Southwest Florida
Water Management District

2379 Broad Street, Brooksville, Florida 34604-6899
(352) 796-7211 or 1-800-423-1476 (FL only)
WaterMatters.org

An Equal Opportunity Employer

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170 Century Boulevard
Bartow, Florida 33830-7700
(863) 534-1448 or
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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)

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Ed Armstrong
Vice Chair, Pinellas
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Secretary, DeSoto, Hardee, Highlands
Michelle Williamson
Treasurer, Hillsborough
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Charlotte, Sarasota
Rebecca Smith
Hillsborough, Pinellas
Mark Taylor
Hernando, Marion
Scott Wiggins
Hillsborough

Brian J. Armstrong, P.G.
Executive Director

April 1, 2019

The Honorable Angelina M. Colonneso
Clerk & Comptroller
Manatee County
1115 Manatee Avenue West
Bradenton, FL 34205

Subject: Comprehensive Annual Financial Report and AFR

Dear Ms. Colonneso:

The Southwest Florida Water Management District is pleased to announce that its ***Comprehensive Annual Financial Report (CAFR) for the fiscal year ended September 30, 2018***, 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 2018 Annual Financial Report (AFR), which was filed electronically with the Department of Financial Services, Bureau of Local Government on March 26, 2019.

Sincerely,

Melisa Lowe

Melisa J. Lowe
Finance Bureau Chief

MJL:ma

Enclosures (2)

RECEIVED
APR - 5 2019
MANATEE COUNTY
CLERK OF CIRCUIT COURT

Unit Information

Unit ID: 300041 Year: 2018

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: In Process

AFR Received Date:

Audit Received Date:

Submission Type:

Debt Information

Long-Term Debt: $94,740

Audit Information

Was an audit performed? Yes

Audit Performed Date: 3/11/2019

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

Melisa J. Lowe

Chairman/Elected Official

Name: Jeffrey M. Adams

Title: Governing Board Chair

	Yes	No
Have You Experienced a Financial Emergency in this year?		X
If Yes, Have You Complied With Section 218.503(2), Florida Statutes?		
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?)	X	

Revenues Report for FYE 2018

Account Code	General	Special Revenue	Debt Service	Capital Projects	Permanent	Enterprise	Internal Service	Pension	Trust	Component Units	Total
311000 - Ad Valorem Taxes	107,257,120			1,629,100							108,886,220
329000 - Other Permits, Fees & Special Assessments	1,932,987										1,932,987
331390 - Federal Grant - Other Physical Environment	1,120										1,120
331900 - Federal Grant - Other	112,687	124,047									236,734
334390 - State Grant - Other Physical Environment	3,148,153			41,611							3,189,764
334900 - State Grant - Other	464,603	846,554									1,311,157
337300 - Local Government Unit Grant - Physical Environment	2,186,158										2,186,158
341900 - Other General Government Charges and Fees	18,253										18,253
351900 - Judgments and Fines - Other Court Ordered	12,000										12,000
361100 - Interest	6,905,932	264,387		209,077							7,379,396
361300 - Net Increase (Decrease) in Fair Value of Investments	-2,688,103										-2,688,103
[illegible]00 - Rents and Royalties	150,917										150,917
[illegible]0 - Disposition of Fixed Assets	760,333			1,541,200							2,301,533
367000 - Licenses	3,000										3,000
369900 - Other Miscellaneous Revenues	1,582,349			10,000							1,592,349
Grand Total	121,847,509	1,234,988		3,430,988							126,513,485

Expenditures Report for FYE 2018

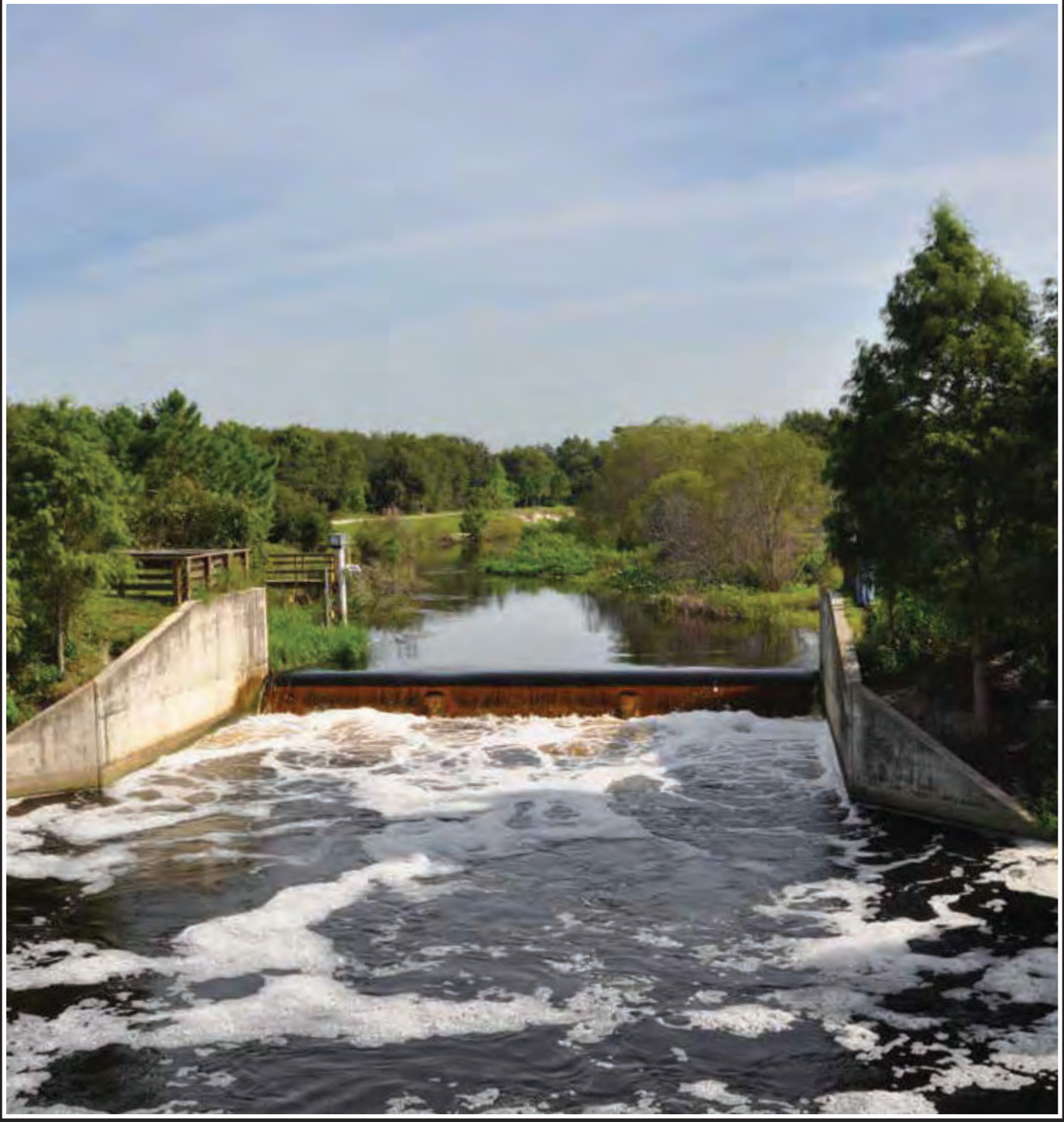
Account/Object Code	General	Special Revenue	Debt Service	Capital Projects	Permanent	Enterprise	Internal Service	Pension	Trust	Component Units	Total
511.10 - Legislative - Personal Services	10,557										10,557
511.30 - Legislative - Operating Expenses	23,605										23,605
512.10 - Executive - Personal Services	1,452,929										1,452,929
512.30 - Executive - Operating Expenses	66,826										66,826
513.10 - Financial and Administrative - Personal Services	3,352,531										3,352,531
513.30 - Financial and Administrative - Operating Expenses	5,211,971										5,211,971
514.10 - Legal Counsel - Personal Services	1,124,471										1,124,471
514.30 - Legal Counsel - Operating Expenses	76,559										76,559
517.70 - Debt Service Payments - Debt Service	119,095										119,095
518.10 - Pension Benefits - Personal Services	3,053,732	10,024									3,063,756
519.10 - Other General Government - Personal Services	2,578,227										2,578,227
519.30 - Other General Government - Operating Expenses	3,181,118			117,226							3,298,344
519.60 - Other General Government - Capital Outlay	1,007,726			160,102							1,167,828
537.10 - Conservation/Resource Management - Personal Services	35,030,611	137,264									35,167,875
537.30 - Conservation/Resource Management - Operating Expenses	18,907,807	1,034,567									19,942,374
537.60 - Conservation/Resource Management - Capital Outlay	1,995,508	17,026		69,954							2,082,488
537.80 - Conservation/Resource Management - Grants and Aids	45,297,235	36,107									45,333,342
Grand Total	122,490,508	1,234,988		347,282							124,072,778

Component Unit	Type	Total Revenues	Total Expenditues	Total Debt

SOUTHWEST FLORIDA WATER MANAGEMENT DISTRICT

Comprehensive Annual Financial Report

Fiscal Year Ended September 30, 2018



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, 2018
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, 2018

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Secretary, DeSoto, Hardee, Highlands
Michelle Williamson
Treasurer, Hillsborough
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Former Chair, Polk
Randall S. Maggard
Former Chair, Pasco
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
Scott Wiggins
Hillsborough

Brian J. Armstrong, P.G.
Executive Director

March 26, 2019

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, 2018, 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, 2018.

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, 2018. The independent auditors' report is located at the front of the financial section of this report.

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

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

About the District

Approximately one quarter of the state's population (5.3 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 resource 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, 2018, will be incorporated into the State of Florida's financial statements for the state's fiscal year ending June 30, 2019, 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. Once again, 2018 saw stable growth to Florida and the District, representing a continuation of the larger economic expansion that has occurred over the past several years. Real gross domestic product in Florida increased year-over-year by 2.27 percent, which is slightly lower than national gross domestic product growth figure of 2.58 percent[1]. Within the District, year-over-year gross regional product growth was 2.99 percent, which was higher than last year's growth of 2.63 percent[2].

There were several positive developments in the District and state of Florida in regard to demographic and economic trends in 2018. Between 2017 and 2018, the permanent population of the District increased by approximately 73,675 residents, representing 1.41 percent growth. The District growth rate was slightly lower than overall growth in the state, which was 1.50 percent over the same time frame. Positive growth figures are an encouraging sign overall, as population growth is the primary engine of economic growth for the District and state, as it fuels both employment and income growth. Florida's unemployment rate continued to trend downward, reaching 3.5 percent in September 2018, compared to 3.9 percent in September 2017[3]. Over the same time frame, however, increase in the labor force slowed considerably, ticking up by only 1.06 percent. This indicates that the labor market is edging further toward full employment. In line with population growth, total personal income per capita increased at a higher rate than the national average. Additionally, through August 2018, average taxable sales increased year-over-year by 6.36 percent, rebounding after the effects of Hurricane Irma[4]. Taxable sales serve as a good proxy for overall economic activity.

Following the trend from last year, there continued to be mixed results in the housing sector. For the state, closed sales of single-family homes were up 7.5 percent year-over-year in the third quarter of 2018 and the median sale price increased by 6.3 percent over the same time span[5]. Condominiums and townhouses illustrated a similar trend, with closed sales up 9.5 percent and a median sale price increase of 6.1 percent. However, the price increase was partially a function of short supply. Although inventory increased by 2.6 percent year-over-year, single-family home supply, at 3.9 months supply, remains short of the target 5.5 months supply of inventory. Another positive was the value of new construction rose by 8.10 percent from fiscal year 2017 to fiscal year 2018, signaling the boost that new construction provides to the District and local governments. Despite this rise in value, housing starts are still below the long-term average. Combined total private housing starts (single-family and multi-family) are projected to increase by 12.2 percent in fiscal year 2018-2019; however, combined housing starts are expected to increase by only 2.7 percent in fiscal year 2019-2020 and display even weaker growth rates going forward[6]. Although short supply is a current and future concern, price increases may be moderated by the increases in the federal funds rate, enacted by the Federal Reserve. Rises in the federal funds rate drive up borrowing costs for mortgages, which in turn tempers demand for housing.

---

[1] U.S. Department of Commerce, Bureau of Economic Analysis. November 13, 2018. http://bea.gov

[2] Except as noted all data are based on countywide data and are derived from Woods and Poole Economics. 2018 State Profile: State and County Projections to 2050.

[3] Florida Department of Economic Opportunity. October 22, 2018. http://floridajobs.org

[4] Florida Office of Economic and Demographic Research. October 19, 2018. http://edr.state.fl.us

[5] Quarterly Market Detail-Q3 2018. Florida Association of Realtors. https://www.floridarealtors.org/ResearchAndStatistics/Florida-Market-Reports/Index.cfm

[6] Florida: An Economic Overview. Florida Office of Economic and Demographic Research. August 17, 2018.

A discussion of 2018 economic conditions in the District would not be complete without mentioning the effect of red tide. Red tide is a naturally occurring phenomenon caused by *Karenia brevis* algae, which produce toxins that can lead to fish kills, respiratory irritation, and mortality of wildlife, including sea turtles, manatees, birds, and dolphins[7]. The duration of red tide events varies, but they typically last for less than three months, occurring nearly every year, primarily along the southwest coast of the Gulf of Mexico. The effects of red tide were particularly pervasive in 2018 for Florida's coastal communities; the red tide was first recorded in October 2017 and lasted through the majority of 2018. As of October 2018, the red tide bloom stretched 145 miles along the state's Gulf coast from northern Pinellas County down to Collier County, as well as touching several Panhandle counties and a few beaches on the state's Atlantic coast from St. Lucie County to Miami-Dade County[8].

The effects of red tide can become economically manifested in a variety of ways. For one, there are higher health costs in the immediate areas affected by red tide, as hospital visits increase. Researchers have found that during a previous red tide event in Sarasota County, hospital emergency department diagnoses increased by 19 percent for pneumonia, 40 percent for gastrointestinal illnesses, and 54 percent for respiratory illnesses[9]. In aggregate, the cost of hospital visits for respiratory illness alone during red tide events in Sarasota County ranged between $0.5 and $4 million dollars[10]. In addition to health costs, tourism and associated business are impacted because of red tide events. A survey of local businesses in Sarasota conducted in August 2018 found that 46 percent of business owners reported that business was down by 50 percent or more compared to the previous year[11]. Previous economic studies of red tide events in Okaloosa County have estimated monthly losses to restaurants and lodging facilities to be $6.5 million in total[12]. To make matters worse, the red tide event stretched into peak season for many beachfront communities in the District, when businesses expect much of their revenue.

Fortunately, there has been a response to mitigate some of red tide's economic impact. In August 2018, Governor Scott declared a state of emergency for the Gulf Coast. Additionally, the Governor has directed more than $13 million in grant funding for areas affected by red tide and blue-green algae, including $500,000 for tourism marketing and $750,000 for Manatee County[13].

Looking ahead, Florida and the District's prospects remain bright in the near-term. Payroll job growth in Florida continues to outpace national job growth, with the trend set to continue over the next few years. Average job growth over the 2018-2021 period is projected to be 0.6 percentage points faster than the national economy[14]. At the county level, in terms of gross regional product, Citrus, Manatee, and Sumter are on pace to have the highest growth rates in the District over the next five years.

Thus, despite another unexpected natural impact, the District and the State of Florida experienced positive economic and demographic conditions in 2018. As always, the housing market will be a sector to monitor in the next year, as further interest rate increases may affect consumer demand. Pivoting to consumers, as of October 2018, consumer sentiment in Florida declined for the third

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[7] Red Tide in Florida and Texas. National Oceanic and Atmospheric Administration. https://oceanservice.noaa.gov/news/redtide-florida/

[8] "Hurricane Michael's Winds Bring Dead Fish, Odors Back to Shore". Tampa Bay Times. October 12, 2018.

[9] Kirkpatrick B., Bean J.A., Fleming L.E., Kirkpatrick G., et. al. Gastrointestinal ER Admissions and Florida Red Tide Blooms (2010) Harmful Algae, 9 (1), pp. 82-86

[10] Hoagland P, Jin D, Polansky LY, Kirkpatrick B, Kirkpatrick G, et al. The Costs of Respiratory Illnesses Arising From Florida Gulf Coast Karenia Brevis Blooms. Environ Health Perspect. 2009; 117:1239-1243

[11] "Sarasota Tourism Agency Survey Reveals Economic Impact of Red Tide". WUSF. August 31, 2018. http://wusfnews.wusf.usf.edu/post/sarasota-tourism-agency-survey-reveals-economic-impact-red-tide

[12] Morgan, K.L., S.L. Larkin, and C.M. Adams. Economic Impacts of Red Tide Events on Restaurant Sales. Southern Agricultural Economics Association Annual Meeting. Orlando, Florida, Feb. 5-8, 2006

[13] "What Else Can Florida Do to Prevent Red Tide?". Bradenton Herald. September 21, 2018. https://www.bradenton.com/news/politics-government/state-politics/article218741760.html

[14] Florida and Metro Forecast: July 2018. Institute for Economic Competitiveness. College of Business Administration. University of Central Florida. Published July 2018, p. 5

consecutive month[15]. While consumers had a positive outlook on expenditures in the short-run, perception of one's personal financial situation compared to one year ago and expectations of U.S. economic conditions over the next five years are relatively pessimistic. Considering the effect that emotional mindset can have on the economy at large in terms of expenditures, consumer confidence is another barometer to keep track of in 2019 and beyond.

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 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, 2017. This was the 30th 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 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 to the Public Affairs Bureau - Communications Section staff for the design of the cover, and the General Services Bureau 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	Melisa J. Lowe
Division Director	Bureau Chief
Management Services	Finance

[15] "Florida Consumer Sentiment Index". Bureau of Economic and Business Research. October 30, 2018.

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Southwest Florida Water Management District

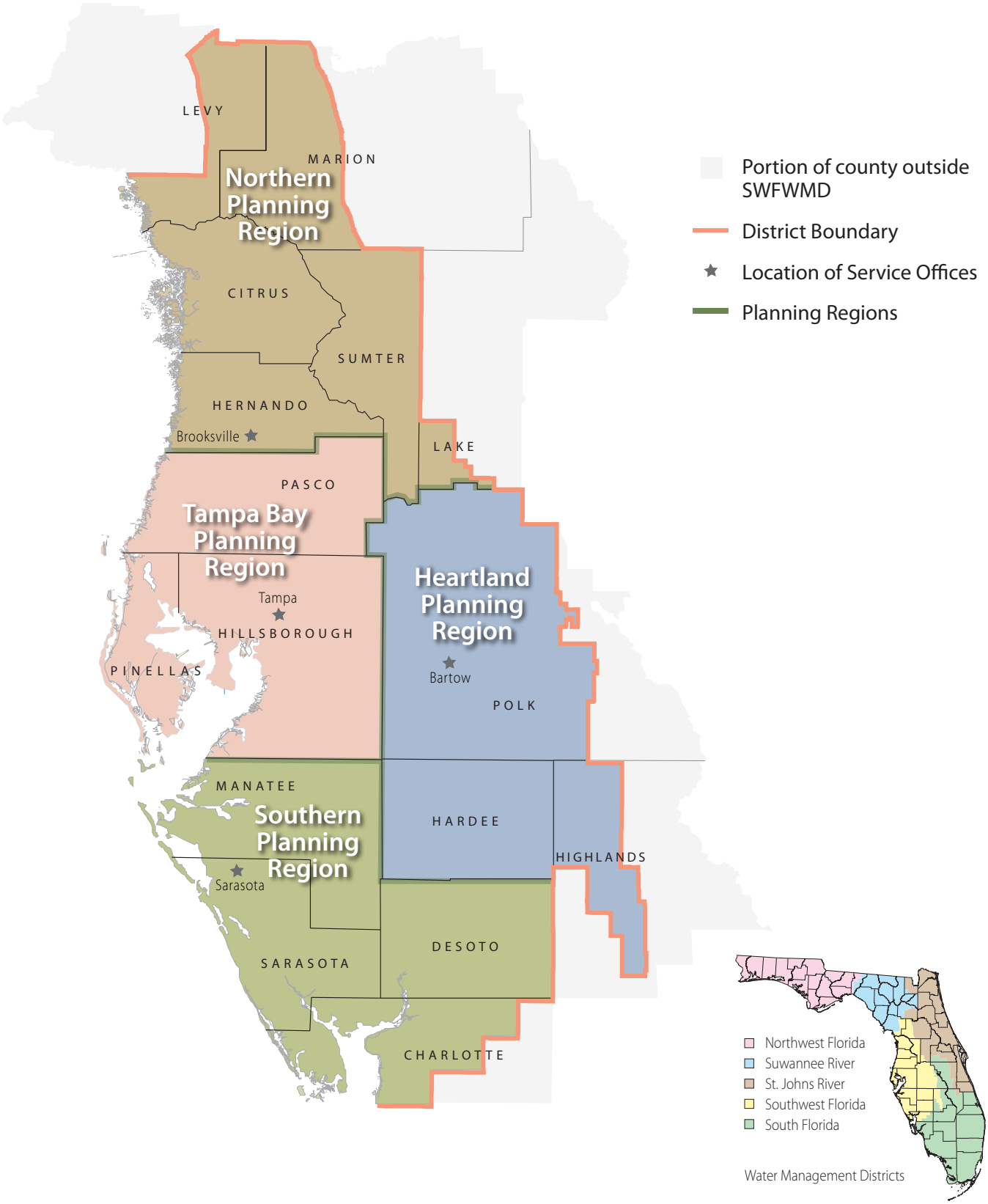
For its Comprehensive Annual Financial Report for the Fiscal Year Ended

September 30, 2017

Christopher P. Morrill

Executive Director/CEO

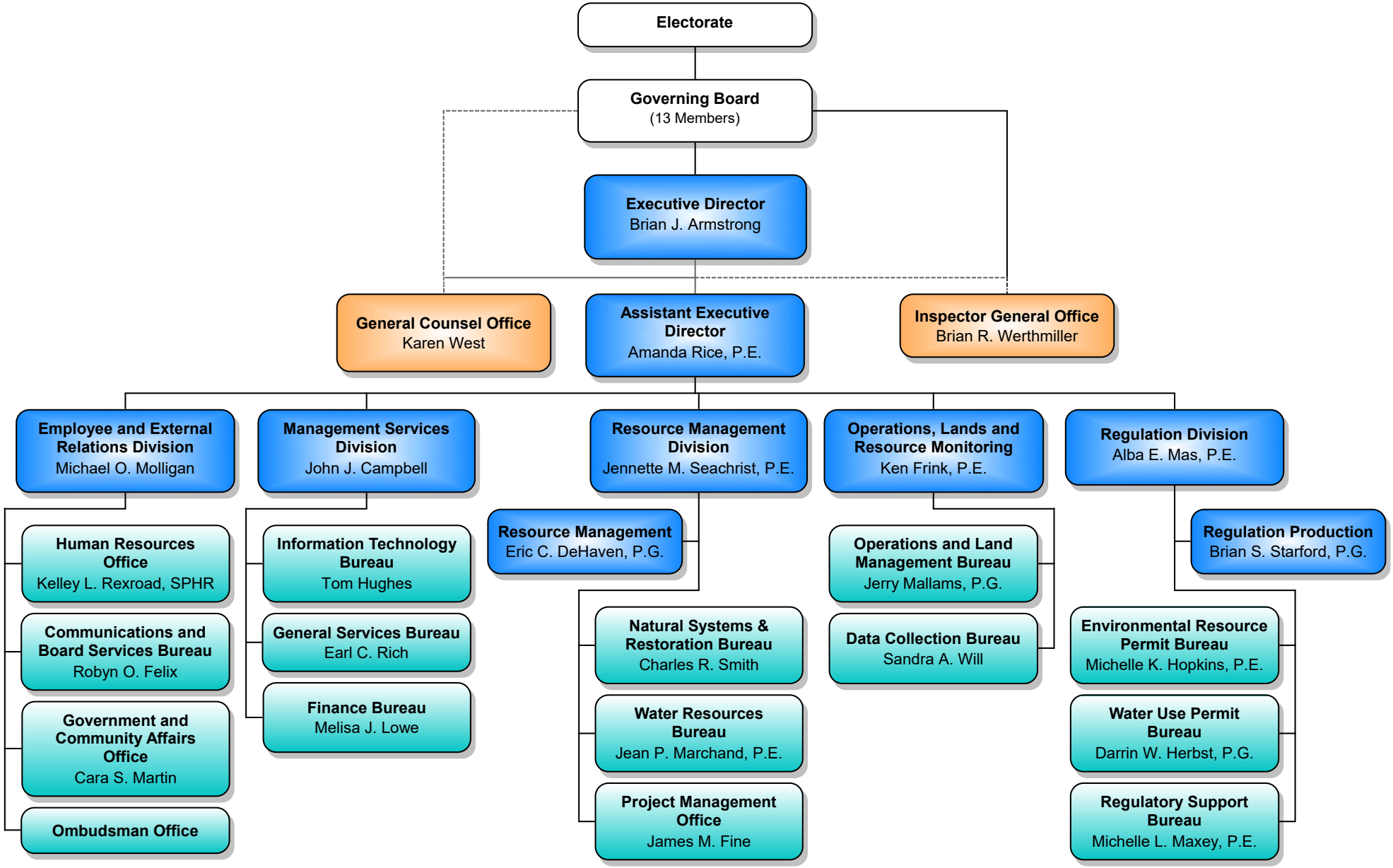
Southwest Florida
Water Management District



Southwest Florida Water Management District

Organization Chart

As of October 22, 2018



Southwest Florida Water Management District

List of Appointed Officials

as of September 30, 2018

Governing Board Chair	Jeffrey M. Adams
Governing Board Vice Chair	Ed Armstrong
Governing Board Secretary	Bryan K. Beswick
Governing Board Treasurer	Michelle Williamson
Board Member	Randall S. Maggard
Board Member	H. Paul Senft, Jr.
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	Scott Wiggins

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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, 2018, 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.

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, 2018, 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

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 is 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 11, 2019 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.

James Moore & Co., P.L.

Gainesville, Florida
March 11, 2019

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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, 2018. 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, $347.2 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 $84.4 million; fund board and management designations in the amount of $12.6 million; fund future long- and short-term projects in the amount of approximately $197.4 million; maintain an economic stabilization reserve of $22.1 million; support land management activities in the amount of $2.5 million; pay claims associated with the District's Workers' Compensation and Medical self-insurance programs in the amount of $6.5 million; and carry forward $21.7 million into the fiscal year 2018-19 budget.

- The Florida Retirement System (FRS) implemented GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions.* The implementation resulted in FRS restating their beginning net position for the Pension Plan and increasing the net pension liability at July 1, 2017 by $10,152,810. The District's proportionate share of the increase was $8,211. This resulted in a $8,211 reduction of beginning net position from $1,227,180,647 to $1,227,172,436 due to the increase of the pension plan liability.

- The District's total net position increased by $4 million or approximately 0.3 percent during the year, remaining relatively stable at $1.2 billion at September 30, 2018.

- As of the close of the current fiscal year, the District's governmental funds reported combined ending fund balances of $424.9 million, an increase of $2.4 million in comparison with the prior year. Of this total amount, inventory of $31,768 and prepaids of $627,687 are classified as nonspendable; $46.5 million is restricted for the watershed basins and land acquisition; and $377.7 million is available for spending at the District's discretion, with the majority committed or assigned.

- 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; management and administration; and interest.

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 2017-18. 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 and 18 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 Required Supplementary Information, Other Supplementary Information, Statistical, Single Audit Compliance, Management Letter and Independent Accountants' Report sections of this report.

Government-wide Overall Financial Analysis

For fiscal year 2017-18, the overall condition of the District slightly improved compared with fiscal year 2016-17.

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, 2018.

Southwest Florida Water Management District's Net Position

	Governmental Activities	
	2018	2017
Current and Other Assets	$ 479,014,542	$ 483,176,629
Long-term Receivables	6,731,943	1,300,000
Capital Assets	837,131,376	839,419,100
Total Assets	1,322,877,861	1,323,895,729
Deferred Outflows of Resources	12,685,495	13,530,699
Current and Other Liabilities	53,860,112	60,310,276
Long-term Liabilities	45,678,364	47,302,743
Total Liabilities	99,538,476	107,613,019
Deferred Inflows of Resources	4,845,781	2,632,762
Net Position:		
Net Investment in Capital Assets	836,928,761	839,115,561
Restricted for:		
Watershed Basins	36,001,332	49,377,736
Land Acquisition	11,066,577	4,656,996
Unrestricted	347,182,429	334,030,354
Total Net Position	$ 1,231,179,099	$ 1,227,180,647

By far, the largest portion of the District's net position, at September 30, 2018, in the amount of approximately $836.9 million (68 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 $47.1 million (3.8 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 2017-2018 decreased from the prior year balance by $13.4 million (27.1

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 2017-2018 increased from the prior year balance by $6.4 million (137.6 percent). The increase is attributable to the sale of six tracts of surplus land in the amount of $1.5 million and the reclassification of $4.9 million formerly unrestricted net position to restricted for land acquisition and land management.

Unrestricted net position in the amount of $347.2 million (28.2 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 self-insurance programs; fund an economic stabilization reserve; and carry forward funding for allocation in subsequent years budgets.

Total assets at the end of fiscal year 2017-2018 decreased slightly from the prior year, reflecting a net decrease of $1 million (0.1 percent). Many variances contributed to the decrease. The most significant decrease is restricted cash and investments of $10.4 million (12.8 percent). This is due to the spend down of the former basin funds. However non-restricted cash and investments increased by $4.4 million (1.1 percent) due to increased ad valorem property taxes and interest earnings. The balance of capital assets decreased by $2.3 million (0.3 percent). This is a result of reduced capital outlay. The decreases are offset by the $5.4 million (417.8 percent) increase in long-term receivables which is primarily due to the inability to invoice the Florida Department of Environmental Protection (FDEP) until the completion of the springs initiative contracts which can be in future years.

The total liability obligation decreased by $8.1 million (7.5 percent), primarily due to the decrease in the total accounts and contracts payable of $6.1 million (14.8 percent). From year to year, the amount can fluctuate for various reasons; projects can be in the planning stages and have not incurred a significant amount of expenditures. The deferred inflow of resources increased by $2.2 million (84.1 percent). This is mainly due to the increase of the net difference between projected and actual earnings on the pension plan investments of the pension plan (FRS).

At September 30, 2018, the District reported positive balances in all categories of net position. The same held true for the prior fiscal year. For fiscal year 2017-18, the District's total net position increased by $4 million (0.3 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 $4 million.

Southwest Florida Water Management District's Changes in Net Position

	2018	2017
Revenues:		
Program Revenues:		
Charges for Services	$ 3,993,071	$ 4,532,348
Operating Grants and Contributions	10,180,579	7,078,459
Capital Grants and Contributions	2,367,176	8,221,450
General Revenues:		
Ad Valorem Property Taxes	108,831,823	106,799,746
Unrestricted Investment Earnings	4,691,293	3,095,242
Gain on Sale of Capital Assets	2,024,897	464,675
Other	1,644,787	326,294
Total Revenues	133,733,626	130,518,214
Expenses:		
Water Resource Planning and Monitoring	25,834,345	24,177,514
Land Acquisition, Restoration and Public Works	54,494,495	48,604,475
Operation and Maintenance of Works and Lands	18,306,423	16,857,187
Regulation	18,061,178	17,696,824
Outreach	1,989,576	1,822,396
Management and Administration	11,022,775	11,477,113
Interest	18,171	-
Total Expenses	129,726,963	120,635,509
Change in Net Position	4,006,663	9,882,705
Prior Period Adjustment*	(8,211)	(4,816,285)
Net Position - Beginning of Year	1,227,172,436	1,217,297,942
Net Position - End of Year	$ 1,231,179,099	$ 1,227,180,647

*see note I.F. In FY2017-2018, the Florida Retirement System (FRS) adopted GASB Statement No. 75, A*ccounting and Financial Reporting for Postemployment Benefits Other Than Pensions.* The implementation resulted in a restatement of the District's proportionate share of the pension plan liability.

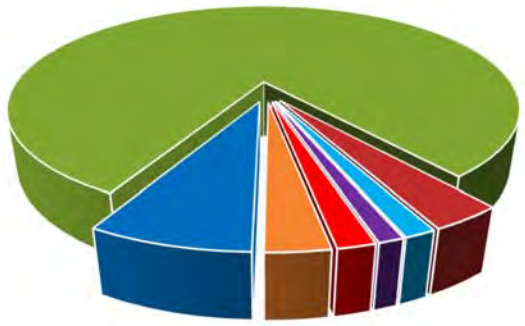
Total revenues increased by $3.2 million (2.5 percent) from the previous year. Operating grants and contributions increased by $3.1 million (43.8 percent), due to an increase in FDEP springs initiative grants. This is offset by capital grants and contributions which decreased by $5.9 million (71.2 percent), due to no Florida Forever funding in FY 2017-2018. Ad Valorem revenue increased by $2 million (1.9 percent), primarily due to an increase in assessed property values offset by a reduction of millage. Unrestricted investment earnings increased by $1.6 million (51.6 percent), due to an increase in interest rates of $4.3 million offset by the recognition of an unrealized loss of approximately $2.7 million. Gain on sale of capital assets increased by $1.6 million (335.8 percent) mainly due to the sales of six surplus land parcels and three easements.

Total expenses increased by $9.1 million (7.5 percent) from the previous year. This is mainly the result of an increase in land acquisition, restoration & public works of $5.9 million (12.1 percent). This is primarily the result of increases in project N780-Punta Gorda Reverse Osmosis Facility of $3.2 million and an increase in N748-Tampa-Dale Mabry Henderson Trunkline-Upper Peninsula Watershed

increase from the prior year of $1.7 million (6.9 percent). A portion of the increase can be attributed to project N878- Mapping - Pasco County LiDAR Data Collection in the amount of $0.5 million. The other increases are spread over a large number of smaller projects. Operations and Maintenance of Works and Lands had an increase from the prior year of $1.4 million (8.6 percent). A portion of the increase can be attributed to project B670- Repair and Maintenance of District Structures in the amount of $0.4 million. The other increases are spread over a large number of smaller projects.

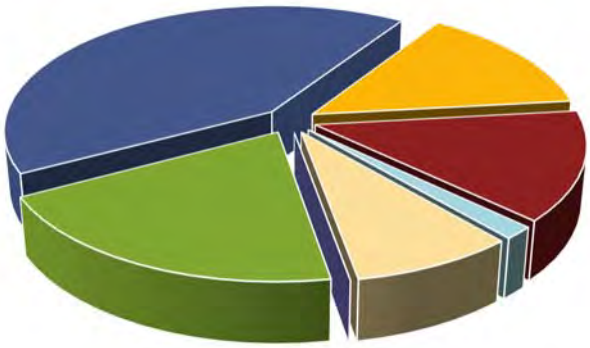
FY2017-18 Revenues by Source – Governmental Activities

- Charges for Services 3%
- Operating Grants and Contributions 7.6%
- Property Taxes 81.4%
- Unrestricted Investment Earnings 3.5%
- Gain on Sale of Capital Assets 1.5%
- Other 1.2%
- Capital Grants and Contributions 1.8%



FY2017-18 Expenses by Program – Governmental Activities

- Water Resource Planning & Monitoring 19.9%
- Land Acquisition, Restoration & Public Works 42%
- Operation & Maintenance of Works & Lands 14.1%
- Regulation 13.9%
- Outreach 1.6%
- Management & Administration 8.5%
- Interest Less Than .1%



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, 2018, the District's governmental funds reported combined fund balances of $424.9 million, an increase of $2.4 million in comparison with fiscal year 2016-17. *Unassigned fund balance* of $18 million represents 4.2 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 ($659,455), 2) restricted where constraints are placed on the use of resources ($46.5 million), 3) committed for particular purposes ($113.8 million), or 4) assigned for particular purposes ($245.8 million).

The general fund is the chief operating fund of the District. At the end of fiscal year 2017-18, unassigned fund balance of the general fund was $18 million, while the total fund balance decreased to $406.3 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 14.7 percent of the total general fund expenditures, while total general fund balance represents 331.7 percent of that same amount.

The fund balance of the general fund decreased $0.6 million during the current fiscal year. The decrease is attributable to increased expenditures of land acquisition, restoration and public works by $6.1 million primarily due to increases in project N780-Punta Gorda Reverse Osmosis Facility of $3.2 million and an increase in N748-Tampa-Dale Mabry Henderson Trunkline-Upper Peninsula Watershed Drainage Improvement project of $2.6 million. This is offset by increases in Ad Valorem property taxes and interest earnings.

The fund balance of the Florida Forever capital projects fund increased $1.7 million. This is mostly attributable to the sale of six tracts of surplus land (286.53 acres) in the amount of $1.5 million.

The fund balance of the Capital Projects fund increased $1.3 million 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 2017-18. The District's budget was not amended during fiscal year 2017-18.

In total, the general fund revenue budget was $161.5 million with actual revenues of $121.1 million, resulting in a variance of $40.4 million (25 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, if such amounts are expected to be collected within one year. For fiscal year 2017-18, the intergovernmental revenues budget was $46.3 million and actual revenues were $5.9 million, resulting in a variance of $40.4 million (87.3 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 billable expenditures, or anticipated projects may be canceled, withdrawn or completed under budget.

Interest on invested funds was budgeted at $6.2 million and actual revenues were $4.2 million, resulting in a variance of $2 million (32.3 percent). The interest earnings budget was based on a 1.35 percent expected rate of return. The District earned 1.44 percent yield on investments and recognized $6.9 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 $2.7 million, decreasing interest earnings on invested funds to $4.2 million, representing 67.7 percent of the budget.

Other revenues were budgeted at $0.6 million and actual revenues were $1.8 million, resulting in a variance of $1.2 million (200 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 miscellaneous recoveries can vary significantly from year to year. The District received $321,116 in timber sales and $150,917 in lease revenue which accounted for a portion 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. on 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 $240.9 million and actual expenditures were $49.8 million. After adjusting for encumbrances of $163.9 million, a variance of $27.2 million (35.3 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, 2018, amounted to $837.1 million (net of accumulated depreciation) a decrease from prior year of $2.3 million (0.3 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.

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

- The District acquired 0.0053 acres of land parcels and land interests funded by the District valued at $6,500.

- The District received 250 acres of donated land interest-conservation easements valued at $2.3 million.

- The District sold six tracts of surplus land (286.53 acres) in the amount of $1.5 million.

- Following are some of the active construction in progress projects in fiscal year 2017-18:
  -Refurbishment of Tsala Apopka Canal/S353 Structure
  -15 Well sites

- Following are some of the construction in progress projects that were completed during fiscal year 2017-18:
  -Completion of the Alexander Elementary Wellsite
  -Completion of the Parrish #38 Morriston Romp 131.5 Wellsite
  -Completion of the Scarborough Romp 27 Wellsite

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

	2018	2017
Land	$ 605,456,367	$ 605,789,273
Land Interests (less-than-fee)	118,420,586	116,069,218
Land Acquisition in Progress	154,877	132,162
Construction in Progress	1,087,424	2,075,173
Buildings	18,448,042	19,168,089
Machinery and Equipment	5,535,427	5,509,719
Infrastructure	87,203,888	89,185,514
Software	769,642	1,465,129
Other Capital Assets	55,123	24,823
Total Capital Assets	$ 837,131,376	$ 839,419,100

Additional information on the District's capital assets can be found in Note I.E.3. on page 24 and Note IV.D. on page 37.

Long-term Obligations - At September 30, 2018, the District had $202,615 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.F. on page 39.

Southwest Florida Water Management District Outstanding Debt

	2018	2017
Capital Leases	$ 202,615	$ 303,539

The District's debt decreased by $100,924 (33.2 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 gained momentum in fiscal year 2018 with Real Gross Domestic Product (GDP) averaging 3.0 percent per quarter compared to 2.3 percent last year. At 110 months, the current expansion is now the 2nd longest in U.S. history dating back to 1854 according to data from the National Bureau of Economic Research. Growth appears poised to continue with the Institute of Supply Management manufacturing and non-manufacturing indices remaining firmly expansionary and measures of consumer and small business sentiment persisting at historically elevated levels. Likewise, labor market conditions remain supportive of continued growth with nonfarm payrolls averaging $220k per month over the fiscal year and the unemployment rate falling to a 48-year low

of just 3.7 percent. Looking ahead, the pace of economic growth is expected to moderate as escalating trade tensions between the U.S. and China, fading benefits from the Tax Cuts and Jobs Act, less accommodative monetary policy, and slowing global growth weigh on momentum.

Against last year's supportive economic backdrop, the Federal Reserve (Fed) raised interest rates 4 times during the fiscal year to a range of between 2.0 percent and 2.25 percent. Short-term Treasury yields closed September at their highest levels in over a decade while ten-year Treasury yields closed above 3.0 percent for just the third time since 2011. After widening materially through March, yield spreads between asset classes rallied tighter to close the fiscal year largely unchanged. As the credit cycle matures, elevated geopolitical tensions and slowing rates of global growth suggest spreads may be more volatile over the coming year. Monetary policy is likely to become increasingly data and financial market condition dependent as the Fed evaluates the potential for slowing global growth to weigh on domestic economic activity.

The District's primary source of funding is ad valorem property taxes. The fiscal year 2018-19 budget of $110.6 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 $2.5 million compared to fiscal year 2017-18.

On September 25, 2018, the District's Governing Board adopted a final millage, the rolled-back rate of 0.2955 mill, a reduction of 5.6 percent below the rate levied for fiscal year 2017-18. This will save taxpayers approximately $6.9 million. The 2018 tax roll, upon which taxes for fiscal year 2018-19 are based, increased by 8.39 percent from 2017.

The District continues to look for opportunities to improve efficiencies and further streamline processes while improving the services provided to the public. This resulted in an operating portion of the budget of $76.2 million with no increase over the FY2017-18 and provides the District the opportunity to sustain a significant investment in critical water resource management projects for the west-central Florida region. The adopted budget for FY2018-19 is $176.3 million, compared to $183.7 million for FY2017-2018.

The District's fiscal resources, supplemented with project reserves, can adequately maintain a healthy investment in the water resources and economy over the next five years. 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 revenue increases through normal growth, allowing the District to continue to operate on a pay-as-you-go basis.

Requests for Information

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

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, 2018

	Governmental Activities
ASSETS	
Cash and Investments	$ 401,584,124
Receivables	3,797,381
Deposits	69,680
Inventories	31,768
Prepaids	627,687
Other Assets	155,865
Restricted Assets:	
Cash and Investments	70,958,914
Intergovernmental Receivable	1,789,123
Long Term-Receivables	6,731,943
Capital Assets Not Being Depreciated:	
Land	605,456,367
Land Interests	118,420,586
Land Acquisition in Progress	154,877
Construction in Progress	1,087,424
Capital Assets (Net of Accumulated Depreciation):	
Buildings	18,448,042
Machinery and Equipment	5,535,427
Infrastructure	87,203,888
Software	769,642
Other Capital Assets	55,123
Total Assets	1,322,877,861
DEFERRED OUTFLOWS OF RESOURCES	
OPEB	916,344
Pension	11,769,151
Total Deferred Outflows of Resources	12,685,495
LIABILITIES	
Accounts and Contracts Payable	25,291,167
Payroll and Related Costs	1,905,916
Contracts Payable-Retainage	384,484
Unearned Revenue	598,417
Liabilities Payable from Restricted Assets:	
Accounts and Contracts Payable	9,869,667
Contracts Payable-Retainage	76,376
Unearned Revenue	15,730,661
Interest Payable	3,424
Non-Current Liabilities:	
Due Within One Year	1,016,922
Due in More Than One Year	44,661,442
Total Liabilities	99,538,476
DEFERRED INFLOWS OF RESOURCES	
OPEB	295,184
Pension	4,550,597
Total Deferred Inflows of Resources	4,845,781
NET POSITION	
Net Investment in Capital Assets	836,928,761
Restricted for:	
Watershed Basins	36,001,332
Land Acquisition	11,066,577
Unrestricted	347,182,429
Total Net Position	$ 1,231,179,099

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, 2018

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Assets: Total Governmental Activities
Primary government:					
Governmental Activities:					
Water Resource Planning and Monitoring	$ 25,834,345	$ -	$ 1,639,196	$ 1,818,000	$ (22,377,149)
Land Acquisition, Restoration and Public Works	54,494,495	1,110,619	5,865,455	541,176	(46,977,245)
Operation and Maintenance of Works and Lands	18,306,423	903,740	2,675,928	8,000	(14,718,755)
Regulation	18,061,178	1,957,545	-	-	(16,103,633)
Outreach	1,989,576	-	-	-	(1,989,576)
Management and Administration	11,022,775	21,167	-	-	(11,001,608)
Interest	18,171	-	-	-	(18,171)
Total Governmental Activities	$ 129,726,963	$ 3,993,071	$ 10,180,579	$ 2,367,176	(113,186,137)

General Revenues:	
Ad Valorem Property Taxes	108,831,823
Unrestricted Investment Earnings	4,691,293
Gain on Sale of Capital Assets	2,024,897
Other	1,644,787
Total General Revenues	117,192,800
Change in Net Position	4,006,663
Net Position - Beginning	1,227,180,647
Prior Period Adjustment (see note I.F., page 29)	(8,211)
Net Position - Beginning - Restated (see note I.F., page 29)	1,227,172,436
Net Position - Ending	$ 1,231,179,099

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

Southwest Florida Water Management District
Balance Sheet
Governmental Funds
September 30, 2018

	General Fund	DOT Mitigation	Florida Forever	Capital Projects	Total Governmental Funds
ASSETS					
Cash and Investments	$ 440,313,946	$ 13,591,833	$ 11,586,937	$ 7,050,322	$ 472,543,038
Due From Other Governments	10,314,194	-	23,536	-	10,337,730
Interest Receivable	1,980,717	-	-	-	1,980,717
Deposits	69,680	-	-	-	69,680
Inventories	31,768	-	-	-	31,768
Prepaids	627,687	-	-	-	627,687
Other Assets	155,865	-	-	-	155,865
Total Assets	453,493,857	13,591,833	11,610,473	7,050,322	485,746,485
LIABILITIES					
Accounts and Contracts Payable	34,974,234	126,571	19,636	43,817	35,164,258
Payroll and Related Costs	1,905,916	-	-	-	1,905,916
Contracts Payable-Retainage	451,920	8,940	-	-	460,860
Unearned Revenue	2,774,523	13,456,322	-	-	16,230,845
Total Liabilities	40,106,593	13,591,833	19,636	43,817	53,761,879
DEFERRED INFLOWS OF RESOURCES					
Unavailable Revenue-Property Taxes	307,170	-	-	-	307,170
Unavailable Revenue-Intergovernmental Revenue	6,731,943	-	-	-	6,731,943
Total Deferred Inflows of Resources	7,039,113	-	-	-	7,039,113
FUND BALANCES					
Nonspendable	659,455	-	-	-	659,455
Restricted	35,478,889	-	11,066,577	-	46,545,466
Committed	113,844,650	-	-	-	113,844,650
Assigned	238,318,284	-	524,260	7,006,505	245,849,049
Unassigned	18,046,873	-	-	-	18,046,873
Total Fund Balances	406,348,151	-	11,590,837	7,006,505	424,945,493
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	$ 453,493,857	$ 13,591,833	$ 11,610,473	$ 7,050,322	

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.	837,131,376
Deferred outflows are applicable to future periods and, therefore, are not reported in the funds.	12,685,495
Deferred inflows are applicable to future periods and, therefore, are not reported in the funds.	(4,845,781)
Delinquent taxes are not available to pay for current period expenditures and, therefore, are reported as deferred inflows of resources in the funds.	307,170
Earned but unavailable intergovernmental revenues should be recognized in the statement of activities regardless of whether they are available.	6,731,943
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.	(45,776,597)
Net position of governmental activities	$ 1,231,179,099

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, 2018

	General Fund	DOT Mitigation	Florida Forever	Capital Projects	Total Governmental Funds
REVENUES					
Ad Valorem Property Taxes	$ 107,257,120	$ -	$ -	$ 1,629,100	$ 108,886,220
Intergovernmental Revenues	5,912,721	970,601	41,611	-	6,924,933
Interest on Invested Funds	4,217,829	264,387	209,077	-	4,691,293
License and Permit Fees	1,935,987	-	-	-	1,935,987
Other	1,763,519	-	10,000	-	1,773,519
Total Revenues	121,087,176	1,234,988	260,688	1,629,100	124,211,952
EXPENDITURES					
Current:					
Water Resource Planning and Monitoring	26,059,656	-	-	-	26,059,656
Land Acquisition, Restoration and Public Works	49,763,104	1,234,988	60,302	277,327	51,335,721
Operation and Maintenance of Works and Lands	16,778,523	-	-	9,653	16,788,176
Regulation	17,252,328	-	-	-	17,252,328
Outreach	1,962,926	-	-	-	1,962,926
Management and Administration	10,554,876	-	-	-	10,554,876
Debt Service:					
Principal	100,924	-	-	-	100,924
Interest	18,171	-	-	-	18,171
Total Expenditures	122,490,508	1,234,988	60,302	286,980	124,072,778
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,403,332)	-	200,386	1,342,120	139,174
OTHER FINANCING SOURCES (USES)					
Proceeds from Sale of Capital Assets	760,333	-	1,541,200	-	2,301,533
Total Other Financing Sources (Uses)	760,333	-	1,541,200	-	2,301,533
Net Change in Fund Balances	(642,999)	-	1,741,586	1,342,120	2,440,707
Fund Balances - Beginning	406,991,150	-	9,849,251	5,664,385	422,504,786
Fund Balances - Ending	$ 406,348,151	$ -	$ 11,590,837	$ 7,006,505	$ 424,945,493

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

Net change in fund balances - total governmental funds	$ 2,440,707
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation expense exceeds capital outlays in the current period.	(4,002,850)
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, donations and adjustments) resulted in a increase to net position.	1,715,126
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.	5,279,313
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.	100,924
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.	(1,526,557)
Change in net position of governmental activities	$ 4,006,663

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, 2018

	Budgeted Amounts			
	Original	**Final**	**Actual Amounts**	**Variance with Final Budget**
REVENUES				
Ad Valorem Property Taxes	$ 106,487,179	$ 106,487,179	$ 107,257,120	$ 769,941
Intergovernmental Revenues	46,291,630	46,291,630	5,912,721	(40,378,909)
Interest on Invested Funds	6,200,000	6,200,000	4,217,829	(1,982,171)
License and Permit Fees	1,938,500	1,938,500	1,935,987	(2,513)
Other	603,028	603,028	1,763,519	1,160,491
Total Revenues	161,520,337	161,520,337	121,087,176	(40,433,161)
EXPENDITURES				
Current:				
Water Resource Planning and Monitoring	43,293,918	43,553,425	26,059,656	17,493,769
Land Acquisition, Restoration and Public Works	242,511,924	240,885,365	49,763,104	191,122,261
Operation and Maintenance of Works and Lands	24,791,000	25,784,572	16,778,523	9,006,049
Regulation	20,908,773	21,157,207	17,252,328	3,904,879
Outreach	2,716,034	2,838,959	1,962,926	876,033
Management and Administration	12,981,150	12,983,271	10,554,876	2,428,395
Debt Service:				
Principal	-	-	100,924	(100,924)
Interest	-	-	18,171	(18,171)
Total Expenditures	347,202,799	347,202,799	122,490,508	224,712,291
Excess (Deficiency) of Revenues Over (Under) Expenditures	(185,682,462)	(185,682,462)	(1,403,332)	184,279,130
OTHER FINANCING SOURCES (USES)				
Proceeds from Sale of Capital Assets	-	-	760,333	760,333
Total Other Financing Sources (Uses)	-	-	760,333	760,333
Net Change in Fund Balance	(185,682,462)	(185,682,462)	(642,999)	185,039,463
Fund Balance - Beginning	185,682,462	185,682,462	406,991,150	221,308,688
Fund Balance - Ending	$ -	$ -	$ 406,348,151	$ 406,348,151

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, 2018

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
REVENUES			
Intergovernmental Revenues	$ 3,777,715	$ 970,601	$ (2,807,114)
Interest on Invested Funds	-	264,387	264,387
Total Revenues	3,777,715	1,234,988	(2,542,727)
EXPENDITURES			
Current:			
Land Acquisition, Restoration and Public Works	3,777,715	1,234,988	2,542,727
Total Expenditures	3,777,715	1,234,988	2,542,727
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.

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, 2019.

B. Government-wide and fund financial statements

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

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

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

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

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and 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.8., page 28).

The District has two capital projects funds that are maintained to account for financial resources from the District's general fund to be used for the acquisition, construction, or renovation of major capital projects. These funds are displayed in the governmental funds' financial statements as Capital Projects Fund and Florida Forever Fund.

The *Capital Projects Fund* accounts for financial resources from the District's general fund to be used for the acquisition, construction, or renovation of major capital projects of the District's facilities and structures.

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.8., page 27).

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.

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. 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.

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

Assets	Years
Buildings	5 - 50
Machinery & Equipment	3 - 15
Infrastructure	20 - 50
Software	3
Other	5

4. Compensated absences

District employees accrue annual and sick leave benefits based on hours worked and length of service. Annual leave is vested after six 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 if hired on or before 9/30/12. For employees hire on or after 10/1/12 it is 10 years of creditable service 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.

5. 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.

6. 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.

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.

7. 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 governmental 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 circumstances 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.G., 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.

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.

8. 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) has oversight responsibility for this trust fund.

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

The Water Protection and Sustainability Program 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 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 FDEP has oversight responsibility for this trust fund.

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

9. 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. 83, *Certain Asset Retirement Obligations.* This Statement requires government entities to record a liability for costs that will be incurred if there is a legally enforceable action that must be taken when retiring a tangible asset or disposing of a replaced part of the asset if there are restrictions on the disposal. It also requires the recording of a liability for environmental remediation of a tangible capital asset if the remediation needed is a result of normal operation. Currently, the District has no such obligations.

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

The Florida Retirement System (FRS) implemented GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions.* The implementation resulted in FRS restating their beginning net position for the Pension Plan and increasing the net pension liability at July 1, 2017 by $10,152,810. The District's proportionate share of the net pension liability increase was $8,211 (see note V.D., page 44 and the Required Supplementary Information).

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 $12,685,495 difference are as follows:

Other Postemployment benefits (OPEB)	$ 916,344
Pension-FRS	10,256,453
Pension-HIS	1,512,698
Net Adjustment (to increase *fund balance - total governmental funds to arrive at net position of governmental activities)*	$ 12,685,495

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 $4,845,781 difference are as follows:

OPEB	$ 295,184
Pension-FRS	2,663,813
Pension-HIS	1,886,784
Net Adjustment (to decrease *fund balance - total governmental funds to arrive at net position of governmental activities)*	$ 4,845,781

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."

Pension-FRS	$ 23,585,616
Pension-HIS	10,857,106
Compensated Absences	4,271,067
Other Postemployment Benefits (see note V.E., page 52)	5,924,960
Claims (see note V.A., page 42)	837,000
Capital Leases	202,615
Unearned Revenue	98,233
Net Adjustment (to decrease fund balance - *total governmental funds* to arrive at *net position of governmental activities)*	$ 45,776,597

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

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

The details of this $4,002,850 difference are as follows:

Capital Outlay	$ 3,250,316
Depreciation Expense	(7,253,166)
Net Adjustment (*to decrease net change in fund balances - total governmental funds to arrive at change in net position of governmental activities)*	$ (4,002,850)

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 an increase to net position."

The details of this $1,715,126 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.	$ 2,325,565
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.	(610,439)
Net Adjustment (to increase *net change in fund balances - total governmental funds* to arrive at *change in net position of governmental activities)*	$ 1,715,126

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 $5,279,313 increase are as follows:

Delinquent Taxes (less than prior year-end)	$ (54,397)
Long-Term Receivable-Intergovernmental Revenue	4,811,267
Long-Term Receivable-Other Revenue	522,443
Net Adjustment (to increase *net change in fund balances - total governmental funds to arrive at change in net position of governmental activities)*	$ 5,279,313

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 $1,526,557 difference are as follows:

Compensated Absences	$ 82,593
Claims (medical)	5,000
Claims (workers comp)	(63,000)
Pension Liability and Related Deferred Balances-FRS	(1,575,533)
Pension Liability and Related Deferred Balances-HIS	(89,777)
Total OPEB Liability and Related Deferred Balances	114,160
Net Adjustment (to decrease *net change in fund balances - total governmental funds to arrive at change in net position of governmental activities)*	$ (1,526,557)

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 2017-18 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 set at the fund level.

IV. Detailed Notes

A. Cash and investments

As of September 30,2018, the District had the following cash and investments:

Investment Type	Fair Value		Weighted Average Maturity (Years)
U.S. Treasuries	$ 188,120,976		1.49
Corporate Notes	108,790,636		1.05
Federal Instrumentalities	93,647,482		1.17
Commercial Paper	10,330,238		0.10
State Board of Administration Florida PRIME	61,061,103	(1)	0.09
Money Market Funds	7,633,722		liquid daily
Total Financial Fair Value of Investments	469,584,157		
Portfolio Weighted Average Maturity			1.09
Investment in Land Held for Resale	475,000		
Total Investments	470,059,157		
Demand Deposit Accounts	2,483,031	(2)	
Petty Cash	850		
Total Cash and Investments	$ 472,543,038		

(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, 2018, the carrying amount of the District's cash demand deposit account was $2,483,031 and the bank balance was $5,409,097. The District actively manages its cash balance and invests excess cash on a daily basis.

Interest rate risk: In accordance with the District's investment policy, the exposure to declines in fair values is managed by structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations and limiting the weighted average maturity of its investment portfolio to five years or less. Of the District's investments, $2,312,019 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 A- through AAA by Standard and Poor's and A3 through Aaa by Moody's Investor Services. The investments in commercial paper were rated A-1 by Standard and Poor's and P-1 by Moody's Investor Services. The investments in Government Sponsored Enterprise (GSE) securities (Federal Instrumentalities) include FNMA (Fannie Mae), FHLMC (Freddie Mac), FFCB (Federal Farm Credit Bank) and FHLB (Federal Home Loan Bank). These GSE securities had long-term ratings of AA+ and Aaa, and short-term ratings of A-1+ and P-1 by S&P and Moody's, respectively.

Custodial credit risk - deposits: At September 30, 2018, 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 (7.33 percent) and Federal Home Loan Mortgage Corporation (6.66 percent).

For the financial investments held at September 30, 2018, the District's policy had the following limitations.

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

*The combined maximum amount of available funds invested in Federal Instrumentalities and mortgage-backed securities, if applicable, will not exceed fifty percent (50%).
**National Recognized Statistical Rating Organization (NRSRO).
***The maximum amount of corporate investments will not exceed forty percent (40%). Therefore, the combination of Commercial Paper and Corporate Notes shall not exceed forty percent (40%). Corporate Notes are limited to 15% per industry.

Investments reported at amortized cost: The District has investments in the State Board of Administration (SBA) Florida Prime, which maintains a stable net asset value per share. Florida PRIME is not required to register (and has not registered) with the Securities and Exchange Commission. Sections 218.40 through 218.415, Florida Statutes, and State Board of Administration Rules 19-7.002 through 19-7.016, Florida Administrative Code, promulgated pursuant to Section 218.405(4), Florida Statutes, govern the operation of 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. 79, which amended GASB Statement No. 31, paragraphs 11 and 16, and Statement No. 59, paragraph 5, 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. As of September 30, 2018, the District had $61,061,103 invested in the State Board of Administration Florida PRIME.

Florida PRIME currently has no limitations or restrictions on withdrawals. As of September 30, 2018, 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, 2018, no such disclosure has been made. All Florida PRIME investment policies can be found at www.sbafla.com/prime.

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 one inputs are quoted prices in active markets for identical assets; Level two inputs are significant other observable inputs; Level three inputs are significant unobservable inputs.

The District has the following fair value measurements as of September 30, 2018:

- U.S. treasury securities of $188,120,976 are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices (Level two inputs).
- Corporate Notes of $108,790,636 are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices (Level two inputs).
- Federal instrumentalities of $93,647,482 are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices (Level two inputs).
- Commercial Paper of $10,330,238 are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices (Level two inputs).
- Money markets of $7,633,722 are valued using the quoted market prices (Level one inputs).
- The District has $475,000 of non-financial assets in the form of land held for resale. The pricing is established by third-party appraisals (Level three inputs) and the value has not changed materially since its acquisition.

	9/30/2018	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	$ 188,120,976	$ -	$ 188,120,976	$ -
Corporate Notes	108,790,636	-	108,790,636	-
Federal Instrumentalities	93,647,482	-	93,647,482	-
Commercial Paper	10,330,238	-	10,330,238	-
Total Debt Securities	400,889,332	-	400,889,332	-
Money Market Funds	7,633,722	7,633,722	-	-
Land Held for Resale	475,000	-	-	475,000
Total Investments Measured at Fair Value	$ 408,998,054	$ 7,633,722	$ 400,889,332	$ 475,000
Investments Measured at Amortized Cost				
State Board of Administration Florida PRIME	61,061,103			
Total Investments Measured at Fair Value and Amortized Cost	$ 470,059,157			

B. 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.

C. 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:

	Unearned Revenue
General	
Grant drawdowns prior to meeting all eligibility requirements	$ 2,774,523
DOT Mitigation	
Fund drawdowns prior to meeting all eligibility requirements	13,456,322
Total Unearned Revenue for Governmental Funds	$ 16,230,845

D. Capital assets

Capital asset activity for the year ended September 30, 2018, was as follows:

	Balance, October 1, 2017	Increases	Decreases	Reclassifications	Balance, September 30, 2018
Capital Assets, Not Being Depreciated:					
Land	$ 605,789,273	$ -	$ (332,906)	$ -	$ 605,456,367
Land Interests	116,069,218	2,342,851	-	8,517	118,420,586
Land Acquisitions in Progress	132,162	31,232	-	(8,517)	154,877
Construction in Progress	2,075,173	773,318	(199,632)	(1,561,435)	1,087,424
Total Capital Assets, Not Being Depreciated	724,065,826	3,147,401	(532,538)	(1,561,435)	725,119,254
Capital Assets, Being Depreciated:					
Buildings	34,262,844	51,810	(35,838)	-	34,278,816
Machinery and Equipment	26,281,870	1,815,774	(1,679,910)	-	26,417,734
Infrastructure	165,914,279	350,979	-	1,561,435	167,826,693
Software	51,343,799	170,853	-	-	51,514,652
Other	147,435	39,064	-	-	186,499
Total Capital Assets Being Depreciated	277,950,227	2,428,480	(1,715,748)	1,561,435	280,224,394
Less Accumulated Depreciation for:					
Buildings	15,094,755	753,100	(17,081)	-	15,830,774
Machinery and Equipment	20,772,151	1,730,922	(1,620,766)	-	20,882,307
Infrastructure	76,728,765	3,894,040	-	-	80,622,805
Software	49,878,670	866,340	-	-	50,745,010
Other	122,612	8,764	-	-	131,376
Total Accumulated Depreciation	162,596,953	7,253,166	(1,637,847)	-	168,212,272
Total Capital Assets, Being Depreciated, Net	115,353,274	(4,824,686)	(77,901)	1,561,435	112,012,122
Governmental Activities Capital Assets, Net	$ 839,419,100	$ (1,677,285)	$ (610,439)	$ -	$ 837,131,376

Depreciation expense was charged to programs of the District as follows:

Governmental activities	
Water Resource Planning and Monitoring	$ 698,999
Acquisition, Restoration and Public Works	3,114,210
Operation and Maintenance of Works and Lands	2,301,371
Regulation	806,396
Outreach	11,303
Management and Administration	320,887
Total Depreciation Expense - Governmental Activities	$ 7,253,166

E. Leases

Operating leases

The District has lease commitments under various operating leases for buildings, two-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, 2018, amounted to $166,316.

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
2019	$ 152,592
2020	141,796
2021	142,312
2022	50,496
2023	32,274
2024-2028	161,368
2029	21,516
	$ 702,354

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, 2018 is $86,160.

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, 2018 is $116,455.

The future minimum lease obligation and the net present value of these minimum lease payments as of September 30, 2018, were as follows:

Fiscal Year Ending September 30,	Minimum Lease Payments
2019	$ 119,095
2020	88,988
2021	9,893
Total Minimum Lease Payments	217,976
Less: Amount Representing Interest Present	(15,361)
Value of Minimum Lease Payments	$ 202,615

F. Long-term obligations

Long-term liability activity for the year ended September 30, 2018, was as follows:

	Beginning Balance (*Restated)	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Compensated Absences	$ 4,353,660	$ 5,065,055	$ 5,147,648	$ 4,271,067 (1)	$ 427,107
Total OPEB Liability	6,455,651	483,726	1,014,417	5,924,960 (1)	-
Workers' Compensation	497,000	108,699	45,699	560,000 (1)	204,940
Medical Claims	282,000	6,388,450	6,393,450	277,000 (1)	277,000
Capital Lease	303,539	-	100,924	202,615 (1)	107,875
Net Pension Liabilities:					
FRS *	23,930,364	4,104,934	4,449,682	23,585,616 (1)	-
HIS	11,488,740	979,723	1,611,357	10,857,106 (1)	-
Total	$ 47,310,954	$ 17,130,587	$ 18,763,177	$ 45,678,364	$ 1,016,922

* The District's beginning balance of FRS net pension liability was restated by an increase of $8,211 due to FRS restating their 6/30/17 net pension liability by an increase of $10,152,810 (see note V.D.,page 44).

(1) The general fund has typically been used to satisfy these obligations.

G. Fund Balance

Fund balances for all major funds at September 30, 2018 were as follows:

	General Fund	Florida Forever	Capital Projects	Total All Funds
Nonspendable:				
Inventory	$ 31,768	$ -	$ -	$ 31,768
Prepaids	627,687	-	-	627,687
Total Nonspendable	659,455	-	-	659,455
Restricted for:				
Alafia River Basin	441,949	-	-	441,949
Hillsborough River Basin	16,091,078	-	-	16,091,078
Coastal Rivers Basin	328,028	-	-	328,028
Pinellas-Anclote River Basin	12,145,045	-	-	12,145,045
Withlacoochee River Basin	1,802,168	-	-	1,802,168
Peace River Basin	1,357,387	-	-	1,357,387
Manasota Basin	3,313,234	-	-	3,313,234
Land Acquisition	-	11,066,577	-	11,066,577
Total Restricted	35,478,889	11,066,577	-	46,545,466
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	37,802,159	-	-	37,802,159
Self-Funded Medical Reserve	1,700,000	-	-	1,700,000
Land Management	2,242,491	-	-	2,242,491
Total Committed	113,844,650	-	-	113,844,650
Assigned to:				
District Water Management Planning	11,736,858	-	-	11,736,858
Research, Data Collection, Analysis and Monitoring	3,378,463	-	-	3,378,463
Technical Assistance	16,919	-	-	16,919
Technology and Information Services	2,337,485	-	-	2,337,485
Land Acquisition	12,985	-	115,000	127,985
Water Source Development	78,806,702	-	-	78,806,702
Surface Water Projects	108,697,807	-	-	108,697,807
Facilities Construction and Major Renovations	184,000	-	6,891,505	7,075,505
Land Management & Use	750,403	-	-	750,403
Works	1,636,864	-	-	1,636,864
Facilities	453,384	-	-	453,384
Invasive Plant Control	16,825	-	-	16,825
Other Operation and Maintenance Activities	16,403	-	-	16,403
Fleet Services	317,271	-	-	317,271
Consumptive Use Permitting	1,088,530	-	-	1,088,530
Water Well Construction, Permitting and Contractor Licenses	8,917	-	-	8,917
Environmental Resource and Surface Water Permitting	328,439	-	-	328,439
Regulatory and Enforcement Activities	210,874	-	-	210,874
Water Resource Education	543,320	-	-	543,320
Public Information	21,005	-	-	21,005
Administrative and Operations Support	1,218,951	-	-	1,218,951
Workers' Compensation Reserve	560,000	-	-	560,000
Self-Funded Medical Reserve	4,253,596	-	-	4,253,596
Land Management	-	524,260	-	524,260
Subsequent Years Budget	21,722,283	-	-	21,722,283
Total Assigned	238,318,284	524,260	7,006,505	245,849,049
Unassigned:	18,046,873	-	-	18,046,873
Total Fund Balances	$ 406,348,151	$ 11,590,837	$ 7,006,505	$ 424,945,493

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 to maintain enough working capital for a two-month period. The amount of the reserve is established annually through the resolution to adopt the final budget for the next fiscal year and will fluctuate (increase/decrease) based on the amount of funds needed to maintain enough working capital for a two-month period. For September 30, 2018, the amount has been reset to $22.1 million. The reserve is to provide enough 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 two 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, 2018, 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. In addition, no claims settlement has exceeded the insurance coverage amounts for the past three fiscal years. 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.

The estimated claims liabilities by risk category at September 30, 2018 are as follows:

	Year ended 9/30/2018	Amounts Due Within One Year
Workers' Compensation	$ 560,000	$ 204,940
Medical Claims	277,000	277,000
Claims Liabilities, End of Fiscal Year	$ 837,000	$ 481,940

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
2017	$ 980,334	$ 5,289,957	$ (5,491,291)	$ 779,000
2018	779,000	6,497,149	(6,439,149)	837,000

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, 2018, general fund assets of $560,000 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 $4,253,596 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, 2018, the District estimates the value of the financial assurances provided by the various mitigation banks is $12.4 million.

C. Commitments and contingencies

At September 30, 2018, the District had unrestricted net position of approximately $347.2 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 $84.4 million; fund board and management designations in the amount of $12.6 million; fund future long- and short-term projects in the amount of approximately $197.4 million; maintain an economic stabilization reserve of $22.1 million; support land management activities in the amount of $2.5 million; pay claims associated with the District's Workers' Compensation and Medical Claims

Self-Insurance Program in the amount of $6.5 million; and carry forward $21.7 million into the fiscal year 2018-19 budget.

The District had restricted net position of $47.1 million. Of this amount, $36 million must be used for projects in the seven former watershed basins and $11.1 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 Department of Management Services, Division of Retirement Research and Education Section, P.O. Box 9000, Tallahassee, Florida 32315-9000, or from the Web-site: https://www.dms.myflorida.com/workforce_operations/retirement/publications.

Pension Plan

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

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

before age 62 and receive reduced retirement benefits. Senior Management Service class members who retire at or after age 62 with at least six years of credited service or 30 years of service regardless of age are entitled to a retirement benefit payable monthly for life, equal to two 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, 2017 through June 30, 2018, and from July 1, 2018 through September 30, 2018, were:

Job Class	*Employee October 2017 through September 2018*	*Employer October 2017 through June 2018 (1)*	*Employer July 2018 through September 2018 (1)*
Regular	3.00%	7.92%	8.26%
Senior Management Service	3.00%	22.71%	24.06%
Drop Participants	-	13.26%	14.03%

(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 $2,274,694 for the fiscal year ended September 30, 2018. Employee contributions collected by the District and remitted to the Pension Plan were $874,996.

Pension liabilities, pension expense, and deferred outflows of resources and deferred inflows of resources related to pensions – At September 30, 2018, the District reported a liability of $23,585,616 for its proportionate share of the Pension Plan's net pension liability. This includes the restatement of the net pension liability for the FRS Pension Plan at July 1, 2017, which

was an increase of $10,152,810 due to the restatement of the fund's beginning net position resulting from the implementation of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions.* This decreased the District's beginning net position by $8,211. The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2018. The District's proportionate share of the net pension liability was calculated using accrued retirement contributions from July 1, 2012 through June 30, 2018 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, 2018, the District's proportionate share of the pension plan was 0.078304150 percent, which was a decrease of 0.002570414 percent from its proportionate share measured as of June 30, 2017.

For the fiscal year ended September 30, 2018, the District recognized pension expense of $3,850,224. In addition, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	$ 1,998,056	$ 72,520
Change of Assumptions	7,706,632	-
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	-	1,822,276
Changes in Proportion and Differences Between District Pension Plan Contributions and Proportionate Share of Contributions	-	769,017
District Pension Plan Contributions Subsequent to the Measurement Date	551,765	-
Total	$ 10,256,453	$ 2,663,813

The deferred outflows of resources related to the Pension Plan, totaling $551,765 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, 2019. 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
2019	$ 1,020,412
2020	1,020,412
2021	1,020,412
2022	1,020,412
2023	1,020,411
Thereafter	1,938,816
Total	$ 7,040,875

Actuarial assumptions – The total pension liability in the July 1, 2018 actuarial valuation for the June 30, 2018 measurement date was determined using the following actuarial assumptions, applied to all periods included in the June 30,2018 measurement date:

Inflation	2.60%
Salary Increases	3.25%, average, including inflation
Investment Rate of Return	7.00%, 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
Actuarial Cost Method	Individual entry age

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

The actuarial assumptions used in the July 1, 2018 valuation for the measurement date of June 30, 2018 were based on an FRS experience study completed in 2014 (published September 2014) for the period July 1, 2008 through June 30, 2013.

The long-term expected rate of return assumption of 7.00 percent consists of two building-block components: 1) a real (in-excess-of inflation) return of 4.40 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 2018 by the FRS Actuarial Assumption Conference. In the opinion of the FRS consulting actuary, Milliman, both components and the overall 7.00 percent return assumption were determined to be reasonable and appropriate per the Actuarial Standards of Practice. The 7.00 percent reported investment return assumption differs from the 7.40 percent investment return assumption chosen by the 2018 FRS Actuarial Assumption Conference for funding policy purposes, as allowable under governmental accounting and reporting standards.

For reference, the table below contains a summary of Milliman's assumptions for each of the asset classes in which the plan was invested at that time based on the long-term target asset allocation. Each asset class assumption is based on a consistent set of underlying assumptions and includes an adjustment for the inflation assumption. These assumptions are not based on historical returns, but instead are based on a forward-looking capital market economic model. 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:

Asset Class	Target Allocation [1]	Annual Arithmetic Return	Compound Annual (Geometric) Return	Standard Deviation
Cash	1%	2.9%	2.9%	1.8%
Fixed Income	18%	4.4%	4.3%	4.0%
Global Equity	54%	7.6%	6.3%	17.0%
Real Estate	11%	6.6%	6.0%	11.3%
Private Equity	10%	10.7%	7.8%	26.5%
Strategic Investments	6%	6.0%	5.7%	8.6%
Total	100%			
Assumed Inflation - Mean		2.6%		1.9%

[1] As outlined in the FRS Pension Plan's investment policy available from Funds We Manage on the State Board of Administration's website at www.sbafla.com.

Discount rate - The discount rate used to measure the total pension liability decreased from 7.10 percent to 7.00 percent as of June 30, 2018. The Pension Plan's fiduciary net position is calculated using the economic resources measurement focus and accrual basis of accounting and 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.

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 7.00 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 (6.00 percent) or one percentage point higher (8.00 percent) than the current rate:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
District's Proportionate Share of the Net Pension Liability	$ 43,044,738	$ 23,585,616	$ 7,423,664

Pension plan fiduciary net position - Information on the Pensions Plan's investments and how they are valued, along with 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, 2018, eligible retirees and beneficiaries received a monthly HIS payment equal to the number of years of service credited at retirement multiplied by five dollars. The minimum HIS payment is $30 and the maximum HIS payment is $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, 2018, 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.

The District's contributions to the HIS Plan totaled $555,487 for the fiscal year ended September 30, 2018.

Pension liabilities, pension expense, and deferred outflows of resources and deferred inflows of resources related to pensions – At September 30, 2018, the District reported a liability of $10,857,106 for its proportionate share of the HIS Plan's net pension liability. The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2018. The District's proportionate share of the net pension liability was based on the contributions from July 1, 2012 through June 30, 2018 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, 2018, the District's proportionate share was 0.102579275 percent, which was a decrease of 0.004867825 percent from its proportionate share measured as of June 30, 2017.

For the fiscal year ended September 30, 2018, the District recognized pension expense of $645,263. 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	$ 166,217	$ 18,446
Change of Assumptions	1,207,444	1,147,904
Net Difference Between Projected and Actual Earnings on HIS Plan Investments	6,554	-
Changes in Proportion and Differences Between District HIS Plan Contributions and Proportionate Share of Contributions	5,260	720,434
District HIS Plan Contributions Subsequent to the Measurement Date	127,223	-
Total	$ 1,512,698	$ 1,886,784

The deferred outflows of resources related to the HIS Plan, totaling $127,223 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, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the HIS Plan will be recognized in pension expense as follows:

Fiscal Year Ending September 30:	Amount Recognized
2019	$ (69,226)
2020	(69,226)
2021	(69,226)
2022	(69,226)
2023	(69,227)
Thereafter	(155,178)
Total	$ (501,309)

Actuarial assumptions – The total pension liability in the July 1, 2018 actuarial valuation for measurement date June 30, 2018 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	3.87% (Bond Buyer General Obligation 20-Bond Municipal Bond Index)
Actuarial Cost Method	Individual entry age

The municipal bond rate increased from 3.58 percent to 3.87 percent as of June 30, 2018.

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 3.87 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 3.58 percent to 3.87 percent as of June 30, 2018, 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 3.87 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 (2.87 percent) or one percentage point higher (4.87 percent) than the current rate:

	1% Decrease (2.87%)	Discount Rate (3.87%)	1% Increase (4.87%)
District's Proportionate Share of the Net Pension Liability	$ 12,365,607	$ 10,857,106	$ 9,599,682

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:

Job Class	*Employee October 2017 through September 2018*	*Employer October 2017 through June 2018* [1]	*Employer July 2018 through September 2018* [1]
Regular	3.00%	7.92%	8.26%
Senior Management Service	3.00%	22.71%	24.06%

[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, 2018, the information for the amount of forfeitures was unavailable from the SBA; however, management believes that these amounts, if any, would be immaterial to the District.

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

The District's Investment Plan pension expense totaled $170,628 for the fiscal year ended September 30, 2018.

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	$ 23,585,616	$ 3,850,224	$ 10,256,453	$ 2,663,813
HIS Plan	10,857,106	645,263	1,512,698	1,886,784
Total	$ 34,442,722	$ 4,495,487	$ 11,769,151	$ 4,550,597

E. Other postemployment benefits (OPEB)

Plan description

The District administers the District OPEB Plan, 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 six years of service, or any age with 30 years of service.
Early Retirement under FRS: Any age and six years of service.

Employees enrolled in FRS on or after July 1, 2011.
Unreduced Retirement under FRS: Age 65 with eight years of service, or any age with 33 years of service.
Early Retirement under FRS: Any age and eight 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 and elected medical coverage. The subsidy consists of a reduction to the medical premium paid by retirees equal to five dollars per month for each year of service. A minimum of six 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 available 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 (valuation date), 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 the purpose of 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 retiree contributions for the measurement period ending September 30, 2017.

Period	Plan*	Retiree	Retiree + Spouse	Retiree + Family
October – December 2016	Blue Options	$ 705.10	$ 1,381.98	$ 1,523.00
October – December 2016	Blue Choice	$ 777.24	$ 1,523.38	$ 1,678.84
January – September 2017	Blue Options	$ 748.38	$ 1,466.82	$ 1,616.50
January – September 2017	Blue High Deductible	$ 682.76	$ 1,338.18	$ 1,474.74

*As of January 1, 2017, the District discontinued the Blue Choice option for employees and retirees and began offering the Blue High Deductible plan.

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, 2017. This is the date as of which the total OPEB liability is determined. The *reporting date* is September 30, 2018. This is the plan's and/or 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. There have been no significant changes between the valuation date and fiscal year ending date.

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.

OPEB liability, OPEB expense, and deferred outflows of resources and deferred inflows of resources related to OPEB

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, and was then projected forward to the measurement date. 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.

Total OPEB Liability	Reporting Date	9/30/2018
	Measurement Date	9/30/2017
Total OPEB Liability		$ 5,924,960
Covered Payroll		$ 33,255,767
Total OPEB Liability as a % of Covered Payroll		17.82%

Changes in Total OPEB Liability

	Amount Recognized Increase (Decrease) Total OPEB Liability
Balance as of September 30, 2017	$ 6,455,651
Changes for the Year:	
Service Cost	287,779
Interest on Total OPEB Liability	195,947
Effect of Assumptions Changes or Inputs	(337,837)
Benefit Payments	(676,580)
Balance as of September 30, 2018	$ 5,924,960

OPEB Expense

As of September 30, 2018, the District's OPEB expense for the reporting period are as follows:

OPEB Expense for Reporting Period	10/01/17 to 9/30/18
Service Cost	$ 287,779
Interest on Total OPEB Liability	195,947
Recognition of Deferred Inflows/Outflows of Resources	
- Recognition of Assumption Changes or Inputs	5,410
OPEB Expense	$ 489,136

OPEB Deferred Inflow and Deferred Outflows of Resources

As of September 30, 2018, the deferred inflows and outflows of resources are as follows:

Deferred Inflows/Outflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of Assumptions	$ 274,344	$ 295,184
Employer Contributions Subsequent to the Measurement Date	642,000	-
Total	$ 916,344	$ 295,184

The deferred outflows of resources related to OPEB, totaling $642,000 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, 2019. 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
2019	$ 5,410
2020	5,410
2021	5,410
2022	5,410
2023	5,410
Thereafter	(47,890)
Total	$ (20,840)

As of January 1, 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 one percent.

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, 2016 measurement date was 3.058% and the discount rate used for the September 30, 2017 measurement date was 3.64%.

Inflation rate

The inflation rate assumption was developed in compliance with Actuarial Standards of Practice 27 (ASOP 27) and Governmental Accounting Standard 75 (GASB 75). The inflation rate assumption was established referencing relevant national benchmarks.

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 demographic assumptions that determined the total OPEB liability as of September 30, 2017 measurement date were based on demographic assumptions as provided by the District's pension actuary for the Florida Retirement System as adopted by the Florida Retirement System Board 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.

Valuation Date	October 1, 2016
Measurement Date	September 30, 2017
Inflation	2.50%
Salary Increases Including Inflation	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.

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

Year	Percentage Trend
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. This trend is not applied to the premium subsidy.

The 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 3.64%, 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 (2.64%) or one percentage point higher (4.64%) than the current rate.

Discount Rate Sensitivity

	1% Decrease (2.64%)	Current Discount Rate (3.64%)	1 % Increase (4.64%)
Total OPEB Liability	$ 6,516,383	$ 5,924,960	$ 5,385,777

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	$ 5,199,133	$ 5,924,960	$ 6,783,084

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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 Five Fiscal Years*
(unaudited)

	2018	2017(1)	2016	2015	2014
Southwest Florida Water Management District's Proportion of the Net Pension Liability	0.078304150%	0.080874564%	0.081597672%	0.085221195%	0.085241884%
Southwest Florida Water Management District's Proportionate Share of the Net Pension Liability	$ 23,585,616	$ 23,930,364	$ 20,603,476	$ 11,007,460	$ 5,201,008
Southwest Florida Water Management District's Covered Payroll	$ 33,502,577	$ 34,253,733	$ 33,767,303	$ 33,220,502	$ 32,864,918
Southwest Florida Water Management District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	70.40%	69.86%	61.02%	33.13%	15.83%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	84.26%	83.89%	84.88%	92.00%	96.09%

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

(1) The District's 2017 net pension liability was restated by an increase of $8,211 due to FRS restating their 6/30/17 net pension liability by an increase of

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 Five Fiscal Years*
(unaudited)

	2018	2017	2016	2015	2014
Contractually Required Contribution	$ 2,274,694	$ 2,026,784	$ 2,009,828	$ 2,156,423	$ 2,072,728
Contribution in Relation to the Contractually Required Contribution	$ (2,274,694)	$ (2,026,784)	$ (2,009,828)	$ (2,156,423)	$ (2,072,728)
Contribution Deficiency (excess)	$ -	$ -	$ -	$ -	$ -
Southwest Florida Water Management District's Covered Payroll	$ 33,445,671	$ 33,255,767	$ 33,515,421	$ 33,285,688	$ 32,638,819
Contributions as a Percentage of Covered Payroll	6.80%	6.09%	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 Five Fiscal Years*
(unaudited)

	2018	2017	2016	2015	2014
Southwest Florida Water Management District's Proportion of the Net Pension Liability	0.102579275%	0.107447100%	0.109284595%	0.109188576%	0.110038842%
Southwest Florida Water Management District's Proportionate Share of the Net Pension Liability	$ 10,857,106	$ 11,488,740	$ 12,736,667	$ 11,135,517	$ 10,288,900
Southwest Florida Water Management District's Covered Payroll	$ 33,502,577	$ 34,253,733	$ 33,767,303	$ 33,220,502	$ 32,864,918
Southwest Florida Water Management District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	32.41%	33.54%	37.72%	33.52%	31.31%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	2.15%	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 Five Fiscal Years*
(unaudited)

	2018	2017	2016	2015	2014
Contractually Required Contribution	$ 555,487	$ 551,958	$ 554,958	$ 454,612	$ 398,549
Contribution in Relation to the Contractually Required Contribution	$ (555,487)	$ (551,958)	$ (554,958)	$ (454,612)	$ (398,549)
Contribution Deficiency (excess)	$ -	$ -	$ -	$ -	$ -
Southwest Florida Water Management District's Covered Payroll	$ 33,445,671	$ 33,255,767	$ 33,515,421	$ 33,285,688	$ 32,638,819
Contributions as a Percentage of Covered Payroll	1.66%	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
Last Two Fiscal Years*
(in 1,000s)
(unaudited)

	Fiscal Year Ending September 30									
Total OPEB Liability	**2018**	**2017**	**2016**	**2015**	**2014**	**2013**	**2012**	**2011**	**2010**	**2009**
Service Cost	$ 288	$ 238	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Interest on Total OPEB Liability	196	221	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Changes of Benefit Terms	-	-	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Effect of Economic/Demographic Gains or (Losses)	-	-	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Effect of Assumption Changes or Inputs	(338)	370	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Benefit Payments	(677)	(293)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Net Change in Total OPEB Liability	(531)	536	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Total OPEB Liability, Beginning	6,456	5,919	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Total OPEB Liability, Ending	5,925	6,456	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Covered Payroll	33,256	33,515	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Total OPEB Liability as a % of Covered Payroll	17.82%	19.26%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

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
Required Supplementary Information
Schedule of OPEB Employer Contributions
Last Two Fiscal Years*
(unaudited)

Fiscal Year Ending September 30	Actuarially Determined Contribution	Actual Employer Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contribution as a % of Covered Payroll
2009	N/A	N/A	N/A	N/A	N/A
2010	N/A	N/A	N/A	N/A	N/A
2011	N/A	N/A	N/A	N/A	N/A
2012	N/A	N/A	N/A	N/A	N/A
2013	N/A	N/A	N/A	N/A	N/A
2014	N/A	N/A	N/A	N/A	N/A
2015	N/A	N/A	N/A	N/A	N/A
2016	N/A	N/A	N/A	N/A	N/A
2017	$ 293,013	$ 293,013	-	$ 33,515,421	0.87
2018	676,580	676,580	-	33,255,767	2.03

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.

Florida Retirement System (FRS) Pension Plan

Changes in assumptions - Amounts reported in 2018 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 7.10 percent to 7.00 percent as of June 30, 2018. 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 7.00 percent rate of return assumption used in the June 30, 2018 calculations was determined by the consulting actuary, Milliman, to be reasonable and appropriate per the Actuarial Standard of Practice Number 27 (ASOP 27). For additional information regarding the depletion date projection, refer to the 2018 GASB 67 Supplement to the FRS Actuarial 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.

Net pension liability for 2017 was restated by an increase of $8,211 due to FRS restating their 6/30/17 net pension liability by an increase of $10,152,810.

Florida Retirement System (FRS) Pension Plan Contribution Rates

For information on the actuarial methods and assumptions used in the July 1, 2018 funding valuation, refer to the valuation report dated December 3, 2018 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 2018 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 3.58 percent to 3.87 percent as of June 30, 2018. 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 FRS Actuarial Assumption Conference. The discount rates used in 2018 and 2017 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.

(continued)

Health Insurance Subsidy (HIS) Program Contribution Rates

The HIS essentially uses a "pay-as-you-go" funding structure. As of the June 30, 2018, 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.

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 zero in the valuation. The estimated impact of including dental and vision benefits is less than one percent. 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 one percent. Retiree and covered dependent medical liability after age 65 has been reflected as zero 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 increased by 0.58% from the rate 3.058% as of the September 30, 2016 measurement date to 3.64% as of the September 30, 2017 measurement date.

See accompanying Independent Auditors' Report.

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, 2018

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
REVENUES			
Intergovernmental Revenues	$ 4,313,400	$ 41,611	$ (4,271,789)
Interest on Invested Funds	-	209,077	209,077
Other	-	10,000	10,000
Total Revenues	4,313,400	260,688	(4,052,712)
EXPENDITURES			
Current:			
Land Acquisition, Restoration and Public Works	10,388,400	60,302	10,328,098
Total Expenditures	10,388,400	60,302	10,328,098
Deficiency of Revenues Under Expenditures	(6,075,000)	200,386	6,275,386
OTHER FINANCING SOURCES			
Proceeds from Sale of Capital Assets	-	1,541,200	1,541,200
Total Other Financing Sources	-	1,541,200	1,541,200
Net Change in Fund Balance	(6,075,000)	1,741,586	7,816,586
Fund Balance - Beginning	6,075,000	9,849,251	3,774,251
Fund Balance - Ending	$ -	$ 11,590,837	$ 11,590,837

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, 2018

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
REVENUES			
Ad Valorem Property Taxes	$ 1,629,100	$ 1,629,100	$ -
Total Revenues	1,629,100	1,629,100	-
EXPENDITURES			
Current:			
Land Acquisition, Restoration and Public Works	1,136,157	277,327	858,830
Operation and Maintenance of Works and Lands	892,734	9,653	883,081
Total Expenditures	2,028,891	286,980	1,741,911
Excess (Deficiency) of Revenues Over (Under) Expenditures	(399,791)	1,342,120	1,741,911
Fund Balance - Beginning	399,791	5,664,385	5,264,594
Fund Balance - Ending	$ -	$ 7,006,505	$ 7,006,505

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									
	2018	**2017**	**2016**	**2015 (Restated)****	**2014 (Restated)***	**2013**	**2012**	**2011**	**2010**	**2009**
Governmental Activities										
Net Investment in Capital Assets	$ 836,928,761	$ 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
Restricted for Partnership Agreement	-	-	-	-	-	-	-	-	-	21,250,000
Restricted for Watershed Basins	36,001,332	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	11,066,577	4,656,996	885,918	308,593	282,593	282,593	265,900	-	-	-
Unrestricted	347,182,429	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
Total Governmental Activities Net Position	$ 1,231,179,099	$ 1,227,180,647	$ 1,222,114,227	$ 1,230,430,430	$ 1,263,197,328	$ 1,336,757,519	$ 1,392,271,334	$ 1,415,508,541	$ 1,416,616,361	$ 1,390,537,495

* 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									
	2018 (2)	**2017**	**2016**	**2015**	**2014** (1)	**2013**	**2012**	**2011**	**2010**	**2009**
Expenses										
Governmental Activities:										
Water Resource Planning and Monitoring	$ 25,834,345	$ 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
Land Acquisition, Restoration and Public Works	54,494,495	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
Operation and Maintenance of Works and Lands	18,306,423	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
Regulation	18,061,178	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
Outreach	1,989,576	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
Management and Administration	11,022,775	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
Interest	18,171	-	-	-	-	-	-	-	-	-
Total Governmental Activities Expenses	129,726,963	120,635,509	129,871,920	156,902,111	170,051,103	178,555,662	171,197,223	200,163,951	230,714,275	270,398,353
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
Land Acquisition, Restoration and Public Works	1,110,619	1,594,803	1,858,419	-	-	-	-	-	-	-
Operation and Maintenance of Works and Lands	903,740	1,387,289	1,236,976	1,208,416	922,462	1,029,695	842,426	842,415	964,108	775,388
Regulation	1,957,545	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
Management and Administration	21,167	10,690	10,360	15,479	18,907	32,960	49,687	783,826	913,966	966,484
Operating Grants and Contributions	10,180,579	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
Capital Grants and Contributions	2,367,176	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
Total Governmental Activities Program Revenues	16,540,826	19,832,257	8,618,567	14,520,996	17,144,006	18,976,146	36,442,581	29,867,209	57,296,927	62,535,865
Net (Expense) Revenue	(113,186,137)	(100,803,252)	(121,253,353)	(142,381,115)	(152,907,097)	(159,579,516)	(134,754,642)	(170,296,742)	(173,417,348)	(207,862,488)
General Revenues and Other Changes in Net Position										
Governmental Activities:										
Ad Valorem Property Taxes	108,831,823	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
Unrestricted Investment Earnings	4,691,293	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
Gain on Sale of Capital Assets	2,024,897	464,675	-	348,325	206,258	138,990	316,321	-	-	-
Other	1,644,787	326,294	3,344,788	1,542,678	107,347	1,129,872	1,280,767	822,578	2,091,500	7,127,390
Total Governmental Activities General Revenues	117,192,800	110,685,957	112,937,150	109,614,217	103,628,623	104,065,701	111,517,435	169,188,922	199,496,214	237,056,734
Change in Net Position	$ 4,006,663	$ 9,882,705	$ (8,316,203)	$ (32,766,898)	$ (49,278,474)	$ (55,513,815)	$ (23,237,207)	$ (1,107,820)	$ 26,078,866	$ 29,194,246

(1) 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.

(2) New accounting format in 2018 to show interest expense separately.

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									
	2018	**2017**	**2016**	**2015**	**2014**	**2013**	**2012**	**2011**	**2010**	**2009**
General Fund:										
Nonspendable	$ 659,455	$ 470,681	$ 38,535	$ 46,608	$ 50,113	$ 59,042	$ 40,128	$ 40,754	$ -	$ -
Restricted	35,478,889	49,377,736	64,437,412	76,996,964	117,325,873	169,364,063	230,161,294	300,042,655	-	-
Committed	113,844,650	105,419,328	95,727,884	85,791,884	73,596,312	73,976,535	69,429,780	50,000,000	-	-
Assigned	238,318,284	230,001,122	215,881,378	218,703,879	218,230,649	207,660,056	182,313,883	184,375,566	-	-
Unassigned	18,046,873	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
Unreserved		-	-	-	-	-	-	- (1)	202,265,130	198,765,787
Total General Fund	406,348,151	406,991,150	400,339,439	404,158,670	432,672,921	470,463,966	518,164,953	575,106,845	280,928,721	277,065,848
All Other Governmental Funds										
Restricted	11,066,577	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	7,530,765	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
Unreserved:										
Special Revenue Funds	-	-	-	-	-	-	-	- (1)	89,360,956	51,036,573
Capital Projects Funds	-	-	-	-	-	-	-	- (1)	161,264	(1,201,216)
Total All Other Governmental Funds	18,597,342	15,513,636	10,605,427	9,936,226	10,162,570	10,242,362	10,259,566	4,464,113	309,490,146	328,265,543
Total Fund Balances	$424,945,493	$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

(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									
	2018	**2017**	**2016**	**2015**	**2014**	**2013**	**2012**	**2011**	**2010**	**2009**
REVENUES										
Ad Valorem Property Taxes	$ 108,886,220	$ 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
Intergovernmental Revenues	6,924,933	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
Interest on Invested Funds	4,691,293	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
License and Permit Fees	1,935,987	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
Other	1,773,519	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
Total Revenues	124,211,952	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
EXPENDITURES										
Current:										
Water Resource Planning and Monitoring	26,059,656	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
Land Acquisition, Restoration and Public Works	51,335,721	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
Operation and Maintenance of Works and Lands	16,788,176	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
Regulation	17,252,328	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
Outreach	1,962,926	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
Management and Administration	10,554,876	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
Debt Service / Capital Leases (2)										
Principal	100,924	94,463	82,138	22,761	-	-	-	871,253	671,821	697,536
Interest	18,171	24,631	26,936	5,668	-	-	-	40,909	45,179	19,464
Other	-	-	-	-	-	-	-	-	-	-
Total Expenditures	124,072,778	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
Excess (Deficiency) of Revenues Over (Under) Expenditures	139,174	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)
OTHER FINANCING SOURCES (USES)										
Transfers In	-	-	-	-	-	-	-	300,042,655	913,423	40,908,961
Transfers Out	-	-	-	-	-	-	-	(300,042,655)	(913,423)	(40,908,961)
Sale of Capital Assets	2,301,533	5,275,617	1,292,602	244,191	1,987,984	148,671	5,057,137	-	-	1,957,405
Issuance of Capital Lease Debt	-	-	249,677	253,225	-	-	-	-	-	947,744
Total Other Financing Sources and Uses	2,301,533	5,275,617	1,542,279	497,416	1,987,984	148,671	5,057,137	-	-	2,905,149
Net Change In Fund Balances	2,440,707	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)
Fund Balances - Beginning	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
Fund Balances - Ending	$ 424,945,493	$ 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
Debt Service as a Percentage of Non-Capital Expenditures (2)	0.10%	0.11%	0.09%	0.02%	0.00%	0.00%	0.00%	0.47%	0.33%	0.27%

(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	Debt Service (2)	Total Expenditures
2018	$ 26,059,656	$ 51,335,721	$ 16,788,176	$ 17,252,328	$ 1,962,926	$ 10,554,876	$ 119,095	$ 124,072,778
	21.00%	41.38%	13.53%	13.90%	1.58%	8.51%	0.10%	100.00%
2017	24,195,252	51,323,399	15,315,069	16,726,920	1,778,194	10,714,222		120,053,056
	20.15%	42.75%	12.77%	13.93%	1.48%	8.92%		100.00%
2016	26,327,263	53,010,382	14,988,424	17,438,409	1,771,379	11,850,209		125,386,066
	21.00%	42.28%	11.95%	13.91%	1.41%	9.45%		100.00%
2015	25,491,396	79,071,775	16,008,895	17,352,740	1,743,887	12,424,206		152,092,899
	16.76%	51.98%	10.53%	11.41%	1.15%	8.17%		100.00%
2014	26,331,532	81,407,622	14,342,811	18,232,776	1,853,799	11,447,107		153,615,647
	17.14%	52.99%	9.34%	11.87%	1.21%	7.45%		100.00%
2013	26,846,452	95,795,322	15,450,118	17,979,240	3,247,319	11,803,103		171,121,554
	15.69%	55.97%	9.03%	10.51%	1.90%	6.90%		100.00%
2012	30,651,290	110,969,655	15,363,015	16,781,607	3,909,820	26,044,043		203,719,430
	15.05%	54.47%	7.54%	8.24%	1.92%	12.78%		100.00%
2011	38,412,310	92,769,162	15,558,263	17,425,804	5,732,562	40,484,040		210,382,141
	18.26%	44.10%	7.40%	8.28%	2.72%	19.24%		100.00%
2010	40,688,508	145,008,737	19,841,405	18,801,634	6,327,680	39,350,509		270,018,473
	15.07%	53.71%	7.35%	6.96%	2.34%	14.57%		100.00%
2009	40,466,587	170,942,985	19,678,843	19,268,672	6,236,445	43,854,402		300,447,934
	13.47%	56.89%	6.55%	6.41%	2.08%	14.60%		100.00%

(1) This schedule shows the combined General Government Expenditures, including the General, Special Revenue and Capital Projects Funds.
(2) New accounting format in 2018 to show debt service expenses separately.

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
2018	$ 108,886,220	$ 6,924,933	$ 4,691,293	$ 1,935,987	$ 1,773,519	$ 124,211,952
	87.65%	5.58%	3.78%	1.56%	1.43%	100.00%
2017	106,826,289	13,620,275	3,095,242	1,529,854	1,265,699	126,337,359
	84.56%	10.78%	2.45%	1.21%	1.00%	100.00%
2016	104,913,453	6,236,199	4,726,663	1,601,742	3,215,700	120,693,757
	86.92%	5.17%	3.92%	1.33%	2.66%	100.00%
2015	103,109,563	12,371,605	4,691,530	1,408,269	1,273,921	122,854,888
	83.92%	10.07%	3.82%	1.15%	1.04%	100.00%
2014	101,719,555	8,529,281	1,684,031	1,261,166	562,793	113,756,826
	89.42%	7.50%	1.48%	1.11%	0.49%	100.00%
2013	100,906,682	16,535,307	2,333,735	1,856,608	1,622,360	123,254,692
	81.86%	13.42%	1.89%	1.51%	1.32%	100.00%
2012	104,686,640	34,418,211	5,197,926	1,641,623	1,571,454	147,515,854
	70.97%	23.33%	3.52%	1.11%	1.07%	100.00%
2011	161,721,818	26,781,435	6,515,579	1,862,728	2,652,672	199,534,232
	81.05%	13.42%	3.27%	0.93%	1.33%	100.00%
2010	189,111,242	53,735,973	8,199,031	1,865,778	2,193,925	255,105,949
	74.14%	21.06%	3.21%	0.73%	0.86%	100.00%
2009	216,624,815	59,251,973	13,220,367	1,672,672	2,207,137	292,976,964
	73.94%	20.22%	4.51%	0.57%	0.76%	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
2018	$ 107,257,120	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	$ 1,629,100	$ 108,886,220	50.3 %	1.0 %
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	49.3	0.9
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	48.4	0.8
2015	103,109,563	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	-	103,109,563	47.6	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	47.0	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	46.6	(1.7)
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	48.3	(26.4)
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	74.7	(12.6)
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	87.3	(12.7)
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	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
2018	$ 4,566,870	$ 2,627,626	$ 493,669	$ 473,594	$ 2,486,181	$ 1,239,199	$ 26,173,781	$ 23,405	$ 265,649
	4.19%	2.41%	0.45%	0.43%	2.28%	1.14%	24.05%	0.02%	0.24%
2017	4,494,413	2,663,083	463,320	499,114	2,484,776	1,275,889	25,521,890	21,494	265,563
	4.21%	2.49%	0.43%	0.47%	2.33%	1.19%	23.89%	0.02%	0.25%
2016	4,376,198	2,726,279	479,024	522,943	2,557,584	1,299,804	24,889,171	22,040	268,731
	4.17%	2.60%	0.46%	0.50%	2.44%	1.24%	23.71%	0.02%	0.26%
2015	4,399,265	2,789,197	501,914	516,935	2,611,476	1,349,554	24,281,453	25,480	275,246
	4.27%	2.71%	0.49%	0.50%	2.53%	1.31%	23.55%	0.02%	0.27%
2014	4,398,449	3,099,107	517,209	560,777	2,731,630	1,400,290	23,685,450	25,370	285,451
	4.32%	3.05%	0.51%	0.55%	2.69%	1.38%	23.28%	0.02%	0.28%
2013	4,439,833	3,064,224	535,737	586,380	2,856,043	1,486,962	23,018,798	25,856	305,034
	4.40%	3.04%	0.53%	0.58%	2.83%	1.47%	22.80%	0.03%	0.30%
2012	4,738,013	3,538,541	551,236	575,607	2,899,571	1,555,751	23,977,333	28,068	346,074
	4.53%	3.38%	0.53%	0.55%	2.77%	1.49%	22.88%	0.03%	0.33%
2011	7,192,259	5,422,966	813,212	854,038	4,489,683	2,333,287	37,622,850	29,498	586,870
	4.45%	3.35%	0.50%	0.53%	2.78%	1.44%	23.26%	0.02%	0.36%
2010	8,601,056	5,764,046	936,532	913,609	5,332,460	2,768,332	43,663,858	30,416	626,488
	4.55%	3.05%	0.50%	0.48%	2.82%	1.46%	23.09%	0.02%	0.33%
2009	10,131,134	6,192,558	965,835	899,843	5,848,996	2,947,649	50,526,245	31,110	717,125
	4.68%	2.86%	0.45%	0.42%	2.70%	1.36%	23.32%	0.01%	0.33%

(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
2018	$ 10,102,891	$ 1,717,532	$ 7,466,915	$ 22,251,743	$ 9,135,250	$ 16,577,390	$ 3,284,525	$ 108,886,220
	9.28%	1.58%	6.86%	20.44%	8.39%	15.22%	3.02%	100.00%
2017	9,801,307	1,705,869	7,360,871	21,936,862	8,733,467	16,240,213	3,358,158	106,826,289
	9.17%	1.60%	6.89%	20.54%	8.18%	15.20%	3.14%	100.00%
2016	9,543,536	1,697,734	7,251,245	21,506,782	8,648,019	15,805,700	3,318,663	104,913,453
	9.10%	1.62%	6.91%	20.50%	8.24%	15.07%	3.16%	100.00%
2015	9,199,208	1,716,687	7,205,123	21,121,428	8,558,823	15,396,243	3,161,531	103,109,563
	8.92%	1.66%	6.99%	20.48%	8.30%	14.93%	3.07%	100.00%
2014	8,933,153	1,748,697	7,177,123	20,749,595	8,505,587	15,049,552	2,852,115	101,719,555
	8.78%	1.72%	7.06%	20.40%	8.36%	14.80%	2.80%	100.00%
2013	8,846,636	1,775,453	7,322,772	20,671,314	8,418,238	14,893,474	2,659,928	100,906,682
	8.77%	1.76%	7.26%	20.49%	8.34%	14.76%	2.64%	100.00%
2012	9,045,647	1,964,342	7,728,312	21,257,754	8,903,633	15,061,380	2,515,378	104,686,640
	8.64%	1.88%	7.38%	20.31%	8.51%	14.39%	2.40%	100.00%
2011	12,593,267	3,372,630	12,011,482	36,072,441	13,236,667	21,436,389	3,654,279	161,721,818
	7.79%	2.09%	7.43%	22.30%	8.18%	13.26%	2.26%	100.00%
2010	14,809,981	3,953,855	14,101,687	44,266,162	15,583,799	24,086,237	3,672,724	189,111,242
	7.83%	2.09%	7.46%	23.41%	8.24%	12.73%	1.94%	100.00%
2009	16,369,036	4,409,534	16,381,859	52,853,363	17,291,246	27,585,247	3,474,035	216,624,815
	7.56%	2.04%	7.56%	24.40%	7.98%	12.73%	1.60%	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)

Fiscal Year	Assessed Valuation (1)	Total Tax Levy	Current Tax Collections	Percent of Current Tax Collection to Tax Levy	Delinquent Tax Collections	Total Tax Collections	Percent of Total Tax Collection to Tax Levy
2018	$ 359,696,987,434	$ 112,621,124	$ 108,541,136	96.38 %	$ 345,084	$ 108,886,220	96.68 %
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

(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)

	Charlotte County		Citrus County		DeSoto County		Hardee County	
Fiscal Year	**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)
2018	$ 15,071,915,389	$ 21,703,648,562	$ 8,667,429,638	$ 11,589,076,918	$ 1,582,539,731	$ 2,969,983,455	$ 1,552,709,350	$ 2,468,964,335
	4.19%		2.41%		0.44%		0.43%	
2017	13,975,021,267	20,118,099,624	8,295,995,306	11,062,230,447	1,421,376,969	2,842,926,509	1,536,340,746	2,453,155,173
	4.20%		2.49%		0.43%		0.46%	
2016	13,094,055,757	18,380,046,623	8,141,277,447	10,467,365,984	1,376,749,230	2,794,206,683	1,545,475,660	2,424,527,126
	4.21%		2.62%		0.44%		0.50%	
2015	12,447,569,866	17,152,302,768	7,893,519,372	10,310,375,084	1,371,423,824	2,761,442,878	1,454,748,937	2,307,430,304
	4.27%		2.71%		0.47%		0.50%	
2014	11,915,060,252	15,817,517,470	10,177,235,077	10,370,361,138	1,358,399,626	2,737,769,467	1,498,817,937	2,317,075,360
	4.30%		3.68%		0.49%		0.54%	
2013	11,721,083,416	15,113,914,001	8,977,977,542	10,591,756,106	1,371,139,288	2,738,089,973	1,527,328,126	2,318,038,347
	4.40%		3.37%		0.51%		0.57%	
2012	12,433,871,062	15,775,252,608	9,336,411,252	11,073,753,128	1,424,521,662	2,820,729,089	1,508,413,982	2,328,351,267
	4.53%		3.40%		0.52%		0.55%	
2011	13,386,137,357	16,959,927,343	9,614,305,893	11,929,442,840	1,440,295,660	2,917,612,542	1,548,820,619	2,499,618,714
	4.65%		3.34%		0.50%		0.54%	
2010	15,605,343,917	20,165,561,587	10,074,921,377	13,124,823,904	1,627,233,852	3,534,008,206	1,648,825,033	2,799,183,882
	4.84%		3.12%		0.50%		0.51%	
2009	18,744,588,641	24,134,964,729	10,949,871,541	14,592,430,322	1,782,603,163	3,814,458,104	1,621,242,093	3,597,898,593
	5.14%		3.00%		0.49%		0.44%	

(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)

	Hernando County		Highlands County		Hillsborough County		Lake County	
Fiscal Year	**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)
2018	$ 8,355,458,015	$ 12,246,279,297	$ 4,040,327,165	$ 6,848,286,668	$ 86,658,918,351	$ 119,050,151,029	$ 76,142,480	$ 25,620,563,521
	2.32%		1.12%		24.10%		0.02%	
2017	7,751,031,009	11,204,074,858	3,959,066,082	6,600,205,822	79,604,960,746	109,303,928,935	75,656,383	23,433,911,362
	2.33%		1.19%		23.94%		0.02%	
2016	7,558,410,640	10,788,322,558	3,825,336,750	6,165,132,955	73,914,983,814	99,532,728,290	72,215,578	21,921,683,305
	2.43%		1.23%		23.80%		0.02%	
2015	7,270,531,735	10,337,411,303	3,774,772,032	6,061,467,078	68,645,393,560	91,081,152,547	69,868,889	20,529,670,110
	2.50%		1.30%		23.56%		0.02%	
2014	7,164,529,714	9,971,034,670	3,781,492,104	6,045,740,002	64,099,889,092	83,705,327,661	67,521,327	19,331,115,179
	2.59%		1.37%		23.16%		0.02%	
2013	7,323,902,726	9,936,963,891	3,860,234,259	6,167,846,381	60,812,026,614	77,317,991,363	67,842,756	19,108,024,743
	2.75%		1.45%		22.82%		0.04%	
2012	7,721,977,752	10,579,974,346	4,048,756,058	6,545,545,717	62,336,980,209	79,628,695,108	71,781,864	20,285,676,118
	2.81%		1.48%		22.72%		0.03%	
2011	8,393,836,609	11,552,641,759	4,235,779,178	6,874,145,162	65,116,419,986	84,058,854,773	80,021,070	22,161,571,162
	2.92%		1.47%		22.61%		0.03%	
2010	9,488,123,875	13,471,360,637	4,936,206,579	8,239,938,540	73,415,622,752	96,774,421,040	81,481,877	24,975,567,952
	2.94%		1.53%		22.76%		0.03%	
2009	10,387,499,612	15,814,704,391	5,389,133,838	9,254,973,711	83,938,830,501	116,254,203,161	84,370,714	27,928,949,304
	2.85%		1.48%		23.01%		0.02%	

(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)

	Levy County		Manatee County		Marion County		Pasco County	
Fiscal Year	**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)
2018	$ 849,636,409	$ 3,172,395,138	$ 33,250,651,340	$ 42,859,691,433	$ 5,670,696,858	$ 25,614,496,971	$ 24,676,449,043	$ 35,865,581,609
	0.24%		9.24%		1.58%		6.86%	
2017	814,236,925	2,996,435,858	30,629,756,922	39,441,841,707	5,332,197,008	24,473,280,525	22,904,410,680	32,791,557,832
	0.24%		9.21%		1.60%		6.88%	
2016	794,125,516	2,909,165,089	28,156,175,348	35,972,553,249	5,061,437,014	22,932,571,056	21,369,674,657	30,333,752,643
	0.26%		9.06%		1.63%		6.88%	
2015	779,563,179	3,016,489,621	26,001,571,459	31,726,387,356	4,888,382,095	22,535,216,991	20,261,141,679	28,719,366,391
	0.27%		8.93%		1.68%		6.96%	
2014	765,121,003	2,835,513,830	24,206,711,462	28,569,565,875	4,768,167,109	21,657,987,283	19,338,148,774	26,845,762,025
	0.28%		8.74%		1.72%		6.99%	
2013	799,492,293	2,946,228,268	23,322,999,512	27,271,851,487	4,758,708,259	21,695,907,937	19,116,580,564	26,541,368,860
	0.30%		8.75%		1.79%		7.17%	
2012	899,834,945	3,524,592,792	23,820,210,422	28,200,290,660	5,181,774,461	24,093,602,773	20,323,341,802	28,013,760,041
	0.33%		8.68%		1.89%		7.41%	
2011	978,841,451	3,989,729,515	24,909,396,182	29,747,730,647	5,746,672,436	27,116,911,018	20,754,922,138	29,126,576,684
	0.34%		8.65%		2.00%		7.21%	
2010	1,039,092,617	4,417,873,490	28,739,213,410	35,315,585,698	6,615,903,811	31,005,053,635	23,045,072,814	32,681,663,769
	0.32%		8.91%		2.05%		7.14%	
2009	1,176,574,298	4,992,458,397	31,728,741,317	40,532,806,394	7,681,828,761	36,172,335,899	26,767,890,444	39,790,825,530
	0.32%		8.70%		2.11%		7.34%	

(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)

	Pinellas County		Polk County		Sarasota County		Sumter County		Total	
Fiscal Year	**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)
2018	$ 73,608,585,221 20.46%	$ 105,484,436,848	$ 30,161,744,033 8.39%	$ 41,522,564,110	$ 54,602,350,765 15.18%	$ 74,690,974,800	$ 10,871,433,646 3.02%	$ 14,650,152,932	$ 359,696,987,434 100.00%	$ 546,357,247,626
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	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

(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	Maximum Legal Rate (1) Per Basin
2018	0.3131	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	1.0000	N/A
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

(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 2018 Taxable Assessed Value (1) (Thousands)	Rank	Percent of Total Taxable Assessed Value	Fiscal Year 2009 Taxable Assessed Value (1) (Thousands)	Rank	Percent of Total Taxable Assessed Value
Hillsborough	$ 86,658,919	1	24.10 %	$ 83,938,831	1	23.01 %
Pinellas	73,608,585	2	20.46	73,364,672	2	20.11
Sarasota	54,602,351	3	15.18	53,170,778	3	14.58
Manatee	33,250,651	4	9.24	31,728,741	5	8.70
Polk	30,161,744	5	8.39	32,149,838	4	8.81
Pasco	24,676,449	6	6.86	26,767,890	6	7.34
Charlotte	15,071,915	7	4.19	18,744,589	7	5.14
Sumter	10,871,434	8	3.02	5,851,826	11	1.60
Citrus	8,667,430	9	2.41	10,949,872	8	3.00
Hernando	8,355,458	10	2.32	10,387,500	9	2.85
Marion	5,670,697	11	1.58	7,681,829	10	2.11
Highlands	4,040,327	12	1.12	5,389,134	12	1.48
DeSoto	1,582,540	13	0.44	1,782,603	13	0.49
Hardee	1,552,709	14	0.43	1,621,242	14	0.44
Levy	849,636	15	0.24	1,176,574	15	0.32
Lake	76,142	16	0.02	84,371	16	0.02
	$359,696,987		100.00 %	$364,790,290		100.00 %

(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)

	Governmental Activities			
Fiscal Year (1)	**Capital Leases**	**Total Debt**	**District Population**	**Per Capita**
2018	$ 202,615	$ 202,615	5,308,937	$ 0.04
2017	303,539	303,539	5,235,262	0.06
2016	398,003	398,003	5,166,352	0.08
2015	230,464	230,464	5,053,606	0.05
2014	-	-	4,951,815	0.00
2013	-	-	4,870,339	0.00
2012	-	-	4,821,083	0.00
2011	-	-	4,779,607	0.00
2010	871,253	871,253	4,727,119	0.18
2009	1,543,074	1,543,074	4,688,369	0.33

(1) The District's capital lease debt 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 (2009-2017) and projected (2018) population figures were obtained and updated from Woods & Poole Economics, 2018 Florida State Profile: State and County Projections to 2050.
County proportional 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
2018	183,133	148,415	36,466	27,827	189,450	93,994	1,423,219	1,251
	3.45%	2.80%	0.69%	0.52%	3.57%	1.77%	26.81%	0.02%
2017	180,390	145,948	36,118	27,583	186,049	92,315	1,399,051	1,208
	3.45%	2.79%	0.69%	0.53%	3.55%	1.76%	26.72%	0.02%
2016	177,814	143,621	35,800	27,360	182,835	90,728	1,376,238	1,168
	3.44%	2.78%	0.69%	0.53%	3.54%	1.76%	26.62%	0.02%
2015	172,554	140,974	35,355	27,252	178,326	89,513	1,347,077	1,119
	3.41%	2.79%	0.70%	0.54%	3.53%	1.77%	26.65%	0.02%
2014	167,965	139,264	35,094	27,264	175,695	88,371	1,317,116	1,066
	3.39%	2.81%	0.71%	0.55%	3.55%	1.78%	26.62%	0.02%
2013	164,393	139,063	34,641	27,255	174,019	88,214	1,293,189	1,022
	3.38%	2.86%	0.71%	0.56%	3.57%	1.81%	26.54%	0.02%
2012	162,313	139,341	34,781	27,379	173,110	88,503	1,281,677	990
	3.37%	2.89%	0.72%	0.57%	3.59%	1.84%	26.58%	0.02%
2011	159,052	139,841	34,670	27,633	172,909	88,826	1,271,205	961
	3.33%	2.93%	0.73%	0.58%	3.62%	1.86%	26.58%	0.02%
2010	159,308	141,263	34,924	27,740	172,975	89,233	1,233,839	938
	3.37%	2.99%	0.74%	0.59%	3.66%	1.89%	26.10%	0.02%
2009	159,051	141,381	34,592	27,661	171,950	89,618	1,214,050	889
	3.39%	3.02%	0.74%	0.59%	3.67%	1.91%	25.88%	0.02%

Permanent Population = Year-round residents only

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

Sources: Historical (2009-2017) and projected (2018) population data was obtained and updated from Woods & Poole Economics, 2018 Florida State Profile: State and County Projections to 2050.
County proportional 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
2018	23,385	390,315	116,414	530,649	970,570	621,031	421,177	131,641	5,308,937
	0.44%	7.35%	2.19%	10.00%	18.28%	11.70%	7.93%	2.48%	100.00%
2017	23,055	382,899	113,869	521,249	965,306	615,801	416,704	127,717	5,235,262
	0.44%	7.31%	2.18%	9.96%	18.44%	11.76%	7.96%	2.44%	100.00%
2016	22,746	375,888	111,456	512,368	960,730	611,035	412,569	123,996	5,166,352
	0.44%	7.28%	2.16%	9.92%	18.60%	11.83%	7.99%	2.40%	100.00%
2015	22,571	363,110	109,118	497,292	948,391	597,169	404,903	118,882	5,053,606
	0.45%	7.19%	2.16%	9.84%	18.77%	11.82%	8.01%	2.35%	100.00%
2014	22,400	351,713	107,200	485,447	937,457	585,214	396,537	114,012	4,951,815
	0.45%	7.10%	2.16%	9.80%	18.93%	11.82%	8.01%	2.30%	100.00%
2013	22,449	342,246	105,661	475,679	929,085	575,249	389,911	108,263	4,870,339
	0.46%	7.03%	2.17%	9.77%	19.08%	11.81%	8.01%	2.22%	100.00%
2012	22,659	334,096	104,689	470,762	922,075	569,783	386,135	102,790	4,821,083
	0.47%	6.93%	2.17%	9.76%	19.13%	11.82%	8.01%	2.13%	100.00%
2011	22,822	327,373	103,612	466,672	917,879	565,902	381,666	98,584	4,779,607
	0.48%	6.85%	2.17%	9.76%	19.20%	11.84%	7.99%	2.06%	100.00%
2010	23,069	323,446	102,814	465,517	916,508	561,225	380,040	94,280	4,727,119
	0.49%	6.84%	2.17%	9.85%	19.39%	11.87%	8.04%	1.99%	100.00%
2009	23,252	320,711	101,684	462,607	915,330	557,688	377,262	90,643	4,688,369
	0.50%	6.84%	2.17%	9.87%	19.52%	11.90%	8.05%	1.93%	100.00%

Permanent Population = Year-round residents only

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

Sources: Historical (2009-2017) and projected (2018) population data was obtained and updated from Woods & Poole Economics, 2018 Florida State Profile: State and County Projections to 2050.
County proportional 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
2018	5,990,695	5,308,937	73,675	1.41 %
2017	5,903,268	5,235,262	68,910	1.33
2016	5,821,313	5,166,352	112,746	2.23
2015	5,692,348	5,053,606	101,791	2.06
2014	5,575,365	4,951,815	81,476	1.67
2013	5,482,099	4,870,339	49,256	1.02
2012	5,426,088	4,821,083	41,476	0.87
2011	5,378,689	4,779,607	52,488	1.11
2010	5,322,364	4,727,119	38,750	0.83
2009	5,280,726	4,688,369	0	0.00

(1) Data is for calendar years.

Sources: Historical (2009-2017) and projected (2018) population data was obtained and updated from Woods & Poole Economics, 2018 Florida State Profile: State and County Projections to 2050.
County proportional 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)

	Charlotte County			Citrus County		
Calendar Year	Personal Income (Millions)	Per Capita Income	Unemployment Rate	Personal Income (Millions)	Per Capita Income	Unemployment Rate
2018	$ 6,632.00	$ 36,085	4.1 %	$ 5,041.35	$ 33,968	5.3 %
2017	6,417.91	35,450	4.8	4,869.10	33,362	6.2
2016	6,197.42	34,726	5.3	4,692.77	32,675	6.8
2015	6,074.97	35,076	6.1	4,612.39	32,718	7.8
2014	5,658.87	33,565	7.1	4,391.84	31,536	8.8
2013	5,357.28	32,465	8.4	4,307.93	30,978	10.0
2012	5,240.18	32,161	9.9	4,253.52	30,526	11.2
2011	5,199.80	32,566	11.8	4,284.79	30,640	13.0
2010	5,069.06	31,695	12.6	4,281.48	30,309	13.4
2009	5,084.78	31,854	11.3	4,216.79	29,826	11.6

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

Sources: Unemployment data were obtained from Bureau of Labor Statistics, U.S. Department of Labor and is an average for the fiscal year.
Personal and Per Capita Income historical (2009-2017) and projected (2018) were obtained and updated from Woods and Poole Economics, 2018 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)

	DeSoto County			Hardee County		
Calendar Year	**Personal Income (Millions)**	**Per Capita Income**	**Unemployment Rate**	**Personal Income (Millions)**	**Per Capita Income**	**Unemployment Rate**
2018	$ 775.12	$ 21,256	3.9 %	$ 636.74	$ 22,882	5.1 %
2017	752.35	20,830	4.7	617.14	22,374	6.6
2016	743.96	20,781	5.6	623.47	22,788	6.1
2015	761.35	21,534	6.3	650.23	23,860	7.1
2014	723.88	20,627	7.4	615.77	22,585	8.0
2013	684.43	19,758	8.7	599.28	21,988	8.6
2012	700.43	20,138	10.3	619.83	22,639	9.3
2011	750.93	21,659	10.9	620.19	22,444	10.8
2010	753.46	21,574	11.9	617.15	22,247	11.4
2009	703.69	20,343	9.5	595.62	21,533	9.9

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

Sources: Unemployment data were obtained from Bureau of Labor Statistics, U.S. Department of Labor and is an average for the fiscal year.
Personal and Per Capita Income historical (2009-2017) and projected (2018) were obtained and updated from Woods and Poole Economics, 2018 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)

	Hernando County			Highlands County		
Calendar Year	**Personal Income (Millions)**	**Per Capita Income**	**Unemployment Rate**	**Personal Income (Millions)**	**Per Capita Income**	**Unemployment Rate**
2018	$ 6,027.07	$ 31,814	4.6 %	$ 3,158.76	$ 30,142	5.1 %
2017	5,815.93	31,260	5.6	3,031.41	29,488	5.9
2016	5,679.23	31,062	6.0	2,927.12	29,005	6.6
2015	5,535.73	31,043	7.1	2,922.89	29,391	7.7
2014	5,229.92	29,767	8.2	2,773.99	28,281	8.7
2013	5,059.29	29,073	9.4	2,709.12	27,696	9.8
2012	5,122.87	29,593	11.1	2,749.08	28,039	10.6
2011	5,179.99	29,958	12.9	2,810.50	28,589	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

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

Sources: Unemployment data were obtained from Bureau of Labor Statistics, U.S. Department of Labor and is an average for the fiscal year.
Personal and Per Capita Income historical (2009-2017) and projected (2018) were obtained and updated from Woods and Poole Economics, 2018 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)

	Hillsborough County			Lake County		
Calendar Year	**Personal Income (Millions)**	**Per Capita Income**	**Unemployment Rate**	**Personal Income (Millions)**	**Per Capita Income**	**Unemployment Rate**
2018	$ 58,473.39	$ 41,085	3.4 %	$ 12,515.31	$ 35,731	3.9 %
2017	56,565.48	40,431	4.1	11,989.54	34,992	4.4
2016	54,413.25	39,538	4.4	11,584.53	34,540	4.8
2015	53,488.74	39,707	5.2	11,221.96	34,474	5.7
2014	50,367.17	38,240	6.0	10,535.23	33,376	6.6
2013	48,485.41	37,493	6.9	9,942.56	32,289	7.8
2012	49,699.77	38,777	8.3	9,779.35	32,229	9.3
2011	52,116.05	40,997	10.1	9,621.49	32,080	11.1
2010	48,057.65	38,950	10.9	9,474.92	31,810	11.8
2009	45,598.87	37,559	9.7	9,421.65	31,883	10.2

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

Sources: Unemployment data were obtained from Bureau of Labor Statistics, U.S. Department of Labor and is an average for the fiscal year.
Personal and Per Capita Income historical (2009-2017) and projected (2018) were obtained and updated from Woods and Poole Economics, 2018 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)

	Levy County			Manatee County		
Calendar Year	**Personal Income (Millions)**	**Per Capita Income**	**Unemployment Rate**	**Personal Income (Millions)**	**Per Capita Income**	**Unemployment Rate**
2018	$ 1,258.49	$ 30,685	3.6 %	$ 15,933.98	$ 40,823	3.4 %
2017	1,223.36	30,229	4.7	15,319.01	40,008	4.1
2016	1,186.06	29,680	5.2	14,981.88	39,857	4.5
2015	1,173.84	29,577	6.0	14,685.41	40,443	5.2
2014	1,131.96	28,717	7.2	13,427.44	38,177	5.9
2013	1,090.09	27,573	8.5	12,409.47	36,259	7.1
2012	1,100.23	27,551	9.7	12,042.95	36,046	8.5
2011	1,115.79	27,719	11.3	12,713.51	38,835	10.5
2010	1,118.22	27,460	12.0	12,073.21	37,327	11.6
2009	1,077.93	26,368	10.7	11,438.49	35,666	10.9

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

Sources: Unemployment data were obtained from Bureau of Labor Statistics, U.S. Department of Labor and is an average for the fiscal year.
Personal and Per Capita Income historical (2009-2017) and projected (2018) were obtained and updated from Woods and Poole Economics, 2018 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)

	Marion County			Pasco County		
Calendar Year	**Personal Income (Millions)**	**Per Capita Income**	**Unemployment Rate**	**Personal Income (Millions)**	**Per Capita Income**	**Unemployment Rate**
2018	$ 11,822.04	$ 32,775	4.4 %	$ 18,317.71	$ 34,519	3.9 %
2017	11,377.10	32,076	5.3	17,694.63	33,947	4.7
2016	10,952.04	31,379	5.8	17,150.05	33,472	5.2
2015	10,652.23	31,010	6.6	16,662.78	33,507	6.0
2014	10,178.08	30,017	7.6	15,525.91	31,983	6.9
2013	9,818.74	29,240	9.0	14,910.23	31,345	8.1
2012	10,023.84	29,985	10.7	14,870.62	31,588	9.5
2011	10,121.75	30,448	12.9	15,046.36	32,242	11.3
2010	9,872.58	29,787	13.6	14,676.75	31,528	12.1
2009	9,727.40	29,399	12.0	14,309.67	30,933	11.1

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

Sources: Unemployment data were obtained from Bureau of Labor Statistics, U.S. Department of Labor and is an average for the fiscal year.
Personal and Per Capita Income historical (2009-2017) and projected (2018) were obtained and updated from Woods and Poole Economics, 2018 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)

	Pinellas County			Polk County		
Calendar Year	**Personal Income (Millions)**	**Per Capita Income**	**Unemployment Rate**	**Personal Income (Millions)**	**Per Capita Income**	**Unemployment Rate**
2018	$ 44,810.66	$ 46,169	3.3 %	$ 21,998.67	$ 32,332	4.1 %
2017	43,700.32	45,271	4.0	21,284.77	31,626	5.1
2016	42,653.03	44,396	4.3	20,563.31	30,869	5.6
2015	41,962.24	44,246	5.1	20,184.91	31,081	6.5
2014	39,614.38	42,257	6.0	19,230.53	30,288	7.4
2013	37,596.83	40,467	7.0	18,554.07	29,798	8.6
2012	37,651.19	40,833	8.4	18,591.51	30,216	10.0
2011	38,840.13	42,315	10.2	18,954.03	31,089	11.7
2010	37,987.36	41,448	10.9	18,208.77	30,186	12.1
2009	36,515.55	39,893	10.1	17,367.52	29,010	10.5

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

Sources: Unemployment data were obtained from Bureau of Labor Statistics, U.S. Department of Labor and is an average for the fiscal year.
Personal and Per Capita Income historical (2009-2017) and projected (2018) were obtained and updated from Woods and Poole Economics, 2018 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)

	Sarasota County			Sumter County		
Calendar Year	**Personal Income (Millions)**	**Per Capita Income**	**Unemployment Rate**	**Personal Income (Millions)**	**Per Capita Income**	**Unemployment Rate**
2018	$ 23,224.13	$ 55,141	3.4 %	$ 4,881.99	$ 37,086	5.3 %
2017	22,476.56	53,939	4.1	4,652.88	36,431	6.3
2016	21,976.02	53,266	4.5	4,424.70	35,684	6.8
2015	21,782.67	53,797	5.2	4,321.24	36,349	7.7
2014	20,162.13	50,846	6.1	3,981.11	34,918	8.5
2013	18,566.88	47,618	7.4	3,722.12	34,380	9.6
2012	18,231.49	47,215	8.8	3,495.76	34,009	11.0
2011	17,993.78	47,145	10.8	3,173.13	32,187	12.5
2010	17,179.57	45,205	11.7	2,766.89	29,348	12.4
2009	17,146.52	45,450	10.6	2,569.53	28,348	8.5

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

Sources: Unemployment data were obtained from Bureau of Labor Statistics, U.S. Department of Labor and is an average for the fiscal year.
Personal and Per Capita Income historical (2009-2017) and projected (2018) were obtained and updated from Woods and Poole Economics, 2018 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, 2018 and September 30, 2009
(unaudited)

	Fiscal Year							
	2018				2009			
Employer	County	Number of Employees	Rank	Percent of Total Workforce	County	Number of Employees	Rank	Percent of Total Workforce
Publix Super Markets	Polk	8,200	1	0.27 %	Polk	9,500	2	0.39 %
Publix Super Markets	Hillsborough	7,732	2	0.25	Hillsborough	4,630	7	0.19
BayCare Health System	Hillsborough	6,243	3	0.20	-	-	-	-
Florida Hospital	Hillsborough	6,000	4	0.20	-	-	-	-
Tampa General Hospital	Hillsborough	5,378	5	0.18	-	-	-	-
H. Lee Moffitt Cancer Center	Hillsborough	5,200	6	0.17	-	-	-	-
Walmart	Polk	5,100	7	0.17	Polk	5,100	6	0.21
Lakeland Regional Medical Center	Polk	5,000	8	0.16	Polk	4,600	8	0.19
Sarasota Memorial Hospital	Sarasota	4,244	9	0.14	-	-	-	-
Raymond James	Pinellas	4,200	10	0.14	-	-	-	-
St. Joseph's Hospital	-	-	-	-	Hillsborough	5,242	4	0.22
Verizon Communications	-	-	-	-	Hillsborough	14,000	1	0.58
Tampa International Airport *	-	-	-	-	Hillsborough	7,760	3	0.32
JPMorgan Chase	-	-	-	-	Hillsborough	5,237	5	0.22
MOSAIC	-	-	-	-	Polk	4,000	9	0.16
Bank of America	-	-	-	-	Hillsborough	3,754	10	0.15
Total		57,297		1.88 %		63,823		2.63 %
District 16-County Total Workforce		3,048,233				2,434,283		

* Tampa International Airport determined to be a governmental employer, therefore, is not included in 2018 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: 2018 total workforce from Woods and Poole Economics, 2018 Florida State Profile: State and County Projections to 2050.
2018 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 Resource 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)
2018	151	59	111	182	13	58	574
	26.31%	10.28%	19.34%	31.71%	2.26%	10.10%	100.00%
2017	148	56	108	184	12	66	574
	25.78%	9.76%	18.82%	32.05%	2.09%	11.50%	100.00%
2016	150	55	109	179	12	69	574
	26.13%	9.58%	18.99%	31.19%	2.09%	12.02%	100.00%
2015	148	56	104	186	12	68	574
	25.78%	9.76%	18.12%	32.40%	2.09%	11.85%	100.00%
2014	152	60	104	185	14	70	585
	25.98%	10.26%	17.78%	31.62%	2.39%	11.97%	100.00%
2013	154	48	118	193	22	82	617
	24.96%	7.78%	19.12%	31.28%	3.57%	13.29%	100.00%
2012	164	44	127	218	25	101	679
	24.16%	6.48%	18.70%	32.11%	3.68%	14.87%	100.00%
2011	151	46	107	193	23	216	736
	20.52%	6.25%	14.54%	26.22%	3.13%	29.34%	100.00%
2010	162	51	103	195	22	203	736
	22.01%	6.93%	14.00%	26.49%	2.99%	27.58%	100.00%
2009	162	51	104	196	20	203	736
	22.01%	6.93%	14.13%	26.63%	2.72%	27.58%	100.00%

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

Source: District records - Finance Bureau, Budget Section, August 1, 2018 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
2018	1,025	954	3,028	2,792	4,738	4,674	8,791	8,420
	11.66%	11.33%	34.44%	33.16%	53.90%	55.51%	100.00%	100.00%
2017	904	781	2,829	2,423	4,902	4,873	8,635	8,077
	10.47%	9.67%	32.76%	30.00%	56.77%	60.33%	100.00%	100.00%
2016	910	855	2,368	2,102	4,406	4,372	7,684	7,329
	11.84%	11.67%	30.82%	28.68%	57.34%	59.65%	100.00%	100.00%
2015	988	897	2,114	1,896	3,935	3,922	7,037	6,715
	14.04%	13.36%	30.04%	28.24%	55.92%	58.40%	100.00%	100.00%
2014	970	927	2,043	1,840	3,773	3,732	6,786	6,499
	14.29%	14.26%	30.11%	28.31%	55.60%	57.43%	100.00%	100.00%
2013	1,062	929	1,967	1,754	3,991	3,963	7,020	6,646
	15.13%	13.98%	28.02%	26.39%	56.85%	59.63%	100.00%	100.00%
2012	1,113	1,111	1,878	1,815	4,489	4,438	7,480	7,364
	14.88%	15.09%	25.11%	24.65%	60.01%	60.26%	100.00%	100.00%
2011	1,148	1,072	1,760	1,641	4,629	4,624	7,537	7,337
	15.23%	14.61%	23.35%	22.37%	61.42%	63.02%	100.00%	100.00%
2010	1,055	973	1,883	1,803	4,403	4,400	7,341	7,176
	14.37%	13.56%	25.65%	25.13%	59.98%	61.31%	100.00%	100.00%
2009	1,102	1,044	2,454	2,392	5,219	5,165	8,775	8,601
	12.56%	12.14%	27.97%	27.81%	59.47%	60.05%	100.00%	100.00%

Source: 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, 2018
(unaudited)

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 *	9.949	0.026	0.083	7.947	0.395	1.974	0.000	20.374	17.527	29.954
Citrus	1.742	2.641	0.033	14.750	4.501	2.960	0.007	26.634	14.512	26.396
DeSoto	59.795	0.730	0.002	32.871	1.063	0.276	0.000	94.737	1.977	63.843
Hardee	39.228	0.316	1.714	1.515	0.527	0.139	0.000	43.439	1.496	43.420
Hernando	1.772	5.654	0.034	19.723	3.432	4.098	0.000	34.713	19.459	34.449
Highlands *	41.930	0.067	0.012	8.382	0.809	1.956	0.007	53.163	8.224	53.005
Hillsborough	49.951	10.025	8.012	226.403	7.695	10.172	0.089	312.347	147.787	233.731
Lake *	1.018	0.000	0.000	0.000	0.081	0.000	0.000	1.099	0.000	1.099
Levy *	6.833	0.004	0.000	0.692	0.891	0.245	0.000	8.665	0.604	8.577
Manatee	63.783	6.457	4.244	45.408	0.701	9.769	0.000	130.362	40.916	125.870
Marion *	3.376	0.003	0.018	10.578	4.445	2.546	0.000	20.966	10.520	20.908
Pasco	6.482	1.292	0.058	55.923	5.313	5.298	0.490	74.856	47.668	66.601
Pinellas	0.005	0.111	0.000	26.013	0.261	3.371	0.000	29.761	92.526	96.274
Polk *	77.483	30.028	8.000	69.082	1.970	7.822	0.026	194.411	70.347	195.676
Sarasota	5.442	0.116	0.063	22.900	1.670	8.728	0.000	38.919	33.519	49.538
Sumter	7.296	0.658	0.289	24.042	2.980	2.370	0.000	37.635	23.835	37.428
	376.085	58.128	22.562	566.229	36.734	61.724	0.619	1,122.081	530.917	1,086.769

Data collection is based on calendar year 2017.

* 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 - 2017 Estimated Water Use Report, December 2018, 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, 2018
(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	$ 602,903,626	$ 1,795,854	$ -	$ -	$ 750,000	$ 605,456,367
Land Interests	2,819,219	115,601,367	-	-	-	-	118,420,586
Land - Acquisition in Progress	8,944	145,933	-	-	-	-	154,877
Construction in Progress	701,301	18,270	367,853	-	-	-	1,087,424
Capital Assets Subject to Depreciation:							
Buildings	3,057	9,869,250	8,455,079	-	-	120,656	18,448,042
Machinery & Equipment	1,069,812	497,037	2,892,998	522,677	19,736	533,167	5,535,427
Infrastructure	6,939,238	60,774,369	19,468,434	-	-	21,847	87,203,888
Software	108,369	6,394	18,887	595,392	11,263	29,337	769,642
Other	19,543	29,869	5,711	-	-	-	55,123
Total Capital Assets by Program	$ 11,676,370	$ 789,846,115	$ 33,004,816	$ 1,118,069	$ 30,999	$ 1,455,007	$ 837,131,376
Percent of Total	1.39%	94.37%	3.94%	0.13%	0.00%	0.17%	100.00%

Land Ownership
(acres)
Fiscal Year

	2018	2017	2016	2015	2014	2013 (1)	2012	2011	2010	2009
Type of Ownership:										
Land										
Acquired or Surplused	(1,087)	(623)	117	479	(7)	(1,872)	86	1,332	206	3,964
Cumulative	342,209	343,296	343,919	343,802	343,323	343,330	345,202	345,116	343,784	343,578
Land Interests										
Acquired or Surplused	701	1,849	86	11	(55)	991	124	1,277	8,755	320
Cumulative	108,129	107,428	105,579	105,493	105,482	105,537	104,546	104,422	103,145	94,390
Total Acres	450,338	450,724	449,498	449,295	448,805	448,867	449,748	449,538	446,929	437,968

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, 2018, 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 11, 2019.

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.

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 11, 2019

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, 2018. The District's major state projects are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with 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, 2018.

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.

James Moore & Co., P.L.

Gainesville, Florida
March 11, 2019

SOUTHWEST FLORIDA WATER MANAGEMENT DISTRICT
Schedule of Expenditures of Federal Awards and State Financial Assistance
Year ended September 30, 2018

Grantor/Pass through Agency	CFDA, CSFA Number	Grant ID #		Expenditures	Subrecipients
FEDERAL AWARDS					
U.S. Department of Agriculture - Natural Resources Conservation Service					
Direct Program:					
USDA NRCS Hurricane Irma Emerging Watershed Program Debris Removal	10.923	NR18409XXXXC017		$ 1,120	
Total U.S. Department of Agriculture - NRCS				1,120	
Total Expenditures of Federal Awards				$ 1,120	
STATE AWARDS					
Department of Environmental Protection					
Water Management Districts - Land Acquisition and Improvement:					
Florida Forever - Preacquisition	37.022	various	FFTF	$ 41,611	-
Land Acquisition Trust Fund	37.022	various	LATF	2,655,322	314,639
Lake Hancock Outfall Treatment	37.022	H014	FFTF	54,224	-
WMLTF - Surface Water Improvement and Management (SWIM)	37.022	various	WMLTF	97,562	-
Total Program				2,848,719	314,639
Statewide Surface Water Restoration and Wastewater Projects:					
Weeki Wachee River Restoration Project	37.039	WW04	2018REV08	148,410	-
Total Program				148,410	-
Florida Springs Grant Program:					
Southwest Florida Springs Initiative Project	37.052	P101	2015REV07	248,869	-
Southwest Florida Springs Initiative Project Citrus County	37.052	P117	2016REV06	246,191	246,191
Southwest Florida Springs Initiative Project Sugarmill Woods Wastewater	37.052	WC02	2015REV09	2,700,000	2,700,000
Southwest Florida Springs Initiative Project US 19 Reclaimed Water	37.052	N696	2016REV07	1,631,383	1,631,383
Southwest Florida Springs Initiative Project Polk Regional Water Cooperative	37.052	P920,1,2	2017REV06	20,495	20,495
Total Program				4,846,938	4,598,069
Water Protection and Sustainability Program:					
West-Central Florida Water Restoration Action Plan (WRAP)	37.066	various	SWW91	96,759	-
WPSPTF Alternative Water Supply Projects	37.066	various	WPSPTF	34,797	34,797
Surface Water Improvement and Management (SWIM)	37.066	various	WPSPTF	34,820	-
Total Program				166,376	34,797
Total Department of Environmental Protection				8,010,443	4,947,505
Total State Financial Assistance				$ **8,010,443**	**4,947,505**
Total Expenditures of Federal Awards and State Financial Assistance				$ **8,011,563**	**4,947,505**

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, 2018

(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 Statues,* 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, 2018

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 state projects:	*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:	$300,000	

Identification of major State projects:

CSFA Number	Program Name
37.052	Florida Springs Grant 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, 2017.

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, 2018, and have issued our report thereon dated March 11, 2019.

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; Section 215.97, Florida Statutes, Florida Single Audit Act; and Chapter 10.550, Rules of the Auditor General.

Other Reporting Requirements

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 11, 2019, 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. Corrective actions have been taken to address findings and 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.

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 did not have any such recommendations.

Annual Financial Report

Section 10.554(1)(i)5.b. and 10.556(7), 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, 2018, 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, 2018. 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 determination 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 other 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.

James Moore & Co., P.L.

Gainesville, Florida
March 11, 2019

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Independent Accountants' Report

James Moore
Certified Public Accountants and Consultants

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, 2018. The District's management is responsible for compliance with those requirements. Our responsibility is to express an opinion on the District's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the District complied with Section 218.415, Florida Statutes, Local Government Investment Policies, for the year ended September 30, 2018, in all material respects. An examination involves performing procedures to obtain evidence about the District's compliance with those requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of risks of material noncompliance with those requirements, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

In our opinion, the Southwest Florida Water Management District complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2018.

James Moore & Co., P.L.

Gainesville, Florida
March 11, 2019

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