

Comprehensive Annual Financial Report



For the Fiscal Year Ended
September 30, 2020



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**TOWN OF LANTANA, FLORIDA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED
SEPTEMBER 30, 2020**

Prepared by: Finance Department



TOWN OF LANTANA, FLORIDA

TABLE OF CONTENTS

	<u>Page</u>
INTRODUCTORY SECTION	
Letter of Transmittal	i-v
List of Principal Officials	vi
Organizational Chart	vii
GFOA Certificate of Achievement for Excellence in Financial Reporting	viii
FINANCIAL SECTION	
INDEPENDENT AUDITOR'S REPORT	1-2
MANAGEMENT'S DISCUSSION AND ANALYSIS	3-13
BASIC FINANCIAL STATEMENTS	
Government-wide Financial Statements:	
Statement of Net Position	14
Statement of Activities	15
Fund Financial Statements:	
Balance Sheet – Governmental Fund	16
Reconciliation of the Balance Sheet – Governmental Funds to the Statement of Net Position	17
Statement of Revenues, Expenditures and Changes in Fund Balance – Governmental Fund	18
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balance – Governmental Funds to the Statement of Activities	19
Statement of Net Position – Proprietary Fund	20
Statement of Revenues, Expenses and Changes in Net Position –Proprietary Fund	21
Statement of Cash Flows – Proprietary Fund	22-23
Statement of Fiduciary Net Position	24
Statement of Changes in Fiduciary Net Position	25
Notes to the Financial Statements	26-53
REQUIRED SUPPLEMENTARY INFORMATION	
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – General Fund	54-55
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – Grants Fund	56
Notes to Required Supplementary Information	57
Schedule of Changes in The Net Pension Liability and Related Ratios – Police Relief and Pension Fund	58
Schedule of Contributions – Police Relief and Pension Fund	59
Schedule of Changes in the Town's Net OPEB liability and related ratios	60

TOWN OF LANTANA, FLORIDA

TABLE OF CONTENTS Continued)

COMBINING NONMAJOR FUND FINANCIAL STATEMENTS AND SCHEDULES

Combining Balance Sheet – Nonmajor Governmental Funds	61
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance - Nonmajor Governmental Funds	62
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget to Actual – Nonmajor Governmental Funds – Infrastructure Surtax Fund	63
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget to Actual – Nonmajor Governmental Funds - Police Education Fund	64

STATISTICAL SECTION

Government-Wide Information:

Schedule 1: Net Position by Components	65-66
Schedule 2: Changes in Net Position	67-70

Fund Information:

Schedule 3: Fund Balances of Governmental Fund	71-72
Schedule 4: Changes in Fund Balances of Governmental Funds	73-74
Schedule 5: Net Assessed Value and Estimated Actual Value of Taxable Property	75
Schedule 6: Property Tax Rates – Direct and Overlapping Governments	76-77
Schedule 7: Principal Property Taxpayers	78
Schedule 8: Property Tax Levies and Collections	79
Schedule 9: Ratio of Outstanding Debt by Type	80
Schedule 10: Direct and Overlapping Governmental Activities Debt	81
Schedule 11: Streets and Highways Note Pledged Revenue Coverage	82
Schedule 12: Water and Sewer Bonds Pledged Revenue Coverage	83
Schedule 13: Demographic and Economic Statistics	84
Schedule 14: Principal Employers	85
Schedule 15: Full-Time Equivalent Town Government Employees by Function	86
Schedule 16: Operating Indicators by Function	87-88
Schedule 17: Capital Assets by Function	89
Miscellaneous Statistics	90
Schedule of Insurance in Force	91

TOWN OF LANTANA, FLORIDA

TABLE OF CONTENTS (Continued)

COMPLIANCE SECTION

Independent Auditor's Report on Internal Control over Financial Reporting and On Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards	92-93
Independent Auditor's Report on Compliance With The Requirements of Section 218.415, Florida Statutes, Required by Rule 10.566(10) of the Auditor General of the State of Florida	94
Management Letter Required by Chapter 10.550 of The Rules Of The Auditor General of The State of Florida	95-96
Independent Auditor's Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance	97-98
Schedule of Expenditures of Federal Awards	99
Notes to Schedule of Expenditures of Federal Awards	100
Schedule of Findings and Questioned Costs - Federal Awards	101



INTRODUCTORY SECTION



Town of Lantana

COUNCILMEMBERS

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



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Lantana, FL 33462-4544
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www.lantana.org

DAVID J STEWART
MAYOR

March 5, 2021

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, 2020. 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, 2020. 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 over 12,000 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 over 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 Beach.

The Town maintains budgetary control at the department level of expenditure. As of fiscal year-end, all expenditures required the Finance Director's authorization. Purchases \$10,000 and greater required the Town Manager's authorization, and purchases of \$15,000 or more required 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 Palm Beach, 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 over 10,000. Taxable property values have consistently increased since fiscal year 2013 and exceeded \$1 billion in fiscal year 2019. However, we strive to manage Town finances using a conservative approach. Listed below is how the current fund balance of \$17,067,511 within the General Fund is allocated.

Non-spendable:	
Inventory & prepaid costs	\$3,038
Restricted:	
Building permitting activities	2,011,099
Committed:	
Council directed projects	3,300,000
Assigned:	
Contracts	185,578
Subsequent year's expenditures	37,932
Carry-forward expenditures	917,531
Unassigned:	10,612,333
Total Fund Balance	<u>\$17,067,511</u>

The unassigned fund balance is equal to 87% of the adopted fiscal year 2021 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

- During the coronavirus pandemic, Town staff worked with state and county officials and Orders to facilitate guidelines within our jurisdiction. The Coronavirus webpage was created and continuously updated, and staff disseminated information to home owners' associations, property owners' associations, and businesses. Staff participated in daily (7 days/week) conference calls with Palm Beach County, participated in reopening committees/subgroups, provided proper markings and messaging for recreational facilities, and provisioned multiple laptops and configured remote access for telecommuting work needs. The Town implemented numerous safety measures in response to COVID-19.

- The Town's special events program, "Enjoy Lantana!" continued to be successful. The program has produced a variety of events including Movies at the Beach, Egg Hunt and the Haunted Nature Preserve. Annual events such the Winterfest, the Volunteer Appreciation Breakfast, and the Fourth of July Celebration also continue to bring the community together.
- Beach Improvements: Constructed an American with Disabilities Act (ADA) compliant beach access ramp with sidewalk access.
- Lyman Kayak Park Improvements: Replanted north berm and added solar lighting at the kiosk.
- Lantana Public Library: Installed accordion-style hurricane shutters.
- Farm Share food distribution event: On January 11, 2020, distributed food to 79 households.
- Re-paved roads throughout Town: Mayfield Road, Shirley Court, Southwinds Drive, Sterns Street, Siesta Street, Silver Sands Lane, Sunrise Avenue, and West Hardee Street totaling 4,489 linear feet (.85 miles).
- Continued replacing existing street signs with new prismatic sheeting.
- Replaced deteriorating/worn-out sidewalks town-wide and installed new sidewalks along North 7th Street.
- Through an Agreement with FPL, upgraded 538 street lights to energy efficient LED.
- Upgraded the plantings at the Central Avenue entrance to Lantana Cove, the "Town of Lantana" highway exchange signs on Lantana Road and Hypoluxo Road, landscaped five new medians on Dixie Highway (Lantana Cove, 13th Street Median, Recreation Center, Operations Center, East Ocean Avenue, Maddock Park, Beach Sign, Sportsman's Park, and Bicentennial Park.) and re-landscaped the Police Memorial.
- Completed South Atlantic Drive water main replacement, South 13th Place water main replacement & South Lake Drive force main replacement.
- Lined storm drains and sewer mains.
- Replaced approximately 250 water meters.
- Flow tested and lubricated 347 fire hydrants and replaced two fire hydrants.
- Obtained increase in flood insurance savings for Special Flood Hazard Areas from 5% to 10%.

AWARDS

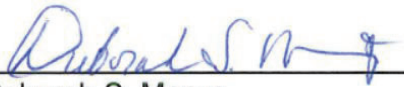
The Government Finance Officers Association of the United States and Canada ("GFOA") awarded a Certificate of Achievement for Excellence in Financial Reporting to the Town of Lantana, Florida for its Comprehensive Annual Financial Report for the fiscal year ended September 30, 2019. In order to be awarded 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

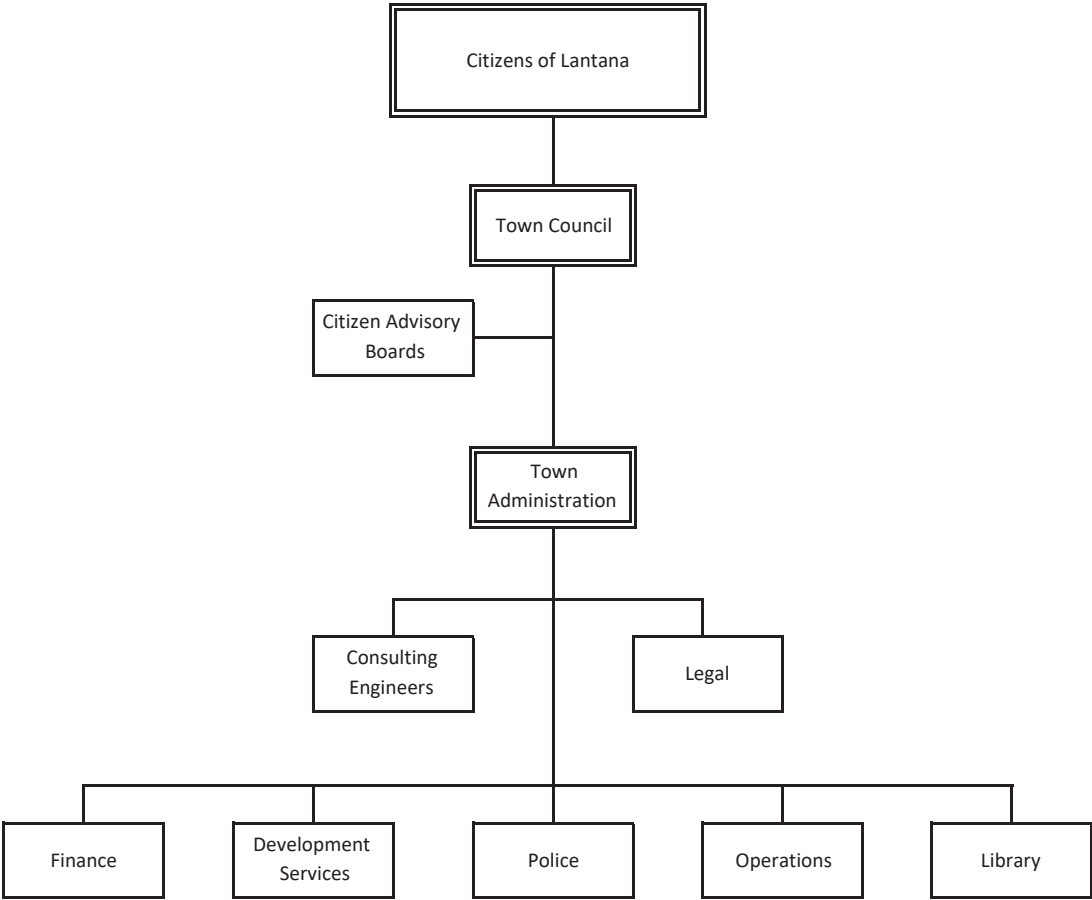
LIST OF PRINCIPAL OFFICIALS

SEPTEMBER 30, 2020

TITLE	NAME
Mayor	David J. Stewart
Vice Mayor	Dr. Lynn J. Moorhouse
Vice Mayor Pro-tem	Malcolm Balfour
Council Member	Karen Lythgoe
Council Member	Mark Zeitler
Town Manager	Deborah S. Manzo
Town Attorney	Lohman Law Group, P.A.
Town Engineers	Baxter & Woodman, Inc. Calvin, Giordano & Assoc., Inc. Kimley-Horn & Associates, Inc.
Town Independent Auditors	Grau & Associates
Operations Director	Eddie Crockett
Town Clerk	Kathleen Dominguez
Development Services Director	Nicole A. Dritz
Finance Director	Stephen Kaplan
Library Director	Kristine Kreidler
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, 2019

Christopher P. Morrell

Executive Director/CEO

FINANCIAL SECTION





Grau & Associates

CERTIFIED PUBLIC ACCOUNTANTS

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Independent Auditor's Report

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Lantana, Florida, (the "Town") as of and for the fiscal year ended September 30, 2020, 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, 2020, 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, schedules 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, statistical section, and the Schedule of Expenditures of Federal Awards, as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual non-major fund financial statements, the non-major budgetary comparison schedules and the Schedule of Expenditures of Federal Awards 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, combining and individual non-major fund financial statements, the non-major budgetary comparison schedules and the Schedule of Expenditures of Federal Awards are 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 5, 2021, 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 5, 2021

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, 2020. 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, 2020 was \$53.3 million. Of this amount, \$23.9 million (unrestricted net position) may be used to meet the Town's ongoing obligations to citizens and creditors.
- Governmental activities net position was \$30.4 million, an increase of \$1,889,381.
- Business-type activities net position was \$22.8 million, an increase of \$1,955,887.
- Total revenues from all sources were \$21.9 million, an increase of \$794,144.
- Total costs of all Town programs were \$18.0 million, an increase of \$444,839.
- Total revenues and other financing sources in the General Fund exceeded total expenditures and other financing uses by \$1,776,302.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$10.6 million, or 96.1% of total General Fund expenditures.
- The Town's total recorded liability for the implicit rate subsidy of other postemployment benefits (OPEB) was \$662,841, a decrease of \$12,525. Governmental activities decreased \$15,678 while business-type activities increased \$3,153.

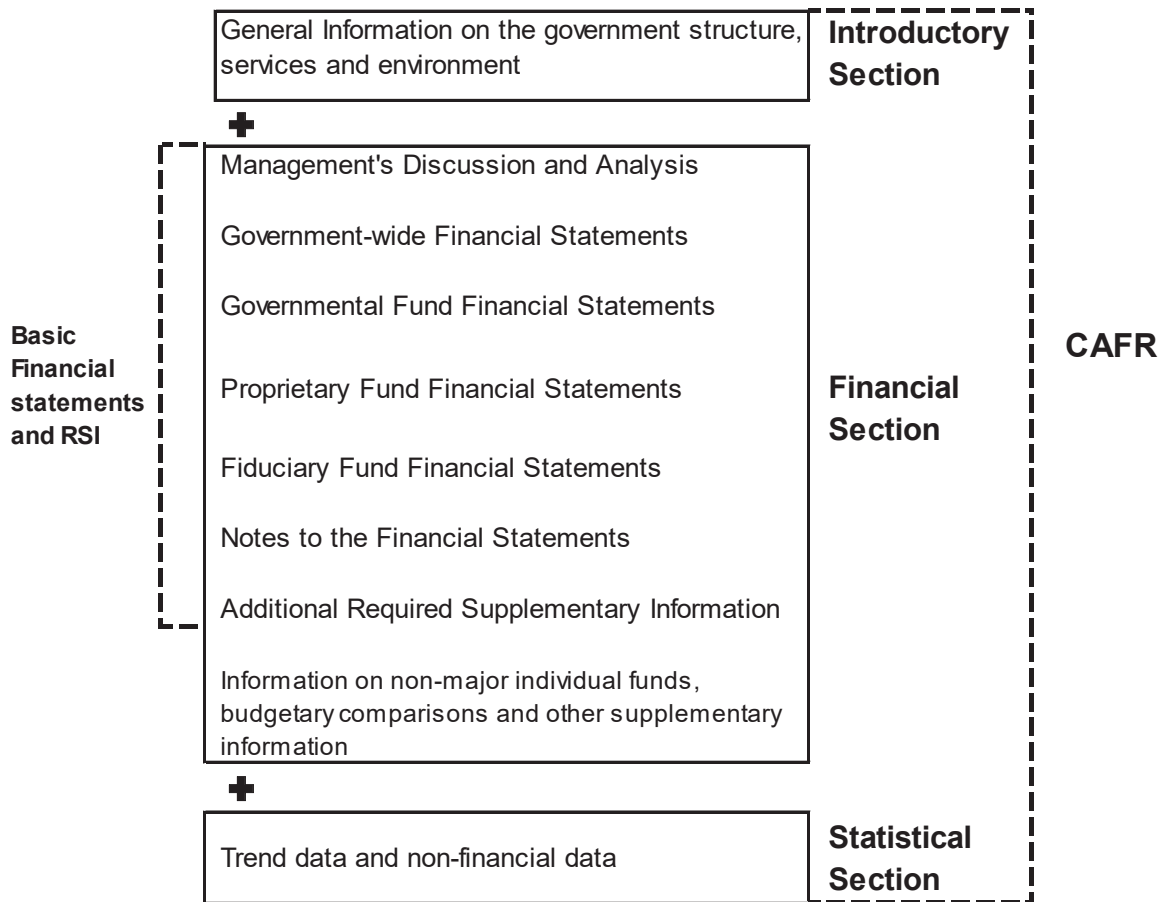
OVERVIEW OF THE FINANCIAL STATEMENTS

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 \$53.3 million, which increased \$3,845,268 from the previous fiscal year.

The largest portion of the Town's net position (45.6%) 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	
	2020	2019	2020	2019	2020	2019
Assets:						
Current and other assets	\$ 19,710,314	\$ 17,727,571	\$ 15,391,687	\$ 12,934,601	\$ 35,102,001	\$ 30,662,172
Capital assets	16,067,402	16,470,693	8,760,258	9,498,477	24,827,660	25,969,170
Total Assets	35,777,716	34,198,264	24,151,945	22,433,078	59,929,661	56,631,342
Deferred Outflow of Resources:						
Police Pension	453,238	276,032	-	-	453,238	276,032
OPEB	216,131	168,459	4,657	2,745	220,788	171,204
Deferred charge on refunding	-	-	24,632	64,043	24,632	64,043
Total Deferred Outflows of Resources	669,369	444,491	29,289	66,788	698,658	511,279
Liabilities:						
Long term debt outstanding	4,345,844	4,774,489	771,978	1,229,550	5,117,822	6,004,039
Other liabilities	810,441	719,761	570,181	390,257	1,380,622	1,110,018
Total Liabilities	5,156,285	5,494,250	1,342,159	1,619,807	6,498,444	7,114,057
Deferred Inflows of Resources:						
Police Pension	557,782	404,510	-	-	557,782	404,510
OPEB	286,597	186,955	6,175	3,046	292,772	190,001
Total Deferred Inflows of Resources	844,379	591,465	6,175	3,046	850,554	594,511
Net Position						
Net investment in capital assets	16,067,402	16,470,693	8,248,569	8,545,960	24,315,971	25,016,653
Restricted	2,968,299	2,419,335	2,118,871	-	5,087,170	2,419,335
Unrestricted	11,410,720	9,667,012	12,465,460	12,331,053	23,876,180	21,998,065
Total net position	\$ 30,446,421	\$ 28,557,040	\$ 22,832,900	\$ 20,877,013	\$ 53,279,321	\$ 49,434,053

The increase in the government's net position for the fiscal year ended September 30, 2020, was \$3,845,268 compared to an increase of \$3,495,963 for the previous fiscal year. Governmental and Business-type activities accounted for an increase of \$1,889,381 and \$1,955,887, respectively. Details of these changes are explained later in the analysis.

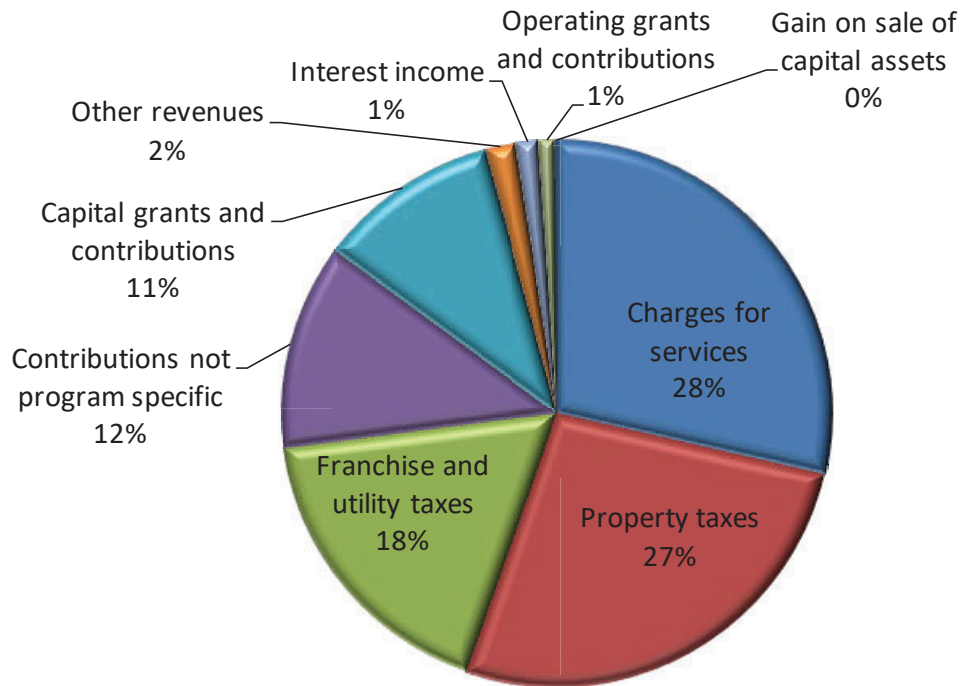
For both fiscal years presented, the Town was able to report positive balances in all categories of the net position for governmental and business-type activities.

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	
	2020	2019	2020	2019	2020	2019
Revenues:						
<u>Program revenues:</u>						
Charges for services	\$ 4,118,183	\$ 4,168,788	\$ 6,301,259	\$ 6,276,572	\$ 10,419,442	\$ 10,445,360
Operating grants and contributions	140,813	235,750	-	-	140,813	235,750
Capital grants and contributions	1,542,076	820,642	-	-	1,542,076	820,642
<u>General revenues and transfers:</u>						
Property taxes	3,852,837	3,522,230	-	-	3,852,837	3,522,230
Franchise and utility taxes	2,548,504	2,541,593	-	-	2,548,504	2,541,593
Contributions not program specific	1,753,234	1,796,298			1,753,234	1,796,298
Interest income	187,778	266,039	126,772	191,929	314,550	457,968
Other revenues	259,318	315,433	1,039,149	934,723	1,298,467	1,250,156
Gain on sale of capital assets	15,520	21,284	-	18	15,520	21,302
Total revenues	14,418,263	13,688,057	7,467,180	7,403,242	21,885,443	21,091,299
Expenses:						
<u>Program expenses:</u>						
General government	1,056,190	993,924	-	-	1,056,190	993,924
Physical environment	3,941,376	3,727,044	-	-	3,941,376	3,727,044
Public safety	6,719,154	6,801,336	-	-	6,719,154	6,801,336
Culture and recreation	812,162	785,356	-	-	812,162	785,356
Interest	-	-	-	-	-	-
Utility - Water & Sewer	-	-	5,511,293	5,287,676	5,511,293	5,287,676
Total expenses	12,528,882	12,307,660	5,511,293	5,287,676	18,040,175	17,595,336
Changes in net position before transfers	1,889,381	1,380,397	1,955,887	2,115,566	3,845,268	3,495,963
Transfers in, (out), net	-	-	-	-	-	-
Increase (decrease) in net position	1,889,381	1,380,397	1,955,887	2,115,566	3,845,268	3,495,963
Net position - October 1,	28,557,040	27,176,643	20,877,013	18,761,447	49,434,053	45,938,090
Net position - September 30	\$ 30,446,421	\$ 28,557,040	\$ 22,832,900	\$ 20,877,013	\$ 53,279,321	\$ 49,434,053

Governmental Activities Revenues by Source



The net position for the Town's governmental activities increased \$1,889,381 compared to an increase of \$1,380,397 in the prior year. Significant variances from the prior year are as follows:

- Property taxes increased by \$330,607, or 9.4% which was a direct result of the total taxable value increasing while the millage rate remained at \$3.5 per \$1,000 of taxable value.
- Capital Grant and Contributions increased by \$721,434 primarily due to a funding grant towards improvements to the Police Department's building and a Community Development Block Grant.
- Due to the decline in economic conditions, a reduction of \$78,261 of interest income was recognized.
- Charges for Services decreased \$50,605. Revenue derived from requests for Police detail decreased partially due to the reduction in events relating to the COVID-19 pandemic. Additionally, the Town of South Palm beach no longer required dispatching services provided by our Police Department.
- Total Cost of Services increased \$221,222 partially due to costs related to the COVID-19 pandemic.

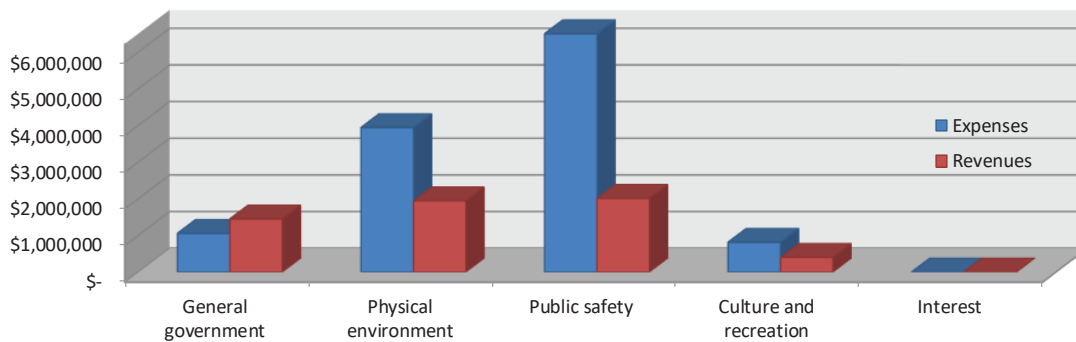
Town programs include general government, physical environment, public safety, and culture and recreational services. General government contains the following departments: legislative, executive, finance, and legal. Physical environment contains public works, utilities, road and street maintenance. Public safety contains police and development services. Culture and recreation includes library, sports park, 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	
	2020	2019	2020	2019	2020	2019
General government	\$ 1,056,190	\$ 993,924	\$ (1,447,317)	\$ (1,480,528)	\$ (391,127)	\$ (486,604)
Physical environment	3,941,376	3,727,044	(1,942,615)	(1,697,220)	1,998,761	2,029,824
Public safety	6,719,154	6,801,336	(2,011,844)	(1,550,046)	4,707,310	5,251,290
Culture and recreation	812,162	785,356	(399,296)	(497,386)	412,866	287,970
Interest	-	-	-	-	-	-
Total	\$ 12,528,882	\$ 12,307,660	\$ (5,801,072)	\$ (5,225,180)	\$ 6,727,810	\$ 7,082,480

Expenses & Program Revenues for Governmental Activities



The cost of all governmental activities this year was \$12.5 million. As shown in the Statement of Activities, those who directly benefited from the programs paid \$5.8 million of the cost, and \$6.7 million was financed through general revenues. Ad valorem taxes contributed 26.7% of total governmental activities revenues this fiscal year and 25.7% in the previous fiscal year. In fiscal year 2020, 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 \$1,955,887 for fiscal year 2020. The net position of the proprietary fund at September 30, 2020, was \$22.8 million. The cost of providing all proprietary (business-type) activities this year increased \$223,617 compared to last year's total cost of \$5.3 million. As shown in the Statement of Activities, amounts paid through user fees were \$6,301,259 which increased \$24,687 due to a 1.8% rate increase effective the beginning of the fiscal year. The net position's increase for 2020, was partially due to water and wastewater operating revenues increasing from the rate increase along with the impact fees collected for the Water Tower Commons project.

Expenses increased by \$223,617, or 4.2%. The water treatment and wastewater distribution system encountered increased repairs and maintenance costs in addition to costs to transmit wastewater to the City of Lake Worth Beach's subregional system.

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 \$17,366,209, compared to \$16,079,294 in the prior fiscal year, an increase of \$1,286,915.

Approximately 57% or \$9,953,831 of the \$17 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, \$3,038 is non-spendable, \$6,160 will be used towards education and training within the Police Department, \$2,011,099 will be used towards the building permitting process, \$829,798 will be used for infrastructure projects, and \$121,242 for police forfeiture programs. Approximately \$1.1 million is assigned for planned and committed projects not completed by the fiscal year end, and \$37,932 will cover the fiscal year 2020-2021's budget deficit. Further, \$3.3 million was committed towards 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 96% of total General Fund expenditures, while total fund balance represents 154% of that same amount.

The General Fund's total fund balance increased \$1,776,302 with the unassigned balance increasing from \$9,915,410 to \$10,612,333. While many variables affect the increase, the primary factor is an overall result of expenditures coming in less than projected (actual versus budget) with an emphasis within the Police Department where we recognized unexpected personnel vacancies resulting in lower costs.

General Fund revenues decreased \$132,746 from the previous fiscal year. Overall, some revenues increased and some decreased. Property taxes recognized an additional \$330,607 through increased property values while levying the same millage rate. Grant reimbursements from FEMA reduced by \$152,386 due to storm events. The COVID-19 pandemic also negatively impacted revenues such as facility rentals, parking meters, sales tax, and State revenues for a total reduction of \$180,400 compared to the previous year.

Expenditures within the General Fund remained relatively constant actually decreasing approximately \$20,200 on an \$11 million fund. While we incurred approximate \$60,000 in COVID-19 related costs, other costs reduced due to the lockdown, such as delayed capital projects, and as stated earlier, vacancies in the Police Department recognized less personnel costs (salaries, pension, etc.).

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 \$786,591 of sales tax with approximately \$625,980 in project costs resulting in a fund balance after its fourth year of \$829,798.

The Police Forfeiture Fund, also known as the Law Enforcement Trust Fund, remained relatively flat with fund balance increasing \$3,710 to \$121,242.

GENERAL FUND BUDGETARY HIGHLIGHTS

The General Fund budget was amended as follows: increase in revenues of \$85,949, and an increase for encumbrances and carry forward amounts of \$962,548.

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 \$43,500.
- Increased budget for insurance proceeds of \$19,375.
- Carry-forward of capital outlay programs from the previous fiscal year of \$343,547.

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

- Actual revenues for the 2020 fiscal year were greater as compared to the budget by \$638,604. The greatest variances include the following:
 - Surplus communication service taxes of \$65,038.
 - Surplus building permits of \$486,991.
 - FEMA storm-related reimbursements of \$45,423.
 - Surplus code fines of \$65,756.
 - Surplus of expense reimbursements of \$109,756.
 - Deficit of \$30,611 in fuel taxes.
 - Deficit of \$20,266 in sales taxes
 - Deficit of \$22,542 in State revenue sharing
 - Deficit of \$52,494 in reimbursable Police detail
 - Deficit of \$64,904 in parking meter revenue
 - Deficit of \$47,358 in facility rentals
- Expenditures were \$1,894,019 less than the final budget for the 2020 fiscal year. About \$1,103,109 or 58% of the difference is designated for contracts where the full cost has not been recognized and for funded projects yet to begin. Approximately \$722,000 in personnel costs were unspent due to more-than-expected staff vacancies, and \$59,000 was intentional as a way to “pay back” the General Fund’s reserves for the gas line the Town paid in FY 2014.

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, 2020, amounts to \$24 million.

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

- Hurricane shutters for the floor-to-ceiling windows at the Library - \$79,000
- Council Chamber’s sound system - \$10,000
- Computers - \$49,000
- 150KW generator - \$99,000
- Police vehicle – \$34,000

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	
	2020	2019	2020	2019	2020	2019
Land	\$ 2,267,878	\$ 2,267,878	\$ 4,300	\$ 4,300	\$ 2,272,178	\$ 2,272,178
Construction in progress	10,000	9,416	136,279	46,307	146,279	55,723
Roads and streets	24,511,972	24,415,715	-	-	24,511,972	24,415,715
Buildings and improvements	11,406,642	10,449,533	10,289,783	10,289,783	21,696,425	20,739,316
Infrastructure	-	-	13,811,347	13,816,904	13,811,347	13,816,904
Furniture, equipment & vehicles	4,380,220	4,300,982	1,802,428	1,712,276	6,182,648	6,013,258
Intangible assets	244,908	244,908	3,246,342	3,246,342	3,491,250	3,491,250
Total assets	\$ 42,821,620	\$ 41,688,432	\$ 29,290,479	\$ 29,115,912	\$ 72,112,099	\$ 70,804,344
Less accumulated depreciation	(26,754,218)	(25,217,739)	(20,530,221)	(19,617,435)	(47,284,439)	(44,835,174)
Total	\$ 16,067,402	\$ 16,470,693	\$ 8,760,258	\$ 9,498,477	\$ 24,827,660	\$ 25,969,170

LONG-TERM DEBT

Currently, the Town uses debt financing on an as-needed basis. At the end of the current fiscal year, the Town's total debt was \$536,321, a reduction of \$480,239, or 47.2% 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	
	2020	2019	2020	2019	2020	2019
Bonds and loans payable	\$ -	\$ -	\$ 536,321	\$ 1,016,560	\$ 536,321	\$ 1,016,560
Total	\$ -	\$ -	\$ 536,321	\$ 1,016,560	\$ 536,321	\$ 1,016,560

In addition, the Town has a liability for compensated absence of \$913,648 and an OPEB liability of \$662,841. 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 the COVID-19 pandemic and to use a conservative growth in General Fund revenues. Property taxes are anticipated to increase with \$200,000 in additional revenue. Overall, the total fund's revenue is anticipated to decrease approximately \$618,000 or 5% compared to FY 2020's actual revenues. Reductions include revenues such as building permits since Lantana is almost 100% built-out, and the only current large-scale project is Water Tower Commons which may finish in FY 2021. Other one-time revenues, such as grants from FEMA for Hurricanes Irma and Dorian and insurance proceeds are not anticipated to reoccur; however, expenses will reduce, as well. The COVID-19 pandemic is expected to negatively impact the economy which directly affects revenues such as State Revenue Sharing, Half Cent Sales Tax and interest income to an estimated \$194,000 reduction.

NEXT YEAR'S BUDGET AND ECONOMIC FACTORS (Continued)

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 33% of the fund. The budget was crafted using a 7% increase in property values. The budget was adopted with the same millage rate of \$3.5 per \$1,000 which is 5.58% above the roll-back rate of \$3.3151. This translates into almost \$200,000 of additional tax revenue to be recognized over the previous fiscal year.

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

As the economy continues to be unpredictable, 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 and is subsequently added to the tax roll. 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. The fiscal year 2020 unassigned fund balance is over \$10.6 million. When comparing this as a percentage to fiscal year 2021 budgeted expenditures, it can be used as a decent indicator of the Town's fiscal health. The unassigned balance accounts for 88% of fiscal year 2021's General Fund originally adopted operating budget (not including debt or capital); however, even when including the total adopted budget, it still accounts for 87%. A portion of the assigned fund balance (\$185,578) is earmarked for projects currently in progress but anticipated to conclude in the following year. Approximately \$917,531 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 2020-2021, 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, 2020

	Primary Government		
	Governmental	Business-Type	Total
	Activities	Activities	
Assets			
Current assets:			
Cash and cash equivalents	\$ 10,789,479	\$ 9,364,430	\$ 20,153,909
Investments	6,639,087	2,947,046	9,586,133
Restricted cash and cash equivalents	825,331	177,538	1,002,869
Restricted investments	-	2,118,871	2,118,871
Intergovernmental receivables	1,042,319	-	1,042,319
Assessments receivable	122,904	-	122,904
Accounts receivable, net	288,156	782,552	1,070,708
Prepaid costs and inventories	3,038	1,250	4,288
Total current assets	19,710,314	15,391,687	35,102,001
Noncurrent assets:			
Nondepreciable capital assets	2,277,878	304,082	2,581,960
Depreciable capital assets, net	13,789,524	8,456,176	22,245,700
Total noncurrent assets	16,067,402	8,760,258	24,827,660
Total assets	35,777,716	24,151,945	59,929,661
Deferred outflows of resources			
Police Pension	453,238	-	453,238
OPEB	216,131	4,657	220,788
Deferred charge on refunding (debit)	-	24,632	24,632
Total deferred outflows of resources	669,369	29,289	698,658
Liabilities, Deferred Inflows of Resources and Net Position			
Liabilities:			
Current liabilities:			
Accounts payable and accrued liabilities	533,247	392,643	925,890
Unearned revenues	276,194	-	276,194
Retainage payable	1,000	-	1,000
Customer deposits payable from restricted assets	-	177,538	177,538
Noncurrent liabilities due within one year	300,471	585,059	885,530
Total current liabilities	1,110,912	1,155,240	2,266,152
Noncurrent liabilities:			
Net OPEB liability	648,860	13,981	662,841
Net pension liability	3,005,012	-	3,005,012
Due in more than one year	391,501	172,938	564,439
Total noncurrent liabilities	4,045,373	186,919	4,232,292
Total liabilities	5,156,285	1,342,159	6,498,444
Deferred inflows of resources:			
Police Pension	557,782	-	557,782
OPEB	286,597	6,175	292,772
Total deferred inflows of resources	844,379	6,175	850,554
Net position:			
Net investment in capital assets	16,067,402	8,248,569	24,315,971
Restricted for:			
Building permitting activities	2,011,099	-	2,011,099
Law enforcement	127,402	-	127,402
Infrastructure surtax fund	829,798	-	829,798
Impact fee capital costs	-	2,118,871	2,118,871
Unrestricted	11,410,720	12,465,460	23,876,180
Total net position	\$ 30,446,421	\$ 22,832,900	\$ 53,279,321

See notes to the financial statement

TOWN OF LANTANA, FLORIDA
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2020

Function/Program	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position			
		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	\$ 1,056,190	\$ 1,447,317	\$ -	\$ -	\$ 391,127	\$ -	\$ -	\$ 391,127
Public safety	6,719,154	1,216,954	136,388	658,502	(4,707,310)	-	-	(4,707,310)
Physical environment	3,941,376	1,061,017	-	881,598	(1,998,761)	-	-	(1,998,761)
Culture and recreation	812,162	392,895	4,425	1,976	(412,866)	-	-	(412,866)
Total government activities	12,528,882	4,118,183	140,813	1,542,076	(6,727,810)	-	-	(6,727,810)
Business-type activities:								
Water and sewer	5,511,293	6,301,259	-	-	-	789,966	789,966	789,966
Total business-type activities	5,511,293	6,301,259	-	-	-	789,966	789,966	789,966
Total primary government	18,040,175	10,419,442	140,813	1,542,076	(6,727,810)	789,966		(5,937,844)
General revenues:								
Property taxes					3,852,837	-	-	3,852,837
Franchise taxes and utility taxes					2,548,504	-	-	2,548,504
Contributions not restricted to specific programs					1,753,234	-	-	1,753,234
Interest income					187,778	126,772		314,550
Other revenues					259,318	1,039,149		1,298,467
Gain on sale of capital assets					15,520	-		15,520
Total general revenues and transfers					8,617,191	1,165,921		9,783,112
Change in net position					1,889,381	1,955,887		3,845,268
Net position - beginning					28,557,040	20,877,013		49,434,053
Net position, ending					\$ 30,446,421	\$ 22,832,900	\$	53,279,321

See notes to the financial statement

**TOWN OF LANTANA, FLORIDA
BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2020**

	Major Funds		Nonmajor	Total
	General	Special	Governmental	Governmental
	Fund	Revenue	Funds	Funds
		Fund - Grants		
Assets				
Cash and cash equivalents	\$ 10,039,313	\$ -	\$ -	\$ 10,039,313
Investments	6,639,087	-	-	6,639,087
Restricted cash and cash equivalents	-	-	825,331	825,331
Receivables:				
Intergovernmental	251,798	658,502	132,019	1,042,319
Assessments receivable	122,904	-	-	122,904
Accounts receivable, net	288,156	-	-	288,156
Due from other funds	652,978	-	-	652,978
Prepaid costs and inventories	3,038	-	-	3,038
Total assets	<u>\$ 17,997,274</u>	<u>\$ 658,502</u>	<u>\$ 957,350</u>	<u>\$ 19,613,126</u>
Liabilities, Deferred Inflows of Resources and Fund Balances				
Liabilities:				
Accounts payable and accrued liabilities	\$ 533,097	\$ -	\$ 150	\$ 533,247
Unearned revenues	270,670	5,524	-	276,194
Retainage payable	1,000	-	-	1,000
Due to other funds	-	652,978	-	652,978
Total liabilities	<u>804,767</u>	<u>658,502</u>	<u>150</u>	<u>1,463,419</u>
Deferred Inflows of Resources:				
Unavailable revenue	124,996	658,502	-	783,498
Total deferred inflows of resources	<u>124,996</u>	<u>658,502</u>	<u>-</u>	<u>783,498</u>
Fund balances:				
Non-spendable for prepaid costs and inventories	3,038	-	-	3,038
Restricted for:				
Building permitting activities	2,011,099	-	-	2,011,099
Infrastructure	-	-	829,798	829,798
Law enforcement	-	-	127,402	127,402
Committed for Council directed projects	3,300,000	-	-	3,300,000
Assigned for:				
Contracts	185,578	-	-	185,578
Carry-forward expenditures	917,531	-	-	917,531
Subsequent year's expenditures	37,932	-	-	37,932
Unassigned	10,612,333	(658,502)	-	9,953,831
Total fund balances	<u>17,067,511</u>	<u>(658,502)</u>	<u>957,200</u>	<u>17,366,209</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 17,997,274</u>	<u>\$ 658,502</u>	<u>\$ 957,350</u>	<u>\$ 19,613,126</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, 2020

Fund balance - governmental funds \$ 17,366,209

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	42,821,620	
Accumulated depreciation	<u>(26,754,218)</u>	16,067,402

Assets that are not available to pay for current-period expenditures are unavailable in the fund statements.		783,498
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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.		(3,005,012)
--	--	-------------

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.		(648,860)
---	--	-----------

Deferred outflows of resources related to the pension are recorded in the statement of net position.		453,238
---	--	---------

Deferred inflows of resources related to the pension are recorded in the statement of net position.		(557,782)
--	--	-----------

Deferred outflows of resources related to OPEB are recorded in the statement of net position.		216,131
--	--	---------

Deferred inflows of resources related to OPEB are recorded in the statement of net position.		(286,597)
---	--	-----------

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		(691,972)
Net position of governmental activities		<u><u>\$ 30,446,421</u></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, 2020

	Major Funds		Nonmajor	Total
	General	Special	Governmental	Governmental
	Fund	Revenue	Funds	Funds
		Fund - Grants		
Revenues:				
Property taxes	\$ 3,852,837	\$ -	\$ -	\$ 3,852,837
Franchise fees and utility taxes	2,548,504	-	-	2,548,504
Other taxes	271,050	-	-	271,050
Permits and fees	888,999	-	-	888,999
Intergovernmental	1,779,119	-	786,591	2,565,710
Charges for services	481,060	-	-	481,060
Fines and forfeitures	289,361	-	11,301	300,662
Interest income	184,370	-	3,408	187,778
Grant revenue	108,410	187,948	-	296,358
Interlocal agreements	840,917	-	-	840,917
Special assessments	1,115,956	-	-	1,115,956
Other revenues	463,284	-	-	463,284
Total revenues	12,823,867	187,948	801,300	13,813,115
Expenditures:				
Current:				
General government	1,005,291	-	-	1,005,291
Public safety	6,737,007	-	6,205	6,743,212
Physical environment	2,594,765	39,000	379,373	3,013,138
Culture and recreation	554,231	-	-	554,231
Capital outlay	156,236	1,054,092	-	1,210,328
Total expenditures	11,047,530	1,093,092	385,578	12,526,200
Excess (deficiency) of revenues over expenditures	1,776,337	(905,144)	415,722	1,286,915
Other financing sources (uses):				
Transfers in	-	246,642	-	246,642
Transfers out	(35)	-	(246,607)	(246,642)
Total other financing sources (uses)	(35)	246,642	(246,607)	-
Net change in fund balances	1,776,302	(658,502)	169,115	1,286,915
Fund balances, beginning	15,291,209	-	788,085	16,079,294
Fund balances, ending	\$ 17,067,511	\$ (658,502)	\$ 957,200	\$ 17,366,209

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, 2020

Net change in fund balances - total governmental funds	\$ 1,286,915
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.	1,218,918
Depreciation of capital assets is not recognized in the governmental fund statement but is reported as an expense on the statement of activities.	(1,622,209)
Current changes in unavailable revenue. 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. Also, current revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the governmental fund financial statements.	605,148
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	(18,959)
Current change in net OPEB liability and related deferred inflows and outflows of resources	(36,291)
Current change in net pension liability and related deferred inflows and outflows of resources	455,859
Change in net position of governmental activities	<u>\$ 1,889,381</u>

See notes to the financial statements

TOWN OF LANTANA, FLORIDA
STATEMENT OF NET POSITION - PROPRIETARY FUNDS
SEPTEMBER 30, 2020

	Business-Type Activities	Governmental Activities
	Water and Sewer Fund	Internal Service Fund
Assets		
Current Assets		
Cash and cash equivalents	\$ 9,364,430	\$ 750,166
Investments	2,947,046	-
Restricted cash and cash equivalents	177,538	-
Restricted investments	2,118,871	-
Accounts receivable, net	782,552	-
Prepaid costs	1,250	-
Total current assets	15,391,687	750,166
Capital Assets		
Land	4,300	-
Construction in progress	136,279	-
Buildings and plant	10,289,783	-
Infrastructure	13,811,347	-
Property and equipment	1,802,428	-
Intangible assets	3,246,342	-
Total capital assets	29,290,479	-
Less accumulated depreciation	(20,530,221)	-
Net capital assets	8,760,258	-
Total noncurrent assets	8,760,258	-
Total assets	24,151,945	750,166
Deferred Outflows of Resources		
OPEB	4,657	-
Deferred charge on refunding (debit)	24,632	-
Total deferred outflows of resources	29,289	-
Liabilities		
Current Liabilities		
Accounts payable and accrued liabilities	392,643	-
Customer deposits payable		
from restricted assets	177,538	-
Compensated absences	96,257	-
Revenue bonds payable	488,802	-
Total current liabilities	1,155,240	-
Long-Term Liabilities		
Compensated absences	125,419	-
Net OPEB liability	13,981	-
Revenue bonds payable	47,519	-
Total long-term liabilities	186,919	-
Total liabilities	1,342,159	-
Deferred Inflows of Resources		
OPEB	6,175	-
Total deferred outflows of resources	6,175	-
Net Position		
Net investment in capital assets	8,248,569	-
Restricted for impact fee capital costs	2,118,871	-
Unrestricted	12,465,460	750,166
Total net position	\$ 22,832,900	\$ 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, 2020

	Business-Type Activities	Governmental Activities
	Water and Sewer Fund	Internal Service Fund
Operating revenues:		
Charges for services	\$ 6,301,259	\$ 529,725
Miscellaneous revenue	178,954	-
Total operating revenues	<u>6,480,213</u>	<u>529,725</u>
Operating expenses:		
Salaries and fringe benefits	1,872,137	-
Cost of sales and services	2,638,357	-
General and administrative	-	529,725
Depreciation and amortization	986,689	-
Total operating expenses	<u>5,497,183</u>	<u>529,725</u>
Operating income (loss)	<u>983,030</u>	<u>-</u>
Nonoperating revenues (expenses):		
Interest income	126,772	-
Interest expense and fiscal charges	(14,110)	-
Impact fees	860,195	-
Total nonoperating revenues (expenses)	<u>972,857</u>	<u>-</u>
Change in net position	1,955,887	-
Net position - beginning	<u>20,877,013</u>	<u>750,166</u>
Net position - ending	<u>\$ 22,832,900</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, 2020

	Business-Type Activities	Governmental Activities
	Water and Sewer Fund	Internal Service Fund
Cash Flows From Operating Activities		
Receipts from customers and users	\$ 6,124,627	\$ -
Receipts from interfund services	-	529,725
Payments to suppliers	(2,448,231)	(529,725)
Payments to employees	(1,848,253)	-
Other receipts	178,954	-
Net cash provided by (used in) operating activities	2,007,097	-
Cash Flows From Capital and Related Financing Activities		
Purchase of capital assets	(209,059)	-
Interest paid on long-term debt	(14,110)	-
Proceeds from issuance of debt	-	-
Principal paid on debt	(480,239)	-
Impact fee receipts	860,195	-
Net cash provided by (used in) capital and related financing activities	156,787	-
Cash Flows From Investing Activities		
Purchase of investments	(59,381)	-
Interest received	126,772	-
Net cash provided by (used in) investing activities	67,391	-
Net increase (decrease) in cash and cash equivalents	2,231,275	-
Cash and cash equivalents, beginning	7,310,693	750,166
Cash and cash equivalents, ending	\$ 9,541,968	\$ 750,166
Reconciliation to the statement of net position:		
Cash and cash equivalents	\$ 9,364,430	\$ 750,166
Restricted assets, cash	177,538	-
	\$ 9,541,968	\$ 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, 2020
(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)	\$ 983,030	\$ -
Adjustments to reconcile operating income (loss)		
to net cash provided by (used in) operating activities:		
Depreciation and amortization	986,689	-
Changes in assets and liabilities:		
(Increase) decrease in accounts receivable	(167,680)	-
(Increase) decrease in other assets	1,250	-
(Increase) decrease in OPEB deferred outflow	(1,912)	-
Increase (decrease) in accounts payable	188,876	-
Increase (decrease) in other liabilities	(8,952)	-
Increase (decrease) in compensated absences	19,514	-
Increase (decrease) in net OPEB liability	3,153	-
Increase (decrease) in OPEB deferred inflow	3,129	-
Total adjustments	1,024,067	-
Net cash provided by (used in) operating activities	\$ 2,007,097	\$ -

See notes to the financial statements

TOWN OF LANTANA, FLORIDA
STATEMENT OF FIDUCIARY NET POSITION – PENSION TRUST FUND
SEPTEMBER 30, 2020

Assets

Cash	\$ 3,690
Investments, at fair value:	
U.S. Government obligations	1,524,379
Corporate bonds	1,938,751
Domestic fixed income investment fund	671,939
Domestic equity investment fund	9,855,080
International equity investment fund	2,977,499
Real estate investment funds	1,555,375
Temporary investment funds	134,223
Receivables	
Plan members receivable	7,057
Interest receivable	14,849
Prepaid costs	2,510
Total assets	<u>18,685,352</u>

Liabilities

Accounts payable	107,132
Due to broker	3,689
Total liabilities	<u>110,821</u>

Net position restricted for pensions	<u><u>\$ 18,574,531</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, 2020

Additions

Contributions:

Town	\$ 991,819
Members	180,660
State/Other	<u>136,170</u>
Total contributions	<u><u>1,308,649</u></u>

Investment earnings:

Net increase in value of investments	1,103,695
Interest and dividend income	707,478
Class action revenue	72
Investment expense	<u>(51,356)</u>
Net investment earnings	<u>1,759,889</u>
Total additions	<u><u>3,068,538</u></u>

Deductions:

Benefits	833,212
Refunds of contribution	24,942
Administrative expense	<u>78,287</u>
Total deductions	<u><u>936,441</u></u>

Net increase 2,132,097

Net position held in trust for pension benefits

Beginning	<u>16,442,434</u>
Ending	<u><u>\$ 18,574,531</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 funds:

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.

Grants Fund – The Grants Fund is used to account for all financial resources applicable to grants awarded to the Town.

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	5-50
Roads and streets	10-25
Furniture, equipment and vehicles	2-10
Water and sewer system	3-50

**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:

<u>Asset</u>	<u>Years</u>
Computer software	2-5
Wastewater facilities rights of use	10-40

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 2020, the Town adopted the following new accounting standards:

GASB Statement No. 95 – *Postponement of the Effective Dates of Certain Authoritative Guidance*

Statement No. 95 provides temporary relief to governments and other stakeholders in light of the COVID-19 pandemic by postponing the effective dates of certain provisions in Statements and Implementation Guides that first became effective or are scheduled to become effective for periods beginning after June 15, 2018, and later.

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.

The Town had the following investments at September 30, 2020:

	Amortized Cost	Credit Risk	Maturities
Investment in Local Government Surplus Funds Trust Fund (Florida PRIME)	\$ 11,705,004	S&P AAAM	Weighted average of the fund portfolio: 48 days
Total Investments	<u>\$ 11,705,004</u>		

TOWN OF LANTANA, FLORIDA
NOTES TO FINANCIAL STATEMENTS

NOTE 2 – DEPOSITS AND INVESTMENTS (Continued)

INVESTMENTS - TOWN (Continued)

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."

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, 2020, 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.

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

NOTE 2 – DEPOSITS AND INVESTMENTS (Continued)

INVESTMENTS - TOWN (Continued)

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, 2020, 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, 2020:

	September 30, 2020	Credit Risk	Duration
U.S. Government Obligations	\$ 1,524,379	S&P AA	4.80 years
Corporate bonds	1,938,751	S&P BBB-A	5.30 years
Domestic fixed income investment fund	671,939	S&P AA	5.50 years
Domestic equity investment fund	9,855,080	N/A	N/A
International equity investment fund	2,977,499	N/A	N/A
Real estate investment funds	1,555,375	N/A	N/A
Temporary investment funds	134,223	Not Rated	Daily
	<u>\$ 18,657,246</u>		

Interest Rate Risk

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

Credit Risk

Credit risk is the risk that a debt issuer will not fulfill its obligations. The Plan's investment policy addresses credit risk by limiting investments in bonds and preferred stocks to securities rated investment grade or above by a Nationally Recognized Statistical Rating Organization, unless specifically approved by the Board of Trustees. Securities which are unrated may be purchased, if in the judgment of the investment manager, they would carry an investment grade rating. Consistent with State law, the Plan's investment guidelines limit its fixed income investments to a quality rating of "A" or equivalent as rated by Moody's or by Standard & Poor's bond rating services at the time of purchase. Fixed income investments which are downgraded below the minimum rating must be liquidated at the earliest beneficial opportunity. The Plan's investments were in compliance with the above at September 30, 2020.

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

NOTE 2 – DEPOSITS AND INVESTMENTS (Continued)

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

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.

Risks and Uncertainties

The Plan invests in a variety of investment funds. Investments in general are exposed to various risks, such as interest rate, credit, and overall volatility risk. Due to the level of risk associated with certain investments, it is reasonably possible that changes in the values of investments will occur in the near term and that such changes could materially affect the amounts reported in the statements of fiduciary net position available for benefits.

TOWN OF LANTANA, FLORIDA
NOTES TO FINANCIAL STATEMENTS

NOTE 2 – DEPOSITS AND INVESTMENTS (Continued)

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

Investment Measurement at Fair Value

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, 2020:

- 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, 2020:

Investments by fair value level	September 30 2020	Fair Value Measurements Using	
		Level 1	Level 2
U.S. Government Obligations	\$ 1,524,379	\$ 1,524,379	\$ -
Corporate bonds	1,938,751	-	1,938,751
Domestic fixed income investment fund	671,939	671,939	-
Domestic equity investment fund	9,855,080	9,855,080	-
International equity investment fund	2,977,499	2,977,499	-
Temporary investment funds	134,223	134,223	-
Total investments by fair value level	\$ 17,101,871	\$ 15,163,120	\$ 1,938,751
Investments measured at the net asset value (NAV):			
Real estate investment funds	1,555,375		
Total Investments	<u>\$ 18,657,246</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.

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.

TOWN OF LANTANA, FLORIDA
NOTES TO FINANCIAL STATEMENTS

NOTE 4 – RECEIVABLES

Receivables for the Town's individual major funds and non-major funds in the aggregate, including the applicable allowances for uncollectible accounts as of September 30, 2020, were as follows:

Receivables	General	Grants	Nonmajor Governmental	Water and Sewer
Accounts	\$ 288,828	\$ -	\$ -	\$ 683,288
Assessments	122,904	-	-	-
Intergovernmental	251,798	658,502	132,019	108,264
Gross receivables	663,530	658,502	132,019	791,552
Less allowance for uncollectibles	(672)	-	-	(9,000)
Net total receivables	<u>\$ 662,858</u>	<u>\$ 658,502</u>	<u>\$ 132,019</u>	<u>\$ 782,552</u>

NOTE 5 – CAPITAL ASSETS

A summary of changes in the governmental activities capital assets for the fiscal year ended September 30, 2020 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	9,416	10,000	(9,416)	10,000
Total capital assets, not being depreciated	<u>2,277,294</u>	<u>10,000</u>	<u>(9,416)</u>	<u>2,277,878</u>
Capital assets, being depreciated:				
Roads and streets	24,415,715	96,257	-	24,511,972
Buildings and improvements	10,449,533	957,109	-	11,406,642
Machinery and equipment	4,300,982	164,968	(85,730)	4,380,220
Intangible assets - computer software	244,908	-	-	244,908
Total capital assets, being depreciated	<u>39,411,138</u>	<u>1,218,334</u>	<u>(85,730)</u>	<u>40,543,742</u>
Less accumulated depreciation:				
Roads and streets	(18,419,623)	(897,405)	-	(19,317,028)
Buildings and improvements	(3,304,014)	(400,783)	-	(3,704,797)
Machinery and equipment	(3,249,194)	(324,021)	85,730	(3,487,485)
Intangible assets - computer software	(244,908)	-	-	(244,908)
Total accumulated depreciation	<u>(25,217,739)</u>	<u>(1,622,209)</u>	<u>85,730</u>	<u>(26,754,218)</u>
Total capital assets, being depreciated, net	<u>14,193,399</u>	<u>(403,875)</u>	<u>-</u>	<u>13,789,524</u>
Governmental activities capital assets, net	<u>\$ 16,470,693</u>	<u>\$ (393,875)</u>	<u>\$ (9,416)</u>	<u>\$ 16,067,402</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, 2020 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	46,307	89,972	-	136,279
Total capital assets, not being depreciated	214,110	89,972	-	304,082
Capital assets, being depreciated:				
Buildings and plant	10,289,783	-	-	10,289,783
Infrastructure	13,816,904	-	(5,557)	13,811,347
Machinery and equipment	1,712,276	119,085	(28,933)	1,802,428
Intangible assets - computer software	2,682	-	-	2,682
Intangible assets - wastewater facilities	3,080,157	-	-	3,080,157
Total capital assets, being depreciated	28,901,802	119,085	(34,490)	28,986,397
Less accumulated depreciation:				
Buildings and plant	(6,965,639)	(336,877)	-	(7,302,516)
Infrastructure	(8,411,636)	(418,204)	5,557	(8,824,283)
Machinery and equipment	(1,157,321)	(192,195)	28,933	(1,320,583)
Intangible assets - computer software	(2,682)	-	-	(2,682)
Intangible assets - wastewater facilities	(3,080,157)	-	-	(3,080,157)
Total accumulated depreciation	(19,617,435)	(947,276)	34,490	(20,530,221)
Total capital assets, being depreciated, net	9,284,367	(828,191)	-	8,456,176
Business-type activities capital assets, net	\$ 9,498,477	\$ (738,219)	\$ -	\$ 8,760,258

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

Governmental activities:	
General government	\$ 31,940
Public safety	395,510
Physical environment	936,828
Culture and recreation	257,931
Total depreciation expense, governmental activities	<u>\$ 1,622,209</u>
Business-type activities:	
Water and sewer	<u>\$ 947,276</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, 2020 for governmental activities:

	Beginning Balances	Additions	Reductions	Total	Amount Due Within One Year
Compensated Absences	\$ 673,013	\$ 443,521	\$ (424,562)	\$ 691,972	\$ 300,471
Net OPEB Liability	664,539	-	(15,679)	648,860	-
	<u>\$ 1,337,552</u>	<u>\$ 443,521</u>	<u>\$ (440,241)</u>	<u>\$ 1,340,832</u>	<u>\$ 300,471</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, 2020 for business-type activities

	Beginning Balances	Additions	Reductions	Total	Amount Due Within One Year
2012 Revenue Bonds	\$ 1,016,560	\$ -	\$ (480,239)	\$ 536,321	\$ 488,802
Compensated Absences	202,162	142,083	(122,569)	221,676	96,257
Net OPEB Liability	10,828	3,153	-	13,981	-
	<u>\$ 1,229,550</u>	<u>\$ 145,236</u>	<u>\$ (602,808)</u>	<u>\$ 771,978</u>	<u>\$ 585,059</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 \$2,187,891 annually over the last ten years. Total principal and interest remaining on the bond is \$541,927 payable through October 2021. For the current year, principal and interest paid and net revenues were \$494,349 and \$2,956,686, respectively.

Annual debt service requirements to maturity are as follows:

Year Ending September 30,	Principal	Interest
2021	\$ 488,802	\$ 5,536
2022	47,519	70
	<u>\$ 536,321</u>	<u>\$ 5,606</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, 2020, the Town was in compliance with the bond covenants.

NOTE 7 – EMPLOYEE RETIREMENT SYSTEMS

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 SYSTEMS (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, 2020 the required member contributions were 8% of their annual covered earnings. Pursuant to Chapter 185 of the Florida Statutes, a premium tax on certain casualty insurance contracts written on Lantana properties is collected by the State and is remitted to the Plan. This amount totaled \$136,170 for the year ended September 30, 2020 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, 2020, the Town's contribution was \$991,819. 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, 2020, the Town reported a net pension liability of \$3,005,012 related to the LPRPF. The net pension liability was measured as of September 30, 2020, using an annual actuarial valuation as of October 1, 2019 rolled forward to September 30, 2020 using standard update procedures. For the fiscal year ended September 30, 2020, the Town recognized pension expense of \$672,130. The changes in the Net Pension Liability follow:

TOWN OF LANTANA, FLORIDA
NOTES TO FINANCIAL STATEMENTS

NOTE 7 – EMPLOYEE RETIREMENT SYSTEMS (Continued)

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

PENSION LIABILITIES AND PENSION EXPENSE, DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES (Continued)

	Increases (Decreases)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balance at September 30, 2019	\$ 19,879,371	\$ 16,442,434	\$ 3,436,937
Changes in the year:			
Service cost	625,849	-	625,849
Interest on the total pension liability	1,455,520	-	1,455,520
Differences between actual and expected experience in the measurement of the TPL	476,957	-	476,957
Contributions - Employer (from Town)	-	991,819	(991,819)
Contributions - Employer (from State)	-	136,170	(136,170)
Contributions - Employees	-	180,660	(180,660)
Net investment income	-	1,759,889	(1,759,889)
Benefit payments	(833,212)	(833,212)	-
Refunds	(24,942)	(24,942)	-
Pension plan administrative expense	-	(78,287)	78,287
Net changes	1,700,172	2,132,097	(431,925)
Balance at September 30, 2020	\$ 21,579,543	\$ 18,574,531	\$ 3,005,012

At September 30, 2020 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	\$ 354,660	\$ 190,943	\$ 163,717
Change in assumptions	98,578	-	98,578
Net difference between projected and actual earnings on pension plan investments	-	366,839	(366,839)
	<u>\$ 453,238</u>	<u>\$ 557,782</u>	<u>\$ (104,544)</u>

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

Year ending September 30	Net Deferred Outflows of Resources
2021	\$ (174,582)
2022	90,659
2023	90,243
2024	(110,864)
2025	-
Thereafter	-
Total	<u>\$ (104,544)</u>

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

NOTE 7 – EMPLOYEE RETIREMENT SYSTEMS (Continued)

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

PLAN MEMBERSHIP

Membership of the plan consisted of the following at September 30, 2020:

	<u>Police Officers</u>
Inactive employees (or their beneficiaries)	
currently receiving benefits	23
Inactive employees entitled to but not yet	
receiving benefits	4
Active employees	<u>29</u>
Total	<u><u>56</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, 2019
Measurement date	September 30, 2020
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 pre-retirement 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, 2018, as mandated by Chapter 112.63, Florida Statutes.

TOWN OF LANTANA, FLORIDA
NOTES TO FINANCIAL STATEMENTS

NOTE 7 – EMPLOYEE RETIREMENT SYSTEMS (Continued)

LANTANA POLICE RELIEF AND PENSION FUND (LPRPF) (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*	2.41%
Last year ending September 30 in the 2020 to 2119 projection period for which projected benefit payments are fully funded	2119

*Source: Fidelity General Obligation AA rate as of September 28, 2020. 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	\$ 5,948,992	\$ 3,005,012	\$ 602,044

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

NOTE 7 – EMPLOYEE RETIREMENT SYSTEMS (Continued)

DEFINED CONTRIBUTION PLAN

The Town of Lantana General Employees' Defined Contribution Plan was established by the Town and is administered by Florida Municipal Pension Trust Fund ("FMPTF") 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 \$2,288,854. The Town's total payroll for the same period was \$6,362,767. Town contributions for the year ended September 30, 2020, were \$258,465. The contributions included forfeited amounts of \$92,530. The amounts of employee contributions made for the year ended September 30, 2020 were \$1,132.

The Town of Lantana General Employees' Deferred Compensation Plan (457 Plan) was established by the Town and is administered by FMPTF 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 2020 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, 2020 were \$186,792.

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, 2020, the following employees were covered by benefit terms:

Inactive employees or beneficiaries currently receiving benefits	3
Inactive employees entitled to, but not yet receiving benefits	-
Active employees	94
	<u>97</u>

For the fiscal year ended September 30, 2020, the Town recognized OPEB expense of \$53,692.

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, 2019	\$ 675,367	\$ -	\$ 675,367
Changes due to:			
Service cost	38,757	-	38,757
Interest on Total OPEB liability	23,923	-	23,923
Difference between expected and actual experience	(51,181)	-	(51,181)
Changes of assumptions and other inputs	16,013	-	16,013
Benefit payments*	(13,032)	-	(13,032)
Other changes	(27,006)	-	(27,006)
Balance as of September 30, 2020	<u>\$ 662,841</u>	<u>\$ -</u>	<u>\$ 662,841</u>

* Includes the Implicit Rate Subsidy.

At September 30, 2020 the Town reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

<u>Description</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ (83,821)
Change in assumptions	220,788	(208,951)
	<u>\$ 220,788</u>	<u>\$ (292,772)</u>

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

<u>Year ending September 30</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
2021	\$ 30,883	\$ (39,872)
2022	30,883	(39,872)
2023	30,883	(39,872)
2024	30,883	(39,872)
2025	30,883	(39,869)
Thereafter	66,373	(93,415)
Total	<u>\$ 220,788</u>	<u>\$ (292,772)</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, 2020
Actuarial valuation date	October 1, 2019
Actuarial cost method	Entry Age Normal (AMM)
Discount rate*	2.14%
Inflation rate	3.00%
Salary rate increase	4.00%
Funded ratio	0.00%
Covered payroll	5,644,764
Net OPEB Liability as a percentage of covered payroll	11.74%
Healthcare cost trend	
Initial health care cost trend rate	
- HMO Plan	6.60%
- PPO Plan	7.70%
Ultimate health care cost trend rate	4.50%
Fiscal year the ultimate rate is reached	2035

*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 2.14% is used, which is the S&P Municipal Bond 20 Year High-Grade Rate Index as of September 30, 2020.

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 (1.14%) or 1-percentage-point higher (3.14%) than the current discount rate:

1% Decrease (1.14%)	Current Discount Rate (2.14%)	1% Increase (3.14%)
\$ 728,198	\$ 662,841	\$ 603,914

**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 5.6%; PPO Plan 6.7%; both decreasing to 3.5%)	Healthcare Cost Trend Rates (HMO Plan 6.6%; PPO Plan 7.7%; both decreasing to 4.5%)	1% Increase (HMO Plan 7.6%; PPO Plan 8.7%; both decreasing to 5.5%)
\$ 588,587	\$ 662,841	\$ 749,501

NOTE 9 – INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

Interfund receivables and payables at September 30, 2020 were as follows:

	Due from other funds	Due to other funds
General Fund	\$ 652,978	\$ -
Grants Fund	-	652,978
	<u>\$ 652,978</u>	<u>\$ 652,978</u>

The outstanding balances between funds result primarily from the time lag between the dates that transactions are recorded in the accounting system and payments between funds are made. In the case of the Town, the balances between the general fund and the grants fund relate to payments made by the general fund on behalf of the grants fund related to a reimbursable grants. The funds from these reimbursable grants have not yet been received by the grants fund and therefore have not yet been transferred to the general fund.

Interfund transfers for the fiscal year ended September 30, 2020 were as follows:

	Transfers In	Transfers Out
General Fund	\$ -	\$ 35
Grants Fund	246,642	-
Special Revenue Fund - Infrastructure Surtax Fund	-	246,607
	<u>\$ 246,642</u>	<u>\$ 246,642</u>

Transfers are used to move revenues from the fund where collection occurs to the fund where funds have been reallocated for use. In the case of the Town, transfers from the general fund to the grants fund were used as matching funds for a grant.

NOTE 10 - INTERLOCAL AGREEMENTS

POLICE SERVICES

The Town has entered into an interlocal agreement for the provision of police services by the Town of Lantana within the Town limits of Hypoluxo. The term of the agreement is for five years, expiring on September 30, 2024. The Town received \$704,747 from Hypoluxo for the year ended September 30, 2020.

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

NOTE 11 – ENCUMBRANCES AND CARRY FOWARDS

The following fiscal year 2020 appropriations did not lapse at September 30, 2020 because they were encumbered or specifically designated to be carried forward to fiscal year 2021.

Major Fund:	
General Fund	\$ 1,103,109
Infrastructure Surtax Fund	783,639
Water and Sewer Fund	<u>3,363,609</u>
Total Encumbrances	<u>\$ 5,250,357</u>

NOTE 12 - COMMITMENTS AND CONTINGENCIES

GRANTS

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

NOTE 13 - RISK MANAGEMENT

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

NOTE 14 – PRONOUNCEMENTS ISSUED, BUT NOT YET ADOPTED

GASB Statement No. 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. As amended by GASB statement No. 95, the requirements of this Statement are effective for reporting periods beginning after December 15, 2019.

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. As amended by GASB statement No. 95, the requirements of this Statement are effective for reporting periods beginning after June 15, 2021.

TOWN OF LANTANA, FLORIDA
NOTES TO FINANCIAL STATEMENTS

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

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. As amended by GASB statement No. 95, the requirements of this Statement are effective for reporting periods beginning after December 15, 2020. Earlier application is encouraged. Changes adopted to conform to the provisions of this Statement should be applied prospectively. For construction-in-progress, interest cost incurred after the beginning of the first reporting period to which this Statement is applied should not be capitalized.

GASB 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. As amended by GASB statement No. 95, the requirements of this Statement are effective for reporting periods beginning after December 15, 2019. 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. As amended by GASB statement No. 95, the requirements of this Statement are effective for reporting periods beginning after December 15, 2021. Earlier application is encouraged.

TOWN OF LANTANA, FLORIDA
NOTES TO FINANCIAL STATEMENTS

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

GASB 92 – Omnibus 2020

This statement enhances comparability in accounting and financial reporting and improves the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. This statement addresses a variety of topics including: effective date of GASB 87 for interim financial reports; intra-entity transfers between primary governments and component unit pension or OPEB plans; applicability of Statements No. 73 and 74 for reporting assets accumulated for postemployment benefits; applicability of certain requirements of GASB 84 to postemployment benefit arrangements; measurement of asset retirement obligations in government acquisitions; reporting by public entity risk pools for amounts recoverable from reinsurers or excess insurers; reference to nonrecurring fair value measurements in authoritative literature and terminology used related to derivative instruments. As amended by GASB statement No. 95, the requirements of this Statement are effective as follows:

- The requirements related to the effective date of Statement 87 and Implementation Guide 2019-3, reinsurance recoveries, and terminology used to refer to derivative instruments are effective upon issuance.
- The requirements related to intra-entity transfers of assets and those related to the applicability of Statements 73 and 74 are effective for fiscal years beginning after June 15, 2021.
- The requirements related to application of Statement 84 to postemployment benefit arrangements and those related to nonrecurring fair value measurements of assets or liabilities are effective for reporting periods beginning after June 15, 2021.
- The requirements related to the measurement of liabilities (and assets, if any) associated with asset retirement obligations in a government acquisition are effective for government acquisitions occurring in reporting periods beginning after June 15, 2021.

GASB 93 – Replacement of Interbank Offered Rates

This statement provides guidance where some governments have entered into agreements in which variable payments made or received depend on an interbank offered rate (IBOR)—most notably, the London Interbank Offered Rate (LIBOR). As a result of global reference rate reform, LIBOR is expected to cease to exist in its current form at the end of 2021, prompting governments to amend or replace financial instruments for the purpose of replacing LIBOR with other reference rates, by either changing the reference rate or adding or changing fallback provisions related to the reference rate. As amended by GASB statement No. 95, the requirements of this Statement, except for paragraphs 11b, 13, and 14 are effective for reporting periods beginning after June 15, 2020. The requirement in paragraph 11b is effective for reporting periods ending after December 31, 2021. The requirements in paragraphs 13 and 14 are effective for fiscal years periods beginning after June 15, 2021, and all reporting periods thereafter.

GASB 94 – Public-Private and Public-Public Partnerships and Availability Payment Arrangements

This statement improves financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). A PPP is an arrangement in which a government contracts with an operator to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset, for a period of time in an exchange or exchange-like transaction. This statement also provides guidance for accounting and financial reporting for availability payment arrangements (APAs), which is an arrangement in which a government compensates an operator for services that may include designing, constructing, financing, maintaining, or operating an underlying nonfinancial asset for a period of time in an exchange or exchange-like transaction. The requirements of this Statement are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter.

TOWN OF LANTANA, FLORIDA
NOTES TO FINANCIAL STATEMENTS

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

GASB 96 – Subscription-Based Information Technology Arrangements

This statement provides new accounting and financial reporting guidance for subscription-based information technology arrangements (SBITAs), which have become increasingly common among state and local governments in recent years. Statement 96 is based on the standards established in Statement 87, Leases. The new statement defines a SBITA as a contract that conveys control of the right to use a SBITA vendor's IT software, alone or in combination with tangible capital assets (the underlying IT assets), as specified in the contract for a period of time in an exchange or exchange-like transaction. The guidance requires governments with SBITAs to recognize a right-to-use subscription asset, an intangible asset, and a corresponding subscription liability (with an exception for short-term SBITAs, those with a maximum possible term of 12 months) and provides guidance related to outlays other than subscription payments, including implementation costs, and requirements for note disclosures related to a SBITA. The requirements of this Statement are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter.

GASB 97 – Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans – an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32

This statement provides the following guidance: 1) increases consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; 2) mitigates costs associated with the reporting of certain defined contribution pension plans, defined contribution OPEB plans and employee benefit plans other than pension or OPEB plans as fiduciary component units in fiduciary fund financial statements; and 3) addresses relevance, consistency and comparability of the accounting and financial reporting for Internal Revenue Code Section 457 deferred compensation plans that meet the definition of a pension plan and for benefit provided through those plans. The first two provisions of this statement are effective immediately. All other requirements of this Statement are effective for reporting periods beginning after June 15, 2021.

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, 2020

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget- Positive (Negative)
Revenues:				
Property taxes	\$ 3,823,507	\$ 3,823,507	\$ 3,852,837	\$ 29,330
Franchise fees and utility taxes	2,522,727	2,522,727	2,548,504	25,777
Other taxes	270,576	270,576	271,050	474
Permits and fees	400,697	400,697	888,999	488,302
Intergovernmental	1,787,228	1,787,228	1,779,119	(8,109)
Charges for services	606,602	606,602	481,060	(125,542)
Fines and forfeitures	226,600	226,600	289,361	62,761
Interest income	181,499	181,499	184,370	2,871
Grant revenue	6,241	49,741	108,410	58,669
Interlocal agreements	815,542	834,917	840,917	6,000
Special assessments	1,104,992	1,104,992	1,115,956	10,964
Other revenues	353,103	376,177	463,284	87,107
Total revenues	12,099,314	12,185,263	12,823,867	638,604
Expenditures:				
Current:				
General Government:				
Town Council	118,382	114,992	95,362	19,630
Administrative	467,915	529,970	361,190	168,780
Finance	480,325	480,974	438,958	42,016
Nondepartmental	61,230	262,744	109,781	152,963
Total general government	1,127,852	1,388,680	1,005,291	383,389
Public safety:				
Police	6,510,611	6,500,795	5,870,210	630,585
Development services	861,943	975,300	866,797	108,503
Total public safety	7,372,554	7,476,095	6,737,007	739,088

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, 2020

	Budgeted Amounts		Actual	Variance with Final Budget- Positive (Negative)
	Original	Final	Amounts	
Physical environment:				
Public Works	2,771,419	2,862,124	2,594,765	267,359
Total physical environment	2,771,419	2,862,124	2,594,765	267,359
Culture/recreation, parks and recreation:				
Library	207,642	213,436	168,177	45,259
Sports park	450,778	436,778	386,006	50,772
Special events	-	-	48	(48)
Total culture and recreation	658,420	650,214	554,231	95,983
Capital outlay	206,842	505,436	156,236	349,200
Debt service:				
Principal retirement	59,000	59,000	-	59,000
Total debt service	59,000	59,000	-	59,000
Total expenditures	12,196,087	12,941,549	11,047,530	1,894,019
Excess (deficiency) of revenues over expenditures	(96,773)	(756,286)	1,776,337	2,532,623
Other financing sources (uses):				
Use of fund balance	96,773	1,059,321	-	(1,059,321)
Transfers out	-	(303,035)	(35)	303,000
Total other financing sources (uses)	96,773	756,286	(35)	(756,321)
Net change in fund balance	\$ -	\$ -	1,776,302	\$ 1,776,302
Fund balance, beginning			15,291,209	
Fund balance, ending			<u>\$ 17,067,511</u>	

See notes to required supplementary information

TOWN OF LANTANA, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL – GRANTS FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2020

	Grants Fund			
	Budgeted Amounts		Actual	Variance With
	Original	Final	Amounts	Final Budget- Positive (Negative)
Revenues:				
Grant revenue	\$ 108,732	\$ 1,376,129	\$ 187,948	\$ (1,188,181)
Total revenues	108,732	1,376,129	187,948	(1,188,181)
Expenditures:				
Current:				
Physical environment	36,900	48,000	39,000	9,000
Capital outlay	71,832	1,730,270	1,054,092	676,178
Total expenditures	108,732	1,778,270	1,093,092	685,178
Excess (deficiency) of revenues over expenditures	-	(402,141)	(905,144)	(503,003)
Other financing sources (uses):				
Transfers in	-	402,141	246,642	(155,499)
Total other financing sources (uses)	-	402,141	246,642	(155,499)
Net change in fund balances	\$ -	\$ -	(658,502)	\$ (658,502)
Fund balance, beginning			-	
Fund balance, ending			\$ (658,502)	

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 \$85,949, increase in use of fund balance of \$962,548, increase of transfers out of \$303,035 and increase in appropriations related to Council amendments, encumbrances and carry forwards of \$745,462. The grants fund budget was amended as follows: increase in revenues of \$1,267,397, increase in transfers in of \$402,141, and increase in appropriations related to Council amendments, encumbrances and carry forwards of \$1,669,538.

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,

Total Pension Liability (TPL)

	2020	2019	2018	2017	2016	2015	2014
Service cost	\$ 625,849	\$ 545,724	\$ 505,944	\$ 362,009	\$ 343,544	\$ 357,506	\$ 390,463
Interest on the total pension liability	1,455,520	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	476,957	(63,829)	(700,332)	512,020	(298,613)	(113,373)	(847)
Changes of assumption	-	214,552	-	5,673	(221,282)	-	-
Benefit payments	(833,212)	(1,026,779)	(377,772)	(364,808)	(388,273)	(270,957)	(247,244)
Refunds	(24,942)	(17,668)	(10,762)	(930)	(31,262)	(6,834)	(716)
Other changes	-	-	-	-	27,147	9,333	2,279
Net change in total pension liability	1,700,172	1,045,936	793,452	4,559,821	420,750	903,746	997,761
Total pension liability - beginning	19,879,371	18,833,435	18,039,983	13,480,162	13,059,412	12,155,666	11,157,905
Total pension liability - ending (a)	\$ 21,579,543	\$ 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)	\$ 991,819	\$ 833,774	\$ 701,427	\$ 302,908	\$ 429,970	\$ 408,040	\$ 377,272
Contributions - Employer (from State)	136,170	133,628	116,796	112,686	119,700	101,886	95,532
Contributions - Employees	180,660	145,099	124,905	120,005	120,049	105,492	111,001
Net investment income	1,759,889	723,759	1,268,013	1,510,543	987,257	(63,982)	992,243
Benefit payments	(833,212)	(1,026,779)	(377,772)	(364,808)	(388,273)	(270,957)	(247,244)
Refunds	(24,942)	(17,668)	(10,762)	(930)	(31,262)	(6,834)	(716)
Pension plan administrative expense	(78,287)	(69,643)	(86,349)	(57,996)	(65,361)	(51,501)	(42,022)
Net change in fiduciary net position	2,132,097	722,170	1,736,258	1,622,408	1,172,080	222,144	1,286,066
Plan fiduciary net position - beginning	16,442,434	15,720,264	13,984,006	12,361,598	11,189,518	10,967,374	9,681,308
Plan fiduciary net position - ending (b)	\$ 18,574,531	\$ 16,442,434	\$ 15,720,264	\$ 13,984,006	\$ 12,361,598	\$ 11,189,518	\$ 10,967,374
Net pension liability - ending (a) - (b)	\$ 3,005,012	\$ 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

Covered payroll	86.07%	82.71%	83.47%	77.52%	91.70%	85.68%	90.22%
Net Pension liability as a percentage of covered payroll	2.258,250	2,072,843	1,784,354	1,714,357	1,704,833	1,507,029	1,585,229
	133.07%	165.81%	174.47%	236.59%	65.61%	124.08%	74.96%

Note: This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, governments should present information for those years for which information is available.

**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 %
2020	929,330	1,127,989	(198,659)	2,258,250	49.95 %

Note: This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, governments should present information for those years for which information is available.

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, 2018
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, 2017.

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

	2020	2019	2018
Total OPEB Liability			
Service cost	\$ 38,757	\$ 47,152	\$ 44,465
Interest	23,923	22,139	19,510
Difference between expected and actual experience	(51,181)	-	(55,240)
Changes of assumptions and other inputs	16,013	3,646	98,112
Benefit payments	(13,032)	(12,578)	(6,889)
Other changes	(27,006)	500	(71,289)
Net change in total OPEB liability	(12,526)	60,859	28,669
Total OPEB liability - beginning	675,367	614,508	585,839
Total OPEB liability - ending (a)	\$ 662,841	\$ 675,367	\$ 614,508
 Plan Fiduciary Net Position			
Net change in plan fiduciary net position	\$ -	\$ -	\$ -
Plan fiduciary net position - beginning	-	-	-
Plan fiduciary net position - ending (b)	\$ -	\$ -	\$ -
 Town's net OPEB liability - ending (a) - (b)	\$ 662,841	\$ 675,367	\$ 614,508
 Plan fiduciary net position as a percentage of total OPEB liability	0.00%	0.00%	0.00%
 Covered payroll	\$ 5,644,764	\$ 4,982,533	\$ 4,982,533
 Net OPEB liability as a percentage of covered employee payroll	11.74%	13.55%	12.33%

Note: This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, governments should present information for those years for which information is available.

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

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, 2020**

	Special Revenue Funds			
	Infrastructure Surtax Fund	Police Education Fund	Police Forfeiture Fund	Total Governmental Funds
Assets				
Restricted cash and cash equivalents	\$ 697,920	\$ 6,169	\$ 121,242	\$ 825,331
Intergovernmental receivables	131,878	141	-	132,019
Total assets	<u>\$ 829,798</u>	<u>\$ 6,310</u>	<u>\$ 121,242</u>	<u>\$ 957,350</u>
Liabilities and Fund Balances				
Liabilities:				
Accounts payable	\$ -	\$ 150	\$ -	\$ 150
Total liabilities	<u>-</u>	<u>150</u>	<u>-</u>	<u>150</u>
Fund balances:				
Restricted for:				
Infrastructure	829,798	-	-	829,798
Police education	-	6,160	-	6,160
Police forfeiture programs	-	-	121,242	121,242
Total fund balances	<u>829,798</u>	<u>6,160</u>	<u>121,242</u>	<u>957,200</u>
Total liabilities and fund balances	<u>\$ 829,798</u>	<u>\$ 6,310</u>	<u>\$ 121,242</u>	<u>\$ 957,350</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, 2020

	Special Revenue Funds			
	Infrastructure	Police	Police	Total
	Surtax	Education	Forfeiture	Governmental
	Fund	Fund	Fund	Funds
Revenues:				
Intergovernmental	\$ 786,591	\$ -	\$ -	\$ 786,591
Fines and forfeitures	-	4,633	6,668	11,301
Interest income	2,881	-	527	3,408
Total revenues	789,472	4,633	7,195	801,300
Expenditures:				
Current:				
Public safety	-	2,720	3,485	6,205
Physical environment	379,373	-	-	379,373
Total expenditures	379,373	2,720	3,485	385,578
Excess (deficiency) of revenues over expenditures	410,099	1,913	3,710	415,722
Other financing sources (uses):				
Transfers out	(246,607)	-	-	(246,607)
Total other financing sources (uses)	(246,607)	-	-	(246,607)
Net change in fund balances	163,492	1,913	3,710	169,115
Fund balances, beginning	666,306	4,247	117,532	788,085
Fund balances, ending	\$ 829,798	\$ 6,160	\$ 121,242	\$ 957,200

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, 2020

	Infrastructure Surtax Fund			
	Budgeted Amounts		Actual Amounts	Variance With Final Budget- Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 791,471	\$ 791,471	\$ 786,591	\$ (4,880)
Interest income	518	518	2,881	2,363
Total revenues	791,989	791,989	789,472	(2,517)
Expenditures:				
Current:				
Physical environment	-	379,374	379,373	1
Capital outlay	791,989	902,162	-	902,162
Total expenditures	791,989	1,281,536	379,373	902,163
Excess (deficiency) of revenues over expenditures	-	(489,547)	410,099	899,646
Other financing sources (uses):				
Use of fund balance	-	588,653	-	(588,653)
Transfers out	-	(99,106)	(246,607)	(147,501)
Total other financing sources (uses)	-	489,547	(246,607)	(736,154)
Net change in fund balances	\$ -	\$ -	163,492	\$ 163,492
Fund balance, beginning			666,306	
Fund balance, ending			<u>\$ 829,798</u>	

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, 2020

	Police Education Fund			
	Budgeted Amounts		Actual Amounts	Variance With Final Budget- Positive (Negative)
	Original	Final		
Revenues:				
Fines and forfeitures	\$ 5,217	\$ 5,217	\$ 4,633	\$ (584)
Total revenues	5,217	5,217	4,633	(584)
Expenditures:				
Current:				
Public Safety	5,217	5,217	2,720	2,497
Total expenditures	5,217	5,217	2,720	2,497
Excess (deficiency) of revenues over expenditures	\$ -	\$ -	1,913	\$ 1,913
Fund balance, beginning			4,247	
Fund balance, ending			\$ 6,160	



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.

Contents

	<u>Page</u>
Financial Trends	
These schedules contain trend information to help the reader understand the Town's financial performance and well-being have changed over time.	
Net Position by Components	65-66
Changes in Net Position	67-70
Fund Balances, Governmental Funds	71-72
Changes in Fund Balances of Governmental Funds	73-74
Revenue Capacity	
These schedules contain information to help readers assess the Town's most significant local revenue source, the property tax.	
Net Assessed Value and Estimated Actual Value of Taxable Property	75
Property Tax Rates – Direct and Overlapping Governments	76-77
Principal Property Taxpayers	78
Property Tax Levies and Collections	79
Debt Capacity	
These schedules present information to help readers assess the affordability of the Town's current levels of outstanding debt and the Town's ability to issue additional debt in the future.	
Ratio of Outstanding Debt by Type	80
Direct and Overlapping Governmental Activities Debt	81
Bonds and Notes Pledged Revenue Coverage	82-83
Demographic and Economic Information	
These schedules offer demographic and economic indicators to help the reader understand the environment within which the Town's financial activities take place.	
Demographic and Economic Statistics	84
Principal Employers	85

Operating Indicators

These schedules contain service and infrastructure data to help the reader understand how the information in the Town's financial report relates to the services the Town provides and the activities it performs.

Full-Time Equivalent Town Government Employees by Function	86
Operating Indicators by Function	87-88
Capital Assets by Function	89

Miscellaneous

These schedules contain supplemental data and statistics.

Miscellaneous Statistics	90
Schedule of Insurance in Force	91

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)

	2011	2012	2013
Governmental Activities			
Net Investment in capital assets	\$ 16,938,079	\$ 18,337,815	\$ 18,260,830
Restricted	11,121	12,680	15,476
Unrestricted	<u>10,412,773</u>	<u>7,773,388</u>	<u>8,426,192</u>
Total Governmental Activities Net Position	<u>27,361,973</u>	<u>26,123,883</u>	<u>26,702,498</u>
Business-Type Activities			
Net Investment in capital assets	3,624,500	3,605,700	4,313,612
Restricted	--	543,791	--
Unrestricted	<u>7,638,564</u>	<u>7,530,741</u>	<u>8,789,438</u>
Total Business-Type Activities Net Position	<u>11,263,064</u>	<u>11,680,232</u>	<u>13,103,050</u>
Primary Government			
Net Investment in capital assets	20,562,579	21,943,515	22,574,442
Restricted	11,121	556,471	15,476
Unrestricted	<u>18,051,337</u>	<u>15,304,129</u>	<u>17,215,630</u>
Total Primary Government Net Position	<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	2020
17,329,014	16,994,685	17,694,224	17,818,601	17,228,421	16,470,693	16,067,402
1,019,931	19,750	685,155	1,425,190	2,177,200	3,207,420	2,968,299
<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>8,878,927</u>	<u>11,410,720</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>	<u>30,446,421</u>
5,089,676	6,175,347	6,200,832	6,239,812	8,135,430	8,545,960	8,248,569
363,801	363,800	363,800	374,456	-	-	2,118,871
<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>12,465,460</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>	<u>22,832,900</u>
22,418,690	23,170,032	23,895,056	24,058,413	25,363,851	25,016,653	24,315,971
1,383,732	383,550	1,048,955	1,799,646	2,177,200	3,207,420	5,087,170
<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>21,209,980</u>	<u>23,876,180</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>	<u>\$ 53,279,321</u>

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

	2011	2012	2013
Governmental Activities			
General government	\$ 805,921	\$ 766,789	\$ 930,263
Public safety	4,697,941	5,761,191	4,502,022
Physical environment	2,252,568	2,110,759	1,821,392
Transportation	933,747	1,095,864	1,564,530
Culture/recreation	375,829	390,092	369,831
Interest on long-term debt	92,300	74,110	65,694
Total Governmental Activities Expenses	<u>9,158,306</u>	<u>10,198,805</u>	<u>9,253,732</u>
Business-Type Activities			
Utility - water and sewer	<u>4,448,685</u>	<u>4,635,940</u>	<u>4,914,189</u>
Total Business-Type Activities Expenses	<u>4,448,685</u>	<u>4,635,940</u>	<u>4,914,189</u>
Total Primary Government Expenses	<u>\$ 13,606,991</u>	<u>\$ 14,834,745</u>	<u>\$ 14,167,921</u>
Program Revenues			
Governmental activities:			
Charges for services:			
General government	\$ 611,487	\$ 788,381	\$ 778,961
Public safety	844,001	806,068	828,503
Physical environment	865,703	879,099	808,998
Culture and recreation	238,470	195,470	157,878
Operating grants and contributions	573,771	214,108	70,751
Capital grants and contributions	<u>258,169</u>	<u>131,927</u>	<u>1,279,089</u>
Total Governmental Activities Program Revenues	<u>3,391,601</u>	<u>3,015,053</u>	<u>3,924,180</u>
Business-type activities:			
Charges for services:			
Utility - water and sewer	4,990,025	5,016,469	4,972,344
Operating grants and contributions	--	--	--
Capital grants and contributions	<u>163,503</u>	<u>--</u>	<u>--</u>
Total Business-Type Activities Program Revenues	<u>5,153,528</u>	<u>5,016,469</u>	<u>4,972,344</u>
Total Primary Government Program Revenues	<u>\$ 8,545,129</u>	<u>\$ 8,031,522</u>	<u>\$ 8,896,524</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.

2014	2015	2016	2017	2018	2019	2020
1,447,888	741,324	818,909	1,007,186	950,779	993,924	1,056,190
4,938,269	5,239,141	5,375,887	8,580,598	6,062,440	6,801,336	6,719,154
1,514,926	3,127,821	3,233,635	3,273,391	3,867,004	3,727,044	3,941,376
1,977,033	-	-	-	-	-	-
417,408	2,253,383	365,697	548,426	597,923	785,356	812,162
50,694	36,584	21,458	10,026	771	-	-
<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>	<u>12,528,882</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>5,511,293</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>5,511,293</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>	<u>\$ 18,040,175</u>

860,235	899,171	1,386,273	1,132,786	1,268,772	1,480,528	1,447,317
1,132,256	1,292,909	1,179,654	1,214,316	1,173,143	1,296,316	1,216,954
1,136,758	626,469	626,772	639,995	656,849	898,299	1,061,017
202,245	289,802	256,590	331,061	426,276	493,645	392,895
38,835	38,370	37,615	67,762	38,499	235,750	140,813
291,113	900,051	321,840	1,083,883	1,195,547	820,642	1,542,076
<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>	<u>5,801,072</u>
5,242,123	5,607,712	5,644,050	5,889,214	5,960,248	6,276,572	6,301,259
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<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>6,301,259</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>	<u>\$ 12,102,331</u>

Continued

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

	2011	2012	2013
Net (Expense) Revenue			
Governmental activities	\$ (5,766,705)	\$ (7,183,752)	\$ (5,329,552)
Business-type activities	<u>704,843</u>	<u>380,529</u>	<u>58,155</u>
Total Primary Government Net Expense	<u>\$ (5,061,862)</u>	<u>\$ (6,803,223)</u>	<u>\$ (5,271,397)</u>
General Revenues and Other Changes in Net Position			
Governmental activities:			
Taxes:			
Property taxes	\$ 2,264,606	\$ 2,181,084	\$ 2,105,853
Utility taxes	981,105	-	-
Franchise fees based on gross receipts	686,830	-	-
Communications services taxes	320,074	-	-
Sales and use tax	628,516	-	-
Franchise taxes and utility taxes	-	1,620,629	1,743,034
Unrestricted contributions	-	1,644,557	1,595,343
State revenue sharing - unrestricted	330,357	-	-
Investment income - unrestricted	40,045	39,045	15,731
Miscellaneous	79,002	437,347	448,206
Gain from sale of capital assets	-	-	-
Transfers	-	23,000	-
Total Governmental Activities	<u>5,330,535</u>	<u>5,945,662</u>	<u>5,908,167</u>
Business-type activities:			
Miscellaneous	7,070	25,282	1,384,234
Investment income (loss) - unrestricted	29,016	34,357	12,459
Transfers	-	(23,000)	-
Gain on sale of capital assets	-	-	-
Total Business-Type Activities	<u>36,086</u>	<u>36,639</u>	<u>1,396,693</u>
Total Primary Government	<u>\$ 5,366,621</u>	<u>\$ 5,982,301</u>	<u>\$ 7,304,860</u>
Change in net position:			
Governmental activities	\$ (436,170)	\$ (1,238,090)	\$ 578,615
Business-type activities	<u>740,929</u>	<u>417,168</u>	<u>1,454,848</u>
Total Primary Government	<u>\$ 304,759</u>	<u>\$ (820,922)</u>	<u>\$ 2,033,463</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.

2014	2015	2016	2017	2018	2019	2020
\$ (6,684,776)	\$ (7,351,481)	\$ (6,006,842)	\$ (8,949,824)	\$ (6,719,831)	\$ (7,082,480)	\$ (6,727,810)
<u>564,574</u>	<u>1,044,474</u>	<u>1,071,295</u>	<u>605,239</u>	<u>798,513</u>	<u>988,896</u>	<u>789,966</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>	<u>\$ (5,937,844)</u>
2,153,180	2,266,736	2,522,731	2,786,215	3,221,378	3,522,230	3,852,837
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
2,258,115	2,292,471	2,335,932	2,420,646	2,441,511	2,541,593	2,548,504
1,675,742	1,769,613	1,757,031	1,729,563	1,742,071	1,796,298	1,753,234
-	-	-	-	-	-	-
13,521	23,503	29,292	75,309	165,096	266,039	187,778
1,502,401	910,439	941,079	207,857	189,691	315,433	259,318
-	41,030	5,141	6,902	22,153	21,284	15,520
-	-	23,863	-	100,000	-	-
<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>	<u>8,617,191</u>
20,747	256,624	798,138	72,181	187,117	934,723	1,039,149
9,127	21,582	21,652	57,597	128,543	191,929	126,772
-	-	(23,863)	-	-	-	-
-	3,111	-	-	20	18	-
<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>1,165,921</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>	<u>\$ 9,783,112</u>
\$ 918,183	\$ (47,689)	\$ 1,608,227	\$ (1,723,332)	\$ 1,162,069	\$ 1,380,397	\$ 1,889,381
<u>594,448</u>	<u>1,325,791</u>	<u>1,867,222</u>	<u>735,017</u>	<u>1,114,193</u>	<u>2,115,566</u>	<u>1,955,887</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>	<u>\$ 3,845,268</u>

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

	2011	2012	2013	2014
General Fund				
Nonspendable	\$ 11,456	\$ 11,170	\$ 12,778	\$ 15,212
Restricted	-	-	-	1,000,000
Committed	-	3,300,000	3,300,000	-
Assigned	4,780,203	1,172,463	964,307	4,110,530
Unassigned	<u>5,407,467</u>	<u>3,864,418</u>	<u>4,109,878</u>	<u>4,536,305</u>
Total General Fund	<u>10,199,126</u>	<u>8,348,051</u>	<u>8,386,963</u>	<u>9,662,047</u>
All Other Governmental Funds				
Reserved	-	-	-	-
Unreserved, reported in:				
Special revenue funds	-	-	-	-
Restricted	11,121	12,680	15,476	19,931
Assigned	70,596	58,545	53,245	50,767
Unassigned	<u>-</u>	<u>(1,376,767)</u>	<u>(103,353)</u>	<u>(51,674)</u>
Total All Other Governmental Funds	<u>81,717</u>	<u>(1,305,542)</u>	<u>(34,632)</u>	<u>19,024</u>
Total Governmental Funds	<u>\$ 10,280,843</u>	<u>\$ 7,042,509</u>	<u>\$ 8,352,331</u>	<u>\$ 9,681,071</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.

2015	2016	2017	2018	2019	2020
\$ 12,873	\$ 10,980	\$ 13,914	\$ 8,261	\$ 4,229	\$ 3,038
-	666,166	1,075,481	1,562,930	1,631,250	2,011,099
-	-	-	-	-	3,300,000
5,147,691	4,277,074	4,075,990	3,787,079	3,740,320	1,141,041
<u>3,923,144</u>	<u>5,768,132</u>	<u>6,794,650</u>	<u>8,044,051</u>	<u>9,915,410</u>	<u>10,612,333</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>	<u>17,067,511</u>
19,750	18,989	349,709	614,270	788,085	957,200
175,812	204,038	-	-	-	-
<u>(51,888)</u>	<u>(68,113)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(658,502)</u>
<u>143,674</u>	<u>154,914</u>	<u>349,709</u>	<u>614,270</u>	<u>788,085</u>	<u>298,698</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>	<u>\$ 17,366,209</u>

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

	2011	2012	2013
Revenues			
Taxes	\$ 4,516,833	\$ 2,181,084	\$ 2,105,853
Franchise fees and utility taxes	-	1,623,757	1,743,034
Other taxes	-	204,668	220,893
Licenses and permits	421,992	360,147	333,681
Intergovernmental	2,009,385	1,621,999	1,622,354
Charges for services	1,419,612	1,269,441	1,144,293
Fines and forfeitures	195,210	139,373	140,741
Investment income	40,045	39,045	15,731
Grant revenue	-	311,442	1,352,161
Interlocal agreements	-	548,056	574,015
Special assessments	-	-	-
Miscellaneous	131,573	619,571	601,851
Total Revenues	<u>8,734,650</u>	<u>8,918,583</u>	<u>9,854,607</u>
Expenditures			
Current:			
General government	752,596	754,111	866,813
Public safety	4,465,650	5,512,951	4,243,764
Physical environment	2,145,228	1,968,766	1,678,172
Transportation	-	165,070	681,965
Culture and recreation	166,932	183,873	170,052
Capital outlay	1,413,107	3,165,612	474,485
Debt service:			
Principal	334,793	348,138	362,017
Interest and fiscal charges	94,743	81,396	67,517
Total Expenditures	<u>9,373,049</u>	<u>12,179,917</u>	<u>8,544,785</u>
Excess (Deficiency) of Revenues			
Over Expenditures	<u>(638,399)</u>	<u>(3,261,334)</u>	<u>1,309,822</u>
Other Financing Sources (Uses)			
Transfers in	65,371	23,000	-
Transfers out	(65,371)	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>23,000</u>	<u>-</u>
Net Change in Fund Balances	<u>\$ (638,399)</u>	<u>\$ (3,238,334)</u>	<u>\$ 1,309,822</u>
Debt Service as a Percentage			
of Non-Capital Expenditures	5.40%	4.77%	5.32%

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

2014	2015	2016	2017	2018	2019	2020
2,153,180	2,266,736	2,522,731	2,786,215	3,221,378	3,522,230	3,852,837
2,258,115	2,292,471	2,335,932	2,420,646	2,441,511	2,541,593	2,548,504
224,940	226,005	241,996	239,559	280,457	271,152	271,050
408,110	410,943	884,795	621,550	708,433	901,786	888,999
1,654,427	1,757,307	1,744,197	2,273,694	2,540,066	2,620,553	2,565,710
1,056,320	475,435	463,570	557,643	589,013	615,284	481,060
249,517	455,675	281,247	288,441	264,439	318,702	300,662
13,521	23,503	29,292	75,309	165,096	266,039	187,778
312,616	92,804	1,132,457	754,027	473,784	328,122	296,358
696,606	712,352	750,678	764,878	791,044	830,869	840,917
-	681,409	681,712	694,935	711,788	1,050,094	1,115,956
1,659,211	1,167,007	1,128,625	399,786	397,194	569,366	463,284
<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>	<u>13,813,115</u>
1,391,794	729,286	819,152	934,999	915,874	967,372	1,005,291
4,491,973	4,950,124	5,219,001	5,302,133	5,974,086	6,719,385	6,743,212
1,250,285	2,122,784	2,188,156	2,204,535	2,749,796	2,764,041	3,013,138
1,023,958	-	-	-	-	-	-
208,020	179,167	197,626	358,960	411,693	563,657	554,231
562,257	2,604,441	1,778,909	1,336,000	827,027	758,632	1,210,328
376,450	391,457	345,891	297,552	98,109	-	-
53,086	38,077	22,476	10,026	771	-	-
<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>12,526,200</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>	<u>1,286,915</u>
-	-	41,024	109,735	104,069	-	246,642
-	-	(17,161)	(109,735)	(4,069)	-	(246,642)
-	-	23,863	-	100,000	-	-
<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>	<u>\$ 1,286,915</u>
4.88%	5.11%	4.19%	3.38%	0.97%	0.00%	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		
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	996,744,038	39,721,673	1,036,465,711	3.5000
2020	2019	1,094,972,214	44,078,805	1,139,051,019	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)
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
2020	2019	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.	
0.7513	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
0.6497	0.7261	0.2795	0.0320	20.6674

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

Taxpayer	2020			2011		
	Net Assessed Value	Rank	Percentage of Total Assessed Value	Net Assessed Value	Rank	Percentage of Total Assessed Value
Palm Beach FL Senior Property LLC (Carlisle)	\$ 53,872,548	1	4.73%	\$26,787,241	1	3.72%
TRG Seaside LP	\$ 49,321,349	2	4.33%			
BT Lantana, LLC (Ramco Lantana LLC)	\$ 16,896,916	3	1.48%	\$13,397,130	2	1.86%
Lantana I Owner LLC	\$ 18,844,449	4	1.65%			
Florida Power & Light Co	\$ 17,897,854	5	1.57%			
Lantana SDC LLC (Equity One (Lantana) Inc)	\$ 13,468,235	6	1.18%	\$11,656,323	3	1.62%
Costco Wholesale Corp.	\$ 13,155,914	7	1.15%	\$ 9,018,278	4	1.25%
Lantana II Owner LLC	\$ 12,180,000	8	1.07%			
Lantana SMI LLC (GMC of Lantana Ltd.)	\$ 10,968,224	9	0.96%	\$ 5,664,073	7	0.79%
Lantana Development LLC	\$ 10,717,629	10	0.94%			
Lan Hill Corp.				\$ 6,781,456	5	0.94%
Hypoluxo I LP				\$ 6,302,852	6	0.87%
Lantana Storage Partners LTD				\$ 5,274,526	8	0.73%
Village at Ocean Walk LLC				\$ 5,073,152	9	0.70%
Federico Barbara S				\$ 4,943,305	10	0.69%
	<u>\$217,323,118</u>		<u>19.08%</u>	<u>\$94,898,336</u>		<u>13.16%</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
2011	2,335,862	2,239,992	95.90%	9,303	2,249,296	96.29%
2012	2,246,721	2,172,980	96.72%	15,146	2,188,125	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%	(609.90)	2,264,481	96.38%
2016	2,594,414	2,505,935	96.59%	8,149.26	2,514,085	96.90%
2017	2,882,723	2,782,116	96.51%	(611.79)	2,781,504	96.49%
2018	3,329,796	3,216,323	96.59%	1,528.22	3,217,852	96.64%
2019	3,627,630	3,516,847	96.95%	45.03	3,516,892	96.95%
2020	3,986,679	3,849,968	96.57%	-	3,849,968	96.57%

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

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

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

Fiscal Year Ended September 30,	Governmental Activities		Business-Type Activities	Total	Percent of	
	Revenue Bonds	Notes	Revenue Bonds	Primary Government	Personal Income (1)	Per Capita (1)
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	3.12%	223
2018	--	--	1,489,088	1,489,088	1.83%	131
2019	--	--	1,016,560	1,016,560	N/A	89
2020	--	--	536,321	536,321	N/A	44

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, 2020

Government Unit	Net Debt Outstanding (1)	Percentage Applicable to Town of Lantana (2)	Amount Applicable to the Town of Lantana
Palm Beach County	\$ 44,740,000	0.54%	\$ 242,504
Palm Beach County School District	<u>6,498,000</u>	0.54%	<u>35,221</u>
Subtotal, Overlapping Debt	51,238,000		277,725
Town of Lantana Direct Debt	-	100.00%	<u>-</u>
Total direct and overlapping debt	<u>\$ 51,238,000</u>		<u>\$ 277,725</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 2019 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	
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
2020	1,516,153	270,876	1,787,029	--	--	--	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 Ended September 30	Gross Revenue (1)	Operating Expenses (2)	Revenue Available for Debt Coverage	Total Debt Service	Current Coverage
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
2020	7,467,180	4,510,494	2,956,686	494,348	5.98

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)
2011	10,423	53,871	1,222	10.2%
2012	10,536	55,628	2,126	8.5%
2013	10,583	57,985	2,095	7.1%
2014	10,681	66,914	3,028	5.8%
2015	10,705	68,743	2,469	5.3%
2016	10,737	70,241	2,585	5.0%
2017	10,797	77,041	2,389	4.2%
2018	11,397	81,445	2,389	3.6%
2019	11,419	83,268	2,468	3.2%
2020	12,081	N/A	2,522	6.6%

Sources:

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

(2) US DOC Bureau of Economic Analysis (BEA)

(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	2020			2011		
	Employees	Rank	Percentage of Total County Employment	Palm Beach Employees	Rank	Percentage of Total County Employment
Palm Beach County School District	22,049	1	3.15%	21,495	1	3.66%
Tenet Coastal Div. Palm Beach County	6,505	2	0.93%	6,100	3	1.04%
Palm Beach County BOCC	5,438	3	0.78%	11,381	2	1.94%
Florida Power & Light (NextEra Energy)	4,807	4	0.69%	3,632	4	0.62%
Florida Atlantic University	2,898	5	0.41%	2,706	8	0.46%
HCA Healthcare	2,806 *	6	0.40%	2,714	7	0.46%
Boca Raton Regional Hospital	2,800 *	7	0.40%			
Veterans Health Administration	2,700 *	8	0.39%			
The Breakers	2,300	9	0.33%			
Bethesda Memorial Hospital	2,282 *	10	0.33%	2,391	9	0.41%
Intercoastal Health System				3,100	5	0.53%
G4S				3,000	6	0.51%
Office Depot				2,250	10	0.38%
	<u>54,585</u>		<u>7.79%</u>	<u>58,769</u>		<u>10.01%</u>

(1) Source: Business Development Board of Palm Beach County. Data is for Palm Beach County, Florida. Updated by the employers January 2020. Employment information for the Town is not available.

* Updated figures were not available at the date of publication.

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

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Number of Employees:										
General Government										
Administration	3.0	3.0	3.0	3.0	3.0	3.5	3.5	3.5	3.5	3.5
Finance	9.0	9.0	9.0	9.0	9.0	9.0	9.0	10.0	10.0	10.6
Public Safety										
Police Personnel and Officers	35.0	35.0	35.0	35.3	36.0	37.5	38.1	41.1	42.1	41.1
Marine Safety	5.0	5.0	4.0	4.2	4.2	4.3	4.1	4.1	4.1	4.1
Development Services	7.0	7.0	6.0	7.0	7.0	7.0	7.0	7.0	8.0	8.0
Culture and Recreation										
Library	2.0	2.0	2.0	1.7	1.7	1.7	1.7	2.4	2.2	2.2
Physical Environment										
Management	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
Sanitation	10.0	10.0	3.0	-	-	-	-	-	-	-
Water/Sewer	9.0	9.0	8.0	10.2	10.5	10.5	10.5	10.5	10.5	10.5
Vehicle Maintenance	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Public Works	<u>9.0</u>	<u>9.0</u>	<u>9.0</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>	<u>12.5</u>
Total Number of Employees	<u>94.0</u>	<u>94.0</u>	<u>84.0</u>	<u>86.2</u>	<u>87.0</u>	<u>89.5</u>	<u>91.0</u>	<u>95.1</u>	<u>97.9</u>	<u>97.5</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	2011	2012	2013	2014
General Government:				
Town Clerk				
Council agendas prepared	32	29	27	25
Ordinances passed by Council	6	14	16	12
Resolutions passed by Council	13	14	16	13
Records destroyed cubic feet	70.5	58	135.7	114.86
Public record requests	90	97	124	153
Employee service awards	17	12	22	8
Finance				
Accounts payable checks issued	2,199	2,209	2,218	2,215
New fixed asset items tagged	81	63	63	48
Trailer decals processed	276	195	115	175
Beach decals processed	666	687	422	665
Information Systems				
Installation of new software	75	27	38	36
Installation of new hardware	20	18	58	53
Upgrades to current software	150	197	73	88
Public Safety				
Police				
Police personnel and officers	35	35	35	35
Survey letters sent/returned	250/10	--	--	--
CARE visits	79	74	72	114
House checks	49	21	91	124
Selective Traffic Enforcement Programs (STEP)	325	232	762	500
Traffic enforcement operations	12	12	12	12
Development Services				
Building permits issued	495	650	547	651
Code citations cases opened	1,600	265	1,695	1443
Business tax receipts issued	1,239	1,250	1,306	1314
Marine Safety				
Beach attendance	220,470	182,335	159,415	211,895
Ocean rescues	34	11	13	5
Ocean assists	-	-	-	-
Culture and Recreation				
Parks and Recreation				
Youth soccer registrants	-	-	-	-
Youth baseball registrants	-	-	-	-
Library				
New borrowers' cards issued	633	505	641	525
Books borrowed	16,166	13,748	13,278	17,106
Hours of public internet use	11,691	10,154	10,895	11,647
Users	15,078	13,437	12,528	14,185
Attendance at Library programs	120	217	225	172
Programs	5	97	83	67
Physical Environment				
Department of Public Works				
Vehicles maintained	80	79	78	78
Pieces of equipment maintained	95	95	127	128
Sidewalks repaired/replaced	411 sq. ft.	5,732 sq. ft.	15,265 sq. ft.	6,103 sq. ft.
Solid waste and recycled material collected	5,900 tons	6,200 tons	4,093 tons	0 tons
Treated, pumped and dispensed water	566.9 million gallons	442.7 million gallons	671.5 million gallons	736.5 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.

2015	2016	2017	2018	2019	2020
25	25	26	24	25	27
10	11	13	8	24	21
8	17	12	12	9	14
145.5	132.5	207	316	44	173
162	183	228	362	476	150
12	13	6	9	10	10
2,263	2,208	2,253	2,219	2,206	1,951
52	45	67	100	62	53
177	197	183	161	177	175
700	892	829	780	816	803
35	25	32	85	64	95
49	43	64	28	34	70
90	85	143	190	172	175
36	37.5	38	41.1	42.1	41.1
--	--	--	--	--	--
218	43	108	135	135	4
37	536	2,514	2,097	2,108	911
390	1031	950	943	965	575
12	5	5	5	3	3
657	668	662	869	872	880
1,406	1727	1,993	2,907	2,401	1,654
1,314	1317	1,351	1,358	1,387	1,293
170,155	157,265	127,571	144,619	119,918	137,722
17	4	15	2	1	5
-	-	-	224	167	151
-	-	164	244	143	187
-	-	71	96	100	102
426	362	379	333	302	311
15,944	17,564	11,941	13,297	14,568	9,097
2,976	2,687	2,252	3,252	1,684	2,002
3,364	2,993	2,479	2,342	2,068	2,499
175	125	172	113	68	182
49	20	23	7	6	11
56	57	59	57	66	63
129	129	118	118	63	91
9,782 sq. ft.	18,090 sq. ft.	5,398 sq. ft.	800 sq. ft.	500 sq. ft.	180 sq. ft.
0 tons	0 tons	0 tons	0 tons	0 tons	0 tons
686.3 million gallons	674.9 million gallons	776.7 million gallons	671 million gallons	686 million gallons	699.6 million gallons

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

Function/Program	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General Government										
Number of general government buildings	5	5	5	5	5	5	7	7	7	7
Public Safety										
Police	2	2	2	2	2	2	1	1	1	1
Marine Safety	1	1	1	1	1	1	1	1	1	1
Physical Environment										
Transportation:										
Sidewalks repaired/replaced (sq. ft.)	411	5,732	15,265	6,103	9,782	18,090	5,398	800	500	180
Streets (miles)	30	30	68	68	68	68	68	68	68	68
Culture and recreation:										
Public Ground (acres)	31	33	33	33	33	33	33	33	33	33
Parks	6	6	6	6	6	8	8	9	9	9
Soccer fields	1	1	1	1	0	2	2	2	2	2
Baseball/softball fields	6	6	6	6	0	3	3	3	3	3
Tennis courts	4	4	2	2	4	4	4	4	4	4
Playgrounds	4	4	4	4	4	5	5	5	5	6
Basketball courts	2	2	3	3	1	1	0	3	3	3
Public Works/Utilities:										
Vehicles maintained	80	79	78	78	56	57	59	57	66	63
Equipment maintained	95	95	127	128	129	129	118	118	63	91
Lift stations maintained	18	18	18	18	18	18	18	18	18	18
Fire Hydrants	345	345	345	345	345	345	345	345	345	347

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 12,081 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 10-year interlocal agreement that expires on December 31, 2027.

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, restrooms, 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 restrooms. 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) with one of the lighted courts painted with pickleball lines, a picnic area with four picnic benches, a 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: For the majority of the year, one Marine Safety Officer was an Auxiliary Police Officer. All members of this department are Ocean Lifeguard EMT’s, or working towards becoming an EMT, that provide ocean lifeguard duties at the Town’s Municipal Beach.

Building Activity: The Town of Lantana is approximately 99% developed. During the fiscal year 2020, the Building Department issued 880 permits with fees of approximately \$833,375 for total construction of \$45.5 million. In addition, the Department issued 82 new business tax receipts and 1,293 business tax receipt renewals for total revenue of \$271,050.

Water and Wastewater System: As of September 30, 2020, the Town provided water service to over 3,435 customers. For the 2020 fiscal year, the number of gallons of finished water that passed through the master meter was 699.6 million.

**TOWN OF LANTANA, FLORIDA
SCHEDULE OF INSURANCE IN FORCE
SEPTEMBER 30, 2020**

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	\$ 500,000,000
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, 2020, 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 5, 2021. 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.

A handwritten signature in blue ink, appearing to read "B. H. & Associates".

March 5, 2021



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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, 2020. 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, 2020.

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 5, 2021



Grau & Associates

CERTIFIED PUBLIC ACCOUNTANTS

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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, 2020, and have issued our report thereon dated March 5, 2021. 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 5, 2021, should be considered in conjunction with this management letter.

Purpose of this Letter

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

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

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

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

Grau & Associates

March 5, 2021

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, 2019.

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, 2020.

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, 2020.

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, 2020. 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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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

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

Report on Compliance for Each Major Federal Program

We have audited the Town of Lantana, Florida's (the "Town") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on the Town's major federal programs for the year ended September 30, 2020. The Town's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Town's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance 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 the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Town's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the Town's compliance.

Opinion on Each Major Federal Program

In our opinion, the Town, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended September 30, 2020.

Report on Internal Control over Compliance

Management of the Town is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Town's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Town's internal control over compliance.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.



March 5, 2021

**TOWN OF LANTANA, FLORIDA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2020**

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Federal Expenditures
U.S. Department of Housing and Urban Development Passed through Palm Beach County, Florida: Community Development Block Grants (CDBG)	14.218	\$ 95,007
National Endowment for the Humanities Passed through the State of Florida Humanities Council Promotion of the Humanities Federal/State Partnership	45.129	\$ 1,976
U.S. Department of Homeland Security Passed through the State of Florida Florida Division of Emergency Management Disaster Grants - Public Assistance	97.036	828
Hazard Mitigation Grant	97.039	710,466
Total Expenditures of Federal Awards		<u>\$ 808,277</u>

See Notes to Schedule of Expenditures of Federal Awards

TOWN OF LANTANA, FLORIDA
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2020

NOTE 1 – BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the Town of Lantana, Florida and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)*. Since the schedule presents only a selected portion of the operations of the Town, it is not intended to and does not present the financial position, changes in net position, or cash flows of the Town.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)* wherein certain types of expenditures are not allowable or are limited as to reimbursement. Additionally, it should be noted the Town did not elect to use the 10 percent *de minimis* indirect cost rate.

TOWN OF LANTANA, FLORIDA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS – FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2020

SUMMARY OF AUDIT RESULTS

1. The auditor's report expresses an unmodified opinion on the financial statements of the Town.
2. No significant deficiencies or material weaknesses relating to the audit of the financial statements are reported in the 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*.
3. No instances of noncompliance material to the financial statements of the Town were disclosed during the audit.
4. No significant deficiencies or material weaknesses relating to the audit of the major federal award programs are reported in the independent auditor's report on compliance for each major program and on internal control over compliance required by the Uniform Guidance.
5. The independent auditor's report on compliance for each major federal awards program of the Town expresses an unmodified opinion.
6. There were no audit findings relative to the major federal awards tested for the Town
7. The programs tested as major programs include:

Federal Award Program	CFDA#
Hazard Mitigation Grant	97.039

8. The dollar threshold used to distinguish between Type A and Type B programs was \$750,000.
9. The Town did not qualify to be a low-risk auditee pursuant to the Uniform Guidance for the fiscal year ended September 30, 2020.

FINDINGS - FINANCIAL STATEMENTS AUDIT

None

FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL PROGRAMS

None

OTHER ISSUES

No summary schedule of prior audit findings is required because there were no prior audit findings related to Federal awards programs.

No corrective action plan is required because there were no findings required to be reported under the Federal Single Audit Act.





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