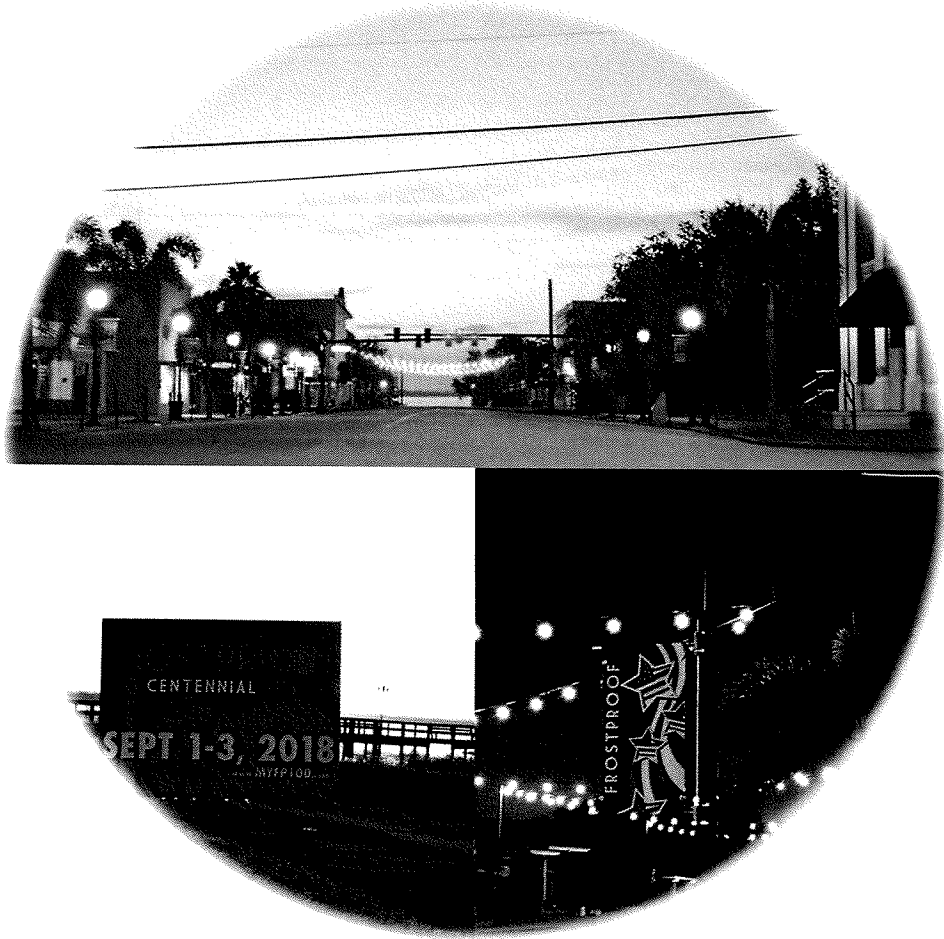


The City of Frostproof

2018-2019

Annual Budget

Adopted September 24, 2018



FROSTPROOF
1918-2018



September 24, 2018

Honorable Mayor, City Council and Citizens
City of Frostproof
Frostproof, Florida 33843

In accordance with the City Charter, Code of Ordinances and the laws of the State of Florida, we are pleased to present the City of Frostproof's annual operating budget for fiscal year 2018-2019. Copies of the budget are available for public inspection at City Hall, 111 West First Street, Frostproof, Florida 33843.

The Citywide budget totals \$8,586,730; of this amount 55% represents the General Fund and 45% represents the Enterprise Fund.

Total taxable value is \$128,105,678, an increase of \$3,738,729. The millage rate approved by Council will be the rollback rate of 7.3045.

The General Fund estimated revenues total \$2,626,420, an increase of \$34,380 over budgeted revenues of last fiscal year. Estimated operating expenses total \$2,492,550, an increase of \$12,760 over budgeted expenses of last fiscal year.

Enterprise Fund revenues total \$1,726,400. This represents an increase of \$855,400 over budgeted revenues of last fiscal year. \$780,000 of the increase is represented by grant revenue. Estimated operating expenses total \$1,454,660, an increase of \$82,200 over budget last fiscal year.

We would like to thank Council members for their expertise and support in the development of the 2018-2019 Fiscal Year Budget. It is through this financial plan that we address opportunities for sustainability.

Respectfully submitted,

Lee Evett

Lee Evett
City Manager

Melody Sauerhafer

Melody Sauerhafer
Finance Manager

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CITY COUNCIL

Mayor Martin Sullivan
Term Expires: April 2021

Vice Mayor Jonathan Albert
Term Expires: April 2020

Council Member Lesley Brewer
Term Expires: April 2021

Council Member Austin Gravley
Term Expires: April 2020

Council Member Rodney Cannon
Term Expires: April 2019



Vision

The City of Frostproof, known as "The Friendly City", desires to retain its rural character and historical heritage, encouraging smart growth while maintaining sustainability, providing a friendly, safe and dynamic environment, creating a City where citizens choose to live, raise families and take pride in their community.

Mission

It is the mission of the City of Frostproof to continually strive to improve the quality of life for all citizens by providing a safe enjoyable environment in which to live and work. We are committed to creating an effective municipal team focused on delivering quality services in the most efficient manner, as well as promoting partnerships, volunteerism and civic pride.

CITY OFFICIALS

Lee Evett
City Manager

Albert C. Galloway, Jr.
City Attorney

Jennifer Codo-Salisbury
Central Florida Regional Planning Council
City Planner

Doug Jones
Chastain Skillman, Inc.
City Engineer

Bob Lane
Building Official

Melody Sauerhafer
Finance Manager

Nicole McDowell
City Clerk

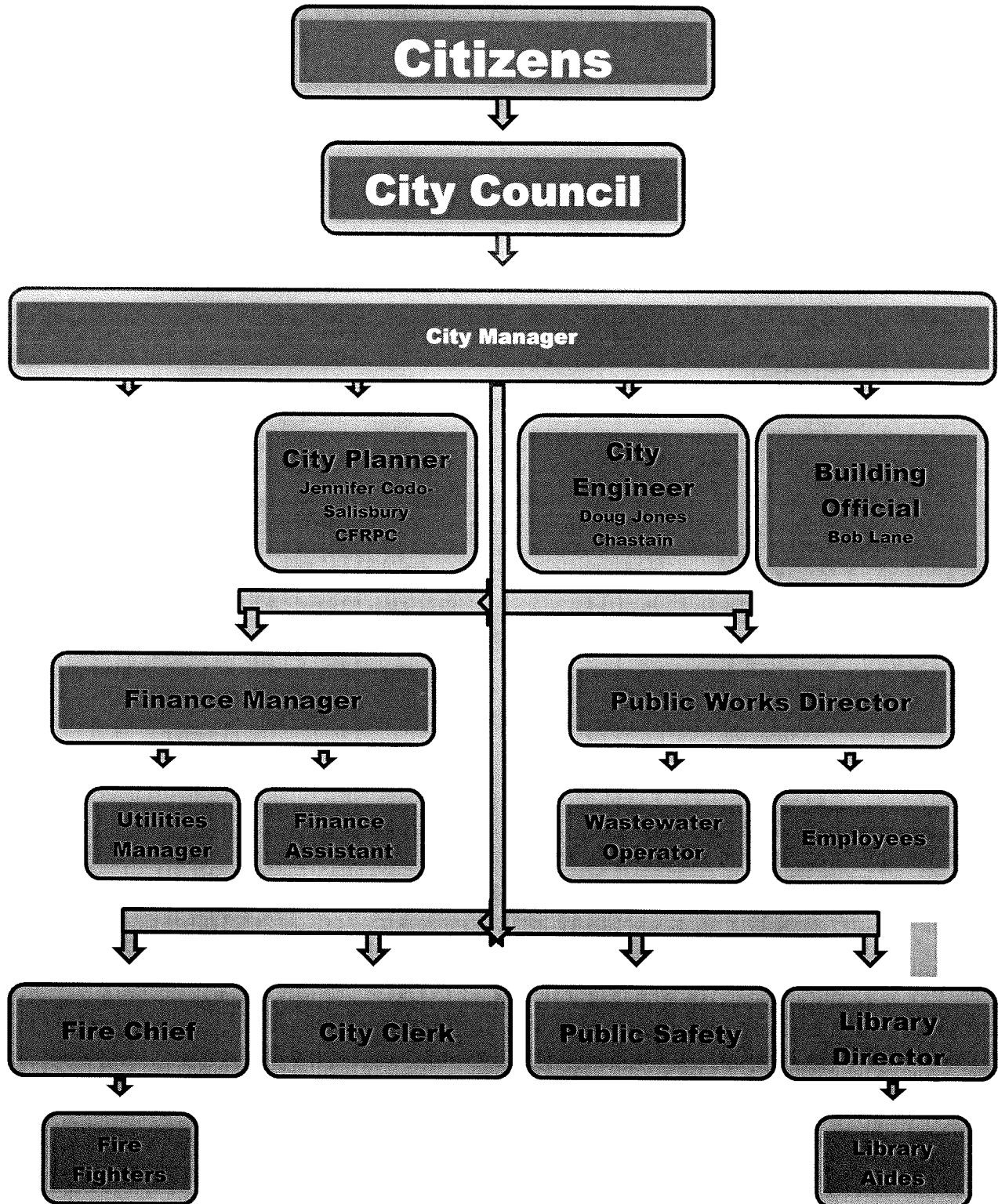
James Keene
Public Works Director

Clifford Cofer
Fire Chief

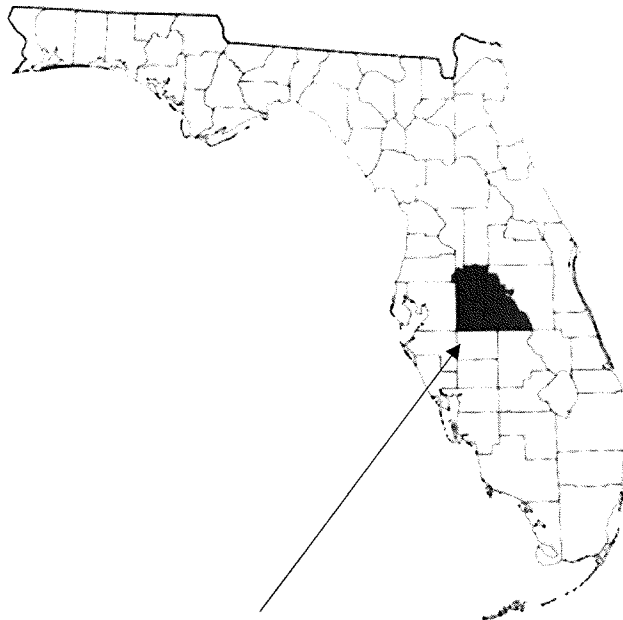
Melissa Hadden
Library Director

Sharon Bass
Utilities Manager

Organizational Chart



Fact Sheet



Polk County

Population Incorporated Municipalities Polk County (Florida Department of Revenue 2015 Population Estimates)	
Auburndale	14,843
Bartow	18,029
Davenport	3,786
Dundee	3,974
Eagle Lake	2,387
Fort Meade	5,741
Frostproof	3,004
Haines City	22,660
Highland Park	234
Hillcrest Heights	254
Lakeland	101,517
Lake Alfred	5,322
Lake Hamilton	1,271
Lake Wales	15,011
Mulberry	3,775
Polk City	1,623
Winter Haven	38,085
Unincorporated	388,503



City Stats

Date of Incorporation:
1921

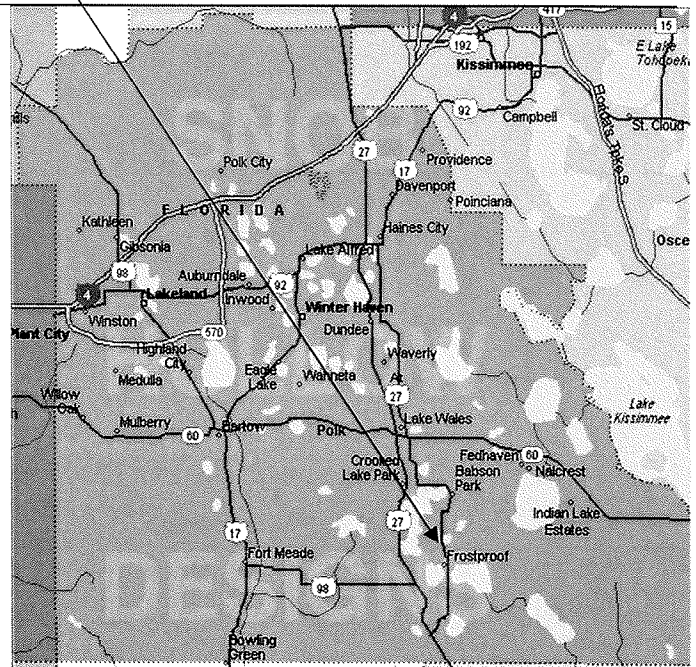
Form of Government:
Council Manager Plan

Size:
18.92 Square Miles

Current Population:
3,004

Number of Schools:
3

Number of Parks:
3



Millage Rate Impact Schedule

Gross Taxable Value = \$128,105,678

Operating Millage Rate	Ad Valorem Proceeds
7.3045	*935,748
1.0000	128,106
.7500	96,080
.5000	64,053
.2500	32,027
.1250	16,013
.1000	12,810
.0750	9,608
.0500	6,405
.0250	3,202

This schedule demonstrates the amount of increase in ad valorem proceeds (right hand column) as associated with an increase in the operating millage rate.

*100% of Ad Valorem Taxes, for TRIM purposes only 95% budgeted.

Schedule of Debt Service

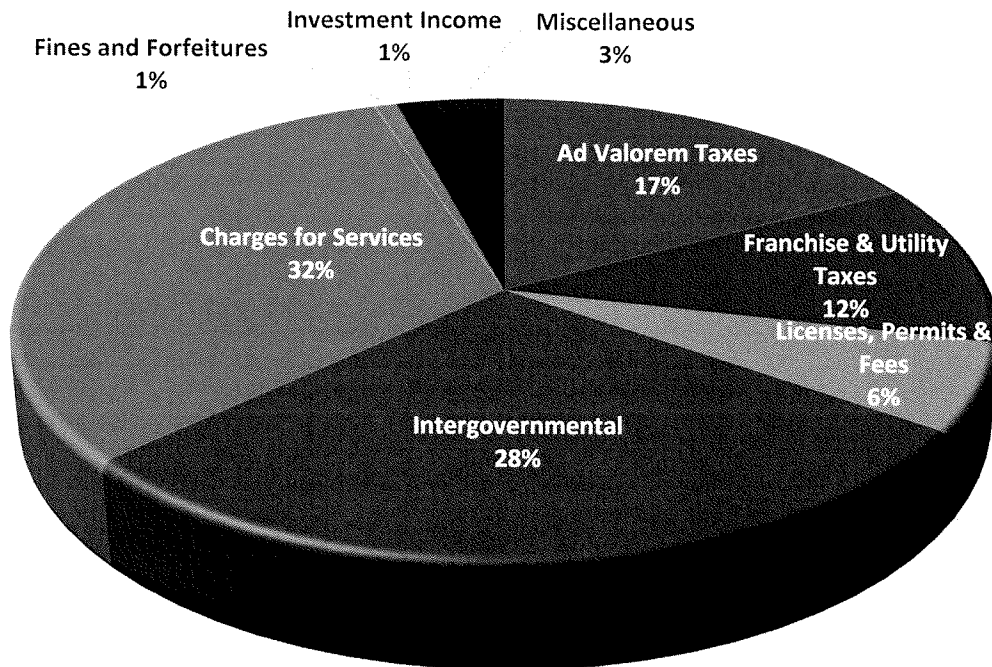
Lender	Balance 10/1/2018	Year Issued	Year of Maturity	Interest Rate	Due 2019
<i>BB&T Governmental</i>					
Series 2012A \$1,583,306 Wastewater System Annual Payment Principal – \$75,845 Interest – \$39,304	\$1,149,239	2012	2030	3.060%	\$115,150
<i>Florida Community Bank</i>					
Series 2017 \$1,275,000 Wastewater System Annual Payment Principal – \$20,000 Interest – \$53,153	\$987,022	2017	2032	2.24%	\$82,524
<i>State Revolving Fund</i>					
60007L Loan \$2,000,000 Wastewater System Semi-Annual Payment Principal – \$ 92,977 Interest – \$ 24,500	\$959,264	2005	2025	2.09%	\$117,477
Total	\$3,095,525				\$315,151

Budget Summary

ESTIMATED REVENUES	GENERAL FUND	ENTERPRISE FUND	TOTAL ALL FUNDS
Ad Valorem Taxes	888,970		888,970
Franchise & Utility Taxes	576,660	20,000	596,660
Licenses, Permits and Fees	317,000		317,000
Intergovernmental Revenue	701,800	780,000	1,481,800
Charges for Services	47,590	1,614,160	1,661,750
Fines & Forfeitures	6,200	40,000	46,200
Investment Income	40,000	15,000	55,000
Misc. Revenues	48,200	112,640	160,840
TOTAL SOURCES	2,626,420	2,581,800	5,208,220
Transfers In	90,820		90,820
Nonspendable	-	-	-
Restricted and Reserved	773,800	187,650	961,450
Assigned and Committed	10,000	-	10,000
Encumbered	-	400,000	400,000
Beginning Unreserved Fund Balance	1,175,810	701,490	1,877,300
Beginning Debt Service Balance	-	38,940	38,940
TOTAL REVENUES, TRANSFERS & BALANCES	4,676,850	3,909,880	8,586,730
EXPENDITURES			
General Government	516,260		516,260
Public Safety	1,002,380		1,002,380
Fire Department	201,630		201,630
Building Department	46,070		46,070
Cemetery Department	90,810		90,810
Streets Department	333,040		333,040
Library	199,640		199,640
Community Affairs	75,720		75,720
Garbage		389,830	389,830
Wastewater		421,410	421,410
Water		308,360	308,360
StormWater		58,840	58,840
Debt Service		276,220	276,220
Capital - Grants	30,000	780,000	810,000
Capital - Operating	94,000	195,950	289,950
Capital - Reserves	221,500	15,250	236,750
TOTAL EXPENDITURES	2,811,050	2,445,860	5,256,910
Transfers Out		90,820	90,820
Nonspendable			-
Restricted	783,670	223,900	1,007,570
Assigned and Committed	-		-
Encumbered		400,000	400,000
Ending Unreserved Fund Balance	1,082,130	710,360	1,792,490
Ending Debt Service Balance		38,940	38,940
TOTAL APPROPRIATED EXPENDITURES, TRANSFERS, RESERVES & BALANCES	4,676,850	3,909,880	8,586,730

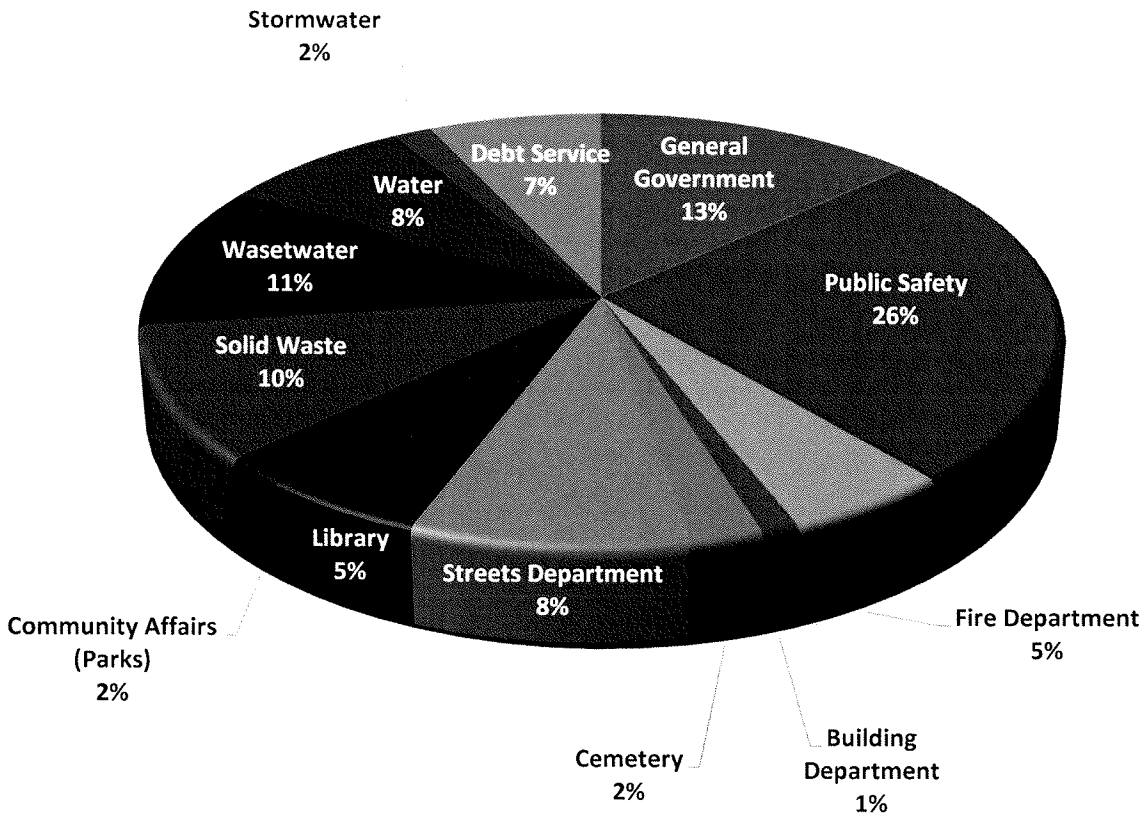
Summary of All Revenues for All Funds

Ad Valorem Taxes	888,970	17%
Franchise & Utility Taxes	596,660	11%
Licenses, Permits & Fees	317,000	6%
Intergovernmental	1,481,800	28%
Charges for Services	1,661,750	32%
Fines and Forfeitures	46,200	1%
Investment Income	55,000	1%
Miscellaneous	160,840	3%



Summary of All Expenses for All Funds

General Government	516,260	13%
Public Safety	1,002,380	26%
Fire Department	201,630	5%
Building Department	46,070	1%
Cemetery Department	90,810	1%
Streets Department	333,040	11%
Library	199,640	5%
Community Affairs	75,720	2%
Solid Waste	389,830	10%
Wastewater	421,410	10%
Water	308,360	7%
Stormwater	58,840	2%
Debt Service (Interest Only)	276,220	7%



General Fund

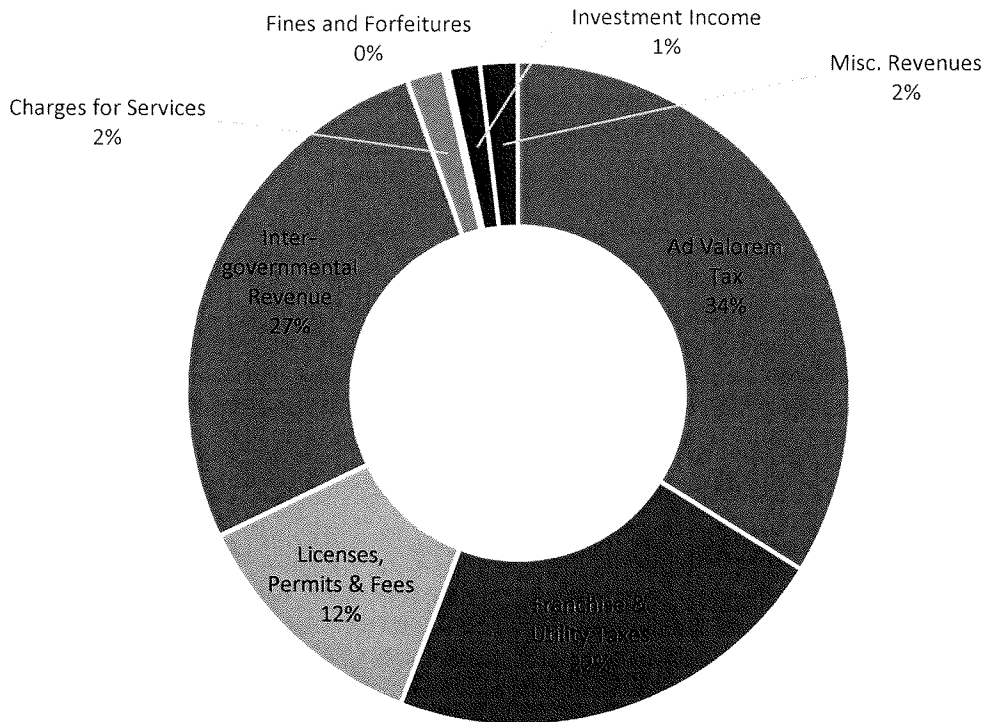


Centennial Cardboard Boat Race, September 2018

General Fund Revenues

General Fund revenue projections for Fiscal Year 2018-2019 indicate an increase of \$98,560 compared to the adopted Fiscal Year 2017-2018 budget. The following table summarizes general fund revenue sources:

	2017-2018	2018-2019
Estimated Revenues		
Ad Valorem	888,650	888,970
Franchise & Utility Taxes	545,560	576,660
Licenses, Permits & Fees	297,000	317,000
Intergovernmental Revenue	745,100	701,800
Charges for Services	59,530	47,590
Fines and Forfeitures		6,200
Investment Income		40,000
Miscellaneous Revenues	56,200	48,200
Total Revenues	2,527,540	2,626,420

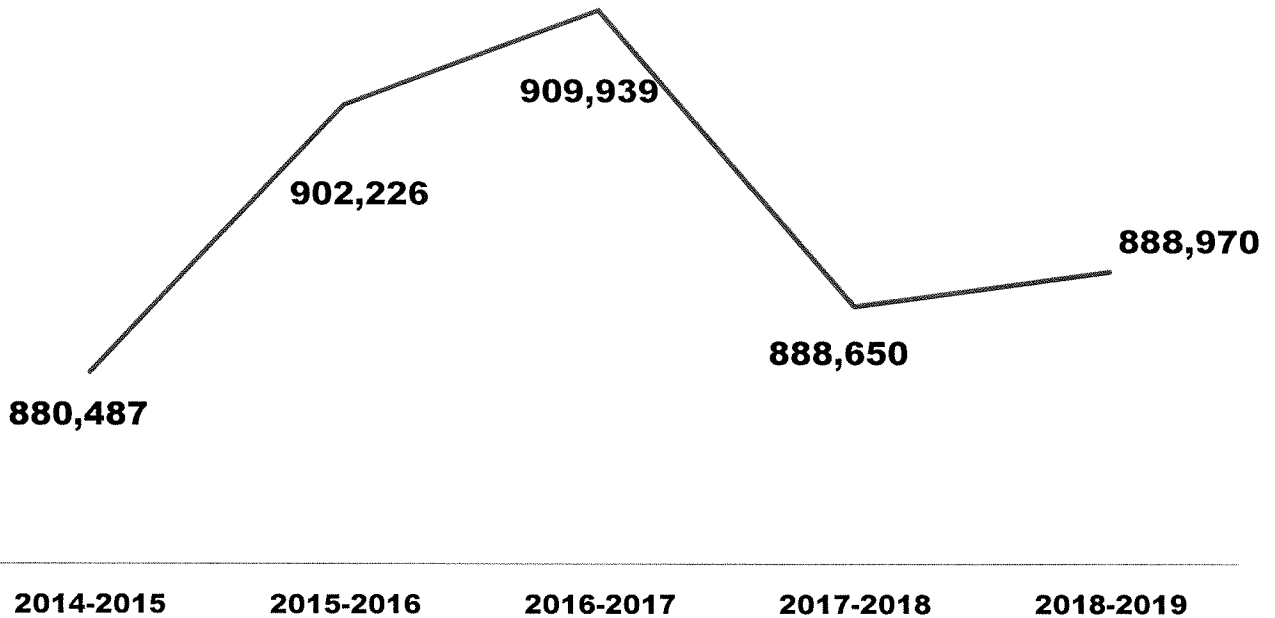


Ad Valorem Tax

Description: A tax on property paid by owners of real and personal property within the City limits. The tax is based on an assessment made by Polk County Property Appraiser on the market value of property and improvements. The City of Frostproof’s taxable value increased \$3,738,729 or 2.92%. This revenue source is found in the General Fund.

Forecast Methodology: The millage of 7.3045 is multiplied by every \$1,000 of taxable value, less 5% for possible adjustments to assessed values and/or discounts taken for early payment.

Fiscal Year	Operating Millage Rate	Ad Valorem Proceeds	Taxable Value
2014-2015	8.0587	917,054	113,796,796
2015-2016	8.0587	934,509	115,962,786
2016-2017	7.7716	935,614	120,388,797
2017-2018	7.4978	935,418	124,366,949
2018-2019	7.3045	935,748	128,105,678



Millage Rate

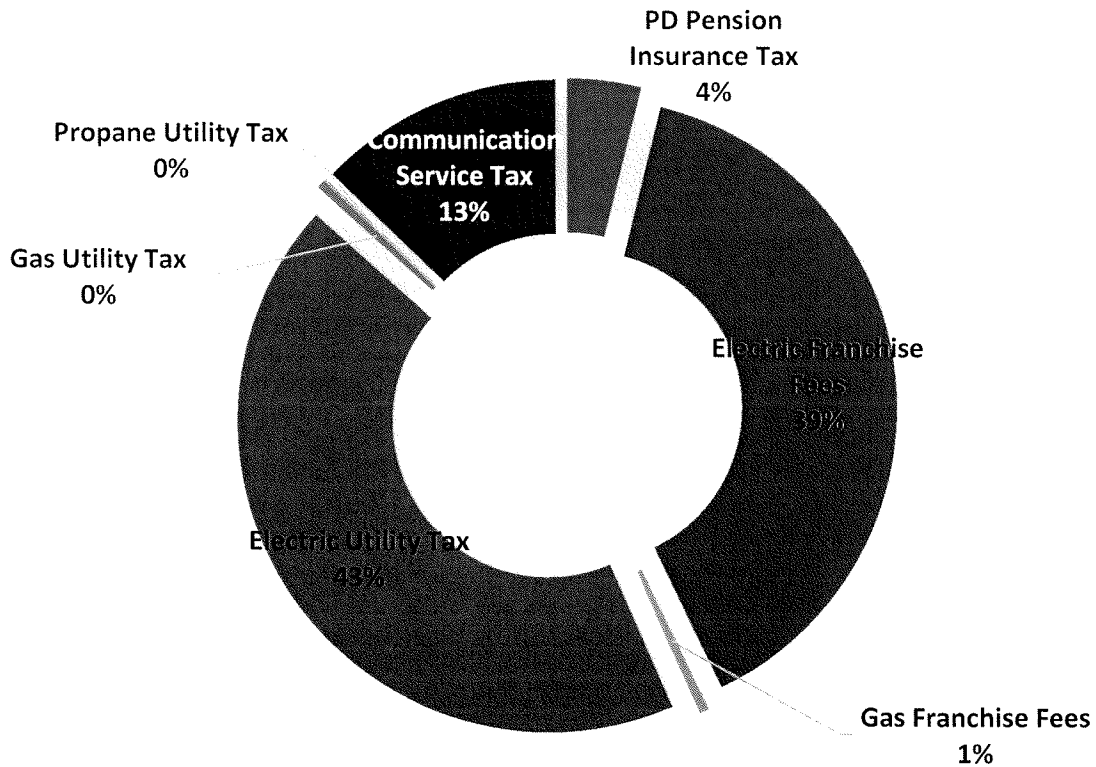
The proposed property tax millage rate for operating purposes is 7.3045. By State Statute, the operating property tax rate is restricted to no more than 10 mills (\$10 per \$1,000 of taxable value) for municipalities. The following is a comparison of millage rates for Polk County Municipalities for fiscal year 2017-2018:

Polk County Millage Rates 2015-2016*	
City	Millage
Auburndale	4.2657
Bartow	3.6541
Davenport	7.5000
Dundee	7.9000
Eagle Lake	7.6516
Fort Meade	6.8704
Frostproof	7.3045
Haines City	7.5895
Highland Park	9.9759
Hillcrest Heights	1.1932
Lake Alfred	7.2390
Lake Hamilton	8.4276
Lake Wales	7.0438
Lakeland	5.5644
Mulberry	6.5900
Polk City	7.4877
Winter Haven	5.7900

**FY19 Millage rates not available*

Franchise and Utility Taxes

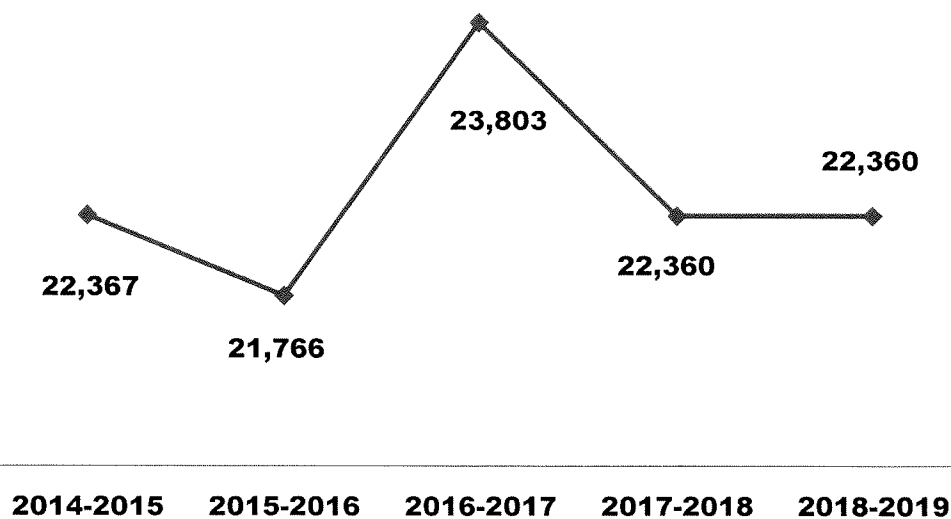
Franchise & Utility Taxes	576,660	
PD Pension-Insurance Tax	22,360	4%
Electric Franchise Fees	225,000	39%
Gas Franchise Fees	3,100	1%
Electric Utility Tax	249,000	43%
Gas Utility Tax	2,800	0%
Propane Utility Tax	400	0%
Communications Service Tax	74,000	13%



Police Pension Insurance Tax

Description: Participating cities and special fire control districts are eligible to receive annual distributions of state premium tax collections on property and casualty insurance policies written within the city/district limits or boundaries of the participating plan. The amount of premium taxes collected under Chapter 175 is equal to 1.85 percent of all property insurance written within the city limits or boundaries (in the case of fire districts) of the participating plan. Chapter 185 levies a 0.85 percent tax on all casualty insurance premiums written within the city limits of the participating plan. These amounts are collected by the Department of Revenue and reported on the DR-908 tax return, and then transferred to the Police Officers and Firefighters' Premium Tax Trust Fund at the Division of Retirement. These funds are then available for distribution on or before July 1 to the participating pension plans on an annual basis, once the plan has been determined to be in compliance with all applicable statutory requirements.

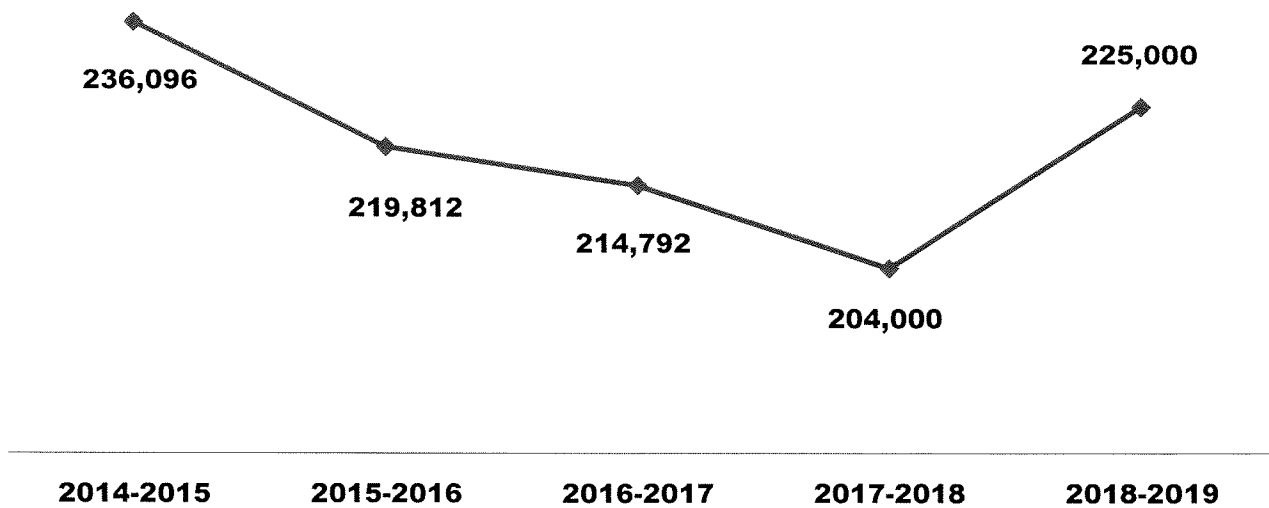
Forecast Methodology: The main factor considered in projecting this revenue is historical data.



Electric Franchise Fees

Description: Franchise fees are established by franchise agreements between the City and service providers of electricity and natural gas. The City entered into an agreement with Duke Energy (f/k/a Progress Energy) on October 22, 1996, wherein, Duke Energy remits 6% of its base revenues to the City.

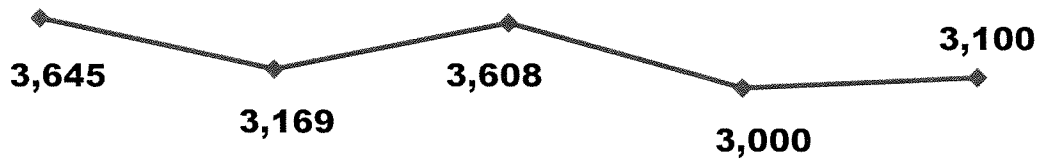
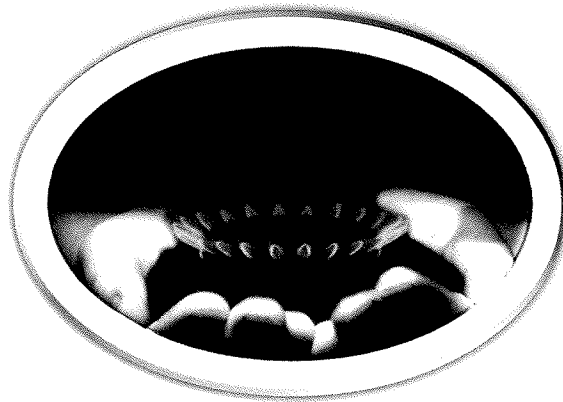
Forecast Methodology: The main factor considered in projecting this revenue is historical data.



Gas Franchise Fee

Description: Collected from People's Gas.

Forecast Methodology: **Forecast Methodology:** The main factor considered in projecting this revenue is historical data.

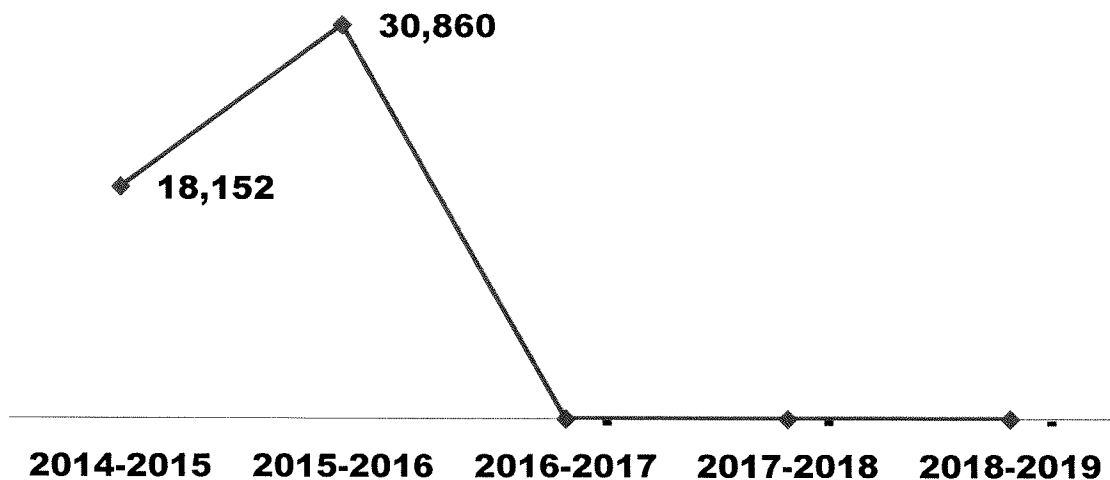


2014-2015 2015-2016 2016-2017 2017-2018 2018-2019

Communication Franchise Fee

Description: On December 15, 2008 the City of Frostproof entered into an agreement with Utility Service Communications Co., Inc. (USC). This agreement allowed USC to construct wireless communication towers on the City's water tank located at 67 North Lake Reedy Blvd. The City will receive seventy percent of gross annual site fees collected by USC in a calendar year, proceeds are received by the City in February for prior year. This contract was not renewed by Utility Service.

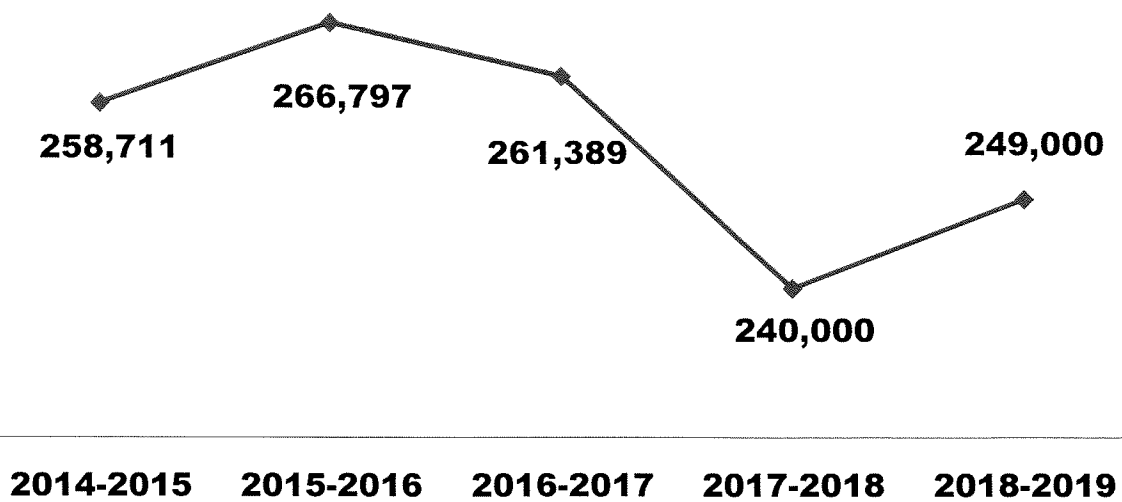
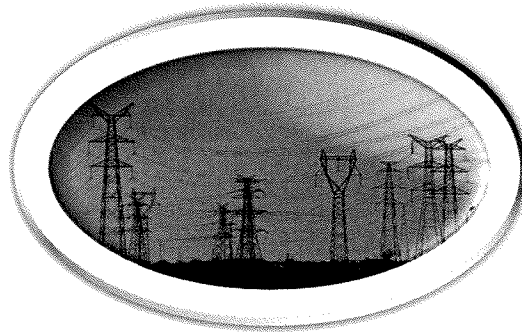
Forecast Methodology: This revenue is forecasted by the contract with USC. However, if a contract is not available in time for the proposed budget, the main factor considered in projecting this revenue would be historical data.



Electric Utility Tax

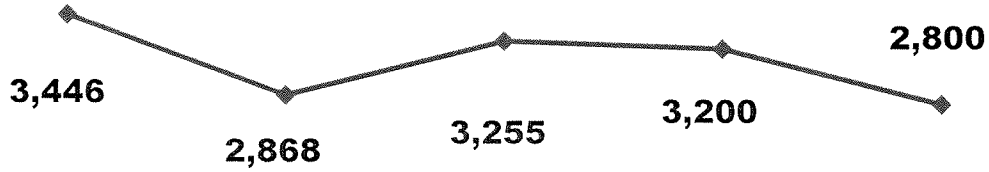
Description: Utility Taxes are taxes that are levied by the City on all companies that supply utilities within the City limits. The City currently receives taxes from Duke Energy (f/k/a Progress Energy) and various propane gas companies.

Forecast Methodology: The main factor considered in projecting this revenue is historical data.



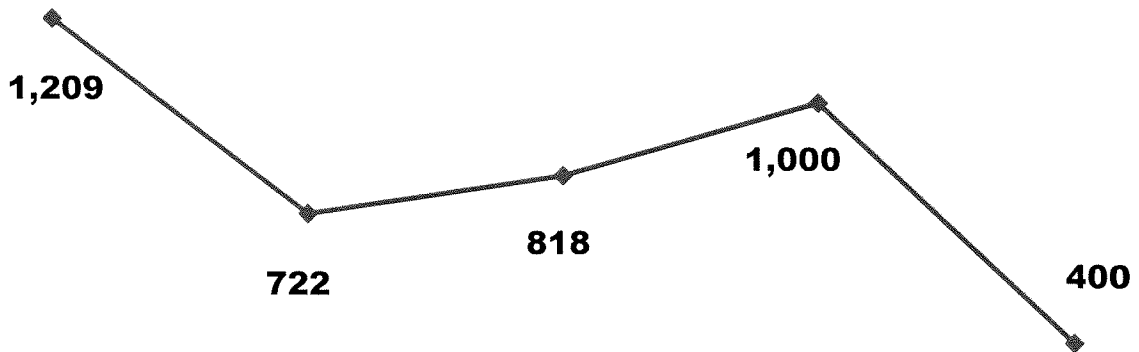
Gas and Propane Utility Taxes

Gas Utility Tax



2014-2015 2015-2016 2016-2017 2017-2018 2018-2019

Propane Utility Tax

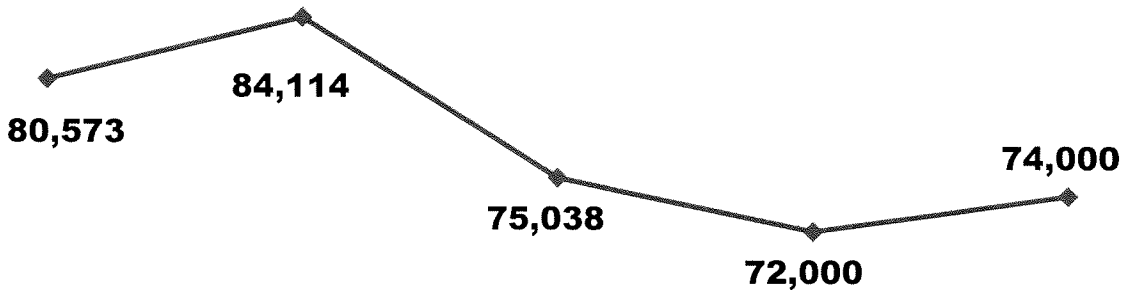
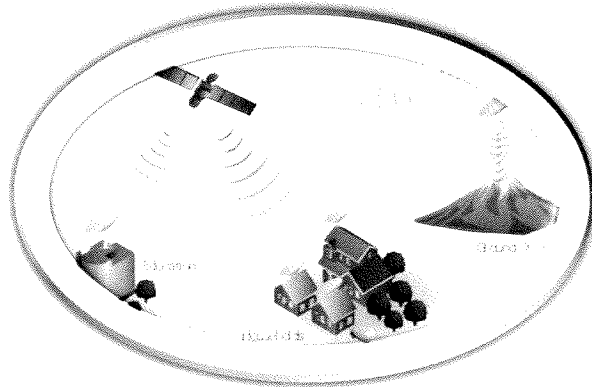


2014-2015 2015-2016 2016-2017 2017-2018 2018-2019

Communication Service Tax

Description: The Communication Service Tax Law was enacted to restructure taxes on telecommunications, cable, direct-to-home satellite, and related services that existed prior to October 1, 2001. Communication Services encompasses voice, data, audio, video, or any other information or signals, including cable services, that are transmitted by any medium. The tax is imposed on retail sales of communications services which originate and terminate in the State. Tax proceeds are transferred to county and municipal governments, the Public Education Capital Outlay and Debt Service Trust Fund, and the State's General Revenue Fund.

Forecast Methodology: This revenue is forecasted by the State of Florida. However, if data is not available in time for the proposed budget, the main factors considered in projecting this revenue would be historical data.



2014-2015

2015-2016

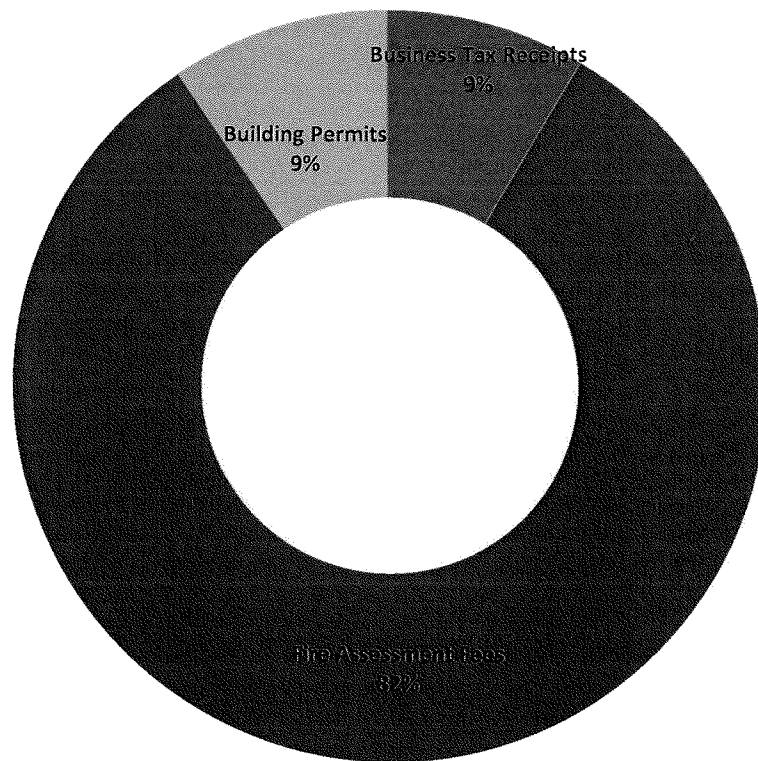
2016-2017

2017-2018

2018-2019

Licenses, Permits and Fees

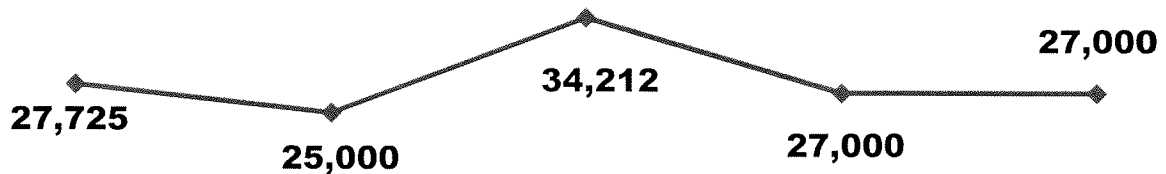
Licenses, Permits & Fees	317,000	
Business Tax Receipts	27,000	9%
Fire Assessment Fees	260,000	82%
Building Permits	30,000	9%



Business Tax Receipts

Description: The local business tax represents fees charged and the method by which a local government authority grants the privilege of engaging in or managing any business, profession, and occupation within its jurisdiction. Counties and municipalities may levy a business tax and the tax proceeds are considered general revenue for the local government. This tax does not refer to any fees or licenses paid to any board, commission, or officer for permits, registration, examination, or inspection.

Forecast Methodology: The main factor considered in projecting this revenue is historical data.



2014-2015

2015-2016

2016-2017

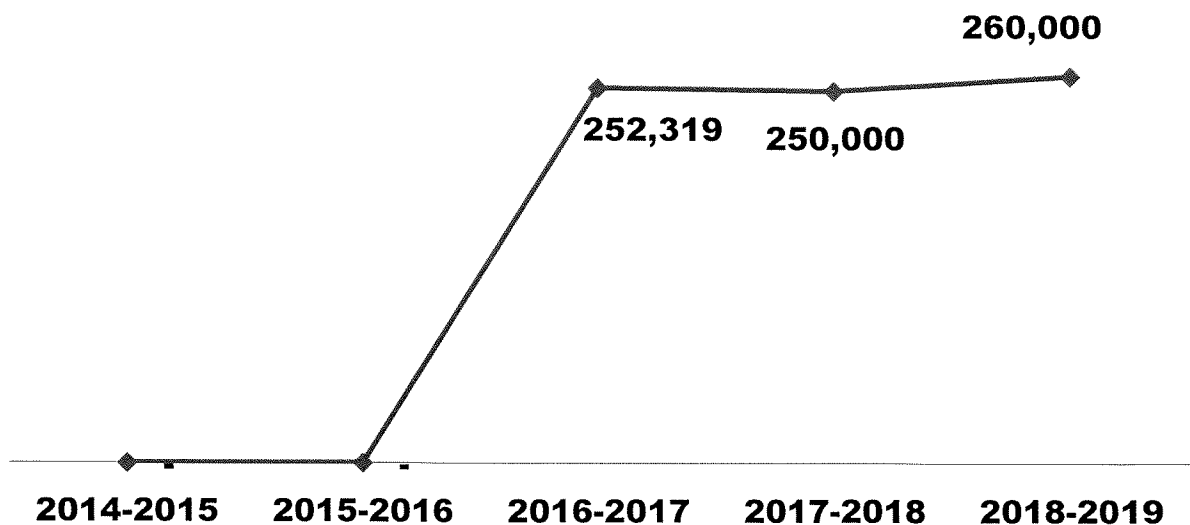
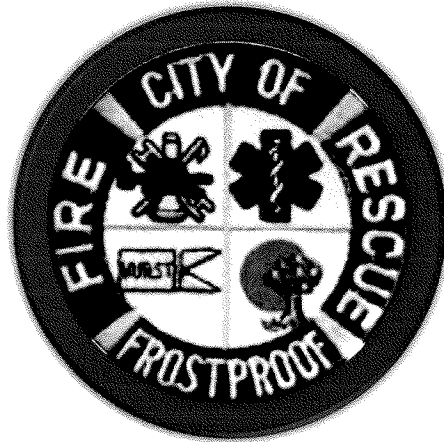
2017-2018

2018-2019

Fire Assessment Fee

Description: Commencing with the fiscal year beginning October 1, 2016 the City implemented a fire assessment fee for the cost of providing fire services to property within the incorporated area of the City. The City will use the uniform method of collecting non-ad valorem assessments for collecting funds for the cost of providing this service.

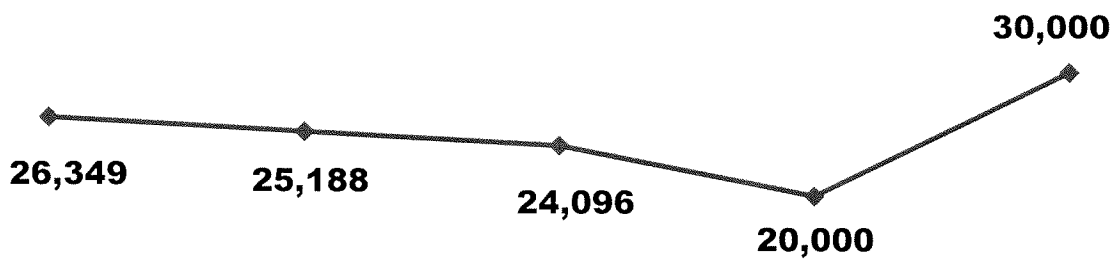
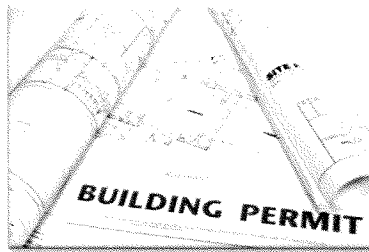
Forecast Methodology: Each residential property is charged at a rate of \$167 per dwelling unit, commercial properties are charged \$.03 per square foot, industrial/warehouse properties are charged \$.02 per square foot and institutional properties are charged \$.06 per square foot.



Building Permits

Description: Fees are charged to contractors and homeowners in accordance with a City resolution.

Forecast Methodology: The main factor considered in projecting this revenue is historical data.



2014-2015

2015-2016

2016-2017

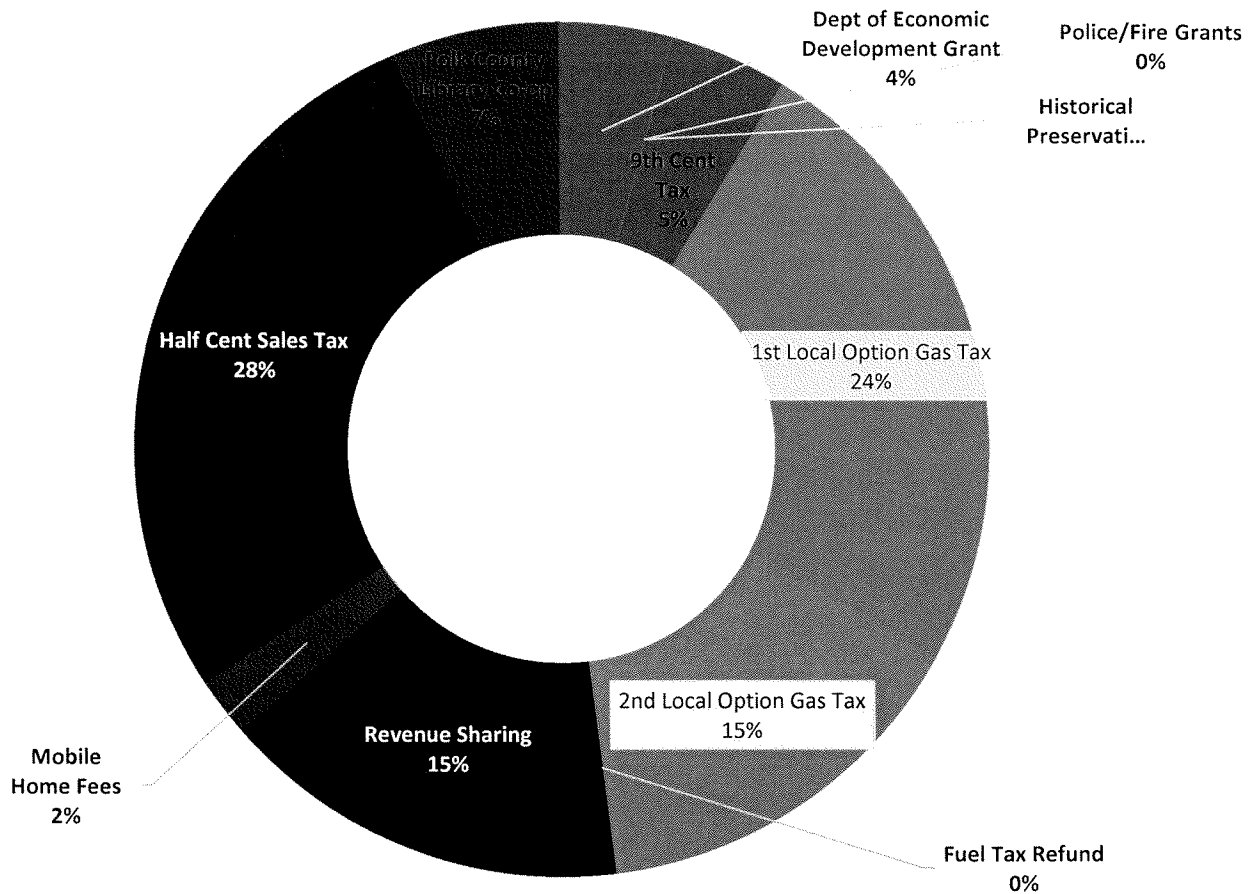
2017-2018

2018-2019

Intergovernmental Revenues

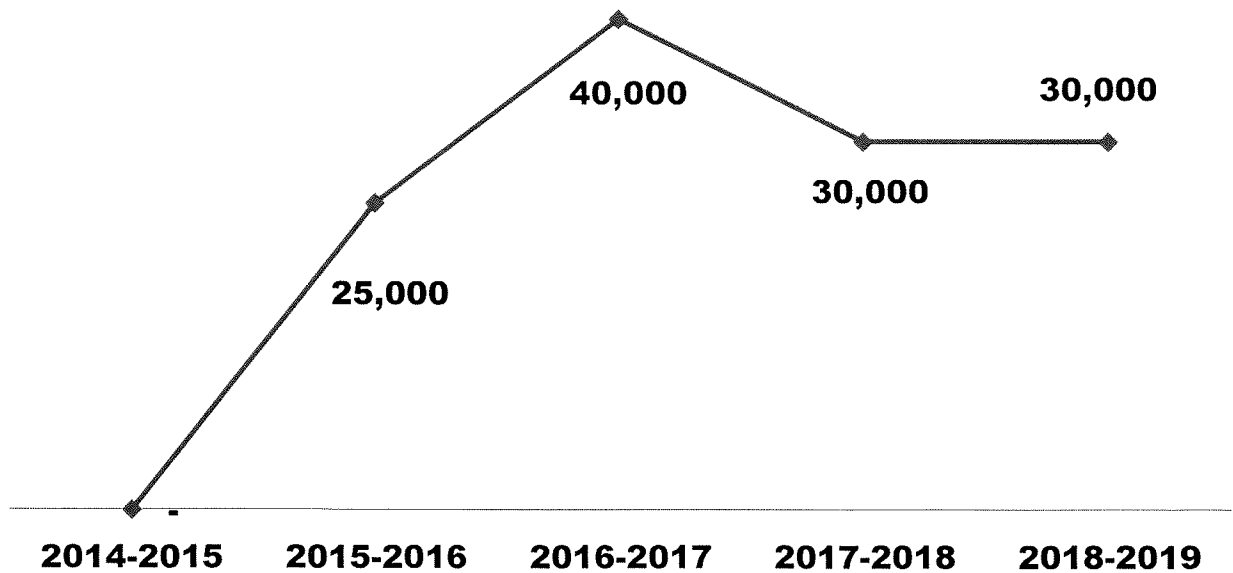
Intergovernmental Revenue 701,800

Dept of Economic Development Grant	30,000	4%
9th Cent Tax	31,000	4%
1st Local Option Gas Tax	171,000	24%
2nd Local Option Gas Tax	105,000	15%
Fuel Tax Refund	800	0%
Revenue Sharing	108,000	15%
Mobile Home Fees	16,000	2%
Half Cent Sales Tax	195,000	28%
Polk County Library Co-op	45,000	6%



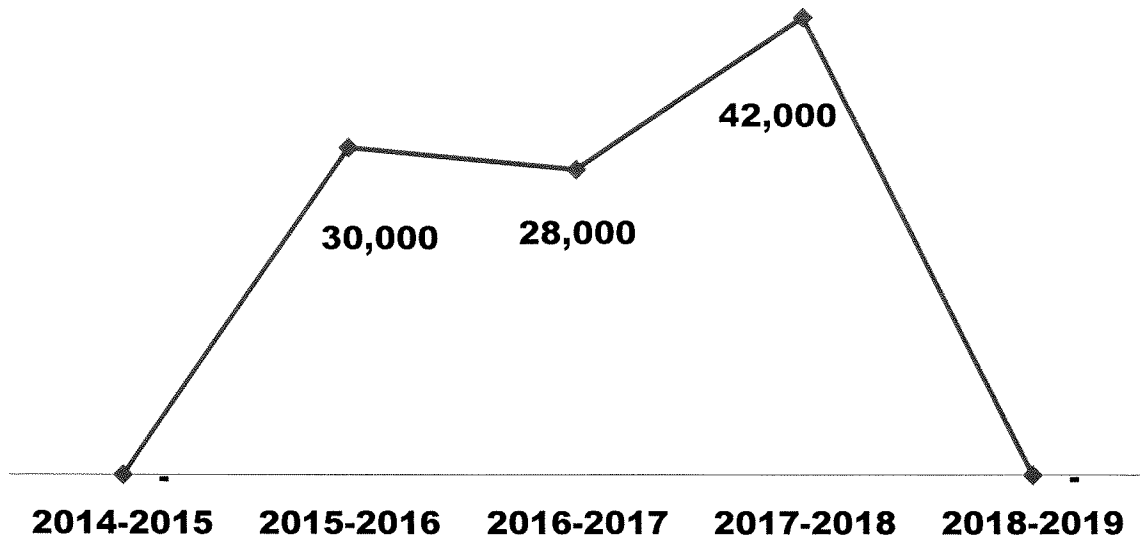
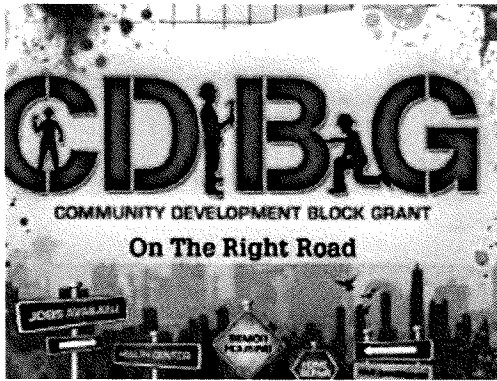
Department of Economic Opportunity Grant

Description: The City applied for a Community Redevelopment which will be Utilized to build a skate park.



Community Development Block Grant

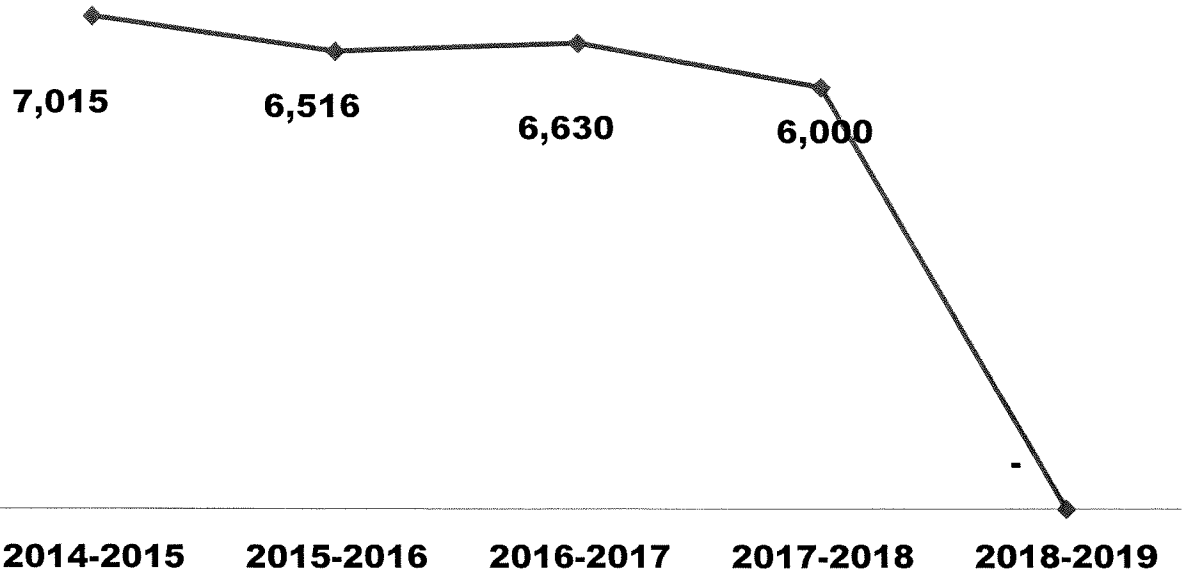
Description: The City applied for and was awarded a Community Development Block Grant for fiscal year 2017-2018. \$28,000 of amount budgeted for fiscal year 2015-2016 was rolled forward in fiscal year 2017-2018. These funds were utilized to construct an Americans with Disabilities Act walking path in Fewox Park.



Police/Fire Grants

Description: Police grants are obtained with the assistance of Polk County Sheriff Office and Florida Department of Law Enforcement. Fire grants are obtained through our grant administrators and staff.

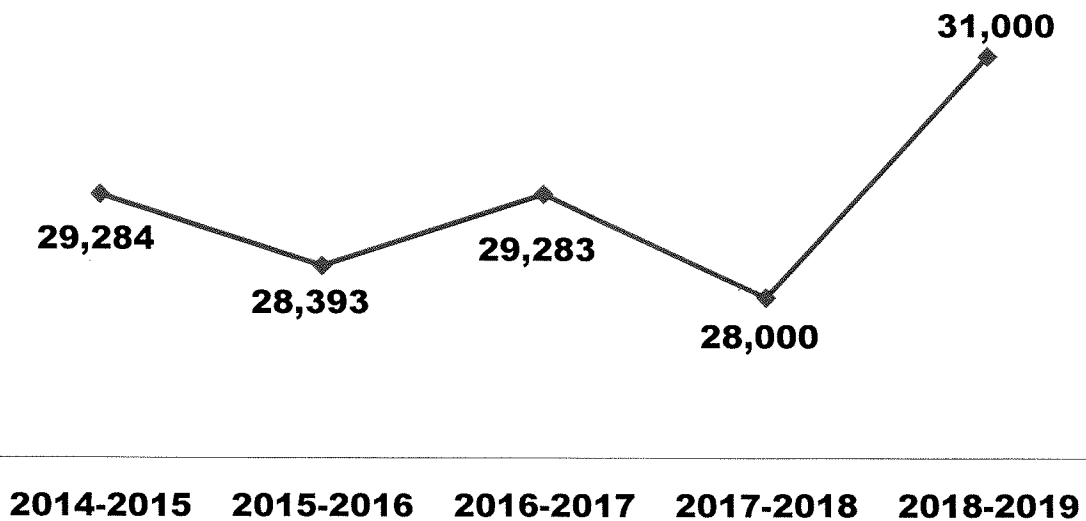
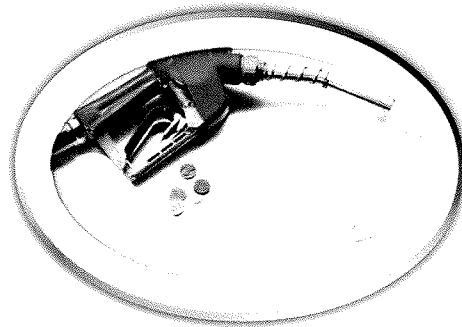
Forecast Methodology: The main factor considered in projecting this revenue is historical data.



9th Cent Fuel Tax

Description: County governments are authorized to levy up to 12 cents of local option fuel taxes in the form of three separate levies. The first is a tax of 1 cent on every net gallon of motor and diesel fuel sold within a county. Known as the ninth-cent fuel tax, this tax may be authorized by an ordinance adopted by an extraordinary vote of the governing body or voter approval in a countywide referendum. Generally, these proceeds may be used to fund transportation expenditures.

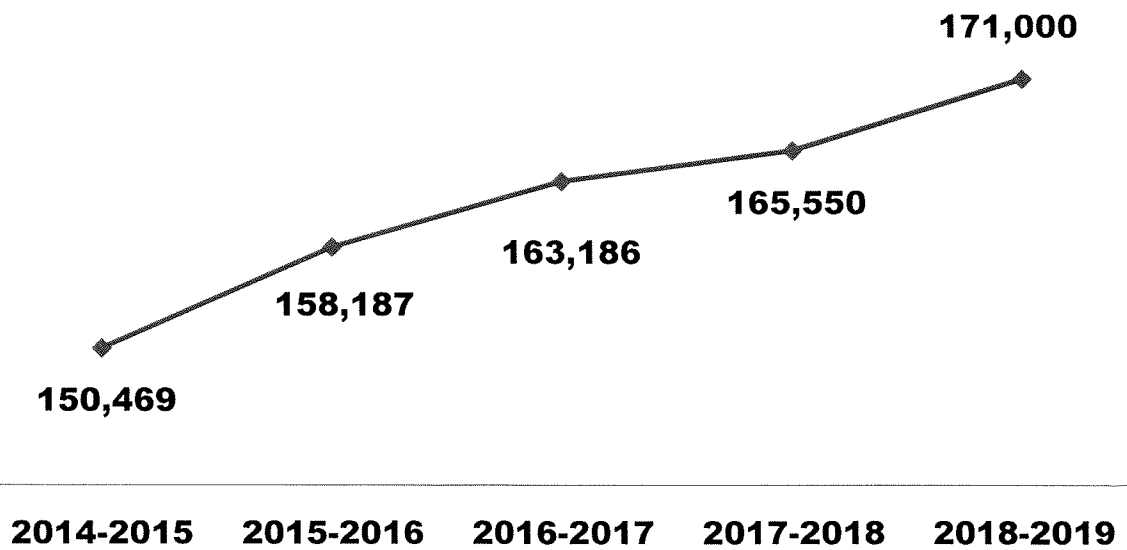
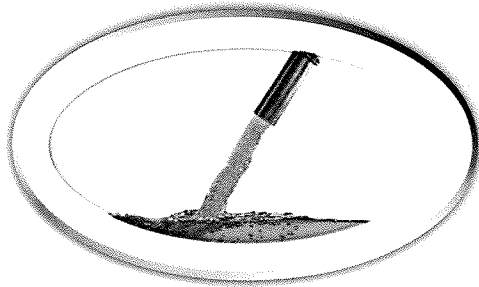
Forecast Methodology: This revenue is forecasted by the State of Florida. However, if data is not available in time for the proposed budget, the main factor considered in projecting this revenue would be historical data.



First Local Option Fuel Tax

Description: County and Municipal governments are authorized to levy up to 12 cents of local option fuel taxes in the form of three separate levies. The first is a tax of 1 to 6 cents on every net gallon of motor and diesel fuel sold within a county. This tax may be authorized by an ordinance adopted by a majority vote of the governing body or voter approval in a countywide referendum. Generally, the proceeds may be used to fund transportation expenditures.

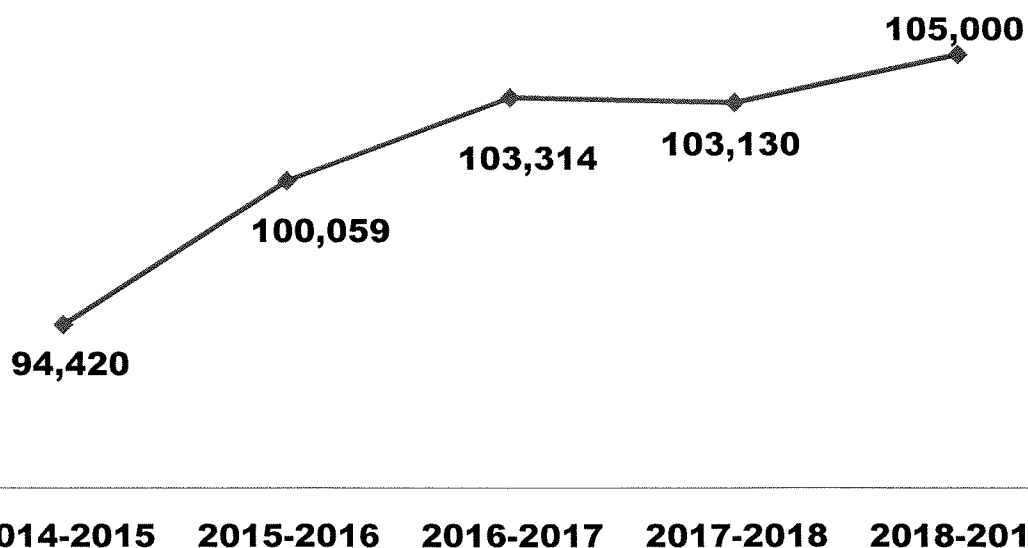
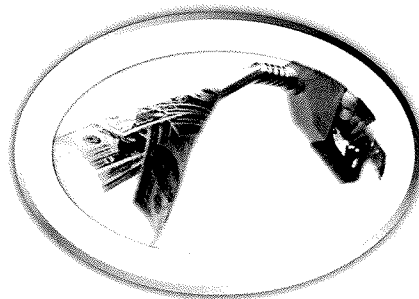
Forecast Methodology: This revenue is forecasted by the State of Florida. However, if data is not available in time for the proposed budget, the main factor considered in projecting this revenue would be historical data.



Second Local Option Fuel Tax

Description: County governments are authorized to levy up to 12 cents of local option fuel taxes in the form of three separate levies. The second is a tax of 1 to 5 cents on every net gallon of motor fuel sold within a county. Diesel fuel is not subject to this tax. This additional tax shall be levied by an ordinance adopted by a majority plus one vote of the membership of the governing body or voter approval in a countywide referendum. Proceeds received from this additional tax may be used for transportation expenditures needed to meet the requirements of the capital improvements element of an adopted local government comprehensive plan or for expenditures needed to meet immediate local transportation problems and for other transportation related expenditures that are critical for building comprehensive roadway networks by local governments.

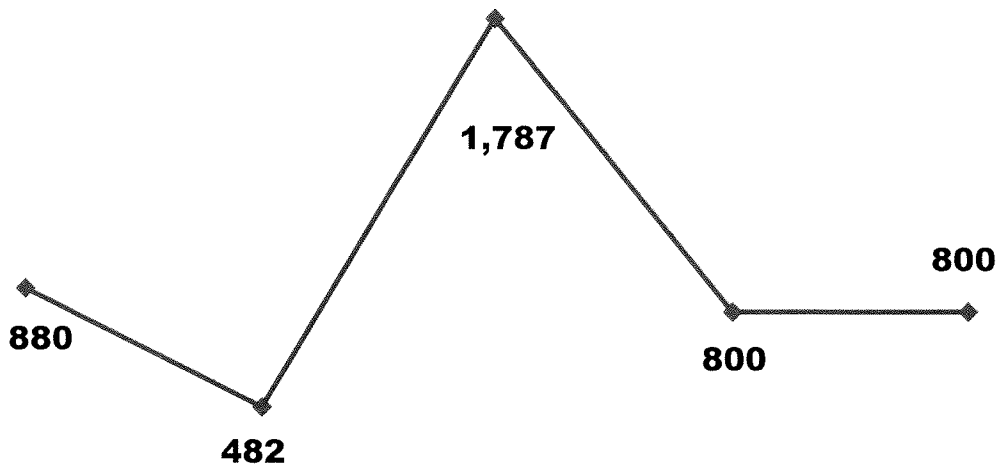
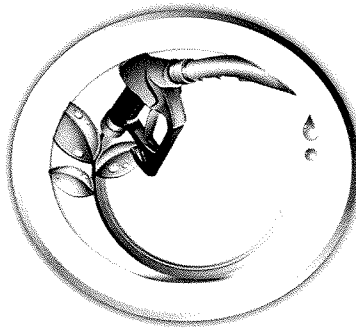
Forecast Methodology: This revenue is forecasted by the State of Florida. However, if data is not available in time for the proposed budget, the main factor considered in projecting this revenue would be historical data.



Fuel Tax Refund

Description: Under separate authorizations, eligible counties, municipalities, and school Districts may be entitled to refunds or credits on taxes paid on motor or diesel fuel. Generally, the refunded monies are to be used to fund the construction, reconstruction and maintenance of roads.

Forecast Methodology: The main factor considered in projecting this revenue is historical data.

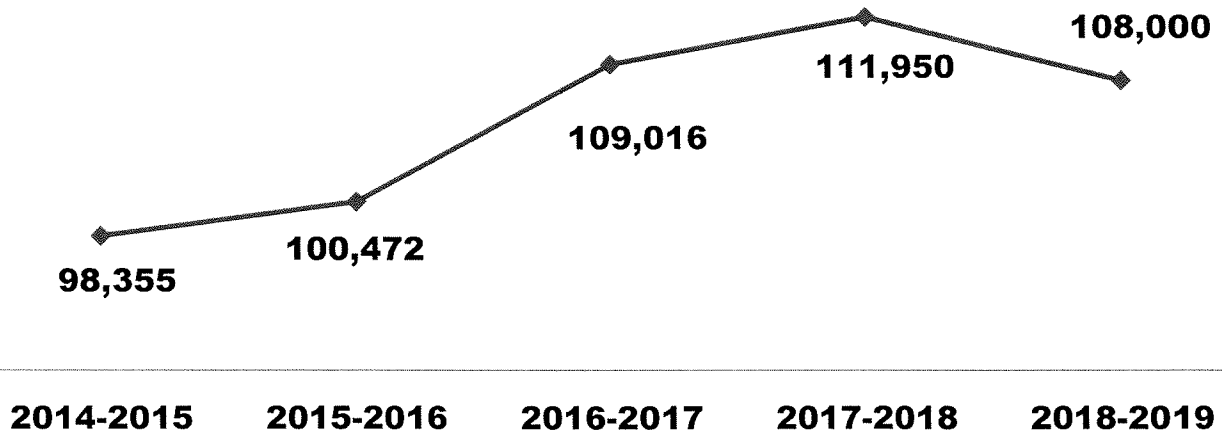


2014-2015 2015-2016 2016-2017 2017-2018 2018-2019

State Revenue Sharing

Description: Revenue received from the Municipal Revenue Sharing Trust Fund for municipalities of the State. Currently, the trust fund receives 1.3409 percent of sales and use tax collections, 12.5 percent of the state alternative fuel user decal fee collections, and the net collections from the one-cent municipal fuel tax. An allocation formula serves as the basis for the distribution of these revenues to each municipality that meets strict eligibility requirements.

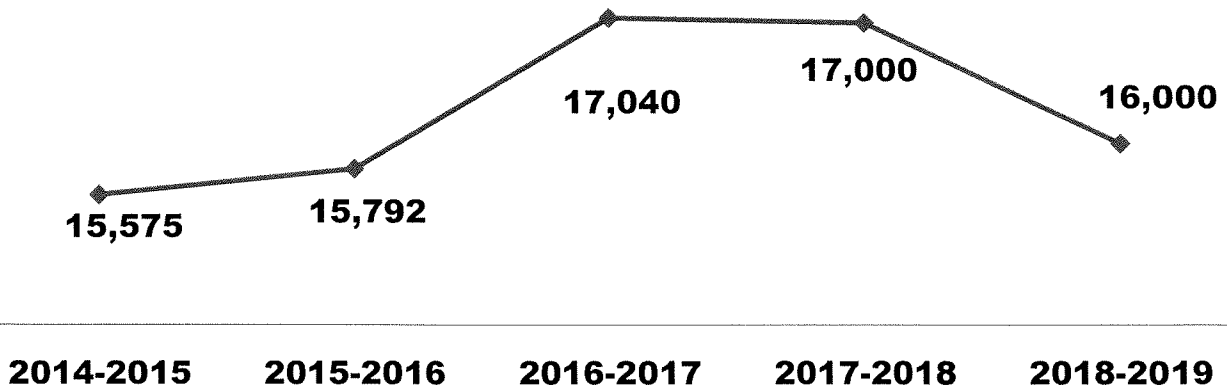
Forecast Methodology: This revenue is forecasted by the State of Florida. However, if data is not available in time for the proposed budget, the main factors considered in projecting this revenue would be historical data.



State of Florida Mobile Home License Tax

Description: Counties, municipalities and school districts receive proceeds from an annual license tax levied on all mobile homes and park trailers, and on all travel trailers and fifth-wheel trailers exceeding 35 feet in body length. The license taxes, ranging from \$20 to \$80 depending on vehicle type and length, are collected in lieu of ad valorem taxes. Half of the proceeds are remitted to the respective district school board. The other half is distributed to the respective municipalities depending on the location of such units or the county if the units are located in the unincorporated area. The use of the revenue is at the discretion of the governing body

Forecast Methodology: The main factor considered in projecting this revenue is historical data.

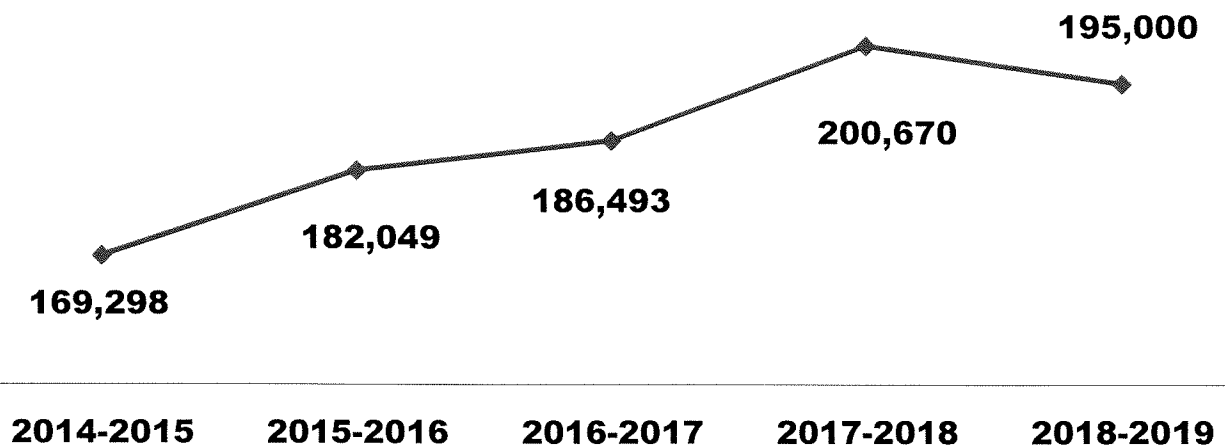


Half-Cent Sales Tax

Description: Created in 1982, this program generates the largest amount of revenue for local governments among the state-shared revenue sources authorized by the Legislature. The program is administered by the Department of Revenue. Net sales tax proceeds are transferred to the Local Government Half-Cent Sales Tax Clearing Trust Fund. The Department is authorized to deduct the 7.3 percent General Revenue Service Charge from this trust fund. Monies in the trust fund shall be distributed monthly to participating counties and municipalities.

The program's primary purpose is to provide relief from ad valorem and utility taxes in addition to providing municipalities with revenues for local programs.

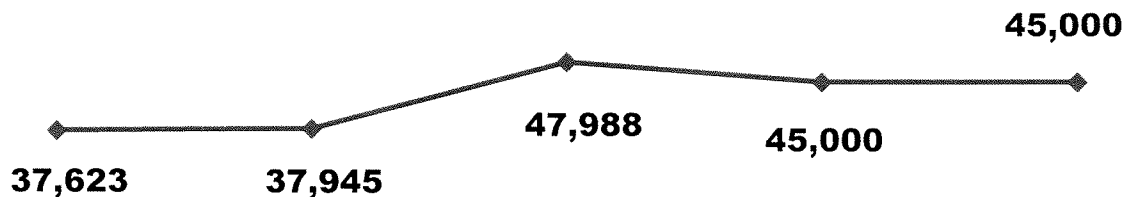
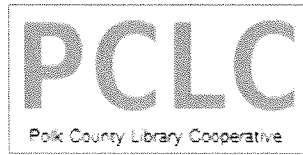
Forecast Methodology: This revenue is forecasted by the State of Florida. However, if data is not available in time for the proposed budget, the main factors considered in projecting this revenue would be historical data.



Polk County Library Cooperative

Description: The City of Frostproof entered into an agreement with Polk County to cooperate in a countywide agreement to provide library services without charge to all persons residing in the city limits including residents of the unincorporated areas and those incorporated areas not served by a public library.

Forecast Methodology: This revenue is forecasted by the agreement with Polk County. However, if a contract is not available in time for the proposed budget, the main factor considered in projecting this revenue would be historical data.



2014-2015

2015-2016

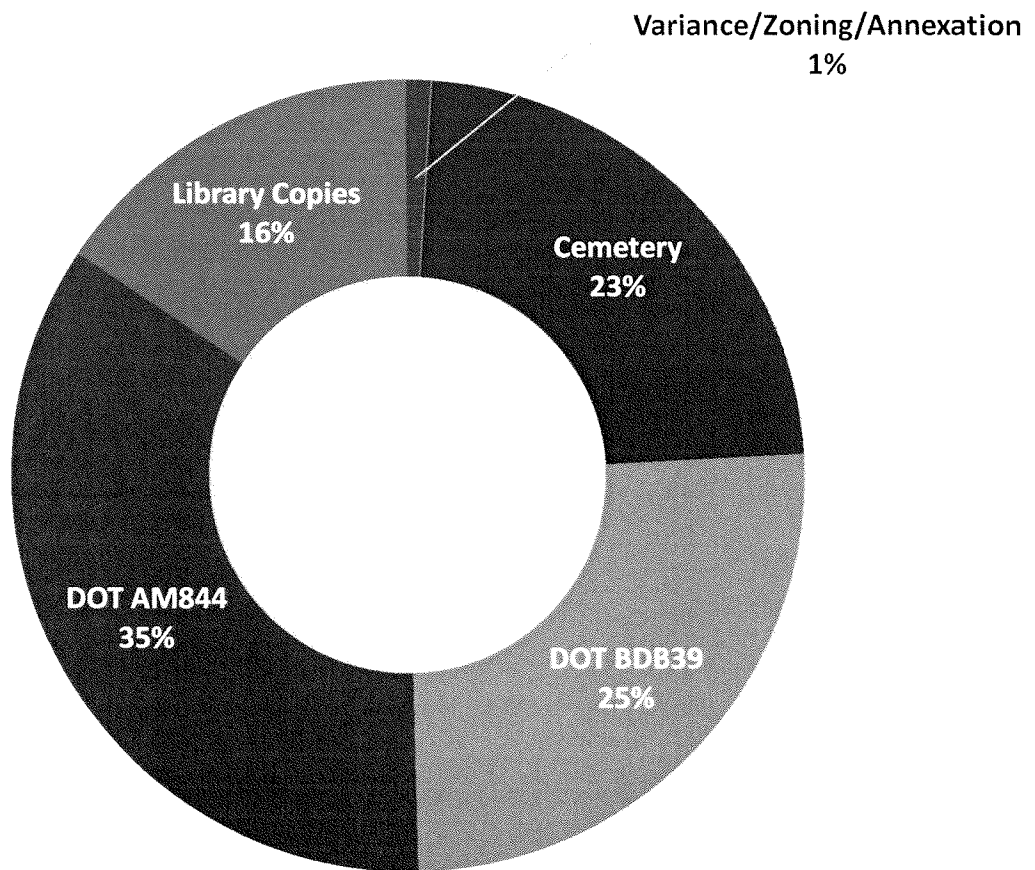
2016-2017

2017-2018

2018-2019

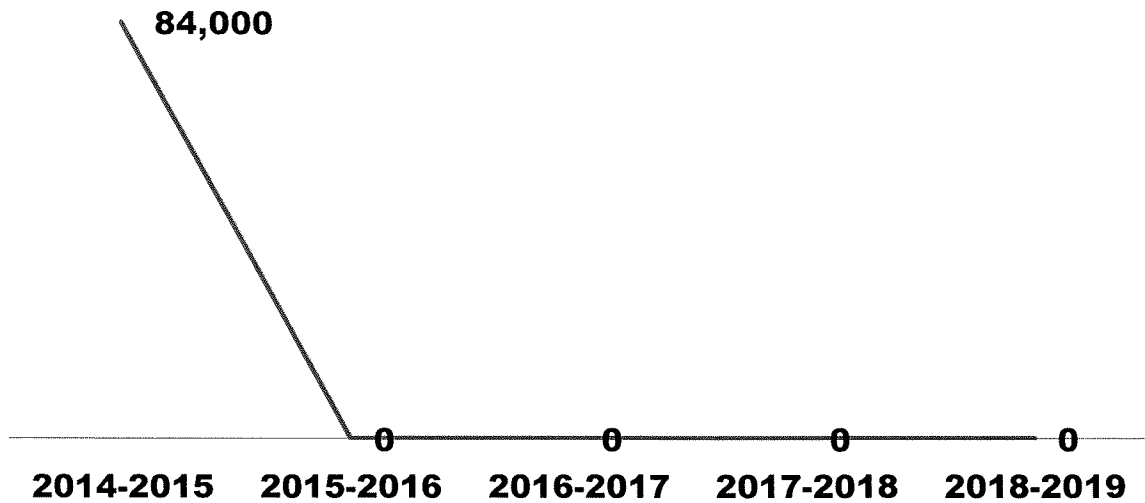
Charges for Services

Charges for Services	47,590	
Variance/Zoning/Annexation	500	1%
Cemetery	11,000	23%
DOT BDB39	12,130	25%
DOT AM844	16,560	35%
Library Fines/Fees	7,400	16%



Polk County Fire Protection

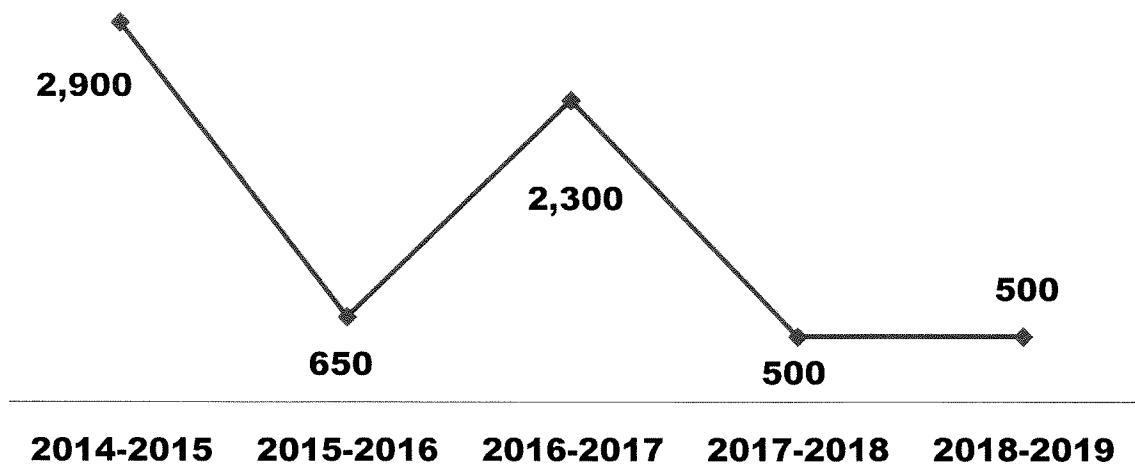
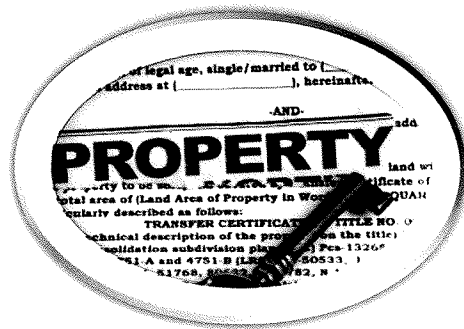
Description: The Polk County Fire Protection Agreements throughout most of Polk County were disband October 1, 2015.



Zoning & Variance Fees

Description: The City of Frostproof charges zoning and variance fees per a resolution established by City Council.

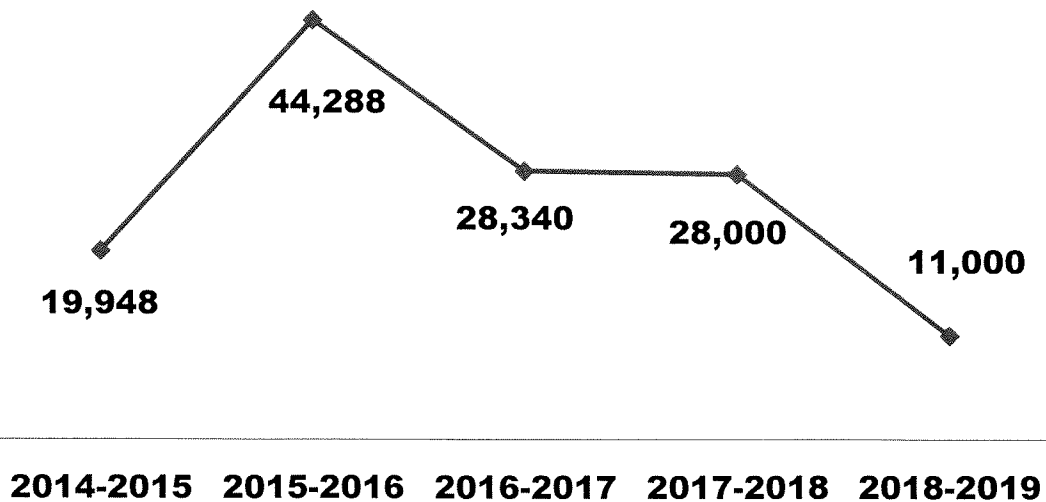
Forecast Methodology: This revenue is forecasted using historical data.



Cemetery Sales

Description: These revenues are derived from the direct sales of cemetery plots sold at Silver Hill Cemetery. On May 16, 2016 Council passed Resolution 2016-05 adjusting the cost of cemetery plots for customers living outside the city limits. \$500 per plot for residents who live inside city limits, \$750 per plot for residents who live outside city limits but within the 33843 zip code and \$1,300 per plot for all other persons.

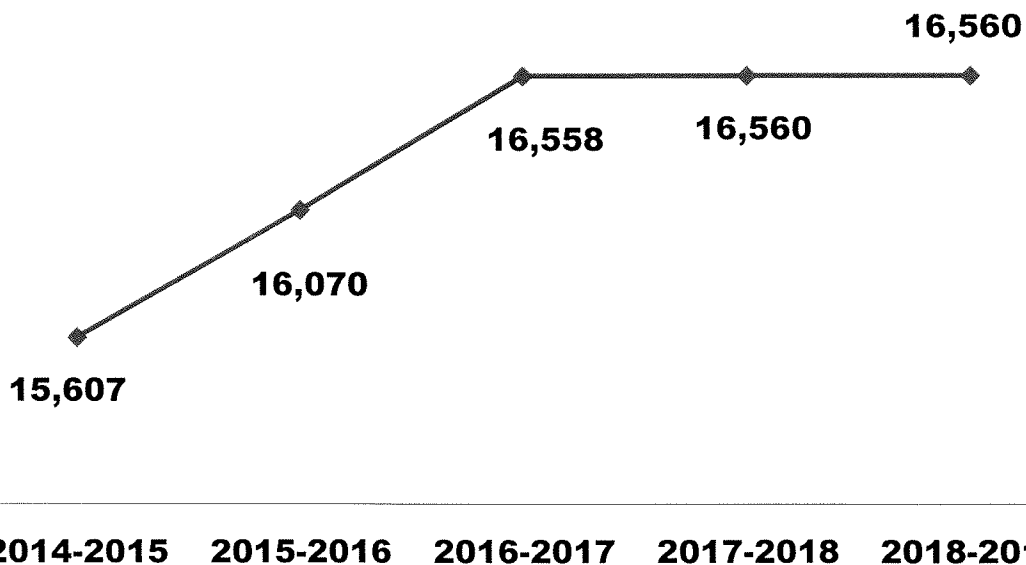
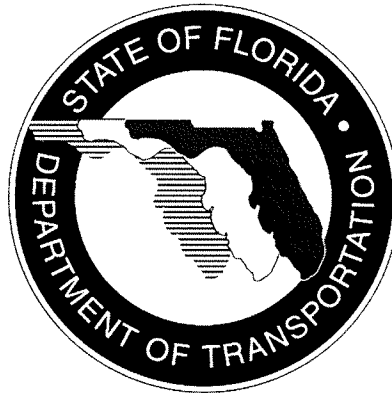
Forecast Methodology: The main factor considered in projecting this revenue is historical data.



State of Florida Department of Transportation State Highway Lighting Maintenance (AM844)

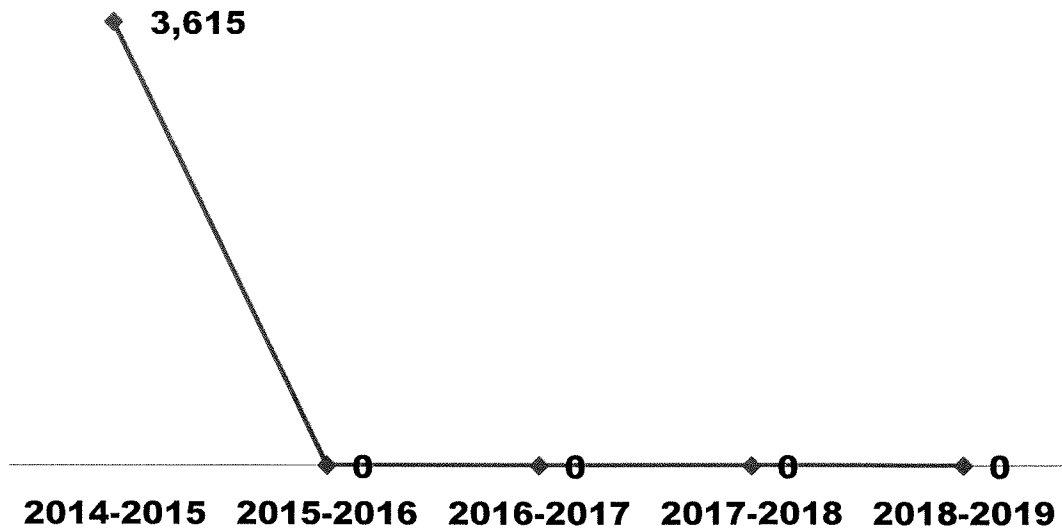
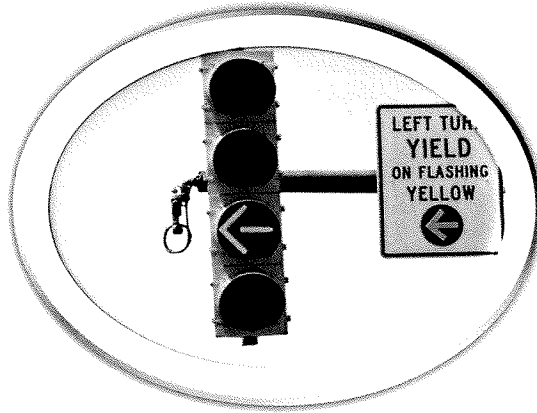
Description: On August 14, 2002 the City of Frostproof (the City) entered into a maintenance and compensation agreement with the State of Florida Department of Transportation (FDOT). The City maintains the lighting for roadways and recreational areas owned by or located on FDOT property located on the State Highway System within the jurisdictional boundaries of the City. In July of each year, the contract is reviewed and renewed.

Forecast Methodology: This revenue is forecasted by the contract with FDOT. However, if a contract is not available in time for the proposed budget, the main factor considered in projecting this revenue would be historical data.



State of Florida Department of Transportation Traffic Signal Maintenance (AN012)

Description: On August 19, 1998 the City of Frostproof entered into a maintenance and compensation agreement with the State of Florida Department of Transportation (FDOT). The City maintains the traffic signals located at the intersections of SR17 and Wall Street and SR17 and CR630 owned by FDOT. Effective July 1, 2016, FDOT has taken over the maintenance of the traffic signals and there will be no future agreements.



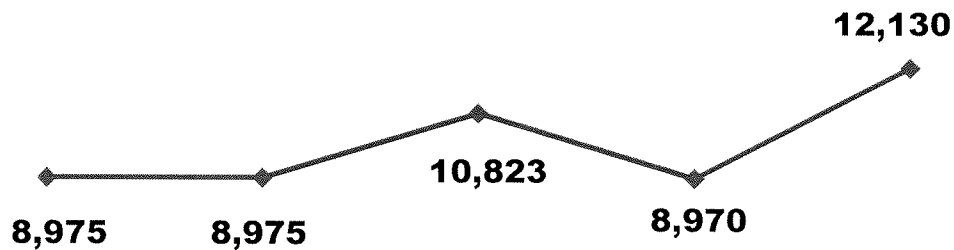
State of Florida Department of Transportation Mowing Maintenance (BDX58)

Description: On February 3, 1994 the City of Frostproof (the City) entered into a maintenance and compensation agreement with the State of Florida Department of Transportation (FDOT). The City is responsible for mowing and maintaining areas owned by or located on FDOT property located on the State Highway System within the jurisdictional boundaries of the City. In April of each year, the contract is reviewed and renewed.

Forecast Methodology: This revenue is forecasted by the contract with FDOT. However, if a contract is not available in time for the proposed budget, the main factor considered in projecting this revenue would be historical data.



Florida Department of
TRANSPORTATION

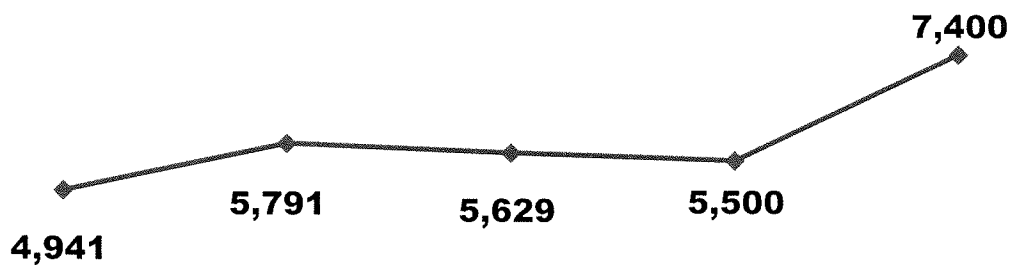
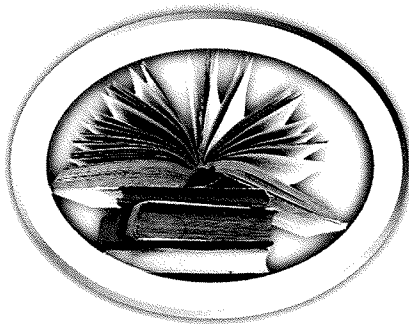


2014-2015 2015-2016 2016-2017 2017-2018 2018-2019

Library Fees

Description: These revenues are received from patrons of the Latt Maxcy Library for copies and faxes.

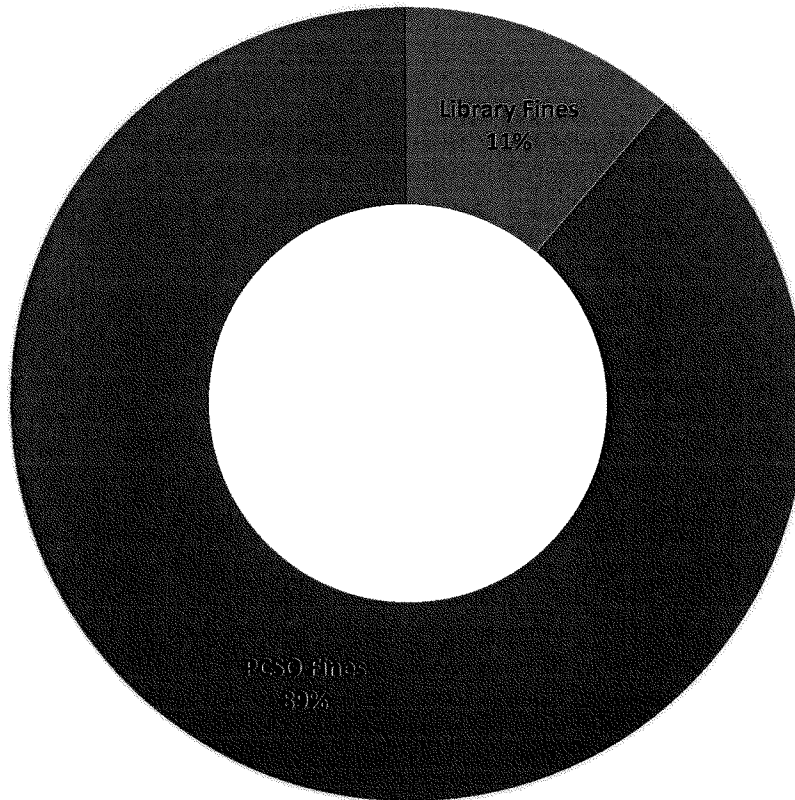
Forecast Methodology: The main factor considered in projecting this revenue is historical data.



2014-2015 2015-2016 2016-2017 2017-2018 2018-2019

Fines and Forfeitures

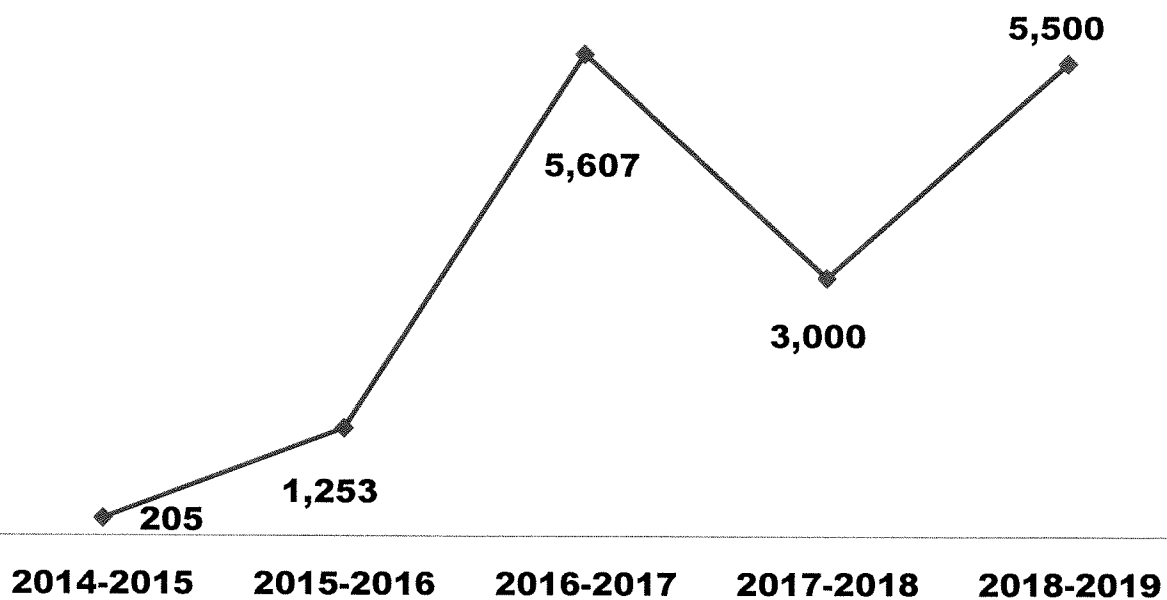
Fines & Forfeitures	6,200	
Library Fines	700	11%
PCSO Fines	5,500	89%



Polk County Sheriff Office Fines and Forfeitures

Description: These revenues are received from Polk County Clerk of Courts for fines charged to citizens for traffic and criminal citations. The increase is a result of a new false alarm fine implemented in 2016-2017.

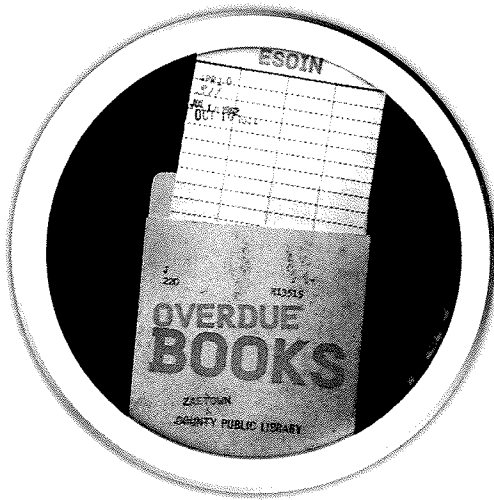
Forecast Methodology: The main factor considered in projecting this revenue is historical data.



Library Fines

Description: These revenues are received from patrons of the Latt Maxcy Library for fines.

Forecast Methodology: The main factor considered in projecting this revenue is historical data.



2014-2015

2015-2016

2016-2017

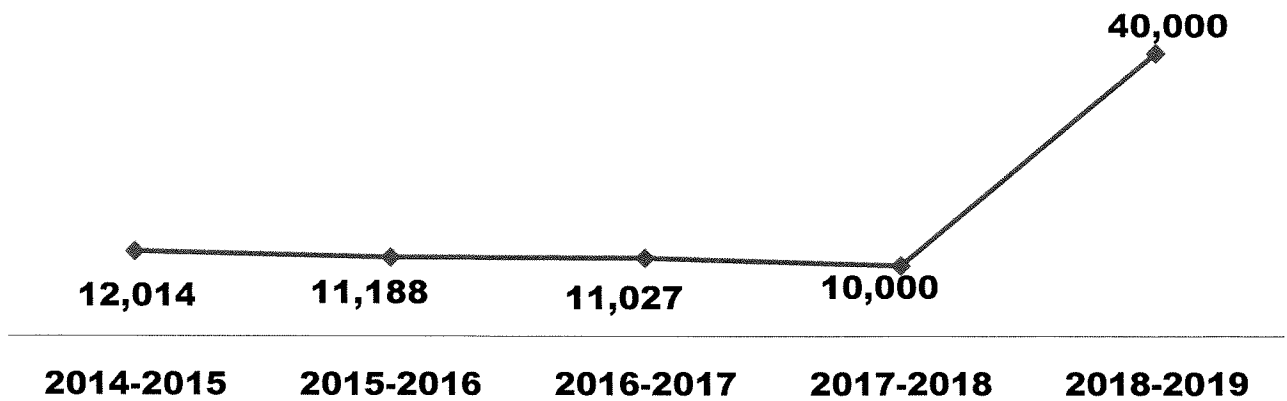
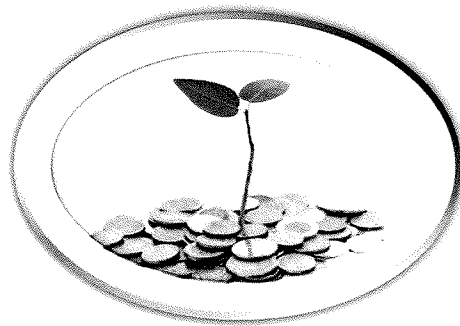
2017-2018

2018-2019

Operating Interest

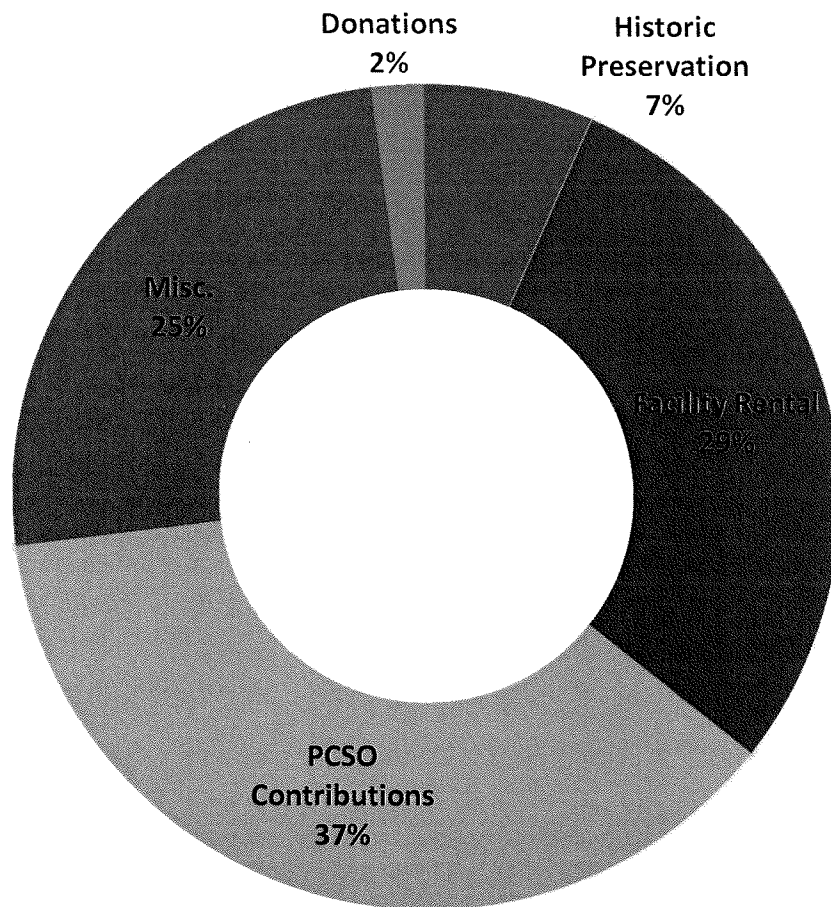
Description: The City invests with various banks resulting in revenues derived from interest. The increase in 2018-2019 is a result of a new arrangement with Citizens Bank and Trust, wherein, the interest rate was increased from .35% to the high end of the current Fed Fund Rate less .25%. The current Fed Fund Rate is 1.75 -2.00.

Forecast Methodology: The main factor considered in projecting this revenue is historical data.



Miscellaneous Revenues

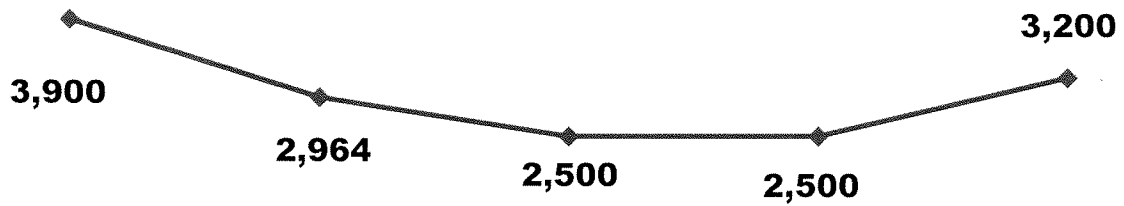
Misc. Revenues	48,200	
Historic Preservation	3,200	7%
Facility Rental	14,000	29%
PCSO Contributions	18,000	37%
Misc.	12,000	25%
Donations	1,000	2%



Historic Preservation

Description: Revenues are received from functions held in the auditorium and are utilized strictly for the renovation of the auditorium.

Forecast Methodology: The main factor considered in projecting this revenue is historical data.



2014-2015

2015-2016

2016-2017

2017-2018

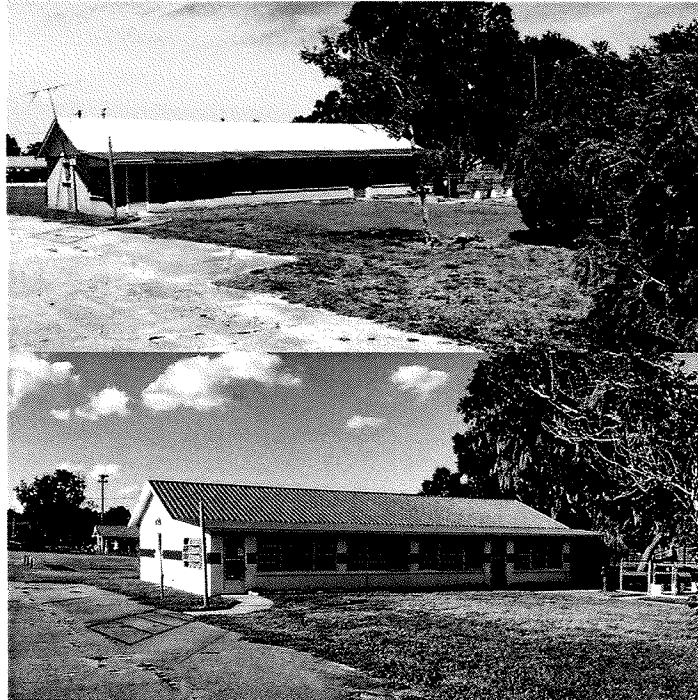
2018-2019

Facilities Rental

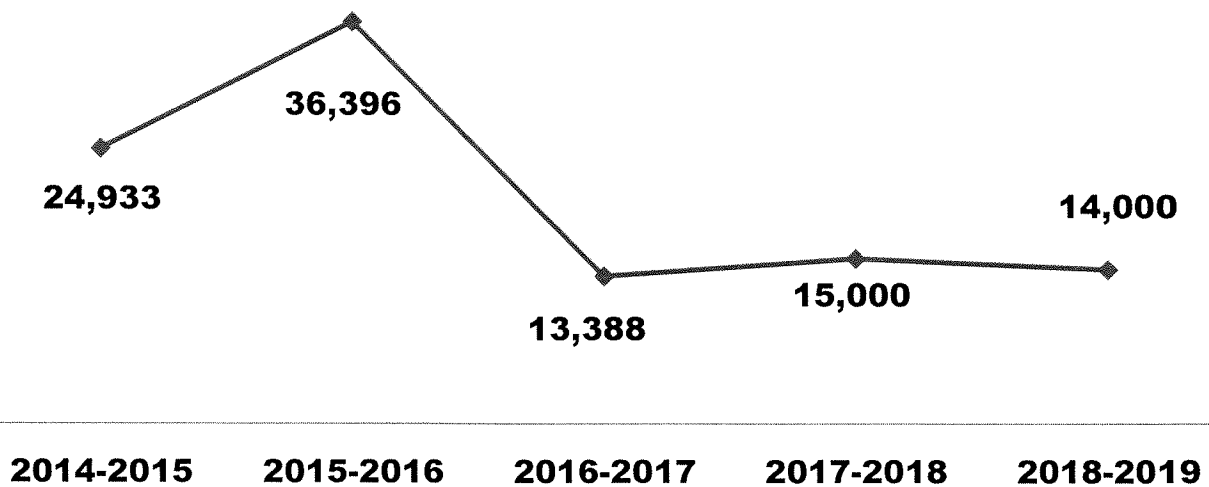
Description: These revenues are received from the rental of City facilities.

Forecast Methodology: The main factor considered in projecting this revenue is historical data.

Tourist Club before renovations



Tourist Club after renovations

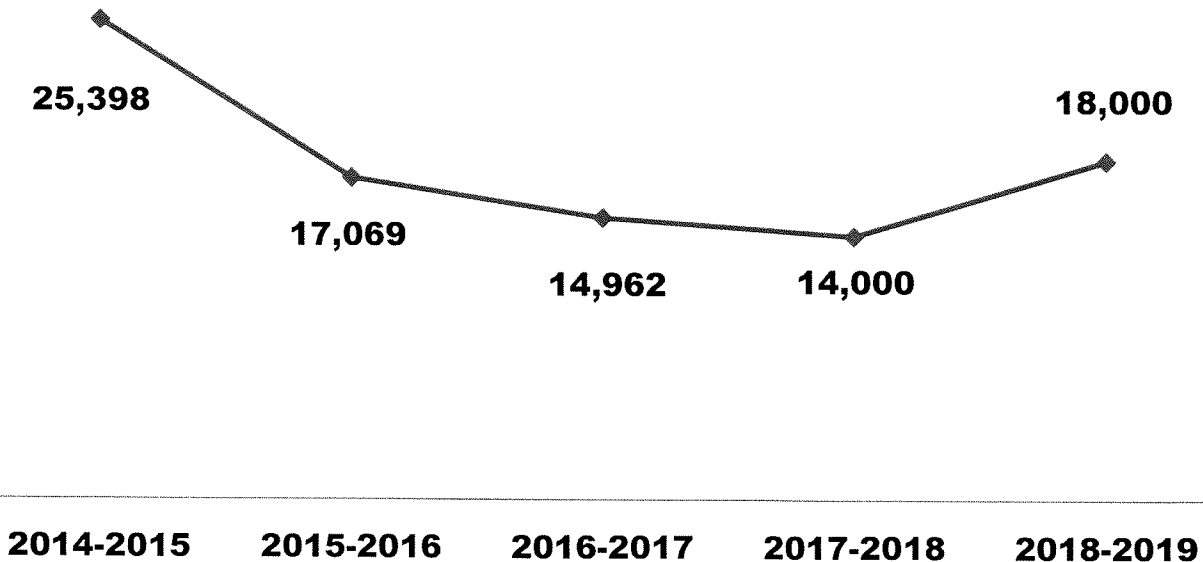


Polk County Sheriff's Office Retirement Contributions

Description: Polk County Sheriff's Office contributions to Police Pension.



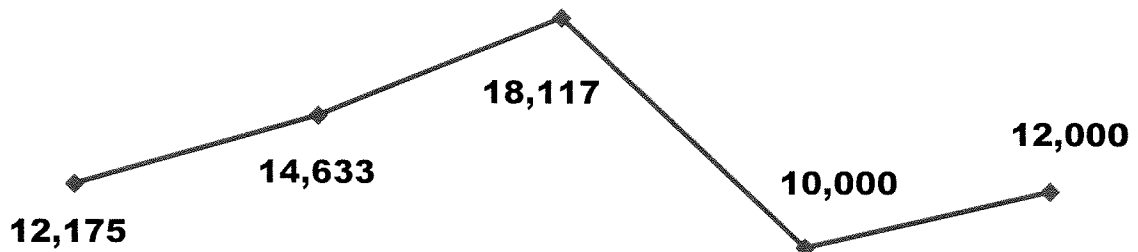
Centennial Street Dance, September 2018



Miscellaneous

Description: Miscellaneous revenues are received from various individuals, corporations, and companies and include funds from reimbursement of insurance premiums, etc.

Forecast Methodology: The main factor considered in projecting this revenue is historical data.

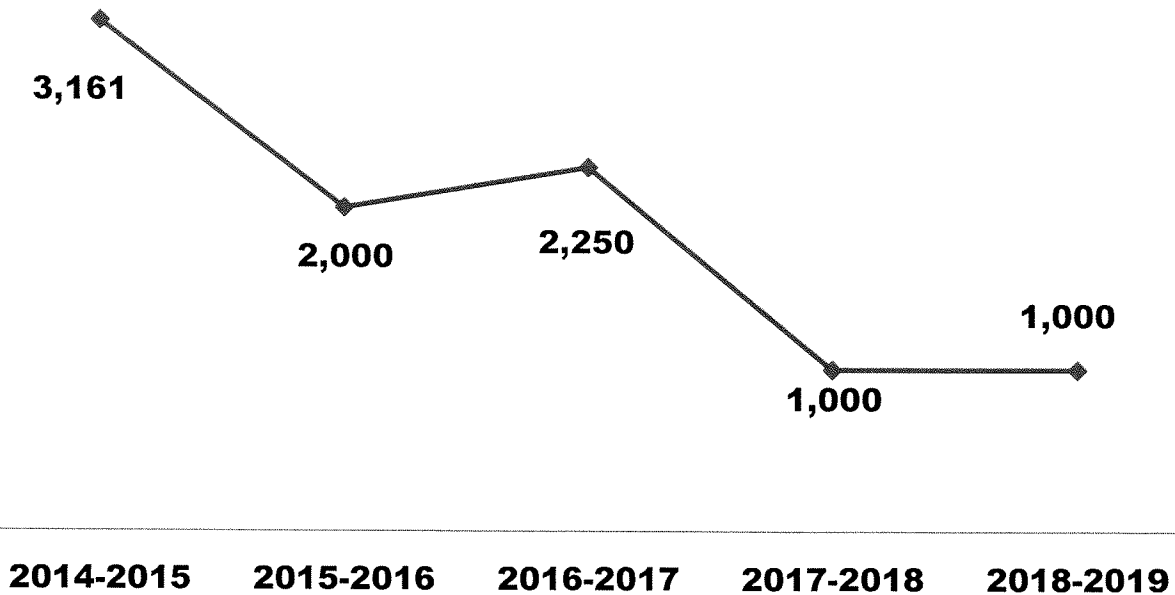


2014-2015 2015-2016 2016-2017 2017-2018 2018-2019

Donations

Description: These revenues are received from private donations.

Forecast Methodology: The main factor considered in projecting this revenue is historical data.



General Fund Expenses



Lake Reedy Pier after renovation

Expenditures by Department

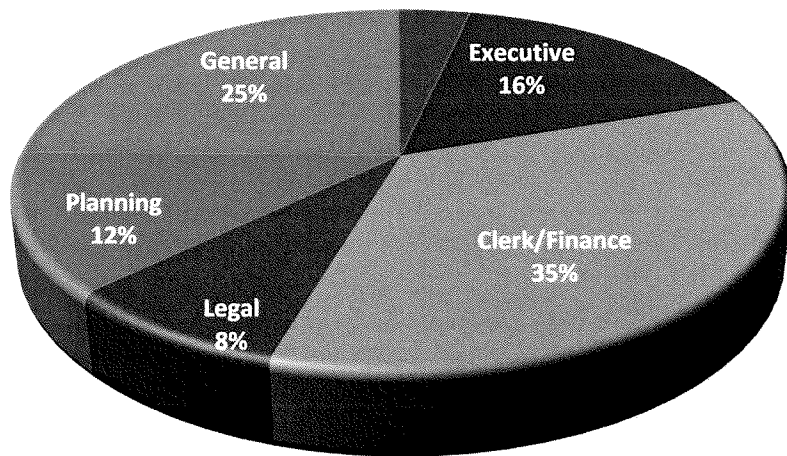
Department	2017-2018	2018-2019
Legislative	17,140	17,290
Executive	78,340	83,400
Clerk/Finance	169,940	180,810
Legal	40,000	40,000
Planning	60,660	33,740
General	120,110	161,020
Public Safety	1,008,380	1,002,380
Fire Department	187,470	201,630
Building	41,290	46,070
Cemetery	25,260	90,810
Streets	432,380	333,040
Library	196,800	199,640
Parks & Recreation	91,120	75,720



Centennial Street Festival, September 2018

General Government Expenses

General Government		516,260
Legislative	17,290	3%
Executive	83,400	16%
Clerk/Finance	180,810	35%
Legal	40,000	8%
Planning	33,740	7%
General	161,020	31%

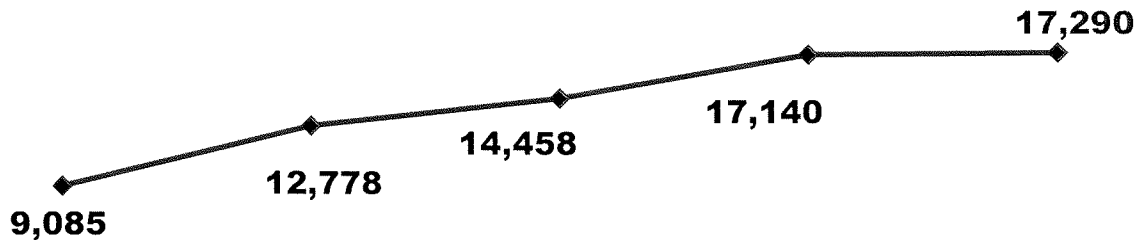


Legislative

Legislative - Total Operating Budget \$17,290 – Mayor and Council operate in accordance with the Charter of the City of Frostproof. They are responsible for enacting ordinances and resolutions while providing direction to the City Manager. Council meets regularly with the public and provides information on matters of community concern. The goal of Council is to provide responsible legislation, ensure the safe, efficient and fair operation of City government.

Council consists of five members who are voted into office by the citizens. Each member serves a three-year term. At the first regular Council meeting after each regular election, the new Council shall elect one of its members as Mayor and another as Vice Mayor.

Council meetings are held the first and third Mondays of each month at 6:00 p.m. at City Hall to discuss legislation pertaining to general City business. All meetings are posted and open to the public.



2014-2015 2015-2016 2016-2017 2017-2018 2018-2019

Expenses by Line Item	2017-2018	2018-2019
Executive Salaries	6,300	6,300
FICA Taxes	400	400
Medicare Taxes	100	100
Travel & Per Diem	5,000	5,000
Communication/Phones	20	20
Postage & Freight	20	20
Building M&R	500	500
Printing/Copies	0	150
Promotional	100	100
Promotional Activities - FLC	300	600
Office Supplies	300	300
Miscellaneous Supplies	250	250
Equipment Under \$1,000	600	300
Memberships & Affiliations	620	620
Schools/Conference Registration	2,630	2,630
	17,140	17,290

Executive Department

Executive Department - Total Operating Budget \$83,400 – The Council shall appoint a City Manager for an indefinite term by a majority vote of the Council. The City Manager is responsible to the Council for the administration of all City affairs placed in his/her charge by or under the charter. The City Manager appoints, directs and supervises the administration of all departments, attends all Council Meetings, faithfully executes provisions of the charter, submits the annual budget, keeps the Council fully advised as to the financial condition and future needs of the City, signs contracts on behalf of the City pursuant to Council directive and performs other duties that may be required by Council.



2014-2015 2015-2016 2016-2017 2017-2018 2018-2019

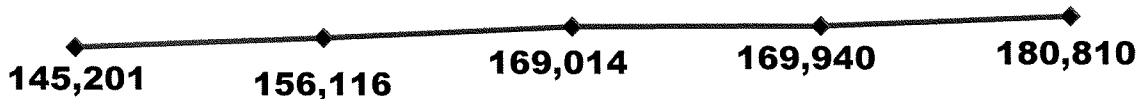
Expenses by Line Item	2017-2018	2018-2019
Executive Salaries	56,250	60,870
FICA Taxes	3,490	3,780
Medicare Taxes	820	890
Retirement Contributions	3,480	3,660
Medical Insurance	4,800	5,400
Dental Insurance	310	400
Life Insurance	530	200
Workers Comp	0	700
Travel Per Deim	3,000	3,200
Comm Service - Phones, Pagers	920	700
Postage & Freight	150	150
Printing & Binding	150	250
Promotional Activities	250	250
Office Supplies	400	500
Equipment Under \$1,000	1,500	500
Memberships & Prof Affiliation	570	830
Schools/Conference Registration	1,720	1,120
	78,340	83,400

Clerk/Finance Department

Clerk/Finance Department - Total Operating Budget \$180,810 – Located within this department is the Finance Manager, City Clerk, Utilities Manager and Finance Assistant. **The City Clerk** is responsible for all City records, Council Meeting Agendas and Minutes, Business Tax Receipts, Cemetery Records, Human Resources and other duties that may be required. **The Finance Department** ensures the financial stability of the City by managing all financial functions in an efficient, cost-effective manner. Functions in the Finance Department include debt and cash management, inventory management, purchasing, financial accounting, annual budget, annual audits, accounts payable, accounts receivable, utility billing, technical support and other duties that may be required.



Centennial Kids Fishing Competition, September 2018



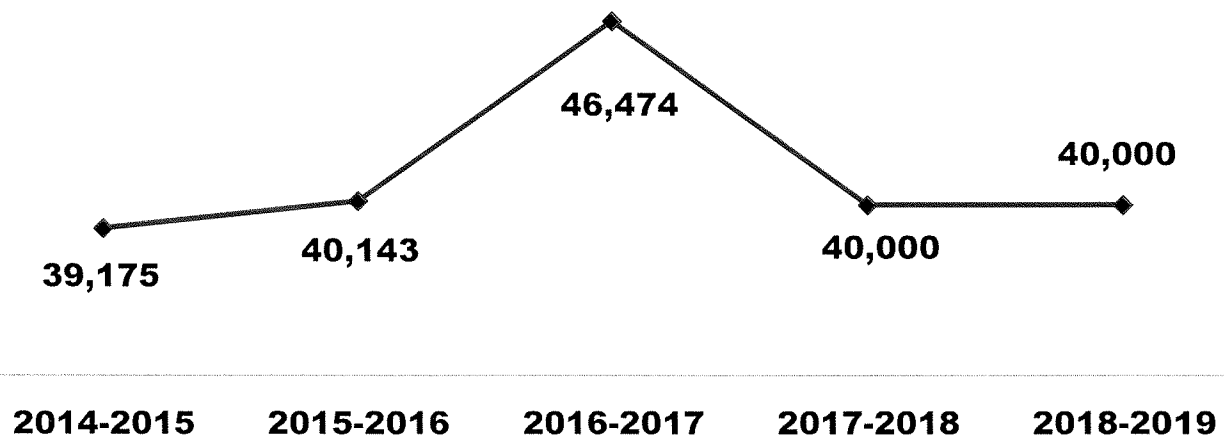
2014-2015 2015-2016 2016-2017 2017-2018 2018-2019

Clerk/Finance Department (Continued)

Expenses by Line Item	2017-2018	2018-2019
Executive Salaries	71,370	82,160
Regular Wages	27,240	28,060
Special Pay	2,850	0
FICA Taxes	6,390	6,840
Medicare Taxes	1,500	1,600
Retirement Contributions	6,190	6,620
Medical Insurance	26,280	26,230
Dental Insurance	1,020	1,020
Life Insurance	1,230	1,260
Workers Compensation	1,340	1,400
Professional- Medical	50	50
Travel & Per Diem	2,300	2,300
Postage & Freight	1,000	1,000
Copier (Equipment) Lease, Rent	1,000	300
Printing/Copies	0	1,790
Promotional	100	100
Legal Ads, Licenses & Obligations	500	500
Contingency	500	500
Office Supplies	2,000	2,000
Miscellaneous Operating Supplies	100	100
Furniture/ Equipment under \$1000	700	700
Elections	2,500	2,500
Book/Publications	3,960	6,450
Memberships & Prof Affiliations	380	380
Schools & Conferences	6,450	6,950
	169,940	180,810

Legal Department

Legal Administration - Total Operating Budget \$40,000 – Legal Administration consists primarily of the City Attorney and occasional outside legal assistance as necessary. The City Attorney represents the interest of the City as expressed by the Council, City Charter, and as prescribed by law. The attorney effectively represents the interests of the City by minimizing liability and defending against claims. The City Attorney is responsible for providing legal advice and counsel to the City, its elected officials, and staff members. The attorney prepares and/or approves all contracts, bonds, and other instruments in writing in which the City is concerned, and renders opinions upon questions of law.

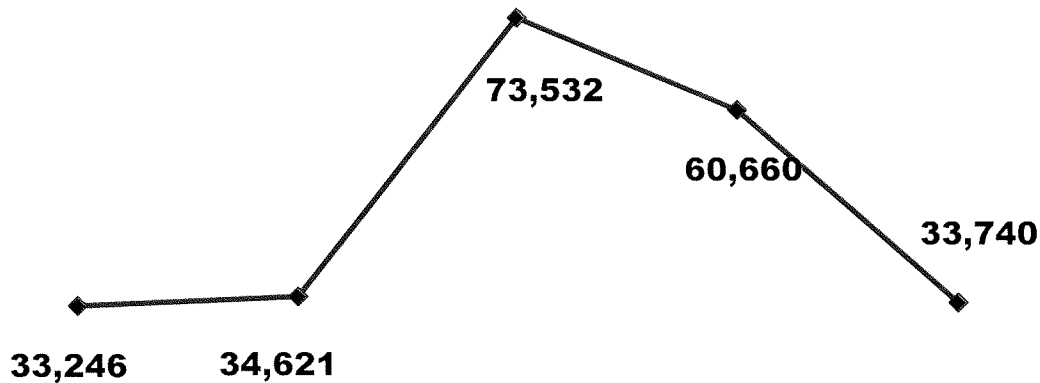


Expenses by Line Item	2017-2018	2018-2019
Attorney Legal Services	36,000	36,000
Professional Services	4,000	4,000
	40,000	40,000

Comprehensive Planning



Comprehensive Planning - Total Operating Budget \$33,740- This department is outsourced to Central Florida Regional Planning Council. This department prepares changes to the Comprehensive Plan and Land Development Code and provides information about these documents to the residents, and Council. It serves as a liaison to Council in the review of applications for rezoning, conditional uses, annexations and subdivisions. Planning and Zoning Commission consists of seven members appointed by the Council for the term of three years.



2014-2015 2015-2016 2016-2017 2017-2018 2018-2019

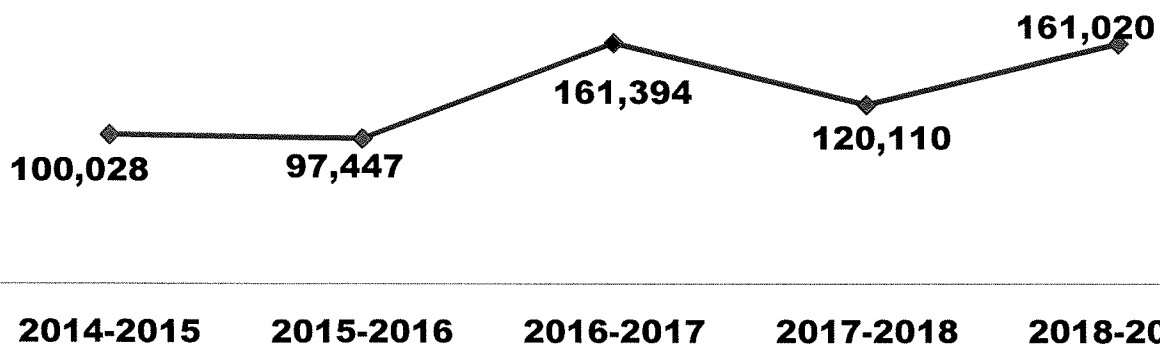
Expenses by Line Item	2017-2018	2018-2019
Regular Wages	25,000	0
Fica Taxes	1,550	0
Medicare Taxes	370	0
Planner	32,000	32,000
Legal Ads	1,500	1,500
Office Supplies	240	240
	60,660	33,740

General Government

General Government - Total Operating Budget \$161,020 - General expenses for City Hall are charged to this department including, but not limited to, pest control, maintenance, equipment and lease agreements, accounting and auditing services, technical services, and Commercial and Liability insurance.



Wall Street



General Government (Continued)

Expenses by Line Item	2017-2018	2018-2019
Regular Wages	5,840	10,300
Special Pay	630	0
FICA Taxes	410	640
Medicare Taxes	100	150
Retirement Contributions	240	500
Medical Insurance	700	1,610
Dental Insurance	40	80
Life Insurance	50	80
Workers Comp	670	0
Professional Services	2,500	2,500
Accounting/Auditing	22,000	22,000
Contract Service	16,990	21,830
Phone, Fax, Cells	800	2,950
Postage & Freight	200	200
Internet Access	1,430	4,730
Utility Services	20,400	19,240
Lease/Rent Copier/Vehicle/Buildings	790	840
Insurance	6,470	6,070
Miscellaneous Maintenance & Repairs	500	500
Maintenance Agreements	12,350	11,550
Building Maintenance & Repairs	5,000	7,000
Equipment Maintenance & Repairs	2,500	2,500
Printing/Copies	0	190
Promotional Activities	9,750	35,460
Promo-Ridge League Dinner	1,000	1,000
Legal Ads/Licenses	100	3,600
Bank Fees	3,000	1,200
Office Supplies	250	250
Miscellaneous Operating Supplies	1,500	1,000
Gas & Oil	550	200
Janitorial Supplies	1,000	600
Furniture/ Equipment under \$1000	1,000	1,000
Books & Publications	50	50
Memberships	1,200	1,200
	120,110	161,020

Public Safety

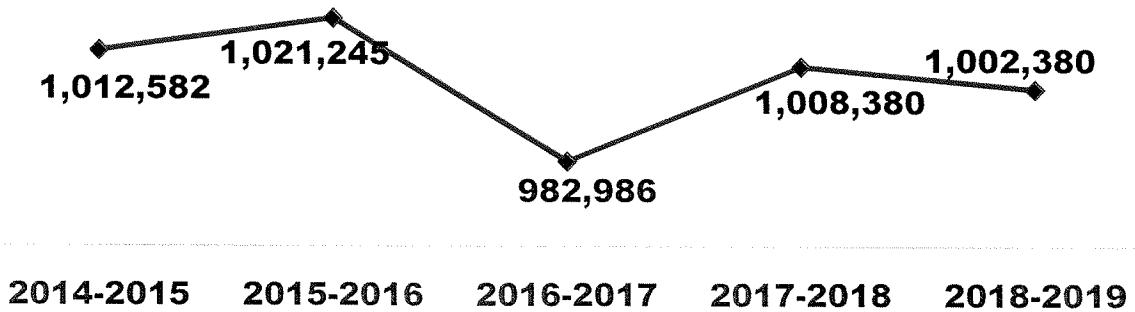
Public Safety - Total Operating Budget \$1,002,380 - Public Safety Department consists of law enforcement and code enforcement.

Law Enforcement - Total Operating Budget \$967,160 - The City contracts with the Polk County Sheriff to provide law enforcement services within the City limits. The current contract expires September 30, 2017.

Code Enforcement - Total Operating Budget \$35,220 - Code Enforcement is dedicated to the enforcement of City and State standards. These standards allow for safe and orderly practices as related to maintenance of all property, whether developed or undeveloped and other related enforcement issues.



Public Safety (Continued)



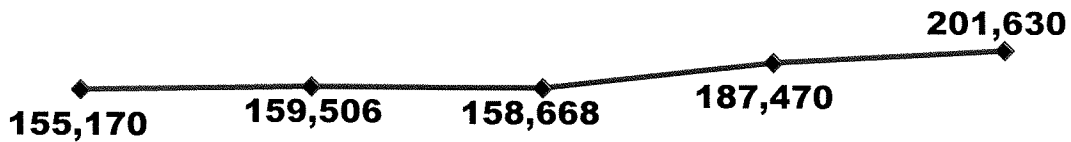
Expenses by Line Item	201-2018	2018-2019
Pension Obligation	149,780	149,780
Sheriff's Office Contract Service	815,910	815,910
Utility Service	720	720
Insurance	100	100
Promotional RLC	150	150
Miscellaneous Operating Supplies	500	500
	967,160	967,160
Code Enforcement		
Attorney Fees	5,000	1,000
Professional Services	5,000	3,000
Contract Services	20,000	20,000
Postage	200	200
Printing/Binding/Copies	120	120
Legal Ads	200	200
Office Supplies	400	400
Miscellaneous Operating Supplies	300	300
Code Violation Abatements	10,000	10,000
Code Enforcement Total	41,220	35,220
Public Safety Total	1,008,380	1,002,380

Fire Department

Fire Department - Total Operating Budget \$201,630 - This department effectively manages fire investigations, fire inspections, public education, and fire prevention. The personnel are dedicated to providing the best customer service in the area of public safety.



Centennial Fireworks over Lake Reedy, September 2018



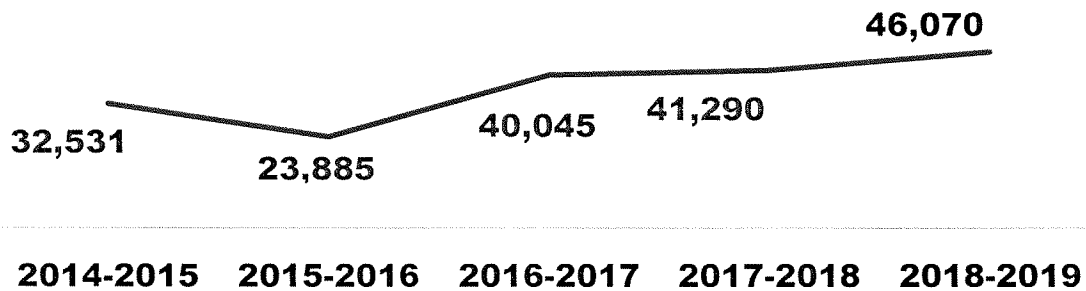
2014-2015 2015-2016 2016-2017 2017-2018 2018-2019

Fire Department (Continued)

Expenses by Line Item	2017-2018	2018-2019
Regular Wages	74,800	84,560
Special Pay	3,700	0
FICA Taxes	5,380	5,730
Medicare Taxes	1,250	1,330
Retirement Contributions	4,670	4,970
Workers Comp	2,290	2,290
Medial Professional	600	600
Fire Assessment	3,500	11,500
Contract Service	12,310	11,390
Contract Service - Volunteer FF	8,100	14,100
Polk County Dispatch	9,590	7,220
Phone, Fax, Cells	480	1,770
Postage & Freight	1,000	800
Comm Svs - Internet Services	800	1,640
Utility Services	4,700	4,030
Lease/Rent Copier/Veh/Bldgs	1,000	930
Insurance	7,210	6,760
Misc. Maintenance & Repairs	1,000	1,000
Building Maintenance & Repairs	11,700	6,000
Equipment Maintenance & Repairs	2,500	6,000
Vehicle Maintenance & Repairs	8,500	7,000
Copies	0	60
Promotional Activities	500	500
Office Supplies	700	250
Miscellaneous Operating Supplies	1,500	1,500
Gas & Oil Supplies	2,500	4,500
Tools	500	500
Uniforms	9,200	9,200
Furniture/ Equipment under \$1000	2,500	1,000
Books/Publications	1,500	1,000
Memberships & Prof Affiliation	500	500
Schools & Conferences	3,000	3,000
	187,470	201,630

Building Department

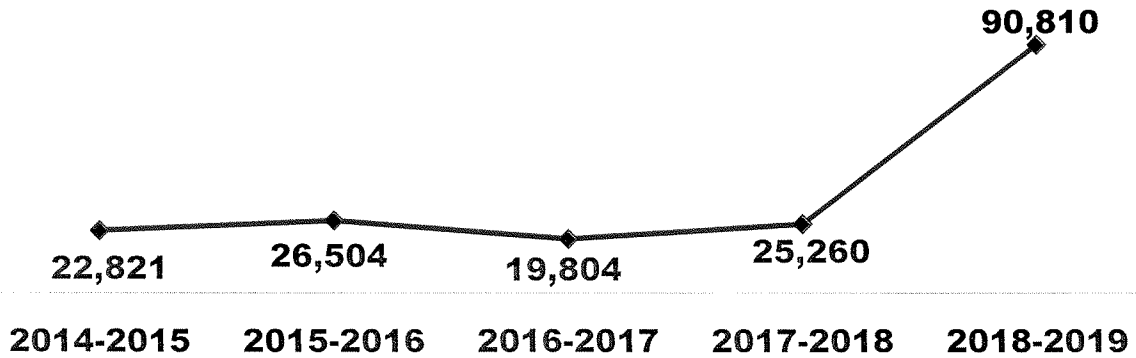
Building Department - Total Operating Budget \$46,070 – This department issues residential and commercial permits to property and business owners of the City of Frostproof. This department has a part-time Building Official through an inter-local agreement with the City of Lake Wales. The building official reviews plans and provides applicants with information regarding the permitting process. Building inspections are scheduled during the construction process and records of permits issued are maintained.



Expenses by Line Item	2017-2018	2018-2019
Other Salaries	29,820	33,300
Special Pay	490	0
FICA Taxes	1,930	2,070
Medicare Taxes	450	490
Retirement Contributions	1,030	1,210
Medical Insurance	2,840	3,240
Dental Insurance	160	160
Life Insurance	200	200
Workers Comp	570	570
Postage & Freight	200	200
Lease	30	30
Insurance	1,720	1,600
Maintenance Agreements	0	920
Printing and Binding	100	120
Promotional	0	200
Office Supplies	500	500
Miscellaneous Operating Supplies	200	200
Furniture/ Equipment under \$1000	500	500
Memberships	100	110
Schools & Conferences	450	450
	41,290	46,070

Cemetery Department

Cemetery Department - Total Operating Budget \$90,810 – All expenses pertaining to Silver Hill Cemetery are charged to this department.



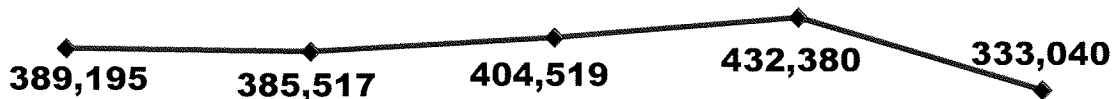
Expenses by Line Item	2017-2018	2018-2019
Regular Wages	8,450	8,070
Overtime	310	270
Special Pay	430	0
FICA Taxes	580	520
Medicare Taxes	140	130
Retirement Contributions	560	500
Dental Insurance	130	130
Medical Insurance	2,500	2,040
Life Insurance	130	130
Workers Comp	570	570
Postage	100	100
Utilities	180	170
Lease	20	20
Insurance	1,720	1,600
Miscellaneous Maintenance. & Repairs	3,000	3,000
Maintenance Agreements	1,700	1,710
Equipment Maintenance & Repairs	1,000	1,000
Copies	0	100
Office Supplies	0	100
Miscellaneous Operating Supplies	700	700
Gas & Oil Supplies	2,540	2500
Chemicals	250	250
Uniforms	180	0
	25,260	90,810

Street Department

Street Department - Total Operating Budget \$333,040 – This department maintains and cares for the City’s streets, right-of-ways, and sidewalks. Staff provides barricades to assist emergency personnel in controlling intersections during wrecks, power outages or special events. The department assists Emergency Response personnel in road closures due to storms, sink holes or flood damage. In the event of a disaster, the Street Department is primarily responsible for coordinating the removal of debris.



*Centennial Cardboard Boat Race Winners
September 2018*



2014-2015 2015-2016 2016-2017 2017-2018 2018-2019

Street Department (Continued)

Expenses by Line Item	2017-2018	2018-2019
Executive Salaries	41,590	42,840
Regular Wages	134,430	56,400
Overtime	4,850	950
Special Pay	7,510	0
FICA Taxes	11,310	6,220
Medicare Taxes	2,780	1,460
Retirement Contributions	11,310	6,020
Medical Insurance	44,650	18,360
Dental Insurance	3,380	1,300
Life Insurance	2,480	1,110
Workers Comp	3,990	3,990
Medical	300	300
Contract	21,800	75,000
Travel	400	0
Phone, Fax, Cells	240	200
Postage & Freight	900	900
Utility Services	63,180	61,400
Rent/Lease	160	160
Insurance	12,000	11,200
Miscellaneous Maintenance & Repairs	10,500	5,000
Maintenance Agreements	0	1,200
Building Maintenance & Repairs	1,500	1,500
Equipment Maintenance & Repairs	15,000	5,000
Vehicle Maintenance & Repairs	8,000	3,000
Printing and Binding	100	40
Promotional Activities	150	150
Promotional RLC	200	200
Legal Ads	200	200
Contingency	5,000	3,000
Office Supplies	300	300
Miscellaneous Operating Supplies	2,000	2,000
Gas & Oil Supplies	2,540	8,000
Janitorial Supplies	800	800
Tools	3,000	3,000
Uniforms	2,780	3,000
Furniture/ Equipment under \$1000	2,500	2,500
Signage - Roads & Facilities	3,000	3,000
Asphalt, concrete, shell	7,000	3,000
Memberships	340	340
Schools/Conferences	250	0
	432,380	333,040

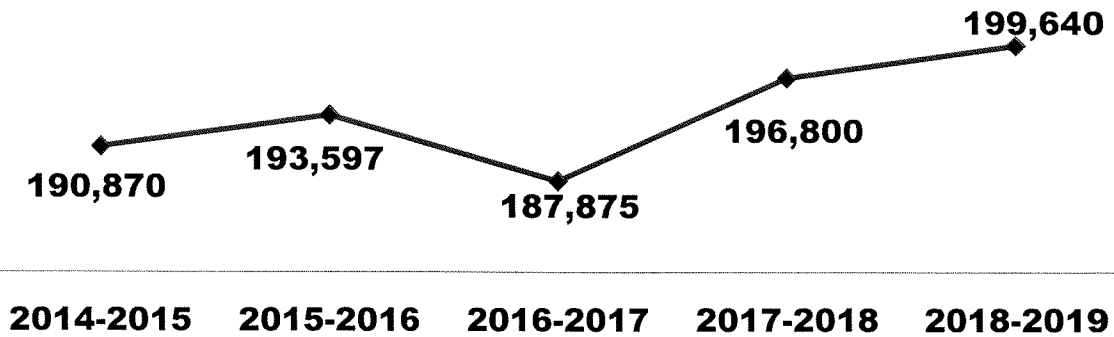
Library Department

Library Department - Total Operating Budget \$199,640 - Latt Maxcy Memorial Library is maintained by the City and administered under the direction of a library board which is subject to the supervision and control of Council.

The City of Frostproof will receive revenue of approximately \$45,000 from the Polk County Library Cooperation Agreement.



Centennial Street Dance September 2018



Library Department (Continued)

Expenses by Line Item	2017-2018	2018-2019
Executive Salaries	47,740	49,180
Regular Wages	29,560	34,730
Special Pay	3,500	0
FICA Taxes	5,010	5,210
Medicare Taxes	1,180	1,220
Retirement Contributions	4,260	4,500
Medical Insurance	18,210	19,740
Dental Insurance	1,450	1,370
Life Insurance	910	920
Workers Comp	570	570
Contract Service	1,320	1,320
Travel & Per Diem	200	200
Phone, Fax, Cells	1,000	1,000
Postage & Freight	200	200
Utility Services	11,640	11,000
Lease/Rent Copier/Veh/Bldgs	840	840
Insurance	1,720	1,600
Building Maintenance & Repairs	2,000	7,000
Equipment Maintenance & Repairs	500	500
Printing	360	380
Promotional Activities	1,600	1,600
Promotional RLC	60	0
Contingency	1,000	500
Office Supplies	1,000	1,000
Miscellaneous Operating Supplies	500	500
Gas & Oil	550	0
Janitorial Supplies	750	750
Furniture/ Equipment under \$1000	300	1,300
Memberships & Prof Affiliations	200	200
	138,130	147,330
Library Co-Op		
Regular Wages	30,750	31,670
Special Pay	2,400	0
FICA Taxes	2,060	1,970
Medicare Taxes	490	460
Retirement Contributions	1,770	1,740
Medical Insurance	12,890	8,160
Dental Insurance	530	530
Life Insurance	350	350
Programmer	830	830
Postage and Freight	250	250
Communication-Internet	1,500	1,500
Lease	1,980	1,980
Legal Adds	350	360
Publications/Subscriptions	2,510	2,510
	58,670	52,310
Library Total	196,800	199,640

Parks & Recreation Department

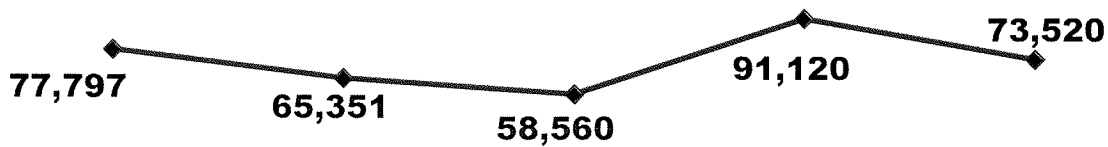
Frostproof Post Office Hill before renovation



Frostproof Post Office Hill after renovation

Parks & Recreation Department - Total Operating Budget \$73,520 –

This department provides and preserves quality parks and recreation opportunities for all citizens. The department maintains, ensures safety, and keeps City parks and recreation areas litter free. Personnel maintain the structural integrity and aesthetics of each facility, including remodeling tasks when necessary.



2014-2015 2015-2016 2016-2017 2017-2018 2018-2019

Expenses by Line Item	2017-2018	2018-2019
Regular Wages	7,130	7,130
Overtime	260	260
Special Pay	360	360
FICA Taxes	490	490
Medicare Taxes	120	120
Retirement Contributions	470	470
Medical Insurance	2,150	2,150
Dental Insurance	180	180
Life Insurance	140	140
Workers Comp	1,140	1,140
Contract Service	1,020	1,020
Phone, Fax, Cells	260	260
Postage and Freight	60	60
Utility Services	32,780	32,780
Lease	100	100
Insurance	3,430	3,430
Building Maintenance & Repairs	19,000	19,000
Equipment Maintenance & Repairs	2,000	2,000
Miscellaneous Operating Supplies	10,750	10,750
Gas & Oil Supplies	7,580	7,580
Janitorial Supplies	1,550	1,550
Uniforms	150	150
Equipment Under \$1,000	0	0
	91,120	73,520

Enterprise Fund



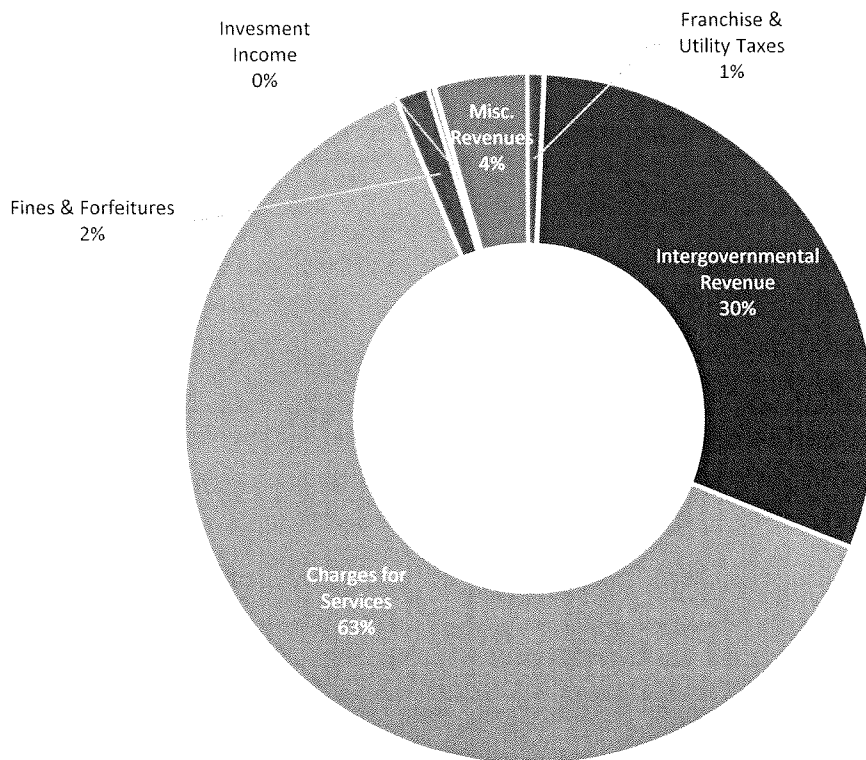
*Alberto Montalvo, WWTP Operator
Dr. A.P. Black Award*

Enterprise Fund Revenues

Enterprise Fund revenue projections for Fiscal Year 2018-2019 indicate an decrease of \$305,200 as compared to Fiscal Year 2017-2018 budgeted revenues.

The following Table summarizes revenue sources:

Revenues	2017-2018	2018-2019
Franchise & Utility Taxes	20,000	20,000
Intergovernmental (Grants)	0	780,000
Charges for Services		
Water Utility	500,000	502,000
Wastewater Utility	747,400	790,000
Solid waste Utility	360,000	322,160
Fines & Fees	36,000	40,000
Investment Income	3,000	15,000
Miscellaneous		
Miscellaneous	10,000	61,140
Storm water Utility	50,000	51,500
	1,726,400	2,581,800



Water Impact Fee Revenue

Water Impact Fee Revenue - A water system impact fee is assessed for each new water customer to pay a proportionate share of the expansion of the water system including the water plants and distribution system. All monies received from the water system impact fees, plus interest, if any, are deposited in the water system reserve fund and are expended from that fund only for the purpose of constructing water treatment plants, additions to water treatment plants and extending, enlarging or separating water distribution systems and planning, engineering and debt services for such projects. The City is entitled to retain four-percent (4%) of the Water Expansion Fees collected to offset the costs associated with the administration, accounting, and expenditure and auditing of the funds.

Forecast Methodology: The main factor considered in projecting this revenue is historical data.



Wastewater Impact Fee Revenue

Wastewater Impact Fee Revenue - A wastewater system impact fee is assessed for each new wastewater customer to pay for a proportionate share of expansion of the wastewater system, including wastewater treatment plants, effluent disposal system and collection system. All monies received from the wastewater system expansion fees plus interest, if any, are deposited in the wastewater system expansion reserve fund and shall be expended from the fund only for the purpose of constructing wastewater treatment plants, effluent disposal systems, collection systems, additions to wastewater treatment plants and extending or enlarging the wastewater collection systems and planning, engineering and debt service for such projects. The City is entitled to retain four percent (4%) of the Impact Fee funds collected to offset the costs associated with the administration, accounting, and expenditure and auditing of the funds.

Forecast Methodology: The main factor considered in projecting this revenue is historical data.



Storm Water Impact Fee Revenue

Storm Water Impact Fee Revenue - A storm water system impact fee is assessed for each new storm water customer to pay for a proportionate share of expansion of the storm water system, including storm water treatment plants, effluent disposal system and collection system. All monies received from the storm water system expansion fees plus interest, if any, are deposited in the storm water system expansion reserve fund and are expended from the fund only for the purpose of constructing storm water treatment plants, effluent disposal systems, collection systems, additions to storm water treatment plants and extending or enlarging the storm water collection systems and planning, engineering and debt service for such projects. The City shall be entitled to retain four percent (4%) of the Impact Fee funds to offset the costs associated with the administration, accounting, and expenditure and auditing of the funds.

Forecast Methodology: The main factor considered in projecting this revenue is historical data.

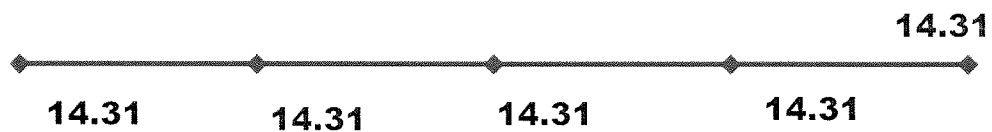


Water Utility Fee Revenue

Water Utility Fees – Water utility rates are reviewed annually and adjusted in accordance with the Consumer Price Index (CPI) and as necessary to maintain compliance with State and Federal regulatory requirements governing water charges. City Council did not raise Water Utility Rates for Fiscal Year 2018-2019.

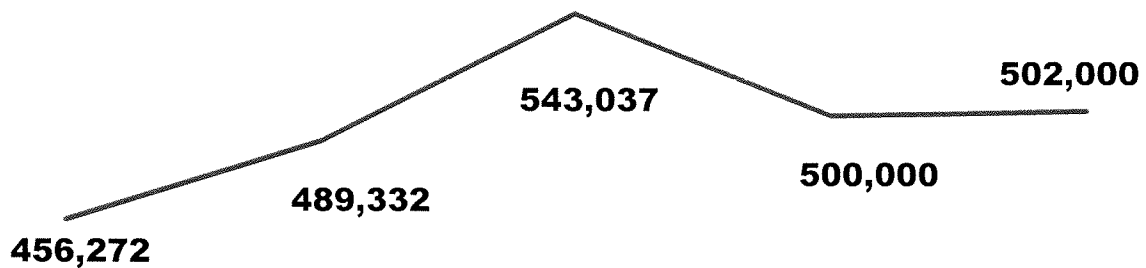
Forecast Methodology: The main factor considered in projecting this revenue is historical data.

Water Utility Rates



2014-2015 2015-2016 2016-2017 2017-2018 2018-2019

Water Utility Revenues



2014-2015 2015-2016 2016-2017 2017-2018 2018-2019

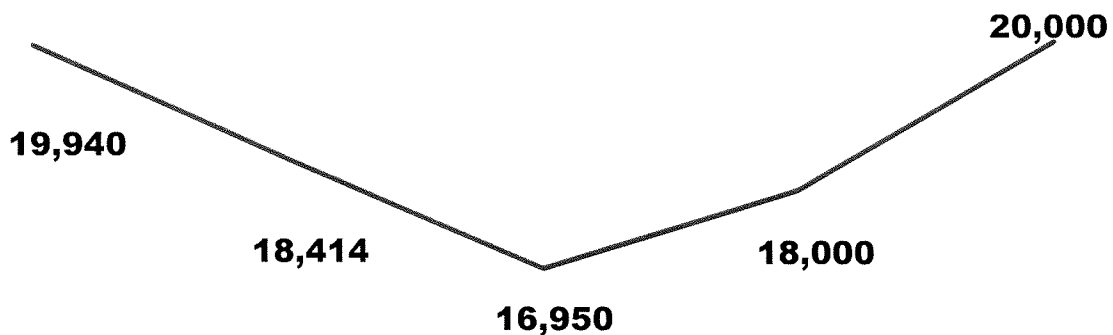
Water Fines and Fees

Water Fines and Fees: Fines and fees charged to water customers for late payments and charges for turning meter on and off, and is determined by Resolution.

Forecast Methodology: The main factor considered in projecting this revenue is historical data.



*Bobby Blackmon, Fire It Up Frostproof BBQ
September 2018*



2014-2015

2015-2016

2016-2017

2017-2018

2018-2019

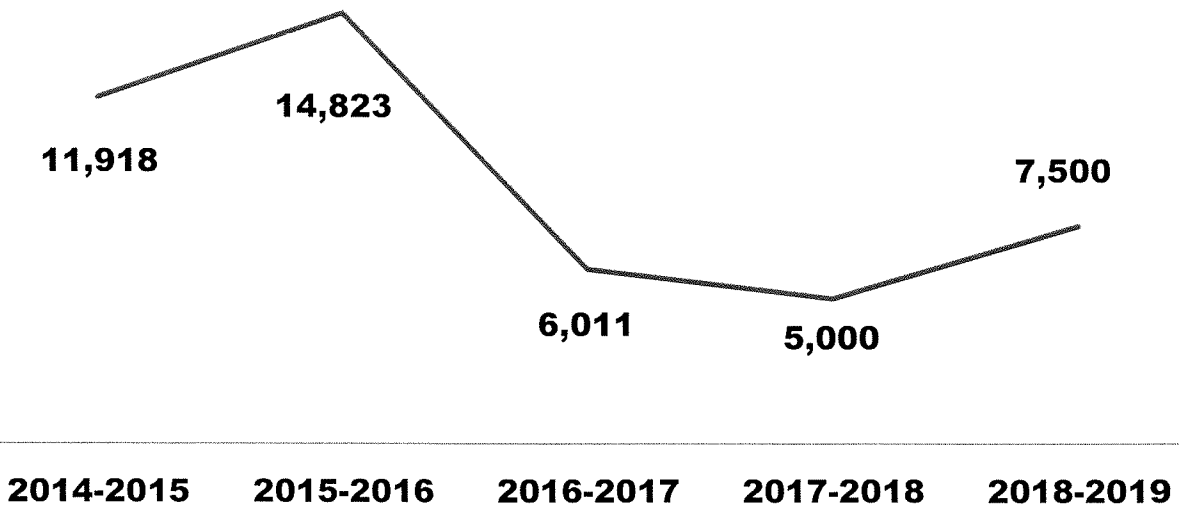
Water Miscellaneous Revenue

Description: Miscellaneous revenues are received from various individuals and corporations and include funds from reimbursement of insurance premiums, etc.

Forecast Methodology: The main factor considered in projecting this revenue is historical data.



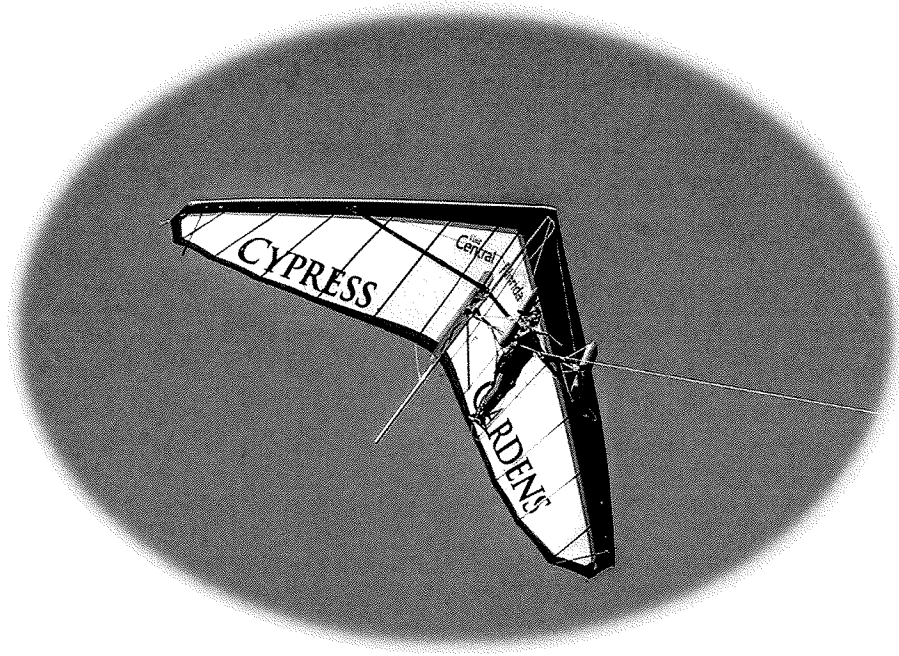
Centennial Street Dance, September 2018



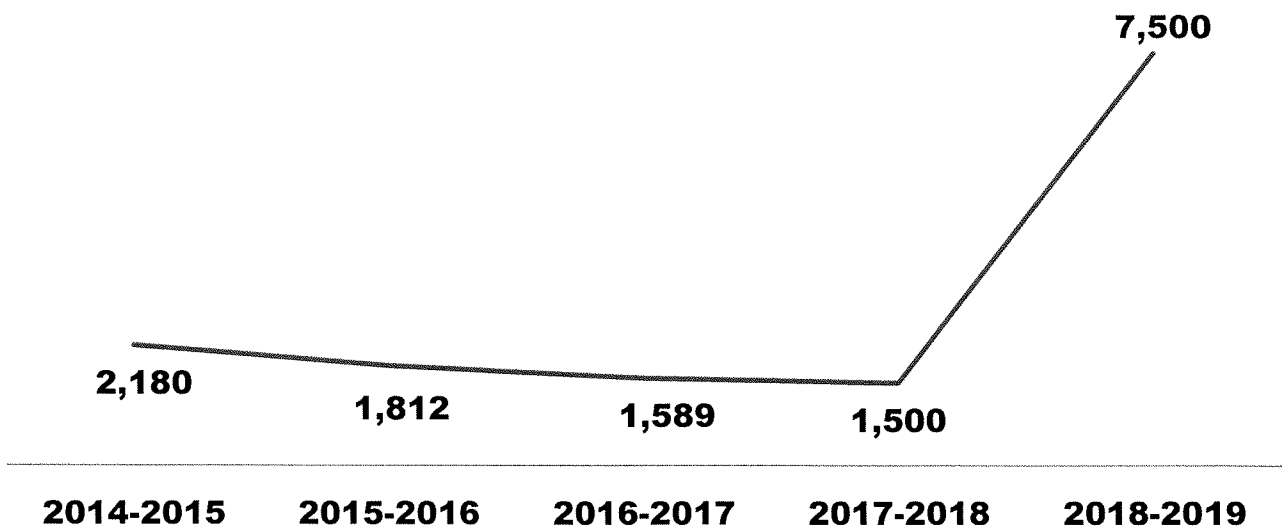
Water Investment Income

Description: The City invests with various banks resulting in revenues derived from interest.

Forecast Methodology: The main factor considered in projecting this revenue is historical data.



Centennial Water Ski Show, September 2018

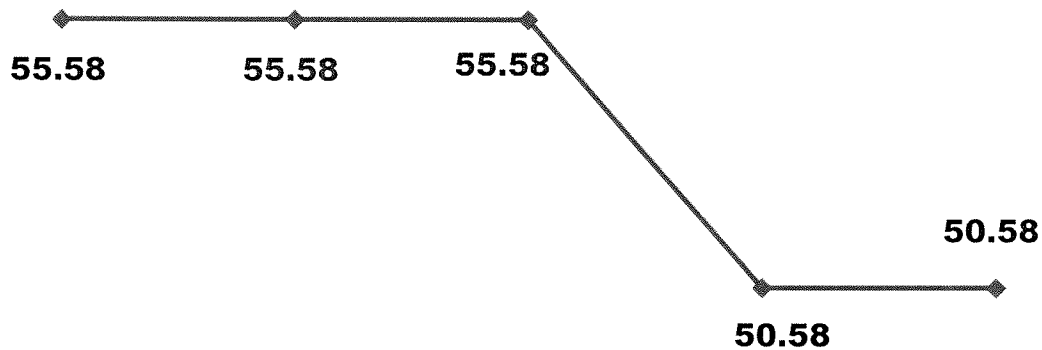


Wastewater Utility Fee Revenue

Wastewater Utility Fees – The wastewater utility rates are reviewed annually and adjusted in accordance with the Consumer Price Index (CPI) and as necessary to maintain compliance with State and Federal regulatory requirements governing wastewater charges. City Council reduced the Water Utility Rates by \$5.00 for Fiscal Year 2017-2018.

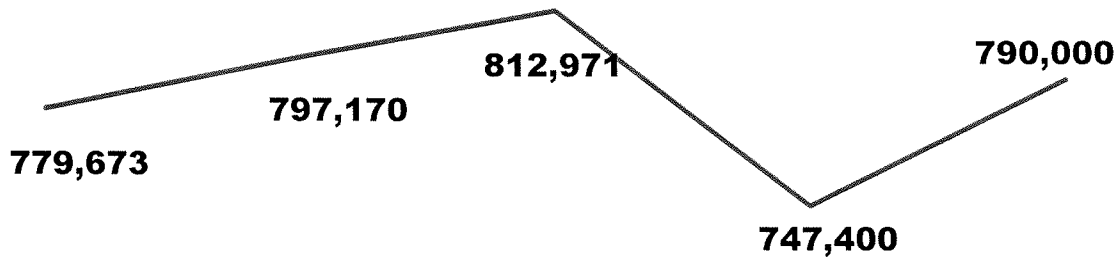
Forecast Methodology: The main factor considered in projecting this revenue is historical data.

Wastewater Utility Rates



2014-2015 2015-2016 2016-2017 2017-2018 2018-2019

Wastewater Utility Revenues



2014-2015 2015-2016 2016-2017 2017-2018 2018-2019

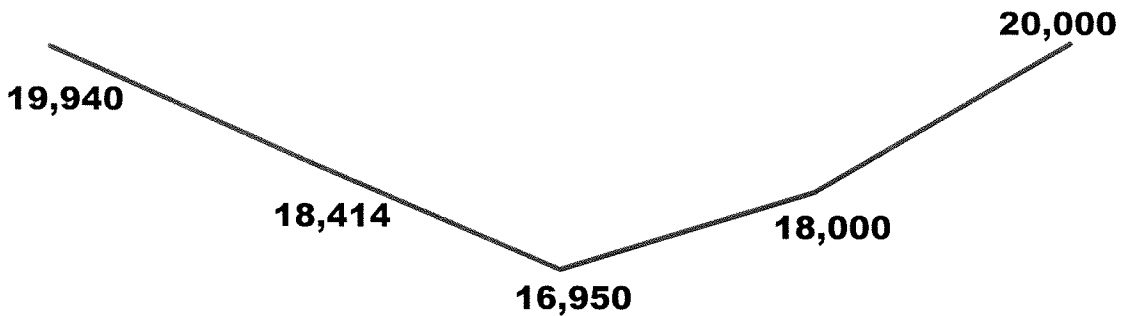
Wastewater Fines and Fees

Wastewater Fines and Fees: Fines and fees charged to water customers for late payments and charges for turning meter on and off, and is determined by Resolution.

Forecast Methodology: The main factor considered in projecting this revenue is historical data.



Centennial Water Ski Show, September 2018



2014-2015

2015-2016

2016-2017

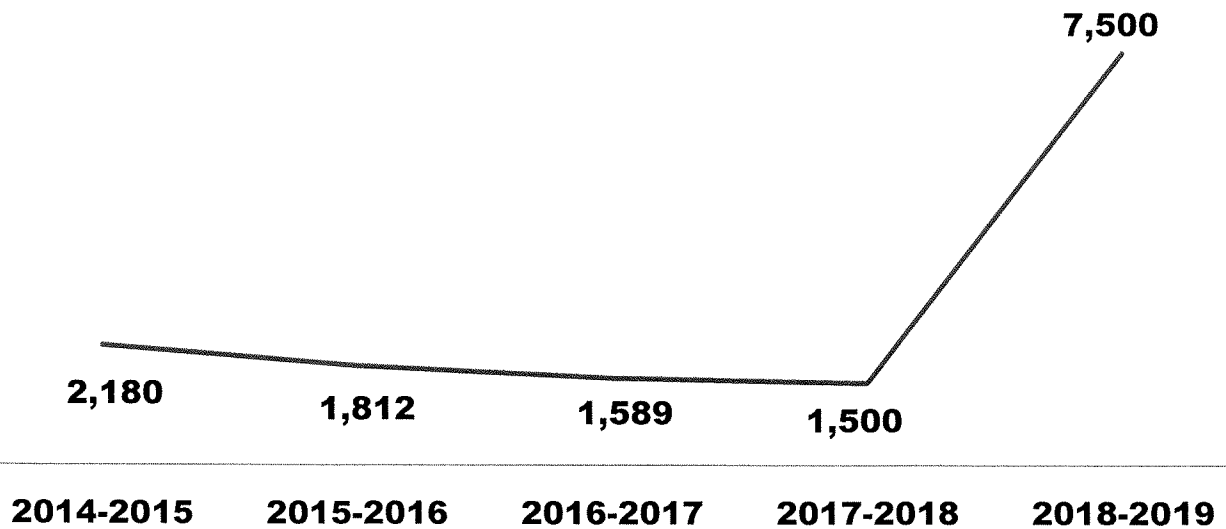
2017-2018

2018-2019

Wastewater Miscellaneous Revenue

Description: Miscellaneous revenues are received from various individuals and corporations and include funds from reimbursement of insurance premiums, etc.

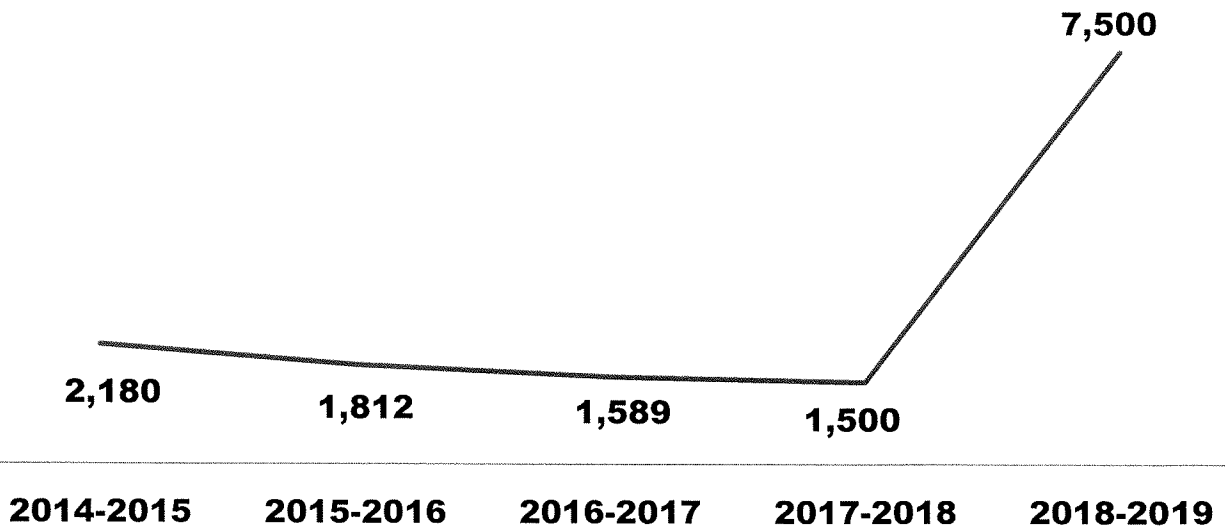
Forecast Methodology: The main factor considered in projecting this revenue is historical data.



Wastewater Investment Income

Description: The City invests with various banks resulting in revenues derived from interest.

Forecast Methodology: The main factor considered in projecting this revenue is historical data.

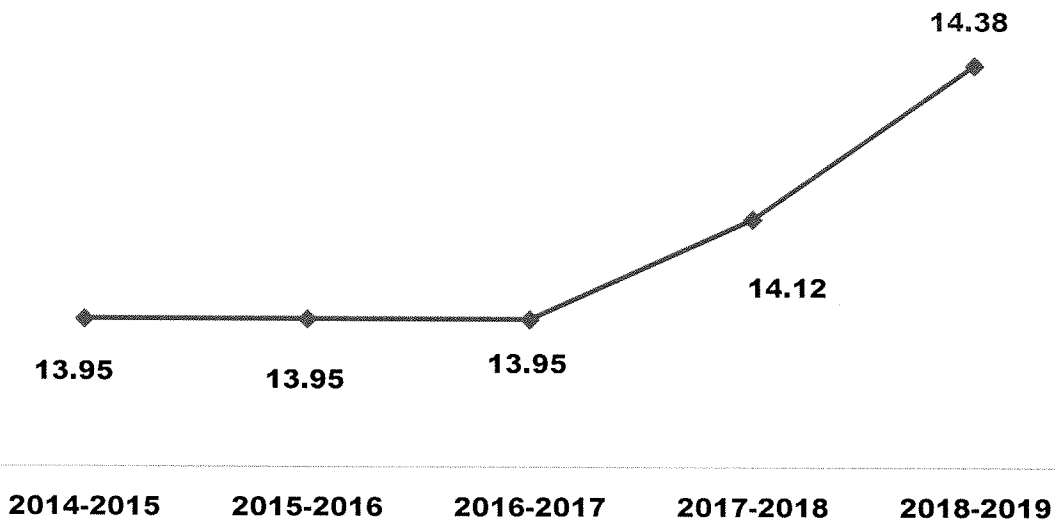


Solid Waste Utility Fee Revenue

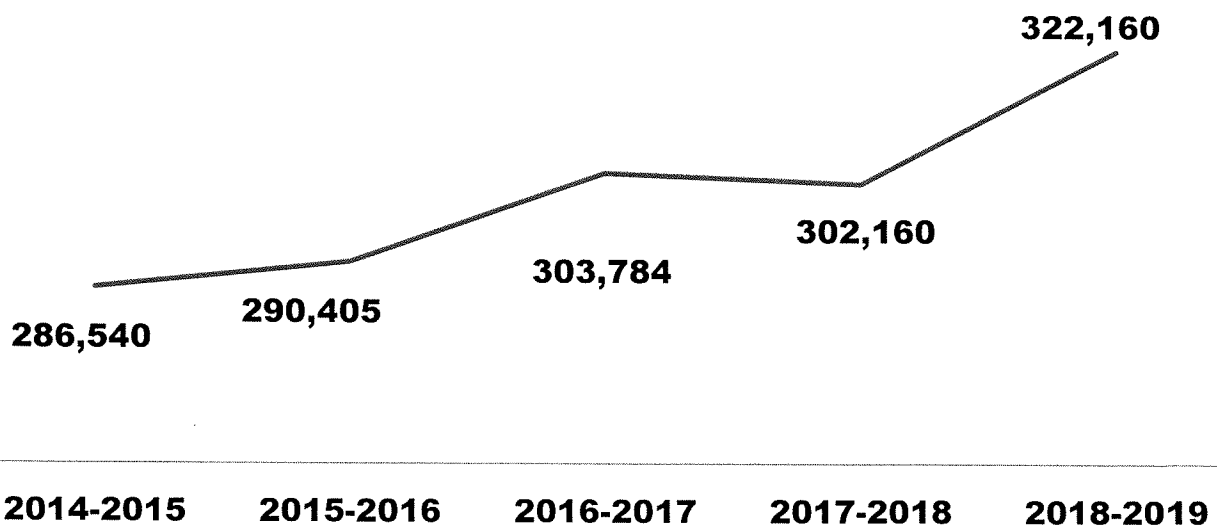
Solid Waste Utility Fees – This department is outsourced to Republic Services. The contract includes once a week curbside service for normal household waste, yard waste, and recyclable items as well as weekly bulk pick-up.

Forecast Methodology: The main factor considered in projecting this revenue is historical data.

Solid Waste Utility Rates



Solid Waste Utility Revenue

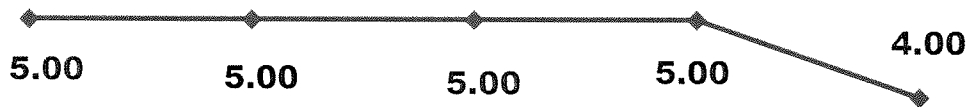


Solid Waste Administrative Fee

Solid Waste Administration Fee – An administrative charge of \$4.00 per month is charged to each customer with garbage pick-up.

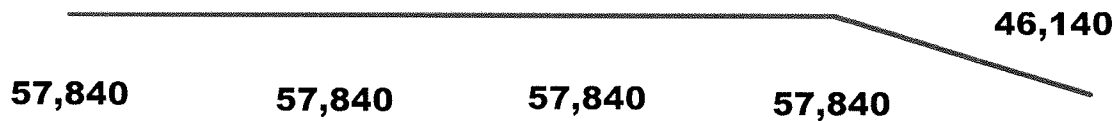
Forecast Methodology: The main factor considered in projecting this revenue is historical data.

Solid Waste Administrative Fee



2014-2015 2015-2016 2016-2017 2017-2018 2018-2019

Solid Waste Administrative Revenue

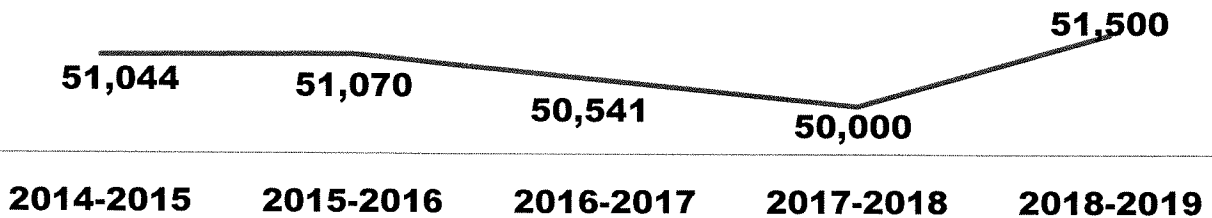


2014-2015 2015-2016 2016-2017 2017-2018 2018-2019

Storm Water Management Fee Revenue

Storm Water Management Fee Revenue – The storm water management utility fee is billed and collected with the monthly utility bill and pertains to all lots and parcels of land utilizing any of the City’s other utilities. Persons owning property within the City who are not consumers of the City’s other utilities are billed once a year. All storm water management fees collected by the City are paid into the storm water utility fund. Such funds are used for the purpose of paying the cost of storm water drainage facilities to be constructed in various storm drainage basins and paying the cost of operation, monitoring, enforcement, administration and maintenance of the storm water drainage facilities of the City.

Forecast Methodology: The main factor considered in projecting this revenue is historical data.



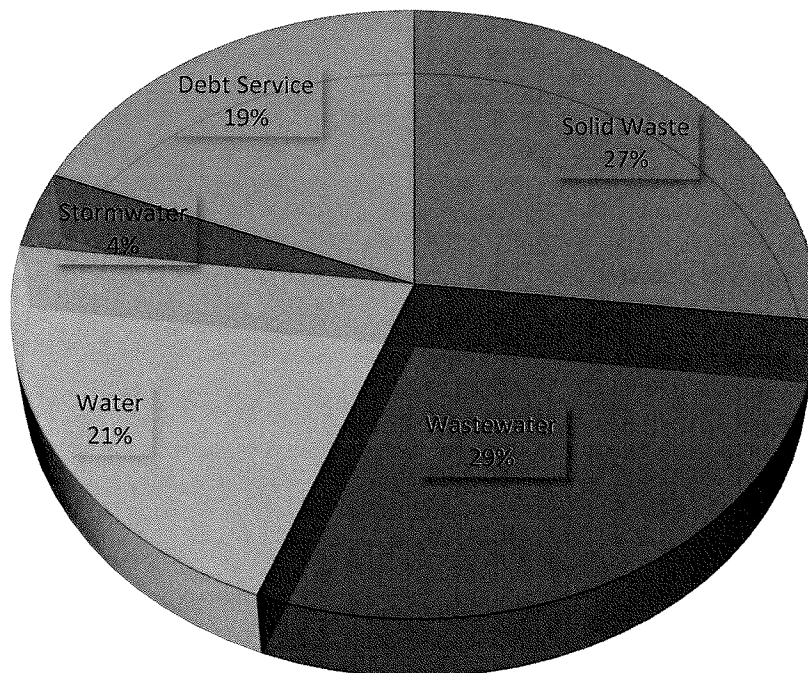
Enterprise Fund Expenses



Enterprise Fund Expenses

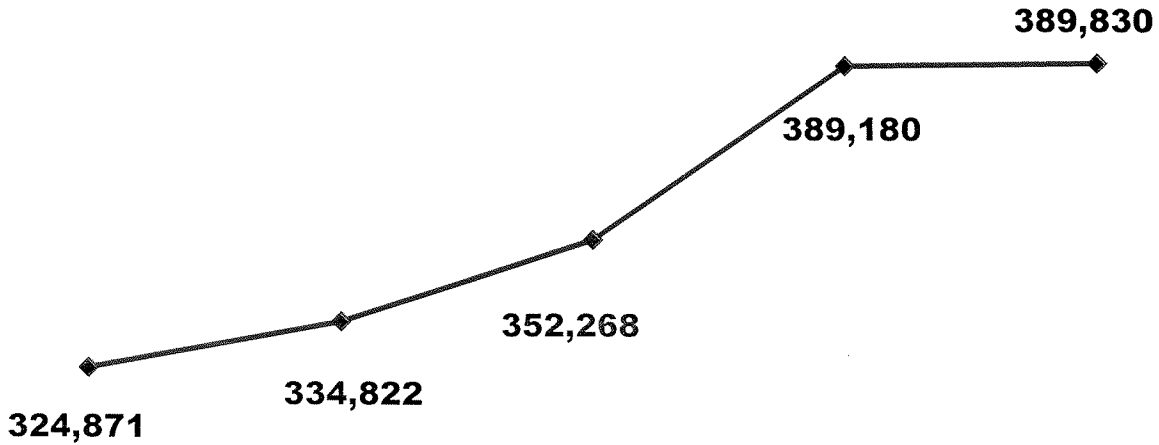
Expenditure Summary by Department

Department	2017-2018	2018-2019
Solid Waste	389,180	389,830
Wastewater	388,500	421,410
Water	263,300	308,360
Stormwater	74,330	58,840
Debt Service	257,150	276,220



Solid Waste Department

Solid Waste Department - Total Operating Budget \$389,830 – This department is outsourced to Republic Services. The contract includes once a week curbside service for normal household waste, yard waste, and recyclable items as well as monthly bulk pick-up.

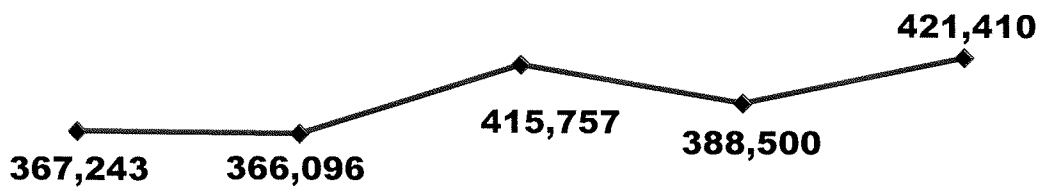


2014-2015 2015-2016 2016-2017 2017-2018 2018-2019

Expenses by Line Item	2017-2018	2018-2019
Executive Salaries	8,310	8,800
Regular Wages	13,060	13,450
Overtime	150	290
Special Pay	590	0
FICA Taxes	1,380	1,400
Medicare Taxes	330	330
Retirement Contributions	1,330	1,360
Medical Insurance	4,520	4,790
Dental Insurance	300	310
Life Insurance	250	230
Workers Comp	1,140	1,200
Accounting/Auditing	2,200	2,200
Contract Service	350,000	350,000
Postage	800	800
Insurance	3,450	3,230
Maintenance Agreements	790	860
Office Supplies	500	500
Uniforms	80	80
	364,560	389,830

Wastewater Department

Wastewater Department - Total Operating Budget \$421,410 – This Department provides for the health, safety, and welfare of the community through the performance of effective collection and treatment of wastewater in compliance with City, State, and Federal regulations, in an efficient manner while providing superior customer service and maintaining cost control.



2014-2015 2015-2016 2016-2017 2017-2018 2018-2019

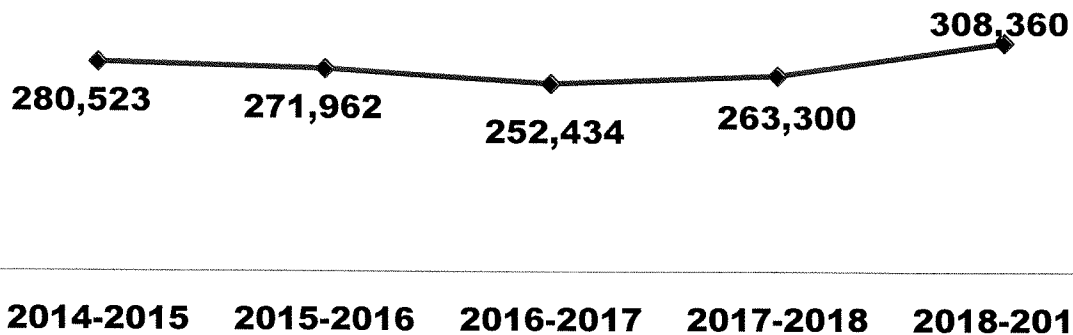
Wastewater Department (Continued)

Expenses by Line Item	2017-2018	2018-2019
Executive Salaries	17,220	17,980
Regular Wages	73,300	124,490
Overtime	1,840	4,950
Special Pay	2,070	0
FICA Taxes	5,890	9,140
Medicare Taxes	1,380	2,140
Retirement Contributions	4,920	8,080
Medical Insurance	13,240	26,970
Dental Insurance	950	1,620
Life Insurance	850	1,500
Workers Comp	4,560	4,790
Medical	380	380
Engineering	20,540	20,600
Accounting/Auditing	8,800	8,800
Contract Service	22,670	23,160
Travel & Per Diem	500	500
Phone, Fax, Cells	50	860
Postage & Freight	3,000	3,000
Internet	840	1,640
Utility Services	50,000	61,540
Lease/Rent Copier/Veh/Bldgs	6,830	7,860
Insurance	13,810	12,900
Miscellaneous Maintenance & Repairs	2,500	2,500
Maintenance Agreements	5,570	5,740
Building Maintenance & Repairs	1,000	1,000
Equipment Maintenance & Repairs	83,700	23,700
Vehicle Maintenance & Repairs	1,000	1,000
Wastewater Line Maintenance & Repairs	10,000	10,000
Printing and Binding	50	70
Promotional RLC	100	200
Legal Ads, Licenses & Obligations	100	100
Contingency	2,000	2,000
Office Supplies	1,000	1,000
Miscellaneous Operating Supplies	1,000	1,000
Gas & Oil Supplies	2,540	2,700
Janitorial Supplies	300	300
Chemical Operating Supplies	20,400	22,900
Tools	500	500
Uniforms	600	1,300
Furniture/ Equipment under \$1000	1,000	1,000
Schools & Conferences	1,500	1,500

388,500	421,410
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Water Department

Water Department - Total Operating Budget \$308,360 – This department efficiently and effectively provides the highest quality of service possible to all water customers within the City. This service will ensure the uninterrupted delivery of adequate quantities of water with the highest possible quality to meet the needs of the system.



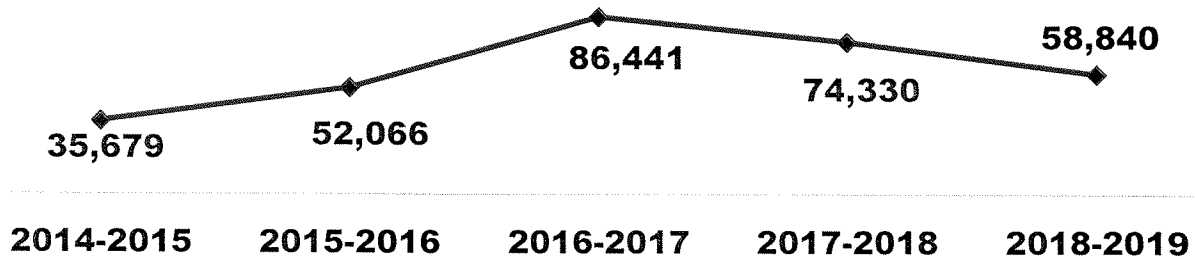
Water Department (Continued)

Expenses by Line Item	2017-2018	2018-2019
Executive Salaries	17,220	17,890
Regular Wages	30,680	73,750
Overtime	290	1,850
Special Pay	990	0
FICA Taxes	3,060	5,810
Medicare Taxes	720	1,360
Retirement Contributions	2,180	4,820
Medical Insurance	6,810	19,630
Dental Insurance	580	1,250
Life Insurance	410	1,050
Workers comp	4,560	4,790
Medical	180	100
Engineering	7,000	14,350
Accounting/Auditing	8,800	8,800
Contract Service	7,470	6,030
Travel & Per Diem	350	250
Phone, Fax, Cells	1,980	2,920
Postage & Freight	3,000	3,000
Utility Services	36,000	39,240
Insurance	13,810	12,900
Rent/Lease	350	420
Miscellaneous Maintenance & Repairs	27,180	27,180
Maintenance Agreements	9,290	9,460
Building Maintenance & Repairs	500	500
Equipment Maintenance & Repairs	20,000	5,000
Vehicle Maintenance & Repairs	1,000	2,500
Water Line Maintenance & Repairs	15,000	5,000
Printing and Binding	500	650
Legal Ads, Licenses & Obligations	2,950	2,950
Bank Fees	3,500	1,200
Office Supplies	1,000	1,000
Miscellaneous Operating Supplies	1,000	1,000
Gas & Oil Supplies	2,540	1,250
Janitorial Supplies	200	200
Chemical Operating Supplies	25,000	20,000
Tools	1,500	1,500
Uniforms	250	1,400
Furniture/ Equipment under \$1000	1,000	1,000
Memberships	2,600	2,600
Schools & Conferences	1,850	1,850

263,300 308,360

Storm Water Department

Storm Water Department - Total Operating Budget \$58,840 – This Department provides for the health, safety, and welfare of the community through effective storm water control.



Expenses by Line Item	2017-2018	2018-2019
Executive Salaries	8,310	8,800
Regular Wages	11,070	11,400
Overtime	150	290
Special Pay	520	0
FICA Taxes	1,250	1,270
Medicare Taxes	300	300
Retirement Contributions	1,210	1,230
Medical Insurance	4,170	4,380
Dental Insurance	280	290
Life Insurance	230	210
Workers Comp	1,140	1,200
Engineering	10,000	5,000
Accounting/Auditing	2,200	2,200
Contract	12,750	6,700
Postage	800	800
Lease	150	150
Insurance Except Payroll	3,450	3,230
Maintenance Agreements	900	940
System M&R	500	6,500
Legal Ads	11,500	2,200
Office Supplies	250	500
Misc Operating Supplies	2,200	250
Furniture Under \$1000	250	250
Schools and Conference	250	500
74,330	74,330	58,840

Frequently Asked Questions

Q: What is the purpose of the City budget?

A: The budget is an annual financial plan for the City of Frostproof. It specifies the level of municipal services to be provided in the coming fiscal year. It reflects the policies and priorities set by the Council.

Q: How and when is the budget prepared?

A: Each year, the Finance Manager prepares budget worksheets to be distributed to the various department heads. City departments submit their plans and needs for the coming year to the Finance Manager. The Finance Manager compiles the proposed budget, which is then reviewed by the City Manager and revised to reflect her goals for the upcoming year. The City Manager then submits her recommended budget to the Council. The Council reviews the budget during the Budget Workshop, holds two public hearings to obtain citizen input and then adopts the final budget along with an ordinance establishing the property tax rate required to fund the budget.

Q: What is a fiscal year?

A: A fiscal year is a 12-month operating cycle that comprises a budget and financial reporting period. The City's fiscal year runs from October 1 through September 30.

Q: Where does the City obtain its revenue?

A: From local, state, and federal taxes, fees, licenses, and payment for municipal services such as water, wastewater, and solid waste collection.

Q: How is the revenue obtained by the City used?

A: It is used to pay for salaries, equipment, supplies, capital improvements, and debt service needed to provide fire and police protection, water, wastewater, solid waste collection, and other municipal services specified in the City budget.

Q: What is a mill tax?

A: One mill is equal to \$1.00 for each \$1,000 of assessed property value. City property taxes on a \$150,000 home, with a \$50,000 homestead exemption and millage rate of 7.3045, would be \$730.45.

Millage Example:

Assessed Value \$150,000

Less Homestead Exemption 50,000

Net Taxable Value \$100,000

÷ 1,000 = \$100

x 7.3045 Millage

\$730.45 Property Tax

Q: What is property tax?

A: When the City adopts its annual budget, it determines the tax rate that must be applied on property in order to generate the necessary general fund revenue. The estimated tax rate (millage) in the City of Frostproof recommended for FY 2019 budget is 7.3045 mills or \$7.3045 per \$1,000 of taxable value of all property within the City. The Polk County Property Appraiser establishes the taxable value of all property in the City. The City has no control over the taxable value of property; it only has control over the tax rate that is levied.

Q: What is a Homestead Exemption?

A: The Florida Constitution provides that a homeowner may apply for, and receive, a homestead exemption for \$50,000 on his or her principle residence. After the County Property Appraiser appraises the property, \$50,000 is subtracted from the appraised value. The remainder is the taxable value upon which the tax rate is applied.

Q: What is the difference between Ad Valorem Tax and Property tax?

A: There is no difference between the two. They are different names used for the same tax.

Q: What is the "Save Our Homes Act"?

A: In 1992, Florida voters approved an amendment to the Florida Constitution that limited the amount of value a homestead property could increase on the tax rolls each year. The law limits value increases to the lesser of 3% or a figure equal to the Consumer Price Index.

Q: What is an Operating Budget?

A: An Operating Budget is an annual financial plan for recurring expenditures such as salaries, utilities, and supplies.

Q: What is a fund?

A: A fund is a separate accounting entity within the City that receives revenues from a specific source and expends them on a specific activity or activities. The City maintains two separate funds, all of which account for distinct activities.

Q: What is a capital improvement budget?

A: A capital improvement budget is a long-range plan for the construction of physical assets such as buildings, streets, and sewers.

Q: What is a revenue or enterprise fund?

A: A revenue or enterprise fund earns its own revenues by charging patrons for municipal services. The water department is an example of an enterprise fund. It generates revenues by billing its customers for the water they use.

Q: What is a budget appropriation?

A: A budget appropriation is a specific amount of money that has been approved for use in a particular manner by Council.

Q: What is a budget amendment?

A: A budget amendment is an ordinance or resolution adopted by the Council which alters the adopted budget by appropriating additional monies to a particular department or fund, decreasing appropriations to a particular department or fund, or transferring funds from one department to another.

Q: What is the difference between recurring and non-recurring revenues?

A: Recurring revenue is income from sources which continue from year to year, where a similar amount can be expected annually. Property Taxes and Franchise Fees are examples of recurring revenue. Non-recurring revenues are those that exist only for limited period, or whose amounts vary considerably from one year to the next.

Examples of non-recurring revenues include surplus land sales and "one-time" grants.

Q: What are the purposes of bond/state loans?

A: To lend money to the government so that they can cover their operating costs.

Q: Who establishes the rules by which the City of Frostproof adopts its annual budget and property tax rate?

A: The property tax rate and budget adoption process are governed by both the City Charter and State Statutes.

Q: What are Franchise Fees, and why does the City of Frostproof levy them?

A: The franchise fee is a charge levied by the City on a utility to operate within the City and to use the City right-of-ways and other properties for locating pipes, wires, etc. The state allows utilities to pass on the franchise fee directly to customers on their utility bills. The City of Frostproof, like most cities in Florida, relies heavily on franchise fees for revenues rather than on property tax.

Q: What are utility taxes and why does the City of Frostproof levy them?

A: State Statute 166.231 gives municipalities the authority to levy a tax on the purchase of electricity, metered natural gas, liquefied petroleum gas, and water service. The tax is levied only on purchases within the municipality and shall not exceed 10% of the payments received by the seller of the taxable item from the purchaser for the purchase of such service. These revenues help fund the overall operations of the General Fund.

Q: What is a Telecommunications Tax?

A: State Statute 202.191 gives municipalities the authority to levy a local communications service tax. The tax encompasses voice, data, audio, video, or any other information or signals, including cable services transmitted by any medium.

Glossary

Accrual - Adjusting journal entries designed to ensure that assets and liabilities that are created or discharged because of operating activities of the current period are recognized as revenues and expenses in that period. Examples include accrued wages and accrued interest.

Accrual Basis of Accounting - Accounting method where revenues are recorded when earned (regardless of when cash is received) and expenses are recorded when liabilities are incurred (regardless of when payment is made).

Ad Valorem Tax - A tax levied on the assessed value of real property. This tax is also known as property tax.

Adopted Budget - A financial plan presented, reviewed, and approved by a governing body for the upcoming or current fiscal year beginning October 1.

Annexation - The process by which an unincorporated area is brought into a City. Rules governing annexation are established by State Statute.

Annual Budget - A budget applicable to a single fiscal year.

Appropriation - A legal authorization granted by a legislative body to make expenditures and to incur obligations for specific purposes.

Assessed Property Value - The value set upon real estate or other property by the County Assessor and the state as a basis for levying taxes.

Asset - Resources that have monetary value and are owned or held by a government.

Authorized Positions - Employee positions, which are authorized in the adopted budget, to be filled during the fiscal year.

Balanced Budget - A budget in which planned funds available equal planned expenditures as required by Florida State Statute 166.241.

Bond - A certificate of debt issued by an entity, guaranteeing payment of the original investment plus interest, by a specified future date.

Bond Covenants - Agreements made to assure bond holders that sufficient money will be available to pay bonds.

Bond Refinancing - The payoff and re-issuance of bonds to obtain better interest rates and/or bond conditions.

Budget - An annual financial plan that identifies revenues, specifies the type and level of services to be provided and establishes the amount of money which can be spent.

Budget Allocation - The distribution of a sum of money for a particular purpose according to a specific plan.

Budget Amendment - Legal means by which an adopted estimated revenue or expenditure authorization limit is increased or decreased.

Budget Funds - Funds that are planned for certain uses, but have not been formally or legally appropriated by the legislative body.

Budgetary Control - The control or management of a government or enterprise in accordance with an approved budget for the purpose of keeping expenditures within the limitation of available appropriations and available revenues.

Capital Equipment - Equipment in excess of \$1,000, with an expected life of more than one year such as automobiles, computers and furniture.

Capital Expenditures - Those expenditures that increase the value of the City's capital assets.

Capital Improvement Project (CIP)/Expenditure - Major construction, acquisition, or renovation activities, which add value to the City's physical assets or significantly increase their useful life.

Capital Improvement Project (CIP) Budget - A financial plan for construction of physical assets such as buildings, streets, sewers and recreation facilities.

Capital Outlay - The purchase, acquisition, or construction of any item having a unit cost of \$1,000 or more, or a useful life of one or more years. Typical capital outlay items include vehicles, construction equipment, photocopiers, computers, and office furniture.

CDBG - Community Development Block Grant. A Federal entitlement program used primarily to fund programs that benefit low and moderate-income persons.

City Charter - Document setting forth the principles, functions, and organization of the City's government.

Communication Services Tax - A tax levied by the State on telecommunication and cable services. This replaces telecommunication and cable franchise fees and utility taxes previously collected by local governments.

Contingency - An appropriation of funds to cover unforeseen events that occur during the fiscal year.

Cost Allocation - A method used to charge enterprise, internal services, and federal funds for their share of central administration costs.

Current Operations - The existing processes, functions, or procedures used by the City to carry out its vision, mission, and goals.

Debt Service - The payment of principal and interest on borrowed funds such as bonds.

Depreciation - The decrease in value of physical assets due to use and the passage of time.

Derivative - Types of investments in which payoffs are produced over time from the performance of assets, interest rates, foreign exchange rates, or indices.

Designations - A portion of fund balance earmarked for specific appropriations.

Encumbrances - The commitment of appropriated funds to purchase an item or service. To encumber funds means to set aside or commit funds for future expenditures. This is generally accomplished through purchase orders, contracts or requisitions.

Employee Benefit (Fringe) - Contributions made by the City to meet commitments or obligations for employees beyond base pay, such as the City's share of costs for social security, worker's compensation, and various pension, medical, and life insurance plans.

Enterprise Fund - A self-supporting fund designed to account for activities supported by user charges. Examples are Water, Wastewater, and Sanitation Removal.

Expenditures - Decreases in net financial resources. Expenditures include current operating expenses, which require the current or future use of net current assets, and debt service.

Expenses - Decreases in net total assets. Expenses represent charges incurred for operation, Maintenance, interest, and other charges.

Financial Statements - A written report of the financial condition of an organization, which shows revenues, expenses, and income (the difference between revenues and expenses) of the organization over a period.

Fiscal Year - Any period of 12 consecutive months designated as the budget year. The City's budget year begins October 1 and ends September 30. The State's fiscal year runs from July 1 through June 30.

Fixed Assets - Assets of a long-term character, which are intended to continue to be held or used: land, buildings, improvements other than buildings, and machinery and Equipment.

Franchise Fee - A fee assessed on a business, usually a public utility, in return for the right to operate inside the City limits.

Fund - A set of inter-related accounts to record revenues and expenditures associated with a specific purpose.

Fund Accounting - A government accounting system, which is organized and operated on a fund basis.

Fund Balance - The balances remaining in a fund after expenditures have been subtracted from revenues.

General Fund - A fund used to account for the receipt and expenditure of resources traditionally associated with local government. Some departments/divisions included in the General Fund are Administration, Finance, Library, Cemetery, etc.

Generally Accepted Accounting Principles (GAAP) - The uniform set of authoritative standards and procedures adopted by the accounting profession.

Government Accounting Standards Board (GASB) - A seven-member board organized in 1984 to establish standards of financial accounting and reporting for state and local governmental entities.

Government Finance Officers Association (GFOA) - The professional association of state/provincial and local finance officers in the US and Canada which has served the public finance profession since 1906. The GFOA administers the Distinguished Budget Presentation Awards Program, a voluntary awards program which encourages governments to prepare effective budget documents.

Governmental Funds - Funds generally used to account for tax-supported activities that rely mostly on current assets and current liabilities. There are four different types of governmental funds; general, special revenue, debt service, and capital projects.

Grants - Financial assistance in the form of money, property, or technical assistance in lieu of money, awarded by a governmental agency or private organization to an eligible applicant to accomplish public purposes. Grants obligate the grantee to meet specified objectives and hold the grantee financially liable if funds are not spent in accordance with applicable laws, rules, and regulations of the funding agency.

Homestead Exemption - A deduction from the total taxable assessed value of property permanently occupied by the owner in the State of Florida. The exemption is now \$50,000 for all property owners who qualify.

Impact Fees - A charge for services which is assessed on new construction in order to support specific new demands on a given type of service such as transportation, schools, parks, libraries, wastewater, and water supply systems, fire and police protection, and other government agencies and services. Local governments generally implement impact fees so that existing residents and businesses do not have to pay for needs caused by new developments.

Infrastructure - The basic facilities, services, and installations needed for the functioning of a community or society, such as transportation and communication systems, water and power lines, and public institutions including schools, post offices, and prisons.

Initiatives - Specific programs, activities, projects, or actions an organization will undertake in an effort to meet performance targets.

Inter-fund Transfers - Payments from one fund to another fund, primarily for work or services provided.

Intergovernmental Revenue - Funds received from Federal, State and other Local Government sources in the form of grants, shared revenues, and payments in lieu of taxes for a specific purpose.

Local Option Gas Tax - The local option gas tax is a 30-year tax, begun in 1983, to fund transportation related improvements.

Millage - The tax rate on real property based on 1 mill equals \$1 per \$1,000 of assessed property value.

Non-Recurring Expense - Non-recurring expenses are comprised of those that exist only for a limited period, or whose amounts vary considerably from one year to the next. Examples of non-recurring expenses include grants to private organizations or other governments, and one-time expenses for special projects.

Non-Recurring Revenue - Non-Recurring revenues are comprised of sources that exist only for a limited period, or are amounts that vary considerably from one year to the next. Examples of non-recurring revenues include proceeds from grants and the sale of land.

Object Code - Unique identification number and title for an expenditure category.

Operating Budget - A budget for general expenditures such as salaries, utilities, and supplies.

Operating Expenses - These are expenses of day-to-day operations and exclude personal services and capital expenses.

Ordinance - A formal legislative enactment by the legislative body which, if not in conflict with any higher form of law, has the full force and effect of law within the boundaries of the municipality to which it applies. An ordinance requires more legal formality and has a higher legal status than a resolution. Revenue raising measures, such as the imposition of taxes, special assessments, and service charges, universally require ordinances.

Personnel Expenditures - Salaries, wages, taxes and fringe benefits such as pensions and insurance.

Property Tax - A tax levied on the assessed value of real property. This tax is also known as Ad Valorem Tax.

Recurring Expense - Expenses, which continue from year to year, where a similar amount can be expected annually. Examples include personnel expenses, and charges for utilities.

Recurring Revenue - Revenue sources which continue from year to year, where a similar amount can be expected annually. Examples include property taxes, utility taxes, and license fees.

Reserve - An un-appropriated source of funding not required for expenditure in the current budget year that is set aside to meet unexpected budgetary needs such as emergencies or unforeseen requirements.

Resolution - A special or temporary order of a legislative body that requires less legal formality and has a lower legal status than an ordinance or statute.

Rollback Rate - The millage rate which, (exclusive of new construction, additions to structures, and deletions), will provide the same ad valorem tax revenue for each taxing authority as was levied during the prior year.

Sources - Total revenues and transfers from other funds that increase net financial resources.

Special Revenue Fund - A fund that is used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.

Tax Year - The calendar year in which tax bills are sent to property owners.

Taxing Authority - A government body, such as a City, county, or school board, with authority to levy property taxes.

Transfers - A transaction that reallocates all or part of any item in an approved budget to another line item.

Truth in Millage (TRIM) Notice - A notice sent annually to property taxpayers, which explains any changes in the millage rate of each taxing authority from the prior year. The notice also includes the time and place of public hearings on adopted millage rates.

User Charges - The payment of a fee for direct receipt of a public service by the party benefiting from the service.

Utility Tax - A tax levied by cities on the consumers of various utilities such as electricity, telephones, or gas.