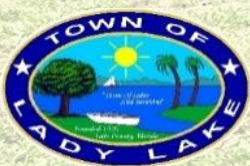


Town of Lady Lake Florida

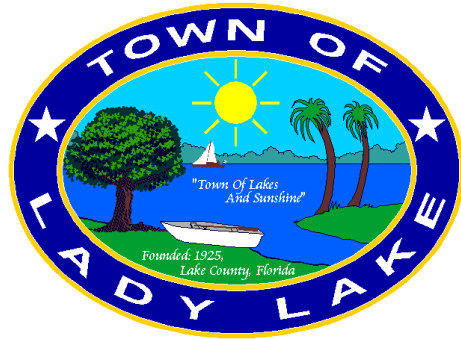


Town of Lady Lake - Parks & Recreation - Little League Concession Stand - Completed February 2018



Comprehensive Annual Financial Report for the Fiscal Year Ended September 30, 2019





TOWN OF LADY LAKE, FLORIDA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FISCAL YEAR ENDED SEPTEMBER 30, 2019

Prepared by:
Pamela Winegardner, CGFO
Finance Director

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**TOWN OF LADY LAKE, FLORIDA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED SEPTEMBER 30, 2019**

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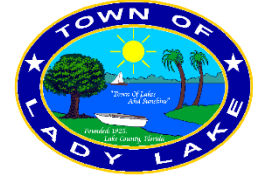
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April 28, 2020

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

Ladies and Gentlemen:

The Comprehensive Annual Financial Report (CAFR) of the Town of Lady Lake, Florida, (hereinafter referred to as “the Town”), for the fiscal year ended September 30, 2019, is submitted herewith pursuant to Article III, Section 3.01 (f) of the Town Charter; *Florida Statutes* Chapters 11.45 and 218.32, and Chapter 10.550 Rules of the Auditor General of the State of Florida. State law requires an annual “financial audit” of “local governmental entities” be completed no later than nine months after the end of the fiscal year. We publish the CAFR to provide the Town Commission, Town staff, our citizens, our lenders and other interested parties with detailed information concerning the financial condition and activities of the Town.

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

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

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

Shumacker, Johnston & Ross, PA, a firm of licensed certified public accountants have audited the Town’s financial statements in accordance with generally accepted auditing standards. The goal of the independent audit was to provide reasonable assurance that the financial statements of the Town for the fiscal year ended September 30, 2019, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditors concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the Town’s financial statements for the fiscal year ended

Honorable Mayor, Commissioners,
and Citizens of the Town of
Lady Lake, Florida
April 28, 2020

September 30, 2019, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

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

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

This report and other fiscal operating budgets may be accessed via the Town's website at www.ladylake.org

THE REPORTING ENTITY AND ITS ORGANIZATION

The Town of Lady Lake is located in north Lake County, Florida, approximately fifty miles northwest of Orlando on U.S. Highway 27/441. It currently occupies 8.57 square miles and serves a population of 15,655. The Town was incorporated in 1925 and has operated under a Commission/Manager form of government since 1987. The Town Commission consists of five elected officials who are elected from their respective wards on a non-partisan basis and are responsible for enacting ordinances and resolutions that govern the Town. The five commissioners are elected to staggered two-year terms. The commissioners from the even-numbered wards are elected in the even-numbered years and the commissioners from the odd-numbered wards are elected in the odd-numbered years. Each year the Commission elects one of its members to serve as Mayor. The Mayor presides over commission meetings and public ceremonies. The Commission appoints the Town Manager and the Town Attorney. As chief executive officer, the Town Manager is charged with the enforcement of all ordinances and resolutions passed by the Commission and appointment of heads of the various departments.

The Town of Lady Lake is a political subdivision of the State of Florida. As such, it is governed by and derives its operating authority from the constitution and laws of the State of Florida. The Town of Lady Lake is empowered to levy a property tax on both real and personal property (millage rate) located within its boundaries. The FY2019 property tax millage rate of \$3.3962 per \$1,000 of taxable value was again the second lowest municipal levy of the fourteen municipalities located within Lake County. It also is empowered by state statute to extend its corporate limits by annexation, which occurs periodically when deemed appropriate by the Town Commission.

The Town can, and in future cases predict we will, provide a wide range of governmental services. These services include a library; police protection; the construction and maintenance of highways, streets, and infrastructure; recreational activities and cultural events; building inspections; code enforcement; growth management and administrative services. In addition to

Honorable Mayor, Commissioners,
and Citizens of the Town of
Lady Lake, Florida
April 28, 2020

general government services, the Town also provides utility services including water, sewer, reuse and contracted garbage services. The Town Commission has financial accountability and oversight of the Police Officers' and General Employees' Retirement Systems; therefore, these activities are included in this entity's report. There are no component units nor legally separate entities that could be included as component units of the Town within the financial statements,

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

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

FACTORS AFFECTING ECONOMIC CONDITION

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

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

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

Significant commercial construction that were permitted and completed or still under construction include Goodwill 24,920 square feet, Heartland Dental 2,500 square feet, Millers Ale House 8,376 square feet, Mission BBQ 5,600 square feet, Cart World Expansion 3,310 square feet, Recreation Plantation-New Clubhouse 11,532 square feet and additional unnamed shops in the rest of the Commons Plaza 22,962 square feet.

Honorable Mayor, Commissioners,
and Citizens of the Town of
Lady Lake, Florida
April 28, 2020

Several new businesses opened during the 18-19 fiscal year in retail, restaurants, fitness, professional offices, real estate, insurance and commercial public service. Some of the new businesses and retail openings include; Novu Dermatology, Wawa, Village Veranda, Brylah Fashions Company, Citrus Inc., Curelogics Wound Care & Hyperbaric Center, Hungry Howie's Pizza, Innova Wellness Spa PA, Innovative Therapies Group, Inc., Kerachrom USA, Leopard Transport of Central Florida, MMD Holistic Medicine LLC, My DME Doc LLC, Neurology Center of Excellence, Obsessed Garage, One Way Remodeling LLC, Orange Blossom Auto Glass, Realty Executives Southern Region, Smile Awhile Hemporium, LLC., Soft Surroundings, Synovus Bank, The Sewing Studio at Lady Lake, Village Medical Injury Care, Voyage Auto Inc., Your CBD Store.

Lake County's September 2019 unemployment rate was 2.9%. This is the same rate as last year. This rate is close to the state average and lower than the United States average of 3.5% for the same period. Florida's unemployment rate has been steadily dropping.

Taxable values for real and personal property has increased by 17.7% from fiscal year 2008, when the Town of Lady Lake's property value was at its last peak. The Florida electorate approved amendment 1 on January 29, 2008 and its impact contributed to the limited growth in taxable values. Taxable values for FY2019 rose 6.9% from FY2018. The Town Commission elected to keep the millage at 3.3962 per \$1,000 of taxable value for FY2019.

Long-term financial planning. The General Fund's unassigned fund balance at September 30, 2019 is \$7,812,316. This balance represents 72% of the FY2019 General Fund final budget (\$10,784,586) when the pass thru costs of the contracted fire services (\$753,699) are removed.

Relevant financial policies. The one-cent sales surtax revenue (Sales Tax Revenue Fund) is authorized through December 31, 2032. This revenue can only be used for projects eligible for funding as specified in the infrastructure surtax referendum. The Town received \$1,411,555 of this revenue each year. This was used to pay for five Police Vehicles in the amount of \$219,611 this year with five more budgeted for FY2020. The balance was held to fund the new Utility Building completed in September 2019.

Honorable Mayor, Commissioners,
and Citizens of the Town of
Lady Lake, Florida
April 28, 2020

AWARDS AND ACKNOWLEDGEMENTS

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Town of Lady Lake for its Comprehensive Annual Financial Report for the fiscal year ended September 30, 2018. This was the twenty-fourth consecutive year that the Town of Lady Lake achieved this prestigious award.

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

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

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

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

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

Respectfully submitted,

Kristen Kollgaard
Town Manager

Pamela Winegardner
Finance Director

Official Signatures on
File in Town Clerk's Office

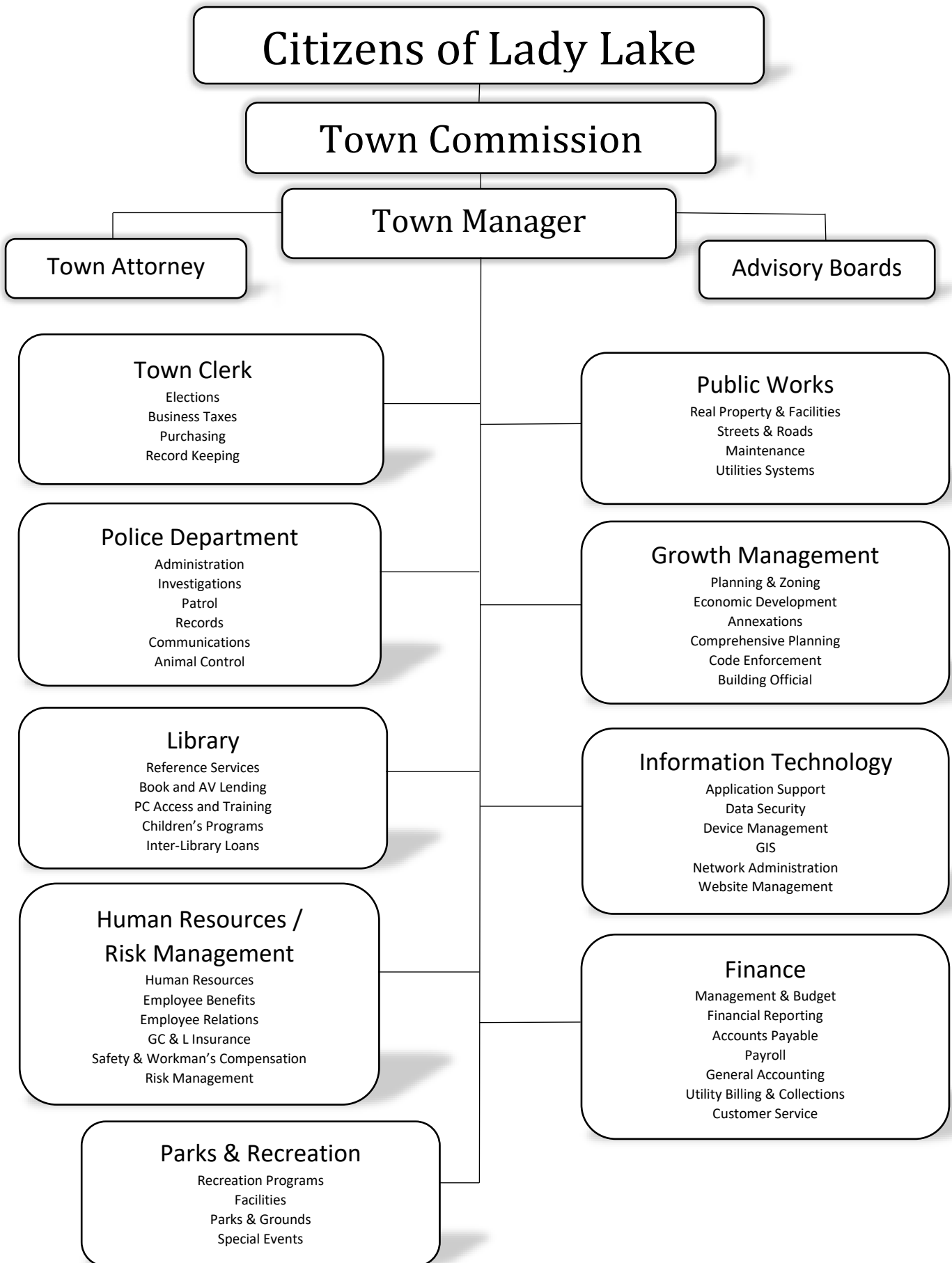
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**TOWN OF LADY LAKE, FLORIDA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FISCAL YEAR ENDED SEPTEMBER 30, 2019**

**TOWN COMMISSION AND OFFICIALS
AT SEPTEMBER 30, 2019**

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

Town of Lady Lake Organizational Chart



Town of Lady Lake, Florida

Certificate of Achievement

For the year ended September 30, 2018

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Town of Lady Lake, Florida for its comprehensive annual financial report (CAFR) for the fiscal year ended September 30, 2018. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of a state and local government financial report.

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

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



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Town of Lady Lake
Florida**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

September 30, 2018

Christopher P. Morill

Executive Director/CEO

Shumacker, Johnston & Ross, PA-Certified Public Accountants

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

American Institute of
Certified Public Accountants

Florida Institute of
Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

April 28, 2020

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Lady Lake, Florida as of and for the year ended September 30, 2019, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements, and the individual fund financial statements of the Town of Lady Lake, Florida as of and for the year ended September 30, 2019, as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to in the first paragraph present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Lady Lake, Florida as of September 30, 2019, and the respective changes in financial position and, where applicable, cash flows thereof, and the respective budgetary comparison for the General Fund and the Sales Tax Revenue Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Also, in our opinion, the individual fund financial statements as of September 30, 2019, and for the year then ended, present fairly, in all material respects, the financial position of each of the individual funds of the Town of Lady Lake, Florida, as of September 30, 2019, and the results of operations of such funds and the cash flows of individual proprietary funds for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As more fully described in Note 15 to the financial statements, subsequent to September 30, 2019, citizens and the economies of the United States and other countries have been significantly impacted by the coronavirus (COVID-19) pandemic. While it is premature to accurately predict how the coronavirus will ultimately affect the Town's operations because the disease's severity and duration are uncertain, we expect fiscal year 2020 financial results too may be significantly impacted and the implications beyond 2020, while unclear, could also be adversely impacted. Our opinion is not modified with respect to this matter and no pandemic implications are accounted for in these financial statements.

Other Matters

Required Supplementary Information

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

Other Information

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

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated April 28, 2020 on our consideration of the Town of Lady Lake's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town of Lady Lake's internal control over financial reporting and compliance.

Shumacker, Johnston & Ross, PA
Official Signature on
File in Town Clerk's Office

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**TOWN OF LADY LAKE, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2019**

As management of the Town of Lady Lake, Florida, we offer readers of the Town's financial statements this narrative overview and analysis of the financial activities of the Town for the fiscal year ended September 30, 2019. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal on pages i - v of this report.

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

FINANCIAL HIGHLIGHTS

- The assets of the Town exceeded its liabilities at the close of the most recent fiscal year by \$ 55,860,604 (net position). Of this amount, \$15,182,960 (unrestricted net position) may be used to meet the Town's ongoing obligations to citizens and creditors in accordance with the Town's fund designation and fiscal policies.
- The Town's total net position increased by \$4,098,851 of which \$3,685,854 represents an increase in net position from business-type activities.
- As of the close of the current fiscal year, the Town's governmental funds reported combined ending fund balances of \$ 14,060,961, an increase of \$525,495 in comparison with the prior year.
- Of the Town's governmental combined ending fund balances, unassigned funds and available for use, \$7,812,316 or 55.6% are within the Town's fund designation and fiscal policies. The unassigned fund balance for the General Fund in comparison with the prior year shows an increase of \$7,386. This represents 72.9% of total General Fund expenditures.
- The Town's total debt was paid off in October of 2016.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

**TOWN OF LADY LAKE, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2019**

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

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

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

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

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

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

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

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

**TOWN OF LADY LAKE, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2019**

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

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

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

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

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

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

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

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

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

Notes to the financial statements. The notes provide additional as information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements are found on pages 33 through 52 of this report.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the Town's progress in funding its obligation to provide pension benefits to its police officers. Required supplementary information are found on page 54 through 57 of this report.

Comparative individual fund statements and schedules are found on pages 60 through 82 of this report.

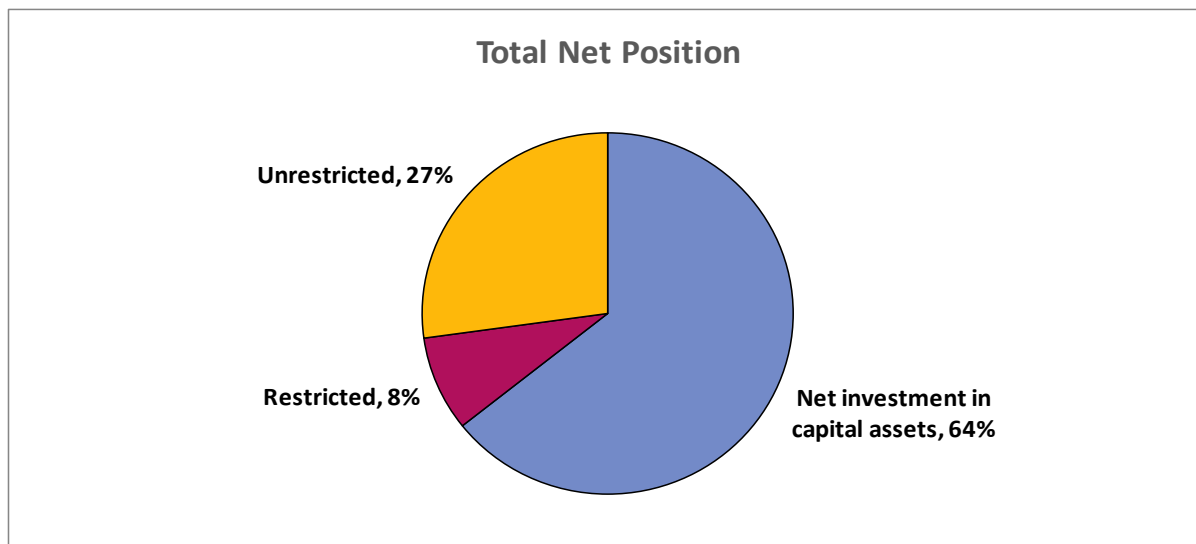
**TOWN OF LADY LAKE, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2019**

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Statement of net position. As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the Town, assets exceeded liabilities by \$55,860,604 as of September 30, 2019. The following table reflects the condensed statement of net position for the current fiscal year as compared to the prior fiscal year.

TOWN OF LADY LAKE'S NET POSITION

	Governmental activities		Business-type activities		Total	
	2019	2018	2019	2018	2019	2018
Current and other assets	\$ 15,903,648	\$ 15,376,122	\$ 6,288,710	\$ 4,864,252	\$ 22,192,358	\$ 20,240,374
Capital assets	14,427,310	14,612,058	21,773,936	19,561,674	36,201,246	34,173,732
Total Assets	30,330,958	29,988,180	28,062,646	24,425,926	58,393,604	54,414,106
Deferred Outflows Pension Related	245,687	378,401	-	-	245,687	378,401
Current and other liabilities	649,826	925,221	962,077	1,033,554	1,611,903	1,958,775
Long-term liabilities outstanding	601,219	505,473	100,952	78,609	702,171	584,082
Total Liabilities	1,251,045	1,430,694	1,063,029	1,112,163	2,314,074	2,542,857
Deferred Inflows Pension Related	464,613	487,897	-	-	464,613	487,897
Net Position:						
Net investment in capital assets	14,427,310	14,612,058	21,502,753	19,536,904	35,930,063	34,148,962
Restricted	2,327,563	2,334,342	2,420,018	1,303,346	4,747,581	3,637,688
Unrestricted	12,106,114	11,501,590	3,076,846	2,473,513	15,182,960	13,975,103
Total Net Position	\$ 28,860,987	\$ 28,447,990	\$ 26,999,617	\$ 23,313,763	\$ 55,860,604	\$ 51,761,753



**TOWN OF LADY LAKE, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2019**

The largest portion of the Town's net position (\$35,930,63 or 64%) reflects its investment in capital assets (e.g., land, buildings, utility systems, improvements other than buildings, equipment, and infrastructure) less any related debt used to acquire those assets that is still outstanding. The Town uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Town's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the Town's net position \$4,747,581 represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position \$15,182,960 may be used to meet the Town's ongoing obligations to citizens and creditors.

As of September 30, 2019, the Town is able to report positive balances in all three categories of net position, both for the government, as well as for its separate governmental and business-type activities. The same situation held true for the prior fiscal year.

There was a decrease of \$6,779 in the restricted net position reported in connection with the Town's governmental activities. The major portion was due to building inspection expenses of \$119,866 over building revenue.

The business-type activities had an increase of \$3,685,854 or 15.8 % in total net position compared to the prior year. The net investment in capital assets increased by \$1,965,849 or 10 % which was largely due to completion of the Public Works Utility building and the CR25 infrastructure of sewer lines. The business-type activities' restricted net position increased by \$1,116,672 or 53.9 % due to an increase in sewer impact fees collected.

**TOWN OF LADY LAKE, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2019**

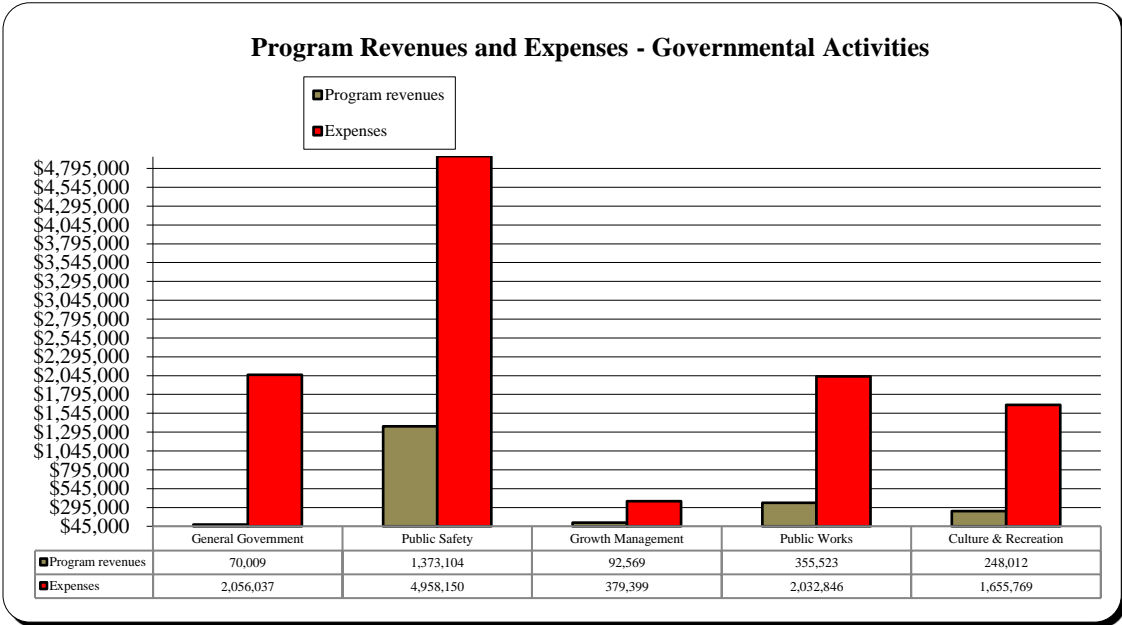
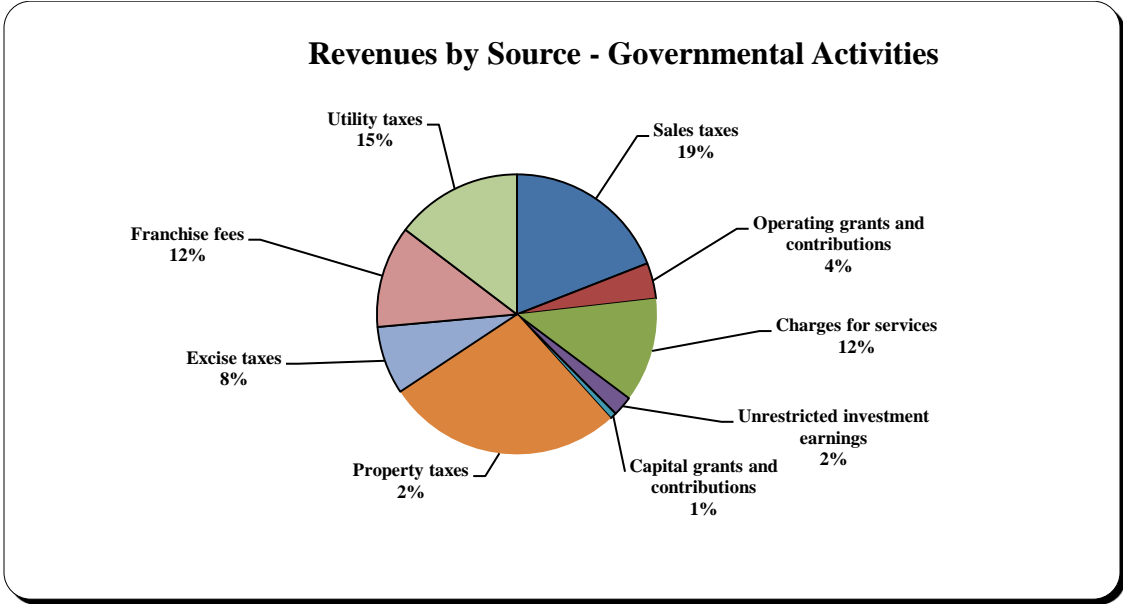
Statement of activities. As noted earlier, the statement of activities presents information showing how the Town's net position changed during the current year. The following table reflects the condensed statement of activities for the current fiscal year as compared to the prior fiscal year.

TOWN OF LADY LAKE'S CHANGES IN NET POSITION

	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
Revenues:						
Program revenues:						
Charges for services	\$ 1,593,282	\$ 1,897,970	\$ 3,662,022	\$ 3,291,372	\$ 5,255,304	\$ 5,189,342
Operating grants and contributions	545,935	437,937	-	-	545,935	437,937
Capital grants and contributions	100,751	196,056	2,252,749	147,885	2,353,500	343,941
General revenues:						
Property taxes	3,626,787	3,399,162	-	-	3,626,787	3,399,162
Sales taxes	2,523,438	2,348,220	-	-	2,523,438	2,348,220
Franchise fees	1,557,631	1,474,639	-	-	1,557,631	1,474,639
Utility taxes	1,941,351	2,007,958	-	-	1,941,351	2,007,958
Excise taxes	1,043,088	999,106	-	-	1,043,088	999,106
Unrestricted investment earnings	306,890	133,381	78,406	74,850	385,296	208,231
Gain on Sale Assets	1,045	22,616			1,045	22,616
Total Revenues	13,240,198	12,917,045	5,993,177	3,514,107	19,233,375	16,431,152
Expenses:						
General Government	2,056,037	2,053,017	-	-	2,056,037	2,053,017
Public Safety	4,958,150	4,915,400	-	-	4,958,150	4,915,400
Growth Management	379,399	368,809	-	-	379,399	368,809
Public Works	2,032,846	2,426,249	-	-	2,032,846	2,426,249
Culture and Recreation	1,655,769	1,679,340	-	-	1,655,769	1,679,340
Interest on long-term debt	-	-	-	-	-	-
Utility Services			4,052,323	3,811,495	4,052,323	3,811,495
Total Expenses	11,082,201	11,442,815	4,052,323	3,811,495	15,134,524	15,254,310
Change in net position						
before transfers	2,157,997	1,474,230	1,940,854	(297,388)	4,098,851	1,176,842
Transfers	(1,745,000)	(134,500)	1,745,000	134,500	-	-
Change in net position	412,997	1,339,730	3,685,854	(162,888)	4,098,851	1,176,842
Net Position - 10/1/2018	28,447,990	27,108,260	23,313,763	23,476,651	51,761,753	50,584,911
Net Position - 9/30/2019	\$ 28,860,987	\$ 28,447,990	\$ 26,999,617	\$ 23,313,763	\$ 55,860,604	\$ 51,761,753

**TOWN OF LADY LAKE, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2019**

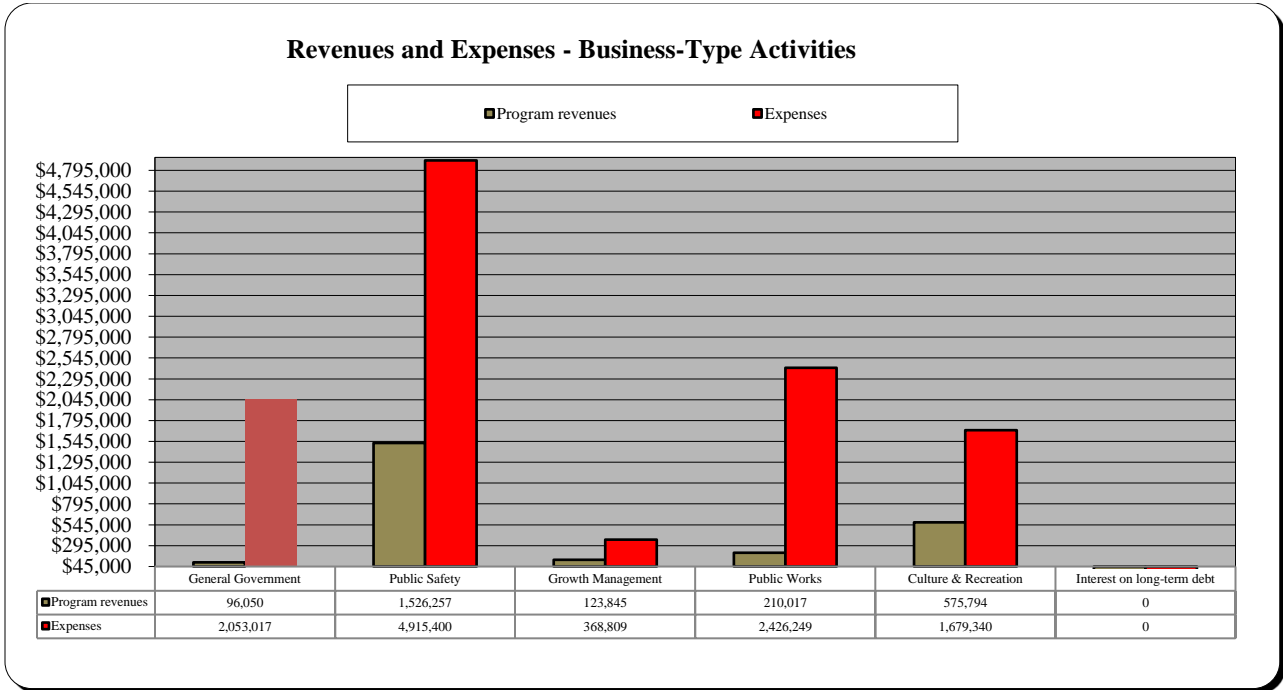
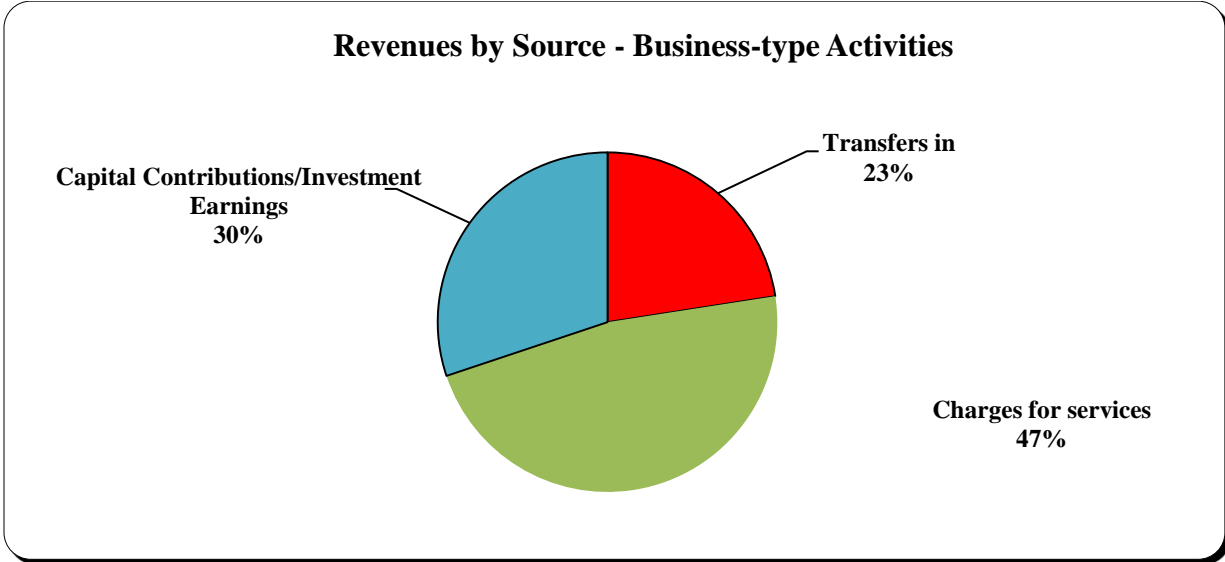
Governmental activities. Governmental activities increased the Town's net position by \$412,997. The fiscal year 2019 millage was kept the same as FY18 millage of 3.3962 but with an increase in net taxable value of 8.2%, which includes new construction, and increased value of properties, the net result was an increase in the total fund balance.



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

**TOWN OF LADY LAKE, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2019**

Business-type activities. Business-type activities increased the Town's net position by \$3,685,854. The increase is due primarily to increased collection of sewer impact fees and sewer sales due to the interconnect with City of Fruitland Park. The percentage breakdown of the business-type activities revenues can be seen below.



**TOWN OF LADY LAKE, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2019**

FINANCIAL ANALYSIS OF THE TOWN'S FUNDS

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

As of the end of fiscal year 2019, the Town's governmental funds reported combined ending fund balances of \$ 14,060,961 an increase of \$525,495 in comparison with the prior year. Approximately 55.6% of this total amount (\$7,812,316) constitutes the unassigned fund balance that is available for spending at the Town's discretion. The remainder of the fund balance is not available for new spending. The various constraints placed on these funds are as follows: Non-spendable \$53,044 for Prepays and Real Property Held for Resale; Restricted \$2,327,563 for Education, Police Training & Equipment, Recreation and Library Capital Improvements, Committed \$2,397,951 for certain capital Improvements, Assigned \$ 58,532 for Tree Beautification and repayment of communication service tax. -Restricted for Infrastructure in the Sales Tax Revenue Fund was \$ 1,411,555.

As was discussed on page 11 under Governmental Activities although the millage stayed the same as FY18, new construction and values increased. The funds that are Nonspendable, Restricted, Committed and Assigned however increased by \$518,109 due to funding projects such as the Public Utilities new building and sewer improvements on CR25 (impact fees).

The General Fund, which is the primary operating fund of the Town, had a fund balance of \$12,649,406 but \$4,837,090 was dedicated for purposes other than general spending. The unassigned fund balance increased by \$7,386.

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

The Sales Tax Revenue Fund had a fund balance of \$1,411,555 at the end of the fiscal year, a decrease of \$ 764,880 from the prior year. Of this amount, 100% is restricted for infrastructure improvements.

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

As of the end of fiscal year 2019, the Town's Utility Fund reported unrestricted net position of \$3,076,846, an increase of \$603,333 from the prior year. The increase in the unrestricted net position of the Utility Fund is due to an increase in sewer sales due to the new interconnect with the City of Fruitland Park and an increase in the water rates 2.0%, which was due to an increase in the CPI-U from January 2017 to January 2018.

**TOWN OF LADY LAKE, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2019**

CAPITAL ASSETS

The Town's investment in capital assets for its governmental and business-type activities as of September 30, 2019, amounts to \$36,201,246 (net of depreciation and amortization). This investment in capital assets includes land, buildings and utility systems, improvements other than buildings, equipment, infrastructure and construction in progress. It also includes the Town's investment in the sewer capacity reservation agreement with the VCCDD. The Town's net capital assets increased \$2,027,514 from the prior year. The change is primarily due to depreciation expense exceeding capital investments.

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

Government Fund:		
2101	PD Five Dodge Chargers and Equipment	\$ 219,611
2101	PD Two AC Units	\$ 23,146
2101	PD Fortinet Software	\$ 18,919
4102	Roads & Streets Two 2019 Ford Dump Trucks*	\$ 133,058
4102	Roads & Streets 2018 F250 Truck	\$ 54,358
4102	Roads & Streets -Engine Replacement	\$ 10,083
4102	Roads & Streets – Metal Storage Building	\$ 141,904
7101	Library One AC Unit	\$ 10,011
7101	Library Two Exterior Book Returns	\$ 9,891
7201	Parks & Rec Toro Field Groomer	\$ 26,933
7201	Parks & Rec 2019 Ford F150 Truck	\$ 26,810
7201	Parks & Rec Caboose- AC Unit	\$ 5,888
7201	Parks & Rec 7x18 Trailer	\$ 3,604
1901	Marquee Sign*	\$ 40,624
1901	Five Servers and One Firewall Appliance	\$ 39,797
1901	Fiber Infrastructure-Phase One	\$ 45,588
1901	Fiber Infrastructure-Hwy 27/441 Road Widening	\$ 49,361
1901	Network Hardware Replacement	\$ 10,414
1901	Town Hall One AC Unit	\$ 11,487

Business-type funds:		
Water	2019 Truck	\$ 31,709
	Mobile Data Collector	\$ 9,950
Sewer	7.5 Horsepower Lift Station Pump	\$ 7,279
	10 Horsepower Lift Station Pump	\$ 7,420
	30-yard Dewatering Box	\$ 37,450
	Sewer Extension CR 25 Fennell to Griffin	\$ 479,133
Water/Sewer	Hwy 27/441 Road Widening Project-Phase 32	\$ 101,107
	Hwy 27/441 Road Widening Project-Phase 56	\$ 350,000
	New Utility Building*	\$ 2,071,638

*Approved in Fiscal Year 2018 Completed in Fiscal Year 2019

**TOWN OF LADY LAKE, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2019**

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

	Governmental activities		Business-type activities		Total	
	2019	2018	2019	2018	2019	2018
Land	\$ 2,143,894	\$ 2,081,694	\$ 509,453	\$ 509,453	\$ 2,653,347	\$ 2,591,147
Buildings	7,466,672	7,755,549	\$ 2,777,366	\$ 170,054	10,244,038	7,925,603
Improvements other than buildings	943,484	973,832	-	-	943,484	973,832
Furniture and equipment	1,400,137	1,320,143	585,426	597,184	1,985,563	1,917,327
Infrastructure-incl. Utility	2,367,499	2,469,870	16,532,797	16,979,504	18,900,296	19,449,374
Construction in Progress	105,624	10,970	451,107	348,637	556,731	359,607
Total Capital Assets	<u>\$ 14,427,310</u>	<u>\$ 14,612,058</u>	<u>\$ 20,856,149</u>	<u>\$ 18,604,832</u>	<u>\$ 35,283,459</u>	<u>\$ 33,216,890</u>

GENERAL FUND BUDGETARY HIGHLIGHTS

The Town amended the original appropriations approved by the Town Commission. The General Fund changes resulted in an increase to the appropriations of approximately 2.4%. The increase is due to approval of a new Roads & Street Metal Storage building plus a special commission meeting approving purchase of two dump trucks for the Roads & Street Department. The budget is approved at Department level and all departments were within their budget. The Sales Tax Revenue Fund Budget was unchanged.

LONG-TERM DEBT

The balance of \$702,171 represents amounts due for compensated absences.

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

**TOWN OF LADY LAKE, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2019**

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

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

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

The Town's net taxable value of commercial and residential property increased 6.9% in tax year 2019 as compared to tax year 2018. This increase in taxable value was due to 4.95% increased taxable values due to an increase in market conditions and Amendment 1 provisions. This includes 1.95% of new construction taxable values. With this increase in taxable value, which increased ad valorem tax revenue, the Town Commission was able to set the millage rate at 3.3962 mills for fiscal year 2019, which is the same millage as fiscal year 2018.

Effective October 1, 2018, the water and reuse rates increased by 2%, which was due to an increase in the CPI-U from January 2017 to January 2018.

REQUESTS FOR INFORMATION

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

BASIC FINANCIAL STATEMENTS

TOWN OF LADY LAKE, FLORIDA
STATEMENT OF NET POSITION
SEPTEMBER 30, 2019

<u>ASSETS</u>	<u>GOVERNMENTAL ACTIVITIES</u>	<u>BUSINESS-TYPE ACTIVITIES</u>	<u>TOTAL</u>
Cash and Equivalents	\$ 6,904,916	\$ 2,828,649	\$ 9,733,565
Investments	7,136,302	-	7,136,302
Receivables (net of allowance for uncollectibles)	296,116	340,053	636,169
Due from Other Governments	599,747	6,785	606,532
Internal Balances	5,251	(5,251)	-
Assets Held for Resale	6,800	-	6,800
Inventory and Prepaid Items	46,244	90,927	137,171
Restricted Cash	-	3,027,547	3,027,547
Capital Assets (net of accumulated depreciation and amortization):			
Sewer Capacity Reservation Agreement	-	917,787	917,787
Land	2,143,894	509,453	2,653,347
Buildings	7,466,672	2,777,366	10,244,038
Improvements Other Than Buildings	943,484	-	943,484
Equipment	1,400,137	585,426	1,985,563
Infrastructure and Utility Systems	2,367,499	16,532,797	18,900,296
Construction in Progress	105,624	451,107	556,731
Net Pension Asset	908,272	-	908,272
Total Assets	<u>30,330,958</u>	<u>28,062,646</u>	<u>58,393,604</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>			
Deferred Outflows Pension-Related	<u>245,687</u>	<u>-</u>	<u>245,687</u>
<u>LIABILITIES</u>			
Accounts Payable	407,178	299,568	706,746
Accrued Liabilities	183,992	23,223	207,215
Customer Deposits	-	607,529	607,529
Due to Other Governments	20,559	-	20,559
Unearned Revenue	38,097	31,757	69,854
Noncurrent Liabilities:			
Due within one year	450,914	74,704	525,618
Due in more than one year	150,305	26,248	176,553
Total Liabilities	<u>1,251,045</u>	<u>1,063,029</u>	<u>2,314,074</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Deferred Inflows Pension-Related	<u>464,613</u>	<u>-</u>	<u>464,613</u>
<u>NET POSITION</u>			
Net Investment in Capital Assets	14,427,310	21,502,753	35,930,063
Restricted for:			
Capital Improvements	515,830	2,420,018	2,935,848
Police	6,476	-	6,476
Education	1,625,466	-	1,625,466
Building Inspections	179,791	-	179,791
Unrestricted	<u>12,106,114</u>	<u>3,076,846</u>	<u>15,182,960</u>
Total Net Position	<u>\$ 28,860,987</u>	<u>\$ 26,999,617</u>	<u>\$ 55,860,604</u>

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

**TOWN OF LADY LAKE
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2019**

FUNCTIONS/PROGRAMS	EXPENSES	PROGRAM REVENUES		
		CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS
Governmental Activities:				
General Government	\$ 2,056,037	\$ 33,549	\$ 36,460	\$ -
Public Safety	4,958,150	1,323,201	49,903	-
Growth Management	379,399	92,569	-	-
Public Works	2,032,846	37,023	318,500	-
Culture and Recreation	1,655,769	106,940	141,072	100,751
Total Governmental Activities	11,082,201	1,593,282	545,935	100,751
Business-Type Activities				
Water	1,354,782	1,269,018	-	370,253
Sewer	1,559,945	1,187,475	-	1,882,496
Garbage	1,137,596	1,205,529	-	-
Total Business-Type Activities	4,052,323	3,662,022	-	2,252,749
Total	\$ 15,134,524	\$ 5,255,304	\$ 545,935	\$ 2,353,500

General Revenues:

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

Total General Revenues and Transfers

Change in Net Position

Net Position - Beginning

Net Position - Ending

NET (EXPENSE) REVENUE AND
CHANGES IN NET POSITION

<u>GOVERNMENTAL</u> <u>ACTIVITIES</u>	<u>BUSINESS-TYPE</u> <u>ACTIVITIES</u>	<u>TOTAL</u>
\$ (1,986,028)	\$ -	\$ (1,986,028)
(3,585,046)	-	(3,585,046)
(286,830)	-	(286,830)
(1,677,323)	-	(1,677,323)
(1,307,006)	-	(1,307,006)
<u>(8,842,233)</u>	<u>-</u>	<u>(8,842,233)</u>
-	284,489	284,489
-	1,510,026	1,510,026
-	67,933	67,933
<u>-</u>	<u>1,862,448</u>	<u>1,862,448</u>
<u>(8,842,233)</u>	<u>1,862,448</u>	<u>(6,979,785)</u>
3,626,787	-	3,626,787
2,523,438	-	2,523,438
1,557,631	-	1,557,631
1,941,351	-	1,941,351
1,043,088	-	1,043,088
306,890	78,406	385,296
1,045	-	1,045
<u>(1,745,000)</u>	<u>1,745,000</u>	<u>-</u>
<u>9,255,230</u>	<u>1,823,406</u>	<u>11,078,636</u>
412,997	3,685,854	4,098,851
<u>28,447,990</u>	<u>23,313,763</u>	<u>51,761,753</u>
<u>\$ 28,860,987</u>	<u>\$ 26,999,617</u>	<u>\$ 55,860,604</u>

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**TOWN OF LADY LAKE, FLORIDA
BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2019**

<u>ASSETS</u>	<u>GENERAL</u>	<u>SALES TAX REVENUE</u>	<u>TOTAL GOVERNMENTAL FUNDS</u>
Cash and Equivalents	\$ 5,633,713	\$ 1,271,203	\$ 6,904,916
Investments	7,136,302	-	7,136,302
Accounts Receivable (net of allowance for uncollectibles)	296,116	-	296,116
Due from Other Funds	5,251	-	5,251
Due from Other Governments	232,587	140,352	372,939
Real Property Held for Resale	6,800	-	6,800
Prepaid Items	46,244	-	46,244
Total Assets	\$ 13,357,013	\$ 1,411,555	\$ 14,768,568
<u>LIABILITIES</u>			
Accounts Payable	\$ 407,178	\$ -	\$ 407,178
Accrued Liabilities	183,992	-	183,992
Due to Other Governments	1,086	-	1,086
Unearned Revenue	38,097	-	38,097
Total Liabilities	630,353	-	630,353
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Unavailable Revenue	77,254	-	77,254
<u>FUND BALANCES</u>			
Nonspendable	53,044	-	53,044
Restricted	2,327,563	1,411,555	3,739,118
Committed	2,397,951	-	2,397,951
Assigned	58,532	-	58,532
Unassigned	7,812,316	-	7,812,316
Total Fund Balances	12,649,406	1,411,555	14,060,961
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 13,357,013	\$ 1,411,555	
Amounts reported for governmental activities in the Statement of Net Position are different because:			
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. Cost of capital assets \$27,114,519 less accumulated depreciation of \$12,687,209.			14,427,310
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds. These assets consist of taxes due from other governments \$226,808 and hurricane grant receivables \$77,254			304,062
Net pension asset is not an available financial resource and, therefore, is not reported as an asset in the funds.			908,272
Deferred outflows \$245,687 and deferred inflows \$(464,613) related to pensions are not reported in the governmental funds but will be recognized in pension expense on a long term basis.			(218,926)
Communications services tax refund liability is not due and payable in the current period and, accordingly, is not reported in the governmental funds.			(19,473)
Long-term liabilities are not due and payable in the current-period and, accordingly, are not reported in the governmental funds. Long term liabilities consist of compensated absences.			(601,219)
NET POSITION OF GOVERNMENTAL ACTIVITIES			\$ 28,860,987

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

TOWN OF LADY LAKE, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2019

	<u>GENERAL</u>	<u>SALES TAX REVENUE</u>	<u>TOTAL GOVERNMENTAL FUNDS</u>
REVENUES:			
Taxes	\$ 7,492,294	\$ 1,435,272	\$ 8,927,566
Licenses and Permits	468,847	-	468,847
Intergovernmental	1,967,202	-	1,967,202
Charges for Services	233,056	-	233,056
Fines and Forfeitures	29,569	-	29,569
Miscellaneous	1,336,652	19,459	1,356,111
Total Revenues	<u>11,527,620</u>	<u>1,454,731</u>	<u>12,982,351</u>
EXPENDITURES:			
Current:			
General Government	1,889,699	-	1,889,699
Public Safety	4,882,448	-	4,882,448
Growth Management	374,420	-	374,420
Public Works	1,960,815	-	1,960,815
Culture and Recreation	1,316,850	-	1,316,850
Capital Outlay	288,669	-	288,669
Total Expenditures	<u>10,712,901</u>	<u>-</u>	<u>10,712,901</u>
Excess of Revenues Over Expenditures	<u>814,719</u>	<u>1,454,731</u>	<u>2,269,450</u>
OTHER FINANCING SOURCES (USES):			
Transfers In	474,611	-	474,611
Transfers Out	-	(2,219,611)	(2,219,611)
Sale of Capital Assets	1,045	-	1,045
Total Other Financing Sources (Uses)	<u>475,656</u>	<u>(2,219,611)</u>	<u>(1,743,955)</u>
Net Change in Fund Balances	1,290,375	(764,880)	525,495
Fund Balance, Beginning of Year	<u>11,359,031</u>	<u>2,176,435</u>	<u>13,535,466</u>
Fund Balance, End of Year	<u>\$12,649,406</u>	<u>\$ 1,411,555</u>	<u>\$ 14,060,961</u>

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

**TOWN OF LADY LAKE, FLORIDA
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2019**

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

Net Change in Fund Balances - Total Governmental Funds	\$ 525,495
Governmental funds report capital outlays as expenditures. In the Statement of Activities the costs of those assets are allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation, \$1,117,726, exceeded capital outlays, \$870,778, in the current period.	(246,948)
Donations of capital assets increase net assets in the Statement of Activities, but do not appear in the governmental funds because they are not financial resources.	62,200
Revenues in the Statement of Activities that do not provide current financial resources (Federal grants, intergovernmental taxes) are not reported as revenues in the funds.	136,182
Current year repayment of communications services tax that was overpaid to the Town by the State of Florida in prior years uses current financial resources in the governmental funds, but is reported as a liability in prior years in the Statement of Activities.	58,420
Compensated absences reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.	(95,746)
Changes in pension expense do not require the use of current financial resources and therefore, are not reported as expenditures in governmental funds.	<u>(26,606)</u>
Change in Net Position of Governmental Activities	<u><u>\$ 412,997</u></u>

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

TOWN OF LADY LAKE, FLORIDA
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2019

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
REVENUES:				
Taxes	\$ 7,402,120	\$ 7,402,120	\$ 7,492,294	\$ 90,174
Licenses and Permits	534,525	534,525	468,847	(65,678)
Intergovernmental	1,624,478	1,624,478	1,967,202	342,724
Charges for Services	172,100	172,100	233,056	60,956
Fines and Forfeitures	32,500	32,500	29,569	(2,931)
Miscellaneous	1,002,400	1,002,400	1,336,652	334,252
Total Revenues	10,768,123	10,768,123	11,527,620	759,497
EXPENDITURES:				
Current:				
General Government	2,168,706	2,168,706	1,889,699	279,007
Public Safety	5,199,439	5,199,439	4,882,448	316,991
Growth Management	408,808	408,808	374,420	34,388
Public Works	1,903,837	2,036,895	1,960,815	76,080
Culture and Recreation	1,470,691	1,470,691	1,316,850	153,841
Capital Outlay	111,842	253,746	288,669	(34,923)
Total Expenditures	11,263,323	11,538,285	10,712,901	825,384
Excess (Deficiency) of Revenues Over (Under) Expenditures	(495,200)	(770,162)	814,719	1,584,881
OTHER FINANCING SOURCES:				
Transfers In	495,000	495,000	474,611	(20,389)
Sale of Capital Assets	200	200	1,045	845
Total Other Financing Sources	495,200	495,200	475,656	(19,544)
Net Change in Fund Balance	-	(274,962)	1,290,375	1,565,337
Fund Balance, Beginning of Year	11,359,031	11,359,031	11,359,031	-
Fund Balance, End of Year	<u>\$ 11,359,031</u>	<u>\$ 11,084,069</u>	<u>\$ 12,649,406</u>	<u>\$ 1,565,337</u>

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

**TOWN OF LADY LAKE, FLORIDA
SALES TAX REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2019**

	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE WITH FINAL BUDGET</u>
REVENUES:				
Taxes	\$ 1,450,000	\$ 1,450,000	\$ 1,435,272	\$ (14,728)
Miscellaneous	10,000	10,000	19,459	9,459
Total Revenues	<u>1,460,000</u>	<u>1,460,000</u>	<u>1,454,731</u>	<u>(5,269)</u>
OTHER FINANCING SOURCES (USES):				
Transfers Out	<u>(240,000)</u>	<u>(2,204,866)</u>	<u>(2,219,611)</u>	<u>(14,745)</u>
Total Other Financing Sources (Uses)	<u>(240,000)</u>	<u>(2,204,866)</u>	<u>(2,219,611)</u>	<u>(14,745)</u>
Net Change in Fund Balance	1,220,000	(744,866)	(764,880)	(20,014)
Fund Balance, Beginning of Year	<u>2,176,435</u>	<u>2,176,435</u>	<u>2,176,435</u>	<u>-</u>
Fund Balance, End of Year	<u><u>\$ 3,396,435</u></u>	<u><u>\$ 1,431,569</u></u>	<u><u>\$ 1,411,555</u></u>	<u><u>\$ (20,014)</u></u>

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

TOWN OF LADY LAKE, FLORIDA
STATEMENT OF NET POSITION
PROPRIETARY FUND
SEPTEMBER 30, 2019

<u>ASSETS</u>	<u>UTILITY FUND</u>
CURRENT ASSETS:	
Cash	\$ 2,828,649
Restricted Cash:	
Customer Deposits	607,529
Customer Receivables, net of allowance for uncollectibles	340,053
Due from Other Governments	6,785
Inventory	90,077
Prepaid Items	850
	<hr/>
Total Current Assets	3,873,943
	<hr/>
NONCURRENT ASSETS:	
Restricted Cash:	
Capital Improvements	2,420,018
	<hr/>
Capital Assets:	
Sewer Capacity Reservation Agreement, net of accumulated amortization	917,787
	<hr/>
Property, Plant and Equipment:	
Land	509,453
Buildings	2,963,832
Utility Systems	29,461,116
Equipment	2,278,282
Construction in Progress	451,107
	<hr/>
	35,663,790
Less Accumulated Depreciation	14,807,641
	<hr/>
Net Property, Plant and Equipment	20,856,149
	<hr/>
Total Capital Assets	21,773,936
	<hr/>
Total Noncurrent Assets	24,193,954
	<hr/>
Total Assets	28,067,897
	<hr/>

TOWN OF LADY LAKE, FLORIDA
STATEMENT OF NET POSITION (Continued)
PROPRIETARY FUND
SEPTEMBER 30, 2019

<u>LIABILITIES</u>	<u>UTILITY FUND</u>
CURRENT LIABILITIES:	
Accounts Payable	\$ 299,568
Accrued Expenses	23,223
Compensated Absences	74,704
Due to Other Funds	5,251
Customer Deposits	<u>607,529</u>
Total Current Liabilities	<u>1,010,275</u>
NONCURRENT LIABILITIES:	
Compensated Absences	26,248
Unearned Revenue	<u>31,757</u>
Total Noncurrent Liabilities	<u>58,005</u>
Total Liabilities	<u>1,068,280</u>
 <u>NET POSITION</u> 	
Net Investment in Capital Assets	21,502,753
Restricted for Capital Improvements	2,420,018
Unrestricted	<u>3,076,846</u>
Total Net Position	<u><u>\$26,999,617</u></u>

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

TOWN OF LADY LAKE, FLORIDA
STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN FUND NET POSITION
PROPRIETARY FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2019

	UTILITY FUND
OPERATING REVENUES:	
Water Sales	\$ 1,214,789
Sewer Revenue	1,034,795
Reuse Water Sales	133,751
Connection Fees	34,650
Garbage Revenue	1,205,529
Late Fees and Other Revenue	33,087
	3,656,601
OPERATING EXPENSES:	
Personal Services	810,808
Garbage Contract Services	1,137,596
Other Operating Expenses	1,007,840
Depreciation and Amortization	1,096,079
	4,052,323
Net Operating Loss	(395,722)
NONOPERATING REVENUES (EXPENSES):	
Interest Revenue	78,406
Insurance Claims	5,421
	83,827
Loss Before Contributions and Transfers	(311,895)
CAPITAL CONTRIBUTIONS:	
Water, Sewer, and Reuse Impact Fees	2,252,749
TRANSFERS IN	2,000,000
TRANSFERS OUT	(255,000)
Change in Net Position	3,685,854
Total Net Position, Beginning of Year	23,313,763
Total Net Position, End of Year	\$ 26,999,617

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

TOWN OF LADY LAKE, FLORIDA
STATEMENT OF CASH FLOWS
PROPRIETARY FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2019

	UTILITY FUND
CASH FLOWS FROM OPERATING ACTIVITIES:	
Cash Received from Customers	\$ 3,602,999
Cash Payments to Employees for Services	(786,909)
Cash Payments to Suppliers for Goods and Services	(2,481,086)
Net Cash Provided by Operating Activities	335,004
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:	
Transfer from Sales Tax Revenue Fund	2,000,000
Transfer to General Fund	(255,000)
Net Cash Provided by Noncapital Financing Activities	1,745,000
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:	
Capital Contributions	2,252,749
Acquisition and Construction of Capital Assets	(3,061,928)
Proceeds from Insurance Claims	5,421
Net Cash Used in Capital and Related Financing Activities	(803,758)
CASH FLOWS FROM INVESTING ACTIVITIES:	
Interest Received	78,406
Net Cash Provided by Investing Activities	78,406
NET INCREASE IN CASH	1,354,652
Cash at Beginning of Year	4,501,544
Cash at End of Year	\$ 5,856,196

Continued on next page

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

TOWN OF LADY LAKE, FLORIDA
STATEMENT OF CASH FLOWS (Continued)
PROPRIETARY FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2019

	UTILITY FUND
RECONCILIATION OF OPERATING LOSS TO NET CASH PROVIDED BY OPERATING ACTIVITIES:	
Operating Loss	\$ (395,722)
Adjustments to reconcile operating loss to net cash provided by operating activities:	
Depreciation and Amortization	1,096,079
Increase in Customer Receivables	(68,182)
Decrease in Due from Other Governments	208
Increase in Inventory	(5,163)
Decrease in Prepaid Expenses	2,000
Decrease in Accounts Payable	(333,818)
Increase in Due to Other Funds	1,331
Increase in Accrued Expenses	1,556
Increase in Compensated Absences	22,343
Increase in Customer Deposits	14,372
	730,726
Total Adjustments	730,726
Net Cash Provided by Operating Activities	\$ 335,004
NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES:	
Utility building construction on account	\$ 271,183

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

TOWN OF LADY LAKE, FLORIDA
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
SEPTEMBER 30, 2019

<u>ASSETS</u>	<u>PENSION TRUST FUNDS</u>
Cash	\$ 195
Officer Contribution Receivable	1,409
Investments with Trustees:	
Cash Management Funds	143,571
Corporate Equity Mutual Funds	5,362,536
Corporate Bond Mutual Funds	2,499,996
Real Estate Funds	<u>942,952</u>
 Total Assets	 <u>8,950,659</u>
 <u>LIABILITIES</u>	
Accounts Payable	8,421
Pension Benefits Payable	<u>2,297</u>
 Total Liabilities	 <u>10,718</u>
 <u>NET POSITION RESTRICTED FOR PENSIONS</u>	
Held in Trust for Officers' Contributions	540,284
Held in Trust for Town's Contributions	2,411,016
Held in Trust for Pension Benefits	<u>5,988,641</u>
 Total Net Position Restricted for Pensions	 <u>\$ 8,939,941</u>

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

TOWN OF LADY LAKE, FLORIDA
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2019

	<u>PENSION TRUST FUNDS</u>
<u>ADDITIONS</u>	
Contributions:	
Town	\$ 182,501
Officers	73,001
State of Florida	121,575
Service Buybacks	<u>6,126</u>
Total Contributions	<u>383,203</u>
Investment Income:	
Gain on Sale of Investments	22,885
Net Depreciation in Fair Value of Investments	(233,639)
Dividend Income	593,557
Interest Income	<u>1,801</u>
Total Investment Income	384,604
Less Investment Expense	<u>(30,846)</u>
Net Investment Income	<u>353,758</u>
Total Additions	<u>736,961</u>
<u>DEDUCTIONS</u>	
Retirement Benefits	309,728
Refunds of Contributions	41,535
Administration Expense	<u>49,637</u>
Total Deductions	<u>400,900</u>
CHANGE IN NET POSITION	336,061
<u>NET POSITION RESTRICTED FOR PENSIONS</u>	
Beginning of Year	<u>8,603,880</u>
End of Year	<u>\$ 8,939,941</u>

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

TOWN OF LADY LAKE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

A. The Reporting Entity

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

B. Government-wide and Fund Financial Statements

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

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

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

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

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

TOWN OF LADY LAKE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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

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

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

The Town reports the following governmental funds:

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

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

The Town reports the following proprietary fund:

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

The Town reports the following fiduciary fund:

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

TOWN OF LADY LAKE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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

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

D. Cash and Investments

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

For purposes of the statements of cash flows, cash includes amounts in bank demand deposits, both interest-bearing and noninterest-bearing, bank money market investments, and funds on deposit with the Local Government Surplus Funds Trust Fund investment pool bearing interest at 2.31% as of September 30, 2019. The State Board of Administration pool is an external 2a7-like investment pool. The fair value of the Town's deposits in the pool is the same as the value of the pool shares. All of the pool's investments for financial reporting purposes are measured at amortized cost. Oversight of the State Board of Administration pool is provided by the Florida Auditor General. There are no limitations or restrictions on withdrawals from the pool.

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

TOWN OF LADY LAKE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

E. Receivables

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

F. Inventory and Prepaid Items

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

G. Capital Assets

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

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

Interest incurred during construction of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. No interest was capitalized during the year ended September 30, 2019.

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

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

H. Amortization

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

TOWN OF LADY LAKE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

I. Compensated Absences

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

J. Long-term Obligations

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

K. Net Position Flow Assumption

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

L. Fund Balance Policies and Flow Assumptions

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

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

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

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

TOWN OF LADY LAKE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Assigned fund balance – amounts the Town intends to use for a specific purpose; intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority. As of September 30, 2019, the Town Commission is the only body that may assign fund balance through a majority vote.

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

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

M. Transfers

Transfers of \$255,000 are made from the Utility Fund to the General Fund for utility billing administrative costs. Transfers are made from the Sales Tax Revenue Fund to the General Fund \$219,611 and to the Utility Fund (\$2,000,000) in order to use infrastructure surtax revenues on qualified "infrastructure" expenditures.

NOTE 2 BUDGETING

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

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

TOWN OF LADY LAKE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

NOTE 2 BUDGETING (continued)

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

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

NOTE 3 BUDGETARY BASIS OF ACCOUNTING

The Town Commission adopts annual budgets for each of the Town's funds, except for the pension trust funds. The budget for the Utility Fund is adopted on an accounting basis other than in accordance with generally accepted accounting principles (GAAP). Adjustments necessary to convert the results of operations for the year ended September 30, 2019 from the GAAP basis to the budget basis are as follows:

<u>Utility Fund</u>	
Change in Net Position, GAAP Basis	\$3,685,854
Decrease due to insurance claims	(5,421)
Decrease due to water, sewer and reuse impact fees	(2,252,749)
Increase due to depreciation	1,057,024
Decrease due to equipment purchases	(105,849)
Decrease due to building construction	(2,268,608)
Decrease due to utility system construction	<u>(933,884)</u>
Deficiency of Revenues Under Expenses, Budget Basis	<u><u>\$ (823,633)</u></u>

NOTE 4 CASH DEPOSITS AND INVESTMENTS

Cash Deposits

At September 30, 2019, the carrying amount of the Town's cash deposits, including funds in bank money market investments, was \$12,761,112. The actual bank balances at September 30, 2019 totaled \$13,212,748, and were entirely insured by Federal depository insurance or by a State collateral insurance pool held by the Treasurer, State of Florida, in the Public Deposit Security Trust Fund.

TOWN OF LADY LAKE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

NOTE 4 CASH DEPOSITS AND INVESTMENTS (continued)

Investments

The Town categorizes its fair value measurements within the fair value hierarchy established by general accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The Town's investments at September 30, 2019 are categorized below.

	<u>Level 1</u>	<u>Level 2</u>	<u>NAV</u>
General Fund Investments:			
Florida Cooperative Liquid Assets			
Securities System	\$ -	\$ -	\$7,136,302
Pension Trust Fund Investments:			-
Money Market Funds	143,571	-	-
Corporate Equity Funds	5,362,536	-	-
Corporate Bond Fund	2,499,996	-	-
Real Estate Funds	-	942,952	-
	<u>\$ 8,006,103</u>	<u>\$942,952</u>	<u>\$7,136,302</u>

Florida Cooperative Liquid Assets Securities System (FLCLASS) is an independent local government investment pool and is an authorized investment consistent with Section 218.415(16) (a), Florida Statutes, and the Town's investment policy. The Town's investment in FLCLASS is reported at net asset value (NAV). The fair value of the position in the pool is considered to be the same as the Town's account balance (amortized cost) in the pool.

Credit Risk - Credit risk exists when there is a possibility the issuer to an investment may be unable to fulfill its obligations. The Town manages its credit risk by investing in investment pools with high ratings from nationally recognized statistical rating organizations. The Town's investment with FLCLASS is rated AAAM by S & P Global Ratings. The Town's investment policy does not specifically address credit risk.

Interest Rate Risk - Interest rate risk exists when there is a possibility that changes in interest rates could adversely affect an investment's fair value. The Town's investment with FLCLASS has a weighted average maturity of 77 days. The Town's investment policy does not specifically address interest rate risk.

NOTE 5 RECEIVABLES

Accounts receivable at September 30, 2019 are as follows:

	<u>General Fund</u>	<u>Utility Fund</u>
Customer Accounts Receivable	\$ -	\$ 204,906
Franchise and Utility Taxes	261,705	-
Other Receivables	34,411	148,715
Less Allowance for Uncollectibles	-	(13,568)
Net Receivables	<u>\$ 296,116</u>	<u>\$ 340,053</u>

TOWN OF LADY LAKE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

NOTE 6 CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2019 was as follows:

	September 30, 2018	Additions	Transfers/ Disposals	September 30, 2019
Governmental Activities:				
Land (not being depreciated)	\$ 2,081,694	\$ 62,200	\$ -	\$ 2,143,894
Construction in Progress	10,970	105,624	(10,970)	105,624
	<u>2,092,664</u>	<u>167,824</u>	<u>(10,970)</u>	<u>2,249,518</u>
Capital assets being depreciated:				
Buildings	12,845,658	131,534	10,370	12,987,562
Improvements	2,341,531	51,511	(16,276)	2,376,766
Equipment	5,624,862	582,109	(122,826)	6,084,145
Infrastructure	3,416,528	-	-	3,416,528
	<u>24,228,579</u>	<u>765,154</u>	<u>(128,732)</u>	<u>24,865,001</u>
Less accumulated depreciation for:				
Buildings	(5,090,109)	(430,781)	-	(5,520,890)
Improvements	(1,367,699)	(82,459)	16,876	(1,433,282)
Equipment	(4,304,719)	(502,115)	122,826	(4,684,008)
Infrastructure	(946,658)	(102,371)	-	(1,049,029)
	<u>(11,709,185)</u>	<u>(1,117,726)</u>	<u>139,702</u>	<u>(12,687,209)</u>
Total Being Depreciated, net	<u>12,519,394</u>	<u>(352,572)</u>	<u>10,970</u>	<u>12,177,792</u>
Governmental Activities				
Capital Assets, net	<u><u>\$ 14,612,058</u></u>	<u><u>\$ (184,748)</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 14,427,310</u></u>
Business-Type Activities:				
Land (not being depreciated)	\$ 509,453	\$ -	\$ -	\$ 509,453
Construction in Progress	348,637	451,107	(348,637)	451,107
	<u>858,090</u>	<u>451,107</u>	<u>(348,637)</u>	<u>960,560</u>
Capital assets being depreciated:				
Buildings	346,587	2,268,608	348,637	2,963,832
Utility Systems	28,978,339	482,777	-	29,461,116
Equipment	2,172,433	105,849	-	2,278,282
	<u>31,497,359</u>	<u>2,857,234</u>	<u>348,637</u>	<u>34,703,230</u>
Less accumulated depreciation for:				
Buildings	(176,533)	(9,933)	-	(186,466)
Utility Systems	(11,998,835)	(929,484)	-	(12,928,319)
Equipment	(1,575,249)	(117,607)	-	(1,692,856)
	<u>(13,750,617)</u>	<u>(1,057,024)</u>	<u>-</u>	<u>(14,807,641)</u>
Total Being Depreciated, net	<u>17,746,742</u>	<u>1,800,210</u>	<u>348,637</u>	<u>19,895,589</u>
Business-Type Activities				
Capital Assets, net	<u><u>\$ 18,604,832</u></u>	<u><u>\$ 2,251,317</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 20,856,149</u></u>

TOWN OF LADY LAKE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

NOTE 6 CAPITAL ASSETS (continued)

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

Governmental Activities:	
General Government	\$ 175,727
Public Safety	289,936
Growth Management	3,177
Public Works	244,643
Culture and Recreation	<u>404,243</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 1,117,726</u>
Business-type Activities:	
Water	\$ 303,428
Sewer	753,596
Garbage	<u>-</u>
Total Depreciation Expense - Business-type Activities	<u>\$ 1,057,024</u>

Utility Construction Commitments

The Florida Department of Transportation (FDOT) has been planning to widen State Road 500 (Highway 27/441) that runs through the Town. On January 14th, 2019, the Town entered into two agreements with FDOT pertaining to the moving of the Town's water and sewer transmission lines along the highway that would be affected by the road widening project. The first agreement was reimbursement for engineering design services in the amount of \$101,107. The second agreement was reimbursement for the construction of the utility lines, and required the Town to make an initial escrow deposit of \$350,000. The actual amount of the agreement would be dependent upon the construction bidding process. At September 30, 2019 the engineering design services were substantially complete, and the total estimated construction cost of the utility lines was \$1,098,857. The Town's additional reimbursement commitment under the contract was \$748,857.

Sewer Capacity Reservation Agreement

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

TOWN OF LADY LAKE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

NOTE 6 CAPITAL ASSETS (continued)

Effective April 2, 2003, the Town and the VCCDD entered into a new, 40-year Interlocal Agreement for sewer capacity reservation and bulk treatment. The capacity reservation is for 250,000 gallons of wastewater per day, with an initial price for treatment of \$3.02 per 1,000 gallons. A provision for annual price adjustments is included, based on mutual agreement or, if agreement cannot be reached, a set formula based on the consumer price index. The treatment price at September 30, 2019 was \$3.02 per 1,000 gallons. The agreement also granted the Town the option, during the first 10 years of the agreement, to purchase up to an additional 250,000 gallons per day of treatment capacity in not less than 50,000 gallon per day increments, and included a formula for computing the option price based on the amount of capacity purchased.

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

The original Sewer Capacity Reservation Agreement has been recorded in the Utility Fund at its historical cost of \$826,506. The net book value on April 2, 2003 was \$737,635. At September 30, 2019, the total cost of sewer capacity reservations, which includes the 2004 purchases, was \$1,629,006. Amortization for the year ended September 30, 2019 totaled \$39,055. Accumulated amortization at September 30, 2019 was \$711,219, and the net book value was \$917,787.

NOTE 7 LONG-TERM DEBT

Changes in Long-Term Liabilities

Long-term liability activity for the year ended September 30, 2019 was as follows:

	<u>Balances</u> <u>10/1/2018</u>	<u>Additions</u>	<u>Principal</u> <u>Reductions</u>	<u>Balances</u> <u>9/30/2019</u>	<u>Due within</u> <u>One Year</u>
Governmental Activities:					
Compensated Absences	\$ 505,473	\$ 453,414	\$ (357,668)	\$ 601,219	\$ 450,914
Governmental Activity Long-Term Liabilities	<u>\$ 505,473</u>	<u>\$ 453,414</u>	<u>\$ (357,668)</u>	<u>\$ 601,219</u>	<u>\$ 450,914</u>
Business-type Activities:					
Compensated Absences	\$ 78,609	\$ 57,654	\$ (35,311)	\$ 100,952	\$ 74,704
Business-type Activity Long-term Liabilities	<u>\$ 78,609</u>	<u>\$ 57,654</u>	<u>\$ (35,311)</u>	<u>\$ 100,952</u>	<u>\$ 74,704</u>

**TOWN OF LADY LAKE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019**

NOTE 8 OTHER DISCLOSURES

- (1) There were no funds that had excess of expenditures over appropriations at the fund level for the year ended September 30, 2019.
- (2) Individual fund interfund receivable and payable balances at September 30, 2019:

	Receivable	Payable
General Fund	\$ 5,251	\$ -
Utility Fund	-	(5,251)

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

- (3) There were no deficit fund balances of individual funds at September 30, 2019.
- (4) The following details the various constraints placed on fund balances in the governmental funds at September 30, 2019:

General Fund

Nonspendable - Prepays	\$ 46,244
Nonspendable - Assets Held for Resale	6,800
Total Nonspendable	\$ 53,044
Restricted for Police Training and Equipment	\$ 6,476
Restricted for Education	1,625,466
Restricted for Recreation Capital Improvements	471,955
Restricted for Library Capital Improvements	43,875
Restricted for Building Inspections	179,791
Total Restricted	\$ 2,327,563
Committed for Capital Improvements	\$ 2,397,951
Assigned to Tree Beautification	\$ 39,059
Assigned to Comm Services Tax Repayment	19,473
Total Assigned	\$ 58,532
<u>Sales Tax Revenue Fund</u>	
Restricted for Infrastructure	\$ 1,411,555

TOWN OF LADY LAKE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

NOTE 8 OTHER DISCLOSURES (continued)

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

NOTE 9 RETIREMENT COMMITMENTS

LADY LAKE POLICE OFFICERS' RETIREMENT TRUST FUND

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

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

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

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

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

As of September 30, 2019, nine Officers had retired that were receiving benefits, four were receiving benefits under disability, and one terminated Officer was entitled to benefits but not yet receiving them. Out of the 27 Officers in the plan at September 30, 2019, six had vested retirement benefits. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan.

TOWN OF LADY LAKE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

NOTE 9 RETIREMENT COMMITMENTS (continued)

Contributions Required

Police Officers are required to contribute five percent of their annual salary to the plan. The plan is also funded by a .85% State excise tax on all casualty insurance policies covering property within the corporate limits of the Town. For the year ended September 30, 2019, the Town collected \$121,575 in casualty insurance premium taxes. The Town is required by State Statute to contribute these taxes to the plan within 5 days of receipt. These on-behalf payments of fringe benefits from the State are reported as tax revenues and a police department expenditure in the General Fund.

The Municipal Police Officers' Retirement Trust Fund uses the entry age normal actuarial cost funding method. Under this method, which identifies and separately amortizes unfunded actuarial liabilities, the present value of benefits, less all assets, are equated to the present value of future employer contributions, and of future employee contributions, if any. The required contribution is then expressed as a percentage of current payroll. The actuarially determined funding requirement for the year ended September 30, 2019 was 18.6% from the Town and State, and 5.0% from the Police Officers, for a total of 23.6% of covered payroll.

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

Activity of the Share Plan for the year ended September 30, 2019 is as follows:

Balance 10/01/2018	\$ 39,977
Additions	18,238
Investment Return Earned	1,655
Administrative Fees	<u>(1,500)</u>
Balance 9/30/2019	<u>\$ 58,370</u>

Net Pension Liability

The measurement date is September 30, 2019.

The measurement period for the pension expense was October 1, 2018 to September 30, 2019.

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

The Town's net pension liability was measured as of September 30, 2019.

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

TOWN OF LADY LAKE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

NOTE 9 RETIREMENT COMMITMENTS (continued)

Actuarial Assumptions:

The total pension liability was determined by an actuarial valuation as of October 1, 2018 updated to September 30, 2019 using the following actuarial assumptions.

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

Mortality Rate Healthy Lives:

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

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

Mortality Rate Healthy Inactive Lives:

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

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

Mortality Rate Disabled Lives:

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

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

The most recent actuarial experience study used to review the other significant assumptions was dated December 12, 2018.

The long-term expected rate of return on pension plan investments can be determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expenses and inflation) are developed for each major asset class. For 2019 the inflation rate assumption of the investment advisor was 2.5%. These ranges are combined to produce the long term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of geometric real rates of return for each major asset class included in the pension plan's target asset allocation as of September 30, 2019 are summarized in the following table:

Asset Class	Target Allocation	Long Term Expected Real Rate of Return
Domestic Equity	45%	7.5%
International Equity	15%	8.5%
Fixed Income Core	25%	2.5%
Global Fixed Income	5%	3.5%
Real Estate	10%	4.5%

TOWN OF LADY LAKE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

NOTE 9 RETIREMENT COMMITMENTS (continued)

Discount Rate:

The discount rate used to measure the total pension liability was 7.25 percent. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that Town contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Changes in Net Pension Liability:

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(a)-(b)
September 30, 2018	\$ 7,744,843	\$ 8,595,157	\$ (850,314)
Changes for a Year:			
Service Cost	340,709	-	340,709
Interest	573,785	-	573,785
Share Plan Allocation	18,239	-	18,239
Differences between Expected and Actual Experience	(303,366)	-	(303,366)
Changes of assumptions	-	-	-
Changes of benefit terms	-	-	-
Contributions - Employer	-	182,501	(182,501)
Contributions - State	-	121,575	(121,575)
Contributions - Employee	-	79,127	(79,127)
Net Investment Income	-	353,758	(353,758)
Benefit Payments, including Refunds of Employee Contributions	(342,541)	(342,541)	-
Administrative Expense	-	(49,636)	49,636
	286,826	344,784	(57,958)
September 30, 2019	\$ 8,031,669	\$ 8,939,941	\$ (908,272)

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

	1% Decrease	Current Discount Rate	1% Increase
	6.25%	7.25%	8.25%
Town's Net Pension Liability	\$ 106,015	\$ (908,272)	\$ (1,750,239)

TOWN OF LADY LAKE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

NOTE 9 RETIREMENT COMMITMENTS (continued)

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

For the year ended September 30, 2019, the Town has recognized a pension expense of \$230,747. On September 30, 2019 the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between Expected and Actual Experience	\$ -	\$ 464,613
Changes of Assumptions	204,936	-
Net difference between Projected and Actual Earnings on Pension Plan Investments	40,751	-
	\$ 245,687	\$ 464,613

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

Year ended September 30:	
2020	(149,133)
2021	(94,862)
2022	(1,125)
2023	26,194
2024	-

NOTE 10 DEFINED CONTRIBUTION RETIREMENT PLANS

GENERAL EMPLOYEES RETIREMENT PLAN

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

TOWN OF LADY LAKE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

NOTE 10 DEFINED CONTRIBUTION RETIREMENT PLANS (continued)

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

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

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

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

There are no mandatory employee contributions in order to participate in the plan, but after tax employee contributions are permitted. Contributions and related investment earnings are credited to individual self-directed investment accounts. During the year ended September 30, 2019, the Town contributed \$154,021 into the plan. Total plan assets at September 30, 2019 were \$2,079,762.

Participants separating from service with the Town before the three year vesting period is complete forfeit a portion of their account balance in the plan. The Town may use forfeited amounts to reduce the Town's required payment of contributions for current plan participants. During the year ended September 30, 2019, the Town used \$3,478 in forfeited amounts for payment of contributions for current plan participants. Normal retirement is when the participant attains his or her 65th birthday. Distributions of the account balances of vested plan participants that separate from service are subject to the Internal Revenue Code rules for distributions from qualified plans.

EXECUTIVES RETIREMENT PLAN

The Town adopted a defined contribution pension plan effective June 30, 1999. The plan is a single-employer, money purchase plan administered for the Town by the ICMA Retirement Corporation, and is designed in accordance with Internal Revenue Code section 401. There is no separate, audited GAAP – basis postemployment benefit plan report available for this defined contribution pension plan. The Town Commission must authorize plan amendments to benefit provisions or the obligation to make contributions. Employees eligible for participation in the plan are certain senior Town executives, and as of September 30, 2019 there were eight employees participating in the plan. The Town is required to contribute 7% of the participant's earnings to the plan for employees with up to 5 years of service, and 8% for employees with over 5 years service. Contributions and related investment earnings are credited to individual self-directed investment accounts, and the employee immediately becomes 100% vested in the account balances. Normal retirement is permitted when the participant attains age 55. During the year ended September 30, 2019, Town contributions to the plan totaled \$55,972. Total plan assets at September 30, 2019 were \$867,592.

TOWN OF LADY LAKE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

NOTE 11 OTHER POSTEMPLOYMENT BENEFITS

The Town does not provide its employees any postemployment benefits other than pensions. Florida Statutes require local governments which provide group insurance to its employees the option of continuing to participate in the group plan following retirement. The Town does not contribute to the premium cost for retired employees, so the entire cost must be paid by the retiree. At September 30, 2019, the Town had no retirees continuing to participate in its group health insurance plan, and 1 retiree participating in its group dental insurance plan. Management does not anticipate a significant number of future retirees to request continued coverage. Therefore, no material other postemployment benefits liability is recognized or recorded.

NOTE 12 PROPERTY TAXES

Under Florida law, the assessment of all properties and the collection of all county, municipal and school board property taxes are consolidated in the offices of the County Property Appraiser and County Tax Collector. State laws regulating tax assessment are also designed to assure a consistent property valuation method state wide. Florida Statutes permit municipalities to levy property taxes at a rate of up to 10 mills. The millage rate assessed by the Town for taxes collected during the fiscal year ended September 30, 2019 was 3.3962. The millage rate assessed by the Town on taxable property to be levied on November 1, 2019 was 3.3962.

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

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

The Town's tax calendar is as follows:

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

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

TOWN OF LADY LAKE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

NOTE 13 INSURANCE COVERAGE

The Town is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters. The Town manages its various risks of loss by the purchase of commercial insurance coverages primarily through Public Risk Management of Florida, or with commercial carriers packaged by Public Risk Management. During the year ended September 30, 2019, there were no significant reductions in coverages from the prior year. Insurance claim settlements have not exceeded coverages on any policies during the past three fiscal years.

NOTE 14 COMMUNICATIONS SERVICES TAX LIABILITY

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

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

During the year ended September 30, 2019, the Department withheld \$58,420 (12 payments) from the Town's current tax receipts. The balance due at September 30, 2019 was \$19,473.

NOTE 15 SUBSEQUENT EVENTS

Town management has evaluated events occurring subsequent to the financial statement date through April 28, 2020. No material subsequent events were identified for recognition.

On March 11, 2020, the World Health Organization pronounced the coronavirus (COVID-19) outbreak a pandemic. Citizens and the economies of the United States and other countries have been significantly impacted by this pandemic. The duration and impact are unknown, but so far have been expansive. The Town may face tax and other revenue declines which could negatively impact future financial results.

As of April 28, 2020, the value of investments held in the Police Retirement Trust Fund have decreased by approximately \$500,000. The actuarial effect on the pension fund of this decline in market value has not been determined.

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**TOWN OF LADY LAKE, FLORIDA
POLICE RETIREMENT TRUST FUND
REQUIRED SUPPLEMENTARY INFORMATION
September 30, 2019**

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

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

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

<u>9/30/2017</u>	<u>9/30/2018</u>	<u>9/30/2019</u>
\$ 346,389	\$ 350,792	\$ 340,709
512,808	551,308	573,785
4,972	(53,498)	-
-	39,018	18,239
-	-	-
(63,314)	(47,663)	(303,366)
-	245,986	-
<u>(292,124)</u>	<u>(314,904)</u>	<u>(342,541)</u>
508,731	771,039	286,826
<u>6,465,073</u>	<u>6,973,804</u>	<u>7,744,843</u>
<u>\$ 6,973,804</u>	<u>\$ 7,744,843</u>	<u>\$ 8,031,669</u>
\$ 151,316	\$ 186,876	\$ 182,501
102,879	109,637	121,575
73,295	74,751	79,127
812,313	695,027	353,758
(292,124)	(314,904)	(342,541)
<u>(27,452)</u>	<u>(28,844)</u>	<u>(49,636)</u>
820,227	722,543	344,784
<u>7,052,387</u>	<u>7,872,614</u>	<u>8,595,157</u>
<u>\$ 7,872,614</u>	<u>\$ 8,595,157</u>	<u>\$ 8,939,941</u>
<u>\$ (898,810)</u>	<u>\$ (850,314)</u>	<u>\$ (908,272)</u>
112.89%	110.98%	111.31%
\$ 1,465,893	\$ 1,495,012	\$ 1,460,011
-61.31%	-56.88%	-66.21%

**TOWN OF LADY LAKE, FLORIDA
POLICE RETIREMENT TRUST FUND
REQUIRED SUPPLEMENTARY INFORMATION (Continued)
September 30, 2019**

SCHEDULE OF CONTRIBUTIONS
Last 10 Fiscal Years *

	9/30/2014	9/30/2015	9/30/2016	9/30/2017	9/30/2018
Actuarially Determined Contribution	\$ 351,204	\$ 303,687	\$ 270,560	\$ 278,520	\$ 284,052
Contributions in relation to the					
Actuarially Determined Contributions	351,204	303,687	317,873	249,223	310,993
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (47,313)</u>	<u>\$ 29,297</u>	<u>\$ (26,941)</u>
Covered Officer Payroll	\$ 1,547,154	\$ 1,460,023	\$ 1,470,437	\$ 1,465,893	\$ 1,495,012
Contributions as a percentage of					
Covered Officer Payroll	22.70%	20.80%	21.62%	17.00%	20.80%

SCHEDULE OF INVESTMENT RETURNS
Last 10 Fiscal Years *

Annual Money-Weighted Rate of Return net of Investment Expense	9.08%	-0.14%	9.20%	11.57%	8.86%
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Notes to Schedules

Valuation Date: 10/1/2017
Actuarially determined contribution rates are calculated as of October 1, two years prior to the end of the fiscal year in which contributions are reported.

Methods and assumptions used to determine contribution rates:

Funding Method: Entry Age Normal Actuarial Cost Method.
Asset Valuation Method: Each year, the prior Actuarial Value of Assets is brought forward utilizing the historical geometric 4-year average Market Value return. It is possible that over time this technique will produce an insignificant bias above or below Market Value.
Inflation: 3.00% per year.
Salary Increases: 6.25% per year until the assumed retirement age. Projected salary at retirement is increased individually to account for non regular compensation.
Interest Rate: 7.75% per year compounded annually, net of investment related expenses
Payroll Growth: 1.13% per year.
Retirement Age: Earlier of age 55 and 10 years of service or the completion of 25 years of service, regardless of age. Also, any Officer who has reached Normal Retirement is assumed to continue employment for one additional year.
Mortality: RP-2000 Table with no projection. We believe this assumption sufficiently accommodates future mortality improvements.

9/30/2019

\$ 271,562

285,838

\$ (14,276)

\$ 1,460,011

19.58%

4.14%

Disability Rates:

See table below. It is assumed that 75% of the disablements and active member deaths are service related. This assumption is consistent with other plans covering police officers.

Termination Rates:

See table below. This assumption is consistent with other plans covering police officers.

Termination and Disability Rates:

Termination and Disability Rate Table:

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

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TOWN OF LADY LAKE, FLORIDA

GENERAL FUND

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

**TOWN OF LADY LAKE, FLORIDA
GENERAL FUND
COMPARATIVE BALANCE SHEETS
SEPTEMBER 30, 2019 AND 2018**

	2019	2018
<u>ASSETS</u>		
Cash and Equivalents	\$ 5,633,713	\$ 6,469,222
Investments	7,136,302	5,125,809
Accounts Receivable	296,116	278,805
Due from Utility Fund	5,251	3,920
Due from Other Governments:		
State of Florida	150,371	285,306
Lake County	9,186	8,845
Federal	73,030	153,235
Real Property Held for Resale	6,800	6,800
Prepaid Expenditures	46,244	42,297
Total Assets	<u>\$ 13,357,013</u>	<u>\$ 12,374,239</u>
<u>LIABILITIES</u>		
Accounts Payable	\$ 407,178	\$ 504,335
Accrued Payroll and Related Liabilities	183,992	194,405
Due to Police Retirement Fund	-	109,637
Due to State of Florida	1,086	1,481
Unearned Revenue - Business Taxes	38,097	37,470
Total Liabilities	<u>630,353</u>	<u>847,328</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>		
Unavailable Revenue:		
Federal and State FEMA Grant	77,254	166,698
Special Paving Assessments	-	1,182
Total Deferred Inflows of Resources	<u>77,254</u>	<u>167,880</u>
<u>FUND BALANCE</u>		
Nonspendable:		
Prepaid Expenditures/Resale Assets	53,044	49,097
Restricted:		
For Police Training/Equipment	6,476	5,252
For Education	1,625,466	1,625,466
For Recreation Capital Improvements	471,955	375,424
For Library Capital Improvements	43,875	28,543
For Building Inspections	179,791	299,657
Committed for Capital Improvements	2,397,951	1,078,030
Assigned:		
To Tree Beautification	39,059	14,739
To Communications Services Tax Repayment	19,473	77,893
Unassigned	7,812,316	7,804,930
Total Fund Balance	<u>12,649,406</u>	<u>11,359,031</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balance	<u>\$ 13,357,013</u>	<u>\$ 12,374,239</u>

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

TOWN OF LADY LAKE, FLORIDA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2019

With comparative actual amounts for the year ended September 30, 2018

	2019		VARIANCE WITH FINAL BUDGET	2018 ACTUAL
	FINAL BUDGET	ACTUAL		
REVENUES:				
Taxes	\$ 7,402,120	\$ 7,492,294	\$ 90,174	\$ 7,283,300
Licenses and Permits	534,525	468,847	(65,678)	724,049
Intergovernmental	1,624,478	1,967,202	342,724	1,670,310
Charges for Services	172,100	233,056	60,956	217,754
Fines and Forfeitures	32,500	29,569	(2,931)	34,081
Miscellaneous	1,002,400	1,336,652	334,252	1,407,532
Total Revenues	10,768,123	11,527,620	759,497	11,337,026
EXPENDITURES:				
Current:				
General Government	2,168,706	1,889,699	279,007	1,876,200
Public Safety	5,199,439	4,882,448	316,991	4,640,086
Growth Management	408,808	374,420	34,388	349,849
Public Works	2,036,895	1,960,815	76,080	2,508,867
Culture and Recreation	1,470,691	1,316,850	153,841	1,432,709
Capital Outlay	253,746	288,669	(34,923)	178,862
Debt Service	-	-	-	-
Total Expenditures	11,538,285	10,712,901	825,384	10,986,573
Excess (Deficiency) of Revenues Over (Under) Expenditures	(770,162)	814,719	1,584,881	350,453
OTHER FINANCING SOURCES (USES):				
Transfer from Sales Tax Revenue Fund	240,000	219,611	(20,389)	222,336
Transfer from Utility Fund	255,000	255,000	-	190,500
Sale of Capital Assets	200	1,045	845	22,616
Total Other Financing Sources	495,200	475,656	(19,544)	435,452
Net Change in Fund Balance	(274,962)	1,290,375	1,565,337	785,905
Fund Balance, Beginning of Year	11,359,031	11,359,031	-	10,573,126
Fund Balance, End of Year	<u>\$ 11,084,069</u>	<u>\$ 12,649,406</u>	<u>\$ 1,565,337</u>	<u>\$ 11,359,031</u>

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

TOWN OF LADY LAKE, FLORIDA
GENERAL FUND
SCHEDULE OF REVENUES COMPARED TO BUDGET
FOR THE YEAR ENDED SEPTEMBER 30, 2019

With comparative actual amounts for the year ended September 30, 2018

	2019		VARIANCE WITH FINAL BUDGET	2018 ACTUAL
	FINAL BUDGET	ACTUAL		
TAXES:				
Ad Valorem Taxes	\$ 3,578,170	\$ 3,626,787	\$ 48,617	\$ 3,399,162
Local Option Gas Tax	275,000	276,633	1,633	278,571
County Gas Tax	20,000	20,108	108	19,879
Casualty Insurance Premium Tax	110,150	121,575	11,425	109,637
Franchise Fees:				
Electric	1,178,000	1,312,728	134,728	1,238,826
Gas	35,000	27,850	(7,150)	28,844
Garbage	205,000	217,053	12,053	206,969
Utility Taxes:				
Electric	975,000	1,086,652	111,652	1,007,820
Water	170,000	179,935	9,935	165,526
Gas	25,000	27,681	2,681	27,266
Communications Services Tax	780,000	547,440	(232,560)	748,926
Town Business Tax	50,800	47,852	(2,948)	51,874
Total Taxes	7,402,120	7,492,294	90,174	7,283,300
LICENSES AND PERMITS:				
Building Permits and Inspections	372,000	287,773	(84,227)	538,904
Building Plan Review Fees	51,000	70,482	19,482	40,621
Site Plan Review Fees	5,000	7,859	2,859	8,340
Annexation/Subdivision Fees	45,000	51,705	6,705	63,785
Zoning Fees	25,000	25,405	405	26,095
Comp Plan Amendment Fees	20,000	7,600	(12,400)	25,625
Other Licenses & Permits	16,525	18,023	1,498	20,679
Total Licenses and Permits	534,525	468,847	(65,678)	724,049
INTERGOVERNMENTAL:				
Federal Law Enforcement Grants	948	8,639	7,691	2,123
FEMA Hurricane Grants	-	263,148	263,148	15,500
State Hurricane Grants	-	15,899	15,899	1,938
State Revenue Sharing	440,000	485,706	45,706	463,595
Mobile Home Licenses	45,000	44,245	(755)	46,007
Alcohol Beverage Licenses	12,000	12,344	344	11,075
1/2 Cent Sales Tax	910,500	923,111	12,611	913,002
State Transportation Revenue	65,000	62,724	(2,276)	61,572
County Library Agreement	137,030	137,291	261	137,030
County Business Tax	14,000	14,095	95	18,468
Total Intergovernmental	1,624,478	1,967,202	342,724	1,670,310

TOWN OF LADY LAKE, FLORIDA
GENERAL FUND
SCHEDULE OF REVENUES COMPARED TO BUDGET (Continued)
FOR THE YEAR ENDED SEPTEMBER 30, 2019
With comparative actual amounts for the year ended September 30, 2018

	2019		VARIANCE WITH FINAL BUDGET	2018 ACTUAL
	FINAL BUDGET	ACTUAL		
CHARGES FOR SERVICES:				
Villages - Public Safety	\$ 100,000	\$ 100,000	\$ -	\$ 100,000
Police Services	29,100	85,186	56,086	60,975
Road and Street Revenue	33,000	37,023	4,023	46,598
Copies and Certifications	500	318	(182)	463
Library Fees	7,000	7,979	979	7,208
Recreation Program Fees	2,500	2,550	50	2,510
Total Charges for Services	172,100	233,056	60,956	217,754
FINES AND FORFEITURES:				
Court Fines	20,000	16,277	(3,723)	18,320
Forfeitures	-	1,100	1,100	2,229
Animal Control Citations	1,750	640	(1,110)	1,955
Code Enforcement Fines	2,250	1,402	(848)	2,748
Police Education	2,500	1,787	(713)	1,963
Parking Fines	2,500	4,855	2,355	2,926
Library Fines	3,500	3,508	8	3,940
Total Fines and Forfeitures	32,500	29,569	(2,931)	34,081
MISCELLANEOUS:				
Interest Earnings	65,600	267,128	201,528	119,752
Net Increase (Decrease) in Fair Value of Investments	50,000	20,303	(29,697)	(8,138)
Building/Park/Tower Rental Fees	90,300	92,903	2,603	98,772
Paving Assessments	-	2,365	2,365	620
Fire Assessments - Villages	750,000	753,699	3,699	748,791
Library Impact Fees	-	14,467	14,467	28,152
Recreation Impact Fees	-	86,284	86,284	167,904
Contributions and Donations	8,500	37,349	28,849	8,796
Fuel Tax Refund	8,000	7,406	(594)	8,000
Insurance Claim Proceeds	10,000	46,946	36,946	126,569
Gain on Assets Held for Resale	7,500	-	(7,500)	-
Miscellaneous Revenues	12,500	7,802	(4,698)	108,314
Total Miscellaneous	1,002,400	1,336,652	334,252	1,407,532
Total Revenues	\$ 10,768,123	\$ 11,527,620	\$ 759,497	\$ 11,337,026

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

**TOWN OF LADY LAKE, FLORIDA
GENERAL FUND
SCHEDULE OF EXPENDITURES COMPARED TO BUDGET
FOR THE YEAR ENDED SEPTEMBER 30, 2019**

With comparative actual amounts for the year ended September 30, 2018

	2019		VARIANCE WITH FINAL BUDGET	2018 ACTUAL
	FINAL BUDGET	ACTUAL		
GENERAL GOVERNMENT:				
Town Commission:				
Personal Services	\$ 39,852	\$ 39,814	\$ 38	\$ 39,815
Operating Expenses	10,700	9,321	1,379	8,991
Total Town Commission	50,552	49,135	1,417	48,806
Town Manager:				
Personal Services	238,544	235,592	2,952	222,449
Operating Expenses	11,672	8,012	3,660	6,379
Total Town Manager	250,216	243,604	6,612	228,828
Town Clerk:				
Personal Services	102,926	101,829	1,097	96,161
Operating Expenses	22,444	13,621	8,823	7,440
Election Expenses	8,000	-	8,000	-
Total Town Clerk	133,370	115,450	17,920	103,601
Finance Department:				
Personal Services	332,579	311,161	21,418	292,577
Operating Expenses	53,395	51,879	1,516	50,317
Total Finance Department	385,974	363,040	22,934	342,894
Human Resources/Risk Mgmt:				
Personal Services	165,892	141,689	24,203	158,617
Operating Expenses	35,201	33,934	1,267	25,955
Total Human Resources	201,093	175,623	25,470	184,572
Information Technology:				
Personal Services	245,521	191,376	54,145	151,374
Operating Expenses	161,243	183,155	(21,912)	156,489
Capital Outlay	40,055	39,797	258	27,817
Total Information Technology	446,819	414,328	32,491	335,680
Legal Counsel	145,000	102,148	42,852	98,078

TOWN OF LADY LAKE, FLORIDA
GENERAL FUND
SCHEDULE OF EXPENDITURES COMPARED TO BUDGET (Continued)
FOR THE YEAR ENDED SEPTEMBER 30, 2019
With comparative actual amounts for the year ended September 30, 2018

	2019		VARIANCE WITH FINAL BUDGET	2018 ACTUAL
	FINAL BUDGET	ACTUAL		
GENERAL GOVERNMENT (continued):				
Other General Government:				
Operating Expenses	\$ 297,497	\$ 292,443	\$ 5,054	\$ 314,372
Hurricane Irma	-	-	-	84,029
Aid to Private Organizations	12,000	12,000	-	12,000
Capital Outlay	111,842	157,135	(45,293)	600
Contingency	104,500	-	104,500	-
Total Other General Government	525,839	461,578	64,261	411,001
Facilities Maintenance:				
Personal Services	131,165	115,576	15,589	115,588
Operating Expenses	10,520	6,352	4,168	7,152
Total Facilities Maintenance	141,685	121,928	19,757	122,740
Total General Government	2,280,548	2,046,834	233,714	1,876,200
PUBLIC SAFETY:				
Police Department:				
Personal Services	3,134,365	2,691,083	443,282	2,711,985
Operating Expenses	676,563	820,208	(143,645)	622,973
Operating Expenses - Federal Grants	948	6,917	(5,969)	2,123
Capital Outlay	240,000	261,675	(21,675)	222,336
Total Police Department	4,051,876	3,779,883	271,993	3,559,417
Fire Control:				
Operating Expenses	750,000	753,699	(3,699)	748,893
Building Inspections:				
Personal Services	39,879	37,530	2,349	20,710
Operating Expenses	270,536	247,078	23,458	236,194
Total Building Inspections	310,415	284,608	25,807	256,904
Code Enforcement:				
Personal Services	69,664	53,408	16,256	61,949
Operating Expenses	17,484	10,850	6,634	12,923
Total Code Enforcement	87,148	64,258	22,890	74,872
Total Public Safety	5,199,439	4,882,448	316,991	4,640,086
GROWTH MANAGEMENT:				
Personal Services	342,077	332,400	9,677	311,010
Operating Expenses	66,731	42,020	24,711	38,839
Total Growth Management	408,808	374,420	34,388	349,849

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TOWN OF LADY LAKE, FLORIDA
GENERAL FUND
SCHEDULE OF EXPENDITURES COMPARED TO BUDGET (Continued)
FOR THE YEAR ENDED SEPTEMBER 30, 2019
With comparative actual amounts for the year ended September 30, 2018

	2019		VARIANCE WITH FINAL BUDGET	2018 ACTUAL
	FINAL BUDGET	ACTUAL		
PUBLIC WORKS:				
Administration:				
Personal Services	\$ 217,926	\$ 212,715	\$ 5,211	\$ 202,993
Operating Expenses	53,813	37,993	15,820	35,764
Total Administration	<u>271,739</u>	<u>250,708</u>	<u>21,031</u>	<u>238,757</u>
Streets and Maintenance:				
Personal Services	755,161	710,041	45,120	621,567
Electric-Street Lights	160,000	162,476	(2,476)	168,821
Operating Expenses	282,457	224,653	57,804	200,805
Street Resurfacing	200,000	269,943	(69,943)	816,163
Capital Outlay	335,119	329,033	6,086	323,808
Total Streets and Maintenance	<u>1,732,737</u>	<u>1,696,146</u>	<u>36,591</u>	<u>2,131,164</u>
Motor Pool (Fleet Maintenance):				
Personal Services	150,868	126,591	24,277	120,997
Operating Expenses	23,455	18,904	4,551	17,949
Total Motor Pool	<u>174,323</u>	<u>145,495</u>	<u>28,828</u>	<u>138,946</u>
Total Public Works	<u>2,178,799</u>	<u>2,092,349</u>	<u>86,450</u>	<u>2,508,867</u>
CULTURE AND RECREATION:				
Library:				
Personal Services	465,144	451,034	14,110	422,531
Operating Expenses	178,086	142,981	35,105	170,653
Operating Expenses - Community Bldg	15,220	11,580	3,640	9,826
Library Books	60,000	58,653	1,347	53,639
Capital Outlay	40,000	19,902	20,098	-
Total Library	<u>758,450</u>	<u>684,150</u>	<u>74,300</u>	<u>656,649</u>
Parks and Recreation:				
Personal Services	389,126	368,413	20,713	352,296
Operating Expenses	259,958	201,051	58,907	275,993
Capital Outlay	63,157	63,236	(79)	147,771
Capital Outlay - Concession Stand	-	-	-	178,862
Total Parks and Recreation	<u>712,241</u>	<u>632,700</u>	<u>79,541</u>	<u>954,922</u>
Total Culture and Recreation	<u>1,470,691</u>	<u>1,316,850</u>	<u>153,841</u>	<u>1,611,571</u>
Total Expenditures	<u>\$ 11,538,285</u>	<u>\$ 10,712,901</u>	<u>\$ 825,384</u>	<u>\$ 11,424,140</u>

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

TOWN OF LADY LAKE, FLORIDA

SPECIAL REVENUE FUND

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

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

**TOWN OF LADY LAKE, FLORIDA
SALES TAX REVENUE FUND
COMPARATIVE BALANCE SHEETS
SEPTEMBER 30, 2019 AND 2018**

<u>ASSETS</u>	<u>2019</u>	<u>2018</u>
Cash	\$ 1,271,203	\$ 2,035,019
Due from State of Florida	<u>140,352</u>	<u>141,416</u>
Total Assets	<u><u>\$ 1,411,555</u></u>	<u><u>\$ 2,176,435</u></u>
<u>LIABILITIES AND FUND BALANCE</u>		
Liabilities	<u>\$ -</u>	<u>\$ -</u>
Fund Balance, Restricted for Infrastructure	<u>1,411,555</u>	<u>2,176,435</u>
Total Liabilities and Fund Balance	<u><u>\$ 1,411,555</u></u>	<u><u>\$ 2,176,435</u></u>

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

**TOWN OF LADY LAKE, FLORIDA
SALES TAX REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2019**

With comparative actual amounts for the year ended September 30, 2018

	2019		VARIANCE WITH FINAL BUDGET	2018 ACTUAL
	FINAL BUDGET	ACTUAL		
REVENUES:				
Local Government Infrastructure Surtax	\$ 1,450,000	\$ 1,435,272	\$ (14,728)	\$ 1,435,218
Interest Earned	10,000	19,459	9,459	21,767
Total Revenues	1,460,000	1,454,731	(5,269)	1,456,985
OTHER FINANCING SOURCES (USES):				
Transfer to General Fund	(240,000)	(219,611)	20,389	(222,336)
Transfer to Utility Fund	(1,964,866)	(2,000,000)	(35,134)	(325,000)
Total Other Financing Sources (Uses)	(2,204,866)	(2,219,611)	(14,745)	(547,336)
Net Change in Fund Balance	(744,866)	(764,880)	(20,014)	909,649
Fund Balance, Beginning of Year	2,176,435	2,176,435	-	1,266,786
Fund Balance, End of Year	\$ 1,431,569	\$ 1,411,555	\$ (20,014)	\$ 2,176,435

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

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TOWN OF LADY LAKE, FLORIDA

ENTERPRISE FUND

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

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

TOWN OF LADY LAKE, FLORIDA
UTILITY FUND
COMPARATIVE STATEMENTS OF NET POSITION
SEPTEMBER 30, 2019 AND 2018

<u>ASSETS</u>	<u>2019</u>	<u>2018</u>
CURRENT ASSETS:		
Cash	\$ 2,828,649	\$ 2,605,040
Restricted Cash:		
Customer Deposits	607,529	593,157
Customer Accounts Receivable, net of allowance for uncollectibles of \$13,568 and \$19,801	191,338	162,268
Unbilled Utility Service Receivables	148,715	109,603
Due from Other Governments	6,785	6,993
Inventory	90,077	84,914
Prepaid Expenses	850	2,850
	<u>3,873,943</u>	<u>3,564,825</u>
NONCURRENT ASSETS:		
RESTRICTED CASH:		
Impact Fees - Water	476,179	442,990
Impact Fees - Sewer	1,889,239	811,721
Impact Fees - Reuse	54,600	48,636
	<u>2,420,018</u>	<u>1,303,347</u>
SEWER CAPACITY RESERVATION AGREEMENT, net of accumulated amortization of \$711,219 and \$672,164 in 2019 and 2018, respectively	<u>917,787</u>	<u>956,842</u>
PROPERTY, PLANT, AND EQUIPMENT:		
Land	509,453	509,453
Buildings	2,963,832	346,587
Water Utility System	8,861,880	8,858,235
Sewer Utility System	20,599,236	20,120,104
Equipment	2,278,282	2,172,433
Construction in Progress	451,107	348,637
	<u>35,663,790</u>	<u>32,355,449</u>
Less Accumulated Depreciation	<u>14,807,641</u>	<u>13,750,617</u>
Net Property, Plant, and Equipment	<u>20,856,149</u>	<u>18,604,832</u>
Total Assets	<u>28,067,897</u>	<u>24,429,846</u>

TOWN OF LADY LAKE, FLORIDA
UTILITY FUND
COMPARATIVE STATEMENTS OF NET POSITION (Continued)
SEPTEMBER 30, 2019 AND 2018

<u>LIABILITIES</u>	<u>2019</u>	<u>2018</u>
CURRENT LIABILITIES:		
Accounts Payable	\$ 56,236	\$ 364,108
Retainage Payable	243,332	22,865
Accrued Payroll and Related Taxes	23,223	21,667
Accrued Vacation Payable	74,704	58,170
Due to General Fund	5,251	3,920
Customer Deposits	<u>607,529</u>	<u>593,157</u>
Total Current Liabilities	<u>1,010,275</u>	<u>1,063,887</u>
NONCURRENT LIABILITIES:		
Accrued Vacation Payable	26,248	20,439
Unearned Revenue	<u>31,757</u>	<u>31,757</u>
Total Noncurrent Liabilities	<u>58,005</u>	<u>52,196</u>
Total Liabilities	<u>1,068,280</u>	<u>1,116,083</u>
 <u>NET POSITION</u>		
Net Investment in Capital Assets	21,502,753	19,536,904
Restricted for Utility Capital Improvements	2,420,018	1,303,346
Unrestricted	<u>3,076,846</u>	<u>2,473,513</u>
Total Net Position	<u>\$ 26,999,617</u>	<u>\$ 23,313,763</u>

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

TOWN OF LADY LAKE, FLORIDA
UTILITY FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENSES,
AND CHANGES IN NET POSITION
FOR THE YEARS ENDED SEPTEMBER 30, 2019 AND 2018

	2019	2018
OPERATING REVENUES:		
Water Sales	\$ 1,214,789	\$ 1,121,909
Sewer Revenue	1,034,795	710,764
Reuse Water Sales	133,751	126,729
Connection Fees	34,650	46,196
Garbage Revenue	1,205,529	1,187,130
Late Fees and Other Customer Revenue	33,087	32,299
Total Operating Revenues	3,656,601	3,225,027
OPERATING EXPENSES:		
Personal Services	810,808	769,305
Garbage Contract Services	1,137,596	1,103,068
Repairs and Maintenance	261,556	267,135
Utilities	191,322	156,796
Operating Supplies	182,454	109,428
Insurance	143,936	122,038
Other Contract Services	104,221	99,557
Professional Services	53,780	47,797
Other Operating Expenses	70,571	62,070
Amortization	39,055	39,055
Depreciation	1,057,024	1,035,246
Total Operating Expenses	4,052,323	3,811,495
Net Operating Loss	(395,722)	(586,468)
NONOPERATING REVENUES (EXPENSES):		
Interest Revenue	78,406	74,850
Insurance Claims	5,421	66,345
Total Nonoperating Revenues (Expenses)	83,827	141,195
Loss Before Contributions and Transfers	(311,895)	(445,273)
CAPITAL CONTRIBUTIONS:		
Water Impact Fees	370,253	64,457
Sewer and Reuse Impact Fees	1,882,496	83,428
TRANSFERS IN - from Sales Tax Revenue Fund	2,000,000	325,000
TRANSFERS OUT - to General Fund	(255,000)	(190,500)
Change in Net Position	3,685,854	(162,888)
Total Net Position, Beginning of Year	23,313,763	23,476,651
Total Net Position, End of Year	\$ 26,999,617	\$ 23,313,763

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

TOWN OF LADY LAKE, FLORIDA
UTILITY FUND
COMPARATIVE STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED SEPTEMBER 30, 2019 AND 2018

	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash Received from Customers	\$ 3,602,999	\$ 3,236,024
Cash Payments to Employees for Services	(786,909)	(753,452)
Cash Payments to Suppliers for Goods and Services	(2,481,086)	(1,624,422)
Net Cash Provided by Operating Activities	335,004	858,150
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:		
Transfer from Sales Tax Revenue Fund	2,000,000	325,000
Transfer to General Fund	(255,000)	(190,500)
Net Cash Provided by Noncapital Financing Activities	1,745,000	134,500
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Water, Sewer and Reuse Impact Fees Received	2,252,749	147,885
Acquisition and Construction of Capital Assets	(3,061,928)	(1,254,393)
Proceeds from Insurance Claims	5,421	66,345
Net Cash Used in Capital and Related Financing Activities	(803,758)	(1,040,163)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Interest Received on Demand Deposits	78,406	74,850
Net Cash Provided by Investing Activities	78,406	74,850
NET INCREASE IN CASH	1,354,652	27,337
Cash at Beginning of Year	4,501,544	4,474,207
Cash at End of Year	\$ 5,856,196	\$ 4,501,544

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

TOWN OF LADY LAKE, FLORIDA
UTILITY FUND
COMPARATIVE STATEMENTS OF CASH FLOWS (Continued)
FOR THE YEARS ENDED SEPTEMBER 30, 2019 AND 2018

	2019	2018
RECONCILIATION OF OPERATING LOSS TO NET CASH PROVIDED BY OPERATING ACTIVITIES:		
Operating Loss	\$ (395,722)	\$ (586,468)
Adjustments to reconcile operating loss to net cash provided by operating activities:		
Depreciation and Amortization	1,096,079	1,074,301
(Increase) Decrease in Accounts Receivable	(29,070)	8,198
Increase in Unbilled Receivables	(39,112)	(15,739)
(Increase) Decrease in Due from Other Governments	208	(941)
Increase in Inventory	(5,163)	(2,655)
Decrease in Prepaid Expenses	2,000	3,759
Increase (Decrease) in Accounts Payable	(333,818)	341,623
Increase in Due to General Fund	1,331	740
Increase (Decrease) in Accrued Payroll and Related Taxes	1,556	(6,750)
Increase in Accrued Vacation Payable	22,343	22,603
Increase in Customer Deposits	14,372	19,479
Total Adjustments	730,726	1,444,618
Net Cash Provided by Operating Activities	\$ 335,004	\$ 858,150
NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES:		
Utility building construction on account	\$ 271,183	\$ 24,770

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

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

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

**TOWN OF LADY LAKE, FLORIDA
UTILITY FUND
SCHEDULE OF REVENUES AND EXPENSES -
BUDGET AND ACTUAL (BASIS OTHER THAN GAAP)
FOR THE YEAR ENDED SEPTEMBER 30, 2019**

	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
REVENUES:			
Water Sales	\$ 1,225,000	\$ 1,214,789	\$ (10,211)
Sewer Revenue	725,500	1,034,795	309,295
Reuse Water Sales	130,900	133,751	2,851
Connection Fees	37,500	34,650	(2,850)
Garbage Revenue	1,250,753	1,205,529	(45,224)
Late Fees and Other Revenue	38,000	33,087	(4,913)
Interest Revenue	50,000	78,406	28,406
Sale of Equipment	1,300	-	(1,300)
Transfer in from Sales Tax Revenue Fund	1,964,866	2,000,000	35,134
Total Revenues	<u>5,423,819</u>	<u>5,735,007</u>	<u>311,188</u>
EXPENSES:			
Personal Services - Water	691,964	630,054	61,910
Personal Services - Sewer	173,467	180,754	(7,287)
Operating Expenses - Water	453,852	421,300	32,552
Operating Expenses - Sewer	624,862	586,540	38,322
Operating Expenses - Garbage	1,140,753	1,137,596	3,157
Amortization	39,055	39,055	-
Building Construction	1,964,866	2,268,608	(303,742)
Utility System Improvements	930,241	933,884	(3,643)
Equipment Purchases	80,000	105,849	(25,849)
Transfers out to General Fund	255,000	255,000	-
Total Expenses	<u>6,354,060</u>	<u>6,558,640</u>	<u>(204,580)</u>
Deficiency of Revenues Under Expenses	<u>\$ (930,241)</u>	<u>\$ (823,633)</u>	<u>\$ 106,608</u>

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

TOWN OF LADY LAKE, FLORIDA
COMPARATIVE SCHEDULE OF CAPITAL ASSETS
USED IN GOVERNMENTAL ACTIVITIES - BY SOURCE
SEPTEMBER 30, 2019 AND 2018

	<u>2019</u>	<u>2018</u>
CAPITAL ASSETS:		
Land	\$ 2,143,894	\$ 2,081,694
Buildings	12,987,562	12,845,658
Improvements Other Than Buildings	2,376,766	2,341,531
Furniture and Equipment	6,084,145	5,624,862
Infrastructure	3,416,528	3,416,528
Construction in Progress	<u>105,624</u>	<u>10,970</u>
 Total Capital Assets	 <u><u>\$ 27,114,519</u></u>	 <u><u>\$ 26,321,243</u></u>
 INVESTMENT IN CAPITAL ASSETS FROM:		
Excise Taxes Revenue Bonds	\$ 375,000	\$ 375,000
Capital Improvement Revenue Bonds	293,287	293,287
Federal Grants	2,074,396	2,074,396
State of Florida Grants	582,278	582,278
Lake County Grants	625,318	625,318
Donations and Developer Contributions	2,618,166	2,555,966
General Fund Revenues	<u>20,546,074</u>	<u>19,814,998</u>
 Total Investment in Capital Assets	 <u><u>\$ 27,114,519</u></u>	 <u><u>\$ 26,321,243</u></u>

TOWN OF LADY LAKE, FLORIDA
SCHEDULE OF CAPITAL ASSETS USED IN GOVERNMENTAL ACTIVITIES
BY FUNCTION AND ACTIVITY
SEPTEMBER 30, 2019

FUNCTION AND ACTIVITY	LAND	BUILDINGS	IMPROVEMENTS OTHER THAN BUILDINGS	FURNITURE AND EQUIPMENT	INFRA- STRUCTURE	CONSTRUCTION IN PROGRESS	TOTAL
GENERAL GOVERNMENT:							
Town Manager	\$ -	\$ -	\$ -	\$ 9,168	\$ -	\$ -	\$ 9,168
Town Clerk	-	-	-	6,041	-	-	6,041
Finance	-	-	-	27,838	-	-	27,838
Human Resources	-	-	-	7,188	-	-	7,188
Information Technology	-	-	-	416,520	-	-	416,520
Other General Government	1,424,727	2,848,875	430,557	494,147	-	105,624	5,303,930
Facilities Maintenance	-	-	-	95,819	-	-	95,819
Total General Government	<u>1,424,727</u>	<u>2,848,875</u>	<u>430,557</u>	<u>1,056,721</u>	<u>-</u>	<u>105,624</u>	<u>5,866,504</u>
PUBLIC SAFETY:							
Police	-	24,922	8,806	2,174,245	-	-	2,207,973
Building Inspections/Code Enf	-	-	-	25,807	-	-	25,807
Total Public Safety	<u>-</u>	<u>24,922</u>	<u>8,806</u>	<u>2,200,052</u>	<u>-</u>	<u>-</u>	<u>2,233,780</u>
GROWTH MANAGEMENT							
	<u>-</u>	<u>-</u>	<u>-</u>	<u>108,949</u>	<u>-</u>	<u>-</u>	<u>108,949</u>
PUBLIC WORKS:							
Administration	-	1,639,187	13,502	72,358	-	-	1,725,047
Streets and Maintenance	236,447	284,337	124,484	1,670,813	2,280,698	-	4,596,779
Motor Pool	-	6,437	-	69,610	-	-	76,047
Total Public Works	<u>236,447</u>	<u>1,929,961</u>	<u>137,986</u>	<u>1,812,781</u>	<u>2,280,698</u>	<u>-</u>	<u>6,397,873</u>
CULTURE AND RECREATION:							
Library	48,000	6,879,221	-	308,450	-	-	7,235,671
Parks and Recreation	434,720	1,304,583	1,799,417	597,192	1,135,830	-	5,271,742
Total Culture and Recreation	<u>482,720</u>	<u>8,183,804</u>	<u>1,799,417</u>	<u>905,642</u>	<u>1,135,830</u>	<u>-</u>	<u>12,507,413</u>
Total Capital Assets	<u>\$ 2,143,894</u>	<u>\$ 12,987,562</u>	<u>\$ 2,376,766</u>	<u>\$ 6,084,145</u>	<u>\$ 3,416,528</u>	<u>\$ 105,624</u>	<u>\$ 27,114,519</u>

TOWN OF LADY LAKE, FLORIDA
SCHEDULE OF CHANGES IN CAPITAL ASSETS USED IN GOVERNMENTAL ACTIVITIES
BY FUNCTION AND ACTIVITY
FOR THE YEAR ENDED SEPTEMBER 30, 2019

FUNCTION AND ACTIVITY	BALANCE 9/30/2018	ADDITIONS	TRANSFERS/ DISPOSALS	BALANCE 9/30/2019
GENERAL GOVERNMENT:				
Town Manager	\$ 9,168	\$ -	\$ -	\$ 9,168
Town Clerk	6,041	-	-	6,041
Finance	27,838	-	-	27,838
Human Resources	7,188	-	-	7,188
Information Technology	340,266	39,797	36,457	416,520
Other General Government	5,146,795	157,135	-	5,303,930
Facilities Maintenance	95,819	-	-	95,819
Total General Government	5,633,115	196,932	36,457	5,866,504
PUBLIC SAFETY:				
Police	2,105,581	261,675	(159,283)	2,207,973
Building Inspections/Code Enforce	25,807	-	-	25,807
Total Public Safety	2,131,388	261,675	(159,283)	2,233,780
GROWTH MANAGEMENT	108,949	-	-	108,949
PUBLIC WORKS:				
Administration	1,725,047	-	-	1,725,047
Streets and Maintenance	4,205,546	391,233	-	4,596,779
Motor Pool	76,047	-	-	76,047
Total Public Works	6,006,640	391,233	-	6,397,873
CULTURE AND RECREATION:				
Library	7,215,769	19,902	-	7,235,671
Parks and Recreation	5,225,382	63,236	(16,876)	5,271,742
Total Culture and Recreation	12,441,151	83,138	(16,876)	12,507,413
Total Capital Assets	\$ 26,321,243	\$ 932,978	\$ (139,702)	\$ 27,114,519

STATISTICAL SECTION

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

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

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

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

	Fiscal Year 2010	Fiscal Year 2011	Fiscal Year 2012	Fiscal Year 2013
GOVERNMENTAL ACTIVITIES				
Net Investment in Capital Assets	\$ 9,603,282	\$ 11,155,386	\$ 10,834,189	\$ 10,682,438
Restricted for:				
Capital Improvements	1,781,385	18,694	253,198	308,271
Police	56,908	24,520	4,957	18,790
Building Inspections	29,295	-	7,339	-
Education	1,590,846	1,590,846	1,590,846	1,590,846
Unrestricted	4,301,552	5,671,890	6,512,844	6,736,665
Total Governmental Activities Net Position	<u>\$ 17,363,268</u>	<u>\$ 18,461,336</u>	<u>\$ 19,203,373</u>	<u>\$ 19,337,010</u>
BUSINESS-TYPE ACTIVITIES				
Net Investment in Capital Assets	\$ 21,138,522	\$ 20,844,418	\$ 21,148,454	\$ 21,260,019
Restricted for:				
Capital Improvements	1,039,979	1,075,399	1,284,655	1,323,003
Debt Service	63,190	63,768	-	-
Unrestricted	1,212,779	1,541,857	1,829,470	2,109,382
Total Business-type Activities Net Position	<u>\$ 23,454,470</u>	<u>\$ 23,525,442</u>	<u>\$ 24,262,579</u>	<u>\$ 24,692,404</u>
TOWN OF LADY LAKE				
Net Investment in Capital Assets	\$ 30,741,804	\$ 31,999,804	\$ 31,982,643	\$ 31,942,457
Restricted for:				
Capital Improvements	2,821,364	1,094,093	1,537,853	1,631,274
Debt Service	63,190	63,768	-	-
Police	56,908	24,520	4,957	18,790
Building Inspections	29,295	-	7,339	-
Education	1,590,846	1,590,846	1,590,846	1,590,846
Unrestricted	5,514,331	7,213,747	8,342,314	8,846,047
Total Town of Lady Lake Net Position	<u>\$ 40,817,738</u>	<u>\$ 41,986,778</u>	<u>\$ 43,465,952</u>	<u>\$ 44,029,414</u>

Fiscal Year 2014	Fiscal Year 2015	Fiscal Year 2016	Fiscal Year 2017	Fiscal Year 2018	Fiscal Year 2019
\$ 11,831,421	\$ 12,253,224	\$ 12,615,596	\$ 14,700,622	\$ 14,612,058	\$ 14,427,310
356,616	467,143	546,121	379,212	403,967	515,830
21,075	11,537	10,956	3,572	5,252	6,476
-	4,056	-	52,037	299,657	179,791
1,596,096	1,615,816	1,625,466	1,625,466	1,625,466	1,625,466
5,467,962	7,361,403	9,212,834	10,347,351	11,501,590	12,106,114
<u>\$ 19,273,170</u>	<u>\$ 21,713,179</u>	<u>\$ 24,010,973</u>	<u>\$ 27,108,260</u>	<u>\$ 28,447,990</u>	<u>\$ 28,860,987</u>
\$ 21,246,272	\$ 20,263,034	\$ 19,805,320	\$ 19,356,812	\$ 19,536,904	\$ 21,502,753
1,223,405	1,550,223	1,579,323	1,819,281	1,303,346	2,420,018
-	-	-	-	-	-
2,365,504	2,660,877	2,476,071	2,300,558	2,473,513	3,076,846
<u>\$ 24,835,181</u>	<u>\$ 24,474,134</u>	<u>\$ 23,860,714</u>	<u>\$ 23,476,651</u>	<u>\$ 23,313,763</u>	<u>\$ 26,999,617</u>
\$ 33,077,693	\$ 32,516,258	\$ 32,420,916	\$ 34,057,434	\$ 34,148,962	\$ 35,930,063
1,580,021	2,017,366	2,125,444	2,198,493	1,707,313	2,935,848
-	-	-	-	-	-
21,075	11,537	10,956	3,572	5,252	6,476
-	4,056	-	52,037	299,657	179,791
1,596,096	1,615,816	1,625,466	1,625,466	1,625,466	1,625,466
7,833,466	10,022,280	11,688,905	12,647,909	13,975,103	15,182,960
<u>\$ 44,108,351</u>	<u>\$ 46,187,313</u>	<u>\$ 47,871,687</u>	<u>\$ 50,584,911</u>	<u>\$ 51,761,753</u>	<u>\$ 55,860,604</u>

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

	Fiscal Year 2010	Fiscal Year 2011	Fiscal Year 2012	Fiscal Year 2013
EXPENSES				
Governmental Activities:				
General Government	\$ 1,717,836	\$ 1,526,644	\$ 1,480,301	\$ 1,521,779
Public Safety	4,521,168	4,252,583	4,183,461	4,433,960
Growth Management	246,849	267,673	205,076	248,856
Public Works	1,380,692	1,531,843	1,642,133	1,809,065
Culture and Recreation	1,000,149	1,195,056	1,334,575	1,332,810
Interest on Long-term Debt	133,743	148,077	143,289	139,871
Total Governmental Activities Expenses	<u>9,000,437</u>	<u>8,921,876</u>	<u>8,988,835</u>	<u>9,486,341</u>
Business-Type Activities				
Water	1,134,744	1,091,782	1,157,928	1,151,286
Sewer	1,289,583	1,271,914	1,266,414	1,374,593
Garbage	312,829	318,655	325,861	328,389
Total Business-Type Activities Expenses	<u>2,737,156</u>	<u>2,682,351</u>	<u>2,750,203</u>	<u>2,854,268</u>
Total Expenses	<u>\$ 11,737,593</u>	<u>\$ 11,604,227</u>	<u>\$ 11,739,038</u>	<u>\$ 12,340,609</u>
PROGRAM REVENUES				
Governmental Activities:				
Charges for Services:				
General Government	\$ 19,975	\$ 33,050	\$ 20,583	\$ 46,061
Public Safety	1,113,352	1,049,975	1,148,897	1,180,261
Growth Management	56,217	49,930	44,806	63,305
Public Works	13,466	16,475	19,183	16,996
Culture and Recreation	29,210	27,272	32,502	48,081
Operating Grants and Contributions	313,310	396,452	198,181	180,793
Capital Grants and Contributions	559,587	493,353	234,178	55,155
Total Governmental Activities Program Revenues	<u>2,105,117</u>	<u>2,066,507</u>	<u>1,698,330</u>	<u>1,590,652</u>
Business-Type Activities:				
Charges for Services:				
Water	955,189	1,044,641	1,070,237	1,063,469
Sewer	629,730	699,705	710,978	733,441
Garbage	340,418	359,543	358,768	360,974
Operating Grants and Contributions	-	1,890	432	-
Capital Grants and Contributions	836,819	34,488	708,452	520,624
Total Business-Type Activities Program Revenues	<u>2,762,156</u>	<u>2,140,267</u>	<u>2,848,867</u>	<u>2,678,508</u>
Total Program Revenues	<u>\$ 4,867,273</u>	<u>\$ 4,206,774</u>	<u>\$ 4,547,197</u>	<u>\$ 4,269,160</u>
NET REVENUE (EXPENSE)				
Governmental Activities	\$ (6,895,320)	\$ (6,855,369)	\$ (7,290,505)	\$ (7,895,689)
Business-Type Activities	25,000	(542,084)	98,664	(175,760)
Total Net Expense	<u>\$ (6,870,320)</u>	<u>\$ (7,397,453)</u>	<u>\$ (7,191,841)</u>	<u>\$ (8,071,449)</u>

<u>Fiscal Year 2014</u>	<u>Fiscal Year 2015</u>	<u>Fiscal Year 2016</u>	<u>Fiscal Year 2017</u>	<u>Fiscal Year 2018</u>	<u>Fiscal Year 2019</u>
\$ 1,668,708	\$ 1,742,534	\$ 1,730,431	\$ 1,903,693	\$ 2,053,017	\$ 2,056,037
4,485,737	4,234,108	4,006,978	3,924,096	4,915,400	4,958,150
243,718	265,218	233,680	325,481	368,809	379,399
2,118,038	1,710,173	1,880,482	1,950,796	2,426,249	2,032,846
1,326,100	1,299,452	1,444,723	1,482,354	1,679,340	1,655,769
137,017	116,230	79,468	4,819	-	-
<u>9,979,318</u>	<u>9,367,715</u>	<u>9,375,762</u>	<u>9,591,239</u>	<u>11,442,815</u>	<u>11,082,201</u>
1,305,705	1,177,220	1,187,348	1,332,455	1,219,467	1,354,782
1,269,726	1,320,503	1,365,635	1,375,192	1,488,960	1,559,945
330,661	336,229	1,054,906	1,071,930	1,103,068	1,137,596
<u>2,906,092</u>	<u>2,833,952</u>	<u>3,607,889</u>	<u>3,779,577</u>	<u>3,811,495</u>	<u>4,052,323</u>
<u>\$ 12,885,410</u>	<u>\$ 12,201,667</u>	<u>\$12,983,651</u>	<u>\$13,370,816</u>	<u>\$15,254,310</u>	<u>\$ 15,134,524</u>
\$ 26,257	\$ 35,390	\$ 28,061	\$ 147,905	\$ 95,665	\$ 33,549
1,270,751	1,390,133	1,208,703	1,297,263	1,519,432	1,323,201
84,945	107,165	69,590	123,685	123,845	92,569
39,447	53,469	33,798	116,439	46,598	37,023
48,550	54,430	52,236	66,544	112,430	106,940
210,371	224,196	271,989	368,848	437,937	545,935
1,207,037	375,154	166,767	546,634	196,056	100,751
<u>2,887,358</u>	<u>2,239,937</u>	<u>1,831,144</u>	<u>2,667,318</u>	<u>2,531,963</u>	<u>2,239,968</u>
1,113,378	1,115,560	1,165,389	1,179,920	1,185,629	1,269,018
768,116	790,573	842,015	860,488	918,613	1,187,475
364,311	367,953	1,155,701	1,170,324	1,187,130	1,205,529
-	-	-	-	-	-
161,466	324,250	39,670	295,678	147,885	2,252,749
<u>2,407,271</u>	<u>2,598,336</u>	<u>3,202,775</u>	<u>3,506,410</u>	<u>3,439,257</u>	<u>5,914,771</u>
<u>\$ 5,294,629</u>	<u>\$ 4,838,273</u>	<u>\$ 5,033,919</u>	<u>\$ 6,173,728</u>	<u>\$ 5,971,220</u>	<u>\$ 8,154,739</u>
\$ (7,091,960)	\$ (7,127,778)	\$ (7,544,618)	\$ (6,923,921)	\$ (8,910,852)	\$ (8,842,233)
(498,821)	(235,616)	(405,114)	(273,167)	(372,238)	1,862,448
<u>\$ (7,590,781)</u>	<u>\$ (7,363,394)</u>	<u>\$ (7,949,732)</u>	<u>\$ (7,197,088)</u>	<u>\$ (9,283,090)</u>	<u>\$ (6,979,785)</u>

Continued on Next Page

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

	Fiscal Year 2010	Fiscal Year 2011	Fiscal Year 2012	Fiscal Year 2013
GENERAL REVENUES AND TRANSFERS				
Governmental Activities:				
Taxes:				
Property Taxes	\$ 2,717,691	\$ 2,611,571	\$ 2,551,573	\$2,499,157
Sales Taxes	1,591,571	1,751,849	1,763,033	1,801,238
Franchise Fees	1,449,685	1,365,739	1,295,015	1,283,585
Utility Taxes	1,976,462	1,980,086	2,208,800	2,361,744
Excise Taxes	699,282	703,755	704,042	710,796
Unrestricted Investment Earnings	202,738	130,564	112,217	(41,207)
Gain on Sale of Capital Assets	-	-	-	-
Transfers	(606,125)	(590,127)	(602,138)	(585,987)
Total Governmental Activities	<u>8,031,304</u>	<u>7,953,437</u>	<u>8,032,542</u>	<u>8,029,326</u>
Business-Type Activities:				
Unrestricted Investment Earnings	63,324	22,929	36,335	19,598
Transfers	606,125	590,127	602,138	585,987
Total Business-Type Activities	<u>669,449</u>	<u>613,056</u>	<u>638,473</u>	<u>605,585</u>
Total General Revenues and Transfers	<u>\$ 8,700,753</u>	<u>\$ 8,566,493</u>	<u>\$ 8,671,015</u>	<u>\$8,634,911</u>
CHANGE IN NET POSITION				
Governmental Activities	\$ 1,135,984	\$ 1,098,068	\$ 742,037	\$ 133,637
Business-Type Activities	694,449	70,972	737,137	429,825
Total Change in Net Position	<u>\$ 1,830,433</u>	<u>\$ 1,169,040</u>	<u>\$ 1,479,174</u>	<u>\$ 563,462</u>

<u>Fiscal Year 2014</u>	<u>Fiscal Year 2015</u>	<u>Fiscal Year 2016</u>	<u>Fiscal Year 2017</u>	<u>Fiscal Year 2018</u>	<u>Fiscal Year 2019</u>
\$ 2,541,325	\$ 3,066,208	\$ 3,118,280	\$ 3,156,218	\$ 3,399,162	\$ 3,626,787
1,924,431	2,051,083	2,146,461	2,219,432	2,348,220	2,523,438
1,395,151	1,395,373	1,383,861	1,390,322	1,474,639	1,557,631
978,520	2,015,130	1,992,703	2,094,236	2,007,958	1,941,351
742,764	770,234	873,717	943,577	999,106	1,043,088
81,731	98,552	105,060	55,887	133,381	306,890
10,400	27,084	-	20,036	22,616	1,045
<u>(646,202)</u>	<u>144,123</u>	<u>222,330</u>	<u>141,500</u>	<u>(134,500)</u>	<u>(1,745,000)</u>
<u>7,028,120</u>	<u>9,567,787</u>	<u>9,842,412</u>	<u>10,021,208</u>	<u>10,250,582</u>	<u>9,255,230</u>
(4,604)	18,692	14,024	30,604	74,850	78,406
<u>646,202</u>	<u>(144,123)</u>	<u>(222,330)</u>	<u>(141,500)</u>	<u>134,500</u>	<u>1,745,000</u>
<u>641,598</u>	<u>(125,431)</u>	<u>(208,306)</u>	<u>(110,896)</u>	<u>209,350</u>	<u>1,823,406</u>
<u>\$ 7,669,718</u>	<u>\$ 9,442,356</u>	<u>\$ 9,634,106</u>	<u>\$ 9,910,312</u>	<u>\$ 10,459,932</u>	<u>\$ 11,078,636</u>
\$ (63,840)	\$ 2,440,009	\$ 2,297,794	\$ 3,097,287	\$ 1,339,730	\$ 412,997
<u>142,777</u>	<u>(361,047)</u>	<u>(613,420)</u>	<u>(384,063)</u>	<u>(162,888)</u>	<u>3,685,854</u>
<u>\$ 78,937</u>	<u>\$ 2,078,962</u>	<u>\$ 1,684,374</u>	<u>\$ 2,713,224</u>	<u>\$ 1,176,842</u>	<u>\$ 4,098,851</u>

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

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
General Fund				
Nonspendable	\$ -	\$ 141,268	\$ 107,936	\$ 70,346
Restricted	-	1,634,060	1,856,340	1,917,907
Reserved	2,244,175	-	-	-
Committed	-	-	-	-
Assigned	-	21,431	12,768	7,139
Unassigned	-	5,061,025	5,765,899	5,879,340
Unreserved	4,307,215	-	-	-
Total General Fund	<u>\$ 6,551,390</u>	<u>\$ 6,857,784</u>	<u>\$ 7,742,943</u>	<u>\$ 7,874,732</u>
All Other Governmental Funds				
Restricted	\$ -	\$ 583,030	\$ 809,506	\$ 997,795
Reserved	891,389	-	-	-
Total all other governmental funds	<u>\$ 891,389</u>	<u>\$ 583,030</u>	<u>\$ 809,506</u>	<u>\$ 997,795</u>

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

<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
\$ 44,981	\$ 41,004	\$ 46,031	\$ 49,488	\$ 49,097	\$ 53,044
1,973,787	2,098,552	2,182,543	2,060,287	2,334,342	2,327,563
-	-	-	-	-	-
-	-	-	1,700,000	1,078,030	2,397,951
11,386	766,158	770,904	158,777	92,632	58,532
5,274,753	6,087,035	7,345,746	6,604,574	7,804,930	7,812,316
-	-	-	-	-	-
<u>\$ 7,304,907</u>	<u>\$ 8,992,749</u>	<u>\$ 10,345,224</u>	<u>\$ 10,573,126</u>	<u>\$ 11,359,031</u>	<u>\$ 12,649,406</u>
\$ 1,106,801	\$ 1,304,057	\$ 1,534,803	\$ 1,266,786	\$ 2,176,435	\$ 1,411,555
-	-	-	-	-	-
<u>\$ 1,106,801</u>	<u>\$ 1,304,057</u>	<u>\$ 1,534,803</u>	<u>\$ 1,266,786</u>	<u>\$ 2,176,435</u>	<u>\$ 1,411,555</u>

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

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Revenues					
Taxes	\$ 7,382,152	\$ 7,321,480	\$ 7,493,824	\$ 7,553,814	\$ 7,293,702
Licenses and Permits	294,920	268,169	290,528	312,656	432,447
Intergovernmental Revenues	1,304,226	2,326,516	1,253,675	1,266,458	2,331,525
Charges for Services	172,804	171,293	177,124	188,237	211,456
Fines and Forfeitures	67,747	32,505	43,908	52,245	46,955
Investment Earnings	202,738	130,564	72,962	(41,207)	81,731
Miscellaneous	727,893	777,482	1,020,181	856,827	916,867
Total Revenues	<u>10,152,480</u>	<u>11,028,009</u>	<u>10,352,202</u>	<u>10,189,030</u>	<u>11,314,683</u>
Expenditures					
General Government	1,477,360	1,407,678	1,398,473	1,523,567	1,627,104
Public Safety	4,272,207	4,039,535	4,150,583	4,405,663	4,558,273
Growth Management	236,642	260,165	215,450	242,670	267,524
Public Works	1,359,998	1,396,223	1,541,586	1,694,717	2,033,250
Culture and Recreation	895,223	1,047,000	1,022,768	986,624	1,112,112
Capital Outlay	3,086,961	2,018,776	-	242,358	1,337,746
Debt Service:					
Principal	167,895	120,892	125,584	63,900	66,743
Interest	127,041	150,480	145,788	140,100	137,257
Total Expenditures	<u>11,623,327</u>	<u>10,440,749</u>	<u>8,600,232</u>	<u>9,299,599</u>	<u>11,140,009</u>
Excess (Deficiency) of Revenues over (under) Expenditures	(1,470,847)	587,260	1,751,970	889,431	174,674
Other Financing Sources (Uses)					
Loan Proceeds	3,400,000	-	-	-	-
Transfers in	277,057	826,608	332,000	348,123	437,333
Transfers out	(883,182)	(1,416,735)	(934,138)	(934,110)	(1,083,535)
Sale of Capital Assets	24,994	902	1,802	16,634	10,709
Other Losses	-	-	(39,999)	-	-
Total Other Financing Sources (Uses)	<u>2,818,869</u>	<u>(589,225)</u>	<u>(640,335)</u>	<u>(569,353)</u>	<u>(635,493)</u>
Net Change in Fund Balances	<u>\$ 1,348,022</u>	<u>\$ (1,965)</u>	<u>\$ 1,111,635</u>	<u>\$ 320,078</u>	<u>\$ (460,819)</u>
Debt service as a percentage of noncapital expenditures	3.6%	3.3%	3.4%	2.4%	2.2%

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
\$	7,912,220	\$ 8,207,018	\$ 7,826,746	\$ 8,718,518	\$ 8,927,566
	590,564	387,774	496,752	724,049	468,847
	1,755,741	1,530,756	1,949,676	1,670,310	1,967,202
	213,007	185,214	252,829	217,754	233,056
	44,695	30,624	35,031	34,081	29,569
	98,552	105,060	55,887	133,381	306,890
	988,966	1,004,780	1,171,585	1,295,918	1,049,221
	<u>11,603,745</u>	<u>11,451,226</u>	<u>11,788,506</u>	<u>12,794,011</u>	<u>12,982,351</u>
	1,632,305	1,538,019	1,912,327	1,876,200	1,889,699
	4,388,499	4,484,607	4,482,304	4,640,086	4,882,448
	256,226	223,873	310,336	349,849	374,420
	1,524,132	1,715,032	1,782,135	2,508,867	1,960,815
	947,118	1,090,028	1,157,207	1,432,709	1,316,850
	193,574	90,776	907,063	178,862	288,669
	828,800	865,430	1,417,934	-	-
	119,200	82,570	9,897	-	-
	<u>9,889,854</u>	<u>10,090,335</u>	<u>11,979,203</u>	<u>10,986,573</u>	<u>10,712,901</u>
	1,713,891	1,360,891	(190,697)	1,807,438	2,269,450
	-	-	-	-	-
	1,217,709	1,315,671	1,777,331	412,836	474,611
	(1,073,586)	(1,093,341)	(1,635,831)	(547,336)	(2,219,611)
	27,084	-	9,082	22,616	1,045
	-	-	-	-	-
	<u>171,207</u>	<u>222,330</u>	<u>150,582</u>	<u>(111,884)</u>	<u>(1,743,955)</u>
\$	<u>1,885,098</u>	<u>\$ 1,583,221</u>	<u>\$ (40,115)</u>	<u>\$ 1,695,554</u>	<u>\$ 525,495</u>
	10.8%	9.8%	13.8%	0.0%	0.0%

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

<u>FISCAL YEAR</u>	<u>PROPERTY TAXES</u>	<u>INFRA-STRUCTURE SALES SURTAX</u>	<u>EXCISE TAXES</u>	<u>FRANCHISE FEES</u>	<u>UTILITY TAXES</u>	<u>COMMUNICATIONS SERVICES TAX</u>	<u>TOTAL TAXES</u>
2010	\$ 2,717,691	\$ 997,730	\$ 303,638	\$ 1,449,685	\$ 1,107,660	\$ 823,485	\$ 7,399,889
2011	2,611,571	1,108,224	305,308	1,365,739	1,073,087	857,551	7,321,480
2012	2,551,573	1,160,271	298,767	1,295,015	998,436	1,189,762	7,493,824
2013	2,499,157	1,121,772	287,556	1,283,585	1,057,169	1,304,575	7,553,814
2014	2,541,325	1,191,905	301,318	1,395,151	1,141,057	722,946	7,293,702
2015	3,066,208	1,270,229	300,666	1,395,373	1,108,981	770,763	7,912,220
2016	3,118,280	1,323,561	388,613	1,383,861	1,180,389	812,314	8,207,018
2017	3,156,218	1,366,700	433,054	1,390,322	1,177,342	303,110	7,826,746
2018	3,399,162	1,435,218	459,961	1,474,639	1,200,612	748,926	8,718,518
2019	3,626,787	1,435,272	466,168	1,557,631	1,294,268	547,440	8,927,566

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

FISCAL YEAR	REAL PROPERTY		PERSONAL PROPERTY		TOTAL		DIRECT TAX RATE	TAXABLE VALUE PERCENTAGE OF JUST VALUE
	ESTIMATED JUST VALUE	TAXABLE VALUE	ESTIMATED JUST VALUE	TAXABLE VALUE	ESTIMATED JUST VALUE	TAXABLE VALUE		
2010	\$ 1,152,451,691	\$ 772,717,249	\$ 143,010,344	\$87,983,845	\$ 1,295,462,035	\$ 860,701,094	3.281	66.44%
2011	1,091,692,049	742,189,105	135,380,406	82,087,812	1,227,072,455	824,276,917	3.281	67.17%
2012	1,057,818,762	726,450,279	130,303,491	76,692,713	1,188,122,253	803,142,992	3.281	67.60%
2013	1,019,816,118	709,540,478	130,136,050	76,436,973	1,149,952,168	785,977,451	3.281	68.35%
2014	1,044,002,422	722,234,079	131,722,980	77,943,186	1,175,725,402	800,177,265	3.281	68.06%
2015	1,128,659,243	773,013,459	128,991,780	75,386,256	1,257,651,023	848,399,715	3.750	67.46%
2016	1,229,179,303	832,931,240	129,670,322	75,839,875	1,358,849,625	908,771,115	3.551	66.88%
2017	1,290,663,131	888,208,461	129,246,878	75,455,229	1,419,910,009	963,663,690	3.396	67.87%
2018	1,364,419,061	959,946,458	130,486,391	76,516,340	1,494,905,452	#####	3.396	69.33%
2019	1,944,744,000	1,028,846,181	133,704,265	79,352,745	1,578,448,265	#####	3.396	70.21%

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

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

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

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

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

FISCAL YEAR	TOWN DIRECT RATE	OVERLAPPING RATES						TOTAL DIRECT AND OVERLAPPING RATES
		LAKE COUNTY	SCHOOL DISTRICT	WATER CONSERVATION AUTHORITY	WATER MANAGEMENT DISTRICT	AMBULANCE DISTRICT	HOSPITAL DISTRICT	
2010	3.281	5.083	7.532	0.213	0.416	0.465	1.000	17.990
2011	3.281	5.163	7.523	0.241	0.416	0.385	1.000	18.009
2012	3.281	5.163	7.394	0.241	0.331	0.385	1.000	17.795
2013	3.281	4.921	7.320	0.255	0.331	0.385	1.000	17.493
2014	3.281	4.921	7.170	0.255	0.328	0.385	1.000	17.340
2015	3.750	6.016	7.246	0.255	0.316	0.463	1.000	19.046
2016	3.551	5.935	7.197	0.255	0.303	0.463	1.000	18.704
2017	3.396	5.741	6.875	0.255	0.289	0.463	1.000	18.019
2018	3.396	5.741	6.603	0.255	0.272	0.463	1.000	17.730
2019	3.396	5.720	6.355	0.490	0.256	0.463	0.980	17.660

96

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

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

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

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

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

**TOWN OF LADY LAKE, FLORIDA
PRINCIPAL PROPERTY TAXPAYERS
SEPTEMBER 30, 2019
CURRENT YEAR COMPARED TO TEN YEARS AGO**

Taxpayer	Fiscal Year 2019			Fiscal Year 2010		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Value
Villages Operating Company	\$ 70,658,536	1	6.87%	\$ 39,966,345	1	4.64%
Lazy B Cattle Venture LTD	32,330,327	2	3.14%	27,619,880	2	3.21%
GMC Lady Lake LLC	29,836,976	3	2.90%			
Sun Communities Finance LP	26,945,929	4	2.62%	18,718,482	4	2.17%
SRK Lady Lake 21 Associates, LLC	26,121,312	5	2.54%	14,525,850	6	1.69%
Vereit MT Lady Lake FL LLC	24,292,996	6	2.36%			
Lady Lake Apartments LLC	20,819,701	7	2.02%	13,734,096	7	1.60%
Carmendy Square Properties LLC	13,318,341	8	1.29%			
Lady Lake Re LLC	10,801,258	9	1.05%			
SRK Lady Lake 43 Associates, LLC	7,926,237	10	0.77%			
TMW Wltfonds Rolling Acres Plaza LP				18,917,986	3	2.20%
Courtney Villages LLC				16,828,107	5	1.96%
Embarq-Florida Inc				9,307,960	8	1.08%
The Villages of Lake Sumter Inc				8,834,738	9	1.03%
Kohl's Departement Stores, Inc				8,246,287	10	0.96%
Total	<u>\$ 263,051,613</u>		<u>25.57%</u>	<u>\$ 176,699,731</u>		<u>20.53%</u>
Total Taxable Assessed Valuation	\$1,028,846,181			\$ 860,701,094		

Source: Tax Year 2018 and Tax Year 2009 ad valorem tax rolls of the Town of Lady Lake, Florida. Tax year is equivalent to the following fiscal year.

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

<u>FISCAL YEAR</u>	<u>TOTAL TAX LEVY</u>	<u>CURRENT TAX COLLECTIONS</u>	<u>PERCENT OF LEVY COLLECTED</u>	<u>DELINQUENT TAX COLLECTIONS</u>	<u>TOTAL TAX COLLECTIONS</u>	<u>PERCENT OF TOTAL TAX COLLECTIONS TO TAX LEVY</u>
2010	\$ 2,823,960	\$ 2,716,421	96.2%	\$ 1,270	\$ 2,717,691	96.2%
2011	2,704,453	2,606,368	96.4%	5,203	2,611,571	96.6%
2012	2,635,112	2,548,744	96.7%	2,829	2,551,573	96.8%
2013	2,578,635	2,490,098	96.6%	9,059	2,499,157	96.9%
2014	2,622,485	2,532,327	96.6%	8,998	2,541,325	96.9%
2015	3,181,499	3,062,963	96.3%	3,245	3,066,208	96.4%
2016	3,227,046	3,086,766	95.7%	6,514	3,118,280	96.6%
2017	3,272,602	3,149,732	96.3%	6,486	3,156,218	96.4%
2018	3,519,828	3,392,712	96.4%	6,450	3,399,162	96.6%
2019	3,763,444	3,624,229	96.3%	2,558	3,626,787	96.4%

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

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

Fiscal Year	Governmental Activities		Business-Type Activities	Total Primary	Percentage of Personal	Per Capita^a
	Revenue	Capital	Loans	Government	Income^a	
	Note	Lease	Payable			
2010	\$3,362,194	\$ 127,089	\$ 2,948,061	\$ 6,437,344	1.82%	\$ 462
2011	3,303,604	64,787	2,237,600	5,605,991	1.52%	402
2012	3,242,807	-	1,458,035	4,700,842	1.19%	338
2013	3,178,907	-	773,103	3,952,010	1.09%	283
2014	3,112,164	-	-	3,112,164	0.84%	220
2015	2,283,364	-	-	2,283,364	0.67%	161
2016	1,417,934	-	-	1,417,934	0.39%	97
2017	-	-	-	-	0.00%	-
2018	-	-	-	-	0.00%	-
2019	-	-	-	-	0.00%	-

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

^a See Page 104-105 for personal income and population data.

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

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

**TOWN OF LADY LAKE
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF SEPTEMBER 30, 2019**

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Overlapping Debt
Debt repaid with property taxes	\$ -	4.38%	\$ -
Other debt			-
Subtotal, overlapping debt			-
Direct debt			-
Total direct and overlapping debt			\$ -

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

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

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

Fiscal Year	Infrastructure Sales Surtaxes Available for Debt Service	Debt Service Requirements			Coverage
		Principal	Interest	Total	
2010	\$ 997,730	\$ 646,442	\$ 236,740	\$ 883,182	1.13
2011	1,108,224	691,673	242,454	934,127	1.19
2012	1,160,271	719,114	215,023	934,137	1.24
2013	1,121,772	748,832	185,278	934,110	1.20
2014	1,191,905	839,846	154,479	994,325	1.20
2015	1,270,229	828,800	119,200	948,000	1.34
2016	1,323,561	865,430	82,570	948,000	1.40
2017	1,366,700	904,190	43,810	948,000	1.44
2018	1,435,218	-	-	-	N/A
2019	1,435,272	-	-	-	N/A

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

Fiscal Year	Gross Revenues ¹	Operating Expenses ²	Net Revenue Available for Debt Service	Debt Service Requirements			Coverage
				Principal	Interest	Total	
2010	\$ 1,458,163	\$ 1,228,975	\$ 229,188	\$ 74,724	\$ 8,970	\$ 83,694	2.74
2011	1,589,607	1,188,720	400,887	77,378	6,317	83,695	4.79
2012	1,647,575	1,276,190	371,385	121,248	3,569	124,817	2.98
2013	1,644,294	1,428,909	215,385	-	-	-	N/A
2014	1,745,439	1,493,000	252,439	-	-	-	N/A
2015	1,746,797	1,438,728	308,069	-	-	-	N/A
2016	1,830,825	1,478,236	352,589	-	-	-	N/A
2017	1,859,700	1,640,938	218,762	-	-	-	N/A
2018	1,878,869	1,634,126	244,743	-	-	-	N/A
2019	2,284,234	1,818,648	465,586	-	-	-	N/A

¹ Water and sewer system gross revenues.

² Water and sewer operating expenses exclusive of depreciation and amortization.

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

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

Year	<u>POPULATION</u>			
	<u>Town of Lady Lake</u>		<u>Lake County</u>	
	<u>Population</u>	<u>% Increase</u>	<u>Population</u>	<u>% Increase</u>
2010 *	13,926	N/A	297,052	N/A
2011	13,946	0.14%	296,681	-0.13%
2012	13,909	-0.27%	299,677	1.01%
2013	13,947	0.27%	308,034	2.78%
2014	14,148	1.44%	309,736	0.55%
2015	14,207	0.42%	316,569	2.21%
2016	14,687	3.38%	326,226	3.05%
2017	14,821	0.91%	331,724	1.69%
2018	14,960	0.94%	345,575	4.18%
2019	15,655	4.65%	357,247	3.38%

POPULATION DISTRIBUTION BY AGE - 2019

<u>Age</u>	<u>Lake County</u>	<u>State of Florida</u>
0-19	20.7%	21.7%
20-44	26.0%	31.1%
45-64	25.8%	26.2%
65+	27.5%	21.0%

POPULATION PER SQUARE MILE

<u>Year</u>	<u>Lake County</u>	<u>State of Florida</u>
2010	306	348
2011	312	349
2012	317	351
2013	328	365
2014	330	364
2015	337	364
2016	345	376
2017	353.5	382
2018	361	393
2019	376	400

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

* Census Data

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

Year	2010	2011	2012	2013
Population	13,926	13,946	13,909	13,947
Total Personal Income of all Lady Lake Residents	353,342,406	368,495,886	393,812,611	362,370,954
Per Capita Personal Income	24,789	26,461	28,314	25,982
Median Age	66	65	67	65
School Enrollment The Villages of Lady Lake Elementary	761	794	761	809
Lake County Unemployment Rate	11.9%	10.6%	8.9%	6.9%

Source:

Population from the Bureau of Economic and Business Research, University of Florida (www.bebr.ufl.edu)

Median Age and Per Capita from Orlando Economic Development Commission (www.orlandoedc.com)

Unemployment rate from the Bureau of Labor Statistics (www.bls.gov)

2014	2015	2016	2017	2018	2019
14,148	14,207	14,687	14,821	14,960	15,655
371,186,928	341,195,312	367,659,671	396,061,583	404,488,480	424,720,150
26,236	24,016	25,033	26,723	27,038	27,130
65	66	66	65	67	64
832	843	827	830	827	872
5.4%	5.2%	4.8%	3.4%	2.9%	2.9%

**TOWN OF LADY LAKE, FLORIDA
PRINCIPAL EMPLOYERS
SEPTEMBER 30, 2019**

Employer	2019			2010		
	* Employees	Rank	Percentage of Total Town Employment	* Employees	Rank	Percentage of Total Town Employment
The Villages Media Group	273	1	5.62%			
The Villages Rehab & Nursing Center	226	2	4.66%			
The Home Depot	187	3	3.85%	134	2	3.96%
Sam's Club	158	4	3.26%	164	1	4.84%
OMI, Inc	157	5	3.23%			
Lady Lake Specialty Care	146	6	3.01%			
Texas Roadhouse	145	7	2.99%			
Publix Super Markets	142	8	2.93%	131	4	3.87%
Kohl's Department Store	112	9	2.31%	112	7	3.31%
The Villages of Lady Lake Elementary	107	10	2.20%	95	9	2.81%
Winn Dixie Stores, Inc/Winn Dixie Liquors	107	10	2.20%	120	5	3.55%
Katie Belles Music Hall				134	3	3.96%
Target Department Store				119	6	3.52%
Town of Lady Lake				105	8	3.10%
Carrabba's Restaurant				67	10	1.98%
Total	1,760		36.26%	1,181		34.89%
Total Town Employment	4,854			3,385		

* Full time and/or part time positions.

Source:

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

Lady Lake total town employment figures from Orlando Economic Development Commission-Demographic Detail (www.orlandoedc.com)

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

Function	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
General Government										
Town Manager	2	2	2	2	2	2	2	2	2	2
Town Clerk	3	2	2	2	2	2	2	2	2	2
Finance	5	4.5	4.5	4.5	4.5	4.5	4.5	4.5	4.5	4.5
Human Resource/Risk Management	3	2	2	2	2	2	2	2	2	2
Information Technology	1	1	2	2	2	2	2	2	2	3
Facilities Maint.	2	2	2	2	2	2	2	2	2	2
Total General Government	16	13.5	14.5	14.5	14.5	14.5	14.5	14.5	14.5	15.5
Public Safety										
Police Officers	30	30	28	28	28	28	28	28	28	30
Police Civilians	15	14.5	14.5	14.5	6.5	6.5	6.5	6	6	6
Building Dept.	3	1	1	1	1	1	1	1	1	1
Code Enforcement	1	1	1	1	1	1	1	1	1	1
Total Public Safety	49	46.5	44.5	44.5	36.5	36.5	36.5	36	36	38
Growth Management	3	3	3	3	3	3	3.5	4.5	4.5	4.5
Public Works										
Administration	2	2	2	2	2	2	2	2	2	2
Street Maint.	9	10	10	10	10	10	10	10	10	10
Motor Pool	2	2	2	2	2	2	2	2	2	2
Total Public Works	13	14	14	14	14	14	14	14	14	14
Culture and Recreation										
Library	6.5	7.5	7	7	7	7.5	7.5	9	9	9.5
Parks & Recreation	5	5	5	5	5	5	5	5	5	5
Total Culture and Recreation	11.5	12.5	12	12	12	12.5	12.5	14	14	14.5
Utilities										
Water	10	10	9	10	10	10	10	11	11	11
Sewer	3	3	3	2	2	2	2	2	2	2
Total Utilities	13	13	12	12	12	12	12	13	13	13
Total Government Employees	105.5	102.5	100	100	92	92.5	93	96	96	99.5

Source: Finance Department

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

<u>Function/Program</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Police					
Booking Arrests	293	254	414	390	305
DUI Citations	46	18	30	26	24
Misdemeanor Citations	33	44	47	45	41
Traffic Citations	2,338	1,211	1,462	1,742	1,370
Traffic Accidents	374	366	382	439	408
Warrants Arrests	34	29	44	55	45
Dispatch Center:					
Medical Calls	2,746	2,773	2,418	2,448	174
Assist other Agencies	442	496	312	283	186
General Calls	31,042	31,725	27,797	18,406	13,096
Building Department					
Total Commercial Permits	308	290	240	241	303
Total Residential Permits	1,195	1,186	1,065	1,033	1,173
Number of Permits Issued	1,503	1,476	1,305	1,274	1,476
Total Construction Value	\$16,280,632	\$12,103,916	\$24,027,568	\$12,457,348	\$36,044,724
Growth Management					
Site Plans Approved	2	1	0	4	7
Clerk's Office					
Business Tax Receipts	1,183	1,037	1,073	818	817
Roads and Streets					
Potholes repaired	750	450	600	500	500
Street resurfacing (miles)	1.28	0	0	0.25	1.40
Street Micro-resurfacing (miles)	5.00	5.14	4.57	12.19	0.00
Library					
Total Circulation (library materials checked out)	124,025	110,435	140,181	134,728	123,563
Total Users of Public Internet Computers	33,532	41,187	38,850	16,951	13,535
Total Reference Transactions	18,792	19,500	24,364	27,868	21,696
Total Annual Programs	830	289	605	499	428
Total Program Attendance	11,200	11,008	15,505	22,345	11,963
Total Number of Registered Card Holders	7,334	7,972	9,412	10,318	6,394
Total Number of Volunteer Hours	2,622	3,399	4,786	3,935	2,687
Total Library visitors	122,559	125,060	149,741	152,530	149,318
Number of Bookings for Library Rooms	-	-	566	1,015	223
Number of Bookings at the Community Building	599	483	358	332	251
Parks and Recreation					
Number of Recreation Leases	8	8	8	8	7
Water					
Commercial Connections	378	402	420	396	397
Residential Connections	1,923	1,956	1,931	1,988	1,997
Total Connections	2,301	2,358	2,351	2,384	2,394
Total Equivalent Residential Units	3,679	3,680	3,859	3,861	3,896
Average Daily Consumption (gallons per day)	630,000	699,980	662,634	655,523	675,229
Reuse					
Commercial Connections	22	34	27	30	34
Residential Connections	0	0	0	0	9
Total Equivalent Residential Units	25	34	104	112	142
Average Daily Consumption (gallons per day)	150,000	142,000	109,000	162,000	170,000
Wastewater					
Commercial Connections	209	222	226	231	234
Residential Connections	669	707	672	734	737
Total Connections	878	929	898	967	971
Total Equivalent Residential Units	1,875	1,939	1,950	2,060	2,084
Average Daily Sewage Treatment (gallons per day)	170,000	186,000	220,500	238,000	240,000

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

Sources: Various Town departments

<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
350	485	450	290	370
29	35	29	23	11
78	62	70	53	56
2,095	1,512	1,444	1,169	925
561	728	771	779	773
62	73	124	85	45
912	608	133	165	164
156	205	170	159	188
15,878	16,482	8,670	15,783	17,149
368	238	207	171	188
1,236	1,209	1,224	1,617	1,397
1,604	1,447	1,431	1,788	1,585
\$41,692,307	\$34,064,698	\$34,371,713	\$54,846,969	\$32,197,936
11	5	9	5	8
882	847	899	841	841
500	600	300	300	200
2.70	3.18	2.27	1.24	2.17
0.00	0.00	0.00	11.00	-
149,504	169,592	167,896	145,467	136,548
14,134	15,547	15,682	15,887	11,950
13,884	15,689	19,169	21,372	22,430
815	852	896	886	865
12,722	12,993	20,081	16,671	15,840
7,796	9,019	10,303	11,629	12,907
3,435	3,465	3,068	2,381	2,686
176,182	187,226	207,987	194,636	181,385
832	871	1,003	1,095	1,216
320	363	403	441	508
7	7	8	8	8
408	422	466	471	430
2,010	2,017	2,069	2,094	2,064
2,418	2,439	2,535	2,565	2,494
3,954	4,005	4,043	4,115	4,143
678,622	734,828	735,359	698,041	725,408
38	42	42	43	44
10	13	20	38	36
162	173	180	196	206
222,000	227,000	238,000	283,000	291,000
241	261	263	266	271
743	742	751	756	758
984	1,003	1,014	1,022	1,029
2,107	2,165	2,178	2,205	2,232
244,000	247,000	263,000	313,000	325,000

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

<u>Function/Program</u>	<u>2010</u>	<u>2010</u>	<u>2012</u>	<u>2013</u>
Police				
Stations (Includes substation)	1	1	1	1
Sworn Officers (positions filled)	30	30	28	28
Administration Units	4	4	3	3
Patrol Units	20	20	20	21
Motorcycle Units	2	2	2	1
Investigation Units	2	2	2	2
School Resource Officer Unit	1	1	0	0
K-9 Officer with Dog Unit	1	1	1	1
Support (Non-Sworn)	16	16	15	6.5
Roads and Streets				
Paved Roads (miles)	61.21	61.21	61.44	61.44
Unpaved Roads (miles)	2.51	2.58	2.58	2.58
Sidewalks (feet)	9,100	9,100	9,100	9,100
Land Annexations (acreage)	55.05	55.67	0	0
Culture and Recreation:				
Libraries	1	1	1	1
Acreage	54	54	54	54
Parks	4	4	4	4
Recreation Centers	1	1	1	1
Basketball Courts	1	1	1	1
Racquetball Handball Courts	4	4	4	4
Tennis Courts	2	2	2	2
Softball Fields	1	1	1	1
Baseball Fields	4	4	4	4
Playgrounds	1	1	1	1
Dog Park	1	1	1	1
Soccer Fields	3	3	3	3
Golf Driving Range	1	1	1	1
Water				
Water Mains (miles)	51.9	54.2	54.3	54.3
Storage Capacity (gallons)	565,000	565,000	565,000	565,000
Treatment Capacity (gallons per day)	2,358,000	2,358,000	2,358,000	2,358,000
Fire Hydrants	329	355	306	315
Water Plants	3	3	3	3
Reuse				
Water Mains (miles)	5.8	7.3	7.3	7.3
Storage Capacity (gallons)	1,200,000	1,200,000	1,200,000	1,200,000
Wastewater				
Sewers-Force Mains/Gravity (miles)	21.5	23.3	23.3	23.3
Treatment Capacity (gallons/daily)	630,000	630,000	638,000	638,000
Lift Stations	16	18	18	19

Sources: Various Town departments

<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
1	1	1	1	1	1
28	28	28	28	28	30
3	3	3	3	3	3
21	21	21	21	22	24
1	1	1	1	0	0
2	2	2	2	2	2
0	0	0	0	0	0
1	1	1	1	1	1
6.5	6.5	7	6	6	6
61.44	61.44	61.44	62.64	62.64	62.64
2.58	2.58	2.58	3.08	3.08	3.08
26,084	26,084	26,084	30,250	30,250	30,250
0	-3.18	4.89	5.81	39.06	9.53
1	1	1	1	1	1
54	54	54	54	54	54
4	4	4	4	4	4
1	1	1	1	1	1
1	1	1	1	1	1
4	4	4	4	4	4
2	2	2	2	2	2
1	1	1	1	1	1
4	4	4	4	4	4
1	1	1	1	1	1
1	1	1	1	1	1
3	3	3	3	3	3
1	1	1	1	1	1
54.3	54.3	54.3	54.3	54.3	54.5
565,000	565,000	565,000	565,000	565,000	565,000
2,358,000	2,358,000	2,358,000	2,358,000	2,358,000	2,358,000
319	322	327	327	337	346
3	3	3	3	3	3
7.3	7.3	7.3	7.3	7.3	7.4
1,200,000	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000
23.3	23.3	23.3	23.3	23.3	23.3
638,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
19	19	19	19	19	19

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Shumacker, Johnston & Ross, PA-Certified Public Accountants

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

American Institute of
Certified Public Accountants

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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*

April 28, 2020

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

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Lady Lake, Florida, as of and for the year ended September 30, 2019, which collectively comprise the Town of Lady Lake, Florida's basic financial statements, and have issued our report thereon dated April 28, 2020. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

Shumacker, Johnston & Ross, PA

Official Signature on
File in Town Clerk's Office

**TOWN OF LADY LAKE, FLORIDA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED SEPTEMBER 30, 2019**

FEDERAL AWARDS

Federal Grantor/ Program Title	Federal CFDA Number	Federal Revenues	Federal Expenditures	Federal through State Receipts
U.S. DEPARTMENT OF JUSTICE				
Bulletproof Vest (total grant \$5,100) Grant #2016-BUBX	16.607	\$ 482	\$ 482	\$ -
Bulletproof Vest (total grant \$3,354) Grant #2017-BUBX	16.607	2,932	2,932	-
Bulletproof Vest (total grant \$3,996) Grant #2018-BUBX	16.607	-	-	-
Bulletproof Vest (total grant \$3,472) Grant #2019-BUBX	16.607	-	-	-
Pass through the Florida Department of Law Enforcement: Byrne Memorial Justice Assistance Grant Thermal Printers (total grant \$5,238) Contract #2019-JAGC-LAKE-6-N2-047	16.738	5,225	5,225	-
U.S. DEPARTMENT OF HOMELAND SECURITY				
FEDERAL EMERGENCY MANAGEMENT AGENCY				
Pass through the Florida Division of Emergency Management: Hurricane Irma Assistance Program FEMA 4337, Contract # Z0346	97.038	<u>263,148</u>	<u>-</u>	<u>263,148</u>
Total Federal Awards		<u>\$ 271,787</u>	<u>\$ 8,639</u>	<u>263,148</u>

Continued on next page

(Federal Single Audit not required)

TOWN OF LADY LAKE, FLORIDA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE (Continued)
FOR THE YEAR ENDED SEPTEMBER 30, 2019

STATE OF FLORIDA FINANCIAL ASSISTANCE

State Agency/ Program Title	State CSFA Number	State Revenues	State Expenditures	State Receipts
FLORIDA DIVISION OF EMERGENCY MANAGEMENT				
Emergency Management:				
Hurricane Irma Assistance Program				
FEMA 4337, Contract # Z0346				
		15,899	-	15,899
Total State Financial Assistance		<u>\$ 15,899</u>	<u>\$ -</u>	<u>15,899</u>
Total State Receipts				<u>\$ 279,047</u>

(State Single Audit not required)

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

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Florida Institute of
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MANAGEMENT LETTER

April 28, 2020

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

We have audited the basic financial statements of the Town of Lady Lake, Florida as of and for the year ended September 30, 2019, and have issued our report thereon dated April 28, 2020.

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 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 Accountant'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 28, 2020, should be considered in conjunction with this management letter.

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

1. There were no significant findings or recommendations made in the preceding annual financial audit.
2. We have made no recommendations to improve the Town's present financial management, accounting procedures, and internal controls.
3. We did not discover any violations of provisions of contracts or grant agreements, fraud, illegal acts, or abuse that have an effect on the financial statements that warrants the attention of those charged with governance.

4. The name of the primary government is the Town of Lady Lake, Florida, created by special act of the Florida Legislature, Chapter 12956, Laws of Florida, 1927. There are no component units included within the reporting entity.
- 5a. The town has not met any of the financial emergency conditions described in Section 218.503(1), *Florida Statutes*.
- 5b. Financial condition assessment procedures pursuant to Rule 10.556(8) were applied during the audit of the basic financial statements. The Town is not, and during the fiscal year, was not experiencing deteriorating financial conditions which may cause a financial emergency described in Section 218.503(1), *Florida Statutes*. Accordingly, we have made no recommendations addressing deteriorating financial conditions in accordance with Rule 10.557(4)(b).

Our management letter is intended solely for the use of management, the Town commission, the Legislative Auditing Committee, members of the Florida Senate and Florida House of Representatives, and the state of Florida Auditor General and is not intended and should not be used by anyone other than these specified parties.

Shumacker, Johnston & Ross, PA

Official Signature on
File in Town Clerk's Office

Shumacker, Johnston & Ross, PA-Certified Public Accountants

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INDEPENDENT AUDITOR'S REPORT

April 28, 2020

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

We have examined the Town of Lady Lake, Florida's compliance with the requirements of Section 218.415, *Florida Statutes*, regarding the investment of public funds during the year ended September 30, 2019. 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 with Section 218.415, *Florida Statutes*, for the year ended September 30, 2019, in all material respects. An examination involves performing procedures to obtain evidence about the Town's compliance with those requirements. The nature, timing, and extent of the procedures selected depend upon on our judgement, including an assessment of risks of material noncompliance with those requirements, whether due to fraud or error. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the Town's compliance with specified requirements.

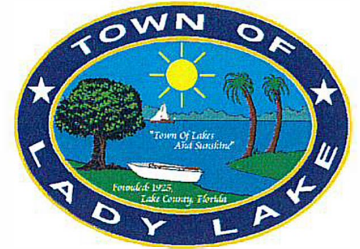
In our opinion, the Town complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2019.

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

Shumacker, Johnston & Ross, PA

Official Signature on
File in Town Clerk's Office

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AFFIDAVIT

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

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

FURTHER AFFIANT SAYETH NAUGHT.

Pamela Winegardner
Pamela Winegardner, Finance Director

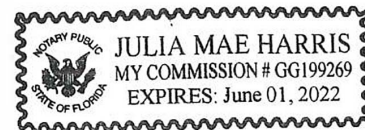
STATE OF FLORIDA
COUNTY OF LAKE

SWORN TO AND SUBSCRIBED before me this 30th day of March, 2020.

Julia Mae Harris

NOTARY PUBLIC

Print Name: Julia Mae Harris



Personally known X or produced identification _____

Type of identification produced: _____

My Commission Expires: June 01, 2022