Annual Comprehensive Financial Report

Fiscal Year Ended September 30, 2022

TAMPA BAY WATER
Supplying Water To The Region

2575 Enterprise Road, Clearwater, FL 33763-1102
Phone: (727) 796-2355 / Fax: (727) 791-2388
tampabaywater.org

TAMPA BAY WATER

Supplying Water To The Region

ANNUAL COMPREHENSIVE
FINANCIAL REPORT

of

TAMPA BAY WATER

for the
Fiscal Year Ended
September 30, 2022

Prepared by the Finance Department of
Tampa Bay Water
2575 Enterprise Road
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TAMPA BAY WATER

Supplying Water To The Region

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TAMPA BAY WATER
Supplying Water To The Region

02/20/2023

The Honorable Board of Directors
Tampa Bay Water
2575 Enterprise Road
Clearwater, FL 33763

We are pleased to submit the Annual Comprehensive Financial Report (ACFR) for Tampa Bay Water (Agency) for the fiscal year ended September 30, 2022 in accordance with section 5.06 of the Agency's Utility System Revenue Bond Resolution, Resolution number 98-07. The purpose of this report is to provide the Board of Directors (Board), member agencies, investors, the public and other interested parties with reliable financial information about the Agency.

Management assumes full responsibility for the completeness and reliability of the information contained in the ACFR, which is based upon a comprehensive framework of internal controls that was established for this purpose. Because the costs of internal controls should not exceed the anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free from material misstatements.

Agency policy requires that an independent certified public accounting firm, approved by the Board, audit the financial statements on an annual basis. Mauldin & Jenkins have issued an unmodified (or clean) opinion on the Agency's financial statements for fiscal year ended September 30, 2022.

Management's Discussion and Analysis (MD&A) immediately follows the independent auditor's report in the Financial Section and provides an overview, summary and analysis of the financial statements. The MD&A complements this Letter of Transmittal and should be read in conjunction with it.

Respectfully Submitted,

Christina Sackett - Chief Financial Officer

Tampa Bay Water Profile

Tampa Bay Water, A Regional Water Supply Authority (the Agency), formerly the West Coast Regional Water Supply Authority (the Predecessor Authority), was created on October 25, 1974, by enabling state legislation under *Florida Statute* Sections 163.01, 373.713, and 373.715. Hillsborough, Pasco, and Pinellas counties and the cities of New Port Richey, St. Petersburg, and Tampa comprise the Member Governments of the Agency. A Governance Study was adopted by the Florida Legislature in 1997 (the 1997 Legislation) amending Section 373.1963, *Florida Statutes*.

As part of the 1997 Legislation, the Agency became governed by the Amended and Restated Interlocal Agreement and the Master Water Supply Contract. The Amended and Restated Interlocal Agreement expires upon the later of the following dates: the fortieth anniversary of the commencement date or the date on which no Obligations remain outstanding pursuant to the Financing Documents, currently these dates align in 2038. Pursuant to the Amended and Restated Interlocal Agreement and Master Water Supply Contract, the Agency is required to meet the Quality Water needs of the Member Governments and to charge a uniform per-1,000 gallons wholesale rate to Member Governments for the wholesale supply of drinking water; with one exception for the City of Tampa. The Agency charges a separate rate to the City of Tampa for water delivered from the Tampa Bypass Canal.

The Agency provides quality drinking water to its six-member governments whose water service areas serve more than 2.5 million residents in the Tampa Bay region. The region is served by a combination of groundwater, surface water and desalinated seawater. Since the Agency's inception in 1998, groundwater pumping has been reduced by more than 50 percent.

Tampa Bay Water Mission

To reliably provide clean, safe water to the Tampa Bay region now and for future generations.

Tampa Bay Water Vision

Tampa Bay Water's vision is to be the leader in supplying sustainable, quality water.

Board of Directors

The Board of Directors (the "Board") of Tampa Bay Water is composed of two directors each from Hillsborough, Pasco, and Pinellas counties and one director each from the cities of New Port Richey, St. Petersburg, and Tampa. Each member of the Board is an elected official. In the case of Hillsborough, Pasco and Pinellas counties, the members of the Board are appointed by their respective Board of County Commissioners and serve at the pleasure of their respective Boards. In the case of the cities of St. Petersburg and Tampa, their representatives are currently chosen by their respective Mayors. In the case of the city of New Port Richey, its representative is currently the Mayor.

Organizational Structure – Fiscal Year 2022

The General Counsel is appointed by and serves at the pleasure of the Agency's Board of Directors and is responsible for managing the legal representation of the Agency, employing necessary legal staff with Board approval, providing legal advice and support to the Board, General Manager and Agency staff, and performing other duties as directed by the Board. The General Counsel position is currently outsourced to an outside law firm.

The General Manager is appointed by and serves at the pleasure of the Agency's Board of Directors and is responsible for providing the leadership to develop and expand the organization in a multitude of activities in the areas of public affairs, human resources, finance and administration, information technology, science and water production, ensuring that Board policies and programs are implemented in accordance with the Board's direction. The General Manager oversees five agency divisions.

Divisions:

The Public Affairs Division develops and executes strategic initiatives to advocate for the agency and its members; build and maintain the agency reputation; and provide education, information and outreach on agency projects, programs, and policies to stakeholders. Effective in Fiscal Year 2022, the Human Resources Department, which is responsible for assisting with the needs of the agency's employees, was incorporated into the Public Affairs Division. The Public Affairs Division is led by the Chief of Staff/Chief Strategy Officer which reports directly to the Agency's General Manager.

The Finance & Administration Division controls finances, procurement, inventory, risk, and vital records. The Finance & Administration Division is led by the Chief Financial Officer which reports directly to the Agency's General Manager.

The Information Technology Division is responsible for supporting the agency's computer, communications, and data systems and is composed of three core cross-functional teams: Applications, Systems, and Supervisory and Control and Data Acquisition (SCADA). The division is led by the Information Technology Director which reports directly to the Agency's General Manager.

The Science Division leads the Agency in the efficient management of data and information to support all regulatory compliance, permitting and reporting services, source water assessment, decision support activities and water quality services. The Science Division is led by the Chief Science Officer which reports directly to the Agency's General Manager.

The Water Production Division plans, designs, builds, operates, supports, monitors, and maintains the Agency facilities to continuously provide high-quality water. The Division is divided into two groups. The first group consists of Safety Services, Operations, Maintenance, and Building, Grounds and Fleet and is led by the Chief Operating Officer which reports directly to the Agency's General Manager. The second group consists of Planning and Projects, Engineering and Construction and is led by the Engineering Senior Manager which reports directly to the Agency's General Manager.

Executive Team

The Executive Team of Tampa Bay Water provides strategic and operational leadership and is composed of the General Manager, General Counsel, Chief of Staff/Chief Strategy Officer, Chief Financial Officer, Chief Operating Officer, Chief Science Officer, Human Resources Director, Information Technology Director, and the Engineering Senior Manager. The Executive Team develops goals, strategic plans, company policies and is responsible for the overall direction of the Agency, as directed by the Board of Directors.

Economic Conditions and Outlook

The information presented in the financial statements is best understood when it is considered from the broader perspective of the specific environment within which Tampa Bay Water resides.

Tampa Bay Water provides water to its members which consist of three counties, Hillsborough, Pasco, and Pinellas and one city within each of those counties, New Port Richey, St. Petersburg, and Tampa. More than 2.5 million people receive water from Tampa Bay Water through its members.

According to Moody's Corporation each of the three counties has seen an increase in total population, per capita income, single-family permits, and multifamily permits from calendar year 2021 to 2022. Hillsborough County had the highest percentage increase in population at 2.09 percent, and multi-family building permits at 5.70 percent. Pinellas County had the highest percent increase in single-family building permits at 2.19 percent. Pasco County led the way in the increase in per Capita Income at 4.46 percent. There was a significant decrease in the unemployment rate in the region which was related to the COVID-19 pandemic recovery, Pasco County had the highest unemployment rate at 4.48%.

The positive trends are expected to continue over the next few years for all three counties with Hillsborough County leading the way in population and single-family building permits, while Pasco County expects to have the highest increase in per capita income and largest decrease in the unemployment rate.

Long-Range Planning

To achieve the mission and vision of the agency, a strategic plan was created for use as a five-year road map. The Board of Directors approved the Strategic Plan in 2022.

The plan was developed to meet the Board's three overarching responsibilities: reliable water supply, environmental stewardship, and cost-effective rates. The 2022-2027 Strategic Plan includes six goals:

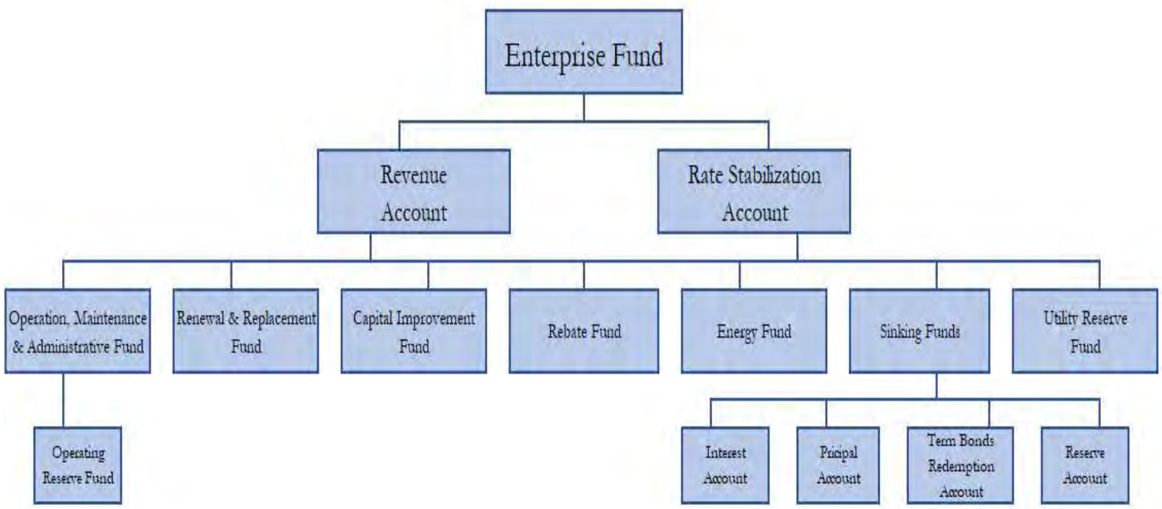
- Deliver Quality Water and enhance system reliability and sustainability.
- Continually improve agency operations.

- Optimize financial stability and sustainability.
- Promote open, collaborative relationships with stakeholders.
- Ensure a quality and safe workforce.
- Safeguard agency infrastructure.

The agency strives to continually improve and become more efficient in operating and maintaining the supply system and planning for the region's future water needs. The 2022-2027 Strategic Plan can be found at: https://www.tampabaywater.org/wp-content/uploads/2022-2027-Strategic-Plan.pdf .

Fund Structure Overview

Tampa Bay Water consists of one major Enterprise Fund, which is further broken down into additional funds and accounts for accounting purposes.



1. The Revenue Account is the initial depository for all Agency revenue. Revenue is transferred to other funds as required.
2. The Rate Stabilization Account is funded and used by the annual budget and/or Board approved transfers, including funding of the Revenue Account.
3. The Operation, Maintenance, and Administration Fund is used to pay all operating and administrative costs of the Agency. The Operation, Maintenance and Administration Fund includes the Operating Reserve Fund.
4. The Renewal and Replacement Fund is used for repairs and replacement of the System as the need arises and as approved by the Board.
5. The Capital Improvement Fund is used to pay costs of various capital projects as designated and approved by the Board.
6. The Rebate Fund is used for rebatable arbitrage to the IRS, whenever interest on tax-exempt bond construction funds exceeds allowable earnings under IRS arbitrage regulations.
7. The Energy Fund is used for various energy program projects as designated and approved by the Board.
8. The Sinking Funds holds all Agency funds restricted to payment of Agency debt. The Sinking Funds consists of four (4) accounts: Interest Account, Principal Account, Term Bonds Redemption Account, and Reserve Account. The Interest, Principal, and Redemption Accounts are funded annually from Revenues and are used annually to pay debt service. The Reserve Account is fully funded from bond proceeds and generally changes only when new debt is issued, or an outstanding bond issue is redeemed.
9. The Utility Reserve Fund is used for transfers in of any unexpended funds remaining at the end of a fiscal year. The fund balance is maintained at a balance sufficient to meet bond coverage requirements and operating capital needs. The Utility Reserve may be used for any lawful purpose relating to the System, including funding of the Rate Stabilization Account.

Financial Management Policies

The financial management policies are intended as a guide to financial stewardship of Tampa Bay Water. The policies will guide essential decisions affecting budget and financial matters to ensure the Agency is financially prepared to meet the Board's immediate and long-term service objectives.

Utility Reserve Fund Policy

To provide adequate operating capital at all times, Tampa Bay Water shall maintain, at a minimum, a Utility Reserve Fund sufficient to cover 10% of yearly budgeted Gross Revenue (as defined in Tampa Bay Water's bond covenants), exclusive of revenue from government grants, whether such grants are received for capital improvement or operating purposes. The balance in the Utility Reserve Fund shall also be maintained at levels sufficient to ensure that Tampa Bay Water complies with its bond covenant requirements including a requirement that Net Revenues plus Fund Balance (unencumbered monies on deposit in the Utility Reserve Fund on the preceding September 30th) be equal to or greater than 125% of annual debt service coming due in the fiscal year. A higher coverage may be established by the Board if circumstances warrant such coverage.

To ensure compliance with Master Water Supply requirements, any Gross Revenues which remain on deposit at the end of the fiscal year, and which are not required to pay liabilities existing at the end of the fiscal year (unexpended funds) shall be deposited to the Utility Reserve Fund. The Chief Financial Officer will evaluate the adequacy of the Utility Reserve Fund balance as it relates to both the current year and the succeeding budget year debt covenant calculations. Monies deposited to the Utility Reserve Fund will remain in the Utility Reserve Fund to the extent they are needed to maintain compliance with bond covenants and as required by the Utility Reserve Fund Policy.

Rate Stabilization Account Policy

The purpose of this policy is to assure that revenues collected by the Agency through the Uniform Rate, and which remain unexpended at the end of any fiscal year are applied in accordance with the Agency's bond covenants and the Master Water Supply Contract.

The bond covenants, section 4.08, permit the transfer into the Rate Stabilization Account such moneys which are on deposit in the Utility Reserve Fund as it deems appropriate. The Master Water Supply Contract, section 13C, allows the Agency to establish a rate stabilization fund/account and section 13F, provides any unencumbered moneys present at the end of the fiscal year shall be budgeted for the succeeding fiscal year and utilized for the same purposes for which rates are charged to the member governments. To accomplish this within the constraints imposed by Generally Accepted Accounting Principles and the Bond Covenants, the unencumbered monies must flow from the Utility Reserve Fund to the Rate Stabilization Account at year end to be deferred to the year in which they will be used.

After meeting the Utility Reserve Fund requirements, any additional funds deposited to the Utility Reserve Fund at the end of the fiscal year shall be transferred to the Rate Stabilization Account and accounted for as deferred inflows of resources of the fiscal year in which the revenues were accrued. Such transfer and accounting must be made no later than 90 days after the end of the fiscal year in which the funds were accrued and must be approved by the General Manager.

The lesser of (a) 3% of budgeted revenue of the year just ended or (b) the dollar amount of encumbrances being carried forward or (c) the amount of funds deposited to the Rate Stabilization Account may be applied as Revenue in the first succeeding fiscal year, with the approval of the General Manager; such funds are to be used for purposes of funding encumbrances carried forward and/or other approved activities. Encumbrances which exist at the end of the fiscal year just ended and which are being funded from the Uniform Rate may also be carried to the first succeeding fiscal year with the approval of the General Manager to allow for completion of tasks that were budgeted and approved in the fiscal year just ending.

Any monies placed in the Rate Stabilization Account in excess of the 3% of budgeted revenue amount will be applied to the first succeeding fiscal year either to pay expense of the first succeeding fiscal year for which rates are collected or to remain in the Rate Stabilization Account for use in a subsequent year. Any application of these monies in excess of 3% requires approval of the Board of Directors.

To the extent that any monies are utilized from the Rate Stabilization Account to fund expense currently provided for in the Uniform Rate, the rate being charged will be modified to take this funding into account.

Capital Assets Policy

The Chief Financial Officer is responsible for establishing the policies and procedures necessary to provide adequate internal control over capital assets. Policies and procedures shall be approved by the General Manager. Statements of policy shall be submitted to the Board of Directors for review. All capital assets acquired by the Agency shall be titled to the Agency and recorded in the capital assets records system. At a minimum, the capital assets records system shall contain the applicable information required by regulatory bodies. (Department of Financial Services Rule, Chapter 69I-73). An annual physical inventory of all movable equipment shall be taken under the direction of the finance department and reconciled to the capital asset records and general ledger control accounts in accordance with Department of Financial Services Rule, Chapter 69I-73. The Agency's capitalization threshold is $5,000, following the Government Finance Officers Association best practices.

Debt Policy

The Agency's debt policy permits the following: (a) issuance of debt obligations on behalf of Tampa Bay Water to finance the construction or acquisition of infrastructure and other assets for the purpose of meeting its governing obligations to the member governments; (b) issuance of debt obligations to refund outstanding debt when indicated by market conditions of at least a 3% present value savings or management considerations recommended by the agency's financial advisor; (c) the debt obligations be issued and administered in such a manner as to ensure and sustain the long-term financial integrity of Tampa Bay Water, to achieve the highest possible credit rating and to preserve and enhance the quality of the product delivered to our members; (d) the debt obligations are consistent with the Board's Derivative Policy; and (e) such debt obligations shall not be issued or debt proceeds used to finance current operations of the Agency without specific action of the Board and concurrence of the agency's Bond Counsel as to the appropriateness of that action.

There is no legal limitation on the amount of debt that the Agency can issue. However, the Agency must be able to demonstrate that it can repay the debt from the revenues generated from water sales or other approved sources. It is the Agency's desire and direction to assure that its debt obligations are issued and administered in such a manner to obtain the best long-term financial advantage to the agency and there its member governments, while making every effort to maintain and improve the agency's bond ratings and reputation in the investment community.

Tampa Bay Water's procedures for effective management of debt are as follows:

- Comply with all debt covenants and requirements of the bond resolutions, and State and Federal laws authorizing and governing the issuance and administration of debt obligations.
- Evaluate potential refinancing of debt when market conditions indicate at least a 3% present value savings.
- Issue debt obligations when required for financing projects in the Capital Improvement Program and to take advantage of refunding opportunities to either help offset the cost of capital projects or to reduce the cost of outstanding debt.
- Maintain favorable bond ratings by effectively communicating the financial condition of Tampa Bay Water to rating agencies, bond holders and the public.
- Utilize cooperative funding through grant programs whenever possible to reduce borrowing.
- Structure debt service payments to provide for gradual impacts on the uniform rate charged to the member governments, with a maximum maturity not to exceed the lesser of the estimated useful life of the project or thirty years, but not beyond thirty years in any instance.

Investment Policy

The objectives of the Agency's investment policy are safety of principal, maintenance of liquidity and return on investment. The foremost objective is the safety of principal. The second objective is maintenance of liquidity, so funds are available to meet reasonably anticipate cash flow requirements in an orderly manner. Return on investment is of least importance compared to the safety of principal and maintenance of liquidity objectives, but investment portfolios shall be designated with the objective of attaining a market rate of return throughout budgetary and economic cycles within the constraints of the first two objectives. The investment policy also establishes allowable investments, investment providers, and investment concentrations in furtherance of these objectives. The Agency currently maintains all of its deposit accounts in accounts that qualify as Public Deposit accounts as defined by Florida Statutes or have been purchased from Securities Investor Protection Corporation (SIPC) brokers/dealers with a long-term issuer rating in the "A" category or higher from both Standard & Poor's and Moody's Rating Services.

Accounting, Auditing and Financial Reporting Policies

Tampa Bay Water maintains a system of financial monitoring, control, and reporting for its operations and resources, to provide an effective means of ensuring that Agency goals and objectives are met.

Basis of Accounting and Accounting Systems

Under Section 17 (D) of the Master Water Supply Contract, the Agency shall maintain accounts and records for all funds received and disbursed by it with respect to Water Service. The Agency's financial records and the annual financial statements are maintained on the accrual basis of accounting, consistent with Generally Accepted Accounting Principles (GAAP) and Governmental Accounting Standards Board (GASB) pronouncements applicable to an enterprise fund. In addition, the Agency follows the rules of the Auditor General of the State of Florida which are applicable to the Agency and utilizes the State of Florida Uniform Accounting System. The Agency's accounting system also includes an encumbrance system for tracking purchase commitments.

Auditing

According to the Master Bond Resolution under Section 5.06 Annual Audit; the Agency shall, after the close of each Fiscal Year, cause the books, records and accounts relating to the System to be properly audited by a recognized independent firm of certified public accountants. According to the Master Water Supply Contract under Section 17 (D); on or before each March 1 the Agency shall complete an audit of the aforesaid accounts and said audit shall be conducted by a nationally recognized certified public accounting firm. The results of this audit are included within the Agency's Annual Comprehensive Financial Report and are reported to the Board upon completion in the subsequent year. The Agency's independent auditors are selected in accordance with the Agency's Auditor Selection Policy and applicable Florida Statutes.

The Annual Comprehensive Financial Reports along with the Popular Annual Financial Reports are available on the Tampa Bay Water website, www.tampabaywater.org.

Performance Audit

Section 2.10, Article II, *Creation and Governance*, of the Amended and Restated Interlocal Agreement requires the Agency to conduct a performance audit and management study at five-year intervals. The performance audit and management study reviews program result and makes recommendations regarding the Agency's governance structure and the proper, efficient, and economical operation and maintenance of the Agency's water supply facilities. The latest performance audit and management study completed was in fiscal year 2020 by CliftonLarsonAllen LLP. The Agency's staff is currently working on implementing the recommendations made by CliftonLarsonAllen LLP.

Capital Improvement Program

Highlights

Tampa Bay Water's Capital Improvement Program (CIP) main objectives are:

- To improve Tampa Bay Water's financial stability by identifying capital needs, estimating funding needs including future bond issues, and identify the effects on the operating budget;
- To maintain and improve Tampa Bay Water's infrastructure through the maintenance, repair, and replacement of existing assets; and
- Identify and implement short- and long-term infrastructure needs/projects to meet the regions' future water demands.

The CIP is a comprehensive ten-year plan and portfolio of previously approved and new proposed capital projects and is updated annually as the scope, needs and timing for specific projects change. Tampa Bay Water's Board of Directors annually accepts the CIP for implementation by agency staff and adopts the upcoming proposed expense when adopting the Annual Budget. The CIP is subject to changes as the needs for specific projects become better defined and final approval of individual projects is provided by the Board. Projects receiving funding through the Uniform Rate, the Renewal and Replacement Fund, the Energy Savings Fund or the Capital Improvement Fund, in the upcoming annual CIP budget is the basis for budgeted expense when adopting the upcoming Annual Budget.

Goals

The following goals are used by Tampa Bay Water staff to develop the annual capital budget and the Capital Improvement Program Plan:

- Identify and prioritize capital projects through a coordinated departmental effort that integrates planning and development, engineering, construction, and financing requirements and future operating and maintenance costs.
- Develop a timeline and budget for each project.
- Develop a funding scenario for each project that identifies a funding source, a projected cash flow, and future operating and maintenance cost estimates.

Energy Management Program

Tampa Bay Water developed an Energy Management Program roadmap with a programmatic approach to improve energy efficiency through implementation of emerging technology and operational changes. The Energy Roadmap:

- Aligns with the Agency's Strategic Plan;
- Identifies elements of technology and energy infrastructure to enhance financial stability and sustainability of Tampa Bay Water operations; and
- Identifies gap/key projects necessary to bridge or connect on-going and planned capital projects with the steps and goals of the Energy Management Program.

Renewal and Replacement Program

Tampa Bay Water's Renewal and Replacement Program includes a prioritized long-term plan for renewal, repair, or replacement of assets that will result in a sustainable infrastructure. The Program identifies the required projects and their timing based on a risk-based approach that considers criticality, remaining useful life, and risk.

Major Goals and Initiatives for Fiscal Year 2022

The Fiscal Year 2022 budget was put together with important agency policy goals and initiatives in mind. Those goals and initiatives included:

- Meeting the performance requirements of the Master Water Supply Contract to provide high-quality water to our six-member governments.
- Operating our water supply facilities to Improve supply delivery while also maintaining full compliance with all regulatory permits.
- Addressing key recommendations from the 2020 Performance and Management Audit Report and allocating our staff and financial resources to meet the Boards' objectives for a sustainable and affordable water supply system.
- Continuing to balance and blend our multiple supplies of water sources to deliver high quality, affordable water to our member governments.
- Performing feasibility studies on future water supply projects and completing the future needs analysis to support the update of the Long-Term Master Water Plan.
- Safeguarding the public's investment in the region's water supply and delivery system to ensure that both the water quality and water quantity meet the needs of the more than 2.5 million people in our region. Protecting that investment includes:
    - Focusing on the safety and security of our employees and our water supply facilities by preparing and exercising procedures and emergency preparedness plans for the staffing and operation of our water production facilities in disaster events.
    - Renewing and replacing existing infrastructure to ensure the optimal operation of our facilities over time.
    - Continuing to award community, environmental and educational organizations for projects that promote the protection of our drinking water sources through the Source Water Protection Mini-Grant Program.
- Continuing to develop and implement an employee training and knowledge retention program to address the succession planning required over the next several years as long-term employees leave the agency.

- Expanding the agency's outreach and education program to underscore the importance of a reliable, sustainable water supply for economic and regional growth and development.
- Working with our member governments on the coordination and sharing of utility best management practices.
- Working with our colleagues around the country in the continuing research into changes in weather patterns and the impact of climate change upon the surface water systems serving our area.
- Maintaining a strong relationship with the Southwest Florida Water Management District, the Florida Department of Environmental Protection, and other regulatory agencies to ensure open and honest communication on regulatory, planning, and financial matters.

Planning for the Future

Long-term Master Water Supply Plan

Planning for the future is an on-going process at Tampa Bay Water that includes more than potential new supplies. Our long-term planning process is a comprehensive examination of supply, demand, system hydraulics, water quality, reliability, public engagement, conservation and more.

This 20-year plan is a framework for meeting the region's future drinking water needs. The Long-term Master Water Plan identifies future water needs and potential water supply projects that could be designed and built to meet those needs for the region. The plan, which was instated in 1998, is updated every five years; each update must be approved by the Agency's board of directors.

The planning process includes data from a comprehensive demand forecasting model that helps us predict future water demands by analyzing water use data, weather, demographic, and economic data. Our Demand Management Plan quantifies potential water savings from passive and active conservation efforts. Planning for dry times is also part of the process. Operational and supply uncertainty is forecasted and modeled, to help understand how to mitigate and manage that risk.

Altogether, these models and plans forecast how much water will be needed in the future and when, so we can plan new supplies at the right time to keep our region growing and thriving. Projections show the Tampa Bay region will need an additional 10 million gallons per day (mgd) by 2028 and another 10 mgd by 2033.

In August 2022, the Agency's board of directors voted to expand the Tampa Bay Regional Surface Water Treatment Plant. The expansion increases the plant's average production by 10 mgd to 12.5 mgd to meet the 2028 regional demands. This project selection marked the close of the 2018 Long-term Master Water Plan planning cycle and the 2023 planning cycle kicked off in October 2022.

The next Long-term Master Water Plan update will go to the Agency's board of directors for approval in late 2023. Projects from previous Long-term Master Water Plans, which all include public input, and ideas from Tampa Bay Water and its member governments will be considered in the 2023 planning cycle.

South Hillsborough County Water Supply Projects

Southern Hillsborough County is experiencing rapid development and growth that is driving demand for more drinking water. This year we worked toward several solutions to bring more water to the fast-growing southern Hillsborough County. These solutions include:

- Temporarily increasing the permitted annual average limit for the South-Central Hillsborough Regional Wellfield by 850,000 gallons per day as an interim solution to help meet the increasing drinking water demands of southern Hillsborough County. The temporary permitted amount is 24.95 MGD's
- Making infrastructure improvements at Tampa Bay Water's point of delivery in Lithia, delivering an additional 1 mgd of water to the south county area.
- Installing temporary pumps at the Brandon Booster Station site, to send up to 5 million gallons per day of more water while we build the permanent booster station. In late 2023, the permanent Brandon Booster Station is scheduled to be online and able to send 5-7 mgd to Hillsborough County's Lithia Water Treatment Plant.
- The Agency's board of directors approved the first segment of the new South Hillsborough Pipeline to deliver up to an additional 65 mgd of water to Hillsborough County by 2028. Segment A of the pipeline will connect Tampa Bay Water's regional water plant in Brandon to the County's Lithia Water Treatment Plant, offering system redundancy between these two facilities in addition to more water. In January 2023, The Agency's board of directors approved the modified route that includes segments A and B.

Awards and Achievements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting for the sixth consecutive year to the Agency for its financial report for the fiscal year ended September 30, 2021. The Agency received the Distinguished Budget Presentation Award for the fiscal year 2022 Budget document, and the Popular Annual Financial Report (PAFR) for the fiscal year ended September 30, 2020, report. The fiscal year 2021 PAFR award application is till being reviewed by the GFOA committee.

In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized Annual Comprehensive Financial Report whose contents conform to program standards. Such reports must satisfy both U.S. generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. The Agency believes that its current Annual Comprehensive Financial Report continue to conform to Certificate of Achievement Program requirements and it is being submitted to the GFOA to determine its eligibility for another certificate.

The Finance department would like to thank the members of the Board for guidance and support in the monitoring of the financial affairs of the Agency in a progressive and responsible manner. Through the efforts of the Board and the Agency's staff, the achievement described in this report have become a reality. The Finance department wishes to express their appreciation to the members of the Agency's staff who contribute specifically to the preparation of this report.

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Tampa Bay Water
Florida

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

September 30, 2021

Christopher P. Morrill

Executive Director/CEO

GOVERNMENT FINANCE OFFICERS ASSOCIATION

Distinguished Budget Presentation Award

PRESENTED TO

Tampa Bay Water
Florida

For the Fiscal Year Beginning

October 01, 2021

Christopher P. Morrill

Executive Director

The Government Finance Officers Association of the United States and Canada (GFOA) presented a Distinguished Budget Presentation Award to Tampa Bay Water, Florida for it's Fiscal Year 2022 annual operating budget. In order to receive this award, a government unit must publish a budget document that meets criteria as a policy document, an organizational guide, a financial plan, and a communication device. This award is valid for a period of one year only. We believe our current budget continues to conform to program requirement, and we are submitting it to GFOA to determine eligibility for an another award.

Government Finance Officers Association

Award for Outstanding Achievement in Popular Annual Financial Reporting

Presented to

Tampa Bay Water

Florida

For its Annual Financial Report
for the Fiscal Year Ended

September 30, 2020

Christopher P. Morrill

Executive Director/CEO

Tampa Bay Water's Board of Directors

Tampa Bay Water is often cited as a model of regional cooperation, thanks to the spirit of regionalism that created the utility and the continual regional efforts of our board of directors. Each elected official on our nine-member board represents an individual city or county that we serve but, at the dais, each also represents the Tampa Bay region. The policy decisions and directives of our board ensure our region has adequate and sustainable drinking water to support our economy, environment and way of life.

Chairman
Commissioner
Ron Oakley
Pasco County

Vice Chair
Commissioner
Mariella Smith
Hillsborough County

Commissioner
Harry Cohen
Hillsborough County

Commissioner
Dave Eggers
Pinellas County

Council Member
Lisset Hanewicz
City of St. Petersburg

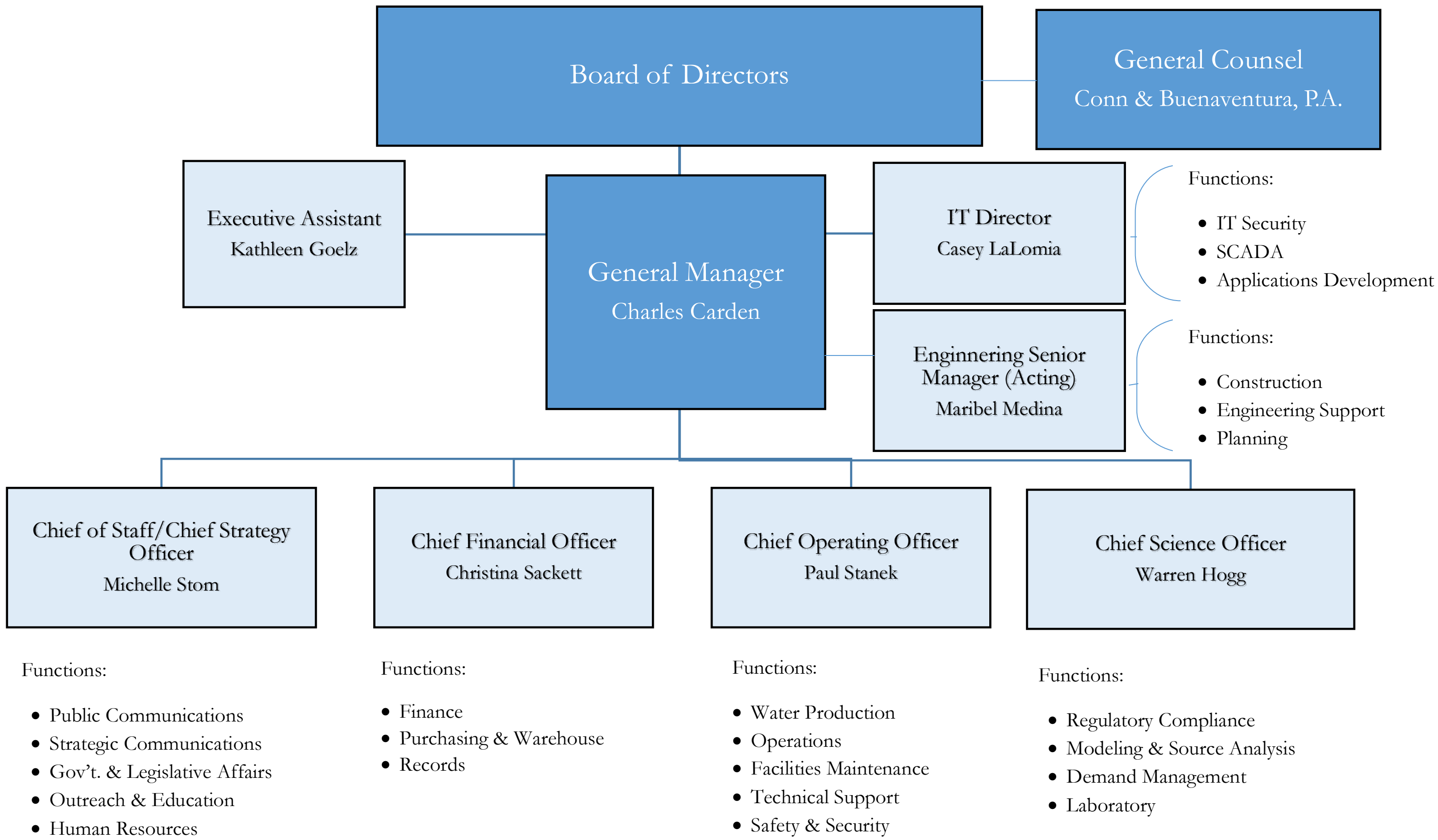
Mayor
Rob Marlowe
City of New Port Richey

Council Member
Charlie Miranda
City of Tampa

Commissioner
Kathleen Peters
Pinellas County

Commissioner
Kathryn Starkey
Pasco County

Tampa Bay Water
Organizational Chart
As of September 30, 2022



TAMPA BAY WATER

Supplying Water To The Region

II. FINANCIAL SECTION

- **Report of Independent Certified Public Accountants**
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- **Financial Statements**
    - **Statement of Net Position**
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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Tampa Bay Water, A Regional Water Supply Authority
Clearwater, Florida

Report on the Audit of the Financial Statements

Opinions
We have audited the accompanying financial statements of Tampa Bay Water, A Regional Water Supply Authority (the "Agency"), as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the Agency'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 Agency as of September 30, 2022, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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

Responsibilities of Management for the Financial Statements
Management is responsible for the preparation and fair presentation of 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 Agency's ability to continue as a going concern for 12 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.

1401 MANATEE AVENUE WEST, SUITE 1200 • BRADENTON, FLORIDA 34205 • 941-747-4483 • 855-891-0070 • FAX 941-747-6035 • www.mjcpa.com
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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 Agency'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 Agency'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 (on pages 28 through 40), the Schedule of Agency Proportionate Share of the Net Pension Liability – Florida Retirement System, the Schedule of Agency Contributions – Florida Retirement System, the Schedule of Agency Proportionate Share of the Net Pension Liability – Health Insurance Subsidy Program, the Schedule of Agency Contributions – Health Insurance Subsidy Program, and the Schedule of Changes in the Total OPEB Liability and Related Ratios – Other Post-Employment Benefits Plan (on pages 99 through 105) be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Agency's basic financial statements. The accompanying supplementary information noted as the Schedule of Debt Service Coverage – Utility System Revenue Bonds Series 2001A, 2005, 2011, 2011A, 2013, 2015A, 2015B, 2016A, 2016B, 2016C, and 2020 Master Bond, as listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information as listed in the table of contents is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information
Management is responsible for the other information included in the annual report. The other information comprises the introductory section, budgetary comparison schedule for fiscal year 2022 and statistical section but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 15, 2023, on our consideration of the Agency'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 Agency'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 Agency's internal control over financial reporting and compliance.

Mauldin & Jenkins, LLC

Bradenton, Florida
February 15, 2023

Management's Discussion and Analysis

Tampa Bay Water
(A Regional Water Supply Authority)

Management's Discussion and Analysis

Year Ended September 30, 2022

This section of Tampa Bay Water, A Regional Water Supply Authority's (the Agency) annual financial report presents management's analysis of the Agency's financial performance during the fiscal year ended September 30, 2022. Please read it in conjunction with the financial statements, which follow this section.

Financial Highlights

- The Agency owns and operates facilities having a net book value of $1.48 billion to provide water to its six Member Governments. Financial data for the fiscal year ended September 30, 2022, reflects the Agency's operations and maintenance of its existing facilities, as well as the development of new facilities to meet the region's future water needs. The facilities operating in 2022 included 13 wellfield systems, the Seawater Desalination Facility and Enhanced Surface Water System. The Enhanced Surface Water System is comprised of Regional Surface Water Treatment Plant, High Service Pumping Station, Tampa Bypass Canal Pump Station and Pipeline, Alafia River Intake and Pump Station, and C.W. Bill Young Regional Reservoir. Additionally, operating facilities include Cypress Creek Pump Station, Keller Hydrogen Sulfide Treatment Facility and Lithia Hydrogen Sulfide Treatment Facility, as well as various booster stations, water treatment facilities, and approximately 270 miles of collection mains and large-diameter potable water transmission mains. The Agency also has administrative, laboratory, and infrastructure management facilities in Cypress Creek and an administrative facility in Clearwater. The Agency is focused on the efficient and cost-effective management of this integrated system through improved processes, use of new technologies, and appropriate staffing.

- The Agency's net position increased $23.2 million or 2.65% in fiscal 2022.

- Increased water demand from its six members resulted in an increase in water production from 184.8 mgd in 2021 to 188.3 mgd in 2022. The increase in demand is largely a result of the continuing growth in South Hillsborough County.

- During 2022, the Agency's revenue from water sales was $179.6 million. In addition, $4.9 million in revenue was deferred to the Rate Stabilization Account in accordance with contractual obligations with the Agency's members and Agency accounting policies, resulting in a net increase in revenue recognized of $7.0 million from 2021 to 2022.

- The Agency's operating expense incresed by $8.9 million, or 11.6%, from 2021 to 2022 as a result of an increase in demand and increased prices.

Overview of the Financial Statements

This annual report consists of two parts: management's discussion and analysis of the financial statements plus the financial statements. The financial statements also include notes that explain the information contained in the financial statements in greater detail.

Required Financial Statements

The financial statements of the Agency use accounting methods similar to those used by private sector companies. The statement of net position includes all of the Agency's assets and deferred outflows of resources and liabilities and deferred inflows of resources, and provides information about the nature and amounts of investment in resources (assets) and the obligations to Agency creditors (liabilities). The assets and liabilities are presented in a classified format, which distinguishes between current and noncurrent assets and liabilities. Current assets are those assets expected to be converted to cash or used to pay current liabilities within 12 months. Current liabilities are those expected to be paid within 12 months. Conversely, noncurrent assets and liabilities are those expected to extend beyond a 12-month period. The statement of net position also provides the basis for computing the rate of return, evaluating the capital structure of the Agency, and assessing the liquidity and financial flexibility of the Agency.

All of the current year's revenues and expense are accounted for in the statement of revenues, expense, and changes in net position. This statement reports information about the Agency's activities and measures the success of the Agency's operations over the past year.

The final required financial statement is the statement of cash flows. The primary purpose of this statement is to provide information about the Agency's sources and uses of cash during the reporting period. The statement reports cash receipts, cash payments, and net changes in cash resulting from operating, investing, and financing activities and provides answers to such questions as where cash came from, what was cash used for, and what was the change in the cash balance during the reporting period.

In addition, the annual report includes required supplementary information related to pensions and other post-employment benefits as required by GASB.

Financial Analysis of the Agency

Our analysis of the Agency begins with a measure of the Agency's financial position or financial health by reporting its assets and deferred outflows of resources and liabilities and deferred inflows of resources and the difference between them, as "net position." Over time, increases or decreases in the Agency's net position are one indicator of whether its financial health is improving or deteriorating. However, other nonfinancial factors such as new water supply facilities, water demand, economic conditions, population growth, state and federal regulation, and changes in government legislation must also be considered in evaluating the Agency's financial health. Consideration also needs to be given to the terms of the Agency's agreements with its members under which water rates are established based on budgeted operating and capital costs, as well as certain reserve requirements. The statement of revenues, expense, and changes in net position provides information that is useful in evaluating whether the Agency has successfully recovered all its costs through its water rates and other charges, as well as its credit worthiness.

Financial Analysis of the Agency (continued)

Net Position

A summary of the Agency's statements of net position is presented in Table A-1.

Table A-1
Condensed Statements of Net Position
(In Millions of Dollars)

		FY 2022		FY 2021
Assets				
Unrestricted current assets	**$**	**88.7**	$	83.5
Restricted current assets		**105.6**		121.1
Capital assets, net		**1,475.2**		1,482.8
Noncurrent assets		**117.6**		113.2
Total assets	**$**	**1,787.1**	$	1,800.6
Deferred outflows of resources				
Refunding of debt	**$**	**10.3**	$	11.9
FRS		**3.8**		3.2
HIS		**0.6**		0.8
Total deferred outflows of resources	**$**	**14.7**	$	15.9
Liabilities				
Liabilities				
Long-term debt, net of current portion	**$**	**752.0**	$	805.2
Other liabilities		**98.0**		80.1
Total liabilities	**$**	**850.0**	$	885.3
Deferred inflows of resources				
Rate stabilization	**$**	**51.4**	$	46.4
FRS		**-**		8.0
HIS		**0.6**		0.2
Total deferred inflows of resources	**$**	**52.0**	$	54.6
Net Position				
Net investment in capital assets	**$**	**752.2**	$	720.3
Restricted		**114.8**		119.5
Unrestricted		**32.8**		36.8
Total net position	**$**	**899.8**	$	876.6

As shown in table A-1, total net position increased $23.2 million, or 2.65%, to $899.8 million in fiscal 2022 from $876.6 million in fiscal 2021.

Financial Analysis of the Agency (continued)

Change in Net Position

Table A-2
Condensed Statements of Revenues, Expenses and Changes in Net Position
(In Millions of Dollars)

	FY 2022	FY 2021
Operating revenue	**$ 174.7**	$ 167.7
Operating expense	**(85.9)**	(77.0)
Operating income before depreciation	**88.8**	90.7
Depreciation expense	**(29.1)**	(29.1)
Operating income	**59.7**	61.6
Investment revenue, net of realized and unrealized gain (loss) of $(9.4) and $(2.8) in 2022 and 2021, respectively	**(6.6)**	0.2
Interest expense, gross	**(29.6)**	(32.6)
Loss on disposal of capital assets	**(1.2)**	(2.1)
Income before contributions	**22.3**	27.1
Capital contributions	**0.9**	2.7
Change in net position	**23.2**	29.8
Total net position - beginning	**876.6**	846.8
Total net position - ending	**$ 899.8**	$ 876.6

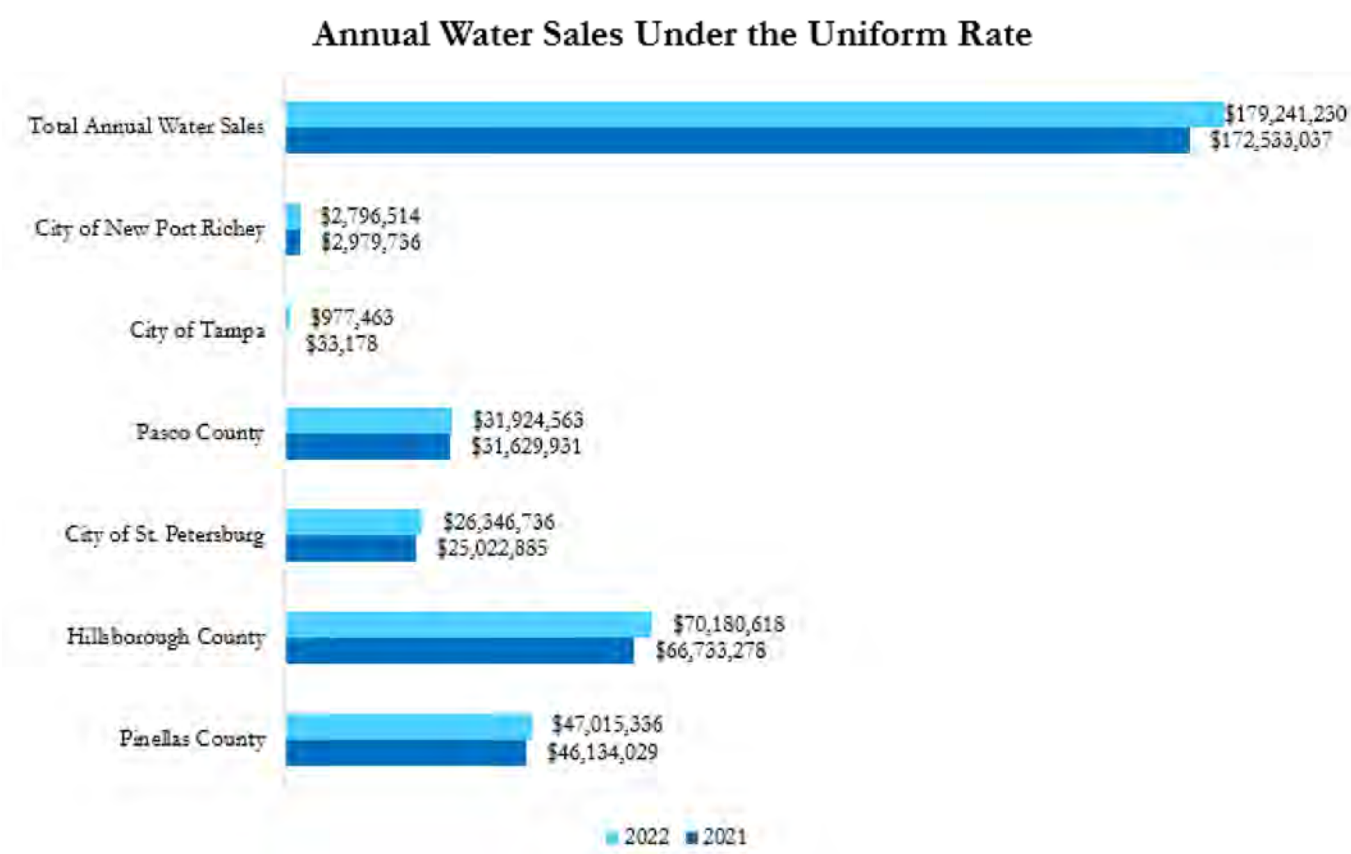
Table A-2 reflects the statements of revenues, expenses, and changes in net position and provides information as to the nature and source of these changes.

As shown in Table A-2, the net position increased in 2022 from 2021 by $23.2 million, or 2.65%.

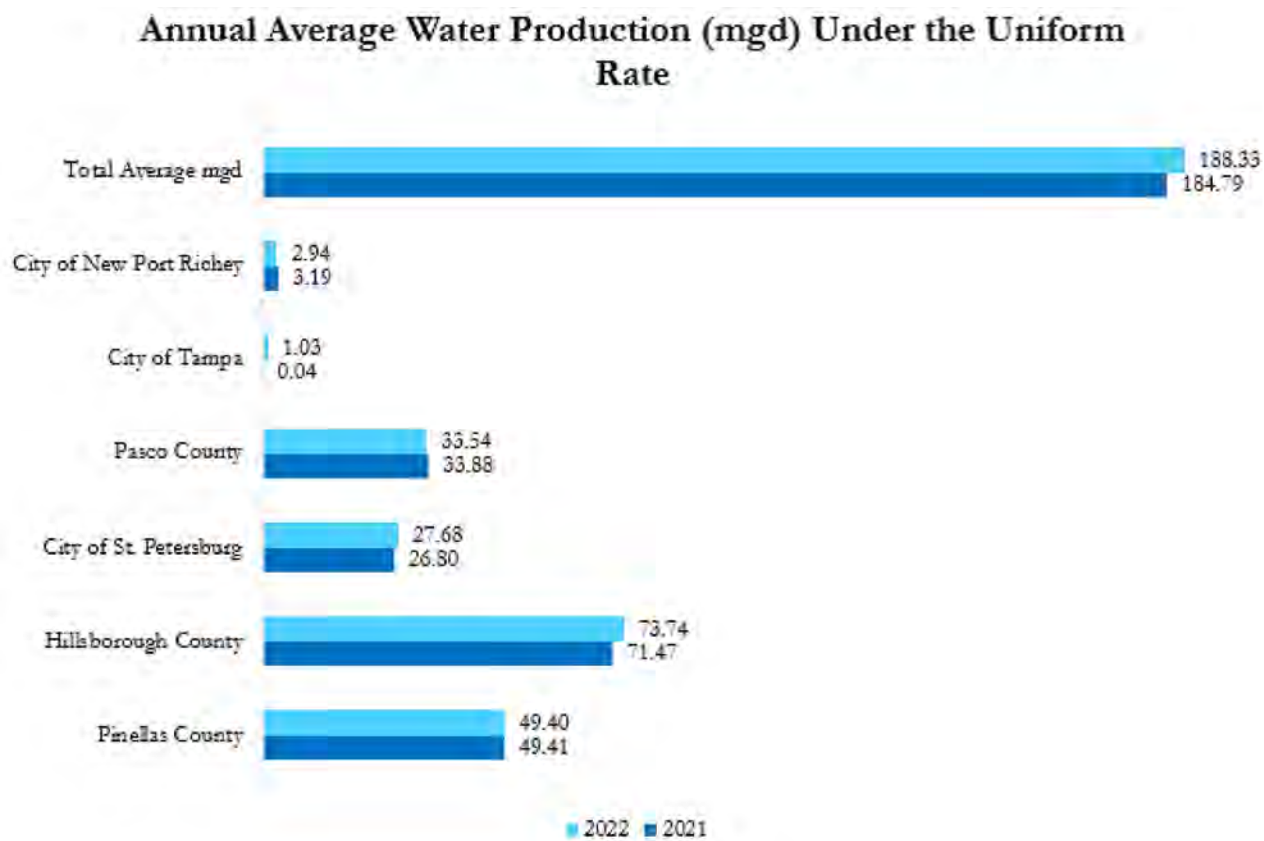
Financial Analysis of the Agency (continued)

As illustrated in the following charts, total water sales billed to Member Governments under the Uniform Rate was $179.2 million in 2022 compared to $172.5 million in 2021. Demand increased by 1.92% to 188.3 mgd (millions of gallons per day) in 2022 from 184.8 mgd in 2021 to. The increase in demand is largely a result of the continuing growth in Hillsborough County.

Amounts billed under the Uniform Rate differ from the total revenue from water sales by the amount of other water utility revenue, operating grants and largely the water sales revenue from the Tampa Bypass Canal.



Financial Analysis of the Agency (continued)



The Agency's operating expenses increased by $8.9 million or 11.6% from 2021 to 2022. This results from a $5.0 million increase in variable expenses due to increased demands and an increase in costs for chemicals and electricity. An increase of $2.1 million in personnel servivces, resulting largerly from an increase in the GASB 68 retirement expenses requirement. An increase of $1.8 million in repairs and maintenance, due to increased costs and replacement of parts at various agency facilities.

Investment revenue decreased by $6.8 million from 2021 to 2022. This resulted from historical low interest rates due to the COVID-19 pandemic plus an unrealized loss on investments of $8.8 million. The Agency continues to work with its Investment Advisors to diversify the Agency's investment portfolio helping the Agency earn more in investment revenue.

Interest expense decreased $3.0 million in 2022 of which $2.8 million was due to a decrease in the interest on bond payments..

Financial Analysis of the Agency (continued)

Gain or loss on disposal of capital assets consists of the net gain or loss from sale or disposal of obsolete, damaged, or surplus equipment and property and the write-off of costs of discontinued projects. In 2022 the net loss is $1.2 million.

Capital Assets and Long-term Debt

The Agency has a net investment of $1,475.3 million and $1,482.8 million at September 30, 2022, and 2021, respectively, in a broad range of infrastructure, including wellfields, water treatment and pumping facilities, transmission mains, buildings, a reservoir, other maintenance and administration equipment, and water capacity rights as shown in Table A-3.

Table A-3
Capital Assets
(In Millions of Dollars)

	FY 2022	FY 2021
Land and improvements	**$ 82.5**	$ 82.5
Wells and wellfield improvements	**135.3**	135.3
Water treatment and pumping facilities	**706.1**	701.5
Transmission mains	**339.2**	339.2
Buildings	**21.8**	21.8
Reservoir	**304.6**	303.2
Other equipment and software	**23.2**	22.2
	1,612.7	1,605.7
Accumulated depreciation	**502.5**	474.4
Capital assets, depreciable, net	**1,110.2**	1,131.3
Water capacity rights	**316.4**	316.4
Construction-in-progress		
Transmission mains	**1.2**	1.2
Surface water sources and pumping facilities	**13.4**	6.6
Wellfields and improvements	**14.2**	8.4
Desalination facilities	**11.9**	13.4
Other supply and infrastructure	**7.9**	5.5
	48.6	35.1
	$ 1,475.2	$ 1,482.8

More information about the Agency's capital assets is disclosed in the Notes to Financial Statements under note 9, title Capital Assets.

Financial Analysis of the Agency (continued)

Capital Assets and Long-term Debt (continued)

Agency's management decided to include the water capacity rights as part of capital assets to follow Government Accounting Standard Boards best practices.

The Agency has several projects in various stages of development to improve or expand existing facilities and to meet future demand for water. In 2022, construction-in-progress increased by $13.5 over 2021.

Bond Ratings	Limitations of Debt
Agency ratings from Moody's, Standard & Poor's and Fitch are Aa1, AA+, and AA, respectively. The outstanding bonds for Series 2001A and 2005 bonds carry insurance with National Public Finance Guarantee Corp. The Series 2011, 2011A, 2013, 2015A, 2015B, 2016A, 2016B, 2016C, and Master Bond 2020 bonds do not carry insurance.	Bond covenants allow for the issuance of additional debt, on parity, as to lien, on the net revenues of the Agency provided certain net earnings ratios are met. The major criteria are (1) that the net revenues (as defined in the covenants) for any 12 consecutive months selected by the issuer, of the 24 months immediately preceding the issuance of the additional bonds, together with the fund balance (as defined in the covenants) on the last day of such 12-month period, were equal to at least 125% of the debt service on the outstanding bonds during such 12-month period and (2) the net revenues for such 12-month period were equal to at least 100% of (a) the debt service due on the outstanding bonds for the 12-month period, (b) any required deposit to the Renewal and Replacement Fund, and (c) any required deposit to the Reserve Fund. The Agency is in compliance with all required financial and nonfinancial debt covenants.

Financial Analysis of the Agency (continued)

Table A-4
Cost of Capital
(In Millions)

	Debt Balance	Average Coupon Rate %
2001A bonds	$ 50.0	5.93
2005 bonds	74.5	5.50
2013 bonds	75.3	4.85
2015A bonds	180.8	4.11
2015B bonds	90.5	3.12
2016A bonds	96.6	4.41
2016B bonds	31.4	3.51
2016C bonds	55.3	5.00
Master Bond 2020 Tranche 1	6.5	2.31
Master Bond 2020 Tranche 2	46.4	2.31
	$ 707.3	

Under the Agency's budgetary process, rates are established to provide adequate coverage for existing and planned additional debt. This is demonstrated by the Agency's debt service coverage ratios, which are 1.61 and 1.61 at September 30, 2022, and 2021, respectively. These coverage ratios are another indicator of the Agency's financial strength and future borrowing capability.

Financial Analysis of the Agency (continued)

Table A-5
Debt Coverage Ratio
(In Millions of Dollars)

	FY 2022	FY 2021
Revenue from sales	**$ 174.7**	$ 167.7
Less: Purchase price amortization credit	**(10.2)**	(10.2)
Investment revenue (Note 1)	**2.3**	2.9
Total revenue	**166.8**	160.4
Operation and maintenance expense (Note 2)	**(87.8)**	(77.9)
Net revenue for coverage calculation	**$ 79.0**	$ 82.5
Total debt service on bonds	**$ 67.9**	$ 70.1
Debt service and reserve coverage (times)	**1.16**	1.18
Fund balance (Note 3)	**$ 30.8**	$ 30.2
Net revenue plus fund balance	**$ 109.8**	$ 112.7
Debt service coverage (times)	**1.61**	1.61

Note 1: Investment revenue does not include interest on construction funds of $0.0 million and $0.0 million in 2022 and 2021, respectively, or unrealized investment loss of $8.8 million in 2022 and unrealized loss of $2.8 million in 2021.

Note 2: Operation and maintenance expense include capital expense for improvement of the existing system of $1.9 million and $0.9 million in 2022 and 2021, respectively.

Note 3: Fund balance is defined by the Master Bond Resolution and is calculated as of the prior year-end in accordance with the Master Bond Resolution.

More information about the Agency's Long-Term Debt is disclosed in the Notes to Financial Statements under note 11, title Long-Term Debt and Other Noncurrent Liabilities.

Financial Analysis of the Agency (continued)

Economic Factors and Next Year's Budget and Rates

The Agency's rate structure consists of a fixed cost portion to ensure funding of necessary activities and debt service and a variable cost portion to provide funding for costs, which fluctuate directly with production.

The Agency's Board of Directors and management considered many factors when developing the annual budget and setting the fiscal year water rates (Uniform Rate). These factors include the estimated demands provided by the Agency's Member Governments, which in turn consider such factors as anticipated population growth, environmental conditions, and the economy of the region as a whole. Budgeted demand for fiscal year 2023 is 197.5 million gallons per day, which is an incrase of 5.3 million gallons per day over the fiscal year 2022 budgeted demand. The 2023 budgeted expense increased by $5.7 million, or 3.08%. The main reason for the increase in budgeted expenses is due to increases costs in chemicals and electricty. The budgeted Uniform Rate for 2023 is $2.5781 per thousand gallons, which is an increase of 0.57% .

The Agency uses surveys of its Member Governments and local employment market rates when establishing its job classifications and pay plan. These indicators were also taken into consideration when adopting the Agency budget for fiscal year 2023.

Requests for Information

This financial report is designed to provide a general overview of the Agency's finances for those having an interest therein. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Chief Financial Officer at 2575 Enterprise Road, Clearwater, FL, 33763. Information about the Agency is also available on its website at www.tampabaywater.org.

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Financial Statements

Tampa Bay Water
(A Regional Water Supply Authority)

Statement of Net Position

September 30, 2022

Assets		
Current Assets:		
Unrestricted current assets:		
Cash and cash equivalents	$	57,630,594
Accounts receivable from sale of water		21,398,202
Interest receivable		582,349
Investments		7,304,485
Inventories		981,916
Other accounts receivable		680,185
Other current assets		132,873
Total unrestricted assets		88,710,604
Restricted current assets:		
Cash and cash equivalents		71,105,128
Investments		34,033,404
Grants receivable		448,303
Total restricted assets		105,586,835
Total current assets		194,297,439
Noncurrent assets		
Investments, unrestricted		22,257,639
Investments, restricted		95,297,788
Capital assets, non-depreciable		444,215,432
Capital assets, depreciable, net		1,030,962,005
Bond insurance costs, net of accumulated amortization		56,956
Total noncurrent assets		1,592,789,820
Total assets		1,787,087,259
Deferred outflows of resources		
Refunding of debt		10,333,537
FRS		3,837,828
HIS		539,565
Total deferred outflows of resources		14,710,930
Total assets and deferred outflows of resources	$	1,801,798,189

Continued on next page.

Tampa Bay Water
(A Regional Water Supply Authority)

Statement of Net Position (continued)

September 30, 2022

Liabilities		
Current liabilities:		
Accounts payable and accrued expenses	$	12,967,061
Credits due to customers		1,940,740
Lease Liability		41,121
Total current liabilities		14,948,922
Current liabilities payable from restricted assets		
Construction funds accounts payable		3,169,587
Accrued interest payable		15,253,408
Current portion of long-term debt		47,574,870
Total current liabilities payable from restricted assets		65,997,865
Total Current Liabilities		80,946,787
Noncurrent liabilities:		
Long-term debt, net of current portion		752,012,336
Total other post-employment benefits liability		360,874
Net pension liability - FRS		11,461,170
Net pension liability - HIS		3,749,051
Lease Liability		1,355,867
Total noncurrent liabilities		768,939,298
Total liabilities		849,886,084
Deferred inflows of resources		
Rate stabilization		51,370,984
Deferred Lease Revenue		86,814
HIS		596,469
Total deferred inflows of resources		52,054,267

Continued on next page.

Tampa Bay Water
(A Regional Water Supply Authority)

Statement of Net Position (continued)

September 30, 2022

Net Position		
Net investment in capital assets		752,248,248
Restricted:		
Debt Service Interest and Principal Sinking Fund		39,953,000
Renewal and Replacement Fund		32,067,931
Capital Improvement Fund		29,892,651
Operations and Maintenance Reserve		4,880,457
Energy Savings Fund		749,537
Grants Receivable		448,303
Desal - Reserves		3,102,700
SWTP - Reserves		3,702,535
Unrestricted		32,812,474
Total net position	$	899,857,836

See accompanying notes.

Tampa Bay Water
(A Regional Water Supply Authority)

Statement of Revenues, Expenses, and Changes in Net Position

Year Ended September 30, 2022

Revenue from sale of water	$ 179,602,833
Rate stabilization transfer	(4,924,749)
Total operating revenue	174,678,084
Operating expense	(85,912,868)
Operating income before depreciation	88,765,216
Depreciation expense	(29,043,530)
Operating income	59,721,686
Nonoperating revenues (expenses)	
Investment loss, gross	(6,569,075)
Interest expense, gross	(29,645,180)
Loss on disposal of capital assets	(1,196,180)
Litigation and insurance recoveries	7,979
Total nonoperating expenses, net	(37,402,456)
Income before contributions	22,319,230
Capital contributions	919,498
Change in net position	23,238,728
Total net position – beginning	876,619,108
Total net position – ending	$ 899,857,836

See accompanying notes.

Tampa Bay Water
(A Regional Water Supply Authority)

Statement of Cash Flows

Year Ended September 30, 2022

Operating activities	
Receipts from customers	$ 166,156,728
Payments for goods and services	(63,934,999)
Payments to employees	(18,394,224)
Litigation/insurance recoveries	7,979
Net cash provided by operating activities	83,835,484
Capital and related financing activities	
Capital contributions	973,535
Acquisition and construction of capital assets	(19,937,545)
Proceeds from disposition of capital assets	316,347
Principal paid on capital and other long-term debt	(44,073,414)
Interest paid on capital and other long-term debt	(34,323,578)
Net cash used in capital and related financing activities	(97,044,655)
Investing activities	
Proceeds from sales and maturities of investments	54,329,852
Purchase of investments	(60,385,411)
Interest received on investments	2,830,676
Net cash (used) by investing activities	(3,224,883)
Net change in cash and cash equivalents	(16,434,054)
Cash and cash equivalents, beginning of year	145,169,776
Cash and cash equivalents, end of year	$ 128,735,722

Continued on next page.

Tampa Bay Water
(A Regional Water Supply Authority)

Statement of Cash Flows (continued)

Year Ended September 30, 2022

Reconciliation of operating income to net cash provided by operating activities		
Operating income	$	59,721,686
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation expense		29,043,530
Rate stabilization transfer		4,924,749
Litigation recoveries		7,979
Changes in operating assets and liabilities:		
Accounts receivable		(14,002,330)
Inventories		(50,267)
Other current assets		52,637
Deferred outflows related to pension		(374,448)
Accounts payable and accrued expenses		2,971,070
Credits due to customers		469,411
Net pension liability		8,598,869
Net OPEB Liability		(33,759)
Deferred inflows related to lease revenue		86,814
Deferred inflows related to pension		(7,580,457)
Total adjustments		24,113,798
Net cash provided by operating activities	$	83,835,484

See accompanying notes.

1. Organization

Tampa Bay Water, A Regional Water Supply Authority (the Agency), formerly West Coast Regional Water Supply Authority (the Predecessor Authority), was created on October 25, 1974, by enabling state legislation under *Florida Statute* Sections 163.01, 373.713, and 373.715. Hillsborough, Pasco, and Pinellas counties and the cities of St. Petersburg, Tampa, and New Port Richey comprise the Member Governments of the Agency. A governance study was adopted by the Florida Legislature in 1997 (the 1997 Legislation) that amended Section 373.1963, *Florida Statutes*.

As part of the 1997 Legislation, the Agency was created by the Interlocal Agreement and entered into the Master Water Supply Contract with its Member Governments. The term of the Interlocal Agreement expires on the later of the fortieth anniversary of the commencement date or the date on which no obligations remain outstanding pursuant to the Financing Documents. In September 2022, the Agency's Board of Directors approved the Supplemental Bond Resolution #2022-002 to issue fixed rate revenue bonds with a final maturity on October 1, 2052. Pursuant to the Amended and Restated Interlocal Agreement and Master Water Supply Contract:

- The Agency will charge a uniform per-gallon wholesale rate to Member Governments for the wholesale supply of drinking water, with one exception for the City of Tampa. The Agency will charge a separate rate to the City of Tampa for water delivered from the Tampa Bypass Canal.
- All Member Governments relinquished to the Agency their individual rights to develop drinking water supplies subject to certain exceptions as defined in the Amended and Restated Interlocal Agreement.
- The Agency has the absolute and unequivocal obligation to meet the quality water needs of the Member Governments as defined in the Master Water Supply Contract.
- The Member Governments are required to maintain and collect such rates or other charges for the use of the products, services, and facilities of the respective members' water utility systems to the extent necessary to fund the timely payment of their respective obligations and liabilities under the Master Water Supply Contract.

2. Summary of Significant Accounting Policies

Operating Revenue and Expense

The Agency considers all revenue and expense associated with the delivery of water to customers to be operating activities. All other revenue and expense are considered to be nonoperating activities.

Net Position

Net position is classified into three components:

Net Investment in Capital Assets – This component of net position consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt are also included in this component of net position. If there are significant unspent related debt proceeds or deferred inflows of resources at the end of the reporting period, the portion of the debt or deferred inflows of resources attributable to the unspent amount is not included in the calculation of net investment in capital assets. Instead, that portion of the debt or deferred inflows of resources is included in the same net position component as the unspent proceeds.

Restricted – This component consists of net position whose use is subject to external constraints (such as through debt covenants) by creditors, grantors, contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation.

Unrestricted Net Position – This component consists of net position elements that do not meet the definition of restricted or net investment in capital assets.

When the Agency incurs an expenditure where it can use both restricted and unrestricted funds the agency will first use restricted funds.

The accounting policies and practices of the Agency conform to accounting principles generally accepted in the United States applicable to an enterprise fund of a government unit.

Measurement Focus and Basis of Accounting

The Agency is accounted for on the flow of economic resources measurement focus and uses the accrual basis of accounting in the preparation of its annual financial statements. The accounting and reporting policies of the Agency conform to the accounting rules prescribed by the Governmental Accounting Standards Board (GASB).

2. Summary of Significant Accounting Policies (continued)

Measurement Focus and Basis of Accounting (continued)

Under the provisions of the Agency's Amended and Restated Interlocal Agreement and the Master Water Supply Contract, the Agency establishes a single uniform rate for sale of quality water to Member Governments, provided, however, that a separate rate is established for sale of water from the Tampa Bypass Canal to the City of Tampa. The rate to be charged in a fiscal year to the Member Governments for water may include the following components as defined by the agreements: (1) operation, maintenance, and administrative costs; (2) debt service charges; (3) renewal and replacement charges; (4) bond coverage costs; (5) capital improvement charges; and (6) operating reserve funds. The Agency may also establish a rate stabilization fund to be funded from the operation, maintenance, and administrative costs or operating reserve funds. This method of rate setting results in costs being included in the determination of rates in different periods than when these costs are recognized for financial statement purposes.

The Agency capitalizes certain costs or defers certain revenue since its rates are established by its Board in accordance with the Amended and Restated Interlocal Agreement and Master Water Supply Contract, rates are designed to recover Agency costs, and the Agency can reasonably expect to collect such rates.

Cash Equivalents

For purposes of the statement of net position and the statement of cash flows, cash equivalents are defined as short-term, highly liquid investments that are both readily convertible to known amounts of cash and have original maturities of 90 days or less.

Investments

Investments are reported at fair value in the statement of net position, except for money market funds and U.S. government obligations with original maturities of less than one year, which are reported at amortized cost as permitted by GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools* as amended by GASB Statement No. 72, Fair Value Measurement and Application. All changes in the fair value of investments are recognized as gains or losses in the statement of revenues, expenses, and changes in net position.

Deferred Outflow/Inflow of Resources

The Statement of Net Position includes a separate section for Deferred Outflow of Resources and Deferred Inflow of Resources. Deferred Outflow of Resources represents the usage of net assets applicable to future periods and will be recognized as expenditures in the future period to which it applies. Currently, the items in this category include Deferred Loss on Debt Refunding and Deferred Outflow of Resources related to pensions and OPEB. The Deferred Loss on Debt Refunding is the difference between the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

2. Summary of Significant Accounting Policies (continued)

Deferred Outflow/Inflow of Resources (continued)

Deferred Outflow of Resources related to pensions includes the difference between expected and actual experience regarding economic or demographic factors, as well as changes in actuarial assumptions. Both are amortized over the average expected remaining service lives of all employees (in years). Employer contributions to pension plans made subsequent to the measurement date are also deferred and reduce pension liability in the subsequent year. Deferred Outflow of Resources related to OPEB includes benefit payments made on behalf of employees subsequent to the measurement date that are deferred and reduce the OPEB liability in the subsequent year. Deferred Outflow of Resources related to OPEB also includes changes in actuarial assumptions, which are amortized over the average expected remaining service lives of all employees (in years).

Deferred Inflow of Resources represents the acquisition of net position applicable to future periods and will be recognized as income in the future period to which it applies. Currently, the items in this category include Deferred Inflow of Resources related to pensions and OPEB. The Deferred Inflow of Resources related to pensions arise from differences between projected and actual earnings on pension plan investments (gains) or losses. This amount is deferred and amortized over 5 years. The Deferred Inflow of Resources related to pensions also includes changes in actuarial assumptions. This amount is deferred and amortized over the average expected remaining service lives of all employees (in years). Deferred inflow of Resources related to OPEB includes the difference between expected and actual experience regarding economic or demographic factors, as well as changes in actuarial assumptions. Both are amortized over the average expected remaining service lives of all employees (in years).

Materials and Supplies Inventories

Materials and supplies inventories consist primarily of spare parts and are stated at the average cost. Average cost approximates the first-in, first-out method.

2. Summary of Significant Accounting Policies (continued)

Capital Assets

It is the Agency's policy to capitalize property and equipment having an original cost in excess of $5,000 and a useful life longer than one year, except for computer software, which is capitalized when the original cost exceeds $25,000. Capital assets are stated at cost. Depreciation and Amortization is computed using the straight-line method over the estimated useful lives of the assets as follows:

	Life in Years
Land improvements	10–99
Leased Assets	10
Buildings	20–50
Wells and wellfield improvements	5–75
Water treatment and pumping facilities	10–50
Transmission mains	14–75
Reservoir	100
Other equipment and software	3–20

Maintenance, repairs, and minor renewals are charged to expense as incurred. Expenses that materially increase value, increase capacity, or extend useful lives are capitalized. Capital assets are removed (net of accumulated depreciation) upon retirement or disposition. Related gains or losses are charged to nonoperating activities.

Water Capacity Rights

Water capacity rights represent the Agency's rights in certain wholesale water supply wellfields. The Agency accounts for the water capacity rights in accordance with the provisions of GASB Statement No. 51, *Accounting and Financial Reporting for Intangible Assets*. This statement requires that indefinite-lived intangible assets not be amortized, but instead be tested for impairment at least annually and whenever events or changes in circumstances indicate that the carrying value may not be recoverable. Water capacity rights are combined with other non-depreciable capital assets. The Agency follows the follow Government Accounting Standard Boards best practices and includes the water capacity rights as part of capital assets.

2. Summary of Significant Accounting Policies (continued)

Impairment of Capital Assets and Insurance Recoveries

The Agency accounts for impairment of capital assets and insurance recoveries in accordance with the provisions of GASB Statement No. 42, *Accounting and Financial Reporting for Impairment of Capital Assets and for Insurance Recoveries*. This statement requires that capital assets be reviewed for impairment whenever events or changes in circumstances indicate that the service utility of the asset has declined significantly and unexpectedly. Impaired capital assets that will no longer be used are reported at the lower of carrying value or fair value. Impairment losses on capital assets that will continue to be used are measured using the method that best reflects the diminished service utility of the asset: restoration cost approach, service units approach, or deflated depreciated replacement cost approach. Insurance recoveries related to impairment losses are netted against the impairment loss if received in the same year; otherwise the recovery is reported as revenue in the year received. No impairment losses were recognized in 2022.

Capitalization of Interest

As of Fiscal Year 2019, interest costs incurred as part of the cost of constructing capital assets are no longer capitalized with the implementation of GASB Statement No. 89, *Accounting for Interest Costs Incurred Before the End of a Construction Period*.

Bond Issuance Costs, Bond Discounts, and Bond Premiums

The Agency accounts for bond issuance costs in accordance with the provisions of GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*. Bond issuance costs (related to insurance) are recorded as deferred charges, whereas bond discounts and premiums are recorded as a reduction of, or addition to, the face amount of bonds payable. All other bond issuance costs are expensed as incurred. Amortization of bond issuance costs, bond discounts, and bond premiums is calculated over the life of the bonds using the effective interest method and is reported as a component of interest expense.

Unamortized Losses on Debt Refunding

Losses resulting from current or advance refunding's of debt are deferred and amortized over the shorter of the life of the new debt or the remaining life of the old debt and are reported as deferred outflows of resources in accordance with GASB Statement No. 65. The amount amortized is reported as a component of interest expense.

Commitments and Contingencies

Liabilities for loss contingencies arising from claims, assessments, litigation, fines and penalties, and other sources are recorded when it is probable that a liability has been incurred and the amount can be reasonably estimated.

2. Summary of Significant Accounting Policies (continued)

Rate Stabilization

Under the Amended and Restated Interlocal Agreement and the Master Water Supply Contract, the Board of Directors may establish rates sufficient to fund a Rate Stabilization Account. The contracts also provide that funds collected in any year in excess of current costs may be deposited to the Rate Stabilization Account with Board approval. Funds placed in the Rate Stabilization Account are accounted for as deferred inflows of resources until the year in which the Board of Directors approves their use to meet current costs of the Agency.

Capital Contributions

Capital contributions represent capital grants from the Southwest Florida Water Management District (SWFWMD). Contributions are recognized when all applicable eligibility requirements of the grant have been met, pursuant to GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*. The Agency had $919,498 in capital contributions during the year ended September 30, 2022.

Sales and Pledges of Receivables and Future Revenues

The Agency provides disclosure of pledged revenues in accordance with the requirements of GASB Statement No. 48, *Sales and Pledges of Receivables and Future Revenues and Intra-Entity Transfers of Assets and Future Revenue*, which establishes accounting and financial reporting standards for transactions in which a government receives, or is entitled to, resources in exchange for future cash flows generated by collecting specific receivables or specific future revenues. The Agency has no sales or pledges of receivables and future revenues except as discussed in Note 11.

Pensions

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

Leases

The Agency is a lessee for noncancellable leases of land and equipment. The Agency recognizes a lease liability and an intangible right-to-use lease asset (lease asset) in the financial statements. The Agency recognizes lease liabilities with an initial, individual value of $5,000 or more.

2. Summary of Significant Accounting Policies (continued)

Leases (continued)

At the commencement of a lease, the Agency initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over the term of the lease.

Key estimates and judgments related to leases include how the Agency determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are comprised of fixed payments and any purchase option price that the Agency is reasonably certain to exercise. In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options are only included in the lease term if the lease is reasonably certain to be extended.

The Agency monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

Leased assets are reported with other capital assets and lease liabilities are reported as short and long term liabilities on the statement of net position.

Payments due under the lease contracts may include fixed payments plus variable payments. For equipment leases for which the Agency has elected not to separate lease and non-lease components, maintenance services are provided by the lessor at a fixed cost and are included in the fixed lease payments

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- Fixed payments (including in-substance fixed payments), less any lease incentives receivable
- Amounts expected to be payable by the Agency under residual value guarantees
- The exercise price of a purchase option if it is reasonably certain the option will be executed
- Payments of penalties for terminating the lease, if the lease term reflects the Agency exercising that option

2. Summary of Significant Accounting Policies (continued)

Leases (continued)

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the group, the lessee's incremental borrowing rate is used. The incremental borrowing rate is the rate that the Agency's would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

Variable payments that depend on an index or a rate (such as the Consumer Price Index or a market interest rate) are initially measured using the index or rate as of the commencement of the lease term.

The Agency is a lessor for a noncancellable land lease. The Agency recognizes a lease receivable and a deferred inflow of resources in its financial statements.

At the commencement of a lease, the Agency initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the term of the lease.

Key estimates and judgments include how the Agency determines (1) the discount rate it uses to discount the expected lease receipts to present value, (2) lease term, and (3) lease receipts.

The Agency uses its estimated incremental borrowing rate as the discount rate for leases.

The lease term includes the non-cancellable period of the lease. Lease receipts included in the measurement of the lease receivable is comprised of fixed payments from the lessee.

The Agency monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

2. Summary of Significant Accounting Policies (continued)

Implementation of New Accounting Pronouncements

In June 2017, the GASB issued Statement No. 87, *Leases*. For the year ended September 30, 2022, the financial statements include the impact of the adoption of GASB Statement No. 87, *Leases*. The primary objective of this statement is to enhance the relevance and consistency of information about governments' leasing activities. This statement establishes a single model for lease accounting based on the principles that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. For additional information, please see Note 8.

In January 2020, the GASB issued Statement No. 92, *Omnibus 2020*. The primary objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of GASB Statements No. 73, 74, and 84. This Statement is effective for periods beginning after June 15, 2021. The impact to the Agency's financial reporting was not significant.

In October 2021, the GASB issued Statement No. 97 - *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*—an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32. The objectives of this Statement are to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans. This Statement is effective for periods beginning after June 15, 2021. The impact to the Agency's financial reporting was not siginificant.

2. Summary of Significant Accounting Policies (continued)

New Accounting Pronouncements – Not Yet Effective or Implemented

In May 2019, the GASB issued Statement No. 91, *Conduit Debt Obligations*. The primary objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures. This Statement is effective for periods beginning after December 15, 2021. The impact to the Agency's financial reporting has not been determined.

In March 2020, the GASB issued Statement No. 93 – *Replacement of Interbank Offered Rates*. The objective of this Statement is to address those and other accounting and financial reporting implications that result from the replacement of an Interbank Offered Rate (IBOR). Some governments have entered into agreements in which variable payments made or received depend on an interbank offered rate (IBOR)—most notably, the London Interbank Offered Rate (LIBOR). As a result of global reference rate reform, LIBOR is expected to cease to exist in its current form at the end of 2021, prompting governments to amend or replace financial instruments for the purpose of replacing LIBOR with other reference rates, by either changing the reference rate or adding or changing fallback provisions related to the reference rate. This Statement is effective for periods beginning after December 31, 2021. The impact to the Agency's financial reporting has not been determined.

In March 2020, the GASB issued Statement No. 94 – *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*. The objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). As used in this Statement, a PPP is an arrangement in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset (the underlying PPP asset), for a period of time in an exchange or exchange-like transaction. Some PPPs meet the definition of a service concession arrangement (SCA), which the Board defines in this Statement as a PPP in which (1) the operator collects and is compensated by fees from third parties; (2) the transferor determines or has the ability to modify or approve which services the operator is required to provide, to whom the operator is required to provide the services, and the prices or rates that can be charged for the services; and (3) the transferor is entitled to significant residual interest in the service utility of the underlying PPP asset at the end of the arrangement. This Statement is effective for periods beginning after June 15, 2022. The impact to the Agency's financial reporting has not been determined.

2. Summary of Significant Accounting Policies (continued)

New Accounting Pronouncements – Not Yet Effective or Implemented (continued)

In May 2020, the GASB issued Statement No. 96 – *Subscription-Based Information Technology Arrangements*. The objective of this Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, *Leases,* as amended. This Statement is effective for periods beginning after June 15, 2022. The impact to the Agency's financial reporting has not been determined.

In April 2022, the GASB issued Statement No. 99, *Omnibus 2022*. The primary objective of this Statement is to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of GASB Statements No. 34, 53, and 63. This Statement is effective for periods beginning after December 31, 2023. The impact to the Agency's financial reporting has not been determined.

In June 2022, the GASB issued Statement No. 100, *Accounting Changes and Error Corrections*. The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. This Statement is effective for periods beginning after June 15, 2023. The impact to the Agency's financial reporting has not been determined.

In June 2022, the GASB issued Statement No. 101, *Compensated Absences*. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. This Statement is effective for periods beginning after December 15, 2023. The impact to the Agency's financial reporting has not been determined.

3. Permits and Regulations

The key regulations affecting the operations of the Agency are state regulations applicable to the Agency's withdrawals of water from water sources and state and federal regulations applicable to operation of the Agency's drinking water treatment facilities and distribution systems. Withdrawals of water are regulated under water use permits issued by the Southwest Florida Water Management District (the District). The water treatment facilities and distribution systems are regulated through permits issued by the Florida Department of Environmental Protection (FDEP).

3. Permits and Regulations (continued)

The Consolidated Permit, first issued by the District in January 1999, regulates withdrawals from 10 of the 13 regional wellfield systems operated by the Agency. The original Consolidated Permit included initial withdrawal limits for each wellfield (annual average) and for each well within each wellfield (peak month and annual average). A condition of the Consolidated Permit is to manage withdrawals from the wellfields to minimize environmental impacts through optimum distribution of pumping among all wells according to an approved operations plan.

Since January 1, 2003, the 10 wellfields of the Consolidated Permit no longer have individual withdrawal limits and are considered a single system for the purpose of measuring compliance with the permitted annual average withdrawal quantity. Combined withdrawals from the 10 wellfields are currently limited to 90 million gallons per day (mgd) on a 12-month running average basis. The Consolidated Permit was renewed for the second time in January 2022, granting continued authorization to withdraw an annual average of 90 mgd from these 10 wellfields for the next ten-year period. The latest renewal of the Consolidated Permit removed all requirements to manage withdrawals for the recovery of stressed wetlands and lakes as recovery was demonstrated for all sites on and surrounding the 10 wellfields. The renewed permit requires Tampa Bay Water to manage the withdrawals from these wellfields to maintain this level of achieved environmental recovery.

The remaining 3 wellfield systems, the South-Central Hillsborough Regional Wellfield, the Brandon Urban Dispersed Wells, and the Carrollwood Wells, are regulated under separate water use permits issued by the District. Brandon Urban Dispersed Wells are permitted at 6 mgd on a 12-month running average basis. South-Central Hillsborough Regional Wellfield is permitted at 24.95 mgd on a 12-month running average basis, this includes a temporary increase of 850,000 gallons per day as an interim solution to help meet the increasing drinking water demands of southern Hillsborough County. The Carrollwood Wells can supply 0.82 mgd on a 12-month running average basis. Tampa Bypass Canal, which are used to provide water to the City of Tampa via augmentation of the Hillsborough River Reservoir as needed, is separately permitted at 20 mgd on a 12 month running average basis.

The two surface water facilities that comprise the withdrawal component of the Enhanced Surface Water System are the Tampa Bypass Canal Pump Station and the Alafia River Pump Station. The water use permits for these two surface water sources allow the harvesting of a percentage of flow from these river systems above either a minimum threshold flow or pool elevation. It is estimated that the Enhanced Surface Water System yields on a long-term average basis approximately 90 mgd under normal hydrologic conditions. The Tampa Bypass Canal Pump Station and transmission facilities convey water from the Tampa Bypass Canal and Hillsborough River to the Regional Surface Water Treatment Plant and the Regional Reservoir.

3. Permits and Regulations (continued)

The Alafia River Pump Station and transmission facilities also convey water from the Alafia River to the Regional Surface Water Treatment Plant and the Regional Reservoir. It is estimated that the expanded permitted withdrawals of the Tampa Bypass Canal and the expanded Enhanced Surface Water System (including the Tampa Bypass Canal/Hillsborough River System, Alafia River, the Regional Reservoir and Surface Water Treatment Plant) will allow the Agency to meet the future drinking water needs of its six Member Governments through at least 2028.

The Regional Surface Water Treatment Plant (the Plant) was originally designed to treat up to 66 mgd from the surface water sources and deliver that water to the regional system. In the fall of 2010 the Plant was expanded and is now permitted to treat up to 120 mgd from surface water sources. The C.W. Bill Young Regional Reservoir provides off-stream storage capacity so that the stored water can be utilized as a reliable water source when surface water is not available for withdrawal from the river systems. The current designed storage capacity of the reservoir is approximately 15.5 billion gallons. Production from the Tampa Bay Seawater Desalination Plant is also used to meet drinking water demands. The desalination facility is permitted to treat up to 25 mgd. The operational sustainable production capacity of the Regional Surface Water Treatment Plant and the desalination facility are less than each facility's permitted capacity.

The permitted quantity withdrawal limit for the 10 wellfields as stated in the Consolidated Permit is listed below together with the permitted quantities for the remaining three wellfields and the surface water facilities:

Water Supply Facility	Permitted Capacity in mgd
Consolidated Permit wellfields – total*	90.000
South-Central Hillsborough Regional Wellfield **	24.950
Brandon Urban Dispersed Wells	6.000
Carrollwood Wells	0.820
Enhanced Surface Water System (consisting of Tampa Bypass Canal/ Hillsborough River, Alafia River, C.W. Bill Young Regional Reservoir)***	90.000
Tampa Bay Seawater Desalination Plant	28.750

* Consolidated Permit wellfields: Cross Bar Ranch, Cypress Creek, Cypress Bridge, Morris Bridge, Starkey, North Pasco, South Pasco, Eldridge-Wilde, Cosme/Odessa, Section 21, and Northwest Hillsborough. These wellfields are permitted as a single system, and there is no annual withdrawal quantity assigned to any individual wellfield. These wellfields are operated in accordance with the Optimized Regional Operations Plan.

** This includes a temporary increase of 850,000 gallons per day as an interim solution to help meet the increasing drinking water demands of southern Hillsborough County.

3. Permits and Regulations (continued)

*** The water use permits for the Tampa Bypass Canal/Hillsborough River and the Alafia River facilities do not have assigned average annual quantities. The permits authorize the harvest of a percentage of river flows after either a threshold flow or pool stage has been achieved in each river system. The quantity shown represents the estimated median year yield for these facilities based on projections using the past 30 years of historical data.

The following table summarizes the actual annual water quantity sold and billed to the Member Governments of the Agency under the Uniform Rate for the fiscal year ended September 30, 2022:

Member Government	Annual Average Water Quantity Sold (mgd)		Amounts Billed
Hillsborough County	73.74	$	70,180,618
City of New Port Richey	2.94		2,796,514
Pasco County	33.54		31,924,563
Pinellas County	49.40		47,015,336
City of St. Petersburg	27.68		26,346,736
City of Tampa	1.03		977,463
Total current year water sales	188.33	$	179,241,230
Peak day delivery	221.66		

In 2022 the Agency sold an average of 1.76 mgd to the City of Tampa under the Tampa By-Pass Canal Surplus Water Agreement totaling $125,329.

Other operating revenues for the Agency totaled $236,274 in 2022.

4. Rate-Making Policies and Procedures

Under the provisions of the Master Water Supply Contract, the Agency establishes rates based on an Annual Estimate that sets forth the expected cost of providing wholesale water service to the Member Governments. The Annual Estimate is based on the Agency’s budget for the forthcoming fiscal year. The Agency develops a uniform rate based on the Annual Estimate and the projected quantity of water expected to be delivered to customers.

4. Rate-Making Policies and Procedures (continued)

The uniform rate consists of a variable cost component and a fixed cost component. The variable cost rate is designed to recover Agency expenses that are directly related to the quantity of water delivered, primarily chemicals, electric power, and water purchased from the Cities of Tampa and New Port Richey. The variable cost rate is applied to the quantity of water delivered to Member Governments each month. The fixed cost rate is designed to recover Agency expenses incurred for the operation, maintenance, management, security, development, and financing of the water system. The fixed cost rate is assessed to Member Governments monthly based on one twelfth of the total annual fixed cost applied to the ratio of each member's annual water usage during the previous fiscal year divided by such usage of all Member Governments during such year. At fiscal year-end, each member's share of this fixed cost is recalculated based on the current year's usage. The intent and purpose of the rate structure is to provide an equitable means of matching the monthly billings with the Agency's monthly cash flow needs. Based on analyses and forecasts, fixed costs are currently estimated to constitute approximately 85% of the Annual Estimate.

5. Restricted Cash, Cash Equivalents, and Investments

Restricted funds are established to the extent required by bond resolutions for the Agency's debt and other contractual arrangements. Bond proceeds, water revenue, and investment revenue are utilized to maintain the various funds at their required levels. Amounts not needed to fund requirements may be used for any lawful purpose. As of September 30, 2022, the balances, components, and descriptions of the various funds are as follows:

Construction funds	$ 3,365,263
Debt Service Interest and Principal Sinking Fund	55,206,408
Renewal and Replacement Fund	32,067,931
Capital Improvement Fund	29,892,651
Energy Savings Fund	749,537
Operations and Maintenance Reserve	4,880,457
Debt Service Reserves	67,468,838
Desal - Reserves	3,102,700
SWTP - Reserves	3,702,535
	$ 200,436,320

Construction Funds – Construction funds account for unexpended debt proceeds and investment revenue thereon from the Utility System Revenue Bonds, Series 2013 and third-party grants for construction.

Debt Service Sinking Funds – Sinking funds represent the principal and interest amounts for the next debt service payment due on the bonds of Series 2001A, 2005, 2013, 2015A, 2015B, 2016A, 2016B, 2016C, and 2020 Master Bond (Tranches 1 and 2).

5. Restricted Cash, Cash Equivalents, and Investments (continued)

Renewal and Replacement Funds – Renewal and replacement funds are required for renewal and replacement of the water production, transmission, and treatment facilities and are based on 5% of gross revenues for the preceding fiscal year or such greater or lesser amount as may be determined appropriate by the system engineers.

Capital Improvement Funds – Capital improvement funds are restricted to payment of capital costs of acquiring and/or constructing additions or improvements to the water system.

Energy Savings Funds – Energy savings funds are restricted to payment of energy savings additions or improvements to the water system.

Operations and Maintenance Funds – Operations and maintenance funds are restricted for operating costs and are established at twice the monthly average variable costs as budgeted for each fiscal year.

Debt Service Reserve Funds – Debt service reserve funds are required to maintain the lesser of one year's maximum debt service or 125% of the average annual debt service for the Utility System Revenue Bonds Series 2001A, 2005, 2010, 2013, 2015A, 2015B, 2016A, 2016B, 2016C, and 2020 Master Bond (Tranche 1 and 2).

Desal and SWTP Reserve Funds - Reserve accounts established through O&M agreements. See note 15 for more information.

6. Deposits and Investments

Deposits

As of September 30, 2022, the total carrying amount, net of reconciling items, of the Agency's deposits (unrestricted and restricted), exclusive of petty cash of $1,450, was $128,734,272. All the Agency's deposits with financial institutions are made with depository institutions that are members of the state of Florida's collateral pool, are placed in accounts designated as "public deposit" accounts covered by the collateral pool and, therefore, are considered to be insured.

Investments

In August 2017, the Board of Directors approved Resolution 2017-002 which adopted a revised investment policy. The policy was revised to identify opportunities, to control and mitigage market risks and continue diversifying the agency's investment portfolio. The scope of the revised investment policy clarifies that the overall policy applies to all surplus funds, to the extent there is no conflict with the Master Bond Resolution, and if there is a conflict, the Master Bond Resolution governs. Authorized investments in this policy will also be considered authorized investments for bond proceeds under the Master Bond Resolution, as amended, under other permitted investments. The Agency's investment policy permits investment in the following: (1) U.S. government securities, (2) U.S. government agencies (full faith and credit of the U.S. government), (3) federal instrumentalities (U.S. government-sponsored enterprises that are non-full faith and credit), (4) mortgage-backed securities, (5) bank accounts and nonnegotiable interest-bearing time certificates of deposit, (6) repurchase agreements; (7) commercial paper, (8) corporate notes, (9) bankers' acceptances, (10) state and/or local government taxable and/or tax-exempt debt, (11) registered investment companies (money market mutual funds), (12) supranational's and (13) intergovernmental investment pools.

The Agency's investments are reported at fair value in the statement of net position, except for money market funds and U.S. government obligations with original maturities less than one year, which are reported at amortized cost in accordance with GASB Statement No. 72.

Investments having a maturity of one year or less at time of purchase are recorded at amortized cost.

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The Agency's investment policies seek to limit exposure to credit risk by establishing minimum credit ratings that must be met and maintained by providers of certain types of investments. Policies also require that certain types of agreements be collateralized with investments authorized under the policies.

6. Deposits and Investments (continued)

Investments (continued)

The following is the minimum credit rating requirements within the Agency's investment policy for each type of debt security:

Security Type	Rating
Commercial Paper	P-1/A-1
Corporate Notes	Single "A" category by any two NRSROs
Banker's Acceptances	P-1/A-1
State and/or Local Government Taxable and/or Tax-Exempt Debt	Single "A" category by two NRSROs
Supranationals	AA by two NRSROs
Registered Investment Companies (Money Market Funds)	AAAm
Intergovernmental Investment Pool	AAA

Concentration of Credit Risk. Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. Exclusive of investments issued or explicitly guaranteed by the U.S. government and investments in external investment pools and other pooled investments, the Agency had no investment concentrations in individual issuers in excess of 5% of its total investments on September 30, 2022.

The Agency's investment policy establishes limitations on portfolio composition, both by investment type and dealer, in order to control concentration of credit risk. The following maximum limits are guidelines established for diversification by instrument

Security Type	Maximum Allocation Limit	Maximum Issuer Limit
U.S. Government Securities	100%	N/A%
U.S. Agencies	50%	25%
Federal instrumentalities	80%	25%
Mortgage-Backed Securities	20%	15%
Non-Negotiable CDs	65%	35%
Repurchase Agreements	50%	25%
Repurchase Agreements	25%	5%
Corporate Notes	25%	5%
Bankers' Acceptances	25%	5%
State/Local Tax-Exempt Debt	20%	5%
Supranationals	15%	5%
Money Market Mutual Funds	50%	25%
LGIPs	25%	N/A%

6. Deposits and Investments (continued)

Investments (continued)

Interest Rate Risk: Interest rate risk is the risk that the Agency's portfolio value will fluctuate due to changes in interest rates over time. The Agency's investment policy outlines the following strategies to control and mitigate its exposure to interest rate risk:

- The Agency will maintain a minimum of six months of budgeted operating expense in short term investments to provide sufficient liquidity for expected disbursements.
- The maximum percent of callable securities in the portfolio will be 20%.
- The duration of the portfolio will generally be approximately equal to the duration (typically, plus or minus 20%) of a Market Benchmark, an index selected by the Agency based on the Agency's investment objectives, constraints and risk tolerances.

The maximum maturity limits by investment type as established by the Agency's investment policy are as follows:

Security Type	Maturity Limit
U.S. Government Securities	5 years
U.S. Agencies	5 years
Federal Instrumentalities	5 years
Mortgage-Backed Securities	5 years
Non-Negotiable CDs	2 years
Repurchase Agreements	60 days
Commercial Paper	270 days
Corporate Notes	5 years
Bankers' Acceptances	180 days
State/Local Tax Exempt debt	5 years
Supranational's	5 years

6. Deposits and Investments (continued)

Investments (continued)

Investments held by the Agency (restricted and unrestricted) on September 30, 2022, are summarized below. The investments are summarized by type of investment and show the maturity, interest rate, fair value, and credit rating.

Investments	Maturities	Interest Rate	Fair Value	Credit Rating S&P	Credit Rating Moody's
U.S. Treasury Notes	10/15/22 - 8/15/25	0.125 to 3.500	$ 70,806,071		
U.S. Government Agency	12/09/22 - 11/07/25	0.125 to 3.750	35,940,864		
Amazon.com Inc.	5/12/24 - 8/22/24	.450 to 2.800	2,543,130	AA	A1
Bank of America Corp	6/14/24 - 2/13/26	.523 to 3.458	3,420,322	A-	A2
Bank of Montreal	7/09/24 - 5/01/25	.625 to .850	2,443,903	A-	A2
Bank of New York Mellon Corp	6/13/25	3.430	457,926	A	A1
Caterpillar Financial Services Corp	7/07/23 - 5/17/24	.0450 to .0650	1,532,251	A	A2
Charles Schwab Corp	1/25/23 - 3/18/24	.750 to 3.550	1,717,113	A	A2
Chubb INA Holdings Corp Notes	3/15/25	3.150	1,304,919	A	A3
Honeywell International Inc.	6/01/25	1.350	1,472,608	A	A2
Inter-American Development Bank	5/24/23 - 9/23/24	.500 to 3.000	6,096,504	AAA	Aaa
Int'l Bank For Reconst & Development	4/20/23 - 10/28/25	.500 to 2.500	5,738,198	AAA	Aaa
International Finance Corp	10/16/24	1.375	2,921,905	AAA	Aaa
John Deere Capital Corp Notes	1/17/24 - 9/08/25	.450 to 4.050	1,961,214	A	A2
JP Morgan Chase & Co	2/01/24 - 6/23/25	.969 to 3.875	2,766,929	A-	A1
Morgan Stanley	4/17/25 - 7/17/26	.864 to 4.679	2,325,734	A	A1
PACCAR Financial Corp	8/9/24 - 8/11/25	.500 to 3.550	2,341,134	A+	A1
QUALCOMM Inc	5/20/25	3.450	1,548,720	A	A2
Royal Bank of Canada	1/19/24 - 1/21/25	.650 to 1.600	3,003,164	A	A2
salesforce.com Inc	7/15/24	.625	727,235	A+	A2
Target Corp	7/15/24	.625	1,556,742	A	A2
Toronto-Dominion Bank Note	6/12/23 - 3/4/24	.550 to .750	2,993,369	A	A1
Toyota Motor Credit Corp	8/25/23 - 6/30/25	1.350 to 3.950	3,273,363	A+	A1
Total investments			$ 158,893,316		

6. Deposits and Investments (continued)

Fair Value Measurements

In Fiscal Year 2016 Tampa Bay Water adopted GASB Statement No. 72, *Fair Value Measurement and Application*.

GASB Statement No. 72 defines fair value as the exit price that would be received to sell an asset or transfer a liability in the principal or most advantageous market in an orderly transaction between market participants on the measurement date. Fair value guidance also establishes a fair value hierarchy that requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. Based on the inputs used to determine fair value, a three-level fair value hierarchy is used as follows:

> *Level 1* – Valuations are based on observable inputs that reflect quoted market prices in active markets for identical assets and liabilities at the reporting date.
>
> *Level 2* – Valuations are based on (a) quoted prices for similar assets and liabilities in active markets, or (b) quoted prices for identical or similar assets and liabilities in markets that are not active, or (c) pricing inputs other than the quoted prices that are directly or indirectly observable at the reporting date. Level 2 assets include securities that are redeemable at or near the balance sheet date and for which a model was derived for valuation.
>
> *Level 3* – Valuations are based on pricing inputs that are unobservable and include situations where (a) there is little, if any, market activity for the investments, or (b) the investments cannot be independent valued, or (c) the investments cannot be immediately redeemed at or near the year-end.

The assets or liability's fair-value measurement level within the fair-value hierarchy is based on the lowest level of any input that is significant to the fair-value measurement.

6. Deposits and Investments (continued)

Fair Value Measurements (continued)

The following table summarizes the fair value of Tampa Bay Water's investments at year end, in accordance with the levels of the GASB 72 valuations.

	Fair Value Measurement Using	
	9/30/2022	Significant Other Observable Inputs (Level 2)
Investments by Fair Value Level		
US Corporate	$ 37,384,796	$ 37,384,796
Supranational	14,761,585	14,761,585
US Government Agency	35,940,864	35,940,864
US Treasury	70,806,071	70,806,071
Total Investment by Fair Value Level	$ 158,893,316	$ 158,893,316

The fair value of the financial instruments shown in the table above as of September 30, 2022 represent the estimated amounts that would be received to sell those assets in an orderly transaction between market participants at that date. Those fair value measurements maximize the use of observable inputs.

The estimated fair value of the Agency's investments in debt securities is based on other market data for the same or comparable instruments and transactions in establishing the prices, including using standard inputs consisting of benchmark yields, reportable trades, benchmark securities (where applicable), and reference data including market research publications. Fair value of debt securities do not trade on regular basis in active market and are, therefore, classified as Level 2 securities.

7. Grants Receivable and Capital Contributions

The Agency receives various grants during the year, of which are required to be spent according to the stipulations outlined in the grant. A failure to follow grant stipulations may result in non-compliance with the grant.

8. Lease Receivable

The Agency leases land to a third party to use a cellular tower on the property. As of September 30, 2022, the Agency lease receivable was valued at $87,139, and was included with other accounts receivable. The deferred inflow of resources associated with this lease that will be recognized as revenue over the term of the lease was $86,814. The payment for the lease receivable is expected to be received in the subsequent years as follows:

Fiscal Year	Principal	Interest
2023	$ 28,829	$ 555
2024	29,046	338
2025	29,264	119
	$ 87,139	**$ 1,012**

9. Capital Assets

The following are summaries of capital asset changes for the year ended September 30, 2022.

	Balance October 1, 2021	Additions	Deletions	Balance September 30, 2022
Capital assets, non-depreciable:				
Land	$ 79,238,385	$ 4,250	$ -	$ 79,242,635
Water capacity rights	316,397,360	-	-	316,397,360
Construction-in-progress	35,117,616	23,293,388	9,835,567	48,575,437
Total non-depreciable capital assets	430,753,361	23,297,638	9,835,567	444,215,432
Capital assets, depreciable:				
Land improvements	3,294,936	-	-	3,294,936
Buildings	21,812,576	-	52,617	21,759,959
Wells and wellfield improvements	135,263,679	-	-	135,263,679
Transmisison mains	339,178,229	-	-	339,178,229
Water treatment and pumping facilities	701,491,956	4,569,961	-	706,061,917
Reservoir	303,216,166	1,348,630	-	304,564,796
Other equipment and software	22,199,828	268,277	494,829	21,973,276
Right-to-use leased land	-	1,323,343	-	1,323,343
Right-to-use leased equipment	-	63,252	-	63,252
Total depreciable capital assets	1,526,457,370	7,573,463	547,446	1,533,483,387
Less: accumulated depreciation:				
Land improvements	1,267,633	60,065	-	1,327,698
Buildings	8,383,914	621,337	52,617	8,952,634
Wells and wellfield improvements	76,715,544	3,144,044	-	79,859,588
Transmisison mains	88,808,250	4,606,438	-	93,414,688
Water treatment and pumping facilities	247,756,878	15,749,929	-	263,506,807
Reservoir	36,109,373	3,538,612	-	39,647,985
Other equipment and software	15,337,175	1,272,150	848,298	15,761,027
Right-to-use leased land	-	33,316	-	33,316
Right-to-use leased equipment	-	17,639	-	17,639
Total accumulated depreciation	474,378,767	29,043,530	900,915	502,521,382
Total depreciated capital assets, net	1,052,078,603	(21,470,067)	(353,469)	1,030,962,005
Total capital assets, net	$ 1,482,831,964	$ 1,827,571	$ 9,482,098	$ 1,475,177,437

Deletions from construction-in-progress in 2022 include $5,885,907 that were transferred to depreciable capital assets, $1,380,136 expensed and $4,250 transfered to land. Commitments on construction contracts at September 30, 2022, were approximately $33,315,946.

10. Accounts Payable

Accounts payable and accrued expenses on September 30, 2022, consist of amounts owed for operating and payroll expenses as follows:

Accounts payable	$ 9,490,093
Accrued payroll expenses	3,476,967
	$ 12,967,060

11. Long-Term Debt and Other Noncurrent Liabilities

The Agency has issued various series of debt to finance the construction of new sources of water to meet the needs of its Member Governments, as well as facilities at Clearwater and Cypress Creek Wellfield to meet administrative and security needs.

2020 Master Bond

On February 17, 2020 the Agency entered into a Forward Bank Loan Refunding with Bank of America. The Tax-Exempt Forward Bank Loan Refunding consists of three draws (Tranches) and locked in the interest rate of 2.31% for each Tranche. The first Tranche was closed on July 7, 2020 and defeased the outstanding Series 2010 Bonds which were redeemed on October 1, 2020. The second Tranche was closed on July 7, 2021 and defeased the outstanding Series 2011A Bonds which were redeemed on October 1, 2021. Tranche three is scheduled to close on July 6, 2023 and will defease the outstanding Series 2013 Bonds for redemption on October 1, 2023.

Long-term debt and acquisition credits as of September 30, 2022, consist of:

Issue	Purpose	Maturity	Interest Rate	Original Amount	Outstanding Amount
Utility System Refunding Revenue Bonds, Series 2020 Tranche 2	Advance refund a portion of the outstanding Utility System Refunding Revenue Bonds, Series 2011A	2024	2.31%	$ 46,662,000	$ 46,408,000
Utility System Refunding Revenue Bonds, Series 2020 Tranche 1	Advance refund a portion of the outstanding Utility System Refunding Revenue Bonds, Series 2010	2025	2.31%	6,709,000	6,534,000
Utility System Refunding Revenue Bonds, Series 2016C	Advance refund a portion of the outstanding Utility System Refunding Revenue Bonds, Series 2010	2031	1.17% to 3.61%	55,345,000	55,345,000
Utility System Refunding Revenue Bonds, Series 2016B	Advance refund a portion of the outstanding Utility System Refunding Revenue Bonds, Series 2011B	2031	1.17% to 3.61%	32,785,000	31,405,000
Utility System Refunding Revenue Bonds, Series 2016A	Advance refund all of the outstanding Utility System Revenue Bonds, Series 2008	2038	3.25% to 5.00%	96,630,000	96,630,000
Utility System Refunding Revenue Bonds, Series 2015B	Advance refund a portion of the outstanding Utility System Refunding Revenue Bonds, Series 2011A & Series 2011B	2031	1.01% to 3.33%	95,975,000	90,485,000

11. Long-Term Debt and Other Noncurrent Liabilities (continued)

Issue	Purpose	Maturity	Interest Rate	Original Amount	Outstanding Amount
Utility System Refunding Revenue Bonds, Series 2015A	Advance refund a portion of the outstanding Utility System Refunding & Improvement Revenue Bonds, Series 2006 and advance refund a portion of th outstanding Utility System Refunding Revenue Bonds, Series 2011A & Series 2011B	2036	4.00% to 5.00%	180,835,000	180,835,000
Utility System Refunding Revenue Bonds, Series 2013	Pay or reimburse a portion of the costs of the 2013 Projects, fund a deposit to the Reserve Account so that the total amount on deposit therein equals the Reserve Account Requirement and capitalize a portion of the interest on the 2013 Bonds	2038	3.50% to 5.00%	75,295,000	75,295,000
Utility System Refunding and Improvement Revenue Bonds, Series 2005	Advance refund certain of the outstanding Utility System Revenue Bonds, Series 1998A, certain of the outstanding Utility System Revenue Bonds, Series 1998B, certain of the outstanding Utility Revenue Bonds, Series 2001B and fund the 2005 Project	2024	5.50%	174,965,000	74,530,000
Utility System Refunding and Improvement Revenue Bonds, Series 2001A	Advance refund certain of the outstanding Utility System Revenue Bonds, Series 1999, paying or reimbursing the costs of the 2001A Project and funding the Reserve Account as defined	2029	5.10% to 6.00%	309,370,000	50,000,000
Acquisition Credits	Infrastructure that the agency bought from member governments when the agency was created.	2029	4.865%	159,645,307	51,882,448
Bond Premiums	Premium paid over and above the face value of the bonds to the agency	2029		134,091,642	40,237,758
Total long-term debt				$1,368,307,949	$ 799,587,206

11. Long-Term Debt and Other Noncurrent Liabilities (continued)

All of the Agency's Revenue Bonds were issued publicly. The Agency's changes in noncurrent liabilities for the fiscal year ended September 30, 2022, was as follows:

	Balance 10/01/2021	Additions	Deletions	Balance 09/30/2022	Due Within One Year
2001A bonds	$ 50,000,000	$ -	$ -	$ 50,000,000	$ -
2005 bonds	96,820,000	-	(22,290,000)	74,530,000	23,530,000
2011 bonds	12,915,000	-	(12,915,000)	-	-
2011A bonds	40,000	-	(40,000)	-	-
2013 bonds	75,295,000	-	-	75,295,000	-
2015A bonds	180,835,000	-	-	180,835,000	-
2015B bonds	91,375,000	-	(890,000)	90,485,000	910,000
2016A bonds	96,630,000	-	-	96,630,000	-
2016B bonds	31,650,000	-	(245,000)	31,405,000	250,000
2016C bonds	55,345,000	-	-	55,345,000	-
2020 Master Bonds	6,676,000	-	(142,000)	6,534,000	146,000
2020 Master Bonds	46,662,000	-	(254,000)	46,408,000	15,117,000
Lease Payable	-	1,437,550	(40,562)	1,396,988	41,121
Acquisition credits	59,139,300	-	(7,256,851)	51,882,448	7,621,870
Unamortized bond issue premium	45,841,459	-	(5,603,702)	40,237,756	-
	849,223,759	1,437,550	(49,677,115)	800,984,194	47,615,991
Less current portion	(44,032,851)	(47,615,991)	44,032,851	(47,615,991)	-
Total long-term debt	805,190,908	(46,178,441)	(5,644,264)	753,368,204	47,615,991
Total OPEB liability	394,633	45,151	(78,910)	360,874	-
Net pension liability – FRS Pension plan	2,290,346	10,791,938	(1,621,114)	11,461,170	-
Net pension liability – HIS plan	4,321,006	58,848	(630,804)	3,749,051	-
	$ 812,196,892	$ (35,282,504)	$ (7,975,092)	$ 768,939,300	$ 47,615,991

11. Long-Term Debt and Other Noncurrent Liabilities (continued)

Annual bonds debt service requirements to maturity for all bonds long-term debt as of September 30, 2022, are as follows:

	Principal	Interest	Total
2023	$ 39,953,000	$ 29,669,926	$ 69,622,926
2024	41,625,000	27,954,996	69,579,996
2025	43,378,000	26,156,316	69,534,316
2026	42,361,000	24,368,965	66,729,965
2027	256,555,000	90,768,762	347,323,762
2028–2032	178,005,000	41,029,845	219,034,845
2033–2037	105,590,000	6,943,569	112,533,569
	$ 707,467,000	$ 246,892,379	$ 954,359,379

Annual acquisition credits debt service requirements to maturity for all acquisition credits long-term debt as of September 30, 2022, are as follows:

	Principal	Interest	Total
2023	$ 7,621,870	$ 2,609,687	$ 10,231,557
2024	8,005,250	2,226,307	10,231,557
2025	8,407,914	1,823,643	10,231,557
2026	8,830,833	1,400,725	10,231,558
2027	9,275,024	956,534	10,231,558
2028	9,741,557	490,000	10,231,557
	$ 51,882,448	$ 9,506,896	$ 61,389,344

Revenues Pledged

The Agency has pledged its net revenues (gross revenues less operating expenses), all as defined by the Master Bond Resolution, to repay its $707,467,000 outstanding utility system revenue bonds described above. The bonds are payable solely from net revenues and are pledged through 2038. Pledged revenues, which are budgeted and collected annually to meet the annual debt service requirements, were $70,459,815 in 2022. Annual principal and interest payments on the bonds are expected to require less than 50% of annual operating revenues. Bond covenants require the Agency to fund, among other accounts, sinking funds, and debt service reserves with pledged revenue. These funding requirements are described in Note 5.

The covenants also require that the Agency not issue any other obligations payable from the specified pledged revenue nor voluntarily create or cause to be created any debt, lien, pledge, assignment, encumbrances, or other charges having priority to or being on a parity with the lien of the specific bonds except under conditions specified in the resolutions. On September 30, 2022, the Agency complied with all debt covenants.

11. Long-Term Debt and Other Noncurrent Liabilities (continued)

Defeasance of Debt

In 2016 and prior years, the Agency advance refunded certain bond issues through various refunding bonds. The proceeds of the refunding bonds were used to purchase United States government and agency securities that were placed in an irrevocable trust to fund all future debt service payments on the refunded debt. As a result, the refunded bonds are considered defeased, and the related liability has been removed from the accompanying financial statements. On September 30, 2022, there is no principal amount outstanding for defeased bonds

Default Remedies

Terms specified in the debt agreements entered into by the Agency include provisions for remedies available to the lender in the even of default. In summary, lenders may protect any and all rights under the Laws of the State of Florida or granted and contained in each Bond Resolution to ultimately seek enforcement of an exercise all remedies available.

Lease Payable

The Agency is a lessee for noncancellable leases of land and equipment. At September 30, 2022, the Authority's lease payable of $1,396,988 was composed of the following:

Ground lease for the Agency to operate its desalination plant – annual payments totaling $46,375, including interest at an annual rate of 1.70%. Payments are due monthly, and the lease expires in 2062. Lease liability balance is $1,351,106 at September 30, 2022. In addition, Real estate taxes of $160,272 were also paid in 2022.

Equipment leases for postage machines – annual payments totaling $2,616, including interest at an annual rate of 0.75%. Payments are due quarterly, and the leases expire in 2024. Lease liability balance is $4,550 at September 30, 2022.

Equipment lease for gas detection devices and related equipment – annual payments totaling $15,184, including interest at an annual rate of 0.75%. Payments are due monthly, and the lease expires in 2025. Lease liability balance is $41,315 at September 30, 2022.

11. Long-Term Debt and Other Noncurrent Liabilities (continued)

The future principal and interest lease payments as of September 30, 2022, were as follows::

	Principal	Interest	Total
2023	$ 41,121	$ 23,069	$ 64,190
2024	40,991	22,532	63,523
2025	35,756	22,006	57,762
2026	24,822	21,552	46,374
2027	25,248	21,127	46,375
2028–2032	132,878	98,996	231,874
2033–2037	144,658	87,216	231,874
2038–2042	157,482	74,392	231,874
2043–2047	171,443	60,431	231,874
2048–2052	186,641	45,232	231,873
2053–2057	203,187	28,686	231,873
2058–2062	232,761	10,706	243,467
	$ 1,396,988	$ 515,945	$ 1,912,933

12. Employee Retirement Plan

General Information

In Fiscal Year 2015 the Agency implemented *GASB Statement No.68, Accounting and Financial Report for Pension and amendment of GASB Statement No. 27* which requires cost-sharing employers to record a liability and expenses equal to their proportionate share of the collective net pension liability and expense for the cost-sharing plan. It also enhances accountability and transparency through revised and new note disclosures and required supplementary information.

Substantially all full-time employees of the Agency are eligible to participate in the State of Florida Retirement System (FRS), a cost-sharing multiple-employer public retirement system that provides a defined benefit pension plan (the Pension Plan) for all state and participating county, district school board, community college, and university employees. The defined benefit plan was established in 1970 by the Florida Legislature. In 2002, the legislature amended the laws creating a new employer-funded, optional defined contribution program, the Public Employee Optional Retirement Program (the Investment Plan). Substantially all full-time employees are eligible to participate in this plan in lieu of the pension plan. Agency employees must have made their plan election prior to March 1, 2004. Subsequent to that date, all plan participants may exercise a one-time option to switch plans. New employees may elect to participate in either plan when eligible. FRS also provides death and disability benefits. Benefits are established by Chapter 121, *Florida Statutes*, and Chapter 22B, *Florida Administrative Code*.

12. Employee Retirement Plan (continued)

General Information (continued)

All retirement legislation enacting benefit improvements must comply with Article X, Section 14, of the State Constitution and with Part VII, Chapter 112, Florida Statutes. Both of these provisions require that any increase in retirement benefits must be funded concurrently on an actuarially sound basis. The plans are administered by the State of Florida Division of Retirement, Department of Management Services. The FRS publishes an unaudited annual report that provides 10-year historical trend information about progress made in accumulating sufficient assets to pay benefits when due. The most recent available report is for the plan year ended June 30, 2022 and is available online at:

https://www.dms.myflorida.com/workforce_operations/retirement/publications/annual_reports

Contributions

The Florida Legislature enacted legislation in 2007 (Chapter 2007-84, *Laws of Florida*) that established uniform employer contribution rates for the FRS membership classes and subclasses and the Deferred Retirement Option Program (DROP). These rates are updated as of July 1 of each year. In 2011, legislation changed the plan making it mandatory for employees in the regular and senior management class to contribute 3% to the plan, while Drop participants are not required to contribute. The Agency is required to contribute to the plans at these actuarially determined rates. Effective July 1, 2021 to June 30, 2022, the plan rates were 10.82%, 29.01%, and 18.34% for the regular class, senior management class, and drop participants, respectively. In 2021, legislation changed the plan rates for the plan year beginning July 1, 2022 to 11.91%, 31.57%, and 18.60% for the regular class, senior management, and drop participants, respectively. These rates include the Health Insurance Subsidy (HIS) contribution percentages mentioned in the HIS section of this note. The Agency's contributions for the fiscal year ended September 30, 2022, were $1,308,609.

FRS Pension Plan

FRS Benefits Provided

The Pension Plan is a cost-sharing multiple-employer defined benefit pension plan, with a DROP for eligible employees. Benefits under this plan are computed on the basis of age, average final compensation, and service credit.

12. Employee Retirement Plan (continued)

FRS Pension Plan

For Pension Plan members enrolled before July 1, 2011, and retire at or after age 62 with at least 6 years of credited service or with 30 years of service, regardless of age, are entitled to a retirement benefit payable monthly for life, equal to 1.6% of their average final compensation for each year of credited service. Final average compensation is the employee's average of the 5 highest fiscal years of salary earned during credited service. Vested employees may retire before age 62 and receive benefits that are reduced 5% for each year prior to normal retirement age of date. Employees enrolled on or after July 1, 2011, and retire at or after age 65 with at least 8 years of credited service or with 33 years of service regardless of age, are entitled to a retirement benefit payable monthly for life, equal to 1.6% of their average final compensation for each year of credited service. Final average compensation is the employee's average of the 8 highest fiscal years of salary earned during credited service. Vested employees may retire before age 65 and receive benefits that are reduced 5% for each year prior to normal retirement age or date.

As provided in Section 121.101, *Florida Statutes*, 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. The annual cost-of-living adjustment is a proportion of 3% 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.

In addition to the above benefits, the DROP allows eligible members to defer receipt of monthly retirement benefit payments while continuing employment with a FRS employer for a period not to exceed 60 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.

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

At September 30, 2022, the Agency reported a liability of $11,461,170 for its proportionate share of the FRS Pension Plan's net pension liability. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of the measurement date. The Agency's proportionate share of the net pension liability was based on the Agency's fiscal year 2022 contributions relative to the contributions of all participating members. At June 30, 2022, the Agency's proportionate share was 0.03080%, which was an increase of 0.0005% from its proportionate share measured as of June 30, 2021.

For the fiscal year ended September 30, 2022, the Agency recognized pension expense of $1,892,948. In addition, the Agency reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources.

12. Employee Retirement Plan (continued)

FRS Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 544,339	$ -
Change of assumptions	1,411,488	-
Net difference between projected and actual earnings on Pension Plan investments	756,780	-
Changes in proportion and differences between Agency Pension Plan contributions and proportionate share of contributions	806,634	-
Agency Pension Plan contributions subsequent to the measurement date	318,587	-
Total	$ 3,837,828	$ -

The deferred outflows of resources related to the Pension Plan, totaling $318,587 resulting from Agency contributions to the Plan subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the fiscal year ended September 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the Pension Plan will be recognized in the pension expense as follows:

Fiscal year ending September 30:	
2023	$ 920,880
2024	470,058
2025	(23,900)
2026	2,037,089
2027	115,114
Total	3,519,241

12. Employee Retirement Plan (continued)

FRS Actuarial Assumptions

The total pension liability in the June 30, 2022, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation rate	2.40%
Salary increases	3.25%, average, including inflation
Investment rate of return	6.70%, net of pension plan investment expense, including inflation

Mortality rates were based on the PUB-2010 base table.

The actuarial assumptions that determined the total pension liability as of June 30, 2022, were based on the results of an actuarial experience study for the period July 1, 2013 through June 30, 2018.

The long-term expected rate of return on the Pension Plan investments was not based on historical returns, but instead is based on a forward-looking capital market economic model. The allocation policy's description of each asset class was used to map target allocation to the asset classes shown below. Each asset class assumption is based on a consistent set of underlying assumptions and includes an adjustment for inflation assumption. 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:

	Target Allocation[1]	**Annual Arithmetic Return**	**Compound Annual (Geometric) Return**	**Standard Deviation**
Cash	1.0%	2.6%	2.6%	1.1%
Fixed income	19.8	4.4	4.4	3.2
Global equity	54.0	8.8	7.3	17.8
Real estate (property)	10.3	7.4	6.3	15.7
Private equity	11.1	12.0	8.9	26.3
Strategic investments	3.8	6.2	5.9	7.8
Total	100.0%			
Assumed inflation – mean			2.4	1.3

[1] As outlined in the Pension Plan's investment policy.

12. Employee Retirement Plan (continued)

FRS 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 calculation of the total pension liability is equal to the long-term expected rate of return.

FRS Sensitivity of Agency's Proportionate Share of the Net Position Liability to Changes in the Discount Rate

The following represents the Agency's proportionate share of the net pension liability calculated using the discount rate of 6.70%, as well as what the Agency's proportionate share of the net pension liability 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%	Current Discount Rate 6.70%	1% Increase 7.70%
$ 19,821,305	$ 11,461,170	$ 4,471,102

FRS 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 System Comprehensive Annual Financial Report.

This report may be obtained by writing to the Division of Retirement, Research Education and Policy Section, P.O. Box 9000, Tallahassee, FL 32315-9000, by calling (850) 488-5706, or by accessing its internet site at http://www.dms.myflorida.com/workforce_operations/retirement/ publications/annual reports.

Payables to the FRS Pension Plan

At September 30, 2022, the Agency reported a payable in the amount of $313,097 for outstanding contributions to the Pension Plan.

Health Insurance Subsidy (HIS) Program

HIS General Information

The HIS program is a cost-sharing multiple-employer defined benefit pension plan established under *Florida Statutes*, Section 112.363, 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.

12. Employee Retirement Plan (continued)

Health Insurance Subsidy (HIS) Program (continued)

HIS Benefits Provided

For the fiscal year ended September 30, 2022, eligible retirees and beneficiaries received a monthly HIS payment of $5 for each year of creditable service completed at the time of retirement, with a minimum HIS payment of $30 and a maximum payment of $150 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.

HIS Contributions

The HIS program is funded by retirement contributions from FRS participating employers as set by the Florida Legislature. Employer contributions are a percentage of gross compensation for all active FRS members. Effective July 1, 2021 and 2022, the rates were 1.66% for both years. The Agency contributed 100% of its statutorily required contributions for the current and preceding three years. HIS program contributions are deposited into a separate trust fund from which payments are authorized. HIS program 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 Agency's contributions to the HIS plan totaled $209,829 for the fiscal year ended September 30, 2022.

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

At September 30, 2022, the Agency reported a liability of $3,749,051 for its proportionate share of the HIS program's net pension liability. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of the measurement date. The Agency's proportionate share of the net pension liability was based on the Agency's fiscal year contributions relative to the fiscal year contributions of all participating members. At June 30, 2022, the Agency's proportionate share was 0.03540%, which was an increase of 0.0002% from its proportionate share measured as of June 30, 2021.

12. Employee Retirement Plan (continued)

Health Insurance Subsidy (HIS) Program (continued)

For the fiscal year ended September 30, 2022, the Agency recognized pension expense of $268,915. In addition, the Agency reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 113,792	$ 16,494
Change of assumptions	214,898	579,975
Net difference between projected and actual earnings on HIS program investments	5,431	-
Changes in proportion and differences between Agency HIS program contributions and proportionate share of contributions	156,272	-
Agency HIS program contributions subsequent to the measurement date	49,172	-
Total	$ 539,565	$ 596,469

12. Employee Retirement Plan (continued)

Health Insurance Subsidy (HIS) Program (continued)

The deferred outflows of resources related to the HIS program, totaling $49,172 resulting from Agency contributions to the HIS program subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the fiscal year ended September 30, 2023. 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:		
2023	$	(4,409)
2024		6,409
2025		10,527
2026		(12,534)
2027		(71,015)
Thereafter		(35,054)
Total		(106,076)

HIS Actuarial Assumptions

The total pension liability in the July 1, 2021 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.40%
Salary increases	3.25%, average, including inflation
Municipal rate	3.54%

Mortality rates were based on the PUB-2010 base table

The actuarial assumptions that determined the total pension liability as of June 30, 2022 were based on certain results of an actuarial experience study of the FRS for the period July 1, 2013 through June 30, 2018.

12. Employee Retirement Plan (continued)

Health Insurance Subsidy (HIS) Program (continued)

HIS Discount Rate

The discount rate used to measure the total pension liability was 3.54%. 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 HIS program sponsor. The Bond Buyer General Obligation 20-Bond Municipal Bond Index was adopted as the applicable municipal bond index.

HIS Sensitivity of the Agency's Proportionate Share of the Net Position Liability to Changes in the Discount Rate

The following represents the Agency's proportionate share of the net pension liability calculated using the discount rate of 3.54%, as well as what the Agency's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (2.54%) or one percentage point higher (4.54%) than the current rate:

	1% Decrease 2.54%	Current Discount Rate 3.54%	1% Increase 4.54%
Agency's proportionate share of the net pension liability	$ 4,289,220	$ 3,749,051	$ 3,302,068

HIS Fiduciary Net Position

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

This report may be obtained by writing to the Division of Retirement, Research Education and Policy Section, P.O. Box 9000, Tallahassee, FL 32315-9000, by calling (850) 488-5706, or by accessing its internet site at: https://www.dms.myflorida.com/workforce_operations/retirement/publications/annual_reports

Payables to the HIS Program

At September 30, 2022, the Agency reported a payable in the amount of $36,204 for outstanding contributions to the HIS program.

12. Employee Retirement Plan (continued)

The aggregate amount of net position liability, related deferred outflows of resources and deferred inflows of resources and pension expense for the Agency's defined benefit pension plans are summarized below::

	FRS Pension Plan	HIS Program	Total
Net pension liability	$ 11,461,170	$ 3,749,051	$ 15,210,221
Deferred outflows of resources related to pension	3,837,828	539,565	4,377,393
Deferred inflows of resources related to pension	-	596,469	596,469
Pension expense	1,892,948	268,915	2,161,863

Investment Plan

The State Board of Administration (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 Comprehensive Annual Financial Report.

As provided in Section 121.4501, *Florida Statutes*, eligible FRS members may elect to participate in the FRS Investment Plan in lieu of the FRS defined benefit plan. Agency employees participating in DROP are not eligible to participate in the FRS 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 FRS Investment Plan are established and may be amended by the Florida Legislature. The FRS Investment Plan is funded with the same employer and employee contribution rates that are based on salary and membership class (regular class, senior management) 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 of administering the FRS Investment Plan, including the FRS Financial Guidance Program, are funded through an employer contribution of 0.06% of payroll and by forfeited benefits of plan members. Allocations to the investment member's accounts during fiscal year 2022, as established by Section 121.72, Florida Statutes, are based on a percentage of gross compensation, by class, as follows: regular class 6.30% and senior management service class 7.67%.

12. Employee Retirement Plan (continued)

Investment Plan (continued)

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 FRS Investment Plan, the member must have the years of service required for Pension Plan vesting (including the 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 five years. If the employee returns to FRS-covered employment within the five-year period, the employee will regain control over their account. If the employee does not return within the five-year period, the employee will forfeit the accumulated account balance. For the fiscal year ended September 30, 2022, the information for the amount of forfeitures was unavailable from the SBA; however, management believes that these amounts, if any, would be immaterial to the Agency.

After termination and applying to receive benefits, the member may roll over vested funds to another qualified plan, structure a periodic payment under the FRS 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 FRS Investment Plan and rely upon that account balance for retirement income.

13. Other Post-Employment Health Care Benefits

The Agency implemented GASB Statement No. 75 in fiscal year 2018 to account for certain post-employment health care benefits provided by the Agency. GASB Statement No. 75 replaced GASB Statement No. 45

Plan Description

The Post-Employment Health Care Benefits Plan is a single-employer defined benefit plan administered by the Agency. Pursuant to the provisions of Section 112.0801, *Florida Statutes*, former employees who retire from the Agency and their eligible dependents may continue to participate in the Agency's fully insured health and hospitalization plan for medical and prescription drug coverage. The Agency subsidizes the premium rates paid by retirees by allowing them to participate in the plans at blended group (implicitly subsidized) premium rates for both active and retired employees. These rates provide an implicit subsidy for retirees because, on an actuarial basis, their current and future claims are expected to result in higher costs to the plan on average than those of active employees.

13. Other Post-Employment Health Care Benefits (continued)

Funding Policy

For the Post-Employment Health Care Benefits Plan, contribution requirements of the Agency are established and may be amended through recommendations of the Chief Financial Officer and action from the Board of Directors. The Agency has not advanced-funded or established a funding methodology for the annual Other Post-Employment Benefits OPEB costs or the total OPEB liability. As of the last required actuarial evaluation, October 1, 2021, there were two retiree and zero eligible dependents receiving post-employment health care benefits. The plan is funded on "pay as you go" basis. For the year ended September 30, 2022, $10,170 was contributed for pay as you go benefits of the Plan.

Plan Membership

The following schedule (derived from the most recent actuarial valuation report) reflects membership for the OPEB Plan as of October 1, 2019

Active employees	143
Retiree receiving benefits	2
Total	145

Total OPEB Liability

The Agency changes in the total OPEB liability by source for the fiscal year ended September 30, 2022.

Total OPEB Liability on September 30, 2021	$	394,633
Service Cost		33,546
Interest		11,605
Difference between expected and actual experience		(45,613)
Changes of assumptions or other input		(20,915)
Benefit Payments		(12,382)
Total OPEB Liability on September 30, 2022	$	360,874

The required schedule of changes in the Agency's total OPEB liability and related ratios immediately following the notes to the financial statements presents multi-year trend information about whether the value of plan assets are increasing or decreasing over time relative to the total OPEB liability.

13. Other Post-Employment Health Care Benefits (continued)

Actuarial assumptions: The total OPEB liability was determined by an actuarial valuation as of October 1, 2021, with update procedures performed by the actuary to roll forward the total OPEB liability to the measurement date of September 30, 2022. The following actuarial assumptions apply to all periods included in the measurement:

Discount Rate	3.25
Overall Payroll Growth	3.4
Inflation rate	2.4
Actuarial cost method	Entry Age normal, level percent of salary
Initial healthcare cost rate	6.40% October 1, 2021 valuation
Ultimate healthcare cost rate	Rate range from 6.50% to 5.60% in fiscal year 2031

Mortality rates were based on the PubG.H-2010 General below Median Employee scale MP-2018 for females and PubG.H-2010 General below median employee scape MP-2018, set back 1 year for males.

Discount rate. The discount rate used to measure the total OPEB liability was 3.25% as of the measurement date of September 30, 2022. This rate was determined using an index rate of 20-year, tax-exempt general obligation municipal bonds with an average rating of AA or higher - which was 3.25% as determined by the application GO Index Rate as of September 30, 2022.

Sensitivity of the total OPEB liability to changes in the discount rate and healthcare cost rate trend. The following presents the total OPEB liability of the Authority, calculated using the discount rate, as well as what the Authority's total OPEB liability would be if it were calculated using a discount rate or healthcare cost rate that is one percentage point lower or one percentage point higher than the current rate.

The following table represents the sensitivity analysis discussed above as of October 1, 2021

	1% Decrease	**Current Discount Rate (3.25%)**	**1% Increase**
1% Decrease - Healthcare cost rate trend (5.50%)	$ -	$ 325,511	$ -
Agency Total OPEB Liability	383,966	360,874	338,716
1% Increase - Healthcare cost rate trend (7.50%)	-	402,544	-

14. Risk Management

The Agency is exposed to various risks of loss related to tort; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Agency has transferred the risk to outside parties through the purchase of various types of insurance coverage. The Agency uses a single broker, Risk Management Associates, Inc. dba Public Risk Insurance Agency to solicit, evaluate and recommend policies for all types of coverage required by the Agency. The Agency purchases the following insurance coverage, from various carriers: property insurance, inland marine, boiler and machinery insurance, commercial general liability, business auto liability and physical damage, marine hull and watercraft coverage, employment practice liability, public official liability, government crime coverage, fuel storage tank coverage, worker's compensation and cyber liability. There have been no significant reductions in insurance coverage from the prior year. Except as discussed in Note 15, no settlements have exceeded insurance coverage over the past four years.

15. Commitments and Contingencies

Litigation

The Agency is a party to various lawsuits, claims, and legal actions arising in the ordinary course of business. These actions relate primarily to eminent domain, construction claims, disputes, and personnel matters. Except as discussed in Note 16, any losses that may be incurred in connection with these matters are deemed by management to not be material to the Agency's financial statements.

In fiscal year, 2022, Tampa Bay Water was a plaintiff in a case against several manufacturers and sellers of polyfluoroalkyl substances or "PFAS" chemicals based on the good-faith belief that the defendants have discharged PFAS into, or are otherwise responsible for PFAS being released into, the waters and environment that serve as the supply sources for Tampa Bay Water's water supply system. The lawsuit is styled Tampa Bay Water v. E.I. Dupont de Nemours and Company, et al., Case No. 2:20-cv-1867 RMG, United States District Court for the District of South Carolina, Charleston Division. The complaint includes counts for strict liability, failure to warn, design defect, negligence, private nuisance, public nuisance, and fraudulent conveyance. Discovery is ongoing.

Grant Funds

The Agency is subject to audit examination by funding agencies to determine compliance with grant conditions. In the event that expense would be disallowed, repayment could be required.

15. Commitments and Contingencies (continued)

Operations and Maintenance Agreements

Desalination Plant

The 20-year Operation, Maintenance, and Management (OM&M) Services Agreement for operation of the desalination plant with American Water-Pridesa, LLC, approved by the Board of Directors in 2004, went into effect as of November 8, 2007. Under this agreement, American Water-Pridesa, LLC operates and maintains the plant, and the Agency will pay a service fee consisting of a base OM&M charge, certain pass-through charges, maintenance reserve fund charges, and various fee adjustments. The base OM&M charge will be adjusted at the beginning of each contract year based on certain labor and plant cost indexes. The contract can be terminated for convenience with 90 days' notice and payment for all services performed, reimbursable expenses due, a termination fee of $1 million gradually declining to zero after 15 years and demobilization fee of $50,000. Total operating fees under this contract was $6,119,565 for 2022. In the agreement it states that American Water-Pridesa, LLC will maintain a reserve fund for the benefit of Tampa Bay Water, which will support the cost of making major equipment renewals and replacements to the Facility, in accordance with the repair and replacement plan required by Section 3.6 of the agreement with funds added to the reserve fund each month pursuant to the amount included in the Base O&M charge for Major Equipment Renewal and Replacement Reserve Fee (MERR). The balance in the MERR fund was $1,054,452 for the fiscal year ended September 30, 2022. In the agreement it states that American Water-Pridesa, LLC will maintain a reserve fund for the benefit of Tampa Bay Water, which will support the cost of replacing the reverse osmosis system membranes in the Facility during the term of the agreement in accordance with the Manual and the Reverse Osmosis System Membrane Replacement (ROSMR) Schedule. Funds added to the ROSMR Reserve fund are added on a monthly basis. The balance in the ROSM Reserve fund was $2,048,248 for the fiscal year ended September 30, 2022.

15. Commitments and Contingencies (continued)

Operations and Maintenance Agreements (continued)

Surface Water Treatment Plant

The Agency is a party to an Operations and Maintenance (O&M) Agreement with Veolia Water North America for the operation of its Surface Water Treatment Plant. The agreement, which became effective in 2004, provides for the payment by the Agency of a service fee that includes a base O&M charge that is payable regardless of plant production levels and several variable and pass-through cost components. The base O&M charge and certain other cost components increase yearly based on an index directly related to the expense. In August 2022, the Board approved an amendment to the agreement which extends the agreement another five years, through January 15, 2028. The agreement is fully cancelable with 90 days' notice, payment of all accrued service fees, and any demobilization costs. Expense under this agreement was $8,246,018 for the fiscal year ended September 30, 2022. In the agreement it states that Veolia Water North America will maintain a reserve fund for the benefit of Tampa Bay Water, which will support the cost of making major equipment renewals and replacements to the Facility, in accordance with the repair and replacement plan required by Section 6.6.2 of the agreement, with funds added to the reserve fund each month pursuant to the amount included in the Base O&M charge for Major Equipment Renewal and Replacement Reserve Fee (MERR). The balance in the MERR fund was $771,575 for the fiscal year ended September 30, 2022. In the agreement it states that Veolia Water North America will maintain a reserve fund for the benefit of Tampa Bay Water, which will support the cost of replacement of one third of all granular activated carbon in the filters in the facility, in accordance with the granular activated carbon replacement requirements identified in Schedule 24 of the agreement, with funds added to the reserve fund each month pursuant to the amount included in the Base O&M charge for the Granular Activated Carbon (GAC) Reserve Fee. The balance in the GAC fund was $2,930,960 for the fiscal year ended September 30, 2022.

Keller Hydrogen Sulfide Treatment Facility

The Agency is also a party to a facility maintenance agreement with Veolia Water North America for the maintenance of the Keller Hydrogen Sulfide Treatment Facility. The agreement provides for payment by the Agency of a service fee and is fully cancelable with a pro rata settlement of the annual service fee for work performed prior to termination of the Agreement. Expense under this agreement was $41,783 for the fiscal year ended September 30, 2022.

16. Litigation Settlements and Insurance Recoveries

In fiscal year 2022, the Agency received a total of $7,979 from insurance recoveries due to minor vehicle accident claims.

17. Subsequent Events

On October 27, 2022, the Agency issued $122,075,000 of Utility System Revenue Bonds, Series 2022 including a premium in the amount of $9,043,101. These proceeds less the cost of issuance of $1,118,101 allowed the Agency to deposit $130,000,000 into a project fund to build and maintain the pipelines, pump stations and water treatment plants that make up the Tampa Bay region's water supply system. The interest on these Bonds is between 5% and 5.25%, and fully mature on October 1, 2052.

Required Supplementary Information – Pension

Tampa Bay Water (A Regional Water Supply Authority)

Schedule of Agency Proportionate Share of Net Pension Liability – Florida Retirement System

	September 30							
	2022	2021	2020	2019	2018	2017	2016	2015
Agency's proportion of the net pension liability	**0.03080%**	0.03032%	0.02809%	0.02681%	0.02669%	0.02516%	0.02342%	0.02418%
Agency's proportionate share of the net pension liability	**$ 11,461,170**	$ 2,290,346	$ 12,176,123	$ 9,232,885	$ 8,035,499	$ 7,442,181	$ 5,913,769	$ 3,122,547
Agency's covered payroll	**$12,899,708**	$ 12,201,112	$ 11,556,592	$ 11,129,829	$ 10,703,843	$ 10,340,447	$ 9,400,899	$ 8,689,420
Agency's proportionate share of the net pension liability as a percentage of its covered payroll	**88.85%**	18.77%	105.00%	82.00%	75.00%	71.00%	62.00%	35.94%
Plan fiduciary net position as a percentage of the total pension liability	**82.49%**	96.40%	78.85%	82.61%	83.89%	83.89%	84.88%	92.00%

The Agency implemented GASB Statement No. 68*, Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27,* and GASB Statement No. 71*, Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68,* as of October 1, 2015; accordingly, only six years of data are available. The amounts above are determined as of September 30 of the previous fiscal year.

Tampa Bay Water (A Regional Water Supply Authority)

Schedule of Agency Contributions – Florida Retirement System

Last 10 Fiscal Years[1]

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Contractually required contribution	$ 1,308,609	$ 1,494,374	$ 1,367,180	$ 1,117,522	$ 1,026,036	$ 949,710	$ 846,235	$ 746,403	$ 693,019	$ 600,064
Contributions in relation to the contractually required contribution	(1,308,609)	(1,494,374)	(1,367,180)	(1,117,522)	(1,026,036)	(949,710)	(846,235)	(746,403)	(693,019)	(600,064)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Agency covered payroll	$ 12,637,722	$ 12,399,694	$ 12,201,112	$ 11,556,592	$ 11,129,829	$ 10,703,843	$ 10,340,447	$ 9,400,899	$ 8,689,420	$ 8,036,748
Contributions as a percentage of covered payroll	10.35%	12.05%	11.21%	9.67%	9.22%	8.87%	8.18%	7.94%	7.98%	7.47%

[1] Amounts presented for each fiscal year were determined as of September 30.

Tampa Bay Water (A Regional Water Supply Authority)

Schedule of Agency Proportionate Share of Net Pension Liability –
Health Insurance Subsidy Program

	September 30							
	2022	2021	2020	2019	2018	2017	2016	2015
Agency's proportion of the net pension liability	**0.03539%**	0.03523%	0.03468%	0.03408%	0.03394%	0.03301%	0.03163%	0.03044%
Agency's proportionate share of the net pension liability	**$ 3,749,051**	$ 4,321,004	$ 4,234,901	$ 3,813,587	$ 3,592,426	$ 3,529,306	$ 3,686,822	$ 3,104,772
Agency's covered payroll	**$12,899,708**	$12,201,112	$11,556,592	$11,129,829	$10,703,843	$10,340,447	$ 9,400,899	$ 8,689,420
Agency's proportionate share of the net pension liability as a percentage of its covered payroll	**29.06%**	35.00%	36.00%	34.00%	33.00%	34.00%	39.00%	35.73%
Plan fiduciary net position as a percentage of the total pension liability	**4.81%**	3.56%	3.00%	1.64%	1.64%	1.64%	0.97%	0.50%

The Agency implemented GASB Statement No. 68*, Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27,* and GASB Statement No. 71*, Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68,* as of October 1, 2015; accordingly, only eight years of data are available. The amounts above are determined as of September 30 of the previous fiscal year.

Tampa Bay Water (A Regional Water Supply Authority)

Schedule of Agency Contributions – Health Insurance Subsidy Program

Last 10 Fiscal Years[1]

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Contractually required contribution	$ 209,829	$ 205,835	$ 202,538	$ 191,839	$ 184,755	$ 177,684	$ 171,651	$ 156,055	$ 109,487	$ 96,441
Contributions in relation to the contractually required contribution	(209,829)	(205,835)	(202,538)	(191,839)	(184,755)	(177,684)	(171,651)	(156,055)	(109,487)	(96,441)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Agency covered payroll	$ 12,637,722	$ 12,399,694	$ 12,201,112	$ 11,556,592	$ 11,129,829	$ 10,703,843	$ 10,340,447	$ 9,400,899	$ 8,689,420	$ 8,036,748
Contributions as a percentage of covered payroll	1.66%	1.66%	1.66%	1.66%	1.66%	1.66%	1.66%	1.66%	1.26%	1.20%

(1) Amounts presented for each fiscal year were determined as of September 30.

Changes of Benefit Terms

There were no changes in benefits over the periods presented.

Changes of Assumptions

As of June 30, 2022 the inflation rate assumption remained the same at 2.4% as of June 30, 2021, the real growth assumption was 0.65%, and the overall payroll growth rate assumption remained at 3.25%. The long-term expected rate of return decreased from 6.80% as of June 30, 2021 to 6.70% as of June 30, 2022. The municipal rate used to determine total pension liability increased from 2.16% as of June 30, 2021 to 3.54% as of June 30, 2022 for the Health Insurance Subsidy Pension Plan.

Required Supplementary Information
Other Post-Employment Benefits

Tampa Bay Water (A Regional Water Supply Authority)

Schedule of Changes in the Agency's Total OPEB Liability and Related Ratios

Last 10 Fiscal Years [1]

	2022	2021	2020	2019	2018
Service cost	$ 33,546	$ 32,412	$ 24,117	$ 23,301	$ 23,301
Interest on total OPEB liability	11,605	10,698	12,432	11,111	10,376
Differences between expected and actual experience	(45,613)	-	2,390	-	-
Changes of assumptions or other input	(20,915)	-	20,413	-	-
Benefit payments	(12,382)	(10,170)	(10,132)	(13,143)	(15,051)
Net change in OPEB liability	$ (33,759)	$ 32,940	$ 49,220	$ 21,269	$ 18,626
Total OPEB liability - beginning	$ 394,633	$ 361,693	$ 312,473	$ 291,204	$ 272,578
Total OPEB liability - ending	$ 360,874	$ 394,633	$ 361,693	$ 312,473	$ 291,204
Covered-employee payroll	$ 14,343,050	$ 13,195,474	$ 12,749,250	$ 12,523,808	$ 12,100,298
Total OPEB liability as a percentage of covered-employee payroll	2.52%	2.99%	2.84%	2.50%	2.41%

[1] Amounts presented for each fiscal year were determined as of September 30. The schedule will present 10 years of information once it is accumulated.

TAMPA BAY WATER
Supplying Water To The Region

OTHER SUPPLEMENTARY INFORMATION

Budgetary Comparison Schedule Fiscal Year 2022 (Unaudited)

Tampa Bay Water
(A Regional Water Supply Authority)
Budgetary Comparison Schedule
For the Fiscal Year Ended September 30, 2022

Enterprise Funds	Approved Budget 2022	Final Budget [(1)] 2022	Actual Amounts 2022	Variance with Final Budget Positive (Negative)
Source of Funds				
Water Sales	$ 179,831,324	$ 179,831,324	$ 179,241,230	$ (590,094)
Additional Credits/Surcharges	42,000	42,000	52,618	10,618
TBC - Sale of Water	392,000	392,000	125,328	(266,672)
Interest Income	1,937,652	1,937,652	2,263,510	325,858
Litigation & Insurance Recoveries	-	-	7,979	7,979
Miscellaneous Income	-	-	339,149	339,149
Grant SWFWMD	-	-	780,073	780,073
Subtotal	182,202,976	182,202,976	182,809,887	606,911
Transfers In from Rate Stabilization Account	-	17,261,829	17,261,829	-
Est. Unencumbered Funds from Prior Year	4,312,953	4,312,953	4,312,953	-
Transfer In from Capital Improvement	-	7,962,913	7,962,913	-
Transfer in from Renewal & Replacement	-	935,063	935,063	-
Transfer in from Energy Fund	-	4,689,749	4,689,749	-
Total Sources	$ 186,515,929	$ 217,365,483	$ 217,972,393	$ 606,911
Use of Funds				
Personnel Services	$ 24,532,227	$ 24,616,939	$ 19,004,429	$ 5,612,509
Materials & Supplies	3,149,440	3,298,824	2,593,534	705,290
Professional Services	35,674,334	47,472,122	29,410,301	18,061,821
Repairs & Other Services	6,444,765	9,297,521	6,170,474	3,127,047
Rent & Insurance	2,360,279	2,480,882	2,176,221	304,661
Legal Services	555,000	555,000	369,220	185,780
Capital Expense	1,683,944	2,633,122	727,927	1,905,195
Total Debt Service-Bonds	71,153,640	71,153,640	70,459,815	693,825
Acquisition Credit to Member Governments	10,231,558	10,231,558	10,231,558	-
Water Quality Credit to Members	48,000	48,000	48,000	-
Misc./Other-R&R Projects	-	13,587,724	13,810,720	(222,996)
Water Treatment Chemicals - Variable Cost	13,397,656	14,566,854	14,392,959	173,895
Power / Electricity - Variable Cost	15,384,286	15,521,681	13,151,033	2,370,648
Water for Resale - Variable Cost	500,800	501,616	501,616	-
Subtotal	185,115,929	215,965,483	183,047,807	32,917,676
Transfer Out to Energy Fund	-	-	268,316	(268,316)
Transfer Out to Capital Improvement Fund	-	-	4,914,769	(4,914,769)
Transfer Out to R&R Fund	1,400,000	1,400,000	3,195,310	(1,795,310)
Transfer Out to Rate Stabilization Account	-	-	26,499,531	(26,499,532)
Transfer Out to Utility Reserve	-	-	46,659	(46,659)
Total Uses	$ 186,515,929	$ 217,365,483	$ 217,972,393	$ (606,911)

Notes :

(1) Revised budget includes prior year purchase orders carried forward and all approved budget transfers.

Tampa Bay Water's Adopted Budget

In June 2021, The Board of Directors (Board) adopted a $186.5 million budget for Fiscal Year 2022. The budget was adopted in accordance with Section 2.08 of the Amended and Restated Interlocal Agreement. The 2022 budget adheres to the budget policies and budgetary controls adopted by the Board for the Fiscal Year starting October 1, 2021 and ending September 30, 2022.

Budget Basis

The basis for developing and adopting the annual budget for Tampa Bay Water is established by the Amended and Restated Interlocal Agreement. This requires that the budget be prepared primarily on an accrual basis, which is similar to the Agency's annual financial statements. Notable differences between the budget basis and the GAAP basis used for financial reporting are as follows:

- Principal payments on long-term debt are treated as current expense for the budget basis, as opposed to being recorded as a reduction of outstanding liabilities for the GAAP basis.

- Capital expense funded from the rate are treated as current expense under the budget basis, but are treated as acquisition of capital assets under the GAAP basis.

- Capital expense funded from debt proceeds are not reflected under the budget basis and are capital asset acquisitions under the GAAP basis.

- The budget basis includes only that interest income which is available for use for budgetary purposes. The GAAP basis reflects all interest income, including that restricted as to purpose, and as adjusted for interest income which is offset against interest costs allocated to construction projects in accordance with GAAP.

- The budget basis includes only interest expense that is to be paid from the rate and budgeted revenue sources. Interest expense under the GAAP basis may also include interest costs being paid from bond proceeds (capitalized interest) and will exclude any interest costs that are treated as a cost of assets in the construction phase.

- The budget basis also reflects transfers to and from various reserves, which are not revenue and expense under the GAAP basis.

Budget Process

Section 2.08. Article II, *Creation and Governance,* of the Amended and Restated Interlocal Agreement establishes the procedures and requirements for the development of an annual budget for Tampa Bay Water. The requirements are as follows:

- Prior to July 1 of each year, the General Manager shall prepare and deliver to the Board a balanced tentative budget for Tampa Bay Water covering its proposed operating and other financial requirements for the ensuing fiscal year. The tentative budget shall identify:

    - The rate at which Quality Water will be sold to Member Governments during such fiscal year; and

Budget Process

  - o The rate to be charged to the City of Tampa for water provided through the Tampa Bypass Canal pumping facility during such fiscal year.

- The Board shall publish a notice of its intention to adopt the budget and shall provide copies of the notice and tentative budget to each Member Government on or before the first publication date. The notice shall include a summary of the tentative budget; specify the rates at which Quality Water will be sold to the Member Governments; and identify the time, date, and place at which the public may appear before the Board and state their objections to or support of the budget and rates. The notice shall be published once a week for two consecutive weeks within thirty (30) days of the public hearing, in any newspaper qualified to accept legal advertisements in each county in the jurisdiction of Tampa Bay Water, the last insertion of which shall appear not less than one week prior to the date set by the Board for the hearing on the proposed budget and rates.

- At the time, date and place specified in the notice, the Board shall conduct a public hearing and thereafter may consider adoption of the budget and rates with any amendments it deems advisable. Unless otherwise authorized by the Board, the final budget and rates shall be adopted by August 1.

- The adopted budget shall be the operating and fiscal guide for Tampa Bay Water for the ensuing fiscal year. The Board may amend the budget at any regular or special meeting; provided however, that prior to approving any budget amendment that increases the total budget for any fiscal year (other than a budget amendment appropriating grant funds or the proceeds of debt obligations), the Board shall provide notice and conduct an additional public hearing in the manner described above.

Budget Amendments

Agency policy allows the transfer of budget between sub-categories within a single budgetary category (e.g. within Professional Services from Hydrological Services to Ecological Services) with the approval of the General Manager. Transfers of budget between major categories (e.g. from Professional Services to Materials & Supplies or to Repairs & Other Services) must be submitted to the Agency's board for approval regardless of dollar amount. Any increase to the total budget also requires Board approval and a public hearing.

Monthly Financial Reporting

In accordance with best financial management practices, The Finance Department provides monthly financial reports to the Board. The monthly reports provide the Board with a clear comparison of actual expenses to budgeted amounts as well as a means of monitoring water production for each member government and revenues received from water sales.

Operating Division/Departments

Operating Divisions / Departments	Approved 2022 Budget	Transfers & Adjustments	Final 2022 Budget	2022 Actuals	Variance with Final Budget and Actuals Positive (Negative)
Water Production Division	$ 69,516,469	$ 9,923,202	$ 79,439,671	$ 64,346,074	$ 15,093,597
Information Technology Division	6,099,066	1,098,250	7,197,316	5,805,599	1,391,717
Finance & Administration Division	4,571,066	4,611,871	9,182,937	5,130,144	4,052,793
Science Division	12,840,211	7,764,510	20,604,721	10,431,323	10,173,398
Public Affairs Division	9,507,611	(6,168,839)	3,338,772	1,996,381	1,342,391
Office of General Manager	725,808	(29,164)	696,644	466,973	229,672
General Counsel	470,500	62,000	532,500	369,220	163,280
Debt-Bonds & Acquisition Credits	81,385,198	-	81,385,198	80,691,373	693,825
Capital Improvement Plan Projects	-	13,587,724	13,587,724	13,810,720	(222,996)
Net Funds Transfers In/Out	1,400,000	-	1,400,000	34,924,587	(33,524,587)
	$ 186,515,929	$ 30,849,554	$ 217,365,483	$ 217,972,393	$ (606,910)

TAMPA BAY WATER

Supplying Water To The Region

III. STATISTICAL SECTION

- **Financial Trends (Tables 1-7)**

  These tables and charts contain trend information to help the reader understand how Tampa Bay Water's performance has changed over time.

- **Revenue Capacity (Tables 8-10)**

  These tables and charts contain information to help the readers assess Tampa Bay Water's most significant revenue sources.

- **Debt Capacity (Tables 11-12)**

  These tables and charts present information to help the reader assess the ability of Tampa Bay Water to pay debt service on outstanding debt.

- **General Information (Tables 13-15)**

  These tables and charts contain service and infrastructure data to help the reader understand how information in its financial report relates to Tampa Bay Water provided services and activities.

- **Demographic and Economic Information (Tables 16-17)**

  These tables offer demographic and economic indicators to help the reader understand the environment in which Tampa Bay Water's financial activities take place.

The statistical Section of Annual Comprehensive Financial Report for Tampa Bay Water is intended to provide financial statement users with additional historical perspective, context, and detail to assist in using information in the financial statements, notes to financial statements, and required supplementary information to understand and assess the agencies economic condition.

The Statistical Section is unaudited.

Tampa Bay Water (A Regional Water Supply Authority)

TABLE 1, Net Position - Last 10 Fiscal Years

	Net Position					
Fiscal Year	Net Investment in Capital Assets	Restricted	Unrestricted	**Total Net Position**	**Changes in Net Position**	**% of Change in Net Position**
2022	$ 752,248,248	$ 114,797,114	$ 32,812,474	**$ 899,857,836**	$ 23,238,728	2.65%
2021	720,309,824	119,469,822	36,839,462	**876,619,108**	29,852,763	3.53%
2020	691,056,939	118,410,787	37,298,619	**846,766,345**	32,868,144	4.04%
2019	669,942,751	106,080,103	37,875,347	**813,898,201**	24,392,183	3.09%
2018	659,267,732	92,933,057	37,305,229	**789,506,018**	4,419,369	0.56%
2017	662,029,752	86,907,666	36,149,231	**785,086,649**	8,724,704	1.12%
2016 (1)	686,688,585	55,830,781	33,842,580	**776,361,946**	7,490,450	0.97%
2015 (2)	692,643,905	42,852,884	33,374,707	**768,871,496**	3,612,307	0.47%
2014	686,131,584	43,407,942	35,719,663	**765,259,189**	21,081,985	2.83%
2013 (3)	671,904,961	54,772,859	17,499,384	**744,177,204**	14,392,198	1.97%

Notes:

(1) Fiscal year 2016 net position was restated to reflect a change in bond premium amortization to the Effective Interest Method and to record. Escrowed Reserve funds held with our facility operators, Veolia Water North America and American Water-Pridesa, LLC. Cumulative effect on net position was an increase of $5,576,805.

(2) The beginning net position for fiscal year 2015 was restated to reflect the implementation of GASB 68, which was a decrease of $5,311,035 in net position.

(3) The net position for fiscal year 2013 was restated to reflect the implementation of GASB 65, which decreased the net position by $6,001,560.

Tampa Bay Water (A Regional Water Supply Authority)

Tampa Bay Water (A Regional Water Supply Authority)

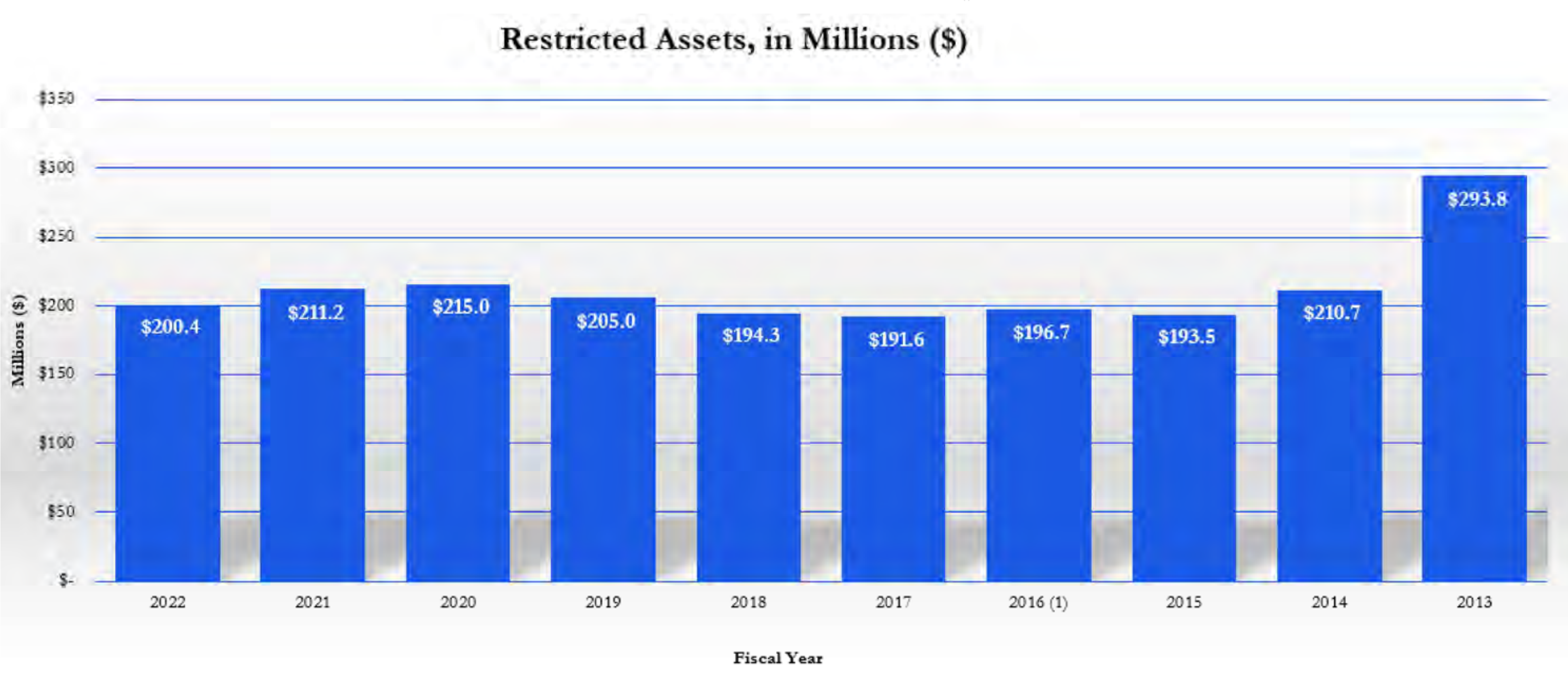
TABLE 2, Restricted Assets - Last 10 Fiscal Years

	Restricted Assets						
Fiscal Year	Construction Funds	Sinking Funds	Renewal and Replacement Fund	Capital Improvement Fund	Energy Savings Fund	Operations and Maintenance Reserve	Debt Service Reserves
2022	$ 3,365,263	$ 55,206,408	$ 32,067,931	$ 29,892,651	$ 749,537	$ 4,880,457	$ 67,468,838
2021	5,112,894	52,695,165	35,265,605	34,427,826	1,416,283	4,562,751	71,250,324
2020	7,217,796	52,263,444	36,598,924	33,328,035	1,162,147	4,442,923	71,824,849
2019	8,802,524	51,496,138	33,914,245	27,141,633	823,919	4,330,051	71,586,689
2018	11,500,027	50,714,307	28,774,711	21,920,586	553,050	4,041,153	70,475,606
2017	14,293,565	49,962,167	27,014,323	18,026,011	381,216	3,892,858	70,837,325
2016 (1)	19,933,463	49,673,607	26,948,014	14,879,816	253,127	4,035,616	71,289,314
2015	27,225,121	50,208,519	26,350,159	11,846,831	179,695	4,476,199	73,169,250
2014	42,326,766	52,030,035	24,776,568	12,500,450	174,621	5,127,419	73,716,549
2013	113,551,626	55,100,803	15,280,000	10,865,017	-	4,698,683	73,716,549

Fiscal Year	Desal - Reserves	SWTP - Reserves	Litigation Escrow Funds	**Total Restricted Assets**
2022	$ 3,102,700	$ 3,702,535	$ -	**$ 200,436,320**
2021	1,752,959	4,766,060	-	**211,249,867**
2020	2,629,810	5,510,019	-	**214,977,947**
2019	2,330,924	4,577,858	-	**205,003,981**
2018	2,131,412	4,217,145	-	**194,327,997**
2017	2,129,958	5,078,300	-	**191,615,723**
2016 (1)	2,072,486	7,583,722	-	**196,669,165**
2015	-	-	-	**193,455,774**
2014	-	-	-	**210,652,408**
2013	-	-	20,608,656	**293,821,334**

Notes:

(1) Fiscal year 2016 restricted position was restated to reflect in adding the recording of Escrowed Reserve funds held with our facility operators, Veolia Water North America and American Water-Pridesa, LLC. Cumulative effect on restricted assets was increased by $9,656,208.


Restricted Assets, in Millions ($)
$350
$300
$250
$200
$150
$100
$50
$-
Millions ($)
$200.4
$211.2
$215.0
$205.0
$194.3
$191.6
$196.7
$193.5
$210.7
$293.8
2022
2021
2020
2019
2018
2017
2016 (1)
2015
2014
2013
Fiscal Year

Tampa Bay Water (A Regional Water Supply Authority)

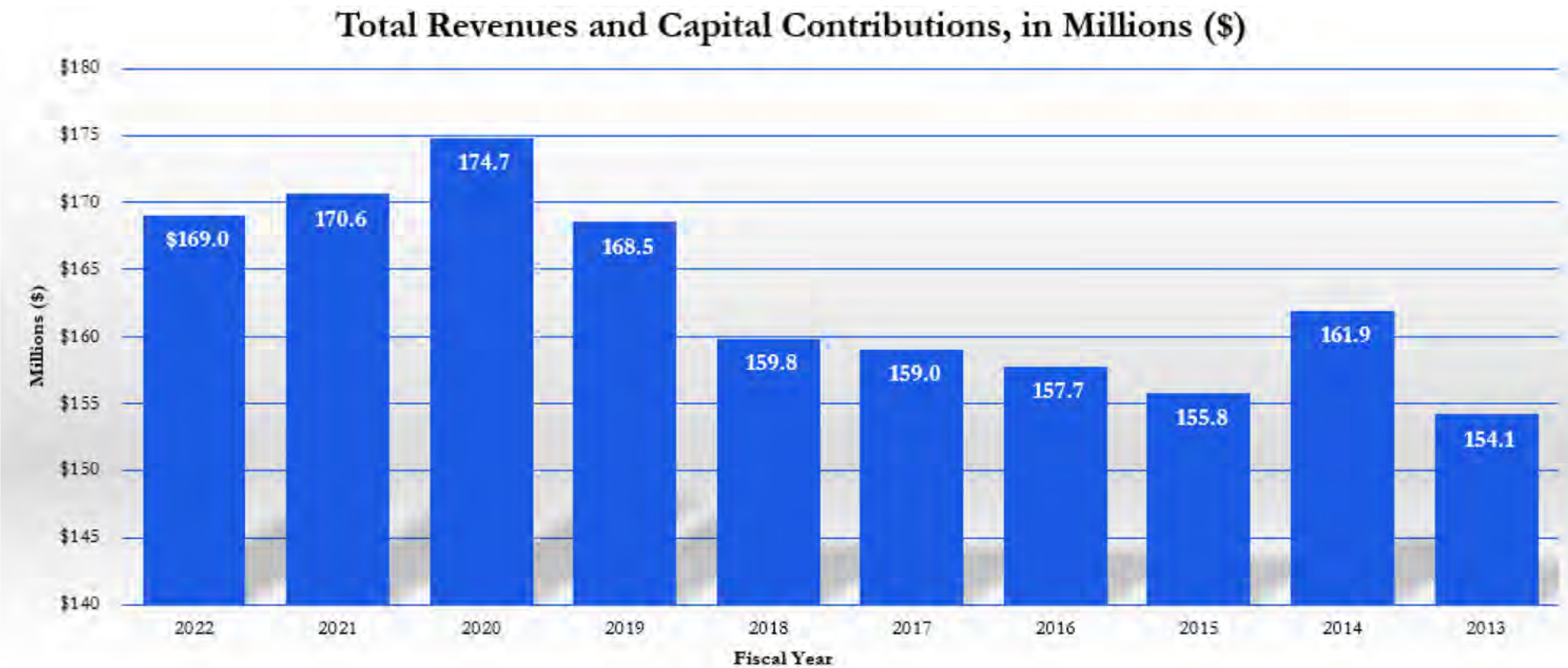
TABLE 3, Revenues and Capital Contributions - Last 10 Fiscal Years

	Operating Revenues			Nonoperating Revenues				
Fiscal Year	Water Sales	Rate Stabilization Transfers	**Total Operating Revenues**	Investment Income [1]	Litigation and Insurance Recoveries	Arbitrage Recovery	Other	**Total Nonoperating Revenues**
2022	$ 179,602,833	$ (4,924,749)	$ 174,678,084	$ (6,569,075)	$ 7,979	$ -	$ -	$ (6,561,096)
2021	173,170,025	(5,450,399)	167,719,626	174,761	36,841	-	-	211,602
2020	170,361,888	(1,737,848)	168,624,040	5,256,272	19,851	-	101,296	5,377,419
2019	166,239,557	(5,274,114)	160,965,443	7,017,637	6,476	-	37,966	(7,049,127)
2018	160,868,419	(2,955,840)	157,912,579	1,886,175	18,178	-	-	1,904,353
2017	156,811,001	(660,622)	156,150,379	1,179,127	1,084,167	-	-	2,263,294
2016	153,320,480	1,745,750	155,066,230	1,201,511	1,188,148	-	-	2,389,659
2015	154,724,559	(1,172,575)	153,551,984	1,227,705	979,352	-	-	2,207,057
2014	155,333,597	5,849,796	161,183,393	732,928	22	-	-	732,950
2013	156,492,882	(6,091,430)	150,401,452	(362,052)	-	3,894,212	-	3,532,160

Fiscal Year	Capital Contributions	**Total Revenues & Capital Contributions**
2022	$ 919,498	**$ 169,036,486**
2021	2,680,474	**170,611,702**
2020	708,064	**174,709,523**
2019	460,877	**168,488,399**
2018	-	**159,816,932**
2017	590,000	**159,003,672**
2016	248,302	**157,704,191**
2015	-	**155,759,041**
2014	-	**161,916,343**
2013	204,569	**154,138,181**

Notes:

[1] Net of Realized, Unrealized and Capitalized Amount.


Total Revenues and Capital Contributions, in Millions ($)
$180
$175
$170
$165
$160
$155
$150
$145
$140
Millions ($)
$169.0
170.6
174.7
168.5
159.8
159.0
157.7
155.8
161.9
154.1
2022
2021
2020
2019
2018
2017
2016
2015
2014
2013
Fiscal Year

Tampa Bay Water (A Regional Water Supply Authority)

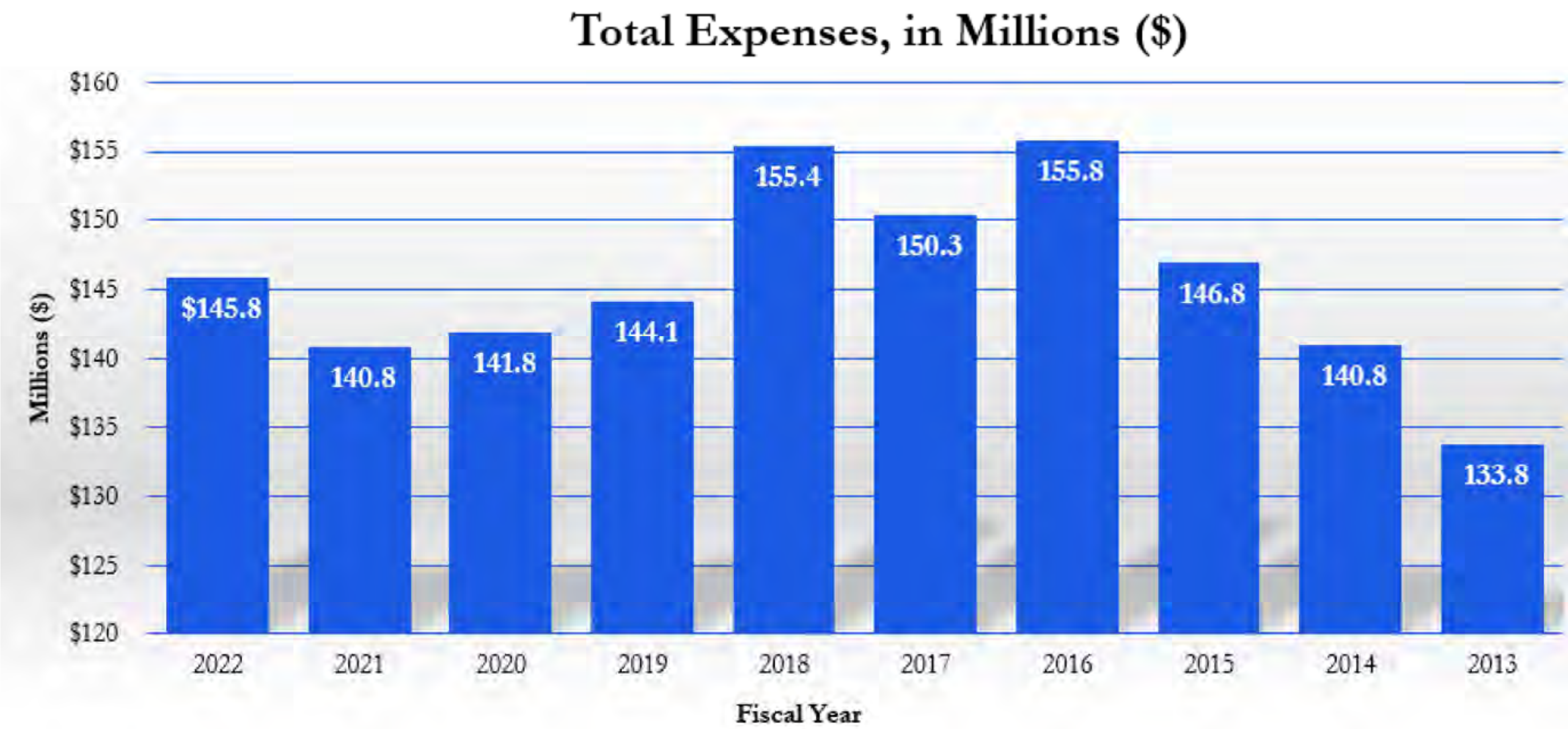
TABLE 4, Total Expenses - Last 10 Fiscal Years

	Total Expenses				
Fiscal Year	Operating Expenses	Depreciation	Interest Expense [1]	Other, Net	**Total Expenses**
2022	$ 85,912,868	$ 29,043,530	$ 29,645,180	$ 1,196,180	**$ 145,797,759**
2021	76,957,044	29,076,736	32,625,230	2,099,929	**140,758,939**
2020	77,017,105	29,953,938	34,870,336	-	**141,841,379**
2019	69,565,461	29,735,308	44,795,447	-	**144,096,216**
2018	70,533,968	30,210,346	48,619,139	6,034,110	**155,397,563**
2017	69,085,262	29,906,334	49,956,073	1,331,299	**150,278,968**
2016	65,589,515	29,534,326	53,797,721	6,868,984	**155,790,546**
2015	64,117,276	28,692,538	53,173,194	852,691	**146,835,699**
2014	63,694,839	24,836,437	47,613,797	4,689,285	**140,834,358**
2013 [2]	61,331,673	25,827,068	45,798,019	824,451	**133,781,211**

Notes:

(1) Net of interest expense incurred during construction.

(2) The interest expense for fiscal year 2013 was restated to reflect the implementation of GASB 65, which increased interest expense by $36,788.


Total Expenses, in Millions ($)
Millions ($)
$160
$155
$150
$145
$140
$135
$130
$125
$120
$145.8
140.8
141.8
144.1
155.4
150.3
155.8
146.8
140.8
133.8
2022
2021
2020
2019
2018
2017
2016
2015
2014
2013
Fiscal Year

Tampa Bay Water (A Regional Water Supply Authority)

TABLE 5, Operating Department/Program Expenses by Major Expense Category - Last 10 Fiscal Years

Operating Department/Program Expenses By Major Expense Category

Fiscal Year	Personnel Services	GASB 68 (3)	Operating Materials & Supplies	Outside Professional Services	Repairs/ Maintenance and Other Services	Rentals, Leases and Insurance	Legal Services
2022	$ 18,360,465	$ 643,964	$ 2,650,254	$ 34,416,165	$ 8,301,319	$ 2,176,221	$ 369,220
2021	17,539,396	(707,070)	2,376,390	31,845,389	6,407,164	2,025,442	363,802
2020	17,829,234	2,009,389	2,037,042	27,972,048	6,563,782	1,956,275	301,613
2019	16,360,679	1,798,225	2,211,837	25,936,375	5,196,973	1,683,896	359,880
2018	15,342,073	975,596	2,047,959	28,074,782	4,796,011	1,502,831	379,962
2017	14,745,350	906,118	2,115,341	27,379,411	5,106,758	1,785,441	315,239
2016	13,783,537	576,499	1,880,699	26,961,759	5,681,474	1,749,423	302,054
2015	12,823,076	30,088	2,070,255	26,954,069	4,400,801	1,771,166	292,042
2014	12,113,326	-	2,242,137	27,594,557	4,155,234	1,821,898	321,258
2013	10,881,764	-	1,955,653	28,875,211	4,360,741	1,687,154	620,425

Operating Department/Program Expenses By Major Expense Category

Fiscal Year	Capital Expense (1)	Capital Offset Account	Variable Cost Expenses	Water Quality Expense	Other Expenses (2)	**Total Operating Expenses**
2022	$ 12,700,516	$ (21,459,714)	$ 28,045,608	$ 48,000	$ (339,149)	**$ 85,912,868**
2021	11,463,686	(17,139,487)	23,000,929	48,000	(266,597)	**76,957,044**
2020	5,555,773	(8,894,293)	22,008,410	48,000	(370,168)	**77,017,105**
2019	4,229,071	(7,797,035)	19,832,479	48,000	(294,918)	**69,565,461**
2018	3,413,977	(6,061,331)	20,297,263	48,000	(283,155)	**70,533,968**
2017	9,738,530	(13,795,833)	21,039,688	48,000	(298,781)	**69,085,262**
2016	8,126,783	(11,938,629)	18,717,241	48,000	(299,324)	**65,589,515**
2015	12,729,402	(16,217,553)	19,390,716	48,000	(174,787)	**64,117,276**
2014	102,682,949	(109,214,448)	22,113,407	48,000	(187,479)	**63,690,839**
2013	89,532,267	(97,900,109)	21,169,041	195,000	(45,476)	**61,331,671**

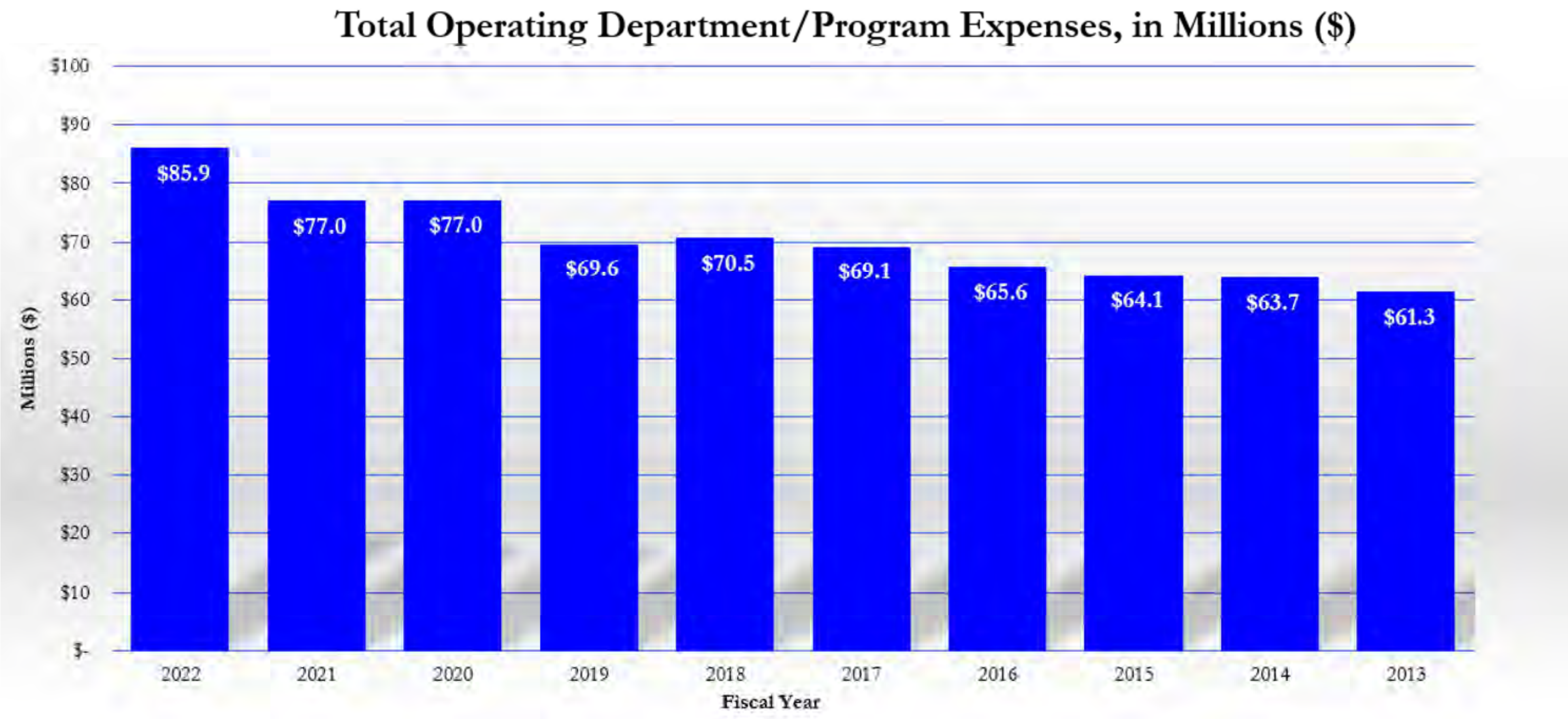
Notes:

(1) Includes expenses incurred with bond funds

(2) Miscellaneous income, sales of surplus materials and supplies, and rental income.

(3) According to Governmental Accounting Standard Board (GASB) the agency had to implement pronouncement 68 related to pension and health insurance subsidiary program

Tampa Bay Water (A Regional Water Supply Authority)



Tampa Bay Water (A Regional Water Supply Authority)

TABLE 6, Total Capital Assets - Last 10 Fiscal Years

	Capital Assets Not Depreciated					Depreciable Capital Assets, Net			
Fiscal Year	Land	Construction-in-progress	Water Capacity Rights	Software in Development	**Total Capital Assets Not Depreciated**	Land Improvements	Wells And Wellfield Improvements	Water Treatment And Pumping Facilities	Transmisison Mains
2022	$ 79,242,635	$ 48,575,437	$ 316,397,360	$ -	$ 444,215,432	$ 3,294,936	$ 135,263,679	$ 706,061,917	$ 339,178,229
2021	79,238,384	35,117,616	316,397,360	-	430,753,360	3,294,936	135,263,679	701,491,957	339,178,229
2020	79,237,818	24,528,573	316,397,360	-	420,163,751	3,294,936	134,802,011	700,111,688	339,178,229
2019	78,687,882	21,084,855	316,397,360	-	416,170,097	3,294,936	134,802,011	696,852,407	339,178,229
2018	77,944,762	18,348,029	316,397,360	-	412,690,151	3,294,936	133,095,065	696,450,615	339,178,229
2017	78,648,966	21,390,285	318,058,360	-	418,097,611	3,294,936	139,107,959	694,211,826	339,942,372
2016	78,809,999	14,369,617	318,058,360	-	411,237,976	3,294,937	139,107,959	690,138,664	339,673,167
2015	79,009,272	25,046,156	318,058,360	-	422,113,788	3,294,937	135,730,911	679,588,963	339,673,167
2014	79,011,824	162,427,790	318,058,360	-	559,497,974	3,294,937	132,464,714	671,568,091	339,673,167
2013	79,011,824	94,389,959	318,058,360	120,332	491,580,475	3,294,937	132,274,213	666,965,575	339,673,167

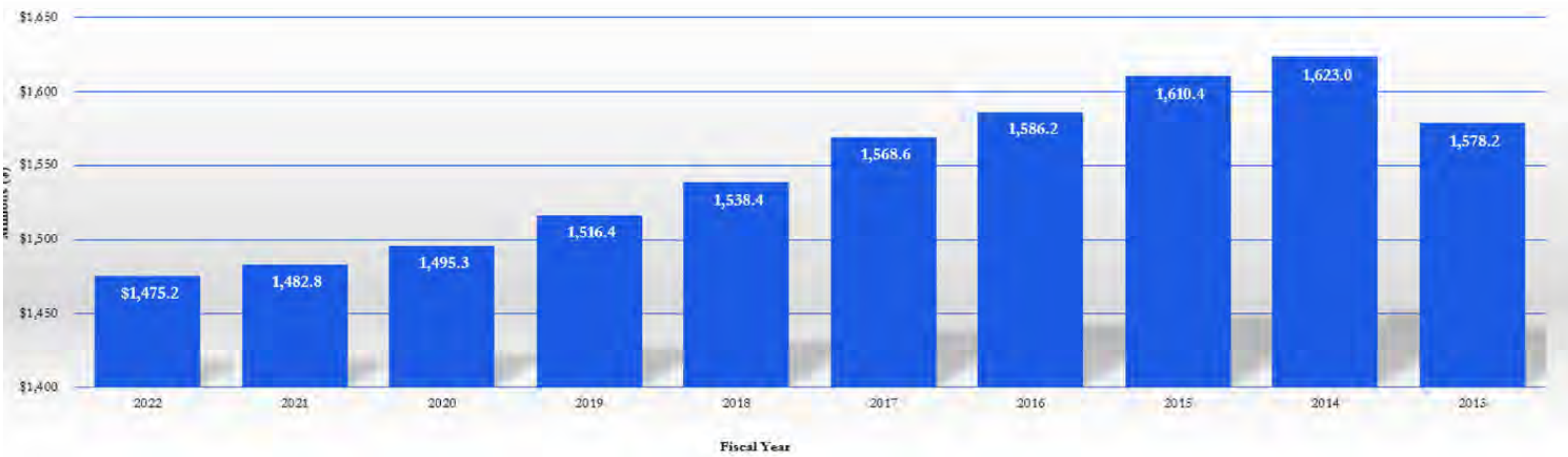
Fiscal Year	Buildings	Reservoir	Other Equipment and software	Right-to-use leased land (1)	Right-to-use leased equipment (1)	Accumulated Depreciation/ Amortization	**Total Depreciable Capital Assets, Net**	**Total Capital Assets**
2022	$ 21,759,959	$ 304,564,796	$ 21,973,276	$ 1,323,343	$ 63,252	$ 502,521,382	$ 1,030,962,005	**$ 1,475,177,437**
2021	21,812,576	303,216,166	114,356,000	-	-	474,378,767	1,029,878,776	**1,460,632,136**
2020	19,732,806	303,216,166	103,766,391	-	-	447,759,282	1,052,576,554	**1,472,740,305**
2019	19,632,819	302,995,543	99,772,737	-	-	418,267,917	1,078,488,028	**1,494,658,125**
2018	19,555,850	302,914,591	96,292,791	-	-	389,835,643	1,104,653,643	**1,517,343,794**
2017	19,555,850	297,136,653	100,039,251	-	-	363,334,554	1,129,915,042	**1,548,012,653**
2016	19,555,850	297,129,318	93,179,616	-	-	334,027,402	1,154,872,493	**1,566,110,469**
2015	19,555,850	296,650,557	104,055,428	-	-	305,328,137	1,169,166,248	**1,591,280,036**
2014	19,555,850	155,663,688	241,439,614	-	-	277,687,083	1,044,533,364	**1,604,031,338**
2013	19,517,378	160,793,688	173,522,115	-	-	254,213,727	1,068,305,231	**1,559,885,706**

Notes:

(1) According to Governmental Accounting Standard Board (GASB) the agency had to implement pronouncement 87 related to leases.

Tampa Bay Water (A Regional Water Supply Authority)

Total Capital Assets, in Millions ($)



Tampa Bay Water (A Regional Water Supply Authority)

TABLE 7, Total Net Investment in Capital Assets - Last 10 Fiscal Years

	Capital Assets Not Depreciated				
Fiscal Year	Property, Plant, Equipment and Water Capacity Rights, Net of Depreciation	Bond Issue Costs (Net)	Deferred Outflow	Long Term Debt (All Asset Acquisition Related Except Reserve Funding)	Swaption Payable
2022	1,475,177,437	$ 56,956	$ -	$ (789,253,671)	$ -
2021	1,482,831,963	79,614	-	(837,321,820)	-
2020	1,495,270,471	107,593	-	(882,870,430)	-
2019	1,516,350,777	135,750	-	(926,637,331)	-
2018	1,538,416,823	173,767	-	(960,658,735)	-
2017	1,568,644,697	216,894	-	(990,377,397)	-
2016 (1)	1,586,172,460	265,044	-	(990,342,388)	-
2015	1,610,430,908	319,040	-	(1,015,243,200)	-
2014	1,622,954,508	622,906	-	(1,044,813,707)	-
2013	1,578,157,797	697,792	-	(1,079,504,567)	-

Fiscal Year	Long-Term Debt Applicable to Cash & Investments of Debt Service Reserve and Unexpended Construction Funds	Accounts Payable Construction Funds	Lease Payable (2)	**Total Capital Assets Not Depreciated**
2022	$ 70,834,102	$ (3,169,587)	$ (1,396,988)	**$ 752,248,249**
2021	76,363,218	1,482,831,963	-	**720,309,524**
2020	79,042,646	1,495,270,471	-	**691,056,939**
2019	80,389,213	1,832,748,137	-	**669,942,751**
2018	81,975,633	1,854,814,183	-	**659,267,732**
2017	85,130,890	1,886,703,057	-	**662,029,753**
2016 (1)	91,222,777	1,904,230,820	-	**686,688,585**
2015	100,394,372	1,928,489,268	-	**692,643,905**
2014	116,043,308	1,941,012,868	-	**686,131,583**
2013	187,131,066	1,896,216,157	-	**671,904,960**

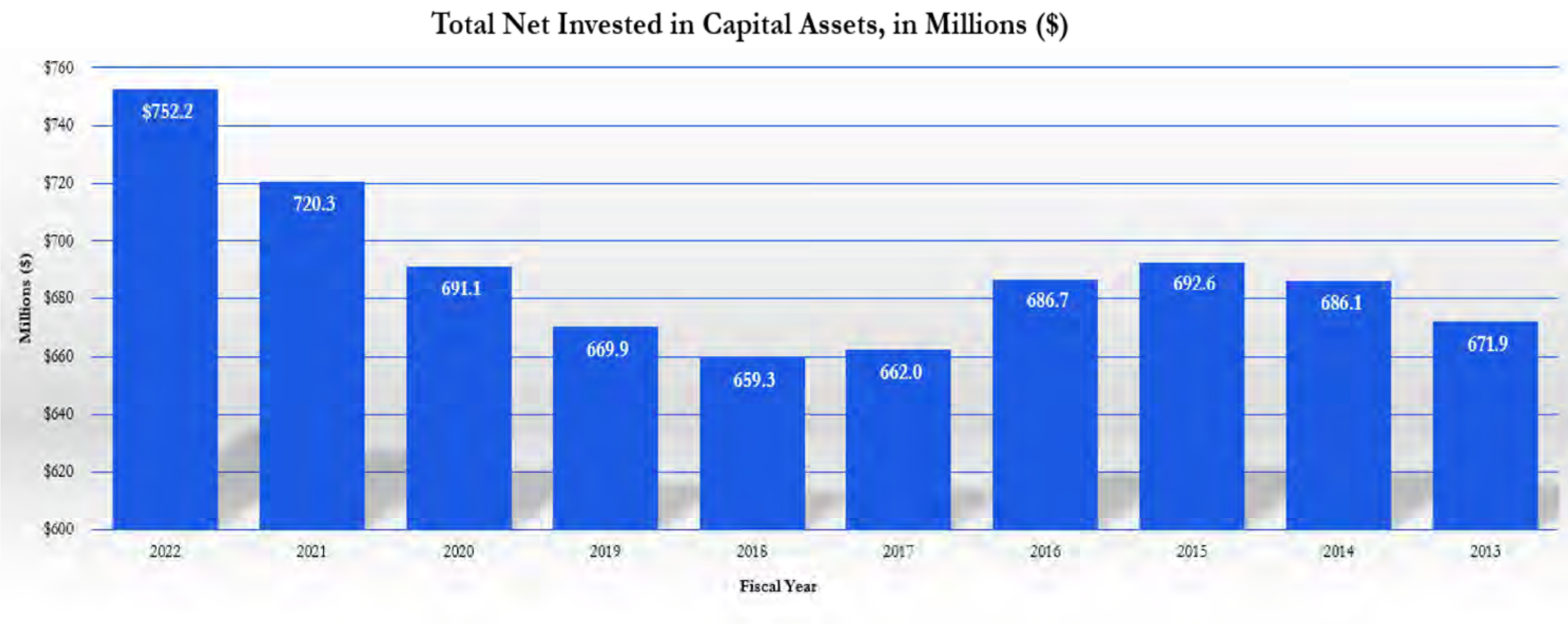
Notes:

(1) Fiscal year 2016 unamortized bond issue premium was restated to reflect a change in bond premium amortization to the Effective Interest Method. The change resulted in an increase of $4,079,403 in unamortized bond issue premium.

(2) According to Governmental Accounting Standard Board (GASB) the agency had to implement pronouncement 87 related to leases

Tampa Bay Water (A Regional Water Supply Authority)

TABLE 7, Total Net Investment in Capital Assets - Last 10 Fiscal Years



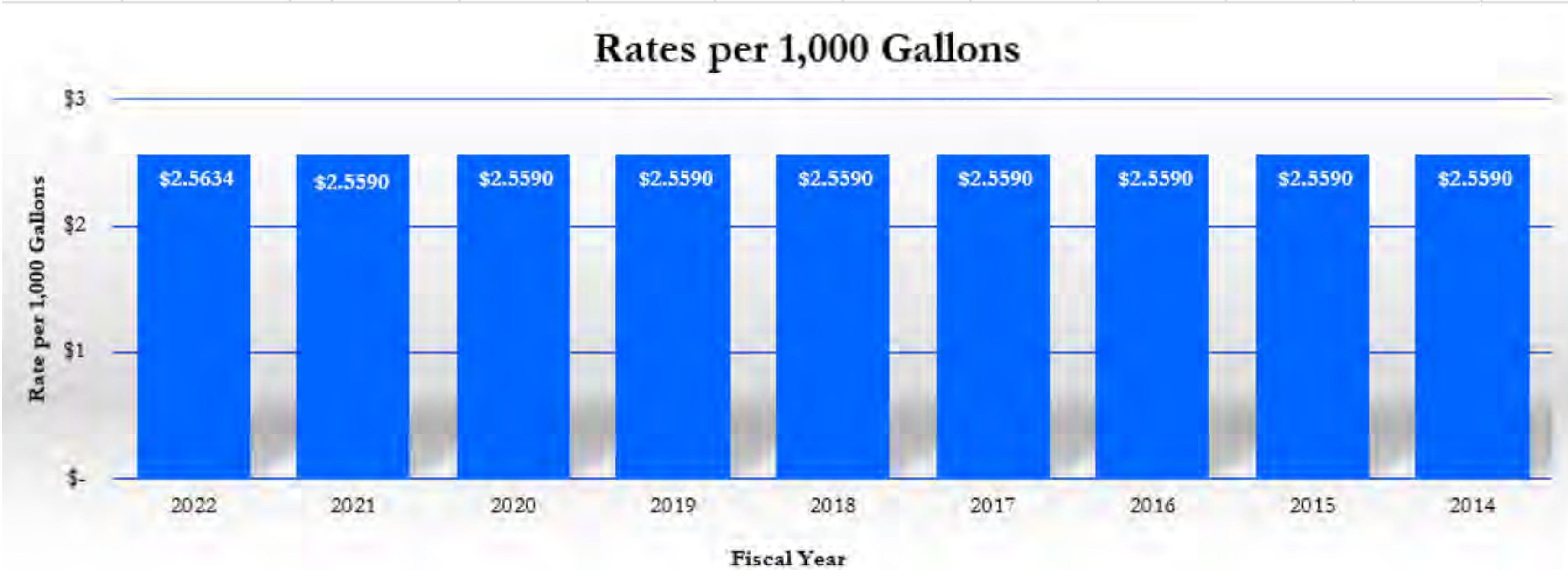
Tampa Bay Water (A Regional Water Supply Authority)

TABLE 8, Schedule of Rates - Last 10 Fiscal Years

Fiscal Year	Water Rate Per 1,000 Gallons [1]
2022	$ 2.5634
2021	$ 2.5590
2020	$ 2.5590
2019	$ 2.5590
2018	$ 2.5590
2017	$ 2.5590
2016	$ 2.5590
2015	$ 2.5590
2014	$ 2.5590
2013	$ 2.5590

Notes:

(1) The rate is set up on a fiscal year basis starting on October 1st of each year.


Rates per 1,000 Gallons
$3
$2
$1
$-
Rate per 1,000 Gallons
$2.5634
$2.5590
$2.5590
$2.5590
$2.5590
$2.5590
$2.5590
$2.5590
$2.5590
2022
2021
2020
2019
2018
2017
2016
2015
2014
Fiscal Year

Tampa Bay Water (A Regional Water Supply Authority)

TABLE 9, Water Sales (Millions of Gallons per Day)

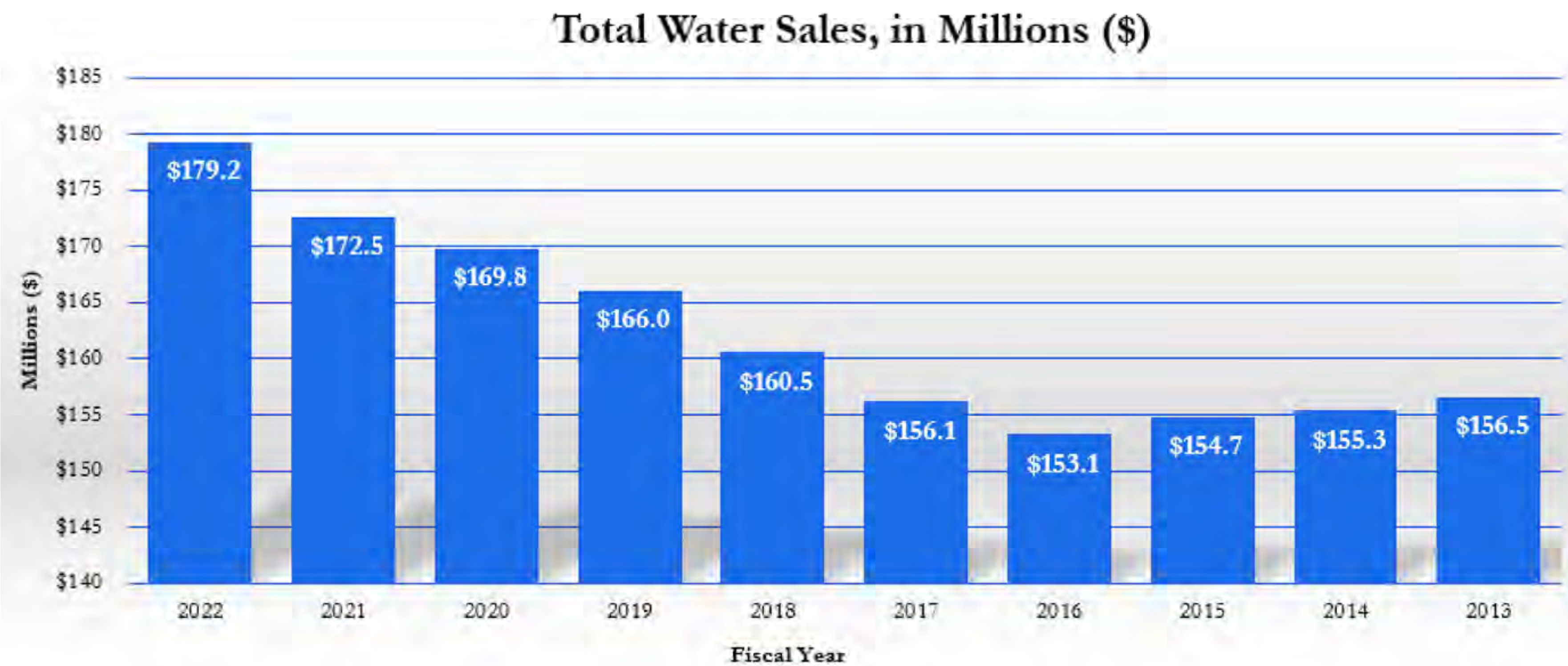
	Fiscal Year Ended 2022		Fiscal Year Ended 2013	
Member Agency	**Water Sales at Uniform Rate (million gallons)**	**Percentage of Water Sold**	**Water Sales at Uniform Rate (million gallons)**	**Percentage of Water Sold**
Hillsborough County	73.74	39.2%	49.30	31.3%
Pasco County	33.54	17.8%	25.31	16.0%
Pinellas County	49.40	26.2%	52.14	33.0%
City of Tampa	1.03	0.5%	0.03	-%
City of New Port Richey	2.94	1.6%	2.68	1.7%
City of St. Petersburg	27.68	14.7%	28.33	18.0%
Total Water Sales	188.33	100.0%	157.79	100.0%

Tampa Bay Water (A Regional Water Supply Authority)

TABLE 10, Water Sales by Member - Last 10 Fiscal Years

Fiscal Year	Pinellas County	Hillsborough County	City of St. Petersburg	Pasco County	City of Tampa	City of New Port Richey	**Total Water Sales**
2022	$ 47,015,336	$ 70,180,618	$ 26,346,736	$ 31,924,563	$ 977,463	$ 2,796,514	**$ 179,241,230**
2021	46,134,029	66,733,278	25,022,885	31,629,931	33,178	2,979,736	**172,533,037**
2020	45,596,714	65,401,748	24,495,756	29,978,156	1,544,227	2,785,714	**169,802,314**
2019	46,515,216	62,196,770	26,486,444	27,881,092	1,548	2,892,261	**165,973,331**
2018	46,139,263	57,692,991	26,961,032	26,958,492	-	2,735,849	**160,487,627**
2017	44,340,391	52,035,317	25,476,569	26,235,773	5,430,465	2,616,597	**156,135,112**
2016	45,936,076	52,414,672	27,143,671	24,681,768	-	2,950,771	**153,126,958**
2015	48,836,008	51,430,199	27,940,618	23,611,104	-	2,906,630	**154,724,559**
2014	50,380,122	50,421,414	27,395,744	24,258,660	-	2,835,657	**155,291,597**
2013	51,593,740	48,786,711	28,031,711	25,046,401	381,307	2,653,012	**156,492,882**

Tampa Bay Water (A Regional Water Supply Authority)



Tampa Bay Water (A Regional Water Supply Authority)

TABLE 11, Short-term and Long-term Debt Outstanding - Last 10 Fiscal Years

Fiscal Year	2001A Bonds	2001A Bonds	2004 Bonds	2005 Bonds	2006 Bonds
2022	$ -	$ 50,000,000	$ -	$ 74,530,000	$ -
2021	-	50,000,000	-	96,820,000	-
2020	50,000,000	50,000,000	-	117,960,000	-
2019	50,000,000	50,000,000	5,005,000	132,990,000	-
2018	50,000,000	50,000,000	18,540,000	138,495,000	-
2017	50,000,000	50,000,000	35,465,000	139,650,000	-
2016	50,000,000	50,000,000	47,235,000	145,060,000	355,000
2015	-	50,000,000	58,415,000	150,205,000	695,000
2014	-	50,000,000	69,070,000	155,080,000	64,795,000
2013	-	50,000,000	79,215,000	159,720,000	67,940,000

Short-term and Long-term Debt

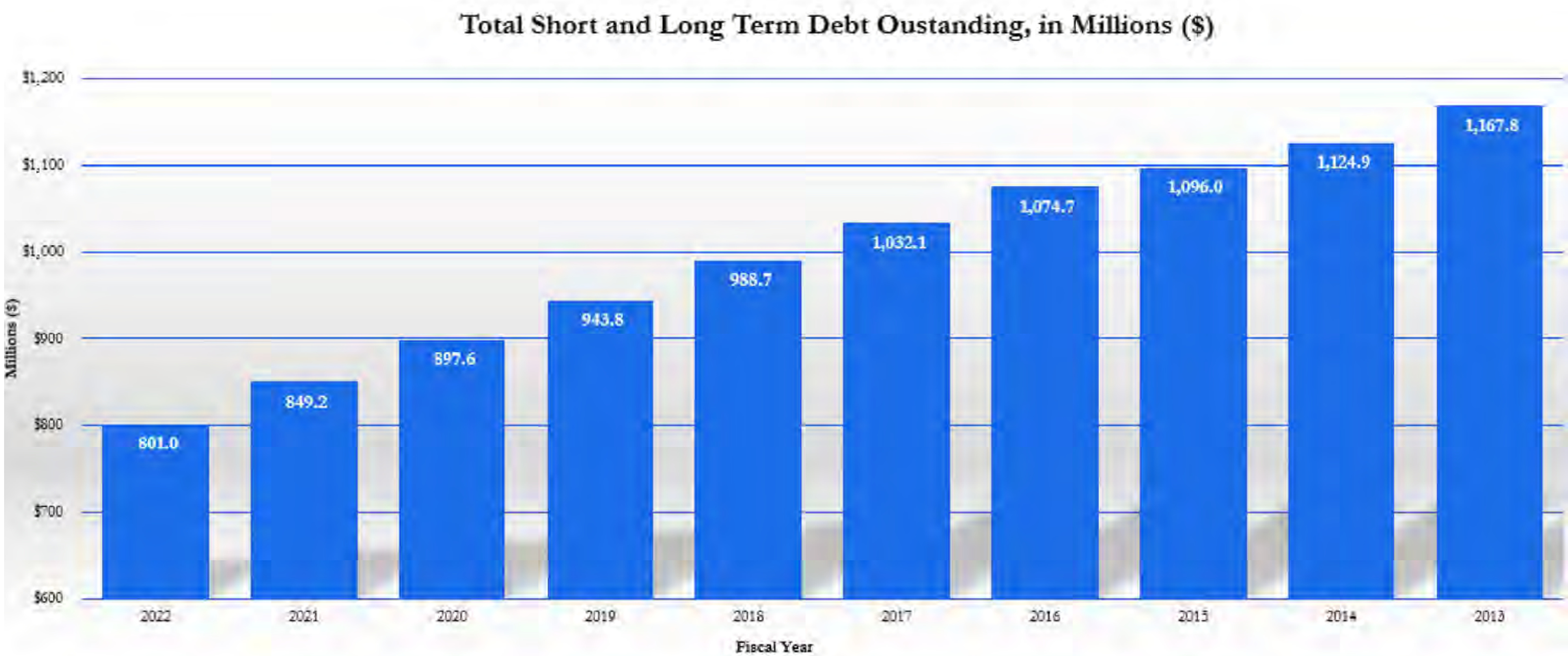
Fiscal Year	2008 Bonds	2010 Bonds	2011 Bonds	2011A Bonds	2011B Bonds	2013 Bonds	2015A Bonds	2015B Bonds	2016A Bonds
2022	$ -	$ -	$ -	$ -	$ -	$ 75,295,000	$ 180,835,000	$ 90,485,000	$ 96,630,000
2021	-	-	12,915,000	40,000	-	75,295,000	180,835,000	91,375,000	96,630,000
2020	-	-	25,205,000	46,140,000	-	75,295,000	180,835,000	92,245,000	96,630,000
2019	-	6,395,000	36,915,000	46,175,000	-	75,295,000	180,835,000	93,100,000	96,630,000
2018	-	6,395,000	48,055,000	46,210,000	-	75,295,000	180,835,000	93,945,000	96,630,000
2017	-	6,395,000	58,670,000	46,245,000	-	75,295,000	180,835,000	94,780,000	96,630,000
2016	-	6,395,000	68,785,000	46,275,000	175,000	75,295,000	180,835,000	95,555,000	96,630,000
2015	101,375,000	66,980,000	78,415,000	46,580,000	29,695,000	75,295,000	180,835,000	95,975,000	-
2014	101,375,000	66,980,000	87,585,000	139,760,000	148,270,000	75,295,000	-	-	-
2013	101,375,000	66,980,000	96,320,000	140,050,000	148,435,000	75,295,000	-	-	-

	Short-term and Long-term Debt						Short-term and Long-term Debt
Fiscal Year	2016B Bonds	2016C Bonds	2020 Master Bonds	Lease Payable (2)	Acquisition Credits	Unamortized Bond Issue Premium (1)	**Short-term and Total Long-term Liabilities**
2022	31,405,000	55,345,000	52,942,000	1,396,988	51,882,449	40,237,758	**800,984,196**
2021	31,650,000	55,345,000	53,338,000	-	59,139,299	45,841,459	**849,223,759**
2020	31,890,000	55,345,000	6,709,000	-	66,048,612	53,248,210	**897,550,822**
2019	32,125,000	55,345,000	-	-	72,627,030	60,395,068	**943,832,098**
2018	32,360,000	55,345,000	-	-	78,890,400	67,700,612	**988,696,013**
2017	32,590,000	55,345,000	-	-	84,858,357	75,389,491	**1,032,147,848**
2016	32,785,000	55,345,000	-	-	90,547,001	83,399,009	**1,074,671,010**
2015	-	-	-	-	95,970,439	65,530,144	**1,095,965,583**
2014	-	-	-	-	101,143,501	65,586,394	**1,124,939,895**
2013	-	-	-	-	106,080,100	76,344,434	**1,167,754,534**

Notes :

(1) Fiscal year 2016 unamortized bond issue premium was restated to reflect a change in bond premium amortization to the Effective Interest Method. The change resulted in a increase of $4,079,701 in unamortized bond issue premium.

(2) According to Governmental Accounting Standard Board (GASB) the agency had to implement pronouncement 87 related to leases

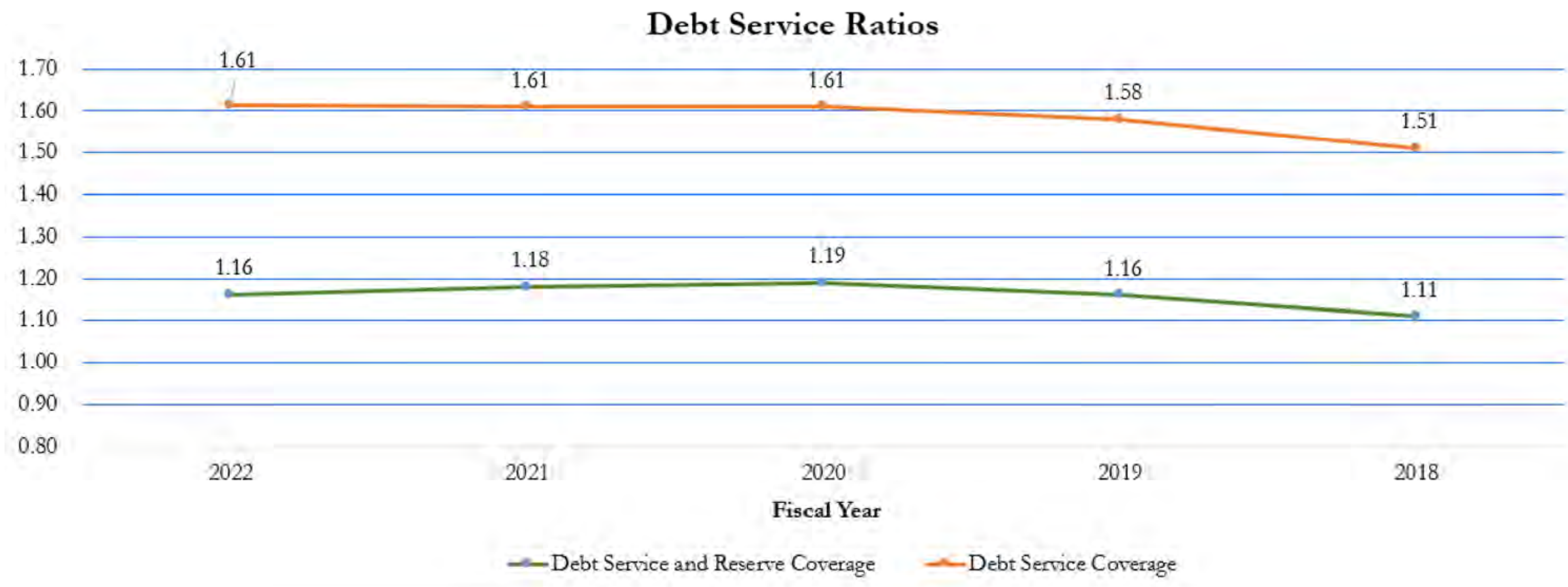

Total Short and Long Term Debt Oustanding, in Millions ($)
Millions ($)
$1,200
$1,100
$1,000
$900
$800
$700
$600
801.0
849.2
897.6
943.8
988.7
1,032.1
1,074.7
1,096.0
1,124.9
1,167.8
2022
2021
2020
2019
2018
2017
2016
2015
2014
2013
Fiscal Year

Tampa Bay Water (A Regional Water Supply Authority)

TABLE 12, Historical Operating Results - Last 5 Fiscal Years

	2022	2021	2020	2019	2018
Revenue					
Actual water demand (mgd)	188.3330	184.7860	184.0050	173.3370	169.6570
Uniform Rate (per 1,000 gallons)	$ 2.5634	$ 2.5590	$ 2.5590	$ 2.5590	$ 2.5590
Revenue from sale of water	179,602,833	173,170,025	170,361,888	166,239,557	160,868,419
Rate stabilization transfer	(4,924,749)	(5,450,399)	(1,737,848)	(5,274,114)	(2,955,840)
	174,678,084	167,719,626	168,624,040	160,965,443	157,912,579
Purchase price amortization credit	(10,231,557)	(10,231,557)	(10,231,557)	(10,231,557)	(10,231,557)
Litigation and insurance recoveries	7,979	36,841	19,851	6,476	18,178
Investment revenue - unrestricted (1)	2,263,510	2,943,657	3,738,379	3,804,846	2,440,815
Total Revenue	166,718,016	160,468,567	162,150,713	154,545,208	150,140,015
Operation and maintenance expense (2)	(87,837,183)	(77,922,095)	(78,983,797)	(73,093,862)	(72,133,615)
Net Revenue	78,880,833	82,546,472	83,166,916	81,451,346	78,006,400
Annual debt service payments Series 2001A bonds	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000
Annual debt service payments Series 2004 bonds	-	-	5,136,381	14,153,056	18,342,631
Annual debt service payments Series 2005 bonds	27,002,125	27,046,450	21,931,125	12,970,838	8,803,988
Annual debt service payments Series 2010 bonds	-	-	319,750	319,750	319,750
Annual debt service payments Series 2011 bonds	13,237,875	13,243,000	13,263,000	13,264,250	13,283,125
Annual debt service payments Series 2011A bonds	40,625	2,294,625	2,295,675	2,296,725	2,298,125
Annual debt service payments Series 2013 bonds	3,619,550	3,619,550	3,619,550	3,619,550	3,619,550
Annual debt service payments Series 2015A bonds	7,611,150	7,611,150	7,611,150	7,611,150	7,611,150
Annual debt service payments Series 2015B bonds	3,643,883	3,641,827	3,642,320	3,645,149	3,645,125
Annual debt service payments Series 2016A bonds	4,356,688	4,356,688	4,356,688	4,356,688	4,356,688
Annual debt service payments Series 2016B bonds	1,333,332	1,333,216	1,332,406	1,336,040	1,334,094
Annual debt service payments Series 2016C bonds	2,767,250	2,767,250	2,767,250	2,767,250	2,767,250
Annual debt service payments Series 2020 Master Bond	1,336,096	146,269	-	-	-
Total Debt Service	67,948,574	69,060,025	69,275,295	69,340,446	69,381,476
Total debt service and reserve requirements	67,948,574	69,060,025	69,275,295	69,340,446	69,381,476
Debt service and reserve coverage (times)	1.16	1.18	1.19	1.16	1.11
Fund Balance (4)	30,811,788	30,152,968	29,314,554	29,652,353	28,097,906
Net revenue plus fund balance	$ 109,692,621	$ 112,699,440	$ 112,481,470	$ 111,103,699	$ 106,104,306
Debt Service coverage (times) (times)	1.61	1.61	1.61	1.58	1.51

Note 1: Investment revenue does not include interest on construction funds or unrealized investment revenue from derivative instruments.
Note 2: Operation and maintenance expense include capital expense for maintenance of the existing system.
Note 3: Debt service coverage is calculated on the total debt service requirement, net of any capitalized interest provided from bond proceeds, in accordance with the Bond Resolution.
Note 4: Fund balance is defined by the Bond Resolution and is calculated as of the prior year-end in accordance with the Bond Resolution.



Tampa Bay Water (A Regional Water Supply Authority)

TABLE 13, General Information as of September 30, 2022

Number of member agencies:	6
Cities:	3
Counties:	3

Notes: Each of the countries have two board members and each of the cities have one.

Tampa Bay Water (A Regional Water Supply Authority)

TABLE 14, Operating Indicators - Last 10 Fiscal Years

Fiscal Year	Service Area (Square Miles)	Miles of Treated Water Pipeline	Miles of Untreated Water Pipeline	Number of Service Connections	Groundwater Wellfields	Number of Groundwater Treatment Plants	Groundwater Treatment Capacity (1)	Desalination Treatment Plant	Desalination Treatment Capacity
2022	2,076	156	115	21	13	6	181	1	25
2021	2,076	156	115	21	13	6	181	1	25
2020	2,076	156	115	21	13	6	181	1	25
2019	2,076	156	115	21	13	6	181	1	25
2018	2,076	156	115	21	13	6	181	1	25
2017	2,076	156	115	21	13	6	181	1	25
2016	2,076	156	115	21	13	6	181	1	25
2015	2,076	156	115	21	13	6	181	1	25
2014	2,076	156	115	21	13	6	181	1	25
2013	2,076	156	115	21	13	6	181	1	25

Fiscal Year	Hydrogen Sulfide Treatment Plants	Hydrogen Sulfide Treatment Capacity (1)	Number of Surface Water Treatment Plants	Surface Water Treatment Capacity (1)	Treated Water Booster Stations	Untreated Water Lift/Withdrawal/ Booster Stations	Water Supply Reservoir	Water Supply Reservoir Capacity (Billion Gallons)
2022	2	80	1	120	4	5	1	15.5
2021	2	80	1	120	4	5	1	15.5
2020	2	80	1	120	4	5	1	15.5
2019	2	80	1	120	4	5	1	15.5
2018	2	80	1	120	4	5	1	15.5
2017	2	80	1	120	4	5	1	15.5
2016	2	80	1	120	4	5	1	15.5
2015	2	80	1	120	4	5	1	15.5
2014	2	80	1	120	4	5	1	15.5
2013	2	80	1	120	4	5	1	15.5

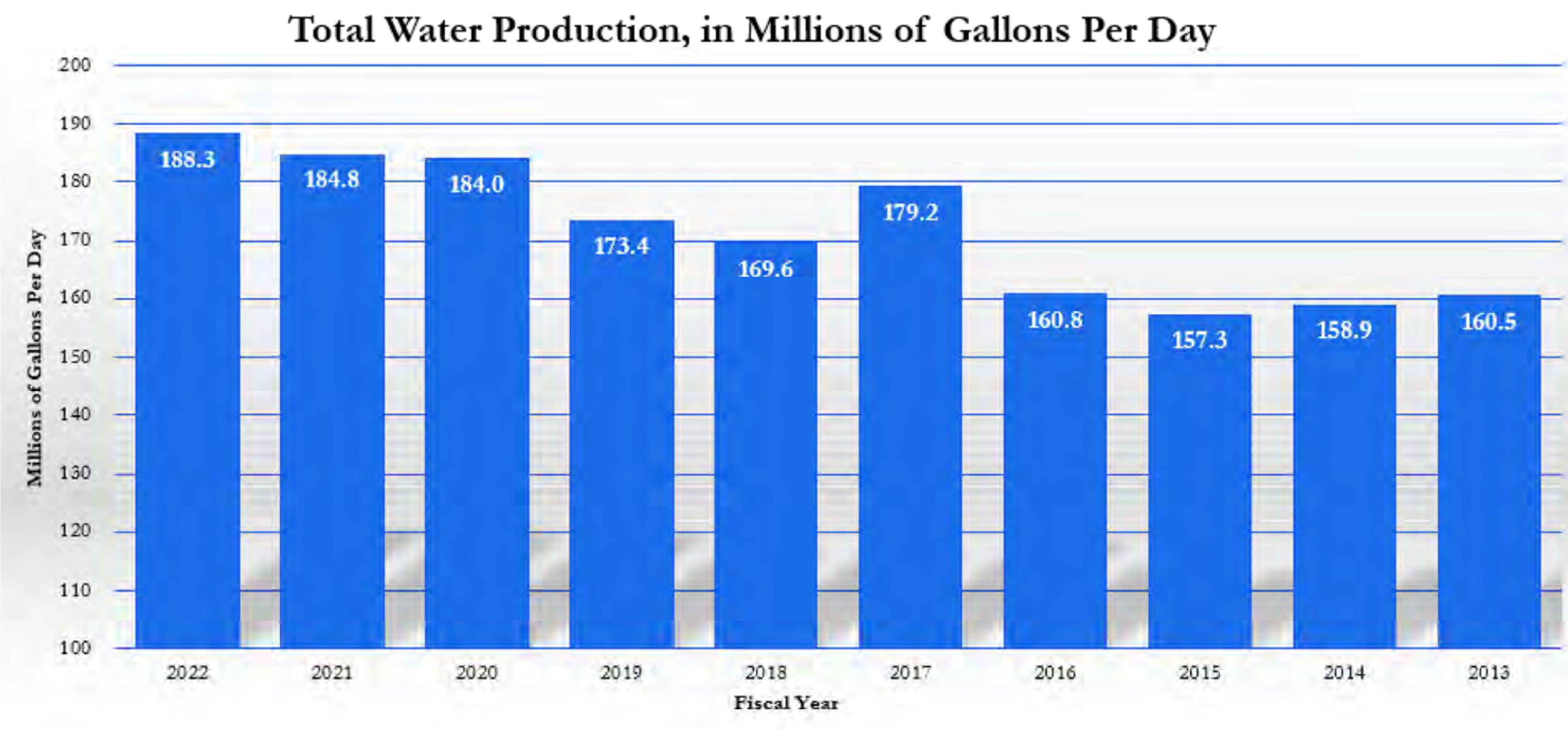
Notes :

(1) Million Gallons per Day.

Tampa Bay Water (A Regional Water Supply Authority)

TABLE 15, Total Water Production - Last 10 Fiscal Years

Fiscal Year	Ground Water	Surface Water	Desalinated Water	**Total Water Production (Million Gallons Per Day)**
2022	107.8	73.4	7.1	**188.3**
2021	110.9	68.6	5.3	**184.8**
2020	111.8	63.7	8.5	**184.0**
2019	108.1	58.7	6.6	**173.4**
2018	105.9	57.9	5.8	**169.6**
2017	109.7	62.5	7.0	**179.2**
2016	102.0	57.5	1.3	**160.8**
2015	102.2	52.9	2.2	**157.3**
2014	94.0	55.8	9.1	**158.9**
2013	104.2	45.9	10.4	**160.5**


Total Water Production, in Millions of Gallons Per Day
Millions of Gallons Per Day
200
190
180
170
160
150
140
130
120
110
100
188.3
184.8
184.0
173.4
169.6
179.2
160.8
157.3
158.9
160.5
2022
2021
2020
2019
2018
2017
2016
2015
2014
2013
Fiscal Year

Tampa Bay Water (A Regional Water Supply Authority)

TABLE 16, Employment by Industry - Fiscal Year 2022 and 2013

	Hillsborough County		Pasco County		Pinellas County	
Industry	**2022**	**2013**	**2022**	**2013**	**2022**	**2013**
Utilities	2,849	2,887	840	718	639	446
Construction	43,943	30,108	10,404	6,908	23,812	17,349
Machinery Manufacturing	1,239	1,237	809	944	2,678	2,916
Transportation Equipment Manifacturing	1,576	1,230	124	67	1,475	1,606
Wholesale Trade	36,676	31,990	2,661	2,217	15,394	14,046
Information	18,382	17,248	1,015	940	7,535	7,649
Other Services	25,363	21,753	4,716	4,060	16,474	14,992
Education & Health Services	101,534	83,866	25,368	20,776	80,091	72,362
Financial Activities	79,283	63,804	4,893	4,050	34,361	30,679
Federal Government	15,094	14,434	781	758	6,844	7,207
Local Government	55,329	51,428	16,185	14,630	34,108	33,596
State Government	18,549	17,073	1,784	1,701	5,178	5,218
Leisure and Hospitality	84,783	66,138	16,543	12,538	57,982	49,447
Manufacturing	26,029	25,026	3,228	3,218	28,314	30,323
Chemical, Energy, Plastic, and Rubber Manufacturing	2,855	2,853	299	271	2,907	3,033
Electronic and Electrical Manufacturing	2,769	2,774	308	287	8,523	9,031
Food, Beverage, and Tobacco Manufacturing	5,347	5,200	223	229	1,090	1,023
Furniture and Misc. Manufacturing	3,188	2,648	385	348	5,205	5,551
Metals and Mining Based Manufacturing	5,191	5,105	824	804	2,617	3,089
Textile, Fiber, and Printing Manufacturing	3,867	3,981	256	269	3,821	4,073
Office using Industries	263,554	207,488	21,259	18,531	137,005	114,926
Professional and Business Services	165,039	117,187	13,712	11,418	87,251	66,231
Natural Resources and Mining	482	338	30	19	6	3
Retail Trade	77,880	69,770	21,237	18,963	52,480	51,217
Transportation and Warehousing	16,666	14,833	1,050	1,025	5,205	5,291
Trade, Transportation and Utilities	134,071	119,480	25,788	22,923	73,718	71,001
Transportation, Warehousing and Utilities	19,515	17,720	1,891	1,743	5,844	5,738

Tampa Bay Water (A Regional Water Supply Authority)

TABLE 17, Demographic and Economic Statistic - Last 10 Calendar Years [1]

Hillsborough County

Fiscal Year	County Population (in thousands)	Per Capital Personal Income (in dollars)	Single Family Building Permits	Multi Family Building Permits	Unemployment Rate
2022	1,564	62,019	10,931	5,154	3.899%
2021	1,532	59,485	10,703	4,876	4.700
2020	1,501	57,118	10,384	4,518	5.900
2019	1,469	54,861	10,327	4,194	3.691
2018	1,438	52,035	10,253	4,889	3.855
2017	1,405	48,398	9,154	6,041	4.215
2016	1,374	45,047	6,457	4,554	4.453
2015	1,344	42,467	5,271	4,026	5.041
2014	1,316	41,902	4,411	3,079	5.839
2013	1,294	40,568	4,798	2,074	6.711

Pasco County

Fiscal Year	County Population (in thousands)	Per Capital Personal Income (in dollars)	Single Family Building Permits	Multi Family Building Permits	Unemployment Rate
2022	557	53,017	4,362	1,550	4.478%
2021	548	50,752	4,289	1,472	5.000
2020	539	48,657	4,174	1,369	5.600
2019	528	46,695	4,162	1,274	4.239
2018	519	44,211	4,142	1,488	4.428
2017	509	40,897	3,718	1,849	4.841
2016	501	37,924	2,639	1,403	5.115
2015	493	2,639	1,403	-	5.790
2014	485	33,953	1,825	960	6.707
2013	476	32,830	1,553	421	7.819

Pinellas County

Fiscal Year	County Population (in thousands)	Per Capital Personal Income (in dollars)	Single Family Building Permits	Multi Family Building Permits	Unemployment Rate
2022	1,034	71,390	1,589	1,604	3.881%
2021	1,022	68,458	1,570	1,531	5.200
2020	1,010	65,688	1,522	1,431	5.500
2019	996	63,222	1,541	1,339	3.674
2018	982	60,134	1,542	1,573	3.837
2017	970	55,984	1,391	1,965	4.195
2016	958	52,190	993	1,498	4.432
2015	947	49,252	821	1,341	5.018
2014	938	45,925	695	1,038	5.812
2013	930	44,362	714	2,341	6.778

Notes:

[1] Information is retrieved from Moody's Corporation Database.

TAMPA BAY WATER

Supplying Water To The Region

IV. COMPLIANCE SECTION

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Board of Directors of
Tampa Bay Water, A Regional Water Supply Authority
Clearwater, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Tampa Bay Water, A Regional Water Supply Authority (the "Agency"), as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the Agency's basic financial statements, and have issued our report thereon dated February 15, 2023.

Report on Internal Control Over Financial Reporting

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

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

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

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Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Agency's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

Mauldin & Jenkins, LLC

Bradenton, Florida
February 15, 2023

TAMPA BAY WATER

SCHEDULE OF FINDINGS AND RESPONSES
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022

SECTION I
SUMMARY OF AUDIT RESULTS

Financial Statements

Type of report the auditor issued on whether the financial statements were prepared in accordance with GAAP:	Unmodified
Internal control over financial reporting: Material weaknesses identified?	____ yes __X__ no
Significant deficiencies identified not considered to be material weaknesses?	____ yes __X__ none reported
Noncompliance material to financial statements noted?	____ yes __X__ no

Federal Programs and State Financial Assistance Projects

There was not an audit of major federal award programs or state financial assistance projects as of September 30, 2022 due to the total amount expended being less than $750,000.

SECTION II
FINANCIAL STATEMENT FINDINGS AND RESPONSES

None reported.

SECTION III
FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS

Not applicable.

SECTION IV
STATE PROJECTS FINDINGS AND QUESTIONED COSTS

Not applicable.

TAMPA BAY WATER

SCHEDULE OF FINDINGS AND RESPONSES
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022

STATUS OF PRIOR YEAR AUDIT FINDINGS

None noted.

Tampa Bay Water (A Regional Water Supply Authority)

Schedule of Debt Service Coverage - Utility System Revenue Bonds, Series 2001A, 2005, 2011, 2011A 2013, 2015A, 2015B, 2016A, 2016B, 2016C and 2020 Master Bonds

Article I. September 30, 2022

Revenue		
Actual water demand (mgd)		188.3330
Uniform rate (per 1,000 gallons)	$	2.5634
Revenue from sales		179,602,833
Transfer (to) from Rate Stabilization Fund		(4,924,749)
		174,678,084
Purchase price amortization credit		(10,231,557)
Ligitation and insurance recoveries		7,979
Investment revenue - unrestricted		2,263,510
Total revenue		166,718,016
Operation and maintenance expenditures		(87,837,183)
Net revenue		78,880,833
Annual debt service payments Series 2001A bonds		3,000,000
Annual debt service payments Series 2005 bonds		27,002,125
Annual debt service payments Series 2011 bonds		13,237,875
Annual debt service payments Series 2011A bonds		40,625
Annual debt service payments Series 2013 bonds		3,619,550
Annual debt service payments Series 2015A bonds		7,611,150
Annual debt service payments Series 2015B bonds		3,643,883
Annual debt service payments Series 2016A bonds		4,356,688
Annual debt service payments Series 2016B bonds		1,333,332
Annual debt service payments Series 2016C bonds		2,767,250
Annual debt service payments Series 2020 Master bonds		1,336,096
Total debt service		67,948,574
Total debt service and reserve requirements		67,948,574
Debt service and reserve coverage (times)		1.16
Fund balance		30,811,788
Net revenue plus fund balance	$	109,692,621
Debt service coverage (times)		1.61

Note 1: Investment revenue does not include interest on construction funds or unrealized investment gains in 2021.

Note 2: Operation and maintenance expenditures include capital expenditures for maintenance of the existing system of in 2022.

Note 3: Fund balance is defined by the Master Bond Resolution and is calculated as of the prior year-end in accordance with the Master Bond Resolution.

Note 4: Debt service coverage is calculated on the total debt service requirement, net of any capitalized interest provided from bond proceeds, in accordance with the Master Bond Resolution.

MAULDIN & JENKINS
CPAs & ADVISORS

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Tampa Bay Water, A Regional Water Supply Authority
Clearwater, Florida

We have audited, in accordance with auditing standards generally accepted in the United States of America, the financial statements of Tampa Bay Water, A Regional Water Supply Authority (the "Agency"), which comprise the Statement of Net Position as of September 30, 2022, and the Statements of Activities and Cash Flows, and the related notes to the financial statements, and have issued our report, thereon, dated February 15, 2023.

In connection with our audit, nothing came to our attention that caused us to believe that the Agency failed to comply with the terms, covenants, provisions, or conditions of Sections 4 and 5 of the Master Bond Resolution dated August 31, 1998, insofar as they relate to accounting matters for the following bonds:

- Utility System Refunding and Improvement Revenue Bonds, Series 2001A
- Utility System Refunding and Improvement Revenue Bonds, Series 2005
- Utility System Refunding Revenue Bonds, Series 2011
- Utility System Refunding Revenue Bonds, Series 2011A
- Utility System Refunding Revenue Bonds, Series 2013
- Utility System Refunding Revenue Bonds, Series 2015A
- Utility System Refunding Revenue Bonds, Series 2015B
- Utility System Refunding Revenue Bonds, Series 2016A
- Taxable Utility System Refunding Revenue Bonds, Series 2016B
- Utility System Refunding Revenue Bonds, Series 2016C
- Utility System Refunding Revenue Master Bond, Series 2020

However, our audit was not directed primarily toward obtaining knowledge of such noncompliance. Accordingly, had we performed additional procedures, other matters may have come to our attention regarding the Agency's noncompliance with the above referenced terms, covenants, provisions, or conditions of Sections 4 and 5 of the Master Bond Resolution dated August 31, 1998, insofar as they relate to accounting matters.

This report is intended solely for the information and use of the Agency and the member governments and is not intended to be, and should not be, used by anyone other than the specified parties.

Mauldin & Jenkins, LLC

Bradenton, Florida
February 15, 2023

MAULDIN & JENKINS
CPAs & ADVISORS

INDEPENDENT AUDITOR'S MANAGEMENT LETTER

To the Board of Directors of
Tampa Bay Water, A Regional Water Supply Authority
Clearwater, Florida

Report on the Financial Statements
We have audited the financial statements of Tampa Bay Water, A Regional Water Supply Authority (the "Agency"), as of and for the fiscal year ended September 30, 2023, and have issued our report thereon dated February 15, 2023.

Auditor's Responsibility
We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and Chapter 10.550, Rules of the Auditor General.

Other Reporting Requirements
We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and On Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards* and Independent Accountant's Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports and schedule, which are dated February 15, 2023, should be considered in conjunction with this management letter.

Prior Audit Findings
Section 10.554(1)(i)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. There were no findings or recommendations in the preceding annual financial report requiring correction.

Official Title and Legal Authority
Section 10.554(1)(i)4., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. This information is disclosed in the notes to the financial statements.

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

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

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

Specific Information

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

a) The total number of agency employees compensated in the last pay period of the agency's fiscal year as 155.
b) The total number of independent contractors to whom nonemployee compensation was paid in the last month of the agency's fiscal year as 40.
c) All compensation earned by or awarded to employees, whether paid or accrued, regardless of contingency as $13,011,267.
d) All compensation earned by or awarded to nonemployee independent contractors, whether paid or accrued, regardless of contingency as $11,348,617.
e) Each construction project with a total cost of at least $65,000 approved by the agency that is scheduled to begin on or after October 1 of the fiscal year being reported, together with the total expenditures for such project is noted below:

Project No.	Project Name	Actuals Thru October 1, 2022
50067	Tampa Bypass Canal Transmission Main and Off-stream Reservoir Pump Station Cathodic Protection	$ 71,183
50049	High Service Pump Station Chemical Piping Replacement	73,259
07033	Tampa Bay Desalination Facility Intake Connection Improvements-Phase 2	313,501
50077	Repump Station Raw Water Line Valve Repair	545,736
01615	South Pasco Water Treatment Plant Caustic Feed System	683,400
50031	Cypress Bridge Wellfield Improvements	936,977
50021	Morris Bridge WF Improvements	949,836
01616	South Hillsborough Pipeline (Segment B)	997,250
07072	Tampa Bypass Canal Gates Automation	1,228,156
01610	South Hillsborough Pipeline (Segment A)	1,632,774
07010	Regional Facility Site Pump Station Expansion	2,462,632
50040	Eldridge Wilde WF Underground Powerline	2,553,310
50016	Eldridge-Wilde WF Pumps and Motors Replacement	6,643,855
01609	Southern Hillsborough County Supply Expansion-Booster Pump Station (Brandon Booster Station)	7,145,053
50078	Tampa Bay Desalination Finished Water Line Repair	840,380
07032	Tampa Bay Desalination Facility Intake Connection Improvements-Phase 1	1,907,481
52004	C.W. Bill Young Regional Reservoir Solar Energy System	1,319,515
	Total	**$ 30,304,298**

f) A budget variance based on the budget adopted under Section 189.016(4), Florida Statutes, before the beginning of the fiscal year being reported if the agency amends a final adopted budget under Section 189.016(6), Florida Statutes, as noted on page 108.

Additional Matters

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

Purpose of this Letter

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, federal and other granting agencies, the Board of Directors, and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.

Mauldin & Jenkins, LLC

Bradenton, Florida
February 15, 2023

MAULDIN & JENKINS
CPAs & ADVISORS

INDEPENDENT ACCOUNTANT'S REPORT

To the Board of Directors of
Tampa Bay Water, A Regional Water Supply Authority
Clearwater, Florida

We have examined Tampa Bay Water, A Regional Water Supply Authority's (the "Agency") compliance with Section 218.415, Florida Statutes, regarding the investment of public funds during the year ended September 30, 2022. Management is responsible for the Agency's compliance with those requirements. Our responsibility is to express an opinion on the Agency's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence about the Agency's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the Agency's compliance with specified requirements.

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

In our opinion, the Agency complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2022.

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

Mauldin & Jenkins, LLC

Bradenton, Florida
February 15, 2023

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