

Comprehensive Annual Financial Report

FISCAL YEAR ENDED SEPTEMBER 30, 2012



Lancaster Tract



Pasco Wet Weather Reservoir



FLM, Inc. Pump Station and Filters



Radial Pivot Irrigation



Eastshore Commerce Park Stormwater
Hillsborough Co.



TECO Drill Site

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, 2012

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:

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

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

The Southwest Florida Water Management District (District) does not discriminate on the basis of disability. This nondiscrimination policy involves every aspect of the District's functions, including access to and participation in the District's programs and activities. Anyone requiring reasonable accommodation as provided for in the Americans with Disabilities Act should contact the District's Human Resources Bureau Chief, 2379 Broad St., Brooksville, FL 34604-6899; telephone (352) 796-7211 or 1-800-423-1476 (FL only), ext. 4702; TDD 1-800-231-6103 (FL only); or email ADACoordinator@WaterMatters.org.

**Southwest Florida Water Management District
 Comprehensive Annual Financial Report
 Fiscal Year Ended September 30, 2012**

Table of Contents

Page

INTRODUCTORY SECTION

Letter of Transmittal.....	i
GFOA Certificate of Achievement.....	vi
Boundary Map.....	vii
Organization Chart Listing Principal Officials.....	viii

FINANCIAL SECTION

Independent Auditors' Report	1
Management's Discussion and Analysis (unaudited).....	3

Basic Financial Statements:

Government-wide Financial Statements:

Statement of Net Position	13
Statement of Activities.....	14

Fund Financial Statements:

Balance Sheet – Governmental Funds	15
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds.....	16
Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – General Fund.....	17
Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – DOT Mitigation Special Revenue Fund	18

Notes to the Financial Statements	19
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Other Supplementary Information:

Schedule of Revenues, Expenditures, and Changes in
Fund Balance – Budget and Actual – Capital Projects Funds:

Florida Forever Capital Projects Fund	41
Facilities Capital Projects Fund.....	42

STATISTICAL SECTION (unaudited)

Net Position by Component – For the Last Ten Years	43
Changes in Net Position – For the Last Ten Years.....	44
Fund Balances, Governmental Funds – For the Last Ten Years.....	45
Changes in Fund Balances, Governmental Funds – For the Last Ten Years	46
General Government Expenditures by Program – For the Last Ten Fiscal Years.....	47
General Government Revenues by Source – For the Last Ten Fiscal Years.....	48
Ad Valorem Property Tax Revenues by Source – For the Last Ten Fiscal Years	49
Ad Valorem Property Tax Revenues by County – For the Last Ten Fiscal Years	50
Ad Valorem Property Tax Levies, Tax Collections and Assessed Valuations – For the Last Ten Fiscal Years.....	52
Taxable Assessed and Estimated Just Value of Taxable Property – For the Last Ten Fiscal Years.....	53
Schedule of Property Tax Rates for the District and Watershed Basins – For the Last Ten Fiscal Years.....	57
Schedule of Principal Taxpayers – Current Year and Nine Years Ago.....	58
Ratios of Outstanding Debt – For the Last Five Fiscal Years	59
Demographic Statistics – Population by County – For the Last Ten Calendar Years.....	60
Demographic Statistics – Changes in Population – For the Last Ten Calendar Years.....	62
Demographic Statistics – Income and Unemployment by County – For the Last Ten Calendar Years.....	63
Demographic Statistics – Top Ten Non-Government Employers Within a Single County – For Fiscal Years Ending September 30, 2012 and September 30, 2008	71
Budgeted Personnel (FTE's) by Program – For the Last Ten Fiscal Years.....	72
Permit Applications and Permits Issued – For the Last Ten Fiscal Years	73
Estimated Total Water Use by County.....	74
Nature of Capital Assets by Program – Net of Accumulated Depreciation	75

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*..... 77

Independent Auditors' Report on Compliance with Requirements That Could Have a Direct and Material Effect on Each Major Program and on Internal Control Over Compliance in Accordance with OMB Circular A-133 and Chapter 10.550, *Rules of the Auditor General* 79

Schedule of Expenditures of Federal Awards and State Financial Assistance..... 81

Note to Schedule of Expenditures of Federal Awards and State Financial Assistance 83

Schedule of Findings and Questioned Costs..... 84

MANAGEMENT LETTER

Management Letter..... 87



Introductory Section

- Letter of Transmittal
- GFOA Certificate of Achievement
- Boundary Map
- District Organization Chart Listing Principal Officials

March 26, 2013

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, 2012, is hereby submitted.

State law requires that local governmental entities publish within 9 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, 2012.

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

KPMG LLP, Certified Public Accountants, has issued an unqualified opinion on the District's financial statements for the year ended September 30, 2012. 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 (4.9 million) resides within the District. The District was established in 1961 by a special act of the Florida Legislature to serve as local sponsor of the Four River Basins, Florida Project. This was a major flood control project sponsored by the U.S. Army Corps of Engineers after Hurricane Donna caused extensive damage in west-central Florida in 1960.

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

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

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

The District is authorized by the Florida Constitution and Florida Statutes to fund its general operations from ad valorem property taxes. The District Governing Board, with the approval of the Executive Office of the Governor (EOG), 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 rates and adopts a budget in September. The appropriated budget is prepared by fund, department and activity and reported programmatically. The Governing Board delegates authority to the Executive Director to execute transfers of budgeted funds not to exceed \$50,000, if no reserve funds are involved. Delegated transfers are presented to the Governing Board for ratification at their next regular scheduled meeting. All transfers of funds from the contingency and other reserve accounts require prior Governing Board approval.

The Reporting Entity

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

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

The District's financial statements for the fiscal year ended September 30, 2012, will be incorporated into the State of Florida's financial statements for the state's fiscal year ending June 30, 2013, 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.

Factors Affecting Financial Condition

Economic Conditions and Outlook. Conditions in the local economy affect the District's ability to generate revenues. District revenues are primarily derived from ad valorem taxes, which are based on the assessed value of real estate. Factors that contribute to changes in property values include population growth rates, employment and income.

Population growth is a key driver of Florida's economy as it brings to the state increased demand for goods and services. Between 2011 and 2012, the total permanent population for the District increased by approximately 94,890 residents or 1.75 percent.¹ This growth rate matches the pre-boom years of 2000 to 2001. The District's population is expected to increase from the 2012 level at an average rate of 1.75 percent per year over the next five years. It is projected that by 2040, the District's total county population will grow from its current 5.5 million to 8.2 million people. Population growth will be a key element in the state's economic recovery as it provides for employment and income growth.

As of November 2012, nonagricultural employment in Florida was 7,402,200 jobs, which is up 83,300 jobs from the same time in 2011.² November 2012 was the 28th consecutive month that the state has seen positive year-over-year jobs growth. Unemployment declined significantly between 2011 and 2012 and is now in the single digits. Florida's preliminary unemployment rate as of November 2012 was 8.1 percent, compared to 10.1 percent a year earlier.³ The national unemployment rate for November 2012 was slightly lower than Florida's at 7.7 percent. Except for Sumter County, county-level unemployment rates are higher than the state and national averages.⁴

Per capita personal income in the District and state experienced a decrease of less than 1 percent between 2011 and 2012. The nation's per capita personal income decreased, but only slightly (0.07 percent). By 2017, real per capita income in the District is projected to increase 4.94 percent over its 2012 level. Per capita personal income for the state and nation are expected to grow at 5.1 and 5.38 percent, respectively. Counties with the highest projected increases in real per capita income through 2015 are DeSoto and Hardee (7.08 and 7.48 percent, respectively).

¹ Except as noted, all data are based on countywide data and are derived from Woods and Poole Economics. 2011 State Profile: State and County Projections to 2040.

² "Florida's November Employment Figures Released". Florida Department of Economic Opportunity. December 21, 2012. <http://www.floridajobs.org>. Accessed: January 2, 2013.

³ "Regional and State Employment and Unemployment - November 2012". U.S. Department of Labor. December 21, 2012. Bureau of Labor Statistics, <http://www.bls.gov>. Accessed: January 2, 2013.

⁴ Florida Economic Estimating Conference. Florida Economy. September 9, 2012. Office of Economic & Demographic Research. <http://edr.state.fl.us>. Accessed December 6, 2012.

Statewide, performance of the housing sector continues to improve. Year-over-year closed sales of existing single family homes and condominiums increased 24.4 and 18.3 percent, respectively, between November 2011 and November 2012.⁵ Increased sales drove up prices (7.9 and 16.7 percent, respectively) and reduced Days on Market Until Sale (16.9 and 14.3 percent, respectively). Higher prices and shorter sales periods may ease the budgetary crunch affecting local governments. Residential construction has also increased significantly. Districtwide single family residential building permit issuance January through November jumped 26.10 percent from the same period in 2011.⁶ In the two largest metropolitan areas served by the District, housing starts are expected to more than double through the second quarter of 2016.⁷ This is expected to help strengthen the economic recovery.

In summary, the sales of existing homes and housing starts are expected to continue to grow. As a result, local municipalities and counties may start seeing modest increases in property and transfer tax revenues. In the near term, local economic conditions may not significantly increase the amount of available District funding for water supply projects and the amount of matching funding from state and local governments for water quality, reuse, land conservation, environmental restoration, and flood control projects. As opposed to water supply projects that are primarily funded by user rates and fees, water quality, reuse, land acquisition, restoration, and flood control projects often do not have dedicated sources of funding and are more likely to be impacted by budget shortfalls. However, higher projected population and per capita income combined with the improving real estate market should help ease budget shortfalls in the long term.

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, as well as strategic direction, is provided by the District Strategic Plan, annual development of a Program Budget, a Five-Year Technology Plan, and a Five-Year Capital Improvements Plan that connect planning and program budgeting.

An example of long-term financial planning in the area of water supply is the District's Long-Range Water Supply and Water Resource Development Funding Plan (Long-Range Funding Plan). The District's 2010 Regional Water Supply Plan (RWSP) projects an increase in water demand of 431 million gallons per day (mgd) from the base year (2005) to the end of the planning horizon (2030). This includes 64.7 mgd in environmental restoration quantities required to help impacted natural systems meet their minimum flows and levels. The RWSP identified 937 mgd of potential water supplies to help meet these demands. The Long-Range Funding Plan is a pay-as-you-go funding strategy for the District's RWSP that depends on the majority of funding for new water supplies being generated in conjunction with the District's public and private partners through 2030. This Long-Range Funding Plan is reviewed and updated annually as part of the District budget process to keep pace with evolving water supply plans and the potential revenue impacts of economic fluctuations and legislative changes. The RWSP is updated on a five-year cycle with the next revision scheduled for late 2015. The District's Water Supply and Resource Development (WSRD) and Cooperative Funding programs are integral components of the Long-Range Funding Plan.

⁵ Monthly Indicators – November 2012. Florida Association of Realtors. <http://media.floridarealtors.org/wp-content/uploads/2012/12/Nov-2012-Fla-housing-data.pdf>. Accessed: January 16, 2013.

⁶ Building Permits Database. State of the Cities Data Systems. Office of Policy Development and Research. U.S. Department of Housing and Urban Development. Accessed: December 7, 2012.

⁷ Florida and Metro Forecast 2013-2016. Institute of Economic Competitiveness. College of Business Administration. University of Central Florida. Published December 2012. pp. 48 and 88. <http://iee.ucf.edu/page/Forecasts.aspx>.

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, 2011. This was the 24th 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 the Public Affairs - Communications Section staff for the design of the cover, and the Document Services Section staff for producing 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,



Daryl Pokrana
Finance Bureau Chief



Melisa Lowe
Accounting & Financial Reporting Manager

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, 2011

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.

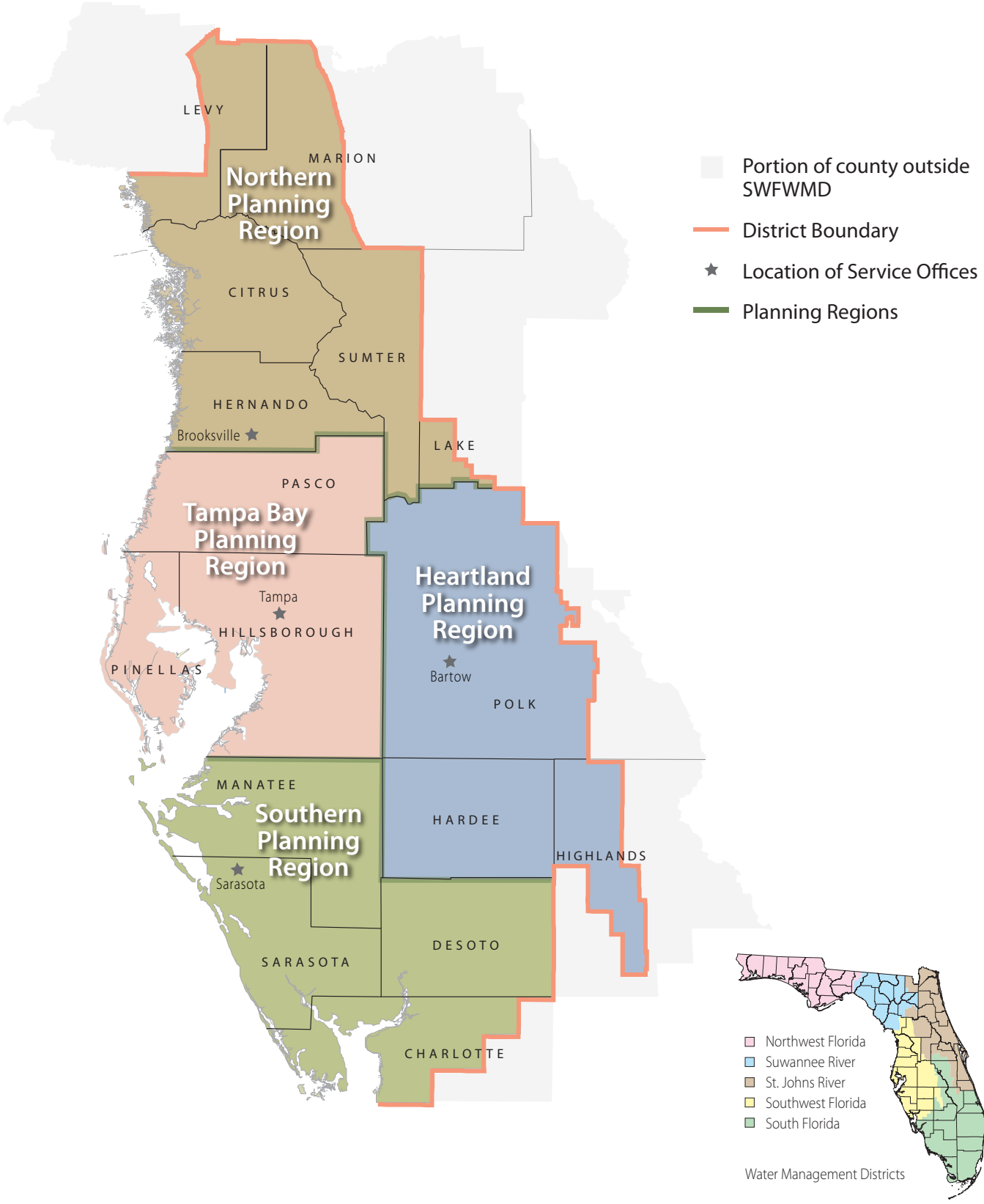


Christopher P. Morrell

President

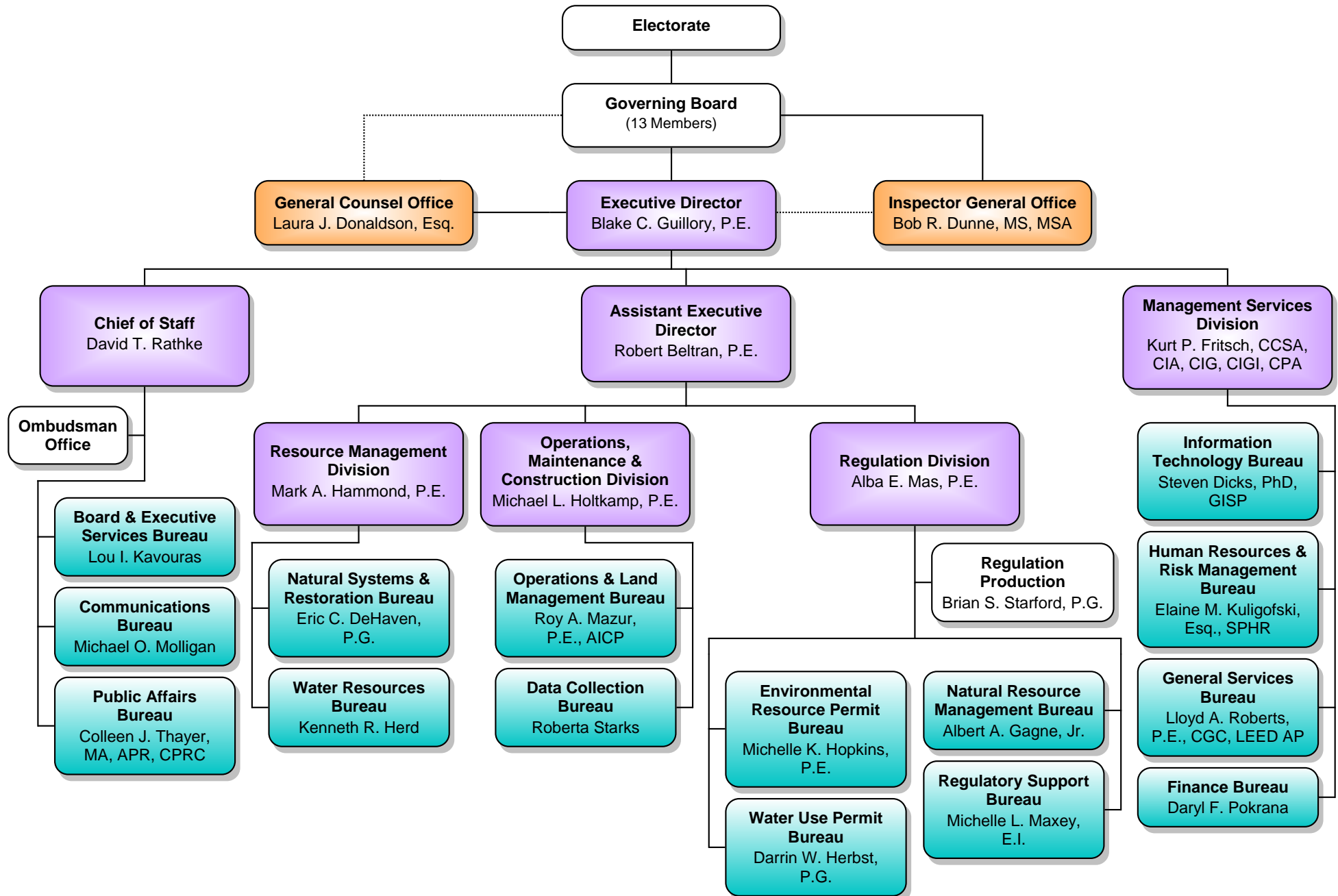
Jeffrey R. Emer

Executive Director



Organization Chart

As of September 30, 2012





Financial Section

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



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

Independent Auditors' Report

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

We have audited the accompanying financial statements of the governmental activities and each major fund of the Southwest Florida Water Management District (the District), a component unit of the State of Florida, as of and for the year ended September 30, 2012, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the District's management. 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 of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the Southwest Florida Water Management District, as of September 30, 2012, and the respective changes in financial position, and budgetary comparison for the general fund and DOT Mitigation special revenue fund for the year then ended in conformity with U.S. generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued our report dated March 18, 2013 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 the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

U.S. generally accepted accounting principles require that the management's discussion and analysis and the schedule of funding progress on pages 3 through 12 and 39, respectively, 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.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The other supplementary information and schedule of expenditures of federal awards and state financial assistance as required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and Section 215.97, *Florida Statutes*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The other supplementary information and schedule of expenditures of federal awards and state financial assistance have 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 financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the other supplementary information and schedule of expenditures of federal awards and state financial assistance are fairly stated in all material respects in relation to the basic financial statements as a whole. The introductory and statistical sections are presented for the purposes of additional analysis and are not a required part of the basic financial statements. Such information has 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.

KPMG LLP

March 18, 2013
Certified Public Accountants

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, 2012. 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 13.

Financial Highlights

- The assets of the District exceeded its liabilities at the close of the most recent fiscal year by \$1.4 billion (net position). Of this amount, \$292.1 million may be used to meet the District's ongoing obligations to citizens and creditors. It is the District's intent to use these assets to: satisfy contracts and purchase orders in the amount of \$59.6 million; fund future long- and short-term projects in the amount of \$169.3 million; maintain an economic stabilization reserve of \$18.7 million; support land management activities in the amount of \$6.9 million; pay claims associated with the District's Workers' Compensation Self-insurance Program in the amount of \$0.5 million; and carry forward \$6.8 million into the fiscal year 2012-13 budget. The additional remaining funds will be carried forward for allocation in the fiscal year 2013-14 budget.
- The District's total net position decreased by \$23.2 million. The decrease is primarily attributable to the reduction of property tax revenues, and using reserves to fund the large capital projects for which the reserves were collected.
- As of the close of the current fiscal year, the District's governmental funds reported combined ending fund balances of \$528.4 million, a decrease of \$51.1 million in comparison with the prior year. Of this total amount, \$40,128 relates to inventory on hand and is non spendable; \$230.4 million is restricted for the watershed basins and land acquisition; and \$298 million is available for spending at the District's discretion, with the majority committed or assigned as noted above.
- The District continues to have no bonded debt.

Overview of the Financial Statements

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

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

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

The statement of activities presents information showing how the District's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event

giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

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

The government-wide financial statements can be found on pages 13 and 14 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 2011-12. Information for all funds is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances.

The District adopts an annual appropriated budget for all funds. To demonstrate compliance with the adopted budget, budgetary comparison statements have been provided for all funds in accordance with Governmental Accounting Standards Board, Statement No. 34. Although not required, budgetary comparison schedules for the District's capital projects funds have been provided on pages 41 and 42 of this report, as other supplementary information.

The governmental funds financial statements can be found on pages 15 through 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 19 through 39 of this report.

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

Government-wide Financial Analysis

For fiscal year 2011-12, the overall condition of the District remained consistent with fiscal year 2010-11.

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 exceeded liabilities by approximately \$1.4 billion at September 30, 2012, and the District reported positive balances in all categories of net position. The same held true for the prior fiscal year. For fiscal year 2011-12, the District's total net position decreased by \$23.2 million (1.6 percent). The majority of the decrease is attributable to the reduction of property tax revenues.

Southwest Florida Water Management District's Net Position

	Governmental Activities	
	2012	2011
Current and Other Assets	\$ 599,945,882	\$ 716,477,290
Capital Assets	873,503,349	857,375,759
Total Assets	<u>1,473,449,231</u>	<u>1,573,853,049</u>
Current and Other Liabilities	70,475,474	135,896,224
Long-term Liabilities	10,702,423	22,448,284
Total Liabilities	<u>81,177,897</u>	<u>158,344,508</u>
Net Position:		
Invested in Capital Assets	873,503,349	857,375,759
Restricted for:		
Watershed Basins	226,419,010	285,544,515
Land Acquisition	265,900	-
Unrestricted	292,083,075	272,588,267
Total Net Position	<u>\$ 1,392,271,334</u>	<u>\$ 1,415,508,541</u>

By far the largest portion of the District's net position, at September 30, 2012, in the amount of \$873.5 million (62.7 percent) reflects its investment in capital assets (e.g., land, buildings, machinery, equipment, infrastructure, intangible assets). The District uses these capital assets to carry out its statutory responsibilities; consequently, these assets are not available for future spending.

Restricted net position in the amount of \$226.7 million (16.3 percent) represents resources that are subject to external restrictions on how they may be used. The majority of the resources represent the equity of the former seven watershed basins that must be spent within the geographical boundaries of each watershed basin. It is the District's intent to use these assets to satisfy contracts and purchase orders and fund future long- and short-term projects that fall within the specific geographical boundaries of the basins.

Unrestricted net position in the amount of \$292.1 million (21 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 future long- and short-term projects; support land management activities; pay claims associated with the District's Workers' Compensation Self-insurance Program; fund an economic stabilization reserve; and carry forward funding for allocation in subsequent years budgets.

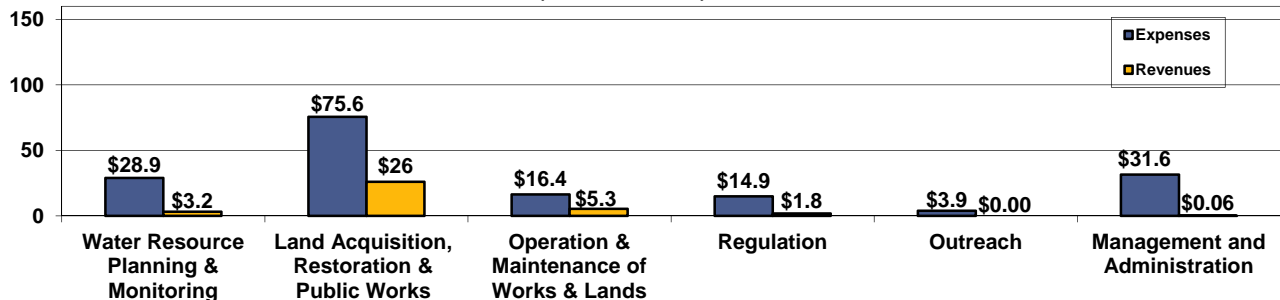
Governmental activities. Governmental activities decreased the District's net position by \$23.2 million. Changes in key elements of this decrease are as follows:

Southwest Florida Water Management District's Changes in Net Position

	Governmental Activities	
	2012	2011
Revenues:		
Program revenues:		
Charges for services	\$ 2,751,324	\$ 3,677,088
Operating grants and contributions	32,271,976	23,181,021
Capital grants and contributions	1,419,281	3,009,100
General revenues:		
Ad valorem property taxes	104,722,421	161,850,765
Unrestricted investment earnings	5,197,926	6,515,579
Gain on sale of capital assets	316,321	-
Other	1,280,767	822,578
Total Revenues	<u>147,960,016</u>	<u>199,056,131</u>
Expenses:		
Water Resource Planning and Monitoring	28,879,406	38,393,264
Land Acquisition, Restoration and Public Works	75,567,095	85,730,762
Operation and Maintenance of Works and Lands	16,439,958	17,287,730
Regulation	14,872,887	17,068,249
Outreach	3,885,569	5,693,533
Management and Administration	31,552,308	35,990,413
Total Expenses	<u>171,197,223</u>	<u>200,163,951</u>
Change in net position	(23,237,207)	(1,107,820)
Net position - beginning of year	1,415,508,541	1,416,616,361
Net position - end of year	<u>\$ 1,392,271,334</u>	<u>\$ 1,415,508,541</u>

Fiscal Year 2011-12 Expenses and Program Revenues - Governmental Activities**

(shown in millions)



** Program Revenues exclude ad valorem property taxes in accordance with Governmental Accounting Standards Board, Statement No. 34 – See Note I.B. on page 19.

Revenues

Ad valorem property taxes are the District's primary source of revenue. For fiscal year 2011-12, ad valorem property taxes decreased \$57.1 million (35.3 percent) below fiscal year 2010-11. The property tax levy for the fiscal year 2011-12 budget complied with Senate Bill 2142, which established the maximum tax levy for fiscal year 2011-12 at \$107.8 million. The fiscal year 2011-12 budget includes \$103.4 million in property tax revenue which is 96 percent of the maximum levy based on the historical collection rate. The Governing Board adopted a final millage rate of 0.3928 mill required for the levy which resulted in a \$57.4 million (36 percent) tax reduction to property owners within the district's 16-county service area.

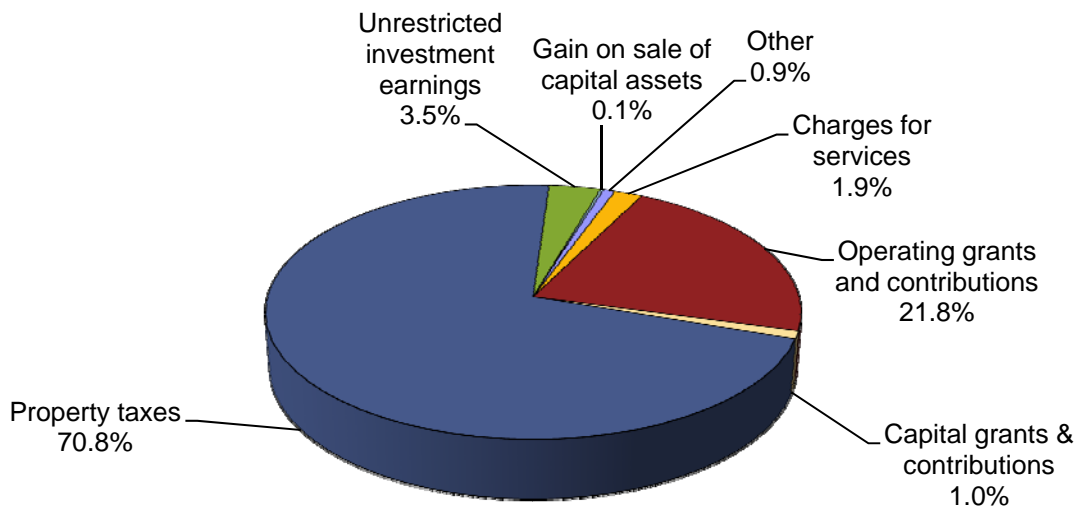
Charges for services decreased by \$0.9 million (25.2 percent) below fiscal year 2010-11 due primarily to the reduction of revenue associated with equipment use charges from the former seven watershed basin special revenue funds that were eliminated during fiscal year 2010-11.

Operating grants and contributions increased by \$9.1 million (39.2 percent) above fiscal year 2010-11 due primarily to an increase in intergovernmental revenues received in support of the District's land acquisition, restoration and public works programmatic area. The majority of the increase is related to the Lake Hancock Outfall Treatment Project where intergovernmental revenues associated with this project increased by \$11.4 million as compared to fiscal year 2010-11. There were various other projects that had increased or decreased funding which resulted in the net increase of \$9.1 million.

Capital grants and contributions decreased by \$1.6 million (52.8 percent) below fiscal year 2010-11 due primarily to a decrease in the number of acres of land/land easements acquired in fiscal year 2011-12 as compared with fiscal year 2010-11. The Florida Department of Environmental Protection provided the majority of this revenue from the Florida Forever Trust Fund for land acquisition.

Unrestricted investment earnings decreased by \$1.3 million (20.2 percent) below fiscal year 2010-11 due to the current economic conditions and declining interest rates. The District received an average yield of 0.6 percent on its investments during fiscal year 2011-12 compared with an average yield of 0.9 percent during fiscal year 2010-11.

FY2011-12 Revenues by Source – Governmental Activities



Expenses

Water Resource Planning and Monitoring program expenses decreased \$9.5 million (24.8 percent) compared with fiscal year 2010-11. Expenses included in this program includes all water management planning, including water supply planning, development of minimum flows and levels, and other water resource planning; research, data collection, analysis, and monitoring; and technical assistance (including local and regional plan and program review). Actual expenditures associated with these types of projects are incurred as work on the projects is completed. Since the projects are often multi-year and the work is generally completed by outside consultants and local governments with the District reimbursing costs, expenditures can fluctuate year to year depending on the status of the projects and when they are completed. A few examples of some of the bigger projects that incurred significantly less cost in fiscal year 2011-12 as compared to fiscal year 2010-11 include the Aerial Orthophoto Mapping project; the United States Geological Survey (USGS) Surface Water Levels and Flows project; the Rainfall, Evapo-Transpiration Information and Groundwater Monitor Well Hydrologic Data project; the Aquifer Exploration & Monitor Well Drilling Program and the Pasco LiDAR Mapping project.

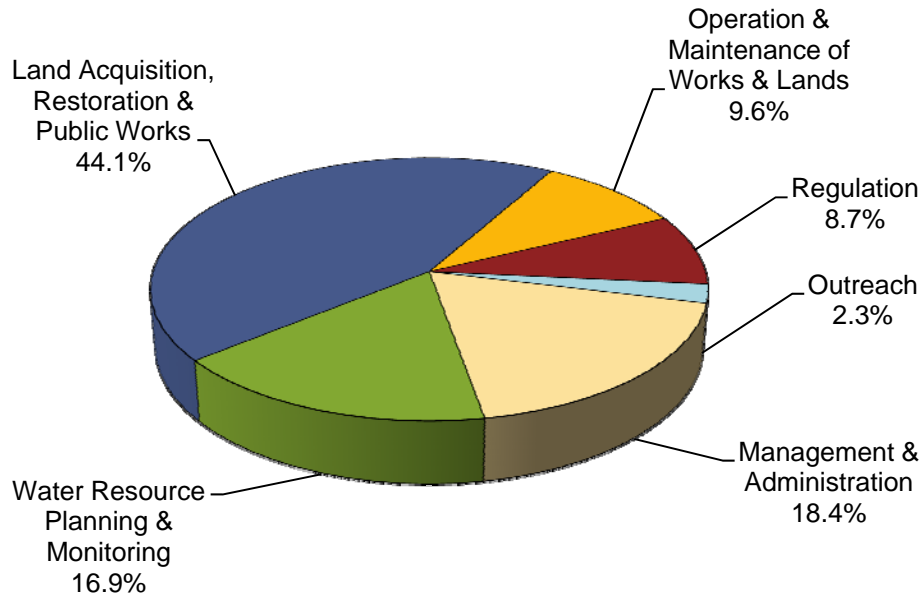
Land Acquisition, Restoration and Public Works program expenses decreased \$10.2 million (11.9 percent) compared with fiscal year 2010-11. Expenses included in this program include the development and construction of all capital projects (except for those contained in the Operation and Maintenance of Works and Lands Program), including water resource development projects/water supply development assistance, water control projects, and support and administrative facilities construction; land acquisition (i.e., Florida Forever program); and the restoration of lands and water bodies. The decrease in expenses is due to a number of different projects relating to this program area. Actual expenses associated with cooperative funding and restoration projects are incurred as work on the projects is completed. Since the projects are often multi-year and the work is generally completed by local governments with the District reimbursing costs, expenses can fluctuate year to year depending on the status of the projects and when they are completed. For example, during fiscal year 2011-12, expenses incurred for the Lake Hancock Outfall Treatment project were \$12.2 million more than in fiscal year 2010-11 due to the progress made on the project. In comparison, expenses incurred for the Tampa Bay Water System Configuration II were \$18.3 million less than in fiscal year 2010-11 due to the project being completed during fiscal year 2011-12.

Regulation program expenses decreased \$2.2 million (12.9 percent) compared with fiscal year 2010-11. Expenses included in the program include water use permitting, water well construction permitting, water well contractor licensing, environmental resource and surface water management permitting, permit administration, compliance and enforcement, and any delegated regulatory program. The decrease in expenses is due primarily to the reduction of the District's workforce including both District staff and contracted staff.

Outreach program expenses decreased \$1.8 million (31.8 percent) compared with fiscal year 2010-11 due primarily to a reduction of water resource education projects cooperatively funded with other local governmental entities. This program includes all environmental education activities, such as water conservation campaigns and water resource education; public information activities; all lobbying activities relating to local, regional, state, and federal governmental affairs; and all public relations activities, including public service announcements and advertising in any media.

Management and Administration program expenses decreased \$4.4 million (12.3 percent) compared with fiscal year 2010-11. Expenses included in the program include all governing board support; executive support; management information systems; unrestricted reserves for contingencies; and general counsel, ombudsman, human resources, finance, audit, risk management, and administrative services. The decrease in expenses is due primarily to the reduction of the District's workforce (\$5.2 million in salaries and benefits) and other operating expenses such as travel, printing and reproduction, and maintenance and repair of equipment. In addition, with the reduction in property tax revenue, property tax commissions have also been reduced (\$0.9 million).

FY2011-12 Expenses by Program – Governmental Activities



Financial Analysis of the Government's Funds

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

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

At September 30, 2012, the District's governmental funds reported combined fund balances of \$528.4 million, a decrease of \$51.1 million in comparison with fiscal year 2010-11. *Unassigned fund balance* of \$36.2 million represents 6.9 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 (\$40,128), 2) legally required to be maintained intact (\$230.4 million), 3) committed for particular purposes (\$74 million), or 4) assigned for particular purposes (\$187.7 million).

The general fund is the chief operating fund of the District. At the end of fiscal year 2011-12, unassigned fund balance of the general fund was \$36.2 million, while the total fund balance decreased to \$518.2 million. As a measure of the general fund's liquidity, it may be useful to compare both the unassigned fund balance and the total fund balance to total general fund expenditures. Unassigned fund balance represents 18.1 percent of the total general fund expenditures, while total fund balance represents 258.5 percent of that same amount.

The fund balance of the general fund decreased \$56.9 million during the current fiscal year. As discussed earlier in connection with governmental activities, the property tax levy for the fiscal year 2011-12 budget complied with Senate Bill 2142, which established the maximum tax levy for fiscal year 2011-12 at \$107.8 million. The fiscal year 2011-12 budget includes \$103.4 million in property tax revenue which is 96 percent of the maximum levy based on the historical collection rate. The

Governing Board adopted a final millage rate of 0.3928 mill required for the levy which resulted in a \$57.4 million (36 percent) tax reduction to property owners within the district's 16-county service area.

The Florida Forever, capital projects fund had an increase in fund balance of \$5.1 million, due to the sale of capital assets and revenue generated in accordance with the District's land program.

The fund balance of the facilities fund increased \$0.7 million as a result of the cancellation of the Brooksville building 5 - backup generator for business continuity (\$250,000) and the solar photovoltaic system (\$500,000) projects.

General Fund Budgetary Highlights

Although there were budget transfers made between the six program areas, the District's General Fund budget was not amended during fiscal year 2011-12.

In total, the general fund revenue budget was \$170.4 million with actual revenues of \$143.3 million, resulting in a variance of \$27.1 million (15.9 percent). The variance is primarily due to a reduction in intergovernmental revenues offset by an increase in interest earnings.

Intergovernmental revenues are recognized at the time related expenditures are incurred. For fiscal year 2011-12, the Intergovernmental Revenues budget was \$62.7 million and actual revenues were \$31.5 million, resulting in a variance of \$31.2 million (49.8 percent). The decrease is due primarily to outside funding being budgeted to fund various District projects that are currently in the planning stages and have not incurred a significant amount of expenditures.

Interest earnings were budgeted at \$2.6 million and actual earnings were \$4.9 million, resulting in a variance of \$2.3 million (88.8 percent). Interest earnings were conservatively budgeted based on a 0.5 percent rate of return due to the volatile market conditions and yields at an all time low. With interest earnings being conservatively budgeted and a substantial reduction in expenditures, a significantly larger than anticipated cash balance was available throughout the year for investment, resulting in interest earnings in excess of amounts budgeted.

The District's program areas include a variety of projects and initiatives that are necessary to carry out the District's mission to preserve and protect the state's water resources (see Note I.D, page 21). 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, four program areas showed a significant variance.

The Land Acquisition, Restoration and Public Works program budget was \$349 million and actual expenditures were \$107.7 million. After adjusting for encumbrances, a variance of \$40.6 million (11.6 percent) remains. The variance is primarily due to a reduction in contracted services and interagency grants caused by projects that are currently in the planning stages and have not incurred a significant amount of expenditures, were cancelled, withdrawn or came in under budget. Examples of some of the larger projects that were either cancelled or withdrawn include the Bradenton Reservoir Expansion - 580 MG Offstream Reservoir - \$5.2 million; Bayview Drive Shoreline Restoration - \$2.5 million; Lake Tarpon Aquifer Storage and Recovery Test Well Program - \$1.3 million; Rotonda ASR Well Conversion for Reuse Water ASR -\$1.1 million. Examples related to projects completed under budget include the Tampa Bay Water's - System Configuration II - \$4.8 million; St Petersburg - Jungle Lake to Boca Ciega Bay - \$2.1 million; St Petersburg - 30th Avenue North & Vicinity - \$1.9 million.

The Operations and Maintenance of Works and Lands program budget was \$21.7 million and actual expenditures were \$15.4 million. After adjusting for encumbrances, a variance of \$3.8 million (17.4 percent) remains. The variance is due to a reduction of \$2.3 million in operating expenditures

relating to the repairs needed for building 4, Brooksville office, that were caused by water damage; maintenance and repair activities of the Bartow service office; reduction in the District's workforce; and a reduction to the District's fleet resulting in less maintenance costs, fuels, lubricants, etc.

The Outreach program budget was \$6.2 million and actual expenditures were \$3.9 million. After adjusting for encumbrances, a variance of \$1 million (15.9 percent) remains. The variance is due to a reduction of expenditures related to grants to other local governmental agencies for funding water education programs.

The District Management and Administration program budget was \$43.6 million and actual expenditures were \$26 million. After adjusting for encumbrances, a variance of \$13 million (29.8 percent) remains. The variance is due to: \$6.9 million in contingency funds that were not required during the fiscal year; a reduction of the District's workforce resulting in savings of \$3.3 million; and a \$2.2 million reduction in other operating expenses associated with information technology, property tax commissions, printing and reproduction, maintenance and repair of equipment, and less travel related expenditures.

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, 2012, amounted to \$873.5 million (net of accumulated depreciation). This investment in capital assets includes land, land interests, buildings, machinery and equipment, infrastructure, construction in progress, software, and other capital assets. The total increase in capital assets for the current fiscal year was 1.9 percent.

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

- In connection with the Lake Hancock Project, the District acquired five perpetual easements through eminent domain for a cost of \$3.8 million (not including ancillary costs) totaling 155.01 acres. Professional fees associated with the eminent domain acquisitions totaled \$0.8 million. These acquisitions and fees were funded by the District.
- Upgrades to software programs totaling \$4.8 million.
- Following are some of the construction in progress projects that were completed during fiscal year 2011-12:
 - Structure: S11, Sumter County
 - Wellsites: Big Bend TR-AB-1; Bushnell Romp 102.5; Davenport number 74X; Dover East, North, West, South (Frost/Freeze Wells); Hibiscus Park, Romp 120; Lake Hancock Northeast; Lake Okahumpka Romp 117; Northern Central Citrus; Oconee Romp 70; Peace Basin-27 Surficial Wells; Ridge Manor number 99X; Tsala Apopka Site numbers 3 and 5
 - Intangible Software Projects: LaRis (Land Resources Information System), EICM (Enhanced Interactive Communications Management), Field Development, MetaData, PIC (Permit Information Center), Leave Request, Vignette, and components of WMIS (Water Management Information System)

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

	2012	2011
Land	\$ 611,065,223	\$ 610,949,925
Land Interests (less-than-fee)	106,070,551	101,007,649
Buildings	26,143,818	27,201,573
Machinery and Equipment	9,326,860	11,475,728
Infrastructure	71,814,152	71,005,369
Construction in Progress	23,276,162	26,257,764
Software	25,763,817	9,426,807
Other Capital Assets	42,766	50,944
Total Assets	\$ 873,503,349	\$ 857,375,759

Additional information on the District's capital assets can be found in Note I.E.4. on page 22 and Note IV.E. on page 31.

Economic Factors and Next Year's Budgets and Rate

The District's primary source of funding is ad valorem property taxes.

The fiscal year 2012-13 budget of \$100.5 million of ad valorem property taxes represents 96 percent of the taxable property values as certified by the District's 16 counties, which is based on historical collections. This represents the fifth year of declining ad valorem revenues, which is now at taxing levels similar to fiscal year 2000-01.

A millage rate of 0.3928 mill, the same rate levied for fiscal year 2011-12, was adopted by the Governing Board at the final public hearing held on September 25, 2012. The rate is based on taxable property values as certified by the District's 16 counties and is below the rolled-back rate and maximum millage rate in compliance with Section 200.065, Florida Statutes. The 2011-12 tax roll, upon which taxes for fiscal year 2012-13 are based, decreased by 2.87 percent from 2010-11. This represents the fifth year of declining property values reflecting the state of the economy and real estate industry. The current economic conditions and declining interest rates have negatively affected the District's interest earnings for fiscal year 2011-12, and are expected to continue for fiscal year 2012-13. The District received an overall return of 0.6 percent on its investments for fiscal year 2011-12, compared to the 0.5 percent that had been budgeted. The fiscal year 2012-13 budget for interest earnings is also based on an expected return of 0.5 percent. As of the end of the first quarter of fiscal year 2012-13, interest earnings appeared to be on track with the budget, and interest projections indicate interest earnings should achieve or exceed the amount budgeted.

Management will continue to closely monitor revenues and expenditures throughout the fiscal year and report any variances to the Governing Board as conditions warrant.

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 Daryl.Pokrana@WaterMatters.org.



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 resource 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, 2012

ASSETS	<u>Governmental Activities</u>
Cash and Investments	\$ 309,542,164
Receivables	5,777,084
Deposits	30,000
Inventories	40,128
Other Assets	319,623
Restricted assets:	
Cash and Investments	280,328,857
Intergovernmental Receivable	3,875,221
Other Assets	32,805
Capital Assets not being depreciated:	
Land	611,065,223
Land Interests	106,070,551
Construction in Progress	23,276,162
Capital Assets (net of accumulated depreciation):	
Buildings	26,143,818
Machinery and Equipment	9,326,860
Infrastructure	71,814,152
Software	25,763,817
Other Capital Assets	42,766
Total Assets	<u>1,473,449,231</u>
 LIABILITIES	
Accounts and Contracts Payable	45,056,320
Payroll and Related Costs	1,789,150
Contracts Payable-Retainage	2,746,324
Due To Other Governments	2,290
Unearned Revenue	20,866,209
Interest Payable	15,181
Noncurrent Liabilities:	
Due Within One Year	4,863,584
Due in More Than One Year	5,838,839
Total Liabilities	<u>81,177,897</u>
 NET POSITION	
Investment in Capital Assets	873,503,349
Restricted for:	
Watershed Basins	226,419,010
Land Acquisition	265,900
Unrestricted	292,083,075
Total Net Position	<u><u>\$ 1,392,271,334</u></u>

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

**Southwest Florida Water Management District
Statement of Activities
For the Year Ended September 30, 2012**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets
Primary government:		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Total Governmental Activities
Governmental activities:					
Water Resource Planning and Monitoring	\$ 28,879,406	\$ 217,587	\$ 3,019,526	\$ -	\$ (25,642,293)
Land Acquisition, Restoration and Public Works	75,567,095	-	24,599,435	1,419,281	(49,548,379)
Operation and Maintenance of Works and Lands	16,439,958	842,426	4,484,733	-	(11,112,799)
Regulation	14,872,887	1,641,624	162,874	-	(13,068,389)
Outreach	3,885,569	-	-	-	(3,885,569)
Management and Administration	31,552,308	49,687	5,408	-	(31,497,213)
Total governmental activities	\$ 171,197,223	\$ 2,751,324	\$ 32,271,976	\$ 1,419,281	(134,754,642)
General Revenues:					
					104,722,421
					5,197,926
					316,321
					1,280,767
Total general revenues					111,517,435
Change in net position					(23,237,207)
Net position - beginning					1,415,508,541
Net position - ending					\$ 1,392,271,334

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

Southwest Florida Water Management District
Balance Sheet
Governmental Funds
September 30, 2012

	General Fund	DOT Mitigation	Florida Forever	Facilities	Total Governmental Funds
ASSETS					
Cash and Investments	\$ 568,757,863	\$ 11,086,490	\$ 4,855,833	\$ 5,170,835	\$ 589,871,021
Due From Other Governments	8,408,211	16,068	269,004	-	8,693,283
Interest Receivable	959,022	-	-	-	959,022
Deposits	30,000	-	-	-	30,000
Inventories	40,128	-	-	-	40,128
Other Assets	352,428	-	-	-	352,428
Total Assets	578,547,652	11,102,558	5,124,837	5,170,835	599,945,882
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts and Contracts Payable	44,612,535	422,860	34,313	1,793	45,071,501
Payroll and Related Costs	1,787,409	1,741	-	-	1,789,150
Contracts Payable-Retainage	2,642,961	103,363	-	-	2,746,324
Due To Other Governments	2,290	-	-	-	2,290
Deferred Revenue	11,337,504	10,574,594	-	-	21,912,098
Total Liabilities	60,382,699	11,102,558	34,313	1,793	71,521,363
Fund Balances:					
Nonspendable	40,128	-	-	-	40,128
Restricted	230,161,294	-	265,900	-	230,427,194
Committed	69,429,780	-	4,601,071	-	74,030,851
Assigned	182,313,883	-	223,553	5,169,042	187,706,478
Unassigned	36,219,868	-	-	-	36,219,868
Total Fund Balances	518,164,953	-	5,090,524	5,169,042	528,424,519
Total Liabilities and Fund Balances	\$ 578,547,652	\$ 11,102,558	\$ 5,124,837	\$ 5,170,835	

Amounts reported for governmental activities in the statement of net position (page 13) are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	873,503,349
Delinquent taxes are not available to pay for current period expenditures and, therefore, are not reported in the funds.	1,045,889
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.	(10,702,423)
Net position of governmental activities	\$ 1,392,271,334

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, 2012

	<u>General Fund</u>	<u>DOT Mitigation</u>	<u>Florida Forever</u>	<u>Facilities</u>	<u>Total Governmental Funds</u>
REVENUES					
Ad Valorem Property Taxes	\$ 103,686,640	\$ -	\$ -	\$ 1,000,000	\$ 104,686,640
Intergovernmental Revenues	31,458,177	1,725,913	1,234,121	-	34,418,211
Interest on Invested Funds	4,936,850	37,523	223,553	-	5,197,926
License and Permit Fees	1,641,623	-	-	-	1,641,623
Other	1,571,454	-	-	-	1,571,454
Total Revenues	<u>143,294,744</u>	<u>1,763,436</u>	<u>1,457,674</u>	<u>1,000,000</u>	<u>147,515,854</u>
EXPENDITURES					
Current:					
Water Resource Planning and Monitoring	30,651,290	-	-	-	30,651,290
Land Acquisition, Restoration and Public Works	107,677,027	1,763,436	1,234,121	295,071	110,969,655
Operation and Maintenance of Works and Lands	15,363,015	-	-	-	15,363,015
Regulation	16,781,607	-	-	-	16,781,607
Outreach	3,909,820	-	-	-	3,909,820
Management and Administration	26,044,043	-	-	-	26,044,043
Total Expenditures	<u>200,426,802</u>	<u>1,763,436</u>	<u>1,234,121</u>	<u>295,071</u>	<u>203,719,430</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(57,132,058)	-	223,553	704,929	(56,203,576)
OTHER FINANCING SOURCES (USES)					
Sale of Capital Assets	190,166	-	4,866,971	-	5,057,137
Total Other Financing Sources and Uses	<u>190,166</u>	<u>-</u>	<u>4,866,971</u>	<u>-</u>	<u>5,057,137</u>
Net Change In Fund Balances	(56,941,892)	-	5,090,524	704,929	(51,146,439)
Fund Balances - Beginning	575,106,845	-	-	4,464,113	579,570,958
Fund Balances - Ending	<u>\$ 518,164,953</u>	<u>\$ -</u>	<u>\$ 5,090,524</u>	<u>\$ 5,169,042</u>	<u>\$ 528,424,519</u>

Amounts reported for governmental activities in the statement of activities (page 14) are different because:

Net change in fund balances - total governmental funds	\$ (51,146,439)
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation expense in the current period.	16,234,827
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, donations and adjustments) resulted in a decrease to net position.	(107,237)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. Delinquent taxes recorded as of September 30, 2012, were more than the amount recorded at prior year-end, resulting in a net increase to income.	35,781
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	<u>11,745,861</u>
Change in net position of governmental activities	<u>\$ (23,237,207)</u>

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

**Southwest Florida Water Management District
General Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
For the Year Ended September 30, 2012**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Ad Valorem Property Taxes	\$ 102,449,973	\$ 102,449,973	\$ 103,686,640	\$ 1,236,667
Intergovernmental Revenues	62,696,045	62,696,045	31,458,177	(31,237,868)
Interest on Invested Funds	2,615,000	2,615,000	4,936,850	2,321,850
License and Permit Fees	1,900,000	1,900,000	1,641,623	(258,377)
Other	752,369	752,369	1,571,454	819,085
Total Revenues	<u>170,413,387</u>	<u>170,413,387</u>	<u>143,294,744</u>	<u>(27,118,643)</u>
EXPENDITURES				
Current:				
Water Resource Planning and Monitoring	57,615,415	57,393,079	30,651,290	26,741,789
Land Acquisition, Restoration and Public Works	349,102,457	348,957,720	107,677,027	241,280,693
Operation and Maintenance of Works and Lands	21,958,140	21,678,030	15,363,015	6,315,015
Regulation	19,895,687	21,200,410	16,781,607	4,418,803
Outreach	6,314,751	6,175,742	3,909,820	2,265,922
Management and Administration	44,113,022	43,594,491	26,044,043	17,550,448
Total Expenditures	<u>498,999,472</u>	<u>498,999,472</u>	<u>200,426,802</u>	<u>298,572,670</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(328,586,085)	(328,586,085)	(57,132,058)	271,454,027
OTHER FINANCING SOURCES (USES)				
Sale of Capital Assets	-	-	190,166	190,166
Total Other Financing Sources and Uses	<u>-</u>	<u>-</u>	<u>190,166</u>	<u>190,166</u>
Net Change In Fund Balance	(328,586,085)	(328,586,085)	(56,941,892)	271,644,193
Fund Balance - Beginning	328,586,085	328,586,085	575,106,845	246,520,760
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 518,164,953</u>	<u>\$ 518,164,953</u>

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

Southwest Florida Water Management District
DOT Mitigation Special Revenue Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
For the Year Ended September 30, 2012

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
REVENUES			
Intergovernmental Revenues	\$ 4,820,462	\$ 1,725,913	\$ (3,094,549)
Interest on Invested Funds	-	37,523	37,523
Total Revenues	4,820,462	1,763,436	(3,057,026)
EXPENDITURES			
Current:			
Land Acquisition, Restoration and Public Works	4,820,462	1,763,436	3,057,026
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-
Fund Balance - Beginning	-	-	-
Fund Balance - Ending	\$ -	\$ -	\$ -

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



Notes to the Financial Statements

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

SOUTHWEST FLORIDA WATER MANAGEMENT DISTRICT
Notes to the Financial Statements
September 30, 2012

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 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, 2013.

B. Government-wide and fund financial statements

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

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

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

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

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

SOUTHWEST FLORIDA WATER MANAGEMENT DISTRICT
Notes to the Financial Statements
September 30, 2012

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.

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 existed as ad valorem taxing units. The respective ending fund balances as of September 30, 2011, were transferred to the general fund as restricted fund balance. These funds are legally restricted to be used for expenditures for specified purposes within the respective geographical boundary of each watershed basin.

The *DOT Mitigation Fund* accounts for revenue sources received from the State of Florida that are restricted for mitigation activities, pursuant to Section 373.4137, Florida Statutes. The state mandated Florida Department of Transportation (FDOT) program requires that mitigation to offset the adverse wetland impacts of transportation projects be funded by the FDOT and be carried out by the use of mitigation banks and any other mitigation options that satisfy state and federal requirements. (See Note I.E.7., page 25).

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

The *Florida Forever Fund* accounts for financial resources received from the State of Florida and local governments for the acquisition of lands necessary for water management, water supply, and conservation of water resources under the Florida Forever land acquisition program (see Note I.E.7., page 24).

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

SOUTHWEST FLORIDA WATER MANAGEMENT DISTRICT
Notes to the Financial Statements
September 30, 2012

D. Classification of expenditures

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

1.0 Water Resource Planning and Monitoring

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

2.0 Land Acquisition, Restoration and Public Works

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

3.0 Operation and Maintenance of Works and Lands

This program includes all operation and maintenance of facilities, flood control and water 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, compliance and enforcement, and any delegated regulatory program.

5.0 Outreach (Public Education)

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

6.0 Management and Administration

This program includes all governing and basin board support; executive support; management information systems; unrestricted reserves for contingencies; and general counsel, ombudsman, human resources, finance, audit, risk management, and administrative services.

E. Assets, liabilities, and net position/fund balance

1. Cash and investments

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

Investments are stated at fair value pursuant to GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*. It is the practice of the District to hold all government securities to maturity.

SOUTHWEST FLORIDA WATER MANAGEMENT DISTRICT
Notes to the Financial Statements
September 30, 2012

The District has limited its investments to the following investments authorized in Section 218.415, Florida Statutes: (a) Local Government Surplus Funds Trust Fund (known as Florida PRIME and Pool B); (b) Securities and Exchange Commission registered money market funds with the highest credit quality rating from a nationally recognized rating agency, limited to two types of money market funds: (1) Treasury funds investing exclusively in U.S. Treasury securities and repurchase agreements collateralized by U.S. Treasury securities or (2) Government funds which invest in U.S. Treasury and U.S. government agency and instrumentalities securities and repurchase agreements collateralized by U.S. government securities; (c) Savings accounts in state-certified public depositories, as defined in Section 280.02, Florida Statutes; (d) Certificates of deposit in state-certified public depositories, as defined in Section 280.02, Florida Statutes; (e) Direct obligations of the U.S. Treasury; and (f) Direct obligations of federal agencies and instrumentalities.

2. Inventories

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

3. Restricted assets

Certain proceeds, including cash restricted for the basins, advanced funds received, and intergovernmental receivables of the general fund (\$2,249,037), Alafia River Basin (\$15,472,252), Hillsborough River Basin (\$77,413,881), Coastal Rivers Basin (\$11,387,199), Pinellas-Anclote River Basin (\$101,919,282), Withlacoochee River Basin (\$10,870,732), Peace River Basin (\$18,877,299), Manasota Basin (\$35,103,344), DOT Mitigation Fund (\$10,677,957), and the Florida Forever Fund (\$265,900) are classified as restricted assets on the statement of net position because their use is limited to specific purposes as identified within their related agreements or as required by Florida Statutes.

4. Capital assets

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

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

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

SOUTHWEST FLORIDA WATER MANAGEMENT DISTRICT
Notes to the Financial Statements
September 30, 2012

5. Compensated absences

District employees accrue annual and sick leave benefits based on hours worked and length of service. Effective September 12, 2011, annual leave is vested after 6 months of service. Regular employees can carry forward from one fiscal year to the next up to 360 hours of accrued annual leave but the maximum hours that will be paid upon separation in good standing is 240 hours. Employees in the Administrative Pay schedule may carry up to 480 hours of accrued annual leave and the maximum hours to be paid upon separation in good standing is 480 hours. Sick leave benefits do not vest until an employee has earned six years of creditable service with the District. Upon retirement, death, resignation or separation in good standing, an employee is eligible to receive, at his/her current rate of pay, 100 percent of accrued annual leave (up to a maximum of 240 or 480 hours as per above) and 25 percent of accrued sick leave benefits (up to a maximum of 480 hours).

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

6. Fund balances

Fund balance is reported pursuant to the provisions of Governmental Accounting Standards Board Statement Number 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. This statement establishes criteria for classifying fund balances into specifically defined classifications and clarifies definitions for governmental fund types. Fund balance is divided into five classifications based primarily on the extent to which the District is bound to observe constraints imposed upon the use of the resources in the government funds. The classifications are as follows:

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

Restricted – includes amounts where constraints placed on the use of resources are either externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or is imposed by law through constitutional provisions or enabling legislation.

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 intended to be used by the District for specific purposes but do not meet the criteria to be classified as restricted or committed. The authority for making an assignment is not required to be the government’s highest level of decision-making authority. It can include a body (a budget or finance committee, for example) or an official to which the governing body has delegated the authority to assign amounts to be used for specific purposes. Assignment of fund balance may be (a) made for a specific purpose that is narrower than the general purposes of the District itself; and/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

SOUTHWEST FLORIDA WATER MANAGEMENT DISTRICT
Notes to the Financial Statements
September 30, 2012

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).

Unassigned – includes the residual positive fund balance within the general fund which has not been classified within the other above mentioned categories. In addition, stabilization arrangements that do not meet the criteria to be reported within the restricted or committed fund balance classifications should be reported as unassigned in the general fund.

Through a Governing Board Resolution, the District established an Economic Stabilization Fund from the committed General Fund Balance in the amount of \$18.7 million, to maintain sufficient working capital for a two-month period. The amount of the reserve is established annually during the budgetary process for the next fiscal year, and will fluctuate (increase/decrease) based on the amount of funds needed to maintain sufficient working capital for a two-month period. The reserve is to provide sufficient funds for unforeseen and unexpected events, meet major emergencies (that could not be covered through annually budgeted contingency funds) and ensure the District's continued orderly operational and financial stability. The use of the Economic Stabilization Fund would require meeting specific circumstances as defined in the policy which the District would not expect the circumstances to occur routinely and a budget amendment approved by the District's Governing Board.

The District applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available unless there are legal documents/contracts that prohibit doing this, such as in grant agreements with specific matching requirements. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

7. State trust funds

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

The Water Management Lands Trust Fund was established in 1981 pursuant to Section 373.59, Florida Statutes. Funded primarily from a portion of the documentary stamp taxes collected by the state, the non lapsing trust fund provides funding to the District for 1) ongoing management, maintenance, and capital improvements of lands; 2) payments in lieu of taxes; 3) pre-acquisition costs associated with land purchases; and 4) the Surface Water Improvement and Management (SWIM) Program. Revenues received from the trust fund are accounted for in the District's general fund, and the Florida Forever Fund. The Florida Department of Environmental Protection (FDEP) has oversight responsibility for this trust fund.

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

SOUTHWEST FLORIDA WATER MANAGEMENT DISTRICT
Notes to the Financial Statements
September 30, 2012

projects. Over the life of the program, at least 50 percent of the funds must be spent on land acquisition. Revenues received from the trust fund are accounted for in the Florida Forever and General Fund. The FDEP has oversight responsibility for this trust fund.

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

The Water Protection and Sustainability Trust Fund was established in 2005 pursuant to Section 403.890, Florida Statutes, and is funded by excise tax proceeds. The State's Water Protection and Sustainability Program (WPSP) provides funds for the District Governing Board's highly effective partnership programs (i.e., Water Supply and Resource Development and Cooperative Funding) 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 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.

8. Use of estimates

Management of the District has made a number of estimates and assumptions relating to the reported amounts of assets and liabilities 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 implement the Governmental Accounting Standards Board (GASB) Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*. This statement provides guidance for reporting deferred outflows and inflows of resources and net position in a statement of financial position and related disclosures. The District determined it does not have reportable deferred outflows or inflows of resources as defined in the statement, so implementation results only in a change of reporting the District's equity position from "net assets" to "net position".

SOUTHWEST FLORIDA WATER MANAGEMENT DISTRICT
Notes to the Financial Statements
September 30, 2012

II. Reconciliation of government-wide and fund financial statements

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

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

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

The details of the \$10,702,423 difference are as follows:

Judgment (Skyway Trap and Skeet Club, Inc., see Note IV.G., page 33)	\$ 4,144,397
Compensated Absences	5,087,316
Other Post Employment Benefits (see Note V.D., page 37)	1,014,710
Claims (Workers’ Compensation) (see Note V.A., page 34)	<u>456,000</u>
Net adjustment to decrease <i>fund balance—total governmental funds</i> to arrive at <i>net position of governmental activities</i>	<u>\$10,702,423</u>

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

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

The details of this \$16,234,827 difference are as follows:

Capital outlay	\$32,719,548
Depreciation expense	<u>(16,484,721)</u>
Net adjustment to increase <i>net changes in fund balances – total governmental funds</i> to arrive at <i>change in net position of governmental activities</i>	<u>\$16,234,827</u>

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

SOUTHWEST FLORIDA WATER MANAGEMENT DISTRICT
Notes to the Financial Statements
September 30, 2012

The details of this \$107,237 difference are as follows:

In the statement of activities, only the gain on the sale of capital assets is reported. However, in the governmental funds, the proceeds from the sale increase financial resources. Thus, the change in net position differs from the change in fund balance by the cost of the capital assets sold.	\$ 255,137
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.	<u>(147,900)</u>
Net adjustment to decrease <i>net change in fund balances—total governmental funds</i> to arrive at <i>change in net position of governmental activities</i> .	<u>\$ 107,237</u>

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 \$11,745,861 difference are as follows:

Judgment (Skyway Trap and Skeet Club, Inc., see Note IV.G., page 33)	\$10,750,846
Compensated absences	731,761
Workers Compensation	236,000
Other Post Employment Benefits (see Note V.D., page 37)	<u>27,254</u>
Net adjustment to increase <i>net change in fund balances – total governmental funds</i> to arrive at <i>change in net position of governmental activities</i>	<u>\$11,745,861</u>

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 2011-12 were adopted by the District Governing Board for all governmental funds and may be amended by District Governing Board action for supplemental budgetary appropriations. Remaining encumbered appropriations at fiscal year-end are carried forward and re-appropriated in the following fiscal year. Unencumbered appropriations lapse at fiscal year-end.

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

SOUTHWEST FLORIDA WATER MANAGEMENT DISTRICT
Notes to the Financial Statements
September 30, 2012

IV. Detailed notes

A. Cash and investments

As of September 30, 2012, the District had the following cash and investments:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Weighted Average Maturity (Years)</u>
U.S. Agencies	\$ 374,904,835	2.32
U.S. Treasuries	59,960,228	0.40
State Board of Administration Florida PRIME	126,253,299 ⁽¹⁾	0.11
State Board of Administration Fund B	5,178,147 ⁽¹⁾	4.08
Money Market Funds	<u>27,218,596</u>	liquid daily
Total Fair Value of Investments	<u>593,515,105</u>	
Portfolio weighted average maturity		1.57
Demand Deposit Accounts	(3,645,334) ⁽²⁾	
Petty Cash	<u>1,250</u>	
Total Demand Deposits and Petty Cash	<u>(3,644,084)</u>	
Total Cash and Investments	<u>\$ 589,871,021</u>	

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

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

Fund B is accounted for as a fluctuating NAV pool. The fair value factor for September 30, 2012, was 0.94896811. The account balance was multiplied by the fair value factor in order to report the fair value of the District's investment in Fund B. Currently, participants are unable to withdraw funds from Fund B. Rather as cash becomes available in Fund B from interest receipts, maturities, or sales, it is distributed to participant accounts in Florida PRIME according to each participant's pro rata share of Fund B. All such distributions from Fund B to Florida PRIME will be 100 percent available for withdrawal upon transfer.

⁽²⁾ At September 30, 2012, the carrying amount of the District's cash demand deposit account was (\$3,645,334) and the bank balance was \$2,069,225. 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 limiting the weighted average maturity of its investment portfolio to three years or less. Of the District's investments in U.S. Agencies, \$314,079,437 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 (years), it is anticipated that all investments will be held until maturity.

An estimate of weighted average life (WAL) is available for Fund B. In the calculation of WAL, the time at which an expected principal amount is to be received (measured in years) is weighted by the principal amount received at that time divided by the sum of all expected principal payments. The principal amounts used in the WAL calculation are not discounted to present value as they would be in a weighted average duration calculation. The WAL (based on expected future cash flows) of Fund B at September 30, 2012, is estimated at 4.08 years. However, because Fund B

SOUTHWEST FLORIDA WATER MANAGEMENT DISTRICT
Notes to the Financial Statements
September 30, 2012

consists of restructured or defaulted securities there is considerable uncertainty regarding the weighted average life.

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 21), 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. All of the District's investments in the U.S. Agencies were rated AAA by Standard and Poor's and Aaa by Moody's Investor Services. The SBA Florida PRIME is rated by Standard and Poor's. The current rating is AAAM. The SBA Fund B is not rated by any nationally recognized statistical rating agency. 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.

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 Finance Bureau Chief from time to time based on market conditions, risk and diversification investment strategies.

At September 30, 2012, the District had the following percentage allocation by issuer:

<u>Issuer</u>	<u>Percentage of Total Portfolio</u>
State Board of Administration Florida PRIME	21.28 %
Federal National Mortgage Association	20.25
Federal Home Loan Bank	16.99
Federal Home Loan Mortgage Corporation	13.50
Federal Farm Credit Bank	12.42
U. S. Treasury Bills	10.10
Federated Government Obligation Fund IS	4.59
State Board of Administration Fund B	0.87
	<u>100.00 %</u>

Custodial Credit Risk - Deposits: At September 30, 2012, 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: The District's investment policy requires that all securities be held with a third-party custodian in a separate account which is registered as an asset of the District. The custodian acts as the safekeeper of the District's investment securities. No withdrawal of securities, in whole or in part, is made from safekeeping without written authorization of designated District staff.

SOUTHWEST FLORIDA WATER MANAGEMENT DISTRICT
Notes to the Financial Statements
September 30, 2012

B. Receivables

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

<u>Fund</u>	<u>Intergovernmental</u>	<u>Interest</u>	<u>Total Receivables</u>
General	\$ 8,408,211	\$ 959,022	\$ 9,367,233
DOT Mitigation	16,068	-	16,068
Florida Forever	269,004	-	269,004
Total	<u>\$ 8,693,283</u>	<u>\$ 959,022</u>	<u>\$ 9,652,305</u>

C. Property Taxes

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

D. Deferred Revenue

Governmental funds report deferred revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer 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 deferred revenue reported in the governmental funds were as follows:

	<u>Unavailable</u>	<u>Unearned</u>
General		
Delinquent property taxes receivable	\$ 1,045,889	-
Grant drawdowns prior to meeting all eligibility requirements	-	\$ 10,291,615
DOT Mitigation		
Grant drawdowns prior to meeting all eligibility requirements	-	10,574,594
Total deferred revenue for governmental funds	<u>\$ 1,045,889</u>	<u>\$ 20,866,209</u>

SOUTHWEST FLORIDA WATER MANAGEMENT DISTRICT
Notes to the Financial Statements
September 30, 2012

E. Capital Assets

Capital asset activity for the year ended September 30, 2012, was as follows:

	Balance at October 1, 2011	Increases	Decreases	Reclassifications	Balance at September 30, 2012
Capital assets, not being depreciated:					
Land	\$ 610,949,925	\$ 313,635	\$ (113,887)	\$ (84,450)	\$ 611,065,223
Land Interests	101,007,649	4,978,452	-	84,450	106,070,551
Construction in Progress	26,257,764	21,138,386	-	(24,119,988)	23,276,162
Total capital assets, not being depreciated	738,215,338	26,430,473	(113,887)	(24,119,988)	740,411,936
Capital assets, being depreciated:					
Buildings	38,094,749	53,914	(16,335)	-	38,132,328
Machinery and Equipment	33,177,754	1,586,086	(2,743,214)	-	32,020,626
Infrastructure	124,504,374	29,381	-	3,679,210	128,212,965
Software	22,358,179	4,763,204	-	20,440,778	47,562,161
Other	159,308	4,390	(10,277)	-	153,421
Total capital assets being depreciated	218,294,364	6,436,975	(2,769,826)	24,119,988	246,081,501
Less accumulated depreciation for:					
Buildings	10,893,176	1,109,406	(14,072)	-	11,988,510
Machinery and Equipment	21,702,026	3,595,967	(2,604,227)	-	22,693,766
Infrastructure	53,499,005	2,899,808	-	-	56,398,813
Software	12,931,372	8,866,972	-	-	21,798,344
Other	108,364	12,568	(10,277)	-	110,655
Total accumulated depreciation	99,133,943	16,484,721	(2,628,576)	-	112,990,088
Total capital assets, being depreciated, net	119,160,421	(10,047,746)	(141,250)	24,119,988	133,091,413
Governmental activities capital assets, net	<u>\$ 857,375,759</u>	<u>\$ 16,382,727</u>	<u>\$ (255,137)</u>	<u>\$ -</u>	<u>\$ 873,503,349</u>

SOUTHWEST FLORIDA WATER MANAGEMENT DISTRICT
Notes to the Financial Statements
September 30, 2012

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

Governmental activities	
Water Resources Planning and Monitoring	\$ 350,999
Acquisition, Restoration and Public Works	2,721,798
Operation and Maintenance of Lands and Works	2,050,735
Regulation	6,846
Management and Administration	11,354,343
Total depreciation expense - governmental activities	<u>\$ 16,484,721</u>

F. Leases

Operating Leases

The District has lease commitments under various operating leases for buildings, 2-way radio antennas, Supervisory Control and Data Acquisition (SCADA) tower leases, and copier equipment, with the longest operating lease in effect until 2017. Lease expenditures for the year ended September 30, 2012, amounted to \$819,246.

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
2013	\$ 470,655
2014	395,793
2015	225,993
2016	15,261
2017	15,719
	<u>\$ 1,123,421</u>

SOUTHWEST FLORIDA WATER MANAGEMENT DISTRICT
Notes to the Financial Statements
September 30, 2012

G. Long-term obligations

Long-term liability activity for the year ended September 30, 2012, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Judgment	\$ 14,895,243	\$ -	\$ 10,750,846	\$ 4,144,397 ⁽¹⁾	\$ 4,144,397
Compensated Absences	5,819,077	5,337,174	6,068,935	5,087,316 ⁽²⁾	508,732
Other Post Employment Benefits	1,041,964	473,864	501,118	1,014,710 ⁽²⁾	-
Workers' Compensation	692,000	16,755	252,755	456,000 ⁽³⁾	210,455
Total	\$ 22,448,284	\$ 5,827,793	\$ 17,573,654	\$ 10,702,423	\$ 4,863,584

⁽¹⁾ In fiscal year 2004, the District settled a legal matter, which obligates each of the parties to perform certain activities. The District estimated its cost to comply with the judgment at \$19.8 million based on cost estimates obtained from a third-party engineer. The estimated obligation remaining at September 30, 2012 is \$4.1 million. The restricted fund balance for the former Pinellas-Anclote River Basin will be used to satisfy the obligations for the judgment.

⁽²⁾ The general fund will be used to satisfy the obligations for the compensated absences and other post employment benefits.

⁽³⁾ The general fund will be used to pay for workers' compensation claims.

SOUTHWEST FLORIDA WATER MANAGEMENT DISTRICT
Notes to the Financial Statements
September 30, 2012

H. Fund Balance

Fund balances for all major funds at September 30, 2012 were as follows:

	<u>General Fund</u>	<u>Florida Forever</u>	<u>Facilities Fund</u>	<u>Total All Funds</u>
Nonspendable:				
Inventory	\$ 40,128	\$ -	\$ -	\$ 40,128
Total Nonspendable	<u>40,128</u>	<u>-</u>	<u>-</u>	<u>40,128</u>
Restricted for:				
Alafia River Basin	10,985,564	-	-	10,985,564
Hillsborough River Basin	71,323,346	-	-	71,323,346
Coastal Rivers Basin	8,460,592	-	-	8,460,592
Pinellas-Anclote River Basin	89,899,826	-	-	89,899,826
Withlacoochee River Basin	8,889,204	-	-	8,889,204
Peace River Basin	13,190,417	-	-	13,190,417
Manasota Basin	27,412,345	-	-	27,412,345
Land Management	-	265,900	-	265,900
Total Restricted	<u>230,161,294</u>	<u>265,900</u>	<u>-</u>	<u>230,427,194</u>
Committed to:				
Economic Stabilization Reserve	18,700,000	-	-	18,700,000
Long-term Projects Reserve	50,000,000	-	-	50,000,000
Land Management	729,780	4,601,071	-	5,330,851
Total Committed	<u>69,429,780</u>	<u>4,601,071</u>	<u>-</u>	<u>74,030,851</u>
Assigned to:				
Short-term Projects Reserve	114,889,590	-	4,448,872	119,338,462
Encumbrances	59,509,326	-	85,170	59,594,496
Workers' Compensation Reserve	456,000	-	-	456,000
Land Management Activities	1,315,544	223,553	-	1,539,097
Subsequent Years Budget	6,143,423	-	635,000	6,778,423
Total Assigned	<u>182,313,883</u>	<u>223,553</u>	<u>5,169,042</u>	<u>187,706,478</u>
Unassigned:				
	<u>36,219,868</u>	<u>-</u>	<u>-</u>	<u>36,219,868</u>
Total Fund Balances	<u>\$ 518,164,953</u>	<u>\$ 5,090,524</u>	<u>\$ 5,169,042</u>	<u>\$ 528,424,519</u>

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's for all liabilities except workers' compensation as discussed below. During the year ended September 30, 2012, there were no significant reductions in insurance coverage from the prior year. In addition, no claims settlement has exceeded the insurance coverage amounts for the past three fiscal years.

SOUTHWEST FLORIDA WATER MANAGEMENT DISTRICT
Notes to the Financial Statements
September 30, 2012

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

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

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

	Year ended <u>09/30/2012</u>	Year ended <u>09/30/2011</u>
Unpaid claims, beginning of fiscal year	\$ 692,000	\$ 692,000
Incurred claims, including IBNRs and changes in estimates	(146,624)	201,825
Claim payments	<u>(89,376)</u>	<u>(201,825)</u>
Unpaid claims, end of fiscal year	<u>\$ 456,000</u>	<u>\$ 692,000</u>

At September 30, 2012, general fund assets of \$456,000 were assigned for the purpose of funding future workers' compensation claims liabilities, with a corresponding assignment of the general fund's fund balance.

B. Commitments and contingencies

At September 30, 2012, the District had unrestricted net position of approximately \$292.1 million that may be used to meet the government's ongoing commitments to citizens and creditors. It is the District's intent to use these assets to: satisfy contracts and purchase orders in the amount of \$59.6 million; fund future long- and short-term projects in the amount of \$169.3 million; maintain an economic stabilization reserve of \$18.7 million; support land management activities in the amount of \$6.9 million; pay claims associated with the District's Workers' Compensation Self-insurance Program in the amount of \$0.5 million; and carry forward \$6.8 million into the fiscal year 2012-13 budget. The additional remaining funds will be carried forward for allocation in the fiscal year 2013-14 budget.

The District had restricted net position of \$226.7 million. Of this amount, \$226.4 million must be used for projects in the seven former watershed basins and \$265,900 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.

SOUTHWEST FLORIDA WATER MANAGEMENT DISTRICT
Notes to the Financial Statements
September 30, 2012

C. Employee retirement systems and pension plans

The District contributes to the Florida Retirement System (FRS), a cost-sharing multiple-employer defined benefit pension plan and a defined contribution investment plan. The State of Florida Division of Retirement administers the plans. The FRS defined benefit pension plan provides retirement and disability benefits, cost-of-living adjustments for service earned prior to July 1, 2011, a health insurance subsidy and death benefits to plan members and beneficiaries. The Florida Legislature established the FRS under Chapter 121, Florida Statutes, and has sole authority to amend benefit provisions.

In March 2002, the FRS introduced a second retirement plan option – The FRS Investment Plan. The FRS Investment Plan is a defined contribution plan in which the contributions are defined by law. The ultimate benefit, however, depends in part on the performance of the investment funds. The FRS Investment Plan is funded by employer and employee contributions that are based on the employee's salary and FRS membership class. The Investment Plan directs contributions to individual member accounts, and the employee selects the allocation of funds within his/her account. The FRS offers a wide selection of funds from which to choose. The employee's retirement benefit is the value of his/her account at termination. After six years of service, the Investment Plan participant is eligible for the same health insurance subsidy that is provided under the defined benefit pension plan.

Each year, the FRS issues a publicly available financial report that includes financial statements and required supplementary information. The report may be obtained by writing to the Division of Retirement, Research & Education Section, P.O. Box 9000, Tallahassee, FL 32315-9000, or accessing the FRS web site at <http://www.myfrs.com>.

Until June 30, 2011, the FRS was non-contributory for employees and the District was required to contribute an actuarially determined rate. Effective July 1, 2011, regular class and senior management class District employees are required to contribute 3 percent to their retirement plans. The contribution rates (as applied to covered payroll) by class at September 30, 2012, were as follows:

Retirement Class	Employee Contribution Rate	Employer Contribution Rate	Total Contribution Rate
Regular Class	3.00%	5.18%	8.18%
Senior Management Class	3.00%	6.30%	9.30%
Deferred Retirement Option Program (DROP)	N/A	5.44%	5.44%

Statewide contribution rates are established annually by the Florida Legislature for all participating governmental units. Accordingly, the actuarial information and related disclosures attributable to District employees are not determinable.

The District's contributions to the FRS for the years ended September 2010, 2011 and 2012 were \$4,405,197, \$4,016,225, and \$1,797,545 respectively, equal to the required contributions for each year.

SOUTHWEST FLORIDA WATER MANAGEMENT DISTRICT
Notes to the Financial Statements
September 30, 2012

D. Other postemployment benefits (OPEB)

Plan Description

The District's single-employer defined benefit and defined contribution postemployment healthcare plans provide medical and dental benefits utilizing Blue Cross Blue Shield of Florida, as well as a voluntary vision plan to eligible retired employees and their spouses. A participant is eligible to receive benefits from the District's plan upon retirement under the Florida Retirement System plan provisions. Under the defined benefit pension plan, participants are eligible to retire at age 62 with 6 years of service, or any age with 30 years of service; if an employee was hired on or after July 1, 2011, the participant is eligible to retire at age 65 with 8 years of service, or at any age with 33 years of service; and under the defined contribution investment plan, participants are eligible to retire at age 55 with 6 years of service or any age with 30 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. In addition, the District provides a premium subsidy to reduce the cost of medical coverage for retirees until age 65 to participants who retire prior to December 31, 2012 and elect medical coverage. The subsidy consists of a reduction to the medical premium paid by retirees equal to \$5 per month for each year of service. A minimum of 6 years of service at retirement is necessary to qualify for the subsidy. The subsidy has a maximum amount payable of \$150 per month. The subsidy ceases at age 65 or Medicare enrollment, whichever is earlier. Retiree and spousal coverage is provided for the lifetime of the participant. However, the subsidy benefit is only payable until age 65, as the option of enrolling in Medicare is a much more attractive option at a lower cost. The District accounts for this plan in accordance with GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*. The Plan does not issue a separate financial report.

Funding Policy

The contribution requirements of plan members are established and may be amended by the District's Governing Board. The District's employer OPEB contributions consist of an implicit rate subsidy and the cost of the premium subsidy. The District, in accordance with Section 112.0801, Florida Statutes, makes the health and dental benefits available for retired employees at a premium cost of no more than applicable to active employees. However, the retirees pay 100 percent of their premium costs less the premium subsidy. To determine the healthcare plan costs, the District is required to commingle the claims experience of the retiree group with that of the active employees. The table listed below summarizes monthly retiree contributions for 2012.

	Retiree	Retiree + Spouse
Blue Options	\$578.36	\$1,135.44
Blue Choice	\$634.98	\$1,252.86

Annual OPEB Cost and Net OPEB Obligation

The District's annual OPEB cost is calculated based on the annual required contribution (ARC) of the employer, an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal costs each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years.

SOUTHWEST FLORIDA WATER MANAGEMENT DISTRICT
Notes to the Financial Statements
September 30, 2012

The following table shows the calculation of the ARC and Net OPEB Obligation for the fiscal year ended September 30, 2012.

Determination of Annual Required Contribution:	
Normal Cost at year-end	\$ 188,247
Amortization of Unfunded Actuarial Accrued Liability (UAAL)	<u>304,195</u>
Annual Required Contribution	<u>\$ 492,442</u>
Determination of Net OPEB Obligation:	
Annual Required Contribution	\$ 492,442
Interest on prior year Net OPEB Obligation	41,679
Adjustment to ARC	<u>(60,257)</u>
Annual OPEB Cost	473,864
Contributions made	<u>(501,118)</u>
Decrease in Net OPEB Obligation	(27,254)
Net OPEB Obligation - beginning of year	<u>1,041,964</u>
Net OPEB Obligation - end of year	<u>\$1,014,710</u>

The District's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for fiscal year 2011-12 and the two preceding years were as follows:

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
09/30/2012	\$473,864	105.8%	\$1,014,710
09/30/2011	408,329	55.7	1,041,964
09/30/2010	367,159	47.4	861,087

Funded Status and Funding Progress

As of September 30, 2012, the most recent actuarial valuation date, the plan was not funded. The actuarial accrued liability for benefits was \$5,260,147, resulting in an unfunded actuarial accrued liability of \$5,260,147.

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

SOUTHWEST FLORIDA WATER MANAGEMENT DISTRICT
Notes to the Financial Statements
September 30, 2012

Schedule of Funding Progress – Unaudited Required Supplementary Information

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Liabilities (AAL)	Unfunded Actuarial Liabilities (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
10/1/2011	0	\$5,260,147	\$5,260,147	0.00%	\$37,421,848	14.06%
10/1/2010	0	4,115,346	4,115,346	0.00	43,926,250	9.37
10/1/2009	0	3,634,792	3,634,792	0.00	44,279,994	8.21

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

Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the September 30, 2012, actuarial valuation, the Unit Credit Actuarial Cost Method was used. Significant methods and assumptions include:

- A discount rate of 4 percent per annum, compounded annually.
- The mortality rate assumptions utilized the RP - 2000 system tables with floating Scale AA projections for Males and Females. Employee mortality is projected to valuation year plus 15 years. Annuitant mortality is projected to valuation year plus 7 years.
- An inflation rate of 2.75 percent.
- A healthcare cost trend assumption as follows:

<u>Year</u>	<u>Trend</u>
2013	6.10%
2014	6.10
2015	6.00
2016	6.00
2017	6.00
2018	6.00
2019	6.20
2020	6.20
2021	6.20
2022	6.20

The ultimate healthcare trend rate of 4.7 percent is reached for the first time in 2083.

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

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Other Supplementary Information

**Southwest Florida Water Management District
Florida Forever Capital Projects Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
For the Year Ended September 30, 2012**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Intergovernmental Revenues	\$ 1,349,087	\$ 1,349,087	\$ 1,234,121	\$ (114,966)
Interest on Invested Funds	-	-	223,553	223,553
Total Revenues	<u>1,349,087</u>	<u>1,349,087</u>	<u>1,457,674</u>	<u>108,587</u>
EXPENDITURES				
Current:				
Land Acquisition, Restoration and Public Works	-	1,285,969	1,234,121	51,848
Operation and Maintenance of Works and Lands	1,349,087	63,118	-	63,118
Total Expenditures	<u>1,349,087</u>	<u>1,349,087</u>	<u>1,234,121</u>	<u>114,966</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	223,553	223,553
OTHER FINANCING SOURCES (USES)				
Sale of Capital Assets	-	-	4,866,971	4,866,971
Total Other Financing Sources and Uses	<u>-</u>	<u>-</u>	<u>4,866,971</u>	<u>4,866,971</u>
Net Change In Fund Balance	-	-	5,090,524	5,090,524
Fund Balance - Beginning	-	-	-	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,090,524</u>	<u>\$ 5,090,524</u>

See accompanying independent auditors' report.

**Southwest Florida Water Management District
Facilities Capital Projects Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
For the Year Ended September 30, 2012**

	<u>Original and Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
REVENUES			
Ad Valorem Taxes	\$ 1,000,000	\$ 1,000,000	\$ -
EXPENDITURES			
Current:			
Land Acquisition, Restoration and Public Works	4,036,827	295,071	3,741,756
Excess (Deficiency) of Revenues Over (Under) Expenditures	(3,036,827)	704,929	3,741,756
Fund Balance - Beginning	3,036,827	4,464,113	1,427,286
Fund Balance - Ending	<u>\$ -</u>	<u>\$ 5,169,042</u>	<u>\$ 5,169,042</u>

See accompanying independent auditors' report.



Statistical Section

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

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

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

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

	Fiscal Year									
	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Governmental activities										
Invested in Capital Assets (net of related debt)	\$ 873,503,349	\$ 857,375,759	\$ 851,883,344	\$ 811,448,233	\$ 779,451,560 (1, 2)	\$ 689,145,591	\$ 693,083,691	\$ 652,916,266	\$ 593,149,521	\$ 544,800,181
Restricted for Partnership Agreement	-	-	-	21,250,000	63,750,000	85,000,000	85,022,824	86,964,669	85,841,584	85,251,298
Restricted for Watershed Basins	226,419,010	285,544,515	287,476,936 (3)	-	-	-	-	-	-	-
Restricted for Land Acquisition	265,900	-	-	-	-	-	-	-	-	-
Unrestricted	292,083,075	272,588,267	277,256,081	557,839,262	518,141,689	452,034,832	343,505,980	255,474,209	222,720,041	212,904,388
Total governmental activities net position	\$ 1,392,271,334	\$ 1,415,508,541	\$ 1,416,616,361	\$ 1,390,537,495	\$ 1,361,343,249	\$ 1,226,180,423	\$ 1,121,612,495	\$ 995,355,144	\$ 901,711,146	\$ 842,955,867

- (1) Fiscal year 2008 was the first year the District had capital-related debt, which is due to capital leases for equipment
(2) Amounts for fiscal year 2008 have been restated to reflect the District's adoption of GASB 51 effective October 1, 2008.
(3) Amounts for fiscal year 2010 have been restated to reflect the District's adoption of GASB 54 effective October 1, 2010.

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

	Fiscal Year									
	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Expenses										
Governmental activities:										
Water Resource Planning and Monitoring	\$ 28,879,406	\$ 38,393,264	\$ 40,726,648	\$ 40,493,992	\$ 38,470,066 (1)	\$ 32,807,602	\$ 30,510,960	\$ 28,225,093	\$ 21,751,944	\$ 15,579,114
Land Acquisition, Restoration and Public Works	75,567,095	85,730,762	114,411,606	150,186,371	138,016,223	97,762,937	49,035,932	70,492,840	77,426,245	44,556,653
Operation and Maintenance of Works and Lands	16,439,958	17,287,730	17,143,156	19,777,540	21,623,536	15,914,021	15,929,460	13,754,235	14,653,283	12,900,859
Regulation	14,872,887	17,068,249	18,247,275	19,363,964	19,281,444	18,493,860	16,493,948	15,927,204	14,314,706	13,606,323
Outreach	3,885,569	5,693,533	6,331,730	6,249,764	5,290,433	5,306,415	4,543,475	3,707,207	3,727,632	3,527,078
Management and Administration	31,552,308	35,990,413	33,853,860	34,326,722	33,544,462 (1)	37,981,400	32,988,524	32,435,994	27,937,157	27,010,734
Total governmental activities expenses	<u>171,197,223</u>	<u>200,163,951</u>	<u>230,714,275</u>	<u>270,398,353</u>	<u>256,226,164 (1)</u>	<u>208,266,235</u>	<u>149,502,299</u>	<u>164,542,573</u>	<u>159,810,967</u>	<u>117,180,761</u>
Program Revenues										
Governmental activities:										
Charges for services:										
Water Resource Planning & Monitoring	217,587	188,119	377,909	628,276	403,339	134,780	186,666	192,074	249,779	311,498
Land Acquisition, Restoration and Public Works	-	-	-	-	-	-	-	-	-	-
Operation and Maintenance of Works and Lands	842,426	842,415	964,108	775,388	1,246,038	1,312,407	1,549,729	1,661,289	1,669,597	1,349,230
Regulation	1,641,624	1,862,728	1,865,778	1,672,672	2,289,411	3,282,034	4,026,078	3,443,788	3,303,915	2,552,911
Outreach	-	-	-	-	-	-	-	-	-	2,200
Management and Administration	49,687	783,826	913,966	966,484	1,085,229	1,051,604	994,953	988,226	1,035,609	1,368,194
Operating grants and contributions	32,271,976	23,181,021	22,570,976	46,665,491	55,273,724	34,828,465	29,109,494	22,945,387	25,535,832	9,629,528
Capital grants and contributions	1,419,281	3,009,100	30,604,190	11,827,554	62,873,713	2,691,252	25,585,607	39,018,186	37,012,993	28,467,877
Total governmental activities program revenues	<u>36,442,581</u>	<u>29,867,209</u>	<u>57,296,927</u>	<u>62,535,865</u>	<u>123,171,454</u>	<u>43,300,542</u>	<u>61,452,527</u>	<u>68,248,950</u>	<u>68,807,725</u>	<u>43,681,438</u>
Net (expense) revenue	<u>(134,754,642)</u>	<u>(170,296,742)</u>	<u>(173,417,348)</u>	<u>(207,862,488)</u>	<u>(133,054,710) (1)</u>	<u>(164,965,693)</u>	<u>(88,049,772)</u>	<u>(96,293,623)</u>	<u>(91,003,242)</u>	<u>(73,499,323)</u>
General Revenues and Other Changes in Net Position										
Governmental activities:										
Ad Valorem Property Taxes	104,722,421	161,850,765	189,205,683	216,708,977	238,923,620	237,448,913	189,355,313	161,163,202	143,869,238	129,555,903
Unrestricted investment earnings	5,197,926	6,515,579	8,199,031	13,220,367	17,906,722	28,204,657	19,640,423	9,467,843	4,565,891	5,490,920
Gain on sale of capital assets	316,321	-	-	-	-	-	4,223,961	-	348,906	89,808
Other	1,280,767	822,578	2,091,500	7,127,390	3,252,835	3,880,051	1,087,426	19,306,576	974,486	505,914
Total governmental activities general revenues	<u>111,517,435</u>	<u>169,188,922</u>	<u>199,496,214</u>	<u>237,056,734</u>	<u>260,083,177</u>	<u>269,533,621</u>	<u>214,307,123</u>	<u>189,937,621</u>	<u>149,758,521</u>	<u>135,642,545</u>
Change in Net Position	<u>\$ (23,237,207)</u>	<u>\$ (1,107,820)</u>	<u>\$ 26,078,866</u>	<u>\$ 29,194,246</u>	<u>\$ 127,028,467 (1)</u>	<u>\$ 104,567,928</u>	<u>\$ 126,257,351</u>	<u>\$ 93,643,998</u>	<u>\$ 58,755,279</u>	<u>\$ 62,143,222</u>

(1) Amounts for fiscal year 2008 have been restated to reflect the District's adoption of GASB 51 effective October 1, 2008.

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

	Fiscal Year									
	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
General Fund:										
Nonspendable	\$ 40,128	\$ 40,754	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted	230,161,294	300,042,655	-	-	-	-	-	-	-	-
Committed	69,429,780	50,000,000	-	-	-	-	-	-	-	-
Assigned	182,313,883	184,375,566	-	-	-	-	-	-	-	-
Unassigned	36,219,868	40,647,870	-	-	-	-	-	-	-	-
Reserved	-	-	(1) 78,663,591	78,300,061	64,741,708	74,058,319	48,149,032	46,492,578	39,422,012	24,523,545
Unreserved	-	-	(1) 202,265,130	198,765,787	200,060,299	159,589,642	123,095,002	79,249,802	63,927,282	56,889,560
Total General Fund	<u>518,164,953</u>	<u>575,106,845</u>	<u>280,928,721</u>	<u>277,065,848</u>	<u>264,802,007</u>	<u>233,647,961</u>	<u>171,244,034</u>	<u>125,742,380</u>	<u>103,349,294</u>	<u>81,413,105</u>
All Other Governmental Funds										
Restricted	265,900	-	-	-	-	-	-	-	-	-
Committed	4,601,071	-	-	-	-	-	-	-	-	-
Assigned										
Capital projects funds	5,392,595	4,464,113	-	-	-	-	-	-	-	-
Reserved	-	-	(1) 219,967,926	278,430,186	288,253,902	283,263,772	252,049,380	232,410,135	239,197,020	230,619,954
Unreserved:										
Special revenue funds	-	-	(1) 89,360,956	51,036,573	63,517,629	47,956,689	32,878,423	12,768,377	17,043,939	(992,560)
Capital projects funds	-	-	(1) 161,264	(1,201,216)	(6,676,326)	(1,786,657)	(2,237,151)	(3,800,112)	(26,643,785)	(8,445,145)
Total All Other Governmental Funds	<u>10,259,566</u>	<u>4,464,113</u>	<u>309,490,146</u>	<u>328,265,543</u>	<u>345,095,205</u>	<u>329,433,804</u>	<u>282,690,652</u>	<u>241,378,400</u>	<u>229,597,174</u>	<u>221,182,249</u>
Total Fund Balances	<u>\$528,424,519</u>	<u>\$579,570,958</u>	<u>\$590,418,867</u>	<u>\$605,331,391</u>	<u>\$609,897,212</u>	<u>\$563,081,765</u>	<u>\$453,934,686</u>	<u>\$367,120,780</u>	<u>\$332,946,468</u>	<u>\$302,595,354</u>

(1) Fund balance classifications changed in fiscal year 2011 with the implementation of GASB 54, discontinuing the use of reserved and unreserved fund balances.

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

	Fiscal Year									
	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
REVENUES										
Ad Valorem Property Taxes	\$ 104,686,640	\$ 161,721,818	\$ 189,111,242	\$ 216,624,815	\$ 238,836,876	\$ 237,543,172	\$ 189,378,158	\$ 161,263,640	\$ 143,801,912	\$ 129,549,220
Intergovernmental Revenues	34,418,211	26,781,435	53,735,973	59,251,973	118,983,767	38,069,942	55,536,683	62,903,153	63,138,573	38,974,623
Interest on Invested Funds	5,197,926	6,515,579	8,199,031	13,220,367	17,906,722	28,204,657	19,640,423	9,467,843	4,565,891	5,490,920
License and Permit Fees	1,641,623	1,862,728	1,865,778	1,672,672	2,289,611	3,282,034	4,026,078	3,443,788	3,303,915	2,552,911
Other	1,571,454	2,652,672	2,193,925	2,207,137	2,666,641	3,276,451	3,542,367	3,371,782	3,349,578	2,755,089
Total Revenues	147,515,854	199,534,232	255,105,949	292,976,964	380,683,617	310,376,256	272,123,709	240,450,206	218,159,869	179,322,763
EXPENDITURES										
Current:										
Water Resource Planning and Monitoring	30,651,290	38,412,310	40,688,508	40,466,587	37,882,697	32,620,502	30,274,277	28,010,481	21,788,639	15,884,100
Land Acquisition, Restoration and Public Works	110,969,655	92,769,162	145,008,737	170,942,985	213,073,582	91,471,056	88,631,174	112,707,054	104,049,607	71,952,001
Operation and Maintenance of Works and Lands	15,363,015	15,558,263	19,841,405	19,678,843	19,600,288	16,310,879	16,710,796	14,693,684	15,572,454	13,490,901
Regulation	16,781,607	17,425,804	18,801,634	19,268,672	19,080,448	18,311,066	16,280,759	15,892,959	14,250,561	13,506,724
Outreach	3,909,820	5,732,562	6,327,680	6,236,445	5,267,523	5,286,577	4,514,870	3,676,618	3,718,886	3,514,563
Management and Administration	26,044,043	39,571,878	38,633,509	43,137,402	40,909,119	37,229,097	33,187,587	31,295,098	28,428,608	27,445,094
Debt Service / Capital Leases (2)										
Principal	-	871,253	671,821	697,536	686,831	-	-	-	-	-
Interest	-	40,909	45,179	19,464	-	-	-	-	-	-
Other	-	-	-	-	250	-	-	-	-	-
Total Expenditures	203,719,430	210,382,141	270,018,473	300,447,934	336,500,738	201,229,177	189,599,463	206,275,894	187,808,755	145,793,383
Excess of Revenues										
Over (under) Expenditures	(56,203,576)	(10,847,909)	(14,912,524)	(7,470,970)	44,182,879	109,147,079	82,524,246	34,174,312	30,351,114	33,529,380
OTHER FINANCING SOURCES (USES)										
Transfers In	-	300,042,655	913,423	40,908,961	3,773,441	17,275,932	14,211,995	17,269,052	17,496,250	15,709,133
Transfers Out	-	(300,042,655)	(913,423)	(40,908,961)	(3,773,441)	(17,275,932)	(14,211,995)	(17,269,052)	(17,496,250)	(15,709,133)
Sale of Capital Assets	5,057,137	-	-	1,957,405	636,871	-	4,289,660	-	-	-
Capital Lease Proceeds	-	-	-	947,744	1,995,697	-	-	-	-	-
Total Other Financing Sources and Uses	5,057,137	-	-	2,905,149	2,632,568	-	4,289,660	-	-	-
Net Change In Fund Balances	(51,146,439)	(10,847,909)	(14,912,524)	(4,565,821)	46,815,447	109,147,079	86,813,906	34,174,312	30,351,114	33,529,380
Fund Balances - Beginning	579,570,958	590,418,867	605,331,391	609,897,212	563,081,765	453,934,686	367,120,780	332,946,468	302,595,354	269,065,974
Fund Balances - Ending	\$ 528,424,519	\$ 579,570,958	\$ 590,418,867	\$ 605,331,391	\$ 609,897,212	\$ 563,081,765	\$ 453,934,686	\$ 367,120,780	\$ 332,946,468	\$ 302,595,354
Debt service as a percentage of noncapital expenditures (2)	0.00%	0.47%	0.33%	0.27%	0.28%					

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

(2) Fiscal year 2008 is the first year the District incurred debt, which was paid in full as of September 30, 2011.

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-Public Education	Management and Administration	Total Expenditures
2012	\$ 30,651,290 15.05%	\$ 110,969,655 54.47%	\$ 15,363,015 7.54%	\$ 16,781,607 8.24%	\$ 3,909,820 1.92%	\$ 26,044,043 12.78%	\$ 203,719,430 100.00%
2011	38,412,310 18.26%	92,769,162 44.10%	15,558,263 7.40%	17,425,804 8.28%	5,732,562 2.72%	40,484,040 19.24%	210,382,141 100.00%
2010	40,688,508 15.07%	145,008,737 53.71%	19,841,405 7.35%	18,801,634 6.96%	6,327,680 2.34%	39,350,509 14.57%	270,018,473 100.00%
2009	40,466,587 13.47%	170,942,985 56.89%	19,678,843 6.55%	19,268,672 6.41%	6,236,445 2.08%	43,854,402 14.60%	300,447,934 100.00%
2008	37,882,697 11.26%	213,073,582 63.32%	19,600,288 5.82%	19,080,448 5.67%	5,267,523 1.57%	41,596,200 12.36%	336,500,738 100.00%
2007	32,620,502 16.21%	91,471,056 45.45%	16,310,879 8.11%	18,311,066 9.10%	5,286,577 2.63%	37,229,097 18.50%	201,229,177 100.00%
2006	30,274,277 15.97%	88,631,174 46.75%	16,710,796 8.81%	16,280,759 8.59%	4,514,870 2.38%	33,187,587 17.50%	189,599,463 100.00%
2005	28,010,481 13.58%	112,707,054 54.65%	14,693,684 7.12%	15,892,959 7.70%	3,676,618 1.78%	31,295,098 15.17%	206,275,894 100.00%
2004	21,788,639 11.60%	104,049,607 55.40%	15,572,454 8.29%	14,250,561 7.59%	3,718,886 1.98%	28,428,608 15.14%	187,808,755 100.00%
2003	15,884,100 10.89%	71,952,001 49.37%	13,490,901 9.25%	13,506,724 9.26%	3,514,563 2.41%	27,445,094 18.82%	145,793,383 100.00%

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

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
2012	\$ 104,686,640 70.97%	\$ 34,418,211 23.33%	\$ 5,197,926 3.52%	\$ 1,641,623 1.11%	\$ 1,571,454 1.07%	\$ 147,515,854 100.00%
2011	161,721,818 81.05%	26,781,435 13.42%	6,515,579 3.27%	1,862,728 0.93%	2,652,672 1.33%	199,534,232 100.00%
2010	189,111,242 74.14%	53,735,973 21.06%	8,199,031 3.21%	1,865,778 0.73%	2,193,925 0.86%	255,105,949 100.00%
2009	216,624,815 73.94%	59,251,973 20.22%	13,220,367 4.51%	1,672,672 0.57%	2,207,137 0.76%	292,976,964 100.00%
2008	238,836,876 62.74%	118,983,767 31.26%	17,906,722 4.70%	2,289,611 0.60%	2,666,641 0.70%	380,683,617 100.00%
2007	237,543,172 76.53%	38,069,942 12.26%	28,204,657 9.09%	3,282,034 1.06%	3,276,451 1.06%	310,376,256 100.00%
2006	189,378,158 69.59%	55,536,683 20.41%	19,640,423 7.22%	4,026,078 1.48%	3,542,367 1.30%	272,123,709 100.00%
2005	161,263,640 67.07%	62,903,153 26.16%	9,467,843 3.94%	3,443,788 1.43%	3,371,782 1.40%	240,450,206 100.00%
2004	143,801,912 65.92%	63,138,573 28.94%	4,565,891 2.09%	3,303,915 1.51%	3,349,578 1.54%	218,159,869 100.00%
2003	129,549,220 72.24%	38,974,623 21.74%	5,490,920 3.06%	2,552,911 1.42%	2,755,089 1.54%	179,322,763 100.00%

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

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

Fiscal Year	General Fund	Alafia River Basin	Hillsborough River Basin (2)	Northwest Hillsborough Basin (2)	Coastal Rivers Basin	Pinellas-Anclote River Basin	Withlacoochee River Basin	Peace River Basin	Manasota Basin	Facilities	Total	Percent Base Year	Annual Change in Percent
2012 (4)	\$ 103,686,640	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$ 1,000,000	\$ 104,686,640	80.8 %	(44.0) %
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	124.8	(21.2)
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	146.0	(21.2)
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	167.2	(17.2) (3)
2008	147,940,801	5,526,420	12,611,129	6,665,194	5,086,354	30,934,560	5,411,367	9,350,470	13,910,581	1,400,000	238,836,876	184.4	1.0
2007	145,973,534	5,364,139	12,463,049	6,734,757	5,024,249	31,319,837	5,148,275	9,265,908	13,849,424	2,400,000	237,543,172	183.4	37.2
2006	115,088,950	4,251,799	10,084,129	5,690,823	4,449,920	25,938,951	3,701,008	6,760,928	11,011,650	2,400,000	189,378,158	146.2	21.7
2005	98,617,333	3,577,067	8,668,890	5,004,715	3,740,550	22,519,738	2,889,460	5,774,020	9,221,867	1,250,000	161,263,640	124.5	13.5
2004	88,260,896	2,517,053	7,125,716	4,593,204	3,317,387	20,270,787	2,598,289	6,038,604	8,104,976	975,000	143,801,912	111.0	11.0
2003	77,833,580	2,257,796	6,503,367	4,218,523	3,042,400	18,492,468	2,317,120	5,454,067	7,129,899	2,300,000	129,549,220	100.0	0.0

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

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

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

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

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
2012	\$ 4,738,013 4.53%	\$ 3,538,541 3.38%	\$ 551,236 0.53%	\$ 575,607 0.55%	\$ 2,899,571 2.77%	\$ 1,555,751 1.49%	\$ 23,977,333 22.88%	\$ 28,068 0.03%	\$ 346,074 0.33%
2011	7,192,259 4.45%	5,422,966 3.35%	813,212 0.50%	854,038 0.53%	4,489,683 2.78%	2,333,287 1.44%	37,622,850 23.26%	29,498 0.02%	586,870 0.36%
2010	8,601,056 4.55%	5,764,046 3.05%	936,532 0.50%	913,609 0.48%	5,332,460 2.82%	2,768,332 1.46%	43,663,858 23.09%	30,416 0.02%	626,488 0.33%
2009 (2)	10,131,134 4.68%	6,192,558 2.86%	965,835 0.45%	899,843 0.42%	5,848,996 2.70%	2,947,649 1.36%	50,526,245 23.32%	31,110 0.01%	717,125 0.33%
2008	12,740,821 5.33%	7,166,628 3.00%	1,018,393 0.43%	988,590 0.41%	6,370,297 2.67%	3,309,726 1.39%	53,172,802 22.26%	31,752 0.01%	751,259 0.31%
2007	14,178,471 5.97%	7,350,108 3.09%	1,039,104 0.44%	889,608 0.37%	6,102,139 2.57%	3,050,390 1.28%	52,334,811 22.03%	30,030 0.01%	799,002 0.34%
2006	9,460,493 5.00%	5,639,059 2.98%	691,213 0.36%	788,792 0.42%	4,925,311 2.60%	2,153,281 1.14%	43,054,784 22.73%	22,883 0.01%	521,149 0.28%
2005	7,625,085 4.73%	4,604,586 2.86%	648,433 0.40%	830,431 0.51%	4,046,797 2.51%	1,844,887 1.14%	37,314,510 23.14%	19,355 0.01%	419,712 0.26%
2004	6,519,997 4.54%	4,192,495 2.92%	608,992 0.42%	821,026 0.57%	3,619,738 2.52%	1,683,539 1.17%	33,715,627 23.45%	16,680 0.01%	363,008 0.25%
2003	5,581,364 4.31%	3,851,404 2.97%	514,879 0.40%	677,976 0.52%	3,275,779 2.53%	1,531,531 1.18%	30,796,818 23.77%	14,627 0.01%	338,310 0.26%

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

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

Source: District records - Finance Department.

(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
2012	\$ 9,045,647 8.64%	\$ 1,964,342 1.88%	\$ 7,728,312 7.38%	\$ 21,257,754 20.31%	\$ 8,903,633 8.51%	\$ 15,061,380 14.39%	\$ 2,515,378 2.40%	\$ 104,686,640 100.00%
2011	12,593,267 7.79%	3,372,630 2.09%	12,011,482 7.43%	36,072,441 22.30%	13,236,667 8.18%	21,436,389 13.26%	3,654,279 2.26%	161,721,818 100.00%
2010	14,809,981 7.83%	3,953,855 2.09%	14,101,687 7.46%	44,266,162 23.41%	15,583,799 8.24%	24,086,237 12.73%	3,672,724 1.94%	189,111,242 100.00%
2009 (2)	16,369,036 7.56%	4,409,534 2.04%	16,381,859 7.56%	52,853,363 24.40%	17,291,246 7.98%	27,585,247 12.73%	3,474,035 1.60%	216,624,815 100.00%
2008	17,765,391 7.44%	4,877,757 2.04%	18,381,150 7.70%	58,568,414 24.52%	17,854,305 7.48%	32,375,418 13.56%	3,464,173 1.45%	238,836,876 100.00%
2007	17,223,698 7.25%	4,050,704 1.71%	17,581,645 7.40%	60,048,322 25.29%	16,682,869 7.02%	33,148,867 13.95%	3,033,404 1.28%	237,543,172 100.00%
2006	13,924,895 7.35%	2,742,778 1.45%	13,650,954 7.21%	49,977,644 26.39%	13,431,641 7.09%	26,130,517 13.80%	2,262,764 1.19%	189,378,158 100.00%
2005	11,849,868 7.35%	2,304,740 1.43%	11,154,070 6.92%	43,617,283 27.05%	11,734,719 7.28%	21,693,705 13.45%	1,555,459 0.96%	161,263,640 100.00%
2004	10,377,230 7.22%	2,031,561 1.41%	9,497,470 6.60%	39,362,797 27.37%	10,545,318 7.33%	19,146,756 13.31%	1,299,678 0.91%	143,801,912 100.00%
2003	9,102,886 7.03%	1,822,527 1.41%	8,341,467 6.44%	36,147,693 27.90%	9,548,241 7.37%	16,832,207 12.99%	1,171,511 0.91%	129,549,220 100.00%

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

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

Source: District records - Finance Department.

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

<u>Fiscal Year</u>	<u>Assessed Valuation (1)</u>	<u>Total Tax Levy</u>	<u>Current Tax Collections</u>	<u>Percent of Levy Collected</u>	<u>Delinquent Tax Collections</u>	<u>Total Tax Collections</u>	<u>Percent of Total Tax Collection to Tax Levy</u>
2012	\$ 274,339,074,461	\$ 107,760,388	\$ 103,383,339	95.94 %	\$ 1,303,301	\$ 104,686,640	97.15 %
2011	287,863,529,751	167,583,548	160,425,813	95.73	1,296,005	161,721,818	96.50
2010	322,613,718,625	195,782,309	187,919,296	95.98	1,191,946	189,111,242	96.59
2009	364,790,289,103	225,150,454	215,394,447	95.67	1,230,368	216,624,815 (2)	96.21
2008	400,166,690,276	247,424,227	237,744,556	96.09	1,092,320	238,836,876	96.53
2007	364,100,486,292	246,000,306	236,984,777	96.34	558,395	237,543,172	96.56
2006	288,027,816,770	195,912,657	188,729,789	96.33	648,369	189,378,158	96.66
2005	244,929,632,264	166,878,893	159,400,042	95.52	1,863,598	161,263,640	96.64
2004	218,825,726,760	148,831,513	142,874,841	96.00	927,071	143,801,912	96.62
2003	196,733,416,139	134,674,084	128,923,451	95.73	625,769	129,549,220	96.19

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

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

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

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

Fiscal Year	Charlotte County		Citrus County		DeSoto County		Hardee County	
	Taxable Assessed Value (2)	Estimated Just Value (3)	Taxable Assessed Value (1)	Estimated Just Value (3)	Taxable Assessed Value (1)	Estimated Just Value (3)	Taxable Assessed Value (1)	Estimated Just Value (3)
2012	\$ 12,433,871,062 4.53%	\$ 15,839,722,557	\$ 9,336,411,252 3.40%	\$ 11,073,753,128	\$ 1,424,521,662 0.52%	\$ 2,820,729,089	\$ 1,508,413,982 0.55%	\$ 2,328,351,267
2011	13,386,137,357 4.65%	16,959,927,343	9,614,305,893 3.34%	11,929,442,840	1,440,295,660 0.50%	2,917,612,542	1,548,820,619 0.54%	2,499,618,714
2010	15,605,343,917 4.84%	20,165,561,587	10,074,921,377 3.12%	13,124,823,904	1,627,233,852 0.50%	3,534,008,206	1,648,825,033 0.51%	2,799,183,882
2009 (4)	18,744,588,641 5.14%	24,134,964,729	10,949,871,541 3.00%	14,592,430,322	1,782,603,163 0.49%	3,814,458,104	1,621,242,093 0.44%	3,597,898,593
2008	23,468,464,057 5.86%	30,281,403,475	12,388,874,371 3.10%	15,861,126,819	1,859,310,230 0.46%	3,837,360,015	1,775,558,774 0.44%	3,533,587,394
2007	24,129,410,539 6.63%	32,413,213,000	11,637,462,135 3.20%	15,252,149,646	1,758,121,481 0.48%	3,670,862,797	1,556,504,727 0.43%	2,689,526,887
2006	15,988,917,489 5.55%	20,937,367,172	8,700,489,533 3.02%	10,331,779,330	1,141,425,064 0.40%	2,094,506,489	1,404,977,510 0.49%	1,999,273,020
2005	12,924,151,263 5.28%	16,425,428,634	7,061,830,905 2.89%	7,951,200,451	1,049,892,450 0.43%	1,795,202,550	1,395,590,539 0.57%	1,841,574,901
2004	10,868,251,435 4.97%	13,787,164,905	6,377,731,045 2.91%	7,074,397,845	1,006,248,987 0.46%	1,680,115,048	1,381,408,737 0.63%	1,584,505,572
2003	9,397,451,189 4.78%	11,765,949,970	5,951,463,421 3.03%	6,257,479,829	861,104,943 0.44%	1,641,097,760	1,129,707,419 0.57%	1,555,385,773

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

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

(continued)

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

Fiscal Year	Hernando County		Highlands County		Hillsborough County		Lake County	
	Taxable Assessed Value (1)	Estimated Just Value (3)	Taxable Assessed Value (2)	Estimated Just Value (3)	Taxable Assessed Value (1)	Estimated Just Value (3)	Taxable Assessed Value (2)	Estimated Just Value (3)
2012	\$ 7,721,977,752 2.81%	\$ 10,579,974,346	\$ 4,048,756,058 1.48%	\$ 6,545,545,717	\$ 62,336,980,209 22.72%	\$ 79,777,924,944	\$ 71,781,864 0.03%	\$ 20,285,676,118
2011	8,393,836,609 2.92%	11,552,641,759	4,235,779,178 1.47%	6,874,145,162	65,116,419,986 22.61%	84,058,854,773	80,021,070 0.03%	22,161,571,162
2010	9,488,123,875 2.94%	13,471,360,637	4,936,206,579 1.53%	8,239,938,540	73,415,622,752 22.76%	96,774,421,040	81,481,877 0.03%	24,975,567,952
2009 (4)	10,387,499,612 2.85%	15,814,704,391	5,389,133,838 1.48%	9,254,973,711	83,938,830,501 23.01%	116,254,203,161	84,370,714 0.02%	27,928,949,304
2008	11,357,529,621 2.84%	16,512,802,416	5,931,994,995 1.48%	9,629,781,192	88,033,093,322 22.02%	120,823,337,789	86,675,044 0.02%	27,890,683,868
2007	9,901,079,038 2.72%	14,737,835,803	5,037,731,165 1.38%	8,271,475,339	78,793,903,491 21.64%	110,793,362,933	74,401,396 0.02%	24,009,757,409
2006	7,646,691,051 2.65%	11,004,596,658	3,510,605,604 1.22%	5,710,710,588	64,750,787,840 22.47%	87,321,571,180	55,477,839 0.02%	17,331,581,237
2005	6,302,986,453 2.57%	8,743,878,355	2,933,630,183 1.20%	4,688,682,365	55,903,214,952 22.82%	72,964,455,006	46,727,001 0.02%	14,414,739,917
2004	5,600,584,555 2.56%	7,642,982,147	2,690,892,370 1.23%	4,194,944,329	50,779,806,100 23.21%	64,837,890,327	40,709,970 0.02%	12,541,891,742
2003	5,122,539,116 2.60%	6,820,855,210	2,565,605,756 1.30%	3,949,400,610	46,355,925,135 23.56%	59,207,297,196	35,141,203 0.02%	11,114,607,760

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

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

(continued)

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

Fiscal Year	Levy County		Manatee County		Marion County		Pasco County	
	Taxable Assessed Value (2)	Estimated Just Value (3)	Taxable Assessed Value (1)	Estimated Just Value (3)	Taxable Assessed Value (2)	Estimated Just Value (3)	Taxable Assessed Value (1)	Estimated Just Value (3)
2012	\$ 899,834,945 0.33%	\$ 3,524,592,792	\$ 23,820,210,422 8.68%	\$ 28,200,290,660	\$ 5,181,774,461 1.89%	\$ 24,093,602,773	\$ 20,323,341,802 7.41%	\$ 28,013,760,041
2011	978,841,451 0.34%	3,989,729,515	24,909,396,182 8.65%	29,747,730,647	5,746,672,436 2.00%	27,116,911,018	20,754,922,138 7.21%	29,126,576,684
2010	1,039,092,617 0.32%	4,417,873,490	28,739,213,410 8.91%	35,315,585,698	6,615,903,811 2.05%	31,005,053,635	23,045,072,814 7.14%	32,681,663,769
2009 (4)	1,176,574,298 0.32%	4,992,458,397	31,728,741,317 8.70%	40,532,806,394	7,681,828,761 2.11%	36,172,335,899	26,767,890,444 7.34%	39,790,825,530
2008	1,283,131,348 0.32%	4,921,099,058	34,528,464,902 8.63%	44,545,058,066	8,364,377,817 2.09%	36,918,976,765	29,729,044,446 7.43%	42,731,680,816
2007	1,223,533,954 0.34%	4,651,266,241	30,735,678,005 8.44%	39,852,622,216	6,132,576,329 1.68%	28,210,769,525	25,750,555,212 7.07%	37,956,299,419
2006	788,382,168 0.27%	2,892,868,688	24,759,022,291 8.60%	31,744,642,359	4,216,130,979 1.46%	19,412,346,247	19,804,373,845 6.88%	27,816,171,324
2005	634,607,144 0.26%	2,319,580,260	21,188,932,148 8.65%	26,527,994,186	3,412,304,183 1.39%	16,203,462,528	16,171,800,551 6.60%	22,176,529,678
2004	549,645,916 0.25%	1,828,924,432	18,574,279,816 8.49%	22,702,620,085	3,020,525,681 1.38%	14,177,653,309	13,883,582,485 6.34%	18,859,943,686
2003	514,932,657 0.26%	1,709,505,277	16,270,421,255 8.27%	19,384,158,966	2,738,924,877 1.39%	12,819,400,375	12,262,273,454 6.23%	16,827,458,579

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

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

(continued)

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

Fiscal Year	Pinellas County		Polk County		Sarasota County		Sumter County		Total	
	Taxable Assessed Value (1)	Estimated Just Value (3)	Taxable Assessed Value (2)	Estimated Just Value (3)	Taxable Assessed Value (1)	Estimated Just Value (3)	Taxable Assessed Value (1)	Estimated Just Value (3)	Taxable Assessed Value (2)	Estimated Just Value (3)
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%	\$ 394,080,572,663
2011	58,395,259,809 20.29%	77,107,914,679	24,919,832,620 8.66%	32,090,561,797	42,118,634,428 14.63%	53,406,022,942	6,224,354,315 2.16%	8,605,957,586	287,863,529,751 100.00%	420,145,219,163
2010	64,799,464,910 20.09%	89,120,171,479	28,735,416,677 8.91%	39,151,322,368	46,554,772,530 14.43%	59,857,675,826	6,207,022,594 1.92%	8,885,586,796	322,613,718,625 100.00%	483,519,798,809
2009 (4)	73,364,672,321 20.11%	105,800,594,551	32,149,838,024 8.81%	45,690,203,869	53,170,778,042 14.58%	70,539,563,052	5,851,825,793 1.60%	8,848,146,235	364,790,289,103 100.00%	567,759,516,242
2008	80,171,847,018 20.03%	114,317,705,946	32,728,357,906 8.18%	45,514,480,070	62,685,251,050 15.66%	83,355,313,080	5,774,715,375 1.44%	8,387,422,260	400,166,690,276 100.00%	609,061,819,029
2007	75,661,254,861 20.78%	110,368,480,158	28,070,713,660 7.71%	37,942,552,926	59,015,112,895 16.21%	81,694,691,410	4,622,447,404 1.27%	6,755,285,291	364,100,486,292 100.00%	559,270,151,000
2006	62,891,555,541 21.84%	87,770,598,200	22,463,188,999 7.80%	27,996,939,791	46,517,976,673 16.15%	61,995,122,756	3,387,814,344 1.18%	5,142,166,017	288,027,816,770 100.00%	421,502,241,056
2005	54,946,057,068 22.43%	74,965,518,100	19,808,792,690 8.09%	23,216,260,315	38,833,229,197 15.85%	50,750,692,901	2,315,885,537 0.95%	3,487,213,628	244,929,632,264 100.00%	348,472,413,775
2004	49,736,379,395 22.73%	66,487,561,200	18,175,358,199 8.31%	21,243,060,892	34,139,701,996 15.60%	43,539,696,480	2,000,620,073 0.91%	2,944,121,089	218,825,726,760 100.00%	305,127,473,088
2003	45,522,214,631 23.15%	59,343,393,200	16,372,841,445 8.32%	20,383,440,390	29,864,864,281 15.18%	36,752,413,719	1,768,005,357 0.90%	2,650,276,940	196,733,416,139 100.00%	272,182,121,554

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

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

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

Fiscal Year	General Fund (Districtwide)	Alafia River Basin	Hillsborough River Basin	Northwest Hillsborough Basin (2)	Coastal Rivers Basin	Pinellas-Anclote River Basin	Withlacoochee River Basin	Peace River Basin	Manasota Basin	Maximum Legal Rate (1)	
										Districtwide	Per Basin
2012 (3)	0.3928	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	0.5000	N/A
2011	0.3770	0.2163	0.2300	N/A	0.1885	0.2600	0.2308	0.1827	0.1484	0.5000	0.5000
2010	0.3866	0.2163	0.2421	N/A	0.1885	0.3200	0.2308	0.1827	0.1484	0.5000	0.5000
2009	0.3866	0.2163	0.2547	0.2421	0.1885	0.3600	0.2308	0.1827	0.1484	0.5000	0.5000
2008	0.3866	0.2163	0.2547	0.2421	0.1885	0.3701	0.2308	0.1827	0.1484	0.5000	0.5000
2007	0.4220	0.2400	0.2850	0.2680	0.2050	0.4000	0.2650	0.1950	0.1600	0.5000	0.5000
2006	0.4220	0.2400	0.2850	0.2680	0.2350	0.4000	0.2650	0.1950	0.1600	0.5000	0.5000
2005	0.4220	0.2400	0.2850	0.2680	0.2350	0.4000	0.2650	0.1950	0.1600	0.5000	0.5000
2004	0.4220	0.2400	0.2850	0.2680	0.2350	0.4000	0.2650	0.1950	0.1600	0.5000	0.5000
2003	0.4220	0.2400	0.2850	0.2680	0.2350	0.4000	0.2650	0.1950	0.1600	0.5000	0.5000

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

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

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

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

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

County	Fiscal Year					
	2012			2003		
	Taxable Assessed Value (1) (Thousands)	Rank	Percent of Total Taxable Assessed Value	Taxable Assessed Value (1) (Thousands)	Rank	Percent of Total Taxable Assessed Value
Hillsborough	\$ 62,336,980	1	22.72 %	\$ 46,355,925	1	23.57 %
Pinellas	55,608,566	2	20.27	45,522,215	2	23.14
Sarasota	39,585,676	3	14.43	29,864,864	3	15.18
Manatee	23,820,210	4	8.68	16,270,421	5	8.27
Polk	23,369,108	5	8.52	16,372,842	4	8.32
Pasco	20,323,342	6	7.41	12,262,274	6	6.23
Charlotte	12,433,871	7	4.53	9,397,451	7	4.78
Citrus	9,336,411	8	3.40	5,951,463	8	3.03
Hernando	7,721,978	9	2.81	5,122,539	9	2.60
Sumter	6,667,848	10	2.43	1,768,005	12	0.90
Marion	5,181,775	11	1.89	2,738,925	10	1.39
Highlands	4,048,756	12	1.48	2,565,606	11	1.30
Hardee	1,508,414	13	0.55	1,129,707	13	0.57
DeSoto	1,424,522	14	0.52	861,105	14	0.44
Levy	899,835	15	0.33	514,933	15	0.26
Lake	71,782	16	0.03	35,141	16	0.02
	<u>\$274,339,074</u>		<u>100.00 %</u>	<u>\$196,733,416</u>		<u>100.00 %</u>

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

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

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

<u>Fiscal Year (1)</u>	<u>Governmental Activities</u>		<u>District Population</u>	<u>Per Capita</u>
	<u>Capital Leases</u>	<u>Total Debt</u>		
2012	\$ -	\$ -	4,886,708	0.00
2011	-	-	4,804,911	0.00
2010	871,253	871,253	4,726,655	0.18
2009	1,543,074	1,543,074	4,688,370	0.33
2008	1,308,866	1,308,866	4,663,063	0.28

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

(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: Population figures historical (2008-2009) and projections (2010-2012) were obtained from Woods & Poole Economics, 2012 Florida State Profile: State and County Projections to 2040. District portional populations were obtained by GIS Associates, Inc., Estimates of 2010 Census Populations and Geographic Boundaries of the SWFWMD, 2011.

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

<u>Calendar Year</u>	<u>Charlotte * County</u>	<u>Citrus County</u>	<u>DeSoto County</u>	<u>Hardee County</u>	<u>Hernando County</u>	<u>Highlands * County</u>	<u>Hillsborough County</u>	<u>Lake * County</u>
2012	164,296 3.36%	149,002 3.05%	35,815 0.73%	28,302 0.58%	187,719 3.84%	95,502 1.95%	1,269,653 25.97%	976 0.02%
2011	161,804 3.37%	145,041 3.02%	35,393 0.74%	28,045 0.58%	180,340 3.75%	92,282 1.92%	1,251,509 26.05%	982 0.02%
2010	159,363 3.37%	141,129 2.99%	34,984 0.74%	27,801 0.59%	173,008 3.66%	89,265 1.89%	1,233,846 26.10%	938 0.02%
2009	159,051 3.39%	141,381 3.02%	34,592 0.74%	27,661 0.59%	171,950 3.67%	89,618 1.91%	1,214,050 25.89%	889 0.02%
2008	159,934 3.43%	142,122 3.05%	34,374 0.74%	27,603 0.59%	172,437 3.70%	90,294 1.94%	1,196,773 25.66%	843 0.02%
2007	159,259 3.45%	140,974 3.05%	34,537 0.75%	27,489 0.59%	169,891 3.68%	89,921 1.95%	1,184,686 25.63%	795 0.02%
2006	156,671 3.44%	137,826 3.03%	34,300 0.75%	27,049 0.59%	164,398 3.61%	88,920 1.95%	1,171,826 25.72%	737 0.02%
2005	154,886 3.48%	133,791 3.00%	33,864 0.76%	26,874 0.60%	157,156 3.53%	87,061 1.95%	1,143,154 25.65%	669 0.02%
2004	156,221 3.60%	129,840 2.99%	33,895 0.78%	26,847 0.62%	149,593 3.45%	84,791 1.95%	1,108,225 25.52%	740 0.02%
2003	150,634 3.56%	126,215 2.98%	33,271 0.79%	26,765 0.63%	142,686 3.37%	82,882 1.96%	1,077,462 25.44%	816 0.02%

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

Permanent Population = Year-round residents only

Sources: Historical (2002-2009) and projected (2010-2012) population data was updated from Woods & Poole Economics, [2012 Florida State Profile: State and County Projections to 2040](#).

Basin and County portional populations were obtained by GIS Associates, Inc., 2010 property parcel-based population estimates summarized by county and District boundaries (SWFWMD - Planning Department, 2011) and BEBR Projections of Florida Population by County, 2010-2040, [Florida Population Studies Volume 44, Bulletin 159, June 2011](#).

(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
2012	24,239 0.50%	338,015 6.92%	106,513 2.18%	491,892 10.07%	932,220 19.08%	571,792 11.70%	388,356 7.95%	102,416 2.10%	4,886,708 100.00%
2011	23,672 0.49%	330,663 6.88%	105,120 2.19%	478,639 9.96%	924,279 19.24%	564,865 11.76%	384,045 7.99%	98,232 2.04%	4,804,911 100.00%
2010	23,077 0.49%	323,435 6.84%	102,769 2.17%	465,543 9.85%	916,719 19.39%	560,830 11.87%	379,874 8.04%	94,074 1.99%	4,726,655 100.00%
2009	23,253 0.50%	320,711 6.84%	101,684 2.17%	462,607 9.87%	915,330 19.51%	557,688 11.90%	377,262 8.05%	90,643 1.93%	4,688,370 100.00%
2008	23,306 0.50%	318,766 6.84%	100,483 2.15%	461,313 9.89%	916,458 19.65%	554,746 11.90%	377,178 8.09%	86,433 1.85%	4,663,063 100.00%
2007	23,054 0.50%	316,410 6.85%	98,214 2.12%	453,579 9.81%	918,624 19.86%	547,186 11.84%	375,325 8.12%	82,101 1.78%	4,622,045 100.00%
2006	22,711 0.50%	313,771 6.89%	94,511 2.07%	439,529 9.65%	924,182 20.30%	531,343 11.66%	371,361 8.15%	76,202 1.67%	4,555,337 100.00%
2005	22,172 0.50%	306,845 6.88%	89,855 2.02%	421,844 9.46%	929,426 20.85%	512,378 11.50%	367,912 8.25%	69,261 1.55%	4,457,148 100.00%
2004	21,480 0.49%	296,183 6.82%	84,853 1.95%	401,648 9.25%	928,305 21.38%	497,479 11.46%	357,751 8.24%	64,456 1.48%	4,342,307 100.00%
2003	20,723 0.49%	287,000 6.78%	80,362 1.90%	383,238 9.05%	926,266 21.86%	487,146 11.50%	347,862 8.21%	61,934 1.46%	4,235,262 100.00%

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

Permanent Population = Year-round residents only

Sources: Historical (2002-2009) and projected (2010-2012) population data was updated from Woods & Poole Economics, [2012 Florida State Profile: State and County Projections to 2040](#).

Basin and County portional populations were obtained by GIS Associates, Inc., 2010 property parcel-based population estimates summarized by county and District boundaries (SWFWMD - Planning Department, 2011) and BEBR Projections of Florida Population by County, 2010-2040, [Florida Population Studies Volume 44, Bulletin 159, June 2011](#).

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

<u>Calendar Year (1)</u>	<u>Total County Population</u>	<u>Within District Population</u>	<u>Population Within District Increase</u>	<u>Percent Increase</u>
2012	5,509,626	4,886,708	81,797	1.70 %
2011	5,414,739	4,804,911	78,256	1.66
2010	5,317,067	4,726,655	38,285	0.82
2009	5,288,370	4,688,370	25,307	0.54
2008	5,265,680	4,663,063	41,018	0.89
2007	5,201,830	4,622,045	66,708	1.46
2006	4,971,083	4,555,337	98,189	2.20
2005	4,858,137	4,457,148	114,841	2.64
2004	4,734,664	4,342,307	107,045	2.53
2003	4,627,325	4,235,262	0	0.00

(1) Data is for calendar years.

Sources: Historical (2002-2009) and projected (2010-2012) population data was updated from Woods & Poole Economics, 2012 Florida State Profile: State and County Projections to 2040. Basin and County portional populations were developed from GIS Associates, Inc., 2010 property parcel-based population estimates summarized by county and District boundaries (SWFWMD - Planning Department, 2011) and BEBR Projections of Florida Population by County, 2010-2040, Florida Population Studies Volume 44, Bulletin 159, June 2011.

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

Calendar Year	Charlotte County			Citrus County		
	Personal Income (Millions)	Per Capita Income	Unemployment Rate	Personal Income (Millions)	Per Capita Income	Unemployment Rate
2012	\$ 5,523.96	\$ 33,491	9.4 %	\$ 4,396.21	\$ 29,504	10.6 %
2011	5,443.05	33,509	11.1	4,274.04	29,468	11.7
2010	5,288.75	33,057	12.4	4,129.61	29,261	12.9
2009	5,155.30	32,295	11.5	4,014.40	28,394	11.7
2008	5,274.74	32,871	8.0	3,991.91	28,088	8.0
2007	5,333.71	33,390	4.9	4,039.44	28,654	4.9
2006	5,193.40	33,058	3.3	3,892.97	28,246	3.7
2005	4,894.18	31,522	3.9	3,679.13	27,499	4.2
2004	4,718.59	29,911	5.2	3,445.87	26,539	5.4
2003	4,271.25	27,874	5.4	3,271.41	25,919	6.2

All data is based on county-wide data and income figures are presented in 2005 dollars.

Sources: Unemployment data was obtained from Bureau of Labor Statistics, U.S. Department of Labor, 2012. 2012 unemployment rate is average of October 2011 - September 2012. Personal and Per Capita Income historical (2002-2009) and projected (2010-2012) were obtained from Woods and Poole Economics, 2012 Florida State Profile: State and County Projections to 2040.

(continued)

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

Calendar Year	DeSoto County			Hardee County		
	Personal Income (Millions)	Per Capita Income	Unemployment Rate	Personal Income (Millions)	Per Capita Income	Unemployment Rate
2012	\$ 771.38	\$ 21,538	9.3 %	\$ 664.01	\$ 23,462	9.1 %
2011	767.15	21,675	10.5	661.20	23,576	10.4
2010	750.37	21,449	11.1	629.31	22,636	11.5
2009	732.48	21,175	9.8	596.33	21,559	10.3
2008	721.19	20,981	6.6	597.88	21,660	6.5
2007	728.61	21,097	4.7	591.61	21,522	4.4
2006	728.59	21,242	3.6	588.80	21,768	3.9
2005	687.56	20,304	4.5	592.42	22,045	4.7
2004	646.87	19,085	5.6	558.36	20,798	6.0
2003	600.54	18,050	5.7	532.93	19,911	6.6

All data is based on county-wide data and income figures are presented in 2005 dollars.

Sources: Unemployment data was obtained from Bureau of Labor Statistics, U.S. Department of Labor, 2012. 2012 unemployment rate is average of October 2011 - September 2012. Personal and Per Capita Income historical (2002-2009) and projected (2010-2012) were obtained from Woods and Poole Economics, 2012 Florida State Profile: State and County Projections to 2040.

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

Calendar Year	Hernando County			Highlands County		
	Personal Income (Millions)	Per Capita Income	Unemployment Rate	Personal Income (Millions)	Per Capita Income	Unemployment Rate
2012	\$ 5,241.21	\$ 27,921	11.7 %	\$ 2,799.37	\$ 26,510	9.2 %
2011	4,963.20	27,521	13.6	2,725.42	26,685	11.4
2010	4,802.13	27,757	11.7	2,656.08	26,911	11.7
2009	4,697.64	27,320	10.5	2,582.52	26,098	10.5
2008	4,674.25	27,107	7.0	2,552.19	25,633	7.0
2007	4,693.90	27,629	4.6	2,580.99	26,065	4.6
2006	4,515.14	27,465	3.7	2,502.08	25,587	3.7
2005	4,230.46	26,919	4.6	2,359.25	24,675	4.2
2004	4,012.98	26,826	5.1	2,267.30	24,359	5.1
2003	3,814.46	26,733	5.6	2,188.97	24,070	5.6

All data is based on county-wide data and income figures are presented in 2005 dollars.

Sources: Unemployment data was obtained from Bureau of Labor Statistics, U.S. Department of Labor, 2012. 2012 unemployment rate is average of October 2011 - September 2012. Personal and Per Capita Income historical (2002-2009) and projected (2010-2012) were obtained from Woods and Poole Economics, 2012 Florida State Profile: State and County Projections to 2040.

(continued)

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

Calendar Year	Hillsborough County			Lake County		
	Personal Income (Millions)	Per Capita Income	Unemployment Rate	Personal Income (Millions)	Per Capita Income	Unemployment Rate
2012	\$ 43,220.56	\$ 34,041	9.1 %	\$ 9,494.10	\$ 30,142	9.7 %
2011	42,829.55	34,222	10.7	9,258.75	30,217	10.8
2010	41,854.27	33,922	11.8	8,957.20	30,063	12.0
2009	41,688.72	34,339	10.3	8,801.60	29,784	10.8
2008	42,021.12	35,112	6.2	8,993.99	30,628	6.3
2007	42,080.14	35,520	4.0	9,077.71	31,312	4.0
2006	41,543.17	35,452	3.2	8,692.44	30,898	3.3
2005	39,259.89	34,343	3.7	8,108.73	30,303	3.7
2004	37,270.05	33,630	4.3	7,726.23	30,344	4.4
2003	35,337.52	32,797	5.1	7,120.83	29,487	5.2

All data is based on county-wide data and income figures are presented in 2005 dollars.

Sources: Unemployment data was obtained from Bureau of Labor Statistics, U.S. Department of Labor, 2012. 2012 unemployment rate is average of October 2011 - September 2012. Personal and Per Capita Income historical (2002-2009) and projected (2010-2012) were obtained from Woods and Poole Economics, 2012 Florida State Profile: State and County Projections to 2040.

(continued)

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

Calendar Year	Levy County			Manatee County		
	Personal Income (Millions)	Per Capita Income	Unemployment Rate	Personal Income (Millions)	Per Capita Income	Unemployment Rate
2012	\$ 1,012.11	\$ 23,655	10.0 %	\$ 12,200.01	\$ 36,093	9.3 %
2011	1,008.91	24,163	11.0	12,032.75	36,390	10.9
2010	966.26	23,721	12.2	11,701.05	36,177	12.3
2009	930.37	22,759	11.1	11,562.75	36,053	11.2
2008	936.46	22,947	6.9	11,743.62	36,841	6.8
2007	940.60	23,396	4.1	12,335.90	38,987	4.0
2006	931.55	23,615	3.5	12,223.73	38,957	3.0
2005	901.07	23,493	3.7	11,620.59	37,871	3.4
2004	845.53	22,541	4.6	10,822.33	36,539	4.1
2003	785.90	21,514	5.3	9,993.80	34,822	4.7

All data is based on county-wide data and income figures are presented in 2005 dollars.

Sources: Unemployment data was obtained from Bureau of Labor Statistics, U.S. Department of Labor, 2012. 2012 unemployment rate is average of October 2011 - September 2012. Personal and Per Capita Income historical (2002-2009) and projected (2010-2012) were obtained from Woods and Poole Economics, 2012 Florida State Profile: State and County Projections to 2040.

(continued)

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

Calendar Year	Marion County			Pasco County		
	Personal Income (Millions)	Per Capita Income	Unemployment Rate	Personal Income (Millions)	Per Capita Income	Unemployment Rate
2012	\$ 9,981.45	\$ 29,069	10.7 %	\$ 13,629.21	\$ 27,708	10.5 %
2011	9,769.73	28,967	12.6	13,396.12	27,988	11.9
2010	9,507.91	28,700	13.8	12,911.90	27,735	13.1
2009	9,358.66	28,284	12.4	12,632.43	27,307	11.6
2008	9,491.24	28,757	7.7	12,733.44	27,603	7.3
2007	9,626.15	29,561	4.4	12,700.12	28,000	4.8
2006	9,362.41	29,599	3.4	12,083.07	27,491	3.8
2005	8,610.59	28,366	3.7	11,285.84	26,754	4.3
2004	7,925.28	27,219	4.6	10,654.12	26,526	5.0
2003	7,328.32	26,164	5.4	10,093.08	26,336	5.6

All data is based on county-wide data and income figures are presented in 2005 dollars.

Sources: Unemployment data was obtained from Bureau of Labor Statistics, U.S. Department of Labor, 2012. 2012 unemployment rate is average of October 2011 - September 2012. Personal and Per Capita Income historical (2002-2009) and projected (2010-2012) were obtained from Woods and Poole Economics, 2012 Florida State Profile: State and County Projections to 2040.

(continued)

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

Calendar Year	Pinellas County			Polk County		
	Personal Income (Millions)	Per Capita Income	Unemployment Rate	Personal Income (Millions)	Per Capita Income	Unemployment Rate
2012	\$ 37,216.06	\$ 39,922	9.0 %	\$ 18,174.56	\$ 29,573	10.2 %
2011	37,127.83	40,170	10.6	18,028.78	29,626	11.6
2010	36,079.52	39,357	11.7	17,525.97	29,075	12.5
2009	35,683.97	38,985	10.5	17,280.69	28,865	11.0
2008	36,910.23	40,275	6.3	17,707.80	29,771	6.6
2007	37,603.13	40,934	4.0	17,684.08	30,179	4.4
2006	37,714.93	40,809	3.3	17,201.02	30,266	3.6
2005	36,616.57	39,397	3.8	16,329.96	29,833	4.0
2004	35,443.20	38,181	4.4	15,194.35	28,794	4.9
2003	34,067.70	36,780	5.3	14,094.65	27,472	5.5

All data is based on county-wide data and income figures are presented in 2005 dollars.

Sources: Unemployment data was obtained from Bureau of Labor Statistics, U.S. Department of Labor, 2012. 2012 unemployment rate is average of October 2011 - September 2012. Personal and Per Capita Income historical (2002-2009) and projected (2010-2012) were obtained from Woods and Poole Economics, 2012 Florida State Profile: State and County Projections to 2040.

(continued)

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

Calendar Year	Sarasota County			Sumter County		
	Personal Income (Millions)	Per Capita Income	Unemployment Rate	Personal Income (Millions)	Per Capita Income	Unemployment Rate
2012	\$ 19,590.21	\$ 50,444	9.2 %	\$ 2,382.69	\$ 23,630	7.4 %
2011	19,647.65	51,160	10.8	2,382.69	24,256	8.1
2010	19,145.57	50,400	12.2	2,280.29	24,239	9.2
2009	19,021.26	50,419	11.0	2,153.14	23,754	8.9
2008	19,713.21	52,265	7.0	2,050.53	23,724	5.5
2007	19,651.89	52,360	4.3	1,898.14	23,120	3.4
2006	19,455.10	52,389	3.1	1,756.33	23,048	2.7
2005	18,169.34	49,385	3.4	1,538.02	22,206	3.3
2004	17,355.86	48,514	4.0	1,362.48	21,138	4.5
2003	15,677.34	45,068	4.6	1,230.95	19,875	5.2

All data is based on county-wide data and income figures are presented in 2005 dollars.

Sources: Unemployment data was obtained from Bureau of Labor Statistics, U.S. Department of Labor, 2012. 2012 unemployment rate is average of October 2011 - September 2012. Personal and Per Capita Income historical (2002-2009) and projected (2010-2012) were obtained from Woods and Poole Economics, 2012 Florida State Profile: State and County Projections to 2040.

**Southwest Florida Water Management District
Demographic Statistics
Top Ten Non-Government Employers Within a Single County
For Fiscal Years Ending September 30, 2012 and September 30, 2008
(unaudited)**

Employer	Fiscal Year							
	2012				2008			
	County	Number of Employees	Rank	Percent of Total Workforce	County	Number of Employees	Rank	Percent of Total Workforce
Publix Super Markets	Polk	9,300	1	0.39 %	Polk	9,500	2	0.39 %
WalMart	Polk	5,100	2	0.21	Polk	5,100	6	0.21
JPMorgan Chase	Hillsborough	4,733	3	0.20	Hillsborough	5,237	5	0.21
Lakeland Regional Medical Center	Polk	4,600	4	0.19	Polk	4,600	8	0.19
Home Shopping Network	Pinellas	4,000	5	0.17	-	-	-	-
Fidelity Information Service	Pinellas	4,000	6	0.17	-	-	-	-
H. Lee Moffitt Cancer Center & Research Institute	Hillsborough	3,218	7	0.13	-	-	-	-
Nielsen Media Research	Pinellas	3,000	8	0.12	-	-	-	-
Citi	Hillsborough	2,900	9	0.12	-	-	-	-
Raymond James Financial	Pinellas	2,600	10	0.11	-	-	-	-
Tampa International Airport	-	-	-	-	Hillsborough	7,760	3	0.32
Publix Super Markets	-	-	-	-	Hillsborough	4,630	7	0.19
St. Joseph's Hospital	-	-	-	-	Hillsborough	5,242	4	0.21
Verizon Communications	-	-	-	-	Hillsborough	14,000	1	0.57
MOSAIC	-	-	-	-	Polk	4,000	9	0.16
Bank of America	-	-	-	-	Hillsborough	3,754	10	0.15
Total		<u>43,451</u>		<u>1.81 %</u>		<u>63,823</u>		<u>2.60 %</u>
District 16-County Total Workforce		2,403,018				2,450,452		

Number of employees are tallied within each individual county, not Districtwide. Employers listed represent the top ten county employers within all 16 District counties. Fiscal year data is for the previous calendar year; data prior to fiscal year 2008 not available.

Sources: [E Enterprise County Profiles, 2012 Enterprise Florida, http://www.eflora.com.](http://www.eflora.com)

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

Fiscal Year	Water Resources Planning and Monitoring	Acquisition, Restoration and Public Works	Operation and Maintenance of Lands and Works	Regulation	Outreach-Public Education	Management and Administration	Total Budgeted Personnel (FTE's)
2012	164 24.16%	44 6.48%	127 18.70%	218 32.11%	25 3.68%	101 14.87%	679 100.00%
2011	151 20.52%	46 6.25%	107 14.54%	193 26.22%	23 3.13%	216 29.34%	736 100.00%
2010	162 22.01%	51 6.93%	103 14.00%	195 26.49%	22 2.99%	203 27.58%	736 100.00%
2009	162 22.01%	51 6.93%	104 14.13%	196 26.63%	20 2.72%	203 27.58%	736 100.00%
2008	131 17.80%	64 8.69%	112 15.22%	206 27.99%	20 2.72%	203 27.58%	736 100.00%
2007	125 16.98%	67 9.10%	107 14.54%	213 28.94%	20 2.72%	204 27.72%	736 100.00%
2006	120 16.30%	67 9.10%	109 14.81%	213 28.94%	20 2.72%	207 28.13%	736 100.00%
2005	120 16.30%	65 8.83%	107 14.54%	216 29.35%	20 2.72%	208 28.26%	736 100.00%
2004	118 16.03%	60 8.15%	112 15.22%	214 29.08%	18 2.45%	214 29.07%	736 100.00%
2003	120 16.30%	54 7.34%	118 16.03%	214 29.08%	17 2.31%	213 28.94%	736 100.00%

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

Source: District records - Finance Department, Budget Section, August 1, 2012 Standard Format Tentative Budget Submission.

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
2012	1,113 14.88%	1,111 15.09%	1,878 25.11%	1,815 24.65%	4,489 60.01%	4,438 60.26%	7,480 100.00%	7,364 100.00%
2011	1,148 15.23%	1,072 14.61%	1,760 23.35%	1,641 22.37%	4,629 61.42%	4,624 63.02%	7,537 100.00%	7,337 100.00%
2010	1,055 14.37%	973 13.56%	1,883 25.65%	1,803 25.13%	4,403 59.98%	4,400 61.31%	7,341 100.00%	7,176 100.00%
2009	1,102 12.56%	1,044 12.14%	2,454 27.97%	2,392 27.81%	5,219 59.47%	5,165 60.05%	8,775 100.00%	8,601 100.00%
2008	794 5.95%	701 5.47%	3,138 23.52%	3,046 23.77%	9,410 70.53%	9,068 70.76%	13,342 100.00%	12,815 100.00%
2007	718 4.10%	613 3.74%	3,928 22.45%	3,809 23.23%	12,854 73.45%	11,974 73.03%	17,500 100.00%	16,396 100.00%
2006	659 3.57%	605 3.42%	4,321 23.41%	3,640 20.58%	13,475 73.02%	13,443 76.00%	18,455 100.00%	17,688 100.00%
2005	641 3.68%	565 3.31%	3,953 22.65%	3,707 21.68%	12,857 73.67%	12,826 75.01%	17,451 100.00%	17,098 100.00%
2004	652 4.06%	622 4.06%	3,767 23.46%	3,100 20.17%	11,641 72.48%	11,645 (2) 75.77%	16,060 100.00%	15,367 100.00%
2003	6,700 33.63%	6,049 (1) 33.04%	3,334 16.74%	2,374 12.97%	9,888 49.63%	9,884 53.99%	19,922 100.00%	18,307 100.00%

(1) Water use permits in the Southern Water Use Caution Area (SWUCA) were automatically updated in 2003, to be in line with the SWUCA I Rule, which accounted for the large number of permit applications for that fiscal year.

(2) Applications received in fiscal year 2003 were issued in fiscal year 2004.

Sources: Fiscal Years 2002-2008 data obtained from the District Regulatory Database, Performance Management Office.
Fiscal Years 2009-2012 data obtained from the District Water Management Information System, Regulatory Support.

Southwest Florida Water Management District
Estimated Total Water Use by County
(million gallons per day)
September 30, 2012
(unaudited)

County	Agricultural	Industrial Commercial	Mining Dewatering	Public Supply (Withdrawal)	Domestic Self-Supply	Recreational Aesthetic	Total (Withdrawal) (1)	Public Supply (Use) (2)	Total (Use) (3)
Charlotte *	10.970	0.027	0.026	7.074	0.190	1.609	19.896	15.063	27.885
Citrus	1.431	3.364	0.006	15.350	4.247	5.254	29.652	15.177	29.479
DeSoto	67.502	0.601	0.000	31.961	1.990	0.356	102.410	1.059	71.508
Hardee	37.892	1.641	0.333	0.989	0.775	0.301	41.931	0.985	41.927
Hernando	1.778	2.608	4.637	20.779	3.075	5.063	37.940	20.779	37.940
Highlands *	40.566	0.039	0.000	7.308	1.368	2.430	51.711	7.196	51.599
Hillsborough	50.537	9.531	0.872	189.983	6.927	8.650	266.500	136.407	212.924
Lake *	1.176	0.000	0.000	0.000	0.075	0.000	1.251	0.000	1.251
Levy *	6.532	0.004	0.000	0.721	1.225	0.247	8.729	0.714	8.722
Manatee	65.608	4.908	3.548	44.621	0.000	10.401	129.086	37.504	121.969
Marion *	3.976	0.064	0.000	11.412	5.458	3.824	24.734	10.955	24.277
Pasco	9.704	1.249	0.011	58.654	9.165	4.235	83.018	43.540	67.904
Pinellas	0.103	0.037	0.000	22.340	0.000	1.989	24.469	88.852	90.981
Polk *	80.346	29.652	12.149	65.932	7.810	8.337	204.226	66.758	205.052
Sarasota	4.572	0.059	0.000	20.783	1.968	6.840	34.222	30.658	44.097
Sumter	7.755	0.563	0.029	17.984	2.931	2.656	31.918	23.407	37.341
	<u>390.448</u>	<u>54.347</u>	<u>21.611</u>	<u>515.891</u>	<u>47.204</u>	<u>62.192</u>	<u>1,091.693</u>	<u>499.054</u>	<u>1,074.856</u>

Data collection is based on calendar year 2011.

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

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

(2) 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 or exports of publicly supplied water from one county to another.

(3) 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 - 2011 Estimated Water Use Report Draft, December 2012.

Southwest Florida Water Management District
Nature of Capital Assets by Program
Net of Accumulated Depreciation
September 30, 2012
(unaudited)

Capital Assets	Water Resource Planning and Monitoring	Land Acquisition, Restoration and Public Works	Operation and Maintenance of Works and Lands	Regulation	Outreach- Public Education	Management and Administration	Total Capital Assets
Capital Assets not subject to depreciation:							
Land	\$ 560,811	\$ 607,779,849	\$ 1,798,482	\$ -	\$ -	\$ 926,081	\$ 611,065,223
Land Interests	1,959	104,406,980	-	1,661,612	-	-	106,070,551
Construction in Progress	909,508	18,942,868	1,198	1,692,706	-	1,729,882	23,276,162
Capital Assets subject to depreciation:							
Buildings	3,718	12,714,877	13,301,063	-	-	124,160	26,143,818
Machinery & Equipment	304,828	479,654	3,475,361	3,414	-	5,063,603	9,326,860
Infrastructure	1,998,424	50,303,354	19,473,758	-	-	38,616	71,814,152
Software (1)	530,014	-	-	73,745	-	25,160,058	25,763,817
Other	340	-	40,027	-	-	2,399	42,766
Total Capital Assets by Program	\$ 4,309,602	\$ 794,627,582	\$ 38,089,889	\$ 3,431,477	\$ -	\$ 33,044,799	\$ 873,503,349
Percent of Total	0.49%	90.98%	4.36%	0.39%	0.00%	3.78%	100.00%

**Land Acquisitions
(acres)
Fiscal Year**

Type of Ownership:	2012	2011	2010	2009	2008	2007	2006	2005	2004
Fee Simple									
Acquired	86	1,332	206	3,964	6,809	546	5,071	9,815	6,602
Cumulative	345,202	345,116	343,784	343,578	339,614	332,805	332,259	327,188	317,373
Less-Than-Fee									
Acquired	124	1,277	8,755	320	8,631	719	-	1,817	-
Cumulative	104,546	104,422	103,145	94,390	94,070	85,439	84,720	84,720	82,903
Total Acres	449,748	449,538	446,929	437,968	433,684	418,244	416,979	411,908	400,276

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).
Construction in Progress includes intangibles, buildings, and infrastructure not completed.
Buildings are 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) The implementation of GASB 51 in fiscal year 2009 created the need to capitalize software. Data not available for fiscal years prior to 2009.

Source: District records - Finance Department, Property Administration Section.

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Single Audit Compliance



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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 the financial statements of the governmental activities and each major fund of the Southwest Florida Water Management District (the District), a component unit of the State of Florida, as of and for the year ended September 30, 2012, which collectively comprise the District's basic financial statements and have issued our report thereon dated March 18, 2013. 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.

Internal Control over Financial Reporting

Management of the District is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the District's internal control over financial reporting as a basis for designing our auditing procedures 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 over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over financial reporting.

A deficiency in internal control over financial reporting exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control over financial reporting, 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.

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 deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.



Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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*.

We noted certain matters that we reported to management of the District in a separate letter dated March 18, 2013.

This report is intended solely for the information and use of the Governing Board, management, others within the District, federal and state awarding agencies and pass-through entities, and the Auditor General of the State of Florida and is not intended to be and should not be used by anyone other than these specified parties.

KPMG LLP

March 18, 2013
Certified Public Accountants



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

Independent Auditors' Report on Compliance with Requirements That Could Have a Direct and Material Effect on Each Major Program and on Internal Control Over Compliance in Accordance with OMB Circular A-133 and Chapter 10.550 Rules of the Auditor General

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

Compliance

We have audited Southwest Florida Water Management District's (the District), a component unit of the State of Florida, compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement*, and the requirements described in the Florida Department of Financial Services' *State Projects Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs and state projects for the year ended September 30, 2012. The District's major federal programs and state projects are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs and state projects is the responsibility of the District's management. Our responsibility is to express an opinion on the District's compliance based on our audit.

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; OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and Chapter 10.550, *Rules of the Auditor General*. Those standards, OMB Circular A-133, 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 federal program or 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. Our audit does not provide a legal determination of the District's compliance with those requirements.

In our opinion, the District complied, in all material respects, with the requirements referred to above that could have a direct and material effect on each of its major federal programs and state projects for the year ended September 30, 2012. However, the results of our auditing procedures disclosed instances of noncompliance with those requirements, which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying schedule of findings and questioned costs as item 2012-01.



Internal Control over Compliance

Management of the District is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs and state projects. 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 a major federal program or state project to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133 and Chapter 10.550, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program or 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 federal program or state project will not be prevented, or detected and corrected, on a timely basis.

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 deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, we identified a deficiency in internal control over compliance that we considered to be a significant deficiency as described in the accompanying schedule of findings and questioned costs as Finding No. 2012-01. A significant deficiency in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program or 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.

The District's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. We did not audit the District's response and, accordingly, we express no opinion on the response.

This report is intended solely for the information and use of the Governing Board, management, others within the District, federal and state awarding agencies and pass-through entities, and the Auditor General of the State of Florida and is not intended to be and should not be used by anyone other than these specified parties.

KPMG LLP

March 18, 2013
Certified Public Accountants

SOUTHWEST FLORIDA WATER MANAGEMENT DISTRICT
Schedule of Expenditures of Federal Awards and State Financial Assistance
Year ended September 30, 2012

<u>Federal/State Agency/Pass Through Entity</u>	CFDA, CSFA Number	Grant ID#	Expenditures
<u>FEDERAL AWARDS</u>			
<u>U.S. Environmental Protection Agency</u>			
Passed through Florida Department of Environmental Protection:			
Non Point Source Implementation Grants:			
North Dale Mabry Highway Stormwater Improvement	66.460	C9-9945-1504 & 1506	\$ 200,116
Total U.S. Environmental Protection Agency			200,116
<u>U.S. Department of Commerce - National Oceanic and Atmospheric Administration</u>			
Passed through National Fish and Wildlife Foundation:			
Estuarine Habitat Restoration at MacDill Air Force Base	11.463	NFWF 2008-0067-002	200,000
Total U.S. Department of Commerce			200,000
<u>U.S. Department of Homeland Security - Federal Emergency Management Agency (FEMA)</u>			
Direct Program:			
Cooperating Technical Partners Mapping Activity Statement Citrus & Highlands Co	97.045	EMA-2006-CA-5613	200,025
Cooperating Technical Partners Mapping Activity Statement DeSoto & Hardee Co	97.045	EMA-2005-CA-5218	279,171
Cooperating Technical Partners Mapping Activity Statement Hernando Co	97.045	EMA-2004-CA-5021	24,915
Cooperating Technical Partners Mapping Activity Statement Levy & Sumter Co	97.045	EMA-2007-CA-5779	112,153
Cooperating Technical Partners Mapping Activity Statement - Districtwide	97.045	EMA-2010-CA-5084	60,000
Total U.S. Department of Homeland Security - FEMA			676,264
<u>U.S. Department of Transportation</u>			
Passed through Florida Department of Transportation:			
Highway Planning and Construction Cluster:			
Efficient Transportation Decision Making	20.205	41506422809	162,874
DOT Mitigation	20.205	SWWM1,5,7,8	57,310
Total U.S. Department of Transportation			220,184
 Total Expenditures of Federal Awards			 \$ 1,296,564

(Continued)

SOUTHWEST FLORIDA WATER MANAGEMENT DISTRICT
Schedule of Expenditures of Federal Awards and State Financial Assistance
Year ended September 30, 2012
(Continued)

<u>Grantor/Pass through Agency</u>	CFDA, CSFA Number	Grant ID #	Expenditures
<u>STATE AWARDS</u>			
<u>Department of Environmental Protection</u>			
Florida Forever Trust Fund (FFTF) and Water Management Lands Trust Fund (WMLTF):			
Florida Forever - Preacquisition	37.022	FFTF	\$ 4,388
Florida Forever - Lake Hancock Outfall Treatment	37.022	FFTF	9,150,401
WMLTF - Pre-acquisition/Ancillary	37.022	WMLTF	1,414,892
WMLTF - Land Management and Use	37.022	WMLTF	4,348,399
WMLTF - Payment in Lieu of Taxes	37.022	WMLTF	130,913
WMLTF - Surface Water Improvement and Management (SWIM)	37.022	WMLTF	1,957,598
Total Program			<u>17,006,591</u>
Statewide Surface Water Restoration and Wastewater Projects:			
Alligator Creek Habitat Restoration	37.039	W511 SWW51, 81	46,467
Coral Creek Habitat Restoration	37.039	W553 SWW71,81	6,667
Facilitating Agricultural Resource Management Systems (FARMS)	37.039	H017 SWW31,51,61,71,81,91	101,049
Lake Hancock Outfall Treatment	37.039	H014 SWW51,61, 81	1,750,000
MacDill AFB Phase 3	37.039	W396 SWW71,81	20,833
Myakka River Watershed Evaluation	37.039	H048 SWW71,81,91	469,226
Neal Preserve Environmental Restoration	37.039	W602 SWW81	34,544
Palm River Restoration	37.039	W367 SWW51	216,630
Rock Pond Ecosystem Restoration	37.039	W395 SWW61,71,81,91	12,454
Ruskin Inlet Habitat Restoration	37.039	W374 SWW81	300
Sarasota Bay Spoil Island Restoration Project	37.039	W611 SWW51, 71	77,325
Terra Ceia Habitat Restoration	37.039	W348 SWW51	61,271
Ungarelli Preserve Habitat Restoration	37.039	W603 SWW71	25,000
Upper Peace River Resource Development	37.039	H024 SWW71	16
Upper Peace River/Lake Hancock Level Modification	37.039	H008 SWW71,81	29,455
Total Program			<u>2,851,237</u>
Water Protection and Sustainability Program Trust Fund:			
West-Central Florida Water Restoration Action Plan (WRAP)	37.066	various SWW91	4,857,808
Surface Water Restoration Projects	37.066	various WPSPTF	339,072
Surface Water Improvement and Management (SWIM)	37.066	various WPSPTF	421,652
Alternative Water Supply	37.066	various WPSPTF	2,324,530
Total Program			<u>7,943,062</u>
Total Department of Environmental Protection			<u>27,800,890</u>
<u>Department of Transportation (DOT)</u>			
Mitigation Water Management Districts:			
DOT Mitigation	55.031	SWWM1,5,7,8	1,707,143
Maintenance & Monitoring	55.031	SWWM1,5,7,8	98,263
Total Program			<u>1,805,406</u>
Stormwater Retrofit:			
North Dale Mabry Hwy Stormwater Retrofit	55.024	W259 A-O888	581,486
Palm River Restoration	55.024	W367 A-OS06	18,121
River Tower Restoration	55.024	W387 A-NZ90	2,123
Robles Park Water Quality	55.024	W235 A-PJ34	18,432
Total Program			<u>620,162</u>
Total Department of Transportation			<u>2,425,568</u>
<u>Florida Fish and Wildlife Conservation Commission</u>			
Tsala Apopka Watershed Management Plan	77.016	H066 FFWCC 07236	120,000
Total Florida Fish and Wildlife Conservation Commission			<u>120,000</u>
Total State Financial Assistance			<u>\$ 30,346,458</u>
Total Expenditures of Federal Awards and State Financial Assistance			<u>\$ 31,643,022</u>

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

SOUTHWEST FLORIDA WATER MANAGEMENT DISTRICT

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

Year ended September 30, 2012

(1) Basis of Presentation

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

SOUTHWEST FLORIDA WATER MANAGEMENT DISTRICT

Schedule of Findings and Questioned Costs

Year ended September 30, 2012

(1) Summary of Auditors' Results

(a)	The type of report issued on the basic financial statements:	Unqualified
(b)	Significant deficiencies in internal control were disclosed by the audit of the basic financial statements:	None reported
	Material weaknesses:	No
(c)	Noncompliance which is material to the basic financial statements:	No
(d)	Significant deficiencies in internal control over major federal programs and state projects:	Yes
	Material weaknesses:	No
(e)	The type of report issued on compliance for major federal programs and state projects:	Unqualified opinion
(f)	Any audit findings which are required to be reported under Section 510(a) of OMB Circular A-133 or Section 215.97, <i>Florida Statutes</i> :	Yes
(g)	The major federal programs and state projects are as follows:	
		<u>CFDA #</u>
	Federal programs:	
	U.S. Department of Homeland Security - Cooperating Technical Partners	97.045
		<u>CSFA #</u>
	State projects:	
	Department of Environmental Protection - Florida Forever Trust Fund (FFTF) and Water Management Lands Trust Fund (WMLTF)	37.022
	Department of Environmental Protection - Statewide Surface Water Restoration and Waste Water	37.039

SOUTHWEST FLORIDA WATER MANAGEMENT DISTRICT

Schedule of Findings and Questioned Costs

Year ended September 30, 2012

(h)	Dollar threshold used to distinguish between Type A and Type B federal programs/state projects:		
	Federal programs	\$	300,000
	State projects		910,556

(i)	Auditee qualified as a low-risk auditee under Section 530 of OMB Circular A-133:	Yes
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(2) Findings Relating to the Financial Statements Reported in Accordance with *Government Auditing Standards*: None

(3) Findings and Questioned Costs Relating to Federal Programs

<i>Finding 2012-01</i>	Reporting
<i>Federal agency</i>	U.S. Department of Homeland Security
<i>Federal program</i>	CFDA 97.045 - Cooperating Technical Partners
<i>Criteria</i>	Quarterly progress reports are to be submitted to FEMA by defined dates outlined by the grant agreement.
<i>Condition found</i>	We identified 4 of 9 Quarterly Progress Reports were not submitted in accordance with the grant agreement. The following project reports were not submitted for the respective quarter. - EMA-2006-CA-5613 [Qtr 2] - EMA-2011-CA-5141 [Qtr 2] - EMA-2007-CA-5779 [Qtr 2] - EMA-2004-CA-5021 [Qtr 1]
<i>Questioned costs</i>	None.
<i>Effect</i>	Not complying with requirements related to reporting could jeopardize the District's future receipt of Federal funds.
<i>Cause</i>	Management does not have controls in place to ensure reporting requirements are met.
<i>Recommendation</i>	We recommend the District implement controls to ensure compliance with reporting deadlines per the Program.
<i>Views of responsible officials</i>	Management will work together with key personnel to implement controls and procedures to ensure compliance with the reporting deadlines of the Program.

SOUTHWEST FLORIDA WATER MANAGEMENT DISTRICT

Schedule of Findings and Questioned Costs

Year ended September 30, 2012

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



Management Letter



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

Management Letter

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

We have audited the financial statements of the governmental activities and each major fund of the Southwest Florida Water Management District (the District), a component unit of the State of Florida, as of and for the year ended September 30, 2012, which collectively comprise the District's basic financial statements, and have issued our report thereon dated March 18, 2013.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. We have also issued our reports dated March 18, 2013, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters, as well as our report on the District's compliance and internal control over compliance that could have a direct and material effect on each major federal program and state project, and the related schedule of findings and questioned costs. Disclosures in those reports and schedule, if any, should be considered in conjunction with this management letter.

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

The *Rules of the Auditor General*, Section 10.554(1)(i)(1), require that we address in the management letter, if not already addressed in the auditors' report on internal control over financial reporting and compliance and other matters, whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. There were no findings and recommendations made in the preceding annual financial audit.

The *Rules of the Auditor General*, Section 10.554(1)(i)(2), require that we determine whether or not the District complied with Section 218.415, *Florida Statutes*, regarding the investment of public funds. In connection with our audit, nothing came to our attention that caused us to believe that the District was not in compliance with Section 218.415, *Florida Statutes*.

The *Rules of the Auditor General*, Section 10.554(1)(i)(3), require that we address in the management letter, if not already addressed in the auditors' report on internal control over financial reporting and on compliance and other matters, any recommendations to improve the District's financial management. In connection with our audit, we did not have any such recommendations.



The *Rules of the Auditor General*, Section 10.554(1)(i)(4), require that we address in the management letter any violations of provisions of contracts or grant agreements, fraud, illegal acts, 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 more than inconsequential. In connection with our audit, we did not have any such findings.

The *Rules of the Auditor General*, Section 10.554(1)(i)(5), provide for disclosure in the management letter based on the auditors' professional judgment of the following matters that have an inconsequential effect on the financial statements, considering both quantitative and qualitative factors, if not already addressed in the auditors' report on internal control over financial reporting and on compliance and other matters:

- (1) Violations of provisions of contracts or grant agreements, fraud, illegal acts, or abuse, and
- (2) Deficiencies in internal control that are not significant deficiencies.

The results of our audit disclosed no violations of provisions of contracts or grant agreements, fraud, illegal acts, or abuse, or other deficiencies in internal control that are not significant deficiencies.

The *Rules of the Auditor General*, Section 10.554(1)(i)(6), also require that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in the management letter, unless disclosed in the notes to the financial statements. The disclosure of this information is included in the notes to the financial statements.

The *Rules of Auditor General*, Section 10.554(1)(i)(7)a., require that a management letter include a statement as to whether the District is in a state of financial emergency as a consequence of conditions described in Section 218.503(1), *Florida Statutes*. Management of the District has determined that the District is not in a state of financial emergency as defined in Section 218.503(1), *Florida Statutes*. In connection with our audit, nothing came to our attention that would indicate that the District had met any of the conditions described in Section 218.503(1), *Florida Statutes*.

The *Rules of the Auditor General*, Section 10.554(1)(i)(7)b., require that we determine whether the annual financial report for the District for the fiscal year ended September 30, 2012, to be filed with the Florida Department of Financial Services pursuant to Section 218.32(1)(a), *Florida Statutes*, is in agreement with the annual financial audit report for the fiscal year ended September 30, 2012. In connection with our audit, we determined that these reports were in agreement.

As required by the *Rules of the Auditor General*, Section 10.554(1)(i)(7)c., we applied financial condition assessment procedures pursuant to Section 10.556(7). It is management's responsibility to monitor the District's financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information provided by same.

The *Rules of the Auditor General*, Section 10.554(1)(i)(9), require that we determine whether the District provided monthly financial statements to its governing board and made such monthly statements available for public access on its website pursuant to Section 215.985(12) and 373.536(4)(e) *Florida Statutes*. In connection with our audit, nothing came to our attention that caused us to believe that the District was not in compliance with Sections 215.985(12) and 373.536(4)(e), *Florida Statutes*.

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The Members of the Governing Board
Southwest Florida Water Management District
Page 3 of 3

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

KPMG LLP

March 18, 2013
Certified Public Accountants