



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

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

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

Randall S. Maggard
Chair, Pasco

Jeffrey M. Adams
Vice Chair, Pinellas

Bryan K. Beswick
Secretary, DeSoto, Hardee,
Highlands

Ed Armstrong
Treasurer, Pinellas

H. Paul Senft, Jr.
Former Chair, Polk

Michael A. Babb
Former Chair, Hillsborough

John Henslick
Manatee

James G. Murphy
Polk

Kelly S. Rice
Citrus, Lake, Levy, Sumter

Joel Schleicher
Charlotte, Sarasota

Rebecca Smith
Hillsborough, Pinellas

Mark Taylor
Hernando, Marion

Michelle Williamson
Hillsborough

Brian J. Armstrong, P.G.
Executive Director

March 29, 2018

The Honorable Ken Burke, CPA
Clerk & Comptroller
Pinellas County
315 Court Street, Room 400
Clearwater, FL 33756

Subject: Comprehensive Annual Financial Report and AFR

Dear Mr. Burke:

The Southwest Florida Water Management District is pleased to announce that its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended September 30, 2017, has been posted to our web site at www.watermatters.org under *Business & Finance* and is available for viewing and printing.

In compliance with Section 373.5071, Florida Statutes, enclosed for your purposes is a CD of the document. If you would prefer to receive a printed copy of the District's annual CAFR instead of a CD, please contact Michael Attard at 352-796-7211, extension 4121.

Also, enclosed is a copy of the District's *Fiscal Year 2017 Annual Financial Report* (AFR), which was filed electronically with the Department of Financial Services, Bureau of Local Government on March 28, 2018.

Sincerely,

Melisa J. Lowe
Finance Bureau Chief

MJL:ma

Enclosures (2)

RECEIVED
BOARD OF
2018 APR -5 PM 1:55
BOARD OF COUNTY
COMMISSIONERS
PINELLAS COUNTY FLORIDA

Unit Information

Unit ID: 300041

Year: 2017

Unit Name: Southwest Florida Water Management District

Unit Status: Active

Unit Dependency: Independent

Location Information

Name: Ms. Melisa J Lowe

Title: Finance Bureau Chief

Phone: (352) 796-7211

Fax: (352) 754-3490

Address:

2379 Broad Street
Brooksville, FL 34604-6899

Contact Information

Name: Ms. Melisa Lowe

Title: Finance Bureau Chief

Phone: (352) 796-7211

Email: Melisa.Lowe@swfwmd.state.fl.us

Address:

2379 Broad Street
Brooksville, FL 34604-6899

AFR Details

Original AFR

AFR Status: Submitted

AFR Received Date: 3/28/2018

Audit Received Date:

Submission Type: Electronic

Debt Information

Long-Term Debt: \$202,616

Audit Information

Was an audit performed? Yes

Audit Performed Date: 3/14/2018

Auditor Name: James Moore Certified Public Accountants and Consultants

Address:
5931 NW 1st Place
Gainesville, FL 32607-2063

Certification

Chief Financial Officer

Name: Melisa J. Lowe

Title: Finance Bureau Chief

Chairman/Elected Official

Name: Randall S. Maggard

Title: Governing Board Chair

Yes No

Have You Experienced a Financial Emergency in this year?

<input type="checkbox"/>	<input checked="" type="checkbox"/>
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If Yes, Have You Complied With Section 218.503(2), Florida Statutes?

<input type="checkbox"/>	<input type="checkbox"/>
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Auditor General Rule: Section 10.554(1)(h)6.b): If applicable, does the Annual Financial Report agree with the Audited Financial Statement? (Do total revenues and expenditures per fund group on the AFR balance to the audited Statement of Revenues and Expenditures?)

<input checked="" type="checkbox"/>	<input type="checkbox"/>
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Revenues Report for FYE 2017

Account Code	General	Special Revenue	Debt Service	Capital Projects	Permanent	Enterprise	Internal Service	Pension	Trust	Component Units	Total
311000 - Ad Valorem Taxes	105,516,186			1,310,103							106,826,289
329000 - Other Permits, Fees & Special Assessments	1,515,904										1,515,904
331390 - Federal Grant - Other Physical Environment	54,530										54,530
331900 - Federal Grant - Other	10,729	962									11,691
334390 - State Grant - Other Physical Environment	4,360,765			5,778,327							10,139,092
334900 - State Grant - Other	687,490	1,468,379									2,155,869
337300 - Local Government Unit Grant - Physical Environment	1,259,093										1,259,093
341900 - Other General Government Charges and Fees	10,048										10,048
351900 - Judgments and Fines - Other Court Ordered	43,637										43,637
361100 - Interest	5,198,760	141,216		69,383							5,409,359
361300 - Net Increase (Decrease) in Fair Value of Investments	-2,314,117										-2,314,117
362000 - Rents and Royalties	147,824										147,824
364000 - Disposition of Fixed Assets	1,111,740			4,163,877							5,275,617
367000 - Licenses	13,950										13,950
369900 - Other Miscellaneous Revenues	1,064,190										1,064,190
Grand Total	118,680,729	1,610,557		11,321,690							131,612,976

Expenditures Report for FYE 2017

Account/Object Code	General	Special Revenue	Debt Service	Capital Projects	Permanent	Enterprise	Internal Service	Pension	Trust	Component Units	Total
511.10 - Legislative - Personal Services	50,692										50,692
511.30 - Legislative - Operating Expenses	47,254										47,254
512.10 - Executive - Personal Services	1,527,090										1,527,090
512.30 - Executive - Operating Expenses	100,354										100,354
513.10 - Financial and Administrative - Personal Services	3,528,837										3,528,837
513.30 - Financial and Administrative - Operating Expenses	5,214,641										5,214,641
513.60 - Financial and Administrative - Capital Outlay	14,600										14,600
514.10 - Legal Counsel - Personal Services	1,214,889										1,214,889
514.30 - Legal Counsel - Operating Expenses	109,691										109,691
517.70 - Debt Service Payments - Debt Service	119,094										119,094
518.10 - Pension Benefits - Personal Services	2,861,291	8,176									2,869,467
519.10 - Other General Government - Personal Services	2,492,967										2,492,967
519.30 - Other General Government - Operating Expenses	2,969,034			125,436							3,094,470
519.60 - Other General Government - Capital Outlay	577,205			39,361							616,566
537.10 - Conservation/Resource Management - Personal Services	33,692,659	117,115									33,809,774
537.30 - Conservation/Resource Management - Operating Expenses	18,232,719	1,280,150		89,575							19,602,444
537.60 - Conservation/Resource Management - Capital Outlay	2,184,574			6,159,109							8,343,683
537.80 - Conservation/Resource Management - Grants and Aids	37,091,427	205,116									37,296,543
Grand Total	112,029,018	1,610,557		6,413,481							120,053,056

Component Unit	Type	Total Revenues	Total Expenditures	Total Debt
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**Comprehensive
Annual Financial Report**

FISCAL YEAR ENDED SEPTEMBER 30, 2017

A COMPONENT UNIT
OF THE STATE OF FLORIDA

Southwest Florida
Water Management District


WATERMATTERS.ORG • 1-800-423-1476

Comprehensive Annual Financial Report

Fiscal Year Ended September 30, 2017



A Component Unit of The State of Florida

Southwest Florida
Water Management District

WATERMATTERS.ORG • 1-800-423-1476

COMPREHENSIVE ANNUAL FINANCIAL REPORT

Fiscal Year Ended September 30, 2017

Prepared by: Finance Bureau

Southwest Florida
Water Management District



WATERMATTERS.ORG · 1-800-423-1476

A Component Unit of the State of Florida

Mission Statement:

To protect water resources, minimize flood risks, and ensure the public's water needs are met.

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 Office 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, 2017**

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Introductory Section

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- Boundary Map
- District Organization Chart Listing Principal Officials
- List of Appointed Officials



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James G. Murphy
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Kelly S. Rice
Citrus, Lake, Levy, Sumter

Joel Schleicher
Charlotte, Sarasota

Rebecca Smith
Hillsborough, Pinellas

Mark Taylor
Hernando, Marion

Michelle Williamson
Hillsborough

Brian J. Armstrong, P.G.
Executive Director

March 27, 2018

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, 2017, 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, 2017.

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.

James Moore & Co., P.L. Certified Public Accountants and Consultants, has issued an unmodified opinion on the District's financial statements for the year ended September 30, 2017. 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 resource.

About the District

Approximately one quarter of the state's population (5.2 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. Delegated transfers are presented to the Governing Board for ratification at their next regular scheduled meeting. All budget amendments require governing board approval. Any amendment greater than \$1 million must be reviewed and approved by the executive office of the governor.

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.

The District's financial statements for the fiscal year ended September 30, 2017, will be incorporated into the State of Florida's financial statements for the state's fiscal year ending June 30, 2018, 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. At first glance, 2017 brought steady, stable growth to Florida and the District, in line with much of what was seen in the previous year. Real gross domestic product in Florida increased year-over-year by 3.6 percent, the same growth in 2016¹. Once again, state growth outpaced national gross domestic product growth, which increased to 2.8 percent. Moreover, year-over-year gross regional product growth within District counties was 2.63 percent, similar to last year's growth of 2.65 percent². Yet, Hurricane Irma upended the status quo, bringing significant damage across the state. Despite prodigious losses to businesses and agriculture, economic and demographic conditions remain positive in the current and near term.

There were numerous developments for the District and the state of Florida in several key economic and demographic variables. Between 2016 and 2017, the permanent population of the District increased by approximately 71,618 residents, or 1.40 percent, which is virtually identical to the overall state growth rate of 1.47 percent over the same period. The state unemployment rate continued its downward trend, decreasing from 4.9 percent in September 2016 to 3.8 percent in September 2017³. Florida's labor force increased by 2.4 percent over the same annual period, indicating that the decline in the unemployment rate reflects successful entrance into the job market rather than giving up hope on employment prospects⁴. Another positive indicator for Florida was the growth in taxable sales, which provides a proxy for regional economic activity. Given the available data for 2017 (January through August), average taxable sales increased year-over-year by 3.97 percent, indicative of increased spending from existing residents and tourists⁵. Key areas of sales growth included tourism, building investment, and business investment.

There were mixed results in the housing sector in the District and the overall state. Statewide, the median sale price of single family homes increased by 6.7 percent year-over-year through the third quarter of 2017⁶. Similarly, the median sale price of condominiums increased by 7.5 percent over the same time horizon. Median time to contract also further decreased for both single family homes and condominiums, ticking down 9.8 percent and 7.5 percent, respectively. The value of new construction continued to rise, up 7.09 percent from fiscal year 2016 to fiscal year 2017, a sign of the stimulative effects of construction on the state and District economy. Yet, housing supply still does not appear to be keeping pace with demand, pushing up prices for homebuyers. Closed sales on single family homes and condominiums decreased by 5.5 and 3.1 percent, respectively, year-over-year through the third quarter of 2017. What is more, inventory decreased for both types of homes, declining 6.1 percent for single family and 3.8 percent for condominiums. Overall, supply of inventory, measure in months, ticked downward to 3.8 for single family homes. Healthy markets, which favor neither buyers or sellers, are generally thought to contain approximately 5.5 months of inventory, confirming the current seller's market⁷. Additionally, it does not appear that new housing starts will alleviate the lack

¹ Florida Economic Outlook: October 2017. Wells Fargo Economics Group. Published October 2017.

² Except as noted, all data are based on countywide data and are derived from Woods and Poole Economics. 2017 State Profile: State and County Projections to 2040.

³ Florida Department of Economic Opportunity. November 20, 2017. <http://floridajobs.org>.

⁴ Current Employment Statistics Program. Bureau of Labor Statistics. <http://bls.gov>.

⁵ Florida Office of Economic and Demographic Research. November 20, 2017. <http://edr.state.fl.us>

⁶ Quarterly Market Detail – Q3 2017. Florida Association of Realtors.

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

⁷ Florida and Metro Forecast: October 2017. Institute for Economic Competitiveness. College of Business Administration. University of Central Florida. Published October 2017, p.9.

<http://iec.ucf.edu/page/Forecasts.aspx>.

of supply in the near term. Although housing starts are increasing and projected to increase further, the rate is not sufficient to alleviate the shortage of housing in the short run. Furthermore, there is the possibility of hurricane recovery efforts placing a squeeze on the market for construction labor, which will exacerbate the current struggle to meet demand.

Any discussion of the District's economic outlook in 2017 would be incomplete without a mention of Hurricane Irma. Irma was the largest, most powerful hurricane ever recorded on the Atlantic Ocean and wrought considerable damage to both the state of Florida and the District. In total, Irma looks to have inflicted around \$40 billion worth of insured and uninsured damages on the state's economy. Irma's effects are manifested in a wide array of Florida's economy, impacting agriculture, tourism, consumer spending, and infrastructure. While Florida has seen its fair share of hurricanes, the state has added 2.5 million residents since 2005, and the vast majority of that growth occurred in Irma's path. Therefore, business disruption was a major source of economic loss. At the MSA level, South Florida had the highest overall loss in terms of payroll declines at 34,000; within the District, Tampa posted the second-highest payroll losses in the state at 18,000⁸.

Agriculture also saw significant declines across the state, with total losses to production agriculture estimated to be over \$2.5 billion⁹. Sources of agricultural impacts include current year crop losses and extensive infrastructure damage. The citrus industry was particularly hard hit, with an estimated 421,176 acres of citrus production affected by hurricane or tropical storm force winds. Although the industry has declined in recent years, nearly 60 percent of all citrus consumed in the U.S. is produced in Florida, with statewide sales in the \$1 billion range. Within the District, citrus is of importance, particularly in the Southern and Heartland regions, accounting for approximately 57 percent of total agricultural water use. On a county level, Charlotte, Highlands, and Hardee face projected losses of \$1,750 per acre and Polk is estimated at \$1,100 per acre. To make matters worse, Irma's impacts arrived close to harvest time, rendering much of this year's citrus crop unusable. The latest production forecasts estimate that total Florida citrus production will be 27 percent less than last season's production and the least since the 1945-1946 season¹⁰. In addition to citrus, fruit and vegetable growers felt the impacts of Irma. Although only a fraction of fields were planted as the storm passed through, infrastructure damages were a concern, as total losses (including crop and infrastructure) are tallied at over \$180 million¹¹. In particular, the availability of tomato and other seedlings is expected to be reduced due to the destruction of greenhouses.

Considering the significant agricultural and business losses, it should be noted that Irma's impacts could have been much worse. By the time the storm hit, tourist visitation was in the midst of shoulder season, and Florida's population of seasonal residents does not arrive until later in the year. In fact, tourism to the state in the third quarter of 2017, which includes September, increased by 3.4 percent year over year¹². Moreover, since Irma, Florida has seen little to no interruption in the volume of new businesses locating in the state, and population inflows of retirees and job seekers do not appear to have been dampened at all¹³. Also, early signs suggest that the lack of supply in this year's harvest will be partially compensated by an increased demand for citrus, leading to higher prices¹⁴. Going forward, growth prospects look bright for both Florida and the District. Payroll job growth in Florida is healthy and is on track to outpace national job growth, with average job growth over the

⁸ Florida Economic Outlook: October 2017. Wells Fargo Economics Group. Published October 2017.

⁹ Hurricane Irma's Damage to Florida Agriculture. Florida Department of Agriculture and Consumer Services. <http://www.freshfromflorida.com/content/download/77515/2223098/FDACS+Irma+Agriculture+Assessment.pdf>

¹⁰ Citrus November Forecast. USDA National Agricultural Statistics Service. Published November 2017.

¹¹ Vegetables and Pulses Outlook. USDA Economic Research Service. Published October 2017.

¹² 2017 Estimates of Visitors to Florida by Quarter. Visit Florida. <http://www.visitflorida.org/resources/research/>

¹³ Florida Economic Outlook: October 2017. Wells Fargo Economics Group. Published October 2017.

¹⁴ "Growers Expect High Demand for Florida Citrus". The Packer. November 20, 2017.

<https://www.thepacker.com/article/growers-expect-high-demand-florida-citrus>

2017-2020 period forecasted to be 0.8 percentage points faster than the national economy¹⁵. Professional and technical services rank among Florida's fastest growing employment categories, representing a welcome arrival of high wage, highly skilled jobs in information technology, software, and life sciences¹⁶. This trend holds true in the District's major metropolitan areas as well. For Tampa-Saint Petersburg-Clearwater, the greatest average annual growth will be found in construction and mining (6.8%), professional and business services (6.7%), and financial and other services (3.1%). Similarly, for Lakeland-Winter Haven, the highest growth will be seen in professional and business services (5.6%) and construction and mining (2.4%)¹⁷. In terms of county growth within the District, as measured by gross regional product, Manatee, Sumter, and Charlotte are projected to have the greatest increase over the next five years.

Thus, while Hurricane Irma served as a reminder of Florida and the District's potential economic fragility, there was favorable growth in multiple sectors that served to counteract the losses incurred. The state and District continue to demonstrate steady economic growth and attract businesses, in addition to new residents. One key indicator to monitor in the next year is housing. Even though sale prices continue to increase, the upward movement is largely a function of short supply. Expanding the housing stock is essential for the health of the housing market, as well as state and local economies.

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 2018-2022 Strategic Plan, which provides strategic direction through the identification of regional priorities and objectives, 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, 2016. This was the 29th consecutive year that the District has achieved this prestigious award. In order to be 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

¹⁵ Florida and Metro Forecast: October 2017. Institute for Economic Competitiveness. College of Business Administration. University of Central Florida. Published October 2017, p.5.
<http://iec.ucf.edu/page/Forecasts.aspx>.

¹⁶ Florida Economic Outlook: October 2017. Wells Fargo Economics Group. Published October 2017.

¹⁷ Florida and Metro Forecast: October 2017. Institute for Economic Competitiveness. College of Business Administration. University of Central Florida. Published October 2017, pp.49, 89.
<http://iec.ucf.edu/page/Forecasts.aspx>.

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



Melisa J. Lowe
Bureau Chief
Finance



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

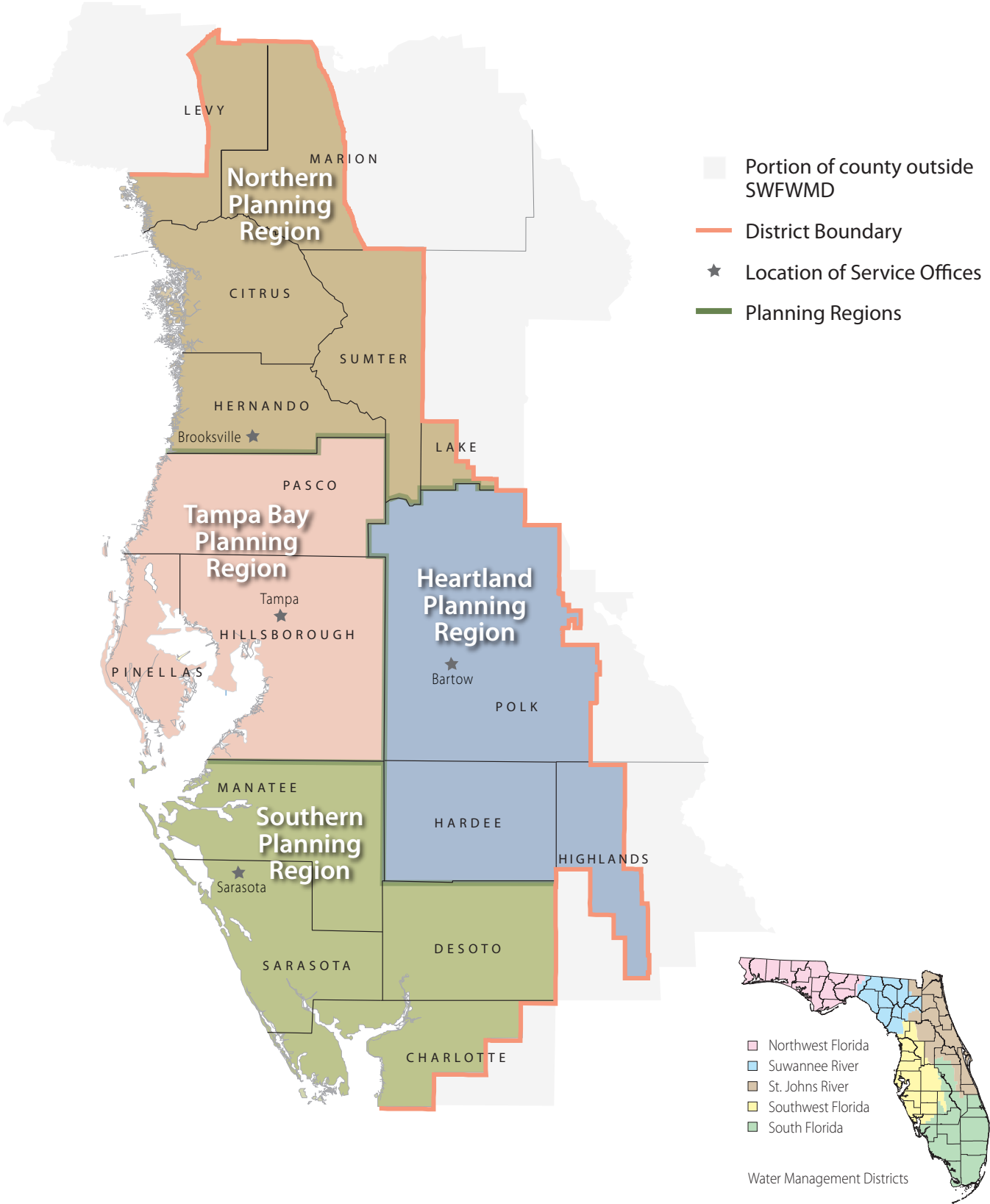
**Southwest Florida
Water Management District**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

September 30, 2016

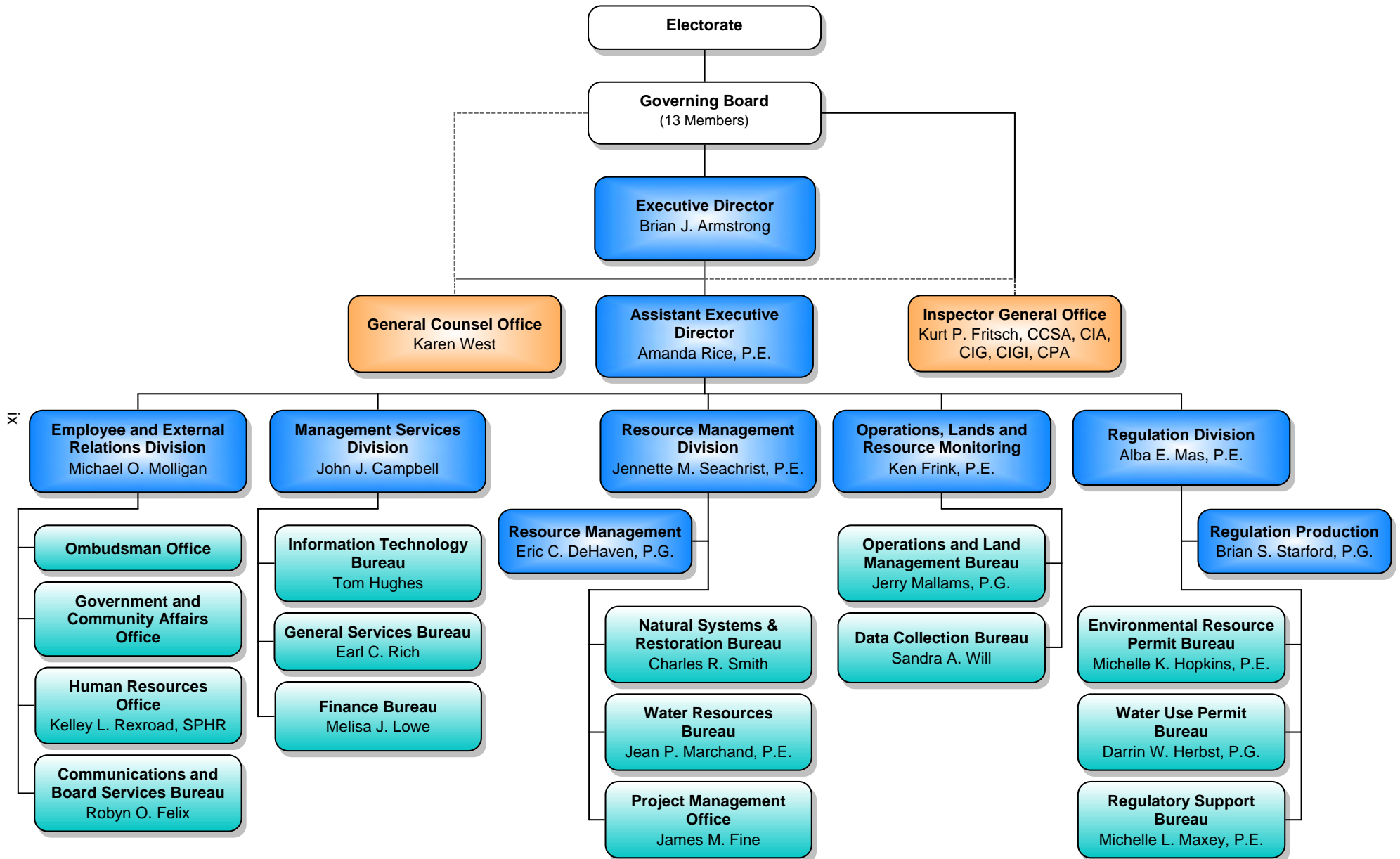
Christopher P. Morill

Executive Director/CEO



Organization Chart

As of January 22, 2018



Southwest Florida Water Management District

List of Appointed Officials

September 30, 2017

Governing Board Chair	Randall S. Maggard
Governing Board Vice Chair	Jeffrey M. Adams
Governing Board Secretary	Bryan K. Beswick
Governing Board Treasurer	Ed Armstrong
Board Member	H. Paul Senft, Jr.
Board Member	Michael A. Babb
Board Member	John Henslick
Board Member	James G. Murphy
Board Member	Kelly S. Rice
Board Member	Joel Schleicher
Board Member	Rebecca Smith
Board Member	Mark Taylor
Board Member	Michelle Williamson



Financial Section

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

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 (the District), as of and for the year ended September 30, 2017, 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

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

Auditors' Responsibility

Our responsibility is to express 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 auditor's 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.

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DeLand, FL 32724-4329
Telephone: 386-738-3300

5931 NW 1st Place
Gainesville, FL 32607-2063
Telephone: 352-378-1331

2477 Tim Gamble Place, Suite 200
Tallahassee, FL 32308-4386
Telephone: 850-386-6184

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 District, as of September 30, 2017, and the respective changes in financial position, and the respective budgetary comparison for the General fund and DOT Mitigation special revenue fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Change in Accounting Principle

As discussed in Note I(F) to the financial statements, in 2017, the District adopted Governmental Accounting Standards Board (GASB) *Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than for Pensions*. See Note I(F) for the effect of GASB 75 on beginning net position. Our opinion is not modified with respect to this matter.

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The introductory section, other supplementary information, as listed in the table of contents, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards and state financial assistance, as required by Section 215.97, Florida Statutes, *Florida Single Audit Act*, is presented for purposes of additional analysis and are not a required part of the basic financial statements.

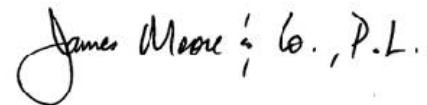
The other supplementary information, as listed in the table of contents, and schedule of expenditures of federal awards and state financial assistance are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic 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 information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 14, 2018 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.

A handwritten signature in black ink that reads "James Moore & Co., P.L." The signature is written in a cursive style with a large initial 'J'.

Gainesville, Florida
March 14, 2018

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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, 2017. 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, \$334 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 \$61.6 million; fund board and management designations in the amount of \$18.3 million; fund future long- and short-term projects in the amount of approximately \$194.8 million; maintain an economic stabilization reserve of \$22.1 million; support land management activities in the amount of \$6.9 million; pay claims associated with the District's Workers' Compensation and Medical self-insurance programs in the amount of \$4.5 million; and carry forward \$25.8 million into the fiscal year 2017-18 budget.
- The District elected to early implement GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*. This Statement replaces the requirements of Statements No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, as amended, and No. 57, *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans*. This Statement establishes standards for recognizing and measuring liabilities, deferred outflows of resources, deferred inflow of resources, and expense/expenditures of OPEB that is provided to the employees of state and local governmental employers. This resulted in a \$4,816,285 reduction of beginning net position from \$1,222,114,227 to \$1,217,297,942 due to the addition of the total OPEB liability.
- The District's total net position increased by \$9.9 million. The increase is primarily attributable to an increase of operating grants and contributions of \$3.2 million; and an increase of capital grants and contributions of \$8.2 million.
- As of the close of the current fiscal year, the District's governmental funds reported combined ending fund balances of \$422.5 million, an increase of \$11.6 million in comparison with the prior year. Of this total amount, \$36,280 relates to inventory on-hand and prepaids of \$434,401 are classified as nonspendable; \$54 million is restricted for the watershed basins and land acquisition; and \$368 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 required and 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 and deferred outflows of resources and liabilities and deferred inflows 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 2016-17. 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 GASB Statement No. 34, *Basic Financial Statement—And Management's Discussion and Analysis—For State and Local Governments*. Although not required, budgetary comparison schedules for the District's capital projects funds have been provided on pages 67 and 68 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 57 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 2016-17, the overall condition of the District remained consistent with fiscal year 2015-16.

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 of resources exceeded liabilities and deferred inflows of resources by approximately \$1.2 billion at September 30, 2017.

Southwest Florida Water Management District's Net Position

	Governmental Activities	
	2017	2016
Current and Other Assets	\$ 484,476,629	\$ 470,096,242
Capital Assets	839,419,100	840,671,632
Total Assets	<u>1,323,895,729</u>	<u>1,310,767,874</u>
Deferred Outflows of Resources	<u>13,530,699</u>	<u>10,894,636</u>
Current and Other Liabilities	60,310,276	58,279,932
Long-term Liabilities	<u>47,302,743</u>	<u>40,225,509</u>
Total Liabilities	<u>107,613,019</u>	<u>98,505,441</u>
Deferred Inflows of Resources	<u>2,632,762</u>	<u>1,042,842</u>
Net Position:		
Net Investment in Capital Assets	839,115,561	840,273,629
Restricted for:		
Watershed Basins	49,377,736	64,437,412
Land Acquisition	4,656,996	885,918
Unrestricted	<u>334,030,354</u>	<u>316,517,268</u>
Total Net Position	<u>\$ 1,227,180,647</u>	<u>\$ 1,222,114,227</u>

By far the largest portion of the District's net position, at September 30, 2017, in the amount of approximately \$839.1 million (68.4 percent) reflects its net 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 \$54 million (4.4 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. The balance of net position restricted for watershed basins at the end of fiscal year 2016-2017 decreased from the prior year balance by \$15.1 million (23.4 percent). The decrease is 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. The basins no longer exist as ad valorem taxing units and will no longer levy ad valorem tax. The balance of net position restricted for land acquisition at the end of fiscal year 2016-2017 increased from the prior year balance by \$3.8 million (425.7 percent). The increase is attributable to the sale of 3 tracts of surplus land.

Unrestricted net position in the amount of \$334 million (27.2 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 and Medical claims self-insurance programs; fund an economic stabilization reserve; and carry forward funding for allocation in subsequent years budgets.

The balance of current and other assets at the end of fiscal year 2016-2017 increased from the prior year balance, reflecting a net increase of \$14.4 million (3.1 percent). Many variances contributed to the increase, the most significant of which are increases in cash and investments. The increase in cash and investments is primarily a result of reduced expenditures and increased sale of capital assets. The total liability obligation increased by \$9.1 million (9.2 percent) primarily due to the increase in the total OPEB liability of \$5.3 million (485.3 percent). Of this amount, \$4.8 million was due to the prior period adjustment due to the early implementation of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*

At September 30, 2017, the District reported positive balances in all categories of net position. The same held true for the prior fiscal year. For fiscal year 2016-17, the District's total net position increased by \$9.9 million (0.8 percent). The reasons for this increase are discussed in the following section for governmental activities.

Governmental activities. Governmental activities increased the District's net position by \$9.9 million.

Southwest Florida Water Management District's Changes in Net Position

	Governmental Activities	
	2017	2016
Revenues:		
Program Revenues:		
Charges for Services	\$ 4,532,348	\$ 4,736,422
Operating Grants and Contributions	7,078,459	3,844,120
Capital Grants and Contributions	8,221,450	38,025
General Revenues:		
Ad Valorem Property Taxes	106,799,746	104,865,699
Unrestricted Investment Earnings	3,095,242	4,726,663
Gain on Sale of Capital Assets	464,675	-
Other	326,294	3,344,788
Total Revenues	<u>130,518,214</u>	<u>121,555,717</u>
Expenses:		
Water Resource Planning and Monitoring	24,177,514	25,432,848
Land Acquisition, Restoration and Public Works	48,604,475	55,411,144
Operation and Maintenance of Works and Lands	16,857,187	17,280,760
Regulation	17,696,824	17,881,691
Outreach	1,822,396	1,805,808
Total Expenses	<u>111,477,113</u>	<u>120,059,669</u>
Total Expenses	<u>120,635,509</u>	<u>129,871,920</u>
Change in Net Position	9,882,705	(8,316,203)
Prior Period adjustment*	(4,816,285)	-
Net Position - beginning of year	<u>1,217,297,942</u>	<u>1,230,430,430</u>
Net Position - end of year	<u>\$ 1,227,180,647</u>	<u>\$ 1,222,114,227</u>

*see note I.F for adoption of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*

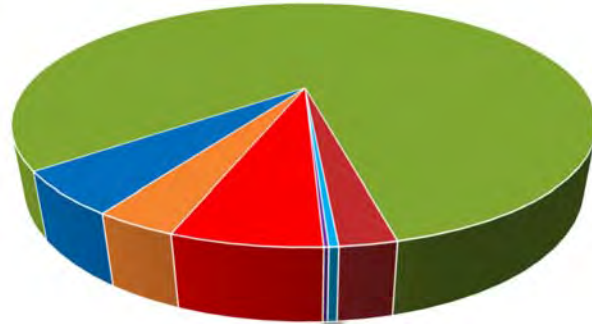
As discussed earlier, the increase in the overall net position is primarily attributable to an increase of operating grants and contributions of \$3.2 million (84.1 percent); and an increase of capital grants and contributions of \$8.2 million (21,521.2 percent). The increase of operating grants and contributions is due to an increase of Land acquisition trust fund revenue of \$2.6 million (554.1 percent) from the previous year. The capital grants and contributions increase is due to the Florida Forever funding of \$5.8 million (1,200 acres) of land parcels and land interests. The increase also includes donations of land and land interests of \$2.4 million.

Ad Valorem revenue increased by \$1.9 million (1.8 percent), due to an increase in assessed property values offset by a reduction of millage. Unrestricted investment earnings decreased by \$1.6 million (34.5 percent), due to the recognition of an unrealized loss of approximately \$2.3 million offset by an increase in interest rates.

Other revenue decreased by \$3 million (90.2 percent) due to the receipt of a \$2 million mediation settlement received in fiscal year 2015-2016.

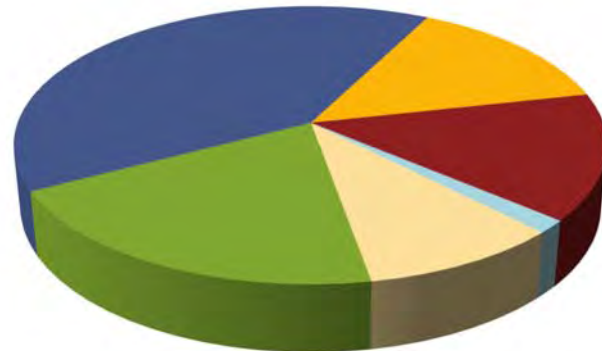
FY2016-17 Revenues by Source – Governmental Activities

- Charges for services 3.5%
- Operating grants and contributions 5.4%
- Property taxes 81.8%
- Unrestricted investment earnings 2.4%
- Gain on sale of capital assets 0.4%
- Other 0.2%
- Capital grants and contributions 6.3%



FY2016-17 Expenses by Program – Governmental Activities

- Water Resource Planning & Monitoring 20%
- Land Acquisition, Restoration & Public Works 40.3%
- Operation & Maintenance of Works & Lands 14%
- Regulation 14.7%
- Outreach 1.5%
- Management & Administration 9.5%



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, 2017, the District's governmental funds reported combined fund balances of \$422.5 million, an increase of \$11.6 million in comparison with fiscal year 2015-16. *Unassigned fund balance* of \$21.7 million represents 5.1 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 (\$470,681), 2) restricted where constraints are placed on the use of resources (\$54 million), 3) committed for particular purposes (\$110.3 million), or 4) assigned for particular purposes (\$236 million).

The general fund is the chief operating fund of the District. At the end of fiscal year 2016-17, unassigned fund balance of the general fund was \$21.7 million, while the total fund balance increased to \$407 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 19.4 percent of the total general fund expenditures, while total general fund balance represents 363.3 percent of that same amount.

The fund balance of the general fund increased \$6.7 million during the current fiscal year. The increase is attributable to the \$1.1 million proceeds from the sale of capital assets. Also, land acquisition, restoration and public works expenditures were reduced by \$3.3 million due to the Dona Bay Conveyance System (N424) project being completed in FY 2017, and \$2.7 million due to the near completion of TECO's Polk Power Station RW Intct (H076) project in FY 2017.

The fund balance of the Florida Forever capital projects fund increased \$4.1 million. This is mostly attributable to the sale of 3 tracts of surplus land (800.2 acres) in the amount of \$3.8 million.

The fund balance of the Capital Projects fund increased \$770,786 due to renovations and repairs that were less than the appropriated ad valorem property taxes.

General Fund Budgetary Highlights

There were budget transfers made between the six program areas during fiscal year 2016-17. The District's budget was not amended during fiscal year 2016-17.

In total, the general fund revenue budget was \$156.5 million with actual revenues of \$117.6 million, resulting in a variance of \$38.9 million (24.9 percent). The variance is primarily due to a reduction in intergovernmental revenues, and a decrease in interest earnings due to the unrealized loss on investments.

Intergovernmental revenues are recognized at the time related expenditures are incurred. For fiscal year 2016-17, the Intergovernmental Revenues budget was \$46 million and actual revenues were \$6.4 million, resulting in a variance of \$39.6 million (86.1 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 \$3.8 million and actual revenues were \$2.9 million, resulting in a variance of \$0.9 million (23.7 percent). The interest earnings budget was based on a 0.85 percent expected rate of return. The District earned 1.09 percent yield on investments and recognized \$5.2 million. In accordance with GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, interest earnings have been adjusted to reflect the changes in the fair value of investments. Therefore, interest earnings have been adjusted by the unrealized loss of approximately \$2.3 million, decreasing interest earnings on invested funds to \$2.9 million, representing 76.3 percent of the budget.

Other revenues were budgeted at \$546,207 and actual revenues were \$1,265,699, resulting in a variance of \$719,492 (131.7 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 District received \$708,578 in timber sales which accounted for the majority of the increase.

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, one program areas showed a significant variance.

The Land Acquisition, Restoration and Public Works program budget was \$222.4 million and actual expenditures were \$43.7 million. After adjusting for encumbrances, a variance of \$23.9 million (10.7 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, 2017, amounted to \$839.4 million (net of accumulated depreciation) a decrease from prior year of \$1.3 million (0.2 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.

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

- The District acquired 1,200 acres of land parcels and land interests funded by Florida Forever, valued at \$5.6 million.
- The District received 813 acres of donated land interest-conservation easements valued at \$2.2 million.
- The District sold 3 tracts of surplus land (800.2 acres) in the amount of \$3.8 million
- Following are some of the active construction in progress projects in fiscal year 2016-17:
 - Refurbishment of Tsala Apopka Canal/S353 Structure
 - 2 pump stations at Morris Bridge

- Following are some of the construction in progress projects that were completed during fiscal year 2016-17:
 - Completion of the Auburndale, Romp 75 wellsite
 - Completion of the Parrish #38 wellsite
 - Completion of the Royal, Romp 115 Sumter County wellsite
 - Completion of the Starkey Ranch replacement wellsite
 - Completion of the West Citrus wellsite

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

	2017	2016
Land	\$ 605,789,273	\$ 608,103,055
Land Interests (less-than-fee)	116,069,218	110,063,726
Land Acquisition in Progress	132,162	149,069
Construction in Progress	2,075,173	3,390,469
Buildings	19,168,089	19,934,348
Machinery and Equipment	5,509,719	6,576,993
Infrastructure	89,185,514	90,226,223
Software	1,465,129	2,214,832
Other Capital Assets	24,823	12,917
Total Capital Assets	\$ 839,419,100	\$ 840,671,632

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 37.

Long-term Obligations - At September 30, 2017, the District had \$303,539 total capital lease debt outstanding. The remainder of the District's long-term obligations is comprised of net pension liabilities, compensated absences, OPEB, and claims.

Additional information on the District's long-term obligations can be found in Note IV.G on page 39.

Southwest Florida Water Management District Outstanding Debt

	2017	2016
Capital Leases	303,539	398,003

The District's debt decreased by \$94,464, (23.7 percent) during the current fiscal year. The reason for the decrease was that no new debt was issued and the paydown of principal of the existing capital leases.

Economic Factors and Next Year's Budget and Millage Rate

The U.S. economy gradually improved over the past year, with the unemployment rate steadily falling and the broad-based economy growing at 2.4 percent. The Federal Reserve raised its target rate three times, continuing its slow and measured approach to normalizing monetary policy. While the fundamental economic data remains solid, inflation remains elusive. Economists project the U.S. economy to grow 2.5 percent in 2018, maintaining its current pace. The market is currently focusing on potential tax reform from Washington, possibly stimulating economic growth and inflation. If passed by Congress, the yield curve may steepen further as the outlook for inflation and growth may improve.

By the end of September, Treasury yields were well above their 50, 100 and 200 moving day averages. Despite the recent sell off in bonds, the market is still discounting the odds of multiple rate hikes from the Federal Open Market Committee in 2018. Yield spreads between asset classes have narrowed to pre-crisis levels. Although we may be in the later stages of the credit-cycle, the current fundamental economic backdrop may keep spreads tight for the foreseeable future.

The District's primary source of funding is ad valorem property taxes. The fiscal year 2017-18 budget of \$108.1 million in ad valorem property taxes represents 96 percent of the taxes to be levied on taxable property values as certified by the District's 16 counties, which is based on historical collections. This represents an increase of approximately \$2.2 million compared to fiscal year 2016-17.

On September 30, 2017, the District's Governing Board adopted a final millage, the rolled-back rate of 0.3131 mill, a reduction of 5.6 percent below the rate levied for fiscal year 2016-17. The 2017 tax roll, upon which taxes for fiscal year 2017-18 are based, increased by 8.1 percent from 2016. Over the last eight fiscal years, the Governing Board has reduced its millage rate more than 48 percent to help reduce the tax burden for residents within the District's boundaries.

Although the fiscal year 2017-18 operating budget represents an increase of just over one percent, the District will continue to look for opportunities to improve efficiencies and further streamline processes while improving the services provided to the public. 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 prudently managed project reserves, can support a healthy investment in the water resources and economy over the next five years. In the fiscal year 2017-18 budget there was an increase of \$23.6 million in cooperative funding project requests; therefore, it was necessary to utilize \$13.7 million in projects reserves. It is anticipated as the economy continues to grow, the requests for cooperative funding and other District projects will outpace the current ad valorem revenue available to the District. Project reserves will be allocated through the budget development process to fund these projects until ad valorem revenues increase 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.



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, 2017**

ASSETS	Governmental Activities
Cash and Investments	\$ 397,163,033
Receivables	3,315,563
Deposits	72,895
Inventories	36,280
Prepays	434,401
Other Assets	254,137
Restricted assets:	
Cash and Investments	81,380,750
Intergovernmental Receivable	519,570
Long Term-Receivables	1,300,000
Capital Assets not being depreciated:	
Land	605,789,273
Land Interests	116,069,218
Land Acquisition in Progress	132,162
Construction in Progress	2,075,173
Capital Assets (net of accumulated depreciation):	
Buildings	19,168,089
Machinery and Equipment	5,509,719
Infrastructure	89,185,514
Software	1,465,129
Other Capital Assets	24,823
Total Assets	<u>1,323,895,729</u>
 DEFERRED OUTFLOWS OF RESOURCES	
OPEB	1,037,691
Pension	12,493,008
Total Deferred Outflows of Resources	<u>13,530,699</u>
 LIABILITIES	
Accounts and Contracts Payable	41,261,605
Payroll and Related Costs	1,960,251
Contracts Payable-Retainage	332,390
Unearned Revenue	16,756,030
Noncurrent Liabilities:	
Due Within One Year	1,019,433
Due in More Than One Year	46,283,310
Total Liabilities	<u>107,613,019</u>
 DEFERRED INFLOWS OF RESOURCES	
Pension	2,632,762
Total Deferred Inflows of Resources	<u>2,632,762</u>
 NET POSITION	
Net Investment in Capital Assets	839,115,561
Restricted for:	
Watershed Basins	49,377,736
Land Acquisition	4,656,996
Unrestricted	334,030,354
Total Net Position	<u><u>\$ 1,227,180,647</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, 2017**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Total Governmental Activities
Primary government:					
Governmental activities:					
Water Resource Planning and Monitoring	\$ 24,177,514	\$ 35	\$ 1,256,112	\$ -	\$ (22,921,367)
Land Acquisition, Restoration and Public Works	48,604,475	1,594,803	2,683,378	8,221,450	(36,104,844)
Operation and Maintenance of Works and Lands	16,857,187	1,387,289	3,138,969	-	(12,330,929)
Regulation	17,696,824	1,539,531	-	-	(16,157,293)
Outreach	1,822,396	-	-	-	(1,822,396)
Management and Administration	11,477,113	10,690	-	-	(11,466,423)
Total governmental activities	\$ 120,635,509	\$ 4,532,348	\$ 7,078,459	\$ 8,221,450	(100,803,252)
General Revenues:					
					106,799,746
					3,095,242
					464,675
					326,294
Total general revenues					110,685,957
Change in net position					9,882,705
Net position - beginning					1,222,114,227
Prior Period Adjustment -(see note I.F)					(4,816,285)
Net position - beginning - Restated (see note I.F)					1,217,297,942
Net position - ending					\$ 1,227,180,647

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

Southwest Florida Water Management District
Balance Sheet
Governmental Funds
September 30, 2017

	<u>General Fund</u>	<u>DOT Mitigation</u>	<u>Florida Forever</u>	<u>Capital Projects</u>	<u>Total Governmental Funds</u>
ASSETS					
Cash and Investments	\$ 449,207,459	\$ 13,767,914	\$ 9,868,437	\$ 5,699,973	\$ 478,543,783
Due From Other Governments	3,638,974	-	68,104	-	3,707,078
Interest Receivable	1,428,055	-	-	-	1,428,055
Deposits	72,895	-	-	-	72,895
Inventories	36,280	-	-	-	36,280
Prepays	434,401	-	-	-	434,401
Other Assets	254,137	-	-	-	254,137
Total Assets	<u>455,072,201</u>	<u>13,767,914</u>	<u>9,936,541</u>	<u>5,699,973</u>	<u>484,476,629</u>
LIABILITIES					
Accounts and Contracts Payable	40,905,875	232,852	87,290	35,588	41,261,605
Payroll and Related Costs	1,960,251	-	-	-	1,960,251
Contracts Payable-Retainage	323,450	8,940	-	-	332,390
Unearned Revenue	3,229,908	13,526,122	-	-	16,756,030
Total Liabilities	<u>46,419,484</u>	<u>13,767,914</u>	<u>87,290</u>	<u>35,588</u>	<u>60,310,276</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue-property taxes	361,567	-	-	-	361,567
Unavailable revenue-intergovernmental revenue	1,300,000	-	-	-	1,300,000
Total Deferred Inflows of Resources	<u>1,661,567</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,661,567</u>
FUND BALANCES					
Nonspendable	470,681	-	-	-	470,681
Restricted	49,377,736	-	4,656,996	-	54,034,732
Committed	105,419,328	-	4,900,593	-	110,319,921
Assigned	230,001,122	-	291,662	5,664,385	235,957,169
Unassigned	21,722,283	-	-	-	21,722,283
Total Fund Balances	<u>406,991,150</u>	<u>-</u>	<u>9,849,251</u>	<u>5,664,385</u>	<u>422,504,786</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 455,072,201</u>	<u>\$ 13,767,914</u>	<u>\$ 9,936,541</u>	<u>\$ 5,699,973</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.	839,419,100
Deferred outflows are applicable to future periods and, therefore, are not reported in the funds.	13,530,699
Deferred inflows are applicable to future periods and, therefore, are not reported in the funds.	(2,632,762)
Delinquent taxes are not available to pay for current period expenditures and, therefore, are reported as deferred inflows of resources in the funds.	361,567
Earned but unavailable intergovernmental revenues should be recognized in the statement of activities regardless of whether they are available.	1,300,000
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.	<u>(47,302,743)</u>
Net position of governmental activities	<u>\$ 1,227,180,647</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, 2017

	<u>General Fund</u>	<u>DOT Mitigation</u>	<u>Florida Forever</u>	<u>Capital Projects</u>	<u>Total Governmental Funds</u>
REVENUES					
Ad Valorem Property Taxes	\$ 105,516,186	\$ -	\$ -	\$ 1,310,103	\$ 106,826,289
Intergovernmental Revenues	6,372,607	1,469,341	5,778,327	-	13,620,275
Interest on Invested Funds	2,884,643	141,216	69,383	-	3,095,242
License and Permit Fees	1,529,854	-	-	-	1,529,854
Other	1,265,699	-	-	-	1,265,699
Total Revenues	<u>117,568,989</u>	<u>1,610,557</u>	<u>5,847,710</u>	<u>1,310,103</u>	<u>126,337,359</u>
EXPENDITURES					
Current:					
Water Resource Planning and Monitoring	24,195,252	-	-	-	24,195,252
Land Acquisition, Restoration and Public Works	43,673,881	1,610,557	5,874,164	164,797	51,323,399
Operation and Maintenance of Works and Lands	14,940,549	-	-	374,520	15,315,069
Regulation	16,726,920	-	-	-	16,726,920
Outreach	1,778,194	-	-	-	1,778,194
Management and Administration	10,714,222	-	-	-	10,714,222
Total Expenditures	<u>112,029,018</u>	<u>1,610,557</u>	<u>5,874,164</u>	<u>539,317</u>	<u>120,053,056</u>
Excess (deficiency) of Revenues Over (Under) Expenditures	5,539,971	-	(26,454)	770,786	6,284,303
OTHER FINANCING SOURCES (USES)					
Proceeds from Sale of Capital Assets	1,111,740	-	4,163,877	-	5,275,617
Total Other Financing Sources (Uses)	<u>1,111,740</u>	<u>-</u>	<u>4,163,877</u>	<u>-</u>	<u>5,275,617</u>
Net Change in Fund Balances	6,651,711	-	4,137,423	770,786	11,559,920
Fund Balances - Beginning	400,339,439	-	5,711,828	4,893,599	410,944,866
Fund Balances - Ending	<u>\$ 406,991,150</u>	<u>\$ -</u>	<u>\$ 9,849,251</u>	<u>\$ 5,664,385</u>	<u>\$ 422,504,786</u>

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

Net change in fund balances - total governmental funds	\$ 11,559,920
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 capital outlays exceed depreciation expense in the current period.	1,218,336
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.	(2,470,868)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. The net effect of transactions (i.e. delinquent taxes, intergovernmental revenue) resulted in a net increase to net position.	1,273,457
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.	94,464
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>(1,792,604)</u>
Change in net position of governmental activities	<u>\$ 9,882,705</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 Balance - Budget and Actual
General Fund
For the Year Ended September 30, 2017

	<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	\$ 104,644,153	\$ 104,644,153	\$ 105,516,186	\$ 872,033
Intergovernmental Revenues	45,979,412	45,979,412	6,372,607	(39,606,805)
Interest on Invested Funds	3,800,000	3,800,000	2,884,643	(915,357)
License and Permit Fees	1,550,000	1,550,000	1,529,854	(20,146)
Other	546,207	546,207	1,265,699	719,492
Total Revenues	<u>156,519,772</u>	<u>156,519,772</u>	<u>117,568,989</u>	<u>(38,950,783)</u>
EXPENDITURES				
Current:				
Water Resource Planning and Monitoring	40,511,977	41,824,840	24,195,252	17,629,588
Land Acquisition, Restoration and Public Works	221,897,815	222,439,720	43,673,881	178,765,839
Operation and Maintenance of Works and Lands	24,611,089	22,733,453	14,940,549	7,792,904
Regulation	21,103,778	21,057,469	16,726,920	4,330,549
Outreach	2,651,024	2,655,982	1,778,194	877,788
Management and Administration	13,980,343	14,044,562	10,714,222	3,330,340
Total Expenditures	<u>324,756,026</u>	<u>324,756,026</u>	<u>112,029,018</u>	<u>212,727,008</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(168,236,254)	(168,236,254)	5,539,971	173,776,225
OTHER FINANCING SOURCES (USES)				
Proceeds from Sale of Capital Assets	-	-	1,111,740	1,111,740
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>1,111,740</u>	<u>1,111,740</u>
Net Change in Fund Balance	(168,236,254)	(168,236,254)	6,651,711	174,887,965
Fund Balance - Beginning	168,236,254	168,236,254	400,339,439	232,103,185
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 406,991,150</u>	<u>\$ 406,991,150</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 Balance - Budget and Actual
DOT Mitigation Special Revenue Fund
For the Year Ended September 30, 2017

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
REVENUES			
Intergovernmental Revenues	\$ 6,621,205	\$ 1,469,341	\$ (5,151,864)
Interest on Invested Funds	-	141,216	141,216
Total Revenues	6,621,205	1,610,557	(5,010,648)
EXPENDITURES			
Current:			
Land Acquisition, Restoration and Public Works	6,621,205	1,610,557	5,010,648
Total Expenditures	6,621,205	1,610,557	5,010,648
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, 2017

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, 2018.

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.

SOUTHWEST FLORIDA WATER MANAGEMENT DISTRICT
Notes to the Financial Statements
September 30, 2017

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 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 balances 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* is a special revenue fund that 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).

SOUTHWEST FLORIDA WATER MANAGEMENT DISTRICT
Notes to the Financial Statements
September 30, 2017

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

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 minimum water 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 Programs 1.0 and 3.0), including water resource development projects, water supply development assistance, water control projects, and support and administrative facilities construction, cooperative projects, land acquisition, 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 supply 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 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 the media.

6.0 Management and Administration

This program includes all governing board support; executive management and support; management information systems; and general counsel, ombudsman, human resources, finance, inspector general, risk management, procurement, and administrative services.

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

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.

SOUTHWEST FLORIDA WATER MANAGEMENT DISTRICT
Notes to the Financial Statements
September 30, 2017

Investments are stated at fair value pursuant to GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, as amended by GASB Statement No. 72, *Fair Value Measurement and Application*, and GASB Statement No. 79, *Certain External Investment Pools and Pool Participants*, with the exception of the State Board of Administration (SBA) Local Government Surplus Funds Trust Fund (known as Florida Prime) which is reported at amortized cost which approximates fair value. The District has limited its investments to the following investments authorized in Section 218.415, Florida Statutes: (a) 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 and prepaid items

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.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses 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 (\$3,144,663), Alafia River Basin (\$1,419,322), Hillsborough River Basin (\$30,570,394), Coastal Rivers Basin (\$581,588), Pinellas-Anclote River Basin (\$17,027,969), Withlacoochee River Basin (\$3,291,372), Peace River Basin (\$2,196,568), Manasota Basin (\$5,243,534), DOT Mitigation Fund (\$13,767,914), and the Florida Forever Fund (\$4,656,996) 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 acquisition value at the date of the donation. The estimated value is based on the most recent appraisal documentation available. Maintenance, repairs and minor renovations are not capitalized.

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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

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 and deferred inflows of resources

In addition to assets, the statement of net position and the balance sheet 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 or fund balance that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then.

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In addition to liabilities, the statement of net position and the balance sheet 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 or fund balance 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.

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.

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 (see note IV.H., page 40 and note V.C., page 42).

Unassigned – includes the residual classification for the general fund and represents fund balance that has not been restricted, committed or assigned to specific purposes within the general fund and will be used in a subsequent years budget.

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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 a variety of 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, and terminated in July of 2015, however, the remaining encumbered funds dedicated to Surface Water Improvement and Management were retained and will be recognized as revenue in future fiscal years. Funded primarily from a portion of the documentary stamp taxes collected by the State, the non-lapsing trust fund provided 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. The Florida Department of Environmental Protection (FDEP) had 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, the District must spend at least 50 percent of the funds 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, and terminated in July of 2015, however, the remaining encumbered funds were retained and will be recognized as revenue in future fiscal years. 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 various other projects. Revenues received from the trust fund are accounted for in the District's general fund. The FDEP had 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 Trust Fund (WPSPTF) 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 priority water bodies, and the West-Central Florida Water

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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 Land Acquisition Trust Fund was established in 1963, pursuant to Section 375.041, Florida Statutes. The trust fund is funded through documentary excise tax as authorized by Section 28 of Article X of the Florida Constitution, with Senate Bill 2516-A requiring 33 percent of documentary stamp tax revenue being distributed into the trust fund. The trust fund provides funding for the acquisition and improvement of land, water areas, and related property interests, including conservation easements, and resources for conservation lands including wetlands, forests, and fish and wildlife habitat; wildlife management areas; lands that protect water resources and drinking water sources, including lands protecting the water quality and quantity of rivers, lakes, streams, springsheds, and lands providing recharge for groundwater and aquifer systems; beaches and shores; outdoor recreation lands, including recreational trails, parks, and urban open space; rural landscapes; working farms and ranches; historic or geologic sites; together with management, restoration of natural systems, and the enhancement of public access or recreational enjoyment of conservation lands.

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 elected to early adopt GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*. This Statement replaces the requirements of GASB Statements No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, as amended, and No. 57, *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans*. This Statement establishes standards for recognizing and measuring liabilities, deferred outflows of resources, deferred inflow of resources, and expense/expenditures of other postemployment benefits (OPEB) that is provided to the employees of state and local governmental employers. This resulted in a \$4,816,285 reduction of beginning net position from \$1,222,114,227 to \$1,217,297,942 due to the addition of the total OPEB liability.

The District implemented GASB Statement No. 82, *Pension Issues*. This Statement amends GASB Statements No. 67 and 68 by replacing the term "covered-employee payroll" with the term "covered payroll", defined as the payroll on which contributions to a pension plan are based. Covered payroll is presented in the required supplementary information provided.

In June 2017, the GASB issued Statement No. 87, *Leases*, effective for reporting periods beginning after December 15, 2019. Earlier application is encouraged. The objective of this Statement is to

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better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The District is currently evaluating the effect that implementation of the new standard will have on its financial statements

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, "Deferred outflows are applicable to future periods and, therefore, are not reported in the funds."

The details of the \$13,530,699 difference are as follows:

Other Postemployment benefits (OPEB)	\$ 1,037,691
Pension-FRS	10,743,689
Pension-HIS	<u>1,749,319</u>
Net Adjustment to increase <i>fund balance - total governmental funds to arrive at net position of governmental activities</i>	<u>\$ 13,530,699</u>

One element of that reconciliation states that, "Deferred inflows are applicable to future periods and, therefore, are not reported in the funds."

The details of the \$2,632,762 difference are as follows:

Pension-FRS	\$ 1,230,768
Pension-HIS	<u>1,401,994</u>
Net adjustment to decrease <i>fund balance - total governmental funds to arrive at net position of governmental activities</i>	<u>\$ 2,632,762</u>

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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 \$47,302,743 difference are as follows:

Pension-FRS	\$ 23,922,153
Pension-HIS	11,488,740
Compensated Absences	4,353,660
Other Postemployment Benefits (see note V.E., page 51)	6,455,651
Claims (see note V.A., page 42)	779,000
Capital Leases	<u>303,539</u>
Net adjustment to decrease fund balance - <i>total governmental funds</i> to arrive at <i>net position of governmental activities</i>	<u>\$ 47,302,743</u>

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 capital outlays exceeded depreciation expense in the current period."

The details of this \$1,218,336 difference are as follows:

Capital outlay	\$ 8,974,849
Depreciation expense	<u>(7,756,513)</u>
Net adjustment to increase <i>net change in fund balances - total governmental funds</i> to arrive at <i>change in net position of governmental activities</i>	<u>\$ 1,218,336</u>

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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 \$2,470,868 difference are as follows:

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.	\$ 2,443,123
The statement of activities reports losses or reductions 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 of transactions.	(4,913,991)
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>	\$ (2,470,868)

Another element of the reconciliation states that, "Revenue in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. The net effect of transactions resulted in a net increase to net position."

The details of the \$1,273,457 increase are as follows:

Delinquent taxes less than prior year-end	\$ (26,543)
Long term receivable from other governments	1,300,000
Net adjustment to increase <i>net change in fund balances - total governmental funds</i> to arrive at <i>change in net position of governmental</i>	\$ 1,273,457

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 \$1,792,604 difference are as follows:

Compensated Absences	\$ 50,424
Claims (medical)	(282,000)
Pension Liability and related deferred balances-FRS	(1,834,503)
Pension Liability and related deferred balances-HIS	(227,795)
Other Postemployment Benefits (see note V.E., page 51)	501,270
Net adjustment to decrease <i>net change in fund balances - total governmental funds</i> to arrive at <i>change in net position of governmental</i>	\$ (1,792,604)

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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 2016-17 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.

IV. Detailed notes

A. Cash and investments

As of September 30, 2017 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	\$ 239,880,623	1.55
Corporate Notes	64,093,772	1.44
U.S. Agencies	108,981,739	1.31
State Board of Administration Florida PRIME	56,024,102 ⁽¹⁾	0.14
Money Market Funds	<u>6,819,232</u>	liquid daily
Total Financial Fair Value of Investments	475,799,468	
Portfolio weighted average maturity		1.29
Investment in Land Held for Resale	<u>450,000</u>	
Total Investments	476,249,468	
Demand Deposit Accounts	2,278,465 ⁽²⁾	
Petty Cash	<u>15,850</u>	
Total Cash and Investments	<u>\$ 478,543,783</u>	

(1) The District participates in the State Board of Administration's (SBA) Florida PRIME, which reports investments at amortized cost. See "Investments Reported at Amortized Cost" note.

(2) At September 30, 2017, the carrying amount of the District's cash demand deposit account was \$2,278,465 and the bank balance was \$3,726,167. The District actively manages its cash balance and invests excess cash on a daily basis.

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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, \$6,306,737 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 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, 2017, 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 safe keeper 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 (8.48 percent) and Federal Home Loan Mortgage Corporation (8.18 percent).

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For the financial investments held at September 30, 2017, 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%
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.

Investments Reported at Amortized Cost: The District has investments in the State Board of Administration (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 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 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"). 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. GASB Statement No. 79 established criteria for external investment pools to qualify for reporting investments at amortized cost, and if so, states that participants in the pool should do so as well. Florida PRIME meets the qualifications and reports the amortized cost of investments, therefore the District's balance in Florida PRIME is reported at amortized cost.

Florida PRIME currently has no limitations or restrictions on withdrawals. As of September 30, 2017, there were no redemption fees or maximum transaction amounts, or any other requirements that serve to limit a participant's daily access to 100 percent of their account value. Section 218.409(8)(a), Florida Statutes, provides that the SBA executive director may, in good faith, on the occurrence of an event that has a material impact on liquidity or operations of the external investment pool, may limit contributions to or withdrawals from the external investment pool for 48 hours, and could be extended up to 15 days by trustee vote, to ensure that the SBA can invest moneys entrusted to it in exercising its fiduciary responsibility. With regard to liquidity fees, Section 218.409(4), Florida Statutes, provides authority for the SBA to impose penalties for early withdrawal, subject to disclosure in the enrollment materials of the amount and purpose of such fees. As of September 30, 2017, no such disclosure has been made. All Florida PRIME investment policies can be found at www.sbafla.com/prime.

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Fair Value Measurement: The District categorizes its fair value within the hierarchy established by generally accepted accounting principles using the market approach. The hierarchy is based on valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

The District has the following fair value measurements as of September 30, 2017:

- U.S. treasury securities of \$239,880,623 are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices (Level 2 inputs).
- Corporate Notes of \$64,093,772 are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices (Level 2 inputs).
- U.S. agency securities of \$108,981,739 are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices (Level 2 inputs).
- Money markets of \$6,819,232 are valued using the quoted market prices (Level 1 inputs).
- State Board of Administration of \$56,024,102 are valued using amortized cost.
- The District has \$450,000 of non-financial assets in the form of land held for resale. The pricing was established by a third-party appraisal (Level 3 inputs) at acquisition and the District believes its value has not changed materially since its acquisition.

	9/30/2017	Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments measured at fair value				
Debt securities				
U.S. Treasuries	\$ 239,880,623	\$ -	\$ 239,880,623	\$ -
Corporate Notes	64,093,772	-	64,093,772	-
U.S. Agencies	108,981,739	-	108,981,739	-
Total debt securities	<u>412,956,134</u>	<u>-</u>	<u>412,956,134</u>	<u>-</u>
Money Market Funds	6,819,232	6,819,232	-	-
Land Held for Resale	450,000	-	-	450,000
Total investments measured at fair value	<u>\$ 420,225,366</u>	<u>\$ 6,819,232</u>	<u>\$ 412,956,134</u>	<u>\$ 450,000</u>
Investments measured at amortized cost				
State Board of Administration Florida PRIME	<u>56,024,102</u>			
Total investments measured at fair value and amortized cost	<u><u>\$ 476,249,468</u></u>			

SOUTHWEST FLORIDA WATER MANAGEMENT DISTRICT
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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	\$ 3,638,974	\$ 1,428,055	\$ 5,067,029
Florida Forever	68,104	-	68,104
Total	<u>\$ 3,707,078</u>	<u>\$ 1,428,055</u>	<u>\$ 5,135,133</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	\$ 3,229,908
DOT Mitigation	
Fund Drawdowns prior to meeting all eligibility requirements	13,526,122
Total unearned revenue for governmental funds	<u>\$ 16,756,030</u>

SOUTHWEST FLORIDA WATER MANAGEMENT DISTRICT
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E. Capital Assets

Capital asset activity for the year ended September 30, 2017, was as follows:

	Balance, October 1, 2016	Increases	Decreases	Reclassifications	Balance, September 30, 2017
Capital assets, not being depreciated:					
Land	\$ 608,103,055	\$ 3,912,209	\$ (4,552,905)	\$ (1,673,086)	\$ 605,789,273
Land Interests	110,063,726	4,315,369	(2,250)	1,692,373	116,069,218
Land Acquisitions in Progress	149,069	29,430	(27,050)	(19,287)	132,162
Construction in Progress	3,390,469	918,824	-	(2,234,120)	2,075,173
Total capital assets, not being depreciated	721,706,319	9,175,832	(4,582,205)	(2,234,120)	724,065,826
Capital assets, being depreciated:					
Buildings	34,531,474	41,069	(316,949)	7,250	34,262,844
Machinery and Equipment	26,849,933	1,159,686	(1,727,749)	-	26,281,870
Infrastructure	163,082,257	605,152	-	2,226,870	165,914,279
Software	50,925,323	418,476	-	-	51,343,799
Other	149,804	17,757	(20,126)	-	147,435
Total capital assets being depreciated	275,538,791	2,242,140	(2,064,824)	2,234,120	277,950,227
Less accumulated depreciation for:					
Buildings	14,597,126	769,742	(272,113)	-	15,094,755
Machinery and Equipment	20,272,940	1,940,010	(1,440,799)	-	20,772,151
Infrastructure	72,856,034	3,872,731	-	-	76,728,765
Software	48,710,491	1,168,179	-	-	49,878,670
Other	136,887	5,851	(20,126)	-	122,612
Total accumulated depreciation	156,573,478	7,756,513	(1,733,038)	-	162,596,953
Total capital assets, being depreciated, net	118,965,313	(5,514,373)	(331,786)	2,234,120	115,353,274
Governmental activities capital assets, net	\$ 840,671,632	\$ 3,661,459	\$ (4,913,991)	\$ -	\$ 839,419,100

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	\$ 716,212
Acquisition, Restoration and Public Works	3,152,139
Operation and Maintenance of Works and Lands	2,352,348
Regulation	898,371
Outreach	16,315
Management and Administration	621,128
Total depreciation expense - governmental activities	<u><u>\$ 7,756,513</u></u>

F. Leases

Operating Leases

The District has lease commitments under various operating leases for buildings, 2-way radio antennas, and Supervisory Control and Data Acquisition (SCADA) tower leases, with the longest operating lease in effect until 2029. Lease expenditures for the year ended September 30, 2017, amounted to \$171,887.

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
2018	\$ 163,653
2019	149,288
2020	141,797
2021	142,318
2022	50,496
2023-2027	161,369
2028-2029	32,274
	<u><u>\$ 841,195</u></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. In fiscal year 2015-16, the District added additional equipment to this lease in the amount of \$11,450. The Xerox lease payable balance at September 30, 2017 is \$140,506.

In fiscal year 2015-16, the District entered into a lease agreement as lessee for financing the acquisition of Ricoh printers valued at \$238,227. 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. The Ricoh lease payable balance at September 30, 2017 is \$163,033.

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The future minimum lease obligation and the net present value of these minimum lease payments as of September 30, 2017, were as follows:

Fiscal Year Ending September 30,	Minimum Lease Payments
2018	\$ 119,094
2019	119,094
2020	88,989
2021	9,894
2022	-
Total minimum lease payments	337,071
Less: amount representing interest	(33,532)
Present value of minimum lease payments	\$ 303,539

G. Long-term obligations

Long-term liability activity for the year ended September 30, 2017, was as follows:

	Beginning Balance (*Restated)	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Compensated Absences	\$ 4,404,084	\$ 5,481,693	\$ 5,532,117	\$ 4,353,660 ⁽¹⁾	\$ 435,366
Other Postemployment Benefits	5,919,230	584,484	48,063	6,455,651 ⁽¹⁾	-
Workers' Compensation	497,000	250,430	250,430	497,000 ⁽¹⁾	201,144
Medical Claims	483,334	5,039,527	5,240,861	282,000 ⁽¹⁾	282,000
Capital Lease	398,003	-	94,464	303,539 ⁽¹⁾	100,923
Net Pension Liabilities:					
FRS	20,603,476	15,025,501	11,706,824	23,922,153 ⁽¹⁾	-
HIS	12,736,667	878,936	2,126,863	11,488,740 ⁽¹⁾	-
Total	\$ 45,041,794	\$ 27,260,571	\$ 24,999,622	\$ 47,302,743	\$ 1,019,433

*Restated beginning OPEB balance (see note I.F)

⁽¹⁾ The general fund has typically been 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, 2017 were as follows:

	<u>General Fund</u>	<u>Florida Forever</u>	<u>Capital Projects</u>	<u>Total All Funds</u>
Nonspendable:				
Inventory	\$ 36,280	\$ -	\$ -	\$ 36,280
Prepays	434,401			434,401
Total Nonspendable	<u>470,681</u>	<u>-</u>	<u>-</u>	<u>470,681</u>
Restricted for:				
Alafia River Basin	777,935	-	-	777,935
Hillsborough River Basin	25,320,192	-	-	25,320,192
Coastal Rivers Basin	408,379	-	-	408,379
Pinellas-Anclote River Basin	14,743,794	-	-	14,743,794
Withlacoochee River Basin	2,835,894	-	-	2,835,894
Peace River Basin	1,418,907	-	-	1,418,907
Manasota Basin	3,872,635	-	-	3,872,635
Land Management	-	4,656,996	-	4,656,996
Total Restricted	<u>49,377,736</u>	<u>4,656,996</u>	<u>-</u>	<u>54,034,732</u>
Committed to:				
Economic Stabilization Reserve	22,100,000	-	-	22,100,000
Long-term Projects Reserve	50,000,000	-	-	50,000,000
Central Florida Water Resource				
Development Project	30,000,000	-	-	30,000,000
Self-Funded Medical Reserve	1,700,000	-	-	1,700,000
Land Management	1,619,328	4,900,593	-	6,519,921
Total Committed	<u>105,419,328</u>	<u>4,900,593</u>	<u>-</u>	<u>110,319,921</u>
Assigned to:				
District Water Management Planning	7,937,908	-	-	7,937,908
Research, Data Collection, Analysis and Monitoring	3,899,817	-	-	3,899,817
Technical Assistance	9,515	-	-	9,515
Technology and Information Services	2,169,772	-	-	2,169,772
Land Acquisition	7,248	18,300	-	25,548
Water Source Development	99,065,173	-	-	99,065,173
Surface Water Projects	82,192,389	-	-	82,192,389
Facilities Construction and Major Renovations	169,174	-	5,641,651	5,810,825
Land Management & Use	30,610	-	-	30,610
Works	1,542,337	-	22,734	1,565,071
Facilities	90,295	-	-	90,295
Invasive Plant Control	21,813	-	-	21,813
Other Operation and Maintenance Activities	70,746	-	-	70,746
Fleet Services	457,482	-	-	457,482
Consumptive Use Permitting	1,335,211	-	-	1,335,211
Water Well Construction, Permitting and Contractors Licenses	8,623	-	-	8,623
Environmental Resource and Surface Water Permitting	326,452	-	-	326,452
Regulatory and Enforcement Activities	209,108	-	-	209,108
Water Resource Education	550,000	-	-	550,000
Public Information	15,547	-	-	15,547
Administrative and Operations Support	1,317,323	-	-	1,317,323
Workers' Compensation Reserve	497,000	-	-	497,000
Self-Funded Medical Reserve	2,257,909	-	-	2,257,909
Land Management	44,923	273,362	-	318,285
Subsequent Years Budget	25,774,747	-	-	25,774,747
Total Assigned	<u>230,001,122</u>	<u>291,662</u>	<u>5,664,385</u>	<u>235,957,169</u>
Unassigned:	<u>21,722,283</u>	<u>-</u>	<u>-</u>	<u>21,722,283</u>
Total Fund Balances	<u>\$ 406,991,150</u>	<u>\$ 9,849,251</u>	<u>\$ 5,664,385</u>	<u>\$ 422,504,786</u>

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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 \$22.1 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, the District is unable to sell sufficient tax certificates for unpaid property taxes).

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 and health insurance.

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. During the year ended September 30, 2017, there were no significant reductions in insurance coverage for the workers' compensation plan from the prior year. In addition, no claims settlement has exceeded the insurance coverage amounts for the past three fiscal years. Current expenditures related to the workers' compensation self-insurance program are accounted for in the District's General Fund.

The District moved to a self-insurance program for health benefits as of January 1, 2016. To mitigate this risk, the District purchased Stop Loss insurance that will cover higher-than-anticipated claims. Claims' settlements did not exceed insurance coverage. Current expenditures related to the health benefits self-insurance program are accounted for in the District's General Fund.

Liabilities of the District for both programs 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 claims liabilities are based on an independent actuarial determination and are presented on a net undiscounted basis.

SOUTHWEST FLORIDA WATER MANAGEMENT DISTRICT
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The estimated claims liabilities by risk category at September 30, 2017 are as follows:

	Year ended 9/30/2017	Amounts Due Within One Year
Workers' Compensation	\$ 497,000	\$ 201,144
Medical Claims	282,000	282,000
Claims Liabilities, end of fiscal year	\$ 779,000	\$ 483,144

Changes in the claims liabilities for the current and prior fiscal year are summarized below:

Fiscal Year	Beginning Liability	Current Claims and Changes in Estimates	Claim Payments	Ending Liability
2016	\$ 518,000	\$ 5,170,575	\$ (4,708,241)	\$ 980,334
2017	980,334	5,289,957	(5,491,291)	779,000

To minimize the financial impact of potential unforeseen demands, the District policy allows a fund balance reserve for the self-insurance programs. At September 30, 2017, general fund assets of \$497,000 were assigned for the purpose of funding future workers' compensation claims liabilities, with a corresponding assignment of the General Fund's fund balance. General fund assets of \$1,700,000 were committed for the purpose of funding future health benefits claims liabilities, with a corresponding commitment of the General Fund's fund balance. Additional general fund assets of \$2,257,909 were assigned for the purpose of funding future health benefits claims liabilities, with a corresponding assignment of the General Fund's fund balance.

B. Mitigation Bank Financial Responsibility Assurances

The District is authorized by Section 373.4136, Florida Statute, to permit the establishment of mitigation banks. A permit applicant proposing the establishment of a mitigation bank is required to demonstrate the financial ability to conduct the mitigation activities, any necessary site management, monitoring of the mitigation, and any necessary corrective action indicated by the monitoring.

The mitigation banks can provide the demonstrated financial assurance by obtaining a surety bond, performance bond, irrevocable letter of credit, or establishing a trust fund. If a bond or an irrevocable letter of credit is used, a standby trust fund shall be established in which all payments under the bonds or letters of credit shall be directly deposited. If the mitigation banks fail to comply with the terms and conditions of the permit, the District may draw upon the financial assurance provided by the mitigation bank. As of September 30, 2017, the District estimates the value of the financial assurances provided by the various mitigation banks is \$8.3 million.

C. Commitments and contingencies

At September 30, 2017, the District had unrestricted net position of approximately \$334 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 \$61.6 million; fund board and management designations in the amount of \$18.3 million; fund future long- and short-term projects in the amount of approximately \$194.8 million; maintain an economic stabilization reserve of \$22.1 million; support land management activities in the amount of \$6.9 million; pay claims associated with the District's Workers' Compensation and Medical Claims

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Self-insurance Program in the amount of \$4.5 million; and carry forward \$25.8 million into the fiscal year 2017-18 budget.

The District had restricted net position of \$54 million. Of this amount, \$49.3 million must be used for projects in the seven former watershed basins and \$4.7 million 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.

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.

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

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

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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, 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 employee and employer contribution rates by job class for the periods from October 1, 2016 through June 30, 2017, and from July 1, 2017 through September 30, 2017, were:

<i>Job Class</i>	<i>Employee October 2016 through September 2017</i>	<i>Employer October 2016 through June 2017 (1)</i>	<i>Employer July 2017 through September 2017 (1)</i>
Regular	3.00%	7.52%	7.92%
Senior Management Service	3.00%	21.77%	22.71%
Drop Participants	-	12.99%	13.26%

(1) The employer rates include the normal cost and unfunded actuarial liability contributions and include 1.66 percent for the postemployment health insurance subsidy. The employer rates, other than for the DROP participants, also include 0.06 percent for administrative costs of the Investment Plan.

The District's contributions to the Pension Plan, excluding employee contributions, totaled \$2,026,784 for the fiscal year ended September 30, 2017. Employee contributions collected by the District and remitted to the Pension Plan were \$894,005.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – At September 30, 2017, the District reported a liability of \$23,922,153 for its proportionate share of the Pension Plan's net pension liability. The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the

SOUTHWEST FLORIDA WATER MANAGEMENT DISTRICT
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net pension liability was determined by an actuarial valuation as of June 30, 2017. The District's proportionate share of the net pension liability was based on the contributions from July 1, 2012 through June 30, 2017 relative to the contributions of all participating members for the same period. Beginning in July 1, 2014, in addition to contributions from employers, the required accrued contributions for the division (paid on behalf of the division's employees who administer the plans) were allocated to each employer on a proportional basis. At June 30, 2017, the District's proportionate share of the pension plan was 0.080874564 percent, which was a decrease of 0.000723108 percent from its proportionate share measured as of June 30, 2016.

For the fiscal year ended September 30, 2017, the District recognized pension expense of \$3,861,287. 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	\$ 2,195,478	\$ 132,516
Change of assumptions	8,039,532	-
Net difference between projected and actual earnings on Pension Plan investments	-	592,851
Changes in proportion and differences between District Pension Plan contributions and proportionate share of contributions	-	505,401
District Pension Plan contributions subsequent to the measurement date	<u>508,679</u>	<u>-</u>
Total	<u>\$ 10,743,689</u>	<u>\$ 1,230,768</u>

The deferred outflows of resources related to the Pension Plan, totaling \$508,679 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, 2018. 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
2018	\$ 1,380,976
2019	1,380,976
2020	1,380,976
2021	1,380,976
2022	1,380,975
Thereafter	<u>2,099,363</u>
Total	<u>\$ 9,004,242</u>

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Actuarial Assumptions – The total pension liability in the June 30, 2017 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
Investment rate of return	7.10%, net of pension plan investment expense, including inflation
Cash flows	To determine the fiduciary's net position sufficient to make projected benefit payments the depletion date projection used the assumption that cash flows occur on average halfway through the year

Mortality rates were based on the Generational RP-2000 with Projection Scale BB tables. The active member mortality assumption was updated.

The actuarial assumptions used in the June 30, 2017 valuation were based on an experience study completed in 2014 for the period July 1, 2008 through June 30, 2013.

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. 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>	Target Allocation ⁽¹⁾	Annual Arithmetic Return	Compound Annual (Geometric) Return	Standard Deviation
Cash	1%	3.0%	3.0%	1.8%
Fixed Income	18%	4.5%	4.4%	4.2%
Global Equity	53%	7.8%	6.6%	17.0%
Real Estate	10%	6.6%	5.9%	12.8%
Private Equity	6%	11.5%	7.8%	30.0%
Strategic Investments	12%	6.1%	5.6%	9.7%
Total	<u>100%</u>			
Assumed Inflation - Mean		2.6%		1.9%

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

Discount Rate - The discount rate used to measure the total pension liability decreased from 7.60 percent to 7.10 percent as of June 30, 2017. The Pension Plan's fiduciary net position is calculated using a full accrual basis of accounting and 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.

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The long-term expected rate of return assumption of 7.10 percent consists of two building-block components: 1) a real (in excess of inflation) return of 4.50 percent, consistent with the currently articulated real return target in the current Florida State Board of Administration’s investment policy, developed using capital market assumptions calculated by Aon Hewitt Investment Consulting; and 2) a long-term average annual inflation assumption of 2.60 percent as adopted in October 2017 by the FRS Actuarial Assumption Conference. In the opinion of the FRS consulting actuary, Milliman, both components and the overall 7.10 percent return assumption were determined to be reasonable and appropriate per the Actuarial Standards of Practice. The 7.10 percent reported investment return assumption differs from the 7.50 percent investment return assumption chosen by the 2017 FRS Actuarial Assumption Conference for funding policy purposes, as allowable under governmental accounting and reporting standards.

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 7.10 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 (6.10 percent) or one percentage point higher (8.10 percent) than the current rate:

	1% Decrease (6.10%)	Current Discount Rate (7.10%)	1% Increase (8.10%)
District’s proportionate share of the net pension liability	\$ 43,297,653	\$ 23,922,153	\$ 7,836,050

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.

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, 2017, 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, 2017, the HIS contribution was 1.66 percent. 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.

SOUTHWEST FLORIDA WATER MANAGEMENT DISTRICT
Notes to the Financial Statements
September 30, 2017

The District's contributions to the HIS Plan totaled \$551,958 for the fiscal year ended September 30, 2017.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – At September 30, 2017, the District reported a liability of \$11,488,740 for its proportionate share of the HIS Plan's net pension liability. The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2016 with update procedures used to determine liabilities as of June 30, 2017. The District's proportionate share of the net pension liability was based on the contributions from July 1, 2012 through June 30, 2017 relative to the contributions of all participating members for the same period. Beginning in July 1, 2014, in addition to contributions from employers, the required accrued contributions for the division (paid on behalf of the division's employees who administer the plans) were allocated to each employer on a proportional basis. At June 30, 2017, the District's proportionate share was 0.1074471 percent, which was an increase of 0.001837495 percent from its proportionate share measured as of June 30, 2016.

For the fiscal year ended September 30, 2017, the District recognized pension expense of \$779,754. 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	\$ -	\$ 23,921
Change of assumptions	1,614,922	993,443
Net difference between projected and actual earnings on HIS Plan investments	6,371	-
Changes in proportion and differences between District HIS Plan contributions and proportionate share of contributions	-	384,630
District HIS Plan contributions subsequent to the measurement date	<u>128,026</u>	<u>-</u>
Total	<u>\$ 1,749,319</u>	<u>\$ 1,401,994</u>

The deferred outflows of resources related to the HIS Plan, totaling \$128,026 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, 2018. 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:

SOUTHWEST FLORIDA WATER MANAGEMENT DISTRICT
Notes to the Financial Statements
September 30, 2017

Fiscal Year Ending September 30:	Amount Recognized
2018	\$ 30,847
2019	30,847
2020	30,847
2021	30,847
2022	30,848
Thereafter	65,063
Total	\$ 219,299

Actuarial Assumptions – The total pension liability in the July 1, 2017 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	3.58%

The municipal bond rate increased from 2.85 percent to 3.58 percent as of June 30, 2017.

Mortality rates were based on the Generational RP-2000 with Projection Scale BB tables. Because the HIS Program is funded on a pay-as-you-go basis, no experience study has been completed for that program. The actuarial assumptions that determined the total pension liability for the HIS Program were based on certain results of the most recent experience study for the FRS Pension Plan.

Discount Rate - The discount rate used to measure the total pension liability was 3.58 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 FRS Actuarial Assumption Conference. The single equivalent rate is equal to the municipal bond rate selected by the FRS Actuarial Assumption Conference. The discount rates used at the two dates differ due to changes in the applicable municipal bond index. The discount rate used was updated from 2.85 percent to 3.58 percent as of June 30, 2017, reflecting the change in the Bond Buyer General Obligation 20-Bond Municipal Bond Index.

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 3.58 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 (2.58 percent) or one percentage point higher (4.58 percent) than the current rate:

	1% Decrease (2.58%)	Discount Rate (3.58%)	1% Increase (4.58%)
District's proportionate share of the net pension liability	\$ 13,110,173	\$ 11,488,740	\$ 10,138,175

SOUTHWEST FLORIDA WATER MANAGEMENT DISTRICT
Notes to the Financial Statements
September 30, 2017

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 0.06 percent of payroll and by forfeited benefits of plan members.

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>Employee October 2016 through September 2017</i>	<i>Employer October 2016 through June 2017 ⁽¹⁾</i>	<i>Employer July 2017 through September 2017 ⁽¹⁾</i>
Regular	3.00%	7.52%	7.92%
Senior Management Service	3.00%	21.77%	22.71%

⁽¹⁾The employer rates include the normal cost and unfunded actuarial liability contributions and include 1.66 percent for the postemployment health insurance subsidy. The employer rates also include 0.06 percent for administrative costs of the Investment Plan

For all membership classes, employees are immediately vested in their own contributions and are vested after one year of service for employer contributions and investment earnings. If an accumulated benefit obligation for service credit originally earned under the 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, 2017, 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.

SOUTHWEST FLORIDA WATER MANAGEMENT DISTRICT
Notes to the Financial Statements
September 30, 2017

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 \$90,175 for the fiscal year ended September 30, 2017.

Aggregate Financial Pension Disclosure

Below are the aggregate pension liabilities, deferred outflows of resources related to pensions, deferred inflows of resources related to pensions, and pension expense for the period associated with net pension liabilities:

	Proportionate Share of Pension Liabilities	Pension Expense	Pension Deferred Outflows of Resources	Pension Deferred Inflows of Resources
FRS Pension Plan	\$ 23,922,153	\$ 3,861,287	\$ 10,743,689	\$ 1,230,768
HIS Plan	11,488,740	779,754	1,749,319	1,401,994
Total	<u>\$ 35,410,893</u>	<u>\$ 4,641,041</u>	<u>\$ 12,493,008</u>	<u>\$ 2,632,762</u>

E. Other postemployment benefits (OPEB)

Plan Description

The District administers a single-employer healthcare plan that 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 dependents of retirees. If the retiree predeceases the spouse, coverage for the surviving spouse and qualifying dependents 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 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

SOUTHWEST FLORIDA WATER MANAGEMENT DISTRICT
Notes to the Financial Statements
September 30, 2017

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 was necessary to qualify for the subsidy. The subsidy has a maximum amount payable of \$150 per month with no cost of living adjustments. 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 GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* (GASB Statement No. 75). The Plan does not issue a separate financial report.

As of October 1, 2016, there were 33 retirees (inactive employees) and 534 active employees covered by the benefits terms.

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 this valuation, medical claims incurred while a retiree is in the DROP are not considered a liability under GASB Statement No. 75.

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 retire contributions for the measurement period ending September 30, 2016.

Period	Plan	Retiree	Retiree + Spouse	Retiree + Family
October – December 2015	Blue Options	\$ 674.36	\$ 1,323.92	\$ 1,453.82
October – December 2015	Blue Choice	\$ 740.38	\$ 1,460.82	\$ 1,604.92
January – September 2016	Blue Options	\$ 705.10	\$ 1,381.98	\$ 1,523.00
January – September 2016	Blue Choice	\$ 777.24	\$ 1,523.38	\$ 1,678.84

Upon Medicare eligibility retirees are offered the option of enrolling in the BCBS Blue Medicare PPO.

Date Relationships and Funded Status

The Valuation Date is October 1, 2016. This is the date as of which the actuarial valuation is performed. The Measurement Date is September 30, 2016. This is the date as of which the total OPEB liability is determined. The Reporting Date is September 30, 2017. This is the District's fiscal year ending date. There is a one-year lag between the measurement date and the reporting date, as allowed by GASB 75.

As of October 1, 2016, the most recent actuarial valuation date, the OPEB plan is funded on a pay-as-you-go basis with no accumulated net assets. The actuarial total OPEB liability was determined by an actuarial valuation as of October 1, 2016.

SOUTHWEST FLORIDA WATER MANAGEMENT DISTRICT
Notes to the Financial Statements
September 30, 2017

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

Net OPEB Obligation

The District elected to early adopt GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*. This Statement replaces the requirements of GASB Statements No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, as amended, and No. 57, *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans*. This Statement establishes standards for recognizing and measuring liabilities, deferred outflows of resources, deferred inflow of resources, and expense/expenditures of OPEB that is provided to the employees of state and local governmental employers. This resulted in a \$4,816,285 prior period adjustment for the fiscal year ending September 30, 2016, necessary to transition to GASB 75, "Accounting and Financial Reporting for Postemployment Benefits Other than Pensions".

Net OPEB Obligation / (asset) on September 30, 2016	\$ 1,102,945
Prior-period adjustment	4,816,285
Total OPEB liability on October 1, 2016	\$ 5,919,230

Total OPEB Liability

The total OPEB liability was determined by an actuarial valuation as of the valuation date, calculated based on the discount rate and actuarial assumptions below. There have been no significant changes between the valuation date and the fiscal year end. Any significant changes during this period must be reflected as prescribed by GASB 75.

	Reporting Date	9/30/2016	9/30/2017
	Measurement Date	9/30/2015	9/30/2016
Total OPEB Liability		\$ 5,919,230	\$ 6,455,651
Covered payroll		\$ 32,285,688	\$ 33,515,421
Total OPEB liability as a % of covered payroll		18.33%	19.26%

SOUTHWEST FLORIDA WATER MANAGEMENT DISTRICT
Notes to the Financial Statements
September 30, 2017

Changes in Total OPEB Liability

	Amount Recognized
	Increase (Decrease) Total OPEB Liability
Balance as of September 30, 2016	\$ 5,919,230
Changes for the year:	
Service Cost	238,311
Interest on total OPEB liability	220,653
Effect of plan changes	-
Effect of differences between expected and actual experience	-
Effect of assumptions changes or inputs	370,470
Benefit payments	(293,013)
Balance as of September 30, 2017	\$ 6,455,651

As of September 30, 2017, the District's OPEB expense for the reporting period are as follows:

	October 1, 2016 to September 30, 2017
OPEB Expense for Reporting Period	
Service Cost	238,311
Interest on total OPEB liability	220,653
Effect of plan changes	-
Recognition of Deferred Inflows/Outflows of Resources	
- differences between expected and actual experience	-
- changes to economic/demographic assumptions or inputs	48,063
OPEB Expense	\$ 507,027

This table is required per GASB 75. In future years this table will show a comparison of the current and prior fiscal year.

As of September 30, 2017, the deferred inflows and outflows of resources are as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Deferred Inflows/Outflows of Resources		
Differences between expected and actual experience	\$ -	\$ -
Changes of assumptions	322,407	-
Employer Contributions subsequent to the Measurement Date	715,284	-
Total	\$ 1,037,691	\$ -

SOUTHWEST FLORIDA WATER MANAGEMENT DISTRICT
Notes to the Financial Statements
September 30, 2017

The deferred outflows of resources related to OPEB, totaling \$715,284 resulting from District contributions subsequent to the Measurement date, will be recognized as a reduction of total OPEB liability in the fiscal year ended September 30, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to other postemployment benefits will be recognized in OPEB expense, amortized over a closed period equal to the average of the expected remaining service lives of all employees that are provided with benefits through the OPEB plan beginning in the current period. The amounts to be recognized in the next five years and thereafter are as follows:

Fiscal Year Ending September 30:	Amount Recognized
2018	\$ 48,063
2019	48,063
2020	48,063
2021	48,063
2022	48,063
Thereafter	82,092
Total	<u>\$ 322,407</u>

As of January 01, 2017, the medical coverage under the Blue Choice option was eliminated. The elimination of Blue Choice coverage option has not been isolated. The estimated impact of the plan change is less than 1.0%.

Actuary 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.

Discount Rate

The discount rate was based on the 20 Year Tax-Exempt Municipal Bond Yield. The discount rate used for the September 30, 2015 measurement date was 3.670% and the discount rate used for September 30, 2016 measurement date was 3.058%.

Other Key Actuarial 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 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. 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.

The actuarial assumptions that determined the total OPEB liability as of September 30, 2017 were based on decrements used in the most recent actuarial valuation of the Florida Retirement System under which District employees are covered. The FRS assumptions used were based on an experience study completed in 2014 for the period July 1, 2008 through June 30, 2013.

SOUTHWEST FLORIDA WATER MANAGEMENT DISTRICT
Notes to the Financial Statements
September 30, 2017

Valuation date	October 1, 2016	October 1, 2016
Measurement date	September 30, 2015	September 30, 2016
Inflation	2.50%	2.50%
Salary increases including inflation	3.25%	3.25%
Mortality	RP-2000 Mortality for employees and healthy annuitants with generational projection per Scale AA. Employee mortality is projected to valuation year plus 15 years. Annuitant mortality is projected to valuation year plus 7 years.	
Actuarial cost method	Entry Age Normal	Entry Age Normal

The trend assumptions for medical and pharmacy costs are summarized below:

<u>Year</u>	<u>Percentage Trend</u>
2016	5.20
2017	5.30
2018	5.20
2019	5.20
2020	5.40
2021	5.40
2022	5.50
2023	5.50
2024	5.50
2025	5.50
2026	5.50

The ultimate healthcare trend rate of 4.40 percent is reached for the first time in 2090. Trend is not applied to the premium subsidy.

Retiree (inactive employees) contributions assumption is that current and future retirees are assumed to pay a weighted average of the currently available medical plans for the year ending 2016 as shown below:

	Retiree	Retiree + Spouse	Retiree + Family
Annual Contribution	\$ 8,697	\$ 17,046	\$ 17,046

Upon Medicare eligibility, retirees are assumed to elect coverage under the District sponsored Medicare Advantage Plan.

Sensitivity Analysis

The following presents the total OPEB liability of the District, calculated using the discount rate of 3.058%, as well as what the District's total OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (2.058%) or one percentage point higher (4.058%) than the current rate.

SOUTHWEST FLORIDA WATER MANAGEMENT DISTRICT
Notes to the Financial Statements
September 30, 2017

Discount Rate Sensitivity			
	1% Decrease (2.058%)	Current Discount Rate (3.058%)	1 % Increase (4.058%)
Total OPEB liability	\$ 7,065,239	\$ 6,455,651	\$ 5,598,192

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

Health Trend Rate Sensitivity			
	1% Decrease	Current Trend Rate	1 % Increase
Total OPEB liability	\$ 5,741,645	\$ 6,455,651	\$ 7,299,232

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Required Supplementary Information (unaudited)

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

	2017	2016	2015	2014
Southwest Florida Water Management District's proportion of the net pension liability (asset)	0.080874564%	0.081597672%	0.085221195%	0.085241884%
Southwest Florida Water Management District's proportionate share of the net pension liability (asset)	\$ 23,922,153	\$ 20,603,476	\$ 11,007,460	\$ 5,201,008
Southwest Florida Water Management District's covered payroll	\$ 27,809,625	\$ 33,767,303	\$ 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 payroll	86.02%	61.02%	33.13%	15.83%
Plan fiduciary net position as a percentage of the total pension liability	83.89%	84.88%	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 Contributions
Florida Retirement System (FRS) Pension Plan
Last Four Fiscal Years*
(unaudited)

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 2,026,784	\$ 2,009,828	\$ 2,156,423	\$ 2,072,728
Contribution in relation to the contractually required contribution	<u>(2,026,784)</u>	<u>(2,009,828)</u>	<u>(2,156,423)</u>	<u>(2,072,728)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Southwest Florida Water Management District's covered payroll	\$ 26,953,224	\$ 33,515,421	\$ 33,285,688	\$ 32,638,819
Contributions as a percentage of covered payroll	7.52%	6.00%	6.48%	6.35%

*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 Proportionate Share
of the Net Pension Liability
The Retiree Health Insurance Subsidy (HIS) Program
Last Four Fiscal Years*
(unaudited)

	2017	2016	2015	2014
Southwest Florida Water Management District's proportion of the net pension liability (asset)	0.107447100%	0.109284595%	0.109188576%	0.110038842%
Southwest Florida Water Management District's proportionate share of the net pension liability (asset)	\$ 11,488,740	\$ 12,736,667	\$ 11,135,517	\$ 10,288,900
Southwest Florida Water Management District's covered payroll	\$ 34,253,724	\$ 33,767,303	\$ 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 payroll	33.54%	37.72%	33.52%	31.31%
Plan fiduciary net position as a percentage of the total pension liability	1.64%	0.97%	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 Contributions
The Retiree Health Insurance Subsidy (HIS) Program
Last Four Fiscal Years*
(unaudited)**

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 551,958	\$ 554,958	\$ 454,612	\$ 398,549
Contribution in relation to the contractually required contribution	<u>(551,958)</u>	<u>(554,958)</u>	<u>(454,612)</u>	<u>(398,549)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Southwest Florida Water Management District's covered payroll	\$ 33,255,767	\$ 33,515,421	\$ 33,285,688	\$ 32,638,819
Contributions as a percentage of covered payroll	1.66%	1.66%	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 Changes in Total OPEB Liability and Related Ratios
(unaudited)

Reporting Date		September 30, 2017
Measurement Date		September 30, 2016
Total OPEB Liability		
Service cost	\$	238,311
Interest on total OPEB liability		220,653
Changes of benefit terms		-
Effect of economic/demographic gains or (losses)		-
Effect of assumption changes or inputs		370,470
Benefit payments		<u>(293,013)</u>
Net change in total OPEB liability		536,421
Total OPEB liability, beginning 10/1/16		5,919,230
Total OPEB liability, ending 9/30/17		6,455,651
Covered payroll 9/30/16	\$	33,515,421
Total OPEB liability as a % of covered payroll		19.26%

The amounts presented for each fiscal year were determined as of the measurement date.

Schedule is intended to show information for 10 years. However, recalculations of prior years are not required, and if prior years are not reported in accordance with the current GASB standards, they should not be reported. 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
Notes to Required Supplementary Information
for the Year Ended September 30, 2017
(unaudited)

Florida Retirement System (FRS) Pension Plan

Changes in assumptions - Amounts reported in 2017 reflect an adjustment to the discount rate used for the Florida Retirement System (FRS) Pension Plan. The discount rate used to measure the total pension liability decreased from 7.60 percent to 7.10 percent as of June 30, 2017. The plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees if future experience follows assumptions and the Actuarially Determined Contribution is contributed in full each year. Therefore, the discount rate for calculating the total pension liability is equal to the long-term expected rate of return. The 7.10 percent rate of return assumption used in the June 30, 2017, calculations was determined by the consulting actuary, Milliman, to be reasonable and appropriate per the Actarial Standard of Practice Number 27 (ASOP 27). For additional information regarding the depletion date projection, refer to the 2017 GASB 67 Supplement to the FRS Actarial Valuation available from Valuations on the Publications page of the Division of retirement's website at www.frs.myflorida.com.

Mortality rates were based on the Generational RP-2000 with Projection Scale BB tables. The active member mortality assumption was updated.

Florida Retirement System (FRS) Pension Plan Contribution Rates

For information on the actuarial methods and assumptions used in the July 1, 2017 funding valuation, refer to the valuation report dated December 1, 2017 located on the Publications page of the Division of retirement's website at www.frs.myflorida.com.

Health Insurance Subsidy (HIS) Program

Changes in assumptions - Amounts reported in 2017 reflect an adjustment to the discount rate used for the Health Insurance Subsidy. The discount rate used to measure the total pension liability was increased from 2.85 percent to 3.58 percent as of June 30, 2017. In general, the discount rate for calculating the total pension liability under GASB 67 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. The single equivalent discount rate is equal to the municipal bond rate selected by the plan sponsor. The discount rates used in 2017 and 2016 differ due to the changes in the applicable municipal bond index. The discount rate reflects the change in the Bond Buyer General Obligation 20-Bond Municipal Bond Index.

Health Insurance Subsidy (HIS) Program Contribution Rates

The HIS essentially uses a "pay-as-you-go" funding structure. As of the June 30, 2017, accumulated HIS assets constituted approximately five months of projected benefit payments. The ability of the current statutory contribution rate to pay full HIS benefits is very sensitive to near-term demographic experience, particularly the volume and timing of retirements and the amount of payroll on which the statutory rate is charged.

(continued)

Southwest Florida Water Management District
Notes to Required Supplementary Information
for the Year Ended September 30, 2017
(unaudited)
(continued)

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. The OPEB plan is funded on a pay as you go basis; there are no assets accumulated in a trust to pay related benefits. Liability for retiree dental and vision benefits are reflected as 0 in the valuation. The estimated impact of including dental and vision benefits is less than 1.0%. As of January 01, 2017, the medical coverage under the Blue Choice option was eliminated. The elimination of Blue Choice coverage option has not been isolated. The estimated impact of the plan change is less than 1.0% Retiree and covered dependent medical liability after age 65 has been reflected as 0 in the valuation. Participants are assumed to enter the group rated Medicare Advantage Plan and pay 100% of the group rated premium. The discount rate decreased by 0.612% from the rate 3.670% as of 09/30/15 to 3.058% as of 9/30/16.

See accompanying Independent Auditors' Report.

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Other Supplementary Information

Southwest Florida Water Management District
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Florida Forever Capital Projects Fund
For the Year Ended September 30, 2017

	<u>Original and Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
REVENUES			
Intergovernmental Revenues	\$ 15,542,075	\$ 5,778,327	\$ (9,763,748)
Interest on Invested Funds	-	69,383	69,383
Total Revenues	<u>15,542,075</u>	<u>5,847,710</u>	<u>(9,694,365)</u>
EXPENDITURES			
Current:			
Land Acquisition, Restoration and Public Works	<u>15,542,075</u>	<u>5,874,164</u>	<u>9,667,911</u>
Total Expenditures	<u>15,542,075</u>	<u>5,874,164</u>	<u>9,667,911</u>
Deficiency of Revenues			
Under Expenditures	-	(26,454)	(26,454)
OTHER FINANCING SOURCES			
Proceeds from Sale of Capital Assets	-	4,163,877	4,163,877
Total Other Financing Sources	<u>-</u>	<u>4,163,877</u>	<u>4,163,877</u>
Net Change in Fund Balance	-	4,137,423	4,137,423
Fund Balance - Beginning	-	5,711,828	5,711,828
Fund Balance - Ending	<u>\$ -</u>	<u>\$ 9,849,251</u>	<u>\$ 9,849,251</u>

See accompanying Independent Auditors' Report.

Southwest Florida Water Management District
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Capital Projects Fund
For the Year Ended September 30, 2017

	<u>Original and Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
REVENUES			
Ad Valorem Property Taxes	\$ 1,310,103	\$ 1,310,103	\$ -
Total Revenues	<u>1,310,103</u>	<u>1,310,103</u>	<u>-</u>
EXPENDITURES			
Current:			
Land Acquisition, Restoration and Public Works	1,068,439	164,797	903,642
Operation and Maintenance of Works and Lands	610,000	374,520	235,480
Total Expenditures	<u>1,678,439</u>	<u>539,317</u>	<u>1,139,122</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(368,336)	770,786	1,139,122
Fund Balance - Beginning	368,336	4,893,599	4,525,263
Fund Balance - Ending	<u>\$ -</u>	<u>\$ 5,664,385</u>	<u>\$ 5,664,385</u>

See accompanying Independent Auditors' Report.



Statistical Section (unaudited)

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 Fiscal Years
(accrual basis of accounting)
(unaudited)**

	Fiscal Year									
	2017	2016	2015 (Restated)**	2014 (Restated)*	2013	2012	2011	2010	2009	2008
Governmental activities										
Net Investment in Capital Assets	\$ 839,115,561	\$ 840,273,629	\$ 844,106,551	\$ 833,973,713	\$ 862,299,507	\$ 873,503,349	\$ 857,375,759	\$ 851,883,344	\$ 811,448,233	\$ 779,451,560
Restricted for Partnership Agreement	-	-	-	-	-	-	-	-	21,250,000	63,750,000
Restricted for Watershed Basins	49,377,736	64,437,412	76,996,964	117,325,873	168,721,598	226,419,010	285,544,515	287,476,936 (1)	-	-
Restricted for Land Acquisition	4,656,996	885,918	308,593	282,593	282,593	265,900	-	-	-	-
Unrestricted	334,030,354	316,517,268	309,018,322	311,615,149	305,453,821	292,083,075	272,588,267	277,256,081	557,839,262	518,141,689
Total governmental activities net position	<u>\$ 1,227,180,647</u>	<u>\$ 1,222,114,227</u>	<u>\$ 1,230,430,430</u>	<u>\$ 1,263,197,328</u>	<u>\$ 1,336,757,519</u>	<u>\$ 1,392,271,334</u>	<u>\$ 1,415,508,541</u>	<u>\$ 1,416,616,361</u>	<u>\$ 1,390,537,495</u>	<u>\$ 1,361,343,249</u>

* GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* and GASB Statement No. 71, *Pensions Transition for Contributions Made Subsequent to the Measurement Date*, were implemented in fiscal year 2015 with fiscal year 2014 net position being restated.

** GASB Statement No. 72, *Fair Value Measurement and Application*, was implemented in 2016 with fiscal year 2015 classification of assets being restated within net position.

(1) Amounts for fiscal year 2010 have been restated to reflect the District's adoption of GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, effective October 1, 2010.

See accompanying Independent Auditors' Report.

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

	Fiscal Year									
	2017	2016	2015	2014*	2013	2012	2011	2010	2009	2008
Expenses										
Governmental activities:										
Water Resource Planning and Monitoring	\$ 24,177,514	\$ 25,432,848	\$ 24,231,338	\$ 24,781,457	\$ 26,091,663	\$ 28,879,406	\$ 38,393,264	\$ 40,726,648	\$ 40,493,992	\$ 38,470,066
Land Acquisition, Restoration and Public Works	48,604,475	55,411,144	81,105,056	84,313,964	89,628,606	75,567,095	85,730,762	114,411,606	150,186,371	138,016,223
Operation and Maintenance of Works and Lands	16,857,187	17,280,760	16,399,449	18,095,218	16,942,966	16,439,958	17,287,730	17,143,156	19,777,540	21,623,536
Regulation	17,696,824	17,881,691	17,865,629	17,967,157	15,793,721	14,872,887	17,068,249	18,247,275	19,363,964	19,281,444
Outreach	1,822,396	1,805,808	1,734,614	1,788,953	3,201,426	3,885,569	5,693,533	6,331,730	6,249,764	5,290,433
Management and Administration	11,477,113	12,059,669	15,566,025	23,104,354	26,897,280	31,552,308	35,990,413	33,853,860	34,326,722	33,544,462
Total governmental activities expenses	<u>120,635,509</u>	<u>129,871,920</u>	<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</u>
Program Revenues										
Governmental activities:										
Charges for services:										
Water Resource Planning and Monitoring	35	561	81	802	976	217,587	188,119	377,909	628,276	403,339
Land Acquisition, Restoration and Public Works	1,594,803	1,858,419	-	-	-	-	-	-	-	-
Operation and Maintenance of Works and Lands	1,387,289	1,236,976	1,208,416	922,462	1,029,695	842,426	842,415	964,108	775,388	1,246,038
Regulation	1,539,531	1,630,106	1,418,539	1,261,166	1,856,607	1,641,624	1,862,728	1,865,778	1,672,672	2,289,411
Management and Administration	10,690	10,360	15,479	18,907	32,960	49,687	783,826	913,966	966,484	1,085,229
Operating grants and contributions	7,078,459	3,844,120	9,210,329	8,037,156	15,957,283	32,271,976	23,181,021	22,570,976	46,665,491	55,273,724
Capital grants and contributions	8,221,450	38,025	2,668,152	6,903,513	98,625	1,419,281	3,009,100	30,604,190	11,827,554	62,873,713
Total governmental activities program revenues	<u>19,832,257</u>	<u>8,618,567</u>	<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>
Net (expense) revenue	<u>(100,803,252)</u>	<u>(121,253,353)</u>	<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>
General Revenues and Other Changes in Net Position										
Governmental activities:										
Ad Valorem Property Taxes	106,799,746	104,865,699	103,031,684	101,630,987	100,463,104	104,722,421	161,850,765	189,205,683	216,708,977	238,923,620
Unrestricted investment earnings	3,095,242	4,726,663	4,691,530	1,684,031	2,333,735	5,197,926	6,515,579	8,199,031	13,220,367	17,906,722
Gain on sale of capital assets	464,675	-	348,325	206,258	138,990	316,321	-	-	-	-
Other	326,294	3,344,788	1,542,678	107,347	1,129,872	1,280,767	822,578	2,091,500	7,127,390	3,252,835
Total governmental activities general revenues	<u>110,685,957</u>	<u>112,937,150</u>	<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>
Change in Net Position	<u>\$ 9,882,705</u>	<u>\$ (8,316,203)</u>	<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>

* GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, and GASB Statement No. 71, *Pensions Transition for Contributions Made Subsequent to the Measurement Date*, 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, *Accounting and Financial Reporting for Intangible Assets*, effective October 1, 2008.

See accompanying Independent Auditors' Report.

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

	Fiscal Year									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
General Fund:										
Nonspendable	\$ 470,681	\$ 38,535	\$ 46,608	\$ 50,113	\$ 59,042	\$ 40,128	\$ 40,754	\$ -	\$ -	\$ -
Restricted	49,377,736	64,437,412	76,996,964	117,325,873	169,364,063	230,161,294	300,042,655	-	-	-
Committed	105,419,328	95,727,884	85,791,884	73,596,312	73,976,535	69,429,780	50,000,000	-	-	-
Assigned	230,001,122	215,881,378	218,703,879	218,230,649	207,660,056	182,313,883	184,375,566	-	-	-
Unassigned	21,722,283	24,254,230	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
Unreserved	-	-	-	-	-	-	-	(1) 202,265,130	198,765,787	200,060,299
Total General Fund	<u>406,991,150</u>	<u>400,339,439</u>	<u>404,158,670</u>	<u>432,672,921</u>	<u>470,463,966</u>	<u>518,164,953</u>	<u>575,106,845</u>	<u>280,928,721</u>	<u>277,065,848</u>	<u>264,802,007</u>
All Other Governmental Funds										
Restricted	4,656,996	885,918	308,593	282,593	282,593	265,900	-	-	-	-
Committed	4,900,593	4,549,167	4,549,167	4,552,855	4,608,293	4,601,071	-	-	-	-
Assigned										
Capital projects funds	5,956,047	5,170,342	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
Unreserved:										
Special revenue funds	-	-	-	-	-	-	-	(1) 89,360,956	51,036,573	63,517,629
Capital projects funds	-	-	-	-	-	-	-	(1) 161,264	(1,201,216)	(6,676,326)
Total All Other Governmental Funds	<u>15,513,636</u>	<u>10,605,427</u>	<u>9,936,226</u>	<u>10,162,570</u>	<u>10,242,362</u>	<u>10,259,566</u>	<u>4,464,113</u>	<u>309,490,146</u>	<u>328,265,543</u>	<u>345,095,205</u>
Total Fund Balances	<u>\$422,504,786</u>	<u>\$410,944,866</u>	<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>

(1) Fund balance classifications changed in fiscal year 2011 with the implementation of GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, 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 Fiscal Years
(modified accrual basis of accounting)
(unaudited)

	Fiscal Year									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
REVENUES										
Ad Valorem Property Taxes	\$ 106,826,289	\$ 104,913,453	\$ 103,109,563	\$ 101,719,555	\$ 100,906,682	\$ 104,686,640	\$ 161,721,818	\$ 189,111,242	\$ 216,624,815	\$ 238,836,876
Intergovernmental Revenues	13,620,275	6,236,199	12,371,605	8,529,281	16,535,307	34,418,211	26,781,435	53,735,973	59,251,973	118,983,767
Interest on Invested Funds	3,095,242	4,726,663	4,691,530	1,684,031	2,333,735	5,197,926	6,515,579	8,199,031	13,220,367	17,906,722
License and Permit Fees	1,529,854	1,601,742	1,408,269	1,261,166	1,856,608	1,641,623	1,862,728	1,865,778	1,672,672	2,289,611
Other	1,265,699	3,215,700	1,273,921	562,793	1,622,360	1,571,454	2,652,672	2,193,925	2,207,137	2,666,641
Total Revenues	126,337,359	120,693,757	122,854,888	113,756,826	123,254,692	147,515,854	199,534,232	255,105,949	292,976,964	380,683,617
EXPENDITURES										
Current:										
Water Resource Planning and Monitoring	24,186,941	26,327,263	25,491,396	26,331,532	26,846,452	30,651,290	38,412,310	40,688,508	40,466,587	37,882,697
Land Acquisition, Restoration and Public Works	51,321,025	53,010,382	79,071,775	81,407,622	95,795,322	110,969,655	92,769,162	145,008,737	170,942,985	213,073,582
Operation and Maintenance of Works and Lands	15,307,352	14,988,424	16,008,895	14,342,811	15,450,118	15,363,015	15,558,263	19,841,405	19,678,843	19,600,288
Regulation	16,713,860	17,438,409	17,352,740	18,232,776	17,979,240	16,781,607	17,425,804	18,801,634	19,268,672	19,080,448
Outreach	1,776,414	1,771,379	1,743,887	1,853,799	3,247,319	3,909,820	5,732,562	6,327,680	6,236,445	5,267,523
Management and Administration	10,628,370	11,741,135	12,395,777	11,447,107	11,803,103	26,044,043	39,571,878	38,633,509	43,137,402	40,909,119
Debt Service / Capital Leases (2)										
Principal	94,463	82,138	22,761	-	-	-	871,253	671,821	697,536	686,831
Interest	24,631	26,936	5,668	-	-	-	40,909	45,179	19,464	-
Other	-	-	-	-	-	-	-	-	-	250
Total Expenditures	120,053,056	125,386,066	152,092,899	153,615,647	171,121,554	203,719,430	210,382,141	270,018,473	300,447,934	336,500,738
Excess (Deficiency) of Revenues Over (Under) Expenditures	6,284,303	(4,692,309)	(29,238,011)	(39,858,821)	(47,866,862)	(56,203,576)	(10,847,909)	(14,912,524)	(7,470,970)	44,182,879
OTHER FINANCING SOURCES (USES)										
Transfers In	-	-	-	-	-	-	300,042,655	913,423	40,908,961	3,773,441
Transfers Out	-	-	-	-	-	-	(300,042,655)	(913,423)	(40,908,961)	(3,773,441)
Sale of Capital Assets	5,275,617	1,292,602	244,191	1,987,984	148,671	5,057,137	-	-	1,957,405	636,871
Issuance of Capital Lease Debt	-	249,677	253,225	-	-	-	-	-	947,744	1,995,697
Total Other Financing Sources and Uses	5,275,617	1,542,279	497,416	1,987,984	148,671	5,057,137	-	-	2,905,149	2,632,568
Net Change In Fund Balances	11,559,920	(3,150,030)	(28,740,595)	(37,870,837)	(47,718,191)	(51,146,439)	(10,847,909)	(14,912,524)	(4,565,821)	46,815,447
Fund Balances - Beginning	410,944,866	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
Fund Balances - Ending	\$ 422,504,786	\$ 410,944,866	\$ 414,094,896	\$ 442,835,491	\$ 480,706,328	\$ 528,424,519	\$ 579,570,958	\$ 590,418,867	\$ 605,331,391	\$ 609,897,212
Debt service as a percentage of noncapital expenditures (2)	0.11%	0.09%	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) The District satisfied its capital lease debt as of September 30, 2011. Capital lease debt began again in 2015.

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
2017	\$ 24,195,252 20.15%	\$ 51,323,399 42.75%	\$ 15,315,069 12.77%	\$ 16,726,920 13.93%	\$ 1,778,194 1.48%	\$ 10,714,222 8.92%	\$ 120,053,056 100.00%
2016	26,327,263 21.00%	53,010,382 42.28%	14,988,424 11.95%	17,438,409 13.91%	1,771,379 1.41%	11,850,209 9.45%	125,386,066 100.00%
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%

(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
2017	\$ 106,826,289 84.56%	\$ 13,620,275 10.78%	\$ 3,095,242 2.45%	\$ 1,529,854 1.21%	\$ 1,265,699 1.00%	\$ 126,337,359 100.00%
2016	104,913,453 86.92%	6,236,199 5.17%	4,726,663 3.92%	1,601,742 1.33%	3,215,700 2.66%	120,693,757 100.00%
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%

(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	Capital Projects	Total	Percent Base Year	Annual Change in Percent
2017	\$ 105,516,186	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$ 1,310,103	\$ 106,826,289	44.7 %	0.8 %
2016	104,305,103	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	608,350	104,913,453	43.9	0.7
2015	103,109,563	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	-	103,109,563	43.2	0.6
2014	101,719,555	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	-	101,719,555	42.6	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	42.2	(1.6)
2012 (3)	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	43.8	(23.9)
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	67.7	(11.5)
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	79.2	(11.5)
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	90.7	(9.3)
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	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) 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
2017	\$ 4,494,413 4.21%	\$ 2,663,083 2.49%	\$ 463,320 0.43%	\$ 499,114 0.47%	\$ 2,484,776 2.33%	\$ 1,275,889 1.19%	\$ 25,521,890 23.89%	\$ 21,494 0.02%	\$ 265,563 0.25%
2016	4,376,198 4.17%	2,726,279 2.60%	479,024 0.46%	522,943 0.50%	2,557,584 2.44%	1,299,804 1.24%	24,889,171 23.71%	22,040 0.02%	268,731 0.26%
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	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%

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

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
2017	\$ 9,801,307 9.17%	\$ 1,705,869 1.60%	\$ 7,360,871 6.89%	\$ 21,936,862 20.54%	\$ 8,733,467 8.18%	\$ 16,240,213 15.20%	\$ 3,358,158 3.14%	\$ 106,826,289 100.00%
2016	9,543,536 9.10%	1,697,734 1.62%	7,251,245 6.91%	21,506,782 20.50%	8,648,019 8.24%	15,805,700 15.07%	3,318,663 3.16%	104,913,453 100.00%
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	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%

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

Source: District records - Finance Bureau.

See accompanying Independent Auditors' Report.

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>
2017	\$ 332,737,468,699	\$ 110,369,017	\$ 106,405,854	96.41 %	\$ 420,435	\$ 106,826,289	96.79 %
2016	310,698,838,982	108,371,754	104,478,438	96.41	435,015	104,913,453	96.81
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	96.21
2008	400,166,690,276	247,424,227	237,744,556	96.09	1,092,320	238,836,876	96.53

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

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)
2017	\$ 13,975,021,267 4.20%	\$ 20,118,099,624	\$ 8,295,995,306 2.49%	\$ 11,062,230,447	\$ 1,421,376,969 0.43%	\$ 2,842,926,509	\$ 1,536,340,746 0.46%	\$ 2,453,155,173
2016	13,094,055,757 4.21%	18,380,046,623	8,141,277,447 2.62%	10,467,365,984	1,376,749,230 0.44%	2,794,206,683	1,545,475,660 0.50%	2,424,527,126
2015	12,447,569,866 4.27%	17,152,302,768	7,893,519,372 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	13,386,137,357 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%	20,165,561,587	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	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

- (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 Real Property Just Value and Growth Rate table 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.

(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)
2017	\$ 7,751,031,009 2.33%	\$ 11,204,074,858	\$ 3,959,066,082 1.19%	\$ 6,600,205,822	\$ 79,604,960,746 23.94%	\$ 109,303,928,935	\$ 75,656,383 0.02%	\$ 23,433,911,362
2016	7,558,410,640 2.43%	10,788,322,558	3,825,336,750 1.23%	6,165,132,955	73,914,983,814 23.80%	99,532,728,290	72,215,578 0.02%	21,921,683,305
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%	11,552,641,759	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

- (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 Real Property Just Value and Growth Rate table 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.

(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)
2017	\$ 814,236,925 0.24%	\$ 2,996,435,858	\$ 30,629,756,922 9.21%	\$ 39,441,841,707	\$ 5,332,197,008 1.60%	\$ 24,473,280,525	\$ 22,904,410,680 6.88%	\$ 32,791,557,832
2016	794,125,516 0.26%	2,909,165,089	28,156,175,348 9.06%	35,972,553,249	5,061,437,014 1.63%	22,932,571,056	21,369,674,657 6.88%	30,333,752,643
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%	3,989,729,515	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

- (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 Real Property Just Value and Growth Rate table 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.

(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)
2017	\$ 68,281,357,984 20.52%	\$ 97,600,853,665	\$ 27,233,022,934 8.18%	\$ 37,775,852,975	\$ 50,437,295,408 15.16%	\$ 70,341,153,300	\$ 10,485,742,330 3.15%	\$ 14,199,655,685	\$ 332,737,468,699 100.00%	\$ 506,639,164,277
2016	63,699,624,181 20.50%	90,100,695,133	25,637,633,469 8.25%	35,066,615,991	46,615,834,307 15.00%	63,106,915,600	9,835,829,614 3.17%	13,456,221,610	310,698,838,982 100.00%	466,352,503,895
2015	59,767,624,833 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%	27,995,854,184	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	6,224,354,315 2.16%	8,605,957,586	287,863,529,751 100.00%	420,145,219,163
2010	64,799,464,910 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

(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 Real Property Just Value and Growth Rate table 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
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
2017	0.3317	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	1.0000	N/A
2016	0.3488	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	1.0000	N/A
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

(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					
	2017			2008		
	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	\$ 79,604,962	1	23.94 %	\$ 88,033,094	1	22.02 %
Pinellas	68,281,358	2	20.52	80,171,847	2	20.03
Sarasota	50,437,295	3	15.16	62,685,251	3	15.66
Manatee	30,629,757	4	9.21	34,528,465	4	8.63
Polk	27,233,023	5	8.18	32,728,358	5	8.18
Pasco	22,904,411	6	6.88	29,729,044	6	7.43
Charlotte	13,975,021	7	4.20	23,468,464	7	5.86
Sumter	10,485,742	8	3.15	5,774,715	12	1.44
Citrus	8,295,995	9	2.49	12,388,874	8	3.10
Hernando	7,751,031	10	2.33	11,357,530	9	2.84
Marion	5,332,197	11	1.60	8,364,378	10	2.09
Highlands	3,959,066	12	1.19	5,931,995	11	1.48
Hardee	1,536,341	13	0.46	1,775,559	14	0.44
DeSoto	1,421,377	14	0.43	1,859,310	13	0.46
Levy	814,237	15	0.24	1,283,131	15	0.32
Lake	75,656	16	0.02	86,675	16	0.02
	<u>\$332,737,469</u>		<u>100.00 %</u>	<u>\$400,166,690</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 Ten 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>		
2017	\$ 303,539	\$ 303,539	5,198,242	\$ 0.06
2016	398,003	398,003	5,126,624	0.08
2015	230,464	230,464	5,059,671	0.05
2014	-	-	4,954,752	0.00
2013	-	-	4,872,140	0.00
2012	-	-	4,820,485	0.00
2011	-	-	4,778,899	0.00
2010	871,253	871,253	4,726,860	0.18
2009	1,543,074	1,543,074	4,688,369	0.33
2008	1,308,866	1,308,866	4,663,065	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. New capital leases were 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 (2009-2016) and projected (2017) population figures were obtained and updated from Woods & Poole Economics, 2017 Florida State Profile: State and County Projections to 2050.
County portional populations were developed from data obtained by GIS Associates, Inc.

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
2017	177,540 3.42%	145,616 2.80%	36,112 0.69%	27,958 0.54%	184,791 3.55%	92,663 1.78%	1,394,415 26.83%	1,198 0.02%
2016	174,927 3.41%	143,269 2.79%	35,771 0.70%	27,719 0.54%	181,524 3.54%	91,063 1.78%	1,371,070 26.74%	1,158 0.02%
2015	172,476 3.41%	141,058 2.79%	35,458 0.70%	27,502 0.54%	178,439 3.53%	89,552 1.77%	1,349,050 26.67%	1,120 0.02%
2014	167,807 3.39%	139,217 2.81%	35,157 0.71%	27,441 0.55%	175,704 3.55%	88,388 1.78%	1,318,325 26.62%	1,066 0.02%
2013	164,268 3.37%	138,985 2.85%	34,692 0.71%	27,362 0.56%	174,016 3.57%	88,164 1.81%	1,294,039 26.58%	1,022 0.02%
2012	162,207 3.36%	139,256 2.89%	34,808 0.72%	27,391 0.57%	173,047 3.59%	88,461 1.84%	1,281,606 26.58%	989 0.02%
2011	159,022 3.33%	139,755 2.92%	34,671 0.73%	27,645 0.58%	172,838 3.62%	88,804 1.86%	1,271,399 26.60%	961 0.02%
2010	159,320 3.37%	141,266 2.99%	34,921 0.74%	27,738 0.59%	172,970 3.66%	89,233 1.89%	1,233,831 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%

Permanent Population = Year-round residents only

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

Sources: Historical (2008-2016) and projected (2017) population data was obtained and updated from Woods & Poole Economics, [2017 Florida State Profile: State and County Projections to 2050](#).
County portional populations were developed from data provided by GIS Associates, Inc.

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
2017	23,323 0.45%	377,004 7.25%	113,726 2.19%	515,484 9.92%	959,882 18.47%	608,080 11.70%	414,480 7.97%	125,970 2.42%	5,198,242 100.00%
2016	22,977 0.45%	369,992 7.22%	111,317 2.17%	506,445 9.88%	954,511 18.62%	602,700 11.76%	409,844 7.99%	122,337 2.39%	5,126,624 100.00%
2015	22,653 0.45%	363,369 7.18%	109,035 2.15%	497,909 9.84%	949,827 18.77%	597,782 11.81%	405,549 8.02%	118,891 2.35%	5,059,670 100.00%
2014	22,451 0.45%	351,771 7.10%	107,095 2.16%	485,640 9.80%	938,144 18.93%	585,520 11.82%	397,024 8.01%	114,000 2.30%	4,954,750 100.00%
2013	22,476 0.46%	342,229 7.02%	105,625 2.17%	475,751 9.76%	929,683 19.08%	575,469 11.81%	390,105 8.01%	108,253 2.22%	4,872,139 100.00%
2012	22,660 0.47%	333,954 6.93%	104,626 2.17%	470,618 9.76%	921,999 19.13%	570,052 11.83%	386,028 8.01%	102,781 2.13%	4,820,483 100.00%
2011	22,816 0.48%	327,320 6.85%	103,564 2.17%	466,523 9.76%	917,730 19.20%	565,786 11.84%	381,485 7.98%	98,581 2.06%	4,778,900 100.00%
2010	23,069 0.49%	323,429 6.84%	102,810 2.18%	465,474 9.85%	916,440 19.39%	561,206 11.87%	379,937 8.04%	94,279 1.99%	4,726,861 100.00%
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%

Permanent Population = Year-round residents only

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

Sources: Historical (2008-2016) and projected (2017) population data was obtained and updated from Woods & Poole Economics, [2017 Florida State Profile: State and County Projections to 2050](#).
County portional populations were developed from data provided by GIS Associates, Inc.

See accompanying Independent Auditors' Report.

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

Calendar Year (1)	Total County Population	Within District Population	Population Within District Increase	Population Within District Percent Increase
2017	5,862,680	5,198,242	71,618	1.40 %
2016	5,778,023	5,126,624	66,953	1.32
2015	5,698,711	5,059,671	104,919	2.12
2014	5,578,221	4,954,752	82,612	1.70
2013	5,483,944	4,872,140	51,655	1.07
2012	5,425,305	4,820,485	41,586	0.87
2011	5,377,742	4,778,899	52,039	1.10
2010	5,322,078	4,726,860	38,491	0.82
2009	5,280,726	4,688,369	25,304	0.54
2008	5,252,808	4,663,065	0	0.00

(1) Data is for calendar years.

Sources: Historical (2008-2016) and projected (2017) population data was obtained and updated from Woods & Poole Economics, 2017 Florida State Profile: State and County Projections to 2050.

County portional populations were developed from data provided by GIS Associates, Inc.

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
2017	\$ 6,351.73	\$ 35,648	4.8 %	\$ 4,850.84	\$ 33,313	6.2 %
2016	6,154.81	35,057	5.3	4,696.79	32,783	6.8
2015	5,965.56	34,460	6.1	4,548.95	32,249	7.8
2014	5,635.61	33,458	7.1	4,379.16	31,456	8.8
2013	5,357.28	32,490	8.4	4,307.93	30,996	10.0
2012	5,240.18	32,182	9.9	4,253.52	30,545	11.2
2011	5,199.80	32,572	11.8	4,284.79	30,659	13.0
2010	5,069.06	31,692	12.6	4,281.48	30,308	13.4
2009	5,084.78	31,854	11.3	4,216.79	29,826	11.6
2008	5,383.15	33,547	7.4	4,322.84	30,416	7.3

All data is based on county-wide data and income figures are presented in 2009 dollars.
Unemployment data is a fiscal year average.
Personal and Per Capita Income for 2008 through 2016 are historical and 2017 is projected.

Source: Woods and Poole Economics, 2017 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
2017	\$ 775.65	\$ 21,479	4.7 %	\$ 638.78	\$ 22,848	6.6 %
2016	753.84	21,074	5.6	622.05	22,441	6.1
2015	761.48	21,475	6.3	642.55	23,364	7.1
2014	721.85	20,532	7.4	614.63	22,398	8.0
2013	684.44	19,729	8.7	599.28	21,902	8.6
2012	700.43	20,123	10.3	619.83	22,629	9.3
2011	750.93	21,659	10.9	620.19	22,434	10.8
2010	753.46	21,576	11.9	617.15	22,249	11.4
2009	703.69	20,343	9.5	595.62	21,533	9.9
2008	708.14	20,601	6.3	609.74	22,090	6.0

All data is based on county-wide data and income figures are presented in 2009 dollars.
Unemployment data is a fiscal year average.
Personal and Per Capita Income for 2008 through 2016 are historical and 2017 is projected.

Source: Woods and Poole Economics, 2017 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	Hernando County			Highlands County		
	Personal Income (Millions)	Per Capita Income	Unemployment Rate	Personal Income (Millions)	Per Capita Income	Unemployment Rate
2017	\$ 5,808.10	\$ 31,431	5.6 %	\$ 3,088.85	\$ 29,933	5.9 %
2016	5,614.39	30,929	6.0	2,973.62	29,358	6.6
2015	5,484.47	30,736	7.1	2,902.06	29,169	7.7
2014	5,222.16	29,721	8.2	2,768.72	28,222	8.7
2013	5,059.29	29,074	9.4	2,709.12	27,711	9.8
2012	5,122.87	29,604	11.1	2,749.08	28,052	10.6
2011	5,179.99	29,970	12.9	2,810.50	28,596	12.0
2010	5,164.28	29,856	13.7	2,803.24	28,412	12.1
2009	5,065.88	29,461	12.5	2,739.57	27,685	10.2
2008	5,227.29	30,314	7.8	2,770.26	27,823	6.6

All data is based on county-wide data and income figures are presented in 2009 dollars.
Unemployment data is a fiscal year average.
Personal and Per Capita Income for 2008 through 2016 are historical and 2017 is projected.

Source: Woods and Poole Economics, 2017 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	Hillsborough County			Lake County		
	Personal Income (Millions)	Per Capita Income	Unemployment Rate	Personal Income (Millions)	Per Capita Income	Unemployment Rate
2017	\$ 56,921.27	\$ 40,821	4.1 %	\$ 11,971.13	\$ 35,225	4.4 %
2016	55,205.36	40,264	4.4	11,525.70	34,646	4.8
2015	53,496.93	39,655	5.2	11,215.90	34,418	5.7
2014	50,291.85	38,148	6.0	10,508.23	33,282	6.6
2013	48,485.41	37,468	6.9	9,942.56	32,280	7.8
2012	49,699.77	38,779	8.3	9,779.35	32,235	9.3
2011	52,116.05	40,991	10.1	9,621.49	32,092	11.1
2010	48,057.65	38,950	10.9	9,474.92	31,811	11.8
2009	45,598.87	37,559	9.7	9,421.65	31,883	10.2
2008	46,134.88	38,549	5.7	9,919.66	33,780	5.7

All data is based on county-wide data and income figures are presented in 2009 dollars.
Unemployment data is a fiscal year average.
Personal and Per Capita Income for 2008 through 2016 are historical and 2017 is projected.

Source: Woods and Poole Economics, 2017 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	Levy County			Manatee County		
	Personal Income (Millions)	Per Capita Income	Unemployment Rate	Personal Income (Millions)	Per Capita Income	Unemployment Rate
2017	\$ 1,255.30	\$ 30,663	4.7 %	\$ 15,247.15	\$ 40,443	4.1 %
2016	1,220.33	30,231	5.2	14,659.42	39,621	4.5
2015	1,180.32	29,632	6.0	14,305.34	39,369	5.2
2014	1,129.15	28,580	7.2	13,354.55	37,964	5.9
2013	1,090.10	27,540	8.5	12,409.47	36,261	7.1
2012	1,100.23	27,549	9.7	12,042.95	36,062	8.5
2011	1,115.79	27,726	11.3	12,713.51	38,841	10.5
2010	1,118.22	27,460	12.0	12,073.21	37,329	11.6
2009	1,077.93	26,368	10.7	11,438.49	35,666	10.9
2008	1,084.35	26,571	6.2	12,311.13	38,621	6.1

All data is based on county-wide data and income figures are presented in 2009 dollars.
Unemployment data is a fiscal year average.
Personal and Per Capita Income for 2008 through 2016 are historical and 2017 is projected.

Source: Woods and Poole Economics, 2017 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	Marion County			Pasco County		
	Personal Income (Millions)	Per Capita Income	Unemployment Rate	Personal Income (Millions)	Per Capita Income	Unemployment Rate
2017	\$ 11,452.95	\$ 32,331	5.3 %	\$ 17,634.71	\$ 34,210	4.7 %
2016	11,048.34	31,695	5.8	17,072.28	33,710	5.2
2015	10,592.29	30,858	6.6	16,449.66	33,037	6.0
2014	10,148.82	29,960	7.6	15,504.30	31,925	6.9
2013	9,818.74	29,250	9.0	14,910.23	31,340	8.1
2012	10,023.84	30,003	10.7	14,870.62	31,598	9.5
2011	10,121.75	30,462	12.9	15,046.36	32,252	11.3
2010	9,872.58	29,789	13.6	14,676.75	31,531	12.1
2009	9,727.40	29,399	12.0	14,309.67	30,933	11.1
2008	10,016.88	30,349	6.9	14,725.26	31,920	6.8

All data is based on county-wide data and income figures are presented in 2009 dollars.
Unemployment data is a fiscal year average.
Personal and Per Capita Income for 2008 through 2016 are historical and 2017 is projected.

Source: Woods and Poole Economics, 2017 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	Pinellas County			Polk County		
	Personal Income (Millions)	Per Capita Income	Unemployment Rate	Personal Income (Millions)	Per Capita Income	Unemployment Rate
2017	\$ 43,569.68	\$ 45,391	4.0 %	\$ 21,163.40	\$ 31,845	5.1 %
2016	42,605.17	44,636	4.3	20,578.50	31,319	5.6
2015	41,391.25	43,578	5.1	20,015.40	30,789	6.5
2014	39,486.35	42,090	6.0	19,182.38	30,196	7.4
2013	37,596.83	40,440	7.0	18,554.07	29,787	8.6
2012	37,651.19	40,836	8.4	18,591.51	30,201	10.0
2011	38,840.13	42,322	10.2	18,954.03	31,095	11.7
2010	37,987.36	41,451	10.9	18,208.77	30,187	12.1
2009	36,515.55	39,893	10.1	17,367.52	29,010	10.5
2008	37,905.64	41,361	5.7	18,041.60	30,332	6.0

All data is based on county-wide data and income figures are presented in 2009 dollars.
Unemployment data is a fiscal year average.
Personal and Per Capita Income for 2008 through 2016 are historical and 2017 is projected.

Source: Woods and Poole Economics, 2017 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	Sarasota County			Sumter County		
	Personal Income (Millions)	Per Capita Income	Unemployment Rate	Personal Income (Millions)	Per Capita Income	Unemployment Rate
2017	\$ 21,978.85	\$ 53,028	4.1 %	\$ 4,643.95	\$ 36,866	6.3 %
2016	21,330.99	52,047	4.5	4,434.10	36,245	6.8
2015	20,892.14	51,516	5.2	4,234.54	35,617	7.7
2014	19,999.80	50,374	6.1	3,963.90	34,771	8.5
2013	18,566.88	47,595	7.4	3,722.12	34,384	9.6
2012	18,231.49	47,228	8.8	3,495.76	34,012	11.0
2011	17,993.78	47,168	10.8	3,173.13	32,188	12.5
2010	17,179.57	45,217	11.7	2,766.89	29,348	12.4
2009	17,146.52	45,450	10.6	2,569.53	28,348	8.5
2008	18,929.30	50,187	6.6	2,459.80	28,459	5.0

All data is based on county-wide data and income figures are presented in 2009 dollars.
Unemployment data is a fiscal year average.
Personal and Per Capita Income for 2008 through 2016 are historical and 2017 is projected.

Source: Woods and Poole Economics, 2017 Florida State Profile: State and County Projections to 2050.

See accompanying Independent Auditors' Report.

**Southwest Florida Water Management District
Demographic Statistics
Top Ten Non-Government Employers Within a Single County
For Fiscal Years Ending September 30, 2017 and September 30, 2008
(unaudited)**

Employer	Fiscal Year							
	2017				2008			
	County	Number of Employees	Rank	Percent of Total Workforce	County	Number of Employees	Rank	Percent of Total Workforce
Publix Super Markets	Polk	10,249	1	0.35 %	Polk	9,500	2	0.39 %
Publix Super Markets	Hillsborough	7,732	2	0.27	Hillsborough	4,630	7	0.19
Baycare Health System	Hillsborough	6,243	3	0.21	-	-	-	-
WalMart	Polk	6,238	4	0.21	Polk	5,100	6	0.21
Florida Hospital	Hillsborough	6,000	5	0.21	-	-	-	-
Tampa General Hospital	Hillsborough	5,378	6	0.18	-	-	-	-
Busch Entertainment Corporation	Hillsborough	5,000	7	0.17	-	-	-	-
H. Lee Moffitt Cancer Center	Hillsborough	4,900	8	0.17	-	-	-	-
Lakeland Regional Medical Center	Polk	4,499	9	0.15	Polk	4,600	8	0.19
Sarasota Memorial Hospital	Sarasota	3,958	10	0.14	-	-	-	-
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>60,197</u>		<u>2.06 %</u>		<u>63,823</u>		<u>2.60 %</u>
District 16-County Total Workforce		2,910,506				2,450,452		

* Tampa International Airport determined to be a governmental employer, therefore, is not included in 2017 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.
Schedule is intended to show information for the current fiscal year and nine years ago. Fiscal year data is for the previous calendar year.

Sources: 2008 data from E Enterprise County Profiles, 2012 Enterprise Florida, <http://www.eflorida.com>.
2017 total workforce from Woods and Poole Economics, 2017 Florida State Profile: State and County Projections to 2050.
2017 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)
2017	148 25.78%	56 9.76%	108 18.82%	184 32.05%	12 2.09%	66 11.50%	574 100.00%
2016	150 26.13%	55 9.58%	109 18.99%	179 31.19%	12 2.09%	69 12.02%	574 100.00%
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%

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

Source: District records - Finance Bureau, Budget Section, August 1, 2017 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
2017	904 10.47%	781 9.67%	2,829 32.76%	2,423 30.00%	4,902 56.77%	4,873 60.33%	8,635 100.00%	8,077 100.00%
2016	910 11.84%	855 11.67%	2,368 30.82%	2,102 28.68%	4,406 57.34%	4,372 59.65%	7,684 100.00%	7,329 100.00%
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%

Sources: Fiscal Year 2008 data obtained from the District Regulatory Database, Performance Management Office.
Fiscal Years 2009-2017 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, 2017
(unaudited)

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County	Agricultural	Industrial/ Commercial	Mining/ Dewatering	Public Supply (Withdrawal)	Domestic Self-Supply	Landscape/ Recreation (1)	Institutional and Other Uses (2)	Total (Withdrawal) (3)	Public Supply (Use) (4)	Total (Use) (5)
Charlotte *	5.572	0.024	0.077	7.420	0.383	1.758	0.000	15.234	16.702	24.516
Citrus	1.607	2.931	0.052	14.988	4.522	3.999	0.001	28.100	14.782	27.894
DeSoto	48.777	0.668	0.002	32.657	1.018	0.225	0.000	83.347	1.506	52.196
Hardee	33.595	0.298	1.991	1.425	0.513	0.109	0.000	37.931	1.407	37.913
Hernando	1.568	4.831	0.026	19.434	3.288	3.873	0.000	33.020	19.311	32.897
Highlands *	38.445	0.088	0.007	7.634	0.678	2.160	0.003	49.015	7.547	48.928
Hillsborough	42.097	9.529	7.401	192.736	7.123	8.662	0.503	268.051	139.691	215.006
Lake *	0.984	0.000	0.000	0.000	0.074	0.000	0.000	1.058	0.000	1.058
Levy *	6.580	0.005	0.000	0.694	0.898	0.198	0.000	8.375	0.660	8.341
Manatee	51.283	0.732	4.172	45.328	0.669	9.874	0.000	112.058	40.257	106.987
Marion *	2.812	0.004	0.019	10.475	4.365	3.418	0.000	21.093	10.238	20.856
Pasco	6.276	1.291	0.060	62.593	4.606	3.366	0.572	78.764	44.648	60.819
Pinellas	0.015	0.166	0.000	27.192	0.259	2.948	0.000	30.580	91.077	94.465
Polk *	73.938	30.115	8.493	66.603	1.883	6.781	0.000	187.813	67.337	188.547
Sarasota	3.883	0.157	0.166	20.452	1.583	6.645	0.000	32.886	32.643	45.077
Sumter	6.236	0.629	0.258	27.328	2.964	3.194	0.000	40.609	27.070	40.351
	<u>323.668</u>	<u>51.468</u>	<u>22.724</u>	<u>536.959</u>	<u>34.826</u>	<u>57.210</u>	<u>1.079</u>	<u>1,027.934</u>	<u>514.876</u>	<u>1,005.851</u>

Data collection is based on calendar year 2016.

* 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 use categories were added in 2014.

(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 - 2016 Estimated Water Use Report, November 2017, www.watermatters.org.

See accompanying Independent Auditors' Report.

**Southwest Florida Water Management District
Nature of Capital Assets by Program
Net of Accumulated Depreciation
September 30, 2017
(unaudited)**

Capital Assets	Water Resource Planning and Monitoring	Land Acquisition, Restoration and Public Works	Operation and Maintenance of Works and Lands	Regulation	Outreach	Management and Administration	Total Capital Assets
Capital Assets not subject to depreciation:							
Land	\$ 6,887	\$ 603,236,532	\$ 1,795,854	\$ -	\$ -	\$ 750,000	\$ 605,789,273
Land Interests	942,066	112,003,298	-	3,123,854	-	-	116,069,218
Land - Acquisition in Progress	10,203	121,959	-	-	-	-	132,162
Construction in Progress	1,327,965	406,133	341,075	-	-	-	2,075,173
Capital Assets subject to depreciation:							
Buildings	3,167	10,179,710	8,858,381	-	-	126,831	19,168,089
Machinery & Equipment	1,212,535	504,552	2,605,553	410,478	15,621	760,980	5,509,719
Infrastructure	5,460,904	63,111,429	20,588,549	-	-	24,632	89,185,514
Software	267,544	23,165	50,456	1,058,801	15,045	50,118	1,465,129
Other	-	15,604	9,219	-	-	-	24,823
Total Capital Assets by Program	<u>\$ 9,231,271</u>	<u>\$ 789,602,382</u>	<u>\$ 34,249,087</u>	<u>\$ 4,593,133</u>	<u>\$ 30,666</u>	<u>\$ 1,712,561</u>	<u>\$ 839,419,100</u>
Percent of Total	1.10%	94.07%	4.08%	0.55%	0.00%	0.20%	100.00%

**Land Ownership
(acres)
Fiscal Year**

Type of Ownership:	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013 (1)</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Land										
Acquired or Surplused	(623)	117	479	(7)	(1,872)	86	1,332	206	3,964	6,809
Cumulative	<u>343,296</u>	<u>343,919</u>	<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>
Land Interests										
Acquired or Surplused	1,849	86	11	(55)	991	124	1,277	8,755	320	8,631
Cumulative	<u>107,428</u>	<u>105,579</u>	<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>
Total Acres	<u>450,724</u>	<u>449,498</u>	<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>

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

**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 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) as of and for the year ended September 30, 2017, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated March 14, 2018.

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 opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

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

Our consideration of internal control over financial reporting 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 financial reporting that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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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 entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

James Moore & Co., P.L.

Gainesville, Florida
March 14, 2018

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR STATE
PROJECT AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE IN
ACCORDANCE WITH CHAPTER 10.550, RULES OF THE AUDITOR GENERAL**

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

Report on Compliance for Each Major State Project

We have audited the Southwest Florida Water Management District's (the District) compliance with the types of compliance requirements described in the *Florida Department of Financial Services State Project 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, 2017. The District's major state projects are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with State statutes, regulations, and the terms and conditions of its major state projects applicable to its 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 Florida Auditor General. 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, 2017.

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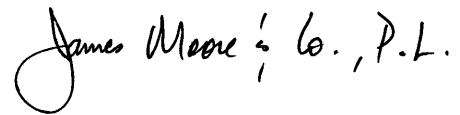
Report on Internal Control over Compliance

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, we considered the District's internal control over compliance with the 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 our opinion on compliance for each major state project and to test and report on internal control over compliance in accordance with Chapter 10.550, Rules of the Auditor General, 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 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, Rules of the Florida Auditor General. Accordingly, this report is not suitable for any other purpose.

A handwritten signature in black ink that reads "James Moore & Co., P.L." The signature is written in a cursive style with a large initial 'J'.

Gainesville, Florida
March 14, 2018

SOUTHWEST FLORIDA WATER MANAGEMENT DISTRICT
Schedule of Expenditures of Federal Awards and State Financial Assistance
Year ended September 30, 2017

<u>Grantor/Pass through Agency</u>	<u>CFDA, CSFA Number</u>	<u>Grant ID #</u>	<u>Expenditures</u>	<u>Subrecipients</u>
<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 DeSoto & Hardee Co	97.045	EMA-2005-CA-5218	\$ 54,530	
Total U.S. Department of Homeland Security - FEMA			54,530	
Total Expenditures of Federal Awards			\$ 54,530	
<u>STATE AWARDS</u>				
<u>Department of Environmental Protection</u>				
Water Management Districts - Land Acquisition and Improvement:				
Florida Forever - Preacquisition	37.022	various	FFTF	\$ 214,452
Florida Forever - Land Acquisition	37.022	SZ24/SZ89	FFTF	5,563,875
Land Acquisition Trust Fund	37.022	various	LATF	3,076,089
Lake Hancock Outfall Treatment	37.022	H014	FFTF	592
WMLTF - Surface Water Improvement and Management (SWIM)	37.022	various	WMLTF	62,666
Total Program			<u>8,917,674</u>	
Statewide Surface Water Restoration and Wastewater Projects:				
Alligator Creek	37.039	W511	SWW51/81 Eco	179,293
Pithlachacotee Anclote River	37.039	L738	2015REV11	5,123
Rock Pond Ecosystem Restoration	37.039	W395	SWW71,81,91 Eco	84,583
Total Program			<u>268,999</u>	
Florida Springs Grant Program:				
Southwest Florida Springs Initiative Project Wastewater	37.052	P100	S0684 / 2014REV07	205,342
Southwest Florida Springs Initiative Project	37.052	P101	2015REV07	106,258
Southwest Florida Springs Initiative Project Fort Island Trail	37.052	P115	2016REV11	30,000 30,000
Southwest Florida Springs Initiative Project Citrus County	37.052	P117	2016REV06	40,000 40,000
Southwest Florida Springs Initiative Project Sugarmill Woods Wastewater	37.052	WC02	2015REV09	1,300,000 1,300,000
Southwest CFWI Conservation	37.052	P922	2017REV06	4,200 4,200
Total Program			<u>1,685,800</u>	<u>1,374,200</u>
Water Protection and Sustainability Program:				
West-Central Florida Water Restoration Action Plan (WRAP)	37.066	various	SWW91	117,145
Surface Water Improvement and Management (SWIM)	37.066	various	WPSPTF	449,474
Total Program			<u>566,619</u>	
Total Department of Environmental Protection			11,439,092	
Total State Financial Assistance			\$ 11,439,092	
Total Expenditures of Federal Awards and State Financial Assistance			\$ 11,493,622	

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

SOUTHWEST FLORIDA WATER MANAGEMENT DISTRICT

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

September 30, 2017

(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 Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, 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.

(2) Administrative Cost Allowance

The Southwest Florida Water Management District has elected not to use the 10% de minimis indirect cost rate as outlined in the Uniform Guidance.

**SOUTHWEST FLORIDA WATER MANAGEMENT DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED SEPTEMBER 30, 2017**

A. Summary of Auditors' Results:

Financial Statements

Type of audit report issued on the financial statements: *Unmodified*

Internal control over financial reporting:

- Material weakness(es) identified? Yes X No
- Significant deficiency(ies) identified? Yes X None reported

Noncompliance material to financial statements noted? Yes X No

State Financial Assistance:

Internal control over major State projects:

- Material weakness(es) identified? Yes X No
- Significant deficiency(ies) identified? Yes X None reported

Type of auditors' report issued on compliance for major federal awards programs: *Unmodified*

Any audit findings disclosed that are required to be reported in accordance with Chapter 10.550? Yes X No

Dollar threshold used to distinguish between type A and type B programs: \$343,173

Identification of major State projects:

CSFA Number	Program Name
37.022	Water Management Districts – Land Acquisition and Improvement
37.066	Water Protection and Sustainability Program

- B. Financial Statement Findings:** None.
- C. State Projects Findings and Questioned Costs:** None.
- D. Summary Schedule of Prior Audit Findings:** There were no audit findings for the year ended September 30, 2016.
- E. Corrective Action Plan:** Not applicable since no findings were reported.

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Management Letter

**INDEPENDENT AUDITORS' MANAGEMENT LETTER REQUIRED BY
CHAPTER 10.550, RULES OF THE STATE OF FLORIDA OFFICE
OF THE AUDITOR GENERAL**

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

Report on the Financial Statements

We have audited the financial statements of the Southwest Florida Water Management District (the District), as of and for the fiscal year ended September 30, 2017, and have issued our report thereon dated March 14, 2018.

Auditors' Responsibility

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

Other Reports and Schedule

We have issued our Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*, Independent Auditors' Report on Compliance for Each Major State Project and Report on Internal Control over Compliance in Accordance with Chapter 10.550, Rules of the Auditor General, Schedule of Findings and Questioned Costs; and Independent Accountants' Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports and schedule, which are dated March 14, 2018, should be considered in conjunction with this management letter.

Prior Audit Findings

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

Official Title and Legal Authority

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

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Financial Condition and Management

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

Pursuant to Sections 10.554(1)(i)5.c. and 10.556(8), Rules of the Auditor General, we applied financial condition assessment procedures for the District. 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 review of financial information provided by same.

Section 10.554(1)(i)2., Rules of the Auditor General, requires that we communicate any recommendations to improve financial management. In connection with our audit, we noted the following recommendation:

2017-001 Long Term Receivables: Consider any receivables where collection is past one year, and record those amounts as deferred inflows of resources at the fund level.

Annual Financial Report

Section 10.554(1)(i)5.b., Rules of the Auditor General, require us to apply appropriate procedures and communication the results of our determination as to whether the annual financial report for the District for the fiscal year ended September 30, 2017, 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, 2017. In connection with our audit, we determined that these two reports were in agreement.

Monthly Financial Statements

Section 10.554(1)(i)6.a. and 10.556(9), Rules of the Auditor General, require us to apply appropriate procedures and communicate the results of our determined as to whether or not the District provided monthly financial statements to its governing board and made such monthly statements available for public access on its Web site. 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

Sections 10.554(1)(i)6.b. and 10.556(9), Rules of the Auditor General, require us to apply appropriate procedures and communicate 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. 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 Web site.

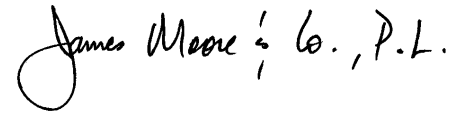
Sections 10.554(1)(i)6.c. and 10.556(9), Rules of the Auditor General, require us to apply appropriate procedures and communicate the results of our determination as to whether the District posted its tentative and final budgets on its Web site. In connection with our audit, we determined that the District posted its tentative and final budgets on its Web site.

Additional Matters

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

Purpose of this Letter

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

A handwritten signature in black ink that reads "James Moore & Co., P.L.". The signature is written in a cursive style with a large, looped initial "J".

Gainesville, Florida
March 14, 2018

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Independent Accountants' Report

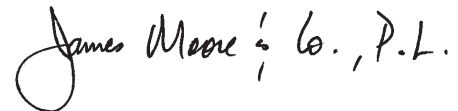
INDEPENDENT ACCOUNTANTS' EXAMINATION REPORT

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, *Local Government Investment Policies*, for the year ended September 30, 2017. 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, the Southwest Florida Water Management District complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2017.



Gainesville, Florida
March 14, 2018

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Hillsborough, Pinellas

Mark Taylor
Hernando, Marion

Michelle Williamson
Hillsborough

Brian J. Armstrong, P.G.
Executive Director

March 27, 2018

The Members of the Governing Board,

Southwest Florida Water Management District:

The Southwest Florida Water Management District strives to continually improve its financial performance and reporting. No material weakness of internal controls was identified during this audit, however, there was one audit recommendation identified in the fiscal year 2016-2017 Management Letter which is described below. Staff continues to review areas of improvement and document policies and procedures that ensure proper controls are in place which should prevent the likelihood of future findings.

The following auditor recommendation and management responses are provided:

2017-001 Long Term Receivables

RECOMMENDATION: Consider any receivables, where collection is past one year, and record those amounts as deferred inflows of resources at the fund level.

MANAGEMENT RESPONSE: Management concurs with the recommendation and will classify receivables, where the collection, per the agreement, is past one year as a deferred inflow of resources as opposed to revenue at the fund level. In this instance, the language in the agreement in question indicated reimbursement is allowed at the completion of the construction project which had been recently extended past a one-year timeframe. The procedure for recognizing revenue, if billing terms are only allowed at the completion of the contract or are longer than 1 year, have been updated and the amount will be recorded as a deferred inflow of resources at the fund level.