

# Comprehensive Annual Financial Report



For The Fiscal Year Ended  
September 30, 2018



*A coastal community which retains its charm as an old Florida fishing village*





# TOWN OF LANTANA, FLORIDA

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## **INTRODUCTORY SECTION**





Town of Lantana

COUNCILMEMBERS

Philip J Aridas  
Malcolm Balfour  
Lynn J Moorhouse, D. D. S.  
Edward Paul Shropshire



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Lantana, FL 33462-4544  
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DAVID J STEWART  
MAYOR

April 22, 2019

The Honorable Mayor, Members of the Town Council,  
and the Residents of the Town of Lantana

We are pleased to present the Comprehensive Annual Financial Report (CAFR) of the Town of Lantana, Florida (the "Town") for the fiscal year ended September 30, 2018. Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with Town management. To the best of our knowledge, the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the financial position and the results of operations of the various funds. All disclosures necessary to enable the reader to gain an adequate understanding of the Town's financial activities have been included.

The organization and content of this report is based primarily on the financial reporting standards set by the Governmental Accounting Standards Board (GASB) and recommendations of the Government Finance Officers Association of the United States and Canada (GFOA).

The Town's management is responsible for establishing and maintaining an internal control structure designed to ensure the assets of the Town are protected from loss, theft, or misuse. Furthermore, management ensures that accounting data is adequate for the preparation of financial statements in conformity with accounting principles generally accepted in the United States of America. Internal accounting controls are designed to provide reasonable assurance regarding the safeguarding of assets against loss from unauthorized use or disposition. The controls are also intended to provide assurance as to the reliability of financial statements and accountability for assets. We believe the Town of Lantana's internal accounting controls adequately safeguard assets and provide reasonable assurance as to the proper recording of financial transactions.

In accordance with Section 218.32 Florida Statutes, the Town engaged the firm of Grau & Associates, to perform an independent audit of the Town's accounts and records. They have issued an unmodified ("clean") opinion on the Town of Lantana's financial statements for the year ended September 30, 2018. The Independent Auditors' Report is included in the Financial Section of this report.

Management's discussion and analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview and analysis of the basic financial statements. The MD&A compliments this letter of transmittal and should be read in conjunction with it.

## **PROFILE OF THE TOWN OF LANTANA**

The Town of Lantana is less than three square miles and is located in Palm Beach County on the southeast Florida coast between West Palm Beach and Fort Lauderdale – 20 minutes south of West Palm Beach and 40 minutes north of Fort Lauderdale. Lantana derived its governmental authority from a charter granted by the State of Florida Legislature in 1921. The Town developed primarily as a residential community and maintains a strong commitment to its 11,397 residents, focusing on neighborhood programs, services, improving roadway infrastructure and redevelopment.

The Town operates under the Council-Manager form of government. The governing body of the Town is the Town Council, which formulates policies for the administration of the Town. The Town Council is comprised of a mayor and four council members elected at-large for three-year terms. Town Council appoints the Town Manager who serves as the Town's Chief Executive Officer and is responsible for the day-to-day operations of the Town and the implementation of the policies established by Town Council.

The Town provides a full range of municipal services including police, planning and zoning, parks and recreation, library, water and wastewater services, public works, marine safety, road improvements, and general administrative services. Fire/Rescue services are contracted with Palm Beach County and solid waste collection is contracted with Republic Services Inc.

The Town's water and wastewater utility incorporates one water treatment plant with a 3.84 million gallon per day permit. The customer base is 100% within the Town's limits servicing approximately 3,400 accounts. Wastewater treatment is processed by the East Central Regional Wastewater Treatment Facility through an agreement and connection with the City of Lake Worth.

The Town maintains budgetary control at the department level of expenditure. All expenditures require the Finance Director's authorization. Purchases \$10,000 and greater require the Town Manager's authorization, and any expenditure of \$15,000 or more requires a competitive bid and Town Council approval. Exceptions to the bid process can occur only in the following cases: sole source vendor; supplies listed by other governmental agencies; and/or declaration of an emergency by the Town Council or Manager. Budget transfers within departmental cost centers are handled administratively. The Town Council approves budget transfers between departments and budget amendments that increase or decrease total appropriations of a fund. The Town also maintains an encumbrance accounting system as one technique of accomplishing budgetary control. Encumbered amounts lapse at year-end with capital outlay appropriations added into and re-appropriated as part of the subsequent year's budget.

The Town Council adopts a formal budget for the General Fund, Special Revenue Funds (excluding the Police Forfeiture Fund), the Internal Service Fund and the Water and Sewer Fund. A statement comparing the budgeted revenue and expenditures to actual revenues and expenditures for the General Fund and the budgeted Special Revenue Funds is presented in the financial section of this report.

## LOCAL ECONOMY & FINANCIAL PLANNING

Property values continue to recover from prerecession highs almost a decade ago. This has required the use of other revenue sources along with the reduction of expenditures.

In Lantana, the economic base includes commercial ventures such as Publix, The Carlisle, and Costco Wholesale Warehouse as well as approximately 500 smaller businesses including restaurants, retail, and service and repair related businesses. These businesses are located in the general commercial corridors and in the Industrial Park properties on the north end of Town.

Over the past ten years, the Town's population has remained close to 10,000. However, recently we've seen a 10% increase. Taxable property values have ranged from pre-recession highs of \$1.1 billion to a low of \$678 million during fiscal year 2013 and finally breaking the \$1 billion mark again for fiscal year 2019. As such, we strive to manage Town finances using a conservative approach. Listed below is how the current fund balance of \$13,402,321 within the General Fund is allocated.

Non-spendable:	
Inventory & prepaid costs	\$ 8,261
Restricted:	
Building permitting activities	1,562,930
Assigned:	
For Council directed projects	3,300,000
For contracts	17,738
For carry-forward expenditures	469,341
Unassigned:	8,044,051
Total Fund Balance	<u>\$ 13,402,321</u>

The unassigned fund balance is equal to 70% of the adopted fiscal year 2019 General Fund budget. As a coastal community, we are prone to hurricanes and storm events that require funds be immediately available for recovery and mitigation purposes.

With the Town's full range of municipal services, we continue to pursue alternatives that will increase annual financial resources while developing and monitoring delivery of public services at minimal cost. The Town's goal of matching revenues to expenditures is on track for maintaining a sound financial condition through prudent administration and oversight. This is also accomplished through reviewing and updating our five-year capital plan in conjunction with revenue projections. However, no formal policy has been created for this review.

## MAJOR INITIATIVES

- Implemented the Quiet Zone to not require locomotive train horns to be sounded along the Florida East Coast (FEC) railway corridor at the Town's five grade crossings.
- Repaired and resurfaced town roads and sidewalks.
- Bus stops – Repainted and replaced garbage cans.
- Lantana Sports Park – Construction of new basketball courts and lighting.
- Beach – Installation of new benches, sign, painting of car stops for Decal Only parking and removing the signs, and improvements to the interior of the Marine Safety building.

- Recreation Center – Repainted interior and installed new tile flooring.
- Lyman Kayak Park – Completed the mangrove planters.
- Nature Preserve – Removed exotic plant species.
- CDBG Project – Installed new sidewalks on N. 8th St. and two traffic calming areas.
- Reconstructed the road at the southeast corner of West Lantana Road and North Broadway.
- Landscape improvements – East Ocean Avenue and along South Broadway in front of the Operations Center.
- Wastewater force main and drainage improvements – S. Lake Drive.
- New subaqueous water main from mainland to Island.
- Replacement of water main along South Atlantic Drive and Southeast Atlantic Drive.
- Hosted County-wide Beach Clean-ups in April & September with residents and local students.
- Implemented sports programs to include co-ed baseball, soccer and flag football.
- Hosted six (6) Enjoy Lantana! community events to include Movies at the Beach, Egg Hunt at Maddock Park, July 4th Celebration, Haunted Nature Preserve, and Winterfest.

## **AWARDS**


The Government Finance Officers Association of the United States and Canada ("GFOA") awarded a Certificate of Achievement for Excellence in Financial Reporting to the Town of Lantana, Florida for its Comprehensive Annual Financial Report for the fiscal year ended September 30, 2017. 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. Such reports must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of only one year. 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.

## **ACKNOWLEDGMENTS**

The preparation of this report could not be accomplished without the dedicated service of the entire Finance Department staff members. We would like to also express our sincere appreciation of Sharon Almeida who was instrumental in the preparation of the Town's financial statements.

We especially wish to thank the Mayor and Town Council for their interest and support in planning and conducting the financial operations of the Town in a responsible and progressive manner. With this support, the Town is able to achieve and maintain a high degree of fiscal health and responsibility.

Respectfully submitted,

  
 Deborah S. Manzo  
 Town Manager

  
 Stephen Kaplan  
 Finance Director

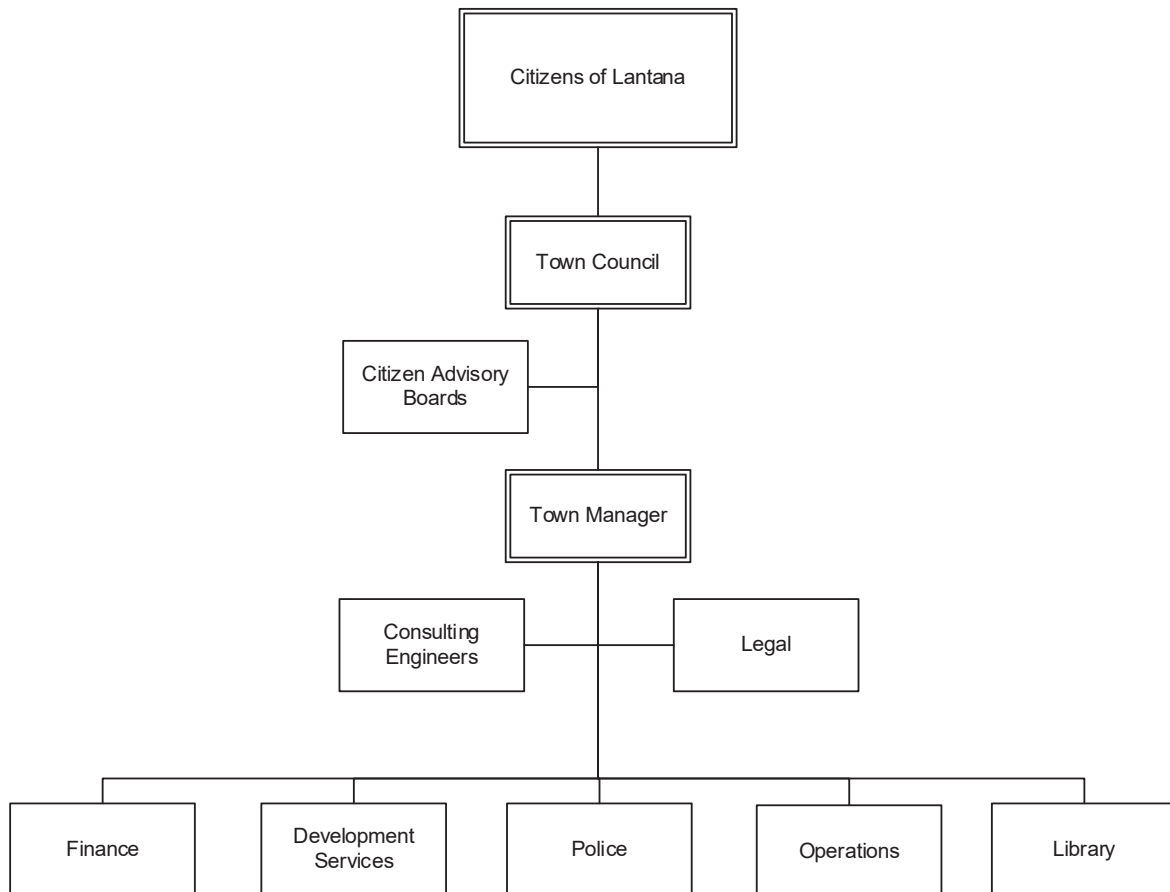
# **TOWN OF LANTANA, FLORIDA**

## **LIST OF PRINCIPAL OFFICIALS**

**SEPTEMBER 30, 2018**

<b>TITLE</b>	<b>NAME</b>
Mayor	David J. Stewart
Vice Mayor	Edward Paul Shropshire
Vice Mayor Pro-tem	Malcolm Balfour
Council Member	Philip Aridas
Council Member	Dr. Lynn J. Moorhouse
Town Manager	Deborah S. Manzo
Town Attorney	Lohman Law Group, P.A.
Town Engineers	Mathews Consulting, Inc. Kimley-Horn & Assoc., Inc. Calvin, Giordano & Assoc., Inc.
Town Independent Auditors	Grau & Associates
Town Clerk	Nicole A. Dritz
Operations Director	Linda A. Brien
Finance Director	Stephen Kaplan
Library Director	Sid Patchett
Development Services Director	David Thatcher
Police Chief	Sean Scheller

# Organizational Chart





Government Finance Officers Association

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

Presented to

**Town of Lantana  
Florida**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**September 30, 2017**

*Christopher P. Morrell*

Executive Director/CEO





## **FINANCIAL SECTION**





# Grau & Associates

CERTIFIED PUBLIC ACCOUNTANTS

951 Yamato Road • Suite 280  
Boca Raton, Florida 33431  
(561) 994-9299 • (800) 299-4728  
Fax (561) 994-5823  
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## Independent Auditor's Report

To the Honorable Mayor, Members of the  
Town Council and Town Manager  
Town of Lantana, Florida

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Lantana, Florida, (the "Town") as of and for the fiscal year ended September 30, 2018, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements 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 did not audit the financial statements of the Town of Lantana Police Relief and Pension Fund, which represent all of the total assets, net position, and revenues of the fiduciary fund. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Town of Lantana Police Relief and Pension Fund is based solely on the report of the other auditor. 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 from material misstatement.

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 the 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, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town as of September 30, 2018, and the respective changes in financial position, and, where applicable, cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Emphasis of Matter**

As discussed in Note 1 to the accompanying financial statements, the Town adopted the recognition and disclosure requirements of Governmental Accounting Standards Board (GASB) Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions. The net position balance of the governmental activities and business-type activities as of October 1, 2017 have been restated. Our opinion is not modified with respect to this matter.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, schedule of changes in net pension and OPEB liability and related ratios, and schedule of contributions be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental 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 and other auditors 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 and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we 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's basic financial statements. The introductory section, combining and individual non-major fund financial statements, non-major budgetary comparison schedules, and statistical section, are presented for purposes of additional analysis and are not a required part of the financial statements.

The combining and individual non-major fund financial statements and the non-major budgetary comparison schedules 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 financial statements and certain additional 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 information is fairly stated in all material respects in relation to the financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated April 22, 2019, on our consideration of the Town's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's 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's internal control over financial reporting and compliance.

## Report on Other Legal and Regulatory Requirements

We have also issued our report dated April 22, 2019, on our consideration of the Town's compliance with the requirements of Section 218.415, Florida Statutes, as required by Rule 10.556(10) of the Auditor General of the State of Florida. The purpose of that report is to provide an opinion based on our examination conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants

*By*  & Associates

April 22, 2019

## MANAGEMENT'S DISCUSSION AND ANALYSIS

The purpose of financial reporting, in general, is to provide the readers of the financial statements with information that will help them make decisions and draw conclusions about an entity. As management of the Town of Lantana (Town), 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 information that we have furnished in our accompanying transmittal letter beginning on Page i, and the accompanying basic financial statements.

### FINANCIAL HIGHLIGHTS

- The Town's net position at September 30, 2018 was \$45.9 million. Of this amount, \$18.4 million (unrestricted net position) may be used to meet the Town's ongoing obligations to citizens and creditors.
- Governmental activities net position was \$27.2 million, an increase of \$1,002,913.
- Business-type activities net position was \$18.8 million, an increase of \$1,135,919.
- Total revenues from all sources were \$18.9 million, an increase of \$1,201,627.
- Total costs of all Town programs were \$16.6 million, a decrease of \$2,062,950.
- Total revenues and other financing sources in the General Fund exceeded total expenditures and other financing uses by \$1,442,286.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$8 million, or 80.5% of total General Fund expenditures.
- The Town's total recorded liability for the implicit rate subsidy of other postemployment benefits (OPEB) was \$614,508, an increase of \$28,669. Governmental and business-type activities increased \$25,717 and \$2,952, respectively.
- Due to the implementation of Governmental Accounting Standards Board (GASB) Statement No. 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions", the beginning balance of the Governmental Activities' net position was restated which resulted in a reduction of \$159,156. The Business-type Activities' restatement of net position resulted in an increase of \$21,726. Further information may be found in Note 1.

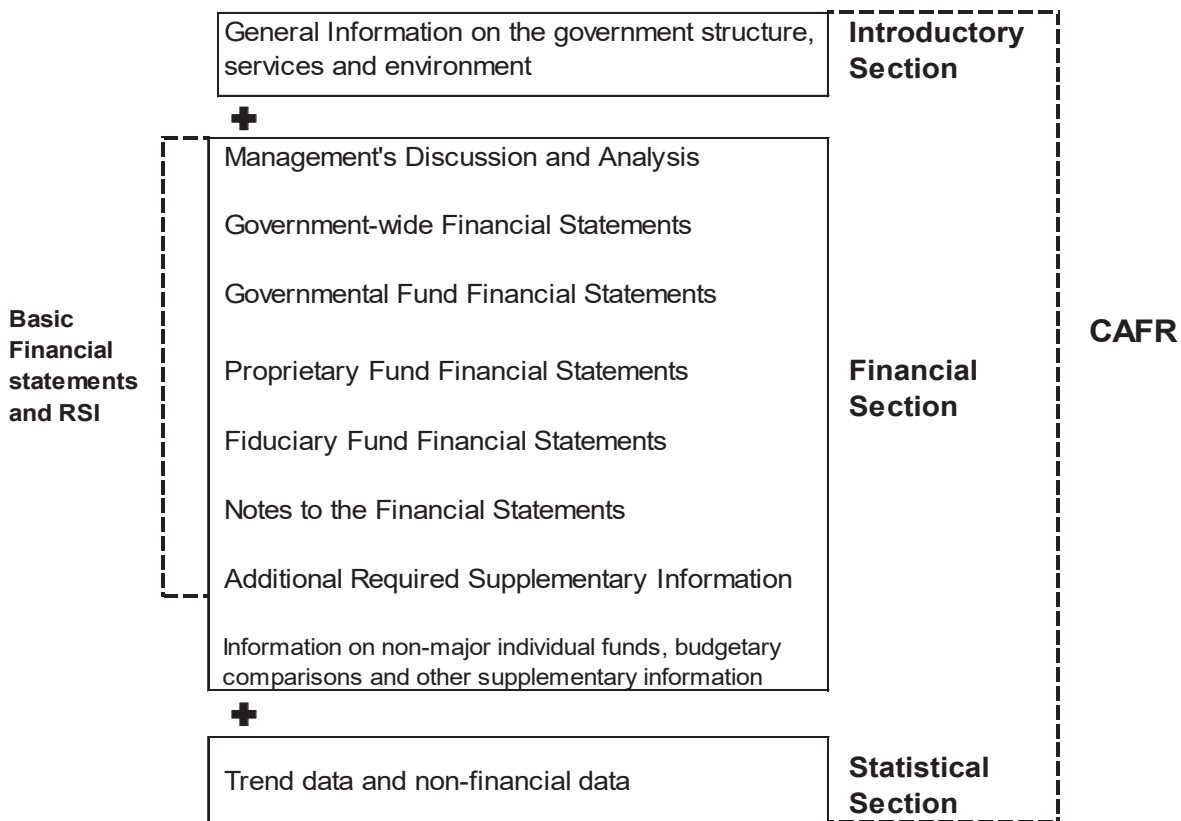
### OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of a series of financial statements. The three components of the basic financial statements are: (1) Government-wide financial statements, which include the Statement of Net Position and the Statement of Activities. These statements provide information about the activities of the Town as a whole. (2) Fund financial statements illustrate how these services were financed in the short term, as well as what remains for future spending. Fund financial statements also report the Town's operations in more detail than the government-wide statements by providing information about the Town's most significant funds. (3) Notes to the financial statements.

Other information such as budgetary comparisons, statements and schedules of the non-major governmental funds, and the statistical section contains data such as financial trends, debt capacity, and demographic, economic and operating information to assist the reader in better understanding the operations of the Town. This report also contains other supplementary information in addition to the basic financial statements.

The financial statement focus is on both the Town as a whole (government-wide) and on the major individual funds. The following graph shows the relationship between the CAFR and the basic financial statements and Required Supplementary Information ("RSI").

**Relationship Between Comprehensive Annual  
Financial Report (CAFR)  
And  
Basic Financial Statements and Required  
Supplementary Information (RSI)**



## GOVERNMENT-WIDE FINANCIAL STATEMENTS

A frequently asked question regarding the Town's financial health is whether the year's activities contributed positively to the overall financial well-being. The Statement of Net Position and the Statement of Activities report information about the Town as a whole and about its activities in a way that helps answer this question. These statements include all assets and liabilities using the *accrual basis of accounting*, which is similar to the accounting used by most private-sector companies. All current year's revenues and expenses are taken into account, regardless of when cash is received or paid.

These two statements report the Town's net position and changes therein. Net position, the difference between assets plus deferred outflows of resources and liabilities plus deferred inflows of resources, is one way to measure the Town's financial health, or financial position. Over time, increases or decreases in net position is an indicator of whether the financial health is improving or deteriorating.

The Statement of Net Position and the Statement of Activities present information about the following:

- Governmental activities – All of the Town's basic services are considered to be governmental activities, including general government, community development, public safety, public services, library, and recreation. Property taxes, sales taxes, utility taxes, and franchise fees finance most of these activities.

## GOVERNMENT-WIDE FINANCIAL STATEMENTS (CONTINUED)

- Proprietary activities/Business-type activities – The Town charges a fee to customers to cover all or most of the cost of the services provided. The Town's Water and Sewer Utility system is reported in this category.

## FUND FINANCIAL STATEMENTS

The fund financial statements provide detailed information about the most significant funds – not the Town as a whole. Some funds are required to be established by State law. However, management establishes other funds to meet legal responsibilities associated with the use of certain taxes, grants, and other monies. The Town's three kinds of funds, *governmental*, *proprietary*, and *fiduciary* use different accounting approaches as explained below:

- *Governmental funds* – Most of the Town's basic services are reported in governmental funds. Governmental funds focus on how resources flow in and out, with the balances remaining at year-end that are available for spending. These funds are reported using an accounting method called the *modified accrual* accounting method, which measures cash and all other *financial* assets that can readily be converted to cash. The governmental fund statements provide a detailed *short-term* view of the Town's general governmental operations and the basic services it provides. Governmental fund information shows whether there are more or less financial resources that can be spent in the near future to finance the Town's programs. The basic governmental fund financial statements can be found on pages 17-20 of this report.
- *Proprietary funds* – These fund financial statements consist of a Statement of Net Position, Statement of Revenues, Expenses, and Changes in Net Position and Statement of Cash Flows. These statements are prepared on the accrual basis which is the accounting basis used to prepare the government-wide financial statements.

The Town uses Enterprise Funds to account for business-type activities that charge fees to customers for the use of specific goods or services. These funds are used to report the same functions presented as business-type activities in the government-wide financial statements. Internal Service Funds are used to account for services provided and billed on an internal basis. The Town uses Internal Service Funds to account for its workers compensation and general liability expenses.

The basic proprietary fund financial statements can be found on pages 21-24 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 basis used for fiduciary funds is much like that used for proprietary funds. The basic fiduciary fund financial statements can be found on pages 25 and 26 of this report.

## GOVERNMENT-WIDE FINANCIAL ANALYSIS

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 plus deferred outflow of resources exceeded liabilities by \$45.9 million, which increased \$2,276,262 from the previous fiscal year before taking into account restatement of the financial statements.

The largest portion of the Town's net position (55.2%) reflects its net investment in capital assets (e.g., land, buildings, machinery, and equipment), used to acquire those assets that are 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 net 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.



**Town of Lantana  
Net Position Summary**

	<b>Governmental Activities</b>		<b>Business-type Activities</b>		<b>Total Activities</b>	
	<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>
<b>Assets:</b>						
Current and other assets	\$ 15,868,986	\$ 14,500,675	\$ 12,160,943	\$ 12,116,246	\$ 28,029,929	\$ 26,616,921
Capital assets	17,228,421	17,916,710	9,521,063	8,403,850	26,749,484	26,320,560
<b>Total Assets</b>	<b>33,097,407</b>	<b>32,417,385</b>	<b>21,682,006</b>	<b>20,520,096</b>	<b>54,779,413</b>	<b>52,937,481</b>
<b>Deferred Outflow of Resources:</b>						
Police Pension	431,662	743,857	-	-	431,662	743,857
OPEB	186,763	-	2,796	-	189,559	-
Deferred charge on refunding	-	-	103,455	142,866	103,455	142,866
<b>Total Deferred Outflows of Resources</b>	<b>618,425</b>	<b>743,857</b>	<b>106,251</b>	<b>142,866</b>	<b>724,676</b>	<b>886,723</b>
<b>Liabilities:</b>						
Long term debt outstanding	4,388,498	5,226,979	1,687,292	2,520,000	6,075,790	7,746,979
Other liabilities	754,425	949,744	1,336,347	517,434	2,090,772	1,467,178
<b>Total Liabilities</b>	<b>5,142,923</b>	<b>6,176,723</b>	<b>3,023,639</b>	<b>3,037,434</b>	<b>8,166,562</b>	<b>9,214,157</b>
<b>Deferred Inflows of Resources:</b>						
Police Pension	1,184,423	810,789	-	-	1,184,423	810,789
OPEB	211,843	-	3,171	-	215,014	-
<b>Total Deferred Inflows of Resources</b>	<b>1,396,266</b>	<b>810,789</b>	<b>3,171</b>	<b>-</b>	<b>1,399,437</b>	<b>810,789</b>
<b>Net Position</b>						
Net investment in capital assets	17,228,421	17,818,601	8,135,430	6,239,812	25,363,851	24,058,413
Restricted	2,177,200	1,425,190	-	374,456	2,177,200	1,799,646
Unrestricted	7,771,022	6,929,939	10,626,017	11,011,260	18,397,039	17,941,199
<b>Total net position</b>	<b>\$ 27,176,643</b>	<b>\$ 26,173,730</b>	<b>\$ 18,761,447</b>	<b>\$ 17,625,528</b>	<b>\$ 45,938,090</b>	<b>\$ 43,799,258</b>

The increase in the government's net position for the fiscal year ended September 30, 2018, was \$2,276,262 compared to a decrease of \$988,315 for the previous fiscal year. Governmental and Business-type activities accounted for an increase of \$1,162,069 and \$1,114,193, respectively. Details of these changes are explained later in the analysis.

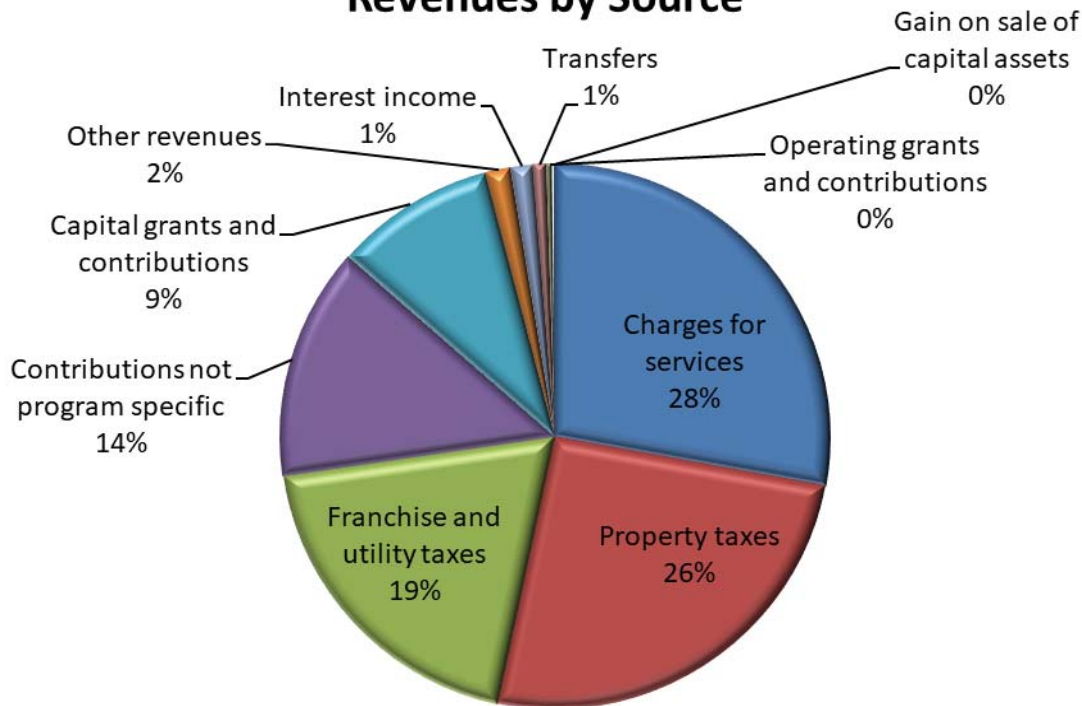
For both fiscal years presented, the Town was able to report positive balances in all categories of the net position for governmental and business-type activities.

Listed below is a schedule that illustrates the revenues, expenses, and changes in net position.

<b>Town of Lantana</b> <b>Changes in Net Position</b>						
	<b>Governmental</b> <b>Activities</b>		<b>Business-type</b> <b>Activities</b>		<b>Total</b> <b>Activities</b>	
	2018	2017	2018	2017	2018	2017
<b>Revenues:</b>						
<u>Program revenues:</u>						
Charges for services	\$ 3,525,040	\$ 3,318,158	\$ 5,960,248	\$ 5,889,214	\$ 9,485,288	\$ 9,207,372
Operating grants and contributions	38,499	67,762	-	-	38,499	67,762
Capital grants and contributions	1,195,547	1,083,883	-	-	1,195,547	1,083,883
<u>General revenues and transfers:</u>						
Property taxes	3,221,378	2,786,215	-	-	3,221,378	2,786,215
Franchise and utility taxes	2,441,511	2,420,646	-	-	2,441,511	2,420,646
Contributions not program specific	1,742,071	1,729,563			1,742,071	1,729,563
Interest income	165,096	75,309	128,543	57,597	293,639	132,906
Other revenues	189,691	207,857	187,117	72,181	376,808	280,038
Gain on sale of capital assets	22,153	6,902	20	-	22,173	6,902
<b>Total revenues</b>	<b>12,540,986</b>	<b>11,696,295</b>	<b>6,275,928</b>	<b>6,018,992</b>	<b>18,816,914</b>	<b>17,715,287</b>
<b>Expenses:</b>						
<u>Program expenses:</u>						
General government	950,779	1,007,186	-	-	950,779	1,007,186
Physical environment	3,867,004	3,273,391	-	-	3,867,004	3,273,391
Public safety	6,062,440	8,580,598	-	-	6,062,440	8,580,598
Culture and recreation	597,923	548,426	-	-	597,923	548,426
Interest	771	10,026	-	-	771	10,026
Utility - Water & Sewer	-	-	5,161,735	5,283,975	5,161,735	5,283,975
<b>Total expenses</b>	<b>11,478,917</b>	<b>13,419,627</b>	<b>5,161,735</b>	<b>5,283,975</b>	<b>16,640,652</b>	<b>18,703,602</b>
<b>Changes in net position before transfers</b>	<b>1,062,069</b>	<b>(1,723,332)</b>	<b>1,114,193</b>	<b>735,017</b>	<b>2,176,262</b>	<b>(988,315)</b>
Transfers in, (out), net	100,000	-	-	-	100,000	-
<b>Increase (decrease) in net position</b>	<b>1,162,069</b>	<b>(1,723,332)</b>	<b>1,114,193</b>	<b>735,017</b>	<b>2,276,262</b>	<b>(988,315)</b>
Net position - October 1,	26,173,730	27,897,062	17,625,528	16,890,511	43,799,258	44,787,573
Effect of GASB No. 75	(159,156)	-	21,726	-	(137,430)	-
Net position - October 1, as restated	26,014,574	27,897,062	17,647,254	16,890,511	43,661,828	44,787,573
<b>Net position - September 30</b>	<b>\$ 27,176,643</b>	<b>\$ 26,173,730</b>	<b>\$ 18,761,447</b>	<b>\$ 17,625,528</b>	<b>\$ 45,938,090</b>	<b>\$ 43,799,258</b>

## GOVERNMENTAL ACTIVITIES

### Governmental Activities Revenues by Source



The net position for the Town's governmental activities increased \$1,162,069 compared to a decrease of \$1,723,332 in the prior year. Significant variances from the prior year are as follows:

- Property taxes increased by \$435,163, or 15.6%. The Town's taxable value increased in addition to raising the millage rate from \$3.2395 per \$1,000 of taxable value to \$3.5.
- Capital Grant and Contributions increased by \$111,664. Additional revenue was recognized from the Infrastructure Surtax (penny tax) which began January 1, 2017, in addition to a Community Development Block Grant which improved norther portions of the town.
- Charges for Services increased by \$206,882 partially due to the new agreement with the School Board of Palm Beach County for law enforcement services at Lantana Elementary School.
- Public safety expenses decreased \$2,518,158 as a building improvement project was completed in the previous fiscal year. As a result, expenses significantly reduced.

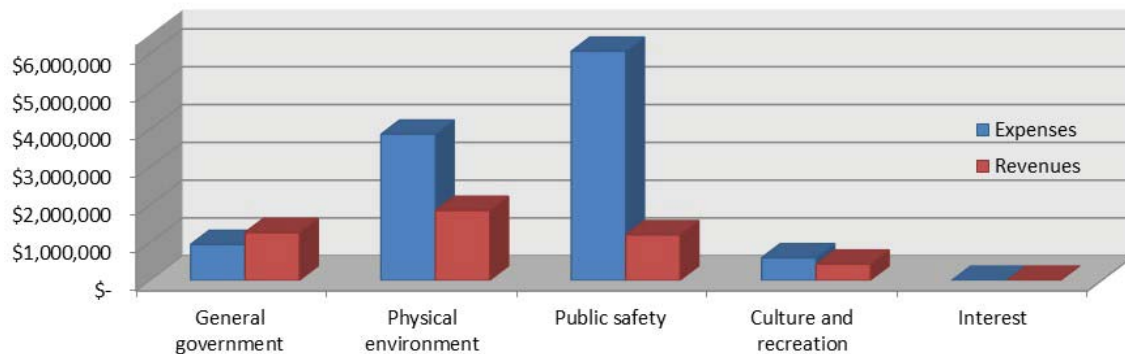
Town programs include general government, physical environment, public safety, and culture and recreational services. General government contains the following departments: legislative, executive, finance, and legal. Physical environment contains public works, utilities, road and street maintenance. Public safety contains police and development services. Culture and recreation contains library, and special events.

Each program's net cost (total cost, less revenues generated by the activities) is presented below. The net cost demonstrates the extent to which the Town's general taxes support each of the Town's programs.

### Town of Lantana Governmental Activities

	Total Cost of Services		Program Revenues		Net Cost of Services	
	2018	2017	2018	2017	2018	2017
General government	\$ 950,779	\$ 1,007,186	\$ (1,268,772)	\$ (1,132,786)	\$ (317,993)	\$ (125,600)
Physical environment	3,867,004	3,273,391	(1,852,396)	(1,219,855)	2,014,608	2,053,536
Public safety	6,062,440	8,580,598	(1,207,343)	(1,781,820)	4,855,097	6,798,778
Culture and recreation	597,923	548,426	(430,575)	(335,342)	167,348	213,084
Interest	771	10,026	-	-	771	10,026
<b>Total</b>	<b>\$ 11,478,917</b>	<b>\$ 13,419,627</b>	<b>\$ (4,759,086)</b>	<b>\$ (4,469,803)</b>	<b>\$ 6,719,831</b>	<b>\$ 8,949,824</b>

### Expenses & Program Revenues for Governmental Activities



The cost of all governmental activities this year was \$11.5 million. As shown in the Statement of Activities, those who directly benefited from the programs paid \$4.8 million of the cost, and \$6.7 million was financed through general revenues. Ad valorem taxes contributed 25.7% of total governmental activities revenues this fiscal year as compared to 23.8% in the previous fiscal year. In fiscal year 2018, the Town adopted an increased millage rate which combined with higher property values provided additional revenue. Details are discussed later in the budget-to-actual analysis.

### BUSINESS-TYPE ACTIVITIES

Business-type activities (Water and Sewer fund) increased the Town's net position by \$1,135,919 for fiscal year 2018. The net position of the proprietary fund at September 30, 2018, was \$18.8 million. The cost of providing all proprietary (business-type) activities this year decreased \$122,240 compared to last year's total cost of \$5.2 million. As shown in the Statement of Activities, amounts paid through user fees were \$5,960,248 which increased \$71,034 due to a 1.9% rate increase effective the beginning of the fiscal year. The net position's increase for 2018, was partially due to water and wastewater operating revenues increasing from the rate increase.

Expenses remained relatively flat by decreasing \$122,240, or 2.3%. The water treatment and wastewater distribution system incurred fewer repairs and maintenance costs compared to the previous year

## FINANCIAL ANALYSIS OF THE TOWN'S FUNDS

As noted earlier, the Town uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

**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, 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 the current fiscal year, the Town's governmental funds reported combined ending fund balances of \$14,016,591, compared to \$12,309,744 million in the prior fiscal year, an increase of \$1,706,847.

Approximately 57% or \$8,044,051 of the \$14 million combined ending fund balances (Governmental Funds) constitutes unassigned fund balance, which is available for spending at the government's discretion. Of the total fund balance, \$8,261 is non-spendable, \$15,360 will be used towards education and training within the Police Department, \$1,562,930 will be used towards the building permitting process, \$489,487 will be used for infrastructure projects, and \$109,423 for police forfeiture programs. Approximately \$487,000 is assigned for planned and committed projects not completed by the fiscal year end. Further, \$3.3 million has been assigned for Council directed projects.

The General Fund is the chief operating fund for the Town. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to the total fund expenditures. Unassigned fund balance represents 80% of total General Fund expenditures, while total fund balance represents 134% of that same amount.

The General Fund's total fund balance increased \$1,442,286 with the unassigned balance increasing from \$6,794,650 to \$8,044,051. While many variables affect the increase, the primary factor is a result of a reduction in capital outlay projects while revenue levels increased.

General Fund revenues increased \$178,953 from the previous fiscal year. Overall, some revenues increased and some decreased. However, revenue growth's main impetus was through increased property values and millage rate which recognized an additional \$435,163 in property taxes.

Expenditures within the General Fund remained relatively flat by decreasing \$25,300 on a \$10 million fund.

The Infrastructure Surtax fund was created as a Special Revenue Fund to account for the voter-approved "Penny Tax" earmarked for infrastructure projects. The projects are monitored and reported to a committee coordinated by the Palm Beach County League of Cities. This year's fund revenue included \$772,576 of sales tax. With approximately \$508,000 spent in projects, fund balance after its second year was \$489,487.

The Police Forfeiture Fund, also known as the Law Enforcement Trust Fund, remained flat with fund balance increasing \$4,125 to \$109,423.

## **GENERAL FUND BUDGETARY HIGHLIGHTS**

The general fund budget was amended as follows: decrease in budgeted revenues of \$689,362, a decrease in appropriations of \$165,109, an increase in carry forward amounts of \$531,244, and an increase in transfers out of \$6,991.

Variations between adopted and revised budgets include:

- Reduce revenue budget for infrastructure surtax related projects by \$712,916. The budgets were transferred over to the newly created Infrastructure Surtax Fund mid-year.
- Increase budget to recognize donations of \$6,943.
- Increased budget for insurance proceeds of \$9,116.
- Carry-forward of capital outlay programs from the previous fiscal year of \$775,990.

The most significant variances between the final budget and actual amounts were as follows:

- Actual revenues for the 2018 fiscal year were greater as compared to the budget by \$748,736. The greatest variances include the following:
  - Surplus property taxes of \$35,545.
  - Surplus business tax receipts of \$42,869.
  - Surplus building permits of \$317,550.
  - Surplus metered parking of \$110,300.
  - Surplus park rental fees of \$20,018.
  - Surplus code fines of \$60,333.
  - Surplus interest income of \$103,133.
  - Deficit of \$9,380 in court fines.
  - Deficit of \$8,413 in parking fines.
- Expenditures were \$1,241,872 less than the final budget for the 2018 fiscal year. About \$18,000 or 1.4% of the difference is attributed to contract commitments where projects are in progress and funding is allocated. About \$469,000 or 38% is designated for projects and contracts that are funded but have yet to begin. Approximately \$442,000 in personnel costs were unspent due to more-than-expected staff vacancies. Legal expenses were less than expected by \$74,223.

## **CAPITAL ASSET AND DEBT ADMINISTRATION**

### **CAPITAL ASSETS**

The capital assets of the Town are those assets that are used in the performance of Town functions. Capital assets include equipment, buildings, land, park facilities, etc. The Town previously elected to retroactively apply the capitalization requirements of GASB Statement No. 34 to major general infrastructure assets.

- The Town's net investment in capital assets for its governmental and business-type activities as of September 30, 2018, amounts to \$25.4 million.

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

- Voice recording for phone system - \$15,000
- Sports turf bunker and field rake - \$13,000
- Forty-five portable police radios - \$100,000
- Sidewalks and basketball courts along North 8<sup>th</sup> Street - \$402,000
- Twelve computers - \$20,000
- Three vehicles – 90,000
- Wastewater line camera system - \$40,000
- Subaqueous intracoastal water main - \$534,000

Additional information on the Town's capital assets can be found in Note 6 beginning on page 41 of this report

**Town of Lantana  
Capital Assets**

	Governmental Activities		Business-type Activities		Total Activities	
	2018	2017	2018	2017	2018	2017
Land	\$ 2,267,878	\$ 2,267,878	\$ 4,300	\$ 4,300	\$ 2,272,178	\$ 2,272,178
Construction in progress	12,246	-	1,675,643	191,983	1,687,889	191,983
Roads and streets	24,340,753	23,910,780	-	-	24,340,753	23,910,780
Buildings and improvements	10,179,212	10,144,905	10,274,933	10,301,434	20,454,145	20,446,339
Infrastructure	-	-	11,550,459	11,211,489	11,550,459	11,211,489
Furniture, equipment & vehicles	4,319,558	4,255,587	1,521,161	1,437,114	5,840,719	5,692,701
Intangible assets	259,788	260,593	3,246,342	3,248,806	3,506,130	3,509,399
<b>Total assets</b>	<b>\$ 41,379,435</b>	<b>\$ 40,839,743</b>	<b>\$ 28,272,838</b>	<b>\$ 26,395,126</b>	<b>\$ 69,652,273</b>	<b>\$ 67,234,869</b>
Less accumulated depreciation	(24,151,014)	(22,923,033)	(18,751,775)	(17,991,276)	(42,902,789)	(40,914,309)
<b>Total</b>	<b>\$ 17,228,421</b>	<b>\$ 17,916,710</b>	<b>\$ 9,521,063</b>	<b>\$ 8,403,850</b>	<b>\$ 26,749,484</b>	<b>\$ 26,320,560</b>

**LONG-TERM DEBT**

Currently, the Town uses debt financing on an as-needed basis. At the end of the current fiscal year, the Town had total debt of \$1.5 million, a reduction of \$915,925, or 38.1% as compared to the previous fiscal year.

No debt is backed by the full faith and credit of the government. Water and sewer revenues secure the bonds and notes. During periods where capital leases are utilized, the corresponding equipment secures the debt.

**Town of Lantana  
Outstanding Debt**

	Governmental Activities		Business-type Activities		Total Activities	
	2018	2017	2018	2017	2018	2017
Bonds and loans payable	\$ -	\$ 98,109	\$ 1,489,088	\$ 2,306,904	\$ 1,489,088	\$ 2,405,013
<b>Total</b>	<b>\$ -</b>	<b>\$ 98,109</b>	<b>\$ 1,489,088</b>	<b>\$ 2,306,904</b>	<b>\$ 1,489,088</b>	<b>\$ 2,405,013</b>

In addition, the Town has a liability for compensated absence of \$859,023 and an OPEB liability of \$614,508. Additional information on the Town's debt can be found in Note 7 beginning on page 43 of this report.

**NEXT YEAR'S BUDGET AND ECONOMIC FACTORS**

When developing next year's budget, the primary economic factor affecting the budget was conservative growth in General Fund revenues. Property taxes are anticipated to increase with \$200,000 in additional revenue. Overall, the total fund's revenue is anticipated to increase approximately \$157,000 or 1% compared to FY 2017-18's actual revenues. This is primarily due to a reduction in building permits revenues and an increase to the solid waste assessment. Two large building projects began a couple years ago and Lantana is built out. Assessment for solid waste significantly increased due to the cost provided by the private hauler. So, while the assessment revenue increased, so will the expense.

The taxable value of property is anticipated to continue increasing in the coming year. Increased taxable value can translate into additional revenue when maintaining or raising the millage rate. Property tax is the single largest revenue source within the General Fund accounting for 30% of the fund. The budget was crafted using an 8% increase in property values. The budget was adopted with the same millage rate of \$3.2395 per \$1,000 which is 6.31% above the roll-back rate of \$3.2923. This translates into almost \$200,000 of additional tax revenue to be recognized over the previous fiscal year.



Palm Beach County provides fire rescue services using an MSTU (municipal services taxing unit) and tax Lantana property owners \$3.4581 per \$1,000 of taxable value. This rate is deducted from the maximum allowable tax rate of 10 mills leaving 6.5419 mills available.

As the economy continues to improve, we'll continue employing a strategic plan to conservatively budget revenues and reduce expenditures wherever possible using excess reserves only when warranted and approved by our Council.

We anticipate taxable values will continue to increase above the market as the Water Tower Commons' project continues. Also, depending on the types of businesses approved at the location, increased job opportunities are anticipated.

The Town continues to retain a healthy fund balance within the General Fund. In fiscal year 2018, the unassigned fund balance is over \$8 million. When comparing this as a percentage to fiscal year 2019 budgeted expenditures, it can be used as a good indicator of the Town's fiscal health. The unassigned balance accounts for 72% of fiscal year 2019's General Fund originally adopted operating budget (doesn't include debt or capital); however, even when including the total adopted budget, it still accounts for 70%. A portion of the assigned fund balance (\$17,738) is earmarked for projects currently in progress not completed in the current fiscal year but anticipated to conclude in the following year. Approximately \$469,341 of the assigned balances will be used for projects approved, but yet to begin.

The use of the remaining fund balance changes from year to year. In some years, large capital equipment is purchased; in other years, it's the Council's direction to refrain from its use. Finally, as we continue to grow fund balance, it will assist the funding of future years' projects.

In considering the Town's budget for fiscal year 2018-2019, the Town Council and management were conservative as to the growth of revenues and expenditures.

## **CONTACTING THE TOWN'S FINANCIAL MANAGEMENT**

This financial report is designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of the Town's finances and to show the Town's accountability for the money it receives and spends. If you have questions about this report or need additional financial information, contact the Town's Finance Department at the Town of Lantana, 500 Greynolds Circle, Lantana, Florida 33462 or by emailing [accounting@lantana.org](mailto:accounting@lantana.org).



## **BASIC FINANCIAL STATEMENTS**



**TOWN OF LANTANA, FLORIDA**  
**STATEMENT OF NET POSITION**  
**SEPTEMBER 30, 2018**

	Primary Government		
	Governmental	Business-Type	Total
	Activities	Activities	
<b>Assets</b>			
Current assets:			
Cash and cash equivalents	\$ 7,989,308	\$ 6,420,057	\$ 14,409,365
Investments	6,397,961	4,881,927	11,279,888
Restricted assets:			
Cash and cash equivalents	491,703	179,371	671,074
Intergovernmental receivables	368,769	-	368,769
Assessments receivable	329,638	-	329,638
Accounts receivable, net	283,346	675,184	958,530
Prepaid costs and inventories	8,261	4,404	12,665
<b>Total current assets</b>	<b>15,868,986</b>	<b>12,160,943</b>	<b>28,029,929</b>
Noncurrent assets:			
Nondepreciable capital assets	2,280,124	1,843,446	4,123,570
Depreciable capital assets, net	14,948,297	7,677,617	22,625,914
<b>Total noncurrent assets</b>	<b>17,228,421</b>	<b>9,521,063</b>	<b>26,749,484</b>
<b>Total assets</b>	<b>33,097,407</b>	<b>21,682,006</b>	<b>54,779,413</b>
<b>Deferred outflows of resources</b>			
Police Pension	431,662	-	431,662
OPEB	186,763	2,796	189,559
Deferred charge on refunding (debit)	-	103,455	103,455
<b>Total deferred outflows of resources</b>	<b>618,425</b>	<b>106,251</b>	<b>724,676</b>
<b>Liabilities, Deferred Inflows of Resources and Net Position</b>			
<b>Liabilities:</b>			
Current liabilities:			
Accounts payable and accrued liabilities	362,869	481,789	844,658
Unearned revenues	391,556	-	391,556
Retainage payable	-	675,187	675,187
Customer deposits payable from restricted assets	-	179,371	179,371
Noncurrent liabilities due within one year	301,988	560,791	862,779
<b>Total current liabilities</b>	<b>1,056,413</b>	<b>1,897,138</b>	<b>2,953,551</b>
Noncurrent liabilities:			
Net OPEB liability	605,444	9,064	614,508
Net pension liability	3,113,171	-	3,113,171
Due in more than one year	367,895	1,117,437	1,485,332
<b>Total noncurrent liabilities</b>	<b>4,086,510</b>	<b>1,126,501</b>	<b>5,213,011</b>
<b>Total liabilities</b>	<b>5,142,923</b>	<b>3,023,639</b>	<b>8,166,562</b>
<b>Deferred inflows of resources:</b>			
Police Pension	1,184,423	-	1,184,423
OPEB	211,843	3,171	215,014
<b>Total deferred inflows of resources</b>	<b>1,396,266</b>	<b>3,171</b>	<b>1,399,437</b>
<b>Net position:</b>			
Net investment in capital assets	17,228,421	8,135,430	25,363,851
Restricted for:			
Building permitting activities	1,562,930	-	1,562,930
Law enforcement	124,783	-	124,783
Infrastructure surtax fund	489,487	-	489,487
Unrestricted	7,771,022	10,626,017	18,397,039
<b>Total net position</b>	<b>\$ 27,176,643</b>	<b>\$ 18,761,447</b>	<b>\$ 45,938,090</b>

See notes to the financial statement

**TOWN OF LANTANA, FLORIDA**  
**STATEMENT OF ACTIVITIES**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018**

Function/Program	Program Revenues				Net (Expense) Revenue and Changes in Net Position			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grant and Contributions	Primary Government			
					Governmental Activities	Business-Type Activities	Total	
Primary government:								
Governmental activities:								
General government	\$ 950,779	\$ 1,268,772	\$ -	\$ -	\$ 317,993	\$ -	\$ 317,993	
Public safety	6,062,440	1,173,143	34,200	-	(4,855,097)	-	(4,855,097)	
Physical environment	3,867,004	656,849	-	1,195,547	(2,014,608)	-	(2,014,608)	
Culture and recreation	597,923	426,276	4,299	-	(167,348)	-	(167,348)	
Interest	771	-	-	-	(771)	-	(771)	
Total governmental activities	11,478,917	3,525,040	38,499	1,195,547	(6,719,831)	-	(6,719,831)	
Business-type activities:								
Water and sewer	5,161,735	5,960,248	-	-	-	798,513	798,513	
Total business-type activities	5,161,735	5,960,248	-	-	-	798,513	798,513	
Total primary government	16,640,652	9,485,288	38,499	1,195,547	(6,719,831)	798,513	(5,921,318)	
General revenues:								
Property taxes					3,221,378	-	3,221,378	
Franchise taxes and utility taxes					2,441,511	-	2,441,511	
Contributions not restricted to specific programs					1,742,071	-	1,742,071	
Interest income					165,096	128,543	293,639	
Other revenues					189,691	187,117	376,808	
Gain on sale of capital assets					22,153	20	22,173	
Transfers					100,000	-	100,000	
Total general revenues and transfers					7,881,900	315,680	8,197,580	
Change in net position					1,162,069	1,114,193	2,276,262	
Net position - beginning					26,173,730	17,625,528	43,799,258	
Effect of adoption of GASB No. 75 (Note 1)					(159,156)	21,726	(137,430)	
Net position - beginning, as restated					26,014,574	17,647,254	43,661,828	
Net position, ending					\$ 27,176,643	\$ 18,761,447	\$ 45,938,090	

See notes to the financial statement

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

	<u>Major Fund</u> <u>General</u> <u>Fund</u>	<u>Nonmajor</u> <u>Governmental</u> <u>Funds</u>	<u>Total</u> <u>Governmental</u> <u>Funds</u>
<b>Assets</b>			
Cash and cash equivalents	\$ 7,239,142	\$ -	\$ 7,239,142
Investments	6,397,961	-	6,397,961
Restricted cash and cash equivalents	-	491,703	491,703
Receivables:			
Intergovernmental	245,692	123,077	368,769
Assessments receivable	329,638	-	329,638
Accounts receivable, net	283,346	-	283,346
Prepaid costs and inventories	8,261	-	8,261
Total assets	<u>\$ 14,504,040</u>	<u>\$ 614,780</u>	<u>\$ 15,118,820</u>
<b>Liabilities, Deferred Inflows of Resources and Fund Balances</b>			
Liabilities:			
Accounts payable and accrued liabilities	\$ 362,359	\$ 510	\$ 362,869
Unearned revenues	391,556	-	391,556
Total liabilities	<u>753,915</u>	<u>510</u>	<u>754,425</u>
Deferred Inflows of Resources:			
Unavailable revenue	347,804	-	347,804
Total deferred inflows of resources	<u>347,804</u>	<u>-</u>	<u>347,804</u>
Fund balances:			
Non-spendable for prepaid costs and inventories	8,261	-	8,261
Restricted for:			
Building permitting activities	1,562,930	-	1,562,930
Infrastructure	-	489,487	489,487
Law enforcement	-	124,783	124,783
Assigned for:			
Council directed projects	3,300,000	-	3,300,000
Contracts	17,738	-	17,738
Carry-forward expenditures	469,341	-	469,341
Unassigned	8,044,051	-	8,044,051
Total fund balances	<u>13,402,321</u>	<u>614,270</u>	<u>14,016,591</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 14,504,040</u>	<u>\$ 614,780</u>	<u>\$ 15,118,820</u>

See notes to the financial statements

**TOWN OF LANTANA, FLORIDA  
RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS  
TO THE STATEMENT OF NET POSITION  
SEPTEMBER 30, 2018**

Fund balance - governmental funds		\$ 14,016,591
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Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not financial assets therefore, are not reported as assets in the governmental funds. The statement of net position includes those capital assets, net of any accumulated depreciation, in the net position of the government as a whole.

Cost of capital assets	41,379,435	
Accumulated depreciation	<u>(24,151,014)</u>	17,228,421

Assets that are not available to pay for current-period expenditures are unavailable in the fund statements.	347,804
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The net pension liability is not reported as a liability in the fund financial statements, but is reported as a liability in the government-wide financial statements.	(3,113,171)
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The net OPEB liability is not reported as a liability in the fund financial statements, but is reported as a liability in the government-wide financial statements.	(605,444)
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Deferred outflows of resources related to the pension are recorded in the statement of net position.	431,662
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Deferred inflows of resources related to the pension are recorded in the statement of net position.	(1,184,423)
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Deferred outflows of resources related to OPEB are recorded in the statement of net position.	186,763
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Deferred inflows of resources related to OPEB are recorded in the statement of net position.	(211,843)
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Internal service funds are used by management to charge the insurance to individual funds. The assets and liabilities of the internal service fund are included in governmental activities in the statement of net position.	750,166
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Liabilities not due and payable from current available resources are not reported as liabilities in the governmental fund statements. All liabilities, both current and long-term, are reported in the government-wide financial statements.

Compensated absences	(669,883)	
Net position of governmental activities	<u>\$ 27,176,643</u>	

See notes to the financial statements

**TOWN OF LANTANA, FLORIDA**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**GOVERNMENTAL FUNDS**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018**

	<u>Major Fund</u> General Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues:			
Property taxes	\$ 3,221,378	\$ -	\$ 3,221,378
Franchise fees and utility taxes	2,441,511	-	2,441,511
Other taxes	280,457	-	280,457
Permits and fees	708,433	-	708,433
Intergovernmental	1,767,490	772,576	2,540,066
Charges for services	589,013	-	589,013
Fines and forfeitures	244,356	20,083	264,439
Interest income	165,096	-	165,096
Grant revenue	16,613	457,171	473,784
Interlocal agreements	791,044	-	791,044
Special assessments	711,788	-	711,788
Other revenues	397,194	-	397,194
Total revenues	<u>11,334,373</u>	<u>1,249,830</u>	<u>12,584,203</u>
Expenditures:			
Current:			
General government	915,874	-	915,874
Public safety	5,953,971	20,115	5,974,086
Physical environment	2,219,859	529,937	2,749,796
Culture and recreation	411,693	-	411,693
Capital outlay	387,741	439,286	827,027
Debt service:			
Principal	98,109	-	98,109
Interest	771	-	771
Total expenditures	<u>9,988,018</u>	<u>989,338</u>	<u>10,977,356</u>
Excess (deficiency) of revenues over expenditures	<u>1,346,355</u>	<u>260,492</u>	<u>1,606,847</u>
Other financing sources (uses):			
Transfers in	100,000	4,069	104,069
Transfers out	(4,069)	-	(4,069)
Total other financing sources (uses)	<u>95,931</u>	<u>4,069</u>	<u>100,000</u>
Net change in fund balances	1,442,286	264,561	1,706,847
Fund balances, beginning	<u>11,960,035</u>	<u>349,709</u>	<u>12,309,744</u>
Fund balances, ending	<u>\$ 13,402,321</u>	<u>\$ 614,270</u>	<u>\$ 14,016,591</u>

See notes to the financial statements

**TOWN OF LANTANA, FLORIDA**  
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN**  
**FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018**

Net change in fund balances - total governmental funds	\$ 1,706,847
Amounts reported for governmental activities in the statement of activities are different because:	
Capital assets are reported in the governmental fund as expenditures. However, in the statement of activities, the cost of certain of these assets are eliminated and capitalized as capital assets.	827,027
Depreciation of capital assets is not recognized in the governmental fund statement but is reported as an expense on the statement of activities.	(1,515,316)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the governmental fund financial statements.	10,001
Certain revenues were unavailable for the governmental fund financial statements in the prior fiscal year. In the current fiscal year, these revenues were recorded in the governmental fund financial statements.	(53,218)
Repayment of long-term liabilities are reported as expenditures in the governmental fund, but such repayments reduce liabilities in the statement of net position and are eliminated from the statement of activities.	98,109
Internal Service Funds are used by management to charge the costs of Insurance to individual funds. The change in net position of the Internal Service Funds is reported with governmental activities.	(100,000)
Expenses reported in the statement of activities that do not require the use of current financial resources are not reported as expenditures in the fund financial statements. The details of the differences are as follows:	
Current change in compensated absence	(17,561)
Current change in net OPEB liability and related deferred inflows and outflows of resources	(50,797)
Current change in net pension liability and related deferred inflows and outflows of resources	256,977
Change in net position of governmental activities	<u>\$ 1,162,069</u>

See notes to the financial statements



**TOWN OF LANTANA, FLORIDA**  
**STATEMENT OF NET POSITION - PROPRIETARY FUNDS**  
**SEPTEMBER 30, 2018**

	<b>Business-Type Activities</b>	<b>Governmental Activities</b>
	<b>Water and Sewer Fund</b>	<b>Internal Service Fund</b>
<b>Assets</b>		
Current Assets		
Cash and cash equivalents	\$ 6,420,057	\$ 750,166
Investments	4,881,927	-
Restricted cash and cash equivalents	179,371	-
Accounts receivable, net	675,184	-
Prepaid costs	4,404	-
<b>Total current assets</b>	<b>12,160,943</b>	<b>750,166</b>
Noncurrent Assets		
Capital Assets		
Land	4,300	-
Construction in progress	1,675,643	-
Buildings and plant	10,274,933	-
Infrastructure	11,550,459	-
Property and equipment	1,521,161	-
Intangible assets	3,246,342	-
<b>Total capital assets</b>	<b>28,272,838</b>	<b>-</b>
Less accumulated depreciation	(18,751,775)	-
<b>Net capital assets</b>	<b>9,521,063</b>	<b>-</b>
<b>Total noncurrent assets</b>	<b>9,521,063</b>	<b>-</b>
<b>Total assets</b>	<b>21,682,006</b>	<b>750,166</b>
<b>Deferred Outflows of Resources</b>		
OPEB	2,796	-
Deferred charge on refunding (debit)	103,455	-
<b>Total deferred outflows of resources</b>	<b>106,251</b>	<b>-</b>
<b>Liabilities</b>		
Current Liabilities		
Accounts payable and accrued liabilities	481,789	-
Contracts and retainage payable	675,187	-
Customer deposits payable		
from restricted assets	179,371	-
Compensated absences	85,266	-
Revenue bonds payable	475,525	-
<b>Total current liabilities</b>	<b>1,897,138</b>	<b>-</b>
Long-Term Liabilities		
Compensated absences	103,874	-
Net OPEB liability	9,064	-
Revenue bonds payable	1,013,563	-
<b>Total long-term liabilities</b>	<b>1,126,501</b>	<b>-</b>
<b>Total liabilities</b>	<b>3,023,639</b>	<b>-</b>
<b>Deferred Inflows of Resources</b>		
OPEB	3,171	-
<b>Total deferred outflows of resources</b>	<b>3,171</b>	<b>-</b>
<b>Net Position</b>		
Net investment in capital assets	8,135,430	-
Unrestricted	10,626,017	750,166
<b>Total net position</b>	<b>\$ 18,761,447</b>	<b>\$ 750,166</b>

See notes to the financial statements

**TOWN OF LANTANA, FLORIDA**  
**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN**  
**NET POSITION - PROPRIETARY FUNDS**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018**

	<b>Business-Type Activities</b>	<b>Governmental Activities</b>
	<b>Water and Sewer Fund</b>	<b>Internal Service Fund</b>
Operating revenues:		
Charges for services	\$ 5,960,248	\$ 432,672
Miscellaneous revenue	187,137	-
Total operating revenues	<u>6,147,385</u>	<u>432,672</u>
Operating expenses:		
Salaries and fringe benefits	1,743,011	-
Cost of sales and services	2,340,130	-
General and administrative	-	432,672
Depreciation and amortization	1,036,268	-
Total operating expenses	<u>5,119,409</u>	<u>432,672</u>
Operating income (loss)	<u>1,027,976</u>	<u>-</u>
Nonoperating revenues (expenses):		
Interest income	128,543	-
Interest expense and fiscal charges	(42,326)	-
Total nonoperating revenues (expenses)	<u>86,217</u>	<u>-</u>
Income before transfers	<u>1,114,193</u>	<u>-</u>
Transfers out	-	(100,000)
Total transfers	<u>-</u>	<u>(100,000)</u>
Change in net position	1,114,193	(100,000)
Net position - beginning	17,625,528	850,166
Effect of adoption of GASB No. 75 (Note 1)	21,726	-
Net position - beginning, as restated	<u>17,647,254</u>	<u>850,166</u>
Net position - ending	<u>\$ 18,761,447</u>	<u>\$ 750,166</u>

See notes to the financial statements

**TOWN OF LANTANA, FLORIDA**  
**STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018**

	<b>Business-Type Activities</b>	<b>Governmental Activities</b>
	<b>Water and Sewer Fund</b>	<b>Internal Service Fund</b>
Cash Flows From Operating Activities		
Receipts from customers and users	\$ 5,894,528	\$ -
Receipts from interfund services	-	432,672
Payments to suppliers	(2,190,857)	(434,465)
Payments to employees	(1,735,802)	-
Other receipts	187,137	-
<b>Net cash provided by (used in) operating activities</b>	<b>2,155,006</b>	<b>(1,793)</b>
Cash Flows From Noncapital Financing		
Transfers to other funds	-	(100,000)
<b>Net cash provided by (used in)     noncapital financing</b>	<b>-</b>	<b>(100,000)</b>
Cash Flows From Capital and Related Financing Activities		
Purchase of capital assets	(1,438,883)	-
Interest paid on long-term debt	(42,326)	-
Principal paid on debt	(817,816)	-
<b>Net cash provided by (used in) capital     and related financing activities</b>	<b>(2,299,025)</b>	<b>-</b>
Cash Flows From Investing Activities		
Purchase of investments	(91,853)	-
Interest received	128,543	-
<b>Net cash provided by (used in)     investing activities</b>	<b>36,690</b>	<b>-</b>
Net increase (decrease) in cash and cash equivalents	(107,329)	(101,793)
Cash and cash equivalents, beginning	6,706,757	851,959
Cash and cash equivalents, ending	<b>\$ 6,599,428</b>	<b>\$ 750,166</b>
Reconciliation to the statement of net position:		
Cash and cash equivalents	\$ 6,420,057	\$ 750,166
Restricted assets, cash	179,371	-
	<b>\$ 6,599,428</b>	<b>\$ 750,166</b>

See notes to the financial statements

**TOWN OF LANTANA, FLORIDA**  
**STATEMENT OF CASH FLOWS (Continued)**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018**

	<b>Business-Type Activities</b>	<b>Governmental Activities</b>
	<b>Water and Sewer Fund</b>	<b>Internal Service Fund</b>
Reconciliation of Operating Income (loss) to Net Cash		
Provided By (Used In) Operating Activities		
Operating income (loss)	\$ 1,027,976	\$ -
Adjustments to reconcile operating income (loss)		
to net cash provided by (used in) operating activities:		
Depreciation and amortization	1,036,268	-
Changes in assets and liabilities:		
(Increase) decrease in accounts receivable	(61,264)	-
(Increase) decrease in other assets	1,091	-
(Increase) decrease in OPEB deferred outflow	(2,796)	-
Increase (decrease) in accounts payable	148,182	(1,793)
Increase (decrease) in other liabilities	(4,456)	-
Increase (decrease) in compensated absences	3,882	-
Increase (decrease) in net OPEB liability	2,952	-
Increase (decrease) in OPEB deferred inflow	3,171	-
Total adjustments	1,127,030	(1,793)
Net cash provided by (used in) operating activities	\$ 2,155,006	\$ (1,793)

See notes to the financial statements

**TOWN OF LANTANA, FLORIDA**  
**STATEMENT OF FIDUCIARY NET POSITION – PENSION TRUST FUND**  
**SEPTEMBER 30, 2018**

**Assets**

Cash	\$ 6,718
Investments, at fair value:	
U.S. Government obligations	1,318,848
Mortgage backed securities	169,237
Corporate bonds	1,156,353
Domestic fixed income investment fund	683,038
Domestic equity mutual funds	8,309,491
International equity mutual funds	2,285,841
Real estate investment funds	1,489,648
Temporary investment funds	298,773
Receivables	
Plan members receivable	5,034
Interest receivable	14,631
Broker-dealers	81,396
Prepaid costs	2,570
<b>Total assets</b>	<u>15,821,578</u>

**Liabilities**

Accounts payable	13,840
Due to broker	87,474
<b>Total liabilities</b>	<u>101,314</u>

<b>Net position restricted for pensions</b>	<u><u>\$ 15,720,264</u></u>
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See notes to the financial statements

**TOWN OF LANTANA, FLORIDA  
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
PENSION TRUST FUND  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018**

Additions

Contributions:

Town	\$ 701,427
Members	124,905
State/Other	<u>116,796</u>
<b>Total contributions</b>	<u>943,128</u>

Investment earnings:

Net increase in value of investments	847,703
Interest and dividend income	460,395
Class action revenue	9,639
Investment expense	<u>(49,724)</u>
<b>Net investment earnings</b>	<u>1,268,013</u>
<b>Total additions</b>	<u>2,211,141</u>

Deductions:

Benefits	377,772
Refunds of contribution	10,762
Administrative expense	<u>86,349</u>
<b>Total deductions</b>	<u>474,883</u>

<b>Net increase</b>	1,736,258
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Net position held in trust for pension benefits

Beginning	<u>13,984,006</u>
Ending	<u><u>\$ 15,720,264</u></u>

See notes to the financial statements

## **NOTES TO FINANCIAL STATEMENTS**





**TOWN OF LANTANA, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The Town of Lantana, Florida (the Town) was originally incorporated in 1921 pursuant to Chapter 8998, Laws of Florida. It was re-incorporated in 1931 by Chapter 15302, Laws of Florida. The Town operates under a Council-Manager form of government. The Town is governed by an elected Mayor and a four-member Town Council (the "Council"), which appoints a Town Manager. The Town provides the following services: public safety, recreation, sanitation, streets and roads, planning and zoning, water and sewer, and general administrative services.

The basic financial statements of the Town have been prepared in conformity with accounting principles generally accepted in the United States (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The following is a summary of the Town's more significant policies:

**a. Reporting Entity**

Under governmental accounting and financial reporting standards, the Town's reporting entity consists of the Town, organizations for which the Town is financially accountable and other organizations for which the nature and significance of their relationship with the Town are such that exclusion would cause the Town's financial statements to be misleading or incomplete. The Town is considered financially accountable if it appoints a voting majority of an organization's governing body and it is able to impose its will on that organization. The Town may also be financially accountable if an organization is fiscally dependent on the primary government regardless of the authority of the organization's governing board. Legally separate organizations outside of the primary government that meet the criteria for financial accountability are considered component units. Based upon the application of these criteria, there were no organizations that met the criteria described above.

**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 non-fiduciary activities of the Town. For the most part, the effect of interfund activity has been removed from these statements. 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 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 funds are reported as separate columns in the fund financial statements. All remaining non-major governmental funds are aggregated and reported as non-major funds.

**TOWN OF LANTANA, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**c. Measurement Focus, Basis of Accounting and Financial Statement Presentation**

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Town considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a 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.

Property taxes, franchise fees, other taxes, permits, fees and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period, if available. Revenues for expenditure driven grants are recognized when the qualifying expenditures are incurred and resources are available. All other revenue items are considered to be measurable and available only when cash is received by the Town.

The Town reports the following major governmental fund:

**General Fund** - The General Fund is the primary operating fund of the Town and is used to account for all financial resources applicable to the general operations of the Town government, except those required to be accounted for in another fund.

The Town reports the following major enterprise fund:

**Water and Sewer** - The Water and Sewer Fund is used to account for the provision of water and sewer services to residents of the service area. All activities to provide such services are accounted for in this fund, including administration, generation, transmission, distribution, collection, pumping, treatment, disposal and customer service.

Additionally, the Town reports the following fund types:

**Internal Service Fund** - The Internal Service Fund is used to account for insurance premiums and deductibles which are funded by other Town funds on a cost reimbursement basis.

**Pension Trust Fund** - The Pension Trust Fund accounts for the activities of the Police Relief and Pension Fund, which accumulates resources for pension benefit payments to qualified employees.

**TOWN OF LANTANA, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**c. Measurement Focus, Basis of Accounting and Financial Statement Presentation (Continued)**

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

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Water and Sewer Fund and the Internal Service Fund are charges to customers for sales and services. Operating expenses for the Water and Sewer Fund and the Internal Service Fund include the cost of sales and services, general and administrative expenses, depreciation and amortization. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the Town's policy to use restricted resources first, then unrestricted resources as needed.

**d. Assets, Liabilities, and Net Position or Equity**

***1. Deposits and Investments***

Cash and cash equivalents include cash on hand, time and demand deposits. The Town maintains a cash pool that is available for use by all funds. Interest earned on pooled cash is allocated to each of the funds based on the fund's average equity balance on a monthly basis.

The State Board of Administration's ("SBA") Local Government Surplus Funds Trust Fund ("Florida PRIME") is a "2a-7 like" pool. A "2a-7 like" pool is an external investment pool that is not registered with the Securities and Exchange Commission ("SEC") as an investment company, but nevertheless has a policy that it will, and does, operate in a manner consistent with the SEC's Rule 2a-7 of the Investment Company Act of 1940, which comprises the rules governing money market funds. Thus, the pool operates essentially as a money market fund. The Town has reported its investment in Florida PRIME at amortized cost for financial reporting purposes.

The Town records all interest revenue related to investment activities in the respective funds. Investments are measured at amortized cost or reported at fair value as required by generally accepted accounting principles.

Cash and cash equivalents, for purposes of the statement of cash flows, includes pooled cash and investments which are defined as short-term, highly liquid investments with original maturities of three months or less.

***2. Interfund Receivables and Payables***

Activity between funds that is representative of lending/borrowing arrangements outstanding at the end of the fiscal year is referred to as either due to/from other funds. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as internal balances.

**TOWN OF LANTANA, FLORIDA  
NOTES TO FINANCIAL STATEMENTS**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**d. Assets, Liabilities, and Net Position or Equity (Continued)**

**3. Receivables**

Receivables include amounts due from other governments and others for services provided by the Town and for assessments related to the gas line project. Receivables are recorded and revenues are recognized as earned or as specific program expenditures/expenses are incurred. Allowances for uncollectible receivables are based upon historical trends and the periodic aging of receivables.

**4. Inventories and Prepaid Costs**

Inventories consist principally of materials and supplies held for consumption and are recorded at cost using the first-in first-out method. In the governmental funds, the cost of inventories are recorded as expenditures at the time of purchase, while in the proprietary funds, the cost of inventories are recorded as expenses when consumed. In the governmental funds, reported inventories are offset in a non-spendable fund balance category which indicates that they do not constitute available spendable resources.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid costs using the consumption method in both government-wide and fund financial statements.

**5. Capital Assets**

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items) and intangible assets, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the Town as assets with an initial individual cost of \$1,000 or more and an estimated useful life in excess of two years. Purchased or constructed assets are recorded at actual cost or estimated historical cost if actual cost is unavailable. Donated capital assets are recorded at acquisition value at the date of donation.

The Town has elected to retroactively apply the capitalization requirements of GASB Statement No. 34 to major general infrastructure assets acquired since 1980. Infrastructure assets include roads, bridges, sidewalks, lighting and drainage systems and similar assets that are immovable and of value only to the Town.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the asset's life are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

Tangible capital assets of the Town are depreciated using the straight-line method over the following useful lives:

<u>Asset</u>	<u>Years</u>
Buildings and improvements	25-50
Roads and streets	25
Furniture, equipment and vehicles	5-10
Water and sewer system	7-50

**TOWN OF LANTANA, FLORIDA  
NOTES TO FINANCIAL STATEMENTS**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**d. Assets, Liabilities, and Net Position or Equity (Continued)**

**5. Capital Assets (Continued)**

Intangible capital assets consist of a right of use of the City of Lake Worth wastewater facilities, as well as computer software. These assets are being amortized using the straight-line method over the following useful lives:

Asset	Years
Computer software	5
Wastewater facilities rights of use	13-40

**6. Refundings of Debt**

For current refundings and advance refundings resulting in the defeasance of debt, the difference between the reacquisition price and the net carrying amount of the old debt is reported as a deferred outflow of resources/deferred inflow of resources and recognized ratably as a component of interest expense over the remaining life of the old debt or the life of the new debt, whichever is shorter. In connection with the refunding, \$39,411 was recognized as a part of amortization expense in the current fiscal year.

**7. Unearned Revenue**

Governmental funds report unearned revenue in connection with resources that have been received, but not yet earned.

**8. Deferred Outflows/Inflows of Resources**

Deferred outflows of resources represent a consumption of net position that applies to future reporting period(s). For example, the Town would record deferred outflows of resources on the statement of net position related to debit amounts resulting from current and advance refundings resulting in the defeasance of debt (i.e. when there are differences between the reacquisition price and the net carrying amount of the old debt).

Deferred inflows of resources represent an acquisition of net position that applies to future reporting period(s). For example, when an asset is recorded in the governmental fund financial statements, but the revenue is unavailable, the Town reports a deferred inflow of resources on the balance sheet until such times as the revenue becomes available.

**9. Compensated Absences**

It is the Town's policy to permit employees to accumulate, within certain limits, earned but unused vacation time, sick leave, and compensatory time, which will be paid to employees upon separation from Town service. All vacation and sick leave pay and compensatory time is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for those amounts is reported in the governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

**TOWN OF LANTANA, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**d. Assets, Liabilities, and Net Position or Equity (Continued)**

***10. Long-Term Obligations***

In the government-wide financial statements long-term debt and other long-term obligations are reported as liabilities in the statement of net position. Bond premiums and discounts are deferred and amortized over the life of the Bonds. Bonds payable are reported net of applicable premiums or discounts. Bond issuance costs are expensed when incurred.

In the fund financial statements, governmental fund types recognize premiums and discounts, as well as issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

***11. Net Position***

Net position is the difference between assets and deferred outflows of resources less liabilities and deferred inflows of resources. Net position of the government-wide and proprietary funds are categorized as net investment in capital assets, restricted or unrestricted. Net investment in capital assets, is that portion of net position that relates to the Town's capital assets reduced by accumulated depreciation and by any outstanding debt incurred to acquire, construct or improve those assets, excluding unexpended proceeds.

Restricted net position is that portion of net position that has been restricted for general use by external parties (creditors, grantors, contributors, or laws or regulations of other governments) or imposed by law through constitutional provisions or enabling legislation. Unrestricted net position consists of all net position that does not meet the definition of either of the other two components.

***12. Fund Equity***

In the fund financial statements, governmental funds report non-spendable and restricted fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Assignments of fund balance represent tentative management plans that are subject to change.

The Town's accounting and finance policies are used to interpret the nature and/or requirements of the funds and their corresponding assignment of restricted, committed, assigned or unassigned. The Town has established a policy for its use of unassigned fund balance amounts.

**TOWN OF LANTANA, FLORIDA  
NOTES TO FINANCIAL STATEMENTS**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**d. Assets, Liabilities, and Net Position or Equity (Continued)**

**12. Fund Equity (Continued)**

The Town can establish limitations on the use of fund balance as follows:

*Committed fund balance.* These amounts can only be used for the specific purposes determined by a formal action (Ordinance) of the Town Council, the Town's highest level of decision making authority. Commitments may be changed or lifted only by the Town Council taking the same formal action (Ordinance) that imposed the constraint originally. Resources accumulated pursuant to stabilization arrangements sometimes are reported in this category.

*Assigned fund balance.* Includes spendable fund balance amounts that are constrained by the Town's intent to be used for specific purposes, but are neither restricted nor committed. Town Council has by resolution authorized the Town Manager to assign fund balance. This balance includes (a) all remaining amounts that are reported in governmental funds (other than the General Fund) that are not classified as nonspendable, restricted, or committed, and (b) amounts in the General Fund that are intended to be used for a specific purpose. Specific amounts that are not restricted or committed in a special revenue fund are assigned for the purposes in accordance with the nature of their fund type.

Assignment within the General Fund conveys that the intended use of those amounts is for a specific purpose that is narrower than the general purposes of the Town itself.

Additionally, the Town would first use committed fund balance, followed by assigned fund balance and then unassigned fund balance when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

**13. Minimum Level of Unassigned Policy**

Unassigned fund balance is the residual classification for the general fund and represents fund balance that has not been restricted, committed or assigned to specific purposes within the General Fund. If, after the annual audit, prior committed or assigned fund balance causes the unassigned fund balance to fall below 25% of general fund operating expenditures, the Town Manager will so advise Town Council in order for the necessary action to be taken to restore the unassigned fund balance to 25% of general fund operating expenditures. The Town shall take action necessary to restore the unassigned fund balance to acceptable levels within two years.

**14. Use of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements. Estimates also affect the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.



**TOWN OF LANTANA, FLORIDA  
NOTES TO FINANCIAL STATEMENTS**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**e. New Accounting Standards Adopted**

During fiscal year 2018, the Town adopted the following new accounting standards:

*GASB Statement No. 75 - Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*

This Statement establishes new accounting and financial reporting requirements for governments whose employees are provided with OPEB, as well as for certain nonemployer governments that have a legal obligation to provide financial support for OPEB provided to the employees of other entities.

The implementation of GASB 75 had the following effect on beginning net position in fiscal year 2018:

	<b>Governmental Activities</b>	<b>Business-Type Activities</b>
Net position, previously stated	\$ 26,173,730	\$ 17,625,528
Adjustment for net OPEB liability	(159,156)	21,726
Net position, restated	<u>\$ 26,014,574</u>	<u>\$ 17,647,254</u>

*GASB Statement No. 81 - Irrevocable Split-Interest Agreements*

The objective of this Statement is to improve accounting and financial reporting for irrevocable split-interest agreements by providing recognition and measurement guidance for situations in which a government is a beneficiary of the agreement.

*GASB Statement No. 85 - Omnibus 2017*

The objective of this Statement is to improve consistency in accounting and financial reporting by addressing practice issues that have been identified during implementation and application of certain GASB Statements.

*GASB Statement No. 86 - Certain Debt Extinguishment Issues*

The primary objective of this Statement is to improve consistency in accounting and financial reporting for in-substance defeasance of debt by providing guidance for transactions in which cash and other monetary assets acquired with only existing resources—resources other than the proceeds of refunding debt—are placed in an irrevocable trust for the sole purpose of extinguishing debt. This Statement also improves accounting and financial reporting for prepaid insurance on debt that is extinguished and notes to financial statements for debt that is defeased in substance.

**NOTE 2 – DEPOSITS AND INVESTMENTS**

**DEPOSITS**

All of the Town's deposits are held in qualified public depositories pursuant to State of Florida Statutes, Chapter 280, *Florida Security for Public Deposits Act*. Under the Act, every qualified public depository shall deposit with the Treasurer eligible collateral of the depository to be held subject to his or her order. The Treasurer, by rule, shall establish minimum required collateral pledging levels. The pledging level may range from 25% to 125% of the average monthly balance of public deposits depending upon the depository's financial condition and establishment period. All collateral must be deposited with an approved financial institution. Any potential losses to public depositors are covered by applicable deposit insurance, sale of securities pledged as collateral and, if necessary, assessments against other qualified public depositories of the same type as the depository in default.



**TOWN OF LANTANA, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE 2 – DEPOSITS AND INVESTMENTS (Continued)**

**INVESTMENTS - TOWN**

The Town has adopted an investment policy in accordance with Florida Statutes to establish guidelines for the efficient management of its cash reserves. The Town is authorized to invest in obligations of the U.S. Treasury, its agencies and instrumentalities, certificates of deposit, the State Board of Administration investment pool, any intergovernmental investment pools authorized pursuant to Chapter 163 of the Florida Statutes, SEC registered money market funds with the highest credit quality rating from a nationally recognized rating agency, and securities of any interest in any open-end or closed-end management type investment company or investment trust registered under the Investment Company Act of 1940, provided that the portfolio is limited to obligations of the U.S. government, its agencies and instrumentalities and to repurchase agreements fully collateralized by such U.S. government obligations and provided that such investment company or investment trust takes delivery of such collateral either directly or through an authorized custodian.

The Town had the following investments at September 30, 2018:

	Amortized Cost	Credit Risk	Maturities
Investment in Local Government Surplus Funds Trust Fund (Florida PRIME)	\$ 11,279,888	S&P AAAm	Weighted average of the fund portfolio: 33 days
Total Investments	<u>\$ 11,279,888</u>		

*Fair Value Measurement* – When applicable, the Town measures and records its investments using fair value measurement guidelines established in accordance with GASB Statements. The framework for measuring fair value provides a fair value hierarchy that prioritizes the inputs to valuation techniques.

These guidelines recognize a three-tiered fair value hierarchy, in order of highest priority, as follows:

- *Level 1:* Investments whose values are based on unadjusted quoted prices for identical investments in active markets that the Town has the ability to access;
- *Level 2:* Investments whose inputs - other than quoted market prices - are observable either directly or indirectly; and,
- *Level 3:* Investments whose inputs are unobservable.

The fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the entire fair value measurement. Valuation techniques used should maximize the use of observable inputs and minimize the use of unobservable inputs.

For external investment pools that qualify to be measured at amortized cost, the pool's participants should also measure their investments in that external investment pool at amortized cost for financial reporting purposes. Accordingly, the Town's investments have been reported at amortized cost above.

**TOWN OF LANTANA, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE 2 – DEPOSITS AND INVESTMENTS (Continued)**

***INVESTMENTS - TOWN (Continued)***

*External Investment Pool* – With regard to redemption gates, Chapter 218.409(8)(a), Florida Statutes, states that “The principal, and any part thereof, of each account constituting the trust fund is subject to payment at any time from the moneys in the trust fund. However, the Executive Director may, in good faith, on the occurrence of an event that has a material impact on liquidity or operations of the trust fund, for 48 hours limit contributions to or withdrawals from the trust fund to ensure that the Board can invest moneys entrusted to it in exercising its fiduciary responsibility. Such action must be immediately disclosed to all participants, the Trustees, the Joint Legislative Auditing Committee, the Investment Advisory Council, and the Participant Local Government Advisory Council. The Trustees shall convene an emergency meeting as soon as practicable from the time the Executive Director has instituted such measures and review the necessity of those measures. If the Trustees are unable to convene an emergency meeting before the expiration of the 48-hour moratorium on contributions and withdrawals, the moratorium may be extended by the Executive Director until the Trustees are able to meet to review the necessity for the moratorium. If the Trustees agree with such measures, the Trustees shall vote to continue the measures for up to an additional 15 days. The Trustees must convene and vote to continue any such measures before the expiration of the time limit set, but in no case may the time limit set by the Trustees exceed 15 days.”

With regard to liquidity fees, Florida Statute 218.409(4) provides authority for the SBA to impose penalties for early withdrawal, subject to disclosure in the enrollment materials of the amount and purpose of such fees. At present, no such disclosure has been made.

As of September 30, 2018, there were no redemption fees or maximum transaction amounts, or any other requirements that serve to limit a participant's daily access to 100% of their account value.

***Interest Rate Risk***

The Town has an investment policy of structuring the investment portfolio so that the securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity and investing operating funds primarily in short-term securities, money market mutual funds, or similar investment pools unless it is anticipated that long-term securities can be held to maturity without jeopardizing the liquidity requirements. The Town's investment policy limits the maturities on individual investments to no more than five years.

***Credit Risk***

The Town's investment policy limits investments to the highest ratings issued by a nationally recognized statistical rating organization (NRSRO). The Florida PRIME is rated AAAM by Standard and Poor's.

***Concentration of Credit Risk***

The Town's investment policy states that assets shall be diversified to control the risk of loss resulting from concentration of assets to a specific maturity, instrument, issue, dealer, or bank through which these securities are bought and sold. As of September 30, 2018, the Town did not invest in securities.

***INVESTMENTS - LANTANA POLICE RELIEF AND PENSION FUND (LPRPF)***

The Plan's Board of Trustees recognizes that the obligations of the Plan are long-term and that its investment policy should be made with a view toward performance and return over a number of years. The general investment objective is to obtain a reasonable total rate of return defined as interest and dividend income plus realized and unrealized capital gains or losses that commensurate with the prudent investor rule and Chapter 185 of the Florida Statutes. Permissible investments include obligations of the U.S. Treasury and U.S. agencies, high capitalization common or preferred stocks, pooled equity funds, high quality bonds or notes and fixed income funds.

**TOWN OF LANTANA, FLORIDA  
NOTES TO FINANCIAL STATEMENTS**

**NOTE 2 – DEPOSITS AND INVESTMENTS (Continued)**

**INVESTMENTS - LANTANA POLICE RELIEF AND PENSION FUND (LPRPF) (Continued)**

The Plan had the following investments at September 30, 2018:

	September 30, 2018	Credit Risk	Duration
U.S. Government Obligations	\$ 1,318,848	N/A	N/A
Mortgage backed securities	169,237	N/A	N/A
Corporate bonds	1,156,353	S&P BBB-A	5.30 years
Domestic fixed income investment fund	683,038	S&P AA	5.50 years
Domestic equity mutual funds	8,309,491	N/A	N/A
International equity mutual funds	2,285,841	N/A	N/A
Real estate investment funds	1,489,648	N/A	N/A
Temporary Investment Funds	298,773	Not Rated	Daily
	<u>\$ 15,711,229</u>		

**Interest Rate Risk**

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment in debt securities. Generally, the longer the time to maturity, the greater the exposure to interest rate risks. Through its investment policies, the Plan manages its exposure to fair value losses arising from increasing interest rates. The Plan limits the effective duration of its investment portfolio through the adoption of the Barclays Capital Intermediate Aggregate Bond Index bench mark.

**Credit Risk**

Credit risk is the risk that a debt issuer will not fulfill its obligations. The Plan's investment policy addresses credit risk by limiting investments in bonds and preferred stocks to securities rated investment grade or above by a Nationally Recognized Statistical Rating Organization, unless specifically approved by the Board of Trustees. Securities which are unrated may be purchased, if in the judgment of the investment manager, they would carry an investment grade rating. Consistent with State law, the Plan's investment guidelines limit its fixed income investments to a quality rating of "A" or equivalent as rated by Moody's or by Standard & Poor's bond rating services at the time of purchase. Fixed income investments which are downgraded below the minimum rating must be liquidated at the earliest beneficial opportunity. The Plan's investments were in compliance with the above at September 30, 2018.

**Custodial Credit Risk**

Custodial credit risk is defined as the risk that the Plan may not recover cash and investments held by another party in the event of a financial failure. The Plan requires all securities to be held by a third party custodian in the name of the Plan. Securities transactions between the broker-dealer and the custodian involving the purchase or sale of securities must be made on a "delivery vs. payment" basis to ensure that the custodian will have the security or money, as appropriate, in hand at the conclusion of the transaction.

**Investment in Foreign Markets**

Investing in foreign markets may involve special risks and considerations not typically associated with investing in companies in the United States of America. These risks include revaluation of currencies, high rates of inflation, repatriation restrictions on income and capital, and future adverse political, social, and economic developments. Moreover, securities of foreign governments may be less liquid, subject to delayed settlements, taxation on realized or unrealized gains, and their prices are more volatile than those of comparable securities in U.S. companies.

**TOWN OF LANTANA, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE 2 – DEPOSITS AND INVESTMENTS (Continued)**

**INVESTMENTS - LANTANA POLICE RELIEF AND PENSION FUND (LPRPF) (Continued)**

***Foreign Tax Withholdings and Reclaims***

Withholding taxes on dividends from foreign securities are provided for based on rates established via treaty between the United States of America and the applicable foreign jurisdiction, or where no treaty exists at the prevailing rate established by the foreign country. Foreign tax withholdings are reflected as a reduction of dividend income in the statement of operations. Where treaties allow for a reclaim of taxes, the Plan will make a formal application for refund. Such reclaims are included as an addition to dividend income.

***Concentration of Credit Risk***

The Plan's investment policy establishes limitations on portfolio composition by investment type and by issuer to limit its exposure to concentration of credit risk. The Board requires that Plan assets be invested with no more than 60% in stocks and convertible securities measured at cost or 70% of the Plan assets at market (fair) value. In addition, the Plan limits investment in common stock (equity investments) as follows:

- No more than five percent of the Plan's assets may be invested in the common or capital stock of any single corporation.
- The Plan's investment in the common stock of any single corporation shall not exceed three percent of such corporation's outstanding common or capital stock.

No individual investment represents a concentration of 5% or more of total investments.

***Risks and Uncertainties***

The Plan has investments in a variety of investment securities. Investment securities are exposed to various risks, such as interest rate, market and credit risk. Due to the level of risk associated with certain investment securities, and the level of uncertainty related to changes in the value of investment securities, it is at least reasonably possible that changes in risks in the near term would materially affect balances and the amounts reported in the statement of plan net position and the statement of changes in plan net position.

***Investment Measurement at Fair Value***

The Plan categorizes its fair value measurement within the fair value hierarchy established by generally accepted accounting principles. The Plan has the following total recurring fair value measurements as of September 30, 2018:

- Mutual funds - The rationale for inclusion in Level 1 or Level 2 points to the inputs involved in mutual fund pricing. Mutual funds do not trade using bid and ask, as with ETF's or common stock. Instead, the prices are determined by the net asset value of the underlying investments at the close of business for the next day's open. The underlying assets themselves may include a variety of Level 1 and Level 2 securities and some may be valued using matrix pricing which interpolates the price of a security based on the price of similar securities.
- Fixed income funds - Valued at quoted market prices for identical assets in active markets.
- Debt securities - Debt securities classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities. Debt securities classified in Level 2 of the fair value hierarchy are valued using a matrix pricing technique. Matrix pricing is used by International Data Corporation and Bloomberg, L.P. to value securities based on the securities' relationship to benchmark quoted prices.

**TOWN OF LANTANA, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE 2 – DEPOSITS AND INVESTMENTS (Continued)**

**INVESTMENTS - LANTANA POLICE RELIEF AND PENSION FUND (LPRPF) (Continued)**

**Investment Measurement at Fair Value (Continued)**

Investments were measured as follows as of September 30, 2018:

Investments by fair value level	September 30 2018	Fair Value Measurements Using	
		Level 1	Level 2
U.S. Government Obligations	\$ 1,318,848	\$ 1,318,848	\$ -
Mortgage backed securities	169,237	-	169,237
Corporate bonds	1,156,353	-	1,156,353
Domestic fixed income investment fund	683,038	683,038	-
Domestic equity mutual funds	8,309,491	8,309,491	-
International equity mutual funds	2,285,841	2,285,841	-
Temporary Investment Funds	298,773	298,773	-
Total investments by fair value level	\$ 14,221,581	\$ 12,895,991	\$ 1,325,590
Investments measured at the net asset value (NAV):			
Real estate investment funds	1,489,648		
Total Investments	\$ 15,711,229		

	2018		Redemption	Redemption
	Fair	Unfunded	Frequency (if	Notice
Investments measured at NAV	Value	Commitments	currently eligible)	Period
Realestate investment funds:				
ASP Allegiance Real Estate Fund	\$ 1,489,648	\$ -	Quarterly	60 days

The real estate investment funds are open end, commingled private real estate portfolios. These REIT-based funds are structured as Limited partnerships. Their primary focus is to invest in well-based income producing properties within major U.S. markets. The fair values of the investments in these funds have been determined using the NAV per unit of the Trust's ownership interest in partners' capital. The investments of the fund are valued quarterly. Withdrawal requests must be made 60 days in advance and may be paid in one or more installments.

**NOTE 3 – PROPERTY TAXES**

Ad valorem taxes on property values are assessed as of January 1st and are levied the following October. Taxes are payable on November 1st, with discounts allowed of 1% to 4% if paid prior to March 1st of the following calendar year. All unpaid taxes on real and personal property become delinquent and subject to lien on April 1st. Real and personal property taxes are collected by Palm Beach County and remitted to the Town. State law permits Florida cities to levy a maximum of \$10 per \$1,000 (10 mills) of assessed taxable value for general government services. The Town levied taxes at a rate of 3.5000 mills, combined with Palm Beach County's Fire/Rescue rate for the Municipal Service Taxing Unit (MSTU) of 3.4581, leaving a margin of 3.0419mills under the maximum possible assessment of 10 mills.

**TOWN OF LANTANA, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE 4 – RECEIVABLES**

Receivables for the Town's individual major funds and non-major funds in the aggregate, including the applicable allowances for uncollectible accounts as of September 30, 2018, were as follows:

Receivables	General	Nonmajor Governmental	Water and Sewer
Accounts	\$ 284,211	\$ -	\$ 684,866
Assessments	329,638	-	-
Intergovernmental	245,692	123,077	262
Gross receivables	859,541	123,077	685,128
Less allowance for uncollectibles	(865)	-	(9,944)
Net total receivables	<u>\$ 858,676</u>	<u>\$ 123,077</u>	<u>\$ 675,184</u>

**NOTE 5 – INTERFUND TRANSFERS**

Interfund transfers for the fiscal year ended September 30, 2018 were as follows:

	Transfers In	Transfers Out
General Fund	\$ 100,000	\$ 4,069
Grants Fund	4,069	-
Internal Service Fund	-	100,000
	<u>\$ 104,069</u>	<u>\$ 104,069</u>

Transfers are used to move revenues from the fund where collection occurs to the fund where funds have been reallocated for use. In the case of the Town, transfers from the insurance fund, an internal service fund, to the general fund were used to assist with health, liability and property/casualty insurance costs. Transfers from the general fund to the grants fund were used as matching funds for a grant.

**TOWN OF LANTANA, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE 6 – CAPITAL ASSETS**

A summary of changes in the governmental activities capital assets for the fiscal year ended September 30, 2018 is presented as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Capital assets, not being depreciated:				
Land	\$ 2,267,878	\$ -	\$ -	\$ 2,267,878
Construction in progress	-	12,246	-	12,246
Total capital assets, not being depreciated	2,267,878	12,246	-	2,280,124
Capital assets, being depreciated:				
Roads and streets	23,910,780	429,973	-	24,340,753
Buildings and improvements	10,144,905	43,271	(8,964)	10,179,212
Machinery and equipment	4,255,587	341,537	(277,566)	4,319,558
Intangible assets - computer software	260,593	-	(805)	259,788
Total capital assets, being depreciated	38,571,865	814,781	(287,335)	39,099,311
Less accumulated depreciation:				
Roads and streets	(16,615,498)	(923,280)	-	(17,538,778)
Buildings and improvements	(2,704,697)	(300,586)	8,964	(2,996,319)
Machinery and equipment	(3,343,686)	(290,490)	277,566	(3,356,610)
Intangible assets - computer software	(259,152)	(960)	805	(259,307)
Total accumulated depreciation	(22,923,033)	(1,515,316)	287,335	(24,151,014)
Total capital assets, being depreciated, net	15,648,832	(700,535)	-	14,948,297
Governmental activities capital assets, net	\$ 17,916,710	\$ (688,289)	\$ -	\$ 17,228,421

**TOWN OF LANTANA, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE 6 – CAPITAL ASSETS (Continued)**

A summary of changes in the business-type activities capital assets for the fiscal year ended September 30, 2018 is presented as follows:

	Beginning Balance	Additions	Deletions/ Transfers	Ending Balance
Capital assets, not being depreciated:				
Land	\$ 4,300	\$ -	\$ -	\$ 4,300
Intangible assets - easements	163,503	-	-	163,503
Construction in progress	191,983	2,017,448	(533,788)	1,675,643
Total capital assets, not being depreciated	359,786	2,017,448	(533,788)	1,843,446
Capital assets, being depreciated:				
Buildings and plant	10,301,434	5,168	(31,669)	10,274,933
Infrastructure	11,211,489	533,788	(194,818)	11,550,459
Machinery and equipment	1,437,114	91,454	(7,407)	1,521,161
Intangible assets - computer software	5,146	-	(2,464)	2,682
Intangible assets - wastewater facilities	3,080,157	-	-	3,080,157
Total capital assets, being depreciated	26,035,340	630,410	(236,358)	26,429,392
Less accumulated depreciation:				
Buildings and plant	(6,322,169)	(337,030)	31,669	(6,627,530)
Infrastructure	(7,839,195)	(391,652)	194,818	(8,036,029)
Machinery and equipment	(851,694)	(161,090)	7,407	(1,005,377)
Intangible assets - computer software	(5,146)	-	2,464	(2,682)
Intangible assets - wastewater facilities	(2,973,072)	(107,085)	-	(3,080,157)
Total accumulated depreciation	(17,991,276)	(996,857)	236,358	(18,751,775)
Total capital assets, being depreciated, net	8,044,064	(366,447)	-	7,677,617
Business-type activities capital assets, net	\$ 8,403,850	\$ 1,651,001	\$ (533,788)	\$ 9,521,063

Depreciation expense was charged to the following function/programs as follows:

Governmental activities:	
General government	\$ 17,344
Public safety	294,534
Physical environment	1,017,208
Culture and recreation	186,230
Total depreciation expense, governmental activities	<u>\$ 1,515,316</u>
Business-type activities:	
Water and sewer	<u>\$ 996,857</u>



**TOWN OF LANTANA, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE 7 – LONG-TERM DEBT**

The following is a summary of the changes in general long-term liabilities for the year ended September 30, 2018 for governmental activities:

	Beginning Balances (restated)	Additions	Reductions	Total	Amount Due Within One Year
Promissory Note	\$ 98,109	\$ -	\$ (98,109)	\$ -	\$ -
Compensated Absences	652,322	434,996	(417,435)	669,883	301,988
Net OPEB Liability*	579,727	25,717	-	605,444	-
	<u>\$ 1,330,158</u>	<u>\$ 460,713</u>	<u>\$ (515,544)</u>	<u>\$ 1,275,327</u>	<u>\$ 301,988</u>

\*Restated for GASB 75, See Note 1

For the governmental activities, compensated absences and OPEB are liquidated by the General Fund.

The following is a summary of the changes in general long-term liabilities for the year ended September 30, 2018 for business-type activities

	Beginning Balances (restated)	Additions	Reductions	Total	Amount Due Within One Year
Revenue Bond	\$ 349,271	\$ -	\$ (349,271)	\$ -	\$ -
2012 Revenue Bonds	1,957,633	-	(468,545)	1,489,088	475,525
Total Bonds Payable	2,306,904	-	(817,816)	1,489,088	475,525
Compensated Absences	185,258	122,821	(118,939)	189,140	85,266
Net OPEB Liability *	6,112	2,952	-	9,064	-
	<u>\$ 2,498,274</u>	<u>\$ 125,773</u>	<u>\$ (936,755)</u>	<u>\$ 1,687,292</u>	<u>\$ 560,791</u>

\*Restated for GASB 75, See Note 1

**Bonds Payable**

***\$4,055,000 Water and Sewer Revenue Refunding Bonds, Series 2012***

During a prior fiscal year, the Town issued \$4,055,000 of Water and Sewer Revenue Refunding Bonds, Series 2012, for the purpose of refunding all of the Town's outstanding Water and Sewer Revenue Bonds, Series 1998. The Bond was issued with an interest rate of 1.48% and matures on October 1, 2021. Payment of interest and principal are due in monthly installments of \$41,196, commencing on February 1, 2013. The Series 2012 Bonds are payable from and collateralized by net revenues derived from the operation of the water and sewer system, which have averaged \$1,953,549 annually over the last ten years. Total principal and interest remaining on the bond is \$1,524,240 payable through October 2021. For the current year, principal and interest paid and net revenues were \$494,349 and 2,192,793, respectively.

Subsequent to fiscal year 2018, effective November 1, 2018, the interest rate on the new note was increased to 1.77%. This rate increase was in accordance with the Bond indenture and was a result of the reduction in the maximum federal corporate tax rate in 2018.

**TOWN OF LANTANA, FLORIDA  
NOTES TO FINANCIAL STATEMENTS**

**NOTE 7 – LONG TERM DEBT (Continued)**

**Bonds Payable (Continued)**

***\$4,055,000 Water and Sewer Revenue Refunding Bonds, Series 2012 (Continued)***

Annual debt service requirements to maturity are as follows:

Year Ending September 30,	Principal	Interest
2019	\$ 475,525	\$ 18,821
2020	482,613	11,736
2021	489,812	4,544
2022	41,138	51
	<u>\$ 1,489,088</u>	<u>\$ 35,152</u>

***Bond Covenants***

The bond covenants require the Town to fix, establish and maintain rates, fees and other charges so that the revenue collected and other available funds in each fiscal year will not be less than the amount expected to be required for the payment of operating expenses (excluding depreciation and amortization), 110% annual debt service requirements of the Series 2012 Bonds and parity Bonds. The Bond is subject to redemption at the option of the Town prior to its maturity in the manner described in the Bond document.

At September 30, 2018, the Town was in compliance with the bond covenants.

**NOTE 8 – EMPLOYEE RETIREMENT FUND**

***LANTANA POLICE RELIEF AND PENSION FUND (LPRPF)***

The Town sponsors the LPRPF, a single employer defined benefit plan. The Plan is governed by a five member Board of Trustees. The Plan is reported as a pension trust fund and is included as part of the Town's reporting entity.

***PLAN DESCRIPTION***

The Plan was established by Ordinance enacted by the Town Council to provide for the creation and operation of the LPRPF. All full time certified police department employees are covered under this plan. The LPRPF issues separate audited financial statements which can be obtained by contacting the Town's Finance Department.

The Plan provides retirement, death and disability benefits for its participants. A participant may retire with normal benefits after reaching age 50 and accumulating 10 or more years of credited service. Normal retirement benefits are based on 3% of the participant's final average salary multiplied by the number of credited service years rendered. The final average salary for purposes of calculating benefits is the participant's average salary during the highest 5 years of a participant's last 10 years of employment. Salary does not include lump sum payments for accumulated leave. Any retiree or beneficiary who begins receiving pension benefits after October 2000 is entitled to a monthly supplemental pension benefit equal to \$35 per year of service.

Effective January 8, 2001, a deferred retirement option plan (DROP) was adopted. Eligible participants may elect to participate in the DROP while continuing their active employment with the Town. Upon election, the participant becomes a retiree for all Plan purposes so that further benefits cease to accrue. Benefit payments that would have been payable to the participant as a result of retirement are accumulated and invested in individual participant accounts and are payable to the participants at the termination of employment.

**TOWN OF LANTANA, FLORIDA  
NOTES TO FINANCIAL STATEMENTS**

**NOTE 8 – EMPLOYEE RETIREMENT FUND (Continued)**

***LANTANA POLICE RELIEF AND PENSION FUND (LPRPF) (Continued)***

***BASIS OF ACCOUNTING***

The Plan's financial statements are prepared using the accrual basis of accounting. Contributions from the Plan's members are recognized as revenue in the period in which the contributions are due. Contributions from the Town, as calculated by the Plan's actuary, are recognized as revenue when due and when the Town has made a formal commitment to provide the contributions. Expenses are recognized in the accounting period incurred, if measurable. Benefits and refunds are recognized when due and payable in accordance with the terms of the Plan.

***METHOD USED TO VALUE INVESTMENTS***

Investments in common stock and bonds traded on a national securities exchange are valued at the last reported sales price on the last business day of the year; securities traded in the over-the-counter market and listed securities for which no sale was reported on that date are valued at the mean between the past reported bid and asked prices; investments in securities not having an established market value are valued at fair value as determined by the Board of Trustees. The fair value of an investment is the amount that the Plan could reasonably expect to receive for it in a current sale between a willing buyer and a willing seller, other than in a forced or liquidation sale. Purchases and sales of investments are recorded on a trade date basis.

Investment income is recognized on the accrual basis as earned. Unrealized appreciation in fair value of investments includes the difference between cost and fair value of investments held. The net realized and unrealized investment appreciation or depreciation for the year is reflected in the Statement of Changes in Fiduciary Net Position.

***FUNDING POLICY***

Contribution requirements are established and may be amended by the Town Council. The contribution requirements are determined on the benefit structure established by the Town. For the year ended September 30, 2018 the required member contributions were 7% of their annual covered earnings. Pursuant to Chapter 185 of the Florida Statutes, a premium tax on certain casualty insurance contracts written on Lantana properties is collected by the State and is remitted to the Plan. This amount totaled \$116,796 for the year ended September 30, 2018 and is included in the general fund as a revenue and expenditure. The Town is required to contribute the remaining amounts necessary to finance the benefits through periodic contributions of actuarially determined amounts. For the year ended September 30, 2018, the Town's contribution was \$701,427. Administrative costs are financed through investment earnings.

***PENSION LIABILITIES AND PENSION EXPENSE, DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES***

The Town's net pension liability for the LPRPF is measured as the total pension liability less the pension plans' fiduciary net position. At September 30, 2018, the Town reported a net pension liability of \$3,113,171 related to the LPRPF. The net pension liability was measured as of September 30, 2018, using an annual actuarial valuation as of October 1, 2017 rolled forward to September 30, 2018 using standard update procedures. For the fiscal year ended September 30, 2018, the Town recognized pension expense of \$561,246. The changes in the Net Pension Liability follow:

**TOWN OF LANTANA, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE 8 – EMPLOYEE RETIREMENT FUND (Continued)**

**LANTANA POLICE RELIEF AND PENSION FUND (LPRPF) (Continued)**

**PENSION LIABILITIES AND PENSION EXPENSE, DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES**

	Increases (Decreases)		
	Plan Fiduciary Net		
	Total Pension Liability	Position	Net Pension Liability
<b>Balance at September 30, 2017</b>	<b>\$ 18,039,983</b>	<b>\$ 13,984,006</b>	<b>\$ 4,055,977</b>
<b>Changes in the year:</b>			
Service cost	505,944	-	505,944
Interest on the total pension liability	1,376,374	-	1,376,374
Differences between actual and expected experience in the measurement of the TPL	(700,332)	-	(700,332)
Contributions - Employer (from Town)	-	701,427	(701,427)
Contributions - Employer (from State)	-	116,796	(116,796)
Contributions - Employees	-	124,905	(124,905)
Net investment income	-	1,268,013	(1,268,013)
Benefit payments	(377,772)	(377,772)	-
Refunds	(10,762)	(10,762)	-
Pension plan administrative expense	-	(86,349)	86,349
<b>Net changes</b>	<b>793,452</b>	<b>1,736,258</b>	<b>(942,806)</b>
<b>Balance at September 30, 2018</b>	<b>\$ 18,833,435</b>	<b>\$ 15,720,264</b>	<b>\$ 3,113,171</b>

At September 30, 2018 the Town reported deferred outflows of resources and deferred inflows of resources related to the LPRPF from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources	Net Deferred Outflows and Inflows of Resources
Differences between expected and actual experience	\$ 249,446	\$ 577,255	\$ (327,809)
Change in assumptions	2,763	41,864	(39,101)
Net Difference between projected and actual earnings on pension plan investments	179,453	565,304	(385,851)
	<b>\$ 431,662</b>	<b>\$ 1,184,423</b>	<b>\$ (752,761)</b>

Amounts reported as deferred outflows and inflows of resources related to the LPRPF will be recognized in pension expense as follows:

Year ending September 30	Net Deferred Outflows of Resources
2019	\$ (150,135)
2020	(244,506)
2021	(317,791)
2022	(40,329)
2023	-
Thereafter	-
<b>Total</b>	<b>\$ (752,761)</b>

**TOWN OF LANTANA, FLORIDA  
NOTES TO FINANCIAL STATEMENTS**

**NOTE 8 – EMPLOYEE RETIREMENT FUND (Continued)**

***LANTANA POLICE RELIEF AND PENSION FUND (LPRPF) (Continued)***

***PLAN MEMBERSHIP***

Membership of the plan consisted of the following at September 30, 2018:

	<u>Police Officers</u>
Inactive employees (or their beneficiaries)	
currently receiving benefits	19
Inactive employees entitled to but not yet	
receiving benefits	6
Active employees	<u>27</u>
Total	<u><u>52</u></u>

***ACTUARIAL METHODS AND SIGNIFICANT ASSUMPTIONS***

Significant actuarial assumptions and other inputs used to measure the total pension liability follow:

Valuation date	October 1, 2017
Measurement date	September 30, 2018
Actuarial cost method	Entry Age Normal
Actuarial Assumptions:	
Discount rate	7.50%
Inflation	3.00%
Salary increases	6.0%, including inflation
Investment Rate of Return	7.50%
Retirement age	Experience-based table of rates
Mortality	The healthy post retirement mortality table is the RP 2000 Mortality Table for annuitants with future improvements in mortality projected to all future years using Scale BB. For females, the base mortality rates include a 100% white collar adjustment. For males, the base mortality rates include a 90% blue collar adjustment and a 10% white collar adjustment. The preretirement mortality table is the RP 2000 Combined Healthy Participant Mortality Table with the same white and blue collar adjustments and the same mortality improvement projection scales. For disabled retirees, the mortality table is the RP 2000 Mortality Table for disabled annuitants, setback 4 years for males and set forward 2 years for females, with no provision made for future mortality improvements. These are the same rates used for Special Risk Class members of the Florida Retirement System (FRS) in their Actuarial Valuation as of July 1, 2016.

**TOWN OF LANTANA, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE 8 – EMPLOYEE RETIREMENT SYSTEMS (Continued)**

**ACTUARIAL METHODS AND SIGNIFICANT ASSUMPTIONS (Continued)**

**Development of Single Discount Rate**

Single Discount Rate	7.50%
Long-Term Expected Rate of Return	7.50%
Long-Term Municipal Bond Rate*	3.83%
Last year ending September 30 in the 2018 to 2117 projection period for which projected benefit payments are fully funded	2117

\*Source: Fidelity General Obligation AA rate as of September 28, 2018. This is the rate for Fixed Income Market Data/Yield Curve/Data Municipal bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in Fidelity Index's "20-Year Municipal GO AA Index." In describing this index, Fidelity notes that the municipal curves are constructed using option adjusted analytics of a diverse population of over 10,000 tax exempt securities.

Target allocation	Asset Class	Long-Term Expected Real Rate of Return (Arithmetic)
50%	Domestic Equity	5.20%
15%	International Equity	5.00%
20%	Domestic Bonds	2.50%
5%	International Bonds	3.50%
10%	Real Estate	4.50%

A single discount rate of 7.50% was used to measure the total pension liability. This single discount rate was based on the expected rate of return on pension plan investments of 7.50%. The projection of cash flows used to determine this single discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between the total actuarially determined contribution rates and the member rate. Based on these 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 (7.50%) was applied to all periods of projected benefit payments to determine the total pension liability.

Regarding the sensitivity of the net pension liability to changes in the single discount rate, the following presents the Town's net pension liability, calculated using a single discount rate of 7.50%, as well as what the plan's net pension liability would be if it were calculated using a single discount rate that is 1-percentage-point lower or 1-percentage-point higher:

	Current Single Discount Rate		
	1% Decrease	Assumption	1% Increase
	6.50%	7.50%	8.50%
Net Pension Liability	\$ 5,635,203	\$ 3,113,171	\$ 1,052,424

**DEFINED CONTRIBUTION PLAN**

The Town of Lantana General Employees' Defined Contribution Plan was established by the Town and is administered by Prudential Securities to provide benefits at retirement for all of its full-time employees except police officers. Contributions equal 7% of each general employee's salary and up to a 2% match of the employee's contribution. The Plan permits participant nondeductible voluntary contributions in the amount of 1% to 10% of the participant's salary. Participants are fully vested after five years of service. Plan revisions and contribution requirements are established and may be amended by the Town Council. The covered payroll for the plan was \$2,800,192. The Town's total payroll for the same period was \$5,876,968. Town contributions for the year ended September 30, 2018, were \$235,445 which includes a payable of \$4,796. The contributions included forfeited amounts of \$7,300. The amounts of employee contributions made for the year ended September 30, 2018 were \$2,171.

**TOWN OF LANTANA, FLORIDA  
NOTES TO FINANCIAL STATEMENTS**

**NOTE 8 – EMPLOYEE RETIREMENT SYSTEMS (Continued)**

***DEFERRED COMPENSATION PLAN***

The Town of Lantana General Employees' Deferred Compensation Plan (457 Plan) was established by the Town and is administered by Prudential Securities to provide benefits at retirement for all of its full-time personnel. Contributions are voluntary. The Town did not make any contributions to the Plan in the 2018 fiscal year. Participants are fully vested immediately. Plan revisions and contribution requirements are established and may be amended by the Town Council. The amounts of employee contributions for the year ended September 30, 2018 were \$186,377.

**NOTE 9 – OTHER POST EMPLOYMENT BENEFITS (“OPEB”)**

***PLAN DESCRIPTION***

The Town provides an optional single employer defined benefit post-employment healthcare plan to eligible individuals. The plan allows its employees and their beneficiaries, at their own cost, to continue to obtain health, dental and other insurance benefits upon retirement. The benefits of the plan conform to Florida Statutes, which are the legal authority for the plan. The plan has no assets and does not issue a separate financial report. There are no minimum required employer contributions.

***FUNDING POLICY***

The Town does not directly make a contribution to the plan on behalf of retirees. Retirees and their beneficiaries pay the same group rates as are charged to the Town for active employees by its healthcare provider. However, the Town's actuaries, in their actuarial valuation, calculate an offset to the cost of these benefits as an Employer Contribution, based upon an implicit rate subsidy. This offset equals the total age-adjusted costs paid by the Town or its active employees for coverage of the retirees and their dependents for the year net of the retiree's own payments for the year.

At September 30, 2018, the following employees were covered by benefit terms:

Inactive employees or beneficiaries currently receiving benefits	7
Inactive employees entitled to, but not yet receiving benefits	-
Active employees	<u>90</u>
	<u>97</u>

**TOWN OF LANTANA, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE 9 – OTHER POST EMPLOYMENT BENEFITS (“OPEB”) (Continued)**

***CHANGES IN NET OPEB LIABILITY, DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES***

Sources of changes in the net OPEB liability were as follows:

	<b>Total OPEB Liability</b>	<b>Fiduciary Net Position</b>	<b>Net OPEB Liability</b>
Balance as of September 30, 2017	\$ 585,839	\$ -	\$ 585,839
Changes due to:			
Service cost	44,465	-	44,465
Interest on Total OPEB liability	19,510	-	19,510
Difference between expected and actual experience	(55,240)	-	(55,240)
Changes of assumptions and other inputs	98,112	-	98,112
Benefit payments*	(6,889)	-	(6,889)
Other changes	(71,289)	-	(71,289)
Balance as of September 30, 2018	<u>\$ 614,508</u>	<u>\$ -</u>	<u>\$ 614,508</u>

\* Includes the Implicit Rate Subsidy.

At September 30, 2018 the Town reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ (49,484)
Change in assumptions	189,559	(165,531)
	<u>\$ 189,559</u>	<u>\$ (215,015)</u>

Amounts reported as deferred outflows and inflows of resources related to the LPRPF will be recognized in pension expense as follows:

Year ending September 30	Deferred Outflows of Resources	Deferred Inflows of Resources
2019	\$ 22,052	\$ (25,013)
2020	22,052	(25,013)
2021	22,052	(25,013)
2022	22,052	(25,013)
2023	22,052	(25,013)
Thereafter	79,299	(89,950)
Total	<u>\$ 189,559</u>	<u>\$ (215,015)</u>



**TOWN OF LANTANA, FLORIDA  
NOTES TO FINANCIAL STATEMENTS**

**NOTE 9 – OTHER POST EMPLOYMENT BENEFITS (“OPEB”) (Continued)**

**ACTUARIAL METHODS AND ASSUMPTIONS**

Significant actuarial assumptions used to calculate the total OPEB liability were as follows:

Measurement date	September 30, 2018
Actuarial valuation date	October 1, 2017
Actuarial cost method	Entry Age Normal (AMM)
Discount rate*	3.64%
Inflation rate	3.00%
Salary rate increase	4.00%
Funded ratio	0.00%
Covered payroll	\$ 4,982,533
Net OPEB Liability as a percentage of covered payroll	12.33%
Healthcare cost trend	
Initial health care cost trend rate	
- HMO Plan	6.90%
- PPO Plan	7.70%
Ultimate health care cost trend rate	5.00%
Fiscal year the ultimate rate is reached	2028

\*The Town does not have a dedicated Trust to pay retiree healthcare benefits. Per GASB 75, the discount rate should be a yield or index rate for 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher (or equivalent quality on another rating scale). A rate of 3.64% is used, which is the S&P Municipal Bond 20 Year High-Grade Rate Index as of

**SENSITIVITY OF THE NET OPEB LIABILITY TO CHANGES IN THE DISCOUNT RATE**

The following presents the net OPEB liability of the Town, as well as what the Town’s net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.64%) or 1-percentage-point higher (4.64%) than the current discount rate:

1% Decrease (2.64%)	Current Discount Rate (3.64%)	1% Increase (4.64%)
\$ 673,855	\$ 614,508	\$ 560,906

**TOWN OF LANTANA, FLORIDA  
NOTES TO FINANCIAL STATEMENTS**

**NOTE 9 – OTHER POST EMPLOYMENT BENEFITS (“OPEB”) (Continued)**

***SENSITIVITY OF THE NET OPEB LIABILITY USING ALTERNATIVE HEALTHCARE COST TREND RATES***

The following presents the net OPEB liability of the Town, as well as what the Town’s net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

Healthcare Cost		
1% Decrease	Trend Rates	1% Increase
(HMO Plan 5.9%; PPO Plan 6.7%; both decreasing to 4.0%)	(HMO Plan 6.9%; PPO Plan 7.7%; both decreasing to 5.0%)	(HMO Plan 7.9%; PPO Plan 8.7%; both decreasing to 6.0%)
\$ 550,539	\$ 614,508	\$ 687,887

**NOTE 10 - INTERLOCAL AGREEMENTS**

***POLICE SERVICES***

The Town has entered into interlocal agreements for the provision of police services by the Town of Lantana within the Town limits of Hypoluxo and South Palm Beach. The terms of the agreements are for five years, expiring on September 30, 2019. The Town received \$613,727 and \$60,521 from Hypoluxo and South Palm Beach, respectively, during the year ended September 30, 2018.

**NOTE 11 – ENCUMBRANCES**

The Town issued the following purchase orders during the current fiscal year which encumbered the budget at September 30, 2018. These purchase orders were not fully liquidated at year end.

Major Fund:	
General Fund	\$ 17,738
Water and Sewer Fund	765,600
Total Encumbrances	<u>\$ 783,338</u>

**TOWN OF LANTANA, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE 12 - COMMITMENTS AND CONTINGENCIES**

**GRANTS**

Grant monies received and disbursed by the Town are for specific purposes and may be subject to audit by the grantor agencies. Such audits may result in requests for reimbursements due to disallowed expenditures or other actions by grantor agencies. The Town does not believe that such disallowances or other actions taken by the grantor agencies, if any, would have a material effect on the financial position of the Town.

**NOTE 13 - RISK MANAGEMENT**

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 for which the Town carries commercial insurance. The Town is also covered by Florida Statutes under the Doctrine of Sovereign Immunity which effectively limits the amount of liability of municipalities to individual claims of \$200,000/\$300,000 for all claims relating to the same accident. There were no changes in insurance coverage from the prior year and there were no settlements that exceeded insurance coverage in the last three years.

**NOTE 14 – PRONOUNCEMENTS ISSUED, BUT NOT YET ADOPTED**

*GASB Statement No. 83 - Certain Asset Retirement Obligations*

This Statement addresses accounting and financial reporting for certain asset retirement obligations (AROs). An ARO is a legally enforceable liability associated with the retirement of a tangible capital asset. A government that has legal obligations to perform future asset retirement activities related to its tangible capital assets should recognize a liability based on the guidance in this Statement. The requirements of this Statement are effective for reporting periods beginning after June 15, 2018. Earlier application is encouraged.

*GASB Statement No. 84 - Fiduciary Activities*

The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. This Statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities. The requirements of this Statement are effective for reporting periods beginning after December 15, 2018.

*GASB Statement No. 87 – Leases*

The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. For reporting periods beginning after December 15, 2019.

**TOWN OF LANTANA, FLORIDA  
NOTES TO FINANCIAL STATEMENTS**

**NOTE 14 – PRONOUNCEMENTS ISSUED, BUT NOT YET ADOPTED (Continued)**

*GASB Statement No. 88 - Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*

The objective of this Statement is to improve consistency in the information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements, and to provide financial statement users with additional essential information about debt. The requirements of this Statement are effective for reporting periods beginning after June 15, 2018. Earlier application is encouraged. This Statement applies to notes to financial statements of all periods presented. If application for prior periods presented is not practicable, the reason for not applying this Statement to prior periods presented should be disclosed.

*GASB Statement No. 89 - Accounting for Interest Cost Incurred before the End of a Construction Period*

The objectives of this Statement are (a) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (b) to simplify accounting for certain interest costs. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019. Earlier application is encouraged. Changes adopted to conform to the provisions of this Statement should be applied prospectively. For construction-in-progress, interest cost incurred after the beginning of the first reporting period to which this Statement is applied should not be capitalized.

*GASB Statement No. 90 - Majority Equity Interests an amendment of GASB Statements No. 14 and No. 61*

The primary objectives of this Statement are to improve consistency in the measurement and comparability of the financial statement presentation of majority equity interests in legally separate organizations and to improve the relevance of financial statement information for certain component units. The requirements of this Statement are effective for reporting periods beginning after December 15, 2018. Earlier application is encouraged. Except as discussed in paragraph 11, in the period this Statement is first applied, changes adopted to conform to the provisions of this Statement should be applied retroactively by restating financial statements, if practicable, for all periods presented. If restatement for prior periods is not practicable, the cumulative effect, if any, of applying this Statement should be reported as a restatement of beginning net position (or fund balance or fund net position, as applicable) for the earliest period restated. Also, the reason for not restating prior periods presented should be disclosed. In the first period that this Statement is applied, the notes to financial statements should disclose the nature of the restatement and its effect.

The Town's management has not yet determined the effect these Statements will have on the Town's financial statements.

**NOTE 15 – SUBSEQUENT EVENTS**

Subsequent to fiscal year 2018, the Town received a refund of \$96,854 from Florida Public Utilities related to the gas line project. The properties that benefited from the project were assessed a ten year special assessment beginning in fiscal year 2015. The Town will apply the refund to years nine and ten of the special assessment.

**REQUIRED SUPPLEMENTARY INFORMATION**  
**(Other than MD&A)**



**TOWN OF LANTANA, FLORIDA**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN**  
**FUND BALANCE - BUDGET AND ACTUAL – GENERAL FUND**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018**

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance with</b>
	<b>Original</b>	<b>Final</b>	<b>Amounts</b>	<b>Final Budget- Positive (Negative)</b>
Revenues:				
Property taxes	\$ 3,185,833	\$ 3,185,833	\$ 3,221,378	\$ 35,545
Franchise fees and utility taxes	2,402,732	2,402,732	2,441,511	38,779
Other taxes	237,588	237,588	280,457	42,869
Permits and fees	392,403	392,403	708,433	316,030
Intergovernmental	2,452,577	1,739,661	1,767,490	27,829
Charges for services	507,911	507,911	589,013	81,102
Fines and forfeitures	201,816	201,816	244,356	42,540
Interest income	61,963	61,963	165,096	103,133
Grant revenue	4,281	4,281	16,613	12,332
Interlocal agreements	793,950	793,950	791,044	(2,906)
Special assessments	700,013	700,013	711,788	11,775
Other revenues	333,932	357,486	397,194	39,708
<b>Total revenues</b>	<b>11,274,999</b>	<b>10,585,637</b>	<b>11,334,373</b>	<b>748,736</b>
Expenditures:				
Current:				
General Government:				
Town Council	134,035	134,035	78,009	56,026
Administrative	245,228	235,875	205,980	29,895
Finance	415,808	417,333	395,070	22,263
Legal	169,800	169,800	95,577	74,223
Nondepartmental	233,936	255,648	141,238	114,410
<b>Total general government</b>	<b>1,198,807</b>	<b>1,212,691</b>	<b>915,874</b>	<b>296,817</b>
Public safety:				
Police	5,508,605	5,547,154	5,267,845	279,309
Development services	767,710	770,440	686,126	84,314
<b>Total public safety</b>	<b>6,276,315</b>	<b>6,317,594</b>	<b>5,953,971</b>	<b>363,623</b>

See notes to required supplementary information

**TOWN OF LANTANA, FLORIDA**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN**  
**FUND BALANCE - BUDGET AND ACTUAL – GENERAL FUND (Continued)**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018**

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance with</b>
	<b>Original</b>	<b>Final</b>	<b>Amounts</b>	<b>Final Budget- Positive (Negative)</b>
Physical environment:				
Public Works	2,815,417	2,351,037	2,219,859	131,178
<b>Total physical environment</b>	<b>2,815,417</b>	<b>2,351,037</b>	<b>2,219,859</b>	<b>131,178</b>
Culture/recreation, parks and recreation:				
Library	186,694	186,694	166,559	20,135
Sports park	358,522	212,363	200,835	11,528
Special events	45,065	45,065	44,299	766
<b>Total culture and recreation</b>	<b>590,281</b>	<b>444,122</b>	<b>411,693</b>	<b>32,429</b>
Capital outlay	355,679	745,946	387,741	358,205
Debt service:				
Principal retirement	157,500	157,500	98,109	59,391
Interest	1,000	1,000	771	229
<b>Total debt service</b>	<b>158,500</b>	<b>158,500</b>	<b>98,880</b>	<b>59,620</b>
<b>Total expenditures</b>	<b>11,394,999</b>	<b>11,229,890</b>	<b>9,988,018</b>	<b>1,241,872</b>
<b>Excess (deficiency) of revenues         over expenditures</b>	<b>(120,000)</b>	<b>(644,253)</b>	<b>1,346,355</b>	<b>1,990,608</b>
Other financing sources (uses):				
Use of fund balance	-	531,244	-	(531,244)
Transfers in	120,000	120,000	100,000	(20,000)
Transfers out	-	(6,991)	(4,069)	2,922
<b>Total other financing sources (uses)</b>	<b>120,000</b>	<b>644,253</b>	<b>95,931</b>	<b>(548,322)</b>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>1,442,286</u>	<u>\$ 1,442,286</u>
Fund balance, beginning			<u>11,960,035</u>	
Fund balance, ending			<u><u>\$ 13,402,321</u></u>	

See notes to required supplementary information



**TOWN OF LANTANA, FLORIDA**  
**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**

**NOTE 1 – BUDGETS AND BUDGETARY ACCOUNTING**

State of Florida Statutes requires that all municipal governments establish budgetary systems and approve balanced annual operating budgets. The Town Council annually adopts an operating budget and appropriates funds for the General Fund and Special Revenue Funds, except for the Police Forfeiture Fund.

The procedures for establishing budgetary data are as follows:

By July 1st of each year, the Property Appraiser certifies the tax roll for the Town. The tax roll is used in formulating the proposed millage rate for the coming year. Thereafter, the following time table must be adhered to:

- Within 45 days the Town Manager must submit a proposed operating budget to the Council. The proposed budget includes expenditures and the means of financing them.
- Between 65-80 days from the date of certification (September 3rd — September 18th), the Town must hold a tentative budget and millage hearing. This hearing cannot be held sooner than ten days following the mailing of notices by the Property Appraiser (August 24th).
- Within 15 days of the tentative budget and millage hearing (September 18th — September 30th), the Town must advertise a final hearing on the budget.
- Not less than two or more than five days after the advertisement (September 20th — October 8th), a final hearing adopting the budget and millage is held.
- Within three days after the receipt of final value, the Finance Director completes form DR-422 and returns it to the Property Appraiser.
- Within 30 days of final millage and budget adoption, the Town must certify compliance with Section 200.065 and 200.068, Florida Statutes, to the Department of Revenue.

Budgets are adopted on the modified accrual basis of accounting, consistent with accounting principles generally accepted in the United States. All appropriations lapse at fiscal year end unless encumbered or specifically designated to be carried forward to the subsequent year. Changes or amendments to the total budgeted expenditures, except as noted above for encumbrances and carry forwards, of the Town must be approved by the Council. The legal level of control is at the departmental level. The general fund budget was amended as follows: decrease in revenues of \$689,362, increase in use of fund balance of \$531,244, decrease in appropriations related to Council amendments, encumbrances and carry forwards of \$165,109, and an increase in transfers out of \$6,991.

**TOWN OF LANTANA, FLORIDA**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS**  
**LANTANA POLICE RELIEF AND PENSION FUND**

Measurement Year Ended September 30,	2018	2017	2016	2015
<b>Total Pension Liability (TPL)</b>				
Service cost	\$ 505,944	\$ 362,009	\$ 343,544	\$ 357,506
Interest on the total pension liability	1,376,374	1,024,448	989,489	928,071
Changes of benefit terms	-	3,021,409	-	-
Differences between actual and expected experience in the measurement of the TPL	(700,332)	512,020	(298,613)	(113,373)
Changes of assumption	-	5,673	(221,282)	-
Benefit payments	(377,772)	(364,808)	(388,273)	(270,957)
Refunds	(10,762)	(930)	(31,262)	(6,834)
Other changes	-	-	27,147	9,333
<b>Net change in total pension liability</b>	<b>793,452</b>	<b>4,559,821</b>	<b>420,750</b>	<b>903,746</b>
<b>Total pension liability - beginning</b>	<b>18,039,983</b>	<b>13,480,162</b>	<b>13,059,412</b>	<b>12,155,666</b>
<b>Total pension liability - ending (a)</b>	<b>\$ 18,833,435</b>	<b>\$ 18,039,983</b>	<b>\$ 13,480,162</b>	<b>\$ 13,059,412</b>
<b>Plan fiduciary net position</b>				
Contributions - Employer (from Town)	\$ 701,427	\$ 302,908	\$ 429,970	\$ 408,040
Contributions - Employer (from State)	116,796	112,686	119,700	101,886
Contributions - Employees	124,905	120,005	120,049	105,492
Net investment income	1,268,013	1,510,543	987,257	(63,982)
Benefit payments	(377,772)	(364,808)	(388,273)	(270,957)
Refunds	(10,762)	(930)	(31,262)	(6,834)
Pension plan administrative expense	(86,349)	(57,996)	(65,361)	(51,501)
<b>Net change in fiduciary net position</b>	<b>1,736,258</b>	<b>1,622,408</b>	<b>1,172,080</b>	<b>222,144</b>
<b>Plan fiduciary net position - beginning</b>	<b>13,984,006</b>	<b>12,361,598</b>	<b>11,189,518</b>	<b>10,967,374</b>
<b>Plan fiduciary net position - ending (b)</b>	<b>\$ 15,720,264</b>	<b>\$ 13,984,006</b>	<b>\$ 12,361,598</b>	<b>\$ 11,189,518</b>
<b>Net pension liability - ending (a) - (b)</b>	<b>\$ 3,113,171</b>	<b>\$ 4,055,977</b>	<b>\$ 1,118,564</b>	<b>\$ 1,869,894</b>
Plan fiduciary net position as a percentage of the total pension liability	83.47%	77.52%	91.70%	85.68%
Covered payroll	\$ 1,784,354	\$ 1,714,357	\$ 1,704,833	\$ 1,507,029
Net Pension liability as a percentage of covered payroll	174.47%	236.59%	65.61%	124.08%
Note: Information for previous years is unavailable.				

**TOWN OF LANTANA, FLORIDA  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF CONTRIBUTIONS  
LANTANA POLICE RELIEF AND PENSION FUND**

Fiscal Year Ending September 30,	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Payroll	Actual Contribution as % of Covered Employee Payroll
2014	\$ 465,226	\$ 469,825	\$ (4,599)	\$ 1,585,729	29.63 %
2015	500,593	500,593	-	1,507,029	33.22 %
2016	466,726	522,523	(55,797)	1,704,833	30.65 %
2017	415,594	415,594	-	1,714,357	24.24 %
2018	904,992	818,223	86,769	1,784,354	45.86 %

Note: Information for previous years is unavailable.

Notes                      Actuarially determined contribution rates are calculated as of October 1, which is two years prior to the end of the fiscal year in which contributions are reported.

The methods and assumptions used to determine contribution rates are as follows:

Valuation date	October 1, 2016
Actuarial cost method	Entry Age Normal
Amortization method	Level Dollar, Closed
Remaining amortization period	20 years
Asset valuation method	5-year smoothed market
Actuarial Assumptions:	
Inflation	3.00%
Salary increases	6.0%, including inflation
Investment Rate of Return	7.50%
Retirement age	Experience-based table of rates
Mortality	

The healthy mortality table is the RP 2000 Mortality Table for annuitants with future improvements in mortality projected to all future years using Scale BB. For females, the base mortality rates include a 100% white collar adjustment. For males, the base mortality rates include a 90% blue collar adjustment and a 10% white collar adjustment. The preretirement mortality table is the RP-2000 Combined Healthy Participant Mortality Table with the same white and blue collar adjustments and the same mortality improvement projection scales. For disabled retirees, the mortality table is the RP-2000 Mortality Table for disabled annuitants, setback 4 years for males and set-forward 2 years for females, with no provision made for future mortality improvements. These are the same rates used for Special Risk Class members of the Florida Retirement System (FRS) in their Actuarial Valuation as of July 1, 2016.

**TOWN OF LANTANA, FLORIDA  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF CHANGES IN THE TOWN'S NET OPEB LIABILITY  
AND RELATED RATIOS**

	<u>2018</u>
<b>Total OPEB Liability</b>	
Service cost	\$ 44,465
Interest	19,510
Difference between expected and actual experience	(55,240)
Changes of assumptions and other inputs	98,112
Benefit payments	(6,889)
Other changes	<u>(71,289)</u>
<b>Net change in total OPEB liability</b>	28,669
<b>Total OPEB liability - beginning</b>	<u>585,839</u>
<b>Total OPEB liability - ending (a)</b>	<u><u>\$ 614,508</u></u>
 <b>Plan Fiduciary Net Position</b>	
<b>Net change in plan fiduciary net position</b>	\$ -
<b>Plan fiduciary net position - beginning</b>	<u>-</u>
<b>Plan fiduciary net position - ending (b)</b>	<u><u>\$ -</u></u>
 <b>Town's net OPEB liability - ending (a) - (b)</b>	<u><u>\$ 614,508</u></u>
 Plan fiduciary net position as a percentage of total OPEB liability	0.00%
 Covered payroll	\$ 4,982,533
 Net OPEB liability as a percentage of covered employee payroll	12.33%

Note: Information for previous years is unavailable.

## **NONMAJOR GOVERNMENTAL FUNDS**

### **Special Revenue Funds**

**Grants Fund** — This fund is used to account for all financial resources applicable to grants awarded to the Town.

**Infrastructure Surtax Fund** — This fund is used to account for restricted funds designated by Florida Statutes for infrastructure expenditures.

**Police Education Fund** — This fund is used to account for restricted funds designated by Florida Statutes for training and education of law enforcement personnel.

**Police Forfeiture Fund** — This fund is used to account for restricted state and local forfeitures allocated to the Town.

**TOWN OF LANTANA, FLORIDA  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
SEPTEMBER 30, 2018**

	<b>Special Revenue Funds</b>				
	<b>Grants</b>	<b>Infrastructure</b>	<b>Police</b>	<b>Police</b>	<b>Total</b>
	<b>Fund</b>	<b>Surtax</b>	<b>Education</b>	<b>Forfeiture</b>	<b>Governmental</b>
		<b>Fund</b>	<b>Fund</b>	<b>Fund</b>	<b>Funds</b>
<b>Assets</b>					
Restricted cash and cash equivalents	\$ 375	\$ 366,747	\$ 15,158	\$ 109,423	\$ 491,703
Intergovernmental receivables	-	122,875	202	-	123,077
Total assets	<u>\$ 375</u>	<u>\$ 489,622</u>	<u>\$ 15,360</u>	<u>\$ 109,423</u>	<u>\$ 614,780</u>
<b>Liabilities and Fund Balances</b>					
Liabilities:					
Accounts payable	\$ 375	\$ 135	\$ -	\$ -	\$ 510
Total liabilities	<u>375</u>	<u>135</u>	<u>-</u>	<u>-</u>	<u>510</u>
Fund balances:					
Restricted for:					
Infrastructure	-	489,487	-	-	489,487
Police education	-	-	15,360	-	15,360
Police forfeiture programs	-	-	-	109,423	109,423
Total fund balances	<u>-</u>	<u>489,487</u>	<u>15,360</u>	<u>109,423</u>	<u>614,270</u>
Total liabilities and fund balances	<u>\$ 375</u>	<u>\$ 489,622</u>	<u>\$ 15,360</u>	<u>\$ 109,423</u>	<u>\$ 614,780</u>

**TOWN OF LANTANA, FLORIDA  
COMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE  
NONMAJOR GOVERNMENTAL FUNDS  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018**

	<b>Special Revenue Funds</b>				
	<b>Grants Fund</b>	<b>Infrastructure Surtax Fund</b>	<b>Police Education Fund</b>	<b>Police Forfeiture Fund</b>	<b>Total Governmental Funds</b>
Revenues:					
Intergovernmental	\$ -	\$ 772,576	\$ -	\$ -	\$ 772,576
Fines and forfeitures	-	-	4,702	15,381	20,083
Grant revenue	457,171	-	-	-	457,171
Total revenues	457,171	772,576	4,702	15,381	1,249,830
Expenditures:					
Current:					
Public safety	-	-	8,859	11,256	20,115
Physical environment	34,200	495,737	-	-	529,937
Capital outlay	427,040	12,246	-	-	439,286
Total expenditures	461,240	507,983	8,859	11,256	989,338
Excess (deficiency) of revenues over expenditures	(4,069)	264,593	(4,157)	4,125	260,492
Other financing sources (uses):					
Transfers in	4,069	-	-	-	4,069
Total other financing sources (uses)	4,069	-	-	-	4,069
Net change in fund balances	-	264,593	(4,157)	4,125	264,561
Fund balances, beginning	-	224,894	19,517	105,298	349,709
Fund balances, ending	\$ -	\$ 489,487	\$ 15,360	\$ 109,423	\$ 614,270

**TOWN OF LANTANA, FLORIDA**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN**  
**FUND BALANCE - BUDGET AND ACTUAL – NONMAJOR GOVERNMENTAL FUNDS –**  
**GRANTS FUND**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018**

	Grants Fund			
	Budgeted Amounts		Actual Amounts	Variance With Final Budget- Positive (Negative)
	Original	Final		
Revenues:				
Grant revenue	36,900	526,336	\$ 457,171	\$ (69,165)
Total revenues	36,900	526,336	457,171	(69,165)
Expenditures:				
Current:				
Physical environment	36,900	36,900	34,200	2,700
Capital outlay	-	510,826	427,040	83,786
Total expenditures	36,900	547,726	461,240	86,486
Excess (deficiency) of revenues over expenditures	-	(21,390)	(4,069)	17,321
Other financing sources (uses):				
Transfers in	-	21,390	4,069	(17,321)
Total other financing sources (uses)	-	21,390	4,069	(17,321)
Net change in fund balances	\$ -	\$ -	-	\$ -
Fund balance, beginning			-	
Fund balance, ending			\$ -	



**TOWN OF LANTANA, FLORIDA**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN**  
**FUND BALANCE - BUDGET AND ACTUAL – NONMAJOR GOVERNMENTAL FUNDS –**  
**INFRASTRUCTURE SURTAX FUND**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018**

	Infrastructure Surtax Fund			
	Budgeted Amounts		Actual Amounts	Variance With Final Budget- Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ -	\$ 712,916	\$ 772,576	\$ 59,660
Total revenues	-	712,916	772,576	59,660
Expenditures:				
Current:				
Physical environment	-	708,916	495,737	213,179
Capital outlay	-	248,746	12,246	236,500
Total expenditures	-	957,662	507,983	449,679
Excess (deficiency) of revenues over expenditures	-	(244,746)	264,593	509,339
Other financing sources (uses):				
Use of fund balance	-	262,067	-	(262,067)
Transfers out	-	(17,321)	-	17,321
Total other financing sources (uses)	-	244,746	-	(244,746)
Net change in fund balances	\$ -	\$ -	264,593	\$ 264,593
Fund balance, beginning			224,894	
Fund balance, ending			\$ 489,487	

**TOWN OF LANTANA, FLORIDA**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN**  
**FUND BALANCE - BUDGET AND ACTUAL – NONMAJOR GOVERNMENTAL FUNDS –**  
**POLICE EDUCATION FUND**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018**

	Police Education Fund			
	Budgeted Amounts		Actual Amounts	Variance With Final Budget- Positive (Negative)
	Original	Final		
Revenues:				
Fines and forfeitures	\$ 5,242	\$ 5,242	\$ 4,702	\$ (540)
Total revenues	5,242	5,242	4,702	(540)
Expenditures:				
Current:				
Public Safety	5,242	9,242	8,859	383
Total expenditures	5,242	9,242	8,859	383
Excess (deficiency) of revenues over expenditures	-	(4,000)	(4,157)	(157)
Other financing sources (uses):				
Use of fund balance	-	4,000	-	(4,000)
Total other financing sources (uses)	-	4,000	-	(4,000)
Net change in fund balances	\$ -	\$ -	(4,157)	\$ (4,157)
Fund balance, beginning			19,517	
Fund balance, ending			\$ 15,360	

## STATISTICAL SECTION



## STATISTICAL SECTION

The Town of Lantana'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.

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## **Operating Indicators**

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.

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## **Miscellaneous**

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Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year. The Town implemented GASB Statement 34 for fiscal year 2003; schedules presenting government-wide information include information beginning in that year.



**TOWN OF LANTANA, FLORIDA  
NET POSITION BY COMPONENT  
LAST TEN FISCAL YEARS  
(ACCRUAL BASIS OF ACCOUNTING)**

	2009	2010	2011
<b>Governmental Activities</b>			
Net Investment in capital assets	\$ 17,338,103	\$ 16,730,041	\$ 16,938,079
Restricted	80,105	66,336	11,121
Unrestricted	<u>10,824,045</u>	<u>11,001,766</u>	<u>10,412,773</u>
<b>Total Governmental Activities Net Position</b>	<u>28,242,253</u>	<u>27,798,143</u>	<u>27,361,973</u>
<b>Business-Type Activities</b>			
Net Investment in capital assets	3,067,301	3,642,545	3,624,500
Restricted	--	--	--
Unrestricted	<u>6,569,580</u>	<u>6,879,590</u>	<u>7,638,564</u>
<b>Total Business-Type Activities Net Position</b>	<u>9,636,881</u>	<u>10,522,135</u>	<u>11,263,064</u>
<b>Primary Government</b>			
Net Investment in capital assets	20,405,404	20,372,586	20,562,579
Restricted	80,105	66,336	11,121
Unrestricted	<u>17,393,625</u>	<u>17,881,356</u>	<u>18,051,337</u>
<b>Total Primary Government Net Position</b>	<u>\$ 37,879,134</u>	<u>\$ 38,320,278</u>	<u>\$ 38,625,037</u>

Note: The Town implemented GASB Statement No. 63, "Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position" for the fiscal year ended September 30, 2013.



	2012		2013		2014		2015		2016		2017		2018
\$	18,337,815	\$	18,260,830		17,329,014		16,994,685		17,694,224		17,818,601		17,228,421
	12,680		15,476		1,019,931		19,750		685,155		1,425,190		2,177,200
	<u>7,773,388</u>		<u>8,426,192</u>		<u>9,271,736</u>		<u>9,274,400</u>		<u>9,517,683</u>		<u>6,929,939</u>		<u>7,771,022</u>
	<u>26,123,883</u>		<u>26,702,498</u>		<u>27,620,681</u>		<u>26,288,835</u>		<u>27,897,062</u>		<u>26,173,730</u>		<u>27,176,643</u>
	3,605,700		4,313,612		5,089,676		6,175,347		6,200,832		6,239,812		8,135,430
	543,791		--		363,801		363,800		363,800		374,456		-
	<u>7,530,741</u>		<u>8,789,438</u>		<u>8,244,021</u>		<u>8,484,142</u>		<u>10,325,879</u>		<u>11,011,260</u>		<u>10,626,017</u>
	<u>11,680,232</u>		<u>13,103,050</u>		<u>13,697,498</u>		<u>15,023,289</u>		<u>16,890,511</u>		<u>17,625,528</u>		<u>18,761,447</u>
	21,943,515		22,574,442		22,418,690		23,170,032		23,895,056		24,058,413		25,363,851
	556,471		15,476		1,383,732		383,550		1,048,955		1,799,646		2,177,200
	<u>15,304,129</u>		<u>17,215,630</u>		<u>17,515,757</u>		<u>17,758,542</u>		<u>19,843,562</u>		<u>17,941,199</u>		<u>18,397,039</u>
\$	<u>37,804,115</u>	\$	<u>39,805,548</u>	\$	<u>41,318,179</u>	\$	<u>41,312,124</u>	\$	<u>44,787,573</u>	\$	<u>43,799,258</u>	\$	<u>45,938,090</u>

**TOWN OF LANTANA, FLORIDA  
CHANGES IN NET POSITION  
LAST TEN FISCAL YEARS  
(ACCRUAL BASIS OF ACCOUNTING)**

	2009	2010	2011
<b>Governmental Activities</b>			
General government	\$ 802,674	\$ 758,291	\$ 805,921
Public safety	4,854,172	4,764,164	4,697,941
Physical environment	3,407,583	3,416,224	2,252,568
Transportation			933,747
Culture/recreation	406,927	363,547	375,829
Interest on long-term debt	117,721	105,231	92,300
<b>Total Governmental Activities Expenses</b>	<u>9,589,077</u>	<u>9,407,457</u>	<u>9,158,306</u>
<b>Business-Type Activities</b>			
Utility - water and sewer	<u>4,639,241</u>	<u>4,459,164</u>	<u>4,448,685</u>
<b>Total Business-Type Activities Expenses</b>	<u>4,639,241</u>	<u>4,459,164</u>	<u>4,448,685</u>
<b>Total Primary Government Expenses</b>	<u>\$ 14,228,318</u>	<u>\$ 13,866,621</u>	<u>\$ 13,606,991</u>
<b>Program Revenues</b>			
Governmental activities:			
Charges for services:			
General government	\$ 511,352	\$ 526,767	\$ 611,487
Public safety	798,668	715,126	844,001
Physical environment	813,309	889,306	865,703
Culture and recreation	181,142	213,303	238,470
Operating grants and contributions	491,802	587,572	573,771
Capital grants and contributions	38,872	197,160	258,169
<b>Total Governmental Activities Program Revenues</b>	<u>2,835,145</u>	<u>3,129,234</u>	<u>3,391,601</u>
Business-type activities:			
Charges for services:			
Utility - water and sewer	4,834,025	5,075,463	4,990,025
Operating grants and contributions	--	--	--
Capital grants and contributions	145,735	204,265	163,503
<b>Total Business-Type Activities Program Revenues</b>	<u>4,979,760</u>	<u>5,279,728</u>	<u>5,153,528</u>
<b>Total Primary Government Program Revenues</b>	<u>\$ 7,814,905</u>	<u>\$ 8,408,962</u>	<u>\$ 8,545,129</u>

Notes:

- The FY 11 Transportation was closed and included in the general fund per the Governmental Accounting Standards Board Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*.
- Beginning with FY 2015, transportation will be reported in physical environment.

	2012	2013	2014	2015	2016	2017	2018
\$	766,789	\$ 930,263	1,447,888	741,324	818,909	1,007,186	950,779
	5,761,191	4,502,022	4,938,269	5,239,141	5,375,887	8,580,598	6,062,440
	2,110,759	1,821,392	1,514,926	3,127,821	3,233,635	3,273,391	3,867,004
	1,095,864	1,564,530	1,977,033	-	-	-	-
	390,092	369,831	417,408	2,253,383	365,697	548,426	597,923
	74,110	65,694	50,694	36,584	21,458	10,026	771
	<u>10,198,805</u>	<u>9,253,732</u>	<u>10,346,218</u>	<u>11,398,253</u>	<u>9,815,586</u>	<u>13,419,627</u>	<u>11,478,917</u>
	<u>4,635,940</u>	<u>4,914,189</u>	<u>4,677,549</u>	<u>4,563,238</u>	<u>4,572,755</u>	<u>5,283,975</u>	<u>5,161,735</u>
	<u>4,635,940</u>	<u>4,914,189</u>	<u>4,677,549</u>	<u>4,563,238</u>	<u>4,572,755</u>	<u>5,283,975</u>	<u>5,161,735</u>
\$	<u>14,834,745</u>	<u>\$ 14,167,921</u>	<u>\$ 15,023,767</u>	<u>\$ 15,961,491</u>	<u>\$ 14,388,341</u>	<u>\$ 18,703,602</u>	<u>\$ 16,640,652</u>
\$	788,381	\$ 778,961	860,235	899,171	1,386,273	1,132,786	1,268,772
	806,068	828,503	1,132,256	1,292,909	1,179,654	1,214,316	1,173,143
	879,099	808,998	1,136,758	626,469	626,772	639,995	656,849
	195,470	157,878	202,245	289,802	256,590	331,061	426,276
	214,108	70,751	38,835	38,370	37,615	67,762	38,499
	131,927	1,279,089	291,113	900,051	321,840	1,083,883	1,195,547
	<u>3,015,053</u>	<u>3,924,180</u>	<u>3,661,442</u>	<u>4,046,772</u>	<u>3,808,744</u>	<u>4,469,803</u>	<u>4,759,086</u>
	5,016,469	4,972,344	5,242,123	5,607,712	5,644,050	5,889,214	5,960,248
	--	--	-	-	-	-	-
	<u>--</u>	<u>--</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>5,016,469</u>	<u>4,972,344</u>	<u>5,242,123</u>	<u>5,607,712</u>	<u>5,644,050</u>	<u>5,889,214</u>	<u>5,960,248</u>
\$	<u>8,031,522</u>	<u>\$ 8,896,524</u>	<u>\$ 8,903,565</u>	<u>\$ 9,654,484</u>	<u>\$ 9,452,794</u>	<u>\$ 10,359,017</u>	<u>\$ 10,719,334</u>

**TOWN OF LANTANA, FLORIDA**  
**CHANGES IN NET POSITION**  
**(Continued)**  
**LAST TEN FISCAL YEARS**  
**(ACCRUAL BASIS OF ACCOUNTING)**

	2009	2010	2011
<b>Net (Expense) Revenue</b>			
Governmental activities	\$ (6,753,932)	\$ (6,278,223)	\$ (5,766,705)
Business-type activities	<u>340,519</u>	<u>820,564</u>	<u>704,843</u>
<b>Total Primary Government Net Expense</b>	<u>\$ (6,413,413)</u>	<u>\$ (5,457,659)</u>	<u>\$ (5,061,862)</u>
<b>General Revenues and Other Changes in Net Position</b>			
Governmental activities:			
Taxes:			
Property taxes	\$ 3,166,215	\$ 2,714,901	\$ 2,264,606
Utility taxes	918,889	990,907	981,105
Franchise fees based on gross receipts	772,731	692,934	686,830
Communications services taxes	409,214	374,061	320,074
Sales and use tax	605,504	604,394	628,516
Franchise taxes and utility taxes	-	-	-
Unrestricted contributions	-	-	-
State revenue sharing - unrestricted	289,023	314,640	330,357
Investment income - unrestricted	73,451	81,164	40,045
Miscellaneous	125,749	61,112	79,002
Gain from sale of capital assets	-	-	-
Transfers	-	-	-
<b>Total Governmental Activities</b>	<u>6,360,776</u>	<u>5,834,113</u>	<u>5,330,535</u>
Business-type activities:			
Miscellaneous			7,070
Investment income (loss) - unrestricted	(14,847)	64,690	29,016
Transfers	-	-	-
Gain on sale of capital assets	-	-	-
<b>Total Business-Type Activities</b>	<u>(14,847)</u>	<u>64,690</u>	<u>36,086</u>
<b>Total Primary Government</b>	<u>\$ 6,345,929</u>	<u>\$ 5,898,803</u>	<u>\$ 5,366,621</u>
Change in net position:			
Governmental activities	\$ (393,156)	\$ (444,110)	\$ (436,170)
Business-type activities	<u>325,672</u>	<u>885,254</u>	<u>740,929</u>
<b>Total Primary Government</b>	<u>\$ (67,484)</u>	<u>\$ 441,144</u>	<u>\$ 304,759</u>

Notes:

- The Town implemented new formatting for the year ended September 30, 2012.
- The Town split out Gain from sale of capital assets which was previously reported in miscellaneous income for the year ended September 30, 2015.

2012	2013	2014	2015	2016	2017	2018
\$ (7,183,752)	\$ (5,329,552)	\$ (6,684,776)	\$ (7,351,481)	\$ (6,006,842)	\$ (8,949,824)	\$ (6,719,831)
<u>380,529</u>	<u>58,155</u>	<u>564,574</u>	<u>1,044,474</u>	<u>1,071,295</u>	<u>605,239</u>	<u>798,513</u>
<u>\$ (6,803,223)</u>	<u>\$ (5,271,397)</u>	<u>\$ (6,120,202)</u>	<u>\$ (6,307,007)</u>	<u>\$ (4,935,547)</u>	<u>\$ (8,344,585)</u>	<u>\$ (5,921,318)</u>
\$ 2,181,084	\$ 2,105,853	2,153,180	2,266,736	2,522,731	2,786,215	3,221,378
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
1,620,629	1,743,034	2,258,115	2,292,471	2,335,932	2,420,646	2,441,511
1,644,557	1,595,343	1,675,742	1,769,613	1,757,031	1,729,563	1,742,071
-	-	-	-	-	-	-
39,045	15,731	13,521	23,503	29,292	75,309	165,096
437,347	448,206	1,502,401	910,439	941,079	207,857	189,691
-	-	-	41,030	5,141	6,902	22,153
<u>23,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>23,863</u>	<u>-</u>	<u>100,000</u>
<u>5,945,662</u>	<u>5,908,167</u>	<u>7,602,959</u>	<u>7,303,792</u>	<u>7,615,069</u>	<u>7,226,492</u>	<u>7,881,900</u>
25,282	1,384,234	20,747	256,624	798,138	72,181	187,117
34,357	12,459	9,127	21,582	21,652	57,597	128,543
(23,000)	-	-	-	(23,863)	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>3,111</u>	<u>-</u>	<u>-</u>	<u>20</u>
<u>36,639</u>	<u>1,396,693</u>	<u>29,874</u>	<u>281,317</u>	<u>795,927</u>	<u>129,778</u>	<u>315,680</u>
<u>\$ 5,982,301</u>	<u>\$ 7,304,860</u>	<u>\$ 7,632,833</u>	<u>\$ 7,585,109</u>	<u>\$ 8,410,996</u>	<u>\$ 7,356,270</u>	<u>\$ 8,197,580</u>
\$ (1,238,090)	\$ 578,615	\$ 918,183	\$ (47,689)	\$ 1,608,227	\$ (1,723,332)	\$ 1,162,069
<u>417,168</u>	<u>1,454,848</u>	<u>594,448</u>	<u>1,325,791</u>	<u>1,867,222</u>	<u>735,017</u>	<u>1,114,193</u>
<u>\$ (820,922)</u>	<u>\$ 2,033,463</u>	<u>\$ 1,512,631</u>	<u>\$ 1,278,102</u>	<u>\$ 3,475,449</u>	<u>\$ (988,315)</u>	<u>\$ 2,276,262</u>

**TOWN OF LANTANA, FLORIDA**  
**FUND BALANCES OF GOVERNMENTAL FUNDS**  
**LAST TEN FISCAL YEARS**  
**(MODIFIED ACCRUAL BASIS OF ACCOUNTING)**

	2009	2010	2011	2012
<b>General Fund</b>				
Reserved	\$ 15,752	\$ 13,528	\$ -	\$ -
Unreserved	9,575,698	9,919,537	-	-
Nonspendable	-	-	11,456	11,170
Restricted	-	-	-	-
Committed	-	-	-	3,300,000
Assigned	-	-	4,780,203	1,172,463
Unassigned	-	-	5,407,467	3,864,418
<b>Total General Fund</b>	<u>9,591,450</u>	<u>9,933,065</u>	<u>10,199,126</u>	<u>8,348,051</u>
<b>All Other Governmental Funds</b>				
Reserved	-	-	-	-
Unreserved, reported in:				
Special revenue funds	1,132,200	986,177	-	-
Restricted	-	-	11,121	12,680
Assigned	-	-	70,596	58,545
Unassigned	-	-	-	(1,376,767)
<b>Total All Other Governmental Funds</b>	<u>1,132,200</u>	<u>986,177</u>	<u>81,717</u>	<u>(1,305,542)</u>
<b>Total Governmental Funds</b>	<u>\$ 10,723,650</u>	<u>\$ 10,919,242</u>	<u>\$ 10,280,843</u>	<u>\$ 7,042,509</u>

Notes:

- The Town implemented GASB Statement No. 54 for the fiscal year ended September 30, 2011.
- The Town implemented new formatting for the year ended September 30, 2012.

	2013	2014	2015	2016	2017	2018
\$	-					
	-					
	12,778	15,212	12,873	10,980	13,914	8,261
	-	1,000,000	-	666,166	1,075,481	1,562,930
	3,300,000	-	-	-	-	-
	964,307	4,110,530	5,147,691	4,277,074	4,075,990	3,787,079
	<u>4,109,878</u>	<u>4,536,305</u>	<u>3,923,144</u>	<u>5,768,132</u>	<u>6,794,650</u>	<u>8,044,051</u>
	<u>8,386,963</u>	<u>9,662,047</u>	<u>9,083,708</u>	<u>10,722,352</u>	<u>11,960,035</u>	<u>13,402,321</u>
	-					
	15,476	19,931	19,750	18,989	349,709	614,270
	53,245	50,767	175,812	204,038	-	-
	<u>(103,353)</u>	<u>(51,674)</u>	<u>(51,888)</u>	<u>(68,113)</u>	<u>-</u>	<u>-</u>
	<u>(34,632)</u>	<u>19,024</u>	<u>143,674</u>	<u>154,914</u>	<u>349,709</u>	<u>614,270</u>
\$	<u>8,352,331</u>	<u>\$ 9,681,071</u>	<u>\$ 9,227,382</u>	<u>\$ 10,877,266</u>	<u>\$ 12,309,744</u>	<u>\$ 14,016,591</u>

**TOWN OF LANTANA, FLORIDA**  
**CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS**  
**LAST TEN FISCAL YEARS**  
**(MODIFIED ACCRUAL BASIS OF ACCOUNTING)**

	2009	2010	2011	2012
<b>Revenues</b>				
Taxes	\$ 5,571,857	\$ 5,047,101	\$ 4,516,833	\$ 2,181,084
Franchise fees and utility taxes	-	-	-	1,623,757
Other taxes	-	-	-	204,668
Licenses and permits	389,827	403,591	421,992	360,147
Intergovernmental	1,718,146	1,927,261	2,009,385	1,621,999
Charges for services	1,236,270	1,337,915	1,419,612	1,269,441
Fines and forfeitures	101,139	103,694	195,210	139,373
Investment income	73,451	81,164	40,045	39,045
Grant revenue	-	-	-	311,442
Interlocal agreements	-	-	-	548,056
Special assessments	-	-	-	--
Miscellaneous	122,365	81,305	131,573	619,571
<b>Total Revenues</b>	<u>9,213,055</u>	<u>8,982,031</u>	<u>8,734,650</u>	<u>8,918,583</u>
<b>Expenditures</b>				
Current:				
General government	763,636	707,669	752,596	754,111
Public safety	4,630,719	4,511,841	4,465,650	5,512,951
Physical environment	2,385,811	2,347,078	2,145,228	1,968,766
Transportation				165,070
Culture and recreation	201,539	174,009	166,932	183,873
Capital outlay	2,124,756	616,306	1,413,107	3,165,612
Debt service:				
Principal	309,616	321,959	334,793	348,138
Interest and fiscal charges	119,919	107,577	94,743	81,396
<b>Total Expenditures</b>	<u>10,535,996</u>	<u>8,786,439</u>	<u>9,373,049</u>	<u>12,179,917</u>
<b>Excess (Deficiency) of Revenues</b>				
<b>Over Expenditures</b>	<u>(1,322,941)</u>	<u>195,592</u>	<u>(638,399)</u>	<u>(3,261,334)</u>
<b>Other Financing Sources (Uses)</b>				
Transfers in	350,000	315,410	65,371	23,000
Transfers out	(350,000)	(315,410)	(65,371)	-
Bonds issued	-	-	-	-
Refunding bonds issued	-	-	-	-
Sale of capital assets	-	-	-	-
Capital lease	-	-	-	-
Payment for current refunding	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>23,000</u>
<b>Net Change in Fund Balances</b>	<u>\$ (1,322,941)</u>	<u>\$ 195,592</u>	<u>\$ (638,399)</u>	<u>\$ (3,238,334)</u>
<b>Debt Service as a Percentage</b>				
<b>of Non-Capital Expenditures</b>	5.11%	5.26%	5.40%	4.77%

Note: Beginning with FY 2015, transportation will be reported in physical environment.



	2013	2014	2015	2016	2017	2018
\$	2,105,853	2,153,180	2,266,736	2,522,731	2,786,215	3,221,378
	1,743,034	2,258,115	2,292,471	2,335,932	2,420,646	2,441,511
	220,893	224,940	226,005	241,996	239,559	280,457
	333,681	408,110	410,943	884,795	621,550	708,433
	1,622,354	1,654,427	1,757,307	1,744,197	2,273,694	2,540,066
	1,144,293	1,056,320	475,435	463,570	557,643	589,013
	140,741	249,517	455,675	281,247	288,441	264,439
	15,731	13,521	23,503	29,292	75,309	165,096
	1,352,161	312,616	92,804	1,132,457	754,027	473,784
	574,015	696,606	712,352	750,678	764,878	791,044
	--	-	681,409	681,712	694,935	711,788
	<u>601,851</u>	<u>1,659,211</u>	<u>1,167,007</u>	<u>1,128,625</u>	<u>399,786</u>	<u>397,194</u>
	<u>9,854,607</u>	<u>10,686,563</u>	<u>10,561,647</u>	<u>12,197,232</u>	<u>11,876,683</u>	<u>12,584,203</u>
	866,813	1,391,794	729,286	819,152	934,999	915,874
	4,243,764	4,491,973	4,950,124	5,219,001	5,302,133	5,974,086
	1,678,172	1,250,285	2,122,784	2,188,156	2,204,535	2,749,796
	681,965	1,023,958	-	-	-	-
	170,052	208,020	179,167	197,626	358,960	411,693
	474,485	562,257	2,604,441	1,778,909	1,336,000	827,027
	362,017	376,450	391,457	345,891	297,552	98,109
	<u>67,517</u>	<u>53,086</u>	<u>38,077</u>	<u>22,476</u>	<u>10,026</u>	<u>771</u>
	<u>8,544,785</u>	<u>9,357,823</u>	<u>11,015,336</u>	<u>10,571,211</u>	<u>10,444,205</u>	<u>10,977,356</u>
	<u>1,309,822</u>	<u>1,328,740</u>	<u>(453,689)</u>	<u>1,626,021</u>	<u>1,432,478</u>	<u>1,606,847</u>
	-	-	-	41,024	109,735	104,069
	-	-	-	(17,161)	(109,735)	(4,069)
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	--	--	--	23,863	--	100,000
\$	<u>1,309,822</u>	<u>\$ 1,328,740</u>	<u>\$ (453,689)</u>	<u>\$ 1,649,884</u>	<u>\$ 1,432,478</u>	<u>\$ 1,706,847</u>
	5.32%	4.88%	5.11%	4.19%	3.38%	0.97%

**TOWN OF LANTANA, FLORIDA****NET ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY  
LAST TEN FISCAL YEARS**

Fiscal Year Ended September 30,	Tax Roll Year	Assessed Values		Total Taxable Assessed Value	Total Direct Tax Rate
		Real Property	Personal Property		
2009	2008	961,009,605	48,340,349	1,009,349,954	3.2395
2010	2009	811,855,499	55,896,262	867,751,761	3.2395
2011	2010	666,998,679	54,057,556	721,056,235	3.2395
2012	2011	646,728,736	46,810,684	693,539,420	3.2395
2013	2012	632,656,708	45,488,892	678,145,600	3.2395
2014	2013	647,132,006	38,872,232	686,004,238	3.2395
2015	2014	683,142,716	42,129,528	725,272,244	3.2395
2016	2015	757,505,897	43,362,825	800,868,722	3.2395
2017	2016	846,039,655	43,826,976	889,866,631	3.2395
2018	2017	916,809,816	34,560,485	951,370,301	3.5000

Note: Property in the Town is re-assessed each year. Property is assessed at actual value; therefore, the assessed values are equal to actual value. Tax rates are per \$1,000 of assessed value.

Source: Palm Beach County Property Appraiser's Office.



**TOWN OF LANTANA, FLORIDA**  
**PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS**  
**LAST TEN FISCAL YEARS**

Fiscal Year		Direct Rate	Overlapping Rates (1)		
		Town	Palm Beach	Palm	Fire/
Ended	Tax Roll	General	School	Beach	Rescue
September 30,	Year	Operations (2)	District	County	MSTU (3)
2009	2008	3.2395	7.2510	3.9656	2.9500
2010	2009	3.2395	7.9830	4.5614	3.4581
2011	2010	3.2395	8.1540	4.9960	3.4581
2012	2011	3.2395	8.1800	4.9925	3.4581
2013	2012	3.2395	7.7780	4.9902	3.4581
2014	2013	3.2395	7.5860	4.9852	3.4581
2015	2014	3.2395	7.5940	4.9729	3.4581
2016	2015	3.2395	7.5120	4.9277	3.4581
2017	2016	3.2395	7.0700	4.9142	3.4581
2018	2017	3.5000	6.7690	4.9023	3.4581

Note 1: All millage rates are based on \$1 for every \$1,000 of assessed value.

Sources: Town of Lantana Finance Department and Palm Beach County Property Appraiser's Office.

- (1) Overlapping rates are those of local and county governments that apply to property owners within the Town of Lantana. Not all overlapping rates apply to all Town of Lantana property owners (i.e. the rates for special taxing districts apply only to the proportion of the government's property owners whose property is located within the geographic boundaries of the special district).
- (2) The only component of the Town's direct rate is it's operating millage. The Town does not have a debt service component.
- (3) FY 2009 was the first year that Palm Beach County separately charged the Fire/Rescue MSTU rate for the Town of Lantana. Previously, this charge was included in the Town's Millage Rate.

Tax rate limits	Ten mills operating expense exclusive of debt service per Florida Statute 200.081. (One mill equals \$1 per \$1,000 of assessed valuation)
Scope of tax rate limits	No municipality shall levy ad valorem taxes for real and tangible personal property in excess of ten mills of the assessed value, except for special benefits and debt service on obligations issued with the approval of those taxpayers subject to ad valorem taxes.
Taxes assessed	January 1
Taxes due	March 31
Taxes delinquent	April 1
Discount allowed	4% November; 3% December; 2% January; 1% February
Penalties for delinquency	2.5% after April 1; increase .5% each ten days maximum 5%
Tax collector	Palm Beach County
Tax collector's commission	None

Overlapping Rates (1)				
Childrens Services Council	Health Care District	South Florida		Total Direct and Overlapping Rates
		Water Management District	F.I.N.D.	
0.6009	0.9975	0.6240	0.0345	19.6630
0.6898	1.1451	0.6240	0.0345	21.7354
0.7513	1.1450	0.6240	0.0345	22.4024
0.7475	1.1250	0.4363	0.0345	22.2134
0.7300	1.1220	0.4289	0.0345	21.7812
0.7025	1.0800	0.4110	0.0345	21.4968
0.6745	1.0800	0.3842	0.0345	21.4377
0.6677	1.0426	0.3551	0.0320	21.2347
0.6833	0.8993	0.3307	0.0320	20.6271
0.6590	0.7808	0.3100	0.0320	20.4112

**TOWN OF LANTANA, FLORIDA**  
**PRINCIPAL PROPERTY TAXPAYERS**  
**CURRENT YEAR AND NINE YEARS AGO**

Taxpayer	2018			2009		
	Net Assessed Value	Rank	Percentage of Total Assessed Value	Net Assessed Value	Rank	Percentage of Total Assessed Value
Palm Beach FL Senior Property LLC	\$ 55,130,954	1	5.79%			
Lantana Development LLC	\$ 18,355,538	2	1.93%			
TRG Seaside LP	\$ 17,000,000	3	1.79%			
BT Lantana, LLC	\$ 16,269,645	4	1.71%			
Florida Power & Light Co	\$ 15,557,110	5	1.64%			
Lantana SDC LLC	\$ 12,426,475	6	1.31%			
Lantana SMI LLC	\$ 10,153,004	7	1.07%			
Costco Wholesale Corp.	\$ 9,326,669	8	0.98%	\$ 10,330,414	4	1.16%
Hypoluxo I LP	\$ 8,337,861	9	0.88%			
Lan Hill Corp.	\$ 7,247,139	10	0.76%	\$ 7,844,776	5	0.88%
Palm Beach Club, LLC				\$ 29,000,000	1	3.26%
Ramco Lantana, LLC				\$ 14,628,628	2	1.64%
Equity One (Lantana) Inc				\$ 12,951,494	3	1.46%
GMC of Lantana Ltd.				\$ 7,000,000	6	0.79%
Village at Ocean Walk LLC				\$ 5,528,780	10	0.62%
M Six Creditvest I Business				\$ 5,895,258	9	0.66%
Lantana Storage Partners LTD				\$ 5,918,723	8	0.67%
	<u>\$ 169,804,395</u>		<u>17.85%</u>	<u>\$ 99,098,073</u>		<u>11.14%</u>

Source: Palm Beach County Tax Collector's Office.

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

Fiscal Year Ended September 30,	Total Tax Levy for Fiscal Year	Collected within the Fiscal Year of the Levy		Collected in Subsequent Years	Total Property Tax Collections	
		Amount	Percent of Levy		Amount	Percent of Levy
2009	3,269,789	3,137,780	95.96%	17,963	3,155,743	96.51%
2010	2,811,082	2,690,626	95.71%	7,653	2,698,279	95.99%
2011	2,335,862	2,239,992	95.90%	9,318	2,249,310	96.29%
2012	2,246,721	2,172,980	96.72%	13,923	2,186,902	97.34%
2013	2,196,853	2,104,328	95.79%	4,780.77	2,109,108	96.01%
2014	2,222,311	2,146,101	96.57%	4,339.56	2,150,440	96.77%
2015	2,349,519	2,265,091	96.41%	(1,342.22)	2,263,749	96.35%
2016	2,594,414	2,505,935	96.59%	6,860.44	2,512,796	96.85%
2017	2,882,723	2,782,116	96.51%	(3,508.64)	2,778,607	96.39%
2018	3,329,796	3,316,323	99.60%		3,316,323	99.60%

Note: All property taxes are assessed and collected by Palm Beach County without charge to the Town, and collections are distributed as collected.

Source: Town of Lantana Finance Department and Palm Beach County Tax Collector's Office.

**TOWN OF LANTANA, FLORIDA**  
**RATIOS OF OUTSTANDING DEBT BY TYPE**  
**LAST TEN FISCAL YEARS**

Fiscal Year Ended September 30,	Governmental Activities		Business-Type Activities	Total	Percent of	
	Revenue Bonds	Notes	Revenue Bonds	Primary Government	Personal Income (1)	Per Capita (1)
2009	689,588	2,186,778	9,115,366	11,991,732	23.58%	1,231
2010	594,943	1,959,464	8,493,277	11,047,684	21.56%	1,138
2011	496,379	1,723,236	7,845,701	10,065,316	18.68%	966
2012	393,731	1,477,745	7,167,200	9,038,676	16.25%	858
2013	286,832	1,222,627	5,376,346	6,885,805	11.88%	651
2014	175,506	957,504	4,637,990	5,770,999	8.62%	540
2015	59,568	681,985	3,880,709	4,622,261	6.72%	432
2016	--	395,661	3,103,891	3,499,552	4.86%	326
2017	--	98,109	2,306,904	2,405,013	3.22%	223
2018	--	--	1,489,088	1,489,088	N/A	131

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

Source: Town of Lantana Finance Department

(1) See the Schedule of Demographic and Economic Statistics for personal income and population data

N/A - Data is not available



**TOWN OF LANTANA, FLORIDA**  
**DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT**  
**SEPTEMBER 30, 2018**

Government Unit	Net Debt Outstanding (1)	Percentage Applicable to Town of Lantana (2)	Amount Applicable to the Town of Lantana
Palm Beach County	\$ 82,850,000	0.51%	\$ 420,750
Palm Beach County School District	<u>9,853,000</u>	0.51%	<u>50,038</u>
Subtotal, Overlapping Debt	92,703,000		470,788
Town of Lantana Direct Debt	-	100.00%	<u>-</u>
Total direct and overlapping debt	<u>\$ 92,703,000</u>		<u>\$ 470,788</u>

Sources: Assessed value data used to estimate applicable percentages provided by the Palm Beach County Property Appraiser. Debt outstanding data provided by each governmental unit

(1) General Obligation Bonds

(2) Estimated based on 2017 Ratio of Assessed Taxable Values

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the Town. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the Town of Lantana. This process recognizes that, when considering the Town's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt of each overlapping government.

**TOWN OF LANTANA, FLORIDA**  
**STREETS AND HIGHWAYS NOTE PLEDGED REVENUE COVERAGE**  
**LAST TEN FISCAL YEARS (1)**

Fiscal Year Ended September 30	Public Services Tax Revenue (1)	Local Option Fuel Tax (1)	Revenue Available for Debt Service	Debt Service Requirements			Coverage
				Principal	Interest	Total	
2009	1,376,332	259,712	1,636,044	218,736	88,842	307,578	5.32
2010	1,387,741	255,614	1,643,355	227,314	80,264	307,578	5.34
2011	1,319,492	251,704	1,571,196	236,228	71,350	307,578	5.11
2012	1,316,599	263,960	1,580,559	245,491	62,086	307,578	5.14
2013	1,343,870	263,691	1,607,561	255,118	52,459	307,578	5.23
2014	1,407,999	270,434	1,678,433	265,123	42,455	307,578	5.46
2015	1,454,563	289,510	1,744,073	275,519	32,058	307,578	5.67
2016	1,436,154	293,802	1,729,956	286,324	21,254	307,578	5.62
2017	1,454,866	304,869	1,759,736	297,552	10,026	307,578	5.72
2018	1,473,527	298,495	1,772,021	98,109	771	98,880	17.92

Source: Town of Lantana Finance Department

(1) The Streets and Highways Debt is secured by a pledge of and a lien on the revenues derived and to be derived from the public services tax and the local option fuel tax

(2) Streets and Highways Note was paid during Fiscal Year 2018.

**TOWN OF LANTANA, FLORIDA**  
**1998, 2003 AND 2012 WATER AND SEWER BONDS PLEDGED REVENUE COVERAGE**  
**LAST TEN FISCAL YEARS**

Fiscal Year Ended September 30	Gross Revenue (1)	Operating Expenses (2)	Revenue Available for Debt Coverage	Total Debt Service	Current Coverage
2009	4,819,178	3,194,599	1,624,579	1,036,023	1.57
2010	5,140,153	3,039,859	2,100,294	1,034,609	2.03
2011	5,019,042	3,087,553	1,931,489	1,019,396	1.89
2012	5,067,849	3,352,158	1,715,691	1,034,388	1.66
2013	5,007,076	3,826,500	1,180,576	1,968,617	0.60
2014	5,271,997	3,645,194	1,626,803	858,149	1.90
2015	5,889,029	3,531,730	2,357,299	857,875	2.75
2016	6,463,840	3,490,066	2,973,774	858,078	3.47
2017	6,018,990	4,186,795	1,832,195	858,000	2.14
2018	6,275,934	4,083,141	2,192,793	860,143	2.55

Source: The Town of Lantana Finance Department

- (1) Includes interest income and gain on sale of equipment. Excludes settlement proceeds.
- (2) Excludes depreciation and amortization expense
- (3) The 1998, 2003 and the 2012 Water and Sewer Bonds are secured by a pledge on the revenues derived from the operation of the water and sewer system and, accordingly, are recorded in the enterprise fund
- (4) The 2003 Water and Sewer Bond was retired in Fiscal Year 2018.

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

Year	Town Population (1)	Palm Beach County Per Capita Income (2)	Town School Enrollment (3)	Palm Beach County Unemployment Rate (4)
2009	9,743	50,860	1,814	11.7%
2010	9,704	51,251	2,158	11.8%
2011	10,423	53,871	1,222	10.8%
2012	10,536	55,628	2,126	8.9%
2013	10,583	57,985	2,095	7.4%
2014	10,681	66,914	3,028	6.0%
2015	10,705	68,743	2,469	5.3%
2016	10,737	71,946	2,585	5.2%
2017	10,797	74,754	2,389	3.7%
2018	11,397	N/A	2,389	3.1%

Sources:

(1) University of Florida, Bureau of Economic and Business Research

(2) US DOC Bureau of Economic Development

(3) Palm Beach County School Board Budget Office

(4) U.S. Department of Labor, Bureau of Labor Statistics and  
Palm Beach County Business Development Board

N/A - Statistical information not available

NOTE: Where indicated, Palm Beach County data was used as a more relevant source.

**TOWN OF LANTANA, FLORIDA**  
**PRINCIPAL EMPLOYERS - PALM BEACH COUNTY (1)**  
**CURRENT YEAR AND NINE YEARS AGO**

<b>Employer</b>	2018			2009		
	Employees	Rank	Percentage of Total County Employment	Palm Beach Employees	Rank	Percentage of Total County Employment
School Board of Palm Beach County	21,466	1	3.04%	21,718	1	4.02%
Palm Beach County	5,952	2	0.84%	11,319	2	2.09%
Tenet Healthcare Corporation	5,939	3	0.84%	4,500	3	0.83%
Florida Power & Light (NextEra Energy)	4,404	4	0.62%	3,632	4	0.67%
HCA (Hospital Corporation of America)	3,550	5	0.50%	3,395	5	0.63%
Boca Raton Regional Hospital	2,800	6	0.40%	2,100	10	0.39%
Florida Atlantic University	2,644	7	0.37%	2,838	7	0.52%
Veterans Health Administration	2,535	8	0.36%	2,207	8	0.41%
Bethesda Memorial Hospital	2,282	9	0.32%			
Office Depot	3,034	10	0.43%	2,100	9	0.39%
Wackenhut Corporation				3,000	6	0.55%
	<u>54,606</u>		<u>7.73%</u>	<u>56,809</u>		<u>10.51%</u>

(1) Source: Business Development Board of Palm Beach County. Data is for Palm Beach County, Florida. Employment information for the Town is not available.

**TOWN OF LANTANA, FLORIDA**  
**FULL-TIME EQUIVALENT TOWN GOVERNMENT EMPLOYEES BY FUNCTION**  
**LAST TEN FISCAL YEARS**

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Number of Employees:										
<b>General Government</b>										
Administration	3	3	3	3	3	3	3	3.5	3.5	3.5
Finance	9	9	9	9	9	9	9	9	9	10
<b>Public Safety</b>										
Police Personnel and Officers	38	37	35	35	35	35	36	37.5	38.1	41.1
Marine Safety	5	5	5	5	4	4.2	4.2	4.25	4.1	4.1
Development Services	7	7	7	7	6	7	7	7	7	7
<b>Culture and Recreation</b>										
Parks and Recreation	-	-	-	-	-	-	-	-	-	-
Library	2	2	2	2	2	1.75	1.75	1.75	1.75	2.4
General Maintenance	-	-	-	-	-	-	-	-	-	-
<b>Physical Environment</b>										
Management	3	3	3	3	3	3	3	3	3	3
Sanitation	10	10	10	10	3	-	-	-	-	-
Water/Sewer	9	9	9	9	8	10.2	10.5	10.5	10.5	10.5
Vehicle Maintenance	2	2	2	2	2	2	2	2	2	2
Public Works	<u>12</u>	<u>11</u>	<u>9</u>	<u>9</u>	<u>9</u>	<u>10.8</u>	<u>10.5</u>	<u>11.0</u>	<u>12.0</u>	<u>11.5</u>
<b>Total Number of Employees</b>	<u>100</u>	<u>98</u>	<u>94</u>	<u>94</u>	<u>84</u>	<u>86</u>	<u>87</u>	<u>89</u>	<u>91</u>	<u>95</u>

Source: Town of Lantana Finance Department

**Note:**

During fiscal year 2009, Parks and Recreation and General Maintenance under Culture and Recreation became a part of the Operations function under Physical Environment.

During fiscal year 2014, Operations was renamed to Public Works and Sanitation employees were transferred to Public Works.



**TOWN OF LANTANA, FLORIDA**  
**OPERATING INDICATORS BY FUNCTION/PROGRAM**  
**LAST TEN FISCAL YEARS**

Function/Program	2009	2010	2011	2012
<b>General Government:</b>				
<b>Town Clerk</b>				
Council agendas prepared	27	30	32	29
Ordinances passed by Council	7	11	6	14
Resolutions passed by Council	19	10	13	14
Records destroyed cubic feet	24	102.5	70.5	58
Public record requests	27	83	90	97
Employee service awards	12	15	17	12
<b>Finance</b>				
Accounts payable checks issued	2,080	1,911	2,199	2,209
New fixed asset items tagged	61	55	81	63
Trailer decals processed			276	195
Beach decals processed	628	686	666	687
<b>Information Systems</b>				
Installation of new software	60	65	75	27
Installation of new hardware	50	25	20	18
Upgrades to current software	100	150	150	197
<b>Public Safety</b>				
<b>Police</b>				
Police personnel and officers	38	37	35	35
Survey letters sent/returned	300/59	300/60	250/10	--
CARE visits	130	107	79	74
House checks	102	24	49	21
Selective Traffic Enforcement Programs (STEP)	459	456	325	232
Traffic enforcement operations	12	12	12	12
<b>Development Services</b>				
Building permits issued	715	750	495	650
Code citations cases opened	790	800	1,600	265
Business tax receipts issued	1,350	1,350	1,239	1,250
<b>Marine Safety</b>				
Beach attendance	183,579	201,920	220,470	182,335
Ocean rescues and assists	10	31	34	11
<b>Culture and Recreation</b>				
<b>Parks and Recreation</b>				
Youth soccer registrants	0	0	0	0
Youth baseball registrants	0	0	0	0
<b>Library</b>				
New borrowers' cards issued	1,081	765	633	505
Books borrowed	18,935	17,237	16,166	13,748
Hours of public internet use	13,095	12,183	11,691	10,154
Users	17,267	15,497	15,078	13,437
Attendance at Library programs	361	195	120	217
Programs	251	83	5	97
<b>Physical Environment</b>				
<b>Department of Public Works</b>				
Vehicles maintained	80	80	80	79
Pieces of equipment maintained	95	95	95	95
Sidewalks repaired/replaced	406 sq. ft.	406 sq. ft.	411 sq. ft.	5,732 sq. ft.
Solid waste and recycled material collected	5,900 tons	5,900 tons	5,900 tons	6,200 tons
Treated, pumped and dispensed water	580.5 million gallons	642.5 million gallons	566.9 million gallons	442.7 million gallons

Source: Town of Lantana - Various Departments

Note: Public Safety discontinued the survey letters beginning with fiscal year 2012.

Solid waste and recycling were outsourced towards the end of fiscal year 2013.

During fiscal year 2017, the youth soccer and baseball programs resumed.



2013	2014	2015	2016	2017	2018
27	25	25	25	26	24
16	12	10	11	13	8
16	13	8	17	12	12
135.7	114.86	145.5	132.5	207	316
124	153	162	183	228	362
22	8	12	13	6	9
2,218	2,215	2,263	2,208	2,253	2,219
63	48	52	45	67	100
115	175	177	197	183	161
422	665	700	892	829	780
38	36	35	25	32	85
58	53	49	43	64	28
73	88	90	85	143	190
35	35	36	37.5	38	41
--	--	--	--	--	--
72	114	218	43	108	135
91	124	37	536	2,514	2,097
762	500	390	1031		
				950	943
12	12	12	5	5	5
547	651	657	668	662	869
1,695	1443	1,406	1727	1,993	2,907
1,306	1314	1,314	1317	1,351	1,358
159,415	211,895	170,155	157,265	127,571	144,619
13	5	17	20	15	2
0	0	0	0	164	244
0	0	0	0	71	96
641	525	426	362	379	333
13,278	17,106	15,944	17,564	11,941	13,297
10,895	11,647	2,976	2,687	2,252	3,252
12,528	14,185	3,364	2,993	2,479	2,342
225	172	175	125	172	113
83	67	49	20	23	7
78	78	56	57	59	57
127	128	129	129	118	118
15,265 sq. ft.	6,103 sq. ft.	9,782 sq. ft.	18,090 sq. ft.	5,398 sq. ft.	800 sq. ft.
4,093 tons	0 tons	0 tons	0 tons	0 tons	0 tons
671.5 million gallons	736.5 million gallons	686.3 million gallons	674.9 million gallons	776.7 million gallons	671 million gallons

**TOWN OF LANTANA, FLORIDA**  
**CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM**  
**LAST TEN FISCAL YEARS**

Function/Program	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<b>General Government</b>										
Number of general government buildings	5	5	5	5	5	5	5	5	7	7
<b>Public Safety</b>										
Police	1	1	2	2	2	2	2	2	1	1
Marine Safety	1	1	1	1	1	1	1	1	1	1
<b>Physical Environment</b>										
Transportation:										
Sidewalks repaired/replaced (sq. ft.)	406	406	411	5,732	15,265	6,103	9,782	18,090	5,398	800
Streets (miles)	30	30	30	30	68	68	68	68	68	68
Culture and recreation:										
Public Ground (acres)	31	31	31	33	33	33	33	33	33	33
Parks	6	6	6	6	6	6	6	8	8	9
Soccer fields	1	1	1	1	1	1	0	2	2	2
Baseball/softball fields	6	6	6	6	6	6	0	3	3	3
Tennis courts	4	4	4	4	2	2	4	4	4	4
Playgrounds	4	4	4	4	4	4	4	5	5	5
Basketball courts	2	2	2	2	3	3	1	1	0	3
Public Works/Utilities:										
Vehicles maintained	80	80	80	79	78	78	56	57	59	57
Equipment maintained	95	95	95	95	127	128	129	129	118	118
Lift stations maintained	18	18	18	18	18	18	18	18	18	18
Fire Hydrants	374	374	374	374	374	374	374	374	374	374

Source: Town of Lantana - Various Town Departments

# TOWN OF LANTANA, FLORIDA

## MISCELLANEOUS STATISTICS

**Historical Sketch:** The Town of Lantana is a coastal community in Palm Beach County, which still retains the charm of its origins as an old Florida fishing village. Although it is one of the smaller communities of Palm Beach County, it is noted as one of the oldest. The first settlers came after Congress passed the Armed Occupation Act in 1842 at the end of the Seminole Wars. One of the pioneer settlers, The Lyman family, is distinguished as the founders of the town. M. B. Lyman brought his family to Lantana in 1888 and started several enterprises. He established a store, Indian Trading Post and post office in 1889. As postmaster, Mr. Lyman named the post office Lantana Point for the wild Lantana plant, which grew in abundance in the area. The “Point” was later dropped. One of the Lyman businesses was the Lantana Fish Company. One hundred thousand-pound catches of fish were made. In the early 1900’s the gathering and marketing of oysters became the leading industry. The Town of Lantana was incorporated in 1921, with 22 residents voting in the first election. At the time of incorporation, the area of Lantana was one square mile, with a population of 100 residents. Today the year round population is 11,397 with a seasonal population of approximately 13,500.

**Form of Government:** Town Council – Manager with a Mayor and four Council members elected for three year overlapping terms. The Town Manager is appointed by the Town Council.

**Location and Area:** The Town of Lantana encompasses an area of 2.79 square miles and is located about five miles south of the City of West Palm Beach. The Town’s corporate limits extend just west of I-95 and eastward to the Atlantic Ocean. Four other municipalities and one unincorporated area of Palm Beach County border the Town. Palm Beach County is located on the southeast coast of Florida and extends westward to Lake Okeechobee with a total 2,230 square miles, including 46 miles of frontage on the Atlantic Ocean and about 25 miles of frontage on Lake Okeechobee.

**Police Protection:** The Department consists of thirty-two sworn officers and nine civilian full-time employees.

**Fire Protection:** Fire/rescue services are provided to the residents of the Town of Lantana by Palm Beach County through a seven-year interlocal agreement.

**Recreation Facilities:** The Town of Lantana’s recreational facilities include an eight-acre municipal beach with 745 feet of ocean frontage, open picnic areas, an oceanfront pavilion, an open-air restaurant, showers, rest rooms, lifeguard station and a playground area. The Town has three passive parks and one preserve, which encompass approximately six acres. Some provide shaded picnic areas, playground equipment and/or rest rooms. One of the parks also has a basketball court and skate area. The Lyman Kayak Park has a kayak launch and observation dock. The Town has a recreation center with four tennis courts (two lighted), two shuffleboard courts, a barbecue pavilion with a picnic area and a playground area. The Town has a two-acre boat launching facility capable of a four-boat capacity with a parking area. The Town maintains an 11-acre sports park consisting of three baseball fields, two soccer fields, rest rooms, a concession stand, two basketball courts and a playground.

**Marine Safety:** One Marine Safety Officer is an Auxiliary Police Officer. All members of this department are Ocean Lifeguard EMT’s that provide ocean lifeguard duties at the Town’s Municipal Beach as well as marine patrol and rescue services.

**Building Activity:** The Town of Lantana is approximately 99% developed. During the fiscal year 2018, the Building Department issued 869 permits with fees of approximately \$646,328 for total construction of \$45.7 million. In addition, the Department issued 159 new business tax receipts and 1,199 business tax receipt renewals for total revenue of \$280,457.

**Water and Wastewater System:** As of September 30, 2018, the Town provided water service to over 3,450 customers. For the 2018 fiscal year, the number of gallons of finished water that passed through the master meter was 671 million.

**TOWN OF LANTANA, FLORIDA**

**SCHEDULE OF INSURANCE IN FORCE**

**SEPTEMBER 30, 2018**

Company	Type of Coverage	Covered	Amount of Coverage
ACE American Insurance Company	Accidental death and dismemberment	Law enforcement officers and clerical staff	Statutory
Public Risk Management	Employee dishonesty, theft, computer fraud	Town employees and property	\$ 500,000
Public Risk Management	Real and personal property	Town property and equipment	\$ 22,933,961
Public Risk Management	Employment related practices liability	Town employees	\$ 2,000,000 \$6M Aggregate
Public Risk Management	General and automobile liability	Town employees and vehicles	\$ 2,000,000
Public Risk Management	Workers compensation liability	Town	\$ 3,000,000
Commerce & Industry	Above ground petroleum storage tanks	Town property	\$ 1,000,000 \$2M Aggregate

## COMPLIANCE SECTION





**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**

The Honorable Mayor and Members of the Town Council  
The Town of Lantana, Florida

We have audited, in accordance with the 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, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Lantana, Florida ("Town") as of and for the fiscal year ended September 30, 2018, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements, and have issued our report thereon dated April 22, 2019, which includes an emphasis of matter paragraph. Our report includes a reference to other auditors who audited the financial statements of the Town of Lantana Police Relief and Pension Fund ("Pension Fund") as described in our report on the Town's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Town'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'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 a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control 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 material weaknesses or, significant deficiencies. 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's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and 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 of 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.

 Brian J. Associates

April 22, 2019





**Grau & Associates**  
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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH THE  
REQUIREMENTS OF SECTION 218.415, FLORIDA STATUTES, REQUIRED BY  
RULE 10.556(10) OF THE AUDITOR GENERAL OF THE STATE OF FLORIDA**

The Honorable Mayor and Members of the Town Council  
The Town of Lantana, Florida

We have examined the Town of Lantana, Florida's ("Town") compliance with the requirements of Section 218.415, Florida Statutes, in accordance with Rule 10.556(10) of the Auditor General of the State of Florida during the fiscal 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. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the Town complied, in all material respects, with the specified requirements referenced in Section 218.415, Florida Statutes. An examination involves performing procedures to obtain evidence about whether the Town complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide 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 fiscal year ended September 30, 2018.

This report is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, management, and the Honorable Mayor and Members of the Town Council of the Town of Lantana, Florida and is not intended to be and should not be used by anyone other than these specified parties.

*Grau & Associates*

April 22, 2019



**MANAGEMENT LETTER PURSUANT TO THE RULES OF  
THE AUDITOR GENERAL FOR THE STATE OF FLORIDA**

To the Honorable Mayor and Town Council  
Town of Lantana, Florida

**Report on the Financial Statements**

We have audited the accompanying basic financial statements of the Town of Lantana, Florida (the "Town") as of and for the fiscal year ended September 30, 2018, and have issued our report thereon dated April 22, 2019, which includes an emphasis of matter paragraph.

**Auditor's Responsibility**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and Chapter 10.550, Rules of the Florida Auditor General.

**Other Reporting Requirements**

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters based on an audit of the financial statements performed in accordance with *Government Auditing Standards*; and Independent Auditor's Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports, which are dated April 22, 2019, should be considered in conjunction with this management letter.

**Purpose of this Letter**

The purpose of this letter is to comment on those matters required by Chapter 10.550 of the Rules of the Auditor General for the State of Florida. Accordingly, in connection with our audit of the financial statements of the Town, as described in the first paragraph, we report the following:

- I. Current year findings and recommendations.**
- II. Prior year findings and recommendations.**
- III. Compliance with the Provisions of the Auditor General of the State of Florida.**

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, Federal and other granting agencies, as applicable, management, and the members of the Town Council of the Town of Lantana, Florida and is not intended to be and should not be used by anyone other than these specified parties.

We wish to thank the Town of Lantana, Florida and the personnel associated with it, for the opportunity to be of service to them in this endeavor as well as future engagements and the courtesies extended to us.

*Grau & Associates*

April 22, 2019

## REPORT TO MANAGEMENT

### I. CURRENT YEAR FINDINGS AND RECOMMENDATIONS

None

### II. PRIOR YEAR FINDINGS AND CURRENT YEAR STATUS AND RECOMMENDATIONS

None

### III. COMPLIANCE WITH THE PROVISIONS OF THE AUDITOR GENERAL OF THE STATE OF FLORIDA

Unless otherwise required to be reported in the auditor's report on compliance and internal controls, the management letter shall include, but not be limited to the following:

1. A statement as to whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report.

There were no significant findings and recommendations made in the preceding annual financial audit report for the fiscal year ended September 30, 2017.

2. Any recommendations to improve the local governmental entity's financial management.

There were no such matters discovered by, or that came to the attention of, the auditor, to be reported for the fiscal year ended September 30, 2018.

3. Noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but which warrants the attention of those charged with governance.

There were no such matters discovered by, or that came to the attention of, the auditor, to be reported, for the fiscal year ended September 30, 2018.

4. The name or official title and legal authority of the Town are disclosed in the notes to the financial statements.
5. The Town has not met one or more of the financial emergency conditions described in Section 218.503(1), Florida Statutes.
6. We applied financial condition assessment procedures and no deteriorating financial conditions were noted as of September 30, 2018. It is management's responsibility to monitor financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information provided by same.



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