

TOHOPEKALIGA WATER AUTHORITY OSCEOLA COUNTY, FLORIDA

ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024



PREPARED BY:
THE FINANCE DEPARTMENT

Tohopekaliga Water Authority
Annual Comprehensive Financial Report
For the Fiscal Year Ended September 30, 2024

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Tohopekaliga Water Authority
Osceola County, Florida

Introductory Section

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March 3, 2025

Letter of Transmittal

The Chairman and Members of the Board of Supervisors and Community Stakeholders
Tohopekaliga Water Authority
Osceola County, Florida

The Annual Comprehensive Financial Report (ACFR) of the Tohopekaliga Water Authority (Toho) for fiscal year ended September 30, 2024, is submitted in accordance with the provisions of Chapter 10.500, *Rules of the Auditor General*. Responsibility for the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with Toho. This ACFR was prepared by Toho's Finance Department staff. We believe the data, as presented, is accurate in all material respects, that it is presented in a manner designed to fairly set forth the financial position and the operating results of Toho, and that all disclosures necessary to enable the readers to gain the maximum understanding of Toho's financial activity have been included.

Generally accepted accounting principles (GAAP) requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. Toho's MD&A can be found immediately following the report of the independent auditors.

Toho's financial statements have been audited by Forvis Mazars, LLP, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that Toho's financial statements for the fiscal year ended September 30, 2024, are free of material misstatement.

THE REPORTING ENTITY AND SERVICES PROVIDED

Toho is an independent special district of the State of Florida created by Chapter 2003-368, Laws of Florida, a special act of the Florida Legislature, and other applicable provisions of law (the Act) pursuant to, and in conformance with, Chapter 189, Florida Statutes. Toho is a special-purpose local government for all purposes set forth in the Act and Chapter 189, Florida Statutes, including, but not limited to, performing such acts as shall be necessary for the sound planning, acquisition, development, operation and maintenance of a government-owned potable and non-potable water and wastewater management and delivery system within its service area. Under the Act, Toho's service area was initially established as the incorporated area of the City of Kissimmee, Florida, and the unincorporated areas within Osceola County, Florida with the exception of any areas included within the Reedy Creek Improvement District and the City of St. Cloud, Florida, (and certain unincorporated areas provided with water and wastewater service by the City of St. Cloud

on the effective date of the Act, June 26, 2003). Pursuant to the Act, this service area may be expanded to include any service area within the boundaries of an affected local government upon the adoption of a resolution by the governing body of that government authorizing Toho to provide its service and facilities therein. Subsequently, Toho entered into several interlocal agreements to expand its service area to include a small area located in the southern portion of Orange County, certain portions of unincorporated Polk County, and the City of St. Cloud. The territorial agreement with Orange County dates back to 1994 with the most recent amendment on April 21, 2020. Authorization for Toho to exercise and implement the powers specified in the Act within Polk County were provided by Polk County in Resolution No. 06-160 adopted on October 11, 2006, and through an interlocal agreement between Toho and Polk County dated October 1, 2006, amended June 18, 2024. Toho also entered into an interlocal agreement with the City of St. Cloud (City of St. Cloud Resolution No. 20022-034R) adopted February 10, 2022, to manage St. Cloud's environmental utilities and exercise and implement the powers specified in the Act within the St. Cloud utility service area effective October 1, 2022.

Toho provides a full range of water, wastewater and reclaimed water services to its customers. These activities are fully accounted for in this financial report.

Toho's water facilities include fourteen operating water treatment plants consisting of wells, ground storage tanks, high-service pumps, and water distribution systems. Toho's water facilities currently rely exclusively on ground water derived from the upper Floridan aquifer. Raw water supply wells currently pump an average of 54.01 million gallons per day (MGD) to the fourteen water treatment plants strategically located throughout the service area. Water is distributed through 2,045 miles of water mains.

Toho's wastewater facilities include nine water reclamation plants, sewage collection facilities, and wastewater effluent disposal facilities. (The Walnut Water Reclamation Facility was decommissioned during 2024, reducing the number of plants by one relative to last year.) Toho's water reclamation facilities (WRF) each operate independently for set geographic areas throughout the service area. Wastewater is delivered to the various WRFs through a network of 1,792 miles of collection and transmission system piping with 626 wastewater pump stations. The highly treated reclaimed water produced by the WRFs is distributed through 719 miles of reclaimed water distribution mains and used for irrigation customers or routed to the system's rapid infiltration basins to recharge the ground water. The waste solids from the treatment process, termed biosolids, are processed by a third party to produce a soil supplement/fertilizer that is beneficially used on agricultural lands. The South Bermuda WRF also includes treated surface water from Shingle Creek to augment our reclaimed water supply.

ECONOMIC OUTLOOK

In 2024, Florida's economy continued to demonstrate resilience, although growth has moderated from the rapid post-pandemic recovery. The state's economy is expected to expand at an average annual rate of 2.8% from 2024 to 2027, with growth slowing from 3.6% in 2024 to 1.9% in 2027. Payroll job growth remains positive but is gradually decelerating, reflecting a labor market that is near full employment. The unemployment rate, which stood at 2.9% in 2023, is projected to rise to 3.3% in 2024 and continue increasing to 4.0% by 2027. Florida's housing market has been

impacted by higher mortgage rates, leading to a decline in housing starts from 183,600 in 2023 to a projected 164,900 in 2025, before recovering slightly in 2027. Despite these headwinds, Florida continues to attract new residents, with population growth averaging 1.7% annually through 2027. This ongoing migration supports the state's economic foundation, although at a slower pace towards the end of the forecast period.

Similarly, the Orlando-Kissimmee area remains a dynamic economic hub, though it is also experiencing a moderation in growth. The region's economy, heavily reliant on tourism, continues to benefit from strong visitor numbers. Population growth in the Orlando-Kissimmee area, which was 2.0% in 2023, is expected to gradually decline to 1.6% by 2027. The unemployment rate, which held steady at 2.9% in 2023, is anticipated to slowly climb, reaching 3.8% in 2027. New housing starts declined 13.3% relative to 2023, but are forecasted to steadily increase to exceed 2021's post-pandemic high by 3.6% in 2027. While economic growth in the region is slowing, long-term projections remain positive, and Orlando-Kissimmee is expected to continue adapting to a more measured pace of expansion.

Our assessment of our area's economic outlook is primarily based on the Fall 2024 Florida & Metro Forecast published by the University of Central Florida's Institute for Economic Forecasting and the Florida Economic Overview published by the Florida Legislature's Office of Economic and Demographic Research. The UCF report can be accessed on the UCF website www.ucf.edu. The State's report can be accessed at edr.state.fl.us.

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THE TOHO PROMISE

During Spring 2021, Toho leadership and staff revised Toho’s Mission, Vision and Values Statements. Our goal was to distill these ideas into a simpler statement that would clearly communicate our core values. It continues to serve as both a beacon to guide us forward and a lens through which we can evaluate our strategic plan initiatives. Our Board has approved the **Toho Promise: Our Customers, Our Community, Our Employees Trust that Toho Cares.**

The Toho Promise is supported by our Principles:

- Integrity
- Responsiveness
- Dependability
- Professionalism
- Quality

We have also established four areas to comprise Toho’s Priorities:

- Providing Safe and Reliable Services
- Protecting the Environment
- Delivering Value
- Investing in the Future

The Toho Promise and Priorities drive the development and implementation of our strategic plan initiatives both now and as we conduct periodic revisions.

TOHO’S PROMISE	Our Customers Our Community Our Employees TRUST THAT TOHO CARES
TOHO’S PRINCIPLES	Integrity • Responsiveness • Dependability • Professionalism • Quality
TOHO’S PRIORITIES	Providing Safe & Reliable Services Protecting The Environment Delivering Value Investing In The Future

TOHO'S STRATEGIC PLAN

Toho's Strategic Plan sets the priorities and direction for Toho in alignment with the Toho Promise and Focus.

Our current Strategic Plan was adopted by the Board in September 2024 and will continue to guide us through September 2026. Toho has adopted a two-year planning cycle given the dynamic nature of growth and evolving regulatory requirements affecting Central Florida utilities. The plan focuses on our three highest priority goals:

- On-Time and Value Driven Infrastructure – Plan, deploy, and manage infrastructure in a manner that meets targeted service levels and provides long-term value for customers, community, and the environment.
- Process Development and Optimization – Enhance collaboration, efficiency, productivity, and organizational effectiveness for the benefit of our customers, community and employees.
- Organizational and Employee Alignment – Drive organizational results by prioritizing systems that promote employee development, engagement, and brand alignment.

Two strategies were developed for each of these goals as detailed on the following page. Additionally, each strategy is supported by a combined total of thirteen action plans to provide more specific direction. Each action plan is sponsored by a member of senior leadership to guide and engage the team members responsible for executing each plan.

More detail on our current strategic plan can be found on the following page.

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October 1, 2024 - September 30, 2026 STRATEGIC PLAN

GOALS



STRATEGIES



FY2024 NOTABLE HIGHLIGHTS

Sunbridge Transition

Sunbridge is a planned 24,000-acre community east of Lake Nona currently under development. Toho negotiated agreements with Tavistock Development Company and Sunbridge Stewardship District to accelerate the acquisition of the retail water, sewer, and reclaimed water/irrigation utility rights for this community. On September 1, 2022, approximately 500 new customers transferred to Toho. This adds to Toho's responsibility for bulk water supply and wastewater treatment that was part of the original utility agreement for this community that was established in 2018. The Sunbridge water treatment facility began operations in 2022. The wastewater treatment facility began operations in late 2023. Billing for these customers migrated to Toho's billing system during 2024.



Sunbridge Wastewater Reclamation Facility

Water Infrastructure Finance and Innovation Act Loan Program

In 2024, Toho closed on its second WIFIA loan project with the EPA, titled the One Water Initiative. This initiative is a comprehensive plan to upgrade and expand water services in Central Florida, particularly in Osceola and Polk Counties, with an estimated total cost of \$597 million. The goal is to ensure a reliable and safe water supply for over 450,000 existing residents, while addressing the needs of a rapidly growing community.

By modernizing water infrastructure, the plan aims to reduce dependence on fresh groundwater sources, protect the environment, and enhance the overall resilience of the water system. Key improvements include expanding water treatment facilities and installing new water mains and pump stations.

The first of two tranches closed on June 25, 2024, for \$188 million. The second tranche of the WIFIA loan will be presented to the Board for consideration in FY 2025.



Cypress Lakes Alternative Water Supply Regional Project

Toho continued to work with Orange County and Polk County on the Cypress Lake Alternative Water Project, a cooperative effort managed through the Water Cooperative of Central Florida (WCCF) to prepare for future regional water use needs, currently focused on a water desalination facility in Osceola County. The Cypress Lake Governance Agreement was approved in May 2023. It sets forth the ownership, funding, construction, operation, and maintenance obligations of the parties. The Cypress Lakes facility will be owned, funded, constructed, and operated by the WCCF, with Toho continuing to serve as the Project Administrator. Land for the facility was purchased in 2022. During 2024, construction began on several production wells. The Governance Agreement will remain in effect as long as water is being delivered to the parties, unless terminated earlier by written agreement.

Financial Planning

Financial planning is a key component in maintaining financial health for the future. It underpins our three strategic planning goals: On-Time and Value Driven Infrastructure, Process Development and Optimization, and Organizational and Employee Alignment. In 2024, due to extraordinary circumstances—population growth and increased construction costs—we undertook a study with an independent rate consultant to update our water and wastewater System Development Charges (SDC) policy. This update included an updated calculation methodology and an increase in SDCs to support investment in growth-related infrastructure. This also included multi-year increases. Additionally, we’re in the second year of a multi-year rate plan approved by Toho’s Board in 2023, designed to address our future capital needs amid economic uncertainties, aligning with the identified planning outcomes. Annually, Toho resets its five-year forecast and reevaluates its revenue requirements. This process enables Toho to validate or adjust its rates, fees, and charges for the upcoming five years and to refine assumptions, financing plans, and related policies.

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2024 Review **ACCOMPLISHED**



Rendering of the Cypress Lake Alternative Water Supply Facility.

Local partnerships and water sector leadership

- Toho has taken a leadership role in facilitating the St. Johns River/Taylor Creek Reservoir project – nearing completion on \$60M commitment from the SJRWMD
- Led initiative to secure listing in WRDA2024 for a potential \$45M in funding toward Cypress Lake and Taylor Creek
- Finalized interlocal agreement with Osceola County to execute a mutually beneficial land swap providing for improved location for the Toho Reservoir treatment facility, Heritage Park area reclaimed water storage and a location to support the future relocation of Toho's Kissimmee area field operations center
- Launched the Toho Water Buggy in partnership with Osceola County along with schedule and process for community events
- Toho representation on multiple water sector state and national boards
- Central Florida Water Initiative steering committee member
- Toho has a visible leadership role on behalf of the STOPR group in the statewide potable reuse rules that are now moving forward
- Hosted the Association of Regional Water Organizations with multiple staff members presenting
- Influenced legislation to achieve balanced outcomes and retain some degree of process flexibility regarding nutrient management in Florida's waters
- Community engagement through a variety of events and activities (Water reuse week, conservation month, smart irrigation month, parades, festivals, and multiple sponsored events)



Partnership with University of Florida Extension Center's Florida-Friendly Landscaping program.



Water Buggy and Toho team at Kissimmee's Boo on Broadway.

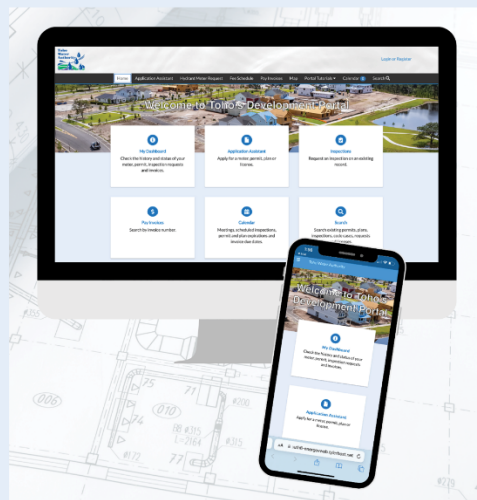
2024 Review **ACCOMPLISHED**

Technology

- Toho West CIS V4 Conversion
- Response to the St. Cloud ransomware incident including migration of all St. Cloud CIS systems to the Toho Network
- Ongoing Toho West Payment Gateway conversion and optimization
- Microsoft Office 365 deployment
- Aligned autodial vendor between Toho East and West – DataVoice
- Expanded network interconnectivity to include all St. Cloud locations
- Launched AMI Pilot / Technology Evaluation (Badger, Fenix, Neptune Aclara) and Roadmap Development
- Installed AMI in all of Sunbridge (previously manual meter reads)
- Replaced 16K failed Aclara MTUs
- Aclara One (AMI management software) conversion
- Website updates – pay my bill, contact us, chatbot AI, FAQs
- Completed Arc GIS 10.9.1 upgrade and developed a roadmap to upgrade to Utility Network which will optimize Cityworks integration with GIS, improve data accuracy, and enhance data modeling capabilities
- Deployed Development Portal (Tyler) portal for private developers including billing and payment system – over 100 projects submitted to date
- Piloting cellular modems for SCADA to enhance resiliency and promote notable annual cost savings as compared to existing radio systems
- Developed a SCADA cybersecurity roadmap and began deployment
- Hach-Wims operational data platform upgraded
- Launched Program Management technology tool in order to support CIP budgeting for FY26.
- Implemented JustFoia Public Records Request Solution
- Improved cross departmental collaborations through added coordination meetings
- Office 365 Cybersecurity Assessment completed
- New SharePoint implemented to improve communication
- SCADA and Business Network moved from St Cloud to Toho
- Aligned credit check process
- St Cloud Data Voice – Consolidated Toho east/west
- Stood up new Power BI environment
- Upgraded Nutanix Server environment
- Coordinated Response to Crowd Strike issue
- Resiliency Assessment for AMI Failures
- Website enhancements for customers including find my account number, balance and due date fields
- Deployed safety and risk platform (safety culture)
- Designed new 100 GB SCADA network
- Designed new SCADA virtualized environment



L-R: IT's Programmer Analyst I Fabian Rico, Programmer Analyst II Christiane Gregory and Software Developer II Ismael Moreno worked hard to make the new Toho Central (employee intranet) a success.



The Development Portal was launched in January 2024.

2024 Review **ACCOMPLISHED**

Customers

- Insourcing of Sunbridge customers
- Provided over \$3M in LIHWAP funding to over 4K Toho customers
- Added Key / Critical account designations in CIS
- Handled 174K calls (through end of July)
- Implemented new call topic codes for call center to better identify sources of calls and facilitate improved customer experience
- Alignment of our collections process
- Implemented ACLARA M.P.
- App development for manual meter reads



As of the end of July the customer service team handled 174,000 calls.

Regulatory and compliance

- Implemented lead and copper evaluation program including field assessments and analytical data assessment to meet federal compliance deadline of October 2024
- Secured approval for potential funding of lead and copper program costs (50%) through SRF
- Developed new policy guidelines and are in the process of developing training programs for critical compliance activities including SSO response and precautionary boil water issuance
- Renewed the Southside Injection Well permit
- South Bermuda expansion construction permit approved
- Compliance coordination of systems consolidation, integration, and decommissioning – consolidated PWSID for Bay Lake, Pine Glen and Harmony; Lake Ajay Consecutive Water System into the Toho Eastern; decommissioning in process of the Toho Springlake Water Treatment Plant (WTP); decommissioned of the Toho Bay Lakes WTP - January 10; Decommissioned Walnut WWTP
- Laboratory implemented new sampling training with Operations to reduce sampling errors and potential for sample contamination
- Established new policy for irrigation jumper management as a critical step to avoid potential cross connections
- PFAS – Supported data review and documentation required for participation in PFAS litigation and finalized PFAS public facing webpage and implemented monthly updates collaboration
- Developed and implemented daily compliance reports and review process for each water reclamation facility
- Emergency response plan updates required by new regulations under development and ahead of schedule
- Received FDEP permit for Toho Reservoir Surface Water Treatment Facility as a stand-alone permit and not associated with a WRF to provide for improved testing and reporting requirements
- Completed collection system plan as required by new regulations
- Closed Cypress West and South Bermuda Consent Orders
- Completed UCMR5 PFAS Sampling and Groundwater wells benchmark sampling
- Reviewing OSHA Reg Updating Safety and Health Manual
- Safe Driving Focus – Training Material
- What to Do Training Material



Waters sampling being conducted at the Toho Reservoir.

2024 Review **ACCOMPLISHED**

People and organization

- Led by Human Resources and supported by the departments, as of August 2024, Toho has interviewed 3230 candidates and completed 122 new hires including high impact senior or technical hires (Water Operations Director, SCADA Engineering Manager, Linear Assets Principal Engineer, 2-Sr. Engineers, 3-Junior Engineers, Procurement Director, Procurement Supervisor, 3-procurement coordinators, 2-attorneys, Paralegal, Applications Director, Environmental Compliance Manager, Environmental Compliance Supervisor, Safety Director)
- Developed skill-based career progressions for all non-supervisory positions.
- Developed and implemented the Toho Career Guide to assist with intern candidate progression
- Achieved 80% staffing level on approved professional positions in engineering
- Restructured multiple departments to support increased volume and complexity of the work (Split Assets & Infrastructure to Engineering/ Planning/Development and Construction/ Program Services, established dedicated plant maintenance function, separated electrical and maintenance groups to better reflect the nature of the work, restructured financial services reporting lines to better align with functional responsibilities, restructured call center managers to align Toho East and West while providing a dedicated resource for technology testing and deployment, restructured direct reporting of stakeholder services functions)
- Automated the FMLA process
- Benefits enrollment transitioned to electronic enrollment
- Expanded on-site benefit vendors to include JUF, Poinciana, and South Bermuda locations.
- Performance Management updates – self-evaluations for all employees and peer/direct report feedback for Chiefs and VPs
- Completed compensation grade restructuring (28 pay grades to 16 pay grades)
- Deployed safety culture application tool and “PPE Vending Machines” organization-wide to promote enhanced focus on safety.
- New Health and Wellness Clinic Provider for employees
- Expanded New Employee Orientation
- Automation of Toho Employee Benefits Enrollment process from paper to electronic
- Automated organizational chart
- Implemented Access Control Guard
- Staff Appreciation
- Family Fun Day at Lake X and despite minimal budget, Toho hosted an interactive and enjoyable employee engagement events.
- CS Aligned zones with field to mirror 5 districts



Senior Safety Business Partner Mike Gibbs, Safety, Risk Manager Rowland Welch and Safety and Risk Director Jackie Hall stand in front of one of the vending machines that will provide personal protective equipment.



Family Fun Day.

2024 Review **ACCOMPLISHED**

Business and administrative related matters

- Reaffirmation of Fitch's AAA rating
- Post-integration of St. Cloud Environmental Services financials
- Successful closing of WIFIA 2 loan for the One Water Initiative
- Timely completion of the financial audit, resulting in a clean report with no reportable findings
- Continuous improvements to the budget process
- Establishment and development of the Grant Program, including the completed procurement of the eCivis Grant Management System
- Completed Record Backlog project including unexpected St. Cloud records and plans processing and updated electronic destruction processing process
- Public Records Management - Responded to nearly 6,900 record requests since January 1 (prior to JustFoia implementation public record responses were tracked on a calendar year basis)
- Developed templates for RFQ and IFB's for Construction procurements to ensure CCNA and federal terms and conditions compliance
- Updated signature authority thresholds including new titles and more definition on contract renewals
- Updated Goods and Services IFB template
- Implemented review of procurement solicitation documents prior to Bonfire posting
- Worked with teams to select and implement Bonfire Contract Module (Legacy contracts currently being loaded)
- Developed and implemented internal Procurement Training program
- Implemented new training for p-card program in February
- Implemented new CIP forum and monthly open calls with vendors, consultants, Engineering, and Procurement teams to discuss current and upcoming projects and to obtain and apply feedback for continual improvement of processes
- Developed the following Forms/SOP's (Sole Source Form, Instructions, and SOP; Piggyback SOP; RACI chart for Agenda Items review and processing; Evaluation Committee Meeting Script; Engineering-Procurement Checklist Form)
- Completed 297 record drawings indexing which increases the accuracy of Toho East and West GIS map areas and asset information
- Implemented review checklist with Engineering for more efficient record drawing and plans review which has reduced number of errors received in private development project drawings
- Successful adoption of rates and fees, implementing year 1 of a multi-year rate plan and updated miscellaneous fees, and SDCs



Successful closing of WIFIA 2 loan for the One Water Initiative.

Fitch Ratings **AAA**

- Developed and implemented a plan to recover costs from contractors who break Toho mains after hours
- Developed organizational KPI reporting process as part of strategic planning effort
- Supported grant applications for more than 10 grants with 6 successful grants to date
- Closed on the Sunbridge WTP
- Shortened response time goal for legal support on routine procurement matters from 30 days to 10 business days
- Implemented new legal intake and tracking process
- Revised CMAR Agreements plus, new DB Agreement
- WEX Card implementation
- Enhanced Budget Training Process, One on One, and Specialized Trainings for Work Sections
- PPE Vending Machines installed
- The Administration Department - Refreshed document processing form to ensure hard copy documents meet all required process. (Example: Human Trafficking Affidavit and Recording)
- New Internal Billing Audits implemented
- Restructuring of finance functions to better align staff and increase capacity and provide more responsibility to the team (Develop and Deliver)
- Collection vendor alignment
- Grease Trap Charge Toho – East

The highlights noted above are just a few of many successes that occurred during this past year and are primarily the result of the efforts of the Toho's dedicated and professional staff, who routinely and consistently deliver service to our customers in an efficient and responsive manner.

While many of these highlights are achieved as part of our normal operations and commitment to continuous improvement, they also address challenges that are both common to the water utility sector and specific to Central Florida: rapid population growth, a changing regulatory environment, maintaining both physical and technological security, attracting a skilled workforce, the rising cost of borrowing, inflation, and economic uncertainty. Our strategic plan is the tool we deploy to guide our direction and navigate these challenges.

ACCOUNTING SYSTEM, INTERNAL ACCOUNTING CONTROLS, AND BUDGETARY CONTROLS

In designing and developing Toho's accounting system, consideration is given to the adequacy of internal accounting controls. Internal accounting controls are designed to provide reasonable, but not absolute, assurance regarding:

- Safeguarding assets against loss from unauthorized use or disposition; and
- Reliability of financial records for preparing financial statements and maintaining accountability for assets.

The concept of reasonable assurance recognizes that the:

- cost of a control should not exceed the benefits likely to be derived; and
- evaluation of cost and benefits requires estimates and judgments by management.

All internal control evaluations occur within the above framework. We believe that Toho's internal accounting controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.

The first level of control comes directly from the enabling Act. The second level of control comes from the covenants made by Toho to the bondholders. Among other requirements, Toho must keep accounts in accordance with GAAP and file audited annual financial statements with the State of Florida Department of Financial Services within nine months of the close of the fiscal year; the State of Florida Auditor General within 45 days of receipt of the audit report from the auditor, but no later than nine months after the end of the fiscal year; and with Electronic Municipal Market Access (EMMA) on or before April 30th of each year.

Toho maintains a system of budgetary controls. The objective of these controls is to ensure compliance with legal provisions embodied in the annual, appropriated budget approved by the Board.

The budget process begins in the winter with a review and update of the Strategic Plan and with the staff's preparation of a capital budget. This is followed by a presentation to the Board, providing an opportunity for their input and feedback on the long-range goals of managing and operating the utility system. The operating budget then incorporates the goals and objectives identified during the strategic and capital planning process. The Executive Director/CEO forwards a final draft of the operating budget to the Board for formal adoption in September where it is either adopted as presented, or amended and adopted by September 30th, if additional budget or rate changes are necessary. The new fiscal year begins October 1st and interim financial reports are provided to the Board for oversight and to management for internal use.

STATUTORY REQUIREMENTS – INDEPENDENT AUDIT

Florida law requires Toho's financial statements to be subjected to an annual examination by an independent Certified Public Accountant. Those provisions have been satisfied and the opinion of the independent accountant is included in this report.

AWARDS

National Association of Clean Water Agencies Peak Performance Awards

The Peak Performance Awards recognize member agencies facilities for excellence in wastewater treatment as measured by their compliance with their National Pollutant Discharge Elimination System permits, as well as those facilities that operate under a Federal or state equivalent NPDES permit, an underground injection control permit, or a state control mechanism that regulates effluent quality and reuse of reclaimed flows.

Platinum Awards are presented to facilities that have achieved perfect compliance for at least five years. Gold Awards are presented to facilities with no permit violations for the entire calendar year. Silver Awards are presented to facilities with no more than five violations per calendar year. Toho won multiple awards for calendar year 2023 (awarded during FY2024).

- Platinum Award
 - Walnut Water Reclamation Facility

- Gold Award
 - Cypress West Reclamation Facility
 - Lake Marion Water Reclamation Facility

- Silver Award
 - Camelot Water Reclamation Facility
 - Parkway Water Reclamation Facility
 - South Bermuda Water Reclamation Facility
 - Southside Water Reclamation Facility

Department of Environmental Protection’s Plant Excellence Award

The Florida Department of Environmental Protection’s Plant Excellence Awards celebrate Florida’s drinking water and domestic wastewater facilities that demonstrate excellence in operation, maintenance, innovative treatment, waste reduction, pollution prevention recycling or other special achievements. Toho was awarded the 2023 Domestic Wastewater Treatment Plant Award for Type II Facilities for Harmony Water Reclamation Facility.

Association of Metropolitan Water Agencies

The Association of Metropolitan Water Agencies (AMWA) awards program recognizes the exceptional performance of water systems’ commitment to create sustainable environments that produce ample supplies of clean safe drinking water. Toho was recognized with the 2023 Gold Award for Exceptional Utility Performance (awarded in FY2024). An AMWA award epitomizes the highest achievement in drinking water utility management and operations.

Utility of the Future Today Award

The Utility of the Future Today Joint Recognition Program has deemed Toho a Utility of the Future Today in the area of Partnering & Engagement for 2024. The Utility of the Future Today Recognition Program is a joint initiative led by the Water Environment Federation, the National Association of Clean Water Agencies, the Water Research Foundation, and the WateReuse Association, and is supported by the Environmental Protection Agency, Office of Wastewater Management, and the Department of Energy, Office of Energy Efficiency & Renewable Energy. It honors water resource recovery facilities for community engagement, watershed stewardship, and recovery of resources such as water, energy, and nutrients. This is the seventh year Toho has been recognized for its achievement.



Mike Sweeney accepts the award on behalf of Toho.

Florida Water Environment Association

The Florida Water Environmental Association presents a number of prestigious awards to recognize the outstanding accomplishments of its members. The David W. York Reuse Award honors utilities, customers, and organizations for their commitment to, and their accomplishments in, developing, using, and/or maintaining exemplary reuse programs.

- Cypress West Reclamation Facility
- Lake Marion Water Reclamation Facility
- Walnut Water Reclamation Facility



(From left to right: D Watkins, S Luciano, R Struckmeyer, A Perez, J Massas, J Moran, and D Vedner)

Florida Local Government Information Systems Association

Each year, the Florida Local Government Information Systems Association recognizes individuals and member agencies for their dedicated support to the association. Toho was recognized at the 2024 Conference for 10 Years of Agency Service.



Toho's Information Technology Department Staff

The GFOA Certificate of Achievement for Excellence in Financial Reporting

The Government Finance Officers Association of the United States and Canada (GFOA) awarded the Finance Department a Certificate of Achievement for Excellence in Financial Reporting again this year. The Certificate of Achievement is the highest form of recognition in the area of governmental accounting and financial reporting. Its attainment represents a significant accomplishment for Toho.

In order to be awarded a Certificate of Achievement, Toho had to publish an easily readable and efficiently organized annual comprehensive financial report, whose content conforms to program standards. The 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. Toho received a Certificate of Achievement for the sixteenth year in a row and looks forward to continued participation in the program. We believe our current report conforms to the Certificate of Achievement Program requirements; we will be submitting it to the GFOA.

The preparation of this report on a timely basis could not have been accomplished without the efficient and dedicated services of the entire staff of the Finance Department. Each member of the department has our sincere appreciation for the contributions made in the preparation of this report.

We would like to thank the members of the Board of Supervisors for their support and leadership in planning and conducting Toho's financial operations in a most responsible and progressive manner.



Todd P. Swingle
Executive Director/CEO



Rodney Henderson
Chief Financial Officer



Alexandra S. Green
Comptroller



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Tohopekaliga Water Authority
Florida**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

September 30, 2023

Christopher P. Morill

Executive Director/CEO

BOARD OF SUPERVISORS



Henry Thacker
Chair



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Vice Chair



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City of St. Cloud



Rick Wilson
Ex-Officio Board Member
Polk County

CEO/EXECUTIVE DIRECTOR



Todd Swingle

GENERAL COUNSEL



Anthony Cotter

TOHO'S PROMISE

Our Customers, Our Community, Our Employees Trust That Toho Cares

TOHO'S PRINCIPLES

Integrity

Responsiveness

Dependability

Professionalism

Quality

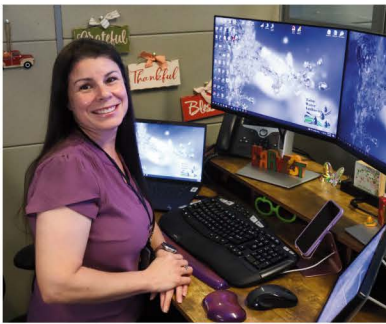
TOHO'S PRIORITIES

Providing Safe & Reliable Services

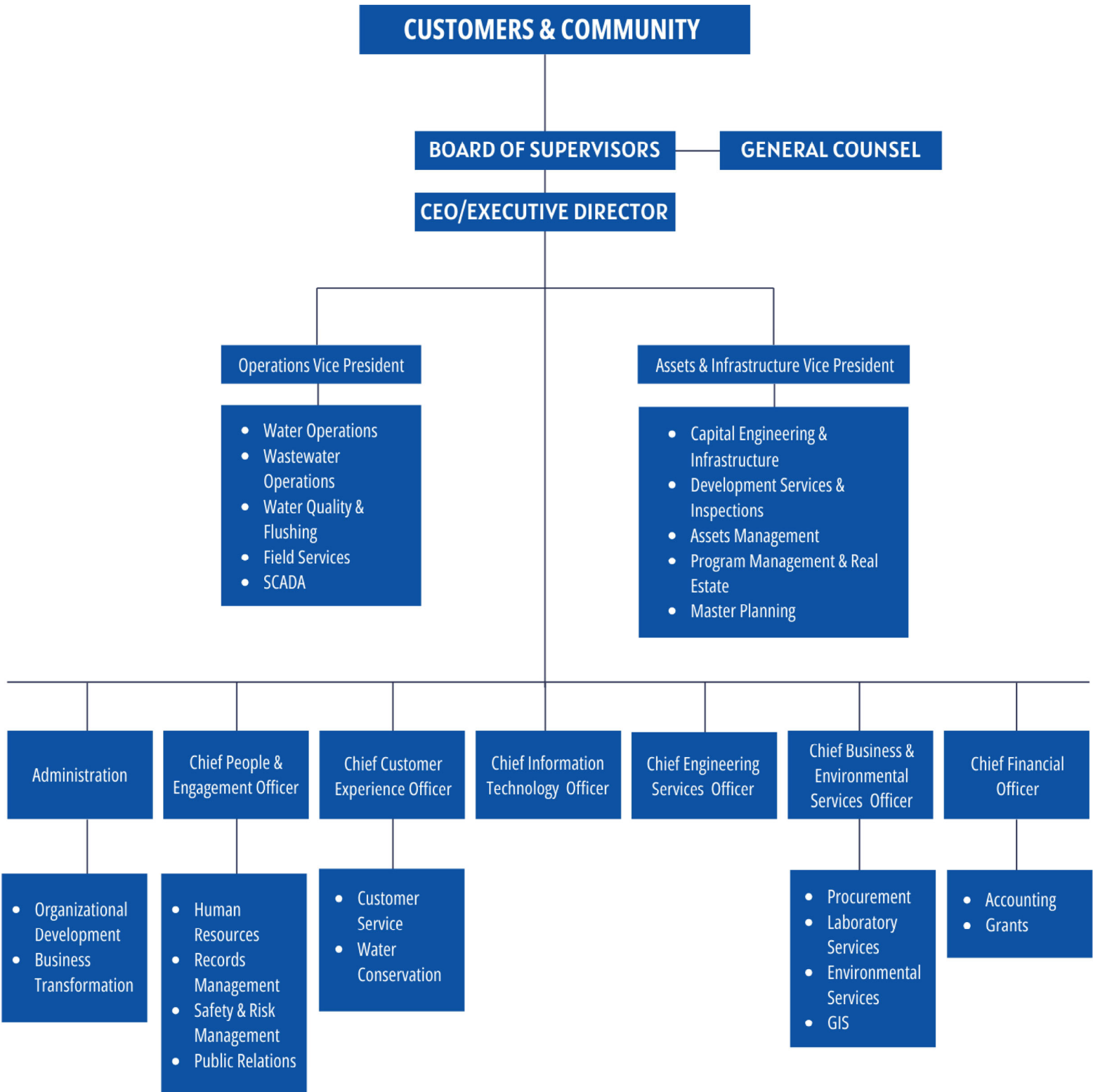
Protecting The Environment

Delivering Value

Investing In The Future



ORGANIZATIONAL CHART



Tohopekaliga Water Authority
Osceola County, Florida

Financial Section

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Independent Auditor's Report

To the Board of Supervisors of the
Tohopekaliga Water Authority
Osceola County, Florida

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of the Tohopekaliga Water Authority (Toho) as of and for the fiscal year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise Toho'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 financial position of Toho as of September 30, 2024, and the changes in its financial position and its cash flows for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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 Toho, 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 opinion.

Responsibilities of Management for the Financial Statements

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

Other Information

Management is responsible for the other information included in the Annual Comprehensive Financial Report. The other information comprises the introductory section and the statistical section, as listed in the table of contents, but does not include the basic financial statements and our auditor's report thereon. Our opinion on the basic financial statements does not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audits 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 3, 2025, on our consideration of Toho's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Toho's internal control over financial reporting and compliance.

Forvis Mazars, LLP

**Orlando, Florida
March 3, 2025**

TOHOPEKALIGA WATER AUTHORITY

Management's Discussion and Analysis

September 30, 2024

(In Thousands)

The Tohopekaliga Water Authority's Management's Discussion and Analysis presents an overview of Toho's financial activities for the fiscal year ended September 30, 2024. Please read it in conjunction with the letter of transmittal in the introductory section and Toho's financial statements which follow.

FINANCIAL HIGHLIGHTS

The following is a summary of significant financial highlights related to Toho's twentieth year of operation:

- **Operating income** was \$21,064, an increase of 4.1% over the prior year.
- **Capital contributions** were \$158,842, an increase of 79.8% over the prior year.
- **Net position** totaled \$1,511,539, an increase of \$192,639 or 14.6% over the prior year.
- **Net capital assets** increased by \$237,690, an increase of 19.8% over the prior year.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to Toho's basic financial statements. The financial section is comprised of two components: 1) financial statements and 2) notes to the financial statements.

REQUIRED FINANCIAL STATEMENTS

The basic financial statements report information about Toho using accounting methods similar to those used by private sector companies. These statements offer short- and long-term information about its activities.

The **Statement of Net Position** includes all of Toho's assets and liabilities and provides information about the nature and amounts of investments in resources (assets) and obligations to Toho's creditors (liabilities). It also provides the basis for computing rate of return, evaluation of Toho's capital structure, and assessing Toho's liquidity and financial flexibility. Over time, increases or decreases in net position may serve as a useful indicator of whether Toho's financial position is improving or deteriorating.

All of the current year's revenues and expenses are accounted for in the **Statement of Revenues, Expenses and Changes in Net Position**. This statement measures the success of Toho's operations over the past year and can be used to determine whether Toho has recovered all of its economic costs through its user fees, capital contributions, and other charges. This statement also measures Toho's profitability and creditworthiness.

Management's Discussion and Analysis (Continued)

September 30, 2024
(In Thousands)

The other required financial statement is the **Statement of Cash Flows**. The primary purpose of this statement is to provide information about Toho's cash receipts and cash payments during the reporting period. This statement reports cash receipts, cash payments, and net changes in cash resulting from operations, investing in capital and related activities, and provides answers to such questions as: "Where did cash come from? What was cash used for? What was the change in cash balance during the reporting period?"

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the basic financial statements, such as Toho's accounting policies, significant account balances and activities, material risks, obligations, commitments, contingencies and subsequent events, if any.

Comparative Summary of the Statement of Net Position

as of September 30, 2024 and 2023

(In Thousands)

	2024	2023	Increase / (Decrease)	
			Change	%
Current assets	\$ 158,277	\$ 203,901	\$ (45,624)	-22.4%
Non-current assets-other than capital assets	312,188	288,791	23,397	8.1%
Total Capital Assets (Net)	<u>1,439,762</u>	<u>1,202,072</u>	<u>237,690</u>	19.8%
 Total Assets	 <u>1,910,227</u>	 <u>1,694,764</u>	 <u>215,463</u>	 12.7%
 Total Deferred Outflows of Resources	 <u>19,600</u>	 <u>24,613</u>	 <u>(5,013)</u>	 -20.4%
 Total Assets and Deferrals	 <u>1,929,827</u>	 <u>1,719,377</u>	 <u>210,450</u>	 12.2%
 Current liabilities	 86,430	 78,909	 7,521	 9.5%
Non-current liabilities	<u>275,598</u>	<u>266,635</u>	<u>8,963</u>	3.4%
 Total Liabilities	 <u>362,028</u>	 <u>345,544</u>	 <u>16,484</u>	 4.8%
 Total Deferred Inflows of Resources	 <u>56,260</u>	 <u>54,933</u>	 <u>1,327</u>	 2.4%
 Total Liabilities and Deferrals	 <u>418,288</u>	 <u>400,477</u>	 <u>17,811</u>	 4.4%
 Net investment in capital assets	 1,178,530	 956,470	 222,060	 23.2%
Restricted - system development charges	<u>210,456</u>	<u>216,233</u>	<u>(5,777)</u>	-2.7%
Unrestricted	<u>122,553</u>	<u>146,197</u>	<u>(23,644)</u>	-16.2%
Total Net Position	<u>\$ 1,511,539</u>	<u>\$ 1,318,900</u>	<u>\$ 192,639</u>	14.6%

Management's Discussion and Analysis (Continued)

September 30, 2024
(In Thousands)

FINANCIAL ANALYSIS OF TOHO AS A WHOLE

A comparative summary of Toho's statement of net position as of September 30, 2024, and 2023, is shown on the previous page. Net position may serve, over time, as a useful indicator of Toho's financial position. As previously mentioned in the financial highlights section, total assets exceeded total liabilities by \$1,511,539 (total net position) at the close of the fiscal year ended September 30, 2024. This \$192,639 increase in net position over the prior year consists of capital contributions of \$158,842 and net operating income of \$21,064, plus non-operating income of \$12,733. Toho's Total Net Position increased 14.6% over last year.

The largest part of Toho's net position (78.0%) reflects its investment in capital assets (e.g., land, building and improvements, water and wastewater equipment), less any related outstanding debt used to acquire those assets. Toho uses these capital assets to provide services to customers; consequently, these assets are not available for future spending. Although Toho'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. The remaining balance of unrestricted net position may be used to meet Toho's on-going obligations to customers and creditors.

Restricted net position represents the balance of unspent water and wastewater system development charges. The increase in restricted net position related to water and wastewater system development charges can be attributed to an increase in the income and contributions generated by development activities relative to FY2024.

[Remainder of page intentionally left blank]

Management's Discussion and Analysis (Continued)

September 30, 2024
(In Thousands)

The following is a comparative summary of the changes in net position for Toho for the fiscal years ended September 30, 2024 and 2023:

Comparative Summary of the Changes in Net Position For the Years Ended September 30, 2024 and 2023 (In Thousands)

	2024	2023	Increase / (Decrease)	
			Change	%
Operating Revenues:				
Charges for services	\$ 221,399	\$ 198,400	\$ 22,999	11.6%
Miscellaneous revenues	1,270	888	382	43.0%
Total Operating Revenues	222,669	199,288	23,381	11.7%
Operating Expenses:				
Personnel services	53,216	49,908	3,308	6.6%
Contracted services	17,620	16,500	1,120	6.8%
Supplies and materials	15,373	12,755	2,618	20.5%
Repairs and maintenance	15,936	15,624	312	2.0%
Payments in lieu of taxes	19,413	17,711	1,702	9.6%
Other services and charges	23,698	18,516	5,182	28.0%
Depreciation	56,349	48,049	8,300	17.3%
Total Operating Expenses	201,605	179,063	22,542	12.6%
Operating Income	21,064	20,225	839	4.1%
Non-Operating Revenues (Expenses):				
Investment income	22,946	12,576	10,370	82.5%
Interest and fiscal charges expense	(8,641)	(8,822)	181	-2.1%
Other	(1,572)	169	(1,741)	-1030.2%
Total Non-Operating Revenues (Expenses)	12,733	3,923	8,810	224.6%
Gain (Loss) Before Contributions and Special Item	33,797	24,148	9,649	40.0%
Capital Contributions:				
State and Local Capital Grants	-	364	(364)	-100.0%
Developers	158,842	87,983	70,859	80.5%
Total Capital Contributions	158,842	88,347	70,495	79.8%
Special Item:				
Transfer of operations from City of St. Cloud	-	118,392	(118,392)	-100.0%
Change in Net Position	192,639	230,887	(38,248)	-16.6%
Total Net Position – Beginning	1,318,900	1,088,013	230,887	21.2%
Total Net Position – Ending	\$ 1,511,539	\$ 1,318,900	\$ 192,639	14.6%

Management's Discussion and Analysis (Continued)

September 30, 2024
(In Thousands)

In 2024, operating revenues increased by \$23,381 over the prior fiscal year while overall operating expenses increased by \$22,542, resulting in an increase of 4.1% for net operating income. Non-operating income for fiscal year 2024 was \$12,733, an increase of \$8,810 from 2023. The change was primarily driven by the cumulative impact of the Federal Reserve interest rate hikes which increased investment income over this period.

The \$158,842 in capital contributed during fiscal year 2024 is primarily an indication that financial institutions and investors continue to have confidence in the economic outlook of the local economy. This has enabled developers to move forward with their construction plans and investing in new development projects. We anticipate a stable economic forecast going forward as broader economic indicators in Central Florida and throughout the state, such as the unemployment rate, home values, and access to capital, reflect a steady population growth as baby boomers migrate to a favorable state tax environment and the warmer Florida climate.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets – Net capital assets increased by \$237,690 (19.8%) over the prior year, primarily due to infrastructure improvements. In addition, Toho received contributed assets totaling \$100,481 from developers. (Please see Note 3 - Capital Assets for more information.)

The following is a summary of capital assets owned by Toho as of September 30, 2024 and 2023:

Comparative Summary of Capital Assets As of September 30, 2024, and 2023 (In Thousands)

	2024	2023	Increase / (Decrease)	
			Change	%
Capital Assets				
Land	\$ 33,612	\$ 32,718	\$ 894	2.7%
Furniture, Fixtures and Equipment	61,772	53,914	7,858	14.6%
Plant and Infrastructure	1,684,310	1,450,972	233,338	16.1%
Right-to-Use Assets - St. Cloud Utility	28,660	28,660	-	0.0%
Right-to-Use Assets - SBITAs	3,478	1,814	1,664	91.7%
Construction in Progress	175,157	129,038	46,119	35.7%
Less: Accumulated Depreciation	(547,227)	(495,044)	(52,183)	10.5%
Total Capital Assets, Net	<u>\$ 1,439,762</u>	<u>\$ 1,202,072</u>	<u>\$ 237,690</u>	19.8%

Management's Discussion and Analysis (Continued)

September 30, 2024
(In Thousands)

On April 23, 2009, Toho issued a Utility System Revenue Note, Series 2009, for \$16,000 to finance the construction of a new administration building. Bank of America funded the construction loan in accordance with the terms of this Note; construction on the building was completed in 2012.

On March 18, 2016, Toho issued \$173,605 in Utility System Revenue Refunding Bonds, Series 2016 to finance various capital improvements up to \$50 million, refund a portion of the Series 2012 Note, and advance refund a portion of the Series 2011A.

On February 12, 2020, Toho successfully closed its first WIFIA (Water Infrastructure Finance and Innovation Act) loan. Loan proceeds will be used to fund up to 49% of Toho's \$81.9 million Accelerated Gravity Sewer Assessment and Rehabilitation project.

On March 31, 2020, Toho issued \$38,160 in Utility System Revenue Bonds, Series 2020 to serve as complementary short-term financing for the WIFIA Loan for the five-year construction period of the Accelerated Gravity Sewer Assessment and Rehabilitation project.

On September 3, 2022, Toho issued \$14,305 in Utility System Revenue Refunding Bonds, Series 2022 to refund the remaining outstanding balance of the Series 2012 bonds resulting in a net present value savings of \$1,603.

On October 1, 2022, Toho issued \$28,660 in Utility System Revenue Bonds, Series 2022, to redeem, defease, or paid all outstanding indebtedness of the City of St. Cloud's Environmental Utility System in accordance with the Interlocal Agreement ("ILA") with the City of St. Cloud dated February 10, 2022, which establishes a cooperative undertaking whereby Toho will provide full management, financing, and administration services of the City of St. Cloud's Environmental Utility System.

On July 25, 2024, Toho successfully closed its second WIFIA (Water Infrastructure Finance and Innovation Act) loan. Loan proceeds will be used to fund up to 49% of Toho's \$292.8 million One Water Initiative Project in two tranches. Tranche 1 on July 25, 2024 closed for \$188.3 million and Tranche 2 is expected to close in 2025.

Debt retirement and principal payments totaling \$9,360 were made on these bonds and note issues during the current year. Toho incurred \$8,641 and \$8,822 of interest and other fiscal charges for the fiscal years ended September 30, 2024 and 2023 respectively. (Please refer to Note 4 - Long-Term Debt).

Management's Discussion and Analysis (Continued)

September 30, 2024
(In Thousands)

ECONOMIC FACTORS AND RATES

Toho operates in a dynamic economic environment characterized by a rapidly growing customer base and some of the most competitive rates in Central Florida. Historically, Osceola County has experienced significant growth, with the population increasing from 268,685 in 2010 to an estimated 437,800 in 2023, reflecting a growth of approximately 63% over this period. This robust population growth is anticipated to positively impact the local economy. Economic indicators suggest that Osceola County will continue to experience steady expansion, with key metrics expected to perform slightly better locally compared to national averages.

The following chart shows the number of meter connections for the last five years of billed services:

Combined Systems				
Last Five Years of Total Billed Services as of September 30				
	Water	Irrigation	Wastewater	Reclaimed Water
2019	114,640	17,478	108,506	21,180
2020	119,074	17,667	112,498	22,721
2022	122,877	17,729	116,641	23,990
2023	161,325	24,111	150,852	35,337
2024	168,845	24,814	159,541	39,140

Toho charges various rates, depending on the types of service. The rate structure is established according to residential and commercial usage. As Toho progresses, comparison of average charges by customer type will provide management with useful information for establishing rates and charges and monitoring operations. There are approximately 232,800 service connections (water, irrigation, and reclaimed water services) providing service to a population of approximately 470,000.

The following chart shows the average customer water and wastewater charges for the fiscal year ended September 30, 2024:

Average Charges for Selected Customers			
	Water	Wastewater	Total
Residential – 4,000 Gallons Usage (3/4" Meter)	\$ 12.55	\$ 36.15	\$ 48.70
Commercial – 30,000 Gallons Usage (2" Meter)	\$ 101.31	\$ 338.34	\$ 439.65

This financial report is designed to present users with a general overview of Toho's finances and to demonstrate Toho's accountability. If you have any questions concerning any of the information provided in this report or need additional financial information, contact Toho's Finance Department, 951 Martin Luther King Boulevard, Kissimmee, FL 34741-5054.

Tohopekaliga Water Authority
Statement of Net Position
September 30, 2024
(In Thousands)

ASSETS

CURRENT ASSETS

Cash and cash equivalents	\$ 78,759
Restricted cash and cash equivalents	35,938
Accounts receivable	35,794
Leases receivable	310
Due from other governments	2,418
Inventory	5,058

TOTAL CURRENT ASSETS 158,277

NON-CURRENT ASSETS

Leases receivable - non-current	52,807
Due from other governments - non-current	1,589
Restricted cash and cash equivalents - system development charges and bond funds	143,815
Restricted investments - system development charges and bond funds	102,124
Restricted accounts receivable, net - system development charges	7,274
Restricted construction deposits in escrow	4,579
Capital Assets:	
Land	33,612
Equipment, furniture and fixtures	61,772
Plant and infrastructure	1,684,310
Right-to-use assets - St. Cloud Utility System	28,660
Right-to-use assets - SBITAs	3,478
Construction in progress	175,157
Less: Accumulated depreciation and amortization	<u>(547,227)</u>

TOTAL CAPITAL ASSETS 1,439,762

TOTAL NON-CURRENT ASSETS 1,751,950

TOTAL ASSETS 1,910,227

DEFERRED OUTFLOWS OF RESOURCES

Deferred loss on refunding	17,502
Deferred outflows related to pensions	1,760
Deferred outflows related to OPEB	<u>338</u>

TOTAL DEFERRED OUTFLOWS OF RESOURCES 19,600

TOTAL ASSETS AND DEFERRALS 1,929,827

(Continued)

Tohopekaliga Water Authority
Statement of Net Position (Continued)
September 30, 2024
(In Thousands)

LIABILITIES

CURRENT LIABILITIES

Accounts payable	\$ 43,230
Accrued liabilities	2,298
Other liabilities	266
Contracts payable	2,781
Compensated absences payable	1,328
SBITA Liability	465
OPEB Liability	124
Current liabilities payable from restricted assets:	
Contracts payable	2,319
Sunbridge Facilities Payable	2,600
Revenue bonds and notes payable	9,810
Accrued interest payable	4,301
Deposits	16,908

TOTAL CURRENT LIABILITIES 86,430

NON-CURRENT LIABILITIES

Compensated absences payable	2,659
OPEB liability	1,892
Net pension liability	7,450
Unearned revenue	2,665
SBITA Liability	864
Sunbridge Facilities Payable	23,964
Revenue bonds and notes payable	236,104

TOTAL NON-CURRENT LIABILITIES 275,598

TOTAL LIABILITIES 362,028

DEFERRED INFLOWS OF RESOURCES

Deferred inflows related to pensions	2,732
Deferred inflows related to OPEB	1,366
Deferred inflows related to leases receivable	52,162

TOTAL DEFERRED INFLOWS OF RESOURCES 56,260

TOTAL LIABILITIES AND DEFERRALS 418,288

NET POSITION

Net investment in capital assets	1,178,530
Restricted - system development charges	210,456
Unrestricted	122,553

TOTAL NET POSITION \$ 1,511,539

Tohopekaliga Water Authority
Statement of Revenues, Expenses and Changes in Net Position
For the Year Ended September 30, 2024
(In Thousands)

OPERATING REVENUES	
Charges for services	\$ 221,399
Miscellaneous revenues	1,270
TOTAL OPERATING REVENUES	<u>222,669</u>
OPERATING EXPENSES	
Personnel services	53,216
Contracted services	17,620
Supplies and materials	15,373
Repairs and maintenance	15,936
Payments in lieu of taxes	19,413
Other services and charges	23,698
Depreciation & amortization expense	56,349
TOTAL OPERATING EXPENSES	<u>201,605</u>
OPERATING INCOME	<u>21,064</u>
NON-OPERATING REVENUES (EXPENSES)	
Investment income	22,946
Interest and fiscal charges expense	(8,641)
Other	(1,572)
TOTAL NON-OPERATING REVENUES (EXPENSES)	<u>12,733</u>
GAIN BEFORE CAPITAL CONTRIBUTIONS	<u>33,797</u>
CAPITAL CONTRIBUTIONS	
Developers	158,842
TOTAL CAPITAL CONTRIBUTIONS	<u>158,842</u>
CHANGE IN NET POSITION	<u>192,639</u>
TOTAL NET POSITION - BEGINNING	<u>1,318,900</u>
TOTAL NET POSITION - ENDING	<u><u>\$ 1,511,539</u></u>

See Notes to Financial Statements

Tohopekaliga Water Authority
Statement of Cash Flows
For the Year Ended September 30, 2024
(In Thousands)

CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from customers and users	\$ 219,275
Payments to suppliers	(99,479)
Payments to employees	(53,481)
	<u>66,315</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Acquisition/construction of capital assets	(139,918)
Payments construction escrow accounts	(2,820)
Retirement of capital debt	(9,360)
Interest paid on capital debt	(9,136)
Capital contributions - developers	59,199
Proceeds from sale of capital assets	1,154
	<u>(98,216)</u>
NET CASH USED IN CAPITAL AND RELATED FINANCING ACTIVITIES	
CASH FLOWS FROM INVESTING ACTIVITIES	
Purchase of investments	(135,350)
Sale of investments	136,766
Investment earnings	14,884
	<u>16,300</u>
NET CASH PROVIDED BY INVESTING ACTIVITIES	
NET INCREASE IN CASH AND CASH EQUIVALENTS	
	(15,601)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	
	<u>274,113</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	
	<u>\$ 258,512</u>
RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE STATEMENT OF NET POSITION	
Total unrestricted cash and cash equivalents	\$ 78,759
Total restricted cash and cash equivalents	179,753
	<u>\$ 258,512</u>

(Continued)

Tohopekaliga Water Authority
Statement of Cash Flows (Continued)
For the Year Ended September 30, 2024
(In Thousands)

RECONCILIATION OF OPERATING INCOME TO NET

CASH PROVIDED BY OPERATING ACTIVITIES

Operating income	\$ 21,064
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation and amortization	56,349
Changes in assets and liabilities:	
Increase in accounts receivable	(4,854)
Decrease in lease receivable	303
Increase in inventories	(1,545)
Decrease in deferred outflows	3,285
Decrease in accounts payable	(5,890)
Increase in customer deposits	1,066
Decrease in other liabilities	(4)
Increase in SBITA	831
Increase in accrued liabilities	719
Increase in OPEB	116
Increase in compensated absences	306
Decrease in net pension liability	(6,758)
Increase in deferred inflows	1,327
TOTAL ADJUSTMENTS	<u>45,251</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u><u>\$ 66,315</u></u>

NON-CASH INVESTING, CAPITAL AND FINANCING ACTIVITIES:

Water/sewer lines contributed by developers	\$ 100,481
Change in capital-related accounts receivable	\$ (838)
Initiation of SBITA Right to use asset and liability	\$ 1,664
Net change in fair value of investments	\$ 8,062
Sunbridge water treatment plant reimbursement	\$ 26,564

Note 1. Summary of Significant Accounting Policies

The following is a summary of the more significant accounting policies used in preparation of the accompanying financial statements.

Reporting Entity - The Tohopekaliga Water Authority (Toho) was created on June 26, 2003, pursuant to Chapter 2003-368, Laws of Florida, as amended, for purposes of providing water, wastewater, and non-potable water services to the residents of Osceola County, Florida. Pursuant to a joint local agreement with the City of Kissimmee, Florida (the City) and Osceola County (the County), Toho's fiscal operations began on October 1, 2003. On February 10, 2022, Toho entered into a joint local agreement with the City of St. Cloud, Florida (City of St. Cloud resolution No. 2022-034R) whereby Toho will provide full management, financing and administration services for the City of St. Cloud environmental utility system. Incorporating the City of St. Cloud Utility system began on October 1, 2022. Toho is governed by a seven-member Board of Supervisors (the Board). Pursuant to inter-local agreements, two Board members are appointed by the Osceola County Board of County Commissioners, two Board members are appointed by the City Commission of the City of Kissimmee, two Board members are appointed by the City Commission of the City of St. Cloud, and one Board member is appointed by the Polk County Board of County Commissioners. Accordingly, Toho is considered to be the primary government for financial reporting purposes.

Measurement Focus and Basis of Accounting - Toho uses the flow of economic resources measurement focus and the accrual basis of accounting in the preparation of its annual financial statements, whereby revenues are recognized when earned and expenses are recognized when incurred. The accounting and reporting policies of Toho conform to the accounting rules prescribed by the Governmental Accounting Standards Board (GASB).

Cash and Cash Equivalents - Cash and cash equivalents include cash on hand, demand deposits, certificates of deposit, money market accounts, savings accounts, investments in the State Board of Administration Florida Local Government Surplus Funds Trust Fund (SBA) and Florida Public Assets for Liquidity Management (FLPALM), and highly liquid investments (including restricted assets) with a maturity of three months or less when purchased.

Investments - Investments are stated at fair value, with the exception of investments in the SBA and FL PALM, which are external 2a-7 like investment pools stated at share price. All fair market valuations are based on quoted market prices.

Accounts Receivable - Operating revenues are generally recognized on the basis of cycle billings rendered monthly. Unbilled revenues for services delivered during the last month of the fiscal year are accrued based on meter readings for September consumption. Also included are outstanding balances relating to finance agreements. Receivables related to operating revenues are recorded as current assets, net of an allowance for doubtful accounts of \$500. The allowance is based upon management's specific identification of receivables that may become uncollectible.

Non-Current Accounts Receivable - Toho has receivables consisting of system development charges, and other. Receivables related to system development charges are recorded as non-current assets, net of an allowance for doubtful accounts. The allowance is based upon management's specific identification of receivables that may become uncollectible. In fiscal year 2024, no allowance was deemed necessary.

Lease Receivable - Toho's lease receivables are measured at the present value of lease payments expected to be received during the lease term. A deferred inflow of resources is recorded at the initiation of the lease in an amount equal to the initial recording of the lease receivable. The deferred inflow of resources is amortized on a straight-line basis over the term of the lease.

Tohopekaliga Water Authority
Notes to Financial Statements
September 30, 2024
(In Thousands)

Inventory - Inventory, primarily consisting of meter boxes and supplies held for use in maintaining the system, is stated at cost. Each inventory item's cost is determined by using the first-in, first-out (FIFO) method.

Restricted Assets - The use of certain of Toho's assets are restricted by specific provisions of rates and charges resolutions, bond resolutions, and other agreements. Assets so designated are identified as restricted assets on the statement of net position.

Capital Assets - Capital assets include property, plant, and equipment and are capitalized at cost when purchased, except for donated assets, which are capitalized at their acquisition value when received. Toho's capitalization threshold is \$5,000. Depreciation is provided using the straight-line method, with estimated useful lives of the various depreciable assets of 5 - 100 years for plant and infrastructure and 5 - 25 years for equipment, furniture and fixtures.

Bond Discounts and Issuance Costs - Toho expenses bond issuance costs (excluding prepaid bond insurance) at the time of issuance. Bond discounts and premiums are deferred in the year of issuance and amortized using the effective interest method over the life of the issuance.

Compensated Absences - Toho accrues a liability for employees' rights to receive compensation for future absences when certain conditions are met.

Unearned Revenue - Toho assesses impact fees to fund capital improvements necessitated by new development. Developers may earn credits by contributing to infrastructure enhancements, such as constructing water and wastewater lines, which offset their impact fee obligations. These credits are recorded as unearned revenue upon issuance and recognized as earned revenue proportionally as developers apply them against their fees, aligning with completion of the related infrastructure projects. This approach ensures revenue recognition corresponds with the deliver of services and fulfillment of our commitments. As of September 30, 2024, the balance of unearned revenue was \$2,665

Capital Contributions - Capital contributions primarily consist of donations from federal and state aid programs, developers, and water and sewer system development assessments charged to customers for initial hookup to Toho's water and sewer systems. Contributions are recognized when earned or when legal title is transferred to Toho for contributed capital assets.

Restricted Net Position - Restricted net position represents unspent water and sewer system development charges, net of current obligations, and funds restricted for bond projects. Revenues from unspent water and sewer development charges are restricted in accordance with the laws of the State of Florida. Toho must use these revenues in accordance with requirements set forth in the ordinances that levied them. Funds restricted for bond projects are externally imposed through the terms of Toho's bond covenants.

Use of Restricted Resources - Toho's policy is to spend unrestricted funds only after all of the applicable restricted resources have been depleted.

Revenues and Expenses - Toho distinguishes operating revenue and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering in connection with Toho's ongoing operations. Toho's principal operating revenues are charges for services to customers for water and sewer services. Toho's significant expenses consist of costs associated with the production and distribution of services, payments in lieu of taxes, and depreciation on capital assets. All revenues and expenses not meeting these definitions are reported as non-operating revenues and expenses.

Estimates - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts and disclosures in the financial statements. Actual results could differ from those estimates.

Tohopekaliga Water Authority
Notes to Financial Statements
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(In Thousands)

Reclassifications - Certain amounts in the prior year financial statements may have been reclassified to conform to the current year presentation.

Deferred Outflows/Inflows of Resources - In addition to assets, the statement of net position reports 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 future periods and will not be recognized as an outflow of resources (expense/expenditure) until that time.

Toho has three items that qualify for reporting in this category, which are the deferred amount on refunding, the deferred outflows related to pensions, and the deferred outflows related to other postemployment benefits (OPEB), that are all reported in the statement of net position. A deferred amount 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 remaining life of the original issue or the life of the new issue. As of September 30, 2024, Toho reported \$17,502 related to the refunding of debt. The deferred outflows related to pensions are an aggregate of items related to pensions, as calculated in accordance with GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*. The deferred outflows related to pensions will be recognized as either pension expense or a reduction in the net pension liability in future reporting years. Details on the composition of the deferred outflows related to pensions are discussed further in Note 8. The deferred outflows related to OPEB are an aggregate of items related to pensions, as calculated in accordance with GASB Statement No. 75, *Accounting and Financial Reporting for OPEB*. The deferred outflows related to OPEB will be recognized as an expense in future reporting years. Details on the composition of the deferred outflows related to OPEB are discussed further in Note 9.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to future periods and will not be recognized as an inflow of resources (revenue) until that time. Toho has three items related to pensions, OPEB, and leases that qualify for reporting as deferred inflows of resources. The deferred inflows related to leases represent the value of the lease receivable under GASB 87 and systematically reduced and recognized as lease revenue over the term of the lease.

The deferred inflows related to pensions are an aggregate of items related to pensions, as calculated in accordance with GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*. The deferred inflows related to OPEB are an aggregate of items related to postemployment benefits, as calculated in accordance with GASB Statement No. 75, *Accounting and Financial Reporting for OPEB*. The deferred inflows related to pensions and OPEB will be recognized as a reduction to expense in future reporting years. Details on the composition of the deferred outflows and inflows related to pensions and OPEB are discussed further in Note 8 and Note 9, respectively.

Pensions/Net Pension Liability - In the statement of net position, net pension liability represents Toho's proportionate share of the net pension liability of the cost-sharing pension plans in which it participates. This proportionate amount represents a share of the present value of projected benefit payments to be provided through the cost-sharing pension plan to current active and inactive employees that is attributed to those employees' past periods of service (total pension liability), less the amount of the cost-sharing pension plan's fiduciary net position.

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, 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.

Tohopekaliga Water Authority
Notes to Financial Statements
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(In Thousands)

New Pronouncements - The GASB has issued several pronouncements that will affect Toho's financial statements in future periods. Management is currently evaluating the effect of such pronouncements and plans to implement them on their effective dates.

Financial Statement Presentation - All dollar amounts listed in the Notes to the Financial Statements are presented in thousands.

Note 2. Deposits and Investments

Cash and Cash Equivalents

At September 30, 2024, the carrying amount of Toho's cash deposit accounts was \$26,529. Toho's cash deposits are held by a bank that qualifies as a public depository under the Florida Security for Public Deposits Act as required by Chapter 280, Florida Statutes. Toho's cash deposits are fully insured by the Public Deposits Trust Fund.

Investment Portfolio

On December 9, 2015, Toho adopted a revised comprehensive investment policy, through Resolution 2015-013, pursuant to Section 218.415, Florida Statutes. This policy revision encompassed updates to permissible investments, asset allocation and issuer limits, credit rating requirements, and maturity constraints, aiming to safeguard Toho's financial assets. Toho maintains a common cash and investment pool for the use of all funds.

Section 218.415, Florida Statutes, limits the types of investments that a government can invest in unless specifically authorized by an investment policy. Toho's policy permits investments in various instruments, including Florida Prime, U.S. Government Securities, Agency Securities, GSEs, Supra-nationals, Asset-Backed Securities, Mortgage-Backed Securities, time deposits, repurchase agreements, commercial paper, Corporate notes, bankers acceptances, and state or local government debt, among others.

As of September 30, 2024, Toho had the following investment types and weighted average maturities expressed in years:

Security Type	Market Value (\$ thousands)	Weighted Average Maturity (Years)
U.S. Treasury	\$ 99,363	2.08
Florida Prime	89,376	0.10
Corporate	50,701	1.85
Asset-Backed Security	38,301	2.98
Local Government Investment Pool	32,189	0.39
Agency Commercial Mortgage-Backed Security	18,949	1.68
Money Market Fund	2,289	0.01
Agency Mortgage-Backed Security Pass-through	2,275	5.32
Municipal	577	0.6
Agency CMO	87	10.18
Total	\$ 334,107	2.53

Tohopekaliga Water Authority
Notes to Financial Statements
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Interest Rate Risk

Toho is committed to aligning its investment strategy with its anticipated cash flow needs to the greatest extent feasible. Investments are carefully selected to ensure that, except for those tied to specific cash flows, the maturity of securities does not exceed five years from the purchase date, in alignment with relevant state and local regulations.

Reserve funds and other funds with longer-term investment horizons may be invested in securities exceeding five (5) years. This approach is taken only when the maturity dates of these investments closely align with the projected timing of fund utilization. Any decision to invest in long-maturity securities is transparently communicated to the Board of Supervisors through written disclosures.

Toho utilizes a “weighted average duration” as a measurement of interest rate risk and as of September 30, 2024, the investment portfolio had a weighted average duration of 2.53 years, indicating a moderate level of interest rate risk. This measure helps Toho in maintaining a balanced investment portfolio that supports its financial stability and strategic objectives.

Credit Risk

Toho’s investment policy permits the following investments, which are limited to credit quality ratings from nationally recognized rating agencies as described below:

Sector	Sector Maximum (%)	Per Issuer Maximum (%)	Minimum Ratings Requirement ¹	Maximum Maturity
U.S. Treasury	100%	100%	N/A	5 Years (5-year avg. life ⁴ for GNMA)
GNMA		40%		
Other U.S. Government Guaranteed (e.g., AID, GTC)		10%		
Federal Agency/GSE: FNMA, FHLMC, FHLB, FFCB*	75%	40% ³	N/A	5 Years
Federal Agency/GSE other than those above		10%		
Supranationals where U.S. is a shareholder and voting member	25%	10%	Highest ST or Highest LT Rating Categories (A-1/P-1, AAA-/Aaa, or equivalent)	5 Years
Corporates	35% ²	5%	Highest ST or Three Highest LT Rating Categories (A-1/P-1, A-/A3 or equivalent)	5 Years
Municipals	25%	5%	Highest ST or Three Highest LT Rating Categories (SP-1/MIG 1, A-/A3, or equivalent)	5 Years
Agency Mortgage-Backed Securities (MBS)	25%	40% ³	N/A	5 Years Avg. Life ⁴
Asset-Backed Securities (ABS)	25%	5%	Highest ST or LT Rating (A-1+/P-1, AAA/Aaa, or equivalent)	5 Years Avg. Life ⁴
Non-Negotiable Collateralized Bank Deposits or Savings Accounts	10%	None, if fully collateralized	None, if fully collateralized.	2 Years

Tohopekaliga Water Authority
Notes to Financial Statements
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(In Thousands)

Sector	Sector Maximum (%)	Per Issuer Maximum (%)	Minimum Ratings Requirement ¹	Maximum Maturity
Commercial Paper (CP)	35% ²	5%	Highest ST Rating Category (A-1/P-1, or equivalent)	270 Days
Bankers' Acceptances (BAs)	10% ²	5%	Highest ST Rating Category (A-1/P-1, or equivalent)	180 Days
Repurchase Agreements (Repo or RP)	25%	20%	Counterparty (or if the counterparty is not rated by an NRSRO, then the counterparty's parent) must be rated in the Highest ST Rating Category (A-1/P-1, or equivalent) If the counterparty is a Federal Reserve Bank, no rating is required	90 Days
Money Market Funds (MMFs)	50%	25%	Highest Fund Rating by all NRSROs who rate the fund (AAAm/Aaa-mf, or equivalent)	N/A
Intergovernmental Pools (LGIPs)	25%	25%	Highest Fund Quality and Volatility Rating Categories by all NRSROs, <i>if rated</i> (AAAm/AAAf, S1, or equivalent)	N/A
Florida Local Government Surplus Funds Trust Funds (Florida Prime)	25%	N/A	Highest Fund Rating by all NRSROs who rate the fund (AAAm/Aaa-mf, or equivalent)	N/A

Notes:
¹ Rating by at least one SEC-registered Nationally Recognized Statistical Rating Organization (NRSRO), unless otherwise noted. ST=Short-term; LT=Long-term.
² Maximum allocation to all corporate and bank credit instruments is 50% combined.
³ Maximum exposure to any one Federal agency, including the combined holdings of Agency debt and Agency MBS, is 40%.
⁴ The maturity limit for MBS and ABS is based on the expected average life at time of purchase, measured using Bloomberg or other industry standard methods.
* Federal National Mortgage Association (FNMA); Federal Home Loan Mortgage Corporation (FHLMC); Federal Home Loan Bank or its District banks (FHLB); Federal Farm Credit Bank (FFCB).

Custodial Credit Risk

Toho mandates that all securities and collateral be held by a third-party custodian, clearly marked as Toho's assets to ensure transparency and security. Withdrawals from custody are strictly regulated, permitted only by authorized Toho personnel. Annually, the custodian must submit their latest report on internal controls, in compliance with Statements of Auditing Standards No. 70, or SAS 70/SSAE 16, reinforcing the integrity of the custodial arrangement.

Mitigating Custodial Risk

Toho enforces rigorous standards for broker/dealers to minimize custodial risk – the risk of losing investment or collateral due to a counterparty's failure. These standards include SEC-mandated capital requirements, state registration, and a comprehensive understanding of Toho's investment policies, underscored by the submission of a detailed questionnaire and the latest audit report. Notably, Toho's policy does not limit the holdings with any single counterparty, an aspect that necessitates careful risk assessment and management.

Tohopekaliga Water Authority
Notes to Financial Statements
September 30, 2024
(In Thousands)

Concentration of Credit Risk

Toho's investment strategy emphasizes diversification to mitigate credit risk, setting guidelines to prevent overexposure to any single issuer or type of investment. Consistent with this approach, Toho avoids investing in securities with maturities beyond five years, unless tied to particular cash flows, adhering to relevant statutory requirements.

As of the latest review on September 30, 2024, Toho's investments were prudently managed by a third-party custodian, in line with policy directives. The portfolio's issuer concentration and credit exposure are meticulously monitored, ensuring alignment with Toho's strategic objectives and risk tolerance levels.

As of September 30, 2024, Toho had the following issuer concentration and credit exposure based on market value as a percentage of total investments:

Security Type	Fair Value (\$ thousands)	Portfolio Asset Allocation	Permitted by Policy
United States Treasury Securities	\$ 99,363	29.7%	100%
Florida Prime	89,376	26.8%	25%
Corporate Note	50,701	15.2%	35%
Asset-Backed Security	38,301	11.5%	25%
Local Government Investment Pool	32,189	9.6%	25%
Federal Agency Securities/GSE	21,311	6.4%	75%
Money Market Fund	2,289	0.7%	50%
Municipal Bond / Note	577	0.1%	25%
Total	\$ 334,107	100.0%	

Below are two charts depicting the Standard and Poor's and Moody's credits rating assigned to the assets backed securities, corporate notes, government debt, and supranational debt held in Toho's investment portfolio based on their market value at September 30, 2024.

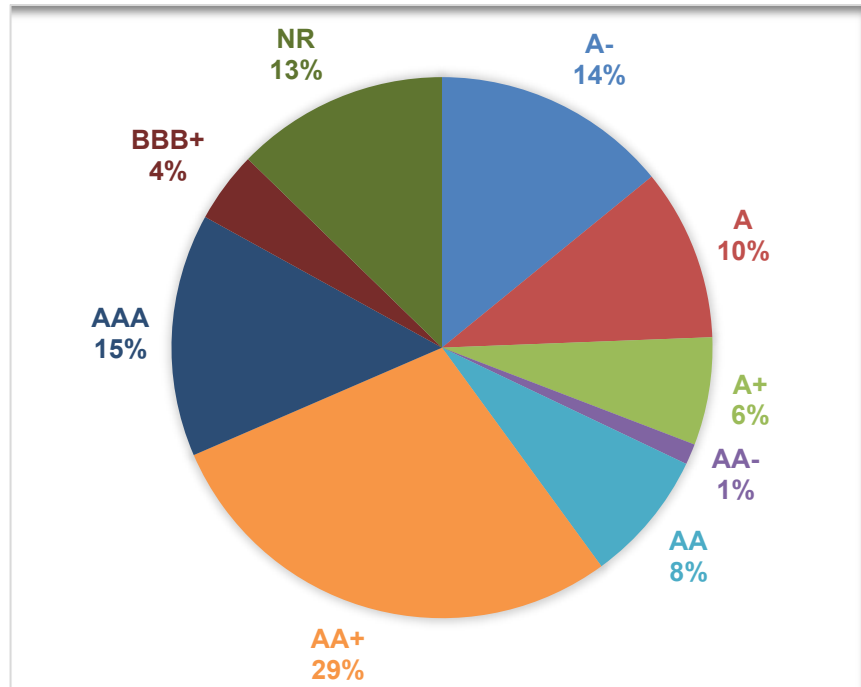


Figure 1 - Credit Quality | S&P Ratings

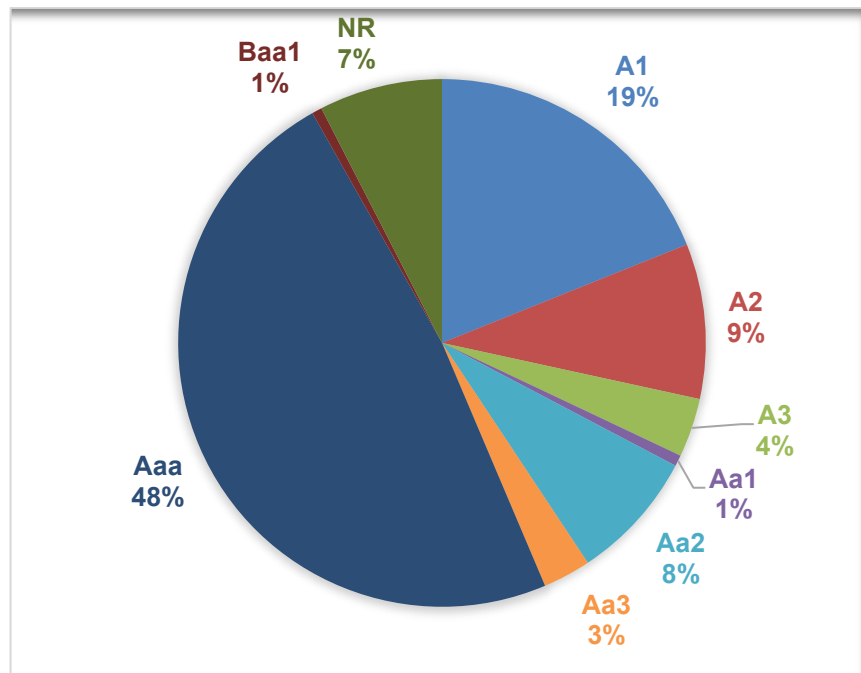


Figure 2 - Credit Quality | Moody's Ratings

Tohopekaliga Water Authority
Notes to Financial Statements
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(In Thousands)

Credit Risk and Fair Value Measurement

	9/30/2024 Market Value (\$ thousands)	Quoted Prices in Active Markets for Identical Assets (Level 1)
Investments by fair value level		
U.S. Treasury	\$ 99,363	\$ 83,135
Florida Prime ^[1]	89,376	-
Corporate	50,701	-
Asset-Backed Security	38,301	38,301
Local Government Investment Pool ^[1]	32,189	32,189
Agency Commercial Mortgage-Backed Security	18,949	18,949
Money Market Fund	2,289	3,080
Agency Mortgage-Backed Security Pass Through	2,275	881
Municipal	577	577
Agency Collateralized Mortgage Obligation	87	87
Total investments by fair value measure	334,107	\$ 198,679
Total deposits	26,529	
Total deposits and investments	360,636	
Restricted	281,877	
Unrestricted	\$ 78,759	

Securities classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities.

^[1] Toho invests in certain money market mutual funds and local government investment pools (LGIPs), which are quoted at a net asset value (NAV), are not assigned to a level. Florida PRIME and FL PALM are rated "AAAm" by Standard & Poor's.

Local Government Investment Pools

Florida PRIME Governmental Investment Pool

The Governmental Accounting Standards Board (GASB) Statement No. 72 establishes a hierarchy for valuing assets and liabilities at fair value, categorized into three levels based on the transparency and reliability of inputs used in valuation techniques. Level 1 inputs are the most reliable, consisting of unadjusted quoted prices in active markets for identical assets or liabilities. Level 2 inputs include observable data other than Level 1 prices, and Level 3 inputs are unobservable, relying on management's assumptions about underlying asset or liability characteristics.

Under GASB 72, most investments are required to be measured at their fair value, except for certain exceptions like money market investments and external investment pools that are similar to those governed by Rule 2a-7 of the Investment Company Act, such as Florida PRIME. This standard also mandates disclosures about the valuation techniques used, the hierarchy level of the fair value measurements, and the rationale for their categorization.

Tohopekaliga Water Authority
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Toho employs third-party services for the fair value assessment of its investments in U.S. Treasury and corporate securities, among others. For investments like commercial paper, Toho relies on custody statements for valuation. According to GASB 72, since Florida PRIME operates akin to a 2a-7-like pool, Toho measures its investments in the pool at amortized cost, which is considered the fair value and is thus exempt from the standard's fair value hierarchy disclosures.

As of September 30, 2024, Toho's investments in the Florida PRIME Governmental investment pool are managed in accordance with these guidelines, with no restrictions on daily withdrawals, ensuring full liquidity for Toho's assets.

Regarding liquidity management, Florida Statutes and administrative rules provide mechanisms for temporary restrictions on withdrawals in extraordinary circumstances to protect all pool participants. These include the potential for a temporary moratorium on transactions, subject to stringent oversight and immediate communication with stakeholders and regulatory bodies.

FL PALM Fund

Toho's investments in the FL PALM Fund, an intergovernmental investment pool compliant with GASB 79, are managed under the Florida Interlocal Cooperation Act and relevant statutes. The FL PALM Fund is not SEC-registered but operates in a manner consistent with SEC Rule 2a-7, valuing shares at an amortized cost to maintain a stable net asset value (NAV) of \$1.00 per share.

The fund's investments adhere to Toho's policy, with daily NAV determination by the investment advisor. The fund's trustees have the authority to restrict withdrawals in emergencies, ensuring the funds stability and compliance with investment objectives.

The FL PALM Fund's underlying securities are highly rated, reflecting a strong emphasis on credit quality. Toho's participation in the fund represents an ownership share in the pool rather than direct ownership of the underlying assets, aligning with Toho's risk management and investment strategies.

Foreign Currency Risk

Toho's investment policy explicitly prohibits investments in foreign currencies, effectively eliminating exposure to foreign currency risk. This conservative stance ensures that Toho's investments remain focused on stability and risk mitigation within its operating jurisdiction.

Tohopekaliga Water Authority
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(In Thousands)

Note 3. Capital Assets

Toho's capital assets consist of land, buildings and improvements, containment equipment and facilities, and machinery and equipment. Following is a summary of changes related to capital assets during the fiscal year ended September 30, 2024:

	Beginning Balance 10/1/23	Increases	Decreases	Ending Balance 9/30/24
Capital assets, not being depreciated				
Land	\$ 32,718	\$ 894	\$ -	\$ 33,612
Construction in progress	129,038	141,266	(95,147)	175,157
Total capital assets, not being depreciated	161,756	142,160	(95,147)	208,769
Capital assets, being depreciated				
Water system assets				
Plant and infrastructure	506,340	67,986	(1,958)	572,368
Equipment, furniture and fixtures	11,340	2,948	(331)	13,957
Total water system assets	517,680	70,934	(2,289)	586,325
Sewer system assets				
Plant and infrastructure	912,642	167,542	(4,083)	1,076,101
Equipment, furniture and fixtures	16,163	2,625	(163)	18,625
Total sewer system assets	928,805	170,167	(4,246)	1,094,726
General plant and administrative assets				
Plant and infrastructure	31,990	4,146	(295)	35,841
Equipment, furniture and fixtures	26,411	3,008	(229)	29,190
Total general plant and administrative assets	58,401	7,154	(524)	65,031
Intangible Assets				
Right-to-use assets – St. Cloud Utility	28,660	-	-	28,660
Right-to-use assets – SBITAs	1,814	1,664	-	3,478
Total intangible assets	30,474	1,664	-	32,138
Total capital assets, being depreciated/amortized	1,535,360	249,919	(7,059)	1,778,220
Less accumulated depreciation/amortization for:				
Plant and infrastructure	(457,442)	(51,114)	3,525	(505,031)
Equipment, furniture and fixtures	(36,463)	(3,995)	686	(39,772)
Right-to-use assets – St. Cloud Utility	(478)	(478)	-	(956)
Right-to-use assets – SBITAs	(662)	(806)	-	(1,468)
Total accumulated depreciation/amortization	(495,045)	(56,393)	4,211	(547,227)
Total capital assets, being depreciated/amortized, net	1,040,315	193,526	(2,848)	1,230,993
Capital assets, net	<u>\$ 1,202,071</u>	<u>\$ 335,686</u>	<u>\$ (97,995)</u>	<u>\$1,439,762</u>

Tohopekaliga Water Authority
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(In Thousands)

Note 4. Long-Term Debt

Schedule of Changes in Long-Term Debt - The following is a schedule of changes in Toho's long-term debt for the fiscal year ended September 30, 2024:

	Beginning Balance 10/1/23	Additions	Reductions	Ending Balance 9/30/24	Due Within One Year	Long- Term Portion
Revenue bonds payable (Public Offerings)	\$ 153,905	\$ -	\$ 8,445	\$ 145,460	\$ 8,860	\$ 136,600
Notes payable (Direct Borrowing)	6,935	-	885	6,050	920	5,130
Notes payable (Direct Placement)	81,095	-	30	81,065	30	81,035
	241,935	-	9,360	232,575	9,810	222,765
Plus (less) bond discounts and premiums	15,334	-	1,995	13,339	-	13,339
Total revenue bonds and notes payable	257,269	-	11,355	245,914	9,810	236,104
Sunbridge Facilities Payable	6,050	23,140	2,626	26,564	2,600	23,964
OPEB payable	1,900	240	124	2,016	124	1,892
Net pension liability	14,208	-	6,758	7,450	-	7,450
Compensated absences payable	3,681	2,793	2,487	3,987	1,328	2,659
SBITA Liability	498	1,664	833	1,329	465	864
Total long-term liabilities	\$ 283,606	\$ 27,837	\$ 24,183	\$ 287,260	\$ 14,327	\$ 272,933

Revenue Bonds Payable (Public Offerings) - Toho has revenue bonds outstanding at September 30, 2024, as follows:

Series 2016 Revenue Refunding Bonds - Used to refund a portion of the Series 2011A Note and Series 2013 Note and pay costs associated with the issuance of the Series 2017 Bonds. These bonds mature through fiscal year ending September 30, 2047.

Revenue Notes Payable - Toho has revenue notes outstanding at September 30, 2024, as follows:

Series 2009 Note (Direct Borrowing) - Used to fund a portion of the design, construction, and equipping of administrative facilities and other capital expenditures. This note matures on October 1, 2030. In the event of default, if the debt then remaining unpaid hereunder shall become immediately due and payable pursuant to the terms of the resolution, then Toho shall also be obligated to pay (but only from the pledged revenues) as part of the indebtedness evidenced by this note, any prepayment fee due as a result of the prepayment hereof upon such acceleration.

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Series 2020 Note (Direct Placement) - Used to fund the construction and improvements to the Utility System, including (a) the gravity sanitary sewer system assessment; and (b) the rehabilitation and/or removal and replacement of certain mains and manholes (including the replacement of water mains within lift station basins as determined by Toho to be necessary), and consists of the activities related to the improvements of the Utility System located in the lift station areas described in the WIFIA Loan Agreement dated as of February 12, 2020, between Toho and the United States Environmental Protection Agency. The bond matures October 1, 2025. The terms in the event of a default for the Series 2020 Direct Note pursuant to the master resolution provides for an acceleration of principal, accrued interest, and premium, if any. Registered owners of 25% of aggregate principle have the right to enforce payment of debt service on the bonds and the performance of any other covenant, agreement, obligation or any other instrument providing security, directly or indirectly, for the bonds.

Series 2021 Note (Direct Placement) - Used to refund the Series 2012 Note and pay costs associated with the issuance of the Series 2021 Bonds, resulting in cash flow savings of \$1,845 and a net present value savings of \$1,603. These bonds mature through fiscal year ending September 30, 2028.

Series 2022 Note (Direct Placement) - Used to refund the City of St. Cloud's utility-related debt in order to execute the interlocal agreement effective October 1, 2022, that conveyed the management, operation, and administration of the City of St. Cloud's water and sewer utility system to Toho.

All debt obligations are secured by a lien upon and pledge of certain pledged revenues on a parity, as provided in the supplemental and master bond resolution.

Pledged Revenues - Toho has pledged the net revenues generated by the overall system for payment of the bond issues and notes listed below. Proceeds of Toho's bonds and notes issued were used, as discussed above. The bonds and notes are payable solely from Toho's customers' net revenues payable through 2047. Annual principal and interest payments on the bonds and notes are currently expected to require approximately 18% of net revenues. The total principal and interest remaining on the bonds and notes, as noted below under debt service requirements, is \$291,023. Principal and interest paid for the current year was \$18,190. Total customer net revenues for the current year were \$102,955.

Sunbridge Facilities Payable - Toho entered into two agreements with Tavistock East II, LLC: a Water Plant Reimbursement Agreement of August 31, 2020, and a Water, Wastewater, and Reclaimed Water Acquisition Agreement on August 26, 2022, to assume utility ownership and management for the Sunbridge Community. Under these agreements, Tavistock was responsible for managing the construction of the plants and receiving reimbursement from Toho. Construction of the plants is substantially complete, and both facilities are currently in service. Toho has paid its agreed-upon share of the construction costs as work has progressed. The remaining balance will be paid over-time as Toho collects system development fees from new homes within the community.

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The following is a summary schedule of the long-term obligations of Toho:

	<u>Purpose of Obligation</u>	<u>Amount Issued</u>	<u>Amount Outstanding</u>	<u>Interest Rates</u>
Water and Sewer Revenue Bonds				
Public Offerings				
Series 2016	Project Capital	\$173,605	\$ 145,460	3.10%
Notes Payable				
Direct Borrowings				
Note Payable - BOA	Admin Bldg. Project	\$ 16,000	6,050	3.63%
Direct Placements				
Note Payable - Truist	Refunding	\$ 14,305	14,245	1.08%
Note Payable - WCM (Wells Capital Management)	Project Capital	\$ 38,160	38,160	5.00%
Series 2022 - Truist	St. Cloud Integration	\$ 28,660	<u>28,660</u>	2.64%
Total Long-Term Debt			<u>\$ 232,575</u>	

Debt Service Requirements - The following are the debt service requirements to maturity on Toho's long-term debt:

<u>Fiscal Year</u>	<u>Public Offering</u>		<u>Direct Borrowing</u>		<u>Direct Placement</u>		<u>Total</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2025	\$ 8,860	\$ 5,564	\$ 920	\$ 220	\$ 30	\$ 2,819	\$ 9,810	\$ 8,603
2026	9,275	5,146	955	186	38,190	2,818	48,420	8,150
2027	9,740	4,682	990	151	28,700	910	39,430	5,743
2028	3,075	4,305	1,025	116	7,030	153	11,130	4,574
2029	3,160	4,229	1,060	78	7,115	77	11,335	4,384
2030-2034	56,645	17,450	1,100	40	-	-	57,745	17,490
2035-2039	41,865	6,551	-	-	-	-	41,865	6,551
2040-2044	7,465	2,407	-	-	-	-	7,465	2,407
2045-2049	5,375	546	-	-	-	-	5,375	546
	<u>\$ 145,460</u>	<u>\$ 50,880</u>	<u>\$ 6,050</u>	<u>\$ 791</u>	<u>\$ 81,065</u>	<u>\$ 6,777</u>	<u>\$ 232,575</u>	<u>\$ 58,448</u>

Note 5. Invested In Capital Assets

The amount reported on the statement of net position as net investment in capital assets at September 30, 2024, consists of the following:

Net capital assets	\$ 1,439,762
Debt related to purchase of capital assets	(273,807)
Capital related liabilities	(4,927)
Deferred amount on refunding	<u>17,502</u>
Net investment in capital assets	<u>\$ 1,178,530</u>

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Note 6. Leases

Toho accounts for leases in accordance with GASB Statement No. 87, *Leases*. Toho's operations include an agreement to lease unused land to RIDA Development Corporation, which expires in 2095. Toho reported leases receivable with a carrying amount of \$53,117 as of September 30, 2024, and a deferred inflows of resources in the amount of \$52,162 as of September 30, 2024, related to this agreement. The deferred inflows of resources for leases will be recognized as revenue over the term of the lease agreement.

The lease principal was reduced by \$303 and Toho recognized \$303 of interest income for the year ended September 30, 2024.

Future minimum lease receivables are as follows (in thousands):

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 310	\$ 314	\$ 624
2026	317	326	643
2027	324	338	662
2028	332	350	682
2029	339	363	702
Thereafter	<u>51,495</u>	<u>91,546</u>	<u>143,041</u>
	<u>\$ 53,117</u>	<u>\$ 93,237</u>	<u>\$ 146,354</u>

Note 7. Subscription-Based Information Technology Arrangements

Toho accounts for Subscription agreements in accordance with GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*. Toho's operations include two agreements as follows:

Toho has an agreement with Tyler Technologies for Tyler to provide software to support Toho's web-based development portal. This software enables developers to submit plans, apply for permits, and request meters as well as make the related payments. Additionally, it allows them to monitor the progress of their requests and track scheduled inspections, meetings, expiration dates, etc. The four-year term of this agreement commenced on July 1, 2022. An interest rate of 2.64% (based on Toho's current rate of borrowing) was used to determine the net present value of subscription payments to establish the subscription liability.

Future minimum subscription payments are as follows (in thousands):

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	<u>\$ 191</u>	<u>\$ 20</u>	<u>\$ 211</u>
	<u>\$ 191</u>	<u>\$ 20</u>	<u>\$ 211</u>

Toho has an agreement with SHI International Corporation to provide Microsoft Enterprise licenses for approximately six hundred employees. This licensing includes Microsoft 365 productivity tools, enhanced security, and Microsoft support services. The three-year term of this agreement commenced on 8/1/2023; the contract includes one three-year extension option. An interest rate of 2.64% (based on Toho's current rate of borrowing) was used to determine the net present value of subscription payments to establish the subscription liability.

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Future minimum subscription payments are as follows (in thousands):

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 273	\$ (13)	\$ 260
2026	281	6	287
2027	288	27	315
2028	296	51	347
	<u>\$ 1,138</u>	<u>\$ 71</u>	<u>\$ 1,209</u>

Note 8. Pension Plan

All Toho full-time employees hired before October 1, 2010, participate in a cost-sharing, multiple-employer, defined benefit plan with the City. Toho's employees have participated in the City's general employees' retirement plan since separation from the City, as noted in Note 1 - Reporting Entity of these financial statements. An actuarial study was conducted as of October 1, 2023. The City does not produce separately available financial reports for this pension plan. However, all required disclosures and financial data are contained in the City's publicly available Annual Comprehensive Financial Report (ACFR) for the fiscal year ended September 30, 2024. The City's ACFR may be obtained by written request to the City's Finance Department, 101 North Church Street, Kissimmee, Florida 34741-5054.

On September 8, 2022, the City of St. Cloud City Council adopted Ordinance No. 2022-52, allowing Toho employees transferring from the City of St. Cloud to continue their participation in the City's General Employees' Retirement System. Toho's employees that transferred from the City of St. Cloud have participated in the City of St. Cloud's general employees' retirement plan since separation from the City of St. Cloud as noted in Note 1 – Reporting entity of these financial statements. An actuarial study was conducted as of October 1, 2023. The City of St. Cloud does not produce separately available financial reports for this pension plan. However, all required disclosures and financial data are contained in the City of St. Cloud's publicly available ACFR for the fiscal year ended September 30, 2024. The City of St. Cloud's ACFR may be obtained by written request to the City of St. Cloud's Finance Department, 1300 Ninth Street, St. Cloud, Florida 34769.

Description of Plan

The City administers the general employees' retirement plan. The plan is a cost-sharing, multiple-employer, defined benefit plan established by ordinance (and amended to include Toho, limited to Toho's full-time employees hired before October 1, 2010), pursuant to Florida Statutes. The plan provides retirement, disability, and death benefits to plan members and their beneficiaries. The plan may be amended by ordinance adopted by the City of Kissimmee Commission, including the funding policy.

The City of St. Cloud administers the general employees' retirement plan. The plan is a cost-sharing, multiple-employer, defined benefit plan established by ordinance (and amended to include Toho, limited to Toho's full-time employees who transferred to Toho on October 1, 2022), pursuant to Florida Statutes. The plan provides retirement, disability, and death benefits to plan members and their beneficiaries. The plan may be amended by ordinance adopted by the City of St. Cloud Council, including the funding policy. Toho's proportion of the total OPEB liability for the City of St. Cloud plan was based on the historical actuarially determined employer contributions to the OPEB plan for fiscal year 2024. At September 30, 2024, Toho's proportion was 22.69%.

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Funding Policy

The plan uses the aggregate actuarial cost method for funding. Toho is required to contribute 24.91% of qualified employee salaries to the plan. Employees are required to contribute 3.69% (Tier 1) and 7.50% (Tier 2) of their salaries to the plan. Plan member contributions are recognized in the period in which the contributions are due. Employer contributions to the plan are recognized when due, and the employer has made a formal commitment to provide the contribution (i.e., the annual budget process). Benefits and refunds are recognized when due and payable, in accordance with the terms of the plan.

The City of Kissimmee Commission sets contribution rates every two years based on an actuarial report. The most recent report the City received was dated October 1, 2023. Toho paid in 100% of its required contribution amount for the current and prior fiscal years. Toho's contributions to the plan for the years ended September 30, 2024, 2023 and 2022 were \$1,718 \$1,491 and \$1,505, respectively.

The City of St. Cloud is required to contribute at an actuarially determined rate, or 10% of the employee's compensation, whichever is greater. Toho contributed 13% of qualified employee salaries to the plan. Plan members contribute 1.0% of their annual covered salary. Contribution requirements are based upon the normal (current year) cost and amortization of the accrued past service liability as provided in Part VII of Chapter 112, Florida Statutes. Toho contributions to the plan for the year ended September 30, 2024 was \$871.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At September 30, 2024, Toho reported a liability of \$5,846 for its proportionate share of the net pension liability for the City plan and \$1,604 for its proportionate share of the net pension liability for the City of St. Cloud plan for a total net pension liability of \$7,450. The net pension liability was measured as of September 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as October 1, 2023 for both plans.

Toho's proportion of the net pension liability for the City plan was based on the historical actuarially determined employer contributions to the pension plan for fiscal year 2024. At September 30, 2024, Toho's proportion was 28.48%, which reflects an increase of 0.91% from its respective proportion measured as of September 30, 2023.

For the year ended September 30, 2024, Toho recognized pension expense of \$1,262 related to the City plan.

At September 30, 2024, Toho reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources (in thousands) relating to the City plan:

	Deferred Outflows of Resources	Deferred Inflow of Resources
Differences between expected and actual experience	\$ 410	\$ (5)
Assumption Changes	216	-
Changes in Cost-Sharing Allocation Percentage	248	(178)
Net difference between projected and actual earnings on pension plan investments	-	(2,218)
Total	<u>\$ 874</u>	<u>\$ (2,401)</u>

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows (in thousands):

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<u>Years Ending September 30,</u>	<u>Amount</u>
2025	\$ (180)
2026	823
2027	(1,127)
2028	(1,043)
2029	-
Thereafter	-
Total	<u><u>\$ (1,527)</u></u>

Toho's proportion of the net pension liability for the City of St. Cloud plan was based on the historical actuarially determined employer contributions to the pension plan for fiscal year 2024. At September 30, 2024, Toho's proportion was 22.69%.

For the year ended September 30, 2024, Toho recognized pension expense of \$1,932 related to the City of St. Cloud plan.

For the year ended September 30, 2024, Toho recognized aggregate pension expense of \$3,194 related to the City of Kissimmee and City of St. Cloud plans.

At September 30, 2024, Toho reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources (in thousands) relating to the City of St. Cloud plan:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflow of Resources</u>
Differences between expected and actual experience	\$ 886	\$ (22)
Changes of assumptions earnings on pension plan investments	-	-
Changes in proportion	-	-
Net difference between projected and actual earnings on pension plan investments	-	(309)
Total	<u><u>\$ 886</u></u>	<u><u>\$ (331)</u></u>

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows (in thousands):

<u>Years Ending September 30,</u>	<u>Amount</u>
2025	\$ 383
2026	721
2027	(154)
2028	(395)
2029	-
Thereafter	-
Total	<u><u>\$ 555</u></u>

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Actuarial Assumptions

The total pension liability in the October 1, 2023 actuarial valuation for the City of Kissimmee Pension Plan was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Valuation Date:	October 1, 2023
Measurement Date:	September 30, 2024
Inflation:	2.25%
Salary Increases:	6.80%
Mortality:	PUB-2010 Headcount Weighted General Below Median Employee Male Table (pre-retirement), the PUB-2010 Headcount Weighted General Below Median Employee Female Table (pre-retirement), the PUB-2010 Headcount Weighted General Below Median Healthy Retiree Male Table (post-retirement) and the PUB-2010 Headcount Weighted General Below Median Retiree Female Table (post-retirement). These tables use ages set back one year for males and future improvements in mortality projected to all future years after 2010 using scale MP-2018. These are the same rates used for Regular Class members of the Florida Retirement System (FRS) in their actuarial valuation as of July 1, 2022.
Actuarial Cost Method:	Entry Age Normal

The actuarial assumptions used in the October 1, 2023 valuation were based on the results of an actuarial experience study for the period October 1, 2022 - September 30, 2023.

The total pension liability in the October 1, 2023 actuarial valuation for the City of St. Cloud Pension Plan was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Valuation Date:	October 1, 2023
Measurement Date:	September 30, 2024
Inflation:	2.50%
Salary Increases:	Service based
Mortality:	<u>Healthy Active Lives:</u> Female: PubG.H-2010 for Employees. Male: PubG.H-2010 for Healthy Retirees, set back one year. <u>Healthy Retiree Lives:</u> Female: PubG.H-2010 for Healthy Retirees. Male: PubG.H-2010 for Healthy Retirees, set back one year. <u>Beneficiary Lives</u> Female: PubG.H-2010 for Healthy Retirees. Male: PubG.H-2010 for Healthy Retirees, set back one year. <u>Disabled Lives:</u> PubG.H-2010 for disables retirees, set forward three years.

The long-term expected rate of return, net of investment expense on pension plan investments, was 6.80% for the City plan and 7.25% for the City of St. Cloud plan as of September 30, 2024. This rate was determined using a

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forward-looking capital market economic model. The tables below show the assumptions for each of the asset classes in which each plan was invested at that time based on the long-term target asset allocation. The allocation policy's description of each asset class was used to map the target allocation to the asset classes shown below. Each asset class assumption is based on a consistent set of underlying assumptions and includes an adjustment for the inflation assumption.

Kissimmee Plan

Asset Class	Target Allocation
Domestic Equity	44%
Domestic Fixed	20%
International Equity	16%
Real Estate (Property)	10%
Global Fixed	5%
Private Equity	5%
Total	100%

St. Cloud Plan

Asset Class	Target Allocation
All Cap Value Equity	20%
Broad growth Equity	20%
International Equity	15%
Fixed Income (Core)	20%
Fixed Income (non-Core)	5%
Global Bond	5%
Real Estate	10%
GTAA	5%
Total	100%

Discount Rate

The discount rate used to measure the total pension liability was 6.80% for the City plan. This single discount rate was based on the expected rate of return on pension plan investments of 6.80%.

The discount rate used to measure the total pension liability was 7.25% for the City of St. Cloud plan. This single discount rate was based on the expected rate of return on pension plan investments of 7.25%.

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Sensitivity of Toho's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents Toho's proportionate share of the net pension liability calculated using the discount rate of 6.80%, as well as what Toho's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate for the City plan:

	1% Decrease 5.80%	Current Discount Rate 6.80%	1% Increase 7.80%
Toho's proportionate share of the net pension liability (asset)	<u>\$ 11,996</u>	<u>\$ 5,846</u>	<u>\$ 690</u>

The following presents Toho's proportionate share of the net pension liability calculated using the discount rate of 7.25%, as well as what Toho's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate for the City of St. Cloud plan:

	1% Decrease 6.25%	Current Discount Rate 7.25%	1% Increase 8.25%
Toho's proportionate share of the net pension liability (asset)	<u>\$ 4,291</u>	<u>\$ 1,604</u>	<u>\$ (621)</u>

Change in Net Pension Liability

	October 1, 2023	Additions	Deletions	September 30, 2024	Due Within One year
Net pension liability	<u>\$ 14,208</u>	<u>\$ -</u>	<u>\$ 6,758</u>	<u>\$ 7,450</u>	<u>\$ -</u>

Defined Contribution Plan

On September 22, 2010, the Board, pursuant to Resolution 2010-012, closed the Pension Plan to new Toho employees as of October 1, 2010. Under the plan change, existing employees or current members in the pension plan will continue to accrue benefits under the existing plan provisions. New employees hired on or after October 1, 2010 will enroll in a 401(a) Defined Contribution Plan (DC Plan). The DC Plan is administered by Voya. Plan provisions and contribution requirements are established and can be amended by the Board. Toho's maximum contribution is set at 8.5% of qualified employee salaries, a 6.5% fixed contribution, and a 2% matching contribution. Eligible employees are required to contribute 4% of their salaries to the DC Plan. Toho's contribution to the DC Plan for the years ended September 30, 2024, 2023 and 2022 were \$2,081, \$1,621 and \$1,332, respectively. Participants contributed \$1,021, \$796 and \$655 for the years ended September 30, 2024, 2023 and 2022, respectively.

Note 9. Other Postemployment Benefits (OPEB)

Plan Description

The Other Post-Employment Benefit Plan (the OPEB Plan) is a single-employer benefit plan administered by Toho. Retirees are charged whatever the insurance company charges for the type of coverage elected. However, the premiums charged by the insurance company are based on a blending of the experience among younger, active employees and older, retired employees. The OPEB plan is reported under GASB 75 for the fiscal year ended September 30, 2024.

Retirees and their dependents are permitted to remain covered under Toho’s respective medical and insurance plans, as long as they pay a full premium applicable to coverage elected. This conforms to the minimum required of Florida governmental employers, per Chapter 112.08, Florida Statutes, the OPEB Plan does not issue a stand-alone report.

The City of St. Cloud administers a cost-sharing, multiple-employer defined benefit postemployment health care plan that covers eligible retired employees of the City. Toho will record its proportionate share of the OPEB liability for those employees that transferred from the City of St. Cloud. The OPEB plan is reported under GASB 75 for fiscal year ended September 30, 2024.

Funding Policy

For the OPEB Plan, Toho’s contribution requirements are established and may be amended through action of Toho’s Board of Supervisors. Currently, Toho’s OPEB benefits are unfunded. The required contributions are based on pay-as-you-go financing requirements. There is no trust fund or equivalent arrangement into which Toho would make contributions to advance-fund the obligation. Therefore, ultimate subsidies, which are provided over time, are financed directly by Toho’s general assets, which are invested in accordance with the investment policy previously described. Medicare is assumed to become primary upon attainment of age 65.

Annual OPEB Cost and Total OPEB Liability

Toho’s annual OPEB cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB No. 75. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal costs each year and amortize any unfunded actuarial liabilities (or funding excess) over a period, not to exceed 30 years. The following table shows the components of Toho’s net obligation to the OPEB Plan:

	Total OPEB Liability
Service	\$ 106
Interest on the Total OPEB Liability	51
Changes of assumptions and other inputs	(19)
Benefit payments	(47)
Net change in Total OPEB Liability	91
Total OPEB Liability at Beginning of Year	1,070
Total OPEB Liability at End of Year	\$ 1,161

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The following table shows the components of Toho's net obligation to the City of St. Cloud OPEB Plan:

	Proportionate Share of Total OPEB Liability
Service	\$ 48
Interest on the Total OPEB Liability	40
Changes of assumptions and other inputs	(9)
Benefit payments	(49)
Other Changes	(5)
Net change in Total OPEB Liability	25
Total OPEB Liability at Beginning of Year	830
Proportionate Share of Total OPEB Liability at End of Year	\$ 855

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

Toho Plan

For the year ended September 30, 2024, Toho recognized OPEB expense of \$11. At September 30, 2024, Toho reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflow of Resources
Differences between expected and actual experience	\$ 6	\$ (123)
Changes of assumptions	84	(950)
Benefits subsequent to measurement date	70	-
Total	\$ 160	\$ (1,073)

The amount of \$70 reported as deferred outflows of resources related to OPEB resulting from benefits payments made subsequent to the measurement date will be recognized as a decrease of the Total OPEB Liability in fiscal year 2025.

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

Years Ending September 30,	Amount
2025	\$ (167)
2026	(160)
2027	(163)
2028	(173)
2029	(79)
Thereafter	(241)
Total	\$ (983)

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City of St. Cloud Plan

For the year ended September 30, 2024, Toho recognized OPEB expense of \$58. At September 30, 2024, Toho reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflow of Resources
Differences between expected and actual experience	\$ 54	\$ (15)
Changes of assumptions	70	(278)
Benefits subsequent to measurement date	54	-
Total	\$ 178	\$ (293)

The amount of \$54 reported as deferred outflows of resources related to OPEB resulting from benefit payments made subsequent to the measurement date will be recognized as a decrease of the Total OPEB Liability in fiscal year 2025.

For the year ended September 30, 2024, Toho recognized aggregate OPEB expense of \$69 related to the City of Kissimmee and City of St. Cloud plans

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

Years Ending September 30,	Amount
2025	\$ (31)
2026	(31)
2027	(26)
2028	(21)
2029	(13)
Thereafter	(47)
Total	\$ (169)

Actuarial Methods and Assumptions

Valuation Date:	September 30, 2022
Measurement Date:	September 30, 2023
Inflation:	2.50%
Salary increases, including inflation:	Salary increases rates based on those used in the October 1, 2022 actuarial valuation for the General Employees of the City of Kissimmee.
Retirement Age:	Retirement rates based on those used in the October 1, 2022 actuarial valuation for the General Employees of the City of Kissimmee.

Tohopekaliga Water Authority
Notes to Financial Statements
September 30, 2024
(In Thousands)

Mortality:	Mortality rates are the same as used in the July 1, 2022 actuarial valuation of the Florida Retirement System for non-K-12 Instructional Regular Class members. These rates were taken from adjusted Pub-2010 mortality tables published by the Society of Actuaries with generational mortality improvements using Scale MP-2018. Adjustments to referenced tables are based on the results of a statewide experience study covering the period 2013 through 2018.
Healthcare Cost Trend Rates	Trend rate starting at 6.50% for claims cost and at 5.00% for premiums (based on actual premium rates effective January 1, 2023), and thereafter trends based on the Getzen Model, with a trend rate of 6.25% effective January 1, 2024, and gradually decreasing to an ultimate trend rate of 4.00%.
Aging factors	Based on the 2013 SOA Study <i>Health Care Costs - From Birth to Death</i> .
Expenses	Administrative expenses are included in the per capita health costs.

The discount rate was changed from 4.40% as of the previous measurement date to 4.63% as of September 30, 2023.

Tohopekaliga Water Authority
Notes to Financial Statements
September 30, 2024
(In Thousands)

Sensitivity of Total OPEB Liability

Toho Plan

Regarding the sensitivity of the total OPEB liability to changes in the discount rate, the following presents the plan's total OPEB liability, calculated using a discount rate of 4.40%, as well as what the plan's total OPEB liability would be if it were calculated using a discount rate that is 1% lower or 1% higher:

Sensitivity of Total OPEB Liability to the Discount Rate Assumption

1% Decrease 3.63%	Current Discount Rate 4.63%	1% Increase 5.63%
<u>\$ 1,246</u>	<u>\$ 1,161</u>	<u>\$ 1,082</u>

Regarding the sensitivity of the total OPEB liability to changes in the healthcare cost trend rates, the following presents the plan's total OPEB liability, calculated using the assumed trend rates as well as what the plan's total OPEB liability would be if it were calculated using a trend rate that is 1% lower or 1% higher:

Sensitivity of Total OPEB Liability to the Healthcare Cost Trend Rate Assumption

1% Decrease	Current Discount Rate	1% Increase
<u>\$ 1,034</u>	<u>\$ 1,161</u>	<u>\$ 1,309</u>

City of St. Cloud Plan

Regarding the sensitivity of the total OPEB liability to changes in the discount rate, the following presents the plan's total OPEB liability, calculated using a discount rate of 4.77%, as well as what the plan's total OPEB liability would be if it were calculated using a discount rate that is 1% lower or 1% higher:

Sensitivity of Total OPEB Liability to the Discount Rate Assumption

1% Decrease 3.87%	Current Discount Rate 4.87%	1% Increase 5.87%
<u>\$ 948</u>	<u>\$ 855</u>	<u>\$ 775</u>

Regarding the sensitivity of the total OPEB liability to changes in the healthcare cost trend rates, the following presents the plan's total OPEB liability, calculated using the assumed trend rates as well as what the plan's total OPEB liability would be if it were calculated using a trend rate that is 1% lower or 1% higher:

Sensitivity of Total OPEB Liability to the Healthcare Cost Trend Rate Assumption

1% Decrease	Current Discount Rate	1% Increase
<u>\$ 752</u>	<u>\$ 855</u>	<u>\$ 980</u>

Tohopekaliga Water Authority
Notes to Financial Statements
September 30, 2024
(In Thousands)

Note 10. Risk Management

Toho is exposed to various risks of loss to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters, for which Toho carries commercial insurance. Settled claims resulting from these risks have not substantially exceeded the commercial insurance coverage during the fiscal year ended September 30, 2024.

Note 11. Commitments and Contingencies

Toho had the following significant capital construction projects, with remaining commitment amounts greater than \$500 as of September 30, 2024:

Project Description	Remaining Commitment
Judge Farms Reservoir and Impoundment	\$ 32,595
S Bermuda Water Reclamation Facility Expansion to 16 Million Gallons/Day	29,939
Buenaventura Lakes Water Treatment Plant Improvements	25,364
Cypress Lake Water Treatment Plant and Pipelines	16,096
Simpson Road 30" Water Main from Fortune Road to Pebble Point Way	12,946
WIFIA I Accelerated Gravity Sewer Assessment and Rehabilitation Project	11,101
Poinciana Boulevard from Crescent Lakes Way to Pleasant Hill Road	6,513
St Cloud Water Treatment Plant #4 Upgrade	5,877
Boggy Creek Improvements from Simpson Road to Narcoossee Road	5,694
S Bermuda/Parkway Water Reclamation Facilities - Reclaimed Interconnection	5,091
Harmony Water Reclamation Facility Expansion and Disc Filter Relocation	4,168
Simpson/Fortune Road Intersection Improvements	3,916
Partin Settlement Widening	3,769
Camelot Water Reclamation Facility Expansion and Effluent Storage	3,590
Parkway Water Reclamation Facility Expansion to 3.5 Million Gallons/Day	3,485
Sunbridge Water Reclamation Facility Expansion to 3.5 Million Gallons/Day	3,117
Simpson Road Phases 2 - 4 South Improvements	3,098
Sunbridge Water Treatment Plant Well #3 Pump and Distribution Piping	3,042
Pine Lake Estates Water Main Replacement	2,854
Hickory Tree Road at Twin Lakes Boulevard 16" Water Main	2,608
Lift Station 30 Gravity Sewer Rehabilitation	2,440
160-Acre Alternative Water Supply - Indirect Potable Reuse	2,387
Harmony Water Treatment Plant Upgrade and Expansion	1,816
US17-92 Water Transmission Pipeline	1,579
Neptune Road/Partin Settlement/US192 Utility Relocations	1,537
16" Champions Gate Force Main Replacement	1,381
Sandhill Water Reclamation Facility Advanced Water Treatment	1,336
Jack Brack Road Improvements from Narcoossee Road to Absher Road	1,307
Huron Water Treatment Plant Expansion	1,072
Florida Plaza 16" Force Main Replacement	1,014
Walnut Water Reclamation Facility Decommissioning	938
Toho Reservoir Alternative Water Supply Reuse Main Extension	833

Tohopekaliga Water Authority
Notes to Financial Statements
September 30, 2024
(In Thousands)

Lakeshore Interconnection	828
Poinciana Utilities Extension/Contribution in Aid of Construction Project	820
16" Reuse Main Old Hickory Tree Road	759
Shingle Creek Surface Water Treatment Facility	719
2022 Lift Station Rehabilitations	669
Emergency Generator Replacement and Improvements	510
City of Kissimmee Resurfacing - Gravity Sewer Rehabilitation	510
	<hr/>
	\$ 209,093

Intergovernmental Agreements

Toho was created with an effective operating date of October 1, 2003. Toho was created pursuant to a state legislative act, as described in Note 1 to these financial statements. The City and the County agreed to convey all assets, liabilities, and operations of their water and sewer systems to Toho. Toho issued in excess of \$118 million in revenue bonds to pay off the City's utility revenue bonds and other outstanding obligations, to acquire the rights to the County's system, to acquire seven privately owned water and sewer systems, and to provide for new construction and system expansion. Toho is obligated to provide payments to the City and the County annually. Annual amounts are to be calculated based on the gross annual revenues of the system. Toho also entered an interlocal agreement with the City of St. Cloud (City of St. Cloud Resolution No. 2022-034R) adopted February 10, 2022 to manage the City of St. Cloud's environmental utilities and exercise and implement the powers specified in the Act within the City of St. Cloud utility service area effective October 1, 2022. Toho is obligated to provide payments to the City of St. Cloud annually based on the gross annual revenues of the system with a \$3 million minimum until September 30, 2083 (Unless the City of St. Cloud exercises its right to terminate as defined in the agreement). Toho expensed approximately \$19 million under these agreements during the current fiscal year.

Litigation

Various lawsuits and claims arising in the ordinary course of operations are pending against Toho. While the ultimate effect of such litigation cannot be ascertained at this time, in the opinion of legal counsel, Toho has sufficient insurance coverage to cover any claims and/or liabilities that may arise from such action. The effect of such losses would not materially affect the financial position of Toho or the results of its operations.

Required Supplementary Information

The following supplementary schedules present trend information regarding Toho's OPEB Plan. This information is necessary for a fair presentation in conformity with GAAP.

Tohopekaliga Water Authority
Schedule of Changes in Total OPEB Liability and Related Ratios
(In Thousands)

Toho Plan							
Fiscal Year Ended September 30,	2024	2023	2022	2021	2020	2019	2018
Measurement Year Ended September 30,	2023	2022	2021	2020	2019	2018	2017
Total OPEB Liability							
Service Cost	\$ 106	\$ 170	\$ 159	\$ 181	\$ 146	\$ 127	\$ 128
Interest on the Total OPEB Liability	51	41	40	65	76	64	54
Changes of benefit terms	-	-	-	-	-	-	-
Difference between expected and actual experience of the Total OPEB Liability	-	(44)	-	(178)	-	27	-
Changes of assumptions and other inputs	(19)	(753)	26	(644)	178	(20)	(57)
Benefit payments	(47)	(74)	(49)	(86)	(63)	(55)	(29)
Net change in Total OPEB Liability	91	(660)	176	(662)	337	143	96
Total OPEB Liability – Beginning	1,070	1,730	1,554	2,216	1,879	1,736	1,640
Total OPEB Liability – Ending	\$ 1,161	\$ 1,070	\$ 1,730	\$ 1,554	\$ 2,216	\$ 1,879	\$ 1,736
Covered-Employee Payroll	\$ 33,876	\$ 22,455	\$ 22,503	\$ 18,442	\$ 19,844	\$ 18,272	\$ 15,641
Total OPEB Liability as a Percentage of Covered - Employee Payroll	3.43%	4.77%	7.69%	8.42%	11.17%	10.28%	11.10%

Notes to Schedule:

Since the measurement date is one year prior to fiscal year end, the amounts presented were determined as of the prior fiscal year ending September 30.

The discount rate was changed from 4.40% as of the beginning of the measurement period to 4.63% as of September 30, 2023. This change is reflected in the Schedule of Changes in Total OPEB Liability.

There are no assets accumulating in a trust which meet the criteria of GASB codification P22.101 or P52.101 to pay related benefits in the OPEB plan.

There were no benefit changes during the measurement period.

The information presented in the required supplementary schedules was determined as part of the actuarial valuations at the dates indicated. This schedule is presented to illustrate the requirements to show information for 10 years. However, until a full 10-year trend is compiled, Toho is showing information for those years for which information is available.

Tohopekaliga Water Authority
Schedule of Changes in Total OPEB Liability and Related Ratios
(In Thousands)

	St. Cloud Plan	
Fiscal Year Ended September 30,	2024	2023
Measurement Year Ended September 30,	2023	2022
Total OPEB Liability		
Service Cost	\$ 48	\$ 71
Interest on the Total OPEB Liability	40	24
Changes of benefit terms	-	-
Difference between expected and actual experience of the Total OPEB Liability	-	70
Changes of assumptions and other inputs	(9)	(231)
Benefit payments	(49)	(41)
Other Changes	(5)	937
Net change in Total OPEB Liability	25	830
Total OPEB Liability – Beginning	830	-
Total OPEB Liability – Ending	\$ 855	\$ 830
Covered-Employee Payroll	\$ 5,867	\$ 5,592
Total OPEB Liability as a Percentage of Covered -Employee Payroll	14.57%	14.84%

Notes to Schedule:

Since the measurement date is one year prior to fiscal year end, the amounts presented were determined as of the prior fiscal year ending September 30.

The discount rate was changed from 4.77% for the reporting period ended September 30, 2023 to 4.87% for the reporting period ended September 30, 2024. This change is reflected in the Schedule of Changes in Total OPEB Liability.

There are no assets accumulating in a trust which meet the criteria of GASB codification P22.101 or P52.101 to pay related benefits in the OPEB plan.

There were no benefit changes during the measurement period.

The information presented in the required supplementary schedules was determined as part of the actuarial valuations at the dates indicated. This schedule is presented to illustrate the requirements to show information for 10 years. However, until a full 10-year trend is compiled, Toho is showing information for those years for which information is available.

**Tohopekaliga Water Authority
Schedule of Net Pension Liability
(In Thousands)**

Kissimmee Plan						
Fiscal Year Ended September 30,	Plan Sponsor Measurement Date September 30,	Proportion of the Net Pension Liability	Proportionate Share of the Net Pension Liability	Covered Payroll	Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of Total Pension Liability
2024	2024	28.48%	\$ 5,846	\$ 3,991	146.51%	88.97%
2023	2023	27.57%	\$ 10,516	\$ 4,572	230.00%	78.62%
2022	2022	28.31%	\$ 11,420	\$ 5,332	214.19%	76.37%
2021	2021	31.39%	\$ 1,956	\$ 5,737	34.09%	96.11%
2020	2020	32.73%	\$ 7,909	\$ 6,015	131.49%	84.17%
2019	2019	37.59%	\$ 9,019	\$ 6,156	146.51%	83.32%
2018	2018	37.13%	\$ 7,422	\$ 6,526	113.74%	85.45%
2017	2017	39.14%	\$ 7,495	\$ 6,724	111.47%	85.22%
2016	2016	40.81%	\$ 9,457	\$ 6,689	141.38%	80.94%
2015	2015	41.68%	\$ 9,938	\$ 7,020	141.57%	79.18%

The schedules are intended to show information for ten years, and additional years' information will be displayed as it becomes available.

**Tohopekaliga Water Authority
Schedule of Net Pension Liability
(In Thousands)**

St. Cloud Plan						
Fiscal Year Ended	Plan Sponsor Measurement Date	Proportion of the Net Pension Liability	Proportionate Share of the Net Pension Liability	Covered Payroll	Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of Total Pension Liability
September 30,	September 30,					
2024	2024	22.69%	\$ 1,604	\$ 4,994	32.12%	92.22%
2023	2023	22.82%	\$ 3,692	\$ 4,492	82.19%	81.23%

The schedules are intended to show information for ten years, and additional years' information will be displayed as it becomes available.

Tohopekaliga Water Authority
 Schedule of Contributions
 (In Thousands)

Kissimmee Plan						
Fiscal Year Ended September 30,	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Payroll	Actual Contribution as a % of Covered Payroll	
2024	\$ 1,718	\$ 1,718	\$ -	\$ 3,991	43.05%	
2023	\$ 1,496	\$ 1,491	\$ 5	\$ 4,572	32.61%	
2022	\$ 1,505	\$ 1,505	\$ -	\$ 5,332	28.23%	
2021	\$ 1,515	\$ 1,515	\$ -	\$ 5,737	26.40%	
2020	\$ 1,424	\$ 1,430	\$ (6)	\$ 6,015	23.77%	
2019	\$ 1,631	\$ 1,631	\$ -	\$ 6,156	26.49%	
2018	\$ 1,529	\$ 1,529	\$ -	\$ 6,526	23.43%	
2017	\$ 1,507	\$ 1,507	\$ -	\$ 6,724	22.41%	
2016	\$ 1,461	\$ 1,461	\$ -	\$ 6,689	21.84%	
2015	\$ 1,544	\$ 1,500	\$ 44	\$ 7,020	21.37%	

Tohopekaliga Water Authority
Schedule of Contributions
(In Thousands)

St. Cloud Plan

Fiscal Year Ended September 30,	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Payroll	Actual Contribution as a % of Covered Payroll
2024	\$ 1,120	\$ 871	\$ 249	\$ 4,994	17.44%
2023	\$ 720	\$ 493	\$ 227	\$ 4,492	10.98%

The schedules are intended to show information for ten years, and additional years' information will be displayed as it becomes available.

Tohopekaliga Water Authority
Osceola County, Florida

Statistical Section (Unaudited)

This part of Toho’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 government’s overall financial health.

Contents	Pages
Financial Trends	50 - 51
<i>These schedules contain trend information to help the reader understand how Toho’s financial performance and well-being have changed over time.</i>	
Operating Information	52
<i>These schedules contain service and infrastructure data to help the reader understand how information in the government’s financial report relates to the services the government provides and the activities it performs.</i>	
Revenue Capacity	53 - 59
<i>These schedules contain information to help the reader assess Toho’s most significant revenue source, user rates and capacity facility charges.</i>	
Debt Capacity Information	60 - 62
<i>These schedules provide information to help the reader assess Toho’s current debt load and its ability to issue additional debt in the future.</i>	
Demographic and Economic Information	63 - 64
<i>These schedules offer demographic and economic indicators to help the reader understand the environment within which Toho’s financial activities take place.</i>	

TOHOPEKALIGA WATER AUTHORITY
Osceola County, Florida

Schedule 1

SCHEDULE OF NET POSITION (Dollars in Thousands)

For the Fiscal Year Ended September 30, 2024
with Comparative Amounts for Fiscal Years Ended September 30, 2015 through 2024 Last Ten Fiscal Years

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
ASSETS										
Current Assets										
Cash and cash equivalents	\$78,759	\$114,844	\$130,259	\$127,566	\$102,735	\$94,293	\$84,861	\$73,962	\$52,242	\$47,548
Restricted cash and cash equivalents	35,938	32,264	33,650	29,655	26,797	24,553	26,666	12,108	9,034	14,552
Accounts receivable, net	35,794	30,940	23,413	20,162	21,462	20,172	16,973	12,755	11,907	12,082
Leases receivable	310	303	297	-	-	-	-	-	-	-
Due from other governments	2,418	22,037	758	966	825	203	2,540	518	226	73
Inventory	5,058	3,513	730	1,359	1,161	775	524	734	1,176	406
Total Current Assets	\$158,277	\$203,901	\$189,107	\$179,708	\$152,980	\$139,996	131,564	100,077	74,585	74,661
NON-CURRENT ASSETS										
Leases receivable	52,807	53,117	53,419	-	-	-	-	-	-	-
Due from other governments - non-current	1,589	3,320	4,479	5,130	5,352	-	-	-	-	-
Restricted cash and cash equivalents	143,815	127,005	59,798	85,295	113,512	58,120	61,854	43,568	42,835	31,159
Restricted investments	102,124	95,478	92,936	97,459	82,116	78,970	75,641	98,910	91,789	60,346
Restricted accounts receivable	7,274	8,112	5,077	2,533	3,278	1,368	3,964	1,003	1,339	1,368
Restricted construction deposits in escrow	4,579	1,759	1,148	1	342	320	330	1,408	2,519	4,774
Total Restricted Assets	312,188	288,791	216,857	190,418	204,600	138,778	141,789	144,889	138,482	97,647
Capital Assets										
Land	33,612	32,718	22,632	22,627	22,498	19,486	19,486	19,486	19,501	18,397
Water plant and equipment	61,772	517,680	452,836	429,598	415,192	391,148	372,994	365,216	354,716	337,713
Sewer plant and equipment	1,684,310	928,805	816,772	760,215	725,292	660,079	605,253	566,771	540,548	512,957
General plant and equipment	28,660	58,401	51,767	50,686	46,742	43,202	41,727	39,924	37,083	36,117
Right to Use Assets	3,478	30,474	-	-	-	-	-	-	-	-
Construction-in-progress	175,157	129,038	129,013	56,177	33,177	56,353	42,276	29,691	21,539	23,573
Less: Accumulated depreciation	(547,227)	(495,044)	(444,719)	(404,885)	(366,697)	(331,585)	(300,047)	(276,085)	(247,658)	(221,563)
Total Capital Assets (Net)	1,439,762	1,202,072	1,028,301	914,418	876,204	838,684	781,689	745,003	725,728	707,194
Deferred loss on refunding	17,502	19,230	20,959	3,856	3,169	10,956	11,582	12,208	12,834	12,189
Deferred outflows related to pensions	1,760	5,021	8,883	1,446	997	4,280	2,553	-	-	-
Deferred outflows related to OPEB	338	362	221	198	210	23	-	1,529	2,341	1,461
Total Deferred Outflows of Resources	19,600	24,613	30,063	5,500	4,376	15,259	14,135	13,737	15,175	13,650
Total Assets and Deferrals	\$ 1,929,827	\$ 1,719,377	\$ 1,464,328	\$ 1,290,044	\$ 1,238,160	\$ 1,132,717	\$ 1,069,177	\$ 1,003,706	\$ 953,970	\$ 893,152
LIABILITIES AND NET POSITION										
Current Liabilities										
Accounts payable	\$43,230	\$41,158	\$34,813	\$12,273	\$10,788	\$10,810	\$21,225	\$10,724	\$7,036	\$11,548
Accrued liabilities	2,298	1,579	1,180	1,020	848	640	547	481	400	232
Other liabilities	266	270	211	150	126	80	71	46	32	17
Contracts payable	2,781	2,077	1,585	479	753	1,824	896	214	413	679
Compensated absences payable	1,328	1,254	1,002	632	596	544	584	485	437	420
SBITA Liability	465	307	-	-	-	-	-	-	-	-
Current liabilities payable from restricted assets:										
Accounts payable	-	1,303	3,427	1,958	1,211	-	2,220	1,971	965	-
Contracts payable	2,319	1,230	3,387	2,033	1,073	1,386	1,665	1,223	541	283
Sunbridge Facilities Payable	2,600	-	-	-	-	-	-	-	-	-
Revenue bonds and note payable	9,810	9,360	9,250	9,294	8,789	8,601	8,404	1,175	1,365	7,123
Accrued interest payable	4,301	4,529	4,334	4,457	4,851	4,060	4,257	282	307	4,242
Deposits	16,908	15,842	13,252	11,913	10,873	10,506	10,120	7,457	5,856	2,904
Total Current Liabilities	\$86,306	\$78,909	\$72,441	\$44,209	\$39,908	\$38,451	\$49,989	\$24,058	\$17,352	27,448
Non-Current Liabilities										
Compensated absences payable	2,659	2,427	1,516	1,618	1,446	1,298	1,143	1,108	1,034	961
OPEB payable	2,016	1,900	1,730	1,554	2,216	1,879	1,736	1,076	922	801
Net Pension Liability	7,450	14,208	11,420	1,956	7,909	9,019	7,422	7,495	9,457	6,277
Unearned revenue	2,665	-	-	-	-	-	-	-	-	-
SBITA Liability	864	191	-	-	-	-	-	-	-	-
Sunbridge Facilities Payable	23,964	-	-	-	-	-	-	-	-	-
Revenue bonds and note payables	236,104	247,909	230,604	222,525	231,778	202,407	211,008	219,412	227,662	186,932
Total Non-Current Liabilities	275,722	266,635	245,270	227,653	243,349	214,603	221,309	229,091	239,075	194,971
Total Liabilities	362,028	345,544	317,711	271,862	283,257	253,054	271,298	253,149	256,427	222,419
Deferred Inflows of Resources										
Deferred inflows of resources related to pensions	2,732	443	4,316	5,883	1,055	1,424	1,548	879	-	817
Deferred inflows of resources related to OPEB	1,366	1,588	646	760	-	60	50	-	-	-
Deferred inflows of resources related to Leases	52,162	52,902	53,642	-	-	-	-	-	-	-
Total Deferred Inflows of Resources	56,260	54,933	58,604	6,643	1,055	1,484	1,598	879	-	817
Total Liabilities and Deferrals	418,288	400,477	376,315	278,505	284,312	254,538	272,896	254,028	256,427	223,236
Net Position										
Net investment in capital assets	1,178,530	956,470	797,252	680,943	638,806	638,632	573,859	536,624	509,535	525,328
Restricted - system development charges	210,456	216,233	123,301	151,746	155,281	135,434	122,469	110,298	92,125	92,099
Restricted - bond projects	-	-	6,144	26,038	37,939	-	3,568	29,018	41,818	-
Unrestricted	122,553	146,197	161,316	152,812	121,822	104,113	96,385	73,738	54,065	52,489
Total Net Position	\$ 1,511,539	\$ 1,318,900	\$ 1,088,013	\$ 1,011,539	\$ 953,848	\$ 878,179	\$ 796,281	\$ 749,678	\$ 697,543	\$ 669,916

Source: Tohopekaliga Water Authority

TOHOPEKALIGA WATER AUTHORITY
Osceola County, Florida

Schedule 2

**SCHEDULE OF REVENUES, EXPENSES AND
 CHANGES IN NET POSITION (Dollars in Thousands)**

For the Fiscal Year Ended September 30, 2024
 with Comparative Amounts for Fiscal Years Ended September 30, 2015 through 2024 Last Ten Fiscal Years

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Operating Revenue										
Charges for services	\$221,399	\$198,400	\$150,435	\$138,751	\$130,813	\$126,799	\$117,913	\$110,911	\$96,486	\$87,150
Miscellaneous revenues	1,270	888	564	766	753	759	649	708	654	637
Total Operating Revenue	222,669	199,288	150,999	139,517	131,566	127,558	118,562	111,619	97,140	87,787
Operating Expenses										
Personnel services	53,216	49,908	34,713	30,575	29,134	27,433	25,537	24,323	24,697	21,002
Contracted services	17,620	16,500	12,651	11,057	13,097	10,477	8,965	8,518	10,036	7,470
Supplies and materials	15,373	12,755	6,586	5,395	5,337	5,136	4,484	4,657	4,091	4,041
Repairs and maintenance	15,936	15,624	11,453	10,158	8,531	7,605	6,784	6,688	7,006	6,068
Payments in lieu of taxes	19,413	17,711	12,520	11,574	10,851	10,800	9,990	9,478	8,264	7,456
Other services and charges	23,698	18,516	13,839	11,945	10,762	10,975	10,586	9,949	9,612	8,968
Depreciation & Amortization	56,349	48,049	41,488	40,213	36,976	33,753	32,135	29,559	27,706	26,021
Total Operating Expenses	201,605	179,063	133,250	120,917	114,688	106,179	98,481	93,172	91,412	81,026
Operating Income	21,064	20,225	17,749	18,600	16,878	21,379	20,081	18,447	5,728	6,761
Non-Operating Revenues (Expenses)										
Investment income (loss)	22,946	12,576	(7,916)	906	7,185	8,832	2,281	1,695	1,424	1,263
Interest and fiscal charges expense	(8,641)	(8,822)	(8,895)	(8,598)	(8,677)	(8,748)	(9,113)	(9,421)	(9,308)	(9,171)
Other	(1,572)	169	1,647	2,576	(272)	334	(17,060)	555	410	131
Total Non-Operating Revenues (Expenses)	12,733	3,923	(15,164)	(5,116)	(1,764)	418	(23,892)	(7,171)	(7,474)	(7,777)
Income/(Loss) Before Contributions	33,797	24,148	2,585	13,484	15,114	21,797	(3,811)	11,276	(1,746)	(1,016)
Capital Contributions										
Federal, state, and local capital gains	-	364	2,197	-	(16)	20	725	448	-	165
Developers	158,842	87,983	71,692	44,207	60,571	60,081	50,310	40,411	29,373	21,615
Total Capital Contributions	158,842	88,347	73,889	44,207	60,555	60,101	51,035	40,859	29,373	21,780
Special Item:										
Transfer of operations from City of St. Cloud	-	118,392	-	-	-	-	-	-	-	-
Change in Net Position	192,639	230,887	76,474	57,691	75,669	81,898	47,224	52,135	27,627	20,764
Net Position Beginning of Year	1,318,900	1,088,013	1,011,539	953,848	878,179	796,281	749,678	697,543	669,916	656,583
Restatement - for Implementation of GASB 68 & 65	-	-	-	-	-	-	(621)	-	-	(7,431)
Total Net Position - Beginning Restated	1,318,900	1,088,013	1,011,539	953,848	878,179	796,281	749,057	697,543	669,916	649,152
Net Position - Ending	\$1,511,539	\$1,318,900	\$1,088,013	\$1,011,539	\$953,848	\$878,179	\$796,281	\$749,678	\$697,543	\$669,916

Source: Tohopekaliga Water Authority

SCHEDULE OF TOTAL ACTIVE EMPLOYEES BY DEPARTMENT

For the Fiscal Year Ended September 30, 2024

CHANGES FROM YEAR TO YEAR - LAST TEN FISCAL YEARS

Department	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Operations:										
Field Services	105	100	80	59	70	73	73	71	67	70
Plant and Support Operations	161	146	99	116	104	97	97	98	95	95
Asset & Infrastructure (incl. Engineering)	60	64	49	45	41	36	33	32	28	26
Financial Services	21	19	22	19	16	16	16	15	15	16
Stake Holder Services										
Customer Service	116	107	70	68	64	59	60	60	51	41
Information Technology	21	15	23	21	18	15	15	14	12	12
Others (Business & Environmental Services)	42	44	24	0	0	0	0	0	0	0
Human Resources & Records Management	24	16	10	10	8	8	8	7	8	6
Office of the General Counsel	5	5	3	3	3	2	1	2	2	1
Administration	7	2	7	11	14	13	14	13	15	16
Total	562	518	387	352	338	319	317	312	293	283

SCHEDULE OF HISTORICAL ANNUAL NUMBER OF RETAIL WATER

For the Fiscal Year Ended September 30, 2024

WASTEWATER & RECLAIMED WATER CUSTOMERS & USAGE - LAST TEN FISCAL YEARS

	2024	2023	2022	2021	2020	2019	2018	2017	2016 ¹	2015
Water Service										
<u>Residential</u>										
Average Monthly Customers ¹	150,989	148,783	113,820	109,572	105,116	100,873	96,461	93,199	89,215	82,043
Average Monthly Consumption (000s)	715,758	723,354	549,554	537,879	499,617	464,681	450,455	412,215	404,663	380,303
Total Billed Usage	8,589,099	8,680,244	6,594,653	6,454,549	5,995,398	5,576,167	5,405,464	4,946,584	4,855,959	4,563,632
Average Monthly Use Per Customer	4,740	4,862	4,828	4,909	4,753	4,607	4,670	4,423	4,536	4,635
<u>Commercial</u>										
Average Monthly Customers ¹	8,840	8,642	7,213	7,147	6,973	6,925	6,704	6,740	7,540	11,167
Average Monthly Consumption (000s)	461,851	459,745	407,459	365,307	360,926	387,641	366,345	378,890	377,871	370,920
Total Billed Usage	5,542,213	5,516,937	4,889,506	4,383,687	4,331,108	4,651,686	4,396,134	4,546,674	4,534,448	4,451,045
Average Monthly Use Per Customer	52,246	53,199	56,490	51,113	51,760	55,977	54,646	56,215	50,115	33,216
Irrigation Service										
<u>General Service</u>										
Average Monthly Customers	24,750	24,043	17,882	17,753	17,267	17,201	16,957	16,636	16,460	16,251
Average Monthly Consumption (000s)	177,065	168,150	94,633	94,092	96,474	99,199	95,937	99,568	96,675	93,405
Total Billed Usage	2,124,783	2,017,799	1,135,590	1,129,100	1,157,684	1,190,388	1,151,245	1,194,811	1,160,094	1,120,858
Average Monthly Use Per Customer	7,154	6,994	5,292	5,300	5,587	5,767	5,658	5,985	5,873	5,748
Wastewater Service										
<u>Residential</u>										
Average Monthly Customers ¹	143,136	139,678	108,426	98,961	99,490	95,593	91,236	88,381	84,007	76,287
Average Monthly Consumption (000s)	658,062	661,352	519,161	506,925	465,896	435,995	421,377	380,652	379,958	346,883
Total Billed Usage	7,896,740	7,936,226	6,229,927	6,083,095	5,590,755	5,231,945	5,056,526	4,567,828	4,559,490	4,162,595
Average Monthly Use Per Customer	4,597	4,735	4,788	5,122	4,683	4,561	4,619	4,307	4,523	4,547
<u>Commercial</u>										
Average Monthly Customers ¹	6,961	6,809	6,354	6,306	6,267	6,129	5,945	5,832	6,809	10,533
Average Monthly Consumption (000s)	414,517	411,398	355,336	323,945	311,045	346,222	330,833	328,527	336,972	330,310
Total Billed Usage	4,974,206	4,936,778	4,264,030	3,887,341	3,732,542	4,154,669	3,969,996	3,942,323	4,043,664	3,963,725
Average Monthly Use Per Customer	59,549	60,420	55,923	51,371	49,632	56,489	55,649	56,332	49,489	31,360
Reclaimed Water Service										
<u>General Service</u>										
Average Monthly Customers	37,238	34,016	23,301	21,987	20,192	18,797	17,201	15,756	14,565	13,527
Average Monthly Consumption (000s)	780,543	739,172	592,719	565,389	542,852	531,948	444,639	386,532	332,068	298,480
Total Billed Usage	9,366,518	8,870,068	7,112,629	6,784,664	6,514,220	6,383,375	5,335,665	4,638,382	3,984,815	3,581,755
Average Monthly Use Per Customer	20,961	21,730	25,437	25,715	26,884	28,300	25,850	24,532	22,799	22,065

¹ Short-Term Rental classification was transferred to Residential class from Commercial

SCHEDULE OF WATER PRODUCTION CAPACITY

For the Fiscal Year Ended September 30, 2024

Water Treatment Plants	Permitted (MGD)	Average Flow (MGD)	Max Day Flow (MGD)
Toho I (Kissimmee System)			
Eastern Regional System:			
Richard McLaughlin	19.964	14.137	17.450
Parkway	11.230	4.729	7.186
Camelot West	5.650	3.652	5.093
Western Regional System:			
Northwest	9.360	4.579	6.209
Southwest	8.640	4.112	6.700
Spring Lake Village & Morningside	0.806	0.000	0.000
Hidden Glen	0.024	0.003	0.006
Sunbridge	1.000	0.686	1.210
Toho II (Harmony System)	1.296	0.772	1.051
Toho III (formerly Florida Water Utility Systems)			
Buenaventura Lakes	5.040	2.206	4.306
Bay Lake Estates	0.198	0.000	0.000
Intercession City (Offline)	0.198	0.000	0.000
Toho IV (Poinciana Utility System)			
Peabody	3.940	2.729	4.099
Huron	4.810	3.601	4.051
Bella Lago	4.608	1.542	3.790
Toho V (St. Cloud Utility System)			
WTP1	2.000	1.579	2.052
WTP2	4.806	0.000	0.000
WTP4	9.000	6.615	7.935
Harmony	1.296	0.772	1.051

Source: Tohopekaliga Water Authority

SCHEDULE OF WASTEWATER TREATMENT CAPACITY

For the Fiscal Year Ended September 30, 2024

Wastewater Treatment Plants	Permitted (MGD)	Average Flow (MGD)	Max Day Flow (MGD)
Toho I (Kissimmee System)			
South Bermuda WRF	14.000	12.758	16.692
Camelot WRF	5.000	4.120	8.320
Parkway WRF	1.500	1.273	1.855
Sandhill WRF	7.500	5.922	8.338
Sunbridge WRF	3.500	0.545	0.814
Effluent Disposal Sites:			
Champions Gate (Imperial)	15.120	8.473	16.870
Daniels	0.000	0.000	0.000
Sandhill RIBs	2.000	0.885	2.264
Pine Island Sprayfield	1.600	0.706	2.676
Lake Marion RIBs	0.499	0.207	3.145
Harmony RIBs	0.180	0.018	0.342
Parkway RIBs	1.500	0.042	1.213
Toho II (Harmony WRF)	0.499	0.379	0.511
Toho IV (Poinciana Utility System)			
Cypress West WRF	6.000	3.381	5.928
Walnut Drive WRF	0.850	0.785	1.558
Lake Marion WRF	3.000	1.905	3.051
Toho V (Saint Cloud System)			
Southside WRF	7.600	5.110	7.481

Source: Tohopekaliga Water Authority

TOHOPEKALIGA WATER AUTHORITY
Osceola County, Florida

Schedule 7

SCHEDULE OF MONTHLY BILL RATE COMPARISON
WITH OTHER FLORIDA MUNICIPAL UTILITY SYSTEMS
For the Fiscal Year Ended September 30, 2024
with Comparative Usage At 4,000 Gallons

	<u>Water</u>	<u>Wastewater</u>	<u>Combined</u>
Toho Water Authority	\$12.55	\$36.15	\$48.70
Orange County	\$14.42	\$36.89	\$51.31
City of Orlando/OUC	\$13.50	\$43.47	\$56.97
Winter Haven	\$15.42	\$30.91	\$46.33
Lakeland	\$20.20	\$39.27	\$59.47
Seminole County	\$21.89	\$49.65	\$71.54

Source: Tohopekaliga Water Authority

TOHOPEKALIGA WATER AUTHORITY
Osceola County, Florida

Schedule 8

SCHEDULE OF SYSTEM DEVELOPMENT CHARGES COMPARISON
 WITH OTHER FLORIDA MUNICIPAL UTILITY SYSTEMS
 For the Fiscal Year Ended September 30, 2024
 with Comparative Per Equivalent Residential Connection (ERC)

	<u>Water</u>	<u>Wastewater</u>	<u>Combined</u>
Toho Water Authority ⁽¹⁾	\$3,293	\$4,151	\$7,444
Lakeland	\$1,050	\$1,916	\$2,966
Seminole County	\$2,574	\$3,175	\$5,749
City of Orlando	\$1,970	\$2,538	\$4,508
Orange County	\$1,970	\$3,570	\$5,540
Winter Haven	\$1,670	\$4,197	\$5,867

Note:

(1) Water \$8.23 Per ERC @ 400 GPD and Wastewater \$15.04 Per ERC @ 276 GPD.

SCHEDULE OF TEN LARGEST WATER CUSTOMERS

For the Fiscal Year Ended September 30, 2024
 Consumption Reported in 1,000 Gallons

	Water Customer	Consumption	Revenues	% of Revenue
1	Enterprise Comm Dev Dist	524,763	\$870,227	1.68%
2	Quaker Oats	150,545	336,239	0.65%
3	Wesgate Vacation Villas	104,511	335,485	0.65%
4	Good Samaritan Village	83,495	128,018	0.25%
5	Holiday Inn Club Vacations	83,213	392,718	0.76%
6	Orange Co Utilities	79,413	122,008	0.24%
7	Opryland Hotel	78,615	389,077	0.75%
8	Vacation Village At Parkway	68,940	164,911	0.32%
9	Goldem at Valencian LLC	46,059	102,578	0.20%
10	Rida	44,908	185,903	0.36%
	Total	1,264,462	\$3,027,164	5.86%

Source: Tohopekaliga Water Authority

SCHEDULE OF TEN LARGEST WASTEWATER CUSTOMERS

For the Fiscal Year Ended September 30, 2024
Consumption Reported in 1,000 Gallons

	Wastewater Customer	Consumption	Revenues	% of Revenue
1	Enterprise Comm Dev Dist	463,056	\$2,624,579	2.25%
2	Opryland	172,391	\$1,303,490	1.12%
3	Holiday Inn Club Vacations	169,074	\$1,315,498	1.13%
4	Wesgate Vacation Villas	138,083	\$1,068,267	0.92%
5	Vacation Village At Parkway	69,218	\$552,821	0.47%
6	Orange Co Utilities	67,028	\$360,498	0.31%
7	Rida	63,093	\$446,254	0.38%
8	Luxury Residentail Resorts	60,657	\$433,015	0.37%
9	Goldem At Valencian	46,059	\$343,234	0.29%
10	Seralago Hotel & Suites	37,017	\$289,108	0.25%
	Total	1,285,676	\$8,736,764	7.49%

Source: Tohopekaliga Water Authority

TOHOPEKALIGA WATER AUTHORITY
Osceola County, Florida

Schedule 11

SCHEDULE OF TOTAL OUTSTANDING INDEBTEDNESS (Dollars in Thousands)

For the Fiscal Year Ended September 30, 2024

Revenue Bond & Note Issues - Yearly Debt Service							Total Debt
Fiscal Year	2009	2016	2020	2021	2022	SBITA Liability	Service
2025	1,140	14,424	1,908	184	757	471	18,884
2026	1,141	14,421	40,068	183	757	287	56,857
2027	1,141	14,422	0	193	29,417	315	45,488
2028	1,141	7,380	0	7,183		347	16,051
2029	1,138	7,389	0	7,192			15,719
2030	1,140	14,805	0				15,945
2031	0	14,822	0				14,822
2032	0	14,823	0				14,823
2033	0	14,824	0				14,824
2034	0	14,821	0				14,821
2035	0	14,822	0				14,822
2036	0	14,824	0				14,824
2037	0	14,820	0				14,820
2038	0	1,973	0				1,973
2039	0	1,977	0				1,977
2040	0	1,974	0				1,974
2041	0	1,974	0				1,974
2042	0	1,977	0				1,977
2043	0	1,972	0				1,972
2044	0	1,975	0				1,975
2045	0	1,974	0				1,974
2046	0	1,973	0				1,973
2047	0	1,974	0				1,974
TOTAL	\$6,841	\$196,340	\$41,976	\$14,935	\$30,931	\$1,420	\$292,443

Source: Tohopekaliga Water Authority

TOHOPEKALIGA WATER AUTHORITY
Osceola County, Florida

Schedule 12

SCHEDULE OF PRINCIPAL PORTION OF OUTSTANDING DEBT (Dollars in Thousands)
 PER CUSTOMER BILLED SERVICE

For the Fiscal Year Ended September 30, 2024

<u>Fiscal Year</u>	<u>Revenue Bonds</u>	<u>Revenue Notes</u>	<u>State Loans</u>	<u>Total Outstanding</u>	<u>Total Billed Services</u>	<u>Per Billed Service</u>
2024	\$226,525	\$6,050	\$0	\$232,575	392,340	\$593
2023	\$235,000	\$6,935	\$0	\$241,935	371,625	\$651
2022	\$214,485	\$8,040	\$0	\$222,525	281,237	\$791
2021	\$222,280	\$9,538	\$0	\$231,818	271,960	\$852
2020	\$215,200	\$25,367	\$0	\$240,567	261,804	\$919
2019	\$183,990	\$27,018	\$0	\$211,008	249,868	\$844
2018	\$190,630	\$28,782	\$0	\$219,412	238,418	\$920
2017	\$190,630	\$29,957	\$0	\$220,587	229,067	\$963
2016	\$196,990	\$32,037	\$0	\$229,027	221,778	\$1,033
2015	\$120,550	\$73,505	\$0	\$194,055	213,330	\$910
2014	\$125,250	\$74,550	\$0	\$199,800	205,674	\$971
2013	\$129,430	\$76,655	\$0	\$206,085	198,897	\$1,036
2012	\$100,265	\$116,525	\$0	\$216,790	192,879	\$1,124
2011	\$190,275	\$25,440	\$0	\$215,715	189,054	\$1,141
2010	\$191,060	\$26,000	\$73	\$217,133	182,842	\$1,188
2009	\$194,995	\$1,000	\$0	\$195,995	179,154	\$1,094
2008	\$198,975	\$0	\$0	\$198,975	179,154	\$1,111

Source: Tohopekaliga Water Authority

SCHEDULE OF DEBT SERVICE COVERAGE (Dollars in Thousands)

For the Fiscal Year Ended September 30, 2024
with Comparative Amounts for Fiscal Years Ended September 30, 2015 through 2024 Last Ten Fiscal Years

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Total Gross Revenues ⁽¹⁾	\$228,952	\$203,535	\$151,647	\$141,253	\$134,534	\$130,268	\$120,133	\$112,402	\$97,725	\$88,232
Total Operating Expenses ⁽²⁾	127,156	113,989	79,243	69,130	66,861	61,626	56,356	54,135	55,442	47,549
Net Operating Income	101,796	89,546	72,404	72,123	67,673	68,642	63,777	58,267	42,283	40,683
Debt Service Requirement ⁽³⁾	18,190	18,106	17,930	18,401	17,531	16,721	16,350	16,338	15,273	14,322
Debt Service Coverage Calculation	5.60	4.95	4.04	3.92	3.86	4.11	3.90	3.57	2.77	2.84
Net Revenues After Debt Service	\$83,606	\$71,440	\$54,474	\$53,722	\$50,142	\$51,921	\$47,427	\$41,929	\$27,010	\$26,361
Total Revenues - Capital Facilities Charges ⁽⁴⁾	\$60,433	\$62,385	\$40,411	\$29,566	\$35,994	\$41,774	\$36,949	\$29,952	\$21,053	\$16,094

(1) Pursuant to the bond resolution, total gross revenues include customer charges, miscellaneous customer charges, other revenues associated with the application of miscellaneous fees, and charges to customers of the Toho System, and interest investment earnings on available funds of the Toho System on available unrestricted funds of the Authority. Amounts do not include unrealized gains (or losses), earnings on System Development Charges or project funds, if any, and gain on disposal of asset

(2) Pursuant to the bond resolution, the expenses do not include depreciation, amortization, and government transfers.

(3) Does not include early retirement of debt

(4) Include Capital Facilities or System Development Charges (Impact Fees) for Water, Wastewater, and Interest income, however, unrealized gains (or losses) is excluded.

SELECTED OSCEOLA COUNTY DEMOGRAPHIC INFORMATION

Population

Population (Census, Estimates, & Projections)	Osceola County	Florida
2010 Census	268,685	18,801,332
2020 Census	388,656	21,538,187
% change 2000-10	44.7%	14.6%
2021 Estimate	406,460	21,898,945
% change 2020-21	4.6%	1.7%
2022 Estimate	424,946	22,276,132
% change 2020-22	9.3%	3.4%
2023 Estimate	439,225	22,634,867
% change 2020-23	13.0%	5.1%
2024 Estimate	451,231	23,014,551
% change 2020-2024	16.1%	6.9%
2025 Projection based on 2023 Estimate	469,033	23,292,200
2030 Projection based on 2023 Estimate	531,640	24,698,545
2035 Projection based on 2023 Estimate	582,273	25,814,954
Persons per square mile		
2000	130.5	296.4
2010	202.4	350.6
2020	292.8	401.4
2023	330.9	421.9
2024	339.9	429.0

Population Characteristics

	Osceola County	Florida
Language spoken at home (% of total persons aged 5 and over)		
Speak only English	46.4%	69.9%
Speak language other than English	53.6%	30.1%
Speak English "very well"	32.4%	18.0%
Place of birth		
Foreign born	25.0%	24.4%
Veteran Status		
Civilian population 18 and over	6.0%	7.7%

Households and Family Households

Households	Osceola County	Florida
Total households, 2000 Census	60,977	6,338,075
Total households, 2010 Census	90,603	7,420,802
% change 2000-10	48.6%	17.1%
Family households, 2010 Census	68,547	4,835,475
% with own children under 18	47.6%	40.0%
Average Household Size, 2010 Census	2.93	2.48
Average Family Size, 2010 Census	3.30	3.01
Total households, 2020 Census	130,574	8,529,067
Family households, 2020 Census	99,031	5,571,482
% with own children under 18	42.9%	36.0%

According to Census definitions, a household includes all of the people who occupy a housing unit. The occupants may be a single family, one person living alone, two or more families living together, or any other group of related or unrelated people who share living quarters. A family includes a householder and one or more other people living in the same household who are related to the householder by birth, marriage, or adoption.

Education

	Osceola County	Florida
Public Education Institutions (2023-24)		
Total	75	3,787
Elementary	30	1,877
Middle	10	565
Senior High	17	729
Combination	18	616
Educational attainment		
Persons aged 25 and older		
% HS graduate or higher	88.6%	89.6%
% bachelor's degree or higher	28.3%	33.2%

Housing

Population by Housing Type	Osceola County	Florida
Household Population	385,751	21,073,604
Household Population/Occupied Unit	2,95	2,47
Group Quarters Population	2,905	464,583
Housing Counts		
Housing units, 2020 Census	154,680	9,865,350
Occupied	130,574	8,529,067
Vacant	24,106	1,336,283
Units Permitted		
2015	6,760	109,924
2016	4,297	116,240
% change 2015-16	57.3%	-5.4%
2017	4,785	122,719
% change 2016-17	10.2%	5.3%
2018	9,759	144,427
% change 2017-18	51.0%	15.0%
2019	7,937	154,302
% change 2018-19	-23.0%	6.4%
2020	5,848	164,074
% change 2019-20	-35.7%	6.0%
2021	10,003	213,494
% change 2020-21	41.5%	23.1%
2022	7,383	211,962
% change 2021-22	-35.5%	-0.7%
2023	8,255	193,788
% change 2022-23	-10.6%	9.4%
Total Units Permitted 2015-2023	65,027	1,430,930

State Infrastructure

Transportation	Osceola County	Florida
State Highway		
Centerline Miles	202.6	12,189.9
Lane Miles	766.7	45,742.2
State Bridges		
Number	185	12,887
State Facilities		
Buildings/Facilities (min. 300 Sq.Ft)		
Number	81	15,621
Square Footage	877,339	234,848,202
State Lands		
Conservation Lands (land acres only)		
State-Owned (includes partially-owned)	196,187	5,689,323
% of Total Conservation Land (CL)	95.5%	54.9%
% of Total Area Land	23.1%	16.6%
% of Florida State-Owned CL	3.4%	

Health Insurance Status

Percent Insured by Age Group	Osceola County	Florida
Under 65 years	86.8%	86.1%
Under 19 years	94.2%	92.7%
18 to 64 years	83.9%	83.8%

Prepared by:

Florida Legislature
 Office of Economic and Demographic Research
 111 W. Madison Street, Suite 574
 Tallahassee, FL 32399-6588
 (850) 487-1402 <http://edr.state.fl.us>



December 2024

SELECTED OSCEOLA COUNTY DEMOGRAPHIC INFORMATION

Employment by Industry

Average Annual Employment, % by Category, 2023			Average Annual Wage, 2023		
	Osceola County	Florida		Osceola County	Florida
All Industries	110,846	9,359,143	All Industries	\$50,127	\$66,446
Natural Resource & Mining	0.3%	0.8%	Natural Resource & Mining	\$48,315	\$46,398
Construction	6.1%	6.4%	Construction	\$58,258	\$66,902
Manufacturing	2.1%	4.4%	Manufacturing	\$63,366	\$78,331
Trade, Transportation and Utilities	21.1%	20.5%	Trade, Transportation and Utilities	\$38,325	\$59,161
Information	0.7%	1.7%	Information	\$83,307	\$112,704
Financial Activities	4.5%	7.0%	Financial Activities	\$61,017	\$101,130
Professional & Business Services	12.8%	16.9%	Professional & Business Services	\$64,961	\$83,076
Education & Health Services	16.8%	14.8%	Education & Health Services	\$60,908	\$63,868
Leisure and Hospitality	20.5%	13.2%	Leisure and Hospitality	\$33,906	\$35,528
Other services	2.6%	3.0%	Other services	\$41,448	\$49,293
Government	12.3%	11.2%	Government	\$57,119	\$67,715

Labor Force

Labor Force as Percent of Population Aged 18 and Older			Unemployment Rate		
	Osceola County	Florida		Osceola County	Florida
2010	68.7%	61.8%	2010	12.1%	10.8%
2020	63.6%	58.1%	2020	14.1%	8.1%
2021	60.4%	59.1%	2021	6.2%	4.7%
2022	60.6%	59.8%	2022	3.5%	3.0%
2023	60.6%	60.4%	2023	3.4%	2.9%

Financial Health

Personal Income (\$000s)		
	Osceola County	Florida
2016	\$10,774,486	\$954,069,719
2017	\$11,711,284	\$1,023,131,116
% change 2016-17	8.7%	7.2%
2018	\$12,801,899	\$1,087,188,628
% change 2017-18	9.3%	6.3%
2019	\$13,566,532	\$1,139,799,293
% change 2018-19	6.0%	4.8%
2020	\$15,535,705	\$1,220,782,745
% change 2019-20	14.5%	7.1%
2021	\$17,847,618	\$1,358,786,260
% change 2020-21	14.9%	11.3%
2022	\$18,974,153	\$1,436,107,237
% change 2021-22	6.3%	5.7%
2023	\$20,936,530	\$1,553,426,399
% change 2022-23	10.3%	8.2%

Earnings by Place of Work

Earnings (\$000s)		
	Osceola County	Florida
2016	\$4,957,623	\$569,769,284
2017	\$5,298,597	\$603,668,170
% change 2016-17	6.9%	5.9%
2018	\$5,683,745	\$639,620,451
% change 2017-18	7.3%	6.0%
2019	\$6,126,308	\$671,553,148
% change 2018-19	7.8%	5.0%
2020	\$6,098,522	\$684,270,758
% change 2019-20	-0.5%	1.9%
2021	\$7,145,068	\$771,654,020
% change 2020-21	17.2%	12.8%
2022	\$8,207,284	\$841,921,275
% change 2021-22	14.9%	9.1%
2023	\$8,793,097	\$908,448,362
% change 2022-23	7.1%	7.9%

Quality of Life

Per Capita Personal Income		
	Osceola County	Florida
2016	\$31,860	\$46,253
2017	\$33,148	\$48,774
% change 2016-17	4.0%	5.5%
2018	\$34,848	\$48,774
% change 2017-18	5.1%	0.0%
2019	\$36,258	\$51,150
% change 2018-19	4.0%	4.9%
2020	\$39,719	\$56,540
% change 2019-20	9.5%	10.5%
2021	\$44,178	\$62,242
% change 2020-21	11.2%	10.1%
2022	\$44,905	\$64,557
% change 2021-22	1.6%	3.7%
2023	\$47,824	\$68,703
% change 2022-23	6.5%	6.4%

Median Income		
	Osceola County	Florida
Median Household Income	\$68,711	\$71,717
Median Family Income	\$76,195	\$86,121

Poverty, 2023		
	Osceola County	Florida
% living in poverty	10.9%	12.4%
% ages 5-17 living in poverty	14.2%	15.3%

Crime		
	Osceola County	Florida
Crime rate, 2020 (index crimes per 100,000 population)	1,920.4	2,158.0
Admissions to prison FY 2023-24	320	27,227
Admissions to prison per 100,000 population FY 2023-24	70.9	118.3

State and Local Taxation

Workers Aged 16 and Over	Osceola County	
	Osceola County	Florida
Place of Work in Florida		
Worked outside county of residence	47.4%	17.2%
Travel Time to Work		
Mean travel time to work (minutes)	35.4	28.0

2024 Ad Valorem Millage Rates	Osceola County	
	County-Wide	Not County-Wide*
County	6.8626	0.8528
School	5.3430	
Municipal		1.0693
Special Districts	0.3000	0.4481

*MSTU Included in Not County Wide "County" category

Personal Bankruptcy Filing Rate (per 1,000 population)		
	Osceola County	Florida
12-Month Period Ending Sept 30, 2022	1.48	1.14
12-Month Period Ending Sept 30, 2023	1.44	1.16
State Rank	4	NA

NonBusiness Chapter 7 & Chapter 13

Prepared by: Florida Legislature Office of Economic and Demographic Research 111 W. Madison Street, Suite 574 Tallahassee, FL 32399-6588 (850) 487-1402 http://edr.state.fl.us	 December 2024
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Tohopekaliga Water Authority
Osceola County, Florida

Compliance Section

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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*

To the Board of Supervisors of the
Tohopekaliga Water Authority
Osceola County, 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 basic financial statements, as listed in the table of contents, of the Tohopekaliga Water Authority (Toho) as of and for the fiscal year ended September 30, 2024, and have issued our report thereon dated March 3, 2025.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Toho'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 opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Toho's internal control. Accordingly, we do not express an opinion on the effectiveness of Toho'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 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 over financial reporting that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Toho's financial statements are free of 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*.

To the Board of Supervisors of the
Tohopekaliga Water Authority

Pursuant to provisions of Chapter 10.550, *Rules of the Auditor General*, we reported certain matters to management in a separate management letter and Independent Accountant's Report dated March 3, 2025.

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 Toho's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Toho's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Forvis Mazars, LLP

**Orlando, Florida
March 3, 2025**

Independent Auditor's Management Letter

To the Board of Supervisors of the
Tohopekaliga Water Authority
Osceola County, Florida

Report on the Financial Statements

We have audited the financial statements of the Tohopekaliga Water Authority (Toho) as of and for the fiscal year ended September 30, 2024, and have issued our report thereon dated March 3, 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 on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*; and Independent Accountant's 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 March 3, 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. There were no findings or recommendations made in the preceding annual financial 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 is disclosed in the notes to the financial statements.

Financial Condition and Management

Sections 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 Toho met one or more of the conditions described in Section 218.503(1), Florida Statutes, and to identify the specific condition(s) met. In connection with our audit, we determined that Toho did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

Pursuant to Sections 10.554(1)(i)5.b. and 10.556(8), *Rules of the Auditor General*, we applied financial condition assessment procedures for Toho. It is management's responsibility to monitor Toho'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.

Special District Component Units

Section 10.554(1)(i)5.c., *Rules of the Auditor General*, requires, if appropriate, that we communicate the failure of a special district that is a component unit of a county, municipality, or special district, to provide the financial information necessary for proper reporting of the component unit within the audited financial statements of the county, municipality, or special district in accordance with Section 218.39(3)(b), Florida Statutes. In connection with our audit, we did not note any special district components that failed to provide the necessary information for proper reporting in accordance with Section 218.39(3)(b), Florida Statutes.

As required by Section 218.39(3)(c), Florida Statutes, and Section 10.554(1)(i)6, *Rules of the Auditor General*, Toho reported:

- (A) The total number of Toho employees compensated in the last pay period of Toho's fiscal year as 566.
- (B) The total number of independent contractors to whom nonemployee compensation was paid in the last month of Toho's fiscal year as 3.
- (C) All compensation earned by or awarded to employees, whether paid or accrued, regardless of contingency as \$39,859,911 for the fiscal year ended September 30, 2024.
- (D) All compensation earned by or awarded to nonemployee independent contractors, whether paid or accrued, regardless of contingency as \$60,620 for the fiscal year ended September 30, 2024.
- (E) Each construction project with a total cost of at least \$65,000 approved by Toho that is scheduled to begin on or after October 1 of the fiscal year being reported, together with the total expenditures for such projects as \$15,628,461 (see Attachment A).
- (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 Toho amends a final adopted budget under Section 189.016(6), Florida Statutes, as \$0. Toho did not amend its final adopted budget for FY2024.

Additional Matters

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

To the Board of Supervisors of the
Tohopekaliga Water Authority

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, Toho's Board, and applicable management, and is not intended to be, and should not be, used by anyone other than these specified parties.

Forvis Mazars, LLP

**Orlando, Florida
March 3, 2025**

TOHOPEKALIGA WATER AUTHORITY
Construction Project Listing
Attachment A

Project	Project Name	Budget	FY24 Actual
124001	Third Disk Filter	\$ 1,000,000.00	\$ -
124002	Additional funds to Repave Entrance	125,000.00	-
124003	Aeration Basin Dissolved Oxygen Control	800,000.00	-
124005	Condition Assessment - Metallic Piping	2,950,000.00	-
124006	Contingency Project Funding	10,344,725.04	-
124007	East Lift Station Rehabilitation	1,880,000.00	40,843.86
124010	Gravity Sewer, Force Main, Water Main , Reuse Main and Lift Station Upsizing	495,155.00	-
124011	Headworks Concrete Rehabilitation/Coating	75,000.00	-
124015	Kings Highway Lift Station Pump Replacement	280,000.00	-
124017	Miscellaneous Extensions in Unserved Areas	382,011.79	-
124020	Parkway Water Reclamation Facility Expansion to 3.5 MGD	1,434,440.00	507,825.43
124021	Private Development Line Extension	349,912.62	-
124022	Central Florida Tourism Oversight District/Toho Water Authority Water Interconnection	311,204.00	40,032.28
124023	St Cloud Joint Use Facility	200,000.00	61,773.35
124025	Replacement of Galvanized Pipe	350,000.00	-
124026	Sandhill Water Reclamation Facility Advanced Water Treatment	2,000,000.00	224,945.98
124029	Site Lighting	100,000.00	-
124030	Thacker Ave and Clay Street Intersection	483,630.00	-
124033	South Orange Avenue Interconnection	1,357,016.00	122,044.12
124035	Lincoln Street Sewer Extension	1,806,267.86	693,939.50
124037	LS30 Force Main Replacement/Upgrade	2,496,258.00	223,271.38
124039	Kissimmee-St Cloud Trail	1,121,635.00	68,973.75
124040	WIFIA - Lift Station Basin 57 Phase 1 Martin	509,517.00	212,798.10
124041	Automatic Meter Infrastructure Cellular Solution - Pilot	174,606.05	172,560.39
124042	Westside Force Main Replacement	6,411,440.02	87,619.24
124044	US-192 and Bamboo - Main Gravity Sewer Rehabilitation	599,689.19	103,955.20
124045	Academir Charter School Upsizing	470,853.60	470,853.60
124049	City of Kissimmee Resurfacing - Gravity Sewer Rehabilitation	1,500,000.00	217,733.21
124125	Capitalized Labor	6,039,686.39	6,039,686.39
125002	Development Upsizings	1,801,519.54	1,005,460.00
125003	Emergency Service Lift Stations 55 and 56 Upgrades	200,000.00	-
125004	Emergency Service Lift Station 77 Upgrades	120,000.00	-
125005	General Renewal and Rehabilitation Allocation	8,626,569.59	-
125006	Kindred Phase 3	109,000.00	-
125007	Lead- and Copper- Driven Line Renewal and Replacement	1,000,000.00	-
125008	Lift Station Rehabilitation Consolidation 1-5	2,250,000.00	-
125011	Lift Station 16 Florida Plaza 1,460' Force Main	119,081.00	-
125012	Majestic Oaks Water Main Replacement	200,000.00	-
125013	Operations Capital	4,416,958.00	-
125014	Parkway Middle Ventura Sidewalk	120,000.00	-
125016	Real Estate Acquisition Lift Station Clean Up	595,200.00	-
125017	Real Estate Easement Property	500,000.00	-
125018	Reunion Resort Reuse Station	200,000.00	-
125019	Road Program Contingency	1,396,266.81	-
125020	Sandhill Preserve Phase 2	420,000.00	-
125021	Sandhill Preserve Phase 1	1,560,000.00	-
125022	Sunbridge Water Reclamation Facility Expansion to 3.5 MGD	250,000.00	-
125023	US 192 5,600' Gravity Main Upsizing	615,723.00	-
125024	Visions at Orlando - Osceola Polk	500,000.00	-
125025	Wastewater Collection System - Zuni Road	100,000.00	-
125026	Western Service Area Pressure Improvements	100,000.00	-
125027	16" Force Main from Simpson to Parkway	1,094,443.00	-
125028	South Bermuda Water Reclamation Facility Alternative Water Treatment Placeholder	1,000,000.00	-
125030	Camelot Water Reclamation Facility Blower Replacement	195,042.00	-
125032	Expedited Manhole Rehabilitation - Toho I	100,000.00	-
125033	Camelot Water Reclamation Facility Filter Replacement Head	388,000.00	-
125034	Osceola Parkway & 441 Emergency Repair	2,325,736.00	-
224001	Harmony Water Reclamation Facility Expansion	2,699,999.00	62,325.40
224002	Reuse Pump Station Rehabilitation	400,000.00	-
225003	Titan Properties	700,000.00	-
324003	Buenaventura Boulevard Complete Street	3,694,960.76	66,517.09
324004	Buenaventura Lakes Drainage	504,985.15	45,756.10
325003	Project Management Software Simplify i3	245,000.00	-
325004	West Birchwood Circle 950' Gravity Main Upsizing	86,618.00	-
325005	Expedited Manhole Rehabilitation - Toho III	75,000.00	-
424001	Huron Water Treatment Plant Expansion	7,868,521.00	339,723.48
424003	Inflow and Infiltration Gravity Sewer Rehabilitation - Toho IV	385,121.12	-
424004	Lake Marion Water Reclamation Facility Advanced Water Treatment	2,305,625.00	82,343.80
424009	New Pretreatment Screen Cypress West Water Reclamation Facility	1,267,197.00	16,900.00
424011	Lake Marion - Marigold and Cherry Water Main	1,427,236.68	1,193,764.38
424012	S Poinciana/McLane Gravity Sewer Replacement	210,818.00	79,256.24

TOHOPEKALIGA WATER AUTHORITY
Construction Project Listing
Attachment A (Continued)

424013	Lake Deer Upsizing Reimbursement	2,403,627.96	2,403,627.96
425001	Cypress West Water Reclamation Facility Clarifier	600,000.00	-
425002	Edgewater - ED6 Phase 2	1,980,000.00	-
425003	Edgewater - ED5 Roadway Phase 2	1,620,000.00	-
425004	Poinciana Parkway 1,500' 20" Force Main	170,302.00	-
425005	Poinciana Village 2 -1 Water Main Replacement	831,466.00	-
425006	Expedited Manhole Rehabilitation - Toho IV	100,000.00	-
524002	16" Reuse Main Old Hickory Trail Road and 10th	3,337,110.00	39,920.06
524006	Hopkins Park Septic to Sewer	243,658.37	-
524007	Inflow and Infiltration Gravity Sewer Rehabilitation - Toho V	75,215.00	-
524009	Offsite Reuse Main Canoe Creek Road, Deer Run Road	250,000.00	-
524010	Old Canoe Creek Water Main Extension	227,000.00	-
524011	Southside Water Reclamation Facility Digester AER Rehab	1,000,000.00	-
524012	Southside Water Reclamation Facility Headworks and Lift Station 58E Upgrade	600,000.00	15,712.89
524013	Southside Water Reclamation Facility Solid Dewatering Expansion	2,400,000.00	109,451.60
524014	Turnpike Interchange Improvements - Water Main	259,181.00	-
524016	St Cloud Downtown Water Main Replacement	598,000.00	201,259.07
524018	16" Water Main on Canoe Creek Road	250,000.00	173,295.28
524019	16" Water Main on Rummell Road from Narcoossee Road	1,196,000.00	-
524020	24" Reuse Main on Narcoossee Road	1,128,000.00	-
524021	Copper and Lead Transmission Segment 19d-24	446,500.00	-
524023	Sand Blasting and Coating	100,000.00	-
524024	Lift Station 05C (St Cloud) Master Station	1,200,000.00	15,526.57
524025	New Production Well at St Cloud Water Treatment Plant #1	2,682,400.00	76,448.14
524026	Jack Brack Road and Narcoossee Road	2,665,145.00	33,409.75
524029	Southside Water Reclamation Facility Aeration Basin Dissolved Oxygen Control	1,301,000.00	-
524034	Myrtle Avenue Water Main Extension	667,988.21	95,623.67
524036	Narcoossee Commons North Upsizing	142,040.65	142,040.65
524037	Friars Cove Water Main	4,712,500.00	17,138.72
524040	Cross Prairie Parkway	102,052.16	102,052.16
524041	Orlando Utilities Commission Interconnection	1,819,178.00	12,099.25
525001	12" Reuse Main Extension on Zuni Road	276,480.00	-
525002	12" Water Main on Creekwood Drive	333,000.00	-
525003	12" Water Main on Jack Brack Road	387,072.00	-
525004	16" Reuse Main on Creekwood Drive Extension	380,000.00	-
525005	16" Reuse Main on Narcoossee Road	756,000.00	-
525006	20" Reuse Main and 12" on Cross Prairie Parkway	300,000.00	-
525007	Narcoossee Offsite Reuse Main Extension	3,080,000.00	-
525008	12" Oaks Upsizing	2,510,000.00	-
525009	Marlowe Apartments	3,040,111.46	-
525010	Michigan Street Safety Improvements	126,304.00	-
525011	Murrel Reuse Main	552,000.00	-
525012	Narcoossee Commons North	170,400.00	-
525013	Lillian Lee Road from Narcoossee Road to Nora Tyson Road	100,000.00	-
525014	Nova Road Widening	500,000.00	-
525016	Rummel Road Offsite Water	1,920,000.00	-
525018	St Cloud Sidewalk Improvements	139,181.00	-
525019	Tohoqua Phase 4C	660,000.00	-
525020	Tohoqua Phase 8	1,320,000.00	-
525021	Triple H Ranch	4,325,000.00	-
525022	Customer Information System Bridge Software	103,958.40	9,952.80
525024	Expedited Manhole Rehabilitation - Toho V	100,000.00	-
			<u>\$ 15,628,460.84</u>

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Independent Accountant's Report

To the Board of Supervisors of the
Tohopekaliga Water Authority
Osceola County, Florida

We have examined the compliance of the Tohopekaliga Water Authority (Toho) with the requirements of Section 218.415, Florida Statutes, during the fiscal year ended September 30, 2024. Management is responsible for the Toho's compliance with those requirements. Our responsibility is to express an opinion on the Toho's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether Toho complied with those requirements, in all material respects. An examination involves performing procedures to obtain evidence about Toho's compliance with those requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of noncompliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion. Our examination does not provide a legal determination on Toho's compliance with specified requirements.

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

In our opinion, Toho complied, in all material respects, with the aforementioned requirements for the fiscal year ended September 30, 2024.

Forvis Mazars, LLP

**Orlando, Florida
March 3, 2025**