



Annual Comprehensive Financial Report

For the fiscal year ended September 30, 2021

City of Clermont, Florida





Downtown Streetscape Phase 1

Downtown Streetscape is the final project in the City of Clermont's Downtown Master Plan that was adopted and rolled out in 2015.

The project was designed to enhance the look of Downtown Clermont by replacing the existing asphalt on three streets with brick pavers.

The scope of the work was extended to include upgrading underground utilities, increasing lighting, adding event power, enhancing landscape and adjusting parking.

The \$12-million project was scheduled to be constructed in three phases to minimize inconveniences to businesses, customers and visitor, keep traffic flowing, facilitate parking and maintain fire protection during construction.

Phase 1 featured improvements to West Avenue and Osceola Street and brick pavers were installed on Osceola Street between 7th Street and West Avenue. The work was completed in the fall of 2021.

CITY OF CLERMONT FLORIDA

Annual Comprehensive Financial Report

For The Year Ended September 30, 2021



Prepared by:
Finance Department



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INTRODUCTORY SECTION





BRIAN M. BULTHUIS
CITY MANAGER

352-241-7358
BBulthuis@Clermontfl.org

April 21, 2023

Honorable Mayor Tim Murry,
Council Members and Citizens of the City of Clermont, Florida

Dear Mayor Murry, Council Members and the Citizens of the City of Clermont, Florida:

We are pleased to present the Annual Comprehensive Financial Report (ACFR) of the City of Clermont, Florida, for the fiscal year ended September 30, 2021. State law requires that every general-purpose local government publish each fiscal year a complete set of audited financial statements. This report is published to fulfill that requirement for the fiscal year ended September 30, 2021.

Management assumes full responsibility for the completeness and reliability of the information presented in this report. To provide a reasonable basis for making these representations, management of the City of Clermont has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft or misuse and to compile sufficient reliable information for the preparation of the City of Clermont's financial statements in conformity with Generally Accepted Accounting Principles in the United States of America (GAAP). Because the cost of internal controls should not exceed anticipated benefits, the City of Clermont's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The City of Clermont's financial statements have been audited by McDirmit Davis & Company, LLC; a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City of Clermont for the fiscal year ended September 30, 2021 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 auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the City of Clermont's financial statements for the fiscal year ended September 30, 2021 are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

Management Discussion and Analysis (MD&A) immediately follows the independent auditor's report and provides narrative introduction, overview and analysis of the basic financial statements. The MD&A provides "financial highlights" and interprets the financial reports by analyzing trends and by explaining changes, fluctuations and variances in the financial data. In addition, the MD&A is intended to disclose

any known significant events or decisions that affect the financial condition of the City. This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it.

Profile of the City of Clermont

The City was founded in 1884 and incorporated in 1916. The City currently has a land area of 19.2 square miles and a population of approximately 44,687. The City is located in south Lake County, approximately 22 miles west of the City of Orlando and about 25 miles northwest of Walt Disney World. Clermont, known as “Choice of Champions®”, is truly the crossroads of Florida, at the intersection of State Road 50, which runs east and west across the state, and U.S. Highway 27, which runs north and south through the center of the state.

Clermont is on a chain of 15 lakes connected by the winding Palatka River in the Ocklawaha Basin of tributaries of the St. Johns River, the only river system in the United States that flows north. The lakes offer residents the opportunity for excellent fishing, boating, swimming and other water sports, including competitive rowing, skiing and wakeboarding offered by world-class instructional schools. The City of Clermont is known for its scenic beauty, relaxed lifestyle, recreational facilities and temperate climate. Residents have a wide variety of housing and property-ownership opportunities, including lakefront and lake-access property, golf-course communities, homes in existing neighborhoods, residential retirement communities and new subdivisions.

The City of Clermont provides a full range of services as directed by its charter. These include police and fire protection, street and sidewalk maintenance, planning and development, code enforcement, recreational facilities and programs, cemetery and general administrative functions. The City also provides potable water, wastewater collection and treatment, reclaimed water production and distribution, stormwater treatment, solid waste collection and recycling services.

The City operates according to a Council/Manager form of government, with an appointed City Manager, four elected City Council members and an elected Mayor. The governing body has legislative responsibilities, including setting policy, passing ordinances, adopting the budget, appointing committees and hiring the City Manager. The City Manager is responsible for carrying out the policies and ordinances of the governing body, overseeing the day-to-day operations of the government and hiring the directors of the various departments.

The annual budget serves as the foundation for the City of Clermont’s financial planning and control. All departments of the City of Clermont are required to submit requests for appropriations to the City Manager. The City Manager then uses these requests as the starting point for developing a proposed budget. The City Manager then presents this proposed budget to the Council for review. The City Council is required to hold public hearings on the proposed budget and to adopt a final budget by no later than September 30, the close of the City of Clermont’s fiscal year. The appropriated budget is prepared by fund (e.g. general fund), and department (e.g. police department). The City Manager may make transfers of appropriations within departments; however, any revisions that alter the total appropriations of a department must be approved by City Council. Original and final amended budget-to-actual comparisons are provided in this report for each individual governmental fund.

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

Local Economy

The City of Clermont is essentially residential in character and its economy is centered in retail, real estate, personal services and healthcare. During the last 5 years, Clermont's population has increased by 8,880 residents or 24.80%. Clermont's economic factors for FY 2021 indicated recovery of impacts from the pandemic in both unemployment and per capita personal income levels, both of these areas have moved in a favorable direction. The per capita personal income levels have increased \$1,113 or 3.7% over the last 5 years. The City's unemployment rate also has increased from 3.1% to 3.7% over the last 5 years, this rate continues to be below the county, state and national averages. Educational institutions in Clermont, such as Lake-Sumter State College, St. Leo University and the University of Central Florida, assist in supplying a skilled labor force. One of the highlighted areas of change has been the increase in property values; this year had a 9.98% increase in taxable property values. Primarily due to this increase in property values, Clermont's property tax-millage rate of 4.2061 continues to be among the lowest of other comparable cities in the Central Florida region.

The cost of living for the region is below the national average. There is no personal income tax, either locally or statewide. Sales tax, currently at 7%, is not charged on food or medicine. One cent of the sales tax charged within the county is limited to \$50 per transaction (1% of \$5,000). As discussed in the MD&A, this additional penny sales tax must be used for infrastructure including roads, buildings, land, land improvements and certain equipment.

Long-term Financial Planning

The City uses an extensive water and sewer master plan to manage growth in the water and sewer utility systems. The plan outlines water and sewer line size requirements for planned development with rough cost estimates. The plan also has benchmarks for plant expansions and additional well requirements.

The Clermont City Council and management, through careful short- and long-range planning and sound management practices, are committed to budgeting and managing all resources in the most cost-effective manner. The City adopts a Five-Year Capital Plan as part of the annual budget process. The Capital Plan is a multi-year prioritized schedule that identifies future capital outlay by the year it is intended to be purchased or commenced, the amount to be spent per year, and the funding source.

Relevant Financial Policies

The City regularly reviews revenues and expenditures throughout the fiscal year. Quarterly budget reports are prepared and presented to the City Council. The reports show budget-to-actual for the city's top 10 revenues, total fund revenues, total fund expenditures, departmental expenditures and various department performance indicators. Through this process, if actual revenues are expected to fall short of the budgeted amount, expenditures are reduced to ensure that a shortage of funds or a significant use of fund balance does not occur.

Major Initiatives

The completion of several capital projects included in the award-winning Downtown Waterfront Master Plan continues to be the major emphasis of the City. The Master Plan offers an exciting view of the future of Clermont and how to protect the very charms that have drawn hundreds of thousands to this internationally recognized city that is one of the nation's top places to live, as well as a training ground for the world's elite athletes. The following capital projects are included in the Master Plan and are expected to be completed within the next two years. The listed projects below are being funded primarily from several grants and a loan. It is important to note that no General Fund reserves are being used to fund the construction of these projects.

- The **Downtown Waterfront District** area includes Montrose Street, Minneola Street and Osceola Street between 7th and 8th streets. The proposed improvements consist of streetscapes, landscaping, bathrooms, lighting, upgrades for event lighting and music, banners and beautification. A focal point will be created at City Hall Park to anchor downtown visitors, creating a destination and meeting point in the heart of downtown Clermont. In addition, the city plans to demarcate the halfway point of the Coast-to-Coast Trail. Phase one of the project was completed in 2021. Phase two of the project is under construction with expected completion in 2022. Phase three design is underway with construction starting in 2022. The total project is anticipated to cost approximately \$17 million.
- The **Public Services Facility Relocation** project involves the expansion and relocation of the existing antiquated facility. The new facility is proposed to be relocated to the Hancock Road corridor, an area that will allow for a larger, more centralized Public Services Facility. The land acquisition has been completed and is currently in the final design phase with bidding and construction to follow. The project is anticipated to cost approximately \$12 million.

In addition to the Master Plan projects there is a major Utility Projects underway.

- The **Wastewater Treatment Facility Expansion** project is required in order to meet the increased demand generated within the service area. The project is currently in the design phase to take the facility from the existing permitted capacity of 4 MGD to 6.5 MGD with the design portion anticipated to be complete in late 2022 followed by construction starting during the spring of 2023. This project will not only allow the facility to maintain regulatory compliance, it will also allow the City to continue the history of responsibly utilizing water resources by expanding the volume of effluent that can be produced for public access reuse. This project has an estimated cost of \$50 million.

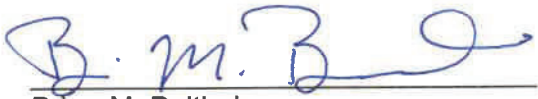
Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Clermont for its comprehensive annual financial report for the fiscal year ended September 30, 2020. This was the 33rd consecutive year that the City has received this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

Credit must be given to the Mayor and the City Council for their support in maintaining the highest standards of professionalism in the management of the City of Clermont's finances. The preparation of this report would not have been possible without the efficient and dedicated services of the staff in the City Manager's Office and Finance Department. We would like to express our appreciation to all members of these departments who assisted and contributed to the preparation of this report.

Respectfully submitted,



Brian M. Bulthuis
City Manager



Pamela M. Brososki
Finance Director



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Clermont
Florida**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

September 30, 2020

Christopher P. Morill

Executive Director/CEO

City of Clermont, Florida
Organization Chart
For the Fiscal Year Ended September 30, 2021



**City of Clermont, Florida
List of Elected and Appointed Officials
For the Fiscal Year Ended September 30, 2021**

Elected Officials

Tim Murray
Mayor

Timothy Bates
Mayor Pro-Tem

Jim Purvis
Council Member

Ebo Entsuah
Council Member

Michele Pines
Council Member

Appointed Officials

Scott Davidoff
Acting City Manager

Vacant
Assistant City Manager

David Ezell
Fire Chief

Dan Mantzaris
City Attorney

Nadine Ohlinger
Human Resources Director

Tracy Ackroyd Howe
City Clerk

Wayne Fountain
Interim Information Technology Director

Vacant
Communications Director

Chris Dudeck
Interim Parks and Recreation Director

Lisa Widican
Building Services Director

Charles Broadway
Police Chief

Curt Henschel
Planning & Development Services Director

Stoney Brunson
Public Works Director

Pam Brosonski
Finance Director

Freddy Suarez
Purchasing Director

FINANCIAL SECTION





INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and City Council
City of Clermont, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the *City of Clermont, Florida*, as of and for the year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, 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 City of Clermont, as of September 30, 2021, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund, and Infrastructure Special Revenue Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, the pension and other postemployment benefits disclosures on page 17 through 26 and 85 through 91 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise *City of Clermont's* basic financial statements. The introductory section, combining and individual fund financial statements and schedules, statistical section and the Schedule of Expenditures of Federal Awards (the Schedule) as required by the audit requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), are presented for purposes of additional analysis and are not a required part of the financial statements.

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued a report dated April 21, 2023 on our consideration of *City of Clermont'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 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 *City of Clermont's* internal control over financial reporting and compliance.

McDiarmid Davis

Orlando, FL
April 21, 2023

***MANAGEMENT'S DISCUSSION AND
ANALYSIS***



As management of the City of Clermont, Florida we offer readers of the City of Clermont's (the City) financial statements this narrative overview and analysis of the financial activities of the City of Clermont for the fiscal year ended September 30, 2021. 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 3 through 7 of this report.

Financial Highlights

- The City of Clermont's assets and deferred outflows of resources exceeded its liabilities and deferred inflows at September 30, 2021 by \$230,847,935 (net position). Of this amount, \$50,402,090 (unrestricted net position) may be used to meet the City's ongoing obligations to citizens and creditors.
- The City's total net position increased by \$29,216,110 (or 14%) during fiscal year 2021 primarily due to an increase in total revenues. The most significant revenue factor is within "Capital Grants and Contributions" for business-type activities, which increased from \$6.6M in FY20 to \$22.1M in FY21. This is largely due to the dedication of infrastructure to the City by developers.
- At September 30, 2021, the City of Clermont's governmental funds reported combined ending fund balances of \$39,586,254 an increase of \$188,843 from the previous fiscal year. Of this amount \$11,616,852 (unassigned fund balance) is available for spending at the government's discretion.
- The General Fund, the City's primary operating fund, reported an unassigned fund balance of \$11,616,852, which represents 33.9% of total General Fund expenditures.

Overview of the Financial Statements

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

Government-wide financial statements

The government-wide financial statements are designed to provide readers with a broad overview of the City of Clermont's financial position, in a manner similar to a private-sector business. They include a *Statement of Net Position* and a *Statement of Activities*. These statements appear on pages 29 and 30 of the report.

The *Statement of Net Position* presents information on all of the City's assets and liabilities and deferred inflows/outflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

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

Both of the government-wide financial statements distinguish functions of the City of Clermont 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 City of Clermont include general government, public safety, physical environment, transportation, economic environment, and culture and recreation. The business-type activities of the City of Clermont include water, sewer, sanitation, and stormwater utilities.

The government-wide financial statements include only the City of Clermont itself (known as the *primary government*) and one blended component unit (The City of Clermont Community Redevelopment Trust Fund).

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 City of Clermont, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City of Clermont can be divided into three categories: governmental funds, proprietary funds and fiduciary funds.

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating the City'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 City of Clermont maintains eleven 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, Capital Projects Fund, and Infrastructure Fund, which are considered to be major funds. Data from the other eight governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of *combining statements* elsewhere in this report.

The City of Clermont adopts an annual appropriated budget for all of its governmental funds. Budgetary comparison statements have been provided for the General Fund (pages 34 - 35), and the Infrastructure Fund (page 37) to demonstrate compliance with budgets. Other major and nonmajor funds comparisons can be found beginning on page 96.

The basic governmental fund financial statements can be found on pages 31 - 37 of this report.

Proprietary Funds

The City of Clermont maintains two types of proprietary funds: *enterprise* and *internal service*, which can be found on pages 38 - 43 of this report.

Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City of Clermont uses enterprise funds to account for water, sewer, sanitation and stormwater utilities. *Internal service funds* are an accounting tool used to accumulate and allocate costs internally among various functions. The City utilizes an internal service fund for its health insurance. Because services accounted for in the internal service fund predominately benefit governmental rather than business-type functions, it has been included within the *governmental activities* in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for water, sewer, sanitation, and stormwater which are all considered to be major funds.

Fiduciary Funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are *not* reflected in the government-wide financial statements because the resources of those funds are *not* available to support the City of Clermont's own programs. The accounting used for fiduciary funds is much like that used for the proprietary funds.

The basic fiduciary fund financial statements can be found on pages 44 - 45 of this report.

Notes to the Financial Statements.

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to financial statements can be found on pages 49 - 81 of this report.

Other Information.

The combining statements referred to earlier in connection with other governmental and proprietary funds are presented immediately following the notes to the financial statements. Combining and individual fund statements and schedules can be found on pages 96 - 112 of this report.

Government-Wide Financial Analysis

The following is a summary of the City's net position for governmental and business-type activities for the current year as compared to the prior year. For more detail see the Statement of Net Position.

	Net Position					
	Governmental Activities		Business-type Activities		Total	
	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20
Assets:						
Current and other assets	\$ 55,105,444	\$ 48,259,851	\$ 61,898,408	\$ 59,233,295	\$ 117,003,852	\$ 107,493,146
Capital assets	79,192,866	73,844,788	100,421,095	82,418,678	179,613,961	156,263,466
Total assets	134,298,310	122,104,639	162,319,503	141,651,973	296,617,813	263,756,612
Deferred Outflows of Resources:						
Deferred outflow of pension and OPEB earnings	5,199,860	5,838,788	445,423	544,970	5,645,283	6,383,758
Deferred charge of refunding	-	-	726,167	806,851	726,167	806,851
Total deferred outflows of resources	5,199,860	5,838,788	1,171,590	1,351,821	6,371,450	7,190,609
Liabilities:						
Long-term liabilities outstanding	39,344,826	40,889,219	18,748,695	19,750,335	58,093,521	60,639,554
Other liabilities	4,439,101	3,469,782	2,175,846	1,927,617	6,614,947	5,397,399
Total liabilities	43,783,927	44,359,001	20,924,541	21,677,952	64,708,468	66,036,953
Deferred Inflow of Resources:						
Deferred inflow of pension and OPEB earnings	7,361,151	3,185,495	71,709	92,948	7,432,860	3,278,443
Net investment in capital assets	51,595,557	44,045,257	88,519,639	68,309,917	140,115,196	112,355,174
Restricted	14,910,765	12,479,307	25,419,884	24,194,900	40,330,649	36,674,207
Unrestricted	21,846,770	23,874,367	28,555,320	28,728,077	50,402,090	52,602,444
Total net position	\$ 88,353,092	\$ 80,398,931	\$ 142,494,843	\$ 121,232,894	\$ 230,847,935	\$ 201,631,825

The City's total net position at September 30, 2021 was \$230,847,935. Of the City's total net position \$140,115,196 (60.7%) reflects its investment in capital assets (e.g., land, buildings, improvements, infrastructure and equipment) less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the City of Clermont'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 City's total net position, \$40,330,649 (17.5%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of the City's total net position, \$50,402,090 (21.8%) is unrestricted. These assets may be used at the City's discretion in meeting its ongoing obligations to citizens and creditors.

The City's net position increased by \$29,216,110 during the current fiscal year. Major components of this increase are discussed in the Governmental and Business-Type Activities sections to follow. Restricted reserves represent the accumulation of impact fee funds for upcoming and ongoing capital projects.

The following is a summary of the City's governmental and business-type activities for fiscal year 2020-21, including revenues and expenses, with a comparison to the prior year. For more detail see the Statement of Activities.

	Changes in Net Position					
	Governmental Activities		Business-type Activities		Total	
	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20
Revenues:						
Program revenues -						
Charges for services	\$ 8,346,718	\$ 7,319,562	\$ 22,107,572	\$ 20,461,143	\$ 30,454,290	\$ 27,780,705
Operating grants and contributions	2,025,523	3,307,146	-	583	2,025,523	3,307,729
Capital grants and contributions	2,205,531	625,000	22,093,775	6,574,550	24,299,306	7,199,550
General revenues -						
Property Taxes	14,353,854	13,089,628	-	-	14,353,854	13,089,628
Business Taxes	143,984	161,849	-	-	143,984	161,849
Franchise Fees	3,360,139	3,202,523	-	-	3,360,139	3,202,523
Utility Taxes	4,466,642	4,201,714	-	-	4,466,642	4,201,714
Intergovernmental	9,969,074	8,403,161	-	-	9,969,074	8,403,161
Investment income and miscellaneous	791,253	1,255,270	106,161	953,526	897,414	2,208,796
Gain on sale of capital assets	-	-	40,066	28,679	40,066	28,679
Total revenues	45,662,718	41,565,853	44,347,574	28,018,481	90,010,292	69,584,334
Expenses:						
General government	5,918,171	5,677,795	-	-	5,918,171	5,677,795
Public safety	23,712,850	22,732,773	-	-	23,712,850	22,732,773
Physical environment	2,763,287	2,470,157	-	-	2,763,287	2,470,157
Transportation	2,264,129	1,843,193	-	-	2,264,129	1,843,193
Economic environment	665,094	846,818	-	-	665,094	846,818
Culture and recreation	4,044,169	3,722,518	-	-	4,044,169	3,722,518
Interest on long-term debt	686,929	752,672	-	-	686,929	752,672
Water	-	-	7,109,563	6,424,688	7,109,563	6,424,688
Sewer	-	-	8,172,055	7,741,759	8,172,055	7,741,759
Sanitation	-	-	3,467,370	3,293,726	3,467,370	3,293,726
Stormwater	-	-	1,990,565	1,900,908	1,990,565	1,900,908
Total expenses	40,054,629	38,045,926	20,739,553	19,361,081	60,794,182	57,407,007
Increase (Decrease) in Net Position Before						
Transfers	5,608,089	3,519,927	23,608,021	8,657,400	29,216,110	12,177,327
Transfers	2,346,072	2,177,240	(2,346,072)	(2,177,240)	-	-
Increase in Net Position	7,954,161	5,697,167	21,261,949	6,480,160	29,216,110	12,177,327
Net Position - Beginning	80,398,931	74,701,764	121,232,894	114,752,734	201,631,825	189,454,498
Net Position - Ending	\$ 88,353,092	\$ 80,398,931	\$ 142,494,843	\$ 121,232,894	\$ 230,847,935	\$ 201,631,825

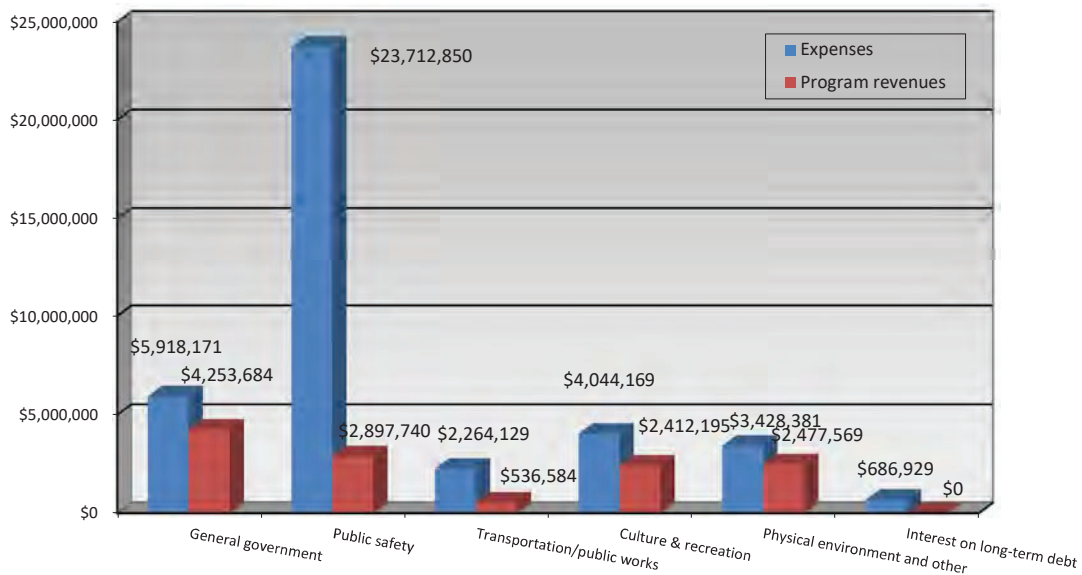
Governmental Activities

Governmental activities increased the City of Clermont's net position by \$7,954,161. The increase in governmental activity net position is due to the growth of revenues exceeding growth in expenses. While revenues increased 9.9% to \$45.6 million, expenses increased at a 5.3% rate to \$40.1 million. Revenues growth is primarily due to additional residents, increasing property valuations, and higher retail activity as opposed to rate increases. For instance, the Total Taxable Assessed Value of property increased 9.9% or \$311 million in FY21, while the city's millage rate remained the same. This led to an increase in receipts of nearly \$1.3 million. In another example, intergovernmental revenues - such as sales tax and state revenue sharing - increased by \$1.5 million.

The intergovernmental revenues category was also partially impacted by increases in some state revenues, as FY2020 had lower amounts due to the COVID pandemic. Similarly, a portion of the increase in "Charges for Services" within governmental activities can be attributed to the return of revenue from recreation rental and performing arts show revenues post-COVID, as the facilities were closed during a part of FY2020,

The following graph is a comparison of program revenues and program expenses for all governmental activities. This chart is intended to give the reader an idea of the degree to which governmental activities are self-supporting.

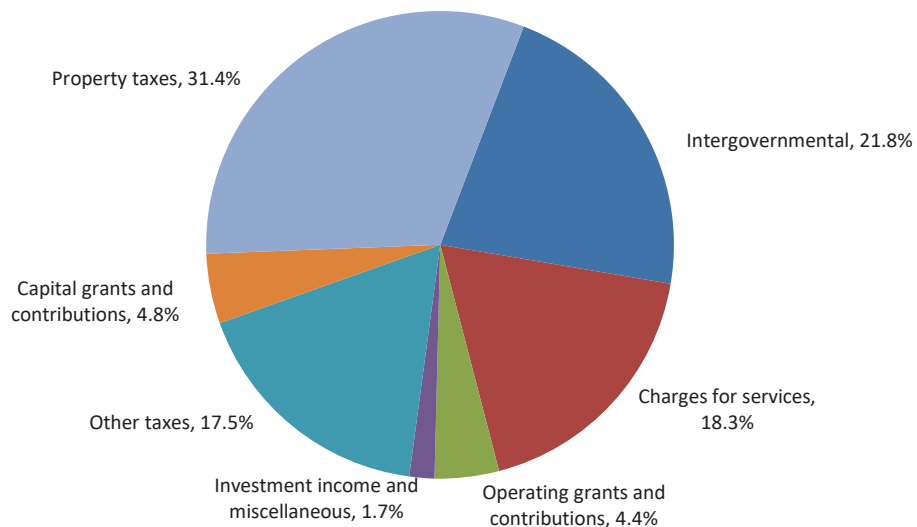
Expenses and Program Revenues - Governmental Activities



The following pie chart illustrates the composition of governmental activities revenue and its percent in relation to total governmental activities revenues.

Revenues by Source - Governmental Activities

- Intergovernmental
- Investment income and miscellaneous
- Property taxes
- Charges for services
- Other taxes
- Operating grants and contributions
- Capital grants and contributions

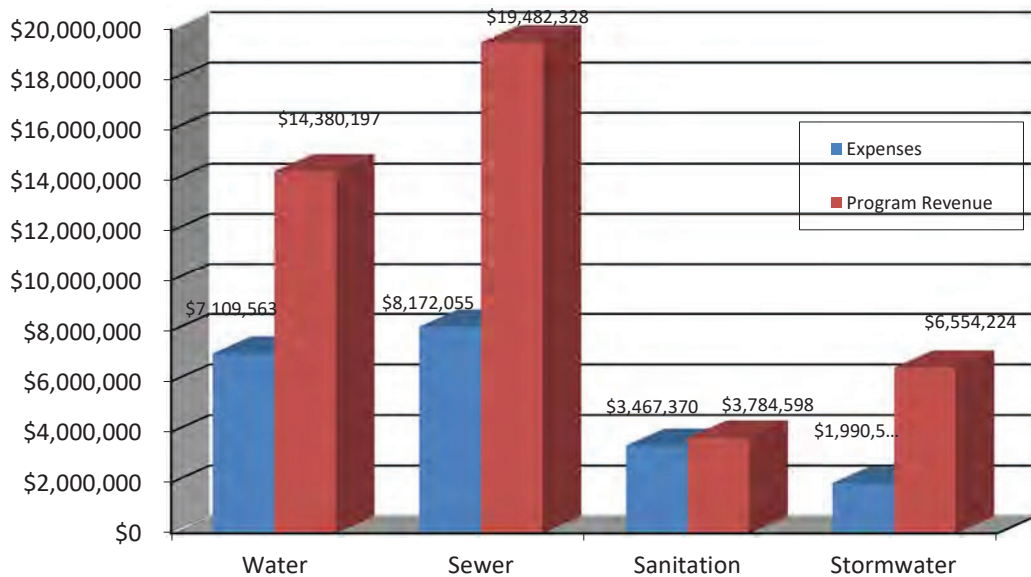


Business-Type Activities

Business-type activities increased the City of Clermont's net position by \$21,261,949. This change is primarily due to increased revenue from services, and capital contributions.

The following graph is a comparison of program revenues and program expenses for all business-type activities. This chart is intended to give the reader an idea of the degree to which business-type activities are self-supporting.

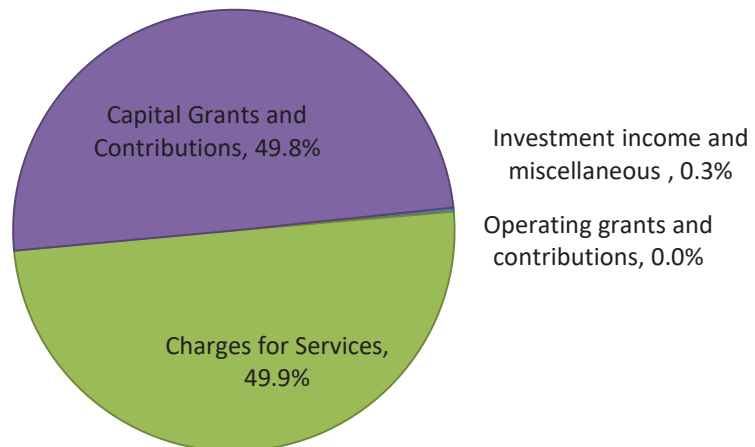
Expenses and Program Revenues - Business Type Activities



The following pie chart illustrates the composition of business-type activities revenue and its percent in relation to total business-type activities revenues.

Revenues by Source - Business Activities

- Investment income and miscellaneous
- Operating grants and contributions
- Charges for Services
- Capital Grants and Contributions



Financial Analysis of the City's Funds

As noted earlier, the City of Clermont uses fund accounting to ensure and demonstrate compliance with finance-related requirements.

Governmental Funds.

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

As of September 30, 2021, the City of Clermont's governmental funds reported combined ending fund balances of \$39,586,254 an increase of \$188,843 in comparison with the prior year. This increase is primarily due to impact fee collections tied to new development in the City. Of the governmental funds combined ending fund balances, \$11,616,852 (29%) represents *unassigned fund balance*, which is available for spending at the City's discretion. An additional \$12,605,324 (*assigned fund balance*) has been set aside for planned master plan project expenditures. *Restricted fund balances* totaling over \$14.9 million include funds required for debt service, as well as funds collected for specific purposes such as impact fees and community redevelopment. The remainder of fund balance is *nonspendable* (\$466,608) to indicate that it is not available for spending because it has already been committed for prepaids and inventories.

The General Fund is the chief operating fund of the City of Clermont. As of September 30, 2021, the fund balance in the General Fund was \$13,908,158 an increase of \$2,106,698 primarily from an increase in revenues; property taxes, franchise fees, licenses and permits, and charges for services all surpassed the 2020 amounts. The change in fund balance was more than the anticipated amount of the original budget by \$3,986,837 and \$5,170,243 more than the revised budget. Revenues were more than budgeted by \$3,697,400, due to increases in intergovernmental, this was due to lower state projection on sales and gas taxes based on the declines from COVID-19 in the prior year. Departmental expenditures came in less than anticipated resulting in no use of reserves in 2021. Of the total fund balance in the General Fund, \$11,616,852 (83.5%) is unassigned fund balance. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 33.9% of total General Fund expenditures, while total fund balance represents 40.6% of that same amount.

The City has a Capital Projects Fund that is considered a major fund under criteria set forth by GASB Statement No. 34. This fund is used to account for the acquisition of capital assets or construction of major capital projects not being financed by proprietary funds. Funds have been accumulated so projects can be completed on a pay-as-you-go basis. The fund balance in this fund decreased by \$4,260,323 in fiscal year 2021, primarily due to spending of proceeds from the Master Plan Capital Projects Revenue Note. The most significant project was the spending of \$4.4 million on a streetscape project in the downtown corridor.

The City has an Infrastructure Fund that is considered a major fund under criteria set forth by GASB Statement No. 34. This fund was established to account for the proceeds of the Local Government Infrastructure Surtax. The proceeds and interest accrued thereto, by law are only to be used to finance, plan and construct infrastructure. The fund balance in this fund increased by \$762,024 in fiscal year 2021 primarily due to increases in sales tax collections over the expectations and reduced expenditures of equipment and vehicle purchases due to delays on the delivery of these items.

The remainder of the change of \$1,580,444 to the governmental fund balance was from the non-major governmental funds. Recreation, Police and Fire Impact Fee fund balances combined for an increase of \$1,269,322 in fiscal year 2021 primarily due to the collection of impact fees on new development within the City. The Building Services fund balance increased \$161,106 due to revenues exceeding expenditures. The fund balances in the remaining nonmajor funds increased a total of \$80,131 due to an increase in both the cemetery and debt service funds.

Proprietary Funds

Proprietary funds are used to account for operations (a) that are financed and operated in a manner similar to private business enterprises where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes. The City's major proprietary funds are water, sewer, sanitation and stormwater.

The Water Fund accounts for the provision of potable water and reclaimed irrigation services to City and non-City residents. All activities necessary to the provision of these services are accounted for in this fund, including, but not limited to administration, plant and line maintenance. As of September 30, 2021, the City of Clermont's Water Fund reported total net position of \$50,697,127, an increase of \$6,229,388 in comparison with the prior year. This increase in net position was due to revenues exceeding expenses as well as the capital contributions of water impact fees on new development in the City.

The Sewer Fund accounts for the provision of sewer services to City and non-City residents. All activities necessary to the provision of these services are accounted for in this fund, including, but not limited to administration, plant and line maintenance. As of September 30, 2021, the City of Clermont's Sewer Fund reported total net position of \$73,341,938, an increase of \$10,213,480 in comparison with the prior year. This increase in net position was primarily due to the capital contributions of sewer impact fees on new development in the City.

The Sanitation Fund accounts for the provision of garbage and trash collection, recycling, and composting services to City residents. All activities necessary to the provision of these services are accounted for in this fund. As of September 30, 2021, the City of Clermont's Sanitation Fund reported total net position of \$6,698,903, an increase of \$395,768 in comparison with the prior year. This increase in net position is due to net operating income.

The Stormwater Fund accounts for the management of the City's stormwater drainage system. All activities necessary to the provision of these services are accounted for in this fund. As of September 30, 2021, the City of Clermont's Stormwater Fund reported total net position of \$11,993,886, an increase of \$4,611,728 in comparison with the prior year. The decrease in net position is primarily due to increased costs for personnel and other operating expenditures.

General Fund Budgetary Highlights

During the year, there was a \$2,350,287 increase in appropriations between the original and final amended budget. Significant components of the increase are as follows:

- \$74,400 Carryover of unexpended FY20 funds for HVAC replacements.
- \$194,217 for Lake Hiawatha pier replacement project.
- \$53,000 for Fire Department fitness and air fill station equipment.
- \$911,060 for Inter-local Agreement for disbursement of CARES Act Funds.
- \$353,500 for Land and Professional Services related to Trapp land purchase.
- \$150,425 for Land and Professional Services related to Campbell land purchase.
- \$140,452 for Fire Station #1 roof replacement.

In addition, General Fund budgeted revenues increased by \$1,166,851 between the original and final budget. Significant components of the increase are as follows:

- \$194,217 Addition of Federal Grant for Lake Hiawatha pier replacement project.
- \$80,000 for Fire Department fitness and air fill station equipment & related FEMA assistance.
- \$150,425 Inter-Fund Transfer for the Campbell land purchase.
- \$205,814 to account for Water & Sewer Fund transfers based on actual sales.
- \$139,452 Florida Municipal Insurance Trust reimbursement of Fire Station #1 roof replacement.

Considering the above noted increases in General Fund budgeted appropriations, actual expenditures were less than budgeted by \$1,954,507.

Capital Assets

The following is a summary of the City of Clermont's capital assets, net of depreciation for governmental and business-type activities for the current year with a comparison to the prior year. Additional information on the City of Clermont's capital assets can be found in Note 6 of this report.

	Capital Assets (net of depreciation)					
	Governmental Activities		Business-type Activities		Total	
	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20
Land	\$ 25,851,030	\$ 25,345,300	\$ 1,511,807	\$ 1,511,807	\$ 27,362,837	\$ 26,857,107
Buildings	18,353,736	19,052,904	835,845	873,451	19,189,581	19,926,355
Infrastructure	24,062,230	17,444,678	82,856,729	67,425,101	106,918,959	84,869,779
Machinery and Equipment	6,750,161	6,340,602	5,333,990	5,166,510	12,084,151	11,507,112
Intangibles	70,369	92,403	193,901	188,435	264,270	280,838
Construction in Progress	4,105,340	5,568,901	9,688,823	7,253,374	13,794,163	12,822,275
Total	\$ 79,192,866	\$ 73,844,788	\$ 100,421,095	\$ 82,418,678	\$ 179,613,961	\$ 156,263,466

The City of Clermont's investment in capital assets for its governmental and business-type activities as of September 30, 2021, amounts to \$179,613,961 (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements/infrastructure, machinery and equipment and intangibles. The total change in the City's investment in capital assets for the current fiscal year was \$23,350,495. Following are the significant capital asset events that occurred during the current fiscal year:

- Completion of Phase 1 of the Streetscape Project, \$1,347,772 was added and prior year's Construction in Progress in the amount of \$3,977,603 was moved to Infrastructure for a total project cost of \$5,325,375.
- Completion of the Artwalk Project, \$26,048 was added and prior year's Construction in Progress of \$341,678 was added to Infrastructure for a total project cost of \$367, 726.
- Completion of the CDBG-WTR SYS, \$1,023,756 was added and prior year's Construction in Progress in the amount of \$107,421 was moved to Infrastructure for a total project cost of \$1,131,177.
- Addition of Crestview Roadway Phase 1 & 2 for \$1,955,531.
- Two property (land) additions totaling \$503,881.
- Purchase of a Street Sweeper \$249,632.
- Purchase of 8 police vehicles for a total of \$425,956.
- Purchase of 60 Bodywork Camera and Holsters for the Police Department \$220,250.
- Purchase of 60 Self Contained Breathing Apparatus Packs & Accessories \$368,778.
- Purchase of a Vacuum Truck for \$418,645.
- Addition of sanitary, reclaimed, and storm water lines in Crestview totaling \$2,576,570.
- Addition of sanitary, reclaimed, and storm water lines in Highland Ranch totaling \$1,776,741.
- Addition of sanitary, reclaimed, and storm water lines in Hartwood Landing totaling \$2,798,832.
- Lift station additions totaling \$1,428,771.
- Additions to storm sewer and reclaimed lines in Lakeview totaling \$2,691,540.
- Construction in progress as of September 30, 2021 includes ARC Storage Building, Fire Station #2 Expansion, Streetscape PH 1 & PH2, Meet us in the Middle, Montrose St Improvements, Lake Hiawatha Pier Replacement, PW Hancock Facility, John's Lake Water Main Replacement, West Side Water Loop PH2, Sunburst WTP Barrier Wall, Asset Mgt Software, VT SCADA Conversion, John's Lake Rd Reuse, East WW Plant, Lower Floridian Aquifer Exploratory, Cap Out-Water System, WWTF Expansion, Clermont Eastern Water Reclamation Facility Expansion, Wellness Way, SW Master Plan – Lake Minnehaha, Lake Winona Basin Drainage, PW Facility.

Debt Administration

The following is a summary of the City's long-term debt for governmental and business-type activity for the current year with a comparison to the prior year. Additional information on long-term debt can be found in Note 8 of this report.

Outstanding Debt

	Governmental Activities		Business-type Activities		Total	
	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20
Revenue bonds payable \$	-	\$ -	\$ 9,779,000	\$ 10,634,000	\$ 9,779,000	\$ 10,634,000
Notes payable	26,931,061	29,045,267	5,252,560	5,620,934	32,183,621	34,666,201
Capital leases	666,248	754,264	-	-	666,248	754,264
Total	\$ 27,597,309	\$ 29,799,531	\$ 15,031,560	\$ 16,254,934	\$ 42,628,869	\$ 46,054,465

As of September 30, 2021, total outstanding debt was \$42,628,869, which includes both revenue bonds payable and notes payable. The outstanding debt amount decreased \$3,425,596 over the previous year.

Next Year's Budgets and Rates

The fiscal year 2022 budget was approved and required the use of \$42,414 in reserves to balance the General Fund budget while maintaining the same property tax millage for the seventh consecutive year. Clermont's 4.2601 millage continues to be one of the lowest of comparable cities in the region. Property values continued to increase in fiscal year 2022 in the amount of 8.44%.

Pursuant to a utility rate study performed by a private consulting firm, the Clermont City Council adopted a resolution in December 2017 that provided for an increase to stormwater rates in January 2018. This resolution also provided for inflation based increases to the water, sewer, stormwater, and sanitation rates every October 1st, starting October 1, 2018. The increase is based on the Florida Public Service Commission Annual Deflator Index and are necessary, primarily to provide funding for the future planned capital projects. The 2022 budget includes these rate increases in the Proprietary Funds.

Requests for Information

This financial report is designed to provide a general overview of the City of Clermont's finances for all those with an interest in the government's finances. Questions concerning any of the information should be addressed to the office of the Finance Director, City of Clermont, P.O. Box 120219, Clermont, Florida 34712.

BASIC FINANCIAL STATEMENTS



City of Clermont, Florida
Statement of Net Position
September 30, 2021

	Primary Government		
	Governmental Activities	Business-type Activities	Total
Assets:			
Cash and cash equivalents	\$ 14,338,221	\$ 22,626,405	\$ 36,964,626
Investments	16,946,557	18,949,659	35,896,216
Receivables, net	1,014,984	1,298,407	2,313,391
Inventories	17,621	17,002	34,623
Due from other governments	1,056,201	416,990	1,473,191
Internal balances	(50,116)	50,116	-
Prepaid costs	453,588	206,258	659,846
Restricted assets:			
Cash and cash equivalents	-	1,879,511	1,879,511
Investments	10,770,200	16,419,877	27,190,077
Interest receivable	16,896	34,183	51,079
Net pension asset	10,541,292	-	10,541,292
Capital assets not being depreciated	29,956,370	11,200,630	41,157,000
Capital assets being depreciated, net of accumulated depreciation	49,236,496	89,220,465	138,456,961
Total assets	134,298,310	162,319,503	296,617,813
Deferred Outflows of Resources:			
Deferred outflow of pension earnings	3,733,029	-	3,733,029
Deferred outflow related to OPEB	1,466,831	445,423	1,912,254
Deferred charge on refunding	-	726,167	726,167
Total deferred outflows of resources	5,199,860	1,171,590	6,371,450
Liabilities:			
Accounts payable and accrued expenses	4,246,462	2,175,846	6,422,308
Unearned revenue	192,639	-	192,639
Noncurrent liabilities:			
Due within one year	2,254,703	1,303,394	3,558,097
Due in more than one year	37,090,123	17,445,301	54,535,424
Total liabilities	43,783,927	20,924,541	64,708,468
Deferred Inflows of Resources:			
Deferred inflow of pension earnings	7,132,013	-	7,132,013
Deferred inflow related to OPEB	229,138	71,709	300,847
Total deferred inflows of resources	7,361,151	71,709	7,432,860
Net Position:			
Net investment in capital assets	51,595,557	88,519,639	140,115,196
Restricted for:			
Capital Improvements	-	25,419,884	25,419,884
Community redevelopment	507,206	-	507,206
Public safety	2,883,972	-	2,883,972
Culture and recreation	3,451,833	-	3,451,833
Infrastructure	2,684,980	-	2,684,980
Debt service	1,833,697	-	1,833,697
Building services	1,992,908	-	1,992,908
Transportation	24,742	-	24,742
Cemetery	1,531,427	-	1,531,427
Unrestricted	21,846,770	28,555,320	50,402,090
Total net position	\$ 88,353,092	\$ 142,494,843	\$ 230,847,935

City of Clermont, Florida
Statement of Activities
Year Ended September 30, 2021

	Program Revenue				Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Primary Government
Functions/Programs:							
Governmental Activities:							
General government	\$ 5,918,171	\$ 4,249,762	\$ 3,922	\$ -	\$ (1,664,487)	\$ -	\$ (1,664,487)
Public safety	23,712,850	1,778,204	1,119,536	-	(20,815,110)	-	(20,815,110)
Physical environment	2,763,287	-	281,641	2,155,531	(326,115)	-	(326,115)
Transportation/public works	2,264,129	-	536,584	-	(1,727,545)	-	(1,727,545)
Economic environment	665,094	-	40,397	-	(624,697)	-	(624,697)
Culture and recreation	4,044,169	2,318,752	43,443	50,000	(1,631,974)	-	(1,631,974)
Interest on long-term debt	686,929	-	-	-	(686,929)	-	(686,929)
Total governmental activities	40,054,629	8,346,718	2,025,523	2,205,531	(27,476,857)	-	(27,476,857)
Business-type Activities							
Water	7,109,563	8,465,551	-	5,914,646	-	7,270,634	7,270,634
Sewer	8,172,055	8,074,497	-	11,407,831	-	11,310,273	11,310,273
Sanitation	3,467,370	3,784,598	-	-	-	317,228	317,228
Stormwater	1,990,565	1,782,926	-	4,771,298	-	4,563,659	4,563,659
Total business-type activities	20,739,553	22,107,572	-	22,093,775	-	23,461,794	23,461,794
Total primary government	\$ 60,794,182	\$ 30,454,290	\$ 2,025,523	\$ 24,299,306	(27,476,857)	23,461,794	(4,015,063)
General Revenues:							
Property taxes					14,353,854	-	14,353,854
Business taxes					143,984	-	143,984
Franchise fees					3,360,139	-	3,360,139
Utility taxes					4,466,642	-	4,466,642
Intergovernmental - unrestricted					9,969,074	-	9,969,074
Unrestricted investment earnings					70,396	106,161	176,557
Miscellaneous					720,857	-	720,857
Gain on sale of capital assets					-	40,066	40,066
Transfers					2,346,072	(2,346,072)	-
Total general revenues and transfers					35,431,018	(2,199,845)	33,231,173
Change in net position					7,954,161	21,261,949	29,216,110
Net Position - beginning					80,398,931	121,232,894	201,631,825
Net Position - ending					\$ 88,353,092	\$ 142,494,843	\$ 230,847,935

City of Clermont, Florida
Balance Sheet
Governmental Funds
September 30, 2021

	General	Capital Projects	Infrastructure Special Revenue	Other Governmental Funds	Total Governmental Funds
Assets:					
Cash and cash equivalents	\$ 4,484,444	\$ 875,376	\$ 1,908,306	\$ 6,906,066	\$ 14,174,192
Investments	10,505,343	74,135	674,656	5,084,467	16,338,601
Receivables, net	1,023,914	-	685	3,995	1,028,594
Inventories, at cost	17,621	-	-	-	17,621
Due from other governments	503,439	200,000	348,840	3,922	1,056,201
Due from other funds	3,922	-	-	-	3,922
Prepaid costs	435,692	-	-	13,295	448,987
Restricted Investments	-	10,770,200	-	-	10,770,200
Total assets	\$ 16,974,375	\$ 11,919,711	\$ 2,932,487	\$ 12,011,745	\$ 43,838,318
Liabilities:					
Accounts payable	\$ 1,172,132	\$ 704,479	\$ 247,507	\$ 160,175	\$ 2,284,293
Due to other funds	287,127	-	-	3,922	291,049
Accrued liabilities	1,318,285	-	-	69,764	1,388,049
Unearned revenue	190,484	-	-	-	190,484
Total liabilities	2,968,028	704,479	247,507	233,861	4,153,875
Deferred Inflows of Resources:					
Unavailable revenue - liens, forfeitures and rents	98,189	-	-	-	98,189
Total deferred inflows of resources	98,189	-	-	-	98,189
Fund Balances:					
Nonspendable	453,313	-	-	13,295	466,608
Restricted	447,901	-	2,684,980	11,764,589	14,897,470
Assigned	1,390,092	11,215,232	-	-	12,605,324
Unassigned	11,616,852	-	-	-	11,616,852
Total fund balances	13,908,158	11,215,232	2,684,980	11,777,884	39,586,254
Total liabilities, deferred inflows of resources, and fund balances	\$ 16,974,375	\$ 11,919,711	\$ 2,932,487	\$ 12,011,745	

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

Capital assets used in governmental activities are not financial resources and are not reported in the funds.	79,192,866
Accrued interest payable is not due in the current period and therefore is not reported in the funds.	(235,678)
Other long-term assets are not available to pay for current period expenditures and, therefore are deferred in the funds.	98,189
Deferred inflows and outflows of resources related to pension earnings are not recognized in governmental funds, however, they are recorded in net position under full accrual accounting.	(2,161,291)
Net pension assets are not current financial resources and therefore are not reported in the funds	10,551,155
The assets and liabilities of certain internal service funds are not included in the fund financial statement, but are included in the governmental activities of the Statement of Net Position.	676,286
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.	(39,354,689)
Net Position of Governmental Activities in the Statement of Net Position.	<u>\$ 88,353,092</u>

The accompanying Notes to Financial Statements are an integral part of this statement.

Statement of Revenues, Expenditures and Changes in Fund Balances

Governmental Funds

Year Ended September 30, 2021

	General	Capital Projects	Infrastructure Special Revenue	Other Governmental Funds	Total Governmental Funds
Revenues:					
Taxes	\$ 18,513,069	\$ -	\$ -	\$ 451,411	\$ 18,964,480
Franchise fees	3,360,139	-	-	-	3,360,139
Licenses and permits	461,931	-	-	1,796,871	2,258,802
Intergovernmental revenues	7,693,536	200,000	4,306,742	44,319	12,244,597
Charges for services	2,586,994	-	-	237,980	2,824,974
Fines and forfeitures	176,011	-	-	-	176,011
Impact fees/special assessments	-	-	-	2,457,101	2,457,101
Investment earnings	41,026	13,874	2,000	12,135	69,035
Miscellaneous	1,320,956	43,437	-	5,335	1,369,728
Total revenues	34,153,662	257,311	4,308,742	5,005,152	43,724,867
Expenditures:					
Current:					
General government	5,692,584	695	52,452	3,922	5,749,653
Public safety	21,375,719	-	816,582	2,099,169	24,291,470
Physical environment	2,636,835	-	18,580	92,096	2,747,511
Transportation	1,416,803	-	655,076	-	2,071,879
Economic environment	150,489	-	-	457,531	608,020
Culture and recreation	2,943,370	-	7,515	76,315	3,027,200
Debt Service:					
Principal retirement	-	-	88,016	2,114,206	2,202,222
Interest and fiscal charges	2,978	-	14,753	693,685	711,416
Capital Outlay:					
Physical environment	-	55,839	-	-	55,839
Economic environment	-	4,461,100	-	-	4,461,100
Total expenditures	34,218,778	4,517,634	1,652,974	5,536,924	45,926,310
Excess (Deficiency) of Revenues Over Expenditures	(65,116)	(4,260,323)	2,655,768	(531,772)	(2,201,443)
Other Financing Sources (Uses):					
Transfers in	2,346,072	-	-	2,833,008	5,179,080
Transfers out	(218,472)	-	(1,893,744)	(720,792)	(2,833,008)
Sale of general capital assets	44,214	-	-	-	44,214
Total other financing sources (uses)	2,171,814	-	(1,893,744)	2,112,216	2,390,286
Net Change in Fund Balances	2,106,698	(4,260,323)	762,024	1,580,444	188,843
Fund Balances - beginning	11,801,460	15,475,555	1,922,956	10,197,440	39,397,411
Fund Balances - ending	\$ 13,908,158	\$ 11,215,232	\$ 2,684,980	\$ 11,777,884	\$ 39,586,254

City of Clermont, Florida
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund
Balances of Governmental Funds to the Statement of Activities
Year Ended September 30, 2021

Net Change in Fund Balances - total governmental funds: \$ 188,843

Amounts reported for Governmental Activities in the Statement of Activities are different because:

Governmental funds report outlays for capital assets as expenditures because such outlays use current financial resources. In contrast, the Statement of Activities reports only a portion of the outlay as expense. The outlay is allocated over the assets' estimated useful lives as depreciation expense for the period. 3,531,431

The net effect of various miscellaneous transactions involving capital assets (i.e. sales, trade-ins and disposals) is to decrease net position. (138,884)

Contributions of capital assets are not reported as revenues in the governmental funds 1,955,531

Governmental funds do not present revenues that are not available to pay current obligations. In contrast, such revenues are reported in the Statement of Activities when earned. (19,041)

Cash pension contributions reported in the funds were more than the calculated pension expense on the statement of activities, and therefore increased net position. 1,636,658

Governmental funds report note proceeds as current financial resources. In contrast, the Statement of Activities treats such issuance of debt as a liability. Governmental funds report repayment of note principal as an expenditure, In contrast, the Statement of Activities treats such repayments as a reduction in long-term liabilities. This is the amount by which repayments exceeded proceeds. 2,202,222

Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. (929,454)

Internal service funds are used by management to charge the costs of certain activities, such as health insurance, to individual funds. The net revenue (expense) of certain internal service funds is reported with governmental activities. (473,145)

Change in Net Position of Governmental Activities \$ 7,954,161

Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual**General Fund**

Year ended September 30, 2021

	Budgeted Amounts		Actual Amounts, Budgetary Basis	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ 18,089,201	\$ 18,089,201	\$ 18,513,069	\$ 423,868
Franchise fees	3,250,000	3,250,000	3,360,139	110,139
Licenses and permits	250,300	250,300	461,931	211,631
Intergovernmental revenues	5,125,295	5,442,955	7,693,536	2,250,581
Charges for services	2,298,801	2,298,801	2,586,994	288,193
Fines and forfeitures	114,200	114,200	176,011	61,811
Investment earnings	95,000	95,000	41,026	(53,974)
Miscellaneous	776,353	915,805	1,320,956	405,151
Total revenues	29,999,150	30,456,262	34,153,662	3,697,400
Expenditures:				
Current:				
General government:				
City council	41,829	72,170	71,761	409
City clerk	366,151	458,991	439,324	19,667
City manager	832,747	1,129,654	1,051,819	77,835
Finance	999,776	1,039,519	960,973	78,546
Legal services	105,000	147,086	143,087	3,999
Planning & zoning	608,117	615,735	649,711	(33,976)
Information technology	904,584	981,808	931,082	50,726
Human resources	588,733	598,540	403,925	194,615
Purchasing	289,665	317,810	314,802	3,008
Other general government	222,386	728,000	726,100	1,900
	4,958,988	6,089,313	5,692,584	396,729
Public safety:				
Law enforcement	10,704,513	10,808,174	10,523,641	284,533
Fire control	10,958,353	11,291,474	10,852,078	439,396
	21,662,866	22,099,648	21,375,719	723,929
Physical environment	2,349,237	2,826,775	2,636,835	189,940
Transportation	1,535,994	1,535,185	1,416,803	118,382
Economic environment	159,782	159,782	150,489	9,293
Culture and recreation	3,156,166	3,412,785	2,943,370	469,415
Interest and fiscal charges	-	-	2,978	(2,978)
Total expenditures	33,823,033	36,123,488	34,218,778	1,904,710
Excess (deficiency) of revenues over expenditures	(3,823,883)	(5,667,226)	(65,116)	5,602,110

Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual**General Fund**

Year ended September 30, 2021

Other Financing Sources (Uses):				
Transfers In	2,147,211	2,856,950	2,346,072	(510,878)
Transfers Out	(218,467)	(268,269)	(218,472)	49,797
Sale of General Capital Assets	15,000	15,000	44,214	29,214
	<u>1,943,744</u>	<u>2,603,681</u>	<u>2,171,814</u>	<u>(431,867)</u>
Total other financing sources (uses)	<u>1,943,744</u>	<u>2,603,681</u>	<u>2,171,814</u>	<u>(431,867)</u>
Net Change in Fund Balance	(1,880,139)	(3,063,545)	2,106,698	5,170,243
Fund Balance - beginning	11,801,460	11,801,460	11,801,460	-
Fund Balance - ending	<u>\$ 9,921,321</u>	<u>\$ 8,737,915</u>	<u>\$ 13,908,158</u>	<u>\$ 5,170,243</u>



Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual**Infrastructure Special Revenue Fund**

Year ended September 30, 2021

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental revenues	\$ 2,666,687	\$ 2,788,468	\$ 4,306,742	\$ 1,518,274
Investment earnings	4,200	4,200	2,000	(2,200)
Total revenues	2,670,887	2,792,668	4,308,742	1,516,074
Expenditures:				
Current:				
General government	20,463	279,814	52,452	227,362
Public safety:				
Police	275,600	420,725	200,363	220,362
Fire control	375,000	757,413	616,219	141,194
	650,600	1,178,138	816,582	361,556
Physical Environment	-	321,452	18,580	302,872
Transportation	-	880,522	655,076	225,446
Culture and recreation	-	7,517	7,515	2
Debt Service:				
Principal	85,734	85,734	88,016	(2,282)
Interest	20,352	20,352	14,753	5,599
	106,086	106,086	102,769	3,317
Total expenditures	777,149	2,773,529	1,652,974	1,120,555
Excess (deficiency) of revenues over expenditures	1,893,738	19,139	2,655,768	2,636,629
Other Financing Uses:				
Transfers out	(1,893,738)	(1,893,738)	(1,893,744)	(6)
Total other financing uses	(1,893,738)	(1,893,738)	(1,893,744)	(6)
Net Change in Fund Balances	-	(1,874,599)	762,024	2,636,623
Fund Balances - beginning	1,922,956	1,922,956	1,922,956	-
Fund Balances - ending	\$ 1,922,956	\$ 48,357	\$ 2,684,980	\$ 2,636,623

City of Clermont, Florida
Statement of Net Position
Proprietary Funds
September 30, 2021

	Business-type Activities-Enterprise Funds						Governmental Activities- Internal Service Fund
	Water	Sewer	Sanitation	Stormwater	Total		
Assets:							
Current assets:							
Cash and cash equivalents	\$ 7,962,607	\$ 12,311,120	\$ 1,938,192	\$ 414,486	\$ 22,626,405	\$ 164,029	
Investments	9,937,148	6,783,980	2,228,531	-	18,949,659	607,956	
Restricted cash and cash equivalents	845,214	729,382	71,374	233,541	1,879,511	-	
Accounts receivable, net	468,636	512,923	197,940	118,908	1,298,407	2,930	
Due from other governments	300,233	-	-	116,757	416,990	-	
Inventories	17,002	-	-	-	17,002	-	
Prepaid expenses	97,827	68,734	22,306	17,391	206,258	4,601	
Total current assets	19,628,667	20,406,139	4,458,343	901,083	45,394,232	779,516	
Noncurrent assets:							
Restricted investments	2,448,657	11,800,824	2,170,396	-	16,419,877	-	
Advances to other funds	-	275,000	287,127	-	562,127	-	
Interest receivable	12,780	19,116	2,287	-	34,183	356	
Capital assets:							
Land, buildings and equipment	49,690,925	79,685,323	5,237,128	21,542,462	156,155,838	-	
Construction in progress	3,091,592	6,209,801	195,785	191,645	9,688,823	-	
Less accumulated depreciation	(18,493,122)	(37,711,873)	(3,437,546)	(5,781,025)	(65,423,566)	-	
Total capital assets (net of accumulated depreciation)	34,289,395	48,183,251	1,995,367	15,953,082	100,421,095	-	
Total noncurrent assets	36,750,832	60,278,191	4,455,177	15,953,082	117,437,282	356	
Total assets	56,379,499	80,684,330	8,913,520	16,854,165	162,831,514	779,872	
Deferred Outflows of Resources:							
Deferred charge on refunding	259,180	466,987	-	-	726,167	-	
Deferred outflows related to OPEB	156,336	120,877	119,562	48,648	445,423	-	
Total deferred outflows of resources	415,516	587,864	119,562	48,648	1,171,590	-	

The accompanying Notes to Financial Statements are an integral part of this statement.

Liabilities:								
Current liabilities:								
Accounts payable	676,294	339,309	124,466	167,556	1,307,625	334,618		
Salaries payable	97,441	100,236	74,462	34,124	306,263	3,824		
Accrued interest payable	27,929	49,651	10,847	35,205	123,632	-		
Due to other funds	-	-	-	275,000	275,000	-		
Compensated absences	16,258	19,948	8,150	2,170	46,526	-		
Customer deposits payable	434,942	-	-	-	434,942	-		
Unearned revenue	-	3,384	-	-	3,384	2,155		
Revenue bonds and notes payable-current	316,440	562,560	88,971	288,897	1,256,868	-		
Total current liabilities	<u>1,569,304</u>	<u>1,075,088</u>	<u>306,896</u>	<u>802,952</u>	<u>3,754,240</u>	<u>340,597</u>		
Noncurrent liabilities:								
Compensated absences	146,321	179,533	73,349	19,533	418,736	-		
Other post employment benefits	1,151,070	962,299	786,295	352,209	3,251,873	-		
Notes payable	-	-	1,147,739	3,726,953	4,874,692	-		
Revenue bonds payable	3,204,000	5,696,000	-	-	8,900,000	-		
Total noncurrent liabilities	<u>4,501,391</u>	<u>6,837,832</u>	<u>2,007,383</u>	<u>4,098,695</u>	<u>17,445,301</u>	<u>-</u>		
Total liabilities	<u>6,070,695</u>	<u>7,912,920</u>	<u>2,314,279</u>	<u>4,901,647</u>	<u>21,199,541</u>	<u>340,597</u>		
Deferred Inflows of Resources:								
Deferred inflows related to OPEB	27,193	17,336	19,900	7,280	71,709	-		
Total deferred inflows of resources	<u>27,193</u>	<u>17,336</u>	<u>19,900</u>	<u>7,280</u>	<u>71,709</u>	<u>-</u>		
Net Position:								
Net investment in capital assets	31,028,135	42,391,678	2,929,053	12,170,773	88,519,639	-		
Restricted for capital improvements	6,313,333	19,106,551	-	-	25,419,884	-		
Unrestricted	13,355,659	11,843,709	3,769,850	(176,887)	28,792,331	439,275		
Total net position	<u>\$ 50,697,127</u>	<u>\$ 73,341,938</u>	<u>\$ 6,698,903</u>	<u>\$ 11,993,886</u>	<u>\$ 142,731,854</u>	<u>\$ 439,275</u>		

The assets and liabilities of certain internal service funds are not included in the fund financial statement, but are included in the Business Activities of the Statement of Net Position.

(237,011)

Total Net Position per Government-Wide Financial Statements

\$ 142,494,843

The accompanying Notes to Financial Statements are an integral part of this statement.



City of Clermont, Florida
Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Funds
Year Ended September 30, 2021

	Business-type Activities-Enterprise Funds					Governmental Activities-Internal Service Fund
	Water	Sewer	Sanitation	Stormwater	Total	
Operating Revenues:						
Charges for services	\$ 7,997,519	\$ 8,071,532	\$ 3,784,598	\$ 1,782,926	\$ 21,636,575	\$ 5,391,074
Miscellaneous	468,032	2,965	-	-	470,997	35,290
Total operating revenues	<u>8,465,551</u>	<u>8,074,497</u>	<u>3,784,598</u>	<u>1,782,926</u>	<u>22,107,572</u>	<u>5,426,364</u>
Operating Expenses:						
Personnel services	1,990,414	2,093,753	1,455,806	744,020	6,283,993	68,556
Utilities	574,275	911,380	2,237	11,111	1,499,003	-
Dump fees	18,144	294,482	601,342	16,670	930,638	-
Administrative services	466,671	453,853	233,241	148,757	1,302,522	-
Repairs and maintenance	1,213,980	279,295	200,185	44,981	1,738,441	-
Depreciation and amortization	1,769,189	3,119,667	460,939	728,619	6,078,414	-
Professional services	254,230	142,303	43,636	17,947	458,116	58,165
Insurance claims and expenses	141,780	178,869	72,413	43,159	436,221	5,962,564
Other supplies and expenses	511,785	433,734	338,609	83,074	1,367,202	-
Total operating expenses	<u>6,940,468</u>	<u>7,907,336</u>	<u>3,408,408</u>	<u>1,838,338</u>	<u>20,094,550</u>	<u>6,089,285</u>
Operating income (loss)	<u>1,525,083</u>	<u>167,161</u>	<u>376,190</u>	<u>(55,412)</u>	<u>2,013,022</u>	<u>(662,921)</u>
Nonoperating Revenues (Expenses):						
Investment income	37,315	52,230	13,925	2,691	106,161	1,361
Interest expense	(113,805)	(203,012)	(32,922)	(106,849)	(456,588)	-
Gain (loss) on disposal of capital assets	1,491	-	38,575	-	40,066	-
Total nonoperating revenue (expenses)	<u>(74,999)</u>	<u>(150,782)</u>	<u>19,578</u>	<u>(104,158)</u>	<u>(310,361)</u>	<u>1,361</u>
Income (loss) before contributions and transfers	1,450,084	16,379	395,768	(159,570)	1,702,661	(661,560)
Capital contributions	5,914,646	11,407,831	-	4,771,298	22,093,775	-
Transfers out	(1,135,342)	(1,210,730)	-	-	(2,346,072)	-
Change in net position	<u>6,229,388</u>	<u>10,213,480</u>	<u>395,768</u>	<u>4,611,728</u>	<u>21,450,364</u>	<u>(661,560)</u>
Total Net Position - Beginning	<u>44,467,739</u>	<u>63,128,458</u>	<u>6,303,135</u>	<u>7,382,158</u>		<u>1,100,835</u>
Total Net Position - Ending	<u>\$ 50,697,127</u>	<u>\$ 73,341,938</u>	<u>\$ 6,698,903</u>	<u>\$ 11,993,886</u>		<u>\$ 439,275</u>
Change in Net Position, per above					21,450,364	
Internal service funds are used by management to charge the costs of certain activities to individual funds. The net revenue (expense) of certain internal service funds is reported with Business Activities.					(188,415)	
Change in Business-Type Activities in Net Position per Government-Wide Financial Statements						<u>\$ 21,261,949</u>

City of Clermont, Florida
Statement of Cash Flows
Proprietary Funds
Year Ended September 30, 2021

	Business-Type Activities-Enterprise Funds						Governmental Activities- Internal Service Fund
	Water		Sewer		Stormwater		
						Total	
Cash Flows from Operating Activities:							
Receipts from customers	\$ 8,334,079	\$ 7,981,194	\$ -	\$ 1,755,304	\$ 21,823,773	\$ -	-
Receipts from internal services provided	(2,846,931)	(2,992,977)	(1,480,487)	(231,219)	(7,551,614)	5,428,542	5,428,542
Payments to suppliers	(1,925,877)	(1,966,009)	(1,365,589)	(700,995)	(5,958,470)	(67,703)	(5,892,126)
Payments to employees	3,561,271	3,022,208	907,120	823,090	8,313,689	(531,287)	(531,287)
Net cash provided (used) by operating activities							
Cash Flows from Non-Capital Financing Activities:							
Due from other funds	-	-	110,000	-	110,000	-	-
Transfers out	(1,135,342)	(1,210,730)	-	-	(2,346,072)	-	-
Net cash provided (used) by non-capital financing activities							
	(1,135,342)	(1,210,730)	110,000	-	(2,236,072)	-	-
Cash Flows from Capital and Related Financing Activities:							
Acquisition of capital assets	(3,304,292)	(2,795,500)	(19,363)	(651,198)	(6,770,353)	-	-
Sale of capital assets	1,491	-	38,575	-	40,066	-	-
Interest paid on long-term debt	(87,450)	(155,466)	(33,683)	(109,317)	(385,916)	-	-
Principal paid on debt	(307,800)	(547,200)	(86,736)	(281,638)	(1,223,374)	-	-
Capital grants	-	-	-	93,243	93,243	-	-
Fees and assessments received	1,614,146	2,658,918	-	-	4,273,064	-	-
Net cash provided (used) by capital and related financing activities							
	(2,083,905)	(839,248)	(101,207)	(948,910)	(3,973,270)	-	-

The accompanying Notes to Financial Statements are an integral part of these statements.

Cash Flows from Investing Activities:									
Sale (purchase) of investments	221,254	454,758	(1,030,678)	-	(354,666)	351,196			
Investment income	173,947	256,596	(7,632)	2,691	425,602	1,587			
Net cash provided by investing activities	395,201	711,354	(1,038,310)	2,691	70,936	352,783			
Net Increase (Decrease) in Cash and Cash Equivalents									
Cash and Cash Equivalents - beginning	737,225	1,683,584	(122,397)	(123,129)	2,175,283	(178,504)			
Cash and Cash Equivalents - ending	8,070,596	11,356,918	2,131,963	771,156	22,330,633	342,533			
Cash and Cash Equivalents - end	\$ 8,807,821	\$ 13,040,502	\$ 2,009,566	\$ 648,027	\$ 24,505,916	\$ 164,029			
Classified As:									
Cash and cash equivalents	\$ 7,962,607	\$ 12,311,120	\$ 1,938,192	\$ 414,486	\$ 22,626,405	\$ 164,029			
Restricted cash and cash equivalents	845,214	729,382	71,374	233,541	1,879,511	-			
Total	\$ 8,807,821	\$ 13,040,502	\$ 2,009,566	\$ 648,027	\$ 24,505,916	\$ 164,029			
Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities									
Operating income (loss)	\$ 1,525,083	\$ 167,161	\$ 376,190	\$ (55,412)	\$ 2,013,022	\$ (662,921)			
Adjustments Not Affecting Cash:									
Depreciation and amortization	1,769,189	3,119,667	460,939	728,619	6,078,414	-			
Change in Assets and Liabilities:									
Decrease (Increase) in accounts receivable	(145,910)	(96,687)	(31,402)	(27,622)	(301,621)	2,208			
Increase in unearned revenue	-	3,384	-	-	3,384	(30)			
Increase in customer deposits	14,438	-	-	-	14,438	-			
Decrease in prepaid costs	(18,352)	(8,140)	3,650	(2,453)	(25,295)	2			
Decrease (Increase) in inventory	(9,114)	-	-	-	(9,114)	-			
Increase (Decrease) in accounts payable	361,400	(290,921)	7,526	136,933	214,938	128,601			
Increase in OPEB	83,726	93,435	68,681	39,436	285,278	-			
Increase in accrued liabilities	(19,189)	34,309	21,536	3,589	40,245	853			
Total adjustments	2,036,188	2,855,047	530,930	878,502	6,300,667	131,634			
Net Cash Provided (Used) by Operating Activities	\$ 3,561,271	\$ 3,022,208	\$ 907,120	\$ 823,090	\$ 8,313,689	\$ (531,287)			
Noncash Investing, Capital, and Financing Activities:									
Contributed assets	\$ 4,000,267	\$ 8,748,913	\$ -	\$ 4,561,298	\$ 17,310,478	\$ -			
Increase (Decrease) in Fair Value of Investments	\$ (128,541)	\$ (192,265)	\$ 23,005	\$ -	\$ (297,801)	\$ -			

The accompanying Notes to Financial Statements are an integral part of these statements.

City of Clermont, Florida
Statement of Fiduciary Net Position
Fiduciary Funds
September 30, 2021

	Total Employee Pension Funds
Assets:	
Cash and cash equivalents	\$ 1,810,813
Investments at fair value:	
U.S. Government & other debt securities	20,652,235
Equities	39,669,273
Total investments	<u>60,321,508</u>
Total assets	<u>62,132,321</u>
Liabilities:	
Refunds payable and other	10,369
Pending trades payable	615,517
Total liabilities	<u>625,886</u>
Net Position Restricted for Pensions	<u>\$ 61,506,435</u>

City of Clermont, Florida
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
Year Ended September 30, 2021

	Total Employee Pension Funds
Additions:	
Contributions:	
Employer	\$ 2,212,560
Plan members	584,841
State	600,906
Total contributions	3,398,307
Investment earnings:	
Net increase (decrease) in fair value of investments	9,114,343
Interest and dividends	1,389,378
Less: Investment expense	(44,000)
Total net investment earnings	10,459,721
Total additions	13,858,028
Deductions:	
Benefits/distributions	1,021,198
Refund of contributions	35,960
Administrative	148,889
Total deductions	1,206,047
Change in Net Position	12,651,981
Net Position - beginning	58,569,161
Prior period adjustment	(9,714,707)
Net Position - ending	\$ 61,506,435



NOTES TO FINANCIAL STATEMENTS



NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

The *City of Clermont*, Florida (the City) is a political subdivision of the State of Florida located in Lake County. The *City of Clermont* was incorporated under State law in December 1916 and operates under the council-manager form of government under its charter adopted pursuant to H.B. 2223, Ch.67-1217 Special Acts, of the State of Florida. The legislative branch of the City is composed of a Mayor and four (4) members elected Council. The City Council is responsible for the establishment and adoption of policy. The execution of such policy is the responsibility of the Council appointed City Manager.

In evaluating how to define the government, for financial reporting purposes, the City has considered all potential component units. The definition of the reporting entity is based primarily on the notion of financial accountability. A primary government is financially accountable for the organizations that make up its legal entity. It is also financially accountable for legally separate organizations if its officials appoint a voting majority of an organization's governing body, and either it is able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to, or to impose specific financial burdens on, the primary government. A primary government may also be financially accountable for governmental organizations that are fiscally dependent on it.

A primary government has the ability to impose its will on an organization if it can significantly influence the programs, projects or activities of, or the level of services performed or provided by, the organization. A financial benefit or burden relationship exists if the primary government (a) is entitled to the organizations' resources; (b) is legally obligated or has otherwise assumed the obligation to finance the deficits of, or provide financial support to, the organization; or (c) is obligated in some manner for the debt of the organization. In applying the above criteria, the City has one blended component unit as follows:

The City of Clermont Community Redevelopment Fund:

The *City of Clermont* created the Downtown Redevelopment Agency in May of 1997. This is a dependent taxing district established in accordance with Chapter 163, Part III, Florida Statutes. Notification to affected taxing agency was done in compliance with Chapter 163.346, Part III, Florida Statutes. The incremental annual increase in tax over the base years will be used to fund projects designed to enhance and improve the described area. The City Council, being the duly elected governmental body for the designated area, passed Resolution 97-950, which established the *City of Clermont* as the Redevelopment Agency for the purpose of carrying out the community redevelopment programs and plans within the area. Through Ordinance 359-M the City established the Community Redevelopment Trust Fund to account for all transactions generated by this special revenue fund. The *City of Clermont* Community Redevelopment Fund is presented as a blended component unit. The CRA is governed by a board of seven- the five members of the Clermont City Council and two individuals appointed by the City Council. On December 8, 2015, Ordinance No. 2015-77 passed and modification of the Community Redevelopment Plan was approved. Because the governing body of the CRA is substantively the same as the City and the City has operational responsibility for the CRA, the CRA is presented as a blended component unit of the City.

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 City. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support.

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

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the 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.

Property 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. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the City.

The government reports the following funds:

Major Governmental Funds

The *General Fund* is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

Capital Projects Fund accounts for financial resources segregated for the acquisition or construction of major capital facilities.

Infrastructure Special Revenue Fund accounts for the proceeds of the Local Government Infrastructure Surtax. The proceeds and interest accrued thereto, by law are only to be used to finance, plan and construct infrastructure.

Nonmajor Governmental Fund Types

Special Revenue Funds account for the proceeds of specific revenue sources that are legally restricted or committed to expenditures for specified purposes other than debt service or capital projects.

The *Debt Service Fund* was established to account for the accumulation of resources and payment of bond principal and interest from governmental resources.

Major Proprietary Funds

Water Fund is used to account for the operations of the City's water system, which is financed in a manner similar to private business enterprises, where the costs, including depreciation, of providing services to the general public on an ongoing basis are financed primarily through user charges.

Sewer Fund is used to account for the operations of the City's sewer system, which is financed in a manner similar to private business enterprises, where the costs, including depreciation, of providing services to the general public on an ongoing basis are financed primarily through user charges.

Sanitation Fund is used to account for the fiscal activities of the City's refuse collection and disposal operation.

Stormwater Fund (Enterprise Fund) is used to account for the fiscal activities of the City's stormwater drainage operation, as well as the funding and payment of related debt.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Nonmajor Proprietary Funds

Internal Service Fund is used to account for the costs of group insurance which are charged to other departments on a cost reimbursement basis.

Fiduciary Funds

Pension Trust Funds account for activities of police officers, firefighters and general employees retirement plans which accumulate resources for pension benefit payments to qualified employees.

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

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

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 City's water, sewer, sanitation and stormwater utility funds are charges to customers for sales and services. The City also recognizes as operating revenue the meter fees intended to recover the cost of connecting new customers to the system. 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.

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

Assets, Liabilities, Deferred Outflows/Inflows and Net Position/Fund Balance:

Deposits and Investments

The government'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 of the City are reported at fair value and are categorized within the fair value hierarchy established in accordance with GASB Statement No. 72, *Fair Value Measurement and Application*. The City's investments consist of investments authorized per their investment policy adopted in accordance with Section 218.415, Florida Statutes.

Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the noncurrent portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds."

Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances".

Advances between funds, as reported in the fund financial statements, are offset by a non-spendable fund balance in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

All receivables are shown net of an allowance for uncollectibles. The County bills and collects property taxes and remits them to the City. City property tax revenues are recognized when levied to the extent that they result in current receivables.

All property is reassessed according to its fair value on the lien date, or January 1 of each year. Taxes are levied on October 1 of each year. 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 without discount. All unpaid taxes become delinquent on April 1 following the year in which they are assessed. On or around May 31 following the tax year, certificates are sold for all delinquent taxes on real property.

Inventories and Prepaid Items

All inventories are valued at cost using the first-in/first-out (FIFO) method. Inventories of governmental funds are recorded as expenditures 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 government-wide and fund financial statements. These are recorded as expenditures when consumed rather than when purchased.

Restricted Assets

Certain proceeds of the City's enterprise fund revenue bonds, as well as certain resources set aside for their repayment, are classified as restricted assets on the balance sheet because they are maintained in separate accounts and their use is limited by applicable bond covenants. Assets so designated are identified as restricted assets on the balance sheet.

Capital Assets

Capital assets, which include property, plant, equipment, intangible 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 City as assets with an initial, individual cost of \$1,000 or more and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

Capital assets of the City are depreciated using the straight line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings	10-50
Improvements	15-50
Infrastructure	30-50
Equipment & Machinery	3-15
Intangible Assets	3-15

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Compensated Absences

It is the City's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. All vacation pay is accrued when incurred in the government-wide and proprietary financial statements. A portion of sick pay is accrued for employees with at least ten (10) years of service. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

Long-Term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses.

For governmental activities, compensated absences, net pension obligations, and net other postemployment benefit obligations are generally liquidated by the general fund.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial 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 position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. The City has three items that qualify for reporting in this category. The deferred charge on refunding, deferred outflows of pension earnings and deferred outflow related to OPEB reported in the government-wide statement of net position and the statement of net position - proprietary funds. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

In addition to liabilities, the statement of financial 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 position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. The City has only one type of item, which arises only under a modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, the item, *unavailable revenue*, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from several sources: liens, forfeitures and rental income. These amounts are deferred and recognized as an inflow of sources in the period that the amounts become available. The City also has deferred inflows of pension earnings and OPEB reported in the government-wide statement of net position.

Net Position Flow Assumptions

Sometimes the City 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 City's policy to consider restricted net position to have been depleted before unrestricted net position is applied.

Fund Balance Flow Assumptions

Sometimes the City 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 government'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.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 City itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned 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 City's highest level of decision-making authority. The Council is the highest level of decision-making authority for the City that can, by adoption of a resolution prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the resolution remains in place until a similar action is taken (the adoption of another resolution) to remove or revise the limitation.

Amounts in the assigned fund balance classification are intended to be used by the City for specific purposes but do not meet criteria to be classified as committed. The Council has maintained authority to assign fund balance.

The Council 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.

New GASB Statements Implemented

In fiscal year 2021, the City implemented GASB Statement No. 84, *Fiduciary Activities*, which establishes criteria for identifying and reporting fiduciary activities of all state and local governments. The focus of the criteria is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Governments with activities meeting this criteria should present a statement of fiduciary net position and a statement of changes in fiduciary net position. The City does not consider the general employees' defined contribution pension plan to meet the criteria for reporting as fiduciary activities due to the City's administrative involvement with those funds. As such, the general employees' defined contribution pension fund is no longer presented in the fiduciary statements, and the beginning fund balance of the fiduciary funds decreased by \$9,714,707.

Prior Period Adjustments

As stated above in the new accounting standards, the general employees' defined contribution pension fund is excluded from the City's Fiduciary Statements but was previously included in the prior years, affecting the comparability of financial statements for those years. As a result of this change, beginning fiduciary net position has been adjusted by \$9,714,707.

NOTE 2 RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

Explanation of Certain Differences Between the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances and the Government-Wide Statement of Activities

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between *net changes in fund balances - total governmental funds* and *changes in net position of governmental activities* as reported in the government-wide statement of activities. One element of that reconciliation explains that "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." The details of this difference are as follows:

Capital Outlay	\$ 7,725,072
Depreciation Expense	<u>(4,193,641)</u>
<i>Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities</i>	<u>\$ 3,531,431</u>

NOTE 2 RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (CONTINUED)

Another element of that reconciliation states that “The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position.” The details of this difference are as follows:

Principal Repayment	\$ 2,202,222
<i>Net adjustment to decrease net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities</i>	<u>\$ 2,202,222</u>

Another element of that reconciliation states that “Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.” The details of this difference are as follows:

Compensated Absences	\$ (25,784)
Other Post Employment Benefits	(928,157)
Accrued Interest Payable	<u>24,487</u>
<i>Net adjustment to decrease net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities</i>	<u>\$ (929,454)</u>

NOTE 3 STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Budgetary Information

The City follows these procedures in establishing the budgetary data reflected in the financial statements:

- Prior to the end of the fiscal year, the City Manager submits to the City Council a proposed operating budget for the fiscal year commencing the following October 1. The operating budget includes proposed expenditures and the means of financing them.
- Budget workshops are scheduled as needed.
- The general summary of the budget and notice of public hearing is published in the local newspaper.
- Public hearings are conducted to obtain taxpayer comments.
- Prior to October 1, the budgets are legally enacted through passage of a resolution.
- The City Manager is authorized to transfer budgeted amounts within departments; however, any revisions that alter the total appropriations of any department must be approved by the City Council.
- The level of classification detail at which expenditures may not legally exceed appropriations is the department level.
- Appropriations lapse at the close of the fiscal year to the extent they have not been expended. Encumbrance accounting is employed in governmental funds. Encumbrances (e.g., purchase orders and contracts) outstanding at year end are reported as assigned fund balances and do not constitute expenditures or liabilities because the commitments will be re-appropriated and honored during the subsequent year.
- Budgets are adopted for the general fund, special revenue funds, debt service funds and the capital projects fund on a basis consistent with generally accepted accounting principles, except as described below under Budget Basis of Accounting. Budgets are also adopted for the enterprise funds; however, budgetary comparisons are not presented since they are not required under generally accepted accounting principles.
- The City Council, by Ordinance or Resolution, may make supplemental appropriations in excess of those originally estimated for the year up to the amount of available revenues. Budgeted amounts presented in the accompanying financial statements have been adjusted for legally authorized revisions.

NOTE 3 STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (CONTINUED)

Budgetary Basis of Accounting

The City includes a portion of the prior year's fund balances represented by unappropriated liquid assets remaining in the fund as budgeted revenue in the succeeding year. The results of operations on a GAAP basis do not recognize the fund balance allocation as revenue as it represents prior periods' excess of revenues over expenditures. The City does not budget for capital outlay expenditures and other financing sources related to the acquisition of assets through notes payable.

Expenditures in Excess of Appropriations

Expenditures exceeded appropriations in various departments of the General Fund, and Debt Service Fund. These excess expenditures were funded by greater than anticipated revenues and available fund balance.

NOTE 4 CASH AND INVESTMENTS

Deposits

All bank deposits were fully covered by federal depository insurance or by collateral held in banks that are members of the State of Florida's Collateral Pool as specified under Florida law. Florida Statutes provide for collateral pooling by banks and savings and loans. This limits local government deposits to "authorized depositories".

Investments

Investments in all fund types are stated at fair value, which is the amount for which an investment could be exchanged in a current transaction between willing parties, other than in a forced liquidation sale. Fair value is based on quoted market prices. Changes in the fair value of investments are recognized as revenue and included in investment income.

The City's investment policies are governed by state statute and city ordinance. Authorized investments are:

- The Local Government Surplus Funds Trust (SBA).
- SEC registered money market funds.
- Interest-bearing time deposits or savings accounts in qualified public depositories.
- Direct obligations of the U.S. Treasury.
- Federal agencies and instrumentalities.
- Securities of, or other interests in, any open-end or closed-end management-type investment company or investment trust registered under the Investment Company Act of 1940.
- Repurchase Agreements.
- Other investments authorized by ordinance.

The assets of the City's general employees defined benefit pension fund, are invested in the pooled investment fund for the Florida Municipal Pension Trust Fund (FMPTF). Investments held in this fund consist of corporate bonds and stocks and cash equivalents. The fund is stated at fair value, and investment earnings are allocated to participants in the fund based on their equity in this pooled investment account as provided by the Florida Municipal Pension Fund.

NOTE 4 CASH AND INVESTMENTS (CONTINUED)

Investments made by the *City of Clermont* at September 30, 2021 are summarized below. Defined benefit pension plan investments, other than \$49,383,980 in mutual funds, investing in equity securities, are included below. In accordance with GASB 31, investments are reported at fair value.

Investment Type	Fair Value	Credit Rating	Weighted Average Maturity
Federal Agency Bond	\$ 4,271,392	AA+	1.77 years
Federal Agency Mortgage-Backed Securities	600,876	AA+	9.56 years
Federal Agency Commercial Mortgage-Backed Securities	1,276,258	AA+	1.92 years
Federal Agency Colateralized Mortgage Obligation	113,678	AA+	6.73 years
US Treasury Notes	7,124,529	AA+	2.26 years
Supra-National Agency Bond/Note	1,767,586	AAA	2.29 years
Corporate Note	4,384,595	BBB+/AA	2.27 years
Asset Backed Security	3,594,063	AAA/NR	3.1 years
Municipal Bonds	1,125,758	AAA	1.92 years
FL Palm	25,886,962	AAA/m	80 days
Pension Fixed Income Securities	20,652,235	various	2 - 8 years
	<u>\$ 70,797,932</u>		

Credit Risk:

The City's investment policy limits credit risk by restricting authorized investments to those described above.

Custodial Credit Risk:

In the case of deposits, this is the risk that in the event of a bank failure, the City's deposits may not be returned to it. The City's investment policy requires that bank deposits be secured as provided by Chapter 280, Florida Statutes. This law requires local governments to deposit funds only in financial institutions designated as qualified public depositories by the Chief Financial Officer of the State of Florida, and creates the Public Deposits Trust Fund, a multiple financial institution pool with the ability to assess its member financial institutions for collateral shortfalls if a default or insolvency has occurred. At September 30, 2021, all of the city's bank deposits were in qualified public depositories.

For an investment, this is the risk that, in the event of the failure of the counterparty, the government will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. At September 30, 2021, none of the investments listed are exposed to custodial credit risk because their existence is not evidenced by securities that exist in physical or book entry form.

Concentration of Credit Risk:

The City's investment policy requires diversification but does not specify limits on types of investments.

Interest Rate Risk:

The City's investment policy does not specifically address interest rate risk, however the general investment policy is to apply the prudent-person rule: Investments are made as a prudent person would be expected to act, with discretion and intelligence, to seek reasonable income, preserve capital, and in general, avoid speculative investments. The City manages its exposure to declines in fair values by investing primarily in pooled investments that have a weighted average maturity of less than three months.

NOTE 4 CASH AND INVESTMENTS (CONTINUED)

Fair Value

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The fair value is the price that would be received to sell an asset, or paid to transfer a liability, in an orderly transaction between market participants at the measurement date. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. The City uses a market approach in measuring fair value that uses prices and other relevant information generated by market transactions involving identical or similar assets liabilities, or groups of assets and liabilities.

Assets or liabilities are classified into one of three levels. Level 1 is the most reliable and is based on quoted price for identical assets, or liabilities, in an active market. Level 2 uses significant other observable inputs when obtaining quoted prices for identical or similar assets, or liabilities, in markets that are not active. Level 3 is the least reliable, and uses significant unobservable inputs that uses the best information available under the circumstances, which includes the City's own data in measuring unobservable inputs.

The City has the following recurring fair value measurements as of September 30, 2021:

<u>Investments Valued by Fair Value Level</u>		<u>Quoted Prices in Active Markets for Identical Assets (Level 1)</u>	<u>Significant Other Observable Inputs (Level 2)</u>
Federal Agency Bond	\$ 4,271,392	\$ -	\$ 4,271,392
Federal Agency Colateralized Mortgage Obligation	113,678	-	113,678
Federal Agency Commercial Mortgage-Backed Securities	1,276,258	-	1,276,258
Federal Agency Mortgage-Backed Securities	600,876	-	600,876
US Treasury Notes	7,124,529	7,124,529	-
Supra-National Agency Bond/Note	1,767,586	-	1,767,586
Corporate Note	4,384,595	-	4,384,595
Asset Backed Security	3,594,063	-	3,594,063
Municipal Bonds	1,125,758	-	1,125,758
Pension Fixed Income Securities	20,652,235	20,652,235	-
Pension Equity Securities	39,837,474	39,837,474	-
	<u>\$ 84,748,444</u>	<u>\$ 67,614,238</u>	<u>\$ 17,134,206</u>

NOTE 5 RECEIVABLES

Receivables as of year end for the City's individual major funds and nonmajor funds, including the applicable allowances for uncollectible accounts, are as follows:

	<u>Accounts</u>	<u>Taxes</u>	<u>Other</u>	<u>Less Allowance for Uncollectible Accounts</u>	<u>Total</u>
General Fund	\$ 3,082,150	\$ 109,360	\$ 852,029	\$ (3,019,625)	\$ 1,023,914
Infrastructure Special Revenue Fund	-	-	685	-	685
Water Fund	467,127	-	59,244	(44,955)	481,416
Sewer Fund	661,864	-	19,116	(148,941)	532,039
Sanitation Fund	250,118	-	2,555	(52,446)	200,227
Stormwater Fund	144,292	-	178	(25,562)	118,908
Nonmajor Governmental Funds	-	-	3,995	-	3,995
Internal Service Fund	-	-	3,286	-	3,286
	<u>\$ 4,605,551</u>	<u>\$ 109,360</u>	<u>\$ 941,088</u>	<u>\$ (3,291,529)</u>	<u>\$ 2,364,470</u>

NOTE 6 CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2021 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental Activities:				
Capital Assets, not being depreciated:				
Land	\$ 25,345,300	\$ 505,730	\$ -	\$ 25,851,030
Construction in progress	5,568,901	5,315,815	(6,779,376)	4,105,340
Total capital assets, not being depreciated	<u>30,914,201</u>	<u>5,821,545</u>	<u>(6,779,376)</u>	<u>29,956,370</u>
Capital Assets, being depreciated:				
Buildings	31,304,222	321,148	-	31,625,370
Improvements/infrastructure	31,126,101	8,065,447	-	39,191,548
Machinery and equipment	16,692,541	2,151,645	(478,136)	18,366,050
Intangibles	554,945	6,500	(39,377)	522,068
Total capital assets being depreciated	<u>79,677,809</u>	<u>10,544,740</u>	<u>(517,513)</u>	<u>89,705,036</u>
Less Accumulated Depreciation for:				
Buildings	(12,251,318)	(1,020,316)	-	(13,271,634)
Improvements/infrastructure	(13,681,423)	(1,447,895)	-	(15,129,318)
Machinery and equipment	(10,351,939)	(1,696,896)	432,946	(11,615,889)
Intangibles	(462,542)	(28,534)	39,377	(451,699)
Total accumulated depreciation	<u>(36,747,222)</u>	<u>(4,193,641)</u>	<u>472,323</u>	<u>(40,468,540)</u>
Total capital assets being depreciated, net	<u>42,930,587</u>	<u>6,351,099</u>	<u>(45,190)</u>	<u>49,236,496</u>
Governmental activities capital assets, net	<u>\$ 73,844,788</u>	<u>\$ 12,172,644</u>	<u>\$ (6,824,566)</u>	<u>\$ 79,192,866</u>

NOTE 6 CAPITAL ASSETS (CONTINUED)

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Business-type Activities:				
Capital Assets, not being depreciated:				
Land	\$ 1,511,807	\$ -	\$ -	\$ 1,511,807
Construction in progress	7,253,374	5,015,045	(2,579,596)	9,688,823
Total capital assets, not being depreciated	<u>8,765,181</u>	<u>5,015,045</u>	<u>(2,579,596)</u>	<u>11,200,630</u>
Capital Assets, being depreciated:				
Buildings	989,780	-	-	989,780
Improvements/infrastructure	120,956,716	20,390,503	-	141,347,219
Machinery and equipment	11,086,360	1,201,866	(384,460)	11,903,766
Intangibles	426,242	53,013	(75,989)	403,266
Total capital assets being depreciated	<u>133,459,098</u>	<u>21,645,382</u>	<u>(460,449)</u>	<u>154,644,031</u>
Less Accumulated Depreciation for:				
Buildings	(116,329)	(37,606)	-	(153,935)
Improvements/infrastructure	(53,531,615)	(4,958,875)	-	(58,490,490)
Machinery and equipment	(5,919,850)	(1,034,386)	384,460	(6,569,776)
Intangibles	(237,807)	(47,547)	75,989	(209,365)
Total accumulated depreciation	<u>(59,805,601)</u>	<u>(6,078,414)</u>	<u>460,449</u>	<u>(65,423,566)</u>
Total capital assets being depreciated, net	<u>73,653,497</u>	<u>15,566,968</u>	<u>-</u>	<u>89,220,465</u>
Business-type activities capital assets, net	<u>\$82,418,678</u>	<u>\$20,582,013</u>	<u>\$(2,579,596)</u>	<u>\$ 100,421,095</u>

Depreciation expense was charged to functions/programs as follows:

Governmental Activities:	
General government	\$ 716,750
Public safety	1,658,471
Physical environment/transportation	240,025
Economic environment	590,701
Culture and recreation	987,694
Total Depreciation Expense - governmental activities	<u>\$ 4,193,641</u>
Business-type Activities	
Water	\$ 1,769,189
Sewer	3,119,667
Sanitation	460,939
Stormwater	728,619
Total Depreciation Expense - business-type activities	<u>\$ 6,078,414</u>

NOTE 7 CAPITAL LEASES

The City has entered into lease agreements for financing the acquisition of communications equipment. These lease agreements qualify as capital leases for accounting purposes and, therefore, have been recorded at the present value of their future minimum lease payments as of the inception date.

The assets acquired through capital leases are as follows:

	<u>Governmental Activities</u>
Machinery & equipment	\$ 919,125
Less: accumulated depreciation	(285,535)
Total	<u>\$ 633,590</u>

Amortization of equipment leased and capital leases is included in depreciation expense. The future minimum lease obligations and the net present value of these minimum payments as of September 30, 2021 were as follows:

<u>Year Ending September 30</u>	<u>Governmental Activities</u>
2022	\$ 102,769
2023	102,769
2024	102,769
2025	102,769
2026	102,769
Thereafter	205,538
Total minimum lease payments	719,383
Less: amount representing interest	(53,135)
	<u>\$ 666,248</u>

NOTE 8 LONG-TERM DEBT

Bonds Payable- Public Offering

The City issues bonds to provide funds for the acquisition and construction of major capital assets. In the event of default, bondholders may take any remedies legally appropriate, and declare all principal and accrued interest is due and payable immediately. Bonds have been issued for business-type activities.

In a prior year, the City issued Water and Sewer Revenue and Refunding Bonds, Series 2017 in the amount of \$10,817,000 with interest of 2.38% to partially refund the Water and Sewer Revenue and Refunding Bond Series 2009. This bond is secured by the net revenue of the water and sewer system. The total principal and interest remaining to be paid on this series is \$10,987,172. For the fiscal year, principal and interest paid on this series was \$1,097,915 and total pledged revenue was \$6,670,645.

NOTE 8 LONG-TERM DEBT (CONTINUED)

The original amount of revenue bonds issued in prior years is described below. Revenue bonds outstanding at year end are as follows:

<u>Business-Type Activities</u>	<u>Interest Rates and Dates</u>	<u>Maturity</u>	<u>Original Amount</u>	<u>Balance September 30, 2021</u>
Water and Sewer Revenue	2.38%	12/1/2018		
Refunding Bonds, Series 2017	(6/1 & 12/1)	to 12/1/2030	\$ 10,817,000	\$ 9,779,000
			<u>\$ 10,817,000</u>	<u>\$ 9,779,000</u>

Annual debt service requirements to maturity for revenue bonds are as follows:

Year Ending September 30,	<u>Business - Type Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2022	\$ 879,000	\$ 222,280
2023	900,000	201,110
2024	920,000	179,452
2025	943,000	157,283
2026	965,000	134,578
2027-2031	5,172,000	313,469
Total	<u>\$ 9,779,000</u>	<u>\$ 1,208,172</u>

Notes Payable- Direct Borrowing

The City issued Public Improvement Refunding Revenue Note, Series 2016 in the amount of \$5,331,196 with interest of 2.03% to refund the Public Improvement Revenue Note, Series 2013. This note is secured by public services taxes and communications service tax. Total principal and interest remaining to be paid on this series is \$3,811,393. For the fiscal year, principal and interest paid on this series was \$476,815 and total pledged revenue was \$5,793,731. In the event of default, the lender may seek enforcement of all remedies available under the law. Any amounts due on the note that remain unpaid shall bear interest at the default rate until all amounts then due are paid in full.

The City issued Infrastructure Sales Surtax Revenue Note, Series 2016 in the amount of \$5,300,000 with interest of 2.12% to finance the costs of the acquisition and construction of a new municipal police station. This note is secured by the infrastructure sales surtax. Total principal and interest remaining to be paid on this series is \$4,182,726. For the fiscal year, principal and interest paid on this series was \$418,724 and total pledged revenue was \$4,258,795. In the event of default, the lender may seek enforcement of all remedies available under the law. Any amounts due on the note that remain unpaid shall bear interest at the default rate until all amounts then due are paid in full.

The City issued Master Plan Capital Projects Revenue Note, Series 2017 in the amount of \$30,000,000 with interest of 2.63% to fund master plan projects, Victory Pointe, Boat Ramp Relocation, Downtown Waterfront District Revitalization, Legacy Loop Trail Spur, Public Wi-Fi Network, Public Works Complex, and City Limits Entryway Signs. This note is secured by a covenant to budget and appropriate. Total principal and interest remaining to be paid on this series is \$29,026,799. For the fiscal year, principal and interest paid on this series was \$2,423,725. In the event of default, the lender may seek enforcement of all remedies available under the law. Any amounts in the project fund shall be applied to repayment of principal and interest.

NOTE 8 LONG-TERM DEBT (CONTINUED)

Revenue notes outstanding at year end are as follows:

<u>Governmental Activities</u>	<u>Interest Rates and Dates</u>	<u>Maturity</u>	<u>Original Amount</u>	<u>Balance September 30, 2021</u>
Public Improvement Refunding Revenue Note, Series 2016	2.03% (6/1 & 12/1)	12/1/2016 to 12/1/2028	\$ 5,331,196	3,518,185
Infrastructure Sales Surtax Revenue Note, Series 2016	2.12% (6/1 & 12/1)	12/1/2016 to 12/1/2030	\$ 5,300,000	3,769,436
Master Plan Capital Projects Revenue Note, Series 2017	2.63% (6/1 & 12/1)	12/1/2018 to 12/1/2032	\$ 23,670,559	19,643,440
				<u>\$ 26,931,061</u>
Business-Type Activities				
Master Plan Capital Projects Revenue Note, Series 2017	2.63% (6/1 & 12/1)	12/1/2018 to 12/1/2032	\$ 6,329,441	\$ 5,252,561

Annual debt service requirements to maturity for revenue notes are as follows:

Year Ending September 30,	<u>Governmental Activities</u>		<u>Business-Type Activities</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2022	\$ 2,164,966	\$ 641,584	\$ 377,868	\$ 133,174
2023	2,218,409	588,188	387,995	123,103
2024	2,272,175	533,472	398,122	112,765
2025	2,327,849	477,405	408,671	102,156
2026	2,383,858	419,962	419,220	91,269
2027-2031	11,850,649	1,206,958	2,267,839	282,769
2032-2033	3,713,155	98,297	992,846	26,284
Total	<u>\$ 26,931,061</u>	<u>\$ 3,965,866</u>	<u>\$ 5,252,561</u>	<u>\$ 871,520</u>

NOTE 8 LONG-TERM DEBT (CONTINUED)

Changes in Long-Term Liabilities

Long-term liability activity for the year ended September 30, 2021 was as follows:

	Beginning Balance	Additions	Deductions	Ending Balance	Due Within One Year
Governmental Activities					
Public improvement revenue notes	\$ 3,919,507	\$ -	\$ (401,322)	\$ 3,518,185	\$ 409,469
Infrastructure revenue notes	4,104,694	-	(335,258)	3,769,436	342,365
Capital Projects revenue notes	21,021,066	-	(1,377,626)	19,643,440	1,413,132
Capital Leases	754,264	-	(88,016)	666,248	89,737
Other post employment benefits	9,508,353	673,383	-	10,181,736	-
Net pension liability	31,475	-	(31,475)	-	-
Compensated absences	1,549,860	180,770	(154,986)	1,575,644	157,564
Governmental activity long-term liabilities	\$ 40,889,219	\$ 854,153	\$ (2,388,683)	\$39,354,689	\$ 2,412,267
Business-type Activities					
Bonds payable-					
Revenue bonds	\$ 10,634,000	\$ -	\$ (855,000)	\$ 9,779,000	\$ 879,000
Capital Projects revenue notes	5,620,934	-	(368,374)	5,252,560	377,868
Other post employment benefits	3,044,903	206,970	-	3,251,873	-
Compensated absences	450,498	59,815	(45,051)	465,262	46,526
Business-type activity long-term liabilities	\$ 19,750,335	\$ 266,785	\$ (1,268,425)	\$18,748,695	\$ 1,303,394

For governmental activities, compensated absences, net pension obligations, and net other postemployment benefit obligations are generally liquidated by the general fund.

NOTE 9 INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

Interfund transfers for the year ended September 30, 2021 consisted of the following:

Transfers Out:	Transfers In		
	General Fund	Nonmajor Govt	Total
General Fund	\$ -	\$ 218,472	\$ 218,472
Infrastructure Fund	-	1,893,744	1,893,744
Water Fund	1,135,342	-	1,135,342
Sewer Fund	1,210,730	-	1,210,730
Nonmajor Governmental	-	720,792	720,792
	\$ 2,346,072	\$ 2,833,008	\$ 5,179,080

The majority of the transfers were to fund other capital projects and debt service payments. Transfers from the Water Fund and Sewer Fund to the General Fund were based on a percentage of water and sewer sales.

NOTE 9 INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS (CONTINUED)

The composition of interfund advances as of September 30, 2021 is as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Sewer Fund	Stormwater Fund	\$ 275,000
Sanitation Fund	General Fund	287,127
		<u>\$ 562,127</u>

The balance due to the Sanitation fund from the General Fund is a result of an interfund loan for the purchase of a fire truck to be repaid over ten years. The balance due to the Sewer fund from the Stormwater fund is for the upfront construction costs on the Victory Pointe project that will be funded from various grants upon the completion of the project.

NOTE 10 RETIREMENT PLANS

The City maintains three separate single-employer, defined benefit plans for general employees, sworn police officers and firefighters, as well as a defined contribution plan for general employees. The investment and administrative agent for the general employees defined benefit plan is the Florida Municipal Pension Trust Fund, an agent of the multiple-employer Public Employee Retirement System. The assets and benefits of the general employees defined contribution plan are administered by the Florida League of Cities. The plan administration for the police and firefighters pension plans is the Pension Resource Center.

With recent adoption by the Florida Legislation of Chapter 2015-39, Laws of Florida, a separate Defined Contribution component of the Police and Fire Retirement Plans was established on October 1, 2015 and will provide special benefits in the form of a supplemental retirement, termination, death and disability benefits to be funded solely and entirely by premium tax monies. The Share Plan benefits are additional to the benefits currently provided by the defined benefit component currently provided. Funds will be allocated to eligible members on each valuation date.

Defined Benefit Pension Plans

Each plan is independently governed by separate boards of trustees. Assets may not be transferred between plans, or used for any purpose other than to benefit each plan's participants as defined in their authorizing ordinances. The general employee's plan board contracts with the Florida Municipal Pension Trust Fund (FMPTF), a private, not-for-profit corporation established by the Florida League of Cities (FLC) for FLC members who wish to use its services. The FMPTF acts as a common investment and administrative agent for its members, contracting with a bank custodian, investment manager and actuary to provide a commingled investment fund and plan valuation services. This plan is included as part of the City's reporting entity in Pension Trust Funds. The Clermont City Council adopted and may amend plan provisions by resolution. The Police and Firefighters' Pension Plans are administered by a Pension Resource Center. These plans do not issue stand alone audit reports.

Stand-alone audited financial statements of the FMPTF are maintained on file at the FLC offices in Tallahassee, Florida, and are available upon request to the Pension Services Division.

General Employees

Contributions

The City's actuarially determined contribution rate per the October 1, 2020 actuarial valuations is \$5,582 for general employees. Administrative costs are deducted from the net position of the plan.

Summary of Significant Accounting Policies

Plan Description - The general employees defined benefit pension plan is for general employees hired prior to September 30, 1985.

Plan Administration - The General Employees' Pension is administered by a Board of Trustees.

NOTE 10 RETIREMENT PLANS (CONTINUED)

Plan Membership - At September 30, 2021 plan membership consisted of the following:

Inactive Plan Members or Beneficiaries Currently Receiving Benefits	4
Inactive Plan Members Entitled to but Not Yet Receiving Benefits	-
Active Plan Members	-
	4
	4

Net Pension Liability of the City

The City's net pension liability was measured as of September 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The components of the net pension liability (asset) of the sponsor on September 30, 2021 were as follows:

Total Pension Liability	\$ 276,692
Plan Fiduciary Net Position	(286,555)
Sponsor's Net Pension Liability (Asset)	\$ (9,863)
Plan Fiduciary Net Position as a Percentage of Total Pension Liability (Asset)	103.56%

Actuarial Assumptions

The total pension liability was determined by an actuarial valuation as of October 1, 2020, updated September 30, 2021 using the following actuarial assumptions:

Inflation	2.77%
Salary Increases	0.00%
Investment Rate of Return	7.00%

Mortality rates were based on the sex-distinct rates set forth in the PUB-2010 Mortality Table with full generational improvements in mortality using Scale MP-2018.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of September 30, 2021 are summarized in the following table:

Asset Class	Target Allocation	Long Term Expected Real Rate of Return
Core Bonds	15%	1.60%
Core Plus	15%	2.10%
U.S. Large Cap Equity	34%	4.60%
U.S. Small Cap Equity	11%	5.50%
Non-U.S. Equity	15%	6.70%
Core real estate	10%	5.00%
Total	100%	

NOTE 10 RETIREMENT PLANS (CONTINUED)

Discount rate

The discount rate used to measure the total pension liability was 7%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that sponsor contributions will be made at rates equal to the difference between the actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Changes in Net Pension Liability

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Increase (Decrease) Net Pension Liability (a) - (b)
Balance at September 30, 2020	\$ 305,055	\$ 273,580	\$ 31,475
Changes Due to:			
Service Cost	-	-	-
Expected interest growth	21,619	19,304	2,315
Unexpected investment income	-	31,729	(31,729)
Demographic experience	-	-	-
Employer contributions	-	5,582	(5,582)
Benefit payments and refunds	(49,982)	(38,315)	(11,667)
Administrative expenses	-	(5,325)	5,325
Assumption changes	-	-	-
Balance at September 30, 2021	<u>\$ 276,692</u>	<u>\$ 286,555</u>	<u>\$ (9,863)</u>

Sensitivity of the Net Pension Liability to changes in the Discount Rate

	1% Decrease 6.00%	Current Discount Rate 7.00%	1% Increase 8.00%
General Pension Plan Net Pension Liability	\$ 46,044	\$ (9,863)	\$ 18,195

Deferred outflows and inflows of resources

For the year ended September 30, 2021 the City will recognize a pension expense of (\$38,509). On September 30, 2021 the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ -	\$ -
Net Difference Between Projected and actual Earnings on Pension Plan Investments	4,035	-
	<u>\$ 4,035</u>	<u>\$ -</u>

NOTE 10 RETIREMENT PLANS (CONTINUED)

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

Year ended September 30:		
2022	\$	1,499
2023		1,940
2024		596
2025		-
2026		-
Thereafter		-

Police Officers' Retirement -

The police officers' defined benefit pension plan is a local law, single employer, defined benefit pension plans as defined under Florida Statutes, Chapters 175 and 185, which covers all sworn police officers. Employees are eligible to participate in the plan immediately upon employment with the City, and they are vested in the plan after ten years of service. The plan is administered by a board of Trustees.

Contributions

The City's actuarially determined contribution rate per the October 1, 2021 actuarial valuation was 20.19%. Employees must contribute 5% of pensionable earnings. Administrative costs are deducted from the net position of the plan. Contributions from the State received under Florida State Statutes 175 and 185 amounted to \$379,293 in 2021 and were recorded as revenue and expenditures in the general fund.

Benefits Provided

The plan provides retirement, disability, and pre-retirement death benefits. Normal retirement is defined as the attainment of age 55 and 10 years of service, or 20 years of service, regardless of age. The normal retirement benefit is the number of years of credited service prior to October 1, 2002 multiplied by 2.25%, and the number of years of credited service after October 1, 2002 multiplied by 3%, and multiplied by the average final monthly compensation. Early retirement is defined as attainment of age 50 and 10 years of service; however, the early retirement benefit is reduced by 3% for each year before the normal retirement date. Employees are 50% vested after five years of service, increasing at the rate of 10% per year, up to 100% vesting after 10 years of service. Disability benefits are the larger of the basic pension formula or 42% of average earnings for service connected disabilities. For non-service connected disabilities, benefits are the larger of the basic pension formula or 25% of average earnings, and require 10 years of service. Disability pension is offset as necessary to preclude the total of the participant's worker's compensation, disability pension, and other City-financed disability or salary continuation benefit (excluding social security benefits) from exceeding average earnings. Pre-retirement death benefits for vested members are the vested portion of the basic pension formula, reduced for payment prior to normal retirement age (payable for 10 years certain to the beneficiary of a vested participant). For non-vested participants, the benefit is the return of accumulated employee contributions.

Plan Membership

At September 30, 2021 plan membership consisted of the following:

Inactive Plan Members or Beneficiaries Currently Receiving Benefits	24
Inactive Plan Members Entitled to but Not Yet Receiving Benefits	28
Active Plan Members	78
	130
	130

NOTE 10 RETIREMENT PLANS (CONTINUED)

Net Pension Liability of the City

The City's net pension liability was measured as of September 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The components of the net pension liability (asset) of the sponsor on September 30, 2021 were as follows:

Total Pension Liability	\$ 23,763,682
Plan Fiduciary Net Position	(28,938,693) *
Sponsor's Net Pension Liability (Asset)	<u>\$ (5,175,011)</u>
Plan Fiduciary Net Position as a Percentage of Total Pension Liability (Asset)	121.78%

* does not include Share Plan balances or excess chapter 175/185 contributions

Actuarial Assumptions

The total pension liability was determined by an actuarial valuation as of October 1, 2018, updated September 30, 2021 using the following actuarial assumptions:

Inflation	2.50%
Salary Increases	5.50%
Investment Rate of Return	7.00%

Mortality rates were based on the sex-distinct rates set forth in the PUB-2010 Headcount-Weighted Employee Mortality Table, with full generational improvements in mortality using Scale MP-2018.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of September 30, 2021 are summarized in the following table:

Asset Class	Target Allocation	Long Term Expected Real Rate of Return
Core Bonds	15%	1.60%
Core Plus	15%	2.10%
U.S. Large Cap Equity	34%	4.60%
U.S. Small Cap Equity	11%	5.50%
Non-U.S. Equity	15%	6.70%
Core real estate	10%	5.00%
Total	<u>100%</u>	

NOTE 10 RETIREMENT PLANS (CONTINUED)

Discount rate

The discount rate used to measure the total pension liability was 7%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that sponsor contributions will be made at rates equal to the difference between the actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Changes in Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balance at September 30, 2019	\$ 20,888,384	\$ 23,337,027	\$ (2,448,643)
Changes Due to:			
Service Cost	1,335,386	-	1,335,386
Expected interest growth	1,535,299	1,652,130	(116,831)
Unexpected investment income	-	3,307,309	(3,307,309)
Demographic experience	260,114	-	260,114
Employer contributions	-	1,084,478	(1,084,478)
Employee contributions	-	268,568	(268,568)
Benefit payments and refunds	(550,996)	(550,996)	-
Administrative expenses	-	(59,823)	59,823
Assumption changes	295,495	-	295,495
Balance at September 30, 2020	<u>\$ 23,763,682</u>	<u>\$ 29,038,693</u>	<u>\$ (5,275,011)</u>

Sensitivity of the Net Pension Liability to changes in the Discount Rate

	1% Decrease 6.00%	Current Discount Rate 7.00%	1% Increase 8.00%
Police Pension Net Pension Liability (Asset)	\$ (1,690,656)	\$ (5,175,011)	\$ (7,997,379)

Deferred outflows and inflows of resources

For the year ended September 30, 2021 the City will recognize a pension expense of \$327,328. On September 30, 2021 the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 223,427	\$ 544,974
Changes of assumptions	1,318,695	-
Net difference between projected and actual earnings on pension plan investments	-	3,216,032
	<u>\$ 1,542,122</u>	<u>\$ 3,761,006</u>

NOTE 10 RETIREMENT PLANS (CONTINUED)

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

Year ended September 30:

2022	\$	(503,110)
2023		(492,608)
2024		(711,442)
2025		(669,463)
2026		72,320
Thereafter		85,419

Deferred Retirement Option Program (DROP)

DROP is available to participants who have attained their normal retirement age and individuals may participate in the *DROP* for up to 60 months; *DROP* accounts are credited with interest at the rate of 6.50% per annum. The Police *DROP* balance as of September 30, 2021 is \$174,468.

Firefighters' Retirement

The firefighters' defined benefit pension plan is a local law, single employer, defined benefit pension plans as defined under Florida Statutes, Chapters 175 and 185, which covers all full time and volunteer firefighters employed by the City. Employees are eligible to participate in the plan immediately upon employment with the City, and they are vested in the plan after ten years of service.

The plan is administered by a board of Trustees.

Contributions

The City's actuarially determined contribution rate per the October 1, 2020 actuarial valuation. Employees must contribute 4% of pensionable earnings. Administrative costs are deducted from the net position of the plan. Contributions from the State received under Florida State Statutes 175 and 185 amounted to \$221,613 in 2021 and were recorded as revenue and expenditures in the general fund.

Benefits Provided

The plan provides retirement, disability, and pre-retirement death benefits. Normal retirement is defined as the attainment of age 55 and 10 years of service, or 20 years of service, regardless of age. The normal retirement benefit is the number of years of credited service prior to October 1, 2002 multiplied by 2.25%, and the number of years of credited service after October 1, 2002 multiplied by 3%, and multiplied by the average final monthly compensation. Volunteer firefighters earn a minimum benefit of \$5 for each year of service. Early retirement is defined as attainment of age 50 and 10 years of service; however, the early retirement benefit is reduced by 3% for each year before the normal retirement date. Employees are 50% vested after five years of service, increasing at the rate of 10% per year, up to 100% vesting after 10 years of service. Disability benefits are the larger of the basic pension formula or 42% of average earnings for service connected disabilities. For non-service connected disabilities, benefits are the larger of the basic pension formula or 25% of average earnings, and require 10 years of service. Disability pension is offset as necessary to preclude the total of the participant's worker's compensation, disability pension, and other City-financed disability or salary continuation benefit (excluding social security benefits) from exceeding average earnings. Pre-retirement death benefits for vested members are the vested portion of the basic pension formula, reduced for payment prior to normal retirement age (payable for 10 years certain to the beneficiary of a vested participant). For non-vested participants, the benefit is the return of accumulated employee contributions.

NOTE 10 RETIREMENT PLANS (CONTINUED)

Plan Membership

At September 30, 2021 plan membership consisted of the following:

Inactive Plan Members or Beneficiaries Currently Receiving Benefits	7
Inactive Plan Members Entitled to but Not Yet Receiving Benefits	68
Active Plan Members	78
	<u>153</u>

Net Pension Liability of the City

The City's net pension liability was measured as of September 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The components of the net pension liability (asset) of the sponsor on September 30, 2021 were as follows:

Total Pension Liability	\$ 23,825,081
Plan Fiduciary Net Position	<u>(29,191,362) *</u>
Sponsor's Net Pension Liability (Asset)	<u>\$ (5,366,281)</u>
Plan Fiduciary Net Position as a Percentage of Total Pension Liability (Asset)	122.52%

* does not include Share Plan balances or excess chapter 175/185 contributions

Actuarial Assumptions

The total pension liability was determined by an actuarial valuation as of October 1, 2018, updated September 30, 2021 using the following actuarial assumptions:

Inflation	2.50%
Salary Increases	5.50%
Investment Rate of Return	7.00%

Mortality rates were based on the sex-distinct rates set forth in the PUB-2010 Headcount-Weighted Employee Mortality Table, with full generational improvements in mortality using Scale MP-2018.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

NOTE 10 RETIREMENT PLANS (CONTINUED)

Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of September 30, 2021 are summarized in the following table:

Asset Class	Target Allocation	Long Term Expected Real Rate of Return
Core Bonds	15%	1.60%
Core Plus	15%	2.10%
U.S. Large Cap Equity	34%	4.60%
U.S. Small Cap Equity	11%	5.50%
Non-U.S. Equity	15%	6.70%
Core real estate	10%	5.00%
Total	100%	

Discount rate

The discount rate used to measure the total pension liability was 7%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that sponsor contributions will be made at rates equal to the difference between the actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Changes in Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balance at September 30, 2019	\$ 20,734,056	\$ 22,771,575	\$ (2,037,519)
Changes Due to:			
Service Cost	1,555,175	-	1,555,175
Expected interest growth	1,542,677	1,647,540	(104,863)
Unexpected investment income	-	3,216,507	(3,216,507)
Demographic experience	(18,454)	-	(18,454)
Employer contributions	-	1,606,558	(1,606,558)
Employee contributions	-	316,273	(316,273)
Benefit payments and refunds	(283,350)	(283,350)	-
Administrative expenses	-	(83,741)	83,741
Assumption changes	294,977	-	294,977
Balance at September 30, 2020	\$ 23,825,081	\$ 29,191,362	\$ (5,366,281)

NOTE 10 RETIREMENT PLANS (CONTINUED)

Sensitivity of the Net Pension Liability to changes in the Discount Rate

	1% Decrease 6.00%	Current Discount Rate 7.00%	1% Increase 8.00%
Fire Pension Net Pension Liability (Asset)	\$ (1,786,536)	\$ (5,366,281)	\$ (8,256,630)

Deferred outflows and inflows of resources

For the year ended September 30, 2021 the City will recognize a pension expense of \$771,141. On September 30, 2021 the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 189,768	\$ 232,062
Changes of assumptions	1,997,104	-
Net difference between projected and actual earnings on pension plan investments	-	3,138,945
	<u>\$ 2,186,872</u>	<u>\$ 3,371,007</u>

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

Year ended September 30:	
2022	\$ (288,379)
2023	(276,583)
2024	(382,671)
2025	(361,853)
2026	89,986
Thereafter	35,365

Deferred Retirement Option Program (DROP)

DROP is available to participants who have attained their normal retirement age and individuals may participate in the *DROP* for up to 60 months; *DROP* accounts are credited with interest at the rate of 6.50% per annum. The Fire *DROP* balance as of September 30, 2021 is \$0.

General Employee Defined Contribution Pension Plan

The defined Contribution Pension Plan for General Employees of the *City of Clermont* was established October 1, 1985, as defined in Chapter 46, Article I, of the Clermont Code, and is available to all permanent general employees of the City, once they have completed one year of employment. Employees are fully vested in the plan after ten years of service.

In a defined contribution plan, benefits depend solely on amounts contributed to the plan, plus investment earnings. Contributions for, and interest forfeited by, employees who terminate employment before five years of service are used to reduce the City's current period contributions.

Covered payroll for this Plan for fiscal year 2021 was \$9,449,802; the City's total payroll for City employees was \$21,116,986.

NOTE 10 RETIREMENT PLANS (CONTINUED)

The City contributes annually to the pension account of each active participant an amount equal to ten percent (10%) of the employee's annual compensation. No contribution is required by employees. The *City of Clermont* City Council adopted and may amend plan provision by resolution.

The actual contribution made by the City for fiscal year 2021 was \$969,748.

Aggregate Amounts of All Pension Plans

The aggregate amounts for all of the City's defined benefit pension plans at September 30, 2021 are as follows:

	Governmental Activities			
	Net Pension Asset (Liability)	Deferred Inflows	Deferred Outflows	Expense
General Employees Pension Plan	\$ 9,863	\$ -	\$ 4,305	\$ (38,509)
Police Pension Plan	5,175,011	(3,761,006)	1,542,122	327,328
Firefighters Pension Plan	5,366,281	(3,371,007)	2,186,872	771,141
	<u>\$ 10,551,155</u>	<u>\$ (7,132,013)</u>	<u>\$ 3,733,299</u>	<u>\$ 1,059,960</u>

Individual Fiduciary Fund Statements

Individual statements of net position for the four plans included in the City of Clermont fiduciary funds are as follows:
City of Clermont, Florida

Individual Statements of Fiduciary Net Position
September 30, 2021

	General Employees Defined Benefit	Police Officers Pension Trust	Firefighters Pension Trust	Total Employee Pension Funds
Assets:				
Cash and cash equivalents	\$ 2,006	\$ 643,785	\$ 1,165,022	\$ 1,810,813
Investments:				
U.S. Government & other debt securities	89,692	10,138,005	10,424,538	20,652,235
Equities	194,857	19,962,465	19,511,951	39,669,273
Total Investments	<u>284,549</u>	<u>30,100,470</u>	<u>29,936,489</u>	<u>60,321,508</u>
Total assets	<u>286,555</u>	<u>30,744,255</u>	<u>31,101,511</u>	<u>62,132,321</u>
Liabilities:				
Refunds payable and other	-	1,441	8,928	10,369
Pending trades payable	-	7,860	607,657	615,517
Total liabilities	<u>-</u>	<u>9,301</u>	<u>616,585</u>	<u>625,886</u>
Net Position Restricted for Pensions	<u>\$ 286,555</u>	<u>\$ 30,734,954</u>	<u>\$ 30,484,926</u>	<u>\$ 61,506,435</u>

NOTE 10 RETIREMENT PLANS (CONTINUED)

Individual statements of the changes in fiduciary net position are as follows:
City of Clermont, Florida

Individual Statements of Changes in Fiduciary Net Position
Year Ended September 30, 2021

	General Employees Defined Benefit	Police Officers Pension Trust	Firefighters Pension Trust	Total Employee Pension Funds
Additions:				
Contributions:				
Employer	\$ 5,582	\$ 787,031	\$ 1,419,947	\$ 2,212,560
Plan members	-	268,568	316,273	584,841
State	-	379,293	221,613	600,906
Total contributions	5,582	1,434,892	1,957,833	3,398,307
Investment earnings:				
Net increase (decrease) in fair value of investments	51,033	4,627,009	4,436,301	9,114,343
Interest and dividends	-	707,141	682,237	1,389,378
Investment expense	-	(23,400)	(20,600)	(44,000)
Total net investment earnings	51,033	5,310,750	5,097,938	10,459,721
Total additions	56,615	6,745,642	7,055,771	13,858,028
Deductions:				
Benefits/distributions	38,315	709,190	273,693	1,021,198
Refund of contributions	-	20,526	15,434	35,960
Administrative expenses	5,325	59,823	83,741	148,889
Total deductions	43,640	789,539	372,868	1,206,047
Change in Net Position	12,975	5,956,103	6,682,903	12,651,981
Net Position Restricted for Pensions				
Beginning of Year	273,580	24,778,851	23,802,023	48,854,454
End of Year	\$ 286,555	\$ 30,734,954	\$ 30,484,926	\$ 61,506,435

NOTE 11 OTHER POST EMPLOYMENT BENEFITS

In accordance with Florida Statutes Section 112.0801, the City makes continued group health and dental insurance through the city's current provider available to retirees and eligible dependents provided certain service requirements and normal age retirement requirements have been met. This plan is a single employer plan. The City is self-insured with respect to these benefits and provides an explicit subsidy for coverage to retirees and their spouses based on the coverage selected. This plan does not issue stand-alone financial statements.

NOTE 11 OTHER POST EMPLOYMENT BENEFITS (CONTINUED)

As of October 1, 2018, the valuation date, there were 346 active employees and 11 inactive employees currently receiving benefits. The OPEB liability of \$13,433,609 was measured as of September 30, 2021 and was determined by the actuarial valuation. The covered payroll was \$19,075,627, and the ratio of Net OPEB liability as a percentage of covered payroll was 70.42%.

Summary of Actuarial Methods & Assumptions

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

The Other Postemployment Benefits Liability and Related Ratios Schedule, immediately following the notes to the financial statements as required supplementary information, presents multi-year trend information about whether the actuarial value of the plan assets is increasing or decreasing over time. The schedule includes one year.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

The Total liability was determined using the following actuarial assumptions and other inputs, applied to all periods include in the measurement unless otherwise specified:

Initial Health Care Cost Trend Rate	8.50%
Ultimate Health Care Cost Trend Rate	5.00%
Fiscal Year the Ultimate Rate is Reached	Fiscal year 2029

Additional Information

Valuation Date	October 1, 2018
Actuarial Cost Method	Entry Age Normal
Discount Rate*	2.66%
Inflation Rate	0.00%
Salary Rate Increase	2%
Funded Ratio (Fiduciary Net Position as a percentage of Total OPEB Liability)	NA
Covered Payroll	\$ 19,075,627
Net OPEB Liability as a Percentage of Covered Payroll	70.42%

* The discount rate was based on the index provided by Bond Buyer 20-Bond General Obligation Index based on the 20 year AA municipal bond rate as of September 30, 2019.

NOTE 11 OTHER POST EMPLOYMENT BENEFITS (CONTINUED)

Below are the details regarding the Total OPEB liability for the measurement period from October 1, 2020, to September 30, 2021.

	Total OPEB Liability
Balance as of 9/30/2020	\$ 12,553,256
Changes for the year:	
Service Cost	760,368
Interest	333,917
Difference Between Expected & Actual Experience	-
Changes of Assumptions and Other Inputs	-
Benefit Payments ⁽¹⁾	(213,932)
Other Changes	-
Net Changes	<u>\$ 880,353</u>
Balance as of 9/30/2020	<u>\$ 13,433,609</u>

(1) Includes the Implicit Rate Subsidy.

The following table presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage higher than the current discount rate:

	Decrease 1.66%	Discount Rate 2.66%	Increase 3.66%
Total OPEB Liability	\$ 14,895,654	\$ 13,433,609	\$ 10,677,100

The following presents the total OPEB liability of the city, as well as what the City's OPEB liability would be if it were calculated using healthcare trend rates that are 1 percentage point lower and 1 percentage point higher than the current healthcare cost trend rates:

	Decrease 1%	Health Care Trend	Increase 1%
Total OPEB Liability	\$ 10,393,549	\$ 13,433,609	\$ 15,275,896

For the fiscal year ended September 30, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 584,808	\$ -
Changes of assumptions	1,327,447	300,847
Total	<u>\$ 1,912,255</u>	<u>\$ 300,847</u>

NOTE 11 OTHER POST EMPLOYMENT BENEFITS (CONTINUED)

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

Fiscal Year Ending September 30,	
2022	\$ 333,081
2023	333,081
2024	333,081
2025	333,081
2026	279,084
Thereafter	-

Postemployment benefits (OPEB's)

The City provides optional postemployment healthcare and dental insurance coverage to eligible individuals.

Eligible individuals - Employees of the City who are eligible for retirement or disability retirement under the City's retirement plans may elect to participate in the City-sponsored insurance plans (healthcare and dental) at their cost.

Retiree monthly premiums for postemployment insurance coverage - retirees must pay monthly contributions in accordance with City Resolution #2013-06 based upon plan costs as determined by the City in conjunction with insurance carriers. Failure to pay insurance premiums will result in termination of insurance coverage without the ability to reinstate such coverage.

NOTE 12 RISK MANAGEMENT

During fiscal year 1990, the City established an internal service fund to account for its uninsured risk of loss for employee medical and dental coverage. Under this program, the fund provides coverage for the first \$181,500 per year in medical, dental, or prescription claims for each covered employee. The City purchases commercial insurance for claims in excess of coverage provided by the fund with a total aggregate stop-loss of \$4,895,468.

There has been no reduction in insurance coverage from that carried in the prior year. Claims provided have not exceeded insurance coverage in any of the past three fiscal years.

The general, water, sewer, sanitation and stormwater funds participate in the program and make payments to the internal service fund based on the number of employees budgeted in each fund.

The claims liability of \$334,618 represents claims processed through October 2021 which were applicable to the current fiscal year and any additional claims are deemed immaterial. Changes to the current claims liability are as follows:

	<u>2021</u>	<u>2020</u>
Claims Liabilities, beginning of year	\$ 206,017	\$ 251,597
Incurred Claims	5,962,564	5,615,898
Payments on Claims	<u>(5,833,963)</u>	<u>(5,661,478)</u>
Claims Liabilities, end of year	<u>\$ 334,618</u>	<u>\$ 206,017</u>

NOTE 13 COMMITMENTS AND CONTINGENCIES

Litigation

The City is engaged in various liability claims incidental to the conduct of its general government operations at September 30, 2021. While the ultimate outcome of the litigation cannot be determined at this time, management believes that any amounts not covered by insurance, if any, resulting from these lawsuits would not materially affect the financial position of the City.

Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the City carries commercial insurance. The City has obtained excess insurance coverage with varying retentions and limits to further limit exposure to large losses. There have been no significant reductions in insurance coverage from the prior year and settlements have not exceeded insurance coverage during the past three years.

NOTE 14 FUND BALANCES

The City classifies the components of fund balance based on the classifications described below:

Nonspendable

Nonspendable funds include fund balance amounts that are (a) not in spendable form or (b) legally or contractually required to be maintained intact.

Spendable Fund Balance

Restricted includes fund balance amounts that can be spent only for specific purposes stipulated by (a) external resource providers such as creditors (by debt covenants), grantors, contributors, or laws and regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

Committed includes fund balance amounts that can be used only for the specific purposes determined by formal action of the City Council, the City's highest level of decision making authority, with formal action occurring prior to the fiscal year end. Commitments may be changed or lifted only by the City Council taking the same formal action (Resolution) that imposed the constraint originally.

Assigned includes spendable fund balance amounts that are intended to be used for specific purposes that are neither considered restricted or committed. The City Council is authorized to assign amounts for a specific purpose.

NOTE 14 FUND BALANCES (CONTINUED)

Unassigned includes residual positive fund balance within the General Fund which has not been classified within the other above mentioned categories. Unassigned fund balance may also include negative balances for any governmental fund if expenditures exceed amounts restricted, committed, or assigned for those specific purposes.

The City considers restricted amounts to be spent first when both restricted and unrestricted fund balance is available unless there are legal documents/contracts that prohibit doing this, such as in grant agreements requiring dollar for dollar spending. Additionally, the City would first use committed, then assigned, and lastly unassigned amounts of unrestricted fund balance when expenditures are made.

At September 30, 2021, the City's governmental fund balances were as follows:

	<u>General Fund</u>	<u>Capital Projects</u>	<u>Infrastructure Special Revenue Fund</u>	<u>Other Governmental Funds</u>	<u>Total</u>
Fund Balances					
Nonspendable					
Inventory/prepays	\$ 453,313	\$ -	\$ -	\$ 13,295	\$ 466,608
Spendable					
Restricted for:					
Police	100,643	-	-	838,149	938,792
Fire	-	-	-	1,945,180	1,945,180
Transportation	24,742				24,742
Tree replacement	322,516				322,516
Building Services	-	-	-	1,983,207	1,983,207
Culture and recreation	-	-	-	3,129,317	3,129,317
Community redevelopment	-	-	-	503,881	503,881
Infrastructure	-	-	2,684,980	-	2,684,980
Debt service	-	-	-	1,833,697	1,833,697
Cemetery	-	-	-	1,531,158	1,531,158
Assigned for:					
Capital projects	-	11,215,232	-	-	11,215,232
Police/fire donations	4,287				4,287
Subsequent year expenditures	1,385,805	-	-	-	1,385,805
Unassigned	11,616,852	-	-	-	11,616,852
	<u>\$ 13,908,158</u>	<u>\$11,215,232</u>	<u>\$ 2,684,980</u>	<u>\$ 11,777,884</u>	<u>\$39,586,254</u>



REQUIRED SUPPLEMENTAL INFORMATION



City of Clermont, Florida
Schedule of Changes in Net OPEB Liability and Related Ratios
 Last 10 Fiscal Years

	9/30/2021	9/30/2020	9/30/2019	9/30/2018
Total OPEB Liability				
Service cost	\$ 760,368	\$ 740,666	\$ 721,475	\$ 496,316
Interest	333,917	309,219	288,724	312,754
Differences between expected and actual experience	-	-	181,592	-
Changes of assumptions	-	-	2,106,772	(662,223)
Benefit Payments (2)	(213,932)	(242,837)	(236,545)	(109,600)
Other changes	-	-	-	-
Net change in total OPEB liability	880,353	807,048	3,062,018	37,247
Total OPEB liability, beginning (1)	12,553,256	11,746,208	8,684,190	8,646,943
Total OPEB liability, ending	\$ 13,433,609	\$ 12,553,256	\$ 11,746,208	\$ 8,684,190
Plan fiduciary net position as a percentage of total OPEB liability	0.00%	0.00%	0.00%	0.00%
Covered payroll	\$ 19,075,627	\$ 19,075,627	\$ 18,701,595	\$ 14,293,247
Net OPEB liability as a percentage of covered payroll	70.42%	65.81%	62.81%	60.76%

Notes to Schedule:

- (1) Fiscal Year 2016 results calculated one year later using a 3.35% Discount Rate index as of 9/30/2017.
- (2) Includes the Implicit Rate Subsidy.

Prior year information not available, will be updated when information is available

City of Clermont, Florida
Schedule of Changes in Net Pension Liability and Related Ratios – General Employees
Year Ended September 30, 2021

	9/30/2021	9/30/2020	9/30/2019	9/30/2018	9/30/2017	9/30/2016	9/30/2015	9/30/2014
Total Pension Liability								
Service Cost	\$ 21,619	\$ 21,619	\$ 21,414	\$ 23,435	\$ 22,569	\$ 22,224	\$ 29,060	\$ 28,229
Interest	-	-	-	-	-	-	-	-
Differences Between Expected and Actual Experience	-	-	33,131	-	17,118	12,118	40,676	-
Changes of Assumptions	-	-	-	-	28,462	31,161	(10,549)	-
Benefit Payments, including refunds of employee contributions	(49,982)	(49,982)	(53,410)	(51,013)	(57,338)	(61,435)	(63,484)	(56,412)
Net Change in Total Pension Liability	(28,363)	(28,363)	1,135	(27,578)	10,811	4,068	(4,297)	(28,183)
Total Pension Liability-beginning	305,055	333,418	332,283	359,861	349,050	344,982	349,279	377,462
Total Pension Liability-ending (a)	\$ 276,692	\$ 305,055	\$ 333,418	\$ 332,283	\$ 359,861	\$ 349,050	\$ 344,982	\$ 349,279
Plan Fiduciary Net Position								
Contributions-employer	5,582	11,018	11,018	8,767	8,767	-	-	-
Contributions-state	-	-	-	-	-	-	-	-
Contributions-employee	-	-	-	-	-	-	-	-
Net Investment Income	51,033	16,320	14,396	24,889	44,469	29,829	2,613	40,560
Benefit Payments, including refunds of employee contributions	(38,315)	(42,156)	(53,410)	(57,338)	(57,338)	(61,435)	(63,484)	(66,212)
Administrative Expense	(5,235)	(5,271)	(1,597)	(1,681)	(5,457)	(1,757)	(6,508)	(3,136)
Other	-	-	-	-	-	-	-	-
Net Change in Plan Fiduciary Net Position	13,065	(20,089)	(29,593)	(25,363)	(9,559)	(33,363)	(67,379)	(28,788)
Plan Fiduciary Net Position - beginning	273,580	293,669	323,262	348,625	358,184	391,547	458,926	487,714
Plan Fiduciary Net Position - ending (b)	\$ 286,645	\$ 273,580	\$ 293,669	\$ 323,262	\$ 348,625	\$ 358,184	\$ 391,547	\$ 458,926
Net Pension Liability - ending (a) - (b)	\$ (9,953)	\$ 31,475	\$ 39,749	\$ 9,021	\$ 11,236	\$ (9,134)	\$ (46,565)	\$ (109,647)
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	103.60%	89.68%	88.08%	97.29%	96.88%	102.62%	113.50%	131.39%
Covered Payroll	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net Pension Liability as a Percentage of Covered Payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

City of Clermont, Florida
Schedule of Changes in Net Pension Liability and Related Ratios – Police
Year Ended September 30, 2021

	9/30/2021	9/30/2020	9/30/2019	9/30/2018	9/30/2017	9/30/2016	9/30/2015	9/30/2014
Total Pension Liability								
Service Cost	\$ 1,335,386	\$ 1,048,755	\$ 1,048,755	\$ 941,659	\$ 941,659	\$ 836,661	\$ 560,680	\$ 524,531
Interest	1,535,299	1,300,909	1,290,431	1,170,292	1,049,633	749,652	860,884	723,246
Changes in Excess State Money	-	-	-	-	-	-	-	-
Differences Between Expected and Actual Experience	260,114	-	(610,614)	(108,041)	(204,387)	(211,987)	(162,697)	-
Changes of Assumptions	-	-	-	-	576,133	3,155,202	-	-
Benefit Payments, including refunds of employee contributions	(550,996)	(446,562)	(403,441)	(381,207)	(640,378)	(342,697)	(298,559)	(532,943)
Assumption changes	295,495	-	1,209	-	-	-	-	-
Net Change in Total Pension Liability	2,875,298	1,903,102	1,326,340	1,622,703	1,722,660	4,186,831	960,308	714,834
Total Pension Liability - beginning	20,888,384	18,985,282	17,658,942	16,036,239	14,313,579	10,126,748	9,166,440	8,451,606
Total Pension Liability - ending (a)	\$ 23,763,682	\$ 20,888,384	\$ 18,985,282	\$ 17,658,942	\$ 16,036,239	\$ 14,313,579	\$ 10,126,748	\$ 9,166,440
Plan Fiduciary Net Position								
Contributions - employer	1,084,478	943,063	891,380	944,540	756,302	632,411	281,722	411,953
Contributions - state	-	-	-	-	-	-	240,486	217,653
Contributions - employee	268,568	238,416	175,526	120,269	116,332	108,806	99,188	95,733
Net Investment Income	4,959,439	2,346,071	1,330,033	1,245,288	1,908,188	1,115,432	(14,779)	1,043,670
Benefit Payments, including refunds of employee contributions	(550,996)	(446,562)	(403,441)	(381,207)	(640,378)	(342,697)	(298,559)	(334,599)
Administrative Expense	(59,823)	(61,414)	(102,202)	(51,400)	(49,645)	(30,651)	(54,494)	(31,851)
Other	-	-	-	-	-	-	-	-
Net Change in Plan Fiduciary Net Position	5,701,666	3,019,574	1,891,296	1,877,490	2,090,799	1,483,301	253,564	1,402,559
Plan Fiduciary Net Position - beginning	23,237,027	20,217,453	18,326,157	16,448,667	14,357,868	12,874,567	12,621,003	11,218,444
Plan Fiduciary Net Position - ending (b)	\$ 28,938,693	\$ 23,237,027	\$ 20,217,453	\$ 18,326,157	\$ 16,448,667	\$ 14,357,868	\$ 12,874,567	\$ 12,621,003
Net Pension Liability - ending (a) - (b)	\$ (5,175,011)	\$ (2,348,643)	\$ (1,232,171)	\$ (667,215)	\$ (412,428)	\$ (44,289)	\$ (2,747,819)	\$ (3,454,563)
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	121.78%	111.24%	106.49%	103.78%	102.57%	100.31%	127.13%	137.69%
Covered Payroll	\$ 4,730,329	\$ 3,813,876	\$ 3,813,876	\$ 3,366,613	\$ 3,366,613	\$ 3,366,613	\$ 3,108,552	\$ 2,424,191
Net Pension Liability as a Percentage of Covered Payroll	-109.40%	-61.58%	-32.31%	-19.82%	-12.25%	-1.32%	-88.40%	-142.50%

City of Clermont, Florida
Schedule of Changes in Net Pension Liability and Related Ratios - Fire
Year Ended September 30, 2021

	9/30/2021	9/30/2020	9/30/2019	9/30/2018	9/30/2017	9/30/2016	9/30/2015	9/30/2014
Total Pension Liability								
Service Cost	\$ 1,555,175	\$ 1,313,842	\$ 1,313,842	\$ 1,025,516	\$ 1,025,516	\$ 784,710	\$ 524,325	\$ 596,543
Interest	1,542,677	1,272,336	1,141,847	996,576	782,004	515,458	553,753	530,089
Changes in Excess State Money	-	-	-	-	-	-	-	-
Differences Between Expected and Actual Experience	(18,454)	-	(158,435)	(121,553)	633,143	(208,729)	(67,286)	-
Changes of Assumptions	294,977	-	1,079,623	-	634,356	2,505,255	-	-
Benefit Payments, including refunds of employee	(283,350)	(288,092)	(99,705)	(25,120)	(4,513)	(1,324)	(945)	(81,466)
Net Change in Total Pension Liability	3,091,025	2,298,086	3,277,172	1,875,419	3,070,506	3,595,370	1,009,847	1,045,166
Total Pension Liability-beginning	20,734,056	18,435,970	15,158,798	13,283,379	10,212,873	6,617,503	5,607,656	4,562,490
Total Pension Liability-ending (a)	\$23,825,081	\$20,734,056	\$18,435,970	\$15,158,798	\$13,283,379	\$10,212,873	\$ 6,617,503	\$ 5,607,656
Plan Fiduciary Net Position								
Contributions-employer	1,606,558	1,649,080	1,585,514	1,278,757	797,699	491,818	646,065	438,902
Contributions-state	-	-	-	-	-	-	181,292	175,931
Contributions-employee	316,273	220,098	231,935	200,118	238,785	279,064	141,632	86,520
Net Investment Income	4,864,047	2,267,101	1,240,965	1,063,078	1,599,687	858,136	(32,699)	704,467
Benefit Payments, including refunds of employee	(283,350)	(288,092)	(99,705)	(25,120)	(4,513)	(1,324)	(945)	(756)
Administrative Expense	(83,741)	(65,477)	(98,170)	(35,839)	(49,761)	(28,346)	(40,885)	(24,109)
Other	-	-	-	-	-	-	-	-
Net Change in Plan Fiduciary Net Position	6,419,787	3,782,710	2,860,539	2,480,994	2,581,897	1,599,348	894,460	1,380,955
Plan Fiduciary Net Position - beginning	22,771,575	18,988,865	16,128,326	13,647,332	11,065,435	9,466,087	8,571,627	7,190,672
Plan Fiduciary Net Position - ending (b)	\$29,191,362	\$22,771,575	\$18,988,865	\$16,128,326	\$13,647,332	\$11,065,435	\$ 9,466,087	\$ 8,571,627
Net Pension Liability - ending (a) - (b)	\$ (5,366,281)	\$ (2,037,519)	\$ (552,895)	\$ (969,528)	\$ (363,953)	\$ (852,562)	\$ (2,848,584)	\$ (2,963,971)
Plan Fiduciary Net Position as a Percentage of Total Covered Payroll	122.52%	109.83%	103.00%	106.40%	102.74%	108.35%	143.05%	152.86%
Net Pension Liability as a Percentage of Covered Payroll	\$ 5,089,447	\$ 4,438,530	\$ 4,438,530	\$ 3,602,745	\$ 3,602,745	\$ 2,798,049	\$ 2,798,049	\$ 2,798,049
	-105.44%	-45.91%	-12.46%	-26.91%	-10.10%	-30.47%	-101.81%	-105.93%

City of Clermont, Florida
Schedule of Contributions and Investment Returns – General Employees
 Year Ended September 30, 2021

	9/30/2021	9/30/2020	9/30/2019	9/30/2018	9/30/2017	9/30/2016	9/30/2015	9/30/2014
Actuarially Determined Contribution	\$ 5,582	\$ 11,018	\$ 11,018	\$ 8,767	\$ 8,767	\$ -	\$ -	\$ -
Contributions in Relation to the Actuarially Determined Contribution	5,582	11,018	11,018	8,767	8,767	-	-	-
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered Payroll	-	-	-	-	-	-	-	-
Contributions as a Percentage of Covered Payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Notes to Schedule

Valuation Date 10/1/2018

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

Methods and assumptions used to determine contribution rates:

- Actuarial Cost Method Aggregate
- Amortization Method Level Percentage of Pay, open
- Remaining Amortization Period 30 years
- Asset Valuation Method Market Value
- Inflation 2.77%
- Salary Increases N/A
- Interest Rate 7% per year, compounded annually, net of investment expenses

Schedule of Investment Returns

	9/30/2021	9/30/2020	9/30/2019	9/30/2018	9/30/2017	9/30/2016	9/30/2015	9/30/2014
Annual money-weighted rate of return, net of investment expenses	5.92%	4.23%	4.23%	7.00%	4.08%	4.08%	5.48%	8.55%

City of Clermont, Florida
Schedule of Contributions and Investment Returns – Police
 Year Ended September 30, 2021

	9/30/2021	9/30/2020	9/30/2019	9/30/2018	9/30/2017	9/30/2016	9/30/2015	9/30/2014
Actuarially Determined Contribution Contributions in Relation to the Actuarially Determined Contribution	\$ 1,084,478	\$ 985,611	\$ 936,834	\$ 905,229	\$ 875,593	\$ 640,139	\$ 583,559	\$ 629,606
Actuarially Determined Contribution	1,084,478	943,063	891,380	944,540	756,302	632,411	522,208	670,126
Contribution Deficiency (Excess)	\$ -	\$ 42,548	\$ 45,454	\$ (39,311)	\$ 119,291	\$ 7,728	\$ 61,351	\$ (40,520)
Covered Payroll	\$ 4,730,329	\$ 3,813,876	\$ 3,813,876	\$ 3,366,613	\$ 3,366,613	\$ 3,366,613	\$ 3,108,552	\$ 3,108,552
Contributions as a Percentage of Covered Payroll	22.93%	24.73%	23.37%	28.06%	22.46%	18.78%	16.80%	21.56%

Notes to Schedule
 Valuation Date 10/1/2020

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

Methods and assumptions used to determine contribution rates:

- Actuarial Cost Method Aggregate
- Amortization Method Level Percentage of Pay, open 30 Years
- Remaining Amortization Period Market Value
- Asset Valuation Method 5.50% per annum
- Salary Increases 7% per annum (2.5% per annum is attributable to long-term inflation); this rate was used to discount all future benefit payments
- Interest Rate 20% of eligible participants are assumed to retire at each of ages 52 through 54 and 100% of eligible participants are assumed to retire at normal retirement age
- Retirement

Other Decrements
 Assumed employment termination is based on age and ranges from 5.00% at age 20 to 0.00% at age 50
 Assumed disability is based on age and ranges from 0.03% at age 20 to 0.18% at age 50; 75% of disabilities are assumed to be service-connected

Mortality
 Sex-distinct rates set forth in the PUB-2010 Mortality Table, with full generational improvements in mortality using Scale MP-2018
 Non-investment Expenses Liabilities have been loaded by 1.50% to account for non-investment expenses
 Future Contributions Contributions from the employer and employees are assumed to be made as legally required.

Schedule of Investment Returns	9/30/2021	9/30/2020	9/30/2019	9/30/2018	9/30/2017	9/30/2016	9/30/2015	9/30/2014
Annual money-weighted rate of return, net of investment expenses	21.40%	4.23%	4.23%	7.00%	4.08%	4.08%	5.48%	8.55%

City of Clermont, Florida
Schedule of Contributions and Investment Returns – Fire
 Year Ended September 30, 2021

	9/30/2020	9/30/2020	9/30/2019	9/30/2018	9/30/2017	9/30/2016	9/30/2015	9/30/2014
Actuarially Determined Contribution	\$ 1,547,766	\$ 1,648,674	\$ 1,585,514	\$ 1,284,255	\$ 1,113,095	\$ 647,476	\$ 603,000	\$ 614,833
Contributions in Relation to the								
Actuarially Determined Contribution	1,606,558	1,649,080	1,585,514	1,278,757	797,699	491,818	827,357	668,800
Contribution Deficiency (Excess)	\$ (58,792)	\$ (406)	\$ -	\$ 5,498	\$ 315,396	\$ 155,658	\$ (224,357)	\$ (53,967)
Covered Payroll	5,089,447	4,438,530	4,438,530	3,602,745	3,602,745	2,798,049	2,798,049	2,798,049
Contributions as a Percentage of								
Covered Payroll	31.57%	37.15%	35.72%	35.49%	22.14%	17.58%	29.57%	23.90%

Notes to Schedule

Valuation Date 10/1/2020

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

Methods and assumptions used to determine contribution rates:

- Actuarial Cost Method Aggregate
- Amortization Method Level Percentage of Pay, Open
- Remaining Amortization Period 30 Years
- Asset Valuation Method Market Value
- Salary Increases 5.50% per annum
- Interest Rate 7% per annum (2.5% per annum is attributable to long-term inflation); this rate was used to discount all future benefit payments
- Retirement 20% of eligible participants are assumed to retire at each of ages 52 through 54 and 100% of eligible participants are assumed to retire at normal retirement age

Other Decrements

Assumed employment termination is based on age and ranges from 4.30% at age 20 to 0.00% at age 50

Assumed disability is based on age and ranges from 0.03% at age 20 to 0.18% at age 50; 75% of disabilities are assumed to be service-connected

Sex-distinct rates set forth in the PUB-2010 Mortality Table, with full generational improvements in mortality using Scale MP-2018

Liabilities have been loaded by 1.75% to account for non-investment expenses

Contributions from the employer and employees are assumed to be made as legally required.

Schedule of Investment Returns

	9/30/2021	9/30/2020	9/30/2019	9/30/2018	9/30/2017	9/30/2016	9/30/2015	9/30/2014
Annual money-weighted rate of return, net of investment expenses	20.90%	4.23%	4.23%	7.00%	4.08%	4.08%	5.48%	8.55%



***COMBINING AND INDIVIDUAL FUND
STATEMENTS AND SCHEDULES***



Capital Projects Funds

Capital projects funds are used to account for financial resources that are restricted, committed, or assigned to expenditures for capital outlays, including the acquisition or construction of capital facilities and other capital assets.

Capital Projects Fund

This fund was established to account for financial resources segregated for the acquisition or construction of major capital projects.

City of Clermont, Florida
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
Capital Projects Fund
Year ended September 30, 2021

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental revenues	\$ 700,000	\$ 700,000	\$ 200,000	\$ (500,000)
Investment earnings	175,000	175,000	13,874	(161,126)
Miscellaneous	-	-	43,437	43,437
Total revenues	<u>875,000</u>	<u>875,000</u>	<u>257,311</u>	<u>(617,689)</u>
Expenditures:				
Current:				
General government	1,009	1,009	695	314
Capital Outlay:				
Physical environment	7,093,045	7,353,396	55,839	7,297,557
Economic environment	3,099,300	5,741,596	4,461,100	1,280,496
Total expenditures	<u>10,193,354</u>	<u>13,096,001</u>	<u>4,517,634</u>	<u>8,578,367</u>
Excess (deficiency) of revenues over expenditures	<u>(9,318,354)</u>	<u>(12,221,001)</u>	<u>(4,260,323)</u>	<u>7,960,678</u>
Net Change in Fund Balance	<u>(9,318,354)</u>	<u>(12,221,001)</u>	<u>(4,260,323)</u>	<u>7,960,678</u>
Fund Balances - beginning	15,475,555	15,475,555	15,475,555	-
Fund Balances - ending	<u>\$ 6,157,201</u>	<u>\$ 3,254,554</u>	<u>\$ 11,215,232</u>	<u>\$ 7,960,678</u>

Special Revenue Funds

Special revenue funds are used to account for specific revenue sources that are restricted, committed, or assigned to expenditures for particular purposes.

Recreation Impact Fees Fund

This fund was established to account for recreation impact fees collected from new developments constructed in the City.

Police Impact Fees Fund

This fund was established to account for police impact fees collected from new developments constructed in the City.

Fire Impact Fee Fund

This fund was established to account for fire impact fees collected from new developments constructed in the City.

Building Services Fund

This fund was established to account for the operations of the City's building services department which are restricted for use in providing building permitting and inspection services.

Fire Inspection Fund

This fund was established to account for the operations of the City's fire prevention and inspection services. Fund closed in FY2020.

Community Redevelopment Fund

This fund was established as a dependent taxing district. The incremental annual increase in tax over the base years will be used to fund projects designed to enhance and improve the described area.

Cemetery Fund

This fund was established to account for the operations and maintenance of the City's cemetery.

Debt Service Fund

Debt service funds are used to account for financial resources that are restricted, committed, or assigned to expenditures for principal and interest.

Debt Service Fund

This fund was established to account for the accumulation of resources and payment of bond principal and interest from governmental resources.

Special Revenue

	<u>Recreation Impact Fees</u>	<u>Police Impact Fees</u>	<u>Fire Impact Fees</u>	<u>Building Services</u>
Assets:				
Cash and cash equivalents	\$ 1,770,904	\$ 467,958	\$ 1,163,415	\$ 936,987
Investments	1,370,707	408,958	782,659	1,145,267
Other receivables	851	487	566	810
Due from other governments	-	-	-	-
Prepaid costs	-	-	-	9,701
Total assets	<u>\$ 3,142,462</u>	<u>\$ 877,403</u>	<u>\$ 1,946,640</u>	<u>\$ 2,092,765</u>
Liabilities and Fund Balances:				
Liabilities:				
Accounts payable	\$ 13,145	\$ 39,254	\$ 1,460	\$ 42,794
Accrued liabilities	-	-	-	57,063
Due to other funds	-	-	-	-
Total liabilities	<u>13,145</u>	<u>39,254</u>	<u>1,460</u>	<u>99,857</u>
Fund balances:				
Nonspendable	-	-	-	9,701
Restricted	3,129,317	838,149	1,945,180	1,983,207
Total fund balances	<u>3,129,317</u>	<u>838,149</u>	<u>1,945,180</u>	<u>1,992,908</u>
Total liabilities and fund balances	<u>\$ 3,142,462</u>	<u>\$ 877,403</u>	<u>\$ 1,946,640</u>	<u>\$ 2,092,765</u>

Special Revenue

Community Redevelopment Special Revenue	Cemetery	ARPA Special Revenue	Total Special Revenue Funds	Debt Service	Total Nonmajor Governmental Funds
\$ 262,364	\$ 569,499	\$ 1,821	\$ 5,172,948	\$ 1,733,118	\$ 6,906,066
304,921	971,376	-	4,983,888	100,579	5,084,467
364	917	-	3,995	-	3,995
-	-	3,922	3,922	-	3,922
3,325	269	-	13,295	-	13,295
<u>\$ 570,974</u>	<u>\$ 1,542,061</u>	<u>\$ 5,743</u>	<u>\$ 10,178,048</u>	<u>\$ 1,833,697</u>	<u>\$ 12,011,745</u>
\$ 57,224	\$ 6,298	\$ -	\$ 160,175	\$ -	\$ 160,175
6,544	4,336	1,821	69,764	-	69,764
-	-	3,922	3,922	-	3,922
<u>63,768</u>	<u>10,634</u>	<u>5,743</u>	<u>233,861</u>	<u>-</u>	<u>233,861</u>
3,325	269	-	13,295	-	13,295
<u>503,881</u>	<u>1,531,158</u>	<u>-</u>	<u>9,930,892</u>	<u>1,833,697</u>	<u>11,764,589</u>
<u>507,206</u>	<u>1,531,427</u>	<u>-</u>	<u>9,944,187</u>	<u>1,833,697</u>	<u>11,777,884</u>
<u>\$ 570,974</u>	<u>\$ 1,542,061</u>	<u>\$ 5,743</u>	<u>\$ 10,178,048</u>	<u>\$ 1,833,697</u>	<u>\$ 12,011,745</u>

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances

Nonmajor Governmental Funds

Year Ended September 30, 2021

	Special Revenue			
	Recreation Impact Fees	Police Impact Fees	Fire Impact Fees	Building Services
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	1,796,871
Intergovernmental revenues	-	-	-	-
Charges for services	-	-	-	53,280
Impact fees/special assessments	1,661,798	359,313	435,990	-
Investment earnings	2,827	1,181	1,919	2,435
Miscellaneous	-	-	-	-
Total revenues	<u>1,664,625</u>	<u>360,494</u>	<u>437,909</u>	<u>1,852,586</u>
Expenditures:				
Current:				
General government	-	-	-	-
Public safety	-	344,599	52,000	1,702,570
Physical environment	-	-	-	-
Economic environment	-	-	-	-
Culture and recreation	76,315	-	-	-
Debt Service:				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	<u>76,315</u>	<u>344,599</u>	<u>52,000</u>	<u>1,702,570</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>1,588,310</u>	<u>15,895</u>	<u>385,909</u>	<u>150,016</u>
Other Financing Uses:				
Transfers in	-	-	-	-
Transfers out	(569,544)	(151,248)	-	-
Total other financing uses	<u>(569,544)</u>	<u>(151,248)</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	1,018,766	(135,353)	385,909	150,016
Fund Balances - beginning	<u>2,110,551</u>	<u>973,502</u>	<u>1,559,271</u>	<u>1,842,892</u>
Fund Balances - ending	<u>\$ 3,129,317</u>	<u>\$ 838,149</u>	<u>\$ 1,945,180</u>	<u>\$ 1,992,908</u>

Community Redevelopment Special Revenue	Cemetery	ARPA Special Revenue	Total Special Revenue Funds	Debt Service	Total Nonmajor Governmental Funds
\$ 451,411	\$ -	\$ -	\$ 451,411	\$ -	\$ 451,411
-	-	-	1,796,871	-	1,796,871
40,397	-	3,922	44,319	-	44,319
-	184,700	-	237,980	-	237,980
-	-	-	2,457,101	-	2,457,101
928	2,243	-	11,533	602	12,135
105	5,230	-	5,335	-	5,335
<u>492,841</u>	<u>192,173</u>	<u>3,922</u>	<u>5,004,550</u>	<u>602</u>	<u>5,005,152</u>
-	-	3,922	3,922	-	3,922
-	-	-	2,099,169	-	2,099,169
-	92,096	-	92,096	-	92,096
457,531	-	-	457,531	-	457,531
-	-	-	76,315	-	76,315
-	-	-	-	2,114,206	2,114,206
-	-	-	-	693,685	693,685
<u>457,531</u>	<u>92,096</u>	<u>3,922</u>	<u>2,729,033</u>	<u>2,807,891</u>	<u>5,536,924</u>
<u>35,310</u>	<u>100,077</u>	<u>-</u>	<u>2,275,517</u>	<u>(2,807,289)</u>	<u>(531,772)</u>
-	-	-	-	2,833,008	2,833,008
-	-	-	(720,792)	-	(720,792)
-	-	-	(720,792)	2,833,008	2,112,216
35,310	100,077	-	1,554,725	25,719	1,580,444
471,896	1,431,350	-	8,389,462	1,807,978	10,197,440
<u>\$ 507,206</u>	<u>\$ 1,531,427</u>	<u>\$ -</u>	<u>\$ 9,944,187</u>	<u>\$ 1,833,697</u>	<u>\$ 11,777,884</u>

City of Clermont, Florida
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
Recreation Impact Fees
Year ended September 30, 2021

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Impact fees/special assessments	\$ 1,000,000	\$ 1,000,000	\$ 1,661,798	\$ 661,798
Investment earnings	7,200	7,200	2,827	(4,373)
Total revenues	1,007,200	1,007,200	1,664,625	657,425
Expenditures:				
Current:				
Culture and recreation	97,414	251,665	76,315	175,350
Total expenditures	97,414	251,665	76,315	175,350
Excess (deficiency) of revenues over expenditures	909,786	755,535	1,588,310	832,775
Other Financing Uses				
Transfers out	(569,540)	(569,540)	(569,544)	(4)
Total other financing uses	(569,540)	(569,540)	(569,544)	(4)
Net Change in Fund Balances	340,246	185,995	1,018,766	832,771
Fund Balances - beginning	2,110,551	2,110,551	2,110,551	-
Fund Balances - ending	\$ 2,450,797	\$ 2,296,546	\$ 3,129,317	\$ 832,771

City of Clermont, Florida
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
Police Impact Fees
Year ended September 30, 2021

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Impact fees/special assessments	\$ 300,000	\$ 300,000	\$ 359,313	\$ 59,313
Investment earnings	3,600	3,600	1,181	(2,419)
Total revenues	303,600	303,600	360,494	56,894
Expenditures:				
Current:				
Public Safety:				
Law enforcement	74,329	640,394	344,599	295,795
Total expenditures	74,329	640,394	344,599	295,795
Excess (deficiency) of revenues over expenditures	229,271	(336,794)	15,895	352,689
Other Financing Sources (Uses)				
Transfers out	(151,248)	(151,248)	(151,248)	-
Total other financing sources (uses)	(151,248)	(151,248)	(151,248)	-
Net Change in Fund Balances	78,023	(488,042)	(135,353)	352,689
Fund Balances - beginning	973,502	973,502	973,502	-
Fund Balances - ending	\$ 1,051,525	\$ 485,460	\$ 838,149	\$ 352,689

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

Fire Impact Fees

Year ended September 30, 2021

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Impact fees/special assessments	\$ 390,000	\$ 390,000	\$ 435,990	\$ 45,990
Investment earnings	6,000	6,000	1,919	(4,081)
Total revenues	<u>396,000</u>	<u>396,000</u>	<u>437,909</u>	<u>41,909</u>
Expenditures:				
Current:				
Public safety:				
Fire control	382	202,286	52,000	150,286
Total expenditures	<u>382</u>	<u>202,286</u>	<u>52,000</u>	<u>150,286</u>
Excess (deficiency) of revenues over expenditures	<u>395,618</u>	<u>193,714</u>	<u>385,909</u>	<u>192,195</u>
Net Change in Fund Balances	395,618	193,714	385,909	192,195
Fund Balances - beginning	<u>1,559,271</u>	<u>1,559,271</u>	<u>1,559,271</u>	<u>-</u>
Fund Balances - ending	<u>\$ 1,954,889</u>	<u>\$ 1,752,985</u>	<u>\$ 1,945,180</u>	<u>\$ 192,195</u>

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual**Building Services**

Year ended September 30, 2021

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Licenses and permits	\$ 1,120,000	\$ 1,120,000	\$ 1,796,871	\$ 676,871
Charges for services	43,500	43,500	53,280	9,780
Investment earnings	7,200	7,200	2,435	(4,765)
Total revenues	1,170,700	1,170,700	1,852,586	681,886
Expenditures:				
Current:				
Public safety	1,707,017	1,730,827	1,702,570	28,257
Total expenditures	1,707,017	1,730,827	1,702,570	28,257
Excess (deficiency) of revenues over expenditures	(536,317)	(560,127)	150,016	710,143
Other Financing Uses:				
Transfers in	-	17,498	-	(17,498)
Total other financing sources	-	17,498	-	(17,498)
Net Change in Fund Balances	(536,317)	(542,629)	150,016	692,645
Fund Balances - beginning	1,842,892	1,842,892	1,842,892	-
Fund Balances - ending	\$ 1,306,575	\$ 1,300,263	\$ 1,992,908	\$ 692,645

City of Clermont, Florida
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
Community Redevelopment Special Revenue
Year ended September 30, 2021

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ 453,229	\$ 453,229	\$ 451,411	\$ (1,818)
Intergovernmental revenues	-	29,210	40,397	11,187
Investment earnings	4,000	4,000	928	(3,072)
Miscellaneous	-	-	105	105
Total revenues	<u>457,229</u>	<u>486,439</u>	<u>492,841</u>	<u>6,402</u>
Expenditures:				
Current:				
Economic development	410,758	961,588	457,531	504,057
Total expenditures	410,758	961,588	457,531	504,057
Excess (deficiency) of revenues over expenditures	<u>46,471</u>	<u>(475,149)</u>	<u>35,310</u>	<u>510,459</u>
Net Change in Fund Balances	46,471	(475,149)	35,310	510,459
Fund Balances - beginning	471,896	471,896	471,896	-
Fund Balances - ending	<u>\$ 518,367</u>	<u>\$ (3,253)</u>	<u>\$ 507,206</u>	<u>\$ 510,459</u>

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

Cemetery

Year ended September 30, 2021

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Charges for services	\$ 110,000	\$ 110,000	\$ 184,700	\$ 74,700
Investment earnings	7,200	7,200	2,243	(4,957)
Miscellaneous	2,000	2,000	5,230	3,230
Total revenues	<u>119,200</u>	<u>119,200</u>	<u>192,173</u>	<u>72,973</u>
Expenditures:				
Current:				
Physical environment	115,288	115,800	92,096	23,704
Total expenditures	<u>115,288</u>	<u>115,800</u>	<u>92,096</u>	<u>23,704</u>
Excess (deficiency) of revenues over expenditures	<u>3,912</u>	<u>3,400</u>	<u>100,077</u>	<u>96,677</u>
Net Change in Fund Balances	3,912	3,400	100,077	96,677
Fund Balances - beginning	1,431,350	1,431,350	1,431,350	-
Fund Balances - ending	<u>\$ 1,435,262</u>	<u>\$ 1,434,750</u>	<u>\$ 1,531,427</u>	<u>\$ 96,677</u>

City of Clermont, Florida
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
ARPA Special Revenue
Year ended September 30, 2021

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental	\$ -	\$ -	\$ 3,922	\$ 3,922
Total revenues	<u>-</u>	<u>-</u>	<u>3,922</u>	<u>3,922</u>
Expenditures:				
Current:				
General government	-	15,000	3,922	11,078
Total expenditures	<u>-</u>	<u>15,000</u>	<u>3,922</u>	<u>11,078</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>(15,000)</u>	<u>-</u>	<u>15,000</u>
Other Financing Sources:				
Transfers in	-	15,000	-	(15,000)
Total other financing sources	<u>-</u>	<u>15,000</u>	<u>-</u>	<u>(15,000)</u>
Net Change in Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances - beginning	-	-	-	-
Fund Balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual**Debt Service**

Year ended September 30, 2021

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Investment earnings	\$ 2,400	\$ 2,400	\$ 602	\$ (1,798)
Total revenues	<u>2,400</u>	<u>2,400</u>	<u>602</u>	<u>(1,798)</u>
Expenditures:				
Debt Service:				
Principal	2,114,174	2,114,174	2,114,206	(32)
Interest and fiscal charges	693,681	693,681	693,685	(4)
Total expenditures	<u>2,807,855</u>	<u>2,807,855</u>	<u>2,807,891</u>	<u>(36)</u>
Excess (deficiency) of revenues over expenditures	<u>(2,805,455)</u>	<u>(2,805,455)</u>	<u>(2,807,289)</u>	<u>(1,834)</u>
Other Financing Sources:				
Transfers in	2,832,993	2,832,993	2,833,008	15
Total other financing sources	<u>2,832,993</u>	<u>2,832,993</u>	<u>2,833,008</u>	<u>15</u>
Net Change in Fund Balances	<u>27,538</u>	<u>27,538</u>	<u>25,719</u>	<u>(1,819)</u>
Fund Balances - beginning	<u>1,807,978</u>	<u>1,807,978</u>	<u>1,807,978</u>	<u>-</u>
Fund Balances - ending	<u>\$ 1,835,516</u>	<u>\$ 1,835,516</u>	<u>\$ 1,833,697</u>	<u>\$ (1,819)</u>

Agency funds are used to account for short-term custodial collections on resources on behalf of another individual, entity, or government.

	Pension Trust Funds
General Employees' Pension Trust Fund	To account for the accumulation of resources to be used for retirement annuity payments at the appropriate amounts and times in the future. Resources are contributed at rates in accordance with an actuarial study.
Police Officers' Pension Trust Fund	To account for the accumulation of resources to be used for the retirement annuities of all police officers. The state contributes money based upon the insurance premiums and the City contributes an amount determined by an actuarial study.
Firefighters' Pension Trust Fund	To account for the accumulation of resources to be used for the retirement annuities of all firefighters. The state contributes money based upon the fire insurance premiums and the City contributes an amount determined by an actuarial study.

City of Clermont, Florida
Combining Statement of Fiduciary Net Position
Fiduciary Funds
September 30, 2021

	General Employees Defined Benefit	Police Officers Pension Trust	Firefighters Pension Trust	Total Employee Pension Funds
Assets:				
Cash and cash equivalents	\$ 2,006	\$ 643,785	\$ 1,165,022	\$ 1,810,813
Investments at fair value:				
U.S. Government & other debt securities	89,692	10,138,005	10,424,538	20,652,235
Equities	194,857	19,962,465	19,511,951	39,669,273
Total Investments	284,549	30,100,470	29,936,489	60,321,508
Total assets	286,555	30,744,255	31,101,511	62,132,321
Liabilities:				
Refunds payable and other	-	1,441	8,928	10,369
Pending trade payables	-	7,860	607,657	615,517
Total liabilities	-	9,301	616,585	625,886
Net Position Restricted for Pensions	\$ 286,555	\$ 30,734,954	\$ 30,484,926	\$ 61,506,435

Combining Statement of Changes in Fiduciary Net Position**Fiduciary Funds**

Year Ended September 30, 2021

	General Employees Defined Benefit	Police Officers Pension Trust	Firefighters Pension Trust	Total Employee Pension Funds
Additions:				
Contributions:				
Employer	\$ 5,582	\$ 787,031	\$ 1,419,947	\$ 2,212,560
Plan members	-	268,568	316,273	584,841
State	-	379,293	221,613	600,906
Total contributions	5,582	1,434,892	1,957,833	3,398,307
Investment earnings:				
Net increase (decrease) in fair value of investments	51,033	4,627,009	4,436,301	9,114,343
Interest and dividends	-	707,141	682,237	1,389,378
Less: Investment expense	-	(23,400)	(20,600)	(44,000)
Total net investment earnings	51,033	5,310,750	5,097,938	10,459,721
Total additions	56,615	6,745,642	7,055,771	13,858,028
Deductions:				
Benefits/distributions	38,315	709,190	273,693	1,021,198
Refund of contributions	-	20,526	15,434	35,960
Administrative expenses	5,325	59,823	83,741	148,889
Total deductions	43,640	789,539	372,868	1,206,047
Change in Net Position	12,975	5,956,103	6,682,903	12,651,981
Net Position Restricted for Pensions				
Beginning of Year *	273,580	24,778,851	23,802,023	48,854,454
End of Year	\$ 286,555	\$ 30,734,954	\$ 30,484,926	\$ 61,506,435

* Balance doesn't include \$9,714,707 from the general employee defined contribution plan, excluded per Note 1

STATISTICAL SECTION



This part of the City of Clermont's comprehensive annual financial report presents detailed information as a context for understanding what the information says about the government's overall financial health.

Contents	Page
Financial Trends These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.	116
Revenue Capacity These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax.	126
Debt Capacity These schedules present information to help the reader assess the affordability of the government's current level of outstanding debt and the government's ability to issue additional debt in the future. Note: there are no limitations placed upon the amount of debt the City of Clermont may issue either by the City Charter of the City's Code of Ordinances or by Florida Statutes. Note: The City of Clermont has no general obligation bonds outstanding.	131
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.	138
Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.	142

Sources: Unless otherwise noted, the information in these schedules are derived from the comprehensive annual reports for the relevant year.

City of Clermont, Florida
Net Position by Component
Last Ten Fiscal Years

(accrual basis of accounting)
(amounts expressed in thousands)

	Fiscal Year				
	2012	2013	2014	2015	2016
Governmental activities					
Net investment in capital assets	\$ 36,612	\$ 39,950	\$ 44,116	\$ 47,718	\$ 52,064
Restricted	8,876	9,490	9,918	9,400	6,402
Unrestricted	9,701	7,723	5,719	11,649	11,182
Total governmental activities net position	<u>\$ 55,189</u>	<u>\$ 57,163</u>	<u>\$ 59,753</u>	<u>\$ 68,767</u>	<u>\$ 69,648</u>
Business-type activities					
Net investment in capital assets	57,241	57,863	56,680	56,586	60,150
Restricted	9,477	9,536	10,217	12,135	13,959
Unrestricted	20,436	24,191	27,054	26,943	26,050
Total business-type activities net position	<u>\$ 87,154</u>	<u>\$ 91,590</u>	<u>\$ 93,951</u>	<u>\$ 95,664</u>	<u>\$ 100,159</u>
Primary government					
Net investment in capital assets	93,853	97,813	100,796	104,304	112,214
Restricted	18,353	19,026	20,135	21,535	20,361
Unrestricted	30,137	31,914	32,773	38,592	37,232
Total primary government net position	<u>\$ 142,343</u>	<u>\$ 148,753</u>	<u>\$ 153,704</u>	<u>\$ 164,431</u>	<u>\$ 169,807</u>

Fiscal Year				
2017	2018	2019	2020	2021
\$ 31,918	\$ 35,262	\$ 40,318	\$ 44,045	\$ 51,596
7,815	8,547	9,589	12,479	14,910
30,117	27,925	24,795	23,874	21,847
<u>\$ 69,850</u>	<u>\$ 71,734</u>	<u>\$ 74,702</u>	<u>\$ 80,398</u>	<u>\$ 88,353</u>
63,131	69,322	66,104	68,310	88,520
17,127	16,904	20,362	24,195	25,420
26,667	23,959	28,286	28,728	28,555
<u>\$ 106,925</u>	<u>\$ 110,185</u>	<u>\$ 114,752</u>	<u>\$ 121,233</u>	<u>\$ 142,495</u>
95,049	104,584	106,422	112,355	140,116
24,942	25,451	29,951	36,674	40,330
56,784	51,884	53,081	52,602	50,402
<u>\$ 176,775</u>	<u>\$ 181,919</u>	<u>\$ 189,454</u>	<u>\$ 201,631</u>	<u>\$ 230,848</u>

City of Clermont, Florida
Changes in Net Position
Last Ten Fiscal Years

(accrual basis of accounting)
(amounts expressed in thousands)

Expenses	Fiscal Year				
	2012	2013	2014	2015	2016
Governmental Activities:					
General government	\$ 4,211	\$ 3,258	\$ 3,407	\$ 3,848	\$ 4,157
Public safety	12,168	12,685	14,117	14,326	17,381
Physical environment	248	303	350	453	788
Transportation/public works	1,719	1,725	2,202	2,094	2,185
Economic environment	116	200	363	567	209
Human services	-	-	-	-	-
Culture and recreation	1,045	1,928	3,096	4,018	5,460
Interest on long-term debt	137	87	236	193	355
Total governmental activities expenses	19,644	20,186	23,771	25,499	30,535
Business-type Activities:					
Water	4,052	4,154	4,589	4,823	4,719
Sewer	5,752	6,106	6,437	6,571	6,866
Sanitation	2,567	2,465	2,472	3,133	2,925
Stormwater	939	897	1,016	1,080	1,142
Total business-type activities expenses	13,310	13,622	14,514	15,607	15,652
Total primary government expenses	\$ 32,954	\$ 33,808	\$ 38,285	\$ 41,106	\$ 46,187
 Program Revenues					
Governmental Activities:					
Charges for services:					
General government	\$ 1,649	\$ 2,117	\$ 2,429	\$ 2,356	\$ 2,914
Public safety	450	1,040	1,366	1,684	1,574
Transportation/public works	-	-	-	-	-
Culture and recreation	604	1,262	956	1,317	1,552
Operating grants and contributions	1,191	896	939	1,598	1,822
Capital grants and contributions	27	112	1,718	498	163
Total governmental activities program revenues	3,921	5,427	7,408	7,453	8,025
Business-type Activities:					
Charges for services:					
Water	5,099	5,215	5,362	5,726	6,162
Sewer	5,154	5,357	5,585	5,809	6,183
Sanitation	2,721	2,775	2,869	2,917	2,984
Stormwater	855	862	881	905	955
Operating grants and contributions	-	-	-	276	24
Capital grants and contributions	1,752	3,430	2,417	3,219	4,026
Total business-type activities program revenues	15,581	17,639	17,114	18,852	20,334
Total primary government program revenues	\$ 19,502	\$ 23,066	\$ 24,522	\$ 26,305	\$ 28,359

Fiscal Year				
2017	2018	2019	2020	2021
\$ 4,240	\$ 2,870	\$ 5,023	\$ 5,678	\$ 5,918
20,297	20,306	22,104	22,733	23,713
805	2,104	863	2,470	2,763
2,009	2,255	2,387	1,843	2,264
1,197	385	532	847	665
-	-	-	-	-
4,491	5,752	5,954	3,722	4,044
434	839	836	753	687
<u>33,473</u>	<u>34,511</u>	<u>37,699</u>	<u>38,046</u>	<u>40,054</u>
5,199	5,634	6,215	6,425	7,110
6,909	6,849	7,373	7,742	8,172
2,869	3,073	3,027	3,294	3,467
1,190	1,360	1,614	1,901	1,991
<u>16,167</u>	<u>16,916</u>	<u>18,229</u>	<u>19,362</u>	<u>20,740</u>
<u>\$ 49,640</u>	<u>\$ 51,427</u>	<u>\$ 55,928</u>	<u>\$ 57,408</u>	<u>\$ 60,794</u>
\$ 3,180	\$ 3,874	\$ 3,590	\$ 3,377	\$ 4,250
1,506	1,344	1,593	1,854	1,778
-	-	-	-	-
2,003	1,697	1,801	2,088	2,319
1,456	2,233	2,061	3,307	2,026
309	428	625	625	2,206
<u>8,454</u>	<u>9,576</u>	<u>9,670</u>	<u>11,251</u>	<u>12,579</u>
6,516	6,461	6,868	7,631	8,466
6,507	6,625	6,989	7,573	8,074
3,089	3,178	3,264	3,562	3,785
1,004	1,378	1,598	1,695	1,783
-	-	2,109	1	-
6,906	4,535	5,316	6,575	22,094
<u>24,022</u>	<u>22,177</u>	<u>26,144</u>	<u>27,037</u>	<u>44,202</u>
<u>\$ 32,476</u>	<u>\$ 31,753</u>	<u>\$ 35,814</u>	<u>\$ 38,288</u>	<u>\$ 56,781</u>

City of Clermont, Florida
Changes in Net Position
Last Ten Fiscal Years

(accrual basis of accounting)
(amounts expressed in thousands)

	Fiscal Year				
	2012	2013	2014	2015	2016
Net (Expense)/Revenue					
Governmental activities	\$ (15,721)	\$ (14,759)	\$ (16,363)	\$ (18,045)	\$ (22,510)
Business-type activities	2,271	4,018	2,600	3,245	4,683
Total primary government net expense	<u>\$ (13,450)</u>	<u>\$ (10,741)</u>	<u>\$ (13,763)</u>	<u>\$ (14,800)</u>	<u>\$ (17,827)</u>
General Revenues and Other Changes in Net Position					
Governmental Activities:					
Taxes:					
Property taxes	\$ 5,535	\$ 5,350	\$ 6,533	\$ 7,193	\$ 8,998
Business taxes	113	111	126	130	140
Franchise taxes	2,189	2,123	2,379	2,502	2,712
Utility taxes	2,430	2,490	2,887	2,953	3,406
Intergovernmental-unrestricted	5,063	5,802	6,110	6,645	6,923
Unrestricted investment earnings	245	114	104	135	134
Gain (loss) on sale of capital assets	-	-	-	-	122
Miscellaneous	143	265	374	420	387
Transfers in/out	453	479	439	557	568
Special item	-	-	-	-	-
Total governmental activities	<u>16,171</u>	<u>16,734</u>	<u>18,952</u>	<u>20,535</u>	<u>23,390</u>
Business-type Activities:					
Unrestricted investment earnings	289	149	198	272	260
Gain (loss) on sale of capital assets	-	18	2	(1,248)	120
Miscellaneous	-	-	-	-	-
Transfers in/out	(453)	(479)	(439)	(557)	(568)
Total business-type activities	<u>(164)</u>	<u>(312)</u>	<u>(239)</u>	<u>(1,533)</u>	<u>(188)</u>
Total primary government	<u>\$ 16,007</u>	<u>\$ 16,422</u>	<u>\$ 18,713</u>	<u>\$ 19,002</u>	<u>\$ 23,202</u>
Change in Net Position					
Governmental activities	\$ 450	\$ 1,975	\$ 2,589	\$ 2,490	\$ 880
Business-type activities	2,107	3,706	2,361	1,712	4,495
Total primary government	<u>\$ 2,557</u>	<u>\$ 5,681</u>	<u>\$ 4,950</u>	<u>\$ 4,202</u>	<u>\$ 5,375</u>

*Business taxes previously reported as General Government Charges for Services

Fiscal Year				
2017	2018	2019	2020	2021
\$ (25,019)	\$ (24,935)	\$ (28,029)	\$ (26,795)	\$ (27,477)
7,855	5,260	5,230	7,675	23,462
<u>\$ (17,164)</u>	<u>\$ (19,675)</u>	<u>\$ (22,799)</u>	<u>\$ (19,120)</u>	<u>\$ (4,015)</u>
\$ 9,748	\$ 10,747	\$ 11,945	\$ 13,090	\$ 14,354
133	160	157	162	144
2,619	2,817	3,142	3,203	3,360
3,328	3,446	3,873	4,202	4,467
7,257	7,864	8,139	8,403	9,969
197	458	1,089	632	70
86	289	193	-	-
486	342	352	623	721
1,367	2,013	2,106	2,177	2,346
-	-	-	-	-
<u>25,221</u>	<u>28,136</u>	<u>30,996</u>	<u>32,492</u>	<u>35,431</u>
255	379	1,295	953	106
24	31	150	29	40
-	-	-	-	-
<u>(1,367)</u>	<u>(2,013)</u>	<u>(2,106)</u>	<u>(2,177)</u>	<u>(2,346)</u>
<u>(1,088)</u>	<u>(1,603)</u>	<u>(661)</u>	<u>(1,195)</u>	<u>(2,200)</u>
<u>\$ 24,133</u>	<u>\$ 26,533</u>	<u>\$ 30,335</u>	<u>\$ 31,297</u>	<u>\$ 33,231</u>
\$ 202	\$ 3,202	\$ 2,968	\$ 5,697	\$ 7,954
6,767	3,657	4,568	6,480	21,262
<u>\$ 6,969</u>	<u>\$ 6,859</u>	<u>\$ 7,536</u>	<u>\$ 12,177</u>	<u>\$ 29,216</u>

City of Clermont, Florida
Fund Balances of Governmental Funds
Last Ten Fiscal Years

(modified accrual basis of accounting)
(amounts expressed in thousands)

	Fiscal Year				
	2012	2013	2014	2015	2016
General Fund					
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	-	-	-	-	-
Nonspendable	195	189	53	1,300	548
Restricted	224	257	312	247	259
Assigned	1,039	765	1,202	304	-
Unassigned	9,744	8,878	7,669	7,014	7,886
Total general fund	<u>\$ 11,202</u>	<u>\$ 10,089</u>	<u>\$ 9,236</u>	<u>\$ 8,865</u>	<u>\$ 8,693</u>
All other governmental funds					
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved, reported in:					
Special revenue funds	-	-	-	-	-
Capital projects fund	-	-	-	-	-
Nonspendable	890	939	1,064	1,466	1,922
Restricted	7,763	8,295	8,604	7,659	4,310
Assigned	668	-	-	-	1,226
Unassigned	-	-	-	-	-
Total all other governmental funds	<u>\$ 9,321</u>	<u>\$ 9,234</u>	<u>\$ 9,668</u>	<u>\$ 9,125</u>	<u>\$ 7,458</u>

Fiscal Year				
2017	2018	2019	2020	2021
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
578	641	283	356	453
266	228	205	359	448
3	3	18	3,227	1,390
7,137	7,104	8,182	7,859	11,617
<u>\$ 7,984</u>	<u>\$ 7,976</u>	<u>\$ 8,688</u>	<u>\$ 11,801</u>	<u>\$ 13,908</u>
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
-	-	-	-	-
1,683	4	7	9	13
5,885	8,361	9,376	12,111	14,450
22,621	21,720	18,700	15,476	11,215
-	-	-	-	-
<u>\$ 30,189</u>	<u>\$ 30,085</u>	<u>\$ 28,083</u>	<u>\$ 27,596</u>	<u>\$ 25,678</u>

City of Clermont, Florida
Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years

(modified accrual basis of accounting)
(amounts expressed in thousands)

	Fiscal Year				
	2012	2013	2014	2015	2016
Revenues					
Taxes	\$ 8,079	\$ 7,951	\$ 9,546	\$ 10,275	\$ 12,544
Franchise fees	2,188	2,123	2,379	2,502	2,712
Licenses and permits	455	884	941	788	1,298
Intergovernmental	6,310	6,729	8,796	8,772	8,790
Charges for services	1,011	1,085	1,212	1,312	1,652
Fines and forfeitures	215	172	589	757	703
Impact fees/special assessments	679	1,909	1,401	1,858	1,702
Investment Earnings	244	108	99	131	131
Miscellaneous	474	622	915	1,047	1,007
Total revenues	19,655	21,583	25,878	27,442	30,539
Expenditures					
Current:					
General government	3,080	3,148	3,776	3,600	4,070
Public safety	11,352	12,579	13,571	14,844	17,520
Physical environment	247	307	423	744	777
Transportation	1,340	1,263	1,635	1,635	1,878
Economic environment	641	722	365	564	482
Human services	-	-	-	-	-
Culture and recreation	1,769	2,014	2,948	3,725	5,038
Capital outlay	2,073	2,638	9,381	2,695	8,514
Debt service:					
Principal	490	3,080	571	884	6,280
Interest	143	122	177	198	342
Total expenditures	21,135	25,873	32,847	28,889	44,901
Excess (deficiency) of revenues over expenditures	(1,480)	(4,290)	(6,969)	(1,447)	(14,362)
Other financing sources (uses)					
Transfers in	1,118	3,091	9,337	3,857	11,897
Transfers out	(644)	(2,612)	(8,788)	(3,323)	(11,329)
Refunding and new bonds issued	-	2,612	6,000	-	10,631
Capital Leases	-	-	-	-	-
Sale of capital assets	-	-	-	-	1,321
Total other financing sources (uses)	474	3,091	6,549	534	12,520
Net change in fund balances	\$ (1,006)	\$ (1,199)	\$ (420)	\$ (913)	\$ (1,842)
Debt service as a percentage of noncapital expenditures	3.5%	14.9%	3.5%	4.5%	20.2%

* Note: Franchise Fees previously reported as Taxes.

**Note: Increase in % due to refunding of 2002 bonds. Without the refunding the % would be 3.4% in 2013

***Note: Increase in % due to refunding of 2013 bonds. Without the refunding the % would be 4.9% in 2016

Fiscal Year				
2017	2018	2019	2020	2021
\$ 13,208	\$ 14,353	\$ 15,974	\$ 17,453	\$ 18,964
2,619	2,817	3,142	3,202	3,360
1,594	2,249	1,927	1,691	2,259
9,054	10,559	10,860	12,342	12,245
1,746	2,103	2,188	2,483	2,825
358	204	230	241	176
2,341	1,738	1,959	2,530	2,457
192	446	1,065	615	69
1,122	971	965	978	1,370
<u>32,234</u>	<u>35,440</u>	<u>38,310</u>	<u>41,535</u>	<u>43,725</u>
3,911	3,948	4,609	4,892	5,750
18,488	19,750	21,618	21,452	24,291
869	881	982	2,550	2,748
1,687	1,927	2,165	1,546	2,072
324	343	372	786	608
-	-	-	-	-
5,996	5,199	6,302	2,901	3,027
2,112	4,085	3,846	4,070	4,517
1,077	979	2,096	2,147	2,202
272	805	829	772	711
<u>34,736</u>	<u>37,917</u>	<u>42,819</u>	<u>41,116</u>	<u>45,926</u>
<u>(2,502)</u>	<u>(2,477)</u>	<u>(4,509)</u>	<u>419</u>	<u>(2,201)</u>
26,725	7,697	4,937	5,152	5,179
(25,957)	(6,332)	(2,834)	(2,974)	(2,833)
23,670	-	-	-	-
-	-	919	-	-
86	1,000	198	29	44
<u>24,524</u>	<u>2,365</u>	<u>3,220</u>	<u>2,207</u>	<u>2,390</u>
<u>\$ 22,022</u>	<u>\$ (112)</u>	<u>\$ (1,289)</u>	<u>\$ 2,626</u>	<u>\$ 189</u>
4.6%	5.7%	8.3%	8.2%	7.2%

City of Clermont, Florida
Governmental Activities Tax Revenues by Source
Last Ten Fiscal Years

(accrual basis of accounting)
(amounts expressed in thousands)

Fiscal Year	Property Tax	Utility Tax	Business Tax	Franchise Fees	Total
2012	5,535	2,430	113	2,189	10,267
2013	5,350	2,490	111	2,123	10,074
2014	6,533	2,887	126	2,379	11,925
2015	7,013	2,953	130	2,502	12,598
2016	8,795	3,406	140	2,712	15,053
2017	9,538	3,328	133	2,619	15,618
2018	10,549	3,446	160	2,817	16,972
2019	11,747	3,872	157	3,142	18,918
2020	12,880	4,202	162	3,203	20,447
2021	14,354	4,467	144	3,360	22,325

Taxes Included in Unrestricted Intergovernmental Revenues

Fiscal Year	Sales Tax	State Revenue Sharing	Local Option Gas Tax	Total
2012	1,296	383	296	1,975
2013	1,419	535	280	2,234
2014	1,567	635	290	2,492
2015	1,820	749	378	2,947
2016	1,848	819	482	3,149
2017	1,945	911	520	3,376
2018	2,172	1,013	548	3,733
2019	2,236	1,116	551	3,903
2020	2,345	1,053	522	3,920
2021	2,806	1,386	537	4,729

* *Business Tax Receipts previously reported under Licenses*

City of Clermont, Florida
Assessed Value and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years

(amounts expressed in thousands)

Fiscal Year Ended Sep 30	Real* Property	Personal Property	Less: Tax Exempt Property	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Assessed Value as a Percentage of Actual Value
2012	2,171,815	209,726	598,187	1,783,354	3.1420	2,381,541	74.88%
2013	2,124,017	206,870	605,114	1,725,773	3.1420	2,330,887	74.04%
2014	2,185,702	205,140	611,063	1,779,779	3.7290	2,390,842	74.44%
2015	2,336,882	207,024	630,762	1,913,144	3.7290	2,543,906	75.20%
2016	2,574,360	215,752	652,769	2,137,343	4.2061	2,790,112	76.60%
2017	2,791,963	215,772	689,683	2,318,052	4.2061	3,007,735	77.07%
2018	3,057,114	233,448	724,930	2,565,632	4.2061	3,290,562	77.97%
2019	3,406,874	238,430	789,497	2,855,807	4.2061	3,645,304	78.34%
2020	3,723,782	247,430	848,948	3,122,264	4.2061	3,971,212	78.62%
2021	4,070,776	262,371	899,129	3,434,018	4.2061	4,333,147	79.25%

Source: Lake County Property Appraisers Office

* Information on breakdown of residential and commercial property is not available.

City of Clermont, Florida
Property Tax Rates
Direct and Overlapping¹ Governments
Last Ten Fiscal Years²

(per \$1,000 of assessed value)

Fiscal Year	Direct Rate	Overlapping Rates							Total Direct & Overlapping Rates
	City of Clermont Operating Millage	Lake County			Lake County School District	South Lake Hospital District ³	Lake County Water Authority	St. Johns River Water Management District	
		Operating Millage	Voted Debt Service	Ambulance MSTU					
2012	3.1420	4.7309	0.1101	0.3853	7.3940	0.8000	0.2405	0.3313	17.1341
2013	3.1420	4.7309	0.1900	0.3853	7.3200	0.8000	0.2554	0.3313	17.1549
2014	3.7290	4.7309	0.1900	0.3853	7.1700	0.7900	0.2554	0.3283	17.5789
2015	3.7290	5.3856	0.1600	0.4629	7.2460	0.7633	0.2554	0.3164	18.3186
2016	4.2061	5.3051	0.1600	0.4629	7.1970	0.7633	0.2554	0.3023	18.6521
2017	4.2061	5.1180	0.1524	0.4629	6.8750	0.7332	0.2554	0.2885	18.0915
2018	4.2061	5.1180	0.1524	0.4629	6.6030	0.6898	0.2554	0.2724	17.7600
2019	4.2061	5.1180	0.1324	0.4629	6.3550	0.6432	0.4900	0.2562	17.6638
2020	4.2061	5.0734	0.1100	0.4629	6.8830	0.5886	0.3557	0.2414	17.9211
2021	4.2061	5.0327	0.1100	0.4629	6.6990	-	0.3368	0.2287	17.0762

Source: Lake County Property Appraisers Office

¹ Overlapping rates are those of local and county governments that apply to property owners within the City of Clermont.

² Taxes levied for the fiscal year are based on the prior year taxable value.

Operating millage is the only component of the City's direct rate

³ South Lake Hospital Tax District dissolved, effective Fiscal Year 2021.

**City of Clermont, Florida
Principal Property Taxpayers
Current Year and Nine Years Ago**

(amounts expressed in thousands)

Taxpayer	2021			2012		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Vista at Lost Lake TIC I LLC	66,957	1	1.95%			
BR Citrus Tower LLC	48,966	2	1.43%			
Advenir at Castle Hill LLC	44,887	3	1.31%			
John P. Adams & Ann D. Adams Family LP	39,940	4	1.16%	26,014	1	1.46%
South Lake Hospital, Inc.	39,692	5	1.16%	12,012	6	0.67%
US 27-Clermont LLC	36,788	6	1.07%			
Westdale Sundance LTD	29,495	7	0.86%	16,387	3	0.92%
Clermont Landing LLC	23,655	8	0.69%			
Weingarten I-4 Clermont Landing	20,580	9	0.60%	12,293	5	0.69%
Senninger Irrigation, Inc.	17,819	10	0.52%			
Fountains at Clermont LLC				17,332	2	0.97%
Citrus Tower Development				14,386	4	0.81%
Village at East Lake				11,655	7	0.65%
Progress Energy Florida, Inc				10,730	8	0.60%
Wal-Mart Stores East LP				10,106	9	0.57%
Target Corporation				9,236	10	0.52%
TOTAL	\$ 368,779		10.74%	\$140,151		7.86%

Source: Lake County Property Appraiser

City of Clermont, Florida
Property Tax Levies and Collections
Last Ten Fiscal Years

(amounts expressed in thousands)

Fiscal Year Ended September	Total Tax Levy for Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2012	5,603	5,325	95.0%	5	5,330	95.1%
2013	5,422	5,153	95.0%	8	5,161	95.2%
2014	6,635	6,325	95.3%	9	6,334	95.5%
2015	7,133	6,793	95.2%	6	6,799	95.3%
2016	8,990	8,570	95.3%	4	8,574	95.4%
2017	9,750	9,299	95.4%	9	9,308	95.5%
2018	10,791	10,278	95.2%	6	10,284	95.3%
2019	12,012	11,430	95.2%	5	11,435	95.2%
2020	13,133	12,471	95.0%	7	12,478	95.0%
2021	14,444	13,677	94.7%	1	13,678	94.7%

Note: Property taxes become due and payable on November 1st of each year. A four (4) percent discount is allowed if the taxes are paid in November, with the discount declining by one (1) percent each month thereafter. Accordingly, taxes collected will never be 100 percent of the tax levy.

City of Clermont, Florida
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

(amounts expressed in thousands, except per capita amount)

Fiscal Year Ended Sept	Governmental Activities			Business-Type Activities		Total Outstanding Debt	Percentage of Personal Income ¹	Per Capita ¹
	Revenue Bonds	Capital Leases	Notes Payable	Revenue Bonds	Notes Payable			
2012	\$ 3,080	\$ -	\$ -	\$ 14,963	\$ -	\$ 18,043	\$ 0	\$ 605
2013	-	-	2,612	14,979	-	17,591	2.19%	582
2014	-	-	8,041	14,361	-	22,402	2.74%	706
2015	-	-	7,157	13,728	-	20,885	2.45%	646
2016	-	-	11,509	13,075	-	24,584	2.40%	709
2017	-	-	34,102	12,403	6,329	52,834	4.87%	1,476
2018	-	-	33,123	12,268	6,329	51,720	4.22%	1,329
2019	-	838	31,109	11,467	5,980	49,394	3.76%	1,212
2020	-	754	29,045	10,634	5,621	46,054	3.45%	1,040
2021	-	666	26,930	9,779	5,253	42,628	2.72%	954

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

¹ See the Schedule of Demographic and Economic Statistics on page 150 for personal income and population data.

City of Clermont, Florida
Direct and Overlapping Governmental Activities Debt
September 30, 2021

(amounts expressed in thousands, except population and per capita amount)

<u>Government Unit:</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u> ⁽¹⁾	<u>Amount Applicable to City of Clermont</u>
Lake County	\$ 105,354	14.02%	\$ 14,771
Lake County School District	162,512	12.55%	\$ 20,395
Subtotal, overlapping debt			35,166
City of Clermont, direct debt	27,596	100.00%	27,596
Total direct and overlapping debt			<u><u>\$ 62,762</u></u>

Sources: Lake County 2020 Comprehensive Annual Financial Report, Lake County School Board 2020 Comprehensive Annual Financial Report, and Lake County Property Appraiser's Office

⁽¹⁾ The percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of Lake County's taxable assessed value that is within the City of Clermont's boundaries and dividing it by Lake County's total taxable assessed value.

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

The City of Clermont has no legal debt margin.

**City of Clermont, Florida
Pledged-Revenue Coverage
Last Ten Fiscal Years**

Public Improvement Revenue Refunding Note, Series 2012

Fiscal Year	Public Service Taxes	Communications Service Tax	Half-Cent Sales Tax	Total Revenue Available for Debt Service	Debt Service		Coverage
					Principal	Interest	
2012	2,430,440	1,257,217	1,295,687	4,983,344	490,000	143,350	7.87
2013	2,490,461	1,349,929	1,418,710	5,259,100	3,080,000 *	66,550	1.67
2014	2,887,161	1,216,076	1,567,249	5,670,486	570,599	25,361	9.51
2015	2,952,785	1,161,566	1,819,909	5,934,260	577,959	19,101	9.94
2016	3,405,642	1,138,032	1,848,294	6,391,968	585,609	12,760	10.68
2017	3,328,087	1,122,258	1,945,237	6,395,582	591,692	6,345	10.69
2018	3,446,407	1,112,440	2,172,025	6,730,872	286,141	1,559	23.40
2019	3,872,099	1,131,382	2,235,693	7,239,174	**	**	**
2020	4,201,714	1,232,777	2,344,875	7,779,366	**	**	**
2021	4,466,642	1,327,089	2,806,160	8,599,891	**	**	**

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

* Public Improvement Revenue Note, Series 2002 was refunded in 2012, this includes the payoff of the original bonds.

** This Note was paid off in fiscal year 2018

**City of Clermont, Florida
Pledged-Revenue Coverage
Last Ten Fiscal Years**

Public Improvement Revenue Refunding Note, Series 2016

Fiscal Year	Public Service Taxes	Communications Service Tax	Total Revenue Available for Debt Service	Debt Service		Coverage
				Principal	Interest	
2012	-	-	-	-	-	N/A
2013	-	-	-	-	-	N/A
2014	2,887,161	1,216,076	4,103,237	-	82,350	49.83
2015	2,952,785	1,161,566	4,114,351	305,772	178,337	8.50
2016	3,405,642	1,138,032	4,543,674	5,694,228 *	195,148	0.77
2017	3,328,087	1,122,258	4,450,345	255,000	105,635	12.34
2018	3,446,407	1,112,440	4,558,847	377,841	99,212	9.56
2019	3,872,099	1,131,382	5,003,481	385,511	91,464	10.49
2020	4,201,714	1,232,777	5,434,491	393,337	83,558	11.40
2021	4,466,642	1,327,089	5,793,731	401,322	75,493	12.15

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

* Public Improvement Revenue Note, Series 2013 was refunded in 2016, this includes the payoff of the original bonds.

**City of Clermont, Florida
Pledged-Revenue Coverage
Last Ten Fiscal Years**

Infrastructure Sales Surtax Revenue Note, Series 2016

Fiscal Year	Infrastructure Sales Surtax	Debt Service		Coverage
		Principal	Interest	
2012	-	-	-	N/A
2013	-	-	-	N/A
2014	-	-	-	N/A
2015	-	-	-	N/A
2016	2,964,966	-	27,466	107.95
2017	3,115,549	230,716	109,914	9.15
2018	3,397,707	314,809	104,132	8.11
2019	3,474,813	321,483	97,387	8.30
2020	3,603,194	328,298	90,499	8.60
2021	4,182,726	335,258	83,466	9.99

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

**City of Clermont, Florida
Pledged-Revenue Coverage
Last Ten Fiscal Years**

Master Plan Capital Projects Revenue Note, Series 2017

Fiscal Year	Infrastructure Sales Surtax	Recreation Impact Fees	Stormwater Fees	Sanitation Fees	Total Revenue Available for Debt Service	Debt Service		Coverage
						Principal	Interest	
2012	-	-	-	-	-	-	-	N/A
2013	-	-	-	-	-	-	-	N/A
2014	-	-	-	-	-	-	-	N/A
2015	-	-	-	-	-	-	-	N/A
2016	-	-	-	-	-	-	-	N/A
2017	3,115,549	1,495,242	1,002,859	3,087,701	8,701,352	-	-	N/A
2018	3,397,707	1,047,736	1,375,516	3,176,721	8,997,680	-	749,550	12.00
2019	3,474,813	1,157,840	1,596,720	3,263,253	9,492,626	1,657,000	767,210	3.92
2020	3,603,194	1,529,037	1,695,361	3,550,386	10,377,978	1,701,000	723,053	4.28
2021	4,182,726	1,661,798	1,782,926	3,784,598	11,412,048	1,746,000	677,725	4.71

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

**City of Clermont, Florida
Pledged-Revenue Coverage
Last Ten Fiscal Years**

Water and Sewer Revenue and Refunding Bonds

Fiscal Year	Water and Sewer Operating Revenues ¹	Water and Sewer Operating Expenses ²	Net Revenue Available for Debt Service	Debt Service		Coverage
				Principal	Interest	
2012	10,496,535	6,377,695	4,118,840	580,000	643,307	3.37
2013	10,687,908	6,677,774	4,010,134	595,000	604,811	3.34
2014	11,108,744	7,090,566	4,018,178	615,000	586,461	3.34
2015	11,767,901	7,419,231	4,348,670	630,000	567,636	3.63
2016	12,578,644	7,272,716	5,305,928	650,000	548,236	4.43
2017	13,226,994	7,661,085	5,565,909	670,000	504,122	4.74
2018	13,379,152	8,104,464	5,274,688	10,920,000 ³	211,101	0.47
2019	15,017,621	8,753,924	6,263,697	800,000	294,524	5.72
2020	16,069,244	9,069,911	6,999,333	828,000	267,058	6.39
2021	16,629,593	9,958,948	6,670,645	855,000	242,915	6.08

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

¹ Operating revenue is computed per bond resolution requirements. Investment earnings are included.

² Operating expense is computed per bond resolution requirements. Depreciation expense is not included.

³ Water and Sewer Revenue Refunding Bonds, Series 2009 was partially refunded in 2017, this includes the payoff of the original bonds.

**City of Clermont, Florida
Demographic and Economic Statistics
Last Ten Fiscal Years**

Fiscal Year	Population¹	Personal Income (amounts expressed in thousands)	Per Capita Personal Income²	Median Age²	Education Level in Years of Formal Schooling²	School Enrollment³	Unemployment Rate⁴
2012	29,827	784,361	26,297	46.8	13.6	5,158	7.0%
2013	30,201	802,803	26,582	41.5	13.8	5,153	5.8%
2014	31,745	816,926	25,734	41.9	13.7	5,198	5.6%
2015	32,348	854,020	26,401	42.1	13.7	8,436	4.8%
2016	34,667	1,023,959	29,537	42.1	13.4	8,712	4.4%
2017	35,807	1,085,991	30,329	41.6	13.3	8,761	3.1%
2018	38,906	1,226,940	31,536	42.3	13.4	8,841	2.7%
2019	40,750	1,312,598	32,211	42.5	13.9	8,745	2.8%
2020	44,301	1,335,011	30,135	42.1	14.0	8,625	6.7%
2021	44,687	1,405,049	31,442	42.2	14.0	9,040	3.7%

Sources: ¹ College of Business Administration, University of Florida - Bureau of Economic and Business Research

² Metro Orlando Economic Development Commission

³ Lake County School Board

⁴ U.S. Department of Labor, Bureau of Labor Statistics

**City of Clermont, Florida
Principal Employers
Current Year and Nine Years Ago**

<u>Employer</u>	<u>2021</u>			<u>2012</u>		
	<u>Number of Employees</u>	<u>Rank</u>	<u>Percentage of Total City Employment</u>	<u>Number of Employees</u>	<u>Rank</u>	<u>Percentage of Total City Employment</u>
Total City Employment	19,268			22,680		
South Lake Hospital, Inc.	1,600	1	8.30%	1,114	1	4.91%
Publix Supermarkets	991	2	5.14%	642	2	2.83%
Lake County School System	714	3	3.71%	340	3	1.50%
City of Clermont	452	4	2.35%	257	7	1.13%
Walmart	392	5	2.03%	306	6	1.35%
Lowe's	356	6	1.85%	320	4	1.41%
Target Corporation	334	7	1.73%	310	5	1.37%
Senningers	210	8	1.09%			
Clermont Health & Rehab	180	9	0.93%			
Chick Fil A	170	10	0.88%			
Lake County Sheriff's Office						0.00%
Winn Dixie				207	8	0.91%
Progressive Plumbing Inc.				200	9	0.88%
Westminister Care of Clermont				175	10	0.77%
TOTAL	<u>5,399</u>		<u>28.02%</u>	<u>3,871</u>		<u>17.07%</u>

Source: Various employers in city limits & Bureau of Labor Statistics (BLS) of the U.S. Department of Labor

Note - FY 2021 data was not available, thus FY 2020 data is displayed. In the City's estimation, the figures did not change significantly.

**City of Clermont, Florida
Principal Water Customers
Current Year and Nine Years Ago**

<u>Employer</u>	<u>2021</u>			<u>2012</u>		
	<u>Usage (thousands of gallons)</u>	<u>Rank</u>	<u>Percentage of Total City Metered Flow¹</u>	<u>Usage (thousands of gallons)</u>	<u>Rank</u>	<u>Percentage of Total City Metered Flow</u>
Kings Ridge	156,726	1	4.39%	262,412	1	10.97%
Esplanade at Highland Ranch	107,904	2	3.02%			
Taylor Morrison	54,485	3	1.53%			
City of Clermont	36,330	4	1.02%	51,830	2	2.17%
SLMH	35,952	5	1.01%	32,481	3	1.36%
Heritage Hills of Clermont HOA	26,998	6	0.76%			
Vista at Lost Lake TIC I LLC	19,691	7	0.55%	8,646	10	0.36%
Orlando VP LLC	18,376	8	0.51%			
Pulte Home Company LLC	18,002	9	0.50%			
Mattamy Homes	17,297	10	0.48%			
Lake County School System				25,853	4	1.08%
Westminster Comm Care Svcs				15,314	5	0.64%
Gardens at Citrus Towers				12,505	6	0.52%
Sundance Clermont Apartments				11,483	7	0.48%
Village at East Lake Apartments LTD				11,087	8	0.46%
Osprey Ridge Apartments LTD				8,799	9	0.37%
TOTAL	<u>491,761</u>		<u>13.78%</u>	<u>440,410</u>		<u>18.42%</u>

¹ The City of Clermont had a total metered water flow of approximately 3,568,993 gallons for the 12-month period ending September 30, 2021

**City of Clermont, Florida
Principal Sewer Customers
Current Year and Nine Years Ago**

<u>Employer</u>	<u>2021</u>			<u>2012</u>		
	<u>Usage (thousands of gallons)</u>	<u>Rank</u>	<u>Percentage of Total City Metered Flow¹</u>	<u>Usage (thousands of gallons)</u>	<u>Rank</u>	<u>Percentage of Total City Metered Flow</u>
SLMH	29,484	1	2.62%	32,481	1	2.34%
Town of Oakland	22,080	2	1.96%			
Orlando VP LLC	18,376	3	1.63%			
Clermont TT LLC	11,954	4	1.06%			
Vista at Lost Lake West	10,315	5	0.92%			
Westminster Comm Care Service	10,142	6	0.90%	14,654	3	
Vista at Lost Lake East	9,376	7	0.83%	8,646	5	0.62%
Carwash Headquarters	9,104	8	0.81%			
Mister Car Wash	6,890	9	0.61%			
BJ Wholesale	6,797	10	0.60%			
Lake County Schools				17,651	2	1.27%
Villages at East Lake				11,087	4	0.80%
Emerald Lakes of Clermont				8,456	6	0.61%
City of Clermont				7,688	7	0.55%
Hwy 27 17156 LLC (BP)				5,624	8	0.41%
Oak Ridge Apartments				4,604	9	0.33%
Lost Lake Apartments				3,996	10	0.29%
TOTAL	134,518		11.93%	114,887		8.29%

¹ The City of Clermont had a total metered water flow for wastewater billing purposes of approximately 1,127,203 gallons for the 12-month period ending September 30, 2021

City of Clermont, Florida
Full-time Equivalent City Government Employees by Function
Last Ten Fiscal Years

Function	Full-time Equivalent Employees as of September 30				
	2012	2013	2014	2015	2016
General Government	25.85	26.66	31.56	36.00	36.00
Public Safety:					
Police					
Sworn personnel	57.00	57.00	61.00	61.00	66.00
Non sworn personnel	5.00	6.00	6.00	6.00	6.00
Fire					
Firefighters	47.80	47.80	56.80	56.80	59.80
Other personnel	2.00	2.00	5.20	4.20	4.20
Building Services	0.60	0.60	6.00	6.00	7.00
Physical Environment	4.00	4.95	4.70	7.45	8.70
Transportation	14.80	14.65	12.95	12.85	12.60
Human Services	0.00	0.00	0.00	0.00	0.00
Culture & Recreation	21.20	21.10	27.25	33.35	35.35
Water	29.45	29.66	30.61	29.35	29.65
Sewer	24.50	23.78	23.88	24.15	26.45
Stormwater	7.95	6.72	6.87	6.65	7.75
Sanitation	16.85	17.08	17.18	18.20	18.50
Total	<u>257.00</u>	<u>258.00</u>	<u>290.00</u>	<u>302.00</u>	<u>318.00</u>

Source: City of Clermont Finance Department.

Full-time Equivalent Employees as of September 30

<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
38.70	41.45	49.50	48.90	49.90
70.00	79.00	81.00	86.00	88.00
6.00	7.00	7.00	7.00	8.00
66.50	74.20	81.00	81.00	81.00
6.50	8.80	8.00	8.00	8.00
11.30	11.55	12.30	13.55	14.55
10.70	10.70	10.70	9.65	9.65
14.60	16.60	11.9	11.73	11.73
0.00	0.00	0.00	0.00	0.00
39.35	40.60	37.50	39.22	39.22
29.15	30.45	30.55	32.70	36.70
26.95	31.25	31.40	32.50	34.50
10.25	10.10	13.85	13.95	13.95
<u>21.00</u>	<u>21.30</u>	<u>21.30</u>	<u>20.80</u>	<u>20.80</u>
<u><u>351.00</u></u>	<u><u>383.00</u></u>	<u><u>396.00</u></u>	<u><u>405.00</u></u>	<u><u>416.00</u></u>

City of Clermont, Florida
Operating Indicators by Function
Last Ten Fiscal Years

Function	Fiscal Year				
	2012	2013	2014	2015	2016
General Government					
Municipal boundary (square miles)	14.95	14.95	15.18	16.65	16.78
Business Tax Receipts issued	2,237	2,483	1,955	1,701	1,639
A/P Checks issued	2,336	2,288	3,529	2,747	3,276
Commercial construction (units)	8	20	15	16	20
Commercial construction (value in thousands)	15,203	34,268	17,288	8,625	42,241
Residential construction (units)	173	327	572	323	740
Residential construction (value in thousands)	25,882	53,055	62,117	55,178	103,423
Public Safety:					
Police					
Auto accidents	1,259	1,402	1,357	1,573	1,909
Physical arrests	644	886	631	652	589
911 calls received	5,911	6,352	6,643	7,618	6,397
Evidence processed (pieces)	1,413	2,930	2,384	989	674
Parking violations	201	252	379	144	181
Traffic violations	5,389	7,225	4,623	6,879	7,421
Fire					
Volunteer firefighters	6	-	-	-	-
Fire inspections completed	662	1,240	3,766	3,813	4,468
Emergency calls answered	3,320	3,414	4,127	4,202	6,001
Non-emergency calls answered	934	447	987	523	806
Water					
Residential accounts	18,619	19,399	19,670	13,242 *	13,561
Commercial accounts	1,207	1,232	1,234	1,211	1,220
Annual water usage (thousands of gallons)	2,391,485	2,392,022	2,406,183	2,521,397	2,572,852
Sewer					
Residential accounts	12,936	13,407	13,718	13,578	13,860
Commercial accounts	1,166	1,194	1,055	1,074	1,091

Sources: Various government departments.

* Decrease in accounts due to software conversion combining multi-metered services

Fiscal Year

2017	2018	2019	2020	2021
16.78	17.12	19	19.1	19.2
1,633	1,623	1,585	1,572	1,968
3,651	3,872	3,859	3,543	3,846
14	20	15	10	16
13,302	42,042	30,862	13,695	52,737
433	387	377	428	591
87,873	104,394	87,927	92,541	110,912
1,909	1,802	2,082	1,780	1,673
593	569	663	632	590
6,809	7,943	9,185	8,703	9,880
1,165	1,040	1,821	1,331	1,787
385	147	101	319	403
6,713	4,676	4,790	4,340	3,394
-	-	-	-	-
2,586	2,203	2,493	2,445	3,112
6,828	5,689	5,367	6,199	6,549
925	989	1,493	814	1,593
14,339	14,805	15,311	15,882	16,283
1,235	1,498	1,283	1,283	1,344
2,743,657	2,687,665	2,816,071	3,090,626	3,568,993
14,619	15,198	15,669	16,330	17,670
1,106	1,107	1,126	1,135	1,342

**City of Clermont, Florida
Capital Asset Statistics by Function
Last Ten Fiscal Years**

Function	Fiscal Year				
	2012	2013	2014	2015	2016
General Government					
Public Safety:					
Police					
Police stations	1	1	1	1	1
Patrol units	46	55	57	79	95
Fire					
Fire department facilities	4	4	4	3	4
Staffed fire stations	3	3	3	3	4
Fire hydrants	2,048	2,120	2,146	2,200	2,646
Fire apparatus	8	8	8	12	6
Staffed fire apparatus	5	5	5	3	6
ALS non-transport units	4	4	4	3	1
Transportation					
Streets paved (miles)	133.20	173.91	191.52	202.38	210.00
Streetlights	3,103	3,103	3,127	3,158	3,160
Culture & Recreation					
Number of parks	23	23	23	23	23
Parks acreage	349.5	349.5	349.5	378.0	443.9
Scenic linear trail (miles)	5.7	5.7	5.7	5.7	7.5
Tennis courts	9	9	9	9	9
Piers	4	5	5	10	11
Boat ramp	1	1	1	1	1
Water					
Miles of water mains	242.36	243.14	222.75	230.28	229.44
Sewer					
Miles of sanitary sewers	156.81	160.42	161.25	167.60	168.57
Miles of storm sewers	105.38	109.05	133.70	48.22 *	47.63 *

Sources: Various government departments.

* Does not include private systems

Fiscal Year				
2017	2018	2019	2020	2021
1	1	1	1	1
98	104	106	107	106
5	5	5	5	5
4	4	4	4	4
2,646	2,646	2,456	2,456	2,456
7	9	9	9	9
6	7	7	7	7
6	6	7	7	9
210.60	210.60	210.60	210.60	210.60
1,309	1,309	1,309	1,309	1,309
24	24	24	24	24
443.9	443.9	443.9	443.9	443.9
7.5	8.0	8.0	8.0	8.0
9	9	9	9	9
11	9	9	9	9
1	1	1	1	1
297.00	297.81	331.86	334.98	354.16
220.00	224.00	236.34	238.58	254.61
47.56 *	48.36 *	50.38 *	50.38 *	51.46



OTHER REPORTS



**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 City Council
City of Clermont, Florida

We have audited, 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, the financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the City of Clermont, Florida, as of and for the year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated April 21, 2023.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City of Clermont, Florida'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 City of Clermont's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over financial reporting.

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

ML 21-01 Timely and Regular Reconciliation of Accounts

Balance sheet and other accounts should be reconciled timely, on a regular basis to detect incorrect or missing transactions. During our audit, we noted that several of the City's accounts, such as fixed assets, and pension accounts are not reconciled on a regular basis during the year, or in a timely manner after year end, causing a delay in the year end annual audit. Due to staffing limitations, account reconciliations were not performed timely. As a result, misstatements, whether due to fraud or error, would not be detected in a timely manner. We recommend that the City implement procedures to ensure accounts can be reconciled on a regular, ongoing basis throughout the year.

Management Response

The City's procedures will ensure that reconciliations are completed timely and will request outside actuarial reports meet the City's reporting timeframes for completion of these reconciliations. We have hired an outside CPA firm to assist with fixed asset reconciliations due to staffing limitations, this is an ongoing contract.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether City of Clermont’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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The result of our tests disclosed instances of noncompliance, or other matters that are required to be reported under *Government Auditing Standards*, and which are described below.

ML 21-02- Timely Completion of Annual Audit

Florida Statutes require the annual audit to be submitted no later than nine month’s after the City’s fiscal year end. Due to staffing issues, and delays with account reconciliations, the audit was not able to be completed in a timely manner. We recommend the City implement procedures to insure annual audits are completed in a timely manner.

Management Response

The City has implemented the use of an outside CPA firm to assist with the reconciliations for completion of the audit in compliance with Florida Statutes.

City’s Response to Findings

The City’s response to the findings identified in our annual audit are included in this report. The City’s response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

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.

McDiarmid Davis

Orlando, FL
April 21, 2023



**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH
MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER
COMPLIANCE IN ACCORDANCE WITH THE UNIFORM GUIDANCE**

Honorable Mayor and City Council
City of Clermont, Florida

Report on Compliance for Each Major Federal Program

We have audited the *City of Clermont, Florida's* (the City) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended September 30, 2021. The City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

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

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

Opinion on Each Major Federal Program

In our opinion, the City 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, 2021.

Report on Internal Control over Compliance

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

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

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

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

McDiarmid Davis

Orlando, Florida
April 21, 2023

Schedule of Expenditures of Federal Awards

Year Ended September 30, 2021

Federal Grantor Pass-Through Grantor Grantor program title	CFDA Number	Agency or Pass-through Entity Grant Number	Expenditures
U.S. Department of Housing and Urban Development (HUD)			
State of Florida, Department of Economic Opportunity			
Community Development Block Grant (CDBG)*	14.228	19DB-ON-06-45-02-N17	\$ 719,764
Total U.S. Department of Housing and Urban Development (HUD)			<u>719,764</u>
U.S. Department of Transportation			
State of Florida, Department of Environmental Protection			
Recreational Trails Program	20.219	T18027	200,000
Total U.S. Department of Transportation			<u>200,000</u>
U.S. Department of Justice (DOJ)			
Equitable Sharing	16.922	FL0350300	49,410
Bulletproof Vest Partnership	16.607	FY19	13,736
State of Florida, Department of Law Enforcement			
Dirver Feedback Signs	16.738	2020-JAGC-LAKE -1-Y5-156	8,363
Civil Unreset/Mobile Field Force Equipment	16.738	2020-JAGC-LAKE -20-5R-112	7,469
Lake County			
Mobile Crisis Response Officer	16.745	BJA-2018-13605/13907	57,890
Total U.S. Department of Justice (DOJ)			<u>136,868</u>
U.S. Department of Treasury			
COVID- Coronavirus Relief Fund	21.019	Agreement # Y2267	281,641
Coronavirus State and Local Fiscal Recovery Funds	21.027		3,922
Total Department of Treasury			<u>285,563</u>
Executive Office of the President -Office of National Drug Control Policy			
Seminole County Sheriff Office			
High Intensity Drug Trafficking Areas	95.001	G18CF0008A	10,825
Organized Crime Drug Enforcement Task force	95.001	WG-CR-0017	626
Total Executive Office of the President -Office of National Drug Control Policy			<u>11,451</u>
U.S. Department of Homeland Security (DHS)			
State of Florida, Department of Emergency Management			
Staffing for Adequate Fire and Emergency Response (SAFER)	97.083	EMW-2016-FH-00366	62,866
Total U.S. Department of Homeland Security (DHS)			<u>62,866</u>
Total Expenditures of Federal Awards			<u>\$ 1,416,512</u>

* Denotes a major program

NOTE 1 BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal awards activity of the City of Clermont, Florida (the City) under programs of the federal government for the year ended September 30, 2021. 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, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the City, it is not intended to and does not present the financial position, changes in net position or cash flows of the City.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Therefore, amounts reported on the Schedule are based on expenditures incurred as of September 30, 2021, even if grant or loan was received subsequent to that date. Pass-through entity identifying numbers are presented where available.

NOTE 3 INDIRECT COST RATE

The City has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

Section I - Summary of Independent Auditor's Results:

Financial Statements

Type of auditors' report issued:	Unmodified	
Internal control over financial reporting:		
• Material weakness identified?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
• Significant deficiency identified	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> None reported
Noncompliance material to financial Statements noted?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No

Federal Awards

Type of auditors' report issued on compliance for major federal programs:	Unmodified	
Internal control over major Federal program:		
• Material weakness identified?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
• Significant deficiency identified	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> None reported
Any audit findings disclosed that are required to be reported in accordance with section 200.516 of the Uniform Guidance?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

Identification of major federal awards	CFDA No. 14.228	Community Development Block Grant
Dollar threshold used to distinguish between type A and type B programs	\$750,000	
Auditee qualified as a low-risk auditee?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No

Section II - Financial Statement Findings:

None

Section III - Federal Award Findings and Questioned Costs:

None

Section IV - Federal Award Summary Schedule of Prior Year Findings:

There were no audit findings for the year ended September 30, 2020.



MANAGEMENT LETTER

Honorable Mayor and City Council
City of Clermont, Florida

Report on the Financial Statements

We have audited the financial statements of the City of Clermont, Florida, as of and for the fiscal year ended September 30, 2021, and have issued our report thereon dated April 21, 2023.

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 Florida Auditor General.

Other Reporting Requirements

We have issued our Independent Auditor’s Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*; Independent Auditor’s Report on Compliance for Each Major Federal Program and State Project and Report on Internal Control over Compliance; Schedule of Findings and Questioned Costs; and Independent Auditor’s Report on an examination conducted in accordance with *ACIPA 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 April 21, 2023, should be considered in conjunction with this management letter.

Prior Audit Findings

Section 10.554(1)(i)1., Rules of the Auditor General, require that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. Corrective actions have been taken to address findings and recommendations made in the preceding financial audit report, except as noted below:

Tabulation of Uncorrected Audit Findings		
Current Year Finding #	2019-20 FY Finding #	2018-19 FY Finding #
ML 21-01	ML 20-01	N/A
ML 21-02	ML 20-02	N/A

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. This information has been disclosed in the notes to the financial statements.

Financial Condition and Management

Section 10.554(1)(i)5.a. and 10.556(7), Rules of the Auditor General, require us apply appropriate procedures and communicate the results of our determination as to whether or not the *City of Clermont, Florida* has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and identification of the specific condition(s) met. In connection with our audit, we determined that the *City of Clermont, Florida* 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 for the City. It is management’s responsibility to monitor the *City of Clermont, Florida’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 did not have any such recommendations.

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 which warrants the attention of those charged with governance. In connection with our audit, we did not have 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, the council, and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.

McDermitt Davis

Orlando, Florida
April 21, 2023



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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH
THE REQUIREMENTS OF SECTION 218.415, FLORIDA STATUTES**

The Honorable Mayor and City Council
City of Clermont, Florida

We have examined City of Clermont, Florida's (the City) compliance with the requirements of Section 218.415, Florida Statutes, during the year ended September 30, 2021. Management is responsible for the City's compliance with those requirements. Our responsibility is to express an opinion on the City's compliance based on our examination.

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

In our opinion, City of Clermont, Florida complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2021.

McDermitt Davis

Orlando, Florida
April 21, 2023