

SPECIAL MEETING OF THE LADY LAKE TOWN COMMISSION

DATE: Monday, April 6, 2015
TIME: 5:30 p.m.
PLACE: 409 Fennell Blvd.
Town Hall Commission Chambers

ALL INTERESTED PERSONS ARE CORDIALLY INVITED TO ATTEND THIS PUBLIC MEETING

AGENDA

1. Call to Order: Mayor Kussard
2. Roll Call
3. Presentation and Acceptance of the Audit Report for Fiscal Year Ending September 30, 2014 (Chet Ross, Shumacker, Johnston & Ross)
4. Presentation of the Certificate of Achievement for Excellence in Financial Reporting for the Fiscal Year Ending September 30, 2013 (Mayor Kussard)

This public hearing is being conducted in a handicapped accessible location. Any handicapped person requiring an interpreter for the hearing impaired or the visually impaired should contact the Clerk's Office at least five (5) calendar days prior to the meeting and an interpreter will be provided. To access a Telecommunication Device for Deaf Persons (TDD), please call (352) 751-1565. Any handicapped person requiring special accommodation at this meeting should contact the Clerk's Office at least five (5) calendar days prior to the meeting.

Advice to the Public: If a person decides to appeal a decision made with respect to any matter considered at the above meeting or hearing, he may need a verbatim record of the proceedings including the testimony and evidence which record is not proved by the Town of Lady Lake. (F.S. 286-0105)

Please be advised that one or more members of any other Town Board or Committee may be in attendance of this meeting.

TOWN OF LADY LAKE, FLORIDA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FISCAL YEAR ENDED SEPTEMBER 30, 2014

Prepared by:
Jeannine Michaud
Finance Director

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**TOWN OF LADY LAKE, FLORIDA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED SEPTEMBER 30, 2014**

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March 23, 2015

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

Ladies and Gentlemen:

The Comprehensive Annual Financial Report (CAFR) of the Town of Lady Lake, Florida, (hereinafter referred to as "the Town"), for the fiscal year ended September 30, 2014, is submitted herewith pursuant to Article III, Section 3.01 (f) of the Town Charter; *Florida Statutes* Chapters 11.45 and 218, and Rules of the Auditor General of the State of Florida, 10.550. State law requires an annual "financial audit" of "local governmental entities" be completed no later than nine months after the end of the fiscal year. The CAFR is published to provide the Town Commission, Town staff, our citizens, our lenders and other interested parties with detailed information concerning the financial condition and activities of the Town.

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

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

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

The Town's financial statements have been audited in accordance with generally accepted auditing standards by Shumacker, Johnston & Ross, PA, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the Town for the fiscal year ended September 30, 2014, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting

Honorable Mayor, Commissioners,
and Citizens of the Town of
Lady Lake, Florida
March 23, 2015

principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditors concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the Town's financial statements for the fiscal year ended September 30, 2014, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

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

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

THE REPORTING ENTITY AND ITS ORGANIZATION

The Town of Lady Lake is located in north Lake County, Florida, approximately fifty miles northwest of Orlando on U.S. Highway 27/441. It currently occupies 9.21 square miles and serves a population of 14,148. The Town was incorporated in 1925 and has operated under a Commission/Manager form of government since 1987. The Town Commission consists of five elected officials who are elected from their respective wards on a non-partisan basis and are responsible for enacting ordinances and resolutions which govern the Town. The five commissioners are elected to staggered two year terms. The commissioners from the even-numbered wards are elected in the even-numbered years and the commissioners from the odd-numbered wards are elected in the odd-numbered years. Each year the Commission elects one of its members to serve as Mayor. The Mayor presides over commission meetings and public ceremonies. The Commission appoints the Town Manager and the Town Attorney. As chief executive officer, the Town Manager is charged with the enforcement of all ordinances and resolutions passed by the Commission and appointment of heads of the various departments.

The Town of Lady Lake is a political subdivision of the State of Florida. As such, it is governed by and derives its operating authority from the constitution and laws of the State of Florida. The Town of Lady Lake is empowered to levy a property tax on both real and personal property (millage rate) located within its boundaries. The FY2014 property tax millage rate of \$3.2808 per \$1,000 of taxable value was the second lowest municipal levy of the fourteen municipalities located within Lake County. It also is empowered by state statute to extend its corporate limits by annexation, which occurs periodically when deemed appropriate by the Town Commission.

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

Honorable Mayor, Commissioners,
and Citizens of the Town of
Lady Lake, Florida
March 23, 2015

of highways, streets, and infrastructure; recreational activities and cultural events; building inspections; code enforcement; growth management and administrative services. In addition to general government services, the Town also provides utility services including water, sewer, reuse and garbage services. The Town Commission has financial accountability and oversight of the Police Officers' and General Employees' Retirement Systems; therefore, these activities are included in this entity's report. There are no component units included within the financial statements, and there are no legally separate entities that could be included as component units of the Town.

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

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

FACTORS AFFECTING ECONOMIC CONDITION

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

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

While the Lake, Sumter and Marion County area is still attractive to retirees from all over the world, the decline in real estate values have curtailed mobility and slowed the influx of retirees to the area. This is reflected in the flattening of the population growth of The Town. The real estate and construction industries in particular, have been hard hit by the economic downturn.

During the fiscal year, commercial construction of significance are McDonald's Restaurant, a fast food chain totaling 4,388 square feet located on N Hwy 27/441, Lindsey Lane Golf Maintenance Facility totaling 5,250 square feet located on Lindsey Lane, and Church of St

Honorable Mayor, Commissioners,
and Citizens of the Town of
Lady Lake, Florida
March 23, 2015

Alban's totaling 2,589 square feet located at W Lady Lake Blvd. Hacienda Country Club Pool Facility had an addition of 881 square feet. Orange Blossom Hills Country Club expanded 324 square feet and Duck Lake Road Warehouse expanded 720 square feet.

Retail and service industries continue to be in high demand. Eighty three new businesses opened during the year in retail, restaurants, fitness, professional offices, real estate, insurance and commercial public service. Some of the new restaurants, fitness, home repair, and retail openings include: McDonalds, Mattress Firm, Affordable Lock & Security Solutions, Car Guys Automotive, City Furniture, Sidewalk Café, Sports Heaven, Tactical Element Inc., Rolling Acres Self Storage, Carpet One Floor & Home, E-Pro Floors of Lake County, Face and Body Solution, Nature's Finest Produce & Market Place, Villages Transportation, Granny Nannies, Visiting Angel, Jasso Concrete Services, In Full Bloom by Harris Lo, Marchant's Air Duct Cleaning, Custom Designs by Michael Hamilton, Cleanline Lawn Service, VIP Hair Salon, Salon Paige, The Medicine Chest, and Refined Renovations. Rolling Acres Dentistry, Hillcrest Dermatology & Plastic Surgery, Central Florida Psychiatric Services, Mid Florida Medical Associates, Adult Counseling & Psychotherapy of Lake County, Being Healthy, Triton Medical Retail, Smirnoff Neurology, United Healthcare Services, and Lewis Chiropractic are some of the new Health Care businesses that opened during the year.

Lake County's September 2014 unemployment rate was 6.3%. This is down .6% for the same time period last year. This rate is higher than the state average of 6.1% and the United States average of 5.9% for the same period. Florida's unemployment rate has been steadily dropping.

Taxable values for real and personal property has decreased by 15.0% from fiscal year 2008, when the Town of Lady Lake's property value was at its peak. Amendment 1 was approved by the Florida electorate on January 29, 2008 and its impact contributed to the limited growth in taxable values. Taxable values for FY2014 rose 1.8% from FY2013. The Town Commission elected to keep the millage rate at \$3.2808 per \$1,000 of taxable value for FY2014.

Long-term financial planning. The General Fund's unassigned fund balance at September 30, 2014 is \$5,274,753. This balance represents 66% of the FY2015 General Fund budget (\$9,783,791) when the pass thru costs of the contracted fire services (-\$735,699) and the debt service on the library (-\$948,000 - funded from a transfer from the Sales Tax Revenue Fund) are removed.

Relevant financial policies. The one cent sales surtax revenue (Sales Tax Revenue Fund) is authorized through December 31, 2017. This revenue can only be used for projects eligible for funding as specified in the infrastructure sales surtax referendum. The Town will receive approximately \$1,191,000 of this revenue each year. In October 2004, the Town Commission approved borrowing \$6,000,000 and pledged this revenue for repayment of the debt through September 30, 2014. The proceeds of the loan were used to construct water and wastewater infrastructure improvements, which included a new wastewater treatment plant. The debt

Honorable Mayor, Commissioners,
and Citizens of the Town of
Lady Lake, Florida
March 23, 2015

service payments were made monthly and required the use of approximately \$730,000 of this revenue each year. In November 2009, the Town Commission approved borrowing \$3,400,000 and pledged the remainder of the one cent sales surtax revenues for repayment of the debt through March 1, 2018. The proceeds of the loan paid for the construction of the new Lady Lake Library which was completed in fiscal year 2011. The debt service payments are made monthly and required the use of \$204,000 of this revenue each year until October 2014 when the debt service increased to \$948,000 per year.

AWARDS AND ACKNOWLEDGEMENTS

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Town of Lady Lake for its Comprehensive Annual Financial Report for the fiscal year ended September 30, 2013. This was the nineteenth consecutive year that the Town of Lady Lake achieved this prestigious award.

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

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

The preparation of the comprehensive annual financial report on a timely basis is made possible by the efficient and dedicated service of the entire staff of the Finance Department. Special appreciation is expressed for the contributions made throughout the year by Pam Winegardner, Debbie Rodriguez, Kristal Learn, and Mary Ann Autorino.

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

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

Respectfully submitted,



Kristen Kollgaard
Town Manager



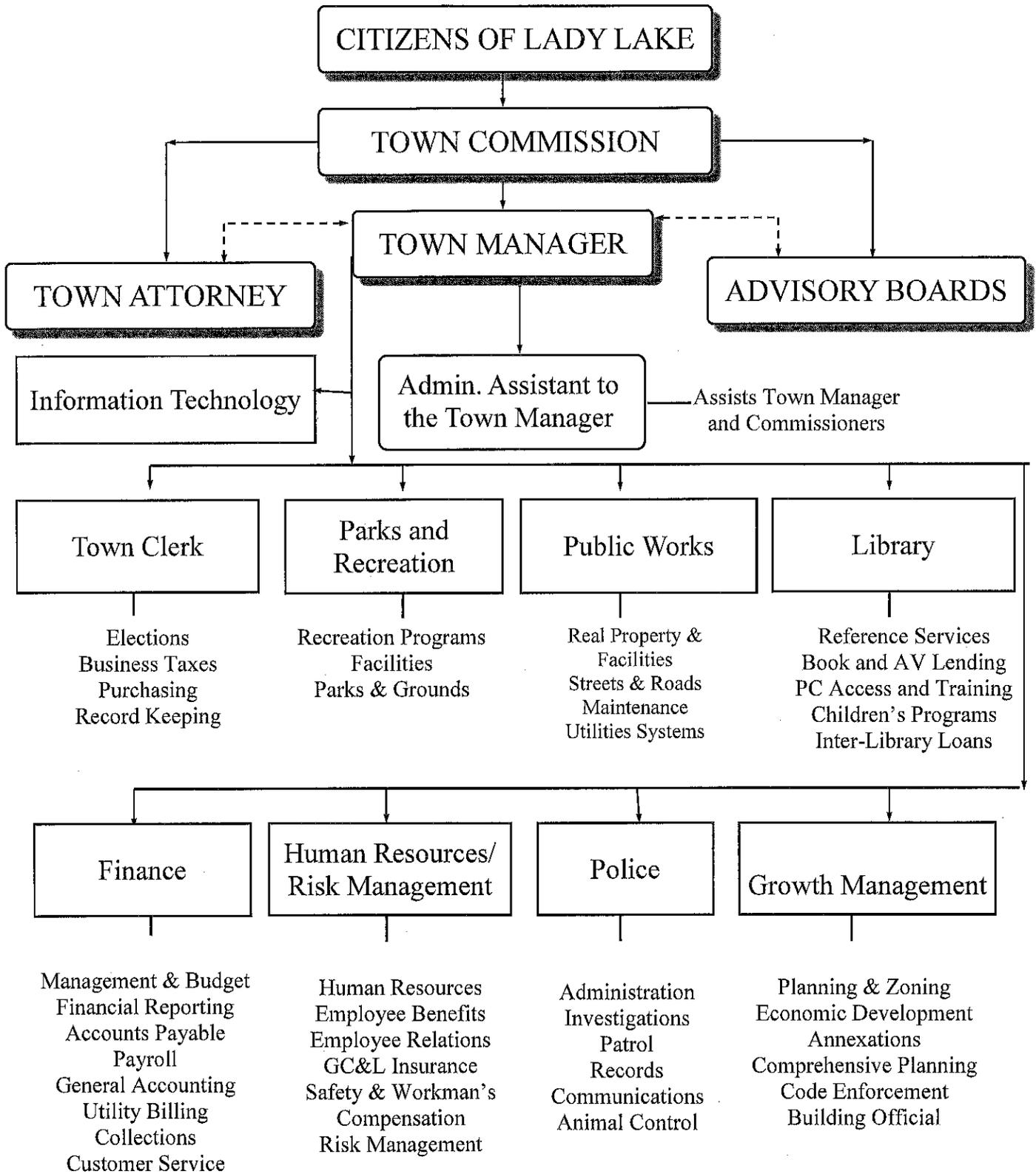
Jeannine Michaud
Finance Director

**TOWN OF LADY LAKE, FLORIDA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FISCAL YEAR ENDED SEPTEMBER 30, 2014**

**TOWN COMMISSION AND OFFICIALS
AT SEPTEMBER 30, 2014**

Mayor - Commissioner - Ward 1.....	Ruth Kussard
Commissioner - Ward 2.....	Anthony Holden
Commissioner - Ward 3.....	Dan Vincent
Commissioner - Ward 4.....	Paul F. Hannan
Commissioner - Ward 5.....	James A. Richards
Town Manager/Town Clerk.....	Kristen L. Kollgaard
Finance Director.....	Jeannine Michaud
Director of Human Resources.....	Tia O’Neal
Director of Growth Management.....	Thad M. Carroll
Director of Library and Information Services.....	Marsha Brinson
Parks and Recreation Director.....	Michael D. Burske
Police Chief.....	Chris McKinstry
Public Works Director.....	C. T. Eagle
Town Attorney.....	Derek A. Schroth
Town Auditors.....	Shumacker, Johnston & Ross, PA

TOWN OF LADY LAKE ORGANIZATIONAL CHART



Town of Lady Lake, Florida

Certificate of Achievement

For the year ended September 30, 2013

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Town of Lady Lake, Florida for its comprehensive annual financial report (CAFR) for the fiscal year ended September 30, 2013. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of a state and local government financial report.

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

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



Government Finance Officers Association

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

Presented to

**Town of Lady Lake
Florida**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

September 30, 2013

Executive Director/CEO

Shumacker, Johnston & Ross, PA

Certified Public Accountants

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

American Institute of
Certified Public Accountants

Florida Institute of
Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

March 19, 2015

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, and each major fund of the Town of Lady Lake, Florida as of and for the year ended September 30, 2014, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements, and the individual fund financial statements of the Town of Lady Lake, Florida as of and for the years ended September 30, 2014 and 2013, as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to in the first paragraph present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities and each major fund of the Town of Lady Lake, Florida as of September 30, 2014, and the respective changes in financial position and, where applicable, cash flows thereof, and the respective budgetary comparison for the General Fund and the Sales Tax Revenue Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Also, in our opinion, the individual fund financial statements as of September 30, 2014 and 2013, and for the years then ended, present fairly, in all material respects, the financial position of each of the individual funds of the Town of Lady Lake, Florida, as of September 30, 2014 and 2013, and the results of operations of such funds and the cash flows of individual proprietary funds for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Lady Lake, Florida's basic financial statements and on the individual fund financial statements. The financial information listed in the table of contents as Schedule of Budgetary Compliance, Capital Assets Used in the Operation of Governmental Activities, Schedule of Expenditures of Federal Awards and State Financial Assistance, and the Statistical Section are presented for the purpose of additional analysis and are not a required part of the basic financial statements. The Schedule of Expenditures of Federal Awards and State Financial Assistance is presented for the purpose of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*.

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 19, 2015 on our consideration of the Town of Lady Lake's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town of Lady Lake's internal control over financial reporting and compliance.



Shumacker, Johnston & Ross, PA

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**TOWN OF LADY LAKE, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2014**

As management of the Town of Lady Lake, Florida, we offer readers of the Town's financial statements this narrative overview and analysis of the financial activities of the Town for the fiscal year ended September 30, 2014. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages i - v of this report.

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

FINANCIAL HIGHLIGHTS

- The assets of the Town exceeded its liabilities at the close of the most recent fiscal year by \$44,108,351 (net position). Of this amount, \$7,833,466 (unrestricted net position) may be used to meet the Town's ongoing obligations to citizens and creditors in accordance with the Town's fund designation and fiscal policies.
- The Town's total net position increased by \$78,937 of which \$142,777 represents an increase in net position from business-type activities.
- As of the close of the current fiscal year, the Town's governmental funds reported combined ending fund balances of \$8,411,708 a decrease of \$460,819 in comparison with the prior year. Of this amount, \$5,274,753 or 63% is unassigned and available for use within the Town's fund designation and fiscal policies.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$5,274,753, a decrease of \$604,587 in comparison with the prior year. This represents 47% of total General Fund expenditures.
- The Town's total debt decreased by \$839,846 during the current fiscal year. The reduction was due to scheduled debt service payments on outstanding debt issue.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the Town's basic financial statements. The Town's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

TOWN OF LADY LAKE, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2014

Government-wide financial statements. The government-wide financial statements are designed to provide readers with a broad overview of the Town's finances, in a manner similar to a private-sector business.

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

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

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

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

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

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

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

**TOWN OF LADY LAKE, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2014**

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

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

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

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

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

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

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

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

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

**TOWN OF LADY LAKE, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
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Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 33 through 52 of this report.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the Town's progress in funding its obligation to provide pension benefits to its police officers. Required supplementary information can be found on page 53 and 54 of this report.

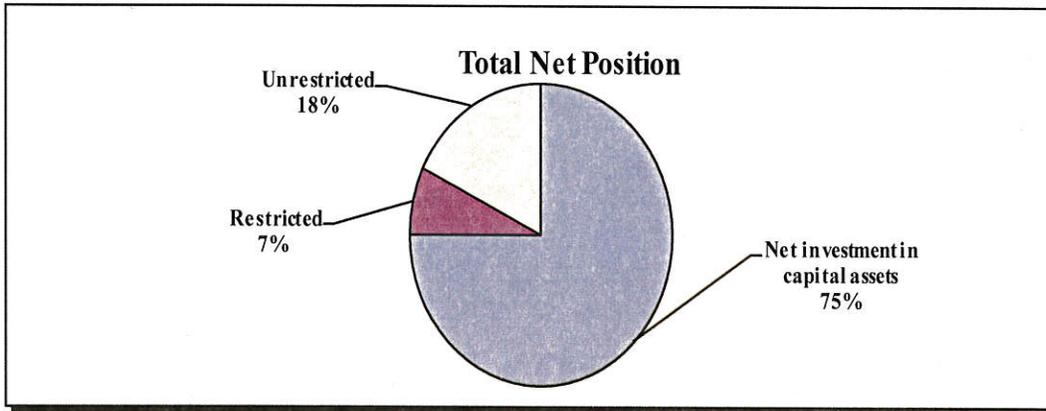
Comparative individual fund statements and schedules can be found on pages 58 through 80 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Statement of net position. As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the Town, assets exceeded liabilities by \$44,108,351 as of September 30, 2014. The following table reflects the condensed statement of net position for the current fiscal year as compared to the prior fiscal year.

TOWN OF LADY LAKE'S NET POSITION						
	Governmental activities		Business-type activities		Total	
	2014	2013	2014	2013	2014	2013
Current and other assets	\$ 9,633,558	\$ 9,669,320	\$ 4,267,850	\$ 4,051,802	\$ 13,901,408	\$ 13,721,122
Capital assets	14,943,585	13,864,345	21,246,272	22,033,122	36,189,857	35,897,467
Total Assets	24,577,143	23,533,665	25,514,122	26,084,924	50,091,265	49,618,589
Current and other liabilities	1,866,433	630,221	652,542	563,617	2,518,975	1,193,838
Long-term liabilities						
outstanding	3,437,540	3,523,029	26,399	797,146	3,463,939	4,320,175
Total Liabilities	5,303,973	4,153,250	678,941	1,360,763	5,982,914	5,514,013
Deferred Inflows		43,405		31,757	-	75,162
Net Position:						
Net investment in capital assets	11,831,421	10,682,438	21,246,272	21,260,019	33,077,693	31,942,457
Restricted	1,973,787	1,917,907	1,223,405	1,323,003	3,197,192	3,240,910
Unrestricted	5,467,962	6,736,665	2,365,504	2,109,382	7,833,466	8,846,047
Total Net Position	\$ 19,273,170	\$ 19,337,010	\$ 24,835,181	\$ 24,692,404	\$ 44,108,351	\$ 44,029,414

**TOWN OF LADY LAKE, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2014**



The largest portion of the Town's net position (\$33,077,693 or 75%) reflects its investment in capital assets (e.g., land, buildings, utility systems, improvements other than buildings, equipment, and infrastructure) less any related debt used to acquire those assets that is still outstanding. The Town uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Town's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the Town's net position (\$3,197,192 or 7%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position (\$7,833,466 or 18%) may be used to meet the town's ongoing obligations to citizens and creditors.

As of September 30, 2014, the Town is able to report positive balances in all three categories of net position, both for the government as a whole, as well as for its separate governmental and business-type activities. The same situation held true for the prior fiscal year.

There was an increase of \$55,880 in the restricted net position reported in connection with the Town's governmental activities. The major portion of this increase \$86,284 was due to the collection of additional Parks and Recreation impact fees and a decrease of (\$52,961) of expensed Library impact fees.

The business-type activities had an increase of \$142,777 or .6% in total net position compared to the prior year. The net investment in capital assets decreased by (\$13,747) or (.1) %. The decrease was largely due to depreciation (\$1,027,527) net of scheduled debt payments (\$773,103). The restricted net position decreased by (\$99,598) or (7.5) % largely due to expensed Sewer impact fees.

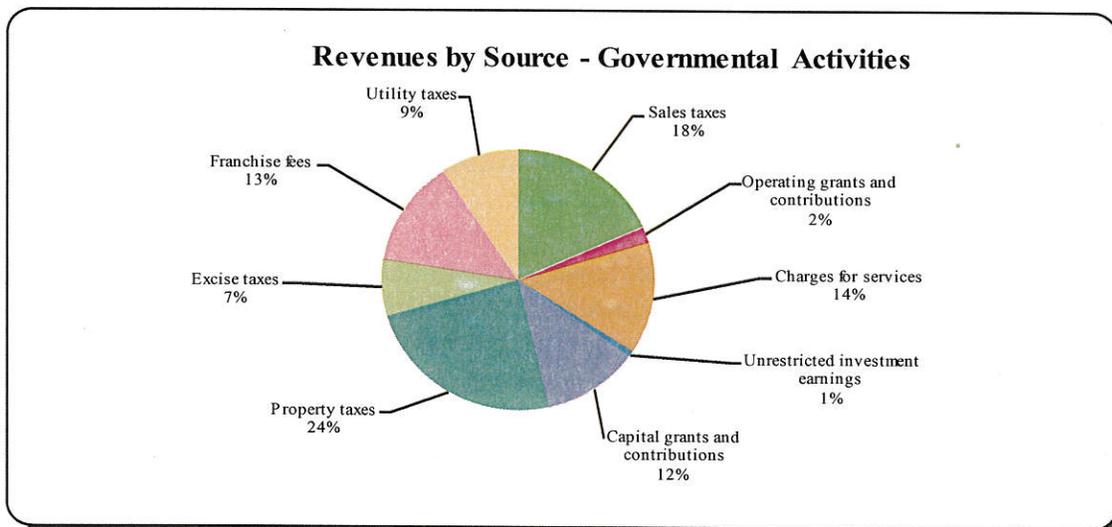
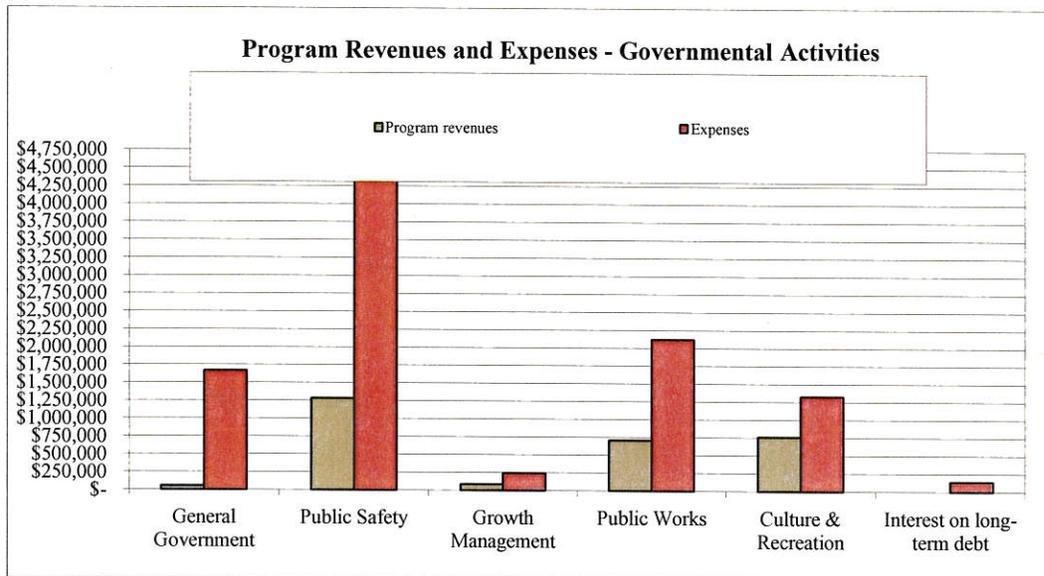
**TOWN OF LADY LAKE, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2014**

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

	Governmental Activities		Business-type Activities		Total	
	2014	2013	2014	2013	2014	2013
Revenues:						
Program revenues:						
Charges for services	\$ 1,469,950	\$ 1,354,704	\$ 2,245,805	\$ 2,157,884	\$ 3,715,755	\$ 3,512,588
Operating grants and contributions	210,371	180,793	-	-	210,371	180,793
Capital grants and contributions	1,207,037	55,155	161,466	520,624	1,368,503	575,779
General revenues:						
Property taxes	2,541,325	2,499,157	-	-	2,541,325	2,499,157
Sales taxes	1,924,431	1,801,238	-	-	1,924,431	1,801,238
Franchise fees	1,395,151	1,283,585	-	-	1,395,151	1,283,585
Utility taxes	978,520	2,361,744	-	-	978,520	2,361,744
Excise taxes	742,764	710,796	-	-	742,764	710,796
Unrestricted investment earnings	81,731	(41,207)	(4,604)	19,598	77,127	(21,609)
Gain on Sale Assets	10,400				10,400	
Total Revenues	10,561,680	10,205,965	2,402,667	2,698,106	12,964,347	12,904,071
Expenses:						
General Government	1,668,708	1,521,779	-	-	1,668,708	1,521,779
Public Safety	4,485,737	4,433,960	-	-	4,485,737	4,433,960
Growth Management	243,718	248,856	-	-	243,718	248,856
Public Works	2,118,038	1,809,065	-	-	2,118,038	1,809,065
Culture and Recreation	1,326,100	1,332,810	-	-	1,326,100	1,332,810
Interest on long-term det	137,017	139,871	-	-	137,017	139,871
Utility Services		-	2,906,092	2,854,268	2,906,092	2,854,268
Total Expenses	9,979,318	9,486,341	2,906,092	2,854,268	12,885,410	12,340,609
Change in net position before transfers	582,362	719,624	(503,425)	(156,162)	78,937	563,462
Transfers	(646,202)	(585,987)	646,202	585,987	-	-
Change in net position	(63,840)	133,637	142,777	429,825	78,937	563,462
Net Position - 10/1/2013	19,337,010	19,203,373	24,692,404	24,262,579	44,029,414	43,465,952
Net Position - 9/30/2014	\$ 19,273,170	\$ 19,337,010	\$ 24,835,181	\$ 24,692,404	\$ 44,108,351	\$ 44,029,414

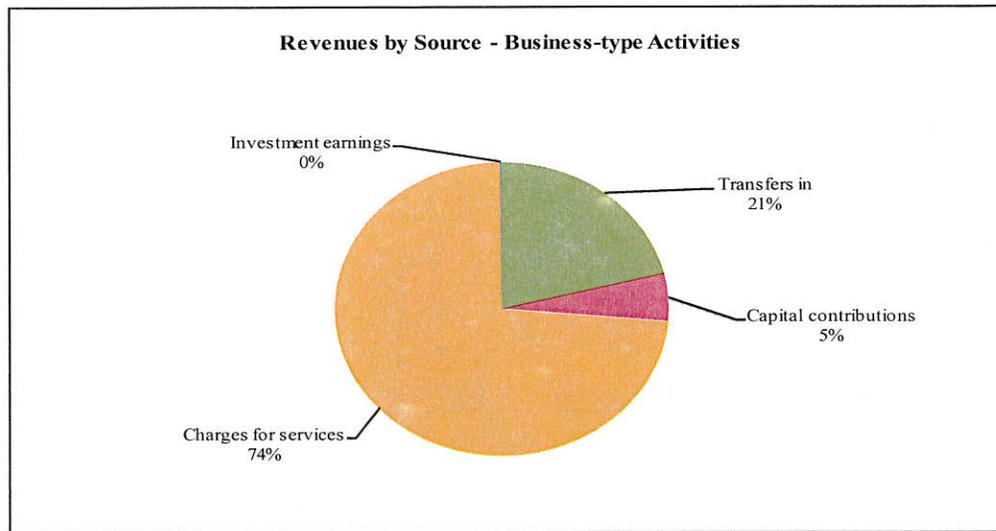
**TOWN OF LADY LAKE, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2014**

Governmental activities. Governmental activities decreased the Town's net position by (\$63,840). A portion of this \$109,006 was the collection of the one cent sales surtax revenue that was not spent and the remainder was a decrease in Communication Service Tax revenues collected over estimates and an increase of expenditures due to completion of a large paving project on Avenida Central.



**TOWN OF LADY LAKE, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2014**

Business-type activities. Business-type activities increased the Town's net position by \$142,777. The increase is due primarily to the increase in capital assets as a result of collection of water, sewer and reuse impact fees of \$161,466. The percentage breakdown of the business-type activities revenues can be seen below. The transfers in increased 4% (\$60,215) to pay off loan, investment earnings decreased 1%, charges for services increased by 8% compared to prior year. Capital contributions decreased 11% due to no developer contributions (\$482,669) and an increased collection of impact fees (\$123,511) this year.



FINANCIAL ANALYSIS OF THE TOWN'S FUNDS

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

As of the end of fiscal year 2014, the Town's governmental funds reported combined ending fund balances of \$8,411,708, a decrease of \$460,819 in comparison with the prior year. Approximately 63% of this total amount (\$5,274,753) constitutes the unassigned fund balance that is available for spending at the Town's discretion. The remainder of the fund balance is not available for new spending. The various constraints placed on these funds are as follows: Non-spendable \$44,981 for Prepaids and Real Property Held For Resale; Restricted \$1,973,787 for Education, Police Training & Equipment, Recreation and Library Capital Improvements and Building Inspections; Assigned \$11,386 for Tree Beautification. Restricted for Infrastructure in the Sales Tax Revenue Fund was \$1,106,801.

**TOWN OF LADY LAKE, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2014**

Additional information on these funds can be found in Note 9 on page 45 of this report.

The General Fund is the primary operating fund of the Town. As of the end of fiscal year 2014, the fund balance of the General Fund was \$7,304,907, of which \$2,030,154 was dedicated for purposes other than general spending. The total fund balance decreased by -\$569,825 of which -\$604,587 decreased the unassigned fund balance. This was a result of a decrease of Communication Service Tax revenues collected over estimates; and an increase of expenditures due to completion of a large paving project on Avenida Central. Otherwise non-spendable, restricted or assigned fund balance increased by \$34,762, largely due to \$86,284 collection of Parks and Recreation Impact Fees and a combined reduction of -\$25,365 for Prepaid Items and -\$38,438 of Library Impact Fees.

The Sales Tax Revenue Fund had a fund balance of \$1,106,801 at the end of the fiscal year, an increase of \$109,006 from the prior year. Of this amount, 100% is restricted for infrastructure improvements. The increase is the result of net of excess of revenue collected over debt services payments for the current year.

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

As of the end of fiscal year 2014, the Town's Utility Fund reported unrestricted net position of \$2,365,504, an increase of \$256,122 from the prior year. Factors concerning the finances of the Utility Fund have already been addressed in the discussion of the Town's business-type activities.

GENERAL FUND BUDGETARY HIGHLIGHTS

The Town made revisions to the original appropriations approved by the Town Commission. The General Fund changes resulted in an increase to the appropriations of approximately 23.8% or \$2,247,595. A majority of the increase is due to appropriating unrestricted funds for a paving project, capital purchases (replace or upgrade), and a land purchase totaling \$1,045,776 (11.1%); and establishing a budget for two federal grants budget totals \$1,255,800 (13.3%), received during the year. We had a budget reduction in our Communication Service Tax revenue of -\$221,191 (-2.2%). Other increases include sale of surplus, and other miscellaneous revenue for \$158,116 (1.5%). The Sales Tax Revenue Fund Budget was unchanged. The Utilities Fund also increased 13.4% or \$403,346, due to the appropriation of restricted funds and retained earnings for a capital purchase and update to Wastewater Master Plan.

CAPITAL ASSETS

The Town's investment in capital assets for its governmental and business-type activities as of September 30, 2014, amounts to \$36,189,857 (net of depreciation and amortization). This investment in capital assets includes land, buildings and utility systems,

**TOWN OF LADY LAKE, FLORIDA
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SEPTEMBER 30, 2014**

improvements other than buildings, equipment, infrastructure and construction in progress. The Town's investment in capital assets for the current fiscal year was \$2,136,798, which includes Town Capacity agreement with VCCDD. The Town's net capital assets increased \$292,390 from the prior year. The change is primarily due to capital investments exceeding depreciation expense.

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

Government Funds:

• 2014 Dodge Durango for Growth Management Dept.	\$31,733
• 4 Optiplex 7010 SFF Desktops for IT Dept.	\$5,250
• 3 Latitude Notebooks for Police Dept.	\$3,568
• Barracuda Server 490 and Software-Spam/Fire Prev.	\$10,894
• PowerEdge R720 Server for Town Hall	\$6,500
• Barracuda Message Arch 350 for Town Hall	\$6,994
• Barracuda Backup Server/Software for Town Hall	\$2,343
• 23 MS Office Software, SQLSvr, SQLCAL Various Depts	\$12,715
• Large UPS (Uninterrupted Power Supply) for Town Hall	\$28,918
• HVAC Replacement for Town Hall	\$26,032
• Fuel Management System for Motor Pool	\$7,967
• Abrasive Cabinet/Bead Blaster for Motor Pool	\$2,034
• (3) 2014 Dodge Chargers (Marked) for Police Dept.	\$112,359
• 2014 Ford F-250 for Animal Control	\$30,321
• 2014 Dodge Durango for Public Works Dept.	\$31,773
• Grasshopper Mower 930D 30HR Diesel for Fac. Maint. Dept.	\$16,111
• JD Gator for edging & weeding for Roads & Streets Dept.	\$18,673
• 2014 Jumping Jack Tamper for Roads & Streets Dept.	\$2,600
• Turbine Blower for Roads & Street Dept.	\$4,541
• 6/7.5/10 Ton (3) AC Units for Library	\$30,656
• Guava Field Fence	\$25,375
• 2014 Dodge Durango for Parks & Rec. Dept.	\$31,773

Business-type funds:

• 4 Optiplex 7010 SFF Desktops for Water Dept.	\$4,200
• PowerEdge R320 GIS Server for Water Dept.	\$2,978
• PowerEdge R720 Server for Water Dept.	\$6,500
• 2015 Ford F210 Truck for Water Dept.	\$30,652
• Containment Area Biosolid Dewatering Box for Sewer Dept.	\$58,436
• Scada Upgrade for Sewer Dept.	\$31,000
• By-Pass Pump with attached Trailer for Sewer Dept.	\$46,615

**TOWN OF LADY LAKE, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
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TOWN OF LADY LAKE'S CAPITAL ASSETS
(net of depreciation)

	Governmental activities		Business-type activities		Total	
	2014	2013	2014	2013	2014	2013
Land	\$ 2,071,389	\$ 1,902,707	\$ 509,453	\$ 509,453	\$ 2,580,842	\$ 2,412,160
Buildings	8,604,846	9,010,983	\$ 213,323	\$ 224,494	8,818,169	9,235,477
Utility systems			18,978,683	19,778,962	18,978,683	19,778,962
Improvements other than buildings	925,011	975,196			925,011	975,196
Furniture and equipment	1,010,746	754,096	431,751	357,186	1,442,497	1,111,282
Infrastructure	1,569,220	1,033,480		-	1,569,220	1,033,480
Construction in Progress	762,373	187,883		10,911	762,373	198,794
Total Capital Assets:	\$ 14,943,585	\$ 13,864,345	\$ 20,133,210	\$ 20,881,006	\$ 35,076,795	\$ 34,745,351

Additional information on the Town's capital assets can be found in Note 6 on pages 41-42 of this report.

LONG-TERM DEBT

At the end of fiscal year 2014, the Town had total long-term liability outstanding of \$3,463,939. Of this amount, \$3,112,164 is the balance of the Library expansion borrowing secured by the one cent sales surtax revenue. The utility debt was paid off. The balance of \$351,775 represents amounts due for compensated absences.

The Town's total debt decreased by \$839,846 for fiscal year 2014 due to normal principal debt service payments.

Additional information on the Town's long-term debt can be found in Note 8 on pages 43-44 of this report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

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

With respect to non-homestead property, Amendment 1 limits (caps) the annual increase in assessed value for non-homestead property (businesses, industrial property, rental

**TOWN OF LADY LAKE, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2014**

property, second homes, etc.) to ten percent (10%), except for school district taxes. The Amendment also provides a \$25,000 exemption for tangible personal property.

Amendment 1 became effective on January 1, 2008, (tax year 2008, fiscal year 2009) with the exception of the ten percent (10%) assessment cap on non-homestead property which became effective on January 1, 2009 (tax year 2009, fiscal year 2010).

The Town's net taxable value of commercial and residential property increased 1.8% in tax year 2014 as compared to tax year 2013. This increase in taxable value was due to 1.81% of increased taxable values due to an increase in market conditions and Amendment 1 provisions. This includes .16% of new construction taxable values. Despite this increase in taxable value which increased ad valorem tax revenue, the Town Commission set the millage rate at 3.7500 mills for fiscal year 2015 which was an increase of millage 3.2808 from fiscal year 2014 due to a loss in Communication Service Tax revenue in fiscal year 2014.

In November 2009, the Town borrowed \$3,400,000 for construction of a new Library. Construction was completed in April 2011. Repayment of the debt is coming from the one cent sales surtax revenue that is authorized through December 31, 2017.

Effective October 1, 2014, the water and reuse rates were increased by 1.6%, which was the increase in CPI-U from January 2013 to January 2014.

REQUESTS FOR INFORMATION

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

BASIC FINANCIAL STATEMENTS

TOWN OF LADY LAKE, FLORIDA
STATEMENT OF NET POSITION
SEPTEMBER 30, 2014

<u>ASSETS</u>	<u>GOVERNMENTAL ACTIVITIES</u>	<u>BUSINESS-TYPE ACTIVITIES</u>	<u>TOTAL</u>
Cash and Equivalents	\$ 3,323,283	\$ 2,152,120	\$ 5,475,403
Investments	4,932,777	-	4,932,777
Receivables (net of allowance for uncollectibles)	256,546	255,037	511,583
Due from Other Governments	944,283	-	944,283
Internal Balances	3,434	(3,434)	-
Assets Held for Resale	20,400	-	20,400
Inventory and Prepaid Items	24,581	67,052	91,633
Restricted Cash	-	1,797,075	1,797,075
Capital Assets (net of accumulated depreciation and amortization):			
Sewer Capacity Reservation Agreement	-	1,113,062	1,113,062
Land	2,071,389	509,453	2,580,842
Buildings	8,604,846	213,323	8,818,169
Improvements Other Than Buildings	925,011	-	925,011
Equipment	1,010,746	431,751	1,442,497
Infrastructure and Utility Systems	1,569,220	18,978,683	20,547,903
Construction in Progress	762,373	-	762,373
Net Pension Obligation	128,254	-	128,254
Total Assets	<u>24,577,143</u>	<u>25,514,122</u>	<u>50,091,265</u>
<u>LIABILITIES</u>			
Accounts Payable	806,311	33,260	839,571
Accrued Liabilities	114,457	13,855	128,312
Accrued Interest Payable	11,150	-	11,150
Customer Deposits	-	573,670	573,670
Due to Other Governments	887,677	-	887,677
Unearned Revenue	46,838	31,757	78,595
Noncurrent Liabilities:			
Due within one year	904,292	24,687	928,979
Due in more than one year	2,533,248	1,712	2,534,960
Total Liabilities	<u>5,303,973</u>	<u>678,941</u>	<u>5,982,914</u>
<u>NET POSITION</u>			
Net Investment in Capital Assets	11,831,421	21,246,272	33,077,693
Restricted for:			
Capital Improvements	356,616	1,223,405	1,580,021
Police	21,075	-	21,075
Education	1,596,096	-	1,596,096
Unrestricted	5,467,962	2,365,504	7,833,466
Total Net Position	<u>\$ 19,273,170</u>	<u>\$ 24,835,181</u>	<u>\$ 44,108,351</u>

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

**TOWN OF LADY LAKE
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2014**

FUNCTIONS/PROGRAMS	EXPENSES	PROGRAM REVENUES		
		CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS
Governmental Activities:				
General Government	\$ 1,668,708	\$ 26,257	\$ 21,770	\$ 5,250
Public Safety	4,485,737	1,270,751	10,049	-
Growth Management	243,718	84,945	-	-
Public Works	2,118,038	39,447	45,466	623,028
Culture and Recreation	1,326,100	48,550	133,086	578,759
Interest on Long-term Debt	137,017	-	-	-
Total Governmental Activities	9,979,318	1,469,950	210,371	1,207,037
Business-Type Activities				
Water	1,305,705	1,113,378	-	56,962
Sewer	1,269,726	768,116	-	104,504
Garbage	330,661	364,311	-	-
Total Business-Type Activities	2,906,092	2,245,805	-	161,466
Total	\$ 12,885,410	\$ 3,715,755	\$ 210,371	\$ 1,368,503

General Revenues:

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

Total General Revenues and Transfers

Change in Net Position

Net Position - Beginning

Net Position - Ending

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

NET (EXPENSE) REVENUE AND
CHANGES IN NET POSITION

<u>GOVERNMENTAL</u> <u>ACTIVITIES</u>	<u>BUSINESS-TYPE</u> <u>ACTIVITIES</u>	<u>TOTAL</u>
\$ (1,615,431)	\$ -	\$ (1,615,431)
(3,204,937)	-	(3,204,937)
(158,773)	-	(158,773)
(1,410,097)	-	(1,410,097)
(565,705)	-	(565,705)
(137,017)	-	(137,017)
<u>(7,091,960)</u>	<u>-</u>	<u>(7,091,960)</u>
-	(135,365)	(135,365)
-	(397,106)	(397,106)
-	33,650	33,650
<u>-</u>	<u>(498,821)</u>	<u>(498,821)</u>
<u>(7,091,960)</u>	<u>(498,821)</u>	<u>(7,590,781)</u>
2,541,325	-	2,541,325
1,924,431	-	1,924,431
1,395,151	-	1,395,151
978,520	-	978,520
742,764	-	742,764
81,731	(4,604)	77,127
10,400	-	10,400
(646,202)	646,202	-
<u>7,028,120</u>	<u>641,598</u>	<u>7,669,718</u>
(63,840)	142,777	78,937
<u>19,337,010</u>	<u>24,692,404</u>	<u>44,029,414</u>
<u>\$ 19,273,170</u>	<u>\$ 24,835,181</u>	<u>\$ 44,108,351</u>

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**TOWN OF LADY LAKE, FLORIDA
BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2014**

<u>ASSETS</u>	<u>GENERAL</u>	<u>SALES TAX REVENUE</u>	<u>TOTAL GOVERNMENTAL FUNDS</u>
Cash and Equivalents	\$ 2,334,682	\$ 988,601	\$ 3,323,283
Investments	4,932,777	-	4,932,777
Accounts Receivable (net of allowance for uncollectibles)	256,546	-	256,546
Due from Other Funds	3,434	-	3,434
Due from Other Governments	826,083	118,200	944,283
Real Property Held for Resale	20,400	-	20,400
Prepaid Items	24,581	-	24,581
Total Assets	\$ 8,398,503	\$ 1,106,801	\$ 9,505,304
 <u>LIABILITIES</u>			
Accounts Payable	\$ 806,311	\$ -	\$ 806,311
Accrued Liabilities	114,457	-	114,457
Due to Other Governments	2,194	-	2,194
Unearned Revenue	46,838	-	46,838
Total Liabilities	969,800	-	969,800
 <u>DEFERRED INFLOWS OF RESOURCES</u>			
Unavailable Revenue	123,796	-	123,796
 <u>FUND BALANCES</u>			
Nonspendable	44,981	-	44,981
Restricted	1,973,787	1,106,801	3,080,588
Assigned	11,386	-	11,386
Unassigned	5,274,753	-	5,274,753
Total Fund Balances	7,304,907	1,106,801	8,411,708
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 8,398,503	\$ 1,106,801	

Amounts reported for governmental activities in the Statement of Net Position are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. Cost of capital assets \$24,214,853 less accumulated depreciation of \$9,271,268.	14,943,585
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.	123,796
Net pension obligation is not an available financial resource and, therefore, is not reported as an asset in the funds.	128,254
Communications services tax refund liability is not due and payable in the current period and, accordingly, is not reported in the governmental funds.	(885,483)
Long-term liabilities are not due and payable in the current-period and, accordingly, are not reported in the governmental funds. Long term liabilities consist of bank loans \$3,112,164, accrued interest \$11,150 and compensated absences \$325,376.	(3,448,690)

NET POSITION OF GOVERNMENTAL ACTIVITIES	\$ 19,273,170
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The notes to the financial statements are an integral part of this statement.

TOWN OF LADY LAKE, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2014

	GENERAL	SALES TAX REVENUE	TOTAL GOVERNMENTAL FUNDS
REVENUES:			
Taxes	\$ 6,101,797	\$ 1,191,905	\$ 7,293,702
Licenses and Permits	432,447	-	432,447
Intergovernmental	2,331,525	-	2,331,525
Charges for Services	211,456	-	211,456
Fines and Forfeitures	46,955	-	46,955
Miscellaneous	997,962	636	998,598
Total Revenues	10,122,142	1,192,541	11,314,683
EXPENDITURES:			
Current:			
General Government	1,627,104	-	1,627,104
Public Safety	4,558,273	-	4,558,273
Growth Management	267,524	-	267,524
Public Works	2,033,250	-	2,033,250
Culture and Recreation	1,112,112	-	1,112,112
Capital Outlay	1,337,746	-	1,337,746
Debt Service:			
Principal	66,743	-	66,743
Interest	137,257	-	137,257
Total Expenditures	11,140,009	-	11,140,009
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,017,867)	1,192,541	174,674
OTHER FINANCING SOURCES (USES):			
Transfers In	437,333	-	437,333
Transfers Out	-	(1,083,535)	(1,083,535)
Sale of Capital Assets	10,709	-	10,709
Total Other Financing Sources (Uses)	448,042	(1,083,535)	(635,493)
Net Change in Fund Balances	(569,825)	109,006	(460,819)
Fund Balance, Beginning of Year	7,874,732	997,795	8,872,527
Fund Balance, End of Year	\$ 7,304,907	\$ 1,106,801	\$ 8,411,708

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

**TOWN OF LADY LAKE, FLORIDA
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2014**

Amounts reported for governmental activities in the Statement of Activities (pages 16 - 17) are different because:

Net Change in Fund Balances - Total Governmental Funds	\$ (460,819)
<p>Governmental funds report capital outlays as expenditures. In the Statement of Activities the costs of those assets are allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays, \$1,857,067 exceeded depreciation, \$777,518, in the current period.</p>	
	1,079,549
<p>In the Statement of Activities, only the gain on the sale of capital assets is reported. However, in the governmental funds, the proceeds from the sale increase financial resources. Thus, the change in net position differs from the change in fund balance by the cost of the capital assets sold.</p>	
	(309)
<p>Revenues in the Statement of Activities that do not provide current financial resources (Federal Grants) are not reported as revenues in the funds.</p>	
	121,919
<p>Street assessments from prior years that were collected during the current year are reported as revenues in the governmental funds, but are not included in the Statement of Activities</p>	
	161
<p>Repayment of communications services tax that was overpaid by the State of Florida to the Town is not payable during the modified accrual availability period, and is therefore not reported in the governmental funds.</p>	
	(885,483)
<p>Interest accrued on long-term debt reported in the Statement of Activities does not require the use of current financial resources and, therefore, is not reported as expenditures in governmental funds.</p>	
	240
<p>Repayment of long-term debt is reported as an expenditure in governmental funds, but a reduction of long-term liabilities in the Statement of Net Position.</p>	
	66,743
<p>Compensated absences reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.</p>	
	18,746
<p>Changes in the Net Pension Obligation do not require the use of current financial resources and therefore, are not reported as expenditures in governmental funds.</p>	
	(4,587)
Change in Net Position of Governmental Activities	<u>\$ (63,840)</u>

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

**TOWN OF LADY LAKE, FLORIDA
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2014**

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
REVENUES:				
Taxes	\$ 6,296,902	\$ 6,035,212	\$ 6,101,797	\$ 66,585
Licenses and Permits	262,395	397,363	432,447	35,084
Intergovernmental	1,229,179	2,494,073	2,331,525	(162,548)
Charges for Services	176,790	180,904	211,456	30,552
Fines and Forfeitures	29,937	33,782	46,955	13,173
Miscellaneous	955,711	994,133	997,962	3,829
Total Revenues	<u>8,950,914</u>	<u>10,135,467</u>	<u>10,122,142</u>	<u>(13,325)</u>
EXPENDITURES:				
Current:				
General Government	1,794,662	1,735,004	1,627,104	107,900
Public Safety	4,586,211	4,677,541	4,558,273	119,268
Growth Management	246,136	270,116	267,524	2,592
Public Works	1,373,005	2,165,229	2,033,250	131,979
Culture and Recreation	1,221,173	1,194,792	1,112,112	82,680
Capital Outlay	-	1,426,100	1,337,746	88,354
Debt Service	204,000	204,000	204,000	-
Total Expenditures	<u>9,425,187</u>	<u>11,672,782</u>	<u>11,140,009</u>	<u>532,773</u>
Deficiency of Revenues Under Expenditures	<u>(474,273)</u>	<u>(1,537,315)</u>	<u>(1,017,867)</u>	<u>519,448</u>
OTHER FINANCING SOURCES:				
Transfers In	478,273	425,312	437,333	12,021
Sale of Capital Assets	-	10,210	10,709	499
Total Other Financing Sources	<u>478,273</u>	<u>435,522</u>	<u>448,042</u>	<u>12,520</u>
Net Change in Fund Balance	4,000	(1,101,793)	(569,825)	531,968
Fund Balance, Beginning of Year	<u>7,874,732</u>	<u>7,874,732</u>	<u>7,874,732</u>	<u>-</u>
Fund Balance, End of Year	<u><u>\$ 7,878,732</u></u>	<u><u>\$ 6,772,939</u></u>	<u><u>\$ 7,304,907</u></u>	<u><u>\$ 531,968</u></u>

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

TOWN OF LADY LAKE, FLORIDA
SALES TAX REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2014

	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE WITH FINAL BUDGET</u>
REVENUES:				
Taxes	\$ 1,100,000	\$ 1,100,000	\$ 1,191,905	\$ 91,905
Miscellaneous	350	350	636	286
Total Revenues	<u>1,100,350</u>	<u>1,100,350</u>	<u>1,192,541</u>	<u>92,191</u>
OTHER FINANCING SOURCES (USES):				
Transfers Out	<u>(1,064,273)</u>	<u>(1,072,158)</u>	<u>(1,083,535)</u>	<u>(11,377)</u>
Total Other Financing Sources (Uses)	<u>(1,064,273)</u>	<u>(1,072,158)</u>	<u>(1,083,535)</u>	<u>(11,377)</u>
Net Change in Fund Balance	36,077	28,192	109,006	80,814
Fund Balance, Beginning of Year	<u>997,795</u>	<u>997,795</u>	<u>997,795</u>	<u>-</u>
Fund Balance, End of Year	<u><u>\$ 1,033,872</u></u>	<u><u>\$ 1,025,987</u></u>	<u><u>\$ 1,106,801</u></u>	<u><u>\$ 80,814</u></u>

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

**TOWN OF LADY LAKE, FLORIDA
STATEMENT OF NET POSITION
PROPRIETARY FUND
SEPTEMBER 30, 2014**

<u>ASSETS</u>	<u>UTILITY FUND</u>
CURRENT ASSETS:	
Cash	\$ 2,152,120
Restricted Cash:	
Customer Deposits	573,670
Customer Receivables, net of allowance for uncollectibles	255,037
Inventory	64,052
Prepaid Items	<u>3,000</u>
 Total Current Assets	 <u>3,047,879</u>
NONCURRENT ASSETS:	
Restricted Cash:	
Capital Improvements	<u>1,223,405</u>
 Capital Assets:	
Sewer Capacity Reservation Agreement, net of accumulated amortization	 <u>1,113,062</u>
 Property, Plant and Equipment:	
Land	509,453
Buildings	346,587
Utility Systems	27,339,506
Equipment	<u>1,751,729</u>
	29,947,275
Less Accumulated Depreciation	<u>9,814,065</u>
 Net Property, Plant and Equipment	 <u>20,133,210</u>
 Total Capital Assets	 <u>21,246,272</u>
 Total Noncurrent Assets	 <u>22,469,677</u>
 Total Assets	 <u>25,517,556</u>

TOWN OF LADY LAKE, FLORIDA
STATEMENT OF NET POSITION (Continued)
PROPRIETARY FUND
SEPTEMBER 30, 2014

<u>LIABILITIES</u>	<u>UTILITY FUND</u>
CURRENT LIABILITIES:	
Accounts Payable	\$ 33,260
Accrued Expenses	13,855
Compensated Absences	24,687
Due to Other Funds	3,434
Customer Deposits	<u>573,670</u>
Total Current Liabilities	<u>648,906</u>
NONCURRENT LIABILITIES:	
Compensated Absences	1,712
Unearned Revenue	<u>31,757</u>
Total Noncurrent Liabilities	<u>33,469</u>
Total Liabilities	<u>682,375</u>
 <u>NET POSITION</u> 	
Net Investment in Capital Assets	21,246,272
Restricted for Capital Improvements	1,223,405
Unrestricted	<u>2,365,504</u>
Total Net Position	<u><u>\$24,835,181</u></u>

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

**TOWN OF LADY LAKE, FLORIDA
STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN FUND NET POSITION
PROPRIETARY FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2014**

	UTILITY FUND
OPERATING REVENUES:	
Water Sales	\$ 1,044,276
Sewer Revenue	660,276
Reuse Water Sales	87,006
Connection Fees	40,887
Garbage Revenue	364,311
Late Fees and Other Revenue	49,049
Total Operating Revenues	2,245,805
OPERATING EXPENSES:	
Personal Services	646,722
Garbage Contract Services	330,661
Other Operating Expenses	846,278
Depreciation and Amortization	1,066,581
Total Operating Expenses	2,890,242
Net Operating Loss	(644,437)
NONOPERATING REVENUES (EXPENSES):	
Interest Revenue	3,654
Decrease in Fair Value of Investments	(8,258)
Debt Issuance Costs	(1,134)
Interest Expense	(14,716)
Total Nonoperating Revenues (Expenses)	(20,454)
Loss Before Contributions and Transfers	(664,891)
CAPITAL CONTRIBUTIONS:	
Water, Sewer, and Reuse Impact Fees	161,466
TRANSFERS IN	790,325
TRANSFERS OUT	(144,123)
Change in Net Position	142,777
Total Net Position, Beginning of Year	24,692,404
Total Net Position, End of Year	\$ 24,835,181

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

**TOWN OF LADY LAKE, FLORIDA
STATEMENT OF CASH FLOWS
PROPRIETARY FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2014**

	UTILITY FUND
CASH FLOWS FROM OPERATING ACTIVITIES:	
Cash Received from Customers	\$ 2,273,257
Cash Payments to Employees for Services	(642,366)
Cash Payments to Suppliers for Goods and Services	(1,193,743)
Net Cash Provided by Operating Activities	437,148
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:	
Transfer to General Fund	(144,123)
Net Cash Used In Noncapital Financing Activities	(144,123)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:	
Transfer from Sales Tax Revenue Fund	790,325
Capital Contributions	161,466
Interest Paid on Capital Debt	(17,222)
Principal Repayments on Capital Debt	(773,103)
Acquisition and Construction of Capital Assets	(279,731)
Net Cash Used in Capital and Related Financing Activities	(118,265)
CASH FLOWS FROM INVESTING ACTIVITIES:	
Sale of Investments	62,266
Interest Received	3,654
Net Cash Provided by Investing Activities	65,920
NET INCREASE IN CASH	240,680
Cash at Beginning of Year	3,708,515
Cash at End of Year	\$ 3,949,195

Continued on next page

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

TOWN OF LADY LAKE, FLORIDA
STATEMENT OF CASH FLOWS (Continued)
PROPRIETARY FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2014

	UTILITY FUND
RECONCILIATION OF OPERATING LOSS TO NET	
CASH PROVIDED BY OPERATING ACTIVITIES:	
Operating Loss	\$ (644,437)
Adjustments to reconcile operating loss to net cash provided by operating activities:	
Depreciation and Amortization	1,066,581
Increase in Customer Receivables	(32,505)
Increase in Inventory	(15,163)
Decrease in Accounts Payable	(2,333)
Increase in Due to Other Funds	642
Increase in Accrued Expenses	2,050
Increase in Compensated Absences	2,356
Increase in Customer Deposits	59,957
 Total Adjustments	 1,081,585
 Net Cash Provided by Operating Activities	 \$ 437,148
 NONCASH INVESTING ACTIVITIES:	
Decrease in Fair Value of Investments	\$ (8,258)

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

TOWN OF LADY LAKE, FLORIDA
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
SEPTEMBER 30, 2014

	<u>PENSION TRUST FUNDS</u>
<u>ASSETS</u>	
Investments with Trustees:	
Cash Management Funds	\$ 369,308
Corporate Equities	4,837,984
Corporate and Foreign Bonds	2,342,232
Other Receivable	<u>5,608</u>
 Total Assets	 <u>7,555,132</u>
 <u>LIABILITIES</u>	
 Accounts Payable	 <u>2,578</u>
 Total Liabilities	 <u>2,578</u>
 <u>NET POSITION</u>	
 Held in Trust for Officers' Contributions	 479,159
Held in Trust for Town's Contributions	1,951,902
Held in Trust for Pension Benefits	<u>5,121,493</u>
 Total Net Position Restricted for Pensions	 <u>\$ 7,552,554</u>

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

TOWN OF LADY LAKE, FLORIDA
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2014

	<u>PENSION TRUST FUNDS</u>
<u>ADDITIONS</u>	
Contributions:	
Town	\$ 385,569
Employees	77,358
State of Florida	<u>88,482</u>
Total Contributions	<u>551,409</u>
Investment Income:	
Net Appreciation in Fair Value of Investments	387,090
Dividend Income	193,998
Interest Income	<u>4</u>
Total Investment Income	581,092
Less Investment Expense	<u>(20,644)</u>
Net Investment Income	<u>560,448</u>
Total Additions	<u>1,111,857</u>
<u>DEDUCTIONS</u>	
Retirement Benefits	235,302
Refunds of Contributions	66,192
Administration Expense	<u>27,918</u>
Total Deductions	<u>329,412</u>
CHANGE IN NET POSITION	782,445
<u>NET POSITION RESTRICTED FOR PENSIONS</u>	
Beginning of Year	<u>6,770,109</u>
End of Year	<u><u>\$ 7,552,554</u></u>

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

TOWN OF LADY LAKE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2014

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

A. The Reporting Entity

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

B. Government-wide and Fund Financial Statements

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

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

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

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

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

TOWN OF LADY LAKE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2014

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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

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

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

The Town reports the following governmental funds:

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

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

The Town reports the following proprietary fund:

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

The Town reports the following fiduciary funds:

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

TOWN OF LADY LAKE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2014

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

General Employees' Retirement Trust Fund - This pension trust fund accounts for the accumulation of resources for retirement benefit payments to qualified Town employees.

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

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

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

D. Cash and Investments

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

For purposes of the statements of cash flows, cash includes amounts in bank demand deposits, both interest-bearing and noninterest-bearing, bank money market investments, and funds on deposit with the Local Government Surplus Funds Trust Fund investment pool bearing interest at 0.18% as of September 30, 2014. The State Board of Administration pool is an external 2a7-like investment pool. The fair value of the Town's deposits in the pool is the same as the value of the pool shares. Oversight of the State Board of Administration pool is provided by the Florida Auditor General.

Investments in the State Board of Administration Fund B Surplus Funds Trust Fund are accounted for as a fluctuating net asset value pool. At September 30, 2014, all shares in the Fund B pool were liquidated.

**TOWN OF LADY LAKE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2014**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Cash and Investments (continued)

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

E. Receivables

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

F. Inventory and Prepaid Items

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

G. Capital Assets

Capital assets, which include property, plant and equipment, and infrastructure assets (roads, sidewalks, drainage systems, and similar items) are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. The Town's Sewer Capacity Reservation Agreement (See Note 7) is also classified as a capital asset. Capital assets are defined by the Town as assets with an initial, individual cost of more than \$1,000 and an estimated useful life of more than two years.

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

Interest incurred during construction of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. No interest was capitalized during the year ended September 30, 2014.

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

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

TOWN OF LADY LAKE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2014

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

H. Amortization

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

Costs incurred in obtaining the SunTrust loan are amortized over the ten year life of the loan starting October 18, 2004.

I. Compensated Absences

The Town accrues accumulated compensated absences (unpaid vacation and comp time benefits) when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts are not reported in the governmental fund financial statements unless they have matured, for example, as a result of employee resignations or retirements. Personnel policies allow employees to accumulate a maximum of 36 days vacation leave. Upon termination, employees are paid for their unused vacation and comp time. Compensated absences for governmental activities are generally liquidated by the General Fund.

J. Long-term Obligations

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

K. Net Position Flow Assumption

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

L. Fund Balance Policies and Flow Assumptions

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

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

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

TOWN OF LADY LAKE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2014

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

Assigned fund balance – amounts the Town intends to use for a specific purpose; intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority. As of September 30, 2014, the Town Commission is the only body that may assign fund balance through a majority vote.

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

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

M. Transfers

Transfers of \$144,123 are made from the Utility Fund to the General Fund for utility billing administrative costs. Transfers are made from the Sales Tax Revenue Fund to the General Fund (\$293,210) and to the Utility Fund (\$790,325) in order to use infrastructure surtax revenues on qualified "infrastructure" expenditures.

NOTE 2 BUDGETING

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

- 1) Prior to September 30, the Budget Committee submits a proposed operating budget for the fiscal year beginning October 1. The budget includes proposed expenditures and the means of financing them.
- 2) Public hearings are held to obtain taxpayer comments. The budget is then enacted through passage of an ordinance no later than October 1.
- 3) Appropriations are authorized at the department level. These are the legal levels of budgetary control. Administrative control is maintained through the establishment of more detailed line-item budgets.

**TOWN OF LADY LAKE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2014**

NOTE 2 BUDGETING (continued)

- 4) The Town Manager is authorized to transfer budgeted amounts between line items within any department; however, any revisions that alter the total expenditures of a department must be approved by the Town Commission through a resolution.
- 5) Formal budgetary integration is employed as a management control device during the year for governmental funds. Total budgeted appropriations within a governmental fund type may not be exceeded legally.
- 6) Annual budgets are adopted for all governmental fund types on a basis consistent with generally accepted accounting principles. The enterprise (Utility) fund budget is adopted on a basis other than generally accepted accounting principles. Budgets are not adopted for the pension trust funds.

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

NOTE 3 BUDGETARY BASIS OF ACCOUNTING

The Town Commission adopts annual budgets for each of the Town's funds, except for the pension trust funds. The budget for the Utility Fund is adopted on an accounting basis other than in accordance with generally accepted accounting principles (GAAP). Adjustments necessary to convert the results of operations for the year ended September 30, 2014 from the GAAP basis to the budget basis are as follows:

<u>Utility Fund</u>	
Change in Net Position, GAAP Basis	\$ 142,777
Increase due to depreciation	1,027,527
Decrease due to debt principal paid	(773,103)
Decrease due to equipment purchases	(180,379)
Decrease due to utility system construction	<u>(99,352)</u>
Excess of Revenues Over Expenses, Budget Basis	<u><u>\$ 117,470</u></u>

NOTE 4 CASH DEPOSITS AND INVESTMENTS

Cash Deposits

At September 30, 2014, the carrying amount of the Town's cash deposits, including funds in bank money market investments, was \$7,272,478. The actual bank balances at September 30, 2014 totaled \$7,567,943, and were entirely insured by Federal depository insurance or by a State

**TOWN OF LADY LAKE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2014**

NOTE 4 CASH DEPOSITS AND INVESTMENTS (continued)

collateral insurance pool held by the Treasurer, State of Florida, in the Public Deposit Security Trust Fund.

Investments

The Town's investments at September 30, 2014 are categorized below.

	<u>Fair Value</u>
General Fund Investments:	
1-3 Year High Quality Bond Fund	\$ 1,932,430
Intermediate High Quality Bond Fund	3,000,347
Pension Trust Fund Investments:	
Money Market Funds	369,308
Corporate Equities	4,837,984
Corporate Bonds	<u>2,342,232</u>
	<u>\$12,482,301</u>

Credit Risk - Credit risk exists when there is a possibility the issuer to an investment may be unable to fulfill its obligations. The Town manages its credit risk by investing in bond funds with high ratings from nationally recognized statistical rating organizations. All of the Town's investments in mutual bond funds have a Fitch Rating of AAA/V2 or AAA/V3. The Town's investment policy does not specifically address credit risk.

Interest Rate Risk - Interest rate risk exists when there is a possibility that changes in interest rates could adversely affect an investment's fair value. The Town's mutual bond funds have weighted average maturities of 1.49 years (1-3 year bond fund) and 3.96 years (intermediate bond fund). The Town's investment policy does not specifically address interest rate risk.

NOTE 5 RECEIVABLES

Accounts receivable at September 30, 2014 are as follows:

	<u>General Fund</u>	<u>Utility Fund</u>
Customer Accounts Receivable	\$ -	\$ 186,711
Franchise and Utility Taxes	233,023	-
Other Receivables	25,024	100,627
Less Allowance for Uncollectibles	<u>(1,501)</u>	<u>(32,301)</u>
Net Receivables	<u>\$ 256,546</u>	<u>\$ 255,037</u>

TOWN OF LADY LAKE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2014

NOTE 6 CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2014 was as follows:

	September 30, 2013	Additions	Transfers/ Disposals	September 30, 2014
Governmental Activities:				
Land (not being depreciated)	\$ 1,902,707	\$ 168,682	\$ -	\$ 2,071,389
Construction in Progress	187,883	693,190	(118,700)	762,373
	<u>2,090,590</u>	<u>861,872</u>	<u>(118,700)</u>	<u>2,833,762</u>
Capital assets being depreciated:				
Buildings	12,054,687	-	-	12,054,687
Improvements	1,968,314	26,575	(1,354)	1,993,535
Equipment	4,765,411	492,746	-	5,258,157
Infrastructure	1,480,447	475,874	118,391	2,074,712
	<u>20,268,859</u>	<u>995,195</u>	<u>117,037</u>	<u>21,381,091</u>
Less accumulated depreciation for:				
Buildings	(3,043,704)	(406,137)	-	(3,449,841)
Improvements	(993,118)	(76,760)	1,354	(1,068,524)
Equipment	(4,011,315)	(236,096)	-	(4,247,411)
Infrastructure	(446,967)	(58,525)	-	(505,492)
	<u>(8,495,104)</u>	<u>(777,518)</u>	<u>1,354</u>	<u>(9,271,268)</u>
Total Being Depreciated, net	<u>11,773,755</u>	<u>217,677</u>	<u>118,391</u>	<u>12,109,823</u>
Governmental Activities				
Capital Assets, net	<u>\$ 13,864,345</u>	<u>\$ 1,079,549</u>	<u>\$ (309)</u>	<u>\$ 14,943,585</u>
Business-Type Activities:				
Land (not being depreciated)	\$ 509,453	\$ -	\$ -	\$ 509,453
Construction in Progress	10,911	-	(10,911)	-
	<u>520,364</u>	<u>-</u>	<u>(10,911)</u>	<u>509,453</u>
Capital assets being depreciated:				
Buildings	346,587	-	-	346,587
Utility Systems	27,229,243	99,352	10,911	27,339,506
Equipment	1,571,350	180,379	-	1,751,729
	<u>29,147,180</u>	<u>279,731</u>	<u>10,911</u>	<u>29,437,822</u>
Less accumulated depreciation for:				
Buildings	(122,093)	(11,171)	-	(133,264)
Utility Systems	(7,450,281)	(910,542)	-	(8,360,823)
Equipment	(1,214,164)	(105,814)	-	(1,319,978)
	<u>(8,786,538)</u>	<u>(1,027,527)</u>	<u>-</u>	<u>(9,814,065)</u>
Total Being Depreciated, net	<u>20,360,642</u>	<u>(747,796)</u>	<u>10,911</u>	<u>19,623,757</u>
Business-Type Activities				
Capital Assets, net	<u>\$ 20,881,006</u>	<u>\$ (747,796)</u>	<u>\$ -</u>	<u>\$ 20,133,210</u>

TOWN OF LADY LAKE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2014

NOTE 6 CAPITAL ASSETS (continued)

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

Governmental Activities:	
General Government	\$ 167,526
Public Safety	87,331
Growth Management	6,241
Public Works	163,584
Culture and Recreation	<u>352,836</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 777,518</u>
Business-type Activities:	
Water	\$ 315,771
Sewer	711,756
Garbage	<u>-</u>
Total Depreciation Expense - Business-type Activities	<u>\$ 1,027,527</u>

NOTE 7 SEWER CAPACITY RESERVATION AGREEMENT

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

Effective April 2, 2003, the Town and the VCCDD entered into a new, 40-year Interlocal Agreement for sewer capacity reservation and bulk treatment. The capacity reservation is for 250,000 gallons of wastewater per day, with an initial price for treatment of \$3.02 per 1,000 gallons. A provision for annual price adjustments is included, based on mutual agreement or, if agreement cannot be reached, a set formula based on the consumer price index. The treatment price at September 30, 2014 was \$3.02 per 1,000 gallons. The agreement also granted the Town the option, during the first 10 years of the agreement, to purchase up to an additional 250,000 gallons per day of treatment capacity in not less than 50,000 gallon per day increments, and included a formula for computing the option price based on the amount of capacity purchased.

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

TOWN OF LADY LAKE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2014

NOTE 7 SEWER CAPACITY RESERVATION AGREEMENT (continued)

The original Sewer Capacity Reservation Agreement has been recorded in the Utility Fund at its historical cost of \$826,506. The net book value on April 2, 2003 was \$737,635. At September 30, 2014, the total cost of sewer capacity reservations, which includes the 2004 purchases, was \$1,629,006. Amortization for the year ended September 30, 2014 totaled \$39,054. Accumulated amortization at September 30, 2014 was \$515,944, and the net book value was \$1,113,062.

NOTE 8 LONG-TERM DEBT

SunTrust Loans

On October 18, 2004, the Town issued a \$6,000,000 note payable to SunTrust Bank known as the "Town of Lady Lake, Florida Revenue Note, Series 2004", for the purpose of funding the construction of a 250,000 gallons per day wastewater treatment plant, and other water and sewer infrastructure improvements. The note is secured by and payable from the Town's one-cent infrastructure sales surtax revenues.

Monthly payments of principal and interest (at 3.89%) of approximately \$61,000 began December 1, 2004. The note was paid off on September 2, 2014. Interest paid during the year ended September 30, 2014 totaled \$17,222.

On November 16, 2009, the Town issued a \$3,400,000 note payable to SunTrust Bank known as the "Town of Lady Lake, Florida Capital Improvement Revenue Note, Series 2009", for the purpose of funding the construction of the Town's library. The note is secured by and payable from the Town's one-cent infrastructure sales surtax revenues.

Monthly payments of principal and interest (at 4.30%) of \$17,000 began January 1, 2010. The monthly payment increases to \$79,000 on October 1, 2014, and the note matures on March 1, 2018. Interest paid during the year totaled \$137,257. The schedule of remaining annual debt service requirements for the note are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Payment</u>
9/30/15	\$ 828,820	\$ 119,180	\$ 948,000
9/30/16	865,686	82,314	948,000
9/30/17	904,190	43,810	948,000
9/30/18	513,468	6,507	519,975
	<u>\$ 3,112,164</u>	<u>\$ 251,811</u>	<u>\$ 3,363,975</u>

**TOWN OF LADY LAKE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2014**

NOTE 8 LONG-TERM DEBT (continued)

Changes in Long-Term Liabilities

Long-term liability activity for the year ended September 30, 2014 was as follows:

	<u>Balances 10/1/2013</u>	<u>Additions</u>	<u>Principal Reductions</u>	<u>Balances 9/30/2014</u>	<u>Due within One Year</u>
Governmental Activities:					
SunTrust Loan	\$ 3,178,907	\$ -	\$ (66,743)	\$ 3,112,164	\$ 828,820
Compensated Absences	344,122	243,233	(261,979)	325,376	75,472
Governmental Activity Long-Term Liabilities	<u>\$ 3,523,029</u>	<u>\$ 243,233</u>	<u>\$ (328,722)</u>	<u>\$ 3,437,540</u>	<u>\$ 904,292</u>
Business-type Activities:					
SunTrust Loan	\$ 773,103	\$ -	\$ (773,103)	\$ -	\$ -
Compensated Absences	24,043	19,449	(17,093)	26,399	1,712
Business-type Activity Long-term Liabilities	<u>\$ 797,146</u>	<u>\$ 19,449</u>	<u>\$ (790,196)</u>	<u>\$ 26,399</u>	<u>\$ 1,712</u>

NOTE 9 OTHER DISCLOSURES

- (1) There were no funds that had excess of expenditures over appropriations at the fund level for the year ended September 30, 2014.
- (2) Individual fund interfund receivable and payable balances at September 30, 2014:

	<u>Receivable</u>	<u>Payable</u>
General Fund	\$ 3,434	\$ -
Utility Fund	-	(3,434)

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

- (3) There were no deficit fund balances of individual funds at September 30, 2014.
- (4) The following details the various constraints placed on fund balances in the governmental funds at September 30, 2014:

**TOWN OF LADY LAKE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2014**

NOTE 9 OTHER DISCLOSURES (continued)

<u>General Fund</u>	
Nonspendable - Prepays	\$ 24,581
Nonspendable - Assets Held for Resale	20,400
	<u>44,981</u>
	<u>\$ 44,981</u>
Restricted for Police Training and Equipment	\$ 21,075
Restricted for Education	1,596,096
Restricted for Recreation Capital Improvements	353,486
Restricted for Library Capital Improvements	3,130
	<u>1,973,787</u>
	<u>\$ 1,973,787</u>
Assigned to Tree Beautification	\$ 11,386
	<u>11,386</u>
	<u>\$ 11,386</u>
<u>Sales Tax Revenue Fund</u>	
Restricted for Infrastructure	\$ 1,106,801
	<u>1,106,801</u>
	<u>\$ 1,106,801</u>

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

NOTE 10 RETIREMENT COMMITMENTS

LADY LAKE POLICE OFFICERS' RETIREMENT TRUST FUND

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

Officers attaining the age of 55 who have completed 10 or more years of creditable service, or who have completed 25 years of creditable service regardless of age, are entitled to monthly benefits of 3.3 percent of their average final compensation times years of credited service. In addition, the plan pays a \$200 per month supplemental benefit under normal retirement. The plan permits early retirement at the completion of 10 years of contributing service and attaining

TOWN OF LADY LAKE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2014

NOTE 10 RETIREMENT COMMITMENTS (continued)

the age of 50. Active Officers who retire disabled with disability that occurs in the line of duty and have 10 years of credited service shall receive the greater of 42 percent of average final compensation or the accrued benefit actuarially reduced.

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

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

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

As of September 30, 2014, four Officers had retired that were receiving benefits, two were receiving benefits under disability, and one terminated Officer was entitled to benefits but not yet receiving them. Out of the 27 Officers in the plan at September 30, 2014, five had vested retirement benefits. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan.

Contributions Required Police Officers are required to contribute five percent of their annual salary to the plan. The plan is also funded by a .85% State excise tax on all casualty insurance policies covering property within the corporate limits of the Town. For the year ended September 30, 2014, the Town collected \$88,482 in casualty insurance premium taxes. The Town is required by State Statute to contribute these taxes to the plan within 5 days of receipt. These on-behalf payments of fringe benefits from the State are reported as tax revenues and a police department expenditure in the General Fund.

The Town is required to contribute the remaining amount necessary for payment of normal (current year's) cost and amortization of the unfunded accrued liability over 30 years. The Town may use actual State monies received, up to \$97,907 per year, to offset the Town's funding requirement. Amounts over \$97,907 must be used to provide additional benefits to Police Officers.

The Municipal Police Officers' Retirement Trust Fund uses the entry age normal actuarial cost funding method. Under this method, which identifies and separately amortizes unfunded actuarial liabilities, the present value of benefits, less all assets, are equated to the present value of future employer contributions, and of future employee contributions, if any. The required contribution is then expressed as a percentage of current payroll. The actuarially determined funding requirement for the year ended September 30, 2014 was 22.7% from the Town and State, and 5.0% from the Police Officers, for a total of 27.7% of covered payroll.

**TOWN OF LADY LAKE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2014**

NOTE 10 RETIREMENT COMMITMENTS (continued)

Net Pension Liability

The components of the net pension liability of the Town on September 30, 2014 were as follows:

Total Pension Liability	\$ 5,738,788
Plan Fiduciary Net Position	(6,233,932)
Town's Net Pension Liability	<u>\$ (495,144)</u>

Plan Fiduciary Net Position as a percentage of Total Pension Liability	108.63%
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Actuarial Assumptions:

The total pension liability was determined by an actuarial valuation as of October 1, 2013 updated to September 30, 2014 using the following actuarial assumptions applied to all measurement periods.

Inflation	3.00%
Salary Increases	6.25%
Investment Rate of Return	7.75%

RP-2000 Table with no projection- Based on a study of over 650 public safety funds, this table reflects a 10% margin for future mortality improvements. (Disabled lives set forward 5 years).

The actuarial assumptions used in the October 1, 2013 valuation were based on the results of an actuarial experience study for the period 1995-2009.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of September 30, 2014 are summarized in the following table:

<u>Asset Class</u>	<u>Long Term Expected Real Rate of Return</u>
Domestic Equity	7.50%
International Equity	8.50%
Broad Market Fixed Income	2.50%

Discount Rate:

The discount rate used to measure the total pension liability was 7.75 percent. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that Town contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to

TOWN OF LADY LAKE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2014

NOTE 10 RETIREMENT COMMITMENTS (continued)

make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

	Current Discount		
	1% Decrease	Rate	1% Decrease
	6.75%	7.75%	8.75%
Town's Net Pension Liability	\$ 298,674	\$ (495,144)	\$ (1,124,131)

Three-Year Trend Information

Year Ending	Annual Pension Cost (A)	Percentage of (A) Contributed	Net Pension Obligation
09/30/14	\$ 355,791	99%	\$ (128,254)
09/30/13	313,334	98%	(135,841)
09/30/12	324,284	98%	(137,592)

Development of Net Pension Obligation (NPO)

The Town of Lady Lake Municipal Police Officers' Retirement Trust Fund has been subject to the minimum funding standards since the adoption of the "Florida Protection of Public Employee Retirement Benefits Act" (Part VII of Chapter 112, Florida Statutes) in 1980. Accordingly, the sponsor has funded the actuarially determined required contributions for all years from August 20, 1990, through the transition date, October 1, 1997. Thus, the NPO on October 1, 1997 is \$0.

The recent development of the Net Pension Obligation is as follows:

	<u>9/30/2012</u>	<u>9/30/2013</u>	<u>9/30/2014</u>
Actuarially Determined Contribution	\$ 319,363	\$ 308,583	\$ 351,204
Interest on NPO	(11,045)	(10,663)	(10,295)
Adjustment to Actuarially Determined Contribution	<u>15,966</u>	<u>15,414</u>	<u>14,882</u>
Annual Pension Cost	324,284	313,334	355,791
Contributions Made	<u>319,363</u>	<u>308,583</u>	<u>351,204</u>
Increase in NPO	4,921	4,751	4,587
NPO, beginning of year	<u>(142,513)</u>	<u>(137,592)</u>	<u>(132,841)</u>
NPO, end of year	<u><u>\$ (137,592)</u></u>	<u><u>\$ (132,841)</u></u>	<u><u>\$ (128,254)</u></u>

The Actuarially Determined Contribution, Annual Pension Cost, and Contributions Made include State monies beginning with the fiscal year ended 09/30/12.

TOWN OF LADY LAKE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2014

NOTE 10 RETIREMENT COMMITMENTS (continued)

GENERAL EMPLOYEES RETIREMENT TRUST FUND

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

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

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

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

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

There are no mandatory employee contributions in order to participate in the plan, but after tax employee contributions are permitted. Contributions and related investment earnings are credited to individual self-directed investment accounts. During the year ended September 30, 2014, the Town contributed \$125,769 into the plan.

Participants separating from service with the Town before the three year vesting period is complete forfeit a portion of their account balance in the plan. The Town may use forfeited amounts to reduce the Town's required payment of contributions for current plan participants. During the year ended September 30, 2014, the Town used \$4,029 in forfeited amounts for payment of contributions for current plan participants. Normal retirement is when the participant attains his or her 65th birthday. Distributions of the account balances of vested plan participants that separate from service are subject to the Internal Revenue Code rules for distributions from qualified plans.

FINANCIAL STATEMENTS FOR INDIVIDUAL PENSION FUNDS

Individual financial statements for the Lady Lake Police Officers' Retirement Trust Fund and the General Employees Retirement Trust Fund are presented on the following page.

TOWN OF LADY LAKE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2014

NOTE 10 RETIREMENT COMMITMENTS (continued)

	<u>Police Retirement Trust Fund</u>	<u>Employees Retirement Trust Fund</u>	<u>Total</u>
STATEMENT OF FIDUCIARY NET POSITION AS OF SEPTEMBER 30, 2014			
<u>Assets</u>			
Investments with Trustees:			
Cash Management Funds	\$ 164,431	\$ 204,877	\$ 369,308
Corporate Equities	3,784,234	1,053,750	4,837,984
Corporate and Foreign Bonds	2,279,658	62,574	2,342,232
Contribution Receivable	5,608	-	5,608
<u>Liabilities</u>			
Accounts Payable	(2,578)	-	(2,578)
<u>Net Position</u>			
Restricted for Pension Benefits	<u>\$ 6,231,353</u>	<u>\$ 1,321,201</u>	<u>\$ 7,552,554</u>

**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED SEPTEMBER 30, 2014**

<u>Additions</u>			
Contributions			
Town	\$ 259,800	\$ 125,769	\$ 385,569
Employees	77,358	-	77,358
State of Florida	88,482	-	88,482
Total Contributions	<u>425,640</u>	<u>125,769</u>	<u>551,409</u>
Investment Income:			
Net Appreciation in			
Fair Value of Investments	333,636	53,454	387,090
Dividend and Interest Income	194,002	-	194,002
Investment Expense	(20,644)	-	(20,644)
Net Investment Income	<u>506,994</u>	<u>53,454</u>	<u>560,448</u>
Total Additions	<u>932,634</u>	<u>179,223</u>	<u>1,111,857</u>
<u>Deductions</u>			
Retirement Benefits	170,449	64,853	235,302
Refunds of Contributions	66,192	-	66,192
Administrative Expense	26,936	982	27,918
Total Deductions	<u>263,577</u>	<u>65,835</u>	<u>329,412</u>
Change in Net Position	669,057	113,388	782,445
<u>Net Position</u>			
Beginning of Year	<u>5,562,296</u>	<u>1,207,813</u>	<u>6,770,109</u>
End of Year	<u>\$ 6,231,353</u>	<u>\$ 1,321,201</u>	<u>\$ 7,552,554</u>

TOWN OF LADY LAKE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2014

NOTE 11 DEFINED CONTRIBUTION PENSION PLAN

The Town adopted a defined contribution pension plan effective June 30, 1999. The plan is a single-employer, money purchase plan administered for the Town by the ICMA Retirement Corporation, and is designed in accordance with Internal Revenue Code section 401. There is no separate, audited GAAP – basis postemployment benefit plan report available for this defined contribution pension plan. The Town Commission must authorize plan amendments to benefit provisions or the obligation to make contributions. Employees eligible for participation in the plan are certain senior Town executives, and as of September 30, 2014 there were eight employees participating in the plan. The Town is required to contribute 7% of the participant's earnings to the plan for employees with up to 5 years of service, and 8% for employees with over 5 years service. Contributions and related investment earnings are credited to individual self-directed investment accounts, and the employee immediately becomes 100% vested in the account balances. Normal retirement is permitted when the participant attains age 55. During the year ended September 30, 2014, Town contributions to the plan totaled \$45,156.

NOTE 12 OTHER POSTEMPLOYMENT BENEFITS

The Town does not provide its employees any postemployment benefits other than pensions. Florida Statutes require local governments which provide group insurance to its employees the option of continuing to participate in the group plan following retirement. The Town does not contribute to the premium cost for retired employees, so the entire cost must be paid by the retiree. At September 30, 2014, the Town had one retiree continuing to participate in its group insurance plan. This is the only retiree that has ever requested to continue on the group plan, and management does not anticipate a significant number of future retirees to request continued coverage. Therefore, no material other postemployment benefits liability is recognized or recorded.

NOTE 13 PROPERTY TAXES

Under Florida law, the assessment of all properties and the collection of all county, municipal and school board property taxes are consolidated in the offices of the County Property Appraiser and County Tax Collector. State laws regulating tax assessment are also designed to assure a consistent property valuation method state wide. Florida Statutes permit municipalities to levy property taxes at a rate of up to 10 mills. The millage rate assessed by the Town for taxes collected during the fiscal year ended September 30, 2014 was 3.2808. The millage rate assessed by the Town on taxable property to be levied on November 1, 2014 was 3.7500.

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

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

TOWN OF LADY LAKE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2014

NOTE 13 PROPERTY TAXES (continued)

The Town's tax calendar is as follows:

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

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

NOTE 14 INSURANCE COVERAGE

The Town is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters. The Town manages its various risks of loss by the purchase of commercial insurance coverages primarily through Public Risk Management of Florida, or with commercial carriers packaged by Public Risk Management. During the year ended September 30, 2014, there were no significant reductions in coverages from the prior year. Insurance claim settlements have not exceeded coverages on any policies during the past three fiscal years.

NOTE 15 CONTINGENCIES

In April of 2014, the Town discovered a significant reduction in its Communications Services Tax receipts. The Florida Department of Revenue subsequently informed the Town that a large communications provider had made an error on its tax returns, causing the Town to receive taxes belonging to another local taxing jurisdiction. Beginning with the February 2014 tax distribution, the Department suspended a portion of the tax receipts owed to the Town pending the results of an audit of the communications provider by the Department.

The Department estimated the Town was overpaid \$1,368,000 for the period from June 2011 through January 2014. In September 2014, the Department began distributing the correct amount of Communications Services Tax to the Town. The amount of tax receipts withheld by the Department was approximately \$483,000. The estimated balance to be repaid by the Town at September 30, 2014 is approximately \$885,000. Once the Department's audit is complete, the Town will be required to repay the liability over 36 months. The Department has not provided a date of when it expects to complete the audit.

NOTE 15 SUBSEQUENT EVENTS

Town management has evaluated events occurring subsequent to the financial statement date through March 19, 2015. No material subsequent events were identified for recognition or disclosure.

**TOWN OF LADY LAKE, FLORIDA
POLICE RETIREMENT TRUST FUND
REQUIRED SUPPLEMENTARY INFORMATION
SEPTEMBER 30, 2014**

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

	<u>9/30/2014</u>
<u>Total Pension Liability</u>	
Service Cost	\$ 353,104
Interest	418,085
Change in Excess State Money	-
Changes of Benefit Terms	-
Differences Between Expected and Actual Experience	-
Changes of Assumptions	-
Benefit Payments, Including Refunds of Officer Contributions	(236,641)
Net Change in Total Pension Liability	534,548
Total Pension Liability - Beginning	5,204,240
Total Pension Liability - Ending (a)	<u>\$ 5,738,788</u>
 <u>Plan Fiduciary Net Position</u>	
Contributions - Town	\$ 262,722
Contributions - State	88,482
Contributions - Officers	77,358
Net Investment Income	509,283
Benefit Payments, Including Refunds of Officer Contributions	(236,641)
Administrative Expense	(25,607)
Net Change in Plan Fiduciary Net Position	675,597
 Plan Fiduciary Net Position - Beginning	5,558,335
Plan Fiduciary Net Position - Ending (b)	<u>\$ 6,233,932</u>
 Net Pension Liability - Ending (a-b)	<u>\$ (495,144)</u>
 Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	108.63%
 Covered Employee Payroll	\$ 1,547,154
Net Pension Liability as a Percentage of covered Employee Payroll	-32.00%

**TOWN OF LADY LAKE, FLORIDA
POLICE RETIREMENT TRUST FUND
REQUIRED SUPPLEMENTARY INFORMATION
SEPTEMBER 30, 2014**

**SCHEDULE OF CONTRIBUTIONS
Last 10 Fiscal Years**

	<u>9/30/2014</u>
Actuarially Determined Contribution	\$ 351,204
Contributions in relation to the Actuarially Determined Contributions	<u>351,204</u>
Contribution Deficiency (Excess)	<u>\$ -</u>
Covered Employee Payroll	\$ 1,547,154
Contributions as a percentage of Covered Employee Payroll	22.70%

**SCHEDULE OF INVESTMENT RETURNS
Last 10 Fiscal Years**

Annual Money-Weighted Rate of Return net of Investment Expense	9.08%
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Notes to Schedules

Valuation Date: 10/1/2012
Actuarially determined contribution rates are calculated as of October 1, two years prior to the end of the fiscal year in which contributions are reported.

Methods and assumptions used to determine contribution rates:

Funding Method:	Entry Age Normal Actuarial Cost Method.
Amortization Method:	Level Percentage of Pay, Closed.
Remaining Amortization Period:	29 Years (as of 10/01/2012).
Asset Valuation Method:	Each year, the prior Actuarial Value of Assets is brought forward utilizing the historical geometric 4-year average Market Value return. It is possible that over time this technique will produce an insignificant bias above or below Market Value.
Inflation:	3.00% per year.
Salary Increases:	6.25% per year until the assumed retirement age. Projected salary at retirement is increased individually to account for non regular compensation.
Investment Rate of Return:	7.75% per year compounded annually, net of investment related expenses
Retirement Age:	Earlier of age 55 and 10 years of service or the completion of 25 years of service, regardless of age. Also, any Officer who has reached Normal Retirement is assumed to continue employment for one additional year.
Mortality:	RP-2000 Table with no projection - Based on a study of over 650 public safety funds, this table reflects a 10% margin for future improvements. (Disabled lives set forward 5 years).
Termination and Disability Rates:	Termination and Disability Rate Table:

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

TOWN OF LADY LAKE, FLORIDA
INDIVIDUAL FUND FINANCIAL STATEMENTS

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TOWN OF LADY LAKE, FLORIDA

GENERAL FUND

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

**TOWN OF LADY LAKE, FLORIDA
GENERAL FUND
COMPARATIVE BALANCE SHEETS
SEPTEMBER 30, 2014 AND 2013**

<u>ASSETS</u>	2014	2013
Cash and Equivalents	\$ 2,334,682	\$ 3,188,921
Investments	4,932,777	4,854,717
Accounts Receivable:		
Franchise and Utility Taxes	233,023	221,296
Special Paving Assessments	1,182	1,021
Other	22,341	13,114
Due from Utility Fund	3,434	2,792
Due from Other Governments:		
State of Florida	133,834	181,019
Lake County	4,666	4,763
Federal	687,583	695
Real Property Held for Resale	20,400	20,400
Prepaid Expenditures	24,581	49,946
Total Assets	\$ 8,398,503	\$ 8,538,684
<u>LIABILITIES</u>		
Accounts Payable	\$ 806,311	\$ 497,023
Accrued Payroll and Related Liabilities	114,457	120,089
Due to State of Florida	2,194	1,719
Unearned Revenue - Business Taxes	46,838	43,405
Total Liabilities	969,800	662,236
<u>DEFERRED INFLOWS OF RESOURCES</u>		
Unavailable Revenue - Special Paving Assessments	1,182	1,021
Unavailable Revenue - Federal Grants	122,614	695
Total Deferred Inflows of Resources	123,796	1,716
<u>FUND BALANCE</u>		
Nonspendable:		
Prepaid Expenditures/Resale Assets	44,981	70,346
Restricted:		
For Police Training/Equipment	21,075	18,790
For Education	1,596,096	1,590,846
For Recreation Capital Improvements	353,486	266,703
For Library Capital Improvements	3,130	41,568
Assigned:		
To Tree Beautification	11,386	7,139
Unassigned:	5,274,753	5,879,340
Total Fund Balance	7,304,907	7,874,732
Total Liabilities, Deferred Inflows of Resources and Fund Balance	\$ 8,398,503	\$ 8,538,684

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

TOWN OF LADY LAKE, FLORIDA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2014
With comparative actual amounts for the year ended September 30, 2013

	2014		VARIANCE WITH FINAL BUDGET	2013 ACTUAL
	FINAL BUDGET	ACTUAL		
REVENUES:				
Taxes	\$ 6,035,212	\$ 6,101,797	\$ 66,585	\$ 6,432,042
Licenses and Permits	397,363	432,447	35,084	312,656
Intergovernmental	2,494,073	2,331,525	(162,548)	1,266,458
Charges for Services	180,904	211,456	30,552	188,237
Fines and Forfeitures	33,782	46,955	13,173	52,245
Miscellaneous	994,133	997,962	3,829	814,993
Total Revenues	10,135,467	10,122,142	(13,325)	9,066,631
EXPENDITURES:				
Current:				
General Government	1,735,004	1,627,104	107,900	1,523,567
Public Safety	4,677,541	4,558,273	119,268	4,405,663
Growth Management	270,116	267,524	2,592	242,670
Public Works	2,165,229	2,033,250	131,979	1,694,717
Culture and Recreation	1,194,792	1,112,112	82,680	986,624
Capital Outlay	1,426,100	1,337,746	88,354	242,358
Debt Service	204,000	204,000	-	204,000
Total Expenditures	11,672,782	11,140,009	532,773	9,299,599
Deficiency of Revenues Under Expenditures	(1,537,315)	(1,017,867)	519,448	(232,968)
OTHER FINANCING SOURCES (USES):				
Transfer from Sales Tax Revenue Fund	281,189	293,210	12,021	204,000
Transfer from Utility Fund	144,123	144,123	-	144,123
Sale of Capital Assets	10,210	10,709	499	16,634
Total Other Financing Sources	435,522	448,042	12,520	364,757
Net Change in Fund Balance	(1,101,793)	(569,825)	531,968	131,789
Fund Balance, Beginning of Year	7,874,732	7,874,732	-	7,742,943
Fund Balance, End of Year	\$ 6,772,939	\$ 7,304,907	\$ 531,968	\$ 7,874,732

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

TOWN OF LADY LAKE, FLORIDA
GENERAL FUND
SCHEDULE OF REVENUES COMPARED TO BUDGET
FOR THE YEAR ENDED SEPTEMBER 30, 2014

With comparative actual amounts for the year ended September 30, 2013

	2014		VARIANCE WITH FINAL BUDGET	2013 ACTUAL
	FINAL BUDGET	ACTUAL		
TAXES:				
Ad Valorem Taxes	\$ 2,500,136	\$ 2,541,325	\$ 41,189	\$ 2,499,157
Local Option Gas Tax	136,777	144,084	7,307	136,363
County Gas Tax	17,169	17,601	432	16,953
Casualty Insurance Premium Tax	87,504	88,482	978	85,098
Franchise Fees:				
Electric	1,137,376	1,198,983	61,607	1,091,998
Gas	27,184	27,020	(164)	25,951
Garbage	161,649	169,148	7,499	165,636
Utility Taxes:				
Electric	851,996	955,588	103,592	868,960
Water	172,576	163,994	(8,582)	167,001
Gas	21,765	21,475	(290)	21,208
Communications Services Tax	865,983	722,946	(143,037)	1,304,575
Town Business Tax	55,097	51,151	(3,946)	49,142
Total Taxes	6,035,212	6,101,797	66,585	6,432,042
LICENSES AND PERMITS:				
Building Permits and Inspections	262,112	266,152	4,040	177,044
Building Plan Review Fees	57,191	70,538	13,347	65,360
Site Plan Review Fees	1,800	1,800	-	5,425
Comp Plan Amendment Fees	3,500	5,000	1,500	1,200
Annexation/Subdivision Fees	39,270	57,830	18,560	38,420
Zoning Fees	25,377	20,315	(5,062)	18,260
Other Licenses & Permits	8,113	10,812	2,699	6,947
Total Licenses and Permits	397,363	432,447	35,084	312,656
INTERGOVERNMENTAL:				
Federal Law Enforcement Grants	12,594	9,823	(2,771)	13,588
Federal Tornado Grant	-	226	226	-
Federal Transportation Grant	502,300	355,394	(146,906)	-
Federal CDBG Grant	750,000	623,723	(126,277)	-
County Law Enforcement Grant	22,109	-	(22,109)	1,967
State Revenue Sharing	344,148	377,195	33,047	360,817
Mobile Home Licenses	37,226	42,684	5,458	40,193
Alcohol Beverage Licenses	8,551	8,023	(528)	8,562
1/2 Cent Sales Tax	645,976	732,526	86,550	679,466
State Transportation Revenue	33,679	44,284	10,605	39,406
County Library Agreement	124,103	124,103	-	108,791
County Business Tax	13,387	13,544	157	13,668
Total Intergovernmental	2,494,073	2,331,525	(162,548)	1,266,458

TOWN OF LADY LAKE, FLORIDA
GENERAL FUND
SCHEDULE OF REVENUES COMPARED TO BUDGET (Continued)
FOR THE YEAR ENDED SEPTEMBER 30, 2014
With comparative actual amounts for the year ended September 30, 2013

	2014		VARIANCE WITH FINAL BUDGET	2013 ACTUAL
	FINAL BUDGET	ACTUAL		
CHARGES FOR SERVICES:				
Villages - Public Safety	\$ 100,000	\$ 100,000	\$ -	\$ 100,000
Police Services	50,308	60,064	9,756	59,711
Road and Street Revenue	17,637	39,447	21,810	16,996
Copies and Certifications	816	261	(555)	264
Town License Plates	-	3	3	3
Library Fees	7,986	8,106	120	8,183
Recreation Program Fees	4,157	3,575	(582)	3,080
Total Charges for Services	180,904	211,456	30,552	188,237
FINES AND FORFEITURES:				
Court Fines	16,277	21,264	4,987	21,517
Forfeitures	-	7,237	7,237	11,964
Animal Control Citations	445	695	250	380
Code Enforcement Fines	9,704	10,800	1,096	10,213
Police Education	2,583	2,354	(229)	2,759
Library Fines	4,773	4,605	(168)	5,412
Total Fines and Forfeitures	33,782	46,955	13,173	52,245
MISCELLANEOUS:				
Interest Earnings	2,384	3,035	651	2,499
Net Increase (Decrease) in Fair Value of Investments	104,060	78,060	(26,000)	(33,692)
Loss on Real Property Held for Resale	-	-	-	(10,641)
Building/Park/Tower Rental Fees	27,123	32,264	5,141	31,406
Paving Assessments	1,944	1,021	(923)	2,700
Fire Assessments - Villages	730,202	731,647	1,445	731,313
Library Impact Fees	10,000	14,467	4,467	7,820
Recreation Impact Fees	86,000	86,284	284	46,640
Education Impact Fees	-	5,250	5,250	-
Contributions and Donations	2,917	13,583	10,666	5,168
Fuel Tax Refund	5,318	7,411	2,093	6,787
Insurance Claim Proceeds	12,933	17,170	4,237	9,567
Miscellaneous Revenues	11,252	7,770	(3,482)	15,426
Total Miscellaneous	994,133	997,962	3,829	814,993
Total Revenues	\$ 10,135,467	\$ 10,122,142	\$ (13,325)	\$ 9,066,631

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

TOWN OF LADY LAKE, FLORIDA
GENERAL FUND
SCHEDULE OF EXPENDITURES COMPARED TO BUDGET
FOR THE YEAR ENDED SEPTEMBER 30, 2014
With comparative actual amounts for the year ended September 30, 2013

	2014		VARIANCE WITH FINAL BUDGET	2013 ACTUAL
	FINAL BUDGET	ACTUAL		
GENERAL GOVERNMENT:				
Town Commission:				
Personal Services	\$ 39,790	\$ 39,787	\$ 3	\$ 39,786
Operating Expenses	7,680	7,358	322	8,185
Total Town Commission	<u>47,470</u>	<u>47,145</u>	<u>325</u>	<u>47,971</u>
Town Manager:				
Personal Services	203,878	204,017	(139)	191,246
Operating Expenses	7,519	2,391	5,128	3,344
Total Town Manager	<u>211,397</u>	<u>206,408</u>	<u>4,989</u>	<u>194,590</u>
Town Clerk:				
Personal Services	87,037	87,244	(207)	82,115
Operating Expenses	21,850	12,645	9,205	14,508
Election Expenses	8,000	2,683	5,317	44
Total Town Clerk	<u>116,887</u>	<u>102,572</u>	<u>14,315</u>	<u>96,667</u>
Finance Department:				
Personal Services	318,321	310,657	7,664	297,675
Operating Expenses	49,970	44,997	4,973	46,706
Total Finance Department	<u>368,291</u>	<u>355,654</u>	<u>12,637</u>	<u>344,381</u>
Human Resources/Risk Mgmt:				
Personal Services	122,656	125,007	(2,351)	114,196
Operating Expenses	24,483	17,146	7,337	13,480
Total Human Resources	<u>147,139</u>	<u>142,153</u>	<u>4,986</u>	<u>127,676</u>
Information Technology:				
Personal Services	134,270	136,672	(2,402)	113,071
Operating Expenses	16,017	15,672	345	11,334
Capital Outlay	112,573	112,353	220	121,738
Total Information Technology	<u>262,860</u>	<u>264,697</u>	<u>(1,837)</u>	<u>246,143</u>
Legal Counsel	<u>120,000</u>	<u>84,397</u>	<u>35,603</u>	<u>73,756</u>

TOWN OF LADY LAKE, FLORIDA
GENERAL FUND
SCHEDULE OF EXPENDITURES COMPARED TO BUDGET (Continued)
FOR THE YEAR ENDED SEPTEMBER 30, 2014

With comparative actual amounts for the year ended September 30, 2013

	2014		VARIANCE WITH FINAL BUDGET	2013 ACTUAL
	FINAL BUDGET	ACTUAL		
GENERAL GOVERNMENT (continued):				
Other General Government:				
Operating Expenses	\$ 289,905	\$ 284,091	\$ 5,814	\$ 241,262
Aid to Private Organizations	14,500	12,000	2,500	25,790
Capital Outlay	196,333	194,714	1,619	246,314
Contingency	28,920	-	28,920	-
Total Other General Government	529,658	490,805	38,853	513,366
Facilities Maintenance:				
Personal Services	88,166	91,239	(3,073)	76,089
Operating Expenses	13,436	10,716	2,720	9,267
Capital Outlay	-	-	-	36,019
Total Facilities Maintenance	101,602	101,955	(353)	121,375
Total General Government	1,905,304	1,795,786	109,518	1,765,925
PUBLIC SAFETY:				
Police Department:				
Personal Services	2,695,275	2,611,019	84,256	2,753,583
Operating Expenses	723,300	698,903	24,397	514,426
Operating Expenses - Federal Grants	12,594	9,823	2,771	-
Capital Outlay	143,087	142,680	407	141,112
Total Police Department	3,574,256	3,462,425	111,831	3,409,121
Fire Control:				
Operating Expenses	730,202	733,117	(2,915)	731,311
Building Inspections:				
Personal Services	42,858	42,912	(54)	40,595
Operating Expenses	271,885	270,493	1,392	176,583
Total Building Inspections	314,743	313,405	1,338	217,178
Code Enforcement:				
Personal Services	43,440	33,223	10,217	33,317
Operating Expenses	14,900	16,103	(1,203)	14,736
Total Code Enforcement	58,340	49,326	9,014	48,053
Total Public Safety	4,677,541	4,558,273	119,268	4,405,663
GROWTH MANAGEMENT:				
Personal Services	206,265	206,421	(156)	192,306
Operating Expenses	32,151	29,330	2,821	50,364
Capital Outlay	31,700	31,773	(73)	-
Total Growth Management	270,116	267,524	2,592	242,670

Continued on next page

TOWN OF LADY LAKE, FLORIDA
GENERAL FUND
SCHEDULE OF EXPENDITURES COMPARED TO BUDGET (Continued)
FOR THE YEAR ENDED SEPTEMBER 30, 2014

With comparative actual amounts for the year ended September 30, 2013

	2014		VARIANCE WITH FINAL BUDGET	2013 ACTUAL
	FINAL BUDGET	ACTUAL		
PUBLIC WORKS:				
Administration:				
Personal Services	\$ 184,485	\$ 178,294	\$ 6,191	\$ 171,558
Operating Expenses	45,128	39,169	5,959	38,779
Capital Outlay	31,700	31,773	(73)	-
Total Administration	261,313	249,236	12,077	210,337
Streets and Maintenance:				
Personal Services	580,752	597,514	(16,762)	548,851
Electric-Street Lights	160,000	160,495	(495)	157,947
Operating Expenses	228,067	201,928	26,139	214,250
Street Resurfacing	760,000	647,516	112,484	399,475
Capital Outlay	43,140	43,138	2	45,442
Capital Outlay - CDBG Grant	750,000	693,190	56,810	695
Total Streets and Maintenance	2,521,959	2,343,781	178,178	1,366,660
Motor Pool (Fleet Maintenance):				
Personal Services	100,790	104,457	(3,667)	96,966
Operating Expenses	19,143	18,964	179	16,062
Capital Outlay	12,024	10,002	2,022	4,692
Total Motor Pool	131,957	133,423	(1,466)	117,720
Total Public Works	2,915,229	2,726,440	188,789	1,694,717
CULTURE AND RECREATION:				
Library:				
Personal Services	330,180	332,228	(2,048)	336,259
Operating Expenses	130,804	120,761	10,043	126,669
Library Books	65,000	59,443	5,557	54,542
Capital Outlay	34,008	33,574	434	-
Debt Service	204,000	204,000	-	204,000
Total Library	763,992	750,006	13,986	721,470
Parks and Recreation:				
Personal Services	304,677	291,789	12,888	279,758
Operating Expenses	211,988	180,314	31,674	168,865
Operating Expenses - Community Bldg	14,306	6,007	8,299	8,841
Capital Outlay	103,829	87,996	15,833	5,465
Capital Outlay - Sidewalk Grant	505,800	475,874	29,926	6,225
Total Parks and Recreation	1,140,600	1,041,980	98,620	469,154
Total Culture and Recreation	1,904,592	1,791,986	112,606	1,190,624
Total Expenditures	\$ 11,672,782	\$ 11,140,009	\$ 532,773	\$ 9,299,599

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

TOWN OF LADY LAKE, FLORIDA

SPECIAL REVENUE FUND

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

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

**TOWN OF LADY LAKE, FLORIDA
SALES TAX REVENUE FUND
COMPARATIVE BALANCE SHEETS
SEPTEMBER 30, 2014 AND 2013**

<u>ASSETS</u>	<u>2014</u>	<u>2013</u>
Cash	\$ 988,601	\$ 886,118
Due from State of Florida	<u>118,200</u>	<u>111,677</u>
 Total Assets	 <u>\$ 1,106,801</u>	 <u>\$ 997,795</u>
<u>LIABILITIES AND FUND BALANCE</u>		
Liabilities	<u>\$ -</u>	<u>\$ -</u>
Fund Balance, Restricted for Infrastructure	<u>1,106,801</u>	<u>997,795</u>
 Total Liabilities and Fund Balance	 <u>\$ 1,106,801</u>	 <u>\$ 997,795</u>

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

TOWN OF LADY LAKE, FLORIDA
SALES TAX REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2014
With comparative actual amounts for the year ended September 30, 2013

	2014		VARIANCE WITH FINAL BUDGET	2013 ACTUAL
	FINAL BUDGET	ACTUAL		
REVENUES:				
Local Government Infrastructure Surtax	\$ 1,100,000	\$ 1,191,905	\$ 91,905	\$ 1,121,772
Interest Earned	350	636	286	627
Total Revenues	1,100,350	1,192,541	92,191	1,122,399
OTHER FINANCING SOURCES (USES):				
Transfer to General Fund	(281,189)	(293,210)	(12,021)	(204,000)
Transfer to Utility Fund	(790,969)	(790,325)	644	(730,110)
Total Other Financing Sources (Uses)	(1,072,158)	(1,083,535)	(11,377)	(934,110)
Net Change in Fund Balance	28,192	109,006	80,814	188,289
Fund Balance, Beginning of Year	997,795	997,795	-	809,506
Fund Balance, End of Year	\$ 1,025,987	\$ 1,106,801	\$ 80,814	\$ 997,795

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

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TOWN OF LADY LAKE, FLORIDA

ENTERPRISE FUND

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

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

TOWN OF LADY LAKE, FLORIDA
UTILITY FUND
COMPARATIVE STATEMENTS OF NET POSITION
SEPTEMBER 30, 2014 AND 2013

<u>ASSETS</u>	<u>2014</u>	<u>2013</u>
CURRENT ASSETS:		
Cash	\$ 2,152,120	\$ 1,871,799
Investments	-	70,524
Restricted Cash:		
Customer Deposits	573,670	513,713
Customer Accounts Receivable, net of allowance for uncollectibles of \$32,301 <i>As of 740,981</i>	154,410	140,793
Unbilled Utility Service Receivables	100,627	81,739
Inventory	64,052	48,889
Prepaid Expenses	3,000	3,000
	<u>3,047,879</u>	<u>2,730,457</u>
NONCURRENT ASSETS:		
RESTRICTED CASH:		
Impact Fees - Water	720,035	709,410
Impact Fees - Sewer	469,207	585,079
Impact Fees - Reuse	34,163	28,514
	<u>1,223,405</u>	<u>1,323,003</u>
SUNTRUST LOAN COSTS	<u>-</u>	<u>1,134</u>
SEWER CAPACITY RESERVATION AGREEMENT, net of accumulated amortization of \$515,944 and \$476,890 in 2014 and 2013, respectively	<u>1,113,062</u>	<u>1,152,116</u>
PROPERTY, PLANT, AND EQUIPMENT:		
Land	509,453	509,453
Buildings	346,587	346,587
Water Utility System	8,143,280	8,138,909
Sewer Utility System	19,196,226	19,090,334
Equipment	1,751,729	1,571,350
Construction in Progress	-	10,911
	<u>29,947,275</u>	<u>29,667,544</u>
Less Accumulated Depreciation	<u>9,814,065</u>	<u>8,786,538</u>
Net Property, Plant, and Equipment	<u>20,133,210</u>	<u>20,881,006</u>
Total Assets	<u>25,517,556</u>	<u>26,087,716</u>

TOWN OF LADY LAKE, FLORIDA
UTILITY FUND
COMPARATIVE STATEMENTS OF NET POSITION (Continued)
SEPTEMBER 30, 2014 AND 2013

<u>LIABILITIES</u>	<u>2014</u>	<u>2013</u>
CURRENT LIABILITIES:		
Accounts Payable	\$ 33,260	\$ 35,593
Accrued Payroll and Related Taxes	13,855	11,805
Accrued Vacation Payable	24,687	19,618
Due to General Fund	3,434	2,792
Customer Deposits	573,670	513,713
SunTrust Loan Payable:		
Current Portion	-	712,454
Accrued Interest Payable	-	2,506
Total Current Liabilities	648,906	1,298,481
NONCURRENT LIABILITIES:		
Accrued Vacation Payable	1,712	4,425
SunTrust Loan	-	60,649
Unearned Revenue	31,757	31,757
Total Noncurrent Liabilities	33,469	96,831
Total Liabilities	682,375	1,395,312
 <u>NET POSITION</u>		
Net Investment in Capital Assets	21,246,272	21,260,019
Restricted for Utility Capital Improvements	1,223,405	1,323,003
Unrestricted	2,365,504	2,109,382
Total Net Position	\$24,835,181	\$24,692,404

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

TOWN OF LADY LAKE, FLORIDA
UTILITY FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENSES,
AND CHANGES IN NET POSITION
FOR THE YEARS ENDED SEPTEMBER 30, 2014 AND 2013

	2014	2013
OPERATING REVENUES:		
Water Sales	\$ 1,044,276	\$ 997,288
Sewer Revenue	660,276	608,748
Reuse Water Sales	87,006	104,467
Connection Fees	40,887	38,258
Garbage Revenue	364,311	360,974
Late Fees and Other Customer Revenue	49,049	48,149
	<u>2,245,805</u>	<u>2,157,884</u>
OPERATING EXPENSES:		
Personal Services	646,722	573,194
Garbage Contract Services	330,661	328,389
Operating Supplies	261,285	156,098
Utilities	146,332	140,087
Professional Services	129,213	189,211
Repairs and Maintenance	107,314	102,986
Insurance	84,942	75,675
Other Contract Services	70,576	134,761
Amortization	39,054	39,055
Other Operating Expenses	46,616	56,897
Depreciation	1,027,527	1,013,822
	<u>2,890,242</u>	<u>2,810,175</u>
Total Operating Expenses		
	<u>2,890,242</u>	<u>2,810,175</u>
Net Operating Loss	<u>(644,437)</u>	<u>(652,291)</u>
NONOPERATING REVENUES (EXPENSES):		
Interest Revenue	3,654	4,399
Increase (Decrease) in Fair Value of Investments	(8,258)	15,199
Debt Issuance Costs	(1,134)	(1,135)
Interest Expense	(14,716)	(42,958)
	<u>(20,454)</u>	<u>(24,495)</u>
Total Nonoperating Revenues (Expenses)		
	<u>(20,454)</u>	<u>(24,495)</u>
Loss Before Contributions and Transfers	<u>(664,891)</u>	<u>(676,786)</u>
CAPITAL CONTRIBUTIONS:		
Water Impact Fees	56,962	7,495
Sewer and Reuse Impact Fees	104,504	30,460
Developers	-	482,669
TRANSFERS IN - Infrastructure Taxes	790,325	730,110
TRANSFERS OUT - to General Fund	(144,123)	(144,123)
	<u>142,777</u>	<u>429,825</u>
Change in Net Position		
	<u>142,777</u>	<u>429,825</u>
Total Net Position, Beginning of Year	<u>24,692,404</u>	<u>24,262,579</u>
Total Net Position, End of Year	<u>\$24,835,181</u>	<u>\$24,692,404</u>

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

TOWN OF LADY LAKE, FLORIDA
UTILITY FUND
COMPARATIVE STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED SEPTEMBER 30, 2014 AND 2013

	<u>2014</u>	<u>2013</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash Received from Customers	\$ 2,273,257	\$ 2,194,999
Cash Payments to Employees for Services	(642,366)	(569,614)
Cash Payments to Suppliers for Goods and Services	<u>(1,193,743)</u>	<u>(1,104,120)</u>
Net Cash Provided by Operating Activities	<u>437,148</u>	<u>521,265</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:		
Transfer to General Fund	<u>(144,123)</u>	<u>(144,123)</u>
Net Cash Used in Noncapital Financing Activities	<u>(144,123)</u>	<u>(144,123)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Transfer from Sales Tax Revenue Fund - Infrastructure Taxes	790,325	730,110
Water, Sewer and Reuse Impact Fees Received	161,466	37,955
Suntrust Loan Interest Paid	(17,222)	(45,178)
Suntrust Loan Principal Paid	(773,103)	(684,932)
Acquisition and Construction of Capital Assets	<u>(279,731)</u>	<u>(72,206)</u>
Net Cash Used in Capital and Related Financing Activities	<u>(118,265)</u>	<u>(34,251)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
State Board Fund B Pool Investment	62,266	73,746
Interest Received on Demand Deposits	<u>3,654</u>	<u>4,399</u>
Net Cash Provided by Investing Activities	<u>65,920</u>	<u>78,145</u>
NET INCREASE IN CASH	240,680	421,036
Cash at Beginning of Year	<u>3,708,515</u>	<u>3,287,479</u>
Cash at End of Year	<u><u>\$ 3,949,195</u></u>	<u><u>\$ 3,708,515</u></u>

Continued on next page

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

TOWN OF LADY LAKE, FLORIDA
UTILITY FUND
COMPARATIVE STATEMENTS OF CASH FLOWS (Continued)
FOR THE YEARS ENDED SEPTEMBER 30, 2014 AND 2013

	2014	2013
RECONCILIATION OF OPERATING LOSS TO NET CASH PROVIDED BY OPERATING ACTIVITIES:		
Operating Loss	\$ (644,437)	\$ (652,291)
Adjustments to reconcile operating loss to net cash provided by operating activities:		
Depreciation and Amortization	1,066,581	1,052,877
Write off Engineering Costs	-	75,365
Increase in Accounts Receivable	(13,617)	(2,293)
(Increase) Decrease in Unbilled Receivables	(18,888)	10,657
(Increase) Decrease in Inventory	(15,163)	2,684
Increase in Prepaid Expenses	-	(1,199)
Increase (Decrease) in Accounts Payable	(2,333)	3,459
Increase (Decrease) in Due to General Fund	642	(325)
Increase in Accrued Payroll and Related Taxes	2,050	3,727
Increase (Decrease) in Accrued Vacation Payable	2,356	(147)
Increase in Customer Deposits	59,957	28,751
 Total Adjustments	 1,081,585	 1,173,556
 Net Cash Provided by Operating Activities	 \$ 437,148	 \$ 521,265
 NONCASH CAPITAL ACTIVITIES:		
Developer utility system contributions	\$ -	\$ 482,669
 NONCASH INVESTING ACTIVITIES:		
State Board Fund B Pool investment gain (loss)	(8,258)	15,199

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

TOWN OF LADY LAKE, FLORIDA

**UTILITY FUND
SCHEDULE OF BUDGETARY COMPLIANCE**

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

**TOWN OF LADY LAKE, FLORIDA
UTILITY FUND
SCHEDULE OF REVENUES AND EXPENSES -
BUDGET AND ACTUAL (BASIS OTHER THAN GAAP)
FOR THE YEAR ENDED SEPTEMBER 30, 2014**

	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
REVENUES:			
Water Sales	\$ 1,001,612	\$ 1,044,276	\$ 42,664
Sewer Revenue	595,199	660,276	65,077
Reuse Water Sales	101,275	87,006	(14,269)
Connection Fees	35,151	40,887	5,736
Garbage Revenue	350,641	364,311	13,670
Late Fees and Other Revenue	51,128	49,049	(2,079)
Interest Revenue	2,654	3,654	1,000
Increase in Fair Value of Investments	29,297	(8,258)	(37,555)
Water, Sewer and Reuse Impact Fees	-	161,466	161,466
Transfers in from Sales Tax Revenue Fund	790,969	790,325	(644)
Total Revenues	2,957,926	3,192,992	235,066
EXPENSES:			
Personal Services	689,127	646,722	42,405
Operating Expenses - Water	568,775	475,051	93,724
Operating Expenses - Sewer	400,605	371,227	29,378
Operating Expenses - Garbage	335,641	330,661	4,980
Amortization	39,055	39,054	1
Interest Expense	17,669	14,716	2,953
Debt Issuance Costs	19,048	1,134	17,914
Principal - Utility Debt	773,300	773,103	197
Equipment Purchases	263,643	180,379	83,264
Utility System Improvements	-	99,352	(99,352)
Transfers out to General Fund	144,123	144,123	-
Total Expenses	3,250,986	3,075,522	175,464
Excess (Deficiency) of Revenues Over (Under) Expenses	\$ (293,060)	\$ 117,470	\$ 410,530

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

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

**TOWN OF LADY LAKE, FLORIDA
COMPARATIVE SCHEDULE OF CAPITAL ASSETS
USED IN GOVERNMENTAL ACTIVITIES - BY SOURCE
SEPTEMBER 30, 2014 AND 2013**

	<u>2014</u>	<u>2013</u>
CAPITAL ASSETS:		
Land	\$ 2,071,389	\$ 1,902,707
Buildings	12,054,687	12,054,687
Improvements Other Than Buildings	1,993,535	1,968,314
Furniture and Equipment	5,258,157	4,765,411
Infrastructure	2,074,712	1,480,447
Construction in Progress	<u>762,373</u>	<u>187,883</u>
 Total Capital Assets	 <u>\$ 24,214,853</u>	 <u>\$ 22,359,449</u>
 INVESTMENT IN CAPITAL ASSETS FROM:		
Excise Taxes Revenue Bonds	\$ 375,000	\$ 375,000
Capital Improvement Revenue Bonds	293,287	293,287
Federal Grants	1,621,740	450,542
State of Florida Grants	582,829	582,829
Lake County Grants	631,040	631,040
Donations and Developer Contributions	2,502,094	2,499,176
General Fund Revenues	<u>18,208,863</u>	<u>17,527,575</u>
 Total Investment in Capital Assets	 <u>\$ 24,214,853</u>	 <u>\$ 22,359,449</u>

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

TOWN OF LADY LAKE, FLORIDA
SCHEDULE OF CAPITAL ASSETS USED IN GOVERNMENTAL ACTIVITIES
BY FUNCTION AND ACTIVITY
SEPTEMBER 30, 2014

FUNCTION AND ACTIVITY	LAND	BUILDINGS	IMPROVEMENTS OTHER THAN BUILDINGS	FURNITURE AND EQUIPMENT	INFRA-STRUCTURE	CONSTRUCTION IN PROGRESS	TOTAL
GENERAL GOVERNMENT:							
Town Manager	\$ -	\$ -	\$ -	\$ 9,684	\$ -	\$ -	\$ 9,684
Town Clerk	-	-	-	12,926	-	-	12,926
Finance	-	-	-	32,721	-	-	32,721
Human Resources	-	-	-	8,706	-	-	8,706
Information Technology	-	-	-	235,337	-	-	235,337
Other General Government	1,414,422	2,848,875	173,706	466,368	-	-	4,903,371
Facilities Maintenance	-	-	-	75,225	-	-	75,225
Total General Government	1,414,422	2,848,875	173,706	840,967	-	-	5,277,970
PUBLIC SAFETY:							
Police	-	4,675	8,806	2,234,513	-	-	2,247,994
Building Inspections/Code Enf	-	-	-	19,292	-	-	19,292
Total Public Safety	-	4,675	8,806	2,253,805	-	-	2,267,286
GROWTH MANAGEMENT							
PUBLIC WORKS:				130,142			130,142
Administration	-	1,639,187	13,502	88,234	-	-	1,740,923
Streets and Maintenance	174,247	142,433	124,484	1,072,366	1,480,447	762,373	3,756,350
Motor Pool	-	6,437	-	86,243	-	-	92,680
Total Public Works	174,247	1,788,057	137,986	1,246,843	1,480,447	762,373	5,589,953
CULTURE AND RECREATION:							
Library	48,000	6,631,993	-	272,612	-	-	6,952,605
Parks and Recreation	434,720	781,087	1,673,037	513,788	594,265	-	3,996,897
Total Culture and Recreation	482,720	7,413,080	1,673,037	786,400	594,265	-	10,949,502
Total Capital Assets	\$ 2,071,389	\$ 12,054,687	\$ 1,993,535	\$ 5,258,157	\$ 2,074,712	\$ 762,373	\$ 24,214,853

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

TOWN OF LADY LAKE, FLORIDA
SCHEDULE OF CHANGES IN CAPITAL ASSETS USED IN GOVERNMENTAL ACTIVITIES
BY FUNCTION AND ACTIVITY
FOR THE YEAR ENDED SEPTEMBER 30, 2014

FUNCTION AND ACTIVITY	BALANCE 9/30/2013	ADDITIONS	TRANSFERS/ DISPOSALS	BALANCE 9/30/2014
GENERAL GOVERNMENT:				
Town Manager	\$ 9,684	\$ -	\$ -	\$ 9,684
Town Clerk	12,926	-	-	12,926
Finance	32,721	-	-	32,721
Human Resources	8,706	-	-	8,706
Information Technology	122,984	112,353	-	235,337
Other General Government	4,709,287	194,714	(630)	4,903,371
Facilities Maintenance	75,225	-	-	75,225
Total General Government	4,971,533	307,067	(630)	5,277,970
PUBLIC SAFETY:				
Police	2,105,314	142,680	-	2,247,994
Building Inspections/Code Enforce	19,292	-	-	19,292
Total Public Safety	2,124,606	142,680	-	2,267,286
GROWTH MANAGEMENT	98,369	31,773	-	130,142
PUBLIC WORKS:				
Administration	1,709,150	31,773	-	1,740,923
Streets and Maintenance	3,020,022	736,328	-	3,756,350
Motor Pool	82,678	10,002	-	92,680
Total Public Works	4,811,850	778,103	-	5,589,953
CULTURE AND RECREATION:				
Library	6,919,031	33,574	-	6,952,605
Parks and Recreation	3,434,060	563,870	(1,033)	3,996,897
Total Culture and Recreation	10,353,091	597,444	(1,033)	10,949,502
Total Capital Assets	\$ 22,359,449	\$ 1,857,067	\$ (1,663)	\$ 24,214,853

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

STATISTICAL SECTION

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

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Financial Trends These schedules contain trend information to help the reader understand how the Town's financial performance and well-being have changed over time.	82-92
Revenue Capacity These schedules contain information to help the reader assess the Town's most significant revenue source, the property tax.	93-96
Debt Capacity These schedules present information to help the reader assess the affordability of the Town's current levels of outstanding debt and the Town's ability to issue additional debt in the future.	97-100
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.	101-104
Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the Town's financial report relates to the services the city provides and the activities it performs.	105-109

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 in fiscal year 2004; schedules presenting government-wide information include information beginning in that year.

The Town implemented GASB Statement 44 in fiscal year 2006; schedules presenting demographic, operating, and capital asset statistics include information beginning in that year.

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

	Fiscal Year 2005	Fiscal Year 2006	Fiscal Year 2007	Fiscal Year 2008
GOVERNMENTAL ACTIVITIES				
Net Investment in Capital Assets	\$ 9,268,919	\$ 9,548,775	\$ 9,634,717	\$ 10,361,952
Restricted for:				
Capital Improvements	3,192,710	2,168,936	138,759	511,694
Debt Service	12,680	-	-	-
Police	83,532	46,970	78,284	52,245
Building Inspections	30,481	27,878	237,603	152,649
Education	-	117,000	1,391,646	1,584,846
Tornado Relief	-	-	11,891	-
Unrestricted	5,121,152	5,116,313	4,948,479	3,363,431
Total Governmental Activities Net Position	<u>\$ 17,709,474</u>	<u>\$ 17,025,872</u>	<u>\$ 16,441,379</u>	<u>\$ 16,026,817</u>
BUSINESS-TYPE ACTIVITIES				
Net Investment in Capital Assets	\$ 7,379,680	\$ 10,457,799	\$ 14,288,577	\$ 18,689,898
Restricted for:				
Capital Improvements	1,261,319	1,257,488	3,866,056	1,577,122
Debt Service	57,904	59,402	61,074	61,755
Unrestricted	1,292,801	947,600	1,538,871	1,262,800
Total Business-type Activities Net Position	<u>\$ 9,991,704</u>	<u>\$ 12,722,289</u>	<u>\$ 19,754,578</u>	<u>\$ 21,591,575</u>
TOWN OF LADY LAKE				
Net Investment in Capital Assets	\$ 16,648,599	\$ 20,006,574	\$ 23,923,294	\$ 29,051,850
Restricted for:				
Capital Improvements	4,454,029	3,426,424	4,004,815	2,088,816
Debt Service	70,584	59,402	61,074	61,755
Police	83,532	46,970	78,284	52,245
Building Inspections	30,481	27,878	237,603	152,649
Education	-	117,000	1,391,646	1,584,846
Tornado Relief	-	-	11,891	-
Unrestricted	6,413,953	6,063,913	6,487,350	4,626,231
Total Town of Lady Lake Net Position	<u>\$ 27,701,178</u>	<u>\$ 29,748,161</u>	<u>\$ 36,195,957</u>	<u>\$ 37,618,392</u>

Fiscal Year 2009	Fiscal Year 2010	Fiscal Year 2011	Fiscal Year 2012	Fiscal Year 2013	Fiscal Year 2014
\$ 10,365,935	\$ 9,603,282	\$ 11,155,386	\$ 10,834,189	\$ 10,682,438	\$ 11,831,421
781,865	1,781,385	18,694	253,198	308,271	356,616
-	-	-	-	-	-
53,345	56,908	24,520	4,957	18,790	21,075
110,568	29,295	-	7,339	-	-
1,587,846	1,590,846	1,590,846	1,590,846	1,590,846	1,596,096
-	-	-	-	-	-
3,327,725	4,301,552	5,671,890	6,512,844	6,736,665	5,467,962
<u>\$ 16,227,284</u>	<u>\$ 17,363,268</u>	<u>\$ 18,461,336</u>	<u>\$ 19,203,373</u>	<u>\$ 19,337,010</u>	<u>\$ 19,273,170</u>
\$ 20,404,754	\$ 21,138,522	\$ 20,844,418	\$ 21,148,454	\$ 21,260,019	\$ 21,246,272
1,238,859	1,039,979	1,075,399	1,284,655	1,323,003	1,223,405
62,627	63,190	63,768	-	-	-
1,053,781	1,212,779	1,541,857	1,829,470	2,109,382	2,365,504
<u>\$ 22,760,021</u>	<u>\$ 23,454,470</u>	<u>\$ 23,525,442</u>	<u>\$ 24,262,579</u>	<u>\$ 24,692,404</u>	<u>\$ 24,835,181</u>
\$ 30,770,689	\$ 30,741,804	\$ 31,999,804	\$ 31,982,643	\$ 31,942,457	\$ 33,077,693
2,020,724	2,821,364	1,094,093	1,537,853	1,631,274	1,580,021
62,627	63,190	63,768	-	-	-
53,345	56,908	24,520	4,957	18,790	21,075
110,568	29,295	-	7,339	-	-
1,587,846	1,590,846	1,590,846	1,590,846	1,590,846	1,596,096
-	-	-	-	-	-
4,381,506	5,514,331	7,213,747	8,342,314	8,846,047	7,833,466
<u>\$ 38,987,305</u>	<u>\$ 40,817,738</u>	<u>\$ 41,986,778</u>	<u>\$ 43,465,952</u>	<u>\$ 44,029,414</u>	<u>\$ 44,108,351</u>

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

	Fiscal Year 2005	Fiscal Year 2006	Fiscal Year 2007	Fiscal Year 2008
EXPENSES				
Governmental Activities:				
General Government	\$ 1,606,240	\$ 1,637,919	\$ 3,245,414	\$ 2,116,586
Public Safety	3,241,998	3,406,644	4,172,689	4,675,709
Growth Management	279,413	304,620	491,530	428,130
Public Works	943,419	1,218,962	1,215,478	1,459,612
Culture and Recreation	732,173	891,205	953,119	1,026,511
Interest on Long-term Debt	2,874	689	9,159	9,339
Total Governmental Activities Expenses	6,806,117	7,460,039	10,087,389	9,715,887
Business-Type Activities				
Water	706,022	746,586	831,499	933,226
Sewer	380,139	492,555	824,302	774,490
Garbage	322,560	295,876	308,998	311,864
Total Business-Type Activities Expenses	1,408,721	1,535,017	1,964,799	2,019,580
Total Expenses	\$ 8,214,838	\$ 8,995,056	\$ 12,052,188	\$ 11,735,467
PROGRAM REVENUES				
Governmental Activities:				
Charges for Services:				
General Government	\$ 117,350	\$ 110,065	\$ 170,940	\$ 179,083
Public Safety	961,987	1,005,185	1,553,192	1,393,794
Growth Management	106,830	191,175	197,300	186,009
Public Works	-	-	-	-
Culture and Recreation	19,280	25,188	30,295	29,163
Operating Grants and Contributions	517,270	366,040	1,807,208	408,982
Capital Grants and Contributions	1,307,707	260,432	1,501,163	579,163
Total Governmental Activities Program Revenues	3,030,424	1,958,085	5,260,098	2,776,194
Business-Type Activities:				
Charges for Services:				
Water	673,369	803,771	864,502	1,073,086
Sewer	177,456	221,593	290,827	347,695
Garbage	313,534	328,757	335,531	338,233
Operating Grants and Contributions	-	-	-	-
Capital Grants and Contributions	1,318,567	265,486	4,004,394	1,342,358
Total Business-Type Activities Program Revenues	2,482,926	1,619,607	5,495,254	3,101,372
Total Program Revenues	\$ 5,513,350	\$ 3,577,692	\$ 10,755,352	\$ 5,877,566
NET REVENUE (EXPENSE)				
Governmental Activities	\$ (3,775,693)	\$ (5,501,954)	\$ (4,827,291)	\$ (6,939,693)
Business-Type Activities	1,074,205	84,590	3,530,455	1,081,792
Total Net Expense	\$ (2,701,488)	\$ (5,417,364)	\$ (1,296,836)	\$ (5,857,901)

<u>Fiscal Year 2009</u>	<u>Fiscal Year 2010</u>	<u>Fiscal Year 2011</u>	<u>Fiscal Year 2012</u>	<u>Fiscal Year 2013</u>	<u>Fiscal Year 2014</u>
\$ 1,933,144	\$ 1,717,836	\$ 1,526,644	\$ 1,480,301	\$ 1,521,779	\$ 1,668,708
4,515,835	4,521,168	4,252,583	4,183,461	4,433,960	4,485,737
267,442	246,849	267,673	205,076	248,856	243,718
1,509,663	1,380,692	1,531,843	1,642,133	1,809,065	2,118,038
999,196	1,000,149	1,195,056	1,334,575	1,332,810	1,326,100
11,916	133,743	148,077	143,289	139,871	137,017
<u>9,237,196</u>	<u>9,000,437</u>	<u>8,921,876</u>	<u>8,988,835</u>	<u>9,486,341</u>	<u>9,979,318</u>
1,133,735	1,134,744	1,091,782	1,157,928	1,151,286	1,305,705
1,226,015	1,289,583	1,271,914	1,266,414	1,374,593	1,269,726
312,382	312,829	318,655	325,861	328,389	330,661
<u>2,672,132</u>	<u>2,737,156</u>	<u>2,682,351</u>	<u>2,750,203</u>	<u>2,854,268</u>	<u>2,906,092</u>
<u>\$ 11,909,328</u>	<u>\$ 11,737,593</u>	<u>\$ 11,604,227</u>	<u>\$ 11,739,038</u>	<u>\$ 12,340,609</u>	<u>\$ 12,885,410</u>
\$ 36,471	\$ 19,975	\$ 33,050	\$ 20,583	\$ 46,061	\$ 26,257
1,208,716	1,113,352	1,049,975	1,148,897	1,180,261	1,270,751
76,803	56,217	49,930	44,806	63,305	84,945
-	13,466	16,475	19,183	16,996	39,447
25,978	29,210	27,272	32,502	48,081	48,550
279,589	313,310	396,452	198,181	180,793	210,371
148,211	559,587	493,353	234,178	55,155	1,207,037
<u>1,775,768</u>	<u>2,105,117</u>	<u>2,066,507</u>	<u>1,698,330</u>	<u>1,590,652</u>	<u>2,887,358</u>
1,000,324	955,189	1,044,641	1,070,237	1,063,469	1,113,378
576,178	629,730	699,705	710,978	733,441	768,116
338,203	340,418	359,543	358,768	360,974	364,311
-	-	1,890	432	-	-
1,361,733	836,819	34,488	708,452	520,624	161,466
<u>3,276,438</u>	<u>2,762,156</u>	<u>2,140,267</u>	<u>2,848,867</u>	<u>2,678,508</u>	<u>2,407,271</u>
<u>\$ 5,052,206</u>	<u>\$ 4,867,273</u>	<u>\$ 4,206,774</u>	<u>\$ 4,547,197</u>	<u>\$ 4,269,160</u>	<u>\$ 5,294,629</u>
\$ (7,461,428)	\$ (6,895,320)	\$ (6,855,369)	\$ (7,290,505)	\$ (7,895,689)	\$ (7,091,960)
604,306	25,000	(542,084)	98,664	(175,760)	(498,821)
<u>\$ (6,857,122)</u>	<u>\$ (6,870,320)</u>	<u>\$ (7,397,453)</u>	<u>\$ (7,191,841)</u>	<u>\$ (8,071,449)</u>	<u>\$ (7,590,781)</u>

Continued on Next Page

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

	Fiscal Year 2005	Fiscal Year 2006	Fiscal Year 2007	Fiscal Year 2008
GENERAL REVENUES AND TRANSFERS				
Governmental Activities:				
Taxes:				
Property Taxes	\$ 1,309,238	\$ 1,458,224	\$ 1,802,719	\$ 1,998,784
Sales Taxes	2,027,064	2,193,756	1,934,966	1,750,420
Franchise Fees	848,131	1,080,606	1,102,074	1,136,241
Utility Taxes	1,338,458	1,455,720	1,558,851	1,484,241
Excise Taxes	706,170	774,014	708,491	644,564
Unrestricted Investment Earnings	189,312	358,472	454,554	212,044
Gain on Sale of Capital Assets	4,052	-	-	-
Transfers	(603,510)	(2,502,440)	(3,318,857)	(701,163)
Total Governmental Activities	5,818,915	4,818,352	4,242,798	6,525,131
Business-Type Activities:				
Unrestricted Investment Earnings	187,527	143,555	182,977	54,042
Transfers	603,510	2,502,440	3,318,857	701,163
Total Business-Type Activities	791,037	2,645,995	3,501,834	755,205
Total General Revenues and Transfers	\$ 6,609,952	\$ 7,464,347	\$ 7,744,632	\$ 7,280,336
CHANGE IN NET POSITION				
Governmental Activities	\$ 2,043,222	\$ (683,602)	\$ (584,493)	\$ (414,562)
Business-Type Activities	1,865,242	2,730,585	7,032,289	1,836,997
Total Change in Net Position	\$ 3,908,464	\$ 2,046,983	\$ 6,447,796	\$ 1,422,435

Fiscal Year 2009	Fiscal Year 2010	Fiscal Year 2011	Fiscal Year 2012	Fiscal Year 2013	Fiscal Year 2014
\$ 2,581,571	\$ 2,717,691	\$ 2,611,571	\$ 2,551,573	\$ 2,499,157	\$ 2,541,325
1,569,576	1,591,571	1,751,849	1,763,033	1,801,238	1,924,431
1,298,195	1,449,685	1,365,739	1,295,015	1,283,585	1,395,151
1,791,745	1,976,462	1,980,086	2,208,800	2,361,744	978,520
697,758	699,282	703,755	704,042	710,796	742,764
329,145	202,738	130,564	112,217	(41,207)	81,731
-	-	-	-	-	10,400
(606,095)	(606,125)	(590,127)	(602,138)	(585,987)	(646,202)
<u>7,661,895</u>	<u>8,031,304</u>	<u>7,953,437</u>	<u>8,032,542</u>	<u>8,029,326</u>	<u>7,028,120</u>
(41,955)	63,324	22,929	36,335	19,598	(4,604)
606,095	606,125	590,127	602,138	585,987	646,202
<u>564,140</u>	<u>669,449</u>	<u>613,056</u>	<u>638,473</u>	<u>605,585</u>	<u>641,598</u>
<u>\$ 8,226,035</u>	<u>\$ 8,700,753</u>	<u>\$ 8,566,493</u>	<u>\$ 8,671,015</u>	<u>\$ 8,634,911</u>	<u>\$ 7,669,718</u>
\$ 200,467	\$ 1,135,984	\$ 1,098,068	\$ 742,037	\$ 133,637	\$ (63,840)
1,168,446	694,449	70,972	737,137	429,825	142,777
<u>\$ 1,368,913</u>	<u>\$ 1,830,433</u>	<u>\$ 1,169,040</u>	<u>\$ 1,479,174</u>	<u>\$ 563,462</u>	<u>\$ 78,937</u>

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

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
General Fund				
Nonspendable	\$ -	\$ -	\$ -	\$ -
Restricted	-	-	-	-
Reserved	250,293	253,335	1,918,082	1,920,764
Assigned	-	-	-	-
Unassigned	-	-	-	-
Unreserved	<u>5,077,867</u>	<u>5,199,945</u>	<u>4,831,656</u>	<u>3,325,535</u>
Total General Fund	<u>\$ 5,328,160</u>	<u>\$ 5,453,280</u>	<u>\$ 6,749,738</u>	<u>\$ 5,246,299</u>
All Other Governmental Funds				
Restricted	\$ -	\$ -	\$ -	\$ -
Reserved	3,205,390	2,168,936	138,759	511,694
Unreserved, reported in:				
Debt service funds	<u>33,165</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total all other governmental funds	<u>\$ 3,238,555</u>	<u>\$ 2,168,936</u>	<u>\$ 138,759</u>	<u>\$ 511,694</u>

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

<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
\$ -	\$ -	\$ 141,268	\$ 107,936	\$ 70,346	\$ 44,981
-	-	1,634,060	1,856,340	1,917,907	1,973,787
1,957,396	2,244,175	-	-	-	-
-	-	21,431	12,768	7,139	11,386
-	-	5,061,025	5,765,899	5,879,340	5,274,753
3,360,942	4,307,215	-	-	-	-
<u>\$ 5,318,338</u>	<u>\$ 6,551,390</u>	<u>\$ 6,857,784</u>	<u>\$ 7,742,943</u>	<u>\$ 7,874,732</u>	<u>\$ 7,304,907</u>
\$ -	\$ -	\$ 583,030	\$ 809,506	\$ 997,795	\$ 1,106,801
776,419	891,389	-	-	-	-
-	-	-	-	-	-
<u>\$ 776,419</u>	<u>\$ 891,389</u>	<u>\$ 583,030</u>	<u>\$ 809,506</u>	<u>\$ 997,795</u>	<u>\$ 1,106,801</u>

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

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Revenues					
Taxes	\$ 4,988,671	\$ 5,646,998	\$ 5,917,231	\$ 6,005,261	\$ 7,020,405
Licenses and Permits	497,441	599,368	1,088,610	772,972	409,063
Intergovernmental Revenues	2,021,370	1,688,267	2,926,694	1,482,333	1,396,891
Charges for Services	143,377	139,781	150,950	158,561	163,865
Fines and Forfeitures	72,948	83,664	107,193	118,481	84,927
Investment Earnings	189,312	358,472	454,554	212,044	329,145
Miscellaneous	910,955	765,804	2,175,751	1,014,262	749,223
Total Revenues	8,824,074	9,282,354	12,820,983	9,763,914	10,153,519
Expenditures					
General Government	1,483,321	1,696,456	3,121,174	1,976,628	1,815,854
Public Safety	3,166,649	3,567,311	4,706,147	4,560,641	4,605,430
Growth Management	279,668	301,659	487,836	437,204	257,645
Public Works	775,849	1,165,617	1,122,347	1,356,600	1,336,765
Culture and Recreation	611,836	866,326	942,050	905,622	866,044
Capital Outlay	507,330	117,484	55,668	882,986	445,688
Debt Service:					
Principal	38,000	11,991	74,494	62,282	130,111
Interest	2,874	689	-	12,212	8,383
Total Expenditures	6,865,527	7,727,533	10,509,716	10,194,175	9,465,920
Excess (Deficiency) of Revenues over (under) Expenditures	1,958,547	1,554,821	2,311,267	(430,261)	687,599
Other Financing Sources (Uses)					
Loan Proceeds	-	-	-	-	-
Capital Lease	-	-	273,065	-	251,000
Transfers in	28,000	115,628	30,500	29,000	124,000
Transfers out	(631,510)	(2,618,068)	(3,349,357)	(730,163)	(730,095)
Sale of Capital Assets	15,896	3,120	806	920	4,260
Other Losses	-	-	-	-	-
Total Other Financing Sources (Uses)	(587,614)	(2,499,320)	(3,044,986)	(700,243)	(350,835)
Net Change in Fund Balances	\$ 1,370,933	\$ (944,499)	\$ (733,719)	\$ (1,130,504)	\$ 336,764
Debt service as a percentage of noncapital expenditures	0.7%	0.2%	0.8%	0.8%	1.5%

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

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

FISCAL YEAR	PROPERTY TAXES		INFRA-STRUCTURE		EXCISE TAXES	FRANCHISE FEES	UTILITY TAXES	COMMUNI-CATIONS SERVICES TAX		TOTAL TAXES
	SALES SURTAX		SALES SURTAX							
2005	\$ 1,309,238		\$ 1,244,071		\$ 248,773	\$ 848,131	\$ 738,739	\$ 599,719		\$ 4,988,671
2006	1,458,224		1,376,427		276,021	1,080,606	787,841	667,879		5,646,998
2007	1,802,719		1,211,879		241,708	1,102,074	798,398	760,453		5,917,231
2008	1,998,784		1,099,337		138,315	1,136,241	823,382	809,202		6,005,261
2009	2,581,571		991,668		390,202	1,298,195	928,796	829,973		7,020,405
2010	2,717,691		997,730		303,638	1,449,685	1,107,660	823,485		7,399,889
2011	2,611,571		1,108,224		305,308	1,365,739	1,073,087	857,551		7,321,480
2012	2,551,573		1,160,271		298,767	1,295,015	998,436	1,189,762		7,493,824
2013	2,499,157		1,121,772		287,556	1,283,585	1,057,169	1,304,575		7,553,814
2014	2,541,325		1,191,905		301,318	1,395,151	1,141,057	722,946		7,293,702

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

FISCAL YEAR	REAL PROPERTY		PERSONAL PROPERTY		TOTAL		DIRECT TAX RATE	TAXABLE VALUE PERCENTAGE OF JUST VALUE
	ESTIMATED JUST VALUE	TAXABLE VALUE	ESTIMATED JUST VALUE	TAXABLE VALUE	ESTIMATED JUST VALUE	TAXABLE VALUE		
2005	\$ 821,292,460	\$541,904,735	\$ 119,672,957	\$66,507,697	\$ 940,965,417	\$ 608,412,432	2.200	64.66%
2006	935,927,027	618,734,443	122,393,790	69,210,517	1,058,320,817	687,944,960	2.200	65.00%
2007	1,123,319,733	749,900,730	152,219,097	98,519,590	1,275,538,830	848,420,320	2.200	66.51%
2008	1,233,366,562	856,012,788	137,809,865	85,841,775	1,371,176,427	941,854,563	2.200	68.69%
2009	1,210,867,523	777,261,395	136,738,119	79,496,526	1,347,605,642	856,757,921	3.087	63.58%
2010	1,152,451,691	772,717,249	143,010,344	87,983,845	1,295,462,035	860,701,094	3.281	66.44%
2011	1,091,692,049	742,189,105	135,380,406	82,087,812	1,227,072,455	824,276,917	3.281	67.17%
2012	1,057,818,762	726,450,279	130,303,491	76,692,713	1,188,122,253	803,142,992	3.281	67.60%
2013	1,019,816,118	709,540,478	130,136,050	76,436,973	1,149,952,168	785,977,451	3.281	68.35%
2014	1,044,002,422	722,234,079	131,722,980	77,943,186	1,175,725,402	800,177,265	3.281	68.06%

Source-Lake County Property Appraiser's Office

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

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

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

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

FISCAL YEAR	TOWN DIRECT RATE	LAKE COUNTY	SCHOOL DISTRICT	OVERLAPPING RATES				TOTAL DIRECT AND OVERLAPPING RATES
				WATER CONSERVATION AUTHORITY	WATER MANAGEMENT DISTRICT	AMBULANCE DISTRICT	HOSPITAL DISTRICT	
2005	2.200	5.817	7.990	0.383	0.462	0.529	1.000	18.381
2006	2.200	5.797	7.981	0.337	0.462	0.529	1.000	18.306
2007	2.200	5.947	7.648	0.253	0.462	0.529	1.000	18.039
2008	2.200	4.941	7.698	0.213	0.416	0.465	1.000	16.933
2009	3.087	4.761 *	7.517	0.213	0.416	0.465	1.000	17.459 *
2010	3.281	5.083 *	7.532	0.213	0.416	0.465	1.000	17.990 *
2011	3.281	5.163 *	7.523	0.241	0.416	0.385	1.000	18.009 *
2012	3.281	5.163 *	7.394	0.241	0.331	0.385	1.000	17.795 *
2013	3.281	4.921 *	7.320	0.255	0.331	0.385	1.000	17.493 *
2014	3.281	4.921 *	7.170	0.255	0.328	0.385	1.000	17.340 *

Source-Lake County Property Appraiser's Office

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

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

* An overlapping rate of .3222 for Lake County MSTU Fire was added in FY2009 but only to Town of Lady Lake property which is located outside of The Villages Fire Protection Special Assessment District. This new overlapping rate applies to less than 50% of the Town of Lady Lake's total taxable value.

TOWN OF LADY LAKE, FLORIDA
PRINCIPAL PROPERTY TAXPAYERS
SEPTEMBER 30, 2014
CURRENT YEAR COMPARED TO NINE YEARS AGO

Taxpayer	Fiscal Year 2014			Fiscal Year 2005		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Value
Villages Operating Company	\$ 35,679,972	1	4.46%			
Lazy B Cattle Venture LTD	26,308,779	2	3.29%			
GMC Lady Lake LLC	25,211,409	3	3.15%			
Sun Communities Finance LP	20,672,892	4	2.58%			
SRK Lady Lake 21 Associates, LLC	17,958,132	5	2.24%			
New Providence Rolling Acres LP	17,011,227	6	2.13%			
Lady Lake Apartments LLC	13,423,057	7	1.68%			
Villages of Lake Sumter Inc	8,457,676	8	1.06%	7,286,580	5	1.20%
Lady Lake Re LLC	7,051,662	9	0.88%			
Sam's East Inc	6,839,711	10	0.85%			
The Villages of Lake-Sumter Inc				18,010,415	1	2.96%
Sun Communities Finance				10,530,511	2	1.73%
Sprint-Florida Incorporated				9,982,328	3	1.64%
Sun Communities Finance, LLC				7,752,633	4	1.27%
Caleb's Place, Inc				6,740,634	6	1.11%
630 Griffen Ave., LLC				4,598,144	7	0.76%
Fennell Investments LTD				4,557,271	8	0.75%
Lady Lake Inc.				4,152,069	9	0.68%
Steinmeta, Leo P & Nancy P				3,936,144	10	0.65%
Total	\$ 178,614,517		22.32%	\$ 77,546,729		12.75%
Total Taxable Assessed Valuation	\$ 800,177,265			\$ 608,412,432		

Source: Tax year is equivalent to the following fiscal year. Tax Year 2013 and Tax Year 2004 ad valorem tax rolls of the Town of Lady Lake, Florida and Lake County Property Appraiser DR-403 AM.

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

<u>FISCAL YEAR</u>	<u>TOTAL TAX LEVY</u>	<u>CURRENT TAX COLLECTIONS</u>	<u>PERCENT OF LEVY COLLECTED</u>	<u>DELINQUENT TAX COLLECTIONS</u>	<u>TOTAL TAX COLLECTIONS</u>	<u>PERCENT OF TOTAL TAX COLLECTIONS TO TAX LEVY</u>
2005	\$ 1,338,507	\$ 1,306,827	97.6%	\$ 2,411	\$ 1,309,238	97.8%
2006	1,513,479	1,455,994	96.2%	2,230	1,458,224	96.3%
2007	1,866,525	1,801,192	96.5%	1,527	1,802,719	96.6%
2008	2,072,080	1,996,742	96.4%	2,042	1,998,784	96.5%
2009	2,644,812	2,579,917	97.5%	1,654	2,581,571	97.6%
2010	2,823,960	2,716,421	96.2%	1,270	2,717,691	96.2%
2011	2,704,453	2,606,368	96.4%	5,203	2,611,571	96.6%
2012	2,635,112	2,548,744	96.7%	2,829	2,551,573	96.8%
2013	2,578,635	2,490,098	96.6%	9,059	2,499,157	96.9%
2014	2,622,485	2,532,327	96.6%	8,998	2,541,325	96.9%

See Note 13 for discounts allowed for early payment of taxes.

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

Fiscal Year	Governmental Activities		Business-Type Activities		Total Primary Government	Percentage of Personal Income ^a	Per Capita ^a
	Revenue Note	Capital Lease	Loans Payable				
2005	\$ 11,991	\$ -	\$ 6,115,127	\$ 6,127,118	N/A	\$ 482	
2006	-	-	5,528,642	5,528,642	1.86%	432	
2007	-	198,571	4,920,503	5,119,074	1.80%	399	
2008	-	136,289	4,288,688	4,424,977	1.49%	337	
2009	-	257,178	3,631,421	3,888,599	1.12%	275	
2010	3,362,194	127,089	2,948,061	6,437,344	1.82%	462	
2011	3,303,604	64,787	2,237,600	5,605,991	1.52%	402	
2012	3,242,807	-	1,458,035	4,700,842	1.19%	338	
2013	3,178,907	-	773,103	3,952,010	1.09%	283	
2014	3,112,164	-	-	3,112,164	0.84%	220	

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

^a See Page 101-103 for personal income and population data.

N/A - Information is not available

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

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

**TOWN OF LADY LAKE
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF SEPTEMBER 30, 2014**

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Overlapping Debt
Debt repaid with property taxes	\$ -	4.57%	\$ -
Other debt			-
Subtotal, overlapping debt			-
Direct debt			3,112,164
Total direct and overlapping debt			<u>\$ 3,112,164</u>

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

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

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

Fiscal Year	Infrastructure Sales Surtaxes Available for Debt Service	Debt Service Requirements			Coverage
		Principal	Interest	Total	
2005	\$ 1,244,071	\$ 432,359	\$ 199,151	\$ 631,510	1.97
2006	1,376,427	521,495	210,175	731,670	1.88
2007	1,211,879	540,842	189,287	730,129	1.66
2008	1,099,337	562,128	168,035	730,163	1.51
2009	991,668	585,105	144,990	730,095	1.36
2010	997,730	646,442	236,740	883,182	1.13
2011	1,108,224	691,673	242,454	934,127	1.19
2012	1,160,271	719,114	215,023	934,137	1.24
2013	1,121,772	748,832	185,278	934,110	1.20
2014	1,191,905	839,846	154,479	994,325	1.20

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

Fiscal Year	Gross Revenues ¹	Operating Expenses ²	Net Revenue Available for Debt Service	Debt Service Requirements			Coverage
				Principal	Interest	Total	
2005	\$ 828,833	\$ 547,274	\$ 281,559	\$ 62,761	\$ 20,933	\$ 83,694	3.36
2006	985,061	747,891	237,170	64,990	18,705	83,695	2.83
2007	1,114,503	850,828	263,675	67,297	16,397	83,694	3.15
2008	1,381,266	1,041,542	339,724	69,687	14,007	83,694	4.06
2009	1,461,184	1,241,324	219,860	72,162	11,533	83,695	2.63
2010	1,458,163	1,228,975	229,188	74,724	8,970	83,694	2.74
2011	1,589,607	1,188,720	400,887	77,378	6,317	83,695	4.79
2012	1,647,575	1,276,190	371,385	121,248	3,569	124,817	2.98
2013	1,644,294	1,428,909	215,385	-	-	-	N/A
2014	1,745,439	1,493,000	252,439	-	-	-	N/A

¹ Water and sewer system gross revenues.

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

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

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

POPULATION

<u>Year</u>	<u>Town of Lady Lake</u>		<u>Lake County</u>	
	<u>Population</u>	<u>% Increase</u>	<u>Population</u>	<u>% Increase</u>
2005	12,709	0.34%	263,017	4.42%
2006	12,805	0.76%	276,783	5.67%
2007	12,842	0.29%	285,422	3.12%
2008	13,117	2.14%	288,379	1.04%
2009	14,129	7.71%	291,993	1.25%
2010 *	13,926	N/A	297,052	N/A
2011	13,946	0.14%	296,681	-0.13%
2012	13,909	-0.27%	299,677	1.01%
2013	13,947	0.27%	308,034	2.78%
2014	14,148	1.40%	309,736	0.55%

POPULATION DISTRIBUTION BY AGE - 2014

<u>Age</u>	<u>Lake County</u>	<u>State of Florida</u>
0-17	25.2%	26.3%
18-44	24.3%	26.0%
45-64	24.8%	25.5%
65+	25.7%	24.2%

POPULATION PER SQUARE MILE

<u>Year</u>	<u>Lake County</u>	<u>State of Florida</u>
2005	264	325
2006	276	332
2007	290	340
2008	301	346
2009	303	349
2010	306	348
2011	312	349
2012	317	351
2013	328	365
2014	330	364

Source: University of Florida, Bureau of Economics and Business Research, and the Metro Orlando Economic Development Commission

* Census Data

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

Year	2006	2007	2008	2009
Population	12,805	12,842	13,117	14,129
Total Personal Income of all Lady Lake Residents	297,691,000	285,118,084	297,611,613	346,174,629
Per Capita Personal Income	23,248	22,202	22,689	24,501
Median Age	68	68	67	60
School Enrollment The Villages of Lady Lake Elementary	723	850	811	816
Lake County Unemployment Rate	3.0%	4.7%	8.5%	12.7%

Note: The Town implemented GASB 44 in fiscal year 2006.

Population from the Bureau of Economic and Business Research, University of Florida (BEBR).
 Unemployment rate from the Florida Research and Economic Database (<http://fred/labormarketinfo.com>)
 Median Age from 2010 U.S.Census

2010	2011	2012	2013	2014
13,926	13,946	13,909	13,947	14,148
353,342,406	368,495,886	393,812,611	362,370,954	371,186,928
24,789	26,461	28,314	25,982	26,236
66	65	67	65	65
761	794	761	809	832
11.9%	10.6%	8.9%	6.9%	5.4%

**TOWN OF LADY LAKE, FLORIDA
PRINCIPAL EMPLOYERS
SEPTEMBER 30, 2014**

Employer	2014			2006		
	* Employees	Rank	Percentage of Total Town Employment	* Employees	Rank	Percentage of Total Town Employment
The Villages Media Group	281	1	7.48%			
Lady Lake Specialty Care	268	2	7.13%			
The Villages Rehab & Nursing Center	240	3	6.39%			
The Home Depot	186	4	4.95%	156	3	4.94%
Sam's Club	185	5	4.92%			
Publix Super Markets	140	6	3.73%	174	2	5.51%
Kohl's Department Store	112	7	2.98%			
The Villages of Lady Lake Elementary	103	8	2.74%	99	7	3.13%
Winn Dixie Stores, Inc/Winn Dixie Liquors	103	8	2.74%	96	8	3.04%
Town of Lady Lake	92	10	2.45%	105	5	3.32%
Target Department Store				201	1	6.36%
Carrabba's Restaurant				88	9	2.78%
Probuild (Casmin, Inc.)				148	4	4.68%
Katie Belles Music Hall				100	6	3.16%
Belk's Department Store				85	10	2.69%
Total	1,710		45.52%	1,252		39.61%
Total Town Employment	3,757			3,160		

* Full time and/or part time positions.

Note: The Town implemented GASB 44 in fiscal year 2006.

Number of employees from Business Tax Receipts or direct calls to employers
Lady Lake employment figures from Metro Orlando Economic Development Commission-Demographic Detail

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

Full-time Equivalent Employees as of September 30th

Function	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
General Government										
Town Manager	2	2	2	2	2	2	2	2	2	2
Town Clerk	2	3	3	3	3	3	2	2	2	2
Finance	4	5	5	6	6	5	4.5	4.5	4.5	4.5
Human Resource/Risk Management	2	2.5	3	3	3	3	2	2	2	2
Other General Gov.	0.5	0	0	0	0	0	0	0	0	0
Information Technology	0	0	0	0	0	1	1	2	2	2
Facilities Maint.	1	2	2	2	2	2	2	2	2	2
Motor Pool	1	1	1	2	2	0	0	0	0	0
Total General Government	12.5	15.5	16	18	18	16	13.5	14.5	14.5	14.5
Public Safety										
Police Officers	23	28	29	29	30	30	30	28	28	28
Police Civilians	11	14	14	15.5	16	15	14.5	14.5	14.5	6.5
Building Dept.	3	4	4	4	3	3	1	1	1	1
Code Enforcement	0.5	1	1	1	1	1	1	1	1	1
Total Public Safety	37.5	47	48	49.5	50	49	46.5	44.5	44.5	36.5
Growth Management	2	3	4	4	3	3	3	3	3	3
Public Works										
Administration	2	2	2	2	2	2	2	2	2	2
Street Maint.	7	9	9	9	9	9	10	10	10	10
Motor Pool	0	0	0	0	0	2	2	2	2	2
Total Public Works	9	11	11	11	11	13	14	14	14	14
Culture and Recreation										
Library	5.5	6	6	6	6.5	6.5	7.5	7	7	7
Parks & Recreation	3	5	5	5	5	5	5	5	5	5
Total Culture and Recreation	8.5	11	11	11	11.5	11.5	12.5	12	12	12
Utilities										
Water	6	7	7	9	10	10	10	9	10	10
Solid Waste	1	0	0	0	0	0	0	0	0	0
Sewer	0	2	3	5	3	3	3	3	2	2
Total Utilities	7	9	10	14	13	13	13	12	12	12
Total Government Employees	76.5	96.5	100	107.5	106.5	105.5	102.5	100	100	92

Source: Finance Department

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

<u>Function/Program</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Police				
Booking Arrests	240	299	303	284
DUI Citations	9	20	30	29
Misdemeanor Citations	35	36	40	34
Traffic Citations	2,735	3,614	2,922	2,639
Traffic Accidents	394	359	409	445
Warrants Arrests	20	39	45	46
Dispatch Center:				
Medical Calls	1,829	1,915	1,970	2,201
Assist other Agencies	386	363	368	398
General Calls	23,737	28,433	28,216	23,341
Building Department				
Total Commercial Permits	135	215	310	314
Total Residential Permits	1,676	1,253	1,023	948
Number of Permits Issued	1,811	1,468	1,333	1,262
Total Construction Value	\$72,145,552	\$83,634,615	\$63,514,655	\$28,603,549
Growth Management				
Site Plans Approved	7	14	15	10
Clerk's Office				
Business Tax Receipts	990	1,016	1,018	1,014
Roads and Streets				
Potholes repaired	200	150	250	250
Street resurfacing (miles)	2.5	0	1.5	2.85
Street Micro-resurfacing (miles)	0	0	8.9	3.35
Library				
Total Circulation (library materials checked out)	119,549	117,519	126,376	129,708
Total Users of Public Internet Computers	24,225	28,340	27,846	30,160
Total Reference Transactions	22,320	20,226	23,042	22,412
Total Annual Programs	405	1,093	1,236	2,175
Total Program Attendance	5,103	7,844	7,093	7,139
Total Number of Registered Card Holders	7,217	6,704	7,684	7,665
Total Number of Volunteer Hours	658	2,022	1,956	2,432
Total Library visitors	109,440	112,961	117,257	125,315
Parks and Recreation				
Number of Recreation Leases	5	8	12	8
Number of Bookings for Library Room 100	-	-	-	-
Number of Bookings for Library Room 204, 207 and Study	-	-	-	-
Number of Bookings at the Community Building	594	660	575	525
Water				
Commercial Connections	256	276	329	360
Residential Connections	1,422	1,402	1,930	1,926
Total Connections	1,678	1,678	2,259	2,286
Total Equivalent Residential Units	2,499	2,507	3,529	3,623
Average Daily Consumption (gallons per day)	648,000	709,446	699,478	586,709
Reuse				
Commercial Connections	-	-	10	10
Residential Connections	-	-	0	0
Total Equivalent Residential Units	-	-	0	0
Average Daily Consumption (gallons per day)	-	-	81,000	150,000
Wastewater				
Commercial Connections	118	135	169	189
Residential Connections	137	147	525	669
Total Connections	255	282	694	858
Total Equivalent Residential Units	736	765	1,636	1,818
Average Daily Sewage Treatment (gallons per day)	83,000	83,000	105,000	150,000

Notes: The Town implemented GASB 44 in fiscal year 2006
 Reuse water distribution started 6/12/2008
 New library completed in April 2011

Sources: Various Town departments

<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
293	254	414	390	305
46	18	30	26	24
33	44	47	45	41
2,338	1,211	1,462	1,742	1,370
374	366	382	439	408
34	29	44	55	45
2,746	2,773	2,418	2,448	174
442	496	312	283	186
31,042	31,725	27,797	18,406	13,096
308	290	240	241	303
1,195	1,186	1,065	1,033	1,173
1,503	1,476	1,305	1,274	1,476
\$16,280,632	\$12,103,916	\$24,027,568	\$12,457,348	\$36,044,724
2	1	0	4	7
1,183	1,037	1,073	818	817
750	450	600	500	500
1.28	0	0	0.25	1.40
5.00	5.14	4.57	12.19	0.00
124,025	110,435	140,181	134,728	123,563
33,532	41,187	38,850	16,951	13,535
18,792	19,500	24,364	27,868	21,696
830	289	605	499	428
11,200	11,008	15,505	22,345	11,963
7,334	7,972	9,412	10,318	6,394
2,622	3,399	4,786	3,935	2,687
122,559	125,060	149,741	152,530	149,318
8	8	8	8	7
-	-	145	562	57
-	-	421	453	166
599	483	358	332	251
378	402	420	396	397
1,923	1,956	1,931	1,988	1,997
2,301	2,358	2,351	2,384	2,394
3,679	3,680	3,859	3,861	3,896
630,000	699,980	662,634	655,523	675,229
22	34	27	30	34
0	0	0	0	9
25	34	104	112	142
150,000	142,000	109,000	162,000	170,000
209	222	226	231	234
669	707	672	734	737
878	929	898	967	971
1,875	1,939	1,950	2,060	2,084
170,000	186,000	220,500	238,000	240,000

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

<u>Function/Program</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Police				
Stations (Includes substation)	2	1	1	1
Sworn Officers (positions filled)	25	29	29	30
Administration Units	3	3	3	4
Patrol Units	13	20	20	20
Motorcycle Units	0	2	2	2
Investigation Units	2	2	2	2
School Resource Officer Unit	0	1	1	1
K-9 Officer with Dog Unit	1	1	1	1
Support (Non-Sworn)	14	14	16	16
Roads and Streets				
Paved Roads (miles)	59.45	59.45	61.21	61.21
Unpaved Roads (miles)	2.51	2.51	2.51	2.51
Sidewalks (feet)	9,100	9,100	9,100	9,100
Land Annexations (acreage)	233.5	503.2	16.8	55.05
Culture and Recreation:				
Libraries	1	1	1	1
Acreage	54	54	54	54
Parks	4	4	4	4
Recreation Centers	1	1	1	1
Basketball Courts	1	1	1	1
Racquetball Handball Courts	4	4	4	4
Tennis Courts	2	2	2	2
Softball Fields	1	1	1	1
Baseball Fields	4	4	4	4
Playgrounds	1	1	1	1
Dog Park	1	1	1	1
Soccer Fields	3	3	3	3
Golf Driving Range	1	1	1	1
Water				
Water Mains (miles)	43.6	46.7	50.4	51.9
Storage Capacity (gallons)	550,000	550,000	565,000	565,000
Treatment Capacity (gallons per day)	2,358,000	2,358,000	2,358,000	2,358,000
Fire Hydrants	247	272	311	329
Water Plants	3	3	3	3
Reuse				
Water Mains (miles)	0	0	4.8	5.8
Storage Capacity (gallons)	0	0	1,200,000	1,200,000
Wastewater				
Sewers-Force Mains/Gravity (miles)	16.2	18.5	20.4	21.5
Treatment Capacity (gallons/daily)	250,000	250,000	630,000	630,000
Lift Stations	12	13	15	16

Note: The Town implemented GASB 44 in fiscal year 2006

Sources: Various Town departments

<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
1	1	1	1	1
30	28	28	28	28
4	3	3	3	3
20	20	20	21	21
2	2	2	1	1
2	2	2	2	2
1	1	0	0	0
1	0	1	1	1
16	16	15	6.5	6.5
61.21	61.21	61.44	61.44	61.44
2.58	2.58	2.58	2.58	2.58
9,100	9,100	9,100	9,100	26,084
55.67	26.83	0	0	0
1	1	1	1	1
54	54	54	54	54
4	4	4	4	4
1	1	1	1	1
1	1	1	1	1
4	4	4	4	4
2	2	2	2	2
1	1	1	1	1
4	4	4	4	4
1	1	1	1	1
1	1	1	1	1
3	3	3	3	3
1	1	1	1	1
54.2	54.3	54.3	54.3	54.3
565,000	565,000	565,000	565,000	565,000
2,358,000	2,358,000	2,358,000	2,358,000	2,358,000
355	305	306	315	319
3	3	3	3	3
7.3	7.3	7.3	7.3	7.3
1,200,000	1,200,000	1,200,000	1,200,000	1,200,000
23.3	23.3	23.3	23.3	23.3
630,000	638,000	638,000	638,000	638,000
18	18	18	19	19

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Shumacker, Johnston & Ross, PA

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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*

March 19, 2015

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

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Lady Lake, Florida, as of and for the year ended September 30, 2014, which collectively comprise the Town of Lady Lake, Florida's basic financial statements, and have issued our report thereon dated March 19, 2015. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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



Shumacker, Johnston & Ross, PA

**TOWN OF LADY LAKE, FLORIDA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED SEPTEMBER 30, 2014**

FEDERAL AWARDS

Federal Grantor/ Program Title	Federal CFDA Number	Federal Revenues	Federal Expenditures	Federal through State Receipts
U.S. DEPARTMENT OF JUSTICE				
Bulletproof Vest (total grant \$2,024) Grant #2013-BUBX	16.607	\$ 2,024	\$ 2,024	\$ -
Pass through the Florida Department of Law Enforcement: Byrne Memorial Justice Assistance Grant Electronic Messaging (total grant \$5,812) Contract #2014-JAGC-LAKE-9-E5-204	16.738	5,812	5,812	5,812
Byrne Memorial Justice Assistance Grant Alternatives to Pursuit (total grant \$1,987) Contract #2014-JAGD-LAKE-1-E6-080	16.738	1,987	1,987	1,987
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT				
Pass through the Florida Department of Economic Opportunity: Community Development Block Grant (total grant \$750,000) Contract #13DB-OI-06-45-02-N36	14.228	623,723	693,189	58,755
FEDERAL HIGHWAY ADMINISTRATION				
Pass through the Florida Department of Transportation Local Agency Program Agreement (total grant \$502,300) Rolling Acres Road Sidewalks Contract #AQV54	20.205	355,394	472,133	355,394
FEDERAL EMERGENCY MANAGEMENT AGENCY				
Pass through the Florida Department of Community Affairs: FEMA Disaster Relief-Tornado Agreement #07-SW-4;-06-45-02-517	97.036	226	-	226
Total Federal Awards		<u>\$989,166</u>	<u>\$ 1,175,145</u>	<u>422,174</u>

Continued on next page

**TOWN OF LADY LAKE, FLORIDA
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 AND STATE FINANCIAL ASSISTANCE (Continued)
 FOR THE YEAR ENDED SEPTEMBER 30, 2014**

STATE OF FLORIDA FINANCIAL ASSISTANCE

<u>State Agency/ Program Title</u>	<u>State CSFA Number</u>	<u>State Revenues</u>	<u>State Expenditures</u>	<u>State Receipts</u>
		<u>\$ -</u>	<u>\$ -</u>	<u>-</u>
Total State Financial Assistance		<u>\$ -</u>	<u>\$ -</u>	<u>-</u>
Total State Receipts				<u>\$ 422,174</u>

(State Single Audit not required)

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

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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE
WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND
MATERIAL EFFECT ON EACH MAJOR PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE
WITH OMB CIRCULAR A-133**

March 19, 2015

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

Compliance

We have audited the compliance of the Town of Lady Lake, Florida with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that could have a direct and material effect on each of its major Federal programs for the year ended September 30, 2014. The Town of Lady Lake's, major Federal programs are identified in the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major Federal programs is the responsibility of the Town of Lady Lake's management. Our responsibility is to express an opinion on the Town of Lady Lake's compliance based on our audit.

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 OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133, 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 of Lady Lake'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. Our audit does not provide a legal determination on the Town of Lady Lake's compliance with those requirements.

In our opinion, the Town of Lady Lake complied, in all material respects, with the requirements referred to above that could have a direct and material effect on each of its major Federal programs for the year ended September 30, 2014.

Internal Control Over Compliance

The management of the Town of Lady Lake is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to Federal programs. In planning and performing our audit, we considered the Town of Lady Lake's internal control over compliance with requirements that could have a direct and material effect on a major Federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, 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 of Lady Lake'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 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 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 major Federal program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control over compliance that might be deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be a material weaknesses, as defined above.

This report is intended solely for the information and use of the Town Commission, management, and Federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.



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**TOWN OF LADY LAKE, FLORIDA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
IN ACCORDANCE WITH OMB CIRCULAR A-133
FOR THE YEAR ENDED SEPTEMBER 30, 2014**

SECTION I - Summary of Auditor's Results

Financial Statements

Type of audit report issued:	Unqualified opinion.
Internal control over financial reporting:	No instances of reportable conditions in internal control or reportable conditions which were material weaknesses in internal control.
Noncompliance material to financial statements noted:	No material instances of noncompliance.

Federal Awards

Internal control over major programs:	No instances of reportable conditions in internal control over major programs or reportable conditions which were material weaknesses in internal control over major programs.
Type of auditor's report issued on compliance for major programs:	Unqualified opinion.
Audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133:	No findings required to be reported under section 510(a) of Circular A-133.
Identification of major programs:	CFDA #14.228 CDBG Block Grant Neighborhood Revitalization.
Dollar threshold used to distinguish between type A and type B programs:	\$500,000.00
Auditee qualified as low-risk auditee:	The Town does not qualify as a low-risk auditee.

**TOWN OF LADY LAKE, FLORIDA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
IN ACCORDANCE WITH OMB CIRCULAR A-133
FOR THE YEAR ENDED SEPTEMBER 30, 2014
(Continued)**

SECTION II - Financial Statement Findings

There are no financial statement findings in this year's schedule of findings and questioned costs.

SECTION III - Federal Award Findings and Questioned Costs

There are no federal award findings or questioned costs in this year's schedule of findings and questioned costs.

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

March 19, 2015

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

We have examined management's assertion included in its representation letter dated March 19, 2015, that the Town of Lady Lake, Florida complied with the allowable cost requirements of the grants and aids appropriations identified in the Schedule of Expenditures of Federal Awards and State Financial Assistance for the year ended September 30, 2014. Management is responsible for the Town of Lady Lake, Florida's compliance with those requirements. Our responsibility is to express an opinion on management's assertion about the Town's compliance based on our examination.

Our examination was made in accordance with standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence about the Town's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the Town's compliance with specified requirements.

In our opinion, management's assertion that the Town of Lady Lake, Florida complied with the allowable cost requirements of the grants and aids appropriations identified in the Schedule of Expenditures of Federal Awards and State Financial Assistance during the year ended September 30, 2014 is fairly stated, in all material respects.

This report is intended for the information of the Town Commission, management, and applicable State of Florida agencies and is not intended and should not be used by anyone other than these specified parties.



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MANAGEMENT LETTER

March 19, 2015

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

We have audited the basic financial statements of the Town of Lady Lake, Florida as of and for the year ended September 30, 2014, and have issued our report thereon dated March 19, 2015.

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

1. There were no significant findings or recommendations made in the preceding annual financial audit.
2. We have made no recommendations to improve the Town's present financial management, accounting procedures, and internal controls.
3. We did not discover any violations of provisions of contracts or grant agreements, fraud, illegal acts, or abuse that have an effect on the financial statements that warrants the attention of those charged with governance.
4. The name of the primary government is the Town of Lady Lake, Florida, creased by special act of the Florida Legislature, Chapter 12956, Laws of Florida, 1927. There are no component units included within the reporting entity.
- 5a. The town has not met any of the financial emergency conditions described in Section 218.503(1), *Florida Statutes*.
- 5b. The financial report filed with the Florida Department of Financial Services pursuant to Section 218.32(1)(a), *Florida Statutes* is in agreement with the annual financial audit report for the year ended September 30, 2014.

5c. Financial condition assessment procedures pursuant to Rule 10.556(8) were applied during the audit of the basic financial statements. The Town is not, and during the fiscal year, was not experiencing deteriorating financial conditions which may cause a financial emergency described in Section 218.503(1), *Florida Statutes*. Accordingly, we have made no recommendations addressing deteriorating financial conditions in accordance with Rule 10.557(4)(b).

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



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INDEPENDENT AUDITOR'S REPORT

March 19, 2015

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

We have examined the Town of Lady Lake, Florida's compliance with the requirements of Section 218.415, *Florida Statutes*, regarding the investment of public funds during the year ended September 30, 2014. Management is responsible for the Town's compliance with those requirements. Our responsibility is to express an opinion on the Town's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence about the Town's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the Town's compliance with specified requirements.

In our opinion, the Town complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2014.



Shumacker, Johnston & Ross, PA

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AFFIDAVIT

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

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

FURTHER AFFIANT SAYETH NAUGHT.

Jeannine Michaud

Jeannine Michaud, Finance Director

STATE OF FLORIDA
COUNTY OF LAKE

SWORN TO AND SUBSCRIBED before me this 26th day of March, 2015.

Aubrey L. Cash

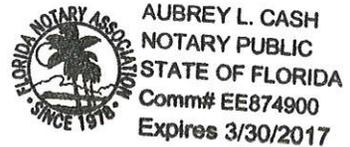
NOTARY PUBLIC

Print Name: Aubrey L. Cash

Personally known X or produced identification _____

Type of identification produced: _____

My Commission Expires: March 30, 2017





Government Finance Officers Association

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

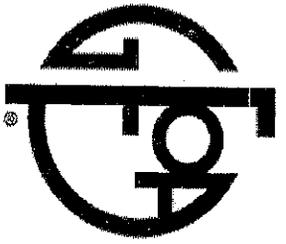
Presented to

**Town of Lady Lake
Florida**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

September 30, 2013

Executive Director/CEO



**The Government Finance Officers Association
of the United States and Canada**

presents this

AWARD OF FINANCIAL REPORTING ACHIEVEMENT

to

Jeanine Michaud

Finance Director

Town of Lady Lake, Florida

The award of Financial Reporting Achievement is presented by the Government Finance Officers Association to the individual(s) designated as instrumental in their government unit achieving a Certificate of Achievement for Excellence in Financial Reporting. A Certificate of Achievement is presented to those government units whose annual financial reports are judged to adhere to program standards and represents the highest award in government financial reporting.

Executive Director

Date September 22, 2014

