

# **ANNUAL COMPREHENSIVE FINANCIAL REPORT**

SOUTH SEMINOLE AND NORTH ORANGE COUNTY  
WASTEWATER TRANSMISSION AUTHORITY  
Maitland, Florida

For the year ended September 30, 2021

Prepared by:

Authority Accountant

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**ANNUAL COMPREHENSIVE FINANCIAL REPORT  
SOUTH SEMINOLE AND NORTH ORANGE COUNTY  
WASTEWATER TRANSMISSION AUTHORITY**

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# SOUTH SEMINOLE & NORTH ORANGE COUNTY WASTEWATER TRANSMISSION AUTHORITY

410 Lake Howell Road Maitland, FL 32751-5907

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February 7, 2022

Authority Board Members  
South Seminole and North Orange County  
Wastewater Transmission Authority

Dear Authority Board Members:

The Annual Comprehensive Financial Report of the South Seminole and North Orange County Wastewater Transmission Authority (Authority) for the year ended September 30, 2021, is hereby submitted. Responsibility for both the accuracy of the data, and the completeness and fairness of the presentation, including all disclosures, rests with management. To the best of our knowledge and belief, the enclosed data are accurate in all material respects and are reported in a manner that presents fairly the financial position and results of operations of the South Seminole and North Orange County Wastewater Transmission Authority. All disclosures necessary to enable the reader to gain an understanding of the South Seminole and North Orange County Wastewater Transmission Authority's financial activities have been included.

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

**Reporting Entity Definition:** The Authority, in determining the entity to be reported on, used the Governmental Accounting Standards Board (GASB) Statement No. 14, The Financial Reporting Entity, as amended. The financial reporting entity consists of the primary government, organizations for which the primary government is financially accountable, and the other organizations for which the nature and significance of their relationship with their primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. The Authority has no component units.

**Governmental Structure:** The South Seminole and North Orange County Wastewater Transmission Authority was created by an Act of Florida Legislature in 1978 as a separate local agency of the government with powers designed to meet the particular needs of the area in relationship to transmission of wastewater to a regional sewage treatment plant (Iron Bridge Treatment Facility).

The Authority, an Independent Special District, encompasses a service area of approximately sixty-eight (68) square miles. It owns and operates an untreated wastewater transmission system located in portions of Seminole County, Orange County, and the Cities of Casselberry, Winter Park, and Maitland. The Authority provides such service to Seminole County, the Cities of Maitland, Casselberry, and Winter Park. Until June 29, 2021, the Authority could have provided service to the City of Winter Springs; however, the Florida Legislature amended the Enabling Act and the City is no longer a member/customer of the Authority as it has its own wastewater system.

Design work for the Authority began in the spring of 1979. Construction grants were obtained from the Environmental Protection Agency (EPA), and Bond Anticipation Notes were issued during 1981 in the amount of \$7,000,000. Construction on the system began in February 1982. Initial flows into the system were begun in February 1983 and the total system completed in the fall of 1983. The Bond Anticipation Notes issued in December 1981 were replaced by Sewer Revenue Bonds in December 1983 and replaced at lower interest rates with bond issues in 1986 and 1993. EPA grants in the amount of \$8,876,992 had been received by September 30, 1984. Upon the pay-off of the 1993 Sewer Revenue Bonds, new bonds were issued in the amount of \$8,515,000 to fund Phase I of the Master Plan-Capital Improvement Projects (CIP).

The facilities owned by the Authority within the service area consist of thirty-five (35) metering points and pump stations and approximately thirty-eight (38) miles of force mains ranging in size from eight inch (8") to thirty-six inch (36") diameters. The Authority also owns a section of forty-two inch (42") and forty-eight inch (48") diameter gravity sewer lines and discharges into the City of Orlando's eighty-four inch (84") diameter gravity sewer for the final leg of transmission and ultimately treatment at the City of Orlando's Iron Bridge Treatment Facility. The Authority's present committed flow through the system is 13.203 million gallons per day (MGD).

The Cities of Maitland, Casselberry, Winter Park, and Seminole County are entitled to representation on the governing board. Each governmental entity appoints one member and one alternate member. The alternate member is authorized by each respective entity to act in all matters for the member during the absence of the member at any duly authorized board meeting. The term of office is four (4) alternating years terminating in successive years on September 30.

The Legislative Act creates a 100-vote basis for conducting business with the first fifty (50) votes divided equally among board members and the remaining fifty (50) votes divided in proportion to the committed capacity for each governmental entity.

The Authority Board Members have the power to represent the Authority and have the exclusive responsibility and power to adopt the annual budget for the operation of the Authority. The Authority does not have the power to levy taxes but receives all revenues from its member entities through Interlocal Agreements.

The Authority has one (1) employee. Duties other than administrative are provided by service contracts. The legal firm of Brown, Garganese, Weiss and D'Agresta, P.A. is the Authority's Attorneys (represented by the same attorney since 1990) and the firm of CHA Consulting (formerly Reiss Engineering) is the Authority's Consulting Engineers. Lombardo Spradley & Klein, CPAs provide accounting services.

## **OPERATIONAL OUTLOOK**

In order to ensure the viability and the financial integrity of the Authority's System, the Act gives the Authority the power to compel all retail sewage collection within its legislated boundaries to utilize its facilities. The Act further gives the Authority the ability to compel by legal proceedings payment by for among other things, the Authority's operation, maintenance and debt service expenses.

Each member entity (customer) of the Authority has executed with the City of Orlando, Uniform Intergovernmental Agreements, whereby Orlando agrees to treat, at the City of Orlando's Iron Bridge Treatment Facility, a certain volume of sewage (committed capacity) generated within each customer's service area. The Authority's user charge system, which has been formalized through Uniform Interlocal Agreements (recently amended and restated) executed between the Authority and each one of its member entities, states that each customer will be billed monthly for its pro rata share of 100% of the Authority's operation, maintenance and depreciation expenses and 110% of the debt service expense of the bond based solely upon its committed flow. Member entities are charged penalties when total committed capacity is exceeded.

With the exception of initial construction in 1982 and 1983 and two State Tribal Assistance Grants in the amounts of \$144,300 (2004) and \$485,000 (2012-2013) from the Environmental Protection Agency, the Authority has not received any Federal or State funding.

**Local Economy:** In 2020 the economy in Central Florida experienced record unemployment rates due to the COVID 19 pandemic. In 2021 the unemployment rates returned to more normal levels in spite of the ongoing pandemic. The area's major industries include Leisure & Hospitality, Professional & Business Services, Retail, and Education & Health. Prior to the pandemic the area's labor force had increased and unemployment rates declined or remained low over the past 6 years. Economists are predicting that payroll job growth in Central Florida will surpass national job growth as we continue to rebound from the job losses caused by the pandemic.

**Long Term Financial Planning:** Funding for identified projects is addressed through the existing rate structure which includes a depreciation component. This growth element is reviewed and adjusted annually but may not exceed the actual depreciation of the prior fiscal year. This component is offset according to the required increase in debt service for project funding.

**Major Initiatives for the Year:** The Authority, by virtue of the Act, is to maintain the system and all components in good condition and operate the same in an economical and efficient manner and does so by making proper expenditures for equipment, repairs and replacements.

The following is a summary of significant accomplishments and project related activities and expenses made by the Authority during the fiscal year:

Since the majority of the Authority's facilities were constructed in the 1970s and 1980s, these original facilities are approaching the end of their useful lives requiring extensive maintenance or have limited capacities. Improvements to the Authority's pumping stations were identified through facility inspections, discussions with the operation and maintenance personnel of the entities and through hydraulic analyses performed via computer modeling. The Authority is presently in the engineering/design/construction phase for major system replacements, and force main relocations. All design flows and criteria for the Authority's system are updated as system changes occur and compared with the calibrated hydraulic model to identify potential capacity and operational issues. Additionally periodic systematic pipe testing is conducted as emphasized in the original Hydraulic Analysis as a proactive approach to identify, maintain, and replace components of the systems before reaching critical stage.

The engineering firm continued with the engineering and design and coordinating the scheduling of the contractors for the upcoming projects in the Capital Improvement Plan, including lift station renovations, installation of generators and additional replacement of pipe segments that have been identified as reaching the end of their useful life. The Authority now has seven pre-qualified contractors to perform "on call" pump station and pipeline system work.

Construction on the Aloma Avenue and Dean Road Force Main Connection began in March 2020 and was completed in May 2021. The Project connected a 36-inch ductile iron force main and appurtenant valves \ fittings to an existing 42 & 48 inch abandoned gravity sewer. This project provided the existing transmission system a secondary backup conduit to the Iron Bridge Facility.

#### ◆ **Air Release Valve Maintenance Program**

A maintenance program is in effect with a service provider to clean, inspect and maintain the one hundred fifteen (115) valves located throughout the Authority's system. This extends the life of the pipe and pumps through the evacuation of hydrogen sulfide gases and trapped air.

#### ◆ **Manifolded Transmission System**

This ongoing project allows directional flow options from multiple pump stations which permits intermittent low flow lines to be flushed and cleaned, reducing the maintenance requirements due to septic conditions. Additionally it serves as a back-up alternative during emergencies, routine maintenance, and would also allow flows to be diverted to or from the City of Casselberry's Water Reclamation Facility. The valves associated with alternate routes were recently mapped. To date there has been over 18,000 linear feet of force main transmission piping replaced as a major effort to increase the useful service life of the piping. In addition, the Authority has reactivated approximately 8,800 linear feet of a 42- and 48-inch

gravity sewer, which runs parallel to the existing SSNOCWTA 36- and 42-inch force main. The gravity sewers add additional capacity to the system, and provides redundancy transmission in the event the force main is unable to be used.

#### ◆ **Operation and Maintenance Costs**

Operation and maintenance rates to the entities, which were fairly constant for many years have increased to cover engineering and repair costs to maintain the aging system.

#### ◆ **Future Capacity**

Members have completed their review of future capacity needs to assist the City of Orlando in analyzing repair/replacement alternatives as well as future capacity needs for the Iron Bridge Treatment Facility.

**Major Initiatives for the Future:** Roadway widening throughout this rapidly growing area has and will continue to provide an opportunity to improve the system after determining the degree of required line relocation by replacing the affected line with non-corrosive pipe material. Since the Authority System is presently operating at approximately 50% capacity, there are no immediate long-term plans for expanding the system.

Projects and costs contained in the Master Plan (CIP) are annually revisited. Major factors for consideration are as follows:

- Age of infrastructure.
- Potential adverse environmental impacts from damage or failure of components of the infrastructure.
- Operating flexibility and improved emergency response time, which minimizes costs of repairs and replacement.
- Developing alternative funding sources for the Master Plan (CIP) Phase II and Phase III.

These factors translate into constant monitoring of the infrastructure so as to modify the Master Plan as necessary to assure a system that will be effective, efficient, and economical.

## **FINANCIAL OUTLOOK**

**Depreciation Reserve Fund:** The Depreciation Reserve Fund was established to provide for system relocation costs and other capital improvements to the system. It is funded through a depreciation rate component, dedicated interest earnings, year-end surplus, if any, and monthly excess flow administrative penalty charges. This account is held in the State Board of Administration Local Government Surplus Trust Funds Investment Pool and money market accounts that are insured by federal depository insurance up to \$250,000. Amounts in excess of \$250,000 are fully insured by U.S. Government securities held in the Public Deposit Security Trust Fund maintained and monitored by the Treasurer of the State of Florida. The balance in the Depreciation Reserve Fund on September 30, 2021 was \$4,594,097.

**Internal Accounting Controls:** The Authority's management is responsible for establishing and maintaining internal control designed to ensure that: 1) the assets of the Authority are protected from loss, theft, or misuse; 2) adequate accounting data is compiled to allow for the preparation of financial statements in conformity with U.S. generally accepted accounting principles; and 3) all transactions and activities are properly authorized. The internal accounting control should provide reasonable, but not absolute, assurance that the objectives are met. The concept of reasonable assurance recognizes that: 1) the cost of a control should not exceed the benefits likely to be derived; and 2) the valuation of costs and benefits requires estimates and judgment by management.

We believe the internal control for functions adequately safeguards assets, provides reasonable assurance of proper recording of financial transactions, and provides for proper authorization of all transactions and activities.

During the year, monthly budgetary reports showing budget and actual revenue and expenses are reviewed by management and made available to the Authority Board. Additionally, the Authority has an independent accounting firm perform the day-to-day bookkeeping \ accounting services.

#### **Relevant Financial Policies:**

The Authority is aware of a number of pronouncements issued by the Governmental Accounting Standards Board (GASB) that were to be effective for this year. However, GASB issued Statement No. 95 which deferred the effective date of several pronouncements for one year. Several pronouncements were effective for this year but had no discernable impact on the Authority, and there were no changes in any accounting policies (see Note 13 to the financial statements).

#### **OTHER INFORMATION**

**Independent Audit:** The Enabling Legislative Act and Florida State Statutes require an annual audit made by independent certified public accountants. The accounting firm of Holland and Reilly, CPAs was selected by the Authority to audit the 2021 financial statements. The auditors' report on the basic financial statements is included in the financial section of this report.

**Submittal for Award:** The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to South Seminole and North Orange County Wastewater Transmission Authority, Maitland, Florida, for its Annual Comprehensive Financial Report (ACFR) for the Fiscal Year ended September 30, 2020; this is the twenty-fourth time the Authority has received the Certificate. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports. In order to be awarded a Certificate of Achievement for Excellence in Financial Reporting, a government unit must publish an easily readable and efficiently organized Annual Comprehensive Financial Report (ACFR), whose contents conform to program standards. Such ACFR must satisfy both generally accepted accounting principles

and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only.

We believe our current report conforms to the Certificate of Achievement program requirements and we are submitting it to the Government Finance Officers Association (GFOA) for acceptance.

## ACKNOWLEDGMENTS

The preparation of the Annual Comprehensive Financial Report on a timely basis would not have been possible without the dedicated service of Lombardo Spradley & Klein CPAs, the contract accountants, and Holland and Reilly, the Authority's Auditors for their contribution to the excellence of this report.

Annual Financial reports are a permanent historical record of the South Seminole and North Orange County Wastewater Transmission Authority's operation for the general public, member entities, Authority Board Members and management. It is our belief that this is a comprehensive report of financial transactions under the control of the South Seminole and North Orange County Wastewater Transmission Authority and that the following statements present an accurate, informative record of the financial activities of the Authority, and its financial condition at September 30, 2021.

We wish to acknowledge the interest, leadership and support of the Board Members in planning and conducting financial operations in a responsible and progressive manner.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read "Ed Gil de Rubio".

Ed Gil de Rubio  
Executive Director

**SOUTH SEMINOLE and NORTH ORANGE COUNTY  
WASTEWATER TRANSMISSION AUTHORITY**

**PRINCIPAL OFFICIALS**

**REPRESENTATIVES**

**Chairman**

Randy Knight                      City of Winter Park

**Vice-Chairman**

Victor L. Lutz                      City of Casselberry

Terrance McCue                      Seminole County  
Mark Reggentin                      City of Maitland

**ALTERNATE REPRESENTATIVES**

Kim Tracy                              City of Maitland  
Frank Fernandez                      City of Casselberry  
Leif Bouffard                              City of Winter Park  
Paul Zimmerman                      Seminole County

**ADMINISTRATION**

Ed Gil de Rubio                      Executive Director

**CONSULTANTS**

**Accounting Services**

Lombardo, Spradley & Klein, CPAs

**Legal Counsel**

Brown, Garganese, Weiss, and D'Agresta, P.A.

**Engineering**

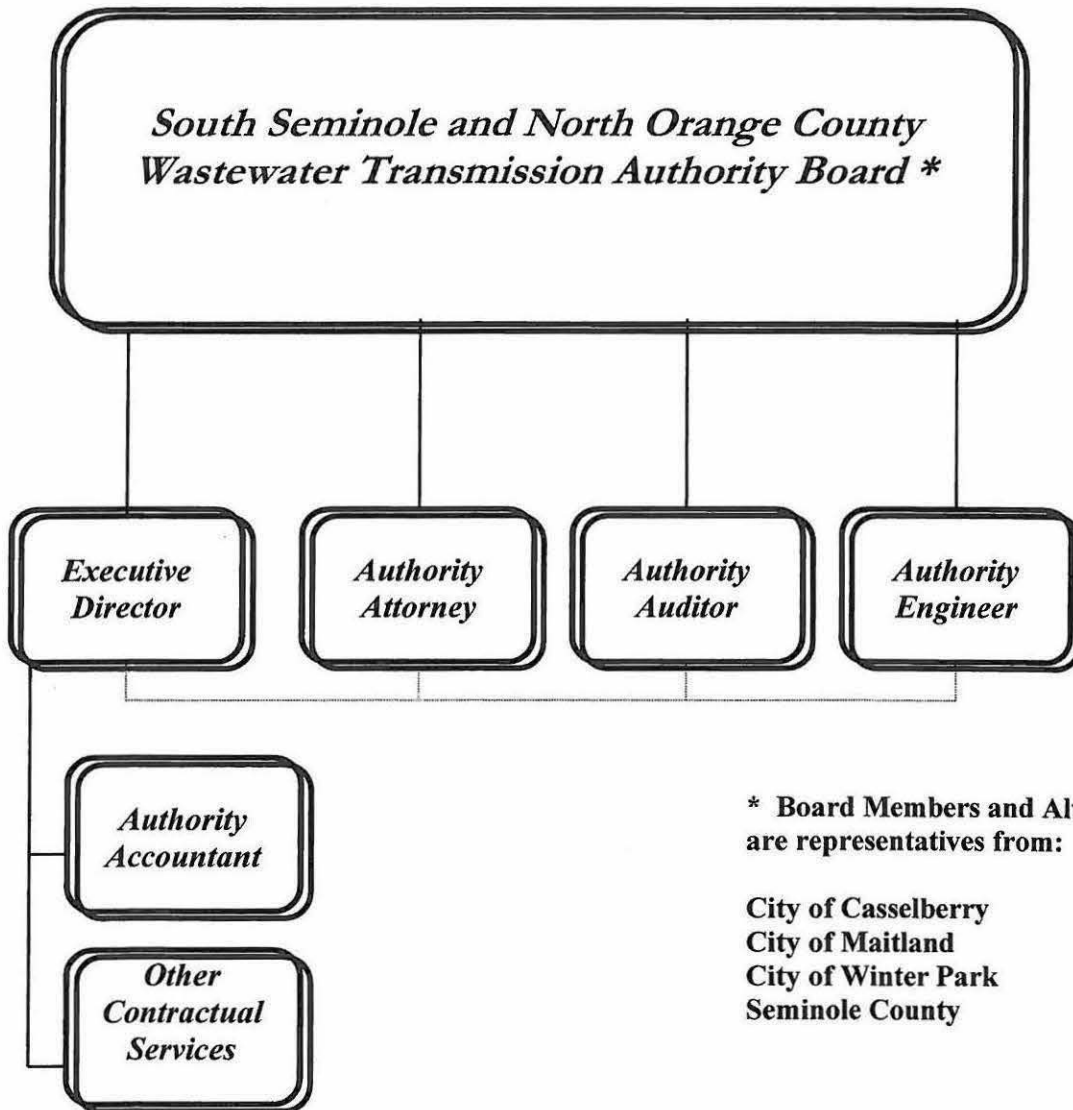
CHA Consulting, Inc. (formerly Reiss Engineering, Inc.)

**Auditors**

Holland and Reilly, CPAs

**SOUTH SEMINOLE AND NORTH ORANGE COUNTY  
WASTEWATER TRANSMISSION AUTHORITY**

**ORGANIZATIONAL STRUCTURE**





Government Finance Officers Association

**Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting**

Presented to

**South Seminole & North Orange County  
Wastewater Transmission Authority  
Florida**

For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

September 30, 2020

*Christopher P. Morill*

Executive Director/CEO

# HOLLAND & REILLY

CERTIFIED PUBLIC ACCOUNTANTS  
601 NORTH FERN CREEK  
SUITE 200  
ORLANDO, FLORIDA 32803

(407) 894-6803  
(407) 896-3044 Fax

DAVID S. HOLLAND, CPA  
THOMAS F. REILLY, CPA

AMERICAN INSTITUTE OF  
CERTIFIED PUBLIC ACCOUNTANTS  
FLORIDA INSTITUTE OF  
CERTIFIED PUBLIC ACCOUNTANTS  
ASSOCIATION OF  
CERTIFIED FRAUD EXAMINERS

## INDEPENDENT AUDITORS' REPORT

Board of Directors  
South Seminole and North Orange County  
Wastewater Transmission Authority

We have audited the accompanying financial statements of South Seminole and North Orange County Wastewater Transmission Authority (the Authority) as of and for the year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

### **Management's Responsibility for the Financial Statements**

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

### **Auditors' Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Authority as of September 30, 2021 and the respective changes in financial position and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 7 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Authority's basic financial statements. The introductory and statistical sections are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated February 7, 2022 on our consideration of the Authority'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 Authority'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 Authority's internal control over financial reporting and compliance.



February 7, 2022  
Orlando, Florida

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## **Management's Discussion and Analysis**

As financial management of the South Seminole and North Orange County Wastewater Transmission Authority (the "Authority"), we offer readers of the Authority's financial statements this narrative overview and analysis of the financial activities of the Authority for the fiscal year ended September 30, 2021. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal at the front of the report.

### **Financial Highlights**

- Operating income for the Authority was \$2,087,189 for fiscal year 2021. This was an increase of \$882,144 from the previous year, due primarily to an increase in charges for services.
- The Authority's net position increased \$1,750,502 compared to an increase of \$1,550,763 in the prior year due to an increase in charges for services. The term "net position" refers to the difference between assets and liabilities. At the close of fiscal year 2021, the Authority had a net position of \$26,456,206 – an increase from \$24,705,704 in the previous year.
- The Authority reported unrestricted net position of \$6,928,120 at the close of fiscal year 2021, an increase of \$851,730 over the September 30, 2020 balance of \$6,076,390.
- The Authority's cash and cash equivalents balance was \$9,501,603 representing a \$589,813 increase from the prior fiscal year due to less expenditures on capital projects.
- The Authority's capital outlays were \$1,720,729, a decrease from the prior year's \$2,258,675.
- The Authority had total operating revenues of \$4,143,800 and total operating expenses of \$2,056,611 for fiscal year 2021.
- The Authority's outstanding debt is \$9,910,000, a decrease of \$580,000 from the prior fiscal year.

### **Overview of the Financial Statements**

This discussion and analysis is intended to serve as an introduction to the Authority's financial statements. The Authority's financial statements and notes to the financial statements included in this report were prepared in accordance with U.S. generally accepted accounting principles applicable to governmental entities for proprietary fund types.

### **Basic Financial Statements**

The Authority is a special-purpose government consisting only of a proprietary type enterprise fund whose function is to meet the particular need of the area in relationship to wastewater transmission to a regional sewage treatment plant. The basic financial statements are designed to provide readers with a broad overview of the Authority's finances, in a manner similar to a private-sector business. They consist of the statement of net position, the statement of revenues, expenses and changes in net position, and the statement of cash flows.

The statement of net position presents information on all the Authority's assets and liabilities, with the difference between the two reported as net position. Over time increases or decreases in net position may serve as a useful indicator of whether the financial position of the Authority is improving or deteriorating. The statement of revenues, expenses, and changes in net position presents information showing how the Authority's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event occurs, regardless of timing of unrelated cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., depreciation, and earned but unused compensated absences).

## Notes to the Financial Statements

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the basic financial statements.

### Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain supplementary statistical schedules that cover more than one fiscal year that reflect the population of member entities, annual flows, and financial trends of the Authority.

### Financial Analysis

		September 30,	
		2021	2020
ASSETS			
Current and other assets		\$ 9,633,343	\$ 8,915,597
Capital assets, net		<u>28,508,985</u>	<u>28,243,417</u>
<b>Total assets</b>		<u>\$ 38,142,328</u>	<u>\$ 37,159,014</u>
LIABILITIES AND NET POSITION			
<b>Liabilities:</b>			
Current liabilities (Payable from current assets)		55,911	120,104
Current liabilities (Payable from restricted assets)		1,709,631	1,833,088
Long-term liabilities, including current portion		<u>9,920,580</u>	<u>10,500,118</u>
<b>Total liabilities</b>		<u>11,686,122</u>	<u>12,453,310</u>
<b>Net Position:</b>			
Net investment in capital assets		18,584,471	17,687,766
Restricted		943,615	941,548
Unrestricted		<u>6,928,120</u>	<u>6,076,390</u>
<b>Total net position</b>		<u>\$ 26,456,206</u>	<u>\$ 24,705,704</u>

Assets exceeded liabilities by \$26,456,206. This represents an increase in total assets of \$983,314 (2.6%), and a decrease of total liabilities of (\$767,188) (6.2%) over the previous year. The increase in total assets was primarily due to an increase in cash and cash equivalents. The decrease in total liabilities was primarily due to payments on long-term debt. A portion of net position (\$943,615) is restricted for debt service and renewal and replacement reserves. Funds were used to pay for investments in capital assets of \$1,720,729, primarily for completion of pipe line replacements related to the Aloma/Dean Force Main Project. This is a (\$537,946) decrease in investments in capital assets compared to those made by the Authority in 2020 of \$2,258,675.

By far, the largest portion of the Authority's net position (70%) reflects its investment in capital assets (e.g., land, buildings, equipment and system facilities, and construction in progress) less any related debt used to acquire those assets that is still outstanding. The Authority uses these capital assets to operate a wastewater transmission line and consequently, those assets are not available to liquidate liabilities or other spending. Of the \$28,508,985 in capital assets, \$202,073 represents construction in progress which includes engineering studies and design work for future pump station renovations, line replacements and utility relocates, as well as generator replacement and a handicap ramp.

## Changes in Net Position

	for the year ended September 30,	
	2021	2020
Revenues:		
Operating revenues	\$ 4,143,800	\$ 3,573,392
Investment income	9,293	64,029
Capital contributions	-	524,186
Total revenue	4,153,093	4,161,607
Expenses:		
Operating expenses	2,056,611	2,368,347
Interest expense	214,292	226,920
Loss on disposal of equipment	131,688	15,577
Total expenses	2,402,591	2,610,844
Increase in net position	1,750,502	1,550,763
Beginning net position	24,705,704	23,154,941
Ending net position	\$ 26,456,206	\$ 24,705,704

Operating revenues increased and operating expenses decreased in 2021. The increase in operating revenues was budgeted for additional professional services required to update the capital improvement plan and implement system maintenance programs. The decrease in operating expenses was mainly due to a decrease in system maintenance expenses. A significant portion of operating expenses relates to depreciation, which was \$1,323,473 (64%) in 2021 and \$1,292,742 (55%) in 2020.

The increase in net position of \$1,750,502 is up from the prior year's increase of \$1,550,763 mainly due to the large increase in charges for services, offset by no capital contributions, and a larger loss on disposal of equipment this year. The loss on disposal of equipment represents the original depreciated costs of pipelines that are being replaced in the Authority's system improvement program, as well as some items that were disposed of during 2021.

### Capital Asset and Debt Administration

#### Capital Assets

The Authority's investment in capital assets was \$28,508,985, net of accumulated depreciation, as of September 30, 2021, a net increase of \$265,568, primarily due to the outlays for capital assets exceeding depreciation expense and the disposal or replacement of equipment. Capital assets include land, buildings, system facilities, furniture, fixtures and equipment, and construction in progress. Major capital asset events during the fiscal year pertained to the completion of the pipe line replacements at the Aloma/Dean Force Main Project, as well as the commencement of several smaller projects for engineering studies and design work for future pump station renovations and line replacements, generator replacement and a handicap ramp. Additional information on the Authority's capital assets can be found in note 6 on page 16 of this report.

## **Long-Term Debt**

The Authority has outstanding bonds payable of \$9,910,000, a reduction of \$580,000 during fiscal year 2021 due to the payments on the long-term debt.

The Authority's debt service coverage ratio increased from 3.91 for fiscal year 2020 to 4.24 for fiscal year 2021. The increase in debt service ratio was primarily because the charges for services increased. Additional information on the Authority's long-term debt can be found in note 8 on pages 17-18 of this report.

## **Requests for Information**

This financial report is designed to provide a general overview of the Authority's finances for all those with an interest in its finances. Questions concerning any of the information provided in this report, or requests for additional financial information, should be addressed to the Executive Director, South Seminole and North Orange County Wastewater Transmission Authority, 410 Lake Howell Road, Maitland, Florida 32751.

**SOUTH SEMINOLE AND NORTH ORANGE COUNTY  
WASTEWATER TRANSMISSION AUTHORITY  
STATEMENT OF NET POSITION**  
September 30, 2021

**ASSETS**

**Current assets**

Cash		\$ 681,944
Accounts receivable		127,566
Prepaid expenses		4,174
Restricted assets – cash equivalents		<u>3,281,948</u>
Total current assets		<u>4,095,632</u>

**Noncurrent assets**

Restricted assets:		
Cash equivalents		5,537,711
Capital assets:		
Non-depreciable assets	\$ 376,905	
Depreciable assets	44,080,409	
Less accumulated depreciation	<u>( 15,948,329)</u>	
Total capital assets		<u>28,508,985</u>
Total noncurrent assets		<u>34,046,696</u>

Total assets		<u>\$ 38,142,328</u>
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**LIABILITIES AND NET POSITION**

**Current liabilities (payable from current assets)**

Accounts payable		\$ 53,152
Accrued salaries		2,563
Accrued and withheld payroll taxes		<u>196</u>
Total current liabilities (payable from current assets)		55,911

**Current liabilities (payable from restricted assets)**

Contracts payable	\$ 14,514	
Accrued interest payable	107,268	
Due to other governmental units	1,587,849	
Bonds payable – current portion	<u>590,000</u>	
Total current liabilities (payable from restricted assets)		<u>2,299,631</u>
Total current liabilities		2,355,542

**Noncurrent liabilities**

Compensated absences	10,580	
Bonds payable	<u>9,320,000</u>	<u>9,330,580</u>
Total liabilities		11,686,122

**Net position**

Net investment in capital assets	18,584,471	
Restricted for debt service and renewal and replacement reserves	943,615	
Unrestricted	<u>6,928,120</u>	
Total net position		<u>26,456,206</u>

Total liabilities and net position		<u>\$ 38,142,328</u>
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See accompanying notes.

**SOUTH SEMINOLE AND NORTH ORANGE COUNTY  
WASTEWATER TRANSMISSION AUTHORITY  
STATEMENT OF REVENUES, EXPENSES AND  
CHANGES IN NET POSITION**  
for the year ended September 30, 2021

<b>Operating revenues</b>		
Charges for services		\$ 4,143,800
<b>Operating expenses</b>		
Personal services	\$ 120,165	
Maintenance	146,713	
Contractual services	425,017	
Depreciation	1,323,473	
Other	<u>41,243</u>	
Total operating expenses		<u>2,056,611</u>
Operating income		2,087,189
<b>Non-operating revenues (expenses)</b>		
Investment income	9,293	
Loss on disposal of equipment	( 131,688)	
Interest expense	<u>( 214,292)</u>	
Total non-operating revenues (expenses)		<u>( 336,687)</u>
Increase in net position		1,750,502
<b>Net position, beginning of year</b>		<u>24,705,704</u>
<b>Net position, end of year</b>		<u>\$ 26,456,206</u>

See accompanying notes.

**SOUTH SEMINOLE AND NORTH ORANGE COUNTY  
WASTEWATER TRANSMISSION AUTHORITY  
STATEMENT OF CASH FLOWS**  
for the year ended September 30, 2021

<b>Cash flows from operating activities</b>	
Receipts from customers	\$ 4,276,565
Payments to suppliers	( 1,068,748)
Payments to employees	( 120,512)
Net cash provided by operating activities	<u>3,087,305</u>
<b>Cash flows from capital and related financing activities</b>	
Additions to property and equipment	( 1,706,215)
Principal paid on bonds	( 580,000)
Interest paid on debt	( 220,570)
Net cash used in capital and related financing activities	<u>( 2,506,785)</u>
<b>Cash flows from investing activities</b>	
Investment income	<u>9,293</u>
Net cash provided by investing activities	<u>9,293</u>
Net increase in cash and cash equivalents	589,813
<b>Cash and cash equivalents at beginning of year</b>	<u>8,911,790</u>
<b>Cash and cash equivalents at end of year</b>	<u>\$ 9,501,603</u>
<b>Classified as</b>	
Current assets:	
Cash	681,944
Cash equivalents – restricted	3,281,948
Noncurrent assets:	
Cash equivalents – restricted	<u>5,537,711</u>
	<u>\$ 9,501,603</u>

(Continued)  
See accompanying notes.

**SOUTH SEMINOLE AND NORTH ORANGE COUNTY  
WASTEWATER TRANSMISSION AUTHORITY  
STATEMENT OF CASH FLOWS - Continued**  
for the year ended September 30, 2021

**Reconciliation of operating income to net cash provided  
by operating activities**

Operating income	<u>\$ 2,087,189</u>
Adjustments:	
Depreciation	1,323,473
Change in assets and liabilities:	
Increase in due from other governments	( 127,566)
Increase in prepaid expenses	( 367)
Decrease in accounts payable	( 63,384)
Decrease in accrued salaries and compensated absences	838
Increase in accrued and withheld payroll taxes	( 1,185)
Decrease in contracts payable	( 392,024)
Increase in due to other governmental units	<u>260,331</u>
Total adjustments	<u>1,000,116</u>
<b>Net cash provided by operating activities</b>	<b><u>\$ 3,087,305</u></b>

**Non-cash investing capital and related financing activities**

Capital assets funded by contracts payable amounted to \$14,514.

See accompanying notes.

**SOUTH SEMINOLE AND NORTH ORANGE COUNTY  
WASTEWATER TRANSMISSION AUTHORITY  
NOTES TO THE FINANCIAL STATEMENTS**

**1. Organization**

The South Seminole and North Orange County Wastewater Transmission Authority (the Authority) was formed in October 1978 by Legislative Act of the State of Florida to construct and operate a wastewater transmission line to be the prime source of conveyance of wastewater collected in the service area of its five customers (Seminole County and the Cities of Winter Park, Casselberry, Maitland, and Winter Springs) to the Iron Bridge Regional Treatment Plant owned by the City of Orlando. During the year ended September 30, 2021, the Enabling Act was amended by the Florida Legislature and the City of Winter Springs is no longer a member/customer of the Authority.

Each of the Authority's customers is bound, through uniform interlocal agreements, to pay its pro-rata share of the Authority's operation and maintenance expenses and annual bond debt service requirements. All of the Authority's program revenues (charges for services) come from four of its five customers.

These financial statements consist only of the Authority's operations; there are no component units.

**2. Summary of Significant Accounting Policies**

Basis of Presentation - The Authority is accounted for as a proprietary type enterprise fund. Enterprise funds are used to account for activities that are financed and operated in a manner similar to private business enterprises and is mandatory in the following situations: 1) the activity is financed with debt that is secured solely by a pledge of the net revenues from fees and charges of the activity, 2) laws or regulations require that all costs of providing services, including capital costs, be recovered from fees and charges, or 3) fees and charges are designed to recover the costs of the activity, including capital costs.

Basis of Accounting - These financial statements are prepared on the accrual basis of accounting in accordance with U.S. generally accepted accounting principles. Under the accrual basis of accounting, revenues are recognized when earned; expenses are recognized when incurred. The assets, liabilities, and net position of the Authority are reported in a self-balancing set of accounts, which include restricted and unrestricted resources, representing funds available for support of the Authority's operations.

When both restricted and unrestricted resources are available for use, it is the Authority's policy to use restricted resources to the extent they are available, then to unrestricted resources.

Cash and Cash Equivalents - For purposes of the statement of cash flows, the Authority considers all highly liquid investments (including restricted assets) with maturity of three months or less when purchased to be cash equivalents. The Authority's cash equivalents included in restricted assets and the depreciation reserve (see notes 4 and 5) consist of funds invested with the State of Florida Board of Administration Local Government Surplus Funds Trust Fund Investment Pool (SBA) and money market funds collateralized by U.S. Government obligations, with the fair value equal to the carrying value. The Authority's bank deposits are held by qualified state depositories that, under state law, are required to be collateralized by U.S. government obligations held by the various financial institutions.

Accounts Receivable - Accounts receivable represents amounts due from a member entity for operations and maintenance and excess flow charges. No allowance for doubtful accounts is necessary.

**SOUTH SEMINOLE AND NORTH ORANGE COUNTY  
WASTEWATER TRANSMISSION AUTHORITY  
NOTES TO THE FINANCIAL STATEMENTS**

**2. Summary of Significant Accounting Policies - Continued**

Operating Revenues and Expenses – The Authority's operating revenues and expenses consist of revenues earned and expenses incurred relating to the operation and maintenance of its system, including administrative expenses and depreciation of capital assets. All other revenues and expenses are reported as non-operating revenues and expenses.

Capital Assets – Capital assets are stated at cost to the Authority when purchased or constructed and at acquisition value when donated. The significant portion of capital assets is comprised of infrastructure assets, such as sewer pipes and lines. Expenditures for capital asset additions and improvements with a cost of \$500 or more are capitalized. Expenditures for maintenance and repairs are charged to operating expenses.

Provisions for depreciation are made using the straight-line method, based upon the estimated useful lives of the assets, which range as follows:

<u>Assets</u>	<u>Years</u>
Buildings	40
Building improvements	10
Furniture, fixtures, and equipment	5-7
System facilities	5-50

Capitalization of Interest – In a prior year, the Authority early-implemented Statement No. 89 of the Governmental Accounting Standards Board (GASB), *Accounting for Interest Cost Incurred Before the End of a Construction Period*, which states that interest costs should be expensed rather than capitalized along with related capital expenditures.

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

**3. Cash and Cash Equivalents**

Cash and cash equivalents are carried at cost. Demand deposits and money market accounts are insured by federal depository insurance up to \$250,000 of the aggregate account balances. Amounts in excess of \$250,000 are fully insured by U.S. Government securities held in the Public Deposit Security Trust Fund (Pool) maintained and monitored by the Treasurer of the State of Florida. The Pool provides for additional assessments to members of the pool to ensure that there will be no loss of public funds. At September 30, 2021, the carrying amount of the Authority's demand deposits was \$1,765,118.

**SOUTH SEMINOLE AND NORTH ORANGE COUNTY  
WASTEWATER TRANSMISSION AUTHORITY  
NOTES TO THE FINANCIAL STATEMENTS**

**4. Restricted Assets**

Cash equivalents and investments included in restricted assets, current and noncurrent, at September 30, 2021 consist of the following:

Account	Carrying Value
Infiltration and Inflow Rehabilitation Fund	\$ 1,501,506
Debt Service Reserve	563,871
Interest	107,268
Principal	590,000
Renewal and Replacement	379,743
Capital Projects	1,083,174
Depreciation Reserve	4,594,097
	<u>\$ 8,819,659</u>

The funds above are invested as follows:

Demand deposits	\$ 1,780,441
SBA Florida PRIME	7,039,218
	<u>\$ 8,819,659</u>

These amounts are reflected in the Statement of Net Position as follows:

Current assets	\$ 3,281,948
Noncurrent assets	5,537,711
	<u>\$ 8,819,659</u>

The bond covenants permit the Authority to invest in obligations of the U.S. Government or other agencies or instrumentalities of the United States. Further, the Authority may invest in commercial paper, any general obligation of any state or political subdivision with a rating in one of the two highest rating categories by a nationally recognized bond rating agency, certificates of deposits with a Federal Reserve System member bank, units of participation in Local Government Surplus Funds Trust Funds or any other investment permitted under applicable Florida and United States law and/or approved by the insurer in writing. The Authority's policy with respect to concentrations of credit risk states "Assets shall be diversified to control the risk of loss resulting from over concentration of assets in specific maturities, issuer, and security issues." The Authority invests primarily in the SBA and demand deposit accounts.

The SBA established the Florida PRIME whereby participants own a share of the pool and not the underlying securities.

The Florida PRIME (formerly known as Pool or Fund A) is an external investment pool that meets all of the necessary criteria to elect to measure all of the investments in the Florida PRIME at amortized cost. Therefore, the Authority's investment in Florida PRIME is reported at amortized cost. The fair value of the position in the pool is equal to the value of the pool's shares. The Florida PRIME is rated by Standard and Poors and is currently rated AAAm. At September 30, 2020, the weighted average days to maturity (WAM) is 49 days, and the weighted average life is 64 days. Next interest rate reset dates are used in the calculation of the WAM.

**SOUTH SEMINOLE AND NORTH ORANGE COUNTY  
WASTEWATER TRANSMISSION AUTHORITY  
NOTES TO THE FINANCIAL STATEMENTS**

**4. Restricted Assets - Continued**

The Florida PRIME did not participate in a securities lending program during the year ended September 30, 2021 for the Florida PRIME (audited) as of and for the period ending June 30, which can be obtained at [www.sbafla.com/prime/home.aspx](http://www.sbafla.com/prime/home.aspx). It does not issue financial statements as of and for the period ending September 30.

At September 30, 2021, there were no redemption fees or maximum transfer amounts, or any other requirements that serve to limit a participant's daily access to 100% of their account balance. With regard to liquidity fees, the SBA has the authority to impose penalties for early withdrawal, but has not made any required disclosures relating to these fees. The SBA also has the authority to limit contributions or withdrawals for up to 48 hours in the event of an occurrence or event that has a material impact on the liquidity of the Florida PRIME. No such limitation took place during the year ended September 30, 2021.

The Infiltration and Inflow Rehabilitation Fund Account was established by the Authority in 1988 for the collection of excess flow penalties from customers that exceeded their daily committed flow allocation. An amount equal to the excess flow penalty is recorded in an account called "due to other governmental units" when the funds are collected. The funds are returned to the customer from whom they were collected after the customer has completed infiltration and inflow rehabilitation services to correct the excess flow.

**5. Depreciation Reserve Account**

The Depreciation Reserve Account was originally established by the Board of Directors to replace fully depreciated assets. The account is funded by a depreciation rate component which is authorized in the interlocal agreements and the Revenue Bond Series 2004 resolution (supplemented by the Revenue Bond Series 2016A and 2016B resolutions) and excess charges for service after all restricted accounts have been fully funded as required by the bond resolution. The bond resolutions specify that this account may be used for the purpose of paying extraordinary and nonrecurring costs for removal and transfer of used and useable capital facilities caused by governmental requirements or directives. Funds may also be used for paying the costs of extensions, enlargements or additions to, or the replacement of capital assets of the system and emergency repairs thereto. In addition, if no other funds are available, funds may be used to pay for operation/maintenance expenses on a non-recurring basis caused by unforeseen circumstances.

Activity in the Depreciation Reserve Account for the year ended September 30, 2021 is as follows:

Balance at October 1, 2020	\$ 5,086,628
Addition:	
Deposits from member entities	2,080,454
Interest income	7,469
Reductions:	
Payments for cost of capital assets	( 1,676,770)
Transfer to capital projects checking account	( 903,684)
Balance at September 30, 2021	<u>\$ 4,594,097</u>

**SOUTH SEMINOLE AND NORTH ORANGE COUNTY  
WASTEWATER TRANSMISSION AUTHORITY  
NOTES TO THE FINANCIAL STATEMENTS**

**6. Capital Assets**

Capital assets are summarized as follows:

	<u>Beginning balance</u>	<u>Additions</u>	<u>Dispositions/ Adjustments</u>	<u>Ending balance</u>
Capital Assets, Not Depreciated:				
Land	\$ 174,832	\$ -	\$ -	\$ 174,832
Construction in progress	<u>2,164,612</u>	<u>1,600,699</u>	<u>( 3,563,238)</u>	<u>202,073</u>
Total capital assets, not being depreciated	<u>2,339,444</u>	<u>1,600,699</u>	<u>( 3,563,238)</u>	<u>376,905</u>
Capital Assets, Being Depreciated:				
Building and improvements	83,091	-	-	83,091
System facilities	40,962,254	120,030	2,895,116	43,977,400
Furniture, fixtures, and equipment	<u>19,918</u>	<u>-</u>	<u>-</u>	<u>19,918</u>
Total capital assets, being depreciated	<u>41,065,263</u>	<u>120,030</u>	<u>2,895,116</u>	<u>44,080,409</u>
Less Accumulated Depreciation for:				
Building and improvements	( 68,306)	( 2,427)	-	( 70,733)
System facilities	( 15,073,851)	( 1,320,792)	536,434	( 15,858,209)
Furniture, fixtures, and equipment	<u>( 19,133)</u>	<u>( 254)</u>	<u>-</u>	<u>( 19,387)</u>
Total accumulated depreciation	<u>( 15,161,290)</u>	<u>( 1,323,473)</u>	<u>536,434</u>	<u>( 15,948,329)</u>
Total capital assets, being depreciated, net	<u>25,903,973</u>	<u>( 1,203,443)</u>	<u>3,431,550</u>	<u>28,132,080</u>
Total Capital Assets, net	<u>\$ 28,243,417</u>	<u>\$ 397,256</u>	<u>(\$ 131,688)</u>	<u>\$ 28,508,985</u>

**7. Construction Commitments**

The Authority has active construction projects as of September 30, 2021. The projects include design work and engineering studies for future line replacement and pumping station rehabilitation. At year end, the Authority's commitments with engineers are as follows:

	<u>Spent to date</u>	<u>Remaining commitment</u>
Construction projects	<u>\$205,498</u>	<u>\$95,350</u>

**SOUTH SEMINOLE AND NORTH ORANGE COUNTY  
WASTEWATER TRANSMISSION AUTHORITY  
NOTES TO THE FINANCIAL STATEMENTS**

**8. Long-Term Debt**

A summary of changes in long-term debt is as follows:

	<u>Beginning balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending balance</u>	<u>Due within one year</u>
Compensated absences	\$ 10,118	\$ 4,680	(\$ 4,218)	\$ 10,580	\$ -
Series 2016A bonds	5,070,000	-	( 270,000)	4,800,000	275,000
Series 2016B bonds	<u>5,420,000</u>	<u>-</u>	<u>( 310,000)</u>	<u>5,110,000</u>	<u>315,000</u>
	<u>\$10,500,118</u>	<u>\$ 4,680</u>	<u>(\$ 584,218)</u>	<u>\$ 9,920,580</u>	<u>\$ 590,000</u>

During fiscal year ended September 30, 2016, the Authority issued two series of bonds as follows:

Series 2016A - For the purpose of financing major capital improvements. The \$5,590,000 Authority Sewer System Revenue Bonds, Series 2016A, dated June 9, 2016, are due on October 1 of each year beginning 2019 through 2035, with interest at 2.17% payable semi-annually on April 1 and October 1 (commencing 2017 for interest only through 2018). These bonds are collateralized by a pledge of the net revenues derived by the Authority from the operations of the sewer system, and are classified as Additional Parity Obligations.

Series 2016B - For the purpose of refunding the Authority Sewer System Revenue Bonds, Series 2004. The \$6,410,000 Authority Sewer System Revenue Bonds, Series 2016B, dated June 9, 2016, are due on October 1 of each year beginning 2017 through 2035, with interest at 2.16% payable semi-annually on April 1 and October 1. These bonds are collateralized by a pledge of the net revenues derived by the Authority from the operation of the sewer system, and are classified as Additional Parity Obligations.

As a result of the refunding, the Authority will save \$1,702,516 over the life of the bonds. Discounted at 2.16%, this savings has a net present value of \$1,399,123. The Authority does not have any outstanding defeased debt.

Annual service requirements to maturity for the sewer system revenue series 2016A are as follows:

<u>Year ending September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	<u>Interest rate</u>
2022	\$ 275,000	101,176	376,176	2.17%
2023	280,000	95,155	375,155	2.17%
2024	285,000	89,024	374,024	2.17%
2025	295,000	82,731	377,731	2.17%
2026	300,000	76,276	376,276	2.17%
2027-2031	1,595,000	288,201	1,883,201	2.17%
2032-2036	<u>1,770,000</u>	<u>97,650</u>	<u>1,867,650</u>	2.17%
	<u>\$ 4,800,000</u>	<u>\$ 830,213</u>	<u>\$ 5,630,213</u>	

Annual debt service requirements maturity for the sewer system revenue series 2016B bonds are as follows:

<u>Year ending September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	<u>Interest rate</u>
2022	\$ 315,000	106,974	421,974	2.16%
2023	325,000	100,062	425,062	2.16%
2024	330,000	92,988	422,988	2.16%
2025	340,000	85,752	425,752	2.16%
2026	345,000	78,354	423,354	2.16%
2027-2031	1,840,000	275,400	2,115,400	2.16%
2032-2034	<u>1,615,000</u>	<u>70,686</u>	<u>1,685,686</u>	2.16%
	<u>\$ 5,110,000</u>	<u>\$ 810,216</u>	<u>\$ 5,920,216</u>	

**SOUTH SEMINOLE AND NORTH ORANGE COUNTY  
WASTEWATER TRANSMISSION AUTHORITY  
NOTES TO THE FINANCIAL STATEMENTS**

**8. Long-Term Debt - Continued**

Under terms of the bonds payable, upon any default as specified in the bond documents (any representation or warranty made in writing proven to be false or incorrect in any material respect on the date made or reaffirmed; or failure to pay amounts when due) the interest rate shall increase by 5 percentage points in excess of the Bond's Prime Rate of interest at the time of the default. Acceleration of the principal and interest shall not be a remedy upon the occurrence or continuation of the default.

The resolutions authorizing the Series 2016A and 2016B bonds keeps in force many of the provisions of the Master Resolution that issued the Series 2004 bonds, and amends or supplements various provisions. Accordingly, the 2016 resolutions maintain or establish the following restricted accounts. The purpose of the accounts in order of priority of monthly revenue transfers is as follows:

- |                                 |  |
|---------------------------------|--|
| A. Revenue Fund                 | Deposit gross revenues of the Authority's system.  |
| B. Debt Service Fund            | Shall maintain the Principal Account and the Interest Account as follows:  |
| 1. Interest Account             | Deposit 1/6 of the interest income becoming due on the next semi-annual interest payment.  |
| 2. Principal Account            | Deposit 1/12 of the principal due on the next maturity date for the bonds.   |
| C. Reserve Fund                 | Deposit amount necessary to bring the account balance equal to the maximum amount of principal and interest becoming due in any ensuing fiscal year. |
| D. Renewal and Replacement Fund | Deposit 1/12 of 5% of the gross revenues received during the immediately preceding year until the balance is equal to \$300,000.                     |
| E. Project Fund                 | Deposit remaining funds to be used for paying project costs.   |
| F. Depreciation Reserve Fund    | Deposit an amount as shall be determined by the annual budget of the Authority.  |
| G. Surplus Fund                 | Deposit excess Revenue Fund moneys after all above payments have been made.  |

**9. Pension Plan**

***Defined Contribution Plan***

The Authority set up a Defined Contribution Plan under Internal Revenue Code Section 401(a) with the Florida Municipal Pension Trust Fund. This plan is pursuant to the Florida Retirement System Opt-out for all new employees hired on or after January 1, 1996. One employee participated in this plan during the year.

Employer contributions are 10% of the employee's compensation. There are no employee contributions. Contributions for the year ended September 30, 2021 were \$24,000. Contributions vest after three years of service; however, contributions vest immediately upon death, disability, or termination of the Plan. Forfeitures are held in a forfeiture account and used to reduce future employer contributions. There were no forfeitures at September 30, 2021.

At September 30, 2021 the Authority did not have an outstanding payable for any unpaid legally required contribution to the Plan.

**SOUTH SEMINOLE AND NORTH ORANGE COUNTY  
WASTEWATER TRANSMISSION AUTHORITY  
NOTES TO THE FINANCIAL STATEMENTS**

**10. Deferred Compensation Plan**

In prior years, the Authority had one full-time employee who participated in a deferred compensation plan that was created in accordance with Internal Revenue Code Section 457. That employee retired in May 2013 and the Authority no longer makes contributions to the Plan.

Funds are held in trust by a third-party administrator; thus the assets and related liabilities are not reflected in these financial statements.

**11. Commitments and Contingencies**

The Authority is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets; errors and omissions; and natural disasters for which the Authority carries commercial insurance. There have been no significant reductions in insurance coverage from the prior year. No settlements have exceeded the Authority's insurance coverage for each of the past three years.

In the normal course of business, the Authority has commitments and claims. The Authority does not believe any liability that may result from these matters would have a material effect on its financial position.

**12. Subsequent Events**

Management has evaluated events and transactions for potential recognition or disclosure through February 7, 2022, the date on which the financial statements were available to be issued.

**13. New Accounting Standards**

The Governmental Accounting Standards Board (GASB) issued several pronouncements that are effective for these financial statements. These are:

GASB Statement 84 - Fiduciary Activities

GASB Statement 90 - Majority Equity Interests

Management has ascertained that neither of these professional pronouncements effective for this year had any discernable impact on the Authority.

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## STATISTICAL SECTION

The Statistical Schedules differ from other financial presentations because they generally disclose more than one fiscal year and may present non-accounting data such as social and economic data and financial trends of the Authority.

### TABLE

#### Financial Trends

#### PAGE

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

I	Net Position by Component	22
II	Changes in Net Position	23

#### Debt Capacity

*These schedules present information to help the reader assess the affordability of the Authority's current levels of outstanding debt and the government's ability to issue additional debt in the future.*

III	Debt Service Requirements and Long-term Debt	24
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#### Operating Information

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

IV	Percentage of Committed Capacity of Member Entities	25
V	Percentage of Iron Bridge Facility Committed Capacity	26
VI	Annual Flow – Millions of Gallons Transmitted to Iron Bridge Facility	27

#### Demographic and Economic Information

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

VII	Demographic and Economic Statistics	28
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IX	Miscellaneous Statistics	30

Except where noted, the information is derived from the Authority's comprehensive financial reports for the relevant year.

TABLE I

SOUTH SEMINOLE AND NORTH ORANGE COUNTY  
WASTEWATER TRANSMISSION AUTHORITY

NET POSITION BY COMPONENT  
LAST TEN FISCAL YEARS

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
<b>Net Position:</b>										
Net investment in capital assets	\$ 18,584,471	\$ 17,687,766	\$ 17,439,500	\$ 18,283,388	\$ 18,294,922	\$ 18,370,777	\$ 16,695,533	\$ 16,224,644	\$ 15,888,467	\$ 16,497,402
Restricted for debt service and renewal and replacement reserves	943,615	941,548	937,101	920,877	908,029	907,041	583,342	928,559	928,704	833,585
Restricted for capital improvements								-	91,981	91,675
Unrestricted, restated*	6,928,120	6,076,390	4,778,340	3,422,951	3,414,364	3,383,642	4,075,562	4,060,080	4,532,902	3,967,726
Total net position*	\$ 26,456,206	\$ 24,705,704	\$ 23,154,941	\$ 22,627,216	\$ 22,617,315	\$ 22,661,460	\$ 21,354,437	\$ 21,213,283	\$ 21,442,054	\$ 21,390,388

\*Balances restated in 2012 to 2013 for implementation of GASB Statements #63 and #65, for restatement related to bond issuance costs.

TABLE II

**SOUTH SEMINOLE AND NORTH ORANGE COUNTY  
WASTEWATER TRANSMISSION AUTHORITY**

**CHANGES IN NET POSITION  
LAST TEN FISCAL YEARS**

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Revenues:										
Charges for service	\$ 4,143,800	\$ 3,573,392	\$ 2,871,665	\$ 2,188,735	\$ 2,468,328	\$ 2,427,450	\$ 2,209,151	\$ 1,824,531	\$ 1,890,790	\$ 1,995,139
Operation & maintenance expense, restated*	<u>(733,138)</u>	<u>(1,075,605)</u>	<u>(897,341)</u>	<u>(876,617)</u>	<u>(659,960)</u>	<u>(899,471)</u>	<u>(683,924)</u>	<u>(646,470)</u>	<u>(696,940)</u>	<u>(564,309)</u>
Income before depreciation*	3,410,662	2,497,787	1,974,324	1,312,118	1,808,368	1,527,979	1,525,227	1,178,061	1,193,850	1,430,830
Depreciation	<u>(1,323,473)</u>	<u>(1,292,742)</u>	<u>(1,249,936)</u>	<u>(1,028,725)</u>	<u>(1,053,687)</u>	<u>(1,026,780)</u>	<u>(919,699)</u>	<u>(892,802)</u>	<u>(833,011)</u>	<u>(818,936)</u>
Operating income*	<u>2,087,189</u>	<u>1,205,045</u>	<u>724,388</u>	<u>283,393</u>	<u>754,681</u>	<u>501,199</u>	<u>605,528</u>	<u>285,259</u>	<u>360,839</u>	<u>611,894</u>
Non-operating Revenue (expenses):										
Investment income	9,293	64,029	98,869	53,761	26,579	14,923	20,119	8,705	12,798	11,613
Miscellaneous income	-	-	-	-	-	-	-	155	1,883	609
Net increase (decrease) in fair value of investments	-	-	-	-	-	-	-	(220)	405	886
EPA Grant	-	-	-	-	-	-	-	-	234,710	250,290
Loss on disposal of equipment	(131,688)	(15,577)	(56,235)	(197,256)	(682,060)	(339,728)	(162,296)	(185,158)	(207,988)	(2,837)
Interest expense	(214,292)	(226,920)	(239,297)	(129,997)	(143,345)	(324,731)	(321,577)	(336,354)	(350,601)	(325,765)
Fiscal agent fee	-	-	-	-	-	(500)	(620)	(1,158)	(380)	(1,435)
Total non-operating revenue or (expense)	<u>(336,687)</u>	<u>(178,468)</u>	<u>(196,663)</u>	<u>(273,492)</u>	<u>(798,826)</u>	<u>(650,036)</u>	<u>(464,374)</u>	<u>(514,030)</u>	<u>(309,173)</u>	<u>(66,639)</u>
Increase (decrease) in net position before capital contributions*	1,750,502	1,026,577	527,725	9,901	(44,145)	(148,837)	141,154	(228,771)	51,666	545,255
Contributed capital	-	524,186	-	-	-	1,455,860	-	-	-	-
Change in net position*, restated	<u>\$ 1,750,502</u>	<u>\$ 1,550,763</u>	<u>\$ 527,725</u>	<u>\$ 9,901</u>	<u>\$ (44,145)</u>	<u>\$ 1,307,023</u>	<u>\$ 141,154</u>	<u>\$ (228,771)</u>	<u>\$ 51,666</u>	<u>\$ 545,255</u>

\*Activity restated in 2012 to 2013 for implementation of GASB statement #63 and #65 for restatement to bond issuance costs and related amortization.

TABLE III

**SOUTH SEMINOLE AND NORTH ORANGE COUNTY  
WASTEWATER TRANSMISSION AUTHORITY**

**SCHEDULE OF DEBT SERVICE REQUIREMENTS AND LONG-TERM DEBT  
FOR LAST TEN FISCAL YEARS**

<u>FISCAL YEAR ENDED</u>	<u>GROSS REVENUES (1)</u>	<u>OPERATING EXPENSES</u>	<u>NET REVENUE AVAILABLE FOR DEBT SVC.</u>		<u>DEBT SERVICE REQUIREMENTS</u>			<u>COVERAGE</u>
					<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>TOTAL</u>	
2021	\$ 4,153,093	\$ 733,138	\$ 3,419,955	\$ 580,000	\$ 220,814	\$ 800,814	4.27	
2020	3,637,421	1,075,605	2,561,816	570,000	233,089	803,089	3.19	
2019	2,970,534	897,341	2,073,193	550,000	245,250	795,250	2.61	
2018	2,245,166	21	2,245,145	805,000	258,046	1,063,046	2.11	
2017	2,499,815	659,960	1,839,855	605,000	220,281	825,281	2.23	
2016	2,441,873	899,471	1,542,402	720,000	394,887	1,114,887	1.38	
2015	2,229,270	683,924	1,545,346	705,000	329,050	1,034,050	1.49	
2014	1,833,171	646,470	1,186,701	690,000	343,515	1,033,515	1.15	
2013	1,905,876	696,940	1,208,936	195,000	339,728	534,728	2.26	
2012	2,008,247	546,411	1,461,836	190,000	325,765	515,765	2.83	

	<u>BONDS PAYABLE</u>	<u>UNAMORTIZED BOND DISCOUNT</u>	<u>NET BONDS OUTSTANDING</u>	<u>RATIO PER CAPITA (2)</u>
2021	\$ 9,910,000	\$ -	\$ 9,910,000	19
2020	10,490,000	-	10,490,000	20
2019	11,060,000	-	11,060,000	21
2018	11,610,000	-	11,610,000	23
2017	12,415,000	-	12,415,000	25
2016	13,020,000	-	13,020,000	26
2015	8,220,000	(64,277)	8,155,723	17
2014	8,925,000	(67,674)	8,857,326	18
2013	9,615,000	(71,072)	9,543,928	20
2012	9,810,000	(74,470)	9,735,530	21

Debt service coverage is for the Authority's Sewer System Revenue Bonds, Series 2004 only for years 2012 to 2013.

No debt service requirements existed for the Authority's Sewer System Revenue Bonds Series 2012 in F/Y September 30, 2012 or September 30, 2013.

(1) Includes Charges for Service, Interest earnings, Miscellaneous revenue, Gain (loss) on investments, and Capital contributions.

(2) The ratio is calculated on the populations of Seminole County, Maitland and Winter Park, as Casselberry and Winter Springs are included in Seminole County's population. The years 2012 to 2016 have been restated to conform.

Source: South Seminole & North Orange County Wastewater Transmission Authority

TABLE IV

**SOUTH SEMINOLE AND NORTH ORANGE COUNTY  
WASTEWATER TRANSMISSION AUTHORITY**

**PERCENTAGE OF  
COMMITTED CAPACITY OF MEMBER ENTITIES  
LAST TEN FISCAL YEARS**

<b>FISCAL YEAR ENDED</b>	<b>CITY OF MAITLAND</b>	<b>CITY OF CASSELBERRY</b>	<b>CITY OF WINTER PARK</b>	<b>SEMINOLE COUNTY</b>	<b>CITY OF WINTER SPRINGS</b>	<b>TOTAL CAPACITY SSNOCWTA</b>
2021	8.332%	25.714%	45.156%	20.798%	-	100%
2020	8.332%	25.714%	45.156%	20.798%	-	100%
2019	8.332%	25.714%	45.156%	20.798%	-	100%
2018	8.332%	25.714%	45.156%	20.798%	-	100%
2017	8.332%	25.714%	45.156%	20.798%	-	100%
2016	8.332%	25.714%	45.156%	20.798%	-	100%
2015	8.332%	25.714%	45.156%	20.798%	-	100%
2014	8.332%	25.714%	45.156%	20.798%	-	100%
2013	8.332%	25.714%	45.156%	20.798%	-	100%
2012	8.332%	25.714%	45.156%	20.798%	-	100%

Note: The City of Winter Springs was a Member Entity with no committed capacity.

TABLE V

**SOUTH SEMINOLE AND NORTH ORANGE COUNTY  
WASTEWATER TRANSMISSION AUTHORITY**

**PERCENTAGE OF  
IRON BRIDGE FACILITY COMMITTED CAPACITY**

COMMITTED FACILITY CAPACITY (2) = COMMITTED CUSTOMER FLOW (1)  
TOTAL COMMITTED CUSTOMER FLOW -  
RESERVE FUTURE ALLOCATION

COMMITTED SYSTEM CAPACITY (3) = COMMITTED CUSTOMER FLOW (1)  
SUBTOTAL COMMITTED CUSTOMER FLOW

<u>SSNOCWTA CUSTOMER</u>	<u>COMMITTED CUSTOMER FLOW-MGD (1)</u>	<u>COMMITTED FACILITY CAPACITY (2)</u>	<u>COMMITTED SYSTEM CAPACITY (3)</u>
MAITLAND	1.1000	3.212%	8.332%
CASSELBERRY	3.3950	9.913%	25.714%
WINTER PARK	5.9620	17.408%	45.156%
SEMINOLE COUNTY	2.7460	8.018%	20.798%
WINTER SPRINGS	-	-	-
SUB-TOTAL	13.2030	38.551%	100.000%
 <u>NON-CUSTOMER</u>			
ORLANDO	20.6715	60.336%	
ORANGE COUNTY	0.3750	1.093%	
RESERVE	5.7505		
TOTAL	40MGD	100.000%	

(1) SSNOCWTA has Committed Customer Flow of 13.203 Million Gallons Daily (MGD).

(2) Based on current Committed Customer Flow, SSNOCWTA has Committed Facility Capacity of 38.551% with Iron Bridge Facility.

(3) Based on current Committed Customer Flow, SSNOCWTA has Committed System Capacity of 100% with Iron Bridge Facility.

Source: South Seminole & North Orange County Wastewater Transmission Authority

TABLE VI

**SOUTH SEMINOLE AND NORTH ORANGE COUNTY  
WASTEWATER TRANSMISSION AUTHORITY**

**ANNUAL FLOW - MILLIONS OF GALLONS  
TRANSMITTED TO IRON BRIDGE FACILITY  
FOR LAST TEN FISCAL YEARS**

<u>YEAR ENDED</u>	<u>CITY OF MAITLAND</u>	<u>CITY OF CASSELBERRY</u>	<u>CITY OF WINTER PARK</u>	<u>SEMINOLE COUNTY</u>	<u>CITY OF WINTER SPRINGS *</u>	<u>TOTAL FLOW</u>
2021	206.711	774.581	1571.908	1055.305	-	3608.505
2020	235.734	752.784	1531.495	996.899	-	3516.912
2019	257.872	759.565	1556.532	977.334	-	3551.303
2018	243.576	839.615	1653.203	1024.876	-	3761.270
2017	257.078	844.404	1495.722	1045.199	-	3642.403
2016	295.988	905.352	1433.418	1014.913	-	3649.671
2015	312.695	895.859	1457.494	954.441	-	3620.489
2014	301.558	775.755	1400.024	958.118	-	3435.455
2013	239.388	843.012	1559.681	940.835	-	3582.916
2012	253.900	667.119	1425.108	978.791	-	3324.918

\* The City of Winter Springs was a Member Entity with no committed capacity.

Source: City of Orlando Environmental Control Section-Environmental Services Department

DEMOGRAPHIC AND ECONOMIC STATISTICS  
FOR THE LAST TEN FISCAL YEARS

TABLE VII

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
<b>SEMINOLE COUNTY</b>										
POPULATION (1)	477,455	476,727	471,735	463,560	454,757	449,124	442,903	437,086	427,718	425,527
PERSONAL INCOME (in thousands) (2)	\$ 25,731,482	\$ 24,165,569	\$ 15,764,911	\$ 21,389,218	\$ 19,486,792	\$ 19,245,413	\$ 19,632,118	\$ 13,022,977	\$ 12,879,112	\$ 12,436,027
PER CAPITA INCOME (2)	\$ 53,893	\$ 51,227	\$ 33,419	\$ 46,231	\$ 42,851	\$ 42,851	\$ 44,326	\$ 29,795	\$ 24,591	\$ 29,225
UNEMPLOYMENT RATE (3)	3.8%	6.0%	2.6%	2.6%	3.6%	4.3%	4.1%	5.7%	9.2%	7.9%
<b>CITY OF CASSELBERRY</b>										
POPULATION (1)	29,571	30,341	30,035	29,778	28,548	27,786	27,614	27,527	24,778	26,387
PERSONAL INCOME (in thousands) (2)	\$ 1,593,263	\$ 1,534,935	\$ 1,436,904	\$ 1,424,608	\$ 1,372,455	\$ 1,322,199	\$ 1,273,795	\$ 1,227,163	\$ 1,328,419	\$ 1,217,548
PER CAPITA INCOME (2)	\$ 53,879	\$ 50,589	\$ 47,841	\$ 47,841	\$ 48,075	\$ 47,585	\$ 46,129	\$ 44,580	\$ 44,807	\$ 46,142
UNEMPLOYMENT RATE (3)	3.8%	6.4%	2.7%	3.5%	3.0%	4.3%	4.6%	5.1%	8.2%	7.9%
<b>CITY OF MAITLAND</b>										
POPULATION (1)	19,545	21,113	21,096	17,519	17,401	17,598	17,007	16,411	16,337	15,911
PERSONAL INCOME (in thousands) (2)	\$ 1,417,872	\$ 1,603,406	\$ 1,457,312	\$ 760,990	\$ 779,547	\$ 746,648	\$ 726,267	\$ 661,462	\$ 781,311	\$ 772,622
PER CAPITA INCOME (2)	\$ 72,540	\$ 75,944	\$ 69,080	\$ 43,438	\$ 44,799	\$ 42,428	\$ 42,704	\$ 40,306	\$ 41,852	\$ 48,559
UNEMPLOYMENT RATE (3)	5.5%	9.2%	2.6%	2.7%	3.6%	4.1%	4.9%	4.8%	6.8%	8.5%
<b>CITY OF WINTER PARK</b>										
POPULATION (1)	30,233	30,630	30,239	30,746	29,317	29,308	28,967	29,073	28,398	27,728
PERSONAL INCOME (in thousands) (1)	\$ 1,708,557	\$ 1,695,414	\$ 1,697,073	\$ 1,557,746	\$ 1,451,192	\$ 1,472,170	\$ 1,432,389	\$ 1,293,865	\$ 1,747,458	\$ 1,722,768
PER CAPITA INCOME (1)	\$ 56,513	\$ 55,351	\$ 56,122	\$ 50,665	\$ 49,500	\$ 50,231	\$ 49,449	\$ 44,504	\$ 73,697	\$ 62,131
UNEMPLOYMENT RATE (2)	3.5%	4.9%	2.4%	3.0%	3.0%	4.4%	4.5%	4.8%	6.5%	6.9%
<b>CITY OF WINTER SPRINGS</b>										
POPULATION (1)	-	38,760	38,595	37,639	35,599	35,266	34,901	38,871	33,540	33,599
PERSONAL INCOME (in thousands) (1)	\$ -	\$ 14,752,056	\$ 1,422,573	\$ 1,287,254	\$ 1,170,887	\$ 1,144,523	\$ 1,090,935	\$ 1,084,989	\$ 1,191,279	\$ 1,183,558
PER CAPITA INCOME (1)	\$ -	\$ 38,060	\$ 36,859	\$ 34,200	\$ 32,891	\$ 32,454	\$ 31,258	\$ 32,033	\$ 30,371	\$ 35,226
UNEMPLOYMENT RATE (1)	6.4%	6.4%	3.0%	2.7%	4.0%	4.6%	5.0%	5.4%	6.3%	6.8%

These numbers may not properly reflect the effects of the COVID 19 pandemic.

Sources: Data provided by representatives of each member entity. Their sources are listed below.

<b>Seminole County</b> Per 9/30/20 CAFR	<b>City of Casselberry</b> Per 9/30/21 CAFR	<b>City of Winter Springs</b> Per 9/30/20 CAFR	<b>City of Maitland</b> Per 9/30/21 CAFR	<b>City of Winter Park</b> Per 9/30/20 CAFR
1. Metro Orlando Economic Development Commission (Es)	1. University of FL, Bureau of Economic and Business Research	1. Metro Orlando Economic Development Commission	1. City of Maitland Community Development Dept.	1. Information provided by Metro Orlando EDC and the Community Redevelopment Agency
Seminole County Government	2. University of FL, Bureau of Economic and Business Research	2. Metro Orlando Economic Development Commission	2. Per capita income is from the U.S. Census	2. Unemployment rate from State of Florida, Department of Labor and Employment Security, Bureau of Labor Market Information
2. Metro Orlando Economic Development Commission	3. University of FL, Bureau of Economic and Business Research	florida.hometownlocator.com	Bureau information for Maitland adjusted by the South Urban Wage Earners and Clerical Workers CPI published by U.S. Bureau of Labor Statistics	3. State of Florida, Agency for Workforce Innovation, Orlando MSA annual averages
Seminole County Government	Florida Agency for Workforce Innovation, Labor Market Statistics	3. State of Florida, Agency for Workforce Innovation, Orlando MSA annual averages	State of Florida, Agency for Workforce Innovation, Orlando MSA annual averages	(http://www.labormarketinfo.com) Statistical Programs LAUS-Local Area Unemployment Statistics/Get detailed Statistics/Monthly Data Table per year (includes city estimate)
Personal Income was calculated by multiplying Per Capita Income times Population	Local Area Unemployment Statistics Program, in cooperation with the US Dept of Labor, Bureau of Labor Statistics	<b>Note - effective June 2021, the City is no longer a member of the Authority</b>		
3. My Florida, Employment, Labor Market Statistics website: www.myflorida.com				
Metro Orlando Economic Development Commission				

Table VIII

**SOUTH SEMINOLE AND NORTH ORANGE COUNTY  
WASTEWATER TRANSMISSION AUTHORITY**

**PRINCIPAL EMPLOYERS CENTRAL FLORIDA**

**Current Year and Nine Years Ago**

<u>Employer</u>	<u>2021</u>			<u>2012</u>		
	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total Employment</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total Employment</u>
Walt Disney World	58,478	1	7.3%	64,000	1	10.9%
Adventist Health System (Florida Hospital)	37,000	2	4.6%	17,600	4	3.0%
Orange County Public Schools	25,145	3	3.1%	22,789	2	3.9%
Universal Orlando	21,143	4	2.6%	16,000	5	2.7%
Orlando Health	19,657	5	2.5%	14,310	6	2.4%
Publix Supermarkets	19,783	6	2.5%	18,500	3	3.0%
Orlando International Airport	15,783	7	2.0%			
University of Central Florida	12,354	8	1.5%	10,346	7	1.8%
Orange County Government	11,548	9	1.4%	10,331	8	1.8%
Lockheed Martin	10,000	10	1.0%	7,000	9	1.2%

Source: Orlando Sentinel, Orlando Business Journal and the Metro Orlando Economic Development Commission

These numbers may not properly reflect the effects of the COVID 19 pandemic.

TABLE IX

**SOUTH SEMINOLE AND NORTH ORANGE COUNTY  
WASTEWATER TRANSMISSION AUTHORITY**

**MISCELLANEOUS STATISTICAL DATA**

Date of Establishment	October 1, 1978	
Form of Government	Special Governmental District	
Area Served	68 square miles	(2012-2021)
Transmission Force Mains	32 miles	(2012-2021)
Number of Pump Stations	19	(2012-2021)
Daily Permitted Capacity in Million Gallons	13.203	(2012-2021)

	Number of Metering Points	Number of Employees
2012	33	2
2013	32	1
2014	32	1
2015	32	1
2016	32	1
2017	32	1
2018	32	1
2019	32	1
2020	32	1
2021	32	1

Source: South Seminole & North Orange County Wastewater Transmission Authority

# HOLLAND & REILLY

CERTIFIED PUBLIC ACCOUNTANTS  
601 NORTH FERN CREEK  
SUITE 200  
ORLANDO, FLORIDA 32803

(407) 894-6803  
(407) 896-3044 FAX

DAVID S. HOLLAND, CPA  
THOMAS F. REILLY, CPA

AMERICAN INSTITUTE OF  
CERTIFIED PUBLIC ACCOUNTANTS  
FLORIDA INSTITUTE OF  
CERTIFIED PUBLIC ACCOUNTANTS  
ASSOCIATION OF  
CERTIFIED FRAUD EXAMINERS

## **INDEPENDENT AUDITORS' 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***

Board of Directors  
South Seminole and North Orange County  
Wastewater Transmission Authority

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of South Seminole and North Orange County Wastewater Transmission Authority (the Authority) as of and for the year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents and have issued our report thereon dated February 7, 2022.

### **Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Authority's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority'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 Authority'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 preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying auditors' comments and recommendations, we identified a deficiency in internal control that we consider to be a material weakness. See Comment No. 2021-01 on page 34.

## **Compliance and Other Matters**

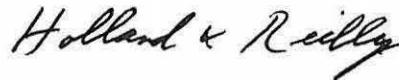
As part of obtaining reasonable assurance about whether the Authority's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material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

## **Response to the Findings**

The Authority's response to the findings identified in our audit is described on page 35 of this report. The Authority's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

## **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 Authority'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 Authority's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



February 7, 2022  
Orlando, Florida

# HOLLAND & REILLY

CERTIFIED PUBLIC ACCOUNTANTS  
601 NORTH FERN CREEK  
SUITE 200  
ORLANDO, FLORIDA 32803

(407) 894-6803  
(407) 896-3044 FAX

DAVID S. HOLLAND, CPA  
THOMAS F. REILLY, CPA

AMERICAN INSTITUTE OF  
CERTIFIED PUBLIC ACCOUNTANTS  
FLORIDA INSTITUTE OF  
CERTIFIED PUBLIC ACCOUNTANTS  
ASSOCIATION OF  
CERTIFIED FRAUD EXAMINERS

## INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE WITH FLORIDA STATUTES 218.415 – INVESTMENTS OF PUBLIC FUNDS

Board of Directors  
South Seminole and North Orange County  
Wastewater Transmission Authority

We have examined the South Seminole and North Orange County Wastewater Transmission Authority's (the Authority) compliance with Section 218.415, Florida Statutes during the fiscal year ended September 30, 2021. Authority management is responsible for the Authority's compliance with those requirements. Our responsibility is to express an opinion on the Authority's compliance based on our examination.

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

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

In our opinion, the South Seminole and North Orange County Wastewater Transmission Authority complied, in all material respects, with the aforementioned requirements for the fiscal year ended September 30, 2021.

This report is intended solely for the information and use of the Florida Auditor General, the Board of Directors of the South Seminole and North Orange County Wastewater Transmission Authority, and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.



Orlando, Florida  
February 7, 2022

## MANAGEMENT LETTER

### AUDITORS' COMMENTS AND RECOMMENDATIONS

#### **2021-01 Lack of Segregation of Duties**

The size of the Authority's accounting and administrative staff precludes certain internal controls that would be preferred if the office staff were large enough to provide optimum segregation of duties. However, management is aware of this situation and should continue to exercise a high level of management review and supervision. Also, the Board of Directors should remain involved in the financial affairs of the Authority to provide oversight and independent review functions.

#### OTHER MATTERS

In accordance with the Rules of the Auditor General of the State of Florida, the following is noted:

1. Based on our audit procedures performed, we determined that the Authority did not meet any of the conditions described in Florida Statutes Section 218.503 (1).
2. The Authority was formed in October 1978 by Legislative Act 78-617 of the State of Florida.
3. The auditors applied financial condition assessment procedures per Auditor General Rule 10.556(8). It is management's responsibility to monitor the Authority's financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information provided by same.
4. Per Auditor General Rule 10.554(1)(i)6, independent special districts are required to present specific information by management. The following information is presented by management and the auditor provides no assurance on this information:
  - a. Total number of district employees compensated in the last pay period of the Authority's fiscal year being reported - one (1) employee.
  - b. Total number of independent contractors to whom compensation was paid in the last month of the Authority's fiscal year being reported – seven (7) independent contractors
  - c. All compensation earned or awarded to employees, whether paid or accrued, regardless of contingency - \$65,805
  - d. All compensation earned or awarded to nonemployee independent contractors, whether paid or accrued, regardless of contingency - \$714,178
  - e. Each construction contract with a total cost of at least \$65,000 approved by the Authority that is scheduled to begin on or after October 1 of the fiscal year being reported, together with the total expenditures for such project – The Authority has budgeted \$3,893,500 for sewer system replacement and renovation projects for the year ending September 30, 2022. These projects are in the engineering phase and no contracts have been awarded as of September 30, 2021. The budgeted projects include:
    - 1) C-200 Pipe Replacement - \$1,344,000
    - 2) Maitland Master Lift Station Interlocal Agreement - \$1,200,000
    - 3) Lift Station Renovation Projects - \$1,349,500
  - f. A budget variance report has been presented as required – see page 35.

#### STATUS OF PRIOR YEAR COMMENTS

**2020-01** See Comment No. 2021-01, which has been reported in the past ten audit reports.

**South Seminole and North Orange County  
Wastewater Transmission Authority  
Budgetary Comparison Schedule**  
For the year ended September 30, 2021

	Budgeted Amounts		Variance with Final Budget- Positive (Negative)
	Original and Final	Actual Budgetary Basis	
<b>Revenues</b>			
Charges for services	\$ 4,130,442	4,143,800	(13,358)
Investment income	31,000	9,293	21,707
Total revenues	<u>4,161,442</u>	<u>4,153,093</u>	<u>8,349</u>
<b>Expenses</b>			
Personal services	119,902	120,165	(263)
Maintenance	500,000	146,713	353,287
Contractual services	572,000	425,017	146,983
Depreciation	2,080,454	1,323,473	756,981
Other	53,550	41,243	12,307
Principal payment on bonds	590,000	590,000	-
Interest expense	214,536	214,292	244
Loss on disposal of equipment	-	131,688	(131,688)
Total expenditures	<u>4,130,442</u>	<u>2,992,591</u>	<u>(131,444)</u>
Excess of revenue over expenses	31,000	1,160,502	(123,095)
<b>Net Position</b>			
Beginning of year	<u>24,705,704</u>	<u>24,705,704</u>	<u>-</u>
End of year	<u>\$ 24,736,704</u>	<u>25,866,206</u>	<u>(123,095)</u>

Note - This budgetary comparison schedule is prepared by management as required by Florida Auditor General Rule 10.554(1)(i)6f, and the auditor provides no assurance on this document.

Note - The budget is prepared on the budgetary basis of accounting. Actual amounts have been modified to conform to the budgetary basis of accounting. The Authority's main source of revenue is the annual contributions from the member entities. The calculation of the required annual contribution includes three components: operations, debt service, and future capital outlay. Therefore the Authority's annual budget reflects the projected cash outflow necessary to pay the current bond principal due which is not in accordance with generally accepted accounting principles.

Explanation of differences between the budgetary and actual revenues and expenses:

Expenses:

Budgetary Comparison Schedule - Principal payment on bonds	\$ 590,000
Difference	(590,000)
Statement of Revenues, Expenses and Changes in Net Position	<u>\$ -</u>



# SOUTH SEMINOLE & NORTH ORANGE COUNTY WASTEWATER TRANSMISSION AUTHORITY

410 Lake Howell Road

Maitland, FL 32754-8907

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February 7, 2022

Ms. Sherrill F. Norman, CPA  
Auditor General  
Local Government Audits/342  
Claude Pepper Building, Room 401  
111 West Madison Street  
Tallahassee, FL 32399-1450

Subject: Management response to Auditors' comments and recommendations on Fiscal Year 2020-2021 Financial Statements

Dear Ms. Norman:

In accordance with the rules of the Auditor General, I am submitting my written response to the auditors' comments and recommendations on the Fiscal Year 2020-2021 Financial Statements, which were received on February 7, 2022 as follows:

2020-01: We will continue to provide management review and supervision as well as oversight by the Authority Board regarding optimum segregation of duties due to the limited number (one employee) of accounting and administrative staff.

The Executive Director reviews all bank statements on line and performs a review for any unusual activity. The Board of Directors reviews and ratifies monthly financial statements (which consist of actual results and comparisons to budget) at regular Board of Directors meetings. A review of specific financial activities that took place that month are also deliberated.

Sincerely,

Ed Gil de Rubio  
Executive Director

Cc: Tom Reilly, Holland and Reilly CPA