Central Florida Tourism Oversight District

Lake Buena Vista, Florida

ANNUAL FINANCIAL REPORT

Year Ended September 30, 2024

CENTRAL FLORIDA TOURISM OVERSIGHT DISTRICT
(LOCATED IN ORANGE AND OSCEOLA COUNTIES)
1900 HOTEL PLAZA BOULEVARD
LAKE BUENA VISTA, FLORIDA

BOARD OF SUPERVISORS

ALEXIS YARBROUGH, CHAIR
BRIAN AUNGST, JR.
BRIDGET ZIEGLER
JOHN GILBERT
SCOTT WORKMAN

DISTRICT ADMINISTRATOR

STEPHANIE KOPELOUSOS

CHIEF FINANCIAL OFFICER

SUSAN G. HIGGINBOTHAM, CPA

INDEPENDENT AUDITOR

Cherry Bekaert LLP
Orlando, Florida

CENTRAL FLORIDA TOURISM OVERSIGHT DISTRICT
ANNUAL FINANCIAL REPORT
Year Ended September 30, 2024

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Report of Independent Auditor

To the District Administrator, Deputy District Administrator, and Board of Supervisors
Central Florida Tourism Oversight District
Lake Buena Vista, Florida

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information Central Florida Tourism Oversight District (the “District”), as of and for the year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise the District’s basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the District, as of September 30, 2024, and the respective changes in financial position, and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the *Auditor’s Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the District, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

Auditor’s Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District'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 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 Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 24, 2025, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Cherry Bekaert LLP

Orlando, Florida
February 24, 2025

CENTRAL FLORIDA TOURISM OVERSIGHT DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the Central Florida Tourism Oversight District (the “District”), we offer readers of the District’s financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended September 30, 2024. We encourage readers to consider the information presented here in conjunction with the District’s financial statements, which follow this section.

Financial Highlights

- The assets plus deferred outflows of resources of the District exceeded liabilities plus deferred inflows of resources at the close of the most recent fiscal year by $725,131,947 (net position).

- The District's total net position increased during the year by $94,995,574.

- The District's total noncurrent liabilities decreased by $49,188,882 during the year.

- As of September 30, 2024, the District's governmental funds reported combined ending fund balances of $128,260,774, an increase of $138,092 in comparison with the prior year. Approximately 36% of this total amount is available for spending at the government's discretion (unassigned fund balance).

- At September 30, 2024, unassigned fund balance for the general fund was $46,808,590, or 37% of total general fund expenditures, including transfers.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements.

Government-wide Financial Statements. The government-wide financial statements are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private-sector business.

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

The statement of activities presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., arbitrage rebate owed but not due until a future year and earned but unused vacation leave).

Overview of the Financial Statements (continued)

Both of the government-wide financial statements distinguish functions of the District that are principally supported by taxes and charges for services (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the District include general government, public safety, physical environment, transportation and debt service. The business-type activities of the District include water, wastewater, reuse, gas, solid waste, chilled water, hot water and electric utility operations. The government-wide financial statements can be found on pages 13-16 of this report.

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

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

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

The District maintains three individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, debt service fund and the capital projects fund, all of which are considered to be major funds.

The District adopts an annual legally appropriated budget for its general fund and debt service fund. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with this budget. The governmental fund financial statements can be found on pages 17-23 of this report.

Proprietary fund. Proprietary funds report the same functions presented as business-type activities in the government-wide financial statements. The District maintains a proprietary fund, the Utility Fund, which is an enterprise fund that accounts for eight utility operations. The Utility Fund provides the same type of information as the government-wide financial statements, only in more detail. The Utility Fund financial statements can be found on pages 24-28 of this report.

Overview of the Financial Statements (continued)

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the District's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The basic fiduciary fund financial statements can be found on pages 29-30 of this report.

Notes to the Financial Statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements begin on page 31 of this report.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the District, assets plus deferred outflows of resources exceeded liabilities plus deferred inflows of resources by $725,131,947 at September 30, 2024.

District's Net Position

	Governmental activities		Business-type activities		Total	
	2024	**2023**	**2024**	**2023**	**2024**	**2023**
Current and noncurrent assets	$ 147,765,271	$ 148,576,244	$ 219,358,507	$ 226,836,296	$ 367,123,778	$ 375,412,540
Capital assets	1,004,099,820	957,726,780	306,287,987	303,890,494	1,310,387,807	1,261,617,274
Total assets	1,151,865,091	1,106,303,024	525,646,494	530,726,790	1,677,511,585	1,637,029,814
Deferred outflows of resources	63,832,086	50,250,933	-	982,520	63,832,086	51,233,453
Current liabilities*	66,979,405	66,820,484	46,344,090	42,935,982	113,323,495	109,756,466
Noncurrent liabilities	749,832,702	775,663,428	120,313,798	143,671,954	870,146,500	919,335,382
Total liabilities	816,812,107	842,483,912	166,657,888	186,607,936	983,469,995	1,029,091,848
Deferred inflows of resources	27,957,837	27,156,201	4,783,892	1,878,845	32,741,729	29,035,046
Net position:						
Net investment in capital assets	434,480,956	369,915,280	206,300,548	216,126,571	640,781,504	586,041,851
Restricted	3,780,807	2,930,018	55,031,110	52,964,183	58,811,917	55,894,201
Unrestricted (deficit)	(67,334,530)	(85,931,454)	92,873,056	74,131,775	25,538,526	(11,799,679)
	$ 370,927,233	$ 286,913,844	$ 354,204,714	$ 343,222,529	$ 725,131,947	$ 630,136,373

*includes current liabilities payable from restricted assets

Government-wide Financial Analysis (continued)

The District's net position includes: 1) net investment in capital assets (e.g., land, land improvements, buildings, machinery and equipment), less any related debt used to acquire those assets that is still outstanding and deferred outflows of resources and deferred inflows of resources attributable to the acquisition, construction, or improvement of those assets or related debt. The District uses these capital assets to provide infrastructure and services to businesses operating within the District; consequently, these assets are not available for future spending. Although the District's investment in its capital assets is reported net of related debt, it should be noted 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; 2) net position restricted by contract or enabling legislation for nonoperating uses such as capital and debt service, 3) net position assigned by the Board of Supervisors to be used for a specific purpose such as emergency reserves and 4) unrestricted net position (deficit). The net investment in capital assets continues to increase as the related debt is paid.

Governmental activities. Governmental activities reflect negative unrestricted net position balances primarily due to the District’s net pension liability and net OPEB liability. The District recognized an increase in the proportionate share of the Florida Retirement System (FRS) pension liability as of the measurement date.

The increase in ad valorem tax revenues is primarily the result of an increase in assessed values from the prior year. Interest and investment income was significantly higher than the prior year due to favorable market conditions and unrealized gains on investments. Decreases in general government and transportation expenses were due to reductions in litigation fees with the settlement of lawsuits, and fewer planned transportation projects, respectively. The transfer in from the Utility Fund was for utility related projects as part of the World Drive North Phase III project.

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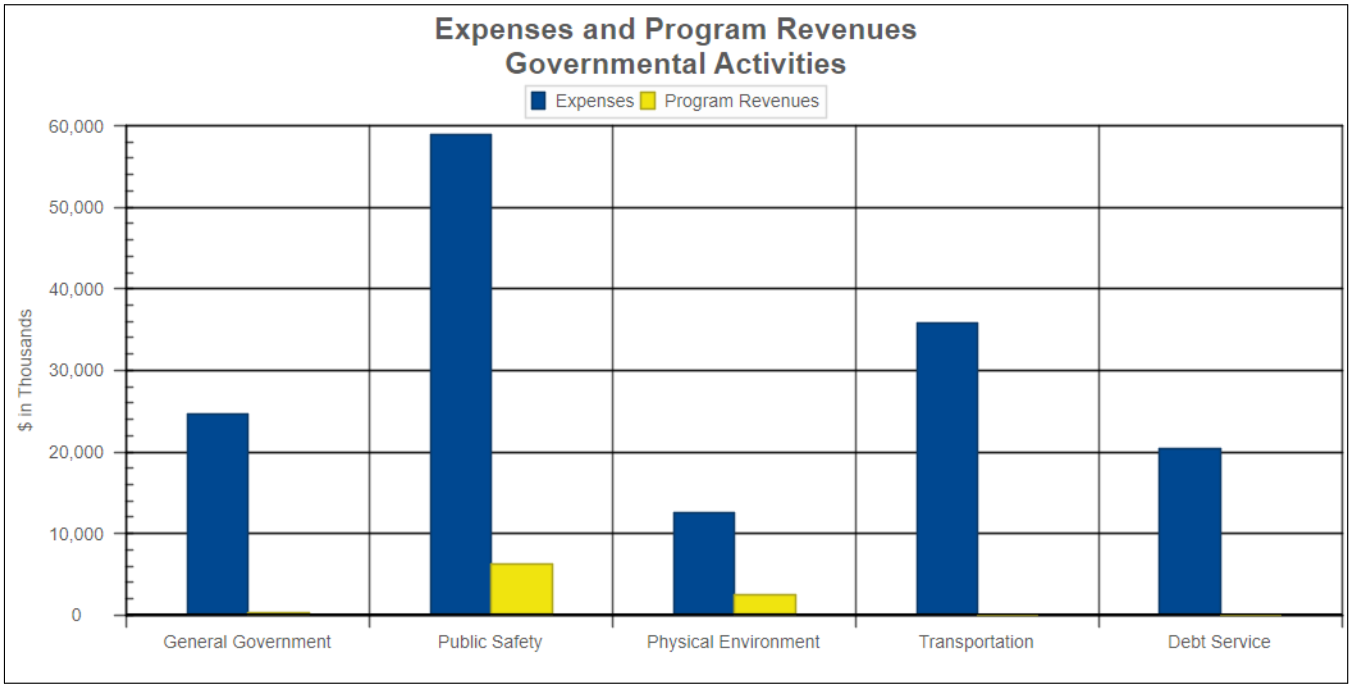
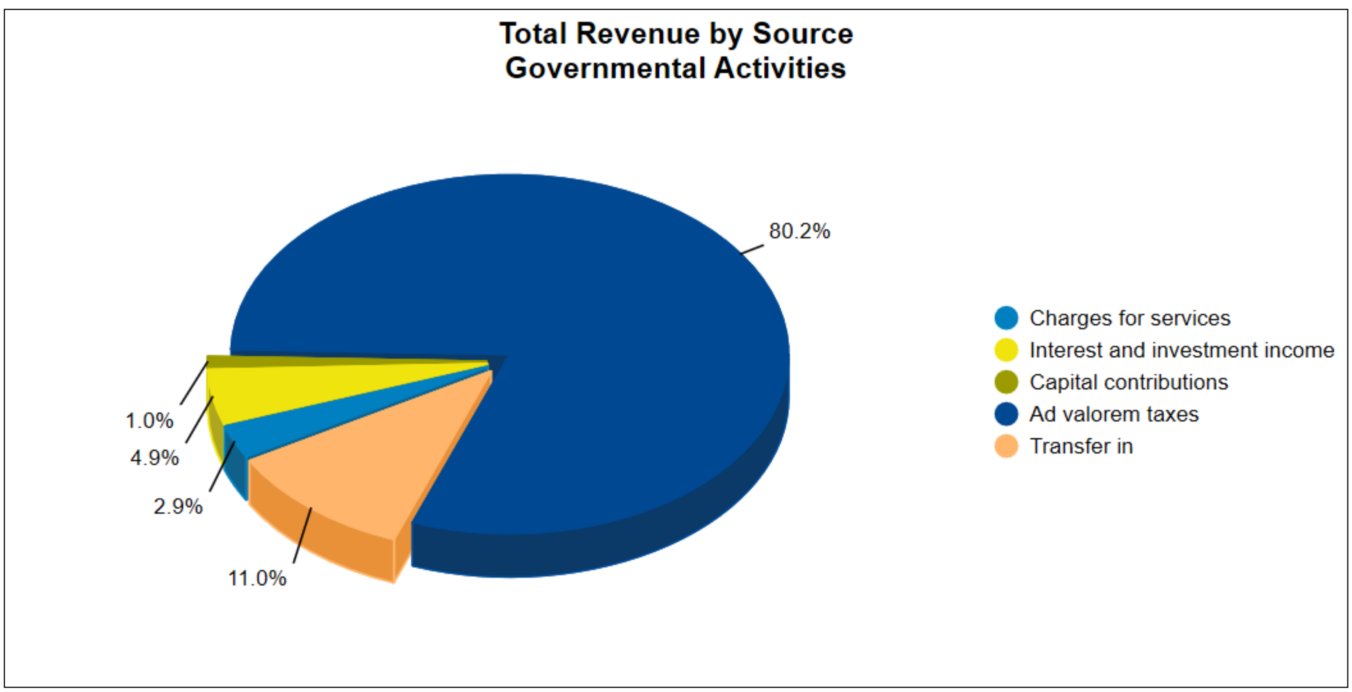
Government-wide Financial Analysis (continued)

District's Change in Net Position

	Governmental activities		Business-type activities		Total	
	2024	2023	2024	2023	2024	2023
Revenues:						
Program revenues:						
Charges for services	$ 6,904,562	$ 4,094,426	$ 186,241,542	$ 189,116,897	$ 193,146,104	$ 193,211,323
Capital contributions	2,248,977	64,553	134,339	487,203	2,383,316	551,756
Total program revenues	9,153,539	4,158,979	186,375,881	189,604,100	195,529,420	193,763,079
General revenues:						
Ad valorem taxes - net	189,469,297	179,283,918	-	-	189,469,297	179,283,918
Interest and investment gain	11,574,061	7,952,993	9,170,170	5,685,300	20,744,231	13,638,293
Gain on disposal of capital assets	5,367	-	-	-	5,367	-
Total general revenues	201,048,725	187,236,911	9,170,170	5,685,300	210,218,895	192,922,211
Total revenues	210,202,264	191,395,890	195,546,051	195,289,400	405,748,315	386,685,290
Expenses:						
General government	24,672,743	26,461,034	-	-	24,672,743	26,461,034
Public safety	58,837,378	59,061,885	-	-	58,837,378	59,061,885
Physical environment	12,480,809	12,311,541	-	-	12,480,809	12,311,541
Transportation	35,819,276	38,600,761	-	-	35,819,276	38,600,761
Utility operations	-	-	155,352,474	158,413,109	155,352,474	158,413,109
Loss on disposal of capital assets	-	292,141	-	-	-	292,141
Interest on debt	20,378,669	21,333,451	3,211,392	3,674,034	23,590,061	25,007,485
Total expenses	152,188,875	158,060,813	158,563,866	162,087,143	310,752,741	320,147,956
Increases in net position before transfers	58,013,389	33,335,077	36,982,185	33,202,257	94,995,574	66,537,334
Transfers	26,000,000	-	(26,000,000)	-	-	-
Change in net position	84,013,389	33,335,077	10,982,185	33,202,257	94,995,574	66,537,334
Net position - beginning	286,913,844	253,578,767	343,222,529	310,020,272	630,136,373	563,599,039
Net position - ending	$ 370,927,233	$ 286,913,844	$ 354,204,714	$ 343,222,529	$ 725,131,947	$ 630,136,373

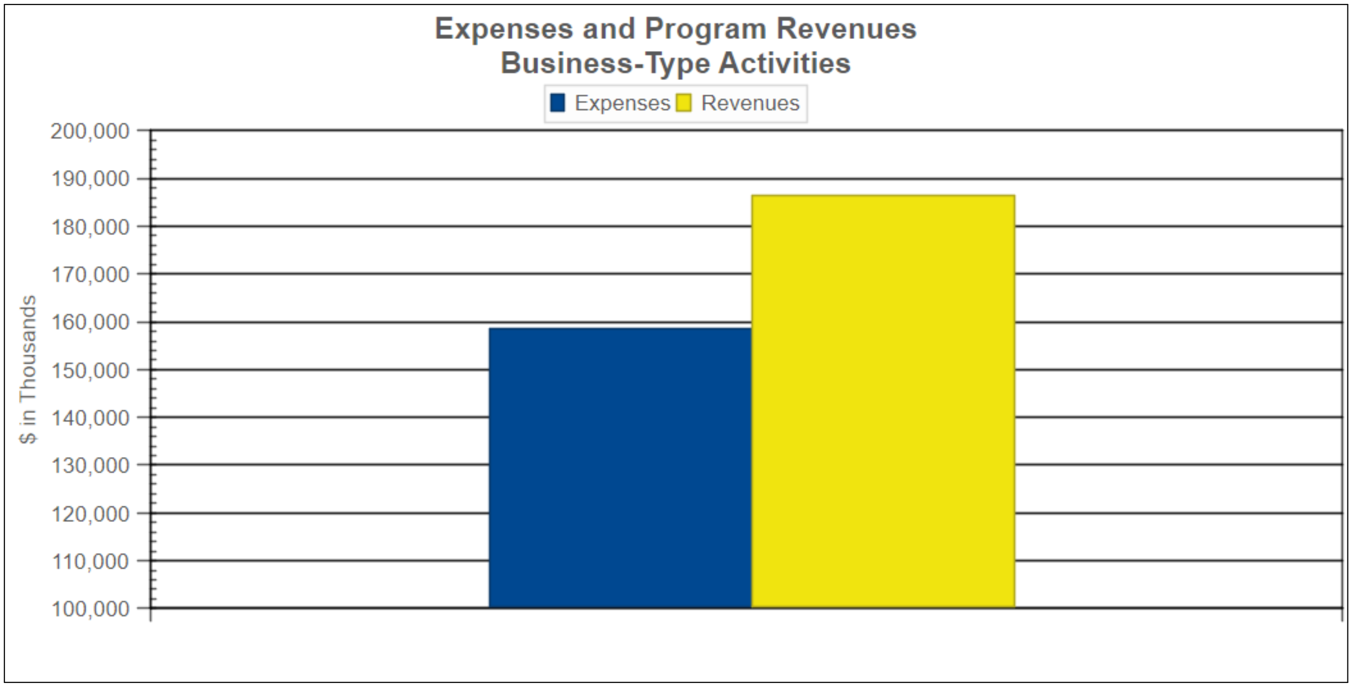
Government-wide Financial Analysis (continued)





Government-wide Financial Analysis (continued)

Business-type activities. Assets and liabilities decreased with the paydown of utility system debt. Charges for services were lower due to a decrease in utility rates from the prior year. Interest and investment income was significantly higher than the prior year due to favorable market conditions and unrealized gains on investments. Operating expenses decreased in fiscal year 2024 primarily due to savings in purchased fuel costs.



Financial Analysis of the Government's Funds

As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

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

As of September 30, 2024, the District's governmental funds reported combined fund balances of $128,260,774. Approximately 36% of this total amount constitutes unassigned fund balance, which is available for spending at the government's discretion. The remainder of fund balance is nonspendable, committed, restricted or assigned. Restricted amounts are not available for general spending as those amounts have been reserved to pay for capital projects from bond proceeds and debt service payments. Committed amounts are set-aside to pay for projects from drainage fees or property appraiser settlements as directed by the Board of Supervisors. Assigned amounts have also been designated by the Board of Supervisors for emergency reserves.

Financial Analysis of the Government's Funds (continued)

The general fund is the chief operating fund of the District. At September 30, 2024, unassigned fund balance of the general fund was $46,808,590, while total fund balance reached $64,192,417. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 37% of the total general fund expenditures (including transfers), while total fund balance represents 50% of that same amount. Although the District budgeted a drawdown of $5,859,874 in the general fund in FY2024, fund balance in the District's general fund increased $20,046,623. Interest income and investment gains and charges for services from drainage and building fees resulted in revenues exceeding budget. Various roadway and drainage improvement projects were also rolled forward for anticipated completion in FY2025, which also contributed to the increase in fund balance.

The debt service fund has a total fund balance of $3,780,807, an increase of $850,789 from the prior year. The increase was due primarily to an increase in interest and investment income.

The capital projects fund has a total fund balance of $60,287,550, a decrease of $20,759,320 from the prior year. The decrease was due to expenditures related to transportation improvement projects, which were offset by the transfer from the Utility Fund for utility projects related to World Drive North Phase III improvements.

Proprietary fund. At September 30, 2024, the unrestricted net position of the Utility Fund amounted to $92,873,056, an increase of $18,741,281 from the prior year. The increase is due to decreases in purchased power and fuel expenses and the paydown of long-term debt. The restricted net position amounted to $55,031,110, the bulk of which is restricted for debt service.

General Fund Budgetary Highlights

The District amended its budget by adding $4.2 million in operating expenses in fiscal year 2024. The expenditures related to roadway, drainage projects and facilities outside services. Funds were to be sourced from available fund balance.

Capital Asset and Debt Administration

Capital Assets. The District's investment in capital assets for its governmental and business-type activities as of September 30, 2024 amounted to $1,310,387,807, net of accumulated depreciation and amortization. This represents an increase of $48,770,533. The primary driver for the increase was ongoing capital projects as described above.

Additional information on the District's capital assets can be found in Note 5 of the financial statements.

Capital Asset and Debt Administration (continued)

District's Capital Assets

(net of depreciation and amortization)

	Governmental activities		Business-type activities		Total	
	2024	2023	2024	2023	2024	2023
Land	$ 2,992,490	$ 2,992,490	$ 6,896,164	$ 6,896,164	$ 9,888,654	$ 9,888,654
Buildings	230,594,433	233,419,152	17,890,987	19,292,902	248,485,420	252,712,054
Improvements other than buildings	-	-	136,054,891	138,687,523	136,054,891	138,687,523
Machinery and equipment	7,185,451	7,279,289	117,786,572	117,306,684	124,972,023	124,585,973
Infrastructure	699,603,398	699,173,360	-	-	699,603,398	699,173,360
Right-to-use subscription and lease assets	1,269,222	603,179	698,957	914,021	1,968,179	1,517,200
Construction in progress	62,454,826	14,259,310	26,960,416	20,793,200	89,415,242	35,052,510
Total	$ 1,004,099,820	$ 957,726,780	$ 306,287,987	$ 303,890,494	$ 1,310,387,807	$ 1,261,617,274

Long-term debt. At September 30, 2024, the District had total long-term bonded debt outstanding of $791,205,110. Of this amount, $648,735,144 was comprised of debt backed by the full faith and credit of the District and $142,469,966 was secured by the revenues generated by the District's utilities. During fiscal 2024, the District's total long-term debt decreased by $63,684,883 (7%) with the paydown of both ad valorem and utility revenue debt.

The District has received ratings of "AA-" from Standard & Poor's, "AA-" from Fitch and "Aa3" from Moody's for the Ad Valorem Tax general obligation bonds and ratings of "A" from Standard & Poor's, "A" from Fitch and "A1" from Moody's for the Utility Revenue bonds. Additional information on the District's long-term debt can be found in Note 7 of the financial statements.

District's Outstanding Long-term Debt

General Obligation and Revenue Bonds

	Governmental activities		Business-type activities		Total	
	2024	2023	2024	2023	2024	2023
General obligation bonds	$ 648,735,144	$ 689,204,959	$ -	$ -	$ 648,735,144	$ 689,204,959
Revenue bonds and notes from direct borrowings	-	-	142,469,966	165,685,034	142,469,966	165,685,034
Total	$ 648,735,144	$ 689,204,959	$ 142,469,966	$ 165,685,034	$ 791,205,110	$ 854,889,993

Capital Asset and Debt Administration (continued)

Infrastructure Assets. As demonstrated in the Required Supplementary Information on pages 76-82 of this report, there have been no significant changes in the assessed condition of the bridges, roads and water control structures that use the modified approach for infrastructure reporting. There is an ongoing program to repair the remaining water control structures considered in good condition. The current conditions of the remaining assets are within the established levels maintained by the District.

Economic Factors and Next Year's Budget and Rates

Assessed property values underlying the District's fiscal year 2025 budget and millage rate determination reflect the impact of any Orange County Property Appraiser revaluations of property value assessments, if any.

- The unemployment rate of the Central Florida area is currently averaging 3.5%. This is slightly more than the state average of 3.4% and less than the national unemployment average of 4.1%.
- Fiscal year 2025 assessed values increased 7.1%. Millage rates increased overall by 0.1330.
- Inflationary trends in the region compare to national indices.

Subsequent Events

In October 2024, the District issued $99.3 million ad valorem tax bonds to provide additional financing for improvements to the World Drive North corridor, Buena Vista Drive and Western Way. The par amount issued represents remaining ad valorem tax bond issuance capacity previously approved by the Board of Supervisors by referendums held in 2013 through 2016. The bonds were issued in maturities from 2025 through 2044 at an interest rate of 5.0%.

Requests for Information

This financial report is designed to provide a general overview of the District's finances for all those with an interest in the District's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Central Florida Tourism Oversight District, CFO, P.O. Box 690519, Orlando, Florida 32869-0519.

CENTRAL FLORIDA TOURISM OVERSIGHT DISTRICT

STATEMENT OF NET POSITION

September 30, 2024

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and cash equivalents	$ 31,677,269	$ 15,953,107	$ 47,630,376
Cash and cash equivalents - restricted	19,157,742	36,160,142	55,317,884
Investments	39,955,859	58,012,210	97,968,069
Investments - restricted	55,513,431	65,047,827	120,561,258
Accounts receivable, net	323,324	27,642,564	27,965,888
Due from other governments	1,089,401	-	1,089,401
Internal balances	(2,802,424)	2,802,424	-
Inventories	-	13,058,562	13,058,562
Prepaids	-	480,000	480,000
Derivative fuel instruments	-	178,671	178,671
Other assets	2,850,669	23,000	2,873,669
Capital assets not being depreciated	765,050,714	33,856,580	798,907,294
Capital assets, net of accumulated depreciation	239,049,106	272,431,407	511,480,513
Total assets	1,151,865,091	525,646,494	1,677,511,585
DEFERRED OUTFLOWS OF RESOURCES			
Loss on defeased debt due to refundings	17,257,133	-	17,257,133
Deferred outflow of resources related to pensions	23,715,339	-	23,715,339
Deferred outflow of resources related to OPEB	22,859,614	-	22,859,614
Total deferred outflows of resources	63,832,086	-	63,832,086
LIABILITIES			
Accounts payable and accrued liabilities	11,134,888	20,474,672	31,609,560
Accounts payable from restricted assets	8,189,096	1,186,846	9,375,942
Compensated absences	1,907,084	-	1,907,084
Self insurance liability	1,415,304	-	1,415,304

(Continued)

The accompanying notes are an integral part of these financial statements.

CENTRAL FLORIDA TOURISM OVERSIGHT DISTRICT

STATEMENT OF NET POSITION

September 30, 2024

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
LIABILITIES			
Subscription liability	206,652	206,088	412,740
Lease liability	128,961	-	128,961
Bonds and notes payable	36,725,000	22,615,000	59,340,000
Accrued interest payable	7,272,420	1,861,484	9,133,904
Noncurrent liabilities:			
Compensated absences	1,896,875	-	1,896,875
Self insurance liability	4,734,821	-	4,734,821
Subscription liability	341,247	458,832	800,079
Lease liability	484,223	-	484,223
Net pension liability	71,179,716	-	71,179,716
Net OPEB liability	59,185,676	-	59,185,676
Bonds and notes payable	612,010,144	119,854,966	731,865,110
Total	816,812,107	166,657,888	983,469,995
DEFERRED INFLOWS OF RESOURCES			
Deferred fuel cost	-	4,604,026	4,604,026
Accumulated increase in fair value of derivative instruments	-	178,671	178,671
Gain on defeased debt due to refundings	-	1,195	1,195
Deferred inflow of resources related to pensions	9,323,506	-	9,323,506
Deferred inflow of resources related to OPEB	18,634,331	-	18,634,331
Total deferred inflows of resources	27,957,837	4,783,892	32,741,729
NET POSITION			
Net investment in capital assets	434,480,956	206,300,548	640,781,504
Restricted for:			
Debt service	3,780,807	49,528,752	53,309,559
Renewal and replacement	-	5,002,358	5,002,358
Emergency repairs	-	500,000	500,000
Unrestricted (deficit)	(67,334,530)	92,873,056	25,538,526
Total net position	$ 370,927,233	$ 354,204,714	$ 725,131,947

The accompanying notes are an integral part of these financial statements.

CENTRAL FLORIDA TOURISM OVERSIGHT DISTRICT

STATEMENT OF ACTIVITIES

For the Period Ended September 30, 2024

	Total	Total Business-type Activities	Total Governmental Activities
Expenses:			
Labor	$ 102,570,541	$ 33,758,984	$ 68,811,557
Operating expenses	150,324,345	98,667,474	51,656,871
Depreciation and amortization	33,674,728	22,332,950	11,341,778
Nonoperating expenses	593,066	593,066	-
Interest on debt	23,590,061	3,211,392	20,378,669
Total expenses	310,752,741	158,563,866	152,188,875
Program revenues:			
Charges for services	193,146,104	186,241,542	6,904,562
Capital contributions	2,383,316	134,339	2,248,977
Total program revenues	195,529,420	186,375,881	9,153,539
Net program expense (revenue)	115,223,321	(27,812,015)	143,035,336
General revenues:			
Ad valorem taxes	189,469,297	-	189,469,297
Interest and investment income	20,744,231	9,170,170	11,574,061
Gain on disposal of capital assets	5,367	-	5,367
Transfer in (out)	-	(26,000,000)	26,000,000
Total general revenues and transfers	210,218,895	(16,829,830)	227,048,725
Change in net position	94,995,574	10,982,185	84,013,389
Total net position - beginning	630,136,373	343,222,529	286,913,844
Total net position - ending	$ 725,131,947	$ 354,204,714	$ 370,927,233

The accompanying notes are an integral part of these financial statements.

Governmental Activities Expenses by Function

General Government	Public Safety	Physical Environment	Transportation	Debt Service
$ 9,422,600	$ 50,401,686	$ 7,643,386	$ 1,343,885	$ -
14,108,907	6,228,506	4,653,839	26,665,619	-
1,141,236	2,207,186	183,584	7,809,772	-
-	-	-	-	-
-	-	-	-	20,378,669
24,672,743	58,837,378	12,480,809	35,819,276	20,378,669
335,668	6,295,419	273,475	-	-
-	-	2,248,977	-	-
335,668	6,295,419	2,522,452	-	-
$ 24,337,075	$ 52,541,959	$ 9,958,357	$ 35,819,276	$ 20,378,669

The accompanying notes are an integral part of these financial statements.

CENTRAL FLORIDA TOURISM OVERSIGHT DISTRICT

BALANCE SHEET - GOVERNMENTAL FUNDS

September 30, 2024

	General	Debt Service	Capital Projects	Total Governmental Funds
ASSETS				
Cash and cash equivalents	$ 31,677,269	$ 1,545,830	$ 17,611,912	$ 50,835,011
Investments	39,955,859	1,916,017	53,597,414	95,469,290
Accounts receivable, net	323,324	-	-	323,324
Due from other funds	106,022	-	-	106,022
Due from other governments	770,441	318,960	-	1,089,401
Other assets	2,678,809	-	-	2,678,809
Total assets	$ 75,511,724	$ 3,780,807	$ 71,209,326	$ 150,501,857
LIABILITIES AND FUND BALANCES				
Accounts payable and accrued liabilities	$ 11,143,541	$ -	$ 8,189,096	$ 19,332,637
Due to other funds	175,766	-	2,732,680	2,908,446
Total liabilities	11,319,307	-	10,921,776	22,241,083
Fund balances:				
Nonspendable:				
Other assets	2,678,809	-	-	2,678,809
Committed:				
Drainage system	6,705,018	-	-	6,705,018
Property appraiser disputes	6,000,000	-	-	6,000,000
Restricted:				
Capital projects	-	-	60,287,550	60,287,550
Debt service	-	3,780,807	-	3,780,807
Assigned:				
Emergency reserves	2,000,000	-	-	2,000,000
Unassigned	46,808,590	-	-	46,808,590
Total fund balances	64,192,417	3,780,807	60,287,550	$ 128,260,774
Total liabilities and fund balances	$ 75,511,724	$ 3,780,807	$ 71,209,326	

The accompanying notes are an integral part of these financial statements.

CENTRAL FLORIDA TOURISM OVERSIGHT DISTRICT

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION

September 30, 2024

Fund Balances - Total Governmental Funds	$ 128,260,774
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Accrued interest payable on bonds not currently due is not reported in the funds.	(7,263,766)
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	1,004,099,820
Some liabilities, deferred outflows of resources and deferred inflows of resources, including those related to bonds payable, pensions, OPEB and other liabilities are not due and payable in the current period and, therefore, are not reported in the funds.	(754,169,595)
Net position of governmental activities	$ 370,927,233

The accompanying notes are an integral part of these financial statements.

CENTRAL FLORIDA TOURISM OVERSIGHT DISTRICT

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

For the Period Ended September 30, 2024

	General	Debt Service	Capital Projects	Total
REVENUES				
Ad valorem taxes	$ 131,384,531	$ 58,084,766	$ -	$ 189,469,297
Emergency services	128,038	-	-	128,038
Building permits and fees	6,167,382	-	-	6,167,382
Drainage fees	2,248,977	-	-	2,248,977
Interest and investment income	5,690,397	1,573,493	4,310,171	11,574,061
Other	639,144	-	-	639,144
Total revenues	146,258,469	59,658,259	4,310,171	210,226,899
EXPENDITURES				
CURRENT:				
General government	23,222,095	-	-	23,222,095
Public safety	56,616,548	-	-	56,616,548
Physical environment	12,323,842	-	-	12,323,842
Transportation	28,014,184	-	-	28,014,184
Capital outlay	6,669,959	-	51,069,491	57,739,450
DEBT SERVICE:				
Principal	256,381	35,710,000	-	35,966,381
Interest	30,576	22,803,199	-	22,833,775
Fees and other charges	-	294,271	-	294,271
Total expenditures	127,133,585	58,807,470	51,069,491	237,010,546
Excess (deficiency) of revenues over (under) expenditures	19,124,884	850,789	(46,759,320)	(26,783,647)
OTHER FINANCING SOURCES				
Lease proceeds	921,739	-	-	921,739
Transfer in	-	-	26,000,000	26,000,000
Total other financing sources	921,739	-	26,000,000	26,921,739
Net change in fund balances	20,046,623	850,789	(20,759,320)	138,092
Fund Balances, beginning of year	44,145,794	2,930,018	81,046,870	128,122,682
Fund Balances, end of year	$ 64,192,417	$ 3,780,807	$ 60,287,550	$ 128,260,774

The accompanying notes are an integral part of these financial statements.

CENTRAL FLORIDA TOURISM OVERSIGHT DISTRICT

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES

For the Period Ended September 30, 2024

Net Change in Fund Balances - Total Governmental Funds	$ 138,092
Amounts reported for governmental activities in the Statement of Activities are different because:	
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation and amortization expense. This is the amount by which capital outlays exceeded depreciation and amortization in the current period.	46,397,672
The net effect of miscellaneous transactions involving capital assets resulted in a decrease in net position.	(24,631)
Governmental funds report the payment of bond principal and interest when the current financial resources are available and payments are due and they report the payment of issuance costs, premiums, discounts, and similar items when debt is first issued. However, on the statement of activities, interest is accrued.	38,134,530
Increases and decreases in other liabilities, deferred outflows of resources and deferred inflows of resources reported as expenses in the statement of activities not requiring the use of current financial resources in governmental funds.	(632,274)
Change in net position of governmental activities	$ 84,013,389

The accompanying notes are an integral part of these financial statements.

CENTRAL FLORIDA TOURISM OVERSIGHT DISTRICT

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

GENERAL FUND

For the Period Ended September 30, 2024

	Budgeted Amounts			
	Original	**Final**	**Actual**	**Variance with Final Budget**
REVENUES				
Ad valorem taxes	$130,818,533	$130,818,533	$ 131,384,531	$ 565,998
Emergency services	-	-	128,038	128,038
Building permits and fees	5,000,000	5,000,000	6,167,382	1,167,382
Drainage fees	-	-	2,248,977	2,248,977
Interest and investment income	360,000	360,000	5,690,397	5,330,397
Other	425,000	425,000	639,144	214,144
Total revenues	136,603,533	136,603,533	146,258,469	9,654,936
EXPENDITURES				
GENERAL GOVERNMENT				
Administrative:				
Labor	5,417,701	5,417,701	5,801,825	(384,124)
Operating	10,912,850	10,912,850	9,986,734	926,116
	16,330,551	16,330,551	15,788,559	541,992
Information Systems & Technology:				
Labor	2,224,293	2,224,293	2,224,040	253
Operating	4,193,625	4,193,625	2,804,779	1,388,846
Capital outlay	1,465,800	1,465,800	1,026,710	439,090
	7,883,718	7,883,718	6,055,529	1,828,189
Facilities Operations & Maintenance:				
Labor	1,418,161	1,418,161	1,429,550	(11,389)
Operating	1,370,000	1,370,000	975,167	394,833
Capital outlay	47,000	47,000	747,215	(700,215)
	2,835,161	2,835,161	3,151,932	(316,771)
TOTAL GENERAL GOVERNMENT	27,049,430	27,049,430	24,996,020	2,053,410

The accompanying notes are an integral part of these financial statements.

CENTRAL FLORIDA TOURISM OVERSIGHT DISTRICT

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

GENERAL FUND

For the Period Ended September 30, 2024

	Budgeted Amounts			
	Original	**Final**	**Actual**	**Variance with Final Budget**
PUBLIC SAFETY				
Building & Safety:				
Labor	5,533,629	5,533,629	4,953,665	579,964
Operating	640,550	640,550	581,955	58,595
	6,174,179	6,174,179	5,535,620	638,559
Emergency Services:				
Labor	40,065,469	40,065,469	44,852,214	(4,786,745)
Operating	4,705,453	4,705,453	3,962,870	742,583
Capital outlay	857,400	857,400	774,825	82,575
	45,628,322	45,628,322	49,589,909	(3,961,587)
Facilities Operations & Maintenance:				
Labor	426,447	426,447	582,163	(155,716)
Operating	2,126,600	2,126,600	1,683,681	442,919
Capital outlay	651,010	651,010	570,852	80,158
	3,204,057	3,204,057	2,836,696	367,361
TOTAL PUBLIC SAFETY	55,006,558	55,006,558	57,962,225	(2,955,667)
PHYSICAL ENVIRONMENT				
Environmental Sciences:				
Labor	4,406,140	4,406,140	4,404,523	1,617
Operating	1,602,425	1,612,425	1,119,626	492,799
Capital outlay	82,000	72,000	34,928	37,072
	6,090,565	6,090,565	5,559,077	531,488
Planning & Engineering:				
Labor	3,305,941	3,305,941	3,265,481	40,460
Operating	3,028,190	3,028,190	994,572	2,033,618
	6,334,131	6,334,131	4,260,053	2,074,078
Water Control:				
Operating	5,475,000	6,009,508	2,329,688	3,679,820

CENTRAL FLORIDA TOURISM OVERSIGHT DISTRICT

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

GENERAL FUND

For the Period Ended September 30, 2024

	Budgeted Amounts			
	Original	**Final**	**Actual**	**Variance with Final Budget**
Facilities Operations & Maintenance:				
Operating	371,000	371,000	209,952	161,048
Capital outlay	3,020,000	3,545,000	3,437,339	107,661
	3,391,000	3,916,000	3,647,291	268,709
TOTAL PHYSICAL ENVIRONMENT	21,290,696	22,350,204	15,796,109	6,554,095
TRANSPORTATION				
Roadway Maintenance:				
Labor	460,841	460,841	230,819	230,022
Operating	23,286,490	26,669,679	18,267,461	8,402,218
Capital outlay	50,000	50,000	-	50,000
	23,797,331	27,180,520	18,498,280	8,682,240
Parking Facilities:				
Labor	888,495	888,495	1,117,746	(229,251)
Operating	10,238,200	9,910,200	8,398,158	1,512,042
Capital outlay	-	78,000	78,090	(90)
	11,126,695	10,876,695	9,593,994	1,282,701
TOTAL TRANSPORTATION	34,924,026	38,057,215	28,092,274	9,964,941
DEBT SERVICE				
Principal	-	-	256,381	(256,381)
Interest	-	-	30,576	(30,576)
TOTAL DEBT SERVICE	-	-	286,957	(286,957)
Total expenditures	138,270,710	142,463,407	127,133,585	15,329,822
Excess (deficiency) of revenues over (under) expenditures	(1,667,177)	(5,859,874)	19,124,884	24,984,758
OTHER FINANCING SOURCES				
Lease proceeds	-	-	921,739	921,739
Net change in fund balance	$ (1,667,177)	$ (5,859,874)	20,046,623	$ 25,906,497
Fund Balance, beginning of year			44,145,794	
Fund Balance, end of year			$ 64,192,417	

The accompanying notes are an integral part of these financial statements.

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CENTRAL FLORIDA TOURISM OVERSIGHT DISTRICT

STATEMENT OF NET POSITION
UTILITY FUND

September 30, 2024

ASSETS	
Current assets:	
Cash and cash equivalents	$ 15,953,107
Investments	12,867,874
Accounts receivable, net	27,642,564
Due from other funds	2,908,446
Inventories	13,058,562
Prepaids	480,000
Derivative fuel instruments	178,671
Restricted assets:	
Cash and cash equivalents	36,160,142
Investments	25,716,311
Total current assets	134,965,677
Noncurrent assets:	
Investments	45,144,336
Restricted investments	39,331,516
Capital assets:	
Land	6,896,164
Construction in progress	26,960,416
Buildings	67,345,692
Improvements other than buildings	319,743,529
Machinery and equipment	481,249,733
Right-to-use subscription assets	1,075,319
Less accumulated depreciation	(596,982,866)
Total capital assets	306,287,987
Other assets	23,000
Total noncurrent assets	390,786,839
Total assets	525,752,516

CENTRAL FLORIDA TOURISM OVERSIGHT DISTRICT

STATEMENT OF NET POSITION
UTILITY FUND

September 30, 2024

LIABILITIES	
Current liabilities:	
Accounts payable and accrued liabilities	20,474,672
Subscription liabilities	206,088
Due to other funds	106,022
Total current liabilities	20,786,782
Current liabilities payable from restricted assets:	
Bonds and notes payable	22,615,000
Accrued interest payable	1,861,484
Contracts and retainage payable	1,186,846
Total current liabilities payable from restricted assets	25,663,330
Long-term liabilities:	
Bonds and notes payable	119,854,966
Subscription liabilities	458,832
Total long-term liabilities	120,313,798
Total liabilities	166,763,910
DEFERRED INFLOWS OF RESOURCES	
Deferred fuel cost	4,604,026
Accumulated increase in the fair value of derivative instruments	178,671
Gain on defeased debt due to refundings	1,195
Total deferred inflows of resources	4,783,892
NET POSITION	
Net investment in capital assets	206,300,548
Restricted for debt service	49,528,752
Restricted for renewal and replacement	5,002,358
Restricted for emergency repairs	500,000
Unrestricted	92,873,056
Total net position	$ 354,204,714

The accompanying notes are an integral part of these financial statements.

CENTRAL FLORIDA TOURISM OVERSIGHT DISTRICT

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
UTILITY FUND

For the Period Ended September 30, 2024

OPERATING REVENUES	
Utility sales	$ 186,241,542
Total operating revenues	186,241,542
OPERATING EXPENSES	
Purchased power and fuel	65,049,304
Labor support	33,758,984
Operating costs	16,746,690
Taxes	3,019,252
Repairs and maintenance	12,504,301
Insurance	1,347,927
Depreciation and amortization	22,332,950
Total operating expenses	154,759,408
Operating income	31,482,134
NONOPERATING REVENUES (EXPENSES)	
Interest and investment income	9,170,170
Interest expense	(3,211,392)
Loss on retirement of plant assets	(593,066)
Total nonoperating revenues, net	5,365,712
Income before contributions	36,847,846
Capital contributions	134,339
Transfer out	(26,000,000)
Increase in net position	10,982,185
Total net position - beginning	343,222,529
Total net position - ending	$ 354,204,714

The accompanying notes are an integral part of these financial statements.

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CENTRAL FLORIDA TOURISM OVERSIGHT DISTRICT

STATEMENT OF CASH FLOWS
UTILITY FUND

For the Year Ended September 30, 2024

CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from customers	$ 184,184,819
Payments to suppliers	(93,582,472)
Payments for labor contract and management service agreement	(29,272,904)
Net cash provided (used) by operating activities	61,329,443
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Transfer to capital projects fund	(26,000,000)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Purchases of capital assets	(27,844,064)
Proceeds from sale of capital assets	(593,066)
Principal paid on bonds	(22,678,000)
Interest paid on bonds	(4,045,078)
Capital contributions	134,339
Net cash provided (used) by capital and related financing activities	(55,025,869)
CASH FLOWS FROM INVESTING ACTIVITIES	
Purchase of investments	(213,894,842)
Proceeds from sales and maturities of investments	193,573,671
Interest and investment loss	9,170,170
Net cash provided (used) by investing activities	(11,151,001)
Net decrease in cash and cash equivalents	(30,847,427)
Balances - beginning of the year	82,960,676
Balances - end of the year	$ 52,113,249
Unrestricted	$ 15,953,107
Restricted	36,160,142
	$ 52,113,249

The accompanying notes are an integral part of these financial statements.

CENTRAL FLORIDA TOURISM OVERSIGHT DISTRICT

STATEMENT OF CASH FLOWS
UTILITY FUND

For the Year Ended September 30, 2024

Reconciliation of operating income to net cash provided by operating activities	
Operating income	$ 31,482,134
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation and amortization expense	22,332,950
Change in assets, liabilities and deferred inflows and outflows of resources:	
Accounts receivable	(2,056,723)
Inventories	(771,430)
Accounts payable, accrued liabilities and subscription liabilities	2,996,685
Due to other funds	62,603
Deferred fuel	7,283,224
Net cash provided by operating activities	$ 61,329,443

CENTRAL FLORIDA TOURISM OVERSIGHT DISTRICT

STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUND

September 30, 2024

	Other Post-Employment Benefits Trust
ASSETS	
Trust cash	$ 783,748
Trust investments	17,993,956
Total Assets	18,777,704
FIDUCIARY NET POSITION	
Restricted for other postemployment benefits	$ 18,777,704

The accompanying notes are an integral part of these financial statements.

CENTRAL FLORIDA TOURISM OVERSIGHT DISTRICT

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUND

For the Period Ended September 30, 2024

	Other Post-Employment Benefit Trust
ADDITIONS:	
Employer contributions	$ 3,434,688
Net investment gain	
Investment gain	1,250,489
Investment expense	(17,939)
Total net investment gain	1,232,550
Total Additions	4,667,238
DEDUCTIONS:	
Benefits paid on behalf of participants	2,416,750
Net increase in fiduciary net position	2,250,488
Fiduciary net position - October 1, 2023	16,527,216
Fiduciary net position - September 30, 2024	$ 18,777,704

The accompanying notes are an integral part of these financial statements.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The Central Florida Tourism Oversight District (the "District") was established by Chapter 2023-5, Laws of Florida ("new act") effective February 27, 2023. The new act reenacted, amended and repealed Chapter 67-764 Laws of Florida, which created Reedy Creek Improvement District ("RCID"), a State of Florida ("State") public corporation, on May 12, 1967. The new act ratified and confirmed the continued existence of RCID under the District's new name and provided legislative intent concerning the District's authority to generate revenue and pay outstanding indebtedness, without interruption, pursuant to transitional provisions of the Florida Constitution for pre-1968 special districts. The new act retains the District's necessary authority related to taxation and the issuance of bonds.

The new act authorizes the District to continue to do business as RCID for up to two years following the effective date of the new act to provide time to make necessary changes to legal and financial documents, physical assets and other locations where the RCID name is used. The new act incorporates a number of changes to the District's charter, the most significant of which included the following:

- Replaced the landowner-elected Board with a five-member Board newly appointed by the Governor and confirmed by the Senate for four-year terms, for up to three consecutive terms, except that for the initial appointments made during 2023, two members were appointed to serve terms of two years.

- Removed the District's ability to amend its own boundaries without a special act.

- Removed the District's ability to own and operate airport facilities, certain types of recreational facilities (such as stadiums, civic center and convention halls) and "novel and experimental" facilities (such as a nuclear fission power plant).

The District includes approximately 25,000 acres of land in Orange and Osceola Counties. Walt Disney World Co. or other wholly-owned subsidiaries of the Walt Disney Company own substantially all the land within the District. As outlined in Chapter 67-764, the District was organized to provide for the reclamation, drainage, and irrigation of land, to establish water, flood, and erosion control, to provide water and sewer systems and waste collection and disposal facilities, to provide for mosquito and other pest controls, to provide for public utilities, to create and maintain conservation areas, to provide streets, roads, bridges and street lighting facilities, and to adopt zoning and building codes and regulations.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

A. Reporting Entity - Continued

The accompanying financial statements present the financial position and changes in financial position of the applicable fund types governed by the Board of Supervisors of the District in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP"). Determination of the financial reporting entity of the District is founded upon the objective of accountability. Therefore, the financial statements include only the District (the primary government). There are no legally separate component units for which operational or financial responsibility rest with officials of the District or for which the nature and significance of their relationship to the District are such that exclusion would cause the financial statements to be misleading.

B. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all nonfiduciary activities of the primary government. Fiduciary activities are reported only in the fund financial statements. As required by generally accepted governmental accounting principles, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses, of a given function or segment, are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) contributions restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for the governmental funds, the proprietary fund and the fiduciary fund. All governmental funds and the proprietary fund are considered to be major funds and are reported as separate columns in the fund financial statements. The other postemployment benefits trust fund is reported as a separate financial statement and is not included in the government-wide financial statements.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

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

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenue in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within sixty days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and have been recognized as revenues of the current fiscal period. All other revenue items are generally not measurable and available until the District receives cash.

The District reports the following major governmental funds:

General Fund - The District's primary operating fund accounts for all financial resources of the general government, except those required to be accounted for in another fund.

Debt Service Fund - Accounts for resources accumulated and payments made for principal and interest on long-term general obligation debt of governmental funds.

Capital Projects Fund - Accounts for the financial resources to be used for the acquisition or construction of major general government capital projects.

The District reports the following major proprietary fund:

Utility Fund - Accounts for activities of the following District systems: wastewater collection and treatment; potable water production, treatment, storage, pumping and distribution; reclaimed water distribution; electric generation and distribution; chilled water; hot water; natural gas distribution; and solid waste and recyclables collection and transfer.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

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

Additionally, the District reports the following fiduciary fund type:

Other Postemployment Benefits Trust Fund - Accounts for the receipt and disbursement of assets held in trust for eligible participants of other postemployment benefits of the District.

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

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided and 2) capital contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than program revenues. Likewise, general revenues include all taxes. Bad debt expense, if any, reduces revenues.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the District's proprietary fund are charges to customers for sales and services. The District also recognizes as operating revenue connection fees which are to recover the expense of connecting new customers to the system. Operating expenses for the proprietary fund includes the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses. When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, then unrestricted resources as they are needed.

D. Property Taxes

Property taxes are billed and collected within the same fiscal period, and are reflected on the modified accrual basis. Ad valorem taxes on property values have a lien and assessment date of January 1, with millage established during the preceding September. The fiscal year for which taxes are levied begins October 1. Taxes, which are billed in November, carry a maximum discount available through November 30, and become delinquent April 1. State Statutes permit the District to levy property taxes at a rate up to 30 mills. The millage rates assessed by the District for the fiscal year ended September 30, 2024 were 8.9900 for General Operating and 3.9600 for Debt Service.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

E. Cash, Cash Equivalents and Investments

Cash balances from the majority of funds are pooled for investment purposes. Earnings from such investments are allocated to the respective funds based on applicable balances maintained in the pool by each fund. Holdings in the pool, for purposes of these statements, are allocated to the participating funds based on their equity.

Cash and cash equivalents consist of non-interest bearing demand deposits and money market funds and investments with an original maturity of three months or less when purchased. Cash and cash equivalents are carried at cost, which approximates fair value.

Investments are stated at fair value based upon quoted market prices or matrix pricing for certain fixed income securities. Investments are further explained in Notes 3, 10 and 13, Deposits and Investments, Other Postemployment Benefits and Fair Value Measurements, respectively.

F. Inventories

Utility Fund inventories consist of materials, supplies and fuel. All items are held for use only and are valued at cost.

G. Restricted Assets

Certain assets in the debt service fund, capital projects fund and utility fund are restricted as to use by specific provisions of bond resolutions. These assets are classified as restricted assets on the statement of net position.

H. Capital Assets

Infrastructure improvements such as roads, bridges, canals, curbs, gutters, sidewalks, drainage systems and lighting systems are recorded as capital expenditures in the various governmental funds at the time of purchase. These assets are presented as capital assets in the government-wide statement of net position for governmental activities. Infrastructure assets are not depreciated and are accounted for using the modified approach, as further explained in the Required Supplementary Information. Condition assessments are periodically performed and preservation and maintenance costs are reflected as expenses in the government-wide statement of activities under transportation expenses.

Land, buildings, plant, machinery and equipment are carried on the statement of net position for governmental activities and business-type activities at cost, except for contributed assets, which are recorded at acquisition value at the date of contribution. The District's capitalization threshold is $5,000. Depreciation is provided on a straight-line basis over the estimated useful lives of the assets.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

H. Capital Assets - Continued

Subscription-based information technology arrangements ("SBITAs") are measured as an amount equal to the initial measurement of the related SBITA liability, plus any SBITA payments made prior to the subscription term, less SBITA incentives, plus any ancillary charges necessary to place the SBITA into service. Similarly, lease assets are measured as an amount equal to the initial measurement of the related lease liability. SBITA and lease assets are amortized on a straight-line basis over the life of the related contract. Assets are depreciated or amortized as follows:

Buildings and land improvements	30-50 years
Improvements, including utility distribution and collection systems	30-50 years
Machinery and equipment	3-30 years
Right-to-use subscription and lease assets	2-5 years

Repairs and maintenance are expensed when incurred. Additions, major renewals and replacements, which increase the useful lives of the assets, are capitalized.

I. Deferred Amount on Refunding

For current and advance refundings resulting in defeasance of debt, the difference between the reacquisition price and the net carrying amount of the old debt is deferred and amortized using the effective interest method over the remaining life of the old debt or the life of the new debt, whichever is shorter. Deferred amounts are presented as a deferred outflow of resources or deferred inflow of resources in the Statement of Net Position.

J. Compensated Absences

In the government-wide financial statements, compensated absences are recorded as a liability when the benefits are earned. The current portion is the amount accrued during the year that would normally be liquidated with available, expendable resources in the next fiscal year. In the fund statements, expenditures are recognized when payments are due to the employee.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

K. Fund Balances

In the Governmental Fund financial statements, fund balances are classified as follows:

Nonspendable -The portion of fund balance that includes amounts that cannot be spent because they are either not in a spendable form or legally or contractually required to be maintained intact.

Restricted - Amounts that can only be used for specific purposes due to constraints that have been placed on them by external parties, constitutional provisions or enabling legislation.

Committed - Amounts that are constrained for specific purposes that are internally imposed through formal action of the Board of Supervisors and does not lapse at year-end.

Assigned - Amounts constrained by the Board of Supervisors to be used for a specific purpose.

Unassigned - All amounts not included in other spendable classifications.

The District spends restricted amounts first when both restricted and unrestricted fund balance is available unless legally prohibited from doing so. When expenditures are incurred for payment from the unrestricted fund balances, assigned is used first, followed by unassigned fund balance.

The District's fund balance policy requires unassigned fund balance be budgeted at a level at least equal to two months of general fund budgeted operating expenditures. The policy also requires the District assign a minimum $2,000,000 reserve for emergencies, and commit balances as needed for pay-go capital projects, drainage system repairs and maintenance, and allowances for potential ad valorem tax disputes.

L. Budgets and Budgetary Accounting

The following procedures are used to establish the budgetary data reflected in the financial statements:

(1) The District Administrator submits to the Board of Supervisors a proposed operating budget for the fiscal year commencing on October 1.

(2) Public hearings are conducted to obtain taxpayer comments.

(3) Prior to October 1, the budget is legally enacted through passage of an ordinance.

(4) Budgets are legally adopted for the General Fund, Debt Service Fund and the Utility Fund.

(5) Budgets are adopted on a basis consistent with U.S. GAAP.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

L. Budgets and Budgetary Accounting - Continued

(6) The District's charter does not require formal authorization for actual expenditures to exceed budgeted expenditures; however, the Board of Supervisors monitors the budget periodically during the year. The budgetary control is legally maintained at the fund level. The Statement of Revenues, Expenditures and Changes in Fund Balance - Budget to Actual is presented in the same format as the District's operating budget.

(7) All appropriations and encumbrances, except those specifically approved by the Board of Supervisors, lapse at the close of the fiscal year to the extent not expended.

M. Forward Contracts

The District enters into forward contracts as part of its normal purchases of power and fuel and accounts for such contracts as settled, as a component of the cost of its operations.

N. Derivative Instruments

Fuel-related derivative transactions are executed in accordance with the District's established Energy Risk Management Policy ("Policy") which is controlling the level of price risk exposure involved in the normal course of the District's natural gas purchasing activities. The Policy establishes the Energy Risk Management Oversight Committee to enter into financial hedging agreements and contracts with third parties pursuant to enabling agreements approved by the Board of Supervisors. The Policy establishes the organizational structure of the committee and various volume and pricing limits. The fair value of these derivative fuel instruments is included in the Statement of Net Position, with the accumulated changes in fair value reported as deferred outflows or deferred inflows of resources as they have been determined to qualify for hedge accounting. Related gains or losses are deferred and recognized in the specific period in which the derivative is settled and included as part of fuel costs.

O. Pensions

The Florida Retirement System ("FRS") is responsible for providing participating employers with total pension liabilities, pension assets, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, as well as the District's proportionate share of the net pension liability, deferred outflows of resources, deferred inflows of resources and pension expense.

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

P. Postemployment Benefits Other Than Pensions ("OPEB")

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the District's OPEB Plan and additions to/deductions from the OPEB Plan fiduciary net position have been determined on the same basis as they are reported by the OPEB Plan. For this purpose, the OPEB Plan recognizes benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value, except for money market investments that have a maturity at the time of purchase of one year or less, which are reported at cost.

Q. Rates and Regulations

The District follows the accounting practices set forth in Governmental Accounting Standards Board ("GASB") No. 62, paragraphs 476-500, Regulated Operations, for its utility operations. This standard allows utilities to capitalize or defer certain costs or revenues based on management's ongoing assessment that it is probable these items will be recovered through the rate-making process. Regulatory assets consist of deferred fuel cost and are presented as deferred inflows of resources on the statement of net position.

R. Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates and differences could be material.

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2. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

A. Explanation of certain differences between the balance sheet – governmental funds and the government-wide statement of net position

The governmental fund balance sheet includes a reconciliation between fund balance - total governmental funds and net position - governmental activities as reported in the government-wide statement of net position. Further details of certain elements of that reconciliation are as follows:

(1) Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. This amount represents the total capital assets of governmental activities of $1,123,054,815, net of accumulated depreciation and amortization of $118,954,995, or $1,004,099,820.

(2) Some liabilities, including bonds payable, other long-term liabilities, and deferred outflows of resources and deferred inflows of resources, are not due and payable in the current period and, therefore, are not reported in the funds. The details of this difference are shown below:

Compensated absences payable	$ 3,803,959
Self insurance liability	5,978,266
Subscription and lease liabilities	1,161,083
Bonds payable	648,735,144
Deferred outflows - losses on defeased debt	(17,257,133)
Net pension liability	71,179,716
Deferred outflows - pensions	(23,715,339)
Deferred inflows - pensions	9,323,506
Net OPEB liability	59,185,676
Deferred outflows - OPEB	(22,859,614)
Deferred inflows - OPEB	18,634,331
Net adjustment to reduce total fund balances - total governmental funds to arrive at net position of governmental activities	$ 754,169,595

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2. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS - CONTINUED

B. Explanation of certain differences between the statement of revenues, expenditures and changes in fund balances – governmental funds and the government-wide statement of activities

The statement of revenues, expenditures and changes in fund balances - governmental funds includes a reconciliation of the "net changes in fund balances - total governmental funds" and "change in net position of governmental activities" as reported in the government-wide statement of activities. Further details of certain elements of that reconciliation are as follows:

(1) Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation and amortization expense. The amount by which capital outlays exceeded depreciation and amortization in the current period is as follows:

Capital outlay expenditures:	
General fund	
General government	$ 1,773,925
Public safety	1,345,677
Physical environment	3,472,267
Transportation	78,090
Capital projects	51,069,491
Depreciation and amortization expense	(11,341,778)
Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities	$ 46,397,672

(2) Governmental funds report the payment of bond principal and interest when the current financial resources are available and payments are due, and they report the payment of issuance costs, premiums, discounts, and similar items when debt is first issued. However, on the statement of activities interest is accrued and certain bond related costs are deferred and amortized. The details of the difference are as follows:

Net changes of deferred loss, bond costs, discount and premium	$ 2,088,404
Principal payments on bonds outstanding	35,710,000
Accrued interest payable	336,126
Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities	$ 38,134,530

2. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS - CONTINUED

B. Explanation of certain differences between the statement of revenues, expenditures and changes in fund balances – governmental funds and the government-wide statement of activities - Continued

(3) Increases in other liabilities reported as expenses in the statement of activities not requiring the use of current financial resources in governmental funds. The details of the difference are as follows:

Compensated absences	$ (512,490)
Self insurance	(205,898)
Subscription and lease liabilities	(665,358)
Net OPEB liability	827,363
Pensions	(75,891)
Net adjustment to decrease net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities	$ (632,274)

3. DEPOSITS AND INVESTMENTS

The District is authorized to invest in securities as described in its investment policy and in its bond resolutions. As of September 30, 2024, the District held the following deposits and investments as categorized below:

		Investment maturities (in years)	
	Fair Value	Less than 1	1 - 5
Demand deposits	$ 22,005,869	$ 22,005,869	$ -
U.S. Treasury securities	176,247,396	96,315,687	79,931,709
U.S. Government agency securities	38,455,308	29,703,466	8,751,842
Supranationals	3,826,624	1,610,025	2,216,599
Money market mutual funds	80,942,390	80,942,390	-
Totals	$ 321,477,587	$ 230,577,437	$ 90,900,150

Interest Rate Risk - As a means of limiting its exposure to fair value losses arising from rising interest rates, the District's investment policy for operating funds is structured to provide sufficient liquidity to pay obligations as they come due and (1) limits investments to not more than 7-year maturities (with the exception of bond proceeds, described below); and (2) requires the portfolio have no more than 15% in securities maturing in or having an average life of more than 5 years. Bond proceeds and reserve funds are managed in accordance with bond covenants and funding needs which could result in maturities longer than 7 years.

3. DEPOSITS AND INVESTMENTS - CONTINUED

Credit Risk - The District's investment policy limits credit risk by restricting authorized investments to the following: direct obligations of, or obligations guaranteed by, the U.S. Government; bonds and notes issued by various federal agencies; state and local government securities; Canadian public obligations; public improvement bonds; public utility obligations; public housing obligations; State Board of Education obligations; international development banks; certain government security money market mutual funds; repurchase agreements and reverse repurchase agreements. Securities that derive their value from underlying securities ("derivatives") are specifically prohibited except when separately approved by the District's Board of Supervisors.

Custodial Credit Risk - All demand deposits are entirely insured by federal depository insurance or by the multiple financial institution collateral pool pursuant to the Public Depository Security Act of the State of Florida.

The District's investment policy requires that all investments be held by a third party custodian and held in the District's name. As of September 30, 2024, all District investments are held in a bank's trust department in the District's name.

Concentration of Credit Risk - At September 30, 2024, there was one issuer with which the District held investments exceeding 5% of the total investment portfolio. The issuer was Federal Home Loan Bank (6.10%).

Restricted Cash and Cash Equivalents and Investments - The table below summarizes the District's balances of cash and cash equivalents and investments restricted as to use. Restricted amounts are primarily unspent bond proceeds and reserves for debt service:

Statement of Net Position Classifications:	
Restricted cash and cash equivalents	$ 55,317,884
Restricted investments	120,561,258
	$ 175,879,142

4. VALUATION ALLOWANCES

The District recognizes allowances for losses on accounts receivable based on an aging of receivables and includes accounts over 120 days. The Utility Fund recognized an allowance at September 30, 2024 in the amount of $11,242. The expense associated with this allowance is recognized as an offset to utility revenues.

5. CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2024 was as follows:

	Beginning Balance October 1, 2023	Increases	Decreases	Ending Balance September 30, 2024
Governmental Activities:				
Capital assets not being depreciated				
Land	$ 2,992,490	$ -	$ -	$ 2,992,490
Construction in progress	14,259,310	54,409,407	(6,213,891)	62,454,826
Infrastructure	699,173,360	430,038	-	699,603,398
Total capital assets not being depreciated	716,425,160	54,839,445	(6,213,891)	765,050,714
Capital assets being depreciated/amortized				
Buildings	303,887,175	5,783,853	-	309,671,028
Machinery and equipment	44,885,985	2,408,304	(565,334)	46,728,955
Right-to-use subscription assets	754,053	249,354	(71,673)	931,734
Right-to-use lease assets	-	672,384	-	672,384
Total capital assets being depreciated/amortized	349,527,213	9,113,895	(637,007)	358,004,101
Less accumulated depreciation/amortization for:				
Buildings	70,468,023	8,608,572	-	79,076,595
Machinery and equipment	37,606,696	2,477,511	(540,703)	39,543,504
Right-to-use subscription assets	150,874	194,082	(71,673)	273,283
Right-to-use lease assets	-	61,613	-	61,613
Total accumulated depreciation/amortization	108,225,593	11,341,778	(612,376)	118,954,995
Total capital assets being depreciated/amortized, net	241,301,620	(2,227,883)	(24,631)	239,049,106
Governmental activities capital assets, net	$ 957,726,780	$ 52,611,562	$ (6,238,522)	$ 1,004,099,820

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5. CAPITAL ASSETS - CONTINUED

	Beginning Balance October 1, 2023	Increases	Decreases	Ending Balance September 30, 2024
Business-type Activities:				
Capital assets not being depreciated				
Land	$ 6,896,164	$ -	$ -	$ 6,896,164
Construction in progress	20,793,200	22,480,492	(16,313,276)	26,960,416
Total capital assets not being depreciated	27,689,364	22,480,492	(16,313,276)	33,856,580
Capital assets being depreciated/amortized				
Buildings	67,345,692	-	-	67,345,692
Improvements other than buildings	315,583,029	4,160,500	-	319,743,529
Machinery and equipment	466,847,006	14,402,727	-	481,249,733
Right-to-use subscription assets	1,075,319	-	-	1,075,319
Total capital assets being depreciated/amortized	850,851,046	18,563,227	-	869,414,273
Less accumulated depreciation/amortization for:				
Buildings	48,052,790	1,401,915	-	49,454,705
Improvements other than buildings	176,895,506	6,793,132	-	183,688,638
Machinery and equipment	349,540,322	13,922,839	-	363,463,161
Accumulated amortization	161,298	215,064	-	376,362
Total accumulated depreciation/amortization	574,649,916	22,332,950	-	596,982,866
Total capital assets being depreciated/amortized, net	276,201,130	(3,769,723)	-	272,431,407
Business-type activities capital assets, net	$ 303,890,494	$ 18,710,769	$ (16,313,276)	$ 306,287,987

The District regularly reviews the feasibility of ongoing capital projects. During the year, the District wrote off $593,741 in Utility Fund projects.

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6. INTERFUND RECEIVABLE AND PAYABLE BALANCES AND TRANSFERS

Interfund balances between funds results mainly from the time lag between the dates that the goods and services were provided or the expenditure occurs, the recording of the transaction and the date the payment between the funds are made. Interfund receivable and payable balances as of September 30, 2024 are as follows:

	Interfund Receivables (Due from)	Interfund Payables (Due to)
General Fund	$ 106,022	$ 175,766
Capital Projects Fund	-	2,732,680
Utility Fund	2,908,446	106,022
	$ 3,014,468	$ 3,014,468

Interfund transfers during the year ended September 30, 2024 were as follows:

	Interfund Transfers In	Interfund Transfers Out
Capital Projects	$ 26,000,000	$ -
Utility Fund	-	26,000,000
	$ 26,000,000	$ 26,000,000

The transfer from the Utility Fund to the Capital Projects Fund was for utility related projects as part of the World Drive North Phase III Project.

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CENTRAL FLORIDA TOURISM OVERSIGHT DISTRICT

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

Year Ended September 30, 2024

7. LONG-TERM DEBT

A. Changes in long-term liabilities

	Beginning Balance October 1, 2023	Additions	Reductions	Ending Balance September 30, 2024	Due within one year
Governmental activities:					
General Obligation Bonds:					
2015A Ad Valorem Refunding	$ 8,910,000	$ -	$ (1,685,000)	$ 7,225,000	$ 7,225,000
2016A Ad Valorem	153,260,000	-	(2,990,000)	150,270,000	2,755,000
2017A Ad Valorem	166,015,000	-	(7,705,000)	158,310,000	8,090,000
2020A Ad Valorem Refunding	323,985,000	-	(23,330,000)	300,655,000	18,655,000
Deferred amounts:					
Discount/Premium	37,034,959	-	(4,759,815)	32,275,144	-
Total long-term general obligations	689,204,959	-	(40,469,815)	648,735,144	36,725,000
Compensated absences	3,291,469	2,946,652	(2,434,162)	3,803,959	1,907,084
Self insurance liability	5,945,920	204,205	-	6,150,125	1,415,304
Subscription liabilities	495,725	249,354	(197,180)	547,899	206,652
Lease liabilities	-	672,384	(59,200)	613,184	128,961
Net pension liability	65,121,315	35,353,401	(29,295,000)	71,179,716	-
Net OPEB liability	50,544,621	8,641,055	-	59,185,676	-
Long-term liabilities	$ 814,604,009	$ 48,067,051	$ (72,455,357)	$ 790,215,703	$ 40,383,001
Business-type activities:					
Revenue Bonds:					
2013-1 Utility Refunding	$ 21,290,000	$ -	$ (6,355,000)	$ 14,935,000	$ 7,285,000
2018-1 Utility	26,230,000	-	-	26,230,000	-
2018-2 Utility	15,050,000	-	(4,850,000)	10,200,000	5,015,000
Deferred amounts:					
Discount/Premium	3,871,034	-	(537,068)	3,333,966	-
Total long-term bonds payable	66,441,034	-	(11,742,068)	54,698,966	12,300,000
Notes from Direct Borrowings:					
2021-1 Utility	34,945,000	-	(350,000)	34,595,000	50,000
2021-2 Utility	48,505,000	-	(5,900,000)	42,605,000	5,000,000
2021-4 Utility	15,794,000	-	(5,223,000)	10,571,000	5,265,000
Total direct borrowings	99,244,000	-	(11,473,000)	87,771,000	10,315,000
Subscription liability	856,261	-	(191,341)	664,920	206,088
Long-term liabilities	$ 166,541,295	$ -	$ (23,406,409)	$ 143,134,886	$ 22,821,088

7. LONG-TERM DEBT - CONTINUED

General Obligation Bonds Payable

2015A Ad Valorem Tax Refunding Bonds - In April 2015, the District issued $50,925,000 Ad Valorem Refunding Bonds at interest rates of 2.0% to 5.0%. The proceeds were used for the current refunding of the 2005A and 2005B Ad Valorem Tax Bonds maturing on and after June 1, 2015.

2016A Ad Valorem Tax Bonds - In July 2016, the District issued $165,500,000 Ad Valorem Tax Bonds at interest rates of 4.0% and 5.0%, interest only until June 2019. The proceeds were used to finance the costs to design, construct, equip and improve roadways and other facilities within and outside the District.

2017A Ad Valorem Tax Bonds - In October 2017, the District issued $199,375,000 Ad Valorem Tax Bonds at interest rates of 3.0% to 5.0%, interest only until June 2019. The proceeds were used to finance additional transportation projects and were also used to retire the District's 2017 Bond Anticipation Note.

2020A Ad Valorem Tax Refunding Bonds - In February 2020, the District issued $338,025,000 Taxable Ad Valorem Refunding Bonds at interest rates of 1.463% to 2.731%. The proceeds were used for the current refunding of the 2013A and 2013B Ad Valorem Tax Bonds maturing on and after June 2, 2024.

The major provisions of the District's Ad Valorem Tax Bond Resolutions authorizing its debt are as follows:

(1) The Ad Valorem tax bond issues and related interest are collateralized by an irrevocable lien on the proceeds from Ad Valorem taxes levied by the District.

(2) Additional bonds may be issued by the District provided (a) the maximum bond debt service requirement of the proposed and then outstanding bonds does not exceed 85% of the maximum annual collection from Ad Valorem Taxes calculated for the current year and (b) the principal amount of all bonds proposed and then outstanding not exceed 50% of the assessed value of the taxable property within the District.

Revenue Bonds Payable

2013-1 Utilities Revenue Refunding Bonds - In July 2013, the District issued $54,915,000 Utilities Revenue Refunding Bonds at interest rates of 2.5% to 5.0%. The proceeds were used to refund the 2003-1 and 2005-1 Utilities Revenue Bonds.

7. LONG-TERM DEBT - CONTINUED

2018-1 Utilities Revenue Bonds - In July 2018, the District issued $26,230,000 Utilities Revenue Bonds at an interest rate of 5.0%. The proceeds are being used to pay for construction and acquisition of improvements to the utility systems.

2018-2 Taxable Utilities Revenue Bonds - In July 2018, the District issued $19,750,000 Taxable Utilities Revenue Bonds at an average interest rate of 3.44%. The proceeds are being used to pay for improvements to certain existing utility systems.

Notes from Direct Borrowings

2021-1 Utilities Revenue Bonds - In February 2021, the District issued $35,095,000 Utilities Revenue Bonds at an interest rate of 1.72%. The proceeds are being used to pay for construction and acquisition of improvements to the utility systems. The direct borrowing is a non bank-qualified bond, secured by a pledge of net revenues derived from operation of the District’s utility system on a parity with all other previously outstanding Utility Revenue Bonds. The loan is subject to acceleration in accordance with the District's existing Trust Indenture at a default rate equal to prime +4%.

2021-2 Taxable Utilities Revenue Bonds - In February 2021, the District issued $55,130,000 Taxable Utilities Revenue Bonds at interest rates of 1.03% to 1.58%, interest only due until October 2022. The proceeds are being used to pay for improvements to certain existing utility systems. The direct borrowing is a taxable loan, secured by a pledge of net revenues derived from operation of the District’s utility system on a parity with all other previously outstanding Utility Revenue Bonds. The loan is subject to acceleration in accordance with the District's existing Trust Indenture at a default rate equal to prime +4%.

2021-4 Utilities Revenue Refunding Bonds - In July 2021, the District issued $20,976,000 Utilities Revenue Refunding Bonds at an interest rate of 0.79%, interest only due until October 2022. The proceeds were used to currently refund the 2021-3 Taxable Utility Revenue Refunding Bonds. The loan is subject to acceleration in accordance with the District's existing Trust Indenture at a default rate equal to prime +4%.

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7. LONG-TERM DEBT - CONTINUED

The major provisions of the Utility Fund's trust indentures securing its debt are as follows:

(1) The debt obligation and related interest are collateralized by a pledge of the net revenues of the combined utility systems.

(2) The District will establish rates that will provide sufficient net revenues (revenues less operating expenses (excluding depreciation and lease payments to WDWC)), to pay 110% of the annual debt service requirements due each year. Revenues are defined to mean all rates, fees, charges or other income (including certain investment earnings, impact fees and special assessments) generated by the Utility Fund.

(3) The District will pay all current operating expenses.

(4) The District will deposit into the Sinking Fund on a monthly basis an amount equal to one-sixth of the next semi-annual interest payment and one-twelfth of the next annual principal payment.

(5) The District will maintain a renewal and replacement fund equal to 5% of the gross revenues (less expenses for purchased power and fuel) received in the prior year. Such amount may be and was reduced to 4% by certification from the District's consulting engineer.

(6) The District will maintain on deposit in the emergency repair fund at least $500,000.

(7) The debt service reserve requirements are being provided by Debt Service Reserve accounts with the bond trustee.

(8) Additional bonds may be issued if the net revenues (revenues of the system less operating expenses (excluding depreciation and lease payments to WDWC)) for twelve consecutive prior months are at least equal to 125% of the maximum annual debt service of the proposed and then outstanding bonds.

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7. LONG-TERM DEBT - CONTINUED

B. Annual Debt Service Requirements

The annual requirements to amortize the principal balance and interest of all bonds outstanding are as follows:

Governmental activities:

	General Obligation Bonds	
Year Ended September 30,	Principal	Interest
2025	$ 36,725,000	$ 21,791,296
2026	37,955,000	20,557,790
2027	39,260,000	19,254,460
2028	40,635,000	17,877,655
2029	42,085,000	16,428,385
2030-2034	233,800,000	58,791,320
2035-2039	186,000,000	15,262,400
Total	$ 616,460,000	$ 169,963,306
Current portion	(36,725,000)	
Deferred amounts:		
Discount/Premium	32,275,144	
Long-term bonds payable	$ 612,010,144	

Business-type activities:

	Revenue Bonds		Direct Borrowings	
Year Ended September 30,	Principal	Interest	Principal	Interest
2025	$ 12,300,000	$ 2,147,855	$ 10,315,000	$ 1,218,212
2026	12,835,000	1,595,173	10,406,000	1,119,187
2027	1,480,000	1,274,500	19,005,000	934,150
2028	1,555,000	1,198,625	16,320,000	666,646
2029	1,635,000	1,118,875	12,180,000	434,496
2030-2034	9,475,000	4,251,875	10,935,000	1,216,943
2035-2039	12,085,000	1,569,375	8,610,000	250,776
Total	$ 51,365,000	$ 13,156,278	$ 87,771,000	$ 5,840,410
Current portion	(12,300,000)		(10,315,000)	
Deferred amounts:				
Discount/Premium	3,333,966		-	
Long-term bonds payable	$ 42,398,966		$ 77,456,000	

7. LONG-TERM DEBT - CONTINUED

C. Subscription-Based Information Technology Arrangements

The District has entered into subscription-based information technology arrangements (SBITAs) for asset, energy, emergency and practice management, and procurement software for a period of one to five years and an incremental borrowing rate of 3.98% to 2.64%. The SBITAs have been recorded at the present value of the future contract payments as of the date of their inception.

Future payments under the SBITA agreements are as follows:

	Governmental Activities		Business-Type Activities		
Year Ended September 30,	Principal	Interest	Principal	Interest	Total
2025	$ 206,652	$ 19,425	$ 206,088	$ 26,952	$ 459,117
2026	194,200	12,861	221,433	18,598	447,092
2027	147,047	5,960	237,399	9,623	400,029
Total	$ 547,899	$ 38,246	$ 664,920	$ 55,173	$ 1,306,238

For the year ended September 30, 2024, the District had $78,008 of SBITAs with variable payments that were based on user seats. The District had no other payments, such as termination penalties, not previously included in the measurement of the subscription liability. The District had no commitments under SBITAs before the commencement of the subscription term or any losses associated with an impairment.

D. Lease Liabilities

The District has entered into multiple lease arrangements for vehicles for a period of five years and an incremental borrowing rate of 2.64%. The leases have been recorded at the present value of the future contract payments as of the date of their inception.

Future payments under the lease agreements are as follows:

	Governmental Activities		
Year Ended September 30	Principal	Interest	Total
2025	$ 128,961	$ 14,635	$ 143,596
2026	132,407	11,189	143,596
2027	135,945	7,651	143,596
2028	139,578	4,018	143,596
2029	76,293	628	76,921
Total	$ 613,184	$ 38,121	$ 651,305

8. TRANSACTIONS WITH PRINCIPAL LANDOWNERS

During fiscal year 2024, Walt Disney World Co. and other wholly-owned subsidiaries of The Walt Disney Company provided certain services to the District as follows:

Governmental Funds

(1) Administrative services amounted to $20,125, which included technology services.

(2) Maintenance of various District water control facilities amounted to $409,242, which included aquatic weed control.

(3) Maintenance of certain roadways and District property within the District amounted to $42,946, which included minor roadway repairs and street sweeping.

(4) Maintenance of certain building functions within the District amounted to $32,877, including generators and fire alarm panels.

At September 30, 2024, the General Fund included accounts payable of $81,526 and accounts receivable of $61,203 to Walt Disney World Co. and other wholly-owned subsidiaries of the Walt Disney Company.

The District's primary source of revenue is ad valorem taxes. Walt Disney Co. comprised 87% of the total taxable assessed value within the District for the year ended September 30, 2024.

Utility Fund

(1) Construction project management labor associated with various capital improvements amounted to $560,501.

(2) In fiscal year 2024, the Operational Services Fee Cap within the District's labor services agreement with Reedy Creek Energy Services (see Note 15 for additional details) was $35,502,576. Total payments under this contract included operation and maintenance of the utility system of $32,749,698, planned work projects of $936,768 and planned work capital of $1,285,835.

At September 30, 2024, the Utility Fund had accounts receivable of $20,004,364 and accounts payable of $2,788,894 with Walt Disney World Co. and other wholly-owned subsidiaries of The Walt Disney Company.

The District provides utility services to Walt Disney World Co. and other associated companies within its service area. Revenues from services provided to these companies were 84% of total utility revenues for the year ended September 30, 2024.

8. TRANSACTIONS WITH PRINCIPAL LANDOWNERS - CONTINUED

Utility Fund - Continued

The District entered into an agreement February 2, 2023 with Walt Disney Parks and Resorts U.S., Inc. ("WDPR") and Palm Hospitality Company, for the District to purchase land from each party in order to construct a 4-lane divided rural roadway and other improvements connecting portions of the public roadway of World Drive described as the Northern portion and Southern portion. The agreement states the District will pay Palm Hospitality $600,000 and WDPR $12,272,000. No payments were made and no land titles were transferred as of September 30, 2024.

9. RETIREMENT SYSTEM

General Information - All full-time employees of the District participate in the FRS, administered by the State. As provided by Chapters 121 and 112, Florida Statutes, the FRS provides two cost sharing, multiple employer defined benefit plans administered by the Florida Department of Management Services, Division of Retirement, including the FRS Pension Plan ("Pension Plan") and the Retiree Health Insurance Subsidy ("HIS Plan"). Employees elect participation in either the Pension Plan or the defined contribution plan ("Investment Plan"), which is administered by the State Board of Administration ("SBA"). The FRS provides retirement and disability benefits, annual cost-of-living adjustments and death benefits to plan members and beneficiaries. Benefits are established by Chapter 121, Florida Statutes and Chapter 60S, Florida Administrative Code. Amendments to the law can be made only by an act of the Florida State Legislature.

The State of Florida annually issues a publicly available financial report that includes financial statements and required supplementary information for FRS. The latest available report may be obtained by writing to the State, Division of Retirement, Department of Management Services, P.O. Box 9000, Tallahassee, Florida, 32315-9000, or from the website: www.dms.myflorida.com/workforce_operations/retirement/publications.

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9. RETIREMENT SYSTEM - CONTINUED

Pension Plan

Benefits provided - Benefits under the Pension Plan are computed on the basis of age, average final compensation and service credit. Pension plan members are eligible for retirement as follows:

	Class			
	Regular	Senior Management	Special Risk	Special Risk Administrative Support
Enrolled prior to July 1, 2011				
Vested	6 years	6 years	6 years	6 years
Normal retirement age	earlier of 30 years of credited service or attainment of age 62	earlier of 30 years of credited service or attainment of age 62	earlier of 25 years of credited service or attainment of age 55	earlier of 25 years of credited service or attainment of age 55
Retirement benefit	1.6% of average final compensation for each year of credited service	2% of average final compensation for each year of credited service	3% of average final compensation for each year of credited service	1.6% of average final compensation for each year of credited service
Enrolled on or after July 1, 2011				
Vested	8 years	8 years	8 years	8 years
Normal retirement age	earlier of 33 years of credited service or attainment of age 65	earlier of 33 years of credited service or attainment of age 65	earlier of 30 years of credited service or attainment of age 55	earlier of 30 years of credited service or attainment of age 55
Retirement benefit	1.6% of average final compensation for each year of credited service	2% of average final compensation for each year of credited service	3% of average final compensation for each year of credited service	1.6% of average final compensation for each year of credited service

If the member is initially enrolled in the Pension Plan before July 1, 2011, and all service credit was accrued before July 1, 2011, the annual cost-of-living adjustment is 3% per year. If the member is initially enrolled before July 1, 2011, and has service credit on or after July 1, 2011, there is an individually calculated cost-of-living adjustment, which is determined by dividing the sum of the pre-July 2011 service credit by the total service credit at retirement, multiplied by 3%. Plan members initially enrolled on or after July 1, 2011 will not have a cost-of-living adjustment after retirement.

Early retirement may be taken anytime; however, there is a 5% benefit reduction for each year prior to normal retirement age. Members are also eligible for in-line-of-duty or regular disability benefits if permanently disabled and unable to work. Pension Plan Members eligible for retirement are given the option to enter the Deferred Retirement Option Program ("DROP"), which effectively allows them to work with a FRS employer for up to 96 months after electing to participate. Deferred monthly benefits are held in the FRS Trust Fund and accrue interest. There are no required contributions by DROP participants.

9. RETIREMENT SYSTEM - CONTINUED

Pension Plan - Continued

Contributions - The contribution requirements of the District are established and may be amended by FRS. Effective July 1, 2011 Florida Legislature required employees contribute 3% of their annual earnings on a pretax basis, with remaining contributions being the obligation of the District. The District contributed 22.36% of covered employee payroll during the year. The District's contributions to FRS for the year ended September 30, 2024 were $9,274,699. Employee contributions to FRS for the year ended September 30, 2024 were $1,151,426. Contributions made and accrued were equal to the required contributions for each year.

The FRS has numerous classes of membership (of which District employees qualify in five classes) with descriptions and employer contribution rates in effect during the year ended September 30, 2024 as follows:

Regular Class - Members not qualifying for other classes (13.57% from 10/1/2023 through 6/30/2024 and 13.63% from 7/1/2024 through 9/30/2024).

Special Risk Class - Members employed as law enforcement officers, firefighters, correctional officers or community-based correctional probation officers, and paramedics and EMTs who meet the criteria set to qualify for this class (32.67% from 10/1/2023 through 6/30/2024 and 32.79% from 7/1/2024 through 9/30/2024).

Special Risk Administrative Support Class - Special risk employees who are transferred or reassigned to a non-special risk position (39.82% from 10/1/2023 through 9/30/2024).

Senior Management Service Class - Qualifying member of senior management (34.52% from 10/1/2023 through 9/30/2024).

Deferred Retirement Option Program (DROP) - Participating members of the program, not to exceed 96 months (21.13% from 10/1/2023 through 9/30/2024).

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - At September 30, 2024, the District reported a liability of $56,915,826 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2024. The District's proportion of the net pension liability was based on historical employer contributions. At June 30, 2024, the District's proportionate share was 0.14713%, which was an increase of 0.01903% from its proportionate share measured as of June 30, 2023.

9. RETIREMENT SYSTEM - CONTINUED

Pension Plan - Continued

For the year ended September 30, 2024, the District recognized an increase in the pension liability primarily due to investment losses and resulting pension fund asset depreciation experienced by FRS. The District recognized pension expense in the amount of $8,693,034. In addition, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 5,750,026	$ -
Change of assumptions	7,800,834	-
Net difference between projected and actual earnings on Pension Plan investments	-	3,782,922
Changes in proportion and differences between District Pension Plan contributions and proportionate share of contributions	6,112,516	3,051,317
District Pension Plan contributions subsequent to the measurement date	2,169,559	-
Total	$ 21,832,935	$ 6,834,239

The deferred outflows of resources related to the Pension Plan, totaling $2,169,559 resulting from District contributions to the Plan subsequent to the measurement date, will be recognized as an increase to the net pension liability in fiscal year 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the Pension Plan will be recognized in pension expense as follows:

Fiscal Year Ending September 30,	Amount
2025	$ (1,136,405)
2026	12,345,325
2027	899,951
2028	42,567
2029	677,699

Actuarial Assumptions - The total pension liability in the June 30, 2024 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

- Inflation: 2.40%
- Salary increases: 3.50% average, including inflation
- Investment rate of return: 6.70% net of pension plan investment expense and inflation

9. RETIREMENT SYSTEM - CONTINUED

Pension Plan - Continued

The actuarial assumptions used in the July 1, 2024 valuation were based on the results of an actuarial experience study for the period July 1, 2018 through June 30, 2023. Mortality rates were based on the PUB-2010 base table, projected generationally with Scale MP-2021.

The long-term expected rate of return on Pension Plan investments was not based on historical returns, but instead is based on a forward-looking capital market economic model. The long-term expected rate of return assumption of 6.70% consists of two building block components: 1) an inferred real (in excess of inflation) return of 4.20%; and 2) a long-term average annual inflation assumption of 2.40% as adopted in October 2024 by the FRS Actuarial Assumption Conference. The target allocation and best estimates of arithmetic and geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation [1]	Annual Arithmetic Return	Compound Annual (Geometric) Return	Standard Deviation
Cash	1.0 %	3.3 %	3.3 %	1.1 %
Fixed Income	29.0	5.7	5.6	3.9
Global Equity	45.0	8.6	7.0	18.2
Real Estate	12.0	8.1	6.8	16.6
Private Equity	11.0	12.4	8.8	28.4
Strategic Investments	2.0	6.6	6.2	8.7
Assumed Inflation - Mean			2.4 %	1.5 %

[1] As outlined in the Pension Plan's investment policy available from Funds We Manage on the SBA's website at www.sbafla.com.

Discount Rate - The discount rate used to measure the total pension liability was 6.70%. The Pension Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the total pension liability is equal to the long-term expected rate of return.

Sensitivity of the District's Proportionate Share of the Net Position Liability to Changes in the Discount Rate - The following represents the District's proportionate share of the net pension liability calculated using the discount rate of 6.70%, as well as what the District's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is one percentage point lower (5.70%) or one percentage point higher (7.70%) than the current rate:

	1% Decrease (5.70%)	Discount Rate (6.70%)	1% Increase (7.70%)
District's proportionate share of the net pension liability (asset)	$ 100,112,946	$ 56,915,826	$ 20,729,077

9. RETIREMENT SYSTEM - CONTINUED

Pension Plan - Continued

Pension Plan Fiduciary Net Position - Detailed information regarding the Pension Plan's fiduciary net position is available in the separately issued FRS Pension Plan and Other State-Administered Systems Annual Comprehensive Financial Report.

Payables to the Pension Plan - At September 30, 2024, the District reported a payable in the amount of $1,030,685 for outstanding contributions to the Pension Plan required for the fiscal year ended September 30, 2024.

HIS Plan

Plan Description - The HIS Plan is a cost-sharing, multiple-employer defined benefit pension plan established under Section 112.363, Florida Statutes, and may be amended by the Florida legislature at any time. The benefit is a monthly payment to assist retirees of State-administered retirement systems in paying their health insurance costs and is administered by the Florida Department of Management Services, Division of Retirement.

Benefits Provided - For the fiscal year ended September 30, 2024, eligible retirees and beneficiaries received a monthly HIS payment of $7.50 for each year of creditable service completed at the time of retirement, with a minimum HIS payment of $45 and a maximum HIS payment of $225 per month. To be eligible to receive these benefits, a retiree under a State-administered retirement system must provide proof of health insurance coverage, which may include Medicare.

Contributions - The HIS Plan is funded by required contributions from FRS participating employers as set by the Florida Legislature. Employer contributions are a percentage of gross compensation for all active FRS members. At September 30, 2024, the HIS contribution was 2.0%. The District contributed 100% of its statutorily required contributions for the current year. HIS Plan contributions are deposited in a separate trust fund from which payments are authorized. HIS Plan benefits are not guaranteed and are subject to annual legislative appropriation. In the event legislative appropriation or available funds fail to provide full subsidy benefits to all participants, benefits may be reduced or cancelled.

The District's contributions to the HIS Plan totaled $829,555 for the fiscal year ended September 30, 2024.

9. RETIREMENT SYSTEM - CONTINUED

HIS Plan - Continued

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - At September 30, 2024, the District reported a liability of $14,263,890 for its proportionate share of the HIS Plan's net pension liability. The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2024, with the liabilities developed in that valuation rolled forward to the Measurement Date using standard actuarial roll-forward techniques. The District's proportionate share of the net pension liability was based on the District's 2023-2024 fiscal year contributions relative to the 2023-2024 fiscal year contributions of all participating members. At June 30, 2024, the District's proportionate share was 0.09509%, which was an increase of 0.00645% from its proportionate share measured as of June 30, 2023.

For the fiscal year ended September 30, 2024, the District recognized pension expense of $755,995. In addition, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 137,728	$ 27,389
Change of assumptions	252,438	1,688,661
Net difference between projected and actual earnings on HIS Plan investments	-	5,159
Changes in proportion and differences between District HIS Plan contributions and proportionate share of contributions	1,281,530	768,058
District HIS contributions subsequent to the measurement date	210,708	-
Total	$ 1,882,404	$ 2,489,267

The deferred outflows of resources related to the HIS Plan, totaling $210,708 and resulting from District contributions to the HIS Plan subsequent to the measurement date, will be recognized as an increase to the net pension liability in fiscal year 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the HIS Plan will be recognized in pension expense as follows:

Fiscal Year Ending September 30,	Amount
2025	$ (132,638)
2026	(163,654)
2027	(238,405)
2028	(166,688)
2029	(90,823)
Thereafter	(25,363)

9. RETIREMENT SYSTEM - CONTINUED

HIS Plan - Continued

Actuarial Assumptions - The total pension liability in the June 30, 2024, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

- Inflation: 2.40%
- Salary increases: 3.50% average, including inflation
- Municipal bond rate: 3.93%

Mortality rates were based on the Generational PUB-2010 with Projection Scale MP-2021.

The actuarial assumptions used in the July 1, 2024 valuation were based on the results of an actuarial experience study for the period July 1, 2018 through June 30, 2023.

Discount Rate - The discount rate used to measure the total pension liability was 3.93%. In general, the discount rate for calculating the total pension liability is equal to the single rate equivalent to discounting at the long-term expected rate of return for benefit payments prior to the projected depletion date. Because the HIS benefit is essentially funded on a pay-as-you-go basis, the depletion date is considered to be immediate, and the single equivalent discount rate is equal to the municipal bond rate selected by the FRS Actuarial Assumption Conference. The Bond Buyer General Obligation 20-Bond Municipal Bond Index was adopted as the applicable municipal bond index.

Sensitivity of the District's Proportionate Share of the Net Position Liability to Changes in the Discount Rate - The following represents the District's proportionate share of the net pension liability calculated using the discount rate of 3.93%, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (2.93%) or one percentage point higher (4.93%) than the current rate:

	1% Decrease (2.93%)	Discount Rate (3.93%)	1% Increase (4.93%)
District's proportionate share of the HIS pension liability	$ 16,237,606	$ 14,263,890	$ 12,625,387

HIS Plan Fiduciary Net Position - Detailed information regarding the HIS Plan's fiduciary net position is available in the separately issued FRS Pension Plan and Other State-Administered Systems Annual Comprehensive Financial Report.

Payables to the HIS Plan - At September 30, 2024, the District reported a payable in the amount of $82,371 for outstanding contributions to the HIS Plan required for fiscal year ended September 30, 2024.

9. RETIREMENT SYSTEM - CONTINUED

Investment Plan

The SBA administers the defined contribution plan officially titled the FRS Investment Plan. The Investment Plan is reported in the SBA's annual financial statements and in the State of Florida Annual Comprehensive Financial Report.

As provided in Section 121.4501, Florida Statutes, eligible FRS members may elect to participate in the Investment Plan in lieu of the FRS defined benefit plan. District employees participating in DROP are not eligible to participate in the Investment Plan. Employer and employee contributions, including amounts contributed to individual member's accounts, are defined by law, but the ultimate benefit depends in part on the performance of investment funds. Benefit terms, including contribution requirements, for the Investment Plan are established and may be amended by the Florida Legislature. The Investment Plan is funded with the same employer and employee contribution rates that are based on salary and membership class (Regular Class, Senior Management, etc.), as the Pension Plan. Contributions are directed to individual member accounts, and the individual members allocate contributions and account balances among various approved investment choices.

Costs to administer the Investment Plan, including the FRS Financial Guidance Program, are funded through employer contributions of 0.06% of payroll and by forfeited benefits of plan members. Allocations to investment member's accounts during the 2023-2024 fiscal year, as established by Section 121.72, Florida Statutes, are based on a percentage of gross compensation, by class, as follows: Regular 11.30%, Special Risk 19.00%, Special Risk Administrative Support 12.95%, and Senior Management Service 12.67%.

For all membership classes, employees are immediately vested in their own contributions and are vested after one year of service for employer contributions and investment earnings. If an accumulated benefit obligation for service credit originally earned under the Pension Plan is transferred to the Investment Plan, the member must have the years of service required for Pension Plan vesting (including service credit represented by the transferred funds) to be vested for these funds and the earnings on the funds. Non-vested employer contributions are placed in a suspense account for up to 5 years. If the employee returns to FRS-covered employment within the 5-year period, the employee regains control over their account. If the employee does not return within the 5-year period, the employee forfeits the accumulated account balance. For fiscal year ended September 30, 2024, the information for the amount of forfeitures was unavailable from the SBA; however, management believes these amounts, if any, would be immaterial to the District.

After termination and applying to receive benefits, members may rollover vested funds to another qualified plan, structure a periodic payment under the Investment Plan, receive a lump-sum distribution, leave the funds invested for future distribution, or any combination of these options. Disability coverage is provided; the member may either transfer the account balance to the Pension Plan when approved for disability retirement to receive guaranteed lifetime monthly benefits under the Pension Plan, or remain in the Investment Plan and rely upon that account balance for retirement income.

10. OTHER POSTEMPLOYMENT BENEFITS (OPEB)

General Information about the OPEB Plan

Plan description - The District provides OPEB through the Voluntary Employees' Beneficiary Association ("VEBA") Plan, a single-employer plan administered by the District. The Plan is administered by the VEBA Board, whose members are the same as the District's Board of Supervisors. The authority to establish and amend benefits, as well as the funding policy, rests with the District's Board. The Plan does not issue a separate publicly available financial report. The Plan trustee is US Bank.

State Statute requires the District to continue offering healthcare coverage to retirees at the District's cost; however, for employees hired prior to March 1, 2013, the District elected by policy to provide this coverage at no cost to retirees that have met certain requirements during employment with the District. Certain executive positions qualify for the health benefits regardless of hire date. The District also has a Survivor Income Plan for retirees that have met certain requirements during employment with the District.

Benefits provided - The VEBA Plan provides healthcare benefits for eligible retirees and their dependents enrolled in District-sponsored plans. Benefits are provided through a third party insurer. To qualify for this benefit, non-union employees must have 20 years of service with the District and be age 62 to obtain paid coverage for themselves and their eligible dependent, certain executive positions must have 7 years of service and be age 62, and union employees must have 20 years of service with the District and be age 55 to obtain paid coverage for themselves. For employees hired after March 1, 2013, retirees may elect to continue coverage for themselves and their eligible dependents at the full, unsubsidized cost to the District for the elected coverage. The VEBA Plan also provides death benefits for certain retirees, equivalent of two times the participant's final annual base salary at retirement to their designated beneficiary. To qualify for this benefit, they must be designated or key employees as outlined by the plan and be age 62 with 10 years (7 years for executive positions) of service, or 25 years with no age requirement. The District currently has 11 retirees that meet the eligibility requirements.

Employees covered by benefit terms - At September 30, 2024, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	138
Inactive employees entitled to but not yet receiving benefit payments	33
Active employees	386

10. OTHER POSTEMPLOYMENT BENEFITS (OPEB) - CONTINUED

General Information about the OPEB Plan - Continued

Contributions - Contributions to the VEBA Trust are not codified or mandated but the District's funding strategy is to contribute a minimum of $1 million to the VEBA Trust per year. The District is paying current benefits as they come due from operations. For the year ended September 30, 2024, the District's contribution rate was 9.6% of covered-employee payroll. Employees are not required to contribute to the Plan. However, retirees reimburse the District for their elected health coverage at the District's cost in instances where they are not entitled to all or a portion of the subsidy.

Investments

Rate of Return - For the year ended September 30, 2024, the annual money-weighted rate of return on investments, net of investment expense, was 7.3%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Interest Rate Risk - As a means of limiting its exposure to fair value losses arising from rising interest rates, the District's investment guidelines related to the VEBA Trust are structured to provide sufficient liquidity to pay obligations as they come due. Guidelines for the VEBA Trust are consistent with the policy on other District investments as to the restrictions on the type of investments.

Custodial Credit Risk - VEBA Plan investments are held by the Trustee in the Plan's name.

Credit Risk - The investment policy limits credit risk by restricting authorized investments to the following: direct obligations of, or obligations guaranteed by, the U.S. Government; bonds and notes issued by various federal agencies; state and local government securities; Canadian public obligations; public improvement bonds; public utility obligations; public housing obligations; State Board of Education obligations; international development banks; certain government security money market mutual funds; repurchase agreements and reverse repurchase agreements.

Concentration of Credit Risk - At September 30, 2024, there was one issuer with which the District held investments exceeding 5% of the total investment portfolio. The issuer was Federal Home Loan Bank (19.31%).

The VEBA Plan categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. VEBA plan investments are summarized in the table below. Level 1 investments are valued using prices quoted in active markets for those securities. Level 2 investments are valued using observable inputs other than quoted prices. The VEBA Plan's cash and cash equivalents are invested in First American Money Market Fund, which has a credit rating of AAAm as rated by Standard & Poor's. There are no redemption or deposit restrictions related to these money market funds and the fund aims to maintain NAV of $1 per share.

10. OTHER POSTEMPLOYMENT BENEFITS (OPEB) - CONTINUED

Investments - Continued

	2024			
	Total Fair Value	Level 1	Level 2	Level 3
Investments Measured at Fair Value				
U.S. Treasury and Government Agency Securities	$ 16,624,569	$ -	$ 16,624,569	$ -
Supranational	1,317,526	-	1,317,526	-
Total Investments at Fair Value	$ 17,942,095	$ -	$ 17,942,095	$ -
Investments Measured at Amortized Cost				
Money Market Funds	$ 51,861			
Total Investments	$ 17,993,956			

Long-Term Expected Rate of Return

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

Best estimates of geometric real rates of return for each major asset class included in the plan's target asset allocation as of September 30, 2024 are summarized in the following table:

	Target Allocation	Long-Term Expected Rate of Return
Fixed Income	100.00 %	3.81 %
Total	100.00 %	

Net OPEB Liability

The District's net OPEB liability was measured as of September 30, 2024 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date.

10. OTHER POSTEMPLOYMENT BENEFITS (OPEB) - CONTINUED

Net OPEB Liability - Continued

Actuarial Assumptions - The total OPEB liability in the September 30, 2024 valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

- Inflation: 2.50%
- Salary increases: 3.50%, including inflation
- Investment rate of return: 3.81%, including inflation
- Healthcare cost trend rates: The table below are annual trends based on the current trend study and are applied on a select and ultimate basis. Select trends are reduced .25% per year until reaching the ultimate trend rate.

	Fiscal Years		
Expense Type	2025	2026	2027+
Pre-65 Medical	8.0 %	7.8 %	6.3 %
Post-65 Medical	7.0	6.8	5.8
Dental	4.0	4.0	4.0
Vision	3.0	3.0	3.0

Mortality assumptions were based on table PUB-2010 with projections scale MP-2021. Retirement and turnover assumptions are consistent with the assumptions used in the actuarial valuation of the Florida Retirement System as of July 1, 2023.

The discount rate (long-term expected rate of return) is based on the Bond Buyer "20-Bond GO Index" and assuming that the expected return on plan assets is equal to the 20-Bond GO Index, believed to be reasonable given the assets are 100% invested in corporate and government fixed income securities of various maturities.

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10. OTHER POSTEMPLOYMENT BENEFITS (OPEB) - CONTINUED

Changes in Net OPEB Liability

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balances at October 1, 2023	$ 67,071,837	$ 16,527,216	$ 50,544,621
Changes for the year:			
Service cost	1,135,506	-	1,135,506
Interest	2,740,258	-	2,740,258
Changes in assumptions	14,627,788	-	14,627,788
Difference between expected and actual experience	(5,195,259)	-	(5,195,259)
Contributions - employer	-	3,434,688	(3,434,688)
Net investment gain	-	1,232,550	(1,232,550)
Benefit payments	(2,416,750)	(2,416,750)	-
Net changes	10,891,543	2,250,488	8,641,055
Balances at September 30, 2024	$ 77,963,380	$ 18,777,704	$ 59,185,676
Plan fiduciary net position as a percentage of total OPEB liability			24.1%

<u>Sensitivity of the net OPEB liability to changes in the discount rate</u>. The following presents the net OPEB liability of the District, as well as what the District's net OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (2.81%) or one percentage point higher (4.81%) than the current discount rate (rounded to the nearest thousand):

	1% Decrease (2.81%)	Discount Rate (3.81%)	1% Increase (4.81%)
Net OPEB liability	$ 72,744,889	$ 59,185,676	$ 48,268,287

<u>Sensitivity of the net OPEB liability to changes in the healthcare cost trend rates</u>. The following presents the net OPEB liability of the District, as well as what the District's net OPEB liability would be if it were calculated using healthcare cost trend rates that are one percentage point lower (7.0% decreasing to 4.8%) or one percentage point higher (9.0% decreasing to 6.8%) than the current healthcare cost trend rates (rounded to the nearest thousand):

	1% Decrease (7.0% decreasing to 4.8%)	Healthcare Cost Trend Rates (8.0% decreasing to 5.8%)	1% Increase (9.0% decreasing to 6.8%)
Net OPEB liability	$ 48,948,102	$ 59,185,676	$ 72,527,136

<u>Changes of assumptions or other inputs</u>. Beginning of year total OPEB liability was calculated using an assumed discount rate of 4.09%. The discount rate used at September 30, 2024 was 3.81%.

10. OTHER POSTEMPLOYMENT BENEFITS (OPEB) - CONTINUED

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

For the year ended September 30, 2024, the District recognized OPEB expense of $2,607,325. At September 30, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual demographic experience	$ 1,353,495	$ 4,278,079
Change of assumptions	21,192,304	14,356,252
Net difference between projected and actual investment performance	313,815	-
Total	$ 22,859,614	$ 18,634,331

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

Fiscal Year Ending September 30,	Amount
2025	$ (647,700)
2026	(778,231)
2027	(248,280)
2028	2,610,528
2029	2,037,100
Thereafter	1,251,866

11. RISK MANAGEMENT

The District is self-insured and carries excess commercial insurance due to exposure to certain risks of loss related to theft, damage to and destruction of assets, torts, injuries to employees and natural disasters. The District retains risk up to a maximum of $1,000,000 for each workers' compensation and employer's liability claim, $250,000 for each liability claim, $100,000 for most property damage claims, $50,000 for crime/theft losses and $100,000 for cyber liabilities. The District purchases commercial insurance for certain exposures in excess of risk retained with commercially reasonable limits, sublimits, terms and conditions. There have been no material claim settlements in excess of insurance coverage during the three fiscal years ended September 30, 2022, 2023 and 2024.

11. RISK MANAGEMENT - CONTINUED

Liabilities are reported when it is probable that a material loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include an estimate for claims that have been incurred but not reported. The self-insurance liability of $6,150,125 at September 30, 2024 is based on an actuarial review of claims pending and past experience. Changes in the claims liability amount during fiscal years 2024 and 2023 are as follows:

	Year Ended September 30, 2024	Year Ended September 30, 2023
Self insurance liability beginning balance	$ 5,945,920	$ 6,068,385
Claims and changes in estimates	1,801,178	991,033
Claims payments	(1,596,973)	(1,113,498)
Self insurance liability ending balance	$ 6,150,125	$ 5,945,920

12. DERIVATIVE FUEL INSTRUMENTS

The District entered into derivative fuel instruments - cash flow hedges (commodity swaps, caps and collars) to financially hedge the cost of natural gas. The District's fuel-related derivative transactions are recorded at fair value on the Statement of Net Position as either an asset or liability depending on their fair value, and the related unrealized gains and/or losses for effective hedges are deferred and reported as either deferred inflows or outflows of resources. Realized gains and losses on these transactions are recognized as fuel expense in the specific period in which the instrument is settled. During the year, a total of $5,892,630 in settlement gains was recognized in fuel expense.

The following is a summary of the derivative fuel instruments of the Utility Fund as of September 30, 2024 which have been deemed effective and are recorded as deferred inflows.

	Fair Value at September 30,				
Classification	2023	Change in fair value	2024	Notional	Maturity
Deferred outflows/(inflows)	$ (1,875,349)	$ 1,696,678	$ (178,671)	7,790,032 MMBTUs	FY2025 - 2027

Credit Risk - The District's counterparties must have a minimum credit rating of BBB- issued by Standard & Poor's or Fitch's rating service or Baa3 issued by Moody's Investor Services.

Basis Risk - All of the District's transactions are based on the same reference rates, thus there is no basis risk.

Termination Risk - The District's Energy Risk Management Oversight Committee oversees the derivative instrument activity and of the counterparties who are required to maintain a minimum credit rating and present collateral at certain levels which mitigates the chance of a termination event. To date, no termination events have occurred.

13. FAIR VALUE MEASUREMENTS

GASB No. 72 addresses accounting and financial reporting issues related to fair value measurements. It provides guidance for applying fair value to certain investments and disclosures related to all fair value measurements. For the District, this statement applies to certain investments and natural gas hedges.

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset or liability.

Level 1 - quoted prices (unadjusted) for identical assets or liabilities in active markets that a government can access at the measurement date

Level 2 - inputs other than quoted prices included within Level 1 - that are observable for an asset or liability, either directly or indirectly

Level 3 - unobservable inputs for an asset or liability

Investments - The District's investments are summarized in the table below. Level 1 investments are valued using prices quoted in active markets for those securities. Level 2 investments are valued using observable inputs other than quoted prices. The District's cash and cash equivalents are invested in First American Money Market Fund and Federated Hermes Treasury Obligations Fund, both of which have a credit rating of AAAm as rated by Standard & Poor's. There are no redemption or deposit restrictions related to these money market funds and the funds aim to maintain NAV of $1 per share.

	2024			
	Total	Level 1	Level 2	Level 3
Investments Measured at Fair Value				
U.S. Treasury and Government Agency Securities	$ 214,702,704	$ -	$ 214,702,704	$ -
Supranational	3,826,624	-	3,826,624	-
Total Investments at Fair Value	$ 218,529,328	$ -	$ 218,529,328	$ -
Cash Equivalents Measured at Amortized Cost				
Money Market Funds	$ 80,942,390			
Total	$ 299,471,718			

Natural Gas Hedges - The District utilizes a derivative advisory and valuation service to value its portfolio of natural gas hedges, which are valued based on a discounted cash flows ("DCF") proprietary model. Commodity cap valuations were produced by a similar DCF model that incorporates an adaptation of the Black-Scholes option pricing model. As market quotations are not available for identical commodity derivatives, indirect valuation techniques are required. The District's derivative instruments for fuel cost natural gas hedges, which are presented as an asset and a deferred inflow on the Statement of Net Position, have been categorized as Level 2 inputs.

14. NET POSITION AND FUND BALANCE REPORTING

The Statement of Net Position for governmental activities reflects a negative unrestricted net position of $67,334,530. This is primarily due to the District's net pension liability and net OPEB liability, including related deferred inflows and deferred outflows of resources, all of which amount to a combined $112 million.

Governmental Fund Balances

In the Balance Sheet - Governmental Funds, the District has classified fund balances into nonspendable, committed, restricted, assigned and unassigned amounts. Restricted amounts represent the following:

- Capital Projects Fund - Bond funds restricted for road system and building improvements subject to specific provisions in bond resolutions.
- Debt Service Fund - Assets required for servicing general obligation bond indebtedness under the District's trust indenture.

Committed amounts in the general fund represent certain fees specifically set aside by action of the Board of Supervisors to be used solely to maintain the integrity of the drainage system. Also included are amounts set aside due to property appraiser disputes. Note 15 discusses these disputes in more detail.

15. COMMITMENTS AND CONTINGENCIES

Construction

As of September 30, 2024, the District's Board of Supervisors authorized a budget of approximately $176.0 million for current or in-process major transportation and other construction projects. Executed construction commitments associated with these projects approximated $129.3 million and of this amount, approximately $62.5 million was spent as of September 30, 2024.

Purchased Power and Gas

The District has entered into Purchase Power Agreements ("PPA") with Investor Owned Utilities (IOUs), private solar developers and municipal entities throughout Florida for the purchase and sale of power at wholesale rates, and associated transmission service. In general, except for solar PPAs, purchase PPAs require the counterparty to pay reservation charges for capacity to reserve the right to call on such capacity as needed. The District's budgeted minimum commitment for fiscal year 2024 reservation charges under its agreements was estimated at $4,375,000. There are no requirements for the District to sell wholesale power or reserve capacity for wholesale sales. Initial terms of the District's existing agreement expires on December 31, 2024, with various provisions for renewal or cancellation by the District and the respective counterparty in the agreement.

15. COMMITMENTS AND CONTINGENCIES - CONTINUED

Purchased Power and Gas - Continued

On April 1, 2023, the District entered into a Service Agreement for Network Integration Transmission Service ("NITS") with Duke Energy for the period April 1, 2023 through March 31, 2028. The Service Agreement will automatically renew for successive five-year terms unless terminated. The District's budgeted transmission commitment for fiscal year 2024 under the NITS agreement was estimated at $10,655,006.

On May 27, 2015, the District entered into a Purchase Power Agreement with Duke Energy for the purchase of solar energy from the "Mickey Solar" array. The agreement is for a term of 15 years with a total commitment to purchase energy of approximately $7,515,550. The annual cost for fiscal year 2024 was estimated at $554,358.

On October 9, 2017, the District entered into a Purchase Power Agreement with Origis Energy for the purchase of solar energy from the FL Solar 5, LLC facility. The agreement is for a term of 17 years with the option to extend the term up to 20 years. For the 17-year term, the District is committed to purchase energy of approximately $76,681,234. The annual cost for fiscal year 2024 was estimated at $3,807,782.

On February 24, 2021, the District entered into a third Purchase Power Agreement to purchase solar energy from Bell Ridge Solar, LLC for a 20-year term. On March 23, 2022, based on mutual agreement of the parties the First Amendment to the original PPA with Bell Ridge Solar, LLC for the purchase of solar energy was executed. The term of the original agreement of 20 years equates to a total commitment to purchase energy of approximately $125,634,409. The annual cost for fiscal year $78,008 is estimated at $6,377,348.

The District is obligated to purchase pipeline capacity to transport natural gas under two transportation and supply agreements with Florida Gas Transmission Company ("FGT"), dated December 1991 and October 1993, respectively. The terms of the FGT agreements expire in 2035; however, the District has contractual rollover rights for 10-year increments. Minimum reservation payments under these agreements were budgeted at approximately $2,887,412 for fiscal year 2024.

The District has a backup natural gas interconnection agreement with Peoples Gas System ("PGS"). The term of the PGS agreement expires in 2028 unless extended by the District. The District is in conversations with PGS to extend the existing agreement. Minimum payments under this agreement were budgeted at approximately $477,600 for fiscal year 2024.

15. COMMITMENTS AND CONTINGENCIES - CONTINUED

Purchased Power and Gas - Continued

The District has entered forward contracts for specified periods of time to purchase the natural gas commodity at either specified swap prices in the future or collars where prices fluctuate within a ceiling and floor. In general, the District's portfolio primarily consists of swaps and occasionally collars. The District enters these financial contracts to help plan its natural gas costs for the year and to protect itself against an increase in market price of the commodity. These purchases (hedges) are made in compliance with the District's Energy Risk Management Program (ERMP). It is possible the market price before or at the specified time to purchase natural gas may be lower or higher than the price at which the District is hedged. This would serve to reduce or increase the value of the hedge contracts at the time of settlement. If the market price for the commodity is more than the hedge price, the District benefits by only paying the fixed price of the hedge. However, if the market price for the commodity is less than the fixed price of the hedge, the District would pay the fixed price for the swap. The exposure for the District occurs if the counterparty fails to fulfill the hedge contracts.

Labor Services Agreement

In October 2022, the District entered into an Amended and Restated Labor Services Agreement ("LSA") with Reedy Creek Energy Services (RCES), to furnish all labor and services necessary to operate, maintain, repair, renew and administer a solid waste collection and disposal system, a wastewater system, a potable water system, a natural gas distribution system, an electric generation and distribution system, a chilled water system, and a hot water system (collectively the "utility systems"). The LSA was amended in February 2023 to clarify certain terms of the LSA. The term of the agreement as amended continues through December 2032; however, the termination date (as part of the settlement agreement with WDW, discussed in "Litigation and Other Claims" below) will terminate in 2028. The maximum amount billable under the LSA (Operating Services Fee Cap) in fiscal year 2024 was $35,502,576. The Operational Services Fee Cap for fiscal year 2025 is $36,157,921.

Inter-local Agreement

Prior to fiscal year 2023, the District (former Reedy Creek Improvement District) entered into an inter-local agreement with the cities of Bay Lake and Lake Buena Vista to provide administrative, managerial, accounting and other services. Administrative and accounting services included, but were not limited to, procurement and contract administration, financial services, technology services and risk management. Other services included water management and utilities, permitting and fire and emergency management services.

In September 2023, the District announced it would be terminating the administrative, managerial and accounting services portion of the agreements in fiscal year 2024. That termination became effective January 16, 2024.

15. COMMITMENTS AND CONTINGENCIES - CONTINUED

Duke Energy Letter of Credit

In October 2022, the District entered into an Irrevocable Standby Letter of Credit ("LOC") with Truist Bank in the amount of $3 million. The LOC was requested by Duke Energy subsequent to the passing of Senate Bill 4-C, which dissolved 6 independent special districts, including the former RCID. Duke Energy was named beneficiary and is allowed to draw under the letter of credit in the event of payment default by the District under the purchased power agreement. The LOC was not renewed and expired January 31, 2025.

STOPR Agreements

In September 2007, the District entered into an agreement with the City of St. Cloud, Tohopekaliga Water Authority ("TWA"), and Orange and Polk Counties to jointly perform permit compliance monitoring activities as required by the Water Use Permits issued by the South Florida Water Management District. Between 2010 and June 2016, Orange County was the contract manager and the District's payments were made to Orange County upon receipt of an invoice. In March 2016, the District executed an amendment to the original agreement that (1) made TWA the contract manager and (2) extended the term of the agreement. The agreement, as amended, requires the District to contribute 18.2% of the total costs. As of September 30, 2024, the District has paid $1,441,328 for these efforts.

Litigation and Other Claims

Various suits and claims arising in the ordinary course of operations are pending against the District. Management believes the ultimate disposition of such matters, including the cases described below, will not materially affect the financial position of the District, the results of its operations, or the District's ability to pay debt service on existing outstanding bonds. In addition, neither the creation, organization or existence of the District is being contested in any of the pending lawsuits.

Some taxpayers in the District have filed lawsuits challenging the valuation of commercial parcels located in the District and/or contesting the legality, validity and methodology of ad valorem assessments made by the Property Appraiser on the parcels. Some of these lawsuits have been resolved through settlement, resulting in downward adjustments to assessed valuations in certain years that reduced the amount of taxes owed, resulting in District refunds to certain taxpayers. The District cannot predict whether future similar lawsuits will occur, whether those lawsuits will result in future refunds or the timing of future settlements or final judgments. In fiscal year 2024, the District budgeted $6 million to fund potential financial obligations arising from property appraiser settlements. The District increased the budgeted amount for such settlements to $6.5 million in fiscal year 2025. The largest settlement paid by the District in any given year was just under $6 million in fiscal year 2021, which resulted in a decrease in assessed valuations of approximately $516 million over a 6-year period. The second largest settlement paid by the District was approximately $3.5 million in fiscal year 2019. The District continues to monitor the ongoing lawsuits and the committed fund balance attributable to such potential settlements and/or final judgments, as appropriate.

15. COMMITMENTS AND CONTINGENCIES - CONTINUED

Litigation and Other Claims - Continued

Three lawsuits involving Walt Disney Parks and Resorts, U.S., Inc. ("WDPR") and the District were settled in fiscal year 2024. They were (1) *WDPR v. Ronald DeSantis, et. al., United States District Court for the Northern District of Florida Fla. Case No. 4:23-cv-00163-MW-MJF;* (2) *Central Florida Tourism Oversight District v. WDPR, Orange County Circuit Court Case No. 2023-CA-011818-O;* and (3) *WDPR v. Central Florida Tourism Oversight District, Orange County Circuit Court Case No. 2023-CA-017887-O.* The settlement agreement stipulated the District and WDPR would commit to negotiating a new development agreement, which was executed and approved by the Board of Supervisors in June 2024. The District agreed to make capital improvements to public infrastructure throughout the duration of the agreement to support WDPR's investment over an extended period, though specific amounts were not stipulated in the agreement. The District also agreed to update the Comprensive Plan during fiscal year 2025.

16. SUBSEQUENT EVENT

Issuance of Ad Valorem Tax Bonds

In October 2024, the District issued $99.3 million ad valorem tax bonds to provide additional financing for improvements to the World Drive North corridor, Buena Vista Drive and Western Way. The par amount issued represents remaining ad valorem tax bond issuance capacity previously approved by the Board of Supervisors by referendums held in 2013 through 2016. The bonds were issued in maturities from 2025 through 2044 at an interest rate of 5.0%.

CENTRAL FLORIDA TOURISM OVERSIGHT DISTRICT

REQUIRED SUPPLEMENTARY INFORMATION (RSI) SCHEDULES SUPPORTING MODIFIED APPROACH FOR DISTRICT INFRASTRUCTURE CAPITAL ASSETS

Year Ended September 30, 2024

Roadways
(Note 2. A.)

	Percentage of Roadways		
Fiscal Year	**Excellent**	**Good/Satisfactory**	**Poor**
2024 *	69 %	19 %	12 %
2023	67 %	26 %	7 %
2022	69 %	25 %	6 %
2021	70 %	23 %	7 %
2020	70 %	24 %	6 %

Rating category modified in 2024; see further explanation below.

Bridges
(Note 2. B.)

	Number of Bridges by Category				
Fiscal Year	**Excellent**	**Good**	**Fair**	**Poor**	**Total**
2024	14	50	-	-	64
2023	14	49	1	-	64
2022	58	2	N/A	-	60
2021	50	3	N/A	-	53
2020	50	8	N/A	-	58

Water Control Structures
(Note 2. C.)

	Number of Structures by Category				
Fiscal Year	**Excellent**	**Good**	**Fair**	**Poor**	**Total**
2024	14	11	-	-	25
2023	13	11	-	-	24
2022	17	7	N/A	-	24
2021	18	6	N/A	-	24
2020	18	6	N/A	-	24

CENTRAL FLORIDA TOURISM OVERSIGHT DISTRICT

REQUIRED SUPPLEMENTARY INFORMATION (RSI)
SCHEDULES SUPPORTING MODIFIED APPROACH FOR DISTRICT
INFRASTRUCTURE CAPITAL ASSETS

Year Ended September 30, 2024

	Budgeted Costs			Actual Costs		
Fiscal Year	Roads	Bridges	Water Control Structures	Roads	Bridges	Water Control Structures
2025	$ 10,560,000	$ 1,100,000	$ 4,205,000	$ -	$ -	$ -
2024	11,786,243	1,100,000	4,789,508	7,084,810	892,920	1,358,447
2023	14,129,000	830,000	1,900,000	10,105,448	36,049	977,659
2022	12,238,876	4,285,000	1,760,000	2,626,838	3,547,250	847,977
2021	6,607,600	3,220,400	1,025,000	3,713,650	1,588,609	450,492
2020	4,345,000	95,000	1,378,400	1,624,955	47,071	708,075

1. ELECTION TO USE MODIFIED APPROACH

The District has elected to use the "Modified Approach" as defined by GASB No. 34 for infrastructure reporting for its roads, bridges and water control structures. Infrastrucure capital assets are managed using an asset management system with (1) an up-to-date inventory; (2) condition assessments conducted at a minimum of every three years; and (3) an estimated annual amount to maintain and preserve the asset at the established condition assessment level.

2. BASIS FOR CONDITION ASSESSMENTS AND TARGETED CONDITION LEVEL

A. Roads

Streets and roads are constantly deteriorating due to environmental causes (weathering and aging) and structural causes (repeated traffic loading). The rate at which pavement deteriorates depends on the original construction quality, environmental conditions, drainage, traffic loading and interim maintenance procedures. The District bases all pavement design on existing traffic counts, proposed traffic generation due to planned development and known loading factors.

In an effort to ensure the quality of the District's roadway network, the District performs a physical condition assessment of the public streets/roadways within its jurisdiction using the Road Manager Condition Evaluation test method. Roads are evaluated and given a numerical rating, or Pavement Condition Index ("PCI") of 1 through 100. This identifies the condition and helps determine what work is required. The ratings were based on visual observation of the roads surface condition: defects or deformation, cracking (transverse, reflective, longitudinal and alligator), and patching/pot hole frequency.

2. BASIS FOR CONDITION ASSESSMENTS AND TARGETED CONDITION LEVEL - CONTINUED

A. Roads - Continued

Using the PCI Index, the following conditions were defined:

Condition	PCI Rating (2024)	PCI Rating (2023 and Prior)
Excellent	70 - 100	80 - 100
Good/Satisfactory	55 - 69	60 - 79
Poor	0 - 54	1 - 59

In fiscal year 2024, the District adjusted the PCI rating categories above to more closely align itself with the Florida Department of Transportation ("FDOT"). The District partnered with FDOT in fiscal year 2024 to complete the inspections, which resulted in the adjusted ratings noted above.

Complete assessments to evaluate the PCI ratings shall occur at a minimum every three years. In addition, yearly inspections are performed to account for changing conditions that may impact previous ratings.

The District has elected to maintain roads within the system at a mimimum of 80% rated in excellent or good/satisfactory condition. As of the date of this report, 88% of the District's roads were in excellent or good/satisfactory condition.

In prioritizing roadway repairs, a benefit value for each roadway is determined based on the roadway use and the projected cost of the necessary repair. Based on the identified priorities, the District budgets for and schedules the pavement repairs. During fiscal year 2024, the District completed two pavement resurfacing projects. In fiscal year 2025, the District has three pavement resurfacing projects scheduled. The remaining work needed to upgrade the 12% of roadways in the poor category is programmed for subsequent fiscal years.

In addition to roadway construction and major asphalt refurbishment, the District continued with routine/ongoing maintenance and repairs throughout the roadway system. The routine work in 2024 encompassed maintenance repairs of asphalt, shoulder protection/slide slope erosion repairs, curb repairs and replacement of guardrail totaling $7,084,810.

2. BASIS FOR CONDITION ASSESSMENTS AND TARGETED CONDITION LEVEL - CONTINUED

B. Bridges

Bridges within the District are inspected bi-annually by a qualified Florida Certified Bridge Inspector on a rolling basis. The inspection reports are signed and sealed by a Professional Engineer. Bridge inspections are performed according to the latest National Bridge Inspection ("NBI") Standards and FDOT requirements. As part of the inspection process, the bridge deck, super-structure, substructure and culvert (if applicable) are rated according to standard requirements. To be more consistent with industry standards, the District implemented in 2023 the NBI Condition Rating used by FDOT, which assigns classifications based on the table below:

Condition	NBI Condition Rating
Excellent	8 - 9
Good/Satisfactory	6 - 7
Fair	5
Poor	1 - 4

The earliest bridges constructed within the District were placed into service in 1972 and a majority of the bridges were constructed during the following 25 years. Over the past nine years, the District has undergone major infrastructure expansion with additional bridges being placed into service, older bridges undergoing major modifications and numerous bridges retired from service.

The District has elected to maintain 90% of its bridges within the excellent or good category. As of the date of this report, 100% of the District's bridges were in excellent or good condition.

Preservation and maintenance of bridge structures is an on-going activity and allows the bridges to be classified as either Excellent or Good condition. Based on inspection results/recommendations, bridge installations and repairs were completed at a cost of $892,920.

2. BASIS FOR CONDITION ASSESSMENTS AND TARGETED CONDITION LEVEL - CONTINUED

C. Water Control Structures

The Master Drainage System within the District is comprised of 66 river miles of canals and waterway. It incorporates 25 major water control structures comprised of Amil Gates, weirs, and one set of 48" diameter culverts. Amil Gates are constant level water control structures. These gates provide a consistent water level within the waterways or canals, and open due to increasing water pressure during a storm event, thereby allowing flood waters to pass downstream and exit the District. Weirs maintain water levels at a set elevation; as the flood waters rise due to a storm event, they spill over the weirs and pass downstream. The set of 48" culverts act as an overflow or pass through, allowing flood waters to pass to an adjacent wetland on the eastern perimeter of the District. Construction on a majority of these structures began in the late 1960's, thus many are approaching 60 years of service time. Ongoing maintenance and major rehabilitative work has extended the useful life of the structures allowing them to remain operational. A new structure was added in 2024 due to the completion of construction on a new regional stormwater facility.

Structures are classified by their overall condition and were listed as Excellent, Good or Poor condition. In 2023, the District added the Fair category to better classify structures along the condition spectrum described below. This rating is generated by the annual inspection and condition assessment report. The Annual Water Control Structure Report lists all items inspected both above ground and below the water surface. Using this information, the structure condition is assigned, the required repairs are prioritized and the repair work is scheduled. Required repairs are listed as Priority 1, 2 or 3. Priority 1 signifies a major rehabilitative repair. Priority 1 repairs are items that if not repaired, may degrade the integrity of the structural element or reduce the operational capacity of the structure. Historically, we have found Priority 1 repairs often occur in underwater conditions and have evolved over long periods of time. This type of repair may require extensive construction work and, as such, cannot always be done immediately. These major repairs are programmed and budgeted to occur in a future year. Priority 2 repairs are those that may impact the operational capacity of the structure but do not cause major cost impacts and can be addressed during annual routine maintenance. Priority 3 identifies items not in current need of repair but signify a condition, though noteworthy, that is expected to remain stable for a number of years. As such, the recommendation is that Priority 3 items need not be separately scheduled for repair, but addressed when the structure undergoes Priority 1 or Priority 2 repairs. As the structures continue to age, our annual inspections reveal an increasing number of Priority 1 and 2 repairs, and the annual maintenance for the water control system continues to trend upward.

2. BASIS FOR CONDITION ASSESSMENTS AND TARGETED CONDITION LEVEL - CONTINUED

C. Water Control Structures - Continued

Based on the results of inspections and priority ranking of repairs, the following condition level categories have been assigned:

Condition	Category Characteristics
Excellent	- No existing safety deficiencies - Acceptable performance expected, no operational impacts - Routine maintenance required, generally priority 3 and 2 repairs - Widespread typical deterioration
Good	- No existing safety deficiencies - Acceptable performance expected - Minor operational impacts not critical to flood control - Routine maintenance required, generally priority 3 and 2 repairs - Widespread typical deterioration - Isolated significant condition exists that require remedial action greater than routine work and/or secondary studies/investigation. May include an isolated priority 1 repair.
Fair	- No existing safety deficiencies for normal operation conditions. Extreme hydrologic events may result in safety deficiencies. - Maintenance required to prevent developing safety concerns - Acceptable performance expected - Minor operational impacts not critical to flood control, but potential threat to flood control operations if impacts continue to deteriorate - Multiple conditions exist that require remedial action greater than routine work and/or secondary studies/investigation - Widespread severe deterioration
Poor	- Existing safety deficiencies for normal operation conditions. - Non acceptable performance expected - Operational impacts critical to flood control - Multiple conditions exist that require remedial action greater than routine work and/or secondary studies/investigation - Widespread severe deterioration

2. BASIS FOR CONDITION ASSESSMENTS AND TARGETED CONDITION LEVEL - CONTINUED

C. Water Control Structures - Continued

The District has elected to maintain water control structures within the system at 80% in excellent or good condition and have no structures in poor condition. As of the date of this report, 100% of the District's structures were rated in excellent or good condition.

During fiscal year 2024, the District conducted routine maintenance on the system, which included repairs on structures, levees and debris removal throughout the canal system and maintenance/repair of erosion issues. The cost of these activities totaled $1,358,447.

CENTRAL FLORIDA TOURISM OVERSIGHT DISTRICT

REQUIRED SUPPLEMENTARY INFORMATION (RSI)
OTHER POSTEMPLOYMENT BENEFITS

Year Ended September 30, 2024

Schedule of Changes in the District's Net OPEB Liability and Related Ratios

Last 7 Fiscal Years*

	2024	2023	2022
TOTAL OPEB LIABILITY			
Service cost	$ 1,135,506	$ 1,124,357	$ 2,019,443
Interest	2,740,258	2,655,985	1,840,307
Change in benefit terms	-	-	-
Difference between expected and actual experience	(5,195,259)	-	2,763,542
Changes of assumptions	14,627,788	(954,595)	(22,662,394)
Benefit payments	(2,416,750)	(2,058,314)	(2,218,031)
Net change in total OPEB liability	10,891,543	767,433	(18,257,133)
Total OPEB liability, beginning of year	67,071,837	66,304,404	84,561,537
Total OPEB liability, end of year	$ 77,963,380	$ 67,071,837	$ 66,304,404
PLAN FIDUCIARY NET POSITION			
Contributions - employer	$ 3,434,688	$ 3,072,626	$ 3,233,531
Net investment income (loss)	1,232,550	360,829	(1,011,926)
Benefit payments	(2,416,750)	(2,058,314)	(2,218,031)
Net change in plan fiduciary net position	2,250,488	1,375,141	3,574
Plan fiduciary net position, beginning of year	16,527,216	15,152,075	15,148,501
Plan fiduciary net position, end of year	18,777,704	16,527,216	15,152,075
District's net OPEB liability, end of year	$ 59,185,676	$ 50,544,621	$ 51,152,329
Plan fiduciary net position as a percentage of the total OPEB liability	24.09 %	24.64 %	22.85 %
Covered-employee payroll	$ 35,667,500	$ 29,670,506	$ 28,667,156
District's net OPEB liability as a percentage of covered-employee payroll	165.94 %	170.35 %	178.44 %

*Information in this schedule is intended to display the last 10 years; however, information is not available for all prior years. Additional years will be displayed as information becomes available.

Notes to Schedule

Changes of assumptions - The discount rate decreased from 4.09% to 3.81% at September 30, 2024.

CENTRAL FLORIDA TOURISM OVERSIGHT DISTRICT

REQUIRED SUPPLEMENTARY INFORMATION (RSI)
OTHER POSTEMPLOYMENT BENEFITS

Year Ended September 30, 2024

Schedule of Changes in the District's Net OPEB Liability and Related Ratios

Last 7 Fiscal Years*

	2021	2020	2019	2018
	$ 1,926,349	$ 1,511,559	$ 1,219,287	$ 1,179,666
	1,851,303	2,167,491	2,521,415	2,332,664
	374,816	-	-	-
	-	(6,200,300)	-	-
	(935,997)	6,505,338	18,890,916	(6,120,684)
	(1,757,481)	(1,709,222)	(1,523,266)	(1,521,768)
	1,458,990	2,274,866	21,108,352	(4,130,122)
	83,102,547	80,827,681	59,719,329	63,849,451
	$ 84,561,537	$ 83,102,547	$ 80,827,681	$ 59,719,329
	$ 2,774,518	$ 2,743,348	$ 2,552,995	$ 12,521,768
	(60,629)	488,190	637,649	2,399
	(1,757,481)	(1,709,222)	(1,523,266)	(1,521,768)
	956,408	1,522,316	1,667,378	11,002,399
	14,192,093	12,669,777	11,002,399	-
	15,148,501	14,192,093	12,669,777	11,002,399
	$ 69,413,036	$ 68,910,454	$ 68,157,904	$ 48,716,930
	17.91 %	17.08 %	15.68 %	18.42 %
	$ 29,475,581	$ 28,294,306	$ 27,612,000	$ 26,678,408
	235.49 %	243.55 %	246.84 %	182.61 %

CENTRAL FLORIDA TOURISM OVERSIGHT DISTRICT

REQUIRED SUPPLEMENTARY INFORMATION (RSI)
OTHER POST EMPLOYMENT BENEFITS - CONTINUED

Year Ended September 30, 2024

Schedule of the District's Contributions

Last 7 Fiscal Years*

Fiscal Year	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Deficiency (Excess)	Covered Employee Payroll	Contributions as a Percentage of Covered Employee Payroll
2024	$ 4,054,884	$ 3,434,688	$ 620,196	$ 35,667,500	9.63 %
2023	4,047,323	3,072,626	974,697	29,670,506	10.36 %
2022	5,171,142	3,233,531	1,937,611	28,667,156	11.28 %
2021	5,075,307	2,774,518	2,300,789	29,475,581	9.41 %
2020	4,838,645	2,743,348	2,095,297	28,294,306	9.70 %
2019	4,507,464	2,552,995	1,954,469	27,612,000	9.25 %
2018	3,580,651	12,521,768	(8,941,117)	26,678,408	46.94 %

* Information in this schedule is intended to display the last 10 years; however, information is not available for all prior years. Additional years will be displayed as information becomes available.

Notes to Schedules

Valuation Date: September 30, 2023

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry Age Normal based on level basis over the earnings of the individual between entry age and assumed exit age(s). Projected Unit Credit method used in years 2018 and prior.
Amortization period	30-year open group
Asset valuation method	Fair market value
Contributions	Contributions to the VEBA Trust are not codified or mandated but the District's funding strategy is to contribute a minimum of $1 million to the Trust per year.
Inflation	2.50%
Healthcare cost trend rates	6.5% initial, decreasing .25% per year to an ultimate rate of 4.5% for medical; 4.0% dental; 3.0% vision
Salary increases per year	3.50%
Investment rate of return (discount rate)	4.09%
Retirement age	Based on the 2021 Florida Retirement System Actuarial Valuation
Mortality	PUB-2010 mortality table with scale MP-2021

CENTRAL FLORIDA TOURISM OVERSIGHT DISTRICT

REQUIRED SUPPLEMENTARY INFORMATION (RSI)
OTHER POST EMPLOYMENT BENEFITS - CONTINUED

Year Ended September 30, 2024

Schedule of Investment Returns

Last 7 Fiscal Years *

Fiscal Year	Annual Money-Weighted Rate of Return, Net of Investment Expense
2024	7.3%
2023	2.4%
2022	(6.4)%
2021	(0.3)%
2020	4.0%
2019	5.8%
2018	0.0%

* Information in this schedule is intended to display the last 10 years; however, information is not available for all prior years. Additional years will be displayed as information becomes available. Fiscal year 2018 was 0.0% as The Plan was funded at the end of the fiscal year.

CENTRAL FLORIDA TOURISM OVERSIGHT DISTRICT

REQUIRED SUPPLEMENTARY INFORMATION (RSI)
PENSIONS

Year Ended September 30, 2024

Schedule of the District's Proportionate Share of the Net Pension Liability - Pension Plan

Florida Retirement System

Last 10 Fiscal Years*

Calendar Year	CFTOD's Proportion of the Net Pension Liability	CFTOD's Proportionate Share of the Net Pension Liability	CFTOD's Covered Employee Payroll	CFTOD's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Employee Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2024	0.14713 %	$ 56,915,826	$ 40,642,553	140.04 %	83.70 %
2023	0.12810 %	51,043,615	35,229,560	144.89 %	82.38 %
2022	0.13088 %	48,696,935	34,235,982	142.24 %	82.89 %
2021	0.12138 %	9,169,131	31,367,402	29.23 %	96.40 %
2020	0.14788 %	64,091,387	33,311,667	192.40 %	78.85 %
2019	0.15020 %	51,728,123	32,604,660	158.65 %	82.61 %
2018	0.14924 %	44,950,699	31,337,271	143.44 %	84.26 %
2017	0.13850 %	40,967,776	27,550,271	148.70 %	83.89 %
2016	0.14236 %	35,945,064	26,833,753	133.95 %	84.88 %
2015	0.12545 %	16,204,183	24,758,513	65.45 %	92.00 %

*Amounts presented for each fiscal year were determined as of June 30.

Year Ended September 30, 2024

Schedule of the District's Contributions - Pension Plan

Florida Retirement System

Last 10 Fiscal Years*

Fiscal Year	Contractually Required Contribution	Contributions in Relation to the Contractually Required Contribution	Contribution Deficiency (Excess)	CFTOD's Covered Employee Payroll	Contributions as a Percentage of Covered Employee Payroll
2024	$ 9,274,699	$ 9,274,699	$ -	$ 41,477,730	22.36 %
2023	7,164,161	7,164,161	-	36,198,395	19.79 %
2022	6,072,376	6,072,376	-	34,180,174	17.77 %
2021	5,193,646	5,193,646	-	32,345,424	16.06 %
2020	5,173,531	5,173,531	-	32,847,147	15.75 %
2019	5,114,578	5,114,578	-	33,220,360	15.40 %
2018	4,642,954	4,642,954	-	31,540,901	14.72 %
2017	4,027,501	4,027,501	-	28,358,740	14.20 %
2016	3,815,742	3,815,742	-	27,184,949	14.04 %
2015	3,459,545	3,459,545	-	25,052,616	13.81 %

*Amounts presented for each fiscal year were determined as of September 30.

Changes in assumptions

From 2023 to 2024, the payroll growth rate increased from 3.25% to 3.50%. The Mortality Improvement Scale was updated from MP-2018 to MP-2021.

Change in benefit terms

The District is not aware of any changes in benefit terms during the fiscal year.

CENTRAL FLORIDA TOURISM OVERSIGHT DISTRICT

REQUIRED SUPPLEMENTARY INFORMATION (RSI)
PENSIONS - CONTINUED

Year Ended September 30, 2024

Schedule of the District's Proportionate Share of the Net Pension Liability - HIS Plan

Health Insurance Subsidy Program

Last 10 Fiscal Years*

Calendar Year	CFTOD's Proportion of the Net Pension Liability	CFTOD's Proportionate Share of the Net Pension Liability	CFTOD's Covered Employee Payroll	CFTOD's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Employee Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2024	0.09509 %	$ 14,263,890	$ 40,642,553	35.10 %	4.80 %
2023	0.08864 %	14,077,700	35,229,560	39.96 %	4.12 %
2022	0.09394 %	9,950,153	34,235,982	29.06 %	4.81 %
2021	0.08857 %	10,863,849	31,367,402	34.63 %	3.56 %
2020	0.09597 %	11,718,223	33,311,667	35.18 %	3.00 %
2019	0.09749 %	10,908,108	32,604,660	33.46 %	2.63 %
2018	0.09590 %	10,150,278	31,337,271	32.39 %	2.15 %
2017	0.08638 %	9,235,838	27,550,271	33.52 %	1.64 %
2016	0.08682 %	10,118,388	26,833,753	37.71 %	0.97 %
2015	0.08138 %	8,299,010	24,758,513	33.52 %	0.50 %

*Amounts presented for each fiscal year were determined as of June 30.

CENTRAL FLORIDA TOURISM OVERSIGHT DISTRICT

REQUIRED SUPPLEMENTARY INFORMATION (RSI)
PENSIONS - CONTINUED

Year Ended September 30, 2024

Schedule of the District's Contributions - HIS Plan

Health Insurance Subsidy Program

Last 10 Fiscal Years*

Fiscal Year	Contractually Required Contribution	Contributions in Relation to the Contractually Required Contribution	Contribution Deficiency (Excess)	CFTOD's Covered Employee Payroll	Contributions as a Percentage of Covered Employee Payroll
2024	$ 829,555	$ 829,555	$ -	$ 41,477,730	2.00 %
2023	633,993	633,993	-	36,198,395	1.75 %
2022	567,391	567,391	-	34,180,174	1.66 %
2021	536,934	536,934	-	32,345,424	1.66 %
2020	545,263	545,263	-	32,847,147	1.66 %
2019	551,458	551,458	-	33,220,360	1.66 %
2018	523,579	523,579	-	31,540,901	1.66 %
2017	470,755	470,755	-	28,358,740	1.66 %
2016	451,270	451,270	-	27,184,949	1.66 %
2015	340,982	340,982	-	25,052,616	1.36 %

*Amounts presented for each fiscal year were determined as of September 30.

Changes in assumptions

From 2023 to 2024, the municipal rate used to determine total pension liability increased from 3.65% to 3.93%. The payroll growth rate increased from 3.25% to 3.50%. The Mortality Improvement Scale was updated from MP-2018 to MP-2021.

Change in benefit terms

The District is not aware of any changes in benefit terms during the fiscal year.