



TOHOPEKALIGA WATER AUTHORITY OSCEOLA COUNTY, FLORIDA

Annual Comprehensive Financial Report
for the fiscal year ended September 30, 2025

Prepared by the Finance Department



Tohopekaliga Water Authority
Annual Comprehensive Financial Report
For the Fiscal Year Ended September 30, 2025

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Tohopekaliga Water Authority
Osceola County, Florida

Introductory Section

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March 18, 2026

Letter of Transmittal

The Chairman and Members of the Board of Supervisors and Community Stakeholders

Tohopekaliga Water Authority

Osceola County, Florida

The Annual Comprehensive Financial Report (ACFR) of the Tohopekaliga Water Authority (Toho) for fiscal year ended September 30, 2025, is submitted in accordance with the provisions of Chapter 10.500, Rules of the Auditor General. Responsibility for the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with Toho. This ACFR was prepared by Toho's Financial Services Department staff. We believe the data, as presented, is accurate in all material respects, that it is presented in a manner designed to fairly set forth the financial position and the operating results of Toho, and that all disclosures necessary to enable the readers to gain the maximum understanding of Toho's financial activity have been included.

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

Toho's financial statements have been audited by Forvis Mazars, LLP, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that Toho's financial statements for the fiscal year ended September 30, 2025, are free of material misstatement.

The Reporting Entity and Service Provided

Toho is an independent special district of the State of Florida created by Chapter 2003-368, Laws of Florida, a special act of the Florida Legislature, and other applicable provisions of law (the Act) pursuant to, and in conformance with, Chapter 189, Florida Statutes. Toho is a special-purpose local government for all purposes set forth in the Act and Chapter 189, Florida Statutes, including, but not limited to, performing such acts as shall be necessary for the sound planning, acquisition, development, operation and maintenance of a government-owned potable and non-potable water and wastewater management and delivery system within its service area. Under the Act, Toho's service area was initially established as the incorporated area of the City of Kissimmee, Florida, and the unincorporated areas within Osceola County, Florida with the exception of any areas included within the Reedy Creek Improvement District and the City of St. Cloud, Florida, (and certain unincorporated areas provided with water and wastewater service by the City of St. Cloud on the effective date of the Act, June 26, 2003). Pursuant to the Act, this service area may be expanded to include any service area within the boundaries of an affected local government upon the adoption of a resolution by the governing body of that government authorizing Toho to provide its service and facilities therein and an action of the legislature. Subsequently, Toho entered into several interlocal agreements to expand its service area to include a small area located in the southern portion of Orange County, certain portions of unincorporated Polk County, and the City of St. Cloud. The territorial agreement with Orange County dates back to 1994 with the most recent amendment on April 21, 2020. Authorization for Toho to exercise and implement the powers specified in the Act within Polk County were provided by Polk County in Resolution No. 06-160 adopted on October 11, 2006, and through an interlocal agreement between Toho and Polk County dated October 1, 2006, amended June 18, 2024. Toho also entered into an interlocal agreement with the City of St. Cloud (City of St. Cloud Resolution No. 20022-034R) adopted February 10, 2022, to manage St. Cloud's environmental utilities and exercise and implement the powers specified in the Act within the St. Cloud utility service area effective October 1, 2022.

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

Toho's water facilities include fourteen operating water treatment plants consisting of wells, ground storage tanks, high-service pumps, and water distribution systems. Toho's water facilities currently rely exclusively on ground water derived from the upper Floridan aquifer. Raw water supply wells currently pump an average of 55.29 million gallons per day (MGD) to the fourteen water treatment plants strategically located throughout the service area. Water is distributed through 2,143 miles of water mains.

Toho's wastewater facilities include nine water reclamation plants, sewage collection facilities, and wastewater effluent disposal facilities. Toho's water reclamation facilities (WRF) each operate independently for set geographic areas throughout the service area. Wastewater is delivered to the various WRFs through a network of 1,867 miles of collection and transmission system piping with 638 wastewater pump stations. The highly treated reclaimed water produced by the WRFs is distributed through 775 miles of reclaimed water distribution mains and used for irrigation customers or routed to the system's rapid infiltration basins to recharge the ground water. The waste solids from the treatment process, termed bio-solids, are processed by a third party to produce a soil supplement/fertilizer that is beneficially used on agricultural lands. The South Bermuda WRF also includes treated surface water from Shingle Creek to augment our reclaimed water supply.

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Economic Outlook

In 2025, Florida's economy continued to demonstrate resilience. Although growth has moderated from the rapid expansion experienced during the post-pandemic recovery, Florida's economy still compares favorably to the nation as a whole. Growth is forecast to decelerate as the pace of expansion returns to more sustainable levels. Economic growth is projected to decline from 3.1% in 2025 to approximately 1.9% in 2028, averaging 2.4% annually during the 2025-2028 period, compared with the 2.8% growth rate projected in the prior year's forecast.

Payroll job growth is also moderating as Florida's labor market approaches full employment. The unemployment rate, which stood at 3.4% in 2024, is projected to gradually increase through 2027 before stabilizing at 4%, remaining below projected national unemployment levels. Florida's housing market has been impacted by higher mortgage and insurance rates, leading to a decline in housing starts from 164,200 in 2024 to a projected 150,100 in 2027, before stabilizing and modestly recovering in 2028. Despite these headwinds, Florida will continue to attract new residents due to its favorable business climate, quality of retirement life, and economic opportunities. However, population growth is slowing relative to the elevated levels experienced immediately following the pandemic. Population growth is projected to average 0.8% annually through 2028. This represents a shift from the growth spike triggered by the pandemic to a more sustainable long-term rate supported by retiring baby boomers and business-friendly governmental policy.

Although the Orlando-Kissimmee metropolitan area is also experiencing a moderation in growth, it remains one of the strongest regional economies in Florida. The region continues to experience strong employment growth, particularly in the education and health services sectors. The leisure and hospitality sector is also expanding as the region further invests in tourism infrastructure and diversifies visitor attractions beyond traditional theme park destinations. Osceola County is supporting economic growth within Toho's service area

through investments in transportation, attracting high tech industry, and expanding cultural and recreational options.

Population growth in the Orlando-Kissimmee metropolitan area is expected to be 1.5% for 2025 and average 1.0% from 2026 through 2028. The regional unemployment rate climbed from 2.9% in 2023 to 3.3% in 2024 and is forecasted to reach approximately 3.7% in 2026 before stabilizing. Housing starts activity has rebounded sharply, with a 22% increase in housing starts in 2025. This pace is expected to moderate over the next three years, with starts declining by an average of 2.8% but remaining well above pre-pandemic levels.

While economic growth in the region is moderating from the rapid expansion, long-term projections remain favorable. Continued population growth and economic diversification are expected to sustain demand for housing, employment, and public infrastructure. At the same time, inflation, elevated construction costs, and higher borrowing costs relative to the prior decade continue to influence infrastructure financing and long-term capital planning decisions. These trends reinforce Toho's long-term infrastructure planning and capital investment strategy

as it continues investing in water supply, treatment capacity, and system improvements necessary to support regional growth while maintaining reliable service for its customers.

Our assessment of our area's economic outlook is primarily based on the Fall 2025 Florida & Metro Forecast published by the University of Central Florida's Institute for Economic Forecasting and the Florida Economic Overview published by the Florida Legislature's Office of Economic and Demographic Research. The UCF report can be accessed on the UCF website www.ucf.edu. The State's report can be accessed at edr.state.fl.us.

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Toho Promise

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

Our Customers, Our Community, Our Employees Trust that Toho Cares.

The Toho Promise is supported by our principles:

- Integrity
- Responsiveness
- Dependability
- Professionalism
- Quality

We have also established four areas to comprise Toho's priorities:

- Providing safe and reliable services
- Protecting the environment
- Delivering value
- Investing in the future

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

Toho's Strategic Plan

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

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

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



October 1, 2024 - September 30, 2026 **STRATEGIC PLAN**

GOALS



ON-TIME AND VALUE DRIVEN INFRASTRUCTURE

Plan, deploy, and manage infrastructure in a manner that meets targeted service levels and provides long-term value for customers, community, and the environment.

PROCESS DEVELOPMENT AND OPTIMIZATION

Enhance collaboration, efficiency, productivity, and organizational effectiveness for the benefit of our customers, community and employees.

ORGANIZATIONAL AND EMPLOYEE ALIGNMENT

Drive organizational results by prioritizing systems that promote employee development, engagement, and brand alignment.

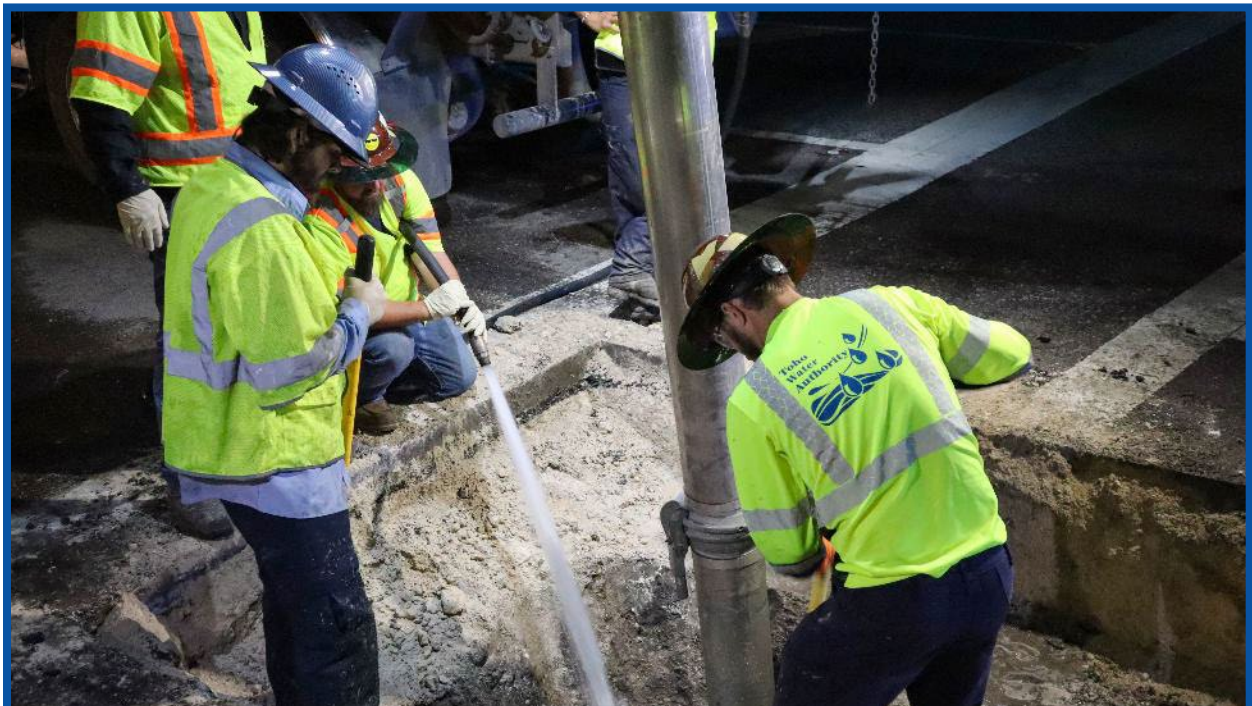
STRATEGIES



2025 Review

Operations & Compliance

- Refined Board-level KPIs to support operational performance transparency
- Implemented refined second-level KPI reporting, enabling wastewater plants to significantly reduce reject water events and water plants to better control pressures and flows
- Implemented formal valve protocol to improve coordination and reduce errors associated with contractor work on existing systems
- Improved management of reclaimed water storage during both wet and dry seasons
- Achieved challenging chemical budget reduction targets focused on chlorine, polymer, and resin
- Operations Capital Outlay execution exceeded 95% for FY25, supporting ongoing repair and rehabilitation efforts in Toho's facilities



Overnight water line repair



Boil water notice lab testing and support

- Reduced reliance on professional services for SCADA work by building internal staff capability
- Completed the transition to SCADA cellular communications on time and on budget to support improved operations resiliency across our footprint
- Implemented Power BI reporting and standard operating procedures for contracts and budgets, improving purchase requisition submissions and Board agenda planning
- Completed Field Operations staff realignments to support improved data driven work planning and execution
- Led special projects, including the leachate study, fluoride literature review, and SSO workgroup, positioning Toho to improve data-informed and defensible decision making
- Worked with Osceola County to right-size pavement restoration requirements and reduce cost

- Led emergency response and recovery during Hurricane Milton and the Osceola/OBT force main break
- Provided mutual aid to neighboring utilities for two hurricane season events
- Enhanced coordination with FDEP through annual compliance schedule review and improved quarterly meetings to review the status of compliance and performance improvement initiatives
- Submitted annual CCRs, AWIA certification, reuse reports, and WUP updates on time
- Completed the lead service line inventory on schedule and launched a public web application
- Partnered with Finance to pursue SRF funding for LCRR compliance activities, supporting upcoming service line field verifications
- Continued administering the STOPR (St. Cloud, Toho, Orange County, Polk County, Reedy Creek) program, including planning for the 2027 permit renewal and coordinating with the District to establish five alternative well sites where sampling locations were inaccessible
- Completed EPA-required UCMR 5 monitoring and established benchmark PFAS monitoring for all water production wells to inform future treatment planning
- Initiated in-house PFAS sampling and SOPs
- Compiled and reviewed PFAS data supporting participation in the 3M class action litigation
- Refined work processes for critical emergency functions including Sanitary Sewer Overflow (SSO) response and Precautionary Boil Water Notice (PBWN) response and management

- Established an after-hours coverage plan for boil water notice lab testing and support to promote improved response and timeliness of lifting PBWNs
- Completed the South Bermuda permit renewal
- Negotiated cost savings for backflow protection device repair and replacement contracts, reducing FY26 capital budget needs
- Transitioned backflow protection program monitoring from SAMS to Backflow BMP software, improving compliance tracking and reducing costs
- Assessed backflow program costs to validate customer charges



Sewer Lateral Installation



Toho crews prepare to provide mutual aid to neighboring utilities

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Assets & Infrastructure

- Indian Lakes Reuse Main Extension
- Lincoln Street Sewer Main Extension
- Maple Run Water Main Extension
- St. Cloud Interconnection Phase II
- Cyrils Drive Reuse Main Extension
- Sunbridge WTP Reuse augmentation project substantially complete
- Bella Lago WTP H2S Reduction project is complete
- Westside Blvd Water Main Extension is substantially complete



Toho employees review blueprints for expansion of South Bermuda Water Reclamation Facility

- 160-acre site AWS Project Pilot Test has been completed
- Construction of four production wells has been completed for Cypress Lake AWT water project
- 16" water main crossing of Pleasant Hill Road completed
- Successfully obtained a SFWMD Water User Permit allocation increase (0.545 MGD AADF) associated with a substitution credit for the Creek Ranch development
- Completed construction and activated The Ranch supplemental supply well
- Completed design and commenced construction related activities of the Toho Reservoir Surface Water Treatment Plant



Engineering oversees Horizontal Directional Drilling Project

- Completed design and commenced construction of the Water Treatment Plant #4 treatment upgrades
- Cypress Lake Alternative Water Supply in Design with certain wells under construction.
- Shingle Creek crossing force main completed
- The Walnut Drive WRF demolition project completed
- Harmony WRF 0.75 MGD Expansion is substantially complete
- LS 6 Force Main Replacement completed ahead of schedule
- Simpson-South completed ahead of schedule, eliminated conflicts at US192, which saved an estimated \$750K in avoided relocations
- Completed Cypress West WRF Basin B emergency repairs
- Completed the renovation project on Administration Building
- Updated executive Master Plans

- Completed and closed out WIFIA Accelerated Gravity Sewer project
- Boggy Creek Road reconstruction utility relocation design and construction substantially completed
- Fortune-Simpson reconstruction utility relocation design and construction substantially completed
- Implemented a new budgeting tool and developed FY26-30 CIP budget using Simplify i3 Program Management Tool; Improving the budget review cycle
- Northwest WTP Storage Expansion – Advanced from 30% to 100%
- In-House LS Rehab (98, 20, 22B 60P) – advanced from 30% to 100%
- Peabody Water plant H2S Removal – advanced from 60% to 100%
- SSWRF Headworks & LS-58E design is complete
- SHWRF AWT/Odor Control preliminary design is complete
- Town and Country S/D Gravity Sewer Rehab design was completed
- The Oaks S/D Gravity Sewer Rehab design was completed
- Renee Terrace Gravity Sewer Rehab design was completed
- Marigold Ave Safety Improvements the design was completed
- Harmony Water Treatment plant design was completed and construction began
- BVL Water Treatment plant design was completed and construction began

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Business Matters

- An updated Strategic Plan was adopted by the Board offering the CEO and Board Champions improved progress tracking and visibility of priorities
- Built a comprehensive crisis communications response and PR business continuity framework
- Awarded by GFOA a Certificate of Achievement for Excellence in Financial Reporting
- Awarded by GFOA a Distinguished Budget Presentation Award
- Resolution 2025-001 | Completed SDC Study resulting in a multi-year adjustment
- Resolution 2025-002 | Updated Travel Policy and Transitioned to Concur online system
- The multi-year rate plan adopted 2023 was updated in 2025 to reflect the changing economic forecast which includes slower growth, increased construction costs, and a higher level of uncertainty



Warehouse staff enhanced processes and improved processes to strengthen control practices



Finalized SOPs for Procurement Processes



Customer Service, Procurement, Water Conservation and Business Transformation Departments

- Successfully closed on \$80M Line to support the \$1.4B Capital Improvement Program
- Led informational sessions including a Lunch-n-Learn and “Procurement 101” to improve organizational knowledge with procurement policies and requirements
- Warehouse staff updated all the min/max levels for key warehouse items, enhanced the warehouse catalog with pictures, and worked with customers to establish critical spares in stock
- Renovated the warehouse office space and re-packaged extensive inventory of exposed items from the yard
- Implemented targeted corrective actions from recent stock-count lessons learned resulting in measurable improvements in inventory accuracy and strengthening overall control practices
- SOPs finalized: sole source, piggyback agreement, bid opening, pre-bid meeting, terms and conditions, bid table pricing, RFP, Workplace, spend summary, LOT, IFB, bid opening

- Completed incorporation of remaining St Cloud, Kissimmee, and Poinciana approx. 5K paper files to Laserfiche
- Completed scanning of Joint User Facility Engineering paper files approx. 15K records into Laserfiche clearing up JUF office spaces
- Completed scanning of GIS approx. 1K paper records in Laserfiche ahead of requested 6-month period
- Continued collection of Engineering's 2016-2021 project plans/paper records that have not been electronically stored by Toho, approx. 565 plans files to be scanned and stored in Laserfiche
- Surpassed halfway mark of incorporating remaining St Cloud and Kissimmee's electronic Laserfiche briefcase of approx. 50K files into Toho's electronic repository
- Reorganized Laserfiche's approx. 2M electronic files to identify file duplicates and search deficiencies clearing electronic storage space
- Established paper record recovery process with Wastewater facilities to aide in Toho-wide electronic access of records, removing the paper records form environmental elements and clearing office space – Cypress West (pilot facility) has over 20K files and approx. 80 facility and equipment manuals
- Implemented JustFOIA, a new system designed to streamline the handling of Public Records Requests submitted by external entities, while also providing enhanced tracking capabilities for request completion

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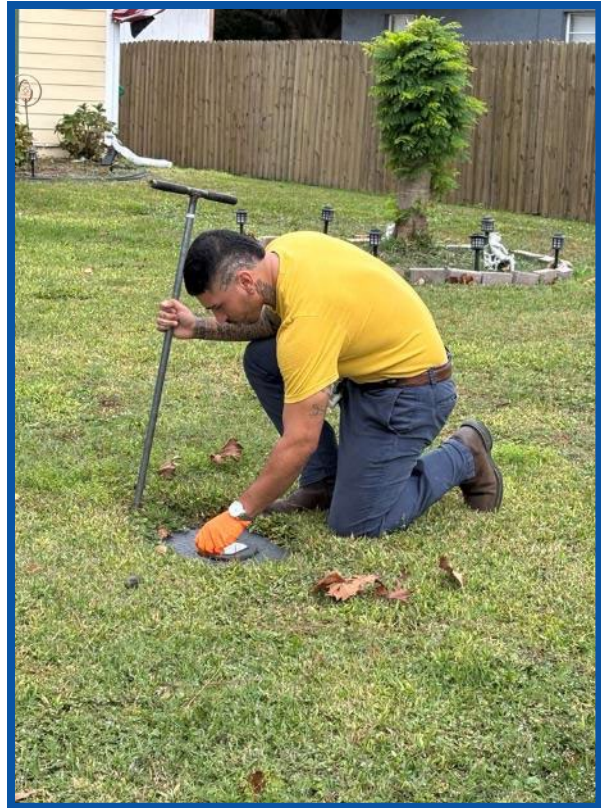
Customers & Community

- Developed and executed an external communications strategy
- Successfully launched new Brand Guidelines
- Overhauled and executed an updated Charitable Giving Strategy
- Elevated community and stakeholder engagement (via increased, strategic community visibility)
- Hosted 150 local high school students through expanded partnerships with the Osceola Education Foundation and grant funding that supported transportation
- Hosted 40 community leaders from the Leadership Osceola program for a new “Infrastructure Day” at Toho
- Generated additional requests from workforce development and community groups including the Sustainable Workplace Alliance (Orlando), the Opportunity Center of Kissimmee, and Bug Scouts/Camp Narcoossee through high school facility tours



Toho hosts community leaders from Leadership Osceola

- Completed cross-training of each function within Customer Service employees across the Toho East and Toho West service areas to improve workload management and service consistency
- Created new Generalist positions to help meet changing staffing needs and variable workload across functions
- Launched a callback feature to improve customer experience



Toho employee does manual meter read

- Rolled out the new account lookup tool on www.Tohowater.com, empowering customers with faster and more convenient access to their account information
- Implemented a revised customer adjustments / reimbursement policy
- Closed the East payment center and eliminated on-site cash receipts
- Developed and implemented CIS reports to improve quality control
- Successfully reduced the service order backlog, improving operational flow and customer satisfaction
- Enhanced the website with dedicated high-bill information and dedicated email address (waterbillquestions@tohowater.com)



Toho hosts School of Government. Students learn about Water Conservation, Water Reuse and Wastewater Treatment process

- Aligned service types between East and West to streamline processes and deliver a more consistent customer experience
- Improved access to service order records through the implementation of Laserfiche
- Implemented improved tracking and audit processes across the billing function to improve quality assurance and control
- Led full training sessions on meter sets and adjustment procedures, improving accuracy and efficiency across the department
- Increased replacement of stopped meter to ensure billing accuracy, reducing billing estimates
- Further aligned processes between East and West – back of bill information, collection processes, late fees, standardized notices
- Since February 2025 - Reduced billing estimates by 41%.
- Since February 2025 – Replaced 37K endpoints
- Since February 2025 – Completed 71K manual meter reads

Technology

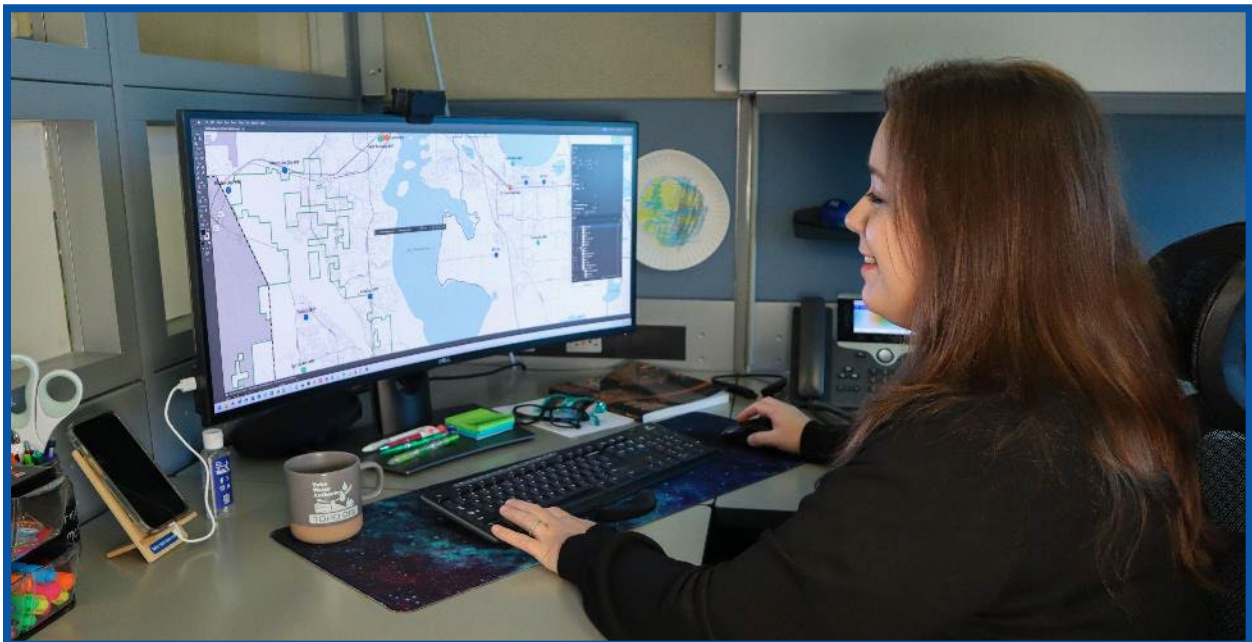


IT team members that worked on CIS upgrade

- Replaced the legacy ticketing system with a modern platform, now adopted by the GIS team for streamlined software support management
- Upgraded all conference rooms with Microsoft Teams capabilities and installed digital room displays for improved scheduling and usage visibility
- Coordinated the relocation of IT equipment and services across multiple remote sites, ensuring business continuity with minimal disruption and offering enhanced support
- Deployed Zero – Trust Infrastructure across agency-issued laptops to improve remote access security and support hybrid work environments
- Migrated all user devices to the latest Windows operating system, enhancing performance, supportability, and endpoint security in an agency-wide device upgrade
- Conducted a detailed review of mobile service plans, leading to cost savings and more efficient usage across departments to optimize plans

- Field Technology Support (GraniteNet) - Delivered IT support for GraniteNet to enhance field data collection, traceability, and asset management
- Continued progress on the CIS East billing system upgrade, aligning with Toho's strategic modernization objectives
- Launched Financial Training and Travel Request software to streamline internal approval workflows
- Implemented Bonfire to improve procurement transparency, vendor interaction, and internal review processes
- Integrated the Grant Software System with Laserfiche to automate document workflows and centralized recordkeeping and grant management
- Created and deployed new Laserfiche workflows for HR, Finance, and other teams to boost compliance and operational efficiency
- Evaluated CMMS options and confirmed Simplify i3 as the preferred solution for Toho; engaged stakeholders, developed a risk register, and established the path forward for business process development, Customer Service pilot, and full implementation targeted by the end of 2026
- Improved Technology program coordination meetings with a clearer focus on high-impact updates, challenges, resource needs, and decision-making across CMMS, Financial Systems, CSI, AMI, and IT initiatives
- Completed data readiness work supporting the GIS roadmap and future upgrades to the Utility Network
- Completed St. Cloud GIS record drawing index analysis and quality review
- Developed a new GIS layer for safety equipment inventory and locations at Toho facilities

- Developed a test version of a new valve status layer in GIS to help reduce potential water line operational issues caused by inaccurate valve status
- Rewrote the script to pull Hydro Guard flushing device data from CIS into GIS
- Automated the GraniteNet GIS update and export process
- Updated the Asset Totals Dashboard
- Configured Single Sign-On capabilities for ArcGIS Portal
- Updated public-facing maps including water quality, stop/start service, and move service
- Developed a public-facing boil water notice web application allowing customers to confirm PBWN status by address
- Transferred security cameras to separate network for enhanced reliability and connectivity



Completed improvements to GIS systems

People

- Recruiting Statics
 - Job Postings: 105
 - Applications Received: 6,378
 - Interviews Schedule: 3,756
 - Hires: 154
 - Offer Acceptance Rate: 96.78%
 - Job Postings: 105
- Successful recruitment of high impact roles including Environmental Compliance Manager, Director of Public Relations, SCADA Operations Manager, Business Transformation Manager



Employee poses with Hydro after Water Hero Leadership Graduation

- In-house certified MBTI instructor program strengthened team collaboration
- Successfully launched 2025 Toho Mentor Program and currently delivering the second year of the Toho Mentor Program
- Refreshed the Water Hero Leadership Academy program with ownership transitioned to the People Services team
- Updated Quarterly Manager Meeting format, agenda, and branding to strengthen leadership learning and networking opportunities
- Established additional in-house courses (Bucket, Forklift, Defensive Driving, Crane, Rigging, Vac Truck, MOT Flagging)
- Established CEU's for some of our new in-house courses (Bucket, Forklift, MOT)

- Developed and promoted “Knowledge Bites” four Lunch & Learns in 2025
- Developed “Resource Toolkits”
- Coordinated the implementation of Embark driver’s license platform
- Developed an internal Years of Service program to save money and foster a more personal connection with our team members
- Provided five Toho Tours in 2025, offering team members a comprehensive exposure to Toho’s work
- Implemented various HR support tools such as Salary.com salary benchmarking, salary calculator, recruitment timeline calculator, CoreHR, file feed from ADP to CIGNA, and Embark License verification
- Enhanced Workers Compensation Program through design and implementation of Workers Compensation Training, expectations form, adjuster collaboration to mitigate unnecessary costs
- Managed approximately 40 Workers Compensation claims
- Enhanced review processes with 360 Reviews for senior leadership level, 360 survey feedback, and redesign of Probationary reviews
- Expanded of medical coverage with Omada Program - GLP1 Coverage, Amplifon, Expanded Motivate Me to include spouses, MD Live, Pathwell Bone & Joint, 3-tier medical rate structure, Waiver of Prior -Auth on Complex Imaging, Dependent Voluntary Life
- Expanded Benefits Carrier Representation across service area (Colonial & Voya)
- Enhanced New Employee Orientation
- Audit of employee files - full migration to Laserfiche completed
- Conducted an I9 Audit



HR hosts community hiring event at Alaska Facility

- Launched Skill Base internal employee advancement program on SharePoint
- Implemented Centralized PPE management and improved PPE accessibility with dedicated PPE Vending Machines
- Improved check-in process for non-customers with new Access Control Coordinator staffing
- Held Stand Down for Safety Meetings with all Workforce
- Held Vehicle Drive Thru to handle fleet management items like safety inspections, add bumper stickers and review collision procedures
- Conducted life safety equipment inspections on AEDs, fire extinguishers, and eye wash stations
- Conducted Job Hazards Analysis
- Initiated Site Security Assessments of perimeter fencing, gates and entry points, signage, lighting, camera vantage points and building access
- Implemented Samsara Nudges for safer fleet operations

- Expanded staffing to include new Manager of Safety & Risk position
- Assisted in Hurricane Milton Response and After-Action Review
- Assessed traffic safety at standalone locations (Alaska, South Bermuda, and Southside) to improve traffic flow and ensure safe driving
- Team members were Drug Testing certified and received Reasonable Suspicion Training
- Conducted Health and Safety Manual Review and Revisions
- Updated GIS maps to include locations for Toho's life safety equipment

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

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

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Accounting System, Internal Accounting Controls, and Budgetary Controls

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

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

The concept of reasonable assurance recognizes that the:

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

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

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

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

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

Statutory Requirements – Independent Audit

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

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Awards

National Association of Clean Water Agencies Peak Performance Awards

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

Platinum Awards are presented to facilities that have achieved perfect compliance for at least five years. Gold Awards are presented to facilities with no permit violations for the entire calendar year. Silver Awards are presented to facilities with no more than five violations per calendar year. Toho won multiple awards for calendar year 2024 (awarded during FY2025).

- Gold Award
 - Cypress West Reclamation Facility
 - Lake Marion Water Reclamation Facility
 - Sandhill Water Reclamation Facility
- Silver Award
 - Camelot Water Reclamation Facility
 - Parkway Water Reclamation Facility
 - South Bermuda Water Reclamation Facility
 - Southside Water Reclamation Facility
 - Sunbridge Water Reclamation Facility



South Bermuda Water Reclamation Facility

Department of Environmental Protection's Plant Excellence Award

The Florida Department of Environmental Protection's Plant Excellence Awards celebrate Florida's drinking water and domestic wastewater facilities that demonstrate excellence in operation, maintenance, innovative treatment, waste reduction, pollution prevention recycling or other special achievements. Toho was awarded the 2024 Domestic Wastewater Treatment Plant Award for Type I Facilities for Cypress West Water Reclamation Facility.



Cypress West team member with Plant Excellence Award

Utility of the Future Today Award

The Utility of the Future Today Joint Recognition Program has deemed Toho a Utility of the Future Today in the area of Water Reuse for 2025. The Utility of the Future Today Recognition Program is a joint initiative led by the Water Environment Federation, the National Association of Clean Water Agencies, the Water Research Foundation, and the WaterReuse Association, and is supported by the Environmental Protection Agency, Office of Wastewater Management, and the Department of Energy, Office of Energy Efficiency & Renewable Energy. It honors water resource recovery facilities for community engagement, watershed stewardship, and recovery of resources such as water, energy, and nutrients. This is the eighth year Toho has been recognized for its achievement.

Florida Water Environment Association

The Florida Water Environmental Association presents a number of prestigious awards to recognize the outstanding accomplishments of its members.

The David W. York Reuse Award honors utilities, customers, and organizations for their commitment to, and their accomplishments in, developing, using, and/or maintaining exemplary reuse programs. Toho's Sandhill Water Reclamation Facility received this award for 2024 in the category of 5 – 15 MGD.

The FWEA also issues Safety Awards for utilities who maintain exemplary safety programs. Toho received 2024 awards in the following categories:

- Safety Award Class C
 - Harmony Water Reclamation Facility, 2nd place
 - Parkway Water Reclamation Facility, 3rd place
- Safety Award Class B
 - Lake Marion Water Reclamation Facility, 1st place
- Safety Award Class A
 - South Bermuda Water Reclamation Facility, 2nd place
 - Southside Water Reclamation Facility, 3rd place



Toho team members accepting FWEA awards

**Florida Section of the American
Water Works Association
(FSAWWA)**

The FSAWWA’s annual awards program recognized innovative and outstanding achievements in water efficiency throughout Florida. Toho was awarded Best in Class in 2025 for the Toho Efficiency Program. This program establishes required water efficiency criteria for residential and commercial construction.



Water Conservation team members accept FSAWWA Award

Orlando Sentinel Top Workplace

Toho was recognized as one of the Orlando Sentinel Top Workplaces in Central Florida. This award program was created by the Orlando Sentinel and Best Companies Group and is designed to identify, recognize, and honor the best places of employment in Orlando, benefiting the city’s economy, its workforce, and businesses. Toho placed 53 among companies with 500+ employees. Recognition is based on employee responses to a survey about workplace culture.



Toho team members accepting Orlando Sentinel Top Work Places Award

The GFOA Distinguished Budget Presentation Award Program

The Government Finance Officers Association of the United States and Canada (GFOA) awarded the Toho a Distinguished Budget Presentation Award for the FY2025 Budget. This award program was established to recognize highest quality budget documents that reflect both the guidelines established by the National Advisory Council on State and Local Budgeting and the GFOA's best practices on budgeting. To earn recognition, budget documents must meet program criteria and excel as a policy document, financial plan, operations guide, and communication tool with the ultimate goal of transparency in budgeting.



Toho Budget team

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The GFOA Certificate of Achievement for Excellence in Financial Reporting

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

In order to be awarded a Certificate of Achievement, Toho had to publish an easily readable and efficiently organized annual comprehensive financial report, whose content conforms to program standards. The report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. Toho received a Certificate of Achievement for the seventeenth year in a row and looks forward to continued participation in the program. We believe our current report conforms to the Certificate of Achievement Program requirements; we will be submitting it to the GFOA.



Financial Services Department

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

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



Todd P. Swingle
Executive Director/CEO



Rodney Henderson
Chief Financial Officer



Alexandra S. Green
Comptroller



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Tohopekaliga Water Authority
Florida**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

September 30, 2024

Christopher P. Morill

Executive Director/CEO

BOARD OF SUPERVISORS



Henry Thacker
Chair



Rayelynn Ketchum
Vice Chair



Tom White
Secretary



Jeremy Fetzer
Board Supervisor



Hector Lizasuain
Board Supervisor



David Askew
Board Supervisor



Gary Phillips
Board Supervisor



Cheryl Grieb
Ex-Officio Board Member
Osceola County



Angela Eady
Ex-Officio Board Member
City of Kissimmee



Kolby Urban
Ex-Officio Board Member
City of St. Cloud



Becky Troutman
Ex-Officio Board Member
Polk County

CEO/EXECUTIVE DIRECTOR



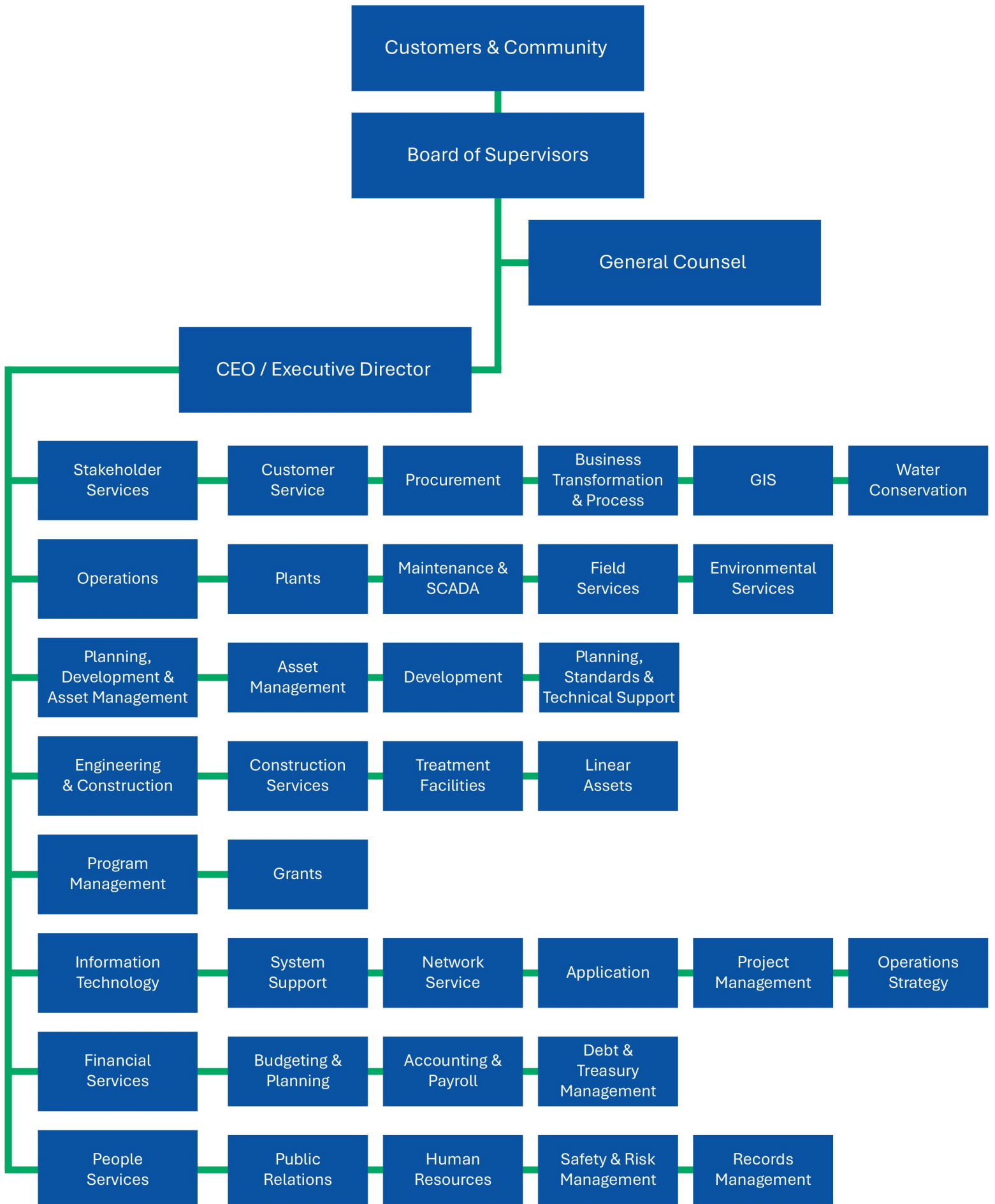
Todd Swingle

GENERAL COUNSEL



Jad Brewer

Functional Organizational Chart



Tohopekaliga Water Authority
Osceola County, Florida

Financial Section

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Independent Auditor's Report

Board of Supervisors
Tohopekaliga Water Authority
Osceola County, Florida

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of the Tohopekaliga Water Authority (Toho) as of and for the fiscal year ended September 30, 2025, and the related notes to the financial statements, which collectively comprise Toho's basic financial statements, as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Toho as of September 30, 2025, and the changes in its financial position and its cash flows for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibility for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

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

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

Required Supplementary Information

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

Other Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 18, 2026, on our consideration of Toho's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is 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 Toho'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 Toho's internal control over financial reporting and compliance.

Forvis Mazars, LLP

**Orlando, Florida
March 18, 2026**

TOHOPEKALIGA WATER AUTHORITY

Management's Discussion and

Analysis September 30, 2025 (In Thousands)

The Tohopekaliga Water Authority's Management's Discussion and Analysis presents an overview of Toho's financial activities for the fiscal year ended September 30, 2025. Please read it in conjunction with the letter of transmittal in the introductory section and Toho's financial statements which follow.

FINANCIAL HIGHLIGHTS

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

- Operating income was \$19,546, a decline of 7.2% over the prior year.
- Capital contributions were \$194,242, an increase of 22.3% over the prior year.
- **Net position** totaled \$1,731,144, an increase of \$219,605 or 14.5% over the prior year.
- **Net capital assets** increased by \$269,828, an increase of 18.7% over the prior year.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

REQUIRED FINANCIAL STATEMENTS

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

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

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

Management's Discussion and Analysis (Continued)

September 30, 2025
(In Thousands)

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

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

Comparative Summary of the Statement of Net Position as of September 30, 2025 and 2024 (In Thousands)

	2025	2024	Increase / (Decrease)	
			Change	%
Current assets	\$ 175,435	\$ 158,277	\$ 17,158	10.8%
Non-current assets-other than capital assets	290,713	312,188	(21,475)	-6.9%
Total Capital Assets (Net)	<u>1,709,590</u>	<u>1,439,762</u>	<u>269,828</u>	18.7%
 Total Assets	 <u>2,175,738</u>	 <u>1,910,227</u>	 <u>265,511</u>	 13.9%
 Total Deferred Outflows of Resources	 <u>17,994</u>	 <u>19,600</u>	 <u>(1,606)</u>	 -8.2%
 Total Assets and Deferrals	 <u>2,193,732</u>	 <u>1,929,827</u>	 <u>263,905</u>	 13.7%
 Current liabilities	 136,915	 86,430	 50,485	 58.4%
Non-current liabilities	<u>268,941</u>	<u>275,598</u>	<u>(6,657)</u>	-2.4%
 Total Liabilities	 <u>405,856</u>	 <u>362,028</u>	 <u>43,828</u>	 12.1%
 Total Deferred Inflows of Resources	 <u>56,732</u>	 <u>56,260</u>	 <u>472</u>	 0.8%
 Total Liabilities and Deferrals	 <u>462,588</u>	 <u>418,288</u>	 <u>44,300</u>	 10.6%
 Net investment in capital assets	 1,402,003	 1,178,530	 223,473	 19.0%
Restricted - system development charges	<u>193,066</u>	<u>210,456</u>	<u>(17,390)</u>	-8.3%
Unrestricted	<u>136,075</u>	<u>122,553</u>	<u>13,522</u>	-11.0%
Total Net Position	<u>\$ 1,731,144</u>	<u>\$ 1,511,539</u>	<u>\$ 219,605</u>	14.5%

Management's Discussion and Analysis *(Continued)*

September 30, 2025
(In Thousands)

FINANCIAL ANALYSIS OF TOHO AS A WHOLE

A comparative summary of Toho's statement of net position as of September 30, 2025, and 2024, is shown on the previous page. Net position totaled \$1,731,144 (total net position) at the close of the fiscal year ended September 30, 2025. This \$219,605 increase in net position over the prior year consists of capital contributions of \$194,242 and net operating income of \$19,546, plus non-operating income of \$5,816. Toho's Total Net Position increased 14.5% over last year.

The largest part of Toho's net position (81.0%) reflects its investment in capital assets (e.g., land, building and improvements, water and wastewater equipment), less any related outstanding debt used to acquire those assets. Toho uses these capital assets to provide services to customers; consequently, these assets are not available for future spending. Although Toho's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. The remaining balance of unrestricted net position may be used to meet Toho's on-going obligations to customers and creditors.

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

[Remainder of page intentionally left blank]

Management's Discussion and Analysis (Continued)

September 30, 2025
(In Thousands)

The following is a comparative summary of the changes in net position for Toho for the fiscal years ended September 30, 2025 and 2024:

Comparative Summary of the Changes in Net Position For the Years Ended September 30, 2025 and 2024 (In Thousands)

	2025	2024	Increase / (Decrease)	
			Change	%
Operating Revenues:				
Charges for services	\$ 236,029	\$ 221,399	\$ 14,630	6.6%
Miscellaneous revenues	1,277	1,270	7	0.6%
Total Operating Revenues	237,306	222,669	14,637	6.6%
Operating Expenses:				
Personnel services	62,338	53,216	9,122	17.1%
Contracted services	17,562	17,620	(58)	-0.3%
Supplies and materials	13,520	15,373	(1,853)	-12.1%
Repairs and maintenance	16,988	15,936	1,052	6.6%
Payments in lieu of taxes	20,652	19,413	1,239	6.4%
Other services and charges	21,191	23,698	(2,507)	-10.6%
Depreciation	65,509	56,349	9,160	16.3%
Total Operating Expenses	217,760	201,605	16,155	8.0%
Operating Income	19,546	21,064	(1,518)	-7.2%
Non-Operating Revenues (Expenses):				
Investment income	13,832	22,946	(9,114)	-39.7%
Interest and fiscal charges expense	(8,018)	(8,641)	623	-7.2%
Federal grant income	292	-	292	100.0%
State grant income	17	-	17	100.0%
Other	(306)	(1,572)	1,266	-80.5%
Total Non-Operating Revenues (Expenses)	5,817	12,733	(6,916)	-54.3%
Gain (Loss) Before Contributions	25,363	33,797	(8,434)	-25.0%
Capital Contributions:				
Federal capital grants	289	-	289	100.0%
State capital grants	6,929	-	6,929	100.0%
Developers	187,024	158,842	28,182	17.7%
Total Capital Contributions	194,242	158,842	35,400	22.3%
Change in Net Position	219,605	192,639	26,966	14.0%
Total Net Position – Beginning	1,511,539	1,318,900	192,639	14.6%
Total Net Position – Ending	\$ 1,731,144	\$ 1,511,539	\$ 219,605	14.5%

Management's Discussion and Analysis (Continued)

September 30, 2025
(In Thousands)

In 2025, operating revenues increased by \$14,637 over the prior fiscal year, while operating expenses rose by \$16,154. As a result, net operating income declined by 7.2% compared to the previous year. Non-operating income for fiscal year 2025 totaled \$5,816, representing a decrease of \$6,917 from the prior year. This change was primarily driven by the cumulative impact of Federal Reserve interest rate cuts, which reduced short-term investment income during the period.

The \$194,242 in capital contributed during fiscal year 2025 reflects continued confidence among financial institutions and investors in the strength of the local economic outlook. This level of activity has enabled developers to advance construction plans and invest in new development projects. Looking ahead, we anticipate a stable but slower growth trajectory in the near term, as broader economic indicators across Central Florida and the state—such as unemployment rates, home values, and access to capital—suggest steady yet moderating population growth, influenced in part by affordability challenges and continued migration of baby boomers seeking a favorable tax climate and Florida's warmer weather.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets – Net capital assets increased by \$269,828 (18.7%) over the prior year, primarily due to infrastructure improvements. In addition, Toho received contributed assets totaling \$112,502 from developers. (Please see Note 3 - Capital Assets for more information.)

The following is a summary of capital assets owned by Toho as of September 30, 2025 and 2024:

Comparative Summary of Capital Assets As of September 30, 2025, and 2024 (In Thousands)

	2025	2024	Increase / (Decrease)	
			Change	%
Capital Assets				
Land	\$ 35,923	\$ 33,612	\$ 2,311	6.9%
Furniture, Fixtures and Equipment	67,450	61,772	5,678	9.2%
Plant and Infrastructure	1,926,320	1,684,310	242,010	14.4%
Right-to-Use Assets - St. Cloud Utility	28,660	28,660	-	0.0%
Right-to-Use Assets - SBITAs	3,478	3,478	-	0.0%
Intangible Asset - Water Rights	569	0	569	100.0%
Construction in Progress	254,795	175,157	79,638	45.5%
Less: Accumulated Depreciation	(607,605)	(547,227)	(60,378)	11.0%
Total Capital Assets, Net	\$ 1,709,590	\$ 1,439,762	\$ 269,828	18.7%

Management's Discussion and Analysis (Continued)

September 30, 2025
(In Thousands)

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

On July 2, 2013, Toho issued \$33,590 in Utility System Revenue Refunding Bonds to refund a portion of the outstanding Series 2012 Note.

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

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

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

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

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

On July 25, 2024, Toho successfully closed its second WIFIA (Water Infrastructure Finance and Innovation Act) loan. Loan proceeds will be used to fund up to 49% of Toho's \$292.8 million One Water Initiative Project in two tranches. Tranche 1 on July 25, 2024 closed for \$188.3 million and Tranche 2 is expected to close in 2026.

On June 27, 2025, Toho successfully closed on an \$80,000 Revolving Revenue Note, Series 2025A, to finance capital improvement projects as an interim step toward structuring long-term financing. The note matures in two years and may be prepaid at any time without penalty. As of September 30, 2025, Toho had drawn down \$40,120 on the note.

Debt retirement and principal payments totaling \$9,810 were made on these bonds and note issues during the current year. Toho incurred \$8,018 and \$8,641 of interest and other fiscal charges for the fiscal years ended September 30, 2025 and 2024 respectively. (Please refer to Note 4 - Long-Term Debt).

Management’s Discussion and Analysis (Continued)

September 30, 2025
(In Thousands)

ECONOMIC FACTORS AND RATES

Toho operates in a dynamic economic environment marked by a rapidly expanding customer base and some of the most competitive utility rates in Central Florida. Osceola County’s sustained population surge underscores this growth trajectory. Between the 2010 Census count of 268,685 and the April 1, 2025 estimate of 484,915, the county’s population increased by approximately 80.5%, according to the Florida Legislature’s Office of Economic and Demographic Research.[census.gov], [edr.state.fl.us]

This significant demographic expansion is expected to positively influence the regional economy, supporting increased demand for essential services, continued infrastructure investment, and stable long-term growth. Current economic indicators suggest that Osceola County will maintain steady expansion, with several key performance metrics anticipated to outpace national averages, further reinforcing Toho’s strong operating environment.

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

Combined Systems				
Last Five Years of Total Billed Services as of September 30				
	<u>Water</u>	<u>Irrigation</u>	<u>Wastewater</u>	<u>Reclaimed Water</u>
2020	119,074	17,667	112,498	22,721
2022	122,877	17,729	116,641	23,990
2023	161,325	24,111	150,852	35,337
2024	168,845	24,814	159,541	39,140
2025	175,571	24,903	165,917	42,844

Toho applies a tiered rate structure that varies based on both the type of service provided and whether the customer is residential or commercial. This framework ensures that charges align with consumption patterns and operational demands across customer classes. As Toho continues to evolve, ongoing comparison of average charges by customer type will equip management with valuable insights for setting equitable rates, optimizing cost recovery, and monitoring overall system performance.

Toho currently maintains approximately 243,300 active service connections across water, irrigation, and reclaimed water systems, collectively supporting a service population of roughly 490,000.

The following chart shows the average customer water and wastewater charges for the fiscal year ended September 30, 2025:

Average Charges for Selected Customers			
	<u>Water</u>	<u>Wastewater</u>	<u>Total</u>
Residential – 4,000 Gallons Usage (3/4” Meter)	\$ 13.17	\$ 37.96	\$ 51.13
Commercial – 30,000 Gallons Usage (2” Meter)	\$ 106.36	\$ 355.27	\$ 461.63

Management's Discussion and Analysis (Continued)

September 30, 2025
(In Thousands)

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

Tohopekaliga Water Authority
Statement of Net Position
September 30, 2025
(In Thousands)

ASSETS

Current Assets

Cash and cash equivalents	\$ 42,825
Restricted cash and cash equivalents	78,650
Accounts receivable	37,800
Leases receivable	317
Due from other governments	12,161
Inventory	3,682

Total Current Assets

175,435

Non-Current Assets

Leases receivable - non-current	52,490
Restricted cash and cash equivalents - system development charges and bond funds	186,310
Restricted investments - system development charges and bond funds	38,594
Restricted accounts receivable, net - system development charges	8,111
Restricted construction deposits in escrow	5,208
Capital Assets	
Land	35,923
Equipment, furniture and fixtures	67,450
Plant and infrastructure	1,926,320
Right-to-use assets - St. Cloud Utility System	28,660
Right-to-use assets - SBITAs	3,478
Intangible Asset - Water Rights	569
Construction in progress	254,795
Less: Accumulated depreciation and amortization	<u>(607,605)</u>

Total Capital Assets

1,709,590

Total Non-Current Assets

2,000,303

Total Assets

2,175,738

Deferred Outflows of Resources

Deferred loss on refunding	15,773
Deferred outflows related to pensions	1,598
Deferred outflows related to OPEB	623

Total Deferred Outflows of Resources

17,994

Total Assets and Deferrals

2,193,732

(Continued)

Tohopekaliga Water Authority
Statement of Net Position (Continued)
September 30, 2025
(In Thousands)

LIABILITIES

Current Liabilities

Accounts payable	\$ 49,769
Accrued liabilities	2,413
Other liabilities	438
Contracts payable	3,855
Compensated absences payable	1,446
SBITA Liability	281
OPEB Liability	62
Current liabilities payable from restricted assets	
Contracts payable	4,282
Sunbridge Facilities Payable	1,696
Revenue bonds and notes payable	48,420
Accrued interest payable	4,119
Deposits	20,134

Total Current Liabilities 136,915

Non-Current Liabilities

Compensated absences payable	2,879
OPEB liability	1,983
Net pension liability	5,889
Unearned revenue	9,049
SBITA Liability	583
Sunbridge Facilities Payable	22,749
Revenue bonds and notes payable	225,809

Total Non-Current Liabilities 268,941

Total Liabilities 405,856

Deferred Inflows of Resources

Deferred inflows related to pensions	3,696
Deferred inflows related to OPEB	1,614
Deferred inflows related to leases receivable	51,422

Total Deferred Inflows of Resources 56,732

Total Liabilities and Deferrals 462,588

Net Position

Net investment in capital assets	1,402,003
Restricted - system development charges	193,066
Unrestricted	136,075

Total Net Position \$ 1,731,144

Tohopekaliga Water Authority
Statement of Revenues, Expenses and Changes in Net Position
For the Year Ended September 30, 2025
(In Thousands)

Operating Revenues	
Charges for services	\$ 236,029
Miscellaneous revenues	1,277
	<u>237,306</u>
Total Operating Revenues	
Operating Expenses	
Personnel services	62,338
Contracted services	17,562
Supplies and materials	13,520
Repairs and maintenance	16,988
Payments in lieu of taxes	20,652
Other services and charges	21,191
Depreciation & amortization expense	65,509
	<u>217,760</u>
Total Operating Expenses	
Operating Income	
	<u>19,546</u>
Non-Operating Revenues (Expenses)	
Investment income	13,832
Interest and fiscal charges expense	(8,018)
Federal grant income	292
State grant income	17
Other	(306)
	<u>5,817</u>
Total Non-Operating Revenues (Expenses)	
Gain Before Capital Contributions	
	<u>25,363</u>
Capital Contributions	
Federal capital grants	289
State capital grants	6,929
Developers	187,024
	<u>194,242</u>
Total Capital Contributions	
Change in Net Position	
	<u>219,605</u>
Total Net Position, Beginning	
	<u>1,511,539</u>
Total Net Position, Ending	
	<u><u>\$ 1,731,144</u></u>

Tohopekaliga Water Authority
Statement of Cash Flows
For the Year Ended September 30, 2025
(In Thousands)

Operating Activities	
Receipts from customers and users	\$ 237,632
Payments to suppliers	(94,256)
Payments to employees	(62,328)
	<u>81,047</u>
Net Cash Provided by Operating Activities	<u>81,047</u>
Noncapital Financing Activities	
Proceeds from grants	310
	<u>310</u>
Net Cash Provided by Noncapital Financing Activities	<u>310</u>
Capital and Related Financing Activities	
Acquisition/construction of capital assets	(221,750)
Payments construction escrow accounts	(628)
Retirement of capital debt	(9,810)
Interest paid on capital debt	(8,466)
Capital contributions - developers	75,866
Capital grant reimbursements	7,218
Proceeds from long-term debt	40,120
Proceeds from sale of capital assets	1,622
Reservation deposits for sewer capacity	6,384
	<u>(109,444)</u>
Net Cash Used in Capital and Related Financing Activities	<u>(109,444)</u>
Investing Activities	
Purchase of investments	(231,984)
Sale of investments	294,535
Investment earnings	14,809
	<u>77,360</u>
Net Cash Provided by Investing Activities	<u>77,360</u>
Net Increase in Cash and Cash Equivalents	49,273
Cash and Cash Equivalents, Beginning of Year	<u>258,512</u>
Cash and Cash Equivalents, End of Year	<u><u>\$ 307,785</u></u>
Reconciliation of Cash and Cash Equivalents to the Statement of Net Position	
Total unrestricted cash and cash equivalents	\$ 42,825
Total restricted cash and cash equivalents	264,960
	<u>307,785</u>
Cash and Cash Equivalents, End of Year	<u><u>\$ 307,785</u></u>

(Continued)

Tohopekaliga Water Authority
Statement of Cash Flows (Continued)
For the Year Ended September 30, 2025
(In Thousands)

Reconciliation of Operating Income to Net

Cash Provided by Operating Activities

Operating income	\$ 19,546
Adjustments to reconcile operating income to net cash provided by operating activities	
Depreciation and amortization	65,509
Changes in assets and liabilities	
Increase in accounts receivable	(2,006)
Decrease in lease receivable	310
Decrease in inventories	1,376
Increase in deferred outflows	(123)
Decrease in accounts payable	(5,890)
Increase in customer deposits	3,226
Increase in other liabilities	172
Decrease in SBITA	(465)
Increase in accrued liabilities	114
Increase in OPEB	29
Increase in compensated absences	338
Decrease in net pension liability	(1,561)
Increase in deferred inflows	472

Total Adjustments

61,501

Net Cash Provided by Operating Activities

\$ 81,047

Non-Cash Investing, Capital and Financing Activities

Water/sewer lines contributed by developers	\$ 110,321
Change in capital-related accounts receivable	\$ 837
Change in capital-related liabilities	\$ 13,795
Net change in fair value of investments	\$ (977)
Sunbridge water treatment plant reimbursement	\$ (2,119)

Note 1. Summary of Significant Accounting Policies

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

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

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

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

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

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

Non-Current Accounts Receivable - Toho has receivables consisting of system development charges, and other. Receivables related to system development charges are recorded as non-current assets, net of an allowance for doubtful accounts. The allowance is based upon management's specific identification of receivables that may become uncollectible. In fiscal year 2025, no allowance was deemed necessary.

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

Tohopekaliga Water Authority
Notes to Financial Statements
September 30, 2025
(In Thousands)

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

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

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

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

Compensated Absences - Compensated absences (i.e., paid absences for employee vacation leave and sick leave) are accrued as liabilities to the extent that it is more likely than not the leave will be used for time off or otherwise paid in cash or settled through noncash means. Toho accrues a liability for these amounts only if it has matured, such as for occurrences of employee resignations and retirements. The liability includes salary-related benefits, where applicable.

Unearned Revenue - Toho assesses impact fees to fund capital improvements necessitated by new development. Developers may earn credits by contributing to infrastructure enhancements, such as constructing water and wastewater lines, which offset their impact fee obligations. These credits are recorded as unearned revenue upon issuance and recognized as earned revenue proportionally as developers apply them against their fees, aligning with completion of the related infrastructure projects. This approach ensures revenue recognition corresponds with the delivery of services and fulfillment of our commitments. As of September 30, 2025, the balance of unearned revenue was \$9,049.

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

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

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

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

Tohopekaliga Water Authority
Notes to Financial Statements
September 30, 2025
(In Thousands)

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

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

Deferred Outflows/Inflows of Resources - In addition to assets, the statement of net position reports a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to future periods and will not be recognized as an outflow of resources (expense/expenditure) until that time.

Toho has three items that qualify for reporting in this category, which are the deferred amount on refunding, the deferred outflows related to pensions, and the deferred outflows related to other postemployment benefits (OPEB), that are all reported in the statement of net position. A deferred amount on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the remaining life of the original issue or the life of the new issue. As of September 30, 2025, Toho reported \$15,773 related to the refunding of debt. The deferred outflows related to pensions are an aggregate of items related to pensions, as calculated in accordance with GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*. The deferred outflows related to pensions will be recognized as either pension expense or a reduction in the net pension liability in future reporting years. Details on the composition of the deferred outflows related to pensions are discussed further in Note 8. The deferred outflows related to OPEB are an aggregate of items related to pensions, as calculated in accordance with GASB Statement No. 75, *Accounting and Financial Reporting for OPEB*. The deferred outflows related to OPEB will be recognized as an expense in future reporting years. Details on the composition of the deferred outflows related to OPEB are discussed further in Note 9.

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

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

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

Tohopekaliga Water Authority
Notes to Financial Statements
September 30, 2025
(In Thousands)

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

New Pronouncements - Effective October 1, 2024, Toho adopted GASB Statement No. 101, *Compensated Absences*. The requirements of this statement are designed to better meet the needs of financial statement users by updating recognition and measurement guidance for compensated absences. Toho recalculated the September 30, 2024 compensated absence liability using the guidance in GASB Statement No. 101. The change was deemed immaterial and the impact is reflected in the September 30, 2025 balance and change for fiscal 2025.

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

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

Note 2. Deposits and Investments

Cash and Cash Equivalents

At September 30, 2025, the carrying amount of Toho's cash deposit accounts was \$91,626. Toho's cash deposits are held by a bank that qualifies as a public depository under the Florida Security for Public Deposits Act as required by Chapter 280, Florida Statutes. Toho's cash deposits are fully insured by the Public Deposits Trust Fund.

Investment Portfolio

Toho revised its comprehensive investment policy on November 13, 2024, through Resolution 2024-015, in accordance with Section 218.415, Florida Statutes. This policy revision encompassed updates to permissible investments, asset allocation and issuer limits, credit rating requirements, and maturity constraints, aiming to safeguard Toho's financial assets. Toho consolidates its cash and investments into a common pool for all funds.

Per Section 218.415, Florida Statutes, government investments are restricted to specific types unless authorized by an investment policy. Toho's policy permits investments in various instruments, including Florida Prime, U.S. Government Securities, Agency securities, GSEs, Supranationals, ABS, MBS, time deposits, repurchase agreements, commercial paper, corporate notes, bankers' acceptances, and state or local government debt, among others.

Tohopekaliga Water Authority
Notes to Financial Statements
September 30, 2025
(In Thousands)

As of September 30, 2025, Toho had the following investment types and weighted average maturities expressed in years:

Security Type	Fair Value (\$ thousands)	Weighted Average Maturity (Years)
Local Government Investment Pool	\$ 65,212	0.10
U.S. Treasury	56,941	2.13
Corporate	44,413	1.99
Florida Prime	35,605	0.10
ABS	32,735	1.63
Agency CMBS	18,087	1.64
Agency MBS Pass Through	1,518	4.32
Money Market Fund	199	0.01
Agency CMO	44	4.65
Total	\$ 254,754	1.98

Interest Rate Risk

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

For funds intended for longer-term purposes, such as reserve funds, Toho may opt for securities with maturities beyond five years. This approach is taken only when the maturity dates of these investments closely align with the projected timing of fund utilization. Any decision to invest in longer-maturity securities is transparently communicated to the Board of Supervisors through written disclosures.

Toho employs a “weighted average duration” metric to gauge the portfolio’s sensitivity to interest rate changes. As of September 30, 2025, the portfolio’s weighted average duration stood at 1.98 years, indicating a moderate level of interest rate risk. This measure helps Toho in maintaining a balanced investment portfolio that supports its financial stability and strategic objectives.

Credit Risk

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

Sector	Sector Maximum (%)	Per Issuer Maximum (%)	Minimum Ratings Requirement ¹	Maximum Maturity
U.S. Treasury	100%	100%	N/A	5.50 Years (5.50 years avg. life ⁴ for GNMA)
GNMA		40%		
Other U.S. Government Guaranteed (e.g. AID, GTC)		10%		
Federal Agency/GSE: FNMA, FHLMC, FHLB, FFCB*	75%	40% ³	N/A	5.50 Years

Tohopekaliga Water Authority
Notes to Financial Statements
September 30, 2025
(In Thousands)

Sector	Sector Maximum (%)	Per Issuer Maximum (%)	Minimum Ratings Requirement ¹	Maximum Maturity
Federal Agency/GSE other than those above	75%	10%	N/A	5.50 Years
Supranationals where U.S. is a shareholder and voting member	25%	10%	Highest ST or Highest LT Rating Categories (A-1/P-1, AAA-/Aaa, or equivalent)	5.50 Years
Corporates	50% ²	5% ⁵	Highest ST or Three Highest LT Rating Categories (A-1/P-1, A-/A3 or equivalent)	5.50 Years
Municipals	25%	5%	Highest ST or Three Highest LT Rating Categories (SP-1/MIG 1, A-/A3, or equivalent)	5.50 Years
Agency Mortgage-Backed Securities (MBS)	30%	40% ³	N/A	5.50 Years Avg. Life ⁴
Asset-Backed Securities (ABS)	25%	5%	Highest ST or LT Rating (A-1+/P-1, AAA/Aaa, or equivalent)	5.50 Years Avg. Life ⁴
Non-Negotiable Collateralized Bank Deposits or Savings Accounts	50%	None, if fully collateralized	None, if fully collateralized.	1 Year
Commercial Paper (CP)	50% ²	5% ⁵	Highest ST Rating Category (A-1/P-1, or equivalent)	270 Days
Bankers' Acceptances (BAs)	10% ²	5%	Highest ST Rating Category (A-1/P-1, or equivalent)	180 Days
Repurchase Agreements (Repo or RP)	25%	20%	Counterparty (or if the counterparty is not rated by an NRSRO, then the counterparty's parent) must be rated in the Highest ST Rating Category (A-1/P-1, or equivalent) If the counterparty is a Federal Reserve Bank, no rating is required	90 Days
Money Market Funds (MMFs)	50%	25%	Highest Fund Rating by all NRSROs who rate the fund (AAAm/Aaa-mf, or equivalent)	N/A
Intergovernmental Pools (LGIPs)	75%	25%	Highest Fund Quality and Volatility Rating Categories by all NRSROs, <i>if rated</i> (AAAm/AAAf, S1, or equivalent)	N/A
Florida Local Government Surplus Funds Trust Funds ("Florida Prime")	25%	N/A	Highest Fund Rating by all NRSROs who rate the fund (AAAm/Aaa-mf, or equivalent)	N/A

Notes:

¹ Rating by at least one SEC-registered Nationally Recognized Statistical Rating Organization ("NRSRO"), unless otherwise noted. ST=Short-term; LT=Long-term.

² Maximum allocation to all corporate and bank credit instruments is 50% combined.

³ Maximum exposure to any one Federal agency, including the combined holdings of Agency debt and Agency MBS, is 40%.

⁴ The maturity limit for MBS and ABS is based on the expected average life at time of purchase, measured using Bloomberg or other industry standard methods.

⁵ Maximum across all permitted investment sectors (excluding Treasuries, U.S. Federal Agencies, Agency MBS, Non-Negotiable CD's, Savings Accounts, Repos, Money Market Funds, Mutual Funds, LGIPs, and Florida Prime) is 5% combined per issuer.

* Federal National Mortgage Association (FNMA); Federal Home Loan Mortgage Corporation (FHLMC); Federal Home Loan Bank or its District banks (FHLB); Federal Farm Credit Bank (FFCB).

Tohopekaliga Water Authority
Notes to Financial Statements
September 30, 2025
(In Thousands)

Custodial Credit Risk

Custody and Management of Securities

Toho mandates that all securities and collateral be held by a third-party custodian, clearly marked as Toho's assets to ensure transparency and security. Withdrawals from custody are strictly regulated, permitted only by authorized Toho personnel. Annually, the custodian must submit their latest report on internal controls, in compliance with standards such as SAS 70 or SSAE 16, reinforcing the integrity of the custodial arrangement.

Mitigating Custodial Risk

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

Concentration of Credit Risk

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

As of the latest review on September 30, 2025, Toho's investments were prudently managed by a third-party custodian, in line with policy directives. The portfolio's issuer concentration and credit exposure are meticulously monitored, ensuring alignment with Toho's strategic objectives and risk tolerance levels.

As of September 30, 2025, Toho had the following issuer concentration and credit exposure based on fair value as a percentage of total investments:

Security Type	Fair Value (\$ thousands)	Portfolio Asset Allocation	Permitted by Policy
Local Government Investment Pool	\$ 65,212	25.6%	75%
U.S. Treasury	56,941	22.4%	100%
Corporate	44,413	17.4%	50%
Florida Prime	35,605	14.0%	25%
ABS	32,735	12.8%	25%
Federal Agencies:			
Agency CMBS	18,087	7.1%	
Agency MBS Pass Through	1,518	0.6%	75%
Agency CMO	44	0.0%	
Money Market Fund	199	0.1%	50%
Total	\$ 254,754	100%	

Tohopekaliga Water Authority
Notes to Financial Statements
September 30, 2025
(In Thousands)

Below are two charts depicting the Standard and Poor's and Moody's credits rating assigned to the assets backed securities, corporate notes, government debt, and supranational debt held in Toho's investment portfolio based on their fair value at September 30, 2025.

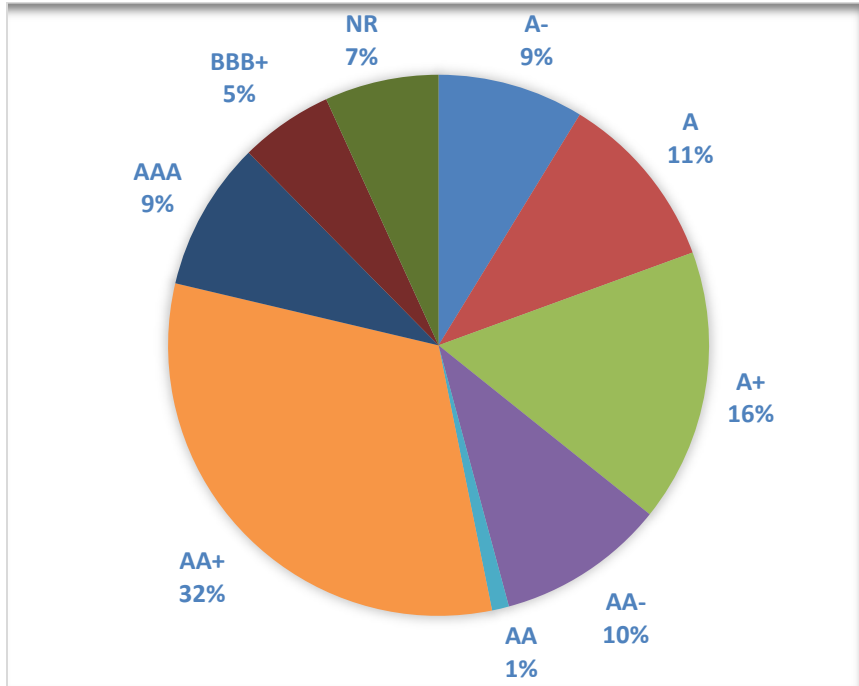


Figure 1- Credit Quality | S&P Ratings

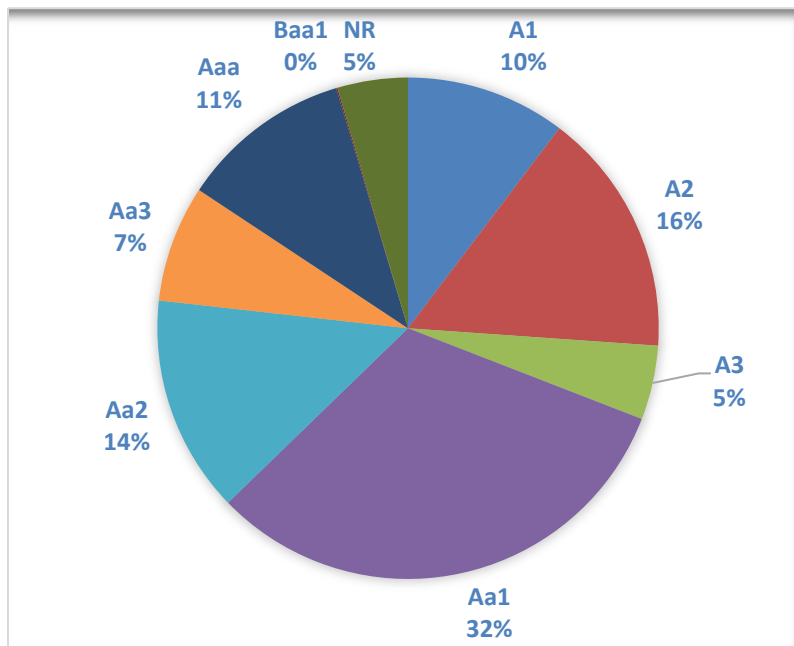


Figure 1 - Credit Quality | Moody's Ratings

Tohopekaliga Water Authority
Notes to Financial Statements
September 30, 2025
(In Thousands)

Credit Risk and Fair Value Measurement

	9/30/2025 Fair Value (\$ thousands)	Quoted Prices in Active Markets for Identical Assets (Level 1)
Investments by fair value level		
Local Government Investment Pool ^[1]	\$ 65,212	\$ -
U.S. Treasury	56,941	56,941
Corporate	44,413	44,413
Florida Prime ^[1]	35,605	-
ABS	32,735	32,735
Agency CMBS	18,087	18,087
Agency MBS Pass Through	1,518	1,518
Money Market Fund	199	199
Agency CMO	44	44
	Total investments by fair value measure	\$ 153,937
	254,754	
	Total deposits	
	91,625	
	Total deposits and investments	
	346,379	
	Restricted	
	303,554	
	Unrestricted	
	\$ 42,825	

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

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

Local Government Investment Pools

Florida PRIME Governmental Investment Pool

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

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

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

As of September 30, 2025, Toho's investments in the Florida PRIME Governmental investment pool are managed in accordance with these guidelines, with no restrictions on daily withdrawals, ensuring full liquidity for Toho's assets.

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

FL PALM Fund

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

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

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

Foreign Currency Risk

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

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Note 3. Capital Assets

Toho's capital assets consist of land, buildings and improvements, containment equipment and facilities, and machinery and equipment. Following is a summary of changes related to capital assets during the fiscal year ended September 30, 2025:

	Beginning Balance 10/1/24	Increases	Decreases	Ending Balance 9/30/25
Capital assets, not being depreciated				
Land	\$ 33,612	\$ 2,311	\$ -	\$ 35,923
Construction in progress	175,157	192,025	(112,387)	254,795
Total capital assets, not being depreciated	<u>208,769</u>	<u>194,336</u>	<u>(112,387)</u>	<u>290,718</u>
Capital assets, being depreciated				
Water system assets				
Plant and infrastructure	572,368	94,725	(2,633)	664,460
Equipment, furniture and fixtures	13,957	1,615	(612)	14,960
Total water system assets	<u>586,325</u>	<u>96,340</u>	<u>(3,245)</u>	<u>679,420</u>
Sewer system assets				
Plant and infrastructure	1,076,101	147,961	(2,443)	1,221,619
Equipment, furniture and fixtures	18,625	2,191	(94)	20,722
Total sewer system assets	<u>1,094,726</u>	<u>150,152</u>	<u>(2,537)</u>	<u>1,242,341</u>
General plant and administrative assets				
Plant and infrastructure	35,841	4,890	(490)	40,241
Equipment, furniture and fixtures	29,190	3,615	(1,037)	31,768
Total general plant and administrative assets	<u>65,031</u>	<u>8,505</u>	<u>(1,527)</u>	<u>72,009</u>
Intangible Assets				
Right-to-use assets – St. Cloud Utility	28,660	-	-	28,660
Right-to-use assets – SBITAs	3,478	-	-	3,478
Water rights	-	569	-	569
Total Intangible assets	<u>32,138</u>	<u>569</u>	<u>-</u>	<u>32,707</u>
Total capital assets, being depreciated/amortized	<u>1,778,220</u>	<u>255,566</u>	<u>(7,309)</u>	<u>2,026,477</u>
Less accumulated depreciation/amortization for:				
Plant and infrastructure	(505,031)	(60,268)	3,743	(561,556)
Equipment, furniture and fixtures	(39,772)	(4,190)	1,487	(42,475)
Right-to-use assets – SBITAs	(1,468)	(672)	-	(2,140)
Right-to-use assets – St. Cloud	(956)	(478)	-	(1,434)
Total accumulated depreciation/amortization	<u>(547,227)</u>	<u>(65,608)</u>	<u>5,230</u>	<u>(607,605)</u>
Total capital assets, being depreciated/amortized, net	<u>1,230,993</u>	<u>189,958</u>	<u>(2,079)</u>	<u>1,418,872</u>
Capital assets, net	<u>\$ 1,439,762</u>	<u>\$ 384,294</u>	<u>\$ (114,466)</u>	<u>\$1,709,590</u>

Note 4.

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Note 5. Long-Term Debt

Schedule of Changes in Long-Term Debt - The following is a schedule of changes in Toho's long-term debt for the fiscal year ended September 30, 2025:

	Beginning Balance 10/1/24	Additions	Reductions	Ending Balance 9/30/25	Due Within One Year	Long- Term Portion
Revenue bonds payable (Public Offerings)	\$ 145,460	\$ -	\$ 8,860	\$ 136,600	\$ 9,275	\$ 127,325
Notes payable (Direct Borrowing)	6,050	40,120	920	45,250	955	44,295
Notes payable (Direct Placement)	81,065	-	30	81,035	38,160	42,875
	232,575	40,120	9,810	262,885	48,390	214,495
Plus (less) bond discounts and premiums	13,339	-	1,995	11,344	-	11,344
Total revenue bonds and notes payable	245,914	40,120	11,805	274,229	48,390	225,839
Sunbridge Facilities Payable	26,564	-	2,119	24,445	1,696	22,749
OPEB payable	2,016	689	660	2,045	-	2,045
Net pension liability	7,450	-	1,561	5,889	-	5,889
Compensated absences payable	3,987	3,161	2,823	4,325	1,446	2,879
SBITA Liability	1,329	-	465	864	281	583
Total long-term liabilities	\$ 287,260	\$ 43,970	\$ 19,433	\$ 311,797	\$ 51,813	\$ 259,984

Revenue Bonds Payable (Public Offerings) - Toho has revenue bonds outstanding at September 30, 2025, as follows:

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

Revenue Notes Payable - Toho has revenue notes outstanding at September 30, 2025, as follows:

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

Series 2025 Note (Direct Borrowing) - Used to finance capital improvement projects as an interim step toward structuring long term financing. The note matures in two years and may be prepaid at any time without penalty.

Series 2020 Note (Direct Placement) - Used to fund the construction and improvements to the Utility System, including (a) the gravity sanitary sewer system assessment; and (b) the rehabilitation and/or removal and replacement of certain mains and manholes (including the replacement of water mains within lift station basins as determined by Toho to be necessary), and consists of the activities related to the improvements of the Utility

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System located in the lift station areas described in the WIFIA Loan Agreement dated as of February 12, 2020, between Toho and the United States Environmental Protection Agency. The bond matures October 1, 2025. The terms in the event of a default for the Series 2020 Direct Note pursuant to the master resolution provides for an acceleration of principal, accrued interest, and premium, if any. Registered owners of 25% of aggregate principle have the right to enforce payment of debt service on the bonds and the performance of any other covenant, agreement, obligation or any other instrument providing security, directly or indirectly, for the bonds.

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

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

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

Pledged Revenues - Toho has pledged the net revenues generated by the overall system for payment of the bond issues and notes listed below. Proceeds of Toho's bonds and notes issued were used, as discussed above. The bonds and notes are payable solely from Toho's customers' net revenues payable through 2047. Annual principal and interest payments on the bonds and notes are currently expected to require approximately 16% of net revenues. The total principal and interest remaining on the bonds and notes, as noted below under debt service requirements, is \$314,205. Principal and interest paid for the current year was \$18,291. Total customer net revenues for the current year were \$112,832.

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

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

	<u>Purpose of Obligation</u>	<u>Amount Issued</u>	<u>Amount Outstanding</u>	<u>Interest Rates</u>
Water and Sewer Revenue Bonds				
Public Offerings				
Series 2016	Project Capital	\$ 173,605	\$ 136,600	3.10%
Notes Payable				
Direct Borrowings				
2009 Note Payable - BOA	Admin Bldg. Project	\$ 16,000	5,130	3.63%
2025 Note Payable - Truist	Project Capital	\$ 40,120	40,120	3.49%-3.95%
Direct Placements				
Series 2020 - WCM	Project Capital	\$ 38,160	38,160	1.21%
Series 2021 - Truist	Refunding/Misc.	\$ 14,305	14,215	1.08%
Series 2022 - Truist	St. Cloud Integration	\$ 28,660	<u>28,660</u>	2.64%
Total Long-Term Debt			<u>\$ 262,885</u>	

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

<u>Fiscal Year</u>	<u>Public Offering</u>		<u>Direct Borrowing</u>		<u>Direct Placement</u>		<u>Total</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2026	\$ 9,275	\$ 5,146	\$ 41,075	\$ 1,661	\$ 38,190	\$ 2,818	\$ 88,540	\$ 9,625
2027	9,740	4,682	990	151	28,700	910	39,430	5,743
2028	3,075	4,305	1,025	116	7,030	153	11,130	4,574
2029	3,160	4,229	1,060	78	7,115	77	11,335	4,384
2030	10,655	4,150	1,100	40	-	-	11,755	4,190
2031-2035	58,570	15,542	-	-	-	-	58,570	15,542
2036-2040	30,660	4,908	-	-	-	-	30,660	4,908
2041-2045	7,795	2,077	-	-	-	-	7,795	2,077
2046-2047	3,670	277	-	-	-	-	3,670	277
	<u>\$ 136,600</u>	<u>\$ 45,316</u>	<u>\$ 45,250</u>	<u>\$ 2,046</u>	<u>\$ 81,035</u>	<u>\$ 3,958</u>	<u>\$ 262,885</u>	<u>\$ 51,320</u>

Note 6. Invested In Capital Assets

The amount reported on the statement of net position as net investment in capital assets at September 30, 2025, consists of the following:

Net capital assets	\$ 1,709,590
Debt related to purchase of capital assets	(299,539)
Capital related liabilities	(15,683)
Retainage	(8,138)
Deferred amount on refunding	<u>15,773</u>
Net investment in capital assets	<u>\$ 1,402,003</u>

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Note 7. Leases

Toho accounts for leases in accordance with GASB Statement No. 87, *Leases*. Toho's operations include an agreement to lease unused land to RIDA Development Corporation, which expires in 2095. Toho reported leases receivable with a carrying amount of \$52,807 as of September 30, 2025, and a deferred inflows of resources in the amount of \$51,422 as of September 30, 2025, related to this agreement. The deferred inflows of resources for leases will be recognized as revenue over the term of the lease agreement.

The lease principal was reduced by \$310 and Toho recognized \$314 of interest income for the year ended September 30, 2025.

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

Fiscal Year	Principal	Interest	Total
2026	\$ 317	\$ 326	\$ 643
2027	324	338	662
2028	332	350	682
2029	339	363	702
2030	347	376	723
Thereafter	51,148	91,169	142,317
	\$ 52,807	\$ 92,922	\$ 145,729

Note 8. Subscription-Based Information Technology Arrangements

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

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

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

Fiscal Year	Principal	Interest	Total
2026	\$ 280	\$ 6	\$ 286
2027	288	27	315
2028	296	51	347
	\$ 864	\$ 84	\$ 948

Note 9. Pension Plan

All Toho full-time employees hired before October 1, 2010, participate in a cost-sharing, multiple-employer, defined benefit plan with the City of Kissimmee. Toho's employees have participated in the City of Kissimmee's general employees' retirement plan since separation from the City of Kissimmee, as noted in Note 1 - Reporting Entity of these financial statements. An actuarial study was conducted as of October 1, 2023. The City of Kissimmee does not produce separately available financial reports for this pension plan. However, all required disclosures and financial data are contained in the City of Kissimmee's publicly available Annual Comprehensive Financial Report (ACFR) for the fiscal year ended September 30, 2025. The City of Kissimmee's ACFR may be obtained by written request to the City of Kissimmee's Finance Department, 101 North Church Street, Kissimmee, Florida 34741-5054.

On September 8, 2022, the City of St. Cloud City Council adopted Ordinance No. 2022-52, allowing Toho employees transferring from the City of St. Cloud to continue their participation in the City's General Employees' Retirement System. Toho's employees that transferred from the City of St. Cloud have participated in the City of St. Cloud's general employees' retirement plan since separation from the City of St. Cloud as noted in Note 1 - Reporting entity of these financial statements. An actuarial study was conducted as of October 1, 2023. The City of St. Cloud does not produce separately available financial reports for this pension plan. However, all required disclosures and financial data are contained in the City of St. Cloud's publicly available ACFR for the fiscal year ended September 30, 2025. The City of St. Cloud's ACFR may be obtained by written request to the City of St. Cloud's Finance Department, 1300 Ninth Street, St. Cloud, Florida 34769.

Description of Plan

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

The City of St. Cloud administers the general employees' retirement plan. The plan is a cost-sharing, multiple-employer, defined benefit plan established by ordinance (and amended to include Toho, limited to Toho's full-time employees who transferred to Toho on October 1, 2022), pursuant to Florida Statutes. The plan provides retirement, disability, and death benefits to plan members and their beneficiaries. The plan may be amended by ordinance adopted by the City of St. Cloud Council, including the funding policy. Toho's proportion of the total OPEB liability for the City of St. Cloud plan was based on the historical actuarially determined employer contributions to the OPEB plan for fiscal year 2025. At September 30, 2025, Toho's proportion was 20.38%.

Funding Policy

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

The City of Kissimmee Commission sets contribution rates every two years based on an actuarial report. The most recent report the City of Kissimmee received was dated October 1, 2024. Toho paid in 100% of its required contribution amount for the current and prior fiscal years. Toho's contributions to the plan for the years ended September 30, 2025, 2024 and 2023 were \$1,768 \$1,718 and \$1,491, respectively.

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The City of St. Cloud is required to contribute at an actuarially determined rate, or 10% of the employee's compensation, whichever is greater. Toho contributed 25.51% of qualified employee salaries to the plan. Plan members contribute 1.0% of their annual covered salary. Contribution requirements are based upon the normal (current year) cost and amortization of the accrued past service liability as provided in Part VII of Chapter 112, Florida Statutes. Toho contributions to the plan for the year ended September 30, 2025 was \$963.

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

At September 30, 2025, Toho reported a liability of \$4,716 for its proportionate share of the net pension liability for the City of Kissimmee plan and \$1,173 for its proportionate share of the net pension liability for the City of St. Cloud plan for a total net pension liability of \$5,889. The net pension liability was measured as of September 30, 2025, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as October 1, 2023 for both plans.

Toho's proportion of the net pension liability for the City of Kissimmee plan was based on the historical actuarially determined employer contributions to the pension plan for fiscal year 2025. At September 30, 2025, Toho's proportion was 27.68%, which reflects an increase of 0.91% from its respective proportion measured as of September 30, 2023.

For the year ended September 30, 2025, Toho recognized pension expense of \$1,199 related to the City of Kissimmee plan.

At September 30, 2025, Toho reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources (in thousands) relating to the City of Kissimmee plan:

	Deferred Outflows of Resources	Deferred Inflow of Resources
Differences between expected and actual experience	\$ 456	\$ -
Assumption Changes	-	-
Changes in Cost-Sharing Allocation Percentage	149	(172)
Net difference between projected and actual earnings on pension plan investments	-	(2,521)
Total	<u>\$ 605</u>	<u>\$ (2,693)</u>

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

Years Ending September 30,	Amount
2026	\$ 657
2027	(1,293)
2028	(1,238)
2029	(214)
2030	-
Thereafter	-
Total	<u>\$ (2,088)</u>

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Toho's proportion of the net pension liability for the City of St. Cloud plan was based on the historical actuarially determined employer contributions to the pension plan for fiscal year 2025. At September 30, 2025, Toho's proportion was 22.69%.

For the year ended September 30, 2025, Toho recognized pension expense of \$1,100 related to the City of St. Cloud plan.

For the year ended September 30, 2025, Toho recognized aggregate pension expense of \$2,299 related to the City of Kissimmee and City of St. Cloud plans.

At September 30, 2025, Toho reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources (in thousands) relating to the City of St. Cloud plan:

	Deferred Outflows of Resources	Deferred Inflow of Resources
Differences between expected and actual experience	\$ 993	\$ -
Changes of assumptions earnings on pension plan investments	-	(29)
Changes in proportion	-	
Net difference between projected and actual earnings on pension plan investments	-	(974)
Total	<u>\$ 993</u>	<u>\$ (1,003)</u>

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

Years Ending September 30,	Amount
2026	\$ 707
2027	(169)
2028	(408)
2029	(140)
2030	-
Thereafter	-
Total	<u>\$ (10)</u>

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Actuarial Assumptions

The total pension liability in the October 1, 2024 actuarial valuation for the City of Kissimmee Pension Plan was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Valuation Date:	October 1, 2024
Measurement Date:	September 30, 2025
Inflation:	2.25%
Salary Increases:	3.40% to 6.50% depending on service, including inflation
Investment Rate of Return:	6.80%
Mortality:	PUB-2010 Headcount Weighted General Below Median Employee Male Table (pre-retirement), the PUB-2010 Headcount Weighted General Below Median Employee Female Table (pre-retirement), the PUB-2010 Headcount Weighted General Below Median Healthy Retiree Male Table (post-retirement) and the PUB-2010 Headcount Weighted General Below Median Retiree Female Table (post-retirement). These tables use ages set back one year for males and future improvements in mortality projected to all future years after 2010 using scale MP-2018. These are the same rates used for Regular Class members of the Florida Retirement System (FRS) in their actuarial valuation as of July 1, 2023.
Actuarial Cost Method:	Entry Age Normal

The actuarial assumptions used in the October 1, 2024 valuation were based on the results of an actuarial experience study for the period October 1, 2023 - September 30, 2024.

The total pension liability in the October 1, 2024 actuarial valuation for the City of St. Cloud Pension Plan was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Valuation Date:	October 1, 2024
Measurement Date:	September 30, 2025
Inflation:	2.50%
Salary Increases:	Service based
Mortality:	<u>Healthy Active Lives:</u> Female: PubG.H-2010 for Employees. Male: PubG.H-2010 for Healthy Retirees, set back one year. <u>Healthy Retiree Lives:</u> Female: PubG.H-2010 for Healthy Retirees. Male: PubG.H-2010 for Healthy Retirees, set back one year. <u>Beneficiary Lives</u> Female: PubG.H-2010 for Healthy Retirees. Male: PubG.H-2010 for Healthy Retirees, set back one year. <u>Disabled Lives:</u> PubG.H-2010 for disables retirees, set forward four years.

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The long-term expected rate of return, net of investment expense on pension plan investments, was 6.80% for the City of Kissimmee plan and 7.25% for the City of St. Cloud plan as of September 30, 2025. This rate was determined using a forward-looking capital market economic model. The tables below show the assumptions for each of the asset classes in which each plan was invested at that time based on the long-term target asset allocation. The allocation policy's description of each asset class was used to map the target allocation to the asset classes shown below. Each asset class assumption is based on a consistent set of underlying assumptions and includes an adjustment for the inflation assumption.

Kissimmee Plan

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

St. Cloud Plan

Asset Class	Target Allocation
Domestic Equity	40%
Foreign Securities	15%
Broad Market Fixed Income	20%
Fixed Income (Non-Core)	15%
Real Estate	10%
Total	100%

Discount Rate

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

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

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

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

	1% Decrease 5.80%	Current Discount Rate 6.80%	1% Increase 7.80%
Toho's proportionate share of the net pension liability (asset)	<u>\$ 10,975</u>	<u>\$ 4,716</u>	<u>(\$ 530)</u>

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

	1% Decrease 6.25%	Current Discount Rate 7.25%	1% Increase 8.25%
Toho's proportionate share of the net pension liability (asset)	<u>\$ 3,651</u>	<u>\$ 1,173</u>	<u>\$ (1,179)</u>

Change in Net Pension Liability

	October 1, 2024	Additions	Deletions	September 30, 2025	Due Within One year
Net pension liability	<u>\$ 7,450</u>	<u>\$ -</u>	<u>\$ 1,561</u>	<u>\$ 5,889</u>	<u>\$ -</u>

Defined Contribution Plan

On September 22, 2010, the Board, pursuant to Resolution 2010-012, closed the Pension Plan to new Toho employees as of October 1, 2010. Under the plan change, existing employees or current members in the pension plan will continue to accrue benefits under the existing plan provisions. New employees hired on or after October 1, 2010 will enroll in a 401(a) Defined Contribution Plan (DC Plan). The DC Plan is administered by Voya. Plan provisions and contribution requirements are established and can be amended by the Board. Toho's maximum contribution is set at 8.5% of qualified employee salaries, a 6.5% fixed contribution, and a 2% matching contribution. Eligible employees are required to contribute 4% of their salaries to the DC Plan. Toho's contribution to the DC Plan for the years ended September 30, 2025, 2024 and 2023 were \$2,450, \$2,081 and \$1,621, respectively. Participants contributed \$1,206, \$1,021 and \$796 for the years ended September 30, 2025, 2024 and 2023, respectively.

Note 10. Other Postemployment Benefits (OPEB)

Plan Description

The Other Post-Employment Benefit Plan (the OPEB Plan) is a single-employer benefit plan administered by Toho. Retirees are charged whatever the insurance company charges for the type of coverage elected. However, the premiums charged by the insurance company are based on a blending of the experience among younger, active employees and older, retired employees. The OPEB plan is reported under GASB 75 for the fiscal year ended September 30, 2025.

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

The City of St. Cloud administers a cost-sharing, multiple-employer defined benefit postemployment health care plan that covers eligible retired employees of the City of St. Cloud. Toho will record its proportionate share of the OPEB liability for those employees that transferred from the City of St. Cloud. The OPEB plan is reported under GASB 75 for fiscal year ended September 30, 2025.

Funding Policy

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

Total OPEB Liability

The following table shows the components of Toho’s total OPEB liability during the year ended September 30, 2025:

	Total OPEB Liability
Service	\$ 106
Interest on the Total OPEB Liability	57
Difference between expected and actual experience	(229)
Changes of assumptions and other inputs	435
Benefit payments	(70)
Net change in Total OPEB Liability	299
Total OPEB Liability at Beginning of Year	1,161
Total OPEB Liability at End of Year	\$ 1,460

Tohopekaliga Water Authority
Notes to Financial Statements
September 30, 2025
(In Thousands)

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

	Proportionate Share of Total OPEB Liability
Service	\$ 50
Interest on the Total OPEB Liability	43
Differences between expected and actual experience	(101)
Changes of assumptions and other inputs	(220)
Benefit payments	(53)
Other Changes	11
Net change in Total OPEB Liability	(270)
Total OPEB Liability at Beginning of Year	855
Proportionate Share of Total OPEB Liability at End of Year	\$ 585

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

Toho Plan

For the year ended September 30, 2025, Toho recognized OPEB expense of \$15. At September 30, 2025, Toho reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflow of Resources
Differences between expected and actual experience	\$ 3	\$ (304)
Changes of assumptions	454	(781)
Benefits subsequent to measurement date	24	-
Total	\$ 481	\$ (1,085)

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

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

Years Ending September 30,	Amount
2026	\$ (141)
2027	(144)
2028	(154)
2029	(60)
2030	(60)
Thereafter	(69)
Total	\$ (628)

Tohopekaliga Water Authority
Notes to Financial Statements
September 30, 2025
(In Thousands)

City of St. Cloud Plan

For the year ended September 30, 2025, Toho recognized OPEB expense of \$27. At September 30, 2025, Toho reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflow of Resources
Differences between expected and actual experience	\$ 46	\$ (101)
Changes of assumptions	57	(428)
Benefits subsequent to measurement date	39	-
Total	\$ 142	\$ (529)

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

For the year ended September 30, 2025, Toho recognized aggregate OPEB expense of \$81 related to the City of Kissimmee and City of St. Cloud plans

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

Years Ending September 30,	Amount
2026	\$ (67)
2027	(62)
2028	(57)
2029	(49)
2030	(63)
Thereafter	(128)
Total	\$ (426)

Tohopekaliga Water Authority
Notes to Financial Statements
September 30, 2025
(In Thousands)

Actuarial Methods and Assumptions

Valuation Date:	September 30, 2024
Measurement Date:	September 30, 2024
Inflation:	2.50%
Salary increases, including inflation:	Salary increases rates based on those used in the October 1, 2024 actuarial valuation for the General Employees of the City of Kissimmee.
Retirement Age:	Retirement rates based on those used in the October 1, 2024 actuarial valuation for the General Employees of the City of Kissimmee.
Mortality:	Mortality rates are the same as used in the July 1, 2024 actuarial valuation of the Florida Retirement System for non-K-12 Instructional Regular Class members. These rates were taken from adjusted Pub-2010 mortality tables published by the Society of Actuaries with generational mortality improvements using Scale MP-2021. Adjustments to referenced tables are based on the results of a statewide experience study covering the period 2018 through 2023.
Healthcare Cost Trend Rates	Trend rate starting at 6.50% for claims cost and premiums effective January 1, 2025, and thereafter trends based on the Getzen Model, with a trend rate of 6.25% effective January 1, 2026, and gradually decreasing to an ultimate trend rate of 4.00%.
Aging factors	Based on the 2013 SOA Study <i>Health Care Costs - From Birth to Death</i> .
Expenses	Administrative expenses are included in the per capita health costs.

The discount rate was changed from 4.63% as of the previous measurement date to 3.81% as of September 30, 2024.

Sensitivity of Total OPEB Liability

Toho Plan

Regarding the sensitivity of the total OPEB liability to changes in the discount rate, the following presents the plan's total OPEB liability, calculated using a discount rate of 3.81%, as well as what the plan's total OPEB liability would be if it were calculated using a discount rate that is 1% lower or 1% higher:

Tohopekaliga Water Authority
Notes to Financial Statements
September 30, 2025
(In Thousands)

Sensitivity of Total OPEB Liability to the Discount Rate Assumption

<u>1% Decrease</u> <u>2.81%</u>	<u>Current</u> <u>Discount Rate</u> <u>3.81%</u>	<u>1% Increase</u> <u>4.81%</u>
<u>\$ 1,584</u>	<u>\$ 1,460</u>	<u>\$ 1,346</u>

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

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

<u>1% Decrease</u>	<u>Current</u> <u>Healthcare Cost</u> <u>Trend Rate</u>	<u>1% Increase</u>
<u>\$ 1,282</u>	<u>\$ 1,460</u>	<u>\$ 1,672</u>

City of St. Cloud Plan

Regarding the sensitivity of the total OPEB liability to changes in the discount rate, the following presents the plan's total OPEB liability, calculated using a discount rate of 4.06%, as well as what the plan's total OPEB liability would be if it were calculated using a discount rate that is 1% lower or 1% higher:

Sensitivity of Total OPEB Liability to the Discount Rate Assumption

<u>1% Decrease</u> <u>3.06%</u>	<u>Current</u> <u>Discount Rate</u> <u>4.06%</u>	<u>1% Increase</u> <u>5.06%</u>
<u>\$ 645</u>	<u>\$ 585</u>	<u>\$ 533</u>

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

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

<u>1%</u> <u>Decrease</u>	<u>Current</u> <u>Healthcare</u> <u>Cost Trend</u> <u>Rate</u>	<u>1% Increase</u>
<u>\$ 521</u>	<u>\$ 585</u>	<u>\$ 663</u>

Tohopekaliga Water Authority
Notes to Financial Statements
September 30, 2025
(In Thousands)

Note 11. Risk Management

Toho is exposed to various risks of loss to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters, for which Toho carries commercial insurance. Settled claims resulting from these risks have not substantially exceeded the commercial insurance coverage during the fiscal year ended September 30, 2025.

Note 12. Commitments and Contingencies

Toho had the following significant capital construction projects, with remaining commitment amounts greater than \$500 as of September 30, 2025:

Project Description	Remaining Commitment
Judge Farms Reservoir and Impoundment	\$ 72,600
St Cloud Water Treatment Plant #4 Upgrade	14,607
Cypress Lake Water Treatment Plant and Pipelines	12,007
Buenaventura Lakes Water Treatment Plant Improvements	11,823
South Bermuda Water Reclamation Facility Expansion to 16 MGD	11,377
Harmony Water Treatment Plant Upgrade and Expansion	10,501
Simpson Road 30" Water Main from Fortune Road to Pebble Point Way	6,911
City of Kissimmee Resurfacing - Gravity Sewer Rehabilitation	4,135
Camelot Water Reclamation Facility Expansion and Effluent Storage	3,727
South Bermuda/Parkway Water Reclamation Facilities - Reclaimed Interconnection	3,577
US 192 from Bamboo Lane to Main Street Gravity Sewer Rehabilitation	3,387
Westside Boulevard Force Main Replacement	3,380
Huron Water Treatment Plant Expansion	3,169
Cypress Lake Water Transmission Main	3,141
Camelot Water Reclamation Facility Blower Replacement	2,965
Dyer Road Force Main Replacement	2,789
Hickory Tree Road at Twin Lakes Boulevard 16" Water Main	2,778
Partin Settlement Widening	2,678
WIFIA I Accelerated Gravity Sewer Assessment and Rehabilitation Project	2,612
Cypress West Water Reclamation Facility Emergency Repairs	2,589
Buenaventura Lakes Boulevard Utility Relocation	2,451
Lake Marion Water Reclamation Facility Plant Improvements	2,402
Simpson Road Phases 2 - 4 South Improvements	2,293
Neptune Road/Partin Settlement/US192 Utility Relocations	1,935
160-Acre Alternative Water Supply - Indirect Potable Reuse	1,918
Boggy Creek Improvements from Simpson Road to Narcoossee Road	1,798
Lift Station 30 Gravity Sewer Rehabilitation	1,748
Poinciana Boulevard from Crescent Lakes Way to Pleasant Hill Road	1,712
Lift Station Rehabilitations	1,678
Jack Brack Road Improvements from Narcoossee Road to Absher Road	1,546
Sunbridge Water Treatment Plant Well #3 Pump and Distribution Piping	1,527

Tohopekaliga Water Authority
Notes to Financial Statements
September 30, 2025
(In Thousands)

Southside Water Reclamation Facility Dewatering System Expansion	1,509
US17-92 Water Transmission Pipeline	1,484
Sunbridge Water Reclamation Facility Expansion to 3.5 MGD	1,473
Edgewater Reuse Storage and Repump Station	1,451
Simpson/Fortune Road Intersection Improvements	1,335
Advanced Meter Infrastructure Meter Replacement	1,221
Lavon Avenue Water Main Replacement and Improvements	1,031
Sandhill Water Reclamation Facility Advanced Water Treatment	1,011
General Rehabilitation and Replacement Project	959
Poinciana Utilities Extension/Contribution in Aid of Construction Project	820
Lakeshore Interconnection	816
Harmony Water Reclamation Facility Expansion and Disc Filter Relocation	747
US 192 from Bamboo Lane to Main Street Utility Adjustments	716
Elbridge Drive Gravity Sewer Rehabilitation	672
Southside Water Reclamation Facility Reuse Pond Expansion	645
Toho Reservoir Alternative Water Supply Reuse Main Extension	625
16" Reuse Main Old Hickory Tree Road	592
Walnut Water Reclamation Facility Decommissioning	591
St Cloud Water Treatment Plant #1 Production Well	562
Shingle Creek Surface Water Treatment Facility	547
	\$ 220,568

Intergovernmental Agreements

Toho was created with an effective operating date of October 1, 2003. Toho was created pursuant to a state legislative act, as described in Note 1 to these financial statements. The City and the County agreed to convey all assets, liabilities, and operations of their water and sewer systems to Toho. Toho issued in excess of \$118 million in revenue bonds to pay off the City's utility revenue bonds and other outstanding obligations, to acquire the rights to the County's system, to acquire seven privately owned water and sewer systems, and to provide for new construction and system expansion. Toho is obligated to provide payments to the City and the County annually. Annual amounts are to be calculated based on the gross annual revenues of the system. Toho also entered an interlocal agreement with the City of St. Cloud (City of St. Cloud Resolution No. 2022-034R) adopted February 10, 2022 to manage the City of St. Cloud's environmental utilities and exercise and implement the powers specified in the Act within the City of St. Cloud utility service area effective October 1, 2022. Toho is obligated to provide payments to the City of St. Cloud annually based on the gross annual revenues of the system with a \$3 million minimum until September 30, 2083 (Unless the City of St. Cloud exercises its right to terminate as defined in the agreement). Toho expensed approximately \$21 million under these agreements during the current fiscal year.

Litigation

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

Required Supplementary Information

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

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

		Toho Plan							
Fiscal Year Ended September 30,	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	
Measurement Year Ended September 30,	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	
Total OPEB Liability									
Service Cost	\$ 106	\$ 106	\$ 170	\$ 159	\$ 181	\$ 146	\$ 127	\$ 128	
Interest on the Total OPEB Liability	57	51	41	40	65	76	64	54	
Changes of benefit terms	-	-	-	-	-	-	-	-	
Difference between expected and actual experience of the Total OPEB Liability	(229)	-	(44)	-	(178)	-	27	-	
Changes of assumptions and other inputs	435	(19)	(753)	26	(644)	178	(20)	(57)	
Benefit payments	(70)	(47)	(74)	(49)	(86)	(63)	(55)	(29)	
Net change in Total OPEB Liability	299	91	(660)	176	(662)	337	143	96	
Total OPEB Liability – Beginning	1,161	1,070	1,730	1,554	2,216	1,879	1,736	1,640	
Total OPEB Liability – Ending	\$ 1,460	\$ 1,161	\$ 1,070	\$ 1,730	\$ 1,554	\$ 2,216	\$ 1,879	\$ 1,736	
Covered-Employee Payroll	\$ 32,439	\$ 33,876	\$ 22,455	\$ 22,503	\$ 18,442	\$ 19,844	\$ 18,272	\$ 15,641	
Total OPEB Liability as a Percentage of Covered - Employee Payroll	4.50%	3.43%	4.77%	7.69%	8.42%	11.17%	10.28%	11.10%	

Notes to Schedule:

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

The discount rate was changed from 4.63% as of the beginning of the measurement period to 3.81% as of September 30, 2024. This change is reflected in the Schedule of Changes in Total OPEB Liability.

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

There were no benefit changes during the measurement period.

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

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

St. Cloud Plan

Fiscal Year Ended September 30,	<u>2025</u>	<u>2024</u>	<u>2023</u>
Measurement Year Ended September 30,	<u>2024</u>	<u>2023</u>	<u>2022</u>
Total OPEB Liability			
Service Cost	\$ 50	\$ 48	\$ 71
Interest on the Total OPEB Liability	43	40	24
Changes of benefit terms	-	-	-
Difference between expected and actual experience of the Total OPEB Liability	(101)	-	70
Changes of assumptions and other inputs	(220)	(9)	(231)
Benefit payments	(53)	(49)	(41)
Other Changes	10	(5)	937
Net change in Total OPEB Liability	<u>(271)</u>	<u>25</u>	<u>830</u>
Total OPEB Liability – Beginning	<u>855</u>	<u>830</u>	<u>-</u>
Total OPEB Liability – Ending	<u>\$ 584</u>	<u>\$ 855</u>	<u>\$ 830</u>
Covered-Employee Payroll	<u>\$ 6,525</u>	<u>\$ 5,867</u>	<u>\$ 5,592</u>
Total OPEB Liability as a Percentage of Covered -Employee Payroll	8.95%	14.57%	14.84%

Notes to Schedule:

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

The discount rate was changed from 4.87% for the reporting period ended September 30, 2024 to 4.06% for the reporting period ended September 30, 2025. This change is reflected in the Schedule of Changes in Total OPEB Liability.

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

There were no benefit changes during the measurement period.

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

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

Kissimmee Plan

Fiscal Year Ended September 30,	Plan Sponsor Measurement Date September 30,	Proportion of the Net Pension Liability	Proportionate Share of the Net Pension Liability	Covered Payroll	Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of Total Pension Liability
2025	2025	27.68%	\$ 4,716	\$ 3,696	127.59%	91.29%
2024	2024	28.48%	\$ 5,846	\$ 3,991	146.51%	88.97%
2023	2023	27.57%	\$ 10,516	\$ 4,572	230.00%	78.62%
2022	2022	28.31%	\$ 11,420	\$ 5,332	214.19%	76.37%
2021	2021	31.39%	\$ 1,956	\$ 5,737	34.09%	96.11%
2020	2020	32.73%	\$ 7,909	\$ 6,015	131.49%	84.17%
2019	2019	37.59%	\$ 9,019	\$ 6,156	146.51%	83.32%
2018	2018	37.13%	\$ 7,422	\$ 6,526	113.74%	85.45%
2017	2017	39.14%	\$ 7,495	\$ 6,724	111.47%	85.22%
2016	2016	40.81%	\$ 9,457	\$ 6,689	141.38%	80.94%

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

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

St. Cloud Plan						
Fiscal Year Ended September 30,	Plan Sponsor Measurement Date September 30,	Proportion of the Net Pension Liability	Proportionate Share of the Net Pension Liability	Covered Payroll	Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of Total Pension Liability
2025	2025	20.38%	\$ 1,173	\$ 4,818	24.35%	94.99%
2024	2024	22.69%	\$ 1,604	\$ 4,994	32.12%	92.22%
2023	2023	22.82%	\$ 3,692	\$ 4,492	82.19%	81.23%

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

Tohopekaliga Water Authority
Schedule of Contributions
(In Thousands)

Kissimmee Plan						
Fiscal Year Ended September 30,	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Payroll	Actual Contribution as a % of Covered Payroll	
2025	\$ 1,768	\$ 1,768	\$ -	\$ 3,697	47.82%	
2024	\$ 1,718	\$ 1,718	\$ -	\$ 3,991	43.05%	
2023	\$ 1,496	\$ 1,491	\$ 5	\$ 4,572	32.61%	
2022	\$ 1,505	\$ 1,505	\$ -	\$ 5,332	28.23%	
2021	\$ 1,515	\$ 1,515	\$ -	\$ 5,737	26.40%	
2020	\$ 1,424	\$ 1,430	\$ (6)	\$ 6,015	23.77%	
2019	\$ 1,631	\$ 1,631	\$ -	\$ 6,156	26.49%	
2018	\$ 1,529	\$ 1,529	\$ -	\$ 6,526	23.43%	
2017	\$ 1,507	\$ 1,507	\$ -	\$ 6,724	22.41%	
2016	\$ 1,461	\$ 1,461	\$ -	\$ 6,689	21.84%	

Tohopekaliga Water Authority
Schedule of Contributions
(In Thousands)

St. Cloud Plan

Fiscal Year Ended September 30,	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Payroll	Actual Contribution as a % of Covered Payroll
2025	\$ 999	\$ 963	\$ 36	\$ 4,818	19.99%
2024	\$ 1,120	\$ 871	\$ 249	\$ 4,994	17.44%
2023	\$ 720	\$ 493	\$ 227	\$ 4,492	10.98%

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

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Tohopekaliga Water Authority
Osceola County, Florida

Statistical Section (Unaudited)

This part of the Authority’s Comprehensive Annual Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the government’s overall financial health.

Contents	Pages
Financial Trends.....	51 - 52
<i>These schedules contain trend information to help the reader understand how the Authority’s financial performance and well-being have changed over time.</i>	
Operating Information	53
<i>These schedules contain service and infrastructure data to help the reader understand how information in the government’s financial report relates to the services the government provides and the activities it performs.</i>	
Revenue Capacity	54 - 60
<i>These schedules contain information to help the reader assess the Authority’s most significant revenue source, user rates and capacity facility charges.</i>	
Debt Capacity Information.....	61 - 63
<i>These schedules provide information to help the reader assess the Authority’s current debt load and its ability to issue additional debt in the future.</i>	
Demographic and Economic Information	64 - 65
<i>These schedules offer demographic and economic indicators to help the reader understand the environment within which the Authority’s financial activities take place.</i>	

TOHOPEKALIGA WATER AUTHORITY
Osceola County, Florida

Schedule 1

SCHEDULE OF NET POSITION (Dollars in Thousands)

For the Fiscal Year Ended September 30, 2025
with Comparative Amounts for Fiscal Years Ended September 30, 2016 through 2025 Last Ten Fiscal Years

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
ASSETS										
Current Assets										
Cash and cash equivalents	\$42,825	\$81,359	\$114,844	\$130,259	\$127,566	\$102,735	\$94,293	\$84,861	\$73,962	\$52,242
Restricted cash and cash equivalents	78,650	33,338	32,264	33,650	29,655	26,797	24,553	26,666	12,108	9,034
Accounts receivable, net	37,800	35,794	30,940	23,413	20,162	21,462	20,172	16,973	12,755	11,907
Leases receivable	317	310	303	297	-	-	-	-	-	-
Due from other governments	12,161	2,418	22,037	758	966	825	203	2,540	518	226
Inventory	3,682	5,058	3,513	730	1,359	1,161	775	524	734	1,176
Total Current Assets	\$175,435	\$158,277	\$203,901	\$189,107	\$179,708	\$152,980	\$139,996	131,564	100,077	74,585
NON-CURRENT ASSETS										
Leases receivable	52,490	52,807	53,117	53,419	-	-	-	-	-	-
Due from other governments - non-current	186,310	1,589	3,320	4,479	5,130	5,352	-	-	-	-
Restricted cash and cash equivalents	38,594	143,815	127,005	59,798	85,295	113,512	58,120	61,854	43,568	42,835
Restricted investments	8,111	102,124	95,478	92,936	97,459	82,116	78,970	75,641	98,910	91,789
Restricted accounts receivable	5,208	7,274	8,112	5,077	2,533	3,278	1,368	3,964	1,003	1,339
Restricted construction deposits in escrow	-	4,579	1,759	1,148	1	342	320	330	1,408	2,519
Total Restricted Assets	290,713	312,188	288,791	216,857	190,418	204,600	138,778	141,789	144,889	138,482
Capital Assets										
Land	35,923	33,612	32,718	22,632	22,627	22,498	19,486	19,486	19,486	19,501
Equipment, furniture and fixtures	67,450	61,772	517,680	452,836	429,598	415,192	391,148	372,994	365,216	354,716
Plant and infrastructure	1,926,320	1,684,310	928,805	816,772	760,215	725,292	660,079	605,253	566,771	540,548
Right to Use Assets - ST. Cloud Utility System	28,660	28,660	58,401	51,767	50,686	46,742	43,202	41,727	39,924	37,083
Right to Use Assets - SBITAs	3,478	3,478	1,814	-	-	-	-	-	-	-
Intangible Asset - Water Rights	569	-	-	-	-	-	-	-	-	-
Construction-in-progress	254,795	175,157	129,038	129,013	56,177	33,177	56,353	42,276	29,691	21,539
Less: Accumulated depreciation	(607,605)	(547,227)	(494,567)	(444,719)	(404,885)	(366,697)	(331,585)	(300,047)	(276,085)	(247,658)
Total Capital Assets (Net)	1,709,590	1,439,762	1,173,889	1,028,301	914,418	876,204	838,684	781,689	745,003	725,728
Deferred loss on refunding	15,773	17,502	19,230	20,959	3,856	3,169	10,956	11,582	12,208	12,834
Deferred outflows related to pensions	1,598	1,760	5,021	8,883	1,446	997	4,280	2,553	-	-
Deferred outflows related to OPEB	623	338	362	221	198	210	23	-	1,529	2,341
Total Deferred Outflows of Resources	17,994	19,600	24,613	30,063	5,500	4,376	15,259	14,135	13,737	15,175
Total Assets and Deferrals	\$ 2,193,732	\$ 1,929,827	\$ 1,691,194	\$ 1,464,328	\$ 1,290,044	\$ 1,238,160	\$ 1,132,717	\$ 1,069,177	\$ 1,003,706	\$ 953,970
LIABILITIES AND NET POSITION										
Current Liabilities										
Accounts payable	\$49,769	\$69,794	\$41,158	\$34,813	\$12,273	\$10,788	\$10,810	\$21,225	\$10,724	\$7,036
Accrued liabilities	2,413	2,298	1,578	1,180	1,020	848	640	547	481	400
Other liabilities	438	266	270	211	150	126	80	71	46	32
Contracts payable	3,855	2,781	2,077	1,585	479	753	1,824	896	214	413
Compensated absences payable	1,446	1,328	1,254	1,002	632	596	544	584	485	437
SBITA Liability	281	465	307	-	-	-	-	-	-	-
OPEB Liability	62	-	-	-	-	-	-	-	-	-
Current liabilities payable from restricted assets:										
Accounts payable	-	-	1,303	3,427	1,958	1,211	-	2,220	1,971	965
Contracts payable	4,282	2,319	1,230	3,387	2,033	1,073	1,386	1,665	1,223	541
Sunbridge Facilities Payable	1,696	-	-	-	-	-	-	-	-	-
Revenue bonds and note payable	48,420	9,810	9,360	9,250	9,294	8,789	8,601	8,404	1,175	1,365
Accrued interest payable	4,119	4,301	4,529	4,334	4,457	4,851	4,060	4,257	282	307
Deposits	20,134	16,908	15,842	13,252	11,913	10,873	10,506	10,120	7,457	5,856
Total Current Liabilities	\$136,915	\$110,270	\$78,908	\$72,441	\$44,209	\$39,908	\$38,451	\$49,989	\$24,058	\$17,352
Non-Current Liabilities										
Compensated absences payable	2,879	2,659	2,427	1,516	1,618	1,446	1,298	1,143	1,108	1,034
OPEB payable	1,983	2,016	1,900	1,730	1,554	2,216	1,879	1,736	1,076	922
Net Pension Liability	5,889	7,450	14,208	11,420	1,956	7,909	9,019	7,422	7,495	9,457
Unearned revenue	9,049	2,665	-	-	-	-	-	-	-	-
SBITA Liability	583	864	191	-	-	-	-	-	-	-
Sunbridge Facilities Payable	22,749	-	-	-	-	-	-	-	-	-
Revenue bonds and note payables	225,809	236,104	247,909	230,604	222,525	231,778	202,407	211,008	219,412	227,662
Total Non-Current Liabilities	268,941	251,758	266,635	245,270	227,653	243,349	214,603	221,309	229,091	239,075
Total Liabilities	405,856	362,028	345,543	317,711	271,862	283,257	253,054	271,298	253,149	256,427
Deferred Inflows of Resources										
Deferred inflows of resources related to pensions	3,696	2,732	443	4,316	5,883	1,055	1,424	1,548	879	-
Deferred inflows of resources related to OPEB	1,614	1,366	1,588	646	760	-	60	50	-	-
Deferred inflows of resources related to Leases	51,422	52,162	52,902	53,642	-	-	-	-	-	-
Total Deferred Inflows of Resources	56,732	56,260	54,933	58,604	6,643	1,055	1,484	1,598	879	-
Total Liabilities and Deferrals	462,588	418,288	400,476	376,315	278,505	284,312	254,538	272,896	254,028	256,427
Net Position										
Net investment in capital assets	1,402,003	1,205,094	928,594	797,252	680,943	638,806	638,632	573,859	536,624	509,535
Restricted - system development charges	193,066	210,456	216,233	123,301	151,746	155,281	135,434	122,469	110,298	92,125
Restricted - bond projects	-	-	-	6,144	26,038	37,939	-	3,568	29,018	41,818
Unrestricted	136,075	95,989	145,891	161,316	152,812	121,822	104,113	96,385	73,738	54,065
Total Net Position	\$ 1,731,144	\$ 1,511,539	\$ 1,290,718	\$ 1,088,013	\$ 1,011,539	\$ 953,848	\$ 878,179	\$ 796,281	\$ 749,678	\$ 697,543

Source: Tohopekaliga Water Authority

TOHOPEKALIGA WATER AUTHORITY
Osceola County, Florida

Schedule 2

SCHEDULE OF REVENUES, EXPENSES AND
 CHANGES IN NET POSITION (Dollars in Thousands)
 For the Fiscal Year Ended September 30, 2025
 with Comparative Amounts for Fiscal Years Ended September 30, 2016 through 2025 Last Ten Fiscal Years

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Operating Revenue										
Charges for services	\$236,029	\$221,399	\$198,400	\$150,435	\$138,751	\$130,813	\$126,799	\$117,913	\$110,911	\$96,486
Miscellaneous revenues	1,277	1,270	888	564	766	753	759	649	708	654
Total Operating Revenue	237,306	222,669	199,288	150,999	139,517	131,566	127,558	118,562	111,619	97,140
Operating Expenses										
Personnel services	62,338	53,216	49,908	34,713	30,575	29,134	27,433	25,537	24,323	24,697
Contracted services	17,562	17,620	16,500	12,651	11,057	13,097	10,477	8,965	8,518	10,036
Supplies and materials	13,520	15,373	12,755	6,586	5,395	5,337	5,136	4,484	4,657	4,091
Repairs and maintenance	16,988	15,936	15,624	11,453	10,158	8,531	7,605	6,784	6,688	7,006
Payments in lieu of taxes	20,652	19,413	17,711	12,520	11,574	10,851	10,800	9,990	9,478	8,264
Other services and charges	21,191	23,698	18,516	13,839	11,945	10,762	10,975	10,586	9,949	9,612
Depreciation & Amortization	65,509	56,349	48,049	41,488	40,213	36,976	33,753	32,135	29,559	27,706
Total Operating Expenses	217,760	201,605	179,063	133,250	120,917	114,688	106,179	98,481	93,172	91,412
Operating Income	19,546	21,064	20,225	17,749	18,600	16,878	21,379	20,081	18,447	5,728
Non-Operating Revenues (Expenses)										
Investment income (loss)	13,832	22,946	12,576	(7,916)	906	7,185	8,832	2,281	1,695	1,424
Interest and fiscal charges expense	(8,018)	(8,641)	(8,822)	(8,895)	(8,598)	(8,677)	(8,748)	(9,113)	(9,421)	(9,308)
Federal grant income	292	-	-	-	-	-	-	-	-	-
State grant income	17	-	-	-	-	-	-	-	-	-
Other	(306)	(1,572)	169	1,647	2,576	(272)	334	(17,060)	555	410
Total Non-Operating Revenues (Expenses)	5,817	12,733	3,923	(15,164)	(5,116)	(1,764)	418	(23,892)	(7,171)	(7,474)
Income/(Loss) Before Contributions	25,363	33,797	24,148	2,585	13,484	15,114	21,797	(3,811)	11,276	(1,746)
Capital Contributions										
Federal capital grants	289	-	364	2,197	-	(16)	20	725	448	-
State capital grants	6,929	-	-	-	-	-	-	-	-	-
Developers	187,024	158,842	87,983	71,692	44,207	60,571	60,081	50,310	40,411	29,373
Total Capital Contributions	194,242	158,842	88,347	73,889	44,207	60,555	60,101	51,035	40,859	29,373
Special Item:										
Transfer of operations from City of St. Cloud	-	-	118,392	-	-	-	-	-	-	-
Change in Net Position	219,605	192,639	230,887	76,474	57,691	75,669	81,898	47,224	52,135	27,627
Net Position Beginning of Year	1,511,539	1,318,900	1,088,013	1,011,539	953,848	878,179	796,281	749,678	697,543	669,916
Restatement - for Implementation of GASB 68 & 65	-	-	-	-	-	-	-	(621)	-	-
Total Net Position - Beginning Restated	1,511,539	1,318,900	1,088,013	1,011,539	953,848	878,179	796,281	749,057	697,543	669,916
Net Position - Ending	\$1,731,144	\$1,511,539	\$1,318,900	\$1,088,013	\$1,011,539	\$953,848	\$878,179	\$796,281	\$749,678	\$697,543

Source: Tohopekaliga Water Authority

SCHEDULE OF TOTAL ACTIVE EMPLOYEES BY DEPARTMENT

For the Fiscal Year Ended September 30, 2025

CHANGES FROM YEAR TO YEAR - LAST TEN FISCAL YEARS

Department	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Operations:										
Field Services	119	105	100	80	59	70	73	73	71	67
Plant and Support Operations	167	161	146	99	116	104	97	97	98	95
Asset & Infrastructure (incl. Engineering)	66	60	64	49	45	41	36	33	32	28
Financial Services	24	21	19	22	19	16	16	16	15	15
Stake Holder Services										
Customer Service	128	116	107	70	68	64	59	60	60	51
Information Technology	21	21	15	23	21	18	15	15	14	12
Others (Business & Environmental Services)	33	42	44	24	0	0	0	0	0	0
Human Resources & Records Management	26	24	16	10	10	8	8	8	7	8
Office of the General Counsel	4	5	5	3	3	3	2	1	2	2
Administration	8	7	2	7	11	14	13	14	13	15
Total	596	562	518	387	352	337	317	317	310	291

SCHEDULE OF HISTORICAL ANNUAL NUMBER OF RETAIL WATER

For the Fiscal Year Ended September 30, 2025

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

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016 ¹
Water Service										
<u>Residential</u>										
Average Monthly Customers ¹	158,543	150,989	148,783	113,820	109,572	105,116	100,873	96,461	93,199	89,215
Average Monthly Consumption (000s)	770,242	715,758	723,354	549,554	537,879	499,617	464,681	450,455	412,215	404,663
Total Billed Usage	9,242,907	8,589,099	8,680,244	6,594,653	6,454,549	5,995,398	5,576,167	5,405,464	4,946,584	4,855,959
Average Monthly Use Per Customer	4,858	4,740	4,862	4,828	4,909	4,753	4,607	4,670	4,423	4,536
<u>Commercial</u>										
Average Monthly Customers ¹	8,780	8,840	8,642	7,213	7,147	6,973	6,925	6,704	6,740	7,540
Average Monthly Consumption (000s)	474,538	461,851	459,745	407,459	365,307	360,926	387,641	366,345	378,890	377,871
Total Billed Usage	5,694,453	5,542,213	5,516,937	4,889,506	4,383,687	4,331,108	4,651,686	4,396,134	4,546,674	4,534,448
Average Monthly Use Per Customer	54,048	52,246	53,199	56,490	51,113	51,760	55,977	54,646	56,215	50,115
Irrigation Service										
<u>General Service</u>										
Average Monthly Customers	26,464	24,750	24,043	17,882	17,753	17,267	17,201	16,957	16,636	16,460
Average Monthly Consumption (000s)	175,224	177,065	168,150	94,633	94,092	96,474	99,199	95,937	99,568	96,675
Total Billed Usage	2,102,686	2,124,783	2,017,799	1,135,590	1,129,100	1,157,684	1,190,388	1,151,245	1,194,811	1,160,094
Average Monthly Use Per Customer	6,621	7,154	6,994	5,292	5,300	5,587	5,767	5,658	5,985	5,873
Wastewater Service										
<u>Residential</u>										
Average Monthly Customers ¹	156,144	143,136	139,678	108,426	98,961	99,490	95,593	91,236	88,381	84,007
Average Monthly Consumption (000s)	717,598	658,062	661,352	519,161	506,925	465,896	435,995	421,377	380,652	379,958
Total Billed Usage	8,611,170	7,896,740	7,936,226	6,229,927	6,083,095	5,590,755	5,231,945	5,056,526	4,567,828	4,559,490
Average Monthly Use Per Customer	4,596	4,597	4,735	4,788	5,122	4,683	4,561	4,619	4,307	4,523
<u>Commercial</u>										
Average Monthly Customers ¹	6,923	6,961	6,809	6,354	6,306	6,267	6,129	5,945	5,832	6,809
Average Monthly Consumption (000s)	418,015	414,517	411,398	355,336	323,945	311,045	346,222	330,833	328,527	336,972
Total Billed Usage	5,016,180	4,974,206	4,936,778	4,264,030	3,887,341	3,732,542	4,154,669	3,969,996	3,942,323	4,043,664
Average Monthly Use Per Customer	60,381	59,549	60,420	55,923	51,371	49,632	56,489	55,649	56,332	49,489
Reclaimed Water Service										
<u>General Service</u>										
Average Monthly Customers	41,282	37,238	34,016	23,301	21,987	20,192	18,797	17,201	15,756	14,565
Average Monthly Consumption (000s)	788,002	780,543	739,172	592,719	565,389	542,852	531,948	444,639	386,532	332,068
Total Billed Usage	9,456,025	9,366,518	8,870,068	7,112,629	6,784,664	6,514,220	6,383,375	5,335,665	4,638,382	3,984,815
Average Monthly Use Per Customer	19,088	20,961	21,730	25,437	25,715	26,884	28,300	25,850	24,532	22,799

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

SCHEDULE OF WATER PRODUCTION CAPACITY

For the Fiscal Year Ended September 30, 2025

Water Treatment Plants	Permitted (MGD)	Average Flow (MGD)	Max Day Flow (MGD)
Toho I (Kissimmee System)			
Eastern Regional System:			
Richard McLaughlin	19.964	15.863	18.378
Parkway	11.230	6.616	8.980
Camelot West	5.650	2.406	3.971
Western Regional System:			
Northwest	9.360	4.826	7.071
Southwest	8.640	4.321	7.993
Spring Lake Village & Morningside	0.806	0.000	0.000
Hidden Glen	0.024	0.003	0.015
Sunbridge	1.000	0.518	0.770
Toho II (Harmony System)	1.296	0.849	1.459
Toho III (formerly Florida Water Utility Systems)			
Buenaventura Lakes	5.040	2.916	3.663
Bay Lake Estates	0.198	0.000	0.000
Intercession City (Offline)	0.198	0.000	0.000
Toho IV (Poinciana Utility System)			
Peabody	3.940	2.882	4.310
Huron	4.810	3.548	4.639
Bella Lago	4.608	3.133	3.820
Toho V (St. Cloud Utility System)			
WTP1	2.000	1.556	2.027
WTP2	4.806	0.000	0.000
WTP4	9.000	4.620	6.512
Harmony	1.296	0.849	1.459

Source: Tohopekaliga Water Authority

SCHEDULE OF WASTEWATER TREATMENT CAPACITY

For the Fiscal Year Ended September 30, 2025

Wastewater Treatment Plants	Permitted (MGD)	Average Flow (MGD)	Max Day Flow (MGD)
Toho I (Kissimmee System)			
South Bermuda WRF	14.000	13.126	15.886
Camelot WRF	5.000	4.302	5.680
Parkway WRF	1.500	1.231	1.648
Sandhill WRF	7.500	6.015	8.282
Sunbridge WRF	1.000	0.535	0.877
Effluent Disposal Sites:			
Champions Gate (Imperial)	15.120	7.167	13.681
Daniels	0.000	0.000	0.000
Wheeler	0.000	0.000	0.000
Sandhill RIBs	2.000	0.557	3.148
Pine Island Sprayfield	1.600	0.549	4.658
Lake Marion RIBs	0.499	0.196	3.140
Harmony RIBs	0.180	0.007	0.271
Parkway RIBs	1.500	0.003	0.912
Toho II (Harmony WRF)	0.750	0.415	0.560
Toho IV (Poinciana Utility System)			
Cypress West WRF	6.000	3.901	7.268
Lake Marion WRF	3.000	1.985	3.340
Toho V (Saint Cloud System)			
Southside WRF	7.600	5.340	6.978

TOHOPEKALIGA WATER AUTHORITY
Osceola County, Florida

Schedule 7

SCHEDULE OF MONTHLY BILL RATE COMPARISON
WITH OTHER FLORIDA MUNICIPAL UTILITY SYSTEMS
For the Fiscal Year Ended September 30, 2025
with Comparative Usage At 4,000 Gallons

	<u>Water</u>	<u>Wastewater</u>	<u>Combined</u>
Toho Water Authority	\$13.17	\$37.96	\$51.13
Orange County	\$36.89	\$38.65	\$75.54
City of Orlando/OUC	\$14.20	\$47.94	\$62.14
Winter Haven	\$21.72	\$43.25	\$64.97
Lakeland	\$21.23	\$43.31	\$64.54
Seminole County	\$22.88	\$51.92	\$74.80

SCHEDULE OF SYSTEM DEVELOPMENT CHARGES COMPARISON
 WITH OTHER FLORIDA MUNICIPAL UTILITY SYSTEMS
 For the Fiscal Year Ended September 30, 2025
 with Comparative Per Equivalent Residential Connection (ERC)

	<u>Water</u>	<u>Wastewater</u>	<u>Combined</u>
Toho Water Authority ⁽¹⁾	\$6,650	\$3,293	\$9,943
Lakeland	\$3,603	\$3,672	\$7,275
Seminole County	\$2,574	\$3,175	\$5,749
City of Orlando	\$2,070	\$2,538	\$4,608
Orange County	\$2,790	\$5,270	\$8,060
Winter Haven	\$3,671	\$8,175	\$11,846

Note:

(1) Water \$19.56 Per ERC @ 340 GPD and Wastewater \$14.90 Per ERC @ 221 GPD.

SCHEDULE OF TEN LARGEST WATER CUSTOMERS

For the Fiscal Year Ended September 30, 2025
Consumption Reported in 1,000 Gallons

	<u>Water Customer</u>	<u>Consumption</u>	<u>Revenues</u>	<u>%age of Revenue</u>
1	Enterprise Commercial Development District	528,126	\$922,129	1.78%
2	Quaker Oats	144,760	334,774	0.65%
3	Opryland Hotel	113,771	367,907	0.71%
4	Holiday Inn Club Vactions	82,701	373,886	0.72%
5	Orange County Utilities	81,005	131,298	0.25%
6	Westgate Vacation Villa	79,289	326,128	0.63%
7	Good Samaritan Village	64,003	103,072	0.20%
8	Vacation Village at Parkway	60,395	153,063	0.30%
9	Rida Associates Limited Partnership	59,986	167,067	0.32%
10	Goldelm at Valencian	46,950	108,406	0.21%
	Total	1,260,986	\$2,987,730	5.77%

SCHEDULE OF TEN LARGEST WASTEWATER CUSTOMERS

For the Fiscal Year Ended September 30, 2025
 Consumption Reported in 1,000 Gallons

	Wastewater Customer	Consumption	Revenues	%age of Revenue
1	Enterprise Commercial Development District	438,631	\$2,617,123	2.24%
2	Holiday Inn Club Vacations	163,220	\$1,257,815	1.08%
3	Opryland	159,780	\$1,230,532	1.05%
4	Wesgate Vacation Villas	136,990	\$1,058,641	0.91%
5	Orange County Utilities	74,561	\$420,453	0.36%
6	Vacation Village at Parkway	70,790	\$546,065	0.47%
7	Rida Associates Limited Partnership	60,898	\$414,945	0.36%
8	Goldelm At Valencian	46,950	\$362,590	0.31%
9	Quaker Oats	38,024	\$293,834	0.25%
10	Osceola Regional Medical Center	34,551	\$266,967	0.23%
	Total	1,224,395	\$8,468,965	7.26%

SCHEDULE OF TOTAL OUTSTANDING INDEBTEDNESS (Dollars in Thousands)

For the Fiscal Year Ended September 30, 2025

Revenue Bond & Note Issues - Yearly Debt Service								
Fiscal Year	2009	2016	2020	2021	2022	2025	SBITA Liability	Total Debt Service
2026	1,141	14,421	40,068	183	757	41,595	286	98,451
2027	1,141	14,422		193	29,417		315	45,488
2028	1,141	7,380		7,183			347	16,051
2029	1,138	7,389		7,192				15,719
2030	1,140	14,805						15,945
2031		14,822						14,822
2032		14,823						14,823
2033		14,824						14,824
2034		14,821						14,821
2035		14,822						14,822
2036		14,824						14,824
2037		14,820						14,820
2038		1,973						1,973
2039		1,977						1,977
2040		1,974						1,974
2041		1,974						1,974
2042		1,977						1,977
2043		1,972						1,972
2044		1,975						1,975
2045		1,974						1,974
2046		1,973						1,973
2047		1,974						1,974
TOTAL	\$5,701	\$181,916	\$40,068	\$14,751	\$30,174	\$41,595	\$948	\$315,153

Source: Tohopekaliga Water Authority

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

For the Fiscal Year Ended September 30, 2025

Fiscal Year	Revenue Bonds	Revenue Notes	State Loans	SBITA	Total Outstanding	Total Billed Services	Per Billed Service
2025	\$217,635	\$45,250	\$0	\$864	\$263,749	409,235	\$644
2024	\$226,525	\$6,050	\$0	\$1,329	\$233,904	392,340	\$596
2023	\$235,000	\$6,935	\$0	\$0	\$241,935	371,625	\$651
2022	\$214,485	\$8,040	\$0	\$0	\$222,525	281,237	\$791
2021	\$222,280	\$9,538	\$0	\$0	\$231,818	271,960	\$852
2020	\$215,200	\$25,367	\$0	\$0	\$240,567	261,804	\$919
2019	\$183,990	\$27,018	\$0	\$0	\$211,008	249,868	\$844
2018	\$190,630	\$28,782	\$0	\$0	\$219,412	238,418	\$920
2017	\$190,630	\$29,957	\$0	\$0	\$220,587	229,067	\$963
2016	\$196,990	\$32,037	\$0	\$0	\$229,027	221,778	\$1,033
2015	\$120,550	\$73,505	\$0	\$0	\$194,055	213,330	\$910
2014	\$125,250	\$74,550	\$0	\$0	\$199,800	205,674	\$971
2013	\$129,430	\$76,655	\$0	\$0	\$206,085	198,897	\$1,036
2012	\$100,265	\$116,525	\$0	\$0	\$216,790	192,879	\$1,124
2011	\$190,275	\$25,440	\$0	\$0	\$215,715	189,054	\$1,141
2010	\$191,060	\$26,000	\$73	\$0	\$217,133	182,842	\$1,188
2009	\$194,995	\$1,000	\$0	\$0	\$195,995	179,154	\$1,094
2008	\$198,975	\$0	\$0	\$0	\$198,975	179,154	\$1,111

SCHEDULE OF DEBT SERVICE COVERAGE (Dollars in Thousands)

For the Fiscal Year Ended September 30, 2025
with Comparative Amounts for Fiscal Years Ended September 30, 2016 through 2025 Last Ten Fiscal Years

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Total Gross Revenues ⁽¹⁾	\$244,576	\$228,952	\$203,535	\$151,647	\$141,253	\$134,534	\$130,268	\$120,133	\$112,402	\$97,725	\$88,232
Total Operating Expenses ⁽²⁾	132,780	127,156	113,989	79,243	69,130	66,861	61,626	56,356	54,135	55,442	47,549
Net Operating Income	111,796	101,796	89,546	72,404	72,123	67,673	68,642	63,777	58,267	42,283	40,683
Debt Service Requirement ⁽³⁾	18,291	18,190	18,106	17,930	18,401	17,531	16,721	16,350	16,338	15,273	14,322
Debt Service Coverage Calculation	6.11	5.60	4.95	4.04	3.92	3.86	4.11	3.90	3.57	2.77	2.84
Net Revenues After Debt Service	\$93,505	\$83,606	\$71,440	\$54,474	\$53,722	\$50,142	\$51,921	\$47,427	\$41,929	\$27,010	\$26,361
Total Revenues - Capital Facilities Charges ⁽⁴⁾	\$68,799	\$60,433	\$62,385	\$40,411	\$29,566	\$35,994	\$41,774	\$36,949	\$29,952	\$21,053	\$16,094

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

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

(3) Does not include early retirement of debt or interim loan ballon payments

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

SELECTED OSCEOLA COUNTY DEMOGRAPHIC INFORMATION

Population			Housing		
Population			Population by Housing Type		
(Census, Estimates, & Projections)	Osceola County	Florida	Osceola County	Florida	
2010 Census	268,685	18,801,332	Household Population	385,751	21,073,604
2020 Census	388,656	21,538,187	Household Population/Occupied Unit	2.95	2.47
% change 2000-10	44.7%	14.6%	Group Quarters Population	2,905	464,583
2021 Estimate	406,460	21,898,945	Housing Counts		
% change 2020-21	4.6%	1.7%	Housing units, 2020 Census	154,680	9,865,350
2022 Estimate	424,946	22,276,132	Occupied	130,574	8,529,067
% change 2020-22	9.3%	3.4%	Vacant	24,106	1,336,283
2023 Estimate	439,225	22,634,867	Units Permitted		
% change 2020-23	13.0%	5.1%	Osceola County	Florida	
2024 Estimate	451,231	23,014,551	2015	6,760	109,924
% change 2020-2024	16.1%	6.9%	2016	4,297	116,240
2025 Estimate	484,915	23,379,261	% change 2015-16	57.3%	-5.4%
% change 2020-2025	24.8%	8.5%	2017	4,785	122,719
2030 Projection based on 2025 Estimate	562,892	24,909,028	% change 2016-17	10.2%	5.3%
2035 Projection based on 2025 Estimate	626,441	26,074,611	2018	9,759	144,427
2040 Projection based on 2025 Estimate	677,241	26,967,897	% change 2017-18	51.0%	15.0%
Persons per square mile			2019	7,937	154,302
2000	130.5	296.4	% change 2018-19	-23.0%	6.4%
2010	202.4	350.6	2020	5,848	164,074
2020	292.8	401.4	% change 2019-20	-35.7%	6.0%
2025	365.3	435.8	2021	10,003	213,494
			% change 2020-21	41.5%	23.1%
			2022	7,383	211,962
			% change 2021-22	-35.5%	-0.7%
			2023	8,255	193,788
			% change 2022-23	-10.6%	9.4%
			2024	8,813	173,326
			% change 2023-24	-6.3%	11.8%
			Total Units Permitted 2015-2024	73,840	1,604,256

Population Characteristics		
Language spoken at home		
(% of total persons aged 5 and over)		
Speak only English	45.3%	69.4%
Speak language other than English	54.7%	30.6%
Speak English "very well"	32.6%	18.1%
Place of birth		
Foreign born	26.6%	21.9%
Veteran Status		
Civilian population 18 and over	6.0%	7.4%

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

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

Education		
Public Education Institutions (2023-24)		
Total	Osceola County	Florida
Total	78	3,796
Elementary	30	1,847
Middle	10	561
Senior High	17	736
Combination	21	652
Educational attainment		
Persons aged 25 and older		
% HS graduate or higher	89.5%	89.9%
% bachelor's degree or higher	29.8%	34.1%

State Infrastructure		
Transportation		
State Highway		
Centerline Miles	209.9	12,265.7
Lane Miles	798.1	46,013.4
State Bridges		
Number	185	12,887
State Facilities		
Buildings/Facilities (min. 300 Sq.Ft)		
Number	81	15,621
Square Footage	877,339	234,848,202
State Lands		
Conservation Lands (land acres only)		
State-Owned (includes partially-owned)	201,616	5,689,323
% of Total Conservation Land (CL)	89.5%	53.6%
% of Total Area Land	23.8%	17.1%
% of Florida State-Owned CL	3.4%	

Health Insurance Status		
Percent Insured by Age Group		
Osceola County	Florida	
Under 65 years	87.3%	86.6%
Under 19 years	92.5%	92.7%
18 to 64 years	85.2%	84.5%

<p>Prepared by:</p> <p>Florida Legislature Office of Economic and Demographic Research 111 W. Madison Street, Suite 574 Tallahassee, FL 32399-6588 (850) 487-1402 http://edr.state.fl.us</p>		<p>February 2026</p>
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SELECTED OSCEOLA COUNTY DEMOGRAPHIC INFORMATION

Employment by Industry					
Average Annual Employment, % by Category, 2024			Average Annual Wage, 2024		
	Osceola County	Florida		Osceola County	Florida
All Industries	115,814	9,837,263	All Industries	\$52,504	\$69,492
Natural Resource & Mining	0.3%	0.7%	Natural Resource & Mining	\$52,305	\$49,698
Construction	6.1%	6.6%	Construction	\$60,058	\$70,271
Manufacturing	2.0%	4.3%	Manufacturing	\$65,546	\$81,956
Trade, Transportation and Utilities	20.5%	20.1%	Trade, Transportation and Utilities	\$38,789	\$61,291
Information	0.7%	1.6%	Information	\$115,190	\$121,266
Financial Activities	4.8%	6.9%	Financial Activities	\$63,433	\$108,740
Professional & Business Services	13.1%	16.5%	Professional & Business Services	\$73,087	\$87,036
Education & Health Services	17.4%	15.5%	Education & Health Services	\$62,258	\$66,009
Leisure and Hospitality	20.2%	13.4%	Leisure and Hospitality	\$33,972	\$37,261
Other services	2.6%	3.0%	Other services	\$42,105	\$51,306
Government	12.2%	11.3%	Government	\$59,035	\$71,045

Labor Force					
Labor Force as Percent of Population Aged 18 and Older			Unemployment Rate		
	Osceola County	Florida		Osceola County	Florida
2010	68.7%	61.8%	2010	12.1%	10.8%
2020	67.4%	58.0%	2020	13.2%	8.0%
2021	65.9%	58.9%	2021	5.8%	4.7%
2022	67.5%	59.8%	2022	3.2%	3.0%
2023	60.6%	60.4%	2023	3.4%	2.9%
2024	67.5%	60.3%	2024	3.5%	3.4%
2025p**	65.8%	59.7%	2025p**	4.1%	4.0%

Financial Health		
Personal Income (\$000s)	Osceola County	Florida
2000	\$3,609,580	\$471,588,082
2010	\$7,318,403	\$730,690,145
% change 2000-10	102.7%	54.9%
2020	\$15,552,232	\$1,222,053,372
% change 2010-20	112.5%	67.2%
2021	\$17,886,437	\$1,367,061,863
% change 2020-21	15.0%	11.9%
2022	\$19,081,012	\$1,464,251,012
% change 2021-22	6.7%	7.1%
2023	\$21,080,602	\$1,604,650,325
% change 2022-23	10.5%	9.6%
2024	\$22,977,761	\$1,706,305,733
% change 2023-24	9.0%	6.3%

Earnings by Place of Work		
Earnings (\$000s)	Osceola County	Florida
2000	\$1,853,729	\$308,751,767
2010	\$3,510,776	\$439,036,383
% change 2000-10	89.4%	42.2%
2020	\$6,103,450	\$684,772,318
% change 2010-20	73.8%	56.0%
2021	\$7,148,073	\$771,994,702
% change 2020-21	17.1%	12.7%
2022	\$8,256,784	\$845,179,676
% change 2021-22	15.5%	9.5%
2023	\$8,908,893	\$915,351,168
% change 2022-23	7.9%	8.3%
2024	\$9,724,912	\$972,525,321
% change 2023-24	9.2%	6.2%

Per Capita Personal Income		
	Osceola County	Florida
2000	\$20,727	\$29,387
2010	\$27,107	\$38,779
% change 2000-10	30.8%	32.0%
2020	\$39,759	\$56,597
% change 2010-20	46.7%	45.9%
2021	\$44,267	\$62,617
% change 2020-21	11.3%	10.6%
2022	\$44,733	\$65,429
% change 2021-22	1.1%	4.5%
2023	\$47,135	\$70,057
% change 2022-23	5.4%	7.1%
2024	\$49,092	\$73,006
% change 2023-24	4.2%	4.2%

Quality of Life		
Median Income	Osceola County	Florida
Median Household Income	\$72,637	\$74,668
Median Family Income	\$79,605	\$89,891
Poverty, 2024		
% living in poverty	13.0%	12.1%
% ages 5-17 living in poverty	18.5%	14.8%
Crime		
Crime rate, 2020 (index crimes per 100,000 population)	2,734.9	2,516.5
Admissions to prison FY 2023-24	320	27,227
Admissions to prison per 100,000 population FY 2023-24	93.0	148.0

Workers Aged 16 and Over		
	Osceola County	Florida
Place of Work in Florida		
Worked outside county of residence	46.0%	17.0%
Travel Time to Work		
Mean travel time to work (minutes)	35.2	28.0

Personal Bankruptcy Filing Rate (per 1,000 population)		
	Osceola County	Florida
12-Month Period Ending Sept 30, 2024	2.06	1.46
12-Month Period Ending Sept 30, 2025	2.28	1.71
State Rank	2	NA

NonBusiness Chapter 7 & Chapter 13

State and Local Taxation		
	Osceola County	
2025 Ad Valorem Millage Rates	County-Wide	Not County-Wide*
County	6.9500	0.8366
School	5.3060	
Municipal		1.1494
Special Districts	0.3000	0.4318

*MSTU Included in Not County Wide "County" category

<p>Prepared by: Florida Legislature Office of Economic and Demographic Research 111 W. Madison Street, Suite 574 Tallahassee, FL 32399-6588 (850) 487-1402 http://edr.state.fl.us</p>	
	<p>February 2026</p>

**2025p is based on 11months - no date for October 2025

Tohopekaliga Water Authority
Osceola County, Florida

Compliance Section

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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*

Independent Auditor's Report

Board of Supervisors
Tohopekaliga Water Authority
Osceola County, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the basic financial statements, as listed in the table of contents, of the Tohopekaliga Water Authority (Toho) as of and for the fiscal year ended September 30, 2025, and have issued our report thereon dated March 18, 2026.

Report on Internal Control over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of this Report

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

Forvis Mazars, LLP

**Orlando, Florida
March 18, 2026**

Independent Auditor's Management Letter

Board of Supervisors
Tohopekaliga Water Authority
Osceola County, Florida

Report on the Financial Statements

We have audited the financial statements of the Tohopekaliga Water Authority (Toho) as of and for the fiscal year ended September 30, 2025, and have issued our report thereon dated March 18, 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 Reporting Requirements

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*; and Independent Accountant's Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, *Rules of the Auditor General*. Disclosures in those reports and schedule, which are dated March 18, 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 made in the preceding annual financial report.

Official Title and Legal Authority

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

Financial Condition and Management

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

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

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

Special District Component Units

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

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

- (A) The total number of Toho employees compensated in the last pay period of Toho's fiscal year as 595.
- (B) The total number of independent contractors to whom nonemployee compensation was paid in the last month of Toho's fiscal year as 1.
- (C) All compensation earned by or awarded to employees, whether paid or accrued, regardless of contingency as \$45,115,522 for the fiscal year ended September 30, 2025.
- (D) All compensation earned by or awarded to nonemployee independent contractors, whether paid or accrued, regardless of contingency as \$17,230 for the fiscal year ended September 30, 2025.
- (E) Each construction project with a total cost of at least \$65,000 approved by Toho that is scheduled to begin on or after October 1 of the fiscal year being reported, together with the total expenditures for such projects as \$23,264,092 (see Attachment A).
- (F) A budget variance based on the budget adopted under Section 189.016(4), Florida Statutes, before the beginning of the fiscal year being reported if Toho amends a final adopted budget under Section 189.016(6), Florida Statutes, as \$0. Toho did not amend its final adopted budget for FY2025.

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 had the following recommendation:

MLC 2025-001 Investment Continuing Professional Education

Condition: During our audit, we noted that the chief financial officer did not obtain 8 hours of continuing education related to investments during fiscal year 2025.

Criteria: Section 281.415(14), Florida Statutes, and Toho's investment policy state that the investment policy shall provide for continuing education of the local government's officials responsible for making investment decisions. The investment officer or designee responsible for making investment decisions shall annually complete 8 hours of continuing education in subjects or courses of study related to investment practices and products.

Cause: The failure to obtain the required annual investment-related continuing education appears to be the result of an administrative oversight.

Effect: By not completing the annual continuing education requirement, Toho is not in compliance with Section 218.415, Florida Statutes and its investment policy.

Recommendation: We recommend that Toho prioritize the completion of the annual continuing education for investment officers as required by Florida Statutes and its investment policy.

Management's Response: Management concurs with the finding. Toho has established internal controls whereby both the chief financial officer and accounting manager actively monitor and manage investments in coordination with Toho's investment advisor, and both are designated certified public funds investment managers.

During fiscal year 2025, the accounting manager met the required 8 hours of continuing education; however, the chief financial officer did not complete the required hours due to an administrative oversight. This matter has been addressed, and procedures have been reinforced to ensure compliance going forward. Completion of the annual continuing education requirement will be tracked and prioritized to ensure full compliance with Section 218.415, Florida Statutes, and Toho's investment policy.

Purpose of this Letter

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

Forvis Mazars, LLP

**Orlando, Florida
March 18, 2026**

TOHOPEKALIGA WATER AUTHORITY
Construction Project Listing
Attachment A

Project	Project Name	Budget	FY25 Actual
125002	Development Pipe Upsizings	4,040,349.34	-
125003	Emergency Service Lift Stations 55 and 56 Upgrades	400,000.00	-
125004	Emergency Service Lift Station 77 Upgrades	720,000.00	-
125005	General Renewal and Rehabilitation Project	11,134,387.15	-
125005A	Pipe Evaluation and Rehabilitation #8514	106,827.20	-
125005B	Pipe Evaluation and Rehabilitation #9189	388,572.00	-
125005C	2025 Inflow Abatement Project	936,692.64	-
125006	Kindred Phase 3 Utility Improvements	109,000.00	-
125008	Lift Station Rehabilitation Consolidation 1-5	2,981,354.94	181,678.81
125011	Lift Station 16 Florida Plaza 1,460' Force Main	1,119,081.00	142,463.25
125012	Majestic Oaks Water Main Replacement	200,000.00	35,044.77
125014	Parkway Middle Ventura Sidewalk	120,000.00	-
125016	Real Estate Acquisition Lift Station Clean Up	1,190,400.00	31,666.00
125017	Real Estate Easement Property	1,080,040.54	121,961.20
125020	Sandhill Preserve Phase 2 Utility Improvements	420,000.00	-
125021	Sandhill Preserve Phase 1 Utility Improvements	1,560,000.00	-
125022	Sunbridge Water Reclamation Facility Expansion to 3.5 Million Gallons/Day	817,133.14	847,996.22
125023	US 192 5,600' Gravity Main Upsizing	615,723.00	5,610.84
125024	Visions at Orlando - Osceola Polk Utility Improvements	1,750,000.00	-
125025	Wastewater Collection System - Zuni Road	734,957.62	-
125026	Western Service Area Pressure Improvements	100,000.00	-
125027	16" Force Main from Simpson to Parkway	2,251,864.00	117,041.45
125028	South Bermuda Water Reclamation Facility Alternative Water Treatment Placeholder	1,000,000.00	-
125030	Camelot Water Reclamation Facility Blower Replacement	7,193,802.00	105,246.90
125031	Old Lake Wilson Road 24" Water Main Replacement	498,556.74	498,556.23
125032	Expedited Manhole Rehabilitation - Toho I	136,829.20	136,829.20
125033	Camelot Water Reclamation Facility Filter Replacement Head	2,138,704.00	80,362.07
125034	Osceola Parkway & 441 Emergency Repair	2,352,092.89	2,336,593.15
125035	Northwest Water Treatment Plant PFAS Treatment Evaluation	300,000.00	48,230.50
125036	Pine Glen Irrigation Well Remote Telemetry Unit	71,816.96	-
125037	US191/441 from CR532 to Arthur J Gallagher Boulevard Utility Relocation	371,397.00	62,226.25
125038	Lift Station 6 Force Main Replacement	1,169,407.03	1,147,492.03
125040	Dyer Road Force Main Replacement	6,706,616.93	589,608.92
125041	US 192 from Bamboo Lane to Main Street Utility Adjustments	920,000.00	-
126001	US192 from North Poinciana Boulevard to Seaview Castle Drive Force Main Upsizing	70,000.00	-
126004	Funie Steed at Lindsfield Boulevard and Formosa Gardens Boulevard Intersestion Improvements	300,000.00	-
126005	LS 28 Force Main Upsizing to 8"	131,316.00	-
126006	Reuse Main Interconnection between NeoCity and Parkway Water Reclamation Facility Reuse Systems	253,440.00	-
126008	Sinclair Road Extension Utility Extension	150,000.00	-
126010	Advanced Meter Infrastructure Meter Replacement	7,925,257.05	3,754,226.75
126011	Shadow Bay Boulevard Water Main Improvements	150,000.00	-
126012	Administration Building Parking Expansion	100,000.00	-
126013	Commercial Driver's License Training Facility	100,000.00	-
225003	Titan Properties -- Old Melbourne Highway to 192 Force Main and Water Main Upsizing	700,000.00	199,472.82
226001	Harmony West Reuse Storage and Repump Facility	250,000.00	-
326001	Florida Parkway from White Birch Drive to W Birchwood Circle Gravity Main Upsizing	242,683.00	-
425001	Cypress West Water Reclamation Facility Clarifier	850,000.00	-
425002	Edgewater - ED6 Phase 2 Pipe Infrastructure Improvements	1,980,000.00	-
425003	Kissimmee Park Road Widening Utiliity Relocaiton	1,620,000.00	-
425004	Poinciana Parkway from KOA Street to Cypress West Water Reclamation Facility 1,500' of 20" Force Main	652,826.00	44,127.70
425006	Expedited Manhole Rehabilitation - Poinciana	100,000.00	81,034.21
425007	Cypress West Water Reclamation Facility Emergency Reparis	6,037,479.00	2,088,596.86
426001	San Remo Road from S Delmonte Court to Lift Station 17P Gravity Main Upsizing	210,093.00	-
426002	Interconnection of 10" Force Main on Mercantile Lane to 20" Force Main on Poinciana Boulevard	80,000.00	-
426004	24' Lake Marion Force Main Construction	225,822.43	-
525001	12" Reuse Main Extension on Zuni Road	967,680.00	77,196.08
525002	12" Water Main on Creekwood Drive Utility Improvements	333,000.00	-
525003	12" Water Main on Jack Brack Road Utility Improvements	387,072.00	-
525004	16" Reuse Main on Creekwood Drive Extension	2,162,000.00	-
525005	16" Reuse Main on Narcoossee Road Utility Improvements	756,000.00	-
525006	20" Reuse Main and 12" on Cross Prairie Parkway Utility Improvments	1,300,000.00	25,560.00
525007	Narcoossee Offsite Reuse Main Extension	3,080,000.00	-
525008	12" Oaks Pipe Upsizing	2,510,000.00	-
525009	Marlowe Apartments Line Improvements	2,508,257.74	2,508,257.74

TOHOPEKALIGA WATER AUTHORITY
Construction Project Listing
Attachment A

Project	Project Name	Budget	FY25 Actual
525010	Michigan Street Safety Improvements	408,332.00	20,659.79
525011	Murrel Reuse Main	552,000.00	-
525012	Narcoossee Commons North Line Improvements	170,400.00	-
525013	Lillian Lee Road from Narcoossee Road to Nora Tyson Road Kine Improvments	739,584.00	-
525014	Nova Road Widening	1,000,000.00	-
525016	Rummel Road Offsite Water	1,920,000.00	-
525018	St Cloud Sidewalk Improvements	139,181.00	-
525019	Tohoqua Phase 4C Line Improvements	660,000.00	-
525020	Tohoqua Phase 8 Line Improvements	1,320,000.00	-
525021	Triple H Ranch Line Improvements	3,981,325.20	1,128,745.92
525024	Manhole Rehabilitation - St Cloud	100,000.00	10,624.00
525025	Canoe Creek Plaza Force Main Relocation	437,526.00	8,979.75
525026	Jones Road Wastewater Improvements	2,950,000.00	56,281.70
526001	Canoe Creek Road Utility Improvements	250,000.00	-
526002	Southeast Hickory Tree/Alligator Lake Pump Station	500,000.00	-
526003	Forcemain Upsizing, LS40 Southside Water Reclamaition Facility	995,629.00	-
526005	Jones Road Line Improvements and Extension	150,000.00	-
			16,492,371.11

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Independent Accountant's Report

Board of Supervisors
Tohopekaliga Water Authority
Osceola County, Florida

We have examined the compliance of the Tohopekaliga Water Authority (Toho) with the requirements of Section 218.415, Florida Statutes, during the fiscal year ended September 30, 2025. Management is responsible for the Toho's compliance with those requirements. Our responsibility is to express an opinion on the Toho's compliance based on our examination.

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

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

In our opinion, Toho complied, in all material respects, with the aforementioned requirements for the fiscal year ended September 30, 2025.

Forvis Mazars, LLP

Orlando, Florida
March 18, 2026