



COMPREHENSIVE ANNUAL FINANCIAL REPORT

For Fiscal Year Ended September 30, 2020

City of Clermont, Florida





Boating is a way of life for many Clermont residents. Special memories are made cruising along the pristine Clermont Chain of Lakes, soaking up the sun and admiring Clermont's beautiful hills on the horizon. When the city's new boat ramp opened in January 2020, boaters were delighted to have twice the launching pads, increased parking and added mooring slips. Valuable feedback from the community helped determine the best location at 140 East Ave., shifting motorized watercrafts away from those without motors. Several grants supported the project. The Clermont Boat Ramp's completion was another milestone in the city's Downtown-Waterfront Master Plan. www.ClermontFL.gov/MasterPlan

CITY OF CLERMONT FLORIDA

Comprehensive Annual Financial Report

For The Year Ended September 30, 2020



**Prepared by:
Finance Department**



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INTRODUCTORY SECTION





BRIAN M. BULTHUIS
CITY MANAGER

352-241-7358
BBulthuis@Clermontfl.org

December 20, 2021

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, 2020. 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, 2020.

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, 2020 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, 2020 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 19.1 square miles and a population of approximately 44,301. 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 9,634 residents or 27.79%. Clermont's economic factors for FY 2020 indicated impacts from the pandemic in both unemployment and per capita personal income levels. The per capita personal income levels have increased \$598 or 2.02% over the last 5 years, however there was a 6.4% decline in this area compared to 2019. The City's unemployment rate also has increased from 4.4% to 6.7% over the last 5 years, this rate continues to be below the county, state and national averages. Both of these areas have been impacted by the pandemic. Educational institutions in Clermont, such as Lake-Sumter State College, St. Leo University and the University of Central Florida, assist in supplying a skilled labor force. One of the highlighted areas of change has been the increase in property values; this year had a 9.33% 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 is under construction with expected completion in 2021. Phase two design is underway with construction starting in 2021 and phase three design beginning shortly after. The total project is anticipated to cost approximately \$14 million.
- The **Public Services Facility Relocation** project involves the expansion and relocation of the existing antiquated facility. The new facility is proposed to be relocated to the Hancock Road corridor, an area that will allow for a larger, more centralized Public Services Facility. The land acquisition has been completed and is currently in the final design phase with bidding and construction to follow. The project is anticipated to cost approximately \$12 million.

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

- The **Wastewater Treatment Facility Expansion** project is required in order to meet the increased demand generated within the service area. The project is currently in the design phase to take the facility from the existing permitted capacity of 4 MGD to 6.5 MGD with the design portion anticipated to be complete in early 2022 followed by construction starting during the summer of 2022. 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 \$32 million.

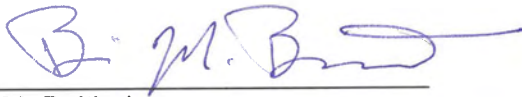
Awards and Acknowledgements

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, 2019. This was the 32nd consecutive year that the City has received this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

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

Respectfully submitted,



Brian M. Bulthuis
City Manager



Pamela M. Brosonski
Finance Director



Government Finance Officers Association

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

Presented to

**City of Clermont
Florida**

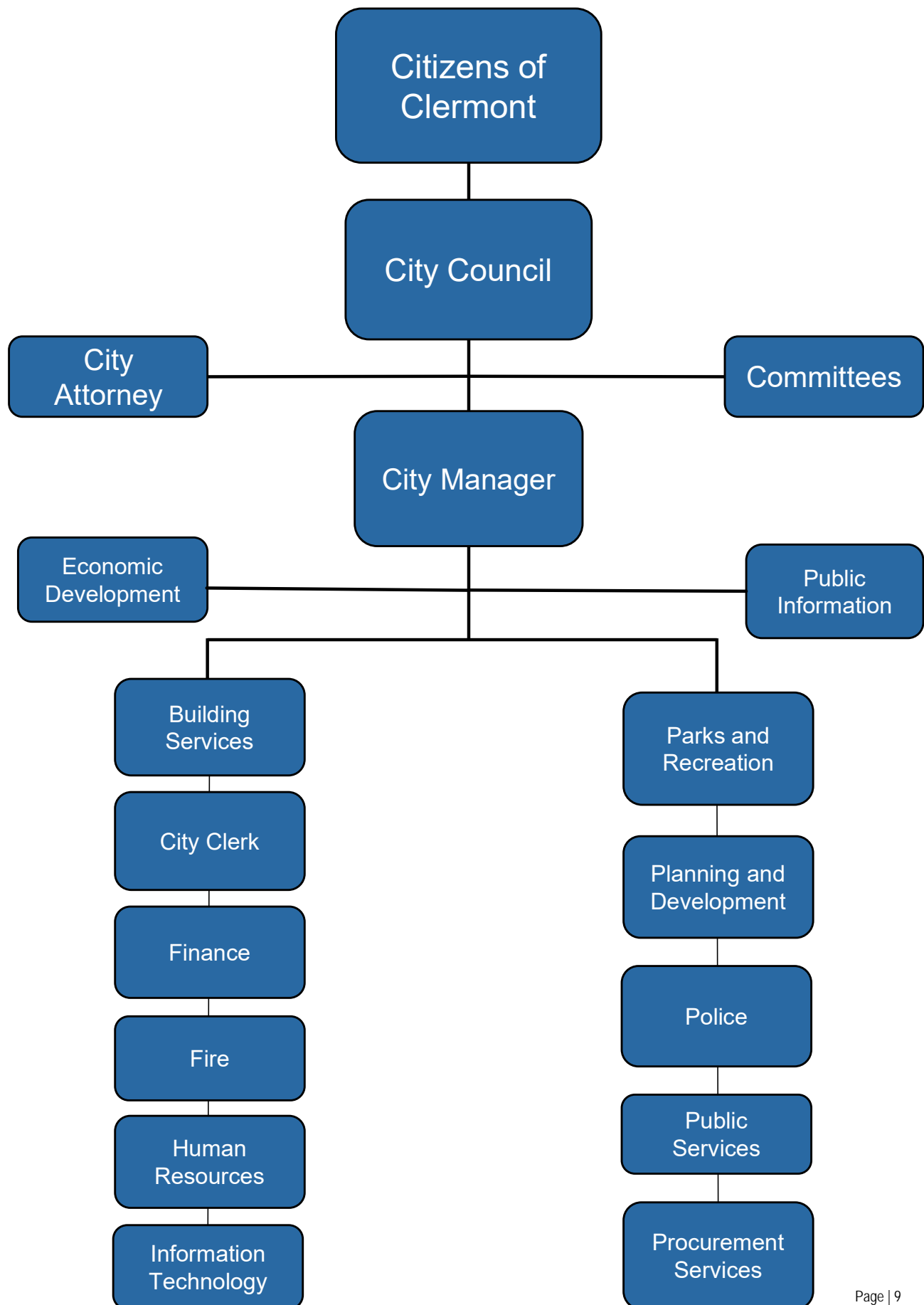
For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

September 30, 2019

Christopher P. Morrell

Executive Director/CEO

**City of Clermont, Florida
Organization Chart
For the Fiscal Year Ended September 30, 2020**



**City of Clermont, Florida
List of Elected and Appointed Officials
For the Fiscal Year Ended September 30, 2020**

Elected Officials

Gail L. Ash
Mayor

Diane Travis
Mayor Pro-Tem

Jim Purvis
Council Member

Timothy Bates
Council Member

Vacant
Council Member

Appointed Officials

Darren S. Gray
City Manager

Susan Dauderis
Assistant City Manager

David Ezell
Fire Chief

Dan Mantzaris
City Attorney

Nadine Ohlinger
Human Resources Director

Tracy Ackroyd Howe
City Clerk

Don Dennis
Information Technology Director

Kathryn Deen
Communications Director

Scott Davidoff
Parks and Recreation Director

Lisa Widican
Building Services Director

Charles Broadway
Police Chief

Curt Henschel
Planning & Development Services Director

Stoney Brunson
Public Services Director

Pam Bronsonski
Finance Director

Freddy Suarez
Purchasing Director

FINANCIAL SECTION



INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and City Council
City of Clermont, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the *City of Clermont, Florida*, as of and for the year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Clermont, as of September 30, 2020, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund, and Infrastructure Special Revenue Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Information

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

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued a report dated December 20, 2021 on our consideration of *City of Clermont's* internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering *City of Clermont's* internal control over financial reporting and compliance.

McDiarmid Davis

Orlando, FL
December 20, 2021

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, 2020. 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, 2020 by \$201,631,825 (net position). Of this amount, \$52,602,444 (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 \$12,177,327 (or 6%) during fiscal year 2020 primarily due to an increase in total revenues, specifically, charges for services, property taxes, as well as an increase in capital assets.
- At September 30, 2020, the City of Clermont's governmental funds reported combined ending fund balances of \$39,397,411 an increase of \$2,625,885 from the previous fiscal year. Of this amount \$7,859,532 (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 \$7,859,532, which represents 25.1% of total General Fund expenditures.

Overview of the Financial Statements

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

Government-wide financial statements

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

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

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

Both of the government-wide financial statements distinguish functions of the City of Clermont that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the City of Clermont include general government, public safety, physical environment, transportation, economic environment, and culture and recreation. The business-type activities of the City of Clermont include water, sewer, sanitation, and stormwater utilities.

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

Fund financial statements.

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

Governmental Funds

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

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

The City of Clermont maintains eleven individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, Capital Projects Fund, and Infrastructure Fund, which are considered to be major funds. Data from the other eight governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of *combining statements* elsewhere in this report.

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

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

Proprietary Funds

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

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

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

Fiduciary Funds

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

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

Notes to the Financial Statements.

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

Other Information.

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

Government-Wide Financial Analysis

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

	Net Position				Total	
	Governmental Activities		Business-type Activities		2019-20	2018-19
	2019-20	2018-19	2019-20	2018-19		
Assets:						
Current and other assets	\$ 48,259,851	\$ 43,859,992	\$ 59,233,295	\$ 54,296,455	\$ 107,493,146	\$ 98,156,447
Capital assets	73,844,788	72,264,370	82,418,678	81,276,454	156,263,466	153,540,824
Total assets	122,104,639	116,124,362	141,651,973	135,572,909	263,756,612	251,697,271
Deferred Outflows of Resources:						
Deferred outflow of pension and OPEB earnings	5,838,788	7,210,014	544,970	643,035	6,383,758	7,853,049
Deferred charge of refunding	-	-	806,851	951,891	806,851	951,891
Total deferred outflows of resources	5,838,788	7,210,014	1,351,821	1,594,926	7,190,609	8,804,940
Liabilities:						
Long-term liabilities outstanding	40,889,219	42,323,904	19,750,335	20,714,765	60,639,554	63,038,669
Other liabilities	3,469,782	3,777,447	1,927,617	1,586,464	5,397,399	5,363,911
Total liabilities	44,359,001	46,101,351	21,677,952	22,301,229	66,036,953	68,402,580
Deferred Inflow of Resources:						
Deferred inflow of pension and OPEB earnings	3,185,495	2,531,261	92,948	113,872	3,278,443	2,645,133
Net investment in capital assets	44,045,257	40,317,634	68,309,917	66,103,888	112,355,174	106,421,522
Restricted	12,479,307	9,588,877	24,194,900	20,362,482	36,674,207	29,951,359
Unrestricted	23,874,367	24,795,253	28,728,077	28,286,364	52,602,444	53,081,617
Total net position	\$ 80,398,931	\$ 74,701,764	\$ 121,232,894	\$ 114,752,734	\$ 201,631,825	\$ 189,454,498

The City's total net position at September 30, 2020 was \$201,631,825. Of the City's total net position \$112,355,174 (55.7%) reflects its investment in capital assets (e.g., land, buildings, improvements, infrastructure and equipment) less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the City of Clermont's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the City's total net position, \$36,674,207 (18.2%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of the City's total net position, \$52,602,444 (26.1%) 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 \$12,177,327 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 2019-20, including revenues and expenses, with a comparison to the prior year. For more detail see the Statement of Activities.

City of Clermont, Clermont, Florida
Management's Discussion and Analysis

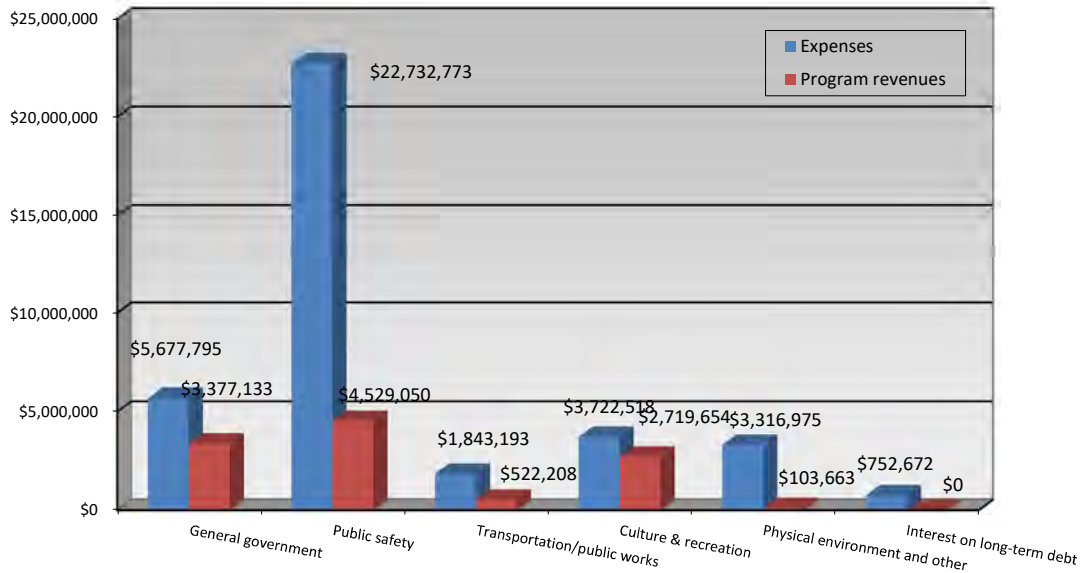
	Changes in Net Position					
	Governmental Activities		Business-type Activities		Total	
	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19
Revenues:						
Program revenues -						
Charges for services	\$ 7,319,562	\$ 6,984,137	\$ 20,461,143	\$ 18,719,668	\$ 27,780,705	\$ 25,703,805
Operating grants and contributions	3,307,146	2,061,400	583	47,346	3,307,729	2,108,746
Capital grants and contributions	625,000	625,000	6,574,550	4,691,099	7,199,550	5,316,099
General revenues -						
Property Taxes	13,089,628	11,944,977	-	-	13,089,628	11,944,977
Business Taxes	161,849	157,103	-	-	161,849	157,103
Franchise Fees	3,202,523	3,142,014	-	-	3,202,523	3,142,014
Utility Taxes	4,201,714	3,872,099	-	-	4,201,714	3,872,099
Intergovernmental	8,403,161	8,138,703	-	-	8,403,161	8,138,703
Investment income and miscellaneous	1,255,270	1,441,891	953,526	1,294,462	2,208,796	2,736,353
Gain on sale of capital assets	-	193,446	28,679	150,266	28,679	343,712
Total revenues	41,565,853	38,560,770	28,018,481	24,902,841	69,584,334	63,463,611
Expenses:						
General government	5,677,795	5,023,225	-	-	5,677,795	5,023,225
Public safety	22,732,773	22,103,605	-	-	22,732,773	22,103,605
Physical environment	2,470,157	863,346	-	-	2,470,157	863,346
Transportation	1,843,193	2,387,307	-	-	1,843,193	2,387,307
Economic environment	846,818	532,152	-	-	846,818	532,152
Culture and recreation	3,722,518	5,954,052	-	-	3,722,518	5,954,052
Interest on long-term debt	752,672	835,497	-	-	752,672	835,497
Water	-	-	6,424,688	6,215,346	6,424,688	6,215,346
Sewer	-	-	7,741,759	7,372,654	7,741,759	7,372,654
Sanitation	-	-	3,293,726	3,026,816	3,293,726	3,026,816
Stormwater	-	-	1,900,908	1,613,761	1,900,908	1,613,761
Total expenses	38,045,926	37,699,184	19,361,081	18,228,577	57,407,007	55,927,761
Increase (Decrease) in Net Position Before Transfers	3,519,927	861,586	8,657,400	6,674,264	12,177,327	7,535,850
Transfers	2,177,240	2,106,377	(2,177,240)	(2,106,377)	-	-
Increase in Net Position	5,697,167	2,967,963	6,480,160	4,567,887	12,177,327	7,535,850
Net Position - Beginning	74,701,764	71,733,801	114,752,734	110,184,847	189,454,498	181,918,648
Net Position - Ending	\$ 80,398,931	\$ 74,701,764	\$ 121,232,894	\$ 114,752,734	\$ 201,631,825	\$ 189,454,498

Governmental Activities

Governmental activities increased the City of Clermont's net position by \$5,697,167. This change is primarily due to increased general government revenues, as well as a decrease in culture and recreation expenses.

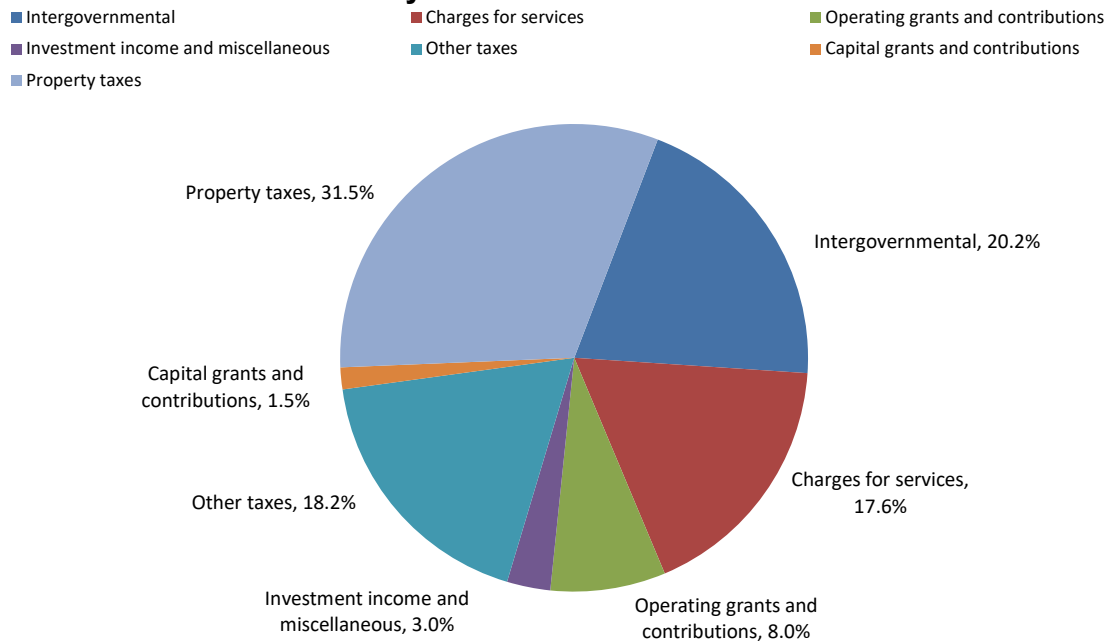
The following graph is a comparison of program revenues and program expenses for all governmental activities. This chart is intended to give the reader an idea of the degree to which governmental activities are self-supporting.

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.

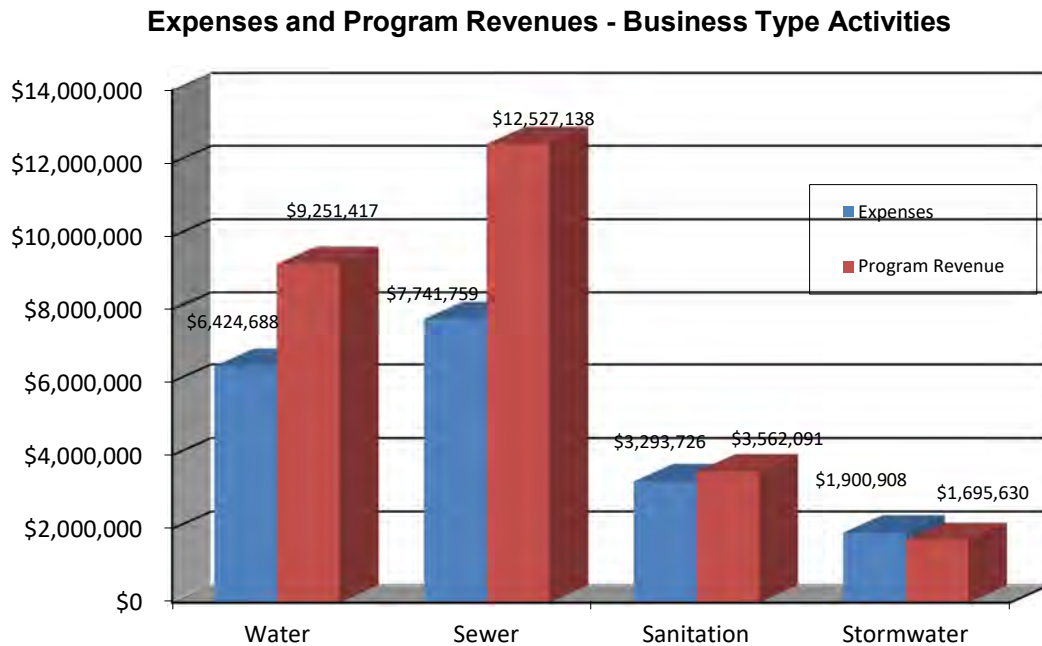
Revenues by Source - Governmental Activities



Business-Type Activities

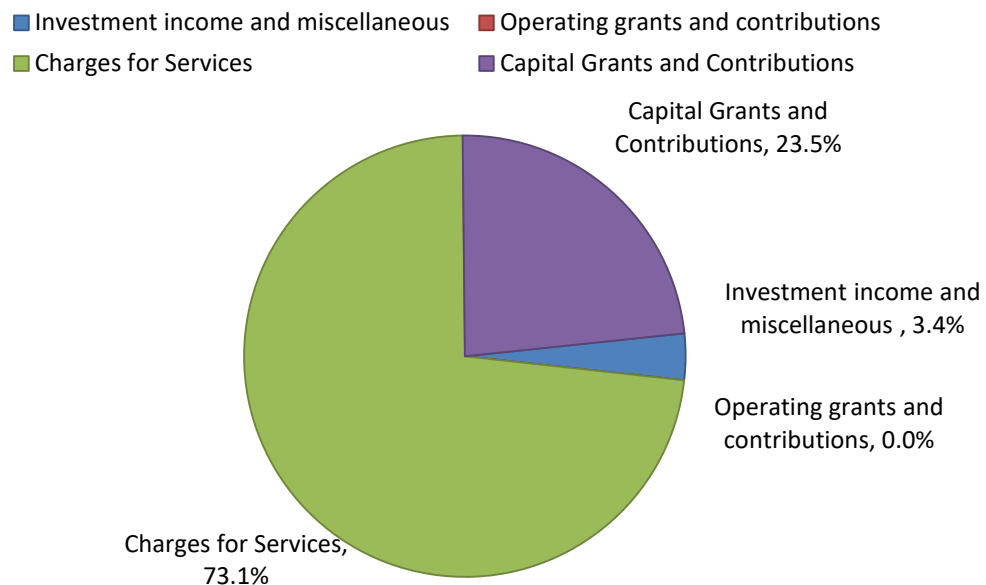
Business-type activities increased the City of Clermont's net position by \$6,480,160. This change is primarily due to increased revenue from services, and capital contributions of water and sewer impact fees paid by developers.

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.



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, 2020, the City of Clermont's governmental funds reported combined ending fund balances of \$39,397,411 an increase of \$2,625,885 in comparison with the prior year. This increase is primarily due to receiving grant CARES funds from Lake County as a result of the pandemic that are part of a spending plan for 2021 and additional collection of impact fees tied to new development in the City. Of the governmental funds combined ending fund balances, \$7,859,532 (20%) represents *unassigned fund balance*, which is available for spending at the City's discretion. An additional \$18,702,447 (*assigned fund balance*) has been set aside for planned master plan project expenditures and the use of CARES funds in 2021. *Restricted fund balances* totaling over \$12.4 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* (\$365,331) 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, 2020, the fund balance in the General Fund was \$11,801,460 an increase of \$3,113,383 primarily from an increase in revenues; intergovernmental, property taxes and utility taxes all surpassed the 2019 amounts. The change in fund balance was more than the anticipated amount of the original budget by \$3,113,383 and \$3,526,936 more than the revised budget. Revenues were more than budgeted by \$1,994,896, due to increases in intergovernmental, this was due to the CARES Act grant funds received from Lake County to assist with pandemic related expenses. Departmental expenditures came in less than anticipated resulting in no use of reserves in 2020. Of the total fund balance in the General Fund, \$7,859,532 (66.6%) 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 25.1% of total General Fund expenditures, while total fund balance represents 37.7% 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 \$3,224,396 in fiscal year 2020, primarily due to spending of proceeds from the Master Plan Capital Projects Revenue Note.

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 \$1,129,144 in fiscal year 2020 primarily due to the delay in road resurfacing projects and acquisition of vehicles and other equipment due to the pandemic.

The remainder of the change of \$1,607,754 to the governmental fund balance was from the non-major governmental funds. Recreation, Police and Fire Impact Fee fund balances combined for an increase of \$1,639,176 in fiscal year 2020 primarily due to the collection of impact fees on new development within the City. The Building Services fund balance decreased \$111,553 due to revenues exceeding expenditures. The fund balances in the remaining nonmajor funds increased a total of \$80,131 due to an increase in both the cemetery and debt service funds.

Proprietary Funds

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

The Water Fund accounts for the provision of potable water and reclaimed irrigation services to City and non-City residents. All activities necessary to the provision of these services are accounted for in this fund, including, but not limited to administration, plant and line maintenance. As of September 30, 2020, the City of Clermont's Water Fund reported total net position of \$44,467,739, an increase of \$2,162,690 in comparison with the prior year. This increase in net position was due to operating income and non-operating incomes 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, 2020, the City of Clermont's Sewer Fund reported total net position of \$63,128,458, an increase of \$4,255,500 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, 2020, the City of Clermont's Sanitation Fund reported total net position of \$6,303,135, an increase of \$430,943 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, 2020, the City of Clermont's Stormwater Fund reported total net position of \$7,382,158, a decrease of \$147,108 in comparison with the prior year. The decrease in net position is primarily due to increased costs for personnel and other operating expenditures.

General Fund Budgetary Highlights

During the year, there was a \$779,136 increase in appropriations between the original and final amended budget. Significant components of the increase are as follows:

- \$252,083 Economic Development's Wellness Way consulting services
- \$185,230 Police officers' and sergeants' MOU wage agreement
- \$160,143 various departments' revised pay and classification schedule changes
- \$71,511 Police forfeiture expenditures
- \$42,730 Fire purchase new vehicle for Fire Chief

In addition, General Fund budgeted revenues increased by \$365,588 between the original and final budget. Significant components of the increase are as follows:

- \$100,833 partial reimbursements from Lake County for Wellness Way
- \$170,331 increased State Revenue Sharing estimates
- \$65,190 increase in Police forfeiture revenues as related to the above mentioned appropriation increase.

Considering the above noted increases in General Fund budgeted appropriations, actual expenditures were less than budgeted by \$1,255,619.

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	
	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19
Land	\$ 25,345,300	\$ 25,308,076	\$ 1,511,807	\$ 1,511,807	\$ 26,857,107	\$ 26,819,883
Buildings	19,052,904	19,593,711	873,451	911,058	19,926,355	20,504,769
Infrastructure	17,444,678	15,556,191	67,425,101	70,741,991	84,869,779	86,298,182
Machinery and Equipment	6,340,602	7,318,348	5,166,510	4,245,300	11,507,112	11,563,648
Intangibles	92,403	51,557	188,435	228,334	280,838	279,891
Construction in Progress	5,568,901	4,436,487	7,253,374	3,637,964	12,822,275	8,074,451
Total	\$ 73,844,788	\$ 72,264,370	\$ 82,418,678	\$ 81,276,454	\$ 156,263,466	\$ 153,540,824

The City of Clermont's investment in capital assets for its governmental and business-type activities as of September 30, 2020, amounts to \$156,263,466 (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 \$2,722,642. Following are the significant capital asset events that occurred during the current fiscal year:

- Completion of Boat Ramp/Restrooms, \$499,835 was added and prior year's Construction in Progress in the amount of \$2,327,349 was moved to Infrastructure for a total project cost of \$2,827,184.
- Completion of Kehlor Recreation Center, \$85,414 was added and prior year's Construction in Progress in the amount of \$396,659 was moved to Building for a total project cost of \$482,073.
- Completion of Boat Ramp Water, Sewer and Stormwater Systems, \$80,017 was added and prior year's Construction in Progress in the amount of \$155,277 was moved to Infrastructure for a total project cost of \$235,294.
- Completion of Public Wi-Fi project with prior year's Construction in Progress moved to Infrastructure for a total project cost of \$217,699.
- Completion of Heritage Hills and Barbados Loop Sewer Force Mains, \$139,267 was added and prior year's Construction in Progress in the amount of \$226,730 was moved to Infrastructure for a total project cost of \$365,997.
- Completion of Sewer Filters Project, \$177,835 was added and prior year's Construction in Progress in the amount of \$238,553 was moved to Infrastructure for a total project cost of \$416,388.
- Purchase of 3 Sanitation vehicles for a total of \$893,137.
- Purchase of 3 Sewer portable generator/trailers for \$350,112.
- Purchase of 5 vehicles for a total of \$158,789 (2 for Fire).
- Purchase of 2 Sewer diesel generators for \$127,661.
- Purchase of Sewer SCADA System of \$97,530.
- Purchase 58 laptops/desktops/tough-books for \$91,782 (13 for Fire and 10 for Police)
- Upgrading Sewer radio system costing \$75,000.
- Purchase a Sewer Genie Boom Lift for \$51,000.

- Construction in progress as of September 30, 2020 includes the following projects: City Fiber Optic Network, Boathouse Improvements, Fire Hawk Boathouse, Fire Station #2 expansion, Meet us in the Middle, Streetscapes & Montrose Street Improvements, Artwalk, Lake Hiawatha Pier Replacement, Public Works Hancock Facility, John's Lake Water Main Replacement, West Side Water Loop, Sunburst Barrier Wall, CDBG Disston to School, Asset Management Software, Utility Extensions (South Sector, 12th St & W Desoto, Juniata & West Street), John's Lake Rd Reuse, Utility Master Plan Updates, Manhole & Lift Station Upgrades and Pump Replacements, Security Upgrades, SCADA, Lower Floridan Well, Rib Rerate and Stormwater Master Plan for Lake Minnehaha.

Debt Administration

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

Outstanding Debt

	Governmental Activities		Business-type Activities		Total	
	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19
Revenue bonds payable	\$ -	\$ -	\$ 10,634,000	\$ 11,462,000	\$ 10,634,000	\$ 11,462,000
Notes payable	29,045,267	31,108,991	5,620,934	5,979,845	34,666,201	37,088,836
Capital leases	754,264	837,745	-	-	754,264	837,745
Total	\$ 29,799,531	\$ 31,946,736	\$ 16,254,934	\$ 17,441,845	\$ 46,054,465	\$ 49,388,581

As of September 30, 2020, total outstanding debt was \$46,054,465, which includes both revenue bonds payable and notes payable. The outstanding debt amount decreased \$3,334,116 over the previous year.

Next Year's Budgets and Rates

The fiscal year 2021 budget was approved and required the use of \$1,880,139 in reserves to balance the General Fund budget while maintaining the same property tax millage for the sixth consecutive year. Clermont's 4.2601 millage continues to be one of the lowest of comparable cities in the region. Property values continued to increase in fiscal year 2021 in the amount of 10.18% due to commercial and residential growth in the City.

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 2021 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, 2020

	Primary Government		
	Governmental Activities	Business-type Activities	Total
Assets:			
Cash and cash equivalents	\$ 9,930,142	\$ 20,483,484	\$ 30,413,626
Investments	18,338,519	19,551,624	37,890,143
Receivables, net	1,014,908	996,786	2,011,694
Inventories	14,430	7,888	22,318
Due from other governments	2,721,398	-	2,721,398
Internal balances	(348,531)	348,531	-
Prepaid costs	355,504	180,963	536,467
Restricted assets:			
Cash and cash equivalents	-	1,847,149	1,847,149
Investments	11,819,727	15,761,047	27,580,774
Interest receivable	27,592	55,823	83,415
Net pension asset	4,386,162	-	4,386,162
Capital assets not being depreciated	30,914,201	8,765,181	39,679,382
Capital assets being depreciated, net of accumulated depreciation	42,930,587	73,653,497	116,584,084
Total assets	122,104,639	141,651,973	263,756,612
Deferred Outflows of Resources:			
Deferred outflow of pension earnings	4,048,078	-	4,048,078
Deferred outflow related to OPEB	1,790,710	544,970	2,335,680
Deferred charge on refunding	-	806,851	806,851
Total deferred outflows of resources	5,838,788	1,351,821	7,190,609
Liabilities:			
Accounts payable and accrued expenses	3,454,464	1,927,617	5,382,081
Unearned revenue	15,318	-	15,318
Noncurrent liabilities:			
Due within one year	2,354,927	1,268,424	3,623,351
Due in more than one year	38,534,292	18,481,911	57,016,203
Total liabilities	44,359,001	21,677,952	66,036,953
Deferred Inflows of Resources:			
Deferred inflow of pension earnings	2,887,252	-	2,887,252
Deferred inflow related to OPEB	298,243	92,948	391,191
Total deferred inflows of resources	3,185,495	92,948	3,278,443
Net Position:			
Net investment in capital assets	44,045,257	68,309,917	112,355,174
Restricted for:			
Capital Improvements	-	24,194,900	24,194,900
Community redevelopment	471,896	-	471,896
Public safety	2,713,199	-	2,713,199
Culture and recreation	2,264,294	-	2,264,294
Infrastructure	1,922,956	-	1,922,956
Debt service	1,807,978	-	1,807,978
Building services	1,842,892	-	1,842,892
Transportation	24,742	-	24,742
Cemetery	1,431,350	-	1,431,350
Unrestricted	23,874,367	28,728,077	52,602,444
Total net position	\$ 80,398,931	\$ 121,232,894	\$ 201,631,825

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

City of Clermont, Florida
Statement of Activities
Year Ended September 30, 2020

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	\$ 5,677,795	\$ 3,377,133	\$ -	\$ -	\$ (2,300,662)	\$ -	\$ (2,300,662)
Public safety	22,732,773	1,854,226	2,674,824	-	(18,203,723)	-	(18,203,723)
Physical environment	2,470,157	-	18,663	-	(2,451,494)	-	(2,451,494)
Transportation/public works	1,843,193	-	522,208	-	(1,320,985)	-	(1,320,985)
Economic environment	846,818	-	85,000	-	(761,818)	-	(761,818)
Culture and recreation	3,722,518	2,088,203	6,451	625,000	(1,002,864)	-	(1,002,864)
Interest on long-term debt	752,672	-	-	-	(752,672)	-	(752,672)
Total governmental activities	38,045,926	7,319,562	3,307,146	625,000	(26,794,218)	-	(26,794,218)
Business-type Activities							
Water	6,424,688	7,631,321	20	1,620,076	-	2,826,729	2,826,729
Sewer	7,741,759	7,572,657	7	4,954,474	-	4,785,379	4,785,379
Sanitation	3,293,726	3,561,804	287	-	-	268,365	268,365
Stormwater	1,900,908	1,695,361	269	-	-	(205,278)	(205,278)
Total business-type activities	19,361,081	20,461,143	583	6,574,550	-	7,675,195	7,675,195
Total primary government	\$ 57,407,007	\$ 27,780,705	\$ 3,307,729	\$ 7,199,550	(26,794,218)	7,675,195	(19,119,023)
General Revenues:							
Property taxes					13,089,628	-	13,089,628
Business taxes					161,849	-	161,849
Franchise fees					3,202,523	-	3,202,523
Utility taxes					4,201,714	-	4,201,714
Intergovernmental - unrestricted					8,403,161	-	8,403,161
Unrestricted investment earnings					632,101	953,526	1,585,627
Miscellaneous					623,169	-	623,169
Gain on sale of capital assets					-	28,679	28,679
Transfers					2,177,240	(2,177,240)	-
Total general revenues and transfers					32,491,385	(1,195,035)	31,296,350
Change in net position					5,697,167	6,480,160	12,177,327
Net Position - beginning					74,701,764	114,752,734	189,454,498
Net Position - ending					\$ 80,398,931	\$ 121,232,894	\$ 201,631,825

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

City of Clermont, Florida
Balance Sheet
Governmental Funds
September 30, 2020

	General	Capital Projects	Infrastructure Special Revenue	Other Governmental Funds	Total Governmental Funds
Assets:					
Cash and cash equivalents	\$ 1,410,628	\$ 1,273,372	\$ 1,140,555	\$ 5,763,054	\$ 9,587,609
Investments	9,263,111	2,873,201	556,908	4,686,147	17,379,367
Receivables, net	1,026,698	2,440	1,118	6,524	1,036,780
Inventories, at cost	14,430	-	-	-	14,430
Due from other governments	2,480,598	-	240,800	-	2,721,398
Prepaid costs	341,695	-	-	9,206	350,901
Restricted Investments	-	11,819,727	-	-	11,819,727
Total assets	\$ 14,537,160	\$ 15,968,740	\$ 1,939,381	\$ 10,464,931	\$ 42,910,212
Liabilities:					
Accounts payable	\$ 1,058,582	\$ 493,185	\$ 16,425	\$ 214,025	\$ 1,782,217
Due to other funds	397,127	-	-	-	397,127
Accrued liabilities	1,149,628	-	-	53,466	1,203,094
Unearned revenue	13,133	-	-	-	13,133
Total liabilities	2,618,470	493,185	16,425	267,491	3,395,571
Deferred Inflows of Resources:					
Unavailable revenue - liens, forfeitures and rents	117,230	-	-	-	117,230
Total deferred inflows of resources	117,230	-	-	-	117,230
Fund Balances:					
Nonspendable	356,125	-	-	9,206	365,331
Restricted	358,911	-	1,922,956	10,188,234	12,470,101
Assigned	3,226,892	15,475,555	-	-	18,702,447
Unassigned	7,859,532	-	-	-	7,859,532
Total fund balances	11,801,460	15,475,555	1,922,956	10,197,440	39,397,411
Total liabilities, deferred inflows of resources, and fund balances	\$ 14,537,160	\$ 15,968,740	\$ 1,939,381	\$ 10,464,931	

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

Capital assets used in governmental activities are not financial resources and are not reported in the funds.	73,844,788
Accrued interest payable is not due in the current period and therefore is not reported in the funds.	(260,165)
Other long-term assets are not available to pay for current period expenditures and, therefore are deferred in the funds.	117,230
Deferred inflows and outflows of resources related to pension earnings are not recognized in governmental funds, however, they are recorded in net position under full accrual accounting.	2,653,293
Net pension assets are not current financial resources and therefore are not reported in the funds	4,354,687
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.	1,149,431
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.	(40,857,744)
Net Position of Governmental Activities in the Statement of Net Position.	<u>\$ 80,398,931</u>

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

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

Year Ended September 30, 2020

	General	Capital Projects	Infrastructure Special Revenue	Other Governmental Funds	Total Governmental Funds
Revenues:					
Taxes	\$ 17,070,072	\$ -	\$ -	\$ 383,119	\$ 17,453,191
Franchise fees	3,202,523	-	-	-	3,202,523
Licenses and permits	364,674	-	-	1,325,841	1,690,515
Intergovernmental revenues	8,034,069	625,000	3,603,194	80,000	12,342,263
Charges for services	2,221,841	-	-	261,420	2,483,261
Fines and forfeitures	240,993	-	-	-	240,993
Impact fees/special assessments	-	-	-	2,530,154	2,530,154
Investment earnings	281,828	196,202	16,897	119,927	614,854
Miscellaneous	940,117	34,082	-	3,420	977,619
Total revenues	32,356,117	855,284	3,620,091	4,703,881	41,535,373
Expenditures:					
Current:					
General government	4,803,861	956	87,030	-	4,891,847
Public safety	19,655,357	-	82,022	1,714,258	21,451,637
Physical environment	2,323,412	7,550	119,085	99,760	2,549,807
Transportation	1,503,972	-	42,482	-	1,546,454
Economic environment	265,922	1,000	-	519,519	786,441
Culture and recreation	2,724,180	-	23,531	153,506	2,901,217
Debt Service:					
Principal retirement	-	-	83,481	2,063,724	2,147,205
Interest and fiscal charges	4,522	-	22,604	744,546	771,672
Capital Outlay:					
Physical environment	-	114,432	-	-	114,432
Economic environment	-	3,955,742	-	-	3,955,742
Total expenditures	31,281,226	4,079,680	460,235	5,295,313	41,116,454
Excess (Deficiency) of Revenues Over Expenditures	1,074,891	(3,224,396)	3,159,856	(591,432)	418,919
Other Financing Sources (Uses):					
Transfers in	2,305,557	-	-	2,846,107	5,151,664
Transfers out	(296,791)	-	(2,030,712)	(646,921)	(2,974,424)
Sale of general capital assets	29,726	-	-	-	29,726
Total other financing sources (uses)	2,038,492	-	(2,030,712)	2,199,186	2,206,966
Net Change in Fund Balances	3,113,383	(3,224,396)	1,129,144	1,607,754	2,625,885
Fund Balances - beginning	8,688,077	18,699,951	793,812	8,589,686	36,771,526
Fund Balances - ending	\$ 11,801,460	\$ 15,475,555	\$ 1,922,956	\$ 10,197,440	\$ 39,397,411

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

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, 2020

Net Change in Fund Balances - total governmental funds: \$ 2,625,885

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. 1,615,205

The net effect of various miscellaneous transactions involving capital assets (i.e. sales, trade-ins and disposals) is to decrease net position. (34,787)

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. 13,233

Cash pension contributions reported in the funds were more than the calculated pension expense on the statement of activities, and therefore increased net position. 839,850

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 repavments exceeded proceeds. 2,147,205

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. (957,734)

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. (551,690)

Change in Net Position of Governmental Activities \$ 5,697,167

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

Year ended September 30, 2020

	Budgeted Amounts		Actual Amounts, Budgetary Basis	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ 16,661,183	\$ 16,661,183	\$ 17,070,072	\$ 408,889
Franchise fees	3,270,000	3,270,000	3,202,523	(67,477)
Licenses and permits	359,000	359,000	364,674	5,674
Intergovernmental revenues	6,476,135	6,657,917	8,034,069	1,376,152
Charges for services	2,112,683	2,112,683	2,221,841	109,158
Fines and forfeitures	101,000	166,190	240,993	74,803
Investment earnings	175,000	175,000	281,828	106,828
Miscellaneous	857,665	959,248	940,117	(19,131)
Total revenues	30,012,666	30,361,221	32,356,117	1,994,896
Expenditures:				
Current:				
General government:				
City council	40,652	40,652	38,011	2,641
City clerk	344,793	355,383	348,377	7,006
City manager	560,840	669,780	666,688	3,092
Finance	1,040,131	1,053,013	965,279	87,734
Legal services	100,000	100,000	96,013	3,987
Planning & zoning	815,678	802,493	857,417	(54,924)
Information technology	771,919	859,357	833,008	26,349
Human resources	485,424	553,123	477,071	76,052
Purchasing	341,507	307,175	301,269	5,906
Other general government	198,905	241,549	220,728	20,821
	4,699,849	4,982,525	4,803,861	178,664
Public safety:				
Law enforcement	9,439,583	9,692,556	9,285,643	406,913
Fire control	10,328,784	10,409,036	10,369,714	39,322
	19,768,367	20,101,592	19,655,357	446,235
Physical environment	2,505,332	2,487,456	2,323,412	164,044
Transportation	1,578,792	1,565,874	1,503,972	61,902
Economic environment	146,841	292,913	265,922	26,991
Culture and recreation	3,136,847	3,184,804	2,724,180	460,624
Interest and fiscal charges	-	-	4,522	(4,522)
Total expenditures	31,836,028	32,615,164	31,281,226	1,333,938
Excess (deficiency) of revenues over expenditures	(1,823,362)	(2,253,943)	1,074,891	3,328,834

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

Year ended September 30, 2020

Other Financing Sources (Uses):

Transfers In	2,026,829	2,043,862	2,305,557	261,695
Transfers Out	(218,467)	(218,472)	(296,791)	(78,319)
Sale of General Capital Assets	15,000	15,000	29,726	14,726
	<u>1,823,362</u>	<u>1,840,390</u>	<u>2,038,492</u>	<u>198,102</u>
Total other financing sources (uses)	1,823,362	1,840,390	2,038,492	198,102
Net Change in Fund Balance	-	(413,553)	3,113,383	3,526,936
Fund Balance - beginning	8,688,077	8,688,077	8,688,077	-
Fund Balance - ending	\$ 8,688,077	\$ 8,274,524	\$ 11,801,460	\$ 3,526,936



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

Year ended September 30, 2020

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental revenues	\$ 3,809,553	\$ 3,809,553	\$ 3,603,194	\$ (206,359)
Investment earnings	8,000	8,000	16,897	8,897
Total revenues	3,817,553	3,817,553	3,620,091	(197,462)
Expenditures:				
Current:				
General government	153,977	389,316	87,030	302,286
Public safety:				
Police	236,500	236,500	69,187	167,313
Fire control	253,574	253,574	12,835	240,739
	490,074	490,074	82,022	408,052
Physical Environment	153,260	257,393	119,085	138,308
Transportation	861,500	924,522	42,482	882,040
Culture and recreation	189,000	189,000	23,531	165,469
Debt Service:				
Principal	81,827	83,483	83,481	2
Interest	24,262	22,606	22,604	2
	106,089	106,089	106,085	4
Total expenditures	1,953,900	2,356,394	460,235	1,896,159
Excess (deficiency) of revenues over expenditures	1,863,653	1,461,159	3,159,856	1,698,697
Other Financing Uses:				
Transfers out	(2,030,697)	(2,030,712)	(2,030,712)	-
Total other financing uses	(2,030,697)	(2,030,712)	(2,030,712)	-
Net Change in Fund Balances	(167,044)	(569,553)	1,129,144	1,698,697
Fund Balances - beginning	793,812	793,812	793,812	-
Fund Balances - ending	\$ 626,768	\$ 224,259	\$ 1,922,956	\$ 1,698,697

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

City of Clermont, Florida
Statement of Net Position
Proprietary Funds
September 30, 2020

	Business-type Activities-Enterprise Funds					Governmental Activities- Internal Service Fund
	Water	Sewer	Sanitation	Stormwater	Total	
Assets:						
Current assets:						
Cash and cash equivalents	\$ 7,244,579	\$ 10,635,991	\$ 2,061,730	\$ 541,184	\$ 20,483,484	\$ 342,533
Investments	10,361,103	6,954,627	2,235,894	-	19,551,624	959,152
Restricted cash and cash equivalents	826,017	720,927	70,233	229,972	1,847,149	-
Accounts receivable, net	322,726	416,236	166,538	91,286	996,786	5,138
Inventories	7,888	-	-	-	7,888	-
Prepaid expenses	79,475	60,594	25,956	14,938	180,963	4,603
Total current assets	18,841,788	18,788,375	4,560,351	877,380	43,067,894	1,311,426
Noncurrent assets:						
Restricted investments	2,374,497	12,277,200	1,109,350	-	15,761,047	-
Advances to other funds	-	275,000	397,127	-	672,127	-
Interest receivable	20,871	31,217	3,735	-	55,823	582
Capital assets:						
Land, buildings and equipment	43,542,016	69,600,604	5,512,649	16,315,636	134,970,905	-
Construction in progress	2,051,003	4,819,225	177,171	205,975	7,253,374	-
Less accumulated depreciation	(16,838,994)	(34,661,324)	(3,252,877)	(5,052,406)	(59,805,601)	-
Total capital assets (net of accumulated depreciation)	28,754,025	39,758,505	2,436,943	11,469,205	82,418,678	-
Total noncurrent assets	31,149,393	52,341,922	3,947,155	11,469,205	98,907,675	582
Total assets	49,991,181	71,130,297	8,507,506	12,346,585	141,975,569	1,312,008
Deferred Outflows of Resources:						
Deferred charge on refunding	287,977	518,874	-	-	806,851	-
Deferred outflows related to OPEB	185,552	153,481	143,528	62,409	544,970	-
Total deferred outflows of resources	473,529	672,355	143,528	62,409	1,351,821	-

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

Liabilities:

Current liabilities:

Accounts payable	314,894	630,230	116,940	30,623	1,092,687	206,017
Salaries payable	98,581	90,553	59,935	31,713	280,782	2,971
Accrued interest payable	30,371	53,992	11,608	37,673	133,644	-
Due to other funds	-	-	-	275,000	275,000	-
Compensated absences	18,063	17,486	7,449	2,053	45,051	-
Customer deposits payable	420,504	-	-	-	420,504	-
Unearned revenue	-	-	-	-	-	2,185
Revenue bonds and notes payable-current	307,800	547,200	86,735	281,638	1,223,373	-
Total current liabilities	<u>1,190,213</u>	<u>1,339,461</u>	<u>282,667</u>	<u>658,700</u>	<u>3,471,041</u>	<u>211,173</u>

Noncurrent liabilities:

Compensated absences	162,565	157,369	67,041	18,472	405,447	-
Other post employment benefits	1,090,326	894,512	736,467	323,598	3,044,903	-
Notes payable	-	-	1,236,711	4,015,850	5,252,561	-
Revenue bonds payable	3,520,440	6,258,560	-	-	9,779,000	-
Total noncurrent liabilities	<u>4,773,331</u>	<u>7,310,441</u>	<u>2,040,219</u>	<u>4,357,920</u>	<u>18,481,911</u>	<u>-</u>
Total liabilities	<u>5,963,544</u>	<u>8,649,902</u>	<u>2,322,886</u>	<u>5,016,620</u>	<u>21,952,952</u>	<u>211,173</u>

Deferred Inflows of Resources:

Deferred inflows related to OPEB	33,427	24,292	25,013	10,216	92,948	-
Total deferred inflows of resources	<u>33,427</u>	<u>24,292</u>	<u>25,013</u>	<u>10,216</u>	<u>92,948</u>	<u>-</u>

Net Position:

Net investment in capital assets	25,213,762	33,471,619	2,222,847	7,401,689	68,309,917	-
Restricted for capital improvements	5,548,421	18,646,479	-	-	24,194,900	-
Unrestricted	13,705,556	11,010,360	4,080,288	(19,531)	28,776,673	1,100,835
Total net position	<u>\$ 44,467,739</u>	<u>\$ 63,128,458</u>	<u>\$ 6,303,135</u>	<u>\$ 7,382,158</u>	<u>121,281,490</u>	<u>\$ 1,100,835</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.

(48,596)

Total Net Position per Government-Wide Financial Statements

\$ 121,232,894

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, 2020

	Business-type Activities-Enterprise Funds					Governmental Activities-Internal Service Fund
	Water	Sewer	Sanitation	Stormwater	Total	Fund
Operating Revenues:						
Charges for services	\$ 7,344,342	\$ 7,566,154	\$ 3,550,386	\$ 1,695,361	\$ 20,156,243	\$ 4,867,944
Miscellaneous	286,979	6,503	11,418	-	304,900	66,704
Total operating revenues	7,631,321	7,572,657	3,561,804	1,695,361	20,461,143	4,934,648
Operating Expenses:						
Personnel services	1,974,603	1,940,769	1,307,706	703,750	5,926,828	49,510
Utilities	560,420	890,079	1,647	10,734	1,462,880	-
Dump fees	14,606	288,160	571,468	13,970	888,204	-
Administrative services	484,958	412,035	212,436	135,771	1,245,200	-
Repairs and maintenance	741,157	278,175	144,310	62,401	1,226,043	-
Depreciation and amortization	1,668,598	2,892,156	585,619	680,194	5,826,567	-
Professional services	155,459	122,857	45,131	17,019	340,466	60,042
Insurance claims and expenses	122,513	190,767	52,389	36,318	401,987	5,615,898
Other supplies and expenses	493,283	400,070	307,350	73,555	1,274,258	-
Total operating expenses	6,215,597	7,415,068	3,228,056	1,733,712	18,592,433	5,725,450
Operating income (loss)	1,415,724	157,589	333,748	(38,351)	1,868,710	(790,802)
Nonoperating Revenues (Expenses):						
Investment income	349,023	516,243	83,984	4,276	953,526	17,247
Interest expense	(142,241)	(255,125)	(35,195)	(114,222)	(546,783)	-
Grants	20	7	287	269	583	-
Gain (loss) on disposal of capital assets	9,500	15,200	3,979	-	28,679	-
Total nonoperating revenue (expenses)	216,302	276,325	53,055	(109,677)	436,005	17,247
Income (loss) before contributions and transfers	1,632,026	433,914	386,803	(148,028)	2,304,715	(773,555)
Capital contributions	1,620,076	4,954,474	-	-	6,574,550	-
Transfers in	18,689	2,781	44,140	920	66,530	-
Transfers out	(1,108,101)	(1,135,669)	-	-	(2,243,770)	-
Change in net position	2,162,690	4,255,500	430,943	(147,108)	6,702,025	(773,555)
Total Net Position - Beginning	42,305,049	58,872,958	5,872,192	7,529,266		1,874,390
Total Net Position - Ending	\$ 44,467,739	\$ 63,128,458	\$ 6,303,135	\$ 7,382,158		\$ 1,100,835
Change in Net Position, per above					6,702,025	
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.					(221,865)	
Change in Business-Type Activities in Net Position per Government-Wide Financial Statements					<u>\$ 6,480,160</u>	

City of Clermont, Florida
Statement of Cash Flows
Proprietary Funds
Year Ended September 30, 2020

	Business-Type Activities-Enterprise Funds					Governmental Activities- Internal Service Fund
	Water	Sewer	Sanitation	Stormwater	Total	
Cash Flows from Operating Activities:						
Receipts from customers	\$ 7,661,986	\$ 7,543,002	\$ 3,558,970	\$ 1,709,190	\$ 20,473,148	\$ -
Receipts from internal services provided	-	-	-	-	-	4,932,738
Payments to suppliers	(2,481,873)	(2,370,972)	(1,328,344)	(421,200)	(6,602,389)	(5,725,424)
Payments to employees	(1,870,229)	(1,807,818)	(1,216,276)	(652,066)	(5,546,389)	(46,539)
Net cash provided (used) by operating activities	3,309,884	3,364,212	1,014,350	635,924	8,324,370	(839,225)
Cash Flows from Non-Capital Financing Activities:						
Due from other funds	-	-	110,000	-	110,000	-
Due to other funds	-	-	-	-	-	-
Operating grants	20	7	287	269	583	-
Transfers in	18,689	2,781	44,140	920	66,530	-
Transfers out	(1,108,101)	(1,135,669)	-	-	(2,243,770)	-
Net cash provided (used) by non-capital financing activities	(1,089,392)	(1,132,881)	154,427	1,189	(2,066,657)	-
Cash Flows from Capital and Related Financing Activities:						
Acquisition of capital assets	(1,806,235)	(4,042,954)	(952,990)	(166,612)	(6,968,791)	-
Sale of capital assets	9,500	15,200	3,979	-	28,679	-
Interest paid on long-term debt	(96,142)	(170,917)	(35,936)	(116,628)	(419,623)	-
Principal paid on debt	(298,080)	(529,920)	(84,540)	(274,371)	(1,186,911)	-
Capital grants	-	-	-	400,000	400,000	-
Fees and assessments received	1,620,076	4,954,474	-	-	6,574,550	-
Net cash provided (used) by capital and related financing activities	(570,881)	225,883	(1,069,487)	(157,611)	(1,572,096)	-

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

Cash Flows from Investing Activities:

Sale (purchase) of investments	197,165	292,788	5,815	-	495,768	(2,846)
Investment income	308,195	455,176	93,781	4,276	861,428	17,441
Net cash provided by investing activities	<u>505,360</u>	<u>747,964</u>	<u>99,596</u>	<u>4,276</u>	<u>1,357,196</u>	<u>14,595</u>

Net Increase (Decrease) in Cash and Cash Equivalents**Cash and Cash Equivalents - beginning****Cash and Cash Equivalents - end**

	2,154,971	3,205,178	198,886	483,778	6,042,813	(824,630)
	<u>5,915,625</u>	<u>8,151,740</u>	<u>1,933,077</u>	<u>287,378</u>	<u>16,287,820</u>	<u>1,167,163</u>
	<u>\$ 8,070,596</u>	<u>\$ 11,356,918</u>	<u>\$ 2,131,963</u>	<u>\$ 771,156</u>	<u>\$ 22,330,633</u>	<u>\$ 342,533</u>

Classified As:

Cash and cash equivalents	\$ 7,244,579	\$ 10,635,991	\$ 2,061,730	\$ 541,184	\$ 20,483,484	\$ 342,533
Restricted cash and cash equivalents	<u>826,017</u>	<u>720,927</u>	<u>70,233</u>	<u>229,972</u>	<u>1,847,149</u>	<u>-</u>
Total	<u>\$ 8,070,596</u>	<u>\$ 11,356,918</u>	<u>\$ 2,131,963</u>	<u>\$ 771,156</u>	<u>\$ 22,330,633</u>	<u>\$ 342,533</u>

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

Operating income (loss)	<u>\$ 1,415,724</u>	<u>\$ 157,589</u>	<u>\$ 333,748</u>	<u>\$ (38,351)</u>	<u>\$ 1,868,710</u>	<u>\$ (790,802)</u>
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Adjustments Not Affecting Cash:

Depreciation and amortization	1,668,598	2,892,156	585,619	680,194	5,826,567	-
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Change in Assets and Liabilities:

Decrease (Increase) in accounts receivable	35,186	(29,655)	(2,834)	13,829	16,526	(4,095)
Increase in unearned revenue	-	-	-	-	-	2,185
Increase in customer deposits	(4,521)	-	-	-	(4,521)	-
Decrease in prepaid costs	(30,014)	(17,224)	(6,263)	(3,352)	(56,853)	(3,904)
Decrease (Increase) in inventory	10,765	-	-	-	10,765	-
Increase (Decrease) in accounts payable	109,772	228,395	12,650	(68,080)	282,737	(45,580)
Increase in OPEB	79,581	85,167	63,049	36,256	264,053	-
Increase in accrued liabilities	<u>24,793</u>	<u>47,784</u>	<u>28,381</u>	<u>15,428</u>	<u>116,386</u>	<u>2,971</u>

Total adjustments**Net Cash Provided (Used) by Operating Activities**

	<u>1,894,160</u>	<u>3,206,623</u>	<u>680,602</u>	<u>674,275</u>	<u>6,455,660</u>	<u>(48,423)</u>
	<u>\$ 3,309,884</u>	<u>\$ 3,364,212</u>	<u>\$ 1,014,350</u>	<u>\$ 635,924</u>	<u>\$ 8,324,370</u>	<u>\$ (839,225)</u>

Noncash Investing, Capital, and Financing Activities:

Increase (Decrease) in Fair Value of Investments	<u>\$ 47,786</u>	<u>\$ 71,475</u>	<u>\$ (8,552)</u>	<u>\$ -</u>	<u>\$ 110,709</u>	<u>\$ -</u>
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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, 2020

	Total Employee Pension Funds
Assets:	
Cash and cash equivalents	\$ 1,871,283
Investments:	
U.S. Government & other debt securities	16,860,404
Equities	39,837,474
Total investments	56,697,878
Total assets	58,569,161
Liabilities:	
Refunds payable and other	-
Total liabilities	-
Net Position Restricted for Pensions	\$ 58,569,161

City of Clermont, Florida
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
Year Ended September 30, 2020

	Total Employee Pension Funds
Additions:	
Contributions:	
Employer	\$ 3,472,675
Plan members	458,532
State	-
Total contributions	<u>3,931,207</u>
Investment earnings:	
Net increase in fair value of investments	5,824,964
Investment expense	<u>(7,500)</u>
Total net investment earnings	<u>5,817,464</u>
Total additions	<u>9,748,671</u>
Deductions:	
Benefits/distributions	3,059,586
Administrative	<u>134,239</u>
Total deductions	<u>3,193,825</u>
Change in Net Position	6,554,846
Net Position - beginning	<u>52,014,315</u>
Net Position - ending	<u><u>\$ 58,569,161</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.

Nonmajor Governmental Fund Types

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

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

Major Proprietary Funds

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

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

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

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Nonmajor Proprietary Funds

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

Fiduciary Funds

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

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

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

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the City's water, sewer, sanitation and stormwater utility funds are charges to customers for sales and services. The City also recognizes as operating revenue the meter fees intended to recover the cost of connecting new customers to the system. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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

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

Deposits and Investments

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

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

Receivables and Payables

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

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

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

All property is reassessed according to its fair value on the lien date, or January 1 of each year. Taxes are levied on October 1 of each year. Discounts are allowed for early payment at the rate of 4% in the month of November, 3% in the month of December, 2% in the month of January, and 1% in the month of February. The taxes paid in March are without discount. All unpaid taxes become delinquent on April 1 following the year in which they are assessed. On or around May 31 following the tax year, certificates are sold for all delinquent taxes on real property.

Inventories and Prepaid Items

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

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. These are recorded as expenditures when consumed rather than when purchased.

Restricted Assets

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

Capital Assets

Capital assets, which include property, plant, equipment, intangible and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost of \$1,000 or more and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

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

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

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

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Compensated Absences

It is the City's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. All vacation pay is accrued when incurred in the government-wide and proprietary financial statements. A portion of sick pay is accrued for employees with at least ten (10) years of service. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements. For governmental activities, compensated absences, net pension obligations, and net other postemployment benefit obligations are generally liquidated by the general fund.

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.

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 2020, the City implemented GASB Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*. This Statement provides temporary relief to governments and other stakeholders in light of the COVID-19 pandemic by postponing the effective dates of provisions in certain other statements. There was no effect on beginning balances of the City.

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	\$ 5,429,054
Depreciation Expense	<u>(3,813,849)</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>\$ 1,615,205</u>

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

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

Principal Repayment	\$ 2,147,205
<i>Net adjustment to decrease net changes in fund balances - total</i>	
<i>governmental funds to arrive at changes in net position of governmental activities</i>	<u>\$ 2,147,205</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	\$ (100,658)
Other Post Employment Benefits	(876,076)
Accrued Interest Payable	<u>19,000</u>
<i>Net adjustment to decrease net changes in fund balances - total</i>	
<i>governmental funds to arrive at changes in net position of governmental activities</i>	<u>\$ (957,734)</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, Capital Projects Fund, Fire Inspection Special Revenue 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, 2020 are summarized below. Defined benefit pension plan investments, other than \$39,837,474 in mutual funds, investing in equity securities, are included below. In accordance with GASB 31, investments are reported at fair value.

Investment Type	Fair Value	Credit Rating	Weighted Average Maturity
Federal Agency Bond	\$ 4,879,457	AA+	2.48 years
Federal Agency Mortgage-Backed Securities	951,264	AA+	9.13 years
Federal Agency Colateralized Mortgage Obligation	1,769,798	AA+	3.43 years
US Treasury Notes	6,535,435	AA+	1.74 years
Supra-National Agency Bond/Note	712,435	AAA	2.33 years
Corporate Note	6,509,629	BBB+/AA	1.95 years
Asset Backed Security	4,305,753	AAA/NR	3.3 years
Municipal Bonds	1,014,150	AAA	2.75 years
FL Palm	38,792,992	AAA _m	N/A
Pension Fixed Income Securities	16,860,404	various	2 - 8 years
	<u>\$ 82,331,317</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, 2020, 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, 2020, 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, 2020:

Investments Valued by Fair Value Level		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)
Federal Agency Bond	\$ 4,879,457	\$ -	\$ 4,879,457
Federal Agency Colateralized Mortgage Obligation	1,769,798	-	1,769,798
Federal Agency Mortgage-Backed Securities	951,264	-	951,264
US Treasury Notes	6,535,435	6,535,435	-
Supra-National Agency Bond/Note	712,435	-	712,435
Corporate Note	6,509,629	-	6,509,629
Asset Backed Security	4,305,753	-	4,305,753
Municipal Bonds	1,014,150	-	1,014,150
Pension Fixed Income Securities	16,860,404	-	16,860,404
Pension Equity Securities	39,837,474	-	39,837,474
	<u>\$ 83,375,799</u>	<u>\$ 6,535,435</u>	<u>\$ 76,840,364</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:

	Accounts	Taxes	Other	Less Allowance for Uncollectible Accounts	Total
General Fund	\$ 2,613,100	\$ 154,923	\$ 789,250	\$ (2,530,575)	\$ 1,026,698
Capital Projects Fund	-	-	2,440	-	2,440
Infrastructure Special Revenue Fund	-	-	1,118	-	1,118
Water Fund	322,144	-	66,408	(44,955)	343,597
Sewer Fund	565,177	-	31,217	(148,941)	447,453
Sanitation Fund	218,495	-	4,224	(52,446)	170,273
Stormwater Fund	116,522	-	326	(25,562)	91,286
Nonmajor Governmental Funds	-	-	6,524	-	6,524
Internal Service Fund	-	-	5,720	-	5,720
	<u>\$ 3,835,438</u>	<u>\$ 154,923</u>	<u>\$ 907,227</u>	<u>\$ (2,802,479)</u>	<u>\$ 2,095,109</u>

NOTE 6 CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2020 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities:				
Capital Assets, not being depreciated:				
Land	\$ 25,308,076	\$ 37,224	\$ -	\$ 25,345,300
Construction in progress	4,436,487	4,659,370	(3,526,956)	5,568,901
Total capital assets, not being depreciated	<u>29,744,563</u>	<u>4,696,594</u>	<u>(3,526,956)</u>	<u>30,914,201</u>
Capital Assets, being depreciated:				
Buildings	30,802,433	501,789	-	31,304,222
Improvements/infrastructure	28,370,288	3,105,728	(349,915)	31,126,101
Machinery and equipment	17,302,226	592,539	(1,202,224)	16,692,541
Intangibles	503,044	65,619	(13,718)	554,945
Total capital assets being depreciated	<u>76,977,991</u>	<u>4,265,675</u>	<u>(1,565,857)</u>	<u>79,677,809</u>
Less Accumulated Depreciation for:				
Buildings	(11,208,722)	(1,042,596)	-	(12,251,318)
Improvements/infrastructure	(12,814,097)	(1,217,241)	349,915	(13,681,423)
Machinery and equipment	(9,983,878)	(1,535,498)	1,167,437	(10,351,939)
Intangibles	(451,487)	(24,773)	13,718	(462,542)
Total accumulated depreciation	<u>(34,458,184)</u>	<u>(3,820,108)</u>	<u>1,531,070</u>	<u>(36,747,222)</u>
Total capital assets being depreciated, net	<u>42,519,807</u>	<u>445,567</u>	<u>(34,787)</u>	<u>42,930,587</u>
Governmental activities capital assets, net	<u>\$ 72,264,370</u>	<u>\$ 5,142,161</u>	<u>\$ (3,561,743)</u>	<u>\$ 73,844,788</u>

NOTE 6 CAPITAL ASSETS (CONTINUED)

Increases in accumulated depreciation for governmental activities includes accumulated depreciation on assets transferred from business-type activities, therefore total increases in accumulated depreciation is not the same as depreciation expense. This difference is \$6,259.

	<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	3,637,964	4,633,088	(1,017,678)	7,253,374
Total capital assets, not being depreciated	<u>5,149,771</u>	<u>4,633,088</u>	<u>(1,017,678)</u>	<u>8,765,181</u>
Capital Assets, being depreciated:				
Buildings	989,780	-	-	989,780
Improvements/infrastructure	119,583,409	1,373,307	-	120,956,716
Machinery and equipment	9,306,013	1,980,074	(199,727)	11,086,360
Intangibles	426,242	-	-	426,242
Total capital assets being depreciated	<u>130,305,444</u>	<u>3,353,381</u>	<u>(199,727)</u>	<u>133,459,098</u>
Less Accumulated Depreciation for:				
Buildings	(78,722)	(37,607)	-	(116,329)
Improvements/infrastructure	(48,841,418)	(4,690,197)	-	(53,531,615)
Machinery and equipment	(5,060,713)	(1,058,864)	199,727	(5,919,850)
Intangibles	(197,908)	(39,899)	-	(237,807)
Total accumulated depreciation	<u>(54,178,761)</u>	<u>(5,826,567)</u>	<u>199,727</u>	<u>(59,805,601)</u>
Total capital assets being depreciated, net	<u>76,126,683</u>	<u>(2,473,186)</u>	<u>-</u>	<u>73,653,497</u>
Business-type activities capital assets, net	<u>\$81,276,454</u>	<u>\$2,159,902</u>	<u>\$(1,017,678)</u>	<u>\$ 82,418,678</u>

Depreciation expense was charged to functions/programs as follows:

Governmental Activities:	
General government	\$ 633,757
Public safety	1,572,443
Physical environment/transportation	232,400
Economic environment	390,138
Culture and recreation	985,111
Total Depreciation Expense - governmental activities	<u>\$ 3,813,849</u>
Business-type Activities	
Water	\$ 1,668,598
Sewer	2,892,156
Sanitation	585,619
Stormwater	680,194
Total Depreciation Expense - business-type activities	<u>\$ 5,826,567</u>

NOTE 7 CAPITAL LEASES

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

The assets acquired through capital leases are as follows:

	Governmental Activities
Machinery & equipment	\$ 919,125
Less: accumulated depreciation	(172,622)
Total	\$ 746,503

Amortization of equipment leased and capital leases is included in depreciation expense. The future minimum lease obligations and the net present value of these minimum payments as of September 30, 2020 were as follows:

Year Ending September 30	Governmental Activities
2021	\$ 106,086
2022	106,086
2023	106,086
2024	106,086
2025	106,086
Thereafter	318,258
Total minimum lease payments	848,688
Less: amount representing interest	(94,424)
	\$ 754,264

NOTE 8 LONG-TERM DEBT

Bonds Payable- Public Offering

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

The 2009 Water and Sewer Revenue and Refunding Bonds are secured by net revenue of the water and sewer system. The bonds were paid off during the year. For the fiscal year, principal and interest paid on this series was \$747,863 and total pledged revenue was \$6,999,333.

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 \$12,085,087. For the fiscal year, principal and interest paid on this series was \$347,196 and total pledged revenue was \$6,999,333.

NOTE 8 LONG-TERM DEBT (CONTINUED)

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

Business-Type Activities	Interest Rates and Dates	Maturity	Original Amount	Balance September 30, 2020
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>\$ 10,634,000</u>
				<u>\$ 10,634,000</u>

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

Year Ending September 30,	Business - Type Activities	
	Principal	Interest
2021	\$ 855,000	\$ 242,915
2022	879,000	222,280
2023	900,000	201,110
2024	920,000	179,452
2025	943,000	157,283
2026-2030	5,056,000	435,183
2031	1,081,000	12,864
Total	<u>\$ 10,634,000</u>	<u>\$ 1,451,087</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 \$4,288,208. For the fiscal year, principal and interest paid on this series was \$476,895 and total pledged revenue was \$5,434,491. In the event of default, the lender may seek enforcement of all remedies available under the law. Any amounts due on the note that remain unpaid shall bear interest at the default rate until all amounts then due are paid in full.

The City issued Infrastructure Sales Surtax Revenue Note, Series 2016 in the amount of \$5,300,000 with interest of 2.12% to finance the costs of the acquisition and construction of a new municipal police station. This note is secured by the infrastructure sales surtax. Total principal and interest remaining to be paid on this series is \$4,601,540. For the fiscal year, principal and interest paid on this series was \$418,797 and total pledged revenue was \$3,603,194. In the event of default, the lender may seek enforcement of all remedies available under the law. Any amounts due on the note that remain unpaid shall bear interest at the default rate until all amounts then due are paid in full.

The City issued Master Plan Capital Projects Revenue Note, Series 2017 in the amount of \$30,000,000 with interest of 2.63% to fund master plan projects, Victory Pointe, Boat Ramp Relocation, Downtown Waterfront District Revitalization, Legacy Loop Trail Spur, Public Wi-Fi Network, Public Works Complex, and City Limits Entryway Signs. This note is secured by a covenant to budget and appropriate. Total principal and interest remaining to be paid on this series is \$31,450,522. For the fiscal year, principal and interest paid on this series was \$2,424,053. In the event of default, the lender may seek enforcement of all remedies available under the law. Any amounts in the project fund shall be applied to repayment of principal and interest.

NOTE 8 LONG-TERM DEBT (CONTINUED)

Revenue notes outstanding at year end are as follows:

Governmental Activities	Interest Rates and Dates	Maturity	Original Amount	Balance September 30, 2020
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>	3,919,507
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>	4,104,694
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>	21,021,066
				<u>\$ 29,045,267</u>
Business-Type Activities				
Master Plan Capital Projects Revenue Note, Series 2017	2.63% (6/1 & 12/1)	12/1/2018 to 12/1/2032	<u>\$ 6,329,441</u>	<u>\$ 5,620,934</u>

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

Year Ending September 30,	Governmental Activities		Business-Type Activities	
	Principal	Interest	Principal	Interest
2021	\$ 2,114,207	\$ 693,695	\$ 368,373	\$ 142,987
2022	2,164,966	641,584	377,868	133,174
2023	2,218,409	588,188	387,995	123,103
2024	2,272,175	533,472	398,122	112,765
2025	2,327,849	477,405	408,671	102,156
2026-2030	12,035,447	1,501,403	2,209,608	341,647
2031-2033	5,912,214	223,814	1,470,297	58,675
Total	<u>\$ 29,045,267</u>	<u>\$ 4,659,561</u>	<u>\$ 5,620,934</u>	<u>\$ 1,014,507</u>

NOTE 8 LONG-TERM DEBT (CONTINUED)

Changes in Long-Term Liabilities

Long-term liability activity for the year ended September 30, 2020 was as follows:

	Beginning Balance	Additions	Deductions	Ending Balance	Due Within One Year
Governmental Activities					
Public improvement revenue notes	\$ 4,312,844	\$ -	\$ (393,337)	\$ 3,919,507	\$ 401,322
Infrastructure revenue notes	4,432,992	-	(328,298)	4,104,694	335,258
Capital Projects revenue notes	22,363,155	-	(1,342,089)	21,021,066	1,377,627
Capital Leases	837,745	-	(83,481)	754,264	85,734
Other post employment benefits	8,888,217	620,136	-	9,508,353	-
Net pension liability	39,749	-	(8,274)	31,475	-
Compensated absences	1,449,202	245,578	(144,920)	1,549,860	154,986
Governmental activity long-term liabilities	\$42,323,904	\$ 865,714	\$ (2,300,399)	\$40,889,219	\$ 2,354,927
Business-type Activities					
Bonds payable-					
Revenue bonds	\$11,462,000	\$ -	\$ (828,000)	\$10,634,000	\$ 855,000
Premium	5,420	-	(5,420)	-	-
Total bonds payable	11,467,420	-	(833,420)	10,634,000	855,000
Capital Projects revenue notes	5,979,845	-	(358,911)	5,620,934	368,373
Other post employment benefits	2,857,991	186,912	-	3,044,903	-
Compensated absences	409,509	81,940	(40,951)	450,498	45,051
Business-type activity long-term liabilities	\$20,714,765	\$ 268,852	\$ (1,233,282)	\$19,750,335	\$ 1,268,424

NOTE 9 INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

Interfund transfers for the year ended September 30, 2020 consisted of the following:

	Transfers In					
Transfers Out:	General Fund	Water Fund	Sewer Fund	Sanitation Fund	Stormwater Fund	Nonmajor Govt
General Fund	\$ -	\$ 17,943	\$ 2,781	\$ 44,140	\$ 920	\$ 231,007
Infrastructure Fund	-	-	-	-	-	2,030,712
Water Fund	1,108,101	-	-	-	-	-
Sewer Fund	1,134,923	746	-	-	-	-
Nonmajor Governmental	62,533	-	-	-	-	584,388
	<u>\$2,305,557</u>	<u>\$ 18,689</u>	<u>\$ 2,781</u>	<u>\$ 44,140</u>	<u>\$ 920</u>	<u>\$2,846,107</u>
						<u>\$5,218,194</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.

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

The composition of interfund advances as of September 30, 2020 is as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Sewer Fund	Stormwater Fund	\$ 275,000
Sanitation Fund	General Fund	397,127
		<u>\$ 672,127</u>

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

NOTE 10 RETIREMENT PLANS

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

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

Defined Benefit Pension Plans

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

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

General Employees

Contributions

The City's actuarially determined contribution rate per the October 1, 2018 actuarial valuations is \$11,018 for general employees. Administrative costs are deducted from the net position of the plan.

Summary of Significant Accounting Policies

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

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

NOTE 10 RETIREMENT PLANS (CONTINUED)

Plan Membership - At September 30, 2020 plan membership consisted of the following:

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

Net Pension Liability of the City

The City's net pension liability was measured as of September 30, 2020, 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, 2020 were as follows:

Total Pension Liability	\$ 305,055
Plan Fiduciary Net Position	(273,580)
Sponsor's Net Pension Liability (Asset)	<u>\$ 31,475</u>
Plan Fiduciary Net Position as a Percentage of Total Pension Liability (Asset)	89.68%

Actuarial Assumptions

The total pension liability was determined by an actuarial valuation as of October 1, 2018, updated September 30, 2020 using the following actuarial assumptions:

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

Mortality rates were based on the sex-distinct rates set forth in the RP-2000 Combined Mortality Table with full generational improvements in mortality using Scale BB.

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, 2020 are summarized in the following table:

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

NOTE 10 RETIREMENT PLANS (CONTINUED)

Discount rate

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

Changes in Net Pension Liability

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Increase (Decrease) Net Pension Liability (a) - (b)
Balance at September 30, 2019	\$ 333,418	\$ 293,669	\$ 39,749
Changes Due to:			
Service Cost	-	-	-
Expected interest growth	21,619	19,304	2,315
Unexpected investment income	-	(2,984)	2,984
Demographic experience	-	-	-
Employer contributions	-	11,018	(11,018)
Benefit payments and refunds	(49,982)	(42,156)	(7,826)
Administrative expenses	-	(5,271)	5,271
Assumption changes	-	-	-
Balance at September 30, 2020	<u>\$ 305,055</u>	<u>\$ 273,580</u>	<u>\$ 31,475</u>

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

	1% Decrease 6.00%	Current Discount Rate 7.00%	1% Increase 8.00%
General Pension Plan Net Pension Liability	\$ 46,044	\$ 31,475	\$ 18,195

Deferred outflows and inflows of resources

For the year ended September 30, 2020 the City will recognize a pension expense of (\$3,912). On September 30, 2020 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	1,282	-
	<u>\$ 1,282</u>	<u>\$ -</u>

NOTE 10 RETIREMENT PLANS (CONTINUED)

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

Year ended September 30:		
2021	\$	(2,753)
2022		1,499
2023		1,940
2024		596
2025		-
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, 2018 actuarial valuation. Employees must contribute 3% of pensionable earnings prior to October 29, 2018, 4% of pensionable earnings for the period October 29, 2018 through September 29, 2019, and 5% of pensionable earnings thereafter. 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 \$0 in 2020 and were recorded as revenue and expenditures in the general fund.

Benefits Provided

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

Plan Membership

At September 30, 2020 plan membership consisted of the following:

Inactive Plan Members or Beneficiaries Currently Receiving Benefits	19
Inactive Plan Members Entitled to but Not Yet Receiving Benefits	16
Active Plan Members	72
	<hr/>
	107
	<hr/>

NOTE 10 RETIREMENT PLANS (CONTINUED)

Net Pension Liability of the City

The City's net pension liability was measured as of September 30, 2020, 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, 2020 were as follows:

Total Pension Liability	\$ 20,888,384
Plan Fiduciary Net Position	(23,237,027) *
Sponsor's Net Pension Liability (Asset)	<u>\$ (2,348,643)</u>
Plan Fiduciary Net Position as a Percentage of Total Pension Liability (Asset)	111.24%

* 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, 2020 using the following actuarial assumptions:

Inflation	2.77%
Salary Increases	5.50%
Investment Rate of Return	7.00%

Mortality rates were based on the sex-distinct rates set forth in the RP-2000 Blue Collar Mortality Table, with full generational improvements in mortality using Scale BB.

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, 2020 are summarized in the following table:

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

NOTE 10 RETIREMENT PLANS (CONTINUED)

Discount rate

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

Changes in Net Pension Liability

		Increase (Decrease)	
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(a) - (b)
Balance at September 30, 2019	\$ 18,985,282	\$ 20,217,453	\$ (1,232,171)
Changes Due to:			
Service Cost	1,048,755	-	1,048,755
Expected interest growth	1,300,909	1,438,396	(137,487)
Unexpected investment income	-	907,675	(907,675)
Demographic experience	-	-	-
Employer contributions	-	943,063	(943,063)
Employee contributions	-	238,416	(238,416)
Benefit payments and refunds	(446,562)	(446,562)	-
Administrative expenses	-	(61,414)	61,414
Assumption changes	-	-	-
Balance at September 30, 2020	<u>\$ 20,888,384</u>	<u>\$ 23,237,027</u>	<u>\$ (2,348,643)</u>

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

	1% Decrease	Current Discount Rate	1% Increase
	6.00%	7.00%	8.00%
Police Pension Net Pension Liability (Asset)	\$ 665,844	\$ (2,348,643)	\$ (4,802,171)

Deferred outflows and inflows of resources

For the year ended September 30, 2020 the City will recognize a pension expense of \$594,569. On September 30, 2020 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	\$ -	\$ 721,796
Changes of assumptions	1,523,224	-
Net difference between projected and actual earnings on pension plan investments	-	951,094
	<u>\$ 1,523,224</u>	<u>\$ 1,672,890</u>

NOTE 10 RETIREMENT PLANS (CONTINUED)

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

Year ended September 30:

2021	\$	(99,385)
2022		79,987
2023		90,489
2024		(128,345)
2025		(86,367)
Thereafter		(6,045)

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, 2020 is \$127,712.

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, 2018 actuarial valuation. Employees must contribute 4% of pensionable earnings. Administrative costs are deducted from the net position of the plan. Contributions from the State received under Florida State Statutes 175 and 185 amounted to \$0 in 2020 and were recorded as revenue and expenditures in the general fund.

Benefits Provided

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

NOTE 10 RETIREMENT PLANS (CONTINUED)

Plan Membership

At September 30, 2020 plan membership consisted of the following:

Inactive Plan Members or Beneficiaries Currently Receiving Benefits	3
Inactive Plan Members Entitled to but Not Yet Receiving Benefits	62
Active Plan Members	72
	<hr/>
	137
	<hr/>

Net Pension Liability of the City

The City's net pension liability was measured as of September 30, 2020, 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, 2020 were as follows:

Total Pension Liability	\$ 20,734,056
Plan Fiduciary Net Position	(22,771,575) *
Sponsor's Net Pension Liability (Asset)	<hr/> \$ (2,037,519) <hr/>
Plan Fiduciary Net Position as a Percentage of Total Pension Liability (Asset)	109.83%

* 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, 2020 using the following actuarial assumptions:

Inflation	2.77%
Salary Increases	5.50%
Investment Rate of Return	7.00%

Mortality rates were based on the sex-distinct rates set forth in the RP-2000 Combined Mortality Table, with full generational improvements in mortality using Scale BB.

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

NOTE 10 RETIREMENT PLANS (CONTINUED)

Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of September 30, 2020 are summarized in the following table:

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

Discount rate

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

Changes in Net Pension Liability

	Total Pension Liability (a)	Increase (Decrease) Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balance at September 30, 2019	\$ 18,435,970	\$ 18,988,865	\$ (552,895)
Changes Due to:			
Service Cost	1,313,842	-	1,313,842
Expected interest growth	1,272,336	1,381,370	(109,034)
Unexpected investment income	-	885,731	(885,731)
Demographic experience	-	-	-
Employer contributions	-	1,649,080	(1,649,080)
Employee contributions	-	220,098	(220,098)
Benefit payments and refunds	(288,092)	(288,092)	-
Administrative expenses	-	(65,477)	65,477
Assumption changes	-	-	-
Balance at September 30, 2020	\$ 20,734,056	\$ 22,771,575	\$ (2,037,519)

NOTE 10 RETIREMENT PLANS (CONTINUED)

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

	1% Decrease 6.00%	Current Discount Rate 7.00%	1% Increase 8.00%
Fire Pension Net Pension Liability (Asset)	\$ 1,111,994	\$ (2,037,519)	\$ (4,585,386)

Deferred outflows and inflows of resources

For the year ended September 30, 2020 the City will recognize a pension expense of \$1,172,655. On September 30, 2020 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	\$ 278,443	\$ 290,169
Changes of assumptions	2,245,129	-
Net difference between projected and actual earnings on pension plan investments	-	924,194
	<u>\$ 2,523,572</u>	<u>\$ 1,214,363</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:

2021	\$ 156,468
2022	314,729
2023	326,525
2024	220,437
2025	241,257
Thereafter	49,793

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, 2020 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 16, Article IV, 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 2020 was \$8,590,053; the City's total payroll for City employees was \$19,973,032.

NOTE 10 RETIREMENT PLANS (CONTINUED)

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

The actual contribution made by the City for fiscal year 2020 was \$858,493.

Aggregate Amounts of All Pension Plans

The aggregate amounts for all of the City's defined benefit pension plans at September 30, 2020 are as follows:

	Governmental Activities			
	Net Pension Asset (Liability)	Deferred Inflows	Deferred Outflows	Expense
General Employees Pension Plan	\$ (31,475)	\$ -	\$ 1,282	\$ (3,912)
Police Pension Plan	2,348,643	(1,672,890)	1,523,224	594,569
Firefighters Pension Plan	2,037,519	(1,214,362)	2,523,572	1,172,654
	<u>\$ 4,354,687</u>	<u>\$ (2,887,252)</u>	<u>\$ 4,048,078</u>	<u>\$ 1,763,311</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, 2020

	General Employees		Police Officers Pension Trust	Firefighters Pension Trust	Total Employee Pension Funds
	Defined Benefit	Defined Contribution			
Assets:					
Cash and cash equivalents	\$ 2,188	\$ -	\$ 742,373	\$ 1,126,722	\$ 1,871,283
Investments:					
U.S. Government & other debt securities	76,329	-	8,538,692	8,245,383	16,860,404
Equities	195,063	9,714,707	15,497,786	14,429,918	39,837,474
Total Investments	<u>271,392</u>	<u>9,714,707</u>	<u>24,036,478</u>	<u>22,675,301</u>	<u>56,697,878</u>
Total assets	<u>273,580</u>	<u>9,714,707</u>	<u>24,778,851</u>	<u>23,802,023</u>	<u>58,569,161</u>
Liabilities:					
Refunds payable and other	-	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Position Restricted for Pensions	<u>\$ 273,580</u>	<u>\$ 9,714,707</u>	<u>\$ 24,778,851</u>	<u>\$ 23,802,023</u>	<u>\$ 58,569,161</u>

NOTE 10 RETIREMENT PLANS (CONTINUED)

Individual statements of the changes in fiduciary net position are as follows:

City of Clermont, Florida

Individual Statements of Changes in Fiduciary Net Position

Year Ended September 30, 2020

	<u>General Employees</u>		<u>Police Officers Pension Trust</u>	<u>Firefighters Pension Trust</u>	<u>Total Employee Pension Funds</u>
	<u>Defined Benefit</u>	<u>Defined Contribution</u>			
Additions:					
Contributions:					
Employer	\$ 22,036	\$ 858,493	\$ 943,066	\$ 1,649,080	\$ 3,472,675
Plan members	-	-	238,434	220,098	458,532
State	-	-	-	-	-
Total contributions	<u>22,036</u>	<u>858,493</u>	<u>1,181,500</u>	<u>1,869,178</u>	<u>3,931,207</u>
Investment earnings:					
Net increase (decrease) in fair value of investments	16,320	947,625	2,490,535	2,370,484	5,824,964
Investment expense	-	-	(5,000)	(2,500)	(7,500)
Total net investment earnings	<u>16,320</u>	<u>947,625</u>	<u>2,485,535</u>	<u>2,367,984</u>	<u>5,817,464</u>
Total additions	<u>38,356</u>	<u>1,806,118</u>	<u>3,667,035</u>	<u>4,237,162</u>	<u>9,748,671</u>
Deductions:					
Benefits/distributions	42,156	2,129,605	470,626	417,199	3,059,586
Administrative expenses	5,271	9,577	56,414	62,977	134,239
Total deductions	<u>47,427</u>	<u>2,139,182</u>	<u>527,040</u>	<u>480,176</u>	<u>3,193,825</u>
Change in Net Position	<u>(9,071)</u>	<u>(333,064)</u>	<u>3,139,995</u>	<u>3,756,986</u>	<u>6,554,846</u>
Net Position Restricted for Pensions					
Beginning of Year	<u>282,651</u>	<u>10,047,771</u>	<u>21,638,856</u>	<u>20,045,037</u>	<u>52,014,315</u>
End of Year	<u>\$ 273,580</u>	<u>\$ 9,714,707</u>	<u>\$ 24,778,851</u>	<u>\$ 23,802,023</u>	<u>\$ 58,569,161</u>

NOTE 11 OTHER POST EMPLOYMENT BENEFITS

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

As of October 1, 2018, the valuation date, there were 346 active employees and 11 inactive employees currently receiving benefits. The OPEB liability of \$12,553,256 was measured as of September 30, 2020 and was determined by the actuarial valuation. The covered payroll was \$19,075,627, and the ratio of Net OPEB liability as a percentage of covered payroll was 65.81%.

NOTE 11 OTHER POST EMPLOYMENT BENEFITS (CONTINUED)

Summary of Actuarial Methods & Assumptions

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

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

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

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

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

Additional Information

Valuation Date	October 1, 2018
Actuarial Cost Method	Entry Age Normal
Discount Rate*	2.66%
Inflation Rate	0.00%
Salary Rate Increase	2%
Funded Ratio (Fiduciary Net Position as a percentage of Total OPEB Liability)	NA
Covered Payroll	\$ 19,075,627
Net OPEB Liability as a Percentage of Covered Payroll	65.81%

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

NOTE 11 OTHER POST EMPLOYMENT BENEFITS (CONTINUED)

Below are the details regarding the Total OPEB liability for the measurement period from October 1, 2019, to September 30, 2020.

	Total OPEB Liability
Balance as of 9/30/2019	\$ 11,746,208
Changes for the year:	
Service Cost	740,666
Interest	309,219
Difference Between Expected & Actual Experience	-
Changes of Assumptions and Other Inputs	-
Benefit Payments ⁽¹⁾	(242,837)
Other Changes	-
Net Changes	<u>\$ 807,048</u>
Balance as of 9/30/2020	<u><u>\$ 12,553,256</u></u>

(1) Includes the Implicit Rate Subsidy.

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

	Decrease 1.66%	Discount Rate 2.66%	Increase 3.66%
Total OPEB Liability	\$ 14,895,654	\$ 12,553,256	\$ 10,677,100

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

	Decrease 1%	Health Care Trend	Increase 1%
Total OPEB Liability	\$ 10,393,549	\$ 12,553,256	\$ 15,275,896

For the fiscal year ended September 30, 2020, 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	\$ 748,458	\$ -
Changes of assumptions	1,587,222	391,191
Total	<u><u>\$ 2,335,680</u></u>	<u><u>\$ 391,191</u></u>

NOTE 11 OTHER POST EMPLOYMENT BENEFITS (CONTINUED)

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

Fiscal Year Ending September 30,		
2021	\$	333,081
2022		333,081
2023		333,081
2024		333,081
2025		333,081
Thereafter		279,084

Postemployment benefits (OPEB's)

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

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

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

NOTE 12 RISK MANAGEMENT

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

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

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

The claims liability of \$206,017 represents claims processed through October 2020 which were applicable to the current fiscal year and any additional claims are deemed immaterial. Changes to the current claims liability are as follows:

	2020	2019
Claims Liabilities, beginning of year	\$ 251,597	\$ 223,114
Incurred Claims	5,615,898	4,489,860
Payments on Claims	(5,661,478)	(4,461,377)
Claims Liabilities, end of year	<u>\$ 206,017</u>	<u>\$ 251,597</u>

NOTE 13 COMMITMENTS AND CONTINGENCIES

Litigation

The City is engaged in various liability claims incidental to the conduct of its general government operations at September 30, 2020. While the ultimate outcome of the litigation cannot be determined at this time, management believes that any amounts not covered by insurance, if any, resulting from these lawsuits would not materially affect the financial position of the City.

Risk Management

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

NOTE 14 FUND BALANCES

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

Nonspendable

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

Spendable Fund Balance

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

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

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

NOTE 14 FUND BALANCES (CONTINUED)

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

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

At September 30, 2020, 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	\$ 356,125	\$ -	\$ -	\$ 9,206	\$ 365,331
Spendable					
Restricted for:					
Police	180,426	-	-	973,502	1,153,928
Fire	-	-	-	1,559,271	1,559,271
Transportation	24,742				24,742
Tree replacement	153,743				153,743
Building Services	-	-	-	1,837,195	1,837,195
Culture and recreation	-	-	-	2,110,551	2,110,551
Community redevelopment	-	-	-	468,672	468,672
Infrastructure	-	-	1,922,956	-	1,922,956
Debt service	-	-	-	1,807,978	1,807,978
Cemetery	-	-	-	1,431,065	1,431,065
Assigned for:					
Capital projects	-	15,475,555	-	-	15,475,555
Police/fire donations	3,362				3,362
Subsequent year expenditures	3,223,530	-	-	-	3,223,530
Unassigned	7,859,532	-	-	-	7,859,532
	<u>\$ 11,801,460</u>	<u>\$15,475,555</u>	<u>\$ 1,922,956</u>	<u>\$ 10,197,440</u>	<u>\$39,397,411</u>



REQUIRED SUPPLEMENTAL INFORMATION



Schedule of Changes in Net OPEB Liability and Related Ratios

Year Ended September 30, 2020

	9/30/2020	9/30/2019	9/30/2018
Total OPEB Liability			
Service cost	\$ 740,666	\$ 721,475	\$ 496,316
Interest	309,219	288,724	312,754
Differences between expected and actual experience	-	181,592	-
Changes of assumptions	-	2,106,772	(662,223)
Benefit Payments (2)	(242,837)	(236,545)	(109,600)
Other changes	-	-	-
Net change in total OPEB liability	807,048	3,062,018	37,247
Total OPEB liability, beginning (1)	11,746,208	8,684,190	8,646,943
Total OPEB liability, ending	\$ 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%
Covered payroll	\$ 19,075,627	\$ 18,701,595	\$ 14,293,247
Net OPEB liability as a percentage of covered payroll	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.

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

Year Ended September 30, 2020

	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	21,619	21,414	23,435	22,569	22,224	29,060	28,229
Differences Between Expected and Actual							
Experience	-	33,131	-	17,118	12,118	40,676	-
Changes of Assumptions	-	-	-	28,462	31,161	(10,549)	-
Benefit Payments, including refunds of employee contributions	(49,982)	(53,410)	(51,013)	(57,338)	(61,435)	(63,484)	(56,412)
Net Change in Total Pension Liability	(28,363)	1,135	(27,578)	10,811	4,068	(4,297)	(28,183)
Total Pension Liability-beginning	333,418	332,283	359,861	349,050	344,982	349,279	377,462
Total Pension Liability-ending (a)	<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	11,018	11,018	8,767	8,767	-	-	-
Contributions-state	-	-	-	-	-	-	-
Contributions-employee	-	-	-	-	-	-	-
Net Investment Income	16,320	14,396	24,889	44,469	29,829	2,613	40,560
Benefit Payments, including refunds of employee contributions	(42,156)	(53,410)	(57,338)	(57,338)	(61,435)	(63,484)	(66,212)
Administrative Expense	(5,271)	(1,597)	(1,681)	(5,457)	(1,757)	(6,508)	(3,136)
Other	-	-	-	-	-	-	-
Net Change in Plan Fiduciary Net Position	(20,089)	(29,593)	(25,363)	(9,559)	(33,363)	(67,379)	(28,788)
Plan Fiduciary Net Position - beginning	293,669	323,262	348,625	358,184	391,547	458,926	487,714
Plan Fiduciary Net Position - ending (b)	<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>\$ 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	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

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

Year Ended September 30, 2020

	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	\$ 1,048,755	\$ 1,048,755	\$ 941,659	\$ 941,659	\$ 836,661	\$ 560,680	\$ 524,531
Interest	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	-	(610,614)	(108,041)	(204,387)	(211,987)	(162,697)	-
Changes of Assumptions	-	-	-	576,133	3,155,202	-	-
Benefit Payments, including refunds of employee contributions	(446,562)	(403,441)	(381,207)	(640,378)	(342,697)	(298,559)	(532,943)
Assumption changes	-	1,209	-	-	-	-	-
Net Change in Total Pension Liability	1,903,102	1,326,340	1,622,703	1,722,660	4,186,831	960,308	714,834
Total Pension Liability-beginning	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>\$ 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	943,063	891,380	944,540	756,302	632,411	281,722	411,953
Contributions-state	-	-	-	-	-	240,486	217,653
Contributions-employee	238,416	175,526	120,269	116,332	108,806	99,188	95,733
Net Investment Income	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	(446,562)	(403,441)	(381,207)	(640,378)	(342,697)	(298,559)	(334,599)
Administrative Expense	(61,414)	(102,202)	(51,400)	(49,645)	(30,651)	(54,494)	(31,851)
Other	-	-	-	-	-	-	-
Net Change in Plan Fiduciary Net Position	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	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>\$ 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>\$ (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	111.24%	106.49%	103.78%	102.57%	100.31%	127.13%	137.69%
Covered Payroll	\$ 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	-61.58%	-32.31%	-19.82%	-12.25%	-1.32%	-88.40%	-142.50%

City of Clermont, Clermont, Florida
Schedule of Changes in Net Pension Liability and Related Ratios - Fire
Year Ended September 30, 2020

	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	\$ 1,313,842	\$ 1,313,842	\$ 1,025,516	\$ 1,025,516	\$ 784,710	\$ 524,325	\$ 596,543
Interest	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	-	(158,435)	(121,553)	633,143	(208,729)	(67,286)	-
Changes of Assumptions	-	1,079,623	-	634,356	2,505,255	-	-
Benefit Payments, including refunds of employee	(288,092)	(99,705)	(25,120)	(4,513)	(1,324)	(945)	(81,466)
Net Change in Total Pension Liability	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	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>\$ 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	1,649,080	1,585,514	1,278,757	797,699	491,818	646,065	438,902
Contributions-state	-	-	-	-	-	181,292	175,931
Contributions-employee	220,098	231,935	200,118	238,785	279,064	141,632	86,520
Net Investment Income	2,267,101	1,240,965	1,063,078	1,599,687	858,136	(32,699)	704,467
Benefit Payments, including refunds of employee	(288,092)	(99,705)	(25,120)	(4,513)	(1,324)	(945)	(756)
Administrative Expense	(65,477)	(98,170)	(35,839)	(49,761)	(28,346)	(40,885)	(24,109)
Other	-	-	-	-	-	-	-
Net Change in Plan Fiduciary Net Position	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	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>\$ 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>\$ (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	109.83%	103.00%	106.40%	102.74%	108.35%	143.05%	152.86%
Covered Payroll	\$ 4,438,530	\$ 4,438,530	\$ 3,602,745	\$ 3,602,745	\$ 2,798,049	\$ 2,798,049	\$ 2,798,049
Net Pension Liability as a Percentage of Covered Payroll	-45.91%	-12.46%	-26.91%	-10.10%	-30.47%	-101.81%	-105.93%

City of Clermont, Clermont, Florida
Schedule of Contributions and Investment Returns – General Employees
Year Ended September 30, 2020

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

Notes to Schedule

Valuation Date 10/1/2018

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

Methods and assumptions used to determine contribution rates:

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

Schedule of Investment Returns	9/30/2020	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	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, 2020

	9/30/2020	9/30/2019	9/30/2018	9/30/2017	9/30/2016	9/30/2015	9/30/2014
Actuarially Determined Contribution	\$ 985,611	\$ 936,834	\$ 905,229	\$ 875,593	\$ 640,139	\$ 583,559	\$ 629,606
Contributions in Relation to the Actuarially Determined Contribution	943,063	891,380	944,540	756,302	632,411	522,208	670,126
Contribution Deficiency (Excess)	\$ 42,548	\$ 45,454	\$ (39,311)	\$ 119,291	\$ 7,728	\$ 61,351	\$ (40,520)
Covered Payroll	\$ 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	24.73%	23.37%	28.06%	22.46%	18.78%	16.80%	21.56%

Notes to Schedule

Valuation Date 10/1/2018

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

Methods and assumptions used to determine contribution rates:

Actuarial Cost Method	Aggregate
Amortization Method	Level Percentage of Pay, open
Remaining Amortization Period	30 Years
Asset Valuation Method	Market Value
Salary Increases	5.50% per annum
Interest Rate	7% per annum (2.77% 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 RP-2000 Blue Collar Mortality Table, with full generational improvements in mortality using Scale BB

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	9/30/2020	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	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, 2020

	9/30/2020	9/30/2019	9/30/2018	9/30/2017	9/30/2016	9/30/2015	9/30/2014
Actuarially Determined Contribution	\$ 1,648,674	\$ 1,585,514	\$ 1,284,255	\$ 1,113,095	\$ 647,476	\$ 603,000	\$ 614,833
Contributions in Relation to the Actuarially Determined Contribution	1,649,080	1,585,514	1,278,757	797,699	491,818	827,357	668,800
Contribution Deficiency (Excess)	\$ (406)	\$ -	\$ 5,498	\$ 315,396	\$ 155,658	\$ (224,357)	\$ (53,967)
Covered Payroll	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	37.15%	35.72%	35.49%	22.14%	17.58%	29.57%	23.90%

Notes to Schedule

Valuation Date 10/1/2018

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

Methods and assumptions used to determine contribution rates:

Actuarial Cost Method	Aggregate
Amortization Method	Level Percentage of Pay, Open
Remaining Amortization Period	30 Years
Asset Valuation Method	Market Value
Salary Increases	5.50% per annum
Interest Rate	7% per annum (2.77% 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

Mortality Assumed disability is based on age and ranges from 0.03% at age 20 to 0.18% at age 50; 75% of disabilities are assumed to be service-connected
Sex-distinct rates set forth in the RP-2000 Blue Collar Mortality Table, with full generational improvements in mortality using Scale BB

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	9/30/2020	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	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.

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

Year ended September 30, 2020

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental revenues	\$ 950,000	\$ 1,025,000	\$ 625,000	\$ (400,000)
Investment earnings	400,000	400,000	196,202	(203,798)
Miscellaneous	-	-	34,082	34,082
Total revenues	1,350,000	1,425,000	855,284	(569,716)
Expenditures:				
Current:				
General government	7,000	7,000	956	6,044
Physical environment	-	-	7,550	(7,550)
Economic environment	-	-	1,000	(1,000)
Capital Outlay:				
Physical environment	6,981,000	7,550,951	114,432	7,436,519
Economic environment	5,870,000	6,695,300	3,955,742	2,739,558
Total expenditures	12,858,000	14,253,251	4,079,680	10,173,571
Excess (deficiency) of revenues over expenditures	(11,508,000)	(12,828,251)	(3,224,396)	9,603,855
Net Change in Fund Balance	(11,508,000)	(12,828,251)	(3,224,396)	9,603,855
Fund Balances - beginning	18,699,951	18,699,951	18,699,951	-
Fund Balances - ending	\$ 7,191,951	\$ 5,871,700	\$ 15,475,555	\$ 9,603,855

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.

City of Clermont, Florida
Combining Balance Sheet
Nonmajor Governmental Funds
September 30, 2020

Special Revenue

	Recreation Impact Fees	Police Impact Fees	Fire Impact Fees	Building Services
Assets:				
Cash and cash equivalents	\$ 1,199,839	\$ 569,880	\$ 749,389	\$ 746,029
Investments	910,392	431,846	808,987	1,182,972
Other receivables	1,390	795	924	1,323
Prepaid costs	-	-	-	5,697
Total assets	\$ 2,111,621	\$ 1,002,521	\$ 1,559,300	\$ 1,936,021
Liabilities and Fund Balances:				
Liabilities:				
Accounts payable	\$ 1,070	\$ 29,019	\$ 29	\$ 49,240
Accrued liabilities	-	-	-	43,889
Total liabilities	1,070	29,019	29	93,129
Fund balances:				
Nonspendable	-	-	-	5,697
Restricted	2,110,551	973,502	1,559,271	1,837,195
Total fund balances	2,110,551	973,502	1,559,271	1,842,892
Total liabilities and fund balances	\$ 2,111,621	\$ 1,002,521	\$ 1,559,300	\$ 1,936,021

Special Revenue

<u>Fire Inspection</u>	<u>Community Redevelopment Special Revenue</u>	<u>Cemetery</u>	<u>Total Special Revenue Funds</u>	<u>Debt Service</u>	<u>Total Nonmajor Governmental Funds</u>
\$ -	\$ 284,625	\$ 445,852	\$ 3,995,614	\$ 1,767,440	\$ 5,763,054
-	322,064	989,348	4,645,609	40,538	4,686,147
-	595	1,497	6,524	-	6,524
-	3,224	285	9,206	-	9,206
<u>\$ -</u>	<u>\$ 610,508</u>	<u>\$ 1,436,982</u>	<u>\$ 8,656,953</u>	<u>\$ 1,807,978</u>	<u>\$ 10,464,931</u>
\$ -	\$ 132,486	\$ 2,181	\$ 214,025	\$ -	\$ 214,025
-	6,126	3,451	53,466	-	53,466
-	138,612	5,632	267,491	-	267,491
-	3,224	285	9,206	-	9,206
-	468,672	1,431,065	8,380,256	1,807,978	10,188,234
-	471,896	1,431,350	8,389,462	1,807,978	10,197,440
<u>\$ -</u>	<u>\$ 610,508</u>	<u>\$ 1,436,982</u>	<u>\$ 8,656,953</u>	<u>\$ 1,807,978</u>	<u>\$ 10,464,931</u>

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

Year Ended September 30, 2020

	Special Revenue			
	Recreation Impact Fees	Police Impact Fees	Fire Impact Fees	Building Services
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	1,325,841
Intergovernmental revenues	-	-	-	-
Charges for services	-	-	-	49,370
Impact fees/special assessments	1,529,037	436,670	564,447	-
Investment earnings	23,953	12,551	18,183	26,777
Miscellaneous	-	-	-	-
Total revenues	1,552,990	449,221	582,630	1,401,988
Expenditures:				
Current:				
Public safety	-	108,795	98,976	1,506,487
Physical environment	-	-	-	-
Economic environment	-	-	-	-
Culture and recreation	153,506	-	-	-
Debt Service:				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	153,506	108,795	98,976	1,506,487
Excess (Deficiency) of Revenues Over Expenditures	1,399,484	340,426	483,654	(104,499)
Other Financing Uses:				
Transfers in	-	-	-	9,979
Transfers out	(569,628)	(14,760)	-	(17,033)
Total other financing uses	(569,628)	(14,760)	-	(7,054)
Net Change in Fund Balances	829,856	325,666	483,654	(111,553)
Fund Balances - beginning	1,280,695	647,836	1,075,617	1,954,445
Fund Balances - ending	\$ 2,110,551	\$ 973,502	\$ 1,559,271	\$ 1,842,892

Special Revenue

Fire Inspection	Community Redevelopment Special Revenue	Cemetery	Total Special Revenue Funds	Debt Service	Total Nonmajor Governmental Funds
\$ -	\$ 383,119	\$ -	\$ 383,119	\$ -	\$ 383,119
-	-	-	1,325,841	-	1,325,841
-	80,000	-	80,000	-	80,000
-	-	212,050	261,420	-	261,420
-	-	-	2,530,154	-	2,530,154
11	9,550	25,106	116,131	3,796	119,927
-	-	3,420	3,420	-	3,420
11	472,669	240,576	4,700,085	3,796	4,703,881
-	-	-	1,714,258	-	1,714,258
-	-	99,760	99,760	-	99,760
-	519,519	-	519,519	-	519,519
-	-	-	153,506	-	153,506
-	-	-	-	2,063,724	2,063,724
-	-	-	-	744,546	744,546
-	519,519	99,760	2,487,043	2,808,270	5,295,313
11	(46,850)	140,816	2,213,042	(2,804,474)	(591,432)
-	2,556	-	12,535	2,833,572	2,846,107
(45,500)	-	-	(646,921)	-	(646,921)
(45,500)	2,556	-	(634,386)	2,833,572	2,199,186
(45,489)	(44,294)	140,816	1,578,656	29,098	1,607,754
45,489	516,190	1,290,534	6,810,806	1,778,880	8,589,686
\$ -	\$ 471,896	\$ 1,431,350	\$ 8,389,462	\$ 1,807,978	\$ 10,197,440

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

Year ended September 30, 2020

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Impact fees/special assessments	\$ 900,000	\$ 900,000	\$ 1,529,037	\$ 629,037
Investment earnings	10,000	10,000	23,953	13,953
Total revenues	910,000	910,000	1,552,990	642,990
Expenditures:				
Current:				
Culture and recreation	293,468	508,062	153,506	354,556
Total expenditures	293,468	508,062	153,506	354,556
Excess (deficiency) of revenues over expenditures	616,532	401,938	1,399,484	997,546
Other Financing Uses				
Transfers out	(569,636)	(569,636)	(569,628)	8
Total other financing uses	(569,636)	(569,636)	(569,628)	8
Net Change in Fund Balances	46,896	(167,698)	829,856	997,554
Fund Balances - beginning	1,280,695	1,280,695	1,280,695	-
Fund Balances - ending	\$ 1,327,591	\$ 1,112,997	\$ 2,110,551	\$ 997,554

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

Year ended September 30, 2020

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Impact fees/special assessments	\$ 325,200	\$ 325,200	\$ 436,670	\$ 111,470
Investment earnings	6,000	6,000	12,551	6,551
Total revenues	331,200	331,200	449,221	118,021
Expenditures:				
Current:				
Public Safety:				
Law enforcement	301,308	344,808	108,795	236,013
Total expenditures	301,308	344,808	108,795	236,013
Excess (deficiency) of revenues over expenditures	29,892	(13,608)	340,426	354,034
Other Financing Sources (Uses)				
Transfers out	(14,763)	(14,763)	(14,760)	3
Total other financing sources (uses)	(14,763)	(14,763)	(14,760)	3
Net Change in Fund Balances	15,129	(28,371)	325,666	354,037
Fund Balances - beginning	647,836	647,836	647,836	-
Fund Balances - ending	\$ 662,965	\$ 619,465	\$ 973,502	\$ 354,037

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

Year ended September 30, 2020

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Impact fees/special assessments	\$ 385,000	\$ 385,000	\$ 564,447	\$ 179,447
Investment earnings	6,000	6,000	18,183	12,183
Total revenues	391,000	391,000	582,630	191,630
Expenditures:				
Current:				
Public safety:				
Fire control	24,184	320,825	98,976	221,849
Total expenditures	24,184	320,825	98,976	221,849
Excess (deficiency) of revenues over expenditures	366,816	70,175	483,654	413,479
Net Change in Fund Balances	366,816	70,175	483,654	413,479
Fund Balances - beginning	1,075,617	1,075,617	1,075,617	-
Fund Balances - ending	\$ 1,442,433	\$ 1,145,792	\$ 1,559,271	\$ 413,479

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

Year ended September 30, 2020

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Licenses and permits	\$ 1,175,000	\$ 1,175,000	\$ 1,325,841	\$ 150,841
Charges for services	64,000	64,000	49,370	(14,630)
Investment earnings	12,000	12,000	26,777	14,777
Total revenues	1,251,000	1,251,000	1,401,988	150,988
Expenditures:				
Current:				
Public safety	1,490,493	1,541,583	1,506,487	35,096
Total expenditures	1,490,493	1,541,583	1,506,487	35,096
Excess (deficiency) of revenues over expenditures	(239,493)	(290,583)	(104,499)	186,084
Other Financing Uses:				
Transfers in	-	-	9,979	9,979
Transfers out	-	(17,033)	(17,033)	-
Total other financing sources	-	(17,033)	(7,054)	9,979
Net Change in Fund Balances	(239,493)	(307,616)	(111,553)	196,063
Fund Balances - beginning	1,954,445	1,954,445	1,954,445	-
Fund Balances - ending	\$ 1,714,952	\$ 1,646,829	\$ 1,842,892	\$ 196,063

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

Year ended September 30, 2020

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Investment earnings	\$ -	\$ -	\$ 11	\$ 11
Total revenues	-	-	11	11
Expenditures:				
Current:				
Public safety	-	-	-	-
Total expenditures	-	-	-	-
Excess (deficiency) of revenues over expenditures	-	-	11	11
Other Financing Sources:				
Transfers out	-	-	(45,500)	(45,500)
Total other financing sources	-	-	(45,500)	(45,500)
Net Change in Fund Balances	-	-	(45,489)	(45,489)
Fund Balances - beginning	45,489	45,489	45,489	-
Fund Balances - ending	<u>\$ 45,489</u>	<u>\$ 45,489</u>	<u>\$ -</u>	<u>\$ (45,489)</u>

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual**Community Redevelopment Special Revenue**

Year ended September 30, 2020

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ 334,793	\$ 383,119	\$ 383,119	\$ -
Intergovernmental revenues	-	-	80,000	80,000
Investment earnings	4,500	4,500	9,550	5,050
Total revenues	339,293	387,619	472,669	85,050
Expenditures:				
Current:				
Economic development	347,230	658,512	519,519	138,993
Total expenditures	347,230	658,512	519,519	138,993
Excess (deficiency) of revenues over expenditures	(7,937)	(270,893)	(46,850)	224,043
Other Financing Sources:				
Transfers in	-	-	2,556	2,556
Total other financing sources	-	-	2,556	2,556
Net Change in Fund Balances	(7,937)	(270,893)	(44,294)	226,599
Fund Balances - beginning	516,190	516,190	516,190	-
Fund Balances - ending	\$ 508,253	\$ 245,297	\$ 471,896	\$ 226,599

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

Year ended September 30, 2020

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Charges for services	\$ 100,000	\$ 100,000	\$ 212,050	\$ 112,050
Investment earnings	12,000	12,000	25,106	13,106
Miscellaneous	-	-	3,420	3,420
Total revenues	112,000	112,000	240,576	128,576
Expenditures:				
Current:				
Physical environment	110,787	111,735	99,760	11,975
Total expenditures	110,787	111,735	99,760	11,975
Excess (deficiency) of revenues over expenditures	1,213	265	140,816	140,551
Net Change in Fund Balances	1,213	265	140,816	140,551
Fund Balances - beginning	1,290,534	1,290,534	1,290,534	-
Fund Balances - ending	\$ 1,291,747	\$ 1,290,799	\$ 1,431,350	\$ 140,551

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

Year ended September 30, 2020

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Investment earnings	\$ 7,000	\$ 7,000	\$ 3,796	\$ (3,204)
Total revenues	<u>7,000</u>	<u>7,000</u>	<u>3,796</u>	<u>(3,204)</u>
Expenditures:				
Current:				
General government	500	500	-	500
Debt Service:				
Principal	2,063,724	2,063,724	2,063,724	-
Interest and fiscal charges	744,544	744,544	744,546	(2)
Total expenditures	<u>2,808,768</u>	<u>2,808,768</u>	<u>2,808,270</u>	<u>498</u>
Excess (deficiency) of revenues over expenditures	<u>(2,801,768)</u>	<u>(2,801,768)</u>	<u>(2,804,474)</u>	<u>(2,706)</u>
Other Financing Sources:				
Transfers in	2,833,562	2,833,562	2,833,572	10
Total other financing sources	<u>2,833,562</u>	<u>2,833,562</u>	<u>2,833,572</u>	<u>10</u>
Net Change in Fund Balances	<u>31,794</u>	<u>31,794</u>	<u>29,098</u>	<u>(2,696)</u>
Fund Balances - beginning	<u>1,778,880</u>	<u>1,778,880</u>	<u>1,778,880</u>	<u>-</u>
Fund Balances - ending	<u>\$ 1,810,674</u>	<u>\$ 1,810,674</u>	<u>\$ 1,807,978</u>	<u>\$ (2,696)</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, whereas, a fixed percentage of employees' salaries is used in determining the annual contribution to the defined contribution plan.
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, 2020

	<u>General Employees</u>		<u>Police Officers Pension Trust</u>	<u>Firefighters Pension Trust</u>	<u>Total Employee Pension Funds</u>
	<u>Defined Benefit</u>	<u>Defined Contribution</u>			
Assets:					
Cash and cash equivalents	\$ 2,188	\$ -	\$ 742,373	\$ 1,126,722	\$ 1,871,283
Investments:					
U.S. Government & other debt securities	76,329	-	8,538,692	8,245,383	16,860,404
Equities	195,063	9,714,707	15,497,786	14,429,918	39,837,474
Total Investments	271,392	9,714,707	24,036,478	22,675,301	56,697,878
Total assets	273,580	9,714,707	24,778,851	23,802,023	58,569,161
Liabilities:					
Refunds payable and other	-	-	-	-	-
Total liabilities	-	-	-	-	-
Net Position Restricted for Pensions	\$ 273,580	\$ 9,714,707	\$ 24,778,851	\$ 23,802,023	\$ 58,569,161

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

Year Ended September 30, 2020

	<u>General Employees</u>		<u>Police Officers Pension Trust</u>	<u>Firefighters Pension Trust</u>	<u>Total Employee Pension Funds</u>
	<u>Defined Benefit</u>	<u>Defined Contribution</u>			
Additions:					
Contributions:					
Employer	\$ 22,036	\$ 858,493	\$ 943,066	\$ 1,649,080	\$ 3,472,675
Plan members	-	-	238,434	220,098	458,532
State	-	-	-	-	-
Total contributions	<u>22,036</u>	<u>858,493</u>	<u>1,181,500</u>	<u>1,869,178</u>	<u>3,931,207</u>
Investment earnings:					
Net increase (decrease) in fair value of investments	16,320	947,625	2,490,535	2,370,484	5,824,964
Investment expense	-	-	(5,000)	(2,500)	(7,500)
Total net investment earnings	<u>16,320</u>	<u>947,625</u>	<u>2,485,535</u>	<u>2,367,984</u>	<u>5,817,464</u>
Total additions	<u>38,356</u>	<u>1,806,118</u>	<u>3,667,035</u>	<u>4,237,162</u>	<u>9,748,671</u>
Deductions:					
Benefits/distributions	42,156	2,129,605	470,626	417,199	3,059,586
Administrative expenses	5,271	9,577	56,414	62,977	134,239
Total deductions	<u>47,427</u>	<u>2,139,182</u>	<u>527,040</u>	<u>480,176</u>	<u>3,193,825</u>
Change in Net Position	<u>(9,071)</u>	<u>(333,064)</u>	<u>3,139,995</u>	<u>3,756,986</u>	<u>6,554,846</u>
Net Position Restricted for Pensions					
Beginning of Year	282,651	10,047,771	21,638,856	20,045,037	52,014,315
End of Year	<u>\$ 273,580</u>	<u>\$ 9,714,707</u>	<u>\$ 24,778,851</u>	<u>\$ 23,802,023</u>	<u>\$ 58,569,161</u>

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	116
These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.	
Revenue Capacity	126
These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax.	
Debt Capacity	131
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.	
Demographic and Economic Information	138
These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.	
Operating Information	142
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	

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			
	2011	2012	2013	2014
Governmental activities				
Net investment in capital assets	\$ 34,894	\$ 36,612	\$ 39,950	\$ 44,116
Restricted	7,381	8,876	9,490	9,918
Unrestricted	12,465	9,701	7,723	5,719
Total governmental activities net position	<u>\$ 54,740</u>	<u>\$ 55,189</u>	<u>\$ 57,163</u>	<u>\$ 59,753</u>
Business-type activities				
Net investment in capital assets	56,430	57,241	57,863	56,680
Restricted	9,241	9,477	9,536	10,217
Unrestricted	19,376	20,436	24,191	27,054
Total business-type activities net position	<u>\$ 85,047</u>	<u>\$ 87,154</u>	<u>\$ 91,590</u>	<u>\$ 93,951</u>
Primary government				
Net investment in capital assets	91,324	93,853	97,813	100,796
Restricted	16,622	18,353	19,026	20,135
Unrestricted	31,841	30,137	31,914	32,773
Total primary government net position	<u>\$ 139,787</u>	<u>\$ 142,343</u>	<u>\$ 148,753</u>	<u>\$ 153,704</u>

Fiscal Year					
2015	2016	2017	2018	2019	2020
\$ 47,718	\$ 52,064	\$ 31,918	\$ 35,262	\$ 40,318	\$ 44,045
9,400	6,402	7,815	8,547	9,589	12,479
11,649	11,182	30,117	27,925	24,795	23,874
<u>\$ 68,767</u>	<u>\$ 69,648</u>	<u>\$ 69,850</u>	<u>\$ 71,734</u>	<u>\$ 74,702</u>	<u>\$ 80,398</u>
56,586	60,150	63,131	69,322	66,104	68,310
12,135	13,959	17,127	16,904	20,362	24,195
26,943	26,050	26,667	23,959	28,286	28,728
<u>\$ 95,664</u>	<u>\$ 100,159</u>	<u>\$ 106,925</u>	<u>\$ 110,185</u>	<u>\$ 114,752</u>	<u>\$ 121,233</u>
104,304	112,214	95,049	104,584	106,422	112,355
21,535	20,361	24,942	25,451	29,951	36,674
38,592	37,232	56,784	51,884	53,081	52,602
<u>\$ 164,431</u>	<u>\$ 169,807</u>	<u>\$ 176,775</u>	<u>\$ 181,919</u>	<u>\$ 189,454</u>	<u>\$ 201,631</u>

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

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

Expenses	Fiscal Year			
	2011	2012	2013	2014
Governmental Activities:				
General government	\$ 3,643	\$ 4,211	\$ 3,258	\$ 3,407
Public safety	12,531	12,168	12,685	14,117
Physical environment	279	248	303	350
Transportation/public works	1,661	1,719	1,725	2,202
Economic environment	102	116	200	363
Human services	-	-	-	-
Culture and recreation	1,822	1,045	1,928	3,096
Interest on long-term debt	156	137	87	236
Total governmental activities expenses	<u>20,194</u>	<u>19,644</u>	<u>20,186</u>	<u>23,771</u>
Business-type Activities:				
Water	4,461	4,052	4,154	4,589
Sewer	6,022	5,752	6,106	6,437
Sanitation	2,364	2,567	2,465	2,472
Stormwater	955	939	897	1,016
Total business-type activities expenses	<u>13,802</u>	<u>13,310</u>	<u>13,622</u>	<u>14,514</u>
Total primary government expenses	<u>\$ 33,996</u>	<u>\$ 32,954</u>	<u>\$ 33,808</u>	<u>\$ 38,285</u>
Program Revenues				
Governmental Activities:				
Charges for services:				
General government	\$ 1,695	\$ 1,649	\$ 2,117	\$ 2,429
Public safety	355	450	1,040	1,366
Transportation/public works	-	-	-	-
Culture and recreation	539	604	1,262	956
Operating grants and contributions	1,237	1,191	896	939
Capital grants and contributions	129	27	112	1,718
Total governmental activities program revenues	<u>3,955</u>	<u>3,921</u>	<u>5,427</u>	<u>7,408</u>
Business-type Activities:				
Charges for services:				
Water	5,377	5,099	5,215	5,362
Sewer	5,065	5,154	5,357	5,585
Sanitation	2,688	2,721	2,775	2,869
Stormwater	855	855	862	881
Operating grants and contributions	-	-	-	-
Capital grants and contributions	999	1,752	3,430	2,417
Total business-type activities program revenues	<u>14,984</u>	<u>15,581</u>	<u>17,639</u>	<u>17,114</u>
Total primary government program revenues	<u>\$ 18,939</u>	<u>\$ 19,502</u>	<u>\$ 23,066</u>	<u>\$ 24,522</u>

Fiscal Year					
2015	2016	2017	2018	2019	2020
\$ 3,848	\$ 4,157	\$ 4,240	\$ 2,870	\$ 5,023	\$ 5,678
14,326	17,381	20,297	20,306	22,104	22,733
453	788	805	2,104	863	2,470
2,094	2,185	2,009	2,255	2,387	1,843
567	209	1,197	385	532	847
-	-	-	-	-	-
4,018	5,460	4,491	5,752	5,954	3,722
193	355	434	839	836	753
25,499	30,535	33,473	34,511	37,699	38,046
4,823	4,719	5,199	5,634	6,215	6,425
6,571	6,866	6,909	6,849	7,373	7,742
3,133	2,925	2,869	3,073	3,027	3,294
1,080	1,142	1,190	1,360	1,614	1,901
15,607	15,652	16,167	16,916	18,229	19,362
\$ 41,106	\$ 46,187	\$ 49,640	\$ 51,427	\$ 55,928	\$ 57,408
\$ 2,356	\$ 2,914	\$ 3,180	\$ 3,874	\$ 3,590	\$ 3,377
1,684	1,574	1,506	1,344	1,593	1,854
-	-	-	-	-	-
1,317	1,552	2,003	1,697	1,801	2,088
1,598	1,822	1,456	2,233	2,061	3,307
498	163	309	428	625	625
7,453	8,025	8,454	9,576	9,670	11,251
5,726	6,162	6,516	6,461	6,868	7,631
5,809	6,183	6,507	6,625	6,989	7,573
2,917	2,984	3,089	3,178	3,264	3,562
905	955	1,004	1,378	1,598	1,695
276	24	-	-	2,109	1
3,219	4,026	6,906	4,535	5,316	6,575
18,852	20,334	24,022	22,177	26,144	27,037
\$ 26,305	\$ 28,359	\$ 32,476	\$ 31,753	\$ 35,814	\$ 38,288

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

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

	Fiscal Year			
	2011	2012	2013	2014
Net (Expense)/Revenue				
Governmental activities	\$ (16,240)	\$ (15,721)	\$ (14,759)	\$ (16,363)
Business-type activities	1,182	2,271	4,018	2,600
Total primary government net expense	<u>\$ (15,058)</u>	<u>\$ (13,450)</u>	<u>\$ (10,741)</u>	<u>\$ (13,763)</u>
General Revenues and Other Changes in Net Position				
Governmental Activities:				
Taxes:				
Property taxes	\$ 5,966	\$ 5,535	\$ 5,350	\$ 6,533
Business taxes	*	113	111	126
Franchise taxes	2,285	2,189	2,123	2,379
Utility taxes	2,568	2,430	2,490	2,887
Intergovernmental-unrestricted	4,664	5,063	5,802	6,110
Unrestricted investment earnings	148	245	114	104
Gain (loss) on sale of capital assets	-	-	-	-
Miscellaneous	330	143	265	374
Transfers in/out	520	453	479	439
Special item	-	-	-	-
Total governmental activities	<u>16,481</u>	<u>16,171</u>	<u>16,734</u>	<u>18,952</u>
Business-type Activities:				
Unrestricted investment earnings	145	289	149	198
Gain (loss) on sale of capital assets	-	-	18	2
Miscellaneous	-	-	-	-
Transfers in/out	(520)	(453)	(479)	(439)
Total business-type activities	<u>(375)</u>	<u>(164)</u>	<u>(312)</u>	<u>(239)</u>
Total primary government	<u>\$ 16,106</u>	<u>\$ 16,007</u>	<u>\$ 16,422</u>	<u>\$ 18,713</u>
Change in Net Position				
Governmental activities	\$ 241	\$ 450	\$ 1,975	\$ 2,589
Business-type activities	807	2,107	3,706	2,361
Total primary government	<u>\$ 1,048</u>	<u>\$ 2,557</u>	<u>\$ 5,681</u>	<u>\$ 4,950</u>

*Business taxes previously reported as General Government Charges for Services

Fiscal Year					
2015	2016	2017	2018	2019	2020
\$ (18,045)	\$ (22,510)	\$ (25,019)	\$ (24,935)	\$ (28,029)	\$ (26,795)
3,245	4,683	7,855	5,260	5,230	7,675
<u>\$ (14,800)</u>	<u>\$ (17,827)</u>	<u>\$ (17,164)</u>	<u>\$ (19,675)</u>	<u>\$ (22,799)</u>	<u>\$ (19,120)</u>
\$ 7,193	\$ 8,998	\$ 9,748	\$ 10,747	\$ 11,945	\$ 13,090
130	140	133	160	157	162
2,502	2,712	2,619	2,817	3,142	3,203
2,953	3,406	3,328	3,446	3,873	4,202
6,645	6,923	7,257	7,864	8,139	8,403
135	134	197	458	1,089	632
-	122	86	289	193	-
420	387	486	342	352	623
557	568	1,367	2,013	2,106	2,177
-	-	-	-	-	-
<u>20,535</u>	<u>23,390</u>	<u>25,221</u>	<u>28,136</u>	<u>30,996</u>	<u>32,492</u>
272	260	255	379	1,295	953
(1,248)	120	24	31	150	29
-	-	-	-	-	-
<u>(557)</u>	<u>(568)</u>	<u>(1,367)</u>	<u>(2,013)</u>	<u>(2,106)</u>	<u>(2,177)</u>
<u>(1,533)</u>	<u>(188)</u>	<u>(1,088)</u>	<u>(1,603)</u>	<u>(661)</u>	<u>(1,195)</u>
<u>\$ 19,002</u>	<u>\$ 23,202</u>	<u>\$ 24,133</u>	<u>\$ 26,533</u>	<u>\$ 30,335</u>	<u>\$ 31,297</u>
\$ 2,490	\$ 880	\$ 202	\$ 3,202	\$ 2,968	\$ 5,697
1,712	4,495	6,767	3,657	4,568	6,480
<u>\$ 4,202</u>	<u>\$ 5,375</u>	<u>\$ 6,969</u>	<u>\$ 6,859</u>	<u>\$ 7,536</u>	<u>\$ 12,177</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			
	2011	2012	2013	2014
General Fund				
Reserved	\$ -	\$ -	\$ -	\$ -
Unreserved	-	-	-	-
Nonspendable	335	195	189	53
Restricted	175	224	257	312
Assigned	912	1,039	765	1,202
Unassigned	10,048	9,744	8,878	7,669
Total general fund	<u>\$ 11,470</u>	<u>\$ 11,202</u>	<u>\$ 10,089</u>	<u>\$ 9,236</u>
All other governmental funds				
Reserved	\$ -	\$ -	\$ -	\$ -
Unreserved, reported in:				
Special revenue funds	-	-	-	-
Capital projects fund	-	-	-	-
Nonspendable	848	890	939	1,064
Restricted	6,359	7,763	8,295	8,604
Assigned	2,854	668	-	-
Unassigned	(1)	-	-	-
Total all other governmental funds	<u>\$ 10,060</u>	<u>\$ 9,321</u>	<u>\$ 9,234</u>	<u>\$ 9,668</u>

Fiscal Year					
2015	2016	2017	2018	2019	2020
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
1,300	548	578	641	283	356
247	259	266	228	205	359
304	-	3	3	18	3,227
7,014	7,886	7,137	7,104	8,182	7,859
<u>\$ 8,865</u>	<u>\$ 8,693</u>	<u>\$ 7,984</u>	<u>\$ 7,976</u>	<u>\$ 8,688</u>	<u>\$ 11,801</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
1,466	1,922	1,683	4	7	9
7,659	4,310	5,885	8,361	9,376	12,111
-	1,226	22,621	21,720	18,700	15,476
-	-	-	-	-	-
<u>\$ 9,125</u>	<u>\$ 7,458</u>	<u>\$ 30,189</u>	<u>\$ 30,085</u>	<u>\$ 28,083</u>	<u>\$ 27,596</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			
	2011	2012	2013	2014
Revenues				
Taxes	\$ 10,819	\$ 8,079	\$ 7,951	\$ 9,546
Franchise fees	*	2,188	2,123	2,379
Licenses and permits	528	455	884	941
Intergovernmental	6,059	6,310	6,729	8,796
Charges for services	1,013	1,011	1,085	1,212
Fines and forfeitures	186	215	172	589
Impact fees/special assessments	582	679	1,909	1,401
Investment Earnings	148	244	108	99
Miscellaneous	612	474	622	915
Total revenues	<u>19,947</u>	<u>19,655</u>	<u>21,583</u>	<u>25,878</u>
Expenditures				
Current:				
General government	3,272	3,080	3,148	3,776
Public safety	11,625	11,352	12,579	13,571
Physical environment	275	247	307	423
Transportation	1,472	1,340	1,263	1,635
Economic environment	102	641	722	365
Human services	-	-	-	-
Culture and recreation	1,792	1,769	2,014	2,948
Capital outlay	1,923	2,073	2,638	9,381
Debt service:				
Principal	470	490	3,080	571
Interest	162	143	122	177
Total expenditures	<u>21,093</u>	<u>21,135</u>	<u>25,873</u>	<u>32,847</u>
Excess (deficiency) of revenues over expenditures	<u>(1,146)</u>	<u>(1,480)</u>	<u>(4,290)</u>	<u>(6,969)</u>
Other financing sources (uses)				
Transfers in	3,274	1,118	3,091	9,337
Transfers out	(2,776)	(644)	(2,612)	(8,788)
Refunding and new bonds issued	-	-	2,612	6,000
Capital Leases	-	-	-	-
Sale of capital assets	-	-	-	-
Total other financing sources (uses)	<u>498</u>	<u>474</u>	<u>3,091</u>	<u>6,549</u>
Net change in fund balances	<u>\$ (648)</u>	<u>\$ (1,006)</u>	<u>\$ (1,199)</u>	<u>\$ (420)</u>
Debt service as a percentage of noncapital expenditures	3.4%	3.5%	14.9%	3.5%

* 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					
2015	2016	2017	2018	2019	2020
\$ 10,275	\$ 12,544	\$ 13,208	\$ 14,353	\$ 15,974	\$ 17,453
2,502	2,712	2,619	2,817	3,142	3,202
788	1,298	1,594	2,249	1,927	1,691
8,772	8,790	9,054	10,559	10,860	12,342
1,312	1,652	1,746	2,103	2,188	2,483
757	703	358	204	230	241
1,858	1,702	2,341	1,738	1,959	2,530
131	131	192	446	1,065	615
1,047	1,007	1,122	971	965	978
27,442	30,539	32,234	35,440	38,310	41,535
3,600	4,070	3,911	3,948	4,609	4,892
14,844	17,520	18,488	19,750	21,618	21,452
744	777	869	881	982	2,550
1,635	1,878	1,687	1,927	2,165	1,546
564	482	324	343	372	786
-	-	-	-	-	-
3,725	5,038	5,996	5,199	6,302	2,901
2,695	8,514	2,112	4,085	3,846	4,070
884	6,280	1,077	979	2,096	2,147
198	342	272	805	829	772
28,889	44,901	34,736	37,917	42,819	41,116
(1,447)	(14,362)	(2,502)	(2,477)	(4,509)	419
3,857	11,897	26,725	7,697	4,937	5,152
(3,323)	(11,329)	(25,957)	(6,332)	(2,834)	(2,974)
-	10,631	23,670	-	-	-
-	-	-	-	919	-
-	1,321	86	1,000	198	29
534	12,520	24,524	2,365	3,220	2,207
\$ (913)	\$ (1,842)	\$ 22,022	\$ (112)	\$ (1,289)	\$ 2,626
4.5%	20.2%	4.6%	5.7%	8.3%	8.2%

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
2011	5,966	2,568	*	2,285	10,819
2012	5,535	2,430	113	2,189	10,267
2013	5,350	2,490	111	2,123	10,074
2014	6,533	2,887	126	2,379	11,925
2015	7,013	2,953	130	2,502	12,598
2016	8,795	3,406	140	2,712	15,053
2017	9,538	3,328	133	2,619	15,618
2018	10,549	3,446	160	2,817	16,972
2019	11,747	3,872	157	3,142	18,918
2020	12,880	4,202	162	3,203	20,447

Taxes Included in Unrestricted Intergovernmental Revenues

Fiscal Year	Sales Tax	State Revenue Sharing	Local Option Gas Tax	Total
2011	1,100	328	306	1,734
2012	1,296	383	296	1,975
2013	1,419	535	280	2,234
2014	1,567	635	290	2,492
2015	1,820	749	378	2,947
2016	1,848	819	482	3,149
2017	1,945	911	520	3,376
2018	2,172	1,013	548	3,733
2019	2,236	1,116	551	3,903
2020	2,345	1,053	522	3,920

* Business Tax Receipts previously reported under Licenses

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

(amounts expressed in thousands)

Fiscal Year Ended Sep 30	Real* Property	Personal Property	Less: Tax Exempt Property	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Assessed Value as a Percentage of Actual Value
2011	2,297,568	211,950	599,871	1,909,647	3.1420	2,509,518	76.10%
2012	2,171,815	209,726	598,187	1,783,354	3.1420	2,381,541	74.88%
2013	2,124,017	206,870	605,114	1,725,773	3.1420	2,330,887	74.04%
2014	2,185,702	205,140	611,063	1,779,779	3.7290	2,390,842	74.44%
2015	2,336,882	207,024	630,762	1,913,144	3.7290	2,543,906	75.20%
2016	2,574,360	215,752	652,769	2,137,343	4.2061	2,790,112	76.60%
2017	2,791,963	215,772	689,683	2,318,052	4.2061	3,007,735	77.07%
2018	3,057,114	233,448	724,930	2,565,632	4.2061	3,290,562	77.97%
2019	3,406,874	238,430	789,497	2,855,807	4.2061	3,645,304	78.34%
2020	3,723,782	247,430	848,948	3,122,264	4.2061	3,971,212	78.62%

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	Lake County			Lake County	South Lake	Lake County	St. Johns River Water Management District	
	Operating Millage	Operating Millage	Voted Debt Service	Ambulance MSTU	School District	Hospital District	Water Authority		
2011	3.1420	4.7309	0.1101	0.3853	7.5230	0.8666	0.2405	0.4158	17.4142
2012	3.1420	4.7309	0.1101	0.3853	7.3940	0.8000	0.2405	0.3313	17.1341
2013	3.1420	4.7309	0.1900	0.3853	7.3200	0.8000	0.2554	0.3313	17.1549
2014	3.7290	4.7309	0.1900	0.3853	7.1700	0.7900	0.2554	0.3283	17.5789
2015	3.7290	5.3856	0.1600	0.4629	7.2460	0.7633	0.2554	0.3164	18.3186
2016	4.2061	5.3051	0.1600	0.4629	7.1970	0.7633	0.2554	0.3023	18.6521
2017	4.2061	5.1180	0.1524	0.4629	6.8750	0.7332	0.2554	0.2885	18.0915
2018	4.2061	5.1180	0.1524	0.4629	6.6030	0.6898	0.2554	0.2724	17.7600
2019	4.2061	5.1180	0.1324	0.4629	6.3550	0.6432	0.4900	0.2562	17.6638
2020	4.2061	5.0734	0.1100	0.4629	6.8830	0.5886	0.3557	0.2414	17.9211

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)

Taxpayer	2020			2011		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Vista at Lost Lake TIC I LLC	60,758	1	1.95%			
BR Citrus Tower LLC	43,169	2	1.38%			
Advenir at Castle Hill LLC	41,102	3	1.32%			
John P. Adams & Ann D. Adams Family LP	37,519	4	1.20%	26,014	1	1.36%
South Lake Hospital, Inc.	35,960	5	1.15%	12,012	6	0.63%
US 27-Clermont LLC	33,560	6	1.07%			
Westdale Sundance LTD	24,545	7	0.79%	16,387	3	0.86%
Clermont Landing LLC	20,906	8	0.67%			
Weingarten I-4 Clermont Landing	19,270	9	0.62%	12,293	5	0.64%
Senninger Irrigation, Inc.	14,834	10	0.48%			
Fountains at Clermont LLC				17,332	2	0.91%
Citrus Tower Development				14,386	4	0.75%
Village at East Lake				11,655	7	0.61%
Progress Energy Florida, Inc				10,730	8	0.56%
Wal-Mart Stores East LP				10,106	9	0.53%
Target Corporation				9,236	10	0.48%
TOTAL	\$ 331,623		10.62%	\$140,151		7.34%

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
2011	6,001	5,698	95.0%	15	5,713	95.2%
2012	5,603	5,325	95.0%	5	5,330	95.1%
2013	5,422	5,153	95.0%	8	5,161	95.2%
2014	6,635	6,325	95.3%	9	6,334	95.5%
2015	7,133	6,793	95.2%	6	6,799	95.3%
2016	8,990	8,570	95.3%	4	8,574	95.4%
2017	9,750	9,299	95.4%	9	9,308	95.5%
2018	10,791	10,278	95.2%	6	10,284	95.3%
2019	12,012	11,430	95.2%	5	11,435	95.2%
2020	13,133	12,471	95.0%	7	12,478	95.0%

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			
2011	3,570	-	-	15,512	-	19,082	2.55%	650
2012	3,080	-	-	14,963	-	18,043	2.30%	605
2013	-	-	2,612	14,979	-	17,591	2.19%	582
2014	-	-	8,041	14,361	-	22,402	2.74%	706
2015	-	-	7,157	13,728	-	20,885	2.45%	646
2016	-	-	11,509	13,075	-	24,584	2.40%	709
2017	-	-	34,102	12,403	6,329	52,834	4.87%	1,476
2018	-	-	33,123	12,268	6,329	51,720	4.22%	1,329
2019	-	838	31,109	11,467	5,980	49,394	3.76%	1,212
2020	-	754	29,045	10,634	5,621	46,054	3.45%	1,040

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 138 for personal income and population data.

City of Clermont, Florida
Direct and Overlapping Governmental Activities Debt
September 30, 2020

(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	\$ 113,053	13.95%	\$ 15,776
Lake County School District	173,276	12.42%	21,526
Subtotal, overlapping debt			37,302
City of Clermont, direct debt	29,799	100.00%	29,799
Total direct and overlapping debt			\$ 67,101

Sources: Lake County 2020 Comprehensive Annual Financial Report, Lake County School Board 2020 ACFR,
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	
2011	2,568,141	1,233,789	1,100,125	4,902,055	470,000	161,806	7.76
2012	2,430,440	1,257,217	1,295,687	4,983,344	490,000	143,350	7.87
2013	2,490,461	1,349,929	1,418,710	5,259,100	3,080,000 *	66,550	1.67
2014	2,887,161	1,216,076	1,567,249	5,670,486	570,599	25,361	9.51
2015	2,952,785	1,161,566	1,819,909	5,934,260	577,959	19,101	9.94
2016	3,405,642	1,138,032	1,848,294	6,391,968	585,609	12,760	10.68
2017	3,328,087	1,122,258	1,945,237	6,395,582	591,692	6,345	10.69
2018	3,446,407	1,112,440	2,172,025	6,730,872	286,141	1,559	23.40
2019	3,872,099	1,131,382	2,235,693	7,239,174	**	**	**
2020	4,201,714	1,232,777	2,344,875	7,779,366	**	**	**

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	
2011	-	-	-	-	-	N/A
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

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		Debt Service		Coverage
	Sales Surtax		Principal	Interest	
2011	-		-	-	N/A
2012	-		-	-	N/A
2013	-		-	-	N/A
2014	-		-	-	N/A
2015	-		-	-	N/A
2016	2,964,966		-	27,466	107.95
2017	3,115,549		230,716	109,914	9.15
2018	3,397,707		314,809	104,132	8.11
2019	3,474,813		321,483	97,387	8.30
2020	3,603,194		328,298	90,499	8.60

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	
2011	-	-	-	-	-	-	-	N/A
2012	-	-	-	-	-	-	-	N/A
2013	-	-	-	-	-	-	-	N/A
2014	-	-	-	-	-	-	-	N/A
2015	-	-	-	-	-	-	-	N/A
2016	-	-	-	-	-	-	-	N/A
2017	3,115,549	1,495,242	1,002,859	3,087,701	8,701,352	-	-	N/A
2018	3,397,707	1,047,736	1,375,516	3,176,721	8,997,680	-	749,550	12.00
2019	3,474,813	1,157,840	1,596,720	3,263,253	9,492,626	1,657,000	767,210	3.92
2020	3,603,194	1,529,037	1,695,361	3,550,386	10,377,978	1,701,000	723,053	4.28

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	
2011	10,561,295	7,080,592	3,480,703	535,000	660,640	2.91
2012	10,496,535	6,377,695	4,118,840	580,000	643,307	3.37
2013	10,687,908	6,677,774	4,010,134	595,000	604,811	3.34
2014	11,108,744	7,090,566	4,018,178	615,000	586,461	3.34
2015	11,767,901	7,419,231	4,348,670	630,000	567,636	3.63
2016	12,578,644	7,272,716	5,305,928	650,000	548,236	4.43
2017	13,226,994	7,661,085	5,565,909	670,000	504,122	4.74
2018	13,379,152	8,104,464	5,274,688	10,920,000 ³	211,101	0.47
2019	15,017,621	8,753,924	6,263,697	800,000	294,524	5.72
2020	16,069,244	9,069,911	6,999,333	828,000	267,058	6.39

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
2011	29,358	748,482	25,495	40.9	13.6	5,116	9.3%
2012	29,827	784,361	26,297	46.8	13.6	5,158	7.0%
2013	30,201	802,803	26,582	41.5	13.8	5,153	5.8%
2014	31,745	816,926	25,734	41.9	13.7	5,198	5.6%
2015	32,348	854,020	26,401	42.1	13.7	8,436	4.8%
2016	34,667	1,023,959	29,537	42.1	13.4	8,712	4.4%
2017	35,807	1,085,991	30,329	41.6	13.3	8,761	3.1%
2018	38,906	1,226,940	31,536	42.3	13.4	8,841	2.7%
2019	40,750	1,312,598	32,211	42.5	13.9	8,745	2.8%
2020	44,301	1,335,011	30,135	42.1	14.0	8,625	6.7%

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>2020</u>			<u>2011</u>		
	<u>Number of Employees</u>	<u>Rank</u>	<u>Percentage of Total City Employment</u>	<u>Number of Employees</u>	<u>Rank</u>	<u>Percentage of Total City Employment</u>
Total City Employment	19,268			20,604		
South Lake Hospital, Inc.	1,600	1	8.30%	1,200	1	5.82%
Publix Supermarkets	991	2	5.14%	359	4	1.74%
Lake County School System	714	3	3.71%	465	3	2.26%
City of Clermont	452	4	2.35%	261	8	1.27%
Walmart	392	5	2.03%	282	7	1.37%
Lowe's	356	6	1.85%	320	5	1.55%
Target Corporation	334	7	1.73%	310	6	1.50%
Senningers	210	8	1.09%			
Clermont Health & Rehab	180	9	0.93%			
Chick Fil A	170	10	0.88%			
Lake County Sheriff's Office				774	2	3.76%
Winn Dixie				207	9	1.00%
Progressive Plumbing Inc.				200	10	0.97%
 TOTAL	 <u>5,399</u>		<u>28.02%</u>	 <u>4,378</u>		<u>21.25%</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>	2020			2011		
	<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	120,138	1	3.89%	276,474	1	12.15%
South Lake Hospital, Inc.	36,087	2	1.17%	24,737	3	1.09%
Taylor Morrison	32,703	3	1.06%			
Heritage Hills of Clermont	29,899	4	0.97%			
Lake County School System	19,695	5	0.64%	24,249	4	1.07%
Vista at Lost Lake	18,828	6	0.61%	11,701	7	0.51%
City of Clermont	17,730	7	0.57%	27,054	2	1.19%
Esplanade at Highland Ranch	14,577	8	0.47%			
Mattamy Homes	14,399	9	0.47%			
Westdale Sundance LTD	11,313	10	0.37%			
Westminster Community Care Service				15,790	5	0.69%
Emerald Lakes of Clermont				7,817	10	0.34%
Gardens at Citrus Towers				12,300	6	0.54%
Sundance Clermont Apartments				8,574	8	0.38%
Osprey Ridge Apartments LTD				8,131	9	0.36%
TOTAL	<u><u>315,369</u></u>		<u><u>10.20%</u></u>	<u><u>416,827</u></u>		<u><u>18.31%</u></u>

¹ The City of Clermont had a total metered water flow of approximately 3,090,626 gallons for the 12-month period ending September 30, 2020

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

<u>Employer</u>	2020			2011		
	<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>
South Lake Hospital, Inc.	33,579	1	3.00%	26,264	1	1.78%
Vista at Lost Lake	18,828	2	1.68%	14,102	3	0.95%
Lake County School System	15,803	3	1.41%	17,928	2	1.21%
BR Citrus Tower LLC	14,882	4	1.33%			
SPT Dolphin Osprey Apts LLC	11,794	5	1.05%			
Westdale Sundance LTD	11,313	6	1.01%			
Westminster Comm Care Service	9,798	7	0.87%	13,901	4	0.94%
Advenir At Castle Hill	9,742	8	0.87%			
Senninger Irrigation	9,497	9	0.85%			
Mister Car Wash	9,084	10	0.81%			
Hwy 27 17156 LLC (BP)				3,795	6	0.26%
Villages at East Lake				11,096	5	0.75%
Olive Garden				3,599	7	0.24%
Walmart				3,265	8	0.22%
Empirian Property Management				3,105	9	0.21%
Superior Residences of Clermont				2,443	10	0.17%
TOTAL	144,320		12.89%	99,498		6.73%

¹ The City of Clermont had a total metered water flow for wastewater billing purposes of approximately 1,119,828 gallons for the 12-month period ending September 30, 2020

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			
	2011	2012	2013	2014
General Government	27.00	25.85	26.66	31.56
Public Safety:				
Police				
Sworn personnel	57.00	57.00	57.00	61.00
Non sworn personnel	5.00	5.00	6.00	6.00
Fire				
Firefighters	48.00	47.80	47.80	56.80
Other personnel	2.00	2.00	2.00	5.20
Building Services	1.40	0.60	0.60	6.00
Physical Environment	4.00	4.00	4.95	4.70
Transportation	13.50	14.80	14.65	12.95
Human Services	0.00	0.00	0.00	0.00
Culture & Recreation	22.00	21.20	21.10	27.25
Water	29.15	29.45	29.66	30.61
Sewer	25.85	24.50	23.78	23.88
Stormwater	9.40	7.95	6.72	6.87
Sanitation	16.70	16.85	17.08	17.18
Total	<u>261.00</u>	<u>257.00</u>	<u>258.00</u>	<u>290.00</u>

Source: City of Clermont Finance Department.

Full-time Equivalent Employees as of September 30

<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
36.00	36.00	38.70	41.45	49.50	48.90
61.00	66.00	70.00	79.00	81.00	86.00
6.00	6.00	6.00	7.00	7.00	7.00
56.80	59.80	66.50	74.20	81.00	81.00
4.20	4.20	6.50	8.80	8.00	8.00
6.00	7.00	11.30	11.55	12.30	13.55
7.45	8.70	10.70	10.70	10.70	9.65
12.85	12.60	14.60	16.60	11.9	11.73
0.00	0.00	0.00	0.00	0.00	0.00
33.35	35.35	39.35	40.60	37.50	39.22
29.35	29.65	29.15	30.45	30.55	32.70
24.15	26.45	26.95	31.25	31.40	32.50
6.65	7.75	10.25	10.10	13.85	13.95
18.20	18.50	21.00	21.30	21.30	20.80
<u>302.00</u>	<u>318.00</u>	<u>351.00</u>	<u>383.00</u>	<u>396.00</u>	<u>405.00</u>

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

Function	Fiscal Year			
	2011	2012	2013	2014
General Government				
Municipal boundary (square miles)	14.90	14.95	14.95	15.18
Business Tax Receipts issued	1,843	2,237	2,483	1,955
A/P Checks issued	4,875	2,336	2,288	3,529
Commercial construction (units)	3	8	20	15
Commercial construction (value in thousands)	18,020	15,203	34,268	17,288
Residential construction (units)	151	173	327	572
Residential construction (value in thousands)	23,558	25,882	53,055	62,117
Public Safety:				
Police				
Auto accidents	1,121	1,259	1,402	1,357
Physical arrests	699	644	886	631
911 calls received	5,587	5,911	6,352	6,643
Evidence processed (pieces)	1,297	1,413	2,930	2,384
Parking violations	378	201	252	379
Traffic violations	6,312	5,389	7,225	4,623
Fire				
Volunteer firefighters	6	6	-	-
Fire inspections completed	896	662	1,240	3,766
Emergency calls answered	3,822	3,320	3,414	4,127
Non-emergency calls answered	805	934	447	987
Water				
Residential accounts	18,240	18,619	19,399	19,670
Commercial accounts	1,210	1,207	1,232	1,234
Annual water usage (thousands of gallons)	2,275,936	2,391,485	2,392,022	2,406,183
Sewer				
Residential accounts	12,722	12,936	13,407	13,718
Commercial accounts	1,167	1,166	1,194	1,055

Sources: Various government departments.

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

Fiscal Year

2015	2016	2017	2018	2019	2020
16.65	16.78	16.78	17.12	19	19.1
1,701	1,639	1,633	1,623	1,585	1,572
2,747	3,276	3,651	3,872	3,859	3,543
16	20	14	20	15	10
8,625	42,241	13,302	42,042	30,862	13,695
323	740	433	387	377	428
55,178	103,423	87,873	104,394	87,927	92,541
1,573	1,909	1,909	1,802	2,082	1,780
652	589	593	569	663	632
7,618	6,397	6,809	7,943	9,185	8,703
989	674	1,165	1,040	1,821	1,331
144	181	385	147	101	319
6,879	7,421	6,713	4,676	4,790	4,340
-	-	-	-	-	-
3,813	4,468	2,586	2,203	2,493	2,445
4,202	6,001	6,828	5,689	5,367	6,199
523	806	925	989	1,493	814
13,242 *	13,561	14,339	14,805	15,311	15,882
1,211	1,220	1,235	1,498	1,283	1,283
2,521,397	2,572,852	2,743,657	2,687,665	2,816,071	3,090,626
13,578	13,860	14,619	15,198	15,669	16,330
1,074	1,091	1,106	1,107	1,126	1,135

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

Function	Fiscal Year			
	2011	2012	2013	2014
General Government				
Public Safety:				
Police				
Police stations	1	1	1	1
Patrol units	46	46	55	57
Fire				
Fire department facilities	4	4	4	4
Staffed fire stations	3	3	3	3
Fire hydrants	2,016	2,048	2,120	2,146
Fire apparatus	7	8	8	8
Staffed fire apparatus	5	5	5	5
ALS non-transport units	4	4	4	4
Transportation				
Streets paved (miles)	133.20	133.20	173.91	191.52
Streetlights	1,352	3,103	3,103	3,127
Culture & Recreation				
Number of parks	23	23	23	23
Parks acreage	349.5	349.5	349.5	349.5
Scenic linear trail (miles)	5.7	5.7	5.7	5.7
Tennis courts	9	9	9	9
Piers	4	4	5	5
Boat ramp	1	1	1	1
Water				
Miles of water mains	197.40	242.36	243.14	222.75
Sewer				
Miles of sanitary sewers	132.02	156.81	160.42	161.25
Miles of storm sewers	89.80	105.38	109.05	133.70

Sources: Various government departments.

* Does not include private systems

Fiscal Year					
2015	2016	2017	2018	2019	2020
1	1	1	1	1	1
79	95	98	104	106	107
3	4	5	5	5	5
3	4	4	4	4	4
2,200	2,646	2,646	2,646	2,456	2,456
12	6	7	9	9	9
3	6	6	7	7	7
3	1	6	6	7	7
202.38	210.00	210.60	210.60	210.60	210.60
3,158	3,160	1,309	1,309	1,309	1,309
23	23	24	24	24	24
378.0	443.9	443.9	443.9	443.9	443.9
5.7	7.5	7.5	8.0	8.0	8.0
9	9	9	9	9	9
10	11	11	9	9	9
1	1	1	1	1	1
230.28	229.44	297.00	297.81	331.86	334.98
167.60	168.57	220.00	224.00	236.34	238.58
48.22 *	47.63 *	47.56 *	48.36 *	50.38 *	50.38 *



OTHER REPORTS



**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE
AND OTHER MATTERS BASED ON AN AUDIT
OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH GOVERNMENT AUDITING STANDARDS**

Honorable Mayor and City Council
City of Clermont, Florida

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the City of Clermont, Florida, as of and for the year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated December 20, 2021.

Internal Control Over Financial Reporting

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

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

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

ML 20-01 Timely and Regular Reconciliation of Accounts

Balance sheet and other accounts should be reconciled timely, on a regular basis to detect incorrect or missing transactions. During our audit, we noted that several of the City's accounts, such as fixed assets, pension accounts and grant revenues and expenditures 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, and additional grant requirements, 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.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether City of Clermont's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The result of our tests disclosed instances of noncompliance, or other matters that are required to be reported under *Government Auditing Standards*, and which are described below.

ML 20-2- 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

Procedures are in place to ensure the completion of the audit in compliance with Florida Statutes.

City's Response to Findings

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

Purpose of this Report

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



Orlando, FL
December 20, 2021

**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, Florida

Report on Compliance for Each Major Federal Program

We have audited the *City of Clermont, Florida's* (the City) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended September 30, 2020. The City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

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

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

Opinion on Each Major Federal Program

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2020.

Report on Internal Control over Compliance

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

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

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

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

McDiarmid Davis

Orlando, Florida
December 20, 2021

CITY OF CLERMONT, FLORIDA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year Ended September 30, 2020

Federal Grantor			
Pass-Through Grantor			
Grantor program title	CFDA Number	Agency or Pass-through Entity Grant Number	Total Expenditures
U.S. Department of Housing and Urban Development (HUD)			
State of Florida, Department of Economic Opportunity			
Community Development Block Grant (CDBG)	14.228	19DB-ON-06-45-02-N17	\$ 30,236
Total U.S. Department of Housing and Urban Development (HUD)			30,236
		FL0350300	
U.S. Department of Justice (DOJ)		FY19	
Equitable Sharing	16.922		45,990
Bulletproof Vest Partnership	16.607	BJA-2018-13605/13907	5,830
Lake County			
Mobile Crisis Response Officer	16.745		38,896
Total U.S. Department of Justice (DOJ)			90,716
		Agreement # Y2267	
U.S. Department of Treasury			
COVID- Coronavirus Relief Fund*	21.019		1,981,350
Total Department of Agriculture and Consumer Services			1,981,350
Executive Office of the President -Office of National Drug Control Policy		G18CF0008A	
Seminole County Sheriff Office		WG-CR-0017	
High Intensity Drug Trafficking Areas	95.001		11,079
Organized Crime Drug Enforcement Task force	95.001		6,938
Total Executive Office of the President -Office of National Drug Control Policy			18,017
U.S. Department of Homeland Security (DHS)		Various	
State of Florida, Department of Emergency Management		EMW-2016-FH-00366	
Hurricane Irma	97.036		14,822
Staffing for Adequate Fire and Emergency Response (SAFER)	97.083		292,058
Total U.S. Department of Homeland Security (DHS)			306,880
Total Expenditures of Federal Awards			\$ 2,427,199

* 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, 2020. 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, 2020, even if grant or loan was received subsequent to that date. Pass-through entity identifying numbers are presented where available.

NOTE 3 INDIRECT COST RATE

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

NOTE 4 FEMA EXPENDITURES

Expenditures for CFDA No. 97.036, *Hurricane Irma* include \$14,822 of expenditures that were incurred in prior fiscal years.

Section I - Summary of Independent Auditor's Results:

Financial Statements

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

Federal Awards

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

Identification of major federal awards	CFDA No. 21.019	COVID 19- Coronavirus Relief Fund
Dollar threshold used to distinguish between type A and type B programs	\$750,000	
Auditee qualified as a low-risk auditee?	<input type="checkbox"/> Yes	<input checked="" 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, 2019.

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, 2020, and have issued our report thereon dated December 20, 2021.

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 December 20, 2021, 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. There were no recommendations in the preceding audit report.

Official Title and Legal Authority

Section 10.554(1)(i)4., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. This information has been disclosed in the notes to the financial statements.

Financial Condition and Management

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

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

Section 10.554(1)(i)2., Rules of the Auditor General, requires that we communicate any recommendations to improve financial management. In connection with our audit, we did not have any such recommendations.

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

Purpose of This Letter

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

McDiarmid Davis

Orlando, Florida
December 20, 2021



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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, 2020. 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, 2020.

McDermitt Davis

Orlando, Florida
December 20, 2021