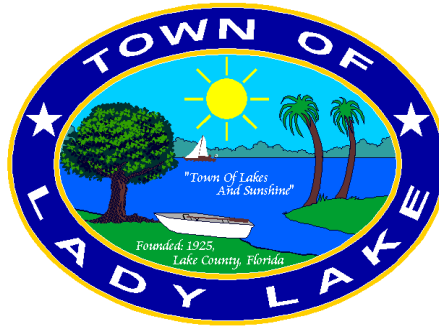


Town of Lady Lake, Florida



Annual Comprehensive Financial Report for the
Fiscal year Ended September 30, 2023





TOWN OF LADY LAKE, FLORIDA

ANNUAL COMPREHENSIVE FINANCIAL REPORT

FISCAL YEAR ENDED SEPTEMBER 30, 2023

Prepared by:
Pamela Winegardner, CGFO
Finance Director

Town of Lady Lake, Florida
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Letter of Transmittal

Municipal Complex, 409 Fennell Blvd. Lady Lake, FL 32159
352-751-1501 Fax 352-751-0229 www.ladylake.org



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

The Annual Comprehensive Financial Report of the Town of Lady Lake, Florida, (hereinafter referred to as "the Town"), for the fiscal year ended September 30, 2023, pursuant to Article III, Section 3.01 (f) of the Town Charter; *Florida Statutes* Chapters 11.45 and 218.32, and Chapter 10.550 Rules of the Auditor General of the State of Florida is hereby presented to its citizens. The financial statements were prepared in accordance with U.S. Generally Accepted Accounting Principles and audited in accordance with auditing standards generally accepted in the United States by an independent and licensed firm of Certified Public Accountants. We published the Annual Comprehensive Financial Report to provide the Town Commission, Town staff, our citizens, our lenders, and other interested parties with detailed information concerning the financial condition and activities of the Town.

Responsibility for both the accuracy of the data, and the completeness and fairness of the presentation, including all disclosures, rests with the Town. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is 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 is compiled to allow for the preparation of financial statements. The internal controls are designed to provide reasonable assurance, not absolute assurance, that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of controls should not exceed the derived benefits; (2) the valuation of costs and benefits requires estimates and judgments from management.

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

Carr, Riggs & Ingram, LLC, a firm of licensed certified public accountants, have audited the Town's financial statements in accordance with generally accepted auditing standards. The goal of the independent audit was to provide reasonable assurance that the financial statements of the Town for the fiscal year ended September 30, 2023, are free of material misstatement. The independent audit involved examining on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditors concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the Town's financial statements for the fiscal year ended September 30, 2023, are fairly presented in conformity with Generally Accepted Accounting

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

Principles. 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.

Generally Accepted Accounting Principles 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. The letter of transmittal is designed to complement Management's Discussion and Analysis and should be read in conjunction with it. The Town of Lady Lake's Management's Discussion and Analysis can be found immediately following the report of the independent auditor.

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

THE REPORTING ENTITY AND ITS ORGANIZATION

The Town of Lady Lake is in north Lake County, Florida, approximately fifty miles northwest of Orlando on U.S. Highway 27/441. It currently occupies 9.56 square miles and serves a population of 16,224. The Town was incorporated in 1925 and has operated under a Commission/Manager form of government since 1987. The Town Commission consists of five elected officials who are elected from their respective wards on a non-partisan basis and are responsible for enacting ordinances and resolutions that govern the Town. The five commissioners are elected to staggered two-year terms. The commissioners from the even-numbered wards are elected in the even-numbered years and the commissioners from the odd-numbered wards are elected in the odd-numbered years. Each year the Commission elects one of its members to serve as Mayor. The mayor presides over commission meetings and public ceremonies. The Commission appoints the Town Manager and the Town Attorney. As chief executive officer, the Town Manager is charged with the enforcement of all ordinances and resolutions passed by the Commission and appointment of heads of the various departments.

The Town of Lady Lake is a political subdivision of the State of Florida. As such, it is governed by and derives its operating authority from the constitution and laws of the State of Florida. The Town of Lady Lake is empowered to levy a property tax on both real and personal property (millage rate) located within its boundaries. The Fiscal Year 2023 property tax millage rate of \$3.3962 per \$1,000 of taxable value was again the second lowest municipal levy of the fourteen municipalities located within Lake County. It also is empowered by state statute to extend its corporate limits by annexation, which occurs periodically when deemed appropriate by the Town Commission.

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

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

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

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

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

FACTORS AFFECTING ECONOMIC CONDITION

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

Local economy. Until 1980, the Town was primarily dependent on the local agricultural economy. Since 1980, however, the Town has expanded rapidly due to the development of "The Villages" retirement community. This is reflected in the Town's population, which has increased from a population of 1,193 in 1980 to an estimated 16,224.

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

Significant commercial construction that was permitted and completed or still under construction include continued expansion of Water Oak aka Sun Communities, Green Key Village, Cierra Oaks Subdivision, Hidden Oaks Subdivision, The Groves, Hammock Oaks,

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

Lady Lake Reserve, Rolling Acres Reserve, Discount Minie Storage, Elite Storage, Gettings Storage, Lighthouse Storage, and the Alexandera Apartments among many other projects.

Lake County's September 2023 unemployment rate was 2.8%. This is higher than last year (2.7%) and is .1% higher than the state average (2.7%) and lower than the United States 3.7% for the same period.

Taxable values for real and personal property have increased by 72.6% from fiscal year 2008 to 2023 (\$941,854,563 to \$1,625,121,294) when the Town of Lady Lake's property value was at its last peak. This is mainly due to the explosion of new growth in Lady Lake. The Florida electorate approved amendment one on January 29, 2008, and its impact contributed to the limited growth in taxable values. Taxable values for Fiscal FY2023 rose 9.5% from FY2022. The Town Commission elected to keep the millage at 3.3962 per \$1,000 of taxable value for FY2022.

Long-term financial planning. The General Fund's unassigned fund balance on September 30, 2023, is \$7,840,919. This balance represents 50.5% of the FY2023 General Fund final budget of \$15,532,795.

Relevant financial policies. The one-cent sales surtax revenue (Sales Tax Revenue Fund) is authorized through December 31, 2032. This revenue can only be used for projects eligible for funding as specified in the infrastructure surtax referendum. The Town received \$1,982,583.16 of sales tax revenue in Fiscal Year 2023. This was used to pay for five miles of the Paving Management Plan, Police Vehicles, part of the Walking Trail (Snooky Park) on Old Dixie Hwy, Fiber within the town, and IT enhancements.

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

AWARDS AND ACKNOWLEDGEMENTS

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 for its annual comprehensive financial report for the fiscal year ended September 30, 2022. This was the twenty-eighth consecutive year that the Town of Lady Lake has achieved this prestigious award.

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

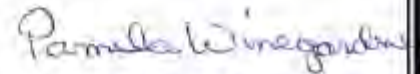
A Certificate of Achievement is valid for a period of one year only. We believe that our current annual comprehensive financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to GFOA to determine its eligibility for another certificate.

Special appreciation is expressed to the Town's Auditor, Carr, Riggs & Ingram, who contributes valuable reporting suggestions in addition to adding credibility to the contents therein.

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



William Lawrence
Town Manager



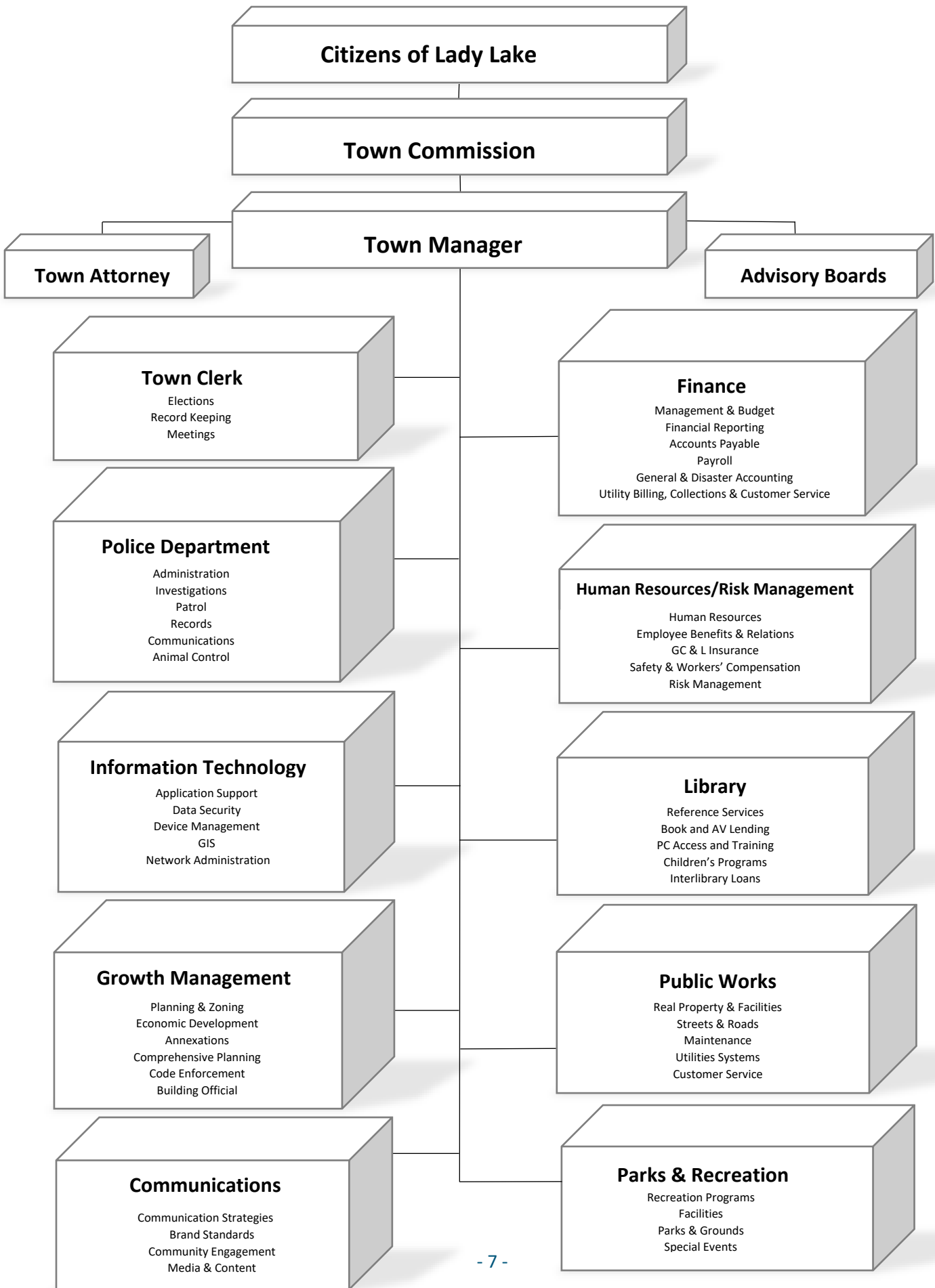
Pamela Winegardner
Finance Director

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Town of Lady Lake, Florida
Town Commission and Officials
As of September 30, 2023

Mayor-Commissioner - Ward 5	James Rietz
Commissioner - Ward 1	Ruth Kussard
Commissioner - Ward 2	John Gourlie
Commissioner - Ward 3	Ed Freeman
Commissioner - Ward 4	vacant
Town Manager	William Lawrence
Town Clerk.....	Nancy Wilson
Finance Director	Pamela Winegardner
Communications Director	Elisha Pappacoda
Director of Human Resources.....	Tamika DeLee
Director of Growth Management.....	Thad Carroll
Director of Library and Information Services	Aly Herman
Information Technology Director	John Pearl
Parks and Recreation Director	Michael Burske
Police Chief	Steven Hunt
Public Works Director	C. T. Eagle
Town Attorney.....	Derek A. Schroth
Town Auditor.....	Carr, Riggs & Ingram CPA and Advisors LLC

Town of Lady Lake Organizational Chart



**INDEPENDENT AUDITOR'S
REPORT**

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INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Lady Lake, Florida (hereafter the Town) as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town, as of September 30, 2023, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Town and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Correction of Error

As discussed in Note 2 to the financial statements, the Town determined that deferred revenue was overstated, and has been corrected through a prior period adjustment. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Town's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic financial statements. The enterprise fund budgetary comparison schedules and schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the enterprise fund budgetary comparison schedules and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated April 15, 2024, on our consideration of the Town of Lady Lake, Florida's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Town of Lady Lake, Florida's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Town of Lady Lake, Florida's internal control over financial reporting and compliance.

Carr, Riggs & Ingram, L.L.C.

CARR, RIGGS & INGRAM, LLC

Orlando, Florida
April 15, 2024

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**MANAGEMENT'S DISCUSSION
&
ANALYSIS (MD&A)**

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Town of Lady Lake, Florida
Management Discussion and Analysis
As of September 30, 2023

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 of Lady Lake for the fiscal year ended September 30, 2023. 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 1-5 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 \$73,776,303 (net position). Net position is the difference between assets plus deferred outflows of resources and liabilities plus deferred inflows of resources. Of this amount, \$16,233,435 (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 each year.
- The Town's total net position increased from fiscal year 2022 to fiscal year 2023 by \$12,304,654. Total Net Position from business-type activities rose by \$12,356,506 from last year's largely as a result of an increase in the sale of utilities (water, sewer and reclaim). This was due to a major expansion of Town wells and the wastewater treatment plant.
- As of the close of the current fiscal year, the Town's governmental funds reported combined ending fund balances of \$18,781,093, a decrease of \$120,533 in comparison with the prior year. This decrease is largely due to the use of ARPA funds (FY22 Unearned revenue) being used for the Well and Reclaim water projects in the amount of \$8,023,674 plus an additional \$3,000,000, transferred from reserves but offset by an increase in the "Committed for Future Project" fund (budget funds not used in fiscal year 2022 discussed under Government Funds, page 20) with an increase of \$318,275 in our sales tax revenue fund.
- Of the Town's governmental combined ending fund balances, 42% are unassigned funds (\$7,840,919) and are within the Town's fund designation and fiscal policies. The unassigned fund balance for the General Fund in comparison with the prior year's shows a decrease of \$2,183,758. The total governmental unassigned combined ending fund balance represents 55% of total General Fund expenditures (\$14,393,201.)
- The Town's total debt was paid off in October of 2016.

Town of Lady Lake, Florida
Management Discussion and Analysis (Continued)
As of September 30, 2023

OVERVIEW OF THE FINANCIAL STATEMENTS

The discussion and analysis are 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 statement. 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 like a private-sector business.

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

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

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

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

The government-wide financial statements can be found on pages 24-26 of this report.

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

Town of Lady Lake, Florida
Management Discussion and Analysis (Continued)
As of September 30, 2023

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 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 27 through 30 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 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 31 through 35 of this report.

Fiduciary funds. Fiduciary funds 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. Deferred Outflows and Deferred Inflows are pension related and refer to the differences between expected and actual experiences, changes of assumptions, and the net difference between projected and actual earnings on Pension Plan Investments as discussed in Note 3 on page 66.

The basic fiduciary fund financial statements can be found on pages 36 through 37 of this report.

Town of Lady Lake, Florida
Management Discussion and Analysis (Continued)
As of September 30, 2023

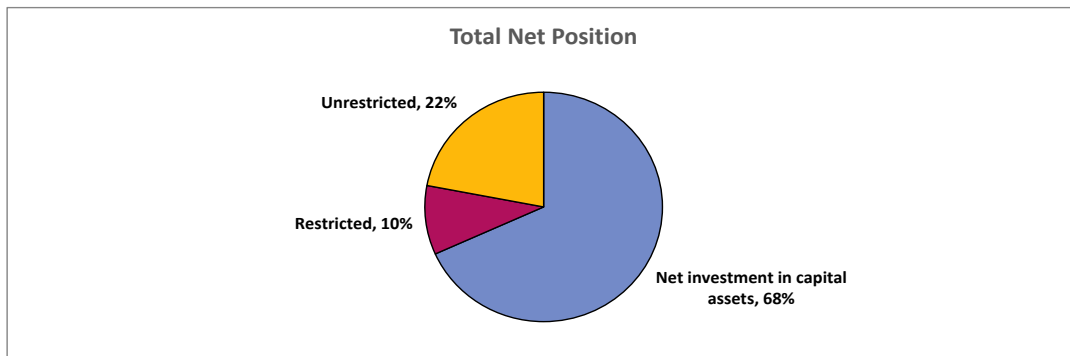
Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 38 through 67 of this report.

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 68 through 77 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Statement of net position. As noted earlier, net position may serve over time as a useful indicator of a government’s financial position. In the case of the Town, assets exceeded liabilities by \$61,471,649 as of September 30, 2023. The following table reflects the condensed statement of net position for the current fiscal year as compared to the prior fiscal year.

	TOWN OF LADY LAKE'S NET POSITION					
	Governmental activities		Business-type activities		Total	
	2023	2022	2023	2022	2023	2022
Current and other assets	\$ 19,745,253	\$ 28,756,139	\$ 6,938,943	\$ 5,581,151	\$ 22,522,573	\$ 34,337,290
Capital assets	15,267,493	14,876,419	35,784,742	23,874,238	51,052,235	38,750,657
Total Assets	35,012,746	43,632,558	42,723,685	29,455,389	73,574,808	73,087,947
Deferred Outflows Pension Related	1,115,895	1,637,341	-	-	1,115,895	1,637,341
Current and other liabilities	1,321,757	10,577,040	2,777,320	1,750,329	4,099,077	12,327,369
Long-term liabilities						
outstanding	712,229	646,167	-	115,201	712,229	761,368
Total Liabilities	2,033,986	11,223,207	2,777,320	1,865,530	4,811,306	13,088,737
Deferred Inflows Pension Related	264,717	164,902	-	-	264,717	164,902
Net Position:						
Net investment in capital assets	15,267,493	14,776,734	35,104,703	23,716,051	50,372,196	38,492,785
Restricted	6,143,319	5,480,085	1,027,353	162,673	7,170,672	5,642,758
Unrestricted	12,419,126	13,624,971	3,814,309	3,711,135	16,233,435	17,336,106
Total Net Position	\$ 33,829,938	\$ 33,881,790	\$ 39,946,365	\$ 27,589,859	\$ 73,776,303	\$ 61,471,649



Town of Lady Lake, Florida
Management Discussion and Analysis (Continued)
As of September 30, 2023

The largest portion of the Town's net position reflects its investment, (\$50,372,196 or 68%) 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 \$7,170,672 represents resources that are subject to external restrictions on how they may be used. The unrestricted net position, \$16,233,435, may be used to meet the town's ongoing obligations to citizens and creditors.

As of September 30, 2023, the Town can report positive balances in all three categories of net position, both for the government, as well as for its separate governmental and business-type activities. The same situation held true for the prior fiscal year.

There was an increase of \$663,234 in the restricted net position reported in connection with the Town's governmental activities. The major portion was due to an increase of \$703,516 in capital improvements.

The business-type activities had an increase of \$12,356,506 or 45% in total net position compared to the prior year. Its net investment in capital assets also increased by \$11,388,652 or 48% due to well and wastewater treatment expansion. The business-type activities restricted net position increased by \$876,680 due to collection of impact fees that were not needed for the well and wastewater expansion due to using ARPA funds in the amount of \$8,023,674.

Town of Lady Lake, Florida
Management Discussion and Analysis (Continued)
As of September 30, 2023

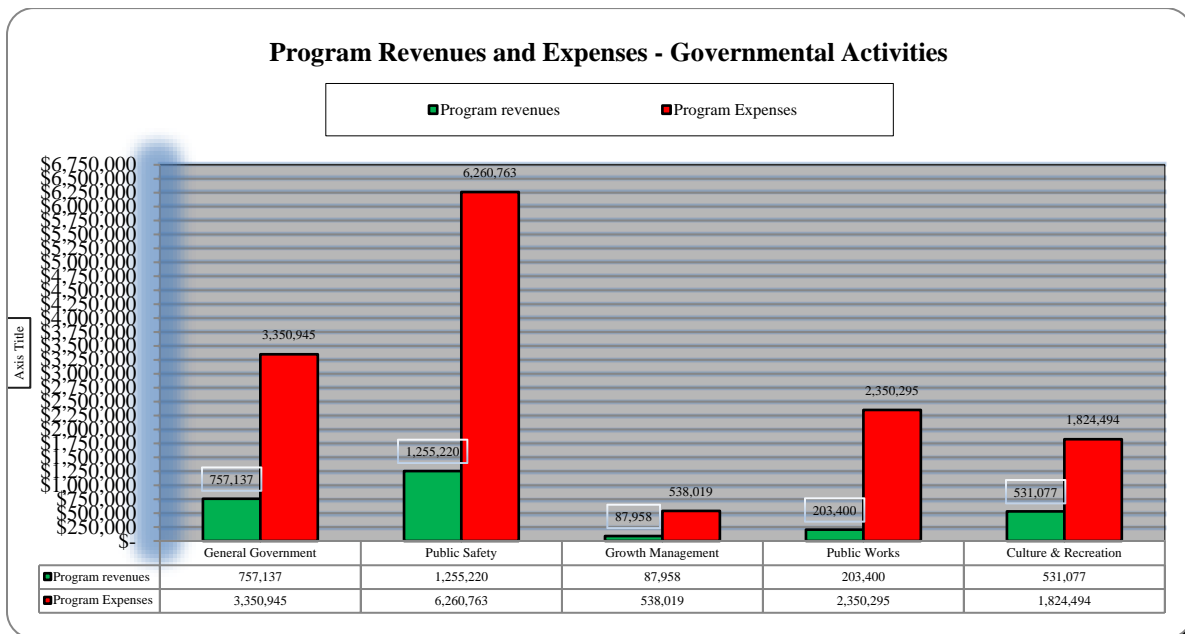
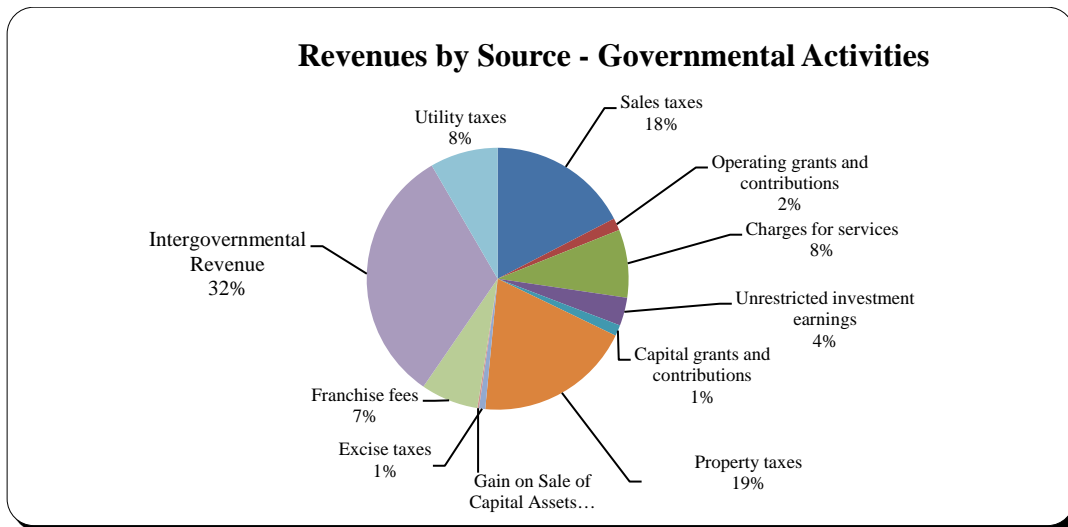
Statement of activities. As noted earlier, the statement of activities presents information showing how the Town's net position changed during the current year. The following table reflects the condensed statement of activities for the current fiscal year as compared to the prior fiscal year.

TOWN OF LADY LAKE'S CHANGES IN NET POSITION

	Governmental		Business-type		Total	
	Activities		Activities			
	2023	2022	2023	2022	2023	2022
Revenues:						
Program revenues:						
Charges for services	\$ 2,114,081	\$ 1,828,027	\$ 4,781,659	\$ 4,667,013	\$ 6,895,740	\$ 6,495,040
Operating grants and contributions	380,336	343,783	-	-	380,336	343,783
Capital grants and contributions	340,375	166,103	855,710	512,605	1,196,085	678,708
General revenues:						
Property taxes	4,866,240	4,428,480	-	-	4,866,240	4,428,480
Sales taxes	4,377,527	4,316,660	-	-	4,377,527	4,316,660
Franchise fees	1,788,585	1,663,918	-	-	1,788,585	1,663,918
Utility taxes	2,109,458	1,984,316	-	12,369	2,109,458	1,996,685
Excise taxes	195,057	222,347	21,254	-	216,311	222,347
Unrestricted investment earnings	873,000	72,679	311,927	30,493	1,184,927	103,172
Gain on sale of						
Intergovernmental Revenues	8,048,452				8,048,452	
Gain on sale of capital assets	49,877				49,877	
Total Revenues	25,142,988	15,026,313	5,970,550	5,222,480	31,113,538	20,248,793
Expense:						
General Government	3,350,945	3,158,835	-	-	3,350,945	3,158,835
Public Safety	6,260,763	6,030,139	-	-	6,260,763	6,030,139
Growth Management	538,019	423,346	-	-	538,019	423,346
Public Works	2,350,295	2,360,924	-	-	2,350,295	2,360,924
Culture and Recreation	1,824,494	1,641,176	-	-	1,824,494	1,641,176
Interest on long-term debt	-	-	-	-	-	-
Utility Services			4,953,737	4,756,858	4,953,737	4,756,858
Total Expenses	14,324,516	13,614,420	4,953,737	4,756,858	19,278,253	18,371,278
Change in net position before transfers	10,818,472	1,411,893	1,016,813	465,622	11,835,285	1,877,515
Transfers	(11,339,693)	206,310	11,339,693	(206,310)	-	-
Change in net position	(521,221)	1,618,203	12,356,506	259,312	11,835,285	1,877,515
Net Position - 10/01/2022	33,881,790	32,263,587	27,589,859	27,330,547	61,471,649	59,594,134
Prior period adjustment, see Note 2	469,369				469,369	
Net position, beginning of year, restated	34,351,159		27,589,859		61,941,018	
Net Position - 09/30/2023	\$ 33,829,938	\$ 33,881,790	\$ 39,946,365	\$ 27,589,859	\$ 73,776,303	\$ 61,471,649

Town of Lady Lake, Florida
Management Discussion and Analysis (Continued)
As of September 30, 2023

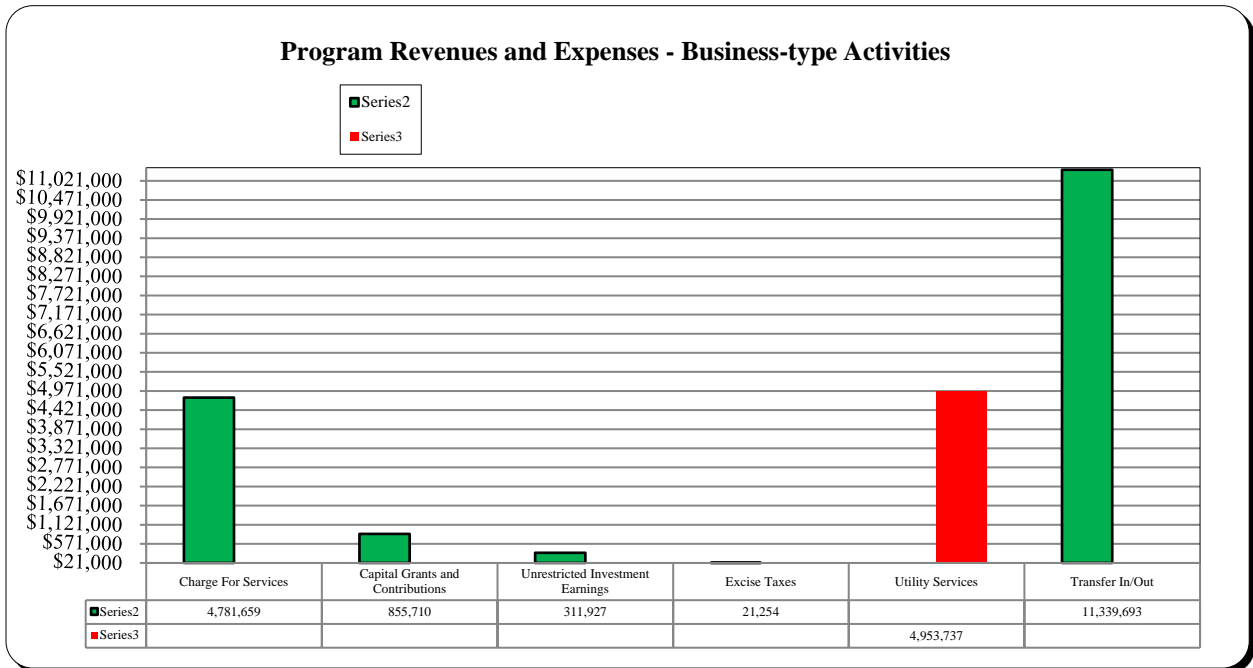
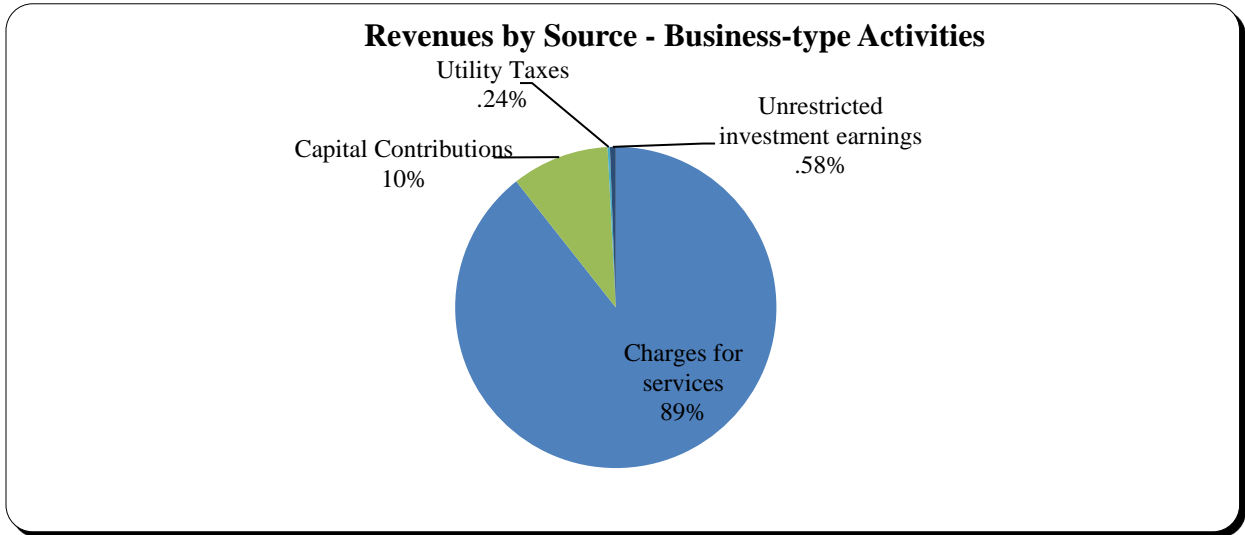
Governmental activities. Governmental activities decreased the Town’s net position by \$51,852 due to Town construction projects. The fiscal year 2023 millage rate was kept the same as the fiscal year 2022 millage rate of 3.3962 but with an increase in net taxable value of 9.5%, which includes new construction, and increased value of properties, the net result was an increase in the total fund balance.



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

Town of Lady Lake, Florida
Management Discussion and Analysis (Continued)
As of September 30, 2023

Business-type activities. Business-type activities increased the Town’s net position by \$12,356,506. The increase is due primarily to the transfer-in of ARPA funds in the amount of \$8,023,674 and \$3,000,000 from reserves for the well/reclaim projects. The percentage breakdown of the business-type activities revenues can be seen below.



Town of Lady Lake, Florida
Management Discussion and Analysis (Continued)
As of September 30, 2023

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 2023, as previously discussed on page 12, the Town's governmental funds reported combined ending fund balances of \$18,781,093, a decrease of \$120,533 in comparison with the prior year. Approximately 42% of the combined ending fund balances or \$7,840,919 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 \$47,588 for Prepays and Real Property Held for Resale; Capital projects \$4,493,792; Restricted \$1,649,527 for Education, Police Training & Equipment, Recreation, and other Capital Improvements; Committed \$4,519,627 for certain capital improvements and assigned \$229,640 for Tree Beautification.

As was discussed on page 18 under Governmental Activities, although the millage stayed the same as FY22, new construction and values increased. The funds that are Non-spendable, Restricted, Committed and Assigned increased by \$1,362,067 due to use of ARPA funds instead of using Surtax and instead of the Committed Asset Fund for large capital improvements as previously discussed on page 12.

The General Fund, which is the primary operating fund of the Town, had a fund balance of \$15,532,795 but \$7,644,288 was dedicated for purposes other than general spending. The unassigned fund balance decreased by \$2,183,758 which was the result of \$3,000,000 used for major projects.

Other disclosures on these funds can be found in Note 1 of this report.

The Sales Tax Revenue Fund had a fund balance of \$3,248,298 at the end of the fiscal year, an increase of \$318,275 from the prior year. This is due to the budgeted sur-tax expenses not being spent due to the library project being behind schedule in the planning stage. Of this amount, 100% is restricted for infrastructure improvements.

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

As of the end of fiscal year 2023, the Town's Utility Fund reported an unrestricted net position of \$3,814,309 with an increase of \$103,174 from the prior year. The unrestricted net position of the Utility Fund had a slight increase due to a utility rate increase of 6.9% plus a large growth in building projects needing utilities. Utility rate increases are based on greater of 5% or CPI.

Town of Lady Lake, Florida
Management Discussion and Analysis (Continued)
As of September 30, 2023

CAPITAL ASSETS

The Town’s investment in capital assets for its governmental and business-type activities as of September 30, 2023, amounts to \$50,372,196 (net of depreciation and amortization). This investment in capital assets includes land, buildings and utility systems, improvements other than buildings, equipment, infrastructure, and construction in progress. It also includes the Town’s investment in the sewer capacity reservation agreement with the VCCDD. The Town’s net capital assets increased \$12,275,548 from the prior year. The change is primarily due to the investment in capital assets offset by depreciation expense exceeding capital investments. Additional information is addressed in the notes to the financial statements; Note 2 Capital Assets.

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

Government Funds:		
1901	Hardware Lifecycle Program Technology	\$105,692
1901	Fiber within the town	\$57,589
1901	Second half payment on Town Hall new roof	\$101,000
7101	Library/Growth Management relocation-renovations	\$123,683
2101	Five Police Vehicles	\$243,880
2101	K-9 Ember	\$10,000
2101	Police Golf Cart	\$19,030
4102	Paving 5 miles +/-	\$400,000
7201	Continued Work on Walking Trail Old Dixie Hwy	\$867,176
7201	Train Depot reroof and Exterior Paint	\$67,661
7201	Parking Lot Blower	\$10,437
Business-type Funds:		
Water	Wells Engineering (Work in Progress)	\$1,217,915
	IT Enhancements at Utility Plant	\$11,710
Sewer	WRF Expansion (Work in Progress)	\$11,324,011
	Fiber within the Town at utility Plant	\$112,713

**Town of Lady Lake, Florida
Management Discussion and Analysis (Continued)
As of September 30, 2023**

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

	Governmental activities		Business-type activities		Total	
	2023	2022	2023	2022	2022	2021
Land	\$ 2,157,154	\$ 2,157,154	\$ 509,453	\$ 509,453	\$ 2,666,607	\$ 2,666,607
Buildings /Improvements	6,313,660	6,566,876	\$ 2,393,394	\$ 2,490,450	8,707,054	9,057,326
Sewer Capacity Agreement			\$ 761,568	\$ 800,623	761,568	
Improvements other than buildings	844,914	878,862			844,914	878,862
Furniture and equipment	1,477,706	1,605,815	646,338	787,803	2,124,044	2,393,618
Infrastructure-incl.Utilities	3,850,275	2,060,385	13,476,567	13,943,159	17,326,842	16,003,544
Construction in Progress	623,784	1,607,327	17,997,422	5,342,750	18,621,206	6,950,077
Total Capital Assets	\$ 15,267,493	\$ 14,876,419	\$ 35,784,742	\$ 23,874,238	\$ 51,052,235	\$ 37,950,034

GENERAL FUND BUDGETARY HIGHLIGHTS

The Town amended the original appropriations approved by the Town Commission. The General Fund changes resulted in a decrease in the appropriations of approximately 4%. The decrease is due to estimated revenue coming in higher with estimated spending being lower. The budget is approved at Department level and all departments were within their budget. The Sales Tax Revenue Fund Budget was unchanged.

LONG-TERM DEBT

The balance of \$712,229 represents amounts due for compensated absences.

Additional information on the Town's long-term debt can be found in Note 3 on page 59 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.

Town of Lady Lake, Florida
Management Discussion and Analysis (Continued)
As of September 30, 2023

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 10% in tax year 2023 as compared to tax year 2022. This increase in taxable value (\$137,104,217) was due to an increase in net taxable values of 300% (due to an increase in new growth coming onto the tax rolls) but was offset by a 20% decrease in net taxable values. With this increase in taxable value, which increased ad valorem tax revenue, the Town Commission was able to set the millage rate at 3.3962 mills for fiscal year 2023, which is the same millage rate as fiscal year 2022.

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.

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BASIC FINANCIAL STATEMENTS

The basic financial statements include the government-wide financial statements, fund financial statements and notes to the financial statements. The government-wide financial statements present financial information about the reporting government as a whole. The fund financial statements present financial information about major funds individually and non-major funds in the aggregate, if applicable. The notes to the financial statements present information essential for a fair presentation of the financial statements not displayed on the face of the financial statements.

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Town of Lady Lake, Florida
Statement of Net Position

<i>September 30, 2023</i>	Primary Government		
	Governmental Activities	Business-type Activities	Total
Assets			
Cash and cash equivalents	\$ 7,772,961	\$ 3,283,150	\$ 11,056,111
Investments	11,161,460	1,263,131	12,424,591
Accounts receivable, net	343,513	514,560	858,073
Due from other governments	412,563	4,395	416,958
Internal balances	7,168	(7,168)	-
Prepaid items and other assets	17,027	3,190	20,217
Inventory	30,561	126,098	156,659
Restricted cash and cash equivalents	-	1,751,587	1,751,587
Capital assets, net:			
Nondepreciable	2,780,938	18,506,875	21,287,813
Depreciable	12,486,555	17,277,867	29,764,422
Total assets	35,012,746	42,723,685	77,736,431
Deferred Outflows of Resources			
Deferred outflows related to pensions	\$ 1,115,895	\$ -	\$ 1,115,895

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

Town of Lady Lake, Florida
Statement of Net Position (Continued)

<i>September 30, 2023</i>	Primary Government		
	Governmental Activities	Business-type Activities	Total
Liabilities			
Accounts payable	\$ 832,807	\$ 1,208,073	\$ 2,040,880
Retainage payable	-	680,039	680,039
Accrued liabilities	123,499	16,075	139,574
Due to other governments	3,142	-	3,142
Unearned revenues	-	31,757	31,757
Other liabilities	4,712	-	4,712
Customer deposits	-	724,234	724,234
Non-current liabilities			
Due within one year			
Compensated absences	498,560	58,571	557,131
Due in more than one year			
Compensated absences	213,669	58,571	272,240
Net pension liability	357,597	-	357,597
Total liabilities	2,033,986	2,777,320	4,811,306
Deferred Inflows of Resources			
Deferred inflows related to pensions	264,717	-	264,717
Net Position			
Net investment in capital assets	15,267,493	35,104,703	50,372,196
Restricted for:			
Capital projects	4,493,792	1,027,353	5,521,145
Police	15,673	-	15,673
Library	1,693	-	1,693
Education	1,625,466	-	1,625,466
Other	6,695	-	6,695
Unrestricted	12,419,126	3,814,309	16,233,435
Total net position	\$ 33,829,938	\$ 39,946,365	\$ 73,776,303

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

Town of Lady Lake, Florida Statement of Activities

<i>For the year ended September 30, 2023</i>		Program Revenues				Net (Expense) Revenue and Changes in Net Position		
Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			
					Governmental Activities	Business-type Activities	Total	
Primary government:								
Governmental activities:								
General government	\$ 3,350,945	\$ 757,137	\$ -	\$ -	\$ (2,593,808)	\$ -	\$ (2,593,808)	
Public safety	6,260,763	1,249,244	5,976	-	(5,005,543)	-	(5,005,543)	
Public works	2,350,295	-	203,400	-	(2,146,895)	-	(2,146,895)	
Growth management	538,019	87,958	-	-	(450,061)	-	(450,061)	
Culture/recreation	1,824,494	19,742	170,960	340,375	(1,293,417)	-	(1,293,417)	
Total governmental activities	14,324,516	2,114,081	380,336	340,375	(11,489,724)	-	(11,489,724)	
Business-type activities:								
Utilities	4,953,737	4,802,913	-	855,710	-	704,886	704,886	
Total business-type activities	4,953,737	4,802,913	-	855,710	-	704,886	704,886	
Total primary government	\$ 19,278,253	\$ 6,916,994	\$ 380,336	\$ 1,196,085	(11,489,724)	704,886	(10,784,838)	
General revenues:								
Property taxes					4,866,240	-	4,866,240	
Franchise fees based on gross receipts					1,788,585	-	1,788,585	
Sales taxes					4,377,527	-	4,377,527	
Intergovernmental revenues					8,048,452	-	8,048,452	
Utility service taxes					2,109,458	-	2,109,458	
Miscellaneous and other taxes					195,057	-	195,057	
Unrestricted investment earnings					873,000	311,927	1,184,927	
Gain on sale of capital assets					49,877	-	49,877	
Transfers, net					(11,339,693)	11,339,693	-	
Total general revenues					10,968,503	11,651,620	22,620,123	
Change in net position					(521,221)	12,356,506	11,835,285	
Net position, beginning of year, as previously reported					33,881,790	27,589,859	61,471,649	
Prior period adjustment, see Note 2					469,369	-	469,369	
Net position, beginning of year, restated					34,351,159	27,589,859	61,941,018	
Net position, end of year					\$ 33,829,938	\$ 39,946,365	\$ 73,776,303	

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

Town of Lady Lake, Florida
Balance Sheet – Governmental Funds

<i>September 30, 2023</i>	General	Sales Tax Revenue	Total Governmental Funds
Assets			
Cash and cash equivalents	\$ 5,798,521	\$ 1,974,440	\$ 7,772,961
Investments	10,101,737	1,059,723	11,161,460
Accounts receivable, net	343,513	-	343,513
Due from other funds	7,168	-	7,168
Due from other governments	198,428	214,135	412,563
Prepaid items	17,027	-	17,027
Inventory	30,561	-	30,561
Total assets	\$ 16,496,955	\$ 3,248,298	\$ 19,745,253
Liabilities and Fund Balances			
Liabilities			
Accounts payable	\$ 832,807	\$ -	\$ 832,807
Due to other governments	3,142	-	3,142
Accrued liabilities	123,499	-	123,499
Unearned revenue	500	-	500
Other liabilities	4,212	-	4,212
Total liabilities	964,160	-	964,160
Fund balances			
Nonspendable			
Inventory	30,561	-	30,561
Prepaid items	17,027	-	17,027
Restricted for			
Capital projects	1,245,494	3,248,298	4,493,792
Police	15,673	-	15,673
Library	1,693	-	1,693
Education	1,625,466	-	1,625,466
Other	6,695	-	6,695
Committed for			
Future projects	4,519,627	-	4,519,627
Assigned for			
Beautification projects	229,640	-	229,640
Unassigned	7,840,919	-	7,840,919
Total fund balances	15,532,795	3,248,298	18,781,093
Total liabilities and fund balances	\$ 16,496,955	\$ 3,248,298	\$ 19,745,253

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

**Town of Lady Lake, Florida
Reconciliation of the Balance Sheet –
Governmental Funds to the Statement of Net Position**

September 30, 2023

Total fund balances - governmental funds **\$ 18,781,093**

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.

	Governmental capital assets	31,542,961	
	Less accumulated depreciation	<u>(16,275,468)</u>	15,267,493

Net pension liability included in total liabilities not available to pay current expenditures and, therefore, is not reported in the funds. **(357,597)**

Long-term liabilities, including compensated absences, are not due and payable in the current period and, therefore, are not reported in the funds.

	Compensated absences		(712,229)
--	----------------------	--	------------------

Deferred outflow of resources related to pension earnings are not recognized in the governmental funds; however, they are recorded in the statement of net position under full accrual accounting. **1,115,895**

Deferred inflow of resources related to pension earnings are not recognized in governmental funds; however, they are recorded in the statement of net position under full accrual accounting. **(264,717)**

Net position of governmental activities **\$ 33,829,938**

Town of Lady Lake, Florida
Statement of Revenues, Expenditures and Changes in Fund Balances -
Governmental Funds

<i>For the year ended September 30, 2023</i>	General	Sales Tax Revenue	Total Governmental Funds
Revenue			
Ad valorem taxes	\$ 4,866,240	\$ -	\$ 4,866,240
Special assessments	1,044,379	-	1,044,379
Utility taxes	2,109,458	-	2,109,458
Franchise fees	1,788,585	-	1,788,585
Sales tax	2,394,944	1,982,583	4,377,527
Intergovernmental revenues	8,204,007	-	8,204,007
Licenses and permits	757,137	-	757,137
Charges for services	314,075	-	314,075
Fines and forfeitures	87,323	-	87,323
Investment income	727,696	145,304	873,000
Contributions and other income	671,384	-	671,384
Total revenues	22,965,228	2,127,887	25,093,115
Expenditures			
General government	2,713,079	-	2,713,079
Public safety	5,734,834	-	5,734,834
Public works	2,114,089	-	2,114,089
Growth management	537,293	-	537,293
Culture/recreation	1,662,319	-	1,662,319
Capital outlay	1,631,587	-	1,631,587
Total expenditures	14,393,201	-	14,393,201
Excess (deficiency) of revenues over (under) expenditures	8,572,027	2,127,887	10,699,914
Other Financing Sources			
Transfers in	2,186,397	-	2,186,397
Proceeds from sale of capital assets	49,877	-	49,877
Transfers out	(11,716,478)	(1,809,612)	(13,526,090)
Total other financing sources	(9,480,204)	(1,809,612)	(11,289,816)
Net change in fund balances	(908,177)	318,275	(589,902)
Fund balance, beginning of year, as previously reported	15,971,603	2,930,023	18,901,626
Prior period adjustment, see Note 2	469,369	-	469,369
Fund balance, beginning of year, adjusted	16,440,972	2,930,023	19,370,995
Fund balance, end of year	\$ 15,532,795	\$ 3,248,298	\$ 18,781,093

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 –
Governmental Funds to the Statement of Activities

For the year ended September 30, 2023

Net change in fund balances - total governmental funds \$ (589,902)

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

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay (\$1,631,587) exceeded depreciation (\$1,240,513) capitalized in the current period. **391,074**

Some expenses reported in the statement of activities do not provide (or do not require) the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

Increase in compensated absences payable **(66,062)**

Pension expense is reported in the Statement of Activities, which differs from pension expenditures as reported in governmental funds.

Change in net pension liability	364,930	
Decrease in deferred outflows related to pensions	(521,446)	
Increase in deferred inflows related to pensions	(99,815)	(256,331)

Change in net position of governmental activities \$ (521,221)

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

Town of Lady Lake, Florida
Statement of Net Position -
Proprietary Funds

<i>September 30, 2023</i>	Business-type Activities - Utility Fund
Assets	
Current assets	
Cash and cash equivalents	\$ 3,283,150
Investments	1,263,131
Accounts receivable, net	514,560
Due from other governments	4,395
Prepaid items	3,190
Inventory	126,098
Restricted assets, cash and cash equivalents	
Impact fees	1,027,353
Customer Deposits	724,234
Total current assets	6,946,111
Noncurrent assets	
Capital assets	
Capital assets not being depreciated	
Land	509,453
Construction in progress	17,997,422
Total non-depreciable capital assets	18,506,875
Capital assets being depreciated	
Sewer Capacity	1,629,006
Buildings	2,968,308
Utility systems	30,122,967
Equipment	2,770,158
Total depreciable capital assets	37,490,439
Less accumulated depreciation and amortization	(20,212,572)
Total depreciable capital assets, net of accumulated depreciation and amortization	17,277,867
Total capital assets, net	35,784,742
Total noncurrent assets	35,784,742
Total assets	\$ 42,730,853

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

Town of Lady Lake, Florida
Statement of Net Position -
Proprietary Funds (Continued)

	Business-type Activities -
<i>September 30, 2023</i>	Utility Fund
Liabilities	
Current liabilities	
Accounts payable	\$ 1,208,073
Retainage payable	680,039
Accrued liabilities	16,075
Current portion of compensated absences	58,571
Customer deposits	724,234
Total current liabilities	2,686,992
Noncurrent liabilities	
Due to other funds	7,168
Compensated absences	58,571
Unearned revenues	31,757
Total noncurrent liabilities	97,496
Total liabilities	\$ 2,784,488
Net Position	
Net investment in capital assets	\$ 35,104,703
Restricted for capital projects	1,027,353
Unrestricted	3,814,309
Total net position	\$ 39,946,365

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 Funds

	Business-type Activities - Utility Fund
<i>For the year ended September 30, 2023</i>	
Operating Revenues	
Charges for services	\$ 4,738,939
Other charges and fees	63,974
<hr/>	
Total operating revenues	4,802,913
Operating Expenses	
Personnel services	1,045,663
Operating	2,665,778
Depreciation and amortization	1,242,296
<hr/>	
Total operating expenses	4,953,737
<hr/>	
Operating loss	(150,824)
Non-operating revenues	
Investment income	311,927
<hr/>	
Total non-operating revenues	311,927
Operating gain before contributions and transfers	161,103
Impact fees	855,710
Transfers in	11,339,693
<hr/>	
Change in net position	12,356,506
Fund balance, beginning of year, as previously reported	27,589,859
<hr/>	
Net position - end of year	\$ 39,946,365
<hr/> <hr/>	

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

Town of Lady Lake, Florida
Statement of Cash Flows-Proprietary Funds

	Business-type Activities - Enterprise Funds
	Utility Fund
<i>For the year ended September 30, 2023</i>	
Operating Activities	
Cash received from customers	\$ 5,009,810
Cash payments to suppliers for goods and services	(1,768,841)
Cash payments to employees for services	(1,052,137)
Net cash provided by operating activities	
	2,188,832
Noncapital Financing Activities	
Borrowings from other funds	783
Loans and reimbursements to other funds	1,472
Transfers in from other funds	11,339,693
Net cash provided by noncapital financing activities	
	11,341,948
Capital and Related Financing Activities	
Acquisition and construction of capital assets	(13,152,800)
Proceeds from impact fees	855,710
Other non-operating revenue (expenses)	-
Net cash used in capital and related financing activities	
	(12,297,090)
Investing Activities	
Purchase of investments	(56,992)
Interest income	311,927
Net cash provided by investment activities	
	254,935
Net increase in cash and cash equivalents	
	1,488,625
Cash and cash equivalents, beginning of year	
	3,546,112
Cash and cash equivalents, end of year	
	\$ 5,034,737

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

Town of Lady Lake, Florida
Statement of Cash Flows-Proprietary Funds (Continued)

Reconciliation of operating loss to	
net cash provided by operating activities	
Operating loss	\$ (150,824)
Adjustment to reconcile operating loss to net cash provided by (used in) operating activities:	
Depreciation	1,242,296
Change in assets and liabilities	
Accounts receivable	185,304
Prepaid expenses	399
Inventory	(5,829)
Accounts payable	380,515
Retainage payable	521,852
Accrued liabilities	(8,415)
Customer deposits	21,593
Compensated absences	1,941
<hr/>	
Total adjustments	2,339,656
<hr/>	
Net cash provided by operating activities	\$ 2,188,832
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The notes to the financial statements are an integral part of this statement.

Town of Lady Lake, Florida
Statement of Fiduciary Net Position -
Fiduciary Fund

<i>September 30, 2023</i>	Police Pension Trust Fund
<hr/>	
Assets	
Investments, at fair value	\$ 10,274,746
<hr/>	
Total assets	\$ 10,274,746
Liabilities	
Accounts payable	\$ 15,092
<hr/>	
Total liabilities	15,092
Net Position	
Restricted for pension benefits	\$ 10,259,654
<hr/> <hr/>	

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 Fund

<i>For the year ended September 30, 2023</i>	Pension Trust Funds
Additions	
Contributions	
State of Florida	\$ 143,208
Town	257,481
Plan members	86,605
<hr/>	
Total contributions	487,294
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Investment earnings	
Interest and dividends, net of investment expense	169,679
Net appreciation in fair value of investments	543,428
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Total investment earnings	713,107
<hr/>	
Total additions	1,200,401
<hr/>	
Deductions	
Benefit payments including refunds of contributions	535,712
Administrative expenses	7,978
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Total deductions	543,690
<hr/>	
Change in net position	656,711
<hr/>	
Net position restricted for pension benefits, beginning of year	9,602,943
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Net position restricted for pension benefits, end of year	\$ 10,259,654
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The notes to the financial statements are an integral part of this statement.

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**NOTES TO THE
FINANCIAL STATEMENTS**

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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.

Reporting Entity

The Town is a municipal corporation with a five-member Town Council comprised of the Mayor and four Town commissioners. These financial statements present all 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.

The Town maintains its accounting in accordance with generally accepted accounting principles (GAAP), as applied to governmental units, which are promulgated by the Governmental Accounting Standards Board (GASB). A summary of the Town's significant accounting policies applied in the preparation of the accompanying financial statements follows.

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 primary government and its component units. Governmental activities, which normally are supported by taxes, intergovernmental revenues, and other nonexchange transactions, are reported separately from business-type activities, which rely to a significant extent on fees and charges to external customers for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function. *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. 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 fund and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

Town of Lady Lake, Florida Notes to Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as current financial resources or economic resources. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

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

The governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under leases are reported as other financing sources.

Property taxes, sales taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Entitlements are recorded as revenues when all eligibility requirements are met, including any time requirements, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end). Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end). All other revenue items are considered to be measurable and available only when cash is received by the Town.

The proprietary and pension funds are reported using the economic resources measurement focus and the accrual basis of accounting.

Town of Lady Lake, Florida Notes to Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Government-Wide Financial Statements

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates governmental funds, while business-type activities incorporate the Town's enterprise funds. 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.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. An exception to this general 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.

Fund Financial Statements

The fund financial statements provide information about the Town's funds, including its fiduciary funds. Separate statements for each fund category—governmental, proprietary, and fiduciary—are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. Major individual governmental and enterprise funds are reported as separate columns in the fund financial statements.

The Town reports the following major governmental funds:

The *General* fund is the Town's primary operating fund. It accounts for all financial resources except those accounted for in another fund.

The *Sales Tax Revenue* fund accounts for discretionary sales surtax revenues that are legally restricted for expenditure on infrastructure.

The Town reports the following major proprietary funds:

The *Utility* fund accounts for the operating activities related to providing water treatment and distribution services, sewage treatment, and garbage and recycling pick up and disposal activities to all areas within the Town limits.

The Town reports the following fiduciary fund:

The *Police Pension Trust* Fund accounts for funds in the same manner as the proprietary funds, using the same measurement focus and basis of accounting. The trust fund accounts for the accumulation of resources for pension benefit payments to qualified Town police officers.

Town of Lady Lake, Florida Notes to Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Financial Statements (continued)

During the course of operations, the Town has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from/to other funds. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities (i.e., the governmental and internal service funds) are eliminated so that only the net amount is included as internal balances in the governmental activities column.

Similarly, balances between the funds included in business-type activities (i.e., the enterprise funds) are eliminated so that only the net amount is included as internal balances in the business-type activities column.

Further, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements.

Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column.

Similarly, balances between the funds included in business-type activities are eliminated so that only the net amount is included as transfers in the business-type activities column.

Budgetary Information

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for the General Fund and Special Revenue Fund. The Utility Fund is adopted on a basis other than generally accepted accounting principles. Pension trust funds do not have appropriated budgets since other means control the use of these resources (e.g., investments and pension requirements) and sometimes span a period of more than one fiscal year.

The appropriated budget is prepared by fund, function, and department. The Town Manager may make transfers of appropriations within a department. Transfers of appropriations between departments require the approval of the Town Commission. The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is the department level.

Appropriations in all budgeted governmental funds lapse at the end of the fiscal year even if they have related encumbrances. Encumbrances are commitments related to unperformed (executory) contracts for goods or services (i.e., purchase orders, contracts, and commitments). Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. While all appropriations and encumbrances lapse at year end, valid outstanding encumbrances (those for which performance under the executory contract is expected in the next year) are re-appropriated and become part of the subsequent year's budget pursuant to state regulations.

Town of Lady Lake, Florida Notes to Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position or Equity

Cash and Cash Equivalents

The Town's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

Investments

Investments for the Town are reported at fair value (generally based on quoted market prices) except for the position in the State Treasurer's Investment Pool (Pool). The State Treasurer's Investment Pool meets all of the specified criteria in Section 150: *Investments* to qualify to elect to measure their investments at amortized cost. Accordingly, the fair value of the Town's position in the pool is equal to the value of the pooled shares.

Receivables and Payables

Unbilled receivables – An amount for unbilled revenue is recorded in the Utility funds for services rendered, but not yet billed as of the end of the fiscal year. The receivable is derived from the cycle billings generated subsequent to fiscal year end and prorated for usage in September.

Allowance for doubtful accounts – Accounts receivable have been reported net of the allowance for doubtful accounts. Accounts receivable in excess of 120 days are subject to being considered as uncollectible.

Unearned revenue – Unearned revenue recorded on the governmental fund balance sheet represents amounts received before eligibility requirements are met.

Interfund Activities and Transactions

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as "due from other funds" or "due to other funds" within the fund financial statements. Long-term borrowings between funds are classified as "advances to other funds" or "advances from other funds" in the fund financial statements. These amounts are eliminated in the governmental and business-type activities columns of the statement of net position, except for any residual balance outstanding.

Interfund transactions are reflected as services provided, reimbursements, or transfers. Services provided, deemed to be at or near market rates, are treated as revenues and expenditures/expenses. Reimbursements are when a fund incurs a cost, charges the appropriate benefitting fund, and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers between governmental or business-type funds are netted as part of the reconciliation to the government-wide presentation.

Town of Lady Lake, Florida Notes to Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position or Equity (Continued)

Inventories and Prepaid Items

Inventories are valued at cost using the first-in/first-out (FIFO) method and consist of expendable supplies and vehicle repair parts. The cost of such inventories is recorded as expenditures/expenses when consumed rather than when purchased.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

Restricted Assets

Certain assets of the Town are classified as restricted assets on the statement of net position because their use is limited by law through constitutional provisions or enabling legislation; or by restrictions imposed externally by creditors, grantors, contributors or laws or regulations of other governments. Special restricted asset accounts have been established to account for the sources and uses of these limited use assets as follows:

Customer and developer deposit accounts – Deposited in non-interest bearing accounts and refunded upon termination of service with the Town and satisfaction of all obligations due.

Capital Assets

Capital assets, which include property, plant, and equipment, and infrastructure assets (e.g. roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of \$5,000 and an estimated useful life in excess of two years. For infrastructure assets the same estimated minimum useful life is used. Sewer capacity agreement rights purchased from the Village Center Community Development District (VCCDD) are amortized over the respective terms of the agreement for 40 years.

Town of Lady Lake, Florida
Notes to Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position or Equity (Continued)

Capital Assets (Continued)

In the case of the initial capitalization of general infrastructure assets (i.e., those reported by governmental activities), the Town chose to include all such items regardless of their acquisition date or amount. The Town was able to estimate the historical cost for the initial reporting of these assets through back trending (i.e., estimating the current replacement cost of the infrastructure to be capitalized and using an appropriate price-level index to deflate the cost to the acquisition year or estimated acquisition year). As the Town constructs or acquires additional capital assets each period, including infrastructure assets, they are capitalized and reported at historical cost. The reported value excludes normal maintenance and repairs which are essentially amounts spent in relation to capital assets that do not increase the efficiency of the item or increase its estimated useful life. Donated capital assets are recorded at their estimated acquisition value at the date of donation.

Land and construction in progress are not depreciated. The other property, plant, equipment, and infrastructure of the primary government are depreciated using the straight line method over the following estimated useful lives:

Capital asset classes	Lives
Buildings	25 - 30
Sewer capacity rights	40
Machinery and equipment	5 - 10
Improvements	10 - 30
Infrastructure	30
Water distribution system	10 - 30

Deferred outflows/inflows of resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then.

The Town has one item that qualifies for reporting as deferred outflows of resources, the *deferred outflows related to pensions*, reported in the government-wide statement of net position. The deferred outflows related to pensions are an aggregate of items related to pensions as calculated in accordance with GASB Codification Section P20: *Pension Activities – Reporting for Benefits Provided through Trusts That Meet Specified Criteria*. The deferred outflows related to pensions will be recognized as either pension expense or a reduction in the net pension liability in future reporting years.

Town of Lady Lake, Florida Notes to Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position or Equity (Continued)

Deferred Outflows/Inflows of Resources (Continued)

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Town has one item that qualifies for reporting as deferred inflows of resources. The *deferred inflows related to pensions* are an aggregate of items related to pensions, reported in the government-wide statement of net position. The deferred inflows related to pensions are an aggregate of items related to pensions as calculated in accordance with GASB Codification Section P20: *Pension Activities – Reporting for Benefits Provided through Trusts That Meet Specified Criteria*. The deferred inflows related to pensions will be recognized as a reduction to pension expense in future reporting years.

Compensated Absences

The Town's policy permits employees to accumulate earned but unused paid time off benefits, which are eligible for payment upon separation from government service. A liability for those amounts is recorded in the governmental funds only if the liability has matured as a result of employee resignations or retirements. The liability for compensated absences includes salary-related benefits, where applicable.

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 or business-type activities statement of net position.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position or Equity (Continued)

Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, information about the fiduciary net position, and additions to/deductions from the plan's fiduciary net position have been determined on the same basis as they are reported by the plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Categories and Classification of Fund Equity

Net position flow assumptions – Sometimes the Town will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report 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 consider restricted – net position to have been depleted before unrestricted – net position is applied.

Fund balance 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. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

Fund balance policies – Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The Town itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

The provisions of GASB Section 1800, *Classification and Terminology*, specifies the following classifications:

Nonspendable fund balance – Nonspendable fund balances are amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Categories and Classification of Fund Equity (Continued)

Restricted fund balance – Restricted fund balances are restricted when constraints placed on the use of resources are either: (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

Committed fund balance – The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the Town’s highest level of decision-making authority. Town Commission (Commission) is the highest level of decision-making authority for the Town that can, by adoption of an ordinance prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken (the adoption of another ordinance) to remove or revise the limitation.

Assigned fund balance – Amounts in the assigned fund balance classification are intended to be used by the Town for specific purposes but do not meet the criteria to be classified as committed. The Commission is the only body that may assign fund balance. The commission may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year’s appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

Unassigned fund balance – Unassigned fund balance is the residual classification for the General Fund.

Revenues and Expenditures/Expenses

Program revenues - Amounts reported as *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 (including special assessments) that are restricted to meeting the operational or capital requirements of a particular function or segment. All taxes, including those dedicated for specific purposes, and other internally dedicated resources are reported as general revenues rather than as program revenues.

Property taxes - The Town levied a millage rate of \$3.3962 per \$1,000 of assessed value for the fiscal year ended September 30, 2023. Lake County, Florida bills and receives payment for all ad valorem taxes levied by the Town. Payments are then remitted to the Town. All property is assessed according to its fair market value on January 1 of each year, and at that time a lien is placed on the property for the taxes. The tax levy of the Town is established by the Town Council prior to October 1 of each year.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenues and Expenditures/Expenses (Continued)

All taxes are billed on November 1 of each year or as soon thereafter as the assessment roll is certified and delivered to the Tax Collector. All unpaid taxes become delinquent on April 1 following the year in which they are assessed. Discounts are allowed for early payment at the rate of 4% in the month of November, 3% in the month of December, 2% in the month of January and 1% in the month of February. The taxes paid in March are not discounted.

Proprietary funds operating and nonoperating revenues and expenses – 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 connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Utility Fund are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Encumbrances

Encumbrance accounting, under which purchase orders, contracts, and other commitments for expenditure of monies are recorded as reservations of budget, is employed as an extension of the statutory required budgetary process. At year-end, outstanding encumbrances represent material purchase commitments for goods and services which were ordered, budgeted, and appropriated, but had not been received or completed at date. Although encumbrances lapse at year-end, it is the intention to substantially honor these encumbrances under authority provided in the subsequent year's budget. The Town had no encumbrances outstanding as of September 30, 2023.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make various estimates. Actual results could differ from those estimates. Estimates that are particularly susceptible to significant change in the near term are related to allowance for doubtful accounts, depreciable lives and estimated residual value of capital assets, fair value of investments, actuarial valuations, compensated absences, and pension liability.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Subsequent Events

Management has evaluated subsequent events through the date that the financial statements were available to be issued, April 15, 2024, and determined that there were no events that occurred that required disclosure. No subsequent events occurring after this date have been evaluated for inclusion in these financial statements.

Recently Issued and Implemented Accounting Pronouncements

In May 2019, the GASB issued Statement No. 91, *Conduit Debt Obligations*. The primary objectives of this statement are to prove a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments extended by issuers and arrangements associated with conduit debt obligations; and improving require note disclosures. There were no impacts of implementing this Statement.

In May 2020, the GASB issued Statement No. 93, *Replacement of Interbank Offered Rates*. The objectives of this Statement are to address financial reporting issues that result from the replacement of an Interbank Offered Rate (IBOR) by providing exceptions for certain hedging derivative instruments to hedge accounting termination provision when IBOR is replaced as the reference rate of the hedging derivative instrument's variable payment and clarification of the hedge accounting termination provisions when a hedge item is amended to replace the reference rate; replacing LIBOR as an appropriate benchmark interest rate for the evaluation of the effectiveness of an interest rate swap with a Secured Overnight Financing Rate or the Effective Federal Funds Rate; and providing exceptions to the lease modification guidance in Statement 87 for lease contracts that are amended solely to replace IBOR used to determine variable payments. There were no impacts of implementing this Statement.

GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset, an intangible asset, and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, *Leases*, as amended. The requirements of this Statement are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter. Assets and liabilities resulting from SBITAs should be recognized and measured using the facts and circumstances that existed at the beginning of the fiscal year in which this Statement is implemented. Governments are permitted, but are not required, to include in the measurement of the subscription asset capitalizable outlays associated with the initial implementation stage and the operation and additional implementation stage incurred prior to the implementation of this Statement. There were no impacts of implementing this Statement.

Town of Lady Lake, Florida Notes to Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Recently Issued and Implemented Accounting Pronouncements (Continued)

The Government Accounting Standards Board has issued statements that will become effective in future years. These statements are as follows:

GASB Statement No. 100, *Accounting Changes and Error Corrections*. This Statement establishes accounting and financial reporting requirements for (a) accounting changes and (b) the correction of an error in previously issued financial statements (error correction). This Statement defines accounting changes as changes in accounting principles, changes in accounting estimates, and changes to or within the financial reporting entity and describes the transactions or other events that constitute those changes. This Statement prescribes the accounting and financial reporting for (1) each type of accounting change and (2) error corrections. This Statement requires that (a) changes in accounting principles and error corrections be reporting retroactively by restating prior periods, (b) changes to or within the financial reporting entity be reported by adjusting the beginning balances of the current period, and (c) changes in accounting estimates be reported prospectively by recognizing the change in the current period.

This Statement requires disclosure in notes to financial statements of descriptive information about accounting changes and error corrections, such as their nature. In addition, information about the quantitative effects on beginning balances of each accounting change and error correction should be disclosed by reporting unit in a tabular format to reconcile beginning balances as previously reported to beginning balances restated. Furthermore, this Statement addresses how information that is affected by a change in accounting principle or error correction should be presented in required supplementary information (RSI) and supplementary information (SI). The requirements of this Statement are effective for accounting changes and error corrections made in fiscal years beginning after June 15, 2023, and all reporting periods thereafter.

GASB Statement No. 101, *Compensated Absences*. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The requirements of this Statement are effective for fiscal years beginning after December 15, 2023, and all reporting periods thereafter.

The Town is currently evaluating the requirements of the above statements and the impact on reporting.

Note 2: CORRECTION OF AN ERROR

The Town discovered during the current year that deferred revenue in a prior period was overstated. Services in the prior year were made and thus, the revenue should have been recognized. This adjustment resulted in an increase in general fund balances of \$469,369, as shown in the statement of revenues, expenses, and changes in fund balances – governmental funds.

Note 3: DETAILED NOTES ON ALL FUNDS

Deposits and Investments

The cash deposits are held by a bank that qualifies as a public depository under the Florida Security and Public Deposits Act, as required by Chapter 280, Florida Statutes, and are considered fully insured.

Florida Statutes authorize the Town to invest in the Local Government Surplus Funds Trust Fund administered by the State Board of Administration, obligations of the U.S. Treasury, and interest-bearing time deposits and savings accounts held in Federal or State chartered banks and savings and loan associations doing business in Florida provided that such deposits are secured by collateral as may be prescribed. It is the Town's policy to only invest funds in vehicles specifically authorized by Florida Statutes. The Town does not have formal policies relating to credit risk or interest rate risk aside from the policy of only investing in funds administered by the State Board of Administration and obligations of the U.S. government.

The State Board of Administration (SBA) administers the Local Government Surplus Funds Trust Fund (LGSTF), a Local Government Investment Pool (LGIP), which is governed by Chapter 19-7 of the Florida Administrative Code and Chapters 215 and 218 of the Florida Statutes. These rules provide guidance and establish the policies and general operating procedures for the administration of the LGSTF. The LGSTF is not a registrant with the Securities and Exchange Commission (SEC).

The Florida Cooperative Liquid Assets Securities System (FLCLASS) is an independent LGIP designed to meet the cash management and short-term investment needs of Florida governmental entities and was created by an interlocal agreement by and among State public agencies under FS 163 and is administered under FS 218. FLCLASS is governed by a Board of Trustees (the Board). The Board supervises the Trust and its affairs and acts as the liaison between the Participants, the Custodian, the Administrator and all service providers.

The fair values of the LGIP's are equal to the value of the pool shares. The investments in the LGIP's are not insured by FDIC or any other governmental agency. The LGIP's follow GASB Statement No. 79 and value all securities at amortized cost, which approximate fair value, in an attempt to maintain a constant net asset value (NAV) of \$1 per share.

Deposits available within various funds, except pension trust funds, were consolidated for investment purposes. Interest earned was allocated to the various funds based on their average cash and investment balances. The pension trust funds are authorized to invest in corporate bonds and stocks, money markets funds, and mortgages and notes.

Note 3: DETAILED NOTES ON ALL FUNDS (Continued)

Deposits and Investments (Continued)

Custodial credit risk – Custodial credit risk for deposits is the risk in the event of the failure of a depository financial institution a government may not be able to recover deposits. Monies placed on deposit with financial institutions in the form of demand deposits, time deposits or certificate of deposits are defined as public deposits. The financial institutions in which the Town places its deposits are certified as “qualified public depositories,” as required under the Florida Security for Public Deposits Act. For an investment, this is the risk that, in the event of the failure of the counterparty, the Town will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party.

As of September 30, 2023, the Town’s pension investments are held in street name in the form of stock, debt securities and U.S. government bonds through a financial brokerage firms segregated out from the assets and investments held by other clients of the investment firm and their own assets.

Interest Rate Risk – Interest rate risk is the possibility that interest rates will rise and reduce the fair value of an investment. The Town manages its exposure to fair value losses arising from increasing interest rates through its adopted investment policies. The Town limits the effective duration of its investment portfolio through the adoption of nationally recognized risk measure benchmarks.

Credit Risk – Section 150: *Investments* of the GASB Codification requires that governments provide information about credit risk associated with their investments by disclosing the credit rating of investments in debt securities as described by nationally recognized statistical rating organizations. The Town has limited its credit risk by limiting investments to the safest types of securities, primarily government investment pools. The Town’s investment objectives are prioritized by safety, liquidity and yield. Time Deposits, including Certificates of Deposit, are collateralized under the State of Florida Qualified Public Depository Program, whereby member institutions are collectively responsible for any individual member’s default.

Concentration risk – Section 150: *Investments* of the GASB Codification requires disclosures of investments in any one issuer that represents five percent or more of total investments, excluding investments issued or explicitly guaranteed by the U.S. government, investments in mutual funds, external investments pools and other pooled investments. The Town’s investment policy does not address concentration risk.

Foreign current risk – The Town’s pension trust funds’ investments are not exposed to foreign currency risk. The Town’s investment policy of the Town’s pension trust funds do not address foreign currency risk.

Town of Lady Lake, Florida Notes to Financial Statements

Note 3: DETAILED NOTES ON ALL FUNDS (Continued)

Deposits and Investments (Continued)

Fair Value – GASB Codification Section 3100: *Fair Value Measurements* establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements).

The three levels of the fair value hierarchy under the codification are described as follows:

Level 1 (L1): Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Town has the ability to access.

Level 2 (L2): Inputs to the valuation methodology include:

- quoted prices for similar assets or liabilities in active markets;
- quoted prices for identical or similar assets or liabilities in inactive markets;
- inputs other than quoted prices that are observable for the asset or liability;
- inputs that are derived principally from or corroborated by observable market data by correlation or other means.

Level 3 (L3): Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Investment Type	Credit Quality Rating	Carrying Amount	Less Than 1	1 to 5	5 to 10	More Than 10
Primary government						
FL CLASS	AAAm	\$ 12,424,591	\$ 12,424,591	\$ -	\$ -	-
Fiduciary fund						
Short term investments	Not rated	187,085	187,085	-	-	-
Corporate Bonds	AAA	1,687,025	-	1,402,895	284,130	-
Corporate Bonds	AA	114,569	-	-	114,569	-
Corporate Bonds	A	389,534	-	-	29,215	360,319
Corporate Bonds	BBB	667,363	-	-	667,363	-
Corporate Bonds	BB	5,728	-	-	5,728	-
Mutual Funds	Not rated	6,127,991	6,127,991	-	-	-
Real Estate (Alternative)	Not rated	1,095,451	1,095,451	-	-	-
Total fiduciary fund		10,274,746	7,410,527	1,402,895	1,101,005	360,319
Total investments		\$ 22,699,337	\$ 19,835,118	\$ 1,402,895	\$ 1,101,005	\$ 360,319

Town of Lady Lake, Florida
Notes to Financial Statements

Note 3: DETAILED NOTES ON ALL FUNDS (Continued)

Deposits and Investments (Continued)

The following table sets forth by level, within the fair value hierarchy, the Town’s assets at fair value as of September 30, 2023:

	Fair Value	Level 1	Level 2	Level 3
Investments by fair value level				
Fiduciary fund				
Short term investments	\$ 187,085	\$ 187,085	\$ -	\$ -
Corporate Bonds	2,864,219	2,864,219	-	-
Mutual Funds	6,127,991	6,127,991	-	-
Real Estate (Alternative)	1,095,451	-	1,095,451	-
Total investments measured by fair value level	\$ 10,274,746	\$ 9,179,295	\$ 1,095,451	\$ -

Investments measured at the net asset value

Primary government

Local government investment pool	12,424,591
Total investments	\$ 22,699,337

The following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at September 30, 2023.

Corporate bonds – Corporate bonds classified in Level 1 of the fair value hierarchy are valued using quoted market prices for those securities.

Mutual funds – Mutual funds classified in Level 1 of the fair value hierarchy are valued using quoted market prices for those investments.

Real estate – Real estate classified in Level 2 of the fair value hierarchy are valued using pricing models maximizing the use of observable inputs for similar assets. This includes basing value on yields currently available on comparable on comparable real estate assets.

Town of Lady Lake, Florida
Notes to Financial Statements

Note 3: DETAILED NOTES ON ALL FUNDS (Continued)

Deposits and Investments (Continued)

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Town believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

Fair Value of Investments in Entities that Use Net Asset Value (NAV) – The following table summarizes investments measured at fair value based on NAV per share as of September 30, 2023:

Primary government

	Fair Value	Unfunded Commitments	Redemption Notice Period
FL CLASS	\$ 12,424,591	N/A	1 day

Accounts Receivable

For the Utility Fund, operating revenues are generally recognized on the basis of cycle billings rendered monthly. The amount of services delivered for the period from the last billing date to September 30, 2023 (unbilled receivable), is estimated and accrued at year end. The Town deems all amounts over 120 days uncollectable therefore an allowance for doubtful accounts has been established equivalent to the last four months of billing. If payments are not received from customers, services are shut off and deposits are applied against negative balances.

All account receivables are shown net of allowances for uncollectible accounts for governmental funds. The accounts receivable and allowance for uncollectible accounts at September 30, 2023, were as follows:

	General Fund	Utility Fund	Total
Accounts receivables and unbilled revenues	\$ 343,513	\$ 565,032	\$ 908,545
Less allowance for uncollectibles	-	(50,472)	(50,472)
Total receivables, net	\$ 343,513	\$ 514,560	\$ 858,073

Town of Lady Lake, Florida
Notes to Financial Statements

Note 3: DETAILED NOTES ON ALL FUNDS (Continued)

Accounts Receivable (Continued)

Property taxes are considered fully collected during and prior to the end of the fiscal year. Therefore, no material amounts of property taxes are receivable as of September 30, 2023. There are no other reserves for receivables recorded by the Town as of September 30, 2023.

Capital Assets

The following is a summary of changes in capital assets during the year ended September 30, 2023:

	Beginning Balance	Additions	Deletions	Ending Balance
Governmental activities				
Capital assets not being depreciated				
Land	\$ 2,157,154	\$ -	\$ -	\$ 2,157,154
Construction in progress	1,607,327	1,170,402	(2,153,945)	623,784
Total capital assets not being depreciated	3,764,481	1,170,402	(2,153,945)	2,780,938
Capital assets, being depreciated				
Buildings and improvements	13,408,929	203,000	-	13,611,929
Equipment	7,054,207	388,254	(333,429)	7,109,032
Infrastructure	3,416,528	1,950,945	-	5,367,473
Improvements other than buildings	2,600,658	72,931	-	2,673,589
Total capital assets, being depreciated	26,480,322	2,615,130	(333,429)	28,762,023
Less accumulated depreciation for				
Buildings and improvements	(6,842,053)	(456,216)	-	(7,298,269)
Equipment	(5,448,392)	(516,363)	333,429	(5,631,326)
Infrastructure	(1,356,143)	(161,055)	-	(1,517,198)
Improvements other than buildings	(1,721,796)	(106,879)	-	(1,828,675)
Total accumulated depreciation	(15,368,384)	(1,240,513)	333,429	(16,275,468)
Total capital assets being depreciated, net	11,111,938	1,374,617	-	12,486,555
Governmental activities capital assets, net	\$ 14,876,419	\$ 2,545,019	\$ (2,153,945)	\$ 15,267,493

Town of Lady Lake, Florida
Notes to Financial Statements

Note 3: DETAILED NOTES ON ALL FUNDS (Continued)

Capital Assets (Continued)

	Beginning Balance	Additions	Deletions	Ending Balance
Business-type activities				
Capital assets not being depreciated				
Land	\$ 509,453	\$ -	\$ -	\$ 509,453
Construction in progress	5,342,750	12,654,672		17,997,422
Total capital assets not being depreciated	5,852,203	12,654,672	-	18,506,875
Capital assets being depreciated				
Sewer Capacity Agreement	1,629,006	-	-	1,629,006
Buildings and improvements	2,968,308	-	-	2,968,308
Utility Systems	29,656,110	474,709	-	30,130,819
Equipment	2,764,917	15,566	(18,177)	2,762,306
Total capital assets being depreciated	37,018,341	490,275	(18,177)	37,490,439
Less accumulated depreciation for				
Sewer Capacity Agreement	(828,383)	(39,055)	-	(867,438)
Buildings and improvements	(477,857)	(97,057)	-	(574,914)
Utility Systems	(15,712,951)	(941,301)		(16,654,252)
Equipment	(1,969,262)	(164,883)	18,177	(2,115,968)
Total accumulated depreciation	(18,988,453)	(1,242,296)	18,177	(20,212,572)
Total capital assets being depreciated, net	18,029,888	(752,021)	-	17,277,867
Business-type activities capital assets, net	\$ 23,882,091	\$ 11,902,651	\$ -	\$ 35,784,742

Town of Lady Lake, Florida
Notes to Financial Statements

Note 3: DETAILED NOTES ON ALL FUNDS (Continued)

Capital Assets (Continued)

Depreciation expense was allocated to the governmental functions in the statement of activities as follows:

Governmental activities:	
General government	\$ 571,808
Public safety	269,598
Public works	236,206
Culture and recreation	162,175
Growth management	726
Total	\$ 1,240,513

Business-type activities:	
Water	\$ 417,580
Sewer	785,661
Sewer capacity agreement	39,055
Total	\$ 1,242,296

Long-Term Liabilities

Long-term liability activity for the year ended September 30, 2023, was as follows for governmental activities:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities					
Other liabilities:					
Compensated absences	\$ 646,167	\$ 603,591	\$ (537,529)	\$ 712,229	\$ 498,560
Total other liabilities	646,167	603,591	(537,529)	712,229	498,560
Governmental activities long-term liabilities	\$ 646,167	\$ 603,591	\$ (537,529)	\$ 712,229	\$ 498,560

Town of Lady Lake, Florida
Notes to Financial Statements

Note 3: DETAILED NOTES ON ALL FUNDS (Continued)

Long-Term Liabilities (Continued)

Long-term liability activity for the year ended September 30, 2023, was as follows for business-type activities:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Business-type activities					
Other liabilities:					
Compensated absences	\$ 115,202	\$ 79,050	\$ (77,110)	\$ 117,142	\$ 58,571
Total other liabilities	115,202	79,050	(77,110)	117,142	58,571
Business-type activities					
long-term liabilities	\$ 115,202	\$ 79,050	\$ (77,110)	\$ 117,142	\$ 58,571

Compensated absences and net pension liability will be liquidated in future periods primarily by the General Fund for governmental activities. Business-type activities compensated absences will be liquidated by the respective proprietary fund.

Interfund Receivables, Payables And Transfers

Fund	Receivable	Payable
General Fund	\$ 7,168	\$ -
Utility Fund	-	7,168
Total	\$ 7,168	\$ 7,168

	Transfers in:		
	General Fund	Utility Fund	Total
Transfers out:			
Sales Tax Revenue Fund	\$ 1,809,612	\$ -	\$ 1,809,612
General Fund	-	11,339,693	11,339,693
	\$ 1,809,612	\$11,339,693	\$ 13,149,305

The transfer from the Sales Tax Revenue Fund to the General Fund are to fund budgeted capital improvements. The transfers from the General Fund to the Utility Fund are to fund budgeted capital projects.

Town of Lady Lake, Florida
Notes to Financial Statements

Note 3: DETAILED NOTES ON ALL FUNDS (Continued)

Net Investment In Capital Assets

The elements of this calculation are as follows:

	Governmental Activities	Business-Type Activities	Total
Capital assets (net)	\$ 15,267,493	\$ 35,784,742	\$ 51,052,235
Less construction payable related to capital assets	-	(680,039)	(680,039)
Net investment in capital assets	\$ 15,267,493	\$ 35,104,703	\$ 50,372,196

Note 4: RETIREMENT PLANS

Employee Retirement Plans and Pension Plans

The Town participates in three public employee retirement plans. These plans are a single-employer defined benefit police officer's pension plan for its sworn police officers (Town of Lady Lake Municipal Police Officers' Retirement Trust Fund)(the Plan), a defined contribution plan for Management (the Management plan) and a defined contribution plan for all other Town employees (the General Employees plan) meeting certain age and length of service requirements.

Defined Contribution Plans

The Town's Money Purchase Plan and Trust (the General Employees plan) is an adoption of the Mission Square Retirement Corporation 401-a Governmental Money Purchase Plan and Trust, which is administered by the Mission Square Retirement Corporation. The General Employees plan was established effective October 8, 2001, with no amendments during the year. All general employees at least 18 years of age, except police officers and certain senior Town executives, are eligible to participate in the General Employees plan.

The Town's Money Purchase Plan and Trust (the Management plan) is an adoption of the Mission Square Retirement Corporation 401-a Governmental Money Purchase Plan and Trust, which is administered by the Mission Square Retirement Corporation. The General Employees plan was established effective June 30, 1999, with no amendments during the year. Only certain senior Town executives are eligible to participate in the Management plan.

Since these plans qualify as defined contribution plans, the assets, liabilities, net position and operations are not recorded within the Town's financial statements.

Note 4: RETIREMENT PLANS (Continued)

Contributions

General Employees

The Town contributes six (6%) to eight percent (8%) of eligible compensation, depending on length of service. There are no mandatory employee contributions to the plan. Under the provisions of the Defined Contribution Plan, employees are eligible for normal retirement at age 65.

General Employees (Continued)

An employee who leaves the employment of the Town is entitled to a portion of the Town's contributions based on the following vesting schedule:

Years of Service	Percentage of Balance Vested
1	50%
2	75%
3	100%

Management

The Town contributes seven (7%) to eight percent (8%) of eligible compensation, depending on length of service. There are no mandatory employee contributions to the plan. Under the provisions of the Defined Contribution Plan, employees are eligible for normal retirement between age 55-60, depending on hire date. Employees are immediately 100% vested in account balances.

The employer's contributions for both plans was \$223,051 for the year ended September 30, 2023.

Pension Plan

The Plan is maintained as a pension trust fund and included as part of the Town's reporting entity. The Plan does not issue a stand-alone financial report.

The Police Pension Board hired a third party for administrative oversight of the Police Officers' Pension Trust Fund. The Plan was established on August 20, 1990, providing for pension, death and disability benefits. It is subject to Provisions of Chapter 185, Florida Statutes.

The Plan, in accordance with the above Statute, is governed by a five-member pension Board. Two police officers who are elected by a majority of the members of the Plan, two current residents of the Town who are appointed by the Town Commission, and a fifth member who is elected by the other four members constitute the Pension Board. The Town and the Plan participants are obligated to fund all plan costs based upon actuarial valuations. The Town is authorized to establish benefit levels and the Board of Trustees approves the actuarial assumptions used in determination of contribution levels.

Note 4: RETIREMENT PLANS (Continued)

Pension Plan (Continued)

Benefits under the Plan are computed on the basis of age, years of service, average final compensation, and credited service. Effective October 1, 2021, the Town approved changes to the Lady Lake Police Officers' Retirement Trust Fund per Ordinance 2021-20. Retirement age was reduced from age 55 and 10 years to age 55 and 8 years. Non-vested members are entitled to 100% refund of their accumulated contributions, without interest, if they discontinue employment prior to the 8 year vesting period.

As of October 1, 2022, the date of the Plan's latest actuarial valuation, the Plan had 25 active participants.

Plan participants contribute 5% of earnings. The Town contributes the remaining amount necessary for payment of normal costs and amortization of the accrued past service liability as provided for in Part VII of Chapter 112, Florida Statutes. Plan members vest after eight years of service and are eligible for distribution of accrued benefits upon age 55 with eight years of credited service, or after twenty years regardless of age, effective October 1, 2021 through Ordinance 2021-20.

Annual Money-Weighted Rate of Return

For the fiscal year ended September 30, 2023, the annual money-weighted rate of return, net of investment expense on Plan investments was 8.15%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Town of Lady Lake, Florida
Notes to Financial Statements

Note 4: RETIREMENT PLANS (Continued)

Pension Plan (Continued)

Net Pension Asset (Liability)

The following schedule displays the components of the net pension asset as of the Town's measurement date of September 30, 2023.

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances as of September 30, 2022	\$ 10,325,470	\$ 9,602,943	\$ 722,527
Changes for the year:			
Service cost	428,860	-	428,860
Interest	733,940	-	733,940
Share Plan Allocation	16,604	-	16,604
Difference between expected and actual experience	(43,948)	-	(43,948)
Changes of assumptions	(304,733)	-	(304,733)
Contributions - Employer	-	257,481	(257,481)
Contributions - State	-	143,208	(143,208)
Contributions - Employee	-	86,605	(86,605)
Net investment income	-	774,551	(774,551)
Benefit payments, including refunds of employee contributions	(538,948)	(538,948)	-
Administrative expense	-	(66,186)	66,186
Net changes	291,775	656,711	(364,936)
Balance at September 30, 2023	\$ 10,617,245	\$ 10,259,654	\$ 357,591
Plan fiduciary net position as a percentage of the total pension liability at September 30, 2023		96.63%	

Town of Lady Lake, Florida
Notes to Financial Statements

Note 4: RETIREMENT PLANS (Continued)

Pension Plan (Continued)

Actuarial Assumptions

The pension liability was determined by an actuarial valuation as of October 1, 2022 updated to September 30, 2023 using the following actuarial assumptions:

Actuarial method and assumptions:

Inflation	2.50%
Salary Increases	Service based
Discount Rate	7.00%
Investment Rate of Return	7.00%

Investments

The long-term expected rate of return on 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 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 Plan's target asset allocation as of September 30, 2023 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Equity	45.00%	7.50%
International Equity	15.00%	8.50%
Broad Market Fixed Income	25.00%	2.50%
Global Fixed Income	5.00%	3.50%
Private Real Estate	10.00%	4.50%
Total	100.00%	

Town of Lady Lake, Florida
Notes to Financial Statements

Note 4: RETIREMENT PLANS (Continued)

Pension Plan (Continued)

Discount Rate

The discount rate used to measure the total pension asset was 7%. The projection of cash flows used to determine this discount rate assumed that plan member contributions will be made at the current contribution rate and that sponsor contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the 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 Plan investments was applied to all periods of projected benefit payments to determine total pension liability.

The following presents the net pension asset calculated using the discount rate of 7% as well as what it would be if it were calculated using a discount rate that is 1% lower (6%) and 1% higher (8%) than the current rate:

	1 % Decrease (6.0%)	Current Discount Rate (7.0%)	1 % Increase (8.0%)
Net pension liability (asset)	\$ 1,619,507	\$ 357,597	\$ (692,894)

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

For the year ended September 30, 2023, the Town recognized a pension expense of \$257,481. At September 30, 2023, the Town reported deferred outflows of resources and deferred inflows of resources from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between Expected and Actual Experience	\$ -	\$ 61,561
Changes of assumptions	62,497	203,156
Net difference between Projected and Actual Earnings on Pension Plan investments	1,053,398	-
Total	\$ 1,115,895	\$ 264,717

Town of Lady Lake, Florida
Notes to Financial Statements

Note 4: RETIREMENT PLANS (Continued)

Pension Expense and Deferred Inflows and Outflows of Resources Related to Pension (Continued)

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

Year ended September 30:

2024	\$	176,533
2025		159,204
2026		536,735
2027		(21,294)
2028		-
Thereafter		-

Post-Employment Benefits Other than Pensions (OPEB)

The OPEB plan is a single-employer benefit plan administered by the Town. Medical and dental insurance benefits are provided to employees and their eligible dependents through an employee group medical and dental insurance plan. In accordance with Section 112.0801 of the Florida Statutes, because the Town provides a medical plan to active employees and their eligible dependents, the Town is also required to provide retirees with the opportunity to participate in this insurance. Benefit provisions for the insurance are established and may be amended by the Town Commission. The retirees pay the full group premium amount for health insurance with no explicit subsidy from the Town. At September 30, 2023, the Town had one retiree continuing to participate in group medical and two retirees participating in group dental. Management does not anticipate a significant number of future retirees to request continued coverage, therefore, no material liability is recognized.

Note 5: RISK MANAGEMENT

Town is exposed to various risks of loss related to torts; theft of, damage to and destruction of property and other assets; errors and omissions by employees; and natural disasters, particularly during the hurricane season of June through November. The Town has purchased various types of insurance to protect itself. There have been no changes in insurance coverage during the current fiscal year. There were no changes in insurance coverage from the previous year. The Town does not participate in a risk pool and does not retain any of the risks of loss.

Town of Lady Lake, Florida
Notes to Financial Statements

Note 6: COMMITMENTS AND CONTINGENCIES

During the ordinary course of its operation, the Town is party to various claims, legal actions, and complaints. While the ultimate effect of such litigation cannot be ascertained at this time, in the opinion of counsel for the Town, the liabilities which may arise from such actions would not result in losses which would exceed the liability insurance limits in effect at the time the claim arose or otherwise materially affect the financial condition of the Town or results of activities.

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal and state governments. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable fund(s). The amount, if any, of expenditures from current or prior years which may be disallowed by the grantor cannot be determined at this time although the Town expects such amounts not recorded, if any, to be immaterial.

The Town has active construction projects as of September 30, 2023. At year-end, the Town's commitments by project are as follows:

Library Renovation	\$	2,642,368
Well Expansion		2,416,581
WRF Plant		8,023,674
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Total commitments	\$	13,082,623
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The commitments are being financed by governmental and enterprise revenues and from awarded grants.

**REQUIRED SUPPLEMENTARY
INFORMATION**

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Town of Lady Lake, Florida
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget to Actual - General Fund

<i>For the year ended September 30, 2023</i>	Budgeted Amounts		Actual Amounts	Variances
	Original	Final		Final Budget Positive/ (Negative)
Revenue				
Ad valorem taxes	\$ 4,805,221	\$ 4,805,221	\$ 4,866,240	\$ 61,019
Special assessments	1,090,000	1,090,000	1,044,379	(45,621)
Utility taxes	1,937,000	1,937,000	2,109,458	172,458
Franchise fees	1,620,000	1,620,000	1,788,585	168,585
Sales tax	2,236,794	2,236,794	2,394,944	158,150
Intergovernmental revenues	165,251	165,251	8,204,007	8,038,756
Licenses and permits	483,420	483,420	757,137	273,717
Charges for services	292,000	292,000	314,075	22,075
Fines and forfeitures	32,500	32,500	87,323	54,823
Interest income	24,100	24,100	727,696	703,596
Contributions and other income	82,150	152,862	671,384	518,522
Total revenues	12,768,436	12,839,148	22,965,228	10,126,080
Expenditures				
General government				
Town Commission	73,189	73,189	63,666	9,523
Town Manager	279,911	279,911	262,583	17,328
Town Clerk/Elections	322,586	322,586	291,656	30,930
Finance Department	772,119	772,119	477,675	294,444
Human Resources/Risk Management	389,095	389,095	254,636	134,459
Information Technology & Communications	838,596	838,596	671,869	166,727
Legal Counsel	141,000	141,000	137,313	3,687
Other General Government	513,287	513,287	471,826	41,461
Facilities Maintenance	164,822	164,822	81,855	82,967
Public safety				
Police Department	4,973,531	4,973,531	4,072,327	901,204
Fire Control	1,090,000	1,090,000	1,041,135	48,865
Building Inspections	492,012	492,012	497,441	(5,429)
Code Enforcement	141,741	141,741	123,931	17,810
Growth management	508,932	508,932	537,293	(28,361)
Public Works				
Administration	339,550	339,550	304,582	34,968
Streets & Maintenance	1,875,042	1,875,042	1,656,294	218,748
Motor Pool	225,393	225,393	153,213	72,180
Culture/recreation				
Library	870,355	870,355	844,608	25,747
Parks and recreation	949,767	949,767	797,709	152,058
Community building	25,050	25,050	20,002	5,048
Capital outlay	3,924,652	3,924,652	1,631,587	2,293,065
Total expenditures	18,910,630	18,910,630	14,393,201	4,517,429
Excess of revenues over expenditures	(6,142,194)	(6,071,482)	8,572,027	5,608,651

Town of Lady Lake, Florida
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget to Actual - General Fund (Continued)

<i>For the year ended September 30, 2023</i>	Budgeted Amounts		Actual Amounts	<i>(continued)</i> Variances
	Original	Final		Final Budget Positive/ (Negative)
Other Financing Sources				
Transfers in	1,987,347	1,987,347	2,186,397	(199,050)
Transfers out	-	(11,023,674)	(11,716,478)	692,804
Proceeds from sale of capital assets	25,000	25,000	49,877	(24,877)
Total other financing sources	2,012,347	(9,011,327)	(9,480,204)	468,877
Net change in fund balances	(4,129,847)	(15,082,809)	(908,177)	6,077,528
Fund balance, beginning of year, as previously reported	15,971,603	15,971,603	15,971,603	-
Prior period adjustment	-	-	469,369	-
Fund balance, beginning of year, restated	15,971,603	15,971,603	16,440,972	-
Fund balance, end of year	\$ 11,841,756	\$ 888,794	\$ 15,532,795	\$ 6,077,528

Town of Lady Lake, Florida
Schedule of Revenues, Expenditures and Changes in Fund Balance –
Budget to Actual – Sales Tax Revenue Fund

<i>For the year ended September 30, 2023</i>	Budgeted Amounts		Actual Amounts	Variances
	Original	Final		Final Budget Positive/ (Negative)
Revenue				
Sales tax	\$ 1,425,000	\$ 1,425,000	\$ 1,982,583	\$ 557,583
Interest income	2,550	2,550	145,304	142,754
Total revenues	1,427,550	1,427,550	2,127,887	700,337
Expenditures				
Total expenditures	-	-	-	-
Excess of revenues over expenditures	1,427,550	1,427,550	2,127,887	700,337
Other Financing Sources				
Transfers out	-	-	(1,809,612)	1,809,612
Total other financing sources	-	-	(1,809,612)	1,809,612
Net change in fund balances	1,427,550	1,427,550	318,275	2,509,949
Fund balance, beginning of year	4,850,966	4,850,966	2,930,023	-
Fund balance, end of year	\$ 6,278,516	\$ 6,278,516	\$ 3,248,298	\$ 2,509,949

Town of Lady Lake, Florida
Budgetary Notes to Required Supplementary Information

Note 1: BUDGETARY INFORMATION

The Town adheres to the following procedures in establishing the budgetary data reflected in the financial statements:

- a) Prior to the end of the fiscal year, the department heads and Finance Director prepare a proposed budget for the next succeeding fiscal year and the Town Manager submits it to the Commission. The recommended budget includes proposed expenditures and the sources of receipts to finance them.
- b) Complete copies of the proposed budget are made available for public inspection. Public hearings are conducted to obtain taxpayers' comments.
- c) The budget is enacted through passage of an ordinance and becomes the basis for the millage levied by the council.
- d) The Town Manager is authorized to transfer budgeted amounts between line items within a department; however, any revisions that alter the total expenditures of any department must be approved by the Commission. Expenditures may not exceed legal appropriations at the department level. All appropriations lapse at year end.
- e) Formal budgetary integration is employed as a management control device during the year for the General Fund and all major, special revenue funds (if any).
- f) Budgets are legally adopted on a basis consistent with GAAP except for certain transfers, debt service, and certain intragovernment amounts.
- g) The budgetary comparison schedule shown in the accompanying required supplementary information presents comparisons of the legally adopted budget, as amended, with actual results. The originally adopted budget is presented for purposes of comparison to the final, amended budget.

Town of Lady Lake, Florida
Schedules of Police Officers' Pension Fund

Schedule of Changes in Net Pension Asset and Related Ratios
Last 10 Fiscal Years

	2023	2022	2021
Total Pension Liability			
Service cost	\$ 428,860	\$ 439,992	\$ 310,932
Interest	733,940	692,768	658,877
Change in Excess State Money	-	-	-
Share Plan Allocation	16,604	9,542	19,792
Change of benefit terms	-	-	462,151
Differences between expected and actual experience	(43,948)	(19,432)	(90,188)
Changes of assumptions	(304,733)	-	249,989
Contributions - Buy Back	-	-	-
Benefit payments, including refunds of employee contributions	(538,948)	(508,197)	(431,268)
Net change in total pension liability	291,775	614,673	1,180,285
Total pension liability, beginning	10,325,470	9,710,797	8,530,512
Total pension liability, ending (a)	\$10,617,245	\$10,325,470	\$ 9,710,797
Plan Fiduciary Net Position			
Contributions - Employer	\$ 257,481	\$ 267,528	\$ 217,593
Contributions - State	143,208	129,085	124,682
Contributions - Employee	86,605	86,735	87,037
Contributions - Buy Back	-	-	-
Net investment income	774,551	(1,977,047)	1,985,061
Benefit payments, including refunds of employee contributions	(538,948)	(508,197)	(431,268)
Administrative expense	(66,186)	(46,476)	(54,040)
Net change in plan fiduciary net position	656,711	(2,048,372)	1,929,065
Plan fiduciary net position, beginning	9,602,943	11,651,315	9,722,250
Plan fiduciary net position, ending (b)	10,259,654	9,602,943	11,651,315
Net pension liability (asset) - ending (a) - (b)	\$ 357,591	\$ 722,527	\$ (1,940,518)
Plan fiduciary net position as a percentage of the total pension liability	96.63%	93.00%	119.98%
Covered payroll	\$ 1,732,104	\$ 1,734,694	\$ 1,740,741
Net pension asset as a percentage of covered payroll	20.64%	41.65%	(111.48%)

Town of Lady Lake, Florida
Schedules of Police Officers' Pension Fund (Continued)

2020	2019	2018	2017	2016	2015	2014
\$ 353,932	\$ 340,709	\$ 350,792	\$ 346,389	\$ 359,638	\$ 346,441	\$ 353,104
594,885	573,785	551,308	512,808	488,520	460,104	418,085
-	-	(53,498)	4,972	3,744	399	-
18,280	18,239	39,018	-	-	-	-
-	-	-	-	-	-	-
(14,413)	(303,366)	(47,663)	(63,314)	(366,717)	(217,494)	-
(132,057)	-	245,986	-	122,831	-	-
38,801	-	-	-	-	-	-
(360,585)	(342,541)	(314,904)	(292,124)	(263,148)	(208,033)	(236,641)
498,843	286,826	771,039	508,731	344,868	381,417	534,548
8,031,669	7,744,843	6,973,804	6,465,073	6,120,205	5,738,788	5,204,240
\$ 8,530,512	\$ 8,031,669	\$ 7,744,843	\$ 6,973,804	\$ 6,465,073	\$ 6,120,205	\$ 5,738,788
\$ 191,866	\$ 182,501	\$ 186,876	\$ 151,316	\$ 219,966	\$ 205,780	\$ 262,722
121,658	121,575	109,637	102,879	101,651	98,306	88,482
76,746	79,127	74,751	73,295	73,522	73,002	77,358
38,801	-	-	-	-	-	-
761,986	353,758	695,027	812,313	587,197	(8,855)	509,283
(360,585)	(342,541)	(314,904)	(292,124)	(263,148)	(208,033)	(236,641)
(48,163)	(49,636)	(28,844)	(27,452)	(29,580)	(31,352)	(25,607)
782,309	344,784	722,543	820,227	689,608	128,848	675,597
8,939,941	8,595,157	7,872,614	7,052,387	6,362,779	6,233,931	5,558,334
9,722,250	8,939,941	8,595,157	7,872,614	7,052,387	6,362,779	6,233,931
\$ (1,191,738)	\$ (908,272)	\$ (850,314)	\$ (898,810)	\$ (587,314)	\$ (242,574)	\$ (495,143)
113.97%	111.31%	110.98%	112.89%	109.08%	103.96%	108.63%
\$ 1,534,928	\$ 1,460,011	\$ 1,495,012	\$ 1,465,893	\$ 1,470,437	\$ 1,460,023	\$ 1,547,154
(77.64%)	(62.21%)	(56.88%)	(61.31%)	(39.94%)	(16.61%)	(32.00%)

Town of Lady Lake, Florida
Schedules of Police Officers' Pension Fund (Continued)

Schedule of Contributions
Last 10 Fiscal Years

Year Ended September 30	Actuarially Determined Contribution (a)	Contribution in Relation to Actuarially Determined Contribution (b)	Contribution (Excess) Deficiency (a-b)	Covered Payroll (c)	Percentage of Covered Payroll Contributed (b/c)
2023	\$ 398,384	\$ 384,085	\$ 14,299	\$ 1,732,104	22.17%
2022	364,286	387,071	(22,785)	1,734,694	22.31%
2021	330,741	322,483	8,258	1,740,741	18.53%
2020	299,311	295,244	4,067	1,534,928	19.24%
2019	271,562	285,838	(14,276)	1,460,011	19.58%
2018	284,052	310,993	(26,941)	1,495,012	20.80%
2017	278,520	249,223	29,297	1,465,893	17.00%
2016	270,560	317,873	(47,313)	1,470,437	21.62%
2015	303,687	303,687	-	1,460,023	20.80%
2014	351,204	351,204	-	1,547,154	22.70%

Annual Money Weighted Rate of Return
Last 10 Fiscal Years

Year Ended September 30	Annual Money- Weighted Rate of Return Net of Investment Expense
2023	8.15%
2022	-17.11%
2021	20.53%
2020	8.56%
2019	4.14%
2018	8.86%
2017	11.57%
2016	9.20%
2015	-0.14%
2014	9.08%

Actuarial Assumptions

Valuation date	9/30/2023
Actuarial method and assumptions:	
Investment rate of return	7.00%
Discount Rate	7.00%
Inflation rate	2.50%
Salary Increases	Service based

Town of Lady Lake, Florida
Notes to Schedules of Police Officers' Pension Fund

Note 1: NOTES TO SCHEDULE

The amounts presented for each fiscal year were determined as of September 30. The Town implemented GASB Statement No. 68 for the fiscal year ended September 30, 2014.

Note 2: PRIOR YEAR NOTES TO SCHEDULE

For measurement date September 30, 2021, the investment rate of return was lowered from 7.25% to 7.00% per year, net of investment related expenses.

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OTHER SUPPLEMENTARY INFORMATION

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Town of Lady Lake, Florida
Schedule of Revenues and Expenses Compared to Budget (Budgetary Basis)
Enterprise Fund – Utility Fund

<i>For the year ended September 30, 2023</i>	Utility Fund		
	Final Budget	Actual	Variance Positive/ (Negative)
Operating Revenues			
Charges for services	\$ 4,761,394	\$ 4,738,939	\$ (22,455)
Fees	33,200	63,974	30,774
<hr/>			
Total operating revenues	4,761,394	4,802,913	8,319
Operating Expenses			
Personnel services			
Water	986,642	773,818	212,824
Sewer	289,692	271,845	17,847
Operating			
Water	2,160,242	1,914,897	245,345
Sewer	904,670	750,881	153,789
<hr/>			
Total operating expenses	4,341,246	3,711,441	629,805
<hr/>			
Operating income	420,148	1,091,472	671,324
Non-operating revenues			
Interest income	15,050	311,927	296,877
Miscellaneous	2,500	-	(2,500)
<hr/>			
Total non-operating revenues	17,550	311,927	294,377
<hr/>			
Operating income before contributions and transfers	437,698	1,403,399	965,701
<hr/>			
Transfers out	(459,797)	11,339,693	-
<hr/>			
Change in net position	\$ (22,099)	\$ 12,743,092	\$ 965,701

Note: Depreciation expense of \$1,242,296 and impact fees revenue of \$855,710 are not budgeted and, therefore, are not included on this schedule.

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STATISTICAL SECTION

STATISTICAL SECTION

This part of the Town of Lady Lake, Florida's Annual Comprehensive 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.

Table of Contents

A. 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.

Schedule A1 Net Position by Component

Schedule A2 Changes in Net Position – Governmental Funds

Schedule A3 Fund Balances – Governmental Funds

Schedule A4 Changes in Fund Balances – Governmental Funds

B. Revenue Capacity

These schedules contain information to help the reader assess the Town's most significant local own-source revenues - ad valorem property taxes, occupational license taxes, and building permits revenues.

Schedule B1 Tax Revenues by Source Governmental Funds

Schedule B2 Assessed Value and Estimated Actual Value of Taxable Property

Schedule B3 Direct and Overlapping Property Tax Rates

Schedule B4 Principal Property Taxpayers

Schedule B5 Property Tax Levies and Collections

Statistical Section (Continued)

C. Debt Capacity

These schedules present information to help the reader assess the affordability of the Town's current levels of debt outstanding and the Town's ability to issue additional debt in the future, as necessary.

Schedule C1 Ratios of Outstanding Debt by Type

Schedule C2 Pledged Revenue Coverage

D. Demographic and Economic Information Financial Trends

These schedules offer demographic and economic indicators to help the reader understand the environment within which the Town's financial activities take place.

Schedule D1 Demographic Statistics

Schedule D2 Demographic and Economic Statistics

Schedule D3 Principal Employers

E. Operating Information

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

Schedule E1 Employees by Function/Program

Schedule E2 Operating Indicators by Function/Program

Schedule E3 Capital Asset Statistics by Function/Program

Additional Notes

Unless otherwise noted, the information in these schedules is derived from the Town's Annual Comprehensive Financial Report (ACFR) for the relevant year.

Town of Lady Lake, Florida Net Position by Component

Last Ten Fiscal Years

Schedule A1

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Governmental activities										
Net investment in										
capital assets	\$ 15,267,493	\$ 14,776,734	\$ 14,142,215	\$ 14,304,285	\$ 14,427,310	\$ 14,612,058	\$ 14,700,622	\$ 12,615,596	\$ 12,253,224	\$ 11,831,421
Restricted	6,143,319	5,480,085	2,327,963	2,266,913	2,327,563	2,334,342	2,060,287	2,182,543	2,098,552	1,973,787
Unrestricted	12,419,126	13,624,971	15,793,409	13,805,317	12,106,114	11,501,590	10,347,351	9,212,834	7,361,403	5,467,962
Total governmental activities net position	33,829,938	33,881,790	32,263,587	30,376,515	28,860,987	28,447,990	27,108,260	24,010,973	21,713,179	19,273,170
Business-type activities										
Net investment in										
capital assets	35,104,703	23,716,051	21,663,297	21,515,103	21,502,753	19,536,904	19,356,812	19,805,320	20,263,034	21,246,272
Restricted	1,027,353	162,673	2,660,474	1,818,871	2,420,018	1,303,346	1,819,281	1,579,323	1,550,223	1,223,405
Unrestricted	3,814,309	3,711,135	3,006,776	3,019,695	3,076,846	2,473,513	2,300,558	2,476,071	2,660,877	2,365,504
Total business-type activities net position	39,946,365	27,589,859	27,330,547	26,353,669	26,999,617	23,313,763	23,476,651	23,860,714	24,474,134	24,835,181
Primary government										
Net investment in										
capital assets	50,372,196	38,492,785	35,805,512	35,819,388	35,930,063	34,148,962	34,057,434	32,420,916	32,516,258	33,077,693
Restricted	7,170,672	5,642,758	4,988,437	4,085,884	4,747,581	3,637,688	3,879,568	3,761,866	3,648,775	3,197,192
Unrestricted	16,233,435	17,336,106	18,800,185	16,825,012	15,182,960	13,975,103	12,647,909	11,688,905	10,022,280	7,833,466
Total primary government net position	\$ 73,776,303	\$ 61,471,649	\$ 59,594,134	\$ 56,730,284	\$ 55,860,604	\$ 51,761,753	\$ 50,584,911	\$ 47,871,687	\$ 46,187,313	\$ 44,108,351

Notes:

Accounting standards require that net position be reported in three components in the financial statements: net investment in capital assets; restricted; and unrestricted. Net position is considered restricted only (a) when an external party, (b) a constitutional provision, (c) or enabling legislation imposes legally enforceable limits on how they may be used.

Town of Lady Lake, Florida

Change in Net Position-Governmental Activities

Last Ten Fiscal Years

Schedule A2

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Expenses:										
Governmental activities										
General government	\$ 3,350,945	\$ 3,158,835	\$ 2,497,141	\$ 2,269,596	\$ 2,056,037	\$ 2,053,017	1,903,693.00	\$ 1,730,431	\$ 1,742,534	\$ 1,668,708
Public safety	6,260,763	6,030,139	5,686,900	4,927,303	4,958,150	4,915,400	3,924,096	4,006,978	4,234,108	4,485,737
Public works	2,350,295	2,360,924	2,259,528	2,238,018	2,032,846	2,426,249	1,950,796	1,880,482	1,710,173	2,118,038
Growth Management	538,019	423,346	326,594	350,102	379,399	368,809	325,481	233,680	265,218	243,718
Culture/recreation	1,824,494	1,641,176	1,721,447	1,875,363	1,655,769	1,679,340	1,482,354	1,444,723	1,299,452	1,326,100
Interest on long term debt	-	-	-	-	-	-	4,819	79,468	116,230	137,017
Total governmental activities expenses	14,324,516	13,614,420	12,491,610	11,660,382	11,082,201	11,442,815	9,591,239	9,375,762	9,367,715	9,979,318
Business type activities										
Water and sewer	3,648,163	3,535,607	3,194,242	3,196,626	2,914,727	2,708,427	2,707,647	2,552,983	2,497,723	2,575,431
Garbage	1,305,574	1,221,251	1,186,560	1,166,355	1,137,596	1,103,068	1,071,930	1,054,906	336,229	330,661
Total business type activities expenses	4,953,737	4,756,858	4,380,802	4,362,981	4,052,323	3,811,495	3,779,577	3,607,889	2,833,952	2,906,092
Total primary government expenses	19,278,253	18,371,278	16,872,412	16,023,363	15,134,524	15,254,310	13,370,816	12,983,651	12,201,667	12,885,410
Program Revenues:										
Governmental activities										
Charges for services:										
General government	757,137	495,325	48,342	24,999	33,549	95,665	147,905	28,061	35,390	26,257
Public safety	1,249,244	1,254,302	1,610,671	1,567,838	1,323,201	1,519,432	1,297,263	1,208,703	1,390,133	1,270,751
Public works	-	-	60,754	43,796	37,023	46,598	116,439	33,798	53,469	39,447
Growth Management	87,958	62,942	73,105	58,925	92,569	123,845	123,685	69,590	107,165	84,945
Culture/recreation	19,742	15,458	48,516	74,055	106,940	112,430	66,544	52,236	54,430	48,550
Operating grants and contributions	380,336	343,783	666,082	299,482	545,935	437,937	368,848	271,989	224,196	210,371
Capital grants and contributions	340,375	166,103	163,380	70,798	100,751	196,056	546,634	166,767	375,154	1,207,037
Total program governmental activities revenues	2,834,792	2,337,913	2,670,850	2,139,893	2,239,968	2,531,963	2,667,318	1,831,144	2,239,937	2,887,358
Business type activities										
Charges for services:										
Water and sewer	3,352,285	3,433,443	3,007,052	2,606,519	2,456,493	2,104,242	2,040,408	2,007,404	1,906,133	1,881,494
Garbage	1,429,374	1,233,570	1,234,453	1,223,613	1,205,529	1,187,130	1,170,324	1,155,701	367,953	364,311
Capital grants and contributions	855,710	512,605	1,230,332	92,286	2,252,749	147,885	295,678	39,670	324,250	161,466
Total business type activities program revenues	5,637,369	5,179,618	5,471,837	3,922,418	5,914,771	3,439,257	3,506,410	3,202,775	2,598,336	2,407,271
Total program revenues	8,472,161	7,517,531	8,142,687	6,062,311	8,154,739	5,971,220	6,173,728	5,033,919	4,838,273	5,294,629
Net (expense) revenue										
Net governmental activities (expense) revenue	(11,489,724)	(11,276,507)	(9,820,760)	(9,520,489)	(8,842,233)	(8,910,852)	(6,923,921)	(7,544,618)	(7,127,778)	(7,091,960)
Net business type activities (expense) revenue	683,632	422,760	1,091,035	(440,563)	1,862,448	(372,238)	(273,167)	(405,114)	(235,616)	(498,821)
Total primary government net (expense) revenue	\$ (10,806,092)	\$ (10,853,747)	\$ (8,729,725)	\$ (9,961,052)	\$ (6,979,785)	\$ (9,283,090)	\$ (7,197,088)	\$ (7,949,732)	\$ (7,363,394)	\$ (7,590,781)

Town of Lady Lake, Florida
Change in Net Position-Governmental Activities (Continued)

Last Ten Fiscal Years

Schedule A2

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
General Revenues:										
Governmental activities										
Property taxes	\$ 4,866,240	\$ 4,428,480	\$ 4,265,864	\$ 3,913,190	\$ 3,626,787	\$ 3,399,162	\$ 3,156,218	\$ 3,118,280	\$ 3,066,208	\$ 2,541,325
Franchise fees	1,788,585	1,663,918	1,541,144	1,521,408	1,557,631	1,474,639	1,390,322	1,383,861	1,395,373	1,395,151
Sales taxes	4,377,527	4,316,660	2,736,286	2,321,548	2,523,438	2,348,220	2,219,432	2,146,461	2,051,083	1,924,431
Intergovernmental revenues	8,048,452	-	-	-	-	-	-	-	-	-
Public utility taxes	2,109,458	1,984,316	1,911,712	1,873,916	1,941,351	2,007,958	2,094,236	1,992,703	2,015,130	978,520
Excise Taxes and other taxes	195,057	222,347	1,038,499	1,104,900	411,278	1,132,487	999,464	978,777	868,786	824,495
Investment income	873,000	72,679	48,279	45,555	1,045	22,616	20,036	-	27,084	10,400
Gain on sale of capital assets	49,877	-	-	-	-	-	-	-	-	-
Transfers, net	(11,339,693)	206,310	166,048	255,500	(1,745,000)	(134,500)	141,500	222,330	144,123	(646,202)
Total governmental activities	10,968,503	12,894,710	11,707,832	11,036,017	8,316,530	10,250,582	10,021,208	9,842,412	9,567,787	7,028,120
Business type activities										
Investment income and other income	311,927	42,862	51,791	50,215	78,406	74,850	30,604	14,024	18,692	(4,604)
Transfers, net	11,339,693	(206,310)	(166,048)	(255,500)	1,745,000	134,500	(141,500)	(222,330)	(144,123)	646,202
Total business type activities	11,651,620	(163,448)	(114,257)	(205,285)	1,823,406	209,350	(110,896)	(208,306)	(125,431)	641,598
Total primary government	22,620,123	12,731,262	11,593,575	10,830,732	10,139,936	10,459,932	9,910,312	9,634,106	9,442,356	7,669,718
Change in Net Position										
Governmental activities	(521,221)	1,618,203	1,887,072	1,515,528	(525,703)	1,339,730	3,097,287	2,297,794	2,440,009	(63,840)
Business type activities	12,335,252	259,312	976,778	(645,848)	3,685,854	(162,888)	(384,063)	(613,420)	(361,047)	142,777
Change in Net Position	\$ 11,814,031	\$ 1,877,515	\$ 2,863,850	\$ 869,680	\$ 3,160,151	\$ 1,176,842	\$ 2,713,224	\$ 1,684,374	\$ 2,078,962	\$ 78,937

Town of Lady Lake, Florida
Fund Balances-Governmental Funds

Last Ten Fiscal Years

Schedule A3

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
General Fund										
Reserved										
Nonspendable	\$ 47,588	\$ 9,664	\$ 51,501	\$ 47,178	\$ 53,044	\$ 49,097	\$ 49,488	\$ 46,031	\$ 41,004	\$ 44,981
Restricted	2,895,021	2,550,062	2,327,963	2,266,913	2,327,563	2,334,342	2,060,287	2,182,543	2,098,552	1,973,787
Committed	4,519,627	3,355,494	3,640,030	3,725,258	2,397,951	1,078,030	1,700,000	-	-	-
Assigned	229,640	31,706	23,935	33,629	58,532	92,632	158,777	770,904	766,158	11,386
Unassigned	7,840,919	10,024,677	8,161,588	7,321,945	7,812,316	7,804,930	6,604,574	7,345,746	6,087,035	5,274,753
Total General Fund	\$15,532,795	\$15,971,603	\$14,205,017	\$13,394,923	\$12,649,406	\$11,359,031	\$10,573,126	\$10,345,224	\$ 8,992,749	\$ 7,304,907
All other governmental funds										
Reserved										
Restricted	3,248,298	2,930,023	3,421,466	2,170,183	1,411,555	2,176,435	1,266,786	1,534,803	1,304,057	1,106,801
Total all other governmental funds	\$ 3,248,298	\$ 2,930,023	\$ 3,421,466	\$ 2,170,183	\$ 1,411,555	\$ 2,176,435	\$ 1,266,786	\$ 1,534,803	\$ 1,304,057	\$ 1,106,801

Town of Lady Lake, Florida
Change in Fund Balances-Governmental Funds

Last Ten Fiscal Years

Schedule A4

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Revenues:										
Taxes	\$ 12,221,925	\$ 11,508,207	\$ 9,816,420	\$ 9,122,480	\$ 8,927,566	\$ 8,718,518	\$ 7,826,746	\$ 8,207,018	\$ 7,912,220	\$ 7,293,702
Licenses and permits	757,137	495,325	464,034	418,776	468,847	724,049	496,752	387,774	590,564	432,447
Intergovernmental	10,168,271	2,149,769	2,280,284	1,758,214	1,967,202	1,670,310	1,949,676	1,530,756	1,755,741	2,331,525
Charges for services	314,075	288,928	231,133	211,544	233,056	217,754	252,829	185,214	213,007	211,456
Fines and forfeits	87,323	85,855	28,027	21,444	29,569	34,081	35,031	30,624	44,695	46,955
Investment income	873,000	72,679	22,264	151,478	306,890	133,381	55,887	105,060	98,552	81,731
Miscellaneous	671,384	425,554	1,327,524	1,207,819	1,049,221	1,295,918	1,171,585	1,004,780	988,966	916,867
Total Revenues	25,093,115	15,026,317	14,169,686	12,891,755	12,982,351	12,794,011	11,788,506	11,451,226	11,603,745	11,314,683
Expenditures:										
General government	2,713,079	2,499,747	2,482,512	2,304,152	1,889,699	1,876,200	1,912,327	1,538,019	1,632,305	1,627,104
Public safety	5,734,834	5,604,058	5,659,848	5,134,138	4,882,448	4,640,086	4,482,304	4,484,607	4,388,499	4,558,273
Public works	2,114,089	2,035,006	2,077,264	2,012,006	1,960,815	2,508,867	1,782,135	1,715,032	1,524,132	2,033,250
Growth Management	537,293	422,620	310,386	346,542	374,420	349,849	310,336	223,873	256,226	267,524
Culture/recreation	1,662,319	1,480,922	1,560,621	1,634,149	1,316,850	1,432,709	1,157,207	1,090,028	947,118	1,112,112
Capital outlay	1,631,587	1,915,131	209,741	257,678	288,669	178,862	907,063	90,776	193,574	1,337,746
Debt service:										
Principal retired	-	-	-	-	-	-	1,417,934	865,430	828,800	66,743
Interest	-	-	-	-	-	-	9,897	82,570	119,200	137,257
Total Expenditures	14,393,201	13,957,484	12,300,372	11,688,665	10,712,901	10,986,573	11,979,203	10,090,335	9,889,854	11,140,009
Excess (deficiency) of revenues over (under) expenditures	10,699,914	1,068,833	1,869,314	1,203,090	2,269,450	1,807,438	(190,697)	1,360,891	1,713,891	174,674
Other Financing Sources (Uses)										
Transfers in	2,186,397	2,635,781	566,048	905,270	474,611	412,836	1,777,331	1,315,671	1,217,709	437,333
Transfers out	(13,526,090)	(2,429,471)	(400,000)	(649,770)	(2,219,611)	(547,336)	(1,635,831)	(1,093,341)	(1,073,586)	(1,083,535)
Proceeds from sale of capital assets	49,877	-	26,015	45,555	1,045	22,616	9,082	-	27,084	10,709
Net other financing sources (uses)	(11,289,816)	206,310	192,063	301,055	(1,743,955)	(111,884)	150,582	222,330	171,207	(635,493)
Net Change in Fund Balances	\$ (589,902)	\$ 1,275,143	\$ 2,061,377	\$ 1,504,145	\$ 525,495	\$ 1,695,554	\$ (40,115)	\$ 1,583,221	\$ 1,885,098	\$ (460,819)
Debt Service as a % of										
Noncapital Expenditures	0.0%	0.0%	0.0%	0.0%	0.0%	13.8%	9.8%	10.8%	2.2%	2.4%

Town of Lady Lake, Florida Tax Revenues by Source Governmental Funds

Last Ten Fiscal Years

Schedule B1

Fiscal Year	Infrastructure Sales		Excise Taxes	Franchise Fees	Utility Taxes	Communications		Total Taxes
	Property Tax	Surtax				Services Tax		
2023	\$ 4,866,240	\$ 1,982,583	\$ 2,394,944	\$ 1,788,585	\$ 1,514,942	\$ 594,516	\$ 13,141,810	
2022	4,428,480	1,925,551	2,391,109	1,663,918	1,433,674	550,642	12,393,374	
2021	4,265,864	1,648,054	446,761	1,541,144	1,362,032	552,565	9,816,420	
2020	3,913,190	1,398,258	439,602	1,521,408	1,329,271	520,751	9,122,480	
2019	3,626,787	1,435,272	466,168	1,557,631	1,294,268	547,440	8,927,566	
2018	3,399,162	1,435,218	459,961	1,474,639	1,200,612	748,926	8,718,518	
2017	3,156,218	1,366,700	433,054	1,390,322	1,177,342	303,110	7,826,746	
2016	3,118,280	1,323,561	388,613	1,383,861	1,180,389	812,314	8,207,018	
2015	3,066,208	1,270,229	300,666	1,395,373	1,108,981	770,763	7,912,220	
2014	2,541,325	1,191,905	301,318	1,395,151	1,141,057	722,946	7,293,702	

Town of Lady Lake, Florida Assessed Value and Estimated Actual Value of Taxable Property

Last Ten Fiscal Years

Schedule B2

Fiscal Year Ended September 30,	Real Property	Personal Property	Less: Tax- Exempt Property	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Taxable Assessed Value as a Percentage of Actual Taxable Value
2023	\$ 1,395,161,567	\$ 89,061,559		\$ 1,484,223,126	3.3962	\$ 2,203,841,373	67.35%
2022	1,266,945,271	84,369,753		1,351,315,024	3.3962	1,886,255,105	71.64%
2021	1,207,042,832	92,094,676	-	1,299,137,508	3.3962	1,814,776,732	71.59%
2020	1,110,518,790	85,617,805	-	1,196,136,595	3.3962	1,677,090,996	71.32%
2019	1,027,703,170	79,101,506	-	1,106,804,676	3.3962	1,577,291,361	70.17%
2018	959,946,458	76,516,340	-	1,036,462,798	3.3962	1,494,905,452	69.33%
2017	888,208,461	75,455,229	-	963,663,690	3.3962	1,419,910,009	67.87%
2016	832,931,240	75,839,875	-	908,771,115	3.5510	1,358,849,625	66.88%
2015	773,013,459	75,386,256	-	848,399,715	3.5510	1,257,651,023	67.46%
2014	722,234,079	77,943,186	-	800,177,265	3.2810	1,175,725,402	68.06%

Source:
Lake County Property Appraiser's Office

Town of Lady Lake, Florida Direct and Overlapping Property Tax Rates

Last Ten Fiscal Years

Schedule B3

Fiscal Year	Town Direct Rate	Overlapping Rates						Total Overlapping and Direct
		Lake County	School District	Water Conservation Authority	Water Management District	Ambulance District	Hospital District	
2023	3.3962	5.642	6.248	0.308	0.197	0.463	0.500	16.755
2022	3.3962	5.659	6.592	0.323	0.219	0.463	0.000	16.651
2021	3.3962	5.613	6.699	0.337	0.229	0.463	0.895	17.632
2020	3.3962	5.654	6.883	0.356	0.241	0.463	0.950	17.943
2019	3.3962	5.720	6.355	0.490	0.256	0.463	0.980	17.660
2018	3.3962	5.741	6.603	0.255	0.272	0.463	1.000	17.730
2017	3.3962	5.741	6.875	0.255	0.289	0.463	1.000	18.019
2016	3.5510	5.935	7.197	0.255	0.303	0.463	1.000	18.704
2015	3.5510	6.016	7.246	0.255	0.316	0.463	1.000	19.046
2014	3.2810	4.921	7.170	0.255	0.328	0.385	1.000	17.340

Source:
Lake County Property Appraiser's Office

Town of Lady Lake, Florida
Principal Property Taxpayers

Fiscal Year Ended September 30, 2023

Schedule B4

Taxpayer	2023			2014		
	Taxable Assessed Value	Rank	Percentage of Total Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Assessed Value
Villages Operating Company	\$ 70,526,595	1	4.75%	\$ 35,679,972	1	4.46%
GMC Lady Lake LLC	41,703,540	2	2.81%	25,211,409	3	3.15%
Sun Communities Finance LP	39,625,190	3	2.67%	20,672,892	4	2.58%
Villages Land Operating Company LLC	38,510,996	4	2.59%			
Lady Lake Apartments LLC	28,305,460	5	1.91%	13,423,057	7	1.68%
ARG RALLAFL001 LLC	28,179,065	6	1.90%			
SRK Lady Lake 21 Associates, LLC	26,592,352	7	1.79%	17,958,132	5	2.24%
Ansonia Carmendy LLC	20,969,341	8	1.41%			
Lady Lake Inc	14,934,320	9	1.01%			
Benchmark Lady Lake 25 Associates LLC	13,680,988	10	0.92%			
Lazy B Cattle Venture LTD				26,308,779	2	3.29%
New Providence Rolling Acres LP				17,011,227	6	2.13%
Lady Lake Re LLC				7,051,662	10	0.88%
Sam's East Inc				6,839,711	9	0.85%
The Villages of Lake Sumter Inc				8,457,676	8	1.06%
Total	\$ 323,027,847		21.76%	\$ 178,614,517		22.32%
Total taxable assessed value for principal property taxpayers	\$ 1,484,223,126			\$ 800,177,265		

Sources:

Ad Valorem tax rolls of the Town of Lady Lake, Florida

Town of Lady Lake, Florida Property Tax Levies and Collections

Last Ten Fiscal Years

Schedule B5

Fiscal Year Ended September 30,	Collected Within the Fiscal Year of the Levy			Collections in Subsequent Years	Total Collections to Date	
	Total Tax Levy for Fiscal Year	Amount Collected	Percentage of Levy		Amount Collected	Percentage of Levy
2023	\$ 5,548,749	\$ 4,864,073	87.7%	\$ 2,167	\$ 4,866,240	87.7%
2022	5,054,969	4,426,547	87.6%	1,933	4,428,480	87.6%
2021	4,415,173	4,257,976	96.4%	7,888	4,265,864	96.6%
2020	4,062,319	3,901,946	96.0%	11,244	3,913,190	96.3%
2019	3,763,444	3,624,229	96.3%	2,558	3,626,787	96.4%
2018	3,519,828	3,392,712	96.4%	6,450	3,399,162	96.6%
2017	3,272,602	3,149,732	96.3%	6,486	3,156,218	96.4%
2016	3,227,046	3,086,766	95.7%	6,514	3,118,280	96.6%
2015	3,181,499	3,062,963	96.3%	3,245	3,066,208	96.4%
2014	2,622,485	2,532,327	96.6%	8,998	2,541,325	96.9%

Source:
Florida Department of Revenue

Town of Lady Lake, Florida
Ratios of Outstanding Debt by Type

Last Ten Fiscal Years

Schedule C1

Fiscal Year	Governmental Activities		Business-Type Activities	Total primary Government	Percentage of Personal Income	Per Capita
	Revenue	Note	Loans Payable			
2023	\$	-	\$ -	\$ -	-	\$ -
2022		-	-	-	-	-
2021		-	-	-	-	-
2020		-	-	-	-	-
2019		-	-	-	-	-
2018		-	-	-	-	-
2017		-	-	-	-	-
2016		1,417,934	-	1,417,934	0.39%	97
2015		2,283,364	-	2,283,364	0.67%	161
2014		3,112,164	-	3,112,164	0.84%	220

Town of Lady Lake, Florida
Pledged Revenue Coverage

Last Ten Fiscal Years

Schedule C2

Fiscal Year	Infrastructure Sales		Debt Service Requirements			Coverage
	Surtaxes Available for		Principal	Interest	Total	
	Debt Service					
2023	\$ 1,982,583	\$ -	\$ -	\$ -	-	N/A
2022	1,925,551	-	-	-	-	N/A
2021	1,648,054	-	-	-	-	N/A
2020	1,398,258	-	-	-	-	N/A
2019	1,435,272	-	-	-	-	N/A
2018	1,435,218	-	-	-	-	N/A
2017	1,366,700	904,190	43,810	948,000	1.44	
2016	1,323,561	865,430	82,570	948,000	1.4	
2015	1,270,229	828,800	119,200	948,000	1.34	
2014	1,191,905	839,846	154,479	994,325	1.2	

Town of Lady Lake, Florida Demographic Statistics

Last Ten Fiscal Years

Schedule D1

Year	Population				Population Per Square Mile	
	Town of Lady Lake		Lake County		Lake County	State of Florida
	Population	% Increase	Population	% Increase		
2023	16,224	0.31%	414,749	2.70%	436	422
2022	16,174	0.82%	403,857	1.13%	428	415
2021	16,042	1.83%	399,342	8.89%	421	408
2020	15,754	0.63%	366,742	2.66%	391	403
2019	15,655	4.65%	357,247	3.38%	376	400
2018	14,960	0.94%	345,575	4.18%	361	393
2017	14,821	0.91%	331,724	1.69%	354	382
2016	14,687	3.38%	326,226	3.05%	345	376
2015	14,207	0.42%	316,569	2.21%	337	364
2014	14,148	0.27%	309,736	0.55%	330	364

POPULATION DISTRIBUTION BY AGE - 2023

Age	Lake County	State of Florida
0-19	20.6%	21.5%
20-44	26.5%	31.1%
45-64	24.5%	25.0%
65+	28.4%	22.4%

Source:

- (a) University of Florida, Bureau of Economics and Business Research
- (b) Age Distribution-Orlando Economic Development Commission
- (c) Per Square Mile-Florida Legislature, Office of Economic and Demographic Research

Town of Lady Lake, Florida Demographic and Economic Statistics

Last Ten Fiscal Years

Schedule D2

Year	Population ^(a)	Personal Income	Per Capita Income ^(b)	Public School Enrollment ^(c)	Unemployment Rate ^(d)
2023	16,224	\$ 667,844,736	\$ 41,164	751	2.8%
2022	16,174	\$ 588,814,470	\$ 36,405	758	2.7%
2021	16,042	\$ 478,757,448	\$ 29,844	771	4.3%
2020	15,754	\$ 434,400,796	\$ 27,574	866	7.2%
2019	15,655	\$ 424,720,150	\$ 27,130	872	2.9%
2018	14,960	\$ 404,488,480	\$ 27,038	827	2.9%
2017	14,821	\$ 396,061,583	\$ 26,723	830	3.4%
2016	14,687	\$ 367,659,671	\$ 25,033	827	4.8%
2015	14,207	\$ 341,195,312	\$ 24,016	843	5.2%
2014	14,148	\$ 371,186,928	\$ 26,236	832	5.4%

Sources:

- (a) Bureau of Economic and Business Research, University of Florida
- (b) Orlando Economic Development Commission
- (c) Lady Lake Elementary
- (d) Bureau of Labor Statistics

Town of Lady Lake, Florida Principal Employers

For the Fiscal Year Ended September 30, 2023

Schedule D3

Employer	2023			2014		
	Number of Employees	Rank	Percentage of Total Town Employment	Number of Employees	Rank	Percentage of Total Town Employment
Lady Lake Specialty Care	300	1	5.56%	268	2	7.13%
The Villages Media Group	267	2	4.95%	281	1	7.48%
The Villages Rehab & Nursing Center	214	3	3.97%	240	3	6.39%
The Home Depot	203	4	3.76%	186	4	4.95%
Sam's Club	179	5	3.32%	185	5	4.92%
OMI, Inc	171	6	3.17%			
Publix Super Markets	164	7	3.04%	140	6	3.73%
Target Department Store	150	8	2.78%			
Winn Dixie Stores, Inc/Winn Dixie Liquors	138	9	2.56%	103	9	2.74%
Texas Roadhouse	120	10	2.22%			
Town of Lady Lake				92	10	2.45%
Kohl's Department Store				112	7	2.98%
The Villages of Lady Lake Elementary				103	8	2.74%
Total	1,906		35.32%	1,710		45.52%
Total Town Employment	5,397			3,757		

Source:

Number of employees from Lady Lake Chamber of Commerce, www.elevatelake.com or direct calls to employers.

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

Town of Lady Lake, Florida Full-Time Equivalent Employees by Function

Last Ten Fiscal Years	Schedule E1									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Function										
General Government										
Town Manager	2	2	2	2	2	2	2	2	2	2
Town Clerk	3	3	3	2	2	2	2	2	2	2
Finance	4.5	5	5	4.5	4.5	4.5	4.5	4.5	4.5	4.5
Human Resources	2.5	2	2	2	2	2	2	2	2	2
Information Technology	4	4.5	3.5	3	3	2	2	2	2	2
Communications	1	0	0	0	0	0	0	0	0	0
Facilities Maint.	2	2	2	2	2	2	2	2	2	2
Total General Government	19	18.5	17.5	15.5	15.5	14.5	14.5	14.5	14.5	14.5
Public Safety										
Police	36.5	36	36	36	36	34	34	34.5	34.5	34.5
Building Dept.	2	2	2	2	1	1	1	1	1	1
Code Enforcement	1.5	1	1	1	1	1	1	1	1	1
Total Public Safety	40	39	39	39	38	36	36	36.5	36.5	36.5
Growth Management	3.5	3.5	3.5	3.5	4.5	4.5	4.5	3.5	3	3
Public Works										
Administration	2	2	2	2	2	2	2	2	2	2
Street Maint.	10	10	10	10	10	10	10	10	10	10
Motor Pool	2	2	2	2	2	2	2	2	2	2
Total Public Works	14	14	14	14	14	14	14	14	14	14
Culture and Recreation										
Library	10	9.5	9.5	9.5	9.5	9	9	7.5	7.5	7
Parks & Recreation	6	6	6	6	5	5	5	5	5	5
Total Culture and Recreation	16	15.5	15.5	15.5	14.5	14	14	12.5	12.5	12
Utilities										
Water	11.5	11	11	11	11	11	11	10	10	10
Sewer	3	3	2	2	2	2	2	2	2	2
Total Utilities	14.5	14	13	13	13	13	13	12	12	12
Total Government Employees	107	104.5	102.5	100.5	99.5	96	96	93	92.5	92

Source: Finance Department

Town of Lady Lake, Florida Operating Indicators by Function/Program

Last Ten Fiscal Years

Schedule E2

Function	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Police										
Booking Arrests	361	321	325	277	370	290	450	485	350	305
DUI Citations	17	32	11	19	11	23	29	35	29	24
Misdemeanor Citations	22	107	32	32	56	53	70	62	78	41
Traffic citations	1,206	1,558	1,413	783	925	1,169	1,444	1,512	2,095	1,370
Traffic accidents	726	799	713	602	773	779	771	728	561	408
Warrants Arrests	33	36	56	51	45	85	124	73	62	45
Dispatch Center										
Medical Calls	235	191	221	167	164	165	133	608	912	174
Assist other Agencies	114	142	154	173	188	159	170	205	156	186
General Calls	19,302	19,775	18,920	16,179	17,149	15,783	8,670	16,482	15,878	13,096
Building/Code Enforcement										
Total Commercial Permits	207	208	253	218	188	171	207	238	368	303
Total Residential Permits	1,796	1,956	1,795	1,824	1,397	1,617	1,224	1,209	1,236	1,173
Number of Permits Issued	2,003	2,164	2,048	2,042	1,585	1,788	1,431	1,447	1,604	1,476
Total Construction Value	\$114,231,519	\$47,066,618	\$29,083,340	\$29,682,928	\$32,197,936	\$54,846,969	\$34,371,713	\$34,064,698	\$41,692,307	\$36,044,724
Growth Management										
Site Plans Approved	9	5	4	8	8	5	9	5	11	7
Clerk's Office										
Business Tax Receipts	-	863	853	817	841	841	899	847	882	817
Road and Streets										
Potholes repaired	400	350	300	300	200	300	300	600	500	500
Street resurfacing (miles)	1.50	0.00	2.49	3.60	2.17	1.24	2.27	3.18	2.70	1.40
Street Micro-resurfacing (miles)	1.70	5.00	1.93	1.34	0.00	11.00	0.00	0.00	0.00	0.00
Street Reclamite (miles)	0.00	0.00	0.00	3.38	0.00	0.00	0.00	0.00	0.00	0.00
Library										
Total Circulation	178,274	135,617	130,425	145,981	136,548	145,467	167,896	169,592	149,504	123,563
Total Users of Public Internet Computers	7,050	6,858	6,040	6,467	11,950	15,887	15,682	15,547	14,134	13,535
Total Reference Transactions	25,650	25,694	19,232	28,184	22,430	21,372	19,169	15,689	13,884	21,696
Total Annual Programs	665	683	426	226	865	886	896	852	815	428
Total Program Attendance	16,000	9,515	6,365	10,499	15,840	16,671	20,081	12,993	12,722	11,963
Total Number of Registered Card Holders	15,638	14,620	13,633	12,561	12,907	11,629	10,303	9,019	7,796	6,394
Total Number of Volunteer Hours	2,400	2,215	2,376	1,734	2,686	2,381	3,068	3,465	3,435	2,687
Total Library visitors	163,000	145,000	138,000	99,281	181,385	194,636	207,987	187,226	176,182	149,318
Number of Bookings for Library Rooms	1,285	1,258	306	614	1,216	1,095	1,003	871	832	223
Number of Bookings at Community Building	-	-	-	53	508	441	403	363	320	251

Town of Lady Lake, Florida Operating Indicators by Function/Program (Continued)

Last Ten Fiscal Years

Schedule E2

<i>Function</i>	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Parks and Recreation										
Number of Recreation Leases	8	8	8	8	8	8	8	7	7	7
Number of Bookings at Community Building	454	329	103	-	-	-	-	-	-	-
Water										
Commercial Connections	467	459	453	454	430	471	466	422	408	397
Residential Connections	2,256	2,175	2,131	2,112	2,064	2,094	2,069	2,017	2,010	1,997
Total Connections	2,723	2,634	2,584	2,566	2,494	2,565	2,535	2,439	2,418	2,394
Total Equivalent Residential Units	4,731	4,725	4,593	4,435	4,143	4,115	4,043	4,005	3,954	3,896
Average Daily Consumption (gallons per day)	858,000	848,000	750,000	738,000	725,408	698,041	735,359	734,828	678,622	675,229
Reuse										
Commercial Connections	45	45	45	46	44	43	42	42	38	34
Residential Connections	130	60	49	43	36	38	20	13	10	9
Total Equivalent Residential Units	472	401	390	384	206	196	180	173	162	142
Average Daily Consumption (gallons per day)	353,000	333,000	275,000	283,000	291,000	283,000	238,000	227,000	222,000	170,000
Wastewater										
Commercial Connections	289	287	283	280	271	266	263	261	241	234
Residential Connections	798	792	774	773	758	756	751	742	743	737
Total Connections	1,087	1,079	1,057	1,053	1,029	1,022	1,014	1,003	984	971
Total Equivalent Residential Units	2,698	2,689	2,659	2,440	2,232	2,205	2,178	2,165	2,107	2,084
Average Daily Sewage Treatment (gallons per day)	519,000	508,000	496,000	435,000	325,000	313,000	263,000	247,000	244,000	240,000

Notes:

⁽¹⁾ Average daily consumption is calculated using total gallons sold for year divided by 365 day year

Source: Various Town Departments

Town of Lady Lake, Florida

Capital Assets by Function/Program

Last Ten Fiscal Years	Schedule E3									
Function/Program	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Police										
Stations (Includes substation)	1	1	1	1	1	1	1	1	1	1
Sworn Officers (positions filled)	30	30	30	30	30	28	28	28	28	28
Administration Units	3	3	3	3	3	3	3	3	3	3
Patrol Units	22	22	23	24	24	22	21	21	21	21
Motorcycle Units	0	0	0	0	0	0	1	1	1	1
Investigation Units	3	3	3	2	2	2	2	2	2	2
School Resource Officer Unit	0	0	0	0	0	0	0	0	0	0
K-9 Officer with Dog Unit	2	2	1	1	1	1	1	1	1	1
Support (Non-Sworn)	6	6	6	6	6	6	6	7	6.5	6.5
Roads and Streets										
Paved Roads (miles)	63.22	63.22	62.64	62.64	62.64	62.64	62.64	61.44	61.44	61.44
Unpaved Roads (miles)	3.00	3.00	3.08	3.08	3.08	3.08	3.08	2.58	2.58	2.58
Sidewalks (feet)	30,250	30,250	30,250	30,250	30,250	30,250	30,250	26,084	26,084	26,084
Land Annexations (acreage)	172.71	202.39	273.45	0.16	9.53	39.06	5.81	4.89	(3.18)	-
Recreation and Community Development:										
Libraries	1	1	1	1	1	1	1	1	1	1
Acreage	64	54	54	54	54	54	54	54	54	54
Parks	5	4	4	4	4	4	4	4	4	4
Recreation Centers	1	1	1	1	1	1	1	1	1	1
Basketball Courts	1	1	1	1	1	1	1	1	1	1
Racquetball Handball Courts	4	4	4	4	4	4	4	4	4	4
Tennis Courts	2	2	2	2	2	2	2	2	2	2
Softball Fields	1	1	1	1	1	1	1	1	1	1
Baseball Fields	4	4	4	4	4	4	4	4	4	4
Playgrounds	1	1	1	1	1	1	1	1	1	1
Dog Park	1	1	1	1	1	1	1	1	1	1
Soccer Fields	3	3	3	3	3	3	3	3	3	3
Golf Driving Range	1	1	1	1	1	1	1	1	1	1
Water										
Water Mains (miles)	54.6	54.6	54.6	54.6	54.5	54.3	54.3	54.3	54.3	54.3
Storage Capacity (gallons)	565,000	565,000	565,000	565,000	565,000	565,000	565,000	565,000	565,000	565,000
Treatment Capacity (gallons per day)	2,358,000	2,358,000	2,358,000	2,358,000	2,358,000	2,358,000	2,358,000	2,358,000	2,358,000	2,358,000
Fire Hydrants	363	363	363	363	346	337	327	327	322	319
Water Plants	3	3	3	3	3	3	3	3	3	3
Reuse										
Water Mains (miles)	7.5	7.5	7.5	7.5	7.4	7.3	7.3	7.3	7.3	7.3
Storage Capacity (gallons)	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000
Wastewater										
Sewers-Force Mains/Gravity (miles)	23.6	23.6	23.6	23.6	23.3	23.3	23.3	23.3	23.3	23.3
Permitted Treatment Capacity (gallons/day)	638,000	638,000	638,000	638,000	638,000	638,000	638,000	638,000	638,000	638,000
Lift Stations	20	20	19	19	19	19	19	19	19	19

Source: Various Town departments

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*

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Lady Lake, Florida (the Town), as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the Town’s basic financial statements and have issued our report thereon dated April 15, 2024.

Report on Internal Control Over Financial Reporting

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

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

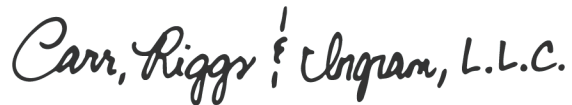
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as items 2023-001 that we consider to be material weaknesses.

Report on Compliance and Other Matters

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

Purpose of this Report

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

A handwritten signature in black ink that reads "Carr, Riggs & Ingram, L.L.C." in a cursive script.

CARR, RIGGS & INGRAM, LLC

Orlando, Florida
April 15, 2024

**INDEPENDENT AUDITOR’S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

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

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Town of Lady Lake, Florida’s compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of Town of Lady Lake, Florida’s major federal programs for the year ended September 30, 2023. Town of Lady Lake, Florida’s major federal programs are identified in the summary of auditor’s results section of the accompanying schedule of findings and questioned costs.

In our opinion, Town of Lady Lake, Florida complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2023.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor’s Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Town of Lady Lake, Florida and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of Town of Lady Lake, Florida’s compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to Town of Lady Lake, Florida's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Town of Lady Lake, Florida's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Town of Lady Lake, Florida's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Town of Lady Lake, Florida's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Town of Lady Lake, Florida's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Town of Lady Lake, Florida's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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

Carr, Riggs & Ingram, L.L.C.

Orlando, Florida

April 15, 2024

Town of Lady Lake, Florida
Schedule of Findings and Questioned Costs

PART I – SUMMARY OF AUDITOR’S RESULTS

Financial Statements

Type of auditor’s report issued: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? X yes no
- Significant deficiency(ies) identified? yes X none noted

Noncompliance material to financial statements noted? yes X no

Federal Awards

Internal control over major federal programs:

- Material weakness(es) identified? yes X no
- Significant deficiency(ies) identified? yes X none noted

Type of auditor’s report issued on compliance for major federal programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR Part 200.516(a) of OMB Compliance Supplement? yes X none noted

Identification of major federal programs:

<u>Federal ALN</u>	<u>Federal Program or Cluster</u>
21.027	COVID-19 Coronavirus State and Local Fiscal Recovery Funds

Dollar threshold used to distinguish between type A and B programs was \$750,000 for major federal programs.

Auditee qualified as a low-risk auditee for federal purposes? yes X no

PART II – FINANCIAL STATEMENT FINDINGS

2023-001 Internal Control on Financial Reporting

Condition: The deferred revenue for grants was not properly reflected as earned revenue in the proper period. The net assets did not properly balance from prior year as adjustments were made subsequent to finalized trial balance.

Criteria: All year-end reconciliations and closing journal entries should agree to the underlying support, be properly recorded in the general ledger, and agree to the beginning balances of the subsequent fiscal period.

Cause: Deferred revenue for grants received was not adjusted to earned revenue as expenditures were made. Transfers between funds were improperly recorded through fund balance.

Effect: The beginning of the year balances for fund balance were understated by \$469,000, deferred revenue was overstated by \$8,469,000 and revenue was understated by \$8,000,000. Transfers between utility fund and general fund was understated \$690,000.

Recommendation: We recommend the person reviewing year-end close journal entries also review the underlying support to ensure accuracy. We also recommend that the year-end balances be reconciled and agreed to the year-end audited balances in the financial statements.

Management Response: See Corrective Action Plan on page 108.

PART III – SUMMARY OF PRIOR YEAR AUDIT FINDINGS

None

Town of Lady Lake, Florida Schedule of Expenditures of Federal Awards

Federal Agency Pass-through Entity Federal Program	Assistance Listing No.	Contract/ Grant No.	Expenditures	Transfers to Subrecipients
Federal Awards:				
U.S. Department of the Treasury				
Direct Program:				
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027	Y5314	\$ 8,023,674	\$ -
Total U.S. Department of Treasury			8,023,674	-
U.S. Department of Justice				
Pass through Florida Department of Law Enforcement				
Edward Byrne Memorial Justice Assistance Grant	16.738	15PBJA-21-GG-00241- MUMU	3,981	-
Total Florida Department of Law Enforcement			3,981	-
Direct Program:				
Bulletproof Vest Partnership Program	16.607	2020-BUBX	844	-
Total U.S. Department of Justice			4,825	-
Total Expenditures of Federal Awards			\$ 8,028,499	\$ -

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

A. Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of the Town of Lady Lake, Florida, under programs of the federal government for the year ended September 30, 2023. The information in this Schedule is presented in accordance with the requirements of Title 2 *U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles*. Because the Schedule presents only a selected portion of the operations of the Town of Lady Lake, Florida, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the Town of Lady Lake, Florida.

B. Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following, as applicable, either the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable, or are limited as to reimbursement.

C. Sub-recipients

The Town of Lady Lake, Florida had no sub-recipients of federal awards in the fiscal year ended September 30, 2023.

D. Indirect Cost Rate

The Town of Lady Lake, Florida has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

E. Noncash Awards

The Town of Lady Lake, Florida received no non-cash awards in the fiscal year ended September 30, 2023.

Town of Lady Lake, Florida
Corrective Action Plan



Municipal Complex, 409 Fennell Boulevard, Lady Lake, Florida 32159 USA

Phone 1-352-751-1500 Fax 1-352-751-0229 www.ladylake.org

Fiscal Year 2022-2023 Audit
Response to Financial Statement Findings

2023-001 Internal Control on Financial Reporting

Condition: The deferred revenue for grants was not properly reflected as earned revenue in the proper period. The net assets did not properly balance from the prior year as adjustments were made subsequent to finalized trial balance.

Criteria: All year-end reconciliations and closing journal entries should agree to the underlying support, be properly recorded in the general ledger, and agree to the beginning balances of the subsequent fiscal period.

Cause: Deferred revenue for grants received was not adjusted to earned revenue as expenditures were made. Transfers between funds were improperly recorded through fund balance.

Effect: The beginning of the year balances for fund balance were understated by \$469,000, deferred revenue was overstated by \$8,469,000 and revenue was understated by \$8,000,000. Transfers between the utility fund and general fund were understated at \$690,000.

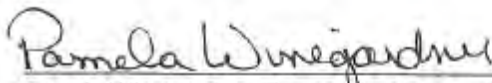
Recommendation: We recommend the person reviewing year-end close journal entries also review the underlying support to ensure accuracy. We also recommend that the year-end balances be reconciled.

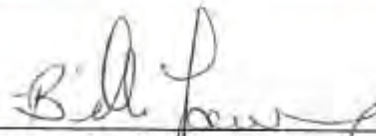
Corrective Action on Financial Statement Findings Effective April 1, 2024

-Deferred revenue line item will be added to the Town of Lady Lake's check list for fiscal year end procedures. Year-end balances will be reconciled to all documents supporting the balances.

-Journal entries will be made when the deferred revenue is spent and when transfers are made.

-The beginning balance that was incorrect was due to deferred revenue that should not have been deferred. The monthly review of the trial balance and net position needs to include all accounts by comparing the last trial balance and net position with the current trial balance and net position. Any changes will be an alert to a change that may be made in error.


Pamela Winegardner Finance Director Date


Reviewed by Bill Lawrence Town Manager Date

**MANAGEMENT LETTER REQUIRED BY
CHAPTER 10.550, RULES OF THE AUDITOR GENERAL**

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

Report on the Financial Statements

We have audited the financial statements of the Town of Lady Lake, Florida (the Town) as of and for the fiscal year ended September 30, 2023, and have issued our report thereon dated April 15, 2024.

Auditor's Responsibility

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance); and Chapter 10.550, Rules of the Auditor General.

Other Reporting Requirements

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*, Independent Auditor's Report on Compliance for Each Major Federal Program and Report on Internal Control over Compliance; Schedule of Findings and Questioned Costs; and Independent Accountants' Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports and schedule, which are dated September 30, 2023, should be considered in conjunction with this management letter.

Prior Audit Findings

Section 10.554(1)(i)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. There were no prior year audit findings.

Official Title and Legal Authority

Section 10.554(1)(i)4., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. The legal authority of the Town of Lady Lake, Florida and its component unit are disclosed in the footnotes.

Financial Condition and Management

Section 10.554(1)(i)5.a. and 10.556(7), Rules of the Auditor General, require us to apply appropriate procedures and communicate the results of our determination as to whether or not the Town has met one of more of the conditions described in Section 218.503(1), Florida Statutes, and to identify the specific conditions met. In connection with our audit, we determined that the Town did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

Pursuant to Sections 10.554(1)(i)5.b. and 10.556(8), Rules of the Auditor General, we applied financial condition assessment procedures. It is management's responsibility to monitor the Town's financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information provided by same.

Section 10.554(1)(i)2., Rules of the Auditor General, requires that we communicate any recommendations to improve financial management. In connection with our audit, we have finding 2023-001 on Schedule of Findings and Questioned Costs.

Additional Matters

Section 10.554(1)(i)3., Rules of the Auditor General, requires us to communicate noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but warrants the attention of those charged with governance. In connection with our audit, we did not note any such findings.

Purpose of this Letter

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

Carr, Riggs & Ingram, L.L.C.

CARR, RIGGS & INGRAM, LLC

Orlando, Florida
April 15, 2024

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Carr, Riggs & Ingram, LLC
1031 West Morse Boulevard
Suite 200
Winter Park, FL 32789

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407.628.5277 (fax)
CRIcpa.com

INDEPENDENT ACCOUNTANT’S REPORT ON COMPLIANCE WITH LOCAL GOVERNMENT INVESTMENT POLICIES

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

We have examined the Town of Lady Lake, Florida’s (the Town) compliance with the requirements of Section 218.415, Florida Statutes, *Local Government Investment Policies*, during the year ended September 30, 2023. Management of the Town is responsible for the Town’s compliance with the specified requirements. Our responsibility is to express an opinion on the Town’s compliance with the specified requirements based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the Town complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether the Town complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe that the evidence obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

We are required to be independent and to meet our ethical responsibilities in accordance with relevant ethical requirements relating to the examination engagement.

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 requirements of Section 218.415, Florida Statutes, *Local Government Investment Policies*, for the year ended September 30, 2023.

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

Carr, Riggs & Ingram, L.L.C.

Orlando, Florida
April 15, 2024

Municipal Complex, 409 Fennell Blvd, Lady Lake, FL 32159
352-751-1538 Fax 352-751-0229 www.ladylake.org




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.



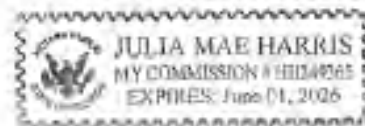
Pamela Winegardner, Finance Director

STATE OF FLORIDA
COUNTY OF LAKE

SWORN TO AND SUBSCRIBED before me this 5th day of March, 2024.



NOTARY PUBLIC
Print Name: Julia Mae Harris



Personally known X or produced identification _____

Type of identification produced: _____

My Commission Expires: June 1, 2026