's covered payroll	$ 1,456,259	$ 1,835,308	$ 1,072,321	$ 1,032,609	$ 896,744
City's proportionate share of the pension liability as a percentage of its covered payroll	244.02%	167.83%	176.55%	158.72%	137.34%
FRS plan fiduciary net position as a percentage of the FRS total pension liability	78.85%	82.61%	84.26%	83.89%	84.88%

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CONTRIBUTIONS
FLORIDA RETIREMENT SYSTEM PENSION PLAN

Reporting period ending	9/30/2025	9/30/2024	9/30/2023	9/30/2022	9/30/2021
Contractually required FRS contribution	$ 679,016	$ 559,411	$ 522,226	$ 406,638	$ 333,326
FRS contributions in relation to the contractually required FRS contribution	679,016	559,411	522,226	406,638	333,326
FRS contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -
Covered payroll	$ 4,151,353	$ 3,555,950	$ 2,101,458	$ 2,777,771	$ 2,074,670
FRS contributions as a percentage of covered payroll	16.36%	15.73%	24.85%	14.64%	16.07%

Reporting period ending	9/30/2020	9/30/2019	9/30/2018	9/30/2017	9/30/2016
Contractually required FRS contribution	$ 277,879	$ 249,879	$ 230,211	$ 147,403	$ 125,279
FRS contributions in relation to the contractually required FRS contribution	277,879	249,879	230,211	147,403	125,279
FRS contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -
Covered payroll	$ 1,479,600	$ 1,904,291	$ 1,200,561	$ 1,048,564	$ 929,056
FRS contributions as a percentage of covered payroll	18.78%	13.12%	19.18%	14.06%	13.48%

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

Reporting period ending Measurement date	9/30/2025 6/30/2025	9/30/2024 6/30/2024	9/30/2023 6/30/2023	9/30/2022 6/30/2022	9/30/2021 6/30/2021
City's proportion of the HIS net pension liability	0.00896112%	0.00818499%	0.00832940%	0.00716492%	0.00664190%
City's proportionate share of the HIS net pension liability	$ 1,148,586	$ 1,227,829	$ 1,322,819	$ 758,879	$ 814,728
City's covered payroll	$ 4,044,374	$ 3,464,850	$ 2,101,458	$ 2,777,771	$ 2,074,670
City's proportionate share of the pension liability as a percentage of its covered payroll	28.40%	35.44%	62.95%	27.32%	39.27%
HIS plan fiduciary net position as a percentage of the HIS total pension liability	6.36%	4.80%	4.12%	4.81%	3.56%

Reporting period ending Measurement date	9/30/2020 6/30/2020	9/30/2019 6/30/2019	9/30/2018 6/30/2018	9/30/2017 6/30/2017	9/30/2016 6/30/2016
City's proportion of the HIS net pension liability	0.00592949%	0.00755040%	0.00409443%	0.003214440%	0.002891560%
City's proportionate share of the HIS net pension liability	$ 723,981	$ 844,814	$ 433,359	$ 343,703	$ 337,000
City's covered employee payroll	$ 1,456,259	$ 1,835,308	$ 1,072,321	$ 1,032,609	$ 896,744
City's proportionate share of the pension liability as a percentage of its covered employee payroll	49.72%	46.03%	40.41%	33.28%	37.58%
HIS plan fiduciary net position as a percentage of the HIS total pension liability	3.00%	2.63%	2.15%	1.64%	0.97%

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CONTRIBUTIONS
HEALTH INSURANCE SUBSIDY PENSION PLAN

Reporting period ending	9/30/2025	9/30/2024	9/30/2023	9/30/2022	9/30/2021
Contractually required HIS contribution	$ 83,517	$ 71,119	$ 59,822	$ 46,111	$ 40,265
HIS contributions in relation to the contractually required HIS contribution	83,517	71,119	59,822	46,111	40,265
HIS contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -
Covered payroll	$ 4,151,353	$ 3,555,950	$ 2,101,458	$ 2,777,771	$ 2,074,670
HIS contributions as a percentage of covered payroll	2.01%	2.00%	2.85%	1.66%	1.94%

Reporting period ending	9/30/2020	9/30/2019	9/30/2018	9/30/2017	9/30/2016
Contractually required HIS contribution	$ 34,887	$ 31,999	$ 35,406	$ 17,292	$ 15,422
HIS contributions in relation to the contractually required HIS contribution	34,887	31,999	35,406	17,292	15,422
HIS contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -
Covered payroll	$ 1,479,600	$ 1,904,291	$ 1,200,561	$ 1,048,564	$ 929,056
HIS contributions as a percentage of covered payroll	2.36%	1.68%	2.95%	1.65%	1.66%

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SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL – CAPITAL PROJECTS FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2025

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
Revenues				
Intergovernmental	$ 1,198,411	$ 1,198,411	$ 8,941,887	$ 7,743,476
Investment earnings	98,400	98,400	105,035	6,635
Total revenues	1,296,811	1,296,811	9,046,922	7,750,111
Expenditures				
Capital outlay	9,859,653	11,959,653	8,119,486	3,840,167
Total expenditures	9,859,653	11,959,653	8,119,486	3,840,167
Excess (deficiency) of revenues over (under) expenditures	(8,562,842)	(10,662,842)	927,436	11,590,278
Other financing sources				
Transfer out	(358,528)	(358,528)	-	358,528
Total other financing sources	(358,528)	(358,528)	-	358,528
Change in fund balance	(8,921,370)	(11,021,370)	927,436	11,948,806
Fund balance, beginning of year	(349,507)	(349,507)	(349,507)	-
Fund (deficit), end of year	$ (9,270,877)	$ (11,370,877)	$ 577,929	$ 11,948,806

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

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Governmental activities										
Net investment in capital assets	$ 4,177,487	$ 4,211,022	$ 6,257,821	$ 7,312,155	$ 7,360,284	$ 7,279,043	$ 7,252,471	$ 9,467,046	$ 11,416,416	$ 18,483,535
Restricted for:										
Capital improvement	2,384,629	3,148,361	2,796,780	2,644,088	3,094,229	3,706,457	4,517,326	3,266,093	5,374,160	3,185,313
Redevelopment projects	215,355	126,496	24,929	150,554	308,981	665,401	1,054,528	1,581,628	2,492,606	3,581,951
Cemetery care	68,766	83,280	87,341	-	-	-	-	-	-	-
Police	8,788	4,399	5,102	8,324	8,545	17,514	21,995	22,184	56,376	28,815
Building inspections	1,049,582	1,996,988	1,913,413	1,908,982	1,807,727	1,476,321	1,159,863	706,382	927,818	79,570
Stormwater	251,781	290,259	330,803	-	-	-	-	-	-	-
Police/fire fee refunds	94,069	70,510	70,510	36,432	32,563	-	-	-	-	-
Paving	-	-	50,000	-	-	-	-	-	-	-
Recreation	-	-	-	-	-	-	-	-	-	13,934
Unrestricted	(31,531)	(116,536)	(40,707)	1,271,599	2,506,452	4,051,194	5,780,581	6,847,497	4,843,388	8,814,260
Total governmental activities net position	$ 8,218,926	$ 9,814,779	$ 11,495,992	$ 13,332,134	$ 15,118,781	$ 17,195,930	$ 19,786,764	$ 21,890,830	$ 25,110,764	$ 34,187,378
Business-type activities										
Net investment in capital assets	$ 3,329,022	$ 3,930,652	$ 5,263,430	$ 5,339,711	$ 5,499,296	$ 5,358,655	$ 5,627,521	$ 5,962,174	$ 7,788,703	$ 8,335,444
Restricted for:										
Capital improvements	549,313	546,670	601,912	823,200	950,842	903,509	888,073	891,316	903,509	903,509
Debt service	64,721	45,304	46,415	48,676	50,921	53,301	55,737	58,262	53,304	53,304
Unrestricted	242,991	321,573	(481,825)	(395,592)	(88,400)	554,543	888,682	1,113,813	807,860	947,923
Total business-type activities net position	$ 4,186,047	$ 4,844,199	$ 5,429,932	$ 5,815,995	$ 6,412,659	$ 6,870,008	$ 7,460,013	$ 8,025,565	$ 9,553,376	$ 10,240,180
Primary government										
Net investment in capital assets	$ 7,506,509	$ 8,141,674	$ 11,521,251	$ 12,651,866	$ 12,859,580	$ 12,637,698	$ 12,879,992	$ 15,429,220	$ 19,205,119	$ 26,818,979
Restricted for:										
Capital improvements	2,933,942	3,695,031	3,398,692	3,467,288	4,045,071	4,609,966	5,405,399	4,157,409	6,277,669	4,088,822
Redevelopment projects	215,355	126,496	24,929	150,554	308,981	665,401	1,054,528	1,581,628	2,492,606	3,581,951
Cemetery care	68,766	83,280	87,341	-	-	-	-	-	-	-
Debt service	64,721	45,304	46,415	48,676	50,921	53,301	55,737	58,262	53,304	53,304
Police	8,788	4,399	5,102	8,324	8,545	17,514	21,995	22,184	56,376	28,815
Building inspections	1,049,582	1,996,988	1,913,413	1,908,982	1,807,727	1,476,321	1,159,863	706,382	927,818	79,570
Stormwater	251,781	290,259	330,803	-	-	-	-	-	-	-
Police/fire fee refunds	94,069	70,510	70,510	36,432	32,563	-	-	-	-	-
Paving	-	-	50,000	-	-	-	-	-	-	-
Recreation	-	-	-	-	-	-	-	-	-	13,934
Unrestricted	211,460	205,037	(522,532)	876,007	2,418,052	4,605,737	6,669,263	7,961,310	5,651,248	9,762,183
Total primary government net position	$ 12,404,973	$ 14,658,978	$ 16,925,924	$ 19,148,129	$ 21,531,440	$ 24,065,938	$ 27,246,777	$ 29,916,395	$ 34,664,140	$ 44,427,558

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

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

Program expenses	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**	**2025**
Governmental activities										
General government	$ 1,043,212	$ 1,223,914	$ 1,476,413	$ 1,347,411	$ 1,538,615	$ 1,670,139	$ 1,790,668	$ 2,282,538	$ 2,308,069	$ 3,322,209
Public safety	3,097,472	3,550,072	3,442,497	4,208,592	4,030,722	3,988,187	3,540,665	4,460,414	4,695,657	4,987,766
Transportation	291,644	359,857	727,956	408,720	403,292	441,409	609,602	749,794	714,339	993,979
Sanitation/other utility	462,909	500,773	504,421	525,294	510,717	565,949	873,473	790,337	752,718	996,043
Culture and recreation	726,059	822,451	905,359	942,796	1,205,867	1,334,130	1,487,390	1,983,226	2,556,926	2,539,542
Interest on long-term debt	3,658	15,728	14,958	16,732	10,750	3,884	2,872	2,337	1,787	1,741
Total governmental activities expenses	5,624,954	6,472,795	7,071,604	7,449,545	7,699,963	8,003,698	8,304,670	10,268,646	11,029,496	12,841,280
Business-type activities										
Water utility	682,501	820,795	1,116,962	1,671,164	1,686,623	2,044,868	1,763,061	1,894,831	2,037,342	2,354,630
Sewer utility	320,984	326,422	-	-	-	-	-	-	-	-
Recreation Programs	32,561	26,388	31,919	32,067	24,702	39,021	58,889	-	-	-
Total business-type activities expenses	1,036,046	1,173,605	1,148,881	1,703,231	1,711,325	2,083,889	1,821,950	1,894,831	2,037,342	2,354,630
Total Expenses	6,661,000	7,646,400	8,220,485	9,152,776	9,411,288	10,087,587	10,126,620	12,163,477	13,066,838	15,195,910
Program revenues										
Governmental activities										
Charges for services:										
General government	133,506	74,708	87,151	81,289	71,477	65,099	73,882	84,908	1,336,842	728,867
Public safety	2,337,768	2,321,225	1,301,808	1,639,824	1,523,742	1,418,655	747,636	718,035	543,965	561,705
Transportation	6,884	7,206	7,524	1,251	1,420	1,601	1,793	1,998	-	-
Sanitation/other utility	569,969	600,056	613,348	628,083	644,382	684,540	854,601	970,926	1,045,742	1,131,397
Culture and recreation	44,629	42,743	34,327	33,987	23,018	49,713	52,493	198,873	241,033	243,566
Operating grants and contributions	225,174	209,836	385,354	479,557	889,126	483,097	333,401	327,465	116,736	120,075
Capital grants and contributions	996,949	974,208	1,529,237	784,284	176,192	150,770	22,430	423,109	1,281,973	9,005,544
Total governmental activities program revenues	4,314,879	4,229,982	3,958,749	3,648,275	3,329,357	2,853,475	2,086,236	2,725,314	4,566,291	11,791,154
Business-type activities										
Charges for services										
Water utility	650,406	785,816	943,199	1,090,233	1,373,017	1,723,694	1,971,031	1,991,435	2,186,918	2,168,578
Sewer utility	125,122	124,408	-	-	-	-	-	-	-	-
Recreation programs	36,342	36,267	40,816	44,543	32,404	61,935	77,510	-	-	-
Operating grants and contributions	-	904,997	-	-	-	-	-	-	-	-
Capital grants and contributions	433,074	-	587,074	358,948	265,310	149,837	23,652	62,584	1,216,726	708,839
Total business-type activities program revenues	1,244,944	1,851,488	1,571,089	1,493,724	1,670,731	1,935,466	2,072,193	2,054,019	3,403,644	2,877,417
Total program revenues	5,559,823	6,081,470	5,529,838	5,141,999	5,000,088	4,788,941	4,158,429	4,779,333	7,969,935	14,668,571
Net revenue (expense)										
Governmental activities	(1,310,075)	(2,242,813)	(3,112,855)	(3,801,270)	(4,370,606)	(5,150,223)	(6,218,434)	(7,543,332)	(6,463,205)	(1,050,126)
Business-type activities	208,898	677,883	422,208	(209,507)	(40,594)	(148,423)	250,243	159,188	1,366,302	522,787
Total net expense	(1,101,177)	(1,564,930)	(2,690,647)	(4,010,777)	(4,411,200)	(5,298,646)	(5,968,191)	(7,384,144)	(5,096,903)	(527,339)

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

(Continued)

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

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
General revenues and other changes in net position										
Governmental activities										
Property taxes	$ 786,546	$ 1,156,520	$ 1,884,821	$ 2,567,649	$ 2,820,708	$ 3,042,981	$ 3,234,462	$ 3,561,489	$ 3,854,844	$ 4,166,355
CRA property tax	227,253	219,109	237,351	333,847	451,535	592,545	716,677	900,469	1,069,267	1,257,512
Sales taxes/public service tax	-	-	1,050,827	1,038,000	1,038,145	1,248,218	1,398,451	1,399,369	1,376,535	1,511,807
Franchise and utility taxes	1,124,153	1,475,550	653,135	679,339	632,322	678,499	887,228	1,003,240	816,821	889,875
Excise Taxes	-	-	-	-	-	-	-	-	-	-
Intergovernmental	773,185	806,551	883,370	1,386,780	1,661,175	2,090,721	2,406,864	2,093,738	1,180,021	1,188,965
Misc	165,510	85,452	121,767	83,049	74,457	123,705	175,044	173,010	159,487	219,930
Unrestricted investment earnings	15,210	43,948	99,424	139,801	110,653	14,560	62,516	875,241	1,238,966	1,250,434
Refund of excess fire pension contributions	-	-	-	-	-	-	258,096	-	-	-
Gain on sale of capital assets	-	-	-	-	-	40,345	-	-	-	-
Transfers	(302,389)	51,536	(136,627)	(591,062)	(631,733)	(604,202)	(330,070)	(358,528)	-	-
Total governmental activities	2,789,468	3,838,666	4,794,068	5,637,403	6,157,262	7,227,372	8,809,268	9,648,028	9,695,941	10,484,878
Business-type activities										
Unrestricted investment earnings	13,289	31,625	19,023	4,508	5,525	1,570	9,692	47,836	87,895	104,616
Misc	-	-	-	-	-	-	-	-	70,033	59,401
Gain on sale of asset	1,622	-	7,875	-	-	-	-	-	3,581	-
Transfers	302,389	(51,536)	136,627	591,062	631,733	604,202	330,070	358,528	-	-
Total business-type activities	317,300	(19,911)	163,525	595,570	637,258	605,772	339,762	406,364	161,509	164,017
Total general revenues and transfers	3,106,768	3,818,755	4,957,593	6,232,973	6,794,520	7,833,144	9,149,030	10,054,392	9,857,450	10,648,895
Change in net position										
Governmental activities	1,479,393	1,595,853	1,681,213	1,836,133	1,786,656	2,077,149	2,590,834	2,104,696	3,232,736	9,434,752
Business-type activities	526,198	657,972	585,733	386,063	596,664	457,349	590,005	565,552	1,527,811	686,804
Total change in net position	$ 2,005,591	$ 2,253,825	$ 2,266,946	$ 2,222,196	$ 2,383,320	$ 2,534,498	$ 3,180,839	$ 2,670,248	$ 4,760,547	$ 10,121,556

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

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

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
General Fund										
Nonspendable	$ 259,413	$ 5,805	$ 3,600	$ 5,399	$ 3,777	$ 38,685	$ 76,630	$ 6,161	$ 6,182	$ 6,893
Restricted	2,842,591	4,624,870	4,581,870	4,475,105	4,408,691	4,044,662	3,734,882	3,263,432	6,371,156	2,729,703
Committed	320,547	373,539	468,144	439,753	529,104	1,573,873	3,905,853	3,934,472	945,973	2,438,533
Unassigned	13,880	471,116	814,491	2,558,442	4,445,942	5,214,013	4,497,098	6,627,043	8,198,791	10,460,045
Total General Fund	$ 3,436,431	$ 5,475,330	$ 5,868,105	$ 7,478,699	$ 9,387,514	$ 10,871,233	$ 12,214,463	$ 13,831,108	$ 15,522,102	$ 15,635,174
All other governmental funds										
Restricted	$ 909,832	$ 721,884	$ 228,864	$ 273,266	$ 843,354	$ 1,821,031	$ 3,018,830	$ 2,312,855	$ 2,492,606	$ 4,159,880
Unassigned, reported in Capital Projects Fund	-	-	-	-	-	-	-	-	(349,507)	-
Total all other governmental funds	$ 909,832	$ 721,884	$ 228,864	$ 273,266	$ 843,354	$ 1,821,031	$ 3,018,830	$ 2,312,855	$ 2,143,099	$ 4,159,880

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

SCHEDULE 4
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)
LAST TEN FISCAL YEARS

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Revenues										
Taxes	$ 2,538,237	$ 3,255,809	$ 3,826,134	$ 4,618,835	$ 4,942,710	$ 5,562,243	$ 6,236,818	$ 6,864,567	$ 7,117,467	$ 7,825,549
Licenses and permits	2,352,455	2,304,030	662,241	690,290	576,781	407,240	309,722	246,183	1,294,828	716,817
Intergovernmental revenues	624,814	732,694	2,684,313	2,526,332	2,606,553	2,727,412	2,797,807	2,835,603	2,544,979	10,262,995
Charges for services	1,691,320	1,559,772	1,471,076	1,786,260	1,781,734	1,826,057	1,412,853	1,703,413	1,802,289	1,910,783
Fines and forfeitures	14,927	18,417	19,744	32,173	25,464	34,312	23,543	32,223	70,465	37,935
Investment earnings	15,210	43,948	99,424	139,801	74,457	14,560	62,516	875,241	1,238,966	1,250,434
Miscellaneous	183,860	102,442	126,512	83,049	110,653	123,705	175,044	174,010	193,238	271,519
Total revenues	7,420,823	8,017,112	8,889,444	9,876,740	10,118,352	10,695,529	11,018,303	12,731,240	14,262,232	22,276,032
Expenditures										
General government	964,945	875,715	1,082,715	1,061,745	1,149,417	1,678,301	1,479,306	1,850,936	2,093,016	2,168,483
Public safety	2,917,663	3,104,480	3,203,834	3,626,504	3,362,724	3,917,328	3,291,655	3,739,752	4,447,742	5,246,294
Transportation	239,397	281,696	635,359	338,337	320,538	398,191	574,799	665,965	672,481	971,193
Sanitation/other utility	462,909	500,773	504,421	525,294	510,717	565,949	955,331	790,337	697,981	1,002,230
Culture and recreation	643,306	757,750	2,752,169	1,792,796	1,308,959	1,186,267	1,306,759	1,964,147	2,236,788	2,396,069
Capital outlay	582,453	725,072	576,185	459,842	291,612	265,353	354,136	2,427,591	2,569,672	8,338,596
Debt service										
Principal	27,033	72,083	84,232	123,345	89,267	36,126	19,962	20,485	21,022	21,573
Interest	4,266	15,989	14,147	9,876	11,690	8,091	3,352	2,829	2,292	1,741
Total expenditures	5,841,972	6,333,558	8,853,062	7,937,739	7,044,924	8,055,606	7,985,300	11,462,042	12,740,994	20,146,179
Excess (deficiency) of revenues over (under) expenditures	1,578,851	1,683,554	36,382	1,939,001	3,073,428	2,639,923	3,033,003	1,269,198	1,521,238	2,129,853
Other financing sources (uses)										
Capital lease financing	116,536	115,861	-	293,460	-	-	-		-	-
Contributions from fiduciary fund							258,096	-	-	-
Transfers in	167,974	169,031	375,206	89,856	44,001	41,670	71,799	51,224	51,223	74,131
Transfers out	(77,841)	(117,495)	(511,833)	(667,321)	(638,526)	(640,197)	(401,869)	(409,752)	(51,223)	(74,131)
Sale of capital assets	-		-	-	-	-	-	-	-	-
Total other financing sources (uses)	206,669	167,397	(136,627)	(284,005)	(594,525)	(598,527)	(71,974)	(358,528)	-	-
Net change in fund balances	$ 1,785,520	$ 1,850,951	$ (100,245)	$ 1,654,996	$ 2,478,903	$ 2,041,396	$ 2,961,029	$ 910,670	$ 1,521,238	$ 2,129,853
Debt service as a percentage of non-capital expenditures	0.6%	1.6%	1.5%	2.1%	1.9%	0.6%	0.3%	0.3%	0.2%	0.2%

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

SCHEDULE 5
ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE 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		
2015-16	$ 226,479,994	$ 163,951,384	$ 11,868,328	$ 8,065,888	$ 238,348,322	$ 171,725,009	4.7370	72.05%
2016-17	621,043,088	484,905,998	10,685,477	6,723,190	631,728,565	491,629,188	3.9863	77.82%
2017-18	870,128,033	672,784,033	11,697,831	7,367,442	881,825,864	680,151,475	3.9134	77.13%
2018-19	970,883,303	739,383,582	12,648,770	8,378,820	983,532,073	747,762,402	3.9134	76.03%
2019-20	1,083,792,337	803,148,609	13,020,301	8,742,202	1,096,812,638	811,890,811	3.9134	74.02%
2020-21	1,163,902,862	849,643,882	12,179,623	8,085,453	1,176,082,485	857,729,335	3.9134	72.93%
2021-22	1,124,233,133	936,547,550	13,265,712	9,060,808	1,137,498,845	945,608,358	3.9134	83.13%
2022-23	1,210,535,716	1,012,022,313	14,911,989	10,833,801	1,225,447,706	1,022,856,114	3.9134	83.47%
2023-24	1,302,465,078	1,091,499,354	16,505,467	12,379,253	1,318,970,545	1,103,878,607	3.9134	83.7%
2024-25	1,739,115,617	1,158,356,518	16,227,471	12,296,834	1,755,343,088	1,170,653,352	3.9134	66.7%

Source: Lake County Property Appraiser

SCHEDULE 6
DIRECT AND OVERLAPPING PROPERTY TAX RATES
(RATE PER $1,000 OF ASSESSED VALUE)
LAST TEN FISCAL YEARS

		Overlapping Rates*						
Calendar Year	City Direct Rate	County School District	Lake County BCC	Lake County Water Authority	St John's Water Management District	Ambulance District	Hospital District	Total Taxes
2016	4.7370	7.197	5.305	0.255	0.349	0.463	1.000	19.3062
2017	3.9863	6.603	5.118	0.255	0.313	0.463	1.000	17.7387
2018	3.9134	6.355	5.118	0.490	0.296	0.463	0.980	17.6148
2019	3.9134	6.883	5.073	0.356	0.280	0.463	0.950	17.9185
2020	3.9134	6.699	5.033	0.337	0.229	0.463	0.895	17.5685
2021	3.9134	6.592	5.029	0.323	0.219	0.463	0.000	16.5391
2022	3.9134	6.248	5.029	0.323	0.197	0.463	0.750	16.9236
2023	3.9134	6.206	5.0364	0.294	0.179	0.463	0.150	16.2420
2024	3.9134	6.122	5.0364	0.294	0.179	0.463	0.410	16.4180
2025	3.9134	6.122	5.0364	0.294	0.179	0.463	0.410	16.4180

Source: Lake County 2025 Annual Comprehensive Financial Report

Note: 2025 Data not yet available

SCHEDULE 7
PRINCIPAL PROPERTY TAXPAYERS
CURRENT YEAR

	2025		
Top 10 City of Fruitland Park Taxpayers	**Taxable Assessed Values**	**Rank**	**Percent of Total City of Fruitland Park Assessed Values**
Villages of Southwest Plazas LLC	$ 89,121,250	1	5.08%
Fruitland Park Village Apartments LLC	46,689,000	2	2.66%
Wilds Apartments LLC	40,974,900	3	2.33%
VCP Fruitland Park LLC	37,252,440	4	2.12%
Fruitland Park Land Holdings LLC	33,620,000	5	1.92%
The Villages Operating Company	30,423,280	6	1.73%
Fruitland Park Development LLC	27,084,330	7	1.54%
AH Fruitland Park LLC	20,859,230	8	1.19%
The Villages Operating Company	16,849,100	9	0.96%
Primus Pipe and Tube Inc	15,651,340	10	0.89%
	$ 358,524,870		20.42%
Total City of Fruitland Park Assessed Value	$ 1,755,343,088		

Sources: Lake County Property Appraiser

Note: Information from 2025 not available. Values reported are as of 2024. Information from nine years ago not available.

SCHEDULE 8
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS

Fiscal Year Ended Sept. 30	Total Tax Levy [1]	Current Tax Collections [2]	Percent of Levy Collected	Delinquent Tax Collections	Total Tax Collections	Percent of Total Tax Collections to Tax Levy
2016	$ 814,683	$ 786,277	96.5%	$ 269	$ 786,546	96.5%
2017	1,209,303	1,153,923	95.4%	2,597	1,156,520	95.6%
2018	1,962,182	1,884,203	96.0%	618	1,884,821	96.1%
2019	2,669,637	2,563,964	96.0%	3,685	2,567,649	96.2%
2020	2,926,293	2,820,708	96.4%	-	2,820,708	96.4%
2021	3,022,226	3,042,877	100.7%	104	3,042,981	100.7%
2022	3,192,752	3,234,269	101.3%	193	3,234,462	101.3%
2023	3,525,656	3,561,418	101.0%	71	3,561,489	101.0%
2024	4,002,030	3,854,366	96.3%	478	3,854,844	96.3%
2025	4,330,889	4,166,301	96.2%	54	4,166,355	96.2%

Sources: [1] DR 420 MM Line 22
Note: [2] From Finance Department

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

Fiscal Year	Government Activities		Business-Type Activities	Total Primary Government	Percentage of Personal Income [a]	Per Capita [a]
	Revenue Note	Financed Purchases	Loans Payable			
2016	$ -	$ 321,875	$ 4,035,589	$ 4,357,464	N/A	$ 423
2017	-	292,683	3,912,933	4,205,616	N/A	N/A
2018	-	163,385	3,644,401	3,807,786	N/A	N/A
2019	-	333,500	3,224,899	3,558,399	N/A	N/A
2020	-	244,233	2,795,597	3,039,830	N/A	N/A
2021	-	127,898	2,382,774	2,510,672	N/A	N/A
2022	-	107,936	1,931,783	2,039,719	N/A	N/A
2023	-	87,451	3,921,691	4,009,142	N/A	N/A
2024	-	66,429	2,541,147	2,607,576	N/A	N/A
2025	-	44,856	2,001,576	2,046,432	N/A	N/A

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

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

SCHEDULE 10
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF SEPTEMBER 30, 2025

	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Direct and Overlapping Debt
Overlapping debt [(a)]			
Debt repaid with property taxes	$ -	3.46%	$ -
Other debt			
Subtotal, overlapping debt			-
City of Fruitland Park Direct Debt			
Direct debt			44,856
Total direct and overlapping debt			$ 44,856

Sources: County Annual Comprehensive Financial Report Schedules

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

SCHEDULE 11
PLEDGED REVENUE COVERAGE
LAST TEN FISCAL YEARS

Fiscal Year	Infrastructure Sales Surtaxes Avaiable for Debt Service	Debt Service Requirements			Coverage
		Principal	Interest	Total	
2016	$ 400,285	$ -	$ 19,740	$ 19,740	20.28
2017	404,630	-	58,250	58,250	6.95
2018	445,786	143,045	58,250	201,295	2.21
2019	690,943	388,363	54,357	442,720	1.56
2020	870,612	362,220	46,409	408,629	2.13
2021	1,063,169	304,914	39,427	344,341	3.09
2022	1,223,336	312,060	32,281	344,341	3.55
2023	1,070,239	319,374	24,967	344,341	3.11
2024	1,063,611	328,219	17,483	345,702	3.08
2025	1,067,727	334,519	15,363	349,882	3.05

SCHEDULE 12
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN CALENDAR YEARS

Calendar Year	Population	Total Personal Income of all Fruitland Park Residents (in thousands)	Per Capita Personal Income	Median Age	School Enrollment Fruitland Park Elementary	Total Housing Units	Owner Occupied	Renter Occupied	Vacant	Lake County Unemployment Rate
2016	4,274	N/A	$ 20,769	47.0	762	1928	1030	680	218	4.5%
2017	7,291	N/A	21,476	N/A	742	2025	N/A	N/A	N/A	3.5%
2018	8,963	N/A	26,688	N/A	751	2920	N/A	N/A	N/A	2.9%
2019	10,094	275,652	34,497	51.9	745	3562	2512	1050	N/A	2.7%
2020	10,206	N/A	N/A	N/A	736	N/A	N/A	N/A	N/A	7.4%
2021	10,730	72,384	39,989	52.0	745	4177	2860	667	N/A	3.0%
2022	8,615	N/A	39,058	56.6	736	N/A	N/A	N/A	N/A	2.8%
2023	8,615	70,167	42,038	56.0	733	4067	3667	490	400	3.0%
2024	8,634	78,791	49,317	56.4	707	4277	3183	710	384	2.9%
2025	8,962	82,656	47,731	55.7	688	4415	3360	471	584	4.2%

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

SCHEDULE 13
PRINCIPAL EMPLOYERS
CURRENT YEAR AND 9 YEARS AGO

Employer	2025** Employees	2025** Rank	2025** Percentage of Total City Employment	2019* Employees	2019* Rank	2019* Percentage of Total City Employment
Wal-Mart	310	1	12.4%	310	1	8.2%
Munn's Heating & Air	148	2	5.9%	148	2	3.9%
Bill Bryan Chrysler	110	3	4.4%	110	3	2.9%
Fruitland Park Elementary School	110	4	4.4%	110	4	2.9%
City of Fruitland Park	109	5	4.3%	94	5	2.5%
Philips Buick/Pontiac	90	6	3.6%	90	6	2.4%
Total	877		35.0%	862		22.8%

Source: Lake County Economic Development

Note: *Data for 2016 not available

SCHEDULE 14
FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS

Function/Program	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
General Government										
Legislative	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0
Executive	3.5	3.5	5.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0
Finance	4.5	4.5	5.0	3.0	3.0	4.0	6.0	6.0	6.0	5.0
Other General Government	1.0	1.0	1.0	0.0	1.0	1.0	1.0	1.0	1.0	1.0
Public Safety										
Police Department	20.0	23.0	25.5	29.0	29.0	29.0	31.0	31.0	31.0	30.0
Fire	26.0	25.0	27.0	14.0	14.0	14.0	0.0	0.0	0.0	0.0
Building	3.0	3.0	3.5	4.0	4.0	5.0	4.0	6.0	5.0	5.0
Transportation										
Roads and Streets	2.0	2.0	5.0	5.0	5.0	5.0	7.0	8.0	8.0	11.0
Culture/Recreation										
Library	6.0	7.0	9.0	10.0	11.0	11.0	11.0	13.0	13.0	12.0
Municipal Pool Recreation	8.0	8.0	10.0	11.0	11.0	11.0	8.0	13.0	13.0	11.0
Maintenance	2.0	2.0	2.0	2.0	3.0	4.0	2.0	4.0	4.0	4.0
Recreation Programs	3.0	3.0	4.0	4.0	4.0	4.0	5.0	7.0	7.0	10.0
Utilities										
Water	6.0	6.0	9.0	8.0	8.0	8.0	4.0	4.0	5.0	5.0
Sewer	1.0	1.0	2.0	2.0	2.0	1.0	1.0	2.0	2.0	1.0
TOTAL EMPLOYEES	**96.0**	**99.0**	**118.0**	**106.0**	**109.0**	**111.0**	**94.0**	**109.0**	**109.0**	**109.0**

Source: City Budget Document

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

Function/Program	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Police Protection										
Number of Sworn Police Officers	16	18	19	21	21	21	21	22	22	22
Number of Reserve Officers	2	2	1	1	1	1	2	2	2	0
Fire Protection:										
Number of Volunteer Firefighters	21	25	21	14	14	14	0	0	0	0
Building Inspections:										
Constructions Permits										
Commercials	3	1	3	1	1	0	106	27	331	42
Residential	861	792	110	105	100	88	755	128	316	814
Roads and Streets										
Street Resurfacing (miles)	0	1.6	1.2	1.1	1.33	1.12	3.05	12.04	7.1	7.1
Recreation:										
Number of City-wide events	3	4	4	4	1	1	2	2	2	3
Municipal Water System:										
Number of Consumers	1,826	1,922	1,981	2,039	2,150	2,256	2,279	2,403	2,453	2,343
New Connections	10	63	111	102	100	106	129	147	50	186

Sources: Various City Departments

Notes:

(a) Did not start tracking this data until 2017.
(b) Formation of the traffic unit was created.
(c) 6 months of data not available due to a network outage.
(d) Leagues didn't begin until 2019.
(e) Implemented new software in 2018 where data could be tracked.
(f) 2017 - 2020 Villages of Fenney was on the City's system. They are now on their own private utilities.
(g) Due to staffing issues/shortages, data wasn't recorded and cannot be retrieved.

SCHEDULE 16
CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS

Function/Program	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
City Land Area (square miles)	7.274	7.287	7.295	7.31	7.31	7.31	7.31	7.31	7.31	7.69
Police Protection:										
Number of Stations	1	1	1	1	1	1	1	1	1	1
Number of Patrol Units	20	22	22	22	24	24	22	23	23	29
Fire Protection:										
Number of Stations	1	1	1	1	1	1	1	1	1	1
Number of Fire Trucks	2	2	2	2	2	2	2	2	2	2
Culture and Recreation:										
Number of Libraries	1	1	1	1	1	1	1	1	1	1
Number of Municipal Pools	1	1	1	1	1	1	1	1	1	1
Number of Parks	4	4	4	4	4	4	4	4	4	4
Number of Baseball/softball fields	3	3	3	3	3	3	3	3	3	3
Number of Soccer Fields	0	0	1	1	1	1	1	1	1	1
Number of Skate parks	1	1	1	1	1	1	1	1	1	1
Number of Community Centers	1	1	1	1	1	1	1	1	1	1
Municipal Water System:										
Wells	5	5	5	5	5	5	5	5	5	5
Water Towers	1	1	1	1	1	1	1	1	1	1
Ground Storage Tank	1	1	1	1	1	1	1	1	1	1

Sources: Various departments

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COMPLIANCE REPORTS

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MAULDIN & JENKINS
CPAs & ADVISORS

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 Commissioners
City of Fruitland Park, Florida

We have audited, in accordance with the 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, the business-type activities and each major fund of the City of Fruitland Park, Florida (the "City"), as of and for the year ended September 30, 2025, 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, 2026.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) to determine the 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 the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

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.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section 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 were not identified. We identified a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs as items 2025-001 that we consider to be a material weakness.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City'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 described as Finding 2025-002 in the accompanying schedule of findings and responses.

City of Fruitland Park, Florida's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the City of Fruitland Park, Florida's response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. The City of Fruitland Park, Florida'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.

Mauldin & Jenkins, LLC

Bradenton, Florida
November 5, 2026

MAULDIN & JENKINS
CPAs & ADVISORS

Independent Auditor's Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance

Honorable Mayor and City Commissioners
City of Fruitland Park, Florida

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the City of Fruitland Park, Florida's (the "City") compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended September 30, 2025. The City's major federal programs are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs.

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 of its major federal programs for the year ended September 30, 2025.

Basis for Opinion on Each Major Federal Program

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 the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance 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 the major federal programs. 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 federal programs.

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 the Uniform Guidance 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 federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, 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 the Uniform Guidance, 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 federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program 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 a type of compliance requirement of a federal program 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 the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Mauldin & Jenkins, LLC

Bradenton, Florida
November 5, 2026

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SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2025

	Assistance Listing Number	Grant ID Number	Actual Expenditures	Passed Through to Subrecipients
Federal Awards				
U.S. Department of Treasury				
Direct				
Coronavirus State and Local Fiscal Recovery Funds	21.027		$ 5,374,160	$ -
Passed through Lake County, Florida				
Coronavirus State and Local Fiscal Recovery Funds	21.027	Public Safety Building	2,500,000	-
Total U.S. Department of Treasury			7,874,160	-
Total Expenditures of Federal Awards			$ 7,874,160	$ -

NOTE A: BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of the City of Fruitland Park, Florida, under programs of the federal government for the fiscal year ended September 30, 2025. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the schedule represents only a selected portion of the operations of the City, is it not intended to and does not present the financial position, changes in net assets, or cash flows of the City.

NOTE B: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the costs principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowed or are limited as to reimbursement.

NOTE C: INDIRECT COST RATE

The City has elected not to use the applicable de minimis indirect cost rate allowed under the Uniform Guidance.

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SUMMARY SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED SEPTEMBER 30, 2025

SECTION I
SUMMARY OF AUDIT RESULTS

Financial Statements

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

Internal control over financial reporting:
Material weaknesses identified? __X__ yes _____no

Significant deficiencies identified not considered to be material weaknesses? _____ yes __X__none reported

Noncompliance material to financial statements noted? __X__ yes _____no

Federal Programs and State Financial Assistance Projects

The City did not expend in excess of $750,000 in state awards for the year ended September 30, 2025.

Internal control over major federal programs:
Material weaknesses identified? ____ yes __X__no

Significant deficiencies identified not considered to be material weaknesses?
_____ yes __X__none reported

Type of auditor's report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with Section 2 CFR 200.516(a)? ____ yes __X__no

Identification of major programs:

Assistance Listing Number	**Name of Federal Program of Cluster**
21.027	Coronavirus State and Local Fiscal Recovery Funds

Dollar threshold used to distinguish between Type A and Type B programs: $1,000,000

Auditee qualified as low-risk auditee? ____ yes __X__no

SUMMARY SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED SEPTEMBER 30, 2025

SECTION II
FINANCIAL STATEMENT FINDINGS AND RESPONSES

2025-001. Audit Adjustments

Criteria: Internal controls should be in place to provide reasonable assurance that all transactions are recorded in accordance with accounting principles generally accepted in the United States of America. As part of the audit process, we identified several transactions that were required to adjust the general ledger balances in order to properly present the financial statement free of material misstatement.

Condition: The City's internal control policies and procedures failed to detect entries that were required to properly present the financial statements free of material misstatement.

Context: Our testing identified the following adjustments that were required to be made: *General Fund*, Increase Investments and Fund Balance by $1,785,063, and Expenditures and Accounts Payable by $146,236; *CRA Fund,* Reduce Transfers in and Increase Fund Balance by $189,172; *Capital Projects Fund,* Increase Due from Other Government by $63,194, Decrease unearned revenue by $5,374,160, Increase Intergovernmental Revenue by $5,437,354, and increase Accounts Payable and Expenditures by $1,095,976; *Utility Fund,* Decrease Transfers In and Increase Net Position by $161,305, Increase Expenses by $108,527, increase accounts payable by $31,670, and decrease inventory by $76,857.

Effect: Audit adjustments were required to be made to the City's general ledger to properly record activity in the General, CRA, Capital Projects, and Utility Funds.

Recommendation: We recommend the City implement a process to track grant activity to ensure they are properly accounted for in its general ledger system.

View of Responsible Officials: We agree with the finding and steps have already been taken to accurately record year-end adjustments to the fiscal year 2026 financial statements.

SUMMARY SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED SEPTEMBER 30, 2025

2025-002. Timely Completion of Annual Audit

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

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

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

Effect: The City's audit was not completed by the statutory due date of June 30, 2026.

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

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

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SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE YEAR ENDED SEPTEMBER 30, 2025

2024-001. Timely Completion of Annual Audit

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

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

Status: Repeat finding. See 2025-001.

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MAULDIN & JENKINS
CPAs & ADVISORS

Independent Auditor's Management Letter

Honorable Mayor and City Commissioners
City of Fruitland Park, Florida

Report on the Financial Statements

We have audited the financial statements of the City of Fruitland Park, Florida (the "City"), as of and for the fiscal year ended September 30, 2025, and have issued our report thereon dated November 5, 2026.

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; the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance); and Chapter 10.550, Rules of the Auditor General.

Other Reports and Schedule

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; Independent Auditor's Report on Compliance for Each Major Federal Program and Report on Internal Control over Compliance; Schedule of Findings and Questioned Costs; and Independent Accountant's Reports on an examination conducted in accordance with AICPA Professional Standards, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports and schedule, which are dated November 5, 2026, 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 financial audit report. Finding 2023-02 and 2024-001 is repeated in the current year as Finding 2025-002.

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. The City of Fruitland Park, Florida was incorporated in 1903. Additional information on the City's creation and the City's component units is disclosed within the City's footnotes.

Financial Condition and Management

Sections 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 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 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'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 the 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.

Special District Component Units

Section 10.554(1)(i)5.c, Rules of the Auditor General, requires, if appropriate, that we communicate the failure of a special district that is a component unit of a county, municipality, or special district, to provide the financial information necessary for proper reporting of the component unit, within the audited financial statements of the county, municipality, or special district in accordance with Section 218.39(3)(b), Florida Statutes. In connection with our audit, we did not note any special district component units that failed to provide the necessary information for proper reporting in accordance with Section 218.39(3)(b), Florida Statutes.

Property Assessed Clean Energy (PACE) Programs

As required by Section 10.554(1)(i)6.a., Rules of the Auditor General, a PACE program authorized pursuant to Section 163.081 or Section 163.082, Florida Statutes, did not operate within the City's geographical boundaries during the fiscal year under audit.

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 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 Mayor and the City Commissioners, and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.

Mauldin & Jenkins, LLC

Bradenton, Florida
November 5, 2026

MAULDIN & JENKINS
CPAs & ADVISORS

Independent Accountant's Report

Honorable Mayor and City Commissioners,
City of Fruitland Park, Florida

We have examined the City of Fruitland Park, Florida's (the "City") compliance with Section 218.415, Florida Statutes, regarding the investment of public funds during the year ended September 30, 2025. 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. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the City complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether the City complied with the specified requirements. The nature, timing and extent of the procedures selected depend on our judgement, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

We are required to be independent and to meet our ethical responsibilities in accordance with relevant ethical requirements relating to the examination engagement.

Our examination does not provide a legal determination on the City's compliance with specified requirements.

In our opinion, the City complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2025.

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

Mauldin & Jenkins, LLC

Bradenton, Florida
November 5, 2026

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