

City of Clermont, Florida



COMPREHENSIVE ANNUAL FINANCIAL REPORT

For Fiscal Year Ended
September 30, 2019





Cheery yellow towers grace bright blue skies at the eastern and western limits of the City of Clermont. Their message proudly proclaims, "Clermont welcomes you." These gateway entry features greet commuters on one of Central Florida's most trafficked roads, State Road 50. The towers display the city's Choice of Champions logo, anchored by brick and surrounded by beautiful landscaping and architectural walls. At night, you'll find them aglow. More than structures, they are pillars reinforcing the city's brand and mirroring the design of downtown's 8th Street entryway. Their September 2019 completion was another milestone in the city's Downtown-Waterfront Master Plan.



CITY OF CLERMONT FLORIDA

Comprehensive Annual Financial Report

For The Year Ended September 30, 2019



**Prepared by:
Finance Department**



City of Clermont, Florida
Comprehensive Annual Financial Report
For the Fiscal Year Ended September 30, 2019

TABLE OF CONTENTS

INTRODUCTORY SECTION

Letter of Transmittal	3
GFOA Certificate of Achievement for Excellence in Financial Reporting	8
Organization Chart	9
List of Elected and Appointed Officials	10

FINANCIAL SECTION

Independent Auditor's Report	13
Management's Discussion and Analysis	17
Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Position	31
Statement of Activities	32
Fund Financial Statements:	
Balance Sheet - Governmental Funds	33
Statement of Revenues, Expenditures, and Changes in Fund Balance - Governmental Funds	34
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	35
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - General Fund	36
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - Infrastructure Special Revenue Fund	38
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - Community Redevelopment Special Revenue Fund	39
Statement of Net Position - Proprietary Funds	40
Statement of Revenues, Expenses, and Changes in Fund Net Position - Proprietary Funds	43
Statement of Cash Flows - Proprietary Funds	44
Statement of Fiduciary Net Position - Fiduciary Funds	46
Statement of Changes in Fiduciary Net Position - Fiduciary Funds	47
Notes to the Financial Statements	51
Required Supplementary Information:	
Schedule of Changes in Net OPEB Liability and Related Ratios	99
Schedule of Changes in Net Pension Liability and Related Ratios - General Employees..	100
Schedule of Changes in Net Pension Liability and Related Ratios - Police	101
Schedule of Changes in Net Pension Liability and Related Ratios - Fire	102
Schedule of Contributions and Investment Returns - General Employees	103
Schedule of Contributions and Investment Returns - Police	104
Schedule of Contributions and Investment Returns - Fire	105
Combining and Individual Fund Statements and Schedules:	
Major Governmental Funds:	
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - Capital Projects Fund	110
Nonmajor Governmental Funds:	
Combining Balance Sheet - Other Governmental Funds	112
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance - Other Governmental Funds	114
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - Recreation Impact Fee Special Revenue Fund	116

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - Police Impact Fee Special Revenue Fund	117
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - Fire Impact Fee Special Revenue Fund	118
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - Building Services Special Revenue Fund.....	119
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - Fire Inspection Special Revenue Fund.....	120
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - Cemetery Special Revenue Fund.....	121
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - Debt Service Fund	122
Fiduciary Funds:	
Combining Statement of Fiduciary Net Position - Fiduciary Funds.....	125
Combining Statement of Changes in Fiduciary Net Position - Fiduciary Funds	126

STATISTICAL SECTION

Financial Trends:	
Net Position by Component.....	130
Changes in Net Position	132
Fund Balance - Governmental Funds	136
Changes in Fund Balances - Governmental Funds	138
Revenue Capacity:	
Governmental Activities Tax Revenues by Source	140
Assessed Value and Estimated Actual Value of Taxable Property.....	141
Property Tax Rates - Direct and Overlapping Governments	142
Principal Property Taxpayers	143
Property Tax Levies and Collections.....	144
Debt Capacity:	
Ratios of Outstanding Debt by Type	145
Direct and Overlapping Governmental Activities Debt.....	146
Pledged-Revenue Coverage	147
Demographic and Economic Information:	
Demographic and Economic Statistics.....	152
Principal Employers.....	153
Principal Water Customers.....	154
Principal Sewer Customers	155
Operating Information:	
Full-time Equivalent City Government Employees by Function	156
Operating Indicators by Function	158
Capital Asset Statistics by Function	160

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	165
Independent Auditor's Report on Compliance for Each Major Federal Program and Report on Internal Control Over Compliance in Accordance with the Uniform Guidance.....	167
Schedule of Expenditures of Federal Awards	169
Notes to Schedule of Expenditures of Federal Awards	170
Schedule of Findings and Questioned Costs	171
Management Letter	172
Independent Auditor's Report on Compliance with the Requirements of Section 218.415, Florida Statutes	175

INTRODUCTORY SECTION





DARREN S. GRAY
CITY MANAGER

352-241-7358
dgray@clermontfl.org

August 31, 2020

Honorable Mayor Gail Ash,
Council Members and Citizens of the City of Clermont, Florida

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

We are pleased to present the Comprehensive Annual Financial Report (CAFR) of the City of Clermont, Florida, for the fiscal year ended September 30, 2019. State law requires that every general-purpose local government publish within nine months of the close of 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, 2019.

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, 2019 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, 2019 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 square miles and a population of approximately 40,750. 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. Clermont's economic factors for FY 2019 indicate a continued growth in the local economy. During the last 5 years, Clermont's population has increased by 8,402 residents or 25.97%. Per capita personal income levels have increased \$5,810 or 22.01%. The City's unemployment rate has decreased from 4.8% to 2.8%, which continues to be below the county, state and national averages. Educational institutions in Clermont, such as Lake-Sumter State College, St. Leo University and the University of Central Florida, assist in supplying a skilled labor force. One of the highlighted areas of change has been the increase in property values; this year had an 11.31% 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 Clermont **Boat Ramp** relocation project involved the relocation of the existing boat ramp to the southern bank of Lake Minneola, adjacent to East Avenue. This location has shifted motorized watercraft away from the many events and activities near the existing location. This project included improvements to East Avenue, as well as rerouting portions of the South Lake Trail to improve safety. The project costed approximately \$2.4 million, with grant funding from Lake County assisting in the construction costs. Construction to be completed in 2020.
- The **Downtown Waterfront District** area includes Montrose Street, Minneola Street and Osceola Street between 7th and 8th streets. The proposed improvements will 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 currently under construction and is anticipated to be completed in 2020, with phase two design beginning shortly after. The total project is anticipated to cost approximately \$14 million.
- The **Clermont Legacy Loop Trail Spur** and smaller connectivity projects will encourage trail users to travel through downtown from the heavily utilized South Lake Trail. The path of the Loop is proposed to run along Minneola Avenue from 7th Street to West of Victory Pointe. The first leg of the loop was completed in fiscal year 2018. Phase two is expected to begin in 2020 and created a bypass at 7th St., extending south to Minneola Ave. The total project is anticipated to cost approximately \$1.3 million.
- The **Public Wi-Fi Network** project involves the construction of a public Wi-Fi network to allow for safer and more accurate navigation of the Coast-to-Coast Trail. The construction on Wi-Fi network began in fiscal year 2019 and will be completed in phases. In March of 2019, limited locations along the waterfront went live. The total project is anticipated to cost approximately \$750,000.
- The **Public Works 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 Works Facility. The land acquisition has been completed and is currently in the design phase. The project is anticipated to cost approximately \$12 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, 2018. This was the 31st 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,



Darren S. Gray
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**

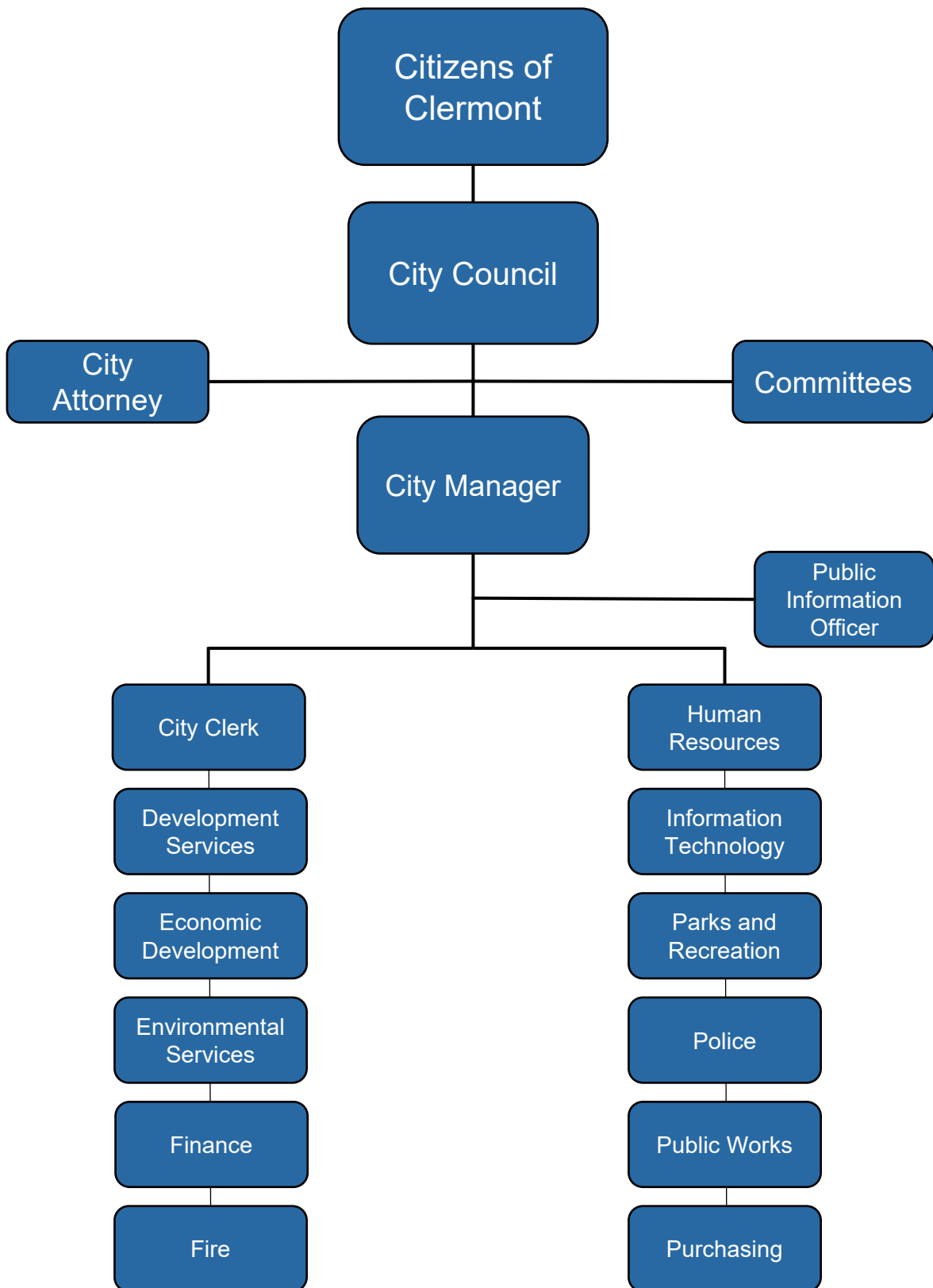
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

September 30, 2018

Christopher P. Morrill

Executive Director/CEO

**City of Clermont, Florida
Organization Chart
For the Fiscal Year Ended September 30, 2019**



**City of Clermont, Florida
List of Elected and Appointed Officials
For the Fiscal Year Ended September 30, 2019**

Elected Officials

Gail L. Ash
Mayor

Timothy Bates
Mayor Pro-Tem

Keith Mullins
Council Member (Appointed)

Heidi Brishke
Council Member

Diane Travis
Council Member

Appointed Officials

Darren S. Gray
City Manager

James Kinzler
Assistant City Manager

Carle Bishop
Fire Chief

Dan Mantzaris
City Attorney

Susan Dauderis
Human Resources Director

Tracy Ackroyd Howe
City Clerk

Don Dennis
Information Technology Director

Kathryn Deen
Communications Director

Scott Davidoff
Parks and Recreation Director

Curt Henschel
Development Services Director

Charles Broadway
Police Chief

Vacant
Environmental Services Director

Stoney Brunson
Public Works Director

Joseph Van Zile
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, 2019, 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, 2019, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund, Infrastructure Special Revenue Fund, and Community Redevelopment 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 28 and 99 through 105 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 August 31, 2020 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.



Orlando, FL
August 31, 2020

MANAGEMENT'S DISCUSSION AND ANALYSIS



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, 2019. 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, 2019 by \$189,454,498 (net position). Of this amount, \$53,081,617 (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 \$7,535,850 (or 4%) during fiscal year 2019 primarily due to an increase in total revenues, specifically, charges for services, property taxes, investment income, as well as an increase in capital assets.
- At September 30, 2019, the City of Clermont's governmental funds reported combined ending fund balances of \$36,771,526 a decrease of \$1,288,919 from the previous fiscal year. Of this amount \$8,181,811 (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 \$8,181,811, which represents 26.3% 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 31 and 32 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).

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

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

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

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

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

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

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

The City of Clermont adopts an annual appropriated budget for all of its governmental funds. Budgetary comparison statements have been provided for the General Fund (pages 36 - 37), the Infrastructure Fund (page 38) and the Community Redevelopment Fund (page 39) to demonstrate compliance with budgets. Other major and nonmajor funds comparisons can be found beginning on page 110.

The basic governmental fund financial statements can be found on pages 33 - 39 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 40 - 45 of this report.

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

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 46 - 47 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 51 - 95 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 110 - 126 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 on page 31.

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

	Net Position					
	Governmental Activities		Business-type Activities		Total	
	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18
Assets:						
Current and other assets	\$ 43,859,992	\$ 43,834,336	\$ 54,296,455	\$ 48,514,271	\$ 98,156,447	\$ 92,348,607
Capital assets	72,264,370	68,385,716	81,276,454	83,598,348	153,540,824	151,984,064
Total assets	116,124,362	112,220,052	135,572,909	132,112,619	251,697,271	244,332,671
Deferred Outflows of Resources:						
Deferred outflow of pension and OPEB earnings	7,210,014	6,161,344	643,035	206,453	7,853,049	6,367,797
Deferred charge of refunding	-	-	951,891	1,038,298	951,891	1,038,298
Total deferred outflows of resources	7,210,014	6,161,344	1,594,926	1,244,751	8,804,940	7,406,095
Liabilities:						
Long-term liabilities outstanding	42,323,904	41,002,190	20,714,765	21,165,594	63,038,669	62,167,784
Other liabilities	3,777,447	3,148,787	1,586,464	1,871,908	5,363,911	5,020,695
Total liabilities	46,101,351	44,150,977	22,301,229	23,037,502	68,402,580	67,188,479
Deferred Inflow of Resources:						
Deferred inflow of pension and OPEB earnings	2,531,261	2,496,618	113,872	135,021	2,645,133	2,631,639
Net investment in capital assets	40,317,634	35,262,327	66,103,888	69,321,935	106,421,522	104,584,262
Restricted	9,588,877	8,546,637	20,362,482	16,904,255	29,951,359	25,450,892
Unrestricted	24,795,253	27,924,837	28,286,364	23,958,657	53,081,617	51,883,494
Total net position	\$ 74,701,764	\$ 71,733,801	\$ 114,752,734	\$ 110,184,847	\$ 189,454,498	\$ 181,918,648

The City's total net position at September 30, 2019 was \$189,454,498. Of the City's total net position \$106,421,522 (56.2%) 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, \$29,951,359 (15.8%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of the City's total net position, \$53,081,617 (28%) 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 \$7,535,850 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 2018-19, including revenues and expenses, with a comparison to the prior year. For more detail see the Statement of Activities on page 32.

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

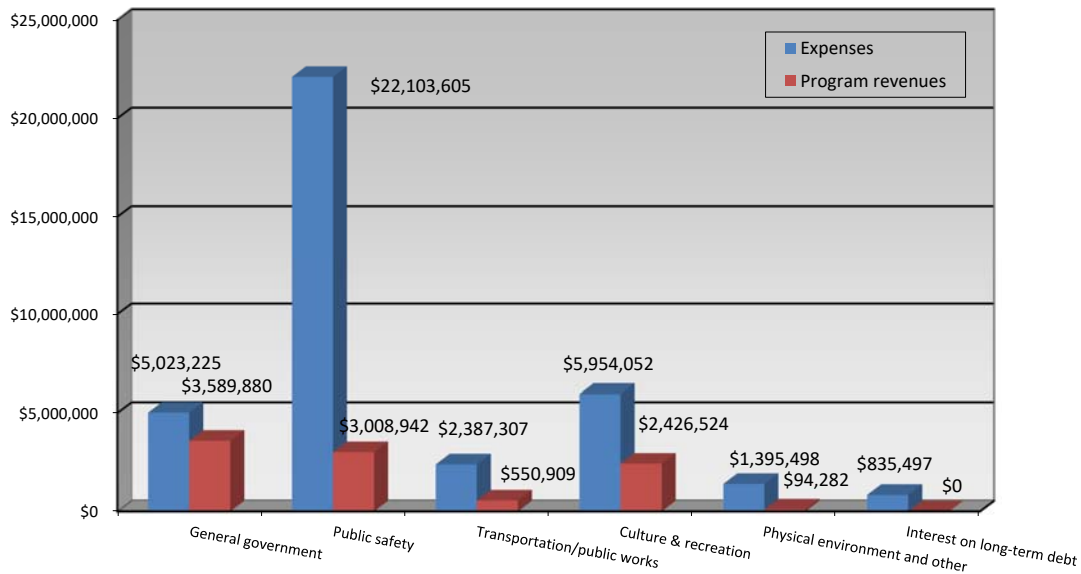
Changes in Net Position						
	Governmental Activities		Business-type Activities		Total	
	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18
Revenues:						
Program revenues -						
Charges for services	\$ 6,984,137	6,915,268	\$ 18,719,668	17,641,637	\$ 25,703,805	\$ 24,556,905
Operating grants and contributions	2,061,400	2,232,803	47,346	-	2,108,746	2,232,803
Capital grants and contributions	625,000	428,000	4,691,099	4,534,918	5,316,099	4,962,918
General revenues -						
Property Taxes	11,944,977	10,746,758	-	-	11,944,977	10,746,758
Business Taxes	157,103	160,234	-	-	157,103	160,234
Franchise Fees	3,142,014	2,817,288	-	-	3,142,014	2,817,288
Utility Taxes	3,872,099	3,446,406	-	-	3,872,099	3,446,406
Intergovernmental	8,138,703	7,863,900	-	-	8,138,703	7,863,900
Investment income and miscellaneous	1,441,891	799,802	1,294,462	378,575	2,736,353	1,178,377
Gain on sale of capital assets	193,446	289,131	150,266	30,993	343,712	320,124
Total revenues	38,560,770	35,699,590	24,902,841	22,586,123	63,463,611	58,285,713
Expenses:						
General government	5,023,225	2,870,011	-	-	5,023,225	2,870,011
Public safety	22,103,605	20,305,907	-	-	22,103,605	20,305,907
Physical environment	863,346	2,103,577	-	-	863,346	2,103,577
Transportation	2,387,307	2,254,892	-	-	2,387,307	2,254,892
Economic environment	532,152	385,072	-	-	532,152	385,072
Culture and recreation	5,954,052	5,752,085	-	-	5,954,052	5,752,085
Interest on long-term debt	835,497	839,158	-	-	835,497	839,158
Water	-	-	6,215,346	5,633,884	6,215,346	5,633,884
Sewer	-	-	7,372,654	6,849,158	7,372,654	6,849,158
Sanitation	-	-	3,026,816	3,072,877	3,026,816	3,072,877
Stormwater	-	-	1,613,761	1,360,210	1,613,761	1,360,210
Total expenses	37,699,184	34,510,702	18,228,577	16,916,129	55,927,761	51,426,831
Increase (Decrease) in Net Position Before Transfers	861,586	1,188,888	6,674,264	5,669,994	7,535,850	6,858,882
Special item - loss on sale of capital asset	-	-	-	-	-	-
Transfers	2,106,377	2,013,216	(2,106,377)	(2,013,216)	-	-
Increase in Net Position	2,967,963	3,202,104	4,567,887	3,656,778	7,535,850	6,858,882
Net Position - Beginning	71,733,801	68,531,697	110,184,847	106,528,069	181,918,648	175,059,766
Net Position - Ending	\$ 74,701,764	\$ 71,733,801	\$ 114,752,734	\$ 110,184,847	\$ 189,454,498	\$ 181,918,648

Governmental activities - Governmental activities increased the City of Clermont's net position by \$2,967,963. This change is primarily due to increased general government revenues, as well as a decrease in physical environment 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.

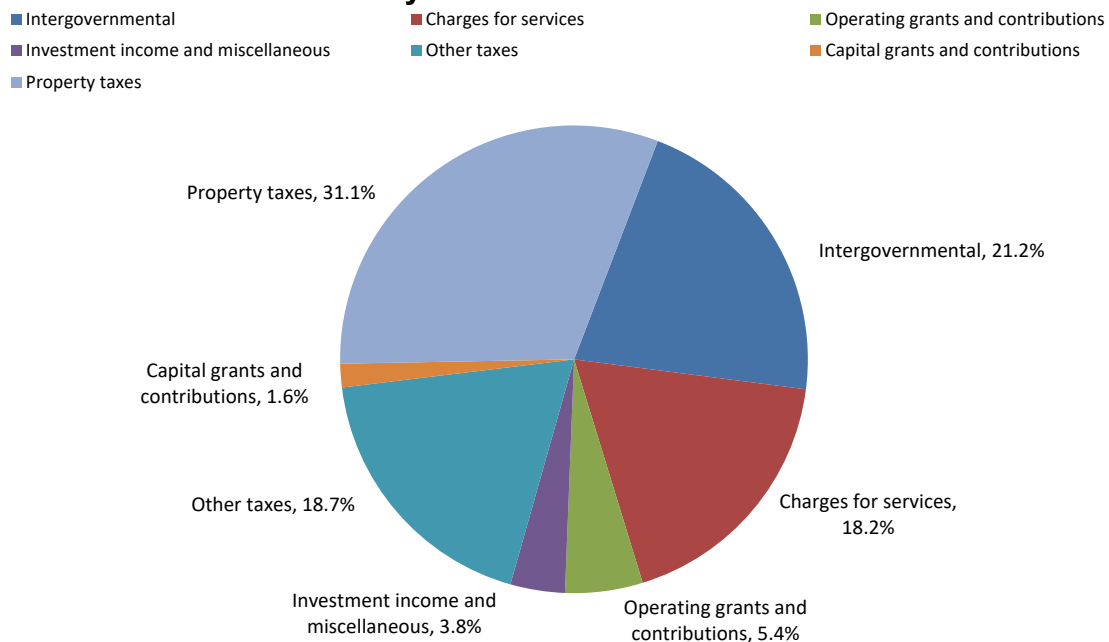
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

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.

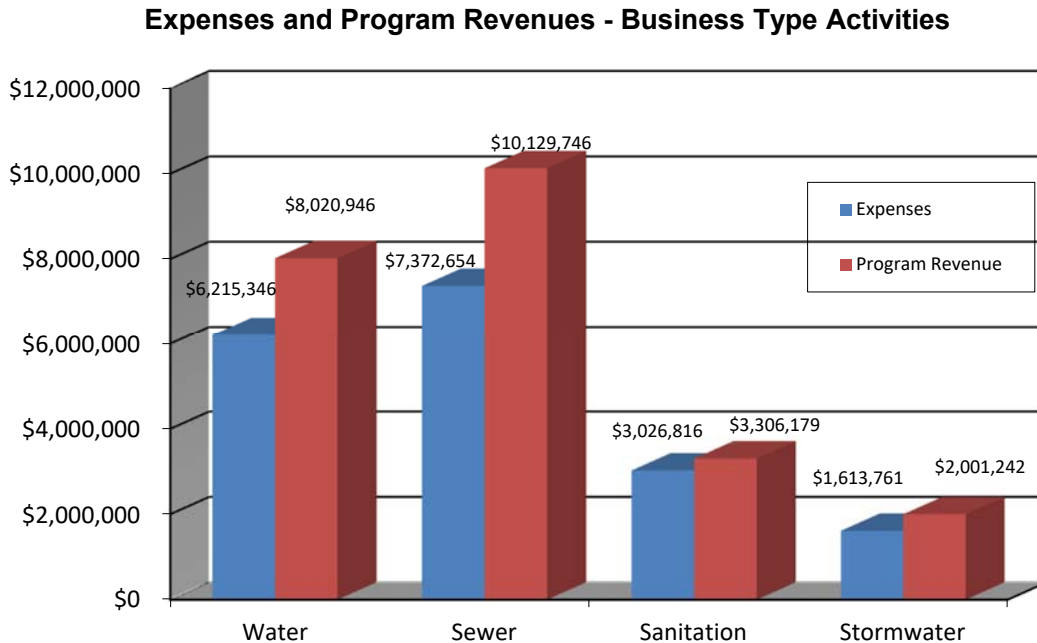
Revenues by Source - Governmental Activities



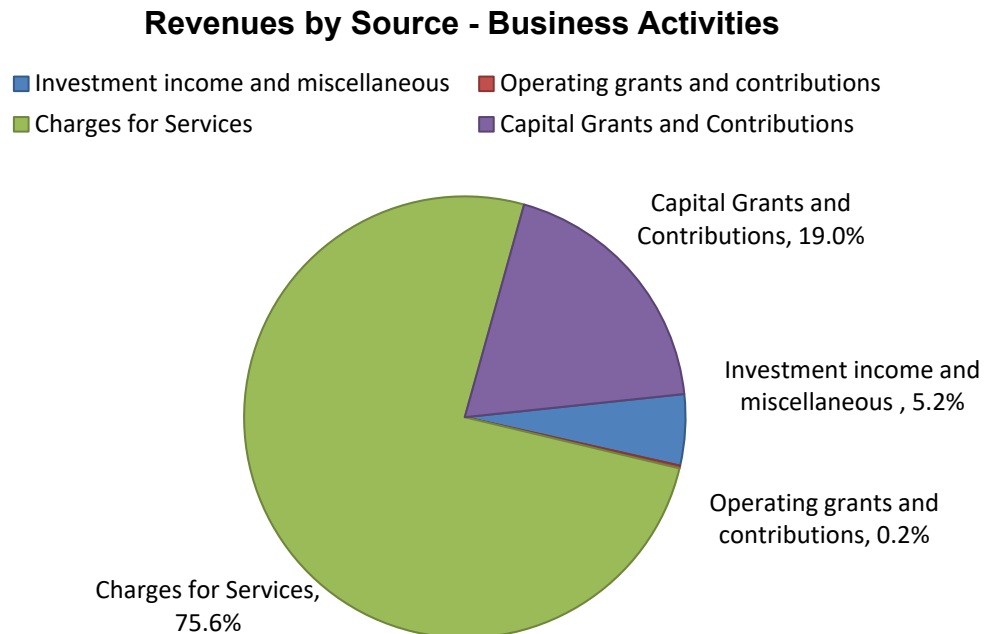
Business-type activities - Business-type activities increased the City of Clermont's net position by \$4,567,887. This change is primarily due to increased revenue from services, investment income and capital contributions of sewer impact fees paid by developers.

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

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.



MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

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, 2019, the City of Clermont's governmental funds reported combined ending fund balances of \$36,771,526 a decrease of \$1,288,919 in comparison with the prior year. This decrease is primarily due to the spending of funds for capital projects related to the 2017 Master Plan Capital Projects Revenue Note. Of the governmental funds combined ending fund balances, \$8,181,811 (22.3%) represents *unassigned fund balance*, which is available for spending at the City's discretion. An additional \$18,718,427 (*assigned fund balance*) has been set aside for planned master plan project expenditures. *Restricted fund balances* totaling over \$9.5 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* (\$289,522) 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, 2019, the fund balance in the General Fund was \$8,688,077 an increase of \$712,038 primarily from an increase in revenues; franchise fees, intergovernmental, and property taxes all surpassed 2018 amounts. Those transfers were related to the sale of the police station, Graff street, and a transfer to the self-insurance fund. The change in fund balance was more than the anticipated amount of the original budget by \$712,038 and \$1,818,105 more than the revised budget. Revenues were more than budgeted by \$605,014, due to increases in intergovernmental, charges for services, and investment earnings revenues. Departmental expenditures came in less than anticipated resulting in no use of reserves in 2019. Of the total fund balance in the General Fund, \$8,181,811 (94.2%) 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 26.3% of total General Fund expenditures, while total fund balance represents 27.9% 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 \$3,019,998 in fiscal year 2019, 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 decreased by \$169,326 in fiscal year 2019 primarily due to the annual debt service payments being made towards the funding of the Master Plan Capital Projects Revenue Note.

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

The Community Redevelopment Special Revenue Fund is considered a major fund in order for our external auditors to express an opinion on this fund as required by Florida Statutes chapter 163.387(8). This fund was created in 1997 as a dependent taxing district and modified in 2015. The incremental annual increase in tax over the base years is used to fund projects. The fund balance in this fund increased by \$119,535 primarily due to planned expenditures not occurring in 2019, the grant program for businesses had few applicants and streetscape improvement purchases had budget savings.

The remainder of the change of \$1,068,832 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 \$491,181 in fiscal year 2019 primarily due to construction timing on projects in both Recreation and Fire Impact funds. The Building Services fund balance increased \$499,733 due to revenues exceeding expenditures. The fund balances in the remaining nonmajor funds increased a total of \$77,918 due to an increase in both the cemetery and debt service fund.

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

The Water Fund accounts for the provision of potable water and reclaimed irrigation services to City and non-City residents. All activities necessary to the provision of these services are accounted for in this fund, including, but not limited to administration, plant and line maintenance. As of September 30, 2019, the City of Clermont's Water Fund reported total net position of \$42,305,049, an increase of \$1,265,662 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, 2019, the City of Clermont's Sewer Fund reported total net position of \$58,872,958, an increase of \$2,305,122 in comparison with the prior year. This increase in net position was primarily due to investment income as well as 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, 2019, the City of Clermont's Sanitation Fund reported total net position of \$5,872,192, an increase of \$497,528 in comparison with the prior year. This increase in net position is due to both net operating income along with increased investment income and the sale of surplus equipment.

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, 2019, the City of Clermont's Stormwater Fund reported total net position of \$7,529,266, an increase of \$312,864 in comparison with the prior year. The increase in net position is primarily due to two capital contribution grants pertaining to the Victory Pointe Park and West Lake Wetlands.

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

General Fund Budgetary Highlights

During the year, there was a \$182,152 increase in appropriations between the original and final amended budget. Following are the significant components of the increase:

- \$30,555 for computer software purchases.
- \$65,205 for Police Department forfeiture fund appropriations.
- \$38,040 in flooring costs at the Arts & Recreation Center ordered but not received as of September 30, 2018.
- \$163,785 for the cost of Fire Department gear and accessories.
- \$265,379 for Fire Inspection appropriations no longer to be recorded within a special revenue fund.
- \$75,571 for Police wages, FICA and pension increases according to the collective bargaining agreement.
- \$15,863 for painting and minor equipment costs for a reserve fire truck.
- \$309,847 for the purchase and installation of LED lights at Hancock Park (partially Grant funded).
- \$41,925 to fund a Wellness Coordinator position.
- \$17,129 for a Purchasing Department administrative assistant position.
- \$22,964 for Historical Village roof replacement costs.
- \$18,082 to remodel City Hall offices.
- \$13,463 EOC supplies related to Hurricane Dorian.
- \$324,914 increase Fire Defined Benefit Pension contributions based on the most recent actuarial valuation study.
- \$40,963 increase in professional services in Economic Development.
- \$1,300,000 decrease in Transfer of Sales Proceeds to the Capital Project Fund from the unrealized sale of the Public Works Complex. As of September 30, 2019, the City still owned the complex.

In addition, General Fund budgeted revenues decreased by \$923,915 between the original and final budget. Significant components of the net decrease are as follows:

- Amending the budget for not receiving \$1,300,000 in proceeds for the sale of the Public Works Complex.
- \$65,205 increase in Police forfeiture revenues as related to the above mentioned appropriation increase.
- \$55,379 increase for Fire Inspection revenues no longer to be recorded within a special revenue fund.
- Notification of award of a \$250,000 grant for Hancock Park LED lights (related to the appropriations mentioned above).

Considering the above noted increases in General Fund budgeted appropriations, actual expenditures were less than budgeted by \$977,532.

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

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 on pages 68 – 69 of this report.

Capital Assets (net of depreciation)

	Governmental Activities		Business-type Activities		Total	
	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18
Land	\$ 25,308,076	\$ 25,350,984	\$ 1,511,807	\$ 1,511,807	\$ 26,819,883	\$ 26,862,791
Buildings	19,593,711	20,567,271	911,058	259,645	20,504,769	20,826,916
Infrastructure	15,556,191	15,300,005	70,741,991	74,234,774	86,298,182	89,534,779
Machinery and Equipment	7,318,348	6,331,392	4,245,300	4,156,217	11,563,648	10,487,609
Intangibles	51,557	104,556	228,334	255,435	279,891	359,991
Construction in Progress	4,436,487	731,508	3,637,964	3,180,470	8,074,451	3,911,978
Total	\$ 72,264,370	\$ 68,385,716	\$ 81,276,454	\$ 83,598,348	\$ 153,540,824	\$ 151,984,064

The City of Clermont's investment in capital assets for its governmental and business-type activities as of September 30, 2019, amounts to \$153,540,824 (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 \$1,556,760. Following are the significant capital asset events that occurred during the current fiscal year:

- Completion of the Environmental Services Admin & Warehouse Building total cost of project \$668,548.76
- Completion of Six Fire Traffic Control Devices, total cost of project \$66,879.00
- Completion of Arts and Recreation Center Outdoor Lighting, total cost of project \$38,221
- Completion of the High Service Pump Building Sunburst Lane total cost of project \$52,502
- Completion of Compass Way finding Signs, total cost of project \$7,560
- Completion of (2) Gateway Towers total cost of project \$447,842.53
- Purchase of Fire Radios & Accessories total amount \$500,535
- Purchase of Fire Protective Gear total amount \$151,158
- Purchase of Police Radios & Accessories total amount \$409,436
- Purchase of (2) Crane Carrier Crew Cab and Loadmaster Rear Loader total amount \$312,961
- Lift station pump replacements at multiple locations total amount \$870,083
- Purchase fences for Pallatlakaha Park, Lake Hiawatha Park & Kaboom Park total amount \$63,535
- Resurfacing (basketball courts/splash park) and additions to Various Parks total amount \$232,950
- Purchase and Improvements to departmental vehicles total amount \$656,625
- Construction in progress includes the following projects: Public Works Complex, Asset Management System Software, CDBG project Disston to School, Wastewater Treatment Facility Expansion, Warehouse Expansion, John's Lake Road Reuse, East Wastewater Plant Expansion, Heritage Hills Force Main modification, Barbados Loop Force Main Replacement, Water Treatment Plant Barrier Wall, John's Lake Road Water Main Replacement, West side Water Loop Phase 2, Kehlor Building Replacement, Promenade (Meet us in the Middle), Boat Ramp Relocation, Downtown Waterfront Revitalization, Montrose Street Improvements, Public WiFi, and Boathouse Improvements.

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

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 on pages 70 - 74 of this report.

Outstanding Debt

	Governmental Activities		Business-type Activities		Total	
	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18
Revenue bonds payable	\$ -	\$ -	\$ 11,462,000	\$ 12,262,000	\$ 11,462,000	\$ 12,262,000
Notes payable	31,108,991	33,123,389	5,979,845	6,329,441	37,088,836	39,452,830
Capital leases	837,745	-	-	-	837,745	-
Total	\$ 31,946,736	\$ 33,123,389	\$ 17,441,845	\$ 18,591,441	\$ 49,388,581	\$ 51,714,830

As of September 30, 2019, total outstanding debt was \$49,388,581, which includes both revenue bonds payable and notes payable. The outstanding debt amount decreased \$2,326,249 over the previous year.

Next Year's Budgets and Rates

The fiscal year 2020 budget was once again approved without using reserves to balance the General Fund budget while maintaining the same property tax millage rate for the 5th 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 2020 in the amount of 9.61% 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 2020 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, 2019

	Primary Government		
	Governmental Activities	Business-type Activities	Total
Assets:			
Cash and cash equivalents	\$ 9,606,881	\$ 14,390,706	\$ 23,997,587
Investments	18,518,594	19,796,090	38,314,684
Receivables, net	1,209,817	1,013,312	2,223,129
Inventories	20,298	18,653	38,951
Due from other governments	1,410,410	400,000	1,810,410
Internal balances	(680,396)	680,396	-
Prepaid costs	269,923	124,110	394,033
Restricted assets:			
Cash and cash equivalents	-	1,897,114	1,897,114
Investments	11,682,605	15,901,640	27,584,245
Interest receivable	36,794	74,434	111,228
Net pension asset	1,785,066	-	1,785,066
Capital assets not being depreciated	29,744,563	5,149,771	34,894,334
Capital assets being depreciated, net of accumulated depreciation	42,519,807	76,126,683	118,646,490
Total assets	<u>116,124,362</u>	<u>135,572,909</u>	<u>251,697,271</u>
Deferred Outflows of Resources:			
Deferred outflow of pension earnings	5,093,944	-	5,093,944
Deferred outflow related to OPEB	2,116,070	643,035	2,759,105
Deferred charge on refunding	-	951,891	951,891
Total deferred outflows of resources	<u>7,210,014</u>	<u>1,594,926</u>	<u>8,804,940</u>
Liabilities:			
Accounts payable and accrued expenses	3,651,810	1,586,464	5,238,274
Unearned revenue	125,637	-	125,637
Noncurrent liabilities:			
Due within one year	2,292,158	1,227,833	3,519,991
Due in more than one year	40,031,746	19,486,932	59,518,678
Total liabilities	<u>46,101,351</u>	<u>22,301,229</u>	<u>68,402,580</u>
Deferred Inflows of Resources:			
Deferred inflow of pension earnings	2,163,598	-	2,163,598
Deferred inflow related to OPEB	367,663	113,872	481,535
Total deferred inflows of resources	<u>2,531,261</u>	<u>113,872</u>	<u>2,645,133</u>
Net Position:			
Net investment in capital assets	40,317,634	66,103,888	106,421,522
Restricted for:			
Capital Improvements	-	20,362,482	20,362,482
Community redevelopment	516,190	-	516,190
Public safety	1,974,321	-	1,974,321
Culture and recreation	1,280,695	-	1,280,695
Infrastructure	793,812	-	793,812
Debt service	1,778,880	-	1,778,880
Building services	1,954,445	-	1,954,445
Cemetery	1,290,534	-	1,290,534
Unrestricted	24,795,253	28,286,364	53,081,617
Total net position	<u>\$ 74,701,764</u>	<u>\$ 114,752,734</u>	<u>\$ 189,454,498</u>

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

CITY OF CLERMONT, FLORIDA

STATEMENT OF ACTIVITIES

Year Ended September 30, 2019

Functions/Programs:	Program Revenue				Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		
					Governmental Activities	Business-type Activities	Total
Governmental Activities:							
General government	\$ 5,023,225	\$ 3,589,880	\$ -	\$ -	\$ (1,433,345)	\$ -	\$ (1,433,345)
Public safety	22,103,605	1,592,733	1,416,209	-	(19,094,663)	-	(19,094,663)
Physical environment	863,346	-	90,628	-	(772,718)	-	(772,718)
Transportation/public works	2,387,307	-	550,909	-	(1,836,398)	-	(1,836,398)
Economic environment	532,152	-	3,654	-	(528,498)	-	(528,498)
Culture and recreation	5,954,052	1,801,524	-	625,000	(3,527,528)	-	(3,527,528)
Interest on long-term debt	835,497	-	-	-	(835,497)	-	(835,497)
Total governmental activities	37,699,184	6,984,137	2,061,400	625,000	(28,028,647)	-	(28,028,647)
Business-type Activities							
Water	6,215,346	6,867,972	898	1,152,076	-	1,805,600	1,805,600
Sewer	7,372,654	6,989,831	892	3,139,023	-	2,757,092	2,757,092
Sanitation	3,026,816	3,263,966	42,213	-	-	279,363	279,363
Stormwater	1,613,761	1,597,899	3,343	400,000	-	387,481	387,481
Total business-type activities	18,228,577	18,719,668	47,346	4,691,099	-	5,229,536	5,229,536
Total primary government	\$ 55,927,761	\$ 25,703,805	\$ 2,108,746	\$ 5,316,099	(28,028,647)	5,229,536	(22,799,111)
General Revenues:							
Property taxes					11,944,977	-	11,944,977
Business taxes					157,103	-	157,103
Franchise fees					3,142,014	-	3,142,014
Utility taxes					3,872,099	-	3,872,099
Intergovernmental - unrestricted					8,138,703	-	8,138,703
Unrestricted investment earnings					1,089,259	1,294,462	2,383,721
Miscellaneous					352,632	-	352,632
Gain on sale of capital assets					193,446	150,266	343,712
Transfers					2,106,377	(2,106,377)	-
Total general revenues and transfers					30,996,610	(661,649)	30,334,961
Change in net position					2,967,963	4,567,887	7,535,850
Net Position - beginning					71,733,801	110,184,847	181,918,648
Net Position - ending					\$ 74,701,764	\$ 114,752,734	\$ 189,454,498

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

CITY OF CLERMONT, FLORIDA

BALANCE SHEET
GOVERNMENTAL FUNDS

September 30, 2019

	General	Capital Projects	Infrastructure Special Revenue	Community Redevelopment Special Revenue	Other Governmental Funds	Total Governmental Funds
Assets:						
Cash and cash equivalents	\$ 133,069	\$ 4,857,520	\$ 109,205	\$ 191,898	\$ 3,148,026	\$ 8,439,718
Investments	9,198,657	2,424,607	616,370	326,801	4,995,853	17,562,288
Receivables, net	1,189,747	3,254	1,491	794	49,506	1,244,792
Inventories, at cost	20,298	-	-	-	-	20,298
Due from other governments	791,304	375,000	244,106	-	-	1,410,410
Prepaid costs	262,113	-	-	3,712	3,399	269,224
Restricted Investments	-	11,682,605	-	-	-	11,682,605
Total assets	<u>\$ 11,595,188</u>	<u>\$ 19,342,986</u>	<u>\$ 971,172</u>	<u>\$ 523,205</u>	<u>\$ 8,196,784</u>	<u>\$ 40,629,335</u>
Liabilities:						
Accounts payable	\$ 1,214,199	\$ 643,035	\$ 177,360	\$ 6,903	\$ 86,828	\$ 2,128,325
Payable to other governments	-	-	-	-	-	-
Due to other funds	507,127	-	-	-	-	507,127
Accrued liabilities	956,151	-	-	112	36,460	992,723
Unearned revenue	125,637	-	-	-	-	125,637
Total liabilities	<u>2,803,114</u>	<u>643,035</u>	<u>177,360</u>	<u>7,015</u>	<u>123,288</u>	<u>3,753,812</u>
Deferred Inflows of Resources:						
Unavailable revenue - liens, forfeitures and rents	103,997	-	-	-	-	103,997
Total deferred inflows of resources	<u>103,997</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>103,997</u>
Fund Balances:						
Nonspendable	282,411	-	-	3,712	3,399	289,522
Restricted	205,379	-	793,812	512,478	8,070,097	9,581,766
Assigned	18,476	18,699,951	-	-	-	18,718,427
Unassigned	8,181,811	-	-	-	-	8,181,811
Total fund balances	<u>8,688,077</u>	<u>18,699,951</u>	<u>793,812</u>	<u>516,190</u>	<u>8,073,496</u>	<u>36,771,526</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 11,595,188</u>	<u>\$ 19,342,986</u>	<u>\$ 971,172</u>	<u>\$ 523,205</u>	<u>\$ 8,196,784</u>	

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

Capital assets used in governmental activities are not financial resources and are not reported in the funds.	72,264,370
Accrued interest payable is not due in the current period and therefore is not reported in the funds.	(279,165)
Other long-term assets are not available to pay for current period expenditures and, therefore are deferred in the funds.	103,997
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.	4,678,753
Net pension assets are not current financial resources and therefore are not reported in the funds	1,745,317
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.	1,701,121
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.	(42,284,155)
Net Position of Governmental Activities in the Statement of Net Position	<u>\$ 74,701,764</u>

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

CITY OF CLERMONT, FLORIDA

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS

Year Ended September 30, 2019

	General	Capital Projects	Infrastructure Special Revenue	Community Redevelopment Special Revenue	Other Governmental Funds	Total Governmental Funds
Revenues:						
Taxes	\$ 15,677,583	\$ -	\$ -	\$ 296,596	\$ -	\$ 15,974,179
Franchise fees	3,142,014	-	-	-	-	3,142,014
Licenses and permits	338,170	-	-	-	1,588,357	1,926,527
Intergovernmental revenues	7,010,542	375,000	3,474,813	-	-	10,860,355
Charges for services	2,013,124	-	-	-	174,333	2,187,457
Fines and forfeitures	230,388	-	-	-	-	230,388
Impact fees/special assessments	-	-	-	-	1,958,766	1,958,766
Investment earnings	417,227	457,660	23,303	12,446	154,741	1,065,377
Miscellaneous	961,395	-	-	107	3,609	965,111
Total revenues	29,790,443	832,660	3,498,116	309,149	3,879,806	38,310,174
Expenditures:						
Current:						
General government	4,405,938	6,434	196,491	-	91	4,608,954
Public safety	18,914,672	-	1,131,150	-	1,572,321	21,618,143
Physical environment	982,390	-	-	-	-	982,390
Transportation	1,535,490	-	629,012	-	-	2,164,502
Economic environment	182,428	-	-	189,614	-	372,042
Culture and recreation	5,130,522	-	493,228	-	678,519	6,302,269
Debt Service:						
Principal retirement	-	-	81,289	-	2,014,398	2,095,687
Interest and fiscal charges	10,255	-	24,798	-	794,180	829,233
Capital Outlay:						
Physical environment	-	766,299	-	-	-	766,299
Economic environment	-	3,079,925	-	-	-	3,079,925
Total expenditures	31,161,695	3,852,658	2,555,968	189,614	5,059,509	42,819,444
Excess (Deficiency) of Revenues Over Expenditures	(1,371,252)	(3,019,998)	942,148	119,535	(1,179,703)	(4,509,270)
Other Financing Sources (Uses):						
Transfers in	2,103,315	-	-	-	2,833,332	4,936,647
Transfers out	(218,472)	-	(2,030,508)	-	(584,865)	(2,833,845)
Capital Leases	-	-	919,034	-	-	919,034
Sale of general capital assets	198,447	-	-	-	68	198,515
Total other financing sources (uses)	2,083,290	-	(1,111,474)	-	2,248,535	3,220,351
Net Change in Fund Balances	712,038	(3,019,998)	(169,326)	119,535	1,068,832	(1,288,919)
Fund Balances - beginning	7,976,039	21,719,949	963,138	396,655	7,004,664	38,060,445
Fund Balances - ending	\$ 8,688,077	\$ 18,699,951	\$ 793,812	\$ 516,190	\$ 8,073,496	\$ 36,771,526

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, 2019

Net Change in Fund Balances - total governmental funds: \$ (1,288,919)

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

Governmental funds report outlays for capital assets as expenditures because such outlays use current financial resources. In contrast, the Statement of Activities reports only a portion of the outlay as expense. The outlay is allocated over the assets' estimated useful lives as depreciation expense for the period. 3,880,148

The net effect of various miscellaneous transactions involving capital assets (i.e. sales, trade-ins and disposals) is to decrease net position (5,069)

Net transfers of capital assets from proprietary funds 3,575

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. 33,268

Cash pension contributions reported in the funds were more than the calculated pension expense on the statement of activities, and therefore increased net position (373,121)

Governmental funds report note proceeds as current financial resources. In contrast, the Statement of Activities treats such issuance of debt as a liability. Governmental funds report repayment of note principal as an expenditure, In contrast, the Statement of Activities treats such repayments as a reduction in long-term liabilities. This is the amount by which repayments exceeded proceeds. 1,176,653

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. (967,330)

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. 508,758

Change in Net Position of Governmental Activities \$ 2,967,963

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

CITY OF CLERMONT, FLORIDA

GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL

Year Ended September 30, 2019

	Budgeted Amounts		Actual Amounts, Budgetary Basis	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ 15,932,523	\$ 15,932,523	\$ 15,677,583	\$ (254,940)
Franchise fees	3,110,000	3,110,000	3,142,014	32,014
Licenses and permits	375,900	375,900	338,170	(37,730)
Intergovernmental revenues	6,548,278	6,798,278	7,010,542	212,264
Charges for services	1,800,059	1,855,438	2,013,124	157,686
Fines and forfeitures	114,000	179,205	230,388	51,183
Investment earnings	110,000	110,001	417,227	307,226
Miscellaneous	818,584	824,084	961,395	137,311
Total revenues	28,809,344	29,185,429	29,790,443	605,014
Expenditures:				
Current:				
General government:				
City council	37,273	37,273	36,525	748
City clerk	337,182	340,182	306,467	33,715
City manager	521,246	526,746	524,569	2,177
Finance	949,399	951,399	941,801	9,598
Legal services	110,000	110,000	116,621	(6,621)
Planning & zoning	708,699	763,161	653,397	109,764
Information technology	749,252	765,836	763,059	2,777
Human resources	468,011	524,996	514,059	10,937
Purchasing	272,166	289,295	287,137	2,158
Other general government	195,200	226,745	262,303	(35,558)
	4,348,428	4,535,633	4,405,938	129,695
Public safety:				
Law enforcement	9,098,679	9,271,573	9,050,443	221,130
Fire control	9,289,107	9,773,818	9,649,196	124,622
Fire inspections	-	219,368	215,033	4,335
	18,387,786	19,264,759	18,914,672	350,087
Physical environment	1,033,635	1,033,635	982,390	51,245
Transportation	1,603,677	1,603,677	1,535,490	68,187
Economic environment	176,586	217,549	182,428	35,121
Culture and recreation				
Culture and recreation	2,708,264	3,034,918	2,851,947	182,971
Events	665,769	669,269	510,977	158,292
Arts and rec center	1,139,514	1,186,371	1,181,383	4,988
CPAC	593,416	593,416	586,215	7,201
	5,106,963	5,483,974	5,130,522	353,452
Interest and fiscal charges	-	-	10,255	(10,255)
Total expenditures	30,657,075	32,139,227	31,161,695	977,532

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

CITY OF CLERMONT, FLORIDA

GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL (CONTINUED)

Year Ended September 30, 2019

	Budgeted Amounts		Actual Amounts, Budgetary Basis	Variance with Final Budget - Positive - (Negative)
	Original	Final		
Excess (Deficiency) of Revenues Over Expenditures	<u>(1,847,731)</u>	<u>(2,953,798)</u>	<u>(1,371,252)</u>	<u>1,582,546</u>
Other Financing Sources (Uses):				
Transfers In	2,051,198	2,051,198	2,103,315	52,117
Transfers Out	(1,518,467)	(218,467)	(218,472)	(5)
Sale of General Capital Assets	<u>1,315,000</u>	<u>15,000</u>	<u>198,447</u>	<u>183,447</u>
Total other financing sources (uses)	<u>1,847,731</u>	<u>1,847,731</u>	<u>2,083,290</u>	<u>235,559</u>
Net Change in Fund Balance	-	(1,106,067)	712,038	1,818,105
Fund Balance - beginning	<u>7,976,039</u>	<u>7,976,039</u>	<u>7,976,039</u>	<u>-</u>
Fund Balance - ending	<u>\$ 7,976,039</u>	<u>\$ 6,869,972</u>	<u>\$ 8,688,077</u>	<u>\$ 1,818,105</u>

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

CITY OF CLERMONT, FLORIDA

INFRASTRUCTURE SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL

Year Ended September 30, 2019

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental revenues	\$ 3,762,700	\$ 3,762,700	\$ 3,474,813	\$ (287,887)
Investment earnings	6,000	6,000	23,303	17,303
Total revenues	3,768,700	3,768,700	3,498,116	(270,584)
Expenditures:				
Current:				
General government	221,884	436,878	196,491	240,387
Public safety:				
Police	240,336	614,249	611,161	3,088
Fire control	118,135	567,742	519,989	47,753
	358,471	1,181,991	1,131,150	50,841
Transportation:				
Roads & streets	718,155	902,439	629,012	273,427
Culture and recreation:				
Recreation programs	305,000	417,031	284,129	132,902
Events	111,697	72,178	72,178	-
Arts and rec center	49,600	158,915	136,921	21,994
	466,297	648,124	493,228	154,896
Debt Service:				
Principal	-	79,526	81,289	(1,763)
Interest	-	26,561	24,798	1,763
	-	106,087	106,087	-
Total expenditures	1,764,807	3,275,519	2,555,968	719,551
Excess (Deficiency) of Revenues Over Expenditures	2,003,893	493,181	942,148	448,967
Other Financing Uses:				
Transfers out	(2,030,506)	(2,030,506)	(2,030,508)	(2)
Capital leases	-	919,034	919,034	-
Total other financing uses	(2,030,506)	(1,111,472)	(1,111,474)	(2)
Net Change in Fund Balances	(26,613)	(618,291)	(169,326)	448,965
Fund Balances - beginning	963,138	963,138	963,138	-
Fund Balances - ending	\$ 936,525	\$ 344,847	\$ 793,812	\$ 448,965

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

CITY OF CLERMONT, FLORIDA

COMMUNITY REDEVELOPMENT SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL

Year Ended September 30, 2019

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ 289,735	\$ 289,735	\$ 296,596	\$ 6,861
Investment earnings	4,000	4,000	12,446	8,446
Miscellaneous	-	-	107	107
Total revenues	293,735	293,735	309,149	15,414
Expenditures:				
Economic environment:				
Economic development	345,358	357,828	189,614	168,214
Total expenditures	345,358	357,828	189,614	168,214
Excess (Deficiency) of Revenues Over Expenditures	(51,623)	(64,093)	119,535	183,628
Other Financing Uses:				
Transfers out	-	-	-	-
Total other financing uses	-	-	-	-
Net Change in Fund Balances	(51,623)	(64,093)	119,535	183,628
Fund Balances - beginning	396,655	396,655	396,655	-
Fund Balances - ending	\$ 345,032	\$ 332,562	\$ 516,190	\$ 183,628

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, 2019

	Business-type Activities-Enterprise Funds					Governmental Activities- Internal Service Fund
	Water	Sewer	Sanitation	Stormwater	Total	
Assets:						
Current assets:						
Cash and cash equivalents	\$ 5,067,004	\$ 7,398,687	\$ 1,863,965	\$ 61,050	\$ 14,390,706	\$ 1,167,163
Investments	10,475,792	7,057,167	2,263,131	-	19,796,090	956,306
Restricted cash and cash equivalents	848,621	753,053	69,112	226,328	1,897,114	-
Accounts receivable, net	357,912	386,581	163,704	105,115	1,013,312	1,043
Due from other governments	-	-	-	400,000	400,000	-
Inventories	18,653	-	-	-	18,653	-
Prepaid expenses	49,461	43,370	19,693	11,586	124,110	699
Total current assets	<u>16,817,443</u>	<u>15,638,858</u>	<u>4,379,605</u>	<u>804,079</u>	<u>37,639,985</u>	<u>2,125,211</u>
Noncurrent assets:						
Restricted investments	2,409,187	12,395,973	1,096,480	-	15,901,640	-
Advances to other funds	-	275,000	507,127	-	782,127	-
Interest receivable	27,829	41,625	4,980	-	74,434	776
Capital assets:						
Land, buildings and equipment	43,255,393	67,763,573	4,572,728	16,225,557	131,817,251	-
Construction in progress	626,435	2,708,738	167,090	135,701	3,637,964	-
Less accumulated depreciation	<u>(15,265,440)</u>	<u>(31,864,604)</u>	<u>(2,670,246)</u>	<u>(4,378,471)</u>	<u>(54,178,761)</u>	<u>-</u>
Total capital assets (net of accumulated depreciation)	<u>28,616,388</u>	<u>38,607,707</u>	<u>2,069,572</u>	<u>11,982,787</u>	<u>81,276,454</u>	<u>-</u>
Total noncurrent assets	<u>31,053,404</u>	<u>51,320,305</u>	<u>3,678,159</u>	<u>11,982,787</u>	<u>98,034,655</u>	<u>776</u>
Total assets	<u>47,870,847</u>	<u>66,959,163</u>	<u>8,057,764</u>	<u>12,786,866</u>	<u>135,674,640</u>	<u>2,125,987</u>
Deferred Outflows of Resources:						
Deferred charge on refunding	339,379	612,512	-	-	951,891	-
Deferred outflows related to OPEB	<u>215,107</u>	<u>185,111</u>	<u>166,943</u>	<u>75,874</u>	<u>643,035</u>	<u>-</u>
Total deferred outflows of resources	<u>554,486</u>	<u>797,623</u>	<u>166,943</u>	<u>75,874</u>	<u>1,594,926</u>	<u>-</u>

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

Liabilities:

Current liabilities:

Accounts payable	205,122	401,835	104,290	98,703	809,950	251,597
Salaries payable	70,720	67,973	46,251	20,441	205,385	-
Accrued interest payable	33,723	59,953	12,349	40,079	146,104	-
Due to other funds	-	-	-	275,000	275,000	-
Compensated absences	18,370	14,965	5,979	1,637	40,951	-
Customer deposits payable	425,025	-	-	-	425,025	-
Revenue bonds and notes payable-current	298,080	529,920	84,499	274,383	1,186,882	-
Total current liabilities	<u>1,051,040</u>	<u>1,074,646</u>	<u>253,368</u>	<u>710,243</u>	<u>3,089,297</u>	<u>251,597</u>

Noncurrent liabilities:

Compensated absences	165,326	134,686	53,814	14,732	368,558	-
Other post employment benefits	1,033,994	834,226	691,837	297,934	2,857,991	-
Notes payable	-	-	1,323,487	4,297,476	5,620,963	-
Revenue bonds payable	3,830,191	6,809,229	-	-	10,639,420	-
Total noncurrent liabilities	<u>5,029,511</u>	<u>7,778,141</u>	<u>2,069,138</u>	<u>4,610,142</u>	<u>19,486,932</u>	<u>-</u>
Total liabilities	<u>6,080,551</u>	<u>8,852,787</u>	<u>2,322,506</u>	<u>5,320,385</u>	<u>22,576,229</u>	<u>251,597</u>

Deferred Inflows of Resources:

Deferred inflows related to OPEB	<u>39,733</u>	<u>31,041</u>	<u>30,009</u>	<u>13,089</u>	<u>113,872</u>	
Total deferred inflows of resources	<u>39,733</u>	<u>31,041</u>	<u>30,009</u>	<u>13,089</u>	<u>113,872</u>	<u>-</u>

Net Position:

Net investment in capital assets	24,827,496	31,881,070	1,758,066	7,637,256	66,103,888	-
Restricted for capital improvements	4,219,941	16,142,541	-	-	20,362,482	-
Unrestricted	13,257,612	10,849,347	4,114,126	(107,990)	28,113,095	1,874,390
Total net position	<u>\$ 42,305,049</u>	<u>\$ 58,872,958</u>	<u>\$ 5,872,192</u>	<u>\$ 7,529,266</u>	<u>114,579,465</u>	<u>\$ 1,874,390</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.

173,269

Total Net Position per Government-Wide Financial Statements

\$ 114,752,734

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, 2019

	Business-type Activities-Enterprise Funds					Governmental Activities- Internal Service Fund
	Water	Sewer	Sanitation	Stormwater	Total	
Operating Revenues:						
Charges for services	\$ 6,508,690	\$ 6,982,387	\$ 3,263,253	\$ 1,596,719	\$ 18,351,049	\$ 5,190,442
Miscellaneous	359,282	7,444	713	1,180	368,619	30,967
Total operating revenues	6,867,972	6,989,831	3,263,966	1,597,899	18,719,668	5,221,409
Operating Expenses:						
Personnel services	1,849,239	1,807,092	1,313,600	500,254	5,470,185	-
Utilities	539,760	837,720	2,502	7,462	1,387,444	-
Dump fees	-	198,926	514,530	17,378	730,834	-
Administrative services	395,698	386,025	238,356	91,575	1,111,654	-
Repairs and maintenance	953,959	296,813	129,049	39,689	1,419,510	-
Depreciation and amortization	1,633,131	2,945,965	480,262	725,883	5,785,241	-
Professional services	132,971	143,062	13,981	16,560	306,574	59,962
Insurance claims and expenses	128,993	174,502	17,500	23,964	344,959	4,489,860
Other supplies and expenses	508,750	400,414	329,225	89,829	1,328,218	-
Total operating expenses	6,142,501	7,190,519	3,039,005	1,512,594	17,884,619	4,549,822
Operating income (loss)	725,471	(200,688)	224,961	85,305	835,049	671,587
Nonoperating Revenues (Expenses):						
Investment income	472,814	687,004	126,740	7,904	1,294,462	23,882
Interest expense	(133,568)	(238,285)	(37,408)	(121,408)	(530,669)	-
Nonoperating expense	-	-	(3,575)	-	(3,575)	-
Grants	898	892	42,213	3,343	47,346	-
Gain (loss) on disposal of capital assets	3,895	195	144,597	1,579	150,266	-
Total nonoperating revenue (expenses)	344,039	449,806	272,567	(108,582)	957,830	23,882
Income (loss) before contributions and transfers	1,069,510	249,118	497,528	(23,277)	1,792,879	695,469
Capital contributions	1,152,076	3,139,023	-	400,000	4,691,099	-
Transfers in	8,336	585	-	7,617	16,538	-
Transfers out	(964,260)	(1,083,604)	-	(71,476)	(2,119,340)	-
Change in net position	1,265,662	2,305,122	497,528	312,864	4,381,176	695,469
Total Net Position - Beginning	41,039,387	56,567,836	5,374,664	7,216,402		1,178,921
Total Net Position - Ending	\$ 42,305,049	\$ 58,872,958	\$ 5,872,192	\$ 7,529,266		\$ 1,874,390
Change in Net Position, per above					4,381,176	
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.					186,711	
Change in Business-Type Activities in Net Position per Government-Wide Financial Statements					\$ 4,567,887	

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

CITY OF CLERMONT, FLORIDA

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS

Year Ended September 30, 2019

	Business-Type Activities-Enterprise Funds					Governmental Activities- Internal Service Fund
	Water	Sewer	Sanitation	Stormwater	Total	
Cash Flows from Operating Activities:						
Receipts from customers	\$ 6,865,918	\$ 7,024,598	\$ 3,341,971	\$ 1,609,824	\$ 18,842,311	\$ -
Receipts from internal services provided	-	-	-	-	-	5,222,351
Payments to suppliers	(2,723,791)	(2,341,352)	(1,254,724)	(595,416)	(6,915,283)	(4,522,038)
Payments to employees	(1,755,996)	(1,738,772)	(1,243,567)	(475,837)	(5,214,172)	-
Net cash provided (used) by operating activities	2,386,131	2,944,474	843,680	538,571	6,712,856	700,313
Cash Flows from Non-Capital Financing Activities:						
Due from other funds	49,851	2,190,139	135,687	14,732	2,390,409	-
Due to other funds	-	-	-	(2,150,000)	(2,150,000)	(500,000)
Operating grants	898	892	42,213	3,343	47,346	-
Transfers in	6,707	585	-	-	7,292	-
Transfers out	(964,260)	(1,074,358)	-	(71,476)	(2,110,094)	-
Net cash provided (used) by non-capital financing activities	(906,804)	1,117,258	177,900	(2,203,401)	(1,815,047)	(500,000)
Cash Flows from Capital and Related Financing Activities:						
Acquisition of capital assets	(724,268)	(1,685,908)	(881,973)	(174,773)	(3,466,922)	-
Sale of capital assets	3,895	195	144,597	1,579	150,266	-
Interest paid on long-term debt	(106,174)	(188,752)	(38,130)	(123,751)	(456,807)	-
Principal paid on debt	(288,000)	(512,000)	(82,314)	(267,282)	(1,149,596)	-
Capital grants	-	-	-	623,490	623,490	-
Fees and assessments received	1,152,076	3,139,023	-	-	4,291,099	-
Net cash provided (used) by capital and related financing activities	37,529	752,558	(857,820)	59,263	(8,470)	-

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

Cash Flows from Investing Activities:

Sale (purchase) of investments	(488,630)	(1,668,539)	110,337	1,616,691	(430,141)	(610,938)
Investment income	296,803	425,806	156,603	7,904	887,116	23,754
Net cash provided by investing activities	<u>(191,827)</u>	<u>(1,242,733)</u>	<u>266,940</u>	<u>1,624,595</u>	<u>456,975</u>	<u>(587,184)</u>

Net Increase (Decrease) in Cash and Cash Equivalents

	1,325,029	3,571,557	430,700	19,028	5,346,314	(386,871)
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Cash and Cash Equivalents - beginning

	4,590,596	4,580,183	1,502,377	268,350	10,941,506	1,554,034
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Cash and Cash Equivalents - end

	<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>
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Classified As:

Cash and cash equivalents	\$ 5,067,004	\$ 7,398,687	\$ 1,863,965	\$ 61,050	\$ 14,390,706	\$ 1,167,163
Restricted cash and cash equivalents	848,621	753,053	69,112	226,328	1,897,114	-
Total	<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>

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

Operating income (loss)	<u>\$ 725,471</u>	<u>\$ (200,688)</u>	<u>\$ 224,961</u>	<u>\$ 85,305</u>	<u>\$ 835,049</u>	<u>\$ 671,587</u>
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Adjustments Not Affecting Cash:

Depreciation and amortization	1,633,131	2,945,965	480,262	725,883	5,785,241	-
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Change in Assets and Liabilities:

Decrease (Increase) in accts receivable	2,269	34,767	78,005	11,925	126,966	942
Increase in customer deposits	(4,323)	-	-	-	(4,323)	-
Decrease in prepaid costs	5,702	4,171	(10,179)	(3,520)	(3,826)	(699)
Decrease (Increase) in inventory	1,289	-	-	-	1,289	-
Increase (Decrease) in accounts payable	(70,651)	91,939	598	(305,439)	(283,553)	28,483
Increase in OPEB	84,223	77,914	68,840	28,111	259,088	-
Increase in accrued liabilities	9,020	(9,594)	1,193	(3,694)	(3,075)	-
Total adjustments	<u>1,660,660</u>	<u>3,145,162</u>	<u>618,719</u>	<u>453,266</u>	<u>5,877,807</u>	<u>28,726</u>

Net Cash Provided (Used) by Operating Activities

	<u>\$ 2,386,131</u>	<u>\$ 2,944,474</u>	<u>\$ 843,680</u>	<u>\$ 538,571</u>	<u>\$ 6,712,856</u>	<u>\$ 700,313</u>
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Noncash Investing, Capital, and Financing Activities:

Increase (Decrease) in Fair Value of Investments	<u>\$ 171,433</u>	<u>\$ 253,576</u>	<u>\$ (30,682)</u>	<u>\$ -</u>	<u>\$ 394,327</u>	<u>\$ -</u>
Transfer of Capital Assets	<u>\$ 1,629</u>	<u>\$ (9,246)</u>	<u>\$ (3,575)</u>	<u>\$ 7,617</u>	<u>\$ (3,575)</u>	<u>\$ -</u>

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

CITY OF CLERMONT, FLORIDA

STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS

September 30, 2019

	Total Employee Pension Funds
Assets:	
Cash and cash equivalents	\$ 611,584
Investments:	
U.S. Government & other debt securities	14,513,575
Equities	36,889,156
Total investments	<u>51,402,731</u>
Accounts receivable	-
Total assets	<u>52,014,315</u>
Liabilities:	
Refunds payable and other	<u>-</u>
Total liabilities	<u>-</u>
Net Position Restricted for Pensions	<u><u>\$ 52,014,315</u></u>

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

CITY OF CLERMONT, FLORIDA

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS

Year Ended September 30, 2019

	<u>Total Employee Pension Funds</u>
Additions:	
Contributions:	
Employer	\$ 2,660,900
Plan members	407,461
State	574,795
Total contributions	<u>3,643,156</u>
Investment earnings:	
Net increase in fair value of investments	3,105,361
Investment expense	<u>(46,081)</u>
Total net investment earnings	<u>3,059,280</u>
Total additions	<u>6,702,436</u>
Deductions:	
Benefits/distributions	1,139,178
Administrative	<u>177,937</u>
Total deductions	<u>1,317,115</u>
Change in Net Position	5,385,321
Net Position - beginning	<u>46,628,994</u>
Net Position - ending	<u><u>\$ 52,014,315</u></u>

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



NOTES TO FINANCIAL STATEMENTS



NOTES TO FINANCIAL STATEMENTS

September 30, 2019

Note 1 - Summary of Significant Accounting Policies:

A. 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.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

September 30, 2019

Note 1 - Summary of Significant Accounting Policies (Continued):

B. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the 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.

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of 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.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

September 30, 2019

Note 1 - Summary of Significant Accounting Policies (Continued):

***C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation
(Continued):***

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.

The *Community Redevelopment 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.

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.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

September 30, 2019

Note 1 - Summary of Significant Accounting Policies (Continued):

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued):

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.

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.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

September 30, 2019

Note 1 - Summary of Significant Accounting Policies (Continued):

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued):

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.

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

1. 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.

2. 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."

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

September 30, 2019

Note 1 - Summary of Significant Accounting Policies (Continued):

D. Assets, Liabilities, Deferred Outflows/Inflows and Net Position/Fund Balance (Continued):

2. Receivables and Payables - (Continued)

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.

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.

3. 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.

4. 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.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

September 30, 2019

Note 1 - Summary of Significant Accounting Policies (Continued):***D. Assets, Liabilities, Deferred Outflows/Inflows and Net Position/Fund Balance (Continued):*****5. 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:

Assets	Years
Buildings	10-50
Improvements	15-50
Infrastructure	30-50
Equipment & Machinery	3-15
Intangible Assets	3-15

6. 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.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

September 30, 2019

Note 1 - Summary of Significant Accounting Policies (Continued):

D. Assets, Liabilities, Deferred Outflows/Inflows and Net Position/Fund Balance (Continued):

7. 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.

8. 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.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

September 30, 2019

Note 1 - Summary of Significant Accounting Policies (Continued):

D. Assets, Liabilities, Deferred Outflows/Inflows and Net Position/Fund Balance (Continued):

9. 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.

10. 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.

11. 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.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

September 30, 2019

Note 1 - Summary of Significant Accounting Policies (Continued):

D. Assets, Liabilities, Deferred Outflows/Inflows and Net Position/Fund Balance (Continued):

11. Fund Balance Policies - (Continued)

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 2019, the City implemented GASB Statement No. 88, *Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placements*. This Statement requires additional note disclosures for certain debt issues. The City also implemented GASB Statement No. 89, *Accounting for Interest Cost Incurred Before the End of a Construction Period*. This statement eliminates the requirement to capitalize interest on enterprise fund construction projects. There was no effect on beginning balances of the City for the implementation of either statement.

Additionally, the GASB has issued Statement No. 83, *Certain Asset Retirement Obligations*, that is effective for this fiscal year. The City has reviewed this statement and determined that this pronouncement has no discernable impact on these financial statements.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

September 30, 2019

Note 2 - Reconciliation of Government-Wide and Fund Financial Statements:**A. Explanation of Certain Differences Between the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances and the Government-Wide Statement of Activities**

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between *net changes in fund balances - total governmental funds* and *changes in net position of governmental activities* as reported in the government-wide statement of activities. One element of that reconciliation explains that "Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense." The details of this difference are as follows:

Capital Outlay	\$ 7,434,413
Depreciation Expense	<u>(3,554,265)</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><u>\$ 3,880,148</u></u>

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	\$ 2,095,687
Capital Leases	<u>(919,034)</u>
<i>Net adjustment to decrease net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities</i>	<u><u>\$ 1,176,653</u></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	\$ (113,419)
Other Post Employment Benefits	(847,647)
Accrued Interest Payable	<u>(6,264)</u>
<i>Net Adjustment to Decrease Net Changes in Fund Balances - total governmental funds to arrive at changes in net position of governmental activities</i>	<u><u>\$ (967,330)</u></u>

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

September 30, 2019

Note 3 - Stewardship, Compliance, and Accountability:

A. Budgetary Information -

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

- (1) 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.
- (2) Budget workshops are scheduled as needed.
- (3) The general summary of the budget and notice of public hearing is published in the local newspaper.
- (4) Public hearings are conducted to obtain taxpayer comments.
- (5) Prior to October 1, the budgets are legally enacted through passage of a resolution.
- (6) 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.
- (7) The level of classification detail at which expenditures may not legally exceed appropriations is the department level.
- (8) 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.
- (9) 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.
- (10) 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.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

September 30, 2019

Note 3 - Stewardship, Compliance, and Accountability (Continued):

B. 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.

C. Expenditures in Excess of Appropriations -

Expenditures exceeded appropriations in various departments of the General 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:

- (a) The Local Government Surplus Funds Trust (SBA).
- (b) SEC registered money market funds.
- (c) Interest-bearing time deposits or savings accounts in qualified public depositories.
- (d) Direct obligations of the U.S. Treasury.
- (e) Federal agencies and instrumentalities.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

September 30, 2019

Note 4 - Cash and Investments (Continued):***Investments (Continued)***

(f) 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.

(g) Repurchase Agreements.

(h) 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.

Investments made by the *City of Clermont* at September 30, 2019 are summarized below. Defined benefit pension plan investments, other than \$36,889,156 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	\$ 1,189,656	AA+	1.64 years
Federal Agency Mortgage-Backed Securities	906,055	AA+	9.46 years
Federal Agency Colateralized Mortgage Obligation	1,818,722	AA+	3.9 years
US Treasury Notes	8,990,876	AA+	2.2 years
Supra-National Agency Bond/Note	1,843,920	AAA	1.33 years
Corporate Note	7,845,234	BBB+/AA	1.38 years
Asset Backed Security	4,818,755	AAA/NR	3.53 years
Municipal Bonds	142,758	AAA	3.09 years
FL Palm	38,342,955	AAAm	N/A
Pension Fixed Income Securities	14,513,575	AAf/S4	6.40 years
	<u>\$ 80,412,506</u>		

Credit Risk:

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

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

September 30, 2019

Note 4 - Cash and Investments (Continued):

Investments (Continued)

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, 2019, 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, 2019, 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.

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.

CITY OF CLERMONT, FLORIDA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

September 30, 2019

Note 4 - Cash and Investments (Continued):***Investments (Continued)***

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, 2019:

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	\$ 1,189,656	\$ -	\$ 1,189,656
Federal Agency Colateralized Mortgage Obligation	1,818,722	-	1,818,722
Federal Agency Mortgage-Backed Securities	906,055	-	906,055
US Treasury Notes	8,990,876	8,990,876	-
Supra-National Agency Bond/Note	1,843,920	-	1,843,920
Corporate Note	7,845,234	-	7,845,234
Asset Backed Security	4,818,755	-	4,818,755
Municipal Bonds	142,758	-	142,758
Pension Fixed Income Securities	14,513,575	-	14,513,575
Pension Equity Securities	36,889,156	-	36,889,156
	<u>\$ 78,958,707</u>	<u>\$ 8,990,876</u>	<u>\$ 69,967,831</u>

CITY OF CLERMONT, FLORIDA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

September 30, 2019

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	\$ 3,338,502	\$ 308,080	\$ 813,092	\$ (3,269,927)	\$ 1,189,747
Capital Projects Fund	-	-	3,254	-	3,254
Infrastructure Special Revenue Fund	-	-	1,491	-	1,491
Community Redevelopment Fund	-	-	794	-	794
Water Fund	340,534	-	75,126	(29,919)	385,741
Sewer Fund	525,359	-	41,625	(138,778)	428,206
Sanitation Fund	209,284	-	5,481	(46,081)	168,684
Stormwater Fund	122,954	-	334	(18,173)	105,115
Nonmajor Governmental Funds	-	-	49,506	-	49,506
Internal Service Fund	-	-	1,819	-	1,819
	<u>\$ 4,536,633</u>	<u>\$ 308,080</u>	<u>\$ 992,522</u>	<u>\$ (3,502,878)</u>	<u>\$ 2,334,357</u>

CITY OF CLERMONT, FLORIDA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

September 30, 2019

Note 6 - Capital Assets:

Capital asset activity for the year ended September 30, 2019 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities:				
Capital Assets, not being depreciated:				
Land	\$25,350,984	\$ -	\$ (42,908)	\$25,308,076
Construction in progress	731,508	4,277,063	(572,084)	4,436,487
Total capital assets, not being depreciated	<u>26,082,492</u>	<u>4,277,063</u>	<u>(614,992)</u>	<u>29,744,563</u>
Capital Assets, being depreciated:				
Buildings	30,702,934	99,499	-	30,802,433
Improvements/infrastructure	27,195,810	1,174,478	-	28,370,288
Machinery and equipment	15,879,068	2,574,250	(1,151,092)	17,302,226
Intangibles	1,039,093	22,695	(558,744)	503,044
Total capital assets being depreciated	<u>74,816,905</u>	<u>3,870,922</u>	<u>(1,709,836)</u>	<u>76,977,991</u>
Less Accumulated Depreciation for:				
Buildings	(10,135,663)	(1,073,059)	-	(11,208,722)
Improvements/infrastructure	(11,895,805)	(918,292)	-	(12,814,097)
Machinery and equipment	(9,547,676)	(1,575,809)	1,139,607	(9,983,878)
Intangibles	(934,537)	(75,694)	558,744	(451,487)
Total accumulated depreciation	<u>(32,513,681)</u>	<u>(3,642,854)</u>	<u>1,698,351</u>	<u>(34,458,184)</u>
Total capital assets being depreciated, net	<u>42,303,224</u>	<u>228,068</u>	<u>(11,485)</u>	<u>42,519,807</u>
Governmental activities capital assets, net	<u>\$68,385,716</u>	<u>\$ 4,505,131</u>	<u>\$ (626,477)</u>	<u>\$72,264,370</u>

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 \$88,589.

CITY OF CLERMONT, FLORIDA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

September 30, 2019

Note 6 - Capital Assets (Continued):

	Beginning Balance	Increases	Decreases	Ending Balance
Business-type Activities:				
Capital Assets, not being depreciated:				
Land	\$ 1,511,807	\$ -	\$ -	\$ 1,511,807
Construction in progress	3,180,470	1,256,899	(799,405)	3,637,964
Total capital assets, not being depreciated	4,692,277	1,256,899	(799,405)	5,149,771
Capital Assets, being depreciated:				
Buildings	321,231	668,549	-	989,780
Improvements/infrastructure	118,540,146	1,279,534	(236,271)	119,583,409
Machinery and equipment	9,305,270	1,150,251	(1,149,508)	9,306,013
Intangibles	433,221	12,387	(19,366)	426,242
Total capital assets being depreciated	128,599,868	3,110,721	(1,405,145)	130,305,444
Less Accumulated Depreciation for:				
Buildings	(61,586)	(17,136)	-	(78,722)
Improvements/infrastructure	(44,305,372)	(4,767,287)	231,241	(48,841,418)
Machinery and equipment	(5,149,053)	(961,330)	1,049,670	(5,060,713)
Intangibles	(177,786)	(39,488)	19,366	(197,908)
Total accumulated depreciation	(49,693,797)	(5,785,241)	1,300,277	(54,178,761)
Total capital assets being depreciated, net	78,906,071	(2,674,520)	(104,868)	76,126,683
Business-type activities capital assets, net	<u>\$83,598,348</u>	<u>\$ (1,417,621)</u>	<u>\$ (904,273)</u>	<u>\$81,276,454</u>

Depreciation expense was charged to functions/programs as follows:

Governmental Activities:	
General government	\$ 639,592
Public safety	1,600,924
Physical environment/transportation	225,112
Economic environment	139,560
Culture and recreation	949,077
Total Depreciation Expense - governmental activities	<u>\$ 3,554,265</u>
Business-type Activities	
Water	\$ 1,633,131
Sewer	2,945,965
Sanitation	480,262
Stormwater	725,883
Total Depreciation Expense - business-type activities	<u>\$ 5,785,241</u>

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

September 30, 2019

Note 7 - Capital Leases:

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

The assets acquired through capital leases are as follows:

	<u>Governmental Activities</u>
Machinery & equipment	\$ 919,125
Less: accumulated depreciation	(80,710)
Total	<u>\$ 838,415</u>

Amortization of equipment leased and capital leases is included in depreciation expense. The future minimum lease obligations and the net present value of these minimum payments as of September 30, 2019 were as follows:

<u>Year Ending September 30</u>	<u>Governmental Activities</u>
2020	\$ 106,086
2021	106,086
2022	106,086
2023	106,086
2024	106,086
Thereafter	424,344
Total minimum lease payments	954,774
Less: amount representing interest	(117,029)
	<u>\$ 837,745</u>

Note 8 - Long-Term Debt:***Bonds Payable- Public Offering***

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

The 2009 Water and Sewer Revenue and Refunding Bonds are secured by net revenue of the water and sewer system. The total principal and interest remaining to be paid on this series is \$747,863. For the fiscal year, principal and interest paid on this series was \$748,150 and total pledged revenue was \$6,263,697.

CITY OF CLERMONT, FLORIDA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

September 30, 2019

Note 8 - Long-Term Debt (Continued):

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 \$12,432,283. For the fiscal year, principal and interest paid on this series was \$346,374 and total pledged revenue was \$6,263,697.

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, 2019
Water and Sewer Revenue Refunding Bonds, Series 2009	3.0 - 4.6% (6/1 & 12/1)	12/1/2010 to 12/1/2030	<u>\$16,640,000</u>	\$ 735,000
Water and Sewer Revenue Refunding Bonds, Series 2017	2.38% (6/1 & 12/1)	12/1/2018 to 12/1/2030	<u>\$10,817,000</u>	\$ 10,727,000
				<u>\$ 11,462,000</u>

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

Year Ending September 30,	Business - Type Activities	
	Principal	Interest
2020	\$ 828,000	\$ 267,059
2021	855,000	242,915
2022	879,000	222,280
2023	900,000	201,110
2024	920,000	179,452
2025-2029	4,939,000	554,124
2030-2031	2,141,000	51,206
Total	<u>\$11,462,000</u>	<u>\$ 1,718,146</u>

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

September 30, 2019

Note 8 - Long-Term Debt (Continued):

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 \$4,765,104. For the fiscal year, principal and interest paid on this series was \$476,975 and total pledged revenue was \$5,003,481. 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 \$5,020,338. For the fiscal year, principal and interest paid on this series was \$418,870 and total pledged revenue was \$3,474,813. 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 \$33,874,573. For the fiscal year, principal and interest paid on this series was \$2,424,210. 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.

CITY OF CLERMONT, FLORIDA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

September 30, 2019

Note 8 - Long-Term Debt (Continued):***Notes Payable (Continued)***

Revenue notes outstanding at year end are as follows:

Governmental Activities	Interest Rates and Dates	Maturity	Original Amount	Balance September 30, 2019
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>	4,312,844
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>	4,432,992
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>	22,363,155
				<u><u>\$ 31,108,991</u></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>\$ 5,979,845</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
2020	\$ 2,063,756	\$ 744,560	\$ 358,879	\$ 152,550
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
2025-2029	12,218,584	1,798,257	2,153,065	399,016
2030-2033	8,056,894	404,366	1,935,543	103,462
Total	<u>\$ 31,108,991</u>	<u>\$5,404,122</u>	<u>\$5,979,845</u>	<u>\$ 1,167,057</u>

CITY OF CLERMONT, FLORIDA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

September 30, 2019

Note 8 - Long-Term Debt (Continued):**Changes in Long-Term Liabilities**

Long-term liability activity for the year ended September 30, 2019 was as follows:

	Beginning Balance	Additions	Deductions	Ending Balance	Due Within One Year
Governmental Activities					
Public improvement revenue notes	\$ 4,698,355	\$ -	\$ (385,511)	\$ 4,312,844	\$ 393,337
Infrastructure revenue notes	4,754,475	-	(321,483)	4,432,992	328,298
Capital Projects revenue notes	23,670,559	-	(1,307,404)	22,363,155	1,342,121
Capital Leases	-	919,034	(81,289)	837,745	83,482
Other post employment benefits	6,543,018	2,345,199	-	8,888,217	-
Net pension liability	1,830	37,919	-	39,749	-
Compensated absences	1,335,783	246,997	(133,578)	1,449,202	144,920
Governmental activity long-term liabilities	<u>\$41,004,020</u>	<u>\$ 3,549,149</u>	<u>\$ (2,229,265)</u>	<u>\$42,323,904</u>	<u>\$ 2,292,158</u>
Business-type Activities					
Bonds payable-					
Revenue bonds	\$12,262,000	\$ -	\$ (800,000)	\$11,462,000	\$ 828,000
Premium	5,903	-	(483)	5,420	-
Total bonds payable	<u>12,267,903</u>	<u>-</u>	<u>(800,483)</u>	<u>11,467,420</u>	<u>828,000</u>
Capital Projects revenue notes	6,329,441	-	(349,596)	5,979,845	358,882
Other post employment benefits	2,141,172	716,819	-	2,857,991	-
Compensated absences	427,078	25,139	(42,708)	409,509	40,951
Business-type activity long-term liabilities	<u>\$21,165,594</u>	<u>\$ 741,958</u>	<u>\$ (1,192,787)</u>	<u>\$20,714,765</u>	<u>\$ 1,227,833</u>

Note 9 - Interfund Receivables, Payables and Transfers:

Interfund transfers for the year ended September 30, 2019 consisted of the following:

Transfers Out:	Transfers In					Total
	General Fund	Water Fund	Sewer Fund	Stormwater Fund	Nonmajor Govt	
General Fund	\$ -	\$ -	\$ -	\$ -	\$ 218,472	\$ 218,472
Infrastructure Fund	-	-	-	-	2,030,508	2,030,508
Water Fund	963,675	-	585	-	-	964,260
Sewer Fund	1,068,164	7,823	-	7,617	-	1,083,604
Stormwater Fund	71,476	-	-	-	-	71,476
Nonmajor Governmental	-	513	-	-	584,352	584,865
	<u>\$2,103,315</u>	<u>\$ 8,336</u>	<u>\$ 585</u>	<u>\$ 7,617</u>	<u>\$2,833,332</u>	<u>\$4,953,185</u>

CITY OF CLERMONT, FLORIDA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

September 30, 2019

Note 9 - Interfund Receivables, Payables and Transfers (Continued):

The majority of the transfers were to fund other capital projects and debt service payments. Transfers from the Water Fund and Sewer Fund to the General Fund were based on a percentage of water and sewer sales. The transfers from various funds to the Internal Service Fund were lump sum transfers of city contributions to the Group Medical Self Insurance Fund.

The composition of interfund advances as of September 30, 2019 is as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Sewer Fund	Stormwater Fund	\$ 275,000
Sanitation Fund	General Fund	507,127
		<u>\$ 782,127</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 defined benefit plans is the Florida Municipal Pension Trust Fund, an agent of the multiple-employer Public Employee Retirement System. The assets and benefits of the defined contribution plan are administered by the Florida League of Cities. Effective April 1, 2019, the plan administration for the police and firefighters pension plans changed to 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.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

September 30, 2019

Note 10 - Retirement Plans (Continued):

Defined Benefit Pension Plans - Each plan is independently governed by separate boards of trustees. Assets may not be transferred between plans, or used for any purpose other than to benefit each plan's participants as defined in their authorizing ordinances. Each 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. These plans are 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. During the year, the Police and Firefighters' Pension Plans no longer contract with the FMPTF, and are now 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.

A. 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.

Plan Membership - At September 30, 2019 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	-
	<hr/>
	7
	<hr/>

CITY OF CLERMONT, FLORIDA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

September 30, 2019

Note 10 - Retirement Plans (Continued):

A. General Employees (Continued) -

Net Pension Liability of the City - The City's net pension liability was measured as of September 30, 2019, 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, 2019 were as follows:

Total Pension Liability	\$ 333,418
Plan Fiduciary Net Position	(293,669)
Sponsor's Net Pension Liability (Asset)	<u>\$ 39,749</u>
Plan Fiduciary Net Position as a Percentage of Total Pension Liability (Asset)	88.08%

Actuarial Assumptions - The total pension liability was determined by an actuarial valuation as of October 1, 2018, updated September 30, 2019 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.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

September 30, 2019

Note 10 - Retirement Plans (Continued):**A. General Employees (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, 2019 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.

CITY OF CLERMONT, FLORIDA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

September 30, 2019

Note 10 - Retirement Plans (Continued):

A. General Employees (Continued) -

Changes in Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balance at September 30, 2018	\$ 332,283	\$ 323,262	\$ 9,021
Changes Due to:			
Service Cost	-	-	-
Expected interest growth	21,414	21,115	299
Unexpected investment income	-	(6,719)	6,719
Demographic experience	33,131	-	33,131
Employer contributions	-	11,018	(11,018)
Benefit payments and refunds	(53,410)	(53,410)	-
Administrative expenses	-	(1,597)	1,597
Assumption changes	-	-	-
Balance at September 30, 2019	<u>\$ 333,418</u>	<u>\$ 293,669</u>	<u>\$ 39,749</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	\$ 56,410	\$ 39,749	\$ 24,589

Deferred outflows and inflows of resources

For the year ended September 30, 2019 the City will recognize a pension expense of \$37,947. On September 30, 2019 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	\$ -	\$ -
Changes of Assumptions	-	-
Net Difference Between Projected and actual Earnings on Pension Plan Investments	-	5,374
	<u>\$ -</u>	<u>\$ 5,374</u>

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

September 30, 2019

Note 10 - Retirement Plans (Continued):**A. General Employees (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:

2020	\$	(4,269)
2021		(3,350)
2022		902
2023		1,343
2024		-
Thereafter		-

B. 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 \$365,513 in 2019 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.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

September 30, 2019

Note 10 - Retirement Plans (Continued):***B. Police Officers' Retirement (Continued) -****Plan Membership* - At September 30, 2019 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
	<u>107</u>

Net Pension Liability of the City - The City's net pension liability was measured as of September 30, 2019, 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, 2019 were as follows:

Total Pension Liability	\$ 18,985,282
Plan Fiduciary Net Position	<u>(20,217,453) *</u>
Sponsor's Net Pension Liability (Asset)	<u>\$ (1,232,171)</u>
Plan Fiduciary Net Position as a Percentage of Total Pension Liability (Asset)	106.49%

* 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, 2019 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.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

September 30, 2019

Note 10 - Retirement Plans (Continued):***B. Police Officers' Retirement (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, 2019 are summarized in the following table:

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

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

Changes in Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balance at September 30, 2018	\$ 17,658,942	\$ 18,326,157	\$ (667,215)
Changes Due to:			
Service Cost	1,048,755	-	1,048,755
Expected interest growth	1,290,431	1,302,143	(11,712)
Unexpected investment income	-	27,890	(27,890)
Demographic experience	(610,614)	-	(610,614)
Employer contributions	-	891,380	(891,380)
Employee contributions	-	175,526	(175,526)
Benefit payments and refunds	(403,441)	(403,441)	-
Administrative expenses	-	(102,202)	102,202
Assumption changes	1,209	-	1,209
Balance at September 30, 2019	<u>\$ 18,985,282</u>	<u>\$ 20,217,453</u>	<u>\$ (1,232,171)</u>

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

September 30, 2019

Note 10 - Retirement Plans (Continued):***B. Police Officers' Retirement (Continued) -****Sensitivity of the Net Pension Liability to changes in the Discount Rate*

	1% Decrease 6.00%	Current Discount Rate 7.00%	1% Increase 8.00%
Police Pension Net Pension Liability	\$ 1,545,483	\$ (1,232,171)	\$ (3,490,866)

Deferred outflows and inflows of resources

For the year ended September 30, 2019 the City will recognize a pension expense of \$1,208,533. On September 30, 2019 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	\$ -	\$ 898,618
Changes of assumptions	1,981,570	-
Net difference between projected and actual earnings on pension plan investments	-	464,640
	<u>\$ 1,981,570</u>	<u>\$ 1,363,258</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:

2020	\$ 41,838
2021	82,150
2022	261,522
2023	272,024
2024	53,190
Thereafter	(92,412)

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, 2019 is \$87,845.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

September 30, 2019

Note 10 - Retirement Plans (Continued):***C. 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 \$209,282 in 2019 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.

Plan Membership - At September 30, 2019 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
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	137

CITY OF CLERMONT, FLORIDA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

September 30, 2019

Note 10 - Retirement Plans (Continued):

C. Firefighters' Retirement (Continued) -

Net Pension Liability of the City - The City's net pension liability was measured as of September 30, 2019, 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, 2019 were as follows:

Total Pension Liability	\$ 18,435,970
Plan Fiduciary Net Position	(18,988,865) *
Sponsor's Net Pension Liability (Asset)	<u>\$ (552,895)</u>
Plan Fiduciary Net Position as a Percentage of	
Total Pension Liability (Asset)	103.00%

* 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, 2019 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.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

September 30, 2019

Note 10 - Retirement Plans (Continued):***C. Firefighters' Retirement (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, 2019 are summarized in the following table:

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

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

Changes in Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balance at September 30, 2018	\$ 15,158,798	\$ 16,128,326	\$ (969,528)
Changes Due to:			
Service Cost	1,313,842	-	1,313,842
Expected interest growth	1,141,847	1,184,709	(42,862)
Unexpected investment income	-	56,256	(56,256)
Demographic experience	(158,435)	-	(158,435)
Employer contributions	-	1,585,514	(1,585,514)
Employee contributions	-	231,935	(231,935)
Benefit payments and refunds	(99,705)	(99,705)	-
Administrative expenses	-	(98,170)	98,170
Assumption changes	1,079,623	-	1,079,623
Balance at September 30, 2019	<u>\$ 18,435,970</u>	<u>\$ 18,988,865</u>	<u>\$ (552,895)</u>

CITY OF CLERMONT, FLORIDA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

September 30, 2019

Note 10 - Retirement Plans (Continued):***C. Firefighters' Retirement (Continued) -****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%
Fire Pension Net Pension Liability	\$ 2,287,883	\$ (552,895)	\$ (2,849,320)

Deferred outflows and inflows of resources

For the year ended September 30, 2019 the City will recognize a pension expense of \$1,607,266. On September 30, 2019 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	\$ 367,118	\$ 364,048
Changes of assumptions	2,745,256	-
Net difference between projected and actual earnings on pension plan investments	-	430,918
	<u>\$ 3,112,374</u>	<u>\$ 794,966</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:

2020	\$ 299,613
2021	333,614
2022	491,876
2023	503,671
2024	397,584
Thereafter	291,050

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, 2019 is \$0.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

September 30, 2019

Note 10 - Retirement Plans (Continued):

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 2019 was \$7,960,169; the City's total payroll for City employees was \$18,917,060.

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 2019 was \$671,409.

Aggregate Amounts of All Pension Plans

The aggregate amounts for all of the City's defined benefit pension plans at September 30, 2019 are as follows:

	Governmental Activities			
	Net Pension Asset (Liability)	Deferred Inflows	Deferred Outflows	Expense
General Employees Pension Plan	\$ (39,749)	\$ (5,374)	\$ -	\$ 45,234
Police Pension Plan	1,232,171	(1,363,258)	1,981,570	1,208,533
Firefighters Pension Plan	552,895	(794,966)	3,112,374	1,607,266
	<u>\$ 1,745,317</u>	<u>\$ (2,163,598)</u>	<u>\$ 5,093,944</u>	<u>\$ 2,861,033</u>

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

September 30, 2019

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 \$11,746,208 was measured as of September 30, 2019 and was determined by the actuarial valuation. The covered payroll was \$18,701,595, and the ratio of Net OPEB liability as a percentage of covered payroll was 62.81%.

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.

CITY OF CLERMONT, FLORIDA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

September 30, 2019

Note 11 - Other Post Employment Benefits (Continued):

Summary of Actuarial Methods & Assumptions (Continued)

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	\$ 18,701,595
Net OPEB Liability as a Percentage of Covered Payroll	62.81%

* 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 October 1, 2018.

CITY OF CLERMONT, FLORIDA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

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, 2018, to September 30, 2019.

	Total OPEB Liability
Balance as of 9/30/2018	\$ 8,684,190
Changes for the year:	
Service Cost	721,475
Interest	288,724
Difference Between Expected & Actual Experience	181,592
Changes of Assumptions and Other Inputs	2,106,772
Benefit Payments ⁽¹⁾	(236,545)
Other Changes	-
Net Changes	<u>\$ 3,062,018</u>
Balance as of 9/30/2018	<u><u>\$ 11,746,208</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	\$ 13,992,050	\$ 11,746,208	\$ 9,955,927

The following presents the total liability of the city using the 2019 healthcare cost trend rate of 0 percent, 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	\$ 9,780,021	\$ 11,746,208	\$ 14,220,780

CITY OF CLERMONT, FLORIDA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

September 30, 2019

Note 11 - Other Post Employment Benefits (Continued):

For the fiscal year ended September 30, 2019, 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	\$ 912,108	\$ -
Changes of assumptions	1,846,997	481,535
Total	<u>\$ 2,759,105</u>	<u>\$ 481,535</u>

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,	
2020	\$ 333,081
2021	333,081
2022	333,081
2023	333,081
2024	333,081
Thereafter	612,165

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.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

September 30, 2019

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 \$165,000 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 \$4,613,819.

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 \$251,597 represents claims processed through October 2019 which were applicable to the current fiscal year and any additional claims are deemed immaterial. Changes to the current claims liability are as follows:

	2019	2018
Claims Liabilities, beginning of year	\$ 223,114	\$ 221,560
Incurred Claims	4,489,860	4,223,809
Payments on Claims	(4,461,377)	(4,222,255)
Claims Liabilities, end of year	<u>\$ 251,597</u>	<u>\$ 223,114</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, 2019. 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.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

September 30, 2019

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.

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.

CITY OF CLERMONT, FLORIDA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

September 30, 2019

Note 14 - Fund Balances (Continued):

At September 30, 2019, the City's governmental fund balances were as follows:

	General Fund	Capital Projects	Infrastructure Special Revenue Fund	Community Redevelopment Special Revenue Fund	Other Governmental Funds	Total
Fund Balances						
Nonspendable						
Inventory/prepays	\$ 282,411	\$ -	\$ -	\$ 3,712	\$ 3,399	\$ 289,522
Spendable						
Restricted for:						
Police	205,379	-	-	-	647,836	853,215
Fire	-	-	-	-	1,121,106	1,121,106
Building Services	-	-	-	-	1,951,294	1,951,294
Culture and recreation	-	-	-	-	1,280,695	1,280,695
Community redevelopment	-	-	-	512,478	-	512,478
Infrastructure	-	-	793,812	-	-	793,812
Debt service	-	-	-	-	1,778,880	1,778,880
Cemetery	-	-	-	-	1,290,286	1,290,286
Assigned for:						
Capital projects	-	18,699,951	-	-	-	18,699,951
Police/fire donations	18,476	-	-	-	-	18,476
Unassigned	8,181,811	-	-	-	-	8,181,811
	<u>\$ 8,688,077</u>	<u>\$ 18,699,951</u>	<u>\$ 793,812</u>	<u>\$ 516,190</u>	<u>\$ 8,073,496</u>	<u>\$ 36,771,526</u>

Note 15 -Subsequent Events:

In response to the COVID-19 pandemic, the City followed the Governor's executive safer at home order. These events are ongoing as of the date of these statements and carry a high level of uncertainty. The outcome and ultimate effect on the City cannot be determined at this time. The City continues to evaluate the effects on revenue and potential financial support from FEMA and the CARES Act.



REQUIRED SUPPLEMENTAL INFORMATION



CITY OF CLERMONT, FLORIDA

REQUIRED SUPPLEMENTARY INFORMATION

September 30, 2019

SCHEDULE OF CHANGES IN NET OPEB LIABILITY AND RELATED RATIOS

Last 10 Fiscal Years*

	9/30/2019	9/30/2018
Total OPEB Liability		
Service cost	\$ 721,475	\$ 496,316
Interest	288,724	312,754
Differences between expected and actual experience	181,592	-
Changes of assumptions	2,106,772	(662,223)
Benefit Payments (2)	(236,545)	(109,600)
Other changes	-	-
Net change in total OPEB liability	3,062,018	37,247
Total OPEB liability, beginning (1)	8,684,190	8,646,943
Total OPEB liability, ending	\$ 11,746,208	\$ 8,684,190
Plan fiduciary net position as a percentage of total OPEB liability	0.00%	0.00%
Covered payroll	\$ 18,701,595	\$ 14,293,247
Net OPEB liability as a percentage of covered payroll	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.

*only two years of data is available

CITY OF CLERMONT, FLORIDA

REQUIRED SUPPLEMENTARY INFORMATION

September 30, 2019

**SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
GENERAL EMPLOYEES**

Last 10 Fiscal Years*

	9/30/2019	9/30/2018	9/30/2017	9/30/2016	9/30/2015	9/30/2014
Total Pension Liability						
Service Cost	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest	21,414	23,435	22,569	22,224	29,060	28,229
Changes in Excess State Money	-	-	-	-	-	-
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	(53,410)	(51,013)	(57,338)	(61,435)	(63,484)	(56,412)
Net Change in Total Pension Liability	1,135	(27,578)	10,811	4,068	(4,297)	(28,183)
Total Pension Liability-beginning	332,283	359,861	349,050	344,982	349,279	377,462
Total Pension Liability-ending (a)	<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	8,767	8,767	-	-	-
Contributions-state	-	-	-	-	-	-
Contributions-employee	-	-	-	-	-	-
Net Investment Income	14,396	24,889	44,469	29,829	2,613	40,560
Benefit Payments, including refunds of employee contributions	(53,410)	(57,338)	(57,338)	(61,435)	(63,484)	(66,212)
Administrative Expense	(1,597)	(1,681)	(5,457)	(1,757)	(6,508)	(3,136)
Other	-	-	-	-	-	-
Net Change in Plan Fiduciary Net Position	(29,593)	(25,363)	(9,559)	(33,363)	(67,379)	(28,788)
Plan Fiduciary Net Position - beginning	323,262	348,625	358,184	391,547	458,926	487,714
Plan Fiduciary Net Position - ending (b)	<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>\$ 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	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

* only six years of data available

CITY OF CLERMONT, FLORIDA

REQUIRED SUPPLEMENTARY INFORMATION

September 30, 2019

**SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
POLICE**

Last 10 Fiscal Years*

	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	\$ 941,659	\$ 941,659	\$ 836,661	\$ 560,680	\$ 524,531
Interest	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	(403,441)	(381,207)	(640,378)	(342,697)	(298,559)	(532,943)
Assumption changes	1,209	-	-	-	-	-
Net Change in Total Pension Liability	1,326,340	1,622,703	1,722,660	4,186,831	960,308	714,834
Total Pension Liability-beginning	17,658,942	16,036,239	14,313,579	10,126,748	9,166,440	8,451,606
Total Pension Liability-ending (a)	<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	891,380	944,540	756,302	632,411	281,722	411,953
Contributions-state	-	-	-	-	240,486	217,653
Contributions-employee	175,526	120,269	116,332	108,806	99,188	95,733
Net Investment Income	1,330,033	1,245,288	1,908,188	1,115,432	(14,779)	1,043,670
Benefit Payments, including refunds of employee contributions	(403,441)	(381,207)	(640,378)	(342,697)	(298,559)	(334,599)
Administrative Expense	(102,202)	(51,400)	(49,645)	(30,651)	(54,494)	(31,851)
Other	-	-	-	-	-	-
Net Change in Plan Fiduciary Net Position	1,891,296	1,877,490	2,090,799	1,483,301	253,564	1,402,559
Plan Fiduciary Net Position - beginning	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>\$ 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>\$ (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	106.49%	103.78%	102.57%	100.31%	127.13%	137.69%
Covered Payroll	\$ 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	-32.31%	-19.82%	-12.25%	-1.32%	-88.40%	-142.50%

* only six years of data available

CITY OF CLERMONT, FLORIDA

REQUIRED SUPPLEMENTARY INFORMATION

September 30, 2019

**SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
FIRE**

Last 10 Fiscal Years*

	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	\$ 1,025,516	\$ 1,025,516	\$ 784,710	\$ 524,325	\$ 596,543
Interest	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 contributions	(99,705)	(25,120)	(4,513)	(1,324)	(945)	(81,466)
Net Change in Total Pension Liability	3,277,172	1,875,419	3,070,506	3,595,370	1,009,847	1,045,166
Total Pension Liability-beginning	15,158,798	13,283,379	10,212,873	6,617,503	5,607,656	4,562,490
Total Pension Liability-ending (a)	<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	1,585,514	1,278,757	797,699	491,818	646,065	438,902
Contributions-state	-	-	-	-	181,292	175,931
Contributions-employee	231,935	200,118	238,785	279,064	141,632	86,520
Net Investment Income	1,240,965	1,063,078	1,599,687	858,136	(32,699)	704,467
Benefit Payments, including refunds of employee contributions	(99,705)	(25,120)	(4,513)	(1,324)	(945)	(756)
Administrative Expense	(98,170)	(35,839)	(49,761)	(28,346)	(40,885)	(24,109)
Other	-	-	-	-	-	-
Net Change in Plan Fiduciary Net Position	2,860,539	2,480,994	2,581,897	1,599,348	894,460	1,380,955
Plan Fiduciary Net Position - beginning	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>\$ 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>\$ (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 Pension Liability	103.00%	106.40%	102.74%	108.35%	143.05%	152.86%
Covered Payroll	\$ 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	-12.46%	-26.91%	-10.10%	-30.47%	-101.81%	-105.93%

* only six years of data available

CITY OF CLERMONT, FLORIDA

REQUIRED SUPPLEMENTARY INFORMATION

September 30, 2019

**SCHEDULE OF CONTRIBUTIONS AND INVESTMENT RETURNS
GENERAL EMPLOYEES**

Last 10 Fiscal Years*

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

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

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

* only six years of data available

CITY OF CLERMONT, FLORIDA

REQUIRED SUPPLEMENTARY INFORMATION

September 30, 2019

**SCHEDULE OF CONTRIBUTIONS AND INVESTMENT RETURNS
POLICE**

Last 10 Fiscal Years*

	9/30/2019	9/30/2018	9/30/2017	9/30/2016	9/30/2015	9/30/2014
Actuarially Determined Contribution	\$ 936,834	\$ 905,229	\$ 875,593	\$ 640,139	\$ 583,559	\$ 629,606
Contributions in Relation to the						
Actuarially Determined Contribution	891,380	944,540	756,302	632,411	522,208	670,126
Contribution Deficiency (Excess)	<u>\$ 45,454</u>	<u>\$ (39,311)</u>	<u>\$ 119,291</u>	<u>\$ 7,728</u>	<u>\$ 61,351</u>	<u>\$ (40,520)</u>
Covered Payroll	\$ 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	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	9/30/2019	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%	7.00%	4.08%	4.08%	5.48%	8.55%

* only six years of data available

CITY OF CLERMONT, FLORIDA

REQUIRED SUPPLEMENTARY INFORMATION

September 30, 2019

**SCHEDULE OF CONTRIBUTIONS AND INVESTMENT RETURNS
FIRE**

Last 10 Fiscal Years*

	9/30/2019	9/30/2018	9/30/2017	9/30/2016	9/30/2015	9/30/2014
Actuarially Determined Contribution	\$ 1,585,514	\$ 1,284,255	\$ 1,113,095	\$ 647,476	\$ 603,000	\$ 614,833
Contributions in Relation to the Actuarially Determined Contribution	1,585,514	1,278,757	797,699	491,818	827,357	668,800
Contribution Deficiency (Excess)	\$ -	\$ 5,498	\$ 315,396	\$ 155,658	\$ (224,357)	\$ (53,967)
Covered Payroll	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	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 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 1.75% 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	9/30/2019	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%	7.00%	4.08%	4.08%	5.48%	8.55%

* only six years of data available



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



MAJOR GOVERNMENTAL FUNDS

Capital Projects Funds

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

Capital Projects Fund

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

CITY OF CLERMONT, FLORIDA

CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL

Year Ended September 30, 2019

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental revenues	\$ -	\$ 950,000	\$ 375,000	\$ (575,000)
Investment earnings	100,000	100,000	457,660	357,660
Total revenues	100,000	1,050,000	832,660	(217,340)
Expenditures:				
Current:				
General government	7,000	7,000	6,434	566
Capital Outlay:				
Physical environment	8,086,250	8,086,250	766,299	7,319,951
Economic environment	8,894,477	12,212,386	3,079,925	9,132,461
Total expenditures	16,987,727	20,305,636	3,852,658	16,452,978
Excess (Deficiency) of Revenues Over Expenditures	(16,887,727)	(19,255,636)	(3,019,998)	16,235,638
Other Financing Sources:				
Transfers in	1,300,000	-	-	-
Total other financing sources	1,300,000	-	-	-
Net Change in Fund Balance	(15,587,727)	(19,255,636)	(3,019,998)	16,235,638
Fund Balances - beginning	21,719,949	21,719,949	21,719,949	-
Fund Balances - ending	\$ 6,132,222	\$ 2,464,313	\$ 18,699,951	\$ 16,235,638

OTHER GOVERNMENTAL FUNDS

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.

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
OTHER GOVERNMENTAL FUNDS

September 30, 2019

	Special Revenue				
	Recreation Impact Fees	Police Impact Fees	Fire Impact Fees	Building Services	Fire Inspection
Assets:					
Cash and cash equivalents	\$ 359,309	\$ 240,121	\$ 261,696	\$ 831,622	\$ 3,890
Investments	919,622	438,148	812,750	1,188,090	-
Other receivables	1,854	1,060	1,231	1,765	41,599
Prepaid costs	-	-	-	3,151	-
Total assets	\$ 1,280,785	\$ 679,329	\$ 1,075,677	\$ 2,024,628	\$ 45,489
Liabilities and Fund Balances:					
Liabilities:					
Accounts payable	\$ 90	\$ 31,493	\$ 60	\$ 36,682	\$ -
Accrued liabilities	-	-	-	33,501	-
Total liabilities	90	31,493	60	70,183	-
Fund balances:					
Nonspendable	-	-	-	3,151	-
Restricted	1,280,695	647,836	1,075,617	1,951,294	45,489
Total fund balances	1,280,695	647,836	1,075,617	1,954,445	45,489
Total liabilities and fund balances	\$ 1,280,785	\$ 679,329	\$ 1,075,677	\$ 2,024,628	\$ 45,489

Cemetery	Total Special Revenue Funds	Debt Service	Total Nonmajor Governmental Funds
\$ 310,562	\$ 2,007,200	\$ 1,140,826	\$ 3,148,026
999,189	4,357,799	638,054	4,995,853
1,997	49,506	-	49,506
248	3,399	-	3,399
<u>\$ 1,311,996</u>	<u>\$ 6,417,904</u>	<u>\$ 1,778,880</u>	<u>\$ 8,196,784</u>

\$ 18,503	\$ 86,828	\$ -	\$ 86,828
2,959	36,460	-	36,460
<u>21,462</u>	<u>123,288</u>	<u>-</u>	<u>123,288</u>

248	3,399	-	3,399
<u>1,290,286</u>	<u>6,291,217</u>	<u>1,778,880</u>	<u>8,070,097</u>

<u>1,290,534</u>	<u>6,294,616</u>	<u>1,778,880</u>	<u>8,073,496</u>
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<u>\$ 1,311,996</u>	<u>\$ 6,417,904</u>	<u>\$ 1,778,880</u>	<u>\$ 8,196,784</u>
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CITY OF CLERMONT, FLORIDA

COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
OTHER GOVERNMENTAL FUNDS

Year Ended September 30, 2019

	Special Revenue				
	Recreation Impact Fees	Police Impact Fees	Fire Impact Fees	Building Services	Fire Inspection
Revenues:					
Licenses and permits	\$ -	\$ -	\$ -	\$ 1,588,357	\$ -
Charges for services	-	-	-	52,888	-
Impact fees/special assessments	1,157,840	350,125	450,801	-	-
Investment earnings	32,346	16,783	23,015	36,639	5
Miscellaneous	-	-	-	161	59
Total revenues	<u>1,190,186</u>	<u>366,908</u>	<u>473,816</u>	<u>1,678,045</u>	<u>64</u>
Expenditures:					
Current:					
General government	-	-	-	-	-
Public safety	-	303,186	91,238	1,177,867	30
Culture and recreation	560,953	-	-	-	-
Debt Service:					
Principal	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Total expenditures	<u>560,953</u>	<u>303,186</u>	<u>91,238</u>	<u>1,177,867</u>	<u>30</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>629,233</u>	<u>63,722</u>	<u>382,578</u>	<u>500,178</u>	<u>34</u>
Other Financing Uses:					
Transfers in	-	-	-	-	-
Transfers out	(569,592)	(14,760)	-	(513)	-
Sale of general capital assets	-	-	-	68	-
Total other financing uses	<u>(569,592)</u>	<u>(14,760)</u>	<u>-</u>	<u>(445)</u>	<u>-</u>
Net Change in Fund Balances	<u>59,641</u>	<u>48,962</u>	<u>382,578</u>	<u>499,733</u>	<u>34</u>
Fund Balances - beginning	<u>1,221,054</u>	<u>598,874</u>	<u>693,039</u>	<u>1,454,712</u>	<u>45,455</u>
Fund Balances - ending	<u>\$ 1,280,695</u>	<u>\$ 647,836</u>	<u>\$ 1,075,617</u>	<u>\$ 1,954,445</u>	<u>\$ 45,489</u>

Cemetery	Total Special Revenue Funds	Debt Service	Total Nonmajor Governmental Funds
\$ -	\$ 1,588,357	\$ -	\$ 1,588,357
121,445	174,333	-	174,333
-	1,958,766	-	1,958,766
35,029	143,817	10,924	154,741
3,389	3,609	-	3,609
159,863	3,868,882	10,924	3,879,806
-	-	91	91
-	1,572,321	-	1,572,321
117,566	678,519	-	678,519
-	-	2,014,398	2,014,398
-	-	794,180	794,180
117,566	2,250,840	2,808,669	5,059,509
42,297	1,618,042	(2,797,745)	(1,179,703)
-	-	2,833,332	2,833,332
-	(584,865)	-	(584,865)
-	68	-	68
-	(584,797)	2,833,332	2,248,535
42,297	1,033,245	35,587	1,068,832
1,248,237	5,261,371	1,743,293	7,004,664
\$ 1,290,534	\$ 6,294,616	\$ 1,778,880	\$ 8,073,496

CITY OF CLERMONT, FLORIDA

RECREATION IMPACT FEE SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL

Year Ended September 30, 2019

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Impact fees/special assessments	\$ 1,000,000	\$ 1,000,000	\$ 1,157,840	\$ 157,840
Investment earnings	20,000	20,000	32,346	12,346
Total revenues	1,020,000	1,020,000	1,190,186	170,186
Expenditures:				
Current:				
Culture and recreation	324,900	742,400	560,953	181,447
Total expenditures	324,900	742,400	560,953	181,447
Excess (Deficiency) of Revenues Over Expenditures	695,100	277,600	629,233	351,633
Other Financing Uses				
Transfers out	(569,597)	(569,597)	(569,592)	5
Total other financing uses	(569,597)	(569,597)	(569,592)	5
Net Change in Fund Balances	125,503	(291,997)	59,641	351,638
Fund Balances - beginning	1,221,054	1,221,054	1,221,054	-
Fund Balances - ending	<u>\$ 1,346,557</u>	<u>\$ 929,057</u>	<u>\$ 1,280,695</u>	<u>\$ 351,638</u>

CITY OF CLERMONT, FLORIDA

POLICE IMPACT FEE SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL

Year Ended September 30, 2019

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Impact fees/special assessments	\$ 339,000	\$ 339,000	\$ 350,125	\$ 11,125
Investment earnings	5,000	5,000	16,783	11,783
Total revenues	344,000	344,000	366,908	22,908
Expenditures:				
Current:				
Public Safety:				
Law enforcement	325,485	435,121	303,186	131,935
Total expenditures	325,485	435,121	303,186	131,935
Excess (Deficiency) of Revenues Over Expenditures	18,515	(91,121)	63,722	154,843
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	3,752	(105,884)	48,962	154,846
Fund Balances - beginning	598,874	598,874	598,874	-
Fund Balances - ending	\$ 602,626	\$ 492,990	\$ 647,836	\$ 154,846

CITY OF CLERMONT, FLORIDA

FIRE IMPACT FEE SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL

Year Ended September 30, 2019

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Impact fees/special assessments	\$ 385,000	\$ 385,000	\$ 450,801	\$ 65,801
Investment earnings	6,000	6,000	23,015	17,015
Total revenues	391,000	391,000	473,816	82,816
Expenditures:				
Current:				
Public safety:				
Fire control	82,713	339,075	91,238	247,837
Total expenditures	82,713	339,075	91,238	247,837
Excess (Deficiency) of Revenues Over Expenditures	308,287	51,925	382,578	330,653
Other Financing Uses:				
Transfers out	-	-	-	-
Total other financing sources	-	-	-	-
Net Change in Fund Balances	308,287	51,925	382,578	330,653
Fund Balances - beginning	693,039	693,039	693,039	-
Fund Balances - ending	<u>\$ 1,001,326</u>	<u>\$ 744,964</u>	<u>\$ 1,075,617</u>	<u>\$ 330,653</u>

CITY OF CLERMONT, FLORIDA

BUILDING SERVICES SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL

Year Ended September 30, 2019

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Licenses and permits	\$ 2,300,000	\$ 2,300,000	\$ 1,588,357	\$ (711,643)
Charges for services	139,000	139,000	52,888	(86,112)
Investment earnings	7,500	7,500	36,639	29,139
Miscellaneous	-	-	161	161
Total revenues	<u>2,446,500</u>	<u>2,446,500</u>	<u>1,678,045</u>	<u>(768,455)</u>
Expenditures:				
Current:				
Public safety	<u>1,453,634</u>	<u>1,453,634</u>	<u>1,177,867</u>	<u>275,767</u>
Total expenditures	<u>1,453,634</u>	<u>1,453,634</u>	<u>1,177,867</u>	<u>275,767</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>992,866</u>	<u>992,866</u>	<u>500,178</u>	<u>(492,688)</u>
Other Financing Uses:				
Transfers out	-	-	(513)	(513)
Sale of general capital assets	-	-	68	68
Total other financing sources	<u>-</u>	<u>-</u>	<u>(445)</u>	<u>(445)</u>
Net Change in Fund Balances	<u>992,866</u>	<u>992,866</u>	<u>499,733</u>	<u>(493,133)</u>
Fund Balances - beginning	<u>1,454,712</u>	<u>1,454,712</u>	<u>1,454,712</u>	<u>-</u>
Fund Balances - ending	<u>\$ 2,447,578</u>	<u>\$ 2,447,578</u>	<u>\$ 1,954,445</u>	<u>\$ (493,133)</u>

CITY OF CLERMONT, FLORIDA

FIRE INSPECTION SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL

Year Ended September 30, 2019

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Charges for services	\$ 316,800	\$ -	\$ -	\$ -
Investment earnings	-	-	5	5
Miscellaneous	-	-	59	59
Total revenues	316,800	-	64	64
Expenditures:				
Current:				
Public safety	316,800	-	30	(30)
Total expenditures	316,800	-	30	(30)
Excess (Deficiency) of Revenues Over Expenditures	-	-	34	34
Other Financing Sources:				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources	-	-	-	-
Net Change in Fund Balances	-	-	34	34
Fund Balances - beginning	45,455	45,455	45,455	-
Fund Balances - ending	<u>\$ 45,455</u>	<u>\$ 45,455</u>	<u>\$ 45,489</u>	<u>\$ 34</u>

CITY OF CLERMONT, FLORIDA

CEMETERY SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL

Year Ended September 30, 2019

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Charges for services	\$ 100,000	\$ 100,000	\$ 121,445	\$ 21,445
Investment earnings	10,000	10,000	35,029	25,029
Miscellaneous	-	-	3,389	3,389
Total revenues	110,000	110,000	159,863	49,863
Expenditures:				
Current:				
Culture and recreation	1,358,960	1,358,237	117,566	1,240,671
Total expenditures	1,358,960	1,358,237	117,566	1,240,671
Excess (Deficiency) of Revenues Over Expenditures	(1,248,960)	(1,248,237)	42,297	1,290,534
Other Financing Sources:				
Transfers in	-	-	-	-
Total other financing sources	-	-	-	-
Net Change in Fund Balances	(1,248,960)	(1,248,237)	42,297	1,290,534
Fund Balances - beginning	1,248,237	1,248,237	1,248,237	-
Fund Balances - ending	\$ (723)	\$ -	\$ 1,290,534	\$ 1,290,534

CITY OF CLERMONT, FLORIDA

DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL

Year Ended September 30, 2019

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Investment earnings	\$ 7,000	\$ 7,000	\$ 10,924	\$ 3,924
Total revenues	7,000	7,000	10,924	3,924
Expenditures:				
Current:				
General government	500	500	91	409
Debt Service:				
Principal	2,014,367	2,014,367	2,014,398	(31)
Interest and fiscal charges	794,178	794,178	794,180	(2)
Total expenditures	2,809,045	2,809,045	2,808,669	376
Excess (Deficiency) of Revenues Over Expenditures	<u>(2,802,045)</u>	<u>(2,802,045)</u>	<u>(2,797,745)</u>	<u>4,300</u>
Other Financing Sources:				
Transfers in	2,833,333	2,833,333	2,833,332	(1)
Total other financing sources	2,833,333	2,833,333	2,833,332	(1)
Net Change in Fund Balances	31,288	31,288	35,587	4,299
Fund Balances - beginning	1,743,293	1,743,293	1,743,293	-
Fund Balances - ending	<u>\$ 1,774,581</u>	<u>\$ 1,774,581</u>	<u>\$ 1,778,880</u>	<u>\$ 4,299</u>

Fiduciary Funds

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, 2019

	<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	\$ 2,544	\$ -	\$ 156,064	\$ 452,976	\$ 611,584
Investments:					
U.S. Government & other debt securities	81,121	-	7,546,434	6,886,020	14,513,575
Equities	198,986	10,047,771	13,936,358	12,706,041	36,889,156
Total Investments	280,107	10,047,771	21,482,792	19,592,061	51,402,731
Accounts receivable	-	-	-	-	-
Total assets	282,651	10,047,771	21,638,856	20,045,037	52,014,315
Liabilities:					
Refunds payable and other	-	-	-	-	-
Total liabilities	-	-	-	-	-
Net Position Restricted for Pensions	<u>\$ 282,651</u>	<u>\$ 10,047,771</u>	<u>\$ 21,638,856</u>	<u>\$ 20,045,037</u>	<u>\$ 52,014,315</u>

CITY OF CLERMONT, FLORIDA

COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS

Year Ended September 30, 2019

	<u>General Employees</u>		<u>Police Officers Pension Trust</u>	<u>Firefighters Pension Trust</u>	<u>Total Employee Funds</u>
	<u>Defined Benefit</u>	<u>Defined Contribution</u>			
Additions:					
Contributions:					
Employer	\$ -	\$ 671,409	\$ 603,101	\$ 1,386,390	\$ 2,660,900
Plan members	-	-	175,526	231,935	407,461
State	-	-	365,513	209,282	574,795
Total contributions	-	671,409	1,144,140	1,827,607	3,643,156
Investment earnings:					
Net increase (decrease) in fair value of investments	14,396	363,325	1,420,311	1,307,329	3,105,361
Investment expense	-	-	(22,457)	(23,624)	(46,081)
Total net investment earnings	14,396	363,325	1,397,854	1,283,705	3,059,280
Total additions	14,396	1,034,734	2,541,994	3,111,312	6,702,436
Deductions:					
Benefits/distributions	53,410	468,742	485,363	131,663	1,139,178
Administrative expenses	1,597	19,806	81,988	74,546	177,937
Total deductions	55,007	488,548	567,351	206,209	1,317,115
Change in Net Position	(40,611)	546,186	1,974,643	2,905,103	5,385,321
Net Position Restricted for Pensions					
Beginning of Year	323,262	9,501,585	19,664,213	17,139,934	46,628,994
End 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>

STATISTICAL SECTION



City of Clermont, Florida 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 in the financial statements, note disclosures, and required supplementary information says about the government's overall financial health.

Contents	Page
Financial Trends	130
<i>These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.</i>	
Revenue Capacity	140
<i>These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax.</i>	
Debt Capacity	145
<i>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.</i>	
Note: There are no limitations placed upon the amount of debt the City of Clermont may issue either by the City Charter or 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	152
<i>These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.</i>	
Operating Information	156
<i>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</i>	

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			
	2010	2011	2012	2013
Governmental activities				
Net investment in capital assets	\$ 33,817	\$ 34,894	\$ 36,612	\$ 39,950
Restricted	6,693	7,381	8,876	9,490
Unrestricted	13,988	12,465	9,701	7,723
Total governmental activities net position	<u>\$ 54,498</u>	<u>\$ 54,740</u>	<u>\$ 55,189</u>	<u>\$ 57,163</u>
Business-type activities				
Net investment in capital assets	55,540	56,430	57,241	57,863
Restricted	17,293	9,241	9,477	9,536
Unrestricted	11,407	19,376	20,436	24,191
Total business-type activities net position	<u>\$ 84,240</u>	<u>\$ 85,047</u>	<u>\$ 87,154</u>	<u>\$ 91,590</u>
Primary government				
Net investment in capital assets	89,357	91,324	93,853	97,813
Restricted	23,986	16,622	18,353	19,026
Unrestricted	25,395	31,841	30,137	31,914
Total primary government net position	<u>\$ 138,738</u>	<u>\$ 139,787</u>	<u>\$ 142,343</u>	<u>\$ 148,753</u>

Fiscal Year					
2014	2015	2016	2017	2018	2019
\$ 44,116	\$ 47,718	\$ 52,064	\$ 31,918	\$ 35,262	\$ 40,318
9,918	9,400	6,402	7,815	8,547	9,589
5,719	11,649	11,182	30,117	27,925	24,795
<u>\$ 59,753</u>	<u>\$ 68,767</u>	<u>\$ 69,648</u>	<u>\$ 69,850</u>	<u>\$ 71,734</u>	<u>\$ 74,702</u>
56,680	56,586	60,150	63,131	69,322	66,104
10,217	12,135	13,959	17,127	16,904	20,362
27,054	26,943	26,050	26,667	23,959	28,286
<u>\$ 93,951</u>	<u>\$ 95,664</u>	<u>\$ 100,159</u>	<u>\$ 106,925</u>	<u>\$ 110,185</u>	<u>\$ 114,752</u>
100,796	104,304	112,214	95,049	104,584	106,422
20,135	21,535	20,361	24,942	25,451	29,951
32,773	38,592	37,232	56,784	51,884	53,081
<u>\$ 153,704</u>	<u>\$ 164,431</u>	<u>\$ 169,807</u>	<u>\$ 176,775</u>	<u>\$ 181,919</u>	<u>\$ 189,454</u>

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

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

	Fiscal Year			
	2010	2011	2012	2013
Expenses				
Governmental Activities:				
General government	\$ 4,287	\$ 3,643	\$ 4,211	\$ 3,258
Public safety	12,459	12,531	12,168	12,685
Physical environment	319	279	248	303
Transportation/public works	1,768	1,661	1,719	1,725
Economic environment	50	102	116	200
Culture and recreation	2,055	1,822	1,045	1,928
Interest on long-term debt	175	156	137	87
Total governmental activities expenses	<u>21,113</u>	<u>20,194</u>	<u>19,644</u>	<u>20,186</u>
Business-type Activities:				
Water	4,316	4,461	4,052	4,154
Sewer	5,927	6,022	5,752	6,106
Sanitation	2,169	2,364	2,567	2,465
Stormwater	848	955	939	897
Total business-type activities expenses	<u>13,260</u>	<u>13,802</u>	<u>13,310</u>	<u>13,622</u>
Total primary government expenses	<u>\$ 34,373</u>	<u>\$ 33,996</u>	<u>\$ 32,954</u>	<u>\$ 33,808</u>
Program Revenues				
Governmental Activities:				
Charges for services:				
General government	\$ 1,857	\$ 1,695	\$ 1,649	\$ 2,117
Public safety	665	355	450	1,040
Transportation/public works	-	-	-	-
Culture and recreation	872	539	604	1,262
Operating grants and contributions	1,162	1,237	1,191	896
Capital grants and contributions	134	129	27	112
Total governmental activities program revenues	<u>4,690</u>	<u>3,955</u>	<u>3,921</u>	<u>5,427</u>
Business-type Activities:				
Charges for services:				
Water	4,817	5,377	5,099	5,215
Sewer	4,852	5,065	5,154	5,357
Sanitation	2,613	2,688	2,721	2,775
Stormwater	829	855	855	862
Operating grants and contributions	-	-	-	-
Capital grants and contributions	1,544	999	1,752	3,430
Total business-type activities program revenues	<u>14,655</u>	<u>14,984</u>	<u>15,581</u>	<u>17,639</u>
Total primary government program revenues	<u>\$ 19,345</u>	<u>\$ 18,939</u>	<u>\$ 19,502</u>	<u>\$ 23,066</u>

Fiscal Year					
2014	2015	2016	2017	2018	2019
\$ 3,407	\$ 3,848	\$ 4,157	\$ 4,240	\$ 2,870	\$ 5,023
14,117	14,326	17,381	20,297	20,306	22,104
350	453	788	805	2,104	863
2,202	2,094	2,185	2,009	2,255	2,387
363	567	209	1,197	385	532
3,096	4,018	5,460	4,491	5,752	5,954
236	193	355	434	839	836
23,771	25,499	30,535	33,473	34,511	37,699
4,589	4,823	4,719	5,199	5,634	6,215
6,437	6,571	6,866	6,909	6,849	7,373
2,472	3,133	2,925	2,869	3,073	3,027
1,016	1,080	1,142	1,190	1,360	1,614
14,514	15,607	15,652	16,167	16,916	18,229
\$ 38,285	\$ 41,106	\$ 46,187	\$ 49,640	\$ 51,427	\$ 55,928
\$ 2,429	\$ 2,356	\$ 2,914	\$ 3,180	\$ 3,874	\$ 3,590
1,366	1,684	1,574	1,506	1,344	1,593
-	-	-	-	-	-
956	1,317	1,552	2,003	1,697	1,801
939	1,598	1,822	1,456	2,233	2,061
1,718	498	163	309	428	625
7,408	7,453	8,025	8,454	9,576	9,670
5,362	5,726	6,162	6,516	6,461	6,868
5,585	5,809	6,183	6,507	6,625	6,989
2,869	2,917	2,984	3,089	3,178	3,264
881	905	955	1,004	1,378	1,598
-	276	24	-	-	2,109
2,417	3,219	4,026	6,906	4,535	5,316
17,114	18,852	20,334	24,022	22,177	26,144
\$ 24,522	\$ 26,305	\$ 28,359	\$ 32,476	\$ 31,753	\$ 35,814

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

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

	Fiscal Year			
	2010	2011	2012	2013
Net (Expense)/Revenue				
Governmental activities	\$ (16,422)	\$ (16,240)	\$ (15,721)	\$ (14,759)
Business-type activities	1,395	1,182	2,271	4,018
Total primary government net expense	<u>\$ (15,027)</u>	<u>\$ (15,058)</u>	<u>\$ (13,450)</u>	<u>\$ (10,741)</u>
General Revenues and Other Changes in Net Position				
Governmental Activities:				
Taxes:				
Property taxes	\$ 6,844	\$ 5,966	\$ 5,535	\$ 5,350
Business taxes	*	*	113	111
Franchise taxes	2,373	2,285	2,189	2,123
Utility taxes	2,558	2,568	2,430	2,490
Intergovernmental-unrestricted	4,503	4,664	5,063	5,802
Unrestricted investment earnings	379	148	245	114
Gain (loss) on sale of capital assets	-	-	-	-
Miscellaneous	146	330	143	265
Transfers in/out	443	520	453	479
Total governmental activities	<u>17,246</u>	<u>16,481</u>	<u>16,171</u>	<u>16,734</u>
Business-type Activities:				
Unrestricted investment earnings	360	145	289	149
Gain (loss) on sale of capital assets	-	-	-	18
Transfers in/out	(443)	(520)	(453)	(479)
Total business-type activities	<u>(83)</u>	<u>(375)</u>	<u>(164)</u>	<u>(312)</u>
Total primary government	<u>\$ 17,163</u>	<u>\$ 16,106</u>	<u>\$ 16,007</u>	<u>\$ 16,422</u>
Change in Net Position				
Governmental activities	\$ 824	\$ 241	\$ 450	\$ 1,975
Business-type activities	1,312	807	2,107	3,706
Total primary government	<u>\$ 2,136</u>	<u>\$ 1,048</u>	<u>\$ 2,557</u>	<u>\$ 5,681</u>

*Business taxes previously reported as General Government Charges for Services

Fiscal Year					
2014	2015	2016	2017	2018	2019
\$ (16,363)	\$ (18,045)	\$ (22,510)	\$ (25,019)	\$ (24,935)	\$ (28,029)
2,600	3,245	4,683	7,855	5,260	5,230
<u>\$ (13,763)</u>	<u>\$ (14,800)</u>	<u>\$ (17,827)</u>	<u>\$ (17,164)</u>	<u>\$ (19,675)</u>	<u>\$ (22,799)</u>
\$ 6,533	\$ 7,193	\$ 8,998	\$ 9,748	\$ 10,747	\$ 11,945
126	130	140	133	160	157
2,379	2,502	2,712	2,619	2,817	3,142
2,887	2,953	3,406	3,328	3,446	3,873
6,110	6,645	6,923	7,257	7,864	8,139
104	135	134	197	458	1,089
-	-	122	86	289	193
374	420	387	486	342	352
439	557	568	1,367	2,013	2,106
<u>18,952</u>	<u>20,535</u>	<u>23,390</u>	<u>25,221</u>	<u>28,136</u>	<u>30,996</u>
198	272	260	255	379	1,295
2	(1,248)	120	24	31	150
(439)	(557)	(568)	(1,367)	(2,013)	(2,106)
<u>(239)</u>	<u>(1,533)</u>	<u>(188)</u>	<u>(1,088)</u>	<u>(1,603)</u>	<u>(661)</u>
<u>\$ 18,713</u>	<u>\$ 19,002</u>	<u>\$ 23,202</u>	<u>\$ 24,133</u>	<u>\$ 26,533</u>	<u>\$ 30,335</u>
\$ 2,589	\$ 2,490	\$ 880	\$ 202	\$ 3,202	\$ 2,968
2,361	1,712	4,495	6,767	3,657	4,568
<u>\$ 4,950</u>	<u>\$ 4,202</u>	<u>\$ 5,375</u>	<u>\$ 6,969</u>	<u>\$ 6,859</u>	<u>\$ 7,536</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			
	2010	2011	2012	2013
General Fund				
Reserved	\$ 246	\$ -	\$ -	\$ -
Unreserved	11,358	-	-	-
Nonspendable	-	335	195	189
Restricted	-	175	224	257
Assigned	-	912	1,039	765
Unassigned	-	10,048	9,744	8,878
Total general fund	<u>\$ 11,604</u>	<u>\$ 11,470</u>	<u>\$ 11,202</u>	<u>\$ 10,089</u>
All other governmental funds				
Reserved	\$ 2,758	\$ -	\$ -	\$ -
Unreserved, reported in:				
Special revenue funds	4,839	-	-	-
Capital projects fund	2,978	-	-	-
Nonspendable	-	848	890	939
Restricted	-	6,359	7,763	8,295
Assigned	-	2,854	668	-
Unassigned	-	(1)	-	-
Total all other governmental funds	<u>\$ 10,575</u>	<u>\$ 10,060</u>	<u>\$ 9,321</u>	<u>\$ 9,234</u>

Note: Information for fiscal year 2010 has not been restated for Governmental Accounting Standards Board (GASB) Statement No. 54 classifications.

Fiscal Year					
2014	2015	2016	2017	2018	2019
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
53	1,300	548	578	641	283
312	247	259	266	228	205
1,202	304	-	3	3	18
7,669	7,014	7,886	7,137	7,104	8,182
<u>\$ 9,236</u>	<u>\$ 8,865</u>	<u>\$ 8,693</u>	<u>\$ 7,984</u>	<u>\$ 7,976</u>	<u>\$ 8,688</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
1,064	1,466	1,922	1,683	4	7
8,604	7,659	4,310	5,885	8,361	9,376
-	-	1,226	22,621	21,720	18,700
-	-	-	-	-	-
<u>\$ 9,668</u>	<u>\$ 9,125</u>	<u>\$ 7,458</u>	<u>\$ 30,189</u>	<u>\$ 30,085</u>	<u>\$ 28,083</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				
	2010	2011	2012	2013	2014
Revenues					
Taxes	\$ 11,775	\$ 10,819	\$ 8,079	\$ 7,951	\$ 9,546
Franchise fees	*	*	2,188	2,123	2,379
Licenses and permits	678	528	455	884	941
Intergovernmental	5,733	6,059	6,310	6,729	8,796
Charges for services	1,036	1,013	1,011	1,085	1,212
Fines and forfeitures	189	186	215	172	589
Impact fees/special assessments	1,131	582	679	1,909	1,401
Investment Earnings	379	148	244	108	99
Miscellaneous	522	612	474	622	915
Total revenues	21,443	19,947	19,655	21,583	25,878
Expenditures					
Current:					
General government	4,081	3,272	3,080	3,148	3,776
Public safety	11,212	11,625	11,352	12,579	13,571
Physical environment	309	275	247	307	423
Transportation	1,620	1,472	1,340	1,263	1,635
Economic environment	50	102	641	722	365
Human services	-	-	-	-	-
Culture and recreation	1,878	1,792	1,769	2,014	2,948
Capital outlay	643	1,923	2,073	2,638	9,381
Debt service:					
Principal	493	470	490	3,080	571
Interest	181	162	143	122	177
Total expenditures	20,467	21,093	21,135	25,873	32,847
Excess (deficiency) of revenues over expenditures	976	(1,146)	(1,480)	(4,290)	(6,969)
Other financing sources (uses)					
Transfers in	2,088	3,274	1,118	3,091	9,337
Transfers out	(1,645)	(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)	443	498	474	3,091	6,549
Net change in fund balances	\$ 1,419	\$ (648)	\$ (1,006)	\$ (1,199)	\$ (420)
Debt service as a percentage of noncapital expenditures	3.6%	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
\$ 10,275	\$ 12,544	\$ 13,208	\$ 14,353	\$ 15,974
2,502	2,712	2,619	2,817	3,142
788	1,298	1,594	2,249	1,927
8,772	8,790	9,054	10,559	10,860
1,312	1,652	1,746	2,103	2,188
757	703	358	204	230
1,858	1,702	2,341	1,738	1,959
131	131	192	446	1,065
1,047	1,007	1,122	971	965
27,442	30,539	32,234	35,440	38,310
3,600	4,070	3,911	3,948	4,609
14,844	17,520	18,488	19,750	21,618
744	777	869	881	982
1,635	1,878	1,687	1,927	2,165
564	482	324	343	372
-	-	-	-	-
3,725	5,038	5,996	5,199	6,302
2,695	8,514	2,112	4,085	3,846
884	6,280	1,077	979	2,096
198	342	272	805	829
28,889	44,901	34,736	37,917	42,819
(1,447)	(14,362)	(2,502)	(2,477)	(4,509)
3,857	11,897	26,725	7,697	4,937
(3,323)	(11,329)	(25,957)	(6,332)	(2,834)
-	10,631	23,670	-	-
-	-	-	-	919
-	1,321	86	1,000	198
534	12,520	24,524	2,365	3,220
\$ (913)	\$ (1,842)	\$ 22,022	\$ (112)	\$ (1,289)
4.5%	20.2%	4.6%	5.7%	8.3%

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
2010	6,844	2,558	*	2,373	11,775
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

Taxes Included in Unrestricted Intergovernmental Revenues

Fiscal Year	Sales Tax	State Revenue Sharing	Local Option Gas Tax	Total
2010	1,053	299	322	1,674
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

* *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
2010	2,592,111	211,950	599,821	2,204,240	3.1420	2,804,061	78.61%
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%

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							
	City of Clermont	Lake County			Lake County	South Lake	Lake County	St. Johns River Water	Total
	Operating	Operating	Voted	Ambulance	School	Hospital	Water	Management	Direct &
	Millage	Millage	Debt Service	MSTU	District	District	Authority	District	Overlapping Rates
2010	3.1420	4.6511	0.1101	0.4651	7.5320	0.8666	0.2130	0.4158	17.3957
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

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	2019			2010		
	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	59,343	1	2.31%			
BR Citrus Tower LLC	43,142	2	1.68%			
South Lake Hospital, Inc.	35,687	3	1.39%	14,142	3	0.64%
John P. Adams & Ann D. Adams Family LP	34,083	4	1.33%	27,458	1	1.25%
Advenir/Castle Hill LLC	33,159	5	1.29%			
US 27-Clermont LLC	30,924	6	1.21%			
Westdale Sundance LTD	23,593	7	0.92%			
IP9 MF Clermont LLC	19,898	8	0.78%			
Weingarten I-4 Clermont Landing	18,407	9	0.72%			
Mattamy Orlando LLC	16,956	10	0.66%			
Fountains at Clermont LLC				17,448	2	0.79%
Sundance Clermont LLC				13,410	4	0.61%
Citrus Tower Development				13,122	5	0.60%
Clermont Landing LLC				12,673	6	0.57%
Lennar Homes Inc.				13,820	7	0.63%
Village at East Lake				11,634	8	0.53%
Wal-Mart Stores East LP				10,573	9	0.48%
Lowe's Home Centers Inc.				9,773	10	0.44%
TOTAL	\$315,192		12.29%	\$144,053		6.54%

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
2010	6,814	6,536	95.9%	5	6,541	96.0%
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%

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 Income¹	Per Capita¹
	Revenue Bonds	Notes Payable	Revenue Bonds	Notes Payable			
2010	4,040	-	16,016	-	20,056	2.76%	698
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	-	31,109	11,467	5,980	48,556	3.70%	1,192

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 152 for personal income and population data.

City of Clermont, Florida
Direct and Overlapping Governmental Activities Debt
September 30, 2019

(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	\$ 109,880	13.84%	\$ 15,206
Lake County School District	186,615	12.33%	23,004
Subtotal, overlapping debt			38,211
City of Clermont, direct debt	31,109	100.00%	31,109
Total direct and overlapping debt			\$ 69,320

Sources: Lake County 2019 CAFR, Lake County School Board 2019 CAFR, 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	
2010	2,558,281	1,266,696	1,053,073	4,878,050	455,000	179,159	7.69
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	**	**	**

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	
2010	-	-	-	-	-	N/A
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

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

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

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

Infrastructure Sales Surtax Revenue Note, Series 2016

Fiscal Year	Infrastructure Sales Surtax	Debt Service		Coverage
		Principal	Interest	
2010	-	-	-	N/A
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

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 Sales Revenue	Debt Service		Coverage
				Principal	Interest	
2010	-	-	-	-	-	N/A
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	-	-	N/A
2018	3,397,707	1,047,736	1,375,516	-	749,550	1.84
2019	3,474,813	1,157,840	1,596,720	1,657,000	767,210	0.66

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	
2010	10,001,836	6,999,096	3,002,740	430,000	744,892 ³	2.56
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 ⁴	211,101	0.47
2019	15,017,621	8,753,924	6,263,697	800,000	294,524	5.72

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 Includes interest paid on the 2000 and 2009 Refunding Bonds

⁴ 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
2010	28,742	727,000	25,294	36.8	13.6	5,024	9.8%
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%

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>	2019			2010		
	<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	17,716			18,314		
South Lake Hospital, Inc.	1,500	1	8.47%			
Lake County School System	1,062	2	5.99%	250	10	1.37%
Publix Supermarkets	888	3	5.01%	614	1	3.35%
City of Clermont	431	4	2.43%			
Walmart	387	5	2.18%	595	3	3.25%
Lowe's	352	6	1.99%	320	5	1.75%
Target Corporation	324	7	1.83%	312	6	1.70%
Senningers	200	8	1.13%			
Chick Fil A	182	9	1.03%			
Clermont Health & Rehab	180	10	1.02%			
Lake County Sheriff's Office				600	2	3.28%
Department of Corrections				420	4	2.29%
Ford of Clermont				300	7	1.64%
Winn Dixie				294	8	1.61%
Darden Restaurants Inc.				288	9	1.57%
TOTAL	<u><u>5,506</u></u>		<u><u>31.08%</u></u>	<u><u>3,993</u></u>		<u><u>21.80%</u></u>

Source: Various employers in city limits

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

<u>Employer</u>	2019			2010		
	<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	127,190	1	4.52%	277,700	1	13.52%
South Lake Hospital, Inc.	47,818	2	1.70%	25,163	4	1.22%
Esplanade at Highland Ranch	37,820	3	1.34%			
Heritage Hills of Clermont	35,639	4	1.27%			
Taylor Morrison	28,269	5	1.00%			
City of Clermont	23,291	6	0.83%	26,255	3	1.28%
Vista at Lost Lake	22,256	7	0.79%	11,526	7	0.56%
Senninger Irrigation	17,192	8	0.61%			
BR Citrus Tower LLC	15,283	9	0.54%			
Mattamy Homes	15,138	10	0.54%			
Westminster Comm Care Service				15,497	5	0.75%
Emerald Lakes of Clermont				7,764	9	0.38%
Lake County School System				31,424	2	1.53%
Gardens at Citrus Towers				12,165	6	0.59%
Sundance Clermont Apartments				9,703	8	0.47%
Osprey Ridge Apartments LTD				7,601	10	0.37%
TOTAL	<u>369,896</u>		<u>13.14%</u>	<u>424,798</u>		<u>20.68%</u>

¹ The City of Clermont had a total metered water flow of approximately 2,816,071,000 gallons for the 12-month period ending September 30, 2019

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

<u>Employer</u>	2019			2010		
	<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.	45,372	1	4.14%	22,606	1	1.65%
Vista at Lost Lake	22,256	2	2.03%	11,526	4	0.84%
Senninger Irrigation	17,192	3	1.57%			
BR Citrus Tower LLC	15,283	4	1.39%			
Westdale Sundance LTD	11,337	5	1.03%			
SPT Dolphin Osprey Apts LLC	10,914	6	1.00%			
Westminster Comm Care Service	10,212	7	0.93%	14,643	3	1.07%
Advenir At Castle Hill	9,064	8	0.83%			
IP9 Clermont LLC	7,516	9	0.69%			
Emerald Lakes	6,959	10	0.63%	7,764	5	0.57%
Lake County School System				16,960	2	1.24%
Villages at East Lake				7,139	6	0.52%
Empirian Property Management				5,771	7	0.42%
John Sandargas				4,208	8	0.31%
Clermont Dialysis LLC				3,426	9	0.25%
Red Lobster				3,410	10	0.25%
TOTAL	156,105		14.23%	97,453		7.11%

¹ The City of Clermont had a total metered water flow for wastewater billing purposes of approximately 1,096,766,000 gallons for the 12-month period ending September 30, 2019

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			
	2010	2011	2012	2013
General Government	28.00	27.00	25.85	26.66
Public Safety:				
Police				
Sworn personnel	57.00	57.00	57.00	57.00
Non sworn personnel	16.00	5.00	5.00	6.00
Fire				
Firefighters	48.00	48.00	47.80	47.80
Other personnel	2.00	2.00	2.00	2.00
Building Services	1.40	1.40	0.60	0.60
Physical Environment	4.50	4.00	4.00	4.95
Transportation	15.35	13.50	14.80	14.65
Human Services	0.00	0.00	0.00	0.00
Culture & Recreation	26.10	22.00	21.20	21.10
Water	29.15	29.15	29.45	29.66
Sewer	26.05	25.85	24.50	23.78
Stormwater	9.15	9.40	7.95	6.72
Sanitation	16.30	16.70	16.85	17.08
Total	<u>279.00</u>	<u>261.00</u>	<u>257.00</u>	<u>258.00</u>

Source: City of Clermont Finance Department.

Full-time Equivalent Employees as of September 30

<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
31.56	36.00	36.00	38.70	41.45	45.70
61.00	61.00	66.00	70.00	79.00	81.00
6.00	6.00	6.00	6.00	7.00	7.00
56.80	56.80	59.80	66.50	74.20	81.00
5.20	4.20	4.20	6.50	8.80	8.00
6.00	6.00	7.00	11.30	11.55	12.30
4.70	7.45	8.70	10.70	10.70	10.70
12.95	12.85	12.60	14.60	16.60	16.45
0.00	0.00	0.00	0.00	0.00	0.00
27.25	33.35	35.35	39.35	40.60	36.75
30.61	29.35	29.65	29.15	30.45	30.55
23.88	24.15	26.45	26.95	31.25	31.40
6.87	6.65	7.75	10.25	10.10	13.85
17.18	18.20	18.50	21.00	21.30	21.30
<u>290.00</u>	<u>302.00</u>	<u>318.00</u>	<u>351.00</u>	<u>383.00</u>	<u>396.00</u>

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

Function	Fiscal Year			
	2010	2011	2012	2013
General Government				
Municipal boundary (square miles)	14.76	14.90	14.95	14.95
Business Tax Receipts issued	1,833	1,843	2,237	2,483
A/P Checks issued	5,722	4,875	2,336	2,288
Commercial construction (units)	10	3	8	20
Commercial construction (value in thousands)	8,357	18,020	15,203	34,268
Residential construction (units)	305	151	173	327
Residential construction (value in thousands)	53,202	23,558	25,882	53,055
Public Safety:				
Police				
Auto accidents	955	1,121	1,259	1,402
Physical arrests	854	699	644	886
911 calls received	5,230	5,587	5,911	6,352
Evidence processed (pieces)	1,349	1,297	1,413	2,930
Parking violations	137	378	201	252
Traffic violations	4,981	6,312	5,389	7,225
Fire				
Volunteer firefighters	6	6	6	-
Fire inspections completed	2,121	896	662	1,240
Emergency calls answered	3,112	3,822	3,320	3,414
Non-emergency calls answered	352	805	934	447
Water				
Residential accounts	17,884	18,240	18,619	19,399
Commercial accounts	1,206	1,210	1,207	1,232
Annual water usage (thousands of gallons)	2,054,236	2,275,936	2,391,485	2,392,022
Sewer				
Residential accounts	12,508	12,722	12,936	13,407
Commercial accounts	1,158	1,167	1,166	1,194

Sources: Various government departments.

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

Fiscal Year					
2014	2015	2016	2017	2018	2019
15.18	16.65	16.78	16.78	17.12	19
1,955	1,701	1,639	1,633	1,623	1,585
3,529	2,747	3,276	3,651	3,872	3,859
15	16	20	14	20	15
17,288	8,625	42,241	13,302	42,042	30,862
572	323	740	433	387	377
62,117	55,178	103,423	87,873	104,394	87,927
1,357	1,573	1,909	1,909	1,802	2,082
631	652	589	593	569	663
6,643	7,618	6,397	6,809	7,943	9,185
2,384	989	674	1,165	1,040	1,821
379	144	181	385	147	101
4,623	6,879	7,421	6,713	4,676	4,790
-	-	-	-	-	-
3,766	3,813	4,468	2,586	2,203	2,493
4,127	4,202	6,001	6,828	5,689	5,367
987	523	806	925	989	1,493
19,670	13,242 *	13,561	14,339	14,805	15,311
1,234	1,211	1,220	1,235	1,498	1,283
2,406,183	2,521,397	2,572,852	2,743,657	2,687,665	2,816,071
13,718	13,578	13,860	14,619	15,198	15,669
1,055	1,074	1,091	1,106	1,107	1,126

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

Function	Fiscal Year			
	2010	2011	2012	2013
General Government				
Public Safety:				
Police				
Police stations	1	1	1	1
Patrol units	45	46	46	55
Fire				
Fire department facilities	4	4	4	4
Staffed fire stations	3	3	3	3
Fire hydrants	2,012	2,016	2,048	2,120
Fire apparatus	8	7	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	133.20	173.91
Streetlights	1,352	1,352	3,103	3,103
Culture & Recreation				
Number of parks	22	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	4	5
Boat ramp	1	1	1	1
Water				
Miles of water mains	124.11	197.40	242.36	243.14
Sewer				
Miles of sanitary sewers	66.19	132.02	156.81	160.42
Miles of storm sewers	26.32	89.80	105.38	109.05

Sources: Various government departments.

* Does not include private systems

Fiscal Year					
2014	2015	2016	2017	2018	2019
1	1	1	1	1	1
57	79	95	98	104	106
4	3	4	5	5	5
3	3	4	4	4	4
2,146	2,200	2,646	2,646	2,646	2,456
8	12	6	7	9	9
5	3	6	6	7	7
4	3	1	6	6	7
191.52	202.38	210.00	210.60	210.60	210.60
3,127	3,158	3,160	1,309	1,309	1,309
23	23	23	24	24	24
349.5	378.0	443.9	443.9	443.9	443.9
5.7	5.7	7.5	7.5	8.0	8.0
9	9	9	9	9	9
5	10	11	11	9	9
1	1	1	1	1	1
222.75	230.28	229.44	297.00	297.81	331.86
161.25	167.60	168.57	220.00	224.00	236.34
133.70	48.22 *	47.63 *	47.56 *	48.36 *	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, 2019, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated August 31, 2020.

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) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of 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 over financial reporting that might be material weaknesses or significant deficiencies. 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. However, material weaknesses may exist that have not been identified.

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 no instances of noncompliance, or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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



Orlando, FL
August 31, 2020

**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, 2019. 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, 2019.

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.

McDermitt Davis

Orlando, Florida
August 31, 2020

CITY OF CLERMONT, FLORIDA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year Ended September 30, 2019

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	\$ 97,875
Total U.S. Department of Housing and Urban Development (HUD)			97,875
U.S. Department of Interior (DOI)			
State of Florida, Department of Environmental Protection			
Victory Point Park	15.916	LWCF670	200,000
West Lake Wetlands Perform/ Event Area	15.916	LWCF651	200,000
Total U.S. Department of Interior (DOI)			400,000
U.S. Department of Justice (DOJ)			
Equitable Sharing	16.922	FL0350300	72,362
State of Florida, Department of Law Enforcement			
Water Filled Barricades	16.738	LWCF670	7,804
Polygraph Acquisition	16.738	LWCF651	5,227
Lake County			
Mobile Crisis Response Officer	16.745	2018-1390	67,364
Total U.S. Department of Justice (DOJ)			152,757
State of Florida, Department of Agriculture and Consumer Services			
Hancock Park Lighting *	87.041	DE-EE00-241	250,000
Total Department of Agriculture and Consumer Services			250,000
Executive Office of the President -Office of National Drug Control Policy			
Seminole County Sheriff Office			
High Intensity Drug Trafficking Areas	95.001	G18CF0008A	5,011
Total Executive Office of the President -Office of National Drug Control Policy			5,011
U.S. Department of Homeland Security (DHS)			
State of Florida, Department of Emergency Management			
Hurricane Irma	97.036	Various	128,724
Staffing for Adequate Fire and Emergency Response (SAFER) *	97.083	EMW-2016-FH-00366	428,618
Total U.S. Department of Homeland Security (DHS)			557,342
Total Expenditures of Federal Awards			\$ 1,462,985

* Denotes a major program

See accompanying Notes to Schedule of Expenditures of Federal Awards

CITY OF CLERMONT, FLORIDA

**NOTES TO SCHEDULE OF EXPENDITURES OF
FEDERAL AWARDS**

Year Ended September 30, 2019

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, 2019. 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, 2019, 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 \$128,724 of expenditures that were incurred in prior fiscal years.

CITY OF CLERMONT, FLORIDA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year Ended September 30, 2019

Section I - Summary of Independent Auditor's Results:*Financial Statements*

Type of auditors' report issued:	Unmodified	
Internal control over financial reporting:		
• Material weakness identified?	___ Yes	<u> X </u> No
• Significant deficiency identified	___ Yes	<u> X </u> None reported
Noncompliance material to financial Statements noted?	___ Yes	<u> X </u> No

Federal Awards

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

Identification of major federal awards

CFDA No. 87.041
CFDA No. 97.083Hancock Park Lighting
Staffing for Adequate Fire and
Emergency ResponseDollar threshold used to distinguish between
type A and type B programs

\$750,000

Auditee qualified as a low-risk auditee?

___ Yes

 X 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, 2018.

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, 2019, and have issued our report thereon dated August 31, 2020.

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 August 31, 2020, 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.

Additional Matters

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



Orlando, Florida
August 31, 2020





934 North Magnolia Avenue, Suite 100
Orlando, Florida 32803
407-843-5406
www.mcdermittdavis.com

**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, 2019. 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, 2019.

McDermitt Davis

Orlando, Florida
August 31, 2020

