TOWN OF LADY LAKE, FLORIDA

COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2015

TOWN OF LADY LAKE

TOWN OF LADY LAKE, FLORIDA

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FISCAL YEAR ENDED SEPTEMBER 30, 2015

Prepared by:
Pamela Winegardner
Finance Director

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TOWN OF LADY LAKE, FLORIDA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED SEPTEMBER 30, 2015

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Municipal Complex, 409 Fennell Blvd. Lady Lake, FL 32159
352-751-1574 Fax 352-751-1514 www.ladylake.org

March 31, 2016

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, 2015, 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, 2015, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting

principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditors concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the Town's financial statements for the fiscal year ended September 30, 2015, 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 8.44* square miles and serves a population of 14,207. 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 FY2015 property tax millage rate of $3.75 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.

*Square mileage was adjusted in FY2015 from 9.21 to agree to the Lake Co. GIS tracking information.

The Town can, and in future cases predict we will, provide a wide range of governmental services. These services include a library; police protection; the construction and maintenance of highways, streets, and infrastructure; recreational activities and cultural events; building inspections; code enforcement; growth management and administrative services. In addition to 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 AutoZone 6,815 square feet located on N Hwy 27/441, Citizens First Drive-Thru Bank 330 square feet located at Caballero Ct, Pain & Spine centers 4,988 square feet located at Hwy 466.

Retail and service industries continue to be in high demand. One hundred and fifteen 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: Johnny Gurgen, D.O., Equitrust Life Insurance, Ameritas Life Insurance, United Healthcare Services, Inc., AAA Life Insurance Co., Heartland National Life Insurance Co., Permanent General Assurance, Lewis Chiropractic Group, Sidewalk Café, Vom Fass, The Corkscrew Winery, Fortitude Staff Solutions LLC, Quality Service Providers, LLC, Antonio Diaz Painting Service, Gotta Get Your Name On, American Value Carpet Cleaning, Lake Arthritis Center PA, Men's Medical Center, Sellstate Next Generation Realty, Detroit Carts, Wellness 360, Divine Concepts Counseling Service, Molly Maid of Lake-Sumter, Casa Montessori Inc., Diamond Floors & Carpet Cleaning, Paramount Urgent Care, Inc., ERA Grizzard Real Estate, Composure Studio, Villages Permanent Make-up, Personal Pulmonary Healthcare Inc., Lake Eye Associates, Precision Optics, Stokes Anderson & Associates, Vista Clinical Diagnostic, Graunke & Hentz Wealth Management, S.C. Craftsman Inc., KK's Auto Detailing, Extra Space Storage, Main Clinic Supply, Sharon Morse Performing Arts, Freedom Title & Escrow, Sander & Associates, P.A., Super Wash Holdings, Inc., World of Beer, Blue Stripe LLC dba Fresh Produce, AutoZone, KeKe;s Breakfast Café are some of the businesses that opened during the year.

Lake County's September 2015 unemployment rate was 5.2%. This is down 1.1% for the same time period last year. This rate is the same as the state average and higher than the United States average of 5.1% for the same period. Florida's unemployment rate has been steadily dropping.

Taxable values for real and personal property has decreased by 10.0% 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 FY2015 rose 6% from FY2014. The Town Commission elected to increase the millage rate to $3.75 per $1,000 of taxable value for FY2015.

Long-term financial planning. The General Fund's unassigned fund balance at September 30, 2015 is $6,087,035. This balance represents 72% of the FY2015 General Fund budget ($10,110,109) when the pass thru costs of the contracted fire services ($731,689) 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, 2032. This revenue can only be used for projects eligible for funding as specified in the infrastructure sales surtax referendum. The Town will receive approximately $1,200,000 of this revenue each year. In November 2009, the Town

Honorable Mayor, Commissioners,
and Citizens of the Town of
Lady Lake, Florida
March 31, 2016

Commission approved borrowing $3,400,000 and pledged 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 $948,000.

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, 2014. This was the twentieth consecutive year that the Town of Lady Lake achieved this prestigious award.

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

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

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

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

Pamela Winegardner
Finance Director

TOWN OF LADY LAKE, FLORIDA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FISCAL YEAR ENDED SEPTEMBER 30, 2015

TOWN COMMISSION AND OFFICIALS
AT SEPTEMBER 30, 2015

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.....Pamela Winegardner

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

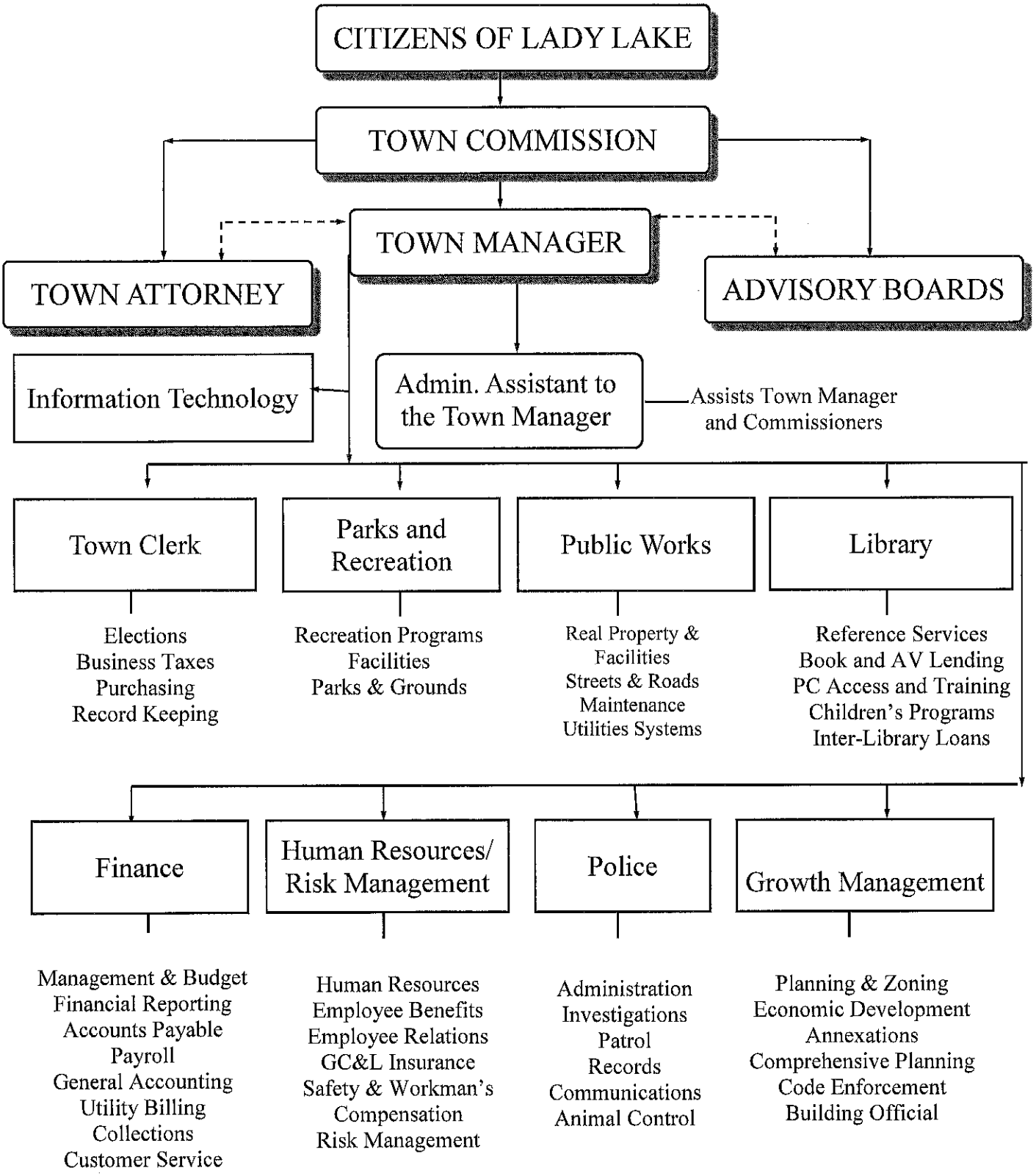
Police Chief.....Chris McKinstry

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, 2014

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, 2014. 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, 2014

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 30, 2016

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, 2015, 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, 2015 and 2014, 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.

911 West North Boulevard • Leesburg, Florida 34748-5054 • (352) 326-2161 • Fax (352) 326-0740

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, 2015, 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, 2015 and 2014, 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, 2015 and 2014, 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 CircularA-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 30, 2016 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

Shumacker, Johnston & Ross, PA

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TOWN OF LADY LAKE, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2015

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, 2015. 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 $ 46,187,313 (net position). Of this amount, $ 10,022,280 (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 $ 2,078,962 of which ($361,047) represents a decrease 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 $ 10,296,806 an increase of $ 1,885,098 in comparison with the prior year. Of this amount, $6,087,035 or 59 % 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 $6,087,035 an increase of $812,282 in comparison with the prior year. This represents 47% of total General Fund expenditures.

- The Town's total debt decreased by $828,800 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.

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.

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.

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.

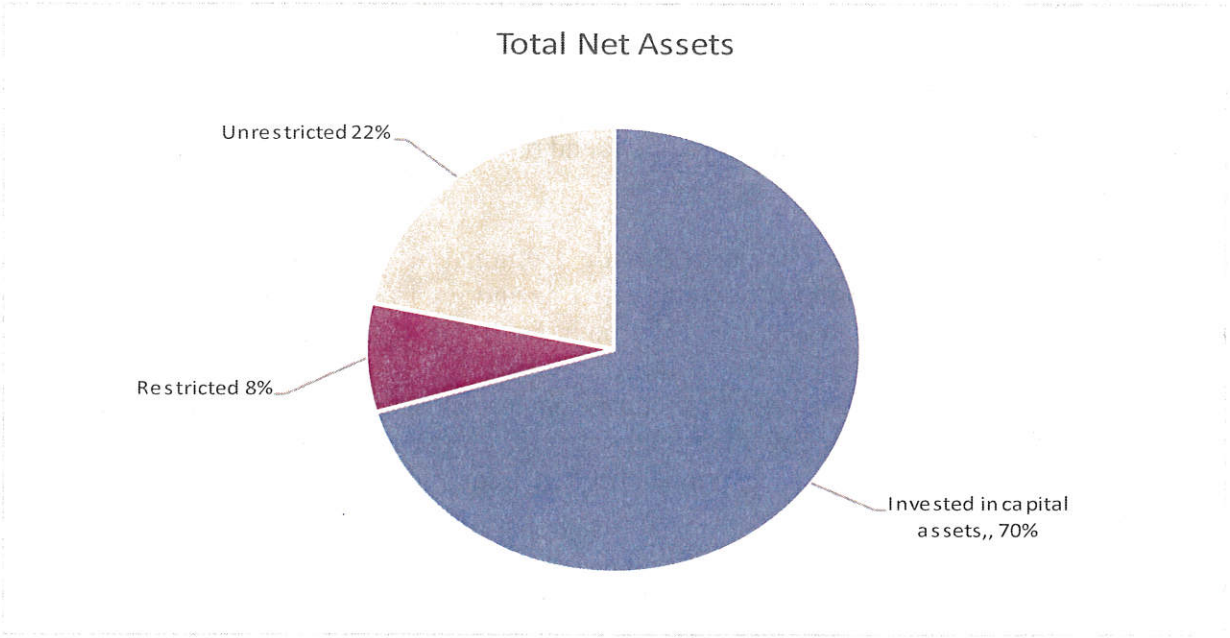
Comparative individual fund statements and schedules can be found on pages 58 through 80 of this report.

GOVERNMENT-WIDE FINANCIAL ANAYLSIS

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 $46,187,313 as of September 30, 2015. 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 ASSETS

	Governmental activities		Business-type activities		Total	
	2015	2014	2015	2014	2015	2014
Current and other assets	$ 10,833,201	$ 9,633,588	$ 4,896,124	$ 4,267,850	$ 15,729,325	$ 13,901,438
Capital assets	14,536,588	14,943,585	20,263,034	21,246,272	34,799,622	36,189,857
Total Assets	25,369,789	24,577,173	25,159,158	25,514,122	50,528,947	50,091,295
Current and other liabilities	1,050,916	1,866,433	656,905	652,542	1,707,821	2,518,975
Long-term liabilities outstanding	2,605,694	3,437,540	28,119	26,399	2,633,813	3,463,939
Total Liabilities	3,656,610	5,303,973	685,024	678,941	4,341,634	5,982,914
Net Assets:						
Invested in capital assets, net of related debt	12,253,224	11,831,421	20,263,034	21,246,272	32,516,258	33,077,693
Restricted	2,098,552	1,973,787	1,550,223	1,223,405	3,648,775	3,197,192
Unrestricted	7,361,403	5,467,962	2,660,877	2,365,504	10,022,280	7,833,466
Total Net Assets	$ 21,713,179	$ 19,273,170	$ 24,474,134	$ 24,835,181	$ 46,187,313	$ 44,108,351



The largest portion of the Town's net position ($32,516,258 or 70 %) 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 ($ 3,648,775 or 8 %) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position ($10,022,280 or 22 %) may be used to meet the town's ongoing obligations to citizens and creditors.

As of September 30, 2015, 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 $ 124,765 in the restricted net position reported in connection with the Town's governmental activities. The major portion of this increase ($110,527) was due to the collection of additional Parks and Recreation and Library impact fees.

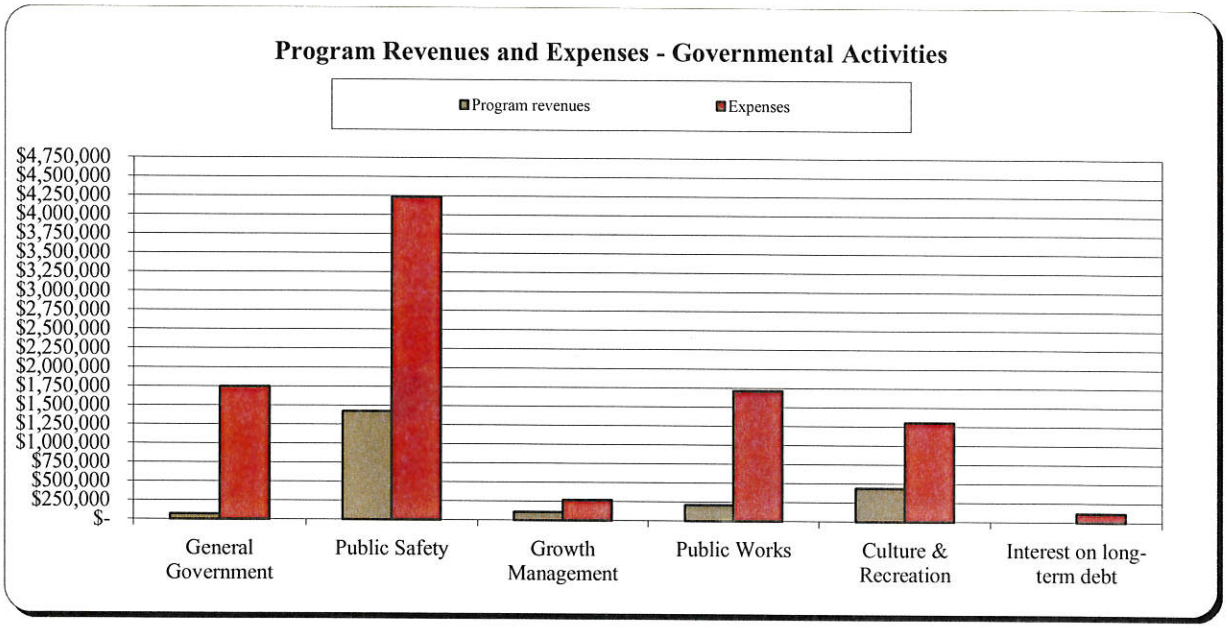
The business-type activities had a decrease ($361,047) of 1.5 % in total net position compared to the prior year. The net investment in capital assets decreased by ($983,238) or (5) %. The decrease was largely due to depreciation ($1,019,940). The restricted net position increased by $326,818 or 25 % largely due to an increase in collection of impact fees.

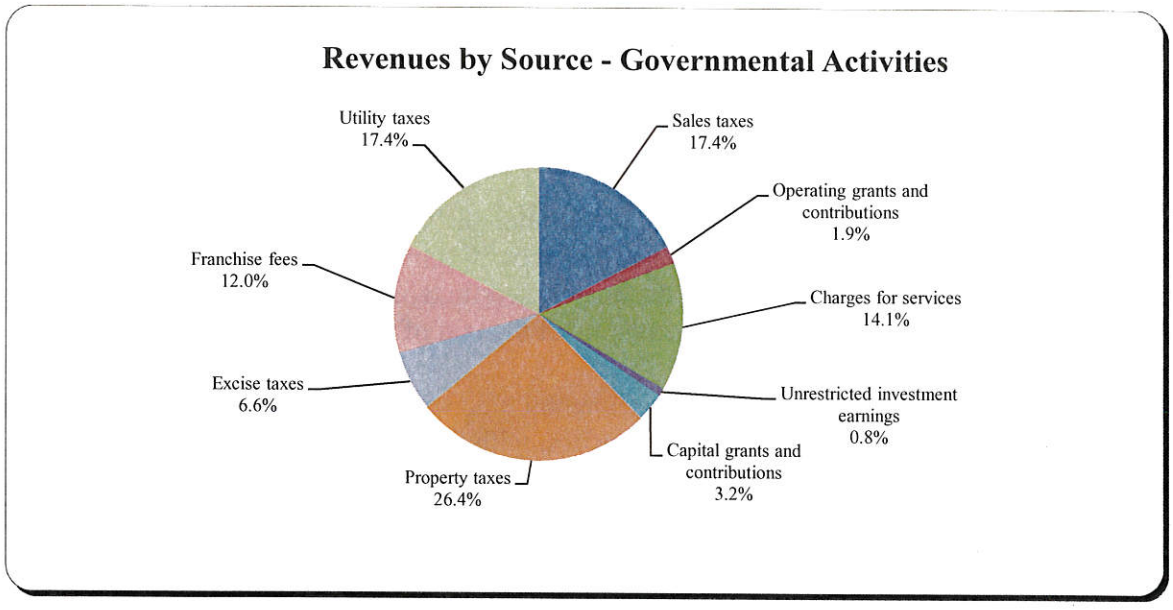
Statement of activities. As noted earlier, the statement of activities presents information showing how the Town's net position changed during the current year. The following table reflects the condensed statement of activities for the current fiscal year as compared to the prior fiscal year.

TOWN OF LADY LAKE'S CHANGES IN NET POSITION

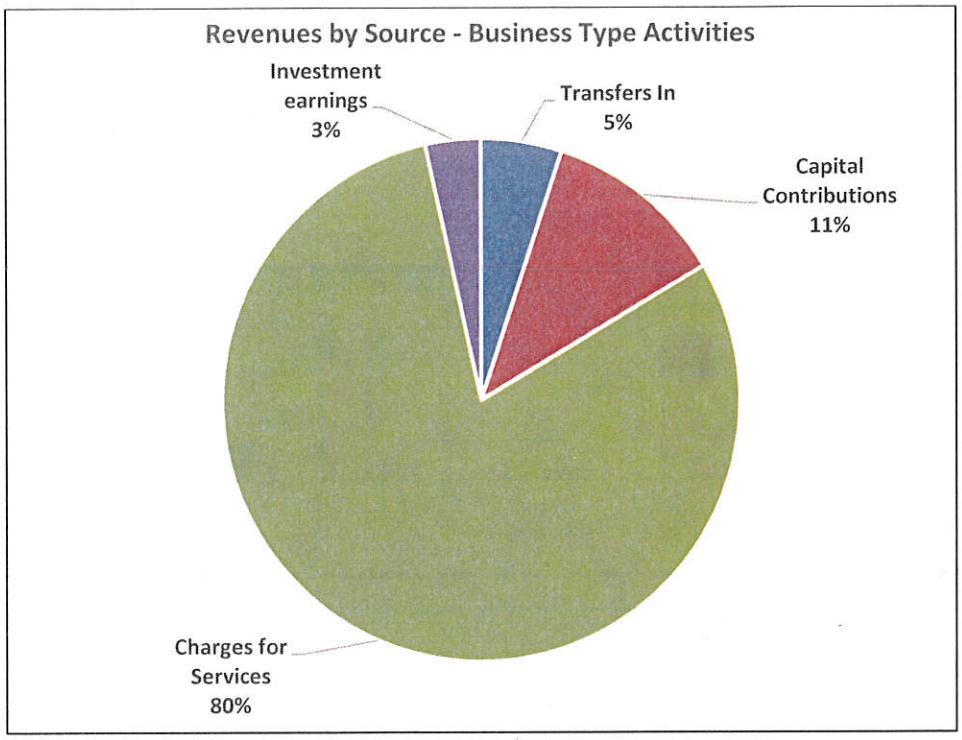
	Governmental Activities		Business-type Activities		Total	
	2015	2014	2015	2014	2015	2014
Revenues:						
Program revenues:						
Charges for services	$ 1,640,587	$ 1,469,950	$ 2,274,086	$ 2,245,805	$ 3,914,673	$ 3,715,755
Operating grants and contributions	224,196	210,371	-	-	224,196	210,371
Capital grants and contributions	375,154	1,207,037	324,250	161,466	699,404	1,368,503
General revenues:						
Property taxes	3,066,208	2,541,325	-	-	3,066,208	2,541,325
Sales taxes	2,051,083	1,924,431	-	-	2,051,083	1,924,431
Franchise fees	1,395,373	1,395,151	-	-	1,395,373	1,395,151
Utility taxes	2,015,130	978,520	-	-	2,015,130	978,520
Excise taxes	770,234	742,764	-	-	770,234	742,764
Unrestricted investment earnings	98,552	81,731	18,692	(4,604)	117,244	77,127
Gain on Sale Assets	27,084	10,400			27,084	
Total Revenues	11,663,601	10,551,280	2,617,028	2,402,667	14,280,629	12,953,947
Expenses:						
General Government	1,742,534	1,668,708	-	-	1,742,534	1,668,708
Public Safety	4,234,108	4,485,737	-	-	4,234,108	4,485,737
Growth Management	265,218	243,718	-	-	265,218	243,718
Public Works	1,710,173	2,118,038	-	-	1,710,173	2,118,038
Culture and Recreation	1,299,452	1,326,100	-	-	1,299,452	1,326,100
Interest on long-term deb	116,230	137,017	-	-	116,230	137,017
Utility Services		-	2,833,952	2,906,092	2,833,952	2,906,092
Total Expenses	9,367,715	9,979,318	2,833,952	2,906,092	12,201,667	12,885,410
Change in net position before transfers	2,295,886	571,962	(216,924)	(503,425)	2,078,962	68,537
Transfers	144,123	(646,202)	(144,123)	646,202	-	-
Change in net position	2,440,009	(74,240)	(361,047)	142,777	2,078,962	68,537
Net Position - 10/1/2014	19,273,170	19,337,010	24,835,181	24,692,404	44,108,351	44,029,414
Net Position - 9/30/2015	$ 21,713,179	$ 19,262,770	$ 24,474,134	$ 24,835,181	$ 46,187,313	$ 44,097,951

Governmental activities. Governmental activities increased the Town's net position by $ 2,440,009. A portion of this was due to an increase in the millage rate and the remainder was an increase in Communication Service Tax revenues collected over estimates.





Business-type activities. Business-type activities decreased the Town's net position by ($361,047). The decrease is due primarily to a reduction in special revenue and impact fees transferred in due to a loan being paid off. The percentage breakdown of the business-type activities revenues can be seen below. The transfers in decreased 98% ($896,523) due to loans being paid off, investment earnings increased 412%.



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 2015, the Town's governmental funds reported combined ending fund balances of $10,296,806, an increase of $1,885,098 in comparison with the prior year. Approximately 59% of this total amount ($6,087,035) 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 $41,004 for Prepaids and Real Property Held for Resale; Restricted $2,098,552 for Education, Police Training & Equipment, Recreation and Library Capital Improvements and Building Inspections; Assigned $766,158 for Tree Beautification and repayment of communication service tax. Restricted for Infrastructure in the Sales Tax Revenue Fund was $1,304,057.

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 2015, the fund balance of the General Fund was $8,992,749, of which $2,905,714 was dedicated for purposes other than general spending. The total fund balance increased by $1,687,842 of which $812,282 increased the unassigned fund balance. This was mainly the result of an increase in the millage rate. Otherwise non-spendable, restricted or assigned fund balance increased by $875,560, largely due to $750,097 assigned to possible repayment of Communicative Service Tax.

The Sales Tax Revenue Fund had a fund balance of $1,304,057 at the end of the fiscal year, an increase of $197,256 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 2015, the Town's Utility Fund reported unrestricted net position of $2,660,877, an increase of $295,373 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 7%. A majority of the increase is due to an increase in building inspection activity. Other increases include approval of capital projects of a concession stand and a sidewalk grant. The Sales Tax Revenue Fund Budget was unchanged.

CAPITAL ASSETS

The Town's investment in capital assets for its governmental and business-type activities as of September 30, 2015, amounts to $34,269,469 (net of depreciation and amortization). This investment in capital assets includes land, buildings and utility systems, improvements other than buildings, equipment, infrastructure and construction in progress. It also includes the Town's investment in the sewer capacity reservation agreement with the VCCDD. The Town's net capital assets decreased $1,390,235 from the prior year. The change is primarily due to depreciation expense exceeding capital investments.

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

Government Funds:

• Cisco Firewall for Town Hall	$3,125
• Quantum Super through IT Dept	$1,915
• Power Edge Server through IT Dept	$6,500
• 12 TB My Cloud Storage through IT Dept.	$1,513
• Verisign Web Server through IT Dept.	$1,139
• Splunk ENT Lic & Sup GB/DAY through IT Dept.	$1,750
• Switch with 2/slots through IT Dept	$1,913
• Cisco Router & Support through IT Dept.	$1,158
• Splunk Ed Svc Unit through IT Dept.	$1,920
• 2015 Ford Dump Truck for Fac. Maint. Dept.	$59,800
• Falcon fingerprint scanner for Police Dept.	$2,039
• Falcon software for Police Dept.	$6,117
• (2) 2014 Dodge Chargers for Police Dept.	$61,655
• (2) 2015 Dodge Chargers for Police Dept.	$63,932
• Electronic Message Board for Police Dept.	$16,225
• Grasshopper Mower for Roads & Streets Dept.	$15,174
• Lark Enclosed Trailer for Roads & Streets	$4,733
• Plate compactor accessories for Roads & Streets	$1,837
• JD Backhoe 9/30/00 for Roads & Streets Dept.	$10,650
• 10 ton Condenser Unit for Community Building	$4,993
• AC unit for Community Building	$6,546

Business-type funds:

• Water Service meters for Water Dept.	$3,120
• Neptune handheld meters for Water Dept.	$5,390
• Freedom Arising Trailer for Water Dept.	$5,181
• Loader for Sewer Dept.	$9,068
• Scada Upgrade for Sewer Dept.	$20,000
• Replacement Sodium Hypochlorite Tank for Sewer Dept.	$12,300

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

	Governmental activities		Business-type activities		Total	
	2015	2014	2015	2014	2015	2014
Land	$ 2,071,389	$ 2,071,389	$ 509,453	$ 509,453	$ 2,580,842	$ 2,580,842
Buildings	8,199,971	8,604,846	$ 202,151	$ 213,323	8,402,122	8,818,169
Utility systems	-	-	-	18,978,683	-	18,978,683
Improvements other than buildings	845,917	925,011	-	-	845,917	925,011
Furniture and equipment	994,708	1,010,746	387,336	431,751	1,382,044	1,442,497
Infrastructure	2,268,907	1,569,220	18,069,387	-	20,338,294	1,569,220
Construction in Progress	155,696	762,373	20,700	-	176,396	762,373
Total Capital Assets	$ 14,536,588	$ 14,943,585	$ 19,189,027	$ 20,133,210	$ 33,725,615	$ 35,076,795

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 2015, the Town had total long-term liabilities outstanding of $2,633,813. Of this amount $2,283,364 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 $350,449 represents amounts due for compensated absences.

The Town's total debt decreased by $828,800 for fiscal year 2015 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 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 5.94% in tax year 2015 as compared to tax year 2014. This increase in taxable value was due to 4.67% of increased taxable values due to an increase in market conditions and Amendment 1 provisions. This includes 1.27% 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 3.551 mills for fiscal year 2016 which is the roll back rate producing the same revenue as fiscal year 2015.

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, 2015, the water and reuse rates remained the same, which was due to no change in the CPI-U from January 2014 to January 2015.

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, 2015

	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
ASSETS			
Cash and Equivalents	$ 4,912,759	$ 2,473,543	$ 7,386,302
Investments	5,028,447	-	5,028,447
Receivables (net of allowance for uncollectibles)	277,698	241,673	519,371
Due from Other Governments	327,805	-	327,805
Internal Balances	2,914	(2,914)	-
Assets Held for Resale	20,400	-	20,400
Inventory and Prepaid Items	20,604	70,974	91,578
Restricted Cash	-	2,112,848	2,112,848
Capital Assets (net of accumulated depreciation and amortization):			
Sewer Capacity Reservation Agreement	-	1,074,007	1,074,007
Land	2,071,389	509,453	2,580,842
Buildings	8,199,971	202,151	8,402,122
Improvements Other Than Buildings	845,917	-	845,917
Equipment	994,708	387,336	1,382,044
Infrastructure and Utility Systems	2,268,907	18,069,387	20,338,294
Construction in Progress	155,696	20,700	176,396
Net Pension Liability	242,574	-	242,574
Total Assets	25,369,789	25,159,158	50,528,947
LIABILITIES			
Accounts Payable	129,825	48,343	178,168
Accrued Liabilities	113,514	14,180	127,694
Accrued Interest Payable	8,180	-	8,180
Customer Deposits	-	562,625	562,625
Due to Other Governments	751,485	-	751,485
Unearned Revenue	47,912	31,757	79,669
Noncurrent Liabilities:			
Due within one year	1,124,639	23,363	1,148,002
Due in more than one year	1,481,055	4,756	1,485,811
Total Liabilities	3,656,610	685,024	4,341,634
NET POSITION			
Net Investment in Capital Assets	12,253,224	20,263,034	32,516,258
Restricted for:			
Capital Improvements	467,143	1,550,223	2,017,366
Police	11,537	-	11,537
Education	1,615,816	-	1,615,816
Building Inspections	4,056	-	4,056
Unrestricted	7,361,403	2,660,877	10,022,280
Total Net Position	$ 21,713,179	$ 24,474,134	$ 46,187,313

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, 2015

FUNCTIONS/PROGRAMS	EXPENSES	PROGRAM REVENUES		
		CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS
Governmental Activities:				
General Government	$ 1,742,534	$ 35,390	$ 12,145	$ 19,720
Public Safety	4,234,108	1,390,133	31,496	-
Growth Management	265,218	107,165	-	-
Public Works	1,710,173	53,469	45,563	108,040
Culture and Recreation	1,299,452	54,430	134,992	247,394
Interest on Long-term Debt	116,230	-	-	-
Total Governmental Activities	9,367,715	1,640,587	224,196	375,154
Business-Type Activities				
Water	1,177,220	1,115,560	-	114,617
Sewer	1,320,503	790,573	-	209,633
Garbage	336,229	367,953	-	-
Total Business-Type Activities	2,833,952	2,274,086	-	324,250
Total	$ 12,201,667	$ 3,914,673	$ 224,196	$ 699,404

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		
GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
$ (1,675,279)	$ -	$ (1,675,279)
(2,812,479)	-	(2,812,479)
(158,053)	-	(158,053)
(1,503,101)	-	(1,503,101)
(862,636)	-	(862,636)
(116,230)	-	(116,230)
(7,127,778)	-	(7,127,778)
-	52,957	52,957
-	(320,297)	(320,297)
-	31,724	31,724
-	(235,616)	(235,616)
(7,127,778)	(235,616)	(7,363,394)
3,066,208	-	3,066,208
2,051,083	-	2,051,083
1,395,373	-	1,395,373
2,015,130	-	2,015,130
770,234	-	770,234
98,552	18,692	117,244
27,084	-	27,084
144,123	(144,123)	-
9,567,787	(125,431)	9,442,356
2,440,009	(361,047)	2,078,962
19,273,170	24,835,181	44,108,351
$ 21,713,179	$ 24,474,134	$ 46,187,313

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TOWN OF LADY LAKE, FLORIDA
BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2015

ASSETS	GENERAL	SALES TAX REVENUE	TOTAL GOVERNMENTAL FUNDS
Cash and Equivalents	$ 3,731,259	$ 1,181,500	$ 4,912,759
Investments	5,028,447	-	5,028,447
Accounts Receivable (net of allowance for uncollectibles)	277,698	-	277,698
Due from Other Funds	2,914	-	2,914
Due from Other Governments	205,248	122,557	327,805
Real Property Held for Resale	20,400	-	20,400
Prepaid Items	20,604	-	20,604
Total Assets	$ 9,286,570	$ 1,304,057	$ 10,590,627
LIABILITIES			
Accounts Payable	$ 129,825	$ -	$ 129,825
Accrued Liabilities	113,514	-	113,514
Due to Other Governments	1,388	-	1,388
Unearned Revenue	47,912	-	47,912
Total Liabilities	292,639	-	292,639
DEFERRED INFLOWS OF RESOURCES			
Unavailable Revenue	1,182	-	1,182
FUND BALANCES			
Nonspendable	41,004	-	41,004
Restricted	2,098,552	1,304,057	3,402,609
Assigned	766,158	-	766,158
Unassigned	6,087,035	-	6,087,035
Total Fund Balances	8,992,749	1,304,057	10,296,806
Total Liabilities, Deferred Inflows of Resources and Fund Balances	$ 9,286,570	$ 1,304,057	

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 $24,529,010 less accumulated depreciation of $9,992,422.	14,536,588
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.	1,182
Net pension liability is not an available financial resource and, therefore, is not reported as an asset in the funds.	242,574
Communications services tax refund liability is not due and payable in the current period and, accordingly, is not reported in the governmental funds.	(750,097)
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 $2,283,364, accrued interest $8,180 and compensated absences $322,330.	(2,613,874)
NET POSITION OF GOVERNMENTAL ACTIVITIES	$ 21,713,179

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, 2015

	GENERAL	SALES TAX REVENUE	TOTAL GOVERNMENTAL FUNDS
REVENUES:			
Taxes	$ 6,641,991	$ 1,270,229	$ 7,912,220
Licenses and Permits	590,564	-	590,564
Intergovernmental	1,755,741	-	1,755,741
Charges for Services	213,007	-	213,007
Fines and Forfeitures	44,695	-	44,695
Miscellaneous	1,086,905	613	1,087,518
Total Revenues	10,332,903	1,270,842	11,603,745
EXPENDITURES:			
Current:			
General Government	1,632,305	-	1,632,305
Public Safety	4,388,499	-	4,388,499
Growth Management	256,226	-	256,226
Public Works	1,524,132	-	1,524,132
Culture and Recreation	947,118	-	947,118
Capital Outlay	193,574	-	193,574
Debt Service:			
Principal	828,800	-	828,800
Interest	119,200	-	119,200
Total Expenditures	9,889,854	-	9,889,854
Excess of Revenues Over Expenditures	443,049	1,270,842	1,713,891
OTHER FINANCING SOURCES (USES):			
Transfers In	1,217,709	-	1,217,709
Transfers Out	-	(1,073,586)	(1,073,586)
Sale of Capital Assets	27,084	-	27,084
Total Other Financing Sources (Uses)	1,244,793	(1,073,586)	171,207
Net Change in Fund Balances	1,687,842	197,256	1,885,098
Fund Balance, Beginning of Year	7,304,907	1,106,801	8,411,708
Fund Balance, End of Year	$ 8,992,749	$ 1,304,057	$ 10,296,806

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, 2015

Amounts reported for governmental activities in the Statement of Activities (pages 16 - 17) are different because:	
Net Change in Fund Balances - Total Governmental Funds	$ 1,885,098
Governmental funds report capital outlays as expenditures. In the Statement of Activities the costs of those assets are allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation, $919,800, exceeded capital outlays, $492,803, in the current period.	(426,997)
Revenues in the Statement of Activities that do not provide current financial resources (Federal Grants) are not reported as revenues in the funds.	(122,614)
Donations of capital assets increase net position in the Statement of Activities, but do not appear in the governmental funds because they are not financial resources.	20,000
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.	135,386
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.	2,970
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.	828,800
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.	3,046
Changes in the Net Pension Liability do not require the use of current financial resources and therefore, are not reported as expenditures in governmental funds.	114,320
Change in Net Position of Governmental Activities	$ 2,440,009

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, 2015

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
REVENUES:				
Taxes	$ 5,873,709	$ 5,873,709	$ 6,641,991	$ 768,282
Licenses and Permits	289,762	378,810	590,564	211,754
Intergovernmental	1,354,625	1,501,949	1,755,741	253,792
Charges for Services	181,768	181,768	213,007	31,239
Fines and Forfeitures	33,282	36,336	44,695	8,359
Miscellaneous	876,522	880,339	1,086,905	206,566
Total Revenues	8,609,668	8,852,911	10,332,903	1,479,992
EXPENDITURES:				
Current:				
General Government	1,745,952	1,709,113	1,632,305	76,808
Public Safety	4,264,528	4,406,457	4,388,499	17,958
Growth Management	242,028	242,028	256,226	(14,198)
Public Works	1,548,325	1,550,331	1,524,132	26,199
Culture and Recreation	1,034,958	1,041,057	947,118	93,939
Capital Outlay	-	213,123	193,574	19,549
Debt Service	948,000	948,000	948,000	-
Total Expenditures	9,783,791	10,110,109	9,889,854	220,255
Deficiency of Revenues Under Expenditures	(1,174,123)	(1,257,198)	443,049	1,700,247
OTHER FINANCING SOURCES:				
Transfers In	1,169,123	1,206,595	1,217,709	11,114
Sale of Capital Assets	5,000	17,500	27,084	9,584
Total Other Financing Sources	1,174,123	1,224,095	1,244,793	20,698
Net Change in Fund Balance	-	(33,103)	1,687,842	1,720,945
Fund Balance, Beginning of Year	7,304,907	7,304,907	7,304,907	-
Fund Balance, End of Year	$ 7,304,907	$ 7,271,804	$ 8,992,749	$ 1,720,945

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, 2015

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
REVENUES:				
Taxes	$ 1,125,500	$ 1,125,500	$ 1,270,229	$ 144,729
Miscellaneous	600	600	613	13
Total Revenues	1,126,100	1,126,100	1,270,842	144,742
OTHER FINANCING SOURCES (USES):				
Transfers Out	(1,025,000)	(1,062,472)	(1,073,586)	(11,114)
Total Other Financing Sources (Uses)	(1,025,000)	(1,062,472)	(1,073,586)	(11,114)
Net Change in Fund Balance	101,100	63,628	197,256	133,628
Fund Balance, Beginning of Year	1,106,801	1,106,801	1,106,801	-
Fund Balance, End of Year	$ 1,207,901	$ 1,170,429	$ 1,304,057	$ 133,628

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, 2015

ASSETS	UTILITY FUND
CURRENT ASSETS:	
Cash	$ 2,473,543
Restricted Cash:	
Customer Deposits	562,625
Customer Receivables, net of allowance for uncollectibles	241,673
Inventory	67,974
Prepaid Items	3,000
Total Current Assets	3,348,815
NONCURRENT ASSETS:	
Restricted Cash:	
Capital Improvements	1,550,223
Capital Assets:	
Sewer Capacity Reservation Agreement, net of accumulated amortization	1,074,007
Property, Plant and Equipment:	
Land	509,453
Buildings	346,587
Utility Systems	27,342,626
Equipment	1,780,169
Construction in Progress	20,700
	29,999,535
Less Accumulated Depreciation	10,810,508
Net Property, Plant and Equipment	19,189,027
Total Capital Assets	20,263,034
Total Noncurrent Assets	21,813,257
Total Assets	25,162,072

TOWN OF LADY LAKE, FLORIDA
STATEMENT OF NET POSITION (Continued)
PROPRIETARY FUND
SEPTEMBER 30, 2015

LIABILITIES	UTILITY FUND
CURRENT LIABILITIES:	
Accounts Payable	$ 48,343
Accrued Expenses	14,180
Compensated Absences	23,363
Due to Other Funds	2,914
Customer Deposits	562,625
Total Current Liabilities	651,425
NONCURRENT LIABILITIES:	
Compensated Absences	4,756
Unearned Revenue	31,757
Total Noncurrent Liabilities	36,513
Total Liabilities	687,938
NET POSITION	
Net Investment in Capital Assets	20,263,034
Restricted for Capital Improvements	1,550,223
Unrestricted	2,660,877
Total Net Position	$24,474,134

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, 2015

	UTILITY FUND
OPERATING REVENUES:	
Water Sales	$ 1,043,701
Sewer Revenue	661,146
Reuse Water Sales	107,067
Connection Fees	41,950
Garbage Revenue	367,953
Late Fees and Other Revenue	52,269
Total Operating Revenues	2,274,086
OPERATING EXPENSES:	
Personal Services	635,392
Garbage Contract Services	336,229
Other Operating Expenses	803,336
Depreciation and Amortization	1,058,995
Total Operating Expenses	2,833,952
Net Operating Loss	(559,866)
NONOPERATING REVENUES (EXPENSES):	
Interest Revenue	18,692
Total Nonoperating Revenues (Expenses)	18,692
Loss Before Contributions and Transfers	(541,174)
CAPITAL CONTRIBUTIONS:	
Water, Sewer, and Reuse Impact Fees	324,250
TRANSFERS OUT	(144,123)
Change in Net Position	(361,047)
Total Net Position, Beginning of Year	24,835,181
Total Net Position, End of Year	$ 24,474,134

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, 2015

	UTILITY FUND
CASH FLOWS FROM OPERATING ACTIVITIES:	
Cash Received from Customers	$ 2,276,405
Cash Payments to Employees for Services	(633,347)
Cash Payments to Suppliers for Goods and Services	(1,128,924)
Net Cash Provided by Operating Activities	514,134
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:	
Capital Contributions	324,250
Acquisition and Construction of Capital Assets	(75,757)
Net Cash Provided by Capital and Related Financing Activities	248,493
CASH FLOWS FROM INVESTING ACTIVITIES:	
Interest Received	18,692
Net Cash Provided by Investing Activities	18,692
NET INCREASE IN CASH	637,196
Cash at Beginning of Year	3,949,195
Cash at End of Year	$ 4,586,391

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, 2015

	UTILITY FUND
RECONCILIATION OF OPERATING LOSS TO NET CASH PROVIDED BY OPERATING ACTIVITIES:	
Operating Loss	$ (559,866)
Adjustments to reconcile operating loss to net cash provided by operating activities:	
Depreciation and Amortization	1,058,995
Decrease in Customer Receivables	13,364
Increase in Inventory	(3,922)
Increase in Accounts Payable	15,083
Decrease in Due to Other Funds	(520)
Increase in Accrued Expenses	325
Increase in Compensated Absences	1,720
Decrease in Customer Deposits	(11,045)
Total Adjustments	1,074,000
Net Cash Provided by Operating Activities	$ 514,134

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, 2015

	PENSION TRUST FUNDS
ASSETS	
Investments with Trustees:	
Cash Management Funds	$ 417,935
Corporate Equities	4,911,745
Corporate and Foreign Bonds	2,424,206
Total Assets	7,753,886
LIABILITIES	
Accounts Payable	8,175
Total Liabilities	8,175
NET POSITION	
Held in Trust for Officers' Contributions	545,516
Held in Trust for Town's Contributions	2,184,998
Held in Trust for Pension Benefits	5,015,197
Total Net Position Restricted for Pensions	$ 7,745,711

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, 2015

	PENSION TRUST FUNDS
ADDITIONS	
Contributions:	
Town	$ 355,718
Employees	73,402
State of Florida	98,306
Total Contributions	527,426
Investment Income:	
Net Depreciation in Fair Value of Investments	(232,261)
Dividend Income	200,267
Interest Income	337
Total Investment Income	(31,657)
Less Investment Expense	(20,500)
Net Investment Income	(52,157)
Total Additions	475,269
DEDUCTIONS	
Retirement Benefits	236,734
Refunds of Contributions	7,044
Administration Expense	38,334
Total Deductions	282,112
CHANGE IN NET POSITION	193,157
NET POSITION RESTRICTED FOR PENSIONS	
Beginning of Year	7,552,554
End of Year	$ 7,745,711

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

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.

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.

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 0.25% as of September 30, 2015. 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, 2015, all shares in the Fund B pool were liquidated.

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, 2015.

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

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.

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.

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, 2015, 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 ($1,073,586) 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.

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, 2015 from the GAAP basis to the budget basis are as follows:

	Utility Fund
Change in Net Position, GAAP Basis	$ (361,047)
Increase due to depreciation	1,019,940
Decrease due to equipment purchases	(51,937)
Decrease due to utility system construction	(23,820)
Excess of Revenues Over Expenses, Budget Basis	$ 583,136

NOTE 4 CASH DEPOSITS AND INVESTMENTS

Cash Deposits

At September 30, 2015, the carrying amount of the Town's cash deposits, including funds in bank money market investments, was $9,499,150. The actual bank balances at September 30, 2015 totaled $9,596,767, and were entirely insured by Federal depository insurance or by a State

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, 2015 are categorized below.

	Fair Value
General Fund Investments:	
1-3 Year High Quality Bond Fund	$ 1,946,324
Intermediate High Quality Bond Fund	3,082,123
Pension Trust Fund Investments:	
Money Market Funds	417,935
Corporate Equities	4,911,745
Corporate Bonds	2,424,206
	$12,782,333

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 1.37 years (1-3 year bond fund) and 3.60 years (intermediate bond fund). The Town's investment policy does not specifically address interest rate risk.

NOTE 5 RECEIVABLES

Accounts receivable at September 30, 2015 are as follows:

	General Fund	Utility Fund
Customer Accounts Receivable	$ -	$ 179,988
Franchise and Utility Taxes	224,746	-
Other Receivables	54,453	84,849
Less Allowance for Uncollectibles	(1,501)	(23,164)
Net Receivables	$ 277,698	$ 241,673

NOTE 6 CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2015 was as follows:

	September 30, 2014	Additions	Transfers/ Disposals	September 30, 2015
Governmental Activities:				
Land (not being depreciated)	$ 2,071,389	$ -	$ -	$ 2,071,389
Construction in Progress	762,373	155,696	(762,373)	155,696
	2,833,762	155,696	(762,373)	2,227,085
Capital assets being depreciated:				
Buildings	12,054,687	-	-	12,054,687
Improvements	1,993,535	-	-	1,993,535
Equipment	5,258,157	319,229	(198,646)	5,378,740
Infrastructure	2,074,712	37,878	762,373	2,874,963
	21,381,091	357,107	563,727	22,301,925
Less accumulated depreciation for:				
Buildings	(3,449,841)	(404,875)	-	(3,854,716)
Improvements	(1,068,524)	(79,094)	-	(1,147,618)
Equipment	(4,247,411)	(335,267)	198,646	(4,384,032)
Infrastructure	(505,492)	(100,564)	-	(606,056)
Total Accumulated Depreciation	(9,271,268)	(919,800)	198,646	(9,992,422)
Total Being Depreciated, net	12,109,823	(562,693)	762,373	12,309,503
Governmental Activities Capital Assets, net	$ 14,943,585	$ (406,997)	$ -	$ 14,536,588
Business-Type Activities:				
Land (not being depreciated)	$ 509,453	$ -	$ -	$ 509,453
Construction in Progress	-	20,700	-	20,700
	509,453	20,700	-	530,153
Capital assets being depreciated:				
Buildings	346,587	-	-	346,587
Utility Systems	27,339,506	3,120	-	27,342,626
Equipment	1,751,729	51,937	(23,497)	1,780,169
	29,437,822	55,057	(23,497)	29,469,382
Less accumulated depreciation for:				
Buildings	(133,264)	(11,172)	-	(144,436)
Utility Systems	(8,360,823)	(912,416)	-	(9,273,239)
Equipment	(1,319,978)	(96,352)	23,497	(1,392,833)
Total Accumulated Depreciation	(9,814,065)	(1,019,940)	23,497	(10,810,508)
Total Being Depreciated, net	19,623,757	(964,883)	-	18,658,874
Business-Type Activities Capital Assets, net	$ 20,133,210	$ (944,183)	$ -	$ 19,189,027

NOTE 6 CAPITAL ASSETS (continued)

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

Governmental Activities:	
General Government	$ 217,764
Public Safety	115,400
Growth Management	9,418
Public Works	216,208
Culture and Recreation	361,010
Total Depreciation Expense - Governmental Activities	$ 919,800
Business-type Activities:	
Water	$ 303,186
Sewer	716,754
Garbage	-
Total Depreciation Expense - Business-type Activities	$1,019,940

Utility System Construction Commitments

The Town has contracted for engineering services for an aeration improvement project for the Town's Wastewater Treatment Plant. The engineering contract totals $69,500, of which $20,700 was completed as of September 30, 2015.

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, 2015 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.

NOTE 7 SEWER CAPACITY RESERVATION AGREEMENT (continued)

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

The original Sewer Capacity Reservation Agreement has been recorded in the Utility Fund at its historical cost of $826,506. The net book value on April 2, 2003 was $737,635. At September 30, 2015, the total cost of sewer capacity reservations, which includes the 2004 purchases, was $1,629,006. Amortization for the year ended September 30, 2015 totaled $39,055. Accumulated amortization at September 30, 2015 was $554,999, and the net book value was $1,074,007.

NOTE 8 LONG-TERM DEBT

SunTrust Loan

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 increased to $79,000 on October 1, 2014, and the note matures on March 1, 2018. Interest paid during the year totaled $119,200. The schedule of remaining annual debt service requirements for the note are as follows:

Year	Principal	Interest	Payment
9/30/16	$ 865,686	$ 82,314	$ 948,000
9/30/17	904,190	43,810	948,000
9/30/18	513,488	6,487	519,975
	$ 2,283,364	$ 132,611	$ 2,415,975

NOTE 8 LONG-TERM DEBT (continued)

Changes in Long-Term Liabilities

Long-term liability activity for the year ended September 30, 2015 was as follows:

	Balances 10/1/2014	Additions	Principal Reductions	Balances 9/30/2015	Due within One Year
Governmental Activities:					
SunTrust Loan	$ 3,112,164	$ -	$ (828,800)	$ 2,283,364	$ 865,686
Compensated Absences	325,376	203,844	(206,890)	322,330	258,953
Governmental Activity Long-Term Liabilities	$ 3,437,540	$ 203,844	$(1,035,690)	$ 2,605,694	$1,124,639
Business-type Activities:					
Compensated Absences	$ 26,399	$ 15,899	$ (14,179)	$ 28,119	$ 23,363
Business-type Activity Long-term Liabilities	$ 26,399	$ 15,899	$ (14,179)	$ 28,119	$ 23,363

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, 2015.

(2) Individual fund interfund receivable and payable balances at September 30, 2015:

	Receivable	Payable
General Fund	$ 2,914	$ -
Utility Fund	-	(2,914)

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, 2015.

(4) The following details the various constraints placed on fund balances in the governmental funds at September 30, 2015:

NOTE 9 OTHER DISCLOSURES (continued)

General Fund

Nonspendable - Prepaids	$ 20,604
Nonspendable - Assets Held for Resale	20,400
Total Nonspendable	$ 41,004
Restricted for Police Training and Equipment	$ 11,537
Restricted for Education	1,615,816
Restricted for Recreation Capital Improvements	443,267
Restricted for Library Capital Improvements	23,876
Restricted for Building Inspections	4,056
Total Restricted	$ 2,098,552
Assigned to Tree Beautification	$ 16,061
Assigned to Comm Services Tax Repayment	750,097
Total Assigned	$ 766,158

Sales Tax Revenue Fund

Restricted for Infrastructure	$ 1,304,057

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.

NOTE 10 RETIREMENT COMMITMENTS (continued)

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

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

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

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

As of September 30, 2015, four Officers had retired that were receiving benefits, two were receiving benefits under disability, and two terminated Officers were entitled to benefits but not yet receiving them. Out of the 28 Officers in the plan at September 30, 2015, four 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, 2015, the Town collected $98,306 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

NOTE 10 RETIREMENT COMMITMENTS (continued)

funding requirement for the year ended September 30, 2015 was 20.8% from the Town and State, and 5.0% from the Police Officers, for a total of 25.8% of covered payroll.

Net Pension Liability

The measurement date is September 30, 2015.
The measurement period for the pension expense was October 1, 2014 to September 30, 2015.
The reporting period is October 1, 2015 through September 30, 2016.

The Town's net pension liability was measured as of September 30, 2015.
The total pension liability used to calculate the net pension liability was determined as of that date.

Actuarial Assumptions:
The total pension liability was determined by an actuarial valuation as of October 1, 2014 updated to September 30, 2015 using the following actuarial assumptions.

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

RP-2000 Table with no projection. Based upon other studies of municipal police officers, this assumption sufficiently accommodates future mortality improvements. (Disabled lives set forward 5 years).

The actuarial assumptions used in the October 1, 2014 valuation were based on the results of an actuarial experience study performed on December 8, 2009 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, 2015 are summarized in the following table:

Asset Class	Target Allocation	Long Term Expected Real Rate of Return
Domestic Equity	50%	7.50%
International Equity	10%	8.50%
Broad Market Fixed Income	40%	2.50%

NOTE 10 RETIREMENT COMMITMENTS (continued)

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 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.

	1% Decrease 6.75%	Current Discount Rate 7.75%	1% Decrease 8.75%
Town's Net Pension Liability	$ 534,591	$ (242,574)	$ (895,309)

Changes in Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
Reporting Period Ending September 30, 2015	$5,738,788	$6,233,931	$ (495,143)
Changes for a Year:			
Service Cost	346,441	-	346,441
Interest	460,104	-	460,104
Change in Excess State Money	399	-	399
Differences between Expected and Actual Experience	(217,494)	-	(217,494)
Changes of assumptions	-	-	-
Changes of benefit terms	-	-	-
Contributions - Employer	-	205,780	(205,780)
Contributions - State	-	98,306	(98,306)
Contributions - Employee	-	73,002	(73,002)
Net Investment Income	-	(8,855)	8,855
Benefit Payments, including Refunds of Employee Contributions	(208,033)	(208,033)	-
Administrative Expense	-	(31,352)	31,352
Net Changes	381,417	128,848	252,569
Reporting Period Ending September 30, 2016	$6,120,205	$6,362,779	$ (242,574)

Detailed information about the Pension Plan's Fiduciary Net Position is available in a separately issued plan financial report.

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:

Years of Service Completed	Percent Vested
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, 2015, the Town contributed $122,622 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, 2015, the Town used $1,536 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.

NOTE 10 RETIREMENT COMMITMENTS (continued)

	Police Retirement Trust Fund	Employees Retirement Trust Fund	Total
STATEMENT OF FIDUCIARY NET POSITION AS OF SEPTEMBER 30, 2015			
Assets			
Investments with Trustees:			
Cash Management Funds	$ 216,589	$ 201,346	$ 417,935
Corporate Equities	3,776,397	1,135,348	4,911,745
Corporate and Foreign Bonds	2,397,109	27,097	2,424,206
Liabilities			
Accounts Payable	(8,175)	-	(8,175)
Net Position			
Restricted for Pension Benefits	$ 6,381,920	$ 1,363,791	$ 7,745,711
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION FOR THE YEAR ENDED SEPTEMBER 30, 2015			
Additions			
Contributions			
Town	$ 233,096	$ 122,622	$ 355,718
Employees	73,402	-	73,402
State of Florida	98,306	-	98,306
Total Contributions	404,804	122,622	527,426
Investment Income:			
Net Appreciation (Depreciation) in Fair Value of Investments	(188,958)	(43,303)	(232,261)
Dividend and Interest Income	200,604	-	200,604
Investment Expense	(20,500)	-	(20,500)
Net Investment Income	(8,854)	(43,303)	(52,157)
Total Additions	395,950	79,319	475,269
Deductions			
Retirement Benefits	200,989	35,745	236,734
Refunds of Contributions	7,044	-	7,044
Administrative Expense	37,350	984	38,334
Total Deductions	245,383	36,729	282,112
Change in Net Position	150,567	42,590	193,157
Net Position			
Beginning of Year	6,231,353	1,321,201	7,552,554
End of Year	$ 6,381,920	$ 1,363,791	$ 7,745,711

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, 2015 there were seven 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, 2015, Town contributions to the plan totaled $45,423.

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, 2015, the Town had one retiree continuing to participate in its group health insurance plan, and 2 retirees participating in its group dental insurance plan. Management does not anticipate a significant number of future retirees to request continued coverage. Therefore, no material other postemployment benefits liability is recognized or recorded.

NOTE 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, 2015 was 3.750. The millage rate assessed by the Town on taxable property to be levied on November 1, 2015 was 3.551.

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%		

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, 2015, 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. During 2014, the Department suspended a portion of the tax receipts owed to the Town ($482,957) pending the results of an audit of the communications provider by the Department.

The audit has been completed and the Department determined that the Town was overpaid by $1,233,054, leaving a balance of $750,097 to be repaid to the State. The Department will not issue a formal notice to the Town until November 2016, and the Town will be required to repay the liability over 36 months beginning in 2017. The Town has established an assignment of fund balance for this amount as of September 30, 2015.

NOTE 15 SUBSEQUENT EVENTS

Town management has evaluated events occurring subsequent to the financial statement date through March 30, 2016. No material subsequent events were identified for recognition or disclosure.

TOWN OF LADY LAKE, FLORIDA
POLICE RETIREMENT TRUST FUND
REQUIRED SUPPLEMENTARY INFORMATION
SEPTEMBER 30, 2015

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

	9/30/2015	9/30/2014
Total Pension Liability		
Service Cost	$ 346,441	$ 353,104
Interest	460,104	418,085
Change in Excess State Money	399	-
Changes of Benefit Terms	-	-
Differences Between Expected and Actual Experience	(217,494)	-
Changes of Assumptions	-	-
Benefit Payments, Including Refunds of Officer Contributions	(208,033)	(236,641)
Net Change in Total Pension Liability	381,417	534,548
Total Pension Liability - Beginning	5,738,788	5,204,240
Total Pension Liability - Ending (a)	$ 6,120,205	$ 5,738,788
Plan Fiduciary Net Position		
Contributions - Town	$ 205,780	$ 262,722
Contributions - State	98,306	88,482
Contributions - Officers	73,002	77,358
Net Investment Income	(8,855)	509,283
Benefit Payments, Including Refunds of Officer Contributions	(208,033)	(236,641)
Administrative Expense	(31,352)	(25,607)
Net Change in Plan Fiduciary Net Position	128,848	675,597
Plan Fiduciary Net Position - Beginning	6,233,931	5,558,334
Plan Fiduciary Net Position - Ending (b)	$ 6,362,779	$ 6,233,931
Net Pension Liability - Ending (a-b)	$ (242,574)	$ (495,143)
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	103.96%	108.63%
Covered Employee Payroll	$ 1,460,023	$ 1,547,154
Net Pension Liability as a Percentage of covered Employee Payroll	-16.61%	-32.00%

TOWN OF LADY LAKE, FLORIDA
POLICE RETIREMENT TRUST FUND
REQUIRED SUPPLEMENTARY INFORMATION
SEPTEMBER 30, 2015

SCHEDULE OF CONTRIBUTIONS
Last 10 Fiscal Years

	9/30/2015	9/30/2014
Actuarially Determined Contribution	$ 303,687	$ 351,204
Contributions in relation to the Actuarially Determined Contributions	303,687	351,204
Contribution Deficiency (Excess)	$ -	$ -
Covered Employee Payroll	$ 1,460,023	$ 1,547,154
Contributions as a percentage of Covered Employee Payroll	20.80%	22.70%

SCHEDULE OF INVESTMENT RETURNS
Last 10 Fiscal Years

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

Notes to Schedules

Valuation Date: 10/1/2013
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:	27 Years (as of 10/01/2013).
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
Payroll Growth:	5.0% annually
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:

Age	% Terminating During the Year	% Becoming Disabled during the year
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, 2015 AND 2014

	2015	2014
ASSETS		
Cash and Equivalents	$ 3,731,259	$ 2,334,682
Investments	5,028,447	4,932,777
Accounts Receivable:		
Franchise and Utility Taxes	224,746	233,023
Special Paving Assessments	1,182	1,182
Other	51,770	22,341
Due from Utility Fund	2,914	3,434
Due from Other Governments:		
State of Florida	142,702	133,834
Lake County	5,086	4,666
Federal	57,460	687,583
Real Property Held for Resale	20,400	20,400
Prepaid Expenditures	20,604	24,581
Total Assets	$ 9,286,570	$ 8,398,503
LIABILITIES		
Accounts Payable	$ 129,825	$ 806,311
Accrued Payroll and Related Liabilities	113,514	114,457
Due to State of Florida	1,388	2,194
Unearned Revenue - Business Taxes	47,912	46,838
Total Liabilities	292,639	969,800
DEFERRED INFLOWS OF RESOURCES		
Unavailable Revenue - Special Paving Assessments	1,182	1,182
Unavailable Revenue - Federal Grants	-	122,614
Total Deferred Inflows of Resources	1,182	123,796
FUND BALANCE		
Nonspendable:		
Prepaid Expenditures/Resale Assets	41,004	44,981
Restricted:		
For Police Training/Equipment	11,537	21,075
For Education	1,615,816	1,596,096
For Recreation Capital Improvements	443,267	353,486
For Library Capital Improvements	23,876	3,130
For Building Inspections	4,056	-
Assigned:		
To Tree Beautification	16,061	11,386
To Communications Services Tax Repayment	750,097	-
Unassigned:	6,087,035	5,274,753
Total Fund Balance	8,992,749	7,304,907
Total Liabilities, Deferred Inflows of Resources and Fund Balance	$ 9,286,570	$ 8,398,503

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, 2015
With comparative actual amounts for the year ended September 30, 2014

	2015			
	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET	2014 ACTUAL
REVENUES:				
Taxes	$ 5,873,709	$ 6,641,991	$ 768,282	$ 6,101,797
Licenses and Permits	378,810	590,564	211,754	432,447
Intergovernmental	1,501,949	1,755,741	253,792	2,331,525
Charges for Services	181,768	213,007	31,239	211,456
Fines and Forfeitures	36,336	44,695	8,359	46,955
Miscellaneous	880,339	1,086,905	206,566	997,962
Total Revenues	8,852,911	10,332,903	1,479,992	10,122,142
EXPENDITURES:				
Current:				
General Government	1,709,113	1,632,305	76,808	1,627,104
Public Safety	4,406,457	4,388,499	17,958	4,558,273
Growth Management	242,028	256,226	(14,198)	267,524
Public Works	1,550,331	1,524,132	26,199	2,033,250
Culture and Recreation	1,041,057	947,118	93,939	1,112,112
Capital Outlay	213,123	193,574	19,549	1,337,746
Debt Service	948,000	948,000	-	204,000
Total Expenditures	10,110,109	9,889,854	220,255	11,140,009
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,257,198)	443,049	1,700,247	(1,017,867)
OTHER FINANCING SOURCES (USES):				
Transfer from Sales Tax Revenue Fund	1,062,472	1,073,586	11,114	293,210
Transfer from Utility Fund	144,123	144,123	-	144,123
Sale of Capital Assets	17,500	27,084	9,584	10,709
Total Other Financing Sources	1,224,095	1,244,793	20,698	448,042
Net Change in Fund Balance	(33,103)	1,687,842	1,720,945	(569,825)
Fund Balance, Beginning of Year	7,304,907	7,304,907	-	7,874,732
Fund Balance, End of Year	$ 7,271,804	$ 8,992,749	$ 1,720,945	$ 7,304,907

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, 2015
With comparative actual amounts for the year ended September 30, 2014

	2015			
	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET	2014 ACTUAL
TAXES:				
Ad Valorem Taxes	$ 3,023,648	$ 3,066,208	$ 42,560	$ 2,541,325
Local Option Gas Tax	181,276	135,169	(46,107)	144,084
County Gas Tax	17,508	18,124	616	17,601
Casualty Insurance Premium Tax	84,000	98,306	14,306	88,482
Franchise Fees:				
Electric	1,113,099	1,189,796	76,697	1,198,983
Gas	26,126	29,296	3,170	27,020
Garbage	165,513	176,281	10,768	169,148
Utility Taxes:				
Electric	872,562	915,109	42,547	955,588
Water	168,329	173,182	4,853	163,994
Gas	20,685	20,690	5	21,475
Communications Services Tax	151,999	770,763	618,764	722,946
Town Business Tax	48,964	49,067	103	51,151
Total Taxes	5,873,709	6,641,991	768,282	6,101,797
LICENSES AND PERMITS:				
Building Permits and Inspections	260,388	356,640	96,252	266,152
Building Plan Review Fees	48,416	113,467	65,051	70,538
Site Plan Review Fees	2,725	5,875	3,150	1,800
Annexation/Subdivision Fees	31,858	71,875	40,017	57,830
Zoning Fees	23,573	26,215	2,642	20,315
Comp Plan Amendment Fees	1,233	3,200	1,967	5,000
Other Licenses & Permits	10,617	13,292	2,675	10,812
Total Licenses and Permits	378,810	590,564	211,754	432,447
INTERGOVERNMENTAL:				
Federal Law Enforcement Grants	5,065	8,294	3,229	9,823
Federal Tornado Grant	-	-	-	226
Federal Transportation Grants	140,380	225,689	85,309	355,394
Federal CDBG Grant	37,879	108,040	70,161	623,723
State Revenue Sharing	352,909	403,573	50,664	377,195
Mobile Home Licenses	39,247	44,379	5,132	42,684
Alcohol Beverage Licenses	8,379	8,300	(79)	8,023
1/2 Cent Sales Tax	740,871	780,854	39,983	732,526
State Transportation Revenue	39,234	44,963	5,729	44,284
County Library Agreement	124,103	118,333	(5,770)	124,103
County Business Tax	13,882	13,316	(566)	13,544
Total Intergovernmental	1,501,949	1,755,741	253,792	2,331,525

TOWN OF LADY LAKE, FLORIDA
GENERAL FUND
SCHEDULE OF REVENUES COMPARED TO BUDGET (Continued)
FOR THE YEAR ENDED SEPTEMBER 30, 2015
With comparative actual amounts for the year ended September 30, 2014

	2015			
	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET	2014 ACTUAL
CHARGES FOR SERVICES:				
Villages - Public Safety	$ 100,000	$ 100,000	$ -	$ 100,000
Police Services	52,109	47,628	(4,481)	60,064
Road and Street Revenue	18,437	53,469	35,032	39,447
Copies and Certifications	441	1,388	947	261
Town License Plates	-	10	10	3
Library Fees	7,688	7,842	154	8,106
Recreation Program Fees	3,093	2,670	(423)	3,575
Total Charges for Services	181,768	213,007	31,239	211,456
FINES AND FORFEITURES:				
Court Fines	19,555	27,503	7,948	21,264
Forfeitures	2,239	2,879	640	7,237
Animal Control Citations	-	1,135	1,135	695
Code Enforcement Fines	6,274	2,828	(3,446)	10,800
Police Education	3,315	6,364	3,049	2,354
Library Fines	4,953	3,986	(967)	4,605
Total Fines and Forfeitures	36,336	44,695	8,359	46,955
MISCELLANEOUS:				
Interest Earnings	1,933	2,269	336	3,035
Net Increase (Decrease) in Fair Value of Investments	100,104	95,670	(4,434)	78,060
Building/Park/Tower Rental Fees	25,035	39,932	14,897	32,264
Paving Assessments	2,217	600	(1,617)	1,021
Fire Assessments - Villages	728,312	731,689	3,377	731,647
Library Impact Fees	-	20,723	20,723	14,467
Recreation Impact Fees	-	123,596	123,596	86,284
Education Impact Fees	-	19,720	19,720	5,250
Contributions and Donations	7,940	21,123	13,183	13,583
Fuel Tax Refund	6,933	7,577	644	7,411
Insurance Claim Proceeds	-	10,883	10,883	17,170
Miscellaneous Revenues	7,865	13,123	5,258	7,770
Total Miscellaneous	880,339	1,086,905	206,566	997,962
Total Revenues	$ 8,852,911	$ 10,332,903	$ 1,479,992	$ 10,122,142

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, 2015
With comparative actual amounts for the year ended September 30, 2014

	2015			
	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET	2014 ACTUAL
GENERAL GOVERNMENT:				
Town Commission:				
Personal Services	$ 39,797	$ 38,925	$ 872	$ 39,787
Operating Expenses	5,680	5,521	159	7,358
Total Town Commission	45,477	44,446	1,031	47,145
Town Manager:				
Personal Services	201,679	197,295	4,384	204,017
Operating Expenses	4,419	2,604	1,815	2,391
Total Town Manager	206,098	199,899	6,199	206,408
Town Clerk:				
Personal Services	84,840	77,527	7,313	87,244
Operating Expenses	20,450	12,549	7,901	12,645
Election Expenses	3,000	-	3,000	2,683
Total Town Clerk	108,290	90,076	18,214	102,572
Finance Department:				
Personal Services	311,073	289,958	21,115	310,657
Operating Expenses	55,640	46,973	8,667	44,997
Total Finance Department	366,713	336,931	29,782	355,654
Human Resources/Risk Mgmt:				
Personal Services	122,675	122,600	75	125,007
Operating Expenses	22,809	22,681	128	17,146
Total Human Resources	145,484	145,281	203	142,153
Information Technology:				
Personal Services	136,829	136,598	231	136,672
Operating Expenses	59,202	58,498	704	15,672
Capital Outlay	46,644	45,532	1,112	112,353
Total Information Technology	242,675	240,628	2,047	264,697
Legal Counsel	120,000	91,284	28,716	84,397
Lawsuit Settlement	-	52,000	(52,000)	-
Total Legal	120,000	143,284	(23,284)	84,397

TOWN OF LADY LAKE, FLORIDA
GENERAL FUND
SCHEDULE OF EXPENDITURES COMPARED TO BUDGET (Continued)
FOR THE YEAR ENDED SEPTEMBER 30, 2015
With comparative actual amounts for the year ended September 30, 2014

	2015			
	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET	2014 ACTUAL
GENERAL GOVERNMENT (continued):				
Other General Government:				
Operating Expenses	$ 292,256	$ 265,090	$ 27,166	$ 284,091
Aid to Private Organizations	12,000	12,000	-	12,000
Capital Outlay	-	-	-	194,714
Contingency	12,646	-	12,646	-
Total Other General Government	316,902	277,090	39,812	490,805
Facilities Maintenance:				
Personal Services	87,644	87,574	70	91,239
Operating Expenses	9,830	7,296	2,534	10,716
Capital Outlay	60,000	59,800	200	-
Total Facilities Maintenance	157,474	154,670	2,804	101,955
Total General Government	1,709,113	1,632,305	76,808	1,795,786
PUBLIC SAFETY:				
Police Department:				
Personal Services	2,570,939	2,480,923	90,016	2,611,019
Operating Expenses	587,950	556,173	31,777	698,903
Operating Expenses - Federal Grants	6,982	6,638	344	9,823
Capital Outlay	126,972	149,966	(22,994)	142,680
Total Police Department	3,292,843	3,193,700	99,143	3,462,425
Fire Control:				
Operating Expenses	750,413	746,321	4,092	733,117
Building Inspections:				
Personal Services	42,897	27,453	15,444	42,912
Operating Expenses	262,898	363,598	(100,700)	270,493
Total Building Inspections	305,795	391,051	(85,256)	313,405
Code Enforcement:				
Personal Services	42,440	43,522	(1,082)	33,223
Operating Expenses	14,966	13,905	1,061	16,103
Total Code Enforcement	57,406	57,427	(21)	49,326
Total Public Safety	4,406,457	4,388,499	17,958	4,558,273
GROWTH MANAGEMENT:				
Personal Services	202,960	206,169	(3,209)	206,421
Operating Expenses	39,068	50,057	(10,989)	29,330
Capital Outlay	-	-	-	31,773
Total Growth Management	242,028	256,226	(14,198)	267,524

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TOWN OF LADY LAKE, FLORIDA
GENERAL FUND
SCHEDULE OF EXPENDITURES COMPARED TO BUDGET (Continued)
FOR THE YEAR ENDED SEPTEMBER 30, 2015
With comparative actual amounts for the year ended September 30, 2014

	2015			
	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET	2014 ACTUAL
PUBLIC WORKS:				
Administration:				
Personal Services	$ 173,631	$ 173,357	$ 274	$ 178,294
Operating Expenses	50,338	36,315	14,023	39,169
Capital Outlay	-	-	-	31,773
Total Administration	223,969	209,672	14,297	249,236
Streets and Maintenance:				
Personal Services	580,392	598,975	(18,583)	597,514
Electric-Street Lights	145,000	158,548	(13,548)	160,495
Operating Expenses	223,871	198,832	25,039	201,928
Street Resurfacing	228,000	209,661	18,339	647,516
Capital Outlay	21,800	32,392	(10,592)	43,138
Capital Outlay - CDBG Grant	37,879	37,878	1	693,190
Total Streets and Maintenance	1,236,942	1,236,286	656	2,343,781
Motor Pool (Fleet Maintenance):				
Personal Services	107,215	97,161	10,054	104,457
Operating Expenses	20,084	18,891	1,193	18,964
Capital Outlay	-	-	-	10,002
Total Motor Pool	127,299	116,052	11,247	133,423
Total Public Works	1,588,210	1,562,010	26,200	2,726,440
CULTURE AND RECREATION:				
Library:				
Personal Services	308,118	297,040	11,078	332,228
Operating Expenses	133,692	129,686	4,006	120,761
Operating Expenses - Community Bldg	9,795	8,572	1,223	6,007
Library Books	51,336	49,803	1,533	59,443
Capital Outlay	16,300	-	16,300	33,574
Capital Outlay - Community Bldg	11,539	11,539	-	-
Debt Service	948,000	948,000	-	204,000
Total Library	1,478,780	1,444,640	34,140	756,013
Parks and Recreation:				
Personal Services	297,657	276,712	20,945	291,789
Operating Expenses	212,620	173,766	38,854	180,314
Capital Outlay - Concession Stand	34,864	34,581	283	87,996
Capital Outlay - Sidewalk Grants	140,380	121,115	19,265	475,874
Total Parks and Recreation	685,521	606,174	79,347	1,035,973
Total Culture and Recreation	2,164,301	2,050,814	113,487	1,791,986
Total Expenditures	$ 10,110,109	$ 9,889,854	$ 220,255	$ 11,140,009

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, 2015 AND 2014

ASSETS	2015	2014
Cash	$ 1,181,500	$ 988,601
Due from State of Florida	122,557	118,200
Total Assets	$ 1,304,057	$ 1,106,801
LIABILITIES AND FUND BALANCE		
Liabilities	$ -	$ -
Fund Balance, Restricted for Infrastructure	1,304,057	1,106,801
Total Liabilities and Fund Balance	$ 1,304,057	$ 1,106,801

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, 2015
With comparative actual amounts for the year ended September 30, 2014

	2015			
	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET	2014 ACTUAL
REVENUES:				
Local Government Infrastructure Surtax	$ 1,125,500	$ 1,270,229	$ 144,729	$ 1,191,905
Interest Earned	600	613	13	636
Total Revenues	1,126,100	1,270,842	144,742	1,192,541
OTHER FINANCING SOURCES (USES):				
Transfer to General Fund	(1,062,472)	(1,073,586)	(11,114)	(293,210)
Transfer to Utility Fund	-	-	-	(790,325)
Total Other Financing Sources (Uses)	(1,062,472)	(1,073,586)	(11,114)	(1,083,535)
Net Change in Fund Balance	63,628	197,256	133,628	109,006
Fund Balance, Beginning of Year	1,106,801	1,106,801	-	997,795
Fund Balance, End of Year	$ 1,170,429	$ 1,304,057	$ 133,628	$ 1,106,801

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, 2015 AND 2014

	2015	2014
ASSETS		
CURRENT ASSETS:		
Cash	$ 2,473,543	$ 2,152,120
Restricted Cash:		
Customer Deposits	562,625	573,670
Customer Accounts Receivable, net of allowance for uncollectibles of $23,164 and $32,301	156,824	154,410
Unbilled Utility Service Receivables	84,849	100,627
Inventory	67,974	64,052
Prepaid Expenses	3,000	3,000
Total Current Assets	3,348,815	3,047,879
NONCURRENT ASSETS:		
RESTRICTED CASH:		
Impact Fees - Water	836,128	720,035
Impact Fees - Sewer	674,310	469,207
Impact Fees - Reuse	39,785	34,163
Total Restricted Cash	1,550,223	1,223,405
SEWER CAPACITY RESERVATION AGREEMENT, net of accumulated amortization of $554,999 and $515,944 in 2015 and 2014, respectively	1,074,007	1,113,062
PROPERTY, PLANT, AND EQUIPMENT:		
Land	509,453	509,453
Buildings	346,587	346,587
Water Utility System	8,146,400	8,143,280
Sewer Utility System	19,196,226	19,196,226
Equipment	1,780,169	1,751,729
Construction in Progress	20,700	-
	29,999,535	29,947,275
Less Accumulated Depreciation	10,810,508	9,814,065
Net Property, Plant, and Equipment	19,189,027	20,133,210
Total Assets	25,162,072	25,517,556

TOWN OF LADY LAKE, FLORIDA
UTILITY FUND
COMPARATIVE STATEMENTS OF NET POSITION (Continued)
SEPTEMBER 30, 2015 AND 2014

	2015	2014
LIABILITIES		
CURRENT LIABILITIES:		
Accounts Payable	$ 48,343	$ 33,260
Accrued Payroll and Related Taxes	14,180	13,855
Accrued Vacation Payable	23,363	24,687
Due to General Fund	2,914	3,434
Customer Deposits	562,625	573,670
Total Current Liabilities	651,425	648,906
NONCURRENT LIABILITIES:		
Accrued Vacation Payable	4,756	1,712
Unearned Revenue	31,757	31,757
Total Noncurrent Liabilities	36,513	33,469
Total Liabilities	687,938	682,375
NET POSITION		
Net Investment in Capital Assets	20,263,034	21,246,272
Restricted for Utility Capital Improvements	1,550,223	1,223,405
Unrestricted	2,660,877	2,365,504
Total Net Position	$24,474,134	$24,835,181

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, 2015 AND 2014

	2015	2014
OPERATING REVENUES:		
Water Sales	$ 1,043,701	$ 1,044,276
Sewer Revenue	661,146	660,276
Reuse Water Sales	107,067	87,006
Connection Fees	41,950	40,887
Garbage Revenue	367,953	364,311
Late Fees and Other Customer Revenue	52,269	49,049
Total Operating Revenues	2,274,086	2,245,805
OPERATING EXPENSES:		
Personal Services	635,392	646,722
Garbage Contract Services	336,229	330,661
Repairs and Maintenance	194,621	107,314
Operating Supplies	145,695	261,285
Utilities	164,606	146,332
Insurance	91,933	84,942
Other Contract Services	91,237	70,576
Professional Services	64,535	129,213
Amortization	39,055	39,054
Other Operating Expenses	50,709	46,616
Depreciation	1,019,940	1,027,527
Total Operating Expenses	2,833,952	2,890,242
Net Operating Loss	(559,866)	(644,437)
NONOPERATING REVENUES (EXPENSES):		
Interest Revenue	18,692	3,654
Increase (Decrease) in Fair Value of Investments	-	(8,258)
Debt Issuance Costs	-	(1,134)
Interest Expense	-	(14,716)
Total Nonoperating Revenues (Expenses)	18,692	(20,454)
Loss Before Contributions and Transfers	(541,174)	(664,891)
CAPITAL CONTRIBUTIONS:		
Water Impact Fees	114,617	56,962
Sewer and Reuse Impact Fees	209,633	104,504
TRANSFERS IN - Infrastructure Taxes	-	790,325
TRANSFERS OUT - to General Fund	(144,123)	(144,123)
Change in Net Position	(361,047)	142,777
Total Net Position, Beginning of Year	24,835,181	24,692,404
Total Net Position, End of Year	$24,474,134	$24,835,181

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, 2015 AND 2014

	2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash Received from Customers	$ 2,276,405	$ 2,273,257
Cash Payments to Employees for Services	(633,347)	(642,366)
Cash Payments to Suppliers for Goods and Services	(1,128,924)	(1,193,743)
Net Cash Provided by Operating Activities	514,134	437,148
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:		
Transfer to General Fund	(144,123)	(144,123)
Net Cash Used in Noncapital Financing Activities	(144,123)	(144,123)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Transfer from Sales Tax Revenue Fund - Infrastructure Taxes	-	790,325
Water, Sewer and Reuse Impact Fees Received	324,250	161,466
Suntrust Loan Interest Paid	-	(17,222)
Suntrust Loan Principal Paid	-	(773,103)
Acquisition and Construction of Capital Assets	(75,757)	(279,731)
Net Cash Provided by (Used in) Capital and Related Financing Activities	248,493	(118,265)
CASH FLOWS FROM INVESTING ACTIVITIES:		
State Board Fund B Pool Investment	-	62,266
Interest Received on Demand Deposits	18,692	3,654
Net Cash Provided by Investing Activities	18,692	65,920
NET INCREASE IN CASH	637,196	240,680
Cash at Beginning of Year	3,949,195	3,708,515
Cash at End of Year	$ 4,586,391	$ 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
UTILITY FUND
COMPARATIVE STATEMENTS OF CASH FLOWS (Continued)
FOR THE YEARS ENDED SEPTEMBER 30, 2015 AND 2014

	2015	2014
RECONCILIATION OF OPERATING LOSS TO NET CASH PROVIDED BY OPERATING ACTIVITIES:		
Operating Loss	$ (559,866)	$ (644,437)
Adjustments to reconcile operating loss to net cash provided by operating activities:		
Depreciation and Amortization	1,058,995	1,066,581
Increase in Accounts Receivable	(2,414)	(13,617)
(Increase) Decrease in Unbilled Receivables	15,778	(18,888)
Increase in Inventory	(3,922)	(15,163)
Increase (Decrease) in Accounts Payable	15,083	(2,333)
Increase (Decrease) in Due to General Fund	(520)	642
Increase in Accrued Payroll and Related Taxes	325	2,050
Increase in Accrued Vacation Payable	1,720	2,356
Increase (Decrease) in Customer Deposits	(11,045)	59,957
Total Adjustments	1,074,000	1,081,585
Net Cash Provided by Operating Activities	$ 514,134	$ 437,148
NONCASH INVESTING ACTIVITIES:		
State Board Fund B Pool investment gain (loss)	$ -	$ (8,258)

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 ordiance.

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, 2015

	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
REVENUES:			
Water Sales	$ 1,011,418	$ 1,043,701	$ 32,283
Sewer Revenue	625,762	661,146	35,384
Reuse Water Sales	86,174	107,067	20,893
Connection Fees	35,930	41,950	6,020
Garbage Revenue	360,718	367,953	7,235
Late Fees and Other Revenue	52,273	52,269	(4)
Interest Revenue	3,593	18,692	15,099
Increase in Fair Value of Investments	17,594	-	(17,594)
Water, Sewer and Reuse Impact Fees	20,000	324,250	304,250
Total Revenues	2,213,462	2,617,028	403,566
EXPENSES:			
Personal Services - Water	511,091	503,951	7,140
Personal Services - Sewer	167,389	131,441	35,948
Operating Expenses - Water	408,897	370,083	38,814
Operating Expenses - Sewer	423,960	433,253	(9,293)
Operating Expenses - Garbage	338,958	336,229	2,729
Amortization	39,055	39,055	-
Equipment Purchases	53,113	51,937	1,176
Utility System Improvements	350,542	23,820	326,722
Transfers out to General Fund	144,123	144,123	-
Total Expenses	2,437,128	2,033,892	403,236
Excess (Deficiency) of Revenues Over (Under) Expenses	$ (223,666)	$ 583,136	$ 806,802

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, 2015 AND 2014

	2015	2014
CAPITAL ASSETS:		
Land	$ 2,071,389	$ 2,071,389
Buildings	12,054,687	12,054,687
Improvements Other Than Buildings	1,993,535	1,993,535
Furniture and Equipment	5,378,740	5,258,157
Infrastructure	2,874,963	2,074,712
Construction in Progress	155,696	762,373
Total Capital Assets	$ 24,529,010	$ 24,214,853
INVESTMENT IN CAPITAL ASSETS FROM:		
Excise Taxes Revenue Bonds	$ 375,000	$ 375,000
Capital Improvement Revenue Bonds	293,287	293,287
Federal Grants	1,771,721	1,621,740
State of Florida Grants	582,278	582,829
Lake County Grants	631,040	631,040
Donations and Developer Contributions	2,522,094	2,502,094
General Fund Revenues	18,353,590	18,208,863
Total Investment in Capital Assets	$ 24,529,010	$ 24,214,853

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, 2015

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	-	-	-	10,871	-	-	10,871
Finance	-	-	-	32,721	-	-	32,721
Human Resources	-	-	-	8,706	-	-	8,706
Information Technology	-	-	-	251,404	-	-	251,404
Other General Government	1,414,422	2,848,875	173,706	460,868	-	-	4,897,871
Facilities Maintenance	-	-	-	119,936	-	-	119,936
Total General Government	1,414,422	2,848,875	173,706	894,190	-	-	5,331,193
PUBLIC SAFETY:							
Police	-	4,675	8,806	2,276,142	-	-	2,289,623
Building Inspections/Code Enf	-	-	-	19,292	-	-	19,292
Total Public Safety	-	4,675	8,806	2,295,434	-	-	2,308,915
GROWTH MANAGEMENT	-	-	-	130,142	-	-	130,142
PUBLIC WORKS:							
Administration	-	1,639,187	13,502	82,634	-	-	1,735,323
Streets and Maintenance	174,247	142,433	124,484	1,104,758	2,280,698	-	3,826,620
Motor Pool	-	6,437	-	86,243	-	-	92,680
Total Public Works	174,247	1,788,057	137,986	1,273,635	2,280,698	-	5,654,623
CULTURE AND RECREATION:							
Library	48,000	6,631,993	-	284,151	-	-	6,964,144
Parks and Recreation	434,720	781,087	1,673,037	501,188	594,265	155,696	4,139,993
Total Culture and Recreation	482,720	7,413,080	1,673,037	785,339	594,265	155,696	11,104,137
Total Capital Assets	$ 2,071,389	$ 12,054,687	$ 1,993,535	$ 5,378,740	$ 2,874,963	$ 155,696	$ 24,529,010

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, 2015

FUNCTION AND ACTIVITY	BALANCE 9/30/2014	ADDITIONS	TRANSFERS/ DISPOSALS	BALANCE 9/30/2015
GENERAL GOVERNMENT:				
Town Manager	$ 9,684	$ -	$ -	$ 9,684
Town Clerk	12,926	-	(2,055)	10,871
Finance	32,721	-	-	32,721
Human Resources	8,706	-	-	8,706
Information Technology	235,337	45,532	(29,465)	251,404
Other General Government	4,903,371	-	(5,500)	4,897,871
Facilities Maintenance	75,225	59,800	(15,089)	119,936
Total General Government	5,277,970	105,332	(52,109)	5,331,193
PUBLIC SAFETY:				
Police	2,247,994	169,966	(128,337)	2,289,623
Building Inspections/Code Enforce	19,292	-	-	19,292
Total Public Safety	2,267,286	169,966	(128,337)	2,308,915
GROWTH MANAGEMENT	130,142	-	-	130,142
PUBLIC WORKS:				
Administration	1,740,923	-	(5,600)	1,735,323
Streets and Maintenance	3,756,350	70,270	-	3,826,620
Motor Pool	92,680	-	-	92,680
Total Public Works	5,589,953	70,270	(5,600)	5,654,623
CULTURE AND RECREATION:				
Library	6,952,605	11,539	-	6,964,144
Parks and Recreation	3,996,897	155,696	(12,600)	4,139,993
Total Culture and Recreation	10,949,502	167,235	(12,600)	11,104,137
Total Capital Assets	$ 24,214,853	$ 512,803	$ (198,646)	$ 24,529,010

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.

Contents **Page**

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 2006	Fiscal Year 2007	Fiscal Year 2008	Fiscal Year 2009
GOVERNMENTAL ACTIVITIES				
Net Investment in Capital Assets	$ 9,548,775	$ 9,634,717	$ 10,361,952	$ 10,365,935
Restricted for:				
Capital Improvements	2,168,936	138,759	511,694	781,865
Police	46,970	78,284	52,245	53,345
Building Inspections	27,878	237,603	152,649	110,568
Education	117,000	1,391,646	1,584,846	1,587,846
Tornado Relief	-	11,891	-	-
Unrestricted	5,116,313	4,948,479	3,363,431	3,327,725
Total Governmental Activities Net Position	$ 17,025,872	$ 16,441,379	$ 16,026,817	$ 16,227,284
BUSINESS-TYPE ACTIVITIES				
Net Investment in Capital Assets	$ 10,457,799	$ 14,288,577	$ 18,689,898	$ 20,404,754
Restricted for:				
Capital Improvements	1,257,488	3,866,056	1,577,122	1,238,859
Debt Service	59,402	61,074	61,755	62,627
Unrestricted	947,600	1,538,871	1,262,800	1,053,781
Total Business-type Activities Net Position	$ 12,722,289	$ 19,754,578	$ 21,591,575	$ 22,760,021
TOWN OF LADY LAKE				
Net Investment in Capital Assets	$ 20,006,574	$ 23,923,294	$ 29,051,850	$ 30,770,689
Restricted for:				
Capital Improvements	3,426,424	4,004,815	2,088,816	2,020,724
Debt Service	59,402	61,074	61,755	62,627
Police	46,970	78,284	52,245	53,345
Building Inspections	27,878	237,603	152,649	110,568
Education	117,000	1,391,646	1,584,846	1,587,846
Tornado Relief	-	11,891	-	-
Unrestricted	6,063,913	6,487,350	4,626,231	4,381,506
Total Town of Lady Lake Net Position	$ 29,748,161	$ 36,195,957	$ 37,618,392	$ 38,987,305

Fiscal Year 2010	Fiscal Year 2011	Fiscal Year 2012	Fiscal Year 2013	Fiscal Year 2014	Fiscal Year 2015
$ 9,603,282	$ 11,155,386	$ 10,834,189	$ 10,682,438	$ 11,831,421	$ 12,253,224
1,781,385	18,694	253,198	308,271	356,616	467,143
56,908	24,520	4,957	18,790	21,075	11,537
29,295	-	7,339	-	-	4,056
1,590,846	1,590,846	1,590,846	1,590,846	1,596,096	1,615,816
-	-	-	-	-	-
4,301,552	5,671,890	6,512,844	6,736,665	5,467,962	7,361,403
$ 17,363,268	$ 18,461,336	$ 19,203,373	$ 19,337,010	$ 19,273,170	$ 21,713,179
$ 21,138,522	$ 20,844,418	$ 21,148,454	$ 21,260,019	$ 21,246,272	$ 20,263,034
1,039,979	1,075,399	1,284,655	1,323,003	1,223,405	1,550,223
63,190	63,768	-	-	-	-
1,212,779	1,541,857	1,829,470	2,109,382	2,365,504	2,660,877
$ 23,454,470	$ 23,525,442	$ 24,262,579	$ 24,692,404	$ 24,835,181	$ 24,474,134
$ 30,741,804	$ 31,999,804	$ 31,982,643	$ 31,942,457	$ 33,077,693	$ 32,516,258
2,821,364	1,094,093	1,537,853	1,631,274	1,580,021	2,017,366
63,190	63,768	-	-	-	-
56,908	24,520	4,957	18,790	21,075	11,537
29,295	-	7,339	-	-	4,056
1,590,846	1,590,846	1,590,846	1,590,846	1,596,096	1,615,816
-	-	-	-	-	-
5,514,331	7,213,747	8,342,314	8,846,047	7,833,466	10,022,280
$ 40,817,738	$ 41,986,778	$ 43,465,952	$ 44,029,414	$ 44,108,351	$ 46,187,313

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

	Fiscal Year 2006	Fiscal Year 2007	Fiscal Year 2008	Fiscal Year 2009
EXPENSES				
Governmental Activities:				
General Government	$ 1,637,919	$ 3,245,414	$ 2,116,586	$ 1,933,144
Public Safety	3,406,644	4,172,689	4,675,709	4,515,835
Growth Management	304,620	491,530	428,130	267,442
Public Works	1,218,962	1,215,478	1,459,612	1,509,663
Culture and Recreation	891,205	953,119	1,026,511	999,196
Interest on Long-term Debt	689	9,159	9,339	11,916
Total Governmental Activities Expenses	7,460,039	10,087,389	9,715,887	9,237,196
Business-Type Activities				
Water	746,586	831,499	933,226	1,133,735
Sewer	492,555	824,302	774,490	1,226,015
Garbage	295,876	308,998	311,864	312,382
Total Business-Type Activities Expenses	1,535,017	1,964,799	2,019,580	2,672,132
Total Expenses	$ 8,995,056	$ 12,052,188	$ 11,735,467	$ 11,909,328
PROGRAM REVENUES				
Governmental Activities:				
Charges for Services:				
General Government	$ 110,065	$ 170,940	$ 179,083	$ 36,471
Public Safety	1,005,185	1,553,192	1,393,794	1,208,716
Growth Management	191,175	197,300	186,009	76,803
Public Works	-	-	-	-
Culture and Recreation	25,188	30,295	29,163	25,978
Operating Grants and Contributions	366,040	1,807,208	408,982	279,589
Capital Grants and Contributions	260,432	1,501,163	579,163	148,211
Total Governmental Activities Program Revenues	1,958,085	5,260,098	2,776,194	1,775,768
Business-Type Activities:				
Charges for Services:				
Water	803,771	864,502	1,073,086	1,000,324
Sewer	221,593	290,827	347,695	576,178
Garbage	328,757	335,531	338,233	338,203
Operating Grants and Contributions	-	-	-	-
Capital Grants and Contributions	265,486	4,004,394	1,342,358	1,361,733
Total Business-Type Activities Program Revenues	1,619,607	5,495,254	3,101,372	3,276,438
Total Program Revenues	$ 3,577,692	$ 10,755,352	$ 5,877,566	$ 5,052,206
NET REVENUE (EXPENSE)				
Governmental Activities	$ (5,501,954)	$ (4,827,291)	$ (6,939,693)	$ (7,461,428)
Business-Type Activities	84,590	3,530,455	1,081,792	604,306
Total Net Expense	$ (5,417,364)	$ (1,296,836)	$ (5,857,901)	$ (6,857,122)

Fiscal Year 2010	Fiscal Year 2011	Fiscal Year 2012	Fiscal Year 2013	Fiscal Year 2014	Fiscal Year 2015
$ 1,717,836	$ 1,526,644	$ 1,480,301	$ 1,521,779	$ 1,668,708	$ 1,742,534
4,521,168	4,252,583	4,183,461	4,433,960	4,485,737	4,234,108
246,849	267,673	205,076	248,856	243,718	265,218
1,380,692	1,531,843	1,642,133	1,809,065	2,118,038	1,710,173
1,000,149	1,195,056	1,334,575	1,332,810	1,326,100	1,299,452
133,743	148,077	143,289	139,871	137,017	116,230
9,000,437	8,921,876	8,988,835	9,486,341	9,979,318	9,367,715
1,134,744	1,091,782	1,157,928	1,151,286	1,305,705	1,177,220
1,289,583	1,271,914	1,266,414	1,374,593	1,269,726	1,320,503
312,829	318,655	325,861	328,389	330,661	336,229
2,737,156	2,682,351	2,750,203	2,854,268	2,906,092	2,833,952
$ 11,737,593	$ 11,604,227	$11,739,038	$12,340,609	$12,885,410	$12,201,667
$ 19,975	$ 33,050	$ 20,583	$ 46,061	$ 26,257	$ 35,390
1,113,352	1,049,975	1,148,897	1,180,261	1,270,751	1,390,133
56,217	49,930	44,806	63,305	84,945	107,165
13,466	16,475	19,183	16,996	39,447	53,469
29,210	27,272	32,502	48,081	48,550	54,430
313,310	396,452	198,181	180,793	210,371	224,196
559,587	493,353	234,178	55,155	1,207,037	375,154
2,105,117	2,066,507	1,698,330	1,590,652	2,887,358	2,239,937
955,189	1,044,641	1,070,237	1,063,469	1,113,378	1,115,560
629,730	699,705	710,978	733,441	768,116	790,573
340,418	359,543	358,768	360,974	364,311	367,953
-	1,890	432	-	-	-
836,819	34,488	708,452	520,624	161,466	324,250
2,762,156	2,140,267	2,848,867	2,678,508	2,407,271	2,598,336
$ 4,867,273	$ 4,206,774	$ 4,547,197	$ 4,269,160	$ 5,294,629	$ 4,838,273
$ (6,895,320)	$ (6,855,369)	$ (7,290,505)	$ (7,895,689)	$ (7,091,960)	$ (7,127,778)
25,000	(542,084)	98,664	(175,760)	(498,821)	(235,616)
$ (6,870,320)	$ (7,397,453)	$ (7,191,841)	$ (8,071,449)	$ (7,590,781)	$ (7,363,394)

Continued on Next Page

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

	Fiscal Year 2006	Fiscal Year 2007	Fiscal Year 2008	Fiscal Year 2009
GENERAL REVENUES AND TRANSFERS				
Governmental Activities:				
Taxes:				
Property Taxes	$ 1,458,224	$ 1,802,719	$ 1,998,784	$ 2,581,571
Sales Taxes	2,193,756	1,934,966	1,750,420	1,569,576
Franchise Fees	1,080,606	1,102,074	1,136,241	1,298,195
Utility Taxes	1,455,720	1,558,851	1,484,241	1,791,745
Excise Taxes	774,014	708,491	644,564	697,758
Unrestricted Investment Earnings	358,472	454,554	212,044	329,145
Gain on Sale of Capital Assets	-	-	-	-
Transfers	(2,502,440)	(3,318,857)	(701,163)	(606,095)
Total Governmental Activities	4,818,352	4,242,798	6,525,131	7,661,895
Business-Type Activities:				
Unrestricted Investment Earnings	143,555	182,977	54,042	(41,955)
Transfers	2,502,440	3,318,857	701,163	606,095
Total Business-Type Activities	2,645,995	3,501,834	755,205	564,140
Total General Revenues and Transfers	$ 7,464,347	$ 7,744,632	$ 7,280,336	$ 8,226,035
CHANGE IN NET POSITION				
Governmental Activities	$ (683,602)	$ (584,493)	$ (414,562)	$ 200,467
Business-Type Activities	2,730,585	7,032,289	1,836,997	1,168,446
Total Change in Net Position	$ 2,046,983	$ 6,447,796	$ 1,422,435	$ 1,368,913

Fiscal Year 2010	Fiscal Year 2011	Fiscal Year 2012	Fiscal Year 2013	Fiscal Year 2014	Fiscal Year 2015
$ 2,717,691	$ 2,611,571	$ 2,551,573	$ 2,499,157	$ 2,541,325	$ 3,066,208
1,591,571	1,751,849	1,763,033	1,801,238	1,924,431	2,051,083
1,449,685	1,365,739	1,295,015	1,283,585	1,395,151	1,395,373
1,976,462	1,980,086	2,208,800	2,361,744	978,520	2,015,130
699,282	703,755	704,042	710,796	742,764	770,234
202,738	130,564	112,217	(41,207)	81,731	98,552
-	-	-	-	10,400	27,084
(606,125)	(590,127)	(602,138)	(585,987)	(646,202)	144,123
8,031,304	7,953,437	8,032,542	8,029,326	7,028,120	9,567,787
63,324	22,929	36,335	19,598	(4,604)	18,692
606,125	590,127	602,138	585,987	646,202	(144,123)
669,449	613,056	638,473	605,585	641,598	(125,431)
$ 8,700,753	$ 8,566,493	$ 8,671,015	$ 8,634,911	$ 7,669,718	$ 9,442,356
$ 1,135,984	$ 1,098,068	$ 742,037	$ 133,637	$ (63,840)	$ 2,440,009
694,449	70,972	737,137	429,825	142,777	(361,047)
$ 1,830,433	$ 1,169,040	$ 1,479,174	$ 563,462	$ 78,937	$ 2,078,962

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

	2006	2007	2008	2009
General Fund				
Nonspendable	$ -	$ -	$ -	$ -
Restricted	-	-	-	-
Reserved	253,335	1,918,082	1,920,764	1,957,396
Assigned	-	-	-	-
Unassigned	-	-	-	-
Unreserved	5,199,945	4,831,656	3,325,535	3,360,942
Total General Fund	$ 5,453,280	$ 6,749,738	$ 5,246,299	$ 5,318,338
All Other Governmental Funds				
Restricted	$ -	$ -	$ -	$ -
Reserved	2,168,936	138,759	511,694	776,419
Total all other governmental funds	$ 2,168,936	$ 138,759	$ 511,694	$ 776,419

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

2010	2011	2012	2013	2014	2015
$ -	$ 141,268	$ 107,936	$ 70,346	$ 44,981	$ 41,004
-	1,634,060	1,856,340	1,917,907	1,973,787	2,098,552
2,244,175	-	-	-	-	-
-	21,431	12,768	7,139	11,386	766,158
-	5,061,025	5,765,899	5,879,340	5,274,753	6,087,035
4,307,215	-	-	-	-	-
$ 6,551,390	$ 6,857,784	$ 7,742,943	$ 7,874,732	$ 7,304,907	$ 8,992,749
$ -	$ 583,030	$ 809,506	$ 997,795	$ 1,106,801	$ 1,304,057
891,389	-	-	-	-	-
$ 891,389	$ 583,030	$ 809,506	$ 997,795	$ 1,106,801	$ 1,304,057

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

	2006	2007	2008	2009	2010
Revenues					
Taxes	$ 5,646,998	$ 5,917,231	$ 6,005,261	$ 7,020,405	$ 7,382,152
Licenses and Permits	599,368	1,088,610	772,972	409,063	294,920
Intergovernmental Revenues	1,688,267	2,926,694	1,482,333	1,396,891	1,304,226
Charges for Services	139,781	150,950	158,561	163,865	172,804
Fines and Forfeitures	83,664	107,193	118,481	84,927	67,747
Investment Earnings	358,472	454,554	212,044	329,145	202,738
Miscellaneous	765,804	2,175,751	1,014,262	749,223	727,893
Total Revenues	9,282,354	12,820,983	9,763,914	10,153,519	10,152,480
Expenditures					
General Government	1,696,456	3,121,174	1,976,628	1,815,854	1,477,360
Public Safety	3,567,311	4,706,147	4,560,641	4,605,430	4,272,207
Growth Management	301,659	487,836	437,204	257,645	236,642
Public Works	1,165,617	1,122,347	1,356,600	1,336,765	1,359,998
Culture and Recreation	866,326	942,050	905,622	866,044	895,223
Capital Outlay	117,484	55,668	882,986	445,688	3,086,961
Debt Service:					
Principal	11,991	74,494	62,282	130,111	167,895
Interest	689	-	12,212	8,383	127,041
Total Expenditures	7,727,533	10,509,716	10,194,175	9,465,920	11,623,327
Excess (Deficiency) of Revenues over (under) Expenditures	1,554,821	2,311,267	(430,261)	687,599	(1,470,847)
Other Financing Sources (Uses)					
Loan Proceeds	-	-	-	-	3,400,000
Capital Lease	-	273,065	-	251,000	-
Transfers in	115,628	30,500	29,000	124,000	277,057
Transfers out	(2,618,068)	(3,349,357)	(730,163)	(730,095)	(883,182)
Sale of Capital Assets	3,120	806	920	4,260	24,994
Other Losses	-	-	-	-	-
Total Other Financing Sources (Uses)	(2,499,320)	(3,044,986)	(700,243)	(350,835)	2,818,869
Net Change in Fund Balances	$ (944,499)	$ (733,719)	$ (1,130,504)	$ 336,764	$ 1,348,022
Debt service as a percentage of noncapital expenditures	0.2%	0.8%	0.8%	1.5%	3.6%

2011	2012	2013	2014	2015
$ 7,321,480	$ 7,493,824	$ 7,553,814	$ 7,293,702	$ 7,912,220
268,169	290,528	312,656	432,447	590,564
2,326,516	1,253,675	1,266,458	2,331,525	1,755,741
171,293	177,124	188,237	211,456	213,007
32,505	43,908	52,245	46,955	44,695
130,564	72,962	(41,207)	81,731	98,552
777,482	1,020,181	856,827	916,867	988,966
11,028,009	10,352,202	10,189,030	11,314,683	11,603,745
1,407,678	1,398,473	1,523,567	1,627,104	1,632,305
4,039,535	4,150,583	4,405,663	4,558,273	4,388,499
260,165	215,450	242,670	267,524	256,226
1,396,223	1,541,586	1,694,717	2,033,250	1,524,132
1,047,000	1,022,768	986,624	1,112,112	947,118
2,018,776	-	242,358	1,337,746	193,574
120,892	125,584	63,900	66,743	828,800
150,480	145,788	140,100	137,257	119,200
10,440,749	8,600,232	9,299,599	11,140,009	9,889,854
587,260	1,751,970	889,431	174,674	1,713,891
-	-	-	-	-
-	-	-	-	-
826,608	332,000	348,123	437,333	1,217,709
(1,416,735)	(934,138)	(934,110)	(1,083,535)	(1,073,586)
902	1,802	16,634	10,709	27,084
-	(39,999)	-	-	-
(589,225)	(640,335)	(569,353)	(635,493)	171,207
$ (1,965)	$ 1,111,635	$ 320,078	$ (460,819)	$ 1,885,098
3.3%	3.4%	2.4%	2.2%	10.8%

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 SALES SURTAX	EXCISE TAXES	FRANCHISE FEES	UTILITY TAXES	COMMUNI-CATIONS SERVICES TAX	TOTAL TAXES
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
2015	3,066,208	1,270,229	300,666	1,395,373	1,108,981	770,763	7,912,220

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		
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%
2015	1,128,659,243	773,013,459	128,991,780	75,386,256	1,257,651,023	848,399,715	3.750	67.46%

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 sucessor 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

		OVERLAPPING RATES						
FISCAL YEAR	TOWN DIRECT RATE	LAKE COUNTY	SCHOOL DISTRICT	WATER CONSERVATION AUTHORITY	WATER MANAGEMENT DISTRICT	AMBULANCE DISTRICT	HOSPITAL DISTRICT	TOTAL DIRECT AND OVERLAPPING RATES
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 *
2015	3.750	6.016 *	7.246	0.255	0.316	0.463	1.000	19.046

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, 2015
CURRENT YEAR COMPARED TO TEN YEARS AGO

	Fiscal Year 2015			Fiscal Year 2006		
Taxpayer	Taxable Assessed Value	Rank	Percentage of Total Taxable Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Value
Villages Operating Company	$ 35,819,627	1	4.22%			
Lazy B Cattle Venture LTD	27,157,571	2	3.20%	$ 23,889,205	1	3.47%
GMC Lady Lake LLC	25,176,378	3	2.97%			
Sun Communities Finance LP	21,616,727	4	2.55%			
SRK Lady Lake 21 Associates, LLC	18,998,191	5	2.24%			
New Providence Rolling Acres LP	18,196,236	6	2.14%			
Lady Lake Apartments LLC	15,313,528	7	1.80%			
Carmendy Square Properties LLC	11,672,276	8	1.38%			
Embarq-Florida Inc	7,436,525	9	0.88%			
Lady Lake Re LLC	7,274,267	10	0.86%			
Villages of Lake Sumter Inc				21,799,261	2	3.17%
The Villages of Lake-Sumter Inc				16,589,720	3	2.41%
Sun Communities Finance				10,533,064	4	1.53%
Sprint-Florida Incorporated				9,982,328	5	1.45%
Sun Communities Finance, LLC				7,753,263	6	1.13%
Caleb's Place, Inc				6,697,014	7	0.97%
Morse-Sembler Villages Partnership #4				6,483,985	8	0.94%
M/Z Associates, LLC				4,973,546	9	0.72%
Central Florida Lodging LLC				4,746,068	10	0.69%
Total	$ 188,661,326		22.24%	$ 113,447,454		16.49%
Total Taxable Assessed Valuation	$ 848,399,715			$ 687,944,960		

Source: Tax year is equivalent to the following fiscal year. Tax Year 2014 and Tax Year 2005 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

FISCAL YEAR	TOTAL TAX LEVY	CURRENT TAX COLLECTIONS	PERCENT OF LEVY COLLECTED	DELINQUENT TAX COLLECTIONS	TOTAL TAX COLLECTIONS	PERCENT OF TOTAL TAX COLLECTIONS TO TAX LEVY
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%
2015	3,181,499	3,062,963	96.3%	3,245	3,066,208	96.4%

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			
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
2015	2,283,364	-	-	2,283,364	0.67%	161

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, 2015

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Overlapping Debt
Debt repaid with property taxes	$ -	4.49%	$ -
Other debt			-
Subtotal, overlapping debt			-
Direct debt			2,283,364
Total direct and overlapping debt			$ 2,283,364

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	
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
2015	1,270,229	828,800	119,200	948,000	1.34

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	
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
2015	1,746,797	1,438,728	308,069	-	-	-	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

Year	Town of Lady Lake		Lake County	
	Population	% Increase	Population	% Increase
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%
2015	14,207	0.42%	316,569	2.21%

POPULATION DISTRIBUTION BY AGE - 2015

Age	Lake County	State of Florida
0-17	19.3%	20.2%
18-44	28.1%	33.7%
45-64	26.2%	26.9%
65+	26.4%	19.2%

POPULATION PER SQUARE MILE

Year	Lake County	State of Florida
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
2015	337	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 TEN 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%

Population from the Bureau of Economic and Business Research, University of Florida (BEBR).
Per Capita rate from United States Census Bureau (www.census.gov)
Median Age from Orlando Economic Development Commission (www.orlandoedc.com)
Unemployment rate from the Bureau of Labor Statistics (www.bls.gov)

2010	2011	2012	2013	2014	2015
13,926	13,946	13,909	13,947	14,148	14,207
353,342,406	368,495,886	393,812,611	362,370,954	371,186,928	341,195,312
24,789	26,461	28,314	25,982	26,236	24,016
66	65	67	65	65	66
761	794	761	809	832	843
11.9%	10.6%	8.9%	6.9%	5.4%	5.2%

TOWN OF LADY LAKE, FLORIDA
PRINCIPAL EMPLOYERS
SEPTEMBER 30, 2015

	2015			2006		
Employer	* Employees	Rank	Percentage of Total Town Employment	* Employees	Rank	Percentage of Total Town Employment
The Villages Media Group	295	1	7.38%			
Lady Lake Specialty Care	273	2	6.83%			
The Villages Rehab & Nursing Center	253	3	6.33%			
The Home Depot	200	4	5.00%	156	3	4.94%
Sam's Club	166	5	4.15%			
Publix Super Markets	146	6	3.65%	174	2	5.51%
OMI, Inc	119	7	2.98%			
Kohl's Department Store	112	8	2.80%			
Target Department Store	110	9	2.75%	201	1	6.36%
The Villages of Lady Lake Elementary	105	10	2.63%	99	7	3.13%
Probuild (Casmin, Inc.)				148	4	4.68%
Town of Lady Lake				105	5	3.32%
Katie Belles Music Hall				100	6	3.16%
Winn Dixie Stores, Inc/Winn Dixie Liquors				96	8	3.04%
Carrabba's Restaurant				88	9	2.78%
Belk's Department Store				85	10	2.69%
Total	1,779		44.49%	1,252		39.61%
Total Town Employment	3,999			3,160		

* Full time and/or part time positions.

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 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
General Government										
Town Manager	2	2	2	2	2	2	2	2	2	2
Town Clerk	3	3	3	3	3	2	2	2	2	2
Finance	5	5	6	6	5	4.5	4.5	4.5	4.5	4.5
Human Resource/Risk Management	2.5	3	3	3	3	2	2	2	2	2
Other General Gov.	0	0	0	0	0	0	0	0	0	0
Information Technology	0	0	0	0	1	1	2	2	2	2
Facilities Maint.	2	2	2	2	2	2	2	2	2	2
Motor Pool	1	1	2	2	0	0	0	0	0	0
Total General Government	15.5	16	18	18	16	13.5	14.5	14.5	14.5	14.5
Public Safety										
Police Officers	28	29	29	30	30	30	28	28	28	28
Police Civilians	14	14	15.5	16	15	14.5	14.5	14.5	6.5	6.5
Building Dept.	4	4	4	3	3	1	1	1	1	1
Code Enforcement	1	1	1	1	1	1	1	1	1	1
Total Public Safety	47	48	49.5	50	49	46.5	44.5	44.5	36.5	36.5
Growth Management	3	4	4	3	3	3	3	3	3	3
Public Works										
Administration	2	2	2	2	2	2	2	2	2	2
Street Maint.	9	9	9	9	9	10	10	10	10	10
Motor Pool	0	0	0	0	2	2	2	2	2	2
Total Public Works	11	11	11	11	13	14	14	14	14	14
Culture and Recreation										
Library	6	6	6	6.5	6.5	7.5	7	7	7	7.5
Parks & Recreation	5	5	5	5	5	5	5	5	5	5
Total Culture and Recreation	11	11	11	11.5	11.5	12.5	12	12	12	12.5
Utilities										
Water	7	7	9	10	10	10	9	10	10	10
Solid Waste	0	0	0	0	0	0	0	0	0	0
Sewer	2	3	5	3	3	3	3	2	2	2
Total Utilities	9	10	14	13	13	13	12	12	12	12
Total Government Employees	96.5	100	107.5	106.5	105.5	102.5	100	100	92	92.5

Source: Finance Department

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

Function/Program	2006	2007	2008	2009
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, 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: Reuse water distribution started 6/12/2008
New library completed in April 2011

Sources: Various Town departments

2010	2011	2012	2013	2014	2015
293	254	414	390	305	350
46	18	30	26	24	29
33	44	47	45	41	78
2,338	1,211	1,462	1,742	1,370	2,095
374	366	382	439	408	561
34	29	44	55	45	62
2,746	2,773	2,418	2,448	174	912
442	496	312	283	186	156
31,042	31,725	27,797	18,406	13,096	15,878
308	290	240	241	303	361
1,195	1,186	1,065	1,033	1,173	1,244
1,503	1,476	1,305	1,274	1,476	1,604
$16,280,632	$12,103,916	$24,027,568	$12,457,348	$36,044,724	$41,692,307
2	1	0	4	7	11
1,183	1,037	1,073	818	817	882
750	450	600	500	500	500
1.28	0	0	0.25	1.40	2.70
5.00	5.14	4.57	12.19	0.00	0.00
124,025	110,435	140,181	134,728	123,563	149,504
33,532	41,187	38,850	16,951	13,535	14,134
18,792	19,500	24,364	27,868	21,696	13,884
830	289	605	499	428	815
11,200	11,008	15,505	22,345	11,963	12,722
7,334	7,972	9,412	10,318	6,394	7,796
2,622	3,399	4,786	3,935	2,687	3,435
122,559	125,060	149,741	152,530	149,318	176,182
8	8	8	8	7	7
-	-	566	1015	223	832
599	483	358	332	251	320
378	402	420	396	397	408
1,923	1,956	1,931	1,988	1,997	2,010
2,301	2,358	2,351	2,384	2,394	2,418
3,679	3,680	3,859	3,861	3,896	3,954
630,000	699,980	662,634	655,523	675,229	678,622
22	34	27	30	34	38
0	0	0	0	9	10
25	34	104	112	142	162
150,000	142,000	109,000	162,000	170,000	222,000
209	222	226	231	234	241
669	707	672	734	737	743
878	929	898	967	971	984
1,875	1,939	1,950	2,060	2,084	2,107
170,000	186,000	220,500	238,000	240,000	244,000

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

Function/Program	2006	2007	2008	2009
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

Sources: Various Town departments
*3.18 acres de-annexed from The Town

2010	2011	2012	2013	2014	2015
1	1	1	1	1	1
30	28	28	28	28	28
4	3	3	3	3	3
20	20	20	21	21	21
2	2	2	1	1	1
2	2	2	2	2	2
1	1	0	0	0	0
1	0	1	1	1	1
16	16	15	6.5	6.5	6.5
61.21	61.21	61.44	61.44	61.44	61.44
2.58	2.58	2.58	2.58	2.58	2.58
9,100	9,100	9,100	9,100	26,084	26,084
55.67	26.83	0	0	0	*-3.18
1	1	1	1	1	1
54	54	54	54	54	54
4	4	4	4	4	4
1	1	1	1	1	1
1	1	1	1	1	1
4	4	4	4	4	4
2	2	2	2	2	2
1	1	1	1	1	1
4	4	4	4	4	4
1	1	1	1	1	1
1	1	1	1	1	1
3	3	3	3	3	3
1	1	1	1	1	1
54.2	54.3	54.3	54.3	54.3	54.6
565,000	565,000	565,000	565,000	565,000	565,000
2,358,000	2,358,000	2,358,000	2,358,000	2,358,000	2,358,000
355	305	306	315	319	322
3	3	3	3	3	3
7.3	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	1,200,000
23.3	23.3	23.3	23.3	23.3	23.3
630,000	638,000	638,000	638,000	638,000	1,000,000
18	18	18	19	19	19

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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 30, 2016

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, 2015, which collectively comprise the Town of Lady Lake, Florida's basic financial statements, and have issued our report thereon dated March 30, 2016. 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 identity 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.

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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.

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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, 2015

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 $8,641) Grant #2013-BUBX	16.607	$ 1,727	$ 1,727	$ -
Bulletproof Vest (total grant $2,123) Grant #2014-BUBX	16.607	-	-	-
Pass through the Florida Department of Law Enforcement:				
Byrne Memorial Justice Assistance Grant Safe Kids in Lady Lake (total grant $5,065) Contract #2015-JAGC-LAKE-1-R3-061	16.738	5,065	5,065	5,065
Byrne Memorial Justice Assistance Grant AVL Solution (total grant $1,502) Contract #2015-JAGD-LAKE-5-R1-114	16.738	1,502	1,502	1,502
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	108,040	37,878	673,008
FEDERAL HIGHWAY ADMINISTRATION				
Pass through the Florida Department of Transportation				
Local Agency Program Agreement Rolling Acres Road Sidewalks				
Contract #AQV54 (total grant $502,300)	20.205	122,614	-	122,614
Contract #ARF90 (total grant $104,380)	20.205	103,075	119,115	45,615
Total Federal Awards		$ 342,023	$ 165,287	847,804

Continued on next page

(Federal Single Audit not required)

TOWN OF LADY LAKE, FLORIDA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE (Continued)
FOR THE YEAR ENDED SEPTEMBER 30, 2015

STATE OF FLORIDA FINANCIAL ASSISTANCE

State Agency/ Program Title	State CSFA Number	State Revenues	State Expenditures	State Receipts
Total State Financial Assistance		$ -	$ -	-
Total State Receipts				$ 847,804

(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 EXAMINATION OF MANAGEMENT'S ASSERTION ABOUT COMPLIANCE WITH SPECIFIED REQUIREMENTS

March 30, 2016

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 30, 2016 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, 2015. 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, 2015 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 30, 2016

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, 2015, and have issued our report thereon dated March 30, 2016.

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, 2015.

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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 30, 2016

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, 2015. 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, 2015.

Shumacker, Johnston & Ross, PA

Shumacker, Johnston & Ross, PA

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AFFIDAVIT

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

1. I am the Finance Director of the Town of Lady Lake which is a local governmental entity of the State of Florida.

2. The Town of Lady Lake adopted Ordinance Nos. 2008-29, 2008-30, 2009-04, and 2014-01 implementing new and updating existing impact fees.

3. The Town of Lady Lake has complied and, as of the date of this Affidavit, remains in compliance with Section 163.31801, Florida Statutes.

FURTHER AFFIANT SAYETH NAUGHT.

Pamela Winegardner

Pamela Winegardner, Finance Director

STATE OF FLORIDA
COUNTY OF LAKE

SWORN TO AND SUBSCRIBED before me this 31st day of March, 2016.

Julia Mae Harris

NOTARY PUBLIC
Print Name: Julia Mae Harris

Personally known X or produced identification_____

JULIA MAE HARRIS
MY COMMISSION # FF953035
EXPIRES: June 01, 2018

Type of identification produced: _____

My Commission Expires: June 01, 2018