ANNUAL COMPREHENSIVE

FINANCIAL REPORT

FISCAL YEAR ENDING SEPTEMBER 30, 2025

City of CLERMONT

CLERMONT
Choice of Champions

LAKE MINNEOLA

SEE & EXPLORE

Located west of U.S. Highway 27 and north of State Road 50 in Clermont, Lake Minneola covers more than 1,900 acres and is up to 30 feet deep. It is the third largest and the deepest of the Clermont Chain of Lakes. Clermont residents and visitors from near and far have long enjoyed refreshing dips on hot summer days, navigating boats of all types and speeds across the surface and pulling prize fish from its cool waters. Known for the natural attributes and worthy of special protection, Lake Minneola has been designated as one of more than 300 “Outstanding Florida Waterways.”

www.ClermontFl.gov

CLERMONT
Choice of Champions

CITY OF CLERMONT, FLORIDA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FISCAL YEAR ENDED SEPTEMBER 30, 2025

Prepared by:
Finance Department

City of Clermont, Florida
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Letter of Transmittal

RICK VAN WAGNER
CITY MANAGER

352-241-7358
RVanWagner@Clermontfl.org

March 31, 2026

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

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

We are pleased to present the Annual Comprehensive Financial Report (ACFR) of the City of Clermont, Florida, for the fiscal year ended September 30, 2025. State law requires that every general-purpose local government publish each fiscal year a complete set of audited financial statements. This report is published to fulfill that requirement for the fiscal year ended September 30, 2025.

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

The City of Clermont's financial statements have been audited by Carr, Riggs, & Ingram, 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, 2025 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, 2025 are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

Management Discussion and Analysis (MD&A) immediately follows the independent auditor's report and provides narrative introduction, overview and analysis of the basic financial statements. The MD&A provides "financial highlights" and interprets the financial reports by analyzing trends and by explaining changes, fluctuations and variances in the financial data. In addition, the MD&A is intended to disclose any known significant events or decisions that affect the financial condition of the City. This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it.

Profile of the City of Clermont

The City was founded in 1884 and incorporated in 1916. The City currently has a land area of 19.2 square miles and a population of approximately 49,266. The City is located in south Lake County, approximately 22 miles west of the City of Orlando and about 25 miles northwest of Walt Disney World. Clermont, known as "Choice of Champions®", is truly the crossroads of Florida, at the intersection of State Road 50, which runs east and west across the state, and U.S. Highway 27, which runs north and south through the center of the state.

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

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

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

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

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

Local Economy

The City of Clermont is essentially residential in character and its economy is centered in retail, real estate, personal services and healthcare. During the last 5 years, Clermont's population has increased by 4,579 residents or 10.2%. Clermont's economic factors for FY 2025 indicated continued recovery of impacts from the pandemic in both unemployment and per capita personal income levels, both of these areas have moved in a favorable direction. The per capita personal income levels have increased $12,797 or 40.7% over the last 5 years. The City's unemployment rate decreased from 3.7% to 2.8% over the last 5 years, this rate continues to be below the county, state and national averages.

Educational institutions in Clermont, such as Lake-Sumter State College, St. Leo University and the University of Central Florida, assist in supplying a skilled labor force. One of the highlighted areas of change has been the increase in property values; this year had a 15.9% increase in taxable property values. Primarily due to this increase in property values, Clermont's property tax-millage rate of 4.8800 continues to be among the lowest of other comparable cities in the Central Florida region.

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

Long-term Financial Planning

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

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

Relevant Financial Policies

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

Major Initiatives

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

- The Downtown Waterfront District area includes Montrose Street, Minneola Street and Osceola Street between 7th and 8th streets. The proposed improvements consisted of streetscapes, landscaping, bathrooms, lighting, upgrades for event lighting and music, banners and beautification. A focal point will be created at City Hall Park to anchor downtown visitors, creating a destination and meeting point in the heart of downtown Clermont. In addition, the city plans to demarcate the halfway point of the Coast-to-Coast Trail. Phase one of the project was completed in 2021. Phases two and three of the project is in the planning stage. The projected costs are pending completion and adoption of the plan.

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

- The Wastewater Treatment Facility Expansion project is required in order to meet the increased demand generated within the service area. The project is designed to take the facility from the existing permitted capacity of 4 MGD to 6.5 MGD with the construction started during 2023. This project will not only allow the facility to maintain regulatory compliance, it will also allow the City to continue the history of responsibly utilizing water resources by expanding the volume of effluent that can be produced for public access reuse. This project has an estimated cost of $55 million and was nearing completion at the conclusion of FY 2025.

Awards and Acknowledgements

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 annual comprehensive financial report for the fiscal year ended September 30, 2024. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized annual comprehensive 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 annual comprehensive financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to GFOA to determine its eligibility for another certificate.

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

Respectfully submitted,

Rick Van Wagner

Rick Van Wagner
City Manager

Scott E. Borror

Scott E. Borror
Finance Director

685 W. Montrose Street • Clermont, FL 34711 • www.ClermontFL.gov

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

**City of Clermont
Florida**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

September 30, 2024

Christopher P. Morrill
Executive Director/CEO

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City of Clermont, Florida
City Council and Officials
As of September 30, 2025

Elected Officials

Tim Murry
Mayor

Chandra Myers
Mayor Pro-Tem

Tod Howard
Council Member

William Petersen
Council Member

Alison Strange
Council Member

Appointed Officials

Rick Van Wagner
City Manager

Dan Matthys
Deputy City Manager

Christian Waugh
City Attorney

Tracy Ackroyd Howe
City Clerk

Melinda Beltran
Public Information Officer

Lisa Widican
Building Services Director

Curt Henschel
Planning & Development Services Director

Scott Borror
Finance Director

David Ezell
Fire Chief

Nadine Ohlinger
Human Resources Director

Wayne Fountain
Information Technology Director

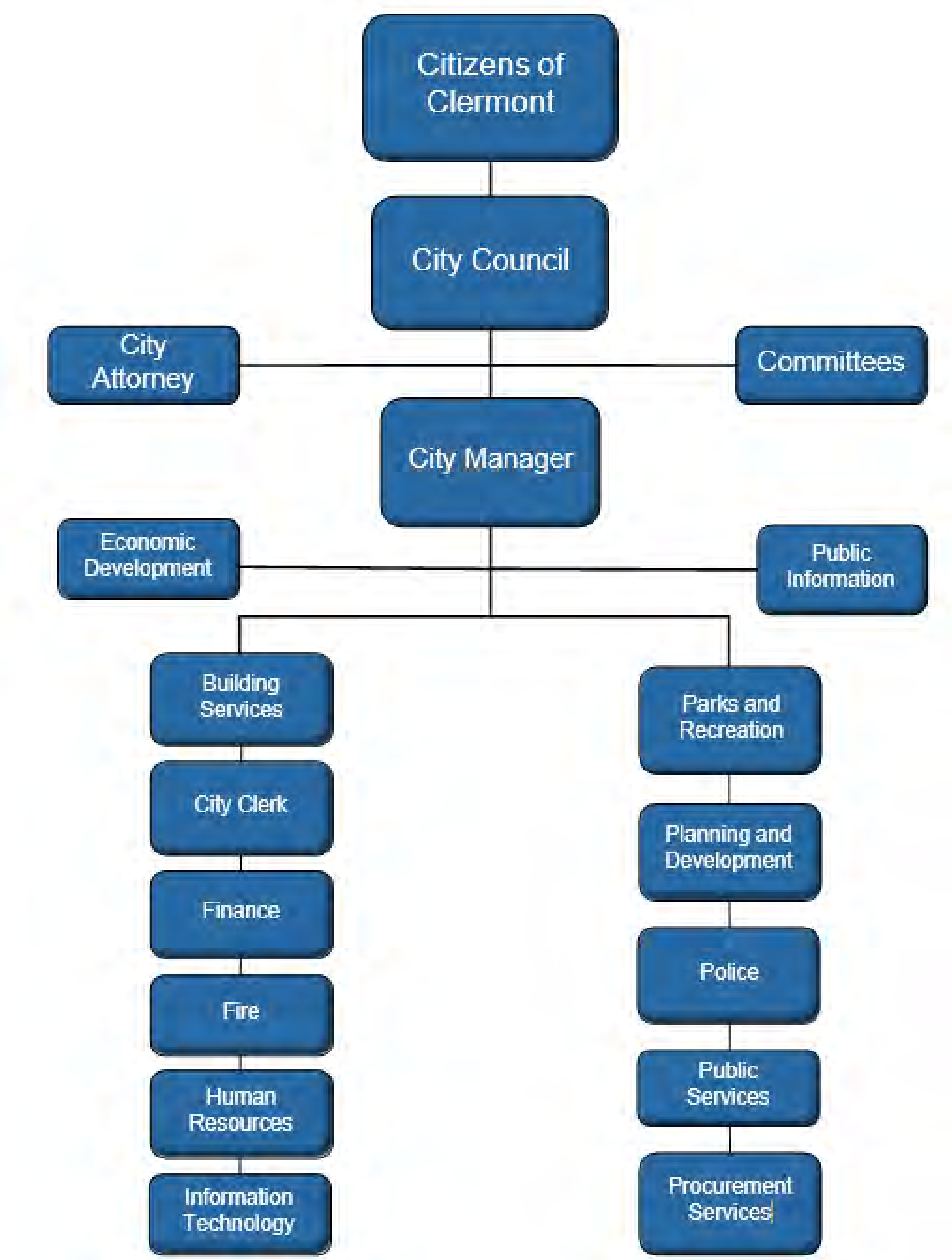
Brian Forman
Parks and Recreation Director

John Graczyk
Police Chief

Stoney Brunson
Public Works Director

Freddy Suarez
Purchasing Director

City of Clermont, Florida
Organizational Chart
As of September 30, 2025



INDEPENDENT AUDITOR'S REPORT

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CARR, RIGGS & INGRAM, L.L.C.

Carr, Riggs & Ingram, L.L.C.
1031 West Morse Boulevard
Suite 200
Winter Park, FL 32789

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407.628.5277 (fax)
CRIadv.com

INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and Members of the City Council
City of Clermont, Florida

Report on the Audit of the Financial Statements

Opinions

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 (hereafter the City), as of and for the year ended September 30, 2025, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the 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 the City, as of September 30, 2025, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Clermont, Florida's basic financial statements. The accompanying combining nonmajor fund financial statements, budgetary comparison schedules, other supplementary information as listed in the table of contents, and schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining nonmajor fund financial statements, budgetary comparison schedules and other supplementary information as listed in the table of contents, and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 31, 2026 on our consideration of the City of Clermont, Florida's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Carr, Riggs & Ingram, L.L.C.

CARR, RIGGS & INGRAM, L.L.C.

Orlando, Florida
March 31, 2026

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MANAGEMENT'S DISCUSSION
&
ANALYSIS (MD&A)

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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, 2025. 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 1 through 4 of this report.

Financial Highlights

- The City of Clermont's assets and deferred outflows of resources exceeded its liabilities and deferred inflows at September 30, 2025 by $358,179,362 (net position). Of this amount $100,733,339 (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 $33,970,030 (or 10.5%) during fiscal year 2025. Among the factors were an increase in operating grants and contributions within governmental activities, as well an increase in charges for services partly due to continued increases in customers served.
- At September 30, 2025, the City of Clermont's governmental funds reported combined ending net position of $129,756,360 an increase of $9,423,151 from the previous fiscal year. Business-type activities reported an ending net position of $228,423,002 an increase of $24,546,879 from the previous year.
- The General Fund, the City's primary operating fund, reported an unassigned fund balance of $36,605,499 which represents 40.7% of total General Fund total 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 required supplementary information, other supplementary information, and an unaudited statistical section 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 25 to 27 of the report.

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

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

Both 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 Agency).

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 adopts an annual appropriated budget for all of its governmental funds. Budgetary comparison statements have been provided for the General Fund (page 84), the Infrastructure Special Revenue Fund (page 86), and the Building Service Special Revenue Fund (page 87) to demonstrate compliance with budgets. Other major and nonmajor funds comparisons can be found beginning on page 100.

The basic governmental fund financial statements can be found on pages 28-30 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 33-36 of this report.

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

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

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

The basic fiduciary fund financial statements can be found on pages 37-40 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 40-83 of this report.

Other Information
The combining statements referred to earlier in connection with other governmental and proprietary funds are presented in Other Supplementary Information. Combining and individual fund statements and schedules can be found on pages 100-111 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.

	Governmental Activities		Business-type Activities		Total	
	2025	2024	2025	2024	2025	2024
Assets						
Current and other assets	$ 110,369,830	$ 106,319,857	$ 84,285,597	$ 70,258,845	$ 194,655,427	$ 176,578,702
Capital assets	99,022,856	98,118,792	162,882,240	154,821,517	261,905,096	252,940,309
Total assets	209,392,686	204,438,649	247,167,837	225,080,362	456,560,523	429,519,011
Deferred outflows of resources	4,807,405	8,233,905	605,187	750,382	5,412,592	8,984,287
Liabilities						
Other liabilities	10,958,993	13,935,591	6,099,307	7,639,781	17,058,300	21,575,372
Long-term liabilities	57,348,887	63,176,335	12,277,500	13,603,730	69,626,387	76,780,065
Total liabilities	68,307,880	77,111,926	18,376,807	21,243,511	86,684,687	98,355,437
Deferred inflows of resources	16,135,851	15,227,418	973,215	711,110	17,109,066	15,938,528
Net Position						
Net investment in capital assets	50,440,069	60,015,650	152,536,793	142,093,556	202,976,862	202,109,206
Restricted	40,205,030	32,015,263	14,264,131	27,867,176	54,469,161	59,882,439
Unrestricted (deficit)	39,111,261	28,302,297	61,622,078	33,915,391	100,733,339	62,217,688
Total net position	$ 129,756,360	$ 120,333,210	$ 228,423,002	$ 203,876,123	$ 358,179,362	$ 324,209,333

The City's total net position at September 30, 2025 was $358,179,362. Of the City's total net position $202,976,862 (56.7%) reflects its investment in capital assets (e.g., land, buildings, improvements, infrastructure and equipment) less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the City of Clermont's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the City's total net position, $54,469,161 (15.2%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of the City's total net position, $100,733,339 (28.1%) is unrestricted. These assets may be used at the City's discretion in meeting its ongoing obligations to citizens and creditors.

The City's net position increased by $33,9790,029 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 2024-25, including revenues and expenses, with a comparison to the prior year. For more detail see the Statement of Activities.

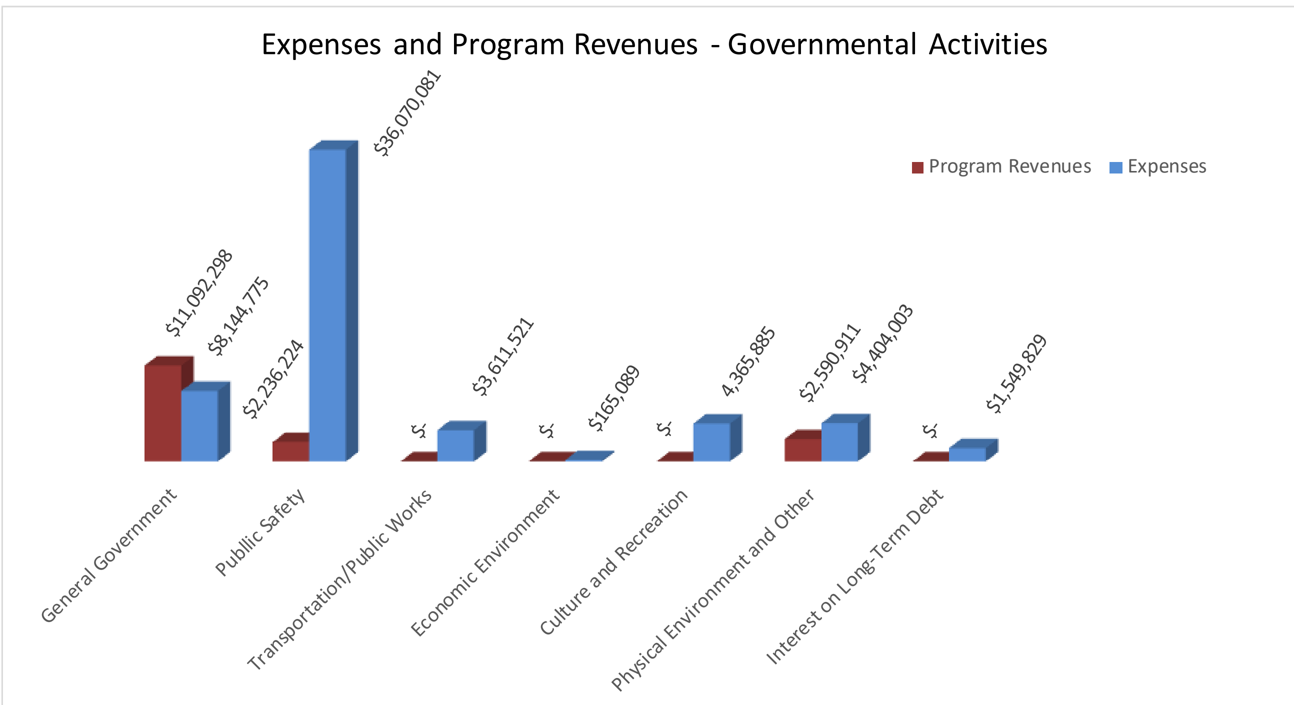
	Governmental Activities		Business-type Activities		Total	
	2025	2024	2025	2024	2025	2024
Revenues						
Program revenues:						
Charges for Services	$ 11,965,787	$ 11,486,777	$ 40,949,428	$ 40,591,991	$ 52,915,215	$ 52,078,768
Operating grants and contributions	3,953,646	1,763,258	-	-	3,953,646	1,763,258
Capital grants and contributions	-	-	5,655,979	21,996,089	5,655,979	21,996,089
General revenues:						
Property taxes	27,775,342	24,868,557	-	-	27,775,342	24,868,557
Business taxes	2,099,327	2,048,547	-	-	2,099,327	2,048,547
Franchise fees	5,083,997	4,329,889	-	-	5,083,997	4,329,889
Utility taxes	6,681,437	5,532,765	-	-	6,681,437	5,532,765
Intergovernmental revenues	13,451,135	13,960,972	-	-	13,451,135	13,960,972
Contributions of nonfinancial assets	1,776,563	1,332,253	-	-	1,776,563	1,332,253
Investment income and miscellaneous	5,018,983	5,395,167	2,524,004	2,895,887	7,542,987	8,291,054
Proceeds from insurance	-	-	-	263,061	-	263,061
Gain on sale of capital assets	(166,629)	105,013	673	1,530	(165,956)	106,543
Total revenues	77,639,588	70,823,198	49,130,084	65,748,558	126,769,672	136,571,756
Expenses						
General government	8,144,775	5,802,628	-	-	8,144,775	5,802,628
Public safety	36,070,081	34,477,736	-	-	36,070,081	34,477,736
Physical environment	4,404,003	4,003,890	-	-	4,404,003	4,003,890
Transportation	3,611,521	2,380,983	-	-	3,611,521	2,380,983
Econcomic environment	165,089	132,436	-	-	165,089	132,436
Culture and recreation	4,365,885	4,412,068			4,365,885	4,412,068
Interest on long-term debt	1,549,829	1,016,289	-	-	1,549,829	1,016,289
Water	-	-	13,302,965	11,826,344	13,302,965	11,826,344
Sewer			12,605,078	11,531,345	12,605,078	11,531,345
Sanitation	-	-	5,642,665	4,703,790	5,642,665	4,703,790
Stormwater	-	-	2,937,751	2,837,311	2,937,751	2,837,311
Total expenses	58,311,183	52,226,030	34,488,459	30,898,790	92,799,642	83,124,820
Increase (decrease) in net position before transfers	19,328,405	18,597,168	14,641,625	34,849,768	33,970,030	53,446,936
Transfers	(9,905,254)	(13,917,472)	9,905,254	13,917,472	-	-
Change in net position	9,423,151	4,679,696	24,546,879	48,767,240	33,970,030	53,446,936
Net position - beginning	120,333,209	115,653,514	203,876,123	155,108,883	324,209,332	270,762,397
Net position - ending	$ 129,756,360	$ 120,333,210	$ 228,423,002	$ 203,876,123	$ 358,179,362	$ 324,209,333

Governmental Activities

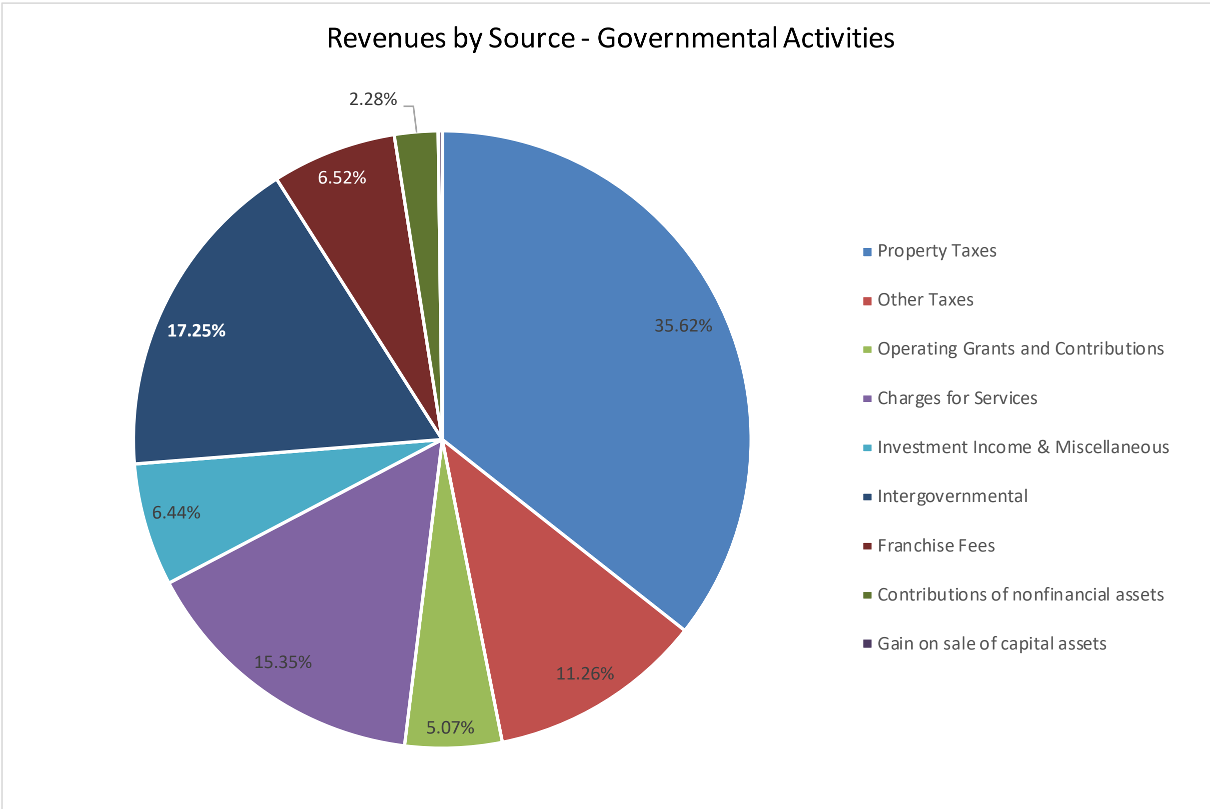
Governmental activities increased the City of Clermont's net position by $9,423,151. While revenues increased 8.8% to $77.6 million, expenses increased at a faster 10.4% rate to a total of $58.3 million. Nevertheless, the position change in net position can partly be attributed to an increase in operating grants and contributions, as well as solid growth in general revenues.

Revenue growth is primarily due to additional residents and increasing property valuations. For instance, the Total Taxable Assessed Value of property increased 13.7% or $778 million in FY25. Despite a reduction in the millage rate, the city still realized an increase in receipts of approximately $2.9 million. Detail on the history of assessed valuation and millage can be found within the statistical section. Growth in utility taxes is also related to population increase.

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.

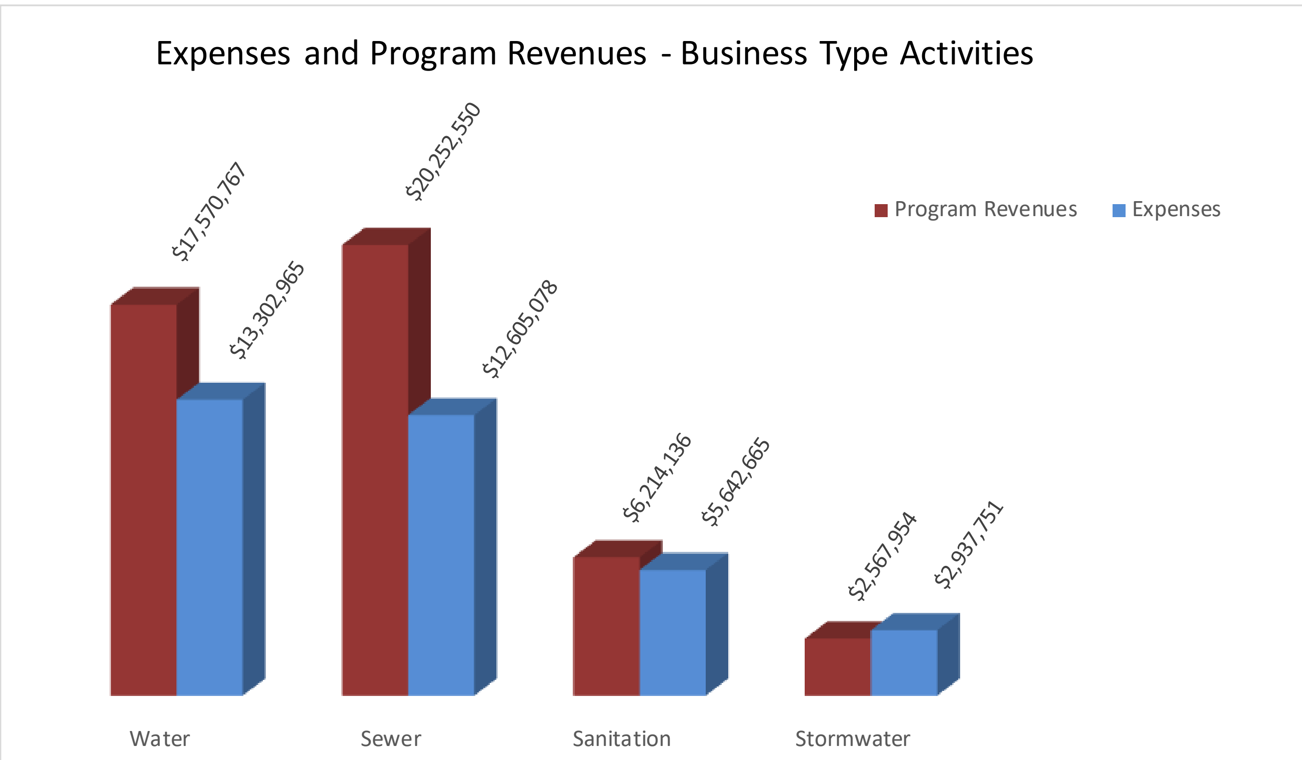


The following pie chart illustrates the composition of governmental activities revenue and its percent in relation to total governmental activities revenues.

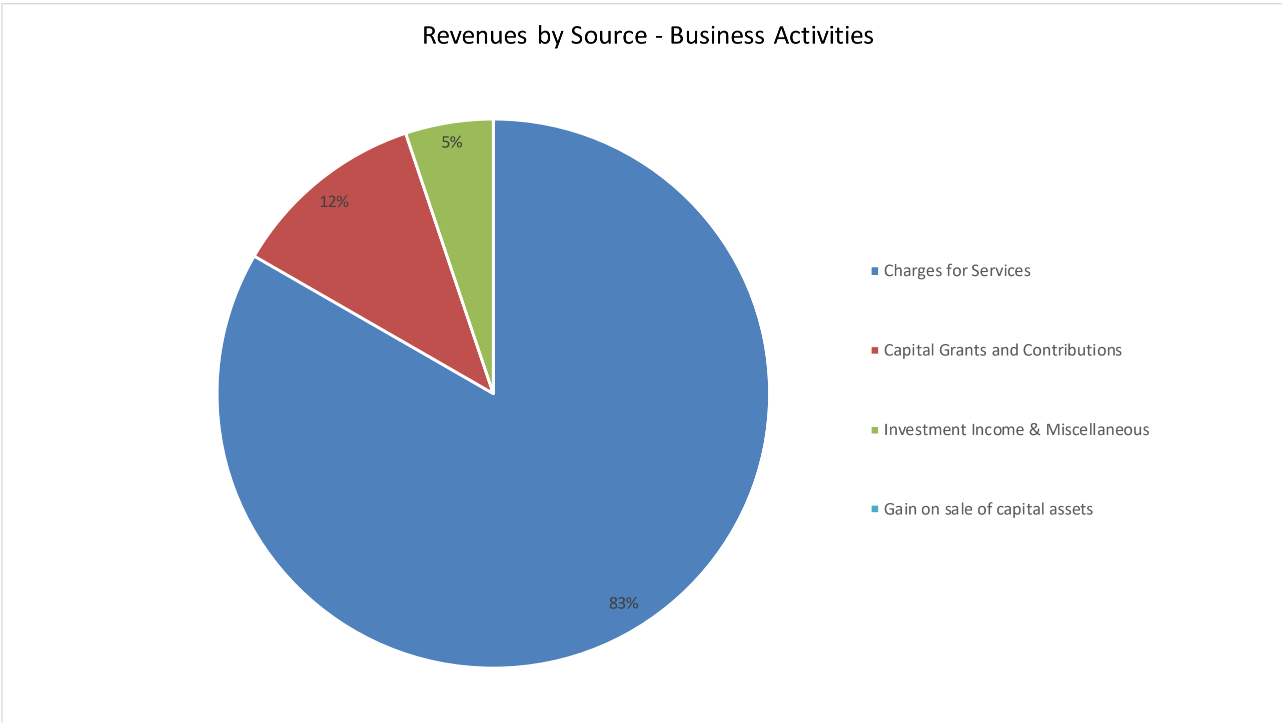


Business-Type Activities
Business-type activities increased the City of Clermont's net position by $24.5 million. The primary factor resides within capital projects, which included the continuation of a multi-year $55 million waste-water treatment plant expansion. The increase in charges for services is a continuation of the trend of increased customers and modified rates for service to support capital projects.

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



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



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, 2025, the City of Clermont's governmental funds reported combined ending fund balances of $84,814,249 an increase of $3,978,678 in comparison with the prior year. This increase is primarily due to additional cash balances, coupled with decreased liabilities in comparison to the previous year. Of the governmental funds combined ending fund balances, $36,605,499 represents *unassigned fund balance*, which is available for spending at the City's discretion. An additional $3,156,212 *(assigned fund balance)* has been set aside for planned project expenditures. *Restricted fund balances* totaling over $45.0 million include funds required for debt service, as well as funds collected for specific purposes such as impact fees and community redevelopment. The remaining fund balance of $4,781,252 is *nonspendable* to indicate that it is not available for spending because it has already been committed to prepaids and inventories.

The General Fund is the chief operating fund of the City of Clermont. As of September 30, 2025, the fund balance in the General Fund was $44,558,125 an increase of $9,172,537. Reasons for the increase included increases in ad valorem tax receipts, franchise fees, and charges for services all surpassing the 2024 amounts. The net change in fund balance was more than the anticipated amount of the original budget by $9,615,825. Revenues were higher than budgeted by $2,242,322 due to an increase in revenue categories that included intergovernmental, which was higher due to better than anticipated state projections on sales and gas taxes. Departmental expenditures came in $4.8 million less than anticipated, resulting in no use of reserves in 2025. Of the total fund balance in the General Fund, $36,605,499 (82.2%) is unassigned fund balance. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 71.1% of total General Fund expenditures, while total fund balance represents 86.5% of that same amount.

The City has a Capital Projects Fund that is considered a major fund and is used to account for the acquisition of capital assets or construction of major capital projects not being financed by proprietary funds. Funds have accumulated so projects can be completed on a pay-as-you-go basis. The fund balance in this fund increased by $226,100 in fiscal year 2025. Interest and investment income accounts for the entire change, as no project expenditures were incurred during the fiscal year.

The City has an Infrastructure Fund that is considered a major fund and 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 $622,273 in fiscal year 2025 despite a slight decrease of $57,345 in sales tax collections.

The purpose of the Debt Service fund is to accumulate resources and account for activity related to debt service payments. During 2025 the fund balance decreased $11.9 million following the spend-down of debt issuance proceeds from the previous year.

The Building Services fund accounts for activity related to permits and development. The proceeds and interest accrued are restricted by law towards activity related to building services. The fund balance in this fund increased by $779,529.

The $5.1 million remainder of the change to the governmental fund balance was from the non-major governmental funds. Recreation, Police and Fire Impact Fee fund balances combined for an increase of $4,149,909 in fiscal year 2025 primarily due to the collection of impact fees on new development within the City. Other nonmajor governmental funds that realized an increase in fund balance include the Tree Replacement Fund and the Police Asset Forfeiture Fund.

Proprietary Funds

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

The Water Fund accounts for the provision of potable water and reclaimed irrigation services to City and non-City residents. All activities necessary to the provision of these services are accounted for in this fund, including, but not limited to administration, plant and line maintenance. As of September 30, 2025, the City of Clermont's Water Fund reported total net position of $68,387,154 an increase of $3,078,971 in comparison with the prior year. This increase in net position was due to revenues exceeding expenses as well as the capital contributions of water impact fees on new development in the City.

The Sewer Fund accounts for the provision of sewer services to City and non-City residents. All activities necessary to the provision of these services are accounted for in this fund, including, but not limited to administration, plant and line maintenance. As of September 30, 2025, the City of Clermont's Sewer Fund reported total net position of $138,046,448 an increase of $21,034,783 in comparison with the prior year. This increase in net position was primarily due to ongoing capital improvement projects, and capital contributions of sewer impact fees on new development in the City.

The Sanitation Fund accounts for the provision of garbage and trash collection, recycling, and composting services to City residents. All activities necessary to the provision of these services are accounted for in this fund. As of September 30, 2025, the City of Clermont's Sanitation Fund reported total net position of $9,451,944, an increase of $772,711 in comparison with the prior year. This increase in net position is due to net operating income.

The Stormwater Fund accounts for the management of the City's stormwater drainage system. All activities necessary to the provision of these services are accounted for in this fund. As of September 30, 2025, the City of Clermont's Stormwater Fund reported total net position of $12,258,959, a decrease of $339,586 in comparison with the prior year. Though lower than the previous year, this decrease was primarily due to an operating loss of $294,435.

General Fund Budgetary Highlights
During the year there was a $3,633,078 net increase in appropriations between the original and final amended budget, representing a 6.4% change.

General Fund budgeted revenues increased by $3,997,900 between the original and final budget. Significant components of the increase were related to higher than originally anticipated intergovernmental revenues, investment income, and licenses/permits.

Considering the above noted increases in General Fund budgeted appropriations, actual expenditures were less than budgeted by $4,828,673.

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 4 of this report.

(net of depreciation)

	Governmental Activities		Business-type Activities		Total	
	2025	2024	2025	2024	2025	2024
Land	$ 28,794,922	$ 28,494,923	$ 1,573,290	$ 1,511,807	$ 30,368,212	$ 30,006,730
Buildings	25,743,370	27,137,843	4,101,795	4,308,060	29,845,165	31,445,903
Infrastructure	31,506,417	30,356,863	91,749,456	93,800,564	123,255,873	124,157,427
Machinery and Equipment	10,270,158	9,012,921	5,291,586	5,548,736	15,561,744	14,561,657
Intangibles	59,092	69,350	556,041	708,786	615,133	778,136
Construction in Progress	2,648,897	3,046,892	59,610,072	48,848,031	62,258,969	51,894,923
Total	$ 99,022,856	$ 98,118,792	$ 162,882,240	$ 154,725,984	$ 261,905,096	$ 252,844,776

The City of Clermont's investment in capital assets for its governmental and business-type activities as of September 30, 2025, amounts to $261,905,096 (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 $9,060,320. As displayed in the Capital Assets table the primary categories of buildings, infrastructure, and machinery and equipment all realized an increase in net depreciation totals. This results from additions exceeding accumulated depreciation and/or disposals during the year. However, the construction in progress category of capital assets increased 16.6% due to a number of ongoing projects within the City, including an expansion of the city's wastewater treatment facility.

Debt Administration

The following is a summary of the City's long-term debt for governmental and business-type activity for the current year with a comparison to the prior year. Additional information on long-term debt can be found in Note 4 of this report.

	Governmental Activities		Business-type Activities		Total	
	2025	2024	2025	2024	2025	2024
Revenue bonds payable	$ 27,652,000	$ 28,152,000	$ 6,137,000	$ 7,080,000	$ 33,789,000	$ 35,232,000
Notes payable	18,322,132	20,774,745	3,679,834	4,088,541	22,001,966	24,863,286
Financed purchases	2,608,655	2,018,110	-	-	2,608,655	2,018,110
Total	$ 48,582,787	$ 50,944,855	$ 9,816,834	$ 11,168,541	$ 58,399,621	$ 62,113,396

As of September 30, 2025, total outstanding debt was $58,399,621. Following the revenue bond issuance for a public works project the previous year, no new debt issuances were executed during 2025. As a result, due to payment activity during the year, the outstanding debt balances amount was $3.7 million lower than the previous year.

Next Year's Budgets and Rates

The fiscal year 2026 budget was approved with the use of $10.5 million in reserves to balance the General Fund budget. In addition to the purposeful use of reserves for capital purchases, the budget included the anticipated launch of a new public safety service. For the second year in a row, the City Council authorized a reduced millage rate of 4.5900. This rate remains one of the lowest of comparable cities in the region. Taxable assessed value of property in Clermont continued to increase in 2025, at the rate of 13.7%.

Pursuant to a utility rate study performed by a private consulting firm, the Clermont City Council adopted a resolution in March 2023 that provided for an increase to water and wastewater rates at the beginning of the fiscal year. This resolution also provided for inflation-based increases to the sanitation rates at the start of each fiscal year beginning in October 1, 2018. The increase is based on the Florida Public Service Commission Annual Price Index and are necessary, primarily to provide funding for future planned capital projects. The 2026 budget includes these rate increases in the Proprietary Funds.

Requests for Information

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

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BASIC FINANCIAL STATEMENTS

The basic financial statements include the government-wide financial statements, fund financial statements and notes to the financial statements. The government-wide financial statements present financial information about the reporting government as a whole. The fund financial statements present financial information about major funds individually and non-major funds in the aggregate, if applicable. The notes to the financial statements present information essential for a fair presentation of the financial statements not displayed on the face of the financial statements.

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September 30, 2025	Primary Government Governmental Activities	Business-type Activities	Total
Assets			
Cash and cash equivalents	$ 70,223,433	$ 46,614,853	**$ 116,838,286**
Investments	19,697,137	18,290,721	**37,987,858**
Accounts receivable, net	1,407,196	3,547,935	**4,955,131**
Due from other governments	1,529,483	212,615	**1,742,098**
Other receivables	44,753	-	**44,753**
Prepaid items and other assets	4,814,380	332,048	**5,146,428**
Inventory	33,128	26,514	**59,642**
Lease receivables	3,327,443	-	**3,327,443**
Interest receivable	-	76,904	**76,904**
Net pension asset	9,292,877	-	**9,292,877**
Restricted assets			
Cash and cash equivalents	-	1,731,286	**1,731,286**
Investments	-	13,452,721	**13,452,721**
Capital assets, net			
Nondepreciable	31,443,819	61,183,362	**92,627,181**
Depreciable	67,579,037	101,698,878	**169,277,915**
Total assets	209,392,686	247,167,837	**456,560,523**
Deferred Outflows of Resources			
Deferred outflows on refunding	-	403,424	**403,424**
Deferred outflows related to pensions	4,391,308	-	**4,391,308**
Deferred outflows on OPEB	416,097	201,763	**617,860**
Total deferred outflows of resources	4,807,405	605,187	**5,412,592**

(Continued)

	Primary Government		
September 30, 2025	Governmental Activities	Business-type Activities	**Total**
Liabilities			
Accounts payable	3,163,006	2,333,329	**5,496,335**
Accrued liabilities	1,024,295	216,292	**1,240,587**
Retainage payable	-	932,037	**932,037**
Interest payable	313,389	80,955	**394,344**
Unearned revenues	434,483	85,323	**519,806**
Other liabilities	5,500	-	**5,500**
Customer deposits	2,435,634	988,428	**3,424,062**
Non-current liabilities			
Due within one year			
Compensated absences	333,228	78,686	**411,914**
Notes payable	2,383,821	419,257	**2,803,078**
Bonds payable	500,000	965,000	**1,465,000**
Financed purchases	365,637	-	**365,637**
Due in more than one year			
OPEB liability	9,016,511	3,136,745	**12,153,256**
Compensated absences	2,999,047	708,178	**3,707,225**
Notes payable	15,938,311	3,260,577	**19,198,888**
Bonds payable	27,152,000	5,172,000	**32,324,000**
Financed purchases	2,243,018	-	**2,243,018**
Total liabilities	68,307,880	18,376,807	**86,684,687**
Deferred Inflows of Resources			
Deferred inflows related to leases	3,327,443	-	**3,327,443**
Deferred inflows related to pensions	7,843,091	-	**7,843,091**
Deferred inflows related to OPEB	4,965,317	973,215	**5,938,532**
Total deferred inflows of resources	16,135,851	973,215	**17,109,066**
Net Position			
Net investment in capital assets	50,440,069	152,536,793	**202,976,862**
Restricted for:			
Capital improvements	16,648,319	14,264,131	**30,912,450**
Public safety	7,838,052	-	**7,838,052**
Housing and urban improvement	4,077,555	-	**4,077,555**
Economic development	2,037,538	-	**2,037,538**
Recreation improvement	9,603,566	-	**9,603,566**
Unrestricted	39,111,261	61,622,078	**100,733,339**
Total net position	$ 129,756,360	$ 228,423,002	**$ 358,179,362**

City of Clermont, Florida
Statement of Activities

For the year ended September 30, 2025		Program Revenues			Net (Expense) Revenue and Changes in Net Position — Primary Government		
Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	**Total**
Primary government:							
Governmental activities:							
General government	$ 8,144,775	$ 7,263,556	$ 3,828,742	$ -	$ 2,947,523	$ -	**$ 2,947,523**
Public safety	36,070,081	2,111,320	124,904	-	(33,833,857)	-	**(33,833,857)**
Physical environment	4,404,003	2,590,911	-	-	(1,813,092)	-	**(1,813,092)**
Transportation	3,611,521	-	-	-	(3,611,521)	-	**(3,611,521)**
Econcomic environment	165,089	-	-	-	(165,089)	-	**(165,089)**
Culture and recreation	4,365,885	-	-	-	(4,365,885)	-	**(4,365,885)**
Interest on long-term debt	1,549,829	-	-	-	(1,549,829)	-	**(1,549,829)**
Total governmental activities	58,311,183	11,965,787	3,953,646	-	(42,391,750)	-	**(42,391,750)**
Business-type activities:							
Water	13,302,965	16,829,157	-	741,610	-	4,267,802	**4,267,802**
Sewer	12,605,078	15,338,181	-	4,914,369	-	7,647,472	**7,647,472**
Sanitation	5,642,665	6,214,136	-	-	-	571,471	**571,471**
Stormwater	2,937,751	2,567,954	-	-	-	(369,797)	**(369,797)**
Total business-type activities	34,488,459	40,949,428	-	5,655,979	-	12,116,948	**12,116,948**
Total primary government	$ 92,799,642	$ 52,915,215	$ 3,953,646	$ 5,655,979	(42,391,750)	12,116,948	**(30,274,802)**
	General revenues:						
	Property taxes				27,775,342	-	**27,775,342**
	Franchise fees based on gross receipts				5,083,997	-	**5,083,997**
	Business taxes				2,099,327	-	**2,099,327**
	Intergovernmental revenues				13,451,135	-	**13,451,135**
	Utility service taxes				6,681,437	-	**6,681,437**
	Miscellaneous and other taxes				2,092,224	-	**2,092,224**
	Interest and investment income				2,926,759	2,524,004	**5,450,763**
	Contribution of nonfinancial asset				1,776,563	-	**1,776,563**
	Gain (loss) on sale of capital assets				(166,629)	673	**(165,956)**
	Transfers, net				(9,905,254)	9,905,254	**-**
	Total general revenues				51,814,901	12,429,931	**64,244,832**
	Change in net position				9,423,151	24,546,879	**33,970,030**
	Net position, beginning of year				120,333,209	203,876,123	**324,209,332**
	Net position, end of year				$ 129,756,360	$ 228,423,002	**$ 358,179,362**

The notes to the financial statements are an integral part of this statement.

City of Clermont, Florida
Balance Sheet – Governmental Funds

September 30, 2025	General	Capital Projects	Infrastructure Special Revenue	Debt Service	Building Services Special Revenue	Nonmajor Funds	Total Governmental Funds
Assets							
Cash and cash equivalents	$ 31,308,728	$ 2,121,158	$ 5,444,952	$ 1,907,167	$ 5,378,935	$ 17,884,253	**$ 64,045,193**
Investments	9,753,160	2,714,912	629,583	1,644,843	1,216,287	3,390,095	**19,348,880**
Accounts receivable, net	1,406,926	-	-	-	270	-	**1,407,196**
Interest receivables	26,635	-	1,541	-	1,823	7,165	**37,164**
Lease receivable	3,327,443	-	-	-	-	-	**3,327,443**
Due from other governments	843,731	-	684,696	-	-	1,056	**1,529,483**
Prepaid items	4,763,286	-	5,500	-	36,538	9,056	**4,814,380**
Inventory	33,128	-	-	-	-	-	**33,128**
Total assets	$ 51,463,037	$ 4,836,070	$ 6,766,272	$ 3,552,010	$ 6,633,853	$ 21,291,625	**$ 94,542,867**
Liabilities and Fund Balances							
Liabilities							
Accounts payable	$ 2,143,708	$ -	$ 210,903	$ -	$ 61,774	$ 88,840	**$ 2,505,225**
Due to other governments	5,180	-	-	-		-	**5,180**
Accrued liabilities	995,640	-	-	-	22,352	4,203	**1,022,195**
Unearned revenue	427,441	-	-	-	-	-	**427,441**
Other liabilities	5,500	-	-	-	-	-	**5,500**
Deposits	-	-	-	-	2,435,634	-	**2,435,634**
Total liabilities	3,577,469	-	210,903	-	2,519,760	93,043	**6,401,175**
Deferred inflows:							
Deferred inflows related to leases	3,327,443	-	-	-	-	-	**3,327,443**
Total deferred inflows	3,327,443	-	-	-	-	-	**3,327,443**
Fund balances							
Nonspendable							
Inventory	33,128	-	-	-	-	-	**33,128**
Prepaid items	4,763,286	-	5,500	-	36,538	9,056	**4,814,380**
Restricted for					-		
Capital improvements	-	4,836,070	6,549,869	3,552,010	-	1,710,370	**16,648,319**
Public safety	-	-	-	-	-	7,838,052	**7,838,052**
Housing and urban improvement	-	-	-	-	4,077,555	-	**4,077,555**
Economic development	-	-	-	-	-	2,037,538	**2,037,538**
Transportation improvement	-	-	-	-	-	-	**-**
Recreation improvement	-	-	-	-	-	9,603,566	**9,603,566**
Assigned	3,156,212	-	-	-	-	-	**3,156,212**
Unassigned	36,605,499	-	-	-	-	-	**36,605,499**
Total fund balances	44,558,125	4,836,070	6,555,369	3,552,010	4,114,093	21,198,582	**84,814,249**
Total liabilities and fund balances	$ 51,463,037	$ 4,836,070	$ 6,766,272	$ 3,552,010	$ 6,633,853	$ 21,291,625	**$ 94,542,867**

The notes to the financial statements are an integral part of this statement.

City of Clermont, Florida
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position

September 30, 2025

Total fund balances - governmental funds			$ 84,814,249
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, therefore, are not reported in the funds.			
	Governmental capital assets	158,425,469	
	Less accumulated depreciation	59,402,613	**99,022,856**
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			**5,872,343**
Accrued interest payable is not due in the current period, and therefore, is not reported in the funds.			**(313,389)**
Net pension asset is not a financial resource, and is not reported in the funds.			**9,292,877**
OPEB liability are not recognized in the governmental funds, however, they are recorded in the statement of net position under full accrual accounting.			**(9,016,511)**
Long-term liabilities, including compensated absences, are not due and payable in the current period and, therefore, are not reported in the funds.			
	Notes payable	(45,974,132)	
	Financed purchases	(2,608,655)	
	Compensated absences	(3,332,275)	**(51,915,062)**
Deferred outflow of resources related to pension earnings and other post employment benefits are not recognized in the governmental funds; however, they are recorded in the statement of net position under full accrual accounting.			**4,807,405**
Deferred inflow of resources related to pension earnings and other post employment benefits are not recognized in governmental funds; however, they are recorded in the statement of net position under full accrual accounting.			**(12,808,408)**
Net position of governmental activities			**$ 129,756,360**

City of Clermont, Florida
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds

For the year ended September 30, 2025	General	Capital Projects	Infrastructure Special Revenue	Debt Service	Building Services Special Revenue	Nonmajor Funds	Total Governmental Funds
Revenue							
Taxes	$ 35,678,769	$ -	$ -	$ -	$ -	$ 877,337	**$ 36,556,106**
Franchise fees	5,083,997	-	-	-	-	-	**5,083,997**
Intergovernmental	8,380,530	-	5,899,881	-	-	3,124,370	**17,404,781**
Licenses and permits	845,612	-	-	-	2,375,508	-	**3,221,120**
Charges for services	3,665,783	-	-	-	6,561	171,501	**3,843,845**
Fines and forfeitures	113,231	-	-	-	-	85,360	**198,591**
Impact fees	-	-	-	-	-	4,702,231	**4,702,231**
Interest and investment income	1,453,872	226,100	164,037	335,978	202,648	544,124	**2,926,759**
Miscellaneous and other taxes	1,909,069	-	4,695	-	714	177,746	**2,092,224**
Total revenues	57,130,863	226,100	6,068,613	335,978	2,585,431	9,682,669	**76,029,654**
Expenditures							
General government	6,821,906	-	-	-	-	295,400	**7,117,306**
Public safety	32,126,593	-	10,082	-	1,746,547	24,135	**33,907,357**
Physical environment	3,403,044	-	-	-	-	181,380	**3,584,424**
Transportation	1,991,619	-	1,619,902	-	-	-	**3,611,521**
Econcomic environment	148,089	-	-	-	-	-	**148,089**
Culture and recreation	3,798,403	-	-	-	-	1,138	**3,799,541**
Debt service:							
Principal	354,389	-	-	2,827,813	-	124,800	**3,307,002**
Interest and other related charges	116,138	-	-	1,465,946	-	-	**1,582,084**
Capital outlay	2,755,856	-	1,806,241	-	59,625	1,530,564	**6,152,286**
Total expenditures	51,516,037	-	3,436,225	4,293,759	1,806,172	2,157,417	**63,209,610**
Excess (deficiency) of revenues over (under) expenditures	5,614,826	226,100	2,632,388	(3,957,781)	779,259	7,525,252	**12,820,044**

(Continued)

For the year ended September 30, 2025	General	Capital Projects	Infrastructure Special Revenue	Debt Service	Building Services Special Revenue	Nonmajor Funds	Total Governmental Funds
Other Financing Sources (Uses)							
Transfers in	4,003,116	-	-	4,293,775	-	1,291,907	**9,588,798**
Transfers out	(1,508,372)	-	(2,010,115)	(12,304,591)	-	(3,670,974)	**(19,494,052)**
Proceeds from sale of capital assets	118,084	-	-	-	270	-	**118,354**
Proceeds from financed purchases	944,934	-	-	-	-	-	**944,934**
Total other financing sources (uses)	3,557,762	-	(2,010,115)	(8,010,816)	270	(2,379,067)	**(8,841,966)**
Net change in fund balances	9,172,588	226,100	622,273	(11,968,597)	779,529	5,146,185	**3,978,078**
Fund balance, beginning of year	35,385,537	4,609,970	5,933,096	15,520,607	3,334,564	16,052,397	**80,836,171**
Fund balance, end of year	$ 44,558,125	$ 4,836,070	$ 6,555,369	$ 3,552,010	$ 4,114,093	$ 21,198,582	**$ 84,814,249**

City of Clermont, Florida
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities

For the year ended September 30, 2025

Net change in fund balances - total governmental funds		**$ 3,978,078**
Amounts reported for governmental activities in the statement of activities are different because:		
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. This is the amount by which depreciation capitalized ($6,739,801) exceeded capital outlay ($6,152,286) and loss on disposals ($284,983) in the current period.		**(872,498)**
Interest on long-term debt in the statement of activities differs from the amount reported in the governmental funds because interest is recognized as an expenditure in the funds when it is due, and thus requires the use of current financial resources. In the statement of activities, however, interest expense is recognized as the interest accrues, regardless of when it is due.		**32,255**
Contributions of capital assets are not reported as revenues in the governmental funds.		**1,776,563**
Some expenses reported in the statement of activities do not provide (or do not require) the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.		
Increase in compensated absences payable		**(1,353,141)**
Issuance of long-term debt provides current financial resources to governmental funds, while repayment of principal on long-term debt consumes resources of the governmental funds. Neither transaction, however, has any effect on the change in net position.		
Newly issued debt	(944,934)	
Principal paid	3,307,002	**2,362,068**
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.		**1,332,532**
Pension expense is reported in the Statement of Activities, which differs from pension expenditures as reported in governmental funds.		
Change in net pension asset	5,072,021	
Decrease in deferred outflows related to pensions	(3,094,077)	
Decrease in deferred inflows related to pensions	636,590	**2,614,534**
Other post employment beneift (OPEB) expense is reported in the Statement of Activities, which differs from OPEB expenditures as reported in governmental funds.		
Change in OPEB liability	1,235,835	
Decrease in deferred outflows related to pensions	(332,423)	
Increase in deferred inflows related to pensions	(1,350,652)	**(447,240)**
Change in net position of governmental activities		**$ 9,423,151**

September 30, 2025	Business-type Activities - Enterprise Funds Water	Sewer	Sanitation	Stormwater	**Total**	Governmental Activities Internal Service Fund
Assets						
Current assets						
Cash and cash equivalents	$ 16,652,102	$ 25,954,376	$ 2,681,049	$ 1,327,326	**$ 46,614,853**	$ 6,178,240
Investments	9,268,857	6,051,783	2,970,081	-	**18,290,721**	348,257
Accounts receivable, net	1,257,725	1,441,181	583,590	265,439	**3,547,935**	-
Due from other governments	-	-	-	212,615	**212,615**	-
Prepaid items	202,651	68,831	41,618	18,948	**332,048**	-
Other receivables	-	-	-	-	**-**	7,589
Inventory	26,514	-	-	-	**26,514**	-
Restricted assets						
Cash and cash equivalents	989,057	742,229	-	-	**1,731,286**	-
Investments	2,231,417	11,221,304	-	-	**13,452,721**	-
Total current assets	30,628,323	45,479,704	6,276,338	1,824,328	**84,208,693**	6,534,086
Noncurrent assets						
Interest receivable	28,752	43,006	5,146	-	**76,904**	-
Capital assets						
Non-depreciable	8,322,986	51,790,466	423,750	646,160	**61,183,362**	-
Depreciable, net	34,458,891	48,660,436	5,333,642	13,245,909	**101,698,878**	-
Total capital assets, net	42,781,877	100,450,902	5,757,392	13,892,069	**162,882,240**	-
Total noncurrent assets	42,810,629	100,493,908	5,762,538	13,892,069	**162,959,144**	-
Total assets	$ 73,438,952	$ 145,973,612	$ 12,038,876	$ 15,716,397	**$ 247,167,837**	$ 6,534,086
Deferred outflows of resources						
Deferred outflows on refunding	$ 143,988	$ 259,436	$ -	$ -	**$ 403,424**	$ -
Deferred outflows related to OPEB	56,211	90,398	22,658	32,496	**201,763**	-
Total deferred outflows of resources	$ 200,199	$ 349,834	$ 22,658	$ 32,496	**$ 605,187**	$ -

	Business-type Activities - Enterprise Funds					Governmental Activities
September 30, 2025	Water	Sewer	Sanitation	Stormwater	**Total**	Internal Service Fund
Liabilities						
Current liabilities						
Accounts payable	$ 554,529	$ 1,503,115	$ 517,760	$ 36,422	**$ 2,611,826**	$ 374,104
Accrued payroll and related liabilities	71,616	71,364	46,873	26,439	**216,292**	2,100
Retainage payable	-	932,037	-	-	**932,037**	-
Interest payable	17,527	31,160	7,604	24,664	**80,955**	-
Accrued liabilities	-	-	-	-	**-**	-
Current portion of compensated absences	22,495	28,196	6,095	21,900	**78,686**	-
Current portion of note payable	-	-	98,754	320,503	**419,257**	-
Current portion of bond payable	347,400	617,600	-	-	**965,000**	-
Unearned revenue	54,011	31,296	-	16	**85,323**	7,042
Customer deposits	988,428	-	-	-	**988,428**	-
Total current liabilities	2,056,006	3,214,768	677,086	429,944	**6,377,804**	383,246
Noncurrent liabilities						
OPEB liability	867,687	1,246,663	579,197	443,198	**3,136,745**	-
Compensated absences	202,459	253,760	212,907	39,052	**708,178**	-
Note payable	-	-	767,577	2,493,000	**3,260,577**	-
Bond payable	1,861,920	3,310,080	-	-	**5,172,000**	-
Total noncurrent liabilities	2,932,066	4,810,503	1,559,681	2,975,250	**12,277,500**	-
Total liabilities	$ 4,988,072	$ 8,025,271	$ 2,236,767	$ 3,405,194	**$ 18,655,304**	$ 383,246
Deferred inflows of resources						
Deferred inflows related to OPEB	$ 263,925	$ 251,727	$ 372,823	$ 84,740	**$ 973,215**	$ -
Total deferred outflows of resources	$ 263,925	$ 251,727	$ 372,823	$ 84,740	**$ 973,215**	$ -
Net Position						
Net investment in capital assets	$ 40,716,545	$ 95,850,621	$ 4,891,061	$ 11,078,566	**$ 152,536,793**	$ -
Restricted for capital projects	3,692,007	10,572,124	-	-	**14,264,131**	-
Unrestricted	23,978,602	31,623,703	4,560,883	1,180,393	**61,343,581**	6,150,840
Total net position	$ 68,387,154	$ 138,046,448	$ 9,451,944	$ 12,258,959	**228,144,505**	$ 6,150,840
Adjustment to reflect the consolidation of internal service fund activities						
Related to enterprise funds for prior years					**278,497**	
					$ 228,423,002	

The notes to the financial statements are an integral part of this statement.

City of Clermont, Florida
Statement of Revenues, Expenses and Changes in Fund Net Position-Proprietary Funds

	Business-type Activities - Enterprise Funds					Governmental Activities
For the year ended September 30, 2025	Water	Sewer	Sanitation	Stormwater	**Total**	Internal Service Fund
Operating Revenues						
Charges for services	$ 14,878,247	$ 12,557,313	$ 6,208,606	$ 2,353,519	**$ 35,997,685**	$ 7,619,951
Other charges and fees	357,138	67,154	5,530	1,820	**431,642**	417,619
Impact fees	1,593,772	2,713,714	-	-	**4,307,486**	-
Intergovernmental	-	-	-	212,615	**212,615**	-
Total operating revenues	16,829,157	15,338,181	6,214,136	2,567,954	**40,949,428**	8,037,570
Operating Expenses						
Personnel services	3,086,101	2,979,050	2,146,506	1,075,964	**9,287,621**	77,255
Utilities	911,804	1,288,787	429,439	1,547	**2,631,577**	-
Dump fees	-	410,425	1,061,041	23,561	**1,495,027**	-
Administrative services	-	536,369	270,229	171,094	**977,692**	-
Repairs and maintenance	3,817,353	501,904	339,262	43,982	**4,702,501**	-
Professional services	415,062	163,294	104,022	84,145	**766,523**	59,252
Insurance claims and expenses	188,023	249,407	116,383	63,420	**617,233**	6,728,664
Other supplies and expenses	1,503,017	985,954	556,053	115,191	**3,160,215**	-
Depreciation and amortization	3,298,879	5,342,128	596,509	1,283,485	**10,521,001**	-
Total operating expenses	13,220,239	12,457,318	5,619,444	2,862,389	**34,159,390**	6,865,171
Operating income	3,608,918	2,880,863	594,692	(294,435)	**6,790,038**	1,172,399
Nonoperating revenues						
Investment income	940,438	1,352,115	201,240	30,211	**2,524,004**	160,133
Interest expense	(82,726)	(147,760)	(23,221)	(75,362)	**(329,069)**	-
Proceeds from sale of capital asset	590	83	-	-	**673**	-
Total nonoperating revenues	858,302	1,204,438	178,019	(45,151)	**2,195,608**	160,133
Income before contributions and transfers	4,467,220	4,085,301	772,711	(339,586)	**8,985,646**	1,332,532
Capital contributions	741,610	4,914,369	-	-	**5,655,979**	-
Transfers in	-	15,396,920	-	-	**15,396,920**	-
Transfers out	(2,129,859)	(3,361,807)	-	-	**(5,491,666)**	-
Change in net position	3,078,971	21,034,783	772,711	(339,586)	**24,546,879**	1,332,532
Net position- beginning of year	65,308,183	117,011,665	8,679,233	12,598,545	**203,597,626**	4,818,308
Net position - end of year	$ 68,387,154	$ 138,046,448	$ 9,451,944	$ 12,258,959	**$ 228,144,505**	$ 6,150,840

The notes to the financial statements are an integral part of this statement.

For the year ended September 30, 2025	Business-type Activities - Enterprise Funds Water	Sewer	Sanitation	Stormwater	**Total**	Governmental Activities Internal Service Fund
Operating Activities						
Cash received from customers	$ 17,195,135	$ 15,150,897	$ 6,202,746	$ 2,348,970	**$ 40,897,748**	$ 8,038,103
Cash payments to suppliers for goods and services	(8,193,250)	(5,206,037)	(2,690,362)	(500,911)	**(16,590,560)**	(6,728,125)
Cash payments to employees for services	(2,960,303)	(2,835,727)	(2,005,868)	(1,037,659)	**(8,839,557)**	(76,468)
Net cash provided by operating activities	6,041,582	7,109,133	1,506,516	810,400	**15,467,631**	1,233,510
Noncapital Financing Activities						
Transfers in from other funds	-	15,396,920	-	-	**15,396,920**	-
Transfers out to other funds	(2,129,859)	(3,361,807)	-	-	**(5,491,666)**	-
Net cash provided by (used in) noncapital financing activities	(2,129,859)	12,035,113	-	-	**9,905,254**	-
Capital and Related Financing Activities						
Acquisition and construction of capital assets	(1,868,926)	(15,675,338)	(444,868)	(460,347)	**(18,449,479)**	-
Payments on long-term debt	(339,480)	(603,520)	(96,269)	(312,438)	**(1,351,707)**	-
Interest paid on long-term debt	(85,419)	(152,548)	(24,060)	(78,101)	**(340,128)**	-
Proceeds from capital contributions	741,610	4,914,369	-	-	**5,655,979**	-
Net cash used in capital and related financing activities	(1,552,215)	(11,517,037)	(565,197)	(850,886)	**(14,485,335)**	-
Investing Activities						
Sale of investments	2,262,304	3,400,507	618,726	-	**6,281,537**	69,512
Interest income	947,403	1,362,533	202,486	30,211	**2,542,633**	160,133
Net cash provided by investment activities	3,209,707	4,763,040	821,212	30,211	**8,824,170**	229,645
Net increase (decrease) in cash and cash equivalents	5,569,215	12,390,249	1,762,531	(10,275)	**19,711,720**	1,463,155
Cash and cash equivalents, beginning of year	12,071,944	14,306,356	918,518	1,337,601	**28,634,419**	4,715,085
Cash and cash equivalents, end of year	$ 17,641,159	$ 26,696,605	$ 2,681,049	$ 1,327,326	**$ 48,346,139**	$ 6,178,240

(Continued)

	Business-type Activities - Enterprise Funds					Governmental Activities
	Water	Sewer	Sanitation	Stormwater	**Total**	Internal Service Fund
Reconciliation of operating income to change in net position provided by operating activities						
Operating income	$ 3,608,918	$ 2,880,863	$ 594,692	$ (294,435)	**$ 6,790,038**	$ 1,172,399
Adjustment to reconcile operating income to net cash provided by operating activities:						
Depreciation	3,298,879	5,342,128	596,509	1,283,485	**10,521,001**	-
Change in assets, deferred outflows, liabilities and deferred inflows					**-**	
Accounts receivable	(50,271)	(187,284)	(11,390)	(6,369)	**(255,314)**	533
Inventory	1,013	-	-	-	**1,013**	-
Prepaid expenses	(66,566)	13,822	(3,659)	3,654	**(52,749)**	-
Intergovernmental	-	-	-	(212,615)	**(212,615)**	-
Deferred outflows related to OPEB	17,486	16,481	25,006	5,537	**64,510**	-
Accounts payable	(1,032,648)	(603,810)	352,955	(1,641)	**(1,285,144)**	60,136
Accrued payroll and related liabilities	12,852	12,785	1,310	3,381	**30,328**	787
Retainage payable	(290,521)	(562,209)	(163,229)	-	**(1,015,959)**	-
Compensated absences	89,421	108,365	105,685	27,474	**330,945**	-
Unearned revenue	1,933	30,413	-	16	**32,362**	(345)
Customer deposits	416,249	-	-	-	**416,249**	-
OPEB liability	(65,008)	(61,268)	(92,965)	(20,583)	**(239,824)**	-
Deferred outflows on refunding	28,798	51,887	-	-	**80,685**	
Deferred inflows related to OPEB	71,047	66,960	101,602	22,496	**262,105**	-
Total adjustments	2,432,664	4,228,270	911,824	1,104,835	**8,677,593**	61,111
Net cash provided by operating activities	$ 6,041,582	$ 7,109,133	$ 1,506,516	$ 810,400	**$ 15,467,631**	$ 1,233,510

September 30, 2025	**Total Pension Trust Funds**
Assets	
Investments, at fair value	**$ 86,696,952**
Receivables	**107,676**
Total assets	**86,804,628**
Liabilities	
Accounts payable	**18,116**
Pending trades payable	**66,587**
Total liabilities	**84,703**
Net Position	
Restricted for pension benefits	**$ 86,719,925**

For the year ended September 30, 2025	**Total Pension Trust Funds**
Additions	
Contributions	
State of Florida	**$ 1,135,529**
City	**3,683,460**
Plan members	**996,329**
Total contributions	**5,815,318**
Investment earnings	
Interest and dividends, net of investment expense	**2,625,903**
Other income	**16,233**
Net appreciation in fair value of investments	**5,924,187**
Total investment earnings	**8,566,323**
Total additions	**14,381,641**
Deductions	
Benefit payments including refunds of contributions	**1,356,482**
Administrative expenses	**180,888**
Total deductions	**1,537,370**
Change in net position	**12,844,271**
Net position restricted for pension benefits, beginning of year	**73,875,654**
Net position restricted for pension benefits, end of year	**$ 86,719,925**

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NOTES TO THE FINANCIAL STATEMENTS

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Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Clermont (City) is a political subdivision of the State of Florida founded under the Laws of Florida 7664 in 1916, which act was superseded by Chapter 29224, Special Acts 1953, and incorporated under the authority of Chapter 165, Florida Statutes. The legislative branch of the City is composed of a five-member elected Council. The City Council is responsible for the establishment and adoption of policy. The execution of such policy is the responsibility of a Council-appointed City Manager.

Reporting Entity

The City provides a variety of governmental services to residents including public works (streets and roads), law enforcement, fire protection, parks, transportation, community development and culture and recreation. Additionally, the City has a business-type operation that offers services associated with water and sewer utilities, garbage and stormwater management. The financial statements have been prepared in accordance with U.S. generally accepted accounting principles (GAAP) for governmental entities. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The accompanying financial statements present the government and its component units, entities for which the government is considered to be financially accountable. The blended component unit, although a legally separate entity is, in substance, part of the government's operations described below.

The City of Clermont Community Redevelopment Fund:

The City of Clermont created the Community 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 City 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 City 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 (CRA)* is presented as a blended component unit. The CRA is governed by a board of seven with five members of the Clermont City Council and two individuals appointed by the City Council. On December 8, 2015, Ordinance No. 2015-77 passed and modification of the Community Redevelopment Plan was approved. Because the governing body of the CRA is substantially the same as the City and the City has operational responsibility for the CRA, the CRA is presented as a blended component unit of the City.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes, intergovernmental revenues, and other nonexchange transactions, are reported separately from business-type activities, which rely to a significant extent on fees and charges to external customers for support.

Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function. *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. 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 are reported as separate columns in the fund financial statements.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as current financial resources or economic resources. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. 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 and timing requirements imposed by the provider have been met.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

The 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. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under leases are reported as other financing sources.

Property taxes, sales 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. Entitlements are recorded as revenues when all eligibility requirements are met, including any time requirements, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end). Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end). All other revenue items are considered to be measurable and available only when cash is received by the City.

The proprietary and pension funds are reported using the economic resources measurement focus and the accrual basis of accounting.

Government-Wide Financial Statements

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates governmental funds, while business-type activities incorporate the City's enterprise funds. 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.

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

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Financial Statements

The fund financial statements provide information about the City's funds, including its fiduciary funds. Separate statements for each fund category—governmental, proprietary, and fiduciary—are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. Major individual governmental and enterprise funds are reported as separate columns in the fund financial statements.

The City reports the following major governmental funds:

The *General* fund is the City's primary operating fund. It accounts for all financial resources except those accounted for in another fund.

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

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

The *Building Services Special Revenue* fund was established to account for the operations of the City's building services department which are restricted for use in providing building permitting and inspection services.

Nonmajor Governmental Fund Types

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

The City reports the following 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.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Financial Statements (Continued)

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

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

Nonmajor Proprietary Funds

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

The City reports the following fiduciary fund:

The *Pension Trust* Fund accounts for funds in the same manner as the proprietary funds, using the same measurement focus and basis of accounting. The trust fund accounts for the accumulation of resources for pension benefit payments to qualified City police officers, firefighters and general employees.

During the course of operations, the City has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from/to other funds. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities (i.e., the governmental and internal service funds) are eliminated so that only the net amount is included as internal balances in the governmental activities column.

Similarly, balances between the funds included in business-type activities (i.e., the enterprise funds) are eliminated so that only the net amount is included as internal balances in the business-type activities column.

Further, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements.

Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column.

Similarly, balances between the funds included in business-type activities are eliminated so that only the net amount is included as transfers in the business-type activities column.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Budgetary Information

Prior to the end of the fiscal year, the City Manager submits to the City Council a proposed operating budget for the fiscal year commencing the following October 1. The operating budget includes proposed expenditures and the means of financing them. Budget workshops are scheduled as needed. The general summary of the budget and notice of public hearing is published in the local newspaper. Public hearings are conducted to obtain taxpayer comments.

Prior to October 1, the budgets are legally enacted through passage of a resolution. A separate City board meeting is also held to approve the budget. The City Manager is authorized to transfer budgeted amounts within departments; however, any revisions that alter the total appropriations of any department must be approved by the City Council.

The level of classification detail at which expenditures may not legally exceed appropriations is the department level. Appropriations lapse at the close of the fiscal year to the extent they have not been expended. Encumbrance accounting is employed in governmental funds. Encumbrances (e.g., purchase orders and contracts) outstanding at year end are reported as assigned fund balances and do not constitute expenditures or liabilities because the commitments will be re-appropriated and honored during the subsequent year.

Budgets are adopted for the general fund, capital projects fund, debt service fund and special revenue funds on a basis consistent with generally accepted accounting principles, except as described below under Budgetary Basis of Accounting. 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.

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.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position or Equity

Cash and Cash Equivalents

The City'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

Investments for the City are reported at fair value (generally based on quoted market prices) except for the position in the State Treasurer's Investment Pool (Pool). The State Treasurer's Investment Pool meets all of the specified criteria in Section I50: *Investments* to qualify to elect to measure their investments at amortized cost. Accordingly, the fair value of the City's position in the pool is equal to the value of the pooled shares.

Receivables and Payables

Unbilled receivables – An amount for unbilled revenue is recorded in the proprietary funds for services rendered, but not yet billed as of the end of the fiscal year. The receivable is derived from the cycle billings generated subsequent to fiscal year end and prorated for usage in September.

Allowance for doubtful accounts – Accounts receivable have been reported net of the allowance for doubtful accounts. Accounts receivable in excess of 120 days are subject to being considered as uncollectible.

Lease receivables - The City's lease receivables are measured at the present value of lease payments expected to be received during the least term.

Unearned revenue – Unearned revenue recorded on the governmental fund and proprietary fund balance sheet represents amounts received before eligibility requirements are met.

Interfund Activities and Transactions

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as "due from other funds" or "due to other funds" within the fund financial statements. Long-term borrowings between funds are classified as "advances to other funds" or "advances from other funds" in the fund financial statements. These amounts are eliminated in the governmental and business-type activities columns of the statement of net position, except for any residual balance outstanding.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position or Equity (Continued)

Interfund Activities and Transactions (Continued)

Interfund transactions are reflected as services provided, reimbursements, or transfers. Services provided, deemed to be at or near market rates, are treated as revenues and expenditures/expenses. Reimbursements are when a fund incurs a cost, charges the appropriate benefitting fund, and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers between governmental or business-type funds are netted as part of the reconciliation to the government-wide presentation.

Inventories and Prepaid Items

Inventories are valued at cost using the first-in/first-out (FIFO) method and consist of expendable supplies and vehicle repair parts. The cost of such inventories is recorded as expenditures/expenses 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 the government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

Restricted Assets

Certain assets of the City are classified as restricted assets on the statement of net position because their use is limited by law through constitutional provisions or enabling legislation; or by restrictions imposed externally by creditors, grantors, contributors or laws or regulations of other governments. Special restricted asset accounts have been established to account for the sources and uses of these limited use assets as follows:

Customer and developer deposit accounts – Deposited in non-interest bearing accounts and refunded upon termination of service with the City and satisfaction of all obligations due.

Capital Assets

Capital assets, which include property, plant, and equipment, 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 government as assets with an initial, individual cost of $5,000 and an estimated useful life in excess of one year. For infrastructure assets, the same estimated minimum useful life is used.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position or Equity (Continued)

Capital Assets (Continued)

In the case of the initial capitalization of general infrastructure assets (i.e., those reported by governmental activities), the City chose to include all such items regardless of their acquisition date or amount. The City was able to estimate the historical cost for the initial reporting of these assets through back trending (i.e., estimating the current replacement cost of the infrastructure to be capitalized and using an appropriate price-level index to deflate the cost to the acquisition year or estimated acquisition year). As the City constructs or acquires additional capital assets each period, including infrastructure assets, they are capitalized and reported at historical cost. The reported value excludes normal maintenance and repairs which are essentially amounts spent in relation to capital assets that do not increase the efficiency of the item or increase its estimated useful life. Donated capital assets are recorded at their estimated acquisition value at the date of donation.

Land and construction in progress are not depreciated. The other property, plant, equipment, and infrastructure of the primary government are depreciated using the straight line method over the following estimated useful lives:

Capital asset classes	Lives
Buildings	10-50
Equipment and machinery	3-15
Improvements	15-50
Infrastructure	30-50
Intangible assets	3-15

Deferred outflows/inflows of resources

In addition to assets, the statement of net 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 assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then.

The City has three items that qualify for reporting as deferred outflows of resources, the *deferred outflows related to pensions, deferred outflows related to OPEB and 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.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position or Equity (Continued)

Deferred outflows/inflows of resources (Continued)

In addition to liabilities, the statement of net 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 assets 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 two items that qualify for reporting as deferred inflows of resources. The *deferred inflows related to pensions* are an aggregate of items related to pensions, reported in the government-wide statement of net position and statement of net position-proprietary funds. The City also has deferred inflows related to OPEB reported in the government-wide statement of net position. The deferred inflows related to leases are associated with amounts owed to the City, as lessor, by entities leasing the City's capital assets.

Compensated Absences

The City's policy permits employees to accumulate earned but unused paid time off benefits, which are eligible for payment upon separation from government service. The liability for compensated absences includes salary-related benefits, where applicable. During the current fiscal year, the City implemented the provisions of Governmental Accounting Standards Board Statement No. 101, Compensated Absences. GASB Statement No. 101 establishes a single model for accounting and financial reporting for compensated absences and replaces the previous guidance provided in GASB Statement No. 16. Under GASB Statement No. 101, compensated absences are recognized as liabilities to the extent that leave is attributable to past service and meets the criteria for recognition. The City elected to apply the Days Used Approach, which recognizes a liability for compensated absences based on the amount of leave that is expected to be used during the subsequent fiscal year, rather than leave that is earned or accumulated.

Long-term Obligations

In the government-wide financial statements, and proprietary fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities or business-type activities statement of net position.

Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, information about the fiduciary net position, and additions to/deductions from the plan's fiduciary net position have been determined on the same basis as they are reported by the plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position or Equity (Continued)

Other Post-Employment Benefits (OPEB) Liability

For purposes of measuring the net OPEB liability, deferred outflows/inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position and additions to/deductions from fiduciary net position have been determined on the same basis as they are reported by the plan. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. The City's proportionate share of OPEB amounts were further allocated to each participating employer based on the contributions paid by each employer. There are no investments as this is a pay-as you-go plan and all cash is held in a cash account.

Categories and Classification of Net Position and Fund Balance

Net position flow assumptions – Sometimes the City will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted – net position and unrestricted – net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the City's policy to consider restricted – net position to have been depleted before unrestricted – net position is applied.

Fund balance flow assumptions – Sometimes the City will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the City'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.

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 provisions of GASB Section 1800, *Classification and Terminology*, specifies the following classifications:

Nonspendable fund balance – Nonspendable fund balances are amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Categories and Classification of Fund Equity (Continued)

Restricted fund balance – Restricted fund balances are restricted when constraints placed on the use of resources are either: (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

Committed 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. City Council (Council) is the highest level of decision-making authority for the City that can, by adoption of an ordinance prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken (the adoption of another ordinance) to remove or revise the limitation.

Assigned fund balance – Amounts in the assigned fund balance classification are intended to be used by the City for specific purposes but do not meet the criteria to be classified as committed. The Council is the only body that may assign fund balance. The Council may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

Unassigned fund balance – Unassigned fund balance is the residual classification for the General Fund.

Revenues and Expenditures/Expenses

Program revenues - Amounts reported as *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 (including special assessments) that are restricted to meeting the operational or capital requirements of a particular function or segment. All taxes, including those dedicated for specific purposes, and other internally dedicated resources are reported as general revenues rather than as program revenues.

Property taxes - The City levied a millage rate of $4.8800 per $1,000 of assessed value for the fiscal year ended September 30, 2025. Lake County, Florida bills and receives payment for all ad valorem taxes levied by the City. Payments are then remitted to the City. All property is assessed according to its fair market value on January 1 of each year, and at that time a lien is placed on the property for the taxes. The tax levy of the City is established by the City Council prior to October 1 of each year.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenues and Expenditures/Expenses

Property Taxes (Continued)

All taxes are billed on November 1 of each year or as soon thereafter as the assessment roll is certified and delivered to the Tax Collector. All unpaid taxes become delinquent on April 1 following the year in which they are assessed. 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 not discounted.

Proprietary funds operating and nonoperating revenues and expenses – 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 Utility Fund are charges to customers for sales and services. 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.

Encumbrances

Encumbrance accounting, under which purchase orders, contracts, and other commitments for expenditure of monies are recorded as reservations of budget, is employed as an extension of the statutory required budgetary process. At year-end, outstanding encumbrances represent material purchase commitments for goods and services which were ordered, budgeted, and appropriated, but had not been received or completed at date. Although encumbrances lapse at year-end, it is the intention to substantially honor these encumbrances under authority provided in the subsequent year's budget. Encumbrances as of September 30, 2025 were as follows:

General Fund	$ 169,059
Building Services	6,377
Infrastructure	242,478
Nonmajor governmental funds	821,342
Water	357,541
Sewer	8,153,111
Sanitation	338,372
Total	$ 10,088,280

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make various estimates. Actual results could differ from those estimates. Estimates that are particularly susceptible to significant change in the near term are related to allowance for doubtful accounts, depreciable lives and estimated residual value of capital assets, fair value of investments, actuarial valuations, compensated absences, and pension liability.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Subsequent Events

Management has evaluated subsequent events through the date that the financial statements were available to be issued, March 31, 2026. See Note 8 for relevant disclosures. No subsequent events occurring after this date have been evaluated for inclusion in these consolidated financial statements.

Recently Issued and Implemented Accounting Pronouncements

GASB Statement No. 101, *Compensated Absences*. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures.

The implementation of GASB Statement No. 101 did not result in a material change to the City's financial statements. Any adjustments to beginning net position resulting from the adoption of this standard were determined to be immaterial and, therefore, no restatement of prior-period financial statements was required.

GASB Statement No. 102, *Certain Risk Disclosures*. This Statement was issued in December 2023 to provide users of government financial statements with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints. This statement defines concentration as a lack of diversity related to an aspect of a significant inflow of resources our outflow of resources. A constraint is a limitation imposed on a government by an external party or by formal action of the government's highest level of decision-making authority. Concentrations and constraints may limit a government's ability to acquire resources or control spending.

This Statement requires a government to assess whether a concentration or constraint makes the primary government reporting unit or other reporting units that report a liability for revenue debt vulnerable to the risk of a substantial impact. Additionally, this Statement requires a government to assess whether an event or events associated with a concentration or constraint that could cause the substantial impact to have occurred, have begun to occur, or are more likely than not to begin to occur within 12 months of the date the financial statements are issued. If a government determines that those criteria for disclosure have been met for concentration or constraint, it should disclose information in notes to financial statements in sufficient detail to enable users of financial statements to understand the nature of the circumstances disclosed and the government's vulnerability to the risk of a substantial impact. There were no significant impacts of implementing this Statement.

The Government Accounting Standards Board has issued statements that will become effective in future years. These statements are as follows:

GASB Statement 103, *Financial Reporting Model Improvements*. This Statement was issued April 2024 to improve key components of the financial reporting model to enhance its effectiveness in providing

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Recently Issued and Implemented Accounting Pronouncements (Continued)

information that is essential for decision making and assessing a government's accountability. This Statement also addresses certain application issues.

This establishes new accounting and financial reporting requirements—or modifies existing requirements—related to Management's discussion and analysis (MD&A); unusual or infrequent items; presentation of the proprietary fund statement of revenues, expenses, and changes in fund net position; information about major component units in basic financial statements; budgetary comparison information; and financial trends information in the statistical section. This Statement will supersede and amend portions of GASB Statements 34 and 37. This Statement further amends portions of GASB Statements 14, 41, 42, 44, 49, 56, 58, 61, 62 and 69. Related guidance will also be superseded or amended upon implementation. Statement 103 will be effective for the fiscal year ending September 30, 2026.

GASB Statement 104, *Disclosure of Certain Capital Assets*. This Statement was issued September 2024 to provide users of government financial statements with essential information about certain types of capital assets.

This requires certain types of capital assets to be disclosed separately in the capital assets note disclosures required by Statement 34. Lease assets recognized in accordance with Statement No. 87, Leases, and intangible right-to-use assets recognized in accordance with Statement No. 94, Public-Private and Public-Public Partnerships and Availability Payment Arrangements, should be disclosed separately by major class of underlying asset in the capital assets note disclosures. Subscription assets recognized in accordance with Statement No. 96, Subscription-Based Information Technology Arrangements, also should be separately disclosed. In addition, this Statement requires intangible assets other than those three types to be disclosed separately by major class. This Statement also requires additional disclosures for capital assets held for sale. A capital asset is a capital asset held for sale if (a) the government has decided to pursue the sale of the capital asset and (b) it is probable that the sale will be finalized within one year of the financial statement date. Governments should consider relevant factors to evaluate the likelihood of the capital asset being sold within the established time frame. This Statement requires that capital assets held for sale be evaluated each reporting period. Governments should disclose (1) the ending balance of capital assets held for sale, with separate disclosure for historical cost and accumulated depreciation by major class of asset, and (2) the carrying amount of debt for which the capital assets held for sale are pledged as collateral for each major class of asset. Statement 104 will be effective for the fiscal year ending September 30, 2026.

The City is currently evaluating the requirements of the above statements and the impact on reporting.

Note 2: CHANGE IN ACCOUNTING PRINCIPLE AND ERROR CORRECTION

The City's fiscal year 2025 financial statements incorporate a change in accounting principle and a change within the financial reporting entity, and reflect the correction of an error in previously issued financial statements. GASB Statement No. 100, *Accounting Changes and Error Corrections,* requires disclosure of their nature and effect on amounts reported in the financial statements.

The American Rescue Plan Act (ARPA) Fund, a special revenue fund, was presented as a major fund in the City's fiscal year 2024 governmental fund financial statements. However, in fiscal year 2025 the fund did not meet the quantitative threshold that requires major fund presentation. The City consequently reclassified the fund as nonmajor and presented it in the nonmajor governmental fund financial statements. This had no effect on the fund balance or net position of the fund.

Note 3: DETAILED NOTES ON ALL FUNDS

Deposits and Investments

The cash deposits are held by a bank that qualifies as a public depository under the Florida Security and Public Deposits Act, as required by Chapter 280, Florida Statutes, and are considered fully insured. In the event of a default or insolvency of a qualified public depositor, the State Treasurer will implement procedures for payment of losses according to the validated claims of the City pursuant to Section 280.08, Florida Statutes.

The investment program is established in accordance with the City's investment policy, pertinent bond resolutions and Section 218.415, Florida Statutes, which allows the City to invest in the Florida State Board of Administration intergovernmental investment pool or any intergovernmental investment pool authorized pursuant to the Florida Interlocal Cooperation Act of 1969, direct obligations of the United States Government, obligations of the different agencies of the Federal Government, registered money market funds and accounts of state qualified public depositories.

The Florida Public Assets for Liquidity Management (FL Palm) is a common law trust organized under the laws of the State of Florida as an intergovernmental investment pool authorized pursuant to the Florida Interlocal Cooperation Act, as provided in Section 163.01 of the Florida Statutes. The fair value of the City's position in the pool is equal to the value of the pooled shares or net asset value.

Under GASB Codification I50: *Investments*, if a participant has an investment in a qualifying external investment pool that measures for financial reporting purposes all of its investments at amortized cost, it should disclose the presence of any limitations or restrictions on withdrawals (such as redemption notice periods, maximum transaction amounts, and the qualifying external investment pool's authority to impose liquidity fees or redemption gates) in notes to the financial statements. As of September 30, 2025, there were no redemption fees or maximum transaction amounts, or any other requirements that serve to limit the City's access to 100 percent of their account value in the external investment pool.

Note 3: DETAILED NOTES ON ALL FUNDS (Continued)

Deposits and Investments (Continued)

Custodial credit risk – Custodial credit risk for deposits is the risk in the event of the failure of a depository financial institution, a government may not be able to recover deposits. Monies placed on deposit with financial institutions in the form of demand deposits, time deposits or certificate of deposits are defined as public deposits. The financial institutions in which the City places its deposits are certified as “qualified public depositories,” as required under the Florida Security for Public Deposits Act. For an investment, this is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party.

Interest rate risk – Interest rate risk is the possibility that interest rates will rise and reduce the fair value of an investment. The City’s investment policy does not specifically address interest rate risk, however, the general investment policy is to apply the prudent-person rule, which states 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.

Credit risk – Section I50: *Investments* of the GASB Codification requires that governments provide information about credit risk associated with their investments by disclosing the credit rating of investments in debt securities as described by nationally recognized statistical rating organizations.

The City’s investment policy limits investments to securities with specific ranking criteria.

Foreign currency risk – The City’s investments are not exposed to foreign currency risk and the City’s investment policy does not address foreign currency risk.

Concentration risk – Section I50: *Investments* of the GASB Codification requires disclosures of investments in any one issuer that represents five percent or more of total investments, excluding investments issued or explicitly guaranteed by the U.S government, investments in mutual funds, external investments pools and other pooled investments. The City’s investment policy does not address concentration risk.

Fair Value – GASB Codification Section 3100: *Fair Value Measurements* establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements).

Note 3: DETAILED NOTES ON ALL FUNDS (Continued)

Deposits and Investments (Continued)

The three levels of the fair value hierarchy under the codification are described as follows:

Level 1 (L1): Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the City has the ability to access.

Level 2 (L2): Inputs to the valuation methodology include:

- quoted prices for similar assets or liabilities in active markets;
- quoted prices for identical or similar assets or liabilities in inactive markets;
- inputs other than quoted prices that are observable for the asset or liability;
- inputs that are derived principally from or corroborated by observable market data by correlation or other means.

Level 3 (L3): Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Investment Type	Credit Quality Ratin	NAV	Weighted Average Maturity
Primary government			
FL Palm	AAAm	$ 36,225,008	43 days
Federal Agency Mortgage-Backed Securities	AA++	148,300	2.50
Federal Agency Commercial Mortgage-Backed S	AA++	1,267,178	4.32
Federal Agency Collateralized Mortgage Obligat	AA++	18,450	1.58
US Treasury Notes	AA+	6,082,560	4.02
Corporate Note	BBB+/A-/A/A+/A	4,532,110	4.64
Asset Backed Security	AAA/NR	3,166,973	4.57
Total primary government		51,440,579	
Fiduciary Funds			
Real Estate Investment Funds	NR	1,758,618	N/A
Pension Fixed Income Securities	various	30,232,726	2-8 years
Pension Equity Securities	various	54,705,607	
Total fiduciary funds		86,696,952	
Total investments		$ 138,137,531	

Note 3: DETAILED NOTES ON ALL FUNDS (Continued)

Deposits and Investments (Continued)

The following table sets forth by level, within the fair value hierarchy, the City's assets at fair value as of September 30, 2025:

	Fair Value	Level 1	Level 2
Primary government			
Federal Agency Mortgage-Backed Securities	$ 148,300	$ -	$ 148,300
Federal Agency Commercial Mortgage-Backed S	1,267,178	-	1,267,178
Federal Agency Collateralized Mortgage Obligat	18,450	-	18,450
US Treasury Notes	6,082,560	6,082,560	-
Corporate Note	4,532,110	-	4,532,110
Asset Backed Security	3,166,973	-	3,166,973
Total primary government	15,215,571	6,082,560	9,133,011
Fiduciary Funds			
Real Estate Investment Funds	1,758,618	-	1,758,618
Pension Fixed Income Securities	30,232,726	30,232,726	-
Pension Equity Securities	54,705,607	54,705,607	-
Total fiduciary funds	86,696,952	84,938,334	1,758,618
Total investments measured by fair value level	101,912,523	$ 97,103,454	$ 20,024,640
Investments measured at the net asset value			
Primary government			
FL PALM	36,225,008		
Total investments	$ 138,137,531		

The following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at September 30, 2025.

Treasury note – Treasury notes are classified in Level 1 of the fair value hierarchy and are valued using quoted market prices for those investments.

Note 3: DETAILED NOTES ON ALL FUNDS (Continued)

Deposits and Investments (Continued)

Federal securities, bank and corporate notes, asset backed security, municipal bonds and fixed income securities – All are classified in Level 2 of the fair value hierarchy and are valued using quoted market prices for those securities.

Mutual funds and equity securities – Mutual funds and equity securities are classified in Level 1 of the fair value hierarchy and are valued using quoted market prices for those investments.

Real estate – Real estate classified in Level 2 of the fair value hierarchy are valued using pricing models maximizing the use of observable inputs for similar assets. This includes basing value on yields currently available on comparable on comparable real estate assets.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the City believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

Fair Value of Investments in Entities that Use Net Asset Value (NAV) – The following table summarizes investments measured at fair value based on NAV per share as of September 30, 2025:

Primary Government	Fair Value	Unfunded Commitments	Redemption Notice Period
FL PALM	$ 36,225,008	N/A	1 day

Accounts Receivable

For the Water, Sewer, Sanitation and Stormwater funds, operating revenues are generally recognized on the basis of cycle billings rendered monthly. The amount of services delivered for the period from the last billing date to September 30, 2025 (unbilled receivable), is estimated and accrued at year end. The City deems all amounts over 120 days uncollectable therefore an allowance for doubtful accounts has been established equivalent to the last four months of billing. If payments are not received from customers, services are shut off and deposits are applied against negative balances.

Note 3: DETAILED NOTES ON ALL FUNDS (Continued)

Accounts Receivable (Continued)

All account receivables are shown net of allowances for uncollectible accounts for governmental funds. The accounts receivable and allowance for uncollectible accounts at September 30, 2025, were as follows:

	Accounts Receivable	Unbilled Receivables	Allowance for Uncollectible	**Total**
General Fund	$ 5,179,453	$ 26,011	$ (3,798,268)	**$ 1,407,196**
Enterprise Funds				
Water	749,639	643,986	(135,900)	**1,257,725**
Sewer	1,043,049	644,676	(246,544)	**1,441,181**
Sanitation	412,448	281,421	(110,279)	**583,590**
Stormwater	186,704	118,708	(39,973)	**265,439**
Total receivables, net	$ 7,571,293	$ 1,714,802	$ (4,330,964)	**$ 4,955,131**

Property taxes are considered fully collected during and prior to the end of the fiscal year. Therefore, no material amounts of property taxes are receivable as of September 30, 2025. There are no other reserves for receivables recorded by the City as of September 30, 2025.

Leases- Lessor

The City accounts for leases in accordance with GASBC Section L20, *Leases*. The City's operations consist of agreements for use of equipment and space. The agreements are made up of various non-cancelable agreements, which expire between the years 2031 and 2039. The City recognized $66,504 of lease revenue principal and $118,721 of lease interest for the year ended September 30, 2025.

Note 3: DETAILED NOTES ON ALL FUNDS (Continued)

Capital Assets

The following is a summary of changes in capital assets during the year ended September 30, 2025:

	Beginning Balance	Additions	Deletions	Ending Balance
Governmental activities				
Capital assets not being depreciated				
Land	$ 28,494,922	$ 300,000	$ -	$ 28,794,922
Construction in progress	3,046,892	1,969,380	(2,367,375)	2,648,897
Total capital assets not being depreciated	31,541,814	2,269,380	(2,367,375)	31,443,819
Capital assets, being depreciated				
Buildings	44,239,334	382,017	(71,564)	44,549,787
Equipment and machinery	25,165,223	3,548,383	(1,835,481)	26,878,125
Improvements/infrastructure	51,216,021	4,096,444	(319,267)	54,993,198
Intangibles	577,511	-	(16,971)	560,540
Total capital assets, being depreciated	121,198,089	8,026,844	(2,243,283)	126,981,650
Less accumulated depreciation for				
Buildings	17,101,491	1,722,594	(17,668)	18,806,417
Equipment and machinery	16,152,302	2,170,113	(1,714,448)	16,607,967
Improvements/infrastructure	20,859,158	2,832,385	(204,762)	23,486,781
Intangibles	508,161	14,709	(21,422)	501,448
Total accumulated depreciation	54,621,112	6,739,801	(1,958,300)	59,402,613
Total capital assets being depreciated, net	66,576,977	1,287,043	(284,983)	67,579,037
Governmental activities capital assets, net	$ 98,118,791	$ 3,556,423	$ (2,652,358)	$ 99,022,856

Note 3: DETAILED NOTES ON ALL FUNDS (Continued)

Capital Assets (Continued)

	Beginning Balance	Additions	Deletions	Ending Balance
Business-type activities				
Capital assets not being depreciated				
Land	$ 1,511,807	$ 61,483	$ -	$ 1,573,290
Construction in progress	48,848,031	10,762,041	-	59,610,072
Total capital assets not being depreciated	50,359,838	10,823,524	-	61,183,362
Capital assets being depreciated				
Buildings	4,798,897	-	(26,703)	4,772,194
Equipment and machinery	15,538,482	1,303,527	(216,795)	16,625,214
Improvements/infrastructure	173,038,250	8,479,636	(1,913,710)	179,604,176
Intangibles	1,301,509	-	-	1,301,509
Total capital assets being depreciated	194,677,138	9,783,163	(2,157,208)	202,303,093
Less accumulated depreciation for				
Buildings	490,837	206,266	(26,704)	670,399
Equipment and machinery	9,989,746	1,503,808	(159,926)	11,333,628
Improvements/infrastructure	79,237,685	8,658,182	(41,147)	87,854,720
Intangibles	592,723	152,745	-	745,468
Total accumulated depreciation	90,310,991	10,521,001	(227,777)	100,604,215
Total capital assets being depreciated, net	104,366,147	(737,838)	(1,929,431)	101,698,878
Business-type activities capital assets, net	$ 154,725,985	$ 10,085,686	$ (1,929,431)	$ 162,882,240

Depreciation expense was allocated to the governmental functions in the statement of activities as follows:

Governmental activities:	
General government	$ 1,006,860
Public safety	4,330,018
Physical environment/transportation	819,579
Economic environment	17,000
Culture and recreation	566,344
Total	**$ 6,739,801**

Business-type activities:	
Water	$ 3,298,879
Sewer	5,342,128
Stormwater	1,283,485
Sanitation	596,509
Total	**$ 10,521,001**

Note 3: DETAILED NOTES ON ALL FUNDS (Continued)

Long-Term Liabilities

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

Bonds Payable-Public Offering

In a prior year, the City issued Water and Sewer Revenue and Refunding Bonds, Series 2017 in the amount of $10,817,000 with interest of 2.38% to partially refund the Water and Sewer Revenue and Refunding Bond Series 2009. The bond is secured by the net revenue of the water and sewer system.

The City issued Water and Sewer Revenue Bond, Series 2024 in the amount of $28,152,000 with interest 3.40% to finance costs of the water and sewer improvement projects. The bond is secured by the net revenue of the water and sewer system.

Notes Payable -Direct Borrowing

The City issued Public Improvement Refunding Revenue Note, Series 2016 in the amount of $5,331,196 with interest of 2.03% to refund the Public Improvement Revenue Note, Series 2013. This note is secured by public services taxes and communications service tax. In the event of default, the lender may seek enforcement of all remedies available under the law. Any amounts due on the note that remain unpaid shall bear interest at the default rate until all amounts then due are paid in full.

The City issued Infrastructure Sales Surtax Revenue Note, Series 2016, in the amount of $5,300,000 with interest of 2.12% to finance costs of the acquisition and construction of a new municipal police station. This note is secured by the infrastructure sales surtax. In the event of default, the lender may seek enforcement of all remedies available under the law. Any amounts due on the note that remain unpaid shall bear interest at the default rate until all amounts then due are paid in full.

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

The City entered into a promissory note for purchase of real property in the amount of $499,200 with zero interest rate. In the event of default, past due payment charges not yet received remain due and payable.

Note 3: DETAILED NOTES ON ALL FUNDS (Continued)

Long-Term Liabilities (Continued)

Financed Purchases

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

Compensated absences will be liquidated in future periods primarily by the General Fund for governmental activities. Business-type activities compensated absences will be liquidated by the respective proprietary fund.

Long-term liability activity for the year ended September 30, 2025 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities					
Notes payable					
Infrastructure revenue note	$ 2,720,413	$ -	$ (364,605)	$ 2,355,808	$ 372,334
Public Improvement revenue note	2,264,673	-	(434,915)	1,829,758	443,744
Capital Improvement Note	15,290,459	-	(1,528,293)	13,762,166	1,567,743
Promissory note	499,200	-	(124,800)	374,400	-
Bonds payable-revenue bonds	28,152,000	-	(500,000)	27,652,000	500,000
Financed purchases	2,018,110	944,934	(354,389)	2,608,655	365,637
Total notes from direct borrowings	50,944,855	944,934	(3,307,002)	48,582,787	3,249,458
OPEB Liability	10,252,346	-	(1,235,835)	9,016,511	-
Compensated absences, net*	1,979,134	1,353,141		3,332,275	333,228
Governmental activity long-term liabilities	$ 63,176,335	$ 2,298,075	$ (4,542,837)	$ 60,931,573	$ 3,582,686

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Business-type activities					
Notes payable-capital projects	$ 4,088,541	$ -	$ (408,707)	$ 3,679,834	$ 419,257
Bonds payable-revenue bonds	7,080,000	-	(943,000)	6,137,000	965,000
Total notes from direct borrowings	11,168,541	-	(1,351,707)	9,816,834	1,384,257
OPEB Liability	3,376,569	-	(239,824)	3,136,745	-
Compensated absences, net*	455,919	330,945		786,864	78,686
Business-type activity long-term liabilities	$ 15,001,029	$ 330,945	$ (1,591,531)	$ 13,740,443	$ 1,462,943

*The change in the compensated absences liability is presented as net change.

Note 3: DETAILED NOTES ON ALL FUNDS (Continued)

Long-Term Liabilities (Continued)

Annual debt service requirements to maturity are as follows:

Governmental Activities	Notes Payable		Bonds Payable		Financed Purchases		Total	
For the years ending December 31,	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2026	$ 2,383,821	$ 544,766	$ 500,000	$ 940,168	$ 365,637	$ 67,299	$ 3,249,458	$ 612,065
2027	2,442,539	485,908	500,000	923,168	279,998	59,332	3,222,537	545,240
2028	2,501,609	425,596	500,000	906,168	281,752	51,259	3,283,361	476,855
2029	2,562,612	239,002	500,000	889,168	166,205	42,009	3,228,817	281,011
2030	2,144,671	387,315	500,000	872,168	173,867	34,347	2,818,538	421,662
2031-2033	6,286,880	430,595	25,152,000	3,210,892	1,341,196	53,452	32,780,076	484,047
Total	18,322,132	2,513,182	27,652,000	7,741,732	2,608,655	307,698	48,582,787	2,820,880
Current portion	(2,383,821)	(544,766)	(500,000)	(940,168)	(365,637)	(67,299)	(3,249,458)	(612,065)
Payable after one year	$ 15,938,311	$ 1,968,416	$ 27,152,000	$ 6,801,564	$ 2,243,018	$ 240,399	$ 45,333,329	$ 2,208,815

Business-type Activities	Notes Payable		Bonds Payable		Total	
For the years ending December 31,	Principal	Interest	Principal	Interest	Principal	Interest
2026	$ 419,257	$ 91,266	$ 965,000	$ 134,577	$ 1,384,257	$ 225,843
2027	430,440	80,093	986,000	111,360	1,416,440	191,453
2028	441,623	68,625	1,009,000	87,620	1,450,623	156,245
2029	453,228	56,858	1,036,000	63,284	1,489,228	120,142
2030	465,255	779,795	1,060,000	578,842	1,525,255	1,358,637
2031	1,470,031	103,476	1,081,000	553,364	2,551,031	656,840
Total	3,679,834	1,180,113	6,137,000	1,529,047	9,816,834	2,709,160
Current portion	(419,257)	(91,266)	(965,000)	(134,577)	(1,384,257)	(225,843)
Payable after one year	$ 3,260,577	$ 1,088,847	$ 5,172,000	$ 1,394,470	$ 8,432,577	$ 2,483,317

The City has notes outstanding at September 30, 2025, for which revenues of the City have been pledged for repayment. Revenues pledged to repay these obligations are as follows:

	Amount Issued	Future Principal and Interest	Current Pledged Revenue	Current Year Principal and Interest	Current Percentage of Revenue
Governmental activities					
Infrastructure revenue note	$ 5,300,000	$ 3,659,156	$ 5,957,226	$ 418,492	7.02%
Public Improvement revenue note	5,331,196	2,947,178	7,393,204	476,561	6.45%
Capital Improvement Note	30,000,000	17,008,046	16,269,674	2,421,462	14.88%
Bonds payable-revenue bonds	28,152,000	35,393,732	9,634,470	1,440,168	14.95%
Business-type activities					
Revenue bonds	10,817,000	7,666,047	9,634,470	1,099,577	11.41%

Note 3: DETAILED NOTES ON ALL FUNDS (Continued)

Interfund Receivables, Payables And Transfers

The City had no interfund receivables or payables as of September 30, 2025. The transfers between funds is as follows:

	Transfers in:						
Transfers out:	General fund	Debt Service Fund	Water	Sewer	Police Asset Forfeiture	Fire Impact Fees	**Total**
General fund	$ -	$ 216,465	$ -	$ -	$ 72,616	$ 1,219,291	$ 1,508,372
Infrastructure Fund	-	2,010,115	-	-	-	-	2,010,115
ARPA Fund	-	-	-	3,092,329	-	-	3,092,329
Debt Service	-	-		12,304,591	-	-	12,304,591
Recreation Impact Fees	-	564,015	-	-	-	-	564,015
Police Impact Fees	-	14,630	-	-	-	-	14,630
Water	2,129,859	-	-	-	-	-	2,129,859
Sewer	1,873,257	1,488,550	-	-	-	-	3,361,807
Total	$ 4,003,116	$ 4,293,775	$ -	$ 15,396,920	$ 72,616	$ 1,219,291	$ 24,985,718

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

Net Investment In Capital Assets

The elements of this calculation are as follows:

	Activities	Activities	**Total**
Capital assets (net)	$ 99,022,856	$ 162,882,240	**$ 261,905,096**
Deferred outflows on refunding	-	403,424	**403,424**
Less retainage payable	-	(932,037)	**(932,037)**
Less construction and bond payable related to capital assets	(48,582,787)	(9,816,834)	**(58,399,621)**
Net investment in capital assets	$ 50,440,069	$ 152,536,793	**$ 202,976,862**

Note 4: RETIREMENT PLANS

Employee Retirement Plans and Pension Plans

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

Note 4: RETIREMENT PLANS (Continued)

Defined Contribution Plans

The defined contribution pension plan for general employees of the City was established October 1, 1985, as defined in Chapter 46, Article I, of the Clermont Code and is available to all permanent general employees of the City, once they have completed one year of employment. Employees are fully vested in the plan after five 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.

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

Since these plans qualify as defined contribution plans, the assets, liabilities, net position and operations are not recorded within the City's financial statements.

The employer's contributions for both plans was $1,299,728 for the year ended September 30, 2025.

Description of 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 plan is administered by a separate board of trustees comprised of five members, two of whom are appointed by the City Council, two of whom are full-time participants of the respective employee group (General, Police, or Fire) and one is chosen by a majority of the previous four members. Each board of trustees is empowered to hire its own attorneys and consultants at the pension fund's expense, and to bring and defend lawsuits. Stand-alone audited financial statements are avialble upon request to the Pension Services Division.

Summary of Significant Accounting Policies (All Plans)

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, refunds, and administrative costs are recognized when due and payable in accordance with the terms of each plan. On-behalf payments, made by the state totaling $625,632 and $408,047 for the Fire Employees and Police Employees plans, respectively, were recognized as revenues and expenditures in the General Fund during the year ended September 30, 2025.

Note 4: RETIREMENT PLANS (Continued)

Summary of Significant Accounting Policies (All Plans)

Method Used to Value Investments

Investments are reported at fair value. Short-term investments are reported at amortized 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.

Funding Requirements

The City uses the entry age normal actuarial cost method (EAN) to determine required contributions. This method provides a stable pattern of minimum required contributions at a level dollar amount (for each plan) and allows a more transparent analysis of the changes experienced from one year to the next.

City contributions are actuarially determined sufficient to pay current costs and amortize unfunded past service costs, if any, as provided in Chapter 112, Florida Statutes.

Florida Statutes, Chapters 175 and 185, require members to contribute not less than .5% of their annual salary. The Police Employees and Fire Employees plans, as approved by the City Council, require members to contribute 5% and 5.5%, respecitvely of their basic compensation. The City is required to contribute at an actuarially determined rate, which includes the state's premium tax proceeds. Employer contributions for police officers and firefighters include on-behalf payments from the state of Florida related to state excise taxes collected on homeowners' insurance policies.

The current required employer contribution rate is 18.18% of annual covered payroll for police officers and 39.63% of covered payroll for firefighters. The City contributed $1,097,940 and $2,585,520 for Police Employees and Fire Employees plans, respectively, for the year ended September 30, 2025. Municipalities that have established pension plans complying with the provisions of Chapters 175 and 185, Florida Statutes, and that have enacted appropriate taxing legislation are eligible to receive revenues generated from excise taxes on gross receipts of certain insurance premiums from policyholders covering property within the City limits.

These state premium tax proceeds are the Firefighters' Pension Fund Excise Tax, which is imposed on the gross receipts of property insurance policy premiums, and the Police Officers' Pension Fund Excise Tax, which is imposed on the gross receipts of casualty insurance policy premiums.

Note 4: RETIREMENT PLANS (Continued)

Plans Membership and Benefits

The makeup of plan participants as of the September 30, 2025, valuation was as follows:

Plan Membership	General Employees	Police Employees	Fire Employees
Inactive plan members or beneficiaries currently receiving benefits	1	35	11
Inactive plan members entitled to, but not yet receiving be	-	45	77
Active plan members	-	85	74
Total plan membership	1	165	162

The plans provide retirement, termination, disability, and death benefits. A summary of those benefits, by plan, is outlined below.

	General Employees	Police Employees	Fire Employees
Normal Retirement	Not applicable	Age 55 and 10 years of service or 20 years of service, regardless of age. Benefit equials 2.25% x Avg Monthly Comp x credited service (if hired prior to 10/1/02, after is 3%).	Age 55 and 10 years of service or 20 years of service, regardless of age. Benefit equials 2.25% x Avg Monthly Comp x credited service (if hired prior to 10/1/02, after is 3%).
Early Retirement	Not applicable	Age 50 and 10 years of service, reduced at 3% per year.	Age 50 and 10 years of service, reduced at 3% per year.
Termination of Employment	Not applicable	Vested employees receive full benefits upon retirement age. Nonvested are entitlted to return of employee contributions.	Vested employees receive full benefits upon retirement age. Nonvested are entitlted to return of employee contributions.
Disability Benefits	Not applicable	Line of duty benefit is larger of basic pension formula or 42% of average earnings; Non line of duty is 25% of average earnings.	Line of duty benefit is larger of basic pension formula or 42% of average earnings; Non line of duty is 25% of average earnings.
Pre-Retirement Death Benefits	Not applicable	Survivor benefit is 10 years certain amount adjusted for vesting status at time of death of plan member.	Survivor benefit is 10 years certain amount adjusted for vesting status at time of death of plan member.
Disability Benefits	Not applicable		
Deferred Retirement Option (D	Not applicable	Employees eligible at normal retirment age. Accrued benefit frozen but earns interest until DROP exit (no more than 5 years later).	Employees eligible at normal retirment age. Accrued benefit frozen but earns interest until DROP exit (no more than 5 years later).

Note 4: RETIREMENT PLANS (Continued)

Pension Plan Investments

Each plan's investment policy was adopted by the respective Pension Board of Trustees, which has the authority for establishing and amending investment policy decisions for each of the plans that they administer. The policy outlines suitable, authorized investments along with asset allocations.

Each plan's investments are reported at fair value. Securities traded on a national exchange are valued at the last reported sales price at current exchange rates. Independent investment managers and an independent custodian handle all pension investments and disbursements.

Annual Money-Weighted Rate of Return

For the fiscal year ended September 30, 2025, the annual money-weighted rate of return, net of investment expense on the Plans was as follows:

	General Employees	Police Employees	Fire Employees
Annual money-weighted rate of return net of investment expenses	4.30%	11.59%	11.37%

Net Pension Liability, Significant Assumptions, And Discount Rate

The plans' fiduciary net position as a percentage of the total pension liability as of September 30, 2025, were as follows:

General employees	
Plan fiduciary net position as a percentage of the total pension liability at September 30, 2025	179.42%
Police employees	
Plan fiduciary net position as a percentage of the total pension liability at September 30, 2025	111.57%
Fire employees	
Plan fiduciary net position as a percentage of the total pension liability at September 30, 2025	113.09%

Note 4: RETIREMENT PLANS (Continued)

Net Pension Liability, Significant Assumptions, And Discount Rate (Continued)

The total pension liability was determined by an actuarial valuation using the following actuarial assumptions applied to all measurement periods for each plan:

Valuation date	10/1/2024	10/1/2024	10/1/2024
Inflation	2.75%	2.50%	2.50%
Salary Increases	Not applicable	5.5% per annum	5.5% per annum
Discount Rate	6.75%	7.00%	7.00%
Investment Rate of Return	6.75%	7.00%	7.00%

Mortality rates were based on the July 1, 2018 FRS special risk actuarial valuation for all plans. Disabled tables were used for disabled lives.

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 plans' target asset allocation as of September 30, 2025, are summarized in the following table:

	General Employees		Police Employees		Fire Employees	
Asset Class	Target Allocation	Long-Term Expected Real Rate of Return	Target Allocation	Long-Term Expected Real Rate of Return	Target Allocation	Long-Term Expected Real Rate of Return
Core Bonds	15.00%	1.60%	N/A	N/A	N/A	N/A
Core Plus	15.00%	2.10%	N/A	N/A	N/A	N/A
US Large Cap Equity	25.00%	4.60%	N/A	N/A	N/A	N/A
US Small Cap Equity	14.00%	5.50%	N/A	N/A	N/A	N/A
Foreign Equity	21.00%	6.70%	10.00%	3.75%	10.00%	3.75%
Private Real Estate	10.00%	5.00%	10.00%	5.35%	10.00%	5.35%
Domestic Equity	N/A	N/A	40.00%	7.83%	40.00%	7.83%
Convertibles	N/A	N/A	10.00%	6.30%	10.00%	6.30%
Global Infrastructure	N/A	N/A	5.00%	6.39%	5.00%	6.39%
Fixed Income	N/A	N/A	25.00%	1.81%	25.00%	1.81%

Note 4: RETIREMENT PLANS (Continued)

Net Pension Liability, Significant Assumptions, And Discount Rate (Continued)

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 actuarially determined contribution rates and the member rate. Based on those assumptions, each 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 net pension liability.

Pension Expense and Deferred Inflows/Outflows of Resources Related to Pensions

On September 30, 2025, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	General Employees		Police Employees		Fire Employees	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between Expected and Actual Experience	$ -	$ -	$ 374,214	$ (797,136)	$ 950,418	$ (103,518)
Changes of assumptions	-	-	87,105	-	138,960	-
Net difference between Projected and Actual Earnings on Pension Plan investments	10,628	(16,455)	1,403,492	(3,265,653)	1,426,491	(3,660,329)
Employer and State contributions subsequent to the measurement date	-	-	-	-	-	-
Total	$ 10,628	$ (16,455)	$ 1,864,811	$ (4,062,789)	$ 2,515,869	$ (3,763,847)

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

Year ended September 30:	General	Police	Fire
2026	$ 4,944	$ 406,944	$ 312,924
2027	(5,683)	(996,548)	(1,113,568)
2028	(4,913)	(972,880)	(1,103,364)
2029	(175)	(299,677)	(329,830)
2030	-	-	-
Thereafter	-	-	-
Total	$ (5,827)	$ (1,862,161)	$ (2,233,838)

Note 4: RETIREMENT PLANS (Continued)

Changes in Net Pension Liability and Sensitivity to Changes in Discount Rate

General Employees

The following schedule displays the components of the net pension asset as of the City's measurement date of September 30, 2025.

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
Balances at September 30, 2024	$ 182,554	$ 240,531	$ (57,977)
Changes for the year			
Service cost	-	-	-
Interest	11,722	871	10,851
Differences between expected and actual experience	(49,817)	-	(49,817)
Changes of assumptions	1,433	-	1,433
Changes of benefit terms	-	-	-
Contributions - employer	-	-	-
Contributions - employee	-	-	-
Net investment income	-	15,635	(15,635)
Benefit payments, including refunds of employee contributions	(18,176)	(18,176)	-
Administrative expense	-	(9,714)	9,714
Net changes	(54,838)	(11,384)	(43,454)
Balances at September 30, 2025	$ 127,716	$ 229,147	$ (101,431)

Note 4: RETIREMENT PLANS (Continued)

Changes in Net Pension Liability and Sensitivity to Changes in Discount Rate (Continued)

The sensitivity of the net pension liability (asset) to changes in the discount rate is shown below.

	0.01 Decrease (5.75%)	Current Discount Rate (6.75%)	0.01 Increase (7.75%)
City's net pension asset- General Employees	($95,387)	($101,431)	($106,987)

Police Employees

The following schedule displays the components of the net pension asset as of the City's measurement date of September 30, 2025.

	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
Balances at September 30, 2024	$ 30,909,283	$ 33,089,319	$ (2,180,036)
Changes for the year			
Service cost	1,733,463	-	1,733,463
Interest	2,240,354	2,352,273	(111,919)
Differences between expected and actual experience	61,657	-	61,657
Changes of assumptions	-	-	-
Changes of benefit terms	-	-	-
Contributions - employer	-	1,527,796	(1,527,796)
Contributions - employee	-	508,159	(508,159)
Net investment income	-	1,498,385	(1,498,385)
Benefit payments, including refunds of employee contributions	(897,228)	(897,228)	-
Administrative expense	-	(91,854)	91,854
Net changes	3,138,246	4,897,531	(1,759,285)
Balances at September 30, 2025	$ 34,047,529	$ 37,986,850	$ (3,939,321)

The plan fiduciary net position does not include Share Plan balances of $1,827,683.

Note 4: RETIREMENT PLANS (Continued)

Changes in Net Pension Liability and Sensitivity to Changes in Discount Rate (Continued)

The sensitivity of the net pension liability (asset) to changes in the discount rate is shown below.

	0.01 Decrease (6.0%)	Current Discount Rate (7.0%)	0.01 Increase (8.0%)
City's net pension asset- Police Employees	$879,701	($3,939,321)	($7,751,261)

Fire Employees

The following schedule displays the components of the net pension asset as of the City's measurement date of September 30, 2025.

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
Balances at September 30, 2024	$ 35,730,596	$ 37,713,439	$ (1,982,843)
Changes for the year			
Service cost	1,759,914	-	1,759,914
Interest	2,574,720	2,751,889	(177,169)
Differences between expected and actual experience	436,485	-	436,485
Changes of assumptions	473	-	473
Changes of benefit terms	-	-	-
Contributions - employer	-	3,072,337	(3,072,337)
Contributions - employee	-	646,818	(646,818)
Net investment income	-	1,649,150	(1,649,150)
Benefit payments, including refunds of employee contributions	(386,296)	(386,296)	-
Administrative expense	-	(79,320)	79,320
Net changes	4,385,296	7,654,578	(3,269,282)
Balances at September 30, 2025	$ 40,115,892	$ 45,368,017	$ (5,252,125)

The plan fiduciary net position does not include Share Plan and DROP balances of $1,620,380.

Note 4: RETIREMENT PLANS (Continued)

Changes in Net Pension Liability and Sensitivity to Changes in Discount Rate (Continued)

The sensitivity of the net pension liability (asset) to changes in the discount rate is shown below.

	0.01 Decrease (6.0%)	Current Discount Rate (7.0%)	0.01 Increase (8.0%)
City's net pension asset- Fire Employees	$111,901	($5,252,125)	($9,903,995)

Pension Plan Financial Statements

The City does not issue separate financial statements for the General Employees, Police Employees or the Fire Employees pension plans. The basic financial statements of the City include a statement of net position and a statement of changes in fiduciary net position that presents a single column for each fund type for all pension trust funds.

Combining Fund Information

The following tables present the combined pension trust funds fiduciary net position activity as of September 30, 2025:

September 30, 2025	General Employees Defined Benefit	Police Pension Trust Fund	Fire Pension Trust Fund	Total Employee Pension Trust Funds
Assets				
Investments, at fair value	$ 208,740	$ 39,754,621	$ 46,733,591	$ 86,696,952
Receivables	5,582	102,094	-	107,676
Total assets	214,322	39,856,715	46,733,591	86,804,628
Liabilities				
Accounts payable	-	12,138	5,978	18,116
Pending trades payable	-	30,044	36,543	66,587
Total liabilities	-	42,182	42,521	84,703
Net Position				
Restricted for pension benefits	$ 214,322	$ 39,814,533	$ 46,691,070	$ 86,719,925

Note 4: RETIREMENT PLANS (Continued)

Pension Plan Financial Statements (Continued)

Combining Fund Information (Continued)

The pension trust funds change in fiduciary net position activity for the year ended September 30, 2025 was as follows:

For the year ended September 30, 2025	General Employees Defined Benefit	Police Pension Trust Funds	Fire Pension Trust Fund	Total Employee Pension Trust Funds
Additions				
Contributions				
State of Florida	$ -	$ 648,712	$ 486,817	$ 1,135,529
City	-	1,097,940	2,585,520	3,683,460
Plan members	-	392,515	603,814	996,329
Total contributions	-	2,139,167	3,676,151	5,815,318
Investment earnings				
Interest and dividends, net of investment expense	-	1,205,134	1,420,769	2,625,903
Other income	-	16,233	-	16,233
Net appreciation in fair value of investments	16,506	2,795,224	3,112,457	5,924,187
Total investment earnings	16,506	4,016,591	4,533,226	8,566,323
Total additions	16,506	6,155,758	8,209,377	14,381,641
Deductions				
Benefit payments including refunds of contributions	18,176	952,010	386,296	1,356,482
Administrative expenses	9,714	91,854	79,320	180,888
Total deductions	27,890	1,043,864	465,616	1,537,370
Change in net position	(11,384)	5,111,894	7,743,761	12,844,271
Net position restricted for pension benefits, beginning of year	225,706	34,702,639	38,947,309	73,875,654
Net position restricted for pension benefits, end of year	$ 214,322	$ 39,814,533	$ 46,691,070	$ 86,719,925

Note 5: POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

Plan Description

The City of Clermont, Florida administers a single-employer defined benefit healthcare plan (the Plan) that provides medical insurance to its employees and their eligible dependents. Pursuant to Section 112.0801 Florida Statutes, the City is required to provide eligible retirees (as defined in the City's pension plans) the opportunity to participate in this Plan at the same cost that is applicable to active employees. The City does not issue stand-alone financial statements for this Plan. All financial information related to the Plan is accounted for in the City's basic financial statements.

Note 5: POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Continued)

Funding Policy

The City is funding the post employee benefits on a pay-as-you-go basis. Contribution rates for the Plan are established by City Council annually during the budget process. The City does not pay for health insurance premiums for retirees. Blended premium rates for active and retired employees combined provide an implicit subsidy for retirees because on an actual basis, their current and future claims are expected to result in higher costs to the Plan than those of active employees. The current year contributions are determined as annualized claims incurred based on the retiree age at the beginning of the fiscal year and the claims table used for liability determination offset by the annual premium paid by the retiree for such coverage. City contributions are assumed to be equal to benefits paid.

Plan Membership

At the valuation date October 1, 2024, OPEB membership consisted of the following:

Inactive members	5
Active members	385
Total	390

Actuarial Assumptions and Other Inputs

At the September 30, 2025 measurement date, the actuarial assumptions and other inputs, applied include the following:

Salary Increases	3.50 % including inflation
Discount rate	4.90% investment rate of return
Health care cost trend rates	2024 - 2025 Trend (OAP / HDP) -6.38% / -4.56%
Retirees' share of benefit-related costs	100.00 % of projected health insurance premiums

The discount rate was selected based on a 20-year tax-exempt high-quality general obligation municipal bond yield of index. The Bond Buyer 20-Bond General Obligation Index is the average rating of 20 bonds that are grade ‘Aa2’ (Moody’s) or grade ‘AA’ (S&P 500). The Bond Buyer 20-Bond General Obligation Index at September 30, 2025 was 4.90%.

Mortality rates were based on the RP-00 Annuitant Mortality Tables for Males and Females as appropriate with both rates, fully generational with adjustments for mortality improvements based on Scale BB. RP-00 Disabled Retiree Mortality Tables set back 4 years for males and forward 2 years for females, with no projected improvement used for disabled employees.

Note 5: POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Continued)

Actuarial Assumptions and Other Inputs (Continued)

The actuarial assumptions used in the October 1, 2024 valuation were not based on the results of an actuarial experience study.

At September 30, 2025, the City of Clermont, Florida reported a total OPEB liability of $12,153,256. The information has been provided as of the September 30, 2025 measurement date.

	Increase (Decrease) Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Total OPEB Liability (Asset) (a) - (b)
Balances at September 30, 2024	$ 13,628,915	$ -	$ 13,628,915
Changes for the year			
Service cost	777,143	-	777,143
Interest	573,390	-	573,390
Changes of assumptions	(2,582,236)	-	(2,582,236)
Difference between expected and actual experience	-	-	-
Changes in benefit terms	-	-	-
Contributions - employer	(243,956)	243,956	(487,912)
Net investment income	-	-	-
Benefit payments	-	(243,956)	243,956
Administrative expenses	-	-	-
Net changes	(1,475,659)	-	(1,475,659)
Balance as of September 30, 2025	$ 12,153,256	$ -	$ 12,153,256

There were no changes in assumptions and other inputs from the October 1, 2022 valuation. The methods, assumptions, and participant data used are detailed in the actuarial valuation report dated October 1, 2024, except that these calculations are based in the Entry Age Normal cost method required by GASB P52: *Postemployment Benefits Other Than Pensions*.

Note 5: POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Continued)

Sensitivity of the Net OPEB Liability

The following table represents the City's total and net OPEB liability calculated using the discount rate of 4.90%, as well as what the City's net OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (3.90%) or one percentage point higher (5.90%) than the current rate:

	1% Decrease 3.90%	Current Discount Rate 4.90%	1% Increase 5.90%
Net OPEB Liability	$ 13,966,630	$ 12,153,256	$ 10,647,714

The following table represents the City's total and net OPEB liability calculated using the health care cost trend rate of 5.00%, as well as what the City's net OPEB liability would be if it were calculated using a health care cost trend rate that is one percentage point lower (4.00%) or one percentage point higher (6.00%) than the current rate:

	1% Decrease	Ultimate Trend Baseline	1% Increase
Net OPEB Liability	$ 10,315,163	$ 12,153,256	$ 14,415,090

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the fiscal year ended September 30, 2025, the City of Clermont, Florida reported deferred inflows of resources related to the OPEB plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 81,750	$ (1,356,483)
Change of assumptions	536,110	(4,582,049)
Net difference between projected and actual earnings on OPEB plan investments	-	-
Contributions subsequent to the measurement date	-	-
Total	$ 617,860	$ (5,938,532)

Note 5: POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Continued)

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

Amounts reported as deferred outflows of resources and deferred inflows of resources related to the OPEB plan will be recognized in the expense as follows:

For the years ending December 31,		
2026	$	(589,342)
2027		(840,472)
2028		(871,508)
2029		(871,508)
2030		(907,625)
Thereafter		(1,240,217)
Total	$	(5,320,672)

Note 6: RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to and destruction of property and other assets; errors and omissions by employees; and natural disasters, particularly during the hurricane season of June through November. The City has purchased various types of insurance to protect itself. There have been no changes in insurance coverage during the current or previous fiscal year. The City does not participate in a risk pool and does not retain any of the risks of loss.

Note 7: COMMITMENTS AND CONTINGENCIES

During the ordinary course of its operation, the City is party to various claims, legal actions, and complaints. While the ultimate effect of such litigation cannot be ascertained at this time, in the opinion of counsel for the City, the liabilities which may arise from such actions would not result in losses which would exceed the liability insurance limits in effect at the time the claim arose or otherwise materially affect the financial condition of the City or results of activities.

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal and state governments. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable fund(s). The amount, if any, of expenditures from current or prior years which may be disallowed by the grantor cannot be determined at this time although the City expects such amounts not recorded, if any, to be immaterial.

Note 7: COMMITMENTS AND CONTINGENCIES (Continued)

The City has active construction projects as of September 30, 2025. At year-end, the City's commitments by project are as follows:

Fire Station #2	$	129,378
Lower Floridian Aquifer Exploratory		28,523
Wastewater Treatment Facility Expansion		7,280,611
Hartwood Marsh Relocation		30,397
Lakeshore Drainage		154,562
Cemetary Expansion		8,240
Meet Us in the Middle/8th St Docks		582,371
Total commitments	$	8,214,082

The commitments are being financed by governmental and enterprise revenues and from awarded grants.

Note 8: SUBSEQUENT EVENTS

On February 24, 2026, a resolution was approved for funding from Florida Department of Environmental Protection through Drinking Water State Revolving Fund for $15,660,000, which includes $7,830,000 in principal forgiveness.

On January 9, 2026, the City was notified of an arbitrage rebate liability from the Water and Sewer Revenue Bond, Series 2024 of $247,522 as of December 31, 2025, to be due no later than 60 days after May 16, 2029 installment computation date.

Note 9: RISK MANAGEMENT – SELF-INSURANCE

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 $200,000 per year in medical, dental or prescription claims for each covered employee. The City purchases commercial insurance for claims in excess of $200,000 coverage provided by the fund with a total aggregate stop-loss of $6,896,045.

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.

Note 9: RISK MANAGEMENT – SELF-INSURANCE (Continued)

The claims liability of $374,104 represents claims processed through October 2025 which were applicable to the current fiscal year and any additional claims are deemed immaterial. Changes to the current claims liability are as follows:

For the years ended December 31,	**2025**	2024
Balance, beginning of year	**$ 313,968**	$ 607,037
Current year claims and changes in estimate	**6,728,664**	6,067,197
Claims payments	**(6,668,528)**	(6,360,266)
Balance, end of year	**$ 374,104**	$ 313,968

REQUIRED SUPPLEMENTARY INFORMATION

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City of Clermont, Florida
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget to Actual - General Fund

For the year ended September 30, 2025	Budgeted Amounts Original	Budgeted Amounts Final	Actual Amounts	Variances Final Budget Positive/ (Negative)
Revenue				
Ad valorem taxes	$ 34,722,409	$ 35,422,409	$ 35,678,769	$ 256,360
Franchise fees	4,385,000	4,385,000	5,083,997	698,997
Intergovernmental revenues	6,571,200	7,297,400	8,380,530	1,083,130
Licenses and permits	500,150	935,150	845,612	(89,538)
Charges for services	3,163,537	3,636,137	3,665,783	29,646
Fines and forfeitures	111,000	111,000	113,231	2,231
Interest and investment income	350,000	1,358,500	1,453,872	95,372
Contributions and other income	1,087,345	1,742,945	1,909,069	166,124
Total revenues	50,890,641	54,888,541	57,130,863	2,242,322
Expenditures				
General government				
City council	76,802	76,802	69,712	7,090
City clerk	541,216	629,406	540,139	89,267
City manager	977,936	1,060,860	987,918	72,942
Finance	1,622,119	1,675,019	1,620,799	54,220
Legal services	170,000	240,000	200,939	39,061
Planning and zoning	1,278,800	1,316,153	990,075	326,078
Information technology	1,398,378	1,399,678	1,117,836	281,842
Human resources	673,178	678,254	625,665	52,589
Purchasing	489,546	486,170	455,579	30,591
Other general government	273,410	273,410	213,244	60,166
Total general government	7,501,385	7,835,752	6,821,906	1,013,846
Public safety				
Law enforcement	14,618,734	14,970,800	14,632,333	338,467
Fire control	16,585,687	18,141,311	17,494,260	647,051
Total public safety	31,204,421	33,112,111	32,126,593	985,518
Physical environment	3,668,294	3,877,806	3,403,044	474,762
Transportation	2,172,575	2,389,107	1,991,619	397,488
Economic environment	130,000	150,300	148,089	2,211
Culture and recreation	4,578,480	4,655,010	3,798,403	856,607
Debt service:				
Principal payments	92,400	333,695	354,389	(20,694)
Interest and fiscal charges	11,170	118,600	116,138	2,462
Capital outlay	3,352,907	3,872,329	2,755,856	1,116,473
Total expenditures	52,711,632	56,344,710	51,516,037	4,828,673
Excess of revenues over expenditures	(1,820,991)	(1,456,169)	5,614,826	7,070,995

City of Clermont, Florida
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget to Actual - General Fund (Continued)

For the year ended September 30, 2024	Budgeted Amounts Original	Budgeted Amounts Final	Actual Amounts	*(continued)* Variances Final Budget Positive/ (Negative)
Other Financing Sources				
Transfers in	3,127,500	3,877,500	4,003,116	125,616
Transfers out	(1,766,746)	(3,059,746)	(1,508,372)	1,551,374
Proceeds from sale of capital assets	17,000	73,000	118,084	45,084
Proceeds from financed purchases	-	945,000	944,934	(66)
Total other financing sources	1,377,754	1,835,754	3,557,762	1,722,008
Net change in fund balances	(443,237)	379,585	9,172,588	8,793,003
Fund balance, beginning of year	35,385,537	35,385,537	35,385,537	-
Fund balance, end of year	$ 34,942,300	$ 35,765,122	$ 44,558,125	$ 8,793,003

City of Clermont, Florida
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget to Actual – Infrastructure

For the year ended September 30, 2025	Budgeted Amounts Original	Budgeted Amounts Final	Actual Amounts	Variances Final Budget Positive/ (Negative)
Revenue				
Sales taxes	$ 5,500,000	$ 5,500,000	$ 5,899,881	$ 399,881
Interest income	5,000	94,600	164,037	69,437
Rental and other income	-	-	4,695	4,695
Total revenues	5,505,000	5,594,600	6,068,613	474,013
Expenditures				
Public safety	-	16,000	10,082	5,918
Transportation	2,075,000	1,875,000	1,619,902	255,098
Capital outlay	2,138,830	2,882,906	1,806,241	1,076,665
Total expenditures	4,213,830	4,773,906	3,436,225	1,337,681
Excess of revenues over expenditures	1,291,170	820,694	2,632,388	1,811,694
Other Financing Sources				
Transfers out	(2,010,115)	(2,010,115)	(2,010,115)	-
Total other financing sources	(2,010,115)	(2,010,115)	(2,010,115)	-
Net change in fund balances	(718,945)	(1,189,421)	622,273	1,811,694
Fund balance, beginning of year	5,933,096	5,933,096	5,933,096	-
Fund balance, end of year	$ 5,214,151	$ 4,743,675	$ 6,555,369	$ 1,811,694

Note that this schedule is prepared on a budgetary basis, but is not different from Generally Accepted Accounting Principles (GAAP) in the presentation.

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City of Clermont, Florida
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget to Actual – Building Services

For the year ended September 30, 2025	Budgeted Amounts Original	Budgeted Amounts Final	Actual Amounts	Variances Final Budget Positive/ (Negative)
Revenue				
Licenses and permits	$ 2,110,000	$ 2,110,000	$ 2,375,508	$ 265,508
Charges for services	4,200	4,200	6,561	2,361
Interest income	50,000	121,000	202,648	81,648
Rental and other income	-	-	714	714
Total revenues	2,164,200	2,235,200	2,585,431	350,231
Expenditures				
Public safety	2,043,121	2,205,908	1,746,547	459,361
Capital outlay	49,500	72,500	59,625	12,875
Total expenditures	2,092,621	2,278,408	1,806,172	472,236
Excess of revenues over expenditures	71,579	(43,208)	779,259	822,467
Other Financing Sources				
Proceeds from sale of capital assets	-	-	270	270
Total other financing sources			270	270
Net change in fund balances	71,579	(43,208)	779,529	822,737
Fund balance, beginning of year	3,334,564	3,334,564	3,334,564	-
Fund balance, end of year	$ 3,406,143	$ 3,291,356	$ 4,114,093	$ 822,737

Note that this schedule is prepared on a budgetary basis, but is not different from Generally Accepted Accounting Principles (GAAP) in the presentation.

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Note 1: BUDGETARY INFORMATION

The City adheres to the following procedures in establishing the budgetary data reflected in the financial statements:

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

Schedule of Changes in Net Pension Liability (Asset) and Related Ratios
Last 10 Fiscal Years

	2025	2024	2023
Total Pension Liability			
Service cost	**$ -**	$ -	$ -
Interest	**11,722**	4,935	14,823
Differences between expected and actual experience	**(49,817)**	-	(14,983)
Changes of assumptions	**1,433**	-	-
Benefit payments, including refunds of employee contributions	**(18,176)**	(22,026)	(27,416)
Net change in total pension liability	**(54,838)**	(17,091)	(27,576)
Total pension liability, beginning	**182,554**	199,645	227,221
Total pension liability, ending (a)	**$ 127,716**	$ 182,554	$ 199,645
Plan Fiduciary Net Position			
Contributions - Employer	**$ -**	$ 7,413	$ 7,413
Contributions - Employee	**-**	-	-
Net investment income	**16,506**	38,410	18,592
Benefit payments, including refunds of employee contributions	**(18,176)**	(22,026)	(27,416)
Other			
Administrative expense	**(9,714)**	(1,424)	(1,437)
Net change in plan fiduciary net position	**(11,384)**	22,373	(2,848)
Plan fiduciary net position, beginning	**240,531**	218,158	221,006
Plan fiduciary net position, ending (b)	**229,147**	240,531	218,158
Net pension liability (asset) - ending (a) - (b)	**$ (101,431)**	$ (57,977)	$ (18,513)
Plan fiduciary net position as a percentage of the total pension liability	**179.42%**	131.76%	109.27%
Covered payroll	**$ -**	$ -	$ -
Net pension asset as a percentage of covered payroll	N/A	N/A	N/A

City of Clermont, Florida
Schedules of Changes in net Pension Liability and Related Ratios
General Employees’ Pension Fund (Continued)

2022	2021	2020	2019	2018	2017	2016
$ -	$ -	$ -	$ -	$ -	$ -	$ -
15,382	21,619	21,619	21,414	23,435	22,569	22,224
(29,410)	-	-	33,131	-	17,118	12,118
-	-	-	-	-	28,462	31,161
(35,443)	(49,982)	(49,982)	(53,410)	(51,013)	(57,338)	(61,435)
(49,471)	(28,363)	(28,363)	1,135	(27,578)	10,811	4,068
276,692	305,055	333,418	332,283	359,861	349,050	344,982
$ 227,221	$ 276,692	$ 305,055	$ 333,418	$ 332,283	$ 359,861	$ 349,050
$ 5,582	$ 5,582	$ 11,018	$ 11,018	$ 8,767	$ 8,767	$ -
-	-	-	-	-	-	-
(34,153)	51,033	16,320	14,396	24,889	44,469	29,829
(35,443)	(38,315)	(42,156)	(53,410)	(57,338)	(57,338)	(61,435)
(89)						
(1,536)	(5,235)	(5,271)	(1,597)	(1,681)	(5,457)	(1,757)
(65,639)	13,065	(20,089)	(29,593)	(25,363)	(9,559)	(33,363)
286,645	273,580	293,669	323,262	348,625	358,184	391,547
221,006	286,645	273,580	293,669	323,262	348,625	358,184
$ 6,215	$ (9,953)	$ 31,475	$ 39,749	$ 9,021	$ 11,236	$ (9,134)
97.26%	103.60%	89.68%	88.08%	97.29%	96.88%	102.62%
$ -	$ -	$ -	$ -	$ -	$ -	$ -
N/A	N/A	N/A	N/A	N/A	N/A	N/A

Schedule of Contributions
Last 10 Fiscal Years

Year Ended September 30	Actuarially Determined Contribution (a)	Contribution in Relation to Actuarially Determined Contribution (b)	Contribution (Excess) Deficiency (a-b)	Covered Payroll (c)	Percentage of Covered Payroll Contributed (b/c)
2025	$ -	$ -	$ -	$ -	N/A
2024	7,413	7,413	-	-	N/A
2023	7,413	7,413	-	-	N/A
2022	5,582	5,582	-	-	N/A
2021	5,582	5,582	-	-	N/A
2020	11,018	11,018	-	-	N/A
2019	11,018	11,018	-	-	N/A
2018	8,767	8,767	-	-	N/A
2017	8,767	8,767	-	-	N/A
2016	-	-	-	-	N/A

Notes to Schedule
Valuation Date: 10/1/24

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

Annual money-weighted rate of return net of investment expense
Last 10 Fiscal Years

General Employees									
2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
4.3%	4.3%	4.3%	-12.6%	-12.6%	5.9%	4.2%	4.2%	7.0%	4.1%

Schedule of Changes in Net Pension Liability (Asset) and Related Ratios
Last 10 Fiscal Years

	2025	2024	2023
Total Pension Liability			
Service cost	**$ 1,733,463**	$ 1,601,699	$ 1,613,394
Interest	**2,240,354**	2,094,104	1,867,082
Differences between expected and actual experience	**61,657**	(778,346)	475,621
Changes of assumptions	**-**	-	-
Benefit payments, including refunds of employee contributions	**(897,228)**	(877,712)	(614,709)
Net change in total pension liability	**3,138,246**	2,039,745	3,341,388
Total pension liability, beginning	**30,909,283**	28,869,538	25,528,150
Total pension liability, ending (a)	**$34,047,529**	$30,909,283	$28,869,538
Plan Fiduciary Net Position			
Contributions - Employer	**$ 1,527,796**	$ 937,728	$ 1,125,138
Contributions - State	**-**	-	-
Contributions - Employee	**508,159**	515,620	304,306
Net investment income	**3,850,658**	5,294,213	1,872,682
Benefit payments, including refunds of employee contributions	**(897,228)**	(877,712)	(614,709)
Administrative expense	**(91,854)**	(84,991)	(87,672)
Net change in plan fiduciary net position	**4,897,531**	5,784,858	2,599,745
Plan fiduciary net position, beginning	**33,089,319**	27,304,461	24,704,716
Plan fiduciary net position, ending (b)	**37,986,850**	33,089,319	27,304,461
Net pension liability (asset) - ending (a) - (b)	**$ (3,939,321)**	$ (2,180,036)	$ 1,565,077
Plan fiduciary net position as a percentage of the total pension liability	**111.57%**	107.05%	94.58%
Covered payroll	**$ 6,038,952**	$ 5,594,545	$ 5,515,877
Net pension (asset) liability as a percentage of covered payroll	**(65.23%)**	(38.97%)	28.37%

2022	2021	2020	2019	2018	2017	2016
$ 1,497,597	$ 1,335,386	$ 1,048,755	$ 1,048,755	$ 941,659	$ 941,659	$ 836,661
1,743,942	1,535,299	1,300,909	1,290,431	1,170,292	1,049,633	749,652
(610,237)	260,114	-	(610,614)	(108,041)	(204,387)	(211,987)
-	295,495	-	1,209	-	576,133	3,155,202
(866,834)	(550,996)	(446,562)	(403,441)	(381,207)	(640,378)	(342,697)
1,764,468	2,875,298	1,903,102	1,326,340	1,622,703	1,722,660	4,186,831
23,763,682	20,888,384	18,985,282	17,658,942	16,036,239	14,313,579	10,126,748
$ 25,528,150	$ 23,763,682	$ 20,888,384	$ 18,985,282	$ 17,658,942	$ 16,036,239	$ 14,313,579
$ 1,380,471	$ 1,084,478	$ 943,063	$ 891,380	$ 944,540	$ 756,302	$ 632,411
-	-	-	-	-	-	-
293,891	268,568	238,416	175,526	120,269	116,332	108,806
(4,966,541)	4,959,439	2,346,071	1,330,033	1,245,288	1,908,188	1,115,432
(866,834)	(550,996)	(446,562)	(403,441)	(381,207)	(640,378)	(342,697)
(74,964)	(59,823)	(61,414)	(102,202)	(51,400)	(49,645)	(30,651)
(4,233,977)	5,701,666	3,019,574	1,891,296	1,877,490	2,090,799	1,483,301
28,938,693	23,237,027	20,217,453	18,326,157	16,448,667	14,357,868	12,874,567
24,704,716	28,938,693	23,237,027	20,217,453	18,326,157	16,448,667	14,357,868
$ 823,434	$ (5,175,011)	$ (2,348,643)	$ (1,232,171)	$ (667,215)	$ (412,428)	$ (44,289)
96.77%	121.78%	111.24%	106.49%	103.78%	102.57%	100.31%
$ 5,341,730	$ 4,730,329	$ 3,813,876	$ 3,813,876	$ 3,366,613	$ 3,366,613	$ 3,366,613
15.42%	(109.40%)	(61.58%)	(32.31%)	(19.82%)	(12.25%)	(1.32%)

Schedule of Contributions
Last 10 Fiscal Years

Year Ended September 30	Actuarially Determined Contribution (a)	Contribution in Relation to Actuarially Determined Contribution (b)	Contribution (Excess) Deficiency (a-b)	Covered Payroll (c)	Percentage of Covered Payroll Contributed (b/c)
2025	$ 1,830,507	$ 1,527,796	$ 302,711	$ 6,038,952	25.30%
2024	1,226,031	937,728	288,303	5,594,545	16.76%
2023	685,294	1,125,138	(439,844)	5,515,877	20.40%
2022	661,843	1,380,471	(718,628)	5,341,730	25.84%
2021	1,084,478	1,084,478	-	4,730,329	22.93%
2020	985,611	943,063	42,548	3,813,876	24.73%
2019	936,834	891,380	45,454	3,813,876	23.37%
2018	905,229	944,540	(39,311)	3,366,613	28.06%
2017	875,593	756,302	119,291	3,366,613	22.46%
2016	640,139	632,411	7,728	Not available	Not available

Notes to Schedule
Valuation Date: 10/1/24

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

Annual money-weighted rate of return net of investment expense
Last 10 Fiscal Years

Police Employees

2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
11.59%	19.3%	7.6%	-17.8%	21.4%	4.2%	4.2%	7.0%	4.1%	4.1%

Schedule of Changes in Net Pension Liability (Asset) and Related Ratios
Last 10 Fiscal Years

	2025	2024	2023
Total Pension Liability			
Service cost	**$ 1,759,914**	$ 1,729,559	$ 1,911,603
Interest	**2,574,720**	2,309,401	1,992,088
Change of benefit terms	**473**	-	400,717
Differences between expected and actual experience	**436,485**	184,072	954,081
Changes of assumptions	**-**	-	-
Benefit payments, including refunds of employee contributions	**(386,296)**	(323,711)	(298,246)
Net change in total pension liability	**4,385,296**	3,899,321	4,960,243
Total pension liability, beginning	**35,730,596**	31,831,275	26,871,032
Total pension liability, ending (a)	**$40,115,892**	$35,730,596	$31,831,275
Plan Fiduciary Net Position			
Contributions - Employer	**$ 3,072,337**	$ 2,314,763	$ 1,419,744
Contributions - State	**-**	-	-
Contributions - Employee	**646,818**	447,118	388,764
Net investment income	**4,401,039**	6,003,465	1,920,155
Benefit payments, including refunds of employee contributions	**(386,296)**	(323,711)	(298,246)
Administrative expense	**(79,320)**	(80,594)	(74,333)
Net change in plan fiduciary net position	**7,654,578**	8,361,041	3,356,084
Plan fiduciary net position, beginning	**37,713,439**	29,352,398	25,996,314
Plan fiduciary net position, ending (b)	**45,368,017**	37,713,439	29,352,398
Net pension liability (asset) - ending (a) - (b)	**$ (5,252,125)**	$ (1,982,843)	$ 2,478,877
Plan fiduciary net position as a percentage of the total pension liability	**113.09%**	105.55%	92.21%
Covered payroll	**$ 6,524,398**	$ 6,239,422	$ 6,384,519
Net pension asset as a percentage of covered payroll	**(80.50%)**	(31.78%)	38.83%

2022	2021	2020	2019	2018	2017	2016
$ 1,700,162	$ 1,555,175	$ 1,313,842	$ 1,313,842	$ 1,025,516	$ 1,025,516	$ 784,710
1,768,108	1,542,677	1,272,336	1,141,847	996,576	782,004	515,458
-	-	-	-	-	-	-
(231,493)	(18,454)	-	(158,435)	(121,553)	633,143	(208,729)
-	294,977	-	1,079,623	-	634,356	2,505,255
(190,826)	(283,350)	(288,092)	(99,705)	(25,120)	(4,513)	(1,324)
3,045,951	3,091,025	2,298,086	3,277,172	1,875,419	3,070,506	3,595,370
23,825,081	20,734,056	18,435,970	15,158,798	13,283,379	10,212,873	6,617,503
$ 26,871,032	$ 23,825,081	$ 20,734,056	$ 18,435,970	$ 15,158,798	$ 13,283,379	$ 10,212,873
$ 1,799,505	$ 1,606,558	$ 1,649,080	$ 1,585,514	$ 1,278,757	$ 797,699	$ 491,818
-	-	-	-	-	-	-
324,115	316,273	220,098	231,935	200,118	238,785	279,064
(5,026,058)	4,864,047	2,267,101	1,240,965	1,063,078	1,599,687	858,136
(190,826)	(283,350)	(288,092)	(99,705)	(25,120)	(4,513)	(1,324)
(101,784)	(83,741)	(65,477)	(98,170)	(35,839)	(49,761)	(28,346)
(3,195,048)	6,419,787	3,782,710	2,860,539	2,480,994	2,581,897	1,599,348
29,191,362	22,771,575	18,988,865	16,128,326	13,647,332	11,065,435	9,466,087
25,996,314	29,191,362	22,771,575	18,988,865	16,128,326	13,647,332	11,065,435
$ 874,718	$ (5,366,281)	$ (2,037,519)	$ (552,895)	$ (969,528)	$ (363,953)	$ (852,562)
96.74%	122.52%	109.83%	103.00%	106.40%	102.74%	108.35%
$ 5,633,189	$ 5,089,447	$ 4,438,530	$ 4,438,530	$ 3,602,745	$ 3,602,745	$ 2,798,049
15.53%	(105.44%)	(45.91%)	(12.46%)	(26.91%)	(10.10%)	(30.47%)

Schedule of Contributions
Last 10 Fiscal Years

Year Ended September 30	Actuarially Determined Contribution (a)	Contribution in Relation to Actuarially Determined Contribution (b)	Contribution (Excess) Deficiency (a-b)	Covered Payroll (c)	Percentage of Covered Payroll Contributed (b/c)
2025	$ 3,458,182	$ 3,072,337	$ 385,845	$ 6,524,398	47.09%
2024	2,820,813	2,314,763	506,050	6,239,422	37.10%
2023	1,025,431	1,419,744	(394,313)	6,384,519	22.24%
2022	1,170,865	1,799,505	(628,640)	5,633,189	31.94%
2021	1,547,766	1,606,558	(58,792)	5,089,447	31.57%
2020	1,648,674	1,649,080	(406)	4,438,530	37.15%
2019	1,585,514	1,585,514	-	4,438,530	35.72%
2018	1,284,255	1,278,757	5,498	3,602,745	35.49%
2017	1,113,095	797,699	315,396	3,602,745	22.14%
2016	647,476	491,819	155,657	2,798,049	17.58%

Notes to Schedule
Valuation Date: 10/1/24

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

Annual money-weighted rate of return net of investment expense
Last 10 Fiscal Years

Fire Employees

2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
11.37%	19.3%	7.5%	-16.9%	20.9%	4.2%	4.2%	7.0%	4.1%	4.1%

Methods and assumptions used to determine contribution rates:

	General Employees	Police Employees	Fire Employees
Actuarial cost method	Aggregate	Aggregate	Aggregate
Amortization method	N/A	Level % of pay	Level % of pay
Remaining amortization period	30 years	30 years	30 years
Asset valuation method	Market value	Market value	Market value
Inflation	2.75%	2.5%	2.5%
Payroll increases	N/A	5.5% per year	5.5% per year
Salary increases	N/A	6% per year	6% per year
*Interest rate	6.75%	7.0%	7.0%
Retirement age	N/A	Normal retirement age, except those who are eligible for early retirement at ages 52-54 assumed at rate of 20% per year	Normal retirement age, except those who are eligible for early retirement at ages 52-54 assumed at rate of 20% per year
Mortality	Sex-distinct rates set forth in the PUB 2010 Mortality Table, with full generational improvements in mortality using Scale MP-2018	Sex-distinct rates set forth in the PUB 2010 Mortality Table, with full generational improvements in mortality using Scale MP-2018	Sex-distinct rates set forth in the PUB 2010 Mortality Table, with full generational improvements in mortality using Scale MP-2018

*Interest rate is compounded annually, net of investment-related expenses, including inflation.

Schedule of Changes in Total OPEB Liability and Related Ratios

As of and for the year ended December 31,	**2025**	2024	2023	2022	2021	2020	2019	2018
Total OPEB Liability								
Service cost	**$ 777,143**	$ 992,853	$ 1,205,574	$ 1,137,810	$ 760,368	$ 740,666	$ 721,475	$ 496,316
Interest	**573,390**	504,534	681,746	594,122	333,917	309,219	288,724	312,754
Changes of benefit term			-	-	-	-	-	-
Difference between expected and actual experience	**-**	(1,798,333)	-	107,807	-	-	181,592	-
Changes of assumptions or other inputs	**(2,582,236)**	(3,099,300)	255,171	180,141	-	-	2,106,772	(662,223)
Benefit payments	**(243,956)**	(235,970)	(170,428)	(160,421)	(213,932)	(242,837)	(236,545)	(109,600)
Net change in total OPEB liability	**(1,475,659)**	(3,636,216)	1,972,063	1,859,459	880,353	807,048	3,062,018	37,247
Total OPEB liability - beginning	**13,628,915**	17,265,131	15,293,068	13,433,609	12,553,256	11,746,208	8,684,190	8,646,943
Total OPEB liability - ending	**12,153,256**	13,628,915	17,265,131	15,293,068	13,433,609	12,553,256	11,746,208	8,684,190
Plan Fiduciary Net Position								
Contributions - employer	**60,258**	60,258	60,258	60,258	60,258	60,258	60,258	60,258
Benefit payments	**(60,258)**	(60,258)	(60,258)	(60,258)	(60,258)	(60,258)	(60,258)	(60,258)
Net change in plan fiduciary net position	**-**	-	-	-	-	-	-	-
Plan fiduciary net position - beginning	**-**	-	-	-	-	-	-	-
Plan fiduciary net position - ending	**-**	-	-	-	-	-	-	-
Total OPEB liability	**$ 12,153,256**	$ 13,628,915	$ 17,265,131	$ 15,293,068	$ 13,433,609	$ 12,553,256	$ 11,746,208	$ 8,684,190
Plan fiduciary net position as a percentage of total OPEB liability	**0.00%**	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Covered payroll	**$ 27,847,881**	$ 26,906,165	$ 23,611,610	$ 22,813,150	$ 19,075,627	$ 19,075,627	$ 18,701,595	$ 14,293,247
Total OPEB liability as a percentage of covered payroll	**43.64%**	50.65%	73.12%	67.04%	70.42%	65.81%	62.81%	60.76%

* GASB Codification P52 requires an employer to disclose a 10-year history. However, until a full 10-year trend is compiled, information will be presented only for those years which information is available.

* The following discount rate changes:
Increased rate from 3.81% to 4.90% in 2025

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OTHER SUPPLEMENTARY INFORMATION

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September 30, 2025	Special Revenue Funds (Formerly major) ARPA	Recreation Impact Fees	Police Impact Fees	Fire Impact Fees	Community Redevelopment	Cemetary	Tree Replacement	Police Asset Forfeiture	Total Special Revenue Funds	Total Nonmajor Governmental Funds
Assets										
Cash and cash equivalents	$ -	$ 8,196,580	$ 1,782,741	$ 4,480,638	$ 1,460,235	$ 603,395	$ 1,048,411	$ 312,253	$ 17,884,253	$ 17,884,253
Investments	-	1,430,695	361,584	916,409	269,143	412,264	-	-	3,390,095	3,390,095
Other receivables	-	1,915	1,095	1,272	820	2,063	-	-	7,165	7,165
Prepaid items	-	-	8,358	-	350	348	-	-	9,056	9,056
Due from other governments	-	-	-	-	-	-	-	1,056	1,056	1,056
Total assets	$ -	$ 9,629,190	$ 2,153,778	$ 5,398,319	$ 1,730,548	$ 1,018,070	$ 1,048,411	$ 313,309	$ 21,291,625	$ 21,291,625
Liabilities and Fund Balances										
Liabilities										
Accounts payable	$ -	$ 25,624	$ 22	$ 18,974	$ 19,828	$ 24,233	$ 159	$ -	$ 88,840	$ 88,840
Accrued liabilities	-	-	-	-	-	4,203	-	-	4,203	4,203
Total liabilities	-	25,624	22	18,974	19,828	28,436	159	-	93,043	93,043
Fund balances										
Non-spendable	-	-	8,358	-	350	348	-	-	9,056	9,056
Restricted										
Capital improvements	-	-	-	-	1,710,370	-	-	-	1,710,370	1,710,370
Public safety	-	-	2,145,398	5,379,345	-	-	-	313,309	7,838,052	7,838,052
Economic development	-	-	-	-	-	989,286	1,048,252	-	2,037,538	2,037,538
Recreation improvement	-	9,603,566	-	-	-	-	-	-	9,603,566	9,603,566
Total fund balances	-	9,603,566	2,153,756	5,379,345	1,710,720	989,634	1,048,252	313,309	21,198,582	21,198,582
Total liabilities and fund balances	$ -	$ 9,629,190	$ 2,153,778	$ 5,398,319	$ 1,730,548	$ 1,018,070	$ 1,048,411	$ 313,309	$ 21,291,625	$ 21,291,625

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

For the year ended September 30, 2025	Special Revenue Funds: (Formerly major) ARPA	Recreation Impact Fees	Police Impact Fees	Fire Impact Fees	Community Redevelopment	Cemetary	Tree Replacement	Police Asset Forfeiture	Total Special Revenue Funds	Total Nonmajor Governmental Funds
Revenues										
Taxes	$ -	$ -	$ -	$ -	$ 877,337	$ -	$ -	$ -	$ 877,337	$ 877,337
Intergovernmental	3,092,329	-	-	-	-	-	-	32,041	3,124,370	3,124,370
Charges for services	-	-	-	-	-	171,501	-	-	171,501	171,501
Fines and forfeitures	-	-	-	-	-	-	-	85,360	85,360	85,360
Impact fees	-	2,590,911	660,566	1,450,754	-	-	-	-	4,702,231	4,702,231
Interest and other	-	251,080	59,699	125,679	45,007	38,370	20,273	4,016	544,124	544,124
Miscellaneous and other taxes	-	-	-	-	56	-	177,690	-	177,746	177,746
Total revenues	3,092,329	2,841,991	720,265	1,576,433	922,400	209,871	197,963	121,417	9,682,669	9,682,669
Expenditures										
Current										
General government	-	-	-	-	295,400	-	-	-	295,400	295,400
Public safety	-	-	13,789	906	-	-	-	9,440	24,135	24,135
Physical environment	-	-	-	-	-	181,380	-	-	181,380	181,380
Culture and recreation	-	1,138	-	-	-	-	-	-	1,138	1,138
Debt service										
Principal	-	124,800	-	-	-	-	-	-	124,800	124,800
Capital outlay	-	540,222	365,386	583,185	1,942	39,670	159	-	1,530,564	1,530,564
Total expenditures	-	666,160	379,175	584,091	297,342	221,050	159	9,440	2,157,417	2,157,417
Excess (deficiency) of revenues over (under) expenditures	3,092,329	2,175,831	341,090	992,342	625,058	(11,179)	197,804	111,977	7,525,252	7,525,252
Other Financing Sources (Uses)										
Transfers in		-	-	1,219,291	-	-	-	72,616	1,291,907	1,291,907
Transfers out	(3,092,329)	(564,015)	(14,630)	-	-	-	-	-	(3,670,974)	(3,670,974)
Total other financing sources (uses)	(3,092,329)	(564,015)	(14,630)	1,219,291	-	-	-	72,616	(2,379,067)	(2,379,067)
Net change in fund balances	-	1,611,816	326,460	2,211,633	625,058	(11,179)	197,804	184,593	5,146,185	5,146,185
Fund balances, beginning of year	-	7,991,750	1,827,296	3,167,712	1,085,662	1,000,813	850,448	128,716	16,052,397	16,052,397
Fund balances, end of year	$ -	$ 9,603,566	$ 2,153,756	$ 5,379,345	$ 1,710,720	$ 989,634	$ 1,048,252	$ 313,309	$ 21,198,582	$ 21,198,582

City of Clermont, Florida
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget to Actual – ARPA

For the year ended September 30, 2025	Budgeted Amounts Original	Budgeted Amounts Final	Actual Amounts	Variances Final Budget Positive/ (Negative)
Revenue				
Intergovernmental revenues	$ -	$ -	$ 3,092,329	$ 3,092,329
Total revenues	-	-	3,092,329	3,092,329
Expenditures				
Total expenditures	-	-	-	-
Excess of revenues over expenditures	-	-	3,092,329	3,092,329
Other Financing Sources				
Transfers out	-	(3,092,329)	(3,092,329)	-
Total other financing sources	-	(3,092,329)	(3,092,329)	-
Net change in fund balances	-	(3,092,329)	-	3,092,329
Fund balance, beginning of year	-	-	-	-
Fund balance, end of year	$ -	$ (3,092,329)	$ -	$ 3,092,329

Note that this schedule is prepared on a budgetary basis, but is not different from Generally Accepted Accounting Principles (GAAP) in the presentation.

Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget to Actual – Capital Projects

For the year ended September 30, 2025	Budgeted Amounts Original	Budgeted Amounts Final	Actual Amounts	Variances Final Budget Positive/ (Negative)
Revenue				
Interest income	$ 20,000	$ 105,600	$ 226,100	$ 120,500
Total revenues	20,000	105,600	226,100	120,500
Expenditures				
Capital outlay	-	32,783	-	32,783
Total expenditures	-	32,783	-	32,783
Excess of revenues over expenditures	20,000	72,817	226,100	153,283
Other Financing Sources				
Transfers out	-	-	-	-
Total other financing sources	-	-	-	-
Net change in fund balances	20,000	72,817	226,100	153,283
Fund balance, beginning of year	4,609,970	4,609,970	4,609,970	-
Fund balance, end of year	$ 4,629,970	$ 4,682,787	$ 4,836,070	$ 153,283

Note that this schedule is prepared on a budgetary basis, but is not different from Generally Accepted Accounting Principles (GAAP) in the presentation.

City of Clermont, Florida
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget to Actual – Debt Service

For the year ended September 30, 2025	Budgeted Amounts Original	Budgeted Amounts Final	Actual Amounts	Variances Final Budget Positive/ (Negative)
Revenue				
Interest income	$ 200,000	$ 271,500	$ 335,978	$ 64,478
Total revenues	200,000	271,500	335,978	64,478
Expenditures				
Debt service:				
Principal	2,827,815	2,827,815	2,827,813	2
Interest and other related charges	1,465,965	1,465,965	1,465,946	19
Total expenditures	4,293,780	4,293,780	4,293,759	21
Excess of revenues over expenditures	(4,093,780)	(4,022,280)	(3,957,781)	64,499
Other Financing Sources				
Transfers in	5,193,775	5,193,775	4,293,775	(900,000)
Transfers out	(7,000,000)	(14,000,000)	(12,304,591)	1,695,409
Total other financing sources	(1,806,225)	(8,806,225)	(8,010,816)	1,695,409
Net change in fund balances	(5,900,005)	(12,828,505)	(11,968,597)	1,759,908
Fund balance, beginning of year	15,520,607	15,520,607	15,520,607	-
Fund balance, end of year	$ 9,620,602	$ 2,692,102	$ 3,552,010	$ 1,759,908

Note that this schedule is prepared on a budgetary basis, but is not different from Generally Accepted Accounting Principles (GAAP) in the presentation.

City of Clermont, Florida
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual - Recreation Impact Fee
Special Revenue Fund

For the year ended September 30, 2025	Budgeted Amounts Original	Budgeted Amounts Final	Actual Amounts	Variances Final Budget Positive/ (Negative)
Revenue				
Impact fees	$ 4,628,816	$ 2,400,000	$ 2,590,911	$ 190,911
Interest income	90,000	142,500	251,080	108,580
Total revenues	4,718,816	2,542,500	2,841,991	299,491
Expenditures				
Culture and recreation	-	1,200	1,138	62
Debt service:				
Principal	-	124,800	124,800	-
Capital outlay	-	1,108,494	540,222	568,272
Total expenditures	-	1,234,494	666,160	568,334
Excess of revenues over expenditures	4,718,816	1,308,006	2,175,831	867,825
Other Financing Sources				
Transfers out	(564,015)	(564,015)	(564,015)	-
Total other financing sources	(564,015)	(564,015)	(564,015)	-
Net change in fund balances	4,154,801	743,991	1,611,816	867,825
Fund balance, beginning of year	7,991,750	7,991,750	7,991,750	-
Fund balance, end of year	$ 12,146,551	$ 8,735,741	$ 9,603,566	$ 867,825

Note that this schedule is prepared on a budgetary basis, but is not different from Generally Accepted Accounting Principles (GAAP) in the presentation.

City of Clermont, Florida
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual -Police Impact Fee
Special Revenue Fund

For the year ended September 30, 2025	Budgeted Amounts Original	Budgeted Amounts Final	Actual Amounts	Variances Final Budget Positive/ (Negative)
Revenue				
Impact fees	$ 733,650	$ 733,650	$ 660,566	$ (73,084)
Interest income	25,000	25,000	59,699	34,699
Total revenues	758,650	758,650	720,265	(38,385)
Expenditures				
Public safety	5,000	25,000	13,789	11,211
Capital outlay	410,000	390,000	365,386	24,614
Total expenditures	415,000	415,000	379,175	35,825
Excess of revenues over expenditures	343,650	343,650	341,090	(2,560)
Other Financing Sources				
Transfers out	(14,630)	(14,630)	(14,630)	-
Total other financing sources	(14,630)	(14,630)	(14,630)	-
Net change in fund balances	329,020	329,020	326,460	(2,560)
Fund balance, beginning of year	1,827,296	1,827,296	1,827,296	-
Fund balance, end of year	$ 2,156,316	$ 2,156,316	$ 2,153,756	$ (2,560)

Note that this schedule is prepared on a budgetary basis, but is not different from Generally Accepted Accounting Principles (GAAP) in the presentation.

City of Clermont, Florida
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual - Fire Impact Fee
Special Revenue Fund

For the year ended September 30, 2025	Budgeted Amounts Original	Budgeted Amounts Final	Actual Amounts	Variances Final Budget Positive/ (Negative)
Revenue				
Impact fees	$ 1,242,000	$ 1,765,500	$ 1,450,754	$ 314,746
Interest income	40,000	64,000	125,679	61,679
Total revenues	1,282,000	1,829,500	1,576,433	376,425
Expenditures				
Public safety	-	1,350	906	444
Capital outlay	-	983,726	583,185	400,541
Total expenditures	-	985,076	584,091	400,985
Excess of revenues over expenditures	1,282,000	844,424	992,342	777,410
Other Financing Sources				
Transfers in	-	1,220,000	1,219,291	(709)
Total other financing sources	-	1,220,000	1,219,291	(709)
Net change in fund balances	1,282,000	2,064,424	2,211,633	776,701
Fund balance, beginning of year	3,167,712	3,167,712	3,167,712	-
Fund balance, end of year	$ 4,449,712	$ 5,232,136	$ 5,379,345	$ 776,701

Note that this schedule is prepared on a budgetary basis, but is not different from Generally Accepted Accounting Principles (GAAP) in the presentation.

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

For the year ended September 30, 2025	Budgeted Amounts Original	Budgeted Amounts Final	Actual Amounts	Variances Final Budget Positive/ (Negative)
Revenue				
Ad valorem taxes	$ 437,000	$ 878,000	$ 877,337	$ (663)
Interest income	8,000	45,000	45,007	7
Miscellaneous revenue	-	-	56	56
Total revenues	445,000	923,000	922,400	(600)
Expenditures				
General government	845,281	845,281	297,342	547,939
Total expenditures	845,281	845,281	297,342	547,939
Excess of revenues over expenditures	(400,281)	77,719	625,058	547,339
Other Financing Sources				
Transfers in	400,281	-	-	-
Total other financing sources	400,281	-	-	-
Net change in fund balances	-	77,719	625,058	547,339
Fund balance, beginning of year	1,085,662	1,085,662	1,085,662	-
Fund balance, end of year	$ 1,085,662	$ 1,163,381	$ 1,710,720	$ 547,339

Note that this schedule is prepared on a budgetary basis, but is not different from Generally Accepted Accounting Principles (GAAP) in the presentation.

City of Clermont, Florida
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual - Cemetery
Special Revenue Fund

For the year ended September 30, 2025	Budgeted Amounts Original	Budgeted Amounts Final	Actual Amounts	Variances Final Budget Positive/ (Negative)
Revenue				
Charges for services	$ 175,000	$ 175,000	$ 171,501	$ (3,499)
Interest income	20,000	20,000	38,370	18,370
Total revenues	195,000	195,000	209,871	14,871
Expenditures				
Physical environment	182,315	187,880	181,380	6,500
Capital outlay	90,000	86,317	39,670	46,647
Total expenditures	272,315	274,197	221,050	53,147
Excess of revenues over expenditures	(77,315)	(79,197)	(11,179)	68,018
Net change in fund balances	(77,315)	(79,197)	(11,179)	68,018
Fund balance, beginning of year	1,000,813	1,000,813	1,000,813	-
Fund balance, end of year	$ 923,498	$ 921,616	$ 989,634	$ 68,018

Note that this schedule is prepared on a budgetary basis, but is not different from Generally Accepted Accounting Principles (GAAP) in the presentation.

City of Clermont, Florida
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual - Tree Replacement
Special Revenue Fund

For the year ended September 30, 2025	Budgeted Amounts Original	Budgeted Amounts Final	Actual Amounts	Variances Final Budget Positive/ (Negative)
Revenue				
Interest income	$ -	$ 6,000	$ 20,273	$ 14,273
Rental and other income	-	120,000	177,690	57,690
Total revenues	-	6,000	197,963	191,963
Expenditures				
Capital outlay	-	19,000	159	18,841
Total expenditures	-	19,000	159	18,841
Excess of revenues over expenditures	-	(13,000)	197,804	210,804
Net change in fund balances	-	(13,000)	197,804	210,804
Fund balance, beginning of year	850,448	850,448	850,448	-
Fund balance, end of year	$ 850,448	$ 837,448	$ 1,048,252	$ 210,804

Note that this schedule is prepared on a budgetary basis, but is not different from Generally Accepted Accounting Principles (GAAP) in the presentation.

City of Clermont, Florida
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual - Police Asset Forfeiture
Special Revenue Fund

For the year ended September 30, 2025	Budgeted Amounts Original	Budgeted Amounts Final	Actual Amounts	Variances Final Budget Positive/ (Negative)
Revenue				
Intergovernmental revenues	$ -	$ 22,400	$ 32,041	$ 9,641
Fines and forfeitures	-	16,000	85,360	69,360
Interest income	1,000	1,000	4,016	3,016
Total revenues	1,000	39,400	121,417	82,017
Expenditures				
Public safety	-	14,500	9,440	5,060
Total expenditures	-	14,500	9,440	5,060
Excess of revenues over expenditures	1,000	24,900	111,977	87,077
Other Financing Sources				
Transfers in	-	73,000	72,616	(384)
Total other financing sources	-	73,000	72,616	(384)
Net change in fund balances	1,000	97,900	184,593	86,693
Fund balance, beginning of year	128,716	128,716	128,716	-
Fund balance, end of year	$ 129,716	$ 226,616	$ 313,309	$ 86,693

Note that this schedule is prepared on a budgetary basis, but is not different from Generally Accepted Accounting Principles (GAAP) in the presentation.

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STATISTICAL SECTION

STATISTICAL SECTION

This part of the City of Clermont, Florida's Annual Comprehensive 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 City's overall financial health.

Table of Contents

A. Financial Trends

These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.

B. Revenue Capacity

These schedules contain information to help the reader assess the City's most significant local own-source revenues - ad valorem property taxes, occupational license taxes, and building permits revenues.

Statistical Section (Continued)

C. Debt Capacity

These schedules present information to help the reader assess the affordability of the City's current levels of debt outstanding and the City's ability to issue additional debt in the future, as necessary.

Schedule C1 Ratios of Outstanding Debt by Type

Schedule C2 Direct and Overlapping Governmental Activities by Debt

Schedule C3 Pledged Revenue Coverage

D. Demographic and Economic Information Financial Trends

These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.

Schedule D1 Demographic and Economic Statistics

Schedule D2 Principal Employers

Schedule D3 Principal Water Customers

Schedule D4 Principal Sewer Customers

E. Operating Information

These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.

Schedule E1 Full-time Equivalent Employees

Schedule E2 Operating Indicators by Function/Program

Schedule E3 Capital Asset Statistics by Function/Program

Schedule E4 Impact Fees Collected

Additional Notes

Unless otherwise noted, the information in these schedules is derived from the City’s Annual Comprehensive Financial Report (ACFR) for the relevant year.

Schedule A1

Last Ten Fiscal Years	**Fiscal Year**									
	2016	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**	**2025**
Governmental activities										
Net investment in capital assets	$ 52,064	$ 31,918	$ 35,262	$ 40,318	$ 44,045	$ 51,596	$ 58,736	$ 70,284	$ 60,016	$ 50,440
Restricted	6,402	7,815	8,547	9,589	12,479	14,910	18,691	22,153	32,015	40,205
Unrestricted	11,182	30,117	27,925	24,795	23,874	21,847	26,252	23,217	28,302	39,111
Total net position	69,648	69,850	71,734	74,702	80,398	88,353	103,679	115,654	120,333	129,756
Business-type activities										
Net investment in capital assets	$ 60,150	$ 63,131	$ 69,322	$ 66,104	$ 68,310	$ 88,520	$ 86,667	$ 96,286	$ 142,094	$ 152,537
Restricted	13,959	17,127	16,904	20,362	24,195	25,420	30,273	30,500	27,867	14,264
Unrestricted	26,050	26,667	23,959	28,286	28,728	28,555	29,688	28,322	33,915	61,622
Total net position	100,159	106,925	110,185	114,752	121,233	142,495	146,628	155,108	203,876	228,423
Primary government										
Net investment in capital assets	112,214	95,049	104,584	106,422	112,355	140,116	145,403	166,570	202,110	202,977
Restricted	20,361	24,942	25,451	29,951	36,674	40,330	48,964	52,653	59,882	54,469
Unrestricted	37,232	56,784	51,884	53,081	52,602	50,402	55,940	51,539	62,217	100,733
Total primary government net position	$ 169,807	$ 176,775	$ 181,919	$ 189,454	$ 201,631	$ 230,848	$ 250,307	$ 270,762	$ 324,209	$ 358,179

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

Accounting standards require that net position be reported in three components in the financial statements: net investment in capital assets; restricted; and unrestricted. Net position is considered restricted only (a) when an external party, (b) a constitutional provision, (c) or enabling legislation imposes legally enforceable limits on how they may be used.

City of Clermont, Florida
Change in Net Position-Governmental Activities

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

Schedule A2

Last Ten Fiscal Years	**Fiscal Year**									
Expenses	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**	**2025**
Governmental Activities:										
General government	$ 4,157	$ 4,240	$ 2,870	$ 5,023	$ 5,678	$ 5,918	$ 5,322	$ 6,476	$ 5,803	$ 8,145
Public safety	17,381	20,297	20,306	22,104	22,733	23,713	28,925	32,141	34,478	36,070
Physical environment	788	805	2,104	863	2,470	2,763	3,773	3,603	4,004	4,404
Transportation/public works	2,185	2,009	2,255	2,387	1,843	2,264	1,928	2,335	2,381	3,612
Economic environment	209	1,197	385	532	847	665	1,337	1,279	132	165
Culture and recreation	5,460	4,491	5,752	5,954	3,722	4,044	4,227	3,988	4,412	4,366
Interest on long-term debt	355	434	839	836	753	687	635	588	1,016	1,549
Total governmental activities expenses	30,535	33,473	34,511	37,699	38,046	40,054	46,147	50,410	52,226	58,311
Business-type Activities:										
Water	4,719	5,199	5,634	6,215	6,425	7,110	9,108	9,784	11,827	13,303
Sewer	6,866	6,909	6,849	7,373	7,742	8,172	9,176	10,491	11,531	12,605
Sanitation	2,925	2,869	3,073	3,027	3,294	3,467	3,994	3,925	4,704	5,643
Stormwater	1,142	1,190	1,360	1,614	1,901	1,991	2,443	2,552	2,837	2,937
Total business-type activities expenses	15,652	16,167	16,916	18,229	19,362	20,740	24,721	26,752	30,899	34,488
Total primary government expenses	$ 46,187	$ 49,640	$ 51,427	$ 55,928	$ 57,408	$ 60,794	$ 70,868	$ 77,162	$ 83,125	$ 92,799
Program Revenues										
Governmental Activities:										
Charges for services:										
General government	$ 2,914	$ 3,180	$ 3,874	$ 3,590	$ 3,377	$ 4,250	$ 4,884	$ 4,538	$ 7,029	$ 7,264
Public safety	1,574	1,506	1,344	1,593	1,854	1,778	2,211	2,805	1,904	2,111
Culture and recreation	1,552	2,003	1,697	1,801	2,088	2,319	2,973	3,451	-	-
Physical environment	-	-	-	-	-	-	-	-	2,553	2,591
Operating grants and contributions	1,822	1,456	2,233	2,061	3,307	2,026	14,583	5,089	1,763	3,954
Capital grants and contributions	163	309	428	625	625	2,206	23	1,535	-	-
Total governmental activities program revenues	8,025	8,454	9,576	9,670	11,251	12,579	24,674	17,418	13,249	15,920
Business-type Activities:										
Charges for services:										
Water	6,162	6,516	6,461	6,868	7,631	8,466	8,826	10,068	15,756	16,829
Sewer	6,183	6,507	6,625	6,989	7,573	8,074	8,581	9,321	16,709	15,338
Sanitation	2,984	3,089	3,178	3,264	3,562	3,785	4,020	4,268	5,753	6,214
Stormwater	955	1,004	1,378	1,598	1,695	1,783	1,880	1,949	2,374	2,568
Operating grants and contributions	24	-	-	2,109	1	-	-	-	-	-
Capital grants and contributions	4,026	6,906	4,535	5,316	6,575	22,094	6,313	7,282	21,996	5,656
Total business-type activities program revenues	20,334	24,022	22,177	26,144	27,037	44,202	29,620	32,888	62,588	46,605
Total primary government program revenues	$ 28,359	$ 32,476	$ 31,753	$ 35,814	$ 38,288	$ 56,781	$ 54,294	$ 50,306	$ 75,837	$ 62,525

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

	Fiscal Year									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Net (Expense)/Revenue										
Governmental activities	$ (22,510)	$ (25,019)	$ (24,935)	$ (28,029)	$ (26,795)	$ (27,477)	$ (21,472)	$ (32,993)	$ (38,976)	$ (42,391)
Business-type activities	4,683	7,855	5,260	5,230	7,675	23,462	4,898	6,136	31,689	12,117
Total primary government net expense	(17,827)	(17,164)	(19,675)	(22,799)	(19,120)	(4,015)	(16,574)	(26,857)	(7,287)	(30,274)
Net Position										
Governmental Activities:										
Taxes:										
Property taxes	8,998	9,748	10,747	11,945	13,090	14,354	15,350	20,882	24,869	27,775
Business taxes	140	133	160	157	162	144	145	156	2,049	2,099
Franchise taxes	2,712	2,619	2,817	3,142	3,203	3,360	3,813	4,536	4,330	5,084
Utility taxes	3,406	3,328	3,446	3,873	4,202	4,467	4,684	5,354	5,533	6,681
Intergovernmental-unrestricted	6,923	7,257	7,864	8,139	8,403	9,969	12,180	12,711	13,961	13,451
Interest and investment income	134	197	458	1,089	632	70	(143)	1,199	3,243	2,927
Gain (loss) on sale of capital assets	122	86	289	193	-	-	42	94	105	(167)
Miscellaneous and other taxes	387	486	342	352	623	721	433	630	2,152	2,092
Contribution of nonfinancial asset	-	-	-	-	-	-	-	-	1,332	1,777
Transfers in/out	568	1,367	2,013	2,106	2,177	2,346	294	(594)	(13,917)	(9,905)
Total governmental activities	23,390	25,221	28,136	30,996	32,492	35,431	36,798	44,968	43,657	51,814
Business-type Activities:										
Unrestricted investment earnings	260	255	379	1,295	953	106	(472)	1,752	2,896	2,524
Gain (loss) on sale of capital assets	120	24	31	150	29	40	1	-	2	-
Proceeds from insurance	-	-	-	-	-	-	-	-	263	-
Transfers in/out	(568)	(1,367)	(2,013)	(2,106)	(2,177)	(2,346)	(294)	594	13,917	9,906
Total business-type activities	(188)	(1,088)	(1,603)	(661)	(1,195)	(2,200)	(765)	2,346	17,078	12,430
Total primary government	23,202	24,133	26,533	30,335	31,297	33,231	36,033	47,314	60,735	64,244
Change in Net Position										
Governmental activities	880	202	3,202	2,968	5,697	7,954	15,326	11,974	4,680	9,423
Business-type activities	4,495	6,767	3,657	4,568	6,480	21,262	4,133	8,482	48,767	24,547
Total primary government	$ 5,375	$ 6,969	$ 6,859	$ 7,536	$ 12,177	$ 29,216	$ 19,459	$ 20,456	$ 53,447	$ 33,970

City of Clermont, Florida
Fund Balances-Governmental Funds

Schedule A3

Last Ten Fiscal Years					**Fiscal Year**					
	2016	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**	**2025**
General Fund										
Reserved	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Unreserved	-	-	-	-	-	-	-	-	-	-
Nonspendable	548	578	641	283	356	453	462	1,847	3,865	4,796
Restricted	259	266	228	205	359	448	418	437	-	-
Assigned	-	3	3	18	3,227	1,390	1,368	1,647	3,665	3,156
Unassigned	7,886	7,137	7,104	8,182	7,859	11,617	17,840	22,023	27,856	36,606
Total general fund	8,693	7,984	7,976	8,688	11,801	13,908	20,088	25,954	35,386	44,558
All other governmental funds										
Reserved	-	-	-	-	-	-	-	-	-	-
Unreserved, reported in:										
Nonmajor funds	-	-	-	-	-	-	-		-	-
Major funds	-	-	-	-	-	-	-		-	-
Nonspendable	1,922	1,683	4	7	9	13	10	13	104	51
Restricted	4,310	5,885	8,361	9,376	12,111	14,450	18,263	21,702	45,347	40,205
Assigned	1,226	22,621	21,720	18,700	15,476	11,215	11,198	6,417	-	-
Unassigned	-	-	-	-	-	-	-	-	-	-
Total all other governmental funds	$ 7,458	$ 30,189	$ 30,085	$ 28,083	$ 27,596	$ 25,678	$ 29,471	$ 28,132	$ 45,451	$ 40,256

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

City of Clermont, Florida
Change in Fund Balances-Governmental Funds

Schedule A4

Last Ten Fiscal Years	Fiscal Year									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Revenues										
Taxes	$ 12,544	$ 13,208	$ 14,353	$ 15,974	$ 17,453	$ 18,964	$ 20,178	$ 26,392	$ 32,450	$ 36,556
Franchise fees	2,712	2,619	2,817	3,142	3,202	3,360	3,813	4,536	4,330	5,084
Intergovernmental	8,790	9,054	10,559	10,860	12,342	12,245	26,786	17,848	15,724	17,405
Licenses and permits	1,298	1,594	2,249	1,927	1,691	2,259	2,791	2,379	1,051	3,221
Charges for services	1,652	1,746	2,103	2,188	2,483	2,825	3,213	3,554	5,821	3,844
Fines and forfeitures	703	358	204	230	241	176	186	153	169	199
Impact fees/special assessments	1,702	2,341	1,738	1,959	2,530	2,457	3,269	3,994	4,446	4,702
Investment Earnings	131	192	446	1,065	615	69	(138)	1,171	3,242	2,927
Contributions and other income	1,007	1,122	971	965	978	1,370	1,051	1,341	2,153	2,092
Total revenues	30,539	32,234	35,440	38,310	41,535	43,725	61,149	61,368	69,386	76,030
Expenditures										
Current:										
General government	4,070	3,911	3,948	4,609	4,892	5,750	5,060	5,962	6,944	7,117
Public safety	17,520	18,488	19,750	21,618	21,452	24,291	26,626	28,861	29,925	33,907
Physical environment	777	869	881	982	2,550	2,748	2,832	3,316	3,283	3,584
Transportation	1,878	1,687	1,927	2,165	1,546	2,072	1,957	2,179	2,381	3,612
Economic environment	482	324	343	372	786	608	618	688	117	148
Culture and recreation	5,038	5,996	5,199	6,302	2,901	3,027	3,838	4,972	3,914	3,800
Capital outlay	8,514	2,112	4,085	3,846	4,070	4,517	8,400	7,444	9,401	6,153
Debt service:										
Principal	6,280	1,077	979	2,096	2,147	2,202	2,255	2,310	2,639	3,307
Interest	342	272	805	829	772	711	655	608	775	1,582
Total expenditures	44,901	34,736	37,917	42,819	41,116	45,926	52,241	56,340	59,379	63,210
Excess (deficiency) of revenues over expenditures	(14,362)	(2,502)	(2,477)	(4,509)	419	(2,201)	8,908	5,028	10,007	12,820
Other financing sources (uses)										
Transfers in	11,897	26,725	7,697	4,937	5,152	5,179	23,636	7,614	5,080	9,589
Transfers out	(11,329)	(25,957)	(6,332)	(2,834)	(2,974)	(2,833)	(22,785)	(8,208)	(18,998)	(19,494)
Refunding and new bonds issued	10,631	23,670	-	-	-	-	-	-	-	-
Proceeds from financed purchases	-	-	-	919	-	-	-	.	1,770	945
Sale of capital assets	1,321	86	1,000	198	29	44	214	94	109	118
Proceeds from issuance of debt	-	-	-	-	-	-	-	-	28,782	-
Total other financing sources (uses)	12,520	24,524	2,365	3,220	2,207	2,390	1,065	(500)	16,743	(8,842)
Net change in fund balances	$ (1,842)	$ 22,022	$ (112)	$ (1,289)	$ 2,626	$ 189	$ 9,973	$ 4,528	$ 26,750	$ 3,978
Debt service as a percentage of noncapital expenditures	18.2% *	4.1%	5.3%	7.5%	7.9%	7.0%	6.6%	6.0%	6.8%	8.6%

*Note: Increase in % due to refunding of 2013 bonds. Without the refunding the % would be 4.9% in 2016
(modified accrual basis of accounting)
(amounts expressed in thousands)

Last Ten Fiscal Years Schedule B1

Fiscal Year	Property Tax	Utility Tax	Business Tax	Franchise Fees	Total
2016	$ 8,795	$ 3,406	$ 140	$ 2,712	$ 15,053
2017	9,538	3,328	133	2,619	15,618
2018	10,549	3,446	160	2,817	16,972
2019	11,747	3,872	157	3,142	18,918
2020	12,880	4,202	162	3,203	20,447
2021	14,354	4,467	144	3,360	22,325
2022	15,350	4,684	145	3,813	23,992
2023	20,882	5,354	156	4,536	30,928
2024	24,869	5,533	2,049	4,330	36,781
2025	27,775	6,681	2,099	5,084	41,639

Taxes Included in Unrestricted Intergovernmental Revenues

Fiscal Year	Sales Tax	State Revenue Sharing	Local Option Gas Tax	Total
2016	$ 1,848	$ 819	$ 482	$ 3,149
2017	1,945	911	520	3,376
2018	2,172	1,013	548	3,733
2019	2,236	1,116	551	3,903
2020	2,345	1,053	522	3,920
2021	2,806	1,386	537	4,729
2022	3,333	1,930	574	5,837
2023	3,330	2,012	600	5,942
2024	3,344	1,968	598	5,910
2025	3,378	2,039	680	6,097

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

Assessed Value and Estimated Actual Value of Taxable Property

Last Ten Fiscal Yea — Schedule B2

Fiscal Year Ended September 30	Real Property	Personal Property	Less: Tax Exempt Property	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Assessed Value as a Percentage of Actual Value
2016	2,574,360	215,752	652,769	2,137,343	4.2061	2,790,112	76.60%
2017	2,791,963	215,772	689,683	2,318,052	4.2061	3,007,735	77.07%
2018	3,057,114	233,448	724,930	2,565,632	4.2061	3,290,562	77.97%
2019	3,406,874	238,430	789,497	2,855,807	4.2061	3,645,304	78.34%
2020	3,723,782	247,430	848,948	3,122,264	4.2061	3,971,212	78.62%
2021	4,070,776	262,371	899,129	3,434,018	4.2061	4,333,147	79.25%
2022	4,396,812	258,785	937,103	3,718,493	4.2061	4,655,597	79.87%
2023	4,923,776	296,466	1,009,657	4,210,585	5.0600	5,220,242	80.66%
2024	5,649,897	333,706	1,090,731	4,892,872	5.0600	5,983,603	81.77%
2025	6,452,549	364,666	1,146,378	5,670,837	4.8800	6,817,215	83.18%

Source: Lake County Property Appraisers Office
(amounts expressed in thousands)

Last Ten Fiscal Years Schedule B3

	Direct Rate	Overlapping Rates							
	City of Clermont	Lake County			Lake County	South Lake	Lake County	St. Johns River Water	Total Direct &
Fiscal Year	Operating Millage	Operating Millage	Voted Debt Service	Ambulance MSTU	School District	Hospital District [3]	Water Authority	Management District	Overlapping Rates
2016	4.2061	5.3051	0.1600	0.4629	7.1970	0.7633	0.2554	0.3023	18.6521
2017	4.2061	5.1180	0.1524	0.4629	6.8750	0.7332	0.2554	0.2885	18.0915
2018	4.2061	5.1180	0.1524	0.4629	6.6030	0.6898	0.2554	0.2724	17.7600
2019	4.2061	5.1180	0.1324	0.4629	6.3550	0.6432	0.4900	0.2562	17.6638
2020	4.2061	5.0734	0.1100	0.4629	6.8830	0.5886	0.3557	0.2414	17.9211
2021	4.2061	5.0327	0.1100	0.4629	6.6990	-	0.3368	0.2287	17.0762
2022	4.2061	5.0529	0.0918	0.4629	6.5920	-	0.3229	0.2189	16.9475
2023	5.0600	5.0364	0.0918	0.4629	6.2480	-	0.3083	0.1974	17.4048
2024	5.0600	5.0364	0.0918	0.0463	6.2060	-	0.2940	0.1793	16.9138
2025	4.8800	5.0364	0.0918	0.4629	6.1220	-	0.2940	0.1793	17.0664

Source: Lake County Property Appraisers Office

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

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

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

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

(per $1,000 of assessed value)

Fiscal Year Ended September 30, 2025 Schedule B4

Taxpayer	2025 Taxable Assessed Value	2025 Rank	2025 Percentage of Total Taxable Assessed Value	2016 Taxable Assessed Value	2016 Rank	2016 Percentage of Total Taxable Assessed Value
Advenir@Castle Hill LLC	61,355	1	1.08%			
BR Citrus Tower LLC	51,898	2	0.92%			
PKY Clermont MF, LLC	48,904	3	0.86%			
CC Clermont LLC	48,847	4	0.86%			
US 27-Clermont LLC	44,000	5	0.78%			
VR Clermont Limited Partnership	38,654	6	0.68%			
Westdale Sundance LTD	38,522	7	0.68%	19,456	6	0.91%
Vista at Lost Lake TIC I LLC ET AL	37,078	8	0.65%			
Advenir@Clermont, LLC	33,104	9	0.58%			
Plaza Collina Apartments Venture, LLC	32,404	10	0.57%			
South Lake Hospital Inc				29,149	1	1.36%
Citrus Tower FL Phase I LLC				27,141	2	1.27%
John P Adams & Ann D Adams Family LP				26,815	3	1.25%
US 27-Clermont LLC				26,018	4	1.22%
Centennial Citrus Tower LLC				25,155	5	1.18%
Citrus Tower FL Phase II LLC				19,454	7	0.91%
Taylor Morrison of Florida Inc				17,979	8	0.84%
IP9 MF Clermont LLC				17,941	9	0.84%
Weingarten I-4 Clermont Landing LLC				14,123	10	0.66%
TOTAL	$ 434,766		7.67%	$ 223,231		10.44%

Source: Lake County Property Appraiser

(amounts expressed in thousands)

Property Tax Levies and Collections

Last Ten Fiscal Years Schedule B5

Fiscal Year Ended September	Total Tax Levy for Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2016	$ 8,990	$ 8,570	95.3%	$ 4	$ 8,574	95.4%
2017	9,750	9,299	95.4%	9	9,308	95.5%
2018	10,791	10,278	95.2%	6	10,284	95.3%
2019	12,012	11,430	95.2%	5	11,435	95.2%
2020	13,133	12,471	95.0%	7	12,478	95.0%
2021	14,444	13,677	94.7%	1	13,678	94.7%
2022	15,640	14,827	94.8%	3	14,830	94.8%
2023	21,306	20,201	94.8%	2	20,203	94.8%
2024	24,763	23,411	94.5%	14	23,425	94.6%
2025	27,797	25,831	92.9%	406	26,237	94.4%

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.

(amounts expressed in thousands)

Last Ten Fiscal Years | Schedule C1

Fiscal Year Ended Sept	Governmental Activities Revenue Bonds	Capital Leases	Notes Payable	Line of Credit	Business-Type Activities Revenue Bonds	Notes Payable	Total Outstanding Debt	Percentage of Personal Income[1]	Per Capita[1]
2016	$ -	$ -	$ 11,509	$ -	$ 13,075	$ -	$ 24,584	2.40%	709.147027
2017	-	-	34,102	-	12,403	6,329	52,834	4.87%	1475.52155
2018	-	-	33,123	-	12,268	6,329	51,720	4.22%	1329.35794
2019	-	838	31,109	-	11,467	5,980	49,394	3.76%	1212.1227
2020	-	754	29,045	-	10,634	5,621	46,054	3.45%	1039.57021
2021	-	666	26,930	-	9,779	5,253	42,628	3.03%	954
2022	-	577	24,766	-	8,900	4,875	39,118	2.30%	852
2023	-	485	22,547	-	8,000	4,487	35,519	1.82%	748
2024	28,152	2,018	20,775	-	7,080	4,089	62,114	1.41%	1265
2025	27,652	2,609	18,322	-	6,137	3,680	58,400	1.32%	1185

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

1 See the Schedule of Demographic and Economic Statistics on page 132 for personal income and population data.

(amounts expressed in thousands, except per capita amount)

Direct and Overlapping Governmental Activities by Debt

For year ended September 30, 2025			Schedule C2
Government Unit:	**Debt Outstanding**	**Estimated Percentage Applicable (1)**	**Amount Applicable to City of Clermont**
Lake County	$ 90,069	14.10%	$ 12,700
Lake County School District	118,965	12.62%	15,013
Subtotal, overlapping debt			27,713
City of Clermont, direct debt	60,932	100.00%	60,932
Total direct and overlapping debt			$ 88,645

Sources: Lake County 2024 Annual Comprenhesive Financial Report, Lake County School District 2024 Annual Comprenhesive Financial Report, and Lake County Property Appraiser's Office

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

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

The City of Clermont has no legal debt margin.

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

Last Ten Fiscal Years **Schedule C3**

Public Improvement Revenue Refunding Note, Series 2012

Fiscal Year	Public Service Taxes	Communications Service Tax	Half-Cent Sales Tax	Total Revenue Available for Debt Service	Debt Service Principal	Interest	Coverage
2016	$ 3,405,642	$ 1,138,032	$ 1,848,294	$ 6,391,968	$ 585,609	$ 12,760	10.68
2017	3,328,087	1,122,258	1,945,237	6,395,582	591,692	6,345	10.69
2018	3,446,407	1,112,440	2,172,025	6,730,872	286,141	1,559	23.40
2019	3,872,099	1,131,382	2,235,693	7,239,174	**	**	**
2020	4,201,714	1,232,777	2,344,875	7,779,366	**	**	**
2021	4,466,642	1,327,089	2,806,160	8,599,891	**	**	**
2022	4,684,059	1,414,867	3,333,085	9,432,011	**	**	**
2023	5,353,571	1,642,894	3,330,323	10,326,788	**	**	**
2024	5,512,337	1,880,867	3,344,435	10,737,639	**	**	**
2025	6,069,764	1,914,057	3,123,724	11,107,545	**	**	**

Note: Details regarding the city's outstanding debt can be found in the notes to the financial statements.
* Public Improvement Revenue Note, Series 2002 was refunded in 2012, this includes the payoff of the original bonds.
** This Note was paid off in fiscal year 2018

Public Improvement Revenue Refunding Note, Series 2016

Fiscal Year	Public Service Taxes	Communications Service Tax	Total Revenue Available for Debt Service	Debt Service Principal	Debt Service Interest	Coverage
2016	$ 3,405,642	$ 1,138,032	$ 4,543,674	$ 5,694,228 *	$ 195,148	0.77
2017	3,328,087	1,122,258	4,450,345	255,000	105,635	12.34
2018	3,446,407	1,112,440	4,558,847	377,841	99,212	9.56
2019	3,872,099	1,131,382	5,003,481	385,511	91,464	10.49
2020	4,201,714	1,232,777	5,434,491	393,337	83,558	11.40
2021	4,466,642	1,327,089	5,793,731	401,322	75,493	12.15
2022	4,684,059	1,414,867	6,098,926	409,469	67,263	12.79
2023	5,353,571	1,642,894	6,996,465	417,781	58,866	14.68
2024	5,512,337	1,880,867	7,393,204	426,262	50,299	15.51
2025	6,069,764	1,914,057	7,983,821	434,915	41,558	16.76

Note: Details regarding the city's outstanding debt can be found in the notes to the financial statements.
* Public Improvement Revenue Note, Series 2013 was refunded in 2016, this includes the payoff of the original bonds.

Infrastructure Sales Surtax Revenue Note, Series 2016

Fiscal Year	Infrastructure Sales Surtax	Debt Service		Coverage
		Principal	Interest	
2016	$ 2,964,966	$ -	$ 27,466	107.95
2017	3,115,549	230,716	109,914	9.15
2018	3,397,707	314,809	104,132	8.11
2019	3,474,813	321,483	97,387	8.30
2020	3,603,194	328,298	90,499	8.60
2021	4,182,726	335,258	83,466	9.99
2022	5,337,140	342,365	76,283	12.75
2023	5,538,802	349,623	68,948	13.23
2024	5,957,226	357,035	61,457	14.23
2025	5,215,185	364,605	53,808	12.46

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

Master Plan Capital Projects Revenue Note, Series 2017

Fiscal Year	Infrastructure Sales Surtax	Recreation Impact Fees	Stormwater Fees	Sanitation Fees	Total Revenue Available for Debt Service	Debt Service		Coverage
						Principal	Interest	
2016	$ -	$ -	$ -	$ -	$ -	$ -	$ -	N/A
2017	3,115,549	1,495,242	1,002,859	3,087,701	8,701,352	-	-	N/A
2018	3,397,707	1,047,736	1,375,516	3,176,721	8,997,680	-	749,550	12.00
2019	3,474,813	1,157,840	1,596,720	3,263,253	9,492,626	1,657,000	767,210	3.92
2020	3,603,194	1,529,037	1,695,361	3,550,386	10,377,978	1,701,000	723,053	4.28
2021	4,182,726	1,661,798	1,782,926	3,784,598	11,412,048	1,746,000	677,725	4.71
2022	5,337,140	2,068,218	1,879,538	4,019,607	13,304,503	1,791,000	631,213	5.49
2023	5,538,802	2,299,151	1,948,759	4,267,856	14,054,568	1,839,000	583,479	5.80
2024	5,957,226	2,553,445	2,265,366	5,493,637	16,269,674	1,887,000	534,482	6.72
2025	5,215,185	2,590,911	2,353,519	6,208,606	16,368,221	1,937,000	484,196	6.76

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

Water and Sewer Revenue and Refunding Bonds						
Fiscal Year	Water and Sewer Operating Revenues[1]	Water and Sewer Operating Expenses[2]	Net Revenue Available for Debt Service	Debt Service: Principal	Debt Service: Interest	Coverage
2016	$ 12,578,644	$ 7,272,716	$ 5,305,928	$ 650,000	$ 548,236	4.43
2017	13,226,994	7,661,085	5,565,909	670,000	504,122	4.74
2018	13,379,152	8,104,464	5,274,688	10,920,000 [3]	211,101	0.47
2019	15,017,621	8,753,924	6,263,697	800,000	294,524	5.72
2020	16,069,244	9,069,911	6,999,333	828,000	267,058	6.39
2021	16,629,593	9,958,948	6,670,645	855,000	242,915	6.08
2022	17,406,703	11,846,046	5,560,657	879,000	222,280	5.05
2023	19,389,128	13,693,906	5,695,222	900,000	201,110	5.17
2024	25,296,348	15,661,878	9,634,470	920,000	179,452	8.76
2025	27,859,852	17,036,550	10,823,302	1,443,000 [4]	1,145,832	4.18

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

1 Operating revenue is computed per bond resolution requirements. Investment earnings are included.
2 Operating expense is computed per bond resolution requirements. Depreciation expense is not included.
3 Water and Sewer Revenue Refunding Bonds, Series 2009 was partially refunded in 2017, this includes the payoff of the original bonds.
4 Wastwater Treatment Plant Expansion Project 2024 Debt Issuance.

Last Ten Fiscal Years **Schedule D1**

Fiscal Year	Population[1]	Median Household Income[1]	Per Capita Personal Income[1]	Median Age[1]	Education Level in Years of Formal Schooling[1]	School Enrollment[2]	Unemploy-ment Rate[1]
2016	34,667	60,498	29,537	42.1	13.4	8,278	4.4%
2017	35,807	61,736	30,329	41.6	13.3	8,533	3.1%
2018	38,906	64,685	31,536	42.3	13.4	8,563	2.7%
2019	40,750	59,994	32,211	42.5	13.9	8,567	2.8%
2020	44,301	63,723	30,135	42.1	14.0	8,543	6.7%
2021	44,687	68,756	31,442	42.2	14.0	8,423	3.7%
2022	45,812	76,111	37,099	42.4	14.1	7,386	2.6%
2023	47,456	88,425	41,082	42.7	14.3	8,896	3.4%
2024	49,092	89,043	43,926	45.7	14.3	9,246	2.8%
2025	49,266	88,109	44,239	45.8	14.3	9,636	2.8%

Sources: [1] Metro Orlando Economic Development Commission
[2] Lake County School Board ACFR

City of Clermont, Florida
Principal Employers

Schedule D2

Businesses by SIC Codes	2025 Businesses Number	2025 Businesses Percent	2024 Businesses Number	2024 Businesses Percent	2023 Businesses Number	2023 Businesses Percent	2022 Businesses Number	2022 Businesses Percent
Services	1,142	48.0%	1,132	46.4%	985	43.8%	1,017	43.6%
Retail Trade Businesses	485	20.4%	469	19.2%	441	19.6%	468	20.1%
Finance, Insurance, Real Estate	273	11.5%	276	11.3%	273	12.1%	266	11.4%
Construction	130	5.5%	125	5.1%	116	5.2%	125	5.4%
Government	28	1.2%	25	1.0%	28	1.2%	33	1.4%
Manufacturing	29	1.2%	30	1.2%	26	1.2%	28	1.2%
Transportation	52	2.2%	51	2.1%	45	2.0%	44	1.9%
Agriculture & Mining	30	1.3%	28	1.1%	23	1.0%	27	1.2%
Wholesale Trade	32	1.3%	34	1.4%	27	1.2%	31	1.3%
Communication	11	0.5%	12	0.5%	9	0.4%	9	0.4%
Utility	5	0.2%	4	0.2%	3	0.1%	3	0.1%
Unclassified Establishments	160	6.7%	254	10.4%	272	12.1%	279	12.0%
	2,377	100.0%	2,440	100.0%	2,248	100.0%	2,330	100.0%

Employees by SIC Codes	2025 Employees Number	2025 Employees Percent	2024 Employees Number	2024 Employees Percent	2023 Employees Number	2023 Employees Percent	2022 Employees Number	2022 Employees Percent
Services	20,004	65.1%	9,576	46.1%	8,559	44.2%	8,557	45.0%
Retail Trade Businesses	6,508	21.2%	7,001	33.7%	6,610	34.1%	6,381	33.6%
Finance, Insurance, Real Estate	1,627	5.3%	1,661	8.0%	1,676	8.6%	1,490	7.8%
Construction	849	2.8%	753	3.6%	865	4.5%	928	4.9%
Government	497	1.6%	612	2.9%	569	2.9%	641	3.4%
Manufacturing	460	1.5%	414	2.0%	397	2.0%	392	2.1%
Transportation	344	1.1%	248	1.2%	224	1.2%	219	1.2%
Agriculture & Mining	146	0.5%	142	0.7%	116	0.6%	128	0.7%
Wholesale Trade	103	0.3%	122	0.6%	89	0.5%	102	0.5%
Communication	51	0.2%	63	0.3%	44	0.2%	46	0.2%
Utility	99	0.3%	85	0.4%	83	0.4%	83	0.4%
Unclassified Establishments	18	0.1%	96	0.5%	146	0.8%	42	0.2%
	30,706	100.0%	20,773	100.0%	19,378	100.0%	19,009	100.0%

Source: Orlando Economic Partnership (OEM)

Note: Change in reporting methodology and source beginning in 2022.

Schedule D3

Employer	2025 Usage (thousands of gallons)	2025 Rank	2025 Percentage of Total City Metered Flow[1]	2016 Usage (thousands of gallons)	2016 Rank	2016 Percentage of Total City Metered Flow
KINGS RIDGE SOUTH	135,507	1	3.34%			
SLMH	43,368	2	1.07%	38,258	2	1.49%
KINGS RIDGE NORTH	31,135	3	0.77%			
WINDY HILL MIDDLE SCHOOL	15,724	4	0.39%			
VISTA AT LOST LAKE TIC I LLC	14,797	5	0.37%			
ADVENIR @ CLERMONT, LLC	11,535	6	0.28%			
VR CLERMONT LIMITED PARTNERSHIP	10,579	7	0.26%			
VISTA AT LOST LAKE TIC I LLC	8,859	8	0.22%			
SLMH	8,788	9	0.22%			
EMERALD LAKES OF CLERMONT	8,290	10	0.20%			
Kings Ridge				175,549	1	6.82%
Lake County School System				35,358	3	1.37%
Taylor Morrison of Florida				29,958	4	1.16%
Living Well Lodges Clermont				26,575	5	1.03%
City of Clermont				21,499	6	0.84%
Citrus Tower FL Phase I&II LLC				20,468	7	0.80%
Lennar Homes				20,236	8	0.79%
Westminster Comm Care Svcs				17,661	9	0.69%
Meritage Homes				14,467	10	0.56%
TOTAL	288,582		7.12%	400,029		15.55%

[1] The City of Clermont had a total metered water flow of approximately 4,051,367,000 gallons for the 12-month period ending September 30, 2025.

Schedule D4

Employer	2025 Usage (thousands of gallons)	2025 Rank	2025 Percentage of Total City Metered Flow[1]	2016 Usage (thousands of gallons)	2016 Rank	2016 Percentage of Total City Metered Flow
Town of Oakland	47,835	1	3.38%			
Southlake Medical Hospital	43,368	2	3.06%	34,778	1	2.32%
Windy Hill Middle School	15,724	3	1.11%			
Vista at Lost Lake TIC I LLC	14,797	4	1.04%			
Advenir @ Clermont, LLC	11,535	5	0.81%			
VR Clermont Limited Partnership	10,579	6	0.75%			
Vista at Lost Lake TIC I LLC	8,859	7	0.63%			
Emerald Lakes of Clermont	8,290	8	0.59%			
Town of Montverde	8,199	9	0.58%			
Carwash Headquarters, Inc	7,240	10	0.51%			
Lake County Schools				27,578	2	1.84%
Living Well Lodges Clermont LLC				26,575	3	1.77%
Citrus Tower FL Phase 1&II LLC				20,468	4	1.37%
Westminster Comm Care Service				17,105	5	1.14%
Centennial Citrus Tower LLC				13,957	6	0.93%
Sundance Apartments				12,913	7	0.86%
Village at East Lake				11,075	8	0.74%
Osprey Ridge Apartments				10,947	9	0.73%
Oak Ridge Apartments 7439				9,266	10	0.62%
TOTAL	176,426		12.45%	184,662		12.33%

[1] The City of Clermont had a total metered water flow for wastewater billing purposes of approximately 1,416,654,000 gallons for the 12-month period ending September 30, 2025.

Full-time Equivalent City Government Employees by Function

Last Ten Fiscal Years — **Schedule E1**

Full-time Equivalent Employees as of September 30 **Function**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**	**2025**
General Government	36.00	38.70	41.45	49.50	48.90	49.90	54.06	53.00	51.50	46.00
Public Safety:										
Police										
Sworn personnel	66.00	70.00	79.00	81.00	86.00	88.00	92.00	95.00	86.50	93.00
Non sworn personnel	6.00	6.00	7.00	7.00	7.00	8.00	9.00	10.00	10.00	11.00
Fire										
Firefighters	59.80	66.50	74.20	81.00	81.00	81.00	82.00	80.00	86.00	99.00
Other personnel	4.20	6.50	8.80	8.00	8.00	8.00	7.00	5.00	6.00	10.00
Building Services	7.00	11.30	11.55	12.30	13.55	14.55	13.78	13.50	14.00	28.00
Physical Environment	8.70	10.70	10.70	10.70	9.65	9.65	9.65	10.00	13.00	21.00
Transportation	12.60	14.60	16.60	11.90	11.73	11.73	11.73	14.00	17.00	16.00
Culture & Recreation	35.35	39.35	40.60	37.50	39.22	39.22	39.22	33.00	34.00	31.00
Water	29.65	29.15	30.45	30.55	32.70	36.70	35.63	36.00	38.00	38.00
Sewer	26.45	26.95	31.25	31.40	32.50	34.50	35.13	48.00	49.00	39.00
Stormwater	7.75	10.25	10.10	13.85	13.95	13.95	14.98	16.00	17.00	11.00
Sanitation	18.5	21.00	21.30	21.30	20.80	20.80	20.82	25.00	21.00	21.00
Totals	318	351	383	396	405	415.995	425	438.5	443	464

Source: City of Clermont Finance Department.

City of Clermont, Florida
Operating Indicators by Function/Program

Last Ten Fiscal Years **Schedule E2**

Function	Fiscal Year 2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
General Government										
Municipal boundary (square miles)	17	17	17	19	19	19	19	20	20	20
Business Tax Receipts issued	1,639	1,633	1,623	1,585	1,572	1,968	1,752	1,375	1,867	-
A/P Checks issued	3,276	3,651	3,872	3,859	3,543	3,846	3,905	4,452	5,018	4,819
Commercial construction (units)	20	14	20	15	10	16	26	32	33	18
- value in thousands	42,241	13,302	42,042	30,862	13,695	52,737	61,307	65,156	73,336	49,428
Residential construction (units)	740	433	387	377	428	591	673	420	530	590
- value in thousands	103,423	87,873	104,394	87,927	92,541	110,912	134,829	69,691	80,055	154,886
Multi Family construction (units)	-	-	-	-	-	-	301	210	283	17
- value in thousands	-	-	-	-	-	-	31,945	30,047	48,388	79,064
Public Safety:										
Police										
Auto accidents	1,909	1,909	1,802	2,082	1,780	1,673	2,209	2,093	2,181	2,325
Physical arrests	589	593	569	663	632	590	548	816	828	788
911 calls received	6,397	6,809	7,943	9,185	8,703	9,880	9,124	10,969	9,488	10,062
Evidence processed (pieces)	674	1,165	1,040	1,821	1,331	1,787	2,107	2,250	1,891	1,828
Parking violations	181	385	147	101	319	403	522	696	871	305
Traffic violations	7,421	6,713	4,676	4,790	4,340	3,394	3,576	3,448	3,725	5,761
Fire										
Volunteer firefighters	-	-	-	-	-	-	-	-	-	-
Fire inspections completed	4,468	2,586	2,203	2,493	2,445	3,112	2,154	3,338	3,308	5,715
Emergency calls answered	6,001	6,828	5,689	5,367	6,199	6,549	6,977	7,633	8,144	8,547
Non-emergency calls answered	806	925	989	1,493	814	1,593	1,847	1,222	954	-
Water										
Residential accounts *	13,561	14,339	14,805	15,311	15,882	16,283	16,919	17,474	18,126	18,767
Commercial accounts	1,220	1,235	1,498	1,283	1,283	1,344	1,353	1,379	1,432	1,471
Annual water usage										
(thousands of gallons)	2,572,852	2,743,657	2,687,665	2,816,071	3,090,626	3,568,993	3,789,411	4,210,416	4,528,006	4,432,707
Sewer										
Residential accounts	13,860	14,619	15,198	15,669	16,330	17,670	19,160	19,721	18,726	19,373
Commercial accounts	1,091	1,106	1,107	1,126	1,135	1,342	1,425	1,455	1,511	1,555

Sources: Various government departments.

Last Ten Fiscal Years **Schedule E3**

Function	Fiscal Year 2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
General Government										
Public Safety:										
Police										
Police stations	1	1	1	1	1	1	1	1	1	1
Patrol units	95	98	104	106	107	106	116	116	128	147
Fire										
Fire department facilities	4	5	5	5	5	5	5	5	5	5
Staffed fire stations	4	4	4	4	4	4	4	4	4	4
Fire hydrants	2646	2646	2646	2456	2456	2456	2475	2503	2503	2419
Fire apparatus	6	7	9	9	9	9	9	9	10	13
Staffed fire apparatus	6	6	7	7	7	7	7	7	7	7
ALS non-transport units	1	6	6	7	7	9	9	9	9	6
Transportation										
Streets Paved (miles)[1]	210	210.6	210.6	210.6	210.6	210.6	202	202	106	108
Streetlights	3160	1309	1309	1309	1309	1309	1309	1309	1309	1309
Culture & Recreation										
Number of parks	23	24	24	24	24	24	24	24	24	24
Parks acreage	443.92	443.92	443.9	443.9	443.9	443.9	443.9	443.9	443.9	443.9
Scenic linear trail (miles)	7.48	7.5	7.99	7.99	7.99	7.99	8	8	8	8
Tennis courts	9	9	9	9	9	9	9	9	9	9
Pickleball courts	-	-	-	-	-	-	6	6	6	12
Piers	11	11	9	9	9	9	9	9	9	5
Boat ramp	1	1	1	1	1	1	1	1	1	1
Water										
Miles of water mains	229.44	297	297.81	331.86	334.98	354.16	334.98	366.71	372	380.16
Sewer										
Miles of sanitary sewers	168.57	220	224	236.34	238.5767	254.61	238.58	250.85	194.2	271.9
Miles of Storm Sewers[2]	47.63	47.56	48.36	50.38	50.38	51.46	50.38	53.57	54.29	55.79

* Data not available.
** Asset was not in service.

Changed from Lane miles to center line miles method in FYE 2024.
Does not include private systems.

Reuse
Water Mains (miles)
Storage Capacity (gallons)

Wastewater
Sewers-Force Mains/Gravity (miles)
Permited Treatment Capacity (gallons/day)
Lift Stations

City of Clermont, Florida
Impact Fees Collected

Fiscal Years **Schedule E4**

Fiscal Year	Recreation Impact Fees	Police Impact Fees	Fire Impact Fees	Water Impact Fees	Sewer Impact Fees	Total Impact Fees
2016	$ 1,092,976	$ 266,100	$ 343,111	$ 1,156,797	$ 2,160,897	$ 5,019,881
2017	1,495,242	382,728	463,227	1,245,792	2,767,003	6,353,992
2018	1,047,736	300,132	389,730	1,063,577	2,588,642	5,389,817
2019	1,157,840	350,125	450,801	1,152,077	3,139,024	6,249,867
2020	1,529,037	436,670	564,447	1,620,076	4,954,474	9,104,704
2021	1,661,798	359,313	435,991	1,374,379	2,658,918	6,490,399
2022	2,068,218	515,142	685,604	2,178,315	4,112,658	9,559,937
2023	2,299,151	732,566	961,910	1,513,680	3,847,070	9,354,377
2024	2,553,445	665,576	1,226,903	1,452,106	4,558,485	10,456,515
2025	2,590,911	660,566	1,450,754	1,593,772	2,713,714	9,009,717

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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 Members of the City Council
City of Clermont, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Clermont, Florida (the City), as of and for the year ended September 30, 2025, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated March 31, 2026.

Report on Internal Control over Financial Reporting

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

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

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. 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 results 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.

Carr, Riggs & Ingram, L.L.C.

CARR, RIGGS & INGRAM, L.L.C.

Orlando, Florida
March 31, 2026

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR THE MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

Honorable Mayor and Members of the City Council
City of Clermont, Florida

Report on Compliance for the Major Federal Program

Opinion on the Major Federal Program

We have audited City of Clermont, Florida's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on the City of Clermont, Florida's major federal program for the year ended September 30, 2025. City of Clermont, Florida's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, City of Clermont, Florida complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended September 30, 2025.

Basis for Opinion on the Major Federal Program

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

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding City of Clermont, Florida's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of City of Clermont, Florida's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of City of Clermont, Florida's internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control over Compliance

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

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

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

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

Carr, Riggs & Ingram, L.L.C.

CARR, RIGGS, INGRAM, L.L.C.

Orlando, Florida
March 31, 2026

Federal or State Grantor/ Pass-Through Grantor/Program	Identifying Grant/Loan Number	Assistance Listing Number		Expenditures		Subrecipients
U.S. Department of Justice						
Bulletproof Vest Partnership Program		16.607	$	36,918	$	-
Equitable Sharing Program	FL0350300	16.922		8,445		-
Passed through FL Office of the Attorney General						
Crime Victim Assistance	VOCA-2021-Clermont Police	16.575		24,030		-
Passed through Florida Dept. of Law Enforcement (FDLE)						
Edward Byrne Memorial Justice Assistance Grant Program	15PBJA-23-GG-02972-MUMU	16.738		13,398		-
Total U.S. Department of Justice				82,791		-
U.S. Department of Treasury						
COVID 19-Coronavirus State and Local Fiscal Recovery Fund	CFDA 21.027	21.027		3,092,329		-
U.S. Department of Transportation						
Passed through Florida Department of Transportation						
Highway Safety Cluster						
State and Community Highway Safety	G3837	20.600		49,341		-
Department of Homeland Security						
Passed through Florida Dept. of Emergency Management						
Hazard Mitigation Grant	H0917; 4486-0430-R	97.039		253,885		-
Disaster Grants - Public Assistance	DR4673-FL-Z3386	97.036		178,091		-
Disaster Grants - Public Assistance	DR4680-FL-Z3649	97.036		21,818		-
Disaster Grants - Public Assistance	DR4734-FL-Z4004	97.036		45,555		-
Disaster Grants - Public Assistance	DR4834-FL-Z4720	97.036		164,588		-
		97.036 Total		410,052		-
Total Passed through Florida Dept. of Emergency Management				663,937		-
Total Department of Homeland Security				663,937		-
Total of Federal Awards			$	3,888,398	$	-

A. Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of the City of Clermont, Florida, under programs of the federal government for the year ended September 30, 2025. The information in this Schedule is presented in accordance with the requirements of Title 2 *U.S. Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles*. Because the Schedule presents only a selected portion of the operations of the City of Clermont, Florida, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the City of Clermont, Florida.

B. Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following, as applicable, either the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable, or are limited as to reimbursement.

C. Sub-recipients

The City of Clermont, Florida had no sub-recipients of federal awards in the fiscal year ended September 30, 2025.

D. Indirect Cost Rate

The City of Clermont, Florida has elected not to use the 15-percent de minimis indirect cost rate allowed under the Uniform Guidance.

E. Noncash Awards

The City of Clermont, Florida received no non-cash awards in the fiscal year ended September 30, 2025.

PART I – SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued:	Unmodified	
Internal control over financial reporting:		
• Material weakness(es) identified?	___ yes	X no
• Significant deficiency(ies) identified?	___ yes	X none noted
Noncompliance material to financial statements noted?	___ yes	X no

Federal Awards

Internal control over major federal program:		
• Material weakness(es) identified?	___ yes	X no
• Significant deficiency(ies) identified?	___ yes	X none noted
Type of auditor's report issued on compliance for major federal program:	Unmodified	
Any audit findings disclosed that are required to be reported in accordance with 2 CFR Part 200.516(a) of OMB Compliance Supplement?	___ yes	X none noted

Identification of major federal program:

Federal ALN	Federal Program or Cluster
21.027	COVID-19 Coronavirus State and Local Fiscal Recovery Funds

Dollar threshold used to distinguish between type A and B programs was $1,000,000 for major federal program.

Auditee qualified as a low-risk auditee for federal purposes?	___ yes	X no

PART II – FINANCIAL STATEMENT FINDINGS

None noted.

PART III – FEDERAL AWARD FINDINGS

None noted.

PART IV – PRIOR AUDIT FINDINGS

2024-01 Internal Control on Financial Reporting (Significant Deficiency): The unbilled revenue for utilities was not properly reflected as revenue in the proper period. GASB 87 for leases was not properly implemented and reflected as a receivable and deferred inflow. Reconciliation of accounts were not completed at year end, to include pension investment activity.

Status: Corrective action has been taken and this matter has been fully resolved.

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MANAGEMENT LETTER REQUIRED BY
CHAPTER 10.550, RULES OF THE AUDITOR GENERAL

Honorable Mayor and Members of the City Council
City of Clermont, Florida

Report on the Financial Statements

We have audited the financial statements of the City of Clermont, Florida (the City) as of and for the fiscal year ended September 30, 2025, and have issued our report thereon dated June 30, 2025.

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 Auditor General.

Other Reporting Requirements

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards,* and Independent Accountants' Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports and schedule, which are dated September 30, 2025, should be considered in conjunction with this management letter.

Prior Audit Findings

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

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. The legal authority of the City of Clermont, Florida and its component unit are disclosed in the footnotes.

Financial Condition and Management

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

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

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

Property Assessed Clean Energy (PACE) Programs

As required by Section 10.554(1)(i)6.a., Rules of the Auditor General, the City of Clermont did not operate a PACE program pursuant to Section 163.081 or Section 163.082, Florida Statutes, within the City's geographical boundaries during the fiscal year under audit.

Specific Information (unaudited)

As required by Section 218.39(3)(c), Florida Statutes, and Section 10.554(1)(i)7-9, Rules of the Auditor General, the City of Clermont, Florida Community Redevelopment Agency reported the information below. This information has not been subjected to the auditing procedures applied in the audit of the financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

As required by Section 218.39(3)(c), Florida Statutes, and Section 10.554(1)(i)7, Rules of the Auditor General, the City of Clermont, Florida Community Redevelopment Agency reported:

a.	The total number of Agency employees compensated in the last pay period of the Agency's fiscal year as:	**None**
b.	The total number of independent contractors to whom nonemployee compensation was paid in the last month of the Agency's fiscal year as:	**None**
c.	All compensation earned by or awarded to employees, whether paid or accrued, regardless of contingency:	**$15,538**

d. All compensation earned by or awarded to nonemployee independent contractors, whether paid or accrued, regardless of contingency: **$51,898**

e. Each construction project with a total cost of at least $65,000 approved by the Agency that is scheduled to begin on or after October 1 of the following fiscal year being reported, together with the total expenditures for such projects as: **None, $0**

f. A budget variance based on the budget adopted under Section 189.016(4), Florida Statutes, before the beginning of the fiscal year being reported if the Agency amends a final adopted budget under Section 189.016(6), Florida Statutes: **See Page 108**

As required by Section 218.39(3)(c), Florida Statutes, and Section 10.554(1)(i)8, Rules of the Auditor General, the City of Clermont, Florida Community Redevelopment Agency reported:

a. The millage rate or rates imposed by the Agency: **4.8800**

b. The total amount of ad valorem taxes collected by or on behalf of the Agency: **$877,387**

c. The total amount of outstanding bonds issued by the Agency and the terms of such bonds: **None**

Information required by Section 218.39(3)(c), Florida Statutes, and Section 10.554(1)(i)9, Rules of the Auditor General: The City of Clermont, Florida Community Redevelopment Agency has not imposed any special assessments and therefore no reporting is required by Section 218.39(3), Florida Statutes.

Additional Matters

Section 10.554(1)(i)3., Rules of the Auditor General, requires us to communicate noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but warrants the attention of those charged with governance. In connection with our audit, we did not note 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, and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.

Carr, Riggs & Ingram, L.L.C.

CARR, RIGGS & INGRAM, L.L.C.

Orlando, Florida
March 31, 2026

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INDEPENDENT ACCOUNTANT'S REPORT ON COMPLIANCE WITH LOCAL GOVERNMENT INVESTMENT POLICIES

The Honorable Mayor and Council
City of Clermont, Florida

We have examined the City of Clermont, Florida (the City) compliance with the requirements of Section 218.415, Florida Statutes, *Local Government Investment Policies*, during the year ended September 30, 2025. Management of the City is responsible for the City's compliance with the specified requirements. Our responsibility is to express an opinion on the City's compliance with the specified requirements based on our examination.

Our examination was conducted in accordance with attestation standards established by the AICPA. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the City complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether the City complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe that the evidence obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

We are required to be independent and to meet our ethical responsibilities in accordance with relevant ethical requirements relating to the examination engagement.

Our examination does not provide a legal determination on the City's compliance with specified requirements.

In our opinion, the City complied, in all material respects, with the requirements of Section 218.415, Florida Statutes, *Local Government Investment Policies*, for the year ended September 30, 2025.

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

Carr, Riggs & Ingram, L.L.C.

Orlando, Florida
March 31, 2026