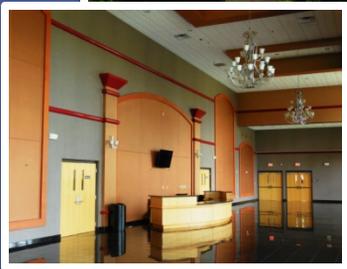
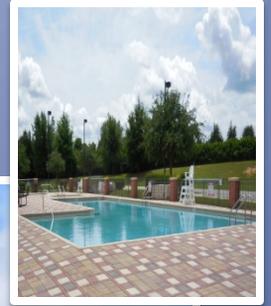


# *CITY OF CLERMONT FLORIDA*



## *Comprehensive Annual Financial Report*

*Fiscal Year Ended  
September 30, 2014*



### *Clermont Arts & Recreation Center*

*The City unveiled the Clermont Arts & Recreation Center at the grand opening ceremony on June 6, 2014. The 69,000 square foot Center is located at 3700 S Highway 27 and cost \$6.3-million. The Arts & Recreation Center has the county's largest performance hall, a 230-seat theater, swimming pools, gymnasium, and meeting rooms of various sizes. The Center will be the new home to the Clermont Performing Arts Center which will host a variety of Broadway shows, concerts, and acrobatics during the 2015-16 inaugural season.*

# *CITY OF CLERMONT FLORIDA*

## *Comprehensive Annual Financial Report*

*For The Year Ended September 30, 2014*



*Prepared By  
Finance*

*Regina M. Frazier  
Assistant Finance Director*

*Lacy Smith-Castillo  
Accountant*



CITY OF CLERMONT

**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**TABLE OF CONTENTS**

Year Ended September 30, 2014

	<b><u>Page</u></b>
<b>I. Introductory Section:</b>	
Table of Contents	i
Letter of Transmittal	iii
GFOA Certificate of Achievement	vii
List of Principal Officials	ix
Organizational Chart	x
<b>II. Financial Section:</b>	
Independent Auditor's Report	1
Management's Discussion and Analysis	3
Basic Financial Statements:	
Government-Wide Financial Statements:	
Statement of Net Position	15
Statement of Activities	16
Fund Financial Statements:	
Balance Sheet - Governmental Funds	17
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	18
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	19
Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - General Fund	20
Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual – Infrastructure Special Revenue Fund	22
Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual – Community Redevelopment Special Revenue Fund	23
Statement of Net Position - Proprietary Funds	24
Statement of Revenues, Expenses and Changes in Fund Net Position - Proprietary Funds	27
Statement of Cash Flows – Proprietary Funds	28
Statement of Fiduciary Net Position - Fiduciary Funds	30
Statement of Changes in Fiduciary Net Position - Fiduciary Funds	31
Notes to Financial Statements	33
Required Supplementary Information	67
Major Governmental Funds:	75
Capital Projects Fund	76
Other Governmental Funds:	77
Combining Balance Sheet – Other Governmental Funds	78

CITY OF CLERMONT

**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**TABLE OF CONTENTS - Continued**

Year Ended September 30, 2014

	<b><u>Page</u></b>
<b>II. Financial Section - Continued:</b>	
Combining Statement of Revenues, Expenditures and Changes In Fund Balances - Other Governmental Funds	80
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual: Special Revenue Funds	82
Debt Service Fund	86
Combining Statement of Fiduciary Net Position	88
Combining Statement of Changes in Fiduciary Net Position	89
<b>III. Statistical Section:</b>	
Net Position by Component	92
Changes in Net Position	94
Fund Balances of Governmental Funds	98
Changes in Fund Balances of Governmental Funds	100
Governmental Activities Tax Revenues by Source	102
Assessed Value and Estimated Actual Value of Taxable Property	103
Property Tax Rates – Direct and Overlapping Governments	104
Principal Property Taxpayers	105
Property Tax Levies and Collections	106
Ratios of Outstanding Debt by Type	107
Direct and Overlapping Governmental Activities Debt	108
Pledged-Revenue Coverage	109
Demographic and Economic Statistics	112
Principal Employers	113
Principal Water Customers	114
Principal Sewer Customers	115
Full-time Equivalent City Government Employees by Function	116
Operating Indicators by Function	118
Capital Asset Statistics by Function	120
<b>IV. Other Reports:</b>	
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 <i>Government Auditing Standards</i>	123
Management Letter	125
Communication with those Charged with Governance	127
Independent Auditor's Report on Compliance with the Requirements of Section 218.415, Florida Statutes	131



April 28, 2015

To the Honorable Mayor and City Council and 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, 2014. State law requires that every general-purpose local government publish within six 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, 2014.

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 accounting principles generally accepted in the United States of America (GAAP). Because the cost of internal controls should not outweigh their 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, 2014, 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, 2014, are fairly presented in conformity with accounting principles generally accepted in the United States of America. The independent auditor's report is presented as the first component of the financial section of this report.

Management's 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 15.18 square miles and population of approximately 31,745. The City is located in south Lake County, approximately twenty-two miles west of the City of Orlando and about twenty-five 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 that 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 of America that flows north. The lakes offer residents the opportunity for excellent fishing, boating, swimming and other water sports including competitive 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 Recreation and Events Department operates 23 parks, 5.7 miles of scenic paved trails, 5 piers measuring a total of 996 feet, 1-612 foot boardwalk, 7 special purpose buildings and a boat ramp.

The City of Clermont provides a full range of services as directed by its charter. These include police and fire protection; streets 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’s Manager. The City Manager is responsible for carrying out the policies and ordinances of the governing body, for overseeing the day-to-day operations of the government, and for hiring the directors of the various departments.

The annual budget serves as the foundation 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. fire 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 General Fund is presented on pages 20-21, the Infrastructure Fund is presented on page 22 and the Community Redevelopment Special Revenue fund is presented on page 23 as part of the basic financial statements for the governmental funds. The Capital Projects Fund is presented on page 76, followed by the other governmental funds, which start on page 82.

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. At September 30, 2014, Lake County's unemployment rate was 6.3%, which is a decrease of 1% from 2013. Clermont's unemployment rate was below the County average for the 5<sup>th</sup> year in a row at 5.6% for 2014. This is lower than both the state's average of 6.2% and the national average of 5.9%. Educational institutions in Clermont such as Lake-Sumter State College and the University of Central Florida assist in supplying a skilled labor force.

The cost of living for the region is below the national average. There is no personal income tax, either locally or state-wide. 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.

**Major initiatives.** The following items are capital projects that are currently in the planning/design phase for the City:

- The replacement of the existing Police Station – The new facility which is in the final design stage, will be constructed on the Clermont Community Center property. The new Police Headquarters will be 30,000 square feet and anticipated to cost \$10.3 million which will be funded by police impact fees and a debt issuance pledged potentially by infrastructure sales taxes.
- The replacement of the existing Public Works Operations Complex – A recently completed space needs assessment recommends a new public works operating complex with approximately 45,100 square feet and anticipated to cost \$14.03 million. The project is anticipated to be funded by a debt issuance pledged potentially by infrastructure sales taxes.
- Implementation of the Master Plan – The master plan will enhance the downtown and waterfront community by creating a window to downtown, connecting the parks and neighborhoods, and adding energy and activity to the downtown core as well as re-orient and diversifying the waterfront activities. The first six phases of the plan includes wayfinding signage, streetscapes, entrance feature, and walkways to from the waterfront to the downtown area. The first six phases are estimated to cost \$19.26 million and will be potentially funded by the Community Redevelopment Fund, Stormwater Fund, and grants.
- Construction of Fire Station No. 4 – The City and Lake County entered into a interlocal agreement to build a joint fire station east of the current City boundary. The total cost of the station is anticipated to be approximately \$1.80 million, with the City's share at approximately \$700,000. The station is anticipated to be funded from infrastructure sales taxes.

**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.

**Relevant financial policies.** The City regularly reviews revenues and expenditures throughout the fiscal year. During the course of the year, 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.

The City administers a cash management and investment program that seeks to maximize, in order of priority, the preservation of funds, liquidity and interest earnings over its cash and investments. Cash resources of the individual funds are combined to form a pool of cash and investments. The average cash and investment pool balance during the year (not including pension funds) was \$57,644,901 and the average investment earnings rate was 0.55%. Investment income includes the change in the fair value of investments. During the year monies were invested in accordance with the City's investment policy. Pension fund assets were invested in accordance with the City's Investment Policy for Retirement Funds. The total pension fund cash and investments at year end were \$29,440,378 and the average investment income was 8.63%.

### **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, 2013. This was the twenty-sixth 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.

The preparation of this report would not have been possible without the efficient and dedicated services of the staffs 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. A special note of appreciation is due Regina Frazier and Lacy Smith-Castillo in Finance for their hard work and dedicated efforts in the preparation of this report. Credit also 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.

Respectfully submitted,



---

Darren Gray  
City Manager



---

Joseph Van Zile  
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, 2013**

Executive Director/CEO



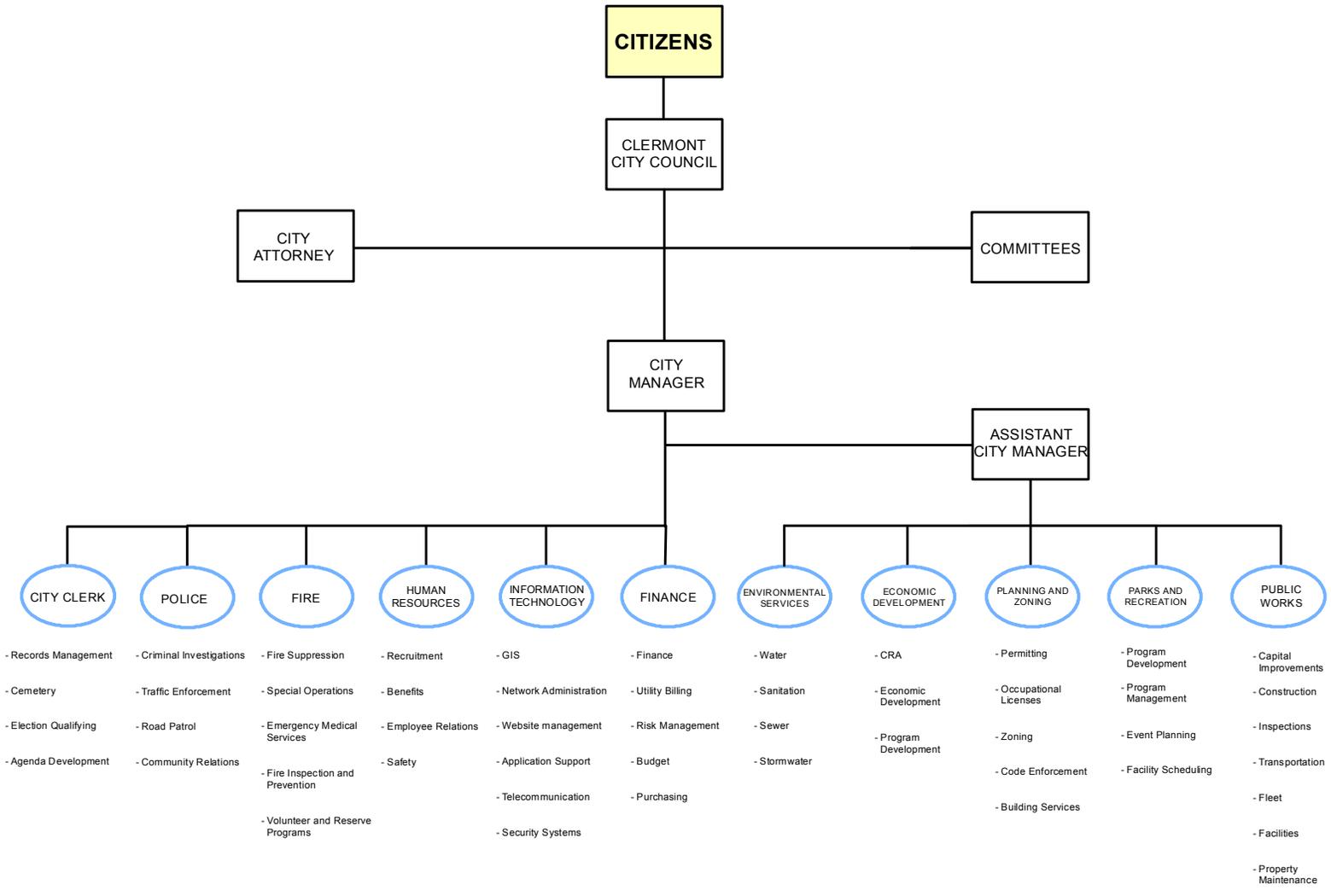
CITY OF CLERMONT, FLORIDA  
LIST OF ELECTED AND APPOINTED OFFICIALS  
SEPTEMBER 30, 2014

**ELECTED OFFICIALS**

Mayor	Gail L. Ash
Mayor Pro-Tem	Ray Goodgame
Council Member	Keith Mullins
Council Member	Diane Travis
Council Member	Timothy Bates

**APPOINTED OFFICIALS**

City Manager	Darren Gray
Assistant City Manager	James Kinzler
City Attorney	Dan Mantzaris
City Clerk	Tracy Ackroyd
Economic Development Director	James Hitt
Environmental Services Director	Paul Roy, Interim
Finance Director	Joseph Van Zile
Fire Chief	Carle Bishop
Human Resources Director	Susan Irby
Information Technology Director	Don Dennis
Planning Director	Barbara Hollerand
Police Chief	Charles Broadway
Public Works Director	Stoney Brunson



## 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, 2014, 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.

MCDIRMIT DAVIS & COMPANY, LLC

934 NORTH MAGNOLIA AVENUE, SUITE 100 ORLANDO, FLORIDA 32803

TELEPHONE: 407-843-5406 FAX: 407-649-9339 EMAIL: INFO@MCDIRMITDAVIS.COM

MEMBERS: PRIVATE COMPANIES PRACTICE SECTION AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS FLORIDA INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS

## **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, 2014, 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 and the pension and other postemployment benefits disclosures on page 3 through 14 and 67 through 73 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 and statistical section 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 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.

## **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued a report dated April 28, 2015 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 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.

*McDiernit Davis & Company, LLC*

Orlando, FL  
April 28, 2015

*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, 2014. 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 iii through vi of this report.

### Financial Highlights

- The City of Clermont's assets and deferred outflows of resources exceeded its liabilities at September 30, 2014 by \$153,704,657 (net position). Of this amount, \$32,773,754 (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 \$4,951,578 (or 3%) over the previous fiscal year.
- At September 30, 2014, the City of Clermont's governmental funds reported combined ending fund balances of \$18,903,691 a decrease of \$419,708 from the previous fiscal year. Of this amount \$7,668,799 (unassigned fund balance) is available for spending at the government's discretion.
- The General Fund, the City's primary operating fund, reported an unassigned fund balance of \$7,668,799, which represents 38.7% 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 15 and 16 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 between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

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

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

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

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

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

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

The City of Clermont maintains ten 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 six governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major 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 20-21), the Infrastructure Fund (page 22) and the Community Redevelopment Fund (page 23) to demonstrate compliance with budgets. Other major and nonmajor funds comparisons can be found beginning on page 75.

The basic governmental fund financial statements can be found on pages 17 - 23 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 24-29 of this report.

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

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for water, sewer and sanitation which are all considered to be major funds. Data for the Stormwater Fund is also included since it is the only nonmajor fund.

**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 30 - 31 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 33 - 66 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 76 - 89 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 15.

	Net Position					
	Governmental Activities		Business-type Activities		Total	
	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13
Assets:						
Current and other assets	\$ 21,816,704	\$ 20,829,483	\$ 39,233,918	\$ 36,020,100	\$ 61,050,622	\$ 56,849,583
Capital assets	52,157,191	42,562,445	71,041,133	72,841,377	123,198,324	115,403,822
Total assets	73,973,895	63,391,928	110,275,051	108,861,477	184,248,946	172,253,405
Deferred Outflows of Resources:						
Deferred charge of refunding	-	-	546,787	580,436	546,787	580,436
Total deferred outflows of resources	-	-	546,787	580,436	546,787	580,436
Liabilities:						
Long-term liabilities outstanding	11,761,397	5,527,257	15,692,341	16,045,238	27,453,738	21,572,495
Other liabilities	2,459,166	701,362	1,178,172	1,806,905	3,637,338	2,508,267
Total liabilities	14,220,563	6,228,619	16,870,513	17,852,143	31,091,076	24,080,762
Net investment in capital assets	44,115,790	39,950,445	56,680,065	57,862,471	100,795,855	97,812,916
Restricted	9,918,073	9,489,732	10,216,975	9,535,896	20,135,048	19,025,628
Unrestricted	5,719,469	7,723,132	27,054,285	24,191,403	32,773,754	31,914,535
Total net position	<b>\$ 59,753,332</b>	<b>\$ 57,163,309</b>	<b>\$ 93,951,325</b>	<b>\$ 91,589,770</b>	<b>\$ 153,704,657</b>	<b>\$ 148,753,079</b>

The City's total net position at September 30, 2014 was \$153,704,657. Of the City's total net position \$100,795,855 (65.6%) 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, \$20,135,048 (13.1%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of the City's total net position, \$32,773,754 (21.3%) is unrestricted. These assets may be used at the City's discretion in meeting its ongoing obligations to citizens and creditors.

The City's net position increased by \$4,951,578 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 2013-14, including revenues and expenses, with a comparison to the prior year. For more detail see the Statement of Activities on page 16.

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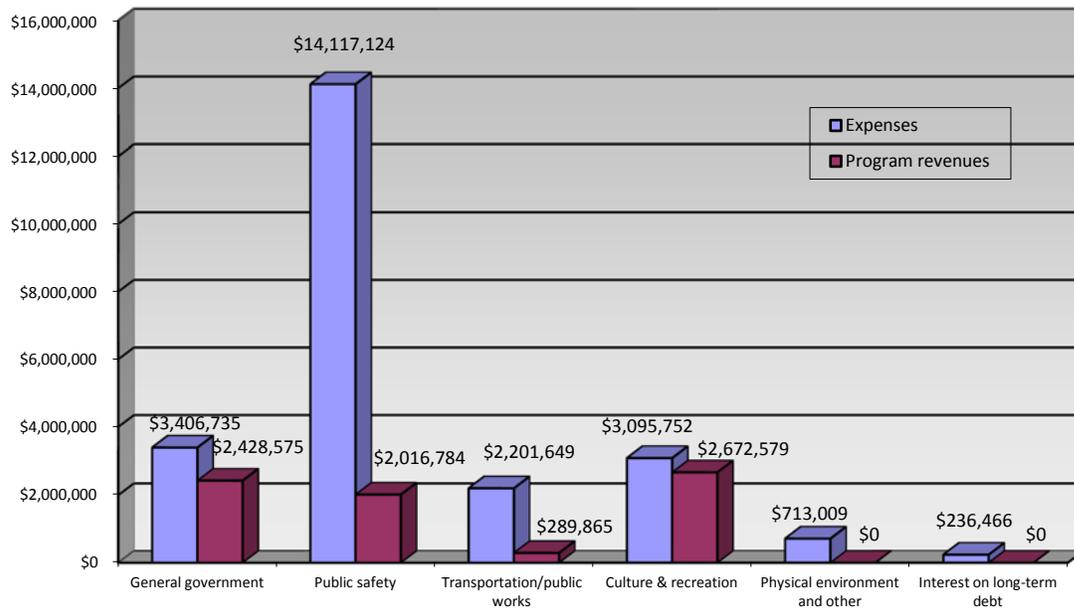
### Changes in Net Position

	Governmental Activities		Business-type Activities		Total	
	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13
<b>Revenues:</b>						
Program revenues -						
Charges for services	\$ 4,751,091	\$ 4,419,357	\$ 14,697,489	\$ 14,209,383	\$ 19,448,580	\$ 18,628,740
Operating grants and contributions	938,861	895,725	-	-	938,861	895,725
Capital grants and contributions	1,717,851	112,089	2,416,757	3,429,673	4,134,608	3,541,762
General revenues -						
Property Taxes	6,532,656	5,349,583	-	-	6,532,656	5,349,583
Business Taxes	126,172	111,195	-	-	126,172	111,195
Franchise Fees	2,379,312	2,122,797	-	-	2,379,312	2,122,797
Utility Taxes	2,887,161	2,490,461	-	-	2,887,161	2,490,461
Intergovernmental	6,110,184	5,801,871	-	-	6,110,184	5,801,871
Investment income and miscellaneous	478,577	378,401	198,224	149,251	676,801	527,652
Gain on sale of capital assets	-	-	1,765	17,815	1,765	17,815
Total revenues	25,921,865	21,681,479	17,314,235	17,806,122	43,236,100	39,487,601
<b>Expenses:</b>						
General government	3,406,735	3,258,417	-	-	3,406,735	3,258,417
Public safety	14,117,124	12,685,206	-	-	14,117,124	12,685,206
Physical environment	350,243	303,130	-	-	350,243	303,130
Transportation	2,201,649	1,724,824	-	-	2,201,649	1,724,824
Economic environment	362,766	199,676	-	-	362,766	199,676
Culture and recreation	3,095,752	1,927,632	-	-	3,095,752	1,927,632
Interest on long-term debt	236,466	87,287	-	-	236,466	87,287
Water	-	-	4,589,022	4,153,922	4,589,022	4,153,922
Sewer	-	-	6,436,780	6,105,933	6,436,780	6,105,933
Sanitation	-	-	2,471,861	2,464,867	2,471,861	2,464,867
Stormwater	-	-	1,016,124	896,835	1,016,124	896,835
Total expenses	23,770,735	20,186,172	14,513,787	13,621,557	38,284,522	33,807,729
Increase (Decrease) in Net Position Before Transfers	2,151,130	1,495,307	2,800,448	4,184,565	4,951,578	5,679,872
Transfers	438,893	478,539	(438,893)	(478,539)	-	-
Increase in Net Position	2,590,023	1,973,846	2,361,555	3,706,026	4,951,578	5,679,872
Net Position - Beginning, as restated	57,163,309	55,189,463	91,589,770	87,883,744	148,753,079	143,073,207
Net Position - Ending	\$ 59,753,332	\$ 57,163,309	\$ 93,951,325	\$ 91,589,770	\$ 153,704,657	\$ 148,753,079

**Governmental activities** - Governmental activities increased the City of Clermont's net position by \$2,590,023, which is primarily due to increased general government revenues and capital grants.

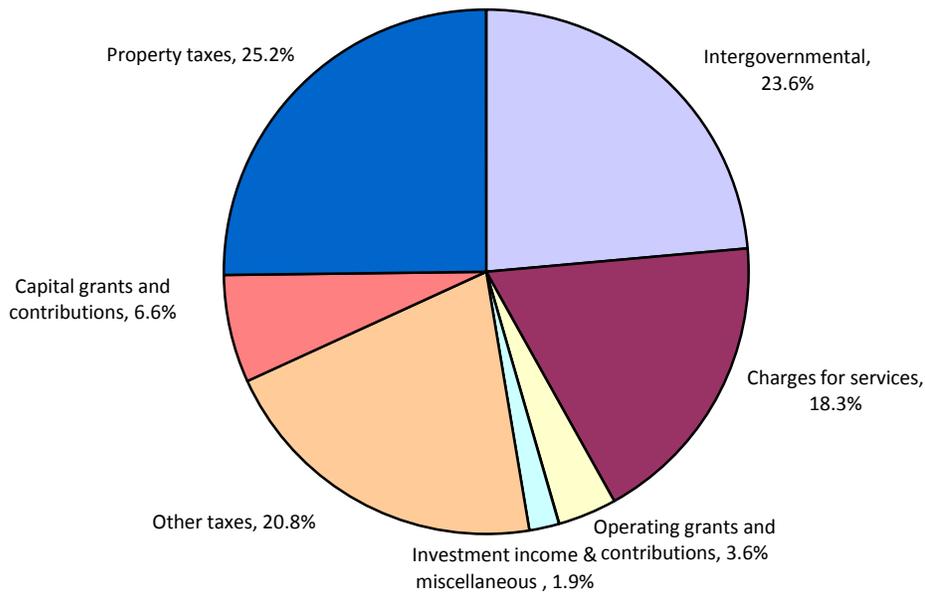
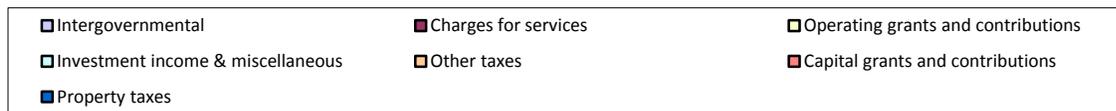
The following graph is a comparison of program revenues and program expenses for all governmental activities. This chart is intended to give the reader an idea of the degree to which governmental activities are self-supporting.

## Expenses and Program Revenues - Governmental Activities



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

## Revenues by Source - Governmental Activities

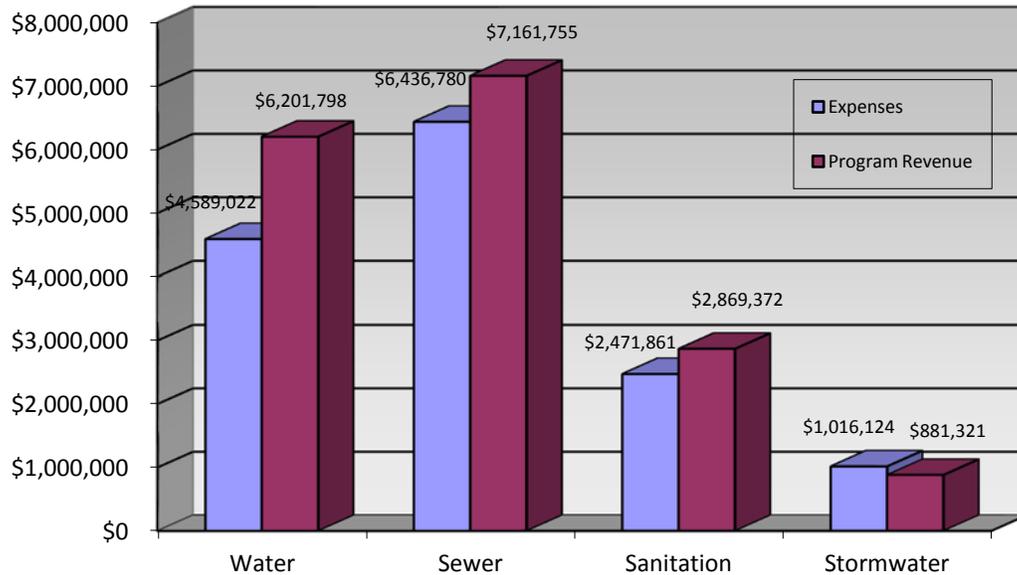


**Business-type activities** - Business-type activities increased the City of Clermont's net position by \$2,361,555. This change was due to increased revenue from services totaling \$488,106, and changes in planned projects that resulted in overall savings. Capital contributions totaled \$2,416,757. These contributions are water and sewer impact fees paid by developers. The fees were adopted by the City to require new development to pay its proportionate share of the capital costs necessary to accommodate new development impacts on the City's water and sewer system.

The City is using this revenue for large capital projects that are currently under construction such as the Reclaim Water System Expansion, Reclaim Water Storage Tank and the Supplemental Well.

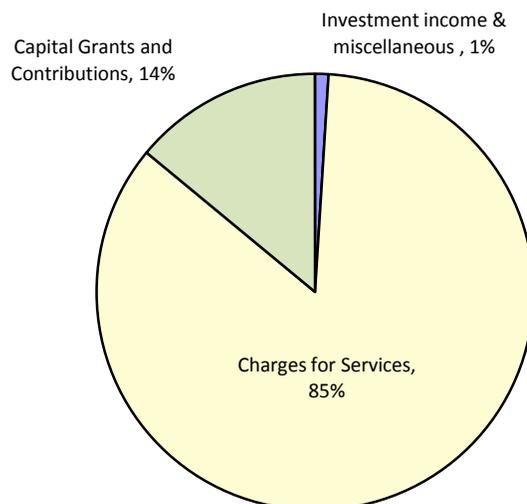
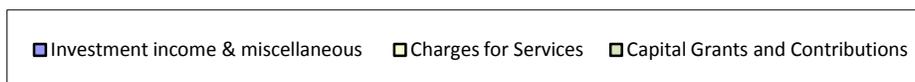
The following graph is a comparison of program revenues and program expenses for all business-type activities. This chart is intended to give the reader an idea of the degree to which business-type activities are self-supporting.

**Expenses and Program Revenues - Business Type Activities**



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

**Revenues by Source - Business Activities**



## Financial Analysis of the City's Funds

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

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

As of September 30, 2014, the City of Clermont's governmental funds reported combined ending fund balances of \$18,903,691 a decrease of \$419,708 in comparison with the prior year. This decrease is primarily due to the use of accumulated funds for general fund operations including costs of insurance increases, a departmental reorganization and opening of the new Clermont Art and Recreation Center. Of the governmental funds combined ending fund balances, \$7,668,799 (40.6%) represents *unassigned fund balance*, which is available for spending at the City's discretion. An additional \$1,201,989 (*assigned fund balance*) has been set aside for encumbrances and Fiscal Year 2015 expenditures. *Restricted fund balances* totaling over \$8.9 million include funds required for debt service, as well as funds collected for specific purposes such as impact fees and community redevelopment. The remainder of fund balance is *nonspendable* (\$1,117,190) to indicate that it is not available for spending because it has already been committed for inventories and prepaid expenses, or it is being held in a non-expendable trust fund.

The General Fund is the chief operating fund of the City of Clermont. As of September 30, 2014, the fund balance in the General Fund was \$9,236,410 a decrease of \$853,032 in comparison with the prior year. This decrease is due to current expenditures exceeding current revenues and is \$93,807 more than originally budgeted, however it is just over \$1.6 million less than the revised budget. Revenues exceeded budget by \$1,213,853 mainly attributable to tax receipts coming in higher than anticipated due to additional collections of delinquent taxes as well as fewer taxpayers taking advantage of the early payment discounts, franchise fees and miscellaneous revenue and reimbursements such as p-card rebates and rental fees. Departmental expenditures also came in less than anticipated reducing the amount of reserves used. Of the total fund balance in the General Fund, \$7,668,799 (83%) 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 38.7% of total General Fund expenditures, while total fund balance represents 46.6% of that same amount.

The City has a Capital Projects Fund that is considered a major fund under criteria set forth by GASB Statement No. 34. This fund is used to account for the acquisition of capital assets or construction of major capital projects not being financed by proprietary funds. Funds have been accumulated so projects can be completed on a pay-as-you-go basis.

The City has an Infrastructure Fund that is considered a major fund under criteria set forth by GASB Statement No. 34. This fund was established to account for the proceeds of the Local Government Infrastructure Surtax. The proceeds and interest accrued thereto, by law are only to be used to finance, plan and construct infrastructure. The fund balance in this fund increased by \$326,771 in FY 2014, which is \$2,663,714 less than the revised budget. This increase is due to higher than anticipated revenues resulting from the annual distribution calculation.

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. The incremental annual increase in tax over the base years is used to fund projects. As of September 30, 2014, the fund balance was \$773,599, an increase of \$65,924 over the prior year. This increase is due to delays in the master plan project.

The remainder of the change \$40,629 to the governmental fund balance was from the non-major governmental funds. Police and Fire Impact Fee fund balances combined increased a total of \$334,971 due to both an increase in revenues as well as a delay in the planned use of funds for capital projects. The Debt Service fund balance increased \$362,513 due to the new note funding requirements. The Recreation Impact Fee fund decreased \$785,292 due to the purchase of the Arts and Recreation Center. The fund balances in the remaining nonmajor funds increased a total of \$128,437.

**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 and sanitation.

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, 2014, the City of Clermont's Water Fund reported total net position of \$33,068,918, an increase of \$1,246,889 in comparison with the prior year. This increase in net position is primarily due to an increase in capital contributions.

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, 2014, the City of Clermont's Sewer Fund reported total net position of \$51,024,415, an increase of \$856,423 in comparison with the prior year. This increase is primarily due to capital contributions.

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, 2014, the City of Clermont's Sanitation Fund reported total net position of \$5,115,929, an increase of \$449,749 in comparison with the prior year, which is due to an increase in operating income along with lower than anticipated operating expenses.

### **General Fund Budgetary Highlights**

During the year there was a \$1,627,766 increase in appropriations between the original and final amended budget. Following are the main components of the increase:

- \$1,011,362 for staffing, debt issuance costs, operating and capital expenditures associated with the purchase of the Clermont Arts and Recreation Center.
- \$65,925 for an additional police officer position.
- \$250,000 to amend the budget for expenditures associated with the new red light camera program.

- \$125,367 to amend the Fire Department budget for expenditures associated with the award of a SAFER grant.
- \$149,035 for the reorganization of the Development Services and Fire Departments in order to bring the Building Services function in-house.

General Fund revenue increases totaling \$359,348 were due to the receipt of several public safety grants, which were awarded after the beginning of the fiscal year as well as the new red light camera program revenue.

Considering the above noted increases in General Fund budgeted appropriations, actual expenditures were less than budgeted by \$279,999. In addition, actual revenues exceeded the budget by \$1,213,853.

## 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 48 - 49 of this report.

	Capital Assets					
	(net of depreciation)					
	Governmental Activities		Business-type Activities		Total	
	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13
Land	\$ 25,727,548	\$ 23,502,470	\$ 1,861,820	\$ 1,861,820	\$ 27,589,368	\$ 25,364,290
Buildings	14,653,642	11,305,671	-	-	14,653,642	11,305,671
Infrastructure	5,590,777	5,351,729	62,476,771	65,574,169	68,067,548	70,925,898
Machinery and Equipment	2,191,359	1,522,646	2,444,267	1,502,411	4,635,626	3,025,057
Intangibles	26,456	25,002	109,620	-	136,076	25,002
Construction in Progress	3,967,409	854,927	4,148,655	3,902,977	8,116,064	4,757,904
<b>Total</b>	<b>\$ 52,157,191</b>	<b>\$ 42,562,445</b>	<b>\$ 71,041,133</b>	<b>\$ 72,841,377</b>	<b>\$ 123,198,324</b>	<b>\$ 115,403,822</b>

The City of Clermont's investment in capital assets for its governmental and business-type activities as of September 30, 2014, amounts to \$123,198,324 (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 \$7,794,502. Major capital asset events during the current fiscal year included the following:

- Purchase of the Clermont Arts and Recreation Center for a total of \$6,357,366, which includes \$2,225,078 in land and \$4,132,288.
- Completion of the Water and Sewer Security Improvements - Construction in Progress was adjusted in the amount of \$97,054 and the total project cost of \$994,527 was moved to Equipment.
- Completion of Fiber Optic Network for City Buildings - \$651,611 was added and prior years Construction in Progress in the amount of \$28,531 was moved to Infrastructure/Improvements for a total project cost of \$680,142.
- Purchase of a rescue pumper fire truck for \$362,467.
- Purchase of a sanitation vehicle for \$287,916.

- Completion of the Oak Hill Cemetery Expansion - \$126,775 was added and prior years Construction in Progress in the amount of \$21,287 was moved to Infrastructure/Improvements for a total project cost of \$148,062.
- Completion of the Utility Billing Software Implementation - \$47,570 was added and prior years Construction in Progress in the amount of \$62,509 was moved to Intangible for a total project cost of \$110,079.
- Purchase of vehicle with aerial bucket for \$84,500.
- Construction in progress includes construction of the Police Headquarters, Lake Hiawatha Preserve, Rowing Facility, Community Development Software, East-West Water System Interconnects, Lift Station Improvement, Reclaimed Supplemental Well, Reclaimed Water Storage Tank and CDBG Stormwater Project.

### Debt Administration

The following is a summary of the City's long-term debt for governmental and business-type activity for the current year with a comparison to the prior year. Additional information on long-term debt can be found in Note 7 on pages 50 - 52 of this report.

#### Outstanding Debt

	Governmental Activities		Business-type Activities		Total	
	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13
Revenue bonds payable	\$ -	\$ -	\$ 14,315,000	\$ 14,930,000	\$ 14,315,000	\$ 14,930,000
Note payable	8,041,401	2,612,000	-	-	8,041,401	2,612,000
<b>Total</b>	<b>\$ 8,041,401</b>	<b>\$ 2,612,000</b>	<b>\$ 14,315,000</b>	<b>\$ 14,930,000</b>	<b>\$ 22,356,401</b>	<b>\$ 17,542,000</b>

At the end of the current fiscal year, the City of Clermont had total debt outstanding of \$22,356,401, which includes revenue bonds payable and notes payable.

### Economic Factors and Next Year's Budgets and Rates

- The annual unemployment rate for Lake County in 2014 was 6.3%, which is a decrease of 1% from 2013. Clermont's unemployment rate was below the County average for the 5th year in a row at 5.6% for 2014. This is lower than both the state's average of 6.2% and the national average of 5.9%.
- The taxable value of commercial and residential property increased 10.9% from fiscal year 2012-13 to fiscal year 2013-14 due to increasing home values and new construction.
- Population increased 5.1% from 30,201 in 2013 to 31745 in 2014.

As of September 30, 2014, the General Fund unassigned fund balance was \$7,668,799. In addition, the City appropriated \$1,201,989 for spending in the 2014-15 fiscal year budget. The same property tax rate is included for the General Fund for the 2014-15 fiscal year budget. However, property tax revenue is projected to be \$474,771 higher in fiscal year 2014-15 due to the slight increase in the assessed values. This increase will help the City to continue repairs that have been put off due to the revenue reductions over the previous several years.

No utility rate adjustments were proposed for the 2014-15 fiscal year with the exception of the sewer rate structure. The sewer rates increased 1.41% on October 1, 2014 pursuant to a

required adjustment in accordance with the Florida Public Service Commission Annual Deflator Index previously adopted by the Clermont City Council.

### **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, 2014

	<b>Primary Government</b>		
	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>
<b>Assets:</b>			
Cash and cash equivalents	\$ 16,191,538	\$ 21,581,847	\$ 37,773,385
Investments	3,992,749	7,190,702	11,183,451
Receivables, net	371,984	1,439,478	1,811,462
Inventories	31,475	240,768	272,243
Due from other governments	1,255,650	-	1,255,650
Internal balances	(122,891)	122,891	-
Prepaid costs	83,955	30,244	114,199
Restricted assets:			
Cash and cash equivalents	-	1,530,779	1,530,779
Investments	-	7,078,390	7,078,390
Interest receivable	12,244	18,819	31,063
Capital assets not being depreciated	29,694,957	6,010,475	35,705,432
Capital assets being depreciated, net of accumulated depreciation	22,462,234	65,030,658	87,492,892
Total assets	<u>73,973,895</u>	<u>110,275,051</u>	<u>184,248,946</u>
<b>Deferred Outflows of Resources:</b>			
Deferred charge on refunding	-	546,787	546,787
Total deferred outflows of resources	<u>-</u>	<u>546,787</u>	<u>546,787</u>
<b>Liabilities:</b>			
Accounts payable and accrued expenses	2,444,547	1,178,172	3,622,719
Due to other governmental agencies	14,619	-	14,619
Noncurrent liabilities:			
Due within one year	959,544	657,798	1,617,342
Due in more than one year	10,801,853	15,034,543	25,836,396
Total liabilities	<u>14,220,563</u>	<u>16,870,513</u>	<u>31,091,076</u>
<b>Net Position:</b>			
Net investment in capital assets	44,115,790	56,680,065	100,795,855
Restricted for:			
Capital Improvements	-	10,216,975	10,216,975
Community redevelopment	773,599	-	773,599
Public safety	3,478,539	-	3,478,539
Culture and recreation	886,351	-	886,351
Infrastructure	2,672,978	-	2,672,978
Debt service	853,584	-	853,584
Building services	250,662	-	250,662
Perpetual care:			
Nonexpendable	1,002,360	-	1,002,360
Unrestricted	5,719,469	27,054,285	32,773,754
Total net position	<u>\$ 59,753,332</u>	<u>\$ 93,951,325</u>	<u>\$ 153,704,657</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, 2014

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	\$ 3,406,735	\$ 2,428,575	\$ -	\$ -	\$ (978,160)	\$ -	\$ (978,160)
Public safety	14,117,124	1,365,988	648,996	1,800	(12,100,340)	-	(12,100,340)
Physical environment	350,243	-	-	-	(350,243)	-	(350,243)
Transportation/public works	2,201,649	-	289,865	-	(1,911,784)	-	(1,911,784)
Economic environment	362,766	-	-	-	(362,766)	-	(362,766)
Culture and recreation	3,095,752	956,528	-	1,716,051	(423,173)	-	(423,173)
Interest on long-term debt	236,466	-	-	-	(236,466)	-	(236,466)
Total governmental activities	<u>23,770,735</u>	<u>4,751,091</u>	<u>938,861</u>	<u>1,717,851</u>	<u>(16,362,932)</u>	<u>-</u>	<u>(16,362,932)</u>
Business-type activities							
Water	4,589,022	5,361,962	-	839,836	-	1,612,776	1,612,776
Sewer	6,436,780	5,584,834	-	1,576,921	-	724,975	724,975
Sanitation	2,471,861	2,869,372	-	-	-	397,511	397,511
Stormwater	1,016,124	881,321	-	-	-	(134,803)	(134,803)
Total business-type activities	<u>14,513,787</u>	<u>14,697,489</u>	<u>-</u>	<u>2,416,757</u>	<u>-</u>	<u>2,600,459</u>	<u>2,600,459</u>
Total primary government	<u>\$ 38,284,522</u>	<u>\$ 19,448,580</u>	<u>\$ 938,861</u>	<u>\$ 4,134,608</u>	<u>(16,362,932)</u>	<u>2,600,459</u>	<u>(13,762,473)</u>
General Revenues:							
Property taxes					6,532,656	-	6,532,656
Business taxes					126,172	-	126,172
Franchise fees					2,379,312	-	2,379,312
Utility taxes					2,887,161	-	2,887,161
Intergovernmental - unrestricted					6,110,184	-	6,110,184
Unrestricted investment earnings					104,415	198,224	302,639
Miscellaneous					374,162	-	374,162
Gain on sale of capital assets					-	1,765	1,765
Transfers					438,893	(438,893)	-
Total general revenues and transfers					<u>18,952,955</u>	<u>(238,904)</u>	<u>18,714,051</u>
Change in net position					2,590,023	2,361,555	4,951,578
Net Position - beginning					<u>57,163,309</u>	<u>91,589,770</u>	<u>148,753,079</u>
Net Position - ending					<u>\$ 59,753,332</u>	<u>\$ 93,951,325</u>	<u>\$ 153,704,657</u>

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

CITY OF CLERMONT, FLORIDA

**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**

September 30, 2014

	<u>General</u>	<u>Capital Projects</u>	<u>Infrastructure Special Revenue</u>	<u>Community Redevelopment Special Revenue</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>Assets:</b>						
Cash and cash equivalents	\$ 5,311,443	\$ 407,516	\$ 2,702,725	\$ 774,002	\$ 6,166,808	\$ 15,362,494
Investments	3,992,749	-	-	-	-	3,992,749
Receivables, net	384,163	-	-	-	65	384,228
Inventories, at cost	31,475	-	-	-	-	31,475
Due from other governments	232,492	849,293	173,865	-	-	1,255,650
Prepaid costs	22,026	-	-	-	61,329	83,355
Total assets	<u>\$ 9,974,348</u>	<u>\$ 1,256,809</u>	<u>\$ 2,876,590</u>	<u>\$ 774,002</u>	<u>\$ 6,228,202</u>	<u>\$ 21,109,951</u>
<b>Liabilities:</b>						
Accounts payable	\$ 440,741	\$ 1,256,809	\$ 203,612	\$ 403	\$ 7,498	\$ 1,909,063
Payable to other governments	14,619	-	-	-	-	14,619
Accrued liabilities	180,369	-	-	-	-	180,369
Total liabilities	<u>635,729</u>	<u>1,256,809</u>	<u>203,612</u>	<u>403</u>	<u>7,498</u>	<u>2,104,051</u>
<b>Deferred Inflows of Resources:</b>						
Unavailable revenue - liens, forfeitures and rents	102,209	-	-	-	-	102,209
Total deferred inflows of resources	<u>102,209</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>102,209</u>
<b>Fund Balances:</b>						
Nonspendable	53,501	-	-	-	1,063,689	1,117,190
Restricted	312,121	-	2,672,978	773,599	5,157,015	8,915,713
Assigned	1,201,989	-	-	-	-	1,201,989
Unassigned	7,668,799	-	-	-	-	7,668,799
Total fund balances	<u>9,236,410</u>	<u>-</u>	<u>2,672,978</u>	<u>773,599</u>	<u>6,220,704</u>	<u>18,903,691</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 9,974,348</u>	<u>\$ 1,256,809</u>	<u>\$ 2,876,590</u>	<u>\$ 774,002</u>	<u>\$ 6,228,202</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.	52,157,191
Accrued interest payable is not due in the current period and therefore is not reported in the funds.	(68,417)
Other long-term assets are not available to pay for current period expenditures and, therefore are deferred in the funds.	102,209
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.	420,055
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.	(11,761,397)
Net Position of Governmental Activities in the Statement of Net Position	<u>\$ 59,753,332</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, 2014

	<u>General</u>	<u>Capital Projects</u>	<u>Infrastructure Special Revenue</u>	<u>Community Redevelopment Special Revenue</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>Revenues:</b>						
Taxes	\$ 9,358,347	\$ -	\$ -	\$ 187,642	\$ -	\$ 9,545,989
Franchise fees	2,379,312	-	-	-	-	2,379,312
Licenses and permits	139,117	-	-	-	801,912	941,029
Intergovernmental revenues	4,534,321	1,716,051	2,545,507	-	-	8,795,879
Charges for services	1,038,627	-	-	-	173,118	1,211,745
Fines and forfeitures	588,927	-	-	-	-	588,927
Impact fees/special assessments	-	-	-	-	1,400,622	1,400,622
Investment earnings	38,469	1,830	15,528	4,952	38,674	99,453
Miscellaneous	845,813	-	4,600	-	65,087	915,500
Total revenues	<u>18,922,933</u>	<u>1,717,881</u>	<u>2,565,635</u>	<u>192,594</u>	<u>2,479,413</u>	<u>25,878,456</u>
<b>Expenditures:</b>						
Current:						
General government	3,168,205	-	607,817	-	-	3,776,022
Public safety	12,067,755	-	588,945	-	913,970	13,570,670
Physical environment	422,970	-	-	-	-	422,970
Transportation	1,268,763	-	366,265	-	-	1,635,028
Economic environment	237,820	-	-	126,802	-	364,622
Culture and recreation	2,675,774	10,135	246,378	-	16,013	2,948,300
Debt Service:						
Principal retirement	-	-	-	-	570,599	570,599
Interest and fiscal charges	-	-	-	-	177,539	177,539
Capital Outlay:						
Public safety	-	60,687	-	-	-	60,687
Culture and recreation	-	9,320,620	-	-	-	9,320,620
Total expenditures	<u>19,841,287</u>	<u>9,391,442</u>	<u>1,809,405</u>	<u>126,802</u>	<u>1,678,121</u>	<u>32,847,057</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<u>(918,354)</u>	<u>(7,673,561)</u>	<u>756,230</u>	<u>65,792</u>	<u>801,292</u>	<u>(6,968,601)</u>
<b>Other Financing Sources (Uses):</b>						
Notes payable	-	-	-	-	6,000,000	6,000,000
Transfers in	554,531	7,673,561	-	132	1,108,622	9,336,846
Transfers out	(489,209)	-	(429,459)	-	(7,869,285)	(8,787,953)
Total other financing sources (uses)	<u>65,322</u>	<u>7,673,561</u>	<u>(429,459)</u>	<u>132</u>	<u>(760,663)</u>	<u>6,548,893</u>
<b>Net Change in Fund Balances</b>	<u>(853,032)</u>	<u>-</u>	<u>326,771</u>	<u>65,924</u>	<u>40,629</u>	<u>(419,708)</u>
<b>Fund Balances - beginning</b>	<u>10,089,442</u>	<u>-</u>	<u>2,346,207</u>	<u>707,675</u>	<u>6,180,075</u>	<u>19,323,399</u>
<b>Fund Balances - ending</b>	<u>\$ 9,236,410</u>	<u>\$ -</u>	<u>\$ 2,672,978</u>	<u>\$ 773,599</u>	<u>\$ 6,220,704</u>	<u>\$ 18,903,691</u>

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, 2014

Net Change in Fund Balances - total governmental funds: \$ (419,708)

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. 9,594,746

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. 48,046

Revenue reported in the funds must be eliminated from the statement of activities since revenue was recognized in a prior year. (9,599)

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. (5,429,401)

Some expenses reported in the statement of activities do not require the use of current financial resources and these are not reported as expenditures in governmental funds. (863,666)

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. (330,395)

Change in net position of governmental activities \$ 2,590,023

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, 2014

	<b>Budgeted Amounts</b>		<b>Actual Amounts, Budgetary Basis</b>	<b>Variance with Final Budget - Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
<b>Revenues:</b>				
Taxes	\$ 8,753,987	\$ 8,753,987	\$ 9,358,347	\$ 604,360
Franchise fees	2,223,900	2,223,900	2,379,312	155,412
Licenses and permits	115,200	115,200	139,117	23,917
Intergovernmental revenues	4,382,400	4,466,228	4,534,321	68,093
Charges for services	1,073,904	1,073,904	1,038,627	(35,277)
Fines and forfeitures	130,700	392,148	588,927	196,779
Investment earnings	138,000	138,000	38,469	(99,531)
Miscellaneous	531,641	545,713	845,813	300,100
Total revenues	<u>17,349,732</u>	<u>17,709,080</u>	<u>18,922,933</u>	<u>1,213,853</u>
<b>Expenditures:</b>				
Current:				
General government:				
City council	27,000	27,000	24,185	2,815
City clerk	264,744	265,455	263,448	2,007
City manager	436,848	437,173	403,512	33,661
Finance	761,818	779,619	770,990	8,629
Legal services	136,000	136,000	97,322	38,678
Planning & zoning	544,494	613,765	552,760	61,005
Information technology	389,040	461,974	436,572	25,402
Human resources	286,219	290,259	277,596	12,663
Other general government	251,442	370,674	341,820	28,854
	<u>3,097,605</u>	<u>3,381,919</u>	<u>3,168,205</u>	<u>213,714</u>
Public safety:				
Law enforcement	6,311,964	6,792,004	6,605,033	186,971
Fire control	5,180,525	5,350,765	5,462,722	(111,957)
	<u>11,492,489</u>	<u>12,142,769</u>	<u>12,067,755</u>	<u>75,014</u>
Physical environment	<u>335,781</u>	<u>336,310</u>	<u>422,970</u>	<u>(86,660)</u>
Transportation	<u>1,288,943</u>	<u>1,277,063</u>	<u>1,268,763</u>	<u>8,300</u>
Economic environment	<u>181,409</u>	<u>184,954</u>	<u>237,820</u>	<u>(52,866)</u>
Culture and recreation				
Culture and recreation	2,097,293	2,186,053	2,038,972	147,081
Events	-	34,000	54,545	(20,545)
Arts and rec center	-	578,218	582,257	(4,039)
	<u>2,097,293</u>	<u>2,798,271</u>	<u>2,675,774</u>	<u>122,497</u>
Total expenditures	<u>18,493,520</u>	<u>20,121,286</u>	<u>19,841,287</u>	<u>279,999</u>

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, 2014

	<u>Budgeted Amounts</u>		<u>Actual Amounts, Budgetary Basis</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<u>(1,143,788)</u>	<u>(2,412,206)</u>	<u>(918,354)</u>	<u>1,493,852</u>
<b>Other Financing Sources (Uses):</b>				
Transfers in	456,600	456,600	554,531	97,931
Transfers out	<u>(72,037)</u>	<u>(505,181)</u>	<u>(489,209)</u>	<u>15,972</u>
Total other financing sources (uses)	<u>384,563</u>	<u>(48,581)</u>	<u>65,322</u>	<u>113,903</u>
<b>Net Change in Fund Balance</b>	<u>(759,225)</u>	<u>(2,460,787)</u>	<u>(853,032)</u>	<u>1,607,755</u>
<b>Fund Balance - beginning</b>	<u>10,089,442</u>	<u>10,089,442</u>	<u>10,089,442</u>	<u>-</u>
<b>Fund Balance - ending</b>	<u>\$ 9,330,217</u>	<u>\$ 7,628,655</u>	<u>\$ 9,236,410</u>	<u>\$ 1,607,755</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, 2014

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Intergovernmental revenues	\$ 2,400,000	\$ 2,400,000	\$ 2,545,507	\$ 145,507
Investment earnings	18,000	18,000	15,528	(2,472)
Miscellaneous	-	-	4,600	4,600
Total revenues	<u>2,418,000</u>	<u>2,418,000</u>	<u>2,565,635</u>	<u>147,635</u>
<b>Expenditures:</b>				
Current:				
General government	-	563,817	607,817	(44,000)
Public safety:				
Police	166,000	206,000	195,133	10,867
Fire control	377,000	393,812	393,812	-
	<u>543,000</u>	<u>599,812</u>	<u>588,945</u>	<u>10,867</u>
Transportation:				
Roads & streets	365,000	582,735	366,265	216,470
Physical Environment	40,000	40,000	-	40,000
Culture and recreation:				
Recreation programs	150,000	277,574	246,378	31,196
Total expenditures	<u>1,098,000</u>	<u>2,063,938</u>	<u>1,809,405</u>	<u>254,533</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<u>1,320,000</u>	<u>354,062</u>	<u>756,230</u>	<u>402,168</u>
<b>Other Financing Uses:</b>				
Transfers out	(2,841,005)	(2,691,005)	(429,459)	2,261,546
Total other financing uses	<u>(2,841,005)</u>	<u>(2,691,005)</u>	<u>(429,459)</u>	<u>2,261,546</u>
<b>Net Change in Fund Balances</b>	(1,521,005)	(2,336,943)	326,771	2,663,714
<b>Fund Balances - beginning</b>	2,346,207	2,346,207	2,346,207	-
<b>Fund Balances - ending</b>	<u>\$ 825,202</u>	<u>\$ 9,264</u>	<u>\$ 2,672,978</u>	<u>\$ 2,663,714</u>

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, 2014

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Taxes	\$ 187,805	\$ 187,805	\$ 187,642	\$ (163)
Investment earnings	9,800	9,800	4,952	(4,848)
Total revenues	<u>197,605</u>	<u>197,605</u>	<u>192,594</u>	<u>(5,011)</u>
<b>Expenditures:</b>				
Economic environment:				
Economic development	386,182	583,019	126,802	456,217
Total expenditures	<u>386,182</u>	<u>583,019</u>	<u>126,802</u>	<u>456,217</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<u>(188,577)</u>	<u>(385,414)</u>	<u>65,792</u>	<u>451,206</u>
<b>Other Financing Uses:</b>				
Transfers in	-	-	132	132
Total other financing uses	<u>-</u>	<u>-</u>	<u>132</u>	<u>132</u>
<b>Net Change in Fund Balances</b>	<u>(188,577)</u>	<u>(385,414)</u>	<u>65,924</u>	<u>451,338</u>
<b>Fund Balances - beginning</b>	<u>707,675</u>	<u>707,675</u>	<u>707,675</u>	<u>-</u>
<b>Fund Balances - ending</b>	<u>\$ 519,098</u>	<u>\$ 322,261</u>	<u>\$ 773,599</u>	<u>\$ 451,338</u>

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, 2014

	<b>Business-type Activities-Enterprise Funds</b>					<b>Governmental Activities- Internal Service Fund</b>
	<b>Water</b>	<b>Sewer</b>	<b>Sanitation</b>	<b>Stormwater</b>	<b>Total</b>	
<b>Assets:</b>						
Current assets:						
Cash and cash equivalents	\$ 7,059,918	\$ 8,449,645	\$ 4,270,214	\$ 1,802,070	\$ 21,581,847	\$ 829,044
Investments	7,190,702	-	-	-	7,190,702	-
Restricted cash and cash equivalents	830,501	700,278	-	-	1,530,779	-
Accounts receivable, net	565,630	535,865	261,403	76,580	1,439,478	-
Inventories	208,385	31,062	-	1,321	240,768	-
Prepaid expenses	24,136	6,108	-	-	30,244	600
Total current assets	<u>15,879,272</u>	<u>9,722,958</u>	<u>4,531,617</u>	<u>1,879,971</u>	<u>32,013,818</u>	<u>829,644</u>
Noncurrent assets:						
Restricted investments	-	7,078,390	-	-	7,078,390	-
Interest receivable	8,461	10,358	-	-	18,819	-
Capital assets:						
Land, buildings and equipment	31,525,119	60,638,135	3,276,221	4,824,006	100,263,481	-
Construction in progress	1,477,962	2,599,103	-	71,590	4,148,655	-
Less accumulated depreciation	(9,577,367)	(19,475,130)	(2,277,873)	(2,040,633)	(33,371,003)	-
Total capital assets (net of accumulated depreciation)	<u>23,425,714</u>	<u>43,762,108</u>	<u>998,348</u>	<u>2,854,963</u>	<u>71,041,133</u>	<u>-</u>
Total non-current assets	<u>23,434,175</u>	<u>50,850,856</u>	<u>998,348</u>	<u>2,854,963</u>	<u>78,138,342</u>	<u>-</u>
Total assets	<u>39,313,447</u>	<u>60,573,814</u>	<u>5,529,965</u>	<u>4,734,934</u>	<u>110,152,160</u>	<u>829,644</u>
<b>Deferred Outflows of Resources:</b>						
Deferred charge on refunding	192,060	354,727	-	-	546,787	-
Total deferred outflows of resources	<u>192,060</u>	<u>354,727</u>	<u>-</u>	<u>-</u>	<u>546,787</u>	<u>-</u>

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

**Liabilities:**

## Current liabilities:

Accounts payable	175,796	154,469	112,274	12,922	455,461	286,698
Salaries payable	40,286	34,327	18,465	8,847	101,925	-
Accrued interest payable	66,309	117,882	-	-	184,191	-
Compensated absences	13,068	9,260	4,282	1,188	27,798	-
Customer deposits payable	436,595	-	-	-	436,595	-
Revenue bonds payable-current	226,800	403,200	-	-	630,000	-
Total current liabilities	<u>958,854</u>	<u>719,138</u>	<u>135,021</u>	<u>22,957</u>	<u>1,835,970</u>	<u>286,698</u>

## Noncurrent liabilities:

Compensated absences	117,609	83,340	38,540	10,692	250,181	-
Other post employment benefits	416,942	313,763	240,475	82,113	1,053,293	-
Revenue bonds payable	4,943,184	8,787,885	-	-	13,731,069	-
Total non-current liabilities	<u>5,477,735</u>	<u>9,184,988</u>	<u>279,015</u>	<u>92,805</u>	<u>15,034,543</u>	<u>-</u>
Total liabilities	<u>6,436,589</u>	<u>9,904,126</u>	<u>414,036</u>	<u>115,762</u>	<u>16,870,513</u>	<u>286,698</u>

**Net Position:**

Net investment in capital assets	18,255,730	34,571,023	998,349	2,854,963	56,680,065	-
Restricted for capital improvements	1,500,368	8,716,607	-	-	10,216,975	-
Unrestricted	13,312,820	7,736,785	4,117,580	1,764,209	26,931,394	542,946
Total net position	<u>\$ 33,068,918</u>	<u>\$ 51,024,415</u>	<u>\$ 5,115,929</u>	<u>\$ 4,619,172</u>	<u>93,828,434</u>	<u>\$ 542,946</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.

122,891

Total Net Position per Government-Wide Financial Statements

\$ 93,951,325



CITY OF CLERMONT, FLORIDA

**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION**  
**PROPRIETARY FUNDS**

Year Ended September 30, 2014

	Business-type Activities-Enterprise Fund					Governmental
	Water	Sewer	Sanitation	Stormwater	Total	Activities- Internal Service Fund
<b>Operating Revenues:</b>						
Charges for services	\$ 5,144,980	\$ 5,570,563	\$ 2,857,032	\$ 878,007	\$ 14,450,582	\$ 3,065,960
Miscellaneous	216,982	14,271	12,340	3,314	246,907	87,457
Total operating revenues	5,361,962	5,584,834	2,869,372	881,321	14,697,489	3,153,417
<b>Operating Expenses:</b>						
Personnel services	1,694,145	1,427,666	843,388	376,474	4,341,673	-
Utilities	403,071	725,492	1,805	1,423	1,131,791	-
Dump fees	-	142,500	489,705	18,128	650,333	-
Administrative services	318,192	361,404	187,868	63,650	931,114	-
Repairs and maintenance	224,459	212,224	121,346	43,756	601,785	-
Depreciation and amortization	987,964	2,304,869	372,130	346,659	4,011,622	-
Professional services	233,329	371,581	53,897	58,060	716,867	2,400
Insurance claims and expenses	121,266	196,410	20,898	29,100	367,674	3,453,582
Other supplies and expenses	365,178	293,649	363,912	72,672	1,095,411	-
Total operating expenses	4,347,604	6,035,795	2,454,949	1,009,922	13,848,270	3,455,982
Operating income (loss)	1,014,358	(450,961)	414,423	(128,601)	849,219	(302,565)
<b>Nonoperating Revenues (Expenses):</b>						
Investment income	67,642	94,306	25,512	10,764	198,224	4,962
Interest expense	(211,497)	(376,812)	-	-	(588,309)	-
Gain (loss) on disposal of capital assets	-	-	1,765	-	1,765	-
Total nonoperating revenue (expenses)	(143,855)	(282,506)	27,277	10,764	(388,320)	4,962
Income (loss) before contributions and transfers	870,503	(733,467)	441,700	(117,837)	460,899	(297,603)
Capital contributions	839,836	1,576,921	-	-	2,416,757	-
Transfers in	14,990	12,969	8,049	3,539	39,547	-
Transfers out	(478,440)	-	-	-	(478,440)	(110,000)
Change in net position	1,246,889	856,423	449,749	(114,298)	2,438,763	(407,603)
<b>Total Net Position - Beginning</b>	31,822,029	50,167,992	4,666,180	4,733,470		950,549
<b>Total Net Position - Ending</b>	\$ 33,068,918	\$ 51,024,415	\$ 5,115,929	\$ 4,619,172		\$ 542,946
Change in net position, per above					2,438,763	

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.

(77,208)

Change in Business-Type Activities in Net Position per Government-Wide Financial Statements

\$ 2,361,555

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, 2014

	<b>Business-Type Activities-Enterprise Funds</b>					<b>Governmental</b>
	<b>Water</b>	<b>Sewer</b>	<b>Sanitation</b>	<b>Stormwater</b>	<b>Total</b>	<b>Activities- Internal Service Fund</b>
<b>Cash Flows from Operating Activities:</b>						
Receipts from customers	\$ 5,277,420	\$ 5,543,814	\$ 2,860,422	\$ 884,385	\$ 14,566,041	\$ -
Receipts from internal services provided	-	-	-	-	-	3,154,841
Payments to suppliers	(1,561,649)	(2,902,177)	(1,257,346)	(274,355)	(5,995,527)	(3,231,935)
Payments to employees	(1,583,969)	(1,340,291)	(783,894)	(353,297)	(4,061,451)	-
Net cash provided (used) by operating activities	2,131,802	1,301,346	819,182	256,733	4,509,063	(77,094)
<b>Cash Flows from Non-Capital Financing Activities:</b>						
Transfers in	14,990	12,969	8,049	3,539	39,547	-
Transfers out	(478,440)	-	-	-	(478,440)	(110,000)
Net cash provided (used) by non-capital financing activities	(463,450)	12,969	8,049	3,539	(438,893)	(110,000)
<b>Cash Flows from Capital and Related Financing Activities:</b>						
Acquisition of capital assets	(709,858)	(1,147,588)	(311,750)	(42,182)	(2,211,378)	-
Sale of capital assets	-	-	1,765	-	1,765	-
Interest paid on long-term debt	(202,913)	(360,733)	-	-	(563,646)	-
Principal paid on debt	(221,400)	(393,600)	-	-	(615,000)	-
Fees and assessments received	839,836	1,576,921	-	-	2,416,757	-
Net cash provided (used) by capital and related financing activities	(294,335)	(325,000)	(309,985)	(42,182)	(971,502)	-

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

<b>Cash Flows from Investing Activities:</b>						
Sale (Purchase) of investments	150,983	18,025	-	-	169,008	-
Investment income	119,258	110,647	25,512	10,764	266,181	4,962
Net cash provided by investing activities	<u>270,241</u>	<u>128,672</u>	<u>25,512</u>	<u>10,764</u>	<u>435,189</u>	<u>4,962</u>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>						
	1,644,258	1,117,987	542,758	228,854	3,533,857	(182,132)
<b>Cash and Cash Equivalents - beginning</b>						
	6,246,161	8,031,936	3,727,456	1,573,216	19,578,769	1,011,176
<b>Cash and Cash Equivalents - end</b>	<u>\$ 7,890,419</u>	<u>\$ 9,149,923</u>	<u>\$ 4,270,214</u>	<u>\$ 1,802,070</u>	<u>\$ 23,112,626</u>	<u>\$ 829,044</u>
<b>Classified As:</b>						
Cash and cash equivalents	\$ 7,059,918	\$ 8,449,645	\$ 4,270,214	\$ 1,802,070	\$ 21,581,847	\$ 829,044
Restricted cash and cash equivalents	830,501	700,278	-	-	1,530,779	-
Total	<u>\$ 7,890,419</u>	<u>\$ 9,149,923</u>	<u>\$ 4,270,214</u>	<u>\$ 1,802,070</u>	<u>\$ 23,112,626</u>	<u>\$ 829,044</u>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided By Operating Activities</b>						
Operating income (loss)	<u>\$ 1,014,358</u>	<u>\$ (450,961)</u>	<u>\$ 414,423</u>	<u>\$ (128,601)</u>	<u>\$ 849,219</u>	<u>\$ (302,565)</u>
<b>Adjustments Not Affecting Cash:</b>						
Depreciation and amortization	987,964	2,304,869	372,130	346,659	4,011,622	-
<b>Change in Assets and Liabilities:</b>						
Decrease (Increase) in accts receivable	(132,782)	(41,020)	(8,950)	3,064	(179,688)	1,424
Increase in customer deposits	48,240	-	-	-	48,240	-
Decrease in prepaid costs	23,555	44,980	12,510	9,697	90,742	(600)
Decrease (Increase) in inventory	97,016	(1,641)	-	(563)	94,812	-
Increase (Decrease) in accounts payable	(16,725)	(642,256)	(30,425)	3,300	(686,106)	224,647
Increase in accrued liabilities	110,176	87,375	59,494	23,177	280,222	-
Total adjustments	<u>1,117,444</u>	<u>1,752,307</u>	<u>404,759</u>	<u>385,334</u>	<u>3,659,844</u>	<u>225,471</u>
<b>Net Cash Provided (Used) by Operating Activities</b>						
	<u>\$ 2,131,802</u>	<u>\$ 1,301,346</u>	<u>\$ 819,182</u>	<u>\$ 256,733</u>	<u>\$ 4,509,063</u>	<u>\$ (77,094)</u>
<b>Noncash Investing, Capital, and Financing Activities:</b>						
Increase (Decrease) in Fair Value of Investments	\$ (47,436)	\$ (9,193)	\$ -	\$ -	\$ (56,629)	\$ -

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, 2014

	<b><u>Total Employee Pension Funds</u></b>
<b>Assets:</b>	
Cash and cash equivalents	\$ 139,054
Receivables:	
Due from state	393,584
Total receivables	<u>393,584</u>
Investments:	
U.S. Government & other debt securities	3,708,081
Equities	25,593,243
Total investments	<u>29,301,324</u>
 Total assets	 <u>29,833,962</u>
<b>Liabilities:</b>	
Refunds payable and other	199,235
Total liabilities	<u>199,235</u>
 <b>Net Position Held in Trust for Pension Benefits</b>	 <b><u>\$ 29,634,727</u></b>

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, 2014

	<b><u>Total Employee Pension Funds</u></b>
<b>Additions:</b>	
Contributions:	
Employer	\$ 1,498,041
Plan members	182,253
State	393,584
Total contributions	<u>2,073,878</u>
Investment earnings:	
Net increase in fair value of investments	<u>2,404,423</u>
Total net investment earnings	<u>2,404,423</u>
Total additions	<u>4,478,301</u>
<b>Deductions:</b>	
Benefits/distributions	570,619
Administrative	85,707
Total deductions	<u>656,326</u>
<b>Change in Net Position</b>	3,821,975
<b>Net Position - beginning</b>	<u>25,812,752</u>
<b>Net Position - ending</b>	<u><u>\$ 29,634,727</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, 2014

**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, since the City Council provides all governing board activities related to the Redevelopment Fund.

**NOTES TO FINANCIAL STATEMENTS**

September 30, 2014

**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 changes in net position) 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**

September 30, 2014

**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.

*Debt Service Fund* is used to account for the accumulation of resources for the payment of principal and interest on certain long-term debt.

*Cemetery Perpetual Care* accounts for activities of the City relative to cemetery maintenance at specified locations. Fund resources are restricted. Only earnings on invested resources may be used to support these activities.

**NOTES TO FINANCIAL STATEMENTS**

September 30, 2014

**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.

**Nonmajor Proprietary Funds**

*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.

*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**

September 30, 2014

**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. The City's investments consist of investments authorized per their investment policy adopted in accordance with Section 218.415, Florida Statutes. The City has implemented Government Accounting Standards Board (GASB) Statement No. 40, Deposit and Investment Risk Disclosures.

**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**

September 30, 2014

**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**

September 30, 2014

**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 estimated fair market value at the date of donation.

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

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

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

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

**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**

September 30, 2014

**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 only has one item that qualifies for reporting in this category. It is the deferred charge on refunding 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.

**NOTES TO FINANCIAL STATEMENTS**

September 30, 2014

**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**

September 30, 2014

**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.

***E. New GASB Statement Implemented:***

GASB Statement No. 67, *Financial Reporting for Pension Plans*. This statement replaces the requirements of GASB Statement No. 25, *Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Pension Plans*, and Statement No. 50, *Pension Disclosures*, as they relate to pension plans that are administered through trusts or equivalent arrangements that meet certain criteria. This City has implemented the disclosure requirements in Note 9, and the Required Supplementary Information for the City's Defined Benefit and Defined Contribution Retirement Plans.

**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 \$9,594,746 difference are as follows:

Capital Outlay	\$ 11,484,057
Depreciation Expense	<u>(1,889,311)</u>
Net adjustment to increase <i>net changes in fund balances - total governmental funds</i> to arrive at <i>changes in net position of governmental activities</i>	<u>\$ 9,594,746</u>

**NOTES TO FINANCIAL STATEMENTS**

September 30, 2014

**Note 2 - Reconciliation of Government-Wide and Fund Financial Statements (Continued):**

**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 (Continued)**

Another element of that reconciliation states that “The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position.” The details of this \$(5,429,401) difference are as follows:

Debt Issued or Incurred	\$ (6,000,000)
Principal Repayment	570,599
	<hr/>
Net adjustment to <i>decrease net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities</i>	<u>\$ (5,429,401)</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	\$ (138,067)
Other Post Employment Benefits	(666,672)
Accrued Interest Payable	(58,927)
	<hr/>
Net Adjustment to <i>Decrease Net Changes in Fund Balances - total governmental funds to arrive at changes in net position of governmental activities</i>	<u>\$ (863,666)</u>

**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.

**NOTES TO FINANCIAL STATEMENTS**

September 30, 2014

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

***A. Budgetary Information (Continued) -***

- (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, these data are not presented 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.

***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.

**NOTES TO FINANCIAL STATEMENTS**

September 30, 2014

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

***C. Expenditures in Excess of Appropriations -***

Expenditures exceeded appropriations in various departments of the General Fund, Infrastructure Special Revenue Fund, Capital Projects Fund, and Fire Impact Fee Fund. These excess expenditures were funded by greater than anticipated revenues and available fund balance.

**Note 4 - Cash and Investments:**

***Deposits***

At year-end, the carrying amount of the City's deposits was \$39,304,164 and the bank balance was \$40,275,664. Fiduciary fund cash held by the pension fund is not in the City's bank. 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.
- (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.

CITY OF CLERMONT, FLORIDA

**NOTES TO FINANCIAL STATEMENTS**

September 30, 2014

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

***Investments (Continued)***

The assets of the City's police and firefighters pension funds, as well as the 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, 2014 are summarized below. Defined benefit pension plan investments, other than \$25,593,243 in mutual funds, investing in equity securities, are included below. In accordance with GASB 31, investments are reported at fair value.

<u>Investment Type</u>	<u>Fair Value</u>	<u>Credit Rating</u>	<u>Weighted Average Maturity</u>
Federal Agency Bond	\$ 2,847,646	AA+	1.98 years
US Treasury Notes	12,285,962	TSY	1.89 years
Corporate Note	1,504,925	AAA/AA	1.8 years
Commercial Paper	1,149,652	A-1	66 days
Municipal Bond	473,656	AA+/AA	1.6 years
Pension Fixed Income Securities	3,708,081	AA/V4	4.77 years
	<u>\$ 21,969,922</u>		

**Credit Risk:**

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

**Custodial Credit Risk:**

In the case of deposits, this is the risk that in the event of a bank failure, the City's deposits may not be returned to it. The City's investment policy requires that bank deposits be secured as provided by Chapter 280, Florida Statutes. This law requires local governments to deposit funds only in financial institutions designated as qualified public depositories by the Chief Financial Officer of the State of Florida, and creates the Public Deposits Trust Fund, a multiple financial institution pool with the ability to assess its member financial institutions for collateral shortfalls if a default or insolvency has occurred. At September 30, 2014, 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, 2014, 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.

CITY OF CLERMONT, FLORIDA

**NOTES TO FINANCIAL STATEMENTS**

September 30, 2014

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

***Investments (Continued)***

Concentration of Credit Risk:

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

Interest Rate Risk:

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

**Note 5 - Receivables:**

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

	<u>General Fund</u>	<u>Water Fund</u>	<u>Sewer Fund</u>	<u>Sanitation Fund</u>	<u>Internal Service Fund</u>	<u>Nonmajor Enterprise Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total</u>
Receivables:								
Accounts	\$ 2,146,740	\$581,718	\$655,857	\$308,674	\$ -	\$ 92,696	\$ -	\$ 3,785,685
Taxes	106,200	-	-	-	-	-	-	106,200
Other	226,117	41,591	-	1,804	1,499	-	65	271,076
Less Allowance for Uncollectible Accounts	(2,094,894)	(57,679)	(120,122)	(49,075)	(1,499)	(16,116)	-	(2,339,385)
	<u>\$ 384,163</u>	<u>\$565,630</u>	<u>\$535,735</u>	<u>\$261,403</u>	<u>\$ -</u>	<u>\$ 76,580</u>	<u>\$ 65</u>	<u>\$ 1,823,576</u>

CITY OF CLERMONT, FLORIDA

**NOTES TO FINANCIAL STATEMENTS**

September 30, 2014

**Note 6 - Capital Assets:**

Capital asset activity for the year ended September 30, 2014 was as follows:

	<b>Beginning Balance</b>	<b>Increases</b>	<b>Decreases</b>	<b>Ending Balance</b>
<b>Governmental Activities:</b>				
Capital Assets, not being depreciated:				
Land	\$23,502,470	\$ 2,225,078	\$ -	\$25,727,548
Construction in progress	854,927	3,862,251	(749,769)	3,967,409
Total capital assets, not being depreciated	<u>24,357,397</u>	<u>6,087,329</u>	<u>(749,769)</u>	<u>29,694,957</u>
Capital Assets, being depreciated:				
Buildings	17,607,371	4,132,288	-	21,739,659
Improvements/infrastructure	14,436,811	828,204	-	15,265,015
Machinery and equipment	7,951,423	1,176,645	(317,895)	8,810,173
Intangibles	674,708	9,360	-	684,068
Total capital assets being depreciated	<u>40,670,313</u>	<u>6,146,497</u>	<u>(317,895)</u>	<u>46,498,915</u>
Less Accumulated Depreciation for:				
Buildings	(6,301,700)	(784,317)	-	(7,086,017)
Improvements/infrastructure	(9,085,082)	(589,156)	-	(9,674,238)
Machinery and equipment	(6,428,777)	(507,932)	317,895	(6,618,814)
Intangibles	(649,706)	(7,906)	-	(657,612)
Total accumulated depreciation	<u>(22,465,265)</u>	<u>(1,889,311)</u>	<u>317,895</u>	<u>(24,036,681)</u>
Total capital assets being depreciated, net	<u>18,205,048</u>	<u>4,257,186</u>	<u>-</u>	<u>22,462,234</u>
Governmental activities capital assets, net	<u>\$42,562,445</u>	<u>\$10,344,515</u>	<u>\$ (749,769)</u>	<u>\$52,157,191</u>

CITY OF CLERMONT, FLORIDA

**NOTES TO FINANCIAL STATEMENTS**

September 30, 2014

**Note 6 - Capital Assets (Continued):**

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
<b>Business-type activities:</b>				
Capital Assets, not being depreciated:				
Land	\$ 1,861,820	\$ -	\$ -	\$ 1,861,820
Construction in progress	3,902,977	1,390,601	(1,144,923)	4,148,655
Total capital assets, not being depreciated	<u>5,764,797</u>	<u>1,390,601</u>	<u>(1,144,923)</u>	<u>6,010,475</u>
Capital Assets, being depreciated:				
Buildings	37,178	-	-	37,178
Improvements/infrastructure	91,247,735	396,387	-	91,644,122
Machinery and equipment	5,046,911	1,459,234	(1,795)	6,504,350
Intangibles	105,932	110,079	-	216,011
Total capital assets being depreciated	<u>96,437,756</u>	<u>1,965,700</u>	<u>(1,795)</u>	<u>98,401,661</u>
Less Accumulated Depreciation for:				
Buildings	(37,178)	-	-	(37,178)
Improvements/infrastructure	(25,673,566)	(3,493,785)	-	(29,167,351)
Machinery and equipment	(3,544,500)	(517,378)	1,795	(4,060,083)
Intangibles	(105,932)	(459)	-	(106,391)
Total accumulated depreciation	<u>(29,361,176)</u>	<u>(4,011,622)</u>	<u>1,795</u>	<u>(33,371,003)</u>
Total capital assets being depreciated, net	<u>67,076,580</u>	<u>(2,045,922)</u>	<u>-</u>	<u>65,030,658</u>
Business-type activities capital assets, net	<u>\$72,841,377</u>	<u>\$ (655,321)</u>	<u>\$ (1,144,923)</u>	<u>\$71,041,133</u>

Depreciation expense was charged to functions/programs as follows:

<b>Governmental Activities:</b>	
General government	\$ 352,110
Public safety	695,317
Physical environment/transportation	479,493
Culture and recreation	362,391
Total Depreciation Expense - governmental activities	<u>\$ 1,889,311</u>
<b>Business-type Activities</b>	
Water	\$ 987,964
Sewer	2,304,869
Sanitation	372,130
Stormwater	346,659
Total Depreciation Expense - business-type activities	<u>\$ 4,011,622</u>

CITY OF CLERMONT, FLORIDA

**NOTES TO FINANCIAL STATEMENTS**

September 30, 2014

**Note 7 - Long-Term Debt:**

***Bonds Payable***

The City issues bonds to provide funds for the acquisition and construction of major capital assets. 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 \$19,861,121. For the fiscal year, principal and interest paid on this series was \$1,201,460 and total pledged revenue was \$4,018,178.

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

<u>Business-Type Activities</u>	<u>Interest Rates and Dates</u>	<u>Maturity</u>	<u>Original Amount</u>	<u>Balance September 30, 2014</u>
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>	<u>\$ 14,315,000</u>

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

Year Ending September 30,	<u>Business - Type Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2015	\$ 630,000	\$ 543,123
2016	650,000	523,922
2017	670,000	504,123
2018	690,000	483,723
2019	710,000	460,948
2020-2024	3,955,000	1,896,563
2025-2029	4,795,000	1,031,336
2030-2031	2,215,000	102,383
Total	<u>\$14,315,000</u>	<u>\$ 5,546,121</u>

***Notes Payable***

The Public Improvement Refunding Revenue Note, Series 2012, are secured by public services taxes, communications service tax and half cent sales tax revenue. Total principal and interest remaining to be paid on this series is \$2,081,165. For the fiscal year, principal and interest paid on this series was \$595,960 and total pledged revenue was \$5,670,486.

CITY OF CLERMONT, FLORIDA

**NOTES TO FINANCIAL STATEMENTS**

September 30, 2014

**Note 7 - Long-Term Debt (Continued):**

***Notes Payable (Continued)***

The City issued Public Improvement Revenue Note, Series 2013 in the amount of \$6,000,000 with interest of 3.05% to finance the purchase of the Arts and Recreation Center. This note is secured by public services taxes and communications service tax. Total principal and interest remaining to be paid on this series is \$7,478,596. For the fiscal year, interest paid on this series was \$82,350 and total pledged revenue was \$4,103,237.

Public improvement revenue notes outstanding at year end are as follows:

<b>Governmental Activities</b>	<b>Interest Rates and Dates</b>	<b>Maturity</b>	<b>Original Amount</b>	<b>Balance September 30, 2014</b>
Public Improvement Refunding Revenue Note, Series 2012	1.09% (6/1 & 12/1)	12/1/2013 to 12/1/2017	<u>\$ 2,612,000</u>	\$ 2,041,401
Public Improvement Revenue Note, Series 2013	3.05% (6/1 & 12/1)	12/1/2014 to 12/1/2028	<u>\$ 6,000,000</u>	6,000,000
				<u>\$ 8,041,401</u>

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

Year Ending September 30,	<b>Governmental Activities</b>	
	<b>Principal</b>	<b>Interest</b>
2015	\$ 883,731	\$ 197,438
2016	917,744	181,369
2017	933,957	164,668
2018	638,845	149,285
2019	363,461	136,805
2020-2024	1,990,510	508,179
2025-2029	2,313,153	180,616
Total	<u>\$8,041,401</u>	<u>\$1,518,360</u>

CITY OF CLERMONT, FLORIDA

**NOTES TO FINANCIAL STATEMENTS**

September 30, 2014

**Note 7 - Long-Term Debt (Continued):**

**Changes in Long-Term Liabilities**

Long-term liability activity for the year ended September 30, 2014 was as follows:

	<b>Beginning Balance</b>	<b>Additions</b>	<b>Deductions</b>	<b>Ending Balance</b>	<b>Due Within One Year</b>
<b>Governmental Activities</b>					
Public improvement revenue notes	\$ 2,612,000	\$ 6,000,000	\$ (570,599)	\$ 8,041,401	\$ 883,731
Other post employment benefits	2,295,193	666,672	-	2,961,865	-
Compensated absences	620,064	200,073	(62,006)	758,131	75,813
Governmental activity long-term liabilities	<u>\$ 5,527,257</u>	<u>\$ 6,866,745</u>	<u>\$ (632,605)</u>	<u>\$11,761,397</u>	<u>\$ 959,544</u>
<b>Business-type Activities</b>					
Bonds payable-					
Revenue bonds	\$14,930,000	\$ -	\$ (615,000)	\$14,315,000	\$ 630,000
Premium	48,906	-	(2,837)	46,069	-
Total bonds payable	<u>14,978,906</u>	<u>-</u>	<u>(617,837)</u>	<u>14,361,069</u>	<u>630,000</u>
Other post employment benefits	824,862	228,431	-	1,053,293	-
Compensated absences	241,470	60,656	(24,147)	277,979	27,798
Business-type activity long-term liabilities	<u>\$16,045,238</u>	<u>\$ 289,087</u>	<u>\$ (641,984)</u>	<u>\$15,692,341</u>	<u>\$ 657,798</u>

**Note 8 - Interfund Receivables, Payables and Transfers:**

Interfund transfers for the year ended September 30, 2014 consisted of the following:

<b>Transfers In:</b>	<b>Transfers Out</b>					<b>Total</b>
	<b>General Fund</b>	<b>Infrastructure Fund</b>	<b>Water Fund</b>	<b>Internal Service Fund</b>	<b>Nonmajor Govt</b>	
General Fund	\$ -	\$ -	\$ 478,440	\$ 70,025	\$ 6,066	\$ 554,531
Community Redevelopment	-	-	-	132	-	132
Capital Projects Fund	192,826	-	-	-	7,480,735	7,673,561
Water Fund	-	-	-	14,990	-	14,990
Sewer Fund	-	-	-	12,969	-	12,969
Sanitation Fund	-	-	-	8,049	-	8,049
Stormwater Fund	-	-	-	3,539	-	3,539
Nonmajor Governmental	296,383	429,459	-	296	382,484	1,108,622
	<u>\$ 489,209</u>	<u>\$ 429,459</u>	<u>\$ 478,440</u>	<u>\$ 110,000</u>	<u>\$7,869,285</u>	<u>\$ 9,376,393</u>

The majority of the transfers above were to cover various capital projects and debt service payments. The transfer from the Internal Service Fund is to refund a proportionate share to each contributing fund due to a higher than required reserve balance. The transfer out of the Water Fund is to cover their share of general fund expenses.

**NOTES TO FINANCIAL STATEMENTS**

September 30, 2014

**Note 9 - Retirement Plans:**

The City maintains three separate single-employer, defined benefit plans for general employees, sworn police officers and firefighters, as well as a defined contribution plan for general employees. The investment and administrative agent for the 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.

***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.

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.

**Summary of Significant Accounting Policies**

***Basis of Accounting*** - The Plans' financial statements are prepared using the accrual basis of accounting. Plan member contributions are recognized in the period in which the contributions are due. Employer contributions to each Plan are recognized when due and the employer has made a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of each plan.

***Method Used to Value Investments*** - Investments are reported at fair value. Short-term investments are reported at cost, which approximates fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. Investments that do not have an established market are reported at estimated fair value. There are no investments that exceed 5% of the plan net position.

Publicly available financial reports for each plan, that include detailed actuarial data, can be obtained from the City's Finance Department.

CITY OF CLERMONT, FLORIDA

**NOTES TO FINANCIAL STATEMENTS**

September 30, 2014

**Note 9 - Retirement Plans (Continued):**

***Plan Descriptions and Contribution Information -***

Membership of each of the defined benefit pension plans consisted of the following at October 1, 2014, the date of the latest actuarial valuations:

	<u>General Employees</u>	<u>Police Officers</u>	<u>Firefighters</u>
Retirees and Beneficiaries			
Currently Receiving Benefits	8	15	1
Terminated Plan Members Entitled to, but not yet receiving, benefits	-	14	62
Active Plan Members	-	60	58
Total	<u>8</u>	<u>89</u>	<u>121</u>

*Plan Descriptions-* The general employees defined benefit pension plan is for general employees hired prior to September 30, 1985. The police officers' and firefighters' defined benefit pension plans are both local law, single employer, defined benefit pension plans as defined under Florida Statutes, Chapters 175 and 185, which covers all sworn police officers and firefighters. 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 normal retirement date for firefighters for retirements after February 10, 2014 is the earlier of age 55 with at least 10 years of service, or any age with at least 20 years of service. For retirements prior to February 10, 2014 the normal retirement age was the attainment of age 55 and 10 years of service, or earlier attainment of age 52 and 25 years of service. The normal retirement date for police officers is 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 available after age 50 and 10 years of service; however, the early retirement benefit is reduced by 3% for each year before the normal retirement date.

*Contributions -* The City's actuarially determined contribution rate per the October 1, 2014 actuarial valuations is \$0 for general employees, 17.65% for police officers and 17.03% for firefighters. The City is no longer obligated to make contributions for general employees. Police officers make a minimum mandatory contribution of 3% and firefighters make a minimum mandatory contribution of 4%, in order to take advantage of the insurance premium tax rebate provided for in the statutes. Administrative costs are deducted from the net position of the plan.

CITY OF CLERMONT, FLORIDA

**NOTES TO FINANCIAL STATEMENTS**

September 30, 2014

**Note 9 - Retirement Plans (Continued):**

*Annual Pension Cost and Net Pension Obligation* - The City's annual pension cost and net pension obligation for the current year were as follows:

	<u>General Employees</u>	<u>Police Officers</u>	<u>Firefighters</u>
Annual Required Contribution (ARC)	\$ -	\$ 504,727	\$ 594,272
Interest on the Net Pension Obligation (Asset)	-	-	-
Adjustment to ARC	-	1,602	625
Annual Pension Cost	<u>\$ -</u>	<u>\$ 506,329</u>	<u>\$ 594,897</u>

The City has always contributed the ARC and thus has never been required to report a net pension obligation. Below is the required three-year trend information on annual pension cost.

**Three-Year Trend Information**

<u>Fiscal Year Ending</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>
<b><u>General Employees</u></b>		
9/30/2014	\$ -	N/A
9/30/2013	-	N/A
9/30/2012	-	N/A
<b><u>Police Officers</u></b>		
9/30/2014	\$ 506,329	100%
9/30/2013	468,959	100%
9/30/2012	661,002	100%
<b><u>Firefighters</u></b>		
9/30/2014	\$ 594,897	100%
9/30/2013	559,178	100%
9/30/2012	650,379	100%

CITY OF CLERMONT, FLORIDA

**NOTES TO FINANCIAL STATEMENTS**

September 30, 2014

**Note 9 - Retirement Plans (Continued):**

**Funded Status and Funding Progress - Pension Plans**

The funded status of each plan as of October 1, 2014, the most recent actuarial valuation date, is as follows:

	Actuarial Value of Assets <b>(a)</b>	Actuarial Accrued Liability (AAL) - Entry Age <b>(b)</b>	Unfunded AAL (UAAL) <b>(b - a)</b>	Funded Ratio <b>(a / b)</b>	Covered Payroll <b>(c)</b>	UAAL as a Percentage of Covered Payroll <b>((b - a) / c)</b>
General Employees	\$ 458,926	\$ 413,199	\$ -	111.1%	\$ -	N/A
Police Officers	12,281,709	10,893,088	-	112.8%	3,108,552	0.0%
Firefighters	8,319,434	6,999,221	-	118.9%	2,798,049	0.0%

The schedules of funding progress, presented as required supplementary information (RSI) following the notes to the financial statements, present multiyear trend information about whether the actuarial values of plan assets are increasing or decreasing over time relative to the AALs for benefits.

The City uses the aggregate actuarial cost method to value its pension plans, which does not identify or separately amortize unfunded actuarial liabilities. Information about the plan's funded status and funding progress has been prepared using the entry age actuarial cost method for that purpose, and the information presented is intended to serve as a surrogate for the funded status and funding progress of the plan.

Additional information as of the latest actuarial valuation follows:

	<b>General Employees</b>	<b>Police Officers</b>	<b>Firefighters</b>
Valuation date	10/1/2014	10/1/2014	10/1/2014
Actuarial Cost Method	Aggregate Cost	Aggregate Cost	Aggregate Cost
Amortization Method	Level Percentage, open	Level Percentage, open	Level Percentage, open
Remaining Amortization Period	30 years	30 years	30 years
Asset Valuation Method	Market Value	Market Value	Market Value
Actuarial Assumptions:			
Investment rate of return	7.0%	7.5%	7.5%
Projected salary increases (including inflation of 3.5%)	0.0%	5.5%	5.5%
Cost of living adjustment	0.0%	0.0%	0.0%
Mortality table	RP-2000 Mortality Table	RP-2000 Mortality Table	RP-2000 Mortality Table

**NOTES TO FINANCIAL STATEMENTS**

September 30, 2014

**Note 9 - Retirement Plans (Continued):**

The City implemented GASB Statement 67, *Financial Reporting for Pension Plans* for the year ended September 30, 2014. The required disclosures under GASB Statement 67 are as follows.

*Summary of Significant Accounting Policies*

*Method used to value investments* - Investments are reported at fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates.

*Plan Description*

*Plan Administration* - The General Employees' Pension, Police Pension and Fire Pension are administered by a Board of Trustees.

*Plan Membership* - At September 30, 2014 plan membership consisted of the following:

	General Employees	Police Officers' Retirement Trust	Firefighters' Pension Trust
Inactive Plan Members or Beneficiaries Currently Receiving Benefits	8	15	1
Inactive Plan Members Entitled to but Not Yet Receiving Benefits	-	14	62
Active Plan Members	-	60	58
	<u>8</u>	<u>89</u>	<u>121</u>

*Benefits Provided* - Both plans provide retirement, disability and death benefits.

Normal Retirement - General Employees

General Employees' Plan is for employees hired prior to September 30, 1985, and does not include any active employees.

Normal Retirement - Police and Fire

*Date:* Earlier of age 55 and 10 years of credited service, or 20 years of credited service, regardless of age.

*Benefit:* 2.25% of average earnings times service earned prior to October 1, 2002, plus 3% of average earnings time service earned after September 30, 2002.

Early Retirement - Police and Fire

*Eligibility:* Age 50 and 10 years of credited service. Basic pension formula reduced by 3% for each year by which the early retirement date precedes the normal retirement date.

**NOTES TO FINANCIAL STATEMENTS**

September 30, 2014

**Note 9 - Retirement Plans (Continued):**

Vesting - Police and Fire

50% vesting after five years of service, 60% vesting after six years of service, 70% vesting after seven years of service, 80% vesting after eight years of service, 90% vesting after nine years of service, and 100% vesting after 10 years of service.

Disability - Police and Fire

Greater of (i) basic pension formula, or (ii) 42% of average earnings (service-connected disabilities) or 25% of average earnings (non-service-connected disabilities); disability pension is offset by other City-provided disability benefits to the extent necessary to keep the total benefit from exceeding average earnings; non-service-connected disability pension requires at least 10 years of service.

Pre-Retirement Death Benefits - Police and Fire

Basic pension formula (payable to the beneficiary of a vested participant for 10 years certain beginning at the participant's early or normal retirement age or payable immediately with an actuarial adjustment).

*Contributions* - Employer contributions are actuarially determined. Fire employees must contribute 1% of pensionable earnings prior to February 10, 2014 and 4% of pensionable earnings thereafter; Police employees must contribute 3% of pensionable earnings; employee contribution requirement may be amended by City ordinance, but employer contribution requirement is subject to State minimums.

*Investments*

*Investment policy* - The following was the board's adopted asset allocation policy as of September 30, 2014:

Asset Class	Target Allocation		
	General Employees	Police Officers' Retirement Trust	Firefighters' Pension Trust
Core bonds	16%	16%	16%
Multi-sector	24%	24%	24%
U.S. large cap equity	39%	39%	39%
U.S. small cap equity	11%	11%	11%
Non-U.S. equity	10%	10%	10%
Total	100%	100%	100%

*Concentrations* - The Plan did not hold investments in any one organization that represents 5 percent or more of the Pension Plan's fiduciary net position.

CITY OF CLERMONT, FLORIDA

**NOTES TO FINANCIAL STATEMENTS**

September 30, 2014

**Note 9 - Retirement Plans (Continued):**

*Rate of return* - For the year ended September 30, 2014 the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 8.55 percent for all pension plans. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

*Deferred Retirement Option Program (DROP) Police and Fire* - 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, 2014 is \$144,781, and the Fire balance is \$0.

**Net Pension Liability of the City**

The components of the net pension liability of the sponsor on September 30, 2014 were as follows:

	General Employees	Police Officers' Retirement Trust	Firefighters' Pension Trust
Total Pension Liability	\$ 349,279	\$ 9,416,191	\$ 7,010,463
Plan Fiduciary Net Position	(458,926)	(12,281,709)	(8,319,434)
Sponsor's Net Pension Liability	<u>\$ (109,647)</u>	<u>\$ (2,865,518)</u>	<u>\$ (1,308,971)</u>
Plan Fiduciary Net Position as a Percentage of			
Total Pension Liability	131.39%	130.43%	118.67%

*Actuarial Assumptions* - The total pension liability was determined by an actuarial valuation as of October 1, 2012 for Police and Fire, and October 1, 2013 for General Employees, updated to September 30, 2014 using the following actuarial assumptions applied to all measurement periods.

	General Employees	Police Officers' Retirement Trust	Firefighters' Pension Trust
Inflation	3.59%	3.59%	3.59%
Salary Increases	0.00%	5.50%	5.50%
Investment Rate of Return	8.07%	8.07%	8.07%

Mortality rates were based on the sex-distinct rates set forth in the RP-2000 Mortality Table for annuitants and non-annuitants, projected to 2007 by Scale AA, as published by the Internal Revenue Service (IRS) for purposes of Internal Revenue Code (IRC) section 430; future generational improvements in mortality have not been reflected.

CITY OF CLERMONT, FLORIDA

**NOTES TO FINANCIAL STATEMENTS**

September 30, 2014

**Note 9 - Retirement Plans (Continued):**

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

Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of September 30, 2014 are summarized in the following table:

Asset Class	Long Term Expected Real Rate of Return		
	General	Police	Fire
Core bonds	2.29%	2.29%	2.29%
Multi-sector	2.78%	2.78%	2.78%
U.S. large cap equity	5.68%	5.68%	5.68%
U.S. small cap equity	6.24%	6.24%	6.24%
Non-U.S. equity	5.44%	5.44%	5.44%

*Discount rate* - The discount rate used to measure the total pension liability was 8.07% for all plans. 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.

The following presents the net pension liability of the sponsor, calculated using the discount rate, as well as what the City's net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	1% Decrease 7.07%	Current Discount Rate 8.07%	1% Increase 9.07%
General Pension Plan Net Pension Liability	\$ (92,080)	\$ (109,647)	\$ (125,608)
Police Pension Net Pension Liability	\$ (1,542,986)	\$ (2,865,518)	\$ (3,961,130)
Fire Pension Net Pension Liability	\$ (224,660)	\$ (1,308,971)	\$ (2,199,626)

CITY OF CLERMONT, FLORIDA

**NOTES TO FINANCIAL STATEMENTS**

September 30, 2014

**Note 9 - 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 2014 was \$5,145,440; the City's total payroll for City employees was \$12,060,654.

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 2014 was \$432,003.

**Note 10 - Other Post Employment Benefits:**

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

The most recent actuarial report for the City's Retiree Continuation Insurance Plan was prepared as of April 1, 2013. The annual required contribution and Net OPEB Obligation for the fiscal year ended September 30, 2014 is as follows:

Annual required contribution	\$1,112,968
Interest on net OPEB Obligation	124,802
Adjustment to annual required contribution	<u>(269,828)</u>
Annual OPEB Cost	967,942
Employer Contributions	<u>(72,839)</u>
Increase in Net OPEB Obligation	895,103
Net OPEB Obligation (beginning of year)	<u>3,120,055</u>
Net OPEB Obligation (end of year)	<u><u>\$4,015,158</u></u>

CITY OF CLERMONT, FLORIDA

**NOTES TO FINANCIAL STATEMENTS**

September 30, 2014

**Note 10 - Other Post Employment Benefits (Continued):**

**Three Year Trend Information-**

<b>Fiscal Year Ending</b>	<b>Annual OPEB Cost</b>	<b>Percentage of Cost Contributed</b>	<b>Net OPEB Obligation</b>
9/30/2012	\$ 614,000	8.0%	\$ 2,215,000
9/30/2013	1,010,011	10.0%	3,120,055
9/30/2014	967,942	7.5%	4,015,158

**Funded Status and Funding Progress - OPEB**

The funded status of the plan as of April 1, 2013, the most recent actuarial valuation date, is as follows:

<b>Actuarial Value of Assets</b>	<b>Actuarial Accrued Liability (AAL) - Entry Age</b>	<b>Unfunded AAL (UAAL)</b>	<b>Funded Ratio</b>	<b>Covered Payroll</b>	<b>UAAL as a Percentage of Covered Payroll</b>
<b>(a)</b>	<b>(b)</b>	<b>(b - a)</b>	<b>(a / b)</b>	<b>(c)</b>	<b>((b - a) / c)</b>
\$ -	\$ 5,563,664	\$ 5,563,664	0.0%	\$ 10,854,391	51.00%

**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 schedule of funding progress, presented as required supplementary information following the notes to the financial statements, present multiyear trend information about whether the actuarial values of plan assets are increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

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**

September 30, 2014

**Note 10 - Other Post Employment Benefits (Continued):**

**Summary of Actuarial Methods & Assumptions (Continued)**

**Actuarial Cost Method** - The projected unit credit cost method.

**Amortization Method** - level dollar closed over 15 years.

**Benefits Not Included** - None.

**Discount Rate** - 4.00%.

**Health Care Costs Trend Rates** -The cost of covered medical services has been assumed to increase in accordance with the following rates, compounded annually:

<u>Year</u>	<u>Increase</u>	<u>Year</u>	<u>Increase</u>	<u>Year</u>	<u>Increase</u>
2014	8.00%	2018	6.67%	2022	5.33%
2015	7.67%	2019	6.33%	2023	5.00%
2016	7.33%	2020	6.00%	and later	
2017	7.00%	2021	5.67%		

**Retiree Contribution Trend** - Same as Health Care Trend.

**Mortality** - RP-2000 Combined Mortality Table for males and females with mortality improvement projected to 2013 using Scale AA.

**Disability Rates** - None.

**Morbidity:**

<u>Age</u>	<u>Rate Per Age</u>
Under 65	3.50%
65 - 69	3.00%
70 - 74	2.50%
75 - 85	1.50%
86 and older	0.00%

**Election at Retirement** - One-third of future retirees will elect medical and dental coverage at retirement.

**Participation** - Actual coverage status is used. Active employees are assumed to continue at the current participation and coverage level in the active plan into retirement. If an employee waived active coverage, they are assumed to elect the OAP Plan.

**Marital Status** - One-third of active employees who elect retiree coverage are assumed to elect coverage for their spouse. Males are assumed to be three years older than females. Actual spouse data was used for current retirees.

CITY OF CLERMONT, FLORIDA

**NOTES TO FINANCIAL STATEMENTS**

September 30, 2014

**Note 11 - Risk Management:**

During fiscal year 1990, the City established an internal service fund to account for its uninsured risk of loss for employee medical and dental coverage. Under this program, the fund provides coverage for the first \$100,000 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 \$2,000,000.

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 \$286,698 represents claims processed through October 2014 which were applicable to the current fiscal year and any additional claims are deemed immaterial. Changes to the current claims liability are as follows:

	<u>2014</u>	<u>2013</u>
Claims Liabilities, beginning of year	\$ 62,051	\$ 113,599
Incurred Claims	3,453,582	2,507,804
Payments on Claims	(3,228,935)	(2,559,352)
Claims Liabilities, end of year	<u>\$ 286,698</u>	<u>\$ 62,051</u>

**Note 12 - Commitments and Contingencies:**

**Litigation** - The City is engaged in various liability claims incidental to the conduct of its general government operations at September 30, 2014. 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**

September 30, 2014

**Note 13 - Fund Balances:**

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

**Nonspendable**

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

**Spendable Fund Balance**

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

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

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

*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**

September 30, 2014

**Note 13 - Fund Balances (Continued):**

At September 30, 2014, the City's governmental fund balances were as follows:

	<u>General Fund</u>	<u>Infrastructure Special Revenue Fund</u>	<u>Community Redevelopment Special Revenue</u>	<u>Other Governmental Funds</u>	<u>Total</u>
Fund Balances					
Nonspendable					
Inventory/prepays	\$ 53,501	\$ -	\$ -	\$ 61,329	\$ 114,830
Cemetery	-	-	-	1,002,360	1,002,360
Spendable					
Restricted for:					
Police	312,121	-	-	2,771,273	3,083,394
Fire	-	-	-	395,145	395,145
Building Services	-	-	-	250,662	250,662
Culture and recreation	-	-	-	886,351	886,351
Community redevelopment	-	-	773,599	-	773,599
Infrastructure	-	2,672,978	-	-	2,672,978
Debt service	-	-	-	853,584	853,584
Assigned for:					
Subsequent year					
expenditures	1,201,989	-	-	-	1,201,989
Unassigned	7,668,799	-	-	-	7,668,799
	<u>\$ 9,236,410</u>	<u>\$ 2,672,978</u>	<u>\$ 773,599</u>	<u>\$ 6,220,704</u>	<u>\$18,903,691</u>

**Note 14 - Evaluation of Events:**

The City has evaluated subsequent events through the date of this report, the date the financial statements were available to be issued.

*REQUIRED SUPPLEMENTAL INFORMATION*



CITY OF CLERMONT, FLORIDA

**REQUIRED SUPPLEMENTARY INFORMATION**

September 30, 2014

***Schedules of Funding Progress - Pension Plans***

<b>Actuarial Valuation Date</b>	<b>Actuarial Value of Assets (a)</b>	<b>Actuarial Liability (AAL) - Entry Age (b)</b>	<b>Unfunded AAL (UAAL) (b - a)</b>	<b>Funded Ratio (a / b)</b>	<b>Covered Payroll (c)</b>	<b>UAAL as a Percentage of Covered Payroll ((b - a) / c)</b>
<b>General Employees</b>						
10/1/2005	\$ 816,972	\$ 816,972	\$ -	100.0%	\$ -	N/A
10/1/2006	794,277	794,277	-	100.0%	-	N/A
10/1/2007	822,401	822,401	-	100.0%	-	N/A
10/1/2009	573,379	566,885	-	101.2%	-	N/A
10/1/2011	488,225	412,730	-	118.3%	-	N/A
10/1/2014	458,926	413,199	-	111.1%	-	N/A
<b>Police Officers</b>						
10/1/2005	\$ 3,571,295	\$ 3,571,295	\$ -	100.0%	\$ 1,534,254	0.0%
10/1/2007	4,905,071	4,905,071	-	100.0%	2,356,375	0.0%
10/1/2009	5,288,822	6,163,934	875,112	85.8%	2,485,033	35.2%
10/1/2011	7,341,114	7,908,270	567,156	92.8%	2,548,993	22.3%
10/1/2012	9,291,324	8,632,023	-	107.6%	2,424,191	0.0%
10/1/2014	12,281,709	10,893,088	-	112.8%	3,108,552	0.0%
<b>Fire Fighters</b>						
10/1/2006	\$ 1,345,093	\$ 1,345,093	\$ -	100.0%	\$ 1,257,860	0.0%
10/1/2007	1,972,299	1,972,299	-	100.0%	2,031,230	0.0%
10/1/2009	2,609,047	2,596,659	-	100.5%	2,552,427	0.0%
10/1/2011	4,284,079	4,224,986	-	101.4%	2,792,489	0.0%
10/1/2012	5,898,932	5,068,853	-	116.4%	2,767,580	0.0%
10/1/2014	8,319,434	6,999,221	-	118.9%	2,798,049	0.0%

CITY OF CLERMONT, FLORIDA

**REQUIRED SUPPLEMENTARY INFORMATION**

September 30, 2014

***Schedules of Employer Contributions - Pension Plans***

Year Ended 9/30	Employer Contributions					
	General Employees		Police Officers		Firefighters	
	Annual Required Contribution	Percentage Contributed	Annual Required Contribution	Percentage Contributed	Annual Required Contribution	Percentage Contributed
2009	\$ -	100%	\$ 570,869	100%	\$ 432,919	100%
2010	3,051	100%	713,188	100%	616,742	100%
2011	3,051	100%	752,413	100%	650,663	100%
2012	-	100%	668,084	100%	653,186	100%
2013	-	100%	478,414	100%	563,291	100%
2014	-	100%	504,727	100%	594,272	100%

CITY OF CLERMONT, FLORIDA

**REQUIRED SUPPLEMENTARY INFORMATION**

September 30, 2014

***Schedule of Funding Progress - Retiree Continuation Insurance Plan***

**Schedule of Funding Progress**

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a % of Covered Payroll (b-a) / c
5/1/2009 *	\$ -	\$ 2,413,000	\$ 2,413,000	0.0%	\$ 10,764,000	22.4%
4/1/2011	-	2,909,000	2,909,000	0.0%	10,342,000	28.1%
4/1/2013	-	5,563,664	5,563,664	0.0%	10,854,391	51.0%

\*initial valuation date

***Schedule of Employer Contributions - Retiree Continuation Insurance Plan***

Fiscal Year Ending	Annual Required Contribution (ARC)	Percentage of ARC Contributed	Net OPEB Obligation
9/30/2009	\$ 571,000	5.0%	\$ 542,000
9/30/2010	611,000	5.0%	1,099,000
9/30/2011	649,000	7.0%	1,650,000
9/30/2012	691,000	7.0%	2,215,000
9/30/2013	1,112,968	10.0%	3,120,055
9/30/2014	1,112,968	6.5%	4,015,158

CITY OF CLERMONT, FLORIDA

**REQUIRED SUPPLEMENTARY INFORMATION**

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

September 30, 2014

	<b>General Employees</b>	<b>Police Officers' Retirement Trust</b>	<b>Firefighters' Pension Trust</b>
	9/30/2014	9/30/2014	9/30/2014
<b>Total Pension Liability</b>			
Service Cost	\$ -	\$ 524,531	\$ 596,543
Interest	28,229	723,246	530,089
Changes in Excess State Money	-	-	-
Differences Between Expected and Actual Experience	-	-	-
Changes of Assumptions	-	-	-
Benefit Payments, including refunds of employee contributions	(56,412)	(532,943)	(81,466)
Net Change in Total Pension Liability	(28,183)	714,834	1,045,166
Total Pension Liability-beginning	377,462	8,701,357	5,965,297
Total Pension Liability-ending (a)	<u>\$ 349,279</u>	<u>\$ 9,416,191</u>	<u>\$ 7,010,463</u>
<b>Plan Fiduciary Net Position</b>			
Contributions-employer	-	507,654	558,384
Contributions-state	-	217,653	175,931
Contributions-employee	-	95,733	86,520
Net Investment Income	40,560	1,043,669	704,466
Benefit Payments, Including Refunds of Employee Contributions	(66,212)	(283,179)	(2,828)
Administrative Expense	(3,136)	(31,851)	(24,109)
Other	-	-	-
Net Change in Plan Fiduciary Net Position	(28,788)	1,549,679	1,498,364
Plan Fiduciary Net Position- beginning	487,714	11,877,631	7,985,259
Plan Fiduciary Net Position- ending (b)	<u>\$ 458,926</u>	<u>\$ 13,427,310</u>	<u>\$ 9,483,623</u>
Net Pension Liability - ending (a)- (b)	<u>\$ (109,647)</u>	<u>\$ (4,011,119)</u>	<u>\$ (2,473,160)</u>
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	131.39%	142.60%	135.28%
Covered-employee Payroll	\$ -	\$ 3,429,102	\$ 2,767,580
Net Pension Liability as a Percentage of Covered Employee Payroll	N/A	-116.97%	-89.36%

CITY OF CLERMONT, FLORIDA

**REQUIRED SUPPLEMENTARY INFORMATION**

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

September 30, 2014

	<u>9/30/2014</u>	
Actuarially Determined Contribution	\$	-
Contributions in Relation to the Actuarially Determined Contribution		-
Contribution Deficiency (Excess)	\$	-
Covered Employee Payroll		-
Contributions as a Percentage of Covered employee Payroll		N/A

Notes to Schedule

Valuation Date 10/1/2014

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	3.59%
Salary Increases	N/A
Interest Rate	8.07% per year, compounded annually, net of investment expenses

**Schedule of Investment Returns**

**9/30/2014**

Annual money-weighted rate of return, net of investment expenses	8.55%
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CITY OF CLERMONT, FLORIDA

**REQUIRED SUPPLEMENTARY INFORMATION**

**SCHEDULE OF CONTRIBUTIONS AND INVESTMENT RETURNS  
POLICE**

September 30, 2014

	<u>9/30/2014</u>
Actuarially Determined Contribution	\$ 629,606
Contributions in Relation to the Actuarially Determined Contribution	<u>629,606</u>
Contribution Deficiency (Excess)	<u>\$ -</u>
Covered Employee Payroll	2,424,191
Contributions as a Percentage of Covered employee Payroll	25.97%

Notes to Schedule

Valuation Date 10/1/2014

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	8.07% per annum (3.59% 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 Mortality Table for annuitants and non-annuitants, projected to 2007 by Scale AA, as published by the Internal Revenue Service (IRS) for purposes of Internal Revenue Code (IRC) section 430; future generational improvements in mortality have not been reflected
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**

**9/30/2014**

Annual money-weighted rate of return, net of investment expenses 8.55%

CITY OF CLERMONT, FLORIDA

**REQUIRED SUPPLEMENTARY INFORMATION**

**SCHEDULE OF CONTRIBUTIONS AND INVESTMENT RETURNS  
FIRE**

September 30, 2014

	<u>9/30/2014</u>
Actuarially Determined Contribution	\$ 614,833
Contributions in Relation to the Actuarially Determined Contribution	<u>614,833</u>
Contribution Deficiency (Excess)	<u>\$ -</u>
Covered Employee Payroll	2,767,580
Contributions as a Percentage of Covered employee Payroll	22.22%

Notes to Schedule

Valuation Date 10/1/2014  
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	8.07% per annum (3.59% 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 Mortality Table for annuitants and non-annuitants, projected to 2007 by Scale AA, as published by the Internal Revenue Service (IRS) for purposes of Internal Revenue Code (IRC) section 430; future generational improvements in mortality have not been reflected
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**

9/30/2014

Annual money-weighted rate of return, net of investment expenses	8.55%
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*COMBINING AND INDIVIDUAL FUND  
STATEMENTS AND SCHEDULES*



## **MAJOR GOVERNMENTAL FUNDS**

### **Capital Projects Fund**

#### **Capital Projects Fund**

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

CITY OF CLERMONT, FLORIDA

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

Year Ended September 30, 2014

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Intergovernmental revenues	\$ 2,481,804	\$ 2,481,804	\$ 1,716,051	\$ (765,753)
Investment earnings	12,000	12,000	1,830	(10,170)
Total revenues	<u>2,493,804</u>	<u>2,493,804</u>	<u>1,717,881</u>	<u>(775,923)</u>
<b>Expenditures:</b>				
Current:				
Culture and recreation	-	-	10,135	(10,135)
Public safety:				
Police	123,677	136,277	-	136,277
Capital Outlay:				
Public safety	6,635,710	6,508,510	60,687	6,447,823
Culture and recreation	3,272,449	10,242,443	9,320,620	921,823
Total expenditures	<u>10,031,836</u>	<u>16,887,230</u>	<u>9,391,442</u>	<u>7,495,788</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<u>(7,538,032)</u>	<u>(14,393,426)</u>	<u>(7,673,561)</u>	<u>6,719,865</u>
<b>Other Financing Sources:</b>				
Transfers in	<u>7,538,032</u>	<u>14,393,426</u>	<u>7,673,561</u>	<u>(6,719,865)</u>
Total other financing sources	<u>7,538,032</u>	<u>14,393,426</u>	<u>7,673,561</u>	<u>(6,719,865)</u>
<b>Net Change in Fund Balance</b>	-	-	-	-
<b>Fund Balances - beginning</b>	-	-	-	-
<b>Fund Balances - ending</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

## OTHER GOVERNMENTAL FUNDS

### Special Revenue Funds

#### Recreation Impact Fees Fund

This fund was established to account for recreation impact fees collected from new developments constructed in the City which are restricted for use in funding capital facilities and equipment directly related to new growth.

#### Police Impact Fees Fund

This fund was established to account for police impact fees collected from new developments constructed in the City which are restricted for use in funding capital facilities and equipment directly related to new growth.

#### Fire Impact Fee Fund

This fund was established to account for fire impact fees collected from new developments constructed in the City which are restricted for use in funding capital facilities and equipment directly related to new growth.

#### Building Services Fund

This fund was established to account for the operations of the City's building and other permits department which are restricted for use in funding capital facilities and equipment directly related to new growth.

### Debt Service Fund

#### Debt Service Fund

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

### Permanent Fund

#### Cemetery Perpetual Care Fund

This fund is used to account for monies provided by people buying lots in the City cemetery. The principal must be kept separate and apart from all other funds, but the interest may be transferred to the General Fund to defray the cost of cemetery operation and maintenance.

CITY OF CLERMONT, FLORIDA

**COMBINING BALANCE SHEET**  
**OTHER GOVERNMENTAL FUNDS**

September 30, 2014

**Special Revenue**

	<b>Recreation Impact Fees</b>	<b>Police Impact Fees</b>	<b>Fire Impact Fees</b>	<b>Building Services</b>	<b>Total</b>
<b>Assets:</b>					
Cash and cash equivalents	\$ 886,351	\$ 2,771,273	\$ 395,145	\$ 258,010	\$ 4,310,779
Other receivables	-	-	-	-	-
Prepaid costs	-	-	60,775	554	61,329
<b>Total assets</b>	<b>\$ 886,351</b>	<b>\$ 2,771,273</b>	<b>\$ 455,920</b>	<b>\$ 258,564</b>	<b>\$ 4,372,108</b>
<b>Liabilities and Fund Balances:</b>					
Liabilities:					
Accounts payable	\$ -	\$ -	\$ -	\$ 7,348	\$ 7,348
<b>Total liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>7,348</b>	<b>7,348</b>
Fund balances:					
Nonspendable	-	-	60,775	554	61,329
Restricted	886,351	2,771,273	395,145	250,662	4,303,431
<b>Total fund balances</b>	<b>886,351</b>	<b>2,771,273</b>	<b>455,920</b>	<b>251,216</b>	<b>4,364,760</b>
<b>Total liabilities and fund balances</b>	<b>\$ 886,351</b>	<b>\$ 2,771,273</b>	<b>\$ 455,920</b>	<b>\$ 258,564</b>	<b>\$ 4,372,108</b>

<b>Debt Service</b>	<b>Permanent Fund - Cemetery Perpetual Care</b>	<b>Total Nonmajor Governmental Funds</b>
\$ 853,584	\$ 1,002,445	\$ 6,166,808
-	65	65
-	-	61,329
<u>\$ 853,584</u>	<u>\$ 1,002,510</u>	<u>\$ 6,228,202</u>
\$ -	\$ 150	\$ 7,498
-	150	7,498
-	1,002,360	1,063,689
853,584	-	5,157,015
<u>853,584</u>	<u>1,002,360</u>	<u>6,220,704</u>
<u>\$ 853,584</u>	<u>\$ 1,002,510</u>	<u>\$ 6,228,202</u>

CITY OF CLERMONT, FLORIDA

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

Year Ended September 30, 2014

**Special Revenue**

	<b>Recreation Impact Fees</b>	<b>Police Impact Fees</b>	<b>Fire Impact Fees</b>	<b>Building Services</b>	<b>Total</b>
<b>Revenues:</b>					
Licenses and permits	\$ -	\$ -	\$ -	\$ 801,912	\$ 801,912
Charges for services	-	-	-	173,118	173,118
Impact fees/special assessments	859,387	278,653	262,582	-	1,400,622
Investment earnings	9,017	17,032	2,240	1,994	30,283
Miscellaneous	-	-	-	287	287
Total revenues	<u>868,404</u>	<u>295,685</u>	<u>264,822</u>	<u>977,311</u>	<u>2,406,222</u>
<b>Expenditures:</b>					
Current:					
Public safety	-	-	-	913,970	913,970
Culture and recreation	16,013	-	-	-	16,013
Debt Service:					
Principal	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Total expenditures	<u>16,013</u>	<u>-</u>	<u>-</u>	<u>913,970</u>	<u>929,983</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<u>852,391</u>	<u>295,685</u>	<u>264,822</u>	<u>63,341</u>	<u>1,476,239</u>
<b>Other Financing Uses:</b>					
Notes payable	-	-	-	-	-
Transfers in	-	-	-	296	296
Transfers out	(1,637,683)	(130,101)	(95,435)	-	(1,863,219)
Total other financing uses	<u>(1,637,683)</u>	<u>(130,101)</u>	<u>(95,435)</u>	<u>296</u>	<u>(1,862,923)</u>
<b>Net Change in Fund Balances</b>	<u>(785,292)</u>	<u>165,584</u>	<u>169,387</u>	<u>63,637</u>	<u>(386,684)</u>
<b>Fund Balances - beginning</b>	<u>1,671,643</u>	<u>2,605,689</u>	<u>286,533</u>	<u>187,579</u>	<u>4,751,444</u>
<b>Fund Balances - ending</b>	<u>\$ 886,351</u>	<u>\$ 2,771,273</u>	<u>\$ 455,920</u>	<u>\$ 251,216</u>	<u>\$ 4,364,760</u>

<b>Debt Service</b>	<b>Permanent Fund - Cemetery Perpetual Care</b>	<b>Total Nonmajor Governmental Funds</b>
\$ -	\$ -	\$ 801,912
-	-	173,118
-	-	1,400,622
2,325	6,066	38,674
-	64,800	65,087
<u>2,325</u>	<u>70,866</u>	<u>2,479,413</u>
-	-	913,970
-	-	16,013
570,599	-	570,599
177,539	-	177,539
<u>748,138</u>	<u>-</u>	<u>1,678,121</u>
<u>(745,813)</u>	<u>70,866</u>	<u>801,292</u>
6,000,000	-	6,000,000
1,108,326	-	1,108,622
<u>(6,000,000)</u>	<u>(6,066)</u>	<u>(7,869,285)</u>
<u>1,108,326</u>	<u>(6,066)</u>	<u>(760,663)</u>
362,513	64,800	40,629
491,071	937,560	6,180,075
<u>\$ 853,584</u>	<u>\$ 1,002,360</u>	<u>\$ 6,220,704</u>

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, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Impact fees/special assessments	\$ 500,000	\$ 1,000,000	\$ 859,387	\$ (140,613)
Investment earnings	6,700	6,700	9,017	2,317
Total revenues	<u>506,700</u>	<u>1,006,700</u>	<u>868,404</u>	<u>(138,296)</u>
<b>Expenditures:</b>				
Current:				
Culture and recreation	400,000	172,492	16,013	156,479
Total expenditures	<u>400,000</u>	<u>172,492</u>	<u>16,013</u>	<u>156,479</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<u>106,700</u>	<u>834,208</u>	<u>852,391</u>	<u>18,183</u>
<b>Other Financing Uses</b>				
Transfers out	(790,645)	(1,767,973)	(1,637,683)	130,290
Total other financing uses	<u>(790,645)</u>	<u>(1,767,973)</u>	<u>(1,637,683)</u>	<u>130,290</u>
<b>Net Change in Fund Balances</b>	(683,945)	(933,765)	(785,292)	148,473
<b>Fund Balances - beginning</b>	1,671,643	1,671,643	1,671,643	-
<b>Fund Balances - ending</b>	<u>\$ 987,698</u>	<u>\$ 737,878</u>	<u>\$ 886,351</u>	<u>\$ 148,473</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, 2014

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Impact fees/special assessments	\$ 125,000	\$ 250,000	\$ 278,653	\$ 28,653
Investment earnings	13,500	13,500	17,032	3,532
Total revenues	<u>138,500</u>	<u>263,500</u>	<u>295,685</u>	<u>32,185</u>
<b>Expenditures:</b>				
Current:				
Public Safety:				
Law enforcement	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<u>138,500</u>	<u>263,500</u>	<u>295,685</u>	<u>32,185</u>
<b>Other Financing Sources (Uses)</b>				
Transfers in	1,659,052	1,659,052	-	(1,659,052)
Transfers out	(4,338,603)	(4,444,539)	(130,101)	4,314,438
Total other financing sources (uses)	<u>(2,679,551)</u>	<u>(2,785,487)</u>	<u>(130,101)</u>	<u>2,655,386</u>
<b>Net Change in Fund Balances</b>	(2,541,051)	(2,521,987)	165,584	2,687,571
<b>Fund Balances - beginning</b>	2,605,689	2,605,689	2,605,689	-
<b>Fund Balances - ending</b>	<u>\$ 64,638</u>	<u>\$ 83,702</u>	<u>\$ 2,771,273</u>	<u>\$ 2,687,571</u>

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, 2014

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Impact fees/special assessments	\$ 95,000	\$ 145,000	\$ 262,582	\$ 117,582
Investment earnings	600	600	2,240	1,640
Total revenues	<u>95,600</u>	<u>145,600</u>	<u>264,822</u>	<u>119,222</u>
<b>Expenditures:</b>				
Current:				
Public safety:				
Fire control	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<u>95,600</u>	<u>145,600</u>	<u>264,822</u>	<u>119,222</u>
<b>Other Financing Uses:</b>				
Transfers out	(94,049)	(94,049)	(95,435)	(1,386)
Total other financing sources	<u>(94,049)</u>	<u>(94,049)</u>	<u>(95,435)</u>	<u>(1,386)</u>
<b>Net Change in Fund Balances</b>	1,551	51,551	169,387	117,836
<b>Fund Balances - beginning</b>	286,533	286,533	286,533	-
<b>Fund Balances - ending</b>	<u>\$ 288,084</u>	<u>\$ 338,084</u>	<u>\$ 455,920</u>	<u>\$ 117,836</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, 2014

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Licenses and permits	\$ 500,000	\$ 801,987	\$ 801,912	\$ (75)
Charges for services	60,700	170,499	173,118	2,619
Investment earnings	1,000	1,000	1,994	994
Miscellaneous	500	500	287	(213)
Total revenues	<u>562,200</u>	<u>973,986</u>	<u>977,311</u>	<u>3,325</u>
<b>Expenditures:</b>				
Current:				
Public safety	<u>583,197</u>	<u>1,139,846</u>	<u>913,970</u>	<u>225,876</u>
Total expenditures	<u>583,197</u>	<u>1,139,846</u>	<u>913,970</u>	<u>225,876</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>				
	<u>(20,997)</u>	<u>(165,860)</u>	<u>63,341</u>	<u>229,201</u>
<b>Other Financing Sources (Uses):</b>				
Transfers in	-	-	296	296
Total other financing sources and uses	<u>-</u>	<u>-</u>	<u>296</u>	<u>296</u>
<b>Net Change in Fund Balances</b>	<u>(20,997)</u>	<u>(165,860)</u>	<u>63,637</u>	<u>229,497</u>
<b>Fund Balances - beginning</b>	<u>187,579</u>	<u>187,579</u>	<u>187,579</u>	<u>-</u>
<b>Fund Balances - ending</b>	<u>\$ 166,582</u>	<u>\$ 21,719</u>	<u>\$ 251,216</u>	<u>\$ 229,497</u>

CITY OF CLERMONT, FLORIDA

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

Year Ended September 30, 2014

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Investment earnings	\$ 2,000	\$ 2,000	\$ 2,325	\$ 325
Total revenues	2,000	2,000	2,325	325
<b>Expenditures:</b>				
Debt Service:				
Principal	570,599	825,409	570,599	254,810
Interest and fiscal charges	25,811	282,015	177,539	104,476
Total expenditures	596,410	1,107,424	748,138	359,286
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<u>(594,410)</u>	<u>(1,105,424)</u>	<u>(745,813)</u>	<u>359,611</u>
<b>Other Financing Sources:</b>				
Notes payable	-	6,000,000	6,000,000	-
Transfers in	598,307	1,109,321	1,108,326	(995)
Transfers out	-	(6,000,000)	(6,000,000)	-
Total other financing sources	598,307	1,109,321	1,108,326	(995)
<b>Net Change in Fund Balances</b>	3,897	3,897	362,513	358,616
<b>Fund Balances - beginning</b>	491,071	491,071	491,071	-
<b>Fund Balances - ending</b>	<u>\$ 494,968</u>	<u>\$ 494,968</u>	<u>\$ 853,584</u>	<u>\$ 358,616</u>

## **FIDUCIARY FUNDS**

### **Pension Trust Funds**

<b>General Employees' Pension Trust Fund</b>	This fund is used 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.
<b>Police Officers' Pension Trust Fund</b>	This fund is used to account for the accumulation of resources to be used for the retirement annuities of all police officers. The state contributes an amount determined by an actuarial study.
<b>Firefighters' Pension Trust Fund</b>	This fund is used to account for the accumulation of resources to be used for the retirement annuities of all firefighters. The state contributes money based upon the number of firefighters 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, 2014

	<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>			
<b>Assets:</b>					
Cash and cash equivalents	\$ 2,754	\$ -	\$ 80,427	\$ 55,873	\$ 139,054
Receivables:					
Due from state	-	-	217,653	175,931	393,584
Total receivables	-	-	217,653	175,931	393,584
Investments:					
U.S. Government & other debt securities	73,428	-	2,144,716	1,489,937	3,708,081
Equities	382,744	6,264,868	11,179,333	7,766,298	25,593,243
Total Investments	456,172	6,264,868	13,324,049	9,256,235	29,301,324
Total assets	458,926	6,264,868	13,622,129	9,488,039	29,833,962
<b>Liabilities:</b>					
Refunds payable and other	-	-	194,819	4,416	199,235
Total liabilities	-	-	194,819	4,416	199,235
<b>Net Position Held in Trust for Pension Benefits</b>	<b>\$ 458,926</b>	<b>\$ 6,264,868</b>	<b>\$ 13,427,310</b>	<b>\$ 9,483,623</b>	<b>\$ 29,634,727</b>

CITY OF CLERMONT, FLORIDA

**COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION**  
**FIDUCIARY FUNDS**

Year Ended September 30, 2014

	<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>			
<b>Additions:</b>					
Contributions:					
Employer	\$ -	\$ 432,003	\$ 507,654	\$ 558,384	\$ 1,498,041
Plan members	-	-	95,733	86,520	182,253
State	-	-	217,653	175,931	393,584
Total contributions	-	432,003	821,040	820,835	2,073,878
Investment earnings:					
Net increase (decrease) in fair value of investments	40,560	615,728	1,043,669	704,466	2,404,423
Total net investment earnings	40,560	615,728	1,043,669	704,466	2,404,423
Total additions	40,560	1,047,731	1,864,709	1,525,301	4,478,301
<b>Deductions:</b>					
Benefits/distributions	66,212	218,400	283,179	2,828	570,619
Administrative expenses	3,136	26,611	31,851	24,109	85,707
Total deductions	69,348	245,011	315,030	26,937	656,326
<b>Change in Net Position</b>	(28,788)	802,720	1,549,679	1,498,364	3,821,975
<b>Net Position Held in Trust for Pension Benefits</b>					
<b>Beginning of Year</b>	487,714	5,462,148	11,877,631	7,985,259	25,812,752
<b>End of Year</b>	\$ 458,926	\$ 6,264,868	\$ 13,427,310	\$ 9,483,623	\$ 29,634,727



*STATISTICAL SECTION*



## 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 health.

<b>Contents</b>	<b>Page</b>
Financial Trends	92
<p>These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.</p>	
Revenue Capacity	102
<p>These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax.</p>	
Debt Capacity	107
<p>These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future.</p> <p>There are no limitations placed upon the amount of debt the City of Clermont may issue by either the City Charter or the City's Code of Ordinances or by Florida Statutes.</p> <p>The City of Clermont has no general obligation bonds outstanding.</p>	
Demographic and Economic Information	112
<p>These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.</p>	
Operating Information	118
<p>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.</p>	

Sources: Unless otherwise noted, the information in these schedules is 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			
	2005	2006	2007	2008
<b>Governmental activities</b>				
Net investment in capital assets	\$ 12,118	\$ 15,777	\$ 15,825	\$ 27,462
Restricted	4,800	5,935	7,830	8,959
Unrestricted	8,125	8,693	14,459	11,946
<b>Total governmental activities net position</b>	<b>\$ 25,043</b>	<b>\$ 30,405</b>	<b>\$ 38,114</b>	<b>\$ 48,367</b>
<b>Business-type activities</b>				
Net investment in capital assets	\$ 12,082	\$ 15,864	\$ 24,837	\$ 46,569
Restricted	27,573	33,732	36,931	13,899
Unrestricted	13,414	13,447	10,841	18,103
<b>Total business-type activities net position</b>	<b>\$ 53,069</b>	<b>\$ 63,043</b>	<b>\$ 72,609</b>	<b>\$ 78,571</b>
<b>Primary government</b>				
Net investment in capital assets	\$ 24,200	\$ 31,641	\$ 40,662	\$ 74,031
Restricted	32,373	39,667	44,761	22,858
Unrestricted	21,539	22,140	25,300	30,049
<b>Total primary government net position</b>	<b>\$ 78,112</b>	<b>\$ 93,448</b>	<b>\$ 110,723</b>	<b>\$ 126,938</b>

<b>Fiscal Year</b>					
<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>
\$ 33,938	\$ 33,817	\$ 34,894	\$ 36,612	\$ 39,950	\$ 44,116
6,526	6,693	7,381	8,876	9,490	9,918
13,608	13,988	12,465	9,701	7,723	5,719
<u>\$ 54,072</u>	<u>\$ 54,498</u>	<u>\$ 54,740</u>	<u>\$ 55,189</u>	<u>\$ 57,163</u>	<u>\$ 59,753</u>
\$ 54,834	\$ 55,540	\$ 56,430	\$ 57,241	\$ 57,863	\$ 56,680
10,437	17,293	9,241	9,477	9,536	10,217
17,801	11,407	19,376	20,436	24,191	27,054
<u>\$ 83,072</u>	<u>\$ 84,240</u>	<u>\$ 85,047</u>	<u>\$ 87,154</u>	<u>\$ 91,590</u>	<u>\$ 93,951</u>
\$ 88,772	\$ 89,357	\$ 91,324	\$ 93,853	\$ 97,813	\$ 100,796
16,963	23,986	16,622	18,353	19,026	20,135
31,409	25,395	31,841	30,137	31,914	32,773
<u>\$ 137,144</u>	<u>\$ 138,738</u>	<u>\$ 139,787</u>	<u>\$ 142,343</u>	<u>\$ 148,753</u>	<u>\$ 153,704</u>

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

(accrual basis of accounting)

(amounts expressed in thousands)

	Fiscal Year			
	2005	2006	2007	2008
Expenses				
Governmental activities:				
General government	\$ 2,617	\$ 3,232	\$ 3,297	\$ 4,204
Public safety	5,773	7,109	8,783	10,330
Physical environment	278	382	470	514
Transportation/public works	1,172	1,322	1,255	1,544
Economic environment	13	181	52	48
Human services	149	77	130	107
Culture and recreation	1,816	1,851	2,441	2,061
Interest on long-term debt	255	285	226	459
Total governmental activities expenses	<u>12,073</u>	<u>14,439</u>	<u>16,654</u>	<u>19,267</u>
Business-type activities:				
Water	3,015	3,427	2,987	3,737
Sewer	3,572	4,024	3,896	4,521
Sanitation	1,817	1,731	1,816	2,123
Stormwater	287	316	427	549
Total business-type activities expenses	<u>8,691</u>	<u>9,498</u>	<u>9,126</u>	<u>10,930</u>
Total primary government expenses	<u>\$ 20,764</u>	<u>\$ 23,937</u>	<u>\$ 25,780</u>	<u>\$ 30,197</u>
<b>Program Revenues</b>				
Governmental activities:				
Charges for services:				
General government	\$ 1,042	\$ 1,037	\$ 1,116	\$ 1,582
Public safety	912	1,158	1,105	975
Transportation/public works	36	-	-	-
Culture and recreation	463	1,566	882	761
Operating grants and contributions	512	523	923	1,047
Capital grants and contributions	1,644	105	2,518	7,330
Total governmental activities program revenues	<u>4,609</u>	<u>4,389</u>	<u>6,544</u>	<u>11,695</u>
Business-type activities:				
Charges for services:				
Water	\$ 4,320	\$ 4,839	\$ 5,502	\$ 5,654
Sewer	3,295	3,784	4,242	4,422
Sanitation	2,088	2,236	2,402	2,515
Stormwater	627	689	729	766
Operating grants and contributions	138	11	38	700
Capital grants and contributions	6,287	6,408	3,676	1,480
Total business-type activities program revenues	<u>16,755</u>	<u>17,967</u>	<u>16,589</u>	<u>15,537</u>
Total primary government program revenues	<u>\$ 21,364</u>	<u>\$ 22,356</u>	<u>\$ 23,133</u>	<u>\$ 27,232</u>

		<b>Fiscal Year</b>				
<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	
\$ 4,747	\$ 4,287	\$ 3,643	\$ 4,211	\$ 3,258	\$ 3,407	
10,775	12,459	12,531	12,168	12,685	14,117	
364	319	279	248	303	350	
1,164	1,768	1,661	1,719	1,725	2,202	
101	50	102	116	200	363	
-	-	-	-	-	-	
2,082	2,055	1,822	1,045	1,928	3,096	
326	175	156	137	87	236	
<u>19,559</u>	<u>21,113</u>	<u>20,194</u>	<u>19,644</u>	<u>20,186</u>	<u>23,771</u>	
3,990	4,316	4,461	4,052	4,154	4,589	
4,489	5,927	6,022	5,752	6,106	6,437	
2,086	2,169	2,364	2,567	2,465	2,472	
534	848	955	939	897	1,016	
<u>11,099</u>	<u>13,260</u>	<u>13,802</u>	<u>13,310</u>	<u>13,622</u>	<u>14,514</u>	
<u>\$ 30,658</u>	<u>\$ 34,373</u>	<u>\$ 33,996</u>	<u>\$ 32,954</u>	<u>\$ 33,808</u>	<u>\$ 38,285</u>	
\$ 1,854	\$ 1,857	\$ 1,695	\$ 1,649	\$ 2,117	\$ 2,429	
1,203	665	355	450	1,040	1,366	
-	-	-	-	-	-	
99	872	539	604	1,262	956	
921	1,162	1,237	1,191	896	939	
3,307	134	129	27	112	1,718	
<u>7,384</u>	<u>4,690</u>	<u>3,955</u>	<u>3,921</u>	<u>5,427</u>	<u>7,408</u>	
\$ 4,909	\$ 4,817	\$ 5,377	\$ 5,099	\$ 5,215	\$ 5,362	
4,655	4,852	5,065	5,154	5,357	5,585	
2,560	2,613	2,688	2,721	2,775	2,869	
801	829	855	855	862	881	
-	-	-	-	-	-	
2,137	1,544	999	1,752	3,430	2,417	
<u>15,062</u>	<u>14,655</u>	<u>14,984</u>	<u>15,581</u>	<u>17,639</u>	<u>17,114</u>	
<u>\$ 22,446</u>	<u>\$ 19,345</u>	<u>\$ 18,939</u>	<u>\$ 19,502</u>	<u>\$ 23,066</u>	<u>\$ 24,522</u>	

Changes in Net Position - Continued

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

(accrual basis of accounting)

(amounts expressed in thousands)

	Fiscal Year			
	2005	2006	2007	2008
Net (expense)/revenue				
Governmental activities	\$ (7,464)	\$ (10,050)	\$ (10,110)	\$ (7,572)
Business-type activities	8,064	8,469	7,463	4,605
Total primary government net expense	<u>\$ 600</u>	<u>\$ (1,581)</u>	<u>\$ (2,647)</u>	<u>\$ (2,967)</u>
<b>General Revenues and Other Changes in Net Position</b>				
Governmental activities:				
Taxes				
Property taxes	\$ 4,417	\$ 5,665	\$ 7,452	\$ 7,749
Business taxes	*	*	*	*
Franchise fees	1,357	1,714	1,808	1,911
Utility taxes	1,552	1,782	1,881	1,992
Unrestricted intergovernmental revenues	3,923	4,953	4,952	4,776
Unrestricted investment earnings and miscellaneous revenues	1,181	835	1,216	901
Transfers	377	464	509	496
Total governmental activities	<u>12,807</u>	<u>15,413</u>	<u>17,818</u>	<u>17,825</u>
Business-type activities:				
Investment earnings	\$ 825	\$ 1,968	\$ 2,612	\$ 1,853
Transfers	(377)	(464)	(509)	(496)
Total business-type activities	<u>448</u>	<u>1,504</u>	<u>2,103</u>	<u>1,357</u>
Total primary government	<u>\$ 13,255</u>	<u>\$ 16,917</u>	<u>\$ 19,921</u>	<u>\$ 19,182</u>
<b>Change in Net Position</b>				
Governmental activities	\$ 5,343	\$ 5,363	\$ 7,708	\$ 10,253
Business-type activities	8,512	9,973	9,566	5,961
Total primary government	<u>\$ 13,855</u>	<u>\$ 15,336</u>	<u>\$ 17,274</u>	<u>\$ 16,214</u>

\*Business taxes previously reported as General Government Charges for Services

		<b>Fiscal Year</b>				
<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	
\$ (12,175)	\$ (16,422)	\$ (16,240)	\$ (15,721)	\$ (14,759)	\$ (16,363)	
3,964	1,395	1,182	2,271	4,018	2,600	
<u>\$ (8,211)</u>	<u>\$ (15,027)</u>	<u>\$ (15,058)</u>	<u>\$ (13,450)</u>	<u>\$ (10,741)</u>	<u>\$ (13,763)</u>	
\$ 7,601	\$ 6,844	\$ 5,966	\$ 5,535	\$ 5,350	\$ 6,533	
*	*	*	113	111	126	
2,151	2,373	2,285	2,189	2,123	2,379	
2,152	2,558	2,568	2,430	2,490	2,887	
4,458	4,503	4,664	5,063	5,802	6,110	
1,050	525	478	388	378	479	
469	443	520	453	479	439	
<u>17,881</u>	<u>17,246</u>	<u>16,481</u>	<u>16,171</u>	<u>16,733</u>	<u>18,953</u>	
\$ 1,005	\$ 360	\$ 145	\$ 289	\$ 167	\$ 200	
(469)	(443)	(520)	(453)	(479)	(439)	
536	(83)	(375)	(164)	(312)	(239)	
<u>\$ 18,417</u>	<u>\$ 17,163</u>	<u>\$ 16,106</u>	<u>\$ 16,007</u>	<u>\$ 16,421</u>	<u>\$ 18,714</u>	
\$ 5,706	\$ 824	\$ 241	\$ 450	\$ 1,974	\$ 2,590	
4,500	1,312	807	2,107	3,706	2,361	
<u>\$ 10,206</u>	<u>\$ 2,136</u>	<u>\$ 1,048</u>	<u>\$ 2,557</u>	<u>\$ 5,680</u>	<u>\$ 4,951</u>	

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

(modified accrual basis of accounting)

(amounts expressed in thousands)

	<b>Fiscal Year</b>		
	<b>2005</b>	<b>2006</b>	<b>2007</b>
General fund			
Reserved	\$ 198	\$ 233	\$ 307
Unreserved	5,758	4,857	9,128
Total general fund	<u>\$ 5,956</u>	<u>\$ 5,090</u>	<u>\$ 9,435</u>
All other governmental funds			
Reserved	\$ 1,083	\$ 1,189	\$ 1,539
Unreserved, reported in:			
Special revenue funds	5,028	7,767	10,771
Capital projects fund	926	780	843
Total all other governmental funds	<u>\$ 7,037</u>	<u>\$ 9,736</u>	<u>\$ 13,153</u>
	<b>Post GASB 54</b>		
	<b>2011</b>	<b>2012</b>	<b>2013</b>
General fund			
Nonspendable	\$ 335	\$ 195	\$ 189
Restricted	175	224	257
Assigned	912	1,039	765
Unassigned	10,048	9,744	8,878
Total general fund	<u>\$ 11,470</u>	<u>\$ 11,202</u>	<u>\$ 10,089</u>
All other governmental funds			
Nonspendable	\$ 848	\$ 890	\$ 939
Restricted	6,359	7,763	8,295
Assigned	2,854	668	-
Unassigned	(1)	-	-
Total all other governmental funds	<u>\$ 10,060</u>	<u>\$ 9,321</u>	<u>\$ 9,234</u>

<b>Fiscal Year</b>		
<b>2008</b>	<b>2009</b>	<b>2010</b>
\$ 209	\$ 214	\$ 246
9,572	10,860	11,358
<u>\$ 9,781</u>	<u>\$ 11,074</u>	<u>\$ 11,604</u>
\$ 1,912	\$ 2,267	\$ 2,758
5,314	4,147	4,839
4,496	3,271	2,978
<u>\$ 11,722</u>	<u>\$ 9,685</u>	<u>\$ 10,575</u>
<b>2014</b>		
\$ 53		
312		
1,202		
7,669		
<u>\$ 9,236</u>		
\$ 1,064		
8,604		
-		
-		
<u>\$ 9,668</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			
	2005	2006	2007	2008
<b>Revenues</b>				
Taxes	\$ 8,391	\$ 10,327	\$ 11,141	\$ 11,652
Franchise Fees	*	*	*	*
Licenses and permits	484	456	491	835
Intergovernmental revenue	5,216	4,211	8,340	11,977
Charges for services	389	407	462	643
Fines and forfeitures	164	226	175	321
Impact fees/special assessments	1,152	2,444	1,717	1,209
Investment income	267	738	1,101	687
Miscellaneous	310	505	391	1,683
Total revenues	<u>16,373</u>	<u>19,314</u>	<u>23,818</u>	<u>29,007</u>
<b>Expenditures</b>				
General government	\$ 2,053	\$ 2,694	\$ 3,079	\$ 3,640
Public Safety	5,285	6,452	9,141	10,999
Physical environment	318	343	461	497
Transportation	917	967	1,189	2,976
Economic environment	33	38	48	48
Human services	139	75	129	105
Culture and recreation	1,025	1,259	1,556	10,024
Capital outlay	2,484	10,235	94	1,909
Debt service				
Principal	855	868	449	8,176
Interest	258	244	440	465
Other charges	-	-	-	-
Total expenditures	<u>13,367</u>	<u>23,175</u>	<u>16,586</u>	<u>38,839</u>
Excess of revenues over (under) expenditures	\$ 3,006	\$ (3,861)	\$ 7,232	\$ (9,832)
<b>Other financing sources (uses)</b>				
Refunding Bonds/Notes Payable	\$ -	\$ -	\$ -	\$ -
Transfers in	1,081	1,676	1,265	6,468
Transfers out	(704)	(1,212)	(756)	(5,971)
Debt issuance	-	5,250	-	8,250
Sale of capital assets	931	-	-	-
Payments to refunded bond escrow agent	-	-	-	-
Total other financing sources (uses)	<u>1,308</u>	<u>5,714</u>	<u>509</u>	<u>8,747</u>
Net change in fund balances	<u>\$ 4,314</u>	<u>\$ 1,853</u>	<u>\$ 7,741</u>	<u>\$ (1,085)</u>
Debt service as a percentage of noncapital expenditures	10.2%	9.3%	7.1%	23.4%

\* Note: Franchise Fees previously reported as Taxes.

\*\*Note: Increase in % due to refunding of 2002 bonds. Without the refunding the % would be 2.8%

<b>Fiscal Year</b>						
<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	
\$ 11,903	\$ 11,775	\$ 10,819	\$ 8,079	\$ 7,951	\$ 9,546	
*	*	*	2,188	2,123	2,379	
674	678	528	455	884	941	
8,666	5,733	6,059	6,310	6,729	8,796	
1,103	1,036	1,013	1,011	1,085	1,212	
178	189	186	215	172	589	
903	1,131	582	679	1,909	1,401	
848	379	148	244	108	99	
444	522	612	474	622	915	
<u>24,719</u>	<u>21,443</u>	<u>19,947</u>	<u>19,655</u>	<u>21,583</u>	<u>25,878</u>	
\$ 3,654	\$ 4,081	\$ 3,272	\$ 3,080	\$ 3,148	\$ 3,776	
10,275	11,212	11,625	11,352	12,579	13,571	
490	309	275	247	307	423	
1,129	1,620	1,472	1,340	1,263	1,635	
102	50	102	641	722	365	
-	-	-	-	-	-	
1,893	1,878	1,792	1,769	2,014	2,948	
1,738	643	1,923	2,073	2,638	9,381	
6,259	493	470	490	3,080	571	
375	181	162	143	122	177	
-	-	-	-	-	-	
<u>25,915</u>	<u>20,467</u>	<u>21,093</u>	<u>21,135</u>	<u>25,873</u>	<u>32,847</u>	
\$ (1,196)	\$ 976	\$ (1,146)	\$ (1,480)	\$ (4,290)	\$ (6,969)	
\$ -	\$ -	\$ -	\$ -	\$ 2,612	\$ 6,000	
6,684	2,088	3,274	1,118	3,091	9,337	
(6,232)	(1,645)	(2,776)	(644)	(2,612)	(8,788)	
-	-	-	-	-	-	
-	-	-	-	-	-	
-	-	-	-	-	-	
<u>452</u>	<u>443</u>	<u>498</u>	<u>474</u>	<u>3,091</u>	<u>6,549</u>	
<u>\$ (744)</u>	<u>\$ 1,419</u>	<u>\$ (648)</u>	<u>\$ (1,006)</u>	<u>\$ (1,199)</u>	<u>\$ (420)</u>	
28.9%	3.6%	3.3%	3.5%	14.9% **	3.5%	

**City of Clermont, Florida**  
**Governmental Activities Tax Revenues by Source**  
**Last Ten Fiscal Years**  
(accrual basis of accounting)  
(amounts expressed in thousands)

<b>Fiscal Year</b>	<b>Property Tax</b>	<b>Utility Tax</b>	<b>Business Tax</b>	<b>Franchise Fees</b>	<b>Total</b>
2005	4,321	2,617	*	1,357	8,295
2006	5,488	2,948	*	1,714	10,150
2007	7,155	3,138	*	1,808	12,101
2008	7,749	1,992	*	1,911	11,652
2009	7,601	2,152	*	2,151	11,904
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

**Taxes Included in Unrestricted Intergovernmental Revenues**

<b>Fiscal Year</b>	<b>Sales Tax</b>	<b>State Revenue Sharing</b>	<b>Local Option Gas Tax</b>	<b>Total</b>
2005	930	328	275	1,533
2006	1,157	368	286	1,811
2007	1,210	388	325	1,923
2008	1,139	356	300	1,795
2009	1,033	302	289	1,624
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

\* 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)

<b>Fiscal Year Ended Sep 30</b>	<b>Real* Property</b>	<b>Personal Property</b>	<b>Less: Tax Exempt Property</b>	<b>Total Taxable Assessed Value</b>	<b>Total Direct Tax Rate</b>	<b>Estimated Actual Taxable Value</b>	<b>Assessed Value as a Percentage of Actual Value</b>
2005	1,041,341	112,546	238,373	915,514	3.729	1,153,887	79.34%
2006	1,363,931	133,687	299,162	1,198,456	3.729	1,497,618	80.02%
2007	1,771,503	153,086	382,885	1,541,704	3.729	1,924,589	80.11%
2008	2,466,549	171,470	620,750	2,017,269	3.142	2,638,019	76.47%
2009	2,975,139	186,835	676,371	2,485,603	3.142	3,161,974	78.61%
2010	3,022,925	195,808	792,997	2,425,736	3.142	3,218,733	75.36%
2011	2,592,111	211,950	599,821	2,204,240	3.142	2,804,061	78.61%
2012	2,171,815	209,726	598,187	1,783,354	3.142	2,381,541	74.88%
2013	2,124,017	206,870	605,114	1,725,773	3.142	2,330,887	74.04%
2014	2,336,882	207,024	630,762	1,913,144	3.729	2,543,906	75.20%

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 Overlapping<sup>1</sup> Governments**  
**Last Ten Fiscal Years<sup>2</sup>**

(per \$1,000 of assessed value)

Fiscal Year	Direct Rate	Overlapping Rates							Total Direct & Overlapping Rates
	City of Clermont Operating Millage	Lake County			Lake County School District	South Lake Hospital District	Lake County Water Authority	St. Johns River Water Management District	
		Operating Millage	Voted Debt Service	Ambulance MSTU					
2005	3.7290	5.8170	0.0000	0.5289	7.9900	1.0000	0.3831	0.4620	19.9100
2006	3.7290	5.7970	0.0000	0.5289	7.9810	1.0000	0.3370	0.4620	19.8349
2007	3.1420	5.7470	0.2000	0.5289	7.6480	1.0000	0.2530	0.4620	18.9809
2008	3.1420	4.7410	0.2000	0.4651	7.6980	0.8666	0.2130	0.4158	17.7415
2009	3.1420	4.6511	0.1101	0.4651	7.5170	0.8666	0.2130	0.4158	17.3807
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	5.3856	0.1600	0.4629	7.2460	0.7633	0.2554	0.3164	18.3186

Source: Lake County Property Appraisers Office

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

<sup>2</sup> Taxes levied for the fiscal year are based on the prior year taxable value.

**City of Clermont, Florida**  
**Principal Property Taxpayers**  
**Current Year and Nine Years Ago**  
(amounts expressed in thousands)

<u>Taxpayer</u>	<u>2014</u>			<u>2005</u>		
	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>Percentage of Total Taxable Assessed Value</u>	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>Percentage of Total Taxable Assessed Value</u>
John P. Adams & Ann D. Adams Family LP	\$ 24,602	1	1.43%	\$ 22,668	1	2.48%
Centennial Citrus Tower LLC	22,487	2	1.30%			
MRP Lost Lake LLC	21,439	3	1.24%			
Westdale Sundance LTD	16,336	4	0.95%			
IP9 MF Clermont LLC	13,572	5	0.79%			
Weingarten I-4 Clermont Landing	13,279	6	0.77%			
South Lake Hospital, Inc.	12,791	7	0.74%	20,241	2	2.21%
Taylor Morrison of Florida Inc.	10,937	8	0.63%			0.00%
Duke Energy	9,788	9	0.57%			0.00%
Wal-Mart Stores East LP	9,146	10	0.53%			0.00%
Lennar Homes Inc.				14,636	3	1.60%
Sundance Clermont LLC				11,898	4	1.30%
Target Corporation				11,764	5	1.28%
Clermont Center LTD				10,373	6	1.13%
Village at East Lake				9,538	7	1.04%
Lost Lake Reserve LC				9,371	8	1.02%
KB Home Orlando LLC				9,291	9	1.01%
Lucas Clermont Ltd Partnership				9,054	10	0.99%
<b>TOTAL</b>	<u><u>\$154,377</u></u>		<u><u>8.95%</u></u>	<u><u>\$128,834</u></u>		<u><u>14.07%</u></u>

Source: Lake County Property Appraiser

**City of Clermont, Florida**  
**Property Tax Levies and Collections**  
**Last Ten Fiscal Years**  
(amounts expressed in thousands)

<b>Fiscal Year Ended September</b>	<b>Total Tax Levy for Fiscal Year</b>	<b>Collected within the</b>		<b>Collections in Subsequent Years</b>	<b>Total Collections to Date</b>	
		<b>Fiscal Year of the Levy</b>	<b>Percentage</b>		<b>Amount</b>	<b>Percentage</b>
		<b>Amount</b>	<b>of Levy</b>		<b>Amount</b>	<b>of Levy</b>
2005	4,469	4,310	96.4%	5	4,315	96.6%
2006	5,749	5,544	96.4%	-	5,544	96.4%
2007	7,518	7,155	95.2%	17	7,172	95.4%
2008	7,810	7,425	95.1%	15	7,440	95.3%
2009	7,622	7,243	95.0%	22	7,265	95.3%
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%

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 Primary Government	Percentage of Personal Income <sup>1</sup>	Per Capita <sup>1</sup>
	Revenue Bonds	Notes Payable	Water & Sewer Refunding Revenue Bonds			
2005	6,180	605	17,257	24,042	*	1,201
2006	5,775	5,392	17,146	28,313	5.55%	1,288
2007	5,360	5,358	16,954	27,672	5.53%	1,209
2008	4,935	5,857	16,603	27,395	3.94%	1,167
2009	4,495	38	16,232	20,765	2.89%	858
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	2.41%	615
2013	-	2,612	14,979	17,591	2.19%	582
2014	-	8,041	14,361	22,402	2.74%	706

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

<sup>1</sup> See the Schedule of Demographic and Economic Statistics on page 104 for personal income and population data.

\* Information is not available.

**City of Clermont, Florida**  
**Direct and Overlapping Governmental Activities Debt**  
**September 30, 2014**

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

	<u>Total Outstanding</u>	<u>Percentage Applicable to City of Clermont</u> <sup>(1)</sup>	<u>Amount Applicable to City of Clermont</u>
Direct:			
City of Clermont	\$ 8,041	100%	\$ 8,041
<b>Total Direct Debt</b>	<b>\$ 8,041</b>		<b>\$ 8,041</b>
Overlapping:			
Lake County	24,220	12%	2,906
School District of Lake County	-	12%	-
<b>Total Overlapping Debt</b>	<b>\$ 24,220</b>		<b>\$ 2,906</b>
<hr/>			
<b>Total direct and overlapping debt payable from ad valorem taxes</b>	<b>\$ 32,261</b>		<b>\$ 10,947</b>
<hr/>			
Estimated Population			31,745
<hr/>			
Total direct and overlapping debt per capita			\$ 344.85

<sup>(1)</sup> Estimates based on ratio of assessed taxable values.

Note: The City of Clermont has no legal debt margin.

Sources: Lake County Clerk Finance Office  
Lake County Property Appraiser's Office

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

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Public Improvement Revenue Refunding Note, Series 2012

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Fiscal Year	Public Service Taxes	Communications Service Tax	Half-Cent Sales Tax	Total Revenue Available for Debt Service	Debt Service		Coverage
					Principal	Interest	
2005	1,552,000	1,063,454	929,740	3,545,194	405,000	233,653	5.55
2006	1,781,626	1,163,971	1,156,694	4,102,291	415,000	222,372	6.44
2007	1,881,092	1,253,425	1,209,748	4,344,265	415,000	228,338	6.75
2008	1,992,018	1,279,653	1,139,315	4,410,986	425,000	209,606	6.95
2009	2,151,318	1,257,344	1,033,141	4,441,803	440,000	195,106	6.99
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

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.

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

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Public Improvement Revenue Note, Series 2013

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Fiscal Year	Public Service Taxes	Communications Service Tax	Total Revenue Available for Debt Service	Debt Service		Coverage
				Principal	Interest	
2005	-	-	-	-	-	N/A
2006	-	-	-	-	-	N/A
2007	-	-	-	-	-	N/A
2008	-	-	-	-	-	N/A
2009	-	-	-	-	-	N/A
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

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 <sup>1</sup>	Water and Sewer Operating Expenses <sup>2</sup>	Net Revenue Available for Debt Service	Debt Service		Coverage
				Principal	Interest	
2005	7,841,830	4,773,639	3,068,191	100,000	929,928	2.98
2006	9,421,834	5,456,689	3,965,145	150,000	924,353	3.69
2007	12,875,170	8,820,932	4,054,238	230,000	915,802	3.54
2008	10,075,706	7,192,314	2,883,392	390,000	892,688	2.25
2009	10,561,949	6,511,487	4,050,462	410,000	883,206	3.13
2010	10,001,836	6,999,096	3,002,740	430,000	744,892 <sup>3</sup>	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

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

<sup>1</sup> Operating revenue is computed per bond resolution requirements. Investment earnings are included.

<sup>2</sup> Operating expense is computed per bond resolution requirements. Depreciation expense is not included.

<sup>3</sup> Includes interest paid on the 2000 and 2009 Refunding Bonds

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

<b>Fiscal Year</b>	<b>Population<sup>1</sup></b>	<b>Personal Income (amounts expressed in thousands)</b>	<b>Per Capita Personal Income<sup>2</sup></b>	<b>Median Age<sup>2</sup></b>	<b>Education Level in Years of Formal Schooling<sup>2</sup></b>	<b>School Enrollment<sup>3</sup></b>	<b>Unemployment Rate<sup>4</sup></b>
2005	20,017	*	*	*	*	5,165	4.0%
2006	21,986	509,987	23,196	35.9	13.5	5,640	3.3%
2007	22,882	500,338	21,866	36.8	13.6	5,915	3.8%
2008	23,476	696,040	29,649	39.6	13.2	5,436	7.1%
2009	24,199	717,597	29,654	39.7	13.2	4,900	12.3%
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%

Sources: <sup>1</sup> College of Business Administration, University of Florida - Bureau of Economic and Business Research

<sup>2</sup> Metro Orlando Economic Development Commission

<sup>3</sup> Lake County School Board

<sup>4</sup> U.S. Department of Labor, Bureau of Labor Statistics

*Note: Unemployment rate information was only available on a countywide basis through 2009.*

\* Information is not available.

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

<u>Employer</u>	<u>2014</u>			<u>2005</u>		
	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total City Employment</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total City Employment</u>
Total City Employment	14,278			8,114		
South Lake Hospital, Inc.	1,143	1	8.01%	929	1	11.45%
Publix Supermarkets	625	2	4.38%	394	3	4.86%
Crotthall Laundry Services	523	3	3.66%			
Lake County School System	350	4	2.45%	557	2	6.86%
Walmart	320	5	2.24%			
Target Corporation	315	6	2.21%	321	4	
City of Clermont	290	7	2.03%	221	6	2.72%
Winn Dixie	212	8	1.48%	130	9	
Senninger Irrigation	210	9	1.47%			
Clermont Health & Rehab Ctr	185	10	1.30%			0.00%
CBS Builders Supply Inc.				230	5	2.83%
Home Depot				187	7	2.30%
Westminster Care of Clermont				169	8	2.08%
Kmart				100	10	1.23%
<b>TOTAL</b>	<u><u>4,173</u></u>		<u><u>29.23%</u></u>	<u><u>3,238</u></u>		<u><u>39.91%</u></u>

Source: Florida Agency for Workforce Innovation, Labor Market Statistics Center

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

<u>Employer</u>	<u>2014</u>			<u>2005</u>		
	<u>Usage (thousands of gallons)</u>	<u>Rank</u>	<u>Percentage of Total City Metered Flow<sup>1</sup></u>	<u>Usage (thousands of gallons)</u>	<u>Rank</u>	<u>Percentage of Total City Metered Flow</u>
Kings Ridge	228,206	1	9.48%	*	*	*
South Lake Hospital	31,720	2	1.32%	*	*	*
MRP at Lost Lake	24,009	3	1.00%	*	*	*
Village at East Lake Property	21,424	4	0.89%	*	*	*
Westminster Comm Care Service	16,066	5	0.67%	*	*	*
Heritage Hills of Clermont	15,259	6	0.63%	*	*	*
City of Clermont	11,158	7	0.46%	*	*	*
Emerald Lakes of Clermont	10,890	8	0.45%	*	*	*
Lake County Schools	7,861	9	0.33%	*	*	*
Mister Car Wash	6,068	10	0.25%	*	*	*
<b>TOTAL</b>	<b>372,661</b>		<b>15.49%</b>	<b>*</b>		<b>*</b>

<sup>1</sup> The City of Clermont had a total metered water flow of approximately 2,406,183,000 gallons for the 12-month period ending September 30, 2014

\* Information is not available.

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

<u>Employer</u>	<u>2014</u>			<u>2005</u>		
	<u>Usage (thousands of gallons)</u>	<u>Rank</u>	<u>Percentage of Total City Metered Flow<sup>1</sup></u>	<u>Usage (thousands of gallons)</u>	<u>Rank</u>	<u>Percentage of Total City Metered Flow</u>
Oak Ridge Apartments	42,080	1	3.78%	*	*	*
South Lake Hospital	31,744	2	2.85%	*	*	*
MRP at Lost Lake	16,066	3	1.44%	*	*	*
Lake County Schools	15,367	4	1.38%	*	*	*
Westminster Comm Care Service	14,400	5	1.29%	*	*	*
Village at East Lake	11,158	6	1.00%	*	*	*
Emerald Lakes of Clermont	7,861	7	0.71%	*	*	*
City of Clermont	7,502	8	0.67%	*	*	*
Mister Car Wash	5,929	9	0.53%	*	*	*
BJ Wholesale Club	3,835	10	0.34%	*	*	*
TOTAL	<u>155,942</u>		<u>14.00%</u>	<u>*</u>		<u>*</u>

<sup>1</sup> The City of Clermont had a total metered water flow for wastewater billing purposes of approximately 1,113,960,000 gallons for the 12-month period ending September 30, 2014

\* Information is not available.

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

Function	<u>Full-time Equivalent Employees as of September 30,</u>			
	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
General Government	25.50	27.50	30.50	30.50
Public Safety:				
Police				
Sworn personnel	38.00	45.00	51.00	53.00
Non sworn personnel	16.00	16.00	16.00	17.00
Fire				
Firefighters	22.00	38.00	45.00	49.00
Other personnel	1.00	2.00	2.00	2.00
Building Services	0.00	0.00	0.00	0.00
Physical Environment	7.50	10.00	10.00	10.00
Transportation	13.25	13.70	15.20	15.60
Human Services	2.25	2.00	2.00	2.00
Culture & Recreation	19.45	22.20	26.20	26.60
Water	23.40	25.40	26.90	29.40
Sewer	25.30	26.30	27.80	26.30
Stormwater	4.65	7.20	8.70	8.80
Sanitation	8.70	8.70	14.70	16.80
Total	<u>207.00</u>	<u>244.00</u>	<u>276.00</u>	<u>287.00</u>

Source: City of Clermont Finance Department.

**Full-time Equivalent Employees as of September 30,**

<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>
31.00	28.00	27.00	25.85	26.66	31.56
53.00	57.00	57.00	57.00	57.00	61.00
17.00	16.00	5.00	5.00	6.00	6.00
47.85	48.00	48.00	47.80	47.80	56.80
2.00	2.00	2.00	2.00	2.00	2.40
0.00	0.00	0.00	0.00	0.60	8.80
11.65	10.90	5.40	4.60	4.95	4.70
15.60	15.35	13.50	14.80	14.65	12.95
0.00	0.00	0.00	0.00	0.00	0.00
25.60	21.10	22.00	21.20	21.10	27.25
29.40	29.15	29.15	29.45	29.66	30.61
26.30	26.05	25.85	24.50	23.78	23.88
8.80	9.15	9.40	7.95	6.72	6.87
16.80	16.30	16.70	16.85	17.08	17.18
<b>285.00</b>	<b>279.00</b>	<b>261.00</b>	<b>257.00</b>	<b>258.00</b>	<b>290.00</b>

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

Function	Fiscal Year			
	2005	2006	2007	2008
<b>General Government</b>				
Municipal boundary (square miles)	12.45	14.13	14.37	14.42
Business Tax Receipts issued	1,795	1,985	2,141	2,263
A/P Checks issued	5,415	5,664	6,023	6,440
Commercial construction (units)	23	38	24	42
Commercial construction (value in thousands)	7,115	17,534	24,433	18,859
Residential construction (units)	673	635	324	301
Residential construction (value in thousands)	103,672	186,189	136,477	56,578
<b>Public Safety:</b>				
<b>Police</b>				
Auto accidents	671	625	1,192	1,272
Physical arrests	500	707	933	842
911 calls received	6,262	7,008	6,317	6,046
Evidence processed (pieces)	1,127	1,610	1,585	1,300
Parking violations	71	161	140	145
Traffic violations	2,855	5,259	5,164	5,103
<b>Fire</b>				
Volunteer firefighters	27	27	9	8
Fire inspections completed	457	625	414	880
Emergency calls answered	3,321	3,132	3,048	3,177
Non-emergency calls answered	143	189	198	234
<b>Human Services</b>				
Animals captured**	445	495	652	-
<b>Water</b>				
Residential accounts	14,284	15,733	16,394	16,959
Commercial accounts	921	993	1,069	1,156
Annual water usage (thousands of gallons)	1,788,337	2,121,588	2,654,352	2,589,664
<b>Sewer</b>				
Residential accounts	10,176	11,125	11,554	11,913
Commercial accounts	883	955	1,031	1,120

Sources: Various government departments.

\* Data not available.

\*\* Program was discontinued in FY 07-08

<b>Fiscal Year</b>					
<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>
14.43	14.76	14.90	14.95	14.95	15.18
1,771	1,833	1,843	2,237	2,483	1,955
6,042	5,722	4,875	2,336	2,288	3,529
19	10	3	8	20	15
13,223	8,357	18,020	15,203	34,268	17,288
204	305	151	173	327	572
56,092	53,202	23,558	25,882	53,055	62,117
972	955	1,121	1,259	1,402	1,357
949	854	699	644	886	631
6,828	5,230	5,587	5,911	6,352	6,643
1,652	1,349	1,297	1,413	2,930	2,384
107	137	378	201	252	379
4,553	4,981	6,312	5,389	7,225	4,623
10	6	6	6	-	-
979	2,121	896	662	1,240	3,766
3,155	3,112	3,822	3,320	3,414	4,127
434	352	805	934	447	987
-	-	-	-	-	-
17,375	17,884	18,240	18,619	19,399	20,904
1,201	1,206	1,210	1,207	1,232	1,234
2,312,962	2,054,236	2,275,936	2,391,485	2,392,022	2,406,183
12,154	12,508	12,722	12,936	13,407	14,773
1,158	1,158	1,167	1,166	1,194	1,055

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

<b>Function</b>	<b>Fiscal Year</b>			
	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>
General Government				
Public Safety:				
Police				
Police stations	1	1	1	1
Patrol units	38	45	45	45
Fire				
Fire department facilities	3	3	3	3
Staffed fire stations	2	2	3	3
Fire hydrants	1,431	1,630	1,896	2,140
Fire apparatus	8	9	9	9
Staffed fire apparatus	3	4	5	5
ALS non-transport units	3	3	3	3
Transportation				
Streets paved (miles)	101.39	109.94	122.93	126.16
Streetlights	1,131	1,231	1,256	1,331
Culture & Recreation				
Number of parks	22	22	22	22
Parks acreage	101.5	349.5	349.5	349.5
Scenic linear trail (miles)	5.7	5.7	5.7	5.7
Tennis courts	8	8	8	9
Fishing piers	4	4	4	4
Boat ramp	1	1	1	1
Water				
Miles of water mains	97.23	104.52	115.02	115.98
Sewer				
Miles of sanitary sewers	44.26	49.51	56.98	59.40
Miles of storm sewers	10.27	11.13	18.07	20.88

Sources: Various government departments.

<b>Fiscal Year</b>						
<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	
1	1	1	1	1	1	1
45	45	46	46	55	57	
3	4	4	4	4	4	
3	3	3	3	3	3	
2,140	2,012	2,016	2,048	2,120	2,146	
9	8	7	8	8	8	
5	5	5	5	5	5	
4	4	4	4	4	4	
131.72	133.20	133.20	133.20	173.91	191.52	
1,331	1,352	1,352	3,103	3,103	3,127	
22	22	23	23	23	23	
349.5	349.5	349.5	349.5	349.5	349.5	
5.7	5.7	5.7	5.7	5.7	5.7	
9	9	9	9	9	9	
4	4	4	4	5	5	
1	1	1	1	1	1	
122.83	124.11	197.40	242.36	243.14	222.75	
65.18	66.19	132.02	156.81	160.42	161.25	
24.61	26.32	89.80	105.38	109.05	133.70	



## *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, 2014, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated April 28, 2015.

***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.

**MCDIRMIT DAVIS & COMPANY, LLC**

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MEMBERS: PRIVATE COMPANIES PRACTICE SECTION AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS FLORIDA INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS

### ***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.

*McDiarmid Davis & Company, LLC*

Orlando, FL  
April 28, 2015

## 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, 2014, and have issued our report thereon dated April 28, 2015.

### 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; and Chapter 10.550, Rules of the Florida Auditor General.

### Other Reports

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, and Independent Auditor's Report on an examination conducted in accordance with *ACIPA Professional Standards*, Section 601, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports, which are dated April 28, 2015, should be considered in conjunction with this management letter.

### Prior Audit Findings

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

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## **Financial Condition**

Section 10.554(1)(i)5.a., Rules of the Auditor General, requires that we report 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.c. and 10.556(8), Rules of the Auditor General, we applied financial condition assessment procedures. 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.

## **Annual Financial Report**

Section 10.554(1)(i)5.b., Rules of the Auditor General, requires that we report the results of our determination as to whether the annual financial report for the *City of Clermont, Florida* for the fiscal year ended September 30, 2014, filed with the Florida Department of Financial Services pursuant to Section 218.32(1)(a), Florida Statutes, is in agreement with the annual financial audit report for the fiscal year ended September 30, 2014. In connection with our audit, we determined that these two reports were in agreement.

## **Other Matters**

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

Section 10.554(1)(i)3., Rules of the Auditor General, requires that we address 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 commissioners, and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.

*McDiernit Davis & Company, LLC*

Orlando, Florida  
April 28, 2015

Honorable Mayor and City Council  
*City of Clermont, Florida*

We have audited the financial statements of City of Clermont as of and for the year ended September 30, 2014, and have issued our report thereon dated April 28, 2015. Professional standards require that we advise you of the following matters relating to our audit.

### **Our Responsibility in Relation to the Financial Statement Audit**

As communicated in our engagement letter dated July 14, 2011, our responsibility, as described by professional standards, is to form and express an opinion(s) about whether the financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in conformity with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of your respective responsibilities.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement. An audit of financial statements includes consideration of internal control over financial reporting as a basis for designing 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 over financial reporting. Accordingly, as part of our audit, we considered the internal control of City of Clermont solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are also responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

### **Planned Scope and Timing of the Audit**

We conducted our audit consistent with the planned scope and timing we previously communicated to you.

### **Compliance with All Ethics Requirements Regarding Independence**

The engagement team, others in our firm, as appropriate, our firm, and our network firms have complied with all relevant ethical requirements regarding independence.

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## **Qualitative Aspects of the Entity's Significant Accounting Practices**

### *Significant Accounting Policies*

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by City of Clermont is included in Note 1 to the financial statements. As described in Note 1 to the financial statements, during the year, *City of Clermont* changed accounting policies related to the adoption of Statement of Governmental Accounting Standards (GASB Statement) No. 67. No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

### *Significant Accounting Estimates*

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's current judgments. Those judgments are normally based on knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ markedly from management's current judgments.

The most sensitive accounting estimates affecting the financial statements are:

Management's estimate for the allowance for doubtful accounts is based on historical loss levels, and an analysis of the individual accounts. We evaluated the key factors and assumptions used to develop the allowance in determining that it is reasonable in relation to the financial statements taken as a whole.

Management's estimation for the allowance for depreciation is based on the estimated useful lives of the capital assets. We evaluated the reasonableness of the useful lives as well as the depreciation methods in determining that it is reasonable in relation to the financial statements taken as a whole.

### *Financial Statement Disclosures*

Certain financial statement disclosures involve significant judgment and are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting City of Clermont, Florida's financial statements relate to revenue recognition as described in Note 1.

## **Significant Difficulties Encountered During the Audit**

We encountered no significant difficulties in dealing with management relating to the performance of the audit.

## **Uncorrected and Corrected Misstatements**

For purposes of this communication, professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole.

## **Disagreements with Management**

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter, which could be significant to City of Clermont, Florida's financial statements or the auditor's report. No such disagreements arose during the course of the audit.

## **Representations Requested from Management**

We have requested certain written representations from management, which are included in the management representation letter dated April 28, 2015.

## **Management's Consultations with Other Accountants**

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and accounting matters.

## **Other Significant Matters, Findings, or Issues**

In the normal course of our professional association with City of Clermont, Florida, we generally discuss a variety of matters, including the application of accounting principles and auditing standards, operating and regulatory conditions affecting the entity, and operational plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition to our retention as City of Clermont, Florida's auditors.

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

Very truly yours,

*McDiernit Davis & Company, LLC*

Orlando, Florida  
April 28, 2015



**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, 2014. 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, 2014.

*MCDIRMIT DAVIS & COMPANY, LLC*

Orlando, Florida  
April 28, 2015

**MCDIRMIT DAVIS & COMPANY, LLC**

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