CITY OF
FRUITLAND PARK
THE FRIENDLY CITY

Comprehensive Annual Financial Report

For The City of Fruitland Park, Florida

For the Year Ended September 30, 2012

CITY OF FRUITLAND PARK, FLORIDA

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED SEPTEMBER 30, 2012

Prepared by:
Jeannine Racine Michaud
City Treasurer

Cover by:
Jeannine Racine Michaud

CITY OF FRUITLAND PARK, FLORIDA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED SEPTEMBER 30, 2012

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CITY OF FRUITLAND PARK
THE FRIENDLY CITY

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Fruitland Park, Florida 34731

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April 26, 2013

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

The Comprehensive Annual Financial Report (CAFR) for the City of Fruitland Park, Florida, for the fiscal year ended September 30, 2012 is hereby submitted pursuant to Florida Statutes Chapter 218.39 and Chapter 10.550 of the Rules of the Auditor General of the State of Florida. State law requires an annual financial audit of local government entities be completed no later than nine months after the end of the fiscal year. This CAFR is published to fulfill this requirement for the fiscal year ended September 30, 2012 and to provide the citizens, city commission, city staff, creditors and other interested parties with detailed information concerning the financial condition and activities of the City.

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

We believe that the City's internal accounting controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions. In addition, we believe the information contained in this report is presented in a manner designed to fairly set forth the financial position and results of operation of the City as measured by the financial activity of its various funds; and that all disclosures necessary to enable the reader to gain a maximum understanding of the City's financial affairs are included.

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

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

and estimates made by management; and evaluating the overall financial statement presentation. Shumacker Johnston & Ross concluded, based upon the audit, that there is reasonable basis for rendering an unqualified ("clean report") opinion that the City of Fruitland Park's financial statements for the fiscal year ending September 30, 2012, are fairly presented in conformity with generally accepted accounting principles (GAAP). The independent auditor's report is located at the front of the financial section of this report.

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

Profile of the City

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

The City of Fruitland Park, incorporated in 1927, is located in central Florida. It is empowered by Florida Statute to extend its corporate limits by annexation, which it does from time to time. Fruitland Park has a population of 4,078 and a land area of approximately 6.83 square miles. The City's property tax millage rate is 4.3284 mils for fiscal year 2012.

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

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

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

Local economy

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

Fruitland Park, like other communities nationwide, has been impacted by the decline in the economy and housing markets. Development continues but at a much slower and less intense pace than a few years earlier. Last year's annexation put development in prime position for quick startup once market conditions improve.

The Florida Department of Transportation recently began a major construction project for U.S. Highway 27/441 in Fruitland Park. This project is expanding the City's main corridor from four to six lanes. It is expected to be completed the end of 2013.

Expansion design from two to four lanes of the City's second major thoroughfare, 466A, is complete. Purchase of right of way is underway. Construction for Phase 1 (441 to Century Ave) is expected to begin in 2014.

New to our city, Smart Fuels Florida LLC, owns and will operate a biodiesel refinery that produces bio-diesel from waste cooking oil. They are currently in the testing phase but don't have permit clearance to operate yet.

A new restaurant was constructed on 466A. Burkes BBQ is expected to create 25 new jobs. Burkes opened Jan 2013 and currently has 14 employees.

There are 399 licensed businesses in Fruitland Park as of September 30, 2012.

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

Review Appropriate to Priority in Development (RAPID) is a new program that provides expedited plan review and inspections affecting construction of a facility in a time frame to meet corporate goals/deadlines of the organization.

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

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

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

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

Lake County's December 2012 unemployment rate was 8.4%. This is down from 9.9% for the same time period last year. This rate is slightly higher than the state average of 8.0% and higher than the national average of 7.8% for the same period.

Major Initiatives

In effort to attract quality business along US Highway 27/441, the City of Fruitland Park constructed a 98,000 gallons per day wastewater collection, transmission and treatment facility. These improvements enhanced the City's ability to attract and service customers along the commercial corridor. At the end of fiscal year 2012, 310 customers were connected to the City's wastewater system. The City of Fruitland Park financed construction of this project ($2,161,586– 40 semi-annual payments over 20 years) utilizing the Department of Environmental Protection's State Revolving Fund low interest (2.52%) loan program.

This year, Fruitland Park received a CDBG grant for $700,000 for 48 Low Income Wastewater connections and contributed funds for 21 Over Income connections. This added 70 connections to our Wastewater Treatment Plant.

Long Term Financial Planning

Lake County voters renewed a One-Cent Discretionary Infrastructure Surtax on November 6, 2002. This tax, authorized through December 31, 2017, provides a funding source for infrastructure and capital projects. Among other projects, the City pledged these dollars for debt service on City Hall. The nineth of ten annual payments was made in February 2012 leaving an outstanding principal balance of $117,300 on this loan.

At September 30, 2012 the unreserved, undesignated fund balance in the General Fund increased from 3.00 to 3.20 months of current General Fund expenditures. This figure is over the "no less than one to two months of regular general fund operating expenditures" provided for in the Government Finance Officers Association's

Appropriate Level of Unreserved Fund Balance recommendation; however it is at the minimum range of the 3-6 months of operating expenditures informally established by the City for budgetary and planning purposes.

Awards

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Fruitland Park for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ending September 30, 2011. This is the thirteenth consecutive year that the City of Fruitland Park has received this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe this Comprehensive Annual Financial Report continues to meet the Certificate of Achievement Program's requirements and will submit it to GFOA to determine its eligibility for another Certificate.

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

Respectfully Submitted

Diane Gibson Smith, Acting City Manager

CITY COMMISSION AND OFFICIALS

September 30, 2012

Mayor ..... Christopher J. Bell

Vice Mayor-Commissioner..... Sharon A. Kelly

Commissioner..... John Gunter

Commissioner..... Albert O. " Al" Goldberg

Commissioner.....James C. "Jim" Richardson

City Manager..... Ralph O. Bowers

City Treasurer.....Jeannine Racine Michaud

City Clerk.....Diane Gibson-Smith

Police Chief.....Terry L. Isaacs

Community Development Director.....Charles W. "Charlie" Rector

Public Works Director..... John Bostic III

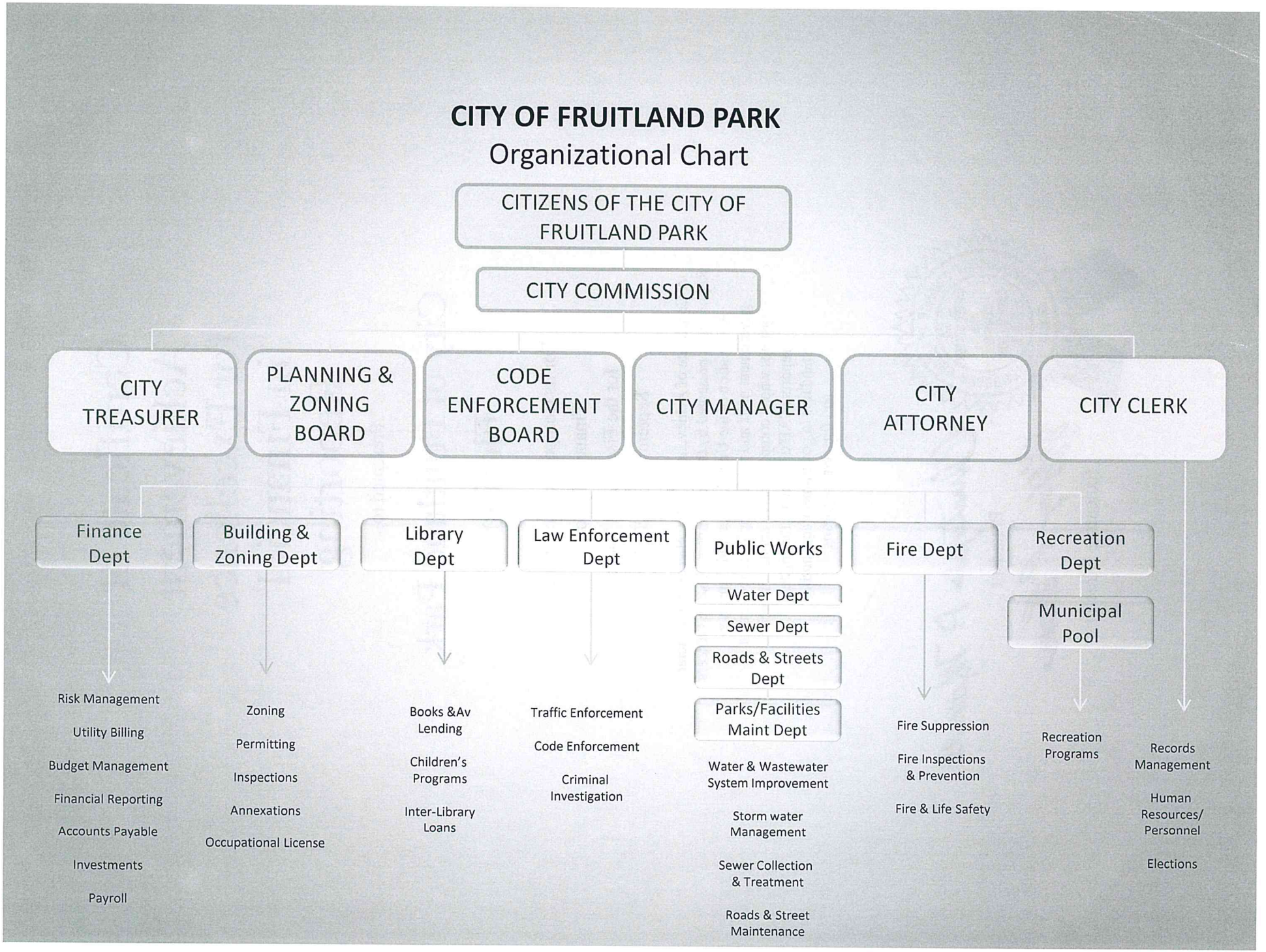
Librarian..... Jo-Ann D. Glendinning

Recreation Director.....Sherry L. Bechtel

City Attorney.....Scott A. Gerken

CITY OF FRUITLAND PARK

Organizational Chart



Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Fruitland Park

Florida

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
September 30, 2011

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.

Christopher P Morrill
President

Jeffrey R. Emer
Executive Director

Shumacker, Johnston & Ross, PA

Certified Public Accountants

J. Cecil Shumacker, CPA
Robert E. Johnston, CPA (1982-2001)
W. Chet Ross, CPA

American Institute of
Certified Public Accountants

Florida Institute of
Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

April 26, 2013

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Fruitland Park, Florida as of and for the year ended September 30, 2012, which collectively comprise the City's basic financial statements, and the individual fund financial statements of the City of Fruitland Park, Florida as of and for the years ended September 30, 2012 and 2011, as listed in the table of contents. These financial statements are the responsibility of the City of Fruitland Park, Florida's management. Our responsibility is to express opinions on these financial statements based on our audit.

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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to in the first paragraph present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Fruitland Park, Florida as of September 30, 2012, and the respective changes in financial position and cash flows, where applicable, thereof, and the respective budgetary comparison for the General Fund and Community Redevelopment Fund, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Also, in our opinion, the individual fund financial statements as of September 30, 2012 and 2011, and for the years then ended, present fairly, in all material respects, the financial position of each of the individual funds of the City of Fruitland Park, Florida, as of September 30, 2012 and 2011, and the results of operations of such funds and the cash flows of individual proprietary funds for the years then ended in conformity with accounting principles generally accepted in the United States of America.

911 West North Boulevard • Leesburg, Florida 34748-5054 • (352) 326-2161 • Fax (352) 326-0740

In accordance with *Government Auditing Standards*, we have also issued our report dated April 26, 2013 on our consideration of the City of Fruitland Park's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The Management's Discussion and Analysis on pages 3 through 12 is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Fruitland Park, Florida basic financial statements and on the individual fund financial statements. The financial information listed as Schedule of Budgetary Compliance and Capital Assets Used in the Operation of Governmental Activities in the table of contents is presented for the purpose of additional analysis and is not a required part of the basic financial statements of the City of Fruitland Park, Florida. The information in these schedules has been subjected to the auditing procedures applied in the audit of the basic and individual fund financial statements, and, in our opinion, is fairly presented in all material respects in relation to the financial statements of each of the respective individual funds taken as a whole. The accompanying Schedule of Expenditures of Federal Awards and State Financial Assistance is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole. The accompanying information listed under Statistical Section in the table of contents is presented for the purpose of additional analysis and is not a required part of the basic financial statements of the City of Fruitland Park, Florida. Such information has not been subjected to the auditing procedures applied in the audit of the basic and individual fund financial statements, and, accordingly, we express no opinion on it.

Shumacker, Johnston & Ross, PA

Shumacker, Johnston & Ross, PA

As management of the City of Fruitland Park, Florida (the "City"), we offer readers of the City'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, 2012. We encourage readers to consider the information presented here in conjunction with additional information furnished in our letter of transmittal, which can be found on pages i – v of this report.

As with other sections of this financial report, the information contained within this MD&A should be considered only a part of a greater whole. We encourage readers to consider all sections of this report including the financial statements, the notes to the financial statements and other supplementary information that is provided in addition to this MD&A.

FINANCIAL HIGHLIGHTS

- The assets of the City exceeded its liabilities at the close of the fiscal year by $10,107,917 (net assets). Of this amount, $1,078,351 or 10% is unrestricted net assets which may be used to meet the City's ongoing obligations to citizens and creditors in accordance with the City's fund designation and fiscal policies.

- The City's total net assets increased $257,128. Net assets for governmental activities increased $99,074 and net assets for business activities increased $158,054.

- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of $2,223,303. Forty percent of this amount or $896,002 is unassigned and available for spending in accordance with the City's fund designation and fiscal policies.

- The City's total long term debt decreased $243,383during the fiscal year. The reduction is due to scheduled debt service payments on the wastewater collection and transmission system, City Hall, and the fire pumper. The fire pumper was paid off this year.

- At the end of the current fiscal year, unassigned fund balance for the General Fund was $896,002 or 26% of total General Fund expenditures. This is a $44,152 increase over the $851,850 balance for the prior year.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the City of Fruitland Park's basic financial statements. The City's basic financial statements are comprised of 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.

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 finances, in a manner similar to a private-sector business.

The *statement of net assets* presents information on all of the City of Fruitland Park's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets 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 City's net assets changed during the most recent fiscal year. All changes in net assets 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 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 (which includes roads and street maintenance), sanitation and culture and recreation. The business-type activities of the City of Fruitland Park include an enterprise fund to account for the water and wastewater utility services. The government-wide financial statements do not include any component units and can be found on pages 13-15 of this report.

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

Governmental Funds. *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements. Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The City of Fruitland Park maintains three individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, Community Redevelopment Fund and the Capital Projects Fund. The General, Redevelopment and Capital Project funds are major funds.

The City of Fruitland Park adopts an annual appropriated budget for all governmental funds. Budgetary comparison schedules are provided for these funds to demonstrate budgetary compliance. Governmental fund financial statements can be found on pages 17-21 of this report.

Proprietary Funds. The City of Fruitland Park maintains two proprietary funds; the Utility Fund and the Recreation Programs 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 an enterprise fund to account for its water and sewer operations.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The Utility Fund is a major fund of the City. The basic proprietary fund financial statements can be found on pages 22-26 of this report.

Fiduciary Funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are *not* reflected in the government-wide financial statements because the resources of those funds are *not* available to support the City of Fruitland Park's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The fiduciary funds include a pension trust fund for the volunteer firefighters and a pension trust fund for the City's general employees. The basic fiduciary fund financial statements can be found on pages 27-28 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 the financial statements can be found on pages 29-48 of this report.

Other Information. In addition to the basic financial statements and accompanying notes, this report also presents *required supplementary* information concerning the City of Fruitland Park. Required supplementary information can be found on page 49 of this report.

Individual fund statements and schedules can be found on pages 54-82 of this report.

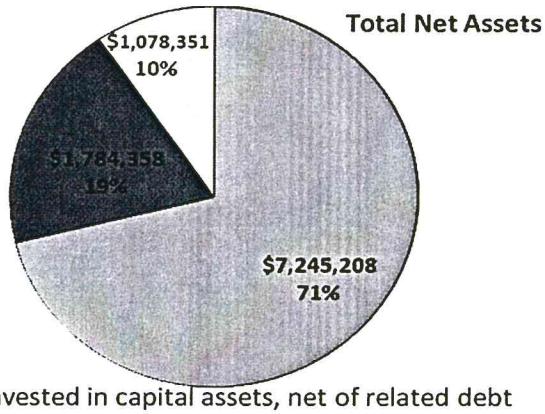
GOVERNMENT-WIDE FINANCIAL ANAYLSIS

Statement of Net Assets. As noted earlier, over time net assets may serve as a useful indicator of a government's financial position. In the case of the City of Fruitland Park, assets exceeded liabilities by$10,107,917 as of September 30, 2012. The following table reflects the condensed statement of net assets for the current fiscal year compared to the prior year.

CITY OF FRUITLAND PARK - NET ASSETS

	Governmental Activities		Business-type Activities		Total	
	2012	2011	2012	2011	2012	2011
Current and other assets	$ 2,436,965	$ 2,382,914	$ 1,105,309	$ 1,215,003	$ 3,542,274	$ 3,597,917
Capital Assets	3,878,797	4,012,816	4,740,833	4,574,649	$ 8,619,630	8,587,465
Net Pension Obligation	11,707	11,707	-	-	11,707	11,707
Total Assets	6,327,469	6,407,437	5,846,142	5,789,652	12,173,611	12,197,089
Current and other liabilities	367,771	422,267	223,962	228,388	$ 591,733	650,655
Long-term liabilities outstanding	10,403	134,949	1,463,558	1,560,696	1,473,961	1,695,645
Total liabilities	378,174	557,216	1,687,520	1,789,084	2,065,694	2,346,300
Net Assets:						
Invested in capital assets, net of related debt	3,761,497	3,747,502	3,483,711	3,256,788	7,245,208	7,004,290
Restricted	1,302,876	1,247,438	481,482	659,999	1,784,358	1,907,437
Unrestricted	884,922	855,281	193,429	83,781	1,078,351	939,062
Total net assets	$ 5,949,295	$ 5,850,221	$ 4,158,622	$ 4,000,568	$10,107,917	$ 9,850,789

The largest portion of the City's net assets ($7,245,208 or 71%) reflects its investment in capital assets (e.g., land, buildings and system improvements other than buildings, equipment, and infrastructure); less any related debt used to acquire those assets that is outstanding. The City of Fruitland Park 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 can be used to liquidate these liabilities.



Invested in capital assets, net of related debt

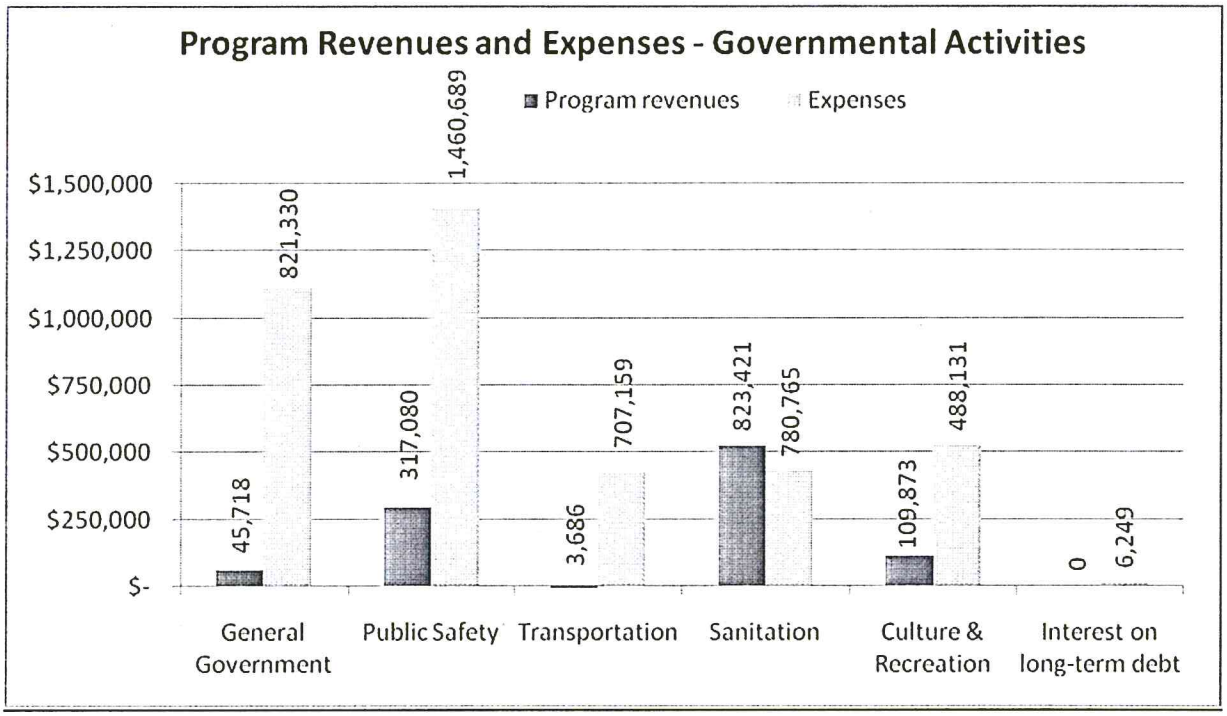
An additional portion of the City of Fruitland Park's net assets ($1,784,358 or 19%) represents resources that are subject to external restrictions on how they may be used. The remaining balance, unrestricted net assets ($1,078,351 or 10%), may be used to meet the government's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, the City of Fruitland Park is able to report positive balances in all three categories of net assets, both for the government as a whole, as well as for its separate governmental and business-type activities. The same situation held true for the prior fiscal year.

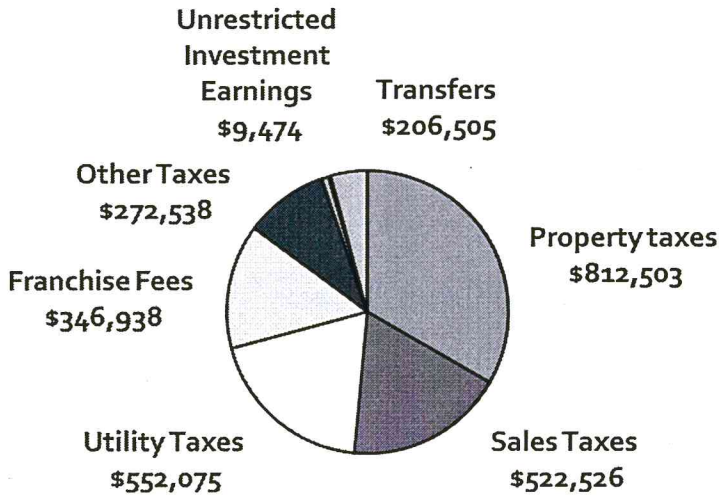
Statement of Activities. As noted earlier, the statement of activities presents information showing how the City's net assets changed during the year. The following table reflects the condensed statement of activities for the current fiscal year as compared to the prior fiscal year.

CITY OF FRUITLAND PARK'S CHANGES IN NET ASSETS

	Governmental Activities		Business-type Activities		Total	
	2012	2011	2012	2011	2012	2011
Revenues:						
Program revenues:						
Charges for services	878,709	871,629	790,578	733,867	1,669,287	1,605,496
Operating grants and contributions	80,987	89,210	-	-	80,987	89,210
Capital grants and contributions	681,142	49,133	386,625	235,835	1,067,767	284,968
General revenues:						
Property taxes	812,503	910,495	-	-	812,503	910,495
Sales Taxes	522,526	495,503	-	-	522,526	495,503
Franchise fees and utility taxes	899,013	918,839	-	-	899,013	918,839
Exise taxes	272,538	262,152	-	-	272,538	262,152
Gain on Sale Capital Asset	-	5,964			-	5,964
Unrestricted investment earnings	9,474	22,626	24,071	14,400	33,545	37,026
Total revenues	4,156,892	3,625,551	1,201,274,	984,102	5,358,166	4,603,689
Expenses:						
General Government	821,330	1,113,962	-	-	821,330	1,113,962
Public Safety	1,460,689	1,411,552	-	-	1,460,689	1,411,552
Transportation	707,159	426,154	-	-	707,159	426,154
Sanitation	780,765	429,297	-	-	780,765	429,297
Culture and Recreation	488,131	526,532	-	-	488,131	526,532
Water	-	-	599,304	572,667	599,304	572,667
Recreation Programs	-	-	209.103	18,490	209.103	18,490
Sewer	-	-	28,308	277,985	28,308	277,985
Interest on Long-term Debt	6,249	11,973	-	-	6,249	11,973
Total expenses	4,264,323	3,919,470	836,715	869,142	5,101,038,	4,788,612
Change in net assets before transfers	(107,431)	(293,919)	364,559	114,960	257,128	(178,959)
Transfers	206,505	116,054	(206,505)	(116,054)	-	-
Change in net assets	99,074	(177,865)	158,054	(1,094)	257,128	(178,959)
Net assets - 10/01/2011	5,850,221	6,028,086	4,000,568	4,001,662	9,850,789	10,029,748
Net assets - 09/30/2012	$ 5,949,295	$ 5,850,221	$ 4,158,622	$ 4,000,568	$ 10,107,917	$ 9,850,789



Revenues by Source - Governmental Activities



Business-Type Activities. Business-type activities increased the City's net assets by $158,054. The main reason for the increase was a $ 358,950 utility system contribution via a Federal CDBG Grant.

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

As noted earlier, the City of Fruitland Park uses fund accounting to ensure and demonstrate compliance with finance-related legal 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's financing requirements. In particular, the *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 fiscal year 2012 the City's governmental funds reported combined ending fund balances of $2,223,203. Approximately 40% of this total amount ($896,002) constitutes the unassigned fund balance. The remainder of the fund balance has certain degrees of spending constraints to indicate that it is not available for new spending. Restricted: 1) to provide for police education ($39,545), 2) police equipment ($16,038), 3) police automation ($5,814), 4) public safety capital improvements ($185,100), 5) redevelopment ($319,799) 6) infrastructure ($501,653); Committed: 1) cemetery care ($122,232), 2) storm-water utility ($112,694); Nonspendable: 1) prepaid items ($24,325).

The General Fund is the primary operating fund of the City. As of the end of fiscal year 2012 the fund balance of the General Fund decreased $42,213, from $1,445,964 to $1,401,751. As a measure of the General Fund's liquidity, it is useful to compare the unassigned fund balance to total expenditures. The unassigned fund balance, which represents 26% of General Fund's current expenditures, increased $44,152 from $851,850 to $896,002.

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

At the end of fiscal year 2012 the City's Utility Fund reported total net assets of $4,147,645. Of this amount $3,483,711 or 84% is invested in capital assets (net of related debt); $417,745 is restricted for utility capital improvements; $63,737 is restricted for debt service and $182,452 is unrestricted. Utility Fund operating revenues increased $49,521 or 7%. Operating expenses decreased $39,814 or 5%, primarily due to less spend on engineering related to the sewer system lawsuit.

As of September 30, 2012 the City's Recreation Programs Fund reported unrestricted net assets of $10,977, a decrease of $412 compared to the prior fiscal year.

GENERAL FUND BUDGETARY HIGHLIGHTS

Revisions to the original appropriation resulted in a increase in the original budget of 4.7% or 163,152. The original fiscal year 2012 General Fund budget was balanced by appropriating $45,753 of unassigned fund balance. The unassigned fund balance increased $44,152 from $851,850 in 2011 to $896,002 in fiscal year 2012.

CAPITAL ASSETS

The City's investment in capital assets for its governmental and business-type activities as of September 30, 2012, amounts to $8,619,630 (net of depreciation). Capital assets are summarized below.

CITY OF FRUITLAND PARK'S Capital Assets
(net of depreciation)

	Governmental Activities		Business-Type Activities		Total	
	2012	2011	2012	2011	2012	2011
Land	943,094	943,094	339,699	339,699	1,282,793	1,282,793
Design in Progress	93,275	93,275	-	-	93,275	93,275
Buildings	1,792,068	1,853,606	98,491	104,702	1,890,559	1,958,308
Improvements other than buildings	186,086	222,218	-	-	186,086	222,218
Utility Systems	-		4,184,521	3,988,732	4,184,521	3,988,732
Equipment	268,986	289,829	118,122	141,516	387,108	431,345
Infrastructure	595,288	610,794	-	-	595,288	610,794
Total Capital Assets	$ 3,898,797	$ 4,012,816	$4,740,833	$ 4,574,649	$ 8,619,630	$ 8,587,465

Additional information on the City's capital assets can be found in Note 5 on page 36 & 37 of this report.

LONG-TERM DEBT

The City owns and operates a municipal water supply system which provides service to both the incorporated and unincorporated areas of Fruitland Park. To encourage and provide for commercial growth along the US 27/441 corridor, the City purchased approximately 19.3 acres off of Spring Lake Road to construct a wastewater collection, transmission and treatment plant.

In 2005 the City executed an agreement with Florida Department of Environmental Protection under the State Revolving Loan Program for $2,347,338 to fund the construction of this project. Semiannual loan payments each in the amount of $68,834 ($8,165 for the pre-construction; $60,669 for the construction loan) began in August 2006. The City is using sewer impact fees and/or discretionary tax to repay the debt.

At the end of fiscal year 2012, the City's long-term liabilities decreased $240,006 from $1,991,595 to $1,751,589. The outstanding balance includes a $117,300 note for City Hall, $178,336 State Revolving Fund (SRF) loan balance for preconstruction planning and engineering of the sewer utility system, and $1,381,226 for a SRF loan for the construction of the wastewater collection and treatment system. The City also reports a long-term liability of $74,727 for compensated absences.

Additional information on the City's long-term debt can be found in Note 6 on pages 38-40 of this report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The City's final taxable value of commercial and residential property decreased $16,344,435 or 8.97% from $182,288,845 in fiscal year 2011 to $165,944,410 in fiscal year 2012. Considering this the City's ad-valorem tax rate decreased from 4.36 mills to 4.3284 mills for 2012 in a 4-1 vote, the City still collected 99% of the prior year. This includes collection of delinquent taxes.

On January 29, 2008 the Florida electorate approved an amendment to the Florida Constitution relative to property taxes. This amendment (referred to as Amendment 1) became effective on January 1, 2008. With respect to homestead property, Amendment 1 increases the current $25,000 homestead exemption another $25,000 (for property values between $50,000 - $75,000), except for school district taxes. Amendment 1 also allows property owners to transfer (make portable) up to $500,000 of their Save Our Homes benefits to their next homestead when they move. Save Our Homes became effective in 1992 and limits or caps the annual increase in assessed value for homestead property to three percent (3%) or the percentage change in the Consumer Price Index, whichever is less.

With respect to non-homestead property, Amendment 1 limits or caps the annual increase in assessed value for non-homestead property (business, industrial property, rental property, second homes, etc.) to ten percent (10%), except for school district taxes. The ten percent (10%) assessment cap on non-homestead property became effective January 1, 2009. Amendment 1 also provides a $25,000 exemption for tangible personal property.

The City's 2013 adopted budget totals $5,374,615, which is $609,136 (10%) less than the final 2012 budget. The City used $87,262 in unassigned fund balance to balance the FY2013 budget.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the City's finances for all those with an interest in the government's finances and for accountability. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Office of the City Treasurer, 506 W. Berckman Street, Fruitland Park, Florida 34731.

BASIC FINANCIAL STATEMENTS

CITY OF FRUITLAND PARK, FLORIDA
STATEMENT OF NET ASSETS
SEPTEMBER 30, 2012

	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
Assets			
Cash	$ 1,338,997	$ 15,339	$ 1,354,336
Certificates of Deposit	605,410	200,000	805,410
Investments	-	69,892	69,892
Restricted Cash	-	588,219	588,219
Receivables (net of allowance for uncollectibles)	133,317	113,994	247,311
Internal Balances	258,040	(258,040)	-
Due from Other Governments	76,876	-	76,876
Inventory and Prepaids	24,325	40,392	64,717
Deferred Charges	-	335,513	335,513
Capital Assets (net of accumulated depreciation):			
Land	943,094	339,699	1,282,793
Buildings	1,792,068	98,491	1,890,559
Improvements Other Than Buildings	186,086	-	186,086
Utility Systems	-	4,184,521	4,184,521
Equipment	268,986	118,122	387,108
Infrastructure	595,288	-	595,288
Construction in Progress	93,275	-	93,275
Net Pension Obligation	11,707	-	11,707
TOTAL ASSETS	6,327,469	5,846,142	12,173,611
LIABILITIES			
Accounts Payable	77,543	5,328	82,871
Accrued Liabilities	28,676	6,635	35,311
Accrued Interest Payable	2,552	5,097	7,649
Customer Deposits	-	101,640	101,640
Unearned Revenue	86,634	-	86,634
Noncurrent Liabilities:			
Due within one year	172,366	105,262	277,628
Due in more than one year	10,403	1,463,558	1,473,961
TOTAL LIABILITIES	378,174	1,687,520	2,065,694
NET ASSETS			
Invested in Capital Assets, net of related debt	3,761,497	3,483,711	7,245,208
Restricted for:			
Capital Improvements	686,753	417,745	1,104,498
Redevelopment Projects	319,799	-	319,799
Debt Service	-	63,737	63,737
Cemetery Care	122,232	-	122,232
Police	61,397	-	61,397
Stormwater	112,695	-	112,695
Unrestricted	884,922	193,429	1,078,351
TOTAL NET ASSETS	$ 5,949,295	$ 4,158,622	$ 10,107,917

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

CITY OF FRUITLAND PARK, FLORIDA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2012

		PROGRAM REVENUES		
	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS
GOVERNMENTAL ACTIVITIES:				
General Government	$ 821,330	$ 45,703	$ 15	$ -
Public Safety	1,460,689	293,282	2,613	21,185
Transportation	707,159	2,335	1,351	341,050
Sanitation/Other Utility	780,765	504,210	314	318,907
Culture and Recreation	488,131	33,179	76,694	-
Interest on Long-term Debt	6,249	-	-	-
TOTAL GOVERNMENTAL ACTIVITIES	4,264,323	878,709	80,987	681,142
BUSINESS-TYPE ACTIVITIES:				
Water Utility	599,304	645,894	-	51,379
Sewer Utility	209,103	109,829	-	335,246
Recreation Programs	28,308	34,855	-	-
TOTAL BUSINESS-TYPE ACTIVITIES	836,715	790,578	-	386,625
TOTAL	$ 5,101,038	$ 1,669,287	$ 80,987	$ 1,067,767
GENERAL REVENUES:				
Property Taxes				
Sales Taxes				
Franchise Fees				
Utility Taxes				
Excise Taxes				
Unrestricted Investment Earnings				
TRANSFERS				
TOTAL GENERAL REVENUES AND TRANSFERS				
CHANGES IN NET ASSETS				
NET ASSETS - Beginning				
NET ASSETS - Ending				

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

NET (EXPENSE) REVENUE AND CHANGES IN NET ASSETS		
GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
$ (775,612)	$ -	$ (775,612)
(1,143,609)	-	(1,143,609)
(362,423)	-	(362,423)
42,666	-	42,666
(378,258)	-	(378,258)
(6,249)	-	(6,249)
(2,623,485)	-	(2,623,485)
-	97,969	97,969
-	235,972	235,972
-	6,547	6,547
-	340,488	340,488
(2,623,485)	340,488	(2,282,997)
812,503	-	812,503
522,526	-	522,526
346,938	-	346,938
552,075	-	552,075
272,538	-	272,538
9,474	24,071	33,545
206,505	(206,505)	-
2,722,559	(182,434)	2,540,125
99,074	158,054	257,128
5,850,221	4,000,568	9,850,789
$ 5,949,295	$ 4,158,622	$ 10,107,917

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CITY OF FRUITLAND PARK, FLORIDA
BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2012

	GENERAL	COMMUNITY REDEVELOPMENT	CAPITAL PROJECTS	TOTAL GOVERNMENTAL FUNDS
ASSETS				
Cash	$ 737,508	$ 221,115	$ 380,374	$ 1,338,997
Certificates of Deposit	405,410	100,000	100,000	605,410
Accounts Receivable (net of allowance for uncollectibles)	133,317	-	-	133,317
Due from Other Funds	258,040	-	-	258,040
Due from Other Governments	46,864	-	30,012	76,876
Inventory and Prepaids	24,325	-	-	24,325
TOTAL ASSETS	$ 1,605,464	$ 321,115	$ 510,386	$ 2,436,965
LIABILITIES AND FUND BALANCES				
LIABILITIES:				
Accounts Payable	$ 76,227	$ 1,316	$ -	$ 77,543
Accrued Liabilities	28,676	-	-	28,676
Unearned/Deferred Revenues	98,810	-	8,733	107,543
TOTAL LIABILITIES	203,713	1,316	8,733	213,762
FUND BALANCES:				
Nonspendable	24,325	-	-	24,325
Restricted	246,497	319,799	501,653	1,067,949
Committed	234,927	-	-	234,927
Unassigned	896,002	-	-	896,002
TOTAL FUND BALANCES	1,401,751	319,799	501,653	2,223,203
TOTAL LIABILITIES AND FUND BALANCES	$ 1,605,464	$ 321,115	$ 510,386	
Amounts reported for governmental activities in the Statement of Net Assets are different because:				
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds. Cost of capital assets $6,670,494 less accumulated depreciation of $2,791,697.				3,878,797
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.				20,909
Net pension obligation is not an available financial resource and therefore, is not reported as an asset in the funds.				11,707
Long-term liabilities are not due and payable in the current-period and, accordingly, are not reported in the governmental funds. Long-term liabilities consist of accrued interest $2,552, note payable $117,300 and compensated absences $65,469.				(185,321)
NET ASSETS OF GOVERNMENTAL ACTIVITIES				$ 5,949,295

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

CITY OF FRUITLAND PARK, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2012

	GENERAL	COMMUNITY REDEVELOPMENT	CAPITAL PROJECTS	TOTAL GOVERNMENTAL FUNDS
REVENUES:				
Taxes	$ 1,713,250	$ -	$ 328,648	$ 2,041,898
License and Permits	31,890	-	-	31,890
Intergovernmental	424,944	892,273	-	1,317,217
Charges for Services	738,772	-	-	738,772
Fines and Forfeitures	81,118	-	-	81,118
Miscellaneous Revenues	40,474	12,897	1,964	55,335
TOTAL REVENUES	3,030,448	905,170	330,612	4,266,230
EXPENDITURES:				
Current				
General Government	858,790	5,336	-	864,126
Public Safety	1,438,560	-	14,609	1,453,169
Transportation	233,985	12,122	-	246,107
Sanitation/Other Utility	421,815	-	-	421,815
Culture and Recreation	421,862	-	3,559	425,421
Capital Outlay	-	805,324	-	805,324
Debt Service:				
Principal	34,931	-	113,083	148,014
Interest	1,584	-	8,605	10,189
TOTAL EXPENDITURES	3,411,527	822,782	139,856	4,374,165
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(381,079)	82,388	190,756	(107,935)
OTHER FINANCING SOURCES (USES);				
Transfers In	336,866	-	-	336,866
Transfers Out	-	(74,183)	(56,178)	(130,361)
Sale of Capital Assets	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	336,866	(74,183)	(56,178)	206,505
NET CHANGE IN FUND BALANCES	(44,213)	8,205	134,578	98,570
FUND BALANCES:				
Beginning of Year	1,445,964	311,594	367,075	2,124,633
End of Year	$ 1,401,751	$ 319,799	$ 501,653	$ 2,223,203

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

CITY OF FRUITLAND PARK, FLORIDA
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2012

Amounts reports for governmental activities in the Statement of Activities (pages 14-15) are different because:

NET CHANGE IN FUND BALANCES-TOTAL GOVERNMENTAL FUNDS	$ 98,570
Governmental funds report capital outlays as expenditures. In the Statement of Activities the costs of those assets are allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation, $241,164, exceeded capital outlays $107,145, in the current period.	(134,019)
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.	(16,238)
Repayment of long-term debt is reported as an expenditure in governmental funds, but a reduction of long-term liabilities in the Statement of Net Assets.	148,014
Interest accrued on long-term debt reported in the Statement of Activities does not require the use of current financial resources and, therefore, is not reported as expenditures in governmental funds.	3,940
Compensated absences 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.	(1,193)
CHANGE IN NET ASSETS OF GOVERNMENTAL ACTIVITIES	$ 99,074

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

CITY OF FRUITLAND PARK, FLORIDA
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2012

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
REVENUES:				
Taxes	$ 1,747,972	$ 1,736,972	$ 1,713,250	$ (23,722)
Licenses and Permits	22,295	22,295	31,890	9,595
Intergovernmental	423,115	418,115	424,944	6,829
Charges for Services	741,314	748,814	738,772	(10,042)
Fines and Forfeitures	96,150	116,601	81,118	(35,483)
Miscellaneous	58,684	52,184	40,474	(11,710)
TOTAL REVENUES	3,089,530	3,094,981	3,030,448	(64,533)
EXPENDITURES:				
Current:				
General Government	911,955	908,308	858,790	49,518
Public Safety	1,374,014	1,528,703	1,438,560	90,143
Transportation	256,151	258,433	233,985	24,448
Sanitation/Other Utility	458,190	458,190	421,815	36,375
Culture and Recreation	431,555	441,383	421,862	19,521
Debt Service	36,516	36,516	36,515	1
TOTAL EXPENDITURES	3,468,381	3,631,533	3,411,527	220,006
DEFICIENCY OF REVENUES UNDER EXPENDITURES	(378,851)	(536,552)	(381,079)	155,473
OTHER FINANCING SOURCES (USES):				
Transfers In	378,851	345,942	336,866	(9,076)
Sale of Capital Assets	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	378,851	345,942	336,866	(9,076)
NET CHANGE IN FUND BALANCES	-	(190,610)	(44,213)	146,397
FUND BALANCE, Beginning of Year	1,445,964	1,445,964	1,445,964	-
FUND BALANCE, End of Year	$ 1,445,964	$ 1,255,354	$ 1,401,751	$ 146,397

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

CITY OF FRUITLAND PARK, FLORIDA
COMMUNITY REDEVELOPMENT FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2012

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
REVENUES:				
Intergovernmental	$ 938,501	$ 1,152,312	$ 892,273	$ (260,039)
Miscellaneous	16,469	14,969	12,897	(2,072)
TOTAL REVENUES	954,970	1,167,281	905,170	(262,111)
EXPENDITURES:				
General Government:				
Other General Government	570	4,720	5,336	(616)
Contingency	140,000	130,200	-	130,200
Transportation:				
Roads and Streets	12,000	12,000	12,122	(122)
Capital Outlay	941,576	1,069,709	805,324	264,385
TOTAL EXPENDITURES	1,094,146	1,216,629	822,782	393,847
DEFICIENCY OF REVENUES OVER UNDER EXPENDITURES	(139,176)	(49,348)	82,388	131,736
OTHER FINANCING SOURCES (USES):				
Transfers Out	(77,183)	(77,183)	(74,183)	3,000
NET CHANGE IN FUND BALANCES	(216,359)	(126,531)	8,205	134,736
FUND BALANCE, Beginning of Year	311,594	311,594	311,594	-
FUND BALANCE, End of Year	$ 95,235	$ 185,063	$ 319,799	$ 134,736

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

CITY OF FRUITLAND PARK, FLORIDA
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
SEPTEMBER 30, 2012

	ENTERPRISE FUNDS		
	UTILITY FUND	RECREATION PROGRAMS FUND	TOTAL
ASSETS			
CURRENT ASSETS			
Cash	$ 3,450	$ 11,889	$ 15,339
Certificates of Deposit	200,000	-	200,000
Investments	69,892	-	69,892
Restricted Cash:			
SRF Loan Reserves	68,834	-	68,834
Customer Deposits	101,640	-	101,640
Customer Accounts Receivable (net of allowance for uncollectibles)	84,120	-	84,120
Inventory	40,392	-	40,392
TOTAL CURRENT ASSETS	568,328	11,889	580,217
NONCURRENT ASSETS			
RESTRICTED CASH:			
Water and Sewer Impact Fees	417,745	-	417,745
SEWER IMPACT FEE RECEIVABLES	29,874	-	29,874
DEFERRED CHARGES	55,591	-	55,591
CONSUMPTIVE USE PERMIT (net of accumulated amortization)	279,922	-	279,922
CAPITAL ASSETS:			
Land	339,699	-	339,699
Buildings	243,408	-	243,408
Water System	3,246,515	-	3,246,515
Sewer System	2,735,643	-	2,735,643
Equipment	429,826	-	429,826
	6,995,091	-	6,995,091
Less Accumulated Depreciation	2,254,258	-	2,254,258
NET CAPITAL ASSETS	4,740,833	-	4,740,833
TOTAL NONCURRENT ASSETS	5,523,965	-	5,523,965
TOTAL ASSETS	6,092,293	11,889	6,104,182

CITY OF FRUITLAND PARK, FLORIDA
STATEMENT OF NET ASSETS (continued)
PROPRIETARY FUNDS
SEPTEMBER 30, 2012

	ENTERPRISE FUNDS		
	UTILITY FUND	RECREATION PROGRAMS FUND	TOTAL
LIABILITIES			
CURRENT LIABILITIES			
Accounts Payable	$ 4,416	$ 912	$ 5,328
Accrued Payroll	6,635	-	6,635
Due to Other Funds	258,040	-	258,040
Customer Deposits	101,640	-	101,640
State Revolving Fund Loans:			
Accrued Interest	5,097	-	5,097
Current Portion	97,856	-	97,856
Compensated Absences	7,406	-	7,406
TOTAL CURRENT LIABILITIES	481,090	912	482,002
NONCURRENT LIABILITIES			
COMPENSATED ABSENCES	1,852	-	1,852
SRF LOANS PAYABLE	1,461,706	-	1,461,706
TOTAL LIABILITIES	1,944,648	912	1,945,560
NET ASSETS			
Invested in Capital Assets, net of related debt	3,483,711	-	3,483,711
Restricted for Utility Capital Improvements	417,745	-	417,745
Restricted for Debt Service	63,737	-	63,737
Unrestricted	182,452	10,977	193,429
TOTAL NET ASSETS	$ 4,147,645	$ 10,977	$ 4,158,622

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

CITY OF FRUITLAND PARK, FLORIDA
STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN FUND NET ASSETS
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2012

	ENTERPRISE FUNDS		
	UTILITY FUND	RECREATION PROGRAMS FUND	TOTAL
OPERATING REVENUES:			
Charges for Services	$ 675,650	$ 34,530	$ 710,180
Other Operating Revenues	80,073	325	80,398
TOTAL OPERATING REVENUES	755,723	34,855	790,578
OPERATING EXPENSES:			
Personal Services	234,055	-	234,055
Other Operating Expenses	322,612	28,308	350,920
Depreciation	207,381	-	207,381
TOTAL OPERATING EXPENSES	764,048	28,308	792,356
OPERATING INCOME (LOSS)	(8,325)	6,547	(1,778)
NONOPERATING REVENUES (EXPENSES):			
Interest Income	6,031	37	6,068
Increase in Fair Value of Investments	18,003	-	18,003
Interest Expense	(41,988)	-	(41,988)
Debt Issuance Costs	(2,371)	-	(2,371)
TOTAL NONOPERATING REVENUES (EXPENSES)	(20,325)	37	(20,288)
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	(28,650)	6,584	(22,066)
CONTRIBUTIONS	386,625	-	386,625
TRANSFERS IN	10,841	-	10,841
TRANSFERS OUT	(210,350)	(6,996)	(217,346)
CHANGE IN NET ASSETS	158,466	(412)	158,054
NET ASSETS, Beginning of Year	3,989,179	11,389	4,000,568
NET ASSETS, End of Year	$ 4,147,645	$ 10,977	$ 4,158,622

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

CITY OF FRUITLAND PARK, FLORIDA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2012

	ENTERPRISE FUNDS		
	UTILITY FUND	RECREATION PROGRAMS FUND	TOTAL
CASH FLOWS FROM OPERATING ACTIVITIES:			
Cash received from customers	$ 781,276	$ 34,855	$ 816,131
Cash payments to suppliers for goods and services	(311,899)	(29,042)	(340,941)
Cash payments to employees for services	(228,445)	-	(228,445)
NET CASH PROVIDED BY OPERATING ACTIVITIES	240,932	5,813	246,745
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:			
Repayments from General Fund	(96,222)	-	(96,222)
Transfers in from Capital Projects Fund	10,841	-	10,841
Transfers out to General Fund	(210,350)	(6,996)	(217,346)
NET CASH USED IN NONCAPITAL FINANCING ACTIVITIES	(295,731)	(6,996)	(302,727)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
Impact Fees received	21,730	-	21,730
SRF Loan principal repayments	(95,369)	-	(95,369)
SRF Loan interest paid	(42,299)	-	(42,299)
Acquisition and construction of capital assets	(14,615)	-	(14,615)
NET CASH USED IN CAPITAL AND RELATED FINANCING ACTIVITIES	(130,553)	-	(130,553)
CASH FLOWS FROM INVESTING ACTIVITIES:			
State Board Pool B investment	15,843	-	15,843
Interest received on investments	6,031	37	6,068
NET CASH PROVIDED BY INVESTING ACTIVITIES	21,874	37	21,911
NET DECREASE IN CASH	(163,478)	(1,146)	(164,624)
CASH, Beginning of Year	755,147	13,035	768,182
CASH, End of Year	$ 591,669	$ 11,889	$ 603,558

continued on next page

CITY OF FRUITLAND PARK, FLORIDA
STATEMENT OF CASH FLOWS (continued)
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2012

	ENTERPRISE FUNDS		
	UTILITY FUND	RECREATION PROGRAMS FUND	TOTAL
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES:			
Operating Income (Loss)	$ (8,325)	$ 6,547	$ (1,778)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:			
Depreciation and Amortization	242,011	-	242,011
Changes in Assets and Liabilities:			
Increase in Customer Receivables	12,273	-	12,273
Decrease in Inventory	123	-	123
Decrease in Accounts Payable	(24,040)	(734)	(24,774)
Increase in Accrued Payroll	3,426	-	3,426
Increase in Customer Deposits	13,280	-	13,280
Increase Compensated Absences	2,184	-	2,184
TOTAL ADJUSTMENTS	249,257	(734)	248,523
NET CASH PROVIDED BY OPERATING ACTIVITIES	$ 240,932	$ 5,813	$ 246,745
NONCASH CAPITAL ACTIVITIES:			
CDBG Grant Utility System Contributions	$ 358,950	$ -	$ 358,950

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

CITY OF FRUITLAND PARK, FLORIDA
STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
SEPTEMBER 30, 2012

	PENSION TRUST FUNDS
ASSETS	
Cash	$ 112,820
Certificates of Deposits	175,000
Investments with Trustees:	
Cash management funds	118,659
US Government securities	21,600
Corporate equity funds	105,281
Corporate bond funds	126,147
TOTAL ASSETS	659,507
LIABILITIES	
LIABILITIES	-
NET ASSETS	
Held in trust for City's Contributions	19,186
Held in trust for Firefighters' Contributions	10,673
Held in trust for Pension Benefits	629,648
TOTAL NET ASSETS	$ 659,507

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

CITY OF FRUITLAND PARK, FLORIDA
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2012

	PENSION TRUST FUNDS
ADDITIONS	
CONTRIBUTIONS:	
City	$ 36,789
Employees	10,593
State of Florida	18,695
Total Contributions	66,077
INVESTMENT INCOME:	
Net Appreciation in Fair Value of Investments	19,789
Interest/Dividend Income	7,699
Total Investment Income	27,488
Less Investment Expenses	-
Net Investment Income	27,488
TOTAL ADDITIONS	93,565
DEDUCTIONS	
Benefit Payments	23,323
Refund of Contributions	896
Administration Expense	410
TOTAL DEDUCTIONS	24,629
CHANGE IN NET ASSETS	68,936
NET ASSETS HELD IN TRUST FOR PENSION BENEFITS:	
Beginning of Year	590,571
End of Year	$ 659,507

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Fruitland Park, Florida 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 services. Except for a few customers, utility services are provided only within the incorporated boundaries of the City.

The financial statements of the City of Fruitland Park, Florida conform to generally accepted accounting principles (GAAP) as applicable to governmental entities. Effective October 1, 2003, the City implemented Government Accounting Standards Board (GASB) Statement No. 34, *Basic Financial Statements-and Management's Discussion and Analysis-for State and Local governments*.

Management uses estimates and assumptions in preparing these financial statements in conformity with generally accepted accounting principles. Those estimates and assumptions affect the reported amounts of assets and liabilities, and the reported revenues and expenditures or expenses. Actual results could vary from the estimates that were used.

Significant accounting policies are described below:

A. Reporting Entity

The City of Fruitland Park is a political subdivision of the State of Florida, governed by an elected board of 5 City commissioners. These financial statements present all the entities for which the City is considered financially accountable. The financial statements include the activities of the Fruitland Park Community Redevelopment Agency, a dependent special district, as a component unit blended into the primary government. A majority of the Redevelopment Agency's board members are City commissioners. Separate financial statements are not issued for the Redevelopment Agency. There are no other legally separate entities that could be included as component units of the City.

B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the nonfiduciary activities of the City. *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 segments are 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 and enterprises funds are reported as separate columns in the fund financial statements.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. 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 the 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. Unbilled utility service receivables are estimated and recorded at year end.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting.* Revenues are recognized when they become both measurable and available. *Measurable* means the amount of the transaction can be determined, and *available* means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The City considers revenues available if they are collected within 30 days of year end. Revenues that are susceptible to accrual in the governmental funds include property taxes, sales taxes, franchise fees, municipal utility taxes, and State and County shared revenues. All other revenue items are considered to be measurable and available only when cash is received by the City.

Expenditures are generally recorded when a related liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, are recorded only when payment is due.

The City reports the following governmental funds:

General Fund - The General Fund (a major fund) is the general operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund.

Community Redevelopment Fund - This special revenue fund (a major fund) reports activities within the City's community redevelopment project area. The fundamental revenues accounted for in this fund are incremental ad-valorem taxes appropriated for use on redevelopment projects.

Capital Projects Fund - This fund is used to account for financial resources segregated 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 proprietary funds:

Utility Fund - This enterprise fund (a major fund) is used to account for the activities of the City's water and sewer utility operations.

Recreation Programs Fund - This enterprise fund accounts for the receipt of recreation programs fees and related direct costs associated with each recreation program (except for activities of the City's municipal swimming pool) sponsored by the City.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

The City reports the following fiduciary funds:

Firemen's Retirement Trust Fund - This pension trust fund accounts for the accumulation of resources for pension benefit payments to qualified City volunteer firefighters.

ICMA Retirement Trust Fund - This pension trust fund accounts for the accumulation of resources for retirement benefit payments to qualified City employees.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board (GASB). Governments also have the *option* of following subsequent private -sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The City has elected not to follow subsequent private-sector guidance.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. An exception to this rule are charges between the City's water function and various other functions of 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. 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 *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in conjunction with a proprietary fund's principal ongoing operations. Principal operating revenues of the City's Utility Fund and Recreation Programs Fund are charges for providing water and sewer services, and recreation program user fees, respectively. Operating expenses include the cost of sales and service, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

D. Cash and Investments

Cash includes amounts in bank demand deposits as well as funds on deposit with the State Board of Administration Local Government Surplus Funds Trust Fund (Fund A) investment pool bearing interest at 0.32% as of September 30, 2012. The State Board of Administration pool is an external 2a7-like investment pool. The fair value of the City's deposits in the pool is the same as the value of the pool shares. Oversight of the State Board of Administration pool is provided by the Florida Auditor General.

Investments in the State Board of Administration Fund B Surplus Funds Trust Fund are accounted for as a fluctuating net asset value pool. At September 30, 2012, shares in the Fund B pool are stated net of a fair value factor of 0.9489691.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Pension trust fund investments are reported at fair value, determined by the last reported sales price for securities traded on a national exchange.

E. Inventory

Inventory held in the Utility Fund consists of water and sewer system supplies and is valued at cost (first-in, first-out). Governmental fund-type inventory (office supplies) is valued at cost (first-in, first-out), and recorded as expenditures when consumed rather than when purchased.

F. Capital Assets

Capital assets, which include property, plant and equipment, and infrastructure assets (roads, sidewalks, drainage systems, 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 as assets with an initial, individual cost of more than $500 and an estimated useful life of more than two years.

In the case of the initial capitalization of general infrastructure assets, the City chose to include such items beginning October 1, 2003, the year of implementation of GASB Statement No. 34. The City completed construction if its first infrastructure assets under this policy during 2008. As the City constructs or acquires additional capital assets, including infrastructure assets, they are capitalized and reported at historical cost. Donated capital assets are recorded at their estimated fair value on the date donated.

Interest incurred during construction of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

Depreciation is provided using the straight-line method over the estimated useful lives of the various classes of depreciable assets as follows:

Buildings	30 to 40 years
Improvements other than Buildings	10 to 20 years
Water & Sewer Systems	20 to 50 years
Equipment	5 to 10 years
Infrastructure	30 years

G. Amortization

The cost of the water consumptive use permit (CUP) agreed to in November 2010 with the St. Johns River Water Management District is amortized over its ten year term using the straight line method.

Costs incurred in obtaining the State Revolving Fund (SRF) loans are amortized straight line over the 18-year lives of the loans.

H. Compensated Absences

The City accrues accumulated unpaid vacation benefits when incurred in the government-wide and proprietary fund financial statements. Vacation benefits are generally not reported in the governmental fund financial statements, as these liabilities would not normally be liquidated with expendable available financial resources. A liability for vacation benefits is reported in governmental funds only if they have matured, for example, as a result of

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

employee resignations and retirements. Personnel policies allow employees to accumulate a maximum of 20 days vacation leave. Upon termination, employees are paid for their unused vacation leave. Compensated absences for governmental activities are generally liquidated by the General Fund.

I. 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 assets.

J. Fund Equity

The following fund balance classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

Nonspendable fund balance - amounts that are not in spendable form, such as prepaid items.

Restricted fund balance - amounts constrained to specific purposes by their providers (such as grantors or higher levels of government), through constitutional provisions, or by enabling legislation.

Committed fund balance - amounts constrained to specific purposes by the City itself, using its highest level of decision-making authority; to be reported as committed, amounts cannot be used for any other purpose unless the City takes the same highest level action to remove or change the restraint.

Assigned fund balance - amounts the City intends to use for a specific purpose; intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority. As of September 30, 2012, the City Commission is the only body that may assign fund balance through a majority vote.

Unassigned fund balance - amounts that are available for any purpose.

The City Commission establishes (and modifies or rescinds) fund balance commitments by passage of an ordinance. Assigned fund balance is established by the City Commission by passage of a resolution.

It is the City's general policy to use restricted fund balance before using any components of unrestricted fund balance. However, City management may determine on a case by case basis whether restricted funds will be used for expenditure when there is choice to use restricted or unrestricted fund balance. The City Commission, through establishment of the budget, considers committed amounts to be used for an expenditure when there is a choice to use committed or unassigned fund balance.

K. Transfers

Transfers are made from the enterprise funds to the General Fund for administrative costs. Transfers are made from the Community Redevelopment Fund to the General Fund for administrative costs. Transfers are made from the Capital Projects Fund to other funds in order to use infrastructure surtax revenues on qualified "infrastructure" expenditures.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

L. Comparative data/reclassifications

Comparative individual fund financial statements are presented as supplementary information. Certain amounts presented in the prior year data have been reclassified in order to be consistent with the current year's presentation.

NOTE 2 BUDGETING

The following procedures are used in establishing budgetary data reflected in the financial statements:

1) The budgets for the governmental fund types are adopted on a basis consistent with generally accepted accounting principles. All appropriations lapse at year end.

2) Prior to September 30, the City Manager submits a proposed operating budget for the upcoming fiscal year. The budget includes proposed expenditures and the means of financing them.

3) 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.

4) Appropriations are authorized by resolution at the major department level. These are the legal levels of budgetary control. Administrative control is maintained through the establishment of more detailed line-item budgets.

5) 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.

6) 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.

7) 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.

NOTE 3 CASH AND INVESTMENTS

Cash Deposits

At September 30, 2012, the carrying amount of the City's cash deposits, including cash on deposit with the State Board of Administration Fund A pool, was $1,942,555, and were entirely insured by Federal depository insurance or by a State collateral insurance pool held by the Treasurer, State of Florida, in the Public Deposit Security Trust Fund.

NOTE 3 CASH AND INVESTMENTS (continued)

Investments

Florida Statutes authorize the City to invest without limitation in bonds, notes, or other obligations of the United States. Additionally, investments of the ICMA Retirement Trust Fund may be held in stocks and bonds issued by a corporation if the corporation meets certain rating and profitability criteria. All of the City's investments are insured, or are securities held by the City or its agent in the City's name. At September 30, 2012 the City's investments at fair value are:

Certificates of Deposit	$ 980,410
State Board Fund B Pool	69,892
US Government Securities (GNMA)	21,600
Mutual Funds	350,087
	$ 1,421,989

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 obligations, and mutual funds. The City's mutual bond fund investments are not rated. The State Board of Administration investment pool is not rated by any nationally recognized statistical rating agency.

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 Fund B Pool has a weighted average life of 4.08 years. The City's investment policy does not specifically address interest rate risk.

Custodial credit risk - certificates of deposit. Custodial credit risk is the risk that in the event of a bank failure, the City's certificates of deposit may not be returned to it. The City's investment policy limits the investments in certificates of deposit to be made only with state-certified qualified public depositories. As of September 30, 2012, all of the City's certificates of deposit were with BB&T Bank, Citizens First Bank, and CenterState Bank, which are included on the listing of state-certified qualified public depositories.

NOTE 4 ACCOUNTS RECEIVABLE

Accounts receivable at September 30, 2012 are as follows:

	General Fund	Utility Fund
Customer Accounts Receivable	$ 47,887	$ 89,399
Franchise and Utility Taxes	61,685	-
Other Receivables	23,745	29,874
Less Allowance for Uncollectibles	-	(5,279)
Net Receivables	$ 133,317	$ 113,994

NOTE 5 CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2012:

	October 1, 2011	Additions	Transfers/ Deletions	Sept 30, 2012
GOVERNMENTAL ACTIVITIES				
Capital assets not being depreciated:				
Land	$ 943,094	$ -	$ -	$ 943,094
Construction in progress	93,275	-	-	93,275
	1,036,369	-	-	1,036,369
Capital assets being depreciated:				
Buildings	2,590,160	-	-	2,590,160
Improvements	753,388	3,559	(3,028)	753,919
Equipment	1,514,326	97,036	(2,542)	1,608,820
Infrastructure	674,676	6,550	-	681,226
	5,532,550	107,145	(5,570)	5,634,125
Less accumulated depreciation for:				
Buildings	(736,554)	(61,538)	-	(798,092)
Improvements	(531,170)	(39,691)	3,028	(567,833)
Equipment	(1,224,497)	(117,879)	2,542	(1,339,834)
Infrastructure	(63,882)	(22,056)	-	(85,938)
Total accumulated depreciation	(2,556,103)	(241,164)	5,570	(2,791,697)
Total capital assets being depreciated, net	2,976,447	(134,019)	-	2,842,428
GOVERNMENTAL ACTIVITIES CAPITAL ASSETS, NET	$ 4,012,816	$ (134,019)	$ -	$ 3,878,797

NOTE 5 CAPITAL ASSETS (continued)

	October 1, 2011	Additions	Transfers/ Deletions	Sept 30, 2012
BUSINESS-TYPE ACTIVITIES				
Capital assets not being depreciated:				
Land	$ 339,699	$ -	$ -	$ 339,699
Capital assets being depreciated:				
Buildings	243,408	-	-	243,408
Water System	3,199,076	47,439	-	3,246,515
Sewer System	2,424,132	311,511	-	2,735,643
Equipment	415,211	14,615	-	429,826
	6,281,827	373,565	-	6,655,392
Less accumulated depreciation for:				
Buildings	(138,706)	(6,211)	-	(144,917)
Water System	(1,284,884)	(80,456)	-	(1,365,340)
Sewer System	(349,592)	(82,705)	-	(432,297)
Equipment	(273,695)	(38,009)	-	(311,704)
Total accumulated depreciation	(2,046,877)	(207,381)	-	(2,254,258)
Total assets being depreciated, net	4,234,950	166,184	-	4,401,134
BUSINESS-TYPE ACTIVITIES CAPITAL ASSETS, NET	$ 4,574,649	$ 166,184	$ -	$ 4,740,833

Depreciation expense was charged to functions/programs of the City as follows:

GOVERNMENTAL ACTIVITIES:	
General Government	$ 48,522
Public Safety	100,133
Transportation	24,922
Culture and Recreation	67,587
Total Depreciation Expense-Governmental Activities	$ 241,164
BUSINESS-TYPE ACTIVITIES:	
Water	$ 109,330
Sewer	98,051
Total Depreciation Expense-Business-type Activities	$ 207,381

NOTE 6 LONG-TERM DEBT

Infrastructure Sales Surtax Note

On February 28, 2003, the City issued a $1,000,000 note payable to SunTrust Bank for the purpose of funding the construction of a new City Hall complex. The note is secured by a pledge of and lien on the City's "infrastructure sales surtax revenue." The note is repayable in annual installments of $121,676 including interest at 3.73% beginning March 1, 2004. Interest paid during the year ended September 30, 2012 totaled $8,604. The schedule of remaining debt service payments for the note is as follows:

Date	Principal	Interest	Payment
03/01/13	117,300	4,375	121,675

The note may be redeemed prior to its maturity at 100% of the principal balance outstanding, plus accrued interest, plus a redemption premium based upon a formula using the "yield-to-maturity" interest rate of U.S. Treasury Notes or Bonds as reported in the Wall Street Journal.

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. The gross revenues of the City's water system, net of operating expenses except depreciation, are pledged for repayment of the loan. 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. For the year ended September 30, 2012, interest totaling $5,884 was paid on the loan.

Semi-annual loan payments of $8,165 are due each February 15 and August 15 through February 15, 2026. At September 30, 2012, the repayment schedule is as follows:

Date	Principal	Interest	Payment
2/15/2013	$ 5,347	$ 2,818	$ 8,165
8/15/2013	5,432	2,733	8,165
2/15/2014	5,518	2,647	8,165
8/15/2014	5,605	2,560	8,165
2/15/2015	5,694	2,471	8,165
8/15/2015	5,783	2,382	8,165
2/15/2016	5,875	2,290	8,165
8/15/2016	5,967	2,198	8,165
2/15/2007	6,062	2,103	8,165
8/15/2007	6,157	2,008	8,165
Thereafter	120,896	17,909	138,805
	$ 178,336	$ 42,119	$ 220,455

NOTE 6 LONG-TERM DEBT (continued)

On March 29, 2005, the City entered into a second loan agreement with the State of Florida Department of Environmental Protection 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. The gross revenues of the City's water and sewer systems, including related connection fees, net of operating expenses except depreciation and amortization, are pledged for repayment of the loan. Maximum borrowing under this agreement is $2,393,745. All loan disbursements have been received. The total amount borrowed was $1,937,529.

Interest accrues on the outstanding balance at a rate of 2.52% per year. No interest was capitalized during the year. For the year ended September 30, 2012, interest totaling $36,415 was paid on the loan.

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. The current repayment schedule is as follows:

Date	Principal	Interest	Payment
2/15/2013	$ 43,266	$ 17,404	$ 60,670
8/15/2013	43,811	16,858	60,669
2/15/2014	44,363	16,306	60,669
8/15/2014	44,922	15,747	60,669
2/15/2015	45,488	15,181	60,669
8/15/2015	46,061	14,608	60,669
2/15/2016	46,642	14,028	60,670
8/15/2016	47,229	13,440	60,669
2/15/2017	47,824	12,845	60,669
8/15/2017	48,427	12,242	60,669
Thereafter	923,193	108,184	1,031,377
	$ 1,381,226	$ 256,843	$ 1,638,069

Covenants of the SRF loans require creation of separate accounts. A "loan debt service account" accumulates the upcoming semi-annual payment. The City has fully funded this account for both loans, totaling $68,834 at September 30, 2012.

Capital Leases

On October 26, 2005, the City recorded the purchase of a 2004 Pierce fire truck under a lease agreement. The lease agreement qualifies as a capital lease for accounting purposes and, therefore, has been recorded at the present value of the future minimum lease payments of $192,641. The lease agreement was paid in full as of September 30, 2012.

On October 8, 2007, the City purchased 7 Eagle eye digital in-car video systems for the police department under a lease agreement. The agreement qualifies as a capital lease for accounting purposes, and therefore, has been recorded at the present value of the future minimum lease payments of $21,170. The lease agreement was paid in full as of September 30, 2012.

NOTE 6 LONG-TERM DEBT (continued)

Changes in Long-term Liabilities

	Balances 10/01/11	Additions	Repayments	Balances 09/30/12	Due in one year
GOVERNMENTAL ACTIVITIES:					
SunTrust Note	$ 230,383	$ -	$ (113,083)	$ 117,300	$ 117,300
Fire Truck Lease	30,385	-	(30,385)	-	-
Video System Lease	4,546	-	(4,546)	-	-
Vacation Leave	64,276	43,129	(41,936)	65,469	55,006
GOVERNMENTAL ACTIVITY LONG-TERM LIABILITIES	$ 329,590	$ 43,129	$ (189,950)	$ 182,769	$ 172,306
BUSINESS-TYPE ACTIVITIES					
SRF Loan-preconstruct	$ 188,782	$ -	$ (10,446)	$ 178,336	$ 10,779
SRF Loan-construction	1,466,149	-	(84,923)	1,381,226	87,077
Vacation Leave	7,074	3,993	(1,809)	9,258	7,406
BUSINESS-TYPE ACTIVITY LONG-TERM LIABILITIES	$ 1,662,005	$ 3,993	$ (97,178)	$ 1,568,820	$ 105,262

NOTE 7 LEASE COMMITMENTS

The City leases police cars under noncancelable operating leases. Total costs for such leases were $40,487 for the year ended September 30, 2012. The future minimum lease payments for operating leases are as follows:

Year Ending	Amount
September 30, 2013	$ 14,387

NOTE 8 FUND BALANCES

The following details the various constraints placed on fund balances in the governmental funds:

General Fund	
Nonspendable for Prepaid Items	$ 24,325
Restricted for Police Education	$ 39,545
Restricted for Police Equipment and Automation	21,852
Restricted for Safety Capital Improvements	185,100
	$ 246,497
Committed to Cemetery Care	$ 122,232
Committed to Stormwater Utility	112,695
	$ 234,927
Unassigned	$ 896,002
Community Redevelopment Fund	
Restricted for Redevelopment Projects	$ 319,799
Capital Projects Fund	
Restricted for Infrastructure	$ 501,653

Fund balances reserved for infrastructure represent unspent discretionary sales surtax amounts that are required by Florida Statute to be spent on *infrastructure*. Infrastructure is defined as public facilities with a useful life of at least five years, as well as certain emergency vehicles. The statute permits these funds to be spent on debt related to the construction or acquisition of infrastructure.

NOTE 9 RETIREMENT COMMITMENTS

A. The Municipal Firemen's Retirement Plan

The Municipal Firemen's Retirement Plan was established to conform to provisions of the Florida Statutes for all sworn firefighters. The Plan is a single-employers, defined benefit pension plan, and is administered by the City. There is no separately issued report on the Plan.

Firefighters attaining the age of 55 who have completed 10 or more creditable years of service or attaining the age of 52 who have completed 25 years of creditable service are entitled to annual benefits of 3.0 percent of their average final compensation times years of credited service. The Plan permits early retirement at the completion of 10 years of continuous service and attaining the age of 50 years. Active firefighters who retire disabled receive not less than 42 percent of their average monthly earnings at the time of disability.

NOTE 9 RETIREMENT COMMITMENTS (continued)

Disability benefits are paid for ten years certain or life or recovery from disability. If a firefighter dies prior to retirement but has at least 10 years of contributing service, his or her beneficiary is entitled to the benefits payable to the firefighter at early or normal retirement age.

As of September 30, 2012, there were no retirees currently receiving benefits, and 5 terminated firefighters were entitled to benefits but not yet receiving them. Out of the 22 active volunteer firefighters, 4 have vested retirement benefits. Benefits and refunds are recognized when due and payable in accordance with the terms of the Plan.

Effective January 1, 1995, each firefighter is required by local ordinance to contribute five percent of his/her compensation to the Plan. The City also contributes five percent of each plan member's compensation to the Plan. Additionally, the Plan is funded by a 1% State excise tax on all fire insurance premiums collected from policyholders insuring property within the City limits. For the year ended September 30, 2012, the City collected $18,695 in fire insurance premium taxes, which are reported as tax revenue in the General Fund. The City is required by State statute to contribute these taxes to the plan within 5 days of receipt. The corresponding contribution to the pension fund is reported as a fire department expenditure in the General Fund.

The total required contribution to the Plan for the year ended September 30, 2012 was zero. Employee and City contributions for the year ended September 30, 2012 were each $1,762.

The City's contribution requirements are not actuarially determined, and the actuarial implication of the City's funding policy has also not been determined. There were no changes during the year ended September 30, 2012 in the method used to calculate or establish contribution requirements. Most administrative costs of the Plan are absorbed by the General Fund.

Actuarial valuations for the Plan are provided and paid for by the State of Florida Division of Retirement on a triennial basis. City management and the pension board of trustees do not believe the cost, which would have to be paid by the pension fund, of obtaining more frequent actuarial valuations or updates, is worth the benefit provided by current funding status information for this small pension fund. Information as of the latest (10/1/10) actuarial valuation follows:

Funded status of the plan:

Actuarial accrued liability		$ 139,529
Actuarial value of plan assets		366,544
Unfunded actuarial accrued liability		(227,015)
Funded ratio	263%	
Covered payroll		35,926
UAAL as a percent of covered payroll	-632%	

The Plan uses the "aggregate actuarial cost method" for determining the actuarial value of assets. This method does not identify or separately amortize unfunded actuarial liabilities. Therefore, information about funded status and funding progress is presented using the "entry age actuarial cost method", which is intended to serve as a surrogate for the funded status and funding progress of the Plan.

NOTE 9 RETIREMENT COMMITMENTS (continued)

Additional related information:

Valuation date:	10/1/2010	Actuarial Assumptions:	
Actuarial cost method:	Aggregate	Investment rate of return	4.0%
Amortization method:	N/A	Projected salary increases*	4.5%
Remaining amortization period:	N/A	Cost-of-living adjustments	None
Asset valuation method:	Market Value	*Includes inflation at 3.0%	

Three-Year Trend Information:

Year Ending	Annual Pension Cost	Percentage of Annual Pension Cost Contributed	Net Pension Obligation
9/30/10	$377	457%	$(11,707)
9/30/09	324	539%	(10,361)
9/30/08	283	504%	(8,938)

Development of Net Pension Obligation (NPO):

This municipal defined benefit plan has been subject to the minimum funding standards since the adoption of the "Florida Protection of Public Employee Retirement Benefits Act" (Part VII of Chapter 112, Florida Statutes) in 1980. Accordingly, the city has funded the actuarially determined required contributions for all years from October 1, 1987 through the transition date; October 1, 1997 is zero.

The development of the NPO through September 30, 2010 (which is the latest actuarial information available) is as follows:

	9/30/08	9/30/09	9/30/10
Actuarially determined contribution	$ -	$ -	$ -
Interest on NPO	(312)	(358)	(414)
Adjustment to actuarially determined contribution	595	682	791
Annual Pension Cost	283	324	377
Contributions made	1,425	1,747	1,723
Increase in NPO	(1,142)	(1,423)	(1,346)
NPO, beginning of year	(7,796)	(8,938)	(10,361)
NPO, end of year	$ (8,938)	$ (10,361)	$ (11,707)

Although the NPO calculation for September 30, 2012 is not available, management believes it will not be materially different from the September 30, 2010 balance.

NOTE 9 RETIREMENT COMMITMENTS (continued)

B. 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 are eligible to participate in this pension plan once they have completed a 90-day period of service. An employee does not become vested in any pension benefits until the completion of five years of service, at which time the employee becomes 100% vested. At September 30, 2012 there were 23 members in the plan, 10 of which had vested benefits.

Contributions into 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. During the year ended September 30, 2012, the City contributed $35,027 into the plan.

Participant's separating from service with the City before the five year vesting period of service is complete forfeit their entire account balance in the plan. The City may use forfeited amounts to reduce the City's required payment of contributions for current plan participants. During the year ended September 30, 2012, the City did not use any forfeited amounts for payment of contributions for current plan participants, but has $11,153 in forfeited amounts included in plan assets that could be used toward future contributions. Distributions of the account balances of vested participants that separate from service are subject to the Internal Revenue Code rules for distributions from qualified plans.

C. Financial Statements for Individual Pension Funds

STATEMENT OF FIDUCIARY NET ASSETS
AS OF SEPTEMBER 30, 2012

	Firemen's Retirement Trust Fund	ICMA Retirement Trust Fund	Total
ASSETS			
Cash	$ 111,411	$ 1,409	$ 112,820
Certificates of Deposit	175,000	-	175,000
Investments with Trustees	140,279	231,408	371,687
TOTAL ASSETS	426,690	232,817	659,507
LIABILITIES	-	-	-
NET ASSETS			
Held in trust for Pension Benefits	$ 426,690	$ 232,817	$ 659,507

NOTE 9 RETIREMENT COMMITMENTS (continued)

STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FOR THE YEAR ENDED SEPTEMBER 30, 2012

	Firemen's Retirement Trust Fund	ICMA Retirement Trust Fund	Total
ADDITIONS			
Contributions:			
City	$ 1,762	$ 35,027	$ 36,789
Employees	1,762	8,831	10,593
State of Florida	18,695	-	18,695
Total Contributions	22,219	43,858	66,077
Investment Income:			
Net Appreciation in Fair Value of Investments	2,551	17,238	19,789
Interest/Dividend Income	7,699	-	7,699
Net Investment Income	10,250	17,238	27,488
TOTAL ADDITIONS	32,469	61,096	93,565
DEDUCTIONS			
Benefit Payments	-	23,323	23,323
Refund of Contributions	896	-	896
Administration Expense	410	-	410
TOTAL DEDUCTIONS	1,306	23,323	24,629
NET INCREASE	31,163	37,773	68,936
NET ASSETS			
Beginning of Year	395,527	195,044	590,571
End of Year	$ 426,690	$ 232,817	$ 659,507

NOTE 10 ICMA 457 DEFERRED COMPENSATION PLAN

Effective May 18, 1990, the City participates in and offers to its employees a multiple-employer retirement system which is administered by the ICMA Retirement Corporation. This deferred compensation plan was created in accordance with Internal Revenue Code Section 457. The plan permits the City's employees to defer a portion of their salary until future years.

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. At September 30, 2012 there were 23 participants in the plan.

The City does not make any contributions to this plan for participants who entered the plan after January 1, 1997. For those employees 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.

Participants have a choice of designating among various investment types for their contributions. Investments are managed by the ICMA Retirement Corporation. Contributions are made through voluntary payroll deductions. Upon retirement or termination of employment with the City, participants must decide within sixty days of that date as to the disposition of their account balance as follows:

1) Take a lump-sum distribution
2) Leave their funds in the plan until mandatory retirement age
3) Select a series of payments

On January 1, 1997, the plan document was amended to conform to Internal Revenue Code changes pertaining to Section 457 deferred compensation plans contained in the 1996 Small Business Tax/Minimum Wage Bill (H.R. 3448). Prior to these changes, assets held in the plan were solely the property of the City (until paid or made available to the employee or other beneficiary), and were subject to the claims of the City's general creditors. Accordingly, the City previously reported the plan in an agency fund. The plan amendment established a trust to hold the assets of the plan for the exclusive benefit of plan participants and their beneficiaries. Plan assets at September 30, 2012, which totaled $811,409 are therefore no longer subject to the claims of the City's general creditors. Since the City does not have fiduciary accountability for the Section 457 plan, the fund is not reported in the City's financial statements.

NOTE 11 INSURANCE COVERAGE

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. The City manages its various risks of loss by the purchase of commercial insurance coverages primarily through Preferred Government Insurance. During the year ended September 30, 2012 there were no significant reductions in coverages from the prior year.

Insurance claim settlements have not exceeded coverages on any policies during the past three fiscal years.

NOTE 12 BUDGETARY BASIS OF ACCOUNTING

The City Commission adopts budget resolutions for all governmental and proprietary funds. The budget for the Utility Fund was adopted on an accounting basis other than in accordance with generally accepted accounting principles. Adjustments necessary to convert the results of operations for the year ended September 30, 2012 from the GAAP basis to the budget basis are as follows:

Change in net assets, GAAP Basis	$ 158,466
Decrease due to change in fair value of assets	(18,003)
Decrease due to CDBG Grant System Contribution	(358,950)
Decrease due to debt principal payments	(95,369)
Decrease due to accrued interest	(311)
Increase due to depreciation expense	207,381
Increase due to debt issuance costs	2,371
Decrease due to equipment purchases	(14,615)
Deficiency of Revenues under Expenses, Budget Basis	$ (119,030)

NOTE 13 PROPERTY TAXES

Under Florida law, the assessment of all properties and the collection of all county, municipal, and school board property taxes are consolidated in the offices of the Lake County Property Appraiser and Lake County Tax Collector. The laws of the State regulating tax assessment are also designed to assure a consistent property valuation method state wide. State statutes permit municipalities to levy property taxes at a rate of up to 10 mills. The millage rate assessed by the City for taxes collected during the fiscal year ended September 30, 2012 was 4.360. The millage rate assessed by the City on taxable property to be levied on November 1, 2012 was 4.3284.

All property is assessed according to its fair market value on January 1 of each year. Each assessment roll is submitted to the Executive Director of the State Department of Revenue for review to determine if the rolls meet all of the appropriate requirements of State statutes.

The current year taxes for the fiscal year, beginning October 1, are billed in the month of November and are due no later than March 31. On April 1, all unpaid amounts become delinquent and are subject to interest and penalties. Discounts are allowed for early payment as follows:

November	4%	January	2%
December	3%	February	1%

Delinquent taxes on real property bear interest of 18% per year. On or prior to June 1 of the following tax year, certificates are sold for all delinquent taxes on real property. After sale, tax certificates bear interest of 18% per year or at any lower rate bid by the buyer. Application for a tax deed on any unredeemed tax certificates may be made by the certificate holder after a period of two years.

NOTE 13 PROPERTY TAXES (continued)

Delinquent taxes on personal property bear interest of 18% per year until the tax is satisfied either by seizure and sale of the property, or by the five year statute of limitations.

The City's tax calendar is as follows:

Valuation Date:	January 1
Levy Date:	November 1
Due Date:	March 31, Succeeding Year
Lien Date:	April 1, Succeeding Year

NOTE 14 OTHER POSTEMPLOYMENT BENEFITS

The City does not provide its employees any postemployment benefits other than pensions. Florida Statutes require local governments which provide group insurance to its employees the option of continuing to participate in the group plan following retirement. The City does not contribute to the premium cost for retired employees, so the entire cost must be paid by the retiree. At September 30, 2012, the City had no retirees continuing to participate in its group insurance plan and has never had a retiree request to continue on the group plan. Management does not anticipate a significant number of future retirees to request continued coverage. Therefore, no material other postemployment benefits liability is recognized or recorded.

NOTE 15 COMMITMENTS AND CONTINGENCIES

FDOT Loan Contingency

On May 2, 2011, the City signed a promissory note with the Florida Department of Transportation in the amount of $913,496 for the cost of relocating the City's underground utility lines (water and sewer) located in the Highway 27/441 right-of-way. Terms of the note are 30 annual payments of $30,450 commencing on October 15, 2013. The note amount was an estimate, and the parties agreed to execute a new promissory note for the actual costs when the utility relocation is completed. City management believes the actual cost will be under $700,000.

NOTE 16 SUBSEQEUNT EVENTS

City management has evaluated events occurring subsequent to the financial statement date through April 26, 2013.

The City settled a lawsuit with the City's former engineer concerning design deficiencies in the City's wastewater collection and treatment system. On February 19, 2013 the City received $219,235, and on April 10, 2013 received $4,885 for a total of $224,120 as final settlement.

The City is a defendant in lawsuits that were filed after September 30, 2012. These lawsuits are still in their preliminary stages. City management is uncertain as to what amounts the City may be liable upon their resolution.

CITY OF FRUITLAND PARK, FLORIDA
FIREMEN'S RETIREMENT TRUST FUND
REQUIRED SUPPLEMENTARY INFORMATION
SEPTEMBER 30, 2012

SCHEDULE OF FUNDING PROGRESS

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a) / c)
10/1/2010	$ 366,544	$ 139,529	$ (227,015)	263%	$ 35,926	-632%
10/1/2007	277,943	107,341	(170,602)	259%	27,321	-624%

The plan used the "aggregate actuarial cost method" for determining the actuarial value of assets. This method does not identify or separately amortize unfunded actuarial liabilities. Beginning with the 10/01/07 actuarial valuation report, GASB Statement 50 requires that plans using the aggregate actuarial cost method disclose the funded ratio the plan would have if it were utilizing the entry age normal cost method.

SCHEDULE OF CONTRIBUTIONS FROM EMPLOYER AND OTHERS

Year Ended Sept. 30	Annual Required Contribution	City (Employer) Contribution	State Contribution	Percentage Contributed
2012	$ -	$ 1,762	$ 18,695	100%
2011	-	1,638	22,109	100%
2010	-	1,723	19,523	100%
2009	-	1,747	24,178	100%
2008	-	1,425	22,651	100%
2007	-	1,365	18,972	100%

The information presented in the above required supplementary schedules was determined as part of the actuarial valuation date 10/01/2010, which is the latest actuarial valuation available.

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FINANCIAL STATEMENTS OF INDIVIDUAL FUNDS.

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GENERAL FUND

To account for resources traditionally associated with governments which are not required legally or by sound financial management to be accounted for in another fund.

CITY OF FRUITLAND PARK, FLORIDA
GENERAL FUND
COMPARATIVE BALANCE SHEETS
SEPTEMBER 30, 2012 AND 2011

	2012	2011
ASSETS		
Cash	$ 737,508	$ 612,861
Certificates of Deposit	405,410	404,405
Accounts Receivable:		
Franchise/Utility Taxes	61,685	64,921
Garbage/Stormwater Customers	47,887	44,274
Public Safety Service Fees	11,858	9,702
Cemetery Lots	882	2,982
Miscellaneous	11,005	25,096
Due from Redevelopment Fund	-	88,418
Due from Utility Fund	258,040	354,262
Due from other Governments:		
State of Florida	38,767	32,355
Lake County	8,097	13,874
Prepaid Items	24,325	25,345
TOTAL ASSETS	$ 1,605,464	$ 1,678,495
LIABILITIES AND FUND BALANCE		
LIABILITIES:		
Accounts Payable	$ 76,227	$ 108,285
Accrued Payroll and Related Liabilities	28,676	30,737
Deferred Revenue Lake County	2,555	2,526
Deferred Building & Zoning Revenue	9,621	9,621
Unearned Revenues	86,634	81,362
TOTAL LIABILITIES	203,713	232,531
FUND BALANCE:		
Nonspendable:		
For Prepaid Items	24,325	25,345
Restricted:		
For Police Education	39,545	42,533
For Police Equipment and Automation	21,852	63,056
For Public Safety Capital Improvements	185,100	261,041
Committed:		
To Cemetery Care	122,232	120,692
To Stormwater Utility	112,695	81,447
Unassigned	896,002	851,850
TOTAL FUND BALANCE	1,401,751	1,445,964
TOTAL LIABILITIES AND FUND BALANCE	$ 1,605,464	$ 1,678,495

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

CITY OF FRUITLAND PARK, FLORIDA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2012
With comparative actual amounts for the year ended September 30, 2011

	2012			
	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET	2011 ACTUAL
REVENUES:				
Taxes	$ 1,736,972	$ 1,713,250	$ (23,722)	$ 1,817,086
Licenses and Permits	22,295	31,890	9,595	22,681
Intergovernmental	418,115	424,944	6,829	416,171
Charges for Services	748,814	738,772	(10,042)	680,152
Fines and Forfeitures	116,601	81,118	(35,483)	109,903
Miscellaneous	52,184	40,474	(11,710)	70,667
TOTAL REVENUES	3,094,981	3,030,448	(64,533)	3,116,660
EXPENDITURES:				
Current:				
General Government	908,308	858,790	49,518	881,004
Public Safety	1,528,703	1,438,560	90,143	1,317,661
Transportation	258,433	233,985	24,448	288,578
Sanitation/Other Utility	458,190	421,815	36,375	429,297
Culture and Recreation	441,383	421,862	19,521	456,868
Debt Service	36,516	36,515	1	36,515
TOTAL EXPENDITURES	3,631,533	3,411,527	220,006	3,409,923
DEFICIENCY OF REVENUES UNDER EXPENDITURES	(536,552)	(381,079)	155,473	(293,263)
OTHER FINANCING SOURCES (USES):				
Transfers in from Community Redevelopment Fund	77,183	74,183	(3,000)	58,183
Transfers in from Capital Projects Fund	51,413	45,337	(6,076)	80,169
Transfers in from Utility Fund	210,350	210,350	-	216,054
Transfers in from Recreation Programs Fund	6,996	6,996	-	5,000
Sale of Capital Assets	-	-	-	5,964
TOTAL OTHER FINANCING SOURCES (USES)	345,942	336,866	(9,076)	365,370
NET CHANGE IN FUND BALANCES	(190,610)	(44,213)	146,397	72,107
FUND BALANCE, Beginning of Year	1,445,964	1,445,964	-	1,373,857
FUND BALANCE, End of Year	$ 1,255,354	$ 1,401,751	$ 146,397	$ 1,445,964

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

CITY OF FRUITLAND PARK, FLORIDA
GENERAL FUND
SCHEDULE OF REVENUES COMPARED TO BUDGET
FOR THE YEAR ENDED SEPTEMBER 30, 2012
With comparative actual amounts for the year ended September 30, 2011

	2012			
	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET	2011 ACTUAL
TAXES				
Ad-Valorem Taxes	$ 706,100	$ 698,287	$ (7,813)	$ 780,427
Local Option Gas Tax	84,678	76,845	(7,833)	78,213
Fire Insurance Premium Tax	18,000	18,695	695	22,109
Franchise Fees:				
Electric	305,000	284,303	(20,697)	320,396
Gas	22,000	16,476	(5,524)	22,342
Solid Waste	46,500	46,159	(341)	46,553
Utility Taxes:				
Electric	300,500	282,571	(17,929)	300,729
Water	46,000	53,025	7,025	47,455
Gas	26,670	16,941	(9,729)	21,447
Propane	5,900	8,848	2,948	6,565
Communications Services Tax	156,224	190,690	34,466	153,352
City Business Tax	19,400	20,410	1,010	17,498
TOTAL TAXES	1,736,972	1,713,250	(23,722)	1,817,086
LICENSES AND PERMITS:				
Building Permits	22,000	31,670	9,670	22,641
Burn/Clearing Permits	175	20	(155)	40
Cemetery Permits	120	140	20	120
Other Permits	-	60	60	(120)
TOTAL LICENSES AND PERMITS	22,295	31,890	9,595	22,681
INTERGOVERNMENTAL REVENUE:				
Federal Law Enforcement Grants	5,000	4,881	(119)	8,174
County Recycling/Education Grant	500	314	(186)	991
State Revenue Sharing	100,297	106,850	6,553	94,102
Mobile Home Licenses	10,900	11,554	654	11,103
Alcoholic Beverage Licenses	1,350	1,633	283	1,363
Local Government 1/2 Cent Sales Tax	190,124	185,145	(4,979)	181,183
FDOT Traffic Signal Maintenance	1,250	1,351	101	1,311
County Library Agreement	76,694	76,694	-	82,706
County Business Tax	2,000	4,262	2,262	4,213
County Gas Tax	30,000	32,260	2,260	31,025
TOTAL INTERGOVERNMENTAL REVENUE	418,115	424,944	6,829	416,171

CITY OF FRUITLAND PARK, FLORIDA
GENERAL FUND
SCHEDULE OF REVENUES COMPARED TO BUDGET (continued)
FOR THE YEAR ENDED SEPTEMBER 30, 2012
With comparative actual amounts for the year ended September 30, 2011

	2012			
	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET	2011 ACTUAL
CHARGES FOR SERVICES:				
Zoning Fees	$ -	$ 4,465	$ 4,465	$ -
Annexation Fees	200	-	(200)	-
Land Development Procedure	-	350	350	-
Site Plan and Review Fees	2,500	7,078	4,578	4,820
Certification and Copying	2,700	1,987	(713)	2,386
Law Enforcement Service Fee	86,424	85,680	(744)	86,254
Fire Service and Inspection Fees	93,930	91,527	(2,403)	68,941
Other Transportation Revenue	14,275	2,335	(11,940)	-
Garbage Fees	418,715	409,430	(9,285)	413,089
Garbage Billing Admin Fees	51,930	51,525	(405)	51,800
Impact Fee Collection Fees	1,000	200	(800)	200
Stormwater Fees	43,200	43,255	55	21,531
Library Fees	250	100	(150)	100
Pool Admissions and Fees	12,750	13,885	1,135	12,779
Repairs/Maint Vacant Property	7,000	11,000	4,000	3,250
Special Event Fees (FP Day)	3,940	6,143	2,203	5,294
Casino Fees	10,000	9,812	(188)	9,708
TOTAL CHARGES FOR SERVICES	748,814	738,772	(10,042)	680,152
FINES AND FORFEITURES:				
Court Fines	62,700	44,359	(18,341)	70,892
Police Education	9,550	3,719	(5,831)	5,987
Law Enforcement Automation	-	-	-	23,176
Library Fines	4,600	3,239	(1,361)	4,171
Parking Violation Fines	4,000	606	(3,394)	1,882
Forfeitures	35,751	29,195	(6,556)	3,795
TOTAL FINES AND FORFEITURES	116,601	81,118	(35,483)	109,903
MISCELLANEOUS REVENUES:				
Interest Earnings	11,154	3,200	(7,954)	13,283
Cemetery Lot Sales	4,200	2,400	(1,800)	5,800
Police Impact Fees	5,000	7,230	2,230	829
Fire Impact Fees	7,200	11,687	4,487	1,339
Insurance Proceeds	-	122	122	13,451
Planning/Zoning Reimbursements	9,700	1,803	(7,897)	21,817
Donations	1,000	15	(985)	2,950
Other Police Revenue	3,400	6,506	3,106	3,767
Fuel Tax Refunds	3,000	4,025	1,025	3,529
Other Revenue	7,530	3,486	(4,044)	3,902
TOTAL MISCELLANEOUS REVENUE	52,184	40,474	(11,710)	70,667
TOTAL REVENUES	$ 3,094,981	$ 3,030,448	$ (64,533)	$ 3,116,660

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

CITY OF FRUITLAND PARK, FLORIDA
GENERAL FUND
SCHEDULE OF EXPENDITURES COMPARED TO BUDGET
FOR THE YEAR ENDED SEPTEMBER 30, 2012
With comparative actual amounts for the year ended September 30, 2011

	2012			
	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET	2011 ACTUAL
GENERAL GOVERNMENT SERVICES:				
Legislative (City Commission):				
Personal Services	$ 39,278	$ 38,580	$ 698	$ 39,274
Operating Expenses	13,734	11,080	2,654	9,969
Contingency	26,031	-	26,031	-
Total Legislative	79,043	49,660	29,383	49,243
Executive:				
Personal Services	232,952	231,058	1,894	228,634
Operating Expenses	13,749	13,804	(55)	12,816
Total Executive	246,701	244,862	1,839	241,450
Finance:				
Personal Services	212,696	208,304	4,392	207,225
Operating Expenses	32,886	23,588	9,298	30,907
Capital Outlay	-	-	-	2,671
Total Finance	245,582	231,892	13,690	240,803
Legal Counsel:				
Operating Expenses	86,200	84,853	1,347	97,599
Other General Government:				
Personal Services	57,181	51,444	5,737	56,844
Operating Expenses	100,501	102,979	(2,478)	84,818
Redevelopment Taxes	93,100	93,100	-	110,247
Total Other General Government	250,782	247,523	3,259	251,909
TOTAL GENERAL GOVERNMENT SERVICES	908,308	858,790	49,518	881,004
PUBLIC SAFETY:				
Police Department:				
Personal Services	875,393	829,176	46,217	832,186
Operating Expenses	289,293	266,285	23,008	250,732
Capital Outlay	68,252	73,390	(5,138)	7,969
Capital Outlay - Federal Grants	2,203	2,268	(65)	6,975
Debt Service - Principal	4,546	4,546	-	4,209
Debt Service - Interest	364	363	1	700
Contingency	763	22	741	-
Total Police Department:	1,240,814	1,176,050	64,764	1,102,771

CITY OF FRUITLAND PARK, FLORIDA
GENERAL FUND
SCHEDULE OF EXPENDITURES COMPARED TO BUDGET (continued)
FOR THE YEAR ENDED SEPTEMBER 30, 2012
With comparative actual amounts for the year ended September 30, 2011

	2012			
	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET	2011 ACTUAL
PUBLIC SAFETY (CONTINUED):				
Fire Department:				
Personal Services	$ 67,088	$ 62,982	$ 4,106	$ 60,594
Operating Expenses	55,616	51,286	4,330	38,549
Capital Outlay	6,850	6,134	716	1,835
Debt Service - Principal	30,385	30,385	-	29,210
Debt Service - Interest	1,221	1,221	-	2,396
Total Fire Department	161,160	152,008	9,152	132,584
Protective Building Inspections:				
Personal Services	95,781	86,466	9,315	71,253
Operating Expenses	67,464	60,551	6,913	47,568
Total Protective Inspections	163,245	147,017	16,228	118,821
TOTAL PUBLIC SAFETY	1,565,219	1,475,075	90,144	1,354,176
TRANSPORTATION:				
Roads and Streets:				
Personal Services	121,761	112,962	8,799	138,944
Street Lighting	86,628	80,839	5,789	83,863
Operating Expenses	50,044	40,184	9,860	65,771
Total Roads and Streets	258,433	233,985	24,448	288,578
TOTAL TRANSPORTATION	258,433	233,985	24,448	288,578
SANITATION/OTHER UTILITY:				
Garbage Collection/Disposal:				
Operating Expenses	418,715	409,807	8,908	412,860
Electric Utility:				
Operating Expenses	-	-	-	4,348
Stormwater Management:				
Operating Expenses	39,475	12,008	27,467	12,089
TOTAL SANITATION/OTHER UTILITY	458,190	421,815	36,375	429,297

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CITY OF FRUITLAND PARK, FLORIDA
GENERAL FUND
SCHEDULE OF EXPENDITURES COMPARED TO BUDGET (continued)
FOR THE YEAR ENDED SEPTEMBER 30, 2012
With comparative actual amounts for the year ended September 30, 2011

	2012			
	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET	2011 ACTUAL
CULTURE AND RECREATION:				
Library:				
Personal Services	$ 111,926	$ 111,951	$ (25)	$ 140,965
Operating Expenses	35,711	34,183	1,528	34,742
Library Books	26,565	26,040	525	27,820
Capital Outlay	-	-	-	1,840
Total Library	174,202	172,174	2,028	205,367
Municipal Pool:				
Personal Services	26,621	19,324	7,297	24,870
Operating Expenses	21,836	19,764	2,072	17,867
Total Municipal Pool	48,457	39,088	9,369	42,737
Recreation Facilities Maintenance:				
Personal Services	93,098	90,623	2,475	87,316
Operating Expenses	45,193	45,909	(716)	43,396
Capital Outlay	635	635	-	-
Total Recreation Facilities Maintenance	138,926	137,167	1,759	130,712
Recreation:				
Personal Services	51,437	49,030	2,407	55,260
Operating Expenses	28,361	24,403	3,958	22,792
Total Recreation	79,798	73,433	6,365	78,052
TOTAL CULTURE AND RECREATION	441,383	421,862	19,521	456,868
TOTAL EXPENDITURES	$ 3,631,533	$ 3,411,527	$ 220,006	$ 3,409,923

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

SPECIAL REVENUE FUND

Community Redevelopment Fund - To account for financial resources segregated for the rehabilitation, conservation and redevelopment of the City's redevelopment project area. This fund also includes the activities of the Fruitland Park Community Redevelopment Agency, a Florida dependent special district.

CITY OF FRUITLAND PARK, FLORIDA
COMMUNITY REDEVELOPMENT FUND
COMPARATIVE BALANCE SHEETS
SEPTEMBER 30, 2012 AND 2011

	2012	2011
ASSETS		
Cash	$ 221,115	$ 762
Certificates of Deposit	100,000	400,000
CDBG Grant Receivable	-	25,000
TOTAL ASSETS	$ 321,115	$ 425,762
LIABILITIES AND FUND BALANCE		
LIABILITIES:		
Accounts Payable	$ 566	$ -
Due to General Fund	-	88,418
Deferred Grant Revenue	-	25,000
Rental Security Deposit	750	750
TOTAL LIABILITIES	1,316	114,168
FUND BALANCE:		
Restricted for Redevelopment Projects	319,799	311,594
TOTAL FUND BALANCE	319,799	311,594
TOTAL LIABILITIES AND FUND BALANCE	$ 321,115	$ 425,762

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

CITY OF FRUITLAND PARK, FLORIDA
COMMUNITY REDEVELOPMENT FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2012
With comparative actual amounts for the year ended September 30, 2011

	2012			
	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET	2011 ACTUAL
REVENUES:				
Intergovernmental:				
Appropriated Incremental Ad-Valorem Taxes	$ 207,355	$ 207,316	$ (39)	$ 240,315
CDBG Grant	684,957	684,957	-	15,043
Economic Development Grant	260,000	-	(260,000)	-
Miscellaneous:				
Interest Earnings	5,969	4,310	(1,659)	7,356
Building Rental Fees	9,000	8,587	(413)	10,088
TOTAL REVENUES	1,167,281	905,170	(262,111)	272,802
EXPENDITURES:				
General Government:				
Other General Government:				
Operating Expenditures	4,720	5,336	(616)	51,568
CDBG Grant Matching Expenditures	-	-	-	242,837
Contingency	130,200	-	130,200	-
Transportation:				
Roads and Streets:				
Streetscape Project	12,000	12,122	(122)	105,565
Capital Outlay:				
CDBG Grant	803,409	798,774	4,635	93,275
Sidewalks	6,300	6,550	(250)	-
Parks & Rec Improvements	-	-	-	2,735
Utility - Water Main	260,000	-	260,000	-
TOTAL EXPENDITURES	1,216,629	822,782	393,847	495,980
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(49,348)	82,388	131,736	(223,178)
OTHER FINANCING SOURCES (USES):				
Transfers out to General Fund	(77,183)	(74,183)	3,000	(58,183)
Transfers out to Utility Fund	-	-	-	(105,000)
TOTAL OTHER FINANCING SOURCES (USES)	(77,183)	(74,183)	3,000	(163,183)
NET CHANGE IN FUND BALANCES	(126,531)	8,205	134,736	(386,361)
FUND BALANCE, Beginning of Year	311,594	311,594	-	697,955
FUND BALANCE, End of Year	$ 185,063	$ 319,799	$ 134,736	$ 311,594

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

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CAPITAL PROJECTS FUND

To account for financial resources segregated for the acquisition or construction of major capital facilities.

CITY OF FRUITLAND PARK, FLORIDA
CAPITAL PROJECTS FUND
COMPARATIVE BALANCE SHEETS
SEPTEMBER 30, 2012 AND 2011

	2012	2011
ASSETS		
Cash	$ 380,374	$ 236,612
Certificate of Deposit	100,000	100,000
Due from State of Florida	30,012	30,463
TOTAL ASSETS	$ 510,386	$ 367,075
LIABILITIES AND FUND BALANCE		
LIABILITIES:		
Deferred Revenue - Infrastructure Surtax	$ 8,733	$ -
TOTAL LIABILITIES	8,733	-
FUND BALANCE:		
Restricted for Infrastructure	501,653	367,075
TOTAL FUND BALANCE	501,653	367,075
TOTAL LIABILITIES AND FUND BALANCE	$ 510,386	$ 367,075

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

CITY OF FRUITLAND PARK, FLORIDA
CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2012
With comparative actual amounts for the year ended September 30, 2011

	2012			
	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET	2011 ACTUAL
REVENUES:				
Local Government Infrastructure Surtax	$ 319,076	$ 328,648	$ 9,572	$ 314,320
Interest Earnings	1,929	1,964	35	1,987
TOTAL REVENUES	321,005	330,612	9,607	316,307
EXPENDITURES:				
Capital Outlay:				
General Government:				
Contingency	116,810	-	116,810	-
Police Department:				
Police Vehicles	13,886	14,609	(723)	-
Recreation:				
Equipment	5,000	3,559	1,441	-
Debt Service:				
Principal	113,083	113,083	-	109,016
Interest	8,593	8,605	(12)	12,660
TOTAL EXPENDITURES	257,372	139,856	117,516	121,676
EXCESS OF REVENUES OVER EXPENDITURES	63,633	190,756	127,123	194,631
OTHER FINANCING SOURCES (USES):				
Transfers out to General Fund	(45,413)	(45,337)	76	(80,169)
Transfers out to Utility Fund	(18,220)	(10,841)	7,379	-
TOTAL OTHER FINANCING SOURCES (USES)	(63,633)	(56,178)	7,455	(80,169)
NET CHANGE IN FUND BALANCES	-	134,578	134,578	114,462
FUND BALANCE, Beginning of Year	367,075	367,075	-	252,613
FUND BALANCE, End of Year	$ 367,075	$ 501,653	$ 134,578	$ 367,075

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

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ENTERPRISE FUNDS

Utility Fund - To account for the provision of water and sewer utility services to the residents of the City and some residents of the County. All activities necessary to provide such services are accounted for in this fund, including, but not limited to, administration, operations, maintenance, financing and related debt service, and billing and collection.

Recreation Programs Fund - To account for the receipt of recreation program fees for activities sponsored by the City's Recreation Department, and the direct costs associated with each program. Administrative costs of maintaining the various recreation facilities are accounted for in the General Fund.

CITY OF FRUITLAND PARK, FLORIDA
UTILITY FUND
COMPARATIVE STATEMENTS OF NET ASSETS
SEPTEMBER 30, 2012 AND 2011

	2012	2011
ASSETS		
CURRENT ASSETS		
Cash	$ 3,450	$ 1,380
Certificates of Deposit	200,000	200,000
Investments	69,892	67,732
Restricted Cash:		
State Revolving Fund Loan Reserves	68,834	68,834
Customer Deposits	101,640	88,360
Customer Accounts Receivable:		
Billed Utility Service, net of allowance for uncollectibles of $5,279 and $5,258 for 2012 and 2011, respectively	54,605	52,663
Unbilled Utility Service	13,187	13,187
Other Customer Receivables	16,328	30,543
Inventory	40,392	40,515
TOTAL CURRENT ASSETS	568,328	563,214
NONCURRENT ASSETS		
RESTRICTED CASH:		
Water Impact Fees	272,611	141,193
Sewer Impact Fees	145,134	455,380
Total Restricted Cash	417,745	596,573
SEWER IMPACT FEE RECEIVABLES	29,874	23,929
DEFERRED CHARGES:		
Engineering Costs	22,518	22,518
SRF Loan Costs	33,073	35,444
Total Deferred Charges	55,591	57,962
CONSUMPTIVE USE PERMIT, net of accumulated amortization of $66,374 and $31,744 in 2012 and 2011, respectively	279,922	314,552
PROPERTY, PLANT AND EQUIPMENT:		
Land	339,699	339,699
Buildings	243,408	243,408
Water System	3,246,515	3,199,076
Sewer System	2,735,643	2,424,132
Equipment	429,826	415,211
	6,995,091	6,621,526
Less Accumulated Depreciation	2,254,258	2,046,877
Net Property, Plant and Equipment	4,740,833	4,574,649
TOTAL NONCURRENT ASSETS	5,523,965	5,567,665
TOTAL ASSETS	6,092,293	6,130,879

CITY OF FRUITLAND PARK, FLORIDA
UTILITY FUND
COMPARATIVE STATEMENTS OF NET ASSETS (continued)
SEPTEMBER 30, 2012 AND 2011

	2012	2011
LIABILITIES		
CURRENT LIABILITIES		
Accounts Payable	$ 4,416	$ 28,456
Accrued Payroll	6,635	3,209
Due to General Fund	258,040	354,262
Customer Deposits	101,640	88,360
State Revolving Fund Loans:		
Accrued Interest Payable	5,097	5,408
Current Portion	97,856	95,369
Vacation Leave Payable	7,406	7,074
TOTAL CURRENT LIABILITIES	481,090	582,138
NONCURRENT LIABILITIES		
VACATION LEAVE PAYABLE	1,852	-
SRF LOANS PAYABLE:		
Preconstruction	167,557	178,336
Construction	1,294,149	1,381,226
Total SRF Loans Payable	1,461,706	1,559,562
TOTAL LIABILITIES	1,944,648	2,141,700
NET ASSETS		
Invested in Capital Assets, net of related debt	3,483,711	3,256,788
Restricted for Utility Capital Improvements	417,745	596,573
Restricted for Debt Service	63,737	63,426
Unrestricted	182,452	72,392
TOTAL NET ASSETS	$ 4,147,645	$ 3,989,179

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

CITY OF FRUITLAND PARK, FLORIDA
UTILITY FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENSES
AND CHANGES IN NET ASSETS
FOR THE YEARS ENDED SEPTEMBER 30, 2012 AND 2011

	2012	2011
OPERATING REVENUES:		
Water Sales	$ 574,686	$ 520,611
Sewer Revenue	91,659	76,428
Connection Fees	9,305	21,594
Septic Decommission Fees	8,297	34,657
Other Operating Revenues	71,776	52,912
TOTAL OPERATING REVENUES	755,723	706,202
OPERATING EXPENSES:		
Personal Services	234,055	219,594
Depreciation	207,381	210,307
Contractual Services	77,865	88,390
Consumptive Use Permit	55,563	31,744
Utilities	47,215	49,304
Operating Supplies and Fuel	40,789	45,411
Repairs and Maintenance	46,158	36,614
Other Professional Fees	14,612	27,668
Insurance	13,979	14,459
Engineering Fees	10,896	64,673
Bad Debt Expense	2,074	869
Other Operating Expenses	13,461	14,829
TOTAL OPERATING EXPENSES	764,048	803,862
OPERATING LOSS	(8,325)	(97,660)
NONOPERATING REVENUES (EXPENSES):		
Interest Income	6,031	3,143
Increase in Fair Value of Investments	18,003	11,248
Interest Expense	(41,988)	(44,419)
Debt Issuance Costs	(2,371)	(2,371)
TOTAL NONOPERATING REVENUES (EXPENSES)	(20,325)	(32,399)
LOSS BEFORE CONTRIBUTIONS AND TRANSFERS	(28,650)	(130,059)
CAPITAL CONTRIBUTIONS:		
Water Impact Fees	3,940	1,970
Sewer Impact Fees	23,735	233,865
CDBG Grant	358,950	-
TRANSFERS IN FROM REDEVELOPMENT FUND	-	105,000
TRANSFERS IN FROM CAPITAL PROJECTS FUND	10,841	-
TRANSFERS OUT TO GENERAL FUND	(210,350)	(216,054)
CHANGE IN NET ASSETS	158,466	(5,278)
TOTAL NET ASSETS, Beginning of Year	3,989,179	3,994,457
TOTAL NET ASSETS, End of Year	$ 4,147,645	$ 3,989,179

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

CITY OF FRUITLAND PARK, FLORIDA
UTILITY FUND
COMPARATIVE STATEMENTS OF CASH FLOWS
FOR THE YEARS SEPTEMBER 30, 2012 AND 2011

	2012	2011
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash received from customers	$ 781,276	$ 686,295
Cash payments to suppliers for goods and services	(311,899)	(438,019)
Cash payments to employees for services	(228,445)	(218,024)
NET CASH PROVIDED BY OPERATING ACTIVITIES	240,932	30,252
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:		
Advances (repayments) from General Fund	(96,222)	292,960
Transfers in from Redevelopment Fund	-	105,000
Transfers in from Capital Projects Fund	10,841	-
Transfers out to General Fund	(210,350)	(216,054)
NET CASH PROVIDED BY (USED IN) NONCAPITAL FINANCING ACTIVITIES	(295,731)	181,906
CASH FLOWS FROM CAPITAL AND RELATED FINANCING: ACTIVITIES:		
Water and Sewer Impact Fees received	21,730	243,822
SRF Loan principal repayments	(95,369)	(92,947)
SRF Loan interest paid	(42,299)	(44,722)
Water System engineering/CUP	-	(201,056)
Sewer System construction	-	(2,971)
Purchase of Equipment	(14,615)	(18,039)
NET CASH USED IN CAPITAL AND RELATED FINANCING ACTIVITIES	(130,553)	(115,913)
CASH FLOWS FROM INVESTING ACTIVITIES:		
State Board Fund B pool investment	15,843	23,190
Certificate of Deposit investments	-	2,854
Interest received on investments	6,031	3,143
NET CASH PROVIDED BY INVESTING ACTIVITIES	21,874	29,187
NET INCREASE (DECREASE) IN CASH	(163,478)	125,432
CASH, Beginning of Year	755,147	629,715
CASH, End of Year	$ 591,669	$ 755,147
RECONCILIATION OF OPERATING LOSS TO NET CASH PROVIDED BY OPERATING ACTIVITIES:		
Operating Loss	$ (8,325)	$ (97,660)
Adjustments to reconcile operating loss to net cash provided by operating activities:		
Depreciation and Amortization	242,011	242,051
Changes in Assets and Liabilities:		
Decrease (Increase) in Customer Receivables	12,273	(18,622)
Decrease in Inventory	123	10,397
Decrease in Accounts Payable	(24,040)	(106,199)
Increase in Accrued Payroll	3,426	1,189
Increase (Decrease) in Customer Deposits	13,280	(1,285)
Increase in Vacation Leave Payable	2,184	381
	$ 240,932	$ 30,252

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

CITY OF FRUITLAND PARK, FLORIDA
RECREATION PROGRAMS FUND
COMPARATIVE STATEMENTS OF NET ASSETS
SEPTEMBER 30, 2012 AND 2011

	2012	2011
ASSETS		
CURRENT ASSETS		
Cash	$ 11,889	$ 13,035
TOTAL ASSETS	11,889	13,035
LIABILITIES		
CURRENT LIABILITIES		
Accounts Payable	912	1,646
TOTAL LIABILITIES	912	1,646
NET ASSETS		
Unrestricted	10,977	11,389
TOTAL NET ASSETS	$ 10,977	$ 11,389

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

CITY OF FRUITLAND PARK, FLORIDA
RECREATION PROGRAMS FUND
SCHEDULE OF REVENUES, EXPENSES, AND
CHANGES IN NET ASSETS - BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2012
With comparative actual amounts for the year ended September 30, 2011

	2012			
	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET	2011 ACTUAL
OPERATING REVENUES:				
Adult Softball Fees	$ 24,201	$ 25,755	$ 1,554	$ 17,190
Soccer Fees	1,750	2,125	375	2,405
T Ball Fees	3,780	2,850	(930)	3,530
Summer Camp	4,190	3,800	(390)	4,520
Baseball	2,370	-	(2,370)	-
Other Revenue	20	325	305	20
TOTAL OPERATING REVENUES	36,311	34,855	(1,456)	27,665
OPERATING EXPENSES:				
Softball Program	20,950	21,874	(924)	12,329
Soccer Program	1,940	1,885	55	1,530
T Ball Program	3,780	785	2,995	2,178
Summer Camp	4,190	3,764	426	2,453
Baseball	2,372	-	2,372	-
Other Expenses	125	-	125	-
TOTAL OPERATING EXPENSES	33,357	28,308	5,049	18,490
OPERATING INCOME	2,954	6,547	3,593	9,175
NONOPERATING INCOME:				
Interest Income	9	37	28	9
INCOME BEFORE TRANSFERS	2,963	6,584	3,621	9,184
TRANSFERS OUT TO GENERAL FUND	(6,996)	(6,996)	-	(5,000)
CHANGE IN NET ASSETS	(4,033)	(412)	3,621	4,184
NET ASSETS, Beginning of Year	11,389	11,389	-	7,205
NET ASSETS, End of Year	$ 7,356	$ 10,977	$ 3,621	$ 11,389

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

CITY OF FRUITLAND PARK, FLORIDA
RECREATION PROGRAMS FUND
COMPARATIVE STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED SEPTEMBER 30, 2012 AND 2011

	2012	2011
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash received from program participants	$ 34,855	$ 27,665
Cash payments to suppliers for goods and services	(29,042)	(16,844)
NET CASH PROVIDED BY OPERATING ACTIVITIES	5,813	10,821
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:		
Transfers out to General Fund	(6,996)	(5,000)
NET CASH USED IN NONCAPITAL FINANCING ACTIVITIES	(6,996)	(5,000)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Interest received on cash investments	37	9
NET CASH PROVIDED BY INVESTING ACTIVITIES	37	9
NET INCREASE (DECREASE) IN CASH	(1,146)	5,830
CASH, Beginning of Year	13,035	7,205
CASH, End of Year	$ 11,889	$ 13,035
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:		
Operating Income	$ 6,547	$ 9,175
Changes in Assets and Liabilities:		
Increase (Decrease) in Accounts Payable	(734)	1,646
NET CASH PROVIDED BY OPERATING ACTIVITIES	$ 5,813	$ 10,821

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

UTILITY FUND
SCHEDULE OF BUDGETARY COMPLIANCE

The City Commission adopted budget resolutions for all governmental and proprietary funds. The budget for the Utility Fund is adopted on an accounting basis other than in accordance with generally accepted accounting principles (GAAP). The following schedule is presented to report legal compliance with the City's budget resolutions.

CITY OF FRUITLAND PARK, FLORIDA
UTILITY FUND
SCHEDULE OF REVENUES AND EXPENSES -
BUDGET AND ACTUAL (BASIS OTHER THAN GAAP)
FOR THE YEAR ENDED SEPTEMBER 30, 2012

	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
REVENUES:			
Sale of Water	$ 587,856	$ 574,686	$ (13,170)
Installation of Meters/Connections	16,329	9,305	(7,024)
Other Revenues	58,045	71,776	13,731
Sewer Revenue	85,496	91,659	6,163
Sewer Decommission	8,400	8,297	(103)
Interest Earnings	4,701	6,031	1,330
Water Impact Fees	4,975	3,940	(1,035)
Sewer Impact Fees	25,801	23,735	(2,066)
Transfer in from Redevelopment Fund	38,154	-	(38,154)
Transfer in from Capital Projects Fund	-	10,841	10,841
TOTAL REVENUES	829,757	800,270	(29,487)
EXPENSES:			
Water Utility Services:			
Personal Services	236,232	234,055	2,177
Operating Expenses	210,215	198,282	11,933
Bad Debt Expense	750	2,074	(1,324)
Sewer Utility Services:			
Operating Expenses	83,115	60,081	23,034
Bad Debt Expense	750	-	750
Consumptive Use Permit	60,000	55,563	4,437
Equipment Purchases - Water	3,100	2,100	1,000
Equipment Purchases - Sewer	20,000	12,515	7,485
Sewer Contingency	5,245	6,612	(1,367)
Debt Service Payments	137,668	137,668	-
Transfer out to General Fund	210,350	210,350	-
TOTAL EXPENSES	967,425	919,300	48,125
DEFICIENCY OF REVENUES UNDER EXPENSES	$ (137,668)	$ (119,030)	$ 18,638

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

CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL ACTIVITIES

CITY OF FRUITLAND PARK, FLORIDA
COMPARATIVE SCHEDULES OF CAPITAL ASSETS
USED IN GOVERNMENTAL ACTIVITIES - BY SOURCE
SEPTEMBER 30, 2012 AND 2011

	2012	2011
CAPITAL ASSETS:		
Land	$ 943,094	$ 943,094
Buildings	2,590,160	2,590,160
Improvements other than Buildings	753,919	753,388
Equipment	1,608,820	1,514,326
Infrastructure	681,226	674,676
Construction in Progress	93,275	93,275
TOTAL CAPITAL ASSETS	6,670,494	6,568,919
INVESTMENT IN CAPITAL ASSETS FROM:		
Federal Grants	$ 242,021	$ 239,752
State and Local Grants	881,419	881,419
Infrastructure Surtaxes	2,852,818	2,829,800
Redevelopment Taxes	1,465,415	1,458,865
Gifts	80,828	80,828
Special Assessments	22,320	22,320
General Fund	1,125,673	1,055,935
TOTAL INVESTMENT IN CAPITAL ASSETS	$ 6,670,494	$ 6,568,919

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

CITY OF FRUITLAND PARK, FLORIDA
SCHEDULE OF CAPITAL ASSETS USED IN GOVERNMENTAL ACTIVITIES
BY FUNCTION AND ACTIVITY
SEPTEMBER 30, 2012

FUNCTION AND ACTIVITY	TOTAL	LAND	BUILDINGS	IMPROVEMENTS OTHER THAN BUILDINGS	EQUIPMENT	INFRA-STRUCTURE
GENERAL GOVERNMENT:						
Legislative	$ 1,859,579	$ 399,954	$ 1,379,290	$ 16,753	$ 63,582	$ -
Executive	44,423	15,000	-	-	29,423	-
Finance	46,479	-	-	-	46,479	-
Other General Government	555,916	428,081	94,931	24,438	8,466	-
TOTAL GENERAL GOVERNMENT	2,506,397	843,035	1,474,221	41,191	147,950	-
PUBLIC SAFETY:						
Police Department	631,557	-	-	150	631,407	-
Fire Department	610,583	1,000	74,381	2,425	532,777	-
Building Inspections	13,878	-	-	-	13,878	-
TOTAL PUBLIC SAFETY	1,256,018	1,000	74,381	2,575	1,178,062	-
TRANSPORTATION:						
Roads and Streets	808,563	-	4,709	-	122,628	681,226
CULTURE AND RECREATION:						
Library	751,130	-	698,834	-	52,296	-
Municipal Pool	266,619	-	143,356	114,186	9,077	-
Recreation Facilities	988,492	99,059	194,659	595,967	98,807	-
TOTAL CULTURE AND RECREATION	2,006,241	99,059	1,036,849	710,153	160,180	-
TOTALS	6,577,219	$ 943,094	$ 2,590,160	$ 753,919	$ 1,608,820	$ 681,226
CONSTRUCTION IN PROGRESS	93,275					
TOTAL CAPITAL ASSETS	$ 6,670,494					

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

CITY OF FRUITLAND PARK, FLORIDA
SCHEDULE OF CHANGES IN CAPITAL ASSETS USED IN
GOVERNMENTAL ACTIVITIES - BY FUNCTION AND ACTIVITY
FOR THE YEAR ENDED SEPTEMBER 30, 2012

FUNCTION AND ACTIVITY	CAPITAL ASSETS 10/1/2011	ADDITIONS	TRANSFERS/ DELETIONS	CAPITAL ASSETS 9/30/2012
GENERAL GOVERNMENT:				
Legislative	$ 1,859,579	$ -	$ -	$ 1,859,579
Executive	44,423	-	-	44,423
Finance	46,479	-	-	46,479
Other General Government	649,191	-	-	649,191
TOTAL GENERAL GOVERNMENT	2,599,672	-	-	2,599,672
PUBLIC SAFETY:				
Police Department	542,620	90,267	(1,330)	631,557
Fire Department	605,661	6,134	(1,212)	610,583
Building Inspections	13,878	-	-	13,878
TOTAL PUBLIC SAFETY	1,162,159	96,401	(2,542)	1,256,018
TRANSPORTATION:				
Roads and Streets	802,013	6,550	-	808,563
CULTURE AND RECREATION:				
Library	751,130	-	-	751,130
Municipal Pool	266,619	-	-	266,619
Recreation Facilities	987,326	4,194	(3,028)	988,492
TOTAL CULTURE AND RECREATION	2,005,075	4,194	(3,028)	2,006,241
TOTAL CAPITAL ASSETS	$ 6,568,919	$ 107,145	$ (5,570)	$ 6,670,494

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

STATISTICAL SECTION

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

Contents **Page**

Financial Trends

These schedules contain trend information to help the reader understand how the City financial performance and well-being changed over time. 84-94

Revenue Capacity

These schedules contain information to help the reader assess the City's most significant revenue source, the property tax. 95-98

Debt Capacity

These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and ability to issue additional debt in the future. 99-102

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place. 103-105

Operating Information

These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs. 106-108

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

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

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

CITY OF FRUITLAND PARK, FLORIDA
NET ASSETS BY COMPONENT
LAST NINE FISCAL YEARS
(Accrual basis of accounting)

	Fiscal Year 2004	Fiscal Year 2005	Fiscal Year 2006	Fiscal Year 2007
GOVERNMENTAL ACTIVITIES				
Invested in Capital Assets, net of related debt	$ 2,101,761	$ 2,205,735	$ 2,236,620	$ 2,770,028
Restricted for:				
Capital Improvements	140,324	245,637	394,978	454,785
Redevelopment Projects	166,122	293,918	474,701	799,763
Cemetery Care	87,185	90,735	95,145	105,807
Police	44,648	59,914	70,235	105,744
Building Inspections	-	-	67,910	41,843
Library	1,664	1,664	1,664	-
Stormwater	-	-	12,532	32,051
Unrestricted	944,935	1,145,548	1,492,180	1,116,382
Total Governmental Activities Net Assets	$ 3,486,639	$ 4,043,151	$ 4,845,965	$ 5,426,403
BUSINESS-TYPE ACTIVITIES				
Invested in Capital Assets, net of related debt	$ 2,633,635	$ 2,811,240	$ 2,666,774	$ 3,086,299
Restricted for:				
Capital Improvements	-	-	730,630	907,847
Debt Service	9,106	3,495	76,884	85,234
Unrestricted	257,028	253,638	599,515	425,731
Total Business-type Activities Net Assets	$ 2,899,769	$ 3,068,373	$ 4,073,803	$ 4,505,111
CITY OF FRUITLAND PARK				
Invested in Capital Assets, net of related debt	$ 4,735,396	$ 5,016,975	$ 4,903,394	$ 5,856,327
Restricted for:				
Capital Improvements	140,324	245,637	1,125,608	1,362,632
Redevelopment Projects	166,122	293,918	474,701	799,763
Cemetery Care	87,185	90,735	95,145	105,807
Debt Service	9,106	3,495	76,884	85,234
Police	44,648	59,914	70,235	105,744
Building Inspections	-	-	67,910	41,843
Library	1,664	1,664	1,664	-
Stormwater	-	-	12,532	32,051
Unrestricted	1,201,963	1,399,186	2,091,695	1,542,113
Total City of Fruitland Park Net Assets	$ 6,386,408	$ 7,111,524	$ 8,919,768	$ 9,931,514

Note: This schedule reports trend information for all years beginning with the year the City implemented GASB 34.

Fiscal Year 2008	Fiscal Year 2009	Fiscal Year 2010	Fiscal Year 2011	Fiscal Year 2012
$ 3,115,183	$ 3,525,988	$ 3,736,577	$ 3,747,502	$ 3,761,497
442,765	732,823	511,486	628,116	686,753
1,005,215	726,864	697,955	311,594	319,799
109,577	112,567	115,772	120,692	122,232
137,015	117,514	111,709	105,589	61,397
42,285	-	-	-	-
-	-	-	-	-
45,747	59,105	72,005	81,447	112,695
846,324	822,357	782,582	855,281	884,922
$ 5,744,111	$ 6,097,218	$ 6,028,086	$ 5,850,221	$ 5,949,295
$ 3,029,311	$ 2,937,548	$ 3,227,368	$ 3,256,788	$ 3,483,711
707,438	607,025	498,407	596,573	417,745
85,425	62,827	63,122	63,426	63,737
683,030	578,696	212,765	83,781	193,429
$ 4,505,204	$ 4,186,096	$ 4,001,662	$ 4,000,568	$ 4,158,622
$ 6,144,494	$ 6,463,536	$ 6,963,945	$ 7,004,290	$ 7,245,208
1,150,203	1,339,848	1,009,893	1,224,689	1,104,498
1,005,215	726,864	697,955	311,594	319,799
109,577	112,567	115,772	120,692	122,232
85,425	62,827	63,122	63,426	63,737
137,015	117,514	111,709	105,589	61,397
42,285	-	-	-	-
-	-	-	-	-
45,747	59,105	72,005	81,447	112,695
1,529,354	1,401,053	995,347	939,062	1,078,351
$ 10,249,315	$ 10,283,314	$ 10,029,748	$ 9,850,789	$ 10,107,917

CITY OF FRUITLAND PARK, FLORIDA
CHANGES IN NET ASSETS
LAST NINE FISCAL YEARS
(Accrual basis of accounting)

	Fiscal Year 2004	Fiscal Year 2005	Fiscal Year 2006	Fiscal Year 2007
EXPENSES				
Governmental Activities:				
General Government	$ 639,549	$ 649,104	$ 724,409	$ 821,081
Public Safety	817,694	923,960	1,142,069	1,258,599
Transportation	260,744	255,346	284,642	337,899
Sanitation/Other Utility	347,176	347,233	372,582	401,062
Culture and Recreation	387,297	412,294	448,416	547,970
Interest on Long-term Debt	62,614	34,175	40,783	32,105
Total Governmental Activities Expenses	2,515,074	2,622,112	3,012,901	3,398,716
Business-Type Activities:				
Water Utility	276,547	280,670	326,229	325,603
Sewer Utility	-	-	48,083	161,796
Recreation Programs	11,445	11,217	11,585	13,172
Total Business-Type Activities Expenses	287,992	291,887	385,897	500,571
Total Expenses	$ 2,803,066	$ 2,913,999	$ 3,398,798	$ 3,899,287
PROGRAM REVENUES				
Governmental Activities:				
Charges for Services:				
General Government	$ 76,699	$ 92,918	$ 112,514	$ 111,499
Public Safety	230,589	338,249	514,812	407,780
Transportation	-	-	-	-
Sanitation/Other Utility	390,831	408,708	434,975	472,207
Culture and Recreation	23,562	17,987	22,396	25,673
Operating Grants and Contributions	205,669	131,452	114,067	100,991
Capital Grants and Contributions	16,477	97,550	105,997	108,032
Total Governmental Activities Program Revenues	943,827	1,086,864	1,304,761	1,226,182
Business-Type Activities:				
Charges for Services:				
Water Utility	366,890	468,381	625,598	600,677
Sewer Utility	-	-	-	21,226
Recreation Programs	13,641	15,927	17,866	12,748
Operating Grants and Contributions	-	-	-	750
Capital Grants and Contributions	370	35,000	815,384	346,725
Total Business-Type Activities Program Revenues	380,901	519,308	1,458,848	982,126
Total Program Revenues	$ 1,324,728	$ 1,606,172	$ 2,763,609	$ 2,208,308
NET REVENUE (EXPENSE)				
Governmental Activities	$ (1,571,247)	$ (1,535,248)	$ (1,708,140)	$ (2,172,534)
Business-Type Activities	92,909	227,421	1,072,951	481,555
Total Net Expense	$ (1,478,338)	$ (1,307,827)	$ (635,189)	$ (1,690,979)

Fiscal Year 2008	Fiscal Year 2009	Fiscal Year 2010	Fiscal Year 2011	Fiscal Year 2012
$ 973,800	$ 864,658	$ 872,323	$ 1,113,962	$ 821,330
1,536,379	1,326,793	1,550,621	1,411,552	1,460,689
433,573	362,253	366,990	426,154	707,159
457,451	454,723	448,014	429,297	780,765
604,994	595,253	558,258	526,532	488,131
28,174	22,766	17,495	11,973	6,249
4,034,371	3,626,446	3,813,701	3,919,470	4,264,323
459,317	482,437	649,113	572,667	599,304
241,167	322,279	364,080	277,985	209,103
15,618	22,645	18,899	18,490	28,308
716,102	827,361	1,032,092	869,142	836,715
$ 4,750,473	$ 4,453,807	$ 4,845,793	$ 4,788,612	$ 5,101,038
$ 104,056	$ 45,695	$ 50,483	$ 62,532	$ 45,703
501,731	242,303	318,461	287,375	293,282
-	-	-	-	2,335
483,985	494,231	488,063	486,420	504,210
28,062	27,793	30,475	35,302	33,179
131,451	108,020	100,267	89,210	80,987
103,175	78,277	91,892	49,133	681,142
1,352,460	996,319	1,079,641	1,009,972	1,640,838
643,694	569,723	542,438	588,343	645,894
67,516	75,381	104,851	117,859	109,829
20,480	22,726	22,200	27,665	34,855
-	-	-	-	-
121,887	37,254	45,492	235,835	386,625
853,577	705,084	714,981	969,702	1,177,203
$ 2,206,037	$ 1,701,403	$ 1,794,622	$ 1,979,674	$ 2,818,041
$ (2,681,911)	$ (2,630,127)	$ (2,734,060)	$ (2,909,498)	$ (2,623,485)
137,475	(122,277)	(317,111)	100,560	340,488
$ (2,544,436)	$ (2,752,404)	$ (3,051,171)	$ (2,808,938)	$ (2,282,997)

Continued on Next Page

CITY OF FRUITLAND PARK, FLORIDA
CHANGES IN NET ASSETS
LAST NINE FISCAL YEARS
(Accrual basis of accounting)

	Fiscal Year 2004	Fiscal Year 2005	Fiscal Year 2006	Fiscal Year 2007
GENERAL REVENUES AND TRANSFERS				
Governmental Activities:				
Property Taxes	$ 456,660	$ 502,067	$ 658,866	$ 864,129
Sales Taxes	477,476	528,069	579,235	529,045
Franchise and Utility Taxes	654,959	688,498	794,327	827,658
Excise Taxes	182,345	263,044	267,294	266,616
Unrestricted Investment Earnings	24,388	45,082	110,232	140,524
Gain on Sale of Capital Assets	537	-	-	-
Transfers	(212,332)	65,000	101,000	125,000
Total Governmental Activities	1,584,033	2,091,760	2,510,954	2,752,972
Business-Type Activities:				
Unrestricted Investment Earnings	1,348	6,183	33,479	74,753
Transfers	212,332	(65,000)	(101,000)	(125,000)
Total Business-Type Activities	213,680	(58,817)	(67,521)	(50,247)
Total General Revenues and Transfers	$ 1,797,713	$ 2,032,943	$ 2,443,433	$ 2,702,725
CHANGE IN NET ASSETS				
Governmental Activities	$ 12,786	$ 556,512	$ 802,814	$ 580,438
Business-Type Activities	306,589	168,604	1,005,430	431,308
Total Change in Net Assets	$ 319,375	$ 725,116	$ 1,808,244	$ 1,011,746

Note: This schedule reports trend information for all years beginning with the year the City implemented GASB 34.

Fiscal Year 2008	Fiscal Year 2009	Fiscal Year 2010	Fiscal Year 2011	Fiscal Year 2012
$ 1,133,802	$ 1,087,169	$ 1,045,330	$ 910,495	$ 812,503
499,811	467,231	471,136	495,503	522,526
869,774	927,619	957,318	918,839	899,013
254,467	264,612	256,671	262,152	272,538
86,555	51,403	26,994	22,626	9,474
1,346	-	-	5,964	-
153,864	185,200	(92,521)	116,054	206,505
2,999,619	2,983,234	2,664,928	2,731,633	2,722,559
16,482	(11,631)	40,156	14,400	24,071
(153,864)	(185,200)	92,521	(116,054)	(206,505)
(137,382)	(196,831)	132,677	(101,654)	(182,434)
$ 2,862,237	$ 2,786,403	$ 2,797,605	$ 2,629,979	$ 2,540,125
$ 317,708	$ 353,107	$ (69,132)	$ (177,865)	$ 99,074
93	(319,108)	(184,434)	(1,094)	158,054
$ 317,801	$ 33,999	$ (253,566)	$ (178,959)	$ 257,128

CITY OF FRUITLAND PARK
FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(Modified accrual basis of accounting)

	2003	2004	2005	2006
GENERAL FUND				
Nonspendable	$ -	$ -	$ -	$ -
Restricted	-	-	-	-
Reserved	126,899	133,497	152,313	247,486
Committed	-	-	-	-
Unreserved	773,682	757,674	1,037,161	1,380,714
Unassigned	-	-	-	-
Total General Fund	$ 900,581	$ 891,171	$1,189,474	$1,628,200
ALL OTHER GOVERNMENTAL FUNDS				
Restricted	$ -	$ -	$ -	$ -
Reserved	970,393	306,446	539,555	869,679
Unreserved, reported in:				
Special revenue funds	7,755	7,881	7,149	16,836
Capital projects funds	116,471	113,841	32,376	111,973
Total all other governmental funds	$ 1,094,619	$ 428,168	$ 579,080	$ 998,488

Note: The City implemented GASB 54 in 2011.

2007	2008	2009	2010	2011	2012
$ -	$ -	$ -	$ -	$ 25,345	$ 24,325
-	-	-	-	366,630	246,497
285,445	336,044	555,561	607,249	-	-
-	-	-	-	202,139	234,927
999,638	705,256	674,625	766,608	-	-
-	-	-	-	851,850	896,002
$1,285,083	$ 1,041,300	$ 1,230,186	$ 1,373,857	$ 1,445,964	$ 1,401,751
$ -	$ -	$ -	$ -	$ 678,669	$ 821,452
1,254,548	1,446,560	1,220,279	950,568	-	-
27,184	37,275	18,132	-	-	-
150,733	159,442	161,189	-	-	-
$1,432,465	$ 1,643,277	$ 1,399,600	$ 950,568	$ 678,669	$ 821,452

CITY OF FRUITLAND PARK
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(Modified accrual basis of accounting)

	2003	2004	2005	2006
REVENUES				
Taxes	$1,260,681	$1,377,469	$1,491,154	$1,760,394
Licenses and Permits	50,495	102,289	222,622	348,455
Intergovernmental Revenues	790,997	528,352	711,126	778,616
Charges for Services	407,772	429,793	456,927	500,752
Fines and Forfeitures	131,213	145,521	129,820	166,530
Investment Earnings	36,687	24,388	45,082	110,232
Miscellaneous	93,823	43,567	61,141	126,900
Total Revenues	2,771,668	2,651,379	3,117,872	3,791,879
EXPENDITURES				
General Government	493,415	643,580	613,061	676,348
Public Safety	761,762	858,290	893,853	1,283,673
Transportation	281,728	262,201	262,746	276,732
Sanitation/Other Utility	333,109	347,176	347,233	372,582
Culture and Recreation	409,450	330,169	367,407	382,016
Capital Outlay	1,420,622	597,986	90,581	68,012
Debt Service:				
Principal	18,806	103,990	121,702	130,973
Interest	11,671	40,053	37,074	37,050
Total Expenditures	3,730,563	3,183,445	2,733,657	3,227,386
Excess (Deficiency) of Revenues over (under) Expenditures	(958,895)	(532,066)	384,215	564,493
OTHER FINANCING SOURCES (USES)				
Capital Lease Financing	-	68,000	-	192,641
Debt Proceeds	1,000,000	-	-	-
Transfers in	76,707	148,593	166,337	173,523
Transfers out	(187,139)	(360,925)	(101,337)	(72,523)
Sale of Capital Assets	-	537	-	-
Total Other Financing Sources (Uses)	889,568	(143,795)	65,000	293,641
Net Change in Fund Balances	$ (69,327)	$ (675,861)	$ 449,215	$ 858,134
Debt service as a percentage of noncapital expenditures	1.3%	5.9%	6.4%	5.6%

2007	2008	2009	2010	2011	2012
$1,952,017	$2,164,168	$2,219,177	$2,240,183	$2,131,406	$2,041,898
197,628	247,769	35,244	50,576	22,681	31,890
826,703	915,975	855,926	807,693	671,529	1,317,217
525,949	540,892	532,335	615,395	680,152	738,772
239,822	265,358	203,153	176,977	109,903	81,118
140,524	86,555	51,403	26,994	22,626	9,474
128,463	176,516	55,929	52,313	67,472	45,861
4,011,106	4,397,233	3,953,167	3,970,131	3,705,769	4,266,230
888,340	1,143,641	1,006,079	965,583	1,175,409	864,126
1,257,098	1,523,693	1,353,010	1,421,232	1,317,661	1,453,169
354,767	416,641	344,005	337,216	394,143	246,107
401,062	457,451	454,723	448,014	429,297	421,815
484,968	536,252	518,319	504,703	456,868	425,421
490,989	355,977	344,082	348,022	96,010	805,324
132,634	142,461	146,263	137,074	142,435	148,014
35,388	30,468	26,677	21,127	15,756	10,189
4,045,246	4,606,584	4,193,158	4,182,971	4,027,579	4,374,165
(34,140)	(209,351)	(239,991)	(212,840)	(321,810)	(107,935)
-	21,170	-	-	-	-
-	-	-	-	-	-
256,768	291,306	701,875	434,607	359,406	336,866
(131,768)	(137,442)	(516,675)	(527,128)	(243,352)	(130,361)
-	1,346	-	-	5,964	-
125,000	176,380	185,200	(92,521)	122,018	206,505
$ 90,860	$ (32,971)	$ (54,791)	$ (305,361)	$ (199,792)	$ 98,570
5.1%	4.2%	4.7%	4.3%	4.2%	4.6%

CITY OF FRUITLAND PARK, FLORIDA
GENERAL GOVERNMENT TAX REVENUE BY SOURCE
LAST TEN FISCAL YEARS
(Modified accrual basis of accounting)

Fiscal Year	Property Taxes	Infra-structure Sales Surtax	Excise Tax	Franchise Fees	Utility Taxes	Communications Services Tax	Total Taxes
2003	$ 314,853	$ 252,753	$ 75,880	$ 233,229	$ 246,629	$ 137,337	$ 1,260,681
2004	349,720	287,236	85,554	258,390	255,456	141,113	1,377,469
2005	377,984	323,797	100,875	274,300	256,871	157,327	1,491,154
2006	498,241	363,227	104,599	330,041	280,321	183,965	1,760,394
2007	687,148	331,153	106,058	345,392	309,861	172,405	1,952,017
2008	876,669	313,664	104,061	388,272	328,890	152,612	2,164,168
2009	867,272	301,985	122,301	417,139	350,540	159,940	2,219,177
2010	871,530	296,393	114,942	414,864	377,853	164,601	2,240,183
2011	780,427	314,320	117,820	389,291	376,196	153,352	2,131,406
2012	698,287	328,648	115,950	346,938	361,385	190,690	2,041,898

CITY OF FRUITLAND PARK, FLORIDA
ESTIMATED JUST VALUE AND TAXABLE (ASSESSED) VALUE OF PROPERTY
LAST TEN FISCAL YEARS

	REAL PROPERTY		PERSONAL PROPERTY		TOTAL			
FISCAL YEAR	ESTIMATED JUST VALUE	TAXABLE VALUE	ESTIMATED JUST VALUE	TAXABLE VALUE	ESTIMATED JUST VALUE	TAXABLE VALUE	DIRECT TAX RATE	TAXABLE VALUE PERCENTAGE OF JUST VALUE
2003	$ 110,733,923	$ 75,547,110	$ 9,420,008	$ 7,513,043	$ 120,153,931	$ 83,060,153	3.89	69.13%
2004	121,438,325	84,175,275	9,342,395	7,514,026	130,780,720	91,689,301	3.89	70.11%
2005	135,911,909	92,292,023	9,680,678	7,903,447	145,592,587	100,195,470	3.89	68.82%
2006	153,933,598	108,770,742	9,877,594	8,121,282	163,811,192	116,892,024	4.39	71.36%
2007	215,124,077	152,967,325	10,028,294	8,266,214	225,152,371	161,233,539	4.39	71.61%
2008	278,220,681	209,424,410	10,603,907	8,833,218	288,824,588	218,257,628	4.14	75.57%
2009	287,912,447	202,464,548	11,777,264	7,663,663	299,689,711	210,128,211	4.36	70.11%
2010	268,807,843	190,360,656	11,984,667	7,989,575	280,792,510	198,350,231	4.36	70.64%
2011	245,295,181	174,746,180	11,527,662	7,542,665	256,822,843	182,288,845	4.36	70.98%
2012	222,183,352	158,742,662	11,351,352	7,201,748	233,534,704	165,944,410	4.328	71.06%

Source-Lake County Property Appraiser's Office

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

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

CITY OF FRUITLAND PARK, FLORIDA
PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS
PER $1,000 OF ASSESSED VALUE
LAST TEN FISCAL YEARS

		OVERLAPPING RATES						
Fiscal Year	City Direct Rate	County School District	Lake County	Water Conservation Authority	Water Management District	Ambulance District	Hospital District	Total Taxes
2003	3.890	8.395	5.917	0.482	0.462	0.529	1.000	20.675
2004	3.890	8.440	5.917	0.408	0.462	0.529	1.000	20.646
2005	3.890	7.990	5.817	0.383	0.462	0.529	1.000	20.071
2006	4.390	7.981	5.797	0.337	0.462	0.529	1.000	20.496
2007	4.390	7.648	5.947	0.253	0.462	0.529	1.000	20.229
2008	4.140	7.698	4.941	0.213	0.416	0.465	1.000	18.873
2009	4.360	7.517	4.761	0.213	0.416	0.465	1.000	18.732
2010	4.360	7.532	4.761	0.213	0.416	0.465	1.000	18.747
2011	4.360	7.523	4.841	0.241	0.416	0.385	1.000	18.766
2012	4.328	7.394	4.841	0.241	0.331	0.385	1.000	18.521

Source - Lake County Property Appraiser

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

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

CITY OF FRUITLAND PARK, FLORIDA
PRINCIPAL PROPERTY TAXPAYERS
SEPTEMBER 30, 2012
CURRENT YEAR COMPARED TO NINE YEARS AGO

	Fiscal Year 2012		Fiscal Year 2003	
Taxpayer	Taxable Assessed Valuation	Percentage of Total Assessed Valuation	Taxable Assessed Valuation	Percentage of Total Assessed Valuation
Fruitland Park LLC - L & R Prop	$ 3,838,311	2.31%	$ -	
Southern Spring Lake Cove LLC	3,362,475	2.03%	-	
FWB Investment Ltd	1,954,230	1.18%	2,237,671	2.69%
Wal-Mart Stores East LP	1,787,500	1.08%	2,141,327	2.58%
CRC Properties Inc	1,664,823	1.00%	-	
Etheredge Limited Partnership	1,583,375	0.95%	1,441,444	1.74%
Armentano Enterprises Inc	1,571,241	0.95%	-	
Robert D & Leane E Rhodes	1,468,845	0.88%	923,473	1.11%
FP Property LLC	1,373,396	0.83%	-	
Fruitland Park Plaza LLC	1,095,482	0.66%	-	
Sprint-Florida Inc	-		1,576,687	1.90%
Larry M Phillips, Trustee	-		1,417,649	1.71%
Highland Associates	-		1,198,786	1.44%
HW Investments LLC	-		1,194,231	1.44%
Fruitland Acres Limited	-		1,106,841	1.33%
Carl A. & Carol Denise Munn	-		735,321	0.89%
	$ 19,699,678	11.87%	$ 13,973,430	16.82%
TOTAL TAXABLE ASSESSED VALUATION	$ 165,944,410		$ 83,060,153	

Source - Lake County Property Appraiser

CITY OF FRUITLAND PARK, FLORIDA
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS

Fiscal Year	Total Tax Levy	Current Tax Collections	Percent of Levy Collected	Delinquent Tax Collections	Total Tax Collections	Percent of Total Tax Collections to Tax Levy
2003	$ 323,104	$ 312,419	96.7%	$ 2,434	$ 314,853	97.4%
2004	356,671	344,419	96.6%	5,301	349,720	98.0%
2005	389,760	377,409	96.8%	575	377,984	97.0%
2006	513,156	496,358	96.7%	1,883	498,241	97.1%
2007	707,815	686,563	97.0%	585	687,148	97.1%
2008	903,587	874,560	96.8%	2,109	876,669	97.0%
2009	916,159	863,272	94.2%	4,000	867,272	94.7%
2010	864,807	841,298	97.3%	30,232	871,530	100.8%
2011	794,779	773,372	97.3%	7,055	780,427	98.2%
2012	718,274	697,391	97.1%	896	698,287	97.2%

See **Note 13** for discounts allowed for early payment of property taxes.

CITY OF FRUITLAND PARK, FLORIDA
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS

Fiscal Year	GOVERNMENTAL ACTIVITIES		BUSINESS-TYPE ACTIVITIES		Total Primary Government	Percentage of Personal Income	Per Capita
	Revenue Note	Capital Leases	Revenue Notes	Loans Payable			
2003	$ 1,000,000	41,035	-	$ 45,508	$ 1,086,543	N/A	333
2004	915,935	89,110	-	154,273	1,159,318	N/A	342
2005	828,423	54,920	-	854,311	1,737,654	N/A	502
2006	737,647	207,364	-	1,957,244	2,902,255	4.13%	800
2007	643,486	168,891	-	1,845,975	2,658,352	3.70%	694
2008	545,812	145,274	-	1,927,135	2,618,221	3.66%	684
2009	444,495	100,328	-	1,838,463	2,383,286	3.34%	599
2010	339,399	68,350	-	1,747,878	2,155,627	2.49%	522
2011	230,383	34,931	-	1,654,931	1,920,245	2.22%	498
2012	117,300	-	-	1,559,562	1,676,862	N/A	404

Details regarding the City's outstanding debt can be found in **Note 6** to the Financial Statements.

See pages 103 and 104 for personal income and population data.

N/A - Information is not available.

CITY OF FRUITLAND PARK, FLORIDA
RATIOS OF GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS

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

CITY OF FRUITLAND PARK, FLORIDA
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF SEPTEMBER 30, 2012

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Overlapping Debt
Debt repaid with property taxes	$ -	1.38%	$ -
Other debt			-
Subtotal, overlapping debt			-
Direct debt			1,676,862
Total direct and overlapping debt			$ 1,676,862

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

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

CITY OF FRUITLAND PARK, FLORIDA
PLEDGED-REVENUE DEBT COVERAGE
INFRASTRUCTURE SALES SURTAXES
LAST TEN FISCAL YEARS

Fiscal Year	Infrastructure Sales Surtaxes Available for Debt Service	Debt Service Requirements			Coverage
		Principal	Interest	Total	
2003	$ 252,753	$ -	$ -	$ -	N/A
2004	287,236	84,065	37,611	121,676	2.36
2005	323,797	87,512	34,129	121,641	2.66
2006	363,227	90,776	30,873	121,649	2.99
2007	331,153	94,161	27,487	121,648	2.72
2008	313,664	97,674	23,972	121,646	2.58
2009	301,985	101,317	20,339	121,656	2.48
2010	296,393	105,096	16,590	121,686	2.44
2011	314,320	109,016	12,660	121,676	2.58
2012	328,648	113,083	8,605	121,688	2.70

CITY OF FRUITLAND PARK, FLORIDA
PLEDGED-REVENUE COVERAGE
UTILITY REVENUES
LAST TEN FISCAL YEARS

Fiscal Year	Gross Revenues	Operating Expenses 1	Net Revenue Available for Debt Service	Debt Service Requirements			Coverage
				Principal	Interest	Total	
2003	$ 331,707	$ 266,847	$ 64,860	$ -	$ -	$ -	N/A
2004	366,890	253,568	113,322	-	-	-	N/A
2005	468,381	253,310	215,071	-	-	-	N/A
2006	625,598	346,534	279,064	43,970	40,784	84,754	3.29
2007	621,903	407,239	214,664	111,269	58,239	169,508	1.27
2008	711,210	655,477	55,733	122,314	47,194	169,508	0.33
2009	645,104	734,332	(89,228)	88,672	48,997	137,669	0.00
2010	647,289	835,458	(188,169)	90,585	47,083	137,668	0.00
2011	706,202	809,609	(103,407)	92,947	44,722	137,669	0.00
2012	755,723	767,017	(11,294)	95,369	42,299	137,668	0.00

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

Note: The City was not subject to any pledged-revenue coverage convenants for the years 2003, 2004 and 2005. Beginning in fiscal year 2006, covenants on the State Revolving Fund loans require a coverage ratio of 1.15 to 1.

CITY OF FRUITLAND PARK, FLORIDA
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST SEVEN FISCAL YEARS

Year	2006	2007	2008	2009	2010	2011	2012
Population	3,628	3,829	3,879	3,978	4,129	3,853	4,148
Total Personal Income of all Fruitland Park Residents (in thousands)	$71,395	$71,778	$71,480	$71,463	$86,416	$86,483	N/A
Per Capita Personal Income	$19,679	$18,746	$18,427	$17,965	$20,929	$22,036	N/A
Median Age	35.5	36.6	40.3	40.3	38.9	37.9	34.7
School Enrollment							
Fruitland Park Elementar	670	632	630	633	632	623	640
Total Housing Units	1,580	1,485	1,452	1,453	1,739	1,772	1,662
Owner occupied	1,157	1,019	1,041	1,042	1,118	1,188	1,477
Renter occupied	379	408	287	287	414	359	469
Vacant	44	58	124	124	207	225	185
Lake County Unemployment Rate	3.0%	4.7%	8.5%	12.6%	11.9%	9.9%	8.4%

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

Population from the Florida Bureau of Economic and Business Research (BEBR)
Unemployment rate from the Florida Research and Data Base (http:/fred/labormarketinfo.com)
Per Capita Income, Median Age, and Housing Units from Metro Orlando
Economic Development Commission

N/A - Information not available.

CITY OF FRUITLAND PARK, FLORIDA
DEMOGRAPHIC STATISTICS
LAST TEN FISCAL YEARS

POPULATION

Year	City of Fruitland Park		Lake County	
	Population	% Change	Population	% Change
2003	3,265	1.40%	240,716	4.17%
2004	3,393	3.92%	251,878	4.64%
2005	3,463	2.06%	263,017	4.42%
2006	3,628	4.76%	276,783	5.67%
2007	3,829	5.54%	285,422	3.12%
2008	3,879	1.31%	288,379	1.04%
2009	3,978	2.55%	291,993	1.25%
2010	4,129	3.80%	297,432	1.90%
2011	3,853	-1.07%	296,681	-0.13%
2012	4,148	7.11%	299,677	1.01%

LAKE COUNTY POPULATION DISTRIBUTION

		Age Distribution (Percentage)			
	Median age in Years	0-14	15-44	45-64	65+
1980	43.2	17.8%	33.9%	22.9%	25.4%
1990	44.5	16.8%	33.7%	22.1%	27.4%
2000	45.0	17.1%	32.9%	23.7%	26.3%
2009	40.3	16.4%	30.8%	27.1%	25.7%
2011	47.9	13.5%	32.6%	29.3%	24.6%
2012	34.7	23.4%	40.2%	25.6%	10.8%

Source - Bureau of Economic Business research, University of Florida

CITY OF FRUITLAND PARK, FLORIDA
PRINCIPAL EMPLOYERS
SEPTEMBER 30, 2012

Employer	Employees	Rank	Percent of Total City Employment
Wal-Mart	324	1	24.3%
Fruitland Park Elementary School	87	2	6.5%
Bill Bryan Chrysler	70	3	5.3%
City of Fruitland Park	41	4	3.1%
Phillips Buick/Pontiac	65	5	4.9%
Munn's Heating & Air	95	6	7.1%
Total	682		51.2%
Total City Employment	1,332		

Note: This is the City's seventh year of implementation under GASB 44. Principal employer information from 2003 is not available.

Source - Number of employees from direct calls to employers

- Total City Employment from Metro Orlando Economic Development

CITY OF FRUITLAND PARK, FLORIDA
CITY GOVERNMENT EMPLOYEES BY FUNCTION
LAST SEVEN FISCAL YEARS

	2006	2007	2008	2009	2010	2011	2012
GENERAL GOVERNMENT							
Legislative	10	10	10	10	10	9	11
Executive	3	3	3	3	3	3	3
Finance	4	4	4	4	4	4	4
Other General Government	1	1	1	1	1	1	1
PUBLIC SAFETY							
Police Department	21	22	23	23	23	22	21
Fire	25	25	25	25	25	20	20
Building Inspections	2	2	1	1	1	1	0
TRANSPORTATION							
Roads and Streets	5	5	5	5	3	2	2
CULTURE AND RECREATION							
Library	5	7	7	7	7	6	6
Municipal Pool	9	9	9	9	8	8	7
Recreation Maintenance	2	2	2	2	2	2	1
Recreation Programs	2	2	2	2	3	2	2
UTILITIES							
Water	3	3	3	3	5	5	5
Sewer	1	1	1	1	1	0	0
Total Employees	93	96	96	96	96	85	83

Full-Time 33
Part-Time 50

The City implemented GASB 44 in fiscal year 2006.

Source: City Finance Department

CITY OF FRUITLAND PARK, FLORIDA
OPERATING INDICATORS BY FUNCTION AND ACTIVITY
SEPTEMBER 30, 2012

	2006	2007	2008	2009	2010	2011	2012
Police Protection:							
Number of Sworn Police Officers	11	13	13	13	13	13	13
Number of Reserve Officers	5	5	5	5	5	4	4
Fire Protection:							
Number of Volunteer Firefighters	25	25	25	25	25	20	20
Building Inspections:							
Commercial Construction Permits	7	33	6	3	1	0	1
Residential Construction Permits	100	30	33	10	6	3	3
Roads and Streets:							
Street Resurfacing	None	None	.6 mile	.8 mile	.7 mile	.25 mile	.0 mile
Recreation:							
Number of City-wide events	2	2	2	2	2	2	2
Municipal Water System:							
Number of Consumers	1,610	1,617	1,728	1,712	1,739	1,749	1,779
New Connections	94	62	152	110	11	2	5

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

Source: Various City departments

CITY OF FRUITLAND PARK, FLORIDA
CAPITAL ASSET AND INFRASTRUCTURE STATISTICS
SEPTEMBER 30, 2012

	2006	2007	2008	2009	2010	2011	2012
City Land Area (square miles)	5.9	6.0	6.5	6.6	6.6	6.6	6.83
Police Protection:							
Number of Stations	1	1	1	1	1	1	1
Number of Patrol Units	12	13	13	13	15	16	18
Fire Protection:							
Number of Stations	1	1	1	1	1	1	1
Number of Fire Trucks	2	2	2	2	2	2	2
Culture and Recreation:							
Number of Libraries	1	1	1	1	1	1	1
Number of Municipal Pools	1	1	1	1	1	1	1
Number of Parks	4	4	4	4	4	4	4
Number of Baseball/softball fields	3	3	3	3	3	3	3
Number of Soccer Fields	1	1	1	1	1	1	1
Number of Skate parks	1	1	1	1	1	1	1
Number of Community Centers	2	2	1	1	1	1	1
Municipal Water System:							
Wells	5	5	5	5	5	5	5
Water Towers	1	1	1	1	1	1	1

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

Source: Various City departments

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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*

April 26, 2013

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

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Fruitland Park, Florida, as of and for the year ended September 30, 2012, which collectively comprise the City of Fruitland Park, Florida's basic financial statements and have issued our report thereon dated April 26, 2013. 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.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City of Fruitland Park, Florida's internal control over financial reporting as a basis for designing our auditing procedures 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 over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City of Fruitland Park's internal control over financial reporting.

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the City's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood

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that a misstatement of the City's financial statements that is more than inconsequential will not be prevented or detected by the City's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the City's internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of Fruitland Park, Florida's financial statements are free of 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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of the City Commission, management, and Federal and State of Florida awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

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CITY OF FRUITLAND PARK, FLORIDA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED SEPTEMBER 30, 2012

FEDERAL AWARDS

FEDERAL GRANTOR/ PROGRAM TITLE	Federal CFDA Number	Federal Revenues	Federal Expenditures	Federal through State Receipts
U. S. DEPARTMENT OF JUSTICE				
Pass through the Florida Department of Law Enforcement:				
Justice Assistance Grant (total grant $5,468) Drug/DUI Interdiction and Crime Analysis Contract #2012-JAGC-LAKE-10-C4-243	16.738	$ 3,994	$ 5,468	$ 3,994
Justice Assistance Grant (total grant $1,026) Upgrade Records Section #2012-JAGD-LAKE-2-C5-033	16.738	887	887	887
U. S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT				
Pass through the Florida Department of Community Affairs				
CDBG Block Grant (total grant $700,000) Neighborhood Revitalization Contract #11DB-L4-06-45-02-N23	14.228	684,957	659,957	684,957
U. S. ENVIRONMENTAL PROTECTION AGENCY				
Pass through the Florida Department of Environmental Protection:				
Clean Water State Revolving Fund Loan #WW91203S (maximum loan $2,393,745)	66.458	-	-	-
Clean Water State Revolving Fund Loan #CS12091201P (maximum loan $237,108)	66.458	-	-	-
Total Federal Awards		$ 689,838	$ 666,312	689,838

Continued on next page

CITY OF FRUITLAND PARK, FLORIDA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED SEPTEMBER 30, 2012

STATE OF FLORIDA FINANCIAL ASSISTANCE

State Agency/ PROGRAM TITLE	State Revenues	State Expenditures	State Receipts
Total State Financial Assistance	$ -	$ -	-
Total State Receipts			$ 689,838

(Florida Single Audit not required)

NOTE: This schedule was prepared using the modified accrual basis of accounting for *Federal and State Revenues and Expenditures*, and the cash basis for *Federal through State Receipts and State* Receipts.

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

April 26, 2013

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

Compliance

We have audited the compliance of the City of Fruitland Park, Florida with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are could have a direct and material effect on each of its major Federal programs for the year ended September 30, 2012. The City of Fruitland Park's major Federal programs are identified in the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major Federal programs is the responsibility of the City of Fruitland Park's management. Our responsibility is to express an opinion on the City of Fruitland Park's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major Federal program occurred. An audit includes examining, on a test basis, evidence about the City of Fruitland Park's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the City of Fruitland Park's compliance with those requirements.

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In our opinion, the City of Fruitland Park complied, in all material respects, with the 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, 2012.

Internal Control Over Compliance

The management of the City of Fruitland Park is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to Federal programs. In planning and performing our audit, we considered the City of Fruitland Park's internal control over compliance with requirements that could have a direct and material effect on a major Federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City of Fruitland Park's 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 major Federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a major Federal program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of the City Commission, management and Federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

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CITY OF FRUITLAND PARK, FLORIDA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
IN ACCORDANCE WITH OMB CIRCULAR A-133
FOR THE YEAR ENDED SEPTEMBER 30, 2012

SECTION I - Summary of Auditor's Results

Financial Statements

Type of audit report issued:	Unqualified opinion.
Internal control over financial reporting:	No instances of reportable conditions in internal control or reportable conditions which were material weaknesses in internal control.
Noncompliance material to financial statements noted:	No material instances of noncompliance.

Federal Awards

Internal control over major programs:	No instances of reportable conditions in internal control over major programs or reportable conditions which were material weaknesses in internal control over major programs.
Type of auditor's report issued on compliance for major programs:	Unqualified opinion.
Audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133:	No findings required to be reported under section 510(a) of Circular A-133.
Identification of major programs:	CFDA #14.228 CDBG Block Grant Neighborhood Revitalization
Dollar threshold used to distinguish between type A and type B programs:	$500,000.
Auditee qualified as low-risk auditee:	The City does not qualify as a low-risk auditee.

SECTION II - Financial Statement Findings

There are no financial statement findings in this year's schedule of findings and questioned costs.

SECTION III - Federal Award Findings and Questioned Costs

There are no federal award findings or questioned costs in this year's schedule of findings and questioned costs.

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INDEPENDENT AUDITOR'S REPORT ON EXAMINATION OF MANAGEMENT'S ASSERTION ABOUT COMPLIANCE WITH SPECIFIED REQUIREMENTS

April 26, 2013

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

We have examined management's assertion included in its representation letter dated April 26, 2013, that the City of Fruitland Park, Florida complied with the allowable cost requirements of the grants and aids appropriations identified in the Schedule of Expenditures of Federal Awards and State Financial Assistance for the year ended September 30, 2012. Management is responsible for the City of Fruitland Park, Florida's compliance with those requirements. Our responsibility is to express an opinion on management's assertion about the City's compliance based on our examination.

Our examination was made in accordance with standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the City's compliance with specified requirements.

In our opinion, management's assertion that the City of Fruitland Park, Florida complied with the allowable cost requirements of the grants and aids appropriations identified in the Schedule of Expenditures of Federal Awards and State Financial Assistance during the year ended September 30, 2012 is fairly stated, in all material respects.

This report is intended solely for the information and use of management, the City Commission, and applicable State of Florida agencies and is not intended and should not be used by anyone other than these specified parties.

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MANAGEMENT LETTER

April 26, 2013

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

We have audited the basic financial statements of the City of Fruitland Park, Florida as of and for the year ended September 30, 2012, and have issued our report thereon dated April 26, 2013.

The following comments and recommendations are provided as required by Chapter 10.550, Section 10.554(1)(i) *Rules of the Auditor General* which govern the conduct of local government entity audits performed in the State of Florida.

1. There were no significant findings or recommendations made in the preceding annual financial audit.

2. The City is in compliance with Section 218.415 *Florida Statutes* regarding the investment of public funds.

3. We have made no recommendations to improve the City's present financial management, accounting procedures, and internal controls.

4. We did not discover any violations of provisions of contracts and grant agreements, fraud, illegal acts, or abuse that have occurred, or ar likely to have occurred, that have an effect on the financial statements that is less than material but more than inconsequential.

5. For matters that have an inconsequential effect on the financial statements, considering both quantitative and qualitative factors and based on professional judgment:

    a. We have not reported any violations of provisions of contracts or grant agreements, fraud, illegal acts, or abuse.

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b. We have not reported any control deficiencies that are not significant deficiencies, including but not limited to:

1. Improper or inadequate accounting procedures.

2. Failures to properly record financial transactions.

3. Inaccuracies, shortages or defalcations. Also, we did not either discover any instances of fraud, or have any instances of fraud come to our attention.

6. The name of the primary government is the City of Fruitland Park, Florida, created by charter under the legal authority of Chapter 12755, Laws of Florida, Session 1927. The reporting entity includes the activities of the Fruitland Park Community Redevelopment Agency, a dependent special district, as a blended component unit.

7a. The City has not met any of the financial emergency conditions described in Section 218.503(1), *Florida Statutes*.

7b. The financial report filed with the Florida Department of Financial Services pursuant to Section 218.32(1)(a), *Florida Statutes* is in agreement with the annual financial audit report for the year ended September 30, 2012.

7c. Financial condition assessment procedures pursuant to Rule 10.556(7) were applied during the audit of the basic financial statements. The City is not, and during the fiscal year, was not experiencing deteriorating financial conditions which may cause a financial emergency described in Section 218.503(1), *Florida Statutes*. Accordingly, we have made no recommendations addressing deteriorating financial conditions in accordance with Rule 10.557(4)(d).

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

Shumacker, Johnston & Ross, PA

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