



**Comprehensive Annual Financial Report  
For The City of Fruitland Park, Florida  
For the Year Ended September 30, 2013**

CITY OF FRUITLAND PARK, FLORIDA  
 COMPREHENSIVE ANNUAL FINANCIAL REPORT  
 FOR THE YEAR ENDED SEPTEMBER 30, 2013

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506 W. Berckman Street  
Fruitland Park, Florida 34731

Tel. (352) 360-6727  
Fax. (352) 360-6686

April 27, 2014

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, 2013 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, 2013 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, 2013, 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 4,182 and a land area of approximately 6.83 square miles. The City's property tax millage rate is 4.6442 mils for fiscal year 2013.

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

30<sup>th</sup>, 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.

The Florida Department of Transportation began a major construction project for U.S. Highway 27/441 in Fruitland Park in 2011. This project is expanding the City's main corridor from four to six lanes. It is expected to be completed the end June 2014.

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 the first quarter of 2015.

There are two new businesses to the City, Family Dollar and Little Caesar's Pizza. Both are located on the 100 block of Miller Street. Family Dollar constructed a new building with an estimated taxable value of

\$600,000. Little Caesar's Pizza was an expansion of The Pantry which is the parent company for the Handy Way gas station. Both businesses, Handy Way and Little Caesar's Pizza, are located in the same facility at the corner of Miller Street and Dixie Avenue.

There are 454 licensed businesses in Fruitland Park as of September 30, 2013.

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

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

High Value Job Creation Program (HVJCP) is a 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 September 2013 unemployment rate was 7.3%. This is down from 9% for the same time period last year. This rate is slightly higher than the state average of 7.2% and higher than the national average of 7.2% for the same period.

### **Major Initiatives**

The Villages is a retirement community located to the north of Fruitland Park. This development plans to build 2,050 residential units on approximately 780 acres in the city limits of Fruitland Park over the next two years. The City of Fruitland Park

should expect some drastic changes as this community is developed. There will be an increase in revenue from various taxes and fees such as property taxes, impact fees, and water/sewer fees.

### **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. These funds were used to make the tenth and final payment for City Hall.

At September 30, 2013 the unassigned fund balance in the General Fund increased from 3.20 to 3.75 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**

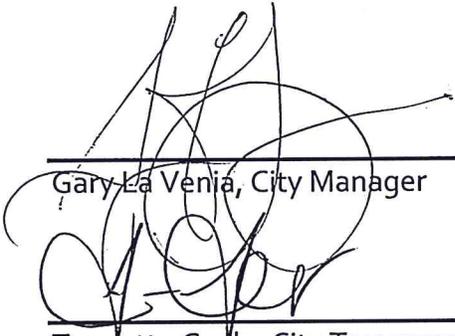
The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Fruitland Park for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ending September 30, 2012. This is the fourteenth 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



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Gary La Venia, City Manager

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Tannette Gayle, City Treasurer

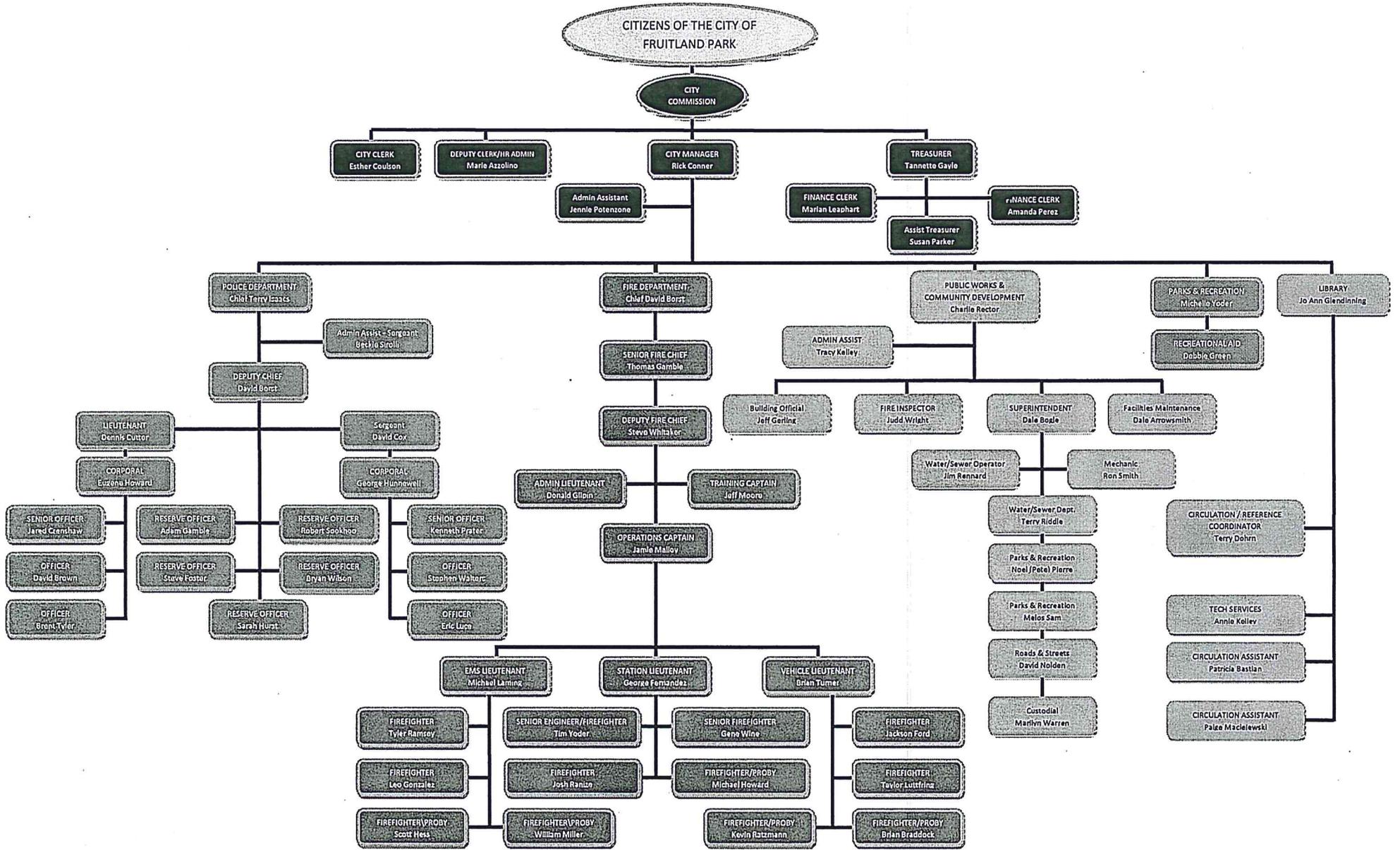
## CITY COMMISSION AND OFFICIALS

September 30, 2013

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Mayor ..... Christopher "Chris" Bell  
Vice Mayor-Commissioner..... Sharon Kelly  
Commissioner..... John Gunter  
Commissioner..... Albert "Al" Goldberg  
Commissioner..... Christopher "Chris" Cheshire  
  
City Manager..... Patrick "Rick" Conner  
City Treasurer..... Tannette Gayle  
City Clerk..... Esther Lewin-Coulson  
Police Chief..... Terry Isaacs  
Community Development Director..... Charles "Charlie" Rector  
Public Works Director..... Charles "Charlie" Rector  
Librarian..... Jo-Ann D. Glendinning  
Recreation Director..... C. Michelle Yoder  
City Attorney..... Scott A. Gerken





Government Finance Officers Association

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, 2012**

Executive Director/CEO

# 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

March 28, 2014

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

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, and each major fund of the City of Fruitland Park, Florida as of and for the year ended September 30, 2013, and the related notes to the financial statements, 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, 2013 and 2012, as listed in the table of contents.

### *Management's Responsibility for the Financial Statements*

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

### *Auditor's Responsibility*

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 involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

***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 and each major fund of the City of Fruitland Park, Florida as of September 30, 2013, and the respective changes in financial position and, where applicable, cash flows thereof 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, 2013 and 2012, 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, 2013 and 2012, 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.

***Other Matters***

***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 5 through 14, and the budgetary comparisons for the General Fund and Community Redevelopment Fund on pages 22 and 23, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Government Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

***Other Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Fruitland Park, Florida's basic financial statements and on the individual fund financial statements. The financial information listed in the table of contents as Schedule of Budgetary Compliance, Capital Assets Used in the Operation of Governmental Activities, Schedule of Expenditures of Federal Awards and State Financial Assistance, and the Statistical Section are presented for the purpose of additional analysis and are not a required part of the basic financial statements. The Schedule of Expenditures of Federal Awards and State Financial Assistance is presented for the purpose 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*

The Schedule of Budgetary Compliance, Capital Assets Used in the Operation of Governmental Activities, and the Schedule of Expenditures of Federal Awards and State Financial Assistance are the responsibility of

management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic and individual fund financial statements and certain other procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Budgetary Compliance, Capital Assets Used in the Operation of Governmental Activities, and the Schedule of Expenditures of Federal Awards and State Financial Assistance are fairly stated, in all material respects, in relation to the basic financial statements and to the financial statements of each of the respective individual funds taken as a whole.

The Statistical Section as listed in the table of contents has not been subjected to the auditing procedures applied in the audit of the basic and individual fund financial statements, and, accordingly, we do not express an opinion or provide any assurance on it.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated March 28, 2014 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Fruitland Park's internal control over financial reporting and compliance.



Shumacker, Johnston & Ross, PA

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CITY OF FRUITLAND PARK  
Management's Discussion and Analysis (MD&A)  
For the Fiscal Year Ending September 30, 2013

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, 2013. 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 \$9,732,607 (net position). Of this amount, \$816,661 or 8.39% is unrestricted 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 position decreased \$375,310. Net position for governmental activities decreased \$281,165 and net position for business activities decreased \$94,145.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$2,461,177. Forty percent of this amount or \$979,316 is unassigned and available for spending in accordance with the City's fund designation and fiscal policies.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$979,316 or 31% of total General Fund expenditures. This is an \$83,314 increase over the \$896,002 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 position* presents information on all of the City of Fruitland Park's assets and liabilities, with the difference between the two reported as net position. Over time, increases or

CITY OF FRUITLAND PARK  
Management's Discussion and Analysis (MD&A)  
For the Fiscal Year Ending September 30, 2013

decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The *statement of activities* presents information showing how the City's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will 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 15-17 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 19-23 of this report.

CITY OF FRUITLAND PARK  
Management's Discussion and Analysis (MD&A)  
For the Fiscal Year Ending September 30, 2013

**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 24-28 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 29-30 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 31-49 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 50 of this report.

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

#### GOVERNMENT-WIDE FINANCIAL ANALYSIS

**Statement of Net Position.** As noted earlier, over time net position 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 \$9,732,607 as of September 30, 2013. The following table reflects the condensed statement of net assets for the current fiscal year compared to the prior year.

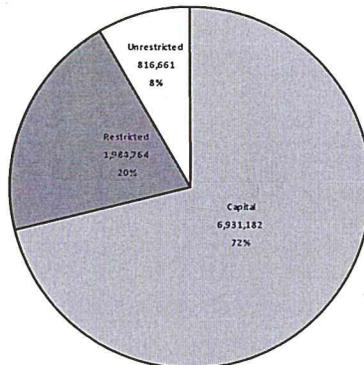
CITY OF FRUITLAND PARK  
 Management's Discussion and Analysis (MD&A)  
 For the Fiscal Year Ending September 30, 2013

CITY OF FRUITLAND PARK - NET POSITION

	Governmental Activities		Business-type Activities		Total	
	2012	2013	2012	2013	2012	2013
Current and other assets	\$2,436,965	\$2,724,726	\$1,105,309	\$1,037,656	\$3,542,274	\$3,762,382
Capital Assets	3,878,797	3,770,300	4,740,833	5,273,172	\$8,619,630	\$9,043,472
Net Pension Obligation	<u>11,707</u>	<u>11,707</u>	<u>0</u>	<u>0</u>	<u>11,707</u>	<u>\$11,707</u>
Total Assets	<u>6,327,469</u>	<u>6,506,733</u>	<u>5,846,142</u>	<u>6,310,828</u>	<u>12,173,611</u>	<u>\$12,817,56</u>
Current and other liabilities	281,137	730,831	223,962	264,336	505,099	\$995,167
Long-term liabilities outstanding	<u>10,403</u>	<u>9,294</u>	<u>1,463,558</u>	<u>1,982,015</u>	<u>1,473,961</u>	<u>\$1,991,309</u>
Total liabilities	<u>291,540</u>	<u>740,125</u>	<u>1,687,520</u>	<u>2,246,351</u>	<u>1,979,060</u>	<u>\$2,986,476</u>
Deferred Inflows	86,634	98,478			86,634	\$98,478
Net Position:						
Net Investment in capital assets	3,761,497	3,770,300	3,483,711	3,160,882	7,245,208	\$6,931,182
Restricted	1,302,876	1,477,718	481,482	507,046	1,784,358	\$1,984,764
Unrestricted	<u>884,922</u>	<u>420,112</u>	<u>193,429</u>	<u>396,549</u>	<u>1,078,351</u>	<u>\$816,661</u>
Total Net Position	<u>\$5,949,295</u>	<u>\$5,668,130</u>	<u>\$4,158,622</u>	<u>\$4,064,477</u>	<u>\$10,107,917</u>	<u>\$9,732,607</u>

The largest portion of the City's net position (\$6,931,182 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 cannot be used to liquidate these liabilities.

Total Net Position



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An additional portion of the City of Fruitland Park's net position (\$1,984,764 or 20%) represents resources that are subject to external restrictions on how they may be used. The remaining balance, unrestricted net assets (\$816,661 or 8%), may be used to meet the government's ongoing obligations to citizens and creditors.

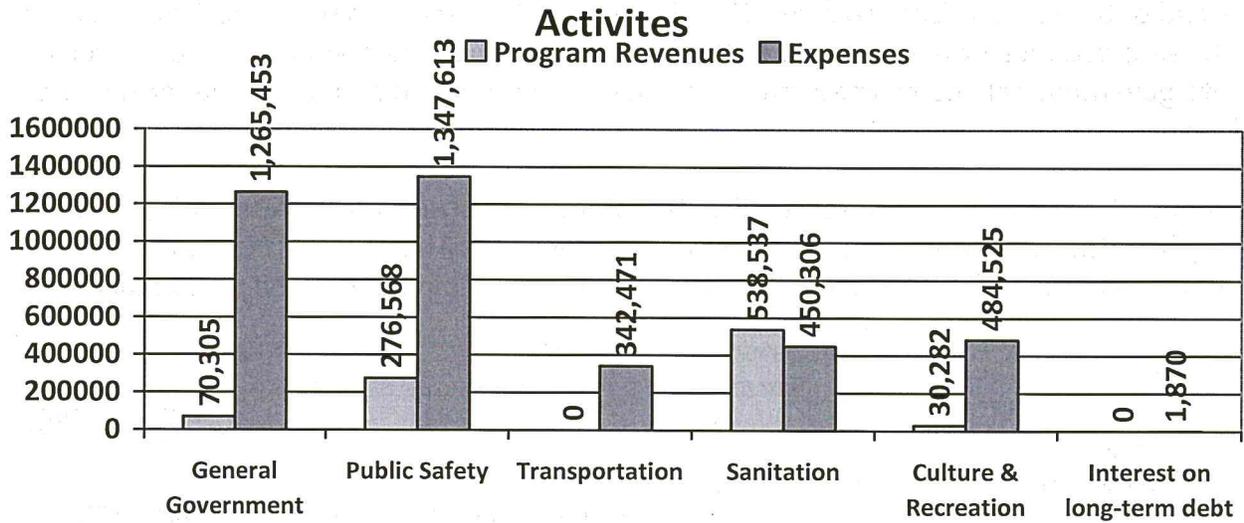
At the end of the current fiscal year, the City of Fruitland Park is able to report positive balances in all three categories of net position, both for the government as a whole, as well as for its separate governmental and business-type activities. The same situation held true for the prior fiscal year.

**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.

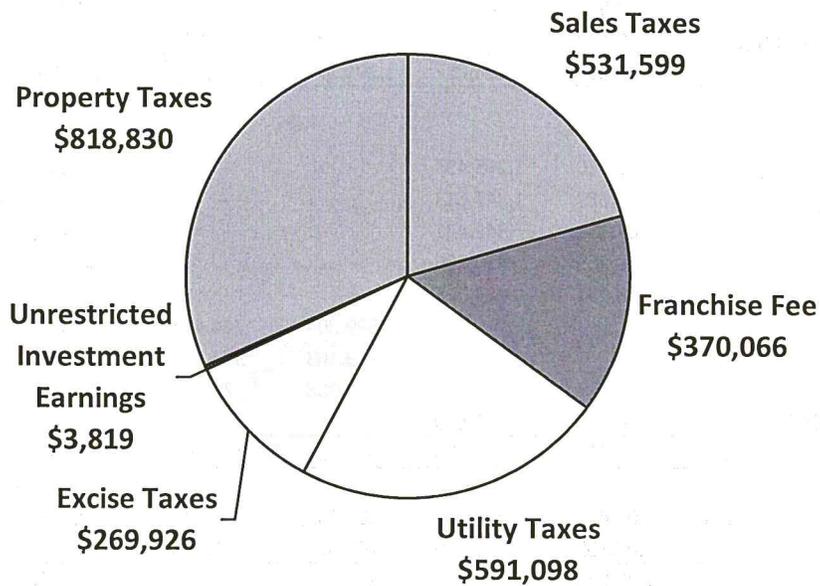
	CITY OF FRUITLAND PARK'S CHANGES IN NET					
	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	2012	2013	2012	2013	2012	2013
Revenues:						
Program revenues:						
Charges for services	878,709	915,692	790,578	982,086	1,669,287	1,897,778
Operating grants and contributions	80,987	76,471	-	-	80,987	76,471
Capital grants and contributions	681,142	26,576	386,625	24,390	1,067,767	50,966
General revenues:						
Property taxes	812,503	818,830	-	-	812,503	818,830
Sales Taxes	522,526	531,599	-	-	522,526	531,599
Franchise fees and utility taxes	899,013	961,164	-	-	899,013	961,164
Exise taxes	272,538	269,926	-	-	272,538	269,926
Unrestricted investment earnings	9,474	3,819	24,071	12,121	33,545	15,940
Total revenues	<u>4,156,892</u>	<u>3,604,077</u>	<u>1,201,274</u>	<u>1,018,597</u>	<u>5,358,166</u>	<u>4,622,674</u>
Expenses:						
General Government	821,330	1,265,453	-	-	821,330	1,265,453
Public Safety	1,460,689	1,347,613	-	-	1,460,689	1,347,613
Transportation	707,159	342,471	-	-	707,159	342,471
Sanitation	780,765	450,306	-	-	780,765	450,306
Culture and Recreation	488,131	484,525	-	-	488,131	484,525
Water	-	-	599,304	744,457	599,304	744,457
Sewer	-	-	209,103	332,126	209,103	332,126
Recreation Programs	-	-	28,308	29,163	28,308	29,163
Interest on Long-term Debt	6,249	1,870	-	-	6,249	1,870
Total expenses	<u>4,264,323</u>	<u>3,892,238</u>	<u>836,715</u>	<u>1,105,746</u>	<u>5,101,038</u>	<u>4,997,984</u>
Change in net position before transfers	-107,431	-288,161	364,559	-87,149	257,128	-375,310
Transfers	206,505	6,996	-206,505	-6,996	-	-
<u>Change in net position</u>	99,074	-281,165	158,054	-94,145	257,128	-375,310
<u>Net assets - 10/01/2012</u>	5,850,221	5,949,295	4,000,568	4,158,622	9,850,789	10,107,917
<u>Net assets - 09/30/2013</u>	<u>\$5,949,295</u>	<u>\$5,668,130</u>	<u>\$4,158,622</u>	<u>\$4,064,477</u>	<u>\$10,107,917</u>	<u>\$9,732,607</u>

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### Program Revenues and Expenses-Governmental



### Revenues by Source-Governmental Activities



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**Business-Type Activities.** Business-type activities decreased the City's net position by \$94,145. The main reason for the decrease was a \$ 362,235 decrease in Capital Grants and Contributions.

**Governmental-Type Activities.** Also, net position decreased \$380,239 for fiscal year 2013. The main reason for the decrease was a \$530,000 liability for the police and fire fee class action lawsuit.

#### 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 2013 the City's governmental funds reported combined ending fund balances of \$2,461,177. Approximately 40% of this total amount (\$979,316) 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 (\$30,203), 2) police equipment and automation (\$6,985), 3) public safety capital improvements (\$206,880), 4) redevelopment (\$374,440) 5) infrastructure (\$577,565); Committed: 1) cemetery care (\$134,322), 2) storm-water utility (\$147,323); Nonspendable: 1) prepaid items (\$4,143).

The General Fund is the primary operating fund of the City. As of the end of fiscal year 2013 the fund balance of the General Fund increased \$107,421, from \$1,401,751 to \$1,509,172. 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 31% of General Fund's current expenditures, increased \$83,314 from \$896,002 to \$979,316.

**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 2013 the City's Utility Fund reported total net assets of \$4,049,216. Of this amount \$3,160,882 or 78% is invested in capital assets (net of related debt); \$442,989 is restricted for utility capital improvements; \$64,057 is restricted for debt service and \$381,288 is

CITY OF FRUITLAND PARK  
Management's Discussion and Analysis (MD&A)  
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unrestricted. Utility Fund operating revenues decreased \$38,177 or 5%. Operating expenses increased \$73,302 or 9%, primarily due to more spending on personal services.

As of September 30, 2013 the City's Recreation Programs Fund reported unrestricted net assets of \$15,261 an increase of \$4284 compared to the prior fiscal year.

**CAPITAL ASSETS**

The City's investment in capital assets for its governmental and business-type activities as of September 30, 2013, amounts to \$8,744,960 (net of depreciation). Capital assets are summarized below.

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

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	2012	2013	2012	2013	2012	2013
Land	943,094	962,718	339,699	339,699	1,282,793	1,302,417
Design in Progress	93,275	0	0	0	93,275	0
Buildings	1,792,068	1,730,530	98,491	92,280	1,890,559	1,822,810
Improvements other than buildings	186,086	156,698	0	0	186,086	156,698
Utility Systems	0	0	4,184,521	4,434,233	4,184,521	4,434,233
Equipment	268,986	347,340	118,122	108,448	387,108	455,788
Infrastructure	595,288	573,014	0	0	595,288	573,014
<b>Total Capital Assets</b>	<b>\$3,898,797</b>	<b>\$3,770,300</b>	<b>\$4,740,833</b>	<b>\$4,974,660</b>	<b>\$8,619,630</b>	<b>\$8,744,960</b>

Additional information on the City's capital assets can be found in Note 5 on page 38 & 39 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 sales tax to repay the debt.

CITY OF FRUITLAND PARK  
Management's Discussion and Analysis (MD&A)  
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At the end of fiscal year 2013, the City's long-term liabilities increased \$393,947 from \$1,751,589 to \$2,145,536. The outstanding balance includes \$167,557 State Revolving Fund (SRF) loan balance for preconstruction planning and engineering of the sewer utility system, and \$1,294,149 for a SRF loan for the construction of the wastewater collection and treatment system. The City also reports a long-term liability of \$63,948 for compensated absences.

The Florida Department of Transportation began a major construction project for U.S. Highway 27/441 in Fruitland Park in 2011. The long-term liability is an interest free loan of \$619,882. The first payment is due October 2014 for \$20,662.

Additional information on the City's long-term debt can be found in Note 6 on pages 40-42 of this report.

**ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES**

The City's final taxable value of commercial and residential property decreased \$7,765,624 or 4.67% from \$165,944,410 in fiscal year 2012 to \$158,178,786 in fiscal year 2013. Considering this the City's ad-valorem tax rate increased from 4.3284 mills to 4.6442 mills for 2013 in a 5-0 vote, the City still collected 99.4% 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 2014 adopted budget totals, \$5,523,490 which is \$148,874 (2.7%) more than the final 2013 budget.

CITY OF FRUITLAND PARK  
Management's Discussion and Analysis (MD&A)  
For the Fiscal Year Ending September 30, 2013

**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 POSITION**  
**SEPTEMBER 30, 2013**

	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
<b>ASSETS</b>			
Cash	\$ 1,834,929	\$ 30,251	\$ 1,865,180
Certificates of Deposit	605,861	200,000	805,861
Investments	-	38,189	38,189
Restricted Cash	-	621,963	621,963
Receivables (net of allowance for uncollectibles)	197,689	106,673	304,362
Due from Other Governments	82,104	-	82,104
Inventory and Prepaids	4,143	40,580	44,723
Deferred Charges	-	298,512	298,512
Capital Assets (net of accumulated depreciation):			
Land	962,718	339,699	1,302,417
Buildings	1,730,530	92,280	1,822,810
Improvements Other Than Buildings	156,698	-	156,698
Utility Systems	-	4,434,233	4,434,233
Equipment	347,340	108,448	455,788
Infrastructure	573,014	-	573,014
Net Pension Obligation	11,707	-	11,707
<b>TOTAL ASSETS</b>	<b>6,506,733</b>	<b>6,310,828</b>	<b>12,817,561</b>
<b>LIABILITIES</b>			
Accounts Payable	128,882	35,232	164,114
Accrued Liabilities	556,573	5,336	561,909
Accrued Interest Payable	-	4,777	4,777
Customer Deposits	-	110,140	110,140
Noncurrent Liabilities:			
Due within one year	45,376	108,851	154,227
Due in more than one year	9,294	1,982,015	1,991,309
<b>TOTAL LIABILITIES</b>	<b>740,125</b>	<b>2,246,351</b>	<b>2,986,476</b>
<b>DEFERRED INFLOWS</b>			
Unearned Revenue	98,478	-	98,478
<b>NET POSITION</b>			
Net Investment in Capital Assets	3,770,300	3,160,882	6,931,182
Restricted for:			
Capital Improvements	784,445	442,989	1,227,434
Redevelopment Projects	374,440	-	374,440
Debt Service	-	64,057	64,057
Cemetery Care	134,322	-	134,322
Police	37,188	-	37,188
Stormwater	147,323	-	147,323
Unrestricted	420,112	396,549	816,661
<b>TOTAL NET POSITION</b>	<b>\$ 5,668,130</b>	<b>\$ 4,064,477</b>	<b>\$ 9,732,607</b>

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

CITY OF FRUITLAND PARK, FLORIDA  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED SEPTEMBER 30, 2013

	EXPENSES	PROGRAM REVENUES		
		CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS
<b>GOVERNMENTAL ACTIVITIES:</b>				
General Government	\$ 1,265,453	\$ 70,305	\$ 42	\$ -
Public Safety	1,347,613	276,568	2,459	26,576
Transportation	342,471	-	1,391	-
Sanitation/Other Utility	450,306	538,537	17	-
Culture and Recreation	484,525	30,282	72,562	-
Interest on Long-term Debt	1,870	-	-	-
<b>TOTAL GOVERNMENTAL ACTIVITIES</b>	<b>3,892,238</b>	<b>915,692</b>	<b>76,471</b>	<b>26,576</b>
<b>BUSINESS-TYPE ACTIVITIES:</b>				
Water Utility	744,457	598,184	-	5,910
Sewer Utility	332,126	343,482	-	18,480
Recreation Programs	29,163	40,420	-	-
<b>TOTAL BUSINESS-TYPE ACTIVITIES</b>	<b>1,105,746</b>	<b>982,086</b>	<b>-</b>	<b>24,390</b>
<b>TOTAL</b>	<b>\$ 4,997,984</b>	<b>\$ 1,897,778</b>	<b>\$ 76,471</b>	<b>\$ 50,966</b>

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 POSITION

GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
\$ (1,195,106)	\$ -	\$ (1,195,106)
(1,042,010)	-	(1,042,010)
(341,080)	-	(341,080)
88,248	-	88,248
(381,681)	-	(381,681)
(1,870)	-	(1,870)
<u>(2,873,499)</u>	<u>-</u>	<u>(2,873,499)</u>
-	(140,363)	(140,363)
-	29,836	29,836
-	11,257	11,257
<u>-</u>	<u>(99,270)</u>	<u>(99,270)</u>
<u>(2,873,499)</u>	<u>(99,270)</u>	<u>(2,972,769)</u>
818,830	-	818,830
531,599	-	531,599
370,066	-	370,066
591,098	-	591,098
269,926	-	269,926
3,819	12,121	15,940
6,996	(6,996)	-
<u>2,592,334</u>	<u>5,125</u>	<u>2,597,459</u>
(281,165)	(94,145)	(375,310)
<u>5,949,295</u>	<u>4,158,622</u>	<u>10,107,917</u>
<u>\$ 5,668,130</u>	<u>\$ 4,064,477</u>	<u>\$ 9,732,607</u>

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**CITY OF FRUITLAND PARK, FLORIDA**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
**SEPTEMBER 30, 2013**

	GENERAL	COMMUNITY REDEVELOPMENT	CAPITAL PROJECTS	TOTAL GOVERNMENTAL FUNDS
<b>ASSETS</b>				
Cash	\$ 1,097,163	\$ 283,890	\$ 453,876	\$ 1,834,929
Certificates of Deposit	405,861	100,000	100,000	605,861
Accounts Receivable (net of allowance for uncollectibles)	197,689	-	-	197,689
Due from Other Governments	48,799	-	33,305	82,104
Inventory and Prepaids	4,143	-	-	4,143
<b>TOTAL ASSETS</b>	<b><u>\$ 1,753,655</u></b>	<b><u>\$ 383,890</u></b>	<b><u>\$ 587,181</u></b>	<b><u>\$ 2,724,726</u></b>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>LIABILITIES:</b>				
Accounts Payable	\$ 119,432	\$ 9,450	\$ -	\$ 128,882
Accrued Liabilities	26,573	-	-	26,573
Unearned/Unavailable Revenues	98,478	-	9,616	108,094
<b>TOTAL LIABILITIES</b>	<b><u>244,483</u></b>	<b><u>9,450</u></b>	<b><u>9,616</u></b>	<b><u>263,549</u></b>
<b>FUND BALANCES:</b>				
Nonspendable	4,143	-	-	4,143
Restricted	244,068	374,440	577,565	1,196,073
Committed	281,645	-	-	281,645
Unassigned	979,316	-	-	979,316
<b>TOTAL FUND BALANCES</b>	<b><u>1,509,172</u></b>	<b><u>374,440</u></b>	<b><u>577,565</u></b>	<b><u>2,461,177</u></b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b><u>\$ 1,753,655</u></b>	<b><u>\$ 383,890</u></b>	<b><u>\$ 587,181</u></b>	

Amounts reported for governmental activities in the Statement of Net Position 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 \$6,750,358 less accumulated depreciation of \$2,980,058. 3,770,300

Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds. 9,616

Net pension obligation is not an available financial resource and therefore, is not reported as an asset in the funds. 11,707

Liabilities for claims and judgments are not liquidated with current financial resources and, therefore, are not reported in the funds. (530,000)

Long-term liabilities are not due and payable in the current-period and, accordingly, are not reported in the governmental funds. (54,670)  
 Long-term liabilities consist of compensated absences. (54,670)

**NET POSITION OF GOVERNMENTAL ACTIVITIES** **\$ 5,668,130**

*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, 2013**

	<u>GENERAL</u>	<u>COMMUNITY REDEVELOPMENT</u>	<u>CAPITAL PROJECTS</u>	<u>TOTAL GOVERNMENTAL FUNDS</u>
<b>REVENUES:</b>				
Taxes	\$ 1,790,361	\$ -	\$ 328,366	\$ 2,118,727
License and Permits	41,446	-	-	41,446
Intergovernmental	443,715	191,007	-	634,722
Charges for Services	773,687	-	-	773,687
Fines and Forfeitures	58,885	-	-	58,885
Miscellaneous Revenues	60,858	12,304	1,356	74,518
<b>TOTAL REVENUES</b>	<u>3,168,952</u>	<u>203,311</u>	<u>329,722</u>	<u>3,701,985</u>
<b>EXPENDITURES:</b>				
Current				
General Government	776,202	14,162	-	790,364
Public Safety	1,268,791	-	125,383	1,394,174
Transportation	210,819	54,944	-	265,763
Sanitation/Other Utility	450,306	-	-	450,306
Culture and Recreation	424,768	-	6,705	431,473
Capital Outlay	-	19,624	-	19,624
Debt Service:				
Principal	-	-	117,300	117,300
Interest	-	-	4,422	4,422
<b>TOTAL EXPENDITURES</b>	<u>3,130,886</u>	<u>88,730</u>	<u>253,810</u>	<u>3,473,426</u>
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	<u>38,066</u>	<u>114,581</u>	<u>75,912</u>	<u>228,559</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers In	66,936	-	-	66,936
Transfers Out	-	(59,940)	-	(59,940)
Sale of Capital Assets	2,419	-	-	2,419
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>69,355</u>	<u>(59,940)</u>	<u>-</u>	<u>9,415</u>
<b>NET CHANGE IN FUND BALANCES</b>	<u>107,421</u>	<u>54,641</u>	<u>75,912</u>	<u>237,974</u>
<b>FUND BALANCES:</b>				
Beginning of Year	<u>1,401,751</u>	<u>319,799</u>	<u>501,653</u>	<u>2,223,203</u>
End of Year	<u>\$ 1,509,172</u>	<u>\$ 374,440</u>	<u>\$ 577,565</u>	<u>\$ 2,461,177</u>

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, 2013

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Amounts reports for governmental activities in the Statement of Activities (pages 16-17) are different because:

NET CHANGE IN FUND BALANCES-TOTAL GOVERNMENTAL FUNDS \$ 237,974

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, \$235,142, exceeded capital outlays \$219,920, in the current period. (15,222)

Loss on disposition of capital assets do not require the use of financial resources and, therefore, are not reported as expenditures in the funds. (93,275)

Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds. (11,293)

The expense for the class action lawsuit judgment reported in the Statement of Activities was not liquidated with current financial resources and, therefore, is not reported as an expenditure in the governmental funds. (530,000)

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 Position. 117,300

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. 2,552

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. 10,799

CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES \$ (281,165)

*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, 2013

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
REVENUES:				
Taxes	\$ 1,735,550	\$ 1,757,351	\$ 1,790,361	\$ 33,010
Licenses and Permits	26,225	26,225	41,446	15,221
Intergovernmental	421,135	428,634	443,715	15,081
Charges for Services	736,150	743,225	773,687	30,462
Fines and Forfeitures	66,800	65,700	58,885	(6,815)
Miscellaneous	45,105	36,355	60,858	24,503
<b>TOTAL REVENUES</b>	<b>3,030,965</b>	<b>3,057,490</b>	<b>3,168,952</b>	<b>111,462</b>
EXPENDITURES:				
Current:				
General Government	799,936	829,612	776,202	53,410
Public Safety	1,397,674	1,422,743	1,268,791	153,952
Transportation	225,231	255,761	210,819	44,942
Sanitation/Other Utility	464,140	444,140	450,306	(6,166)
Culture and Recreation	443,182	443,435	424,768	18,667
<b>TOTAL EXPENDITURES</b>	<b>3,330,163</b>	<b>3,395,691</b>	<b>3,130,886</b>	<b>264,805</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(299,198)</b>	<b>(338,201)</b>	<b>38,066</b>	<b>376,267</b>
OTHER FINANCING SOURCES (USES):				
Transfers In	186,936	188,188	66,936	(121,252)
Sale of Capital Assets	-	2,400	2,419	19
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>186,936</b>	<b>190,588</b>	<b>69,355</b>	<b>(121,233)</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>(112,262)</b>	<b>(147,613)</b>	<b>107,421</b>	<b>255,034</b>
FUND BALANCE, Beginning of Year	1,401,751	1,401,751	1,401,751	-
<b>FUND BALANCE, End of Year</b>	<b>\$ 1,289,489</b>	<b>\$ 1,254,138</b>	<b>\$ 1,509,172</b>	<b>\$ 255,034</b>

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, 2013

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
REVENUES:				
Intergovernmental	\$ 461,302	\$ 201,302	\$ 191,007	\$ (10,295)
Miscellaneous	14,800	14,800	12,304	(2,496)
TOTAL REVENUES	<u>476,102</u>	<u>216,102</u>	<u>203,311</u>	<u>(12,791)</u>
EXPENDITURES:				
General Government:				
Other General Government	45,830	49,080	14,162	34,918
Transportation:				
Roads and Streets	100,000	100,000	54,944	45,056
Capital Outlay	392,000	139,520	19,624	119,896
TOTAL EXPENDITURES	<u>537,830</u>	<u>288,600</u>	<u>88,730</u>	<u>199,870</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(61,728)</u>	<u>(72,498)</u>	<u>114,581</u>	<u>187,079</u>
OTHER FINANCING SOURCES (USES):				
Transfers Out	<u>(59,940)</u>	<u>(59,940)</u>	<u>(59,940)</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	<u>(121,668)</u>	<u>(132,438)</u>	<u>54,641</u>	<u>187,079</u>
FUND BALANCE, Beginning of Year	<u>319,799</u>	<u>319,799</u>	<u>319,799</u>	<u>-</u>
FUND BALANCE, End of Year	<u>\$ 198,131</u>	<u>\$ 187,361</u>	<u>\$ 374,440</u>	<u>\$ 187,079</u>

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

CITY OF FRUITLAND PARK, FLORIDA  
STATEMENT OF NET POSITION  
PROPRIETARY FUNDS  
SEPTEMBER 30, 2013

ASSETS	ENTERPRISE FUNDS		
	UTILITY FUND	RECREATION PROGRAMS FUND	TOTAL
<u>CURRENT ASSETS</u>			
Cash	\$ 12,963	\$ 17,288	\$ 30,251
Certificates of Deposit	200,000	-	200,000
Investments	38,189	-	38,189
Restricted Cash:			
SRF Loan Reserves	68,834	-	68,834
Customer Deposits	110,140	-	110,140
Customer Accounts Receivable (net of allowance for uncollectibles)	78,791	-	78,791
Inventory	40,580	-	40,580
 TOTAL CURRENT ASSETS	<u>549,497</u>	<u>17,288</u>	<u>566,785</u>
<u>NONCURRENT ASSETS</u>			
RESTRICTED CASH:			
Water and Sewer Impact Fees	442,989	-	442,989
SEWER IMPACT FEE RECEIVABLES	27,882	-	27,882
DEFERRED CHARGES	53,220	-	53,220
CONSUMPTIVE USE PERMIT (net of accumulated amortization)	245,292	-	245,292
CAPITAL ASSETS:			
Land	339,699	-	339,699
Buildings	243,408	-	243,408
Water System	3,417,791	-	3,417,791
Sewer System	2,888,193	-	2,888,193
Equipment	446,474	-	446,474
	7,335,565	-	7,335,565
Less Accumulated Depreciation	2,360,905	-	2,360,905
 NET CAPITAL ASSETS	<u>4,974,660</u>	<u>-</u>	<u>4,974,660</u>
 TOTAL NONCURRENT ASSETS	<u>5,744,043</u>	<u>-</u>	<u>5,744,043</u>
 TOTAL ASSETS	<u>6,293,540</u>	<u>17,288</u>	<u>6,310,828</u>

CITY OF FRUITLAND PARK, FLORIDA  
STATEMENT OF NET POSITION (continued)  
PROPRIETARY FUNDS  
SEPTEMBER 30, 2013

	ENTERPRISE FUNDS		
	UTILITY	RECREATION	TOTAL
	FUND	PROGRAMS FUND	
<b>LIABILITIES</b>			
<u>CURRENT LIABILITIES</u>			
Accounts Payable	\$ 33,205	\$ 2,027	\$ 35,232
Accrued Payroll	5,336	-	5,336
Customer Deposits	110,140	-	110,140
State Revolving Fund Loans:			
Accrued Interest	4,777	-	4,777
Current Portion	100,408	-	100,408
Compensated Absences	8,443	-	8,443
<b>TOTAL CURRENT LIABILITIES</b>	<u>262,309</u>	<u>2,027</u>	<u>264,336</u>
<u>NONCURRENT LIABILITIES</u>			
COMPENSATED ABSENCES	835	-	835
SRF LOANS PAYABLE	1,361,298	-	1,361,298
FDOT NOTE PAYABLE	619,882	-	619,882
<b>TOTAL LIABILITIES</b>	<u>2,244,324</u>	<u>2,027</u>	<u>2,246,351</u>
<b>NET POSITION</b>			
Net Investment in Capital Assets	3,160,882	-	3,160,882
Restricted for Utility Capital			
Improvements	442,989	-	442,989
Restricted for Debt Service	64,057	-	64,057
Unrestricted	381,288	15,261	396,549
<b>TOTAL NET POSITION</b>	<u>\$ 4,049,216</u>	<u>\$ 15,261</u>	<u>\$ 4,064,477</u>

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 POSITION  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2013

	ENTERPRISE FUNDS		
	UTILITY FUND	RECREATION PROGRAMS FUND	TOTAL
	FUND	FUND	TOTAL
OPERATING REVENUES:			
Charges for Services	\$ 653,878	\$ 39,525	\$ 693,403
Other Operating Revenues	63,668	895	64,563
<b>TOTAL OPERATING REVENUES</b>	<b>717,546</b>	<b>40,420</b>	<b>757,966</b>
OPERATING EXPENSES:			
Personal Services	353,619	-	353,619
Other Operating Expenses	278,397	29,163	307,560
Depreciation	205,334	-	205,334
<b>TOTAL OPERATING EXPENSES</b>	<b>837,350</b>	<b>29,163</b>	<b>866,513</b>
<b>OPERATING INCOME (LOSS)</b>	<b>(119,804)</b>	<b>11,257</b>	<b>(108,547)</b>
NONOPERATING REVENUES (EXPENSES):			
Interest Income	3,868	23	3,891
Increase in Fair Value of Investments	8,230	-	8,230
Claim Proceeds	224,120	-	224,120
Interest Expense	(39,493)	-	(39,493)
Debt Issuance Costs	(2,371)	-	(2,371)
Loss of Asset Disposition	(197,369)	-	(197,369)
<b>TOTAL NONOPERATING REVENUES (EXPENSES)</b>	<b>(3,015)</b>	<b>23</b>	<b>(2,992)</b>
<b>INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS</b>	<b>(122,819)</b>	<b>11,280</b>	<b>(111,539)</b>
CONTRIBUTIONS	24,390	-	24,390
TRANSFERS OUT	-	(6,996)	(6,996)
<b>CHANGE IN NET POSITION</b>	<b>(98,429)</b>	<b>4,284</b>	<b>(94,145)</b>
NET POSITION, Beginning of Year	4,147,645	10,977	4,158,622
NET POSITION, End of Year	<u>\$ 4,049,216</u>	<u>\$ 15,261</u>	<u>\$ 4,064,477</u>

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, 2013

	ENTERPRISE FUNDS		
	UTILITY FUND	RECREATION PROGRAMS FUND	TOTAL
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>			
Cash received from customers	\$ 731,375	\$ 40,420	\$ 771,795
Cash payments to suppliers for goods and services	(215,166)	(28,048)	(243,214)
Cash payments to employees for services	(354,898)	-	(354,898)
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<u>161,311</u>	<u>12,372</u>	<u>173,683</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>			
Repayments to General Fund	(258,040)	-	(258,040)
Transfers out to General Fund	-	(6,996)	(6,996)
<b>NET CASH USED IN NONCAPITAL FINANCING ACTIVITIES</b>	<u>(258,040)</u>	<u>(6,996)</u>	<u>(265,036)</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>			
Impact Fees received	26,382	-	26,382
SRF Loan principal repayments	(97,856)	-	(97,856)
SRF Loan interest paid	(39,813)	-	(39,813)
Sewer Claim proceeds	224,120	-	224,120
Acquisition and construction of capital assets	(16,648)	-	(16,648)
<b>NET CASH PROVIDED BY CAPITAL AND RELATED FINANCING ACTIVITIES</b>	<u>96,185</u>	<u>-</u>	<u>96,185</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>			
State Board Pool B investment	39,933	-	39,933
Interest received on investments	3,868	23	3,891
<b>NET CASH PROVIDED BY INVESTING ACTIVITIES</b>	<u>43,801</u>	<u>23</u>	<u>43,824</u>
<b>NET INCREASE IN CASH</b>	<u>43,257</u>	<u>5,399</u>	<u>48,656</u>
CASH, Beginning of Year	<u>591,669</u>	<u>11,889</u>	<u>603,558</u>
CASH, End of Year	<u>\$ 634,926</u>	<u>\$ 17,288</u>	<u>\$ 652,214</u>

continued on next page

CITY OF FRUITLAND PARK, FLORIDA  
STATEMENT OF CASH FLOWS (continued)  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2013

	ENTERPRISE FUNDS		
	UTILITY FUND	RECREATION PROGRAMS FUND	TOTAL
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES:			
Operating Income (Loss)	\$ (119,804)	\$ 11,257	\$ (108,547)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:			
Depreciation and Amortization	239,964	-	239,964
Changes in Assets and Liabilities:			
Decrease in Customer Receivables	5,329	-	5,329
Increase in Inventory	(188)	-	(188)
Increase in Accounts Payable	28,789	1,115	29,904
Decrease in Accrued Payroll	(1,299)	-	(1,299)
Increase in Customer Deposits	8,500	-	8,500
Increase Compensated Absences	20	-	20
 TOTAL ADJUSTMENTS	 281,115	 1,115	 282,230
 NET CASH PROVIDED BY OPERATING ACTIVITIES	 \$ 161,311	 \$ 12,372	 \$ 173,683
 NONCASH CAPITAL AND FINANCING ACTIVITIES:			
Water and sewer utility line replacement by FDOT	\$ 619,882	\$ -	\$ 619,882

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

CITY OF FRUITLAND PARK, FLORIDA  
STATEMENT OF FIDUCIARY NET POSITION  
FIDUCIARY FUNDS  
SEPTEMBER 30, 2013

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	<u>PENSION TRUST FUNDS</u>
<b>ASSETS</b>	
Cash	\$ 130,408
Certificates of Deposits	175,000
Investments with Trustees:	
Cash management funds	137,383
US Government securities	21,000
Corporate equity funds	106,660
Corporate bond funds	<u>127,915</u>
<b>TOTAL ASSETS</b>	<u>698,366</u>
<b>LIABILITIES</b>	
<b>LIABILITIES</b>	<u>-</u>
<b>NET POSITION</b>	
Held in trust for City's Contributions	21,006
Held in trust for Firefighters' Contributions	11,061
Held in trust for Pension Benefits	<u>666,299</u>
<b>TOTAL NET POSITION</b>	<u><u>\$ 698,366</u></u>

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

CITY OF FRUITLAND PARK, FLORIDA  
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
FIDUCIARY FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2013

	<u>PENSION TRUST FUNDS</u>
<b>ADDITIONS</b>	
CONTRIBUTIONS:	
City	\$ 33,633
Employees	1,820
State of Florida	<u>17,323</u>
Total Contributions	<u>52,776</u>
INVESTMENT INCOME:	
Net Appreciation in Fair Value of Investments	11,331
Interest/Dividend Income	<u>6,891</u>
Total Investment Income	18,222
Less Investment Expenses	<u>-</u>
Net Investment Income	<u>18,222</u>
TOTAL ADDITIONS	<u>70,998</u>
<b>DEDUCTIONS</b>	
Benefit Payments	30,707
Refund of Contributions	<u>1,432</u>
TOTAL DEDUCTIONS	<u>32,139</u>
CHANGE IN NET POSITION	38,859
NET POSITION HELD IN TRUST FOR PENSION BENEFITS:	
Beginning of Year	<u>659,507</u>
End of Year	<u><u>\$ 698,366</u></u>

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

CITY OF FRUITLAND PARK, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2013

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**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 position 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.

CITY OF FRUITLAND PARK, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2013

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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.

In addition to liabilities, the statement of financial position reports a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to future periods and so will not be recognized as an inflow of resources (revenue) until that time. The City reports deferred inflows for business taxes collected for the following fiscal year, future rentals for street light fixture upgrades prepaid by developers, and amounts received toward building permits that have not been applied for.

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.

CITY OF FRUITLAND PARK, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2013

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NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

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.

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. The City collects franchise fees from electric, gas, and garbage utility providers based on gross receipts. These franchise fees are also reported as general revenues.

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 0.18% as of September 30, 2013. 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, 2013, shares in the Fund B pool are stated net of a fair value factor of 1.1326228. Pension trust fund investments are reported at fair value, determined by the last reported sales price for securities traded on a national exchange.

CITY OF FRUITLAND PARK, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2013

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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 of 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. No interest was capitalized during the year ended September 30, 2013.

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 employee resignations and retirements. Personnel policies allow employees to accumulate a maximum of 20 days vacation leave. Upon termination, employees are

CITY OF FRUITLAND PARK, FLORIDA  
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NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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, 2013, 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.

**CITY OF FRUITLAND PARK, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2013**

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**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, 2013, the carrying amount of the City's cash deposits, including cash on deposit with the State Board of Administration Fund A pool, was \$2,487,143 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.

**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

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 NOTES TO FINANCIAL STATEMENTS  
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**NOTE 3 CASH AND INVESTMENTS (continued)**

investments are insured, or are securities held by the City or its agent in the City's name. At September 30, 2013 the City's investments at fair value are:

Certificates of Deposit	\$	980,861
State Board Fund B Pool		38,189
US Government Securities (GNMA)		21,000
Mutual Funds		<u>371,958</u>
		<u>\$ 1,412,008</u>

*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 4.04 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, 2013, 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, 2013 are as follows:

	<u>General Fund</u>	<u>Utility Fund</u>
Customer Accounts Receivable	\$ 48,828	\$ 87,230
Franchise and Utility Taxes	138,151	-
Other Receivables	9,333	27,882
Less Allowance for Uncollectibles	<u>-</u>	<u>(8,439)</u>
Net Receivables	<u>\$ 196,312</u>	<u>\$ 106,673</u>

**CITY OF FRUITLAND PARK, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2013**

**NOTE 5 CAPITAL ASSETS**

Capital asset activity for the year ended September 30, 2013:

	October 1, 2012	Additions	Transfers/ Deletions	Sept 30, 2013
<b>GOVERNMENTAL ACTIVITIES</b>				
Capital assets not being depreciated:				
Land	\$ 943,094	\$ 19,624	\$ -	\$ 962,718
Construction in progress	93,275	-	(93,275)	-
	<u>1,036,369</u>	<u>19,624</u>	<u>(93,275)</u>	<u>962,718</u>
Capital assets being depreciated:				
Buildings	2,590,160	-	-	2,590,160
Improvements	753,919	10,224	-	764,143
Equipment	1,608,820	190,072	(46,781)	1,752,111
Infrastructure	681,226	-	-	681,226
	<u>5,634,125</u>	<u>200,296</u>	<u>(46,781)</u>	<u>5,787,640</u>
Less accumulated depreciation for:				
Buildings	(798,092)	(61,538)	-	(859,630)
Improvements	(567,833)	(39,612)	-	(607,445)
Equipment	(1,339,834)	(111,718)	46,781	(1,404,771)
Infrastructure	(85,938)	(22,274)	-	(108,212)
	<u>(2,791,697)</u>	<u>(235,142)</u>	<u>46,781</u>	<u>(2,980,058)</u>
Total capital assets being depreciated, net	<u>2,842,428</u>	<u>(34,846)</u>	<u>-</u>	<u>2,807,582</u>
<b>GOVERNMENTAL ACTIVITIES</b>				
<b>CAPITAL ASSETS, NET</b>	<u>\$ 3,878,797</u>	<u>\$ (15,222)</u>	<u>\$ (93,275)</u>	<u>\$ 3,770,300</u>

CITY OF FRUITLAND PARK, FLORIDA  
 NOTES TO FINANCIAL STATEMENTS  
 SEPTEMBER 30, 2013

NOTE 5 CAPITAL ASSETS (continued)

	October 1, 2012	Additions	Transfers/ Deletions	Sept 30, 2013
<b>BUSINESS-TYPE ACTIVITIES</b>				
Capital assets not being depreciated:				
Land	\$ 339,699	\$ -	\$ -	\$ 339,699
Capital assets being depreciated:				
Buildings	243,408	-	-	243,408
Water System	3,246,515	309,940	(138,664)	3,417,791
Sewer System	2,735,643	309,942	(157,392)	2,888,193
Equipment	429,826	16,648	-	446,474
	<u>6,655,392</u>	<u>636,530</u>	<u>(296,056)</u>	<u>6,995,866</u>
Less accumulated depreciation for:				
Buildings	(144,917)	(6,211)	-	(151,128)
Water System	(1,365,340)	(81,443)	62,399	(1,384,384)
Sewer System	(432,297)	(91,358)	36,288	(487,367)
Equipment	(311,704)	(26,322)	-	(338,026)
Total accumulated depreciation	<u>(2,254,258)</u>	<u>(205,334)</u>	<u>98,687</u>	<u>(2,360,905)</u>
Total assets being depreciated, net	<u>4,401,134</u>	<u>431,196</u>	<u>(197,369)</u>	<u>4,634,961</u>
<b>BUSINESS-TYPE ACTIVITIES</b>				
<b>CAPITAL ASSETS, NET</b>	<u>\$ 4,740,833</u>	<u>\$ 431,196</u>	<u>\$ (197,369)</u>	<u>\$ 4,974,660</u>

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

<b>GOVERNMENTAL ACTIVITIES:</b>	
General Government	\$ 46,125
Public Safety	95,040
Transportation	26,381
Culture and Recreation	<u>67,596</u>
Total Depreciation Expense- Governmental Activities	<u>\$ 235,142</u>
<b>BUSINESS-TYPE ACTIVITIES:</b>	
Water	\$ 102,645
Sewer	<u>102,689</u>
Total Depreciation Expense- Business-type Activities	<u>\$ 205,334</u>

**CITY OF FRUITLAND PARK, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2013**

**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 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 totaled \$4,422. The note was paid in full as of September 30, 2013.

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, 2013, interest totaling \$5,551 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, 2013, the repayment schedule is as follows:

<u>Date</u>	<u>Principal</u>	<u>Interest</u>	<u>Payment</u>
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
2/15/2017	6,062	2,103	8,165
8/15/2017	6,157	2,008	8,165
2/15/2018	6,255	1,910	8,165
8/15/2018	6,354	1,811	8,165
Thereafter	<u>108,287</u>	<u>14,188</u>	<u>122,475</u>
	<u>\$ 167,557</u>	<u>\$ 36,568</u>	<u>\$ 204,125</u>

On March 29, 2005, the City entered into a second loan agreement with the State under the Clean Water SRF loan program. The purpose of the loan was to provide funding for construction of a sewer utility system, consisting of a 98,000 gallons per day wastewater treatment plant and a low-pressure sewer collection system along the City's highway commercial corridor. 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. For the year ended September 30, 2013, interest totaling \$34,262 was paid on the loan.

CITY OF FRUITLAND PARK, FLORIDA  
 NOTES TO FINANCIAL STATEMENTS  
 SEPTEMBER 30, 2013

**NOTE 6 LONG-TERM DEBT (continued)**

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:

<u>Date</u>	<u>Principal</u>	<u>Interest</u>	<u>Payment</u>
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	46,641	14,028	60,669
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
2/15/2018	49,037	11,632	60,669
8/15/2018	49,655	11,015	60,670
Thereafter	<u>824,502</u>	<u>85,537</u>	<u>910,039</u>
	<u>\$ 1,294,149</u>	<u>\$ 222,581</u>	<u>\$ 1,516,730</u>

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, 2013.

Florida Department of Transportation Note

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

At September 30, 2013, the utility work was complete, and FDOT incurred actual costs of \$619,882. The highway project is projected to be complete in June 2014, and FDOT will execute the new note at that time. The City has recorded the utility construction and the related liability at the actual amount.

At September 30, 2013 the repayment schedule is as follows:

<u>Date</u>	<u>Principal Payment</u>
10/15/13	\$ -
10/15/14	20,663
10/15/15	20,663
10/15/16	20,663
10/15/17	20,663
Thereafter	<u>537,230</u>
	<u>\$ 619,882</u>

**CITY OF FRUITLAND PARK, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2013**

**NOTE 6 LONG-TERM DEBT (continued)**

Changes in Long-term Liabilities

	Balances <u>10/01/12</u>	Additions	Repayments	Balances <u>09/30/13</u>	Due in <u>one year</u>
<b>GOVERNMENTAL ACTIVITIES:</b>					
SunTrust Note	\$ 117,300	\$ -	\$ (117,300)	\$ -	\$ -
Vacation Leave	<u>65,469</u>	<u>142,141</u>	<u>(152,940)</u>	<u>54,670</u>	<u>45,376</u>
<b>GOVERNMENTAL ACTIVITY LONG-TERM LIABILITIES</b>	<u><u>\$ 182,769</u></u>	<u><u>\$ 142,141</u></u>	<u><u>\$ (270,240)</u></u>	<u><u>\$ 54,670</u></u>	<u><u>\$ 45,376</u></u>
<b>BUSINESS-TYPE ACTIVITIES:</b>					
SRF Loan-preconstruct	\$ 178,336	\$ -	\$ (10,779)	\$ 167,557	\$ 11,123
SRF Loan-construction	1,381,226	-	(87,077)	1,294,149	89,285
FDOT Note	-	619,882	-	619,882	-
Vacation Leave	<u>9,258</u>	<u>26,367</u>	<u>(26,347)</u>	<u>9,278</u>	<u>8,443</u>
<b>BUSINESS-TYPE ACTIVITY LONG-TERM LIABILITIES</b>	<u><u>\$ 1,568,820</u></u>	<u><u>\$ 646,249</u></u>	<u><u>\$ (124,203)</u></u>	<u><u>\$ 2,090,866</u></u>	<u><u>\$ 108,851</u></u>

**NOTE 7 FUND BALANCES**

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

General Fund

Nonspendable for Prepaid Items	<u><u>\$ 4,143</u></u>
Restricted for Police Education	\$ 30,203
Restricted for Police Equipment and Automation	6,985
Restricted for Safety Capital Improvements	<u>206,880</u>
	<u><u>\$ 244,068</u></u>
Committed to Cemetery Care	\$ 134,332
Committed to Stormwater Utility	<u>147,323</u>
	<u><u>\$ 281,655</u></u>
Unassigned	<u><u>\$ 979,316</u></u>
<u>Community Redevelopment Fund</u>	
Restricted for Redevelopment Projects	<u><u>\$ 374,440</u></u>
<u>Capital Projects Fund</u>	
Restricted for Infrastructure	<u><u>\$ 577,565</u></u>

CITY OF FRUITLAND PARK, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2013

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**NOTE 7 FUND BALANCES (continued)**

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 8 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.

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, 2013, there were no retirees currently receiving benefits, and 4 terminated firefighters were entitled to benefits but not yet receiving them. Out of the 21 active volunteer firefighters, 3 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, 2013, the City collected \$17,323 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, 2013 was zero. Employee and City contributions for the year ended September 30, 2013 were each \$1,820.

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, 2013 in the method used to calculate or establish contribution requirements. Most administrative costs of the Plan are absorbed by the General Fund.

**CITY OF FRUITLAND PARK, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
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**NOTE 8 RETIREMENT COMMITMENTS (continued)**

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.

Additional related information:

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

\*Includes inflation at 3.0%

Asset valuation method: Market Value

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.

**CITY OF FRUITLAND PARK, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2013**

**NOTE 8 RETIREMENT COMMITMENTS (continued)**

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

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

Although the NPO calculation for September 30, 2013 is not available, management believes it will not be materially different from the September 30, 2010 balance.

**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 plan once they have completed a 90-day period of service. An employee does not become vested in any benefits until the completion of five years of service, at which time the employee becomes 100% vested. At September 30, 2013 there were 16 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, 2013, the City contributed \$31,813 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, 2013, the City did not use any forfeited amounts for payment of contributions for current plan participants, but has \$26,789 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.

**CITY OF FRUITLAND PARK, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2013**

**NOTE 8 RETIREMENT COMMITMENTS (continued)**

**C. Financial Statements for Individual Pension Funds**

	<u>Firemen's Retirement Trust Fund</u>	<u>ICMA Retirement Trust Fund</u>	<u>Total</u>
<b>STATEMENT OF FIDUCIARY NET POSITION</b>			
<b>AS OF SEPTEMBER 30, 2013</b>			
<b>ASSETS</b>			
Cash	\$ 129,449	\$ 959	\$ 130,408
Certificates of Deposit	175,000	-	175,000
Investments with Trustees	<u>140,945</u>	<u>252,013</u>	<u>392,958</u>
<b>TOTAL ASSETS</b>	<b>445,394</b>	<b>252,972</b>	<b>698,366</b>
<b>LIABILITIES</b>			
	<u>-</u>	<u>-</u>	<u>-</u>
<b>NET POSITION</b>			
Held in trust for Pension			
Benefits	<u>\$ 445,394</u>	<u>\$ 252,972</u>	<u>\$ 698,366</u>

**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2013**

<b>ADDITIONS</b>			
<b>Contributions:</b>			
City	\$ 1,820	\$ 31,813	\$ 33,633
Employees	1,820	-	1,820
State of Florida	<u>17,323</u>	<u>-</u>	<u>17,323</u>
<b>Total Contributions</b>	<u>20,963</u>	<u>31,813</u>	<u>52,776</u>
<b>Investment Income:</b>			
Net Appreciation in Fair Value of Investments	(2,702)	14,033	11,331
Interest/Dividend Income	<u>6,891</u>	<u>-</u>	<u>6,891</u>
<b>Net Investment Income</b>	<u>4,189</u>	<u>14,033</u>	<u>18,222</u>
<b>TOTAL ADDITIONS</b>	<u>25,152</u>	<u>45,846</u>	<u>70,998</u>
<b>DEDUCTIONS</b>			
Benefit Payments	5,016	25,691	30,707
Refund of Contributions	<u>1,432</u>	<u>-</u>	<u>1,432</u>
<b>TOTAL DEDUCTIONS</b>	<u>6,448</u>	<u>25,691</u>	<u>32,139</u>
<b>NET INCREASE</b>	<b>18,704</b>	<b>20,155</b>	<b>38,859</b>
<b>NET POSITION</b>			
Beginning of Year	<u>426,690</u>	<u>232,817</u>	<u>659,507</u>
End of Year	<u>\$ 445,394</u>	<u>\$ 252,972</u>	<u>\$ 698,366</u>

**CITY OF FRUITLAND PARK, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2013**

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**NOTE 9 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, 2013 there were 15 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, 2013, which totaled \$647,651 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 10 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, 2013 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.

**CITY OF FRUITLAND PARK, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2013**

**NOTE 11 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, 2013 from the GAAP basis to the budget basis are as follows:

Change in net position, GAAP Basis	\$ (98,429)
Increase due to loss on asset disposition	197,369
Decrease due to debt principal payments	(97,856)
Decrease due to accrued interest	(320)
Increase due to depreciation expense	205,334
Increase due to debt issuance costs	2,371
Decrease due to equipment purchases	<u>(16,648)</u>
 Excess of Revenues over Expenses, Budget Basis	 <u>\$ 191,821</u>

**NOTE 12 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, 2013 was 4.6442. The millage rate assessed by the City on taxable property to be levied on November 1, 2013 was 4.7371.

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. 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.

**CITY OF FRUITLAND PARK, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2013**

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**NOTE 12 PROPERTY TAXES (continued)**

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 13 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, 2013, 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 14 SUBSEQUENT EVENTS**

City management has evaluated events occurring subsequent to the financial statement date through April 28, 2014.

The City is a defendant in a class action lawsuit filed during the year that sought a judgment to declare police and fire service fees imposed by the City to be invalid, and to have the fees previously collected be refunded. On April 11, 2014, Lake County Circuit Court ordered the City to stop charging these fees, and to establish a "common fund" in the amount of \$530,000 to refund these fees, less pro rata expenses for attorney fees (\$255,000), class representative awards (\$3,400), and expenses for the City to administer the fund (\$1,000).

CITY OF FRUITLAND PARK, FLORIDA  
 FIREMEN'S RETIREMENT TRUST FUND  
 REQUIRED SUPPLEMENTARY INFORMATION  
 SEPTEMBER 30, 2013

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
2013	\$ -	\$ 1,820	\$ 17,323	100%
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%

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.

**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, 2013 AND 2012**

<b>ASSETS</b>	<b>2013</b>	<b>2012</b>
Cash	\$ 1,097,163	\$ 737,508
Certificates of Deposit	405,861	405,410
Accounts Receivable:		
Franchise/Utility Taxes	138,151	61,685
Garbage/Stormwater Customers	48,828	47,887
Public Safety Service Fees	9,213	11,858
Cemetery Lots	120	882
Miscellaneous	1,377	11,005
Due from Utility Fund	-	258,040
Due from other Governments:		
State of Florida	40,428	38,767
Lake County	8,371	8,097
Prepaid Items	4,143	24,325
<b>TOTAL ASSETS</b>	<b>\$ 1,753,655</b>	<b>\$ 1,605,464</b>
<b>LIABILITIES AND FUND BALANCE</b>		
<b>LIABILITIES:</b>		
Accounts Payable	\$ 119,432	\$ 76,227
Accrued Payroll and Related Liabilities	26,573	28,676
Unavailable Revenue Lake County	-	2,555
Unavailable Building & Zoning Revenue	-	9,621
Unearned Revenues	98,478	86,634
<b>TOTAL LIABILITIES</b>	<b>244,483</b>	<b>203,713</b>
<b>FUND BALANCE:</b>		
Nonspendable:		
For Prepaid Items	4,143	24,325
Restricted:		
For Police Education	30,203	39,545
For Police Equipment and Automation	6,985	21,852
For Public Safety Capital Improvements	206,880	185,100
Committed:		
To Cemetery Care	134,322	122,232
To Stormwater Utility	147,323	112,695
Unassigned	979,316	896,002
<b>TOTAL FUND BALANCE</b>	<b>1,509,172</b>	<b>1,401,751</b>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<b>\$ 1,753,655</b>	<b>\$ 1,605,464</b>

*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, 2013  
With comparative actual amounts for the year ended September 30, 2012

	2013		VARIANCE WITH FINAL BUDGET	2012 ACTUAL
	FINAL BUDGET	ACTUAL		
REVENUES:				
Taxes	\$ 1,757,351	\$ 1,790,361	\$ 33,010	\$ 1,713,250
Licenses and Permits	26,225	41,446	15,221	31,890
Intergovernmental	428,634	443,715	15,081	424,944
Charges for Services	743,225	773,687	30,462	738,772
Fines and Forfeitures	65,700	58,885	(6,815)	81,118
Miscellaneous	36,355	60,858	24,503	40,474
TOTAL REVENUES	<u>3,057,490</u>	<u>3,168,952</u>	<u>111,462</u>	<u>3,030,448</u>
EXPENDITURES:				
Current:				
General Government	829,612	776,202	53,410	858,790
Public Safety	1,422,743	1,268,791	153,952	1,438,560
Transportation	255,761	210,819	44,942	233,985
Sanitation/Other Utility	444,140	450,306	(6,166)	421,815
Culture and Recreation	443,435	424,768	18,667	421,862
Debt Service	-	-	-	36,515
TOTAL EXPENDITURES	<u>3,395,691</u>	<u>3,130,886</u>	<u>264,805</u>	<u>3,411,527</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(338,201)</u>	<u>38,066</u>	<u>376,267</u>	<u>(381,079)</u>
OTHER FINANCING SOURCES (USES):				
Transfers in from Community Redevelopment Fund	59,940	59,940	-	74,183
Transfers in from Capital Projects Fund	1,252	-	(1,252)	45,337
Transfers in from Utility Fund	120,000	-	(120,000)	210,350
Transfers in from Recreation Programs Fund	6,996	6,996	-	6,996
Sale of Capital Assets	2,400	2,419	19	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>190,588</u>	<u>69,355</u>	<u>(121,233)</u>	<u>336,866</u>
NET CHANGE IN FUND BALANCES	<u>(147,613)</u>	<u>107,421</u>	<u>255,034</u>	<u>(44,213)</u>
FUND BALANCE, Beginning of Year	<u>1,401,751</u>	<u>1,401,751</u>	<u>-</u>	<u>1,445,964</u>
FUND BALANCE, End of Year	<u>\$ 1,254,138</u>	<u>\$ 1,509,172</u>	<u>\$ 255,034</u>	<u>\$ 1,401,751</u>

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, 2013  
With comparative actual amounts for the year ended September 30, 2012

	2013		VARIANCE WITH FINAL BUDGET	2012 ACTUAL
	FINAL BUDGET	ACTUAL		
<b>TAXES</b>				
Ad-Valorem Taxes	\$ 724,422	\$ 716,857	\$ (7,565)	\$ 698,287
Local Option Gas Tax	79,778	75,584	(4,194)	76,845
Fire Insurance Premium Tax	18,000	17,323	(677)	18,695
Franchise Fees:				
Electric	300,000	301,254	1,254	284,303
Gas	22,000	19,249	(2,751)	16,476
Solid Waste	46,500	49,563	3,063	46,159
Utility Taxes:				
Electric	300,500	296,418	(4,082)	282,571
Water	46,000	48,595	2,595	53,025
Gas	25,000	21,676	(3,324)	16,941
Propane	-	2,996	2,996	8,848
Communications Services Tax	176,000	221,413	45,413	190,690
City Business Tax	19,151	19,433	282	20,410
<b>TOTAL TAXES</b>	<b>1,757,351</b>	<b>1,790,361</b>	<b>33,010</b>	<b>1,713,250</b>
<b>LICENSES AND PERMITS:</b>				
Building Permits	26,000	40,936	14,936	31,670
Burn/Clearing Permits	125	-	(125)	20
Cemetery Permits	100	120	20	140
Golf Cart Permits	-	390	390	60
<b>TOTAL LICENSES AND PERMITS</b>	<b>26,225</b>	<b>41,446</b>	<b>15,221</b>	<b>31,890</b>
<b>INTERGOVERNMENTAL REVENUE:</b>				
Federal Law Enforcement Grants	6,268	7,254	986	4,881
County Recycling/Education Grant	630	17	(613)	314
State Revenue Sharing	104,906	107,507	2,601	106,850
Mobile Home Licenses	10,900	11,337	437	11,554
Alcoholic Beverage Licenses	2,556	2,636	80	1,633
Local Government 1/2 Cent Sales Tax	194,465	202,350	7,885	185,145
FDOT Traffic Signal Maintenance	1,250	1,391	141	1,351
County Library Agreement	72,859	72,562	(297)	76,694
County Business Tax	2,900	4,004	1,104	4,262
County Gas Tax	31,900	34,657	2,757	32,260
<b>TOTAL INTERGOVERNMENTAL REVENUE</b>	<b>428,634</b>	<b>443,715</b>	<b>15,081</b>	<b>424,944</b>

CITY OF FRUITLAND PARK, FLORIDA  
GENERAL FUND  
SCHEDULE OF REVENUES COMPARED TO BUDGET (continued)  
FOR THE YEAR ENDED SEPTEMBER 30, 2013  
With comparative actual amounts for the year ended September 30, 2012

	2013		VARIANCE WITH FINAL BUDGET	2012 ACTUAL
	FINAL BUDGET	ACTUAL		
<b>CHARGES FOR SERVICES:</b>				
Zoning Fees	\$ -	\$ 7,065	\$ 7,065	\$ 4,465
Annexation Fees	-	200	200	-
Land Development Procedure	-	-	-	350
Site Plan and Review Fees	6,000	8,580	2,580	7,078
Certification and Copying	2,250	3,714	1,464	1,987
Law Enforcement Service Fees	86,400	82,280	(4,120)	85,680
Fire Service Fees	86,400	82,280	(4,120)	85,673
Fire Inspection Fees	7,530	7,581	51	5,854
Other Public Safety Fees	2,075	2,078	3	-
Other Transportation Revenue	-	-	-	2,335
Garbage Fees	418,715	442,823	24,108	409,430
Garbage Billing Admin Fees	51,930	52,430	500	51,525
Impact Fee Collection Fees	1,000	300	(700)	200
Stormwater Fees	45,425	43,284	(2,141)	43,255
Library Fees	250	200	(50)	100
Pool Admissions and Fees	12,750	10,899	(1,851)	13,885
Repairs/Maint Vacant Property	9,000	14,250	5,250	11,000
Special Event Fees (FP Day)	4,500	4,825	325	6,143
Casino Fees	9,000	10,898	1,898	9,812
<b>TOTAL CHARGES FOR SERVICES</b>	<u>743,225</u>	<u>773,687</u>	<u>30,462</u>	<u>738,772</u>
<b>FINES AND FORFEITURES:</b>				
Court Fines	50,000	49,710	(290)	44,359
Police Education	8,500	3,841	(4,659)	3,719
Library Fines	4,500	3,460	(1,040)	3,239
Parking Violation Fines	300	25	(275)	606
Forfeitures	2,400	1,849	(551)	29,195
<b>TOTAL FINES AND FORFEITURES</b>	<u>65,700</u>	<u>58,885</u>	<u>(6,815)</u>	<u>81,118</u>
<b>MISCELLANEOUS REVENUES:</b>				
Interest Earnings	2,700	1,072	(1,628)	3,200
Cemetery Lot Sales	4,200	12,970	8,770	2,400
Police Impact Fees	2,500	8,324	5,824	7,230
Fire Impact Fees	5,500	13,457	7,957	11,687
Insurance Proceeds	-	-	-	122
Planning/Zoning Reimbursements	7,900	11,493	3,593	1,803
Donations	1,000	42	(958)	15
Other Police Revenue	4,550	5,988	1,438	6,506
Fuel Tax Refunds	3,200	3,703	503	4,025
Other Revenue	4,805	3,809	(996)	3,486
<b>TOTAL MISCELLANEOUS REVENUE</b>	<u>36,355</u>	<u>60,858</u>	<u>24,503</u>	<u>40,474</u>
<b>TOTAL REVENUES</b>	<u>\$ 3,057,490</u>	<u>\$ 3,168,952</u>	<u>\$ 111,462</u>	<u>\$ 3,030,448</u>

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, 2013  
With comparative actual amounts for the year ended September 30, 2012

	2013		VARIANCE WITH FINAL BUDGET	2012 ACTUAL
	FINAL BUDGET	ACTUAL		
<b>GENERAL GOVERNMENT SERVICES:</b>				
Legislative (City Commission):				
Personal Services	\$ 39,258	\$ 39,246	\$ 12	\$ 38,580
Operating Expenses	18,446	40,221	(21,775)	11,080
Contingency	36,676	-	36,676	-
Total Legislative	<u>94,380</u>	<u>79,467</u>	<u>14,913</u>	<u>49,660</u>
Executive:				
Personal Services	175,137	150,402	24,735	231,058
Operating Expenses	14,451	16,017	(1,566)	13,804
Total Executive	<u>189,588</u>	<u>166,419</u>	<u>23,169</u>	<u>244,862</u>
Finance:				
Personal Services	141,653	118,038	23,615	208,304
Operating Expenses	31,030	25,559	5,471	23,588
Total Finance	<u>172,683</u>	<u>143,597</u>	<u>29,086</u>	<u>231,892</u>
Legal Counsel:				
Operating Expenses	90,400	123,399	(32,999)	84,853
Other General Government:				
Personal Services	56,754	44,186	12,568	51,444
Operating Expenses	125,914	130,100	(4,186)	102,979
Redevelopment Taxes	99,893	89,034	10,859	93,100
Total Other General Government	<u>282,561</u>	<u>263,320</u>	<u>19,241</u>	<u>247,523</u>
<b>TOTAL GENERAL GOVERNMENT SERVICES</b>	<u>829,612</u>	<u>776,202</u>	<u>53,410</u>	<u>858,790</u>
<b>PUBLIC SAFETY:</b>				
Police Department:				
Personal Services	862,389	772,543	89,846	829,176
Operating Expenses	226,948	202,444	24,504	266,285
Capital Outlay	6,980	4,379	2,601	73,390
Capital Outlay - Federal Grants	4,795	4,795	-	2,268
Debt Service - Principal	-	-	-	4,546
Debt Service - Interest	-	-	-	363
Contingency	3,494	-	3,494	22
Total Police Department:	<u>1,104,606</u>	<u>984,161</u>	<u>120,445</u>	<u>1,176,050</u>

CITY OF FRUITLAND PARK, FLORIDA  
GENERAL FUND  
SCHEDULE OF EXPENDITURES COMPARED TO BUDGET (continued)  
FOR THE YEAR ENDED SEPTEMBER 30, 2013  
With comparative actual amounts for the year ended September 30, 2012

	2013		VARIANCE WITH FINAL BUDGET	2012 ACTUAL
	FINAL BUDGET	ACTUAL		
<b>PUBLIC SAFETY (CONTINUED):</b>				
Fire Department:				
Personal Services	\$ 70,088	\$ 61,533	\$ 8,555	\$ 62,982
Operating Expenses	73,091	61,575	11,516	51,286
Capital Outlay	12,035	11,521	514	6,134
Debt Service - Principal	-	-	-	30,385
Debt Service - Interest	-	-	-	1,221
Total Fire Department	<u>155,214</u>	<u>134,629</u>	<u>20,585</u>	<u>152,008</u>
Protective Building Inspections:				
Personal Services	98,594	80,247	18,347	86,466
Operating Expenses	62,599	69,754	(7,155)	60,551
Capital Outlay	1,730	-	1,730	-
Total Protective Inspections	<u>162,923</u>	<u>150,001</u>	<u>12,922</u>	<u>147,017</u>
<b>TOTAL PUBLIC SAFETY</b>	<u>1,422,743</u>	<u>1,268,791</u>	<u>153,952</u>	<u>1,475,075</u>
<b>TRANSPORTATION:</b>				
Roads and Streets:				
Personal Services	67,046	42,384	24,662	112,962
Street Lighting	86,220	82,940	3,280	80,839
Operating Expenses	57,995	46,550	11,445	40,184
Capital Outlay	44,500	38,945	5,555	-
Total Roads and Streets	<u>255,761</u>	<u>210,819</u>	<u>44,942</u>	<u>233,985</u>
<b>TOTAL TRANSPORTATION</b>	<u>255,761</u>	<u>210,819</u>	<u>44,942</u>	<u>233,985</u>
<b>SANITATION/OTHER UTILITY:</b>				
Garbage Collection/Disposal:				
Operating Expenses	418,715	441,650	(22,935)	409,807
Stormwater Management:				
Operating Expenses	20,425	8,656	11,769	12,008
Capital Outlay	5,000	-	5,000	-
Total Stormwater Management	<u>25,425</u>	<u>8,656</u>	<u>16,769</u>	<u>12,008</u>
<b>TOTAL SANITATION/OTHER UTILITY</b>	<u>444,140</u>	<u>450,306</u>	<u>(6,166)</u>	<u>421,815</u>

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CITY OF FRUITLAND PARK, FLORIDA  
GENERAL FUND  
SCHEDULE OF EXPENDITURES COMPARED TO BUDGET (continued)  
FOR THE YEAR ENDED SEPTEMBER 30, 2013  
With comparative actual amounts for the year ended September 30, 2012

	2013		VARIANCE WITH FINAL BUDGET	2012 ACTUAL
	FINAL BUDGET	ACTUAL		
CULTURE AND RECREATION:				
Library:				
Personal Services	\$ 108,533	\$ 109,944	\$ (1,411)	\$ 111,951
Operating Expenses	44,971	41,214	3,757	34,183
Library Books	26,600	28,297	(1,697)	26,040
Total Library	<u>180,104</u>	<u>179,455</u>	<u>649</u>	<u>172,174</u>
Municipal Pool:				
Personal Services	26,946	16,055	10,891	19,324
Operating Expenses	21,337	22,909	(1,572)	19,764
Capital Outlay	3,300	4,771	(1,471)	-
Total Municipal Pool	<u>51,583</u>	<u>43,735</u>	<u>7,848</u>	<u>39,088</u>
Recreation Facilities				
Maintenance:				
Personal Services	91,788	89,699	2,089	90,623
Operating Expenses	46,076	46,500	(424)	45,909
Capital Outlay	2,702	3,799	(1,097)	635
Total Recreation Facilities Maintenance	<u>140,566</u>	<u>139,998</u>	<u>568</u>	<u>137,167</u>
Recreation:				
Personal Services	54,441	47,528	6,913	49,030
Operating Expenses	15,741	14,052	1,689	24,403
Capital Outlay	1,000	-	1,000	-
Total Recreation	<u>71,182</u>	<u>61,580</u>	<u>9,602</u>	<u>73,433</u>
TOTAL CULTURE AND RECREATION	<u>443,435</u>	<u>424,768</u>	<u>18,667</u>	<u>421,862</u>
TOTAL EXPENDITURES	<u>\$ 3,395,691</u>	<u>\$ 3,130,886</u>	<u>\$ 264,805</u>	<u>\$ 3,411,527</u>

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, 2013 AND 2012

	2013	2012
<b>ASSETS</b>		
Cash	\$ 283,890	\$ 221,115
Certificates of Deposit	100,000	100,000
TOTAL ASSETS	\$ 383,890	\$ 321,115
 <b>LIABILITIES AND FUND BALANCE</b>		
<b>LIABILITIES:</b>		
Accounts Payable	\$ 8,700	\$ 566
Rental Security Deposit	750	750
TOTAL LIABILITIES	9,450	1,316
<b>FUND BALANCE:</b>		
Restricted for Redevelopment Projects	374,440	319,799
TOTAL FUND BALANCE	374,440	319,799
TOTAL LIABILITIES AND FUND BALANCE	\$ 383,890	\$ 321,115

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, 2013

With comparative actual amounts for the year ended September 30, 2012

	2013		VARIANCE WITH FINAL BUDGET	2012 ACTUAL
	FINAL BUDGET	ACTUAL		
REVENUES:				
Intergovernmental:				
Appropriated Incremental				
Ad-Valorem Taxes	\$ 201,302	\$ 191,007	\$ (10,295)	\$ 207,316
CDBG Grant	-	-	-	684,957
Miscellaneous:				
Interest Earnings	5,800	1,391	(4,409)	4,310
Building Rental Fees	9,000	10,913	1,913	8,587
TOTAL REVENUES	<u>216,102</u>	<u>203,311</u>	<u>(12,791)</u>	<u>905,170</u>
EXPENDITURES:				
General Government:				
Other General Government:				
Operating Expenditures	49,080	14,162	34,918	5,336
Transportation:				
Roads and Streets:				
Streetscape Project	100,000	54,944	45,056	12,122
Capital Outlay:				
CDBG Grant	-	-	-	798,774
Land Purchase	80,000	-	80,000	-
Sidewalks	40,000	-	40,000	6,550
Land Improvements	19,520	19,624	(104)	-
TOTAL EXPENDITURES	<u>288,600</u>	<u>88,730</u>	<u>199,870</u>	<u>822,782</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(72,498)</u>	<u>114,581</u>	<u>187,079</u>	<u>82,388</u>
OTHER FINANCING SOURCES (USES):				
Transfers out to General Fund	(59,940)	(59,940)	-	(74,183)
TOTAL OTHER FINANCING SOURCES (USES)	<u>(59,940)</u>	<u>(59,940)</u>	<u>-</u>	<u>(74,183)</u>
NET CHANGE IN FUND BALANCE	(132,438)	54,641	187,079	8,205
FUND BALANCE, Beginning of Year	<u>319,799</u>	<u>319,799</u>	<u>-</u>	<u>311,594</u>
FUND BALANCE, End of Year	<u>\$ 187,361</u>	<u>\$ 374,440</u>	<u>\$ 187,079</u>	<u>\$ 319,799</u>

*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, 2013 AND 2012

	2013	2012
<b>ASSETS</b>		
Cash	\$ 453,876	\$ 380,374
Certificate of Deposit	100,000	100,000
Due from State of Florida	33,305	30,012
TOTAL ASSETS	\$ 587,181	\$ 510,386
<b>LIABILITIES AND FUND BALANCE</b>		
<b>LIABILITIES:</b>		
Unavailable Revenue - Infrastructure Surtax	\$ 9,616	\$ 8,733
TOTAL LIABILITIES	9,616	8,733
<b>FUND BALANCE:</b>		
Restricted for Infrastructure	577,565	501,653
TOTAL FUND BALANCE	577,565	501,653
TOTAL LIABILITIES AND FUND BALANCE	\$ 587,181	\$ 510,386

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, 2013

With comparative actual amounts for the year ended September 30, 2012

	2013		VARIANCE WITH FINAL BUDGET	2012 ACTUAL
	FINAL BUDGET	ACTUAL		
<b>REVENUES:</b>				
Local Government Infrastructure Surtax	\$ 319,407	\$ 328,366	\$ 8,959	\$ 328,648
Interest Earnings	1,930	1,356	(574)	1,964
<b>TOTAL REVENUES</b>	<b>321,337</b>	<b>329,722</b>	<b>8,385</b>	<b>330,612</b>
<b>EXPENDITURES:</b>				
Capital Outlay:				
General Government:				
Contingency	97,445	-	97,445	-
Police Department:				
Police Vehicles	125,435	125,383	52	14,609
Recreation:				
Facility Lighting	43,618	6,705	36,913	3,559
Debt Service:				
Principal	117,300	117,300	-	113,083
Interest	4,376	4,422	(46)	8,605
<b>TOTAL EXPENDITURES</b>	<b>388,174</b>	<b>253,810</b>	<b>134,364</b>	<b>139,856</b>
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	<b>(66,837)</b>	<b>75,912</b>	<b>142,749</b>	<b>190,756</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers out to General Fund	(1,252)	-	1,252	(45,337)
Transfers out to Utility Fund	-	-	-	(10,841)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(1,252)</b>	<b>-</b>	<b>1,252</b>	<b>(56,178)</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>(68,089)</b>	<b>75,912</b>	<b>144,001</b>	<b>134,578</b>
FUND BALANCE, Beginning of Year	501,653	501,653	-	367,075
FUND BALANCE, End of Year	<u>\$ 433,564</u>	<u>\$ 577,565</u>	<u>\$ 144,001</u>	<u>\$ 501,653</u>

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 POSITION  
SEPTEMBER 30, 2013 AND 2012

ASSETS	<u>2013</u>	<u>2012</u>
<u>CURRENT ASSETS</u>		
Cash	\$ 12,963	\$ 3,450
Certificates of Deposit	200,000	200,000
Investments	38,189	69,892
Restricted Cash:		
State Revolving Fund Loan Reserves	68,834	68,834
Customer Deposits	110,140	101,640
Customer Accounts Receivable:		
Billed Utility Service, net of allowance for uncollectibles of \$8,439 and \$5,279 for 2013 and 2012, respectively	53,001	54,605
Unbilled Utility Service	12,396	13,187
Other Customer Receivables	13,394	16,328
Inventory	40,580	40,392
TOTAL CURRENT ASSETS	<u>549,497</u>	<u>568,328</u>
<u>NONCURRENT ASSETS</u>		
RESTRICTED CASH:		
Water Impact Fees	291,738	272,611
Sewer Impact Fees	151,251	145,134
Total Restricted Cash	<u>442,989</u>	<u>417,745</u>
SEWER IMPACT FEE RECEIVABLES	<u>27,882</u>	<u>29,874</u>
DEFERRED CHARGES:		
Engineering Costs	22,518	22,518
SRF Loan Costs	30,702	33,073
Total Deferred Charges	<u>53,220</u>	<u>55,591</u>
CONSUMPTIVE USE PERMIT, net of accum- ulated amortization of \$101,004 and \$66,374 in 2013 and 2012, respectively	<u>245,292</u>	<u>279,922</u>
PROPERTY, PLANT AND EQUIPMENT:		
Land	339,699	339,699
Buildings	243,408	243,408
Water System	3,417,791	3,246,515
Sewer System	2,888,193	2,735,643
Equipment	446,474	429,826
	7,335,565	6,995,091
Less Accumulated Depreciation	<u>2,360,905</u>	<u>2,254,258</u>
Net Property, Plant and Equipment	<u>4,974,660</u>	<u>4,740,833</u>
TOTAL NONCURRENT ASSETS	<u>5,744,043</u>	<u>5,523,965</u>
TOTAL ASSETS	<u>6,293,540</u>	<u>6,092,293</u>

CITY OF FRUITLAND PARK, FLORIDA  
UTILITY FUND  
COMPARATIVE STATEMENTS OF NET POSITION (continued)  
SEPTEMBER 30, 2013 AND 2012

	2013	2012
<b>LIABILITIES</b>		
<u>CURRENT LIABILITIES</u>		
Accounts Payable	\$ 33,205	\$ 4,416
Accrued Payroll	5,336	6,635
Due to General Fund	-	258,040
Customer Deposits	110,140	101,640
State Revolving Fund Loans:		
Accrued Interest Payable	4,777	5,097
Current Portion	100,408	97,856
Vacation Leave Payable	8,443	7,406
TOTAL CURRENT LIABILITIES	262,309	481,090
<u>NONCURRENT LIABILITIES</u>		
VACATION LEAVE PAYABLE	835	1,852
SRF LOANS PAYABLE:		
Preconstruction	156,434	167,557
Construction	1,204,864	1,294,149
Total SRF Loans Payable	1,361,298	1,461,706
FDOT NOTE PAYABLE	619,882	-
TOTAL LIABILITIES	2,244,324	1,944,648
<b>NET POSITION</b>		
Net Investment in Capital Assets	3,160,882	3,483,711
Restricted for Utility Capital Improvements	442,989	417,745
Restricted for Debt Service	64,057	63,737
Unrestricted	381,288	182,452
TOTAL NET POSITION	\$ 4,049,216	\$ 4,147,645

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 POSITION  
FOR THE YEARS ENDED SEPTEMBER 30, 2013 AND 2012

	2013	2012
OPERATING REVENUES:		
Water Sales	\$ 539,386	\$ 574,686
Sewer Revenue	100,462	91,659
Connection Fees	4,882	9,305
Septic Decommission Fees	9,148	8,297
Other Operating Revenues	63,668	71,776
TOTAL OPERATING REVENUES	717,546	755,723
OPERATING EXPENSES:		
Personal Services	353,619	234,055
Depreciation	205,334	207,381
Contractual Services	66,170	77,865
Utilities	52,496	47,215
Operating Supplies and Fuel	50,354	40,789
Consumptive Use Permit	36,650	55,563
Insurance	16,735	13,979
Repairs and Maintenance	15,558	46,158
Engineering and Professional Fees	14,105	25,508
Bad Debt Expense	3,150	2,074
Other Operating Expenses	23,179	13,461
TOTAL OPERATING EXPENSES	837,350	764,048
OPERATING LOSS	(119,804)	(8,325)
NONOPERATING REVENUES (EXPENSES):		
Interest Income	3,868	6,031
Increase in Fair Value of Investments	8,230	18,003
Sewer Claim Proceeds	224,120	-
Interest Expense	(39,493)	(41,988)
Debt Issuance Costs	(2,371)	(2,371)
Loss on Asset Disposition	(197,369)	-
TOTAL NONOPERATING REVENUES (EXPENSES)	(3,015)	(20,325)
LOSS BEFORE CONTRIBUTIONS AND TRANSFERS	(122,819)	(28,650)
CAPITAL CONTRIBUTIONS:		
Water Impact Fees	5,910	3,940
Sewer Impact Fees	18,480	23,735
CDBG Grant	-	358,950
TRANSFERS IN FROM CAPITAL PROJECTS FUND	-	10,841
TRANSFERS OUT TO GENERAL FUND	-	(210,350)
CHANGE IN NET POSITION	(98,429)	158,466
TOTAL NET POSITION, Beginning of Year	4,147,645	3,989,179
TOTAL NET POSITION, End of Year	\$ 4,049,216	\$ 4,147,645

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, 2013 AND 2012

	2013	2012
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Cash received from customers	\$ 731,375	\$ 781,276
Cash payments to suppliers for goods and services	(215,166)	(311,899)
Cash payments to employees for services	(354,898)	(228,445)
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<b>161,311</b>	<b>240,932</b>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>		
Advances (repayments) from General Fund	(258,040)	(96,222)
Transfers in from Capital Projects Fund	-	10,841
Transfers out to General Fund	-	(210,350)
<b>NET CASH USED IN NONCAPITAL FINANCING ACTIVITIES</b>	<b>(258,040)</b>	<b>(295,731)</b>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>		
<b>ACTIVITIES:</b>		
Water and Sewer Impact Fees received	26,382	21,730
SRF Loan principal repayments	(97,856)	(95,369)
SRF Loan interest paid	(39,813)	(42,299)
Sewer System claim proceeds	224,120	-
Purchase of Equipment	(16,648)	(14,615)
<b>NET CASH PROVIDED BY (USED IN) CAPITAL AND RELATED FINANCING ACTIVITIES</b>	<b>96,185</b>	<b>(130,553)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
State Board Fund B pool investment	39,933	15,843
Interest received on investments	3,868	6,031
<b>NET CASH PROVIDED BY INVESTING ACTIVITIES</b>	<b>43,801</b>	<b>21,874</b>
<b>NET INCREASE (DECREASE) IN CASH</b>	<b>43,257</b>	<b>(163,478)</b>
CASH, Beginning of Year	591,669	755,147
CASH, End of Year	<u>\$ 634,926</u>	<u>\$ 591,669</u>
<b>RECONCILIATION OF OPERATING LOSS TO NET CASH PROVIDED BY OPERATING ACTIVITIES:</b>		
Operating Loss	\$ (119,804)	\$ (8,325)
Adjustments to reconcile operating loss to net cash provided by operating activities:		
Depreciation and Amortization	239,964	242,011
Changes in Assets and Liabilities:		
Decrease in Customer Receivables	5,329	12,273
(Increase) Decrease in Inventory	(188)	123
Increase (Decrease) in Accounts Payable	28,789	(24,040)
Increase (Decrease) in Accrued Payroll	(1,299)	3,426
Increase in Customer Deposits	8,500	13,280
Increase in Vacation Leave Payable	20	2,184
	<u>\$ 161,311</u>	<u>\$ 240,932</u>

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 POSITION  
SEPTEMBER 30, 2013 AND 2012

	2013	2012
ASSETS		
<u>CURRENT ASSETS</u>		
Cash	\$ 17,288	\$ 11,889
TOTAL ASSETS	17,288	11,889
LIABILITIES		
<u>CURRENT LIABILITIES</u>		
Accounts Payable	2,027	912
TOTAL LIABILITIES	2,027	912
NET POSITION		
Unrestricted	15,261	10,977
TOTAL NET POSITION	\$ 15,261	\$ 10,977

*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 POSITION - BUDGET AND ACTUAL  
FOR THE YEAR ENDED SEPTEMBER 30, 2013  
With comparative actual amounts for the year ended September 30, 2012

	2013		VARIANCE WITH FINAL BUDGET	2012 ACTUAL
	FINAL BUDGET	ACTUAL		
OPERATING REVENUES:				
Adult Softball Fees	\$ 27,761	\$ 23,280	\$ (4,481)	\$ 25,755
Soccer Fees	3,640	6,205	2,565	2,125
T Ball Fees	3,780	2,775	(1,005)	2,850
Summer Camp	5,000	3,550	(1,450)	3,800
5K Event	3,380	3,715	335	-
Baseball	2,372	-	(2,372)	-
Other Revenue	-	895	895	325
TOTAL OPERATING REVENUES	<u>45,933</u>	<u>40,420</u>	<u>(5,513)</u>	<u>34,855</u>
OPERATING EXPENSES:				
Softball Program	21,470	18,040	3,430	21,874
Soccer Program	3,640	4,395	(755)	1,885
T Ball Program	3,780	1,498	2,282	785
Summer Camp	4,150	2,028	2,122	3,764
5K Event	3,400	2,689	711	-
Baseball	2,372	-	2,372	-
Other Expenses	125	513	(388)	-
TOTAL OPERATING EXPENSES	<u>38,937</u>	<u>29,163</u>	<u>9,774</u>	<u>28,308</u>
OPERATING INCOME	6,996	11,257	4,261	6,547
NONOPERATING INCOME:				
Interest Income	-	23	23	37
INCOME BEFORE TRANSFERS	6,996	11,280	4,284	6,584
TRANSFERS OUT TO GENERAL FUND	<u>(6,996)</u>	<u>(6,996)</u>	<u>-</u>	<u>(6,996)</u>
CHANGE IN NET POSITION	-	4,284	4,284	(412)
NET POSITION, Beginning of Year	<u>10,977</u>	<u>10,977</u>	<u>-</u>	<u>11,389</u>
NET POSITION, End of Year	<u>\$ 10,977</u>	<u>\$ 15,261</u>	<u>\$ 4,284</u>	<u>\$ 10,977</u>

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, 2013 AND 2012

	2013	2012
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash received from program participants	\$ 40,420	\$ 34,855
Cash payments to suppliers for goods and services	(28,048)	(29,042)
NET CASH PROVIDED BY OPERATING ACTIVITIES	12,372	5,813
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:		
Transfers out to General Fund	(6,996)	(6,996)
NET CASH USED IN NONCAPITAL FINANCING ACTIVITIES	(6,996)	(6,996)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Interest received on cash investments	23	37
NET CASH PROVIDED BY INVESTING ACTIVITIES	23	37
NET INCREASE (DECREASE) IN CASH	5,399	(1,146)
CASH, Beginning of Year	11,889	13,035
CASH, End of Year	\$ 17,288	\$ 11,889
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:		
Operating Income	\$ 11,257	\$ 6,547
Changes in Assets and Liabilities:		
Increase (Decrease) in Accounts Payable	1,115	(734)
NET CASH PROVIDED BY OPERATING ACTIVITIES	\$ 12,372	\$ 5,813

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, 2013

	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
<b>REVENUES:</b>			
Sale of Water	\$ 597,106	\$ 539,386	\$ (57,720)
Installation of Meters/Connections	9,000	4,882	(4,118)
Other Revenues	59,000	63,668	4,668
Sewer Revenue	93,025	100,462	7,437
Sewer Decommission	8,000	9,148	1,148
Interest Earnings	5,100	3,868	(1,232)
Change in Fair Value of Investments	11,000	8,230	(2,770)
Claim Proceeds	219,235	224,120	4,885
Water Impact Fees	4,850	5,910	1,060
Sewer Impact Fees	15,000	18,480	3,480
<b>TOTAL REVENUES</b>	<b>1,021,316</b>	<b>978,154</b>	<b>(43,162)</b>
<b>EXPENSES:</b>			
<b>Water Utility Services:</b>			
Personal Services	400,595	353,619	46,976
Operating Expenses	211,899	172,128	39,771
Bad Debt Expense	750	3,150	(2,400)
<b>Sewer Utility Services:</b>			
Operating Expenses	75,206	66,469	8,737
Consumptive Use Permit	41,000	36,650	4,350
Equipment Purchases - Water	1,200	-	1,200
Equipment Purchases - Sewer	31,650	16,648	15,002
Water Contingency	72,998	-	72,998
Sewer Contingency	66,018	-	66,018
Debt Service Payments	137,668	137,669	(1)
Transfer out to General Fund	120,000	-	120,000
<b>TOTAL EXPENSES</b>	<b>1,158,984</b>	<b>786,333</b>	<b>372,651</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENSES</b>	<b>\$ (137,668)</b>	<b>\$ 191,821</b>	<b>\$ 329,489</b>

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, 2013 AND 2012

	2013	2012
<b>CAPITAL ASSETS:</b>		
Land	\$ 962,718	\$ 943,094
Buildings	2,590,160	2,590,160
Improvements other than Buildings	764,143	753,919
Equipment	1,752,111	1,608,820
Infrastructure	681,226	681,226
Construction in Progress	-	93,275
TOTAL CAPITAL ASSETS	\$ 6,750,358	\$ 6,670,494
 <b>INVESTMENT IN CAPITAL ASSETS FROM:</b>		
Federal Grants	\$ 246,816	\$ 242,021
State and Local Grants	881,419	881,419
Infrastructure Surtaxes	2,978,201	2,852,818
Redevelopment Taxes	1,391,764	1,465,415
Gifts	80,828	80,828
Special Assessments	22,320	22,320
General Fund	1,149,010	1,125,673
TOTAL INVESTMENT IN CAPITAL ASSETS	\$ 6,750,358	\$ 6,670,494

*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, 2013

<u>FUNCTION AND ACTIVITY</u>	<u>TOTAL</u>	<u>LAND</u>	<u>BUILDINGS</u>	<u>IMPROVEMENTS OTHER THAN BUILDINGS</u>	<u>EQUIPMENT</u>	<u>INFRA- STRUCTURE</u>
GENERAL GOVERNMENT:						
Legislative	\$ 1,879,203	\$ 419,578	\$ 1,379,290	\$ 16,753	\$ 63,582	\$ -
Executive	44,423	15,000	-	-	29,423	-
Finance	42,479	-	-	-	42,479	-
Other General Government	<u>555,916</u>	<u>428,081</u>	<u>94,931</u>	<u>24,438</u>	<u>8,466</u>	<u>-</u>
TOTAL GENERAL GOVERNMENT	<u>2,522,021</u>	<u>862,659</u>	<u>1,474,221</u>	<u>41,191</u>	<u>143,950</u>	<u>-</u>
PUBLIC SAFETY:						
Police Department	732,416	-	-	150	732,266	-
Fire Department	613,019	1,000	74,381	2,425	535,213	-
Building Inspections	<u>13,878</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>13,878</u>	<u>-</u>
TOTAL PUBLIC SAFETY	<u>1,359,313</u>	<u>1,000</u>	<u>74,381</u>	<u>2,575</u>	<u>1,281,357</u>	<u>-</u>
TRANSPORTATION:						
Roads and Streets	<u>847,508</u>	<u>-</u>	<u>4,709</u>	<u>-</u>	<u>161,573</u>	<u>681,226</u>
CULTURE AND RECREATION:						
Library	751,130	-	698,834	-	52,296	-
Municipal Pool	271,390	-	143,356	117,705	10,329	-
Recreation Facilities	<u>998,996</u>	<u>99,059</u>	<u>194,659</u>	<u>602,672</u>	<u>102,606</u>	<u>-</u>
TOTAL CULTURE AND RECREATION	<u>2,021,516</u>	<u>99,059</u>	<u>1,036,849</u>	<u>720,377</u>	<u>165,231</u>	<u>-</u>
TOTAL CAPITAL ASSETS	<u>\$ 6,750,358</u>	<u>\$ 962,718</u>	<u>\$ 2,590,160</u>	<u>\$ 764,143</u>	<u>\$ 1,752,111</u>	<u>\$ 681,226</u>

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, 2013

<u>FUNCTION AND ACTIVITY</u>	<u>CAPITAL ASSETS 10/1/2012</u>	<u>ADDITIONS</u>	<u>TRANSFERS/ DELETIONS</u>	<u>CAPITAL ASSETS 9/30/2013</u>
<b>GENERAL GOVERNMENT:</b>				
Legislative	\$ 1,859,579	\$ 19,624	\$ -	\$ 1,879,203
Executive	44,423	-	-	44,423
Finance	46,479	-	(4,000)	42,479
Other General Government	649,191	-	(93,275)	555,916
<b>TOTAL GENERAL GOVERNMENT</b>	<u>2,599,672</u>	<u>19,624</u>	<u>(97,275)</u>	<u>2,522,021</u>
<b>PUBLIC SAFETY:</b>				
Police Department	631,557	134,556	(33,697)	732,416
Fire Department	610,583	11,520	(9,084)	613,019
Building Inspections	13,878	-	-	13,878
<b>TOTAL PUBLIC SAFETY</b>	<u>1,256,018</u>	<u>146,076</u>	<u>(42,781)</u>	<u>1,359,313</u>
<b>TRANSPORTATION:</b>				
Roads and Streets	808,563	38,945	-	847,508
<b>CULTURE AND RECREATION:</b>				
Library	751,130	-	-	751,130
Municipal Pool	266,619	4,771	-	271,390
Recreation Facilities	988,492	10,504	-	998,996
<b>TOTAL CULTURE AND RECREATION</b>	<u>2,006,241</u>	<u>15,275</u>	<u>-</u>	<u>2,021,516</u>
<b>TOTAL CAPITAL ASSETS</b>	<u>\$ 6,670,494</u>	<u>\$ 219,920</u>	<u>\$ (140,056)</u>	<u>\$ 6,750,358</u>

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.

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

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

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

**CITY OF FRUITLAND PARK, FLORIDA**  
**NET POSITION BY COMPONENT**  
**LAST TEN FISCAL YEARS**  
(Accrual basis of accounting)

	Fiscal Year 2004	Fiscal Year 2005	Fiscal Year 2006	Fiscal Year 2007
<b>GOVERNMENTAL ACTIVITIES</b>				
Net Investment in Capital Assets	\$ 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 Position	 <u>\$ 3,486,639</u>	 <u>\$ 4,043,151</u>	 <u>\$ 4,845,965</u>	 <u>\$ 5,426,403</u>
 <b>BUSINESS-TYPE ACTIVITIES</b>				
Net Investment in Capital Assets	\$ 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 Position	 <u>\$ 2,899,769</u>	 <u>\$ 3,068,373</u>	 <u>\$ 4,073,803</u>	 <u>\$ 4,505,111</u>
 <b>CITY OF FRUITLAND PARK</b>				
Net Investment in Capital Assets	\$ 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 Position	 <u>\$ 6,386,408</u>	 <u>\$ 7,111,524</u>	 <u>\$ 8,919,768</u>	 <u>\$ 9,931,514</u>

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	Fiscal Year 2013
\$ 3,115,183	\$ 3,525,988	\$ 3,736,577	\$ 3,747,502	\$ 3,761,497	\$ 3,770,300
442,765	732,823	511,486	628,116	686,753	784,445
1,005,215	726,864	697,955	311,594	319,799	374,440
109,577	112,567	115,772	120,692	122,232	134,322
137,015	117,514	111,709	105,589	61,397	37,188
42,285	-	-	-	-	-
-	-	-	-	-	-
45,747	59,105	72,005	81,447	112,695	147,323
846,324	822,357	782,582	855,281	884,922	420,112
<u>\$ 5,744,111</u>	<u>\$ 6,097,218</u>	<u>\$ 6,028,086</u>	<u>\$ 5,850,221</u>	<u>\$ 5,949,295</u>	<u>\$ 5,668,130</u>
\$ 3,029,311	\$ 2,937,548	\$ 3,227,368	\$ 3,256,788	\$ 3,483,711	\$ 3,160,882
707,438	607,025	498,407	596,573	417,745	442,989
85,425	62,827	63,122	63,426	63,737	64,057
683,030	578,696	212,765	83,781	193,429	396,549
<u>\$ 4,505,204</u>	<u>\$ 4,186,096</u>	<u>\$ 4,001,662</u>	<u>\$ 4,000,568</u>	<u>\$ 4,158,622</u>	<u>\$ 4,064,477</u>
\$ 6,144,494	\$ 6,463,536	\$ 6,963,945	\$ 7,004,290	\$ 7,245,208	\$ 6,931,182
1,150,203	1,339,848	1,009,893	1,224,689	1,104,498	1,227,434
1,005,215	726,864	697,955	311,594	319,799	374,440
109,577	112,567	115,772	120,692	122,232	134,322
85,425	62,827	63,122	63,426	63,737	64,057
137,015	117,514	111,709	105,589	61,397	37,188
42,285	-	-	-	-	-
-	-	-	-	-	-
45,747	59,105	72,005	81,447	112,695	147,323
1,529,354	1,401,053	995,347	939,062	1,078,351	816,661
<u>\$ 10,249,315</u>	<u>\$ 10,283,314</u>	<u>\$ 10,029,748</u>	<u>\$ 9,850,789</u>	<u>\$ 10,107,917</u>	<u>\$ 9,732,607</u>

**CITY OF FRUITLAND PARK, FLORIDA**  
**CHANGES IN NET POSITION**  
**LAST TEN FISCAL YEARS**  
(Accrual basis of accounting)

	Fiscal Year 2004	Fiscal Year 2005	Fiscal Year 2006	Fiscal Year 2007
<b>EXPENSES</b>				
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
<b>Total Governmental Activities Expenses</b>	<b>2,515,074</b>	<b>2,622,112</b>	<b>3,012,901</b>	<b>3,398,716</b>
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
<b>Total Business-Type Activities Expenses</b>	<b>287,992</b>	<b>291,887</b>	<b>385,897</b>	<b>500,571</b>
<b>Total Expenses</b>	<b>\$ 2,803,066</b>	<b>\$ 2,913,999</b>	<b>\$ 3,398,798</b>	<b>\$ 3,899,287</b>
<b>PROGRAM REVENUES</b>				
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
<b>Total Governmental Activities Program Revenues</b>	<b>943,827</b>	<b>1,086,864</b>	<b>1,304,761</b>	<b>1,226,182</b>
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
<b>Total Business-Type Activities Program Revenues</b>	<b>380,901</b>	<b>519,308</b>	<b>1,458,848</b>	<b>982,126</b>
<b>Total Program Revenues</b>	<b>\$ 1,324,728</b>	<b>\$ 1,606,172</b>	<b>\$ 2,763,609</b>	<b>\$ 2,208,308</b>
<b>NET REVENUE (EXPENSE)</b>				
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
<b>Total Net Expense</b>	<b>\$ (1,478,338)</b>	<b>\$ (1,307,827)</b>	<b>\$ (635,189)</b>	<b>\$ (1,690,979)</b>

Fiscal Year 2008	Fiscal Year 2009	Fiscal Year 2010	Fiscal Year 2011	Fiscal Year 2012	Fiscal Year 2013
\$ 973,800	\$ 864,658	\$ 872,323	\$ 1,113,962	\$ 821,330	\$ 1,265,453
1,536,379	1,326,793	1,550,621	1,411,552	1,460,689	1,347,613
433,573	362,253	366,990	426,154	707,159	342,471
457,451	454,723	448,014	429,297	780,765	450,306
604,994	595,253	558,258	526,532	488,131	484,525
28,174	22,766	17,495	11,973	6,249	1,870
<u>4,034,371</u>	<u>3,626,446</u>	<u>3,813,701</u>	<u>3,919,470</u>	<u>4,264,323</u>	<u>3,892,238</u>
459,317	482,437	649,113	572,667	599,304	744,457
241,167	322,279	364,080	277,985	209,103	332,126
15,618	22,645	18,899	18,490	28,308	29,163
<u>716,102</u>	<u>827,361</u>	<u>1,032,092</u>	<u>869,142</u>	<u>836,715</u>	<u>1,105,746</u>
<u>\$ 4,750,473</u>	<u>\$ 4,453,807</u>	<u>\$ 4,845,793</u>	<u>\$ 4,788,612</u>	<u>\$ 5,101,038</u>	<u>\$ 4,997,984</u>
\$ 104,056	\$ 45,695	\$ 50,483	\$ 62,532	\$ 45,703	\$ 70,305
501,731	242,303	318,461	287,375	293,282	276,568
-	-	-	-	2,335	-
483,985	494,231	488,063	486,420	504,210	538,537
28,062	27,793	30,475	35,302	33,179	30,282
131,451	108,020	100,267	89,210	80,987	76,471
103,175	78,277	91,892	49,133	681,142	26,576
<u>1,352,460</u>	<u>996,319</u>	<u>1,079,641</u>	<u>1,009,972</u>	<u>1,640,838</u>	<u>1,018,739</u>
643,694	569,723	542,438	588,343	645,894	598,184
67,516	75,381	104,851	117,859	109,829	343,482
20,480	22,726	22,200	27,665	34,855	40,420
-	-	-	-	-	-
121,887	37,254	45,492	235,835	386,625	24,390
<u>853,577</u>	<u>705,084</u>	<u>714,981</u>	<u>969,702</u>	<u>1,177,203</u>	<u>1,006,476</u>
<u>\$ 2,206,037</u>	<u>\$ 1,701,403</u>	<u>\$ 1,794,622</u>	<u>\$ 1,979,674</u>	<u>\$ 2,818,041</u>	<u>\$ 2,025,215</u>
\$ (2,681,911)	\$ (2,630,127)	\$ (2,734,060)	\$ (2,909,498)	\$ (2,623,485)	\$ (2,873,499)
137,475	(122,277)	(317,111)	100,560	340,488	(99,270)
<u>\$ (2,544,436)</u>	<u>\$ (2,752,404)</u>	<u>\$ (3,051,171)</u>	<u>\$ (2,808,938)</u>	<u>\$ (2,282,997)</u>	<u>\$ (2,972,769)</u>

Continued on Next Page

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

	Fiscal Year 2004	Fiscal Year 2005	Fiscal Year 2006	Fiscal Year 2007
<b>GENERAL REVENUES AND TRANSFERS</b>				
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
<b>Total Governmental Activities</b>	<u>1,584,033</u>	<u>2,091,760</u>	<u>2,510,954</u>	<u>2,752,972</u>
Business-Type Activities:				
Unrestricted Investment Earnings	1,348	6,183	33,479	74,753
Transfers	212,332	(65,000)	(101,000)	(125,000)
<b>Total Business-Type Activities</b>	<u>213,680</u>	<u>(58,817)</u>	<u>(67,521)</u>	<u>(50,247)</u>
<b>Total General Revenues and Transfers</b>	<u>\$ 1,797,713</u>	<u>\$ 2,032,943</u>	<u>\$ 2,443,433</u>	<u>\$ 2,702,725</u>
<b>CHANGE IN NET POSITION</b>				
Governmental Activities	\$ 12,786	\$ 556,512	\$ 802,814	\$ 580,438
Business-Type Activities	306,589	168,604	1,005,430	431,308
<b>Total Change in Net Position</b>	<u>\$ 319,375</u>	<u>\$ 725,116</u>	<u>\$ 1,808,244</u>	<u>\$ 1,011,746</u>

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	Fiscal Year 2013
\$ 1,133,802	\$ 1,087,169	\$ 1,045,330	\$ 910,495	\$ 812,503	\$ 818,830
499,811	467,231	471,136	495,503	522,526	531,599
869,774	927,619	957,318	918,839	899,013	961,164
254,467	264,612	256,671	262,152	272,538	269,926
86,555	51,403	26,994	22,626	9,474	3,819
1,346	-	-	5,964	-	-
153,864	185,200	(92,521)	116,054	206,505	6,996
<u>2,999,619</u>	<u>2,983,234</u>	<u>2,664,928</u>	<u>2,731,633</u>	<u>2,722,559</u>	<u>2,592,334</u>
16,482	(11,631)	40,156	14,400	24,071	12,121
(153,864)	(185,200)	92,521	(116,054)	(206,505)	(6,996)
<u>(137,382)</u>	<u>(196,831)</u>	<u>132,677</u>	<u>(101,654)</u>	<u>(182,434)</u>	<u>5,125</u>
<u>\$ 2,862,237</u>	<u>\$ 2,786,403</u>	<u>\$ 2,797,605</u>	<u>\$ 2,629,979</u>	<u>\$ 2,540,125</u>	<u>\$ 2,597,459</u>
\$ 317,708	\$ 353,107	\$ (69,132)	\$ (177,865)	\$ 99,074	\$ (281,165)
93	(319,108)	(184,434)	(1,094)	158,054	(94,145)
<u>\$ 317,801</u>	<u>\$ 33,999</u>	<u>\$ (253,566)</u>	<u>\$ (178,959)</u>	<u>\$ 257,128</u>	<u>\$ (375,310)</u>

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

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
<b>GENERAL FUND</b>				
Nonspendable	\$ -	\$ -	\$ -	\$ -
Restricted	-	-	-	-
Reserved	133,497	152,313	247,486	285,445
Committed	-	-	-	-
Unreserved	757,674	1,037,161	1,380,714	999,638
Unassigned	-	-	-	-
<b>Total General Fund</b>	<u>\$ 891,171</u>	<u>\$1,189,474</u>	<u>\$1,628,200</u>	<u>\$1,285,083</u>
<b>ALL OTHER GOVERNMENTAL FUNDS</b>				
Restricted	\$ -	\$ -	\$ -	\$ -
Reserved	306,446	539,555	869,679	1,254,548
Unreserved, reported in:				
Special revenue funds	7,881	7,149	16,836	27,184
Capital projects funds	113,841	32,376	111,973	150,733
<b>Total all other governmental funds</b>	<u>\$ 428,168</u>	<u>\$ 579,080</u>	<u>\$ 998,488</u>	<u>\$1,432,465</u>

Note: The City implemented GASB 54 in 2011.

<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
\$ -	\$ -	\$ -	\$ 25,345	\$ 24,325	\$ 4,143
-	-	-	366,630	246,497	244,068
336,044	555,561	607,249	-	-	-
-	-	-	202,139	234,927	281,645
705,256	674,625	766,608	-	-	-
-	-	-	851,850	896,002	979,316
<u>\$1,041,300</u>	<u>\$ 1,230,186</u>	<u>\$ 1,373,857</u>	<u>\$ 1,445,964</u>	<u>\$ 1,401,751</u>	<u>\$ 1,509,172</u>
\$ -	\$ -	\$ -	\$ 678,669	\$ 821,452	\$ 952,005
1,446,560	1,220,279	950,568	-	-	-
37,275	18,132	-	-	-	-
159,442	161,189	-	-	-	-
<u>\$1,643,277</u>	<u>\$ 1,399,600</u>	<u>\$ 950,568</u>	<u>\$ 678,669</u>	<u>\$ 821,452</u>	<u>\$ 952,005</u>

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

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
<b>REVENUES</b>				
Taxes	\$1,377,469	\$1,491,154	\$1,760,394	\$1,952,017
Licenses and Permits	102,289	222,622	348,455	197,628
Intergovernmental Revenues	528,352	711,126	778,616	826,703
Charges for Services	429,793	456,927	500,752	525,949
Fines and Forfeitures	145,521	129,820	166,530	239,822
Investment Earnings	24,388	45,082	110,232	140,524
Miscellaneous	43,567	61,141	126,900	128,463
<b>Total Revenues</b>	<u>2,651,379</u>	<u>3,117,872</u>	<u>3,791,879</u>	<u>4,011,106</u>
<b>EXPENDITURES</b>				
General Government	643,580	613,061	676,348	888,340
Public Safety	858,290	893,853	1,283,673	1,257,098
Transportation	262,201	262,746	276,732	354,767
Sanitation/Other Utility	347,176	347,233	372,582	401,062
Culture and Recreation	330,169	367,407	382,016	484,968
Capital Outlay	597,986	90,581	68,012	490,989
Debt Service:				
Principal	103,990	121,702	130,973	132,634
Interest	40,053	37,074	37,050	35,388
<b>Total Expenditures</b>	<u>3,183,445</u>	<u>2,733,657</u>	<u>3,227,386</u>	<u>4,045,246</u>
Excess (Deficiency) of Revenues over (under) Expenditures	(532,066)	384,215	564,493	(34,140)
<b>OTHER FINANCING SOURCES (USES)</b>				
Capital Lease Financing	68,000	-	192,641	-
Transfers in	148,593	166,337	173,523	256,768
Transfers out	(360,925)	(101,337)	(72,523)	(131,768)
Sale of Capital Assets	537	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<u>(143,795)</u>	<u>65,000</u>	<u>293,641</u>	<u>125,000</u>
<b>Net Change in Fund Balances</b>	<u>\$ (675,861)</u>	<u>\$ 449,215</u>	<u>\$ 858,134</u>	<u>\$ 90,860</u>
Debt service as a percentage of noncapital expenditures	5.9%	6.4%	5.6%	5.1%

<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
\$2,164,168	\$2,219,177	\$2,240,183	\$2,131,406	\$2,041,898	\$2,118,727
247,769	35,244	50,576	22,681	31,890	41,446
915,975	855,926	807,693	671,529	1,317,217	634,722
540,892	532,335	615,395	680,152	738,772	773,687
265,358	203,153	176,977	109,903	81,118	58,885
86,555	51,403	26,994	22,626	9,474	3,819
176,516	55,929	52,313	67,472	45,861	70,699
<u>4,397,233</u>	<u>3,953,167</u>	<u>3,970,131</u>	<u>3,705,769</u>	<u>4,266,230</u>	<u>3,701,985</u>
1,143,641	1,006,079	965,583	1,175,409	864,126	790,364
1,523,693	1,353,010	1,421,232	1,317,661	1,453,169	1,394,174
416,641	344,005	337,216	394,143	246,107	265,763
457,451	454,723	448,014	429,297	421,815	450,306
536,252	518,319	504,703	456,868	425,421	431,473
355,977	344,082	348,022	96,010	805,324	19,624
142,461	146,263	137,074	142,435	148,014	117,300
30,468	26,677	21,127	15,756	10,189	4,422
<u>4,606,584</u>	<u>4,193,158</u>	<u>4,182,971</u>	<u>4,027,579</u>	<u>4,374,165</u>	<u>3,473,426</u>
(209,351)	(239,991)	(212,840)	(321,810)	(107,935)	228,559
21,170	-	-	-	-	-
291,306	701,875	434,607	359,406	336,866	66,936
(137,442)	(516,675)	(527,128)	(243,352)	(130,361)	(59,940)
1,346	-	-	5,964	-	2,419
<u>176,380</u>	<u>185,200</u>	<u>(92,521)</u>	<u>122,018</u>	<u>206,505</u>	<u>9,415</u>
<u>\$ (32,971)</u>	<u>\$ (54,791)</u>	<u>\$ (305,361)</u>	<u>\$ (199,792)</u>	<u>\$ 98,570</u>	<u>\$ 237,974</u>
4.2%	4.7%	4.3%	4.2%	4.4%	3.7%

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
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
2013	716,857	328,366	112,340	370,066	369,685	221,413	2,118,727

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

FISCAL YEAR	REAL PROPERTY		PERSONAL PROPERTY		TOTAL		DIRECT TAX RATE	TAXABLE VALUE PERCENTAGE OF JUST VALUE
	ESTIMATED JUST VALUE	TAXABLE VALUE	ESTIMATED JUST VALUE	TAXABLE VALUE	ESTIMATED JUST VALUE	TAXABLE VALUE		
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%
2013	N/A	151,764,456	N/A	6,414,330	N/A	158,178,786	4.644	N/A

Source-Lake County Property Appraiser's Office

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

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

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

Fiscal Year	City Direct Rate	OVERLAPPING RATES						Total Taxes
		County School District	Lake County	Water Conservation Authority	Water Management District	Ambulance District	Hospital District	
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
2013	4.644	7.320	4.921	0.256	0.331	0.385	1.000	18.857

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, 2013  
 CURRENT YEAR COMPARED TO NINE YEARS AGO

<u>Taxpayer</u>	<u>Fiscal Year 2013</u>		<u>Fiscal Year 2004</u>	
	<u>Taxable Assessed Valuation</u>	<u>Percentage of Total Assessed Valuation</u>	<u>Taxable Assessed Valuation</u>	<u>Percentage of Total Assessed Valuation</u>
Fruitland Park LLC - L & R Prop	\$ 3,813,295	2.41%	\$ -	
Southern Spring Lake Cove LLC	3,347,090	2.12%	-	
FWB Investment Ltd	1,945,317	1.23%	2,224,334	2.43%
Wal-Mart Stores East LP	1,786,218	1.13%	2,125,592	2.32%
CRC Properties Inc	1,688,931	1.07%	-	
Etheredge Limited Partnership	1,608,445	1.02%	1,452,612	1.58%
Armentano Enterprises Inc	1,571,003	0.99%	-	
Larry M Phillips, Trustee	1,525,363	0.96%	1,417,401	1.55%
FP Property LLC	1,373,396	0.87%	-	
Chelsea Run Builders	1,153,620	0.73%	-	
Sprint-Florida Inc	-		1,576,687	1.72%
Highland Associates	-		1,198,570	1.31%
HW Investments LLC	-		1,194,231	1.30%
Fruitland Acres Limited	-		1,101,837	1.20%
Robert D & Leane E Rhodes	-		1,048,503	1.14%
Carl A. & Carol Denise Munn	-		726,644	0.79%
	<u>\$ 19,812,678</u>	<u>12.52%</u>	<u>\$ 14,066,411</u>	<u>15.34%</u>
<b>TOTAL TAXABLE ASSESSED VALUATION</b>	<u><u>\$ 158,178,786</u></u>		<u><u>\$ 91,689,301</u></u>	

Source - Lake County Property Appraiser

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

<u>Fiscal Year</u>	<u>Total Tax Levy</u>	<u>Current Tax Collections</u>	<u>Percent of Levy Collected</u>	<u>Delinquent Tax Collections</u>	<u>Total Tax Collections</u>	<u>Percent of Total Tax Collections to Tax Levy</u>
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	718,057	697,391	97.1%	896	698,287	97.2%
2013	734,614	714,578	97.3%	2,279	716,857	97.6%

See Note 12 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			
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
2013	-	-	-	2,081,588	2,081,588	N/A	498

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, 2013

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Overlapping Debt
Debt repaid with property taxes	\$ -	1.37%	\$ -
Other debt			-
Subtotal, overlapping debt			-
Direct debt			2,081,588
Total direct and overlapping debt			\$ 2,081,588

**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	
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
2013	328,366	117,300	4,422	121,722	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	
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
2013	717,546	632,016	85,530	97,856	39,813	137,669	0.62

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 covenants for the years 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 EIGHT FISCAL YEARS

Year	2006	2007	2008	2009	2010	2011	2012	2013
Population	3,628	3,829	3,879	3,978	4,129	3,853	4,148	4,182
Total Personal Income of all Fruitland Park Residents (in thousands)	\$71,395	\$71,778	\$71,480	\$71,463	\$86,416	\$86,483	N/A	N/A
Per Capita Personal Income	\$19,679	\$18,746	\$18,427	\$17,965	\$20,929	\$22,036	N/A	N/A
Median Age	35.5	36.6	40.3	40.3	41.7	41.9	42.0	42.0
School Enrollment Fruitland Park Elementary	670	632	630	633	632	623	640	656
Total Housing Units	1,580	1,485	1,452	1,453	1,739	1,772	1,662	1,662
Owner occupied	1,157	1,019	1,041	1,042	1,118	1,188	1,477	1,477
Renter occupied	379	408	287	287	414	359	469	469
Vacant	44	58	124	124	207	225	185	185
Lake County Unemployment Rate	3.0%	4.7%	8.5%	12.6%	11.9%	9.9%	8.4%	7.1%

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

Population from the Florida Bureau of Economic and Business Research (BEER)  
 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

<u>Year</u>	<u>City of Fruitland Park</u>		<u>Lake County</u>	
	<u>Population</u>	<u>% Change</u>	<u>Population</u>	<u>% Change</u>
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%
2013	4,182	0.82%	305,825	1.03%

LAKE COUNTY POPULATION DISTRIBUTION

<u>Median age in Years</u>	<u>Age Distribution (Percentage)</u>				
	<u>0-17</u>	<u>18-44</u>	<u>45-64</u>	<u>65+</u>	
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%
2013	42.0	22.4%	26.1%	26.7%	24.8%

Source - Bureau of Economic Business research, University of Florida

CITY OF FRUITLAND PARK, FLORIDA  
 PRINCIPAL EMPLOYERS  
 SEPTEMBER 30, 2013

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<u>Employer</u>	<u>Employees</u>	<u>Rank</u>	<u>Percent of Total City Employment</u>
Wal-Mart	344	1	10.4%
Fruitland Park Elementary School	92	2	2.8%
Bill Bryan Chrysler	85	3	2.6%
City of Fruitland Park	78	4	2.3%
Munn's Heating & Air	68	6	2.1%
Phillips Buick/Pontiac	65	6	2.0%
	<hr/>		<hr/>
Total	<u><u>732</u></u>		<u><u>22.2%</u></u>
 Total City Employment	 <u><u>3,302</u></u>		

**Note:** This is the City's eighth year of implementation under GASB 44.  
 Principal employer information from 2004 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 EIGHT FISCAL YEARS

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
<b>GENERAL GOVERNMENT</b>								
Legislative	10	10	10	10	10	9	11	11
Executive	3	3	3	3	3	3	3	3
Finance	4	4	4	4	4	4	4	4
Other General Government	1	1	1	1	1	1	1	1
<b>PUBLIC SAFETY</b>								
Police Department	21	22	23	23	23	22	21	21
Fire	25	25	25	25	25	20	20	21
Building Inspections	2	2	1	1	1	1	0	0
<b>TRANSPORTATION</b>								
Roads and Streets	5	5	5	5	3	2	2	2
<b>CULTURE AND RECREATION</b>								
Library	5	7	7	7	7	6	6	6
Municipal Pool	9	9	9	9	8	8	7	7
Recreation Maintenance	2	2	2	2	2	2	1	1
Recreation Programs	2	2	2	2	3	2	2	2
<b>UTILITIES</b>								
Water	3	3	3	3	5	5	5	5
Sewer	1	1	1	1	1	0	0	0
<b>Total Employees</b>	<u>93</u>	<u>96</u>	<u>96</u>	<u>96</u>	<u>96</u>	<u>85</u>	<u>83</u>	<u>84</u>
Full-Time	33							
Part-Time	51							

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, 2013

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
<b>Police Protection:</b>								
Number of Sworn Police Officers	11	13	13	13	13	13	13	13
Number of Reserve Officers	5	5	5	5	5	4	4	4
<b>Fire Protection:</b>								
Number of Volunteer Firefighters	25	25	25	25	25	20	20	21
<b>Building Inspections:</b>								
Commercial Construction Permits	7	33	6	3	1	0	1	1
Residential Construction Permits	100	30	33	10	6	3	3	6
<b>Roads and Streets:</b>								
Street Resurfacing (miles)	None	None	.6	.8	.7	.25	.0	.0
<b>Recreation:</b>								
Number of City-wide events	2	2	2	2	2	2	2	3
<b>Municipal Water System:</b>								
Number of Consumers	1,610	1,617	1,728	1,712	1,739	1,749	1,779	1,785
New Connections	94	62	152	110	11	2	5	6

**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, 2013

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
City Land Area (square miles)	5.9	6.0	6.5	6.6	6.6	6.6	6.83	6.83
Police Protection:								
Number of Stations	1	1	1	1	1	1	1	1
Number of Patrol Units	12	13	13	13	15	16	18	18
Fire Protection:								
Number of Stations	1	1	1	1	1	1	1	1
Number of Fire Trucks	2	2	2	2	2	2	2	2
Culture and Recreation:								
Number of Libraries	1	1	1	1	1	1	1	1
Number of Municipal Pools	1	1	1	1	1	1	1	1
Number of Parks	4	4	4	4	4	4	4	4
Number of Baseball/softball fields	3	3	3	3	3	3	3	3
Number of Soccer Fields	1	1	1	1	1	1	1	1
Number of Skate parks	1	1	1	1	1	1	1	1
Number of Community Centers	2	2	1	1	1	1	1	1
Municipal Water System:								
Wells	5	5	5	5	5	5	5	5
Water Towers	1	1	1	1	1	1	1	1

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

Source: Various City departments

# 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 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***

March 28, 2014

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, 2013, which collectively comprise the City of Fruitland Park, Florida's basic financial statements, and have issued our report thereon dated March 28, 2014. 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 of the financial statements, we considered the City of Fruitland Park, Florida's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City of Fruitland Park's internal control.

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

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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*.

Purpose of this Report

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



Shumacker, Johnston & Ross, PA

CITY OF FRUITLAND PARK, FLORIDA  
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
 AND STATE FINANCIAL ASSISTANCE  
 FOR THE YEAR ENDED SEPTEMBER 30, 2013

FEDERAL AWARDS				
FEDERAL GRANTOR/ PROGRAM TITLE	Federal CFDA Number	Federal Revenues	Federal Expenditures	Federal through State Receipts
<b>U. S. DEPARTMENT OF JUSTICE</b>				
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	\$ 1,474	\$ -	\$ 1,474
Justice Assistance				
Grant (total grant \$4,795)				
Purchase Department Firearms				
Contract #2013-JAGC-LAKE-2-D7-112	16.738	4,795	4,795	4,795
Justice Assistance				
Grant (total grant \$1,000)				
Evidence Collection Supplies				
Contract #2013-JAGD-LAKE-2-D2-066	16.738	985	985	985
<b>U. S. ENVIRONMENTAL PROTECTION AGENCY</b>				
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		<u>\$ 7,254</u>	<u>\$ 5,780</u>	<u>7,254</u>

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, 2013

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STATE OF FLORIDA FINANCIAL ASSISTANCE

<u>State Agency/ PROGRAM TITLE</u>	<u>State Revenues</u>	<u>State Expenditures</u>	<u>State Receipts</u>
Total State Financial Assistance	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>
Total State Receipts			<u>\$ 7,254</u>

(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 EXAMINATION OF MANAGEMENT'S ASSERTION ABOUT COMPLIANCE WITH SPECIFIED REQUIREMENTS

March 28, 2014

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 March 28, 2014, 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, 2013. 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, 2013 is fairly stated, in all material respects.

This report is intended for the information of the City Commission, management, 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

March 28, 2014

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, 2013, and have issued our report thereon dated March 28, 2014.

The following comments and recommendations are provide 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 or grant agreements, fraud, illegal acts, or abuse that have an effect on the financial statements that warrants the attention of those charged with governance.
5. 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.
- 6a. The City has not met any of the financial emergency conditions described in Section 218.503(1), *Florida Statutes*.
- 6b. 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, 2013.

6c. 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.



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