

ENGLEWOOD WATER DISTRICT

ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEARS ENDED
SEPTEMBER 30, 2025 AND 2024

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FINANCIAL SECTION

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Independent Auditor's Report

**Board of Supervisors
Englewood Water District
Englewood, Florida**

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the business-type activities and the remaining fund information of the Englewood Water District (the "District") as of and for the years ended September 30, 2025 and 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and the remaining fund information of the District as of September 30, 2025 and 2024, and the changes in financial position and, where applicable, cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis (on pages 4 through 10), the Schedule of Changes in the District's Total OPEB Liability and Related Ratios, Schedule of the District's Proportionate Share of the Net Pension Liability – FRS, Schedule of the District's Contributions – FRS, Schedule of the District's Proportionate Share of the Net Pension Liability – HIS, Schedule of the District's Contributions – HIS, Schedule of Changes in Net Pension Liability and Related Ratios, Schedule of Contributions, and Schedule of Pension Investment Returns (on pages 45 through 52) be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The accompanying supplementary information noted as the Schedule of Operating Expenses by Department as listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information as listed in the table of contents is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

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

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

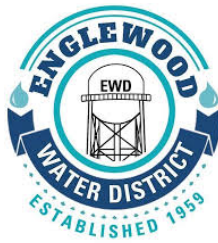
Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 6, 2026, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.



Bradenton, Florida
February 6, 2026

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Management's Discussion and Analysis (MD&A) offers readers of the Englewood Water District's (the "District") financial statements an overview of the financial activities for the fiscal year ended on September 30, 2025. Please read it in conjunction with the financial statements with its accompanying notes.

FINANCIAL HIGHLIGHTS

- The District's assets and deferred outflows of resources exceed its liabilities and deferred inflows of resources on September 30, 2025 by \$136.9 million (net position), a \$5.1 million increase from the previous fiscal year. Of this amount, \$23.2 million (unrestricted net position) may be used to meet the District's ongoing obligations to customers and creditors. The remaining \$113.7 million represents net investment in capital assets.
- The District's net capital assets decreased by \$716 thousand, or 0.6% from the previous year. This is mostly due current year depreciation being greater than the amount of new items placed into service.
- The District is reporting a net pension liability of \$4.8 million as of September 30, 2025.
- Operating revenues for 2025 were \$23.0 million, compared with operating revenue of \$21.9 million in 2024, a 5.1% increase. Excluding depreciation, operating expenses increased \$47.6 thousand or 0.3% from fiscal year 2024. Operating expenses for 2024 were unusually high due to two hurricanes, resulting in a small increase in 2025.

OVERVIEW OF THE FINANCIAL STATEMENTS

The District is a special district engaged in business-type activities. All transactions related to its activities are recorded in a single enterprise fund. Enterprise funds are used to account for operations financed and operated in a manner similar to private business enterprises where the intent is to provide goods and services (including depreciation), on a continuing basis, and to be financed or recovered primarily through user charges.

The financial statements presented in this report are required and consist of: (1) Management's Discussion and Analysis (MD&A); (2) Basic Financial Statements; (3) Notes to the Financial Statements; (4) Required Supplementary Information; and (5) Other Supplementary Information. These topics are further explained as follows:

- MD&A - This section relates mostly to the changes in the District's finances and explains the Basic Financial Statements. The MD&A is on pages 4 through 10.

- Basic Financial Statements, pages 11 through 15.
 - The Statement of Net Position presents information on all of the District's assets, deferred outflow of resources, liabilities, and deferred inflow of resources, with the difference between assets plus deferred outflow of resources and liabilities and deferred inflow of resources reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position is improving or deteriorating.
 - The Statement of Revenues, Expenses, and Changes in Net Position presents information about the amounts of revenues, expenses, and resulting change in net position for the year.
 - The Statement of Cash Flows presents changes in cash and cash equivalents, resulting from operating, capital and related financing, and investing activities. This statement presents cash receipts and cash disbursement information, without consideration of earnings events, when obligations arise, or depreciation of capital assets.
- The Notes to the Financial Statements provide information that is essential to a full understanding of the data provided in the basic financial statements. These notes provide information such as: (1) Summary of significant accounting policies; (2) Cash, cash equivalents and investments; (3) Restricted assets; (4) Connection fees and assessments receivable; (5) Capital assets; (6) Long-term debt; (7) Defined benefit pension plan; (8) Retirement plan; (9) Other post-employment benefits; (10) Risk management; and (11) Commitments and contingencies. The Notes to the Financial Statements are on pages 16 through 44.
- The Required Supplementary Information is not a part of the basic financial statements but is required to be presented in accordance with generally accepted accounting standards. The Required Supplementary Information presents information on the District's funding progress for its Other Post-Employment Benefits and required pension information.
- The Other Supplementary Information presents statistical information that may be useful when considering the financial statements taken as a whole.

These statements are presented in conformance with Governmental Accounting Standards Board (GASB) Statement No. 34, *Basic Financial Statements and Management's Discussion and Analysis - for State and Local Governments*, and therefore, are presented on a net position basis. The use of the net position presentation (including Net Investment in Capital Assets, Restricted and Unrestricted Net Position) alleviates the pre-Statement No. 34 use of contributed capital and retained earnings. Additionally, the operating statement, the "Statement of Revenues, Expenses, and Changes in Net Position," uses a clean surplus approach which results in contributions being reflected on the face of this statement in arriving at the change in net position.

The following table reflects the condensed Summary of Net Position compared to the prior two years:

	2025	2024	2023
Current and other assets	\$ 30,776,294	\$ 27,203,913	\$ 28,806,721
Capital assets	113,650,709	114,366,353	92,410,945
Total assets	144,427,003	141,570,266	121,217,666
Deferred outflows of resources	1,904,161	2,641,519	3,168,749
Current liabilities	1,098,048	3,025,426	3,622,706
Long-term liabilities outstanding	6,669,905	7,656,508	8,147,607
Total liabilities	7,767,953	10,681,934	11,770,313
Deferred inflows of resources	1,710,562	1,771,888	2,021,749
Net position			
Net investment in capital assets	113,650,709	113,955,797	90,675,836
Restricted for:			
Renewal and replacement	-	-	28,466
Unrestricted	23,201,940	17,802,166	19,890,051
Total net position	\$ 136,852,649	\$ 131,757,963	\$ 110,594,353

For more detailed information see the Statements of Net Position (page 11).

NORMAL IMPACTS

The following items describe the normal types of transactions that cause year-to-year changes in the District's net position.

There are six basic (normal) transactions that will affect the comparability of the Statements of Net Position summary presentation:

Net Results of Activities - which will impact (increase/decrease) current assets and unrestricted net position presentation.

Borrowing for Capital - which will increase current assets and long-term debt.

Spending Borrowed Proceeds on New Capital - which will reduce current assets and increase capital assets. There is a second impact, an increase in net invested in capital assets and an increase in related net debt which will not change the net investment in capital assets.

Spending of Non-borrowed Current Assets on New Capital - which will: (a) reduce current assets and increase capital assets, and (b) will reduce unrestricted net position and increase net investment in capital assets.

Principal Payment on Debt - which will: (a) reduce current assets, and (b) reduce long-term debt and reduce unrestricted net position and increase net investment in capital assets.

Reduction of Capital Assets through Depreciation - which will reduce capital assets and net investment in capital assets.

CURRENT YEAR IMPACTS (see page 6 Table 1)

Net position for 2025 increased by \$5.1 million, or 3.9% from fiscal year 2024. Capital assets include capital assets in service, construction in progress and accumulated depreciation. Capital assets in service increased \$17.3 million, or 9.0%. Construction in progress decreased by \$13.2 million, or 95.6%. Accumulated depreciation increased by \$4.9 million, due to depreciation expense. These changes resulted in a net decrease in capital assets of \$715.6 thousand.

The noncurrent liabilities decreased by \$987 thousand, or 12.9% over the fiscal year 2024. No additional debt was issued in 2025.

PREVIOUS YEAR IMPACTS

Net position for 2024 increased by \$6.3 million, or 5.7% from fiscal year 2023. Capital assets include capital assets in service, construction in progress and accumulated depreciation. Capital assets in service increased \$2.8 million, or 1.6%. Construction in progress increased by \$8.6 million, or 165.7%. Accumulated depreciation increased by \$4.4 million, due to depreciation expense. This all resulted in a net increase in capital assets of \$7.0 million.

The noncurrent liabilities decreased by \$491 thousand, or 6.0% over the fiscal year 2023. No additional debt was issued in 2024.

SUMMARY OF CHANGES IN NET POSITION

The following schedule compares the revenues and expenses for the current and previous two fiscal years:

	2025	2024	2023
Operating revenues	\$ 23,043,586	\$ 21,929,648	\$ 20,313,592
Nonoperating revenues (expenses)	1,047,582	3,628,112	1,956,994
Total revenue	<u>24,091,168</u>	<u>25,557,760</u>	<u>22,270,586</u>
Salaries	9,081,576	8,875,748	9,116,328
Utilities	1,233,014	1,302,807	1,402,942
Contractual services	4,014,467	3,433,331	5,020,042
Repair and maintenance	3,624,162	4,293,759	2,149,175
Depreciation	5,191,367	4,717,162	4,601,523
Total operating expenses	<u>23,144,586</u>	<u>22,622,807</u>	<u>22,290,010</u>
Interest expense	-	71,284	115,197
Total expenses	<u>23,144,586</u>	<u>22,694,091</u>	<u>22,405,207</u>
Income (loss) before capital contributions	<u>946,582</u>	<u>2,863,669</u>	<u>(134,621)</u>
Capital contributions	<u>4,148,104</u>	<u>3,392,182</u>	<u>3,713,543</u>
Change in net position	<u>5,094,686</u>	<u>6,255,851</u>	<u>3,578,922</u>
Beginning net position	131,757,963	110,594,353	107,015,431
Prior period adjustment	-	14,907,759	-
Beginning net position, as restated	<u>131,757,963</u>	<u>125,502,112</u>	<u>107,015,431</u>
Ending net position	<u>\$ 136,852,649</u>	<u>\$ 131,757,963</u>	<u>\$ 110,594,353</u>

NORMAL IMPACTS

There are four basic impacts on revenues and expenses as reflected below:

Revenues:

Economic Condition - which can reflect a declining, stable, or growing economic environment and has a substantial impact on revenues as well as public spending habits for building permits, user fees, and volumes of consumption.

Increase/Decrease in Approved Rates - the Board of Supervisors has the authority to impose and periodically increase/decrease water and wastewater rates.

Market Impacts on Investment Income - Englewood Water District's investment portfolio is managed using short-term investments and market conditions may cause investment income to fluctuate.

Expenses:

Introduction of New Programs - individual programs may be added or deleted to meet changing community needs such as increasing the capacity in the wastewater treatment plant to accommodate new connections to the wastewater system.

CURRENT YEAR IMPACTS (see page 7 Table 2)

Revenue:

Water revenues increased \$277 thousand, or 2.7% from fiscal year 2024 to 2025. Wastewater revenues increased \$684 thousand, or 6.1% from 2024 to 2025. The increase in revenues is mostly due to an increase of 5.0% in both usage and base rates at the beginning of fiscal year 2025.

The District's investment earnings decreased \$390 thousand from fiscal year 2024 to 2025. This is attributable to market conditions and a decrease in interest rates. Assessment interest decreased \$9.3 thousand, or 17.2%. This is a result of the reduction in receivables due to payoffs.

Capital contributions increased \$756 thousand from fiscal year 2024 to 2025. There were more noncash assets received from developers in 2025 compared to 2024.

Expenses:

Total operating expenses including depreciation for 2025 were \$23.1 million, a 2.3% increase from fiscal year 2024. Depreciation expense accounted for \$5.2 million of operating expenses. Excluding depreciation, operating expenses were \$18.0 million, an increase of \$48 thousand or 0.3% from fiscal year 2024 to 2025.

Total expenses including depreciation and interest were \$23.1 million, an increase from fiscal year 2024 to 2025 of \$450 thousand or 2.0%.

PRIOR YEAR IMPACTS

Revenue:

Water revenues increased \$696 thousand, or 7.3% from fiscal year 2023 to 2024. Wastewater revenues increased \$779 thousand, or 7.4% from 2023 to 2024. The increase in revenues is mostly due to an increase of 5.0% in both usage and base rates at the beginning of fiscal year 2024.

The District's investment earnings increased \$563 thousand from fiscal year 2023 to 2024. This is attributable to the investment market and an increase in interest rates. Assessment interest decreased \$6.4 thousand, or 10.5%. This is a result of the reduction in receivables due to payoffs.

Capital contributions decreased \$321 thousand from fiscal year 2023 to 2024. There were more capital fees received in fiscal year 2024, but less noncash assets received from developers during the year.

Expenses:

Total operating expenses including depreciation for 2024 were \$22.6 million, a 1.5% increase from fiscal year 2023. Depreciation expense accounted for \$4.7 million of operating expenses. Excluding depreciation, operating expenses were \$17.9 million, an increase of \$217 thousand or 1.2% from fiscal year 2023 to 2024.

Total expenses including depreciation and interest were \$22.7 million, an increase from fiscal year 2023 to 2024 of \$289 thousand or 1.3%.

CAPITAL ASSETS AND DEBT ADMINISTRATION

CAPITAL ASSETS

As of September 30, 2025, Englewood Water District's Water and Wastewater Systems had \$113.7 million invested in a variety of capital assets as reflected in the following schedule, which represents a net decrease of \$716 thousand after the prior period adjustment, or 0.6% from the end of fiscal year 2024. As of September 30, 2024, Englewood Water District's Water and Wastewater Systems had \$114.4 million, after the prior period adjustment, invested in a variety of capital assets as reflected in the following schedule, which represents a net increase of \$23.0 million, or 23.8% from the end of fiscal year 2023.

	Capital Assets		
	<i>(net of depreciation)</i>		
	<u>2025</u>	2024	<u>2023</u>
Land	\$ 4,867,034	\$ 4,867,034	\$ 4,867,034
Construction in progress	609,447	13,799,651	5,193,959
Buildings and plants	30,499,497	28,232,439	28,193,859
Well fields and raw water lines	2,072,127	2,222,086	2,173,195
Water distribution network	16,312,359	16,109,111	11,369,109
Water reclamation facility	55,765,309	47,085,539	39,740,081
Equipment	3,524,936	2,050,493	873,708
Total	<u>\$ 113,650,709</u>	<u>\$ 114,366,353</u>	<u>\$ 92,410,945</u>

For more detailed information, see Note 5 to the financial statements. Beginning balances were restated to include additional infrastructure received.

LONG-TERM LIABILITIES

As of September 30, 2025, Englewood Water District had \$6.7 million in long-term liabilities outstanding.

Outstanding Long-Term Liabilities

	2025	2024	2023
Compensated absences	\$ 854,368	\$ 843,075	\$ 878,944
Total OPEB liability	1,061,238	998,641	1,143,168
Derivative instruments	-	-	(2,134)
Revenue bonds and notes	-	-	1,470,918
Promissory notes	-	-	330,407
Net pension liability	4,754,299	5,814,792	6,125,495
Total	<u>\$ 6,669,905</u>	<u>\$ 7,656,508</u>	<u>\$ 9,946,798</u>

Englewood Water District had no bonds or notes outstanding at the end of 2025.

For more detailed information, see Note 6 to the financial statements.

ECONOMIC FACTORS

Englewood Water District's water ERCs served have grown from 24,144 to 24,415 for fiscal year 2024 to 2025; wastewater ERCs have grown from 21,160 to 21,421.

The Board of Supervisors of Englewood Water District approved an increase in base and usage rates of 5.0% for fiscal year 2025.

FINANCIAL CONTACT

Englewood Water District's financial statements are designed to present users (citizens, taxpayers, customers, investors, and creditors) with a general overview of the Englewood Water District's finances and to demonstrate accountability. If you have questions about the report or need additional financial information, contact:

Lisa Hawkins
201 Selma Avenue
Englewood, Florida 34223
(941) 460-1022

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Englewood Water District

STATEMENTS OF NET POSITION SEPTEMBER 30, 2025 AND 2024

	2025	2024
ASSETS		
Current assets		
Cash and cash equivalents	\$ 10,784,946	\$ 6,522,534
Accounts receivable, net	2,749,491	2,474,504
Due from other governments	96,303	1,373,407
Inventory	1,842,347	1,748,631
Prepays	12,113	9,395
Total current assets	<u>15,485,200</u>	<u>12,128,471</u>
Noncurrent assets		
Investments	13,995,182	13,837,148
Connection fees and assessments receivable	908,372	1,053,483
Net pension asset	387,540	184,811
Capital assets		
Non-depreciable	5,476,481	18,666,685
Depreciable, net of accumulated depreciation	108,174,228	95,699,668
Total noncurrent assets	<u>128,941,803</u>	<u>129,441,795</u>
Total assets	<u>144,427,003</u>	<u>141,570,266</u>
DEFERRED OUTFLOW OF RESOURCES		
Deferred amount on OPEB	106,022	101,170
Deferred amount on pensions	1,798,139	2,540,349
Total deferred outflows of resources	<u>1,904,161</u>	<u>2,641,519</u>
LIABILITIES		
Current liabilities		
Accounts payable	637,858	2,467,407
Accrued liabilities	460,190	558,019
Total current liabilities	<u>1,098,048</u>	<u>3,025,426</u>
Noncurrent liabilities		
Compensated absences	854,368	843,075
Total OPEB liability	1,061,238	998,641
Net pension liability	4,754,299	5,814,792
Total noncurrent liabilities	<u>6,669,905</u>	<u>7,656,508</u>
Total liabilities	<u>7,767,953</u>	<u>10,681,934</u>
DEFERRED INFLOW OF RESOURCES		
Deferred amount on pensions	1,710,562	1,771,888
Total deferred inflow of resources	<u>1,710,562</u>	<u>1,771,888</u>
NET POSITION		
Net investment in capital assets	113,650,709	113,955,797
Unrestricted	23,201,940	17,802,166
Total net position	<u>\$ 136,852,649</u>	<u>\$ 131,757,963</u>

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

Englewood Water District

STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION FOR THE YEARS ENDED SEPTEMBER 30, 2025 AND 2024

	2025	2024
Operating revenues		
Water services	\$ 10,526,691	\$ 10,249,688
Waste treatment	11,959,328	11,275,585
Miscellaneous	557,567	404,375
Total operating revenues	<u>23,043,586</u>	<u>21,929,648</u>
Operating expenses		
Water treatment plants	4,570,633	5,228,072
Water distribution	2,918,129	2,905,332
Waste treatment	4,137,962	3,559,719
Waste collection	6,570,838	6,369,322
Laboratory	327,266	323,262
General and administrative	4,619,758	4,237,100
Total operating expenses	<u>23,144,586</u>	<u>22,622,807</u>
Operating loss	<u>(101,000)</u>	<u>(693,159)</u>
Nonoperating revenues (expenses)		
Investment income	900,274	1,289,932
Special assessment interest	45,014	54,340
Interest expense	-	(71,284)
Other revenues (expenses)	(179,266)	1,898,109
Gain on disposal of capital assets	281,560	385,731
Total nonoperating revenues (expenses), net	<u>1,047,582</u>	<u>3,556,828</u>
Income before contributions	946,582	2,863,669
Capital contributions		
Cash	1,012,887	3,221,794
Noncash	3,135,217	170,388
Total contributions	<u>4,148,104</u>	<u>3,392,182</u>
Change in net position	5,094,686	6,255,851
Total net position, beginning of year	131,757,963	110,594,353
Prior period adjustment	-	14,907,759
Total net position, beginning of year as restated	<u>131,757,963</u>	<u>125,502,112</u>
Total net position, end of year	<u>\$ 136,852,649</u>	<u>\$ 131,757,963</u>

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

Englewood Water District

STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED SEPTEMBER 30, 2025 AND 2024

	2025	2024
Cash flows from operating activities		
Receipts from customers and users	\$ 22,768,599	\$ 21,855,105
Payments to suppliers for goods and services	(10,797,625)	(7,734,259)
Payments to employees	(9,692,706)	(9,110,639)
Net cash provided by operating activities	<u>2,278,268</u>	<u>5,010,207</u>
Cash flows from non-capital financing activities		
Grant receipts	1,097,838	524,702
Net cash provided by non-capital financing activities	<u>1,097,838</u>	<u>524,702</u>
Cash flows from capital and related financing activities		
Purchases of capital assets	(1,544,678)	(11,625,046)
Proceeds from the sale of capital assets	485,732	416,354
Capital contributions	1,012,887	3,221,794
Collection of special assessment principal and interest	190,125	224,434
Principal payments on bonds and notes payable	-	(1,801,325)
Interest paid on long-term borrowings	-	(33,534)
Net cash provided by (used in) capital and related financing activities	<u>144,066</u>	<u>(9,597,323)</u>
Cash flows from investing activities		
Purchases of investments	(18,386,785)	(6,507,330)
Proceeds from sale of investments	18,303,536	12,863,002
Interest income on investments	825,489	853,938
Net cash provided by investing activities	<u>742,240</u>	<u>7,209,610</u>
Net change in cash and cash equivalents	4,262,412	3,147,196
Cash and cash equivalents		
Beginning	6,522,534	3,375,338
Ending	<u>\$ 10,784,946</u>	<u>\$ 6,522,534</u>
Reconciliation of operating loss to net cash provided by operating activities		
Operating loss	\$ (101,000)	\$ (693,159)
Adjustments to reconcile operating loss to net cash provided by operating activities		
Depreciation and amortization	5,191,367	4,717,162
Noncash OPEB and pension expense	(524,593)	(312,427)
Changes in assets and liabilities		
Net (increase) decrease in:		
Accounts receivable	(274,987)	(74,543)
Inventory	(93,716)	176,732
Other assets	(2,718)	(200)
Net increase (decrease) in:		
Accounts payable	(1,829,549)	1,119,106
Accrued liabilities and compensated absences	(86,536)	77,536
Net cash provided by operating activities	<u>\$ 2,278,268</u>	<u>\$ 5,010,207</u>
Noncash investing, capital, and financing activities		
Noncash capital contributions	\$ 3,135,217	\$ 170,388
Net unrealized gain	74,785	435,994
	<u>\$ 3,210,002</u>	<u>\$ 606,382</u>

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

Englewood Water District

STATEMENTS OF FIDUCIARY NET POSITION

EMPLOYEES' PENSION PLAN

SEPTEMBER 30, 2025 AND 2024

	<u>2025</u>	<u>2024</u>
Assets		
Cash and cash equivalents	\$ 97,193	\$ 73,868
Prepaid benefits	2,722	6,809
Investments at fair value		
Mutual funds	233,119	166,922
Equity funds	715,800	688,258
Other	36,030	38,034
Total investments	<u>984,949</u>	<u>893,214</u>
Total assets	<u>1,084,864</u>	<u>973,891</u>
 Fiduciary net position		
Restricted for pension benefits	<u>\$ 1,084,864</u>	<u>\$ 973,891</u>

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

Englewood Water District

STATEMENTS OF CHANGES IN FIDUCIARY NET POSITION EMPLOYEES' PENSION PLAN FOR THE YEARS ENDED SEPTEMBER 30, 2025 AND 2024

	<u>2025</u>	<u>2024</u>
Additions		
Contributions		
Employer	\$ 85,000	\$ 85,000
Total contributions	<u>85,000</u>	<u>85,000</u>
Investment income		
Interest and dividends	25,990	27,111
Net appreciation in fair value of investments	93,916	168,539
Less: investment expense	(9,783)	(8,656)
Net investment income	<u>110,123</u>	<u>186,994</u>
Total additions	<u>195,123</u>	<u>271,994</u>
Deductions		
Pension benefits	84,150	81,699
Total deductions	<u>84,150</u>	<u>81,699</u>
Change in net position	110,973	190,295
Net position, beginning of year	973,891	783,596
Net position, end of year	<u>\$ 1,084,864</u>	<u>\$ 973,891</u>

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

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Englewood Water District

Notes To Financial Statements

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

The Englewood Water District (the "District") is an independent special district of the state of Florida. The District was established by act of the Florida Legislature in 1959 and recreated and reenacted pursuant to Chapter 2004-439, *Laws of Florida*, on June 17, 2004. The District operates under an elected Board of Supervisors form of government and provides water and reuse services and waste treatment services in portions of Sarasota and Charlotte Counties.

Significant Accounting Policies

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

Reporting Entity

All significant activities on which the District exercises oversight responsibility have been included in the District's financial statements. The criteria regarding manifestation of oversight include designation of management, budgetary authority, responsibility for debt, control over properties, and scope of services.

Governmental Accounting Standards Board Number 61, *The Financial Reporting Entity: Omnibus an amendment of GASB Statements No. 14 and No. 34*, as amended, requires the financial statements of the District (the primary government) to include its component units, if any. A component unit is a legally separate organization for which the elected officials of the primary government are financially accountable. The Englewood Water District Employees' Pension Plan (the "Pension Plan") is a defined benefit pension plan administered by a Plan Administrator who is the Finance Director of the District. The Pension Plan is reported as a fiduciary component unit in accordance with Governmental Accounting Standards Board Statement Number 84.

Fund Accounting

The District uses enterprise fund accounting to report its activities.

Enterprise funds are used to account for operations: (1) that are financed and operated in a manner similar to private business enterprises where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (2) where it is decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

Englewood Water District

Notes To Financial Statements

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Measurement Focus

The District is accounted for on an "economic resources" measurement focus. Accordingly, all assets, deferred outflows, liabilities and deferred inflows are included on the Statement of Net Position, and the reported fund equity (total reported assets and deferred outflows less total reported liabilities and deferred inflows) provides an indication of the economic net worth of the District. The operating statement reports increases (revenues) and decreases (expenses) in total economic net worth.

Basis of Accounting

Basis of accounting refers to when revenues and expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

The District is accounted for using the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred.

Budget

On September 1, 2024 and September 1, 2023, the Board of Supervisors adopted the annual operating budgets for fiscal years 2025 and 2024, respectively, for the District. These budgets cover the period October 1, 2024 through September 30, 2025, and October 1, 2023 through September 30, 2024, respectively, and include the estimated operating expenses for these periods and the means of financing them. Appropriations lapse at year-end. The legal level of control is the fund level. There were no supplemental appropriations during the year.

Cash and Investments

The District reports its investments at fair value in accordance with GASB Statement Number 72, *Fair Value Measurement and Application*. Fair valuations are based on quoted market prices.

The District considers highly liquid investments, including those held as restricted assets, with original maturities of three months or less when purchased to be cash equivalents.

Englewood Water District

Notes To Financial Statements

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Accounts Receivable

As of September 30, 2025 and 2024, all receivables shown represent valid claims against debtors. By legislative authority, all receivables become liens on property, thus no reserve has been established. No bad debts were charged to operations for the years ended September 30, 2025 and 2024.

The District bills for services on a monthly cycle basis and accrues for services rendered but unbilled based on estimated usage from the latest billing to the end of the year.

Inventory

Inventories are valued at the lower of cost or market using the first-in/first-out (FIFO) method.

Capital Assets

Capital assets are stated on the basis of cost, which includes ancillary charges necessary for asset acquisition. The threshold for capitalization is \$5,000. Assets contributed to the District are recorded at their acquisition value. Depreciation is computed by the straight-line method over estimated service lives.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. The District capitalizes major expenditures for additions and improvements. Expenditures for maintenance and repairs are charged to expenses as incurred. The cost of assets retired or sold, together with the related accumulated depreciation, is removed from the accounts and any gain or loss on disposition is credited or charged to earnings.

Capital assets of the District are depreciated using the straight-line method over the following estimated useful lives:

<u>Asset</u>	<u>Years</u>
Buildings and plants	7-25
Well fields and raw water lines	10-50
Water distribution network	10-45
Wastewater treatment plant	10-45
Equipment	3-10

Notes To Financial Statements

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fair Value Measurements

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

Level 1 – Valuation is based on quoted prices for identical instruments traded in active markets.

Level 2 – Valuation is based on quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in markets that are not active, and model-based valuation techniques for which all significant assumptions are observable in the market.

Level 3 – Valuation is based on model-based techniques that use significant inputs and assumptions not observable in the market. These unobservable inputs and assumptions reflect estimates of inputs and assumptions that market participants would use in pricing the assets and liabilities. Valuation techniques include the use of option pricing models, discounted cash flow models, and similar techniques. At September 30, 2025, the District held no such assets.

Deferred Outflows/Inflows of Resources

In addition to assets, The Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense) until then. The District reports deferred outflows for changes in actuarial assumptions, the net difference between projected and actual earnings on pension investments, changes in the proportion and differences between the District's contributions and proportionate share of contributions, and the District's contributions subsequent to the measurement date, relating to the Florida Retirement System Pension Plan (FRS), the Retiree Health Insurance Subsidy Program (HIS), and OPEB. A deferred outflow on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The amounts relating to the FRS, the HIS, and OPEB will be recognized as increases in pension and OPEB expense, as applicable, in future years.

Englewood Water District

Notes To Financial Statements

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Deferred Outflows/Inflows of Resources (Continued)

In addition to liabilities, the Statement of Financial Position reports a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The deferred inflows of resources reported represents the difference between expected and actual economic experience, the net difference between projected and actual earnings on pension investments, and changes in the proportion and differences between the District's contributions and proportionate share of contributions relating to the FRS and the HIS. These amounts will be recognized as reductions in pension expense in future years.

Pensions

In the government-wide statements of net position, liabilities are recognized for the District's proportionate share of each pension plan's net pension liability. For purposes of measuring the net pension liability, deferred outflows/inflows of resources, and pension expense, information about the fiduciary net position of the FRS defined benefit plan and the HIS and additions to/deductions from FRS's and HIS's fiduciary net position have been determined on the same basis as they are reported by the FRS and HIS plans. For this purpose, plan contributions are recognized as of employer payroll paid dates and benefit payments and refunds of employee contributions are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Compensated Absences

The District's annual leave policy provides for the accumulation of annual leave with such leave being fully vested when earned. The liability for said accumulation has been accrued using current pay rates.

Unamortized Discounts

Discounts related to long-term debt are amortized over the life of the debt using the effective interest method. Long-term debt is shown net of unamortized discounts.

Englewood Water District

Notes To Financial Statements

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Net Position

Net position is categorized as net investment in capital assets, restricted and unrestricted.

Net investment in capital assets is intended to reflect the portion of net position which is associated with nonliquid, capital assets net of accumulated depreciation and net of outstanding capital asset related debt. The net related debt is the debt less the outstanding liquid assets and any associated unamortized discounts, premiums, or deferred refunding losses.

Restricted assets are liquid assets (generated from revenues and not bond proceeds), which have third-party (statutory or bond covenant) limitations on their use. When both restricted and unrestricted, resources are available, restricted resources will be used first for incurred expenses, and then unrestricted as needed.

Unrestricted assets consist of all other net position not included in the previous categories.

Operating Revenues and Expenses

Operating revenues and expenses for enterprise funds are those that result from providing services and producing and delivering goods and/or services. It also includes all revenue and expenses not related to capital and related financing, noncapital financing, or investing activities.

Nonoperating Revenues and Expenses

Nonoperating revenues and expenses represent revenue and expense items that are not incurred from the normal user activity of the District. This classification includes revenue received from capital grants and contributions, interest earned on bank accounts and investments, interest received from special assessments, interest paid on debt service, and the gain or loss on the sale or disposal of District property.

Capital Contributions

Contributions are recognized in the Statement of Revenues, Expenses, and Changes in Net Position when earned. Capital contributions include connection fees and developer contributed utility systems.

Englewood Water District

Notes To Financial Statements

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Management Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that may affect the reported amounts of certain assets and liabilities and disclosures of contingencies 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.

NOTE 2. CASH, CASH EQUIVALENTS, AND INVESTMENTS

Deposits

Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. In accordance with its policy, all District depositories are banks designated by the Florida Chief Financial Officer as qualified public depositories. Chapter 280 of the Florida Statutes, Florida Security for Public Deposits Act, provides procedures for public depositories to ensure public monies in banks and saving and loans are collateralized with the Florida Chief Financial Officer as agent for the public entities. Chapter 280 defines deposits as demand deposit accounts, time deposit accounts, and nonnegotiable certificates of deposit.

Financial institutions qualifying as public depositories shall deposit with the Florida Chief Financial Officer eligible collateral at the pledging level required pursuant to Chapter 280. The Florida Security for Public Deposits Act has a procedure for the payment of losses in the event of a default or insolvency. When public deposits are made in accordance with Chapter 280, no public depositor shall be liable for any loss thereof, and therefore, the District is not exposed to custodial credit risk for its deposits.

At September 30, 2025, the District's deposits, except deposits held with the brokerage firm, were made in accordance with Chapter 280. Therefore, the District is not exposed to custodial credit risk at September 30, 2025 for these deposits.

Deposits with the brokerage firm totaling \$114,394 and \$3,893 at September 30, 2025 and 2024, respectively, were insured by the FDIC. Amounts in excess of FDIC limits are also included in Chapter 280 of the Florida Statutes.

Englewood Water District

Notes To Financial Statements

NOTE 2. CASH, CASH EQUIVALENTS, AND INVESTMENTS (CONTINUED)

Investments

In accordance with the Florida Statute 218.415(16) and its investment policy, the District may invest in:

- a. The Local Government Surplus Funds Trust Fund or any intergovernmental investment pool authorized pursuant to the Florida Interlocal Cooperation Act as provided in S.163.01.
- b. Securities and Exchange Commission registered money market funds with the highest credit quality rating from a nationally recognized rating agency.
- c. Interest-bearing time deposits or savings accounts in qualified public depositories as defined in S. 280.02.
- d. Direct obligations of the United States Treasury.
- e. Federal agencies and instrumentalities.
- f. Rated or unrated bonds, notes, or instruments backed by the full faith and credit of the government of Israel.
- g. Securities of, or other interests in, any open-end or closed-end management-type investment company or investment trust registered under the Investment Company Act of 1940, 15 U.S.C. ss. 80a-1 et seq., as amended from time to time, provided that the portfolio of such investment company or investment trust is limited to obligations of the United States Government or any agency or instrumentality thereof and to repurchase agreements fully collateralized by such United States Government obligations, and provided that such investment company or investment trust takes delivery of such collateral either directly or through an authorized custodian.
- h. Other investments authorized by resolution of the District.

Englewood Water District

Notes To Financial Statements

NOTE 2. CASH, CASH EQUIVALENTS, AND INVESTMENTS (CONTINUED)

Investments (Continued)

As of September 30, 2025 and 2024, the District had the following investments and maturities:

September 30, 2025		Investment Maturities (in Years)				
Investment Type	Fair Value	Less Than 1	Between 1 - 2	Between 2 - 3	More Than 3	% of Portfolio
Certificates of deposit	\$ 6,474,501	\$ 1,234,133	\$ 817,111	\$ 1,837,298	\$ 2,585,959	46%
Federal instrumentalities:						
Government backed bonds	7,520,681	2,304,820	23,285	1,299,658	3,892,918	54%
Total investments	\$ 13,995,182	\$ 3,538,953	\$ 840,396	\$ 3,136,956	\$ 6,478,877	

September 30, 2024		Investment Maturities (in Years)				
Investment Type	Fair Value	Less Than 1	Between 1 - 2	Between 2 - 3	More Than 3	% of Portfolio
Certificates of deposit	\$ 9,346,881	\$ 2,488,056	\$ 1,655,520	\$ 1,233,746	\$ 3,969,559	67%
Corporate bonds	-	-	-	-	-	0%
Federal instrumentalities:						
Government backed bonds	4,490,267	1,497,469	1,364,507	-	1,628,291	32%
Total investments	\$ 13,837,148	\$ 3,985,525	\$ 3,020,027	\$ 1,233,746	\$ 5,597,850	

Certificates of deposit and federal instrumentalities are valued using third-party pricing services and are deemed to be Level 2.

Credit Ratings

	2025		2024	
	S&P	Moody's	S&P	Moody's
Certificates of deposit	N/A	N/A	N/A	N/A
Corporate bonds	N/A	N/A	N/A	N/A
Federal instrumentalities:				
Government backed bonds	AAA	AAA	AAA	AAA
FNMA	N/A	N/A	AAA	AAA

Interest rate risk. As a means of limiting its exposure to fair value losses arising from rising interest rates, the District's investment policy limits its investment in federal instrumentalities and nonnegotiable certificates of deposit to maturities of up to five years.

Credit risk. The District does not have a credit risk policy for its investment in federal instrumentalities. Its credit risk policy for its investment in nonnegotiable certificates of deposit requires that they be insured under the provisions of FDIC. No individual certificate of deposit exceeds \$250,000.

Englewood Water District

Notes To Financial Statements

NOTE 2. CASH, CASH EQUIVALENTS, AND INVESTMENTS (CONTINUED)

Investments (Continued)

Custodial credit risk. For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party.

Concentration of credit risk. A maximum of 40% may be invested in individual federal instrumentalities. At September 30, 2025 and 2024, there were no investments in any one issuer that represented 5% or more of total investments. All investments are held by RBC Wealth Management, counterparty to the transaction, in the District's name.

NOTE 3. CONNECTION FEES AND ASSESSMENTS RECEIVABLE

The District has entered into notes receivable with customers that allow the customer to pay impact and tap fees, and sewer assessments over 15 to 18 years. These agreements, which aggregated \$818,689 and \$963,800 at September 30, 2025 and 2024, respectively, are placed on the tax rolls and include interest at 5.00% to 6.24%. This District also has Hardship agreements with some qualifying customers. These agreements aggregated \$89,683 at September 30, 2025 and 2024, respectively, and earn no interest.

Englewood Water District

Notes To Financial Statements

NOTE 4. CAPITAL ASSETS

A summary of changes in capital assets for the year ended September 30, 2025 is as follows:

	Beginning Balance	Increases	Decreases/ Transfers	Ending Balance
Capital assets, not being depreciated:				
Land	\$ 4,867,034	\$ -	\$ -	\$ 4,867,034
Construction in progress	13,799,651	1,142,467	(14,332,671)	609,447
Total	<u>18,666,685</u>	<u>1,142,467</u>	<u>(14,332,671)</u>	<u>5,476,481</u>
Capital assets, being depreciated:				
Buildings and plants	43,300,344	14,257,030	(230,455)	57,326,919
Well fields and raw water lines	6,836,513	-	-	6,836,513
Water distribution network	33,703,204	879,596	-	34,582,800
Wastewater treatment plant	99,320,470	2,255,621	(187,060)	101,389,031
Equipment	9,712,444	477,852	(121,437)	10,068,859
Total	<u>192,872,975</u>	<u>17,870,099</u>	<u>(538,952)</u>	<u>210,204,122</u>
Less accumulated depreciation for:				
Buildings and plants	(15,067,905)	(1,194,926)	(10,564,591)	(26,827,422)
Well fields and raw water lines	(4,614,427)	(149,959)	-	(4,764,386)
Water distribution network	(17,594,093)	(806,538)	130,190	(18,270,441)
Wastewater treatment plant	(52,234,931)	(2,414,057)	9,025,266	(45,623,722)
Equipment	(7,661,951)	(625,887)	1,743,915	(6,543,923)
Total	<u>(97,173,307)</u>	<u>(5,191,367)</u>	<u>334,780</u>	<u>(102,029,894)</u>
Total capital assets, being depreciated, net	<u>95,699,668</u>	<u>12,678,732</u>	<u>(204,172)</u>	<u>108,174,228</u>
Total capital assets, net	<u>\$ 114,366,353</u>	<u>\$ 13,821,199</u>	<u>\$ (14,536,843)</u>	<u>\$ 113,650,709</u>

Englewood Water District

Notes To Financial Statements

NOTE 4. CAPITAL ASSETS (CONTINUED)

A summary of changes in capital assets for the year ended September 30, 2024 is as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, not being depreciated:				
Land	\$ 4,867,034	\$ -	\$ -	\$ 4,867,034
Construction in progress	5,193,959	10,744,849	(2,139,157)	13,799,651
Total	<u>10,060,993</u>	<u>10,744,849</u>	<u>(2,139,157)</u>	<u>18,666,685</u>
Capital assets, being depreciated:				
Buildings and plants	42,197,749	1,121,082	(18,487)	43,300,344
Well fields and raw water lines	6,836,513	-	-	6,836,513
Water distribution network	29,597,570	4,105,634	-	33,703,204
Wastewater treatment plant	91,063,382	8,286,719	(29,631)	99,320,470
Equipment	8,336,972	1,706,856	(331,384)	9,712,444
Total	<u>178,032,186</u>	<u>15,220,291</u>	<u>(379,502)</u>	<u>192,872,975</u>
Less accumulated depreciation for:				
Buildings and plants	(14,003,890)	(1,082,501)	18,486	(15,067,905)
Well fields and raw water lines	(4,468,953)	(145,474)	-	(4,614,427)
Water distribution network	(16,908,332)	(685,761)	-	(17,594,093)
Wastewater treatment plant	(49,960,585)	(2,276,591)	2,245	(52,234,931)
Equipment	(7,463,264)	(526,835)	328,148	(7,661,951)
Total	<u>(92,805,024)</u>	<u>(4,717,162)</u>	<u>348,879</u>	<u>(97,173,307)</u>
Total capital assets, being depreciated, net	<u>85,227,162</u>	<u>10,503,129</u>	<u>(30,623)</u>	<u>95,699,668</u>
Total capital assets, net	<u>\$ 95,288,155</u>	<u>\$ 21,247,978</u>	<u>\$ (2,169,780)</u>	<u>\$ 114,366,353</u>

Depreciation expense for the years ended 2025 and 2024 was \$5,191,367 and \$4,717,162, respectively.

Asset transfers may occur between asset categories. Such transfers are included in the increases/decreases columns and the related accumulated depreciation for the asset transfer is reported in the decrease column in the summary of changes in capital assets above.

Beginning balances were restated as discussed in Note 10.

Englewood Water District

Notes To Financial Statements

NOTE 5. DEFINED BENEFIT PENSION PLANS

The Employees' Pension Plan

Plan Administration

On February 1, 1999, the District implemented a defined benefit pension plan (the "Englewood Water District Employees' Pension Plan") covering substantially all the District's regular employees, except for the District Administrator. The District, in accordance with the District's enabling act and state statutes, established the single-employer plan. Effective March 31, 2003, the District closed the Plan. The District remains obligated to fund the closed Plan for eligible inactive members. The net pension (asset) for this Plan at September 30, 2025 and 2024, was (\$387,540) and (\$184,811), respectively.

Plan Membership

At October 1, 2024, the date of the most recent actuarial valuation, the plan included the following:

Inactive plan members or beneficiaries currently receiving benefits	3
Inactive plan members entitled to but not yet receiving benefits	1

Benefits Provided

The Plan provides retirement, termination, disability, and death benefits.

Contributions

Remaining amount necessary for payment of normal (current year's) cost and amortization of the accrued past service liability as provided for in Chapter 112, Florida Statutes. The District's contributions to the Plan for the years ended September 30, 2025 and 2024 were \$85,000 and \$85,000, respectively.

Net Pension Liability

The measurement date is September 30, 2024.

The measurement period for the pension expense was October 1, 2023 to September 30, 2024.

The reporting period is October 1, 2024 through September 30, 2025.

The components of the net pension liability of the District for its September 30, 2025 and 2024 financial statements, respectively, were as follows:

	<u>2025</u>	<u>2024</u>
Total Pension Liability	\$ 586,351	\$ 598,785
Plan Fiduciary Net Position	973,891	783,596
District's Net Pension Liability (Asset)	<u>\$ (387,540)</u>	<u>\$ (184,811)</u>

Englewood Water District

Notes To Financial Statements

NOTE 5. DEFINED BENEFIT PENSION PLANS (CONTINUED)

The Employees' Pension Plan (Continued)

For the years ended September 30, 2025 and 2024, the District recognized pension (benefit) expense of (\$798) and \$65,676, for the Plan. At September 30, 2025 and 2024, the District reported deferred outflows of resources and deferred inflows of resources related to the Plan from the following sources:

September 30, 2025	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual earnings on pension plan investments	\$ -	\$ 74,395
District pension plan contributions subsequent to the measurement date	85,000	-
Total	<u>\$ 85,000</u>	<u>\$ 74,395</u>
September 30, 2024	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual earnings on pension plan investments	\$ 42,536	\$ -
City pension plan contributions subsequent to the measurement date	85,000	-
Total	<u>\$ 127,536</u>	<u>\$ -</u>

Englewood Water District

Notes To Financial Statements

NOTE 5. DEFINED BENEFIT PENSION PLANS (CONTINUED)

The Employees' Pension Plan (Continued)

The deferred outflows of resources related to the Pension Plan, totaling \$85,000 resulting from District contributions to the plan subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the fiscal year ended September 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the plans will be recognized in pension expense as follows:

Year ended September 30,	
2026	\$ (16,272)
2027	2,337
2028	(34,055)
2029	(26,405)
Total	<u>\$ (74,395)</u>

Actuarial Assumptions

The Total Pension Liability was determined by an actuarial valuation as of October 1, 2024 using the following assumptions:

Inflation	3.00%
Discount Rate	7.00%
Investment Rate of Return	7.00%

Mortality Rate

Female: PubG.H-2010 for Healthy Retirees.

Male: PubG.H-2010 for Healthy Retirees.

The above assumption rates were mandated by Chapter 2015-157, *Laws of Florida*. This law mandates the use of the assumption used in either of the two most recent valuations of the Florida Retirement System (FRS). The above rates are those outlined in Milliman's July 1, 2019, FRS valuation report for other than special risk participants. We feel this assumption sufficiently accommodates future mortality improvements.

The date of the most recent experience study for which significant assumptions are based upon is not available.

Englewood Water District

Notes To Financial Statements

NOTE 5. DEFINED BENEFIT PENSION PLANS (CONTINUED)

The Employees' Pension Plan (Continued)

The long-term expected rate of return on pension plan investments can be determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of Pension Plan investment expenses and inflation) are developed for each major asset class.

For 2024, the inflation rate assumption of the investment advisor was 3.00%.

These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

Investment Policy

Best estimates of geometric real rates of return for each major asset class included in the Pension Plan's target asset allocation as of September 30, 2025 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic equity	55%	5.4%
International equity	10%	5.5%
Fixed income	29%	1.3%
Real estate	5%	4.5%
Cash	1%	0.0%
Total	<u>100%</u>	

Concentrations

The Pension Plan did not hold investments in any one organization that represent 5% or more of the Pension Plan's Fiduciary Net Position at September 30, 2025 or 2024.

Rate of Return

For the years ended September 30, 2025 and 2024, the annual money-weighted rate of return on Pension Plan investments, net of Pension Plan investment expense, were 10.96% and 22.96%, respectively.

Englewood Water District

Notes To Financial Statements

NOTE 5. DEFINED BENEFIT PENSION PLANS (CONTINUED)

The Employees' Pension Plan (Continued)

Custodial Credit Risk

Custodial credit risk for deposits is the risk that in the event of a bank failure, the Pension Plan may not be able to recover its deposits.

Fair Value Measurements

At September 30, 2025 and 2024, the Pension Plan held securities that are classified as Level 1 in the Fair Value Hierarchy.

Discount Rate

The discount rate used to measure the total pension liability was 7.00%.

The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that District contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the Pension Plans' fiduciary net position was projected to be available to make all projected future benefit payments of current Plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Changes in the Net Pension Liability (Asset)

The changes in the components of the net pension liability (asset) of the District for the fiscal years ended September 30, 2025 and 2024 were as follows:

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
Reporting Period Ending September 30, 2024	\$ 598,785	\$ 783,596	\$ (184,811)
Changes for the year:			
Interest	39,056	-	39,056
Differences between expected and actual experience	30,209	-	30,209
Changes of assumptions	-	-	-
Contributions - employer	-	85,000	(85,000)
Net investment income	-	186,994	(186,994)
Benefit payments, including refunds of employee contributions	(81,699)	(81,699)	-
Administrative expense	-	-	-
Net changes	(12,434)	190,295	(202,729)
Reporting Period Ending September 30, 2025	\$ 586,351	\$ 973,891	\$ (387,540)

Englewood Water District

Notes To Financial Statements

NOTE 5. DEFINED BENEFIT PENSION PLANS (CONTINUED)

The Employees' Pension Plan (Continued)

Changes in the Net Pension Liability (Asset) (Continued)

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
Reporting Period Ending September 30, 2023	\$ 579,076	\$ 695,537	\$ (116,461)
Changes for the year:			
Interest	37,759	-	37,759
Differences between expected and actual experience	61,269	-	61,269
Changes of assumptions	-	-	-
Contributions - employer	-	80,400	(80,400)
Net investment income	-	86,978	(86,978)
Benefit payments, including refunds of employee contributions	(79,319)	(79,319)	-
Administrative expense	-	-	-
Net changes	19,709	88,059	(68,350)
Reporting Period Ending September 30, 2024	<u>\$ 598,785</u>	<u>\$ 783,596</u>	<u>\$ (184,811)</u>

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liabilities of the District, calculated using the discount rates noted above, as well as what the District's net pension liabilities would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate, for the fiscal years ended September 30, 2025 and 2024:

	Current		
	1% Decrease (6.00%)	Discount Rate (7.00%)	1% Increase (8.00%)
September 30, 2025			
District's proportionate share of the net pension liability (asset)	\$ (355,051)	\$ (387,540)	\$ (416,894)
September 30, 2024			
District's proportionate share of the net pension liability (asset)	\$ (150,096)	\$ (184,811)	\$ (216,085)

Effective May 1, 2003, all current and future employees of the District are included in the Florida Retirement System (FRS), a cost sharing, multi-employer, public employee retirement system.

Notes To Financial Statements

NOTE 5. DEFINED BENEFIT PENSION PLANS (CONTINUED)

The Florida Retirement System Plan

Defined Benefit Plans

The District participates in two defined benefit pension plans that are administered by the State of Florida, Department of Management Services, Division of Retirement. The plans provide retirement, disability or death benefits to retirees or their designated beneficiaries. Chapter 121, Florida Statutes, establishes the authority for benefit provisions. Changes to the law can only occur through an act of the Florida Legislature. The State of Florida issues a publicly available financial report that includes financial statements and required supplementary information for the plans. That report is available from the Florida Department of Management Services' website (www.dms.myflorida.com).

The FRS is a cost-sharing, multiple-employer defined benefit pension plan with a Deferred Retirement Option Program (DROP) available for eligible employees. The FRS was established and is administered in accordance with Chapter 121, Florida Statutes. Retirees receive a lifetime pension benefit with joint and survivor payment options. FRS membership is compulsory for employees filling regularly established positions in a state agency, county agency, state university, state college, or district school board, unless restricted from FRS membership under Sections 121.053 or 121.122, Florida Statutes, or allowed to participate in a defined contribution plan in lieu of FRS membership. Participation by cities, municipalities, special districts, charter schools and metropolitan planning organizations is optional.

The Retiree Health Insurance Subsidy (HIS) Program is a cost-sharing, multiple-employer defined benefit pension plan established and administered in accordance with Section 112.363, Florida Statutes. The benefit is a monthly payment to assist retirees of the state-administered retirement systems in paying their health insurance costs. To be eligible to receive a HIS benefit, a retiree under a state administered retirement system must provide proof of eligible health insurance coverage, which can include Medicare.

Benefits Provided

Benefits under the FRS Pension Plan are computed on the basis of age and/or years of service, average final compensation, and service credit. Credit for each year of service is expressed as a percentage of the average final compensation. For members initially enrolled before July 1, 2011, the average final compensation is the average of the five highest fiscal years' earnings; for members initially enrolled on or after July 1, 2011, the average final compensation is the average of the eight highest fiscal years' earnings. The total percentage value of the benefit received is determined by calculating the total value of all service, which is based on the retirement plan and/or class to which the member belonged when the service credit was earned.

Englewood Water District

Notes To Financial Statements

NOTE 5. DEFINED BENEFIT PENSION PLANS (CONTINUED)

The Florida Retirement System Plan (Continued)

Benefits Provided (Continued)

Eligible retirees and beneficiaries receive a monthly HIS payment equal to the number of years of service credited at retirement multiplied by \$5. The minimum payment is \$30 and the maximum payment is \$150 per month, pursuant to Section 112.363, Florida Statutes.

Contributions

The contribution requirements of plan members and the employer are established and may be amended by the Florida Legislature. Employees are required to contribute 3.00% of their salary to the FRS Pension Plan. The employer's contribution rates as of September 30, 2025 were as follows:

	<u>FRS</u>	<u>HIS</u>
Regular class	13.63%	2.00%
Special risk class	32.79%	2.00%
Senior management service class	34.52%	2.00%
Elected officials	58.68%	2.00%
DROP from FRS	21.13%	2.00%

The employer's contributions for the year ended September 30, 2025 were \$566,161 to the FRS Pension Plan and \$130,247 to the HIS Program.

Pension Liabilities and Pension Expense

In its financial statements for the year ended September 30, 2025, the District reported a liability for its proportionate share of the net pension liability of the FRS Pension Plan and its proportionate share of the net pension liability of the HIS Program. The net pension liabilities were measured as of June 30, 2025. The District's proportions of the net pension liabilities were based on its share of contributions to the pension plans relative to the contributions of all participating entities, actuarially determined.

	<u>FRS</u>	<u>HIS</u>
Net pension liability	\$ 2,893,999	\$ 1,860,300
Proportion at:		
Current measurement date	0.0093%	0.0145%
Prior measurement date	0.0095%	0.0144%
Pension expense	\$ 186,431	\$ 13,436

Englewood Water District

Notes To Financial Statements

NOTE 5. DEFINED BENEFIT PENSION PLANS (CONTINUED)

The Florida Retirement System Plan (Continued)

Deferred Outflows/Inflows of Resources Related to Pensions

At September 30, 2025 and 2024, the District reported deferred outflows of resources and deferred inflows of resources related to pensions (FRS) from the following sources:

Description	2025		2024	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 309,110	\$ -	\$ 369,376	\$ -
Change of assumptions	336,068	-	501,119	-
Net difference between projected and actual earnings on pension plan investments	-	483,182	-	243,011
Changes in proportion and differences between District contributions and proportionate share of contributions	441,209	401,892	735,349	769,627
District contributions subsequent to the measurement date	128,703	-	119,304	-
Total	<u>\$ 1,215,090</u>	<u>\$ 885,074</u>	<u>\$ 1,725,148</u>	<u>\$ 1,012,638</u>

At September 30, 2025 and 2024, the District reported deferred outflows of resources and deferred inflows of resources related to pensions (HIS) from the following sources:

Description	2025		2024	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 11,105	\$ 2,951	\$ 20,842	\$ 4,145
Change of assumptions	16,466	449,959	38,202	255,547
Net difference between projected and actual earnings on pension plan investments	-	1,548	-	781
Changes in proportion and differences between District contributions and proportionate share of contributions	441,948	296,635	600,619	498,777
District contributions subsequent to the measurement date	28,530	-	28,002	-
Total	<u>\$ 498,049</u>	<u>\$ 751,093</u>	<u>\$ 687,665</u>	<u>\$ 759,250</u>

Englewood Water District

Notes To Financial Statements

NOTE 5. DEFINED BENEFIT PENSION PLANS (CONTINUED)

The Florida Retirement System Plan (Continued)

Deferred outflows of resources related to employer contributions paid subsequent to the measurement date and prior to the employer's fiscal year end will be recognized as a reduction of the net pension liability in the reporting period ending September 30, 2026. Other pension-related amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in pension expense as follows:

Fiscal year ending September 30:	<u>FRS</u>	<u>HIS</u>
2026	\$ 582,814	\$ (62,115)
2027	(103,550)	(74,368)
2028	(154,967)	(62,612)
2029	(122,984)	(50,177)
2030	-	(32,302)
Thereafter	-	-
	<u>\$ 201,313</u>	<u>\$ (281,574)</u>

Actuarial Assumptions

The total pension liability for each of the defined benefit plans was measured as of June 30, 2025. The total pension liability for the FRS Pension Plan was determined by an actuarial valuation dated July 1, 2025. For the HIS Program, the total pension liability was determined by an actuarial valuation dated July 1, 2025. The individual entry age normal actuarial cost method was used for each plan, along with the following significant actuarial assumptions:

	<u>FRS</u>	<u>HIS</u>
Inflation	2.40%	2.40%
Salary increases	3.50%	3.50%
Investment rate of return	6.70%	N/A
Discount rate	6.70%	5.20%

Mortality assumptions for both plans were based on the PUB-2010 with Projection Scale MP-2021.

For both plans, the actuarial assumptions were based on the results of an actuarial experience study for the period July 1, 2018 through June 30, 2024.

The following changes in key actuarial assumptions occurred in 2025:

HIS: The municipal bond index rate and the discount rate used to determine the total pension liability increased from 3.93% to 5.20%.

Englewood Water District

Notes To Financial Statements

NOTE 5. DEFINED BENEFIT PENSION PLANS (CONTINUED)

The Florida Retirement System Plan (Continued)

Actuarial Assumptions (Continued)

The long-term expected investment rate of return was not based on historical returns, but instead was based on a forward-looking capital market economic model. Each asset class assumption is based on a consistent set of underlying assumptions and includes an adjustment for the inflation assumption. For the FRS Pension Plan, the table below summarizes the consulting actuary's assumptions based on the long-term target asset allocation:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Annual Arithmetic Return</u>	<u>Compound Annual (Geometric) Return</u>	<u>Standard Deviation</u>
Cash	1.0%	3.2%	3.2%	1.1%
Fixed income	29.0%	5.5%	5.4%	4.0%
Global equity	45.0%	8.5%	6.9%	18.3%
Real estate (property)	12.0%	8.4%	7.1%	16.8%
Private equity	11.0%	12.4%	8.8%	28.4%
Strategic investments	2.0%	6.5%	6.1%	8.7%
Total	<u>100.0%</u>			
Assumed inflation - mean			2.4%	1.5%

Discount Rate

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

Because the HIS Program is essentially funded on a pay-as-you-go basis, a municipal bond rate of 5.20% was used to determine the total pension liability for the program. The Bond Buyer General Obligation Bond 20-Bond Municipal Bond Index was used as the applicable municipal bond index.

Englewood Water District

Notes To Financial Statements

NOTE 5. DEFINED BENEFIT PENSION PLANS (CONTINUED)

The Florida Retirement System Plan (Continued)

Sensitivity Analysis

The following table demonstrates the sensitivity of the net pension liability to changes in the discount rate. The sensitivity analysis shows the impact to the employer's proportionate share of the net pension liability if the discount rate was 1.00% higher or 1.00% lower than the current discount rate.

	FRS			HIS		
	Current			Current		
	1% Decrease (5.70%)	Discount Rate (6.70%)	1% Increase (7.70%)	1% Decrease (4.20%)	Discount Rate (5.20%)	1% Increase (6.20%)
District's proportionate share of the net pension liability	\$ 5,679,428	\$ 2,893,999	\$ 558,735	\$ 2,097,788	\$ 1,860,300	\$ 1,661,123

Pension Plans' Fiduciary Net Position

Detailed information about the pension plans' fiduciary net position is available in the state's separately issued financial reports.

Applicable totals for all of the District's defined benefit plans are reflected below:

	Employees Pension Plan	Florida Retirement System	Health Insurance Subsidy	Totals
Net pension (asset)	\$ (387,540)	\$ -	\$ -	\$ (387,540)
Net pension liability	-	2,893,999	1,860,300	4,754,299
Deferred outflows	85,000	1,215,090	498,049	1,798,139
Deferred inflows	74,395	885,074	751,093	1,710,562
Pension expense	(798)	186,431	13,436	199,069

NOTE 6. DEFINED CONTRIBUTION PLAN

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

As provided in Section 121.4501, Florida Statutes, eligible FRS members may elect to participate in the Investment Plan in lieu of the FRS defined benefit plan. District employees participating in DROP are not eligible to participate in the Investment Plan. Employer and employee contributions, including amounts contributed to individual members' accounts, are defined by law, but the ultimate benefit depends in part on the performance of investment funds. Benefit terms, including contribution requirements, for the Investment Plan are established and may be amended by the Florida Legislature.

Notes To Financial Statements

NOTE 6. DEFINED CONTRIBUTION PLAN (CONTINUED)

The Investment Plan is funded with the same employer and employee contribution rates that are based on salary and membership class (Regular Class, Elected District Officers, etc.), as the FRS defined benefit plan. Contributions are directed to individual member accounts, and the individual members allocate contributions and account balances among various approved investment choices. Costs of administering the plan, including the FRS Financial Guidance Program, are funded through an employer contribution of 0.06% of payroll and by forfeited benefits of plan members. Allocations to investment member's accounts during the 2014-2015 fiscal year, as established by Section 121.72, Florida Statutes, are based on a percentage of gross compensation, by class. The percentages are the same as those listed previously to the FRS Plan.

For all membership classes, employees are immediately vested in their own contributions and are vested after one year of service for employer contributions and investment earnings. If an accumulated benefit obligation for service credit originally earned under the FRS Pension Plan is transferred to the Investment Plan, the member must have the years of service required for FRS Pension Plan vesting (including the service credit represented by the transferred funds) to be vested for these funds and the earnings on the funds. Nonvested employer contributions are placed in a suspense account for up to five years. If the employee returns to FRS-covered employment within the five-year period, the employee will regain control over the account. If the employee does not return within the five-year period, the employee will forfeit the accumulated account balance. For the fiscal year ended June 30, 2025, the information for the amount of forfeitures was unavailable from the SBA; however, management believes that these amounts, if any, would be immaterial to the District.

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

The District's Investment Plan pension expense totaled \$14,052 and \$14,748, for the years ended September 30, 2025 and 2024, respectively.

Englewood Water District

Notes To Financial Statements

NOTE 7. OTHER POST-EMPLOYMENT BENEFITS

Plan Description

The Englewood Water District's Retiree Health Care Plan (Plan) is a single-employer defined benefit post-employment health care plan that covers eligible retired employees of the District. The Plan, which is administered by the District, allows employees who retire and meet retirement eligibility requirements under the applicable retirement plan to continue medical insurance coverage as a participant in the District's Plan.

Employees Covered by Benefit Terms

At September 30, 2023, the date of the most recent actuary valuation, the following employees were covered by the benefit terms:

Inactive Plan Members or Beneficiaries Currently Receiving Benefits	7
Active Plan Members	80
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	87
	<hr/>

Benefits Provided

Retirees participating in the group insurance plans offered by the District are required to contribute 100% of the active Medical and Dental premiums. The District covers the cost of a base Life Insurance policy for retirees. Additionally, the District provides a \$500 monthly explicit subsidy until age 65 for employees who retire with at least 30 years of service. Any additional coverage is paid by the retiree.

The District's Total OPEB Liability was measured as of September 30, 2024.

Actuarial Assumptions

The Total OPEB Liability was determined by an actuarial valuation as of September 30, 2023, updated to September 30, 2024 using the following actuarial assumptions:

Inflation	2.50%
Salary increases	2.50%
Discount rate	4.06%
Initial trend rate	7.00%
Ultimate trend rate	4.00%
Years to ultimate	51

For all lives, mortality rates were RP-2000 Combined Healthy Mortality Tables projected to the valuation date using Projection Scale AA.

Englewood Water District

Notes To Financial Statements

NOTE 7. OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

Discount Rate

Given the District's decision not to fund the program, all future benefit payments were discounted using a high-quality municipal bond rate of 4.06%. The high-quality municipal bond rate was based on the measurement date of the S&P Municipal Bond 20 Year High Grade Rate Index as published by S&P Dow Jones Indices. The S&P Municipal 20 Year High Grade Rate Index consists of bonds in the S&P Municipal Bond Index with a maturity of 20 years. Eligible bonds must be rated at least AA by Standard and Poor's Ratings Services, Aa2 by Moody's or AA by Fitch. If there are multiple ratings, the lowest rating is used.

OPEB Expense

For the years ended September 30, 2025 and 2024, the District recognized OPEB Expense (Revenue) of \$163,767 and (\$17,751), respectively.

Changes in the Total OPEB Liability

	<u>2025</u>	<u>2024</u>
Total OPEB liability, beginning of year	\$ 998,641	\$ 1,143,168
Changes for the year:		
Service cost	26,816	31,640
Interest on the total OPEB liability	47,602	53,097
Difference between expected and actual experience	-	40,842
Changes in assumptions and other inputs	85,349	(145,330)
Benefit payments	(97,170)	(124,776)
Net changes	<u>62,597</u>	<u>(144,527)</u>
Total OPEB liability, end of year	<u>\$ 1,061,238</u>	<u>\$ 998,641</u>

Changes of assumptions reflect a change in the discount rate from 4.87% for the fiscal year ending September 30, 2024, to 4.06% for the fiscal year ending September 30, 2025.

Englewood Water District

Notes To Financial Statements

NOTE 7. OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following presents the Total OPEB Liability of the District, as well as what the District's Total OPEB Liability would be if it were calculated using a discount rate that is one percentage-point lower or one percentage-point higher than the current discount rate:

	1% Decrease	Current Discount Rate	1% Increase
	3.06%	4.06%	5.06%
Total OPEB liability	\$ 1,185,541	\$ 1,061,238	\$ 957,568

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following presents the Total OPEB Liability of the District, as well as what the District's Total OPEB Liability would be if it were calculated using healthcare cost trend rates that are one percentage-point lower or one percentage-point higher than the current healthcare cost trend rates:

	1% Decrease	Healthcare Cost Trend Rate	1% Increase
	3.00% - 6.00%	4.00% - 7.00%	5.00% - 8.00%
Total OPEB liability	\$ 963,147	\$ 1,061,238	\$ 1,180,444

At September 30, 2025 and 2024, the District's reported Deferred Outflows of Resources related to OPEB were from the following sources:

	2025	2024
Benefits paid subsequent to the measurement date	\$ 106,022	\$ 101,170
Total	<u>\$ 106,022</u>	<u>\$ 101,170</u>

There were no deferred inflows of resources related to OPEB at September 30, 2025 and 2024. The deferred outflows of resources related to the total OPEB liability, totaling \$106,022 resulting from benefits paid subsequent to the measurement date, will be recognized as a reduction of the total OPEB liability in the fiscal year ended September 30, 2026.

Englewood Water District

Notes To Financial Statements

NOTE 8. RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft, damage, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

Insurance coverage for such losses is purchased from commercial insurance companies subject to maximum aggregates and deductibles. The financial impact of the District's risk management activities is reported in the accompanying financial statements. No accrual has been provided for claims and incidents not reported to insurers. All known claims have been reported to insurers.

There were no significant reductions in insurance coverage as compared to the prior year. Settled claims have not exceeded insurance coverage in any of the past three fiscal years.

NOTE 9. COMMITMENTS AND CONTINGENCIES

The District has, by resolution of its Board, placed a charge for capital improvements on each new living unit within the District requesting service. As a result, contracts have been entered into obligating the District by agreement to provide water for certain numbers of units. The District has entered into contracts with various developers to purchase the distribution system of projects upon completion of certain requirements. These agreements call for varying payment, time, and release provisions.

At September 30, 2025, the District has contractual commitments of approximately \$731 thousand for various construction, consulting, and engineering projects.

NOTE 10. PRIOR PERIOD RESTATEMENT

During the current year, management determined a restatement of prior year net position was required. In prior years, certain donated infrastructure received and accepted by the District from developers were not properly recorded when received. Details of the restatement are as follows:

Total net position, beginning (October 1, 2023)	\$ 110,594,353
Prior period adjustment	14,907,759
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Total net position, beginning of year as restated	\$ 125,502,112
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REQUIRED SUPPLEMENTARY INFORMATION

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Englewood Water District

SCHEDULE OF CHANGES IN THE DISTRICT'S TOTAL OPEB LIABILITY AND RELATED RATIOS

Measurement year ended September 30,	2025	2024	2023	2022	2021	2020	2019	2018	2017
Total OPEB liability									
Service cost	\$ 26,816	\$ 31,640	\$ 45,928	\$ 43,870	\$ 33,631	\$ 30,573	\$ 32,421	\$ 34,624	\$ 33,780
Interest	47,602	53,097	36,114	24,031	35,004	35,614	32,483	28,719	28,298
Differences between expected and actual experience	-	40,842	-	505,205	-	115,383	-	-	-
Changes of assumptions	85,349	(145,330)	(320,737)	(107,345)	156,445	14,753	(45,309)	(53,842)	-
Changes of benefit terms	-	-	-	-	-	-	-	-	-
Benefit payments	(97,170)	(124,776)	(116,071)	(93,285)	(86,777)	(60,612)	(55,735)	(51,251)	(47,127)
Net change in total OPEB liability	62,597	(144,527)	(354,766)	372,476	138,303	135,711	(36,140)	(41,750)	14,951
Total OPEB liability - beginning	998,641	1,143,168	1,497,934	1,125,458	987,155	851,444	887,584	929,334	914,383
Total OPEB liability - ending	\$ 1,061,238	\$ 998,641	\$ 1,143,168	\$ 1,497,934	\$ 1,125,458	\$ 987,155	\$ 851,444	\$ 887,584	\$ 929,334
Covered employee payroll (projected)	\$5,480,337	\$5,346,671	\$6,143,290	\$5,993,454	N/A	N/A	N/A	N/A	N/A
District's total OPEB liability as a percentage of covered employee payroll	19.36%	18.68%	18.61%	24.99%	N/A	N/A	N/A	N/A	N/A

Notes to the Schedule:

Changes of assumptions and other inputs reflect the effects of changes in the discount rate each period. The following are the discount rates used in each period:

Fiscal year ending September 30, 2025	4.06%
Fiscal year ending September 30, 2024	4.87%
Fiscal year ending September 30, 2023	4.77%
Fiscal year ending September 30, 2022	2.43%
Fiscal year ending September 30, 2021	2.14%
Fiscal year ending September 30, 2020	3.58%
Fiscal year ending September 30, 2019	4.18%
Fiscal year ending September 30, 2018	3.64%
Fiscal year ending September 30, 2017	3.06%

The schedule will present 10 years of information once it is accumulated.

Englewood Water District

REQUIRED SUPPLEMENTARY INFORMATION SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY – FLORIDA RETIREMENT SYSTEM PENSION PLAN

	2025	2024	2023	2022	2021
District's proportion of the FRS net pension liability	0.0093249%	0.0094513%	0.0096729%	0.0106367%	0.0047419%
District's proportionate share of the FRS net pension liability	\$ 2,893,999	\$ 3,656,221	\$ 3,854,330	\$ 3,957,699	\$ 358,194
District's covered payroll	\$ 6,657,411	\$ 5,873,371	\$ 5,665,634	\$ 5,500,230	\$ 4,528,244
District's proportionate share of the FRS net pension liability as a percentage of its covered payroll	43.47%	62.25%	68.03%	71.96%	7.91%
FRS Plan fiduciary net position as a percentage of the FRS total pension liability	87.26%	83.70%	82.38%	82.89%	96.39%
	2020	2019	2018	2017	2016
District's proportion of the FRS net pension liability	0.0101420%	0.0108887%	0.0116458%	0.0118664%	0.0121911%
District's proportionate share of the FRS net pension liability	\$ 4,395,712	\$ 3,749,923	\$ 3,508,000	\$ 3,510,000	\$ 3,078,000
District's covered payroll	\$ 5,245,976	\$ 5,292,465	\$ 5,359,000	\$ 5,201,000	\$ 4,847,000
District's proportionate share of the FRS net pension liability as a percentage of its covered payroll	83.79%	70.85%	65.46%	67.49%	63.50%
FRS Plan fiduciary net position as a percentage of the FRS total pension liability	78.85%	82.61%	84.26%	83.89%	84.88%

Englewood Water District

REQUIRED SUPPLEMENTARY INFORMATION SCHEDULE OF THE DISTRICT'S CONTRIBUTIONS – FLORIDA RETIREMENT SYSTEM PENSION PLAN

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
Contractually required FRS contribution	\$ 566,161	\$ 542,633	\$ 478,664	\$ 433,883	\$ 388,076
FRS contributions in relation to the contractually required FRS contribution	566,161	542,633	478,664	433,883	388,076
FRS contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 6,750,529	\$ 5,822,245	\$ 5,751,940	\$ 5,268,834	\$ 4,619,773
FRS contributions as a percentage of covered payroll	8.39%	9.32%	8.32%	8.23%	8.40%
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Contractually required FRS contribution	\$ 337,842	\$ 335,672	\$ 311,000	\$ 294,000	\$ 303,000
FRS contributions in relation to the contractually required FRS contribution	337,842	335,672	311,000	294,000	303,000
FRS contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 5,274,087	\$ 5,274,964	\$ 5,319,000	\$ 5,295,000	\$ 4,965,000
FRS contributions as a percentage of covered payroll	6.41%	6.36%	5.85%	5.55%	6.10%

Notes to the Schedule:

The amounts presented for each fiscal year were determined as of 9/30.

Englewood Water District

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY – HEALTH INSURANCE SUBSIDY PENSION PLAN

	2025	2024	2023	2022	2021
District's proportion of the HIS net pension liability	0.0145138%	0.0143895%	0.0143008%	0.0150557%	0.0053393%
District's proportionate share of the HIS net pension liability	\$ 1,860,300	\$ 2,158,571	\$ 2,271,165	\$ 1,594,640	\$ 654,947
District's covered payroll	\$ 6,657,411	\$ 5,873,371	\$ 5,665,634	\$ 5,500,230	\$ 4,528,244
District's proportionate share of the HIS net pension liability as a percentage of its covered payroll	27.94%	36.75%	40.09%	28.99%	14.46%
HIS Plan fiduciary net position as a percentage of the HIS total pension liability	6.36%	4.80%	4.12%	4.21%	3.56%
	2020	2019	2018	2017	2016
District's proportion of the HIS net pension liability	0.0151150%	0.0158247%	0.0164064%	0.0163081%	0.0156319%
District's proportionate share of the HIS net pension liability	\$ 1,845,512	\$ 1,770,622	\$ 1,736,000	\$ 1,744,000	\$ 1,822,000
District's covered payroll	\$ 5,245,976	\$ 5,292,465	\$ 5,359,000	\$ 5,201,000	\$ 4,847,000
District's proportionate share of the HIS net pension liability as a percentage of its covered payroll	35.18%	33.46%	32.39%	33.53%	37.59%
HIS Plan fiduciary net position as a percentage of the HIS total pension liability	3.00%	2.63%	2.15%	1.64%	0.97%

Englewood Water District

REQUIRED SUPPLEMENTARY INFORMATION SCHEDULE OF THE DISTRICT'S CONTRIBUTIONS – HEALTH INSURANCE SUBSIDY PENSION PLAN

	2025	2024	2023	2022	2021
Contractually required HIS contribution	\$ 130,247	\$ 124,585	\$ 99,463	\$ 87,258	\$ 78,040
HIS contributions in relation to the contractually required HIS contribution	130,247	124,585	99,463	87,258	78,040
HIS contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 6,750,529	\$ 5,822,245	\$ 5,751,940	\$ 5,268,834	\$ 4,619,773
HIS contributions as a percentage of covered payroll	1.93%	2.14%	1.73%	1.66%	1.69%
	2020	2019	2018	2017	2016
Contractually required HIS contribution	\$ 87,327	\$ 87,582	\$ 88,000	\$ 88,000	\$ 82,000
HIS contributions in relation to the contractually required HIS contribution	87,327	87,582	88,000	88,000	82,000
HIS contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 5,274,087	\$ 5,274,964	\$ 5,319,000	\$ 5,295,000	\$ 4,965,000
HIS contributions as a percentage of covered payroll	1.66%	1.66%	1.65%	1.66%	1.65%

Notes to the Schedule:

The amounts presented for each fiscal year were determined as of 9/30.

Englewood Water District

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS –
EMPLOYEES' PENSION PLAN

Reporting period ending	9/30/2017	9/30/2018	9/30/2019	9/30/2020	9/30/2021	9/30/2022	9/30/2023	9/30/2024	9/30/2025	9/30/2026
Measurement date	9/30/2016	9/30/2017	9/30/2018	9/30/2019	9/30/2020	9/30/2021	9/30/2022	9/30/2023	9/30/2024	9/30/2025
Total pension liability										
Service cost	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest on total pension liability	41,906	44,268	43,051	42,030	41,327	39,367	38,288	37,759	39,056	38,100
Differences between expected and actual experience	(783)	3,408	8,906	18,818	12,279	13,195	30,162	61,269	30,209	33,253
Changes in assumptions	56,857	-	-	-	(12,862)	-	-	-	-	(6,698)
Benefit payments, including refunds of employee contributions	(63,913)	(64,552)	(65,586)	(67,487)	(74,281)	(63,230)	(72,703)	(79,319)	(81,699)	(84,150)
Net change in total pension liability	<u>34,067</u>	<u>(16,876)</u>	<u>(13,629)</u>	<u>(6,639)</u>	<u>(33,537)</u>	<u>(10,668)</u>	<u>(4,253)</u>	<u>19,709</u>	<u>(12,434)</u>	<u>(19,495)</u>
Total pension liability - beginning	630,611	664,678	647,802	634,173	627,534	593,997	583,329	579,076	598,785	586,351
Total pension liability - ending	<u>\$ 664,678</u>	<u>\$ 647,802</u>	<u>\$ 634,173</u>	<u>\$ 627,534</u>	<u>\$ 593,997</u>	<u>\$ 583,329</u>	<u>\$ 579,076</u>	<u>\$ 598,785</u>	<u>\$ 586,351</u>	<u>\$ 566,856</u>
Plan fiduciary net position										
Contributions - employer	\$ 14,652	\$ 72,718	\$ 55,000	\$ 91,440	\$ 72,000	\$ 70,000	\$ 67,889	\$ 80,400	\$ 85,000	\$ 85,000
Net investment income	49,783	58,089	49,858	22,136	38,877	140,691	(124,397)	86,978	186,994	110,123
Benefit payments, including refunds of employee contributions	(63,913)	(64,552)	(65,586)	(67,487)	(74,281)	(63,230)	(72,703)	(79,319)	(81,699)	(84,150)
Administrative expenses	(9,500)	(7,250)	(18,190)	-	-	-	-	-	-	-
Net change in plan fiduciary net position	<u>(8,978)</u>	<u>59,005</u>	<u>21,082</u>	<u>46,089</u>	<u>36,596</u>	<u>147,461</u>	<u>(129,211)</u>	<u>88,059</u>	<u>190,295</u>	<u>110,973</u>
Plan fiduciary net position - beginning	523,493	514,515	573,520	594,602	640,691	677,287	824,748	695,537	783,596	973,891
Plan fiduciary net position - ending	<u>\$ 514,515</u>	<u>\$ 573,520</u>	<u>\$ 594,602</u>	<u>\$ 640,691</u>	<u>\$ 677,287</u>	<u>\$ 824,748</u>	<u>\$ 695,537</u>	<u>\$ 783,596</u>	<u>\$ 973,891</u>	<u>\$ 1,084,864</u>
District's net pension liability (asset) - ending	<u>\$ 150,163</u>	<u>\$ 74,282</u>	<u>\$ 39,571</u>	<u>\$ (13,157)</u>	<u>\$ (83,290)</u>	<u>\$(241,419)</u>	<u>\$(116,461)</u>	<u>\$(184,811)</u>	<u>\$(387,540)</u>	<u>\$ (518,008)</u>
Plan fiduciary net position as a percentage of the total pension liability	77.41%	88.53%	93.76%	102.10%	114.02%	141.39%	120.11%	130.86%	166.09%	191.38%
Covered payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
District's net pension liability as a percentage of covered payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Notes to the Schedule:

For the 9/30/16 measurement date, as a result of Chapter 2015-157, *Laws of Florida*, the assumed rates of mortality were changed to the assumption used by the Florida Retirement System.

Englewood Water District

REQUIRED SUPPLEMENTARY INFORMATION SCHEDULE OF THE DISTRICT'S CONTRIBUTIONS – EMPLOYEES' PENSION PLAN

	<u>9/30/2016</u>	<u>9/30/2017</u>	<u>9/30/2018</u>	<u>9/30/2019</u>	<u>9/30/2020</u>	<u>9/30/2021</u>	<u>9/30/2022</u>	<u>9/30/2023</u>	<u>9/30/2024</u>	<u>9/30/2025</u>
Actuarially determined contribution	\$ 14,652	\$ 21,119	\$ 11,377	\$ 7,872	\$ 72,000	\$ 70,000	\$ 67,889	\$ 80,400	\$ -	\$ -
Contributions in relation to the actuarially determined contribution	14,652	72,718	55,000	91,440	72,000	70,000	67,889	80,400	85,000	85,000
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ (51,599)</u>	<u>\$ (43,623)</u>	<u>\$ (83,568)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (85,000)</u>	<u>\$ (85,000)</u>
Covered payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Contributions as a percentage of covered payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Notes to the Schedule:

Valuation Date October 1, 2023

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

Methods and assumptions used to determine contribution rates can be found in the October 1, 2023 Actuarial Valuation for the Englewood Water District Employees' Pension Plan prepared by Foster & Foster Actuaries and Consultants.

Englewood Water District

**REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF THE DISTRICT'S PENSION INVESTMENT RETURNS –
 EMPLOYEES' PENSION PLAN**

	<u>9/30/2016</u>	<u>9/30/2017</u>	<u>9/30/2018</u>	<u>9/30/2019</u>	<u>9/30/2020</u>	<u>9/30/2021</u>	<u>9/30/2022</u>	<u>9/30/2023</u>	<u>9/30/2024</u>	<u>9/30/2025</u>
Annual money-weighted rate of return, net of investment expenses	9.87%	10.74%	8.43%	3.41%	5.76%	19.69%	-14.65%	11.89%	22.96%	10.96%

SUPPLEMENTARY INFORMATION

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Englewood Water District

**SCHEDULE OF OPERATING EXPENSES BY DEPARTMENT
YEARS ENDED SEPTEMBER 30, 2025 AND 2024**

	<u>2025</u>	<u>2024</u>		<u>2025</u>	<u>2024</u>
Well Fields and Water Treatment Plants:			Waste Collection:		
Personal services	\$ 1,438,152	\$ 1,396,122	Personal services	\$ 1,590,524	\$ 1,463,568
Chemicals	376,697	366,359	Supplies and materials	11,208	21,051
Utilities	579,956	572,366	Utilities	284,118	310,890
Depreciation and amortization	697,778	675,238	Depreciation and amortization	2,464,078	2,227,098
Repairs and maintenance	1,031,841	1,768,187	Repairs and maintenance	1,406,264	1,953,439
Other	446,209	449,800	Other	814,646	393,276
Total	<u>\$ 4,570,633</u>	<u>\$ 5,228,072</u>	Total	<u>\$ 6,570,838</u>	<u>\$ 6,369,322</u>
Water Distribution:			Laboratory:		
Personal services	\$ 1,241,956	\$ 1,406,716	Personal services	\$ 225,038	\$ 221,056
Supplies and materials	151,829	287,453	Supplies and materials	50,121	44,089
Depreciation and amortization	828,214	684,061	Depreciation and amortization	7,726	7,726
Repairs and maintenance	357,150	233,771	Repairs and maintenance	1,370	5,288
Other	338,980	293,331	Other	43,011	45,103
Total	<u>\$ 2,918,129</u>	<u>\$ 2,905,332</u>	Total	<u>\$ 327,266</u>	<u>\$ 323,262</u>
Waste Treatment:			General and Administrative:		
Personal services	\$ 1,292,838	\$ 1,270,626	Personal services	\$ 3,293,069	\$ 3,117,660
Supplies and materials	281,202	215,012	Legal and professional services	511,212	343,694
Utilities	349,296	400,919	Supplies and materials	91,497	87,507
Sludge hauling	135,658	127,306	Utilities	19,643	18,632
Depreciation and amortization	997,850	926,882	Depreciation and amortization	195,721	196,156
Repairs and maintenance	778,987	296,371	Repairs and maintenance	48,551	36,702
Other	302,131	322,603	Other	460,065	436,749
Total	<u>\$ 4,137,962</u>	<u>\$ 3,559,719</u>	Total	<u>\$ 4,619,758</u>	<u>\$ 4,237,100</u>

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OTHER INFORMATION

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Englewood Water District

SCHEDULE OF MONTHLY WATER AND WASTEWATER RATES FOR THE YEAR ENDED SEPTEMBER 30, 2025 (UNAUDITED)

Monthly Water Rates

Customer Classification	ERCs Served	Monthly Service Charge	Usage Charge (per 1,000 gallons)*		
Single Family	18,327	\$22.21 per connection	0 - 6,000	\$	2.64
Multi-Family	3,006	\$22.21 per connection	6,001 - 8,000	\$	3.53
Commercial	3,082	\$22.21 per connection	8,001 - 12,000	\$	7.02
			12,001 - 18,000	\$	11.72
			18,001 and above	\$	18.30

* Water usage charges are the same for all customers.

AGRF - Water \$ 329.00

Monthly Wastewater Rates

Customer Classification	ERCs Served	Monthly Service Charge	Usage Charge (per 1,000 gallons)
Single Family	16,681	\$32.32 per connection	All Usage is \$4.12 per 1,000 gallons
Multi-Family	2,925	\$32.32 per connection	
Commercial	1,815	\$32.32 per connection	

Capital Capacity Charges

Water Fee per ERC	Plant Capacity/Transmission System	\$ 1,751.00
	Distribution System	\$ 1,200.00

Wastewater Fee per ERC	Plant Capacity/Transmission System	\$ 2,754.00
	Collection System	\$ 5,817.00

AGRF - Wastewater \$ 580.00

Englewood Water District

SCHEDULE OF MONTHLY WATER AND WASTEWATER RATES FOR THE YEAR ENDED SEPTEMBER 30, 2024 (UNAUDITED)

Monthly Water Rates

Customer Classification	ERCs Served	Monthly Service Charge	Usage Charge (per 1,000 gallons)*		
Single Family	18,045	\$21.15 per connection	0 - 6,000	\$	2.51
Multi-Family	3,007	\$21.15 per connection	6,001 - 8,000	\$	3.36
Commercial	3,092	\$21.15 per connection	8,001 - 12,000	\$	6.69
			12,001 - 18,000	\$	11.16
			18,001 and above	\$	17.43

* Water usage charges are the same for all customers.

AGRF - Water \$ 329.00

Monthly Wastewater Rates

Customer Classification	ERCs Served	Monthly Service Charge	Usage Charge (per 1,000 gallons)
Single Family	16,386	\$30.78 per connection	All Usage is \$3.92 per 1,000 gallons
Multi-Family	2,924	\$30.78 per connection	
Commercial	1,850	\$30.78 per connection	

Capital Capacity Charges

Water Fee per ERC	Plant Capacity/Transmission System	\$ 1,751.00
	Distribution System	\$ 1,200.00

Wastewater Fee per ERC	Plant Capacity/Transmission System	\$ 2,754.00
	Collection System	\$ 5,817.00

AGRF - Wastewater \$ 580.00

Englewood Water District

SCHEDULE OF INSURANCE COVERAGE FOR THE YEAR ENDED SEPTEMBER 30, 2025 (UNAUDITED)

Coverage	Insurance Company	Limits
All perils, coverage's and insured's / members combined - per occurrence, subject to the following sub-limits:	Public Risk Management of Florida (PRM)	\$ 250,000,000
Flood - per occurrence annual aggregate	PRM	50,000,000
Flood sublimit - annual aggregate	PRM	10,000,000
- Contractors equipment		
- Fine arts		
- Licensed vehicles		
- Unlicensed vehicles		
Flood sublimit	PRM	10,000,000
- Per occurrence		
- Miscellaneous unnamed locations		
Earthquack shock limit	PRM	50,000,000
- Per occurrence & in the annual aggregate		
Wind/hail liit per occurrence named windstorm	PRM	80,000,000
Auto physical damage		
- On and off premises	PRM	Included
- Over the road		10,000,000
Deductibles:		
All other perils, except:	\$1,000	
Auto physical damage/inland marine	\$1,000	
All other flood - per unit	\$1,000	
Flood - special flood hazard areas	Excess of NFIP	
Named windstorm per unit values shall apply	5%	
Valuation:		
Auto physical damage	Actual cash value	
Business income	Actual loss sustained	
Coinsurance	None	
Inland marine	Replacement cost	
Property	Replacement cost	

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OTHER INDEPENDENT AUDITOR'S REPORTS

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Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

**Board of Supervisors
Englewood Water District
Englewood, Florida**

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities and the aggregate remaining fund information of the Englewood Water District (the "District"), as of and for the year ended September 30, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated February 6, 2026.

Report on Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified a certain deficiency in internal control, described in the accompanying schedule of findings and responses as item 2025-001 that we consider to be material weaknesses.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District'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*.

District's Response to the Finding

Government Auditing Standards requires the auditor to perform limited procedures on the District's response to the finding identified in our audit and described in the accompanying schedule of findings and responses. The District's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

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



Bradenton, Florida
February 6, 2026



Independent Auditor's Management Letter

**Board of Supervisors
Englewood Water District
Englewood, Florida**

Report on The Financial Statements

We have audited the financial statements of the Englewood Water District (the "District") as of and for the fiscal year ended September 30, 2025, and have issued our report thereon dated February 6, 2026.

Auditor's Responsibility

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

Other Reports and Schedule

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and On Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*; Schedule of Findings and Responses; and Independent Accountant's Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports, which are dated February 6, 2026, should be considered in conjunction with this management letter.

Prior Audit Findings

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

Official Title and Legal District

Section 10.554(1)(i)4., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. The District discloses this information in the notes to the financial statements. The District has no component units.

Financial Condition and Management

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

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

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

Specific Information

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

- a. There were 91 employees compensated in the last pay period of the District’s fiscal year.
- b. There were four independent contractors to whom nonemployee compensation was paid in the last month of the District’s fiscal year.
- c. Total compensation earned by or awarded to employees, whether paid or accrued, regardless of contingency for the year was \$6,567,532.
- d. The compensation earned or awarded to nonemployee independent contractors, whether paid or accrued, regardless of contingency for the year was \$61,328.
- e. There were three construction projects with a total cost of at least \$65,000 approved by the District that began on or after October 1 of the fiscal year being reported with fiscal year 2025 costs of \$274,944.
- f. A budget variance based on the budget adopted under Section 189.016(4), Florida Statutes, before the beginning of the fiscal year being reported if the district amends a final adopted budget under Section 189.016(6), Florida Statutes, is reflected below:

**Englewood Water District
2025 Budget vs Actual**

	2025 Actual	2025 Budget	Variance
Administration	\$ 4,524,037	\$ 5,358,082	\$ 834,045
Laboratory	327,040	374,882	47,842
Production	3,872,855	4,442,695	569,840
Distribution	2,161,154	2,583,502	422,348
WRF	3,272,906	3,952,288	679,382
Collections	4,357,950	4,405,628	47,678
Totals	\$ 18,515,942	\$ 21,117,077	\$ 2,601,135

Additional Matters

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

Purpose of this Letter

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

A handwritten signature in cursive script that reads 'Mauldin & Jenkins, LLC'.

Bradenton, Florida
February 6, 2026

Englewood Water District

SCHEDULE OF FINDINGS AND RESPONSES SEPTEMBER 30, 2025

SECTION I SUMMARY OF AUDIT RESULTS

Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP:

Unmodified

Internal control over financial reporting:
Material weaknesses identified?

Yes No

Significant deficiency identified not considered
to be material weaknesses?

Yes None reported

Noncompliance material to financial statements noted?

Yes No

Federal Programs and State Financial Assistance Projects

There was not an audit of major federal award programs or state financial assistance projects as of September 30, 2025 due to the total amount expended being less than \$1,000,000 for federal awards and \$750,000 for state projects.

SECTION II FINANCIAL STATEMENT FINDINGS AND RESPONSES

2025-001. Donated Assets

Criteria – Internal controls should be in place to provide reasonable assurance that all transactions are recorded in accordance with accounting principles generally accepted in the United States of America. As part of the audit process, we noted the District did not properly record donated assets received in prior years.

Condition – The District did not record in prior years the receipt of various underground infrastructure contributed by developers.

Context – Our testing of these funds indicated \$14,907,759 of infrastructure were received and accepted by the District but not recorded as of the prior year-end.

Effect – A prior period adjustment was needed to increase infrastructure assets and retained earnings by \$14,907,759 within the District's general ledger to properly record actual prior year activity.

Recommendation – We recommend the District implement proper controls and procedures to formally accept these items within board meetings to provide a record and history of activity that can be utilized by the Finance Department to ensure these items are properly recorded as they are accepted.

Englewood Water District

SCHEDULE OF FINDINGS AND RESPONSES SEPTEMBER 30, 2025

SECTION II (CONTINUED) FINANCIAL STATEMENT FINDINGS AND RESPONSES

View of Responsible Officials and Planned Corrective Action – We concur with the finding and will implement controls and procedures to ensure all donated assets are properly recorded when received.

SECTION III FEDERAL AND STATE AWARDS FINDINGS AND QUESTIONED COSTS

Not applicable.

Englewood Water District

SCHEDULE OF PRIOR YEAR FINDINGS FOR THE YEAR ENDED SEPTEMBER 30, 2025

None reported.



Independent Accountant's Report

**Board of Supervisors
Englewood Water District
Englewood, Florida**

We have examined the Englewood Water District's (the "District") compliance with Section 218.415, Florida Statutes, regarding the investment of public funds during the year ended September 30, 2025. Management of the District is responsible for the District's compliance with those requirements. Our responsibility is to express an opinion on the District'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 District complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether the District complied with the specified requirements. The nature, timing and extent of the procedures selected depend on our judgement, 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.

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

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

In our opinion, the District complied, in all material respects, with the aforementioned requirements during the year ended September 30, 2025.

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

Mauldin & Jenkins, LLC

Bradenton, Florida
February 6, 2026

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