

SOUTHWEST FLORIDA WATER MANAGEMENT DISTRICT

Comprehensive Annual Financial Report

FISCAL YEAR ENDED SEPTEMBER 30, 2015

A COMPONENT UNIT OF THE STATE OF FLORIDA

Southwest Florida
Water Management District

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COMPREHENSIVE ANNUAL FINANCIAL REPORT

Fiscal Year Ended September 30, 2015

Prepared by: Finance Bureau

Southwest Florida
Water Management District



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A Component Unit of the State of Florida

Mission Statement:

The mission of the Southwest Florida Water Management District is to manage water and related natural resources to ensure their continued availability while maximizing the benefits to the public. Central to the mission is maintaining the balance between the water needs of current and future users while protecting and maintaining water and related natural resources which provide the District with its existing and future water supply.

The Governing Board of the District assumes its responsibilities as authorized in Chapter 373 and other chapters of the Florida Statutes by directing a wide range of programs, initiatives and actions. These include, but are not limited to, flood protection, water use, well construction and environmental resource permitting, water conservation, education, land acquisition, water resource and supply development, and supportive data collection and analysis efforts.

The Southwest Florida Water Management District (District) does not discriminate on the basis of disability. This nondiscrimination policy involves every aspect of the District's functions, including access to and participation in the District's programs and activities. Anyone requiring reasonable accommodation as provided for in the Americans with Disabilities Act should contact the District's Human Resources Bureau Chief, 2379 Broad St., Brooksville, FL 34604-6899; telephone (352) 796-7211 or 1-800-423-1476 (FL only), ext. 4703; or email ADACoordinator@WaterMatters.org. If you are hearing or speech impaired, please contact the agency using the Florida Relay Service, 1-800-955-8771 (TDD) or 1-800-955-8770 (Voice).

**Southwest Florida Water Management District
Comprehensive Annual Financial Report
Fiscal Year Ended September 30, 2015**

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Introductory Section

- Letter of Transmittal
- GFOA Certificate of Achievement
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An Equal Opportunity Employer

Southwest Florida Water Management District

2379 Broad Street, Brooksville, Florida 34604-6899

(352) 796-7211 or 1-800-423-1476 (FL only)

WaterMatters.org

Bartow Service Office
170 Century Boulevard
Bartow, Florida 33830-7700
(863) 534-1448 or
1-800-492-7862 (FL only)

Sarasota Service Office
6750 Fruitville Road
Sarasota, Florida 34240-9711
(941) 377-3722 or
1-800-320-3503 (FL only)

Tampa Service Office
7601 U.S. 301 North (Fort King Highway)
Tampa, Florida 33637-6759
(813) 985-7481 or
1-800-836-0797 (FL only)

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George W. Mann
Polk

Michael A. Moran
Charlotte, Sarasota

Kelly S. Rice
Citrus, Lake, Levy, Sumter

Robert R. Beltran, P.E.
Executive Director

June 28, 2016

To the Citizens of the Southwest Florida Water Management District:

The Comprehensive Annual Financial Report of the Southwest Florida Water Management District (District) for the fiscal year ended September 30, 2015, is hereby submitted.

State law requires that local governmental entities publish within nine months of the close of each fiscal year a complete set of audited financial statements. This report is published to fulfill that requirement for the fiscal year ended September 30, 2015.

Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with management. To provide a reasonable basis for making these representations, management of the District has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft or misuse and to compile sufficient reliable information for the preparation of the District's financial statements in conformity with U.S. generally accepted accounting principles (GAAP). Because the cost of internal controls should not outweigh their benefits, the District's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. To the best of our knowledge and belief, the information presented is accurate in all material respects, and is reported in a manner that presents fairly the financial position and results of operations of the District. All disclosures necessary to enable the reader to gain an understanding of the District's activities have been included.

KPMG LLP, Certified Public Accountants, has issued an unmodified opinion on the District's financial statements for the year ended September 30, 2015. The independent auditors' report is located at the front of the financial section of this report.

Management's discussion and analysis (MD&A) immediately follows the independent auditors' report and provides a narrative introduction, overview and analysis of the basic financial statements. The MD&A complements this letter of transmittal and should be read in conjunction with it.

The District encompasses approximately 10,000 square miles of a 16-county area in west-central Florida and is one of five regional water management districts charged by Chapter 373 of the Florida Statutes to preserve and protect the state's water resources.

About the District

Approximately one quarter of the state's population (5 million) resides within the District. The District was established in 1961 by a special act of the Florida Legislature to serve as local sponsor of the Four River Basins, Florida Project. This was a major flood control project sponsored by the U.S. Army Corps of Engineers after Hurricane Donna caused extensive damage in west-central Florida in 1960.

The District's original mission was to protect people and property from flooding caused by tropical storms and other heavy rains. This was done in part by building structures to control high waters. The Tampa Bypass Canal, which diverts Hillsborough River overflow away from the flood-prone areas of Tampa and Temple Terrace, is the most prominent example of this water resources management responsibility.

Today's regional flood protection efforts remain an important element of the District's mission. Since the District was created in 1961, additional responsibilities have been added to the District by the Florida Legislature. The District now authorizes permits for consumptive use of water, well construction, surface water management, and the protection of wetlands. Water supply, water resource development, and water quality are major concerns, and many projects with local, state and federal funding partners focus on ensuring adequate sustainable quality water for the future.

A 13-member Governing Board establishes the District's policies, oversees its regulatory responsibilities, administers contracts, hires the Executive Director subject to approval by the Governor and confirmation by the Florida Senate, and authorizes the tax levy for the District budget subject to review by the Governor. Each member is appointed by the Governor and confirmed by the Florida Senate. District Governing Board members serve staggered four-year terms, are eligible for reappointment, and serve as unpaid citizen volunteers.

The District is authorized by the Florida Constitution and Florida Statutes to fund its general operations from ad valorem property taxes. The District Governing Board, with the approval of the Executive Office of the Governor, may levy up to one mill Districtwide to fund regulatory activities and projects of Districtwide significance. One mill equals \$1 of tax for each \$1,000 of assessed land value. Funding for District programs is supplemented by District permit fees and by grants from federal, state and local governments.

The annual budget serves as the foundation for the District's financial planning and control. The Truth-in-Millage (TRIM) Act enacted by state legislation requires disclosure of information regarding the ad valorem millage rate and budget adoption. Each year, following the required disclosures, the conduct of two public hearings for taxpayer comment, and review by the Executive Office of the Governor for comments between the first and second hearings, the Governing Board sets the millage rate and adopts a budget in September. The appropriated budget is prepared by fund, bureau and activity and reported programmatically. The Governing Board delegates authority to the Executive Director to execute transfers of budgeted funds not to exceed \$50,000, if no reserve funds are involved. Delegated transfers are presented to the Governing Board for ratification at their next regular scheduled meeting. All transfers of funds from reserve accounts require prior Governing Board approval and a budget amendment.

The Reporting Entity

The financial statements of the District include all operations for which the District is financially accountable.

The District is a component unit of the State of Florida for financial reporting purposes. The state has historically provided funding for District programs through the sale of state debt, sharing of documentary stamp tax revenues, and the approval of various annual grants and entitlements. State funding in recent years has been limited due to economic conditions.

The District's financial statements for the fiscal year ended September 30, 2015, will be incorporated into the State of Florida's financial statements for the State's fiscal year ending June 30, 2016, as a discretely presented component unit. Discretely presented component units are reported in a separate column in the basic financial statements to emphasize that they are legally separate from the primary government, which is the State of Florida, and to differentiate their financial position, results of operations and cash flows, where applicable.

Factors Affecting Financial Condition

Economic Conditions and Outlook. The economic conditions within the District have continued to improve. Florida's economy has recovered steadily by expanding on the foundation of previous successful years of sustained growth. The current economic conditions for the state of Florida, and moreover the 16 counties within the Southwest Florida Water Management District, have returned to a stable growth rate derived from lessons learned during the recovery. Consequently, within the fiscal year 2014-15, several key measures of the Florida economy had achieved sustainable levels of growth and continue to improve.

Among other economic incentives, the construction industry continues to normalize to sustainable growth levels and the resulting availability of service industry and construction employment has provided an incentive to relocate to the sunshine state. Between 2014 and 2015, the total permanent population for the District increased 1.30 percent by approximately 64,008 residents to 4.993 million. The District's population is expected to increase from the current 2015 level at an average rate of 1.35 percent per year over the next five years. It is projected that by 2040, the District's population will grow by 2.219 million to 7.848 million people.¹ Population growth is a key determinant in the state's long-term economic stability. With improved economic stability, lower unemployment, and an increase in savings per family, the resulting higher level of disposable income should increase the demand for goods and services.

Florida's unemployment rate has kept pace with the national average and maintained levels that are sustainable for future growth. The unemployment rate continued on a steady decline during 2014 and continued through 2015. Florida's seasonally adjusted unemployment rate was 5.1 percent in November 2015. The state unemployment average from November 2014 to November 2015 decreased from 5.7 percent to 5.1 percent respectively.² The national average for the same time period was 6.1 percent in 2014 and 4.8 percent in 2015.³ "Florida's unemployment rate has been less than or equal to the national rate for 26 of the last 41 months."⁴ As unemployment rates continue to normalize, the total per capita personal income in the District has experienced an increase of 3.03 percent between 2014 and 2015, compared to an increase of 2.42 percent for the state. By 2020, real per capita income in the District is projected to increase 15.98 percent over its 2015 level and remain slightly above the state projection of 15.39 percent. Counties with the highest projected increases in real per capita income

¹ Except as noted, all data are based on countywide data and are derived from Woods and Poole Economics. 2015 State Profile: State and County Projections to 2040. District population in split counties were calculated from GIS Associates' 2010 property parcel-based population estimates summarized by county and WMD boundaries (SWFWMD - Planning Department, 2015)

² Bureau of Labor Statistics: Florida Statewide Unemployment statistics. December, 2015
<http://data.bls.gov/timeseries/LASST120000000000000>

³ Bureau of Labor Statistics: Nation Wide Labor Force Statistics from the Current Population Survey. December, 2015
<http://data.bls.gov/timeseries/LNS14000000>

⁴ "Florida's April Employment Figures Released". Florida Department of Economic Opportunity. December 19, 2014.
<http://www.floridajobs.org>. Accessed: May 20, 2016

through 2020 are Sumter County at 4.37 percent with Lake and Highlands counties projected at 3.79 percent and 3.67 percent, respectively.

The real estate market is a key determinant in Florida's economy, as it plays an integral role in conditions driving job growth and population expansion. The housing market, although slow, is continuing to improve year-over-year to levels of sustainable growth. Additionally sustained population growth and continued in-migration are helping bolster key market sectors, fueling both sales and new construction in the real estate sector.

Statewide single-family home sales in 2015 totaled 266,621, up 10.9 percent year-over-year. The statewide median sales price for single-family homes during the same time period was \$198,995 which is an increase of 12.4 percent year-over-year. A shrinking pool of inventory and a backlog of housing starts are bidding up prices in the existing single-family market. Given current market conditions, single-family home starts are projected to increase on average 12 percent in 2016. The 2016 housing market is expected to continue with moderate, but solid growth as existing home sales and prices both slow to 3 percent year-over-year due to higher mortgage rates and tighter credit standards.⁵ Sustained higher prices have continued throughout the fiscal year with the new construction market expected to see more significant gains in the coming year as new home starts increase.

The District has continued to see improvements within the economy. Sustainable growth and improvement is steady and consistent with state and national averages. Florida's unemployment rate has been less than or equal to the national rate for 26 of the last 41 months, with the District average keeping pace with the state average. The availability of service industry and construction employment has provided incentives to the state and district labor forces. With tighter credit standards, interest rates will begin to normalize allowing for the economy to continue on a longer-run growth path with continued expansion that is both sustainable and consistent with expectations. Moving forward, the trend for 2016 will be slow sustainable growth that avoids the pitfalls that the state has worked so hard to overcome.

Long-term financial planning. The District exercises its management of water resources through four statutorily-designated areas of responsibility: Water Supply, Flood Protection, Water Quality and Natural Systems. Long-term financial planning is conducted to connect the program planning and the budget processes. The District's financial planning efforts include the 2014-2018 Strategic Plan, which provides strategic direction through the identification of priorities, the Long-Range Funding Plan (Funding Plan), Program Budget, Five-Year Technology Plan, and Five-Year Capital Improvements Plan.

The development of the District's Funding Plan is an example of long-term financial planning in the area of water supply. This plan is a pay-as-you-go funding strategy for the Regional Water Supply Plan (RWSP). The RWSP projects water demand and needed water supply sources for the period 2015-2035, and is updated on a five-year cycle with the next revision scheduled for the fall of 2020. The Funding Plan currently demonstrates that fiscal resources supplemented with project reserves adequately maintain a healthy investment in water resources. To ensure the plan keeps pace with evolving water supply and resource development initiatives and potential revenue impacts of economic fluctuations and legislative changes, the District examines it on an ongoing basis.

Awards and Acknowledgements

The Government Finance Officers Association (GFOA) of the United States and Canada awarded a Certificate of Achievement for Excellence in Financial Reporting to the District for its comprehensive annual financial report for the fiscal year ended September 30, 2014. This was the 27th consecutive year that the District has achieved this prestigious award. In order to be

⁵ <http://www.floridarealtors.org/ResearchAndStatistics/Florida-Market-Reports/Index.cfm>

awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

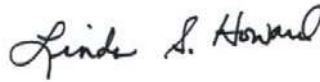
A Certificate of Achievement is valid for a period of one year only. We believe that the District's current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

Sincere appreciation is extended to the many District employees who assisted with the preparation of this report, with special thanks to the employees of the Finance Bureau, especially the Accounting & Financial Reporting Section. Special recognition is due the Public Affairs Bureau - Communications Section staff for the design of the cover, and the Document Services Section staff for printing the report. In closing, this report would not have been possible without the support and leadership of the District Governing Board and the District's Executive staff.

Sincerely,



John J. Campbell
Division Director
Management Services



Linda S. Howard, CPA
Finance Bureau Chief



Government Finance Officers Association

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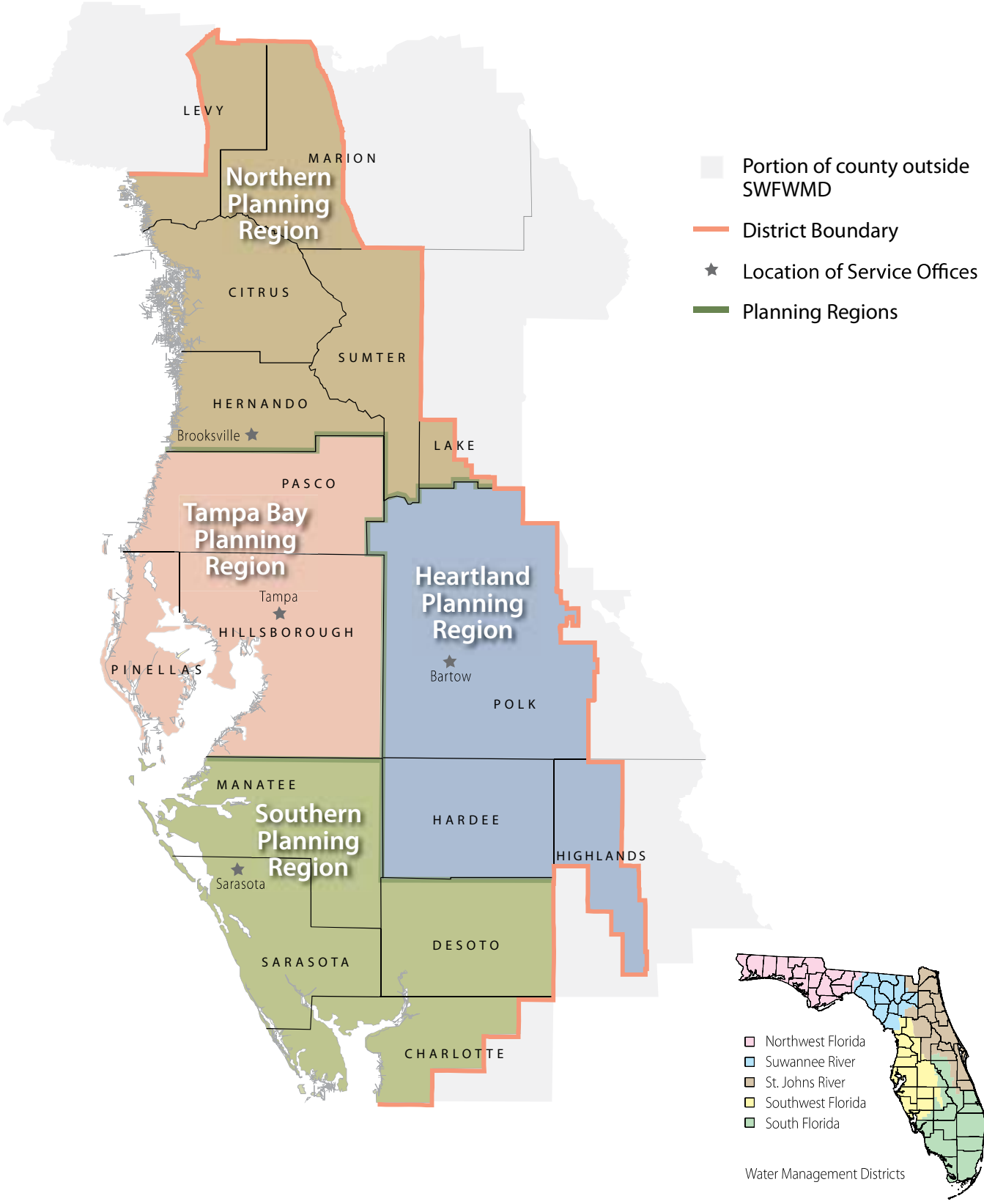
Presented to

**Southwest Florida
Water Management District**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

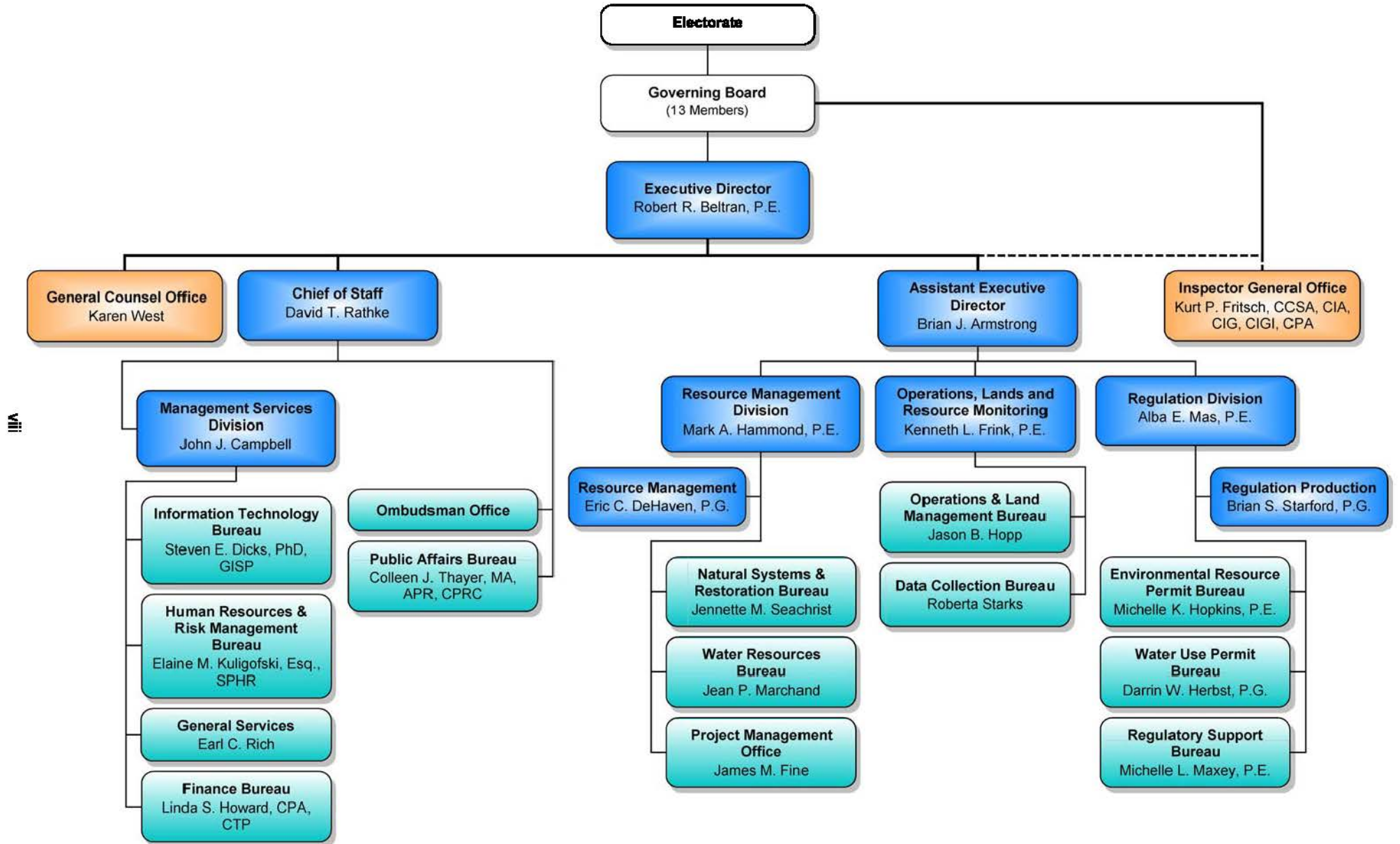
September 30, 2014

Executive Director/CEO



Organization Chart

As of October 1, 2015





Financial Section

- Independent Auditors' Report
- Management's Discussion and Analysis
- Basic Financial Statements
Notes to the Financial Statements



KPMG LLP
Suite 1700
100 North Tampa Street
Tampa, FL 33602-5145

Independent Auditors' Report

The Members of the Governing Board
Southwest Florida Water Management District:

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and each major fund of the Southwest Florida Water Management District (District), a component unit of the State of Florida, as of and for the year ended September 30, 2015, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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



Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the Southwest Florida Water Management District, as of September 30, 2015, and the respective changes in financial position, and the budgetary comparison for the General fund and DOT Mitigation special revenue fund for the year then ended in accordance with U.S. generally accepted accounting principles.

Emphasis of Matter

As discussed in note 1. F. to the financial statements, the District adopted the provisions of Governmental Accounting Standards Board Statement No. 68, *Accounting and Financial Reporting for Pensions* and Governmental Accounting Standards Board Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*.

Other Matters

Required Supplementary Information

U.S. generally accepted accounting principles require that the Management's Discussion and Analysis on pages 5 through 13, the schedule of the Southwest Florida Water Management District's proportionate share of the net pension liability – Florida Retirement System (FRS) Pension Plan on page 51, the schedule of the Southwest Florida Water Management District's contributions – Florida Retirement System (FRS) Pension Plan on page 52, the schedule of the Southwest Florida Water Management District's proportionate share of the net pension liability – The Retiree Health Insurance Subsidy (HIS) program on page 53, the schedule of the Southwest Florida Water Management District's contributions – The Retiree Health Insurance Subsidy (HIS) program on page 54, the schedule of other postemployment benefits (OPEB) funding progress on page 55, and the notes to required supplementary information on page 56, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The schedules of revenues, expenditures, and changes in fund balance – budget and actual – capital projects funds and schedule of expenditures of federal awards and state financial assistance, as required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and Chapter 10.550, *Rules of the Auditor General* and the introductory and statistical sections are presented for purposes of additional analysis and are not a required part of the basic financial statements.



The schedules of revenues, expenditures, and changes in fund balance – budget and actual – capital projects funds and schedule of expenditures of federal awards and state financial assistance are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedules of revenues, expenditures, and changes in fund balance – budget and actual – capital projects funds and schedule of expenditures of federal awards and state financial assistance are fairly stated in all material respects in relation to the basic financial statements as a whole.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 17, 2016 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

KPMG LLP

June 17, 2016
Certified Public Accountants

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Management's Discussion and Analysis (unaudited)

The Southwest Florida Water Management District's (District) discussion and analysis is designed to offer readers of the District's financial statements a narrative overview and analysis of the financial activities of the District for the fiscal year ended September 30, 2015. Readers are encouraged to read the Management's Discussion and Analysis in conjunction with the transmittal letter beginning on page i and the District's financial statements, which begin on page 15.

Financial Highlights

- The assets and deferred outflows of resources of the District exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$1.2 billion (net position). Of this amount, \$327.1 million may be used to meet the District's ongoing obligations to citizens and creditors. It is the District's intent to use these assets to: satisfy contracts and purchase orders in the amount of \$44.4 million; fund board and management designations in the amount of \$31.7 million; fund future long- and short-term projects in the amount of \$183.4 million; maintain an economic stabilization reserve of \$25.7 million; support land management activities in the amount of \$4.9 million; pay claims associated with the District's Workers' Compensation Self-insurance Program in the amount of \$0.5 million; and carry forward \$23.5 million into the fiscal year 2015-16 budget. The additional remaining funds will be carried forward for allocation in the fiscal year 2016-17 budget.
- The District implemented GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*, for fiscal year ended September 30, 2015. This resulted in a \$23,050,437 reduction of beginning net position from \$1,286,247,765 to \$1,263,197,328 due to the addition of a liability from the District's participation in the FRS Pension Plan and HIS Program.
- The District's total net position decreased by \$32.8 million. The decrease is primarily attributable to the use of restricted funds for watershed basin projects for which the ad valorem property taxes were collected prior to fiscal year 2011-12.
- As of the close of the current fiscal year, the District's governmental funds reported combined ending fund balances of \$414.1 million, a decrease of \$28.7 million in comparison with the prior year. Of this total amount, \$46,608 relates to inventory on hand and is nonspendable; \$77.3 million is restricted for the watershed basins and land acquisition; and \$336.7 million is available for spending at the District's discretion, with the majority committed or assigned as noted above.
- The District continues to have no bonded debt.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements are comprised of three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

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

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

The statement of activities presents information showing how the District's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

The government-wide financial statements distinguish functions of the District that are principally supported by taxes and intergovernmental revenues (governmental activities). The governmental activities of the District include: water resource planning and monitoring; land acquisition, restoration and public works; operation and maintenance of works and lands; regulation; outreach; and management and administration.

The government-wide financial statements can be found on pages 15 and 16 of this report.

Fund financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

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

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

The District maintained one general fund, one special revenue fund and two capital projects funds, all of which were considered to be major funds during fiscal year 2014-15. Information for all funds is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances.

The District adopts an annual appropriated budget for all funds. To demonstrate compliance with the adopted budget, budgetary comparison statements have been provided for all funds in accordance with Governmental Accounting Standards Board, Statement No. 34. Although not required, budgetary comparison schedules for the District's capital projects funds have been provided on pages 57 and 58 of this report, as other supplementary information.

The governmental funds financial statements can be found on pages 17 through 20 of this report.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 21 through 50 of this report.

Additional information. Additional information about the District, which may be of interest to the reader, is found under the Statistical, Single Audit Compliance, Management Letter and Independent Accountants' Report sections of this report.

Government-wide Overall Financial Analysis

For fiscal year 2014-15, the overall condition of the District remained consistent with fiscal year 2013-14.

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the District, assets and deferred outflows exceeded liabilities and deferred inflows by approximately \$1.2 billion at September 30, 2015.

Southwest Florida Water Management District's Net Position

| | Governmental Activities | |
|----------------------------------|-------------------------|-------------------------|
| | 2015 | 2014 (Restated)* |
| Current and Other Assets | \$ 496,662,500 | \$ 523,004,104 |
| Capital Assets | 826,219,999 | 833,973,713 |
| Total Assets | <u>1,322,882,499</u> | <u>1,356,977,817</u> |
| Deferred Outflows of Resources | <u>3,438,507</u> | <u>1,936,127</u> |
| Current and Other Liabilities | 64,014,724 | 64,475,751 |
| Long-term Liabilities | 28,498,990 | 21,744,209 |
| Total Liabilities | <u>92,513,714</u> | <u>86,219,960</u> |
| Deferred Inflows of Resources | <u>3,376,862</u> | <u>9,496,656</u> |
| Net Position: | | |
| Net Investment in Capital Assets | 825,989,535 | 833,973,713 |
| Restricted for: | | |
| Watershed Basins | 76,996,964 | 117,325,873 |
| Land Acquisition | 308,593 | 282,593 |
| Unrestricted | 327,135,338 | 311,615,149 |
| Total Net Position | <u>\$ 1,230,430,430</u> | <u>\$ 1,263,197,328</u> |

*Prior year amounts have been restated for the District's implementation of GASB Statement No. 68 and GASB Statement No. 71.

By far the largest portion of the District's net position, at September 30, 2015, in the amount of approximately \$826 million (67.1 percent) reflects its investment in capital assets (e.g., land, buildings, machinery, equipment, infrastructure, intangible assets). The District uses these capital assets to carry out its statutory responsibilities; consequently, these assets are not available for future spending.

Restricted net position in the amount of approximately \$77.3 million (6.3 percent) represents resources that are subject to external restrictions on how they may be used. The majority of the resources represent the net position of the former seven watershed basins that must be spent within the geographical boundaries of each watershed basin. It is the District's intent to use these assets to satisfy contracts and purchase orders and fund future long- and short-term projects that fall within the specific geographical boundaries of the basins.

Unrestricted net position in the amount of \$327.1 million (26.6 percent) may be used to meet the District's ongoing obligations to citizens and creditors. As noted earlier, it is the District's intent to use these assets to: satisfy contracts and purchase orders; fund board and management designations; fund future long- and short-term projects; support land management activities; pay claims associated with the District's Workers' Compensation Self-insurance Program; fund an economic stabilization reserve; and carry forward funding for allocation in subsequent years budgets.

At September 30, 2015, the District reported positive balances in all categories of net position. The same held true for the prior fiscal year. For fiscal year 2014-15, the District's total net position decreased by \$32.8 million (2.6 percent). The reasons for this decrease are discussed in the following section for governmental activities.

Governmental activities. Governmental activities decreased the District's net position by \$32.8 million.

Southwest Florida Water Management District's Changes in Net Position

| | Governmental Activities | |
|--|-------------------------|---------------------|
| | 2015 | 2014 (Restated)* |
| Revenues: | | |
| Program revenues: | | |
| Charges for services | \$ 2,642,515 | \$ 2,203,337 |
| Operating grants and contributions | 9,210,329 | 8,037,156 |
| Capital grants and contributions | 2,668,152 | 6,903,513 |
| General revenues: | | |
| Ad valorem property taxes | 103,031,684 | 101,630,987 |
| Unrestricted investment earnings | 4,691,530 | 1,684,031 |
| Gain on sale of capital assets | 348,325 | 206,258 |
| Other | 1,542,678 | 107,347 |
| Total Revenues | 124,135,213 | 120,772,629 |
| Expenses: | | |
| Water Resource Planning and Monitoring | 24,231,338 | 24,781,457 |
| Land Acquisition, Restoration and Public Works | 81,105,056 | 84,313,964 |
| Operation and Maintenance of Works and Lands | 16,399,449 | 18,095,218 |
| Regulation | 17,865,629 | 17,967,157 |
| Outreach | 1,734,614 | 1,788,953 |
| Management and Administration | 15,566,025 | 23,104,354 |
| Total Expenses | 156,902,111 | 170,051,103 |
| Change in net position | (32,766,898) | (49,278,474) |
| Net position beginning of year - Restated | 1,263,197,328 | 1,312,475,802 |
| Net position - end of year | \$ 1,230,430,430 | \$ 1,263,197,328 |

*Prior year amounts have been restated for the District's implementation of GASB Statement No. 68 and GASB Statement No. 71.

As discussed earlier, the decrease in the overall net position is primarily attributable to the use of restricted funds for watershed basin projects for which the ad valorem property taxes were collected prior to fiscal year 2011-12. During fiscal year 2010-11, the Governing Board approved the merger of seven watershed basins and their functions into the District in order to streamline and improve efficiencies. As a result, the basins no longer exist as ad valorem taxing units and will no longer levy

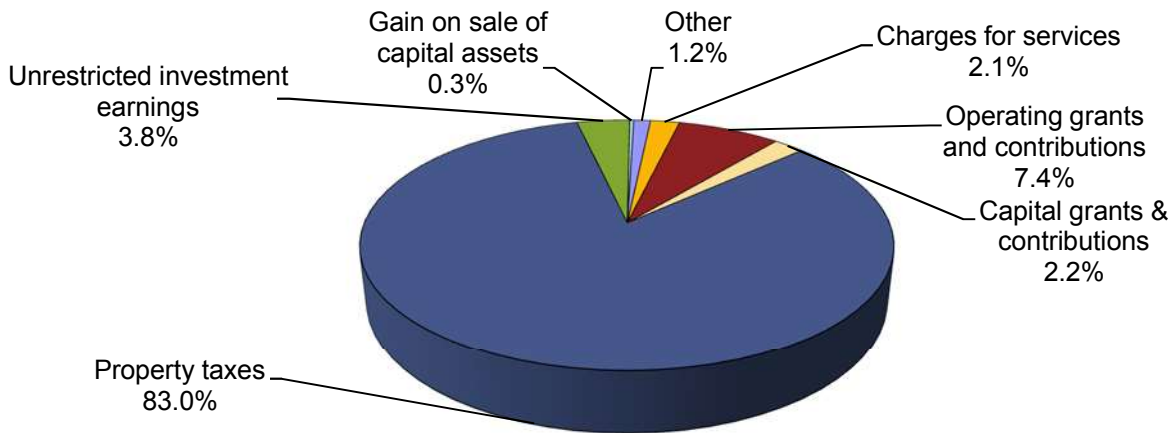
ad valorem tax. The net position of each basin was transferred to the District's General Fund and will be held as restricted net position of the District until expended for water management purposes within the geographical boundaries of the basin in which the ad valorem tax revenue was previously collected.

In addition, notable fluctuations have appeared in capital grants and contributions, unrestricted investment earnings, and other revenues. Capital grants and contributions decreased by \$4.2 million (61.4 percent), primarily as a result of a decrease in the Operation and Maintenance of Works and Lands (\$6.4 million) programmatic area and an increase in Land Acquisition, Restoration and Public Works (\$2.2 million) programmatic area. Overall, in the past several years, the District has continued to receive less outside funding from federal, state and other local governments than it has in the past. The use of operating grants and contributions also fluctuates from year to year depending on what projects the District's funds have been allocated to and the timing of expenditures related to those projects. Projects that are currently in the planning stages have not incurred a significant amount of expenditures as opposed to projects that have been substantially completed.

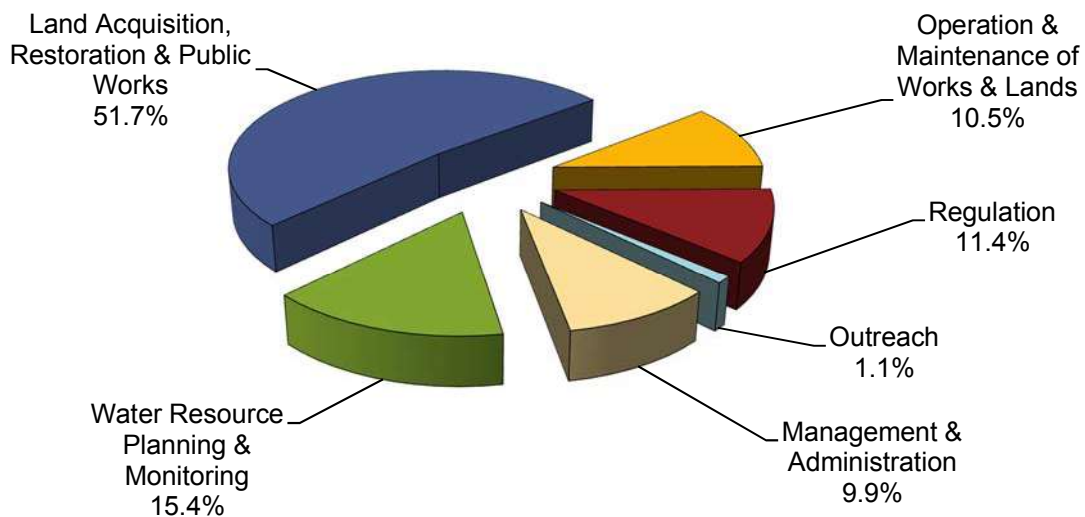
Unrestricted investment earnings increased by \$3 million (178.6 percent), primarily due to an increase in interest rates, unrealized gains adjustment of \$1.9 million, and the final distribution of SBA Fund B interest earnings of \$0.6 million.

Other revenues increased by \$1.4 million (1337.1 percent), primarily due to donated assets.

FY2014-15 Revenues by Source – Governmental Activities



FY2014-15 Expenses by Program – Governmental Activities



Financial Analysis of the Government's Funds

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

Governmental funds. The focus of the District's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the District's funding requirements. In particular, unassigned fund balance may serve as a useful measure of the District's net resources available for discretionary use as they represent the portion of fund balance which has not yet been limited to use for a particular purpose by either an external party, the District itself, or a group or individual that has been delegated authority to assign resources for use for particular purposes by the District's Governing Board.

At September 30, 2015, the District's governmental funds reported combined fund balances of \$414.1 million, a decrease of \$28.7 million in comparison with fiscal year 2013-14. *Unassigned fund balance* of \$22.6 million represents 5.5 percent of the entire fund balance, which is available for spending at the government's discretion. The remainder of the fund balance is either *nonspendable*, *restricted*, *committed* or *assigned* to indicate that it is: 1) not in spendable form (\$46,608), 2) legally required to be maintained intact (\$77.3 million), 3) committed for particular purposes (\$90.3 million), or 4) assigned for particular purposes (\$223.8 million).

The general fund is the chief operating fund of the District. At the end of fiscal year 2014-15, unassigned fund balance of the general fund was \$22.6 million, while the total fund balance decreased to \$404.2 million. As a measure of the general fund's liquidity, it may be useful to compare both the unassigned fund balance and the total fund balance to total general fund expenditures. Unassigned fund balance represents 15.3 percent of the total general fund expenditures, while total general fund balance represents 273.5 percent of that same amount.

The fund balance of the general fund decreased \$28.5 million during the current fiscal year. As noted above, the decrease is primarily attributable to the use of restricted funds for watershed basin projects for which the funds were collected prior to fiscal year 2011-12.

The fund balance of the Florida Forever capital projects fund increased \$60,230 mostly due to the sale of capital assets and interest earnings.

The fund balance of the Facilities fund decreased \$286,574 due to minor renovations and repairs using resources received from prior fiscal years.

General Fund Budgetary Highlights

There were budget transfers made between the six program areas, and the District's General Fund budget in total was amended during fiscal year 2014-15 by \$560,000.

In total, the general fund revenue budget was \$136.6 million with actual revenues of \$118.8 million, resulting in a variance of \$17.8 million (13 percent). The variance is primarily due to a reduction in intergovernmental revenues, and offset by an increase in interest earnings and other revenues.

Intergovernmental revenues are recognized at the time related expenditures are incurred. For fiscal year 2014-15, the Intergovernmental Revenues budget was \$28.6 million and actual revenues were \$8.4 million, resulting in a variance of \$20.2 million (70.7 percent). From year to year, the budgeted amount of intergovernmental revenue compared to the recognized amount can fluctuate for various reasons; projects can be in the planning stages and have not incurred a significant amount of expenditures, or anticipated projects may be canceled.

Interest on invested funds was budgeted at \$3.6 million and actual revenues were \$4.6 million, resulting in a variance of \$1 million (28.9 percent). The interest earnings budget was based on a 0.75 percent expected rate of return. The District earned 0.96 percent yield on investments and recognized \$3.6 million which includes the final general fund distribution of interest earnings (\$501,165) from the SBA Fund B reserve account representing November 2007 interest earnings. However, in accordance with Governmental Accounting Standards Board Statement No. 31, interest earnings have been adjusted to reflect the changes in the fair value of investments. Therefore, interest earnings have been adjusted by the unrealized gain of approximately \$1.0 million, increasing interest earnings on invested funds to \$4.6 million representing 128.9 percent of the budget.

Other revenues were budgeted at \$460,700 and actual revenues were \$1,273,921, resulting in a variance of \$813,221 (176.5 percent). Each year, items that fall within the "Other" revenue category are conservatively budgeted due to the uncertainty of the amounts to be collected. For example, revenues from timber sales, hog hunts, and insurance recoveries can vary significantly from year to year. The majority of funds collected this year relate to timber sales.

The District's program areas include a variety of projects and initiatives that are necessary to carry out the District's mission to preserve and protect the state's water resources (see Note I.D, page 23). The general fund budget-to-actual expenditure variances are primarily due to encumbrances that exist at year-end for projects that are often multi-year, resulting in expenditures that do not always coincide with the budget period. After removing the encumbrances from the budget-to-actual variances, two program areas showed a significant variance.

The Water Resource Planning and Monitoring program budget was \$45.3 million and actual expenditures were \$25.5 million. After adjusting for encumbrances, a variance of \$4.8 million (10.6 percent) remains. The variance is primarily due to projects that are cancelled or withdrawn, had scope changes, or were completed under budget.

The Land Acquisition, Restoration and Public Works program budget was \$219.3 million and actual expenditures were \$74.8 million. After adjusting for encumbrances, a variance of \$28.2 million (12.8 percent) remains. The variance is primarily due to projects that are cancelled or withdrawn, had scope changes, or were completed under budget.

These variances will not have a significant effect on future services or liquidity of the District.

Capital Asset and Debt Administration

Capital assets. The District's investment in capital assets at September 30, 2015, amounted to \$826.2 million (net of accumulated depreciation) a decrease from prior year of \$7.8 million (0.9 percent). This investment in capital assets includes land, land interests, land acquisitions in progress, buildings, machinery and equipment, infrastructure, construction in progress, software, and other capital assets. The decrease in capital assets is due to the reclassification of various land parcels (\$2.9 million) that the Governing Board approved for surplus to land held for resale; and the general depreciation of software (\$5 million) over a three-year-life leaving a book value of software of \$2.2 million.

Major capital asset events during the current fiscal year include the following:

- Various parcels of land that have been approved by the Governing Board for surplus were reclassified as land held for resale. Land held for resale is not available to pay for current period expenditures and, therefore, are not reported in the governmental fund statements, only the entity wide statements.
- Land parcels for Pinellas County Flood Abatement were donated to Pinellas County (\$1.5 million).

- Construction of a paved multi-use trail, project name is the Upper Tampa Bay Trail segment at the Brooker Creek Headwaters Preserve (SWF parcel 14-074-144x). District contribution is \$630,000, Hillsborough County is \$900,000
- Land acquisition for SWF parcel #15-773-144, Boat Springs, 81.69 acres, Pasco/Hernando Counties, (\$1.3 million).
- Land acquisition for Two Mile Prairie, Tsala Apopka, Citrus County, (\$1.2 million).
- Following are some of the construction in progress projects that were completed during fiscal year 2014-15:
 - Wellsite: Bereah Polk Co. Romp 42
 - Wellsite: Hampton Prairie Romp 111.5

**Southwest Florida Water Management District's
Capital Assets (net of depreciation)**

| | 2015 | 2014 |
|--------------------------------|-----------------------|-----------------------|
| Land | \$ 590,835,434 | \$ 592,808,220 |
| Land Interests (less-than-fee) | 109,110,887 | 108,796,203 |
| Land Acquisition in Progress | 175,422 | 239,443 |
| Construction in Progress | 2,412,039 | 2,965,437 |
| Buildings | 21,116,242 | 22,188,368 |
| Machinery and Equipment | 6,437,147 | 5,740,917 |
| Infrastructure | 93,939,325 | 94,677,393 |
| Software | 2,176,519 | 6,536,474 |
| Other Capital Assets | 16,984 | 21,258 |
| Total Assets | \$ 826,219,999 | \$ 833,973,713 |

Additional information on the District's capital assets can be found in Note I.E.4. on page 24 and Note IV.E. on page 34.

Economic Factors and Next Year's Budgets and Rate

The District's primary source of funding is ad valorem property taxes. The fiscal year 2015-16 budget of \$104 million of ad valorem property taxes represents 96 percent of the taxable property values as certified by the District's 16 counties, which is based on historical collections. This represents an increase of \$1,780,246.

On September 29, 2015, the Governing Board adopted a final millage rate of 0.3488 mill, a reduction of 4.6 percent below the rate levied for fiscal year 2014-15. Over the last six fiscal years, the District's Governing Board has reduced its millage rate more than 40 percent to help reduce the tax burden for residents within the District's boundaries. The rate is based on taxable property values as certified by the District's 16 counties and is at the rolled-back rate and maximum millage rate in compliance with Section 200.065, Florida Statutes. The 2015 tax roll, upon which taxes for fiscal year 2015-16 are based, increased by 6.7 percent from 2014.

Continued progress towards the Federal Reserve's dual mandate of full employment and stable prices has prompted the normalization of monetary policy for the first time since the outset of the global financial crisis. As such, short-term interest rates have gradually adjusted higher allowing the District to earn a higher rate of return over the past year. The District received an overall return of 0.96 percent on its investments for fiscal year 2014-15.

Longer-term interest rates remain anchored near historical lows as a damped outlook for global growth and inflation has generally flattened the yield curve, reducing the excess carry traditionally provided from investing in long-term fixed income investments. The outlook for 2016 keeps the Federal Reserve in play, as the underlying economic activity remains solid and inflation creeps towards the elusive 2 percent target. The fiscal year 2015-16 budget for interest earnings is based on an expected return of 0.75 percent.

Although the fiscal year 2015-16 operating budget represents an increase of just over two percent, the District will continue to look for opportunities to improve efficiencies and further streamline processes. Significant operational reductions were achieved in fiscal years 2010-11 through 2014-15 to bring operational costs in-line with current ad valorem revenue levels. These reductions have enabled the District flexibility to maintain the necessary annual investment in critical water resource management projects for the west-central Florida region.

The District's fiscal resources, supplemented with project reserves, adequately maintain a healthy investment in water resources over the next ten years. In the fiscal year 2015-16 budget, \$4.8 million was utilized from the short-term projects reserves to fund District projects. It is anticipated as economic growth returns, the requests for cooperative funding and other District projects will far outpace the current ad valorem revenue available to the District. These funds will be allocated through the budget development process to supplement current revenues to fund projects in future years until ad valorem revenue increases through normal growth, allowing the District to continue to operate on a pay-as-you-go basis.

Requests for Information

This financial report is designed to provide a general overview of the District's finances. Questions concerning any of the information should be addressed to the Office of the Finance Bureau Chief, Southwest Florida Water Management District, 2379 Broad Street, Brooksville, Florida, 34604-6899; or by calling (352) 796-7211, extension 4121; or by email to Melisa.Lowe@swfwmd.state.fl.us.

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Basic Financial Statements

The Basic Financial Statements include both the Government-wide Financial Statements and Governmental Fund Financial Statements.

The Government-wide Financial Statements consist of a statement of net position and a statement of activities which report information about the District as a whole using the economic resources measurement focus and the accrual basis of accounting.

The Governmental Fund Financial Statements report additional detailed information about the District's governmental funds using the current financial resources measurement focus and the modified accrual basis of accounting.

**Southwest Florida Water Management District
Statement of Net Position
September 30, 2015**

| | <u>Governmental Activities</u> |
|---|------------------------------------|
| ASSETS | |
| Cash and Investments | \$ 365,957,186 |
| Receivables | 3,406,259 |
| Deposits | 103,883 |
| Inventories | 46,608 |
| Other Assets | 591,950 |
| Land Held for Resale | 18,117,016 |
| Restricted assets: | |
| Cash and Investments | 107,505,263 |
| Intergovernmental Receivable | 934,335 |
| Capital Assets not being depreciated: | |
| Land | 590,835,434 |
| Land Interests | 109,110,887 |
| Land Acquisition in Progress | 175,422 |
| Construction in Progress | 2,412,039 |
| Capital Assets (net of accumulated depreciation): | |
| Buildings | 21,116,242 |
| Machinery and Equipment | 6,437,147 |
| Infrastructure | 93,939,325 |
| Software | 2,176,519 |
| Other Capital Assets | 16,984 |
| Total Assets | <u>1,322,882,499</u> |
| DEFERRED OUTFLOWS OF RESOURCES | |
| Pension | <u>3,438,507</u> |
| LIABILITIES | |
| Accounts and Contracts Payable | 46,746,245 |
| Payroll and Related Costs | 1,841,899 |
| Contracts Payable-Retainage | 890,610 |
| Due To Other Governments | 1,040 |
| Unearned Revenue | 14,477,113 |
| Interest Payable | 57,817 |
| Noncurrent Liabilities: | |
| Due Within One Year | 670,738 |
| Due in More Than One Year | 27,828,252 |
| Total Liabilities | <u>92,513,714</u> |
| DEFERRED INFLOWS OF RESOURCES | |
| Pension | <u>3,376,862</u> |
| NET POSITION | |
| Net Investment in Capital Assets | 825,989,535 |
| Restricted for: | |
| Watershed Basins | 76,996,964 |
| Land Acquisition | 308,593 |
| Unrestricted | <u>327,135,338</u> |
| Total Net Position | <u><u>\$ 1,230,430,430</u></u> |

The notes to the financial statements are an integral part of this statement.

**Southwest Florida Water Management District
Statement of Activities
For the Year Ended September 30, 2015**

| Functions/Programs | Expenses | Program Revenues | | | Net (Expense) |
|--|-----------------------|----------------------|------------------------------------|----------------------------------|-----------------------------------|
| | | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions | Revenue and Changes in Net Assets |
| | | | | | Total Governmental Activities |
| Primary government: | | | | | |
| Governmental activities: | | | | | |
| Water Resource Planning and Monitoring | \$ 24,231,338 | \$ 81 | \$ 1,465,005 | \$ - | \$ (22,766,252) |
| Land Acquisition, Restoration and Public Works | 81,105,056 | - | 7,723,232 | 2,668,152 | (70,713,672) |
| Operation and Maintenance of Works and Lands | 16,399,449 | 1,208,416 | - | - | (15,191,033) |
| Regulation | 17,865,629 | 1,418,539 | 22,092 | - | (16,424,998) |
| Outreach | 1,734,614 | - | - | - | (1,734,614) |
| Management and Administration | 15,566,025 | 15,479 | - | - | (15,550,546) |
| Total governmental activities | \$ 156,902,111 | \$ 2,642,515 | \$ 9,210,329 | \$ 2,668,152 | (142,381,115) |
| General Revenues: | | | | | |
| Ad Valorem Property Taxes | | | | | 103,031,684 |
| Unrestricted investment earnings | | | | | 4,691,530 |
| Gain on sale of capital assets | | | | | 348,325 |
| Other | | | | | 1,542,678 |
| Total general revenues | | | | | 109,614,217 |
| Change in net position | | | | | (32,766,898) |
| Net position - beginning - Restated (see note I.F.) | | | | | 1,263,197,328 |
| Net position - ending | | | | | \$ 1,230,430,430 |

The notes to the financial statements are an integral part of this statement.

Southwest Florida Water Management District
Balance Sheet
Governmental Funds
September 30, 2015

| | General Fund | DOT Mitigation | Florida Forever | Facilities | Total Governmental Funds |
|---|-------------------------|---------------------------|----------------------------|---------------------|---|
| ASSETS | | | | | |
| Cash and Investments | \$ 450,676,756 | \$ 12,844,316 | \$ 5,045,595 | \$ 4,895,782 | \$ 473,462,449 |
| Due From Other Governments | 3,462,847 | - | 63,325 | - | 3,526,172 |
| Interest Receivable | 814,422 | - | - | - | 814,422 |
| Deposits | 103,883 | - | - | - | 103,883 |
| Inventories | 46,608 | - | - | - | 46,608 |
| Other Assets | 591,950 | - | - | - | 591,950 |
| Total Assets | <u>455,696,466</u> | <u>12,844,316</u> | <u>5,108,920</u> | <u>4,895,782</u> | <u>478,545,484</u> |
| LIABILITIES | | | | | |
| Accounts and Contracts Payable | 46,574,064 | 161,522 | - | 68,476 | 46,804,062 |
| Payroll and Related Costs | 1,838,174 | 3,725 | - | - | 1,841,899 |
| Contracts Payable-Retainage | 882,804 | 7,806 | - | - | 890,610 |
| Due To Other Governments | 1,040 | - | - | - | 1,040 |
| Unearned Revenue | 1,805,850 | 12,671,263 | - | - | 14,477,113 |
| Total Liabilities | <u>51,101,932</u> | <u>12,844,316</u> | <u>-</u> | <u>68,476</u> | <u>64,014,724</u> |
| DEFERRED INFLOWS OF RESOURCES | | | | | |
| Unavailable revenue-property taxes | 435,864 | - | - | - | 435,864 |
| Total Deferred Inflows of Resources | <u>435,864</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>435,864</u> |
| FUND BALANCES | | | | | |
| Nonspendable | 46,608 | - | - | - | 46,608 |
| Restricted | 76,996,964 | - | 308,593 | - | 77,305,557 |
| Committed | 85,791,884 | - | 4,549,167 | - | 90,341,051 |
| Assigned | 218,703,879 | - | 251,160 | 4,827,306 | 223,782,345 |
| Unassigned | 22,619,335 | - | - | - | 22,619,335 |
| Total Fund Balances | <u>404,158,670</u> | <u>-</u> | <u>5,108,920</u> | <u>4,827,306</u> | <u>414,094,896</u> |
| Total Liabilities, Deferred Inflows of Resources, and Fund Balances | <u>\$ 455,696,466</u> | <u>\$ 12,844,316</u> | <u>\$ 5,108,920</u> | <u>\$ 4,895,782</u> | |

Amounts reported for governmental activities in the statement of net position (page 15) are different because:

| | |
|---|-------------------------|
| Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. | 826,219,999 |
| Land held for resale is not available to pay for current period expenditures and, therefore, are not reported in the funds. | 18,117,016 |
| Deferred outflows are applicable to future periods and, therefore, are not reported in the funds. | 3,438,507 |
| Deferred inflows are applicable to future periods and, therefore, are not reported in the funds. | (3,376,862) |
| Delinquent taxes are not available to pay for current period expenditures and, therefore, are deferred in the funds. | 435,864 |
| Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds. | <u>(28,498,990)</u> |
| Net position of governmental activities | <u>\$ 1,230,430,430</u> |

The notes to the financial statements are an integral part of this statement.

Southwest Florida Water Management District
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended September 30, 2015

| | <u>General Fund</u> | <u>DOT Mitigation</u> | <u>Florida Forever</u> | <u>Facilities</u> | <u>Total Governmental Funds</u> |
|--|-------------------------|---------------------------|----------------------------|---------------------|---|
| REVENUES | | | | | |
| Ad Valorem Property Taxes | \$ 103,109,563 | \$ - | \$ - | \$ - | \$ 103,109,563 |
| Intergovernmental Revenues | 8,371,644 | 1,331,809 | 2,668,152 | - | 12,371,605 |
| Interest on Invested Funds | 4,641,054 | 31,096 | 19,380 | - | 4,691,530 |
| License and Permit Fees | 1,408,269 | - | - | - | 1,408,269 |
| Other | 1,273,921 | - | - | - | 1,273,921 |
| Total Revenues | <u>118,804,451</u> | <u>1,362,905</u> | <u>2,687,532</u> | <u>-</u> | <u>122,854,888</u> |
| EXPENDITURES | | | | | |
| Current: | | | | | |
| Water Resource Planning and Monitoring | 25,491,396 | - | - | - | 25,491,396 |
| Land Acquisition, Restoration and Public Works | 74,768,994 | 1,362,905 | 2,653,302 | 286,574 | 79,071,775 |
| Operation and Maintenance of Works and Lands | 16,008,895 | - | - | - | 16,008,895 |
| Regulation | 17,352,740 | - | - | - | 17,352,740 |
| Outreach | 1,743,887 | - | - | - | 1,743,887 |
| Management and Administration | 12,424,206 | - | - | - | 12,424,206 |
| Total Expenditures | <u>147,790,118</u> | <u>1,362,905</u> | <u>2,653,302</u> | <u>286,574</u> | <u>152,092,899</u> |
| Deficiency of Revenues Under Expenditures | (28,985,667) | - | 34,230 | (286,574) | (29,238,011) |
| OTHER FINANCING SOURCES (USES) | | | | | |
| Proceeds from Sale of Capital Assets | 218,191 | - | 26,000 | - | 244,191 |
| Proceeds from Capital Lease | 253,225 | - | - | - | 253,225 |
| Total Other Financing Sources (Uses) | <u>471,416</u> | <u>-</u> | <u>26,000</u> | <u>-</u> | <u>497,416</u> |
| Net Change in Fund Balances | (28,514,251) | - | 60,230 | (286,574) | (28,740,595) |
| Fund Balances - Beginning | 432,672,921 | - | 5,048,690 | 5,113,880 | 442,835,491 |
| Fund Balances - Ending | <u>\$ 404,158,670</u> | <u>\$ -</u> | <u>\$ 5,108,920</u> | <u>\$ 4,827,306</u> | <u>\$ 414,094,896</u> |

Amounts reported for governmental activities in the statement of activities (page 16) are different because:

| | |
|---|------------------------|
| Net change in fund balances - total governmental funds | \$ (28,740,595) |
| Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation expense exceeds capital outlays in the current period. | (4,343,898) |
| The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, donations and adjustments) resulted in a decrease to net position. | (471,919) |
| Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. Delinquent taxes recorded as of September 30, 2015, were less than the amount recorded at prior year-end, resulting in a net decrease to income. | (77,879) |
| The borrowing of resources associated with a capital lease provides current financial resources to governmental funds, while the repayment of the principal of the long-term borrowing consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. This amount is the effect of the repayment of principal associated with the long-term borrowing. | (230,464) |
| Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. | <u>1,097,857</u> |
| Change in net position of governmental activities | <u>\$ (32,766,898)</u> |

The notes to the financial statements are an integral part of this statement.

**Southwest Florida Water Management District
General Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
For the Year Ended September 30, 2015**

| | <u>Budgeted Amounts</u> | | <u>Actual Amounts</u> | <u>Variance with Final Budget</u> |
|--|-------------------------|----------------------|---------------------------|---------------------------------------|
| | <u>Original</u> | <u>Final</u> | | |
| REVENUES | | | | |
| Ad Valorem Property Taxes | \$ 102,256,638 | \$ 102,256,638 | \$ 103,109,563 | \$ 852,925 |
| Intergovernmental Revenues | 28,227,444 | 28,587,444 | 8,371,644 | (20,215,800) |
| Interest on Invested Funds | 3,600,000 | 3,600,000 | 4,641,054 | 1,041,054 |
| License and Permit Fees | 1,700,000 | 1,700,000 | 1,408,269 | (291,731) |
| Other | 260,700 | 460,700 | 1,273,921 | 813,221 |
| Total Revenues | <u>136,044,782</u> | <u>136,604,782</u> | <u>118,804,451</u> | <u>(17,800,331)</u> |
| EXPENDITURES | | | | |
| Current: | | | | |
| Water Resource Planning and Monitoring | 44,799,233 | 45,262,068 | 25,491,396 | 19,770,672 |
| Land Acquisition, Restoration and Public Works | 219,200,153 | 219,267,983 | 74,768,994 | 144,498,989 |
| Operation and Maintenance of Works and Lands | 19,234,381 | 19,248,058 | 16,008,895 | 3,239,163 |
| Regulation | 22,243,492 | 22,161,307 | 17,352,740 | 4,808,567 |
| Outreach | 2,587,321 | 2,572,705 | 1,743,887 | 828,818 |
| Management and Administration | 14,483,146 | 14,595,605 | 12,424,206 | 2,171,399 |
| Total Expenditures | <u>322,547,726</u> | <u>323,107,726</u> | <u>147,790,118</u> | <u>175,317,608</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | (186,502,944) | (186,502,944) | (28,985,667) | 157,517,277 |
| OTHER FINANCING SOURCES (USES) | | | | |
| Proceeds from Sale of Capital Assets | - | - | 218,191 | 218,191 |
| Proceeds from Capital Lease | - | - | 253,225 | 253,225 |
| Total Other Financing Sources (Uses) | <u>-</u> | <u>-</u> | <u>471,416</u> | <u>471,416</u> |
| Net Change in Fund Balance | <u>(186,502,944)</u> | <u>(186,502,944)</u> | <u>(28,514,251)</u> | <u>157,988,693</u> |
| Fund Balance - Beginning | 186,502,944 | 186,502,944 | 432,672,921 | 246,169,977 |
| Fund Balance - Ending | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 404,158,670</u> | <u>\$ 404,158,670</u> |

The notes to the financial statements are an integral part of this statement.

**Southwest Florida Water Management District
 DOT Mitigation Special Revenue Fund
 Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
 For the Year Ended September 30, 2015**

| | Original and Final Budgeted Amounts | Actual Amounts | Variance with Final Budget |
|--|--|---------------------------|---------------------------------------|
| REVENUES | | | |
| Intergovernmental Revenues | \$ 4,148,996 | \$ 1,331,809 | \$ (2,817,187) |
| Interest on Invested Funds | - | 31,096 | 31,096 |
| Total Revenues | 4,148,996 | 1,362,905 | (2,786,091) |
| EXPENDITURES | | | |
| Current: | | | |
| Land Acquisition, Restoration and Public Works | 4,148,996 | 1,362,905 | 2,786,091 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | - | - | - |
| Fund Balance - Beginning | - | - | - |
| Fund Balance - Ending | \$ - | \$ - | \$ - |

The notes to the financial statements are an integral part of this statement.



Notes to the Financial Statements

The notes to the financial statements contain a summary of significant accounting policies and other notes considered necessary for a clear understanding of the financial statements.

SOUTHWEST FLORIDA WATER MANAGEMENT DISTRICT
Notes to the Financial Statements
September 30, 2015

Description

The Southwest Florida Water Management District (District) is one of five regional water management districts charged by Chapter 373 of the Florida Statutes to preserve and protect the state's water resources. The District covers all or parts of 16 counties along Florida's central west coast. Approximately 17 percent of the state's total land area and roughly a quarter of its population are contained within the boundaries of the District, which stretches from Levy County in the north to Charlotte County in the south and inland as far as Highlands and Polk counties.

I. Summary of significant accounting policies

The financial statements of the District have been prepared in conformity with U.S. generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The more significant of the District's accounting policies are described below.

A. Reporting entity

The District is an independent special district of the State of Florida and is governed by a 13-member board, which is appointed by the Governor of Florida and confirmed by the Florida Senate. As required by GAAP, these financial statements include all operations for which the District is financially accountable. The District is a component unit of the State of Florida for financial reporting purposes and these financial statements will be included in the State of Florida's Comprehensive Annual Financial Report as a discretely presented component unit for the fiscal year ending June 30, 2016.

B. Government-wide and fund financial statements

The government-wide financial statements consist of a statement of net position and a statement of activities that report information about the District as a whole. The statement of net position reports all financial and capital resources of the District.

The statement of activities demonstrates the degree to which the direct expenses of a given program are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific program. Program revenues include: (1) charges to customers who purchase, use or directly benefit from goods, services or privileges provided by a given program and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Ad valorem property tax revenue and other items are not reported as program revenues; instead, they are general revenues of the District.

Fund financial statements are presented to report additional and detailed information about the District. Fund financial statements accompany the government-wide financial statements and present a summary reconciliation to explain differences between the data reported in the governmental funds and the data reported for the corresponding governmental activities in the government-wide financial statements.

C. Measurement focus, basis of accounting, and financial statement presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and

SOUTHWEST FLORIDA WATER MANAGEMENT DISTRICT
Notes to the Financial Statements
September 30, 2015

expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Ad valorem property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, expenditures related to compensated absences and claims and judgments are recorded only when such liabilities have matured. Acquisitions under capital leases are reported as other financing sources.

Ad valorem property taxes are recorded as revenues in the fiscal year in which the taxes are due and collected within 60 days of fiscal year-end. Intergovernmental revenues are recognized at the time related expenditures are incurred, if such amounts are expected to be collected within one year. Investment earnings are recognized when earned. All other revenue items are recognized when earned and are both measurable and available.

The District reports the following major governmental funds:

The *General Fund* is the District's primary operating fund. It accounts for all financial resources except those required to be accounted for in another fund. Accounted for within the general fund are the restricted funds associated with the former seven watershed basins. During fiscal year 2010-11, the District's Governing Board revoked all prior basin boundary designations and merged all basin boundaries into the boundary of the District. As a result, the seven basins no longer exist as ad valorem taxing units. The respective ending fund balances as of September 30, 2011, were transferred to the general fund as restricted fund balance at that time. These funds are legally restricted to be used for expenditures for specified purposes within the respective geographical boundary of each watershed basin.

The *DOT Mitigation Fund* accounts for revenue sources received from the State of Florida that are restricted for mitigation activities, pursuant to Section 373.4137, Florida Statutes. The state-mandated Florida Department of Transportation (FDOT) program requires that mitigation to offset the adverse wetland impacts of transportation projects be funded by the FDOT and be carried out by the use of mitigation banks and any other mitigation options that satisfy state and federal requirements. (See Note I.E.9., page 28).

The District has two *capital projects funds* that are maintained to account for financial resources to be used for the acquisition or construction of major capital projects.

The *Florida Forever Fund* accounts for financial resources received from the State of Florida and local governments for the acquisition of lands necessary for water management, water supply, and conservation of water resources under the Florida Forever land acquisition program (see Note I.E.9., page 27).

The *Facilities Fund* accounts for financial resources from the District's general fund for the acquisition of land and construction and major renovations of District facilities.

SOUTHWEST FLORIDA WATER MANAGEMENT DISTRICT
Notes to the Financial Statements
September 30, 2015

D. Classification of expenditures

The District currently categorizes the revenues, expenditures, and budget data it submits to the Executive Officer of the Governor, the Department of Environmental Protection and the Legislature by six program areas. These programs, which are set forth in Section 373.536(5)(e)4., Florida Statutes, are:

1.0 Water Resource Planning and Monitoring

This program includes all water management planning, including water supply planning, development of minimum flows and levels, and other water resources planning; research, data collection, analysis, and monitoring; and technical assistance (including local and regional plan and program review).

2.0 Land Acquisition, Restoration, and Public Works

This program includes the development and construction of all capital projects (except for those contained in Program 3.0), including water resource development projects/water supply development assistance, water control projects, and support and administrative facilities construction; land acquisition (i.e., Florida Forever program); and the restoration of lands and water bodies.

3.0 Operation and Maintenance of Works and Lands

This program includes all operation and maintenance of facilities, flood control and water conservation structures, lands, and other works authorized by Chapter 373, Florida Statutes.

4.0 Regulation

This program includes water use permitting, water well construction permitting, water well contractor licensing, environmental resource and surface water management permitting, permit administration, compliance and enforcement, and any delegated regulatory program.

5.0 Outreach

This program includes all environmental education activities, such as water conservation campaigns and water resources education; public information activities; all lobbying activities relating to local, regional, state and federal governmental affairs; and all public relations activities, including public service announcements and advertising in any media.

6.0 Management and Administration

This program includes executive management, executive support, governing board support, ombudsman, general counsel, inspector general, administrative support (general), procurement, finance, human resources, and risk management.

E. Assets, liabilities, deferred outflows/inflows of resources, and net position/fund balance

1. Cash and investments

Cash balances are pooled for investment purposes and recorded in the General Fund with the exception of advanced funds that are restricted assets, which are separately invested and recorded in their respective fund. Cash includes cash-on-hand and demand deposits. Interest earned from investments is allocated to the General Fund.

Investments are stated at fair value pursuant to GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*. The District has limited its investments to the following investments authorized in Section 218.415, Florida Statutes: (a) Local

SOUTHWEST FLORIDA WATER MANAGEMENT DISTRICT
Notes to the Financial Statements
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Government Surplus Funds Trust Fund (known as Florida PRIME); (b) Securities and Exchange Commission registered money market funds with the highest credit quality rating from a nationally recognized rating agency; (c) Interest-bearing time deposits or savings accounts in qualified public depositories, as defined in Section 280.02, Florida Statutes; (d) Direct obligations of the U.S. Treasury; (e) Direct obligations of federal agencies and instrumentalities and other investments as authorized by the District's Governing Board through a resolution, including mortgage-backed securities, state and /or local government taxable and/or tax-exempt debt, registered investment companies (mutual funds and money market mutual funds), repurchase agreements, bankers' acceptances, commercial paper, corporate notes and an intergovernmental investment pool.

2. Inventories

Inventories are valued at cost using the average cost method and consist of expendable supplies of chemicals used for treating aquatic vegetation. The costs of such inventories are recorded as expenditures when consumed rather than when purchased.

3. Restricted assets

Certain proceeds, including cash restricted for the basins, advanced funds received, and intergovernmental receivables of the General Fund (\$724,962), Alafia River Basin (\$3,676,025), Hillsborough River Basin (\$48,311,962), Coastal Rivers Basin (\$2,201,729), Pinellas-Anclote River Basin (\$21,923,483), Withlacoochee River Basin (\$4,443,851), Peace River Basin (\$5,232,810), Manasota Basin (\$8,771,867), DOT Mitigation Fund (\$12,844,316), and the Florida Forever Fund (\$308,593) are classified as restricted assets on the statement of net position because their use is limited to specific purposes as identified within their related agreements or as required by Florida Statutes.

4. Capital assets

Capital assets, both tangible and intangible, which include land, land interests, buildings, equipment, infrastructure assets (e.g., bridges, water control structures, levees and similar items) and software, are reported only in the government-wide financial statements. Tangible capital assets are those acquired for general government purposes with an initial, individual cost equal to or more than \$1,000 and an estimated useful life of more than one year. Intangible capital assets are those acquired for general government purposes with an initial, individual cost equal to or more than \$5,000 and an estimated useful life of more than one year. Such assets are recorded at historical cost if purchased or constructed. Donated assets are recorded at their estimated fair value at the date of the donation. The estimated fair value is based on the most recent appraisal documentation available. Maintenance, repairs and minor renovations are not capitalized.

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

| <u>Assets</u> | <u>Years</u> |
|-----------------------|--------------|
| Buildings | 5 - 50 |
| Machinery & Equipment | 3 - 15 |
| Infrastructure | 20 - 50 |
| Software | 3 |
| Other | 5 |

SOUTHWEST FLORIDA WATER MANAGEMENT DISTRICT
Notes to the Financial Statements
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5. Compensated absences

District employees accrue annual and sick leave benefits based on hours worked and length of service. Annual leave is vested after 6 months of service. Regular employees can carry forward from one fiscal year to the next up to 360 hours of accrued annual leave but the maximum hours that will be paid upon separation in good standing is 240 hours. Employees in the Administrative Pay schedule may carry up to 480 hours of accrued annual leave and the maximum hours to be paid upon separation in good standing is 480 hours. Sick leave benefits do not vest until an employee has earned six years of creditable service with the District. Upon retirement, death, resignation or separation in good standing, an employee is eligible to receive, at his/her current rate of pay, 100 percent of accrued annual leave (up to a maximum of 240 or 480 hours as per above) and 25 percent of accrued sick leave benefits (up to a maximum of 480 hours).

The accrued liability for compensated absences represents the liability for accrued annual and sick leave benefits for employees currently eligible or likely to become eligible to receive those leave benefits in the future. The District permits employees to accrue earned but unused vacation and sick leave benefits. The amount estimated to be used in subsequent fiscal years is accrued when incurred in the government-wide financial statements. A liability for these amounts is reported in the governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

6. Pensions

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

7. Deferred outflows/inflows of resources

In addition to assets, the statement of financial position will report a separate section for deferred outflows of resources, if applicable. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statement of financial position will report a separate section for deferred inflows of resources, if applicable. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time.

8. Fund balances

Fund balance is reported pursuant to the provisions of GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. This statement establishes criteria for classifying fund balances into specifically defined classifications and clarifies definitions for governmental fund types. Fund balance is divided into five classifications based primarily on the extent to which the District is bound to observe constraints imposed upon the use of the resources in the government funds.

SOUTHWEST FLORIDA WATER MANAGEMENT DISTRICT
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The classifications are as follows:

Nonspendable – includes amounts that cannot be spent because they are not in spendable form, or legally or contractually required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash.

Restricted – includes amounts where constraints placed on the use of resources are either externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or is imposed by law through constitutional provisions or enabling legislation that identifies and describes circumstance under which a need for use of funds arise.

Committed – includes amounts that can only be used for specific purposes pursuant to constraints imposed by a formal action of the District’s highest level of decision-making authority. The District Governing Board, being the District’s highest level of decision-making authority establishes, modifies or rescinds the commitment of funds for specific purposes through Board resolutions.

Through a Governing Board resolution that identifies and describes a circumstance under which a need for use of funds arise, the District established an Economic Stabilization Fund from the committed general fund balance in the amount of \$25.7 million, to maintain sufficient working capital for a two-month period. The amount of the reserve is established annually during the budgetary process for the next fiscal year, and will fluctuate (increase/decrease) based on the amount of funds needed to maintain sufficient working capital for a two-month period. The reserve is to provide sufficient funds for circumstances that are not expected to occur routinely and ensure the District’s continued orderly operational and financial stability. The District’s Governing Board would have to approve the use of the Economic Stabilization Fund and the District’s budget would be amended for any of the following specific reasons: when the President of the U.S. or the Governor of Florida declares an emergency by executive order and the District’s funds are not sufficient to continue operations for no less than a two month period; or when the Governing Board determines through adoption of a resolution that damages and/or losses have directly impacted the citizens and/or the environment within District boundaries, including structural emergencies for which remedial action cannot wait until the next fiscal year; or when projected ad valorem tax collections are 2 percent less than 96 percent of the taxable property values as certified by the District’s 16 counties multiplied by the Governing Board approved millage rate. Projections are based on historical collections (e.g., due to refunds of prior year tax collections resulting from successful challenges of property assessments, District unable to sell sufficient tax certificates for unpaid property taxes).

Assigned – includes amounts that are constrained by the District’s intent to use the amounts for specific purposes, but are neither restricted nor committed. The determination of assignment is delegated by the Governing Board to the Director of Management Services or, in the Director’s absence, the Finance Bureau Chief. Assignment of fund balance may be (a) made for a specific purpose that is narrower than the general purposes of the District itself; or (b) used to reflect the appropriation of a portion of existing unassigned fund balance to eliminate a projected deficit in the subsequent year’s budget in an amount no greater than the projected excess of expected expenditures over expected revenues.

In accordance with the District’s Fund Balance Policy, assigned fund balance shall reflect management’s intended use of resources as set forth in the annual budget (and any amendments thereto). Assigned fund balance may or may not be appropriated for expenditure in the subsequent year depending on the timing of the project/reserve for which it was assigned. Significant encumbrances are displayed in total by each major fund within the Assigned category of fund balance (see note IV.H., page 37 and note V.B., page 38).

SOUTHWEST FLORIDA WATER MANAGEMENT DISTRICT
Notes to the Financial Statements
September 30, 2015

Unassigned – includes the residual classification for the general fund and represents fund balance that has not been restricted, committed or assigned to specific purposes with the general fund.

The District reduces restricted fund balance amounts first when both restricted and unrestricted fund balances including committed, assigned and unassigned are available, and when expenditures are incurred for the purposes for which amounts in the restricted fund balance could be used. Regarding unrestricted fund balance, committed amounts would be reduced first, followed by assigned fund balance and then unassigned fund balance when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

9. State trust funds

Under Florida Statutes, the District is entitled to funding from the State of Florida, which is allocated and appropriated to various trust funds. These funds are released to the District for various programs when eligibility requirements have been met. It is the District's policy to recognize funding received through these state trust funds as intergovernmental revenues at the time an eligible cost has been incurred.

The Water Management Lands Trust Fund was established in 1981 pursuant to Section 373.59, Florida Statutes. Funded primarily from a portion of the documentary stamp taxes collected by the State, the non-lapsing trust fund provides funding to the District for 1) ongoing management, maintenance, and capital improvements of lands; 2) pre-acquisition costs associated with land purchases; and 3) the Surface Water Improvement and Management (SWIM) Program. Revenues received from the trust fund are accounted for in the District's General Fund, and the Florida Forever Fund. The Florida Department of Environmental Protection (FDEP) has oversight responsibility for this trust fund.

The Florida Forever Trust Fund was established in 1999 pursuant to Section 259.105, Florida Statutes. The Florida Forever program is the successor program to the Florida Preservation 2000 program. The Trust is funded through bond proceeds and may be used for land acquisition (including less-than-fee purchases), pre-acquisition costs associated with land purchases, water resource development, storm water management, water body restoration, recreational facility construction, public access improvements, invasive plant control and related projects. Over the life of the program, at least 50 percent of the funds must be spent on land acquisition. Revenues received from the trust fund are accounted for in the Florida Forever Fund and the general fund. The FDEP has oversight responsibility for this trust fund.

The Ecosystem Management and Restoration Trust Fund was established in 1996 pursuant to Section 403.1651, Florida Statutes. The trust fund is funded through various sources, such as documentary stamp taxes, transfers from other trust funds, general revenues, interest earnings and fines. It provides funding to the District for the detailed planning and implementation of programs for the management and restoration of ecosystems, including the SWIM Program, Facilitating Agricultural Resource Management Systems Program and the Weeki Wachee River. Revenues received from the trust fund are accounted for in the District's general fund. The FDEP has oversight responsibility for this trust fund.

The Water Protection and Sustainability Trust Fund was established in 2005 pursuant to Section 403.890, Florida Statutes, and is funded by excise tax proceeds. The State's Water Protection and Sustainability Program (WPSP) provides funds for the District Governing Board's highly effective partnership programs (i.e., Water Supply and Resource Development and Cooperative Funding Initiative) for alternative water supply development assistance, the SWIM Program and other surface water restoration activities in the water management district designated

SOUTHWEST FLORIDA WATER MANAGEMENT DISTRICT
Notes to the Financial Statements
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priority water bodies, and the West-Central Florida Water Restoration Action Plan. Revenues received from the trust fund are accounted for in the District's General Fund. The FDEP has oversight responsibility for this trust fund.

The State Transportation Trust Fund was established in 1931 pursuant to Section 206.46, Florida Statutes. The trust fund is funded through gas tax proceeds as authorized by Chapter 83-3, Laws of Florida, and such other funds which accrue to the Florida Department of Transportation (FDOT) which are not required to be maintained in separate trust funds. It provides funding to the District for mitigation activities that offset the adverse wetland impacts of transportation projects. Revenues received from the trust fund are accounted for in the District's general fund (indirect charges) and the DOT Mitigation Fund. The FDOT has oversight responsibilities for this trust fund.

10. Use of estimates

Management of the District has made a number of estimates and assumptions relating to the reported amounts of assets, deferred outflows of resources, liabilities, and deferred inflows of resources, and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Actual results could differ from those estimates.

F. New accounting pronouncements

The District implemented GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*, for fiscal year ended September 30, 2015. This resulted in a \$23,050,437 reduction of beginning net position from \$1,286,247,765 to \$1,263,197,328 due to the addition of a liability from the District's participation in the FRS Pension Plan and HIS Program.

II. Reconciliation of government-wide and fund financial statements

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

The governmental funds balance sheet includes reconciliation between *fund balances—total governmental funds* and *net position of governmental activities* as reported in the government-wide statement of net position.

One element of that reconciliation states that, "Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds."

The details of the \$28,498,990 difference are as follows:

| | |
|---|----------------------|
| Pension | \$ 22,142,977 |
| Compensated Absences | 4,665,908 |
| Other Postemployment Benefits (see Note V.D., page 46) | 941,641 |
| Claims (Workers' Compensation) (see Note V.A., page 38) | 518,000 |
| Capital Lease | <u>230,464</u> |
| Net adjustment to decrease <i>fund balance—total governmental funds</i> to arrive at <i>net position of governmental activities</i> | <u>\$ 28,498,990</u> |

SOUTHWEST FLORIDA WATER MANAGEMENT DISTRICT
Notes to the Financial Statements
September 30, 2015

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

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between *net change in fund balances—total governmental funds* and *change in net position of governmental activities* as reported in the government-wide statement of activities. One element of the reconciliation explains that, “governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation expense exceeded capital outlays in the current period.”

The details of this \$4,343,898 difference are as follows:

| | |
|---|-----------------------|
| Capital outlay | \$ 7,448,914 |
| Depreciation expense | <u>(11,792,812)</u> |
| Net adjustment to decrease <i>net changes in fund balances – total governmental funds</i> to arrive at <i>change in net position of governmental activities</i> | <u>\$ (4,343,898)</u> |

Another element of that reconciliation states that, “The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, donations and adjustments) resulted in a decrease to net position.”

The details of this \$471,919 difference are as follows:

| | |
|--|---------------------|
| In the statement of activities, only the gain on the sale of capital assets is reported. However, in the governmental funds, the proceeds from the sale increase financial resources. Thus, the change in net position differs from the change in fund balance by the cost of the capital assets sold. | \$ 349,124 |
| Donations of capital assets increase net position in the statement of activities, but do not appear in the governmental funds because they are not financial resources. | 1,168,818 |
| The statement of activities reports losses or reduction arising from the sales, trade-ins, or removal of capital assets. Conversely, Governmental funds do not report any gain or loss associated with these types or transactions. | <u>(1,989,861)</u> |
| Net adjustment to decrease <i>net change in fund balances—total governmental funds</i> to arrive at <i>change in net position of governmental activities</i> . | <u>\$ (471,919)</u> |

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Another element of the reconciliation states that, “Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.” The details of this \$1,097,857 difference are as follows:

| | |
|--|---------------------|
| Pension | \$ 969,105 |
| Compensated absences | 128,090 |
| Other Postemployment Benefits (see Note V.D., page 46) | 662 |
| Net adjustment to increase <i>net change in fund balances</i> – <i>total governmental funds</i> to arrive at <i>change in net position of</i> <i>governmental activities</i> | \$ 1,097,857 |

III. Stewardship, compliance and accountability

A. Budgetary information

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for all governmental funds. Annual appropriated budgets for fiscal year 2014-15 were adopted by the District Governing Board for all governmental funds. If the District receives unanticipated funds after the adoption of the final budget, the District Governing Board may amend the budget, following review and approval by the Executive Office of the Governor, if notice of intention to amend is provided to the Legislative Budget Commission. Remaining encumbered appropriations at fiscal year-end are carried forward and re-appropriated in the following fiscal year. Unencumbered appropriations lapse at fiscal year-end.

The District Governing Board approves budget transfers among departments and capital projects during the year. Expenditures in excess of appropriations in one or more departments of a fund do not constitute a violation of budgetary controls as long as total expenditures do not exceed total appropriations for the fund. Budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is the fund level.

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IV. Detailed notes

A. Cash and investments

As of September 30, 2015 the District had the following cash and investments:

| <u>Investment Type</u> | <u>Fair Value</u> | <u>Weighted Average Maturity (Years)</u> |
|---|---------------------------|--|
| U.S. Treasuries | \$ 171,061,255 | 1.43 |
| Corporate Notes | 123,167,941 | 1.56 |
| U.S. Agencies | 105,639,796 | 1.31 |
| Commercial Paper | 5,994,069 | 0.28 |
| State Board of Administration Florida PRIME | 64,776,376 ⁽¹⁾ | 0.08 |
| Money Market Funds | 495,882 | liquid daily |
| Total Fair Value of Investments | <u>471,135,319</u> | |
| Portfolio weighted average maturity | | 1.24 |
| | | |
| Demand Deposit Accounts | 2,326,145 ⁽²⁾ | |
| Petty Cash | 985 | |
| Total Demand Deposits and Petty Cash | <u>2,327,130</u> | |
| | | |
| Total Cash and Investments | <u>\$ 473,462,449</u> | |

⁽¹⁾ The District participates in the State Board of Administration's (SBA) Florida PRIME. As a Florida PRIME participant, the District invests in pools of investments whereby the District owns a share of the respective pool, not the underlying securities. GASB Statement No. 31, titled *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, applies to Florida PRIME. GASB Statement No. 31 outlines the two options for accounting and reporting for money market investment pools as either "2a-7 like" or fluctuating net asset value (NAV). GASB Statement No. 31 describes a "2a-7 like" pool as an external investment pool that is not registered with the Securities and Exchange Commission (SEC) as an investment company, but nevertheless has a policy that it will, and does, operate in a manner consistent with Rule 2a-7 under the Investment Company Act of 1940 (the 1940 Act). Rule 2a-7 is the rule that permits money market funds to use amortized cost to maintain a constant NAV of \$1.00 per share, provided that such funds meet certain conditions.

Florida PRIME is considered a SEC "2a-7 like" fund, thus the account balance is also considered the fair value of the District's investment.

⁽²⁾ At September 30, 2015, the carrying amount of the District's cash demand deposit account was \$2,326,145 and the bank balance was \$3,438,845. The District actively manages its cash balance and invests excess cash on a daily basis.

Interest rate risk: In accordance with the District's investment policy, the exposure to declines in fair values is managed by structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations and limiting the weighted average maturity of its investment portfolio to five years or less. Of the District's investments, \$13,661,251 is callable by the issuers and is subject to the risk of being called prior to maturity. For purposes of calculating the weighted average maturity in years, the callable date was used in the calculation.

Credit Risk: In accordance with the District's investment policy, the District minimizes credit risk, the risk of loss due to the failure of the security, by limiting investments to the authorized investments in the investment policy (see note I.E.1., page 23), pre-qualifying the financial institutions, brokers/dealers, intermediaries, and advisors with which the District will do business, and diversifying the investment portfolio to protect against losses on individual securities. The SBA Florida PRIME is rated by Standard and Poor's. The current rating is AAAM. The money market funds in which the District has invested funds were rated AAAM by Standard and Poor's, and Aaa

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by Moody's Investor Services. The investments in commercial paper were rated A-1 by Standard and Poor's and P-1 by Moody's Investor Services. The investments in corporate notes were rated AAA through A- by Standard and Poor's and Aaa through A3 by Moody's Investor Services.

Custodial Credit Risk - Deposits: At September 30, 2015, the District's deposits were entirely covered by federal depository insurance or by collateral pledged with the State Treasurer pursuant to Chapter 280, Florida Statutes. Under this chapter, in the event of default by a participating financial institution (a qualified public depository), all participating institutions are obligated to reimburse the governmental entity for the loss.

Custodial Credit Risk - Investments: Investments are subject to custodial credit risk if the securities are uninsured, not registered in the District's name, and are held by the party that either sells to or buys for the District. The District's investment policy requires that all securities be held with a third-party custodian in a separate account which is registered as an asset of the District. The custodian acts as the safekeeper of the District's investment securities. No withdrawal of securities, in whole or in part, is made from safekeeping without written authorization of designated District staff. All of the District securities are held in the District's name; therefore, no investments held at year-end were subject to custodial credit risk.

Concentration of Credit Risk: The District's policy authorizes investment allocation limits on security types, maturity and issuer limitations which may be modified by the Director of Management Services from time to time based on market conditions, risk and diversification investment strategies. Of the District's total investments, more than 5 percent are in Federal Home Loan Bank (11.86 percent) and Federal Home Loan Mortgage Corporation (7.40 percent). For the investments held at September 30, 2015, the District's policy had the following limitations.

| Security Type | Minimum Rating Requirement | Maturity Limits | Maximum Allocation Limit | Maximum Issuer Limit |
|--|---|-----------------|--------------------------|----------------------|
| Florida PRIME | AAAm | N/A | 50% | N/A |
| United States Government Securities | N/A | 5 Years | 100% | N/A |
| Federal Instrumentalities (United States Government Sponsored Enterprises ("GSE") which are non-full faith and credit).* | N/A | 5 Years | 50% | 40% |
| State and/or Local Government Taxable and/or Tax-Exempt Debt | Single "A" category by two NRSROs** | 5 Years | 25% | 10% |
| Registered Investment Companies (Money Market Mutual Funds) | AAAm | N/A | 50% | 25% |
| Commercial Paper*** | Highest rating by two NRSROs** | 270 Days | 35% | 10% |
| Corporate Notes*** | single "A" category by any two NRSROs** | 5 Years | 35% | 5% |

*The combined maximum amount of available funds invested in Federal Instrumentalities and mortgage-backed securities, if applicable, will not exceed fifty percent (50%).

**National Recognized Statistical Rating Organization (NRSRO).

***The maximum amount of corporate investments will not exceed forty percent (40%). Therefore, the combination of Commercial Paper and Corporate Notes shall not exceed forty percent (40%). Corporate Notes are limited to 15% per industry.

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B. Receivables

Receivables at year-end for the District's individual major funds are as follows:

| <u>Fund</u> | <u>Intergovernmental</u> | <u>Interest</u> | <u>Total Receivables</u> |
|-----------------|--------------------------|-------------------|------------------------------|
| General | \$ 3,462,847 | \$ 814,422 | \$ 4,277,269 |
| Florida Forever | 63,325 | - | 63,325 |
| Total | <u>\$ 3,526,172</u> | <u>\$ 814,422</u> | <u>\$ 4,340,594</u> |

C. Property Taxes

Ad valorem property taxes are computed using property values at January 1 of each year and are considered to be levied upon the District Governing Board's adoption of the final millage rate in September. The taxes are due November 1 and become delinquent April 1 of the following year. A four percent discount is allowed if the taxes are paid in November, with the discount declining by one percent each month thereafter. Tax certificates for the full amount of any unpaid taxes on real property and assessments must be sold no later than June 1 of each year at which time a lien attaches to the property.

D. Unearned Revenue

Governmental funds delay revenue recognition in connection with resources that have been received, but not yet earned because all eligibility requirements have not been met. At the end of the current fiscal year, the various components of unearned revenue reported in the governmental funds were as follows:

| | <u>Unearned Revenue</u> |
|---|-----------------------------|
| General | |
| Grant drawdowns prior to meeting all eligibility requirements | \$ 1,805,850 |
| DOT Mitigation | |
| Grant drawdowns prior to meeting all eligibility requirements | 12,671,263 |
| Total unearned revenue for governmental funds | <u>\$ 14,477,113</u> |

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E. Capital Assets

Capital asset activity for the year ended September 30, 2015, was as follows:

| | Balance at October 1, 2014 | Increases | Decreases | Reclassifications | Balance at September 30, 2015 |
|---|----------------------------------|-----------------------|---------------------|-----------------------|-------------------------------------|
| Capital assets, not being depreciated: | | | | | |
| Land | \$ 592,808,220 | \$ 2,615,095 | \$ (635,680) | \$ (3,952,201) | \$ 590,835,434 |
| Land Interests | 108,796,203 | 139,039 | - | 175,645 | 109,110,887 |
| Land Acquisitions in Progress | 239,443 | 72,991 | (11,473) | (125,539) | 175,422 |
| Construction in Progress | 2,965,437 | 730,496 | - | (1,283,894) | 2,412,039 |
| Total capital assets, not being depreciated | 704,809,303 | 3,557,621 | (647,153) | (5,185,989) | 702,533,782 |
| Capital assets, being depreciated: | | | | | |
| Buildings | 35,828,075 | 33,498 | - | - | 35,861,573 |
| Machinery and Equipment | 30,533,308 | 2,582,755 | (6,390,114) | - | 26,725,949 |
| Infrastructure | 159,915,742 | 1,768,360 | (745) | 1,283,894 | 162,967,251 |
| Software | 49,520,734 | 675,498 | (639,505) | - | 49,556,727 |
| Other | 149,804 | - | - | - | 149,804 |
| Total capital assets being depreciated | 275,947,663 | 5,060,111 | (7,030,364) | 1,283,894 | 275,261,304 |
| Less accumulated depreciation for: | | | | | |
| Buildings | 13,639,707 | 1,105,624 | - | - | 14,745,331 |
| Machinery and Equipment | 24,792,391 | 1,857,720 | (6,361,309) | - | 20,288,802 |
| Infrastructure | 65,238,349 | 3,789,741 | (164) | - | 69,027,926 |
| Software | 42,984,260 | 5,035,453 | (639,505) | - | 47,380,208 |
| Other | 128,546 | 4,274 | - | - | 132,820 |
| Total accumulated depreciation | 146,783,253 | 11,792,812 | (7,000,978) | - | 151,575,087 |
| Total capital assets, being depreciated, net | 129,164,410 | (6,732,701) | (29,386) | 1,283,894 | 123,686,217 |
| Governmental activities capital assets, net | \$ 833,973,713 | \$ (3,175,080) | \$ (676,539) | \$ (3,902,095) | \$ 826,219,999 |

SOUTHWEST FLORIDA WATER MANAGEMENT DISTRICT
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Depreciation expense was charged to programs of the District as follows:

| | |
|--|----------------------|
| Governmental activities | |
| Water Resources Planning and Monitoring | \$ 548,714 |
| Acquisition, Restoration and Public Works | 3,392,992 |
| Operation and Maintenance of Works and Lands | 2,465,381 |
| Regulation | 1,556,815 |
| Outreach | 18,286 |
| Management and Administration | 3,810,624 |
| Total depreciation expense - governmental activities | <u>\$ 11,792,812</u> |

F. Leases

Operating Leases

The District has lease commitments under various operating leases for buildings, 2-way radio antennas, Supervisory Control and Data Acquisition (SCADA) tower leases, and copier equipment, with the longest operating lease in effect until 2029. Lease expenditures for the year ended September 30, 2015, amounted to \$306,974.

Future minimum lease payments for the non-cancelable operating leases with remaining terms of more than one year are as follows:

| Fiscal Year Ending September 30, | Minimum Lease Payments |
|--|------------------------------|
| 2016 | \$ 115,907 |
| 2017 | 120,176 |
| 2018 | 104,849 |
| 2019 | 99,374 |
| 2020 | 91,382 |
| 2021-2025 | 176,146 |
| 2026-2030 | 96,822 |
| | <u>\$ 804,656</u> |

Capital Leases

In fiscal year 2014-15, the District entered into a lease agreement as lessee for financing the acquisition of Xerox copiers valued at \$253,225. The equipment has a five-year life. The lease agreement qualifies as a capital lease for accounting purposes and, therefore, has been recorded at the present value of the future minimum lease payments as of the inception date.

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The future minimum lease obligation and the net present value of these minimum lease payments as of September 30, 2015, were as follows:

| Fiscal Year Ending September 30, | Governmental Activities |
|---|----------------------------|
| 2016 | \$ 56,858 |
| 2017 | 56,858 |
| 2018 | 56,858 |
| 2019 | 56,858 |
| 2020 | 28,428 |
| Total minimum lease payments | 255,860 |
| Less: amount representing interest | (25,396) |
| Present value of minimum lease payments | \$ 230,464 |

G. Long-term obligations

Long-term liability activity for the year ended September 30, 2015, was as follows:

| | Beginning Balance (Restated) | Additions | Reductions | Ending Balance | Due Within One Year |
|----------------------------------|------------------------------------|----------------------|---------------------|-----------------------------|------------------------|
| Governmental activities: | | | | | |
| Compensated Absences | \$ 4,793,998 | \$ 4,953,890 | \$ 5,081,980 | \$ 4,665,908 ⁽¹⁾ | \$ 466,591 |
| Other Postemployment Benefits | 942,303 | 479,340 | 480,002 | 941,641 ⁽¹⁾ | - |
| Workers' Compensation | 518,000 | 224,395 | 224,395 | 518,000 ⁽¹⁾ | 157,009 |
| Capital Lease | - | 253,225 | 22,761 | 230,464 ⁽¹⁾ | 47,138 |
| Net Pension Liabilities: | | | | | |
| FRS | 5,201,008 | 7,123,085 | 1,316,633 | 11,007,460 ⁽¹⁾ | - |
| HIS | 10,288,900 | 857,972 | 11,355 | 11,135,517 ⁽¹⁾ | - |
| Total | \$ 21,744,209 | \$ 13,891,907 | \$ 7,137,126 | \$ 28,498,990 | \$ 670,738 |

⁽¹⁾The general fund will be used to satisfy these obligations.

SOUTHWEST FLORIDA WATER MANAGEMENT DISTRICT
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H. Fund Balance

Fund balances for all major funds at September 30, 2015 were as follows:

| | <u>General Fund</u> | <u>Florida Forever</u> | <u>Facilities Fund</u> | <u>Total All Funds</u> |
|-----------------------------------|-------------------------|----------------------------|----------------------------|----------------------------|
| Nonspendable: | | | | |
| Inventory | \$ 46,608 | \$ - | \$ - | \$ 46,608 |
| Total Nonspendable | <u>46,608</u> | <u>-</u> | <u>-</u> | <u>46,608</u> |
| Restricted for: | | | | |
| Alafia River Basin | 2,676,185 | - | - | 2,676,185 |
| Hillsborough River Basin | 40,115,208 | - | - | 40,115,208 |
| Coastal Rivers Basin | 1,134,085 | - | - | 1,134,085 |
| Pinellas-Anclote River Basin | 18,320,955 | - | - | 18,320,955 |
| Withlacoochee River Basin | 3,903,830 | - | - | 3,903,830 |
| Peace River Basin | 4,088,404 | - | - | 4,088,404 |
| Manasota Basin | 6,758,297 | - | - | 6,758,297 |
| Land Management | - | 308,593 | - | 308,593 |
| Total Restricted | <u>76,996,964</u> | <u>308,593</u> | <u>-</u> | <u>77,305,557</u> |
| Committed to: | | | | |
| Economic Stabilization Reserve | 25,700,000 | - | - | 25,700,000 |
| Long-term Projects Reserve | 50,000,000 | - | - | 50,000,000 |
| Central Florida Water Resource | | | | |
| Development Project | 10,000,000 | - | - | 10,000,000 |
| Land Management | 91,884 | 4,549,167 | - | 4,641,051 |
| Total Committed | <u>85,791,884</u> | <u>4,549,167</u> | <u>-</u> | <u>90,341,051</u> |
| Assigned to: | | | | |
| Short-term Projects Reserve | 118,985,182 | - | 4,398,187 | 123,383,369 |
| Contract/Purchase Orders | 44,083,450 | - | 361,122 | 44,444,572 |
| Board and Management Designations | 31,642,403 | - | 67,997 | 31,710,400 |
| Workers' Compensation Reserve | 518,000 | - | - | 518,000 |
| Land Management Activities | 4,870 | 251,160 | - | 256,030 |
| Subsequent Years Budget | 23,469,974 | - | - | 23,469,974 |
| Total Assigned | <u>218,703,879</u> | <u>251,160</u> | <u>4,827,306</u> | <u>223,782,345</u> |
| Unassigned: | | | | |
| | <u>22,619,335</u> | <u>-</u> | <u>-</u> | <u>22,619,335</u> |
| Total Fund Balances | <u>\$ 404,158,670</u> | <u>\$ 5,108,920</u> | <u>\$ 4,827,306</u> | <u>\$ 414,094,896</u> |

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V. Other information

A. Risk Management

The District is exposed to various risks of loss related to: tort; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural or manmade disasters. The District purchases commercial insurance coverage for all liabilities except workers' compensation as discussed below. During the year ended September 30, 2015, there were no significant reductions in insurance coverage from the prior year. In addition, no claims settlement has exceeded the insurance coverage amounts for the past five fiscal years.

The District has a self-insurance program for its workers' compensation exposure, with excess coverage purchased for claims in excess of \$500,000 per occurrence. Current expenditures related to the self-insurance program are accounted for in the District's General Fund.

Liabilities of the District are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include estimates of prior and current year existing claims and incurred but not reported claims (IBNR). The long-term liability for workers' compensation claims is based on an independent actuarial determination.

Changes in the balances of workers' compensation claims liabilities during the past two years are as follows:

| | Year ended 09/30/2015 | Year ended 09/30/2014 |
|--|--------------------------|--------------------------|
| Unpaid claims, beginning of fiscal year | \$ 518,000 | \$ 456,000 |
| Incurred claims, including IBNRs and changes in estimates | 224,395 | 241,760 |
| Claim payments | (224,395) | (179,760) |
| Unpaid claims, end of fiscal year | \$ 518,000 | \$ 518,000 |

At September 30, 2015, general fund assets of \$518,000 were assigned for the purpose of funding future workers' compensation claims liabilities, with a corresponding assignment of the General Fund's fund balance.

B. Commitments and contingencies

At September 30, 2015, the District had unrestricted net position of approximately \$327.1 million that may be used to meet the government's ongoing commitments to citizens and creditors. It is the District's intent to use these assets to: satisfy contracts and purchase orders in the amount of \$76.2 million; fund future long- and short-term projects in the amount of \$183.4 million; maintain an economic stabilization reserve of \$25.7 million; support land management activities in the amount of \$4.9 million; pay claims associated with the District's Workers' Compensation Self-insurance Program in the amount of \$0.5 million; and carry forward \$23.5 million into the fiscal year 2015-16 budget. The additional remaining funds will be carried forward for allocation in the fiscal year 2016-17 budget.

The District had restricted net position of \$77.3 million. Of this amount, \$77.0 million must be used for projects in the seven former watershed basins and \$308,593 for land acquisition.

The District has been named as a defendant in several legal actions resulting from various causes. In the opinion of management and its legal counsel, any ultimate liability to the District resulting from resolution of the suits will not have a material effect on the financial condition of the District.

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The District participates in various federal and state grant programs that are subject to review and audit by the grantor agencies. Entitlement to these resources is generally conditional upon compliance with the terms and conditions of grant agreements and applicable federal and state regulations, including the expenditure of resources for allowable purposes. Any disallowance resulting from a grantor audit may become a liability of the District.

C. Retirement Plans

Florida Retirement System:

General Information - All of the District's employees (with the exception of temporary positions) participate in the Florida Retirement System (FRS). As provided by Chapters 121 and 112, Florida Statutes, the FRS provides two cost sharing, multiple employer defined benefit plans administered by the Florida Department of Management Services, Division of Retirement, including the FRS Pension Plan (Pension Plan) and the Retiree Health Insurance Subsidy Program (HIS Plan). Under Section 121.4501, Florida Statutes, the FRS also provides a defined contribution plan (Investment Plan) alternative to the FRS Pension Plan, which is administered by the State Board of Administration (SBA). As a general rule, membership in the FRS is compulsory for all employees working in a regularly established position for a state agency, district government, district school board, state university, community college, or a participating city or special district within the State of Florida. The FRS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefits are established by Chapter 121, Florida Statutes, and Chapter 60S, Florida Administrative Code. Amendments to the law can be made only by an act of the Florida State Legislature.

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

Pension Plan

Plan Description – The Pension Plan is a cost-sharing multiple-employer defined benefit pension plan, with a Deferred Retirement Option Program (DROP) for eligible employees.

Benefits Provided - Benefits under the Pension Plan are computed on the basis of age, average final compensation, and service credit. For Pension Plan members enrolled before July 1, 2011, Regular class members who retire at or after age 62 with at least six years of credited service or 30 years of service regardless of age are entitled to a retirement benefit payable monthly for life, equal to 1.6 percent of their final average compensation based on the five highest years of salary, for each year of credited service. Vested members with less than 30 years of service may retire before age 62 and receive reduced retirement benefits. Senior Management Service class members who retire at or after age 62 with at least six years of credited service or 30 years of service regardless of age are entitled to a retirement benefit payable monthly for life, equal to 2.0 percent of their final average compensation based on the five highest years of salary for each year of credited service.

For Plan members enrolled on or after July 1, 2011, the vesting requirement is extended to eight years of credited service for all these members and increasing normal retirement to age 65 or 33 years of service regardless of age for Regular and Senior Management Service class. Also,

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the final average compensation for all these members will be based on the eight highest years of salary.

As provided in Section 121.101, Florida Statutes, if the member is initially enrolled in the Pension Plan before July 1, 2011, and all service credit was accrued before July 1, 2011, the annual cost-of-living adjustment is three percent per year. If the member is initially enrolled before July 1, 2011, and has service credit on or after July 1, 2011, there is an individually calculated cost-of-living adjustment. The annual cost-of-living adjustment is a proportion of three percent determined by dividing the sum of the pre-July 2011 service credit by the total service credit at retirement multiplied by three percent. Plan members initially enrolled on or after July 1, 2011, will not have a cost-of-living adjustment after retirement.

In addition to the above benefits, the DROP program allows eligible members to defer receipt of monthly retirement benefit payments while continuing employment with a FRS employer for a period not to exceed 60 months after electing to participate. Deferred monthly benefits are held in the FRS Trust Fund and accrue interest. There are no required contributions by DROP participants.

Contributions – Effective July 1, 2011, all enrolled members of the FRS, other than DROP participants, are required to contribute three percent of their salary to the FRS. In addition to member contributions, governmental employers are required to make contributions to the FRS based on state-wide contribution rates established by the Florida Legislature. These rates are updated as of July 1 of each year. The employer contribution rates by job class for the periods from October 1, 2014 through June 30, 2015, and from July 1, 2015 through September 30, 2015, were:

| <i>Job Class</i> | <i>October 2014 through June 2015</i> | <i>July 2015 through September 2015</i> |
|---|---|---|
| Regular | 7.37% | 7.26% |
| Senior Management Service | 21.14% | 21.43% |
| Drop Participants | 12.28% | 12.88% |
| Health Insurance Subsidy (included in above rates) | 1.26% | 1.66% |

The District's contributions to the Pension Plan, excluding employee contributions, totaled \$2,156,423 for the fiscal year ended September 30, 2015. Amounts collected by the District and remitted to the Pension Plan are not considered employer contributions by the Pension Plan.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – At September 30, 2015, the District reported a liability of \$11,007,460 for its proportionate share of the Pension Plan's net pension liability. The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2015. The District's proportionate share of the net pension liability was based on the District's 2014-15 fiscal year contributions relative to the 2014-15 fiscal year contributions of all participating members. At June 30, 2015, the District's proportionate share of the pension plan was 0.085221195 percent, which was a decrease of 0.000020689 percent from its proportionate share measured as of June 30, 2014.

SOUTHWEST FLORIDA WATER MANAGEMENT DISTRICT
Notes to the Financial Statements
September 30, 2015

For the fiscal year ended September 30, 2015, the District recognized pension expense of \$761,131. In addition, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

| Description | Deferred Outflows of Resources | Deferred Inflows of Resources |
|--|---|--|
| Differences between expected and actual experience | \$ 1,162,062 | \$ 261,063 |
| Change of assumptions | 730,602 | - |
| Net difference between projected and actual earnings on Pension Plan investments | - | 2,628,398 |
| Changes in proportion and differences between District Pension Plan contributions and proportionate share of contributions | - | 111,618 |
| District Pension Plan contributions subsequent to the measurement date | 515,787 | - |
| Total | \$ 2,408,451 | \$ 3,001,079 |

The deferred outflows of resources related to the Pension Plan, totaling \$515,787 resulting from District contributions to the Plan subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the fiscal year ended September 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the Pension Plan will be recognized in pension expense as follows:

| Fiscal Year Ending September 30: | Amount Recognized |
|-------------------------------------|-----------------------|
| 2016 | \$ (284,412) |
| 2017 | (284,412) |
| 2018 | (284,412) |
| 2019 | (284,412) |
| 2020 | (284,415) |
| Thereafter | 313,648 |
| Total | \$ (1,108,415) |

Actuarial Assumptions – The total pension liability in the June 30, 2015, actuarial valuation was determined using the following actuarial assumption, applied to all periods included in the measurement:

| | |
|---------------------------|--|
| Inflation | 2.60% |
| Salary increases | 3.25%, average, including inflation |
| Investment rate of return | 7.65%, net of pension plan investment expense, including inflation |

Mortality rates were based on the Generational RP-2000 with Projection Scale BB tables.

The actuarial assumptions used in the July 1, 2015, valuation were based on the results of an actuarial experience study for the period July 1, 2008 through June 30, 2013.

SOUTHWEST FLORIDA WATER MANAGEMENT DISTRICT
Notes to the Financial Statements
September 30, 2015

The long-term expected rate of return on Pension Plan investments was not based on historical returns, but instead is based on a forward-looking capital market economic model. The 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. The target allocation and best estimates of arithmetic and geometric real rates of return for each major asset class are summarized in the following table:

| <u>Asset Class</u> | <u>Target Allocation ⁽¹⁾</u> | <u>Annual Arithmetic Return</u> | <u>Compound Annual (Geometric) Return</u> | <u>Standard Deviation</u> |
|--------------------------|---|---------------------------------|---|---------------------------|
| Cash | 1% | 3.2% | 3.1% | 1.7% |
| Fixed Income | 18% | 4.8% | 4.7% | 4.7% |
| Global Equity | 53% | 8.5% | 7.2% | 17.7% |
| Real Estate (Property) | 10% | 6.8% | 6.2% | 12.0% |
| Private Equity | 6% | 11.9% | 8.2% | 30.0% |
| Strategic Investments | 12% | 6.7% | 6.1% | 11.4% |
| Total | <u>100%</u> | | | |
| Assumed Inflation - Mean | | 2.6% | | 1.9% |

⁽¹⁾ As outlined in the Plan's investment policy

Discount Rate - The discount rate used to measure the total pension liability was 7.65 percent. The Pension Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the total pension liability is equal to the long-term expected rate of return.

Sensitivity of the District's Proportionate Share of the Net Position Liability to Changes in the Discount Rate - The following represents the District's proportionate share of the net pension liability calculated using the discount rate of 7.65 percent, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.65 percent) or one percentage point higher (8.65 percent) than the current rate:

| | <u>1% Decrease (6.65%)</u> | <u>Current Discount Rate (7.65%)</u> | <u>1% Increase (8.65%)</u> |
|---|--------------------------------|--|--------------------------------|
| District's proportionate share of the net pension liability | \$ 28,522,819 | \$ 11,007,460 | \$ (3,568,195) |

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

SOUTHWEST FLORIDA WATER MANAGEMENT DISTRICT
Notes to the Financial Statements
September 30, 2015

HIS Plan

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

Benefits Provided – For the fiscal year ended September 30, 2015, eligible retirees and beneficiaries received a monthly HIS payment of \$5 for each year of creditable service completed at the time of retirement, with a minimum HIS payment of \$30 and a maximum HIS payment of \$150 per month. To be eligible to receive these benefits, a retiree under a State-administered retirement system must provide proof of health insurance coverage, which may include Medicare.

Contributions – The HIS Plan is funded by required contributions from FRS participating employers as set by the Florida Legislature. Employer contributions are a percentage of gross compensation for all active FRS members. For the fiscal year ended September 30, 2015, the HIS contribution for the period October 1, 2014 through June 30, 2015 and from July 1, 2015 through September 30, 2015 was 1.26 percent and 1.66 percent, respectively. The District contributed 100 percent of its statutorily-required contributions for the current and preceding three years. HIS Plan contributions are deposited in a separate trust fund from which payments are authorized. HIS Plan benefits are not guaranteed and are subject to annual legislative appropriation. In the event legislative appropriation or available funds fail to provide full subsidy benefits to all participants, benefits may be reduced or cancelled.

The District's contributions to the HIS Plan totaled \$454,612 for the fiscal year ended September 30, 2015.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – At September 30, 2015, the District reported a liability of \$11,135,517 for its proportionate share of the HIS Plan's net pension liability. The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2014. The District's proportionate share of the net pension liability was based on the District's fiscal year 2014-15 contributions relative to the fiscal year 2014-15 contributions of all participating members. At June 30, 2015, the District's proportionate share was 0.109188576 percent, which was a decrease of 0.000850266 percent from its proportionate share measured as of June 30, 2014.

SOUTHWEST FLORIDA WATER MANAGEMENT DISTRICT
Notes to the Financial Statements
September 30, 2015

For the fiscal year ended September 30, 2015, the District recognized pension expense of \$759,376. In addition, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

| Description | <u>Deferred Outflows of Resources</u> | <u>Deferred Inflows of Resources</u> |
|--|--|---|
| Differences between expected and actual experience | \$ - | \$ - |
| Change of assumptions | 876,075 | - |
| Net difference between projected and actual earnings on HIS Plan investments | 6,028 | - |
| Changes in proportion and differences between District HIS Plan contributions and proportionate share of contributions | - | 375,783 |
| District HIS Plan contributions subsequent to the measurement date | <u>147,953</u> | <u>-</u> |
| Total | <u>\$ 1,030,056</u> | <u>\$ 375,783</u> |

The deferred outflows of resources related to the HIS Plan, totaling \$147,953 resulting from District contributions to the HIS Plan subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the fiscal year ended September 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the HIS Plan will be recognized in pension expense as follows:

| Fiscal Year Ending September 30: | <u>Amount</u> |
|-------------------------------------|-------------------|
| 2016 | \$ 70,690 |
| 2017 | 70,690 |
| 2018 | 70,690 |
| 2019 | 70,690 |
| 2020 | 70,693 |
| Thereafter | <u>152,867</u> |
| Total | <u>\$ 506,320</u> |

Actuarial Assumptions – The total pension liability in the July 1, 2014, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

| | |
|---------------------|-------------------------------------|
| Inflation | 2.60 % |
| Salary increases | 3.25%, average, including inflation |
| Municipal bond rate | 3.80 % |

Mortality rates were based on the Generational RP-2000 with Projection Scale BB tables.

The actuarial assumptions used in the July 1, 2014, valuation were based on the results of an actuarial experience study for the period July 1, 2008 through June 30, 2013.

SOUTHWEST FLORIDA WATER MANAGEMENT DISTRICT
Notes to the Financial Statements
September 30, 2015

Discount Rate - The discount rate used to measure the total pension liability was 3.80 percent. In general, the discount rate for calculating the total pension liability is equal to the single rate equivalent to discounting at the long-term expected rate of return for benefit payments prior to the projected depletion date. Because the HIS benefit is essentially funded on a pay-as-you-go basis, the depletion date is considered to be immediate, and the single equivalent discount rate is equal to the municipal bond rate selected by the HIS Plan sponsor. The Bond Buyer General Obligation 20-Bond Municipal Bond Index was adopted as the applicable municipal bond index. The discount rate used was updated from 4.29 percent to 3.80 percent, reflecting the change since fiscal year 2013-14 in the Bond Buyer General Obligation 20-Bond Municipal Bond Index. That index was originally approved for use in HIS GASB 67 calculations by the 2014 FRS Actuarial Assumptions Conference.

Sensitivity of the District's Proportionate Share of the Net Position Liability to Changes in the Discount Rate - The following represents the District's proportionate share of the net pension liability calculated using the discount rate of 3.80 percent, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (2.80 percent) or one percentage point higher (4.80 percent) than the current rate:

| | 1% Decrease (2.80%) | Current Discount Rate (3.80%) | 1% Increase (4.80%) |
|--|------------------------|-------------------------------------|------------------------|
| District's proportionate share of the net pension liability | \$ 12,688,403 | \$ 11,135,517 | \$ 9,840,643 |

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

Investment Plan

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

As provided in Section 121.4501, Florida Statutes, eligible FRS members may elect to participate in the Investment Plan in lieu of the FRS defined benefit plan. District employees participating in DROP are not eligible to participate in the Investment Plan. Employer and employee contributions, including amounts contributed to individual member's accounts, are defined by law, but the ultimate benefit depends in part on the performance of investment funds. Benefit terms, including contribution requirements, for the Investment Plan are established and may be amended by the Florida Legislature. The Investment Plan is funded with the same employer and employee contribution rates that are based on salary and membership class (Regular Class and Senior Management Service class) as the Pension Plan. Contributions are directed to individual member accounts, and the individual members allocate contributions and account balances among various approved investment choices. Costs of administering the Investment Plan, including the FRS Financial Guidance Program, are funded through an employer contribution of 0.04 percent of payroll and by forfeited benefits of plan members.

SOUTHWEST FLORIDA WATER MANAGEMENT DISTRICT
Notes to the Financial Statements
September 30, 2015

Allocations to the investment member's accounts as established by Section 121.72, Florida Statutes, are based on a percentage of gross compensation by class as follows:

| <i>Job Class</i> | <i>October 1, 2014 through June 30, 2015</i> | <i>July 1, 2015 through September 30, 2015</i> |
|---------------------------|--|--|
| Regular | 7.37% | 7.26% |
| Senior Management Service | 21.14% | 21.43% |

For all membership classes, employees are immediately vested in their own contributions and are vested after one year of service for employer contributions and investment earnings. If an accumulated benefit obligation for service credit originally earned under the Pension Plan is transferred to the Investment Plan, the member must have the years of service required for Pension Plan vesting (including the service credit represented by the transferred funds) to be vested for these funds and the earnings on the funds. Non-vested employer contributions are placed in a suspense account for up to five years. If the employee returns to FRS-covered employment within the five-year period, the employee will regain control over their account. If the employee does not return within the five-year period, the employee will forfeit the accumulated account balance. For the fiscal year ended September 30, 2015, the information for the amount of forfeitures was unavailable from the SBA; however, management believes that these amounts, if any, would be immaterial to the District.

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

The District's Investment Plan pension expense totaled \$381,569 for the fiscal year ended September 30, 2015.

D. Other postemployment benefits (OPEB)

Plan Description

The District's single-employer healthcare plan provides medical and dental benefits utilizing Florida Blue and Aetna, respectively, as well as a voluntary vision plan to eligible retired employees. Coverage is extended to qualifying spouses of retirees. If the retiree predeceases the spouse, coverage for the surviving spouse continues. A participant is eligible to receive benefits from the District's plan upon retirement under the Florida Retirement System plan provisions.

Employees enrolled in FRS prior to July 1, 2011.

Unreduced Retirement under FRS: Age 62 with 6 years of service, or any age with 30 years of service.

Early Retirement under FRS: Any age and 6 years of service.

Employees enrolled in FRS on or after July 1, 2011.

Unreduced Retirement under FRS: Age 65 with 8 years of service, or any age with 33 years of service.

Early Retirement under FRS: Any age and 8 years of service.

To be eligible for retiree medical and dental benefits, the participant must have been covered under the medical plan as an active employee immediately prior to retirement. Also, participants not eligible for retirement at the time of their termination are not eligible for immediate future benefits

SOUTHWEST FLORIDA WATER MANAGEMENT DISTRICT
Notes to the Financial Statements
September 30, 2015

from the plan. In addition, the District provides a premium subsidy to reduce the cost of medical coverage for retirees until age 65 to participants who retired prior to December 31, 2012 and elected medical coverage. The subsidy consists of a reduction to the medical premium paid by retirees equal to \$5 per month for each year of service. A minimum of 6 years of service at retirement is necessary to qualify for the subsidy. The subsidy has a maximum amount payable of \$150 per month. The subsidy ceases at age 65 or Medicare enrollment, whichever is earlier. Retiree and spousal coverage is provided for the lifetime of the participant. However, the subsidy benefit is only payable until age 65, as the option of enrolling in Medicare is a much more attractive option at a lower cost. The District accounts for this plan in accordance with *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions (GASB Statement No. 45)*. The Plan does not issue a separate financial report.

Participants qualifying for retirement are eligible to elect to enter a deferred retirement option (DROP) feature of the FRS for a period of up to 60 months. For the purpose of this valuation, medical claims incurred while a retiree is in the DROP are not considered a liability under GASB Statement No. 45.

Funding Policy

The contribution requirements of plan members are established and may be amended by the District's Governing Board. The District's employer OPEB contributions consist of an implicit rate subsidy and the cost of the premium subsidy. The District, in accordance with Section 112.0801, Florida Statutes, makes the health and dental benefits available for retired employees at a premium cost of no more than applicable to active employees. However, the retirees pay 100 percent of their premium costs less the premium subsidy. To determine the healthcare plan costs, the District is required to commingle the claims experience of the retiree group with that of the active employees. The table listed below summarizes monthly retiree contributions for the period beginning January 1, 2015.

| | <u>Retiree</u> | <u>Retiree + Spouse</u> |
|--------------|----------------|-----------------------------|
| Blue Options | \$613.06 | \$1,203.56 |
| Blue Choice | 673.08 | 1,328.02 |

Annual OPEB Cost and Net OPEB Obligation

The District's annual OPEB cost is calculated based on the annual required contribution (ARC) of the employer, an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal costs each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years.

SOUTHWEST FLORIDA WATER MANAGEMENT DISTRICT
Notes to the Financial Statements
September 30, 2015

The following table shows the calculation of the ARC and Net OPEB Obligation for the fiscal year ended September 30, 2015:

| | |
|---|-------------------|
| Determination of annual required contribution (ARC): | |
| Normal Cost at year-end | \$ 211,883 |
| Amortization of Unfunded Actuarial Accrued Liability (UAAL) | 284,258 |
| Annual Required Contribution | <u>\$ 496,141</u> |
| | |
| Determination of Net OPEB Obligation: | |
| Annual Required Contribution | \$ 496,141 |
| Interest on prior year Net OPEB Obligation | 37,692 |
| Adjustment to ARC | <u>(54,493)</u> |
| Annual OPEB Cost | 479,340 |
| Estimated Employer Contributions | <u>(480,002)</u> |
| Estimated decrease in Net OPEB Obligation | (662) |
| Net OPEB Obligation - beginning of year | <u>942,303</u> |
| Net OPEB Obligation - end of year | <u>\$ 941,641</u> |

The District's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for fiscal year 2014-15 and the two preceding years were as follows:

| Fiscal Year Ended | Discount Rate | Annual OPEB Cost | Percentage of Annual OPEB Cost Contributed | Net OPEB Obligation |
|-------------------------|------------------|---------------------|---|------------------------|
| 09/30/2015 | 4.0% | \$ 479,340 | 100.1% | \$ 941,641 |
| 09/30/2014 | 4.0 | 477,605 | 108.5 | 942,303 |
| 09/30/2013 | 4.0 | 475,374 | 106.7 | 983,088 |

Funded Status and Funding Progress

As of October 1, 2014, the most recent actuarial valuation date, the plan was not funded. The actuarial accrued liability for benefits was \$4,915,401, resulting in an unfunded actuarial accrued liability of \$4,915,401.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of OPEB funding progress, as presented in the Required Supplementary Information presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that

SOUTHWEST FLORIDA WATER MANAGEMENT DISTRICT
Notes to the Financial Statements
September 30, 2015

are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the October 1, 2014 actuarial valuation, the Projected Unit Credit Actuarial Cost Method was used. Significant methods and assumptions include:

- A discount rate of 4 percent per annum, compounded annually.
- The mortality rate assumptions utilized the RP - 2000 system tables with floating Scale AA projections for Males and for Females. Employee mortality is projected to valuation year plus 15 years. Annuitant mortality is projected to valuation year plus 7 years.
- An inflation rate of 2.50 percent annual increase.
- A healthcare cost trend assumption as follows:

| <u>Year</u> | <u>Trend</u> |
|-------------|--------------|
| 2015 | 5.50 |
| 2016 | 5.70 |
| 2017 | 5.80 |
| 2018 | 5.70 |
| 2019 | 5.80 |
| 2020 | 6.20 |
| 2021 | 6.20 |
| 2022 | 6.20 |
| 2023 | 7.20 |
| 2024 | 7.40 |

The ultimate healthcare trend rate of 4.50 percent is reached for the first time in 2082.

- The plan is unfunded and no investment return was assumed.
- Benefits under the Plan are not salary related. No salary increase assumption was used.
- The provisions of the Plan were assumed to remain in place in future years. No improvements to post-retirement benefits in future years were assumed.

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Required Supplementary Information

Southwest Florida Water Management District
Required Supplementary Information
Schedule of the Southwest Florida Water Management District's Proportionate Share
of the Net Pension Liability
Florida Retirement System (FRS) Pension Plan
Last Two Fiscal Years*
(unaudited)

| | 2015 | 2014 |
|--|---------------|---------------|
| Southwest Florida Water Management District's proportion of the net pension liability (asset) | 0.085221195% | 0.085241884% |
| Southwest Florida Water Management District's proportionate share of the net pension liability (asset) | \$ 11,007,460 | \$ 5,201,008 |
| Southwest Florida Water Management District's covered-employee payroll | \$ 27,492,013 | \$ 27,436,928 |
| Southwest Florida Water Management District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll | 40.04% | 18.96% |
| Plan fiduciary net position as a percentage of the total pension liability | 92.00% | 96.09% |

*The amounts presented for each fiscal year were determined as of 06/30.

Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

See accompanying notes to required supplementary information.

See accompanying Independent Auditors' Report.

Southwest Florida Water Management District
Required Supplementary Information
Schedule of the Southwest Florida Water Management District's Contributions
Florida Retirement System (FRS) Pension Plan
 Last Two Fiscal Years*
 (unaudited)

| | 2015 | 2014 |
|--|---------------|---------------|
| Contractually required contribution | \$ 2,156,423 | \$ 2,072,728 |
| Contribution in relation to the contractually required contribution | (2,156,423) | (2,072,728) |
| Contribution deficiency (excess) | \$ - | \$ - |
| Southwest Florida Water Management District's covered-employee payroll | \$ 27,422,006 | \$ 27,529,231 |
| Contributions as a percentage of covered-employee payroll | 7.86% | 7.53% |

*The amounts presented for each fiscal year were determined as of 09/30.

Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

See accompanying notes to required supplementary information.

See accompanying Independent Auditors' Report.

Southwest Florida Water Management District
Required Supplementary Information
Schedule of the Southwest Florida Water Management District's Proportionate Share
of the Net Pension Liability
The Retiree Health Insurance Subsidy (HIS) Program
Last Two Fiscal Years*
(unaudited)

| | 2015 | 2014 |
|--|---------------|---------------|
| Southwest Florida Water Management District's proportion of the net pension liability (asset) | 0.109188576% | 0.110038842% |
| Southwest Florida Water Management District's proportionate share of the net pension liability (asset) | \$ 11,135,517 | \$ 10,288,900 |
| Southwest Florida Water Management District's covered-employee payroll | \$ 33,220,502 | \$ 32,864,918 |
| Southwest Florida Water Management District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll | 33.52% | 31.31% |
| Plan fiduciary net position as a percentage of the total pension liability | 0.50% | 0.99% |

*The amounts presented for each fiscal year were determined as of 06/30.

Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

See accompanying notes to required supplementary information.

See accompanying Independent Auditors' Report.

Southwest Florida Water Management District
Required Supplementary Information
Schedule of the Southwest Florida Water Management District's Contributions
The Retiree Health Insurance Subsidy (HIS) Program
Last Two Fiscal Years*
(unaudited)

| | 2015 | 2014 |
|--|---------------|---------------|
| Contractually required contribution | \$ 454,612 | \$ 398,549 |
| Contribution in relation to the contractually required contribution | (454,612) | (398,549) |
| Contribution deficiency (excess) | \$ - | \$ - |
| Southwest Florida Water Management District's covered-employee payroll | \$ 33,285,688 | \$ 32,638,819 |
| Contributions as a percentage of covered-employee payroll | 1.37% | 1.22% |

*The amounts presented for each fiscal year were determined as of 09/30.

Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

See accompanying notes to required supplementary information.

See accompanying Independent Auditors' Report.

Southwest Florida Water Management District
Required Supplementary Information
Schedule of Other Postemployment Benefits (OPEB) Funding Progress
(unaudited)

| Actuarial Valuation Date | Actuarial Value of Assets | Discount Rate | Actuarial Liabilities (AAL) | Unfunded Actuarial Liabilities (UAAL)* | Funded Ratio | Covered Payroll | UAAL as a Percentage of Covered Payroll |
|--------------------------------|---------------------------------|------------------|-----------------------------------|---|-----------------|--------------------|--|
| 10/1/2014 | 0 | 4.0% | \$4,915,401 | \$4,915,401 | 0.00% | \$33,285,688 | 14.77% |
| 10/1/2013 | 0 | 4.0 | 5,038,871 | 5,038,871 | 0.00 | 32,638,819 | 15.44 |
| 10/1/2012 | 0 | 4.0 | 5,147,662 | 5,147,662 | 0.00 | 34,074,800 | 15.11 |

* The UAAL is being amortized over a 30-year open period in a level dollar amount.

See accompanying notes to required supplementary information.

See accompanying Independent Auditors' Report.

Southwest Florida Water Management District
Notes to Required Supplementary Information
for the Year Ended September 30, 2015
(unaudited)

Health Insurance Subsidy (HIS) Program

Changes of assumptions . Amounts reported in 2015 reflect an adjustment to the discount rate used for the Health Insurance Subsidy. The discount rate used to measure the total pension liability of the Health Insurance Subsidy was 3.80 percent. In general, the discount rate for calculating the total pension liability is equal to the single rate equivalent to discounting at the long-term expected rate of return for benefit payments prior to the projected depletion date. Because the HIS benefit is essentially funded on a pay-as-you-go basis, the depletion date is considered to be immediate, and the single equivalent discount rate is equal to the municipal bond rate selected by the HIS Plan sponsor. The Bond Buyer General Obligation 20-Bond Municipal Bond Index was adopted as the applicable municipal bond index. The discount rate used was updated from 4.29 percent to 3.80 percent in fiscal year 2014-15, reflecting the change since fiscal year 2013-14 in the Bond Buyer General Obligation 20-Bond Municipal Bond Index. That index was originally approved for use in HIS GASB 67 calculations by the 2014 FRS Actuarial Assumptions Conference.

Other Postemployment Benefits (OPEB)

Actuarial Valuation . Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of OPEB funding progress, as presented, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits

See accompanying Independent Auditors' Report.



Other Supplementary Information

**Southwest Florida Water Management District
Florida Forever Capital Projects Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
For the Year Ended September 30, 2015**

| | <u>Original and Final Budgeted Amounts</u> | <u>Actual Amounts</u> | <u>Variance with Final Budget</u> |
|--|--|---------------------------|---------------------------------------|
| REVENUES | | | |
| Intergovernmental Revenues | \$ 2,864,000 | \$ 2,668,152 | \$ (195,848) |
| Interest on Invested Funds | - | 19,380 | 19,380 |
| Total Revenues | <u>2,864,000</u> | <u>2,687,532</u> | <u>(176,468)</u> |
| EXPENDITURES | | | |
| Current: | | | |
| Land Acquisition, Restoration and Public Works | <u>4,315,940</u> | <u>2,653,302</u> | <u>1,662,638</u> |
| Total Expenditures | <u>4,315,940</u> | <u>2,653,302</u> | <u>1,662,638</u> |
| Deficiency of Revenues Under Expenditures | (1,451,940) | 34,230 | 1,486,170 |
| OTHER FINANCING SOURCES | | | |
| Proceeds from Sale of Capital Assets | - | 26,000 | 26,000 |
| Total Other Financing Sources | <u>-</u> | <u>26,000</u> | <u>26,000</u> |
| Net Change in Fund Balance | (1,451,940) | 60,230 | 1,512,170 |
| Fund Balance - Beginning | 1,451,940 | 5,048,690 | 3,596,750 |
| Fund Balance - Ending | <u>\$ -</u> | <u>\$ 5,108,920</u> | <u>\$ 5,108,920</u> |

See accompanying Independent Auditors' Report.

**Southwest Florida Water Management District
Facilities Capital Projects Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
For the Year Ended September 30, 2015**

| | <u>Original and Final Budgeted Amounts</u> | <u>Actual Amounts</u> | <u>Variance with Final Budget</u> |
|--|--|---------------------------|---------------------------------------|
| EXPENDITURES | | | |
| Current: | | | |
| Land Acquisition, Restoration and Public Works | \$ <u>730,530</u> | \$ <u>286,574</u> | \$ <u>443,956</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | (730,530) | (286,574) | 443,956 |
| Fund Balance - Beginning | <u>730,530</u> | <u>5,113,880</u> | <u>4,383,350</u> |
| Fund Balance - Ending | <u>\$ -</u> | <u>\$ 4,827,306</u> | <u>\$ 4,827,306</u> |

See accompanying Independent Auditors' Report.



Statistical Section

The statistical section of the Comprehensive Annual Financial Report is the chief source of information regarding the District's economic condition. All of the information presented in this section is organized around five specific objectives:

- *Financial Trend* schedules contain trend information to help the reader understand and assess how the District's financial performance and well-being have changed over time.
- *Revenue Capacity* schedules contain information to help the reader assess the District's most significant local revenue source, the property tax.
- *Debt Capacity* schedule contains information to help the reader understand and assess the District's debt burden and its ability to issue additional debt.
- *Operating Information* schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place.
- *Demographic and Economic* schedules contain service data to help the reader understand how the information in the District's financial report relates to the services the government provides and the activities it performs.

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

Southwest Florida Water Management District
Net Position by Component
For the Last Ten Years
(accrual basis of accounting)
(unaudited)

| | Fiscal Year | | | | | | | | | |
|--|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| | 2015 | 2014 (Restated)* | 2013 | 2012 | 2011 | 2010 | 2009 | 2008 | 2007 | 2006 |
| Governmental activities | | | | | | | | | | |
| Net Investment in Capital Assets | \$ 825,969,535 | \$ 833,973,713 | \$ 862,299,507 | \$ 873,503,349 | \$ 857,375,759 | \$ 851,883,344 | \$ 811,448,233 | \$ 779,451,560 (1, 2) | \$ 689,145,591 | \$ 693,083,691 |
| Restricted for Partnership Agreement | - | - | - | - | - | - | 21,250,000 | 63,750,000 | 85,000,000 | 85,022,824 |
| Restricted for Watershed Basins | 76,996,984 | 117,325,873 | 188,721,598 | 226,419,010 | 285,544,515 | 287,476,938 (3) | - | - | - | - |
| Restricted for Land Acquisition | 308,593 | 282,593 | 282,593 | 265,900 | - | - | - | - | - | - |
| Unrestricted | 327,135,338 | 311,615,149 | 305,453,821 | 292,083,075 | 272,588,267 | 277,256,081 | 557,839,262 | 518,141,689 | 452,034,832 | 343,505,980 |
| Total governmental activities net position | <u>\$ 1,230,430,430</u> | <u>\$ 1,283,197,328</u> | <u>\$ 1,336,757,519</u> | <u>\$ 1,382,271,334</u> | <u>\$ 1,415,508,541</u> | <u>\$ 1,416,816,361</u> | <u>\$ 1,380,537,485</u> | <u>\$ 1,361,343,249</u> | <u>\$ 1,226,180,423</u> | <u>\$ 1,121,612,495</u> |

* GASB Statement No. 68 and GASB Statement No. 71 were implemented in fiscal year 2015 with fiscal year 2014 net position being restated.

(1) Fiscal year 2008 was the first year the District had capital-related debt, which is due to capital leases for equipment.

(2) Amounts for fiscal year 2008 have been restated to reflect the District's adoption of GASB Statement No. 51 effective October 1, 2008.

(3) Amounts for fiscal year 2010 have been restated to reflect the District's adoption of GASB Statement No. 54 effective October 1, 2010.

See accompanying Independent Auditors' Report.

**Southwest Florida Water Management District
Changes in Net Position
For the Last Ten Years
(accrual basis of accounting)
(unaudited)**

| | Fiscal Year | | | | | | | | | |
|---|------------------------|------------------------|------------------------|------------------------|-----------------------|----------------------|----------------------|---------------------------|-----------------------|-----------------------|
| | 2015* | 2014* | 2013 | 2012 | 2011 | 2010 | 2009 | 2008 | 2007 | 2006 |
| Expenses | | | | | | | | | | |
| Governmental activities: | | | | | | | | | | |
| Water Resource Planning and Monitoring | \$ 24,231,338 | \$ 24,781,457 | \$ 26,091,663 | \$ 28,879,406 | \$ 38,393,264 | \$ 40,726,648 | \$ 40,493,992 | \$ 38,470,066 (1) | \$ 32,807,602 | \$ 30,510,960 |
| Land Acquisition, Restoration and Public Works | 81,105,056 | 84,313,964 | 89,628,606 | 75,567,095 | 85,730,762 | 114,411,606 | 150,186,371 | 138,016,223 | 97,762,937 | 49,035,932 |
| Operation and Maintenance of Works and Lands | 16,399,449 | 19,095,218 | 16,942,966 | 16,439,958 | 17,267,730 | 17,143,156 | 19,777,540 | 21,623,536 | 15,914,021 | 15,929,460 |
| Regulation | 17,865,629 | 17,967,157 | 15,793,721 | 14,872,887 | 17,068,249 | 18,247,275 | 19,363,964 | 19,281,444 | 18,493,860 | 16,493,948 |
| Outreach | 1,734,614 | 1,788,953 | 3,201,428 | 3,885,569 | 5,693,533 | 6,331,730 | 6,249,784 | 5,290,433 | 5,306,415 | 4,543,475 |
| Management and Administration | 15,566,025 | 23,104,354 | 26,897,280 | 31,552,308 | 35,990,413 | 33,853,860 | 34,326,722 | 33,544,462 (1) | 37,981,400 | 32,988,524 |
| Total governmental activities expenses | <u>156,902,111</u> | <u>170,051,103</u> | <u>178,555,662</u> | <u>171,197,223</u> | <u>200,163,951</u> | <u>230,714,275</u> | <u>270,398,353</u> | <u>256,226,164 (1)</u> | <u>208,266,235</u> | <u>149,502,299</u> |
| Program Revenues | | | | | | | | | | |
| Governmental activities: | | | | | | | | | | |
| Charges for services: | | | | | | | | | | |
| Water Resource Planning and Monitoring | 81 | 802 | 976 | 217,587 | 188,119 | 377,909 | 628,276 | 403,339 | 134,780 | 186,666 |
| Operation and Maintenance of Works and Lands | 1,208,416 | 922,462 | 1,029,695 | 842,426 | 842,415 | 964,108 | 775,388 | 1,246,038 | 1,312,407 | 1,549,729 |
| Regulation | 1,418,539 | 1,261,166 | 1,856,607 | 1,641,624 | 1,862,728 | 1,865,778 | 1,672,672 | 2,289,411 | 3,282,034 | 4,026,078 |
| Management and Administration | 15,479 | 18,907 | 32,960 | 49,687 | 783,826 | 913,966 | 966,484 | 1,085,229 | 1,051,604 | 994,953 |
| Operating grants and contributions | 9,210,329 | 8,037,156 | 15,957,283 | 32,271,976 | 23,181,021 | 22,570,976 | 46,665,491 | 55,273,724 | 34,828,465 | 29,109,494 |
| Capital grants and contributions | 2,668,152 | 6,903,513 | 98,625 | 1,419,281 | 3,009,100 | 30,604,190 | 11,827,554 | 62,873,713 | 2,691,252 | 25,585,607 |
| Total governmental activities program revenues | <u>14,520,996</u> | <u>17,144,006</u> | <u>18,976,146</u> | <u>36,442,581</u> | <u>29,867,209</u> | <u>57,296,927</u> | <u>62,535,865</u> | <u>123,171,454</u> | <u>43,300,542</u> | <u>61,452,527</u> |
| Net (expense) revenue | <u>(142,381,115)</u> | <u>(152,907,097)</u> | <u>(159,579,516)</u> | <u>(134,754,642)</u> | <u>(170,296,742)</u> | <u>(173,417,348)</u> | <u>(207,862,488)</u> | <u>(133,054,710) (1)</u> | <u>(164,965,693)</u> | <u>(88,049,772)</u> |
| General Revenues and Other Changes in Net Position | | | | | | | | | | |
| Governmental activities: | | | | | | | | | | |
| Ad Valorem Property Taxes | 103,031,684 | 101,630,987 | 100,463,104 | 104,722,421 | 161,850,765 | 189,205,683 | 216,708,977 | 238,923,620 | 237,448,913 | 189,355,313 |
| Unrestricted investment earnings | 4,691,530 | 1,684,031 | 2,333,735 | 5,197,928 | 6,515,579 | 8,199,031 | 13,220,367 | 17,906,722 | 28,204,657 | 19,640,423 |
| Gain on sale of capital assets | 348,325 | 206,258 | 138,990 | 316,321 | - | - | - | - | - | 4,223,961 |
| Other | 1,542,678 | 107,347 | 1,129,872 | 1,280,767 | 822,578 | 2,091,500 | 7,127,390 | 3,252,835 | 3,880,051 | 1,087,426 |
| Total governmental activities general revenues | <u>109,614,217</u> | <u>103,628,623</u> | <u>104,065,701</u> | <u>111,517,435</u> | <u>169,188,922</u> | <u>199,496,214</u> | <u>237,056,734</u> | <u>260,083,177</u> | <u>269,533,621</u> | <u>214,307,123</u> |
| Change in Net Position | <u>\$ (32,766,898)</u> | <u>\$ (49,278,474)</u> | <u>\$ (55,513,815)</u> | <u>\$ (23,237,207)</u> | <u>\$ (1,107,820)</u> | <u>\$ 26,078,866</u> | <u>\$ 29,194,246</u> | <u>\$ 127,028,467 (1)</u> | <u>\$ 104,567,928</u> | <u>\$ 126,257,351</u> |

* GASB Statement No. 68 and GASB Statement No. 71 were implemented in fiscal year 2015 with fiscal year 2014 being restated.

(1) Amounts for fiscal year 2008 have been restated to reflect the District's adoption of GASB Statement No. 51 effective October 1, 2008.

See accompanying Independent Auditors' Report.

**Southwest Florida Water Management District
Fund Balances, Governmental Funds
For the Last Ten Years
(modified accrual basis of accounting)
(unaudited)**

| | Fiscal Year | | | | | | | | | |
|---|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| | 2015 | 2014 | 2013 | 2012 | 2011 | 2010 | 2009 | 2008 | 2007 | 2006 |
| General Fund: | | | | | | | | | | |
| Nonspendable | \$ 46,608 | \$ 50,113 | \$ 59,042 | \$ 40,128 | \$ 40,754 | \$ - | \$ - | \$ - | \$ - | \$ - |
| Restricted | 76,996,964 | 117,325,873 | 169,364,063 | 230,161,294 | 300,042,655 | - | - | - | - | - |
| Committed | 85,791,884 | 73,596,312 | 73,976,535 | 69,429,780 | 50,000,000 | - | - | - | - | - |
| Assigned | 218,703,879 | 218,230,649 | 207,660,056 | 182,313,883 | 184,375,566 | - | - | - | - | - |
| Unassigned | 22,619,335 | 23,469,974 | 19,404,270 | 36,219,868 | 40,647,870 | - | - | - | - | - |
| Reserved | - | - | - | - | (1) 78,663,591 | 78,300,061 | 64,741,708 | 74,058,319 | 48,149,032 | - |
| Unreserved | - | - | - | - | (1) 202,265,130 | 198,765,787 | 200,060,299 | 159,589,642 | 123,095,002 | - |
| Total General Fund | 404,158,670 | 432,672,921 | 470,463,966 | 518,164,953 | 575,106,845 | 280,928,721 | 277,065,848 | 264,802,007 | 233,647,961 | 171,244,034 |
| All Other Governmental Funds | | | | | | | | | | |
| Restricted | 308,593 | 282,593 | 282,593 | 265,900 | - | - | - | - | - | - |
| Committed | 4,549,167 | 4,552,855 | 4,608,293 | 4,601,071 | - | - | - | - | - | - |
| Assigned | | | | | | | | | | |
| Capital projects funds | 5,078,466 | 5,327,122 | 5,351,476 | 5,392,595 | 4,464,113 | - | - | - | - | - |
| Reserved | - | - | - | - | (1) 219,967,926 | 278,430,186 | 288,253,902 | 283,263,772 | 252,049,380 | - |
| Unreserved: | | | | | | | | | | |
| Special revenue funds | - | - | - | - | (1) 89,360,956 | 51,036,573 | 63,517,629 | 47,956,689 | 32,878,423 | - |
| Capital projects funds | - | - | - | - | (1) 161,264 | (1,201,216) | (6,676,326) | (1,786,657) | (2,237,151) | - |
| Total All Other Governmental Funds | 9,936,226 | 10,162,570 | 10,242,362 | 10,259,566 | 4,464,113 | 309,490,146 | 328,265,543 | 345,095,205 | 329,433,804 | 282,690,652 |
| Total Fund Balances | \$414,094,896 | \$442,835,491 | \$480,706,328 | \$528,424,519 | \$579,570,958 | \$590,418,867 | \$605,331,391 | \$609,897,212 | \$563,081,765 | \$453,934,686 |

(1) Fund balance classifications changed in fiscal year 2011 with the implementation of GASB Statement No. 54, discontinuing the use of reserved and unreserved fund balances.

See accompanying Independent Auditors' Report.

Southwest Florida Water Management District
Changes in Fund Balances, Governmental Funds (1)
For the Last Ten Years
(modified accrual basis of accounting)
(unaudited)

| | Fiscal Year | | | | | | | | | |
|--|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| | 2015 | 2014 | 2013 | 2012 | 2011 | 2010 | 2009 | 2008 | 2007 | 2006 |
| REVENUES | | | | | | | | | | |
| Ad Valorem Property Taxes | \$ 103,109,563 | \$ 101,719,555 | \$ 100,906,682 | \$ 104,686,640 | \$ 161,721,818 | \$ 189,111,242 | \$ 216,624,815 | \$ 238,836,876 | \$ 237,543,172 | \$ 189,378,158 |
| Intergovernmental Revenues | 12,371,605 | 8,529,281 | 16,535,307 | 34,418,211 | 26,781,435 | 53,735,973 | 59,251,973 | 118,983,767 | 38,069,942 | 55,536,683 |
| Interest on Invested Funds | 4,891,530 | 1,684,031 | 2,333,735 | 5,197,926 | 6,515,579 | 8,199,031 | 13,220,367 | 17,906,722 | 28,204,657 | 19,640,423 |
| License and Permit Fees | 1,408,269 | 1,261,166 | 1,856,608 | 1,641,623 | 1,862,728 | 1,865,778 | 1,672,672 | 2,289,611 | 3,282,034 | 4,026,078 |
| Other | 1,273,921 | 562,793 | 1,622,360 | 1,571,454 | 2,652,672 | 2,193,925 | 2,207,137 | 2,666,641 | 3,276,451 | 3,542,367 |
| Total Revenues | 122,854,888 | 113,756,826 | 123,254,692 | 147,515,854 | 199,534,232 | 255,105,949 | 292,876,964 | 360,683,617 | 310,376,256 | 272,123,709 |
| EXPENDITURES | | | | | | | | | | |
| Current: | | | | | | | | | | |
| Water Resource Planning and Monitoring | 25,491,396 | 26,331,532 | 26,846,452 | 30,651,290 | 38,412,310 | 40,688,508 | 40,466,587 | 37,882,697 | 32,620,502 | 30,274,277 |
| Land Acquisition, Restoration and Public Works | 79,071,775 | 81,407,622 | 95,795,322 | 110,969,655 | 92,769,162 | 145,008,737 | 170,942,985 | 213,073,582 | 91,471,056 | 88,631,174 |
| Operation and Maintenance of Works and Lands | 16,008,895 | 14,342,811 | 15,450,118 | 15,363,015 | 15,558,263 | 19,841,405 | 19,678,843 | 19,600,288 | 16,310,879 | 16,710,796 |
| Regulation | 17,352,740 | 18,232,776 | 17,979,240 | 16,781,607 | 17,425,804 | 18,801,634 | 19,268,672 | 19,080,448 | 18,311,066 | 16,280,759 |
| Outreach | 1,743,887 | 1,853,799 | 3,247,319 | 3,909,820 | 5,732,562 | 6,327,680 | 6,236,445 | 5,267,523 | 5,286,577 | 4,514,870 |
| Management and Administration | 12,395,777 | 11,447,107 | 11,803,103 | 26,044,043 | 39,571,878 | 38,633,509 | 43,137,402 | 40,909,119 | 37,229,087 | 33,187,587 |
| Debt Service / Capital Leases (2) | | | | | | | | | | |
| Principal | 22,761 | - | - | - | 871,253 | 671,821 | 697,536 | 686,831 | - | - |
| Interest | 5,668 | - | - | - | 40,909 | 45,179 | 19,464 | - | - | - |
| Other | - | - | - | - | - | - | - | 250 | - | - |
| Total Expenditures | 152,092,899 | 153,615,647 | 171,121,554 | 203,719,430 | 210,382,141 | 270,018,473 | 300,447,934 | 336,500,738 | 201,229,177 | 189,599,463 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | <u>(29,238,011)</u> | <u>(39,858,821)</u> | <u>(47,866,862)</u> | <u>(56,203,576)</u> | <u>(10,847,909)</u> | <u>(14,912,524)</u> | <u>(7,470,970)</u> | <u>44,182,879</u> | <u>109,147,079</u> | <u>82,524,246</u> |
| OTHER FINANCING SOURCES (USES) | | | | | | | | | | |
| Transfers In | - | - | - | - | 300,042,655 | 913,423 | 40,908,961 | 3,773,441 | 17,275,932 | 14,211,995 |
| Transfers Out | - | - | - | - | (300,042,655) | (913,423) | (40,908,961) | (3,773,441) | (17,275,932) | (14,211,995) |
| Sale of Capital Assets | 244,191 | 1,987,984 | 148,671 | 5,057,137 | - | - | 1,957,405 | 636,871 | - | 4,289,660 |
| Capital Lease Proceeds | 253,225 | - | - | - | - | - | 947,744 | 1,995,697 | - | - |
| Total Other Financing Sources and Uses | 497,416 | 1,987,984 | 148,671 | 5,057,137 | - | - | 2,905,149 | 2,632,568 | - | 4,289,660 |
| Net Change in Fund Balances | (28,740,595) | (37,870,837) | (47,718,191) | (51,146,439) | (10,847,909) | (14,912,524) | (4,565,821) | 46,815,447 | 109,147,079 | 86,813,906 |
| Fund Balances - Beginning | 442,835,491 | 480,706,328 | 528,424,519 | 579,570,958 | 590,418,867 | 605,331,391 | 609,897,212 | 563,081,765 | 453,934,686 | 367,120,780 |
| Fund Balances - Ending | <u>\$ 414,094,896</u> | <u>\$ 442,835,491</u> | <u>\$ 480,706,328</u> | <u>\$ 528,424,519</u> | <u>\$ 579,570,958</u> | <u>\$ 590,418,867</u> | <u>\$ 605,331,391</u> | <u>\$ 609,897,212</u> | <u>\$ 563,081,765</u> | <u>\$ 453,934,686</u> |
| Debt service as a percentage of noncapital expenditures (2) | 0.02% | 0.00% | 0.00% | 0.00% | 0.47% | 0.33% | 0.27% | 0.28% | | |

(1) This schedule shows the combined General Government Expenditures, including the General, Special Revenue and Capital Projects Funds.

(2) Fiscal year 2008 is the first year the District incurred debt, which was paid in full as of September 30, 2011. In fiscal year 2015 the District entered into a new capital lease.

See accompanying Independent Auditors' Report.

Southwest Florida Water Management District
General Government Expenditures by Program (1)
For the Last Ten Fiscal Years
(modified accrual basis of accounting)
(unaudited)

| Fiscal Year | Water Resource Planning and Monitoring | Land Acquisition, Restoration and Public Works | Operation and Maintenance of Works and Lands | Regulation | Outreach | Management and Administration | Total Expenditures |
|--------------------|---|---|---|-------------------------|-----------------------|--------------------------------------|---------------------------|
| 2015 | \$ 25,491,396 16.76% | \$ 79,071,775 51.98% | \$ 16,008,895 10.53% | \$ 17,352,740 11.41% | \$ 1,743,887 1.15% | \$ 12,424,206 8.17% | \$ 152,092,899 100.00% |
| 2014 | 26,331,532 17.14% | 81,407,622 52.99% | 14,342,811 9.34% | 18,232,776 11.87% | 1,853,799 1.21% | 11,447,107 7.45% | 153,615,647 100.00% |
| 2013 | 26,846,452 15.69% | 95,795,322 55.97% | 15,450,118 9.03% | 17,979,240 10.51% | 3,247,319 1.90% | 11,803,103 6.90% | 171,121,554 100.00% |
| 2012 | 30,651,290 15.05% | 110,969,655 54.47% | 15,363,015 7.54% | 16,781,607 8.24% | 3,909,820 1.92% | 26,044,043 12.78% | 203,719,430 100.00% |
| 2011 | 38,412,310 18.26% | 92,769,162 44.10% | 15,558,263 7.40% | 17,425,804 8.28% | 5,732,562 2.72% | 40,484,040 19.24% | 210,382,141 100.00% |
| 2010 | 40,688,508 15.07% | 145,008,737 53.71% | 19,841,405 7.35% | 18,801,634 6.96% | 6,327,680 2.34% | 39,350,509 14.57% | 270,018,473 100.00% |
| 2009 | 40,466,587 13.47% | 170,942,985 56.89% | 19,678,843 6.55% | 19,268,672 6.41% | 6,236,445 2.08% | 43,854,402 14.60% | 300,447,934 100.00% |
| 2008 | 37,882,697 11.26% | 213,073,582 63.32% | 19,600,288 5.82% | 19,080,448 5.67% | 5,267,523 1.57% | 41,596,200 12.36% | 336,500,738 100.00% |
| 2007 | 32,620,502 16.21% | 91,471,056 45.45% | 16,310,879 8.11% | 18,311,066 9.10% | 5,286,577 2.63% | 37,229,097 18.50% | 201,229,177 100.00% |
| 2006 | 30,274,277 15.97% | 88,631,174 46.75% | 16,710,796 8.81% | 16,280,759 8.59% | 4,514,870 2.38% | 33,187,587 17.50% | 189,599,463 100.00% |

(1) This schedule shows the combined General Government Expenditures, including the General, Special Revenue and Capital Projects Funds.

See accompanying Independent Auditors' Report.

**Southwest Florida Water Management District
General Government Revenues by Source (1)
For the Last Ten Fiscal Years
(modified accrual basis of accounting)
(unaudited)**

| Fiscal Year | Ad Valorem Property Taxes | Inter-Governmental Revenues | Interest on Invested Funds | License and Permit Fees | Other Revenues | Total Revenues |
|--------------------|----------------------------------|------------------------------------|-----------------------------------|--------------------------------|-----------------------|---------------------------|
| 2015 | \$ 103,109,563 83.92% | \$ 12,371,605 10.07% | \$ 4,691,530 3.82% | \$ 1,408,269 1.15% | \$ 1,273,921 1.04% | \$ 122,854,888 100.00% |
| 2014 | 101,719,555 89.42% | 8,529,281 7.50% | 1,684,031 1.48% | 1,261,166 1.11% | 562,793 0.49% | 113,756,826 100.00% |
| 2013 | 100,906,682 81.86% | 16,535,307 13.42% | 2,333,735 1.89% | 1,856,608 1.51% | 1,622,360 1.32% | 123,254,692 100.00% |
| 2012 | 104,686,640 70.97% | 34,418,211 23.33% | 5,197,926 3.52% | 1,641,623 1.11% | 1,571,454 1.07% | 147,515,854 100.00% |
| 2011 | 161,721,818 81.05% | 26,781,435 13.42% | 6,515,579 3.27% | 1,862,728 0.93% | 2,652,672 1.33% | 199,534,232 100.00% |
| 2010 | 189,111,242 74.14% | 53,735,973 21.06% | 8,199,031 3.21% | 1,865,778 0.73% | 2,193,925 0.86% | 255,105,949 100.00% |
| 2009 | 216,624,815 73.94% | 59,251,973 20.22% | 13,220,367 4.51% | 1,672,672 0.57% | 2,207,137 0.76% | 292,976,964 100.00% |
| 2008 | 238,836,876 62.74% | 118,983,767 31.26% | 17,906,722 4.70% | 2,289,611 0.60% | 2,666,641 0.70% | 380,683,617 100.00% |
| 2007 | 237,543,172 76.53% | 38,069,942 12.26% | 28,204,657 9.09% | 3,282,034 1.06% | 3,276,451 1.06% | 310,376,256 100.00% |
| 2006 | 189,378,158 69.59% | 55,536,683 20.41% | 19,640,423 7.22% | 4,026,078 1.48% | 3,542,367 1.30% | 272,123,709 100.00% |

(1) This schedule includes General, Special Revenue and Capital Projects Funds.

See accompanying Independent Auditors' Report.

Southwest Florida Water Management District
Ad Valorem Property Tax Revenues by Source⁽¹⁾
For the Last Ten Fiscal Years
(modified accrual basis of accounting)
(unaudited)

| Fiscal Year | General Fund | Alafia River Basin | Hillsborough River Basin (2) | Northwest Hillsborough Basin (2) | Coastal Rivers Basin | Pinellas-Anclote River Basin | Withlacoochee River Basin | Peace River Basin | Manasota Basin | Facilities | Total | Percent Base Year | Annual Change in Percent |
|-------------|----------------|--------------------|------------------------------|----------------------------------|----------------------|------------------------------|---------------------------|-------------------|----------------|------------|----------------|-------------------|--------------------------|
| 2015 | \$ 103,109,563 | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | \$ - | \$ 103,109,563 | 54.4 % | 0.7 % |
| 2014 | 101,719,555 | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | - | 101,719,555 | 53.7 | 0.4 |
| 2013 | 100,906,682 | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | - | 100,906,682 | 53.3 | (2.0) |
| 2012 (4) | 103,686,640 | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | 1,000,000 | 104,686,640 | 55.3 | (30.1) |
| 2011 | 103,214,335 | \$ 3,923,939 | \$ 13,194,097 | N/A | \$ 3,692,841 | \$ 15,887,378 | \$ 4,264,102 | \$ 6,435,698 | \$ 9,609,428 | 1,500,000 | 161,721,818 | 85.4 | (14.5) |
| 2010 | 119,228,507 | 4,401,132 | 15,649,847 | N/A | 4,088,182 | 21,635,385 | 4,625,138 | 7,444,942 | 10,788,109 | 1,250,000 | 189,111,242 | 99.9 | (14.5) |
| 2009 | 134,486,978 | 4,821,088 | 13,004,137 | \$ 5,376,574 | 4,553,491 | 27,497,327 | 4,925,509 | 8,525,216 | 12,184,495 | 1,250,000 | 216,624,815 | 114.4 | (11.7) (3) |
| 2008 | 147,940,801 | 5,526,420 | 12,611,129 | 6,665,194 | 5,086,354 | 30,934,560 | 5,411,367 | 9,350,470 | 13,910,581 | 1,400,000 | 238,836,876 | 126.1 | 0.7 |
| 2007 | 145,973,534 | 5,364,139 | 12,463,049 | 6,734,757 | 5,024,249 | 31,319,837 | 5,148,275 | 9,265,908 | 13,849,424 | 2,400,000 | 237,543,172 | 125.4 | 25.4 |
| 2006 | 115,088,950 | 4,251,799 | 10,084,129 | 5,690,823 | 4,449,920 | 25,938,951 | 3,701,008 | 6,760,928 | 11,011,650 | 2,400,000 | 189,378,158 | 100.0 | 0.0 |

(1) This schedule includes General, Special Revenue and Capital Projects Funds.

(2) The Hillsborough River Basin and the Northwest Hillsborough Basin were merged effective January 1, 2009.

(3) The reduction in Ad Valorem Property Tax Revenues was due to declining property values and the impact of the amendment to the Florida Constitution (Amendment 1) that was passed by voters January 29, 2008.

(4) Effective May 31, 2011, the District's Governing Board revoked all prior Basin boundary designations and merged all Basin boundaries into the boundary of the District; therefore, the District General Fund was the only taxing authority for fiscal years 2012 and later.

See accompanying Independent Auditors' Report.

Southwest Florida Water Management District
Ad Valorem Property Tax Revenues by County(1)
For the Last Ten Fiscal Years
(modified accrual basis of accounting)
(unaudited)

| Fiscal Year | Charlotte County | Citrus County | DeSoto County | Hardee County | Hernando County | Highlands County | Hillsborough County | Lake County | Levy County |
|--------------------|-------------------------|-----------------------|----------------------|----------------------|------------------------|-------------------------|----------------------------|--------------------|---------------------|
| 2015 | \$ 4,399,265 4.27% | \$ 2,789,197 2.71% | \$ 501,914 0.49% | \$ 516,935 0.50% | \$ 2,611,476 2.53% | \$ 1,349,554 1.31% | \$ 24,281,453 23.55% | \$ 25,480 0.02% | \$ 275,246 0.27% |
| 2014 | 4,398,449 4.32% | 3,099,107 3.05% | 517,209 0.51% | 560,777 0.55% | 2,731,630 2.69% | 1,400,290 1.38% | 23,685,450 23.28% | 25,370 0.02% | 285,451 0.28% |
| 2013 | 4,439,833 4.40% | 3,064,224 3.04% | 535,737 0.53% | 586,380 0.58% | 2,856,043 2.83% | 1,486,962 1.47% | 23,018,798 22.80% | 25,856 0.03% | 305,034 0.30% |
| 2012 | 4,738,013 4.53% | 3,538,541 3.38% | 551,236 0.53% | 575,607 0.55% | 2,899,571 2.77% | 1,555,751 1.49% | 23,977,333 22.88% | 28,068 0.03% | 346,074 0.33% |
| 2011 | 7,192,259 4.45% | 5,422,966 3.35% | 813,212 0.50% | 854,038 0.53% | 4,489,683 2.78% | 2,333,287 1.44% | 37,622,850 23.26% | 29,498 0.02% | 586,870 0.36% |
| 2010 | 8,601,056 4.55% | 5,764,046 3.05% | 936,532 0.50% | 913,609 0.48% | 5,332,460 2.82% | 2,768,332 1.46% | 43,663,858 23.09% | 30,416 0.02% | 626,488 0.33% |
| 2009 (2) | 10,131,134 4.68% | 6,192,558 2.86% | 965,835 0.45% | 899,843 0.42% | 5,848,996 2.70% | 2,947,649 1.36% | 50,526,245 23.32% | 31,110 0.01% | 717,125 0.33% |
| 2008 | 12,740,821 5.33% | 7,166,628 3.00% | 1,018,393 0.43% | 988,590 0.41% | 6,370,297 2.67% | 3,309,726 1.39% | 53,172,802 22.26% | 31,752 0.01% | 751,259 0.31% |
| 2007 | 14,178,471 5.97% | 7,350,108 3.09% | 1,039,104 0.44% | 889,608 0.37% | 6,102,139 2.57% | 3,050,390 1.28% | 52,334,811 22.03% | 30,030 0.01% | 799,002 0.34% |
| 2006 | 9,460,493 5.00% | 5,639,059 2.98% | 691,213 0.36% | 788,792 0.42% | 4,925,311 2.60% | 2,153,281 1.14% | 43,054,784 22.73% | 22,883 0.01% | 521,149 0.28% |

(1) This schedule includes General, Special Revenue and Capital Projects Funds.

(2) The reduction in Ad Valorem Property Tax Revenues was due to declining property values and the impact of the amendment to the Florida Constitution (Amendment 1) that was passed by voters on January 29, 2008.

Source: District records - Finance Bureau.

See accompanying Independent Auditors' Report.

(continued)

Southwest Florida Water Management District
Ad Valorem Property Tax Revenues by County(1)
For the Last Ten Fiscal Years
(modified accrual basis of accounting)
(unaudited)
(continued)

| Fiscal Year | Manatee County | Marion County | Pasco County | Pinellas County | Polk County | Sarasota County | Sumter County | Total |
|--------------------|-----------------------|-----------------------|-----------------------|-------------------------|-----------------------|-------------------------|-----------------------|---------------------------|
| 2015 | \$ 9,199,208 8.92% | \$ 1,716,687 1.66% | \$ 7,205,123 6.99% | \$ 21,121,428 20.48% | \$ 8,558,823 8.30% | \$ 15,396,243 14.93% | \$ 3,161,531 3.07% | \$ 103,109,563 100.00% |
| 2014 | 8,933,153 8.78% | 1,748,697 1.72% | 7,177,123 7.06% | 20,749,595 20.40% | 8,505,587 8.36% | 15,049,552 14.80% | 2,852,115 2.80% | 101,719,555 100.00% |
| 2013 | 8,846,636 8.77% | 1,775,453 1.76% | 7,322,772 7.26% | 20,671,314 20.49% | 8,418,238 8.34% | 14,893,474 14.76% | 2,659,928 2.64% | 100,906,682 100.00% |
| 2012 | 9,045,647 8.64% | 1,964,342 1.88% | 7,728,312 7.38% | 21,257,754 20.31% | 8,903,633 8.51% | 15,061,380 14.39% | 2,515,378 2.40% | 104,686,640 100.00% |
| 2011 | 12,593,267 7.79% | 3,372,630 2.09% | 12,011,482 7.43% | 36,072,441 22.30% | 13,236,667 8.18% | 21,436,389 13.26% | 3,654,279 2.26% | 161,721,818 100.00% |
| 2010 | 14,809,981 7.83% | 3,953,855 2.09% | 14,101,687 7.46% | 44,266,162 23.41% | 15,583,799 8.24% | 24,086,237 12.73% | 3,672,724 1.94% | 189,111,242 100.00% |
| 2009 (2) | 16,369,036 7.56% | 4,409,534 2.04% | 16,381,859 7.56% | 52,853,363 24.40% | 17,291,246 7.98% | 27,585,247 12.73% | 3,474,035 1.60% | 216,624,815 100.00% |
| 2008 | 17,765,391 7.44% | 4,877,757 2.04% | 18,381,150 7.70% | 58,568,414 24.52% | 17,854,305 7.48% | 32,375,418 13.56% | 3,464,173 1.45% | 238,836,876 100.00% |
| 2007 | 17,223,698 7.25% | 4,050,704 1.71% | 17,581,645 7.40% | 60,048,322 25.29% | 16,682,869 7.02% | 33,148,867 13.95% | 3,033,404 1.28% | 237,543,172 100.00% |
| 2006 | 13,924,895 7.35% | 2,742,778 1.45% | 13,650,954 7.21% | 49,977,644 26.39% | 13,431,641 7.09% | 26,130,517 13.80% | 2,262,764 1.19% | 189,378,158 100.00% |

(1) This schedule includes General, Special Revenue and Capital Projects Funds.

(2) The reduction in Ad Valorem Property Tax Revenues was due to declining property values and the impact of the amendment to the Florida Constitution (Amendment 1) that was passed by voters on January 29, 2008.

Source: District records - Finance Bureau.

Southwest Florida Water Management District
Ad Valorem Property Tax Levies, Tax Collections and Assessed Valuations
For the Last Ten Fiscal Years
(unaudited)

| <u>Fiscal Year</u> | <u>Assessed Valuation (1)</u> | <u>Total Tax Levy</u> | <u>Current Tax Collections</u> | <u>Percent of Current Tax Collection to Tax Levy</u> | <u>Delinquent Tax Collections</u> | <u>Total Tax Collections</u> | <u>Percent of Total Tax Collection to Tax Levy</u> |
|--------------------|-------------------------------|-----------------------|--------------------------------|--|-----------------------------------|------------------------------|--|
| 2015 | \$ 291,190,079,928 | \$ 106,517,331 | \$ 102,706,790 | 96.42 % | \$ 402,773 | \$ 103,109,563 | 96.80 % |
| 2014 | 276,826,961,838 | 105,692,534 | 101,046,156 | 95.60 | 673,399 | 101,719,555 | 96.24 |
| 2013 | 266,456,598,757 | 104,664,153 | 100,265,203 | 95.80 | 641,479 | 100,906,682 | 96.41 |
| 2012 | 274,339,074,461 | 107,760,388 | 103,383,339 | 95.94 | 1,303,301 | 104,686,640 | 97.15 |
| 2011 | 287,863,529,751 | 167,583,548 | 160,425,813 | 95.73 | 1,296,005 | 161,721,818 | 96.50 |
| 2010 | 322,613,718,625 | 195,782,309 | 187,919,296 | 95.98 | 1,191,946 | 189,111,242 | 96.59 |
| 2009 | 364,790,289,103 | 225,150,454 | 215,394,447 | 95.67 | 1,230,368 | 216,624,815 (2) | 96.21 |
| 2008 | 400,166,690,276 | 247,424,227 | 237,744,556 | 96.09 | 1,092,320 | 238,836,876 | 96.53 |
| 2007 | 364,100,486,292 | 246,000,306 | 236,984,777 | 96.34 | 558,395 | 237,543,172 | 96.56 |
| 2006 | 288,027,816,770 | 195,912,657 | 188,729,789 | 96.33 | 648,369 | 189,378,158 | 96.66 |

(1) Valuations are as of January 1 on the calendar year preceding the applicable District fiscal year.

(2) The reduction in Ad Valorem Property Tax Revenues was due to declining property values and the impact of the amendment to the Florida Constitution (Amendment 1) that was passed by voters on January 29, 2008.

Sources: District records - Finance Bureau, Budget Section; State of Florida, Department of Revenue; County Governments.

See accompanying Independent Auditors' Report.

Southwest Florida Water Management District
Taxable Assessed and Estimated Just Value of Taxable Property
For the Last Ten Fiscal Years
(unaudited)

| Fiscal Year | Charlotte County | | Citrus County | | DeSoto County | | Hardee County | |
|-------------|----------------------------|--------------------------|----------------------------|--------------------------|----------------------------|--------------------------|----------------------------|--------------------------|
| | Taxable Assessed Value (2) | Estimated Just Value (3) | Taxable Assessed Value (1) | Estimated Just Value (3) | Taxable Assessed Value (1) | Estimated Just Value (3) | Taxable Assessed Value (1) | Estimated Just Value (3) |
| 2015 | \$ 12,447,589,866 4.27% | \$ 17,152,302,768 | \$ 7,893,518,372 2.71% | \$ 10,310,375,084 | \$ 1,371,423,824 0.47% | \$ 2,761,442,878 | \$ 1,454,748,937 0.50% | \$ 2,307,430,304 |
| 2014 | 11,915,060,252 4.30% | 15,817,517,470 | 10,177,235,077 3.68% | 10,370,361,138 | 1,358,399,626 0.49% | 2,737,769,467 | 1,498,817,937 0.54% | 2,317,075,360 |
| 2013 | 11,721,083,416 4.40% | 15,113,914,001 | 8,977,977,542 3.37% | 10,591,756,106 | 1,371,139,288 0.51% | 2,738,089,973 | 1,527,328,126 0.57% | 2,318,038,347 |
| 2012 | 12,433,871,062 4.53% | 15,775,252,608 | 9,336,411,252 3.40% | 11,073,753,128 | 1,424,521,662 0.52% | 2,820,729,089 | 1,508,413,982 0.55% | 2,328,351,267 |
| 2011 | 13,388,137,357 4.65% | 16,959,927,343 | 9,614,305,893 3.34% | 11,929,442,840 | 1,440,295,660 0.50% | 2,917,612,542 | 1,548,820,619 0.54% | 2,499,618,714 |
| 2010 | 15,605,343,917 4.84% | 20,165,581,587 | 10,074,921,377 3.12% | 13,124,823,904 | 1,627,233,852 0.50% | 3,534,008,206 | 1,648,825,033 0.51% | 2,799,183,882 |
| 2009 (4) | 18,744,588,641 5.14% | 24,134,964,729 | 10,949,871,541 3.00% | 14,592,430,322 | 1,782,603,163 0.49% | 3,814,458,104 | 1,621,242,093 0.44% | 3,597,898,593 |
| 2008 | 23,468,464,057 5.86% | 30,281,403,475 | 12,388,874,371 3.10% | 15,861,126,819 | 1,859,310,230 0.46% | 3,837,360,015 | 1,775,558,774 0.44% | 3,533,587,394 |
| 2007 | 24,129,410,539 6.63% | 32,413,213,000 | 11,637,462,135 3.20% | 15,252,149,646 | 1,758,121,481 0.48% | 3,670,862,797 | 1,556,504,727 0.43% | 2,689,526,887 |
| 2006 | 15,988,917,489 5.55% | 20,937,367,172 | 8,700,489,533 3.02% | 10,331,779,330 | 1,141,425,064 0.40% | 2,094,506,489 | 1,404,977,510 0.49% | 1,999,273,020 |

- (1) Taxable Assessed Value is calculated at 100 percent of market value less exempt and immune values and are as of January 1 on the calendar year preceding the applicable District fiscal year.
- (2) Taxable Assessed Value is calculated at 100 percent of market value less exempt and immune values, represents only those portions of counties within District boundaries and are as of January 1 on the calendar year preceding the applicable District fiscal year.
- (3) The Estimated Just Value represents the estimated total value of taxable property within the 16-county area encompassed by the District, and is updated based on the Department of Revenue Comparative Statement of Just Values, Real Property Only as of January 1 on the calendar year preceding the applicable District fiscal year.
- (4) The reduction in Taxable Assessed and Estimated Just Values in fiscal year 2009 was due to declining property values and the impact of the amendment to the Florida Constitution (Amendment 1) that was passed by voters on January 29, 2008.

Sources: District records - Finance Bureau, Budget Section; Florida Statistical Abstract, State of Florida, Department of Revenue.

See accompanying Independent Auditors' Report.

(continued)

Southwest Florida Water Management District
Taxable Assessed and Estimated Just Value of Taxable Property
For the Last Ten Fiscal Years
(unaudited)
(continued)

| Fiscal Year | Hernando County | | Highlands County | | Hillsborough County | | Lake County | |
|-------------|----------------------------|--------------------------|----------------------------|--------------------------|-----------------------------|--------------------------|----------------------------|--------------------------|
| | Taxable Assessed Value (1) | Estimated Just Value (3) | Taxable Assessed Value (2) | Estimated Just Value (3) | Taxable Assessed Value (1) | Estimated Just Value (3) | Taxable Assessed Value (2) | Estimated Just Value (3) |
| 2015 | \$ 7,270,531,735 2.50% | \$ 10,337,411,303 | \$ 3,774,772,032 1.30% | \$ 6,061,467,078 | \$ 68,645,393,560 23.56% | \$ 91,081,152,547 | \$ 69,868,889 0.02% | \$ 20,529,670,110 |
| 2014 | 7,164,529,714 2.59% | 9,971,034,670 | 3,781,492,104 1.37% | 6,045,740,002 | 64,099,889,092 23.16% | 83,705,327,661 | 67,521,327 0.02% | 19,331,115,179 |
| 2013 | 7,323,902,726 2.75% | 9,936,963,891 | 3,860,234,259 1.45% | 6,167,846,381 | 60,812,026,614 22.82% | 77,317,991,363 | 67,842,756 0.04% | 19,108,024,743 |
| 2012 | 7,721,977,752 2.81% | 10,579,974,346 | 4,048,756,058 1.48% | 6,545,545,717 | 62,336,980,209 22.72% | 79,628,695,108 | 71,781,864 0.03% | 20,285,676,118 |
| 2011 | 8,393,836,609 2.92% | 11,552,841,759 | 4,235,779,178 1.47% | 6,874,145,162 | 65,116,419,986 22.61% | 84,058,854,773 | 80,021,070 0.03% | 22,161,571,162 |
| 2010 | 9,488,123,875 2.94% | 13,471,360,637 | 4,936,206,579 1.53% | 8,239,938,540 | 73,415,622,752 22.76% | 96,774,421,040 | 81,481,877 0.03% | 24,975,567,952 |
| 2009 (4) | 10,387,499,612 2.85% | 15,814,704,391 | 5,389,133,838 1.48% | 9,254,973,711 | 83,938,830,501 23.01% | 116,254,203,161 | 84,370,714 0.02% | 27,928,949,304 |
| 2008 | 11,357,529,621 2.84% | 16,512,802,416 | 5,931,994,995 1.48% | 9,629,781,192 | 88,033,093,322 22.02% | 120,823,337,789 | 86,675,044 0.02% | 27,890,683,868 |
| 2007 | 9,901,079,038 2.72% | 14,737,835,803 | 5,037,731,165 1.38% | 8,271,475,339 | 78,793,903,491 21.64% | 110,783,362,933 | 74,401,396 0.02% | 24,009,757,409 |
| 2006 | 7,646,691,051 2.65% | 11,004,596,658 | 3,510,605,604 1.22% | 5,710,710,588 | 64,750,787,840 22.47% | 87,321,571,180 | 55,477,839 0.02% | 17,331,581,237 |

- (1) Taxable Assessed Value is calculated at 100 percent of market value less exempt and immune values and are as of January 1 on the calendar year preceding the applicable District fiscal year.
- (2) Taxable Assessed Value is calculated at 100 percent of market value less exempt and immune values, represents only those portions of counties within District boundaries and are as of January 1 on the calendar year preceding the applicable District fiscal year.
- (3) The Estimated Just Value represents the estimated total value of taxable property within the 16-county area encompassed by the District, and is updated based on the Department of Revenue Comparative Statement of Just Values, Real Property Only as of January 1 on the calendar year preceding the applicable District fiscal year.
- (4) The reduction in Taxable Assessed and Estimated Just Values in fiscal year 2009 was due to declining property values and the impact of the amendment to the Florida Constitution (Amendment 1) that was passed by voters on January 29, 2008.

Sources: District records - Finance Bureau, Budget Section; Florida Statistical Abstract, State of Florida, Department of Revenue.

(continued)

Southwest Florida Water Management District
Taxable Assessed and Estimated Just Value of Taxable Property
For the Last Ten Fiscal Years
(unaudited)
(continued)

| Fiscal Year | Levy County | | Manatee County | | Marion County | | Pasco County | |
|-------------|----------------------------|--------------------------|----------------------------|--------------------------|----------------------------|--------------------------|----------------------------|--------------------------|
| | Taxable Assessed Value (2) | Estimated Just Value (3) | Taxable Assessed Value (1) | Estimated Just Value (3) | Taxable Assessed Value (2) | Estimated Just Value (3) | Taxable Assessed Value (1) | Estimated Just Value (3) |
| 2015 | \$ 779,563,179 0.27% | \$ 3,016,489,621 | \$ 26,001,571,459 8.93% | \$ 31,726,387,356 | \$ 4,888,382,095 1.68% | \$ 22,535,216,991 | \$ 20,261,141,679 6.96% | \$ 28,719,366,391 |
| 2014 | 765,121,003 0.28% | 2,835,513,830 | 24,206,711,462 8.74% | 28,569,565,875 | 4,768,167,109 1.72% | 21,657,987,283 | 19,338,148,774 6.99% | 26,845,762,025 |
| 2013 | 799,492,293 0.30% | 2,946,228,268 | 23,322,999,512 8.75% | 27,271,851,487 | 4,758,708,259 1.79% | 21,695,907,937 | 19,116,580,564 7.17% | 26,541,368,860 |
| 2012 | 899,834,945 0.33% | 3,524,592,792 | 23,820,210,422 8.68% | 28,200,290,660 | 5,181,774,461 1.89% | 24,093,602,773 | 20,323,341,802 7.41% | 28,013,760,041 |
| 2011 | 978,841,451 0.34% | 3,988,729,515 | 24,909,396,182 8.65% | 29,747,730,647 | 5,746,672,436 2.00% | 27,116,911,018 | 20,754,922,138 7.21% | 29,126,576,684 |
| 2010 | 1,039,092,617 0.32% | 4,417,873,490 | 28,739,213,410 8.91% | 35,315,585,698 | 6,615,903,811 2.05% | 31,005,053,635 | 23,045,072,814 7.14% | 32,681,663,769 |
| 2009 (4) | 1,176,574,298 0.32% | 4,992,458,397 | 31,728,741,317 8.70% | 40,532,806,394 | 7,681,828,761 2.11% | 36,172,335,899 | 26,767,890,444 7.34% | 39,790,825,530 |
| 2008 | 1,283,131,348 0.32% | 4,921,099,058 | 34,528,464,902 8.63% | 44,545,058,066 | 8,364,377,817 2.09% | 36,918,976,765 | 29,729,044,446 7.43% | 42,731,680,816 |
| 2007 | 1,223,533,954 0.34% | 4,651,266,241 | 30,735,678,005 8.44% | 39,852,822,216 | 6,132,576,329 1.68% | 28,210,769,525 | 25,750,555,212 7.07% | 37,956,289,419 |
| 2006 | 788,382,168 0.27% | 2,892,868,688 | 24,759,022,291 8.60% | 31,744,642,359 | 4,216,130,979 1.46% | 19,412,346,247 | 19,804,373,845 6.88% | 27,816,171,324 |

- (1) Taxable Assessed Value is calculated at 100 percent of market value less exempt and immune values and are as of January 1 on the calendar year preceding the applicable District fiscal year.
- (2) Taxable Assessed Value is calculated at 100 percent of market value less exempt and immune values, represents only those portions of counties within District boundaries and are as of January 1 on the calendar year preceding the applicable District fiscal year.
- (3) The Estimated Just Value represents the estimated total value of taxable property within the 16-county area encompassed by the District, and is updated based on the Department of Revenue Comparative Statement of Just Values, Real Property Only as of January 1 on the calendar year preceding the applicable District fiscal year.
- (4) The reduction in Taxable Assessed and Estimated Just Values in fiscal year 2009 was due to declining property values and the impact of the amendment to the Florida Constitution (Amendment 1) that was passed by voters on January 29, 2008.

Sources: District records - Finance Bureau, Budget Section; Florida Statistical Abstract, State of Florida, Department of Revenue.

(continued)

Southwest Florida Water Management District
Taxable Assessed and Estimated Just Value of Taxable Property
For the Last Ten Fiscal Years
(unaudited)
(continued)

| Fiscal Year | Pinellas County | | Polk County | | Sarasota County | | Sumter County | | Total | |
|-------------|-----------------------------|--------------------------|----------------------------|--------------------------|-----------------------------|--------------------------|----------------------------|--------------------------|-------------------------------|--------------------------|
| | Taxable Assessed Value (1) | Estimated Just Value (3) | Taxable Assessed Value (2) | Estimated Just Value (3) | Taxable Assessed Value (1) | Estimated Just Value (3) | Taxable Assessed Value (1) | Estimated Just Value (3) | Taxable Assessed Value (2) | Estimated Just Value (3) |
| 2015 | \$ 59,767,824,833 20.53% | \$ 82,011,208,919 | \$ 24,111,126,225 8.28% | \$ 32,453,751,594 | \$ 43,496,280,912 14.94% | \$ 57,622,573,000 | \$ 8,956,561,331 3.08% | \$ 12,305,148,331 | \$ 291,190,079,928 100.00% | \$ 430,931,394,275 |
| 2014 | 56,193,988,907 20.30% | 73,899,681,892 | 22,958,987,131 8.29% | 29,792,113,559 | 40,812,665,951 14.74% | 52,273,456,800 | 7,720,226,372 2.79% | 10,443,725,800 | 276,826,961,838 100.00% | 396,613,748,011 |
| 2013 | 54,425,420,037 20.43% | 70,485,578,787 | 22,180,556,410 8.32% | 27,995,654,184 | 39,170,913,940 14.70% | 49,359,975,511 | 7,020,393,015 2.63% | 9,442,513,580 | 266,456,598,757 100.00% | 379,031,903,419 |
| 2012 | 55,608,566,276 20.27% | 72,683,171,813 | 23,369,108,379 8.52% | 29,429,384,408 | 39,585,676,326 14.43% | 49,842,203,473 | 6,667,848,009 2.43% | 9,041,889,537 | 274,339,074,461 100.00% | 393,866,872,878 |
| 2011 | 58,395,259,809 20.29% | 77,107,914,679 | 24,919,832,620 8.66% | 32,090,561,797 | 42,118,634,428 14.63% | 53,406,022,942 | 8,224,354,315 2.16% | 8,605,957,586 | 287,863,529,751 100.00% | 420,145,219,163 |
| 2010 | 64,789,464,910 20.09% | 89,120,171,479 | 28,735,416,677 8.91% | 39,151,322,368 | 46,554,772,530 14.43% | 59,857,675,826 | 6,207,022,594 1.92% | 8,885,586,796 | 322,613,718,625 100.00% | 483,519,798,809 |
| 2009 (4) | 73,364,672,321 20.11% | 105,800,594,551 | 32,149,838,024 8.81% | 45,690,203,869 | 53,170,778,042 14.58% | 70,539,563,052 | 5,851,825,793 1.60% | 8,848,146,235 | 364,790,289,103 100.00% | 567,759,516,242 |
| 2008 | 80,171,847,018 20.03% | 114,317,705,946 | 32,728,357,906 8.18% | 45,514,480,070 | 62,685,251,050 15.66% | 83,355,313,080 | 5,774,715,375 1.44% | 8,387,422,260 | 400,166,690,276 100.00% | 609,061,819,029 |
| 2007 | 75,661,254,861 20.78% | 110,368,480,158 | 28,070,713,660 7.71% | 37,942,552,926 | 59,015,112,895 16.21% | 81,694,691,410 | 4,622,447,404 1.27% | 6,755,285,291 | 364,100,486,292 100.00% | 559,270,151,000 |
| 2006 | 62,891,555,541 21.84% | 87,770,598,200 | 22,463,188,999 7.80% | 27,996,939,791 | 46,517,976,673 16.15% | 61,995,122,756 | 3,387,814,344 1.18% | 5,142,166,017 | 288,027,816,770 100.00% | 421,502,241,056 |

(1) Taxable Assessed Value is calculated at 100 percent of market value less exempt and immune values and are as of January 1 on the calendar year preceding the applicable District fiscal year.

(2) Taxable Assessed Value is calculated at 100 percent of market value less exempt and immune values, represents only those portions of counties within District boundaries and are as of January 1 on the calendar year preceding the applicable District fiscal year.

(3) The Estimated Just Value represents the estimated total value of taxable property within the 16-county area encompassed by the District, and is updated based on the Department of Revenue Comparative Statement of Just Values, Real Property Only as of January 1 on the calendar year preceding the applicable District fiscal year.

(4) The reduction in Taxable Assessed and Estimated Just Values in fiscal year 2009 was due to declining property values and the impact of the amendment to the Florida Constitution (Amendment 1) that was passed by voters on January 29, 2008.

Sources: District records - Finance Bureau, Budget Section; Florida Statistical Abstract, State of Florida, Department of Revenue.

Southwest Florida Water Management District
Schedule of Property Tax Rates for the District and Watershed Basins (Per \$1,000 Assessed Valuation)
For the Last Ten Fiscal Years
(unaudited)

| Fiscal Year | General Fund (Districtwide) | Alafia River Basin | Hillsborough River Basin | Northwest Hillsborough Basin (2) | Coastal Rivers Basin | Pinellas-Anclote River Basin | Withlacoochee River Basin | Peace River Basin | Manasota Basin | Maximum Legal Rate (1) | |
|-------------|-----------------------------|--------------------|--------------------------|----------------------------------|----------------------|------------------------------|---------------------------|-------------------|----------------|------------------------|-----------|
| | | | | | | | | | | Districtwide | Per Basin |
| 2015 | 0.3658 | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | 1.0000 | N/A |
| 2014 | 0.3818 | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | 1.0000 | N/A |
| 2013 | 0.3928 | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | 1.0000 | N/A |
| 2012 (3) | 0.3928 | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | 1.0000 | N/A |
| 2011 | 0.3770 | 0.2163 | 0.2300 | N/A | 0.1885 | 0.2600 | 0.2308 | 0.1827 | 0.1484 | 0.5000 | 0.5000 |
| 2010 | 0.3866 | 0.2163 | 0.2421 | N/A | 0.1885 | 0.3200 | 0.2308 | 0.1827 | 0.1484 | 0.5000 | 0.5000 |
| 2009 | 0.3866 | 0.2163 | 0.2547 | 0.2421 | 0.1885 | 0.3600 | 0.2308 | 0.1827 | 0.1484 | 0.5000 | 0.5000 |
| 2008 | 0.3866 | 0.2163 | 0.2547 | 0.2421 | 0.1885 | 0.3701 | 0.2308 | 0.1827 | 0.1484 | 0.5000 | 0.5000 |
| 2007 | 0.4220 | 0.2400 | 0.2850 | 0.2680 | 0.2050 | 0.4000 | 0.2650 | 0.1950 | 0.1600 | 0.5000 | 0.5000 |
| 2006 | 0.4220 | 0.2400 | 0.2850 | 0.2680 | 0.2350 | 0.4000 | 0.2650 | 0.1950 | 0.1600 | 0.5000 | 0.5000 |

(1) The maximum legal millage rates for ad valorem taxes are established under Chapter 373.503, Florida Statutes, for the District and Basins.

(2) In fiscal year 2009, the Governing Board approved the merger of the Hillsborough River Basin and the Northwest Hillsborough Basin, effective January 1, 2009. The newly merged basin is known as the Hillsborough River Basin. The Governing Board recommended the newly merged Basin Board adopt the lower of the two fiscal year 2009 millage rates for fiscal year 2010, which was the Northwest Hillsborough Basin's millage rate of 0.2421.

(3) Effective May 31, 2011, the District's Governing Board revoked all prior Basin boundary designations and merged all Basin boundaries into the boundary of the District; therefore, the District General Fund was the only taxing authority for fiscal year 2012 and later.

Sources: District records - Finance Bureau, Budget Section, annual service budget reports.

See accompanying Independent Auditors' Report.

**Southwest Florida Water Management District
Schedule of Principal Taxpayers
Current Year and Nine Years Ago
(unaudited)**

| County | Fiscal Year | | | | | |
|--------------|---|------|---|---|------|---|
| | 2015 | | | 2006 | | |
| | Taxable Assessed Value (1) (Thousands) | Rank | Percent of Total Taxable Assessed Value | Taxable Assessed Value (1) (Thousands) | Rank | Percent of Total Taxable Assessed Value |
| Hillsborough | \$ 68,645,394 | 1 | 23.56 % | \$ 64,750,788 | 1 | 22.47 % |
| Pinellas | 59,767,625 | 2 | 20.53 | 62,891,556 | 2 | 21.84 |
| Sarasota | 43,496,281 | 3 | 14.94 | 46,517,977 | 3 | 16.15 |
| Manatee | 26,001,571 | 4 | 8.93 | 24,759,022 | 4 | 8.60 |
| Polk | 24,111,126 | 5 | 8.28 | 22,463,189 | 5 | 7.80 |
| Pasco | 20,261,142 | 6 | 6.96 | 19,804,374 | 6 | 6.88 |
| Charlotte | 12,447,570 | 7 | 4.27 | 15,988,917 | 7 | 5.55 |
| Sumter | 8,956,561 | 8 | 3.08 | 3,387,814 | 12 | 1.18 |
| Citrus | 7,893,519 | 9 | 2.71 | 8,700,489 | 8 | 3.02 |
| Hernando | 7,270,532 | 10 | 2.50 | 7,646,691 | 9 | 2.65 |
| Marion | 4,888,382 | 11 | 1.68 | 4,216,131 | 10 | 1.46 |
| Highlands | 3,774,772 | 12 | 1.30 | 3,510,606 | 11 | 1.22 |
| Hardee | 1,454,749 | 13 | 0.50 | 1,404,978 | 13 | 0.49 |
| DeSoto | 1,371,424 | 14 | 0.47 | 1,141,425 | 14 | 0.40 |
| Levy | 779,563 | 15 | 0.27 | 788,382 | 15 | 0.27 |
| Lake | 69,869 | 16 | 0.02 | 55,478 | 16 | 0.02 |
| | <u>\$291,190,080</u> | | <u>100.00 %</u> | <u>\$288,027,817</u> | | <u>100.00 %</u> |

(1) Valuations are as of January 1 on the calendar year preceding the applicable District fiscal year.

Sources: District records - Finance Bureau, Budget Section; Florida Statistical Abstract, State of Florida, Department of Revenue.

See accompanying Independent Auditors' Report.

**Southwest Florida Water Management District
Ratios of Outstanding Debt
For the Last Eight Fiscal Years (1)(2)
(unaudited)**

| <u>Fiscal Year (1)</u> | <u>Governmental Activities</u> | | <u>District Population</u> | <u>Per Capita</u> |
|------------------------|--------------------------------|-------------------|--------------------------------|-------------------|
| | <u>Capital Leases</u> | <u>Total Debt</u> | | |
| 2015 | \$ 230,464 | \$ 230,464 | 4,993,741 | 0.05 |
| 2014 | - | - | 4,929,733 | 0.00 |
| 2013 | - | - | 4,868,872 | 0.00 |
| 2012 | - | - | 4,844,828 | 0.00 |
| 2011 | - | - | 4,776,765 | 0.00 |
| 2010 | 871,253 | 871,253 | 4,726,582 | 0.18 |
| 2009 | 1,543,074 | 1,543,074 | 4,688,370 | 0.33 |
| 2008 | 1,308,866 | 1,308,866 | 4,663,063 | 0.28 |

(1) Fiscal year 2008 is the first year the District incurred capital lease debt, which was paid in full as of September 30, 2011. A new capital lease was entered into in fiscal year 2015.

(2) Personal income and estimated just value data is only available for county-wide boundaries, which are not consistent with District boundaries. Therefore, personal income and estimated just value debt ratios are not provided.

Sources: Historical (2008-2014) and projected (2015) population figures were obtained and updated from Woods & Poole Economics, 2015 Florida State Profile: State and County Projections to 2050.

2008-2009 County portional populations were obtained by GIS Associates, Inc.

2010 and after County portional populations were obtained from SWFWMD Water Supply Section and BEBR Projections of Florida Population by County 2010-2040.

See accompanying Independent Auditors' Report.

**Southwest Florida Water Management District
Demographic Statistics – Population by County
For the Last Ten Calendar Years
(unaudited)**

| Calendar Year | Charlotte * County | Citrus County | DeSoto County | Hardee County | Hernando County | Highlands * County | Hillsborough County | Lake * County |
|----------------------|-------------------------------|--------------------------|--------------------------|--------------------------|----------------------------|-------------------------------|--------------------------------|--------------------------|
| 2015 | 168,408 3.37% | 143,344 2.87% | 35,004 0.70% | 27,981 0.56% | 180,326 3.61% | 90,756 1.82% | 1,332,867 26.70% | 1,100 0.02% |
| 2014 | 166,207 3.37% | 141,261 2.87% | 34,752 0.70% | 27,743 0.56% | 177,320 3.60% | 89,363 1.81% | 1,311,767 26.61% | 1,060 0.02% |
| 2013 | 164,113 3.37% | 139,271 2.86% | 34,517 0.71% | 27,519 0.57% | 174,441 3.58% | 88,032 1.81% | 1,291,578 26.52% | 1,022 0.02% |
| 2012 | 162,432 3.35% | 142,231 2.94% | 35,292 0.73% | 28,154 0.58% | 176,670 3.65% | 90,922 1.88% | 1,290,064 26.61% | 1,002 0.02% |
| 2011 | 159,889 3.35% | 140,031 2.93% | 34,894 0.73% | 27,887 0.58% | 173,094 3.62% | 89,117 1.87% | 1,267,775 26.53% | 965 0.02% |
| 2010 | 159,496 3.37% | 141,277 2.99% | 34,950 0.74% | 27,809 0.59% | 173,022 3.66% | 89,310 1.89% | 1,233,373 26.09% | 938 0.02% |
| 2009 | 159,051 3.39% | 141,381 3.02% | 34,592 0.74% | 27,661 0.59% | 171,950 3.67% | 89,618 1.91% | 1,214,050 25.89% | 889 0.02% |
| 2008 | 159,934 3.43% | 142,122 3.05% | 34,374 0.74% | 27,603 0.59% | 172,437 3.70% | 90,294 1.94% | 1,196,773 25.66% | 843 0.02% |
| 2007 | 159,259 3.45% | 140,974 3.05% | 34,537 0.75% | 27,489 0.59% | 169,891 3.68% | 89,921 1.95% | 1,184,686 25.63% | 795 0.02% |
| 2006 | 156,671 3.44% | 137,826 3.03% | 34,300 0.75% | 27,049 0.59% | 164,398 3.61% | 88,920 1.95% | 1,171,826 25.72% | 737 0.02% |

Permanent Population = Year-round residents only

* Data is for portion of the county located within the District boundaries.

Sources: Historical (2006-2014) and projected (2015) population data was obtained and updated from Woods & Poole Economics, 2015 Florida State Profile: State and County Projections to 2050.
2006-2009 County portional populations were obtained by GIS Associates, Inc.
2010 and after County portional populations were obtained from SWFWMD - Water Supply Section and BEBR Projections of Florida Population by County 2010-2040.

See accompanying Independent Auditors' Report.

(continued)

Southwest Florida Water Management District
Demographic Statistics – Population by County
For the Last Ten Calendar Years
(unaudited)
(continued)

| Calendar Year | Levy * County | Manatee County | Marion * County | Pasco County | Pinellas County | Polk * County | Sarasota County | Sumter County | Total |
|----------------------|----------------------|-----------------------|------------------------|---------------------|------------------------|----------------------|------------------------|----------------------|----------------------|
| 2015 | 23,026 0.46% | 353,289 7.07% | 110,363 2.21% | 492,071 9.85% | 937,929 18.78% | 585,689 11.73% | 398,845 7.99% | 112,743 2.26% | 4,993,741 100.00% |
| 2014 | 22,762 0.46% | 347,571 7.05% | 108,213 2.20% | 483,607 9.81% | 933,269 18.93% | 580,478 11.78% | 394,522 8.00% | 109,838 2.23% | 4,929,733 100.00% |
| 2013 | 22,511 0.46% | 342,106 7.03% | 106,152 2.18% | 475,502 9.77% | 929,048 19.08% | 575,575 11.82% | 390,429 8.02% | 107,056 2.20% | 4,868,872 100.00% |
| 2012 | 23,083 0.48% | 333,144 6.88% | 105,804 2.18% | 475,744 9.82% | 922,450 19.04% | 571,134 11.79% | 386,422 7.98% | 100,280 2.07% | 4,844,828 100.00% |
| 2011 | 22,766 0.48% | 327,142 6.85% | 103,644 2.17% | 466,457 9.77% | 917,398 19.21% | 565,737 11.84% | 382,213 8.00% | 97,756 2.05% | 4,776,765 100.00% |
| 2010 | 23,074 0.49% | 323,453 6.84% | 102,805 2.18% | 465,536 9.85% | 916,220 19.38% | 560,956 11.87% | 380,043 8.04% | 94,320 2.00% | 4,726,582 100.00% |
| 2009 | 23,253 0.50% | 320,711 6.84% | 101,684 2.17% | 462,607 9.87% | 915,330 19.51% | 557,688 11.90% | 377,262 8.05% | 90,643 1.93% | 4,688,370 100.00% |
| 2008 | 23,306 0.50% | 318,766 6.84% | 100,483 2.15% | 461,313 9.89% | 916,458 19.65% | 554,746 11.90% | 377,178 8.09% | 86,433 1.85% | 4,663,063 100.00% |
| 2007 | 23,054 0.50% | 316,410 6.85% | 98,214 2.12% | 453,579 9.81% | 918,624 19.86% | 547,186 11.84% | 375,325 8.12% | 82,101 1.78% | 4,622,045 100.00% |
| 2006 | 22,711 0.50% | 313,771 6.89% | 94,511 2.07% | 439,529 9.65% | 924,182 20.30% | 531,343 11.66% | 371,361 8.15% | 76,202 1.67% | 4,555,337 100.00% |

Permanent Population = Year-round residents only

* Data is for portion of the county located within the District boundaries.

Sources: Historical (2006-2014) and projected (2015) population data was obtained and updated from Woods & Poole Economics, 2015 Florida State Profile: State and County Projections to 2050.
2006-2009 County portional populations were obtained by GIS Associates, Inc.
2010 and after County portional populations were obtained from SWFWMD - Water Supply Section and BEBR Projections of Florida Population by County 2010-2040.

**Southwest Florida Water Management District
Demographic Statistics – Changes In Population
For the Last Ten Calendar Years
(unaudited)**

| <u>Calendar Year (1)</u> | <u>Total County Population</u> | <u>Within District Population</u> | <u>Population Within District Increase</u> | <u>Population Within District Percent Increase</u> |
|------------------------------|--|---|--|--|
| 2015 | 5,629,109 | 4,993,741 | 64,008 | 1.30 % |
| 2014 | 5,553,680 | 4,929,733 | 60,861 | 1.25 |
| 2013 | 5,481,868 | 4,868,872 | 24,044 | 0.50 |
| 2012 | 5,456,774 | 4,844,828 | 68,063 | 1.42 |
| 2011 | 5,376,984 | 4,776,765 | 50,183 | 1.06 |
| 2010 | 5,321,813 | 4,726,582 | 38,212 | 0.82 |
| 2009 | 5,288,370 | 4,688,370 | 25,307 | 0.54 |
| 2008 | 5,265,680 | 4,663,063 | 41,018 | 0.89 |
| 2007 | 5,201,830 | 4,622,045 | 66,708 | 1.46 |
| 2006 | 4,971,083 | 4,555,337 | 0 | 0.00 |

(1) Data is for calendar years.

Sources: Historical (2006-2014) and projected (2015) population data was obtained and updated from Woods & Poole Economics, 2015 Florida State Profile: State and County Projections to 2050.

2006-2009 County portional populations were obtained by GIS Associates, Inc.

2010 and after County portional populations were obtained from SWFWMD - Water Supply Section and BEBR Projections of Florida Population by County 2010-2040.

See accompanying Independent Auditors' Report.

**Southwest Florida Water Management District
Demographic Statistics – Income and Unemployment by County
For the Last Ten Calendar Years
(unaudited)**

| Calendar Year | Charlotte County | | | Citrus County | | |
|---------------|----------------------------|-------------------|-------------------|----------------------------|-------------------|-------------------|
| | Personal Income (Millions) | Per Capita Income | Unemployment Rate | Personal Income (Millions) | Per Capita Income | Unemployment Rate |
| 2015 | \$ 6,129.74 | \$ 36,264 | 6.1 % | \$ 4,742.43 | \$ 33,084 | 7.8 % |
| 2014 | 5,945.88 | 35,640 | 6.2 | 4,598.94 | 32,556 | 7.5 |
| 2013 | 5,769.03 | 35,020 | 6.3 | 4,461.06 | 32,031 | 7.1 |
| 2012 | 5,562.08 | 34,111 | 8.5 | 4,520.48 | 31,783 | 8.9 |
| 2011 | 5,422.19 | 33,781 | 11.1 | 4,395.87 | 31,392 | 11.7 |
| 2010 | 5,302.46 | 33,115 | 12.4 | 4,352.20 | 30,806 | 12.9 |
| 2009 | 5,297.75 | 33,188 | 11.5 | 4,294.96 | 30,379 | 11.7 |
| 2008 | 5,777.01 | 36,001 | 8.0 | 4,485.78 | 31,563 | 8.0 |
| 2007 | 5,795.13 | 36,278 | 4.9 | 4,388.89 | 31,133 | 4.9 |
| 2006 | 5,631.71 | 35,848 | 3.3 | 4,221.54 | 30,629 | 3.7 |

All data is based on county-wide data and income figures are presented in 2009 dollars.

Sources: Unemployment data was obtained from Bureau of Labor Statistics, U.S. Department of Labor and is a 9 month average (January through September). Personal and Per Capita Income historical (2006-2014) and projected (2015) were obtained and updated from Woods and Poole Economics, 2015 Florida State Profile: State and County Projections to 2050.

See accompanying Independent Auditors' Report.

(continued)

Southwest Florida Water Management District
Demographic Statistics – Income and Unemployment by County
For the Last Ten Calendar Years
(unaudited)
(continued)

| Calendar Year | DeSoto County | | | Hardee County | | |
|---------------|----------------------------|-------------------|-------------------|----------------------------|-------------------|-------------------|
| | Personal Income (Millions) | Per Capita Income | Unemployment Rate | Personal Income (Millions) | Per Capita Income | Unemployment Rate |
| 2015 | \$ 836.27 | \$ 23,891 | 6.3 % | \$ 692.69 | \$ 24,756 | 7.5 % |
| 2014 | 813.89 | 23,420 | 6.9 | 673.88 | 24,290 | 7.6 |
| 2013 | 793.16 | 22,979 | 7.2 | 660.25 | 23,992 | 8.2 |
| 2012 | 839.32 | 23,782 | 9.8 | 679.04 | 24,119 | 10.1 |
| 2011 | 823.84 | 23,610 | 10.5 | 667.08 | 23,921 | 10.4 |
| 2010 | 815.24 | 23,326 | 11.1 | 658.03 | 23,663 | 11.5 |
| 2009 | 767.47 | 22,186 | 9.8 | 638.71 | 23,091 | 10.3 |
| 2008 | 792.41 | 23,053 | 6.6 | 658.02 | 23,839 | 6.5 |
| 2007 | 791.65 | 22,922 | 4.7 | 642.78 | 23,383 | 4.4 |
| 2006 | 790.09 | 23,035 | 3.6 | 638.50 | 23,605 | 3.9 |

All data is based on county-wide data and income figures are presented in 2009 dollars.

Sources: Unemployment data was obtained from Bureau of Labor Statistics, U.S. Department of Labor and is a 9 month average (January through September). Personal and Per Capita Income historical (2006-2014) and projected (2015) were obtained and updated from Woods and Poole Economics, 2015 Florida State Profile: State and County Projections to 2050.

(continued)

Southwest Florida Water Management District
Demographic Statistics – Income and Unemployment by County
For the Last Ten Calendar Years
(unaudited)
(continued)

| Calendar Year | Hernando County | | | Highlands County | | |
|---------------|----------------------------|-------------------|-------------------|----------------------------|-------------------|-------------------|
| | Personal Income (Millions) | Per Capita Income | Unemployment Rate | Personal Income (Millions) | Per Capita Income | Unemployment Rate |
| 2015 | \$ 5,486.22 | \$ 30,424 | 7.0 % | \$ 3,018.61 | \$ 29,938 | 7.4 % |
| 2014 | 5,304.92 | 29,917 | 8.1 | 2,911.82 | 29,357 | 7.5 |
| 2013 | 5,106.73 | 29,275 | 7.8 | 2,815.93 | 28,847 | 7.6 |
| 2012 | 5,312.63 | 30,071 | 9.8 | 2,898.56 | 28,777 | 9.3 |
| 2011 | 5,110.13 | 29,522 | 13.6 | 2,824.69 | 28,639 | 11.4 |
| 2010 | 5,062.48 | 29,259 | 11.7 | 2,792.95 | 28,283 | 11.7 |
| 2009 | 4,899.43 | 28,493 | 10.5 | 2,724.64 | 27,534 | 10.5 |
| 2008 | 5,110.26 | 29,636 | 7.0 | 2,819.90 | 28,321 | 7.0 |
| 2007 | 5,099.97 | 30,019 | 4.6 | 2,804.27 | 28,319 | 4.6 |
| 2006 | 4,896.22 | 29,783 | 3.7 | 2,713.26 | 27,746 | 3.7 |

All data is based on county-wide data and income figures are presented in 2009 dollars.

Sources: Unemployment data was obtained from Bureau of Labor Statistics, U.S. Department of Labor and is a 9 month average (January through September). Personal and Per Capita Income historical (2006-2014) and projected (2015) were obtained and updated from Woods and Poole Economics, 2015 Florida State Profile: State and County Projections to 2050.

(continued)

**Southwest Florida Water Management District
Demographic Statistics – Income and Unemployment by County
For the Last Ten Calendar Years**
(unaudited)
(continued)

| Calendar Year | Hillsborough County | | | Lake County | | |
|---------------|----------------------------|-------------------|-------------------|----------------------------|-------------------|-------------------|
| | Personal Income (Millions) | Per Capita Income | Unemployment Rate | Personal Income (Millions) | Per Capita Income | Unemployment Rate |
| 2015 | \$ 51,837.39 | \$ 38,892 | 5.2 % | \$ 10,745.32 | \$ 33,581 | 5.5 % |
| 2014 | 50,351.25 | 38,384 | 6.2 | 10,353.12 | 32,984 | 6.4 |
| 2013 | 48,951.45 | 37,901 | 6.0 | 9,982.15 | 32,406 | 6.3 |
| 2012 | 48,724.87 | 37,769 | 7.9 | 10,077.61 | 32,799 | 8.3 |
| 2011 | 47,721.15 | 37,642 | 10.7 | 9,788.33 | 32,517 | 10.8 |
| 2010 | 46,569.40 | 37,758 | 11.8 | 9,539.30 | 32,025 | 12.0 |
| 2009 | 43,600.98 | 35,914 | 10.3 | 9,295.74 | 31,457 | 10.8 |
| 2008 | 45,356.58 | 37,899 | 6.2 | 9,944.28 | 33,864 | 6.3 |
| 2007 | 45,720.48 | 38,593 | 4.0 | 9,863.02 | 34,021 | 4.0 |
| 2006 | 45,049.39 | 38,444 | 3.2 | 9,426.08 | 33,506 | 3.3 |

All data is based on county-wide data and income figures are presented in 2009 dollars.

Sources: Unemployment data was obtained from Bureau of Labor Statistics, U.S. Department of Labor and is a 9 month average (January through September). Personal and Per Capita Income historical (2006-2014) and projected (2015) were obtained and updated from Woods and Poole Economics, 2015 Florida State Profile: State and County Projections to 2050.

(continued)

**Southwest Florida Water Management District
Demographic Statistics – Income and Unemployment by County
For the Last Ten Calendar Years**
(unaudited)
(continued)

| Calendar Year | Levy County | | | Manatee County | | |
|---------------|----------------------------|-------------------|-------------------|----------------------------|-------------------|-------------------|
| | Personal Income (Millions) | Per Capita Income | Unemployment Rate | Personal Income (Millions) | Per Capita Income | Unemployment Rate |
| 2015 | \$ 1,133.18 | \$ 27,989 | 6.2 % | \$ 14,321.27 | \$ 40,537 | 5.2 % |
| 2014 | 1,101.93 | 27,511 | 7.1 | 13,827.38 | 39,783 | 6.1 |
| 2013 | 1,071.21 | 27,021 | 7.2 | 13,420.01 | 39,228 | 6.2 |
| 2012 | 1,072.73 | 26,369 | 8.8 | 13,076.83 | 39,253 | 8.1 |
| 2011 | 1,050.57 | 26,162 | 11.0 | 12,785.14 | 39,081 | 10.9 |
| 2010 | 1,037.62 | 25,476 | 12.2 | 12,542.73 | 38,778 | 12.3 |
| 2009 | 989.51 | 24,205 | 11.1 | 12,000.07 | 37,417 | 11.2 |
| 2008 | 1,022.88 | 25,065 | 6.9 | 13,115.09 | 41,143 | 6.8 |
| 2007 | 1,021.97 | 25,420 | 4.1 | 13,403.07 | 42,360 | 4.0 |
| 2006 | 1,010.17 | 25,608 | 3.5 | 13,255.41 | 42,245 | 3.0 |

All data is based on county-wide data and income figures are presented in 2009 dollars.

Sources: Unemployment data was obtained from Bureau of Labor Statistics, U.S. Department of Labor and is a 9 month average (January through September). Personal and Per Capita Income historical (2006-2014) and projected (2015) were obtained and updated from Woods and Poole Economics, 2015 Florida State Profile: State and County Projections to 2050.

(continued)

Southwest Florida Water Management District
Demographic Statistics – Income and Unemployment by County
For the Last Ten Calendar Years
(unaudited)
(continued)

| Calendar Year | Marion County | | | Pasco County | | |
|---------------|----------------------------|-------------------|-------------------|----------------------------|-------------------|-------------------|
| | Personal Income (Millions) | Per Capita Income | Unemployment Rate | Personal Income (Millions) | Per Capita Income | Unemployment Rate |
| 2015 | \$ 11,654.08 | \$ 33,543 | 6.6 % | \$ 15,568.67 | \$ 31,639 | 6.0 % |
| 2014 | 11,266.23 | 32,915 | 7.3 | 15,048.71 | 31,118 | 7.0 |
| 2013 | 10,823.90 | 32,084 | 7.1 | 14,608.56 | 30,722 | 7.0 |
| 2012 | 10,745.91 | 31,806 | 9.1 | 14,762.70 | 31,031 | 9.0 |
| 2011 | 10,449.70 | 31,425 | 12.6 | 14,386.59 | 30,842 | 11.9 |
| 2010 | 10,261.38 | 30,963 | 13.8 | 13,981.53 | 30,033 | 13.1 |
| 2009 | 9,946.86 | 30,062 | 12.4 | 13,497.65 | 29,177 | 11.6 |
| 2008 | 10,510.55 | 31,845 | 7.7 | 13,951.77 | 30,244 | 7.3 |
| 2007 | 10,458.91 | 32,119 | 4.4 | 13,798.80 | 30,422 | 4.8 |
| 2006 | 10,152.59 | 32,097 | 3.4 | 13,102.88 | 29,811 | 3.8 |

All data is based on county-wide data and income figures are presented in 2009 dollars.

Sources: Unemployment data was obtained from Bureau of Labor Statistics, U.S. Department of Labor and is a 9 month average (January through September). Personal and Per Capita Income historical (2006-2014) and projected (2015) were obtained and updated from Woods and Poole Economics, 2015 Florida State Profile: State and County Projections to 2050.

(continued)

Southwest Florida Water Management District
Demographic Statistics – Income and Unemployment by County
For the Last Ten Calendar Years
(unaudited)
(continued)

| Calendar Year | Pinellas County | | | Polk County | | |
|---------------|----------------------------|-------------------|-------------------|----------------------------|-------------------|-------------------|
| | Personal Income (Millions) | Per Capita Income | Unemployment Rate | Personal Income (Millions) | Per Capita Income | Unemployment Rate |
| 2015 | \$ 41,431.60 | \$ 44,173 | 5.1 % | \$ 21,125.40 | \$ 33,167 | 6.3 % |
| 2014 | 40,507.24 | 43,404 | 6.1 | 20,517.08 | 32,578 | 7.2 |
| 2013 | 39,447.67 | 42,460 | 6.0 | 19,963.34 | 32,043 | 7.3 |
| 2012 | 39,948.54 | 43,307 | 8.0 | 19,896.08 | 32,259 | 9.2 |
| 2011 | 39,329.31 | 42,870 | 10.6 | 19,585.15 | 32,134 | 11.6 |
| 2010 | 38,743.97 | 42,287 | 11.7 | 19,212.29 | 31,865 | 12.5 |
| 2009 | 37,058.99 | 40,487 | 10.5 | 18,296.74 | 30,562 | 11.0 |
| 2008 | 40,287.98 | 43,961 | 6.3 | 19,390.83 | 32,601 | 6.6 |
| 2007 | 40,856.17 | 44,475 | 4.0 | 19,213.93 | 32,789 | 4.4 |
| 2006 | 40,898.06 | 44,253 | 3.3 | 18,652.79 | 32,821 | 3.6 |

All data is based on county-wide data and income figures are presented in 2009 dollars.

Sources: Unemployment data was obtained from Bureau of Labor Statistics, U.S. Department of Labor and is a 9 month average (January through September). Personal and Per Capita Income historical (2006-2014) and projected (2015) were obtained and updated from Woods and Poole Economics, 2015 Florida State Profile: State and County Projections to 2050.

(continued)

**Southwest Florida Water Management District
Demographic Statistics – Income and Unemployment by County
For the Last Ten Calendar Years**
(unaudited)
(continued)

| Calendar Year | Sarasota County | | | Sumter County | | |
|---------------|----------------------------|-------------------|-------------------|----------------------------|-------------------|-------------------|
| | Personal Income (Millions) | Per Capita Income | Unemployment Rate | Personal Income (Millions) | Per Capita Income | Unemployment Rate |
| 2015 | \$ 21,844.72 | \$ 54,770 | 5.2 % | \$ 4,041.07 | \$ 35,843 | 7.3 % |
| 2014 | 21,203.32 | 53,744 | 5.9 | 3,871.97 | 35,252 | 5.1 |
| 2013 | 20,610.72 | 52,790 | 6.1 | 3,710.95 | 34,664 | 5.5 |
| 2012 | 19,990.76 | 51,733 | 8.2 | 2,668.19 | 26,607 | 6.8 |
| 2011 | 19,744.51 | 51,658 | 10.8 | 2,613.18 | 26,732 | 8.1 |
| 2010 | 19,351.10 | 50,918 | 12.2 | 2,477.25 | 26,264 | 9.2 |
| 2009 | 18,900.72 | 50,100 | 11.0 | 2,265.45 | 24,993 | 8.9 |
| 2008 | 21,553.25 | 57,143 | 7.0 | 2,174.80 | 25,162 | 5.5 |
| 2007 | 21,351.97 | 56,889 | 4.3 | 2,062.35 | 25,120 | 3.4 |
| 2006 | 21,097.10 | 56,810 | 3.1 | 1,904.57 | 24,994 | 2.7 |

All data is based on county-wide data and income figures are presented in 2009 dollars.

Sources: Unemployment data was obtained from Bureau of Labor Statistics, U.S. Department of Labor and is a 9 month average (January through September). Personal and Per Capita Income historical (2006-2014) and projected (2015) were obtained and updated from Woods and Poole Economics, 2015 Florida State Profile: State and County Projections to 2050.

**Southwest Florida Water Management District
Demographic Statistics
Top Ten Non-Government Employers Within a Single County
For Fiscal Years Ending September 30, 2015 and September 30, 2008
(unaudited)**

| Employer | Fiscal Year | | | | | | | |
|---|--------------|---------------------|------|----------------------------|--------------|---------------------|------|----------------------------|
| | 2015 | | | | 2008 | | | |
| | County | Number of Employees | Rank | Percent of Total Workforce | County | Number of Employees | Rank | Percent of Total Workforce |
| Publix Super Markets | Polk | 10,542 | 1 | 0.38 % | Polk | 9,500 | 2 | 0.39 % |
| Publix Super Markets | Hillsborough | 6,964 | 2 | 0.25 | Hillsborough | 4,630 | 7 | 0.19 |
| Tampa General Hospital | Hillsborough | 6,900 | 3 | 0.25 | - | - | - | - |
| Baycare Health System | Hillsborough | 5,664 | 4 | 0.21 | - | - | - | - |
| Florida Hospital | Hillsborough | 5,179 | 5 | 0.19 | - | - | - | - |
| WalMart | Polk | 5,100 | 6 | 0.19 | Polk | 5,100 | 6 | 0.21 |
| Lakeland Regional Medical Center | Polk | 4,500 | 7 | 0.16 | Polk | 4,600 | 8 | 0.19 |
| H. Lee Moffitt Cancer Center & Research Institute | Hillsborough | 4,187 | 8 | 0.15 | - | - | - | - |
| Busch Entertainment Corporation | Hillsborough | 3,737 | 9 | 0.14 | - | - | - | - |
| HCA West Florida Division | Hillsborough | 3,500 | 10 | 0.13 | - | - | - | - |
| St. Joseph's Hospital | - | - | - | - | Hillsborough | 5,242 | 4 | 0.21 |
| Verizon Communications | - | - | - | - | Hillsborough | 14,000 | 1 | 0.57 |
| Tampa International Airport * | - | - | - | - | Hillsborough | 7,760 | 3 | 0.32 |
| JPMorgan Chase | - | - | - | - | Hillsborough | 5,237 | 5 | 0.21 |
| MOSAIC | - | - | - | - | Polk | 4,000 | 9 | 0.16 |
| Bank of America | - | - | - | - | Hillsborough | 3,754 | 10 | 0.15 |
| Total | | <u>56,273</u> | | <u>2.05 %</u> | | <u>63,823</u> | | <u>2.60 %</u> |
| District 16-County Total Workforce | | 2,745,490 | | | | 2,450,452 | | |

* Tampa International Airport determined to be a governmental employer, therefore, is not included in 2015 statistics.
Number of employees are tallied within each individual county, not Districtwide. Employers listed represent the top ten non-government county employers within all 16 District counties.
Fiscal year data is for the previous calendar year; data prior to fiscal year 2008 not available.

Sources: 2008 data from E Enterprise County Profiles, 2012 Enterprise Florida, <http://www.eflorida.com>.
2015 total workforce from Woods and Poole Economics, 2015 Florida State Profile: State and County Projections to 2050.
2015 employers obtained from individual counties.

See accompanying Independent Auditors' Report.

**Southwest Florida Water Management District
Budgeted Personnel (FTE's) by Program
For the Last Ten Fiscal Years
(unaudited)**

| Fiscal Year | Water Resources Planning and Monitoring | Land Acquisition, Restoration and Public Works | Operation and Maintenance of Works and Lands | Regulation | Outreach | Management and Administration | Total Budgeted Personnel (FTE's) |
|--------------------|--|---|---|-------------------|-----------------|--------------------------------------|---|
| 2015 | 148 25.78% | 56 9.76% | 104 18.12% | 186 32.40% | 12 2.09% | 68 11.85% | 574 100.00% |
| 2014 | 152 25.98% | 60 10.26% | 104 17.78% | 185 31.62% | 14 2.39% | 70 11.97% | 585 100.00% |
| 2013 | 154 24.96% | 48 7.78% | 118 19.12% | 193 31.28% | 22 3.57% | 82 13.29% | 617 100.00% |
| 2012 | 164 24.16% | 44 6.48% | 127 18.70% | 218 32.11% | 25 3.68% | 101 14.87% | 679 100.00% |
| 2011 | 151 20.52% | 46 6.25% | 107 14.54% | 193 26.22% | 23 3.13% | 216 29.34% | 736 100.00% |
| 2010 | 162 22.01% | 51 6.93% | 103 14.00% | 195 26.49% | 22 2.99% | 203 27.58% | 736 100.00% |
| 2009 | 162 22.01% | 51 6.93% | 104 14.13% | 196 26.63% | 20 2.72% | 203 27.58% | 736 100.00% |
| 2008 | 131 17.80% | 64 8.69% | 112 15.22% | 206 27.99% | 20 2.72% | 203 27.58% | 736 100.00% |
| 2007 | 125 16.98% | 67 9.10% | 107 14.54% | 213 28.94% | 20 2.72% | 204 27.72% | 736 100.00% |
| 2006 | 120 16.30% | 67 9.10% | 109 14.81% | 213 28.94% | 20 2.72% | 207 28.13% | 736 100.00% |

This schedule reports the budgeted personnel full-time equivalents by Program.

Source: District records - Finance Bureau, Budget Section, August 1, 2015 Standard Format Tentative Budget Submission.

See accompanying Independent Auditors' Report.

**Southwest Florida Water Management District
Permit Applications and Permits Issued
For the Last Ten Fiscal Years
(unaudited)**

| Fiscal Year | Water Use | | Environmental Resource | | Well Construction | | Total | |
|-------------|---------------------|-----------------|------------------------|-----------------|---------------------|------------------|---------------------|-------------------|
| | Permit Applications | Permits Issued | Permit Applications | Permits Issued | Permit Applications | Permits Issued | Permit Applications | Permits Issued |
| 2015 | 988 14.04% | 897 13.36% | 2,114 30.04% | 1,896 28.24% | 3,935 55.92% | 3,922 58.40% | 7,037 100.00% | 6,715 100.00% |
| 2014 | 970 14.29% | 927 14.26% | 2,043 30.11% | 1,840 28.31% | 3,773 55.60% | 3,732 57.43% | 6,786 100.00% | 6,499 100.00% |
| 2013 | 1,062 15.13% | 929 13.98% | 1,967 28.02% | 1,754 26.39% | 3,991 56.85% | 3,963 59.63% | 7,020 100.00% | 6,646 100.00% |
| 2012 | 1,113 14.88% | 1,111 15.09% | 1,878 25.11% | 1,815 24.65% | 4,489 60.01% | 4,438 60.26% | 7,480 100.00% | 7,364 100.00% |
| 2011 | 1,148 15.23% | 1,072 14.61% | 1,760 23.35% | 1,641 22.37% | 4,629 61.42% | 4,624 63.02% | 7,537 100.00% | 7,337 100.00% |
| 2010 | 1,055 14.37% | 973 13.56% | 1,883 25.65% | 1,803 25.13% | 4,403 59.98% | 4,400 61.31% | 7,341 100.00% | 7,176 100.00% |
| 2009 | 1,102 12.56% | 1,044 12.14% | 2,454 27.97% | 2,392 27.81% | 5,219 59.47% | 5,165 60.05% | 8,775 100.00% | 8,601 100.00% |
| 2008 | 794 5.95% | 701 5.47% | 3,138 23.52% | 3,046 23.77% | 9,410 70.53% | 9,068 70.76% | 13,342 100.00% | 12,815 100.00% |
| 2007 | 718 4.10% | 613 3.74% | 3,928 22.45% | 3,809 23.23% | 12,854 73.45% | 11,974 73.03% | 17,500 100.00% | 16,396 100.00% |
| 2006 | 659 3.57% | 605 3.42% | 4,321 23.41% | 3,640 20.58% | 13,475 73.02% | 13,443 76.00% | 18,455 100.00% | 17,688 100.00% |

Sources: Fiscal Years 2006-2008 data obtained from the District Regulatory Database, Performance Management Office.
Fiscal Years 2009-2015 data obtained from the District Water Management Information System, Regulatory Support.

See accompanying Independent Auditors' Report.

Southwest Florida Water Management District
Estimated Total Water Use by County
(million gallons per day)
September 30, 2015
(unaudited)

| County | Agricultural | Industrial Commercial | Mining Dewatering | Public Supply (Withdrawal) | Domestic Self-Supply | Landscape Recreational (1) | Institutional Other Uses (2) | Total (Withdrawal) (3) | Public Supply (Use) (4) | Total (Use) (5) |
|---------------|---------------------|------------------------------|--------------------------|-----------------------------------|-----------------------------|-----------------------------------|-------------------------------------|-------------------------------|--------------------------------|------------------------|
| Charlotte * | 7.273 | 0.033 | 0.155 | 7.418 | 0.851 | 1.732 | 0.000 | 17.462 | 16.297 | 26.341 |
| Citrus | 1.532 | 4.141 | 0.084 | 13.499 | 3.768 | 3.319 | 0.000 | 26.343 | 13.249 | 26.093 |
| DeSoto | 46.910 | 0.683 | 0.014 | 30.987 | 1.308 | 0.381 | 0.000 | 80.283 | 1.515 | 50.811 |
| Hardee | 37.917 | 1.166 | 1.105 | 1.385 | 0.552 | 0.252 | 0.000 | 42.377 | 1.371 | 42.363 |
| Hernando | 1.924 | 3.670 | 0.094 | 17.972 | 3.170 | 3.437 | 0.000 | 30.267 | 17.804 | 30.099 |
| Highlands * | 41.364 | 0.076 | 0.048 | 7.405 | 0.693 | 2.046 | 0.009 | 51.641 | 7.309 | 51.545 |
| Hillsborough | 46.496 | 9.818 | 4.645 | 217.880 | 7.166 | 8.000 | 0.002 | 294.007 | 127.679 | 203.806 |
| Lake * | 0.980 | 0.000 | 0.000 | 0.000 | 0.067 | 0.000 | 0.000 | 1.047 | 0.000 | 1.047 |
| Levy * | 6.208 | 0.005 | 0.000 | 0.668 | 0.804 | 0.221 | 0.000 | 7.906 | 0.635 | 7.873 |
| Manatee | 54.474 | 2.249 | 3.692 | 42.509 | 0.608 | 9.473 | 0.000 | 113.005 | 38.736 | 109.232 |
| Marion * | 2.842 | 0.005 | 0.025 | 8.824 | 4.936 | 2.967 | 0.000 | 19.599 | 8.733 | 19.508 |
| Pasco | 7.413 | 1.417 | 0.082 | 59.698 | 4.850 | 3.304 | 0.618 | 77.382 | 42.604 | 60.288 |
| Pinellas | 0.044 | 0.082 | 0.000 | 19.263 | 0.243 | 2.248 | 0.000 | 21.880 | 86.559 | 89.176 |
| Polk * | 81.385 | 32.027 | 8.500 | 63.547 | 1.985 | 6.169 | 0.000 | 193.613 | 65.110 | 195.176 |
| Sarasota | 3.664 | 0.179 | 0.238 | 20.289 | 1.555 | 6.346 | 0.000 | 32.271 | 31.761 | 43.743 |
| Sumter | 6.871 | 0.491 | 0.396 | 18.871 | 2.006 | 5.457 | 0.000 | 34.092 | 18.640 | 33.861 |
| | <u>347.297</u> | <u>56.042</u> | <u>19.078</u> | <u>530.215</u> | <u>34.562</u> | <u>55.352</u> | <u>0.629</u> | <u>1,043.175</u> | <u>478.002</u> | <u>990.962</u> |

Data collection is based on calendar year 2014.

* Data is for portion of the county located within the District boundaries.

(1) To conform with Consumptive use permit consistency measures according to Administrative Rule 40D-2.501, the Recreation/Aesthetic uses category was renamed Landscape/Recreation in 2014.

(2) To conform with Consumptive use permit consistency measures according to Administrative Rule 40D-2.501, Institutional and Other categories were added in 2014. Only four permits were assigned these predominant use categories in 2014, but the number will increase as permits are issued and revised.

(3) Total (Withdrawal) - Represents the sum of the preceding seven columns and represents total water withdrawal by county for all categories.

(4) Public Supply (Use) - Represents total consumptive use of public supply water within a county. When compared to Public Supply (Withdrawal) column, the difference represents treatment losses, as well as imports and exports, and net storage changes of publicly supplied water from one county to another.

(5) Total (Use) - The sum of "Total (Withdrawal)" minus "Public Supply (Withdrawal)" plus "Public Supply (Use)." Represents consumptive use of publicly supplied water in the county.

Source: District records - Table 9 - 2014 Estimated Water Use Report, November 2015, Watermatters.org

See accompanying Independent Auditors' Report.

Southwest Florida Water Management District
Nature of Capital Assets by Program
Net of Accumulated Depreciation
September 30, 2015
(unaudited)

| <u>Capital Assets</u> | <u>Water Resource Planning and Monitoring</u> | <u>Land Acquisition, Restoration and Public Works</u> | <u>Operation and Maintenance of Works and Lands</u> | <u>Regulation</u> | <u>Outreach</u> | <u>Management and Administration</u> | <u>Total Capital Assets</u> |
|---|---|---|---|---------------------|------------------|--|---------------------------------|
| Capital Assets not subject to depreciation: | | | | | | | |
| Land | \$ 507,189 | \$ 587,782,391 | \$ 1,795,854 | \$ - | \$ - | \$ 750,000 | \$ 590,835,434 |
| Land Interests | 61,423 | 106,381,733 | - | 2,667,731 | - | - | 109,110,887 |
| Land - Acquisition in Progress | 8,973 | 166,449 | - | - | - | - | 175,422 |
| Construction In Progress | 2,127,028 | 283,813 | 1,198 | - | - | - | 2,412,039 |
| Capital Assets subject to depreciation: | | | | | | | |
| Buildings | 3,387 | 10,890,787 | 10,082,589 | - | - | 139,479 | 21,116,242 |
| Machinery & Equipment | 1,036,740 | 339,024 | 3,187,071 | 450,093 | 26,114 | 1,398,105 | 6,437,147 |
| Infrastructure | 3,196,034 | 67,911,335 | 22,801,729 | - | - | 30,227 | 93,939,325 |
| Software (1) | 233,175 | 80,512 | 167,966 | 1,530,916 | 27,922 | 136,028 | 2,176,519 |
| Other | - | - | 16,984 | - | - | - | 16,984 |
| Total Capital Assets by Program | <u>\$ 7,173,949</u> | <u>\$ 773,836,044</u> | <u>\$ 38,053,391</u> | <u>\$ 4,648,740</u> | <u>\$ 54,036</u> | <u>\$ 2,453,839</u> | <u>\$ 826,219,999</u> |
| Percent of Total | 0.87% | 93.65% | 4.61% | 0.56% | 0.01% | 0.30% | 100.00% |

**Land Ownership
(acres)
Fiscal Year**

| <u>Type of Ownership:</u> | <u>2015</u> | <u>2014</u> | <u>2013</u> | <u>2012</u> | <u>2011</u> | <u>2010</u> | <u>2009</u> | <u>2008</u> | <u>2007</u> | <u>2006</u> |
|---------------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Land | | | | | | | | | | |
| Acquired or Surplused | 479 | (7) | (1,872) | 86 | 1,332 | 206 | 3,964 | 6,809 | 546 | 5,071 |
| Cumulative | <u>343,802</u> | <u>343,323</u> | <u>343,330</u> | <u>345,202</u> | <u>345,116</u> | <u>343,784</u> | <u>343,578</u> | <u>339,614</u> | <u>332,805</u> | <u>332,259</u> |
| Land Interests | | | | | | | | | | |
| Acquired or Surplused | 11 | (55) | 991 | 124 | 1,277 | 8,755 | 320 | 8,631 | 719 | 0 |
| Cumulative | <u>105,493</u> | <u>105,482</u> | <u>105,537</u> | <u>104,546</u> | <u>104,422</u> | <u>103,145</u> | <u>94,390</u> | <u>94,070</u> | <u>85,439</u> | <u>84,720</u> |
| Total Acres | <u>449,295</u> | <u>448,805</u> | <u>448,867</u> | <u>449,748</u> | <u>449,538</u> | <u>446,929</u> | <u>437,968</u> | <u>433,684</u> | <u>418,244</u> | <u>416,979</u> |

Land includes lands where the District has full fee simple interests
Land Interests includes lands where the District has less-than-fee interest (i.e., easements)
Land - Acquisition in Progress includes ancillary costs for parcel purchases in progress
Construction in Progress includes intangibles, buildings, and infrastructure not completed
Buildings includes buildings and structures not included in Infrastructure
Machinery & Equipment includes vehicles, heavy equipment, computers and other field and office equipment
Infrastructure includes well-sites, water structures, bridges, pavilions, pole barns, and other recreational structures
Software includes software purchases, in-house developed software, and licenses over \$5,000
Other includes signage, kiosks, refrigerators, and other capital assets not included in a specific category above

(1) Beginning fiscal year 2013, acres adjusted to Geographic Information Systems derived acres which includes reductions for surplused property. Through fiscal year 2012, data for acquisitions only.

Source: District records - Finance Bureau, Property Administration.

See accompanying Independent Auditors' Report.

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Single Audit Compliance



KPMG LLP
Suite 1700
100 North Tampa Street
Tampa, FL 33602-5145

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

The Members of the Governing Board
Southwest Florida Water Management District:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities and each major fund of the Southwest Florida Water Management District (the District), a component unit of the State of Florida, as of and for the year ended September 30, 2015, and the related notes to the financial statements, which collectively comprise the Southwest Florida Water Management District's basic financial statements, and have issued our report thereon dated June 17, 2016, which includes an emphasis of matter for adopting the provisions of Governmental Accounting Standards Board Statement No. 68, *Accounting and Financial Reporting for Pensions* and Governmental Accounting Standards Board Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*.

Internal Control over Financial Reporting

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

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

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



Compliance and Other Matters

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

Purpose of this Report

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

KPMG LLP

June 17, 2016
Certified Public Accountants



KPMG LLP
Suite 1700
100 North Tampa Street
Tampa, FL 33602-5145

Independent Auditors' Report on Compliance for Each Major State Project and Report on Internal Control over Compliance

The Members of the Governing Board
Southwest Florida Water Management District:

Report on Compliance for Each Major State Project

We have audited Southwest Florida Water Management District's (the District) compliance with the types of compliance requirements described in the Florida Department of Financial Services' *State Projects Compliance Supplement* that could have a direct and material effect on each of the District's major state projects for the year ended September 30, 2015. The District's major state projects are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs and state projects.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the District's major state projects based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance 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* (Chapter 10.550). Those standards and Chapter 10.550 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major state project occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major state project. However, our audit does not provide a legal determination of the District's compliance.

Opinion on Each Major State Project

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major state projects for the year ended September 30, 2015.



Report on Internal Control over Compliance

Management of the District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the District's internal control over compliance with the types of requirements that could have a direct and material effect on each major state project to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major state project and to test and report on internal control over compliance in accordance with Chapter 10.550, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of Chapter 10.550. Accordingly, this report is not suitable for any other purpose.

KPMG LLP

June 17, 2016
Certified Public Accountants

SOUTHWEST FLORIDA WATER MANAGEMENT DISTRICT
Schedule of Expenditures of Federal Awards and State Financial Assistance
Year ended September 30, 2015

| Grantor/Pass through Agency | CFDA, CSFA Number | Grant ID # | Expenditures |
|---|----------------------|---------------------|--------------------------|
| <u>FEDERAL AWARDS</u> | | | |
| <u>U.S. Department of Homeland Security - Federal Emergency Management Agency (FEMA)</u> | | | |
| Direct Program: | | | |
| Cooperating Technical Partners Mapping Activity Statement Citrus & Highlands Co | 97.045 | EMA-2006-CA-5613 | \$ 28,481 |
| Cooperating Technical Partners Mapping Activity Statement DeSoto & Hardee Co | 97.045 | EMA-2005-CA-5218 | 264,020 |
| Cooperating Technical Partners Mapping Activity Statement Hernando & Citrus Co | 97.045 | EMA-2004-CA-5779 | 22,775 |
| Cooperating Technical Partners Agreement | 97.045 | EMA-2012-CA-5263 | 17,713 |
| Total U.S. Department of Homeland Security - FEMA | | | 332,989 |
| | | | |
| <u>U.S. Department of Transportation</u> | | | |
| Passed through Florida Department of Transportation: | | | |
| Highway Planning and Construction Cluster: | | | |
| Efficient Transportation Decision Making | 20.205 | 41506422809 | 22,092 |
| DOT Mitigation | 20.205 | SWWM1,5,7,8 | 5,334 |
| Total U.S. Department of Transportation | | | 27,426 |
| Total Expenditures of Federal Awards | | | \$ 360,415 |
| | | | |
| <u>STATE AWARDS</u> | | | |
| <u>Department of Environmental Protection</u> | | | |
| Florida Forever Trust Fund (FFTF) and Water Management Lands Trust Fund (WMLTF): | | | |
| Florida Forever - Preacquisition | 37.022 | FFTF | \$ 151,381 |
| Florida Forever - Land Acquisition | 37.022 | FFTF | 2,516,771 |
| WMLTF- Duck Slough | 37.022 | WMLTF | 328,008 |
| WMLTF- Lake Hancock | 37.022 | WMLTF | 3,605 |
| WMLTF - Surface Water Improvement and Management (SWIM) | 37.022 | WMLTF | 1,494,002 |
| Total Program | | | 4,493,767 |
| | | | |
| Statewide Surface Water Restoration and Wastewater Projects: | | | |
| Crystal River Progress Energy | 37.039 | N358 S0643 | 683,702 |
| Cortez Preserve Restoration | 37.039 | W628 SWW81 | 61,680 |
| MLK Park Low Impact Design and Restoration | 37.039 | W323 SWW71 | 78,951 |
| Robles Park Water Quality | 37.039 | W235 SWW51 | 56,946 |
| Rock Pond Ecosystem Restoration | 37.039 | W395 SWW61,71,81,91 | 748,244 |
| Upper Peace River/Lake Hancock Level Modification | 37.039 | H008 SWW71,81 | 177,070 |
| Total Program | | | 1,806,593 |
| | | | |
| Springs Initiative | | | |
| Southwest Florida Springs Initiative Project | 37.052 | P100 S0684 | 691,989 |
| Total Program | | | 691,989 |
| | | | |
| Water Protection and Sustainability Program Trust Fund: | | | |
| West-Central Florida Water Restoration Action Plan (WRAP) | 37.066 | various SWW91 | 280,288 |
| Surface Water Restoration Projects | 37.066 | various WPSPTF | 55,497 |
| Surface Water Improvement and Management (SWIM) | 37.066 | various WPSPTF | 770,821 |
| Total Program | | | 1,106,606 |
| Total Department of Environmental Protection | | | 8,098,955 |
| | | | |
| <u>Department of Transportation (DOT)</u> | | | |
| Mitigation Water Management Districts: | | | |
| DOT Mitigation | 55.031 | SWWM1,5,7,8 | 780,822 |
| DOT Maintenance & Monitoring | 55.031 | SWWM1,5,7,8 | 686,061 |
| Total Program | | | 1,466,883 |
| | | | |
| Stormwater Retrofit: | | | |
| River Tower Restoration | 55.024 | W387 A-NZ90 | 649 |
| Robles Park Water Quality | 55.024 | W235 A-PJ34 | 276,250 |
| Total Program | | | 276,899 |
| Total Department of Transportation | | | 1,743,782 |
| Total State Financial Assistance | | | \$ 9,842,737 |
| Total Expenditures of Federal Awards and State Financial Assistance | | | \$ 10,203,152 |

See accompanying Note to Schedule of Expenditures of Federal Awards and State Financial Assistance.

SOUTHWEST FLORIDA WATER MANAGEMENT DISTRICT

Note to Schedule of Expenditures of Federal Awards and State Financial Assistance

September 30, 2015

(1) Basis of Presentation

The accompanying schedule of expenditures of federal awards and state financial assistance includes the federal and state grant activity of the Southwest Florida Water Management District, and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, Section 215.97, *Florida Statutes*, and Chapter 10.550, *Rules of the Auditor General*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in, the preparation of the basic financial statements.

SOUTHWEST FLORIDA WATER MANAGEMENT DISTRICT

Schedule of Findings and Questioned Costs

September 30, 2015

(1) Summary of Auditors' Results

- | | |
|---|---------------|
| (a) The type of report issued on the basic financial statements: | Unmodified |
| (b) Significant deficiencies in internal control were disclosed by the audit of the basic financial statements: | None reported |
| Material weaknesses: | No |
| (c) Noncompliance which is material to the basic financial statements: | No |
| (d) Significant deficiencies in internal control over major state projects: | None reported |
| Material weaknesses: | No |
| (e) The type of report issued on compliance for major state projects: | Unmodified |
| (f) Any audit findings which are required to be reported under Section 215.97, <i>Florida Statutes</i> : | No |
| (g) The major state projects are as follows: | <u>CFSA #</u> |
| Florida Department of Environmental Protection: | |
| Florida Forever Trust Fund (FFTF) and Water Management Lands Trust Fund | 37.022 |
| Southwest Florida Springs Initiative Project | 37.052 |
| (h) Dollar threshold used to distinguish between Type A and Type B state projects: | \$300,000 |

(2) Findings Relating to the Financial Statements Reported in Accordance with *Government Auditing Standards*: None

(3) Findings and Questioned Costs Relating to State Projects: None

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Management Letter



KPMG LLP
Suite 1700
100 North Tampa Street
Tampa, FL 33602-5145

June 17, 2016

The Members of the Governing Board
Southwest Florida Water Management District:

We have audited the financial statements of the governmental activities and each major fund of the Southwest Florida Water Management District (the District), a component unit of the State of Florida, as of and for the year ended September 30, 2015, which collectively comprise the District's basic financial statements, and have issued our report thereon dated June 17, 2016, which includes an emphasis of matter for adopting the provisions of Governmental Accounting Standards Board Statement No. 68, *Accounting and Financial Reporting for Pensions* and Governmental Accounting Standards Board Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. We have also issued our reports dated June 17, 2016 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters, as well as our report on the District's compliance and internal control over compliance that could have a direct and material effect on each major state project, and the related schedule of findings and questioned costs. Disclosures in those reports and schedule, if any, should be considered in conjunction with this management letter.

Additionally, our audit was conducted in accordance with the provisions of Chapter 10.550, *Rules of the Auditor General*, which govern the conduct of local governmental entity audits performed in the State of Florida and require that certain items be addressed in this letter.

Prior Audit Findings

The *Rules of the Auditor General*, Section 10.554(1)(i)(1), require that we address in the management letter, if not already addressed in the auditors' report on internal control over financial reporting and compliance and other matters, 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 and recommendations made in the preceding annual financial audit.



Other Matters

The *Rules of the Auditor General*, Section 10.554(1)(i)(2), require that we address in the management letter, if not already addressed in the auditors' report on internal control over financial reporting and on compliance and other matters, any recommendations to improve the District's financial management. In connection with our audit, we did not have any such recommendations.

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

Official Title and Legal Authority

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

Financial Condition Assessment

The *Rules of the Auditor General* Section 10.554(1)(i)(5)(a) require that a management letter include a statement as to whether the District has met one or more of the conditions described in Section 218.503(1), *Florida Statutes*, regarding a financial emergency.

Management of the District has determined that the District is not in a state of financial emergency as defined in Section 218.503(1), *Florida Statutes*. In connection with our audit of the financial statements, nothing came to our attention that would indicate that the District has met one or more of the conditions described in Section 218.503(1), *Florida Statutes*.

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

Annual Financial Report

The *Rules of the Auditor General*, Section 10.554(1)(i)(5)(b), require that we determine whether the annual financial report for the District for the fiscal year ended September 30, 2014, to be filed with the Florida Department of Financial Services pursuant to Section 218.32(1)(a), *Florida Statutes*, is in agreement with the annual financial audit report for the fiscal year ended



September 30, 2015. In connection with our audit, we determined that these reports were in agreement.

Monthly Financial Statements

The *Rules of the Auditor General*, Section 10.554(1)(i)(6)(a), require that we determine whether the District provided monthly financial statements to its governing board and made such monthly statements available for public access on its website. In connection with our audit, we determined that the District provided monthly financial statements to its governing board and made such monthly statements available for public access on its web site.

Transparency

The *Rules of the Auditor General*, Section 10.554(1)(i)(6)(b), require that we report the results of our determination as to whether the District provided a link on its web site to the Florida Department of Financial Service’s web site to view the District’s annual financial report submitted to the Department of Financial Services. In connection with our audit, we determined that the District provided a link on its web site to the Florida Department of Financial Service’s website.

The *Rules of the Auditor General*, Section 10.554(1)(i)(6)(c), require that we report the results of our determination as to whether the District posted its tentative and final budgets on its web site. In connection with our audit, we determined that the District posted its tentative and final budgets on its website.

* * * * *

This management letter is intended solely for the information and use of the Governing Board, management, others within the organization, and the Auditor General of the State of Florida, and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

KPMG LLP

June 17, 2016
Certified Public Accountants

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Independent Accountants' Report



KPMG LLP
Suite 1700
100 North Tampa Street
Tampa, FL 33602-5145

Independent Accountants' Report

The Members of the Governing Board
Southwest Florida Water Management District:

We have examined the Southwest Florida Water Management District's (the District) compliance with Section 218.415, *Florida Statutes*, as of September 30, 2015. Management is responsible for the District's compliance with those requirements. Our responsibility is to express an opinion on the District's compliance based on our examination.

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

In our opinion, Southwest Florida Water Management District complied, in all material respects with the aforementioned requirements as of September 30, 2015.

KPMG LLP

June 17, 2016
Certified Public Accountants