

## INDEPENDENT AUDITOR'S REPORT

March 29, 2018

Honorable Mayor and Members of  
the Town Commission  
Town of Lady Lake, Florida

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, and each major fund of the Town of Lady Lake, Florida as of and for the year ended September 30, 2017, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements, and the individual fund financial statements of the Town of Lady Lake, Florida as of and for the years ended September 30, 2017 and 2016, as listed in the table of contents.

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

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

### ***Auditor's Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements.

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

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

### ***Opinions***

In our opinion, the financial statements referred to in the first paragraph present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities and each major fund of the Town of Lady Lake, Florida as of September 30, 2017, and the respective changes in financial position and, where applicable, cash flows thereof, and the respective budgetary comparison for the General Fund and the Sales Tax Revenue Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Also, in our opinion, the individual fund financial statements as of September 30, 2017 and 2016, and for the years then ended, present fairly, in all material respects, the financial position of each of the individual funds of the Town of Lady Lake, Florida, as of September 30, 2017 and 2016, and the results of operations of such funds and the cash flows of individual proprietary funds for the years then ended in conformity with accounting principles generally accepted in the United States of America.

### ***Other Matters***

#### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 5 through 16, and the required supplementary information as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Government Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### ***Other Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Lady Lake, Florida's basic financial statements and on the individual fund financial statements. The financial information listed in the table of contents as Schedule of Budgetary Compliance, Capital Assets Used in the Operation of Governmental Activities, Schedule of Expenditures of Federal Awards and State Financial Assistance, and the Statistical Section are presented for the purpose of additional analysis and are not a required part of the basic financial statements. The Schedule of Expenditures of Federal Awards and State Financial Assistance is presented for the purpose of additional analysis as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

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

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated March 29, 2018 on our consideration of the Town of Lady Lake's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town of Lady Lake's internal control over financial reporting and compliance.

Shumacker, Johnston & Ross, PA

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

March 29, 2018

Honorable Mayor and Members of  
The Town Commission  
Town of Lady Lake, Florida

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Lady Lake, Florida, as of and for the year ended September 30, 2017, which collectively comprise the Town of Lady Lake, Florida's basic financial statements, and have issued our report thereon dated March 29, 2018. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Town of Lady Lake, Florida's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control. Accordingly, we do not express an opinion on the effectiveness of the Town of Lady Lake's internal control.

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Town of Lady Lake, Florida's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

Shumacker, Johnston & Ross, PA

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

March 29, 2018

Honorable Mayor and Members of the  
Town Commission  
Town of Lady Lake, Florida

We have examined management's assertion included in its representation letter dated March 29, 2018 that the Town of Lady Lake, Florida complied with the allowable cost requirements of the grants and aids appropriations identified in the Schedule of Expenditures of Federal Awards and State Financial Assistance for the year ended September 30, 2017. Management is responsible for the Town of Lady Lake, Florida's compliance with those requirements. Our responsibility is to express an opinion on management's assertion about the Town's compliance based on our examination.

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

In our opinion, management's assertion that the Town of Lady Lake, Florida complied with the allowable cost requirements of the grants and aids appropriations identified in the Schedule of Expenditures of Federal Awards and State Financial Assistance during the year ended September 30, 2017 is fairly stated, in all material respects.

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

Shumacker, Johnston & Ross, PA

## MANAGEMENT LETTER

March 29, 2018

Honorable Mayor and Members of  
the Town Commission  
Town of Lady Lake, Florida

We have audited the basic financial statements of the Town of Lady Lake, Florida as of and for the year ended September 30, 2017, and have issued our report thereon dated March 29, 2018.

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

1. There were no significant findings or recommendations made in the preceding annual financial audit.
2. We have made no recommendations to improve the Town's present financial management, accounting procedures, and internal controls.
3. We did not discover any violations of provisions of contracts or grant agreements, fraud, illegal acts, or abuse that have an effect on the financial statements that warrants the attention of those charged with governance.
4. The name of the primary government is the Town of Lady Lake, Florida, created by special act of the Florida Legislature, Chapter 12956, Laws of Florida, 1927. There are no component units included within the reporting entity.
- 5a. The town has not met any of the financial emergency conditions described in Section 218.503(1), *Florida Statutes*.
- 5b. The financial report filed with the Florida Department of Financial Services pursuant to Section 218.32(1)(a), *Florida Statutes* is in agreement with the annual financial audit report for the year ended September 30, 2017.

5c. Financial condition assessment procedures pursuant to Rule 10.556(8) were applied during the audit of the basic financial statements. The Town is not, and during the fiscal year, was not experiencing deteriorating financial conditions which may cause a financial emergency described in Section 218.503(1), *Florida Statutes*. Accordingly, we have made no recommendations addressing deteriorating financial conditions in accordance with Rule 10.557(4)(b).

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

Shumacker, Johnston & Ross, PA



## INDEPENDENT AUDITOR'S REPORT

March 29, 2018

Honorable Mayor and Members of the  
Town Commission  
Town of Lady Lake, Florida

We have examined the Town of Lady Lake, Florida's compliance with the requirements of Section 218.415, *Florida Statutes*, regarding the investment of public funds during the year ended September 30, 2017. Management is responsible for the Town's compliance with those requirements. Our responsibility is to express an opinion on the Town's compliance based on our examination.

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

In our opinion, the Town complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2017.

Shumacker, Johnston & Ross, PA

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**TOWN OF LADY LAKE, FLORIDA**  
**STATEMENT OF NET POSITION**  
**SEPTEMBER 30, 2017**

<u>ASSETS</u>	<u>GOVERNMENTAL ACTIVITIES</u>	<u>BUSINESS-TYPE ACTIVITIES</u>	<u>TOTAL</u>
Cash and Equivalents	\$ 6,836,315	\$ 2,081,248	\$ 8,917,563
Investments	5,133,947	-	5,133,947
Receivables (net of allowance for uncollectibles)	312,143	264,330	576,473
Due from Other Governments	391,123	6,052	397,175
Internal Balances	3,180	(3,180)	-
Assets Held for Resale	6,800	-	6,800
Inventory and Prepaid Items	42,688	88,868	131,556
Restricted Cash	-	2,392,959	2,392,959
Capital Assets (net of accumulated depreciation and amortization):			
Sewer Capacity Reservation Agreement	-	995,897	995,897
Land	2,081,694	509,453	2,591,147
Buildings	7,656,152	180,225	7,836,377
Improvements Other Than Buildings	923,774	-	923,774
Equipment	1,101,436	408,971	1,510,407
Infrastructure and Utility Systems	2,592,932	17,188,152	19,781,084
Construction in Progress	344,634	74,419	419,053
Net Pension Asset	898,810	-	898,810
Total Assets	<u>28,325,628</u>	<u>24,187,394</u>	<u>52,513,022</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>			
Deferred Outflows Pension-Related	<u>554,028</u>	-	<u>554,028</u>
<u>LIABILITIES</u>			
Accounts Payable	517,451	20,885	538,336
Accrued Liabilities	195,901	28,417	224,318
Customer Deposits	-	573,678	573,678
Due to Other Governments	138,717	-	138,717
Unearned Revenue	44,646	31,757	76,403
Noncurrent Liabilities:			
Due within one year	349,870	41,444	391,314
Due in more than one year	74,217	14,562	88,779
Total Liabilities	<u>1,320,802</u>	<u>710,743</u>	<u>2,031,545</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Deferred Inflows Pension-Related	<u>450,594</u>	-	<u>450,594</u>
<u>NET POSITION</u>			
Net Investment in Capital Assets	14,700,622	19,356,812	34,057,434
Restricted for:			
Capital Improvements	379,212	1,819,281	2,198,493
Police	3,572	-	3,572
Education	1,625,466	-	1,625,466
Building Inspections	52,037	-	52,037
Unrestricted	<u>10,347,351</u>	<u>2,300,558</u>	<u>12,647,909</u>
Total Net Position	<u>\$ 27,108,260</u>	<u>\$ 23,476,651</u>	<u>\$ 50,584,911</u>

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

**TOWN OF LADY LAKE  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED SEPTEMBER 30, 2017**

FUNCTIONS/PROGRAMS	EXPENSES	PROGRAM REVENUES		
		CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS
Governmental Activities:				
General Government	\$ 1,903,693	\$ 147,905	\$ 52,300	\$ -
Public Safety	3,924,096	1,297,263	35,948	-
Growth Management	325,481	123,685	-	-
Public Works	1,950,796	116,439	143,992	-
Culture and Recreation	1,482,354	66,544	136,608	546,634
Interest on Long-term Debt	4,819	-	-	-
Total Governmental Activities	<u>9,591,239</u>	<u>1,751,836</u>	<u>368,848</u>	<u>546,634</u>
Business-Type Activities				
Water	1,332,455	1,179,920	-	206,862
Sewer	1,375,192	860,488	-	88,816
Garbage	1,071,930	1,170,324	-	-
Total Business-Type Activities	<u>3,779,577</u>	<u>3,210,732</u>	<u>-</u>	<u>295,678</u>
Total	<u>\$ 13,370,816</u>	<u>\$ 4,962,568</u>	<u>\$ 368,848</u>	<u>\$ 842,312</u>

General Revenues:  
 Property Taxes  
 Sales Taxes  
 Franchise Fees  
 Utility Taxes  
 Excise Taxes  
 Unrestricted Investment Earnings  
 Gain on Sale of Capital Assets  
 Transfers

Total General Revenues and Transfers

Change in Net Position

Net Position - Beginning

Net Position - Ending

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

NET (EXPENSE) REVENUE AND  
CHANGES IN NET POSITION

<u>GOVERNMENTAL ACTIVITIES</u>	<u>BUSINESS-TYPE ACTIVITIES</u>	<u>TOTAL</u>
\$ (1,703,488)	\$ -	\$ (1,703,488)
(2,590,885)	-	(2,590,885)
(201,796)	-	(201,796)
(1,690,365)	-	(1,690,365)
(732,568)	-	(732,568)
(4,819)	-	(4,819)
<u>(6,923,921)</u>	<u>-</u>	<u>(6,923,921)</u>
-	54,327	54,327
-	(425,888)	(425,888)
-	98,394	98,394
<u>-</u>	<u>(273,167)</u>	<u>(273,167)</u>
<u>(6,923,921)</u>	<u>(273,167)</u>	<u>(7,197,088)</u>
3,156,218	-	3,156,218
2,219,432	-	2,219,432
1,390,322	-	1,390,322
2,094,236	-	2,094,236
943,577	-	943,577
55,887	30,604	86,491
20,036	-	20,036
141,500	(141,500)	-
<u>10,021,208</u>	<u>(110,896)</u>	<u>9,910,312</u>
3,097,287	(384,063)	2,713,224
<u>24,010,973</u>	<u>23,860,714</u>	<u>47,871,687</u>
<u>\$ 27,108,260</u>	<u>\$ 23,476,651</u>	<u>\$ 50,584,911</u>

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**TOWN OF LADY LAKE, FLORIDA  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
SEPTEMBER 30, 2017**

<u>ASSETS</u>	<u>GENERAL</u>	<u>SALES TAX REVENUE</u>	<u>TOTAL GOVERNMENTAL FUNDS</u>
Cash and Equivalents	\$ 5,703,730	\$ 1,132,585	\$ 6,836,315
Investments	5,133,947	-	5,133,947
Accounts Receivable (net of allowance for uncollectibles)	312,143	-	312,143
Due from Other Funds	3,180	-	3,180
Due from Other Governments	256,922	134,201	391,123
Real Property Held for Resale	6,800	-	6,800
Prepaid Items	42,688	-	42,688
Total Assets	<u>\$ 11,459,410</u>	<u>\$ 1,266,786</u>	<u>\$ 12,726,196</u>
<u>LIABILITIES</u>			
Accounts Payable	\$ 517,451	\$ -	\$ 517,451
Accrued Liabilities	195,901	-	195,901
Due to Other Governments	2,404	-	2,404
Unearned Revenue	44,646	-	44,646
Total Liabilities	<u>760,402</u>	<u>-</u>	<u>760,402</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Unavailable Revenue	125,882	-	125,882
<u>FUND BALANCES</u>			
Nonspendable	49,488	-	49,488
Restricted	2,060,287	1,266,786	3,327,073
Committed	1,700,000	-	1,700,000
Assigned	158,777	-	158,777
Unassigned	6,604,574	-	6,604,574
Total Fund Balances	<u>10,573,126</u>	<u>1,266,786</u>	<u>11,839,912</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 11,459,410</u>	<u>\$ 1,266,786</u>	<u>\$ 12,726,196</u>
Amounts reported for governmental activities in the Statement of Net Position are different because:			
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. Cost of capital assets \$25,680,805 less accumulated depreciation of \$10,980,183.			14,700,622
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.			125,882
Net pension asset is not an available financial resource and, therefore, is not reported as an asset in the funds.			898,810
Deferred outflows \$554,028 and deferred inflows \$(450,594) related to pensions are not reported in the governmental funds but will be recognized in pension expense on a long term basis.			103,434
Communications services tax refund liability is not due and payable in the current period and, accordingly, is not reported in the governmental funds.			(136,313)
Long-term liabilities are not due and payable in the current-period and, accordingly, are not reported in the governmental funds. Long term liabilities consist of compensated absences.			(424,087)
NET POSITION OF GOVERNMENTAL ACTIVITIES			<u>\$ 27,108,260</u>

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

**TOWN OF LADY LAKE, FLORIDA**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2017**

	<u>GENERAL</u>	<u>SALES TAX REVENUE</u>	<u>TOTAL GOVERNMENTAL FUNDS</u>
<b>REVENUES:</b>			
Taxes	\$ 6,460,046	\$ 1,366,700	\$ 7,826,746
Licenses and Permits	496,752	-	496,752
Intergovernmental	1,949,676	-	1,949,676
Charges for Services	252,829	-	252,829
Fines and Forfeitures	35,031	-	35,031
Miscellaneous	1,226,358	1,114	1,227,472
<b>Total Revenues</b>	<u>10,420,692</u>	<u>1,367,814</u>	<u>11,788,506</u>
<b>EXPENDITURES:</b>			
Current:			
General Government	1,912,327	-	1,912,327
Public Safety	4,482,304	-	4,482,304
Growth Management	310,336	-	310,336
Public Works	1,782,135	-	1,782,135
Culture and Recreation	1,157,207	-	1,157,207
Capital Outlay	907,063	-	907,063
Debt Service:			
Principal	1,417,934	-	1,417,934
Interest	9,897	-	9,897
<b>Total Expenditures</b>	<u>11,979,203</u>	<u>-</u>	<u>11,979,203</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(1,558,511)</u>	<u>1,367,814</u>	<u>(190,697)</u>
<b>OTHER FINANCING SOURCES (USES):</b>			
Transfers In	1,777,331	-	1,777,331
Transfers Out	-	(1,635,831)	(1,635,831)
Sale of Capital Assets	9,082	-	9,082
<b>Total Other Financing Sources (Uses)</b>	<u>1,786,413</u>	<u>(1,635,831)</u>	<u>150,582</u>
<b>Net Change in Fund Balances</b>	227,902	(268,017)	(40,115)
Fund Balance, Beginning of Year	<u>10,345,224</u>	<u>1,534,803</u>	<u>11,880,027</u>
Fund Balance, End of Year	<u>\$ 10,573,126</u>	<u>\$ 1,266,786</u>	<u>\$ 11,839,912</u>

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



**TOWN OF LADY LAKE, FLORIDA  
RECONCILIATION OF THE STATEMENT OF REVENUES,  
EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED SEPTEMBER 30, 2017**

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

Net Change in Fund Balances - Total Governmental Funds	\$ (40,115)
Governmental funds report capital outlays as expenditures. In the Statement of Activities the costs of those assets are allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays, \$1,596,592, exceeded depreciation, \$940,454, in the current period.	656,138
The effect of various miscellaneous transactions involving capital assets (i.e. sales and donations) is to increase net assets.	10,954
Revenues in the Statement of Activities that do not provide current financial resources (Federal grants, fire assessments) are not reported as revenues in the funds.	124,700
Interest accrued on long-term debt reported in the Statement of Activities does not require the use of current financial resources and, therefore, is not reported as expenditures in governmental funds.	5,078
Repayment of long-term debt is reported as an expenditure in governmental funds, but a reduction of long-term liabilities in the Statement of Net Position.	1,417,934
Current year repayment of communications services tax that was overpaid to the Town by the State of Florida in prior years uses current financial resources in the governmental funds, but is reported as a liability in prior years in the Statement of Activities.	613,784
Compensated absences reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.	(106,116)
Changes in pension expense do not require the use of current financial resources and therefore, are not reported as expenditures in governmental funds.	<u>414,930</u>
Change in Net Position of Governmental Activities	<u><u>\$ 3,097,287</u></u>

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

**TOWN OF LADY LAKE, FLORIDA**  
**GENERAL FUND**  
**STATEMENT OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2017**

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
<b>REVENUES:</b>				
Taxes	\$ 6,703,635	\$ 6,703,635	\$ 6,460,046	\$ (243,589)
Licenses and Permits	396,850	396,850	496,752	99,902
Intergovernmental	1,435,300	1,824,000	1,949,676	125,676
Charges for Services	174,245	227,223	252,829	25,606
Fines and Forfeitures	28,900	28,900	35,031	6,131
Miscellaneous	911,275	981,554	1,226,358	244,804
<b>Total Revenues</b>	<b>9,650,205</b>	<b>10,162,162</b>	<b>10,420,692</b>	<b>258,530</b>
<b>EXPENDITURES:</b>				
Current:				
General Government	1,167,687	1,970,915	1,912,327	58,588
Public Safety	4,299,819	4,638,303	4,482,304	155,999
Growth Management	295,841	310,866	310,336	530
Public Works	1,874,879	1,827,332	1,782,135	45,197
Culture and Recreation	2,154,094	1,219,805	1,157,207	62,598
Capital Outlay	-	904,310	907,063	(2,753)
Debt Service	948,000	1,427,832	1,427,831	1
<b>Total Expenditures</b>	<b>10,740,320</b>	<b>12,299,363</b>	<b>11,979,203</b>	<b>320,160</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,090,115)	(2,137,201)	(1,558,511)	578,690
<b>OTHER FINANCING SOURCES:</b>				
Transfers In	1,255,500	1,777,372	1,777,331	(41)
Sale of Capital Assets	-	-	9,082	9,082
<b>Total Other Financing Sources</b>	<b>1,255,500</b>	<b>1,777,372</b>	<b>1,786,413</b>	<b>9,041</b>
<b>Net Change in Fund Balance</b>	<b>165,385</b>	<b>(359,829)</b>	<b>227,902</b>	<b>587,731</b>
Fund Balance, Beginning of Year	10,345,224	10,345,224	10,345,224	-
<b>Fund Balance, End of Year</b>	<b>\$ 10,510,609</b>	<b>\$ 9,985,395</b>	<b>\$ 10,573,126</b>	<b>\$ 587,731</b>

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

**TOWN OF LADY LAKE, FLORIDA  
SALES TAX REVENUE FUND  
STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED SEPTEMBER 30, 2017**

	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE WITH FINAL BUDGET</u>
<b>REVENUES:</b>				
Taxes	\$ 1,200,000	\$ 1,200,000	\$ 1,366,700	\$ 166,700
Miscellaneous	500	500	1,114	614
Total Revenues	<u>1,200,500</u>	<u>1,200,500</u>	<u>1,367,814</u>	<u>167,314</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers Out	<u>(1,156,000)</u>	<u>(1,635,832)</u>	<u>(1,635,831)</u>	<u>1</u>
Total Other Financing Sources (Uses)	<u>(1,156,000)</u>	<u>(1,635,832)</u>	<u>(1,635,831)</u>	<u>1</u>
Net Change in Fund Balance	44,500	(435,332)	(268,017)	167,315
Fund Balance, Beginning of Year	<u>1,534,803</u>	<u>1,534,803</u>	<u>1,534,803</u>	<u>-</u>
Fund Balance, End of Year	<u><u>\$ 1,579,303</u></u>	<u><u>\$ 1,099,471</u></u>	<u><u>\$ 1,266,786</u></u>	<u><u>\$ 167,315</u></u>

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

**TOWN OF LADY LAKE, FLORIDA**  
**STATEMENT OF NET POSITION**  
**PROPRIETARY FUND**  
**SEPTEMBER 30, 2017**

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<u>ASSETS</u>	<u>UTILITY FUND</u>
<b>CURRENT ASSETS:</b>	
Cash	\$ 2,081,248
Restricted Cash:	
Customer Deposits	573,678
Customer Receivables, net of allowance for uncollectibles	264,330
Due from Other Governments	6,052
Inventory	82,259
Prepaid Items	<u>6,609</u>
 Total Current Assets	 <u>3,014,176</u>
 <b>NONCURRENT ASSETS:</b>	
Restricted Cash:	
Capital Improvements	<u>1,819,281</u>
Capital Assets:	
Sewer Capacity Reservation Agreement, net of accumulated amortization	<u>995,897</u>
Property, Plant and Equipment:	
Land	509,453
Buildings	346,587
Utility Systems	28,278,594
Equipment	1,867,538
Construction in Progress	<u>74,419</u>
	31,076,591
Less Accumulated Depreciation	<u>12,715,371</u>
 Net Property, Plant and Equipment	 <u>18,361,220</u>
 Total Capital Assets	 <u>19,357,117</u>
 Total Noncurrent Assets	 <u>21,176,398</u>
 Total Assets	 <u>24,190,574</u>

**TOWN OF LADY LAKE, FLORIDA**  
**STATEMENT OF NET POSITION (Continued)**  
**PROPRIETARY FUND**  
**SEPTEMBER 30, 2017**

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<u>LIABILITIES</u>	<u>UTILITY FUND</u>
<b>CURRENT LIABILITIES:</b>	
Accounts Payable	\$ 20,885
Accrued Expenses	28,417
Compensated Absences	41,444
Due to Other Funds	3,180
Customer Deposits	<u>573,678</u>
Total Current Liabilities	<u>667,604</u>
<b>NONCURRENT LIABILITIES:</b>	
Compensated Absences	14,562
Unearned Revenue	<u>31,757</u>
Total Noncurrent Liabilities	<u>46,319</u>
Total Liabilities	<u>713,923</u>
 <u>NET POSITION</u>  	
Net Investment in Capital Assets	19,356,812
Restricted for Capital Improvements	1,819,281
Unrestricted	<u>2,300,558</u>
Total Net Position	<u><u>\$ 23,476,651</u></u>

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

**TOWN OF LADY LAKE, FLORIDA  
STATEMENT OF REVENUES, EXPENSES,  
AND CHANGES IN FUND NET POSITION  
PROPRIETARY FUND  
FOR THE YEAR ENDED SEPTEMBER 30, 2017**

	UTILITY FUND
<b>OPERATING REVENUES:</b>	
Water Sales	\$ 1,116,421
Sewer Revenue	702,861
Reuse Water Sales	137,495
Connection Fees	40,418
Garbage Revenue	1,170,324
Late Fees and Other Revenue	43,213
Total Operating Revenues	3,210,732
<b>OPERATING EXPENSES:</b>	
Personal Services	739,360
Garbage Contract Services	1,071,930
Other Operating Expenses	901,578
Depreciation and Amortization	1,076,701
Total Operating Expenses	3,789,569
Net Operating Loss	(578,837)
<b>NONOPERATING REVENUES (EXPENSES):</b>	
Interest Revenue	30,604
Gain on Sale of Capital Assets	9,992
Total Nonoperating Revenues (Expenses)	40,596
Loss Before Contributions and Transfers	(538,241)
<b>CAPITAL CONTRIBUTIONS:</b>	
Water, Sewer, and Reuse Impact Fees	295,678
<b>TRANSFERS OUT</b>	(141,500)
Change in Net Position	(384,063)
Total Net Position, Beginning of Year	23,860,714
Total Net Position, End of Year	\$ 23,476,651

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

**TOWN OF LADY LAKE, FLORIDA**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUND**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2017**

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	UTILITY FUND
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>	
Cash Received from Customers	\$ 3,216,147
Cash Payments to Employees for Services	(703,987)
Cash Payments to Suppliers for Goods and Services	(1,993,230)
Net Cash Provided by Operating Activities	518,930
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>	
Transfer to General Fund	(141,500)
Net Cash Used in Noncapital Financing Activities	(141,500)
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>	
Capital Contributions	295,678
Acquisition and Construction of Capital Assets	(628,193)
Proceeds from Sale of Capital Assets	9,992
Net Cash Used in Capital and Related Financing Activities	(322,523)
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>	
Interest Received	30,604
Net Cash Provided by Investing Activities	30,604
NET INCREASE IN CASH	85,511
Cash at Beginning of Year	4,388,696
Cash at End of Year	\$ 4,474,207

*Continued on next page*

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

**TOWN OF LADY LAKE, FLORIDA**  
**STATEMENT OF CASH FLOWS (Continued)**  
**PROPRIETARY FUND**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2017**

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	UTILITY FUND
RECONCILIATION OF OPERATING LOSS TO NET CASH PROVIDED BY OPERATING ACTIVITIES:	
Operating Loss	\$ (578,837)
Adjustments to reconcile operating loss to net cash provided by operating activities:	
Depreciation and Amortization	1,076,701
Increase in Customer Receivables	(399)
Increase in Due from Other Governments	(6,230)
Increase in Inventory	(17,887)
Increase in Prepaid Expenses	(3,609)
Increase in Accounts Payable	1,916
Decrease in Due to Other Funds	(142)
Increase in Accrued Expenses	8,183
Increase in Compensated Absences	27,190
Increase in Customer Deposits	12,044
	1,097,767
Total Adjustments	1,097,767
Net Cash Provided by Operating Activities	\$ 518,930
NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES:	
Utility Building engineering on account	\$ 305

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



**TOWN OF LADY LAKE, FLORIDA**  
**STATEMENT OF FIDUCIARY NET POSITION**  
**FIDUCIARY FUNDS**  
**SEPTEMBER 30, 2017**

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<u>ASSETS</u>	<u>PENSION TRUST FUNDS</u>
Cash	\$ 3,875
Loans Receivable	138,541
Investments with Trustees:	
Cash Management Funds	327,733
Corporate Equities	6,247,967
Corporate and Foreign Bonds	2,098,444
Real Estate Funds	<u>808,535</u>
 Total Assets	 <u>9,625,095</u>
 <u>LIABILITIES</u>	
Accounts Payable	<u>3,427</u>
 Total Liabilities	 <u>3,427</u>
 <u>NET POSITION RESTRICTED FOR PENSIONS</u>	
Held in Trust for Officers' Contributions	487,560
Held in Trust for Town's Contributions	2,179,894
Held in Trust for Pension Benefits	<u>6,954,214</u>
 Total Net Position Restricted for Pensions	 <u><u>\$ 9,621,668</u></u>

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

**TOWN OF LADY LAKE, FLORIDA**  
**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION**  
**FIDUCIARY FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2017**

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	<u>PENSION TRUST FUNDS</u>
<u>ADDITIONS</u>	
Contributions:	
Town	\$ 288,155
Employees	73,340
State of Florida	<u>102,879</u>
Total Contributions	<u>464,374</u>
Investment Income:	
Net Appreciation in Fair Value of Investments	668,718
Dividend Income	345,056
Interest Income	<u>2,852</u>
Total Investment Income	1,016,626
Less Investment Expense	<u>(30,639)</u>
Net Investment Income	<u>985,987</u>
Total Additions	<u>1,450,361</u>
<u>DEDUCTIONS</u>	
Retirement Benefits	340,673
Refunds of Contributions	17,619
Administration Expense	<u>28,888</u>
Total Deductions	<u>387,180</u>
CHANGE IN NET POSITION	1,063,181
<u>NET POSITION RESTRICTED FOR PENSIONS</u>	
Beginning of Year	<u>8,558,487</u>
End of Year	<u><u>\$ 9,621,668</u></u>

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

**TOWN OF LADY LAKE, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2017**

**NOTE 6 CAPITAL ASSETS**

Capital asset activity for the year ended September 30, 2017 was as follows:

	September 30, 2016	Additions	Transfers/ Disposals	September 30, 2017
<b>Governmental Activities:</b>				
Land (not being depreciated)	\$ 2,071,389	\$ -	\$ 10,305	\$ 2,081,694
Construction in Progress	246,472	266,371	(168,209)	344,634
	<u>2,317,861</u>	<u>266,371</u>	<u>(157,904)</u>	<u>2,426,328</u>
<b>Capital assets being depreciated:</b>				
Buildings	12,074,934	247,228	-	12,322,162
Improvements	1,993,535	202,632	20,108	2,216,275
Equipment	4,843,528	486,897	(30,913)	5,299,512
Infrastructure	2,874,963	393,464	148,101	3,416,528
	<u>21,786,960</u>	<u>1,330,221</u>	<u>137,296</u>	<u>23,254,477</u>
<b>Less accumulated depreciation for:</b>				
Buildings	(4,259,382)	(406,628)	-	(4,666,010)
Improvements	(1,221,082)	(71,419)	-	(1,292,501)
Equipment	(3,879,762)	(349,876)	31,562	(4,198,076)
Infrastructure	(711,065)	(112,531)	-	(823,596)
	<u>(10,071,291)</u>	<u>(940,454)</u>	<u>31,562</u>	<u>(10,980,183)</u>
Total Being Depreciated, net	<u>11,715,669</u>	<u>389,767</u>	<u>168,858</u>	<u>12,274,294</u>
<b>Governmental Activities</b>				
Capital Assets, net	<u>\$ 14,033,530</u>	<u>\$ 656,138</u>	<u>\$ 10,954</u>	<u>\$ 14,700,622</u>
<b>Business-Type Activities:</b>				
Land (not being depreciated)	\$ 509,453	\$ -	\$ -	\$ 509,453
Construction in Progress	679,101	74,419	(679,101)	74,419
	<u>1,188,554</u>	<u>74,419</u>	<u>(679,101)</u>	<u>583,872</u>
<b>Capital assets being depreciated:</b>				
Buildings	346,587	-	-	346,587
Utility Systems	27,347,501	251,992	679,101	28,278,594
Equipment	1,821,540	66,693	(20,695)	1,867,538
	<u>29,515,628</u>	<u>318,685</u>	<u>658,406</u>	<u>30,492,719</u>
<b>Less accumulated depreciation for:</b>				
Buildings	(155,607)	(10,755)	-	(166,362)
Utility Systems	(10,185,682)	(904,760)	-	(11,090,442)
Equipment	(1,357,131)	(122,131)	20,695	(1,458,567)
	<u>(11,698,420)</u>	<u>(1,037,646)</u>	<u>20,695</u>	<u>(12,715,371)</u>
Total Being Depreciated, net	<u>17,817,208</u>	<u>(718,961)</u>	<u>679,101</u>	<u>17,777,348</u>
<b>Business-Type Activities</b>				
Capital Assets, net	<u>\$ 19,005,762</u>	<u>\$ (644,542)</u>	<u>\$ -</u>	<u>\$ 18,361,220</u>

**TOWN OF LADY LAKE, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2017**

**NOTE 9 RETIREMENT COMMITMENTS (continued)**

	Police Retirement Trust Fund	Employees Retirement Trust Fund	Total
STATEMENT OF FIDUCIARY NET POSITION AS OF SEPTEMBER 30, 2017			
<u>Assets</u>			
Cash	\$ 3,875	\$ -	\$ 3,875
Loans Receivable	-	138,541	138,541
Investments with Trustees:			
Cash Management Funds	155,060	172,673	327,733
Corporate Equities	4,879,373	1,368,594	6,247,967
Corporate and Foreign Bonds	2,031,993	66,451	2,098,444
Real Estate Funds	802,312	6,223	808,535
<u>Liabilities</u>			
Accounts Payable	(3,427)	-	(3,427)
<u>Net Position</u>			
Restricted for Pension Benefits	\$ 7,869,186	\$ 1,752,482	\$ 9,621,668

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
FOR THE YEAR ENDED SEPTEMBER 30, 2017

<u>Additions</u>			
Contributions			
Town	\$ 151,347	\$ 136,808	\$ 288,155
Employees	73,340	-	73,340
State of Florida	102,879	-	102,879
Total Contributions	327,566	136,808	464,374
Investment Income:			
Net Appreciation in Fair Value of Investments	495,449	173,269	668,718
Dividend and Interest Income	345,382	2,526	347,908
Investment Expense	(30,639)	-	(30,639)
Net Investment Income	810,192	175,795	985,987
Total Additions	1,137,758	312,603	1,450,361
<u>Deductions</u>			
Retirement Benefits	274,506	66,167	340,673
Refunds of Contributions	17,619	-	17,619
Administrative Expense	27,508	1,380	28,888
Total Deductions	319,633	67,547	387,180
Change in Net Position	818,125	245,056	1,063,181
<u>Net Position</u>			
Beginning of Year	7,051,061	1,507,426	8,558,487
End of Year	\$ 7,869,186	\$ 1,752,482	\$ 9,621,668

**TOWN OF LADY LAKE, FLORIDA  
POLICE RETIREMENT TRUST FUND  
REQUIRED SUPPLEMENTARY INFORMATION  
September 30, 2017**

SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS  
Last 10 Fiscal Years\*

	<u>9/30/2014</u>	<u>9/30/2015</u>	<u>9/30/2016</u>
<b><u>Total Pension Liability</u></b>			
Service Cost	\$ 353,104	\$ 346,441	\$ 359,638
Interest	418,085	460,104	488,520
Change in Excess State Money	-	399	3,744
Changes of Benefit Terms	-	-	-
Differences Between Expected and Actual Experience	-	(217,494)	(366,717)
Changes of Assumptions	-	-	122,831
Benefit Payments, Including Refunds of Officer Contributions	<u>(236,641)</u>	<u>(208,033)</u>	<u>(263,148)</u>
Net Change in Total Pension Liability	534,548	381,417	344,868
Total Pension Liability - Beginning	<u>5,204,240</u>	<u>5,738,788</u>	<u>6,120,205</u>
Total Pension Liability - Ending (a)	<u><u>\$ 5,738,788</u></u>	<u><u>\$ 6,120,205</u></u>	<u><u>\$ 6,465,073</u></u>
<b><u>Plan Fiduciary Net Position</u></b>			
Contributions - Town	\$ 262,722	\$ 205,780	\$ 219,966
Contributions - State	88,482	98,306	101,651
Contributions - Officers	77,358	73,002	73,522
Net Investment Income	509,283	(8,855)	587,197
Benefit Payments, Including Refunds of Officer Contributions	(236,641)	(208,033)	(263,148)
Administrative Expense	<u>(25,607)</u>	<u>(31,352)</u>	<u>(29,580)</u>
Net Change in Plan Fiduciary Net Position	675,597	128,848	689,608
Plan Fiduciary Net Position - Beginning	<u>5,558,334</u>	<u>6,233,931</u>	<u>6,362,779</u>
Plan Fiduciary Net Position - Ending (b)	<u><u>\$ 6,233,931</u></u>	<u><u>\$ 6,362,779</u></u>	<u><u>\$ 7,052,387</u></u>
Net Pension Liability - Ending (a-b)	<u><u>\$ (495,143)</u></u>	<u><u>\$ (242,574)</u></u>	<u><u>\$ (587,314)</u></u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	108.63%	103.96%	109.08%
Covered Officer Payroll	\$ 1,547,154	\$ 1,460,023	\$ 1,470,437
Net Pension Liability as a Percentage of Covered Officer Payroll	-32.00%	-16.61%	-39.94%

\* - Pension schedules in the required supplementary information are intended to show information for 10 years. Additional information will be displayed as it becomes available.

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9/30/2017

\$ 346,389  
512,808  
4,972  
-

(63,314)  
-

(292,124)  
508,731  
6,465,073  
\$ 6,973,804

\$ 151,316  
102,879  
73,295  
812,313

(292,124)  
(27,452)  
820,227

7,052,387  
\$ 7,872,614

\$ (898,810)

112.89%

\$ 1,465,893

-61.31%

**TOWN OF LADY LAKE, FLORIDA  
POLICE RETIREMENT TRUST FUND  
REQUIRED SUPPLEMENTARY INFORMATION (Continued)  
SEPTEMBER 30, 2017**

**SCHEDULE OF CONTRIBUTIONS  
Last 10 Fiscal Years \***

	<u>9/30/2014</u>	<u>9/30/2015</u>	<u>9/30/2016</u>	<u>9/30/2017</u>
Actuarially Determined Contribution	\$ 351,204	\$ 303,687	\$ 270,560	\$ 278,520
Contributions in relation to the Actuarially Determined Contributions	351,204	303,687	317,873	249,223
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (47,313)</u>	<u>\$ 29,297</u>
Covered Officer Payroll	\$ 1,547,154	\$ 1,460,023	\$ 1,470,437	\$ 1,465,893
Contributions as a percentage of Covered Officer Payroll	22.70%	20.80%	21.62%	17.00%

**SCHEDULE OF INVESTMENT RETURNS  
Last 10 Fiscal Years \***

Annual Money-Weighted Rate of Return net of Investment Expense	9.08%	-0.14%	9.20%	11.57%
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Notes to Schedules

Valuation Date: 10/1/2015  
Actuarially determined contribution rates are calculated as of October 1, two years prior to the end of the fiscal year in which contributions are reported.

Methods and assumptions used to determine contribution rates:

Funding Method: Entry Age Normal Actuarial Cost Method.  
Amortization Method: Level Percentage of Pay, Closed.  
Remaining Amortization Period: 26 Years (as of 10/01/2014).  
Asset Valuation Method: Each year, the prior Actuarial Value of Assets is brought forward utilizing the historical geometric 4-year average Market Value return. It is possible that over time this technique will produce an insignificant bias above or below Market Value.  
Inflation: 3.00% per year.  
Salary Increases: 6.25% per year until the assumed retirement age. Projected salary at retirement is increased individually to account for non regular compensation.  
Investment Rate of Return: 7.75% per year compounded annually, net of investment related expenses  
Payroll Growth: 4.5% per year.  
Retirement Age: Earlier of age 55 and 10 years of service or the completion of 25 years of service, regardless of age. Also, any Officer who has reached Normal Retirement is assumed to continue employment for one additional year.  
Mortality: RP-2000 Table with no projection. We believe this assumption sufficiently accommodates future mortality improvements. (Disabled lives set forward 5 years).  
Termination and Disability Rates: Termination and Disability Rate Table:

<u>Age</u>	<u>% Terminating During the Year</u>	<u>% Becoming Disabled During the Year</u>
20	12.00%	0.03%
30	10.00%	0.04%
40	5.20%	0.07%
50	1.60%	0.18%

**TOWN OF LADY LAKE, FLORIDA**  
**INDIVIDUAL FUND FINANCIAL STATEMENTS**



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**TOWN OF LADY LAKE, FLORIDA**

**GENERAL FUND**

To account for resources traditionally associated with governments which are not required to be accounted for in another fund.

**TOWN OF LADY LAKE, FLORIDA  
GENERAL FUND  
COMPARATIVE BALANCE SHEETS  
SEPTEMBER 30, 2017 AND 2016**

	2017	2016
<u>ASSETS</u>		
Cash and Equivalents	\$ 5,703,730	\$ 5,147,361
Investments	5,133,947	5,121,182
Accounts Receivable	312,143	300,494
Due from Utility Fund	3,180	3,322
Due from Other Governments:		
State of Florida	159,944	153,502
Lake County	8,449	7,169
Federal	88,529	4,439
Real Property Held for Resale	6,800	6,800
Prepaid Expenditures	42,688	39,231
<b>Total Assets</b>	<b>\$ 11,459,410</b>	<b>\$ 10,783,500</b>
<u>LIABILITIES</u>		
Accounts Payable	\$ 517,451	\$ 234,645
Accrued Payroll and Related Liabilities	195,901	154,613
Due to State of Florida	2,404	2,184
Unearned Revenue - Business Taxes	44,646	45,652
<b>Total Liabilities</b>	<b>760,402</b>	<b>437,094</b>
<u>DEFERRED INFLOWS OF RESOURCES</u>		
Unavailable Revenue:		
Federal FEMA Grant	82,909	-
Fire Assessments	41,791	-
Special Paving Assessments	1,182	1,182
<b>Total Deferred Inflows of Resources</b>	<b>125,882</b>	<b>1,182</b>
<u>FUND BALANCE</u>		
Nonspendable:		
Prepaid Expenditures/Resale Assets	49,488	46,031
Restricted:		
For Police Training/Equipment	3,572	10,956
For Education	1,625,466	1,625,466
For Recreation Capital Improvements	379,212	504,867
For Library Capital Improvements	-	41,254
For Building Inspections	52,037	-
Committed for Capital Improvements	1,700,000	-
Assigned:		
To Tree Beautification	22,464	20,807
To Communications Services Tax Repayment	136,313	750,097
Unassigned	6,604,574	7,345,746
<b>Total Fund Balance</b>	<b>10,573,126</b>	<b>10,345,224</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balance</b>	<b>\$ 11,459,410</b>	<b>\$ 10,783,500</b>

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

**TOWN OF LADY LAKE, FLORIDA**  
**GENERAL FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2017**

**With comparative actual amounts for the year ended September 30, 2016**

	2017		VARIANCE WITH FINAL BUDGET	2016 ACTUAL
	FINAL BUDGET	ACTUAL		
<b>REVENUES:</b>				
Taxes	\$ 6,703,635	\$ 6,460,046	\$ (243,589)	\$ 6,883,457
Licenses and Permits	396,850	496,752	99,902	387,774
Intergovernmental	1,824,000	1,949,676	125,676	1,530,756
Charges for Services	227,223	252,829	25,606	185,214
Fines and Forfeitures	28,900	35,031	6,131	30,624
Miscellaneous	981,554	1,226,358	244,804	1,109,314
<b>Total Revenues</b>	<b>10,162,162</b>	<b>10,420,692</b>	<b>258,530</b>	<b>10,127,139</b>
<b>EXPENDITURES:</b>				
Current:				
General Government	1,970,915	1,912,327	58,588	1,538,019
Public Safety	4,638,303	4,482,304	155,999	4,484,607
Growth Management	310,866	310,336	530	223,873
Public Works	1,827,332	1,782,135	45,197	1,715,032
Culture and Recreation	1,219,805	1,157,207	62,598	1,090,028
Capital Outlay	904,310	907,063	(2,753)	90,776
Debt Service	1,427,832	1,427,831	1	948,000
<b>Total Expenditures</b>	<b>12,299,363</b>	<b>11,979,203</b>	<b>320,160</b>	<b>10,090,335</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,137,201)	(1,558,511)	578,690	36,804
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfer from Sales Tax Revenue Fund	1,635,872	1,635,831	(41)	1,093,341
Transfer from Utility Fund	141,500	141,500	-	222,330
Sale of Capital Assets	-	9,082	9,082	-
<b>Total Other Financing Sources</b>	<b>1,777,372</b>	<b>1,786,413</b>	<b>9,041</b>	<b>1,315,671</b>
<b>Net Change in Fund Balance</b>	<b>(359,829)</b>	<b>227,902</b>	<b>587,731</b>	<b>1,352,475</b>
Fund Balance, Beginning of Year	10,345,224	10,345,224	-	8,992,749
<b>Fund Balance, End of Year</b>	<b>\$ 9,985,395</b>	<b>\$ 10,573,126</b>	<b>\$ 587,731</b>	<b>\$ 10,345,224</b>

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

**TOWN OF LADY LAKE, FLORIDA**  
**GENERAL FUND**  
**SCHEDULE OF REVENUES COMPARED TO BUDGET**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2017**

**With comparative actual amounts for the year ended September 30, 2016**

	2017		VARIANCE WITH FINAL BUDGET	2016 ACTUAL
	FINAL BUDGET	ACTUAL		
<b>TAXES:</b>				
Ad Valorem Taxes	\$ 3,127,553	\$ 3,156,218	\$ 28,665	\$ 3,118,280
Local Option Gas Tax	183,106	260,570	77,464	218,404
County Gas Tax	18,500	19,629	1,129	19,129
Casualty Insurance Premium Tax	98,306	102,879	4,573	101,651
<b>Franchise Fees:</b>				
Electric	1,150,000	1,162,809	12,809	1,170,898
Gas	25,000	24,387	(613)	25,504
Garbage	185,000	203,126	18,126	187,459
<b>Utility Taxes:</b>				
Electric	908,000	978,435	70,435	975,687
Water	173,500	178,550	5,050	184,488
Gas	20,000	20,357	357	20,214
Communications Services Tax	765,000	303,110	(461,890)	812,314
Town Business Tax	49,670	49,976	306	49,429
<b>Total Taxes</b>	<b>6,703,635</b>	<b>6,460,046</b>	<b>(243,589)</b>	<b>6,883,457</b>
<b>LICENSES AND PERMITS:</b>				
Building Permits and Inspections	253,500	292,965	39,465	269,850
Building Plan Review Fees	60,100	64,821	4,721	36,277
Site Plan Review Fees	3,000	10,750	7,750	600
Annexation/Subdivision Fees	45,000	63,085	18,085	26,510
Zoning Fees	22,500	31,500	9,000	31,980
Comp Plan Amendment Fees	4,800	18,350	13,550	10,500
Other Licenses & Permits	7,950	15,281	7,331	12,057
<b>Total Licenses and Permits</b>	<b>396,850</b>	<b>496,752</b>	<b>99,902</b>	<b>387,774</b>
<b>INTERGOVERNMENTAL:</b>				
Federal Law Enforcement Grants	5,100	12,525	7,425	8,659
Federal Transportation Grants	388,700	388,700	-	37,305
State Revenue Sharing	400,000	440,592	40,592	415,885
Mobile Home Licenses	44,000	45,441	1,441	44,846
Alcohol Beverage Licenses	8,500	10,733	2,233	10,414
1/2 Cent Sales Tax	800,000	852,732	52,732	822,900
State Transportation Revenue	40,100	60,483	20,383	59,349
County Library Agreement	124,000	124,713	713	117,439
County Business Tax	13,600	13,757	157	13,959
<b>Total Intergovernmental</b>	<b>1,824,000</b>	<b>1,949,676</b>	<b>125,676</b>	<b>1,530,756</b>

**TOWN OF LADY LAKE, FLORIDA**  
**GENERAL FUND**  
**SCHEDULE OF REVENUES COMPARED TO BUDGET (Continued)**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2017**  
**With comparative actual amounts for the year ended September 30, 2016**

	2017		VARIANCE WITH FINAL BUDGET	2016 ACTUAL
	FINAL BUDGET	ACTUAL		
<b>CHARGES FOR SERVICES:</b>				
Villages - Public Safety	\$ 100,000	\$ 100,000	\$ -	\$ 100,000
Police Services	38,045	26,005	(12,040)	40,248
Road and Street Revenue	77,938	116,439	38,501	33,798
Copies and Certifications	900	612	(288)	978
Town License Plates	-	-	-	3
Library Fees	7,340	6,693	(647)	7,546
Recreation Program Fees	3,000	3,080	80	2,641
<b>Total Charges for Services</b>	<b>227,223</b>	<b>252,829</b>	<b>25,606</b>	<b>185,214</b>
<b>FINES AND FORFEITURES:</b>				
Court Fines	20,000	20,139	139	22,045
Animal Control Citations	1,000	2,590	1,590	1,930
Code Enforcement Fines	2,000	4,889	2,889	461
Police Education	2,500	2,267	(233)	2,558
Parking Fines	-	1,050	1,050	-
Library Fines	3,400	4,096	696	3,630
<b>Total Fines and Forfeitures</b>	<b>28,900</b>	<b>35,031</b>	<b>6,131</b>	<b>30,624</b>
<b>MISCELLANEOUS:</b>				
Interest Earnings	11,200	42,008	30,808	11,799
Net Increase in Fair Value of Investments	60,000	12,765	(47,235)	92,735
Building/Park/Tower Rental Fees	38,975	52,675	13,700	38,419
Paving Assessments	-	600	600	600
Fire Assessments - Villages	750,000	740,746	(9,254)	735,334
Library Impact Fees	-	22,678	22,678	17,204
Recreation Impact Fees	-	135,256	135,256	102,608
Education Impact Fees	-	-	-	9,650
Contributions and Donations	22,425	47,743	25,318	30,836
Fuel Tax Refund	7,100	7,507	407	7,767
Insurance Claim Proceeds	10,000	39,875	29,875	55,106
Loss on Assets Held for Resale	12,500	-	(12,500)	(4,757)
Miscellaneous Revenues	69,354	124,505	55,151	12,013
<b>Total Miscellaneous</b>	<b>981,554</b>	<b>1,226,358</b>	<b>244,804</b>	<b>1,109,314</b>
<b>Total Revenues</b>	<b>\$ 10,162,162</b>	<b>\$ 10,420,692</b>	<b>\$ 258,530</b>	<b>\$ 10,127,139</b>

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

**TOWN OF LADY LAKE, FLORIDA  
GENERAL FUND  
SCHEDULE OF EXPENDITURES COMPARED TO BUDGET  
FOR THE YEAR ENDED SEPTEMBER 30, 2017**

**With comparative actual amounts for the year ended September 30, 2016**

	2017		VARIANCE WITH FINAL BUDGET	2016 ACTUAL
	FINAL BUDGET	ACTUAL		
<b>GENERAL GOVERNMENT:</b>				
Town Commission:				
Personal Services	\$ 39,820	\$ 39,810	\$ 10	\$ 39,799
Operating Expenses	9,905	8,127	1,778	11,793
Total Town Commission	49,725	47,937	1,788	51,592
Town Manager:				
Personal Services	211,181	210,720	461	188,739
Operating Expenses	3,331	3,088	243	2,925
Total Town Manager	214,512	213,808	704	191,664
Town Clerk:				
Personal Services	90,405	90,062	343	86,176
Operating Expenses	13,213	11,637	1,576	9,098
Election Expenses	5,000	-	5,000	-
Total Town Clerk	108,618	101,699	6,919	95,274
Finance Department:				
Personal Services	294,255	284,252	10,003	263,626
Operating Expenses	57,623	51,453	6,170	49,762
Total Finance Department	351,878	335,705	16,173	313,388
Human Resources/Risk Mgmt:				
Personal Services	139,822	139,795	27	129,307
Operating Expenses	23,238	21,255	1,983	22,591
Total Human Resources	163,060	161,050	2,010	151,898
Information Technology:				
Personal Services	132,071	129,221	2,850	146,941
Operating Expenses	156,164	148,619	7,545	107,958
Capital Outlay	62,500	61,414	1,086	22,705
Total Information Technology	350,735	339,254	11,481	277,604
Legal Counsel	125,000	71,869	53,131	63,374

**TOWN OF LADY LAKE, FLORIDA**  
**GENERAL FUND**  
**SCHEDULE OF EXPENDITURES COMPARED TO BUDGET (Continued)**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2017**  
**With comparative actual amounts for the year ended September 30, 2016**

	2017		VARIANCE WITH FINAL BUDGET	2016 ACTUAL
	FINAL BUDGET	ACTUAL		
<b>GENERAL GOVERNMENT (continued):</b>				
Other General Government:				
Operating Expenses	\$ 291,353	\$ 255,745	\$ 35,608	\$ 281,692
Hurricane Irma	-	83,243	(83,243)	-
Aid to Private Organizations	12,000	12,000	-	12,000
Capital Outlay	184,633	184,632	1	20,108
Contingency	4,777	-	4,777	-
Total Other General Government	492,763	535,620	(42,857)	313,800
Facilities Maintenance:				
Personal Services	105,865	97,693	8,172	94,664
Operating Expenses	8,759	7,692	1,067	4,869
Total Facilities Maintenance	114,624	105,385	9,239	99,533
Total General Government	1,970,915	1,912,327	58,588	1,558,127
<b>PUBLIC SAFETY:</b>				
Police Department:				
Personal Services	2,664,741	2,526,675	138,066	2,530,908
Operating Expenses	588,545	576,125	12,420	570,871
Operating Expenses - Federal Grants	6,787	7,367	(580)	4,780
Capital Outlay	311,943	311,942	1	207,301
Capital Outlay - Federal Grants	5,777	5,777	-	5,045
Total Police Department	3,577,793	3,427,886	149,907	3,318,905
Fire Control:				
Operating Expenses	750,000	751,729	(1,729)	750,038
Building Inspections:				
Personal Services	28,704	28,505	199	79,948
Operating Expenses	204,410	202,245	2,165	278,814
Total Building Inspections	233,114	230,750	2,364	358,762
Code Enforcement:				
Personal Services	61,276	43,491	17,785	37,993
Operating Expenses	16,120	28,448	(12,328)	18,909
Total Code Enforcement	77,396	71,939	5,457	56,902
Total Public Safety	4,638,303	4,482,304	155,999	4,484,607
<b>GROWTH MANAGEMENT:</b>				
Personal Services	260,615	260,929	(314)	183,588
Operating Expenses	50,251	49,407	844	40,285
Total Growth Management	310,866	310,336	530	223,873

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**TOWN OF LADY LAKE, FLORIDA**  
**GENERAL FUND**  
**SCHEDULE OF EXPENDITURES COMPARED TO BUDGET (Continued)**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2017**  
**With comparative actual amounts for the year ended September 30, 2016**

	2017		VARIANCE WITH FINAL BUDGET	2016 ACTUAL
	FINAL BUDGET	ACTUAL		
<b>PUBLIC WORKS:</b>				
Administration:				
Personal Services	\$ 194,482	\$ 192,604	\$ 1,878	\$ 183,084
Operating Expenses	47,482	38,457	9,025	32,597
Total Administration	241,964	231,061	10,903	215,681
Streets and Maintenance:				
Personal Services	662,382	645,532	16,850	630,486
Electric-Street Lights	155,105	155,105	-	155,209
Operating Expenses	287,503	283,170	4,333	292,136
Street Resurfacing	259,979	259,978	1	262,741
Capital Outlay	73,400	73,259	141	34,614
Total Streets and Maintenance	1,438,369	1,417,044	21,325	1,375,186
Motor Pool (Fleet Maintenance):				
Personal Services	120,497	112,733	7,764	104,904
Operating Expenses	22,502	17,463	5,039	19,261
Capital Outlay	4,000	3,834	166	-
Total Motor Pool	146,999	134,030	12,969	124,165
Total Public Works	1,827,332	1,782,135	45,197	1,715,032
<b>CULTURE AND RECREATION:</b>				
Library:				
Personal Services	364,469	356,263	8,206	327,697
Operating Expenses	174,627	147,483	27,144	151,678
Operating Expenses - Community Bldg	13,622	11,038	2,584	11,339
Library Books	60,000	60,000	-	53,000
Capital Outlay	247,229	247,228	1	22,205
Debt Service	1,427,832	1,427,831	1	948,000
Total Library	2,287,779	2,249,843	37,936	1,513,919
Parks and Recreation:				
Personal Services	337,685	330,211	7,474	310,730
Operating Expenses	230,202	203,541	26,661	205,379
Capital Outlay	39,200	48,671	(9,471)	8,000
Capital Outlay - Concession Stand	263,617	266,371	(2,754)	43,682
Capital Outlay - Sidewalk Grants	393,464	393,464	-	26,986
Total Parks and Recreation	1,264,168	1,242,258	21,910	594,777
Total Culture and Recreation	3,551,947	3,492,101	59,846	2,108,696
Total Expenditures	\$ 12,299,363	\$ 11,979,203	\$ 320,160	\$ 10,090,335

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

## **TOWN OF LADY LAKE, FLORIDA**

### **SPECIAL REVENUE FUND**

Special revenue funds are used to account for specific revenues that are legally restricted to expenditures for particular purposes.

**Sales Tax Revenue Fund** - This fund is used to account for the Town's share of local government infrastructure surtax revenues that are legally restricted for expenditure on infrastructure. Infrastructure is defined as public facilities with a useful life of at least five years, as well as emergency vehicles.

**TOWN OF LADY LAKE, FLORIDA  
SALES TAX REVENUE FUND  
COMPARATIVE BALANCE SHEETS  
SEPTEMBER 30, 2017 AND 2016**

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<u>ASSETS</u>	<u>2017</u>	<u>2016</u>
Cash	\$ 1,132,585	\$ 1,405,103
Due from State of Florida	<u>134,201</u>	<u>129,700</u>
Total Assets	<u><u>\$ 1,266,786</u></u>	<u><u>\$ 1,534,803</u></u>
<u>LIABILITIES AND FUND BALANCE</u>		
Liabilities	<u>\$ -</u>	<u>\$ -</u>
Fund Balance, Restricted for Infrastructure	<u>1,266,786</u>	<u>1,534,803</u>
Total Liabilities and Fund Balance	<u><u>\$ 1,266,786</u></u>	<u><u>\$ 1,534,803</u></u>

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

**TOWN OF LADY LAKE, FLORIDA**  
**SALES TAX REVENUE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2017**  
**With comparative actual amounts for the year ended September 30, 2016**

	2017		VARIANCE WITH FINAL BUDGET	2016 ACTUAL
	FINAL BUDGET	ACTUAL		
REVENUES:				
Local Government Infrastructure Surtax	\$ 1,200,000	\$ 1,366,700	\$ 166,700	\$ 1,323,561
Interest Earned	500	1,114	614	526
Total Revenues	<u>1,200,500</u>	<u>1,367,814</u>	<u>167,314</u>	<u>1,324,087</u>
OTHER FINANCING SOURCES (USES):				
Transfer to General Fund	<u>(1,635,832)</u>	<u>(1,635,831)</u>	<u>1</u>	<u>(1,093,341)</u>
Total Other Financing Sources (Uses)	<u>(1,635,832)</u>	<u>(1,635,831)</u>	<u>1</u>	<u>(1,093,341)</u>
Net Change in Fund Balance	(435,332)	(268,017)	167,315	230,746
Fund Balance, Beginning of Year	<u>1,534,803</u>	<u>1,534,803</u>	<u>-</u>	<u>1,304,057</u>
Fund Balance, End of Year	<u>\$ 1,099,471</u>	<u>\$ 1,266,786</u>	<u>\$ 167,315</u>	<u>\$ 1,534,803</u>

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

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## **TOWN OF LADY LAKE, FLORIDA**

### **ENTERPRISE FUND**

Enterprise funds are used to account for operations that are financed and operated in a manner similar to private business enterprises - where the intent of the government's council is that the costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or where the government's council has decided that periodic determination of net income is appropriate for accountability purposes.

**Utility Fund** - To account for the provision of water, sewer, and garbage services to residents of the Town.

**TOWN OF LADY LAKE, FLORIDA**  
**UTILITY FUND**  
**COMPARATIVE STATEMENTS OF NET POSITION**  
**SEPTEMBER 30, 2017 AND 2016**

<u>ASSETS</u>	<u>2017</u>	<u>2016</u>
<b>CURRENT ASSETS:</b>		
Cash	\$ 2,081,248	\$ 2,247,739
Restricted Cash:		
Customer Deposits	573,678	561,634
Customer Accounts Receivable, net of allowance for uncollectibles of \$24,985 and \$20,262	170,466	165,661
Unbilled Utility Service Receivables	93,864	97,914
Due from Other Governments	6,052	178
Inventory	82,259	64,372
Prepaid Expenses	6,609	3,000
<b>Total Current Assets</b>	<b>3,014,176</b>	<b>3,140,498</b>
<b>NONCURRENT ASSETS:</b>		
<b>RESTRICTED CASH:</b>		
Impact Fees - Water	1,010,468	867,755
Impact Fees - Sewer	768,337	671,529
Impact Fees - Reuse	40,476	40,039
<b>Total Restricted Cash</b>	<b>1,819,281</b>	<b>1,579,323</b>
<b>SEWER CAPACITY RESERVATION AGREEMENT, net of accumulated amortization of \$633,109 and \$594,054 in 2017 and 2016, respectively</b>	<b>995,897</b>	<b>1,034,952</b>
<b>PROPERTY, PLANT, AND EQUIPMENT:</b>		
Land	509,453	509,453
Buildings	346,587	346,587
Water Utility System	8,158,490	8,151,275
Sewer Utility System	20,120,104	19,196,226
Equipment	1,867,538	1,821,540
Construction in Progress	74,419	679,101
	31,076,591	30,704,182
Less Accumulated Depreciation	12,715,371	11,698,420
<b>Net Property, Plant, and Equipment</b>	<b>18,361,220</b>	<b>19,005,762</b>
<b>Total Assets</b>	<b>24,190,574</b>	<b>24,760,535</b>

**TOWN OF LADY LAKE, FLORIDA**  
**UTILITY FUND**  
**COMPARATIVE STATEMENTS OF NET POSITION (Continued)**  
**SEPTEMBER 30, 2017 AND 2016**

<u>LIABILITIES</u>	<u>2017</u>	<u>2016</u>
<b>CURRENT LIABILITIES:</b>		
Accounts Payable	\$ 20,885	\$ 220,958
Retainage Payable	-	33,100
Accrued Payroll and Related Taxes	28,417	20,234
Accrued Vacation Payable	41,444	22,332
Due to General Fund	3,180	3,322
Customer Deposits	573,678	561,634
<b>Total Current Liabilities</b>	<b>667,604</b>	<b>861,580</b>
<b>NONCURRENT LIABILITIES:</b>		
Accrued Vacation Payable	14,562	6,484
Unearned Revenue	31,757	31,757
<b>Total Noncurrent Liabilities</b>	<b>46,319</b>	<b>38,241</b>
<b>Total Liabilities</b>	<b>713,923</b>	<b>899,821</b>
<b><u>NET POSITION</u></b>		
Net Investment in Capital Assets	19,356,812	19,805,320
Restricted for Utility Capital Improvements	1,819,281	1,579,323
Unrestricted	2,300,558	2,476,071
<b>Total Net Position</b>	<b>\$23,476,651</b>	<b>\$23,860,714</b>

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



**TOWN OF LADY LAKE, FLORIDA**  
**UTILITY FUND**  
**COMPARATIVE STATEMENTS OF REVENUES, EXPENSES,**  
**AND CHANGES IN NET POSITION**  
**FOR THE YEARS ENDED SEPTEMBER 30, 2017 AND 2016**

	2017	2016
<b>OPERATING REVENUES:</b>		
Water Sales	\$ 1,116,421	\$ 1,101,289
Sewer Revenue	702,861	689,499
Reuse Water Sales	137,495	134,127
Connection Fees	40,418	40,037
Garbage Revenue	1,170,324	1,155,701
Late Fees and Other Customer Revenue	43,213	42,452
Total Operating Revenues	3,210,732	3,163,105
<b>OPERATING EXPENSES:</b>		
Personal Services	739,360	667,198
Garbage Contract Services	1,071,930	1,054,906
Repairs and Maintenance	298,682	230,747
Utilities	149,960	157,289
Operating Supplies	116,297	120,154
Insurance	119,542	111,791
Other Contract Services	89,152	87,729
Professional Services	62,317	53,894
Other Operating Expenses	65,628	49,434
Amortization	39,055	39,055
Depreciation	1,037,646	1,035,692
Total Operating Expenses	3,789,569	3,607,889
Net Operating Loss	(578,837)	(444,784)
<b>NONOPERATING REVENUES (EXPENSES):</b>		
Interest Revenue	30,604	14,024
Gain on Sale of Equipment	9,992	-
Total Nonoperating Revenues (Expenses)	40,596	14,024
Loss Before Contributions and Transfers	(538,241)	(430,760)
<b>CAPITAL CONTRIBUTIONS:</b>		
Water Impact Fees	206,862	26,982
Sewer and Reuse Impact Fees	88,816	12,688
<b>TRANSFERS OUT - to General Fund</b>	(141,500)	(222,330)
Change in Net Position	(384,063)	(613,420)
Total Net Position, Beginning of Year	23,860,714	24,474,134
Total Net Position, End of Year	\$ 23,476,651	\$ 23,860,714

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

**TOWN OF LADY LAKE, FLORIDA**  
**UTILITY FUND**  
**COMPARATIVE STATEMENTS OF CASH FLOWS**  
**FOR THE YEARS ENDED SEPTEMBER 30, 2017 AND 2016**

	2017	2016
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Cash Received from Customers	\$ 3,216,147	\$ 3,140,034
Cash Payments to Employees for Services	(703,987)	(660,447)
Cash Payments to Suppliers for Goods and Services	(1,993,230)	(1,891,613)
Net Cash Provided by Operating Activities	518,930	587,974
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>		
Transfer to General Fund	(141,500)	(222,330)
Net Cash Used in Noncapital Financing Activities	(141,500)	(222,330)
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>		
Water, Sewer and Reuse Impact Fees Received	295,678	39,670
Acquisition and Construction of Capital Assets	(628,193)	(617,033)
Proceeds from sale of Equipment	9,992	-
Net Cash Used in Capital and Related Financing Activities	(322,523)	(577,363)
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Interest Received on Demand Deposits	30,604	14,024
Net Cash Provided by Investing Activities	30,604	14,024
<b>NET INCREASE (DECREASE) IN CASH</b>	85,511	(197,695)
Cash at Beginning of Year	4,388,696	4,586,391
Cash at End of Year	\$ 4,474,207	\$ 4,388,696

*Continued on next page*

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

**TOWN OF LADY LAKE, FLORIDA**  
**UTILITY FUND**  
**COMPARATIVE STATEMENTS OF CASH FLOWS (Continued)**  
**FOR THE YEARS ENDED SEPTEMBER 30, 2017 AND 2016**

	2017	2016
RECONCILIATION OF OPERATING LOSS TO NET CASH PROVIDED BY OPERATING ACTIVITIES:		
Operating Loss	\$ (578,837)	\$ (444,784)
Adjustments to reconcile operating loss to net cash provided by operating activities:		
Depreciation and Amortization	1,076,701	1,074,747
Increase in Accounts Receivable	(4,449)	(8,837)
(Increase) Decrease in Unbilled Receivables	4,050	(13,065)
Increase in Due from Other Governments	(6,230)	(178)
(Increase) Decrease in Inventory	(17,887)	3,602
Increase in Prepaid Expenses	(3,609)	-
Increase (Decrease) in Accounts Payable	1,916	(29,679)
Increase (Decrease) in Due to General Fund	(142)	408
Increase in Accrued Payroll and Related Taxes	8,183	6,054
Increase in Accrued Vacation Payable	27,190	697
(Increase) Decrease in Customer Deposits	12,044	(991)
 Total Adjustments	 1,097,767	 1,032,758
 Net Cash Provided by Operating Activities	 \$ 518,930	 \$ 587,974
NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES:		
Utility Building engineering on account	\$ 305	\$ -
Sewer System construction on account	-	235,394.00

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

**TOWN OF LADY LAKE, FLORIDA**  
**UTILITY FUND**  
**SCHEDULE OF BUDGETARY COMPLIANCE**

The Town Commission adopted a budget ordinance for the General, Sales Tax Revenue, and Utility Funds. The budget for the Utility Fund is adopted on an accounting basis other than in accordance with generally accepted accounting principles. The following schedule is presented to report legal compliance with the Town's budget ordinance.

**TOWN OF LADY LAKE, FLORIDA  
UTILITY FUND  
SCHEDULE OF REVENUES AND EXPENSES -  
BUDGET AND ACTUAL (BASIS OTHER THAN GAAP)  
FOR THE YEAR ENDED SEPTEMBER 30, 2017**

	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
<b>REVENUES:</b>			
Water Sales	\$ 1,060,000	\$ 1,116,421	\$ 56,421
Sewer Revenue	658,300	702,861	44,561
Reuse Water Sales	125,300	137,495	12,195
Connection Fees	34,600	40,418	5,818
Garbage Revenue	1,210,500	1,170,324	(40,176)
Late Fees and Other Revenue	45,000	43,213	(1,787)
Interest Revenue	12,225	30,604	18,379
 Total Revenues	 <u>3,145,925</u>	 <u>3,241,336</u>	 <u>95,411</u>
<b>EXPENSES:</b>			
Personal Services - Water	602,551	586,742	15,809
Personal Services - Sewer	159,122	152,618	6,504
Operating Expenses - Water	521,605	453,591	68,014
Operating Expenses - Sewer	493,446	447,987	45,459
Operating Expenses - Garbage	1,091,300	1,071,930	19,370
Amortization	39,055	39,055	-
Building Construction	17,419	17,419	-
Equipment Purchases	97,346	66,693	30,653
Utility System Improvements	894,777	308,992	585,785
Transfers out to General Fund	141,500	141,500	-
 Total Expenses	 <u>4,058,121</u>	 <u>3,286,527</u>	 <u>771,594</u>
 Deficiency of Revenues Under Expenses	 <u>\$ (912,196)</u>	 <u>\$ (45,191)</u>	 <u>\$ 867,005</u>

**TOWN OF LADY LAKE, FLORIDA**  
**CAPITAL ASSETS USED IN THE OPERATION**  
**OF GOVERNMENTAL ACTIVITIES**

**TOWN OF LADY LAKE, FLORIDA**  
**COMPARATIVE SCHEDULE OF CAPITAL ASSETS**  
**USED IN GOVERNMENTAL ACTIVITIES - BY SOURCE**  
**SEPTEMBER 30, 2017 AND 2016**

	2017	2016
<b>CAPITAL ASSETS:</b>		
Land	\$ 2,081,694	\$ 2,071,389
Buildings	12,322,162	12,074,934
Improvements Other Than Buildings	2,216,275	1,993,535
Furniture and Equipment	5,299,512	4,843,528
Infrastructure	3,416,528	2,874,963
Construction in Progress	344,634	246,472
 Total Capital Assets	 \$ 25,680,805	 \$ 24,104,821
 <b>INVESTMENT IN CAPITAL ASSETS FROM:</b>		
Excise Taxes Revenue Bonds	\$ 375,000	\$ 375,000
Capital Improvement Revenue Bonds	293,287	293,287
Federal Grants	2,074,396	1,680,538
State of Florida Grants	582,278	582,278
Lake County Grants	631,040	631,040
Donations and Developer Contributions	2,575,966	2,518,341
General Fund Revenues	19,148,838	18,024,337
 Total Investment in Capital Assets	 \$ 25,680,805	 \$ 24,104,821

**TOWN OF LADY LAKE, FLORIDA**  
**SCHEDULE OF CAPITAL ASSETS USED IN GOVERNMENTAL ACTIVITIES**  
**BY FUNCTION AND ACTIVITY**  
**SEPTEMBER 30, 2017**

FUNCTION AND ACTIVITY	LAND	BUILDINGS	IMPROVEMENTS OTHER THAN BUILDINGS	FURNITURE AND EQUIPMENT	INFRA- STRUCTURE	CONSTRUCTION IN PROGRESS	TOTAL
<b>GENERAL GOVERNMENT:</b>							
Town Manager	\$ -	\$ -	\$ -	\$ 9,168	\$ -	\$ -	\$ 9,168
Town Clerk	-	-	-	6,041	-	-	6,041
Finance	-	-	-	28,415	-	-	28,415
Human Resources	-	-	-	7,188	-	-	7,188
Information Technology	-	-	-	332,453	-	-	332,453
Other General Government	1,424,727	2,848,875	378,446	494,147	-	-	5,146,195
Facilities Maintenance	-	-	-	102,122	-	-	102,122
Total General Government	<u>1,424,727</u>	<u>2,848,875</u>	<u>378,446</u>	<u>979,534</u>	<u>-</u>	<u>-</u>	<u>5,631,582</u>
<b>PUBLIC SAFETY:</b>							
Police	-	24,922	8,806	2,027,967	-	-	2,061,695
Building Inspections/Code Enf	-	-	-	25,807	-	-	25,807
Total Public Safety	<u>-</u>	<u>24,922</u>	<u>8,806</u>	<u>2,053,774</u>	<u>-</u>	<u>-</u>	<u>2,087,502</u>
<b>GROWTH MANAGEMENT</b>							
	<u>-</u>	<u>-</u>	<u>-</u>	<u>108,949</u>	<u>-</u>	<u>-</u>	<u>108,949</u>
<b>PUBLIC WORKS:</b>							
Administration	-	1,639,187	13,502	72,358	-	-	1,725,047
Streets and Maintenance	174,247	142,433	124,484	1,190,896	2,280,698	-	3,912,758
Motor Pool	-	6,437	-	69,610	-	-	76,047
Total Public Works	<u>174,247</u>	<u>1,788,057</u>	<u>137,986</u>	<u>1,332,864</u>	<u>2,280,698</u>	<u>-</u>	<u>5,713,852</u>
<b>CULTURE AND RECREATION:</b>							
Library	48,000	6,879,221	-	289,125	-	-	7,216,346
Parks and Recreation	434,720	781,087	1,691,037	535,266	1,135,830	344,634	4,922,574
Total Culture and Recreation	<u>482,720</u>	<u>7,660,308</u>	<u>1,691,037</u>	<u>824,391</u>	<u>1,135,830</u>	<u>344,634</u>	<u>12,138,920</u>
Total Capital Assets	<u>\$ 2,081,694</u>	<u>\$ 12,322,162</u>	<u>\$ 2,216,275</u>	<u>\$ 5,299,512</u>	<u>\$ 3,416,528</u>	<u>\$ 344,634</u>	<u>\$ 25,680,805</u>



**TOWN OF LADY LAKE, FLORIDA**  
**SCHEDULE OF CHANGES IN CAPITAL ASSETS USED IN GOVERNMENTAL ACTIVITIES**  
**BY FUNCTION AND ACTIVITY**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2017**

FUNCTION AND ACTIVITY	BALANCE 9/30/2016	ADDITIONS	TRANSFERS/ DISPOSALS	BALANCE 9/30/2017
<b>GENERAL GOVERNMENT:</b>				
Town Manager	\$ 9,168	\$ -	\$ -	\$ 9,168
Town Clerk	6,041	-	-	6,041
Finance	29,933	-	(1,518)	28,415
Human Resources	7,188	-	-	7,188
Information Technology	271,039	61,414	-	332,453
Other General Government	4,921,938	184,632	39,625	5,146,195
Facilities Maintenance	102,122	-	-	102,122
<b>Total General Government</b>	<b>5,347,429</b>	<b>246,046</b>	<b>38,107</b>	<b>5,631,582</b>
<b>PUBLIC SAFETY:</b>				
Police	1,811,096	317,719	(67,120)	2,061,695
Building Inspections/Code Enforce	19,292	-	6,515	25,807
<b>Total Public Safety</b>	<b>1,830,388</b>	<b>317,719</b>	<b>(60,605)</b>	<b>2,087,502</b>
<b>GROWTH MANAGEMENT</b>	<b>108,949</b>	<b>-</b>	<b>-</b>	<b>108,949</b>
<b>PUBLIC WORKS:</b>				
Administration	1,725,047	-	-	1,725,047
Streets and Maintenance	3,839,499	73,259	-	3,912,758
Motor Pool	70,973	3,834	1,240	76,047
<b>Total Public Works</b>	<b>5,635,519</b>	<b>77,093</b>	<b>1,240</b>	<b>5,713,852</b>
<b>CULTURE AND RECREATION:</b>				
Library	6,968,468	247,228	650	7,216,346
Parks and Recreation	4,214,068	708,506	-	4,922,574
<b>Total Culture and Recreation</b>	<b>11,182,536</b>	<b>955,734</b>	<b>650</b>	<b>12,138,920</b>
<b>Total Capital Assets</b>	<b>\$ 24,104,821</b>	<b>\$ 1,596,592</b>	<b>\$ (20,608)</b>	<b>\$ 25,680,805</b>

## STATISTICAL SECTION

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

<b><u>Contents</u></b>	<b><u>Page</u></b>
<b>Financial Trends</b> These schedules contain trend information to help the reader understand how the Town's financial performance and well-being have changed over time.	84-94
<b>Revenue Capacity</b> These schedules contain information to help the reader assess the Town's most significant revenue source, the property tax.	95-98
<b>Debt Capacity</b> These schedules present information to help the reader assess the affordability of the Town's current levels of outstanding debt and the Town's ability to issue additional debt in the future.	99-102
<b>Demographic and Economic Information</b> These schedules offer demographic and economic indicators to help the reader understand the environment within which the Town's financial activities take place.	103-106
<b>Operating Information</b> These schedules contain service and infrastructure data to help the reader understand how the information in the Town's financial report relates to the services the Town provides and the activities it performs.	107-111

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

**TOWN OF LADY LAKE, FLORIDA**  
**NET POSITION BY COMPONENT**  
**LAST TEN FISCAL YEARS**  
**(Accrual basis of accounting)**

	Fiscal Year 2008	Fiscal Year 2009	Fiscal Year 2010	Fiscal Year 2011
<b>GOVERNMENTAL ACTIVITIES</b>				
Net Investment in Capital Assets	\$ 10,361,952	\$ 10,365,935	\$ 9,603,282	\$ 11,155,386
Restricted for:				
Capital Improvements	511,694	781,865	1,781,385	18,694
Police	52,245	53,345	56,908	24,520
Building Inspections	152,649	110,568	29,295	-
Education	1,584,846	1,587,846	1,590,846	1,590,846
Unrestricted	<u>3,363,431</u>	<u>3,327,725</u>	<u>4,301,552</u>	<u>5,671,890</u>
Total Governmental Activities Net Position	<u>\$ 16,026,817</u>	<u>\$ 16,227,284</u>	<u>\$ 17,363,268</u>	<u>\$ 18,461,336</u>
<b>BUSINESS-TYPE ACTIVITIES</b>				
Net Investment in Capital Assets	\$ 18,689,898	\$ 20,404,754	\$ 21,138,522	\$ 20,844,418
Restricted for:				
Capital Improvements	1,577,122	1,238,859	1,039,979	1,075,399
Debt Service	61,755	62,627	63,190	63,768
Unrestricted	<u>1,262,800</u>	<u>1,053,781</u>	<u>1,212,779</u>	<u>1,541,857</u>
Total Business-type Activities Net Position	<u>\$ 21,591,575</u>	<u>\$ 22,760,021</u>	<u>\$ 23,454,470</u>	<u>\$ 23,525,442</u>
<b>TOWN OF LADY LAKE</b>				
Net Investment in Capital Assets	\$ 29,051,850	\$ 30,770,689	\$ 30,741,804	\$ 31,999,804
Restricted for:				
Capital Improvements	2,088,816	2,020,724	2,821,364	1,094,093
Debt Service	61,755	62,627	63,190	63,768
Police	52,245	53,345	56,908	24,520
Building Inspections	152,649	110,568	29,295	-
Education	1,584,846	1,587,846	1,590,846	1,590,846
Unrestricted	<u>4,626,231</u>	<u>4,381,506</u>	<u>5,514,331</u>	<u>7,213,747</u>
Total Town of Lady Lake Net Position	<u>\$ 37,618,392</u>	<u>\$ 38,987,305</u>	<u>\$ 40,817,738</u>	<u>\$ 41,986,778</u>

Fiscal Year 2012	Fiscal Year 2013	Fiscal Year 2014	Fiscal Year 2015	Fiscal Year 2016	Fiscal Year 2017
\$ 10,834,189	\$ 10,682,438	\$ 11,831,421	\$ 12,253,224	\$ 12,615,596	\$ 14,700,622
253,198	308,271	356,616	467,143	546,121	379,212
4,957	18,790	21,075	11,537	10,956	3,572
7,339	-	-	4,056	-	52,037
1,590,846	1,590,846	1,596,096	1,615,816	1,625,466	1,625,466
6,512,844	6,736,665	5,467,962	7,361,403	9,212,834	10,347,351
<u>\$ 19,203,373</u>	<u>\$ 19,337,010</u>	<u>\$ 19,273,170</u>	<u>\$ 21,713,179</u>	<u>\$ 24,010,973</u>	<u>\$ 27,108,260</u>
\$ 21,148,454	\$ 21,260,019	\$ 21,246,272	\$ 20,263,034	\$ 19,805,320	\$ 19,356,812
1,284,655	1,323,003	1,223,405	1,550,223	1,579,323	1,819,281
-	-	-	-	-	-
1,829,470	2,109,382	2,365,504	2,660,877	2,476,071	2,300,558
<u>\$ 24,262,579</u>	<u>\$ 24,692,404</u>	<u>\$ 24,835,181</u>	<u>\$ 24,474,134</u>	<u>\$ 23,860,714</u>	<u>\$ 23,476,651</u>
\$ 31,982,643	\$ 31,942,457	\$ 33,077,693	\$ 32,516,258	\$ 32,420,916	\$ 34,057,434
1,537,853	1,631,274	1,580,021	2,017,366	2,125,444	2,198,493
-	-	-	-	-	-
4,957	18,790	21,075	11,537	10,956	3,572
7,339	-	-	4,056	-	52,037
1,590,846	1,590,846	1,596,096	1,615,816	1,625,466	1,625,466
8,342,314	8,846,047	7,833,466	10,022,280	11,688,905	12,647,909
<u>\$ 43,465,952</u>	<u>\$ 44,029,414</u>	<u>\$ 44,108,351</u>	<u>\$ 46,187,313</u>	<u>\$ 47,871,687</u>	<u>\$ 50,584,911</u>

**TOWN OF LADY LAKE, FLORIDA**  
**CHANGES IN NET POSITION**  
**LAST TEN FISCAL YEARS**  
**(Accrual basis of accounting)**

	Fiscal Year 2008	Fiscal Year 2009	Fiscal Year 2010	Fiscal Year 2011
<b>EXPENSES</b>				
Governmental Activities:				
General Government	\$ 2,116,586	\$ 1,933,144	\$ 1,717,836	\$ 1,526,644
Public Safety	4,675,709	4,515,835	4,521,168	4,252,583
Growth Management	428,130	267,442	246,849	267,673
Public Works	1,459,612	1,509,663	1,380,692	1,531,843
Culture and Recreation	1,026,511	999,196	1,000,149	1,195,056
Interest on Long-term Debt	9,339	11,916	133,743	148,077
Total Governmental Activities Expenses	<u>9,715,887</u>	<u>9,237,196</u>	<u>9,000,437</u>	<u>8,921,876</u>
Business-Type Activities				
Water	933,226	1,133,735	1,134,744	1,091,782
Sewer	774,490	1,226,015	1,289,583	1,271,914
Garbage	311,864	312,382	312,829	318,655
Total Business-Type Activities Expenses	<u>2,019,580</u>	<u>2,672,132</u>	<u>2,737,156</u>	<u>2,682,351</u>
Total Expenses	<u>\$ 11,735,467</u>	<u>\$ 11,909,328</u>	<u>\$ 11,737,593</u>	<u>\$ 11,604,227</u>
<b>PROGRAM REVENUES</b>				
Governmental Activities:				
Charges for Services:				
General Government	\$ 179,083	\$ 36,471	\$ 19,975	\$ 33,050
Public Safety	1,393,794	1,208,716	1,113,352	1,049,975
Growth Management	186,009	76,803	56,217	49,930
Public Works	-	-	13,466	16,475
Culture and Recreation	29,163	25,978	29,210	27,272
Operating Grants and Contributions	408,982	279,589	313,310	396,452
Capital Grants and Contributions	579,163	148,211	559,587	493,353
Total Governmental Activities Program Revenues	<u>2,776,194</u>	<u>1,775,768</u>	<u>2,105,117</u>	<u>2,066,507</u>
Business-Type Activities:				
Charges for Services:				
Water	1,073,086	1,000,324	955,189	1,044,641
Sewer	347,695	576,178	629,730	699,705
Garbage	338,233	338,203	340,418	359,543
Operating Grants and Contributions	-	-	-	1,890
Capital Grants and Contributions	1,342,358	1,361,733	836,819	34,488
Total Business-Type Activities Program Revenues	<u>3,101,372</u>	<u>3,276,438</u>	<u>2,762,156</u>	<u>2,140,267</u>
Total Program Revenues	<u>\$ 5,877,566</u>	<u>\$ 5,052,206</u>	<u>\$ 4,867,273</u>	<u>\$ 4,206,774</u>
<b>NET REVENUE (EXPENSE)</b>				
Governmental Activities	\$ (6,939,693)	\$ (7,461,428)	\$ (6,895,320)	\$ (6,855,369)
Business-Type Activities	<u>1,081,792</u>	<u>604,306</u>	<u>25,000</u>	<u>(542,084)</u>
Total Net Expense	<u>\$ (5,857,901)</u>	<u>\$ (6,857,122)</u>	<u>\$ (6,870,320)</u>	<u>\$ (7,397,453)</u>

Fiscal Year 2012	Fiscal Year 2013	Fiscal Year 2014	Fiscal Year 2015	Fiscal Year 2016	Fiscal Year 2017
\$ 1,480,301	\$ 1,521,779	\$ 1,668,708	\$ 1,742,534	\$ 1,730,431	\$ 1,903,693
4,183,461	4,433,960	4,485,737	4,234,108	4,006,978	3,924,096
205,076	248,856	243,718	265,218	233,680	325,481
1,642,133	1,809,065	2,118,038	1,710,173	1,880,482	1,950,796
1,334,575	1,332,810	1,326,100	1,299,452	1,444,723	1,482,354
143,289	139,871	137,017	116,230	79,468	4,819
<u>8,988,835</u>	<u>9,486,341</u>	<u>9,979,318</u>	<u>9,367,715</u>	<u>9,375,762</u>	<u>9,591,239</u>
1,157,928	1,151,286	1,305,705	1,177,220	1,187,348	1,332,455
1,266,414	1,374,593	1,269,726	1,320,503	1,365,635	1,375,192
325,861	328,389	330,661	336,229	1,054,906	1,071,930
<u>2,750,203</u>	<u>2,854,268</u>	<u>2,906,092</u>	<u>2,833,952</u>	<u>3,607,889</u>	<u>3,779,577</u>
<u>\$ 11,739,038</u>	<u>\$ 12,340,609</u>	<u>\$ 12,885,410</u>	<u>\$ 12,201,667</u>	<u>\$ 12,983,651</u>	<u>\$ 13,370,816</u>
\$ 20,583	\$ 46,061	\$ 26,257	\$ 35,390	\$ 28,061	\$ 147,905
1,148,897	1,180,261	1,270,751	1,390,133	1,208,703	1,297,263
44,806	63,305	84,945	107,165	69,590	123,685
19,183	16,996	39,447	53,469	33,798	116,439
32,502	48,081	48,550	54,430	52,236	66,544
198,181	180,793	210,371	224,196	271,989	368,848
234,178	55,155	1,207,037	375,154	166,767	546,634
<u>1,698,330</u>	<u>1,590,652</u>	<u>2,887,358</u>	<u>2,239,937</u>	<u>1,831,144</u>	<u>2,667,318</u>
1,070,237	1,063,469	1,113,378	1,115,560	1,165,389	1,179,920
710,978	733,441	768,116	790,573	842,015	860,488
358,768	360,974	364,311	367,953	1,155,701	1,170,324
432	-	-	-	-	-
708,452	520,624	161,466	324,250	39,670	295,678
<u>2,848,867</u>	<u>2,678,508</u>	<u>2,407,271</u>	<u>2,598,336</u>	<u>3,202,775</u>	<u>3,506,410</u>
<u>\$ 4,547,197</u>	<u>\$ 4,269,160</u>	<u>\$ 5,294,629</u>	<u>\$ 4,838,273</u>	<u>\$ 5,033,919</u>	<u>\$ 6,173,728</u>
\$ (7,290,505)	\$ (7,895,689)	\$ (7,091,960)	\$ (7,127,778)	\$ (7,544,618)	\$ (6,923,921)
98,664	(175,760)	(498,821)	(235,616)	(405,114)	(273,167)
<u>\$ (7,191,841)</u>	<u>\$ (8,071,449)</u>	<u>\$ (7,590,781)</u>	<u>\$ (7,363,394)</u>	<u>\$ (7,949,732)</u>	<u>\$ (7,197,088)</u>

Continued on Next Page

**TOWN OF LADY LAKE, FLORIDA**  
**CHANGES IN NET POSITION (continued)**  
**LAST TEN FISCAL YEARS**  
**(Accrual basis of accounting)**

	Fiscal Year 2008	Fiscal Year 2009	Fiscal Year 2010	Fiscal Year 2011
<b>GENERAL REVENUES AND TRANSFERS</b>				
Governmental Activities:				
Taxes:				
Property Taxes	\$ 1,998,784	\$ 2,581,571	\$ 2,717,691	\$ 2,611,571
Sales Taxes	1,750,420	1,569,576	1,591,571	1,751,849
Franchise Fees	1,136,241	1,298,195	1,449,685	1,365,739
Utility Taxes	1,484,241	1,791,745	1,976,462	1,980,086
Excise Taxes	644,564	697,758	699,282	703,755
Unrestricted Investment Earnings	212,044	329,145	202,738	130,564
Gain on Sale of Capital Assets	-	-	-	-
Transfers	(701,163)	(606,095)	(606,125)	(590,127)
<b>Total Governmental Activities</b>	<u>6,525,131</u>	<u>7,661,895</u>	<u>8,031,304</u>	<u>7,953,437</u>
Business-Type Activities:				
Unrestricted Investment Earnings	54,042	(41,955)	63,324	22,929
Transfers	701,163	606,095	606,125	590,127
<b>Total Business-Type Activities</b>	<u>755,205</u>	<u>564,140</u>	<u>669,449</u>	<u>613,056</u>
<b>Total General Revenues and Transfers</b>	<u>\$ 7,280,336</u>	<u>\$ 8,226,035</u>	<u>\$ 8,700,753</u>	<u>\$ 8,566,493</u>
<b>CHANGE IN NET POSITION</b>				
Governmental Activities	\$ (414,562)	\$ 200,467	\$ 1,135,984	\$ 1,098,068
Business-Type Activities	<u>1,836,997</u>	<u>1,168,446</u>	<u>694,449</u>	<u>70,972</u>
<b>Total Change in Net Position</b>	<u>\$ 1,422,435</u>	<u>\$ 1,368,913</u>	<u>\$ 1,830,433</u>	<u>\$ 1,169,040</u>

<u>Fiscal Year 2012</u>	<u>Fiscal Year 2013</u>	<u>Fiscal Year 2014</u>	<u>Fiscal Year 2015</u>	<u>Fiscal Year 2016</u>	<u>Fiscal Year 2017</u>
\$ 2,551,573	\$ 2,499,157	\$ 2,541,325	\$ 3,066,208	\$ 3,118,280	\$ 3,156,218
1,763,033	1,801,238	1,924,431	2,051,083	2,146,461	2,219,432
1,295,015	1,283,585	1,395,151	1,395,373	1,383,861	1,390,322
2,208,800	2,361,744	978,520	2,015,130	1,992,703	2,094,236
704,042	710,796	742,764	770,234	873,717	943,577
112,217	(41,207)	81,731	98,552	105,060	55,887
-	-	10,400	27,084	-	20,036
<u>(602,138)</u>	<u>(585,987)</u>	<u>(646,202)</u>	<u>144,123</u>	<u>222,330</u>	<u>141,500</u>
<u>8,032,542</u>	<u>8,029,326</u>	<u>7,028,120</u>	<u>9,567,787</u>	<u>9,842,412</u>	<u>10,021,208</u>
36,335	19,598	(4,604)	18,692	14,024	30,604
<u>602,138</u>	<u>585,987</u>	<u>646,202</u>	<u>(144,123)</u>	<u>(222,330)</u>	<u>(141,500)</u>
<u>638,473</u>	<u>605,585</u>	<u>641,598</u>	<u>(125,431)</u>	<u>(208,306)</u>	<u>(110,896)</u>
<u>\$ 8,671,015</u>	<u>\$ 8,634,911</u>	<u>\$ 7,669,718</u>	<u>\$ 9,442,356</u>	<u>\$ 9,634,106</u>	<u>\$ 9,910,312</u>
\$ 742,037	\$ 133,637	\$ (63,840)	\$ 2,440,009	\$ 2,297,794	\$ 3,097,287
<u>737,137</u>	<u>429,825</u>	<u>142,777</u>	<u>(361,047)</u>	<u>(613,420)</u>	<u>(384,063)</u>
<u>\$ 1,479,174</u>	<u>\$ 563,462</u>	<u>\$ 78,937</u>	<u>\$ 2,078,962</u>	<u>\$ 1,684,374</u>	<u>\$ 2,713,224</u>



**TOWN OF LADY LAKE**  
**FUND BALANCES, GOVERNMENTAL FUNDS**  
**LAST TEN FISCAL YEARS**  
(Modified accrual basis of accounting)

	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
General Fund				
Nonspendable	\$ -	\$ -	\$ -	\$ 141,268
Restricted	-	-	-	1,634,060
Reserved	1,920,764	1,957,396	2,244,175	-
Committed	-	-	-	-
Assigned	-	-	-	21,431
Unassigned	-	-	-	5,061,025
Unreserved	<u>3,325,535</u>	<u>3,360,942</u>	<u>4,307,215</u>	<u>-</u>
Total General Fund	<u>\$ 5,246,299</u>	<u>\$ 5,318,338</u>	<u>\$ 6,551,390</u>	<u>\$ 6,857,784</u>
All Other Governmental Funds				
Restricted	\$ -	\$ -	\$ -	\$ 583,030
Reserved	<u>511,694</u>	<u>776,419</u>	<u>891,389</u>	<u>-</u>
Total all other governmental funds	<u>\$ 511,694</u>	<u>\$ 776,419</u>	<u>\$ 891,389</u>	<u>\$ 583,030</u>

The Town implemented GASB 54 in fiscal year 2011, which changed the classifications for reporting fund balance.

<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
\$ 107,936	\$ 70,346	\$ 44,981	\$ 41,004	\$ 46,031	\$ 49,488
1,856,340	1,917,907	1,973,787	2,098,552	2,182,543	2,060,287
-	-	-	-	-	-
-	-	-	-	-	1,700,000
12,768	7,139	11,386	766,158	770,904	158,777
5,765,899	5,879,340	5,274,753	6,087,035	7,345,746	6,604,574
-	-	-	-	-	-
<u>\$ 7,742,943</u>	<u>\$ 7,874,732</u>	<u>\$ 7,304,907</u>	<u>\$ 8,992,749</u>	<u>\$ 10,345,224</u>	<u>\$ 10,573,126</u>
\$ 809,506	\$ 997,795	\$ 1,106,801	\$ 1,304,057	\$ 1,534,803	\$ 1,266,786
-	-	-	-	-	-
<u>\$ 809,506</u>	<u>\$ 997,795</u>	<u>\$ 1,106,801</u>	<u>\$ 1,304,057</u>	<u>\$ 1,534,803</u>	<u>\$ 1,266,786</u>

**TOWN OF LADY LAKE**  
**CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS**  
**LAST TEN FISCAL YEARS**  
(Modified accrual basis of accounting)

	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
<b>Revenues</b>					
Taxes	\$ 6,005,261	\$ 7,020,405	\$ 7,382,152	\$ 7,321,480	\$ 7,493,824
Licenses and Permits	772,972	409,063	294,920	268,169	290,528
Intergovernmental Revenues	1,482,333	1,396,891	1,304,226	2,326,516	1,253,675
Charges for Services	158,561	163,865	172,804	171,293	177,124
Fines and Forfeitures	118,481	84,927	67,747	32,505	43,908
Investment Earnings	212,044	329,145	202,738	130,564	72,962
Miscellaneous	1,014,262	749,223	727,893	777,482	1,020,181
Total Revenues	<u>9,763,914</u>	<u>10,153,519</u>	<u>10,152,480</u>	<u>11,028,009</u>	<u>10,352,202</u>
<b>Expenditures</b>					
General Government	1,976,628	1,815,854	1,477,360	1,407,678	1,398,473
Public Safety	4,560,641	4,605,430	4,272,207	4,039,535	4,150,583
Growth Management	437,204	257,645	236,642	260,165	215,450
Public Works	1,356,600	1,336,765	1,359,998	1,396,223	1,541,586
Culture and Recreation	905,622	866,044	895,223	1,047,000	1,022,768
Capital Outlay	882,986	445,688	3,086,961	2,018,776	-
Debt Service:					
Principal	62,282	130,111	167,895	120,892	125,584
Interest	12,212	8,383	127,041	150,480	145,788
Total Expenditures	<u>10,194,175</u>	<u>9,465,920</u>	<u>11,623,327</u>	<u>10,440,749</u>	<u>8,600,232</u>
Excess (Deficiency) of Revenues over (under) Expenditures	(430,261)	687,599	(1,470,847)	587,260	1,751,970
<b>Other Financing Sources (Uses)</b>					
Loan Proceeds	-	-	3,400,000	-	-
Capital Lease	-	251,000	-	-	-
Transfers in	29,000	124,000	277,057	826,608	332,000
Transfers out	(730,163)	(730,095)	(883,182)	(1,416,735)	(934,138)
Sale of Capital Assets	920	4,260	24,994	902	1,802
Other Losses	-	-	-	-	(39,999)
Total Other Financing Sources (Uses)	<u>(700,243)</u>	<u>(350,835)</u>	<u>2,818,869</u>	<u>(589,225)</u>	<u>(640,335)</u>
Net Change in Fund Balances	<u>\$ (1,130,504)</u>	<u>\$ 336,764</u>	<u>\$ 1,348,022</u>	<u>\$ (1,965)</u>	<u>\$ 1,111,635</u>
Debt service as a percentage of noncapital expenditures	0.8%	1.5%	3.6%	3.3%	3.4%

<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
\$ 7,553,814	\$ 7,293,702	\$ 7,912,220	\$ 8,207,018	\$ 7,826,746
312,656	432,447	590,564	387,774	496,752
1,266,458	2,331,525	1,755,741	1,530,756	1,949,676
188,237	211,456	213,007	185,214	252,829
52,245	46,955	44,695	30,624	35,031
(41,207)	81,731	98,552	105,060	55,887
856,827	916,867	988,966	1,004,780	1,171,585
<u>10,189,030</u>	<u>11,314,683</u>	<u>11,603,745</u>	<u>11,451,226</u>	<u>11,788,506</u>
1,523,567	1,627,104	1,632,305	1,538,019	1,912,327
4,405,663	4,558,273	4,388,499	4,484,607	4,482,304
242,670	267,524	256,226	223,873	310,336
1,694,717	2,033,250	1,524,132	1,715,032	1,782,135
986,624	1,112,112	947,118	1,090,028	1,157,207
242,358	1,337,746	193,574	90,776	907,063
63,900	66,743	828,800	865,430	1,417,934
140,100	137,257	119,200	82,570	9,897
<u>9,299,599</u>	<u>11,140,009</u>	<u>9,889,854</u>	<u>10,090,335</u>	<u>11,979,203</u>
889,431	174,674	1,713,891	1,360,891	(190,697)
-	-	-	-	-
-	-	-	-	-
348,123	437,333	1,217,709	1,315,671	1,777,331
(934,110)	(1,083,535)	(1,073,586)	(1,093,341)	(1,635,831)
16,634	10,709	27,084	-	9,082
-	-	-	-	-
<u>(569,353)</u>	<u>(635,493)</u>	<u>171,207</u>	<u>222,330</u>	<u>150,582</u>
<u>\$ 320,078</u>	<u>\$ (460,819)</u>	<u>\$ 1,885,098</u>	<u>\$ 1,583,221</u>	<u>\$ (40,115)</u>
2.4%	2.2%	10.8%	9.8%	13.8%

**TOWN OF LADY LAKE, FLORIDA**  
**GENERAL GOVERNMENTAL TAX REVENUE BY SOURCE**  
**LAST TEN FISCAL YEARS**  
**(Modified accrual basis of accounting)**

FISCAL YEAR	PROPERTY TAXES	INFRA- STRUCTURE SALES SURTAX	EXCISE TAXES	FRANCHISE FEES	UTILITY TAXES	COMMUNI- CATIONS SERVICES TAX	TOTAL TAXES
2008	\$ 1,998,784	\$ 1,099,337	\$ 138,315	\$ 1,136,241	\$ 823,382	\$ 809,202	\$ 6,005,261
2009	2,581,571	991,668	390,202	1,298,195	928,796	829,973	7,020,405
2010	2,717,691	997,730	303,638	1,449,685	1,107,660	823,485	7,399,889
2011	2,611,571	1,108,224	305,308	1,365,739	1,073,087	857,551	7,321,480
2012	2,551,573	1,160,271	298,767	1,295,015	998,436	1,189,762	7,493,824
2013	2,499,157	1,121,772	287,556	1,283,585	1,057,169	1,304,575	7,553,814
2014	2,541,325	1,191,905	301,318	1,395,151	1,141,057	722,946	7,293,702
2015	3,066,208	1,270,229	300,666	1,395,373	1,108,981	770,763	7,912,220
2016	3,118,280	1,323,561	388,613	1,383,861	1,180,389	812,314	8,207,018
2017	3,156,218	1,366,700	433,054	1,390,322	1,177,342	303,110	7,826,746

**TOWN OF LADY LAKE, FLORIDA**  
**ESTIMATED JUST VALUE AND TAXABLE (ASSESSED) VALUE OF PROPERTY**  
**LAST TEN FISCAL YEARS**

FISCAL YEAR	REAL PROPERTY		PERSONAL PROPERTY		TOTAL		DIRECT TAX RATE	TAXABLE VALUE PERCENTAGE OF JUST VALUE
	ESTIMATED JUST VALUE	TAXABLE VALUE	ESTIMATED JUST VALUE	TAXABLE VALUE	ESTIMATED JUST VALUE	TAXABLE VALUE		
2008	\$ 1,233,366,562	\$856,012,788	\$ 137,809,865	\$ 85,841,775	\$ 1,371,176,427	\$ 941,854,563	2.200	68.69%
2009	1,210,867,523	777,261,395	136,738,119	79,496,526	1,347,605,642	856,757,921	3.087	63.58%
2010	1,152,451,691	772,717,249	143,010,344	87,983,845	1,295,462,035	860,701,094	3.281	66.44%
2011	1,091,692,049	742,189,105	135,380,406	82,087,812	1,227,072,455	824,276,917	3.281	67.17%
2012	1,057,818,762	726,450,279	130,303,491	76,692,713	1,188,122,253	803,142,992	3.281	67.60%
2013	1,019,816,118	709,540,478	130,136,050	76,436,973	1,149,952,168	785,977,451	3.281	68.35%
2014	1,044,002,422	722,234,079	131,722,980	77,943,186	1,175,725,402	800,177,265	3.281	68.06%
2015	1,128,659,243	773,013,459	128,991,780	75,386,256	1,257,651,023	848,399,715	3.750	67.46%
2016	1,229,179,303	832,931,240	129,670,322	75,839,875	1,358,849,625	908,771,115	3.551	66.88%
2017	1,290,663,131	888,208,461	129,246,878	75,455,229	1,419,910,009	963,663,690	3.396	67.87%

Source-Lake County Property Appraiser's Office

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

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

For fiscal year 2009 and after, an additional homestead exemption of up to \$25,000 for home values above \$50,000 was approved by constitutional amendment. The amendment also includes other provisions that have an effect on tangible personal property and non-homestead property taxable values.

**TOWN OF LADY LAKE, FLORIDA**  
**PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS**  
**(PER \$1,000 OF TAXABLE ASSESSED VALUE)**  
**LAST TEN FISCAL YEARS**

FISCAL YEAR	TOWN DIRECT RATE	OVERLAPPING RATES						TOTAL DIRECT AND OVERLAPPING RATES
		LAKE COUNTY	SCHOOL DISTRICT	WATER CONSERVATION AUTHORITY	WATER MANAGEMENT DISTRICT	AMBULANCE DISTRICT	HOSPITAL DISTRICT	
2008	2.200	4.941	7.698	0.213	0.416	0.465	1.000	16.933
2009	3.087	4.761 *	7.517	0.213	0.416	0.465	1.000	17.459
2010	3.281	5.083 *	7.532	0.213	0.416	0.465	1.000	17.990 *
2011	3.281	5.163 *	7.523	0.241	0.416	0.385	1.000	18.009 *
2012	3.281	5.163 *	7.394	0.241	0.331	0.385	1.000	17.795 *
2013	3.281	4.921 *	7.320	0.255	0.331	0.385	1.000	17.493 *
2014	3.281	4.921 *	7.170	0.255	0.328	0.385	1.000	17.340 *
2015	3.750	6.016 *	7.246	0.255	0.316	0.463	1.000	19.046 *
2016	3.551	5.935 *	7.197	0.255	0.303	0.463	1.000	18.704 *
2017	3.396	5.741 *	6.875	0.255	0.289	0.463	1.000	18.019 *

Source-Lake County Property Appraiser's Office

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

Overlapping rates are those of local and county governments that apply to property owners within the Town of Lady Lake.

\* An overlapping rate of .3222 for Lake County MSTU Fire was added in FY2009, and increased to .4704 in FY 2015, but only to Town of Lady Lake property which is located outside of the Villages Fire Protection Special Assessment District. This new overlapping rate applies to less than 50% of the Town of Lady Lake's total taxable value.

**TOWN OF LADY LAKE, FLORIDA  
PRINCIPAL PROPERTY TAXPAYERS  
SEPTEMBER 30, 2017  
CURRENT YEAR COMPARED TO TEN YEARS AGO**

Taxpayer	Fiscal Year 2017			Fiscal Year 2008		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Value
Villages Operating Company	\$ 61,830,301	1	6.42%	\$ 39,816,620	1	4.23%
Lazy B Cattle Venture LTD	31,329,820	2	3.25%	28,061,009	2	2.98%
GMC Lady Lake LLC	26,800,477	3	2.78%			
SRK Lady Lake 21 Associates, LLC	24,552,723	4	2.55%		4	0.00%
Sun Communities Finance LP	23,493,208	5	2.44%	18,725,272	5	1.99%
Vereit MT Lady Lake FL LLC	21,823,810	6	2.26%			
Lady Lake Apartments LLC	18,233,413	7	1.89%			
Carmendy Square Properties LLC	11,904,130	8	1.24%	8,937,256	6	0.95%
Embarq-Florida Inc	7,664,906	9	0.80%	8,523,320	8	0.90%
Lady Lake Re LLC	7,258,162	10	0.75%			
The Villages of Lake Sumter Inc				21,531,785	3	2.29%
TMW Wltfonds Rolling Acres Plaza LP				18,853,402	4	2.00%
Home Depot USA Inc				8,565,299	7	0.91%
Villages Family Co				7,716,044	9	0.82%
Target Corporation				6,431,584	10	0.68%
Total	<u>\$ 234,890,950</u>		<u>24.37%</u>	<u>\$ 167,161,591</u>		<u>17.75%</u>
Total Taxable Assessed Valuation	\$ 963,663,690			\$ 941,854,563		

Source: Tax year is equivalent to the following fiscal year. Tax Year 2016 and Tax Year 2007 ad valorem tax rolls of the Town of Lady Lake, Florida and Lake County Property Appraiser DR-403 AM.



**TOWN OF LADY LAKE, FLORIDA  
PROPERTY TAX LEVIES AND COLLECTIONS  
LAST TEN FISCAL YEARS**

<u>FISCAL YEAR</u>	<u>TOTAL TAX LEVY</u>	<u>CURRENT TAX COLLECTIONS</u>	<u>PERCENT OF LEVY COLLECTED</u>	<u>DELINQUENT TAX COLLECTIONS</u>	<u>TOTAL TAX COLLECTIONS</u>	<u>PERCENT OF TOTAL TAX COLLECTIONS TO TAX LEVY</u>
2008	\$ 2,072,080	\$ 1,996,742	96.4%	\$ 2,042	\$ 1,998,784	96.5%
2009	2,644,812	2,579,917	97.5%	1,654	2,581,571	97.6%
2010	2,823,960	2,716,421	96.2%	1,270	2,717,691	96.2%
2011	2,704,453	2,606,368	96.4%	5,203	2,611,571	96.6%
2012	2,635,112	2,548,744	96.7%	2,829	2,551,573	96.8%
2013	2,578,635	2,490,098	96.6%	9,059	2,499,157	96.9%
2014	2,622,485	2,532,327	96.6%	8,998	2,541,325	96.9%
2015	3,181,499	3,062,963	96.3%	3,245	3,066,208	96.4%
2016	3,227,046	3,086,766	95.7%	6,514	3,118,280	96.6%
2017	3,272,602	3,149,732	96.3%	6,486	3,156,218	96.4%

See Note 12 for discounts allowed for early payment of taxes.

**TOWN OF LADY LAKE  
RATIOS OF OUTSTANDING DEBT BY TYPE  
LAST TEN FISCAL YEARS**

Fiscal Year	Governmental Activities		Business-Type Activities	Total Primary Government	Percentage of Personal Income <sup>a</sup>	Per Capita <sup>a</sup>
	Revenue Note	Capital Lease	Loans Payable			
2008	\$ -	\$ 136,289	\$ 4,288,688	\$ 4,424,977	1.49%	\$ 337
2009	-	257,178	3,631,421	3,888,599	1.12%	275
2010	3,362,194	127,089	2,948,061	6,437,344	1.82%	462
2011	3,303,604	64,787	2,237,600	5,605,991	1.52%	402
2012	3,242,807	-	1,458,035	4,700,842	1.19%	338
2013	3,178,907	-	773,103	3,952,010	1.09%	283
2014	3,112,164	-	-	3,112,164	0.84%	220
2015	2,283,364	-	-	2,283,364	0.67%	161
2016	1,417,934	-	-	1,417,934	0.39%	97
2017	-	-	-	-	0.00%	-

**Note:** Details regarding the Town's outstanding debt can be found in the notes to the financial statements.

<sup>a</sup> See Page 102-105 for personal income and population data.

**TOWN OF LADY LAKE  
RATIOS OF GENERAL BONDED DEBT OUTSTANDING  
LAST TEN FISCAL YEARS**

The Town of Lady Lake has had no general bonded debt during the last ten fiscal years

**TOWN OF LADY LAKE  
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT  
AS OF SEPTEMBER 30, 2017**

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Overlapping Debt
Debt repaid with property taxes	\$ -	4.47%	\$ -
Other debt			-
Subtotal, overlapping debt			-
Direct debt			-
Total direct and overlapping debt			<u>\$ -</u>

Note: The Town of Lady Lake has no ordinance which limits general obligation debt to a percentage of assessed property values.

The estimated percentage applicable to the Town of Lady Lake is based upon Town/Lake County population ratio.

**TOWN OF LADY LAKE, FLORIDA  
 PLEDGED-REVENUE COVERAGE  
 INFRASTRUCTURE SALES SURTAXES  
 LAST TEN FISCAL YEARS**

Fiscal Year	Infrastructure Sales Surtaxes Available for Debt Service	Debt Service Requirements			Coverage
		Principal	Interest	Total	
2008	\$ 1,099,337	\$ 562,128	\$ 168,035	\$ 730,163	1.51
2009	991,668	585,105	144,990	730,095	1.36
2010	997,730	646,442	236,740	883,182	1.13
2011	1,108,224	691,673	242,454	934,127	1.19
2012	1,160,271	719,114	215,023	934,137	1.24
2013	1,121,772	748,832	185,278	934,110	1.20
2014	1,191,905	839,846	154,479	994,325	1.20
2015	1,270,229	828,800	119,200	948,000	1.34
2016	1,323,561	865,430	82,570	948,000	1.40
2017	1,366,700	904,190	43,810	948,000	1.44

**TOWN OF LADY LAKE, FLORIDA  
 PLEDGED-REVENUE COVERAGE  
 UTILITY REVENUES  
 LAST TEN FISCAL YEARS**

Fiscal Year	Gross Revenues <sup>1</sup>	Operating Expenses <sup>2</sup>	Net Revenue Available for Debt Service	Debt Service Requirements			Coverage
				Principal	Interest	Total	
2008	\$ 1,381,266	\$ 1,041,542	\$ 339,724	\$ 69,687	\$ 14,007	\$ 83,694	4.06
2009	1,461,184	1,241,324	219,860	72,162	11,533	83,695	2.63
2010	1,458,163	1,228,975	229,188	74,724	8,970	83,694	2.74
2011	1,589,607	1,188,720	400,887	77,378	6,317	83,695	4.79
2012	1,647,575	1,276,190	371,385	121,248	3,569	124,817	2.98
2013	1,644,294	1,428,909	215,385	-	-	-	N/A
2014	1,745,439	1,493,000	252,439	-	-	-	N/A
2015	1,746,797	1,438,728	308,069	-	-	-	N/A
2016	1,830,825	1,478,236	352,589	-	-	-	N/A
2017	1,859,700	1,640,938	218,762	-	-	-	N/A

<sup>1</sup> Water and sewer system gross revenues.

<sup>2</sup> Water and sewer operating expenses exclusive of depreciation and amortization.

Covenants of the State Revolving Fund Loan require a debt coverage ratio of 1.15. This loan was paid off in fiscal year 2012

**TOWN OF LADY LAKE, FLORIDA  
DEMOGRAPHIC STATISTICS  
LAST TEN FISCAL YEARS**

POPULATION

<u>Year</u>	<u>Town of Lady Lake</u>		<u>Lake County</u>	
	<u>Population</u>	<u>% Increase</u>	<u>Population</u>	<u>% Increase</u>
2008	13,117	2.14%	288,379	1.04%
2009	14,129	7.71%	291,993	1.25%
2010 *	13,926	N/A	297,052	N/A
2011	13,946	0.14%	296,681	-0.13%
2012	13,909	-0.27%	299,677	1.01%
2013	13,947	0.27%	308,034	2.78%
2014	14,148	1.40%	309,736	0.55%
2015	14,207	0.42%	316,569	2.21%
2016	14,687	0.34%	326,226	0.03%
2017	14,821	0.91%	331,724	1.69%

POPULATION DISTRIBUTION BY AGE - 2017

<u>Age</u>	<u>Lake County</u>	<u>State of Florida</u>
0-17	19.8%	20.5%
18-44	27.9%	33.7%
45-64	26.8%	26.6%
65+	25.4%	19.2%

POPULATION PER SQUARE MILE

<u>Year</u>	<u>Lake County</u>	<u>State of Florida</u>
2008	301	346
2009	303	349
2010	306	348
2011	312	349
2012	317	351
2013	328	365
2014	330	364
2015	337	364
2016	345	376
2017	353.5	382

Source: University of Florida, Bureau of Economics and Business Research, and the Metro Orlando Economic Development Commission

\* Census Data

**TOWN OF LADY LAKE, FLORIDA  
DEMOGRAPHIC AND ECONOMIC STATISTICS  
LAST TEN FISCAL YEARS**

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Year	2008	2009	2010	2011
Population	13,117	14,129	13,926	13,946
Total Personal Income of all Lady Lake Residents	297,611,613	346,174,629	353,342,406	368,495,886
Per Capita Personal Income	22,689	24,501	24,789	26,461
Median Age	67	60	66	65
School Enrollment The Villages of Lady Lake Elementary	811	816	761	794
Lake County Unemployment Rate	8.5%	12.7%	11.9%	10.6%

Source:

Population from the Bureau of Economic and Business Research, University of Florida ([www.bebr.ufl.edu](http://www.bebr.ufl.edu))

Median Age and Per Capita from Orlando Economic Development Commission ([www.orlandoedc.com](http://www.orlandoedc.com))

Unemployment rate from the Bureau of Labor Statistics ([www.bls.gov](http://www.bls.gov))

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2012	2013	2014	2015	2016	2017
13,909	13,947	14,148	14,207	14,687	14,821
393,812,611	362,370,954	371,186,928	341,195,312	367,659,671	396,061,583
28,314	25,982	26,236	24,016	25,033	26,723
67	65	65	66	66	65
761	809	832	843	827	830
8.9%	6.9%	5.4%	5.2%	4.8%	3.4%



**TOWN OF LADY LAKE, FLORIDA  
PRINCIPAL EMPLOYERS  
SEPTEMBER 30, 2017**

Employer	2017			2008		
	* Employees	Rank	Percentage of Total Town Employment	* Employees	Rank	Percentage of Total Town Employment
The Villages Media Group	306	1	6.59%			
The Villages Rehab & Nursing Center	297	2	6.40%			
Lady Lake Specialty Care	271	3	5.84%			
Sam's Club	179	4	3.85%			
Publix Super Markets	154	5	3.32%	159	1	4.57%
Texas Roadhouse	154	6	3.32%			
The Home Depot	152	7	3.27%	132	2	3.79%
OMI, Inc	120	8	2.58%			
Quality Service Providers	115	9	2.48%			
Kohl's Department Store	112	10	2.41%			
Town of Lady Lake				113	3	3.25%
Winn Dixie Stores, Inc/Winn Dixie Liquors				104	4	2.99%
The Villages of Lady Lake Elementary				98	5	2.81%
Katie Belles Music Hall				84	6	2.41%
Longhorn				75	7	2.15%
Belk's Department Store				69	8	1.98%
Target Department Store				65	9	1.87%
Amigo's Restaurant				60	10	1.72%
Probuild (Casmin, Inc.)				57	11	1.64%
Carrabba's Restaurant				50	12	1.44%
<b>Total</b>	<b>1,860</b>		<b>40.05%</b>	<b>1,066</b>		<b>30.60%</b>
 Total Town Employment	 4,644			 3,482		

\* Full time and/or part time positions.

Source:

Number of employees from Business Tax Receipts or direct calls to employers

Lady Lake employment figures from Orlando Economic Development Commission-Demographic Detail ([www.orlandoedc.com](http://www.orlandoedc.com))

**TOWN OF LADY LAKE, FLORIDA**  
**FULL-TIME EQUIVALENT TOWN GOVERNMENT EMPLOYEES BY FUNCTION**  
**LAST TEN FISCAL YEARS**  
Full-time Equivalent Employees as of September 30th

Function	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
<b>General Government</b>										
Town Manager	2	2	2	2	2	2	2	2	2	2
Town Clerk	3	3	3	2	2	2	2	2	2	2
Finance	6	6	5	4.5	4.5	4.5	4.5	4.5	4.5	4.5
Human Resource/Risk Management	3	3	3	2	2	2	2	2	2	2
Other General Gov.	0	0	0	0	0	0	0	0	0	0
Information Technology	0	0	1	1	2	2	2	2	2	2
Facilities Maint.	2	2	2	2	2	2	2	2	2	2
Motor Pool	2	2	0	0	0	0	0	0	0	0
<b>Total General Government</b>	<b>18</b>	<b>18</b>	<b>16</b>	<b>13.5</b>	<b>14.5</b>	<b>14.5</b>	<b>14.5</b>	<b>14.5</b>	<b>14.5</b>	<b>14.5</b>
<b>Public Safety</b>										
Police Officers	29	30	30	30	28	28	28	28	28	28
Police Civilians	15.5	16	15	14.5	14.5	14.5	6.5	6.5	6.5	6
Building Dept.	4	3	3	1	1	1	1	1	1	1
Code Enforcement	1	1	1	1	1	1	1	1	1	1
<b>Total Public Safety</b>	<b>49.5</b>	<b>50</b>	<b>49</b>	<b>46.5</b>	<b>44.5</b>	<b>44.5</b>	<b>36.5</b>	<b>36.5</b>	<b>36.5</b>	<b>36</b>
<b>Growth Management</b>	<b>4</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3.5</b>	<b>4.5</b>
<b>Public Works</b>										
Administration	2	2	2	2	2	2	2	2	2	2
Street Maint.	9	9	9	10	10	10	10	10	10	10
Motor Pool	0	0	2	2	2	2	2	2	2	2
<b>Total Public Works</b>	<b>11</b>	<b>11</b>	<b>13</b>	<b>14</b>	<b>14</b>	<b>14</b>	<b>14</b>	<b>14</b>	<b>14</b>	<b>14</b>
<b>Culture and Recreation</b>										
Library	6	6.5	6.5	7.5	7	7	7	7.5	7.5	9
Parks & Recreation	5	5	5	5	5	5	5	5	5	5
<b>Total Culture and Recreation</b>	<b>11</b>	<b>11.5</b>	<b>11.5</b>	<b>12.5</b>	<b>12</b>	<b>12</b>	<b>12</b>	<b>12.5</b>	<b>12.5</b>	<b>14</b>
<b>Utilities</b>										
Water	9	10	10	10	9	10	10	10	10	11
Solid Waste	0	0	0	0	0	0	0	0	0	0
Sewer	5	3	3	3	3	2	2	2	2	2
<b>Total Utilities</b>	<b>14</b>	<b>13</b>	<b>13</b>	<b>13</b>	<b>12</b>	<b>12</b>	<b>12</b>	<b>12</b>	<b>12</b>	<b>13</b>
<b>Total Government Employees</b>	<b>107.5</b>	<b>106.5</b>	<b>105.5</b>	<b>102.5</b>	<b>100</b>	<b>100</b>	<b>92</b>	<b>92.5</b>	<b>93</b>	<b>96</b>

Source: Finance Department

**TOWN OF LADY LAKE, FLORIDA**  
**OPERATING INDICATORS BY FUNCTION/PROGRAM**  
**LAST TEN YEARS**

<u>Function/Program</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
<b>Police</b>				
Booking Arrests	303	284	293	254
DUI Citations	30	29	46	18
Misdemeanor Citations	40	34	33	44
Traffic Citations	2,922	2,639	2,338	1,211
Traffic Accidents	409	445	374	366
Warrants Arrests	45	46	34	29
Dispatch Center:				
Medical Calls	1,970	2,201	2,746	2,773
Assist other Agencies	368	398	442	496
General Calls	28,216	23,341	31,042	31,725
<b>Building Department</b>				
Total Commercial Permits	310	314	308	290
Total Residential Permits	1,023	948	1,195	1,186
Number of Permits Issued	1,333	1,262	1,503	1,476
Total Construction Value	\$63,514,655	\$28,603,549	\$16,280,632	\$12,103,916
<b>Growth Management</b>				
Site Plans Approved	15	10	2	1
<b>Clerk's Office</b>				
Business Tax Receipts	1,018	1,014	1,183	1,037
<b>Roads and Streets</b>				
Potholes repaired	250	250	750	450
Street resurfacing (miles)	1.5	2.85	1.28	0
Street Micro-resurfacing (miles)	8.9	3.35	5.00	5.14
Street Micro-resurfacing redone Warranty work from previous year (miles)	-	-	-	-
<b>Library</b>				
Total Circulation (library materials checked out)	126,376	129,708	124,025	110,435
Total Users of Public Internet Computers	27,846	30,160	33,532	41,187
Total Reference Transactions	23,042	22,412	18,792	19,500
Total Annual Programs	1,236	2,175	830	289
Total Program Attendance	7,093	7,139	11,200	11,008
Total Number of Registered Card Holders	7,684	7,665	7,334	7,972
Total Number of Volunteer Hours	1,956	2,432	2,622	3,399
Total Library visitors	117,257	125,315	122,559	125,060
Number of Bookings for Library Room 100, 204, 207 and Study	-	-	-	-
Number of Bookings at the Community Building	575	525	599	483
<b>Parks and Recreation</b>				
Number of Recreation Leases	12	8	8	8
<b>Water</b>				
Commercial Connections	329	360	378	402
Residential Connections	1,930	1,926	1,923	1,956
Total Connections	2,259	2,286	2,301	2,358
Total Equivalent Residential Units	3,529	3,623	3,679	3,680
Average Daily Consumption (gallons per day)	699,478	586,709	630,000	699,980
<b>Reuse</b>				
Commercial Connections	10	10	22	34
Residential Connections	0	0	0	0
Total Equivalent Residential Units	0	0	25	34
Average Daily Consumption (gallons per day)	81,000	150,000	150,000	142,000
<b>Wastewater</b>				
Commercial Connections	169	189	209	222
Residential Connections	525	669	669	707
Total Connections	694	858	878	929
Total Equivalent Residential Units	1,636	1,818	1,875	1,939
Average Daily Sewage Treatment (gallons per day)	105,000	150,000	170,000	186,000

Notes: Reuse water distribution started 6/12/2008  
New library completed in April 2011

Sources: Various Town departments

<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
414	390	305	350	485	450
30	26	24	29	35	29
47	45	41	78	62	70
1,462	1,742	1,370	2,095	1,512	1,444
382	439	408	561	728	771
44	55	45	62	73	124
2,418	2,448	174	912	608	133
312	283	186	156	205	170
27,797	18,406	13,096	15,878	16,482	8,670
240	241	303	368	238	207
1,065	1,033	1,173	1,236	1,209	1,224
1,305	1,274	1,476	1,604	1,447	1,431
\$24,027,568	\$12,457,348	\$36,044,724	\$41,692,307	\$34,064,698	\$34,371,713
0	4	7	11	5	9
1,073	818	817	882	847	899
600	500	500	500	600	300
0	0.25	1.40	2.70	3.18	2.27
4.57	12.19	0.00	0.00	0.00	0.00
-	3.5	0	0	0	
140,181	134,728	123,563	149,504	169,592	167,896
38,850	16,951	13,535	14,134	15,547	15,682
24,364	27,868	21,696	13,884	15,689	19,169
605	499	428	815	852	896
15,505	22,345	11,963	12,722	12,993	20,081
9,412	10,318	6,394	7,796	9,019	10,303
4,786	3,935	2,687	3,435	3,465	3,068
149,741	152,530	149,318	176,182	187,226	207,987
566	1015	223	832	871	1003
358	332	251	320	363	403
8	8	7	7	7	8
420	396	397	408	422	466
1,931	1,988	1,997	2,010	2,017	2,069
2,351	2,384	2,394	2,418	2,439	2,535
3,859	3,861	3,896	3,954	4,005	4,043
662,634	655,523	675,229	678,622	734,828	735,359
27	30	34	38	42	42
0	0	9	10	13	20
104	112	142	162	173	180
109,000	162,000	170,000	222,000	227,000	238,000
226	231	234	241	261	263
672	734	737	743	742	751
898	967	971	984	1,003	1,014
1,950	2,060	2,084	2,107	2,165	2,178
220,500	238,000	240,000	244,000	247,000	263,000

**TOWN OF LADY LAKE, FLORIDA**  
**CAPITAL ASSET AND INFRASTRUCTURE STATISTICS**  
**BY FUNCTION/PROGRAM**  
**LAST TEN FISCAL YEARS**

<u>Function/Program</u>	<u>2008</u>	<u>2008</u>	<u>2010</u>	<u>2011</u>
<b>Police</b>				
Stations (Includes substation)	1	1	1	1
Sworn Officers (positions filled)	29	29	30	28
Administration Units	3	3	4	3
Patrol Units	20	20	20	20
Motorcycle Units	2	2	2	2
Investigation Units	2	2	2	2
School Resource Officer Unit	1	1	1	1
K-9 Officer with Dog Unit	1	1	1	0
Support (Non-Sworn)	16	16	16	16
<b>Roads and Streets</b>				
Paved Roads (miles)	61.21	61.21	61.21	61.21
Unpaved Roads (miles)	2.51	2.51	2.58	2.58
Sidewalks (feet)	9,100	9,100	9,100	9,100
Land Annexations (acreage)	16.8	16.8	55.67	26.83
<b>Culture and Recreation:</b>				
Libraries	1	1	1	1
Acreage	54	54	54	54
Parks	4	4	4	4
Recreation Centers	1	1	1	1
Basketball Courts	1	1	1	1
Racquetball Handball Courts	4	4	4	4
Tennis Courts	2	2	2	2
Softball Fields	1	1	1	1
Baseball Fields	4	4	4	4
Playgrounds	1	1	1	1
Dog Park	1	1	1	1
Soccer Fields	3	3	3	3
Golf Driving Range	1	1	1	1
<b>Water</b>				
Water Mains (miles)	50.4	50.4	54.2	54.3
Storage Capacity (gallons)	565,000	565,000	565,000	565,000
Treatment Capacity (gallons per day)	2,358,000	2,358,000	2,358,000	2,358,000
Fire Hydrants	311	311	355	305
Water Plants	3	3	3	3
<b>Reuse</b>				
Water Mains (miles)	4.8	4.8	7.3	7.3
Storage Capacity (gallons)	1,200,000	1,200,000	1,200,000	1,200,000
<b>Wastewater</b>				
Sewers-Force Mains/Gravity (miles)	20.4	20.4	23.3	23.3
Treatment Capacity (gallons/daily)	630,000	630,000	630,000	638,000
Lift Stations	15	15	18	18

Sources: Various Town departments

<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
1	1	1	1	1	1
28	28	28	28	28	28
3	3	3	3	3	3
20	21	21	21	21	21
2	1	1	1	1	1
2	2	2	2	2	2
0	0	0	0	0	0
1	1	1	1	1	1
15	6.5	6.5	6.5	7	6
61.44	61.44	61.44	61.44	61.44	62.64
2.58	2.58	2.58	2.58	2.58	3.08
9,100	9,100	26,084	26,084	26,084	30,250
0	0	0	-3.18	4.89	5.81
1	1	1	1	1	1
54	54	54	54	54	54
4	4	4	4	4	4
1	1	1	1	1	1
1	1	1	1	1	1
4	4	4	4	4	4
2	2	2	2	2	2
1	1	1	1	1	1
4	4	4	4	4	4
1	1	1	1	1	1
1	1	1	1	1	1
3	3	3	3	3	3
1	1	1	1	1	1
54.3	54.3	54.3	54.3	54.3	54.3
565,000	565,000	565,000	565,000	565,000	565,000
2,358,000	2,358,000	2,358,000	2,358,000	2,358,000	2,358,000
306	315	319	322	327	327
3	3	3	3	3	3
7.3	7.3	7.3	7.3	7.3	7.3
1,200,000	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000
23.3	23.3	23.3	23.3	23.3	23.3
638,000	638,000	638,000	1,000,000	1,000,000	1,000,000
18	19	19	19	19	19

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**TOWN OF LADY LAKE, FLORIDA  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
AND STATE FINANCIAL ASSISTANCE  
FOR THE YEAR ENDED SEPTEMBER 30, 2017**

**FEDERAL AWARDS**

Federal Grantor/ Program Title	Federal CFDA Number	Federal Revenues	Federal Expenditures	Federal through State Receipts
<b>U.S. DEPARTMENT OF JUSTICE</b>				
Bulletproof Vest (total grant \$2,123) Grant #2014-BUBX	16.607	\$ 2,123	\$ 2,123	\$ -
Bulletproof Vest (total grant \$4,947) Grant #2015-BUBX	16.607	3,557	3,557	-
Pass through the Florida Department of Law Enforcement: Byrne Memorial Justice Assistance Grant Tactical Infra-Red Imaging Detection (total grant \$1,687) Contract #2017-JAGD-LAKE-6-F8-109	16.738	1,687	1,687	1,687
Byrne Memorial Justice Assistance Grant Interview Recording and Storage (total grant \$5,158) Contract #2017-JAGC-LAKE-7-F9-108	16.738	5,158	5,158	-
<b>FEDERAL HIGHWAY ADMINISTRATION</b>				
Pass through the Florida Department of Transportation Local Agency Program Agreement Rolling Acres Road Sidewalks Contract #GOA27 (total grant \$388,700)	20.205	388,700	388,700	388,700
<b>U.S. DEPARTMENT OF HOMELAND SECURITY</b>				
<b>FEDERAL EMERGENCY MANAGEMENT AGENCY</b>				
Hurricane Irma Assistance Program	97.038	-	82,909	-
Total Federal Awards		<u>\$ 401,225</u>	<u>\$ 484,134</u>	<u>390,387</u>

*Continued on next page*

(Federal Single Audit not required)



**TOWN OF LADY LAKE, FLORIDA**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**AND STATE FINANCIAL ASSISTANCE (Continued)**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2017**

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**STATE OF FLORIDA FINANCIAL ASSISTANCE**

<u>State Agency/ Program Title</u>	<u>State CSFA Number</u>	<u>State Revenues</u>	<u>State Expenditures</u>	<u>State Receipts</u>
Total State Financial Assistance		<u>\$ -</u>	<u>\$ -</u>	<u>-</u>
Total State Receipts				<u>\$ 390,387</u>

(State Single Audit not required)

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

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**TOWN OF LADY LAKE, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2017**

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**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The Town of Lady Lake, Florida (the Town) was incorporated on May 25, 1925. The Town operates under the Commission/Manager form of government as authorized by its charter and provides the following services: police protection, building inspections and code enforcement, street maintenance, library, parks and recreation, other general governmental activities, and water, sewer and garbage utilities.

The financial statements of the Town of Lady Lake, Florida conform to generally accepted accounting principles (GAAP) as applicable to governmental entities. Effective October 1, 2003, the Town implemented Government Accounting Standards Board (GASB) Statement No. 34, *Basic Financial Statements-and Management's Discussion and Analysis-for State and Local Governments*. Significant accounting policies are described below:

A. The Reporting Entity

The Town of Lady Lake is a political subdivision of the State of Florida. It is governed by an elected board of five Town commissioners. These financial statements present all the fund types of the Town. There are no component units included within these financial statements, and there are no legally separate entities that could be included as component units of the Town.

B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the Town. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental and enterprise funds are reported as separate columns in the fund financial statements.

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows.

**TOWN OF LADY LAKE, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2017**

---

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. Unbilled utility service receivables are estimated and recorded at year end.

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

In addition to liabilities, the statement of financial position reports a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to future periods and so will not be recognized as an inflow of resources (revenue) until that time. The Town has only one type of item, which arises only under a modified accrual basis of accounting, that qualifies for reporting in this category. Accordingly, the item, *unavailable revenue*, is reported only in the governmental funds balance sheet. The General Fund reports unavailable revenue from uncollected street assessments. This amount is deferred and recognized as an inflow of resources in the period that the amount becomes available.

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

The Town reports the following governmental funds:

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

Sales Tax Revenue Fund - This special revenue fund (a major fund) accounts for discretionary sales surtax revenues that are legally restricted for expenditure on infrastructure.

The Town reports the following proprietary fund:

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

The Town reports the following fiduciary funds:

Police Retirement Trust Fund - This pension trust fund accounts for the accumulation of resources for pension benefit payments to qualified Town police officers.

**TOWN OF LADY LAKE, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2017**

---

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

General Employees' Retirement Trust Fund - This pension trust fund accounts for the accumulation of resources for retirement benefit payments to qualified Town employees.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. An exception to this rule is charges between the Town's water and sewer function and various other functions of government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as *program revenues* include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes. The Town collects franchise fees from electric, gas, and solid waste utility providers based on gross receipts. These franchise fees are also reports as general revenues.

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in conjunction with a proprietary fund's principal ongoing operations. Principal operating revenues of the Town's Utility Fund are charges for providing water, sewer and garbage services. Reuse water sales are included with sewer services. Operating expenses include the cost of sales and service, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

D. Cash and Investments

The Town's investment policy has safety of capital as a primary objective. Authorized investments include the State Board of Administration Local Government Surplus Funds Trust Fund or similar intergovernmental investment pools, SEC registered money market funds, interest bearing time deposits, U.S. Treasury obligations, repurchase agreements, and mutual funds that invest primarily in U.S. Government obligations.

For purposes of the statements of cash flows, cash includes amounts in bank demand deposits, both interest-bearing and noninterest-bearing, bank money market investments, and funds on deposit with the Local Government Surplus Funds Trust Fund investment pool bearing interest at 1.36% as of September 30, 2017. The State Board of Administration pool is an external 2a7-like investment pool. The fair value of the Town's deposits in the pool is the same as the value of the pool shares. All of the pool's investments for financial reporting purposes are measured at amortized cost. Oversight of the State Board of Administration pool is provided by the Florida Auditor General. There are no limitations or restrictions on withdrawals from the pool.

Pension trust fund investments are reported at fair value, determined by the last reported sales price for securities traded on a national exchange. Investments of the Municipal Police Officer's Retirement Trust Fund may be held in bonds, stocks, or other evidence of indebtedness issued or guaranteed by a corporation under the laws of the United States provided the corporation meets certain rating and profitability criteria.

**TOWN OF LADY LAKE, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2017**

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**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

E. Receivables

Customer accounts receivable are shown net of an allowance for uncollectibles. Management's estimate for uncollectible accounts is based on review of balances over 120 days old.

F. Inventory and Prepaid Items

Inventory consists of water and sewer system supplies and is valued at cost (first-in, first-out). Prepaid items in the governmental funds are accounted for using the consumption method.

G. Capital Assets

Capital assets, which include property, plant and equipment, and infrastructure assets (roads, sidewalks, drainage systems, and similar items) are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. The Town's Sewer Capacity Reservation Agreement is also classified as a capital asset. Capital assets are defined by the Town as assets with an initial, individual cost of more than \$3,000 and an estimated useful life of more than two years.

In the case of the initial capitalization of general infrastructure assets, the Town chose to include such items beginning October 1, 2003, the year of implementation of GASB Statement No. 34. As the Town constructs or acquires additional capital assets, including infrastructure assets, they are capitalized and reported at historical cost. Donated capital assets, donated works of art and similar assets are recorded at their estimated acquisition value.

Interest incurred during construction of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. No interest was capitalized during the year ended September 30, 2017.

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

Buildings	25 to 30 Years
Improvements other than Buildings	10 to 30 Years
Water and Sewer Systems	10 to 30 Years
Infrastructure	30 Years
Equipment	5 to 10 Years

H. Amortization

The Sewer Capacity Reservation Agreement entered into April 2, 2003 is amortized over its 40-year term using the straight-line method. Additional purchases of reserved sewer capacity are amortized straight-line beginning with the acquisition date over the remaining term of the Agreement.

**TOWN OF LADY LAKE, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2017**

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**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

I. Compensated Absences

The Town accrues accumulated compensated absences (paid time off (PTO) and comp time benefits) when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts are not reported in the governmental fund financial statements unless they have matured, for example, as a result of employee resignations or retirements. Personnel policies allow employees to accumulate a maximum of 560 hours PTO. Upon termination, employees are paid for their unused comp time, and for a maximum of 400 hours unused PTO. Police Officers, under their union contract, are paid a maximum of 492 hours unused PTO. Compensated absences for governmental activities are generally liquidated by the General Fund.

J. Long-term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets. Loan issuance costs are reported as deferred charges and amortized over the term of the related debt.

K. Net Position Flow Assumption

Sometimes the Town will fund outlays for a particular purpose from both restricted and unrestricted resources. In order to calculate the amounts reports as Restricted-Net Position and Unrestricted-Net Position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the Town's policy to use restricted resources before any unrestricted resources are applied.

L. Fund Balance Policies and Flow Assumptions

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

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

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

*Committed fund balance* – amounts constrained to specific purposes by the Town itself, using its highest level of decision-making authority, the Town Commission, through adoption of a resolution; to be reported as committed, amounts cannot be used for any other purpose unless the Town Commission takes a similar action to remove or change the restraint.



**TOWN OF LADY LAKE, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2017**

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**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

*Assigned fund balance* – amounts the Town intends to use for a specific purpose; intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority. As of September 30, 2017, the Town Commission is the only body that may assign fund balance through a majority vote.

*Unassigned fund balance* – amounts that are available for any purpose.

*Flow assumptions* – Sometimes the Town will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the Town's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. The Town has not adopted a formal flow assumption policy pertaining to the unrestricted portion of fund balance. As such, when the components of unrestricted fund balance may be used for the same purpose, it is presumed committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

M. Transfers

Transfers of \$141,500 are made from the Utility Fund to the General Fund for utility billing administrative costs. Transfers are made from the Sales Tax Revenue Fund to the General Fund (\$1,635,831) in order to use infrastructure surtax revenues on qualified "infrastructure" expenditures.

**NOTE 2 BUDGETING**

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

- 1) Prior to September 30, the Budget Committee submits a proposed operating budget for the fiscal year beginning October 1. The budget includes proposed expenditures and the means of financing them.
- 2) Public hearings are held to obtain taxpayer comments. The budget is then enacted through passage of an ordinance no later than October 1.
- 3) Appropriations are authorized at the department level. These are the legal levels of budgetary control. Administrative control is maintained through the establishment of more detailed line-item budgets.
- 4) The Town Manager is authorized to transfer budgeted amounts between line items within any department; however, any revisions that alter the total expenditures of a department must be approved by the Town Commission through a resolution.

**TOWN OF LADY LAKE, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2017**

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**NOTE 2 BUDGETING (continued)**

- 5) Formal budgetary integration is employed as a management control device during the year for governmental funds. Total budgeted appropriations within a governmental fund type may not be exceeded legally.
- 6) Annual budgets are adopted for all governmental fund types on a basis consistent with generally accepted accounting principles. The enterprise (Utility) fund budget is adopted on a basis other than generally accepted accounting principles. Budgets are not adopted for the pension trust funds.

Encumbrance accounting, under which purchase orders, contracts, and other commitments are recorded in order to reserve that portion of the applicable appropriation, is employed by the Town for budgetary purposes. Encumbrances outstanding at year end do not constitute expenditures or liabilities and are not reported as committed or assigned fund balances. Appropriations and encumbrances lapse at year end.

**NOTE 3 BUDGETARY BASIS OF ACCOUNTING**

The Town Commission adopts annual budgets for each of the Town's funds, except for the pension trust funds. The budget for the Utility Fund is adopted on an accounting basis other than in accordance with generally accepted accounting principles (GAAP). Adjustments necessary to convert the results of operations for the year ended September 30, 2017 from the GAAP basis to the budget basis are as follows:

<u>Utility Fund</u>	
Change in Net Position, GAAP Basis	\$ (384,063)
Decrease due to sale of equipment	(9,992)
Decrease due to water, sewer and reuse impact fees	(295,678)
Increase due to depreciation	1,037,646
Decrease due to equipment purchases	(66,693)
Decrease due to building construction	(17,419)
Decrease due to utility system construction	<u>(308,992)</u>
Deficiency of Revenues Under Expenses, Budget Basis	<u><u>\$ (45,191)</u></u>

**NOTE 4 CASH DEPOSITS AND INVESTMENTS**

Cash Deposits

At September 30, 2017, the carrying amount of the Town's cash deposits, including funds in bank money market investments, was \$11,310,522. The actual bank balances at September 30, 2017 totaled \$11,612,514, and were entirely insured by Federal depository insurance or by a State collateral insurance pool held by the Treasurer, State of Florida, in the Public Deposit Security Trust Fund.

**TOWN OF LADY LAKE, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2017**

**NOTE 4 CASH DEPOSITS AND INVESTMENTS (continued)**

Investments

The Town categorizes its fair value measurements within the fair value hierarchy established by general accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The Town's investments at September 30, 2017 are categorized below.

	<u>Level 1</u>	<u>Level 2</u>
General Fund Investments:		
FMIT 1-3 Year High Quality Bond Fund	\$ -	\$ 1,971,140
FMIT Intermediate High Quality Bond Fund	-	3,162,807
Pension Trust Fund Investments:		
Money Market Funds	327,733	-
Corporate Equities	6,247,967	-
Corporate and Foreign Bonds	2,098,444	-
Real Estate Funds	6,223	802,312
	<u>\$ 8,680,367</u>	<u>\$ 5,936,259</u>

The underlying securities in the FMIT bond funds have observable level 1 quoted pricing inputs or observable level 2 significant other observable pricing inputs. While the underlying asset values are based on quoted prices or market-corroborated inputs, the net asset value of the portfolio is not publicly quoted.

*Credit Risk* - Credit risk exists when there is a possibility the issuer to an investment may be unable to fulfill its obligations. The Town manages its credit risk by investing in bond funds with high ratings from nationally recognized statistical rating organizations. All of the Town's investments in mutual bond funds have a Fitch Rating of AA Af/S2 or AA Af/S3. The Town's investment policy does not specifically address credit risk.

*Interest Rate Risk* - Interest rate risk exists when there is a possibility that changes in interest rates could adversely affect an investment's fair value. The Town's mutual bond funds have weighted average maturities of 1.50 years (1-3 year bond fund) and 3.80 years (intermediate bond fund). The Town's investment policy does not specifically address interest rate risk.

**NOTE 5 RECEIVABLES**

Accounts receivable at September 30, 2017 are as follows:

	<u>General Fund</u>	<u>Utility Fund</u>
Customer Accounts Receivable	\$ -	\$ 195,451
Franchise and Utility Taxes	237,886	-
Special Paving Assessments	2,683	-
Other Receivables	73,075	93,864
Less Allowance for Uncollectibles	(1,501)	(24,985)
Net Receivables	<u>\$ 312,143</u>	<u>\$ 264,330</u>

**TOWN OF LADY LAKE, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2017**

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**NOTE 6 CAPITAL ASSETS (continued)**

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

Governmental Activities:	
General Government	\$ 209,144
Public Safety	159,570
Growth Management	8,908
Public Works	206,546
Culture and Recreation	<u>356,286</u>
Total Depreciation Expense - Governmental Activities	<u><u>\$ 940,454</u></u>
Business-type Activities:	
Water	\$ 301,133
Sewer	736,513
Garbage	<u>-</u>
Total Depreciation Expense - Business-type Activities	<u><u>\$ 1,037,646</u></u>

Recreation Project Construction Commitments

The Town has a \$440,000 contract for construction of a concession building at the Guava Street Sports Complex. At September 30, 2017, the Town had an outstanding commitment of \$171,140 under the contract.

Utility System Construction Commitments

The Town has contracted for engineering services for a new utility operations building and a water line upgrade in the Skyline Hills subdivision. The utility building contract totals \$125,406, of which \$17,419 was complete as of September 30, 2017. The water line contract totals \$113,200, of which \$57,000 was complete as of September 30, 2017.

Sewer Capacity Reservation Agreement

On November 29, 1993, the Town closed on the sale of the Town's wastewater treatment plant to the Village Center Community Development District (VCCDD). The assets sold consisted of approximately 20 acres of land, the sewage treatment facility, and all lift stations, transmission mains and other physical facilities located on the site. The Town did not sell the sewage collection system. The book value of the assets sold was \$1,864,749. Closing costs paid were \$6,211. The Town received \$1,044,454 in cash and a 30-year Sewer Plant Capacity Reservation and Bulk Treatment Agreement.

**TOWN OF LADY LAKE, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2017**

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**NOTE 6 CAPITAL ASSETS (continued)**

Effective April 2, 2003, the Town and the VCCDD entered into a new, 40-year Interlocal Agreement for sewer capacity reservation and bulk treatment. The capacity reservation is for 250,000 gallons of wastewater per day, with an initial price for treatment of \$3.02 per 1,000 gallons. A provision for annual price adjustments is included, based on mutual agreement or, if agreement cannot be reached, a set formula based on the consumer price index. The treatment price at September 30, 2017 was \$3.02 per 1,000 gallons. The agreement also granted the Town the option, during the first 10 years of the agreement, to purchase up to an additional 250,000 gallons per day of treatment capacity in not less than 50,000 gallon per day increments, and included a formula for computing the option price based on the amount of capacity purchased.

On February 12, 2004, the Town purchased an additional 50,000 gallons per day capacity reservation for \$267,500. On June 3, 2004, the Town purchased an additional 100,000 gallons per day capacity reservation for \$535,000. The cost of these capacity reservations is being amortized straight-line over the remaining term of the Agreement.

The original Sewer Capacity Reservation Agreement has been recorded in the Utility Fund at its historical cost of \$826,506. The net book value on April 2, 2003 was \$737,635. At September 30, 2017, the total cost of sewer capacity reservations, which includes the 2004 purchases, was \$1,629,006. Amortization for the year ended September 30, 2017 totaled \$39,055. Accumulated amortization at September 30, 2017 was \$633,109, and the net book value was \$995,897.

**NOTE 7 LONG-TERM DEBT**

SunTrust Loan

On November 16, 2009, the Town issued a \$3,400,000 note payable to SunTrust Bank known as the "Town of Lady Lake, Florida Capital Improvement Revenue Note, Series 2009", for the purpose of funding the construction of the Town's library. The note is secured by and payable from the Town's one-cent infrastructure sales surtax revenues.

Monthly payments of principal and interest (at 4.30%) of \$17,000 began January 1, 2010. The monthly payment increased to \$79,000 on October 1, 2014, and the note matures on March 1, 2018.

On October 31, 2016, the Town paid the remaining principal balance of \$1,344,015 to satisfy the Capital Improvement Revenue Note, Series 2009, in full. Interest paid during the year totaled \$9,897.

**TOWN OF LADY LAKE, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2017**

**NOTE 7 LONG-TERM DEBT (continued)**

Changes in Long-Term Liabilities

Long-term liability activity for the year ended September 30, 2017 was as follows:

	<u>Balances</u> 10/1/2016	<u>Additions</u>	<u>Principal</u> <u>Reductions</u>	<u>Balances</u> 9/30/2017	<u>Due within</u> <u>One Year</u>
Governmental Activities:					
SunTrust Loan	\$ 1,417,934	\$ -	\$(1,417,934)	\$ -	\$ -
Compensated Absences	317,971	408,616	(302,500)	424,087	349,870
Governmental Activity Long-Term Liabilities	<u>\$ 1,735,905</u>	<u>\$ 408,616</u>	<u>\$(1,720,434)</u>	<u>\$ 424,087</u>	<u>\$ 349,870</u>
Business-type Activities:					
Compensated Absences	\$ 28,816	\$ 54,520	\$ (27,330)	\$ 56,006	\$ 41,444
Business-type Activity Long-term Liabilities	<u>\$ 28,816</u>	<u>\$ 54,520</u>	<u>\$ (27,330)</u>	<u>\$ 56,006</u>	<u>\$ 41,444</u>

**NOTE 8 OTHER DISCLOSURES**

- (1) There were no funds that had excess of expenditures over appropriations at the fund level for the year ended September 30, 2017.
- (2) Individual fund interfund receivable and payable balances at September 30, 2017:

	<u>Receivable</u>	<u>Payable</u>
General Fund	\$ 3,180	\$ -
Utility Fund	-	(3,180)

The outstanding balances between funds results from recording the accrual of unbilled utility tax receivable by the Utility Fund.

- (3) There were no deficit fund balances of individual funds at September 30, 2017.
- (4) The following details the various constraints placed on fund balances in the governmental funds at September 30, 2017:

**TOWN OF LADY LAKE, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2017**

**NOTE 8 OTHER DISCLOSURES (continued)**

General Fund

Nonspendable - Prepays	\$	42,688
Nonspendable - Assets Held for Resale		6,800
Total Nonspendable	\$	49,488
Restricted for Police Training and Equipment	\$	3,572
Restricted for Education		1,625,466
Restricted for Recreation Capital Improvements		379,212
Restricted for Building Inspections		52,037
Total Restricted	\$	2,060,287
Committed for Capital Improvements	\$	1,700,000
Assigned to Tree Beautification	\$	22,464
Assigned to Comm Services Tax Repayment		136,313
Total Assigned	\$	158,777
<u>Sales Tax Revenue Fund</u>		
Restricted for Infrastructure	\$	1,266,786

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

**NOTE 9 RETIREMENT COMMITMENTS**

**LADY LAKE POLICE OFFICERS' RETIREMENT TRUST FUND**

Plan Description and Provisions The Lady Lake Police Officers' Retirement Trust Fund was established August 20, 1990 to conform to provisions of the Florida Statutes (Chapter 185) of the State of Florida for all sworn Police Officers. On November 18, 2002, the Plan was amended and restated, by Town ordinance, to establish it as a "local law" plan. A five-member Board of Trustees is responsible for recommending pension plan provisions consistent with the local law ordinance. The Town Commission must authorize plan amendments to benefit provisions or the obligation to make contributions. This plan is a single-employer, defined benefit pension plan, and is administered by the Town. There is no separately issued report on the plan. Administrative costs are generally paid by the plan.

**TOWN OF LADY LAKE, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2017**

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**NOTE 9 RETIREMENT COMMITMENTS (continued)**

Officers attaining the age of 55 who have completed 10 or more years of creditable service, or who have completed 25 years of creditable service regardless of age, are entitled to monthly benefits of 3.3 percent of their average final compensation times years of credited service. In addition, the plan pays a \$200 per month supplemental benefit under normal retirement. The plan permits early retirement at the completion of 10 years of contributing service and attaining the age of 50. Active Officers who retire disabled with disability that occurs in the line of duty and have 10 years of credited service shall receive the greater of 42 percent of average final compensation or the accrued benefit actuarially reduced.

Disability benefits are paid for ten years certain or life or until recovery from disability. If an active Officer dies before retirement eligibility, his or her beneficiary receives a refund of the Police Officer's contributions to the plan. If the Officer dies prior to retirement but has at least 10 years of contributing service, his or her beneficiary is entitled to either early or normal retirement benefits.

If an Officer terminates his or her employment with the police department and is not eligible for any other benefits under the plan, the Officer is entitled to the following:

- with less than 10 years of contributing service, a refund of the Officer's contribution, without interest.
- with 10 or more years of continuous service, the pension accrued to the date of termination, payable commencing at his or her 50th birth date.

As of September 30, 2017, seven Officers had retired that were receiving benefits, three were receiving benefits under disability, and one terminated Officer was entitled to benefits but not yet receiving them. Out of the 27 Officers in the plan at September 30, 2017, nine had vested retirement benefits. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan.

Contributions Required Police Officers are required to contribute five percent of their annual salary to the plan. The plan is also funded by a .85% State excise tax on all casualty insurance policies covering property within the corporate limits of the Town. For the year ended September 30, 2017, the Town collected \$102,879 in casualty insurance premium taxes. The Town is required by State Statute to contribute these taxes to the plan within 5 days of receipt. These on-behalf payments of fringe benefits from the State are reported as tax revenues and a police department expenditure in the General Fund.

The Town is required to contribute the remaining amount necessary for payment of normal (current year's) cost and amortization of the unfunded accrued liability over 30 years. The Town may use actual State monies received, up to \$97,907 per year, to offset the Town's funding requirement. Amounts over \$97,907 must be used to provide additional benefits to Police Officers.

The Municipal Police Officers' Retirement Trust Fund uses the entry age normal actuarial cost funding method. Under this method, which identifies and separately amortizes unfunded actuarial liabilities, the present value of benefits, less all assets, are equated to the present value of future employer contributions, and of future employee contributions, if any. The required contribution is then expressed as a percentage of current payroll. The actuarially determined



**TOWN OF LADY LAKE, FLORIDA**  
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**NOTE 9 RETIREMENT COMMITMENTS (continued)**

funding requirement for the year ended September 30, 2017 was 19.0% from the Town and State, and 5.0% from the Police Officers, for a total of 24.0% of covered payroll.

Net Pension Liability

The measurement date is September 30, 2017.

The measurement period for the pension expense was October 1, 2016 to September 30, 2017.

The reporting period is October 1, 2017 through September 30, 2018.

The Town's net pension liability was measured as of September 30, 2017.

The total pension liability used to calculate the net pension liability was determined as of that date.

*Actuarial Assumptions:*

The total pension liability was determined by an actuarial valuation as of October 1, 2016 updated to September 30, 2017 using the following actuarial assumptions.

Inflation	2.50%
Salary Increases	6.25%
Discount Rate	7.75%
Investment Rate of Return	7.75%

*Mortality Rate Healthy Lives:*

Female: RP2000 Generational, 100% Annuitant White Collar, Scale BB

Male: RP2000 Generational, 10% Annuitant White Collar/90% Annuitant Blue Collar, Scale BB

*Mortality Rate Disabled Lives:*

Female: 60% RP2000 Disabled Female set forward two years/40% Annuitant White Collar with no setback, no projection scale.

Male: 60% RP2000 Disabled Male setback four years/40% Annuitant White Collar with no setback, no projection scale.

The other significant assumptions are based upon the most recent actuarial experience study dated December 8, 2009.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of geometric real rates of return for each major asset class included in the pension plan's target asset allocation as of September 30, 2017 are summarized in the following table:

Asset Class	Target Allocation	Long Term Expected Real Rate of Return
Domestic Equity	50%	7.50%
International Equity	10%	8.50%
Broad Market Fixed Income	40%	2.50%

**TOWN OF LADY LAKE, FLORIDA**  
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**NOTE 9 RETIREMENT COMMITMENTS (continued)**

*Discount Rate:*

The discount rate used to measure the total pension liability was 7.75 percent. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that Town contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Changes in Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
Reporting Period Ending September 30, 2017	\$ 6,465,073	\$ 7,052,387	\$ (587,314)
Changes for a Year:			
Service Cost	346,389	-	346,389
Interest	512,808	-	512,808
Change in Excess State Money	4,972	-	4,972
Differences between Expected and Actual Experience	(63,314)	-	(63,314)
Changes of assumptions	-	-	-
Changes of benefit terms	-	-	-
Contributions - Employer	-	151,316	(151,316)
Contributions - State	-	102,879	(102,879)
Contributions - Employee	-	73,295	(73,295)
Net Investment Income	-	812,313	(812,313)
Benefit Payments, including Refunds of Employee Contributions	(292,124)	(292,124)	-
Administrative Expense	-	(27,452)	27,452
Net Changes	<u>508,731</u>	<u>820,227</u>	<u>(311,496)</u>
Reporting Period Ending September 30, 2018	<u><u>\$ 6,973,804</u></u>	<u><u>\$ 7,872,614</u></u>	<u><u>\$ (898,810)</u></u>

*Sensitivity of the Net Pension Liability to changes in the discount rate:*

	1% Decrease	Current Discount Rate	1% Increase
	6.75%	7.75%	8.75%
Town's Net Pension Liability	\$ 12,303	\$ (898,810)	\$ (1,656,189)

**TOWN OF LADY LAKE, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2017**

**NOTE 9 RETIREMENT COMMITMENTS (continued)**

Pension Expense and Deferred Inflows/Outflows of Resources Related to Pensions

For the year ended September 30, 2017, the Town has recognized a pension expense of \$301,008. On September 30, 2017 the Town reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between Expected and Actual Experience	\$ -	\$ 450,594
Changes of Assumptions	102,360	-
Net difference between Projected and Actual		-
Earnings on Pension Plan Investments	197,473	
Town and State Contributions Subsequent to the Measurement Date	254,195	-
	\$ 554,028	\$ 450,594

The outcome of the deferred outflows of resources related to pensions resulting from Town and State contributions subsequent to the measurement date has been recognized as a reduction of the net pension liability in the year ended September 30, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended September 30:	
2018	\$ (9,868)
2019	(9,869)
2020	4,544
2021	(94,920)
2022	(40,648)

**GENERAL EMPLOYEES RETIREMENT TRUST FUND**

Effective October 8, 2001, the Town established, by resolution, a money purchase plan and trust in the form of the International City Managers Association (ICMA) Retirement Corporation 401-a Governmental Money Purchase Plan and Trust. The plan is a single-employer, defined contribution pension plan administered by the ICMA Retirement Corporation. There is no separate, audited GAAP – basis postemployment benefit plan report available for this defined contribution pension plan. The Town Commission must authorize plan amendments to benefit provisions or the obligation to make contributions. This new plan replaced the multiple-employer, defined contribution pension plan that had been in place since December 28, 1992 when the Town created the General Employees Retirement Trust Fund.

**TOWN OF LADY LAKE, FLORIDA**  
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**NOTE 9 RETIREMENT COMMITMENTS (continued)**

All full-time employees at least 18 years of age, except sworn police officers and certain senior Town executives, are eligible to participate in the retirement plan. Participants become vested in their account balance in the plan based on the following vesting schedule:

<u>Years of Service Completed</u>	<u>Percent Vested</u>
1	50%
2	75%
3	100%

The Town will contribute 6% to 8% of a participant's earnings, including overtime, into the plan, depending on the participant's years of service as follows:

up to 10 years of service	6%
over 10 to 15 years of service	7%
over 15 years of service	8%

There are no mandatory employee contributions in order to participate in the plan, but after tax employee contributions are permitted. Contributions and related investment earnings are credited to individual self-directed investment accounts. During the year ended September 30, 2017, the Town contributed \$136,808 into the plan.

Participants separating from service with the Town before the three year vesting period is complete forfeit a portion of their account balance in the plan. The Town may use forfeited amounts to reduce the Town's required payment of contributions for current plan participants. During the year ended September 30, 2017, the Town used \$968 in forfeited amounts for payment of contributions for current plan participants. Normal retirement is when the participant attains his or her 65th birthday. Distributions of the account balances of vested plan participants that separate from service are subject to the Internal Revenue Code rules for distributions from qualified plans.

**FINANCIAL STATEMENTS FOR INDIVIDUAL PENSION FUNDS**

Individual financial statements for the Lady Lake Police Officers' Retirement Trust Fund and the General Employees Retirement Trust Fund are presented on the following page.

**TOWN OF LADY LAKE, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2017**

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**NOTE 10 DEFINED CONTRIBUTION PENSION PLAN**

The Town adopted a defined contribution pension plan effective June 30, 1999. The plan is a single-employer, money purchase plan administered for the Town by the ICMA Retirement Corporation, and is designed in accordance with Internal Revenue Code section 401. There is no separate, audited GAAP – basis postemployment benefit plan report available for this defined contribution pension plan. The Town Commission must authorize plan amendments to benefit provisions or the obligation to make contributions. Employees eligible for participation in the plan are certain senior Town executives, and as of September 30, 2017 there were eight employees participating in the plan. The Town is required to contribute 7% of the participant's earnings to the plan for employees with up to 5 years of service, and 8% for employees with over 5 years service. Contributions and related investment earnings are credited to individual self-directed investment accounts, and the employee immediately becomes 100% vested in the account balances. Normal retirement is permitted when the participant attains age 55. During the year ended September 30, 2017, Town contributions to the plan totaled \$51,368.

**NOTE 11 OTHER POSTEMPLOYMENT BENEFITS**

The Town does not provide its employees any postemployment benefits other than pensions. Florida Statutes require local governments which provide group insurance to its employees the option of continuing to participate in the group plan following retirement. The Town does not contribute to the premium cost for retired employees, so the entire cost must be paid by the retiree. At September 30, 2017, the Town had no retirees continuing to participate in its group health insurance plan, and 1 retiree participating in its group dental insurance plan. Management does not anticipate a significant number of future retirees to request continued coverage. Therefore, no material other postemployment benefits liability is recognized or recorded.

**NOTE 12 PROPERTY TAXES**

Under Florida law, the assessment of all properties and the collection of all county, municipal and school board property taxes are consolidated in the offices of the County Property Appraiser and County Tax Collector. State laws regulating tax assessment are also designed to assure a consistent property valuation method state wide. Florida Statutes permit municipalities to levy property taxes at a rate of up to 10 mills. The millage rate assessed by the Town for taxes collected during the fiscal year ended September 30, 2017 was 3.3962. The millage rate assessed by the Town on taxable property to be levied on November 1, 2017 was 3.3962.

All property is reassessed according to its fair market value on January 1 of each year. Each assessment roll is submitted to the Executive Director of the State Department of Revenue for review to determine if the rolls meet all of the appropriate requirements of Florida Statutes. The current year taxes for the fiscal year, beginning October 1, are billed in the month of November and are due no later than March 31. On April 1, all unpaid amounts become delinquent and are subject to interest and penalties. Discounts are allowed for early payment as follows:

November	4%	February	1%
December	3%	March	0%
January	2%		

**TOWN OF LADY LAKE, FLORIDA**  
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**NOTE 12 PROPERTY TAXES (continued)**

The Town's tax calendar is as follows:

Valuation Date:	January 1
Levy Date:	November 1
Due Date:	March 31, succeeding year
Lien Date	April 1, succeeding year

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

**NOTE 13 INSURANCE COVERAGE**

The Town is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters. The Town manages its various risks of loss by the purchase of commercial insurance coverages primarily through Public Risk Management of Florida, or with commercial carriers packaged by Public Risk Management. During the year ended September 30, 2017, there were no significant reductions in coverages from the prior year. Insurance claim settlements have not exceeded coverages on any policies during the past three fiscal years.

**NOTE 14 COMMUNICATIONS SERVICES TAX LIABILITY**

In April of 2014, the Town discovered a significant reduction in its Communications Services Tax receipts. The Florida Department of Revenue subsequently informed the Town that a large communications provider had made an error on its tax returns, causing the Town to receive taxes belonging to another local taxing jurisdiction. The Department completed an audit of the communications provider in November of 2016 and determined the Town was overpaid by \$1,233,054. During 2014 the Department had suspended \$482,957 of tax receipts owed to the Town, leaving a balance due of \$730,097. The Town is required to pay back this liability over 36 months beginning in February 2017.

Prior to the start of repayments, the Town negotiated an arrangement with Sumter County for their portion of the remaining liability. The Town paid \$500,000 directly to Sumter County and received a cash discount of \$74,837, leaving a balance due the State of \$175,260.

During the year ended September 30, 2017, the Department withheld \$38,947 (8 payments) from the Town's current tax receipts. The balance due at September 30, 2017 was \$136,313.

**NOTE 15 SUBSEQUENT EVENTS**

Town management has evaluated events occurring subsequent to the financial statement date through March 29, 2018. No material subsequent events were identified for recognition or disclosure.