

# Comprehensive Annual Financial Report for the Fiscal Year Ended

September 30, 2018



TREE CITY USA

*Town of*  
**LADY LAKE**  
  
*Florida*



**TOWN OF LADY LAKE, FLORIDA**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**FISCAL YEAR ENDED SEPTEMBER 30, 2018**

Prepared by:  
Pamela Winegardner  
Finance Director

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**TOWN OF LADY LAKE, FLORIDA  
COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FOR THE YEAR ENDED SEPTEMBER 30, 2018**

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March 28, 2019

Honorable Mayor, Commissioners  
And Citizens of the Town of  
Lady Lake, Florida

Ladies and Gentlemen:

The Comprehensive Annual Financial Report (CAFR) of the Town of Lady Lake, Florida, (hereinafter referred to as “the Town”), for the fiscal year ended September 30, 2018, is submitted herewith pursuant to Article III, Section 3.01 (f) of the Town Charter; *Florida Statutes* Chapters 11.45 and 218.32, and Chapter 10.550 Rules of the Auditor General of the State of Florida. State law requires an annual “financial audit” of “local governmental entities” be completed no later than nine months after the end of the fiscal year. We publish the CAFR to provide the Town Commission, Town staff, our citizens, our lenders and other interested parties with detailed information concerning the financial condition and activities of the Town.

Responsibility for both the accuracy of the data, and the completeness and fairness of the presentation, including all disclosures, rests with the Town. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and are reported in a manner designed to present fairly the financial position and results of operations of the various funds of the Town. All disclosures necessary to enable the reader to gain an understanding of the Town’s financial activities has been included.

Town management and administration is responsible for establishing and maintaining internal controls designed to ensure that the assets of the Town are protected from loss, theft or misuse and to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles (GAAP). The internal controls are designed to provide reasonable assurance, not absolute assurance, that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of controls should not exceed the derived benefits; (2) the valuation of costs and benefits requires estimates and judgments from management.

We believe the Town’s internal accounting controls adequately safeguard assets and provide reasonable assurance that this financial report is complete and reliable in all material respects.

Shumacker, Johnston & Ross, PA, a firm of licensed certified public accountants have audited the Town’s financial statements in accordance with generally accepted auditing standards. The goal of the independent audit was to provide reasonable assurance that the financial statements of the Town for the fiscal year ended September 30, 2018, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditors concluded, based upon the audit, that there was a



Honorable Mayor, Commissioners,  
and Citizens of the Town of  
Lady Lake, Florida  
March 28, 2019

reasonable basis for rendering an unmodified opinion that the Town's financial statements for the fiscal year ended September 30, 2018, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

***Federal and State Awards.*** As a recipient of Federal and State financial assistance, the Town also is responsible for ensuring that adequate internal controls are in place to ensure compliance with applicable laws and regulations related to these programs. Their internal controls are subject to periodic evaluation by management.

GAAP require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). The letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The Town of Lady Lake's MD&A can be found immediately following the report of the independent auditor.

This report and other fiscal operating budgets may be accessed via the Town's website at [www.ladylake.org](http://www.ladylake.org).

## **THE REPORTING ENTITY AND ITS ORGANIZATION**

The Town of Lady Lake is located in north Lake County, Florida, approximately fifty miles northwest of Orlando on U.S. Highway 27/441. It currently occupies 8.56 square miles and serves a population of 14,960. The Town was incorporated in 1925 and has operated under a Commission/Manager form of government since 1987. The Town Commission consists of five elected officials who are elected from their respective wards on a non-partisan basis and are responsible for enacting ordinances and resolutions that govern the Town. The five commissioners are elected to staggered two-year terms. The commissioners from the even-numbered wards are elected in the even-numbered years and the commissioners from the odd-numbered wards are elected in the odd-numbered years. Each year the Commission elects one of its members to serve as Mayor. The Mayor presides over commission meetings and public ceremonies. The Commission appoints the Town Manager and the Town Attorney. As chief executive officer, the Town Manager is charged with the enforcement of all ordinances and resolutions passed by the Commission and appointment of heads of the various departments.

The Town of Lady Lake is a political subdivision of the State of Florida. As such, it is governed by and derives its operating authority from the constitution and laws of the State of Florida. The Town of Lady Lake is empowered to levy a property tax on both real and personal property (millage rate) located within its boundaries. The FY2018 property tax millage rate of \$3.3962 per \$1,000 of taxable value was again the second lowest municipal levy of the fourteen municipalities located within Lake County. It also is empowered by state statute to extend its corporate limits by annexation, which occurs periodically when deemed appropriate by the Town Commission.

The Town can, and in future cases predict we will, provide a wide range of governmental services. These services include a library; police protection; the construction and maintenance

Honorable Mayor, Commissioners,  
and Citizens of the Town of  
Lady Lake, Florida  
March 28, 2019

of highways, streets, and infrastructure; recreational activities and cultural events; building inspections; code enforcement; growth management and administrative services. In addition to general government services, the Town also provides utility services including water, sewer, reuse and contracted garbage services. The Town Commission has financial accountability and oversight of the Police Officers' and General Employees' Retirement Systems; therefore, these activities are included in this entity's report. There are no component units nor legally separate entities that could be included as component units of the Town within the financial statements,

The annual budget serves as the foundation for the Town's financial planning and control. Department heads are required to submit requests for appropriations to the Town Manager, who uses these requests as the basis for developing a proposed budget. The appropriated budget is prepared by fund, function, department and line item. The Town Commission is required to hold two public hearings on the proposed budget and millage rate in September with adoption no earlier than September 2<sup>nd</sup> and no later than September 30<sup>th</sup>, the close of the Town's fiscal year.

The Town's adopted budget establishes budgetary controls at department level. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the Town Commission. Authority to adjust at the various department budgets levels is held by the Town Commission. The legally adopted annual operating budgets consist of; (1) the General Fund; (2) Sales Tax Revenue Fund; and (3) the Utility Fund. Adopted budgets for all governmental fund types are adopted on a basis consistent with GAAP. The Utility Fund budget is adopted on a basis other than GAAP. Budgets are not adopted for the pension trust funds. The Town maintains an encumbrance accounting system as one technique of accomplishing budgetary control. These encumbrances lapse at year-end.

### **FACTORS AFFECTING ECONOMIC CONDITION**

The information presented in the financial statements is best understood when it is considered from the broader perspective of the specific environment within which the Town operates.

***Local economy.*** Until 1980, the Town was primarily dependent on the local agricultural economy. Since 1980, however, the Town has expanded rapidly due to the development of "The Villages" retirement community. This is reflected in the Town's population, which has more than tripled since 1980.

Lake, Sumter and Marion Counties are still attracting retirees from all over the world resulting in an increase in commercial and residential growth. Estimated Just Value, which is a low market price estimate, is at an all-time high and the real estate and construction industries in particular, which were hard hit many years ago by the economic downturn are finally past where they were in 2008.

During the fiscal year, completed commercial construction consisted of renovations and interior buildouts only.

Honorable Mayor, Commissioners,  
and Citizens of the Town of  
Lady Lake, Florida  
March 28, 2019

Thirty-eight new businesses opened during the 17-18 fiscal year in retail, restaurants, fitness, professional offices, real estate, insurance and commercial public service. Some of the new businesses and retail openings include; Reliable Health Care, LLC., Advanced Home Inspections by Robert E Locke, All Pro Home Services, Alliance Coach, Branded in Stitches LLC, Brisas Del Mar Mexican Restaurant, C.M. Life Insurance Company, Central United Life Insurance, Comcast Communications LLC, D&C Links LLC DBA Lakes of Lady Lake Golf Course, Dawn's Creations, East Hamlet Dental, P.A., EMI's Painting LLC. Florida Rehabilitation Specialty, Fresenius Kidney Care Lady Lake, In Home Computer Services, Katherine Way Collections Boutique, Kensi Lane Clothing Boutique, Manhattan Life Insurance Company, Massey Services Inc., Mid-Fla Heating and Air, LLC., National Farmers union Life Insurance, Premier Janitorial Services, Theodore A. Schiff, M.D., Serenity Janitorial, Inc., Stretch Zone (R&R Enterprises), T-Mobile (GP Mobile 2, LLC), The Villages Health System, Trevisani Oral Surgery Dental Implants, Velez Property Management and Water's Edge Dermatology.

Lake County's September 2018 unemployment rate was 2.9%. This is down .5% for the same time last year. This rate is close to the state average and lower than the United States average of 3.4% for the same period. Florida's unemployment rate has been steadily dropping.

Taxable values for real and personal property has increased by 10% from fiscal year 2008, when the Town of Lady Lake's property value was at its last peak. The Florida electorate approved amendment 1 on January 29, 2008 and its impact contributed to the limited growth in taxable values. Taxable values for FY2018 rose 7.6% from FY2017. The Town Commission elected to keep the millage at 3.3962 per \$1,000 of taxable value for FY2018.

***Long-term financial planning.*** The General Fund's unassigned fund balance at September 30, 2018 is \$7,804,930. This balance represents 71% of the FY2018 General Fund final budget (\$11,730,846) when the pass thru costs of the contracted fire services (\$764,500) are removed.

***Relevant financial policies.*** The one-cent sales surtax revenue (Sales Tax Revenue Fund) is authorized through December 31, 2032. This revenue can only be used for projects eligible for funding as specified in the infrastructure surtax referendum. The Town will receive approximately \$1,400,000 of this revenue each year. This was used to pay for five Police Vehicles in the amount of \$222,336 this year with five more budgeted for FY2019. The balance is being held to fund the new Utility Building currently under construction scheduled for completion in May 2019.

Honorable Mayor, Commissioners,  
and Citizens of the Town of  
Lady Lake, Florida  
March 28, 2019

### **AWARDS AND ACKNOWLEDGEMENTS**

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Town of Lady Lake for its Comprehensive Annual Financial Report for the fiscal year ended September 30, 2017. This was the twenty-third consecutive year that the Town of Lady Lake achieved this prestigious award.

In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to GFOA to determine its eligibility for another certificate.

The preparation of the comprehensive annual financial report on a timely basis is made possible by the efficient and dedicated service of the entire staff of the Finance Department. Special appreciation is expressed for the contributions made throughout the year by Debbie Lopez, Rebecca Hewett, Michelle Sloane and Dawn Woods.

Special appreciation is also expressed to the Town's Auditor, W. Chet Ross of Shumacker, Johnston & Ross, PA, who contributes every year valuable reporting suggestions in addition to adding credibility to the contents therein.

In closing, we again extend our sincere appreciation to the members of the Town of Lady Lake Commission for their leadership, concern and continued support in planning and conducting the fiscal operations of the Town in a responsible and progressive manner.

Respectfully submitted,

Official Signature on File  
in Town Clerk's Office

Kristen Kollgaard  
Town Manager

Official Signature on File  
in Town Clerk's Office

Pamela Winegardner  
Finance Director

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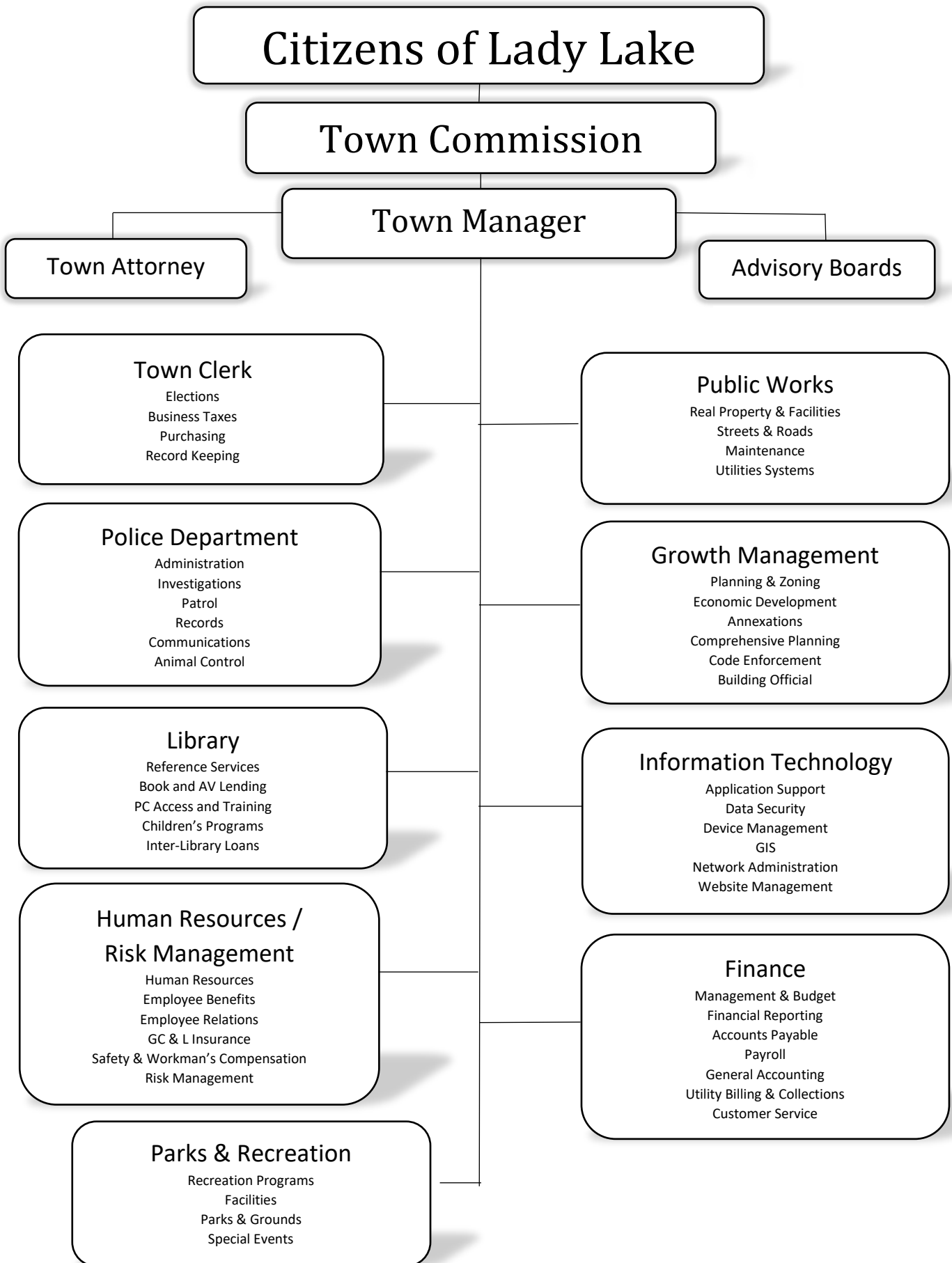
**TOWN OF LADY LAKE, FLORIDA  
COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FISCAL YEAR ENDED SEPTEMBER 30, 2018**

**TOWN COMMISSION AND OFFICIALS  
AT SEPTEMBER 30, 2018**

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Mayor - Commissioner - Ward 5.....	James A. Richards
Commissioner - Ward 1.....	Ruth Kussard
Commissioner - Ward 2.....	Anthony Holden
Commissioner - Ward 3.....	Dan Vincent
Commissioner - Ward 4.....	Paul F. Hannan
Town Manager/Town Clerk.....	Kristen Kollgaard
Finance Director.....	Pamela Winegardner
Director of Human Resources.....	Maureen Gochee
Director of Growth Management.....	Thad Carroll
Director of Library and Information Services.....	Marsha Brinson
Information Technology Director.....	John Pearl
Parks and Recreation Director.....	Michael Burske
Police Chief.....	Chris McKinstry
Public Works Director.....	C. T. Eagle
Town Attorney.....	Derek A. Schroth
Town Auditor.....	Shumacker, Johnston & Ross, PA

# Town of Lady Lake Organizational Chart





## **Town of Lady Lake, Florida**

### **Certificate of Achievement**

For the year ended September 30, 2017

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Town of Lady Lake, Florida for its comprehensive annual financial report (CAFR) for the fiscal year ended September 30, 2017. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of a state and local government financial report.

In order to be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized comprehensive annual financial report, whose contents conform to program standards. The CAFR must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe our current report continues to conform to Certificate of Achievement Program requirements, and we are submitting it to GFOA to determine its eligibility for another certificate.



Government Finance Officers Association

**Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting**

Presented to

**Town of Lady Lake  
Florida**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**September 30, 2017**

*Christopher P. Morill*

Executive Director/CEO

# Shumacker, Johnston & Ross, PA-Certified Public Accountants

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

American Institute of  
Certified Public Accountants

Florida Institute of  
Certified Public Accountants

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

## INDEPENDENT AUDITOR'S REPORT

March 28, 2019

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, 2018, 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, 2018 and 2017, 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, 2018, 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, 2018 and 2017, 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, 2018 and 2017, 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 28, 2019 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

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**TOWN OF LADY LAKE, FLORIDA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
SEPTEMBER 30, 2018**

As management of the Town of Lady Lake, Florida, we offer readers of the Town's financial statements this narrative overview and analysis of the financial activities of the Town for the fiscal year ended September 30, 2018. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal on pages i - v of this report.

As with other sections of this financial report, the information contained within this MD&A is considered only a part of a greater whole. The reader of this statement should take time to read and evaluate all sections of this report, including the notes to the financial statements and the other required supplementary information that is provided in addition to this MD&A.

**FINANCIAL HIGHLIGHTS**

- The assets of the Town exceeded its liabilities at the close of the most recent fiscal year by \$ 51,761,753 (net position). Of this amount, \$13,975,103 (unrestricted net position) may be used to meet the Town's ongoing obligations to citizens and creditors in accordance with the Town's fund designation and fiscal policies.
- The Town's total net position increased by \$1,176,842 of which (\$162,888) represents a decrease in net position from business-type activities.
- As of the close of the current fiscal year, the Town's governmental funds reported combined ending fund balances of \$ 13,535,466, an increase of \$1,695,554 in comparison with the prior year.
- Of the Town's governmental combined ending fund balances, unassigned funds and available for use, \$7,804,903 or 69% are within the Town's fund designation and fiscal policies. The unassigned fund balance for the General Fund in comparison with the prior year shows an increase of \$1,200,356. This represents 71% of total General Fund expenditures.
- The Town's total debt was paid off in October of 2016.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

This discussion and analysis is intended to serve as an introduction to the Town's basic financial statements. The Town's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves. **Government-wide financial statements.** The government-wide financial statements are designed to provide readers with a broad overview of the Town's finances, in a manner similar to a private-sector business.



**TOWN OF LADY LAKE, FLORIDA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
SEPTEMBER 30, 2018**

The statement of net position presents information on all of the Town's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Town is improving or deteriorating.

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

Both of the government-wide financial statements distinguish functions of the Town that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the Town include general government, public safety, growth management, public works (which includes street maintenance), and culture and recreation. The business-type activities of the Town include a utility fund to account for water, sewer and garbage services.

The government-wide financial statements do not include any component units.

The government-wide financial statements can be found on pages 17-19 of this report.

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

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

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions.

**TOWN OF LADY LAKE, FLORIDA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
SEPTEMBER 30, 2018**

Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Town maintains two individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund and the Sales Tax Revenue Fund, which are considered major funds.

The Town adopts an annual appropriated budget for all governmental funds. Budgetary comparison schedules have been provided for these funds to demonstrate budgetary compliance.

The governmental fund financial statements can be found on pages 21 through 25 of this report.

**Proprietary funds.** The Town maintains only one type of proprietary fund. It is an enterprise fund used to report the same functions presented as business-type activities in the government-wide financial statements. The Town's enterprise fund accounts for its water, sewer and garbage utility operations.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail.

The basic proprietary fund financial statements can be found on pages 26 through 30 of this report.

**Fiduciary funds.** Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the Town's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The fiduciary funds include pension trust funds for police and general employees.

The basic fiduciary fund financial statements can be found on pages 31 through 32 of this report.

**Notes to the financial statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements are found on pages 33 through 53 of this report.

**Other information.** In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the Town's progress in funding its obligation to provide pension benefits to its police officers. Required supplementary information are found on page 54 and 56 of this report.

Comparative individual fund statements and schedules are found on pages 60 through 80 of this report.

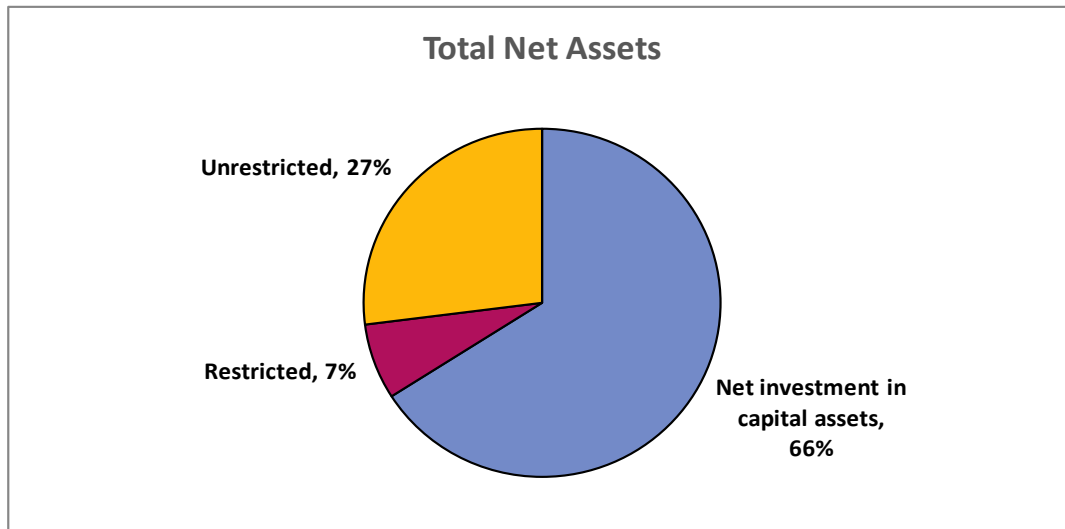
**TOWN OF LADY LAKE, FLORIDA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
SEPTEMBER 30, 2018**

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

**Statement of net position.** As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the Town, assets exceeded liabilities by \$51,761,753 as of September 30, 2018. The following table reflects the condensed statement of net position for the current fiscal year as compared to the prior fiscal year.

**TOWN OF LADY LAKE'S NET ASSETS**

	Governmental activities		Business-type activities		Total	
	2018	2017	2018	2017	2018	2017
Current and other assets	\$ 15,376,122	\$ 13,625,006	\$ 4,864,252	\$ 4,830,277	\$ 20,240,374	\$ 18,455,283
Capital assets	14,612,058	14,700,622	19,561,674	19,357,117	34,173,732	34,057,739
Total Assets	29,988,180	28,325,628	24,425,926	24,187,394	54,414,106	52,513,022
Deferred Outflows						
Pension Related	378,401	554,028	-	-	378,401	554,028
Current and other liabilities	925,221	896,715	1,033,554	667,604	1,958,775	1,564,319
Long-term liabilities						
outstanding	505,473	424,087	78,609	46,319	584,082	470,406
Total Liabilities	1,430,694	1,320,802	1,112,163	713,923	2,542,857	2,031,545
Deferred Inflows						
Pension Related	487,897	450,594	0	0	487,897	450,594
Net Assets:						
Net investment in capital assets	14,612,058	14,700,622	19,536,904	19,356,812	34,148,962	34,057,434
Restricted	2,334,342	2,060,287	1,303,346	1,819,281	3,637,688	3,879,568
Unrestricted	11,501,590	10,347,351	2,473,513	2,300,558	13,975,103	12,647,909
Total Net Assets	\$ 28,447,990	\$ 27,108,260	\$ 23,313,763	\$ 23,476,651	\$ 51,761,753	\$ 50,584,911



**TOWN OF LADY LAKE, FLORIDA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
SEPTEMBER 30, 2018**

The largest portion of the Town's net position (\$34,148,962 or 66%) reflects its investment in capital assets (e.g., land, buildings, utility systems, improvements other than buildings, equipment, and infrastructure) less any related debt used to acquire those assets that is still outstanding. The Town uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Town's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the Town's net position \$3,637,688 represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position \$13,975,103 may be used to meet the Town's ongoing obligations to citizens and creditors.

As of September 30, 2018, the Town is able to report positive balances in all three categories of net position, both for the government as a whole, as well as for its separate governmental and business-type activities. The same situation held true for the prior fiscal year.

There was an increase of \$274,055 in the restricted net position reported in connection with the Town's governmental activities. The major portion of this increase was due to excess collections over expenditures of \$909,649 in infrastructure Sales Taxes.

The business-type activities had a decrease \$162,888 or .69 % in total net position compared to the prior year. The net investment in capital assets increased by \$180,092 or .93% which was largely due to completion of Skyline Water line project and the start of the Public Works Utility building. The business-type activities' restricted net position decreased by \$515,935 or 28.4 % largely due to a decrease in collection of impact fees and use of restricted assets for the Skyline water line.

**TOWN OF LADY LAKE, FLORIDA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
SEPTEMBER 30, 2018**

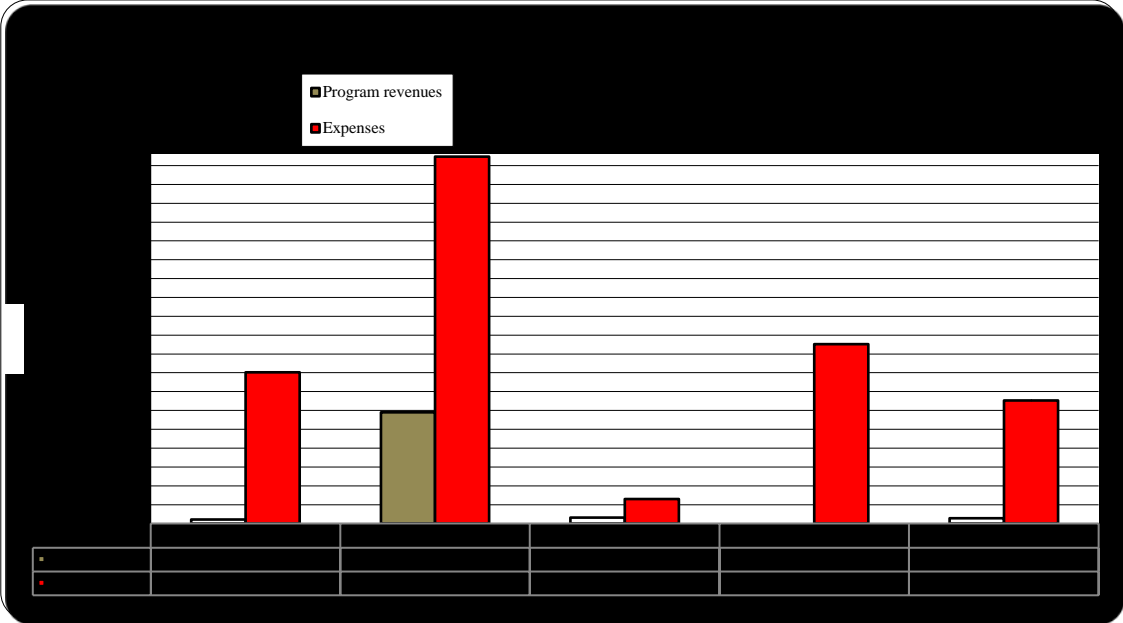
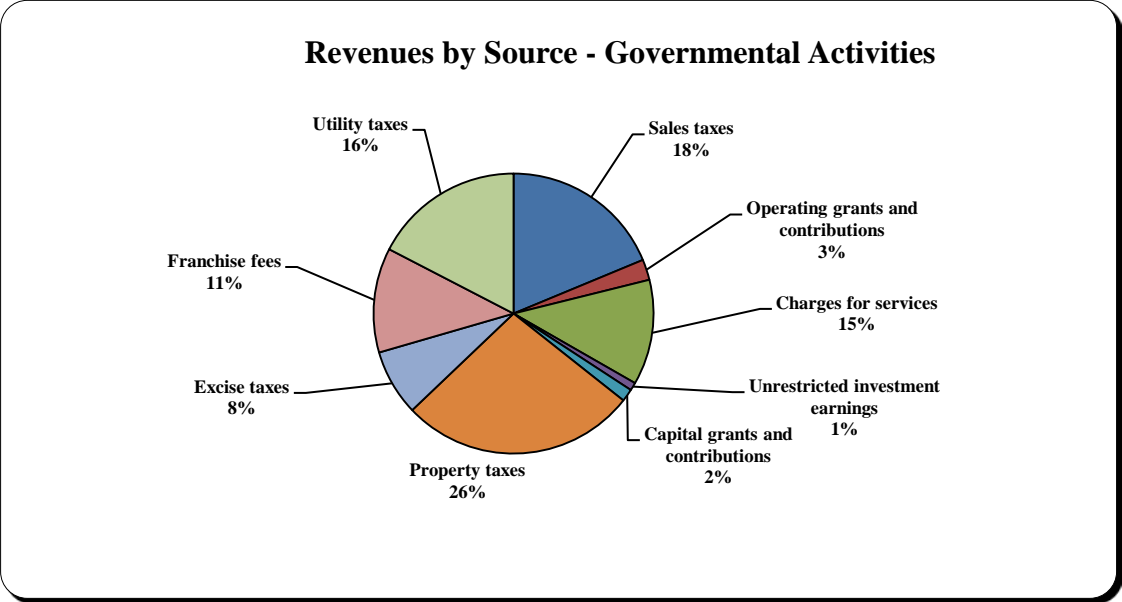
**Statement of activities.** As noted earlier, the statement of activities presents information showing how the Town's net position changed during the current year. The following table reflects the condensed statement of activities for the current fiscal year as compared to the prior fiscal year.

**TOWN OF LADY LAKE'S CHANGES IN NET POSITION**

	Governmental		Business-type		Total	
	Activities		Activities			
	2018	2017	2018	2017	2018	2017
<b>Revenues:</b>						
<b>Program revenues:</b>						
Charges for services	\$ 1,897,970	\$ 1,751,836	\$ 3,291,372	\$ 3,210,732	\$ 5,189,342	\$ 4,962,568
Operating grants and contributions	437,937	368,848	-	-	437,937	368,848
Capital grants and contributions	196,056	546,634	147,885	295,678	343,941	842,312
<b>General revenues:</b>						
Property taxes	3,399,162	3,156,218	-	-	3,399,162	3,156,218
Sales taxes	2,348,220	2,219,432	-	-	2,348,220	2,219,432
Franchise fees	1,474,639	1,390,322	-	-	1,474,639	1,390,322
Utility taxes	2,007,958	2,094,236	-	-	2,007,958	2,094,236
Excise taxes	999,106	943,577	-	-	999,106	943,577
Unrestricted investment earnings	133,381	55,887	74,850	30,604	208,231	86,491
Gain on Sale Assets	22,616	20,036			22,616	-
<b>Total Revenues</b>	<b>12,917,045</b>	<b>12,547,026</b>	<b>3,514,107</b>	<b>3,537,014</b>	<b>16,431,152</b>	<b>16,064,004</b>
<b>Expenses:</b>						
General Government	2,053,017	1,903,693	-	-	2,053,017	1,903,693
Public Safety	4,915,400	3,924,096	-	-	4,915,400	3,924,096
Growth Management	368,809	325,481	-	-	368,809	325,481
Public Works	2,426,249	1,950,796	-	-	2,426,249	1,950,796
Culture and Recreation	1,679,340	1,482,354	-	-	1,679,340	1,482,354
Interest on long-term debt	-	4,819	-	-	-	4,819
Utility Services	-	-	3,811,495	3,779,577	3,811,495	3,779,577
<b>Total Expenses</b>	<b>11,442,815</b>	<b>9,591,239</b>	<b>3,811,495</b>	<b>3,779,577</b>	<b>15,254,310</b>	<b>13,370,816</b>
<b>Change in net position before transfers</b>	<b>1,474,230</b>	<b>2,955,787</b>	<b>(297,388)</b>	<b>(242,563)</b>	<b>1,176,842</b>	<b>2,693,188</b>
Transfers	(134,500)	141,500	134,500	(141,500)	-	-
<b>Change in net position</b>	<b>1,339,730</b>	<b>3,097,287</b>	<b>(162,888)</b>	<b>(384,063)</b>	<b>1,176,842</b>	<b>2,693,188</b>
<b>Net Position - 10/1/2017</b>	<b>27,108,260</b>	<b>24,010,973</b>	<b>23,476,651</b>	<b>23,860,714</b>	<b>50,584,911</b>	<b>47,871,687</b>
<b>Net Position - 9/30/2018</b>	<b>\$ 28,447,990</b>	<b>\$ 27,108,260</b>	<b>\$ 23,313,763</b>	<b>\$ 23,476,651</b>	<b>\$ 51,761,753</b>	<b>\$ 50,564,875</b>

**TOWN OF LADY LAKE, FLORIDA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
SEPTEMBER 30, 2018**

**Governmental activities.** Governmental activities increased the Town's net position by \$1,339,730. The fiscal year 2018 millage was kept the same as FY17 millage of 3.3962 but with an increase in net taxable value of 7.72% for new construction and increased value of properties, the net result was an increase in the total fund balance.

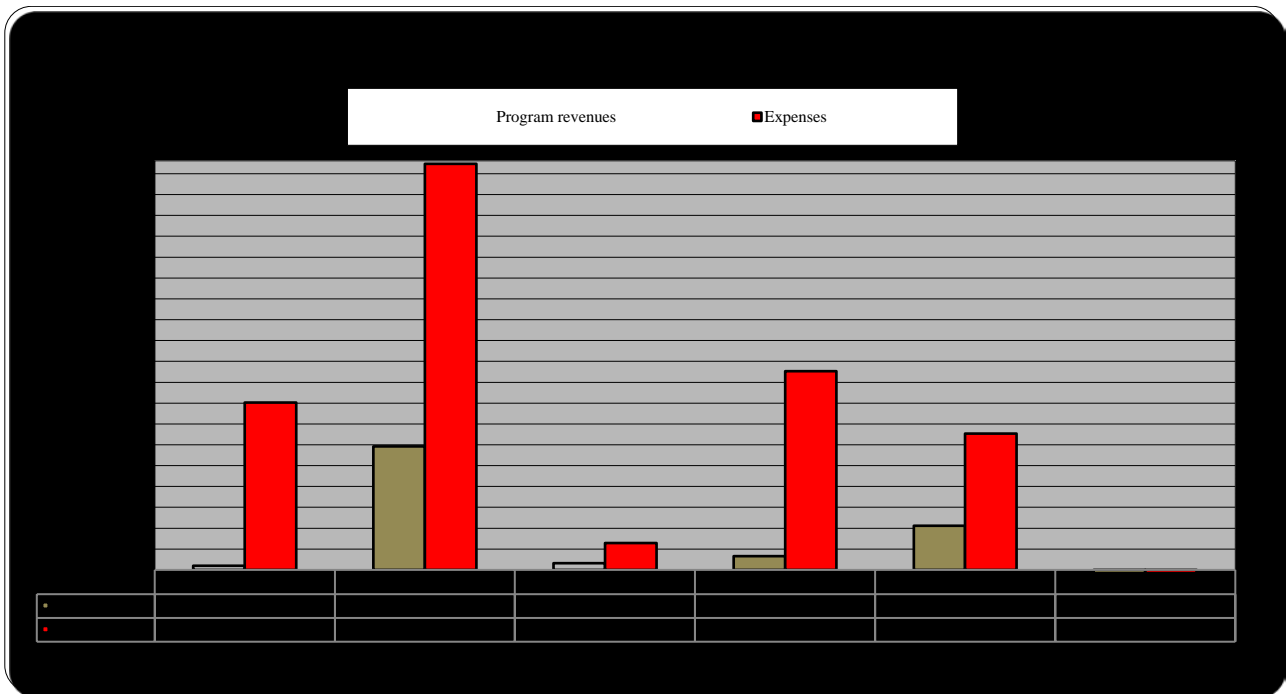
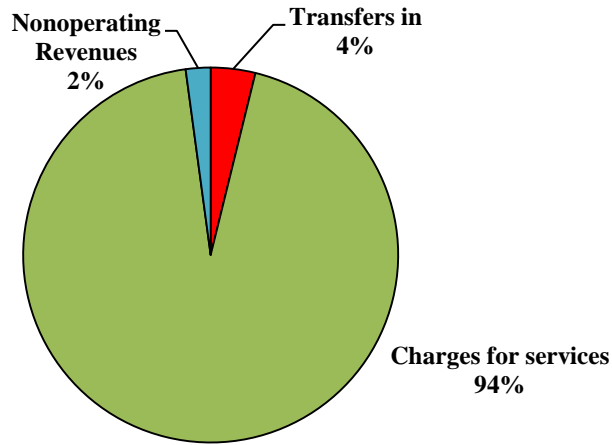


**TOWN OF LADY LAKE, FLORIDA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
SEPTEMBER 30, 2018**

A comparison of the Town's functional program revenues and costs of providing program services to its citizens is useful in identifying the programs, and the extent of which each are dependent on taxes and other non-exchange revenues to subsidize their program operations

**Business-type activities.** Business-type activities decreased the Town's net position by (\$162,888). The decrease is due primarily to the depreciation of the Town's utility systems. The percentage breakdown of the business-type activities revenues can be seen below.

**Revenues by Source - Business-type Activities**





**TOWN OF LADY LAKE, FLORIDA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
SEPTEMBER 30, 2018**

**FINANCIAL ANALYSIS OF THE TOWN'S FUNDS**

**Governmental funds.** The focus of the Town's governmental funds is to provide information on near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing the Town's financing requirements. In particular, the unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of fiscal year 2018, the Town's governmental funds reported combined ending fund balances of \$ 13,535,466, an increase of \$1,695,554 in comparison with the prior year. Approximately 58% of this total amount (\$7,804,930) constitutes the unassigned fund balance that is available for spending at the Town's discretion. The remainder of the fund balance is not available for new spending. The various constraints placed on these funds are as follows: Non-spendable \$49,097 for Prepaids and Real Property Held for Resale; Restricted \$4,510,777 for Education, Police Training & Equipment, Recreation and Library Capital Improvements, Committed \$1,078,030 for certain Capital Improvements, Assigned \$ 92,632 for Tree Beautification and repayment of communication service tax. Restricted for Infrastructure in the Sales Tax Revenue Fund was \$ 2,176,435.

As was discussed on page 11 under Governmental Activities although the millage stayed the same as FY17, new construction and values increased. The funds that are Nonspendable, restricted, committed and assigned however decreased by \$414,451 due to funding projects such as the Parks & Rec Concession stand (impact fees) and purchasing equipment for the Roads & Streets Department (committed funds).

The General Fund, which is the primary operating fund of the Town, had a fund balance of \$11,359,031 but \$3,554,101 was dedicated for purposes other than general spending. The unassigned fund balance increased by \$1,200,356.

Additional information on these funds can be found in Note 8 on page 44 of this report.

The Sales Tax Revenue Fund had a fund balance of \$2,176,435 at the end of the fiscal year, an increase of \$ 909,649 from the prior year. Of this amount, 100% is restricted for infrastructure improvements.

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

As of the end of fiscal year 2018, the Town's Utility Fund reported unrestricted net position of \$2,473,513, an increase of \$172,955 from the prior year. The increase in the unrestricted net position of the Utility Fund is due to an increase in the water rates 2.5%, which was due to an increase in the CPI-U from January 2016 to January 2017.

**TOWN OF LADY LAKE, FLORIDA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
SEPTEMBER 30, 2018**

**CAPITAL ASSETS**

The Town's investment in capital assets for its governmental and business-type activities as of September 30, 2018, amounts to \$34,173,732 (net of depreciation and amortization). This investment in capital assets includes land, buildings and utility systems, improvements other than buildings, equipment, infrastructure and construction in progress. It also includes the Town's investment in the sewer capacity reservation agreement with the VCCDD. The Town's net capital assets increased \$91,528 from the prior year. The change is primarily due to depreciation expense exceeding capital investments.

Major capital asset events during the current fiscal year included the following:

**Government Funds:**

• 3 servers on Lifecycle Maint Plan and 2 Firewall Appliances	\$ 27,817
• Finish of Parks & Rec Concession Stand	\$ 178,862
• Paving and Striping of Tennis Courts	\$ 125,256
• P&R New Mower	\$ 9,699
• Soccer Field Sun Shades	\$ 12,816
• Engineering for R&S Pole Barn	\$ 10,370
• R&S Two Mowers	\$ 56,159
• R&S John Deere Tractor/loader	\$ 69,358
• R&S Backhoe Loader	\$ 114,298
• R&S Two John Deere Gators	\$ 49,370
• Major Engine overhaul for Grasshopper Kub Diesel	\$ 5,309
• 3 Fords and 2 Dodge Chargers and equipment	\$ 222,336

**Business-type funds:**

• The New Utility Building in progress	\$ 331,218
• Skyline Water Maint Project	\$ 634,185
• Mower	\$ 11,254
• Locator Equipment	\$ 23,366
• Auto Crane Replacement	\$ 13,259
• TSS Analyzer	\$ 6,371
• Thompson Pump Emergency By Pass	\$ 69,229
• Scada Server	\$ 15,087
• FortiGate Firewall	\$ 14,100
• A&D Analytical	\$ 3,085
• Lift Station Truck	\$ 149,023

**TOWN OF LADY LAKE, FLORIDA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
SEPTEMBER 30, 2018**

**TOWN OF LADY LAKE'S CAPITAL ASSETS  
(net of depreciation)**

	Governmental activities		Business-type activities		Total	
	2018	2017	2018	2017	2018	2017
Land	\$ 2,081,694	\$ 2,081,694	\$ 509,453	\$ 509,453	\$ 2,591,147	\$ 2,591,147
Buildings	7,755,549	7,656,152	\$ 170,054	\$ 180,225	7,925,603	7,836,377
Improvements other than buildings	973,832	923,774	-	-	973,832	923,774
Furniture and equipment	1,320,143	1,101,436	597,184	408,971	1,917,327	1,510,407
Infrastructure-incl. Utility	2,469,870	2,592,932	16,979,504	17,188,152	19,449,374	19,781,084
Construction in Progress	10,970	344,634	348,637	74,419	359,607	419,053
<b>Total Capital Assets</b>	<b>\$14,612,058</b>	<b>\$14,700,622</b>	<b>\$ 18,604,832</b>	<b>\$ 18,361,220</b>	<b>\$33,216,890</b>	<b>\$ 33,061,842</b>

**GENERAL FUND BUDGETARY HIGHLIGHTS**

The Town amended the original appropriations approved by the Town Commission. The General Fund changes resulted in an increase to the appropriations of approximately 9.8%. The increase is due to approval of a continuing capital project, the Guava Street concession stand, plus a special commission meeting approving purchase of mowers, repairs to buildings for Animal Control, Roads & Street and Library, tennis court paving and extra road paving of \$500,000. The budget is approved at Department level and all departments were within their budget except for Roads & Streets. Hurricane IRMA hit the Town of Lady Lake on September 10, 2017 and did considerable debris damage. Parks & Recreation Department was over budget due to repairs from hurricane damages to the baseball field poles. The Sales Tax Revenue Fund Budget was unchanged.

**LONG-TERM DEBT**

The balance of \$505,473 represents amounts due for compensated absences.

Additional information on the Town's long-term debt can be found in Note 7 on pages 43 of this report.

**TOWN OF LADY LAKE, FLORIDA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
SEPTEMBER 30, 2018**

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

On January 29, 2008, the Florida electorate approved an amendment to the Florida Constitution relative to property taxation. This amendment (referred to as Amendment 1) was placed on the ballot by the Florida Legislature at a special session held in October 2007. With respect to homestead property, Amendment 1 increases the current \$25,000 homestead exemption by another \$25,000 (for property values between \$50,000 - \$75,000), except for school district taxes. Amendment 1 also allows property owners to transfer (make portable) up to \$500,000 of their Save Our Homes benefits to their next homestead when they move. Save Our Homes became effective in 1992 and limits (caps) the annual increase in assessed value for homestead property to three percent (3%) or the percentage change in the Consumer Price Index, whichever is less.

With respect to non-homestead property, Amendment 1 limits (caps) the annual increase in assessed value for non-homestead property (businesses, industrial property, rental property, second homes, etc.) to ten percent (10%), except for school district taxes. The Amendment also provides a \$25,000 exemption for tangible personal property. Amendment 1 became effective on January 1, 2008, (tax year 2008, fiscal year 2009) with the exception of the ten percent (10%) assessment cap on non-homestead property, which became effective on January 1, 2009 (tax year 2009, fiscal year 2010).

The Town's net taxable value of commercial and residential property increased 7.72% in tax year 2018 as compared to tax year 2017. This increase in taxable value was due to 5.59% of increased taxable values due to an increase in market conditions and Amendment 1 provisions. This includes 2.13% of new construction taxable values. With this increase in taxable value, which increased ad valorem tax revenue, the Town Commission was able to set the millage rate at 3.3962 mills for fiscal year 2018, which is the same millage as fiscal year 2017.

Effective October 1, 2018, the water and reuse rates increased by 2.5%, which was due to an increase in the CPI-U from January 2016 to January 2017.

**REQUESTS FOR INFORMATION**

This financial report is designed to provide a general overview of the Town's finances for all those with an interest in the government's finances and for accountability. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Office of the Finance Director, 409 Fennell Blvd., Lady Lake, Florida 32159.

# BASIC FINANCIAL STATEMENTS

**TOWN OF LADY LAKE, FLORIDA**  
**STATEMENT OF NET POSITION**  
**SEPTEMBER 30, 2018**

<u>ASSETS</u>	<u>GOVERNMENTAL ACTIVITIES</u>	<u>BUSINESS-TYPE ACTIVITIES</u>	<u>TOTAL</u>
Cash and Equivalents	\$ 8,504,241	\$ 2,605,040	\$ 11,109,281
Investments	5,125,809	-	5,125,809
Receivables (net of allowance for uncollectibles)	278,805	271,871	550,676
Due from Other Governments	588,802	6,993	595,795
Internal Balances	3,920	(3,920)	-
Assets Held for Resale	6,800	-	6,800
Inventory and Prepaid Items	42,297	87,764	130,061
Restricted Cash	-	1,896,504	1,896,504
Capital Assets (net of accumulated depreciation and amortization):			
Sewer Capacity Reservation Agreement	-	956,842	956,842
Land	2,081,694	509,453	2,591,147
Buildings	7,755,549	170,054	7,925,603
Improvements Other Than Buildings	973,832	-	973,832
Equipment	1,320,143	597,184	1,917,327
Infrastructure and Utility Systems	2,469,870	16,979,504	19,449,374
Construction in Progress	10,970	348,637	359,607
Net Pension Asset	825,448	-	825,448
<b>Total Assets</b>	<b>29,988,180</b>	<b>24,425,926</b>	<b>54,414,106</b>
<b><u>DEFERRED OUTFLOWS OF RESOURCES</u></b>			
Deferred Outflows Pension-Related	378,401	-	378,401
<b><u>LIABILITIES</u></b>			
Accounts Payable	504,335	386,973	891,308
Accrued Liabilities	194,405	21,667	216,072
Customer Deposits	-	593,157	593,157
Due to Other Governments	79,374	-	79,374
Due to Other Funds	109,637	-	109,637
Unearned Revenue	37,470	31,757	69,227
Noncurrent Liabilities:			
Due within one year	430,663	58,170	488,833
Due in more than one year	74,810	20,439	95,249
<b>Total Liabilities</b>	<b>1,430,694</b>	<b>1,112,163</b>	<b>2,542,857</b>
<b><u>DEFERRED INFLOWS OF RESOURCES</u></b>			
Deferred Inflows Pension-Related	487,897	-	487,897
<b><u>NET POSITION</u></b>			
Net Investment in Capital Assets	14,612,058	19,536,904	34,148,962
Restricted for:			
Capital Improvements	403,967	1,303,346	1,707,313
Police	5,252	-	5,252
Education	1,625,466	-	1,625,466
Building Inspections	299,657	-	299,657
Unrestricted	11,501,590	2,473,513	13,975,103
<b>Total Net Position</b>	<b>\$ 28,447,990</b>	<b>\$ 23,313,763</b>	<b>\$ 51,761,753</b>

*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, 2018**

FUNCTIONS/PROGRAMS	EXPENSES	PROGRAM REVENUES		
		CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS
Governmental Activities:				
General Government	\$ 2,053,017	\$ 95,665	\$ 385	\$ -
Public Safety	4,915,400	1,519,432	6,825	-
Growth Management	368,809	123,845	-	-
Public Works	2,426,249	46,598	163,419	-
Culture and Recreation	1,679,340	112,430	267,308	196,056
<b>Total Governmental Activities</b>	<b>11,442,815</b>	<b>1,897,970</b>	<b>437,937</b>	<b>196,056</b>
Business-Type Activities				
Water	1,219,467	1,185,629	-	64,457
Sewer	1,488,960	918,613	-	83,428
Garbage	1,103,068	1,187,130	-	-
<b>Total Business-Type Activities</b>	<b>3,811,495</b>	<b>3,291,372</b>	<b>-</b>	<b>147,885</b>
<b>Total</b>	<b>\$ 15,254,310</b>	<b>\$ 5,189,342</b>	<b>\$ 437,937</b>	<b>\$ 343,941</b>

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

NET (EXPENSE) REVENUE AND  
CHANGES IN NET POSITION

<u>GOVERNMENTAL</u> <u>ACTIVITIES</u>	<u>BUSINESS-TYPE</u> <u>ACTIVITIES</u>	<u>TOTAL</u>
\$ (1,956,967)	\$ -	\$ (1,956,967)
(3,389,143)	-	(3,389,143)
(244,964)	-	(244,964)
(2,216,232)	-	(2,216,232)
<u>(1,103,546)</u>	<u>-</u>	<u>(1,103,546)</u>
<u>(8,910,852)</u>	<u>-</u>	<u>(8,910,852)</u>
-	30,619	30,619
-	(486,919)	(486,919)
-	84,062	84,062
<u>-</u>	<u>(372,238)</u>	<u>(372,238)</u>
<u>(8,910,852)</u>	<u>(372,238)</u>	<u>(9,283,090)</u>
3,399,162	-	3,399,162
2,348,220	-	2,348,220
1,474,639	-	1,474,639
2,007,958	-	2,007,958
999,106	-	999,106
133,381	74,850	208,231
22,616	-	22,616
<u>(134,500)</u>	<u>134,500</u>	<u>-</u>
<u>10,250,582</u>	<u>209,350</u>	<u>10,459,932</u>
1,339,730	(162,888)	1,176,842
<u>27,108,260</u>	<u>23,476,651</u>	<u>50,584,911</u>
<u>\$ 28,447,990</u>	<u>\$ 23,313,763</u>	<u>\$ 51,761,753</u>



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**TOWN OF LADY LAKE, FLORIDA  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
SEPTEMBER 30, 2018**

<u>ASSETS</u>	<u>GENERAL</u>	<u>SALES TAX REVENUE</u>	<u>TOTAL GOVERNMENTAL FUNDS</u>
Cash and Equivalents	\$ 6,469,222	\$ 2,035,019	\$ 8,504,241
Investments	5,125,809	-	5,125,809
Accounts Receivable (net of allowance for uncollectibles)	278,805	-	278,805
Due from Other Funds	3,920	-	3,920
Due from Other Governments	447,386	141,416	588,802
Real Property Held for Resale	6,800	-	6,800
Prepaid Items	42,297	-	42,297
Total Assets	\$ 12,374,239	\$ 2,176,435	\$ 14,550,674
<u>LIABILITIES</u>			
Accounts Payable	\$ 504,335	\$ -	\$ 504,335
Accrued Liabilities	194,405	-	194,405
Due to Other Funds	109,637	-	109,637
Due to Other Governments	1,481	-	1,481
Unearned Revenue	37,470	-	37,470
Total Liabilities	847,328	-	847,328
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Unavailable Revenue	167,880	-	167,880
<u>FUND BALANCES</u>			
Nonspendable	49,097	-	49,097
Restricted	2,334,342	2,176,435	4,510,777
Committed	1,078,030	-	1,078,030
Assigned	92,632	-	92,632
Unassigned	7,804,930	-	7,804,930
Total Fund Balances	11,359,031	2,176,435	13,535,466
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 12,374,239	\$ 2,176,435	
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 \$26,321,243 less accumulated depreciation of \$11,709,185.			14,612,058
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.			167,880
Net pension asset is not an available financial resource and, therefore, is not reported as an asset in the funds.			825,448
Deferred outflows \$378,401 and deferred inflows \$(487,897) related to pensions are not reported in the governmental funds but will be recognized in pension expense on a long term basis.			(109,496)
Communications services tax refund liability is not due and payable in the current period and, accordingly, is not reported in the governmental funds.			(77,893)
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.			(505,473)
NET POSITION OF GOVERNMENTAL ACTIVITIES			\$ 28,447,990

*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, 2018**

	<u>GENERAL</u>	<u>SALES TAX REVENUE</u>	<u>TOTAL GOVERNMENTAL FUNDS</u>
<b>REVENUES:</b>			
Taxes	\$ 7,283,300	\$ 1,435,218	\$ 8,718,518
Licenses and Permits	724,049	-	724,049
Intergovernmental	1,670,310	-	1,670,310
Charges for Services	217,754	-	217,754
Fines and Forfeitures	34,081	-	34,081
Miscellaneous	1,407,532	21,767	1,429,299
	<u>11,337,026</u>	<u>1,456,985</u>	<u>12,794,011</u>
<b>EXPENDITURES:</b>			
Current:			
General Government	1,876,200	-	1,876,200
Public Safety	4,640,086	-	4,640,086
Growth Management	349,849	-	349,849
Public Works	2,508,867	-	2,508,867
Culture and Recreation	1,432,709	-	1,432,709
Capital Outlay	178,862	-	178,862
	<u>10,986,573</u>	<u>-</u>	<u>10,986,573</u>
Excess of Revenues Over Expenditures	<u>350,453</u>	<u>1,456,985</u>	<u>1,807,438</u>
<b>OTHER FINANCING SOURCES (USES):</b>			
Transfers In	412,836	-	412,836
Transfers Out	-	(547,336)	(547,336)
Sale of Capital Assets	22,616	-	22,616
	<u>435,452</u>	<u>(547,336)</u>	<u>(111,884)</u>
Net Change in Fund Balances	785,905	909,649	1,695,554
Fund Balance, Beginning of Year	<u>10,573,126</u>	<u>1,266,786</u>	<u>11,839,912</u>
Fund Balance, End of Year	<u>\$ 11,359,031</u>	<u>\$ 2,176,435</u>	<u>\$ 13,535,466</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, 2018**

Amounts reported for governmental activities in the Statement of Activities (pages 18 - 19) are different because:

Net Change in Fund Balances - Total Governmental Funds	\$ 1,695,554
Governmental funds report capital outlays as expenditures. In the Statement of Activities the costs of those assets are allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation, \$989,758, exceeded capital outlays, \$901,194, in the current period.	(88,564)
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.	41,998
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.	58,420
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.	(81,386)
Changes in pension expense do not require the use of current financial resources and therefore, are not reported as expenditures in governmental funds.	(286,292)
Change in Net Position of Governmental Activities	<u>\$ 1,339,730</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, 2018**

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
<b>REVENUES:</b>				
Taxes	\$ 7,054,333	\$ 7,054,333	\$ 7,283,300	\$ 228,967
Licenses and Permits	432,530	432,530	724,049	291,519
Intergovernmental	1,507,100	1,507,100	1,670,310	163,210
Charges for Services	173,350	173,350	217,754	44,404
Fines and Forfeitures	37,300	37,300	34,081	(3,219)
Miscellaneous	991,900	991,900	1,407,532	415,632
<b>Total Revenues</b>	<b>10,196,513</b>	<b>10,196,513</b>	<b>11,337,026</b>	<b>1,140,513</b>
<b>EXPENDITURES:</b>				
Current:				
General Government	2,117,987	2,137,787	1,876,200	261,587
Public Safety	4,836,549	4,842,999	4,640,086	202,913
Growth Management	382,116	382,116	349,849	32,267
Public Works	1,969,611	2,658,392	2,508,867	149,525
Culture and Recreation	1,378,750	1,530,690	1,432,709	97,981
Capital Outlay	-	178,862	178,862	-
<b>Total Expenditures</b>	<b>10,685,013</b>	<b>11,730,846</b>	<b>10,986,573</b>	<b>744,273</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(488,500)	(1,534,333)	350,453	1,884,786
<b>OTHER FINANCING SOURCES:</b>				
Transfers In	433,500	433,500	412,836	(20,664)
Sale of Capital Assets	-	-	22,616	22,616
<b>Total Other Financing Sources</b>	<b>433,500</b>	<b>433,500</b>	<b>435,452</b>	<b>1,952</b>
<b>Net Change in Fund Balance</b>	<b>(55,000)</b>	<b>(1,100,833)</b>	<b>785,905</b>	<b>1,886,738</b>
Fund Balance, Beginning of Year	10,573,126	10,573,126	10,573,126	-
<b>Fund Balance, End of Year</b>	<b>\$ 10,518,126</b>	<b>\$ 9,472,293</b>	<b>\$ 11,359,031</b>	<b>\$ 1,886,738</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, 2018**

	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE WITH FINAL BUDGET</u>
<b>REVENUES:</b>				
Taxes	\$ 1,400,000	\$ 1,400,000	\$ 1,435,218	\$ 35,218
Miscellaneous	150	150	21,767	21,617
<b>Total Revenues</b>	<u>1,400,150</u>	<u>1,400,150</u>	<u>1,456,985</u>	<u>56,835</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers Out	<u>(1,643,000)</u>	<u>(1,643,000)</u>	<u>(547,336)</u>	<u>1,095,664</u>
<b>Total Other Financing Sources (Uses)</b>	<u>(1,643,000)</u>	<u>(1,643,000)</u>	<u>(547,336)</u>	<u>1,095,664</u>
<b>Net Change in Fund Balance</b>	(242,850)	(242,850)	909,649	1,152,499
<b>Fund Balance, Beginning of Year</b>	<u>1,266,786</u>	<u>1,266,786</u>	<u>1,266,786</u>	<u>-</u>
<b>Fund Balance, End of Year</b>	<u><u>\$ 1,023,936</u></u>	<u><u>\$ 1,023,936</u></u>	<u><u>\$ 2,176,435</u></u>	<u><u>\$ 1,152,499</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, 2018**

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<u>ASSETS</u>	<u>UTILITY FUND</u>
<b>CURRENT ASSETS:</b>	
Cash	\$ 2,605,040
Restricted Cash:	
Customer Deposits	593,157
Customer Receivables, net of allowance for uncollectibles	271,871
Due from Other Governments	6,993
Inventory	84,914
Prepaid Items	<u>2,850</u>
 Total Current Assets	 <u>3,564,825</u>
<b>NONCURRENT ASSETS:</b>	
Restricted Cash:	
Capital Improvements	<u>1,303,347</u>
Capital Assets:	
Sewer Capacity Reservation Agreement, net of accumulated amortization	<u>956,842</u>
Property, Plant and Equipment:	
Land	509,453
Buildings	346,587
Utility Systems	28,978,339
Equipment	2,172,433
Construction in Progress	<u>348,637</u>
	32,355,449
Less Accumulated Depreciation	<u>13,750,617</u>
 Net Property, Plant and Equipment	 <u>18,604,832</u>
 Total Capital Assets	 <u>19,561,674</u>
 Total Noncurrent Assets	 <u>20,865,021</u>
 Total Assets	 <u>24,429,846</u>

**TOWN OF LADY LAKE, FLORIDA**  
**STATEMENT OF NET POSITION (Continued)**  
**PROPRIETARY FUND**  
**SEPTEMBER 30, 2018**

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<u>LIABILITIES</u>	<u>UTILITY FUND</u>
<b>CURRENT LIABILITIES:</b>	
Accounts Payable	\$ 386,973
Accrued Expenses	21,667
Compensated Absences	58,170
Due to Other Funds	3,920
Customer Deposits	<u>593,157</u>
Total Current Liabilities	<u>1,063,887</u>
<b>NONCURRENT LIABILITIES:</b>	
Compensated Absences	20,439
Unearned Revenue	<u>31,757</u>
Total Noncurrent Liabilities	<u>52,196</u>
Total Liabilities	<u>1,116,083</u>
 <b><u>NET POSITION</u></b>  	
Net Investment in Capital Assets	19,536,904
Restricted for Capital Improvements	1,303,346
Unrestricted	<u>2,473,513</u>
Total Net Position	<u><u>\$23,313,763</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, 2018**

	UTILITY FUND
<b>OPERATING REVENUES:</b>	
Water Sales	\$ 1,121,909
Sewer Revenue	710,764
Reuse Water Sales	126,729
Connection Fees	46,196
Garbage Revenue	1,187,130
Late Fees and Other Revenue	32,299
Total Operating Revenues	3,225,027
<b>OPERATING EXPENSES:</b>	
Personal Services	769,305
Garbage Contract Services	1,103,068
Other Operating Expenses	864,821
Depreciation and Amortization	1,074,301
Total Operating Expenses	3,811,495
Net Operating Loss	(586,468)
<b>NONOPERATING REVENUES (EXPENSES):</b>	
Interest Revenue	74,850
Insurance Claims	66,345
Total Nonoperating Revenues (Expenses)	141,195
Loss Before Contributions and Transfers	(445,273)
<b>CAPITAL CONTRIBUTIONS:</b>	
Water, Sewer, and Reuse Impact Fees	147,885
<b>TRANSFERS IN</b>	325,000
<b>TRANSFERS OUT</b>	(190,500)
Change in Net Position	(162,888)
Total Net Position, Beginning of Year	23,476,651
Total Net Position, End of Year	\$ 23,313,763

*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, 2018**

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	<u>UTILITY FUND</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>	
Cash Received from Customers	\$ 3,236,024
Cash Payments to Employees for Services	(753,452)
Cash Payments to Suppliers for Goods and Services	<u>(1,624,422)</u>
Net Cash Provided by Operating Activities	<u>858,150</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>	
Transfer from Sales Tax Revenue Fund	325,000
Transfer to General Fund	<u>(190,500)</u>
Net Cash Provided by Noncapital Financing Activities	<u>134,500</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>	
Capital Contributions	147,885
Acquisition and Construction of Capital Assets	(1,254,393)
Proceeds from Insurance Claims	<u>66,345</u>
Net Cash Used in Capital and Related Financing Activities	<u>(1,040,163)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>	
Interest Received	<u>74,850</u>
Net Cash Provided by Investing Activities	<u>74,850</u>
<b>NET INCREASE IN CASH</b>	<b>27,337</b>
Cash at Beginning of Year	<u>4,474,207</u>
Cash at End of Year	<u><u>\$ 4,501,544</u></u>

*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, 2018**

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	<u>UTILITY FUND</u>
RECONCILIATION OF OPERATING LOSS TO NET CASH PROVIDED BY OPERATING ACTIVITIES:	
Operating Loss	<u>\$ (586,468)</u>
Adjustments to reconcile operating loss to net cash provided by operating activities:	
Depreciation and Amortization	1,074,301
Increase in Customer Receivables	(7,541)
Increase in Due from Other Governments	(941)
Increase in Inventory	(2,655)
Decrease in Prepaid Expenses	3,759
Increase in Accounts Payable	341,623
Increase in Due to Other Funds	740
Decrease in Accrued Expenses	(6,750)
Increase in Compensated Absences	22,603
Increase in Customer Deposits	<u>19,479</u>
 Total Adjustments	 <u>1,444,618</u>
 Net Cash Provided by Operating Activities	 <u>\$ 858,150</u>
 NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES:	
Utility Building engineering on account	\$ 1,905
Utility Building construction on account	22,865

*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, 2018**

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<u>ASSETS</u>	<u>PENSION TRUST FUNDS</u>
Cash	\$ -
Loans Receivable	156,536
Due from General Fund	109,637
Investments with Trustees:	
Cash Management Funds	221,626
Corporate Equities	6,854,155
Corporate and Foreign Bonds	2,318,947
Real Estate Funds	888,486
	10,549,387
<u>LIABILITIES</u>	
Accounts Payable	4,983
	4,983
<u>NET POSITION RESTRICTED FOR PENSIONS</u>	
Held in Trust for Officers' Contributions	562,311
Held in Trust for Town's Contributions	2,366,771
Held in Trust for Pension Benefits	7,615,322
	\$10,544,404

*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, 2018**

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<u>ADDITIONS</u>	<u>PENSION TRUST FUNDS</u>
Contributions:	
Town	\$ 332,198
Employees	74,751
State of Florida	<u>109,637</u>
Total Contributions	<u>516,586</u>
Investment Income:	
Net Appreciation in Fair Value of Investments	287,324
Dividend Income	551,186
Interest Income	<u>7,985</u>
Total Investment Income	846,495
Less Investment Expense	<u>(30,378)</u>
Net Investment Income	<u>816,117</u>
Total Additions	<u>1,332,703</u>
<u>DEDUCTIONS</u>	
Retirement Benefits	379,664
Administration Expense	<u>30,303</u>
Total Deductions	<u>409,967</u>
CHANGE IN NET POSITION	922,736
<u>NET POSITION RESTRICTED FOR PENSIONS</u>	
Beginning of Year	<u>9,621,668</u>
End of Year	<u><u>\$10,544,404</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, 2018**

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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, 2018**

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**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, 2018**

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**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 2.97% as of September 30, 2018. 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, 2018**

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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, 2018.

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, 2018**

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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, 2018**

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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, 2018, 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 \$190,500 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 (\$1,222,326) and to the Utility Fund (\$325,000) 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, 2018**

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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, 2018 from the GAAP basis to the budget basis are as follows:

<u>Utility Fund</u>	
Change in Net Position, GAAP Basis	\$ (162,888)
Decrease due to insurance claims	(66,345)
Decrease due to water, sewer and reuse impact fees	(147,885)
Increase due to depreciation	1,035,246
Decrease due to equipment purchases	(304,895)
Decrease due to building construction	(331,218)
Decrease due to utility system construction	<u>(642,745)</u>
Deficiency of Revenues Under Expenses, Budget Basis	<u><u>\$ (620,730)</u></u>

**NOTE 4 CASH DEPOSITS AND INVESTMENTS**

Cash Deposits

At September 30, 2018, the carrying amount of the Town's cash deposits, including funds in bank money market investments, was \$13,005,785. The actual bank balances at September 30, 2018 totaled \$13,758,048, 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, 2018**

**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, 2018 are categorized below.

	<u>Level 1</u>	<u>Level 2</u>
General Fund Investments:		
FMIT 1-3 Year High Quality Bond Fund	\$ -	\$ 1,982,353
FMIT Intermediate High Quality Bond Fund	-	3,143,456
Pension Trust Fund Investments:		
Money Market Funds	221,626	-
Corporate Equities	6,854,155	-
Corporate and Foreign Bonds	2,318,947	-
Real Estate Funds	5,057	883,429
	<u>\$ 9,399,785</u>	<u>\$ 6,009,238</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 AAf/S2 or AAf/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 4.30 years (intermediate bond fund). The Town's investment policy does not specifically address interest rate risk

**NOTE 5 RECEIVABLES**

Accounts receivable at September 30, 2018 are as follows:

	<u>General Fund</u>	<u>Utility Fund</u>
Customer Accounts Receivable	\$ -	\$ 181,349
Franchise and Utility Taxes	252,487	-
Special Paving Assessments	2,683	-
Other Receivables	25,136	109,603
Less Allowance for Uncollectibles	(1,501)	(19,081)
Net Receivables	<u>\$ 278,805</u>	<u>\$ 271,871</u>

**TOWN OF LADY LAKE, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2018**

**NOTE 6 CAPITAL ASSETS**

Capital asset activity for the year ended September 30, 2018 was as follows:

	September 30, 2017	Additions	Transfers/ Disposals	September 30, 2018
<b>Governmental Activities:</b>				
Land (not being depreciated)	\$ 2,081,694	\$ -	\$ -	\$ 2,081,694
Construction in Progress	344,634	189,832	(523,496)	10,970
	<u>2,426,328</u>	<u>189,832</u>	<u>(523,496)</u>	<u>2,092,664</u>
<b>Capital assets being depreciated:</b>				
Buildings	12,322,162	-	523,496	12,845,658
Improvements	2,216,275	125,256	-	2,341,531
Equipment	5,299,512	586,106	(260,756)	5,624,862
Infrastructure	3,416,528	-	-	3,416,528
	<u>23,254,477</u>	<u>711,362</u>	<u>262,740</u>	<u>24,228,579</u>
<b>Less accumulated depreciation for:</b>				
Buildings	(4,666,010)	(424,099)	-	(5,090,109)
Improvements	(1,292,501)	(75,198)	-	(1,367,699)
Equipment	(4,198,076)	(367,399)	260,756	(4,304,719)
Infrastructure	(823,596)	(123,062)	-	(946,658)
	<u>(10,980,183)</u>	<u>(989,758)</u>	<u>260,756</u>	<u>(11,709,185)</u>
Total Being Depreciated, net	<u>12,274,294</u>	<u>(278,396)</u>	<u>523,496</u>	<u>12,519,394</u>
<b>Governmental Activities</b>				
Capital Assets, net	<u>\$ 14,700,622</u>	<u>\$ (88,564)</u>	<u>\$ -</u>	<u>\$ 14,612,058</u>
<b>Business-Type Activities:</b>				
Land (not being depreciated)	\$ 509,453	\$ -	\$ -	\$ 509,453
Construction in Progress	74,419	331,218	(57,000)	348,637
	<u>583,872</u>	<u>331,218</u>	<u>(57,000)</u>	<u>858,090</u>
<b>Capital assets being depreciated:</b>				
Buildings	346,587	-	-	346,587
Utility Systems	28,278,594	642,745	57,000	28,978,339
Equipment	1,867,538	304,895	-	2,172,433
	<u>30,492,719</u>	<u>947,640</u>	<u>57,000</u>	<u>31,497,359</u>
<b>Less accumulated depreciation for:</b>				
Buildings	(166,362)	(10,171)	-	(176,533)
Utility Systems	(11,090,442)	(908,393)	-	(11,998,835)
Equipment	(1,458,567)	(116,682)	-	(1,575,249)
	<u>(12,715,371)</u>	<u>(1,035,246)</u>	<u>-</u>	<u>(13,750,617)</u>
Total Being Depreciated, net	<u>17,777,348</u>	<u>(87,606)</u>	<u>57,000</u>	<u>17,746,742</u>
<b>Business-Type Activities</b>				
Capital Assets, net	<u>\$ 18,361,220</u>	<u>\$ 243,612</u>	<u>\$ -</u>	<u>\$ 18,604,832</u>

**TOWN OF LADY LAKE, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2018**

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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	\$ 187,821
Public Safety	209,158
Growth Management	6,355
Public Works	207,992
Culture and Recreation	<u>378,432</u>
Total Depreciation Expense - Governmental Activities	 <u><u>\$ 989,758</u></u>
Business-type Activities:	
Water	\$ 287,409
Sewer	747,837
Garbage	<u>-</u>
Total Depreciation Expense - Business-type Activities	 <u><u>\$ 1,035,246</u></u>

Utility Building Construction Commitments

The Town has contracted for construction of a new utility operations building. The construction contract totals \$2,433,452, of which \$228,649 was complete as of September 30, 2018.

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, 2018**

**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, 2018 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, 2018, the total cost of sewer capacity reservations, which includes the 2004 purchases, was \$1,629,006. Amortization for the year ended September 30, 2018 totaled \$39,055. Accumulated amortization at September 30, 2018 was \$672,164, and the net book value was \$956,842.

**NOTE 7 LONG-TERM DEBT**

Changes in Long-Term Liabilities

Long-term liability activity for the year ended September 30, 2018 was as follows:

	<u>Balances</u> <u>10/1/2017</u>	<u>Additions</u>	<u>Principal</u> <u>Reductions</u>	<u>Balances</u> <u>9/30/2018</u>	<u>Due within</u> <u>One Year</u>
Governmental Activities:					
Compensated Absences	\$ 424,087	\$ 440,976	\$ (359,590)	\$ 505,473	\$ 430,663
Governmental Activity Long-Term Liabilities	<u>\$ 424,087</u>	<u>\$ 440,976</u>	<u>\$ (359,590)</u>	<u>\$ 505,473</u>	<u>\$ 430,663</u>
Business-type Activities:					
Compensated Absences	\$ 56,006	\$ 57,381	\$ (34,778)	\$ 78,609	\$ 58,170
Business-type Activity Long-term Liabilities	<u>\$ 56,006</u>	<u>\$ 57,381</u>	<u>\$ (34,778)</u>	<u>\$ 78,609</u>	<u>\$ 58,170</u>



**TOWN OF LADY LAKE, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2018**

**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, 2018.
- (2) Individual fund interfund receivable and payable balances at September 30, 2018:

	Receivable	Payable
General Fund	\$ 3,920	\$ (109,637)
Utility Fund	-	(3,920)
Police Retirement Trust Fund	109,637	-

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, 2018.
- (4) The following details the various constraints placed on fund balances in the governmental funds at September 30, 2018:

General Fund

Nonspendable - Prepays	\$ 42,297
Nonspendable - Assets Held for Resale	6,800
Total Nonspendable	\$ 49,097
Restricted for Police Training and Equipment	\$ 5,252
Restricted for Education	1,625,466
Restricted for Recreation Capital Improvements	375,424
Restricted for Library Capital Improvements	28,543
Restricted for Building Inspections	299,657
Total Restricted	\$ 2,334,342
Committed for Capital Improvements	\$ 1,078,030
Assigned to Tree Beautification	\$ 14,739
Assigned to Comm Services Tax Repayment	77,893
Total Assigned	\$ 92,632
<u>Sales Tax Revenue Fund</u>	
Restricted for Infrastructure	\$ 2,176,435

**TOWN OF LADY LAKE, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2018**

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**NOTE 8 OTHER DISCLOSURES (continued)**

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.

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, 2018, eight 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 24 Officers in the plan at September 30, 2018, eight had vested retirement benefits. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan.

**TOWN OF LADY LAKE, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2018**

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**NOTE 9 RETIREMENT COMMITMENTS (continued)**

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, 2018, the Town collected \$109,637 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 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 funding requirement for the year ended September 30, 2018 was 18.6% from the Town and State, and 5.0% from the Police Officers, for a total of 23.6% of covered payroll.

The Town is required to contribute the remaining amount necessary for payment of normal (current year's) cost. The Town may use actual State monies received, up to \$85,098 per year, to offset the Town's funding requirement. Effective October 1, 2017, the Town agreed to a supplemental Share Plan with the police officer's union for disposition of annual State monies in excess of \$85,098. Under the Share Plan, these excess amounts will be split, with 50% allocated to the Share Plan and the other 50% to offset the Town's annual required contributions. Amounts allocated to the Share Plan are to provide a supplemental defined contribution component for special benefits as provided for in Section 185.35, *Florida Statutes*.

Activity of the Share Plan for the year ended September 30, 2018 is as follows:

Balance 10/01/2017	\$ 53,498
Additions	12,269
Investment Return Earned	<u>4,761</u>
Balance 9/30/2018	<u><u>\$ 70,528</u></u>

Net Pension Liability

The measurement date is September 30, 2018.

The measurement period for the pension expense was October 1, 2017 to September 30, 2018.

The reporting period is October 1, 2018 through September 30, 2019.

The Town's net pension liability was measured as of September 30, 2018.

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

**TOWN OF LADY LAKE, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2018**

**NOTE 9 RETIREMENT COMMITMENTS (continued)**

*Actuarial Assumptions:*

The total pension liability was determined by an actuarial valuation as of October 1, 2017 updated to September 30, 2018 using the following actuarial assumptions.

Inflation	2.50%
Salary Increases	Service based
Discount Rate	7.25%
Investment Rate of Return	7.25%

*Mortality Rate Healthy Lives:*

Female: RP2000 Generational, 100% Combined Healthy White Collar, Scale BB

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

*Mortality Rate Healthy Inactive 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 most recent actuarial experience study used to review the other significant assumptions was dated December 12, 2018.

The long-term expected rate of return on pension plan investments can be 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. For 2018 the inflation rate assumption of the investment advisor was 2.5%. 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, 2018 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**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2018**

**NOTE 9 RETIREMENT COMMITMENTS (continued)**

*Discount Rate:*

The discount rate used to measure the total pension liability was 7.25 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)
Measurement Date September 30, 2017	\$ 6,973,804	\$ 7,872,614	\$ (898,810)
Changes for a Year:			
Service Cost	350,792	-	350,792
Interest	551,308	-	551,308
Change in Excess State Money	(53,498)	-	(53,498)
Share Plan Allocation	65,767	-	65,767
Differences between Expected and Actual Experience	(47,663)	-	(47,663)
Changes of assumptions	245,986	-	245,986
Changes of benefit terms	-	-	-
Contributions - Employer	-	186,876	(186,876)
Contributions - State	-	109,637	(109,637)
Contributions - Employee	-	74,751	(74,751)
Net Investment Income	-	688,466	(688,466)
Benefit Payments, including Refunds of Employee Contributions	(314,904)	(314,904)	-
Administrative Expense	-	(30,400)	30,400
Net Changes	<u>797,788</u>	<u>714,426</u>	<u>83,362</u>
Measurement Date September 30, 2018	<u>\$ 7,771,592</u>	<u>\$ 8,587,040</u>	<u>\$ (815,448)</u>

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

	Current Discount		
	1% Decrease 6.25%	Rate 7.25%	1% Increase 8.25%
Town's Net Pension Liability	\$ 174,472	\$ (825,448)	\$ (1,654,494)

**TOWN OF LADY LAKE, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2018**

**NOTE 9 RETIREMENT COMMITMENTS (continued)**

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

For the year ended September 30, 2018, the Town has recognized a pension expense of \$197,947. On September 30, 2018 the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between Expected and Actual Experience	\$ -	\$ 405,986
Changes of Assumptions	81,888	-
Net difference between Projected and Actual		-
Earnings on Pension Plan Investments	-	81,911
Town and State Contributions Subsequent to the Measurement Date	296,513	-
	\$ 378,401	\$ 487,897

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, 2018. 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:	
2019	(73,510)
2020	(59,097)
2021	(158,561)
2022	(104,289)
2023	(10,552)

**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 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**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2018**

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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, 2018, the Town contributed \$145,322 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, 2018, the Town used \$2,630 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, 2018**

**NOTE 9 RETIREMENT COMMITMENTS (continued)**

	Police Retirement Trust Fund	Employees Retirement Trust Fund	Total
STATEMENT OF FIDUCIARY NET POSITION AS OF SEPTEMBER 30, 2018			
<u>Assets</u>			
Cash	\$ -	\$ -	\$ -
Loans Receivable	-	156,536	156,536
Due from General Fund	109,637	-	109,637
Investments with Trustees:			
Cash Management Funds	67,765	153,861	221,626
Corporate Equities	5,289,432	1,564,723	6,854,155
Corporate and Foreign Bonds	2,258,600	60,347	2,318,947
Real Estate Funds	883,429	5,057	888,486
<u>Liabilities</u>			
Accounts Payable	(4,983)	-	(4,983)
<u>Net Position</u>			
Restricted for Pension Benefits	<u>\$ 8,603,880</u>	<u>\$ 1,940,524</u>	<u>#####</u>

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
FOR THE YEAR ENDED SEPTEMBER 30, 2018

<u>Additions</u>			
Contributions			
Town	\$ 186,876	\$ 145,322	\$ 332,198
Employees	74,751	-	74,751
State of Florida	109,637	-	109,637
Total Contributions	<u>371,264</u>	<u>145,322</u>	<u>516,586</u>
Investment Income:			
Net Appreciation in Fair Value of Investments	176,407	110,917	287,324
Dividend and Interest Income	552,369	6,802	559,171
Investment Expense	(30,378)	-	(30,378)
Net Investment Income	<u>698,398</u>	<u>117,719</u>	<u>816,117</u>
Total Additions	<u>1,069,662</u>	<u>263,041</u>	<u>1,332,703</u>
<u>Deductions</u>			
Retirement Benefits	306,181	73,483	379,664
Refunds of Contributions	-	-	-
Administrative Expense	28,787	1,516	30,303
Total Deductions	<u>334,968</u>	<u>74,999</u>	<u>409,967</u>
Change in Net Position	734,694	188,042	922,736
<u>Net Position</u>			
Beginning of Year	<u>7,869,186</u>	<u>1,752,482</u>	<u>9,621,668</u>
End of Year	<u>\$ 8,603,880</u>	<u>\$ 1,940,524</u>	<u>#####</u>



**TOWN OF LADY LAKE, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2018**

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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, 2018 there were seven 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, 2018, Town contributions to the plan totaled \$54,252.

**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, 2018, 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, 2018 was 3.3962. The millage rate assessed by the Town on taxable property to be levied on November 1, 2018 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**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2018**

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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, 2018, 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, 2018, the Department withheld \$58,420 (12 payments) from the Town's current tax receipts. The balance due at September 30, 2018 was \$77,893.

**NOTE 15 SUBSEQUENT EVENTS**

Town management has evaluated events occurring subsequent to the financial statement date through March 28, 2019. No material subsequent events were identified for recognition or disclosure.

**TOWN OF LADY LAKE, FLORIDA  
POLICE RETIREMENT TRUST FUND  
REQUIRED SUPPLEMENTARY INFORMATION  
September 30, 2018**

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
Share Plan Allocation	-	-	-
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	(236,641)	(208,033)	(263,148)
Net Change in Total Pension Liability	534,548	381,417	344,868
Total Pension Liability - Beginning	5,204,240	5,738,788	6,120,205
Total Pension Liability - Ending (a)	<u>\$ 5,738,788</u>	<u>\$ 6,120,205</u>	<u>\$ 6,465,073</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	(25,607)	(31,352)	(29,580)
Net Change in Plan Fiduciary Net Position	675,597	128,848	689,608
Plan Fiduciary Net Position - Beginning	5,558,334	6,233,931	6,362,779
Plan Fiduciary Net Position - Ending (b)	<u>\$ 6,233,931</u>	<u>\$ 6,362,779</u>	<u>\$ 7,052,387</u>
Net Pension Liability - Ending (a-b)	<u>\$ (495,143)</u>	<u>\$ (242,574)</u>	<u>\$ (587,314)</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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<u>9/30/2017</u>	<u>9/30/2018</u>
\$ 346,389	\$ 350,792
512,808	551,308
4,972	(53,498)
-	65,767
-	-
(63,314)	(47,663)
-	245,986
<u>(292,124)</u>	<u>(314,904)</u>
508,731	797,788
6,465,073	6,973,804
<u>\$ 6,973,804</u>	<u>\$ 7,771,592</u>

\$ 151,316	\$ 186,876
102,879	109,637
73,295	74,751
812,313	698,466
(292,124)	(314,904)
<u>(27,452)</u>	<u>(30,400)</u>
820,227	724,426

<u>7,052,387</u>	<u>7,872,614</u>
<u>\$ 7,872,614</u>	<u>\$ 8,597,040</u>

<u>\$ (898,810)</u>	<u>\$ (825,448)</u>
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112.89%	110.62%
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\$ 1,465,893	\$ 1,495,012
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-61.31%	-55.21%
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**TOWN OF LADY LAKE, FLORIDA  
POLICE RETIREMENT TRUST FUND  
REQUIRED SUPPLEMENTARY INFORMATION (Continued)  
SEPTEMBER 30, 2018**

**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>	<u>9/30/2018</u>
Actuarially Determined Contribution	\$ 351,204	\$ 303,687	\$ 270,560	\$ 278,520	\$ 284,052
Contributions in relation to the Actuarially Determined Contributions	351,204	303,687	317,873	249,223	284,244
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (47,313)</u>	<u>\$ 29,297</u>	<u>\$ (192)</u>
Covered Officer Payroll	\$ 1,547,154	\$ 1,460,023	\$ 1,470,437	\$ 1,465,893	\$ 1,495,012
Contributions as a percentage of Covered Officer Payroll	22.70%	20.80%	21.62%	17.00%	19.01%

**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%	8.90%
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Notes to Schedules

Valuation Date: 10/1/2016  
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.  
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.  
Interest Rate: 7.75% per year compounded annually, net of investment related expenses  
Payroll Growth: 3.31% 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.  
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, 2018 AND 2017**

	2018	2017
<u>ASSETS</u>		
Cash and Equivalents	\$ 6,469,222	\$ 5,703,730
Investments	5,125,809	5,133,947
Accounts Receivable	278,805	312,143
Due from Utility Fund	3,920	3,180
Due from Other Governments:		
State of Florida	285,306	159,944
Lake County	8,845	8,449
Federal	153,235	88,529
Real Property Held for Resale	6,800	6,800
Prepaid Expenditures	42,297	42,688
Total Assets	<u>\$ 12,374,239</u>	<u>\$ 11,459,410</u>
<u>LIABILITIES</u>		
Accounts Payable	\$ 504,335	\$ 517,451
Accrued Payroll and Related Liabilities	194,405	195,901
Due to Police Retirement Fund	109,637	-
Due to State of Florida	1,481	2,404
Unearned Revenue - Business Taxes	37,470	44,646
Total Liabilities	<u>847,328</u>	<u>760,402</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>		
Unavailable Revenue:		
Federal and State FEMA Grant	166,698	82,909
Fire Assessments	-	41,791
Special Paving Assessments	1,182	1,182
Total Deferred Inflows of Resources	<u>167,880</u>	<u>125,882</u>
<u>FUND BALANCE</u>		
Nonspendable:		
Prepaid Expenditures/Resale Assets	49,097	49,488
Restricted:		
For Police Training/Equipment	5,252	3,572
For Education	1,625,466	1,625,466
For Recreation Capital Improvements	375,424	379,212
For Library Capital Improvements	28,543	-
For Building Inspections	299,657	52,037
Committed for Capital Improvements	1,078,030	1,700,000
Assigned:		
To Tree Beautification	14,739	22,464
To Communications Services Tax Repayment	77,893	136,313
Unassigned	7,804,930	6,604,574
Total Fund Balance	<u>11,359,031</u>	<u>10,573,126</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balance	<u>\$ 12,374,239</u>	<u>\$ 11,459,410</u>

*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, 2018**

With comparative actual amounts for the year ended September 30, 2017

	2018		VARIANCE WITH FINAL BUDGET	2017 ACTUAL
	FINAL BUDGET	ACTUAL		
<b>REVENUES:</b>				
Taxes	\$ 7,054,333	\$ 7,283,300	\$ 228,967	\$ 6,460,046
Licenses and Permits	432,530	724,049	291,519	496,752
Intergovernmental	1,507,100	1,670,310	163,210	1,949,676
Charges for Services	173,350	217,754	44,404	252,829
Fines and Forfeitures	37,300	34,081	(3,219)	35,031
Miscellaneous	991,900	1,407,532	415,632	1,226,358
<b>Total Revenues</b>	<b>10,196,513</b>	<b>11,337,026</b>	<b>1,140,513</b>	<b>10,420,692</b>
<b>EXPENDITURES:</b>				
Current:				
General Government	2,137,787	1,876,200	261,587	1,912,327
Public Safety	4,842,999	4,640,086	202,913	4,482,304
Growth Management	382,116	349,849	32,267	310,336
Public Works	2,658,392	2,508,867	149,525	1,782,135
Culture and Recreation	1,530,690	1,432,709	97,981	1,157,207
Capital Outlay	178,862	178,862	-	907,063
Debt Service	-	-	-	1,427,831
<b>Total Expenditures</b>	<b>11,730,846</b>	<b>10,986,573</b>	<b>744,273</b>	<b>11,979,203</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,534,333)	350,453	1,884,786	(1,558,511)
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfer from Sales Tax Revenue Fund	243,000	222,336	(20,664)	1,635,831
Transfer from Utility Fund	190,500	190,500	-	141,500
Sale of Capital Assets	-	22,616	22,616	9,082
<b>Total Other Financing Sources</b>	<b>433,500</b>	<b>435,452</b>	<b>1,952</b>	<b>1,786,413</b>
<b>Net Change in Fund Balance</b>	<b>(1,100,833)</b>	<b>785,905</b>	<b>1,886,738</b>	<b>227,902</b>
Fund Balance, Beginning of Year	10,573,126	10,573,126	-	10,345,224
Fund Balance, End of Year	<u>\$ 9,472,293</u>	<u>\$ 11,359,031</u>	<u>\$ 1,886,738</u>	<u>\$ 10,573,126</u>

*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, 2018**

**With comparative actual amounts for the year ended September 30, 2017**

	2018		VARIANCE WITH FINAL BUDGET	2017 ACTUAL
	FINAL BUDGET	ACTUAL		
<b>TAXES:</b>				
Ad Valorem Taxes	\$ 3,351,766	\$ 3,399,162	\$ 47,396	\$ 3,156,218
Local Option Gas Tax	230,000	278,571	48,571	260,570
County Gas Tax	20,600	19,879	(721)	19,629
Casualty Insurance Premium Tax	107,000	109,637	2,637	102,879
<b>Franchise Fees:</b>				
Electric	1,160,000	1,238,826	78,826	1,162,809
Gas	25,000	28,844	3,844	24,387
Garbage	195,000	206,969	11,969	203,126
<b>Utility Taxes:</b>				
Electric	915,000	1,007,820	92,820	978,435
Water	185,500	165,526	(19,974)	178,550
Gas	21,000	27,266	6,266	20,357
Communications Services Tax	787,717	748,926	(38,791)	303,110
Town Business Tax	55,750	51,874	(3,876)	49,976
<b>Total Taxes</b>	<b>7,054,333</b>	<b>7,283,300</b>	<b>228,967</b>	<b>6,460,046</b>
<b>LICENSES AND PERMITS:</b>				
Building Permits and Inspections	275,000	538,904	263,904	292,965
Building Plan Review Fees	55,000	40,621	(14,379)	64,821
Site Plan Review Fees	4,500	8,340	3,840	10,750
Annexation/Subdivision Fees	50,000	63,785	13,785	63,085
Zoning Fees	25,000	26,095	1,095	31,500
Comp Plan Amendment Fees	12,000	25,625	13,625	18,350
Other Licenses & Permits	11,030	20,679	9,649	15,281
<b>Total Licenses and Permits</b>	<b>432,530</b>	<b>724,049</b>	<b>291,519</b>	<b>496,752</b>
<b>INTERGOVERNMENTAL:</b>				
Federal Law Enforcement Grants	5,100	2,123	(2,977)	12,525
FEMA Hurricane Grants	-	15,500	15,500	-
Federal Transportation Grants	-	-	-	388,700
State Hurricane Grants	-	1,938	1,938	-
State Revenue Sharing	415,000	463,595	48,595	440,592
Mobile Home Licenses	45,000	46,007	1,007	45,441
Alcohol Beverage Licenses	10,000	11,075	1,075	10,733
1/2 Cent Sales Tax	835,000	913,002	78,002	852,732
State Transportation Revenue	59,000	61,572	2,572	60,483
County Library Agreement	125,000	137,030	12,030	124,713
County Business Tax	13,000	18,468	5,468	13,757
<b>Total Intergovernmental</b>	<b>1,507,100</b>	<b>1,670,310</b>	<b>163,210</b>	<b>1,949,676</b>

**TOWN OF LADY LAKE, FLORIDA**  
**GENERAL FUND**  
**SCHEDULE OF REVENUES COMPARED TO BUDGET (Continued)**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2018**  
**With comparative actual amounts for the year ended September 30, 2017**

	2018		VARIANCE WITH FINAL BUDGET	2017 ACTUAL
	FINAL BUDGET	ACTUAL		
<b>CHARGES FOR SERVICES:</b>				
Villages - Public Safety	\$ 100,000	\$ 100,000	\$ -	\$ 100,000
Police Services	32,100	60,975	28,875	26,005
Road and Street Revenue	30,000	46,598	16,598	116,439
Copies and Certifications	750	463	(287)	612
Library Fees	7,500	7,208	(292)	6,693
Recreation Program Fees	3,000	2,510	(490)	3,080
<b>Total Charges for Services</b>	<b>173,350</b>	<b>217,754</b>	<b>44,404</b>	<b>252,829</b>
<b>FINES AND FORFEITURES:</b>				
Court Fines	21,000	18,320	(2,680)	20,139
Forfeitures	-	2,229	2,229	-
Animal Control Citations	1,500	1,955	455	2,590
Code Enforcement Fines	3,800	2,748	(1,052)	4,889
Police Education	2,500	1,963	(537)	2,267
Parking Fines	5,000	2,926	(2,074)	1,050
Library Fines	3,500	3,940	440	4,096
<b>Total Fines and Forfeitures</b>	<b>37,300</b>	<b>34,081</b>	<b>(3,219)</b>	<b>35,031</b>
<b>MISCELLANEOUS:</b>				
Interest Earnings	34,600	119,752	85,152	42,008
Net Increase (Decrease) in Fair Value of Investments	60,000	(8,138)	(68,138)	12,765
Building/Park/Tower Rental Fees	86,200	98,772	12,572	52,675
Paving Assessments	600	620	20	600
Fire Assessments - Villages	750,000	748,791	(1,209)	740,746
Library Impact Fees	-	28,152	28,152	22,678
Recreation Impact Fees	-	167,904	167,904	135,256
Contributions and Donations	25,500	8,796	(16,704)	47,743
Fuel Tax Refund	7,000	8,000	1,000	7,507
Insurance Claim Proceeds	10,000	126,569	116,569	39,875
Loss on Assets Held for Resale	7,500	-	(7,500)	-
Miscellaneous Revenues	10,500	108,314	97,814	124,505
<b>Total Miscellaneous</b>	<b>991,900</b>	<b>1,407,532</b>	<b>415,632</b>	<b>1,226,358</b>
<b>Total Revenues</b>	<b>\$ 10,196,513</b>	<b>\$ 11,337,026</b>	<b>\$ 1,140,513</b>	<b>\$ 10,420,692</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, 2018**  
**With comparative actual amounts for the year ended September 30, 2017**

	2018		VARIANCE WITH FINAL BUDGET	2017 ACTUAL
	FINAL BUDGET	ACTUAL		
<b>GENERAL GOVERNMENT:</b>				
Town Commission:				
Personal Services	\$ 39,835	\$ 39,815	\$ 20	\$ 39,810
Operating Expenses	10,300	8,991	1,309	8,127
Total Town Commission	50,135	48,806	1,329	47,937
Town Manager:				
Personal Services	224,535	222,449	2,086	210,720
Operating Expenses	10,530	6,379	4,151	3,088
Total Town Manager	235,065	228,828	6,237	213,808
Town Clerk:				
Personal Services	96,313	96,161	152	90,062
Operating Expenses	18,975	7,440	11,535	11,637
Election Expenses	8,000	-	8,000	-
Total Town Clerk	123,288	103,601	19,687	101,699
Finance Department:				
Personal Services	324,678	292,577	32,101	284,252
Operating Expenses	50,251	50,317	(66)	51,453
Total Finance Department	374,929	342,894	32,035	335,705
Human Resources/Risk Mgmt:				
Personal Services	156,182	158,617	(2,435)	139,795
Operating Expenses	32,490	25,955	6,535	21,255
Total Human Resources	188,672	184,572	4,100	161,050
Information Technology:				
Personal Services	162,038	151,374	10,664	129,221
Operating Expenses	161,096	156,489	4,607	148,619
Capital Outlay	28,365	27,817	548	61,414
Total Information Technology	351,499	335,680	15,819	339,254
Legal Counsel	145,000	98,078	46,922	71,869

**TOWN OF LADY LAKE, FLORIDA**  
**GENERAL FUND**  
**SCHEDULE OF EXPENDITURES COMPARED TO BUDGET (Continued)**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2018**  
**With comparative actual amounts for the year ended September 30, 2017**

	2018		VARIANCE WITH FINAL BUDGET	2017 ACTUAL
	FINAL BUDGET	ACTUAL		
<b>GENERAL GOVERNMENT (continued):</b>				
Other General Government:				
Operating Expenses	\$ 320,330	\$ 314,372	\$ 5,958	\$ 255,745
Hurricane Irma	-	84,029	(84,029)	83,243
Aid to Private Organizations	12,300	12,000	300	12,000
Capital Outlay	54,000	600	53,400	184,632
Contingency	150,000	-	150,000	-
Total Other General Government	<u>536,630</u>	<u>411,001</u>	<u>125,629</u>	<u>535,620</u>
Facilities Maintenance:				
Personal Services	122,099	115,588	6,511	97,693
Operating Expenses	10,470	7,152	3,318	7,692
Total Facilities Maintenance	<u>132,569</u>	<u>122,740</u>	<u>9,829</u>	<u>105,385</u>
Total General Government	<u>2,137,787</u>	<u>1,876,200</u>	<u>261,587</u>	<u>1,912,327</u>
<b>PUBLIC SAFETY:</b>				
Police Department:				
Personal Services	2,851,979	2,711,985	139,994	2,526,675
Operating Expenses	618,155	622,973	(4,818)	576,125
Operating Expenses - Federal Grants	5,100	2,123	2,977	7,367
Capital Outlay	243,000	222,336	20,664	311,942
Capital Outlay - Federal Grants	-	-	-	5,777
Total Police Department	<u>3,718,234</u>	<u>3,559,417</u>	<u>158,817</u>	<u>3,427,886</u>
Fire Control:				
Operating Expenses	764,500	748,893	15,607	751,729
Building Inspections:				
Personal Services	49,643	20,710	28,933	28,505
Operating Expenses	229,990	236,194	(6,204)	202,245
Total Building Inspections	<u>279,633</u>	<u>256,904</u>	<u>22,729</u>	<u>230,750</u>
Code Enforcement:				
Personal Services	64,552	45,700	18,852	43,491
Operating Expenses	16,080	29,172	(13,092)	28,448
Total Code Enforcement	<u>80,632</u>	<u>74,872</u>	<u>5,760</u>	<u>71,939</u>
Total Public Safety	<u>4,842,999</u>	<u>4,640,086</u>	<u>202,913</u>	<u>4,482,304</u>
<b>GROWTH MANAGEMENT:</b>				
Personal Services	321,926	311,010	10,916	260,929
Operating Expenses	60,190	38,839	21,351	49,407
Total Growth Management	<u>382,116</u>	<u>349,849</u>	<u>32,267</u>	<u>310,336</u>

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**TOWN OF LADY LAKE, FLORIDA**  
**GENERAL FUND**  
**SCHEDULE OF EXPENDITURES COMPARED TO BUDGET (Continued)**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2018**  
**With comparative actual amounts for the year ended September 30, 2017**

	2018		VARIANCE WITH FINAL BUDGET	2017 ACTUAL
	FINAL BUDGET	ACTUAL		
<b>PUBLIC WORKS:</b>				
Administration:				
Personal Services	\$ 207,684	\$ 202,993	\$ 4,691	\$ 192,604
Operating Expenses	47,835	35,764	12,071	38,457
Total Administration	<u>255,519</u>	<u>238,757</u>	<u>16,762</u>	<u>231,061</u>
Streets and Maintenance:				
Personal Services	704,873	621,567	83,306	645,532
Electric-Street Lights	160,000	168,821	(8,821)	155,105
Operating Expenses	273,205	200,805	72,400	283,170
Street Resurfacing	820,000	816,163	3,837	259,978
Capital Outlay	281,781	323,808	(42,027)	73,259
Total Streets and Maintenance	<u>2,239,859</u>	<u>2,131,164</u>	<u>108,695</u>	<u>1,417,044</u>
Motor Pool (Fleet Maintenance):				
Personal Services	140,279	120,997	19,282	112,733
Operating Expenses	22,735	17,949	4,786	17,463
Capital Outlay	-	-	-	3,834
Total Motor Pool	<u>163,014</u>	<u>138,946</u>	<u>24,068</u>	<u>134,030</u>
Total Public Works	<u>2,658,392</u>	<u>2,508,867</u>	<u>149,525</u>	<u>1,782,135</u>
<b>CULTURE AND RECREATION:</b>				
Library:				
Personal Services	459,487	422,531	36,956	356,263
Operating Expenses	212,482	170,653	41,829	147,483
Operating Expenses - Community Bldg	14,542	9,826	4,716	11,038
Library Books	55,000	53,639	1,361	60,000
Capital Outlay	24,000	-	24,000	247,228
Debt Service	-	-	-	1,427,831
Total Library	<u>765,511</u>	<u>656,649</u>	<u>108,862</u>	<u>2,249,843</u>
Parks and Recreation:				
Personal Services	360,032	352,296	7,736	330,211
Operating Expenses	253,390	275,993	(22,603)	203,541
Capital Outlay	151,757	147,771	3,986	48,671
Capital Outlay - Concession Stand	178,862	178,862	-	266,371
Capital Outlay - Sidewalk Grants	-	-	-	393,464
Total Parks and Recreation	<u>944,041</u>	<u>954,922</u>	<u>(10,881)</u>	<u>1,242,258</u>
Total Culture and Recreation	<u>1,709,552</u>	<u>1,611,571</u>	<u>97,981</u>	<u>3,492,101</u>
Total Expenditures	<u>\$ 11,730,846</u>	<u>\$ 10,986,573</u>	<u>\$ 744,273</u>	<u>\$ 11,979,203</u>

*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, 2018 AND 2017**

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<u>ASSETS</u>	<u>2018</u>	<u>2017</u>
Cash	\$ 2,035,019	\$ 1,132,585
Due from State of Florida	<u>141,416</u>	<u>134,201</u>
Total Assets	<u><u>\$ 2,176,435</u></u>	<u><u>\$ 1,266,786</u></u>
<u>LIABILITIES AND FUND BALANCE</u>		
Liabilities	<u>\$ -</u>	<u>\$ -</u>
Fund Balance, Restricted for Infrastructure	<u>2,176,435</u>	<u>1,266,786</u>
Total Liabilities and Fund Balance	<u><u>\$ 2,176,435</u></u>	<u><u>\$ 1,266,786</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, 2018**  
**With comparative actual amounts for the year ended September 30, 2017**

	2018		VARIANCE WITH FINAL BUDGET	2017 ACTUAL
	FINAL BUDGET	ACTUAL		
<b>REVENUES:</b>				
Local Government Infrastructure Surtax	\$ 1,400,000	\$ 1,435,218	\$ 35,218	\$ 1,366,700
Interest Earned	150	21,767	21,617	1,114
<b>Total Revenues</b>	<b>1,400,150</b>	<b>1,456,985</b>	<b>56,835</b>	<b>1,367,814</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfer to General Fund	(243,000)	(222,336)	20,664	(1,635,831)
Transfer to Utility Fund	(1,400,000)	(325,000)	1,075,000	-
<b>Total Other Financing Sources (Uses)</b>	<b>(1,643,000)</b>	<b>(547,336)</b>	<b>1,095,664</b>	<b>(1,635,831)</b>
<b>Net Change in Fund Balance</b>	<b>(242,850)</b>	<b>909,649</b>	<b>1,152,499</b>	<b>(268,017)</b>
Fund Balance, Beginning of Year	1,266,786	1,266,786	-	1,534,803
<b>Fund Balance, End of Year</b>	<b>\$ 1,023,936</b>	<b>\$ 2,176,435</b>	<b>\$ 1,152,499</b>	<b>\$ 1,266,786</b>

*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, 2018 AND 2017**

<u>ASSETS</u>	<u>2018</u>	<u>2017</u>
<b>CURRENT ASSETS:</b>		
Cash	\$ 2,605,040	\$ 2,081,248
Restricted Cash:		
Customer Deposits	593,157	573,678
Customer Accounts Receivable, net of allowance for uncollectibles of \$19,081 and \$24,985	162,268	170,466
Unbilled Utility Service Receivables	109,603	93,864
Due from Other Governments	6,993	6,052
Inventory	84,914	82,259
Prepaid Expenses	2,850	6,609
	<u>3,564,825</u>	<u>3,014,176</u>
<b>NONCURRENT ASSETS:</b>		
<b>RESTRICTED CASH:</b>		
Impact Fees - Water	442,990	1,010,468
Impact Fees - Sewer	811,721	768,337
Impact Fees - Reuse	48,636	40,476
	<u>1,303,347</u>	<u>1,819,281</u>
<b>SEWER CAPACITY RESERVATION AGREEMENT, net of accumulated amortization of \$672,164 and \$633,109 in 2018 and 2017, respectively</b>	<u>956,842</u>	<u>995,897</u>
<b>PROPERTY, PLANT, AND EQUIPMENT:</b>		
Land	509,453	509,453
Buildings	346,587	346,587
Water Utility System	8,858,235	8,158,490
Sewer Utility System	20,120,104	20,120,104
Equipment	2,172,433	1,867,538
Construction in Progress	348,637	74,419
	<u>32,355,449</u>	<u>31,076,591</u>
Less Accumulated Depreciation	<u>13,750,617</u>	<u>12,715,371</u>
Net Property, Plant, and Equipment	<u>18,604,832</u>	<u>18,361,220</u>
Total Assets	<u>24,429,846</u>	<u>24,190,574</u>

**TOWN OF LADY LAKE, FLORIDA**  
**UTILITY FUND**  
**COMPARATIVE STATEMENTS OF NET POSITION (Continued)**  
**SEPTEMBER 30, 2018 AND 2017**

<u>LIABILITIES</u>	<u>2018</u>	<u>2017</u>
<b>CURRENT LIABILITIES:</b>		
Accounts Payable	\$ 364,108	\$ 20,885
Retainage Payable	22,865	-
Accrued Payroll and Related Taxes	21,667	28,417
Accrued Vacation Payable	58,170	41,444
Due to General Fund	3,920	3,180
Customer Deposits	593,157	573,678
	<u>1,063,887</u>	<u>667,604</u>
<b>NONCURRENT LIABILITIES:</b>		
Accrued Vacation Payable	20,439	14,562
Unearned Revenue	31,757	31,757
	<u>52,196</u>	<u>46,319</u>
<b>Total Liabilities</b>	<u>1,116,083</u>	<u>713,923</u>
 <u>NET POSITION</u>		
Net Investment in Capital Assets	19,536,904	19,356,812
Restricted for Utility Capital Improvements	1,303,346	1,819,281
Unrestricted	2,473,513	2,300,558
	<u>23,313,763</u>	<u>23,476,651</u>
<b>Total Net Position</b>	<u>\$23,313,763</u>	<u>\$23,476,651</u>

*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, 2018 AND 2017**

	2018	2017
<b>OPERATING REVENUES:</b>		
Water Sales	\$ 1,121,909	\$ 1,116,421
Sewer Revenue	710,764	702,861
Reuse Water Sales	126,729	137,495
Connection Fees	46,196	40,418
Garbage Revenue	1,187,130	1,170,324
Late Fees and Other Customer Revenue	32,299	43,213
	<u>3,225,027</u>	<u>3,210,732</u>
<b>OPERATING EXPENSES:</b>		
Personal Services	769,305	739,360
Garbage Contract Services	1,103,068	1,071,930
Repairs and Maintenance	267,135	298,682
Utilities	156,796	149,960
Insurance	122,038	119,542
Operating Supplies	109,428	116,297
Other Contract Services	99,557	89,152
Professional Services	47,797	62,317
Other Operating Expenses	62,070	65,628
Amortization	39,055	39,055
Depreciation	1,035,246	1,037,646
	<u>3,811,495</u>	<u>3,789,569</u>
Total Operating Expenses		
	<u>3,811,495</u>	<u>3,789,569</u>
Net Operating Loss	<u>(586,468)</u>	<u>(578,837)</u>
<b>NONOPERATING REVENUES (EXPENSES):</b>		
Interest Revenue	74,850	30,604
Insurance Claims	66,345	-
Gain on Sale of Equipment	-	9,992
	<u>141,195</u>	<u>40,596</u>
Total Nonoperating Revenues (Expenses)		
	<u>141,195</u>	<u>40,596</u>
Loss Before Contributions and Transfers	<u>(445,273)</u>	<u>(538,241)</u>
<b>CAPITAL CONTRIBUTIONS:</b>		
Water Impact Fees	64,457	206,862
Sewer and Reuse Impact Fees	83,428	88,816
TRANSFERS IN - from Sales Tax Revenue Fund	325,000	-
TRANSFERS OUT - to General Fund	(190,500)	(141,500)
	<u>(162,888)</u>	<u>(384,063)</u>
Change in Net Position		
	<u>(162,888)</u>	<u>(384,063)</u>
Total Net Position, Beginning of Year	<u>23,476,651</u>	<u>23,860,714</u>
Total Net Position, End of Year	<u>\$23,313,763</u>	<u>\$23,476,651</u>

*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, 2018 AND 2017**

	2018	2017
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Cash Received from Customers	\$ 3,236,024	\$ 3,216,147
Cash Payments to Employees for Services	(753,452)	(703,987)
Cash Payments to Suppliers for Goods and Services	(1,624,422)	(1,993,230)
Net Cash Provided by Operating Activities	858,150	518,930
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>		
Transfer from Sales Tax Revenue Fund	325,000	-
Transfer to General Fund	(190,500)	(141,500)
Net Cash Provided by (Used in) Noncapital Financing Activities	134,500	(141,500)
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>		
Water, Sewer and Reuse Impact Fees Received	147,885	295,678
Acquisition and Construction of Capital Assets	(1,254,393)	(628,193)
Proceeds from Insurance Claims	66,345	-
Proceeds from sale of Equipment	-	9,992
Net Cash Used in Capital and Related Financing Activities	(1,040,163)	(322,523)
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Interest Received on Demand Deposits	74,850	30,604
Net Cash Provided by Investing Activities	74,850	30,604
<b>NET INCREASE IN CASH</b>	27,337	85,511
Cash at Beginning of Year	4,474,207	4,388,696
Cash at End of Year	\$ 4,501,544	\$ 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**  
**UTILITY FUND**  
**COMPARATIVE STATEMENTS OF CASH FLOWS (Continued)**  
**FOR THE YEARS ENDED SEPTEMBER 30, 2018 AND 2017**

	2018	2017
RECONCILIATION OF OPERATING LOSS TO NET CASH PROVIDED BY OPERATING ACTIVITIES:		
Operating Loss	\$ (586,468)	\$ (578,837)
Adjustments to reconcile operating loss to net cash provided by operating activities:		
Depreciation and Amortization	1,074,301	1,076,701
(Increase) Decrease in Accounts Receivable	8,198	(4,449)
(Increase) Decrease in Unbilled Receivables	(15,739)	4,050
Increase in Due from Other Governments	(941)	(6,230)
Increase in Inventory	(2,655)	(17,887)
(Increase) Decrease in Prepaid Expenses	3,759	(3,609)
Increase in Accounts Payable	341,623	1,916
Increase (Decrease) in Due to General Fund	740	(142)
Increase (Decrease) in Accrued Payroll and Related Taxes	(6,750)	8,183
Increase in Accrued Vacation Payable	22,603	27,190
Increase in Customer Deposits	19,479	12,044
 Total Adjustments	 1,444,618	 1,097,767
 Net Cash Provided by Operating Activities	 \$ 858,150	 \$ 518,930
 NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES:		
Utility Building engineering on account	\$ 1,905	\$ 305
Utility Building construction on account	22,865	-

*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, 2018**

	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
<b>REVENUES:</b>			
Water Sales	\$ 1,200,000	\$ 1,121,909	\$ (78,091)
Sewer Revenue	675,300	710,764	35,464
Reuse Water Sales	135,250	126,729	(8,521)
Connection Fees	38,500	46,196	7,696
Garbage Revenue	1,251,000	1,187,130	(63,870)
Late Fees and Other Revenue	46,250	32,299	(13,951)
Interest Revenue	25,905	74,850	48,945
Sale of Equipment	10,000	-	(10,000)
Transfer in from Sales Tax Revenue Fund	1,400,000	325,000	(1,075,000)
<b>Total Revenues</b>	<b>4,782,205</b>	<b>3,624,877</b>	<b>(1,157,328)</b>
<b>EXPENSES:</b>			
Personal Services - Water	658,352	600,843	57,509
Personal Services - Sewer	162,229	168,462	(6,233)
Operating Expenses - Water	391,320	331,215	60,105
Operating Expenses - Sewer	511,409	533,606	(22,197)
Operating Expenses - Garbage	1,222,800	1,103,068	119,732
Amortization	39,055	39,055	-
Building Construction	1,400,000	331,218	1,068,782
Utility System Improvements	750,000	642,745	107,255
Equipment Purchases	309,540	304,895	4,645
Transfers out to General Fund	190,500	190,500	-
<b>Total Expenses</b>	<b>5,635,205</b>	<b>4,245,607</b>	<b>1,389,598</b>
<b>Deficiency of Revenues Under Expenses</b>	<b>\$ (853,000)</b>	<b>\$ (620,730)</b>	<b>\$ 232,270</b>

**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, 2018 AND 2017**

	<u>2018</u>	<u>2017</u>
<b>CAPITAL ASSETS:</b>		
Land	\$ 2,081,694	\$ 2,081,694
Buildings	12,845,658	12,322,162
Improvements Other Than Buildings	2,341,531	2,216,275
Furniture and Equipment	5,624,862	5,299,512
Infrastructure	3,416,528	3,416,528
Construction in Progress	<u>10,970</u>	<u>344,634</u>
 Total Capital Assets	 <u><u>\$ 26,321,243</u></u>	 <u><u>\$ 25,680,805</u></u>
 <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	2,074,396
State of Florida Grants	582,278	582,278
Lake County Grants	625,318	631,040
Donations and Developer Contributions	2,555,966	2,575,966
General Fund Revenues	<u>19,814,998</u>	<u>19,148,838</u>
 Total Investment in Capital Assets	 <u><u>\$ 26,321,243</u></u>	 <u><u>\$ 25,680,805</u></u>

**TOWN OF LADY LAKE, FLORIDA**  
**SCHEDULE OF CAPITAL ASSETS USED IN GOVERNMENTAL ACTIVITIES**  
**BY FUNCTION AND ACTIVITY**  
**SEPTEMBER 30, 2018**

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	-	-	-	27,838	-	-	27,838
Human Resources	-	-	-	7,188	-	-	7,188
Information Technology	-	-	-	340,266	-	-	340,266
Other General Government	1,424,727	2,848,875	378,446	494,147	-	600	5,146,795
Facilities Maintenance	-	-	-	95,819	-	-	95,819
Total General Government	<u>1,424,727</u>	<u>2,848,875</u>	<u>378,446</u>	<u>980,467</u>	<u>-</u>	<u>600</u>	<u>5,633,115</u>
<b>PUBLIC SAFETY:</b>							
Police	-	24,922	8,806	2,071,853	-	-	2,105,581
Building Inspections/Code Enf	-	-	-	25,807	-	-	25,807
Total Public Safety	<u>-</u>	<u>24,922</u>	<u>8,806</u>	<u>2,097,660</u>	<u>-</u>	<u>-</u>	<u>2,131,388</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	1,473,314	2,280,698	10,370	4,205,546
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>1,615,282</u>	<u>2,280,698</u>	<u>10,370</u>	<u>6,006,640</u>
<b>CULTURE AND RECREATION:</b>							
Library	48,000	6,879,221	-	288,548	-	-	7,215,769
Parks and Recreation	434,720	1,304,583	1,816,293	533,956	1,135,830	-	5,225,382
Total Culture and Recreation	<u>482,720</u>	<u>8,183,804</u>	<u>1,816,293</u>	<u>822,504</u>	<u>1,135,830</u>	<u>-</u>	<u>12,441,151</u>
Total Capital Assets	<u>\$ 2,081,694</u>	<u>\$ 12,845,658</u>	<u>\$ 2,341,531</u>	<u>\$ 5,624,862</u>	<u>\$ 3,416,528</u>	<u>\$ 10,970</u>	<u>\$ 26,321,243</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, 2018**

FUNCTION AND ACTIVITY	BALANCE 9/30/2017	ADDITIONS	TRANSFERS/ DISPOSALS	BALANCE 9/30/2018
<b>GENERAL GOVERNMENT:</b>				
Town Manager	\$ 9,168	\$ -	\$ -	\$ 9,168
Town Clerk	6,041	-	-	6,041
Finance	28,415	-	(577)	27,838
Human Resources	7,188	-	-	7,188
Information Technology	332,453	27,817	(20,004)	340,266
Other General Government	5,146,195	600	-	5,146,795
Facilities Maintenance	102,122	-	(6,303)	95,819
Total General Government	<u>5,631,582</u>	<u>28,417</u>	<u>(26,884)</u>	<u>5,633,115</u>
<b>PUBLIC SAFETY:</b>				
Police	2,061,695	222,336	(178,450)	2,105,581
Building Inspections/Code Enforce	25,807	-	-	25,807
Total Public Safety	<u>2,087,502</u>	<u>222,336</u>	<u>(178,450)</u>	<u>2,131,388</u>
<b>GROWTH MANAGEMENT</b>	<u>108,949</u>	<u>-</u>	<u>-</u>	<u>108,949</u>
<b>PUBLIC WORKS:</b>				
Administration	1,725,047	-	-	1,725,047
Streets and Maintenance	3,912,758	323,808	(31,020)	4,205,546
Motor Pool	76,047	-	-	76,047
Total Public Works	<u>5,713,852</u>	<u>323,808</u>	<u>(31,020)</u>	<u>6,006,640</u>
<b>CULTURE AND RECREATION:</b>				
Library	7,216,346	-	(577)	7,215,769
Parks and Recreation	4,922,574	326,633	(23,825)	5,225,382
Total Culture and Recreation	<u>12,138,920</u>	<u>326,633</u>	<u>(24,402)</u>	<u>12,441,151</u>
Total Capital Assets	<u>\$ 25,680,805</u>	<u>\$ 901,194</u>	<u>\$ (260,756)</u>	<u>\$ 26,321,243</u>

## 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 2009	Fiscal Year 2010	Fiscal Year 2011	Fiscal Year 2012
<b>GOVERNMENTAL ACTIVITIES</b>				
Net Investment in Capital Assets	\$ 10,365,935	\$ 9,603,282	\$ 11,155,386	\$ 10,834,189
Restricted for:				
Capital Improvements	781,865	1,781,385	18,694	253,198
Police	53,345	56,908	24,520	4,957
Building Inspections	110,568	29,295	-	7,339
Education	1,587,846	1,590,846	1,590,846	1,590,846
Unrestricted	<u>3,327,725</u>	<u>4,301,552</u>	<u>5,671,890</u>	<u>6,512,844</u>
Total Governmental Activities Net Position	<u>\$ 16,227,284</u>	<u>\$ 17,363,268</u>	<u>\$ 18,461,336</u>	<u>\$ 19,203,373</u>
<b>BUSINESS-TYPE ACTIVITIES</b>				
Net Investment in Capital Assets	\$ 20,404,754	\$ 21,138,522	\$ 20,844,418	\$ 21,148,454
Restricted for:				
Capital Improvements	1,238,859	1,039,979	1,075,399	1,284,655
Debt Service	62,627	63,190	63,768	-
Unrestricted	<u>1,053,781</u>	<u>1,212,779</u>	<u>1,541,857</u>	<u>1,829,470</u>
Total Business-type Activities Net Position	<u>\$ 22,760,021</u>	<u>\$ 23,454,470</u>	<u>\$ 23,525,442</u>	<u>\$ 24,262,579</u>
<b>TOWN OF LADY LAKE</b>				
Net Investment in Capital Assets	\$ 30,770,689	\$ 30,741,804	\$ 31,999,804	\$ 31,982,643
Restricted for:				
Capital Improvements	2,020,724	2,821,364	1,094,093	1,537,853
Debt Service	62,627	63,190	63,768	-
Police	53,345	56,908	24,520	4,957
Building Inspections	110,568	29,295	-	7,339
Education	1,587,846	1,590,846	1,590,846	1,590,846
Unrestricted	<u>4,381,506</u>	<u>5,514,331</u>	<u>7,213,747</u>	<u>8,342,314</u>
Total Town of Lady Lake Net Position	<u>\$ 38,987,305</u>	<u>\$ 40,817,738</u>	<u>\$ 41,986,778</u>	<u>\$ 43,465,952</u>

Fiscal Year 2013	Fiscal Year 2014	Fiscal Year 2015	Fiscal Year 2016	Fiscal Year 2017	Fiscal Year 2018
\$ 10,682,438	\$ 11,831,421	\$ 12,253,224	\$ 12,615,596	\$ 14,700,622	\$ 14,612,058
308,271	356,616	467,143	546,121	379,212	403,967
18,790	21,075	11,537	10,956	3,572	5,252
-	-	4,056	-	52,037	299,657
1,590,846	1,596,096	1,615,816	1,625,466	1,625,466	1,625,466
6,736,665	5,467,962	7,361,403	9,212,834	10,347,351	11,501,590
<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>	<u>\$ 28,447,990</u>
\$ 21,260,019	\$ 21,246,272	\$ 20,263,034	\$ 19,805,320	\$ 19,356,812	\$ 19,536,904
1,323,003	1,223,405	1,550,223	1,579,323	1,819,281	1,303,346
-	-	-	-	-	-
2,109,382	2,365,504	2,660,877	2,476,071	2,300,558	2,473,513
<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>	<u>\$ 23,313,763</u>
\$ 31,942,457	\$ 33,077,693	\$ 32,516,258	\$ 32,420,916	\$ 34,057,434	\$ 34,148,962
1,631,274	1,580,021	2,017,366	2,125,444	2,198,493	1,707,313
-	-	-	-	-	-
18,790	21,075	11,537	10,956	3,572	5,252
-	-	4,056	-	52,037	299,657
1,590,846	1,596,096	1,615,816	1,625,466	1,625,466	1,625,466
8,846,047	7,833,466	10,022,280	11,688,905	12,647,909	13,975,103
<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>	<u>\$ 51,761,753</u>

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

	Fiscal Year 2009	Fiscal Year 2010	Fiscal Year 2011	Fiscal Year 2012
<b>EXPENSES</b>				
Governmental Activities:				
General Government	\$ 1,933,144	\$ 1,717,836	\$ 1,526,644	\$ 1,480,301
Public Safety	4,515,835	4,521,168	4,252,583	4,183,461
Growth Management	267,442	246,849	267,673	205,076
Public Works	1,509,663	1,380,692	1,531,843	1,642,133
Culture and Recreation	999,196	1,000,149	1,195,056	1,334,575
Interest on Long-term Debt	11,916	133,743	148,077	143,289
Total Governmental Activities Expenses	<u>9,237,196</u>	<u>9,000,437</u>	<u>8,921,876</u>	<u>8,988,835</u>
Business-Type Activities				
Water	1,133,735	1,134,744	1,091,782	1,157,928
Sewer	1,226,015	1,289,583	1,271,914	1,266,414
Garbage	312,382	312,829	318,655	325,861
Total Business-Type Activities Expenses	<u>2,672,132</u>	<u>2,737,156</u>	<u>2,682,351</u>	<u>2,750,203</u>
Total Expenses	<u>\$ 11,909,328</u>	<u>\$ 11,737,593</u>	<u>\$ 11,604,227</u>	<u>\$ 11,739,038</u>
<b>PROGRAM REVENUES</b>				
Governmental Activities:				
Charges for Services:				
General Government	\$ 36,471	\$ 19,975	\$ 33,050	\$ 20,583
Public Safety	1,208,716	1,113,352	1,049,975	1,148,897
Growth Management	76,803	56,217	49,930	44,806
Public Works	-	13,466	16,475	19,183
Culture and Recreation	25,978	29,210	27,272	32,502
Operating Grants and Contributions	279,589	313,310	396,452	198,181
Capital Grants and Contributions	148,211	559,587	493,353	234,178
Total Governmental Activities Program Revenues	<u>1,775,768</u>	<u>2,105,117</u>	<u>2,066,507</u>	<u>1,698,330</u>
Business-Type Activities:				
Charges for Services:				
Water	1,000,324	955,189	1,044,641	1,070,237
Sewer	576,178	629,730	699,705	710,978
Garbage	338,203	340,418	359,543	358,768
Operating Grants and Contributions	-	-	1,890	432
Capital Grants and Contributions	1,361,733	836,819	34,488	708,452
Total Business-Type Activities Program Revenues	<u>3,276,438</u>	<u>2,762,156</u>	<u>2,140,267</u>	<u>2,848,867</u>
Total Program Revenues	<u>\$ 5,052,206</u>	<u>\$ 4,867,273</u>	<u>\$ 4,206,774</u>	<u>\$ 4,547,197</u>
<b>NET REVENUE (EXPENSE)</b>				
Governmental Activities	\$ (7,461,428)	\$ (6,895,320)	\$ (6,855,369)	\$ (7,290,505)
Business-Type Activities	604,306	25,000	(542,084)	98,664
Total Net Expense	<u>\$ (6,857,122)</u>	<u>\$ (6,870,320)</u>	<u>\$ (7,397,453)</u>	<u>\$ (7,191,841)</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>	<u>Fiscal Year 2018</u>
\$ 1,521,779	\$ 1,668,708	\$ 1,742,534	\$ 1,730,431	\$ 1,903,693	\$ 2,053,017
4,433,960	4,485,737	4,234,108	4,006,978	3,924,096	4,915,400
248,856	243,718	265,218	233,680	325,481	368,809
1,809,065	2,118,038	1,710,173	1,880,482	1,950,796	2,426,249
1,332,810	1,326,100	1,299,452	1,444,723	1,482,354	1,679,340
139,871	137,017	116,230	79,468	4,819	-
<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>	<u>11,442,815</u>
1,151,286	1,305,705	1,177,220	1,187,348	1,332,455	1,219,467
1,374,593	1,269,726	1,320,503	1,365,635	1,375,192	1,488,960
328,389	330,661	336,229	1,054,906	1,071,930	1,103,068
<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>3,811,495</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>	<u>\$ 15,254,310</u>
\$ 46,061	\$ 26,257	\$ 35,390	\$ 28,061	\$ 147,905	\$ 95,665
1,180,261	1,270,751	1,390,133	1,208,703	1,297,263	1,519,432
63,305	84,945	107,165	69,590	123,685	123,845
16,996	39,447	53,469	33,798	116,439	46,598
48,081	48,550	54,430	52,236	66,544	112,430
180,793	210,371	224,196	271,989	368,848	437,937
55,155	1,207,037	375,154	166,767	546,634	196,056
<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>	<u>2,531,963</u>
1,063,469	1,113,378	1,115,560	1,165,389	1,179,920	1,185,629
733,441	768,116	790,573	842,015	860,488	918,613
360,974	364,311	367,953	1,155,701	1,170,324	1,187,130
-	-	-	-	-	-
520,624	161,466	324,250	39,670	295,678	147,885
<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>3,439,257</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>	<u>\$ 5,971,220</u>
\$ (7,895,689)	\$ (7,091,960)	\$ (7,127,778)	\$ (7,544,618)	\$ (6,923,921)	\$ (8,910,852)
(175,760)	(498,821)	(235,616)	(405,114)	(273,167)	(372,238)
<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>	<u>\$ (9,283,090)</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 2009	Fiscal Year 2010	Fiscal Year 2011	Fiscal Year 2012
<b>GENERAL REVENUES AND TRANSFERS</b>				
Governmental Activities:				
Taxes:				
Property Taxes	\$ 2,581,571	\$ 2,717,691	\$ 2,611,571	\$ 2,551,573
Sales Taxes	1,569,576	1,591,571	1,751,849	1,763,033
Franchise Fees	1,298,195	1,449,685	1,365,739	1,295,015
Utility Taxes	1,791,745	1,976,462	1,980,086	2,208,800
Excise Taxes	697,758	699,282	703,755	704,042
Unrestricted Investment Earnings	329,145	202,738	130,564	112,217
Gain on Sale of Capital Assets	-	-	-	-
Transfers	(606,095)	(606,125)	(590,127)	(602,138)
<b>Total Governmental Activities</b>	<u>7,661,895</u>	<u>8,031,304</u>	<u>7,953,437</u>	<u>8,032,542</u>
Business-Type Activities:				
Unrestricted Investment Earnings	(41,955)	63,324	22,929	36,335
Transfers	606,095	606,125	590,127	602,138
<b>Total Business-Type Activities</b>	<u>564,140</u>	<u>669,449</u>	<u>613,056</u>	<u>638,473</u>
<b>Total General Revenues and Transfers</b>	<u>\$ 8,226,035</u>	<u>\$ 8,700,753</u>	<u>\$ 8,566,493</u>	<u>\$ 8,671,015</u>
<b>CHANGE IN NET POSITION</b>				
Governmental Activities	\$ 200,467	\$ 1,135,984	\$ 1,098,068	\$ 742,037
Business-Type Activities	1,168,446	694,449	70,972	737,137
<b>Total Change in Net Position</b>	<u>\$ 1,368,913</u>	<u>\$ 1,830,433</u>	<u>\$ 1,169,040</u>	<u>\$ 1,479,174</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>	<u>Fiscal Year 2018</u>
\$ 2,499,157	\$ 2,541,325	\$ 3,066,208	\$ 3,118,280	\$ 3,156,218	\$ 3,399,162
1,801,238	1,924,431	2,051,083	2,146,461	2,219,432	2,348,220
1,283,585	1,395,151	1,395,373	1,383,861	1,390,322	1,474,639
2,361,744	978,520	2,015,130	1,992,703	2,094,236	2,007,958
710,796	742,764	770,234	873,717	943,577	999,106
(41,207)	81,731	98,552	105,060	55,887	133,381
-	10,400	27,084	-	20,036	22,616
<u>(585,987)</u>	<u>(646,202)</u>	<u>144,123</u>	<u>222,330</u>	<u>141,500</u>	<u>(134,500)</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>	<u>10,250,582</u>
19,598	(4,604)	18,692	14,024	30,604	74,850
<u>585,987</u>	<u>646,202</u>	<u>(144,123)</u>	<u>(222,330)</u>	<u>(141,500)</u>	<u>134,500</u>
<u>605,585</u>	<u>641,598</u>	<u>(125,431)</u>	<u>(208,306)</u>	<u>(110,896)</u>	<u>209,350</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>	<u>\$ 10,459,932</u>
\$ 133,637	\$ (63,840)	\$ 2,440,009	\$ 2,297,794	\$ 3,097,287	\$ 1,339,730
<u>429,825</u>	<u>142,777</u>	<u>(361,047)</u>	<u>(613,420)</u>	<u>(384,063)</u>	<u>(162,888)</u>
<u>\$ 563,462</u>	<u>\$ 78,937</u>	<u>\$ 2,078,962</u>	<u>\$ 1,684,374</u>	<u>\$ 2,713,224</u>	<u>\$ 1,176,842</u>

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

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
General Fund				
Nonspendable	\$ -	\$ -	\$ 141,268	\$ 107,936
Restricted	-	-	1,634,060	1,856,340
Reserved	1,957,396	2,244,175	-	-
Committed	-	-	-	-
Assigned	-	-	21,431	12,768
Unassigned	-	-	5,061,025	5,765,899
Unreserved	3,360,942	4,307,215	-	-
Total General Fund	<u>\$ 5,318,338</u>	<u>\$ 6,551,390</u>	<u>\$ 6,857,784</u>	<u>\$ 7,742,943</u>
All Other Governmental Funds				
Restricted	\$ -	\$ -	\$ 583,030	\$ 809,506
Reserved	776,419	891,389	-	-
Total all other governmental funds	<u>\$ 776,419</u>	<u>\$ 891,389</u>	<u>\$ 583,030</u>	<u>\$ 809,506</u>

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

<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
\$ 70,346	\$ 44,981	\$ 41,004	\$ 46,031	\$ 49,488	\$ 49,097
1,917,907	1,973,787	2,098,552	2,182,543	2,060,287	2,334,342
-	-	-	-	-	-
-	-	-	-	1,700,000	1,078,030
7,139	11,386	766,158	770,904	158,777	92,632
5,879,340	5,274,753	6,087,035	7,345,746	6,604,574	7,804,930
-	-	-	-	-	-
<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>	<u>\$ 11,359,031</u>
\$ 997,795	\$ 1,106,801	\$ 1,304,057	\$ 1,534,803	\$ 1,266,786	\$ 2,176,435
-	-	-	-	-	-
<u>\$ 997,795</u>	<u>\$ 1,106,801</u>	<u>\$ 1,304,057</u>	<u>\$ 1,534,803</u>	<u>\$ 1,266,786</u>	<u>\$ 2,176,435</u>



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

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
<b>Revenues</b>					
Taxes	\$ 7,020,405	\$ 7,382,152	\$ 7,321,480	\$ 7,493,824	\$ 7,553,814
Licenses and Permits	409,063	294,920	268,169	290,528	312,656
Intergovernmental Revenues	1,396,891	1,304,226	2,326,516	1,253,675	1,266,458
Charges for Services	163,865	172,804	171,293	177,124	188,237
Fines and Forfeitures	84,927	67,747	32,505	43,908	52,245
Investment Earnings	329,145	202,738	130,564	72,962	(41,207)
Miscellaneous	749,223	727,893	777,482	1,020,181	856,827
<b>Total Revenues</b>	<u>10,153,519</u>	<u>10,152,480</u>	<u>11,028,009</u>	<u>10,352,202</u>	<u>10,189,030</u>
<b>Expenditures</b>					
General Government	1,815,854	1,477,360	1,407,678	1,398,473	1,523,567
Public Safety	4,605,430	4,272,207	4,039,535	4,150,583	4,405,663
Growth Management	257,645	236,642	260,165	215,450	242,670
Public Works	1,336,765	1,359,998	1,396,223	1,541,586	1,694,717
Culture and Recreation	866,044	895,223	1,047,000	1,022,768	986,624
Capital Outlay	445,688	3,086,961	2,018,776	-	242,358
Debt Service:					
Principal	130,111	167,895	120,892	125,584	63,900
Interest	8,383	127,041	150,480	145,788	140,100
<b>Total Expenditures</b>	<u>9,465,920</u>	<u>11,623,327</u>	<u>10,440,749</u>	<u>8,600,232</u>	<u>9,299,599</u>
Excess (Deficiency) of Revenues over (under) Expenditures	687,599	(1,470,847)	587,260	1,751,970	889,431
<b>Other Financing Sources (Uses)</b>					
Loan Proceeds	-	3,400,000	-	-	-
Capital Lease	251,000	-	-	-	-
Transfers in	124,000	277,057	826,608	332,000	348,123
Transfers out	(730,095)	(883,182)	(1,416,735)	(934,138)	(934,110)
Sale of Capital Assets	4,260	24,994	902	1,802	16,634
Other Losses	-	-	-	(39,999)	-
<b>Total Other Financing Sources (Uses)</b>	<u>(350,835)</u>	<u>2,818,869</u>	<u>(589,225)</u>	<u>(640,335)</u>	<u>(569,353)</u>
<b>Net Change in Fund Balances</b>	<u>\$ 336,764</u>	<u>\$ 1,348,022</u>	<u>\$ (1,965)</u>	<u>\$ 1,111,635</u>	<u>\$ 320,078</u>
Debt service as a percentage of noncapital expenditures	1.5%	3.6%	3.3%	3.4%	2.4%

<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
\$ 7,293,702	\$ 7,912,220	\$ 8,207,018	\$ 7,826,746	\$ 8,718,518
432,447	590,564	387,774	496,752	724,049
2,331,525	1,755,741	1,530,756	1,949,676	1,670,310
211,456	213,007	185,214	252,829	217,754
46,955	44,695	30,624	35,031	34,081
81,731	98,552	105,060	55,887	133,381
916,867	988,966	1,004,780	1,171,585	1,295,918
<u>11,314,683</u>	<u>11,603,745</u>	<u>11,451,226</u>	<u>11,788,506</u>	<u>12,794,011</u>
1,627,104	1,632,305	1,538,019	1,912,327	1,876,200
4,558,273	4,388,499	4,484,607	4,482,304	4,640,086
267,524	256,226	223,873	310,336	349,849
2,033,250	1,524,132	1,715,032	1,782,135	2,508,867
1,112,112	947,118	1,090,028	1,157,207	1,432,709
1,337,746	193,574	90,776	907,063	178,862
66,743	828,800	865,430	1,417,934	-
137,257	119,200	82,570	9,897	-
<u>11,140,009</u>	<u>9,889,854</u>	<u>10,090,335</u>	<u>11,979,203</u>	<u>10,986,573</u>
174,674	1,713,891	1,360,891	(190,697)	1,807,438
-	-	-	-	-
-	-	-	-	-
437,333	1,217,709	1,315,671	1,777,331	412,836
(1,083,535)	(1,073,586)	(1,093,341)	(1,635,831)	(547,336)
10,709	27,084	-	9,082	22,616
-	-	-	-	-
<u>(635,493)</u>	<u>171,207</u>	<u>222,330</u>	<u>150,582</u>	<u>(111,884)</u>
<u>\$ (460,819)</u>	<u>\$ 1,885,098</u>	<u>\$ 1,583,221</u>	<u>\$ (40,115)</u>	<u>\$ 1,695,554</u>
2.2%	10.8%	9.8%	13.8%	0.0%

**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
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
2018	3,399,162	1,435,218	459,961	1,474,639	1,200,612	748,926	8,718,518

**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		
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%
2018	1,364,419,061	959,946,458	130,486,391	76,516,340	1,494,905,452	#####	3.396	69.33%

Source-Lake County Property Appraiser's Office DR-403. Tax year is equivalent to the following fiscal year.

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	
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 *
2018	3.396	5.741 *	6.603	0.255	0.272	0.463	1.000	17.730

Source-Lake County Property Appraiser's Office DR-403. Tax year is equivalent to the following fiscal year.

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 for Lake County MSTU Fire was added in FY2009 but only to Town of Lady Lake property which is located outside of the Villages Fire Protection Special Assessment District. This new rate applies to less than 50% of the Town of Lady Lake's total taxable value.

MSTU Fire rate increased FY2015 to .4704 (MSTU Fire Rate .3222 in prior years)

**TOWN OF LADY LAKE, FLORIDA  
PRINCIPAL PROPERTY TAXPAYERS  
SEPTEMBER 30, 2018  
CURRENT YEAR COMPARED TO TEN YEARS AGO**

Taxpayer	Fiscal Year 2018			Fiscal Year 2009		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Value
Villages Operating Company	\$ 65,823,163	1	6.86%	\$ 41,369,725	1	4.83%
Lazy B Cattle Venture LTD	31,328,461	2	3.26%	27,609,444	2	3.22%
GMC Lady Lake LLC	28,307,139	3	2.95%			
SRK Lady Lake 21 Associates, LLC	24,604,134	4	2.56%	6,762,168	10	0.79%
Sun Communities Finance LP	24,421,754	5	2.54%	18,722,382	4	2.19%
Vereit MT Lady Lake FL LLC	22,164,237	6	2.31%			
Lady Lake Apartments LLC	19,340,649	7	2.01%			
Carmendy Square Properties LLC	13,319,795	8	1.39%	8,657,396	6	1.01%
Lady Lake Re LLC	7,530,564	9	0.78%			0.00%
Sam's East Inc	7,512,763	10	0.78%			
The Villages of Lake Sumter Inc				18,481,291	5	2.16%
TMW Wltfonds Rolling Acres Plaza LP				19,421,295	3	2.27%
Home Depot USA Inc				8,504,450	8	0.99%
Villages Family Co				7,716,044	9	0.90%
Embarq-Florida Inc				8,596,270	7	1.00%
Total	<u>\$ 244,352,659</u>		<u>25.45%</u>	<u>\$ 165,840,465</u>		<u>19.36%</u>
Total Taxable Assessed Valuation	\$ 959,946,458			\$ 856,757,921		

Source: Tax Year 2017 and Tax Year 2008 ad valorem tax rolls of the Town of Lady Lake, Florida. Tax year is equivalent to the following fiscal year.

**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>
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%
2018	3,519,828	3,392,712	96.4%	6,450	3,399,162	96.6%

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**

<b>Fiscal Year</b>	<b>Governmental Activities</b>		<b>Business-Type</b>	<b>Total Primary Government</b>	<b>Percentage of Personal Income<sup>a</sup></b>	<b>Per Capita<sup>a</sup></b>
	<b>Revenue Note</b>	<b>Capital Lease</b>	<b>Activities Loans Payable</b>			
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%	-
2018	-	-	-	-	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 104-105 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, 2018**

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Overlapping Debt
Debt repaid with property taxes	\$ -	4.33%	\$ -
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	
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
2018	1,435,218	-	-	-	N/A

**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	
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
2018	1,878,869	1,634,126	244,743	-	-	-	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>
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	1.44%	309,736	0.55%
2015	14,207	0.42%	316,569	2.21%
2016	14,687	3.38%	326,226	3.05%
2017	14,821	0.91%	331,724	1.69%
2018	14,960	0.94%	345,575	4.18%

POPULATION DISTRIBUTION BY AGE - 2018

<u>Age</u>	<u>Lake County</u>	<u>State of Florida</u>
0-19	15.8%	22.0%
20-44	31.0%	31.2%
45-64	26.0%	26.3%
65+	27.2%	20.5%

POPULATION PER SQUARE MILE

<u>Year</u>	<u>Lake County</u>	<u>State of Florida</u>
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
2018	361	393

Source: University of Florida, Bureau of Economics and Business Research ([www.bebr.ufl.edu](http://www.bebr.ufl.edu))  
 Age Distribution-Orlando Economic Development Commission ([www.orlandoedc.com](http://www.orlandoedc.com))  
 Per Square Mile-Florida Legislature, Office of Economic and Demographic Research ([www.edr.state.fl.us](http://www.edr.state.fl.us))

\* Census Data

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

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Year	2009	2010	2011	2012
Population	14,129	13,926	13,946	13,909
Total Personal Income of all Lady Lake Residents	346,174,629	353,342,406	368,495,886	393,812,611
Per Capita Personal Income	24,501	24,789	26,461	28,314
Median Age	60	66	65	67
School Enrollment The Villages of Lady Lake Elementary	816	761	794	761
Lake County Unemployment Rate	12.7%	11.9%	10.6%	8.9%

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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2013	2014	2015	2016	2017	2018
13,947	14,148	14,207	14,687	14,821	14,960
362,370,954	371,186,928	341,195,312	367,659,671	396,061,583	404,488,480
25,982	26,236	24,016	25,033	26,723	27,038
65	65	66	66	65	67
809	832	843	827	830	827
6.9%	5.4%	5.2%	4.8%	3.4%	2.9%

**TOWN OF LADY LAKE, FLORIDA  
PRINCIPAL EMPLOYERS  
SEPTEMBER 30, 2018**

Employer	2018			2009		
	* Employees	Rank	Percentage of Total Town Employment	* Employees	Rank	Percentage of Total Town Employment
The Villages Media Group	297	1	6.12%			
The Villages Rehab & Nursing Center	265	2	5.46%			
Lady Lake Specialty Care	205	3	4.22%			
The Home Depot	204	4	4.20%	129	3	4.33%
Sam's Club	187	5	3.85%	325	1	10.92%
Publix Super Markets	174	6	3.58%	130	2	4.37%
Texas Roadhouse	128	7	2.64%			
OMI, Inc	127	8	2.62%			
Quality Service Providers	115	9	2.37%			
Target Department Store	112	10	2.31%			
The Villages of Lady Lake Elementary				96	7	3.22%
Town of Lady Lake				101	6	3.39%
Winn Dixie Stores, Inc/Winn Dixie Liquors				120	4	4.03%
Kohl's Department Store				112	5	3.76%
Katie Belles Music Hall				92	8	3.09%
Belk's Department Store				90	9	3.02%
Carrabba's Restaurant				75	10	2.52%
<b>Total</b>	<b>1,814</b>		<b>37.36%</b>	<b>1,270</b>		<b>42.65%</b>
<b>Total Town Employment</b>	<b>4,856</b>			<b>2,977</b>		

\* Full time and/or part time positions.

Source:

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

Lady Lake total town 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 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018
<b>General Government</b>										
Town Manager	2	2	2	2	2	2	2	2	2	2
Town Clerk	3	3	2	2	2	2	2	2	2	2
Finance	6	5	4.5	4.5	4.5	4.5	4.5	4.5	4.5	4.5
Human Resource/Risk Management	3	3	2	2	2	2	2	2	2	2
Information Technology	0	1	1	2	2	2	2	2	2	2
Facilities Maint.	2	2	2	2	2	2	2	2	2	2
Motor Pool	2	0	0	0	0	0	0	0	0	0
<b>Total General Government</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>14.5</b>
<b>Public Safety</b>										
Police Officers	30	30	30	28	28	28	28	28	28	28
Police Civilians	16	15	14.5	14.5	14.5	6.5	6.5	6.5	6	6
Building Dept.	3	3	1	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>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>36</b>
<b>Growth Management</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>4.5</b>
<b>Public Works</b>										
Administration	2	2	2	2	2	2	2	2	2	2
Street Maint.	9	9	10	10	10	10	10	10	10	10
Motor Pool	0	2	2	2	2	2	2	2	2	2
<b>Total Public Works</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>14</b>
<b>Culture and Recreation</b>										
Library	6.5	6.5	7.5	7	7	7	7.5	7.5	9	9
Parks & Recreation	5	5	5	5	5	5	5	5	5	5
<b>Total Culture and Recreation</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>14</b>
<b>Utilities</b>										
Water	10	10	10	9	10	10	10	10	11	11
Solid Waste	0	0	0	0	0	0	0	0	0	0
Sewer	3	3	3	3	2	2	2	2	2	2
<b>Total Utilities</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>13</b>
<b>Total Government Employees</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>	<b>96</b>

Source: Finance Department



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

<u>Function/Program</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
<b>Police</b>				
Booking Arrests	284	293	254	414
DUI Citations	29	46	18	30
Misdemeanor Citations	34	33	44	47
Traffic Citations	2,639	2,338	1,211	1,462
Traffic Accidents	445	374	366	382
Warrants Arrests	46	34	29	44
Dispatch Center:				
Medical Calls	2,201	2,746	2,773	2,418
Assist other Agencies	398	442	496	312
General Calls	23,341	31,042	31,725	27,797
<b>Building Department</b>				
Total Commercial Permits	314	308	290	240
Total Residential Permits	948	1,195	1,186	1,065
Number of Permits Issued	1,262	1,503	1,476	1,305
Total Construction Value	\$28,603,549	\$16,280,632	\$12,103,916	\$24,027,568
<b>Growth Management</b>				
Site Plans Approved	10	2	1	0
<b>Clerk's Office</b>				
Business Tax Receipts	1,014	1,183	1,037	1,073
<b>Roads and Streets</b>				
Potholes repaired	250	750	450	600
Street resurfacing (miles)	2.85	1.28	0	0
Street Micro-resurfacing (miles)	3.35	5.00	5.14	4.57
Street Micro-resurfacing redone Warranty work from previous year (miles)	-	-	-	-
<b>Library</b>				
Total Circulation (library materials checked out)	129,708	124,025	110,435	140,181
Total Users of Public Internet Computers	30,160	33,532	41,187	38,850
Total Reference Transactions	22,412	18,792	19,500	24,364
Total Annual Programs	2,175	830	289	605
Total Program Attendance	7,139	11,200	11,008	15,505
Total Number of Registered Card Holders	7,665	7,334	7,972	9,412
Total Number of Volunteer Hours	2,432	2,622	3,399	4,786
Total Library visitors	125,315	122,559	125,060	149,741
Number of Bookings for Library Room 100, 204, 207 and Study	-	-	-	566
Number of Bookings at the Community Building	525	599	483	358
<b>Parks and Recreation</b>				
Number of Recreation Leases	8	8	8	8
<b>Water</b>				
Commercial Connections	360	378	402	420
Residential Connections	1,926	1,923	1,956	1,931
Total Connections	2,286	2,301	2,358	2,351
Total Equivalent Residential Units	3,623	3,679	3,680	3,859
Average Daily Consumption (gallons per day)	586,709	630,000	699,980	662,634
<b>Reuse</b>				
Commercial Connections	10	22	34	27
Residential Connections	0	0	0	0
Total Equivalent Residential Units	0	25	34	104
Average Daily Consumption (gallons per day)	150,000	150,000	142,000	109,000
<b>Wastewater</b>				
Commercial Connections	189	209	222	226
Residential Connections	669	669	707	672
Total Connections	858	878	929	898
Total Equivalent Residential Units	1,818	1,875	1,939	1,950
Average Daily Sewage Treatment (gallons per day)	150,000	170,000	186,000	220,500

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

Sources: Various Town departments

<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
390	305	350	485	450	290
26	24	29	35	29	23
45	41	78	62	70	53
1,742	1,370	2,095	1,512	1,444	1,169
439	408	561	728	771	779
55	45	62	73	124	85
2,448	174	912	608	133	165
283	186	156	205	170	159
18,406	13,096	15,878	16,482	8,670	15,783
241	303	368	238	207	171
1,033	1,173	1,236	1,209	1,224	1,617
1,274	1,476	1,604	1,447	1,431	1,788
\$12,457,348	\$36,044,724	\$41,692,307	\$34,064,698	\$34,371,713	\$54,846,969
4	7	11	5	9	5
818	817	882	847	899	841
500	500	500	600	300	300
0.25	1.40	2.70	3.18	2.27	1.24
12.19	0.00	0.00	0.00	0.00	11.00
3.5	0	0	0		
134,728	123,563	149,504	169,592	167,896	145,467
16,951	13,535	14,134	15,547	15,682	15,887
27,868	21,696	13,884	15,689	19,169	21,372
499	428	815	852	896	886
22,345	11,963	12,722	12,993	20,081	16,671
10,318	6,394	7,796	9,019	10,303	11,629
3,935	2,687	3,435	3,465	3,068	2,381
152,530	149,318	176,182	187,226	207,987	194,636
1015	223	832	871	1003	1095
332	251	320	363	403	441
8	7	7	7	8	8
396	397	408	422	466	471
1,988	1,997	2,010	2,017	2,069	2,094
2,384	2,394	2,418	2,439	2,535	2,565
3,861	3,896	3,954	4,005	4,043	4,115
655,523	675,229	678,622	734,828	735,359	698,041
30	34	38	42	42	43
0	9	10	13	20	38
112	142	162	173	180	196
162,000	170,000	222,000	227,000	238,000	283,000
231	234	241	261	263	266
734	737	743	742	751	756
967	971	984	1,003	1,014	1,022
2,060	2,084	2,107	2,165	2,178	2,205
238,000	240,000	244,000	247,000	263,000	313,000

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

<u>Function/Program</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
<b>Police</b>				
Stations (Includes substation)	1	1	1	1
Sworn Officers (positions filled)	29	30	28	28
Administration Units	3	4	3	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	0
K-9 Officer with Dog Unit	1	1	0	1
Support (Non-Sworn)	16	16	16	15
<b>Roads and Streets</b>				
Paved Roads (miles)	61.21	61.21	61.21	61.44
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	55.05	26.83	0
<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	51.9	54.3	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	329	305	306
Water Plants	3	3	3	3
<b>Reuse</b>				
Water Mains (miles)	4.8	5.8	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	21.5	23.3	23.3
Treatment Capacity (gallons/daily)	630,000	630,000	638,000	638,000
Lift Stations	15	16	18	18

Sources: Various Town departments

<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
1	1	1	1	1	1
28	28	28	28	28	28
3	3	3	3	3	3
21	21	21	21	21	22
1	1	1	1	1	0
2	2	2	2	2	2
0	0	0	0	0	0
1	1	1	1	1	1
6.5	6.5	6.5	7	6	6
61.44	61.44	61.44	61.44	62.64	62.64
2.58	2.58	2.58	2.58	3.08	3.08
9,100	26,084	26,084	26,084	30,250	30,250
0	0	-3.18	4.89	5.81	39.06
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
315	319	322	327	327	337
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	1,000,000	1,000,000	1,000,000	1,000,000
19	19	19	19	19	19

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## Shumacker, Johnston & Ross, PA-Certified Public Accountants

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

American Institute of  
Certified Public Accountants

Florida Institute of  
Certified Public Accountants

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

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

March 28, 2019

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, 2018, which collectively comprise the Town of Lady Lake, Florida's basic financial statements, and have issued our report thereon dated March 28, 2019. 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

**TOWN OF LADY LAKE, FLORIDA  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
AND STATE FINANCIAL ASSISTANCE  
FOR THE YEAR ENDED SEPTEMBER 30, 2018**

**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 \$5,100) Grant #2016-BUBX	16.607	\$ 2,123	\$ 2,123	\$ -
Bulletproof Vest (total grant \$3,354) Grant #2017-BUBX	16.607	-	-	-
Pass through the Florida Department of Law Enforcement: Byrne Memorial Justice Assistance Grant Interview Recording and Storage (total grant \$5,158) Contract #2017-JAGC-LAKE-7-F9-108	16.738	-	-	5,158
<b>U.S. DEPARTMENT OF HOMELAND SECURITY</b>				
<b>FEDERAL EMERGENCY MANAGEMENT AGENCY</b>				
Pass through the Florida Division of Emergency Management: Hurricane Matthew Assistance Program FEMA 4283, Project # LLBRH02	97.038	15,500	-	15,500
Hurricane Irma Assistance Program FEMA 4337, Contract # Z0346	97.038	-	69,127	-
Total Federal Awards		<u>\$ 17,623</u>	<u>\$ 71,250</u>	<u>20,658</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, 2018**

**STATE OF FLORIDA FINANCIAL ASSISTANCE**

State Agency/ Program Title	State CSFA Number	State Revenues	State Expenditures	State Receipts
<b>FLORIDA DIVISION OF EMERGENCY MANAGEMENT</b>				
Emergency Management:				
Hurricane Matthew Assistance Program FEMA 4283 Project # LLBRH02		\$ 1,938	\$ -	\$ 1,938
Hurricane Irma Assistance Program FEMA 4337, Contract # Z0346		-	14,662	-
Total State Financial Assistance		<u>\$ 1,938</u>	<u>\$ 14,662</u>	<u>1,938</u>
Total State Receipts				<u>\$ 22,596</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*.

## **Shumacker, Johnston & Ross, PA-Certified Public Accountants**

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

American Institute of  
Certified Public Accountants

Florida Institute of  
Certified Public Accountants

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

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

March 28, 2019

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 28, 2019 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, 2018. 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, 2018 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

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# Shumacker, Johnston & Ross, PA-Certified Public Accountants

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## MANAGEMENT LETTER

March 28, 2019

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, 2018, and have issued our report thereon dated March 28, 2019.

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. 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).

Town of Lady Lake  
March 28, 2019  
Page 2

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

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## INDEPENDENT AUDITOR'S REPORT

March 28, 2019

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, 2018. 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, 2018.

Shumacker, Johnston & Ross, PA

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## AFFIDAVIT

BEFORE ME, the undersigned authority, personally appeared Pamela Winegardner, who being duly sworn, deposes and says on oath that:

1. I am the Finance Director of the Town of Lady Lake, which is a local governmental entity of the State of Florida.
2. The Town of Lady Lake adopted Ordinance Nos. 2008-29, 2008-30, 2009-04, and 2014-01 implementing new and updating existing impact fees.
3. The Town of Lady Lake has complied and, as of the date of this Affidavit, remains in compliance with Section 163.31801, Florida Statutes.

FURTHER AFFIANT SAYETH NAUGHT.

Official Notarized Signature on file in Town Clerk's Office

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Pamela Winegardner, Finance Director