

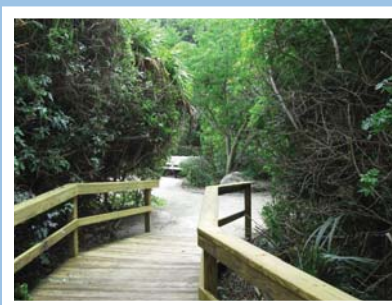
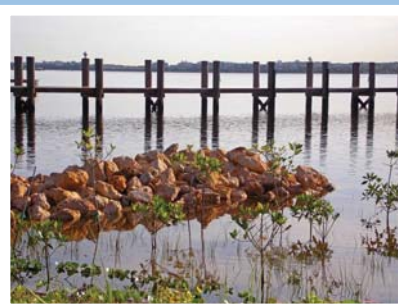
Comprehensive Annual Financial Report



For the Fiscal Year Ended
September 30, 2019



Experience the natural surroundings of our coastal community





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

Prepared by: Finance Department



TOWN OF LANTANA, FLORIDA

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INTRODUCTORY SECTION



Town of Lantana

COUNCILMEMBERS

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



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Lantana, FL 33462-4544
(561) 540-5000
Fax (561) 540-5009
www.lantana.org

DAVID J STEWART
MAYOR

March 17, 2020

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

We are pleased to present the Comprehensive Annual Financial Report (CAFR) of the Town of Lantana, Florida (the "Town") for the fiscal year ended September 30, 2019. Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with Town management. To the best of our knowledge, the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the financial position and the results of operations of the various funds. All disclosures necessary to enable the reader to gain an adequate understanding of the Town's financial activities have been included.

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

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

In accordance with Section 218.32 Florida Statutes, the Town engaged the firm of Grau & Associates to perform an independent audit of the Town's accounts and records. They have issued an unmodified ("clean") opinion on the Town of Lantana's financial statements for the year ended September 30, 2019. The Independent Auditors' Report is included in the Financial Section of this report.

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

PROFILE OF THE TOWN OF LANTANA

The Town of Lantana is less than three square miles and is located in Palm Beach County on the southeast Florida coast between West Palm Beach and Fort Lauderdale – 20 minutes south of West Palm Beach and 40 minutes north of Fort Lauderdale. Lantana derived its governmental authority from a charter granted by the State of Florida Legislature in 1921. The Town developed primarily as a residential community and maintains a strong commitment to its 11,419 residents, focusing on neighborhood programs, services, improving roadway infrastructure and redevelopment.

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

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

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

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

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

LOCAL ECONOMY & FINANCIAL PLANNING

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

Over the past ten years, the Town's population has remained slightly above 10,000. Taxable property values have ranged from pre-recession highs of \$1.1 billion to a low of \$678 million during fiscal year 2013 and finally breaking the \$1 billion mark again for fiscal year 2019. As such, we strive to manage Town finances using a conservative approach. Listed below is how the current fund balance of \$15,291,209 within the General Fund is allocated.

Non-spendable:	
Inventory & prepaid costs	\$4,229
Restricted:	
Building permitting activities	1,631,250
Assigned:	
Council directed projects	3,300,000
Contracts	7,475
Subsequent year's expenditures	96,773
Carry-forward expenditures	336,072
Unassigned:	9,915,410
Total Fund Balance	<u>\$15,291,209</u>

The unassigned fund balance is equal to 81% of the adopted fiscal year 2020 General Fund budget. As a coastal community, we are prone to hurricanes and storm events that require funds be immediately available for recovery and mitigation purposes.

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

MAJOR INITIATIVES

- Installed new playground equipment, canopy, and sidewalk at Lantana Sports Park.
- Installed new sidewalks and painted skateboard ramp at Maddock Park.
- Added a deck at the Beach Pavilion, renovated north and south bathrooms, and installed new gates at the beach.
- Provided new benches, installed new landscape islands, and installed an electrical system with solar lights at Sportsman's Park.
- Installed solar lights for kiosk at Lyman Kayak Park.
- Installed a new 8-inch water main from E. Ocean Ave. to S. Atlantic Dr. and a 6 inch water main to the end of S.E. Atlantic Dr.

- Installed a new 6 inch force main on S. Lake Dr. from Mayfield Road to E. Central Blvd., a new 6 inch water main on S. Lake Dr. and a new storm drainage system in the same area.
- Re-paved roads throughout Town: Caribbean Way, Gator Drive, Julia Heights, W. Branch St., W. Drew St., W. Duval St., W. Hardee St., W. Mango St, and S.E. Atlantic Dr.
- Replacing existing street signs with new prismatic sheeting.
- Replaced approximately 2,625 water meters.
- Constructed new concrete curbs placed on the north and south ends of McKinley Park.
- Replaced the pathway on Barefoot Lane with concrete.

AWARDS

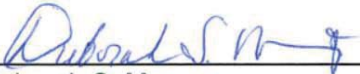
The Government Finance Officers Association of the United States and Canada ("GFOA") awarded a Certificate of Achievement for Excellence in Financial Reporting to the Town of Lantana, Florida for its Comprehensive Annual Financial Report for the fiscal year ended September 30, 2018. In order to be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized Comprehensive Annual Financial Report whose contents conform to program standards. Such reports must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of only one year. We believe our current report continues to conform to Certificate of Achievement Program requirements, and we are submitting it to GFOA to determine its eligibility for another certificate.

ACKNOWLEDGMENTS

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

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

Respectfully submitted,


 Deborah S. Manzo
 Town Manager


 Stephen Kaplan
 Finance Director

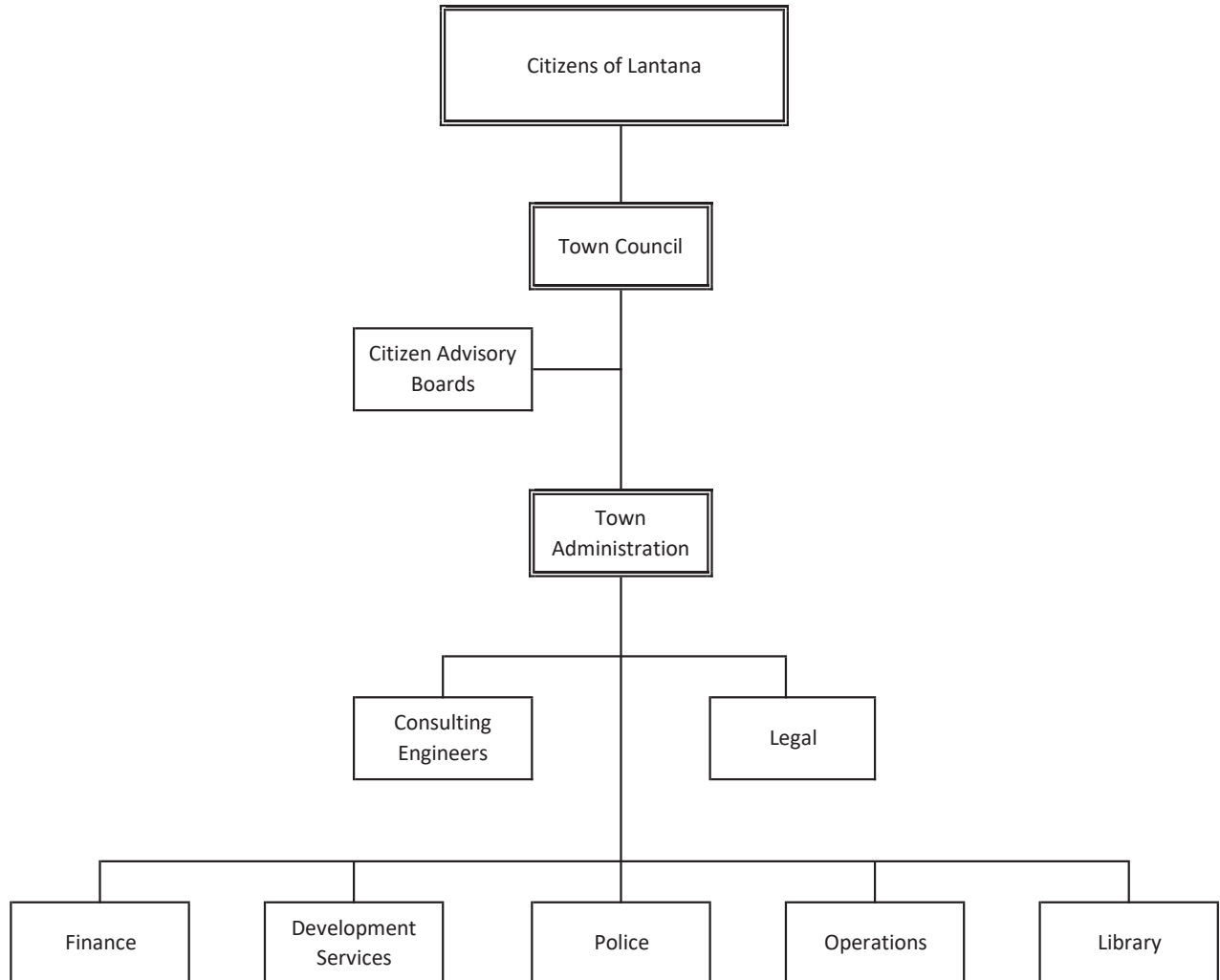
TOWN OF LANTANA, FLORIDA

LIST OF PRINCIPAL OFFICIALS

SEPTEMBER 30, 2019

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

Town of Lantana Organizational Chart





Government Finance Officers Association

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

Presented to

**Town of Lantana
Florida**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

September 30, 2018

Christopher P. Morill

Executive Director/CEO



FINANCIAL SECTION





Grau & Associates

CERTIFIED PUBLIC ACCOUNTANTS

951 Yamato Road • Suite 280
Boca Raton, Florida 33431
(561) 994-9299 • (800) 299-4728
Fax (561) 994-5823
www.graucpa.com

Independent Auditor's Report

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

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Town of Lantana Police Relief and Pension Fund, which represent all of the total assets, net position, and revenues of the fiduciary fund. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Town of Lantana Police Relief and Pension Fund is based solely on the report of the other auditor. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town as of September 30, 2019, and the respective changes in financial position, and, where applicable, cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, schedule of changes in net pension and OPEB liability and related ratios, and schedule of contributions be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We and other auditors have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic financial statements. The introductory section, combining and individual non-major fund financial statements, non-major budgetary comparison schedules, and statistical section, are presented for purposes of additional analysis and are not a required part of the financial statements.

The combining and individual non-major fund financial statements and the non-major budgetary comparison schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 17, 2020, on our consideration of the Town's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town's internal control over financial reporting and compliance.



March 17, 2020

MANAGEMENT'S DISCUSSION AND ANALYSIS

The purpose of financial reporting, in general, is to provide the readers of the financial statements with information that will help them make decisions and draw conclusions about an entity. As management of the Town of Lantana (Town), Florida, we offer readers of the Town's financial statements this narrative overview and analysis of the financial activities of the Town for the fiscal year ended September 30, 2019. We encourage readers to consider the information presented here in conjunction with information that we have furnished in our accompanying transmittal letter beginning on Page i, and the accompanying basic financial statements.

FINANCIAL HIGHLIGHTS

- The Town's net position at September 30, 2019 was \$49.4 million. Of this amount, \$22.0 million (unrestricted net position) may be used to meet the Town's ongoing obligations to citizens and creditors.
- Governmental activities net position was \$28.5 million, an increase of \$1,380,397.
- Business-type activities net position was \$20.9 million, an increase of \$2,115,566.
- Total revenues from all sources were \$21.1 million, an increase of \$2,174,385.
- Total costs of all Town programs were \$17.6 million, an increase of \$954,684.
- Total revenues and other financing sources in the General Fund exceeded total expenditures and other financing uses by \$1,888,888.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$9.9 million, or 89.6% of total General Fund expenditures.
- The Town's total recorded liability for the implicit rate subsidy of other postemployment benefits (OPEB) was \$675,367, an increase of \$60,859. Governmental and business-type activities increased \$59,095 and \$1,764, respectively.

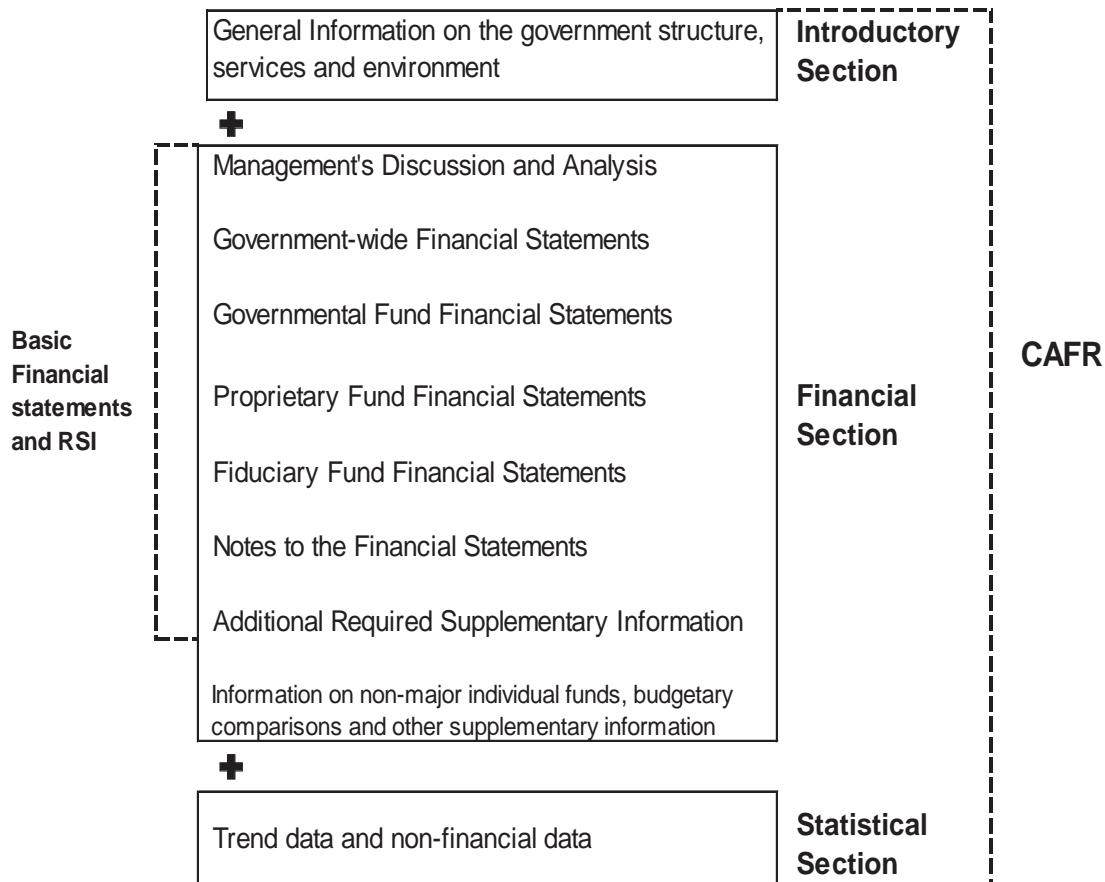
OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

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

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



GOVERNMENT-WIDE FINANCIAL STATEMENTS

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

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

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

- Governmental activities – All of the Town's basic services are considered to be governmental activities, including general government, community development, public safety, public services, library, and recreation. Property taxes, sales taxes, utility taxes, and franchise fees finance most of these activities.
- Proprietary activities/Business-type activities – The Town charges a fee to customers to cover all or most of the cost of the services provided. The Town's Water and Sewer Utility system is reported in this category.

FUND FINANCIAL STATEMENTS

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

- *Governmental funds* – Most of the Town's basic services are reported in governmental funds. Governmental funds focus on how resources flow in and out, with the balances remaining at year-end that are available for spending. These funds are reported using an accounting method called the *modified accrual* accounting method, which measures cash and all other *financial* assets that can readily be converted to cash. The governmental fund statements provide a detailed *short-term* view of the Town's general governmental operations and the basic services it provides. Governmental fund information shows whether there are more or less financial resources that can be spent in the near future to finance the Town's programs. The basic governmental fund financial statements can be found on pages 16-19 of this report.
- *Proprietary funds* – These fund financial statements consist of a Statement of Net Position, Statement of Revenues, Expenses, and Changes in Net Position and Statement of Cash Flows. These statements are prepared on the accrual basis which is the accounting basis used to prepare the government-wide financial statements.

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

The basic proprietary fund financial statements can be found on pages 20-23 of this report.

- *Fiduciary funds* – Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the Town's own programs. The accounting basis used for fiduciary funds is much like that used for proprietary funds. The basic fiduciary fund financial statements can be found on pages 24 and 25 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the Town, assets plus deferred outflow of resources exceeded liabilities by \$49.4 million, which increased \$3,495,963 from the previous fiscal year.

The largest portion of the Town's net position (50.6%) reflects its net investment in capital assets (e.g., land, buildings, machinery, and equipment), used to acquire those assets that are still outstanding. The Town uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Town's net investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources since the capital assets themselves cannot be used to liquidate these liabilities.

**Town of Lantana
Net Position Summary**

	Governmental Activities		Business-type Activities		Total Activities	
	2019	2018	2019	2018	2019	2018
Assets:						
Current and other assets	\$ 17,727,571	\$ 15,868,986	\$ 12,934,601	\$ 12,160,943	\$ 30,662,172	\$ 28,029,929
Capital assets	16,470,693	17,228,421	9,498,477	9,521,063	25,969,170	26,749,484
Total Assets	34,198,264	33,097,407	22,433,078	21,682,006	56,631,342	54,779,413
Deferred Outflow of Resources:						
Police Pension	276,032	431,662	-	-	276,032	431,662
OPEB	168,459	186,763	2,745	2,796	171,204	189,559
Deferred charge on refunding	-	-	64,043	103,455	64,043	103,455
Total Deferred Outflows of Resources	444,491	618,425	66,788	106,251	511,279	724,676
Liabilities:						
Long term debt outstanding	4,774,489	4,388,498	1,229,550	1,687,292	6,004,039	6,075,790
Other liabilities	719,761	754,425	390,257	1,336,347	1,110,018	2,090,772
Total Liabilities	5,494,250	5,142,923	1,619,807	3,023,639	7,114,057	8,166,562
Deferred Inflows of Resources:						
Police Pension	404,510	1,184,423	-	-	404,510	1,184,423
OPEB	186,955	211,843	3,046	3,171	190,001	215,014
Total Deferred Inflows of Resources	591,465	1,396,266	3,046	3,171	594,511	1,399,437
Net Position						
Net investment in						
capital assets	16,470,693	17,228,421	8,545,960	8,135,430	25,016,653	25,363,851
Restricted	2,419,335	2,177,200	-	-	2,419,335	2,177,200
Unrestricted	9,667,012	7,771,022	12,331,053	10,626,017	21,998,065	18,397,039
Total net position	\$ 28,557,040	\$ 27,176,643	\$ 20,877,013	\$ 18,761,447	\$ 49,434,053	\$ 45,938,090

The increase in the government's net position for the fiscal year ended September 30, 2019, was \$3,495,963 compared to an increase of \$2,276,262 for the previous fiscal year. Governmental and Business-type activities accounted for an increase of \$1,380,397 and \$2,115,566, respectively. Details of these changes are explained later in the analysis.

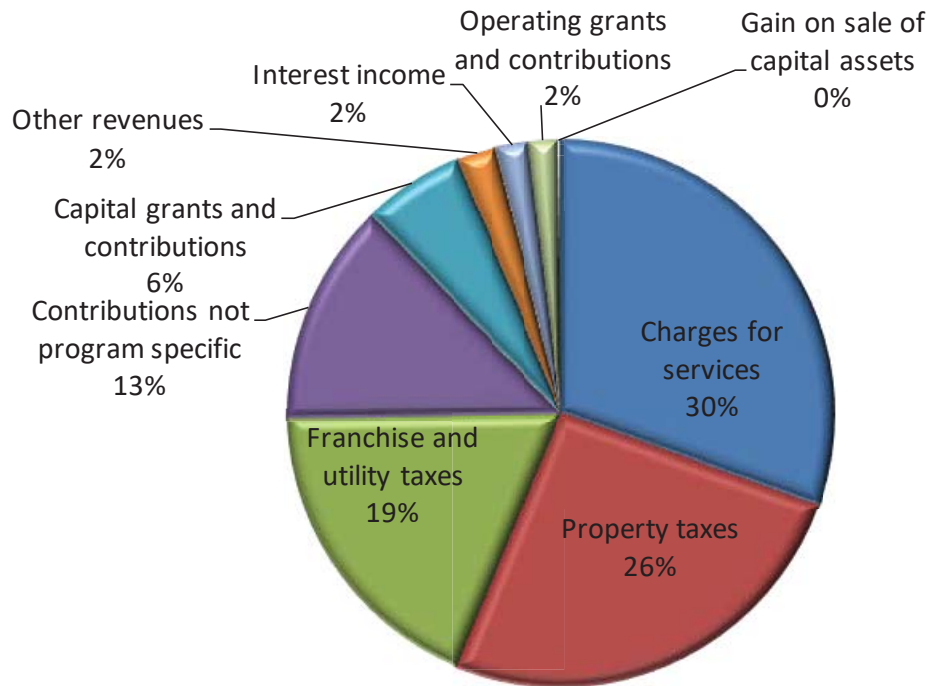
For both fiscal years presented, the Town was able to report positive balances in all categories of the net position for governmental and business-type activities.

GOVERNMENTAL ACTIVITIES

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

Town of Lantana Changes in Net Position						
	Governmental Activities		Business-type Activities		Total Activities	
	2019	2018	2019	2018	2019	2018
Revenues:						
<u>Program revenues:</u>						
Charges for services	\$ 4,168,788	\$ 3,525,040	\$ 6,276,572	\$ 5,960,248	\$ 10,445,360	\$ 9,485,288
Operating grants and contributions	235,750	38,499	-	-	235,750	38,499
Capital grants and contributions	820,642	1,195,547	-	-	820,642	1,195,547
<u>General revenues and transfers:</u>						
Property taxes	3,522,230	3,221,378	-	-	3,522,230	3,221,378
Franchise and utility taxes	2,541,593	2,441,511	-	-	2,541,593	2,441,511
Contributions not program specific	1,796,298	1,742,071	-	-	1,796,298	1,742,071
Interest income	266,039	165,096	191,929	128,543	457,968	293,639
Other revenues	315,433	189,691	934,723	187,117	1,250,156	376,808
Gain on sale of capital assets	21,284	22,153	18	20	21,302	22,173
Total revenues	13,688,057	12,540,986	7,403,242	6,275,928	21,091,299	18,816,914
Expenses:						
<u>Program expenses:</u>						
General government	993,924	950,779	-	-	993,924	950,779
Physical environment	3,727,044	3,867,004	-	-	3,727,044	3,867,004
Public safety	6,801,336	6,062,440	-	-	6,801,336	6,062,440
Culture and recreation	785,356	597,923	-	-	785,356	597,923
Interest	-	771	-	-	-	771
Utility - Water & Sewer	-	-	5,287,676	5,161,735	5,287,676	5,161,735
Total expenses	12,307,660	11,478,917	5,287,676	5,161,735	17,595,336	16,640,652
Changes in net position before transfers	1,380,397	1,062,069	2,115,566	1,114,193	3,495,963	2,176,262
Transfers in, (out), net	-	100,000	-	-	-	100,000
Increase (decrease) in net position	1,380,397	1,162,069	2,115,566	1,114,193	3,495,963	2,276,262
Net position - October 1,	27,176,643	26,014,574	18,761,447	17,647,254	45,938,090	43,661,828
Net position - September 30	\$ 28,557,040	\$ 27,176,643	\$ 20,877,013	\$ 18,761,447	\$ 49,434,053	\$ 45,938,090

Governmental Activities Revenues by Source



The net position for the Town's governmental activities increased \$1,380,397 compared to an increase of \$1,162,069 in the prior year. Significant variances from the prior year are as follows:

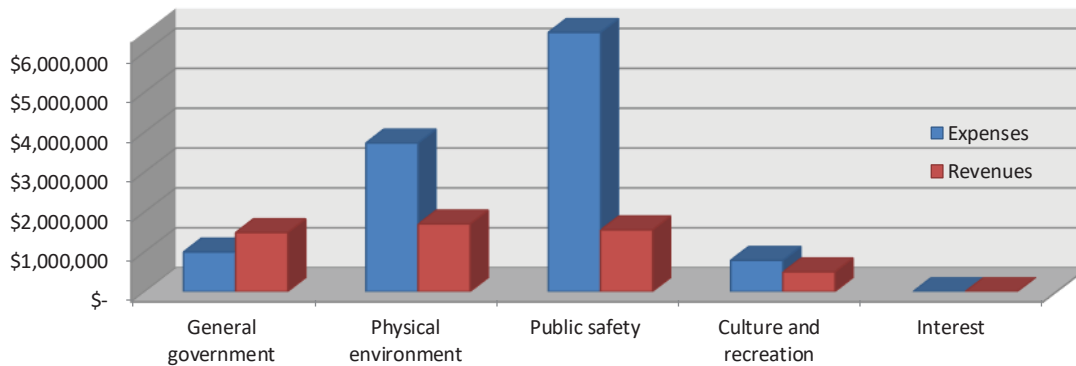
- Property taxes increased by \$300,852, or 9.3% which was a direct result of the total taxable value increasing since the millage rate remained at \$3.5 per \$1,000 of taxable value.
- Capital Grant and Contributions decreased by \$374,905 due to a funding grant which ended in the previous year. However, related expenditures also decreased. The Local Government Infrastructure Surtax recognized almost \$800,000 compared to \$772,000 in the previous year.
- Charges for Services increased \$643,748 partially due to increased building activity resulting in additional permit fees from the Water Tower Commons project.
- Public safety expenses increased \$738,896 partially due to increased personnel costs (salaries, pension, etc.).

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

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

Town of Lantana Governmental Activities						
	Total Cost of Services		Program Revenues		Net Cost of Services	
	2019	2018	2019	2018	2019	2018
General government	\$ 993,924	\$ 950,779	\$(1,480,528)	\$(1,268,772)	\$ (486,604)	\$ (317,993)
Physical environment	3,727,044	3,867,004	(1,697,220)	(1,852,396)	2,029,824	2,014,608
Public safety	6,801,336	6,062,440	(1,550,046)	(1,207,343)	5,251,290	4,855,097
Culture and recreation	785,356	597,923	(497,386)	(430,575)	287,970	167,348
Interest	-	771	-	-	-	771
Total	\$12,307,660	\$ 11,478,917	\$(5,225,180)	\$(4,759,086)	\$7,082,480	\$6,719,831

Expenses & Program Revenues for Governmental Activities



The cost of all governmental activities this year was \$12.3 million. As shown in the Statement of Activities, those who directly benefited from the programs paid \$5.2 million of the cost, and \$7.1 million was financed through general revenues. Ad valorem taxes contributed 25.7% of total governmental activities revenues this fiscal year as well as the previous fiscal year. In fiscal year 2019, the Town adopted the same millage rate which combined with higher property values provided additional revenue. Details are discussed later in the budget-to-actual analysis.

BUSINESS-TYPE ACTIVITIES

Business-type activities (Water and Sewer fund) increased the Town's net position by \$2,115,566 for fiscal year 2019. The net position of the proprietary fund at September 30, 2019, was \$20.9 million. The cost of providing all proprietary (business-type) activities this year increased \$125,941 compared to last year's total cost of \$5.2 million. As shown in the Statement of Activities, amounts paid through user fees were \$6,276,572 which increased \$316,324 due to a 2.8% rate increase effective the beginning of the fiscal year. The net position's increase for 2019, was partially due to water and wastewater operating revenues increasing from the rate increase.

Expenses increased slightly by \$125,941, or 2.4%. The water treatment and wastewater distribution system incurred increased repairs and maintenance costs compared to the previous year.

FINANCIAL ANALYSIS OF THE TOWN'S FUNDS

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

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

As of the end of the current fiscal year, the Town's governmental funds reported combined ending fund balances of \$16,079,294, compared to \$14,016,591 million in the prior fiscal year, an increase of \$2,062,703.

Approximately 62% or \$9,915,410 of the \$16 million combined ending fund balances (Governmental Funds) constitutes unassigned fund balance, which is available for spending at the government's discretion. Of the total fund balance, \$4,229 is non-spendable, \$4,246 will be used towards education and training within the Police Department, \$1,631,250 will be used towards the building permitting process, \$666,307 will be used for infrastructure projects, and \$117,532 for police forfeiture programs. Approximately \$344,000 is assigned for planned and committed projects not completed by the fiscal year end, and \$96,773 will cover the fiscal year 2019-2020's budget shortfall. Further, \$3.3 million has been assigned for Council directed projects.

The General Fund is the chief operating fund for the Town. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to the total fund expenditures. Unassigned fund balance represents 89% of total General Fund expenditures, while total fund balance represents 138% of that same amount.

The General Fund's total fund balance increased \$1,888,888 with the unassigned balance increasing from \$13,402,321 to \$15,291,209. While many variables affect the increase, the primary factor is an overall result of expenditures coming in less than projected (actual versus budget).

General Fund revenues increased \$1,622,240 from the previous fiscal year. Overall, some revenues increased and some decreased. However, revenue growth's main impetus was through increased property values and millage rate which recognized an additional \$300,852 in property taxes. Building permits also increased by almost \$200,000 partially due to the Water Tower Commons project.

Expenditures within the General Fund increased \$1 million on an \$11.6 million fund. Personnel costs (salaries, pension, etc.) were the primary cause for the increase; however, approximately \$350,000 was due to the new agreement for solid waste collection approved through the competitive bidding process.

The Infrastructure Surtax fund was created as a Special Revenue Fund to account for the voter-approved "Penny Tax" earmarked for infrastructure projects. The projects are monitored and reported to a committee coordinated by the Palm Beach County League of Cities. This year's fund revenue included \$798,921 of sales tax. With approximately \$624,070 spent in projects, fund balance after its third year was \$666,307.

The Police Forfeiture Fund, also known as the Law Enforcement Trust Fund, remained relatively flat with fund balance increasing \$8,110 to \$117,532.

GENERAL FUND BUDGETARY HIGHLIGHTS

The general fund budget was amended as follows: increase in revenues of \$124,492, and an increase for encumbrances and carry forward amounts of \$475,816.

Variations between adopted and revised budgets include:

- Increase budget to recognize funds received from the School Board of Palm Beach County for Law Enforcement services at Lantana Elementary School of \$76,619.
- Increased budget for insurance proceeds of \$26,931.
- Carry-forward of capital outlay programs from the previous fiscal year of \$469,341.

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

- Actual revenues for the 2019 fiscal year were greater as compared to the budget by \$1,340,926. The greatest variances include the following:
 - Surplus property taxes of \$98,940.
 - Surplus building permits of \$429,229.
 - FEMA storm-related reimbursements of \$197,809.
 - Surplus metered parking of \$110,691.
 - Surplus of cell tower fees of \$25,003.
 - Surplus code fines of \$83,623.
 - Surplus interest income of \$132,730.
 - Surplus of expense reimbursements of \$126,797.
 - Deficit of \$53,927 in Police Reimbursable Detail.
 - Deficit of \$6,897 in electric franchise fees.
- Expenditures were \$1,023,778 less than the final budget for the 2019 fiscal year. About \$336,000 or 33% of the difference is designated for projects and contracts that are funded but have yet to begin. Approximately \$491,000 in personnel costs were unspent due to more-than-expected staff vacancies.

CAPITAL ASSET AND DEBT ADMINISTRATION

CAPITAL ASSETS

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

- The Town's net investment in capital assets for its governmental and business-type activities as of September 30, 2019, amounts to \$25 million.

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

- Deck at beach pavilion - \$149,000
- Bathroom reconstruction at beach - \$99,000
- Computers and servers - \$64,000
- Playground at Sports Park - \$94,000
- Three Police vehicles – \$132,000
- Heavy equipment wheel loader - \$174,000
- Water and wastewater force main projects - \$2.3 million

Additional information on the Town's capital assets can be found in Note 5 beginning on page 38 of this report

**Town of Lantana
Capital Assets**

	Governmental Activities		Business-type Activities		Total Activities	
	2019	2018	2019	2018	2019	2018
Land	\$ 2,267,878	\$ 2,267,878	\$ 4,300	\$ 4,300	\$ 2,272,178	\$ 2,272,178
Construction in progress	9,416	12,246	46,307	1,675,643	55,723	1,687,889
Roads and streets	24,415,715	24,340,753	-	-	24,415,715	24,340,753
Buildings and improvements	10,449,533	10,179,212	10,289,783	10,274,933	20,739,316	20,454,145
Infrastructure	-	-	13,816,904	11,550,459	13,816,904	11,550,459
Furniture, equipment & vehicles	4,300,982	4,319,558	1,712,276	1,521,161	6,013,258	5,840,719
Intangible assets	244,908	259,788	3,246,342	3,246,342	3,491,250	3,506,130
Total assets	41,688,432	41,379,435	29,115,912	28,272,838	70,804,344	69,652,273
Less accumulated depreciation	(25,217,739)	(24,151,014)	(19,617,435)	(18,751,775)	(44,835,174)	(42,902,789)
Total	\$ 16,470,693	\$ 17,228,421	\$ 9,498,477	\$ 9,521,063	\$ 25,969,170	\$ 26,749,484

LONG-TERM DEBT

Currently, the Town uses debt financing on an as-needed basis. At the end of the current fiscal year, the Town had total debt of \$1.0 million, a reduction of \$472,528, or 31.7% as compared to the previous fiscal year.

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

**Town of Lantana
Outstanding Debt**

	Governmental Activities		Business-type Activities		Total Activities	
	2019	2018	2019	2018	2019	2018
Bonds and loans payable	\$ -	\$ -	\$ 1,016,560	\$ 1,489,088	\$ 1,016,560	\$ 1,489,088
Total	\$ -	\$ -	\$ 1,016,560	\$ 1,489,088	\$ 1,016,560	\$ 1,489,088

In addition, the Town has a liability for compensated absence of \$875,175 and an OPEB liability of \$675,367. Additional information on the Town's debt can be found in Note 6 beginning on page 40 of this report.

NEXT YEAR'S BUDGET AND ECONOMIC FACTORS

When developing next year's budget, the primary economic factor affecting the budget was conservative growth in General Fund revenues. Property taxes are anticipated to increase with \$300,000 in additional revenue. Overall, the total fund's revenue is anticipated to decrease approximately \$858,000 or 7% compared to FY 2018-19's actual revenues. This is primarily due to a reduction in building permits revenues. The residential portion of the Water Tower Commons project completed in FY 2019 and the potentially smaller commercial portion is anticipated to begin in FY 2020. Other one-time revenues, such as grants from FEMA for Hurricane Irma will subside; however, expenses will reduce, as well.

The taxable value of property is anticipated to continue increasing in the coming year. Increased taxable value can translate into additional revenue when maintaining or raising the millage rate. Property tax is the single largest revenue source within the General Fund accounting for 32% of the fund. The budget was crafted using a 10% increase in property values. The budget was adopted with the same millage rate of \$3.5 per \$1,000 which is 6.71% above the roll-back rate of \$3.28. This translates into almost \$300,000 of additional tax revenue to be recognized over the previous fiscal year.

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

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

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

The Town continues to retain a healthy fund balance within the General Fund. In fiscal year 2019, the unassigned fund balance is over \$9 million. When comparing this as a percentage to fiscal year 2020 budgeted expenditures, it can be used as a good indicator of the Town's fiscal health. The unassigned balance accounts for 83% of fiscal year 2020's General Fund originally adopted operating budget (doesn't include debt or capital); however, even when including the total adopted budget, it still accounts for 81%. A portion of the assigned fund balance (\$7,475) is earmarked for projects currently in progress but anticipated to conclude in the following year. Approximately \$336,072 of the assigned balances will be used for projects approved, but yet to begin.

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

In considering the Town's budget for fiscal year 2019-2020, the Town Council and management were conservative as to the growth of revenues and expenditures.

CONTACTING THE TOWN'S FINANCIAL MANAGEMENT

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



BASIC FINANCIAL STATEMENTS

TOWN OF LANTANA, FLORIDA
STATEMENT OF NET POSITION
SEPTEMBER 30, 2019

	Primary Government		
	Governmental	Business-Type	Total
	Activities	Activities	
Assets			
Current assets:			
Cash and cash equivalents	\$ 9,619,198	\$ 7,124,203	\$ 16,743,401
Investments	6,561,266	5,006,536	11,567,802
Restricted assets:			
Cash and cash equivalents	676,438	186,490	862,928
Intergovernmental receivables	401,460	-	401,460
Assessments receivable	177,843	-	177,843
Accounts receivable, net	287,137	614,872	902,009
Prepaid costs and inventories	4,229	2,500	6,729
Total current assets	17,727,571	12,934,601	30,662,172
Noncurrent assets:			
Nondepreciable capital assets	2,277,294	214,110	2,491,404
Depreciable capital assets, net	14,193,399	9,284,367	23,477,766
Total noncurrent assets	16,470,693	9,498,477	25,969,170
Total assets	34,198,264	22,433,078	56,631,342
Deferred outflows of resources			
Police Pension	276,032	-	276,032
OPEB	168,459	2,745	171,204
Deferred charge on refunding (debit)	-	64,043	64,043
Total deferred outflows of resources	444,491	66,788	511,279
Liabilities, Deferred Inflows of Resources and Net Position			
Liabilities:			
Current liabilities:			
Accounts payable and accrued liabilities	370,142	203,767	573,909
Unearned revenues	349,619	-	349,619
Customer deposits payable from restricted assets	-	186,490	186,490
Noncurrent liabilities due within one year	314,226	574,626	888,852
Total current liabilities	1,033,987	964,883	1,998,870
Noncurrent liabilities:			
Net OPEB liability	664,539	10,828	675,367
Net pension liability	3,436,937	-	3,436,937
Due in more than one year	358,787	644,096	1,002,883
Total noncurrent liabilities	4,460,263	654,924	5,115,187
Total liabilities	5,494,250	1,619,807	7,114,057
Deferred inflows of resources:			
Police Pension	404,510	-	404,510
OPEB	186,955	3,046	190,001
Total deferred inflows of resources	591,465	3,046	594,511
Net position:			
Net investment in capital assets	16,470,693	8,545,960	25,016,653
Restricted for:			
Building permitting activities	1,631,250	-	1,631,250
Law enforcement	121,778	-	121,778
Infrastructure surtax fund	666,307	-	666,307
Unrestricted	9,667,012	12,331,053	21,998,065
Total net position	\$ 28,557,040	\$ 20,877,013	\$ 49,434,053

See notes to the financial statement

TOWN OF LANTANA, FLORIDA
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2019

Function/Program	Program Revenues				Net (Expense) Revenue and Changes in Net Position			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grant and Contributions	Primary Government			
					Governmental Activities	Business-Type Activities	Total	
Primary government:								
Governmental activities:								
General government	\$ 993,924	\$ 1,480,528	\$ -	\$ -	\$ 486,604	\$ -	\$ 486,604	
Public safety	6,801,336	1,296,316	232,009	21,721	(5,251,290)	-	(5,251,290)	
Physical environment	3,727,044	898,299	-	798,921	(2,029,824)	-	(2,029,824)	
Culture and recreation	785,356	493,645	3,741	-	(287,970)	-	(287,970)	
Total government activities	12,307,660	4,168,788	235,750	820,642	(7,082,480)	-	(7,082,480)	
Business-type activities:								
Water and sewer	5,287,676	6,276,572	-	-	-	988,896	988,896	
Total business-type activities	5,287,676	6,276,572	-	-	-	988,896	988,896	
Total primary government	17,595,336	10,445,360	235,750	820,642	(7,082,480)	988,896	(6,093,584)	
General revenues:								
Property taxes					3,522,230	-	3,522,230	
Franchise taxes and utility taxes					2,541,593	-	2,541,593	
Contributions not restricted to specific programs					1,796,298	-	1,796,298	
Interest income					266,039	191,929	457,968	
Other revenues					315,433	934,723	1,250,156	
Gain on sale of capital assets					21,284	18	21,302	
Total general revenues and transfers					8,462,877	1,126,670	9,589,547	
Change in net position					1,380,397	2,115,566	3,495,963	
Net position - beginning					27,176,643	18,761,447	45,938,090	
Net position, ending					\$ 28,557,040	\$ 20,877,013	\$ 49,434,053	

See notes to the financial statement

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

	<u>Major Fund</u> <u>General</u> <u>Fund</u>	<u>Nonmajor</u> <u>Governmental</u> <u>Funds</u>	<u>Total</u> <u>Governmental</u> <u>Funds</u>
Assets			
Cash and cash equivalents	\$ 8,869,032	\$ -	\$ 8,869,032
Investments	6,561,266	-	6,561,266
Restricted cash and cash equivalents	-	676,438	676,438
Receivables:			
Intergovernmental	268,518	132,942	401,460
Assessments receivable	177,843	-	177,843
Accounts receivable, net	287,137	-	287,137
Prepaid costs and inventories	4,229	-	4,229
Total assets	<u>\$ 16,168,025</u>	<u>\$ 809,380</u>	<u>\$ 16,977,405</u>
Liabilities, Deferred Inflows of Resources and Fund Balances			
Liabilities:			
Accounts payable and accrued liabilities	\$ 348,847	\$ 21,295	\$ 370,142
Unearned revenues	349,619	-	349,619
Total liabilities	<u>698,466</u>	<u>21,295</u>	<u>719,761</u>
Deferred Inflows of Resources:			
Unavailable revenue	178,350	-	178,350
Total deferred inflows of resources	<u>178,350</u>	<u>-</u>	<u>178,350</u>
Fund balances:			
Non-spendable for prepaid costs and inventories	4,229	-	4,229
Restricted for:			
Building permitting activities	1,631,250	-	1,631,250
Infrastructure	-	666,307	666,307
Law enforcement	-	121,778	121,778
Assigned for:			
Council directed projects	3,300,000	-	3,300,000
Contracts	7,475	-	7,475
Carry-forward expenditures	336,072	-	336,072
Subsequent year's expenditures	96,773	-	96,773
Unassigned	9,915,410	-	9,915,410
Total fund balances	<u>15,291,209</u>	<u>788,085</u>	<u>16,079,294</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 16,168,025</u>	<u>\$ 809,380</u>	<u>\$ 16,977,405</u>

See notes to the financial statements

TOWN OF LANTANA, FLORIDA
RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
SEPTEMBER 30, 2019

Fund balance - governmental funds \$ 16,079,294

Amounts reported for governmental activities in the statement of net position are different because:

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

Cost of capital assets	41,688,432	
Accumulated depreciation	<u>(25,217,739)</u>	16,470,693

Assets that are not available to pay for current-period expenditures are unavailable in the fund statements.		178,350
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The net pension liability is not reported as a liability in the fund financial statements, but is reported as a liability in the government-wide financial statements.		(3,436,937)
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The net OPEB liability is not reported as a liability in the fund financial statements, but is reported as a liability in the government-wide financial statements.		(664,539)
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Deferred outflows of resources related to the pension are recorded in the statement of net position.		276,032
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Deferred inflows of resources related to the pension are recorded in the statement of net position.		(404,510)
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Deferred outflows of resources related to OPEB are recorded in the statement of net position.		168,459
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Deferred inflows of resources related to OPEB are recorded in the statement of net position.		(186,955)
--	--	-----------

Internal service funds are used by management to charge the insurance to individual funds. The assets and liabilities of the internal service fund are included in governmental activities in the statement of net position.		750,166
--	--	---------

Liabilities not due and payable from current available resources are not reported as liabilities in the governmental fund statements. All liabilities, both current and long-term, are reported in the government-wide financial statements.

Compensated absences		(673,013)
Net position of governmental activities		<u>\$ 28,557,040</u>

See notes to the financial statements

TOWN OF LANTANA, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2019

	<u>Major Fund</u> <u>General</u> <u>Fund</u>	<u>Nonmajor</u> <u>Governmental</u> <u>Funds</u>	<u>Total</u> <u>Governmental</u> <u>Funds</u>
Revenues:			
Property taxes	\$ 3,522,230	\$ -	\$ 3,522,230
Franchise fees and utility taxes	2,541,593	-	2,541,593
Other taxes	271,152	-	271,152
Permits and fees	901,786	-	901,786
Intergovernmental	1,821,632	798,921	2,620,553
Charges for services	615,284	-	615,284
Fines and forfeitures	287,450	31,252	318,702
Interest income	263,640	2,399	266,039
Grant revenue	293,922	34,200	328,122
Interlocal agreements	830,869	-	830,869
Special assessments	1,050,094	-	1,050,094
Other revenues	556,961	12,405	569,366
Total revenues	<u>12,956,613</u>	<u>879,177</u>	<u>13,835,790</u>
Expenditures:			
Current:			
General government	967,372	-	967,372
Public safety	6,672,293	47,092	6,719,385
Physical environment	2,518,198	245,843	2,764,041
Culture and recreation	563,657	-	563,657
Capital outlay	346,205	412,427	758,632
Total expenditures	<u>11,067,725</u>	<u>705,362</u>	<u>11,773,087</u>
Excess (deficiency) of revenues over expenditures	1,888,888	173,815	2,062,703
Fund balances, beginning	<u>13,402,321</u>	<u>614,270</u>	<u>14,016,591</u>
Fund balances, ending	<u>\$ 15,291,209</u>	<u>\$ 788,085</u>	<u>\$ 16,079,294</u>

See notes to the financial statements

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

Net change in fund balances - total governmental funds	\$ 2,062,703
Amounts reported for governmental activities in the statement of activities are different because:	
Capital assets are reported in the governmental fund as expenditures. However, in the statement of activities, the cost of certain of these assets are eliminated and capitalized as capital assets.	758,632
Depreciation of capital assets is not recognized in the governmental fund statement but is reported as an expense on the statement of activities.	(1,538,081)
Donated capital assets are reported on the government-wide statement of activities but not on the governmental fund financial statements.	21,721
Certain revenues were unavailable for the governmental fund financial statements in the prior fiscal year. In the current fiscal year, these revenues were recorded in the governmental fund financial statements.	(169,454)
Expenses reported in the statement of activities that do not require the use of current financial resources are not reported as expenditures in the fund financial statements. The details of the differences are as follows:	
Current change in compensated absence	(3,130)
Current change in net OPEB liability and related deferred inflows and outflows of resources	(52,511)
Current change in net pension liability and related deferred inflows and outflows of resources	300,517
Change in net position of governmental activities	<u>\$ 1,380,397</u>

See notes to the financial statements

TOWN OF LANTANA, FLORIDA
STATEMENT OF NET POSITION - PROPRIETARY FUNDS
SEPTEMBER 30, 2019

	Business-Type Activities	Governmental Activities
	Water and Sewer Fund	Internal Service Fund
Assets		
Current Assets		
Cash and cash equivalents	\$ 7,124,203	\$ 750,166
Investments	5,006,536	-
Restricted cash and cash equivalents	186,490	-
Accounts receivable, net	614,872	-
Prepaid costs	2,500	-
Total current assets	12,934,601	750,166
Noncurrent Assets		
Capital Assets		
Land	4,300	-
Construction in progress	46,307	-
Buildings and plant	10,289,783	-
Infrastructure	13,816,904	-
Property and equipment	1,712,276	-
Intangible assets	3,246,342	-
Total capital assets	29,115,912	-
Less accumulated depreciation	(19,617,435)	-
Net capital assets	9,498,477	-
Total noncurrent assets	9,498,477	-
Total assets	22,433,078	750,166
Deferred Outflows of Resources		
OPEB	2,745	-
Deferred charge on refunding (debit)	64,043	-
Total deferred outflows of resources	66,788	-
Liabilities		
Current Liabilities		
Accounts payable and accrued liabilities	203,767	-
Customer deposits payable		
from restricted assets	186,490	-
Compensated absences	94,388	-
Revenue bonds payable	480,238	-
Total current liabilities	964,883	-
Long-Term Liabilities		
Compensated absences	107,774	-
Net OPEB liability	10,828	-
Revenue bonds payable	536,322	-
Total long-term liabilities	654,924	-
Total liabilities	1,619,807	-
Deferred Inflows of Resources		
OPEB	3,046	-
Total deferred outflows of resources	3,046	-
Net Position		
Net investment in capital assets	8,545,960	-
Unrestricted	12,331,053	750,166
Total net position	\$ 20,877,013	\$ 750,166

See notes to the financial statements

TOWN OF LANTANA, FLORIDA
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN
NET POSITION - PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2019

	Business-Type Activities	Governmental Activities
	Water and Sewer Fund	Internal Service Fund
Operating revenues:		
Charges for services	\$ 6,276,572	\$ 498,445
Miscellaneous revenue	934,741	-
Total operating revenues	<u>7,211,313</u>	<u>498,445</u>
Operating expenses:		
Salaries and fringe benefits	1,789,004	-
Cost of sales and services	2,502,628	-
General and administrative	-	498,445
Depreciation and amortization	974,224	-
Total operating expenses	<u>5,265,856</u>	<u>498,445</u>
Operating income (loss)	<u>1,945,457</u>	<u>-</u>
Nonoperating revenues (expenses):		
Interest income	191,929	-
Interest expense and fiscal charges	(21,820)	-
Total nonoperating revenues (expenses)	<u>170,109</u>	<u>-</u>
Change in net position	2,115,566	-
Net position - beginning	<u>18,761,447</u>	<u>750,166</u>
Net position - ending	<u>\$ 20,877,013</u>	<u>\$ 750,166</u>

See notes to the financial statements

TOWN OF LANTANA, FLORIDA
STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2019

	Business-Type Activities	Governmental Activities
	Water and Sewer Fund	Internal Service Fund
Cash Flows From Operating Activities		
Receipts from customers and users	\$ 6,344,003	\$ -
Receipts from interfund services	-	498,445
Payments to suppliers	(2,778,746)	(498,445)
Payments to employees	(1,774,292)	-
Other receipts	934,741	-
Net cash provided by (used in) operating activities	2,725,706	-
Cash Flows From Capital and Related Financing Activities		
Purchase of capital assets	(1,587,413)	-
Interest paid on long-term debt	(21,820)	-
Principal paid on debt	(472,528)	-
Net cash provided by (used in) capital and related financing activities	(2,081,761)	-
Cash Flows From Investing Activities		
Purchase of investments	(124,609)	-
Interest received	191,929	-
Net cash provided by (used in) investing activities	67,320	-
Net increase (decrease) in cash and cash equivalents	711,265	-
Cash and cash equivalents, beginning	6,599,428	750,166
Cash and cash equivalents, ending	\$ 7,310,693	\$ 750,166
Reconciliation to the statement of net position:		
Cash and cash equivalents	\$ 7,124,203	\$ 750,166
Restricted assets, cash	186,490	-
	\$ 7,310,693	\$ 750,166

(Continued)

See notes to the financial statements

TOWN OF LANTANA, FLORIDA
STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2019
(Continued)

	Business-Type Activities	Governmental Activities
	Water and Sewer Fund	Internal Service Fund
Reconciliation of Operating Income (loss) to Net Cash		
Provided By (Used In) Operating Activities		
Operating income (loss)	\$ 1,945,457	\$ -
Adjustments to reconcile operating income (loss)		
to net cash provided by (used in) operating activities:		
Depreciation and amortization	974,224	-
Changes in assets and liabilities:		
(Increase) decrease in accounts receivable	60,312	-
(Increase) decrease in other assets	1,904	-
(Increase) decrease in OPEB deferred outflow	51	-
Increase (decrease) in accounts payable	(278,022)	-
Increase (decrease) in other liabilities	7,119	-
Increase (decrease) in compensated absences	13,022	-
Increase (decrease) in net OPEB liability	1,764	-
Increase (decrease) in OPEB deferred inflow	(125)	-
Total adjustments	780,249	-
Net cash provided by (used in) operating activities	\$ 2,725,706	\$ -

See notes to the financial statements

TOWN OF LANTANA, FLORIDA
STATEMENT OF FIDUCIARY NET POSITION – PENSION TRUST FUND
SEPTEMBER 30, 2019

Assets

Cash	\$ 5,808
Investments, at fair value:	
U.S. Government obligations	1,131,907
Corporate bonds	1,718,572
Domestic fixed income investment fund	696,575
Domestic equity investment fund	8,696,645
International equity investment fund	2,486,141
Real estate investment funds	1,535,232
Temporary investment funds	163,569
Receivables	
Plan members receivable	5,547
Interest receivable	17,987
Prepaid costs	2,620
Total assets	<u>16,460,603</u>

Liabilities

Accounts payable	12,576
Due to broker	5,593
Total liabilities	<u>18,169</u>

Net position restricted for pensions	<u><u>\$ 16,442,434</u></u>
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See notes to the financial statements

TOWN OF LANTANA, FLORIDA
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
PENSION TRUST FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2019

Additions

Contributions:

Town	\$ 833,774
Members	145,099
State/Other	<u>133,628</u>
Total contributions	<u>1,112,501</u>

Investment earnings:

Net increase in value of investments	105,797
Interest and dividend income	667,180
Class action revenue	1,442
Investment expense	<u>(50,660)</u>
Net investment earnings	<u>723,759</u>
Total additions	<u>1,836,260</u>

Deductions:

Benefits	1,026,779
Refunds of contribution	17,668
Administrative expense	<u>69,643</u>
Total deductions	<u>1,114,090</u>

Net increase	722,170
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Net position held in trust for pension benefits

Beginning	<u>15,720,264</u>
Ending	<u><u>\$ 16,442,434</u></u>

See notes to the financial statements



NOTES TO FINANCIAL STATEMENTS

TOWN OF LANTANA, FLORIDA
NOTES TO FINANCIAL STATEMENTS

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

a. Reporting Entity

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

b. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the Town. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

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

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

TOWN OF LANTANA, FLORIDA
NOTES TO FINANCIAL STATEMENTS

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Town considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, are recorded only when payment is due.

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

The Town reports the following major governmental fund:

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

The Town reports the following major enterprise fund:

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

Additionally, the Town reports the following fund types:

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

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

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

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

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

d. Assets, Liabilities, and Net Position or Equity

1. Deposits and Investments

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

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

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

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

2. Interfund Receivables and Payables

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

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

3. Receivables

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

4. Inventories and Prepaid Costs

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

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

5. Capital Assets

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

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

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

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

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

5. Capital Assets (Continued)

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

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

6. Refundings of Debt

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

7. Unearned Revenue

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

8. Deferred Outflows/Inflows of Resources

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

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

9. Compensated Absences

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

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

10. Long-Term Obligations

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

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

11. Net Position

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

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

12. Fund Equity

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

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

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

12. Fund Equity (Continued)

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

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

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

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

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

13. Minimum Level of Unassigned Policy

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

14. Use of Estimates

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

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

e. New Accounting Standards Adopted

During fiscal year 2019, the Town adopted the following new accounting standards:

GASB Statement No. 83 - Certain Asset Retirement Obligations

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

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

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

NOTE 2 – DEPOSITS AND INVESTMENTS

DEPOSITS

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

INVESTMENTS - TOWN

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

TOWN OF LANTANA, FLORIDA
NOTES TO FINANCIAL STATEMENTS

NOTE 2 – DEPOSITS AND INVESTMENTS (Continued)

INVESTMENTS - TOWN (Continued)

The Town had the following investments at September 30, 2019:

	Amortized Cost	Credit Risk	Maturities
Investment in Local Government Surplus Funds Trust Fund (Florida PRIME)	\$ 11,567,802	S&P AAAM	Weighted average of the fund portfolio: 37 days
Total Investments	<u>\$ 11,567,802</u>		

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

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

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

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

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

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

TOWN OF LANTANA, FLORIDA
NOTES TO FINANCIAL STATEMENTS

NOTE 2 – DEPOSITS AND INVESTMENTS (Continued)

INVESTMENTS - TOWN (Continued)

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

As of September 30, 2019, there were no redemption fees or maximum transaction amounts, or any other requirements that serve to limit a participant's daily access to 100% of their account value.

Interest Rate Risk

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

Credit Risk

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

Concentration of Credit Risk

The Town's investment policy states that assets shall be diversified to control the risk of loss resulting from concentration of assets to a specific maturity, instrument, issue, dealer, or bank through which these securities are bought and sold. As of September 30, 2019, the Town did not invest in securities.

INVESTMENTS - LANTANA POLICE RELIEF AND PENSION FUND (LPRPF)

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

The Plan had the following investments at September 30, 2019:

	September 30, 2019	Credit Risk	Duration
U.S. Government Obligations	\$ 1,131,907	S&P AA	4.80 years
Corporate bonds	1,718,572	S&P BBB-A	5.30 years
Domestic fixed income investment fund	696,575	S&P AA	5.50 years
Domestic equity investment fund	8,696,645	N/A	N/A
International equity investment fund	2,486,141	N/A	N/A
Real estate investment funds	1,535,232	N/A	N/A
Temporary investment funds	163,569	Not Rated	Daily
	<u>\$ 16,428,641</u>		

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

NOTE 2 – DEPOSITS AND INVESTMENTS (Continued)

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

Interest Rate Risk

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

Credit Risk

Credit risk is the risk that a debt issuer will not fulfill its obligations. The Plan's investment policy addresses credit risk by limiting investments in bonds and preferred stocks to securities rated investment grade or above by a Nationally Recognized Statistical Rating Organization, unless specifically approved by the Board of Trustees. Securities which are unrated may be purchased, if in the judgment of the investment manager, they would carry an investment grade rating. Consistent with State law, the Plan's investment guidelines limit its fixed income investments to a quality rating of "A" or equivalent as rated by Moody's or by Standard & Poor's bond rating services at the time of purchase. Fixed income investments which are downgraded below the minimum rating must be liquidated at the earliest beneficial opportunity. The Plan's investments were in compliance with the above at September 30, 2019.

Custodial Credit Risk

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

Investment in Foreign Markets

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

Foreign Tax Withholdings and Reclaims

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

Concentration of Credit Risk

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

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

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

TOWN OF LANTANA, FLORIDA
NOTES TO FINANCIAL STATEMENTS

NOTE 2 – DEPOSITS AND INVESTMENTS (Continued)

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

Risks and Uncertainties

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

Investment Measurement at Fair Value

The Plan categorizes its fair value measurement within the fair value hierarchy established by generally accepted accounting principles. The Plan has the following total recurring fair value measurements as of September 30, 2019:

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

Investments were measured as follows as of September 30, 2019:

Investments by fair value level	September 30 2019	Fair Value Measurements Using	
		Level 1	Level 2
U.S. Government Obligations	\$ 1,131,907	\$ 1,131,907	\$ -
Corporate bonds	1,718,572	-	1,718,572
Domestic fixed income investment fund	696,575	696,575	-
Domestic equity investment fund	8,696,645	8,696,645	-
International equity investment fund	2,486,141	2,486,141	-
Temporary investment funds	163,569	163,569	-
Total investments by fair value level	<u>\$ 14,893,409</u>	<u>\$ 13,174,837</u>	<u>\$ 1,718,572</u>
Investments measured at the net asset value (NAV):			
Real estate investment funds	1,535,232		
Total Investments	<u>\$ 16,428,641</u>		

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

TOWN OF LANTANA, FLORIDA
NOTES TO FINANCIAL STATEMENTS

NOTE 3 – PROPERTY TAXES

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

NOTE 4 – RECEIVABLES

Receivables for the Town's individual major funds and non-major funds in the aggregate, including the applicable allowances for uncollectible accounts as of September 30, 2019, were as follows:

Receivables	General	Nonmajor Governmental	Water and Sewer
Accounts	\$ 287,836	\$ -	\$ 624,474
Assessments	177,843	-	-
Intergovernmental	268,518	132,942	266
Gross receivables	734,197	132,942	624,740
Less allowance for uncollectibles	(699)	-	(9,868)
Net total receivables	<u>\$ 733,498</u>	<u>\$ 132,942</u>	<u>\$ 614,872</u>

NOTE 5 – CAPITAL ASSETS

A summary of changes in the governmental activities capital assets for the fiscal year ended September 30, 2019 is presented as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Capital assets, not being depreciated:				
Land	\$ 2,267,878	\$ -	\$ -	\$ 2,267,878
Construction in progress	12,246	9,416	(12,246)	9,416
Total capital assets, not being depreciated	<u>2,280,124</u>	<u>9,416</u>	<u>(12,246)</u>	<u>2,277,294</u>
Capital assets, being depreciated:				
Roads and streets	24,340,753	96,423	(21,461)	24,415,715
Buildings and improvements	10,179,212	289,698	(19,377)	10,449,533
Machinery and equipment	4,319,558	397,062	(415,638)	4,300,982
Intangible assets - computer software	259,788	-	(14,880)	244,908
Total capital assets, being depreciated	<u>39,099,311</u>	<u>783,183</u>	<u>(471,356)</u>	<u>39,411,138</u>
Less accumulated depreciation:				
Roads and streets	(17,538,778)	(902,306)	21,461	(18,419,623)
Buildings and improvements	(2,996,319)	(327,072)	19,377	(3,304,014)
Machinery and equipment	(3,356,610)	(308,222)	415,638	(3,249,194)
Intangible assets - computer software	(259,307)	(481)	14,880	(244,908)
Total accumulated depreciation	<u>(24,151,014)</u>	<u>(1,538,081)</u>	<u>471,356</u>	<u>(25,217,739)</u>
Total capital assets, being depreciated, net	<u>14,948,297</u>	<u>(754,898)</u>	<u>-</u>	<u>14,193,399</u>
Governmental activities capital assets, net	<u>\$ 17,228,421</u>	<u>\$ (745,482)</u>	<u>\$ (12,246)</u>	<u>\$ 16,470,693</u>

TOWN OF LANTANA, FLORIDA
NOTES TO FINANCIAL STATEMENTS

NOTE 5 – CAPITAL ASSETS (Continued)

A summary of changes in the business-type activities capital assets for the fiscal year ended September 30, 2019 is presented as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Capital assets, not being depreciated:				
Land	\$ 4,300	\$ -	\$ -	\$ 4,300
Intangible assets - easements	163,503	-	-	163,503
Construction in progress	1,675,643	675,384	(2,304,720)	46,307
Total capital assets, not being depreciated	1,843,446	675,384	(2,304,720)	214,110
Capital assets, being depreciated:				
Buildings and plant	10,274,933	14,850	-	10,289,783
Infrastructure	11,550,459	2,304,720	(38,275)	13,816,904
Machinery and equipment	1,521,161	221,993	(30,878)	1,712,276
Intangible assets - computer software	2,682	-	-	2,682
Intangible assets - wastewater facilities	3,080,157	-	-	3,080,157
Total capital assets, being depreciated	26,429,392	2,541,563	(69,153)	28,901,802
Less accumulated depreciation:				
Buildings and plant	(6,627,530)	(338,109)	-	(6,965,639)
Infrastructure	(8,036,029)	(413,882)	38,275	(8,411,636)
Machinery and equipment	(1,005,377)	(182,822)	30,878	(1,157,321)
Intangible assets - computer software	(2,682)	-	-	(2,682)
Intangible assets - wastewater facilities	(3,080,157)	-	-	(3,080,157)
Total accumulated depreciation	(18,751,775)	(934,813)	69,153	(19,617,435)
Total capital assets, being depreciated, net	7,677,617	1,606,750	-	9,284,367
Business-type activities capital assets, net	\$ 9,521,063	\$ 2,282,134	\$ (2,304,720)	\$ 9,498,477

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

Governmental activities:	
General government	\$ 23,422
Public safety	329,957
Physical environment	963,003
Culture and recreation	221,699
Total depreciation expense, governmental activities	<u>\$ 1,538,081</u>
Business-type activities:	
Water and sewer	<u>\$ 934,813</u>

TOWN OF LANTANA, FLORIDA
NOTES TO FINANCIAL STATEMENTS

NOTE 6 – LONG-TERM DEBT

The following is a summary of the changes in general long-term liabilities for the year ended September 30, 2019 for governmental activities:

	Beginning Balances	Additions	Reductions	Total	Amount Due Within One Year
Compensated Absences	\$ 669,883	\$ 473,666	\$ (470,536)	\$ 673,013	\$ 314,226
Net OPEB Liability	605,444	59,095	-	664,539	-
	<u>\$ 1,275,327</u>	<u>\$ 532,761</u>	<u>\$ (470,536)</u>	<u>\$ 1,337,552</u>	<u>\$ 314,226</u>

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

The following is a summary of the changes in general long-term liabilities for the year ended September 30, 2019 for business-type activities

	Beginning Balances	Additions	Reductions	Total	Amount Due Within One Year
2012 Revenue Bonds	\$ 1,489,088	\$ -	\$ (472,528)	\$ 1,016,560	\$ 480,238
Compensated Absences	189,140	142,281	(129,259)	202,162	94,388
Net OPEB Liability	9,064	1,764	-	10,828	-
	<u>\$ 1,687,292</u>	<u>\$ 144,045</u>	<u>\$ (601,787)</u>	<u>\$ 1,229,550</u>	<u>\$ 574,626</u>

Bonds Payable

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

During a prior fiscal year, the Town issued \$4,055,000 of Water and Sewer Revenue Refunding Bonds, Series 2012, for the purpose of refunding all of the Town's outstanding Water and Sewer Revenue Bonds, Series 1998. The Bond was issued with an interest rate of 1.48% and matures on October 1, 2021. Effective November 1, 2018, the interest rate on the bond was increased to 1.77%. This rate increase was in accordance with the Bond indenture and was a result of the reduction in the maximum federal corporate tax rate in 2018. Payment of interest and principal are due in monthly installments of \$41,196, commencing on February 1, 2013. The Series 2012 Bonds are payable from and collateralized by net revenues derived from the operation of the water and sewer system, which have averaged \$2,102,252 annually over the last ten years. Total principal and interest remaining on the bond is \$1,036,280 payable through October 2021. For the current year, principal and interest paid and net revenues were \$494,348 and \$3,111,610, respectively.

Annual debt service requirements to maturity are as follows:

Year Ending September 30,	Principal	Interest
2020	\$ 480,238	\$ 14,110
2021	488,808	5,540
2022	47,514	70
	<u>\$ 1,016,560</u>	<u>\$ 19,720</u>

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

NOTE 6 – LONG TERM DEBT (Continued)

Bonds Payable (Continued)

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

Bond Covenants

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

At September 30, 2019, the Town was in compliance with the bond covenants.

NOTE 7 – EMPLOYEE RETIREMENT FUND

LANTANA POLICE RELIEF AND PENSION FUND (LPRPF)

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

PLAN DESCRIPTION

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

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

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

BASIS OF ACCOUNTING

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

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

NOTE 7 – EMPLOYEE RETIREMENT FUND (Continued)

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

METHOD USED TO VALUE INVESTMENTS

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

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

FUNDING POLICY

Contribution requirements are established and may be amended by the Town Council. The contribution requirements are determined on the benefit structure established by the Town. For the year ended September 30, 2019 the required member contributions were 7% of their annual covered earnings. Effective October 1, 2019 the member contribution rate will increase to 8% of compensation. Pursuant to Chapter 185 of the Florida Statutes, a premium tax on certain casualty insurance contracts written on Lantana properties is collected by the State and is remitted to the Plan. This amount totaled \$133,628 for the year ended September 30, 2019 and is included in the general fund as a revenue and expenditure. The Town is required to contribute the remaining amounts necessary to finance the benefits through periodic contributions of actuarially determined amounts. For the year ended September 30, 2019, the Town's contribution was \$833,774. Administrative costs are financed through investment earnings.

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

The Town's net pension liability for the LPRPF is measured as the total pension liability less the pension plans' fiduciary net position. At September 30, 2019, the Town reported a net pension liability of \$3,436,937 related to the LPRPF. The net pension liability was measured as of September 30, 2019, using an annual actuarial valuation as of October 1, 2018 rolled forward to September 30, 2019 using standard update procedures. For the fiscal year ended September 30, 2019, the Town recognized pension expense of \$666,885. The changes in the Net Pension Liability follow:

TOWN OF LANTANA, FLORIDA
NOTES TO FINANCIAL STATEMENTS

NOTE 7 – EMPLOYEE RETIREMENT FUND (Continued)

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

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

	Increases (Decreases)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balance at September 30, 2018	\$ 18,833,435	\$ 15,720,264	\$ 3,113,171
Changes in the year:			
Service cost	545,724	-	545,724
Interest on the total pension liability	1,414,270	-	1,414,270
Benefit Changes	(20,334)	-	(20,334)
Differences between actual and expected experience in the measurement of the TPL	(63,829)	-	(63,829)
Changes of assumptions	214,552	-	214,552
Contributions - Employer (from Town)	-	833,774	(833,774)
Contributions - Employer (from State)	-	133,628	(133,628)
Contributions - Employees	-	145,099	(145,099)
Net investment income	-	723,759	(723,759)
Benefit payments	(1,026,779)	(1,026,779)	-
Refunds	(17,668)	(17,668)	-
Pension plan administrative expense	-	(69,643)	69,643
Net changes	1,045,936	722,170	323,766
Balance at September 30, 2019	\$ 19,879,371	\$ 16,442,434	\$ 3,436,937

At September 30, 2019 the Town reported deferred outflows of resources and deferred inflows of resources related to the LPRPF from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources	Net Deferred Outflows and Inflows of Resources
Differences between expected and actual experience	\$ 118,159	\$ 387,766	\$ (269,607)
Change in assumptions	157,873	-	157,873
Net Difference between projected and actual earnings on pension plan investments	-	16,744	(16,744)
	\$ 276,032	\$ 404,510	\$ (128,478)

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

Year ending September 30	Net Deferred Outflows of Resources
2020	\$ (112,730)
2021	(186,015)
2022	79,226
2023	91,041
2024	-
Thereafter	-
Total	\$ (128,478)

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

NOTE 7 – EMPLOYEE RETIREMENT FUND (Continued)

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

PLAN MEMBERSHIP

Membership of the plan consisted of the following at September 30, 2019:

	<u>Police Officers</u>
Inactive employees (or their beneficiaries)	
currently receiving benefits	20
Inactive employees entitled to but not yet	
receiving benefits	6
Active employees	<u>27</u>
Total	<u><u>53</u></u>

ACTUARIAL METHODS AND SIGNIFICANT ASSUMPTIONS

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

Valuation date	October 1, 2018
Measurement date	September 30, 2019
Actuarial cost method	Entry Age Normal
Actuarial Assumptions:	
Discount rate	7.25%
Inflation	2.50%
Salary increases	6.0%, including inflation
Investment Rate of Return	7.25%
Retirement age	Experience-based table of rates
Mortality	The healthy post retirement mortality table is the RP 2000 Mortality Table for annuitants with future improvements in mortality projected to all future years using Scale BB. For females, the base mortality rates include a 100% white collar adjustment. For males, the base mortality rates include a 90% blue collar adjustment and a 10% white collar adjustment. The preretirement mortality table is the RP 2000 Combined Healthy Participant Mortality Table with the same white and blue collar adjustments and the same mortality improvement projection scales. For disabled retirees, the mortality table is the RP 2000 Mortality Table for disabled annuitants, setback 4 years for males and set forward 2 years for females, with no provision made for future mortality improvements. These are the same rates used for Special Risk Class members of the Florida Retirement System (FRS) in their Actuarial Valuation as of July 1, 2016, as mandated by chapter 112.63 Florida Statutes.

TOWN OF LANTANA, FLORIDA
NOTES TO FINANCIAL STATEMENTS

NOTE 7 – EMPLOYEE RETIREMENT SYSTEMS (Continued)

ACTUARIAL METHODS AND SIGNIFICANT ASSUMPTIONS (Continued)

Development of Single Discount Rate

Single Discount Rate	7.25%
Long-Term Expected Rate of Return	7.25%
Long-Term Municipal Bond Rate*	2.75%
Last year ending September 30 in the 2019 to 2118 projection period for which projected benefit payments are fully funded	2118

*Source: Fidelity General Obligation AA rate as of September 28, 2019. This is the rate for Fixed Income Market Data/Yield Curve/Data Municipal bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in Fidelity Index's "20-Year Municipal GO AA Index." In describing this index, Fidelity notes that the municipal curves are constructed using option adjusted analytics of a diverse population of over 10,000 tax exempt securities.

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

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

Regarding the sensitivity of the net pension liability to changes in the single discount rate, the following presents the Town's net pension liability, calculated using a single discount rate of 7.25%, as well as what the plan's net pension liability would be if it were calculated using a single discount rate that is 1-percentage-point lower or 1-percentage-point higher:

	Current Single Discount Rate		
	1% Decrease	Assumption	1% Increase
	6.25%	7.25%	8.25%
Net Pension Liability	\$ 6,128,518	\$ 3,436,937	\$ 1,246,295

DEFINED CONTRIBUTION PLAN

The Town of Lantana General Employees' Defined Contribution Plan was established by the Town and is administered by Prudential Securities to provide benefits at retirement for all of its full-time employees except police officers. Contributions equal 7% of each general employee's salary and up to a 2% match of the employee's contribution. The Plan permits participant nondeductible voluntary contributions in the amount of 1% to 10% of the participant's salary. Participants are fully vested after five years of service. Plan revisions and contribution requirements are established and may be amended by the Town Council. The covered payroll for the plan was \$2,983,578. The Town's total payroll for the same period was \$6,258,443. Town contributions for the year ended September 30, 2019, were \$249,739. The contributions included forfeited amounts of \$29,901. The amounts of employee contributions made for the year ended September 30, 2019 were \$2,473.

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

NOTE 7 – EMPLOYEE RETIREMENT SYSTEMS (Continued)

DEFERRED COMPENSATION PLAN

The Town of Lantana General Employees' Deferred Compensation Plan (457 Plan) was established by the Town and is administered by Prudential Securities to provide benefits at retirement for all of its full-time personnel. Contributions are voluntary. The Town did not make any contributions to the Plan in the 2019 fiscal year. Participants are fully vested immediately. Plan revisions and contribution requirements are established and may be amended by the Town Council. The amounts of employee contributions for the year ended September 30, 2019 were \$196,842.

NOTE 8 – OTHER POST EMPLOYMENT BENEFITS (“OPEB”)

PLAN DESCRIPTION

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

FUNDING POLICY

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

At September 30, 2019, the following employees were covered by benefit terms:

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

For the fiscal year ended September 30, 2019, the Town recognized OPEB expense of \$66,779.

TOWN OF LANTANA, FLORIDA
NOTES TO FINANCIAL STATEMENTS

NOTE 8 – OTHER POST EMPLOYMENT BENEFITS (“OPEB”) (Continued)

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

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

	Total OPEB Liability	Fiduciary Net Position	Net OPEB Liability
Balance as of September 30, 2018	\$ 614,508	\$ -	\$ 614,508
Changes due to:			
Service cost	47,152	-	47,152
Interest on Total OPEB liability	22,139	-	22,139
Difference between expected and actual experience	-	-	-
Changes of assumptions and other inputs	3,646	-	3,646
Benefit payments*	(12,578)	-	(12,578)
Other changes	500	-	500
Balance as of September 30, 2019	<u>\$ 675,367</u>	<u>\$ -</u>	<u>\$ 675,367</u>

* Includes the Implicit Rate Subsidy.

At September 30, 2019 the Town reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ (43,727)
Change in assumptions	171,204	(146,274)
	<u>\$ 171,204</u>	<u>\$ (190,001)</u>

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

Year ending September 30	Deferred Outflows of Resources	Deferred Inflows of Resources
2020	\$ 22,501	\$ (25,013)
2021	22,501	(25,013)
2022	22,501	(25,013)
2023	22,501	(25,013)
2024	22,501	(25,013)
Thereafter	58,699	(64,936)
Total	<u>\$ 171,204</u>	<u>\$ (190,001)</u>

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

NOTE 8 – OTHER POST EMPLOYMENT BENEFITS (“OPEB”) (Continued)

ACTUARIAL METHODS AND ASSUMPTIONS

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

Measurement date	September 30, 2019
Actuarial valuation date	October 1, 2017
Actuarial cost method	Entry Age Normal (AMM)
Discount rate*	3.58%
Inflation rate	3.00%
Salary rate increase	4.00%
Funded ratio	0.00%
Covered payroll	\$ 4,982,533
Net OPEB Liability as a percentage of covered payroll	12.33%
Healthcare cost trend	
Initial health care cost trend rate	
- HMO Plan	6.90%
- PPO Plan	7.70%
Ultimate health care cost trend rate	5.00%
Fiscal year the ultimate rate is reached	2028

*The Town does not have a dedicated Trust to pay retiree healthcare benefits. Per GASB 75, the discount rate should be a yield or index rate for 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher (or equivalent quality on another rating scale). A rate of 3.58% is used, which is the S&P Municipal Bond 20 Year High-Grade Rate Index as of September 30, 2019.

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

The following presents the net OPEB liability of the Town, as well as what the Town’s net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.58%) or 1-percentage-point higher (4.58%) than the current discount rate:

1% Decrease (2.58%)	Current Discount Rate (3.58%)	1% Increase (4.58%)
\$ 736,004	\$ 675,367	\$ 620,260

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

NOTE 8 – OTHER POST EMPLOYMENT BENEFITS (“OPEB”) (Continued)

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

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

1% Decrease (HMO Plan 5.9%; PPO Plan 6.7%; both decreasing to 4.0%)	Healthcare Cost Trend Rates (HMO Plan 6.9%; PPO Plan 7.7%; both decreasing to 5.0%)	1% Increase (HMO Plan 7.9%; PPO Plan 8.7%; both decreasing to 6.0%)
\$ 606,115	\$ 675,367	\$ 754,971

NOTE 9 - INTERLOCAL AGREEMENTS

POLICE SERVICES

The Town has entered into interlocal agreements for the provision of police services by the Town of Lantana within the Town limits of Hypoluxo and South Palm Beach. The terms of the agreements are for five years, expiring on September 30, 2019. The Town received \$635,207 and \$64,944 from Hypoluxo and South Palm Beach, respectively, during the year ended September 30, 2019.

NOTE 10 – ENCUMBRANCES

The Town issued the following purchase orders during the current fiscal year which encumbered the budget at September 30, 2019. These purchase orders were not fully liquidated at year end.

Major Fund:	
General Fund	\$ 7,475
Water and Sewer Fund	96,263
Total Encumbrances	<u>\$ 103,738</u>

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

NOTE 11 - COMMITMENTS AND CONTINGENCIES

GRANTS

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

NOTE 12 - RISK MANAGEMENT

The Town is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the Town carries commercial insurance. The Town is also covered by Florida Statutes under the Doctrine of Sovereign Immunity which effectively limits the amount of liability of municipalities to individual claims of \$200,000/\$300,000 for all claims relating to the same accident. There were no changes in insurance coverage from the prior year and there were no settlements that exceeded insurance coverage in the last three years.

NOTE 13 – PRONOUNCEMENTS ISSUED, BUT NOT YET ADOPTED

GASB Statement No. 84 - Fiduciary Activities

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

GASB Statement No. 87 – Leases

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

GASB 89 - Accounting for Interest Cost Incurred before the End of a Construction Period

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

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

NOTE 13 – PRONOUNCEMENTS ISSUED, BUT NOT YET ADOPTED (Continued)

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

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

GASB 91 - Conduit Debt Obligations

The primary objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures. The requirements of this Statement are effective for reporting periods beginning after December 15, 2020. Earlier application is encouraged.

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



REQUIRED SUPPLEMENTARY INFORMATION
(Other than MD&A)

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

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget- Positive (Negative)
Revenues:				
Property taxes	\$ 3,423,290	\$ 3,423,290	\$ 3,522,230	\$ 98,940
Franchise fees and utility taxes	2,500,724	2,500,724	2,541,593	40,869
Other taxes	275,893	275,893	271,152	(4,741)
Permits and fees	459,531	459,531	901,786	442,255
Intergovernmental	1,746,658	1,746,658	1,821,632	74,974
Charges for services	568,261	568,261	615,284	47,023
Fines and forfeitures	189,771	189,771	287,450	97,679
Interest income	130,910	130,910	263,640	132,730
Grant revenue	4,299	80,918	293,922	213,004
Interlocal agreements	809,929	830,871	830,869	(2)
Special assessments	1,045,621	1,045,621	1,050,094	4,473
Other revenues	336,308	363,239	556,961	193,722
Total revenues	11,491,195	11,615,687	12,956,613	1,340,926
Expenditures:				
Current:				
General Government:				
Town Council	103,013	103,013	89,625	13,388
Administrative	259,242	263,768	239,278	24,490
Finance	460,914	464,414	418,424	45,990
Legal	150,000	224,215	167,232	56,983
Nondepartmental	185,765	152,202	52,813	99,389
Total general government	1,158,934	1,207,612	967,372	240,240
Public safety:				
Police	6,056,283	6,211,113	5,934,611	276,502
Development services	785,630	784,492	737,682	46,810
Total public safety	6,841,913	6,995,605	6,672,293	323,312

See notes to required supplementary information

TOWN OF LANTANA, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL – GENERAL FUND (Continued)
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2019

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget- Positive (Negative)
Physical environment:				
Public Works	2,485,242	2,706,947	2,518,198	188,749
Total physical environment	2,485,242	2,706,947	2,518,198	188,749
Culture/recreation, parks and recreation:				
Library	196,448	196,448	166,224	30,224
Sports park	421,844	395,344	354,563	40,781
Special events	43,304	43,304	42,870	434
Total culture and recreation	661,596	635,096	563,657	71,439
Capital outlay	284,510	487,243	346,205	141,038
Debt service:				
Principal retirement	59,000	59,000	-	59,000
Total debt service	59,000	59,000	-	59,000
Total expenditures	11,491,195	12,091,503	11,067,725	1,023,778
Excess (deficiency) of revenues over expenditures	-	(475,816)	1,888,888	2,364,704
Other financing sources (uses):				
Use of fund balance	-	475,816	-	(475,816)
Total other financing sources (uses)	-	475,816	-	(475,816)
Net change in fund balance	\$ -	\$ -	1,888,888	\$ 1,888,888
Fund balance, beginning			<u>13,402,321</u>	
Fund balance, ending			<u>\$ 15,291,209</u>	

See notes to required supplementary information

TOWN OF LANTANA, FLORIDA
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

NOTE 1 – BUDGETS AND BUDGETARY ACCOUNTING

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

The procedures for establishing budgetary data are as follows:

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

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

Budgets are adopted on the modified accrual basis of accounting, consistent with accounting principles generally accepted in the United States. All appropriations lapse at fiscal year end unless encumbered or specifically designated to be carried forward to the subsequent year. Changes or amendments to the total budgeted expenditures, except as noted above for encumbrances and carry forwards, of the Town must be approved by the Council. The legal level of control is at the departmental level. The general fund budget was amended as follows: increase in revenues of \$124,492, increase in use of fund balance of \$475,816, and increase in appropriations related to Council amendments, encumbrances and carry forwards of \$600,308.

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

Measurement Year Ended September 30,	2019	2018	2017	2016	2015	2014
Total Pension Liability (TPL)						
Service cost	\$ 545,724	\$ 505,944	\$ 362,009	\$ 343,544	\$ 357,506	\$ 390,463
Interest on the total pension liability	1,414,270	1,376,374	1,024,448	989,489	928,071	853,826
Changes of benefit terms	(20,334)	-	3,021,409	-	-	-
Differences between actual and expected experience in the measurement of the TPL	(63,829)	(700,332)	512,020	(298,613)	(113,373)	(847)
Changes of assumption	214,552	-	5,673	(221,282)	-	-
Benefit payments	(1,026,779)	(377,772)	(364,808)	(388,273)	(270,957)	(247,244)
Refunds	(17,668)	(10,762)	(930)	(31,262)	(6,834)	(716)
Other changes	-	-	-	27,147	9,333	2,279
Net change in total pension liability	1,045,936	793,452	4,559,821	420,750	903,746	997,761
Total pension liability - beginning	18,833,435	18,039,983	13,480,162	13,059,412	12,155,666	11,157,905
Total pension liability - ending (a)	\$19,879,371	\$18,833,435	\$18,039,983	\$13,480,162	\$13,059,412	\$12,155,666
Plan fiduciary net position						
Contributions - Employer (from Town)	\$ 833,774	\$ 701,427	\$ 302,908	\$ 429,970	\$ 408,040	\$ 377,272
Contributions - Employer (from State)	133,628	116,796	112,686	119,700	101,886	95,532
Contributions - Employees	145,099	124,905	120,005	120,049	105,492	111,001
Net investment income	723,759	1,268,013	1,510,543	987,257	(63,982)	992,243
Benefit payments	(1,026,779)	(377,772)	(364,808)	(388,273)	(270,957)	(247,244)
Refunds	(17,668)	(10,762)	(930)	(31,262)	(6,834)	(716)
Pension plan administrative expense	(69,643)	(86,349)	(57,996)	(65,361)	(51,501)	(42,022)
Net change in fiduciary net position	722,170	1,736,258	1,622,408	1,172,080	222,144	1,286,066
Plan fiduciary net position - beginning	15,720,264	13,984,006	12,361,598	11,189,518	10,967,374	9,681,308
Plan fiduciary net position - ending (b)	\$16,442,434	\$15,720,264	\$13,984,006	\$12,361,598	\$11,189,518	\$10,967,374
Net pension liability - ending (a) - (b)	\$ 3,436,937	\$ 3,113,171	\$ 4,055,977	\$ 1,118,564	\$ 1,869,894	\$ 1,188,292
Plan fiduciary net position as a percentage of the total pension liability	82.71%	83.47%	77.52%	91.70%	85.68%	90.22%
Covered payroll	\$ 2,072,843	\$ 1,784,354	\$ 1,714,357	\$ 1,704,833	\$ 1,507,029	\$ 1,585,229
Net Pension liability as a percentage of covered payroll	165.81%	174.47%	236.59%	65.61%	124.08%	74.96%
Note: Information for previous years is unavailable.						

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

Fiscal Year Ending September 30,	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Payroll	Actual Contribution as % of Covered Employee Payroll
2014	\$ 465,226	\$ 469,825	\$ (4,599)	\$ 1,585,729	29.63 %
2015	500,593	500,593	-	1,507,029	33.22 %
2016	466,726	522,523	(55,797)	1,704,833	30.65 %
2017	415,594	415,594	-	1,714,357	24.24 %
2018	904,992	818,223	86,769	1,784,354	45.86 %
2019	894,650	967,402	(72,752)	2,072,843	46.67 %

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

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

Valuation date	October 1, 2017
Actuarial cost method	Entry Age Normal
Amortization method	Level Dollar, Closed
Remaining amortization period	20 years
Asset valuation method	5-year smoothed market
Actuarial Assumptions:	
Inflation	3.00%
Salary increases	6.0%, including inflation
Investment Rate of Return	7.25%
Retirement age	Experience-based table of rates
Mortality	The healthy mortality table is the RP 2000 Mortality Table for annuitants with future improvements in mortality projected to all future years using Scale BB. For females, the base mortality rates include a 100% white collar adjustment. For males, the base mortality rates include a 90% blue collar adjustment and a 10% white collar adjustment. The preretirement mortality table is the RP-2000 Combined Healthy Participant Mortality Table with the same white and blue collar adjustments and the same mortality improvement projection scales. For disabled retirees, the mortality table is the RP-2000 Mortality Table for disabled annuitants, setback 4 years for males and set-forward 2 years for females, with no provision made for future mortality improvements. These are the same rates used for Special Risk Class members of the Florida Retirement System (FRS) in their Actuarial Valuation as of July 1, 2016.

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

	2019	2018
Total OPEB Liability		
Service cost	\$ 47,152	\$ 44,465
Interest	22,139	19,510
Difference between expected and actual experience	-	(55,240)
Changes of assumptions and other inputs	3,646	98,112
Benefit payments	(12,578)	(6,889)
Other changes	500	(71,289)
Net change in total OPEB liability	60,859	28,669
Total OPEB liability - beginning	614,508	585,839
Total OPEB liability - ending (a)	<u>\$ 675,367</u>	<u>\$ 614,508</u>
 Plan Fiduciary Net Position		
Net change in plan fiduciary net position	\$ -	\$ -
Plan fiduciary net position - beginning	-	-
Plan fiduciary net position - ending (b)	<u>\$ -</u>	<u>\$ -</u>
 Town's net OPEB liability - ending (a) - (b)	<u>\$ 675,367</u>	<u>\$ 614,508</u>
 Plan fiduciary net position as a percentage of total OPEB liability	0.00%	0.00%
 Covered payroll	\$ 4,982,533	\$ 4,982,533
 Net OPEB liability as a percentage of covered employee payroll	13.55%	12.33%

Note: Information for previous years is unavailable.

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

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

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

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

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

**TOWN OF LANTANA, FLORIDA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2019**

	Special Revenue Funds				
	Grants Fund	Infrastructure Surtax Fund	Police Education Fund	Police Forfeiture Fund	Total Governmental Funds
Assets					
Restricted cash and cash equivalents	\$ 375	\$ 547,428	\$ 4,225	\$ 124,410	\$ 676,438
Intergovernmental receivables	-	132,722	220	-	132,942
Total assets	<u>\$ 375</u>	<u>\$ 680,150</u>	<u>\$ 4,445</u>	<u>\$ 124,410</u>	<u>\$ 809,380</u>
Liabilities and Fund Balances					
Liabilities:					
Accounts payable	\$ 375	\$ 13,843	\$ 199	\$ 6,878	\$ 21,295
Total liabilities	<u>375</u>	<u>13,843</u>	<u>199</u>	<u>6,878</u>	<u>21,295</u>
Fund balances:					
Restricted for:					
Infrastructure	-	666,307	-	-	666,307
Police education	-	-	4,246	-	4,246
Police forfeiture programs	-	-	-	117,532	117,532
Total fund balances	<u>-</u>	<u>666,307</u>	<u>4,246</u>	<u>117,532</u>	<u>788,085</u>
Total liabilities and fund balances	<u>\$ 375</u>	<u>\$ 680,150</u>	<u>\$ 4,445</u>	<u>\$ 124,410</u>	<u>\$ 809,380</u>

**TOWN OF LANTANA, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
NONMAJOR GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2019**

	Special Revenue Funds				
	Grants Fund	Infrastructure Surtax Fund	Police Education Fund	Police Forfeiture Fund	Total Governmental Funds
Revenues:					
Intergovernmental	\$ -	\$ 798,921	\$ -	\$ -	\$ 798,921
Fines and forfeitures	-	-	5,494	25,758	31,252
Interest income	-	1,969	-	430	2,399
Grant revenue	34,200	-	-	-	34,200
Other revenues	-	-	-	12,405	12,405
Total revenues	34,200	800,890	5,494	38,593	879,177
Expenditures:					
Current:					
Public safety	-	-	16,609	30,483	47,092
Physical environment	34,200	211,643	-	-	245,843
Capital outlay	-	412,427	-	-	412,427
Total expenditures	34,200	624,070	16,609	30,483	705,362
Excess (deficiency) of revenues over expenditures	-	176,820	(11,115)	8,110	173,815
Fund balances, beginning	-	489,487	15,361	109,422	614,270
Fund balances, ending	\$ -	\$ 666,307	\$ 4,246	\$ 117,532	\$ 788,085

TOWN OF LANTANA, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL – NONMAJOR GOVERNMENTAL FUNDS –
GRANTS FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2019

	Grants Fund			
	Budgeted Amounts		Actual Amounts	Variance With Final Budget- Positive (Negative)
	Original	Final		
Revenues:				
Grant revenue	\$ 1,273,732	\$ 1,325,697	\$ 34,200	\$ (1,291,497)
Total revenues	1,273,732	1,325,697	34,200	(1,291,497)
Expenditures:				
Current:				
Physical environment	36,900	36,900	34,200	2,700
Capital outlay	1,611,832	1,681,118	-	1,681,118
Total expenditures	1,648,732	1,718,018	34,200	1,683,818
Excess (deficiency) of revenues over expenditures	(375,000)	(392,321)	-	392,321
Other financing sources (uses):				
Transfers in	375,000	392,321	-	(392,321)
Total other financing sources (uses)	375,000	392,321	-	(392,321)
Net change in fund balances	\$ -	\$ -	-	\$ -
Fund balance, beginning			-	
Fund balance, ending			\$ -	

TOWN OF LANTANA, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL – NONMAJOR GOVERNMENTAL FUNDS –
INFRASTRUCTURE SURTAX FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2019

	Infrastructure Surtax Fund			
	Budgeted Amounts		Actual Amounts	Variance With Final Budget- Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 736,454	\$ 736,454	\$ 798,921	\$ 62,467
Interest income	-	-	1,969	1,969
Total revenues	736,454	736,454	800,890	64,436
Expenditures:				
Current:				
Physical environment	231,454	241,633	211,643	29,990
Capital outlay	130,000	569,496	412,427	157,069
Total expenditures	361,454	811,129	624,070	187,059
Excess (deficiency) of revenues over expenditures	375,000	(74,675)	176,820	251,495
Other financing sources (uses):				
Use of fund balance	-	466,996	-	(466,996)
Transfers out	(375,000)	(392,321)	-	392,321
Total other financing sources (uses)	(375,000)	74,675	-	(74,675)
Net change in fund balances	\$ -	\$ -	176,820	\$ 176,820
Fund balance, beginning			489,487	
Fund balance, ending			\$ 666,307	

TOWN OF LANTANA, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL – NONMAJOR GOVERNMENTAL FUNDS –
POLICE EDUCATION FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2019

	Police Education Fund			
	Budgeted Amounts		Actual Amounts	Variance With Final Budget- Positive (Negative)
	Original	Final		
Revenues:				
Fines and forfeitures	\$ 4,569	\$ 4,569	\$ 5,494	\$ 925
Total revenues	4,569	4,569	5,494	925
Expenditures:				
Current:				
Public Safety	4,569	18,069	16,609	1,460
Total expenditures	4,569	18,069	16,609	1,460
Excess (deficiency) of revenues over expenditures	-	(13,500)	(11,115)	2,385
Other financing sources (uses):				
Use of fund balance	-	13,500	-	(13,500)
Total other financing sources (uses)	-	13,500	-	(13,500)
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	(11,115)	<u>\$ (11,115)</u>
Fund balance, beginning			<u>15,361</u>	
Fund balance, ending			<u>\$ 4,246</u>	



STATISTICAL SECTION



STATISTICAL SECTION

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

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These schedules contain trend information to help the reader understand the Town's financial performance and well-being have changed over time.	
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Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year. The Town implemented GASB Statement 34 for fiscal year 2003; schedules presenting government-wide information include information beginning in that year.



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

	2010	2011	2012	2013
Governmental Activities				
Net Investment in capital assets	\$ 16,730,041	\$ 16,938,079	\$ 18,337,815	\$ 18,260,830
Restricted	66,336	11,121	12,680	15,476
Unrestricted	<u>11,001,766</u>	<u>10,412,773</u>	<u>7,773,388</u>	<u>8,426,192</u>
Total Governmental Activities Net Position	<u>27,798,143</u>	<u>27,361,973</u>	<u>26,123,883</u>	<u>26,702,498</u>
Business-Type Activities				
Net Investment in capital assets	3,642,545	3,624,500	3,605,700	4,313,612
Restricted	-	-	543,791	-
Unrestricted	<u>6,879,590</u>	<u>7,638,564</u>	<u>7,530,741</u>	<u>8,789,438</u>
Total Business-Type Activities Net Position	<u>10,522,135</u>	<u>11,263,064</u>	<u>11,680,232</u>	<u>13,103,050</u>
Primary Government				
Net Investment in capital assets	20,372,586	20,562,579	21,943,515	22,574,442
Restricted	66,336	11,121	556,471	15,476
Unrestricted	<u>17,881,356</u>	<u>18,051,337</u>	<u>15,304,129</u>	<u>17,215,630</u>
Total Primary Government Net Position	<u>\$ 38,320,278</u>	<u>\$ 38,625,037</u>	<u>\$ 37,804,115</u>	<u>\$ 39,805,548</u>

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

	2014	2015	2016	2017	2018	2019
\$	17,329,014	\$ 16,994,685	\$ 17,694,224	\$ 17,818,601	\$ 17,228,421	\$ 16,470,693
	1,019,931	19,750	685,155	1,425,190	2,177,200	2,419,335
	<u>9,271,736</u>	<u>9,274,400</u>	<u>9,517,683</u>	<u>6,929,939</u>	<u>7,771,022</u>	<u>9,667,012</u>
	<u>27,620,681</u>	<u>26,288,835</u>	<u>27,897,062</u>	<u>26,173,730</u>	<u>27,176,643</u>	<u>28,557,040</u>
	5,089,676	6,175,347	6,200,832	6,239,812	8,135,430	8,545,960
	363,801	363,800	363,800	374,456	-	-
	<u>8,244,021</u>	<u>8,484,142</u>	<u>10,325,879</u>	<u>11,011,260</u>	<u>10,626,017</u>	<u>12,331,053</u>
	<u>13,697,498</u>	<u>15,023,289</u>	<u>16,890,511</u>	<u>17,625,528</u>	<u>18,761,447</u>	<u>20,877,013</u>
	22,418,690	23,170,032	23,895,056	24,058,413	25,363,851	25,016,653
	1,383,732	383,550	1,048,955	1,799,646	2,177,200	2,419,335
	<u>17,515,757</u>	<u>17,758,542</u>	<u>19,843,562</u>	<u>17,941,199</u>	<u>18,397,039</u>	<u>21,998,065</u>
\$	<u>41,318,179</u>	<u>\$ 41,312,124</u>	<u>\$ 44,787,573</u>	<u>\$ 43,799,258</u>	<u>\$ 45,938,090</u>	<u>\$ 49,434,053</u>

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

	2010	2011	2012
Governmental Activities			
General government	\$ 758,291	\$ 805,921	\$ 766,789
Public safety	4,764,164	4,697,941	5,761,191
Physical environment	3,416,224	2,252,568	2,110,759
Transportation	-	933,747	1,095,864
Culture/recreation	363,547	375,829	390,092
Interest on long-term debt	105,231	92,300	74,110
Total Governmental Activities Expenses	<u>9,407,457</u>	<u>9,158,306</u>	<u>10,198,805</u>
Business-Type Activities			
Utility - water and sewer	4,459,164	4,448,685	4,635,940
Total Business-Type Activities Expenses	<u>4,459,164</u>	<u>4,448,685</u>	<u>4,635,940</u>
Total Primary Government Expenses	<u>\$ 13,866,621</u>	<u>\$ 13,606,991</u>	<u>\$ 14,834,745</u>
Program Revenues			
Governmental activities:			
Charges for services:			
General government	\$ 526,767	\$ 611,487	\$ 788,381
Public safety	715,126	844,001	806,068
Physical environment	889,306	865,703	879,099
Culture and recreation	213,303	238,470	195,470
Operating grants and contributions	587,572	573,771	214,108
Capital grants and contributions	197,160	258,169	131,927
Total Governmental Activities Program Revenues	<u>3,129,234</u>	<u>3,391,601</u>	<u>3,015,053</u>
Business-type activities:			
Charges for services:			
Utility - water and sewer	5,075,463	4,990,025	5,016,469
Capital grants and contributions	204,265	163,503	-
Total Business-Type Activities Program Revenues	<u>5,279,728</u>	<u>5,153,528</u>	<u>5,016,469</u>
Total Primary Government Program Revenues	<u>\$ 8,408,962</u>	<u>\$ 8,545,129</u>	<u>\$ 8,031,522</u>

Notes:

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

	2013	2014	2015	2016	2017	2018	2019
\$	930,263	\$ 1,447,888	\$ 741,324	\$ 818,909	\$ 1,007,186	\$ 950,779	\$ 993,924
	4,502,022	4,938,269	5,239,141	5,375,887	8,580,598	6,062,440	6,801,336
	1,821,392	1,514,926	3,127,821	3,233,635	3,273,391	3,867,004	3,727,044
	1,564,530	1,977,033	-	-	-	-	-
	369,831	417,408	2,253,383	365,697	548,426	597,923	785,356
	65,694	50,694	36,584	21,458	10,026	771	-
	<u>9,253,732</u>	<u>10,346,218</u>	<u>11,398,253</u>	<u>9,815,586</u>	<u>13,419,627</u>	<u>11,478,917</u>	<u>12,307,660</u>
	 4,914,189	 4,677,549	 4,563,238	 4,572,755	 5,283,975	 5,161,735	 5,287,676
	<u>4,914,189</u>	<u>4,677,549</u>	<u>4,563,238</u>	<u>4,572,755</u>	<u>5,283,975</u>	<u>5,161,735</u>	<u>5,287,676</u>
\$	<u>14,167,921</u>	<u>\$ 15,023,767</u>	<u>\$ 15,961,491</u>	<u>\$ 14,388,341</u>	<u>\$ 18,703,602</u>	<u>\$ 16,640,652</u>	<u>\$ 17,595,336</u>
\$	778,961	\$ 860,235	\$ 899,171	\$ 1,386,273	\$ 1,132,786	\$ 1,268,772	\$ 1,480,528
	828,503	1,132,256	1,292,909	1,179,654	1,214,316	1,173,143	1,296,316
	808,998	1,136,758	626,469	626,772	639,995	656,849	898,299
	157,878	202,245	289,802	256,590	331,061	426,276	493,645
	70,751	38,835	38,370	37,615	67,762	38,499	235,750
	1,279,089	291,113	900,051	321,840	1,083,883	1,195,547	820,642
	<u>3,924,180</u>	<u>3,661,442</u>	<u>4,046,772</u>	<u>3,808,744</u>	<u>4,469,803</u>	<u>4,759,086</u>	<u>5,225,180</u>
	 4,972,344	 5,242,123	 5,607,712	 5,644,050	 5,889,214	 5,960,248	 6,276,572
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>4,972,344</u>	<u>5,242,123</u>	<u>5,607,712</u>	<u>5,644,050</u>	<u>5,889,214</u>	<u>5,960,248</u>	<u>6,276,572</u>
\$	<u>8,896,524</u>	<u>\$ 8,903,565</u>	<u>\$ 9,654,484</u>	<u>\$ 9,452,794</u>	<u>\$ 10,359,017</u>	<u>\$ 10,719,334</u>	<u>\$ 11,501,752</u>

(Continued)

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

	2010	2011	2012
Net (Expense) Revenue			
Governmental activities	\$ (6,278,223)	\$ (5,766,705)	\$ (7,183,752)
Business-type activities	820,564	704,843	380,529
Total Primary Government Net Expense	<u>\$ (5,457,659)</u>	<u>\$ (5,061,862)</u>	<u>\$ (6,803,223)</u>
General Revenues and Other Changes in Net Position			
Governmental activities:			
Taxes:			
Property taxes	\$ 2,714,901	\$ 2,264,606	\$ 2,181,084
Utility taxes	990,907	981,105	-
Franchise fees based on gross receipts	692,934	686,830	-
Communications services taxes	374,061	320,074	-
Sales and use tax	604,394	628,516	-
Franchise taxes and utility taxes	-	-	1,620,629
Unrestricted contributions	-	-	1,644,557
State revenue sharing - unrestricted	314,640	330,357	-
Investment income - unrestricted	81,164	40,045	39,045
Miscellaneous	61,112	79,002	437,347
Gain from sale of capital assets	-	-	-
Transfers	-	-	23,000
Total Governmental Activities	<u>5,834,113</u>	<u>5,330,535</u>	<u>5,945,662</u>
Business-type activities:			
Miscellaneous	-	7,070	25,282
Investment income (loss) - unrestricted	64,690	29,016	34,357
Transfers	-	-	(23,000)
Gain on sale of capital assets	-	-	-
Total Business-Type Activities	<u>64,690</u>	<u>36,086</u>	<u>36,639</u>
Total Primary Government	<u>\$ 5,898,803</u>	<u>\$ 5,366,621</u>	<u>\$ 5,982,301</u>
Change in net position:			
Governmental activities	\$ (444,110)	\$ (436,170)	\$ (1,238,090)
Business-type activities	885,254	740,929	417,168
Total Primary Government	<u>\$ 441,144</u>	<u>\$ 304,759</u>	<u>\$ (820,922)</u>

Notes:

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

2013	2014	2015	2016	2017	2018	2019
\$ (5,329,552)	\$ (6,684,776)	\$ (7,351,481)	\$ (6,006,842)	\$ (8,949,824)	\$ (6,719,831)	\$ (7,082,480)
58,155	564,574	1,044,474	1,071,295	605,239	798,513	988,896
<u>\$ (5,271,397)</u>	<u>\$ (6,120,202)</u>	<u>\$ (6,307,007)</u>	<u>\$ (4,935,547)</u>	<u>\$ (8,344,585)</u>	<u>\$ (5,921,318)</u>	<u>\$ (6,093,584)</u>

\$ 2,105,853	\$ 2,153,180	\$ 2,266,736	\$ 2,522,731	\$ 2,786,215	\$ 3,221,378	\$ 3,522,230
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
1,743,034	2,258,115	2,292,471	2,335,932	2,420,646	2,441,511	2,541,593
1,595,343	1,675,742	1,769,613	1,757,031	1,729,563	1,742,071	1,796,298
-	-	-	-	-	-	-
15,731	13,521	23,503	29,292	75,309	165,096	266,039
448,206	1,502,401	910,439	941,079	207,857	189,691	315,433
-	-	41,030	5,141	6,902	22,153	21,284
-	-	-	23,863	-	100,000	-
<u>5,908,167</u>	<u>7,602,959</u>	<u>7,303,792</u>	<u>7,615,069</u>	<u>7,226,492</u>	<u>7,881,900</u>	<u>8,462,877</u>

1,384,234	20,747	256,624	798,138	72,181	187,117	934,723
12,459	9,127	21,582	21,652	57,597	128,543	191,929
-	-	-	(23,863)	-	-	-
-	-	3,111	-	-	20	18
<u>1,396,693</u>	<u>29,874</u>	<u>281,317</u>	<u>795,927</u>	<u>129,778</u>	<u>315,680</u>	<u>1,126,670</u>
<u>\$ 7,304,860</u>	<u>\$ 7,632,833</u>	<u>\$ 7,585,109</u>	<u>\$ 8,410,996</u>	<u>\$ 7,356,270</u>	<u>\$ 8,197,580</u>	<u>\$ 9,589,547</u>

\$ 578,615	\$ 918,183	\$ (47,689)	\$ 1,608,227	\$ (1,723,332)	\$ 1,162,069	\$ 1,380,397
1,454,848	594,448	1,325,791	1,867,222	735,017	1,114,193	2,115,566
<u>\$ 2,033,463</u>	<u>\$ 1,512,631</u>	<u>\$ 1,278,102</u>	<u>\$ 3,475,449</u>	<u>\$ (988,315)</u>	<u>\$ 2,276,262</u>	<u>\$ 3,495,963</u>

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

	2010	2011	2012	2013
General Fund				
Reserved	\$ 13,528	\$ -	\$ -	\$ -
Unreserved	9,919,537	-	-	-
Nonspendable	-	11,456	11,170	12,778
Restricted	-	-	-	-
Committed	-	-	3,300,000	3,300,000
Assigned	-	4,780,203	1,172,463	964,307
Unassigned	-	5,407,467	3,864,418	4,109,878
Total General Fund	<u>9,933,065</u>	<u>10,199,126</u>	<u>8,348,051</u>	<u>8,386,963</u>
All Other Governmental Funds				
Unreserved, reported in:				
Special revenue funds	986,177	-	-	-
Restricted	-	11,121	12,680	15,476
Assigned	-	70,596	58,545	53,245
Unassigned	-	-	(1,376,767)	(103,353)
Total All Other Governmental Funds	<u>986,177</u>	<u>81,717</u>	<u>(1,305,542)</u>	<u>(34,632)</u>
Total Governmental Funds	<u>\$ 10,919,242</u>	<u>\$ 10,280,843</u>	<u>\$ 7,042,509</u>	<u>\$ 8,352,331</u>

Notes:

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

2014	2015	2016	2017	2018	2019
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
15,212	12,873	10,980	13,914	8,261	4,229
1,000,000	-	666,166	1,075,481	1,562,930	1,631,250
-	-	-	-	-	-
4,110,530	5,147,691	4,277,074	4,075,990	3,787,079	3,740,320
4,536,305	3,923,144	5,768,132	6,794,650	8,044,051	9,915,410
<u>9,662,047</u>	<u>9,083,708</u>	<u>10,722,352</u>	<u>11,960,035</u>	<u>13,402,321</u>	<u>15,291,209</u>
-	-	-	-	-	-
19,931	19,750	18,989	349,709	614,270	788,085
50,767	175,812	204,038	-	-	-
(51,674)	(51,888)	(68,113)	-	-	-
<u>19,024</u>	<u>143,674</u>	<u>154,914</u>	<u>349,709</u>	<u>614,270</u>	<u>788,085</u>
<u>\$ 9,681,071</u>	<u>\$ 9,227,382</u>	<u>\$ 10,877,266</u>	<u>\$ 12,309,744</u>	<u>\$ 14,016,591</u>	<u>\$ 16,079,294</u>

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

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

Note: Beginning with fiscal year 2015, transportation will be reported in physical environment

2013	2014	2015	2016	2017	2018	2019
\$ 2,105,853	\$ 2,153,180	\$ 2,266,736	\$ 2,522,731	\$ 2,786,215	\$ 3,221,378	\$ 3,522,230
1,743,034	2,258,115	2,292,471	2,335,932	2,420,646	2,441,511	2,541,593
220,893	224,940	226,005	241,996	239,559	280,457	271,152
333,681	408,110	410,943	884,795	621,550	708,433	901,786
1,622,354	1,654,427	1,757,307	1,744,197	2,273,694	2,540,066	2,620,553
1,144,293	1,056,320	475,435	463,570	557,643	589,013	615,284
140,741	249,517	455,675	281,247	288,441	264,439	318,702
15,731	13,521	23,503	29,292	75,309	165,096	266,039
1,352,161	312,616	92,804	1,132,457	754,027	473,784	328,122
574,015	696,606	712,352	750,678	764,878	791,044	830,869
-	-	681,409	681,712	694,935	711,788	1,050,094
601,851	1,659,211	1,167,007	1,128,625	399,786	397,194	569,366
<u>9,854,607</u>	<u>10,686,563</u>	<u>10,561,647</u>	<u>12,197,232</u>	<u>11,876,683</u>	<u>12,584,203</u>	<u>13,835,790</u>
866,813	1,391,794	729,286	819,152	934,999	915,874	967,372
4,243,764	4,491,973	4,950,124	5,219,001	5,302,133	5,974,086	6,719,385
1,678,172	1,250,285	2,122,784	2,188,156	2,204,535	2,749,796	2,764,041
681,965	1,023,958	-	-	-	-	-
170,052	208,020	179,167	197,626	358,960	411,693	563,657
474,485	562,257	2,604,441	1,778,909	1,336,000	827,027	758,632
362,017	376,450	391,457	345,891	297,552	98,109	-
67,517	53,086	38,077	22,476	10,026	771	-
<u>8,544,785</u>	<u>9,357,823</u>	<u>11,015,336</u>	<u>10,571,211</u>	<u>10,444,205</u>	<u>10,977,356</u>	<u>11,773,087</u>
<u>1,309,822</u>	<u>1,328,740</u>	<u>(453,689)</u>	<u>1,626,021</u>	<u>1,432,478</u>	<u>1,606,847</u>	<u>2,062,703</u>
-	-	-	41,024	109,735	104,069	-
-	-	-	(17,161)	(109,735)	(4,069)	-
-	-	-	23,863	-	100,000	-
<u>\$ 1,309,822</u>	<u>\$ 1,328,740</u>	<u>\$ (453,689)</u>	<u>\$ 1,649,884</u>	<u>\$ 1,432,478</u>	<u>\$ 1,706,847</u>	<u>\$ 2,062,703</u>
5.32%	4.88%	5.11%	4.19%	3.38%	0.97%	0.00%

TOWN OF LANTANA, FLORIDA

NET ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY

LAST TEN FISCAL YEARS

Fiscal Year Ended September 30,	Tax Roll Year	Assessed Values		Total Taxable Assessed Value	Total Direct Tax Rate
		Real Property	Personal Property		
2010	2009	\$ 811,855,499	\$ 55,896,262	\$ 867,751,761	3.2395
2011	2010	666,998,679	54,057,556	721,056,235	3.2395
2012	2011	646,728,736	46,810,684	693,539,420	3.2395
2013	2012	632,656,708	45,488,892	678,145,600	3.2395
2014	2013	647,132,006	38,872,232	686,004,238	3.2395
2015	2014	683,142,716	42,129,528	725,272,244	3.2395
2016	2015	757,505,897	43,362,825	800,868,722	3.2395
2017	2016	846,039,655	43,826,976	889,866,631	3.2395
2018	2017	916,809,816	34,560,485	951,370,301	3.5000
2019	2018	997,227,962	39,926,668	1,037,154,630	3.5000

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

Source: Palm Beach County Property Appraiser's Office.



TOWN OF LANTANA, FLORIDA

PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS

LAST TEN FISCAL YEARS

Fiscal Year		Direct Rate	Overlapping Rates (1)		
		Town	Palm Beach	Palm	Fire/
Ended	Tax Roll	General	School	Beach	Rescue
September 30,	Year	Operations (2)	District	County	MSTU (3)
2010	2009	3.2395	7.9830	4.5614	3.4581
2011	2010	3.2395	8.1540	4.9960	3.4581
2012	2011	3.2395	8.1800	4.9925	3.4581
2013	2012	3.2395	7.7780	4.9902	3.4581
2014	2013	3.2395	7.5860	4.9852	3.4581
2015	2014	3.2395	7.5940	4.9729	3.4581
2016	2015	3.2395	7.5120	4.9277	3.4581
2017	2016	3.2395	7.0700	4.9142	3.4581
2018	2017	3.5000	6.7690	4.9023	3.4581
2019	2018	3.5000	7.1640	4.8580	3.4581

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

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

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

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

Overlapping Rates (1)				
Childrens Services Council	Health Care District	South Florida		Total Direct and Overlapping Rates
		Water Management District	F.I.N.D.	
0.6898	1.1451	0.6240	0.0345	21.7354
0.7513	1.1450	0.6240	0.0345	22.4024
0.7475	1.1250	0.4363	0.0345	22.2134
0.7300	1.1220	0.4289	0.0345	21.7812
0.7025	1.0800	0.4110	0.0345	21.4968
0.6745	1.0800	0.3842	0.0345	21.4377
0.6677	1.0426	0.3551	0.0320	21.2347
0.6833	0.8993	0.3307	0.0320	20.6271
0.6590	0.7808	0.3100	0.0320	20.4112
0.6497	0.7261	0.2795	0.0320	20.6674

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

Taxpayer	2019			2010		
	Net Assessed Value	Rank	Percentage of Total Assessed Value	Net Assessed Value	Rank	Percentage of Total Assessed Value
Palm Beach FL Senior Property LLC	\$ 56,713,165	1	5.47%			
TRG Seaside LP	\$ 46,593,408	2	4.49%			
Lantana Development LLC	\$ 23,671,904	3	2.28%			
Florida Power & Light Co	\$ 16,702,297	4	1.61%			
BT Lantana, LLC	\$ 16,414,677	5	1.58%			
Lantana SDC LLC	\$ 12,666,334	6	1.22%			
Lantana I Owner LLC	\$ 11,239,952	7	1.08%			
Lantana SMI LLC	\$ 10,204,496	8	0.98%			
Costco Wholesale Corp.	\$ 9,437,710	9	0.91%	\$ 9,018,278	4	0.95%
Acorn Mini Storage of Lantana LLC	\$ 8,638,817	10	0.83%			
Palm Beach Club, LLC				\$ 26,787,241	1	2.82%
Ramco Lantana, LLC				\$ 13,397,130	2	1.41%
Equity One (Lantana) Inc				\$ 11,656,323	3	1.23%
Lan Hill Corp.				\$ 6,781,456	5	0.71%
Hypoluxo I LP				\$ 6,302,852	6	0.66%
GMC of Lantana Ltd.				\$ 5,664,073	7	0.60%
Lantana Storage Partners LTD				\$ 5,274,526	8	0.55%
Village at Ocean Walk LLC				\$ 5,073,152	9	0.53%
Federico Barbara S				\$ 4,943,305	10	0.52%
	<u>\$ 212,282,760</u>		<u>20.47%</u>	<u>\$ 94,898,336</u>		<u>9.97%</u>

Source: Palm Beach County Tax Collector's Office.

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

Fiscal Year Ended September 30,	Total Tax Levy for Fiscal Year	Collected within the Fiscal Year of the Levy		Collected in Subsequent Years	Total Property Tax Collections	
		Amount	Percent of Levy		Amount	Percent of Levy
2010	2,811,082	2,690,626	95.71%	7,879	2,698,505	96.00%
2011	2,335,862	2,239,992	95.90%	9,318	2,249,310	96.29%
2012	2,246,721	2,172,980	96.72%	15,119	2,188,098	97.39%
2013	2,196,853	2,104,328	95.79%	4,780.77	2,109,108	96.01%
2014	2,222,311	2,146,101	96.57%	4,339.56	2,150,440	96.77%
2015	2,349,519	2,265,091	96.41%	(1,086.45)	2,264,004	96.36%
2016	2,594,414	2,505,935	96.59%	7,692.84	2,513,628	96.89%
2017	2,882,723	2,782,116	96.51%	(1,275.28)	2,780,840	96.47%
2018	3,329,796	3,216,323	96.59%	312.22	3,216,636	96.60%
2019	3,630,041	3,516,847	96.88%		3,516,847	96.88%

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

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

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

Fiscal Year Ended September 30,	Governmental Activities		Business-Type Activities	Total	Percent of	
	Revenue		Revenue	Primary	Personal	Per
	Bonds	Notes	Bonds	Government	Income (1)	Capita (1)
2010	\$594,943	\$ 1,959,464	\$ 8,493,277	\$11,047,684	21.56%	\$ 1,138
2011	496,379	1,723,236	7,845,701	10,065,316	18.68%	966
2012	393,731	1,477,745	7,167,200	9,038,676	16.25%	858
2013	286,832	1,222,627	5,376,346	6,885,805	11.88%	651
2014	175,506	957,504	4,637,990	5,770,999	8.62%	540
2015	59,568	681,985	3,880,709	4,622,261	6.72%	432
2016	-	395,661	3,103,891	3,499,552	4.98%	326
2017	-	98,109	2,306,904	2,405,013	3.20%	223
2018	-	-	1,489,088	1,489,088	1.87%	131
2019	-	-	1,016,560	1,016,560	N/A	89

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

Source: Town of Lantana Finance Department

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

N/A - Data is not available

TOWN OF LANTANA, FLORIDA
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
SEPTEMBER 30, 2019

Government Unit	Net Debt Outstanding (1)	Percentage Applicable to Town of Lantana (2)	Amount Applicable to the Town of Lantana
Palm Beach County	\$ 61,115,000	0.52%	\$ 318,546
Palm Beach County School District	<u>8,542,000</u>	0.52%	<u>44,523</u>
Subtotal, Overlapping Debt	69,657,000		363,069
Town of Lantana Direct Debt	-	100.00%	<u>-</u>
Total direct and overlapping debt	<u>\$ 69,657,000</u>		<u>\$ 363,069</u>

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

(1) General Obligation Bonds

(2) Estimated based on 2018 Ratio of Assessed Taxable Values

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

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

Fiscal Year Ended September 30	Public Services Tax Revenue (1)	Local Option Fuel Tax (1)	Revenue Available for Debt Service	Debt Service Requirements			Coverage
				Principal	Interest	Total	
2010	\$1,387,741	\$ 255,614	\$1,643,355	\$ 227,314	\$ 80,264	\$ 307,578	5.34
2011	1,319,492	251,704	1,571,196	236,228	71,350	307,578	5.11
2012	1,316,599	263,960	1,580,559	245,491	62,086	307,578	5.14
2013	1,343,870	263,691	1,607,561	255,118	52,459	307,578	5.23
2014	1,407,999	270,434	1,678,433	265,123	42,455	307,578	5.46
2015	1,454,563	289,510	1,744,073	275,519	32,058	307,578	5.67
2016	1,436,154	293,802	1,729,956	286,324	21,254	307,578	5.62
2017	1,454,866	304,869	1,759,736	297,552	10,026	307,578	5.72
2018	1,473,527	298,495	1,772,021	98,109	771	98,880	17.92
2019	1,537,963	302,282	1,840,245	-	-	-	N/A

Source: Town of Lantana Finance Department

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

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

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

Fiscal Year			Revenue			
Ended	Gross	Operating	Available for	Total		
September 30	Revenue (1)	Expenses (2)	Debt	Debt	Current	
			Coverage	Service	Coverage	
2010	\$ 5,140,153	\$ 3,039,859	\$ 2,100,294	\$ 1,034,609	2.03	
2011	5,019,042	3,087,553	1,931,489	1,019,396	1.89	
2012	5,067,849	3,352,158	1,715,691	1,034,388	1.66	
2013	5,007,076	3,826,500	1,180,576	1,968,617	0.60	
2014	5,271,997	3,645,194	1,626,803	858,149	1.90	
2015	5,889,029	3,531,730	2,357,299	857,875	2.75	
2016	6,463,840	3,490,066	2,973,774	858,078	3.47	
2017	6,018,990	4,186,795	1,832,195	858,000	2.14	
2018	6,275,934	4,083,141	2,192,793	860,143	2.55	
2019	7,403,242	4,291,632	3,111,610	494,348	6.29	

Source: The Town of Lantana Finance Department

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

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

Year	Town Population (1)	Palm Beach County Per Capita Income (2)	Town School Enrollment (3)	Palm Beach County Unemployment Rate (4)
2010	9,704	\$ 51,251	2,158	11.8%
2011	10,423	53,871	1,222	10.8%
2012	10,536	55,628	2,126	8.9%
2013	10,583	57,985	2,095	7.4%
2014	10,681	66,914	3,028	6.0%
2015	10,705	68,743	2,469	5.3%
2016	10,737	70,241	2,585	5.2%
2017	10,797	75,183	2,389	3.7%
2018	11,397	79,760	2,389	3.1%
2019	11,419	N/A	2,468	3.2%

Sources:

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

(2) US DOC Bureau of Economic Analysis

(3) Palm Beach County School Board Budget Office

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

N/A - Statistical information not available

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

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

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

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

NOTE: 2019 data for this section was not available at the time of publication.

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

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Number of Employees:										
General Government										
Administration	3	3	3	3	3	3	3.5	3.5	3.5	3.5
Finance	9	9	9	9	9	9	9	9	10	10
Public Safety										
Police Personnel and Officers	37	35	35	35	35	36	37.5	38.1	41.1	42.1
Marine Safety	5	5	5	4	4.2	4.2	4.3	4.1	4.1	4.1
Development Services	7	7	7	6	7	7	7	7	7	8
Culture and Recreation										
Library	2	2	2	2	2	2	2	2	2.4	2.2
Physical Environment										
Management	3	3	3	3	3	3	3	3	3	3
Sanitation	10	10	10	3	-	-	-	-	-	-
Water/Sewer	9	9	9	8	10.2	10.5	10.5	10.5	10.5	10.5
Vehicle Maintenance	2	2	2	2	2	2	2	2	2	2
Public Works	<u>11</u>	<u>9</u>	<u>9</u>	<u>9</u>	<u>10.8</u>	<u>10.5</u>	<u>11.0</u>	<u>12.0</u>	<u>11.5</u>	<u>12.5</u>
Total Number of Employees	<u>98</u>	<u>94</u>	<u>94</u>	<u>84</u>	<u>86</u>	<u>87</u>	<u>89</u>	<u>91</u>	<u>95</u>	<u>98</u>

Source: Town of Lantana Finance Department

Note:

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



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

Function/Program	2010	2011	2012	2013
General Government:				
Town Clerk				
Council agendas prepared	30	32	29	27
Ordinances passed by Council	11	6	14	16
Resolutions passed by Council	10	13	14	16
Records destroyed cubic feet	102.5	70.5	58	135.7
Public record requests	83	90	97	124
Employee service awards	15	17	12	22
Finance				
Accounts payable checks issued	1,911	2,199	2,209	2,218
New fixed asset items tagged	55	81	63	63
Trailer decals processed		276	195	115
Beach decals processed	686	666	687	422
Information Systems				
Installation of new software	65	75	27	38
Installation of new hardware	25	20	18	58
Upgrades to current software	150	150	197	73
Public Safety				
Police				
Police personnel and officers	37	35	35	35
Survey letters sent/returned	300/60	250/10	-	-
CARE visits	107	79	74	72
House checks	24	49	21	91
Selective Traffic Enforcement Programs (STEP)	456	325	232	762
Traffic enforcement operations	12	12	12	12
Development Services				
Building permits issued	750	495	650	547
Code citations cases opened	800	1,600	265	1,695
Business tax receipts issued	1,350	1,239	1,250	1,306
Marine Safety				
Beach attendance	201,920	220,470	182,335	159,415
Ocean rescues	31	34	11	13
Ocean assists	-	-	-	-
Culture and Recreation				
Parks and Recreation				
Youth soccer registrants	-	-	-	-
Youth baseball registrants	-	-	-	-
Library				
New borrowers' cards issued	765	633	505	641
Books borrowed	17,237	16,166	13,748	13,278
Hours of public internet use	12,183	11,691	10,154	10,895
Users	15,497	15,078	13,437	12,528
Attendance at Library programs	195	120	217	225
Programs	83	5	97	83
Physical Environment				
Department of Public Works				
Vehicles maintained	80	80	79	78
Pieces of equipment maintained	95	95	95	127
Sidewalks repaired/replaced	406 sq. ft.	411 sq. ft.	5,732 sq. ft.	15,265 sq. ft.
Solid waste and recycled material collected	5,900 tons	5,900 tons	6,200 tons	4,093 tons
Treated, pumped and dispensed water	642.5 million gallons	566.9 million gallons	442.7 million gallons	671.5 million gallons

Source: Town of Lantana - Various Departments

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

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

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

2014	2015	2016	2017	2018	2019
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25	25	25	26	24	25
12	10	11	13	8	24
13	8	17	12	12	9
114.86	145.5	132.5	207	316	44
153	162	183	228	362	476
8	12	13	6	9	10
2,215	2,263	2,208	2,253	2,219	2,206
48	52	45	67	100	62
175	177	197	183	161	177
665	700	892	829	780	816
36	35	25	32	85	64
53	49	43	64	28	34
88	90	85	143	190	172
35	36	37.5	38	41.1	40.1
-	-	-	-	-	-
114	218	43	108	135	135
124	37	536	2,514	2,097	2,108
500	390	1031	950	943	965
12	12	5	5	5	3
651	657	668	662	869	872
1443	1,406	1727	1,993	2,907	2,401
1314	1,314	1317	1,351	1,358	1,387
211,895	170,155	157,265	127,571	144,619	119,918
5	17	4	15	2	1
-	-	-	-	224	167
-	-	-	164	244	143
-	-	-	71	96	100
525	426	362	379	333	302
17,106	15,944	17,564	11,941	13,297	14,568
11,647	2,976	2,687	2,252	3,252	1,684
14,185	3,364	2,993	2,479	2,342	2,068
172	175	125	172	113	68
67	49	20	23	7	6
78	56	57	59	57	66
128	129	129	118	118	63
6,103 sq. ft.	9,782 sq. ft.	18,090 sq. ft.	5,398 sq. ft.	800 sq. ft.	500 sq. ft.
0 tons	0 tons	0 tons	0 tons	0 tons	0 tons
736.5 million gallons	686.3 million gallons	674.9 million gallons	776.7 million gallons	671 million gallons	686 million gallons

TOWN OF LANTANA, FLORIDA

CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM

LAST TEN FISCAL YEARS

Function/Program	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
General Government										
Number of general government buildings	5	5	5	5	5	5	5	7	7	7
Public Safety										
Police	1	2	2	2	2	2	2	1	1	1
Marine Safety	1	1	1	1	1	1	1	1	1	1
Physical Environment										
Transportation:										
Sidewalks repaired/replaced (sq. ft.)	406	411	5,732	15,265	6,103	9,782	18,090	5,398	800	500
Streets (miles)	30	30	30	68	68	68	68	68	68	68
Culture and recreation:										
Public Ground (acres)	31	31	33	33	33	33	33	33	33	33
Parks	6	6	6	6	6	6	8	8	9	9
Soccer fields	1	1	1	1	1	0	2	2	2	2
Baseball/softball fields	6	6	6	6	6	0	3	3	3	3
Tennis courts	4	4	4	2	2	4	4	4	4	4
Playgrounds	4	4	4	4	4	4	5	5	5	5
Basketball courts	2	2	2	3	3	1	1	0	3	3
Public Works/Utilities:										
Vehicles maintained	80	80	79	78	78	56	57	59	57	66
Equipment maintained	95	95	95	127	128	129	129	118	118	63
Lift stations maintained	18	18	18	18	18	18	18	18	18	18
Fire Hydrants	345	345	345	345	345	345	345	345	345	345

Source: Town of Lantana - Various Town Departments

TOWN OF LANTANA, FLORIDA

MISCELLANEOUS STATISTICS

Historical Sketch: The Town of Lantana is a coastal community in Palm Beach County, which still retains the charm of its origins as an old Florida fishing village. Although it is one of the smaller communities of Palm Beach County, it is noted as one of the oldest. The first settlers came after Congress passed the Armed Occupation Act in 1842 at the end of the Seminole Wars. One of the pioneer settlers, The Lyman family, is distinguished as the founders of the town. M. B. Lyman brought his family to Lantana in 1888 and started several enterprises. He established a store, Indian Trading Post and post office in 1889. As postmaster, Mr. Lyman named the post office Lantana Point for the wild Lantana plant, which grew in abundance in the area. The “Point” was later dropped. One of the Lyman businesses was the Lantana Fish Company. One hundred thousand-pound catches of fish were made. In the early 1900’s the gathering and marketing of oysters became the leading industry. The Town of Lantana was incorporated in 1921, with 22 residents voting in the first election. At the time of incorporation, the area of Lantana was one square mile, with a population of 100 residents. Today the year round population is 11,419 with a seasonal population of approximately 13,500.

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

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

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

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

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

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

Building Activity: The Town of Lantana is approximately 99% developed. During the fiscal year 2019, the Building Department issued 872 permits with fees of approximately \$833,375 for total construction of \$18.4 million. In addition, the Department issued 152 new business tax receipts and 1,235 business tax receipt renewals for total revenue of \$271,152.

Water and Wastewater System: As of September 30, 2019, the Town provided water service to over 3,420 customers. For the 2019 fiscal year, the number of gallons of finished water that passed through the master meter was 686 million.

**TOWN OF LANTANA, FLORIDA
SCHEDULE OF INSURANCE IN FORCE
SEPTEMBER 30, 2019**

Company	Type of Coverage	Covered	Amount of Coverage
ACE American Insurance Company	Accidental death and dismemberment	Law enforcement officers and clerical staff	Statutory
Public Risk Management	Employee dishonesty, theft, computer fraud	Town employees and property	\$ 500,000
Public Risk Management	Real and personal property	Town property and equipment	\$ 27,393,169
Public Risk Management	Employment related practices liability	Town employees	\$ 2,000,000 \$6M Aggregate
Public Risk Management	General and automobile liability	Town employees and vehicles	\$ 2,000,000
Public Risk Management	Workers compensation liability	Town	\$ 3,000,000
Commerce & Industry	Above ground petroleum storage tanks	Town property	\$ 1,000,000 \$2M Aggregate

COMPLIANCE SECTION





Grau & Associates

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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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Lantana, Florida ("Town") as of and for the fiscal year ended September 30, 2019, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements, and have issued our report thereon dated March 17, 2020. Our report includes a reference to other auditors who audited the financial statements of the Town of Lantana Police Relief and Pension Fund ("Pension Fund") as described in our report on the Town's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

Bhav & Associates

March 17, 2020



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

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

We have examined the Town of Lantana, Florida's ("Town") compliance with the requirements of Section 218.415, Florida Statutes, in accordance with Rule 10.556(10) of the Auditor General of the State of Florida during the fiscal year ended September 30, 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, in all material respects, with the specified requirements referenced in Section 218.415, Florida Statutes. An examination involves performing procedures to obtain evidence about whether the Town complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion. Our examination does not provide a legal determination on the Town's compliance with specified requirements.

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

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

Grau & Associates

March 17, 2020



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

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

Report on the Financial Statements

We have audited the accompanying basic financial statements of the Town of Lantana, Florida (the "Town") as of and for the fiscal year ended September 30, 2019, and have issued our report thereon dated March 17, 2020. Our report includes a reference to other auditors who audited the financial statements of the Town of Lantana Police Relief and Pension Fund ("Pension Fund") as described in our report on the Town's financial statements.

Auditor's Responsibility

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

Other Reporting Requirements

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters based on an audit of the financial statements performed in accordance with *Government Auditing Standards*; and Independent Auditor's Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports, which are dated March 17, 2020, should be considered in conjunction with this management letter.

Purpose of this Letter

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

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

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

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



March 17, 2020

REPORT TO MANAGEMENT

I. CURRENT YEAR FINDINGS AND RECOMMENDATIONS

None

II. PRIOR YEAR FINDINGS AND CURRENT YEAR STATUS AND RECOMMENDATIONS

None

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

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

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

There were no significant findings and recommendations made in the preceding annual financial audit report for the fiscal year ended September 30, 2018.

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

There were no such matters discovered by, or that came to the attention of, the auditor, to be reported for the fiscal year ended September 30, 2019.

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

There were no such matters discovered by, or that came to the attention of, the auditor, to be reported, for the fiscal year ended September 30, 2019.

4. The name or official title and legal authority of the Town are disclosed in the notes to the financial statements.
5. The Town has not met one or more of the financial emergency conditions described in Section 218.503(1), Florida Statutes.
6. We applied financial condition assessment procedures and no deteriorating financial conditions were noted as of September 30, 2019. It is management's responsibility to monitor financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information provided by same.







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