

Annual Comprehensive FINANCIAL REPORT

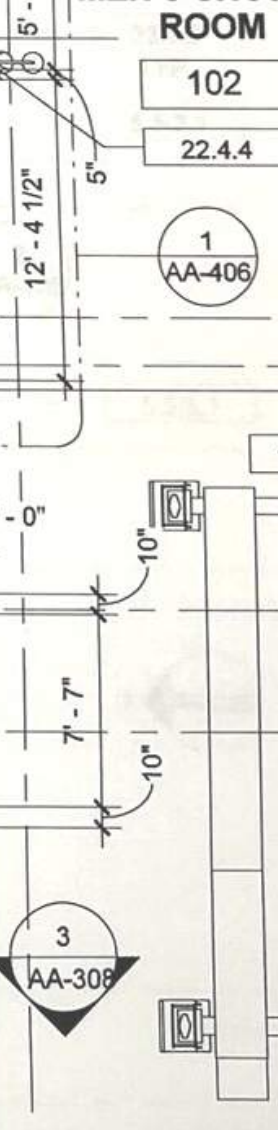
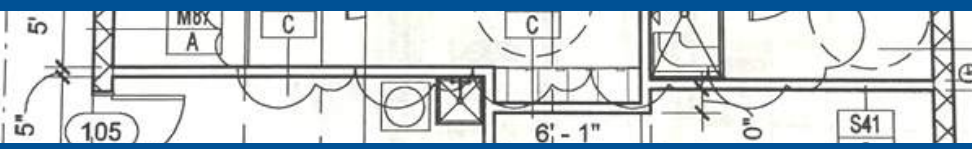
For Fiscal Year Ending September 30, 2022



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As we continue to grow and thrive, our services must also grow! Construction is underway on Clermont's new Public Services Facility. The \$17 million facility will be located at 12838 Hancock Road. It will feature a 5,240 square-foot administrative building and a 23,340 square-foot compound for City fleet maintenance activities.



CITY OF CLERMONT FLORIDA

Annual Comprehensive Financial Report

For The Year Ended September 30, 2022



**Prepared by:
Finance Department**



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INTRODUCTORY SECTION





BRIAN M. BULTHUIS
CITY MANAGER

352-241-7358
BBulthuis@Clermontfl.org

April 1, 2024

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, 2022. 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, 2022.

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, 2022 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, 2022 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 45,812. 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 6,906 residents or 17.8%. Clermont's economic factors for FY 2022 indicated continued 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 \$5,563 or 17.6% over the last 5 years. The City's unemployment rate decreased from 2.7% to 2.6% 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 8.28% 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** construction project is underway, and involves the expansion and relocation of the existing antiquated facility. The new facility will be located on Hancock Road. The \$17 million facility will feature a 5,240 square-foot administrative building and a 23,340 square-foot compound for city fleet maintenance activities. Construction is expected to be completed in Fiscal Year 2023 or 2024.

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 designed to take the facility from the existing permitted capacity of 4 MGD to 6.5 MGD with the construction starting during 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. That was the 33rd consecutive year the City received the prestigious award. A Certificate of Achievement is valid for a period of one year only. The City did not submit a report for the fiscal year ending September 30, 2021.

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,



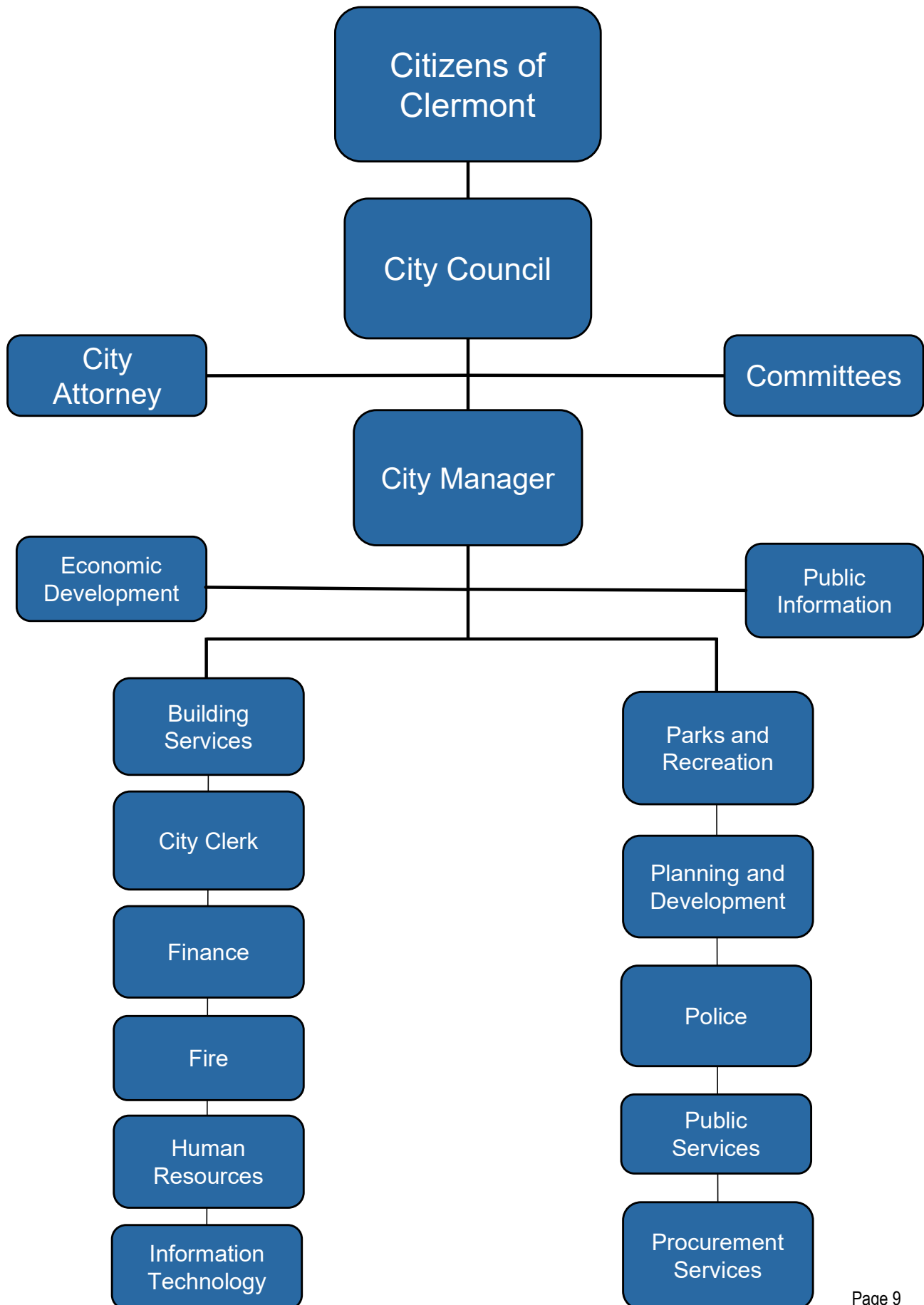
Brian M. Bulthuis
City Manager



Scott E. Borrer
Finance Director



City of Clermont, Florida
Organization Chart
For the Fiscal Year Ended September 30, 2022



**City of Clermont, Florida
List of Elected and Appointed Officials
For the Fiscal Year Ended September 30, 2022**

Elected Officials

Tim Murray
Mayor

Jim Purvis
Council Member

Timothy Bates
Mayor Pro-Tem

Ebo Entsuah
Council Member

Michele Pines
Council Member

Appointed Officials

Brian Bulhuis
City Manager

Scott Davidoff
Deputy 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

Laurie Windham
Communications Director

Brian Forman
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 Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the *City of Clermont, Florida* (the "City"), as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City, as of September 30, 2022, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund, Infrastructure Special Revenue Fund, and ARPA Special Revenue Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We have conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit accordance with GAAS, we

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgement there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the required supplementary information, such as management's discussion and analysis and pension and other post employment benefits disclosures on page 17 through 26 and 85 through 89 and be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual nonmajor fund financial statements and schedules, 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. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other information

Management is responsible for the other information. The other information comprises the introductory section and statistical section but does not include the financial statements and our auditor's report thereon. Our opinions on the financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated April 1, 2024 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the City's internal control over financial reporting and compliance.

McDiarmid Davis

Orlando, FL
April 1, 2024

***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, 2022. 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, 2022 by \$250,306,603 (net position). Of this amount, \$55,940,265 (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 \$19,458,668 (or 8%) during fiscal year 2022 primarily due to an increase in total revenues. The most significant factor was the increase in operating grants and contributions, which changed from \$2.0 million to \$14.6 million. This was primarily due to the receipt of American Rescue Plan Act (ARPA) funding from the federal government.
- At September 30, 2022, the City of Clermont's governmental funds reported combined ending fund balances of \$49,559,018 an increase of \$9,972,764 from the previous fiscal year. Of this amount \$17,840,316 (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 \$17,840,316, which represents 50% 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, Infrastructure Fund and ARPA Fund, which are considered to be major funds. Data from the other seven 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), the Infrastructure Fund (page 36), and the ARPA fund (page 37) to demonstrate compliance with budgets. Other major and nonmajor funds comparisons can be found beginning on page 100.

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 - 80 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 - 109 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 | | | |
| | 2021-22 | 2020-21 | 2021-22 | 2020-21 | 2021-22 | 2020-21 |
| Assets: | | | | | | |
| Current and other assets | \$ 63,295,511 | \$ 55,105,444 | \$ 68,008,090 | \$ 61,898,408 | \$ 131,303,601 | \$ 117,003,852 |
| Capital assets | 84,078,750 | 79,192,866 | 98,166,957 | 100,421,095 | 182,245,707 | 179,613,961 |
| Total assets | 147,374,261 | 134,298,310 | 166,175,047 | 162,319,503 | 313,549,308 | 296,617,813 |
| Deferred Outflows of Resources: | | | | | | |
| Deferred outflow of pension and OPEB earnings | 10,594,352 | 5,199,860 | 405,698 | 445,423 | 11,000,050 | 5,645,283 |
| Deferred charge of refunding | - | - | 645,480 | 726,167 | 645,480 | 726,167 |
| Total deferred outflows of resources | 10,594,352 | 5,199,860 | 1,051,178 | 1,171,590 | 11,645,530 | 6,371,450 |
| Liabilities: | | | | | | |
| Long-term liabilities outstanding | 40,351,634 | 39,344,826 | 17,966,773 | 18,748,695 | 58,318,407 | 58,093,521 |
| Other liabilities | 12,534,561 | 4,439,101 | 2,581,582 | 2,175,846 | 15,116,143 | 6,614,947 |
| Total liabilities | 52,886,195 | 43,783,927 | 20,548,355 | 20,924,541 | 73,434,550 | 64,708,468 |
| Deferred Inflow of Resources: | | | | | | |
| Deferred inflow of pension and OPEB earnings | 1,403,154 | 7,361,151 | 50,531 | 71,709 | 1,453,685 | 7,432,860 |
| Net investment in capital assets | 58,736,145 | 51,595,557 | 86,666,673 | 88,519,639 | 145,402,818 | 140,115,196 |
| Restricted | 18,690,598 | 14,910,765 | 30,272,922 | 25,419,884 | 48,963,520 | 40,330,649 |
| Unrestricted | 26,252,521 | 21,846,770 | 29,687,744 | 28,555,320 | 55,940,265 | 50,402,090 |
| Total net position | \$ 103,679,264 | \$ 88,353,092 | \$ 146,627,339 | \$ 142,494,843 | \$ 250,306,603 | \$ 230,847,935 |

The City's total net position at September 30, 2022 was \$250,306,603. Of the City's total net position \$145,402,818 (58.1%) 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, \$48,963,520 (19.6%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of the City's total net position, \$55,940,265 (22.3%) 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 \$19,458,668 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 2021-22, including revenues and expenses, with a comparison to the prior year. For more detail see the Statement of Activities.

City of Clermont, Florida
Management's Discussion and Analysis

| | Changes in Net Position | | | | | |
|--|--------------------------------|----------------------|---------------------------------|-----------------------|-----------------------|-----------------------|
| | Governmental Activities | | Business-type Activities | | Total | |
| | 2021-22 | 2020-21 | 2021-22 | 2020-21 | 2021-22 | 2020-21 |
| Revenues: | | | | | | |
| Program revenues - | | | | | | |
| Charges for services | \$ 10,068,644 | \$ 8,346,718 | \$ 23,305,913 | \$ 22,107,572 | \$ 33,374,557 | \$ 30,454,290 |
| Operating grants and contributions | 14,583,447 | 2,025,523 | - | - | 14,583,447 | 2,025,523 |
| Capital grants and contributions | 23,375 | 2,205,531 | 6,312,708 | 22,093,775 | 6,336,083 | 24,299,306 |
| General revenues - | | | | | | |
| Property Taxes | 15,349,735 | 14,353,854 | - | - | 15,349,735 | 14,353,854 |
| Business Taxes | 144,528 | 143,984 | - | - | 144,528 | 143,984 |
| Franchise Fees | 3,812,938 | 3,360,139 | - | - | 3,812,938 | 3,360,139 |
| Utility Taxes | 4,684,059 | 4,466,642 | - | - | 4,684,059 | 4,466,642 |
| Intergovernmental | 12,179,646 | 9,969,074 | - | - | 12,179,646 | 9,969,074 |
| Investment income and miscellaneous | 290,322 | 791,253 | (471,841) | 106,161 | (181,519) | 897,414 |
| Gain on sale of capital assets | 42,372 | - | 775 | 40,066 | 43,147 | 40,066 |
| Total revenues | 61,179,066 | 45,662,718 | 29,147,555 | 44,347,574 | 90,326,621 | 90,010,292 |
| Expenses: | | | | | | |
| General government | 5,322,105 | 5,918,171 | - | - | 5,322,105 | 5,918,171 |
| Public safety | 28,925,227 | 23,712,850 | - | - | 28,925,227 | 23,712,850 |
| Physical environment | 3,772,739 | 2,763,287 | - | - | 3,772,739 | 2,763,287 |
| Transportation | 1,927,707 | 2,264,129 | - | - | 1,927,707 | 2,264,129 |
| Economic environment | 1,337,164 | 665,094 | - | - | 1,337,164 | 665,094 |
| Culture and recreation | 4,227,083 | 4,044,169 | - | - | 4,227,083 | 4,044,169 |
| Interest on long-term debt | 635,273 | 686,929 | - | - | 635,273 | 686,929 |
| Water | - | - | 9,107,744 | 7,109,563 | 9,107,744 | 7,109,563 |
| Sewer | - | - | 9,175,803 | 8,172,055 | 9,175,803 | 8,172,055 |
| Sanitation | - | - | 3,993,702 | 3,467,370 | 3,993,702 | 3,467,370 |
| Stormwater | - | - | 2,443,406 | 1,990,565 | 2,443,406 | 1,990,565 |
| Total expenses | 46,147,298 | 40,054,629 | 24,720,655 | 20,739,553 | 70,867,953 | 60,794,182 |
| Increase (Decrease) in Net Position Before | | | | | | |
| Transfers | 15,031,768 | 5,608,089 | 4,426,900 | 23,608,021 | 19,458,668 | 29,216,110 |
| Transfers | 294,404 | 2,346,072 | (294,404) | (2,346,072) | - | - |
| Increase in Net Position | 15,326,172 | 7,954,161 | 4,132,496 | 21,261,949 | 19,458,668 | 29,216,110 |
| Net Position - Beginning | 88,353,092 | 80,398,931 | 142,494,843 | 121,232,894 | 230,847,935 | 201,631,825 |
| Net Position - Ending | \$ 103,679,264 | \$ 88,353,092 | \$ 146,627,339 | \$ 142,494,843 | \$ 250,306,603 | \$ 230,847,935 |

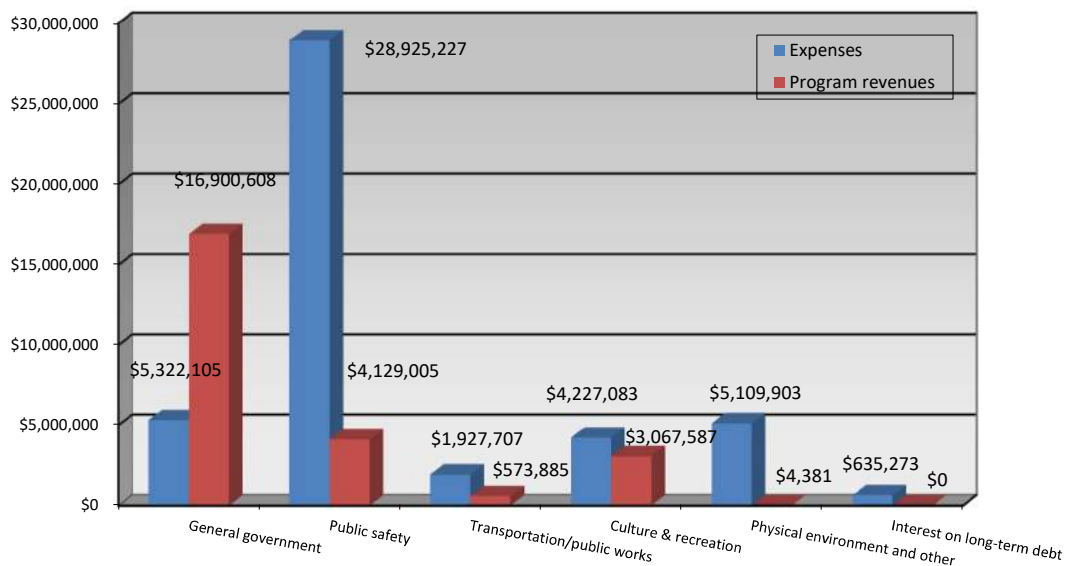
Governmental Activities

Governmental activities increased the City of Clermont's net position by \$15,326,172. The increase in governmental activity net position is due to revenues increasing at a rate faster than expenses. While revenues increased 34% to \$61.2 million, expenses increased at a 15% rate to \$46.1 million.

In addition to the ARPA distributions received by the City, revenue 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 8.3% or \$284 million in FY22 despite the City's millage rate remaining the same. This led to an increase in receipts of approximately \$1.0 million. In another example, intergovernmental revenues, such as sales tax and state revenue sharing, increased approximately \$2.2 million.

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.

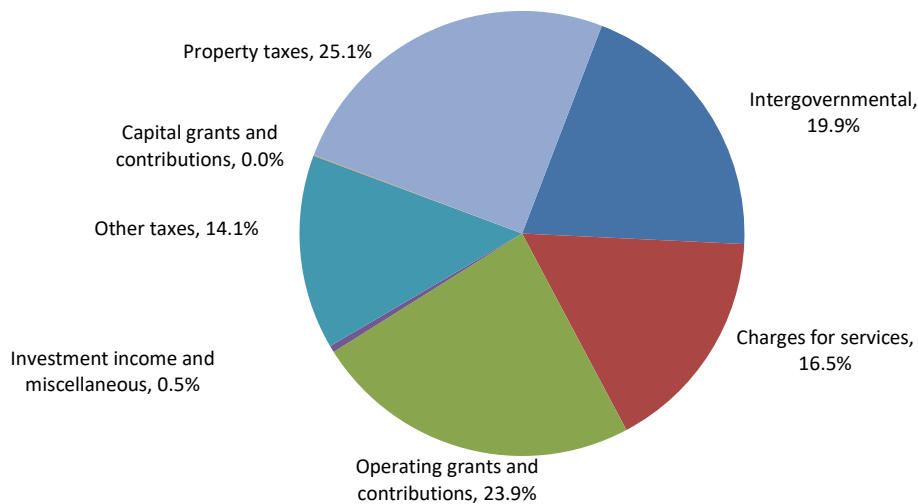
Expenses and Program Revenues - Governmental Activities



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

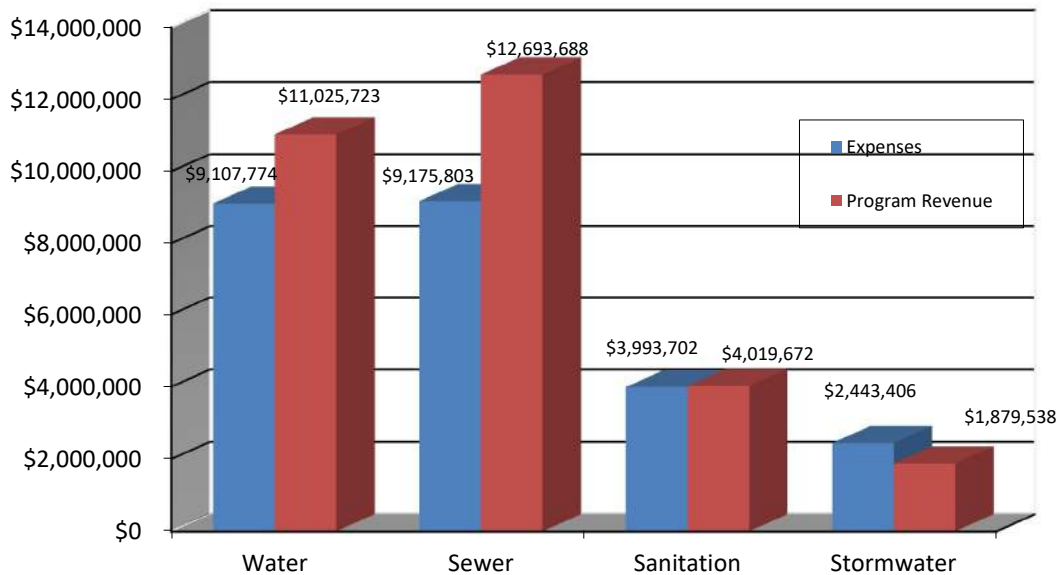


Business-Type Activities

Business-type activities increased the City of Clermont's net position by \$4,132,496. This change is primarily due to increased revenue from services resulting from an increase in residents and customers.

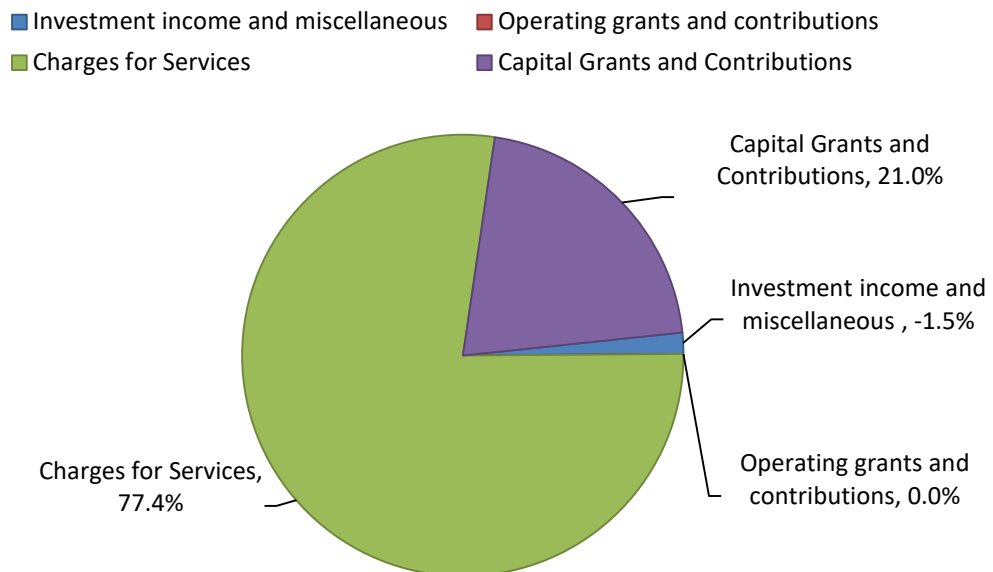
The following graph is a comparison of program revenues and program expenses for all business-type activities. This chart is intended to give the reader an idea of the degree to which business-type activities are self-supporting.

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



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, 2022, the City of Clermont's governmental funds reported combined ending fund balances of \$49,559,018 an increase of \$9,972,764 in comparison with the prior year. This increase is primarily due to additional cash balances resulting from the ARPA distributions received by not yet spent during FY22. Of the governmental funds combined ending fund balances, \$17,840,316 (36%) represents *unassigned fund balance*, which is available for spending at the City's discretion. An additional \$12,565,518 (*assigned fund balance*) has been set aside for planned master plan project expenditures. *Restricted fund balances* totaling over \$18.7 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* (\$472,861) 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, 2022, the fund balance in the General Fund was \$20,088,322 an increase of \$6,180,164 primarily from an increase in revenues; property taxes, franchise fees, licenses and permits, and charges for services all surpassed the 2021 amounts. The change in fund balance was more than the anticipated amount of the original budget by \$6,222,578 and \$5,061,392 more than the revised budget. Revenues were more than budgeted by \$2,881,759, due to an increase in intergovernmental, which was due to better than anticipated state projections on sales and gas taxes. Departmental expenditures came in less than anticipated resulting in no use of reserves in 2022. Of the total fund balance in the General Fund, \$17,840,316 (88.8%) 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 50% of total General Fund expenditures, while total fund balance represents 56.6% 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 \$17,380 in fiscal year 2022, primarily due to spending of proceeds from the Master Plan Capital Projects Revenue Note. The most significant projects were a streetscape project and construction of a new public services facility.

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 \$1,353,013 in fiscal year 2022 primarily due to an increase of \$1.0 million in sales tax collections.

The remainder of the change of \$2,456,967 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 \$2,004,393 in fiscal year 2022 primarily due to the collection of impact fees on new development within the City. Other nonmajor governmental funds that realized an increase in fund balance include the Building Services Fund and the Cemetery Fund

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, 2022, the City of Clermont's Water Fund reported total net position of \$52,180,249, an increase of \$1,483,122 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, 2022, the City of Clermont's Sewer Fund reported total net position of \$75,860,817, an increase of \$2,518,879 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, 2022, the City of Clermont's Sanitation Fund reported total net position of \$6,702,689, an increase of \$3,786 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, 2022, the City of Clermont's Stormwater Fund reported total net position of \$12,014,897, an increase of \$21,011 in comparison with the prior year. Following the decrease in the previous fiscal year, this increase is due to capital contributions and internal transfers to offset capital expenditures.

General Fund Budgetary Highlights

During the year, there was a \$1,613,252 increase in appropriations between the original and final amended budget. Significant components of the increase are as follows:

- \$83,643 carryover of unexpended FY21 funds for capital expenditures.
- \$92,000 to fund a new collective bargaining agreement with police department personnel.
- \$180,000 for the establishment of a community garden program.
- \$228,590 to offset unexpected contributions to the Group Self Insurance Fund.
- 180,000 to fund a new collective bargaining agreement with fire department personnel.

In addition, General Fund budgeted revenues increased by \$1,190,605 between the original and final budget. Significant components of the increase were related to increases in intergovernmental revenues and interfund transfers related to the accounting of ARPA funds.

Considering the above noted increases in General Fund budgeted appropriations, actual expenditures were less than budgeted by \$1,870,809.

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 | |
| | 2021-22 | 2020-21 | 2021-22 | 2020-21 | 2021-22 | 2020-21 |
| Land | \$ 25,851,030 | \$ 25,851,030 | \$ 1,511,807 | \$ 1,511,807 | \$ 27,362,837 | \$ 27,362,837 |
| Buildings | 17,325,719 | 18,353,736 | 817,003 | 835,845 | 18,142,722 | 19,189,581 |
| Infrastructure | 21,994,814 | 24,062,230 | 78,308,609 | 82,856,729 | 100,303,423 | 106,918,959 |
| Machinery and Equipment | 6,217,412 | 6,750,161 | 5,231,558 | 5,333,990 | 11,448,970 | 12,084,151 |
| Intangibles | 57,548 | 70,369 | 1,032,724 | 193,901 | 1,090,272 | 264,270 |
| Construction in Progress | 12,632,227 | 4,105,340 | 11,265,256 | 9,688,823 | 23,897,483 | 13,794,163 |
| Total | \$ 84,078,750 | \$ 79,192,866 | \$ 98,166,957 | \$ 100,421,095 | \$ 182,245,707 | \$ 179,613,961 |

The City of Clermont's investment in capital assets for its governmental and business-type activities as of September 30, 2022, amounts to \$182,245,707 (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 \$2,631,746. As displayed in the Capital Assets table the primary categories of buildings, infrastructure, and machinery and equipment all realized a decrease in net depreciation totals. This results from accumulated depreciation and/or disposals exceeding total additions for the year. However, the construction in progress category of capital assets increased 73.2% due to a number of ongoing projects within the City. These include a downtown streetscape project and the construction of a new public services 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 7 of this report.

| | Outstanding Debt | | | | | |
|-----------------------|--------------------------------|----------------------|---------------------------------|----------------------|----------------------|----------------------|
| | Governmental Activities | | Business-type Activities | | Total | |
| | 2021-22 | 2020-21 | 2021-22 | 2020-21 | 2021-22 | 2020-21 |
| Revenue bonds payable | \$ - | \$ - | \$ 8,900,000 | \$ 9,779,000 | \$ 8,900,000 | \$ 9,779,000 |
| Notes payable | 24,766,095 | 26,931,061 | 4,874,692 | 5,252,560 | 29,640,787 | 32,183,621 |
| Financed purchases | 576,510 | 666,248 | - | - | 576,510 | 666,248 |
| Total | \$ 25,342,605 | \$ 27,597,309 | \$ 13,774,692 | \$ 15,031,560 | \$ 39,117,297 | \$ 42,628,869 |

As of September 30, 2022, total outstanding debt was \$39,117,297, which includes both revenue bonds payable and notes payable. The outstanding debt amount decreased \$3,511,572 over the previous year.

Next Year's Budgets and Rates

The fiscal year 2023 budget was approved with the use of \$10,998 in reserves to balance the General Fund budget. Following a period of seven years of maintaining the same property tax millage rate, the City Council authorized a millage rate increase to a rate of 5.0600. This rate remains one of the lowest of comparable cities in the region. Property values continued to increase in fiscal year 2023 in the amount of 13.5%.

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 2023 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, 2022

| | Primary Government | | |
|---|------------------------------------|-------------------------------------|-----------------------|
| | Governmental Activities | Business-type Activities | Total |
| Assets: | | | |
| Cash and cash equivalents | \$ 38,207,797 | \$ 24,406,112 | \$ 62,613,909 |
| Investments | 19,036,119 | 20,964,107 | 40,000,226 |
| Receivables, net | 1,062,656 | 1,590,618 | 2,653,274 |
| Inventories | 35,419 | 29,477 | 64,896 |
| Due from other governments | 989,254 | - | 989,254 |
| Internal balances | (155,814) | 155,814 | - |
| Prepaid costs | 1,066,244 | 201,882 | 1,268,126 |
| Restricted assets: | | | |
| Cash and cash equivalents | - | 3,530,144 | 3,530,144 |
| Investments | 3,027,324 | 17,076,302 | 20,103,626 |
| Interest receivable | 26,512 | 53,634 | 80,146 |
| Net pension asset | - | - | - |
| Capital assets not being depreciated | 38,483,257 | 12,777,063 | 51,260,320 |
| Capital assets being depreciated, net of accumulated depreciation | 45,595,493 | 85,389,894 | 130,985,387 |
| Total assets | 147,374,261 | 166,175,047 | 313,549,308 |
| Deferred Outflows of Resources: | | | |
| Deferred outflow of pension earnings | 9,257,269 | - | 9,257,269 |
| Deferred outflow related to OPEB | 1,337,083 | 405,698 | 1,742,781 |
| Deferred charge on refunding | - | 645,480 | 645,480 |
| Total deferred outflows of resources | 10,594,352 | 1,051,178 | 11,645,530 |
| Liabilities: | | | |
| Accounts payable and accrued expenses | 5,044,881 | 2,581,582 | 7,626,463 |
| Unearned revenue | 7,489,680 | - | 7,489,680 |
| Noncurrent liabilities: | | | |
| Due within one year | 2,479,831 | 1,338,432 | 3,818,263 |
| Due in more than one year | 37,871,803 | 16,628,341 | 54,500,144 |
| Total liabilities | 52,886,195 | 20,548,355 | 73,434,550 |
| Deferred Inflows of Resources: | | | |
| Deferred inflow of pension earnings | 1,243,182 | - | 1,243,182 |
| Deferred inflow related to OPEB | 159,972 | 50,531 | 210,503 |
| Total deferred inflows of resources | 1,403,154 | 50,531 | 1,453,685 |
| Net Position: | | | |
| Net investment in capital assets | 58,736,145 | 86,666,673 | 145,402,818 |
| Restricted for: | | | |
| Capital Improvements | - | 30,272,922 | 30,272,922 |
| Community redevelopment | 506,320 | - | 506,320 |
| Public safety | 3,671,450 | - | 3,671,450 |
| Culture and recreation | 4,638,601 | - | 4,638,601 |
| Infrastructure | 4,037,993 | - | 4,037,993 |
| Debt service | 1,862,888 | - | 1,862,888 |
| Building services | 2,400,490 | - | 2,400,490 |
| Transportation | 24,742 | - | 24,742 |
| Cemetery | 1,548,114 | - | 1,548,114 |
| Unrestricted | 26,252,521 | 29,687,744 | 55,940,265 |
| Total net position | \$ 103,679,264 | \$ 146,627,339 | \$ 250,306,603 |

City of Clermont, Florida
Statement of Activities
Year Ended September 30, 2022

| Functions/Programs: | Expenses | Program Revenue | | | Net (Expense) Revenue and Changes in Net Position Primary Government | | |
|---|----------------------|-------------------------|---------------------------------------|-------------------------------------|--|-----------------------------|-----------------------|
| | | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions | Governmental Activities | Business-type Activities | Total |
| Governmental Activities: | | | | | | | |
| General government | \$ 5,322,105 | \$ 4,884,073 | \$ 12,016,535 | \$ - | \$ 11,578,503 | \$ - | \$ 11,578,503 |
| Public safety | 28,925,227 | 2,211,377 | 1,917,628 | - | (24,796,222) | - | (24,796,222) |
| Physical environment | 3,772,739 | - | 4,381 | - | (3,768,358) | - | (3,768,358) |
| Transportation/public works | 1,927,707 | - | 573,885 | - | (1,353,822) | - | (1,353,822) |
| Economic environment | 1,337,164 | - | - | - | (1,337,164) | - | (1,337,164) |
| Culture and recreation | 4,227,083 | 2,973,194 | 71,018 | 23,375 | (1,159,496) | - | (1,159,496) |
| Interest on long-term debt | 635,273 | - | - | - | (635,273) | - | (635,273) |
| Total governmental activities | 46,147,298 | 10,068,644 | 14,583,447 | 23,375 | (21,471,832) | - | (21,471,832) |
| Business-type Activities | | | | | | | |
| Water | 9,107,744 | 8,825,673 | - | 2,200,050 | - | 1,917,979 | 1,917,979 |
| Sewer | 9,175,803 | 8,581,030 | - | 4,112,658 | - | 3,517,885 | 3,517,885 |
| Sanitation | 3,993,702 | 4,019,672 | - | - | - | 25,970 | 25,970 |
| Stormwater | 2,443,406 | 1,879,538 | - | - | - | (563,868) | (563,868) |
| Total business-type activities | 24,720,655 | 23,305,913 | - | 6,312,708 | - | 4,897,966 | 4,897,966 |
| Total primary government | \$ 70,867,953 | \$ 33,374,557 | \$ 14,583,447 | \$ 6,336,083 | (21,471,832) | 4,897,966 | (16,573,866) |
| General Revenues: | | | | | | | |
| Property taxes | | | | | 15,349,735 | - | 15,349,735 |
| Business taxes | | | | | 144,528 | - | 144,528 |
| Franchise fees | | | | | 3,812,938 | - | 3,812,938 |
| Utility taxes | | | | | 4,684,059 | - | 4,684,059 |
| Intergovernmental - unrestricted | | | | | 12,179,646 | - | 12,179,646 |
| Unrestricted investment earnings | | | | | (142,915) | (471,841) | (614,756) |
| Miscellaneous | | | | | 433,237 | - | 433,237 |
| Gain on sale of capital assets | | | | | 42,372 | 775 | 43,147 |
| Transfers | | | | | 294,404 | (294,404) | - |
| Total general revenues and transfers | | | | | 36,798,004 | (765,470) | 36,032,534 |
| Change in net position | | | | | 15,326,172 | 4,132,496 | 19,458,668 |
| Net Position - beginning | | | | | 88,353,092 | 142,494,843 | 230,847,935 |
| Net Position - ending | | | | | \$ 103,679,264 | \$ 146,627,339 | \$ 250,306,603 |

City of Clermont, Florida
Balance Sheet
Governmental Funds
September 30, 2022

| | General | Capital Projects | Infrastructure Special Revenue | ARPA Special Revenue Fund | Other Governmental Funds | Total Governmental Funds |
|--|----------------------|----------------------|--------------------------------------|------------------------------|--------------------------------|--------------------------------|
| Assets: | | | | | | |
| Cash and cash equivalents | \$ 8,197,002 | \$ 9,628,341 | \$ 3,005,173 | \$ 7,339,540 | \$ 9,054,184 | \$ 37,224,240 |
| Investments | 11,794,273 | - | 754,989 | - | 6,071,015 | 18,620,277 |
| Receivables, net | 1,076,886 | - | 1,075 | - | 6,270 | 1,084,231 |
| Inventories, at cost | 35,419 | - | - | - | - | 35,419 |
| Due from other governments | 655,165 | - | 334,089 | - | - | 989,254 |
| Due from other funds | - | - | - | - | - | - |
| Prepaid costs | 427,167 | - | 628,786 | - | 10,275 | 1,066,228 |
| Restricted Investments | - | 3,027,324 | - | - | - | 3,027,324 |
| Total assets | \$ 22,185,912 | \$ 12,655,665 | \$ 4,724,112 | \$ 7,339,540 | \$ 15,141,744 | \$ 62,046,973 |
| Liabilities: | | | | | | |
| Accounts payable | \$ 965,816 | \$ 1,457,813 | \$ 686,119 | \$ - | \$ 198,946 | \$ 3,308,694 |
| Due to other funds | 287,127 | - | - | - | - | 287,127 |
| Accrued liabilities | 606,650 | - | - | - | 24,405 | 631,055 |
| Deposits | - | - | - | - | 683,542 | 683,542 |
| Unearned revenue | 147,957 | - | - | 7,339,540 | - | 7,487,497 |
| Total liabilities | 2,007,550 | 1,457,813 | 686,119 | 7,339,540 | 906,893 | 12,397,915 |
| Deferred Inflows of Resources: | | | | | | |
| Unavailable revenue - liens, forfeitures and rents | 90,040 | - | - | - | - | 90,040 |
| Total deferred inflows of resources | 90,040 | - | - | - | - | 90,040 |
| Fund Balances: | | | | | | |
| Nonspendable | 462,586 | - | - | - | 10,275 | 472,861 |
| Restricted | 417,754 | - | 4,037,993 | - | 14,224,576 | 18,680,323 |
| Assigned | 1,367,666 | 11,197,852 | - | - | - | 12,565,518 |
| Unassigned | 17,840,316 | - | - | - | - | 17,840,316 |
| Total fund balances | 20,088,322 | 11,197,852 | 4,037,993 | - | 14,234,851 | 49,559,018 |
| Total liabilities, deferred inflows of resources, and fund balances | \$ 22,185,912 | \$ 12,655,665 | \$ 4,724,112 | \$ 7,339,540 | \$ 15,141,744 | |

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

| | |
|--|-----------------------|
| Capital assets used in governmental activities are not financial resources and are not reported in the funds. | 84,078,750 |
| Accrued interest payable is not due in the current period and therefore is not reported in the funds. | (216,345) |
| Other long-term assets are not available to pay for current period expenditures and, therefore are deferred in the funds. | 90,040 |
| 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. | 9,191,198 |
| Net pension assets are not current financial resources and therefore are not reported in the funds | (1,704,367) |
| 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. | 1,328,237 |
| Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds. | (38,647,267) |
| Net Position of Governmental Activities in the Statement of Net Position. | <u>\$ 103,679,264</u> |

Statement of Revenues, Expenditures and Changes in Fund Balances**Governmental Funds**

Year Ended September 30, 2022

| | General | Capital Projects | Infrastructure Special Revenue | ARPA Special Revenue | Other Governmental Funds | Total Governmental Funds |
|--|----------------------|----------------------|--------------------------------------|----------------------------|--------------------------------|--------------------------------|
| Revenues: | | | | | | |
| Taxes | \$ 19,675,976 | \$ - | \$ - | \$ - | \$ 502,346 | \$ 20,178,322 |
| Franchise fees | 3,812,938 | - | - | - | - | 3,812,938 |
| Licenses and permits | 619,135 | - | - | - | 2,171,633 | 2,790,768 |
| Intergovernmental revenues | 9,432,793 | - | 5,337,140 | 12,016,535 | - | 26,786,468 |
| Charges for services | 2,937,388 | - | - | - | 275,331 | 3,212,719 |
| Fines and forfeitures | 185,958 | - | - | - | - | 185,958 |
| Impact fees/special assessments | - | - | - | - | 3,268,964 | 3,268,964 |
| Investment earnings (loss) | (159,498) | 70,912 | (7,628) | - | (42,078) | (138,292) |
| Miscellaneous | 1,047,351 | - | - | - | 4,270 | 1,051,621 |
| Total revenues | 37,552,041 | 70,912 | 5,329,512 | 12,016,535 | 6,180,466 | 61,149,466 |
| Expenditures: | | | | | | |
| Current: | | | | | | |
| General government | 4,694,423 | - | 156,683 | 208,625 | - | 5,059,731 |
| Public safety | 23,608,175 | - | 549,125 | 226,486 | 2,242,482 | 26,626,268 |
| Physical environment | 2,418,495 | - | 168,444 | 125,490 | 120,025 | 2,832,454 |
| Transportation | 1,387,393 | - | 547,998 | 22,397 | - | 1,957,788 |
| Economic environment | 119,624 | - | - | 706 | 497,359 | 617,689 |
| Culture and recreation | 3,279,499 | - | 230,862 | 21,722 | 306,182 | 3,838,265 |
| Debt Service: | | | | | | |
| Principal retirement | - | - | 89,738 | - | 2,164,966 | 2,254,704 |
| Interest and fiscal charges | - | - | 13,033 | - | 641,573 | 654,606 |
| Capital Outlay: | | | | | | |
| General government | - | - | - | - | - | - |
| Physical environment | - | 4,004,785 | - | - | - | 4,004,785 |
| Economic environment | - | 4,395,065 | - | - | - | 4,395,065 |
| Total expenditures | 35,507,609 | 8,399,850 | 1,755,883 | 605,426 | 5,972,587 | 52,241,355 |
| Excess (Deficiency) of Revenues Over Expenditures | 2,044,432 | (8,328,938) | 3,573,629 | 11,411,109 | 207,879 | 8,908,111 |
| Other Financing Sources (Uses): | | | | | | |
| Transfers in | 12,490,693 | 8,311,558 | - | - | 2,833,464 | 23,635,715 |
| Transfers out | (8,568,618) | - | (2,220,616) | (11,411,109) | (584,376) | (22,784,719) |
| Sale of general capital assets | 213,657 | - | - | - | - | 213,657 |
| Total other financing sources (uses) | 4,135,732 | 8,311,558 | (2,220,616) | (11,411,109) | 2,249,088 | 1,064,653 |
| Net Change in Fund Balances | 6,180,164 | (17,380) | 1,353,013 | - | 2,456,967 | 9,972,764 |
| Fund Balances - beginning | 13,908,158 | 11,215,232 | 2,684,980 | - | 11,777,884 | 39,586,254 |
| Fund Balances - ending | \$ 20,088,322 | \$ 11,197,852 | \$ 4,037,993 | \$ - | \$ 14,234,851 | \$ 49,559,018 |

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, 2022

Net Change in Fund Balances - total governmental funds: \$ 9,972,764

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. 6,022,888

The net effect of various miscellaneous transactions involving capital assets (i.e. sales, trade-ins and disposals) is to decrease net position. (171,285)

Net transfers of capital assets from proprietary funds (965,719)

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. (8,149)

Cash pension contributions reported in the funds were more than the calculated pension expense on the statement of activities, and therefore increased net position. (842,451)

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. 2,254,704

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. (1,588,531)

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. 651,951

Change in Net Position of Governmental Activities \$ 15,326,172

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

Year ended September 30, 2022

| | Budgeted Amounts | | Actual Amounts, Budgetary Basis | Variance with Final Budget - Positive (Negative) |
|--|--------------------|--------------------|------------------------------------|---|
| | Original | Final | | |
| | | | | |
| Revenues: | | | | |
| Taxes | \$ 19,602,872 | \$ 19,457,872 | \$ 19,675,976 | \$ 218,104 |
| Franchise fees | 3,368,000 | 3,368,000 | 3,812,938 | 444,938 |
| Licenses and permits | 297,000 | 495,000 | 619,135 | 124,135 |
| Intergovernmental revenues | 6,722,106 | 7,573,386 | 9,432,793 | 1,859,407 |
| Charges for services | 2,542,298 | 2,782,963 | 2,937,388 | 154,425 |
| Fines and forfeitures | 112,500 | 122,500 | 185,958 | 63,458 |
| Investment earnings (loss) | 92,000 | 52,000 | (159,498) | (211,498) |
| Miscellaneous | 742,901 | 818,561 | 1,047,351 | 228,790 |
| Total revenues | 33,479,677 | 34,670,282 | 37,552,041 | 2,881,759 |
| Expenditures: | | | | |
| Current: | | | | |
| General government: | | | | |
| City council | 44,789 | 46,220 | 46,285 | (65) |
| City clerk | 398,620 | 411,200 | 392,707 | 18,493 |
| City manager | 787,029 | 793,029 | 642,730 | 150,299 |
| Finance | 1,033,005 | 1,073,219 | 835,874 | 237,345 |
| Legal services | 147,300 | 147,300 | 143,525 | 3,775 |
| Planning & zoning | 710,037 | 805,123 | 757,477 | 47,646 |
| Information technology | 940,775 | 995,493 | 880,456 | 115,037 |
| Human resources | 499,255 | 500,227 | 359,748 | 140,479 |
| Purchasing | 302,008 | 374,241 | 349,677 | 24,564 |
| Other general government | 489,742 | 257,527 | 285,944 | (28,417) |
| | 5,352,560 | 5,403,579 | 4,694,423 | 709,156 |
| Public safety: | | | | |
| Law enforcement | 11,243,461 | 11,694,856 | 11,587,628 | 107,228 |
| Fire control | 11,727,471 | 12,444,473 | 12,020,547 | 423,926 |
| | 22,970,932 | 24,139,329 | 23,608,175 | 531,154 |
| Physical environment | 2,311,519 | 2,352,561 | 2,418,495 | (65,934) |
| Transportation | 1,530,869 | 1,546,112 | 1,387,393 | 158,719 |
| Economic environment | 162,768 | 162,768 | 119,624 | 43,144 |
| Culture and recreation | 3,436,518 | 3,774,069 | 3,279,499 | 494,570 |
| Interest and fiscal charges | - | - | - | - |
| Total expenditures | 35,765,166 | 37,378,418 | 35,507,609 | 1,870,809 |
| Excess (deficiency) of revenues over expenditures | (2,285,489) | (2,708,136) | 2,044,432 | 4,752,568 |

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

General Fund

Year ended September 30, 2022

Other Financing Sources (Uses):

| | | | | |
|---|----------------------|----------------------|----------------------|---------------------|
| Transfers In | 2,456,542 | 12,456,542 | 12,490,693 | 34,151 |
| Transfers Out | (218,467) | (8,728,549) | (8,568,618) | 159,931 |
| Sale of General Capital Assets | 5,000 | 98,915 | 213,657 | 114,742 |
| | <u>2,243,075</u> | <u>3,826,908</u> | <u>4,135,732</u> | <u>308,824</u> |
| Total other financing sources (uses) | <u>2,243,075</u> | <u>3,826,908</u> | <u>4,135,732</u> | <u>308,824</u> |
| Net Change in Fund Balance | (42,414) | 1,118,772 | 6,180,164 | 5,061,392 |
| Fund Balance - beginning | 13,908,158 | 13,908,158 | 13,908,158 | - |
| Fund Balance - ending | <u>\$ 13,865,744</u> | <u>\$ 15,026,930</u> | <u>\$ 20,088,322</u> | <u>\$ 5,061,392</u> |

City of Clermont, Florida
Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Infrastructure Special Revenue Fund
Year ended September 30, 2022

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget - Positive (Negative) |
|--|-------------------------|--------------------|-----------------------|---|
| | Original | Final | | |
| Revenues: | | | | |
| Intergovernmental revenues | \$ 3,951,038 | \$ 4,400,000 | \$ 5,337,140 | \$ 937,140 |
| Investment earnings (loss) | 5,000 | 2,000 | (7,628) | (9,628) |
| Total revenues | 3,956,038 | 4,402,000 | 5,329,512 | 927,512 |
| Expenditures: | | | | |
| Current: | | | | |
| General government | 186,468 | 445,551 | 156,683 | 288,868 |
| Public safety: | | | | |
| Police | 232,000 | 695,079 | 357,171 | 337,908 |
| Fire control | 952,829 | 975,906 | 191,954 | 783,952 |
| | 1,184,829 | 1,670,985 | 549,125 | 1,121,860 |
| Physical Environment | 110,000 | 188,703 | 168,444 | 20,259 |
| Transportation | 380,000 | 604,254 | 547,998 | 56,256 |
| Culture and recreation | 268,469 | 1,256,494 | 230,862 | 1,025,632 |
| Debt Service: | | | | |
| Principal | 89,738 | 89,738 | 89,738 | - |
| Interest | 13,033 | 13,033 | 13,033 | - |
| | 102,771 | 102,771 | 102,771 | - |
| Total expenditures | 2,232,537 | 4,268,758 | 1,755,883 | 2,512,875 |
| Excess (deficiency) of revenues over expenditures | 1,723,501 | 133,242 | 3,573,629 | 3,440,387 |
| Other Financing Uses: | | | | |
| Transfers out | (2,030,614) | (2,220,614) | (2,220,616) | (2) |
| Total other financing uses | (2,030,614) | (2,220,614) | (2,220,616) | (2) |
| Net Change in Fund Balances | (307,113) | (2,087,372) | 1,353,013 | 3,440,385 |
| Fund Balances - beginning | 2,684,980 | 2,684,980 | 2,684,980 | - |
| Fund Balances - ending | \$ 2,377,867 | \$ 597,608 | \$ 4,037,993 | \$ 3,440,385 |

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

City of Clermont, Florida
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
ARPA Special Revenue Fund
Year ended September 30, 2022

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget - Positive (Negative) |
|--|-------------------------|---------------------|-----------------------|---|
| | Original | Final | | |
| Revenues: | | | | |
| Intergovernmental | \$ 8,000,000 | \$ 19,356,075 | \$ 12,016,535 | \$ (7,339,540) |
| Total revenues | 8,000,000 | 19,356,075 | 12,016,535 | (7,339,540) |
| Expenditures: | | | | |
| Current: | | | | |
| General government | 312,340 | 335,700 | 208,625 | 127,075 |
| Public safety: | | | | |
| Police | 172,408 | 268,888 | 96,479 | 172,409 |
| Fire control | 80,544 | 210,564 | 130,007 | 80,557 |
| | <u>252,952</u> | <u>479,452</u> | <u>226,486</u> | <u>252,966</u> |
| Physical Environment | 251,441 | 362,926 | 125,490 | 237,436 |
| Transportation | 150,627 | 165,257 | 22,397 | 142,860 |
| Economic Environment | - | 710 | 706 | 4 |
| Culture and Recreation | 17,699 | 39,429 | 21,722 | 17,707 |
| Total expenditures | 985,059 | 1,383,474 | 605,426 | 778,048 |
| Excess (deficiency) of revenues over expenditures | 7,014,941 | 17,972,601 | 11,411,109 | (6,561,492) |
| Other Financing Uses: | | | | |
| Transfers out | - | (11,411,113) | (11,411,109) | 4 |
| Total other financing sources | - | (11,411,113) | (11,411,109) | 4 |
| Net Change in Fund Balances | 7,014,941 | 6,561,488 | - | (6,561,488) |
| Fund Balances - beginning | - | - | - | - |
| Fund Balances - ending | \$ 7,014,941 | \$ 6,561,488 | \$ - | \$ (6,561,488) |

City of Clermont, Florida
Statement of Net Position
Proprietary Funds
September 30, 2022

| | Business-type Activities-Enterprise Funds | | | | | Governmental |
|---|--|-------------------|-------------------|-------------------|--------------------|--|
| | Water | Sewer | Sanitation | Stormwater | Total | Activities- Internal Service Fund |
| Assets: | | | | | | |
| Current assets: | | | | | | |
| Cash and cash equivalents | \$ 8,331,706 | \$ 13,829,326 | \$ 2,034,479 | \$ 210,601 | \$ 24,406,112 | \$ 983,557 |
| Investments | 11,116,721 | 7,359,339 | 2,488,047 | - | 20,964,107 | 415,842 |
| Restricted cash and cash equivalents | 1,268,067 | 1,440,946 | 192,970 | 628,161 | 3,530,144 | - |
| Accounts receivable, net | 446,280 | 786,124 | 212,157 | 146,057 | 1,590,618 | 4,378 |
| Inventories | 29,477 | - | - | - | 29,477 | - |
| Prepaid expenses | 95,661 | 65,832 | 25,132 | 15,257 | 201,882 | 16 |
| Total current assets | 21,287,912 | 23,481,567 | 4,952,785 | 1,000,076 | 50,722,340 | 1,403,793 |
| Noncurrent assets: | | | | | | |
| Restricted investments | 2,695,526 | 13,380,009 | 1,000,767 | - | 17,076,302 | - |
| Advances to other funds | - | 275,000 | 287,127 | - | 562,127 | - |
| Interest receivable | 20,052 | 29,993 | 3,589 | - | 53,634 | 559 |
| Capital assets: | | | | | | |
| Land, buildings and equipment | 51,422,945 | 81,254,215 | 5,564,456 | 21,883,538 | 160,125,154 | - |
| Construction in progress | 2,959,821 | 6,168,543 | 1,530,713 | 606,179 | 11,265,256 | - |
| Less accumulated depreciation | (20,799,229) | (41,628,545) | (3,838,515) | (6,957,164) | (73,223,453) | - |
| Total capital assets (net of accumulated depreciation) | 33,583,537 | 45,794,213 | 3,256,654 | 15,532,553 | 98,166,957 | - |
| Total noncurrent assets | 36,299,115 | 59,479,215 | 4,548,137 | 15,532,553 | 115,859,020 | 559 |
| Total assets | 57,587,027 | 82,960,782 | 9,500,922 | 16,532,629 | 166,581,360 | 1,404,352 |
| Deferred Outflows of Resources: | | | | | | |
| Deferred charge on refunding | 230,382 | 415,098 | - | - | 645,480 | - |
| Deferred outflows related to OPEB | 144,642 | 107,760 | 109,834 | 43,462 | 405,698 | - |
| Total deferred outflows of resources | 375,024 | 522,858 | 109,834 | 43,462 | 1,051,178 | - |

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

Liabilities:

Current liabilities:

| | | | | | | |
|---|------------------|------------------|----------------|----------------|------------------|----------------|
| Accounts payable | 438,415 | 225,613 | 702,179 | 67,868 | 1,434,075 | 205,245 |
| Salaries payable | 38,758 | 43,304 | 41,474 | 17,501 | 141,037 | - |
| Accrued interest payable | 25,419 | 45,188 | 10,062 | 32,673 | 113,342 | - |
| Due to other funds | - | - | - | 275,000 | 275,000 | - |
| Compensated absences | 17,608 | 20,291 | 9,844 | 2,691 | 50,434 | - |
| Customer deposits payable | 457,547 | - | - | - | 457,547 | - |
| Unearned revenue | 141,254 | 293,239 | 428 | 660 | 435,581 | 2,183 |
| Revenue bonds and notes payable-current | 324,000 | 576,000 | 91,354 | 296,644 | 1,287,998 | - |
| Total current liabilities | <u>1,443,001</u> | <u>1,203,635</u> | <u>855,341</u> | <u>693,037</u> | <u>4,195,014</u> | <u>207,428</u> |

Noncurrent liabilities:

| | | | | | | |
|-------------------------------------|------------------|------------------|------------------|------------------|-------------------|----------------|
| Compensated absences | 158,469 | 182,624 | 88,599 | 24,225 | 453,917 | - |
| Other post employment benefits | 1,279,373 | 1,106,221 | 893,028 | 409,108 | 3,687,730 | - |
| Notes payable | - | - | 1,056,385 | 3,430,309 | 4,486,694 | - |
| Revenue bonds payable | 2,880,000 | 5,120,000 | - | - | 8,000,000 | - |
| Total noncurrent liabilities | <u>4,317,842</u> | <u>6,408,845</u> | <u>2,038,012</u> | <u>3,863,642</u> | <u>16,628,341</u> | <u>-</u> |
| Total liabilities | <u>5,760,843</u> | <u>7,612,480</u> | <u>2,893,353</u> | <u>4,556,679</u> | <u>20,823,355</u> | <u>207,428</u> |

Deferred Inflows of Resources:

| | | | | | | |
|--|---------------|---------------|---------------|--------------|---------------|----------|
| Deferred inflows related to OPEB | 20,959 | 10,343 | 14,714 | 4,515 | 50,531 | - |
| Total deferred inflows of resources | <u>20,959</u> | <u>10,343</u> | <u>14,714</u> | <u>4,515</u> | <u>50,531</u> | <u>-</u> |

Net Position:

| | | | | | | |
|-------------------------------------|----------------------|----------------------|---------------------|----------------------|--------------------|---------------------|
| Net investment in capital assets | 30,609,919 | 40,513,311 | 3,109,682 | 12,433,761 | 86,666,673 | - |
| Restricted for capital improvements | 7,912,314 | 22,360,608 | - | - | 30,272,922 | - |
| Unrestricted | 13,658,016 | 12,986,898 | 3,593,007 | (418,864) | 29,819,057 | 1,196,924 |
| Total net position | <u>\$ 52,180,249</u> | <u>\$ 75,860,817</u> | <u>\$ 6,702,689</u> | <u>\$ 12,014,897</u> | <u>146,758,652</u> | <u>\$ 1,196,924</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.

(131,313)

Total Net Position per Government-Wide Financial Statements

\$ 146,627,339

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, 2022

| | Business-type Activities-Enterprise Funds | | | | | Governmental |
|--|---|----------------------|---------------------|----------------------|--------------------|---|
| | Water | Sewer | Sanitation | Stormwater | Total | Activities- Internal Service Fund |
| Operating Revenues: | | | | | | |
| Charges for services | \$ 8,450,799 | \$ 8,577,903 | \$ 4,019,607 | \$ 1,879,538 | \$ 22,927,847 | \$ 6,463,076 |
| Miscellaneous | 374,874 | 3,127 | 65 | - | 378,066 | 43,123 |
| Total operating revenues | 8,825,673 | 8,581,030 | 4,019,672 | 1,879,538 | 23,305,913 | 6,506,199 |
| Operating Expenses: | | | | | | |
| Personnel services | 2,136,802 | 2,245,759 | 1,653,670 | 772,386 | 6,808,617 | 73,203 |
| Utilities | 696,217 | 1,034,435 | 1,907 | 12,719 | 1,745,278 | - |
| Dump fees | 572 | 309,052 | 589,566 | 17,914 | 917,104 | - |
| Administrative services | 529,390 | 510,826 | 257,360 | 162,945 | 1,460,521 | - |
| Repairs and maintenance | 2,346,020 | 180,259 | 232,680 | 48,657 | 2,807,616 | - |
| Depreciation and amortization | 2,295,584 | 3,911,945 | 400,969 | 1,172,237 | 7,780,735 | - |
| Professional services | 326,565 | 221,574 | 195,159 | 48,132 | 791,430 | 58,192 |
| Insurance claims and expenses | 163,426 | 205,849 | 57,060 | 50,154 | 476,489 | 6,021,659 |
| Other supplies and expenses | 537,978 | 401,322 | 588,547 | 84,853 | 1,612,700 | - |
| Total operating expenses | 9,032,554 | 9,021,021 | 3,976,918 | 2,369,997 | 24,400,490 | 6,153,054 |
| Operating income (loss) | (206,881) | (439,991) | 42,754 | (490,459) | (1,094,577) | 353,145 |
| Nonoperating Revenues (Expenses): | | | | | | |
| Investment income (loss) | (185,966) | (280,319) | (9,157) | 3,601 | (471,841) | (4,623) |
| Interest expense | (106,309) | (189,685) | (30,586) | (99,283) | (425,863) | - |
| Gain (loss) on disposal of capital assets | - | - | 775 | - | 775 | - |
| Total nonoperating revenue (expenses) | (292,275) | (470,004) | (38,968) | (95,682) | (896,929) | (4,623) |
| Income (loss) before contributions and transfers | (499,156) | (909,995) | 3,786 | (586,141) | (1,991,506) | 348,522 |
| Capital contributions | 2,730,663 | 4,351,032 | - | 196,732 | 7,278,427 | - |
| Transfers in | 455,622 | 364,528 | - | 410,420 | 1,230,570 | 409,127 |
| Transfers out | (1,204,007) | (1,286,686) | - | - | (2,490,693) | - |
| Change in net position | 1,483,122 | 2,518,879 | 3,786 | 21,011 | 4,026,798 | 757,649 |
| Total Net Position - Beginning | 50,697,127 | 73,341,938 | 6,698,903 | 11,993,886 | | 439,275 |
| Total Net Position - Ending | \$ 52,180,249 | \$ 75,860,817 | \$ 6,702,689 | \$ 12,014,897 | | \$ 1,196,924 |
| Change in Net Position, per above | | | | | 4,026,798 | |
| 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. | | | | | 105,698 | |
| Change in Business-Type Activities in Net Position per Government-Wide Financial Statements | | | | | \$ 4,132,496 | |

City of Clermont, Florida
Statement of Cash Flows
Proprietary Funds
Year Ended September 30, 2022

| | Business-Type Activities-Enterprise Funds | | | | | Governmental |
|---|---|------------------|--------------------|------------------|--------------------|-----------------------|
| | Water | Sewer | Sanitation | Stormwater | Total | Internal Service Fund |
| Cash Flows from Operating Activities: | | | | | | |
| Receipts from customers | \$ 8,870,634 | \$ 8,307,829 | \$ 4,005,455 | \$ 1,852,389 | \$ 23,036,307 | \$ - |
| Receipts from internal services provided | - | - | - | - | - | 6,504,779 |
| Payments to suppliers | (4,848,356) | (2,974,111) | (1,347,392) | (522,928) | (9,692,787) | (6,204,639) |
| Payments to employees | (2,048,224) | (2,149,211) | (1,558,439) | (724,476) | (6,480,350) | (77,027) |
| Net cash provided (used) by operating activities | 1,974,054 | 3,184,507 | 1,099,624 | 604,985 | 6,863,170 | 223,113 |
| Cash Flows from Non-Capital Financing Activities: | | | | | | |
| Transfers in | 455,622 | 364,528 | - | 410,420 | 1,230,570 | 409,127 |
| Transfers out | (1,204,007) | (1,286,686) | - | - | (2,490,693) | - |
| Net cash provided (used) by non-capital financing activities | (748,385) | (922,158) | - | 410,420 | (1,260,123) | 409,127 |
| Cash Flows from Capital and Related Financing Activities: | | | | | | |
| Acquisition of capital assets | (1,059,114) | (1,284,533) | (1,662,256) | (554,977) | (4,560,880) | - |
| Sale of capital assets | - | - | 775 | - | 775 | - |
| Interest paid on long-term debt | (80,021) | (142,259) | (31,371) | (101,815) | (355,466) | - |
| Principal paid on debt | (316,440) | (562,560) | (88,971) | (288,897) | (1,256,868) | - |
| Capital grants | - | - | 428 | 117,418 | 117,846 | - |
| Fees and assessments received | 2,641,538 | 4,402,513 | - | - | 7,044,051 | - |
| Net cash provided (used) by capital and related financing activities | 1,185,963 | 2,413,161 | (1,781,395) | (828,271) | 989,458 | - |

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

Cash Flows from Investing Activities:

| | | | | | | |
|---|---------------------|----------------------|---------------------|-------------------|----------------------|-------------------|
| Sale (purchase) of investments | (1,717,110) | (2,589,309) | 962,133 | - | (3,344,286) | 200,417 |
| Investment income (loss) | 97,430 | 143,569 | (62,479) | 3,601 | 182,121 | (13,129) |
| Net cash provided by investing activities | <u>(1,619,680)</u> | <u>(2,445,740)</u> | <u>899,654</u> | <u>3,601</u> | <u>(3,162,165)</u> | <u>187,288</u> |
| Net Increase (Decrease) in Cash and Cash Equivalents | 791,952 | 2,229,770 | 217,883 | 190,735 | 3,430,340 | 819,528 |
| Cash and Cash Equivalents - beginning | 8,807,821 | 13,040,502 | 2,009,566 | 648,027 | 24,505,916 | 164,029 |
| Cash and Cash Equivalents - end | <u>\$ 9,599,773</u> | <u>\$ 15,270,272</u> | <u>\$ 2,227,449</u> | <u>\$ 838,762</u> | <u>\$ 27,936,256</u> | <u>\$ 983,557</u> |

Classified As:

| | | | | | | |
|--------------------------------------|---------------------|----------------------|---------------------|-------------------|----------------------|-------------------|
| Cash and cash equivalents | \$ 8,331,706 | \$ 13,829,326 | \$ 2,034,479 | \$ 210,601 | \$ 24,406,112 | \$ 983,557 |
| Restricted cash and cash equivalents | 1,268,067 | 1,440,946 | 192,970 | 628,161 | 3,530,144 | - |
| Total | <u>\$ 9,599,773</u> | <u>\$ 15,270,272</u> | <u>\$ 2,227,449</u> | <u>\$ 838,762</u> | <u>\$ 27,936,256</u> | <u>\$ 983,557</u> |

Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities

| | | | | | | |
|--------------------------------|---------------------|---------------------|------------------|---------------------|-----------------------|-------------------|
| Operating income (loss) | <u>\$ (206,881)</u> | <u>\$ (439,991)</u> | <u>\$ 42,754</u> | <u>\$ (490,459)</u> | <u>\$ (1,094,577)</u> | <u>\$ 353,145</u> |
|--------------------------------|---------------------|---------------------|------------------|---------------------|-----------------------|-------------------|

Adjustments Not Affecting Cash:

| | | | | | | |
|-------------------------------|-----------|-----------|---------|-----------|-----------|---|
| Depreciation and amortization | 2,295,584 | 3,911,945 | 400,969 | 1,172,237 | 7,780,735 | - |
|-------------------------------|-----------|-----------|---------|-----------|-----------|---|

Change in Assets and Liabilities:

| | | | | | | |
|---|---------------------|---------------------|---------------------|-------------------|---------------------|-------------------|
| Decrease (Increase) in accounts receivable | 22,356 | (273,201) | (14,217) | (27,149) | (292,211) | (1,448) |
| Increase in unearned revenue | - | - | - | - | - | 28 |
| Increase in customer deposits | 22,605 | - | - | - | 22,605 | - |
| Decrease in prepaid costs | 2,166 | 2,902 | (2,826) | 2,134 | 4,376 | 4,585 |
| Decrease (Increase) in inventory | (12,475) | - | - | - | (12,475) | - |
| Increase (Decrease) in accounts payable | (237,879) | (113,696) | 577,713 | (99,688) | 126,450 | (129,373) |
| Increase in OPEB | 133,763 | 150,046 | 111,275 | 59,320 | 454,404 | - |
| Increase in accrued liabilities | (45,185) | (53,498) | (16,044) | (11,410) | (126,137) | (3,824) |
| Total adjustments | <u>2,180,935</u> | <u>3,624,498</u> | <u>1,056,870</u> | <u>1,095,444</u> | <u>7,957,747</u> | <u>(130,032)</u> |
| Net Cash Provided (Used) by Operating Activities | <u>\$ 1,974,054</u> | <u>\$ 3,184,507</u> | <u>\$ 1,099,624</u> | <u>\$ 604,985</u> | <u>\$ 6,863,170</u> | <u>\$ 223,113</u> |

Noncash Investing, Capital, and Financing Activities:

| | | | | | | |
|--|---------------------|---------------------|------------------|-------------------|---------------------|-------------|
| Contributed assets | <u>\$ 530,612</u> | <u>\$ 238,374</u> | <u>\$ -</u> | <u>\$ 196,731</u> | <u>\$ 965,717</u> | <u>\$ -</u> |
| Increase (Decrease) in Fair Value of Investments | <u>\$ (290,668)</u> | <u>\$ (434,765)</u> | <u>\$ 52,020</u> | <u>\$ -</u> | <u>\$ (673,413)</u> | <u>\$ -</u> |

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, 2022

| | Total Employee Pension Funds |
|---|---|
| Assets: | |
| Cash and cash equivalents | \$ 1,829,482 |
| Investments at fair value: | |
| U.S. Government & other debt securities | 16,837,628 |
| Equities | 32,538,638 |
| Real estate | 2,114,028 |
| Total investments | 51,490,294 |
| Accounts receivable | 5,582 |
| Total assets | 53,325,358 |
| Liabilities: | |
| Refunds payable and other | 6,865 |
| Pending trades payable | 20,687 |
| Total liabilities | 27,552 |
| Net Position Restricted for Pensions | \$ 53,297,806 |

City of Clermont, Florida
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
Year Ended September 30, 2022

| | Total Employee Pension Funds |
|--|---|
| Additions: | |
| Contributions: | |
| Employer | \$ 2,034,260 |
| Plan members | 694,846 |
| State | 1,355,821 |
| Total contributions | <u>4,084,927</u> |
| Investment earnings: | |
| Net increase (decrease) in fair value of investments | (12,388,267) |
| Interest and dividends | 1,952,450 |
| Less: Investment expense | <u>(46,948)</u> |
| Total net investment earnings | <u>(10,482,765)</u> |
| Total additions | <u>(6,397,838)</u> |
| Deductions: | |
| Benefits/distributions | 1,632,507 |
| Administrative | <u>178,284</u> |
| Total deductions | <u>1,810,791</u> |
| Change in Net Position | (8,208,629) |
| Net Position - beginning | <u>61,506,435</u> |
| Net Position - ending | <u><u>\$ 53,297,806</u></u> |



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.

ARPA Special Revenue Fund accounts for the proceeds of the City's American Rescue Plan Act ("ARPA") funding.

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.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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".

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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 2022, the City implemented GASB Statement No. 87, *Leases*. The statement requires the City to recognize certain lease assets and liabilities for leases that were previously classified as operating leases and recognized as inflows of resources or outflows of resources based on the contract's payment arrangement. Under this statement, a lessor is required to recognize a lease receivable and a deferred inflow of resources, in doing so enhancing the relevance and consistency of information about the City's leasing activities. As a result of implementation, the City reclassified capital leases to financed purchases. There was no change to beginning fund balances or net position.

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 | \$ 10,440,224 |
| Depreciation Expense | <u>(4,417,336)</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>\$ 6,022,888</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 | <u>\$ 2,254,704</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>\$ 2,254,704</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 | \$ (123,680) |
| Other Post Employment Benefits | (1,484,184) |
| Accrued Interest Payable | <u>19,333</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>\$ (1,588,531)</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, 2022 are summarized below. Defined benefit pension plan investments, other than \$32,538,638 in mutual funds, investing in equity securities, are included below. In accordance with GASB 31, investments are reported at fair value.

| <u>Investment Type</u> | <u>Fair Value</u> | <u>Credit Rating</u> | <u>Weighted Average Maturity</u> |
|--|----------------------|----------------------|----------------------------------|
| Federal Agency Bond | \$ 966,882 | AA+ | 1.10 years |
| Federal Agency Mortgage-Backed Securities | 388,825 | AA+ | 8.59 years |
| Federal Agency Commercial Mortgage-Backed Securities | 468,465 | AA+ | 1.85 years |
| Federal Agency Collateralized Mortgage Obligation | 241,553 | AA+ | 3.03 years |
| US Treasury Notes | 8,453,991 | AA+ | 2.06 years |
| Supra-National Agency Bond/Note | 1,142,458 | AAA | 1.6 years |
| Corporate Note | 4,966,695 | BBB+/AA | 1.97 years |
| Asset Backed Security | 3,426,275 | AAA/NR | 3.5 years |
| Municipal Bonds | 907,954 | AAA | .96 years |
| FL Palm | 39,140,754 | AAAm | 80 days |
| Pension Fixed Income Securities | 16,837,628 | various | 2 - 8 years |
| | <u>\$ 76,941,480</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, 2022, 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, 2022, 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, 2022:

| <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 | \$ 966,882 | \$ - | \$ 966,882 |
| Federal Agency Collateralized Mortgage Obligation | 241,553 | - | 241,553 |
| Federal Agency Commercial Mortgage-Backed Securities | 468,465 | - | 468,465 |
| Federal Agency Mortgage-Backed Securities | 388,825 | - | 388,825 |
| US Treasury Notes | 8,453,991 | 8,453,991 | - |
| Supra-National Agency Bond/Note | 1,142,458 | - | 1,142,458 |
| Corporate Note | 4,966,695 | - | 4,966,695 |
| Asset Backed Security | 3,426,275 | - | 3,426,275 |
| Municipal Bonds | 907,954 | - | 907,954 |
| Pension Fixed Income Securities | 16,837,628 | 16,837,628 | - |
| Pension Equity Securities | 32,538,638 | 32,538,638 | - |
| | <u>\$ 70,339,364</u> | <u>\$ 57,830,257</u> | <u>\$ 12,509,107</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 | \$3,036,250 | \$ 117,436 | \$ 906,925 | \$ (2,983,725) | \$1,076,886 |
| Infrastructure Special Revenue Fund | - | - | 1,075 | - | 1,075 |
| Water Fund | 434,101 | - | 77,186 | (44,955) | 466,332 |
| Sewer Fund | 935,065 | - | 29,993 | (148,941) | 816,117 |
| Sanitation Fund | 263,862 | - | 4,330 | (52,446) | 215,746 |
| Stormwater Fund | 171,125 | - | 494 | (25,562) | 146,057 |
| Nonmajor Governmental Funds | - | - | 6,270 | - | 6,270 |
| Internal Service Fund | - | - | 4,937 | - | 4,937 |
| | <u>\$4,840,403</u> | <u>\$ 117,436</u> | <u>\$ 1,031,210</u> | <u>\$ (3,255,629)</u> | <u>\$2,733,420</u> |

NOTE 6 CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2022 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 | \$ 25,851,030 | \$ - | \$ - | \$ 25,851,030 |
| Construction in progress | 4,105,340 | 8,807,897 | (281,010) | 12,632,227 |
| Total capital assets, not being depreciated | <u>29,956,370</u> | <u>8,807,897</u> | <u>(281,010)</u> | <u>38,483,257</u> |
| Capital Assets, being depreciated: | | | | |
| Buildings | 31,625,370 | - | - | 31,625,370 |
| Improvements/infrastructure | 39,191,548 | 546,783 | (999,823) | 38,738,508 |
| Machinery and equipment | 18,366,050 | 1,362,059 | (423,664) | 19,304,445 |
| Intangibles | 522,068 | 4,495 | - | 526,563 |
| Total capital assets being depreciated | <u>89,705,036</u> | <u>1,913,337</u> | <u>(1,423,487)</u> | <u>90,194,886</u> |
| Less Accumulated Depreciation for: | | | | |
| Buildings | (13,271,634) | (1,028,017) | - | (14,299,651) |
| Improvements/infrastructure | (15,129,318) | (1,637,389) | 23,013 | (16,743,694) |
| Machinery and equipment | (11,615,889) | (1,734,614) | 263,470 | (13,087,033) |
| Intangibles | (451,699) | (17,316) | - | (469,015) |
| Total accumulated depreciation | <u>(40,468,540)</u> | <u>(4,417,336)</u> | <u>286,483</u> | <u>(44,599,393)</u> |
| Total capital assets being depreciated, net | <u>49,236,496</u> | <u>(2,503,999)</u> | <u>(1,137,004)</u> | <u>45,595,493</u> |
| Governmental activities capital assets, net | <u>\$ 79,192,866</u> | <u>\$ 6,303,898</u> | <u>\$ (1,418,014)</u> | <u>\$ 84,078,750</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 | 9,688,823 | 2,896,857 | (1,320,424) | 11,265,256 |
| Total capital assets, not being depreciated | <u>11,200,630</u> | <u>2,896,857</u> | <u>(1,320,424)</u> | <u>12,777,063</u> |
| Capital Assets, being depreciated: | | | | |
| Buildings | 989,780 | 18,338 | - | 1,008,118 |
| Improvements/infrastructure | 141,347,219 | 2,055,041 | (8,500) | 143,393,760 |
| Machinery and equipment | 11,903,766 | 1,016,231 | (9,982) | 12,910,015 |
| Intangibles | 403,266 | 898,188 | - | 1,301,454 |
| Total capital assets being depreciated | <u>154,644,031</u> | <u>3,987,798</u> | <u>(18,482)</u> | <u>158,613,347</u> |
| Less Accumulated Depreciation for: | | | | |
| Buildings | (153,935) | (37,180) | - | (191,115) |
| Improvements/infrastructure | (58,490,490) | (6,594,661) | - | (65,085,151) |
| Machinery and equipment | (6,569,776) | (1,108,681) | - | (7,678,457) |
| Intangibles | (209,365) | (59,365) | - | (268,730) |
| Total accumulated depreciation | <u>(65,423,566)</u> | <u>(7,799,887)</u> | <u>-</u> | <u>(73,223,453)</u> |
| Total capital assets being depreciated, net | <u>89,220,465</u> | <u>(3,812,089)</u> | <u>(18,482)</u> | <u>85,389,894</u> |
| Business-type activities capital assets, net | <u>\$100,421,095</u> | <u>\$ (915,232)</u> | <u>\$(1,338,906)</u> | <u>\$ 98,166,957</u> |

Depreciation expense was charged to functions/programs as follows:

| | |
|--|---------------------|
| Governmental Activities: | |
| General government | \$ 244,038 |
| Public safety | 1,672,197 |
| Physical environment/transportation | 1,255,877 |
| Economic environment | 697,296 |
| Culture and recreation | 547,928 |
| Total Depreciation Expense - governmental activities | <u>\$ 4,417,336</u> |
| Business-type Activities | |
| Water | \$ 2,295,584 |
| Sewer | 3,911,945 |
| Sanitation | 400,969 |
| Stormwater | 1,172,237 |
| Total Depreciation Expense - business-type activities | <u>\$ 7,780,735</u> |

Depreciation expense for business type activities does not equal increases in accumulated depreciation due to depreciation of \$19,152 on transfers in from governmental activities.

NOTE 7 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 \$9,885,892. For the fiscal year, principal and interest paid on this series was \$1,101,280 and total pledged revenue was \$5,094,372.

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, 2022</u> |
|---------------------------------|-------------------------------------|-----------------|----------------------------|---|
| Water and Sewer Revenue | 2.38% | 12/1/2018 | | |
| Refunding Bonds, Series 2017 | (6/1 & 12/1) | to 12/1/2030 | <u>\$ 10,817,000</u> | <u>\$ 8,900,000</u> |
| | | | | <u>\$ 8,900,000</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> |
| 2023 | \$ 900,000 | \$ 201,110 |
| 2024 | 920,000 | 179,452 |
| 2025 | 943,000 | 157,283 |
| 2026 | 965,000 | 134,578 |
| 2027 | 986,000 | 111,360 |
| 2028-2031 | <u>4,186,000</u> | <u>202,109</u> |
| Total | <u>\$ 8,900,000</u> | <u>\$ 985,892</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 \$3,334,661. For the fiscal year, principal and interest paid on this series was \$476,732 and total pledged revenue was \$6,098,926. 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 \$3,764,168. For the fiscal year, principal and interest paid on this series was \$418,648 and total pledged revenue was \$5,337,140. 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.

NOTE 7 LONG-TERM DEBT (CONTINUED)

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 \$26,604,586. For the fiscal year, principal and interest paid on this series was \$2,422,212. 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.

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, 2022</u> |
|---|-------------------------------------|------------------------------|----------------------------|---|
| Public Improvement Refunding Revenue Note, Series 2016 | 2.03% (6/1 & 12/1) | 12/1/2016 to 12/1/2028 | <u>\$ 5,331,196</u> | 3,108,716 |
| Infrastructure Sales Surtax Revenue Note, Series 2016 | 2.12% (6/1 & 12/1) | 12/1/2016 to 12/1/2030 | <u>\$ 5,300,000</u> | 3,427,071 |
| Master Plan Capital Projects Revenue Note, Series 2017 | 2.63% (6/1 & 12/1) | 12/1/2018 to 12/1/2032 | <u>\$ 23,670,559</u> | 18,230,308 |
| | | | | <u>\$ 24,766,095</u> |
| <u>Business-Type Activities</u> | | | | |
| Master Plan Capital Projects Revenue Note, Series 2017 | 2.63% (6/1 & 12/1) | 12/1/2018 to 12/1/2032 | <u>\$ 6,329,441</u> | <u>\$ 4,874,692</u> |

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> |
| 2023 | \$ 2,218,409 | \$ 588,188 | \$ 387,995 | \$ 123,103 |
| 2024 | 2,272,175 | 533,471 | 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 | 2,442,577 | 361,103 | 430,402 | 80,097 |
| 2028-2033 | 11,240,173 | 919,418 | 2,327,336 | 222,342 |
| 2033 | 1,881,054 | 24,735 | 502,946 | 6,614 |
| Total | <u>\$ 24,766,095</u> | <u>\$ 3,324,282</u> | <u>\$ 4,874,692</u> | <u>\$ 738,346</u> |

NOTE 7 LONG-TERM DEBT (CONTINUED)

Financed Purchases

The City has entered into an agreement for financing the acquisition of communications equipment. Payments are due annually. The loan period is for 10 years with an interest rate of 3.3%.

Annual debt service requirements to maturity for financed purchases are as follows:

| <u>Year Ending September 30</u> | <u>Governmental Activities</u> | |
|---------------------------------|--------------------------------|------------------|
| | <u>Principal</u> | <u>Interest</u> |
| 2023 | \$ 91,492 | \$ 11,277 |
| 2024 | 93,282 | 9,487 |
| 2025 | 95,107 | 7,662 |
| 2026 | 96,967 | 5,802 |
| 2027 | 98,864 | 3,905 |
| 2028 | 100,798 | 1,970 |
| | <u>\$ 576,510</u> | <u>\$ 40,103</u> |

Changes in Long-Term Liabilities

Long-term liability activity for the year ended September 30, 2022 was as follows:

| | <u>Beginning Balance</u> | <u>Additions</u> | <u>Deductions</u> | <u>Ending Balance</u> | <u>Due Within One Year</u> |
|---|--------------------------|---------------------|-----------------------|-----------------------|----------------------------|
| Governmental Activities | | | | | |
| Public improvement revenue notes | \$ 3,518,185 | \$ - | \$ (409,469) | \$ 3,108,716 | \$ 417,781 |
| Infrastructure revenue notes | 3,769,436 | - | (342,365) | 3,427,071 | 349,623 |
| Capital Projects revenue notes | 19,643,440 | - | (1,413,132) | 18,230,308 | 1,451,002 |
| Financed purchases | 666,248 | - | (89,738) | 576,510 | 91,493 |
| Other post employment benefits | 10,181,736 | 1,423,602 | - | 11,605,338 | - |
| Net pension liability | - | 1,698,152 | - | 1,698,152 | - |
| Compensated absences | 1,575,644 | 281,244 | (157,564) | 1,699,324 | 169,932 |
| Governmental activity long-term liabilities | <u>\$ 39,354,689</u> | <u>\$ 3,402,998</u> | <u>\$ (2,412,268)</u> | <u>\$40,345,419</u> | <u>\$ 2,479,831</u> |
| Business-type Activities | | | | | |
| Bonds payable- | | | | | |
| Revenue bonds | \$ 9,779,000 | \$ - | \$ (879,000) | \$ 8,900,000 | \$ 900,000 |
| Capital Projects revenue notes | 5,252,560 | - | (377,868) | 4,874,692 | 387,998 |
| Other post employment benefits | 3,251,873 | 435,857 | - | 3,687,730 | - |
| Compensated absences | 465,262 | 85,615 | (46,526) | 504,351 | 50,434 |
| Business-type activity long-term liabilities | <u>\$ 18,748,695</u> | <u>\$ 521,472</u> | <u>\$ (1,303,394)</u> | <u>\$17,966,773</u> | <u>\$ 1,338,432</u> |

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

NOTE 8 INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

Interfund transfers for the year ended September 30, 2022 consisted of the following:

| Transfers Out: | Transfers In | | | | | | | Total |
|-----------------------|---------------------|-------------------------|----------------------|-------------------|-------------------|------------------------|------------------------------|---------------------|
| | General Fund | Capital Projects | Nonmajor Govt | Water Fund | Sewer Fund | Stormwater Fund | Internal Service Fund | |
| General Fund | \$ - | \$ 8,121,558 | \$ 218,472 | \$ - | \$ - | \$ - | \$ 228,588 | \$ 8,568,618 |
| Infrastructure Fund | - | 190,000 | 2,030,616 | - | - | - | - | 2,220,616 |
| ARPA Fund | 10,000,000 | - | - | 455,622 | 364,528 | 410,420 | 180,539 | 11,411,109 |
| Water Fund | 1,204,007 | - | - | - | - | - | - | 1,204,007 |
| Sewer Fund | 1,286,686 | - | - | - | - | - | - | 1,286,686 |
| Nonmajor Governmental | - | - | 584,376 | - | - | - | - | 584,376 |
| | <u>\$12,490,693</u> | <u>\$ 8,311,558</u> | <u>\$2,833,464</u> | <u>\$455,622</u> | <u>\$364,528</u> | <u>\$ 410,420</u> | <u>\$ 409,127</u> | <u>\$25,275,412</u> |

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.

The composition of interfund advances as of September 30, 2022 is as follows:

| Receivable Fund | Payable Fund | Amount |
|------------------------|---------------------|-------------------|
| 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 9 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.

NOTE 9 RETIREMENT PLANS (CONTINUED)

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, 2021 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.

Plan Membership - At September 30, 2022 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, 2022, 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, 2022 were as follows:

| | |
|--|------------|
| Total Pension Liability | \$ 227,221 |
| Plan Fiduciary Net Position | (221,006) |
| Sponsor's Net Pension Liability (Asset) | \$ 6,215 |
| Plan Fiduciary Net Position as a Percentage of Total Pension Liability (Asset) | 97.26% |

Actuarial Assumptions

The total pension liability was determined by an actuarial valuation as of October 1, 2021, updated September 30, 2022 using the following actuarial assumptions:

| | |
|---------------------------|-------|
| Inflation | 2.62% |
| Salary Increases | 0.00% |
| Investment Rate of Return | 7.00% |

NOTE 9 RETIREMENT PLANS (CONTINUED)

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, 2022 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 | 25% | 4.60% |
| U.S. Small Cap Equity | 14% | 5.50% |
| Non-U.S. Equity | 21% | 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

| | Total Pension Liability (a) | Plan Fiduciary Net Position (b) | Increase (Decrease) Net Pension Liability (a) - (b) |
|-------------------------------|-----------------------------------|---------------------------------------|---|
| Balance at September 30, 2021 | \$ 247,282 | \$ 286,556 | \$ (39,274) |
| Changes Due to: | | | |
| Service Cost | - | - | - |
| Expected interest growth | 15,382 | 18,979 | (3,597) |
| Unexpected investment income | - | (53,132) | 53,132 |
| Demographic experience | - | - | - |
| Employer contributions | - | 5,582 | (5,582) |
| Benefit payments and refunds | (35,443) | (35,443) | - |
| Administrative expenses | - | (1,536) | 1,536 |
| Assumption changes | - | - | - |
| Balance at September 30, 2022 | \$ 227,221 | \$ 221,006 | \$ 6,215 |

NOTE 9 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% |
|--|----------------------|-----------------------------------|----------------------|
| General Pension Plan Net Pension Liability | \$ 16,829 | \$ 6,215 | \$ (3,509) |

Deferred outflows and inflows of resources

For the year ended September 30, 2022 the City will recognize a pension expense of \$3,425. On September 30, 2022 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 | 25,127 | - |
| | <u>\$ 25,127</u> | <u>\$ -</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 | \$ 5,927 |
| 2023 | 4,583 |
| 2024 | 3,989 |
| 2025 | 10,628 |
| 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 11.26%. 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 \$815,574 in 2022 and were recorded as revenue and expenditures in the general fund.

NOTE 9 RETIREMENT PLANS (CONTINUED)

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, 2022 plan membership consisted of the following:

| | |
|---|-----|
| Inactive Plan Members or Beneficiaries Currently Receiving Benefits | 26 |
| Inactive Plan Members Entitled to but Not Yet Receiving Benefits | 35 |
| Active Plan Members | 82 |
| | 143 |
| | 143 |

Net Pension Liability of the City

The City's net pension liability was measured as of September 30, 2022, 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, 2022 were as follows:

| | |
|--|----------------|
| Total Pension Liability | \$ 25,528,150 |
| Plan Fiduciary Net Position | (24,704,716) * |
| Sponsor's Net Pension Liability (Asset) | \$ 823,434 |
| Plan Fiduciary Net Position as a Percentage of Total Pension Liability (Asset) | 96.77% |

* 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, 2021, updated September 30, 2022 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.

NOTE 9 RETIREMENT PLANS (CONTINUED)

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, 2022 are summarized in the following table:

| Asset Class | Target Allocation | Long Term Expected Real Rate of Return |
|----------------------|-------------------|--|
| Domestic Equity | 40% | 7.10% |
| International Equity | 10% | 3.10% |
| Bonds | 25% | 2.00% |
| Convertibles | 10% | 6.40% |
| Private Real Estate | 10% | 6.40% |
| Infrastructure | 5% | 5.60% |
| 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, 2021 | \$ 23,763,682 | \$ 28,938,693 | \$ (5,175,011) |
| Changes Due to: | | | |
| Service Cost | 1,497,597 | - | 1,497,597 |
| Expected interest growth | 1,743,942 | 2,050,915 | (306,973) |
| Unexpected investment income | - | (7,017,456) | 7,017,456 |
| Demographic experience | (610,237) | - | (610,237) |
| Employer contributions | - | 1,380,471 | (1,380,471) |
| Employee contributions | - | 293,891 | (293,891) |
| Benefit payments and refunds | (866,834) | (866,834) | - |
| Administrative expenses | - | (74,964) | 74,964 |
| Assumption changes | - | - | - |
| Balance at September 30, 2022 | \$ 25,528,150 | \$ 24,704,716 | \$ 823,434 |

NOTE 9 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% |
|--|----------------------|-----------------------------------|----------------------|
| Police Pension Net Pension Liability (Asset) | \$ 4,463,663 | \$ 823,434 | \$ (2,135,910) |

Deferred outflows and inflows of resources

For the year ended September 30, 2022 the City will recognize a pension expense of \$1,785,273. On September 30, 2022 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 | \$ 186,740 | \$ 891,584 |
| Changes of assumptions | 818,671 | - |
| Net difference between projected and actual earnings on pension plan investments | 3,260,932 | - |
| | <u>\$ 4,266,343</u> | <u>\$ 891,584</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:

| | |
|------------|------------|
| 2023 | \$ 824,078 |
| 2024 | 605,244 |
| 2025 | 647,223 |
| 2026 | 1,389,007 |
| 2027 | (8,440) |
| Thereafter | (82,353) |

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, 2022 is \$0.

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, 2021 actuarial valuation was 14.45%. 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 \$540,247 in 2022 and were recorded as revenue and expenditures in the general fund.

NOTE 9 RETIREMENT PLANS (CONTINUED)

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.

Plan Membership

At September 30, 2022 plan membership consisted of the following:

| | |
|---|------------|
| Inactive Plan Members or Beneficiaries Currently Receiving Benefits | 6 |
| Inactive Plan Members Entitled to but Not Yet Receiving Benefits | 69 |
| Active Plan Members | 79 |
| | <u>154</u> |

Net Pension Liability of the City

The City's net pension liability was measured as of September 30, 2022, 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, 2022 were as follows:

| | |
|--|-----------------------|
| Total Pension Liability | \$ 26,871,032 |
| Plan Fiduciary Net Position | <u>(25,996,314) *</u> |
| Sponsor's Net Pension Liability (Asset) | <u>\$ 874,718</u> |
| Plan Fiduciary Net Position as a Percentage of Total Pension Liability (Asset) | 96.74% |

* 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, 2022 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.

NOTE 9 RETIREMENT PLANS (CONTINUED)

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, 2022 are summarized in the following table:

| Asset Class | Target Allocation | Long Term Expected Real Rate of Return |
|----------------------|-------------------|--|
| Domestic Equity | 40% | 7.10% |
| International Equity | 10% | 3.10% |
| Bonds | 25% | 2.00% |
| Convertibles | 10% | 6.40% |
| Private Real Estate | 10% | 6.40% |
| Infrastructure | 5% | 5.60% |
| 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, 2021 | \$ 23,825,081 | \$ 29,191,362 | \$ (5,366,281) |
| Changes Due to: | | | |
| Service Cost | 1,700,162 | - | 1,700,162 |
| Expected interest growth | 1,768,108 | 2,106,397 | (338,289) |
| Unexpected investment income | - | (7,132,455) | 7,132,455 |
| Demographic experience | (231,493) | - | (231,493) |
| Employer contributions | - | 1,799,505 | (1,799,505) |
| Employee contributions | - | 324,115 | (324,115) |
| Benefit payments and refunds | (190,826) | (190,826) | - |
| Administrative expenses | - | (101,784) | 101,784 |
| Assumption changes | - | - | - |
| Balance at September 30, 2022 | \$ 26,871,032 | \$ 25,996,314 | \$ 874,718 |

NOTE 9 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) | \$ 4,688,587 | \$ 874,718 | \$ (2,220,715) |

Deferred outflows and inflows of resources

For the year ended September 30, 2022 the City will recognize a pension expense of \$2,242,258. On September 30, 2022 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 | \$ 101,093 | \$ 351,598 |
| Changes of assumptions | 1,454,102 | - |
| Net difference between projected and actual earnings on pension plan investments | 3,410,514 | - |
| | <u>\$ 4,965,709</u> | <u>\$ 351,598</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 | \$ 1,114,512 |
| 2023 | 1,008,424 |
| 2024 | 1,029,242 |
| 2025 | 1,481,081 |
| 2026 | (31) |
| Thereafter | (19,117) |

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, 2022 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 2022 was \$9,762,009; the City's total payroll for City employees was \$23,698,878.

NOTE 9 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 2022 was \$975,293.

Aggregate Amounts of All Pension Plans

The aggregate amounts for all of the City's defined benefit pension plans at September 30, 2022 are as follows:

| | Governmental Activities | | | |
|--------------------------------|----------------------------------|-----------------------|---------------------|---------------------|
| | Net Pension Asset (Liability) | Deferred Inflows | Deferred Outflows | Expense |
| General Employees Pension Plan | \$ (6,215) | \$ - | \$ 25,127 | \$ 3,425 |
| Police Pension Plan | (823,434) | (891,584) | 4,266,343 | 1,785,273 |
| Firefighters Pension Plan | (874,718) | (351,598) | 4,965,709 | 2,242,258 |
| | <u>\$ (1,704,367)</u> | <u>\$ (1,243,182)</u> | <u>\$ 9,257,179</u> | <u>\$ 4,030,956</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, 2022

| | General Employees Defined Benefit | Police Officers Pension Trust | Firefighters Pension Trust | Total Employee Pension Funds |
|---|--|--|----------------------------------|------------------------------------|
| Assets: | | | | |
| Cash and cash equivalents | \$ 2,154 | \$ 546,166 | \$ 1,281,162 | \$ 1,829,482 |
| Investments: | | | | |
| U.S. Government & other debt securities | 63,335 | 8,244,580 | 8,529,713 | 16,837,628 |
| Equities | 149,935 | 16,256,290 | 16,132,413 | 32,538,638 |
| Real estate | - | 1,057,014 | 1,057,014 | 2,114,028 |
| Total Investments | <u>213,270</u> | <u>25,557,884</u> | <u>25,719,140</u> | <u>51,490,294</u> |
| Receivables | 5,582 | - | - | 5,582 |
| Total assets | <u>221,006</u> | <u>26,104,050</u> | <u>27,000,302</u> | <u>53,325,358</u> |
| Liabilities: | | | | |
| Refunds payable and other | - | 3,443 | 3,422 | 6,865 |
| Pending trades payable | - | 10,013 | 10,674 | 20,687 |
| Total liabilities | <u>-</u> | <u>13,456</u> | <u>14,096</u> | <u>27,552</u> |
| Net Position Restricted for Pensions | <u>\$ 221,006</u> | <u>\$ 26,090,594</u> | <u>\$ 26,986,206</u> | <u>\$ 53,297,806</u> |

NOTE 9 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, 2022

| | General Employees Defined Benefit | Police Officers Pension Trust | Firefighters Pension Trust | Total Employee Pension Funds |
|--|--|--|---|---|
| Additions: | | | | |
| Contributions: | | | | |
| Employer | \$ 5,582 | \$ 769,420 | \$ 1,259,258 | \$ 2,034,260 |
| Plan members | - | 293,891 | 400,955 | 694,846 |
| State | - | 815,574 | 540,247 | 1,355,821 |
| Total contributions | 5,582 | 1,878,885 | 2,200,460 | 4,084,927 |
| Investment earnings: | | | | |
| Net increase (decrease) in fair value of investments | (34,152) | (6,183,700) | (6,170,415) | (12,388,267) |
| Interest and dividends | - | 981,627 | 970,823 | 1,952,450 |
| Investment expense | - | (24,874) | (22,074) | (46,948) |
| Total net investment earnings | (34,152) | (5,226,947) | (5,221,666) | (10,482,765) |
| Total additions | (28,570) | (3,348,062) | (3,021,206) | (6,397,838) |
| Deductions: | | | | |
| Benefits/distributions | 35,443 | 1,221,334 | 375,730 | 1,632,507 |
| Refund of contributions | - | - | - | - |
| Administrative expenses | 1,536 | 74,964 | 101,784 | 178,284 |
| Total deductions | 36,979 | 1,296,298 | 477,514 | 1,810,791 |
| Change in Net Position | (65,549) | (4,644,360) | (3,498,720) | (8,208,629) |
| Net Position Restricted for Pensions | | | | |
| Beginning of Year | 286,555 | 30,734,954 | 30,484,926 | 61,506,435 |
| End of Year | \$ 221,006 | \$ 26,090,594 | \$ 26,986,206 | \$ 53,297,806 |

NOTE 10 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 10 OTHER POST EMPLOYMENT BENEFITS (CONTINUED)

As of October 1, 2021, the valuation date, there were 361 active employees and 10 inactive employees currently receiving benefits. The OPEB liability of \$15,293,068 was measured as of September 30, 2022 and was determined by the actuarial valuation. The covered payroll was \$22,813,150, and the ratio of Net OPEB liability as a percentage of covered payroll was 67.04%.

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 | 7.50% |
| Ultimate Health Care Cost Trend Rate | 4.54% |
| Fiscal Year the Ultimate Rate is Reached | Fiscal year 2090 |

Additional Information

| | |
|---|------------------|
| Valuation Date | October 1, 2021 |
| Actuarial Cost Method | Entry Age Normal |
| Discount Rate* | 4.02% |
| Inflation Rate | 3.10% |
| Salary Rate Increase | 4% |
| Funded Ratio (Fiduciary Net Position as a percentage of Total OPEB Liability) | NA |
| Covered Payroll | \$ 22,813,150 |
| Net OPEB Liability as a Percentage of Covered Payroll | 67.04% |

* 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, 2022.

NOTE 10 OTHER POST EMPLOYMENT BENEFITS (CONTINUED)

Below are the details regarding the Total OPEB liability for the measurement period from October 1, 2021, to September 30, 2022.

| | Total OPEB Liability |
|---|---------------------------------|
| Balance as of 9/30/2021 | \$ 13,433,609 |
| Changes for the year: | |
| Service Cost | 1,137,810 |
| Interest | 594,122 |
| Difference Between Expected & Actual Experience | 107,807 |
| Changes of Assumptions and Other Inputs | 180,141 |
| Benefit Payments ⁽¹⁾ | (160,421) |
| Other Changes | - |
| Net Changes | <u>\$ 1,859,459</u> |
| Balance as of 9/30/2022 | <u>\$ 15,293,068</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 3.02% | Discount Rate 4.02% | Increase 5.02% |
|----------------------|-------------------|------------------------|-------------------|
| Total OPEB Liability | \$ 17,850,653 | \$ 15,293,068 | \$ 13,209,564 |

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 | \$ 12,946,613 | \$ 15,293,068 | \$ 18,209,104 |

For the fiscal year ended September 30, 2022, 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 | \$ 516,237 | \$ - |
| Changes of assumptions | 1,481,716 | 465,674 |
| Total | <u>\$ 1,997,953</u> | <u>\$ 465,674</u> |

NOTE 10 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, | |
|----------------------------------|------------|
| 2023 | \$ 367,077 |
| 2024 | 367,077 |
| 2025 | 332,959 |
| 2026 | 316,162 |
| 2027 | 65,032 |
| Thereafter | 83,972 |

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 11 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 \$205,245 represents claims processed through October 2022 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>2022</u> | <u>2021</u> |
|---------------------------------------|--------------------|--------------------|
| Claims Liabilities, beginning of year | \$ 334,618 | \$ 206,017 |
| Incurred Claims | 6,021,659 | 5,962,564 |
| Payments on Claims | <u>(6,151,032)</u> | <u>(5,833,963)</u> |
| Claims Liabilities, end of year | <u>\$ 205,245</u> | <u>\$ 334,618</u> |

NOTE 12 COMMITMENTS AND CONTINGENCIES

Litigation

The City is engaged in various liability claims incidental to the conduct of its general government operations at September 30, 2022. 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 13 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 13 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, 2022, 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 | \$ 462,586 | \$ - | \$ - | \$ 10,275 | \$ 472,861 |
| Spendable | | | | | |
| Restricted for: | | | | | |
| Police | 70,496 | - | - | 1,112,851 | 1,183,347 |
| Fire | - | - | - | 2,488,103 | 2,488,103 |
| Transportation | 24,742 | - | - | - | 24,742 |
| Tree replacement | 322,516 | - | - | - | 322,516 |
| Building Services | - | - | - | 2,394,163 | 2,394,163 |
| Culture and recreation | - | - | - | 4,316,085 | 4,316,085 |
| Community redevelopment | - | - | - | 502,606 | 502,606 |
| Infrastructure | - | - | 4,037,993 | - | 4,037,993 |
| Debt service | - | - | - | 1,862,888 | 1,862,888 |
| Cemetery | - | - | - | 1,547,880 | 1,547,880 |
| Assigned for: | | | | | |
| Capital projects | - | 11,197,852 | - | - | 11,197,852 |
| Police/fire donations | 9,287 | - | - | - | 9,287 |
| Subsequent year expenditures | 1,358,379 | - | - | - | 1,358,379 |
| Unassigned | 17,840,316 | - | - | - | 17,840,316 |
| | <u>\$ 20,088,322</u> | <u>\$11,197,852</u> | <u>\$ 4,037,993</u> | <u>\$ 14,234,851</u> | <u>\$49,559,018</u> |

REQUIRED SUPPLEMENTAL INFORMATION



Schedule of Changes in Net OPEB Liability and Related Ratios

Last 10 Fiscal Years

| | 9/30/2022 | 9/30/2021 | 9/30/2020 | 9/30/2019 | 9/30/2018 |
|---|---------------|---------------|---------------|---------------|---------------|
| Total OPEB Liability | | | | | |
| Service cost | \$ 1,137,810 | \$ 760,368 | \$ 740,666 | \$ 721,475 | \$ 496,316 |
| Interest | 594,122 | 333,917 | 309,219 | 288,724 | 312,754 |
| Differences between expected and actual experience | 107,807 | - | - | 181,592 | - |
| Changes of assumptions | 180,141 | - | - | 2,106,772 | (662,223) |
| Benefit Payments (2) | (160,421) | (213,932) | (242,837) | (236,545) | (109,600) |
| Other changes | - | - | - | - | - |
| Net change in total OPEB liability | 1,859,459 | 880,353 | 807,048 | 3,062,018 | 37,247 |
| Total OPEB liability, beginning (1) | 13,433,609 | 12,553,256 | 11,746,208 | 8,684,190 | 8,646,943 |
| Total OPEB liability, ending | \$ 15,293,068 | \$ 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% | 0.00% |
| Covered payroll | \$ 22,813,150 | \$ 19,075,627 | \$ 19,075,627 | \$ 18,701,595 | \$ 14,293,247 |
| Net OPEB liability as a percentage of covered payroll | 67.04% | 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

Schedule of Changes in Net Pension Liability and Related Ratios – General Employees

Year Ended September 30, 2022

| | 9/30/2022 | 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 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Interest | 15,382 | 21,619 | 21,619 | 21,414 | 23,435 | 22,569 | 22,224 | 29,060 | 28,229 |
| Differences Between Expected and Actual Experience | (29,410) | - | - | 33,131 | - | 17,118 | 12,118 | 40,676 | - |
| Changes of Assumptions | - | - | - | - | - | 28,462 | 31,161 | (10,549) | - |
| Benefit Payments, including refunds of employee contributions | (35,443) | (49,982) | (49,982) | (53,410) | (51,013) | (57,338) | (61,435) | (63,484) | (56,412) |
| Net Change in Total Pension Liability | (49,471) | (28,363) | (28,363) | 1,135 | (27,578) | 10,811 | 4,068 | (4,297) | (28,183) |
| Total Pension Liability - beginning | 276,692 | 305,055 | 333,418 | 332,283 | 359,861 | 349,050 | 344,982 | 349,279 | 377,462 |
| Total Pension Liability - ending (a) | <u>\$227,221</u> | <u>\$276,692</u> | <u>\$305,055</u> | <u>\$333,418</u> | <u>\$332,283</u> | <u>\$359,861</u> | <u>\$349,050</u> | <u>\$344,982</u> | <u>\$ 349,279</u> |
| Plan Fiduciary Net Position | | | | | | | | | |
| Contributions-employer | 5,582 | 5,582 | 11,018 | 11,018 | 8,767 | 8,767 | - | - | - |
| Contributions-state | - | - | - | - | - | - | - | - | - |
| Contributions-employee | - | - | - | - | - | - | - | - | - |
| Net Investment Income | (34,153) | 51,033 | 16,320 | 14,396 | 24,889 | 44,469 | 29,829 | 2,613 | 40,560 |
| Benefit Payments, including refunds of employee contributions | (35,443) | (38,315) | (42,156) | (53,410) | (57,338) | (57,338) | (61,435) | (63,484) | (66,212) |
| Administrative Expense | (1,536) | (5,235) | (5,271) | (1,597) | (1,681) | (5,457) | (1,757) | (6,508) | (3,136) |
| Other | (89) | - | - | - | - | - | - | - | - |
| Net Change in Plan Fiduciary Net Position | (65,639) | 13,065 | (20,089) | (29,593) | (25,363) | (9,559) | (33,363) | (67,379) | (28,788) |
| Plan Fiduciary Net Position - beginning | 286,645 | 273,580 | 293,669 | 323,262 | 348,625 | 358,184 | 391,547 | 458,926 | 487,714 |
| Plan Fiduciary Net Position - ending (b) | <u>\$221,006</u> | <u>\$286,645</u> | <u>\$273,580</u> | <u>\$293,669</u> | <u>\$323,262</u> | <u>\$348,625</u> | <u>\$358,184</u> | <u>\$391,547</u> | <u>\$ 458,926</u> |
| Net Pension Liability - ending (a) - (b) | <u>\$ 6,215</u> | <u>\$ (9,953)</u> | <u>\$ 31,475</u> | <u>\$ 39,749</u> | <u>\$ 9,021</u> | <u>\$ 11,236</u> | <u>\$ (9,134)</u> | <u>\$ (46,565)</u> | <u>\$ (109,647)</u> |
| Plan Fiduciary Net Position as a Percentage of Total Pension Liability | 97.26% | 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 | N/A |

Schedule of Changes in Net Pension Liability and Related Ratios – Police

Year Ended September 30, 2022

| | 9/30/2022 | 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 | \$ 1,497,597 | \$ 1,335,386 | \$ 1,048,755 | \$ 1,048,755 | \$ 941,659 | \$ 941,659 | \$ 836,661 | \$ 560,680 | \$ 524,531 |
| Interest | 1,743,942 | 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 | (610,237) | 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 | (866,834) | (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 | 1,764,468 | 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 | 23,763,682 | 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) | <u>\$25,528,150</u> | <u>\$23,763,682</u> | <u>\$20,888,384</u> | <u>\$18,985,282</u> | <u>\$17,658,942</u> | <u>\$16,036,239</u> | <u>\$14,313,579</u> | <u>\$10,126,748</u> | <u>\$ 9,166,440</u> |
| Plan Fiduciary Net Position | | | | | | | | | |
| Contributions-employer | 1,380,471 | 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 | 293,891 | 268,568 | 238,416 | 175,526 | 120,269 | 116,332 | 108,806 | 99,188 | 95,733 |
| Net Investment Income | (4,966,541) | 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 | (866,834) | (550,996) | (446,562) | (403,441) | (381,207) | (640,378) | (342,697) | (298,559) | (334,599) |
| Administrative Expense | (74,964) | (59,823) | (61,414) | (102,202) | (51,400) | (49,645) | (30,651) | (54,494) | (31,851) |
| Other | - | - | - | - | - | - | - | - | - |
| Net Change in Plan Fiduciary Net Position | (4,233,977) | 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 | 28,938,693 | 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) | <u>\$24,704,716</u> | <u>\$28,938,693</u> | <u>\$23,237,027</u> | <u>\$20,217,453</u> | <u>\$18,326,157</u> | <u>\$16,448,667</u> | <u>\$14,357,868</u> | <u>\$12,874,567</u> | <u>\$12,621,003</u> |
| Net Pension Liability - ending (a) - (b) | <u>\$ 823,434</u> | <u>\$ (5,175,011)</u> | <u>\$ (2,348,643)</u> | <u>\$ (1,232,171)</u> | <u>\$ (667,215)</u> | <u>\$ (412,428)</u> | <u>\$ (44,289)</u> | <u>\$ (2,747,819)</u> | <u>\$ (3,454,563)</u> |
| Plan Fiduciary Net Position as a Percentage of Total Pension Liability | 96.77% | 121.78% | 111.24% | 106.49% | 103.78% | 102.57% | 100.31% | 127.13% | 137.69% |
| Covered Payroll | \$ 5,341,730 | \$ 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 | 15.42% | -109.40% | -61.58% | -32.31% | -19.82% | -12.25% | -1.32% | -88.40% | -142.50% |

Schedule of Changes in Net Pension Liability and Related Ratios - Fire

Year Ended September 30, 2022

| | 9/30/2022 | 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 | \$ 1,700,162 | \$ 1,555,175 | \$ 1,313,842 | \$ 1,313,842 | \$ 1,025,516 | \$ 1,025,516 | \$ 784,710 | \$ 524,325 | \$ 596,543 |
| Interest | 1,768,108 | 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 | (231,493) | (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 | (190,826) | (283,350) | (288,092) | (99,705) | (25,120) | (4,513) | (1,324) | (945) | (81,466) |
| Net Change in Total Pension Liability | 3,045,951 | 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 | 23,825,081 | 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) | <u>\$26,871,032</u> | <u>\$23,825,081</u> | <u>\$20,734,056</u> | <u>\$18,435,970</u> | <u>\$15,158,798</u> | <u>\$13,283,379</u> | <u>\$10,212,873</u> | <u>\$ 6,617,503</u> | <u>\$ 5,607,656</u> |
| Plan Fiduciary Net Position | | | | | | | | | |
| Contributions-employer | 1,799,505 | 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 | 324,115 | 316,273 | 220,098 | 231,935 | 200,118 | 238,785 | 279,064 | 141,632 | 86,520 |
| Net Investment Income | (5,026,058) | 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 | (190,826) | (283,350) | (288,092) | (99,705) | (25,120) | (4,513) | (1,324) | (945) | (756) |
| Administrative Expense | (101,784) | (83,741) | (65,477) | (98,170) | (35,839) | (49,761) | (28,346) | (40,885) | (24,109) |
| Other | - | - | - | - | - | - | - | - | - |
| Net Change in Plan Fiduciary Net Position | (3,195,048) | 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 | 29,191,362 | 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) | <u>\$25,996,314</u> | <u>\$29,191,362</u> | <u>\$22,771,575</u> | <u>\$18,988,865</u> | <u>\$16,128,326</u> | <u>\$13,647,332</u> | <u>\$11,065,435</u> | <u>\$ 9,466,087</u> | <u>\$ 8,571,627</u> |
| Net Pension Liability - ending (a) - (b) | <u>\$ 874,718</u> | <u>\$ (5,366,281)</u> | <u>\$ (2,037,519)</u> | <u>\$ (552,895)</u> | <u>\$ (969,528)</u> | <u>\$ (363,953)</u> | <u>\$ (852,562)</u> | <u>\$ (2,848,584)</u> | <u>\$ (2,963,971)</u> |
| Plan Fiduciary Net Position as a Percentage of Total Covered Payroll | 96.74% | 122.52% | 109.83% | 103.00% | 106.40% | 102.74% | 108.35% | 143.05% | 152.86% |
| Net Pension Liability as a Percentage of Covered | \$ 5,633,189 | \$ 5,089,447 | \$ 4,438,530 | \$ 4,438,530 | \$ 3,602,745 | \$ 3,602,745 | \$ 2,798,049 | \$ 2,798,049 | \$ 2,798,049 |
| | 15.53% | -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, 2022

| | <u>9/30/2022</u> | <u>9/30/2021</u> | <u>9/30/2020</u> | <u>9/30/2019</u> | <u>9/30/2018</u> | <u>9/30/2017</u> | <u>9/30/2016</u> | <u>9/30/2015</u> | <u>9/30/2014</u> |
|--|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| Actuarially Determined Contribution | \$ 5,582 | \$ 5,582 | \$ 11,018 | \$ 11,018 | \$ 8,767 | \$ 8,767 | \$ - | \$ - | \$ - |
| Contributions in Relation to the Actuarially Determined Contribution | 5,582 | 5,582 | 11,018 | 11,018 | 8,767 | 8,767 | - | - | - |
| Contribution Deficiency (Excess) | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |
| 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 | N/A |

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 |
| Inflation | 2.77% |
| Salary Increases | N/A |
| Interest Rate | 7% per year, compounded annually, net of investment expenses |

| Schedule of Investment Returns | <u>9/30/2022</u> | <u>9/30/2021</u> | <u>9/30/2020</u> | <u>9/30/2019</u> | <u>9/30/2018</u> | <u>9/30/2017</u> | <u>9/30/2016</u> | <u>9/30/2015</u> | <u>9/30/2014</u> |
|--|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| Annual money-weighted rate of return, net of investment expenses | -12.61% | 5.92% | 4.23% | 4.23% | 7.00% | 4.08% | 4.08% | 5.48% | 8.55% |

Schedule of Contributions and Investment Returns – Police

Year Ended September 30, 2022

| | 9/30/2022 | 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 | \$ 661,843 | \$ 1,084,478 | \$ 985,611 | \$ 936,834 | \$ 905,229 | \$ 875,593 | \$ 640,139 | \$ 583,559 | \$ 629,606 |
| Contributions in Relation to the Actuarially Determined Contribution | 1,380,471 | 1,084,478 | 943,063 | 891,380 | 944,540 | 756,302 | 632,411 | 522,208 | 670,126 |
| Contribution Deficiency (Excess) | \$ (718,628) | \$ - | \$ 42,548 | \$ 45,454 | \$ (39,311) | \$ 119,291 | \$ 7,728 | \$ 61,351 | \$ (40,520) |
| Covered Payroll | \$ 5,341,730 | \$ 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 | 25.84% | 22.93% | 24.73% | 23.37% | 28.06% | 22.46% | 18.78% | 16.80% | 21.56% |

Notes to Schedule

Valuation Date 10/1/2021

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 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 | 9/30/2022 | 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 | -17.83% | 21.40% | 4.23% | 4.23% | 7.00% | 4.08% | 4.08% | 5.48% | 8.55% |

Schedule of Contributions and Investment Returns – Fire

Year Ended September 30, 2022

| | 9/30/2022 | 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 | \$1,170,865 | \$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 | 1,799,505 | 1,606,558 | 1,649,080 | 1,585,514 | 1,278,757 | 797,699 | 491,818 | 827,357 | 668,800 |
| Contribution Deficiency (Excess) | <u>\$ (628,640)</u> | <u>\$ (58,792)</u> | <u>\$ (406)</u> | <u>\$ -</u> | <u>\$ 5,498</u> | <u>\$ 315,396</u> | <u>\$ 155,658</u> | <u>\$ (224,357)</u> | <u>\$ (53,967)</u> |
| Covered Payroll | 5,633,189 | 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 | 31.94% | 31.57% | 37.15% | 35.72% | 35.49% | 22.14% | 17.58% | 29.57% | 23.90% |

Notes to Schedule

Valuation Date 10/1/2021

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
- 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 1.75% 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 | 9/30/2022 | 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 | -16.90% | 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, 2022

| | <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 | \$ 500,000 | \$ - | \$ - | \$ - |
| Investment earnings | 18,000 | 18,000 | 70,912 | 52,912 |
| Miscellaneous | - | - | - | - |
| Total revenues | <u>518,000</u> | <u>18,000</u> | <u>70,912</u> | <u>52,912</u> |
| Expenditures: | | | | |
| Current: | | | | |
| General government | 1,019 | 1,019 | - | 1,019 |
| Capital Outlay: | | | | |
| General government | - | - | - | - |
| Physical environment | - | 10,891,083 | 4,004,785 | 6,886,298 |
| Economic environment | 3,000,000 | 7,752,465 | 4,395,065 | 3,357,400 |
| Total expenditures | <u>3,001,019</u> | <u>18,644,567</u> | <u>8,399,850</u> | <u>10,244,717</u> |
| Excess (deficiency) of revenues over expenditures | <u>(2,483,019)</u> | <u>(18,626,567)</u> | <u>(8,328,938)</u> | <u>10,297,629</u> |
| Other Financing Sources: | | | | |
| Transfers in | - | 8,471,492 | 8,311,558 | (159,934) |
| Total other financing sources | <u>-</u> | <u>8,471,492</u> | <u>8,311,558</u> | <u>(159,934)</u> |
| Net Change in Fund Balance | <u>(2,483,019)</u> | <u>(10,155,075)</u> | <u>(17,380)</u> | <u>10,137,695</u> |
| Fund Balances - beginning | 11,215,232 | 11,215,232 | 11,215,232 | - |
| Fund Balances - ending | <u>\$ 8,732,213</u> | <u>\$ 1,060,157</u> | <u>\$ 11,197,852</u> | <u>\$ 10,137,695</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 | \$ 2,689,330 | \$ 675,506 | \$ 1,437,799 | \$ 1,715,605 |
| Investments | 1,660,199 | 440,946 | 1,065,009 | 1,418,220 |
| Other receivables | 1,336 | 764 | 887 | 1,272 |
| Due from other governments | - | - | - | - |
| Prepaid costs | - | - | - | 6,327 |
| Total assets | <u>\$ 4,350,865</u> | <u>\$ 1,117,216</u> | <u>\$ 2,503,695</u> | <u>\$ 3,141,424</u> |
| Liabilities and Fund Balances: | | | | |
| Liabilities: | | | | |
| Accounts payable | \$ 34,780 | \$ 4,365 | \$ 15,592 | \$ 36,969 |
| Accrued liabilities | - | - | - | 20,423 |
| Deposits | - | - | - | 683,542 |
| Due to other funds | - | - | - | - |
| Total liabilities | <u>34,780</u> | <u>4,365</u> | <u>15,592</u> | <u>740,934</u> |
| Fund balances: | | | | |
| Nonspendable | - | - | - | 6,327 |
| Restricted | 4,316,085 | 1,112,851 | 2,488,103 | 2,394,163 |
| Total fund balances | <u>4,316,085</u> | <u>1,112,851</u> | <u>2,488,103</u> | <u>2,400,490</u> |
| Total liabilities and fund balances | <u>\$ 4,350,865</u> | <u>\$ 1,117,216</u> | <u>\$ 2,503,695</u> | <u>\$ 3,141,424</u> |

Special Revenue

| Community Redevelopment Special Revenue | Cemetery | Total Special Revenue Funds | Debt Service | Total Nonmajor Governmental Funds |
|--|---------------------|--|---------------------|--|
| \$ 282,504 | \$ 445,600 | \$ 7,246,344 | \$ 1,807,840 | \$ 9,054,184 |
| 328,393 | 1,103,200 | 6,015,967 | 55,048 | 6,071,015 |
| 572 | 1,439 | 6,270 | - | 6,270 |
| - | - | - | - | - |
| 3,714 | 234 | 10,275 | - | 10,275 |
| <u>\$ 615,183</u> | <u>\$ 1,550,473</u> | <u>\$ 13,278,856</u> | <u>\$ 1,862,888</u> | <u>\$ 15,141,744</u> |
| | | | | |
| \$ 106,797 | \$ 443 | \$ 198,946 | \$ - | \$ 198,946 |
| 2,066 | 1,916 | 24,405 | - | 24,405 |
| - | - | 683,542 | - | 683,542 |
| - | - | - | - | - |
| <u>108,863</u> | <u>2,359</u> | <u>906,893</u> | <u>-</u> | <u>906,893</u> |
| | | | | |
| 3,714 | 234 | 10,275 | - | 10,275 |
| <u>502,606</u> | <u>1,547,880</u> | <u>12,361,688</u> | <u>1,862,888</u> | <u>14,224,576</u> |
| <u>506,320</u> | <u>1,548,114</u> | <u>12,371,963</u> | <u>1,862,888</u> | <u>14,234,851</u> |
| <u>\$ 615,183</u> | <u>\$ 1,550,473</u> | <u>\$ 13,278,856</u> | <u>\$ 1,862,888</u> | <u>\$ 15,141,744</u> |

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

Nonmajor Governmental Funds

Year Ended September 30, 2022

| | <u>Special Revenue</u> | | | |
|--|-----------------------------------|-------------------------------|-----------------------------|------------------------------|
| | <u>Recreation Impact Fees</u> | <u>Police Impact Fees</u> | <u>Fire Impact Fees</u> | <u>Building Services</u> |
| Revenues: | | | | |
| Taxes | \$ - | \$ - | \$ - | \$ - |
| Licenses and permits | - | - | - | 2,171,633 |
| Intergovernmental revenues | - | - | - | - |
| Charges for services | - | - | - | 129,531 |
| Impact fees/special assessments | 2,068,218 | 515,142 | 685,604 | - |
| Investment earnings (loss) | (5,652) | (7,564) | (4,399) | (7,498) |
| Miscellaneous | - | - | - | - |
| Total revenues | <u>2,062,566</u> | <u>507,578</u> | <u>681,205</u> | <u>2,293,666</u> |
| Expenditures: | | | | |
| Current: | | | | |
| General government | - | - | - | - |
| Public safety | - | 218,116 | 138,282 | 1,886,084 |
| Physical environment | - | - | - | - |
| Economic environment | - | - | - | - |
| Culture and recreation | 306,182 | - | - | - |
| Debt Service: | | | | |
| Principal | - | - | - | - |
| Interest and fiscal charges | - | - | - | - |
| Total expenditures | <u>306,182</u> | <u>218,116</u> | <u>138,282</u> | <u>1,886,084</u> |
| Excess (Deficiency) of Revenues Over Expenditures | <u>1,756,384</u> | <u>289,462</u> | <u>542,923</u> | <u>407,582</u> |
| Other Financing Uses: | | | | |
| Transfers in | - | - | - | - |
| Transfers out | (569,616) | (14,760) | - | - |
| Total other financing uses | <u>(569,616)</u> | <u>(14,760)</u> | <u>-</u> | <u>-</u> |
| Net Change in Fund Balances | 1,186,768 | 274,702 | 542,923 | 407,582 |
| Fund Balances - beginning | <u>3,129,317</u> | <u>838,149</u> | <u>1,945,180</u> | <u>1,992,908</u> |
| Fund Balances - ending | <u>\$ 4,316,085</u> | <u>\$ 1,112,851</u> | <u>\$ 2,488,103</u> | <u>\$ 2,400,490</u> |

| Community Redevelopment Special Revenue | Cemetery | Total Special Revenue Funds | Debt Service | Total Nonmajor Governmental Funds |
|--|---------------------|--|---------------------|--|
| \$ 502,346 | \$ - | \$ 502,346 | \$ - | \$ 502,346 |
| - | - | 2,171,633 | - | 2,171,633 |
| - | - | - | - | - |
| - | 145,800 | 275,331 | - | 275,331 |
| - | - | 3,268,964 | - | 3,268,964 |
| (5,873) | (13,358) | (44,344) | 2,266 | (42,078) |
| - | 4,270 | 4,270 | - | 4,270 |
| <u>496,473</u> | <u>136,712</u> | <u>6,178,200</u> | <u>2,266</u> | <u>6,180,466</u> |
| - | - | - | - | - |
| - | - | 2,242,482 | - | 2,242,482 |
| - | 120,025 | 120,025 | - | 120,025 |
| 497,359 | - | 497,359 | - | 497,359 |
| - | - | 306,182 | - | 306,182 |
| - | - | - | 2,164,966 | 2,164,966 |
| - | - | - | 641,573 | 641,573 |
| <u>497,359</u> | <u>120,025</u> | <u>3,166,048</u> | <u>2,806,539</u> | <u>5,972,587</u> |
| <u>(886)</u> | <u>16,687</u> | <u>3,012,152</u> | <u>(2,804,273)</u> | <u>207,879</u> |
| - | - | - | 2,833,464 | 2,833,464 |
| - | - | (584,376) | - | (584,376) |
| - | - | (584,376) | 2,833,464 | 2,249,088 |
| (886) | 16,687 | 2,427,776 | 29,191 | 2,456,967 |
| <u>507,206</u> | <u>1,531,427</u> | <u>9,944,187</u> | <u>1,833,697</u> | <u>11,777,884</u> |
| <u>\$ 506,320</u> | <u>\$ 1,548,114</u> | <u>\$ 12,371,963</u> | <u>\$ 1,862,888</u> | <u>\$ 14,234,851</u> |

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

Recreation Impact Fees

Year ended September 30, 2022

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget - Positive (Negative) |
|--|---------------------|---------------------|---------------------|---|
| | Original | Final | | |
| Revenues: | | | | |
| Impact fees/special assessments | \$ 1,500,000 | \$ 2,000,000 | \$ 2,068,218 | \$ 68,218 |
| Investment earnings (loss) | 7,000 | 5,000 | (5,652) | (10,652) |
| Total revenues | 1,507,000 | 2,005,000 | 2,062,566 | 57,566 |
| Expenditures: | | | | |
| Current: | | | | |
| Culture and recreation | 186,680 | 819,655 | 306,182 | 513,473 |
| Total expenditures | 186,680 | 819,655 | 306,182 | 513,473 |
| Excess (deficiency) of revenues over expenditures | 1,320,320 | 1,185,345 | 1,756,384 | 571,039 |
| Other Financing Uses | | | | |
| Transfers out | (569,618) | (569,618) | (569,616) | 2 |
| Total other financing uses | (569,618) | (569,618) | (569,616) | 2 |
| Net Change in Fund Balances | 750,702 | 615,727 | 1,186,768 | 571,041 |
| Fund Balances - beginning | 3,129,317 | 3,129,317 | 3,129,317 | - |
| Fund Balances - ending | \$ 3,880,019 | \$ 3,745,044 | \$ 4,316,085 | \$ 571,041 |

City of Clermont, Florida
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
Police Impact Fees
Year ended September 30, 2022

| | <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 | \$ 340,000 | \$ 500,000 | \$ 515,142 | \$ 15,142 |
| Investment earnings (loss) | 4,000 | 2,000 | (7,564) | (9,564) |
| Total revenues | <u>344,000</u> | <u>502,000</u> | <u>507,578</u> | <u>5,578</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Public Safety: | | | | |
| Law enforcement | <u>277,532</u> | <u>817,244</u> | <u>218,116</u> | <u>599,128</u> |
| Total expenditures | <u>277,532</u> | <u>817,244</u> | <u>218,116</u> | <u>599,128</u> |
| Excess (deficiency) of revenues over expenditures | <u>66,468</u> | <u>(315,244)</u> | <u>289,462</u> | <u>604,706</u> |
| Other Financing Sources (Uses) | | | | |
| Transfers out | <u>(14,763)</u> | <u>(14,763)</u> | <u>(14,760)</u> | <u>3</u> |
| Total other financing sources (uses) | <u>(14,763)</u> | <u>(14,763)</u> | <u>(14,760)</u> | <u>3</u> |
| Net Change in Fund Balances | <u>51,705</u> | <u>(330,007)</u> | <u>274,702</u> | <u>604,709</u> |
| Fund Balances - beginning | <u>838,149</u> | <u>838,149</u> | <u>838,149</u> | <u>-</u> |
| Fund Balances - ending | <u>\$ 889,854</u> | <u>\$ 508,142</u> | <u>\$ 1,112,851</u> | <u>\$ 604,709</u> |

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual**Fire Impact Fees**

Year ended September 30, 2022

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget - Positive (Negative) |
|--|-------------------------|---------------------|-----------------------|---|
| | Original | Final | | |
| Revenues: | | | | |
| Impact fees/special assessments | \$ 405,000 | \$ 630,000 | \$ 685,604 | \$ 55,604 |
| Investment earnings (loss) | 5,000 | 2,000 | (4,399) | (6,399) |
| Total revenues | 410,000 | 632,000 | 681,205 | 49,205 |
| Expenditures: | | | | |
| Current: | | | | |
| Public safety: | | | | |
| Fire control | 386 | 238,269 | 138,282 | 99,987 |
| Total expenditures | 386 | 238,269 | 138,282 | 99,987 |
| Excess (deficiency) of revenues over expenditures | 409,614 | 393,731 | 542,923 | 149,192 |
| Net Change in Fund Balances | 409,614 | 393,731 | 542,923 | 149,192 |
| Fund Balances - beginning | 1,945,180 | 1,945,180 | 1,945,180 | - |
| Fund Balances - ending | \$ 2,354,794 | \$ 2,338,911 | \$ 2,488,103 | \$ 149,192 |

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

Year ended September 30, 2022

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget - Positive (Negative) |
|--|---------------------|---------------------|---------------------|---|
| | Original | Final | | |
| Revenues: | | | | |
| Licenses and permits | \$ 1,421,000 | \$ 1,921,000 | \$ 2,171,633 | \$ 250,633 |
| Charges for services | 60,200 | 104,200 | 129,531 | 25,331 |
| Investment earnings (loss) | 7,000 | 2,000 | (7,498) | (9,498) |
| Total revenues | 1,488,200 | 2,027,200 | 2,293,666 | 266,466 |
| Expenditures: | | | | |
| Current: | | | | |
| Public safety | 1,900,249 | 2,100,969 | 1,886,084 | 214,885 |
| Total expenditures | 1,900,249 | 2,100,969 | 1,886,084 | 214,885 |
| Excess (deficiency) of revenues over expenditures | (412,049) | (73,769) | 407,582 | 481,351 |
| Other Financing Uses: | | | | |
| Transfers in | - | - | - | - |
| Total other financing sources | - | - | - | - |
| Net Change in Fund Balances | (412,049) | (73,769) | 407,582 | 481,351 |
| Fund Balances - beginning | 1,992,908 | 1,992,908 | 1,992,908 | - |
| Fund Balances - ending | \$ 1,580,859 | \$ 1,919,139 | \$ 2,400,490 | \$ 481,351 |

City of Clermont, Florida
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
Community Redevelopment Special Revenue
Year ended September 30, 2022

| | <u>Budgeted Amounts</u> | | <u>Actual Amounts</u> | <u>Variance with Final Budget - Positive (Negative)</u> |
|--|-------------------------|------------------|-----------------------|---|
| | <u>Original</u> | <u>Final</u> | | |
| Revenues: | | | | |
| Taxes | \$ 510,271 | \$ 502,346 | \$ 502,346 | \$ - |
| Intergovernmental revenues | - | - | - | - |
| Investment earnings (loss) | 3,000 | 2,000 | (5,873) | (7,873) |
| Miscellaneous | - | - | - | - |
| Total revenues | <u>513,271</u> | <u>504,346</u> | <u>496,473</u> | <u>(7,873)</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Economic development | <u>533,433</u> | <u>1,011,555</u> | <u>497,359</u> | <u>514,196</u> |
| Total expenditures | <u>533,433</u> | <u>1,011,555</u> | <u>497,359</u> | <u>514,196</u> |
| Excess (deficiency) of revenues over expenditures | <u>(20,162)</u> | <u>(507,209)</u> | <u>(886)</u> | <u>506,323</u> |
| Net Change in Fund Balances | <u>(20,162)</u> | <u>(507,209)</u> | <u>(886)</u> | <u>506,323</u> |
| Fund Balances - beginning | <u>507,206</u> | <u>507,206</u> | <u>507,206</u> | <u>-</u> |
| Fund Balances - ending | <u>\$ 487,044</u> | <u>\$ (3)</u> | <u>\$ 506,320</u> | <u>\$ 506,323</u> |

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

Year ended September 30, 2022

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget - Positive (Negative) |
|--|-------------------------|---------------------|-----------------------|---|
| | Original | Final | | |
| Revenues: | | | | |
| Charges for services | \$ 150,000 | \$ 150,000 | \$ 145,800 | \$ (4,200) |
| Investment earnings (loss) | 7,000 | 2,000 | (13,358) | (15,358) |
| Miscellaneous | 2,000 | 2,000 | 4,270 | 2,270 |
| Total revenues | 159,000 | 154,000 | 136,712 | (17,288) |
| Expenditures: | | | | |
| Current: | | | | |
| Physical environment | 163,272 | 191,711 | 120,025 | 71,686 |
| Total expenditures | 163,272 | 191,711 | 120,025 | 71,686 |
| Excess (deficiency) of revenues over expenditures | (4,272) | (37,711) | 16,687 | 54,398 |
| Net Change in Fund Balances | (4,272) | (37,711) | 16,687 | 54,398 |
| Fund Balances - beginning | 1,531,427 | 1,531,427 | 1,531,427 | - |
| Fund Balances - ending | \$ 1,527,155 | \$ 1,493,716 | \$ 1,548,114 | \$ 54,398 |

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

Year ended September 30, 2022

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget - Positive (Negative) |
|--|-------------------------|---------------------|-----------------------|---|
| | Original | Final | | |
| Revenues: | | | | |
| Investment earnings | \$ 1,000 | \$ 1,000 | \$ 2,266 | \$ 1,266 |
| Total revenues | <u>1,000</u> | <u>1,000</u> | <u>2,266</u> | <u>1,266</u> |
| Expenditures: | | | | |
| Current: | | | | |
| General government | - | 500 | - | 500 |
| Debt Service: | | | | |
| Principal | 2,164,934 | 2,164,934 | 2,164,966 | (32) |
| Interest and fiscal charges | 641,573 | 641,573 | 641,573 | - |
| Total expenditures | <u>2,806,507</u> | <u>2,807,007</u> | <u>2,806,539</u> | <u>468</u> |
| Excess (deficiency) of revenues over expenditures | <u>(2,805,507)</u> | <u>(2,806,007)</u> | <u>(2,804,273)</u> | <u>1,734</u> |
| Other Financing Sources: | | | | |
| Transfers in | 2,833,462 | 2,833,462 | 2,833,464 | 2 |
| Total other financing sources | <u>2,833,462</u> | <u>2,833,462</u> | <u>2,833,464</u> | <u>2</u> |
| Net Change in Fund Balances | 27,955 | 27,455 | 29,191 | 1,736 |
| Fund Balances - beginning | <u>1,833,697</u> | <u>1,833,697</u> | <u>1,833,697</u> | <u>-</u> |
| Fund Balances - ending | <u>\$ 1,861,652</u> | <u>\$ 1,861,152</u> | <u>\$ 1,862,888</u> | <u>\$ 1,736</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, 2022

| | General Employees Defined Benefit | Police Officers Pension Trust | Firefighters Pension Trust | Total Employee Pension Funds |
|---|--|--|---|---|
| Assets: | | | | |
| Cash and cash equivalents | \$ 2,154 | \$ 546,166 | \$ 1,281,162 | \$ 1,829,482 |
| Investments at fair value: | | | | |
| U.S. Government & other debt securities | 63,335 | 8,244,580 | 8,529,713 | 16,837,628 |
| Equities | 149,935 | 16,256,290 | 16,132,413 | 32,538,638 |
| Real estate | | 1,057,014 | 1,057,014 | 2,114,028 |
| Total Investments | 213,270 | 25,557,884 | 25,719,140 | 51,490,294 |
| Accounts receivable | 5,582 | - | - | 5,582 |
| Total assets | 221,006 | 26,104,050 | 27,000,302 | 53,325,358 |
| Liabilities: | | | | |
| Refunds payable and other | - | 3,443 | 3,422 | 6,865 |
| Pending trade payables | - | 10,013 | 10,674 | 20,687 |
| Total liabilities | - | 13,456 | 14,096 | 27,552 |
| Net Position Restricted for Pensions | \$ 221,006 | \$ 26,090,594 | \$ 26,986,206 | \$ 53,297,806 |

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

Year Ended September 30, 2022

| | General Employees Defined Benefit | Police Officers Pension Trust | Firefighters Pension Trust | Total Employee Pension Funds |
|--|--|--|---|---|
| Additions: | | | | |
| Contributions: | | | | |
| Employer | \$ 5,582 | \$ 769,420 | \$ 1,259,258 | \$ 2,034,260 |
| Plan members | - | 293,891 | 400,955 | 694,846 |
| State | - | 815,574 | 540,247 | 1,355,821 |
| Total contributions | 5,582 | 1,878,885 | 2,200,460 | 4,084,927 |
| Investment earnings: | | | | |
| Net increase (decrease) in fair value of investments | (34,152) | (6,183,700) | (6,170,415) | (12,388,267) |
| Interest and dividends | - | 981,627 | 970,823 | 1,952,450 |
| Less: Investment expense | - | (24,874) | (22,074) | (46,948) |
| Total net investment earnings | (34,152) | (5,226,947) | (5,221,666) | (10,482,765) |
| Total additions | (28,570) | (3,348,062) | (3,021,206) | (6,397,838) |
| Deductions: | | | | |
| Benefits/distributions | 35,443 | 1,221,334 | 375,730 | 1,632,507 |
| Refund of contributions | - | - | - | - |
| Administrative expenses | 1,536 | 74,964 | 101,784 | 178,284 |
| Total deductions | 36,979 | 1,296,298 | 477,514 | 1,810,791 |
| Change in Net Position | (65,549) | (4,644,360) | (3,498,720) | (8,208,629) |
| Net Position Restricted for Pensions | | | | |
| Beginning of Year | 286,555 | 30,734,954 | 30,484,926 | 61,506,435 |
| End of Year | \$ 221,006 | \$ 26,090,594 | \$ 26,986,206 | \$ 53,297,806 |



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. | 114 |
| Revenue Capacity These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax. | 124 |
| 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. | 129 |
| 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. | 136 |
| 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. | 140 |

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 | | |
|---|-------------------|-------------------|-------------------|
| | 2014 | 2015 | 2016 |
| Governmental activities | | | |
| Net investment in capital assets | \$ 44,116 | \$ 47,718 | \$ 52,064 |
| Restricted | 9,918 | 9,400 | 6,402 |
| Unrestricted | 5,719 | 11,649 | 11,182 |
| Total governmental activities net position | <u>\$ 59,753</u> | <u>\$ 68,767</u> | <u>\$ 69,648</u> |
| Business-type activities | | | |
| Net investment in capital assets | 56,680 | 56,586 | 60,150 |
| Restricted | 10,217 | 12,135 | 13,959 |
| Unrestricted | 27,054 | 26,943 | 26,050 |
| Total business-type activities net position | <u>\$ 93,951</u> | <u>\$ 95,664</u> | <u>\$ 100,159</u> |
| Primary government | | | |
| Net investment in capital assets | 100,796 | 104,304 | 112,214 |
| Restricted | 20,135 | 21,535 | 20,361 |
| Unrestricted | 32,773 | 38,592 | 37,232 |
| Total primary government net position | <u>\$ 153,704</u> | <u>\$ 164,431</u> | <u>\$ 169,807</u> |

| Fiscal Year | | | | | |
|--------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| 2017 | 2018 | 2019 | 2020 | 2021 | 2022 |
| \$ 31,918 | \$ 35,262 | \$ 40,318 | \$ 44,045 | \$ 51,596 | \$ 58,736 |
| 7,815 | 8,547 | 9,589 | 12,479 | 14,910 | 18,691 |
| 30,117 | 27,925 | 24,795 | 23,874 | 21,847 | 26,252 |
| <u>\$ 69,850</u> | <u>\$ 71,734</u> | <u>\$ 74,702</u> | <u>\$ 80,398</u> | <u>\$ 88,353</u> | <u>\$ 103,679</u> |
| 63,131 | 69,322 | 66,104 | 68,310 | 88,520 | 86,667 |
| 17,127 | 16,904 | 20,362 | 24,195 | 25,420 | 30,273 |
| 26,667 | 23,959 | 28,286 | 28,728 | 28,555 | 29,688 |
| <u>\$ 106,925</u> | <u>\$ 110,185</u> | <u>\$ 114,752</u> | <u>\$ 121,233</u> | <u>\$ 142,495</u> | <u>\$ 146,628</u> |
| 95,049 | 104,584 | 106,422 | 112,355 | 140,116 | 145,403 |
| 24,942 | 25,451 | 29,951 | 36,674 | 40,330 | 48,964 |
| 56,784 | 51,884 | 53,081 | 52,602 | 50,402 | 55,940 |
| <u>\$ 176,775</u> | <u>\$ 181,919</u> | <u>\$ 189,454</u> | <u>\$ 201,631</u> | <u>\$ 230,848</u> | <u>\$ 250,307</u> |

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

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

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

| Fiscal Year | | | | | | |
|------------------|------------------|------------------|------------------|------------------|------------------|--|
| 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | |
| \$ 4,240 | \$ 2,870 | \$ 5,023 | \$ 5,678 | \$ 5,918 | \$ 5,322 | |
| 20,297 | 20,306 | 22,104 | 22,733 | 23,713 | 28,925 | |
| 805 | 2,104 | 863 | 2,470 | 2,763 | 3,773 | |
| 2,009 | 2,255 | 2,387 | 1,843 | 2,264 | 1,928 | |
| 1,197 | 385 | 532 | 847 | 665 | 1,337 | |
| - | - | - | - | - | - | |
| 4,491 | 5,752 | 5,954 | 3,722 | 4,044 | 4,227 | |
| 434 | 839 | 836 | 753 | 687 | 635 | |
| <u>33,473</u> | <u>34,511</u> | <u>37,699</u> | <u>38,046</u> | <u>40,054</u> | <u>46,147</u> | |
| 5,199 | 5,634 | 6,215 | 6,425 | 7,110 | 9,108 | |
| 6,909 | 6,849 | 7,373 | 7,742 | 8,172 | 9,176 | |
| 2,869 | 3,073 | 3,027 | 3,294 | 3,467 | 3,994 | |
| 1,190 | 1,360 | 1,614 | 1,901 | 1,991 | 2,443 | |
| <u>16,167</u> | <u>16,916</u> | <u>18,229</u> | <u>19,362</u> | <u>20,740</u> | <u>24,721</u> | |
| <u>\$ 49,640</u> | <u>\$ 51,427</u> | <u>\$ 55,928</u> | <u>\$ 57,408</u> | <u>\$ 60,794</u> | <u>\$ 70,868</u> | |
| \$ 3,180 | \$ 3,874 | \$ 3,590 | \$ 3,377 | \$ 4,250 | \$ 4,884 | |
| 1,506 | 1,344 | 1,593 | 1,854 | 1,778 | 2,211 | |
| - | - | - | - | - | - | |
| 2,003 | 1,697 | 1,801 | 2,088 | 2,319 | 2,973 | |
| 1,456 | 2,233 | 2,061 | 3,307 | 2,026 | 14,583 | |
| 309 | 428 | 625 | 625 | 2,206 | 23 | |
| <u>8,454</u> | <u>9,576</u> | <u>9,670</u> | <u>11,251</u> | <u>12,579</u> | <u>24,674</u> | |
| 6,516 | 6,461 | 6,868 | 7,631 | 8,466 | 8,826 | |
| 6,507 | 6,625 | 6,989 | 7,573 | 8,074 | 8,581 | |
| 3,089 | 3,178 | 3,264 | 3,562 | 3,785 | 4,020 | |
| 1,004 | 1,378 | 1,598 | 1,695 | 1,783 | 1,880 | |
| - | - | 2,109 | 1 | - | - | |
| 6,906 | 4,535 | 5,316 | 6,575 | 22,094 | 6,313 | |
| <u>24,022</u> | <u>22,177</u> | <u>26,144</u> | <u>27,037</u> | <u>44,202</u> | <u>29,620</u> | |
| <u>\$ 32,476</u> | <u>\$ 31,753</u> | <u>\$ 35,814</u> | <u>\$ 38,288</u> | <u>\$ 56,781</u> | <u>\$ 54,294</u> | |

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

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

| | Fiscal Year | | | |
|---|--------------------|--------------------|--------------------|--------------------|
| | 2013 | 2014 | 2015 | 2016 |
| Net (Expense)/Revenue | | | | |
| Governmental activities | \$ (14,759) | \$ (16,363) | \$ (18,045) | \$ (22,510) |
| Business-type activities | 4,018 | 2,600 | 3,245 | 4,683 |
| Total primary government net expense | <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 | \$ 5,350 | \$ 6,533 | \$ 7,193 | \$ 8,998 |
| Business taxes | 111 | 126 | 130 | 140 |
| Franchise taxes | 2,123 | 2,379 | 2,502 | 2,712 |
| Utility taxes | 2,490 | 2,887 | 2,953 | 3,406 |
| Intergovernmental-unrestricted | 5,802 | 6,110 | 6,645 | 6,923 |
| Unrestricted investment earnings | 114 | 104 | 135 | 134 |
| Gain (loss) on sale of capital assets | - | - | - | 122 |
| Miscellaneous | 265 | 374 | 420 | 387 |
| Transfers in/out | 479 | 439 | 557 | 568 |
| Special item | - | - | - | - |
| Total governmental activities | <u>16,734</u> | <u>18,952</u> | <u>20,535</u> | <u>23,390</u> |
| Business-type Activities: | | | | |
| Unrestricted investment earnings | 149 | 198 | 272 | 260 |
| Gain (loss) on sale of capital assets | 18 | 2 | (1,248) | 120 |
| Miscellaneous | - | - | - | - |
| Transfers in/out | (479) | (439) | (557) | (568) |
| Total business-type activities | <u>(312)</u> | <u>(239)</u> | <u>(1,533)</u> | <u>(188)</u> |
| Total primary government | <u>\$ 16,422</u> | <u>\$ 18,713</u> | <u>\$ 19,002</u> | <u>\$ 23,202</u> |
| Change in Net Position | | | | |
| Governmental activities | \$ 1,975 | \$ 2,589 | \$ 2,490 | \$ 880 |
| Business-type activities | 3,706 | 2,361 | 1,712 | 4,495 |
| Total primary government | <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 | 2022 |
| \$ (25,019) | \$ (24,935) | \$ (28,029) | \$ (26,795) | \$ (27,477) | \$ (21,472) |
| 7,855 | 5,260 | 5,230 | 7,675 | 23,462 | 4,898 |
| <u>\$ (17,164)</u> | <u>\$ (19,675)</u> | <u>\$ (22,799)</u> | <u>\$ (19,120)</u> | <u>\$ (4,015)</u> | <u>\$ (16,574)</u> |
| | | | | | |
| \$ 9,748 | \$ 10,747 | \$ 11,945 | \$ 13,090 | \$ 14,354 | \$ 15,350 |
| 133 | 160 | 157 | 162 | 144 | 145 |
| 2,619 | 2,817 | 3,142 | 3,203 | 3,360 | 3,813 |
| 3,328 | 3,446 | 3,873 | 4,202 | 4,467 | 4,684 |
| 7,257 | 7,864 | 8,139 | 8,403 | 9,969 | 12,180 |
| 197 | 458 | 1,089 | 632 | 70 | (143) |
| 86 | 289 | 193 | - | - | 42 |
| 486 | 342 | 352 | 623 | 721 | 433 |
| 1,367 | 2,013 | 2,106 | 2,177 | 2,346 | 294 |
| - | - | - | - | - | - |
| <u>25,221</u> | <u>28,136</u> | <u>30,996</u> | <u>32,492</u> | <u>35,431</u> | <u>36,798</u> |
| | | | | | |
| 255 | 379 | 1,295 | 953 | 106 | (472) |
| 24 | 31 | 150 | 29 | 40 | 1 |
| - | - | - | - | - | - |
| (1,367) | (2,013) | (2,106) | (2,177) | (2,346) | (294) |
| <u>(1,088)</u> | <u>(1,603)</u> | <u>(661)</u> | <u>(1,195)</u> | <u>(2,200)</u> | <u>(765)</u> |
| <u>\$ 24,133</u> | <u>\$ 26,533</u> | <u>\$ 30,335</u> | <u>\$ 31,297</u> | <u>\$ 33,231</u> | <u>\$ 36,033</u> |
| | | | | | |
| \$ 202 | \$ 3,202 | \$ 2,968 | \$ 5,697 | \$ 7,954 | \$ 15,326 |
| 6,767 | 3,657 | 4,568 | 6,480 | 21,262 | 4,133 |
| <u>\$ 6,969</u> | <u>\$ 6,859</u> | <u>\$ 7,536</u> | <u>\$ 12,177</u> | <u>\$ 29,216</u> | <u>\$ 19,459</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 | | | |
|------------------------------------|--------------------|-----------------|-----------------|-----------------|
| | 2013 | 2014 | 2015 | 2016 |
| General Fund | | | | |
| Nonspendable | \$ 189 | \$ 53 | \$ 1,300 | \$ 548 |
| Restricted | 257 | 312 | 247 | 259 |
| Assigned | 765 | 1,202 | 304 | - |
| Unassigned | 8,878 | 7,669 | 7,014 | 7,886 |
| Total general fund | <u>\$ 10,089</u> | <u>\$ 9,236</u> | <u>\$ 8,865</u> | <u>\$ 8,693</u> |
| All other governmental funds | | | | |
| Nonspendable | \$ 939 | \$ 1,064 | \$ 1,466 | \$ 1,922 |
| Restricted | 8,295 | 8,604 | 7,659 | 4,310 |
| Assigned | - | - | - | 1,226 |
| Unassigned | - | - | - | - |
| Total all other governmental funds | <u>\$ 9,234</u> | <u>\$ 9,668</u> | <u>\$ 9,125</u> | <u>\$ 7,458</u> |

| Fiscal Year | | | | | |
|--------------------|------------------|------------------|------------------|------------------|------------------|
| 2017 | 2018 | 2019 | 2020 | 2021 | 2022 |
| \$ 578 | \$ 641 | \$ 283 | \$ 356 | \$ 453 | \$ 462 |
| 266 | 228 | 205 | 359 | 448 | 418 |
| 3 | 3 | 18 | 3,227 | 1,390 | 1,368 |
| 7,137 | 7,104 | 8,182 | 7,859 | 11,617 | 17,840 |
| <u>\$ 7,984</u> | <u>\$ 7,976</u> | <u>\$ 8,688</u> | <u>\$ 11,801</u> | <u>\$ 13,908</u> | <u>\$ 20,088</u> |
| \$ 1,683 | \$ 4 | \$ 7 | \$ 9 | \$ 13 | \$ 10 |
| 5,885 | 8,361 | 9,376 | 12,111 | 14,450 | 18,263 |
| 22,621 | 21,720 | 18,700 | 15,476 | 11,215 | 11,198 |
| - | - | - | - | - | - |
| <u>\$ 30,189</u> | <u>\$ 30,085</u> | <u>\$ 28,083</u> | <u>\$ 27,596</u> | <u>\$ 25,678</u> | <u>\$ 29,471</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 | | | |
|--|-------------------|-----------------|-----------------|-------------------|
| | 2013 | 2014 | 2015 | 2016 |
| Revenues | | | | |
| Taxes | \$ 7,951 | \$ 9,546 | \$ 10,275 | \$ 12,544 |
| Franchise fees | 2,123 | 2,379 | 2,502 | 2,712 |
| Licenses and permits | 884 | 941 | 788 | 1,298 |
| Intergovernmental | 6,729 | 8,796 | 8,772 | 8,790 |
| Charges for services | 1,085 | 1,212 | 1,312 | 1,652 |
| Fines and forfeitures | 172 | 589 | 757 | 703 |
| Impact fees/special assessments | 1,909 | 1,401 | 1,858 | 1,702 |
| Investment Earnings | 108 | 99 | 131 | 131 |
| Miscellaneous | 622 | 915 | 1,047 | 1,007 |
| Total revenues | <u>21,583</u> | <u>25,878</u> | <u>27,442</u> | <u>30,539</u> |
| Expenditures | | | | |
| Current: | | | | |
| General government | 3,148 | 3,776 | 3,600 | 4,070 |
| Public safety | 12,579 | 13,571 | 14,844 | 17,520 |
| Physical environment | 307 | 423 | 744 | 777 |
| Transportation | 1,263 | 1,635 | 1,635 | 1,878 |
| Economic environment | 722 | 365 | 564 | 482 |
| Human services | - | - | - | - |
| Culture and recreation | 2,014 | 2,948 | 3,725 | 5,038 |
| Capital outlay | 2,638 | 9,381 | 2,695 | 8,514 |
| Debt service: | | | | |
| Principal | 3,080 | 571 | 884 | 6,280 |
| Interest | 122 | 177 | 198 | 342 |
| Total expenditures | <u>25,873</u> | <u>32,847</u> | <u>28,889</u> | <u>44,901</u> |
| Excess (deficiency) of revenues over expenditures | <u>(4,290)</u> | <u>(6,969)</u> | <u>(1,447)</u> | <u>(14,362)</u> |
| Other financing sources (uses) | | | | |
| Transfers in | 3,091 | 9,337 | 3,857 | 11,897 |
| Transfers out | (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) | <u>3,091</u> | <u>6,549</u> | <u>534</u> | <u>12,520</u> |
| Net change in fund balances | <u>\$ (1,199)</u> | <u>\$ (420)</u> | <u>\$ (913)</u> | <u>\$ (1,842)</u> |
| Debt service as a percentage of noncapital expenditures | 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 | 2022 |
| \$ 13,208 | \$ 14,353 | \$ 15,974 | \$ 17,453 | \$ 18,964 | \$ 20,178 |
| 2,619 | 2,817 | 3,142 | 3,202 | 3,360 | 3,813 |
| 1,594 | 2,249 | 1,927 | 1,691 | 2,259 | 2,791 |
| 9,054 | 10,559 | 10,860 | 12,342 | 12,245 | 26,786 |
| 1,746 | 2,103 | 2,188 | 2,483 | 2,825 | 3,213 |
| 358 | 204 | 230 | 241 | 176 | 186 |
| 2,341 | 1,738 | 1,959 | 2,530 | 2,457 | 3,269 |
| 192 | 446 | 1,065 | 615 | 69 | (138) |
| 1,122 | 971 | 965 | 978 | 1,370 | 1,051 |
| <u>32,234</u> | <u>35,440</u> | <u>38,310</u> | <u>41,535</u> | <u>43,725</u> | <u>61,149</u> |
| 3,911 | 3,948 | 4,609 | 4,892 | 5,750 | 5,060 |
| 18,488 | 19,750 | 21,618 | 21,452 | 24,291 | 26,626 |
| 869 | 881 | 982 | 2,550 | 2,748 | 2,832 |
| 1,687 | 1,927 | 2,165 | 1,546 | 2,072 | 1,957 |
| 324 | 343 | 372 | 786 | 608 | 618 |
| - | - | - | - | - | - |
| 5,996 | 5,199 | 6,302 | 2,901 | 3,027 | 3,838 |
| 2,112 | 4,085 | 3,846 | 4,070 | 4,517 | 8,400 |
| 1,077 | 979 | 2,096 | 2,147 | 2,202 | 2,255 |
| 272 | 805 | 829 | 772 | 711 | 655 |
| <u>34,736</u> | <u>37,917</u> | <u>42,819</u> | <u>41,116</u> | <u>45,926</u> | <u>52,241</u> |
| <u>(2,502)</u> | <u>(2,477)</u> | <u>(4,509)</u> | <u>419</u> | <u>(2,201)</u> | <u>8,908</u> |
| 26,725 | 7,697 | 4,937 | 5,152 | 5,179 | 23,636 |
| (25,957) | (6,332) | (2,834) | (2,974) | (2,833) | (22,785) |
| 23,670 | - | - | - | - | - |
| - | - | 919 | - | - | - |
| 86 | 1,000 | 198 | 29 | 44 | 214 |
| <u>24,524</u> | <u>2,365</u> | <u>3,220</u> | <u>2,207</u> | <u>2,390</u> | <u>1,065</u> |
| <u>\$ 22,022</u> | <u>\$ (112)</u> | <u>\$ (1,289)</u> | <u>\$ 2,626</u> | <u>\$ 189</u> | <u>\$ 9,973</u> |
| 4.6% | 5.7% | 8.3% | 8.2% | 7.2% | 6.2% |

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 |
|--------------------|---------------------|--------------------|---------------------|-----------------------|--------------|
| 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 |
| 2022 | 15,350 | 4,684 | 145 | 3,813 | 23,992 |

Taxes Included in Unrestricted Intergovernmental Revenues

| Fiscal Year | Sales Tax | State Revenue Sharing | Local Option Gas Tax | Total |
|--------------------|------------------|------------------------------|-----------------------------|--------------|
| 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 |
| 2022 | 3,333 | 1,930 | 574 | 5,837 |

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 |
|---------------------------------|-----------------------|--------------------------|----------------------------------|-------------------------------------|------------------------------|---------------------------------------|---|
| 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% |
| 2022 | 4,396,812 | 258,785 | 937,103 | 3,718,493 | 4.2061 | 4,655,597 | 79.87% |

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 | | | | | |
| 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 |
| 2022 | 4.2061 | 5.0529 | 0.0918 | 0.4629 | 6.5920 | - | 0.3229 | 0.2189 | 16.9475 |

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

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

(amounts expressed in thousands)

| <u>Taxpayer</u> | 2022 | | | 2013 | | |
|---|-------------------------------|-------------|---|-------------------------------|-------------|---|
| | <u>Taxable Assessed Value</u> | <u>Rank</u> | <u>Percentage of Total Taxable Assessed Value</u> | <u>Taxable Assessed Value</u> | <u>Rank</u> | <u>Percentage of Total Taxable Assessed Value</u> |
| Vista at Lost Lake TIC I LLC | 58,304 | 1 | 1.70% | | | |
| BR Citrus Tower LLC | 46,171 | 2 | 1.34% | | | |
| Advenir at Castle Hill LLC | 44,860 | 3 | 1.31% | | | |
| John P. Adams & Ann D. Adams Family LP | 40,419 | 4 | 1.18% | 24,625 | 1 | 1.43% |
| US 27-Clermont LLC | 38,514 | 5 | 1.12% | | | |
| South Lake Hospital, Inc. | 38,506 | 6 | 1.12% | 11,861 | 7 | 0.69% |
| Palisades of Clermont LLC | 33,131 | 7 | 0.96% | | | |
| Westdale Sundance LTD | 29,494 | 8 | 0.86% | 16,372 | 3 | 0.95% |
| Clermont LL LLC | 23,655 | 9 | 0.69% | | | |
| Weingarten I-4 Clermont Landing | 21,064 | 10 | 0.61% | 12,370 | 5 | 0.72% |
| Fountains at Clermont LLC | | | | 18,251 | 2 | 1.06% |
| MRP Lost Lake LLC | | | | 15,844 | 4 | 0.92% |
| Village at East Lake | | | | 12,296 | 6 | 0.71% |
| Progress Energy Florida, Inc | | | | 10,022 | 9 | 0.58% |
| Wal-Mart Stores East LP | | | | 10,065 | 8 | 0.58% |
| Target Corporation | | | | 9,198 | 10 | 0.53% |
| TOTAL | \$ 374,118 | | 10.89% | \$ 140,904 | | 8.16% |

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 |
| 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% |
| 2022 | 15,640 | 14,827 | 94.8% | 3 | 14,830 | 94.8% |

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 | | | |
| 2013 | \$ - | \$ - | \$ 2,612 | \$ 14,979 | \$ - | \$ 17,591 | * | \$ 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 | 3.03% | 954 |
| 2022 | - | 577 | 24,766 | 8,800 | 4,875 | 39,018 | 2.30% | 852 |

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 136 for personal income and population data.

City of Clermont, Florida
Direct and Overlapping Governmental Activities Debt
September 30, 2022

(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 | \$ 107,408 | 14.09% | \$ 15,134 |
| Lake County School District | 148,494 | 12.65% | \$ 18,784 |
| Subtotal, overlapping debt | | | 33,918 |
| City of Clermont, direct debt | 25,343 | 100.00% | 25,343 |
| Total direct and overlapping debt | | | <u>\$ 93,179</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 | |
| 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 | ** | ** | ** |
| 2022 | 4,684,059 | 1,414,867 | 3,333,085 | 9,432,011 | ** | ** | ** |

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 |
| 2022 | 4,684,059 | 1,414,867 | 6,098,926 | 409,469 | 67,263 | 12.79 |

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 | |
| 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 |
| 2022 | 5,337,140 | 342,365 | 76,283 | 12.75 |

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 | |
| 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 |
| 2022 | 5,337,140 | 2,068,218 | 1,879,538 | 4,019,607 | 13,304,503 | 1,791,000 | 631,213 | 5.49 |

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 | |
| 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 |
| 2022 | 16,940,418 | 11,846,046 | 5,094,372 | 879,000 | 222,280 | 4.63 |

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 |
|--------------------|-------------------------------|---|---|-------------------------------|---|--------------------------------------|--------------------------------------|
| 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% |
| 2022 | 45,812 | 1,699,579 | 37,099 | 42.4 | 14.1 | 9,668 | 2.6% |

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>2022</u> | | | <u>2013</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 | 20,189 | | | 23,532 | | |
| South Lake Hospital, Inc. | 1,784 | 1 | 8.84% | 1,045 | 1 | 4.44% |
| Publix Supermarkets | 991 | 2 | 4.91% | 610 | 2 | 2.59% |
| Lake County Sheriff's Office | 762 | 3 | 3.77% | | | |
| Lake County School System | 714 | 4 | 3.54% | 340 | 4 | 1.44% |
| City of Clermont | 418 | 5 | 2.07% | 253 | 7 | 1.08% |
| Walmart | 392 | 6 | 1.94% | 316 | 5 | 1.34% |
| Lowe's | 356 | 7 | 1.76% | | | |
| Target Corporation | 334 | 8 | 1.65% | 310 | 6 | 1.32% |
| Senningers | 182 | 9 | 0.90% | | | |
| Clermont Health & Rehab | 180 | 10 | 0.89% | | | |
| Crotthall Laundry Services | | | | 520 | 3 | 2.21% |
| Winn Dixie | | | | 207 | 8 | 0.88% |
| Senninger Irrigation | | | | 190 | 9 | 0.81% |
| Clermont Health & Rehab Ctr | | | | 175 | 10 | 0.74% |
| TOTAL | <u>6,113</u> | | <u>30.28%</u> | <u>3,966</u> | | <u>16.85%</u> |

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

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

| <u>Employer</u> | <u>2022</u> | | | <u>2013</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 South | 75,111 | 1 | 1.98% | 242,120 | 1 | 10.12% |
| SLMH | 30,481 | 2 | 0.80% | 33,259 | 3 | 1.39% |
| Kings Ridge North | 26,544 | 3 | 0.70% | | | |
| Orlando VP LLC | 22,866 | 4 | 0.60% | | | |
| Vista at Lost Lake TIC I LLC | 12,915 | 5 | 0.34% | 13,532 | 6 | 0.57% |
| Clermont TT, LLC | 11,907 | 6 | 0.31% | | | |
| Sandpiper Orlando Clermont, LLC | 10,971 | 7 | 0.29% | | | |
| Carwash Headquarters, Inc DBA Mister | 10,727 | 8 | 0.28% | | | |
| Senniger Irrigation | 9,584 | 9 | 0.25% | | | |
| Taylor Morrison | 54,485 | 10 | 1.44% | | | |
| City of Clermont | | | | 51,140 | 2 | 2.14% |
| Lake County School System | | | | 26,315 | 4 | 1.10% |
| Westminster Comm Care Svcs | | | | 17,026 | 5 | 0.71% |
| Gardens at Citrus Towers | | | | 13,267 | 7 | 0.55% |
| Sundance Clermont Apartments | | | | 11,820 | 8 | 0.49% |
| Village at East Lake Apartments LTD | | | | 11,646 | 9 | 0.49% |
| Osprey Ridge Apartments LTD | | | | 9,287 | 10 | 0.39% |
| TOTAL | <u>265,591</u> | | <u>7.01%</u> | <u>429,412</u> | | <u>17.95%</u> |

¹ The City of Clermont had a total metered water flow of approximately 3,789,411 gallons for the 12-month period ending September 30, 2022

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

| <u>Employer</u> | <u>2022</u> | | | <u>2013</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> |
| Orlando VP LLC | 33,837 | 1 | 2.90% | | | |
| Town of Oakland | 33,284 | 2 | 2.86% | | | |
| SLMH | 30,481 | 3 | 2.62% | 33,262 | 1 | 2.46% |
| Vista at Lost Lake West | 10,315 | 4 | 0.89% | | | |
| Clermont TT LLC | 11,907 | 5 | 1.02% | | | |
| Carwash Headquarters | 10,727 | 6 | 0.92% | | | |
| Senniger Irrigation | 9,584 | 7 | 0.82% | | | |
| Emerald Lakes of Clermont | 9,017 | 8 | 0.77% | 7,496 | 6 | 0.56% |
| Vista at Lost Lake East | 8,675 | 9 | 0.74% | 13,532 | 4 | 1.00% |
| Pinecrest Lakes Academy | 8,342 | 10 | 0.72% | | | |
| Lake County Schools | | | | 17,715 | 2 | 1.31% |
| Westminster Comm Care Service | | | | 16,191 | 3 | |
| Villages at East Lake | | | | 11,646 | 5 | 0.86% |
| City of Clermont | | | | 7,285 | 7 | 0.54% |
| Mister Car Wash | | | | 5,445 | 8 | 0.40% |
| Oak Ridge Apartments | | | | 4,093 | 9 | 0.30% |
| Liberty Value Place | | | | 3,851 | 10 | 0.29% |
| TOTAL | 166,169 | | 14.26% | 120,516 | | 8.93% |

¹ The City of Clermont had a total metered water flow for wastewater billing purposes of approximately 1,164,883 gallons for the 12-month period ending September 30, 2022

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 | | | |
|----------------------|---|---------------|---------------|---------------|
| | <u>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> |
| General Government | 26.66 | 31.56 | 36.00 | 36.00 |
| Public Safety: | | | | |
| Police | | | | |
| Sworn personnel | 57.00 | 61.00 | 61.00 | 66.00 |
| Non sworn personnel | 6.00 | 6.00 | 6.00 | 6.00 |
| Fire | | | | |
| Firefighters | 47.80 | 56.80 | 56.80 | 59.80 |
| Other personnel | 2.00 | 5.20 | 4.20 | 4.20 |
| Building Services | 0.60 | 6.00 | 6.00 | 7.00 |
| Physical Environment | 4.95 | 4.70 | 7.45 | 8.70 |
| Transportation | 14.65 | 12.95 | 12.85 | 12.60 |
| Human Services | 0.00 | 0.00 | 0.00 | 0.00 |
| Culture & Recreation | 21.10 | 27.25 | 33.35 | 35.35 |
| Water | 29.66 | 30.61 | 29.35 | 29.65 |
| Sewer | 23.78 | 23.88 | 24.15 | 26.45 |
| Stormwater | 6.72 | 6.87 | 6.65 | 7.75 |
| Sanitation | 17.08 | 17.18 | 18.20 | 18.50 |
| Total | <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> | <u>2022</u> |
|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| 38.70 | 41.45 | 49.50 | 48.90 | 49.90 | 54.06 |
| 70.00 | 79.00 | 81.00 | 86.00 | 88.00 | 92.00 |
| 6.00 | 7.00 | 7.00 | 7.00 | 8.00 | 9.00 |
| 66.50 | 74.20 | 81.00 | 81.00 | 81.00 | 82.00 |
| 6.50 | 8.80 | 8.00 | 8.00 | 8.00 | 7.00 |
| 11.30 | 11.55 | 12.30 | 13.55 | 14.55 | 13.78 |
| 10.70 | 10.70 | 10.70 | 9.65 | 9.65 | 9.65 |
| 14.60 | 16.60 | 11.9 | 11.73 | 11.73 | 11.73 |
| 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 39.35 | 40.60 | 37.50 | 39.22 | 39.22 | 39.22 |
| 29.15 | 30.45 | 30.55 | 32.70 | 36.70 | 35.63 |
| 26.95 | 31.25 | 31.40 | 32.50 | 34.50 | 35.13 |
| 10.25 | 10.10 | 13.85 | 13.95 | 13.95 | 14.98 |
| <u>21.00</u> | <u>21.30</u> | <u>21.30</u> | <u>20.80</u> | <u>20.80</u> | <u>20.82</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> | <u><u>425.00</u></u> |

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

| Function | Fiscal Year | | | | |
|--|-------------|-----------|-----------|-----------|-----------|
| | 2013 | 2014 | 2015 | 2016 | 2017 |
| General Government | | | | | |
| Municipal boundary (square miles) | 14.95 | 15.18 | 16.65 | 16.78 | 16.78 |
| Business Tax Receipts issued | 2,483 | 1,955 | 1,701 | 1,639 | 1,633 |
| A/P Checks issued | 2,288 | 3,529 | 2,747 | 3,276 | 3,651 |
| Commercial construction (units) | 20 | 15 | 16 | 20 | 14 |
| - value in thousands | 34,268 | 17,288 | 8,625 | 42,241 | 13,302 |
| Residential construction (units) | 327 | 572 | 323 | 740 | 433 |
| - value in thousands | 53,055 | 62,117 | 55,178 | 103,423 | 87,873 |
| Multi Family construction (units) | - | - | - | - | - |
| - value in thousands | - | - | - | - | - |
| Public Safety: | | | | | |
| Police | | | | | |
| Auto accidents | 1,402 | 1,357 | 1,573 | 1,909 | 1,909 |
| Physical arrests | 886 | 631 | 652 | 589 | 593 |
| 911 calls received | 6,352 | 6,643 | 7,618 | 6,397 | 6,809 |
| Evidence processed (pieces) | 2,930 | 2,384 | 989 | 674 | 1,165 |
| Parking violations | 252 | 379 | 144 | 181 | 385 |
| Traffic violations | 7,225 | 4,623 | 6,879 | 7,421 | 6,713 |
| Fire | | | | | |
| Volunteer firefighters | - | - | - | - | - |
| Fire inspections completed | 1,240 | 3,766 | 3,813 | 4,468 | 2,586 |
| Emergency calls answered | 3,414 | 4,127 | 4,202 | 6,001 | 6,828 |
| Non-emergency calls answered | 447 | 987 | 523 | 806 | 925 |
| Water | | | | | |
| Residential accounts | 19,399 | 19,670 | 13,242 * | 13,561 | 14,339 |
| Commercial accounts | 1,232 | 1,234 | 1,211 | 1,220 | 1,235 |
| Annual water usage (thousands of gallons) | 2,392,022 | 2,406,183 | 2,521,397 | 2,572,852 | 2,743,657 |
| Sewer | | | | | |
| Residential accounts | 13,407 | 13,718 | 13,578 | 13,860 | 14,619 |
| Commercial accounts | 1,194 | 1,055 | 1,074 | 1,091 | 1,106 |

Sources: Various government departments.

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

Fiscal Year

| 2018 | 2019 | 2020 | 2021 | 2022 |
|-------------|-------------|-------------|-------------|-------------|
| 17.12 | 19.00 | 19.10 | 19.20 | 19.34 |
| 1,623 | 1,585 | 1,572 | 1,968 | 1,752 |
| 3,872 | 3,859 | 3,543 | 3,846 | 3,905 |
| 20 | 15 | 10 | 16 | 26 |
| 42,042 | 30,862 | 13,695 | 52,737 | 61,307 |
| 387 | 377 | 428 | 591 | 673 |
| 104,394 | 87,927 | 92,541 | 110,912 | 134,829 |
| - | - | - | - | 301 |
| - | - | - | - | 31,945 |
| 1,802 | 2,082 | 1,780 | 1,673 | 2,209 |
| 569 | 663 | 632 | 590 | 548 |
| 7,943 | 9,185 | 8,703 | 9,880 | 9,124 |
| 1,040 | 1,821 | 1,331 | 1,787 | 2,107 |
| 147 | 101 | 319 | 403 | 522 |
| 4,676 | 4,790 | 4,340 | 3,394 | 3,576 |
| - | - | - | - | - |
| 2,203 | 2,493 | 2,445 | 3,112 | 2,154 |
| 5,689 | 5,367 | 6,199 | 6,549 | 6,977 |
| 989 | 1,493 | 814 | 1,593 | 1,847 |
| 14,805 | 15,311 | 15,882 | 16,283 | 16,919 |
| 1,498 | 1,283 | 1,283 | 1,344 | 1,353 |
| 2,687,665 | 2,816,071 | 3,090,626 | 3,568,993 | 3,789,411 |
| 15,198 | 15,669 | 16,330 | 17,670 | 19,160 |
| 1,107 | 1,126 | 1,135 | 1,342 | 1,425 |

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

| Function | Fiscal Year | | | | |
|-----------------------------|-------------|--------|---------|---------|--------|
| | 2013 | 2014 | 2015 | 2016 | 2017 |
| General Government | | | | | |
| Public Safety: | | | | | |
| Police | | | | | |
| Police stations | 1 | 1 | 1 | 1 | 1 |
| Patrol units | 55 | 57 | 79 | 95 | 98 |
| Fire | | | | | |
| Fire department facilities | 4 | 4 | 3 | 4 | 5 |
| Staffed fire stations | 3 | 3 | 3 | 4 | 4 |
| Fire hydrants | 2,120 | 2,146 | 2,200 | 2,646 | 2,646 |
| Fire apparatus | 8 | 8 | 12 | 6 | 7 |
| Staffed fire apparatus | 5 | 5 | 3 | 6 | 6 |
| ALS non-transport units | 4 | 4 | 3 | 1 | 6 |
| Transportation | | | | | |
| Streets paved (miles) | 173.91 | 191.52 | 202.38 | 210.00 | 210.60 |
| Streetlights | 3,103 | 3,127 | 3,158 | 3,160 | 1,309 |
| Culture & Recreation | | | | | |
| Number of parks | 23 | 23 | 23 | 23 | 24 |
| Parks acreage | 349.5 | 349.5 | 378.0 | 443.9 | 443.9 |
| Scenic linear trail (miles) | 5.7 | 5.7 | 5.7 | 7.5 | 7.5 |
| Tennis courts | 9 | 9 | 9 | 9 | 9 |
| Pickleball courts | - | - | - | - | - |
| Piers | 5 | 5 | 10 | 11 | 11 |
| Boat ramp | 1 | 1 | 1 | 1 | 1 |
| Water | | | | | |
| Miles of water mains | 243.14 | 222.75 | 230.28 | 229.44 | 297.00 |
| Sewer | | | | | |
| Miles of sanitary sewers | 160.42 | 161.25 | 167.60 | 168.57 | 220.00 |
| Miles of storm sewers | 109.05 | 133.70 | 48.22 * | 47.63 * | 47.56 |

Sources: Various government departments.

* Does not include private systems

| Fiscal Year | | | | |
|--------------------|-------------|-------------|-------------|-------------|
| 2018 | 2019 | 2020 | 2021 | 2022 |
| 1 | 1 | 1 | 1 | 1 |
| 104 | 106 | 107 | 106 | 116 |
| 5 | 5 | 5 | 5 | 5 |
| 4 | 4 | 4 | 4 | 4 |
| 2,646 | 2,456 | 2,456 | 2,456 | 2,475 |
| 9 | 9 | 9 | 9 | 9 |
| 7 | 7 | 7 | 7 | 7 |
| 6 | 7 | 7 | 9 | 9 |
| 210.60 | 210.60 | 210.60 | 210.60 | 202.00 |
| 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 |
| 8.0 | 8.0 | 8.0 | 8.0 | 8.0 |
| 9 | 9 | 9 | 9 | 9 |
| - | - | - | - | 6 |
| 9 | 9 | 9 | 9 | 9 |
| 1 | 1 | 1 | 1 | 1 |
| 297.81 | 331.86 | 334.98 | 354.16 | 359.18 |
| 224.00 | 236.34 | 238.58 | 254.61 | 354.95 |
| * 48.36 * | 50.38 * | 50.38 * | 51.46 * | 72.89 * |



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, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Clermont, Florida (the "City"), as of and for the year ended September 30, 2022, 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 1, 2024.

Report on Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control 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 22-01 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 cash, 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.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City'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 22-02- 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

Government Auditing Standards requires the auditor to perform limited procedures on the City's response to the findings identified in our audit and described 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.



Orlando, FL
April 1, 2024

**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

Opinion on Each Major Federal Program

We have audited the *City of Clermont, Florida's* (the City) compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended September 30, 2022. 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.

In our opinion, the City complied, in all material respects, with the 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, 2022.

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the City's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.

- Obtain an understanding of the City's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control over Compliance

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

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

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

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

McDiarmid Davis

Orlando, Florida
April 1, 2024

City of Clermont, Florida
Schedule of Expenditures of Federal Awards
Year Ended September 30, 2022

| Federal Grantor Pass-Through Grantor Grantor program title | Assistance Listing Number | Agency or Pass-through Entity Grant Number | Expenditures |
|--|---------------------------------|---|---------------|
| U.S. Department of Justice (DOJ) | | | |
| Equitable Sharing | 16.922 | | 56,546 |
| Bulletproof Vest Partnership | 16.607 | | 5,490 |
| State of Florida, Department of Law Enforcement | | | |
| Byrne Memorial Justice Assistance Grants Program | 16.738 | 2021-JAGC-LAKE-4-3B-057 | 7,215 |
| Byrne Memorial Justice Assistance Grants Program | 16.738 | 2022-JAGD-LAKE-1-4B-027 | 5,653 |
| State of Florida, Office of the Attorney General | | | |
| Victims of Crime Act | 16.575 | VOCA-2021-CLERMONT | 1,117 |
| Lake County | | | |
| Mobile Crisis Response Officer | 16.745 | BJA-2018-13605/13907 | 2,758 |
| Total U.S. Department of Justice (DOJ) | | | 78,779 |
| U.S. Department of Treasury | | | |
| Coronavirus State and Local Fiscal Recovery Funds * | 21.027 | | 12,016,535 |
| Total Department of Treasury | | | 12,016,535 |
| Executive Office of the President -Office of National Drug Control Policy | | | |
| Seminole County Sheriff Office | | | |
| High Intensity Drug Trafficking Areas | 95.001 | G18CF0008A | 19,645 |
| Total Executive Office of the President -Office of National Drug Control Policy | | | 19,645 |
| U.S. Department of Homeland Security (DHS) | | | |
| State of Florida, Department of Emergency Management | | | |
| Assistance to Firefighters Grant | 97.077 | EMW-2020-FP-00259 | 4,381 |
| Assistance to Firefighters Grant | 97.077 | EMW-2020-FG-15036 | 71,404 |
| Total U.S. Department of Homeland Security (DHS) | | | 75,785 |
| Total Expenditures of Federal Awards | | | \$ 12,190,744 |

* 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, 2022. 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, 2022, even if grant or loan was received subsequent to that date. Federal expenditures are recognized following the cost principles contained in the Uniform Guidance wherein certain types of expenditures are not allowed or are limited as to reimbursement. 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 | Assistance Listing No. 21.027 | Coronavirus State and Local Fiscal Recovery Funds |
| 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, 2021. | |



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, 2022, and have issued our report thereon dated April 1, 2024.

Auditor’s Responsibility

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance); and Chapter 10.550, Rules of the 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 1, 2024, 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 # | 2020-21 FY Finding # | 2019-20 FY Finding ## |
| ML 22-01 | ML 21-01 | ML 20-01 |
| ML 22-02 | ML 21-02 | ML 20-02 |

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.

Additional Matters

Section 10.554(1)(i)3., Rules of the Auditor General, requires us to communicate noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but which warrants the attention of those charged with governance. In connection with our audit, we noted on finding of noncompliance.

ML22-03 Investment Policy

During the audit, we noted that the required continuing education courses were not taken and properly documented by the designated individual as required by the City's investment policy and Florida Statutes. We recommend that the City implement procedures to ensure the proper continuing education courses are taken and documented each year as required by Florida Statutes.

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.

McDiarmid Davis

Orlando, Florida
April 1, 2024



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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, 2022. 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, 2022, except for the noncompliance disclosed in management comment 22-03.

McDermitt Davis

Orlando, Florida
April 1, 2024