

SOUTHWEST FLORIDA WATER MANAGEMENT DISTRICT

Comprehensive Annual Financial Report

FISCAL YEAR ENDED SEPTEMBER 30, 2016

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, 2016

Prepared by: Finance Bureau

Southwest Florida
Water Management District



WATERMATTERS.ORG · 1-800-423-1476

A Component Unit of the State of Florida

Mission Statement:

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

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

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

**Southwest Florida Water Management District
Comprehensive Annual Financial Report
Fiscal Year Ended September 30, 2016**

Table of Contents

Page

INTRODUCTORY SECTION

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

FINANCIAL SECTION

Independent Auditors' Report	1
Management's Discussion and Analysis (unaudited)	5

Basic Financial Statements:

Government-wide Financial Statements:

Statement of Net Position	15
Statement of Activities	16

Fund Financial Statements:

Balance Sheet and reconciliation to net position of governmental activities – Governmental Funds	17
Statement of Revenues, Expenditures, and Changes in Fund Balances and reconciliation to change in net position of governmental activities – Governmental Funds	18
Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – General Fund	19
Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – DOT Mitigation Special Revenue Fund	20
Notes to the Financial Statements	21

Required Supplementary Information (unaudited):

Schedule of Proportionate Share of the Net Pension Liability – Florida Retirement System (FRS) Pension Plan – For the Last Three Fiscal Years	55
Schedule of Contributions – Florida Retirement System (FRS) Pension Plan – For the Last Three Fiscal Years	56
Schedule of Proportionate Share of the Net Pension Liability – The Retiree Health Insurance Subsidy (HIS) Program – For the Last Three Fiscal Years	57

Page

Schedule of Contributions - The Retiree Health Insurance Subsidy (HIS) Program –
For the Last Three Fiscal Years..... 58

Schedule of Other Postemployment Benefits (OPEB) Funding Progress..... 59

Notes to Required Supplementary Information 60

Other Supplementary Information:

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

Florida Forever Capital Projects Fund 61

Facilities Capital Projects Fund..... 62

STATISTICAL SECTION (unaudited)

Net Position by Component – For the Last Ten Fiscal Years 63

Changes in Net Position – For the Last Ten Fiscal Years 64

Fund Balances, Governmental Funds – For the Last Ten Fiscal Years 65

Changes in Fund Balances, Governmental Funds – For the Last Ten Fiscal Years 66

General Government Expenditures by Program – For the Last Ten Fiscal Years..... 67

General Government Revenues by Source – For the Last Ten Fiscal Years..... 68

Ad Valorem Property Tax Revenues by Source – For the Last Ten Fiscal Years 69

Ad Valorem Property Tax Revenues by County – For the Last Ten Fiscal Years 70

Ad Valorem Property Tax Levies, Tax Collections and Assessed Valuations – For the Last
Ten Fiscal Years..... 72

Taxable Assessed and Estimated Just Value of Taxable Property – For the Last
Ten Fiscal Years..... 73

Schedule of Property Tax Rates for the District and Watershed Basins (per \$1,000 Assessed
Valuation) – For the Last Ten Fiscal Years 77

Schedule of Principal Taxpayers – Current Year and Nine Years Ago..... 78

Ratios of Outstanding Debt – For the Last Nine Fiscal Years 79

Demographic Statistics – Population by County – For the Last Ten Calendar Years..... 80

Demographic Statistics – Changes in Population – For the Last Ten Calendar Years..... 82

Page

Demographic Statistics – Income and Unemployment by County – For the Last Ten Calendar Years.....	83
Demographic Statistics – Top Ten Non-Government Employers Within a Single County – For Fiscal Years Ending September 30, 2016 and September 30, 2008.....	91
Budgeted Personnel (FTE's) by Program – For the Last Ten Fiscal Years.....	92
Permit Applications and Permits Issued – For the Last Ten Fiscal Years	93
Estimated Total Water Use by County.....	94
Nature of Capital Assets by Program – Net of Accumulated Depreciation	95
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 <i>Government Auditing Standards</i>	97
Independent Auditors' Report on Compliance for Each Major State Project and Report on Internal Control over Compliance	99
Schedule of Expenditures of Federal Awards and State Financial Assistance.....	101
Notes to Schedule of Expenditures of Federal Awards and State Financial Assistance	102
Schedule of Findings and Questioned Costs.....	103
MANAGEMENT LETTER	
Management Letter.....	105
INDEPENDENT ACCOUNTANTS' REPORT	
Independent Accountants' Report	109



Introductory Section

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



An Equal Opportunity Employer

Southwest Florida Water Management District

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Highlands

Ed Armstrong
Treasurer, Pinellas

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Former Chair, Polk

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Kelly S. Rice
Citrus, Lake, Levy, Sumter

Mark Taylor
Hernando, Marion

Michelle Williamson
Hillsborough

Vacant
Hillsborough, Pinellas

Vacant
Charlotte, Sarasota

Vacant
Polk

Brian J. Armstrong, P.G.
Executive Director

May 23, 2017

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, 2016, is hereby submitted.

State law requires that local governmental entities publish within nine months of the close of each fiscal year a complete set of audited financial statements. This report is published to fulfill that requirement for the fiscal year ended September 30, 2016.

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

KPMG LLP, Certified Public Accountants, has issued an unmodified opinion on the District's financial statements for the year ended September 30, 2016. The independent auditors' report is located at the front of the financial section of this report.

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

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

About the District

Approximately one quarter of the state's population (5.1 million) resides within the District. The District was established in 1961 by a special act of the Florida Legislature to serve as local sponsor of the Four River Basins, Florida Project. This was a major flood control project sponsored by the U.S. Army Corps of Engineers after Hurricane Donna caused extensive damage in west-central Florida in 1960.

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

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

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

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

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

The Reporting Entity

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

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

The District's financial statements for the fiscal year ended September 30, 2016, will be incorporated into the State of Florida's financial statements for the state's fiscal year ending June 30, 2017, as a discretely presented component unit. Discretely presented component units are reported in a separate column in the basic financial statements to emphasize that they are legally separate from the primary government, which is the State of Florida, and to differentiate their financial position, results of operations and cash flows, where applicable.

Factors Affecting Financial Condition

Economic Conditions and Outlook. Economically speaking, the 2016 conditions in the State of Florida were, fittingly, bright and sunny. Overall growth in Florida, as measured by real gross domestic product, increased year-over-year by 3.6 percent, which is higher than 2015's year-over-year growth of 3.1 percent¹. In sharp contrast, overall growth in the U.S. economy slowed year-over-year to 1.6 percent. For the District, positive trends in 2016 were manifested in the areas of demography, employment and personal income.

Between 2015 and 2016, the total permanent population of the District increased by approximately 68,063 residents, representing a 1.36 percent change². This growth mirrors the statewide year-over-year increase in permanent population of 1.41 percent. It is also of value to determine the sources of the District's population growth. Is the growth driven by existing residents, or is it derived from out-of-state arrivals? Examining the most recent data for the U.S. Census Bureau, it appears that out-of-state arrivals are the primary source of the growth, with the District receiving approximately 44,890 new residents on an annual basis, mostly hailing from the Northeast (New York and Midwest (Ohio, Illinois, Michigan)³. Looking forward, permanent population for the District is projected to grow at an identical annual rate of 1.36 percent over the next five years, expanding to 5,438,998 in 2021. Extending the time horizon even further, the District's permanent population is on pace to break the 6 million resident mark in 2030, reaching 6,133,896.

Employment for the District and the State of Florida continued to illustrate positive momentum in 2016. For the State of Florida, the seasonally-adjusted unemployment rate decreased year-over-year, moving from 5.1 percent in December 2015 down to 4.9 percent in December 2016⁴. While that may appear to be an inconsequential drop, it is impressive considering the growth in Florida's labor force, which increased 2.3 percent during the same time-period⁵. To provide perspective, Florida's labor force is expected to average 1.8 percent growth from 2016–2019, drawing a mix of new job seekers and out-of-state residents⁶. Regardless, as the unemployment rate continues to tick downward at a slower pace, it is worthwhile to consider if the state economy is getting closer to reaching maximum employment. Rather than reflect a scarcity of jobs, maximum employment, generally thought to be around 4 percent for the U.S. economy, refers to the perpetual delay in aligning jobseekers with jobs. Movement toward maximum employment statewide is a positive harbinger for District residents, for it exerts upward pressure on wages and number of hours worked as employers find it more difficult to hire new workers. The projected slowdown in the labor force growth indicates that this may be the case.

¹ Florida Economic Outlook: November 2016. Wells Fargo Economics Group. Published November 2016. <https://www.wellsfargo.com/com/insights/economics/regional-reports/>

² Except as noted, all data are based on countywide data and are derived from Woods and Poole Economics. [2016 State Profile: State and County Projections to 2040](#)

³ "County-to-County Migration Flows." U.S. Census Bureau, 2010-2014 American Community Survey. <http://census.gov/acs>

⁴ Florida Department of Economic Opportunity. January 20, 2017. <http://floridajobs.org>

⁵ Current Employment Statistics Program. Bureau of Labor Statistics. <http://bls.gov>

⁶ Florida and Metro Forecast 2016-2019. Institute of Economic Competitiveness. College of Business Administration. University of Central Florida. Published December 2016, p.5. <http://iec.ucf.edu/page/Forecasts.aspx>

District wide, real personal income per capita from 2015 to 2016 increased by 1.67 percent. District personal income growth slightly outpaced the national and state averages for 2016, which were 1.60 and 1.61 percent, respectively. From 2016 to 2021, real personal income per capita in the District is expected to increase by 8.46 percent, which translates to \$40,633, faster than both national and state growth (7.95 and 8.07 percent, respectively). The counties primed for the highest growth in the District include DeSoto (8.73 percent) and Highlands (8.35 percent).

Given that much of the District's funding is collected via ad valorem property tax revenue, the condition of the local housing sector is of vital importance. For the State of Florida, closed sales of single-family homes increased by 0.8 percent year-over-year from December 2015 to December 2016, while closed sales of condominiums decreased 5.2 percent during the same timeframe⁷. Despite the meager or negative growth, median sales prices increased statewide for both single-family homes and condominiums, boosting up 9.2 percent and 7.7 percent, respectively, from December 2015 to December 2016. Real estate transactions are also becoming faster, as the median time to contract decreased for both types of properties, dropping down 4.3 percent for single-family homes and 1.9 percent for condominiums. The asymmetry between weak sales growth and rising home prices can be explained by slowed growth in housing starts and building permit issuance for residential construction. Although the pace of housing starts is projected to increase going forward, it is not enough to meet current demand for single-family housing, hence the strong appreciation in prices⁸. Furthermore, growth in building permit issuance for residential construction slowed considerably. After increasing by 25 percent from 2014 to 2015, growth in issuance slowed to 5.4 percent from 2015 to 2016⁹. Considering past years of overexuberance, slower, steadier growth in the housing sector may not be a negative sign.

With a bevy of natural attractions and leisure opportunities in the District, tourism is another important source of regional economic growth. Despite travel concerns due to the outbreak of the Zika virus in pockets of the state, visitation to Florida increased year-over-year in the third quarter of 2016 by 5.1 percent, albeit at a slower pace than previous growth of 7.5 percent from 2014 to 2015¹⁰. Even with reduced anxiety from travelers, leisure and hospitality growth is expected to fall year-over-year by more than 50 percent in the two major Metropolitan Statistical Areas (MSA) within the District by the fourth quarter of 2017, with anemic growth projected thereafter¹¹. The lack of growth in the leisure and hospitality sector should not be taken as a completely negative indicator. Leisure and hospitality ranks among the lowest-paying sectors in the state, so lack of growth in the sector can be compensated for with more robust growth in sectors providing higher compensation¹². It appears that this will be the case, as the professional and business services sector is projected to have over 4 percent year-over-year growth in 2017 in both MSAs within the District.

Thus, the combination of rising population growth, increase in employment figures, and higher per capita incomes augurs well for the District in future years. Steady, sustainable growth in the housing sector should also leave the District well-suited for funding sources. As for other foundations of the local economy, a shift away from leisure and hospitality toward higher-paying sectors appears imminent. The positive economic data for the state and the District is also echoed by consumer sentiment. According to the University of Florida Survey Research Center, consumer sentiment

⁷ Monthly Indicators – December 2016. Florida Association of Realtors.

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

⁸ Florida and Metro Forecast 2016-2019. Institute of Economic Competitiveness. College of Business Administration. University of Central Florida. Published December 2016, p.5. <http://iec.ucf.edu/page/Forecasts.aspx>

⁹ Building Permits Survey. U.S. Census Bureau. <http://census.gov>

¹⁰ 2016 Estimates of Visitors to Florida by Quarter. Visit Florida. <http://www.visitflorida.org/resources/research/>

¹¹ Florida and Metro Forecast 2016-2019. Institute of Economic Competitiveness. College of Business Administration. University of Central Florida. Published December 2016, pp.57 and 97. <http://iec.ucf.edu/page/Forecasts.aspx>

¹² "Florida's Changing Business Model". Bureau of Economic and Business Research. September 15, 2016.

<http://bebr.ufl.edu>

among Floridians increased 6.2 percent year-over-year and was the highest since February 2004, before the Great Recession of 2008¹³.

Long-term financial planning. The District exercises its management of water resources through four statutorily-designated areas of responsibility: Water Supply, Flood Protection, Water Quality and Natural Systems. Long-term financial planning is conducted to connect the program planning and the budget processes. The District's financial planning efforts include the 2015-2019 Strategic Plan, which provides strategic direction through the identification of regional priorities and objectives, the Long-Range Funding Plan (Funding Plan), Program Budget, Five-Year Technology Plan, and Five-Year Capital Improvements Plan.

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

Awards and Acknowledgements

The Government Finance Officers Association (GFOA) of the United States and Canada awarded a Certificate of Achievement for Excellence in Financial Reporting to the District for its comprehensive annual financial report for the fiscal year ended September 30, 2015. This was the 28th 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 Bureau - Communications Section staff for the design of the cover, and the Document Services Section staff for printing the report. In closing, this report would not have been possible without the support and leadership of the District Governing Board and the District's Executive staff.

Sincerely,



John J. Campbell
Division Director
Management Services



Melisa J. Lowe
Bureau Chief
Finance

¹³ "Florida Consumer Sentiment Index." UF Survey Research Center. Bureau of Economic and Business Research. December 23, 2016. <http://www.bebr.ufl.edu/csi-data/archive>



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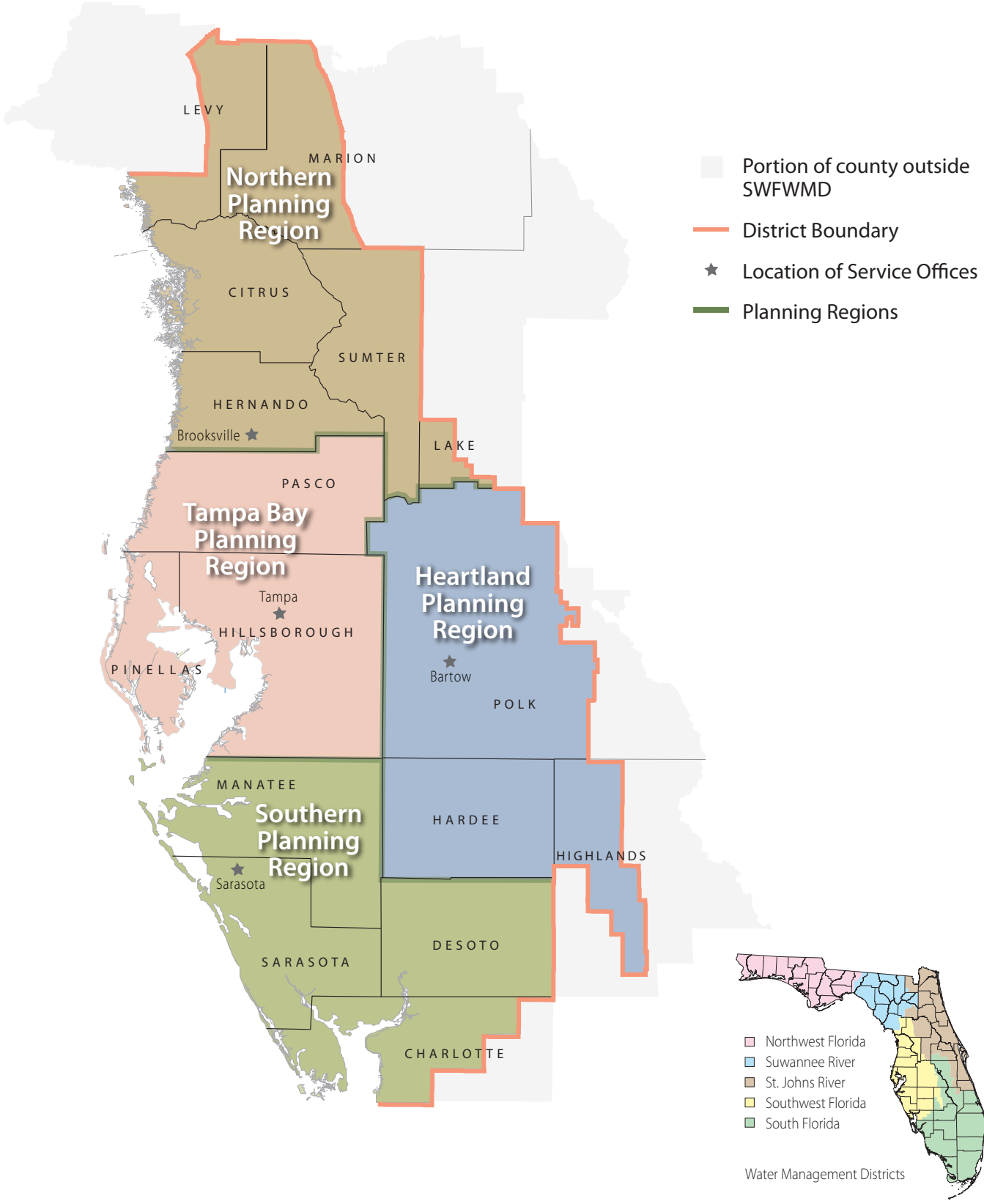
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**Southwest Florida
Water Management District**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

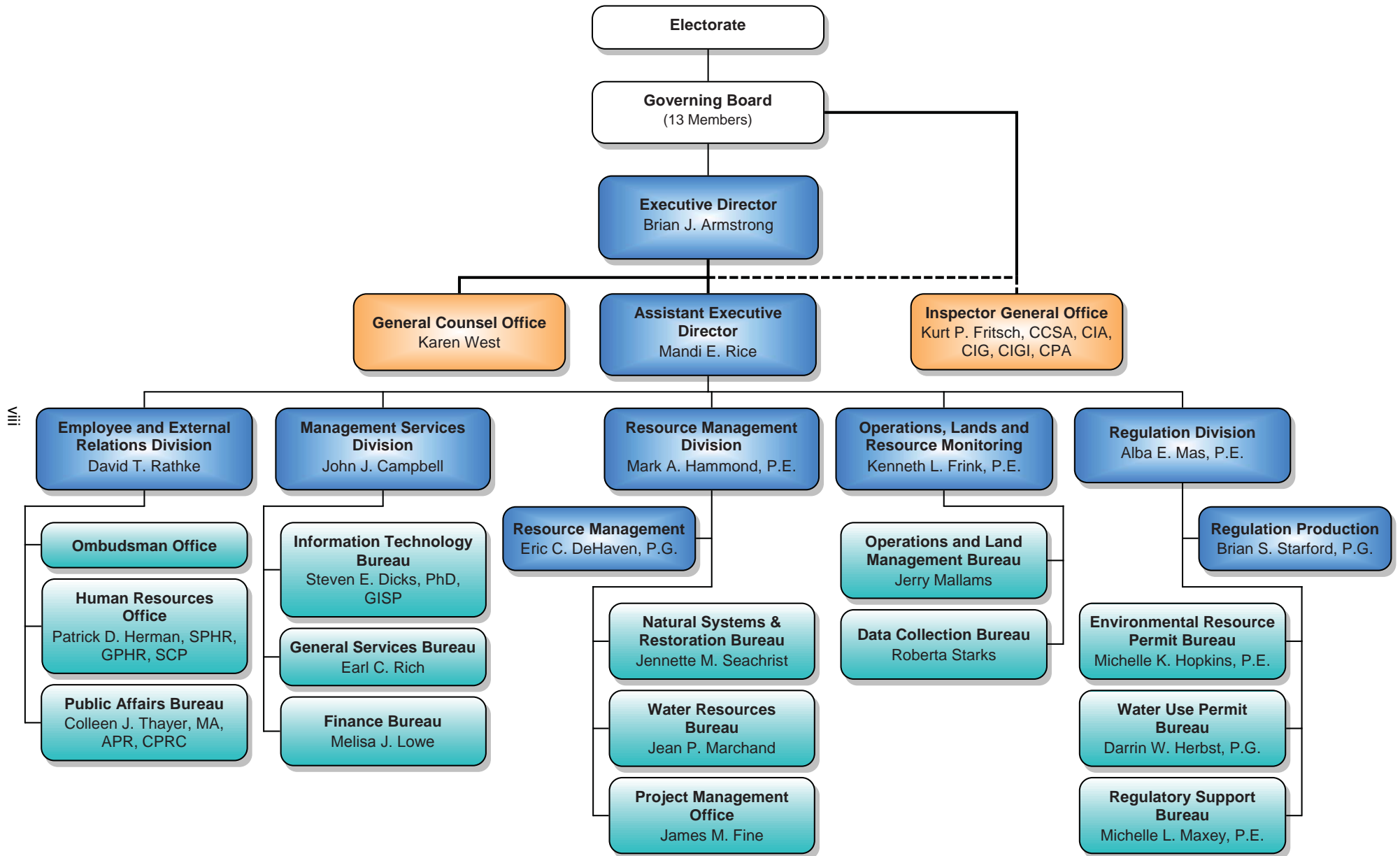
September 30, 2015

Executive Director/CEO



Organization Chart

As of May 1, 2017





Financial Section

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



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

Independent Auditors' Report

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and each major fund of the Southwest Florida Water Management District (the District), as of and for the year ended September 30, 2016, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the Southwest Florida Water Management District, as of September 30, 2016, and the respective changes in financial position, and the respective budgetary comparison for the General fund and DOT Mitigation special revenue fund for the year then ended in accordance with U.S. generally accepted accounting principles.



Other Matters

Required Supplementary Information

U.S. generally accepted accounting principles require that Management's Discussion and Analysis on pages 5–13, the Schedule of Proportionate Share of the Net Pension Liability – Florida Retirement System (FRS) Pension Plan on page 55, the Schedule of Contributions – Florida Retirement System (FRS) Pension Plan on page 56, the Schedule of Proportionate Share of the Net Pension Liability – The Retiree Health Insurance Subsidy (HIS) Program on page 57, the Schedule of Contributions – The Retiree Health Insurance Subsidy (HIS) Program on page 58, the Schedule of Other Postemployment Benefits (OPEB) Funding Progress on page 59, and the notes to required supplementary information on page 60 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The Schedules of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – Capital Projects Funds and Schedule of Expenditures of Federal Awards and State Financial Assistance, as required by the Title 2 U.S. Code of Federal Regulations, Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and Chapter 10.550, *Rules of the Auditor General* and the introductory and statistical sections are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Schedules of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – Capital Projects Funds and Schedule of Expenditures of Federal Awards and State Financial Assistance are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, The Schedules of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – Capital Projects Funds and Schedule of 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 section and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated May 16, 2017 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on



compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

KPMG LLP

May 16, 2017
Certified Public Accountants

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Management's Discussion and Analysis (unaudited)

The Southwest Florida Water Management District's (District) discussion and analysis is designed to offer readers of the District's financial statements a narrative overview and analysis of the financial activities of the District for the fiscal year ended September 30, 2016. Readers are encouraged to read the Management's Discussion and Analysis in conjunction with the transmittal letter beginning on page i and the District's financial statements, which begin on page 15.

Financial Highlights

- The assets and deferred outflows of resources of the District exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$1.2 billion (net position). Of this amount, \$316.5 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 board and management designations in the amount of \$20.6 million; fund future long- and short-term projects in the amount of approximately \$190.2 million; maintain an economic stabilization reserve of \$23.4 million; support land management activities in the amount of \$5.5 million; pay claims associated with the District's Workers' Compensation and Medical self-insurance programs in the amount of \$2.7 million; and carry forward \$14.5 million into the fiscal year 2016-17 budget.
- The District's total net position decreased by \$8.3 million. The decrease is primarily attributable to the use of restricted funds for watershed basin projects for which the ad valorem property taxes were collected prior to fiscal year 2011-12.
- As of the close of the current fiscal year, the District's governmental funds reported combined ending fund balances of \$410.9 million, a decrease of \$3.2 million in comparison with the prior year. Of this total amount, \$38,535 relates to inventory on-hand and is nonspendable; \$65.3 million is restricted for the watershed basins and land acquisition; and \$345.6 million is available for spending at the District's discretion, with the majority committed or assigned as noted above.
- The District continues to have no bonded debt.

Overview of the Financial Statements

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

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

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

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

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

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

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

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

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

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

The District maintained one general fund, one special revenue fund and two capital projects funds, all of which were considered to be major funds during fiscal year 2015-16. Information for all funds is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances.

The District adopts an annual appropriated budget for all funds. To demonstrate compliance with the adopted budget, budgetary comparison statements have been provided for all funds in accordance with GASB Statement No. 34, *Basic Financial Statement—And Management's Discussion and Analysis—For State and Local Governments*. Although not required, budgetary comparison schedules for the District's capital projects funds have been provided on pages 61 and 62 of this report, as other supplementary information.

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

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 21 through 53 of this report.

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

Government-wide Overall Financial Analysis

For fiscal year 2015-16, the overall condition of the District remained consistent with fiscal year 2014-15.

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the District, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by approximately \$1.2 billion at September 30, 2016.

Southwest Florida Water Management District's Net Position

	Governmental Activities	
	2016	2015 (Restated*)
Current and Other Assets	\$ 470,096,242	\$ 478,545,484
Capital Assets	840,671,632	844,337,015
Total Assets	<u>1,310,767,874</u>	<u>1,322,882,499</u>
Deferred Outflows of Resources	<u>10,894,636</u>	<u>3,438,507</u>
Current and Other Liabilities	58,279,932	64,014,724
Long-term Liabilities	40,225,509	28,498,990
Total Liabilities	<u>98,505,441</u>	<u>92,513,714</u>
Deferred Inflows of Resources	<u>1,042,842</u>	<u>3,376,862</u>
Net Position:		
Net Investment in Capital Assets	840,273,629	844,106,551
Restricted for:		
Watershed Basins	64,437,412	76,996,964
Land Acquisition	885,918	308,593
Unrestricted	316,517,268	309,018,322
Total Net Position	<u>\$ 1,222,114,227</u>	<u>\$ 1,230,430,430</u>

*Restated for the adoption of GASB Statement No. 72, *Fair Value Measurement and Application*

By far the largest portion of the District's net position, at September 30, 2016, in the amount of approximately \$840.3 million (68.8 percent) reflects its net investment in capital assets (e.g., land, buildings, machinery, equipment, infrastructure, intangible assets). The District uses these capital assets to carry out its statutory responsibilities; consequently, these assets are not available for future spending.

Restricted net position in the amount of approximately \$65.3 million (5.3 percent) represents resources that are subject to external restrictions on how they may be used. The majority of the resources represent the net position of the former seven watershed basins that must be spent within the geographical boundaries of each watershed basin. It is the District's intent to use these assets to satisfy contracts and purchase orders and fund future long- and short-term projects that fall within the specific geographical boundaries of the basins.

Unrestricted net position in the amount of \$316.5 million (25.9 percent) may be used to meet the District's ongoing obligations to citizens and creditors. As noted earlier, it is the District's intent to use these assets to: satisfy contracts and purchase orders; fund board and management designations; fund

future long- and short-term projects; support land management activities; pay claims associated with the District's Workers' Compensation and Medical claims self-insurance programs; fund an economic stabilization reserve; and carry forward funding for allocation in subsequent years budgets.

At September 30, 2016, the District reported positive balances in all categories of net position. The same held true for the prior fiscal year. For fiscal year 2015-16, the District's total net position decreased by \$8.3 million (0.7 percent). The reasons for this decrease are discussed in the following section for governmental activities.

Governmental activities. Governmental activities decreased the District's net position by \$8.3 million.

Southwest Florida Water Management District's Changes in Net Position

	Governmental Activities	
	2016	2015
Revenues:		
Program Revenues:		
Charges for Services	\$ 4,736,422	\$ 2,642,515
Operating Grants and Contributions	3,844,120	9,210,329
Capital Grants and Contributions	38,025	2,668,152
General Revenues:		
Ad Valorem Property Taxes	104,865,699	103,031,684
Unrestricted Investment Earnings	4,726,663	4,691,530
Gain on Sale of Capital Assets	-	348,325
Other	3,344,788	1,542,678
Total Revenues	121,555,717	124,135,213
Expenses:		
Water Resource Planning and Monitoring	25,432,848	24,231,338
Land Acquisition, Restoration and Public Works	55,411,144	81,105,056
Operation and Maintenance of Works and Lands	17,280,760	16,399,449
Regulation	17,881,691	17,865,629
Outreach	1,805,808	1,734,614
Management and Administration	12,059,669	15,566,025
Total Expenses	129,871,920	156,902,111
Change in Net Position	(8,316,203)	(32,766,898)
Net Position - beginning of year	1,230,430,430	1,263,197,328
Net Position - end of year	\$ 1,222,114,227	\$ 1,230,430,430

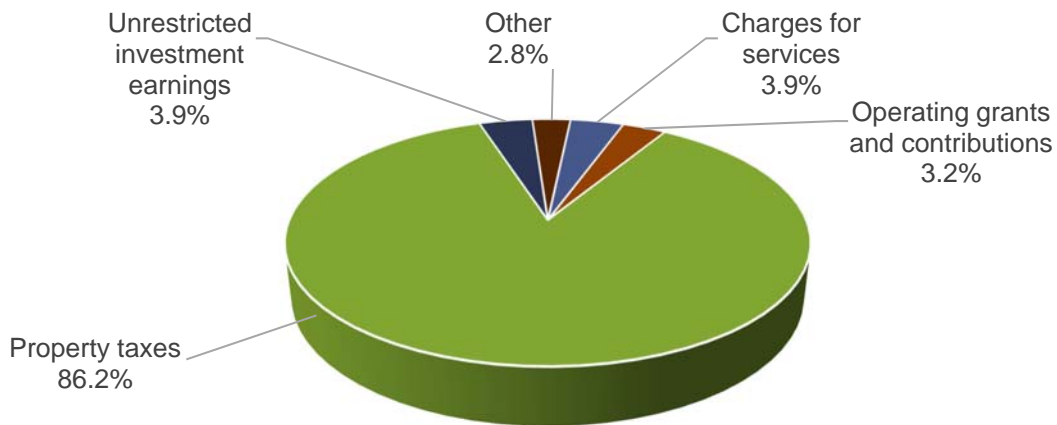
As discussed earlier, the decrease in the overall net position is primarily attributable to the use of restricted funds for watershed basin projects for which the ad valorem property taxes were collected prior to fiscal year 2011-12. During fiscal year 2010-11, the Governing Board approved the merger of seven watershed basins and their functions into the District in order to streamline and improve efficiencies. As a result, the basins no longer exist as ad valorem taxing units and will no longer levy ad valorem tax. The net position of each basin was transferred to the District's General Fund and will be held as restricted net position of the District until expended for water management purposes within the geographical boundaries of the basin in which the ad valorem tax revenue was previously collected.

In addition, notable fluctuations have appeared in charges for services, operating grants and contributions, capital grants and contributions, and other revenues. Charges for services increased by \$2.1 million (79.2 percent), primarily as a result of reporting the DOT mitigation and maintenance and

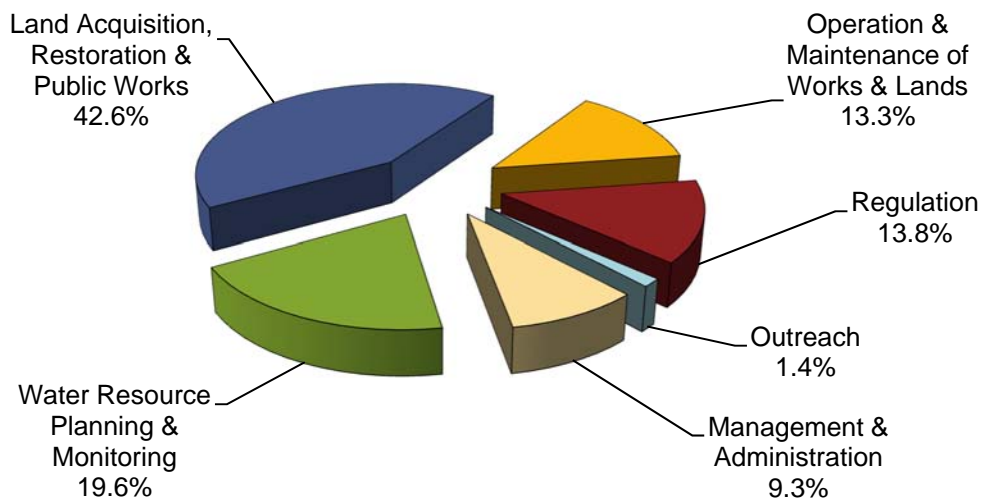
monitoring funds as a vendor instead of previously reporting as operating grants. Operating grants and contributions decreased by \$5.4 million (58.3 percent), also as a result of reporting the DOT mitigation and maintenance and monitoring funds as a vendor instead of previously reporting as operating grants and the TECO Rock Pond project nearing completion. Capital grants and contributions decreased by \$2.6 million (98.6 percent), primarily as a result of not purchasing any land parcels as had been done in the previous year. Overall, in the past several years, the District has continued to receive less outside funding from federal, state and other local governments than it has in the past. The use of operating grants and contributions also fluctuates from year to year depending on what projects the District's funds have been allocated to and the timing of expenditures related to those projects. Projects that are currently in the planning stages have not incurred a significant amount of expenditures as opposed to projects that have been substantially completed.

Other revenue increased by \$1.8 million (116.8 percent), primarily due to receiving a settlement on a project in mediation.

FY2015-16 Revenues by Source – Governmental Activities



FY2015-16 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, 2016, the District's governmental funds reported combined fund balances of \$410.9 million, a decrease of \$3.2 million in comparison with fiscal year 2014-15. *Unassigned fund balance* of \$24.3 million represents 5.9 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 (\$38,535), 2) legally required to be maintained intact (\$65.3 million), 3) committed for particular purposes (\$100.3 million), or 4) assigned for particular purposes (\$221.1 million).

The general fund is the chief operating fund of the District. At the end of fiscal year 2015-16, unassigned fund balance of the general fund was \$24.3 million, while the total fund balance decreased to \$400.3 million. As a measure of the general fund's liquidity, it may be useful to compare both the unassigned fund balance and the total fund balance to total general fund expenditures. Unassigned fund balance represents 19.7 percent of the total general fund expenditures, while total general fund balance represents 325.4 percent of that same amount.

The fund balance of the general fund decreased \$3.8 million during the current fiscal year. The decrease is primarily attributable to the use of restricted funds for watershed basin projects for which the funds were collected prior to fiscal year 2011-12.

The fund balance of the Florida Forever capital projects fund increased \$602,908 mostly due to the sale of capital assets and interest earnings.

The fund balance of the Facilities fund increased \$66,293 due to renovations and repairs that were less than the appropriated ad valorem property taxes.

General Fund Budgetary Highlights

There were budget transfers made between the six program areas during fiscal year 2015-16. The District's budget was not amended during fiscal year 2015-16.

In total, the general fund revenue budget was \$142.5 million with actual revenues of \$118.2 million, resulting in a variance of \$24.3 million (17.0 percent). The variance is primarily due to a reduction in intergovernmental revenues, and offset by an increase in interest earnings and other revenues.

Intergovernmental revenues are recognized at the time related expenditures are incurred. For fiscal year 2015-16, the Intergovernmental Revenues budget was \$33.9 million and actual revenues were \$4.5 million, resulting in a variance of \$29.4 million (86.8 percent). From year to year, the budgeted amount of intergovernmental revenue compared to the recognized amount can fluctuate for various reasons; projects can be in the planning stages and have not incurred a significant amount of expenditures, or anticipated projects may be canceled.

Interest on invested funds was budgeted at \$3.1 million and actual revenues were \$4.6 million, resulting in a variance of \$1.5 million (49.5 percent). The interest earnings budget was based on a 0.70 percent expected rate of return. The District earned 0.99 percent yield on investments and recognized \$4.3 million. In accordance with GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, interest earnings have been adjusted to reflect the changes in the fair value of investments. Therefore, interest earnings have been adjusted by the unrealized gain of approximately \$0.3 million, increasing interest earnings on invested funds to \$4.6 million, representing 149.4 percent of the budget.

Other revenues were budgeted at \$560,700 and actual revenues were \$3,215,700, resulting in a variance of \$2,655,000 (473.5 percent). Each year, items that fall within the "Other" revenue category are conservatively budgeted due to the uncertainty of the amounts to be collected. For example, revenues from timber sales, hog hunts, and insurance recoveries can vary significantly from year to year. The District received a \$2.0 million mediation settlement on the Lake Hancock outfall wetland treatment project, which accounted for the majority of the increase. The remainder of funds collected this year relate to timber sales, lease revenue, and consent order fees.

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

The Water Resource Planning and Monitoring program budget was \$41.6 million and actual expenditures were \$26.3 million. After adjusting for encumbrances, a variance of \$4.4 million (10.6 percent) remains. The variance is primarily due to projects that are cancelled or withdrawn, had scope changes, or were completed under budget.

The Land Acquisition, Restoration and Public Works program budget was \$207.5 million and actual expenditures were \$50.6 million. After adjusting for encumbrances, a variance of \$13.5 million (6.5 percent) remains. The variance is primarily due to projects that are cancelled or withdrawn, had scope changes, or were completed under budget.

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

Capital Asset and Debt Administration

Capital assets. The District's investment in capital assets at September 30, 2016, amounted to \$840.7 million (net of accumulated depreciation) a decrease from prior year of \$3.7 million (0.4 percent). This investment in capital assets includes land, land interests, land acquisitions in progress, buildings, machinery and equipment, infrastructure, construction in progress, software, and other capital assets.

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

- The District received 88.8 acres of donated land parcels valued at \$531,644. The District received 1.8 acres of donated land interest-conservation easements valued at \$378,549.
- Buildings were reduced due to the decommissioning of a building on the Brooksville campus.

- Following are some of the active construction in progress projects in fiscal year 2015-16:
-2 pump stations at Morris Bridge
- Following are some of the construction in progress projects that were completed during fiscal year 2015-16:
-Completion of the East Homosassa wellsite
-Completion of the Sarasota roof replacement project

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

	2016	2015 (Restated*)
Land	\$ 608,103,055	\$ 608,952,450
Land Interests (less-than-fee)	110,063,726	109,110,887
Land Acquisition in Progress	149,069	175,422
Construction in Progress	3,390,469	2,412,039
Buildings	19,934,348	21,116,242
Machinery and Equipment	6,576,993	6,437,147
Infrastructure	90,226,223	93,939,325
Software	2,214,832	2,176,519
Other Capital Assets	12,917	16,984
Total Capital Assets	\$ 840,671,632	\$ 844,337,015

*Restated for the adoption of GASB Statement No. 72.

Additional information on the District's capital assets can be found in Note I.E.4. on page 24 and Note IV.E. on page 36.

Economic Factors and Next Year's Budget and Millage Rate

The District's primary source of funding is ad valorem property taxes. The fiscal year 2016-17 budget of \$106 million of ad valorem property taxes represents 96 percent of the taxable property values as certified by the District's 16 counties, which is based on historical collections. This represents an increase of approximately \$2 million.

On September 27, 2016, the Governing Board adopted a final millage rate of 0.3317 mill, a reduction of 4.9 percent below the rate levied for fiscal year 2015-16. Over the last seven fiscal years, the District's Governing Board has reduced its millage rate more than 40 percent to help reduce the tax burden for residents within the District's boundaries. The rate is based on taxable property values as certified by the District's 16 counties and is at the rolled-back rate and maximum millage rate in compliance with Section 200.065, Florida Statutes. The 2016 tax roll, upon which taxes for fiscal year 2016-17 are based, increased by 7.09 percent from 2015.

The financial markets were subject to significant turbulence over the past year. Concerns regarding stagnant global economies and low inflation kept the Federal Reserve and interest rates largely in check. Despite the gloomy mood, the U.S. economy continued to see progress in its underlying growth. Short-term interest rates eventually rose as the markets began to price in the next move from the Federal Reserve. The District received an overall return of 0.99 percent on its investments for fiscal year 2015-16.

The yield curve was relatively flat for most of the year, limiting opportunities to extend maturities and enhance the yield of the investment portfolio. As the markets continue to stabilize and inflation moves closer towards its historical average, yields should improve generating a higher return on the District's investments. The fiscal year 2016-17 budget for interest earnings is based on an expected return of 0.85 percent.

Although the fiscal year 2016-17 operating budget represents an increase of just over one percent, the District will continue to look for opportunities to improve efficiencies and further streamline processes. Significant operational reductions were achieved in fiscal years 2010-11 through 2014-15 to bring operational costs in-line with current ad valorem revenue levels. These reductions have enabled the District flexibility to maintain the necessary annual investment in critical water resource management projects for the west-central Florida region.

The District's fiscal resources, supplemented with project reserves, adequately maintain a healthy investment in water resources over the next ten years. In the fiscal year 2016-17 budget there was a reduction in cooperative funding project requests, therefore, it was not necessary to utilize the short-term projects reserves. It is anticipated as economic growth returns, the requests for cooperative funding and other District projects will far outpace the current ad valorem revenue available to the District. These funds will be allocated through the budget development process to supplement current revenues to fund projects in future years until ad valorem revenue increases through normal growth, allowing the District to continue to operate on a pay-as-you-go basis.

Requests for Information

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

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Basic Financial Statements

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

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

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

**Southwest Florida Water Management District
Statement of Net Position
September 30, 2016**

	Governmental Activities
ASSETS	
Cash and Investments	\$ 370,710,986
Receivables	4,241,198
Deposits	75,475
Inventories	38,535
Other Assets	1,313,127
Restricted assets:	
Cash and Investments	92,340,328
Intergovernmental Receivable	1,376,593
Capital Assets not being depreciated:	
Land	608,103,055
Land Interests	110,063,726
Land Acquisition in Progress	149,069
Construction in Progress	3,390,469
Capital Assets (net of accumulated depreciation):	
Buildings	19,934,348
Machinery and Equipment	6,576,993
Infrastructure	90,226,223
Software	2,214,832
Other Capital Assets	12,917
Total Assets	<u>1,310,767,874</u>
 DEFERRED OUTFLOWS OF RESOURCES	
Pension	<u>10,894,636</u>
 LIABILITIES	
Accounts and Contracts Payable	42,264,202
Payroll and Related Costs	1,822,218
Contracts Payable-Retainage	365,924
Unearned Revenue	13,825,528
Interest Payable	2,060
Noncurrent Liabilities:	
Due Within One Year	1,583,824
Due in More Than One Year	38,641,685
Total Liabilities	<u>98,505,441</u>
 DEFERRED INFLOWS OF RESOURCES	
Pension	<u>1,042,842</u>
 NET POSITION	
Net Investment in Capital Assets	840,273,629
Restricted for:	
Watershed Basins	64,437,412
Land Acquisition	885,918
Unrestricted	<u>316,517,268</u>
Total Net Position	<u>\$ 1,222,114,227</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, 2016**

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	\$ 25,432,848	\$ 561	\$ 1,934,553	\$ -	\$ (23,497,734)
Land Acquisition, Restoration and Public Works	55,411,144	1,858,419	1,429,788	38,025	(52,084,912)
Operation and Maintenance of Works and Lands	17,280,760	1,236,976	479,779	-	(15,564,005)
Regulation	17,881,691	1,630,106	-	-	(16,251,585)
Outreach	1,805,808	-	-	-	(1,805,808)
Management and Administration	12,059,669	10,360	-	-	(12,049,309)
Total governmental activities	<u>\$ 129,871,920</u>	<u>\$ 4,736,422</u>	<u>\$ 3,844,120</u>	<u>\$ 38,025</u>	<u>(121,253,353)</u>
General Revenues:					
					104,865,699
					4,726,663
					3,344,788
					112,937,150
					(8,316,203)
					1,230,430,430
					<u>\$ 1,222,114,227</u>

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

Southwest Florida Water Management District
Balance Sheet
Governmental Funds
September 30, 2016

	General Fund	DOT Mitigation	Florida Forever	Facilities	Total Governmental Funds
ASSETS					
Cash and Investments	\$ 441,864,325	\$ 10,547,097	\$ 5,702,328	\$ 4,937,564	\$ 463,051,314
Due From Other Governments	4,439,379	-	9,500	-	4,448,879
Interest Receivable	1,168,912	-	-	-	1,168,912
Deposits	75,475	-	-	-	75,475
Inventories	38,535	-	-	-	38,535
Other Assets	1,313,127	-	-	-	1,313,127
Total Assets	<u>448,899,753</u>	<u>10,547,097</u>	<u>5,711,828</u>	<u>4,937,564</u>	<u>470,096,242</u>
LIABILITIES					
Accounts and Contracts Payable	41,864,763	357,534	-	43,965	42,266,262
Payroll and Related Costs	1,817,131	5,087	-	-	1,822,218
Contracts Payable-Retainage	340,316	25,608	-	-	365,924
Accrued Liabilities	483,334	-	-	-	483,334
Unearned Revenue	3,666,660	10,158,868	-	-	13,825,528
Total Liabilities	<u>48,172,204</u>	<u>10,547,097</u>	<u>-</u>	<u>43,965</u>	<u>58,763,266</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue-property taxes	388,110	-	-	-	388,110
Total Deferred Inflows of Resources	<u>388,110</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>388,110</u>
FUND BALANCES					
Nonspendable	38,535	-	-	-	38,535
Restricted	64,437,412	-	885,918	-	65,323,330
Committed	95,727,884	-	4,549,167	-	100,277,051
Assigned	215,881,378	-	276,743	4,893,599	221,051,720
Unassigned	24,254,230	-	-	-	24,254,230
Total Fund Balances	<u>400,339,439</u>	<u>-</u>	<u>5,711,828</u>	<u>4,893,599</u>	<u>410,944,866</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 448,899,753</u>	<u>\$ 10,547,097</u>	<u>\$ 5,711,828</u>	<u>\$ 4,937,564</u>	

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

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	840,671,632
Deferred outflows are applicable to future periods and, therefore, are not reported in the funds.	10,894,636
Deferred inflows are applicable to future periods and, therefore, are not reported in the funds.	(1,042,842)
Delinquent taxes are not available to pay for current period expenditures and, therefore, are reported as deferred inflows of resources in the funds.	388,110
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.	<u>(39,742,175)</u>
Net position of governmental activities	<u>\$ 1,222,114,227</u>

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

Southwest Florida Water Management District
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended September 30, 2016

	General Fund	DOT Mitigation	Florida Forever	Facilities	Total Governmental Funds
REVENUES					
Ad Valorem Property Taxes	\$ 104,305,103	\$ -	\$ -	\$ 608,350	\$ 104,913,453
Intergovernmental Revenues	4,471,186	1,726,988	38,025	-	6,236,199
Interest on Invested Funds	4,633,532	64,848	28,283	-	4,726,663
License and Permit Fees	1,601,742	-	-	-	1,601,742
Other	3,215,700	-	-	-	3,215,700
Total Revenues	118,227,263	1,791,836	66,308	608,350	120,693,757
EXPENDITURES					
Current:					
Water Resource Planning and Monitoring	26,327,263	-	-	-	26,327,263
Land Acquisition, Restoration and Public Works	50,635,764	1,791,836	40,725	542,057	53,010,382
Operation and Maintenance of Works and Lands	14,988,424	-	-	-	14,988,424
Regulation	17,438,409	-	-	-	17,438,409
Outreach	1,771,379	-	-	-	1,771,379
Management and Administration	11,850,209	-	-	-	11,850,209
Total Expenditures	123,011,448	1,791,836	40,725	542,057	125,386,066
Deficiency of Revenues					
Under Expenditures	(4,784,185)	-	25,583	66,293	(4,692,309)
OTHER FINANCING SOURCES (USES)					
Proceeds from Sale of Capital Assets	715,277	-	577,325	-	1,292,602
Proceeds from Capital Lease	249,677	-	-	-	249,677
Total Other Financing Sources (Uses)	964,954	-	577,325	-	1,542,279
Net Change in Fund Balances	(3,819,231)	-	602,908	66,293	(3,150,030)
Fund Balances - Beginning	404,158,670	-	5,108,920	4,827,306	414,094,896
Fund Balances - Ending	\$ 400,339,439	\$ -	\$ 5,711,828	\$ 4,893,599	\$ 410,944,866

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

Net change in fund balances - total governmental funds	\$ (3,150,030)
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation expense exceeds capital outlays in the current period.	(2,783,842)
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.	(881,541)
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, 2016, were less than the amount recorded at prior year-end, resulting in a net decrease to income.	(47,754)
The borrowing of resources associated with a capital lease provides current financial resources to governmental funds, while the repayment of the principal of the long-term borrowing consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. This amount is the net effect of these differences associated with the long-term borrowing.	(167,539)
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	(1,285,497)
Change in net position of governmental activities	\$ (8,316,203)

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

Southwest Florida Water Management District
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
General Fund
For the Year Ended September 30, 2016

	<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	\$ 103,428,534	\$ 103,428,534	\$ 104,305,103	\$ 876,569
Intergovernmental Revenues	33,892,311	33,892,311	4,471,186	(29,421,125)
Interest on Invested Funds	3,100,000	3,100,000	4,633,532	1,533,532
License and Permit Fees	1,500,000	1,500,000	1,601,742	101,742
Other	560,700	560,700	3,215,700	2,655,000
Total Revenues	<u>142,481,545</u>	<u>142,481,545</u>	<u>118,227,263</u>	<u>(24,254,282)</u>
EXPENDITURES				
Current:				
Water Resource Planning and Monitoring	41,565,610	41,596,531	26,327,263	15,269,268
Land Acquisition, Restoration and Public Works	207,259,340	207,457,401	50,635,764	156,821,637
Operation and Maintenance of Works and Lands	21,581,788	21,101,138	14,988,424	6,112,714
Regulation	20,747,706	20,839,272	17,438,409	3,400,863
Outreach	2,569,044	2,554,442	1,771,379	783,063
Management and Administration	14,379,419	14,554,123	11,850,209	2,703,914
Total Expenditures	<u>308,102,907</u>	<u>308,102,907</u>	<u>123,011,448</u>	<u>185,091,459</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(165,621,362)	(165,621,362)	(4,784,185)	160,837,177
OTHER FINANCING SOURCES (USES)				
Proceeds from Sale of Capital Assets	-	-	715,277	715,277
Proceeds from Capital Lease	-	-	249,677	249,677
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>964,954</u>	<u>964,954</u>
Net Change in Fund Balance	<u>(165,621,362)</u>	<u>(165,621,362)</u>	<u>(3,819,231)</u>	<u>161,802,131</u>
Fund Balance - Beginning	165,621,362	165,621,362	404,158,670	238,537,308
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 400,339,439</u>	<u>\$ 400,339,439</u>

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

Southwest Florida Water Management District
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
DOT Mitigation Special Revenue Fund
For the Year Ended September 30, 2016

	<u>Original and Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
REVENUES			
Intergovernmental Revenues	\$ 5,263,373	\$ 1,726,988	\$ (3,536,385)
Interest on Invested Funds	-	64,848	64,848
Total Revenues	<u>5,263,373</u>	<u>1,791,836</u>	<u>(3,471,537)</u>
EXPENDITURES			
Current:			
Land Acquisition, Restoration and Public Works	<u>5,263,373</u>	<u>1,791,836</u>	<u>3,471,537</u>
Total Expenditures	<u>5,263,373</u>	<u>1,791,836</u>	<u>3,471,537</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-
Fund Balance - Beginning	-	-	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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, 2016

Description

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

I. Summary of significant accounting policies

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

A. Reporting entity

The District is an independent special district of the State of Florida and is governed by a 13-member board, which is appointed by the Governor of Florida and confirmed by the Florida Senate. As required by GAAP, these financial statements include all operations for which the District is financially accountable. The District is a component unit of the State of Florida for financial reporting purposes and these financial statements will be included in the State of Florida's Comprehensive Annual Financial Report as a discretely presented component unit for the fiscal year ending June 30, 2017.

B. Government-wide and fund financial statements

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

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

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

SOUTHWEST FLORIDA WATER MANAGEMENT DISTRICT
Notes to the Financial Statements
September 30, 2016

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

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Ad valorem property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements have been met.

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

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

The District reports the following major governmental funds:

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

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

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

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

SOUTHWEST FLORIDA WATER MANAGEMENT DISTRICT
Notes to the Financial Statements
September 30, 2016

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.

D. Classification of expenditures

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

1.0 Water Resource Planning and Monitoring

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

2.0 Land Acquisition, Restoration, and Public Works

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

3.0 Operation and Maintenance of Works and Lands

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

4.0 Regulation

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

5.0 Outreach

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

6.0 Management and Administration

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

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

1. Cash and investments

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

SOUTHWEST FLORIDA WATER MANAGEMENT DISTRICT
Notes to the Financial Statements
September 30, 2016

Investments are stated at fair value pursuant to GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, as amended by GASB Statement No. 72, *Fair Value Measurement and Application*, and GASB Statement No. 79, *Certain External Investment Pools and Pool Participants*, with the exception of the State Board of Administration (SBA) Local Government Surplus Funds Trust Fund (known as Florida Prime) which is reported at amortized cost which approximates fair value. The District has limited its investments to the following investments authorized in Section 218.415, Florida Statutes: (a) Florida PRIME; (b) Securities and Exchange Commission registered money market funds with the highest credit quality rating from a nationally recognized rating agency; (c) Interest-bearing time deposits or savings accounts in qualified public depositories, as defined in Section 280.02, Florida Statutes; (d) Direct obligations of the U.S. Treasury; (e) Direct obligations of federal agencies and instrumentalities and other investments as authorized by the District's Governing Board through a resolution, including mortgage-backed securities, state and /or local government taxable and/or tax-exempt debt, registered investment companies (mutual funds and money market mutual funds), repurchase agreements, bankers' acceptances, commercial paper, corporate notes and an intergovernmental investment pool.

2. Inventories

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 (\$2,570,304), Alafia River Basin (\$2,317,080), Hillsborough River Basin (\$43,660,643), Coastal Rivers Basin (\$989,414), Pinellas-Anclote River Basin (\$18,720,817), Withlacoochee River Basin (\$3,622,850), Peace River Basin (\$3,777,567), Manasota Basin (\$6,625,231), DOT Mitigation Fund (\$10,547,097), and the Florida Forever Fund (\$885,918) are classified as restricted assets on the statement of net position because their use is limited to specific purposes as identified within their related agreements or as required by Florida Statutes.

4. Capital assets

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

SOUTHWEST FLORIDA WATER MANAGEMENT DISTRICT
Notes to the Financial Statements
September 30, 2016

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

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

5. Compensated absences

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

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

6. Pensions

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

7. Deferred outflows and deferred inflows of resources

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

SOUTHWEST FLORIDA WATER MANAGEMENT DISTRICT
Notes to the Financial Statements
September 30, 2016

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

8. Fund balances

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

The classifications are as follows:

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

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

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

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

In accordance with the District’s Fund Balance Policy, assigned fund balance shall reflect management’s intended use of resources as set forth in the annual budget (and any amendments thereto). Assigned fund balance may or may not be appropriated for expenditure in the subsequent year depending on the timing of the project/reserve for which it was assigned (see note IV.H., page 39 and note V.B., page 41).

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

SOUTHWEST FLORIDA WATER MANAGEMENT DISTRICT
Notes to the Financial Statements
September 30, 2016

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

9. State trust funds

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

The Water Management Lands Trust Fund was established in 1981 pursuant to Section 373.59, Florida Statutes, and terminated in July of 2015, however, the remaining encumbered funds dedicated to Surface Water Improvement and Management were retained and will be recognized as revenue in future fiscal years. Funded primarily from a portion of the documentary stamp taxes collected by the State, the non-lapsing trust fund provided funding to the District for 1) ongoing management, maintenance, and capital improvements of lands; 2) pre-acquisition costs associated with land purchases; and 3) the Surface Water Improvement and Management (SWIM) Program. Revenues received from the trust fund are accounted for in the District's General Fund, and the Florida Forever Fund. The Florida Department of Environmental Protection (FDEP) had oversight responsibility for this trust fund.

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

The Ecosystem Management and Restoration Trust Fund was established in 1996 pursuant to Section 403.1651, Florida Statutes, and terminated in July of 2015, however, the remaining encumbered funds were retained and will be recognized as revenue in future fiscal years. The trust fund is funded through various sources, such as documentary stamp taxes, transfers from other trust funds, general revenues, interest earnings and fines. It provides funding to the District for the detailed planning and implementation of programs for the management and restoration of ecosystems, including the SWIM Program, Facilitating Agricultural Resource Management Systems Program and the Weeki Wachee River. Revenues received from the trust fund are accounted for in the District's general fund. The FDEP had oversight responsibility for this trust fund.

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

SOUTHWEST FLORIDA WATER MANAGEMENT DISTRICT
Notes to the Financial Statements
September 30, 2016

priority water bodies, and the West-Central Florida Water Restoration Action Plan. Revenues received from the trust fund are accounted for in the District's general fund. The FDEP has oversight responsibility for this trust fund.

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

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

10. Use of estimates

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

F. New accounting pronouncements

The District implemented GASB Statement No. 72, *Fair Value Measurement and Application* (GASB Statement No. 72), which addresses accounting and financial reporting issues related to fair value measurements and GASB Statement No. 79, *Certain External Investment Pools and Pool Participants* (GASB Statement No. 79), which addresses accounting and financial reporting for certain external investment pools and pool participants and establishes criteria for an external investment pool to qualify for making the election to measure all of its investments at amortized cost for financial reporting purposes.

GASB Statement No. 72 states that the determination of whether an asset is held primarily for the purpose of income or profit is based on actions by a government's management at acquisition and the classification should be retained for financial purposes, even if the government's usage of the asset changes over time. Therefore, the implementation of GASB Statement No. 72 resulted in a restatement by increasing the beginning balance of Land, Total capital assets, not being depreciated, and Government activities capital assets, net within the Capital Assets note (Note IV.E., page 36) of \$18,117,016 for land previously recorded as Land Held for Resale

SOUTHWEST FLORIDA WATER MANAGEMENT DISTRICT
Notes to the Financial Statements
September 30, 2016

as this land was originally purchased for land conservation and resource management and continues to be used for those purposes.

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 \$39,742,175 difference are as follows:

Pension	\$ 33,340,143
Compensated Absences	4,404,084
Other Postemployment Benefits (see Note V.D., page 50)	1,102,945
Claims (Workers’ Compensation) (see Note V.A., page 40)	497,000
Capital Lease	<u>398,003</u>
 Net adjustment to decrease <i>fund balance—total governmental funds</i> to arrive at <i>net position of governmental activities</i>	 <u><u>\$ 39,742,175</u></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 depreciation expense exceeded capital outlays in the current period.”

The details of this \$2,783,842 difference are as follows:

Capital outlay	\$ 5,319,544
Depreciation expense	<u>(8,103,386)</u>
 Net adjustment to decrease <i>net changes in fund balances – total governmental funds</i> to arrive at <i>change in net position of governmental activities</i>	 <u><u>\$ (2,783,842)</u></u>

SOUTHWEST FLORIDA WATER MANAGEMENT DISTRICT
Notes to the Financial Statements
September 30, 2016

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

The details of this \$881,541 difference are as follows:

Donations of capital assets increase net position in the statement of activities, but do not appear in the governmental funds because they are not financial resources.	\$ 910,193
The statement of activities reports losses or reduction arising from the sales, trade-ins, or removal of capital assets. Conversely, Governmental funds do not report any gain or loss associated with these types or transactions.	<u>(1,791,734)</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>\$ (881,541)</u>

Another element of the reconciliation states that, "The borrowing of resources associated with a capital lease provides current financial resources to governmental funds, while the repayment of the principal of the long-term borrowing consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. This amount is the net effect of these differences associated with the long-term borrowing." The details of this \$167,539 difference are as follows:

Capital Lease Financing	\$ 249,677
Capital Lease Principal Repayments	<u>(82,138)</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>\$ 167,539</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 \$1,285,497 difference are as follows:

Change in Pension Liability and related deferred balances	\$ 1,407,017
Change in Compensated Absences	(261,824)
Change in Workers Compensation	(21,000)
Change in Other Postemployment Benefits (see Note V.D., page 50)	<u>161,304</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>\$ 1,285,497</u>

SOUTHWEST FLORIDA WATER MANAGEMENT DISTRICT
Notes to the Financial Statements
September 30, 2016

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 2015-16 were adopted by the District Governing Board for all governmental funds. If the District receives unanticipated funds after the adoption of the final budget, the District Governing Board may amend the budget, following review and approval by the Executive Office of the Governor, if notice of intention to amend is provided to the Legislative Budget Commission. Remaining encumbered appropriations at fiscal year-end are carried forward and re-appropriated in the following fiscal year. Unencumbered appropriations lapse at fiscal year-end.

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

IV. Detailed notes

A. Cash and investments

As of September 30, 2016 the District had the following cash and investments:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Weighted Average Maturity (Years)</u>
U.S. Treasuries	\$ 200,371,323	1.94
Corporate Notes	80,211,482	1.25
U.S. Agencies	113,625,436	1.23
Commercial Paper	15,770,328	0.21
State Board of Administration Florida PRIME	50,471,446 ⁽¹⁾	0.14
Money Market Funds	<u>308,485</u>	liquid daily
Total Fair Value of Investments	<u>460,758,500</u>	
Portfolio weighted average maturity		1.39
Demand Deposit Accounts	2,291,564 ⁽²⁾	
Petty Cash	<u>1,250</u>	
Total Demand Deposits and Petty Cash	<u>2,292,814</u>	
Total Cash and Investments	<u>\$ 463,051,314</u>	

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

(2) At September 30, 2016, the carrying amount of the District's cash demand deposit account was \$2,291,564 and the bank balance was \$3,935,024. The District actively manages its cash balance and invests excess cash on a daily basis.

SOUTHWEST FLORIDA WATER MANAGEMENT DISTRICT
Notes to the Financial Statements
September 30, 2016

Interest rate risk: In accordance with the District's investment policy, the exposure to declines in fair values is managed by structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations and limiting the weighted average maturity of its investment portfolio to five years or less. Of the District's investments, \$11,683,385 is callable by the issuers and is subject to the risk of being called prior to maturity. For purposes of calculating the weighted average maturity in years, the callable date was used in the calculation.

Credit Risk: In accordance with the District's investment policy, the District minimizes credit risk, the risk of loss due to the failure of the security, by limiting investments to the authorized investments in the investment policy (see note I.E.1., page 23), pre-qualifying the financial institutions, brokers/dealers, intermediaries, and advisors with which the District will do business, and diversifying the investment portfolio to protect against losses on individual securities. The SBA Florida PRIME is rated by Standard and Poor's. The current rating is AAAm. The money market funds in which the District has invested funds were rated AAAm by Standard and Poor's, and Aaa by Moody's Investor Services. The investments in commercial paper were rated A-1 by Standard and Poor's and P-1 by Moody's Investor Services. The investments in corporate notes were rated AA+ through A- by Standard and Poor's and Aaa through A3 by Moody's Investor Services.

Custodial Credit Risk - Deposits: At September 30, 2016, the District's deposits were entirely covered by federal depository insurance or by collateral pledged with the State Treasurer pursuant to Chapter 280, Florida Statutes. Under this chapter, in the event of default by a participating financial institution (a qualified public depository), all participating institutions are obligated to reimburse the governmental entity for the loss.

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

Concentration of Credit Risk: The District's policy authorizes investment allocation limits on security types, maturity and issuer limitations which may be modified by the Director of Management Services from time to time based on market conditions, risk and diversification investment strategies. Of the District's total investments, more than 5 percent are in Federal Home Loan Bank (10.88 percent) and Federal Home Loan Mortgage Corporation (9.88 percent).

SOUTHWEST FLORIDA WATER MANAGEMENT DISTRICT
Notes to the Financial Statements
September 30, 2016

For the investments held at September 30, 2016, the District's policy had the following limitations.

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

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

**National Recognized Statistical Rating Organization (NRSRO).

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

Investments Reported at Amortized Cost: The District has investments in the State Board of Administration (SBA) Florida Prime. As a Florida PRIME participant, the District invests in pools of investments whereby the District owns a share of the respective pool, not the underlying securities. GASB Statement No. 31 outlines the two options for accounting and reporting for money market investment pools as either "2a-7 like" or fluctuating net asset value (NAV). GASB Statement No. 31 describes a "2a-7 like" pool as an "external investment pool that is not registered with the Securities and Exchange Commission as an investment company, but nevertheless has a policy that it will, and does, operate in a manner consistent with Rule 2a-7 under the Investment Company Act of 1940 (the "1940 Act"). Florida PRIME is considered a SEC "2a-7 like" fund, thus the account balance is also considered the fair value of the District's investment. GASB Statement No. 79 established criteria for external investment pools to qualify for reporting investments at amortized cost, and if so, states that participants in the pool should do so as well. Florida PRIME meets the qualifications and reports the amortized cost of investments, therefore the District's balance in Florida PRIME is reported at amortized cost.

Florida PRIME currently has no limitations or restrictions on withdrawals. As of September 30, 2016, there were no redemption fees or maximum transaction amounts, or any other requirements that serve to limit a participant's daily access to 100 percent of their account value. Section 218.409(8)(a), Florida Statutes, provides that the SBA executive director may, in good faith, on the occurrence of an event that has a material impact on liquidity or operations of the external investment pool, may limit contributions to or withdrawals from the external investment pool for 48 hours, and could be extended up to 15 days by trustee vote, to ensure that the SBA can invest moneys entrusted to it in exercising its fiduciary responsibility. With regard to liquidity fees, Section 218.409(4), Florida Statutes, provides authority for the SBA to impose penalties for early withdrawal, subject to disclosure in the enrollment materials of the amount and purpose of such fees. As of September 30, 2016, no such disclosure has been made. All Florida PRIME investment policies can be found at www.sbafla.com/prime.

SOUTHWEST FLORIDA WATER MANAGEMENT DISTRICT
Notes to the Financial Statements
September 30, 2016

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

The District has the following fair value measurements as of September 30, 2016:

- U.S. treasury securities of \$200,371,323 are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices (Level 2 inputs).
- Corporate Notes of \$80,211,482 are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices (Level 2 inputs).
- U.S. agency securities of \$113,625,436 are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices (Level 2 inputs).
- Commercial Paper of \$15,770,328 are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices (Level 2 inputs).
- Money markets of \$308,485 are valued using the quoted market prices (Level 1 inputs).
- State Board of Administration of \$50,471,446 are valued using amortized cost.

	9/30/2016	Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments measured at fair value				
Debt securities				
U.S. Treasuries	\$ 200,371,323	\$ -	\$ 200,371,323	\$ -
Corporate Notes	80,211,482	-	80,211,482	-
U.S. Agencies	113,625,436	-	113,625,436	-
Commercial Paper	15,770,328	-	15,770,328	-
Total debt securities	<u>409,978,569</u>	<u>-</u>	<u>409,978,569</u>	<u>-</u>
Money Market Funds	308,485	308,485	-	-
Total investments measured at fair value	<u>\$ 410,287,054</u>	<u>\$ 308,485</u>	<u>\$ 409,978,569</u>	<u>\$ -</u>
Investments measured at amortized cost				
State Board of Administration Florida PRIME	<u>50,471,446</u>			
Total investments measured at fair value amortized cost	<u>\$ 460,758,500</u>			

SOUTHWEST FLORIDA WATER MANAGEMENT DISTRICT
Notes to the Financial Statements
September 30, 2016

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	\$ 4,439,379	\$ 1,168,912	\$ 5,608,291
Florida Forever	9,500	-	9,500
Total	<u>\$ 4,448,879</u>	<u>\$ 1,168,912</u>	<u>\$ 5,617,791</u>

C. Property Taxes

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

D. Unearned Revenue

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

	<u>Unearned Revenue</u>
General	
Grant drawdowns prior to meeting all eligibility requirements	\$ 3,666,660
DOT Mitigation	
Fund Drawdowns prior to meeting all eligibility requirements	10,158,868
Total unearned revenue for governmental funds	<u>\$ 13,825,528</u>

SOUTHWEST FLORIDA WATER MANAGEMENT DISTRICT
Notes to the Financial Statements
September 30, 2016

E. Capital Assets

Capital asset activity for the year ended September 30, 2016, was as follows:

	Balance at October 1, 2015 (Restated)	Increases	Decreases	Reclassifications	Balance at September 30, 2016
Capital assets, not being depreciated:					
Land	\$ 608,952,450	\$ 229,207	\$ (1,078,602)	\$ -	\$ 608,103,055
Land Interests	109,110,887	915,381	(6,693)	44,151	110,063,726
Land Acquisitions in Progress	175,422	42,150	(24,352)	(44,151)	149,069
Construction in Progress	2,412,039	1,015,626	-	(37,196)	3,390,469
Total capital assets, not being depreciated	720,650,798	2,202,364	(1,109,647)	(37,196)	721,706,319
Capital assets, being depreciated:					
Buildings	35,861,573	276,310	(1,606,409)	-	34,531,474
Machinery and Equipment	26,725,949	2,194,243	(2,070,259)	-	26,849,933
Infrastructure	162,967,251	77,810	-	37,196	163,082,257
Software	49,556,727	1,479,010	(110,414)	-	50,925,323
Other	149,804	-	-	-	149,804
Total capital assets being depreciated	275,261,304	4,027,373	(3,787,082)	37,196	275,538,791
Less accumulated depreciation for:					
Buildings	14,745,331	833,567	(981,772)	-	14,597,126
Machinery and Equipment	20,288,802	1,996,947	(2,012,809)	-	20,272,940
Infrastructure	69,027,926	3,828,108	-	-	72,856,034
Software	47,380,208	1,440,697	(110,414)	-	48,710,491
Other	132,820	4,067	-	-	136,887
Total accumulated depreciation	151,575,087	8,103,386	(3,104,995)	-	156,573,478
Total capital assets, being depreciated, net	123,686,217	(4,076,013)	(682,087)	37,196	118,965,313
Governmental activities capital assets, net	<u>\$ 844,337,015</u>	<u>\$ (1,873,649)</u>	<u>\$ (1,791,734)</u>	<u>\$ -</u>	<u>\$ 840,671,632</u>

SOUTHWEST FLORIDA WATER MANAGEMENT DISTRICT
Notes to the Financial Statements
September 30, 2016

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

Governmental activities	
Water Resources Planning and Monitoring	\$ 549,140
Acquisition, Restoration and Public Works	3,188,534
Operation and Maintenance of Works and Lands	2,484,503
Regulation	1,158,653
Outreach	18,132
Management and Administration	704,424
Total depreciation expense - governmental activities	<u>\$ 8,103,386</u>

F. Leases

Operating Leases

The District has lease commitments under various operating leases for buildings, 2-way radio antennas, and Supervisory Control and Data Acquisition (SCADA) tower leases, with the longest operating lease in effect until 2029. Lease expenditures for the year ended September 30, 2016, amounted to \$71,576.

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
2017	69,547
2018	45,741
2019	40,266
2020	32,274
2021	32,274
2022-2026	161,369
2027-2029	64,548
	<u>\$ 446,019</u>

Capital Leases

In fiscal year 2014-15, the District entered into a lease agreement as lessee for financing the acquisition of Xerox copiers valued at \$253,225. The equipment has a five-year life. The lease agreement qualifies as a capital lease for accounting purposes and, therefore, has been recorded at the present value of the future minimum lease payments as of the inception date. In fiscal year 2015-16, the District added additional equipment to this lease in the amount of \$11,450. The Xerox lease payable balance at September 30, 2016 is \$205,616.

In fiscal year 2015-16, the District entered into a lease agreement as lessee for financing the acquisition of Ricoh printers valued at \$238,227. The equipment has a five-year life. The lease agreement qualifies as a capital lease for accounting purposes and, therefore, has been recorded at the present value of the future minimum lease payments as of the inception date. The Ricoh lease payable balance at September 30, 2016 is \$192,387.

SOUTHWEST FLORIDA WATER MANAGEMENT DISTRICT
Notes to the Financial Statements
September 30, 2016

The future minimum lease obligation and the net present value of these minimum lease payments as of September 30, 2016, were as follows:

Fiscal Year Ending September 30,	Minimum Lease Payments
2017	\$ 119,094
2008	119,094
2019	119,095
2020	88,989
2021	9,894
Total minimum lease payments	456,166
Less: amount representing interest	(58,163)
Present value of minimum lease payments	\$ 398,003

G. Long-term obligations

Long-term liability activity for the year ended September 30, 2016, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Compensated Absences	\$ 4,665,908	\$ 5,145,393	\$ 5,407,217	\$ 4,404,084 ⁽¹⁾	\$ 440,408
Other Postemployment Benefits	941,641	454,317	293,013	1,102,945 ⁽¹⁾	-
Workers' Compensation	518,000	261,445	282,445	497,000 ⁽¹⁾	173,133
Medical Claims	-	4,909,130	4,425,796	483,334 ⁽¹⁾	483,334
Capital Lease	230,464	249,677	82,138	398,003 ⁽¹⁾	94,463
Net Pension Liabilities:					
FRS	11,007,460	12,096,315	2,500,299	20,603,476 ⁽¹⁾	-
HIS	11,135,517	2,259,278	658,128	12,736,667 ⁽¹⁾	392,486
Total	\$ 28,498,990	\$ 25,375,555	\$ 13,649,036	\$ 40,225,509	\$ 1,583,824

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

SOUTHWEST FLORIDA WATER MANAGEMENT DISTRICT
Notes to the Financial Statements
September 30, 2016

H. Fund Balance

Fund balances for all major funds at September 30, 2016 were as follows:

	General Fund	Florida Forever	Facilities Fund	Total All Funds
Nonspendable:				
Inventory	\$ 38,535	\$ -	\$ -	\$ 38,535
Total Nonspendable	<u>38,535</u>	<u>-</u>	<u>-</u>	<u>38,535</u>
Restricted for:				
Alafia River Basin	1,643,626	-	-	1,643,626
Hillsborough River Basin	34,616,169	-	-	34,616,169
Coastal Rivers Basin	410,382	-	-	410,382
Pinellas-Anclote River Basin	16,652,436	-	-	16,652,436
Withlacoochee River Basin	3,473,330	-	-	3,473,330
Peace River Basin	2,865,726	-	-	2,865,726
Manasota Basin	4,775,743	-	-	4,775,743
Land Management	-	885,918	-	885,918
Total Restricted	<u>64,437,412</u>	<u>885,918</u>	<u>-</u>	<u>65,323,330</u>
Committed to:				
Economic Stabilization Reserve	23,400,000	-	-	23,400,000
Long-term Projects Reserve	50,000,000	-	-	50,000,000
Central Florida Water Resource Development Project	20,000,000	-	-	20,000,000
Self-Funded Medical Reserve	1,700,000	-	-	1,700,000
Land Management	627,884	4,549,167	-	5,177,051
Total Committed	<u>95,727,884</u>	<u>4,549,167</u>	<u>-</u>	<u>100,277,051</u>
Assigned to:				
District Water Management Planning	3,914,210	-	-	3,914,210
Research, Data Collection, Analysis and Monitoring	3,398,242	-	-	3,398,242
Technical Assistance	25,438	-	-	25,438
Technology and Information Services	2,016,659	-	-	2,016,659
Land Acquisition	16,620	-	-	16,620
Water Source Development	95,051,088	-	-	95,051,088
Surface Water Projects	90,580,283	-	-	90,580,283
Facilities Construction and Major Renovations	-	-	4,893,599	4,893,599
Land Management & Use	328,421	-	-	328,421
Works	843,939	-	-	843,939
Facilities	69,541	-	-	69,541
Invasive Plant Control	66,882	-	-	66,882
Fleet Services	50,043	-	-	50,043
Consumptive Use Permitting	1,653,005	-	-	1,653,005
Water Well Construction, Permitting and Contractors Licenses	9,556	-	-	9,556
Environmental Resource and Surface Water Permitting	212,888	-	-	212,888
Regulatory and Enforcement Activities	159,670	-	-	159,670
Water Resource Education	561,500	-	-	561,500
Public Information	42,253	-	-	42,253
Administrative and Operations Support	1,411,219	-	-	1,411,219
Workers' Compensation Reserve	497,000	-	-	497,000
Self-Funded Medical Reserve	498,962	-	-	498,962
Land Management	5,769	276,743	-	282,512
Subsequent Years Budget	14,468,190	-	-	14,468,190
Total Assigned	<u>215,881,378</u>	<u>276,743</u>	<u>4,893,599</u>	<u>221,051,720</u>
Unassigned:	<u>24,254,230</u>	<u>-</u>	<u>-</u>	<u>24,254,230</u>
Total Fund Balances	<u>\$ 400,339,439</u>	<u>\$ 5,711,828</u>	<u>\$ 4,893,599</u>	<u>\$ 410,944,866</u>

SOUTHWEST FLORIDA WATER MANAGEMENT DISTRICT
Notes to the Financial Statements
September 30, 2016

Through a Governing Board resolution that identifies and describes a circumstance under which a need for use of funds arise, the District established an Economic Stabilization Fund from the committed general fund balance in the amount of \$23.4 million to maintain sufficient working capital for a two-month period. The amount of the reserve is established annually during the budgetary process for the next fiscal year, and will fluctuate (increase/decrease) based on the amount of funds needed to maintain sufficient working capital for a two-month period. The reserve is to provide sufficient funds for circumstances that are not expected to occur routinely and ensure the District's continued orderly operational and financial stability. The District's Governing Board would have to approve the use of the Economic Stabilization Fund and the District's budget would be amended for any of the following specific reasons: when the President of the U.S. or the Governor of Florida declares an emergency by executive order and the District's funds are not sufficient to continue operations for no less than a two month period; or when the Governing Board determines through adoption of a resolution that damages and/or losses have directly impacted the citizens and/or the environment within District boundaries, including structural emergencies for which remedial action cannot wait until the next fiscal year; or when projected ad valorem tax collections are 2 percent less than 96 percent of the taxable property values as certified by the District's 16 counties multiplied by the Governing Board approved millage rate. Projections are based on historical collections (e.g., due to refunds of prior year tax collections resulting from successful challenges of property assessments, the District is unable to sell sufficient tax certificates for unpaid property taxes).

V. Other information

A. Risk Management

The District is exposed to various risks of loss related to: tort; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural or manmade disasters. The District purchases commercial insurance coverage for all liabilities except workers' compensation and health insurance.

The District has a self-insurance program for its workers' compensation exposure, with excess coverage purchased for claims in excess of \$500,000 per occurrence. During the year ended September 30, 2016, there were no significant reductions in insurance coverage for the workers' compensation plan from the prior year. In addition, no claims settlement has exceeded the insurance coverage amounts for the past three fiscal years. Current expenditures related to the workers' compensation self-insurance program are accounted for in the District's General Fund.

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

Liabilities of the District for both programs are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include estimates of prior and current year existing claims and incurred but not reported claims (IBNR). The claims liabilities are based on an independent actuarial determination and are presented on a net undiscounted basis.

SOUTHWEST FLORIDA WATER MANAGEMENT DISTRICT
Notes to the Financial Statements
September 30, 2016

The estimated claims liabilities by risk category at September 30, 2016 are as follows:

	Year ended 9/30/2016	Amounts Due Within One Year
Workers' Compensation	\$ 497,000	\$ 173,133
Medical Claims	\$ 483,334	\$ 483,334
Claims Liabilities, end of fiscal year	<u>\$ 980,334</u>	<u>\$ 656,467</u>

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

Fiscal Year	Beginning Liability	Current Claims and Changes in Estimates	Claim Payments	Ending Liability
2015	\$ 518,000	\$ 224,395	\$ (224,395)	\$ 518,000
2016	518,000	5,170,575	(4,708,241)	980,334

To minimize the financial impact of potential unforeseen demands, the District policy allows a fund balance reserve for the self-insurance programs. At September 30, 2016, general fund assets of \$497,000 were assigned for the purpose of funding future workers' compensation claims liabilities, with a corresponding assignment of the General Fund's fund balance. General fund assets of \$1,700,000 were committed for the purpose of funding future health benefits claims liabilities, with a corresponding commitment of the General Fund's fund balance. Additional general fund assets of \$498,962 were assigned for the purpose of funding future health benefits claims liabilities, with a corresponding assignment of the General Fund's fund balance.

B. Commitments and contingencies

At September 30, 2016, the District had unrestricted net position of approximately \$316.5 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 \$80.2 million; fund future long- and short-term projects in the amount of approximately \$190.2 million; maintain an economic stabilization reserve of \$23.4 million; support land management activities in the amount of \$5.5 million; pay claims associated with the District's Workers' Compensation and Medical Claims Self-insurance Program in the amount of \$2.7 million; and carry forward \$14.5 million into the fiscal year 2016-17 budget.

The District had restricted net position of \$65.3 million. Of this amount, \$64.4 million must be used for projects in the seven former watershed basins and \$885,918 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, 2016

C. Retirement Plans

Florida Retirement System:

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

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

Pension Plan

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

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

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

SOUTHWEST FLORIDA WATER MANAGEMENT DISTRICT
Notes to the Financial Statements
September 30, 2016

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

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

Contributions – Effective July 1, 2011, all enrolled members of the FRS, other than DROP participants, are required to contribute three percent of their salary to the FRS. In addition to member contributions, governmental employers are required to make contributions to the FRS based on state-wide contribution rates established by the Florida Legislature. These rates are updated as of July 1 of each year. The employee and employer contribution rates by job class for the periods from October 1, 2015 through June 30, 2016, and from July 1, 2016 through September 30, 2016, were:

<i>Job Class</i>	<i>Employee October 2015 through September 2016</i>	<i>Employer October 2015 through June 2016 (1)</i>	<i>Employer July 2016 through September 2016 (1)</i>
Regular	3.00%	7.26%	7.52%
Senior Management Service	3.00%	21.43%	21.77%
Drop Participants	-	12.88%	12.99%

(1) The employer rates include the normal cost and unfunded actuarial liability contributions and include 1.66 percent for the postemployment health insurance subsidy. The employer rates, other than for the DROP participants, also include 0.04 percent for October 2015 through June 2016 and .06 percent for July 2016 through September 2016 for administrative costs of the Investment Plan.

The District's contributions to the Pension Plan, excluding employee contributions, totaled \$2,009,828 for the fiscal year ended September 30, 2016. Employee contributions collected by the District and remitted to the Pension Plan were \$916,108.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – At September 30, 2016, the District reported a liability of \$20,603,476 for its proportionate share of the Pension Plan's net pension liability. The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2016. The District's proportionate share of the net pension liability was based on the contributions from July 1, 2015 through June 30, 2016 relative to the contributions of all participating members for the same period. Additionally, the required accrued contributions for the division (paid on behalf of the division's employees who administer the plans) were allocated to each employer on a proportional basis. At June 30, 2016, the District's proportionate share of the pension plan was 0.081597672 percent, which was a decrease of 0.003623523 percent from its proportionate share measured as of June 30, 2015.

SOUTHWEST FLORIDA WATER MANAGEMENT DISTRICT
Notes to the Financial Statements
September 30, 2016

For the fiscal year ended September 30, 2016, the District recognized pension expense of \$3,036,002. In addition, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,577,561	\$ 191,832
Change of assumptions	1,246,449	-
Net difference between projected and actual earnings on Pension Plan investments	5,325,747	-
Changes in proportion and differences between District Pension Plan contributions and proportionate share of contributions	-	516,437
District Pension Plan contributions subsequent to the measurement date	<u>587,259</u>	<u>-</u>
Total	<u>\$ 8,737,016</u>	<u>\$ 708,269</u>

The deferred outflows of resources related to the Pension Plan, totaling \$587,259 resulting from District contributions to the Plan subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the fiscal year ended September 30, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the Pension Plan will be recognized in pension expense as follows:

Fiscal Year Ending September 30:	Amount Recognized
2017	\$ 1,395,734
2018	1,395,734
2019	1,395,734
2020	1,395,734
2021	1,395,734
Thereafter	<u>462,818</u>
Total	<u>\$ 7,441,488</u>

Actuarial Assumptions – The total pension liability in the July 1, 2016, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.60%
Salary increases	3.25%, average, including inflation
Investment rate of return	7.60%, net of pension plan investment expense, including inflation

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

SOUTHWEST FLORIDA WATER MANAGEMENT DISTRICT
Notes to the Financial Statements
September 30, 2016

The actuarial assumptions used in the July 1, 2016 valuation were based on an experience study completed in 2014 for the period July 1, 2008 through June 30, 2013.

The long-term expected rate of return on Pension Plan investments was not based on historical returns, but instead is based on a forward-looking capital market economic model. The allocation policy's description of each asset class was used to map the target allocation to the asset classes shown below. Each asset class assumption is based on a consistent set of underlying assumptions and includes an adjustment for the inflation assumption. The target allocation and best estimates of arithmetic and geometric real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation ⁽¹⁾</u>	<u>Annual Arithmetic Return</u>	<u>Compound Annual (Geometric) Return</u>	<u>Standard Deviation</u>
Cash	1%	3.0%	3.0%	1.7%
Fixed Income	18%	4.7%	4.6%	4.6%
Global Equity	53%	8.1%	6.8%	17.2%
Real Estate	10%	6.4%	5.8%	12.0%
Private Equity	6%	11.5%	7.8%	30.0%
Strategic Investments	12%	6.1%	5.6%	11.1%
Total	100%			
Assumed Inflation - Mean		2.6%		1.9%

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

Discount Rate - The discount rate used to measure the total pension liability was 7.60 percent as of June 30, 2016. The Pension Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the total pension liability is equal to the long-term expected rate of return.

Sensitivity of the District's Proportionate Share of the Net Position Liability to Changes in the Discount Rate - The following represents the District's proportionate share of the net pension liability calculated using the discount rate of 7.60 percent, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.60 percent) or one percentage point higher (8.60 percent) than the current rate:

	<u>1% Decrease (6.60%)</u>	<u>Current Discount Rate (7.60%)</u>	<u>1% Increase (8.60%)</u>
District's proportionate share of the net pension liability	\$ 37,932,395	\$ 20,603,476	\$ 6,179,440

SOUTHWEST FLORIDA WATER MANAGEMENT DISTRICT
Notes to the Financial Statements
September 30, 2016

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

HIS Plan

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

Benefits Provided – For the fiscal year ended September 30, 2016, eligible retirees and beneficiaries received a monthly HIS payment of \$5 for each year of creditable service completed at the time of retirement, with a minimum HIS payment of \$30 and a maximum HIS payment of \$150 per month. To be eligible to receive these benefits, a retiree under a State-administered retirement system must provide proof of health insurance coverage, which may include Medicare.

Contributions – The HIS Plan is funded by required contributions from FRS participating employers as set by the Florida Legislature. Employer contributions are a percentage of gross compensation for all active FRS members. For the fiscal year ended September 30, 2016, the HIS contribution was 1.66 percent. The District contributed 100 percent of its statutorily-required contributions for the current and preceding three years. HIS Plan contributions are deposited in a separate trust fund from which payments are authorized. HIS Plan benefits are not guaranteed and are subject to annual legislative appropriation. In the event legislative appropriation or available funds fail to provide full subsidy benefits to all participants, benefits may be reduced or cancelled.

The District's contributions to the HIS Plan totaled \$554,958 for the fiscal year ended September 30, 2016.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – At September 30, 2016, the District reported a liability of \$12,736,667 for its proportionate share of the HIS Plan's net pension liability. The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2016. The District's proportionate share of the net pension liability was based on the contributions from July 1, 2015 through June 30, 2016 relative to the contributions of all participating members for the same period. Additionally, the required accrued contributions for the division (paid on behalf of the division's employees who administer the plans) were allocated to each employer on a proportional basis. At June 30, 2016, the District's proportionate share was 0.109284595 percent, which was an increase of 0.000096019 percent from its proportionate share measured as of June 30, 2015.

SOUTHWEST FLORIDA WATER MANAGEMENT DISTRICT
Notes to the Financial Statements
September 30, 2016

For the fiscal year ended September 30, 2016, the District recognized pension expense of \$989,285. In addition, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 29,009
Change of assumptions	1,998,707	-
Net difference between projected and actual earnings on HIS Plan investments	6,440	-
Changes in proportion and differences between District HIS Plan contributions and proportionate share of contributions	7,764	-
	-	305,564
District HIS Plan contributions subsequent to the measurement date	144,709	-
Total	<u>\$ 2,157,620</u>	<u>\$ 334,573</u>

The deferred outflows of resources related to the HIS Plan, totaling \$144,709 resulting from District contributions to the HIS Plan subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the fiscal year ended September 30, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the HIS Plan will be recognized in pension expense as follows:

Fiscal Year Ending September 30:	Amount
2017	\$ 233,496
2018	233,496
2019	233,496
2020	233,496
2021	233,496
Thereafter	510,858
Total	<u>\$ 1,678,338</u>

Actuarial Assumptions – The total pension liability in the July 1, 2016 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.60%
Salary increases	3.25%, average, including inflation
Municipal bond rate	2.85%

The municipal bond rate decreased from 3.80 percent to 2.85 percent as of June 30, 2016.

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

SOUTHWEST FLORIDA WATER MANAGEMENT DISTRICT
Notes to the Financial Statements
September 30, 2016

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

Discount Rate - The discount rate used to measure the total pension liability was 2.85 percent. In general, the discount rate for calculating the total pension liability is equal to the single rate equivalent to discounting at the long-term expected rate of return for benefit payments prior to the projected depletion date. Because the HIS benefit is essentially funded on a pay-as-you-go basis, the depletion date is considered to be immediate, and the single equivalent discount rate is equal to the municipal bond rate selected by the FRS Actuarial Assumption Conference. The Bond Buyer General Obligation 20-Bond Municipal Bond Index was adopted as the applicable municipal bond index. The discount rate used was updated from 3.80 percent to 2.85 percent as of June 30, 2016, reflecting the change in the Bond Buyer General Obligation 20-Bond Municipal Bond Index.

Sensitivity of the District's Proportionate Share of the Net Position Liability to Changes in the Discount Rate - The following represents the District's proportionate share of the net pension liability calculated using the discount rate of 2.85 percent, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (1.85 percent) or one percentage point higher (3.85 percent) than the current rate:

	1% Decrease (1.85%)	Current Discount Rate (2.85%)	1% Increase (3.85%)
District's proportionate share of the net pension liability	\$ 14,611,851	\$ 12,736,667	\$ 11,180,367

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

Investment Plan

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

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

SOUTHWEST FLORIDA WATER MANAGEMENT DISTRICT
Notes to the Financial Statements
September 30, 2016

through an employer contribution of 0.04 percent for October 1, 2015 through June 30, 2016 and 0.06 percent for July 1, 2016 through September 30, 2016 of payroll and by forfeited benefits of plan members.

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

<i>Job Class</i>	<i>Employee October 2015 through September 2016</i>	<i>Employer October 2015 through June 2016 ⁽¹⁾</i>	<i>Employer July 2016 through September 2016 ⁽¹⁾</i>
Regular	3.00%	7.26%	7.52%
Senior Management Service	3.00%	21.43%	21.77%

⁽¹⁾The employer rates include the normal cost and unfunded actuarial liability contributions and include 1.66 percent for the postemployment health insurance subsidy. The employer rates also include 0.04 percent for October 2015 through June 2016 and .06 percent for July 2016 through September 2016 for administrative costs of the Investment Plan

For all membership classes, employees are immediately vested in their own contributions and are vested after one year of service for employer contributions and investment earnings. If an accumulated benefit obligation for service credit originally earned under the Pension Plan is transferred to the Investment Plan, the member must have the years of service required for Pension Plan vesting (including the service credit represented by the transferred funds) to be vested for these funds and the earnings on the funds. Non-vested employer contributions are placed in a suspense account for up to five years. If the employee returns to FRS-covered employment within the five-year period, the employee will regain control over their account. If the employee does not return within the five-year period, the employee will forfeit the accumulated account balance. For the fiscal year ended September 30, 2016, the information for the amount of forfeitures was unavailable from the SBA; however, management believes that these amounts, if any, would be immaterial to the District.

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

The District's Investment Plan pension contributions totaled \$163,212 for the fiscal year ended September 30, 2016.

Aggregate Financial Pension Disclosure

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

SOUTHWEST FLORIDA WATER MANAGEMENT DISTRICT
Notes to the Financial Statements
September 30, 2016

	Proportionate Share of Pension Liabilities	Pension Expense	Pension Deferred Outflows of Resources	Pension Deferred Inflows of Resources
FRS Pension Plan	\$ 20,603,476	\$ 3,036,002	\$ 8,737,016	\$ 708,269
HIS Plan	\$ 12,736,667	\$ 989,285	\$ 2,157,620	\$ 334,573
Total	<u>\$ 33,340,143</u>	<u>\$ 4,025,287</u>	<u>\$10,894,636</u>	<u>\$ 1,042,842</u>

D. Other postemployment benefits (OPEB)

Plan Description

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

Employees enrolled in FRS prior to July 1, 2011.

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

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

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

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

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

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

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

SOUTHWEST FLORIDA WATER MANAGEMENT DISTRICT
Notes to the Financial Statements
September 30, 2016

Funding Policy

The contribution requirements of plan members are established and may be amended by the District's Governing Board. The District's employer OPEB contributions consist of an implicit rate subsidy and the cost of the premium subsidy. The District, in accordance with Section 112.0801, Florida Statutes, makes the health and dental benefits available for retired employees at a premium cost of no more than applicable to active employees. However, the retirees pay 100 percent of their premium costs less the premium subsidy. To determine the healthcare plan costs, the District is required to commingle the claims experience of the retiree group with that of the active employees. The table listed below summarizes monthly retiree contributions for the period beginning January 1, 2016.

	Retiree	Retiree + Spouse
Blue Options	\$705.10	\$1,381.98
Blue Choice	774.24	1,523.38

Annual OPEB Cost and Net OPEB Obligation

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

The following table shows the calculation of the ARC and Net OPEB Obligation for the fiscal year ended September 30, 2016:

Determination of annual required contribution (ARC):	
Normal Cost at year-end	\$ 203,906
Amortization of Unfunded Actuarial Accrued Liability (UAAL)	<u>267,200</u>
Annual Required Contribution	<u>\$ 471,106</u>
Determination of Net OPEB Obligation:	
Annual Required Contribution	\$ 471,106
Interest on prior year Net OPEB Obligation	37,666
Adjustment to ARC	<u>(54,455)</u>
Annual OPEB Cost	454,317
Estimated Employer Contributions	<u>(293,013)</u>
Estimated increase in Net OPEB Obligation	161,304
Net OPEB Obligation - beginning of year	<u>941,641</u>
Net OPEB Obligation - end of year	<u>\$1,102,945</u>

SOUTHWEST FLORIDA WATER MANAGEMENT DISTRICT
Notes to the Financial Statements
September 30, 2016

The District's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for fiscal year 2015-16 and the two preceding years were as follows:

Fiscal Year Ended	Discount Rate	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
9/30/2016	4.0%	\$ 454,317	64.5%	\$1,102,945
9/30/2015	4.0	479,340	100.1	941,641
9/30/2014	4.0	477,605	108.5	942,303

Funded Status and Funding Progress

As of October 1, 2015, the most recent actuarial valuation date, the plan was not funded. The actuarial accrued liability for benefits was \$4,620,433, resulting in an unfunded actuarial accrued liability of \$4,620,433.

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

Actuarial Methods and Assumptions

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

In the October 1, 2015 actuarial valuation, the Projected Unit Credit Actuarial Cost Method was used. Significant methods and assumptions include:

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

SOUTHWEST FLORIDA WATER MANAGEMENT DISTRICT
Notes to the Financial Statements
September 30, 2016

- A healthcare cost trend assumption as follows:

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

The ultimate healthcare trend rate of 4.40 percent is reached for the first time in 2090.

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

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Required Supplementary Information (unaudited)

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

	2016	2015	2014
Southwest Florida Water Management District's proportion of the net pension liability (asset)	0.081597672%	0.085221195%	0.085241884%
Southwest Florida Water Management District's proportionate share of the net pension liability (asset)	\$ 20,603,476	\$ 11,007,460	\$ 5,201,008
Southwest Florida Water Management District's covered-employee payroll	\$ 33,767,303	\$ 33,220,502	\$ 32,864,918
Southwest Florida Water Management District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	61.02%	33.13%	15.83%
Plan fiduciary net position as a percentage of the total pension liability	84.88%	92.00%	96.09%

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

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

See accompanying notes to required supplementary information.

See accompanying Independent Auditors' Report.

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

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

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

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

See accompanying notes to required supplementary information.

See accompanying Independent Auditors' Report.

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

	2016	2015	2014
Southwest Florida Water Management District's proportion of the net pension liability (asset)	0.109284595%	0.109188576%	0.110038842%
Southwest Florida Water Management District's proportionate share of the net pension liability (asset)	\$ 12,736,667	\$ 11,135,517	\$ 10,288,900
Southwest Florida Water Management District's covered-employee payroll	\$ 33,767,303	\$ 33,220,502	\$ 32,864,918
Southwest Florida Water Management District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	37.72%	33.52%	31.31%
Plan fiduciary net position as a percentage of the total pension liability	0.97%	0.50%	0.99%

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

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

See accompanying notes to required supplementary information.

See accompanying Independent Auditors' Report.

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

	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 554,958	\$ 454,612	\$ 398,549
Contribution in relation to the contractually required contribution	<u>(554,958)</u>	<u>(454,612)</u>	<u>(398,549)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Southwest Florida Water Management District's covered-employee payroll	\$ 33,515,421	\$ 33,285,688	\$ 32,638,819
Contributions as a percentage of covered-employee payroll	1.66%	1.37%	1.22%

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

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

See accompanying notes to required supplementary information.

See accompanying Independent Auditors' Report.

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

Actuarial Valuation Date	Actuarial Value of Assets	Discount Rate	Actuarial Liabilities (AAL)	Unfunded Actuarial Liabilities (UAAL)*	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
10/1/2015	-	4.0%	\$4,620,433	\$4,620,433	0.00%	\$33,515,421	13.79%
10/1/2014	-	4.0	4,915,401	4,915,401	0.00	33,285,688	14.77
10/1/2013	-	4.0	5,038,871	5,038,871	0.00	32,638,819	15.44

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

See accompanying notes to required supplementary information.

See accompanying Independent Auditors' Report.

Southwest Florida Water Management District
Notes to Required Supplementary Information
for the Year Ended September 30, 2016
(unaudited)

Florida Retirement System (FRS) Pension Plan

Changes in assumptions - Amounts reported in 2016 reflect an adjustment to the discount rate used for the Florida Retirement System (FRS) Pension Plan. The discount rate used to measure the total pension liability decreased from 7.65 percent to 7.60 percent as of June 30, 2016. The Pension Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the total pension liability is equal to the long-term expected rate of return. The long-term expected rate of return on Pension Plan investments was not based on historical returns, but instead is based on a forward-looking capital market economic model. The active member mortality assumption was also updated.

Health Insurance Subsidy (HIS) Program

Changes in assumptions - Amounts reported in 2016 reflect an adjustment to the discount rate used for the Health Insurance Subsidy. The discount rate used to measure the total pension liability was decreased from 3.80 percent to 2.85 percent as of June 30, 2016. In general, the discount rate for calculating the total pension liability under GASB 67 is equal to the single rate equivalent to discounting at the long-term expected rate of return for benefit payments prior to the projected depletion date. Because the HIS benefit is essentially funded on a pay-as-you-go basis, the depletion date is considered to be immediate. The single equivalent discount rate is equal to the municipal bond rate selected by the FRS Actuarial Assumption Conference. The discount rates used in 2015 and 2016 differ due to the changes in the applicable municipal bond index. The discount rate reflects the change in the Bond Buyer General Obligation 20-Bond Municipal Bond Index.

Other Postemployment Benefits (OPEB)

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

See accompanying Independent Auditors' Report.



Other Supplementary Information

Southwest Florida Water Management District
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Florida Forever Capital Projects Fund
For the Year Ended September 30, 2016

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
REVENUES			
Intergovernmental Revenues	\$ 10,530,000	\$ 38,025	\$ (10,491,975)
Interest on Invested Funds	-	28,283	28,283
Total Revenues	10,530,000	66,308	(10,463,692)
EXPENDITURES			
Current:			
Land Acquisition, Restoration and Public Works	10,530,000	40,725	10,489,275
Total Expenditures	10,530,000	40,725	10,489,275
Deficiency of Revenues			
Under Expenditures	-	25,583	25,583
OTHER FINANCING SOURCES			
Proceeds from Sale of Capital Assets	-	577,325	577,325
Total Other Financing Sources	-	577,325	577,325
Net Change in Fund Balance	-	602,908	602,908
Fund Balance - Beginning	-	5,108,920	5,108,920
Fund Balance - Ending	\$ -	\$ 5,711,828	\$ 5,711,828

See accompanying Independent Auditors' Report.

Southwest Florida Water Management District
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Facilities Capital Projects Fund
For the Year Ended September 30, 2016

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
REVENUES			
Ad Valorem Property Taxes	\$ 608,350	\$ 608,350	\$ -
Total Revenues	608,350	608,350	-
EXPENDITURES			
Current:			
Land Acquisition, Restoration and Public Works	1,037,469	542,057	495,412
Total Expenditures	1,037,469	542,057	495,412
Excess (Deficiency) of Revenues Over (Under) Expenditures	(429,119)	66,293	495,412
OTHER FINANCING SOURCES (USES)			
Total Other Financing Sources and Uses	-	-	-
Net Change In Fund Balance	(429,119)	66,293	495,412
Fund Balance - Beginning	429,119	4,827,306	4,398,187
Fund Balance - Ending	\$ -	\$ 4,893,599	\$ 4,893,599

See accompanying Independent Auditors' Report.



Statistical Section (unaudited)

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

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

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

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

	Fiscal Year									
	2016	2015	2014 (Restated)*	2013	2012	2011	2010	2009	2008	2007
Governmental activities										
Net Investment in Capital Assets	\$ 840,273,629	\$ 825,989,535	\$ 833,973,713	\$ 862,299,507	\$ 873,503,349	\$ 857,375,759	\$ 851,883,344	\$ 811,448,233	\$ 779,451,560	\$ 689,145,591
Restricted for Partnership Agreement	-	-	-	-	-	-	-	21,250,000	63,750,000	85,000,000
Restricted for Watershed Basins	64,437,412	76,996,964	117,325,873	168,721,598	226,419,010	285,544,515	287,476,936	(3)	-	-
Restricted for Land Acquisition	885,918	308,593	282,593	282,593	265,900	-	-	-	-	-
Unrestricted	316,517,268	327,135,338	311,615,149	305,453,821	292,083,075	272,588,267	277,256,081	557,839,262	518,141,689	452,034,832
Total governmental activities net position	<u>\$1,222,114,227</u>	<u>\$ 1,230,430,430</u>	<u>\$ 1,263,197,328</u>	<u>\$ 1,336,757,519</u>	<u>\$ 1,392,271,334</u>	<u>\$ 1,415,508,541</u>	<u>\$ 1,416,616,361</u>	<u>\$ 1,390,537,495</u>	<u>\$ 1,361,343,249</u>	<u>\$ 1,226,180,423</u>

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

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

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

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

See accompanying Independent Auditors' Report.

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

	Fiscal Year									
	2016	2015	2014*	2013	2012	2011	2010	2009	2008	2007
Expenses										
Governmental activities:										
Water Resource Planning and Monitoring	\$ 25,432,848	\$ 24,231,338	\$ 24,781,457	\$ 26,091,663	\$ 28,879,406	\$ 38,393,264	\$ 40,726,648	\$ 40,493,992	\$ 38,470,066 (1)	\$ 32,807,602
Land Acquisition, Restoration and Public Works	55,411,144	81,105,056	84,313,964	89,628,606	75,567,095	85,730,762	114,411,606	150,186,371	138,016,223	97,762,937
Operation and Maintenance of Works and Lands	17,280,760	16,399,449	18,095,218	16,942,966	16,439,958	17,287,730	17,143,156	19,777,540	21,623,536	15,914,021
Regulation	17,881,691	17,865,629	17,967,157	15,793,721	14,872,887	17,068,249	18,247,275	19,363,964	19,281,444	18,493,860
Outreach	1,805,808	1,734,614	1,788,953	3,201,426	3,885,569	5,693,533	6,331,730	6,249,764	5,290,433	5,306,415
Management and Administration	12,059,669	15,566,025	23,104,354	26,897,280	31,552,308	35,990,413	33,853,860	34,326,722	33,544,462 (1)	37,981,400
Total governmental activities expenses	<u>129,871,920</u>	<u>156,902,111</u>	<u>170,051,103</u>	<u>178,555,662</u>	<u>171,197,223</u>	<u>200,163,951</u>	<u>230,714,275</u>	<u>270,398,353</u>	<u>256,226,164 (1)</u>	<u>208,266,235</u>
Program Revenues										
Governmental activities:										
Charges for services:										
Water Resource Planning and Monitoring	561	81	802	976	217,587	188,119	377,909	628,276	403,339	134,780
Land Acquisition, Restoration and Public Works	1,858,419	-	-	-	-	-	-	-	-	-
Operation and Maintenance of Works and Lands	1,236,976	1,208,416	922,462	1,029,695	842,426	842,415	964,108	775,388	1,246,038	1,312,407
Regulation	1,630,106	1,418,539	1,261,166	1,856,607	1,641,624	1,862,728	1,865,778	1,672,672	2,289,411	3,282,034
Management and Administration	10,360	15,479	18,907	32,960	49,687	783,826	913,966	966,484	1,085,229	1,051,604
Operating grants and contributions	3,844,120	9,210,329	8,037,156	15,957,283	32,271,976	23,181,021	22,570,976	46,665,491	55,273,724	34,828,465
Capital grants and contributions	38,025	2,668,152	6,903,513	98,625	1,419,281	3,009,100	30,604,190	11,827,554	62,873,713	2,691,252
Total governmental activities program revenues	<u>8,618,567</u>	<u>14,520,996</u>	<u>17,144,006</u>	<u>18,976,146</u>	<u>36,442,581</u>	<u>29,867,209</u>	<u>57,296,927</u>	<u>62,535,865</u>	<u>123,171,454</u>	<u>43,300,542</u>
Net (expense) revenue	<u>(121,253,353)</u>	<u>(142,381,115)</u>	<u>(152,907,097)</u>	<u>(159,579,516)</u>	<u>(134,754,642)</u>	<u>(170,296,742)</u>	<u>(173,417,348)</u>	<u>(207,862,488)</u>	<u>(133,054,710) (1)</u>	<u>(164,965,693)</u>
General Revenues and Other Changes in Net Position										
Governmental activities:										
Ad Valorem Property Taxes	104,865,699	103,031,684	101,630,987	100,463,104	104,722,421	161,850,765	189,205,683	216,708,977	238,923,620	237,448,913
Unrestricted investment earnings	4,726,663	4,691,530	1,684,031	2,333,735	5,197,926	6,515,579	8,199,031	13,220,367	17,906,722	28,204,657
Gain on sale of capital assets	-	348,325	206,258	138,990	316,321	-	-	-	-	-
Other	3,344,788	1,542,678	107,347	1,129,872	1,280,767	822,578	2,091,500	7,127,390	3,252,835	3,880,051
Total governmental activities general revenues	<u>112,937,150</u>	<u>109,614,217</u>	<u>103,628,623</u>	<u>104,065,701</u>	<u>111,517,435</u>	<u>169,188,922</u>	<u>199,496,214</u>	<u>237,056,734</u>	<u>260,083,177</u>	<u>269,533,621</u>
Change in Net Position	<u>\$ (8,316,203)</u>	<u>\$ (32,766,898)</u>	<u>\$ (49,278,474)</u>	<u>\$ (55,513,815)</u>	<u>\$ (23,237,207)</u>	<u>\$ (1,107,820)</u>	<u>\$ 26,078,866</u>	<u>\$ 29,194,246</u>	<u>\$ 127,028,467 (1)</u>	<u>\$ 104,567,928</u>

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

(1) Amounts for fiscal year 2008 have been restated to reflect the District's adoption of GASB Statement No. 51, *Accounting and Financial Reporting for Intangible Assets*, effective October 1, 2008.

See accompanying Independent Auditors' Report.

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

	Fiscal Year									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
General Fund:										
Nonspendable	\$ 38,535	\$ 46,608	\$ 50,113	\$ 59,042	\$ 40,128	\$ 40,754	\$ -	\$ -	\$ -	\$ -
Restricted	64,437,412	76,996,964	117,325,873	169,364,063	230,161,294	300,042,655	-	-	-	-
Committed	95,727,884	85,791,884	73,596,312	73,976,535	69,429,780	50,000,000	-	-	-	-
Assigned	215,881,378	218,703,879	218,230,649	207,660,056	182,313,883	184,375,566	-	-	-	-
Unassigned	24,254,230	22,619,335	23,469,974	19,404,270	36,219,868	40,647,870	-	-	-	-
Reserved	-	-	-	-	-	-	(1) 78,663,591	78,300,061	64,741,708	74,058,319
Unreserved	-	-	-	-	-	-	(1) 202,265,130	198,765,787	200,060,299	159,589,642
Total General Fund	<u>400,339,439</u>	<u>404,158,670</u>	<u>432,672,921</u>	<u>470,463,966</u>	<u>518,164,953</u>	<u>575,106,845</u>	<u>280,928,721</u>	<u>277,065,848</u>	<u>264,802,007</u>	<u>233,647,961</u>
All Other Governmental Funds										
Restricted	885,918	308,593	282,593	282,593	265,900	-	-	-	-	-
Committed	4,549,167	4,549,167	4,552,855	4,608,293	4,601,071	-	-	-	-	-
Assigned										
Capital projects funds	5,170,342	5,078,466	5,327,122	5,351,476	5,392,595	4,464,113	-	-	-	-
Reserved	-	-	-	-	-	-	(1) 219,967,926	278,430,186	288,253,902	283,263,772
Unreserved:										
Special revenue funds	-	-	-	-	-	-	(1) 89,360,956	51,036,573	63,517,629	47,956,689
Capital projects funds	-	-	-	-	-	-	(1) 161,264	(1,201,216)	(6,676,326)	(1,786,657)
Total All Other Governmental Funds	<u>10,605,427</u>	<u>9,936,226</u>	<u>10,162,570</u>	<u>10,242,362</u>	<u>10,259,566</u>	<u>4,464,113</u>	<u>309,490,146</u>	<u>328,265,543</u>	<u>345,095,205</u>	<u>329,433,804</u>
Total Fund Balances	<u>\$410,944,866</u>	<u>\$414,094,896</u>	<u>\$442,835,491</u>	<u>\$480,706,328</u>	<u>\$528,424,519</u>	<u>\$579,570,958</u>	<u>\$590,418,867</u>	<u>\$605,331,391</u>	<u>\$609,897,212</u>	<u>\$563,081,765</u>

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

See accompanying Independent Auditors' Report.

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

	Fiscal Year									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
REVENUES										
Ad Valorem Property Taxes	\$ 104,913,453	\$ 103,109,563	\$ 101,719,555	\$ 100,906,682	\$ 104,686,640	\$ 161,721,818	\$ 189,111,242	\$ 216,624,815	\$ 238,836,876	\$ 237,543,172
Intergovernmental Revenues	6,236,199	12,371,605	8,529,281	16,535,307	34,418,211	26,781,435	53,735,973	59,251,973	118,983,767	38,069,942
Interest on Invested Funds	4,726,663	4,691,530	1,684,031	2,333,735	5,197,926	6,515,579	8,199,031	13,220,367	17,906,722	28,204,657
License and Permit Fees	1,601,742	1,408,269	1,261,166	1,856,608	1,641,623	1,862,728	1,865,778	1,672,672	2,289,611	3,282,034
Other	3,215,700	1,273,921	562,793	1,622,360	1,571,454	2,652,672	2,193,925	2,207,137	2,666,641	3,276,451
Total Revenues	120,693,757	122,854,888	113,756,826	123,254,692	147,515,854	199,534,232	255,105,949	292,976,964	380,683,617	310,376,256
EXPENDITURES										
Current:										
Water Resource Planning and Monitoring	26,327,263	25,491,396	26,331,532	26,846,452	30,651,290	38,412,310	40,688,508	40,466,587	37,882,697	32,620,502
Land Acquisition, Restoration and Public Works	53,010,382	79,071,775	81,407,622	95,795,322	110,969,655	92,769,162	145,008,737	170,942,985	213,073,582	91,471,056
Operation and Maintenance of Works and Lands	14,988,424	16,008,895	14,342,811	15,450,118	15,363,015	15,558,263	19,841,405	19,678,843	19,600,288	16,310,879
Regulation	17,438,409	17,352,740	18,232,776	17,979,240	16,781,607	17,425,804	18,801,634	19,268,672	19,080,448	18,311,066
Outreach	1,771,379	1,743,887	1,853,799	3,247,319	3,909,820	5,732,562	6,327,680	6,236,445	5,267,523	5,286,577
Management and Administration	11,741,135	12,395,777	11,447,107	11,803,103	26,044,043	39,571,878	38,633,509	43,137,402	40,909,119	37,229,097
Debt Service / Capital Leases (2)										
Principal	82,138	22,761	-	-	-	871,253	671,821	697,536	686,831	-
Interest	26,936	5,668	-	-	-	40,909	45,179	19,464	-	-
Other	-	-	-	-	-	-	-	-	250	-
Total Expenditures	125,386,066	152,092,899	153,615,647	171,121,554	203,719,430	210,382,141	270,018,473	300,447,934	336,500,738	201,229,177
Excess (Deficiency) of Revenues Over (Under) Expenditures	(4,692,309)	(29,238,011)	(39,858,821)	(47,866,862)	(56,203,576)	(10,847,909)	(14,912,524)	(7,470,970)	44,182,879	109,147,079
OTHER FINANCING SOURCES (USES)										
Transfers In	-	-	-	-	-	300,042,655	913,423	40,908,961	3,773,441	17,275,932
Transfers Out	-	-	-	-	-	(300,042,655)	(913,423)	(40,908,961)	(3,773,441)	(17,275,932)
Sale of Capital Assets	1,292,602	244,191	1,987,984	148,671	5,057,137	-	-	1,957,405	636,871	-
Capital Lease Proceeds	249,677	253,225	-	-	-	-	-	947,744	1,995,697	-
Total Other Financing Sources and Uses	1,542,279	497,416	1,987,984	148,671	5,057,137	-	-	2,905,149	2,632,568	-
Net Change In Fund Balances	(3,150,030)	(28,740,595)	(37,870,837)	(47,718,191)	(51,146,439)	(10,847,909)	(14,912,524)	(4,565,821)	46,815,447	109,147,079
Fund Balances - Beginning	414,094,896	442,835,491	480,706,328	528,424,519	579,570,958	590,418,867	605,331,391	609,897,212	563,081,765	453,934,686
Fund Balances - Ending	\$ 410,944,866	\$ 414,094,896	\$ 442,835,491	\$ 480,706,328	\$ 528,424,519	\$ 579,570,958	\$ 590,418,867	\$ 605,331,391	\$ 609,897,212	\$ 563,081,765
Debt service as a percentage of noncapital expenditures (2)	0.09%	0.02%	0.00%	0.00%	0.00%	0.47%	0.33%	0.27%	0.28%	

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

(2) Fiscal year 2008 is the first year the District incurred capital lease debt, which was paid in full as of September 30, 2011. Capital lease debt began again in 2015.

See accompanying Independent Auditors' Report.

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

Fiscal Year	Water Resource Planning and Monitoring	Land Acquisition, Restoration and Public Works	Operation and Maintenance of Works and Lands	Regulation	Outreach	Management and Administration	Total Expenditures
2016	\$ 26,327,263 21.00%	\$ 53,010,382 42.28%	\$ 14,988,424 11.95%	\$ 17,438,409 13.91%	\$ 1,771,379 1.41%	\$ 11,850,209 9.45%	\$ 125,386,066 100.00%
2015	25,491,396 16.76%	79,071,775 51.98%	16,008,895 10.53%	17,352,740 11.41%	1,743,887 1.15%	12,424,206 8.17%	152,092,899 100.00%
2014	26,331,532 17.14%	81,407,622 52.99%	14,342,811 9.34%	18,232,776 11.87%	1,853,799 1.21%	11,447,107 7.45%	153,615,647 100.00%
2013	26,846,452 15.69%	95,795,322 55.97%	15,450,118 9.03%	17,979,240 10.51%	3,247,319 1.90%	11,803,103 6.90%	171,121,554 100.00%
2012	30,651,290 15.05%	110,969,655 54.47%	15,363,015 7.54%	16,781,607 8.24%	3,909,820 1.92%	26,044,043 12.78%	203,719,430 100.00%
2011	38,412,310 18.26%	92,769,162 44.10%	15,558,263 7.40%	17,425,804 8.28%	5,732,562 2.72%	40,484,040 19.24%	210,382,141 100.00%
2010	40,688,508 15.07%	145,008,737 53.71%	19,841,405 7.35%	18,801,634 6.96%	6,327,680 2.34%	39,350,509 14.57%	270,018,473 100.00%
2009	40,466,587 13.47%	170,942,985 56.89%	19,678,843 6.55%	19,268,672 6.41%	6,236,445 2.08%	43,854,402 14.60%	300,447,934 100.00%
2008	37,882,697 11.26%	213,073,582 63.32%	19,600,288 5.82%	19,080,448 5.67%	5,267,523 1.57%	41,596,200 12.36%	336,500,738 100.00%
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%

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

See accompanying Independent Auditors' Report.

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

Fiscal Year	Ad Valorem Property Taxes	Inter-Governmental Revenues	Interest on Invested Funds	License and Permit Fees	Other Revenues	Total Revenues
2016	\$ 104,913,453 86.92%	\$ 6,236,199 5.17%	\$ 4,726,663 3.92%	\$ 1,601,742 1.33%	\$ 3,215,700 2.66%	\$ 120,693,757 100.00%
2015	103,109,563 83.92%	12,371,605 10.07%	4,691,530 3.82%	1,408,269 1.15%	1,273,921 1.04%	122,854,888 100.00%
2014	101,719,555 89.42%	8,529,281 7.50%	1,684,031 1.48%	1,261,166 1.11%	562,793 0.49%	113,756,826 100.00%
2013	100,906,682 81.86%	16,535,307 13.42%	2,333,735 1.89%	1,856,608 1.51%	1,622,360 1.32%	123,254,692 100.00%
2012	104,686,640 70.97%	34,418,211 23.33%	5,197,926 3.52%	1,641,623 1.11%	1,571,454 1.07%	147,515,854 100.00%
2011	161,721,818 81.05%	26,781,435 13.42%	6,515,579 3.27%	1,862,728 0.93%	2,652,672 1.33%	199,534,232 100.00%
2010	189,111,242 74.14%	53,735,973 21.06%	8,199,031 3.21%	1,865,778 0.73%	2,193,925 0.86%	255,105,949 100.00%
2009	216,624,815 73.94%	59,251,973 20.22%	13,220,367 4.51%	1,672,672 0.57%	2,207,137 0.76%	292,976,964 100.00%
2008	238,836,876 62.74%	118,983,767 31.26%	17,906,722 4.70%	2,289,611 0.60%	2,666,641 0.70%	380,683,617 100.00%
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%

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

See accompanying Independent Auditors' Report.

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

Fiscal Year	General Fund	Alafia River Basin	Hillsborough River Basin (2)	Northwest Hillsborough Basin (2)	Coastal Rivers Basin	Pinellas-Anclote River Basin	Withlacoochee River Basin	Peace River Basin	Manasota Basin	Facilities	Total	Percent Base Year	Annual Change in Percent
2016	\$ 104,305,103	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$ 608,350	\$ 104,913,453	44.2 %	0.8 %
2015	103,109,563	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	-	103,109,563	43.4	0.6
2014	101,719,555	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	-	101,719,555	42.8	0.3
2013	100,906,682	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	-	100,906,682	42.5	(1.6)
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	44.1	(24.0)
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	68.1	(11.5)
2010	119,228,507	4,401,132	15,649,847	N/A	4,088,182	21,635,385	4,625,138	7,444,942	10,788,109	1,250,000	189,111,242	79.6	(11.6)
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	91.2	(9.3) (3)
2008	147,940,801	5,526,420	12,611,129	6,665,194	5,086,354	30,934,560	5,411,367	9,350,470	13,910,581	1,400,000	238,836,876	100.5	0.5
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	100.0	0.0

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

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

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

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

See accompanying Independent Auditors' Report.

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

Fiscal Year	Charlotte County	Citrus County	DeSoto County	Hardee County	Hernando County	Highlands County	Hillsborough County	Lake County	Levy County
2016	\$ 4,376,198 4.17%	\$ 2,726,279 2.60%	\$ 479,024 0.46%	\$ 522,943 0.50%	\$ 2,557,584 2.44%	\$ 1,299,804 1.24%	\$ 24,889,171 23.71%	\$ 22,040 0.02%	\$ 268,731 0.26%
2015	4,399,265 4.27%	2,789,197 2.71%	501,914 0.49%	516,935 0.50%	2,611,476 2.53%	1,349,554 1.31%	24,281,453 23.55%	25,480 0.02%	275,246 0.27%
2014	4,398,449 4.32%	3,099,107 3.05%	517,209 0.51%	560,777 0.55%	2,731,630 2.69%	1,400,290 1.38%	23,685,450 23.28%	25,370 0.02%	285,451 0.28%
2013	4,439,833 4.40%	3,064,224 3.04%	535,737 0.53%	586,380 0.58%	2,856,043 2.83%	1,486,962 1.47%	23,018,798 22.80%	25,856 0.03%	305,034 0.30%
2012	4,738,013 4.53%	3,538,541 3.38%	551,236 0.53%	575,607 0.55%	2,899,571 2.77%	1,555,751 1.49%	23,977,333 22.88%	28,068 0.03%	346,074 0.33%
2011	7,192,259 4.45%	5,422,966 3.35%	813,212 0.50%	854,038 0.53%	4,489,683 2.78%	2,333,287 1.44%	37,622,850 23.26%	29,498 0.02%	586,870 0.36%
2010	8,601,056 4.55%	5,764,046 3.05%	936,532 0.50%	913,609 0.48%	5,332,460 2.82%	2,768,332 1.46%	43,663,858 23.09%	30,416 0.02%	626,488 0.33%
2009 (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%

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

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

Source: District records - Finance Bureau.

See accompanying Independent Auditors' Report.

(continued)

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

Fiscal Year	Manatee County	Marion County	Pasco County	Pinellas County	Polk County	Sarasota County	Sumter County	Total
2016	\$ 9,543,536 9.10%	\$ 1,697,734 1.62%	\$ 7,251,245 6.91%	\$ 21,506,782 20.50%	\$ 8,648,019 8.24%	\$ 15,805,700 15.07%	\$ 3,318,663 3.16%	\$ 104,913,453 100.00%
2015	9,199,208 8.92%	1,716,687 1.66%	7,205,123 6.99%	21,121,428 20.48%	8,558,823 8.30%	15,396,243 14.93%	3,161,531 3.07%	103,109,563 100.00%
2014	8,933,153 8.78%	1,748,697 1.72%	7,177,123 7.06%	20,749,595 20.40%	8,505,587 8.36%	15,049,552 14.80%	2,852,115 2.80%	101,719,555 100.00%
2013	8,846,636 8.77%	1,775,453 1.76%	7,322,772 7.26%	20,671,314 20.49%	8,418,238 8.34%	14,893,474 14.76%	2,659,928 2.64%	100,906,682 100.00%
2012	9,045,647 8.64%	1,964,342 1.88%	7,728,312 7.38%	21,257,754 20.31%	8,903,633 8.51%	15,061,380 14.39%	2,515,378 2.40%	104,686,640 100.00%
2011	12,593,267 7.79%	3,372,630 2.09%	12,011,482 7.43%	36,072,441 22.30%	13,236,667 8.18%	21,436,389 13.26%	3,654,279 2.26%	161,721,818 100.00%
2010	14,809,981 7.83%	3,953,855 2.09%	14,101,687 7.46%	44,266,162 23.41%	15,583,799 8.24%	24,086,237 12.73%	3,672,724 1.94%	189,111,242 100.00%
2009 (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%

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

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

Source: District records - Finance Bureau.

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

Fiscal Year	Assessed Valuation (1)	Total Tax Levy	Current Tax Collections	Percent of Current Tax Collection to Tax Levy	Delinquent Tax Collections	Total Tax Collections	Percent of Total Tax Collection to Tax Levy
2016	\$ 310,698,838,982	\$ 108,371,754	\$ 104,478,438	96.41 %	\$ 435,015	\$ 104,913,453	96.81 %
2015	291,190,079,928	106,517,331	102,706,790	96.42	402,773	103,109,563	96.80
2014	276,826,961,838	105,692,534	101,046,156	95.60	673,399	101,719,555	96.24
2013	266,456,598,757	104,664,153	100,265,203	95.80	641,479	100,906,682	96.41
2012	274,339,074,461	107,760,388	103,383,339	95.94	1,303,301	104,686,640	97.15
2011	287,863,529,751	167,583,548	160,425,813	95.73	1,296,005	161,721,818	96.50
2010	322,613,718,625	195,782,309	187,919,296	95.98	1,191,946	189,111,242	96.59
2009	364,790,289,103	225,150,454	215,394,447	95.67	1,230,368	216,624,815 (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

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

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

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

See accompanying Independent Auditors' Report.

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

Fiscal Year	Charlotte County		Citrus County		DeSoto County		Hardee County	
	Taxable Assessed Value (2)	Estimated Just Value (3)	Taxable Assessed Value (1)	Estimated Just Value (3)	Taxable Assessed Value (1)	Estimated Just Value (3)	Taxable Assessed Value (1)	Estimated Just Value (3)
2016	\$ 13,094,055,757 4.21%	\$ 18,380,046,623	\$ 8,141,277,447 2.62%	\$ 10,467,365,984	\$ 1,376,749,230 0.44%	\$ 2,794,206,683	\$ 1,545,475,660 0.50%	\$ 2,424,527,126
2015	12,447,569,866 4.27%	17,152,302,768	7,893,519,372 2.71%	10,310,375,084	1,371,423,824 0.47%	2,761,442,878	1,454,748,937 0.50%	2,307,430,304
2014	11,915,060,252 4.30%	15,817,517,470	10,177,235,077 3.68%	10,370,361,138	1,358,399,626 0.49%	2,737,769,467	1,498,817,937 0.54%	2,317,075,360
2013	11,721,083,416 4.40%	15,113,914,001	8,977,977,542 3.37%	10,591,756,106	1,371,139,288 0.51%	2,738,089,973	1,527,328,126 0.57%	2,318,038,347
2012	12,433,871,062 4.53%	15,775,252,608	9,336,411,252 3.40%	11,073,753,128	1,424,521,662 0.52%	2,820,729,089	1,508,413,982 0.55%	2,328,351,267
2011	13,386,137,357 4.65%	16,959,927,343	9,614,305,893 3.34%	11,929,442,840	1,440,295,660 0.50%	2,917,612,542	1,548,820,619 0.54%	2,499,618,714
2010	15,605,343,917 4.84%	20,165,561,587	10,074,921,377 3.12%	13,124,823,904	1,627,233,852 0.50%	3,534,008,206	1,648,825,033 0.51%	2,799,183,882
2009 (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

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

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

(continued)

See accompanying Independent Auditors' Report.

Southwest Florida Water Management District
Taxable Assessed and Estimated Just Value of Taxable Property
For the Last Ten Fiscal Years
(unaudited)
(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)
2016	\$ 7,558,410,640 2.43%	\$ 10,788,322,558	\$ 3,825,336,750 1.23%	\$ 6,165,132,955	\$ 73,914,983,814 23.80%	\$ 99,532,728,290	\$ 72,215,578 0.02%	\$ 21,921,683,305
2015	7,270,531,735 2.50%	10,337,411,303	3,774,772,032 1.30%	6,061,467,078	68,645,393,560 23.56%	91,081,152,547	69,868,889 0.02%	20,529,670,110
2014	7,164,529,714 2.59%	9,971,034,670	3,781,492,104 1.37%	6,045,740,002	64,099,889,092 23.16%	83,705,327,661	67,521,327 0.02%	19,331,115,179
2013	7,323,902,726 2.75%	9,936,963,891	3,860,234,259 1.45%	6,167,846,381	60,812,026,614 22.82%	77,317,991,363	67,842,756 0.04%	19,108,024,743
2012	7,721,977,752 2.81%	10,579,974,346	4,048,756,058 1.48%	6,545,545,717	62,336,980,209 22.72%	79,628,695,108	71,781,864 0.03%	20,285,676,118
2011	8,393,836,609 2.92%	11,552,641,759	4,235,779,178 1.47%	6,874,145,162	65,116,419,986 22.61%	84,058,854,773	80,021,070 0.03%	22,161,571,162
2010	9,488,123,875 2.94%	13,471,360,637	4,936,206,579 1.53%	8,239,938,540	73,415,622,752 22.76%	96,774,421,040	81,481,877 0.03%	24,975,567,952
2009 (4)	10,387,499,612 2.85%	15,814,704,391	5,389,133,838 1.48%	9,254,973,711	83,938,830,501 23.01%	116,254,203,161	84,370,714 0.02%	27,928,949,304
2008	11,357,529,621 2.84%	16,512,802,416	5,931,994,995 1.48%	9,629,781,192	88,033,093,322 22.02%	120,823,337,789	86,675,044 0.02%	27,890,683,868
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

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

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

(continued)

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

Fiscal Year	Levy County		Manatee County		Marion County		Pasco County	
	Taxable Assessed Value (2)	Estimated Just Value (3)	Taxable Assessed Value (1)	Estimated Just Value (3)	Taxable Assessed Value (2)	Estimated Just Value (3)	Taxable Assessed Value (1)	Estimated Just Value (3)
2016	\$ 794,125,516 0.26%	\$ 2,909,165,089	\$ 28,156,175,348 9.06%	\$ 35,972,553,249	\$ 5,061,437,014 1.63%	\$ 22,932,571,056	\$ 21,369,674,657 6.88%	\$ 30,333,781,707
2015	779,563,179 0.27%	3,016,489,621	26,001,571,459 8.93%	31,726,387,356	4,888,382,095 1.68%	22,535,216,991	20,261,141,679 6.96%	28,719,366,391
2014	765,121,003 0.28%	2,835,513,830	24,206,711,462 8.74%	28,569,565,875	4,768,167,109 1.72%	21,657,987,283	19,338,148,774 6.99%	26,845,762,025
2013	799,492,293 0.30%	2,946,228,268	23,322,999,512 8.75%	27,271,851,487	4,758,708,259 1.79%	21,695,907,937	19,116,580,564 7.17%	26,541,368,860
2012	899,834,945 0.33%	3,524,592,792	23,820,210,422 8.68%	28,200,290,660	5,181,774,461 1.89%	24,093,602,773	20,323,341,802 7.41%	28,013,760,041
2011	978,841,451 0.34%	3,989,729,515	24,909,396,182 8.65%	29,747,730,647	5,746,672,436 2.00%	27,116,911,018	20,754,922,138 7.21%	29,126,576,684
2010	1,039,092,617 0.32%	4,417,873,490	28,739,213,410 8.91%	35,315,585,698	6,615,903,811 2.05%	31,005,053,635	23,045,072,814 7.14%	32,681,663,769
2009 (4)	1,176,574,298 0.32%	4,992,458,397	31,728,741,317 8.70%	40,532,806,394	7,681,828,761 2.11%	36,172,335,899	26,767,890,444 7.34%	39,790,825,530
2008	1,283,131,348 0.32%	4,921,099,058	34,528,464,902 8.63%	44,545,058,066	8,364,377,817 2.09%	36,918,976,765	29,729,044,446 7.43%	42,731,680,816
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

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

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

(continued)

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

Fiscal Year	Pinellas County		Polk County		Sarasota County		Sumter County		Total	
	Taxable Assessed Value (1)	Estimated Just Value (3)	Taxable Assessed Value (2)	Estimated Just Value (3)	Taxable Assessed Value (1)	Estimated Just Value (3)	Taxable Assessed Value (1)	Estimated Just Value (3)	Taxable Assessed Value (2)	Estimated Just Value (3)
2016	\$ 63,699,624,181 20.50%	\$ 90,100,695,133	\$ 25,637,633,469 8.25%	\$ 35,066,615,991	\$ 46,615,834,307 15.00%	\$ 63,106,915,600	\$ 9,835,829,614 3.17%	\$ 13,456,221,610	\$ 310,698,838,982 100.00%	\$ 466,352,532,959
2015	59,767,624,833 20.53%	82,011,208,919	24,111,126,225 8.28%	32,453,751,594	43,496,280,912 14.94%	57,622,573,000	8,956,561,331 3.08%	12,305,148,331	291,190,079,928 100.00%	430,931,394,275
2014	56,193,988,907 20.30%	73,899,681,892	22,958,987,131 8.29%	29,792,113,559	40,812,665,951 14.74%	52,273,456,800	7,720,226,372 2.79%	10,443,725,800	276,826,961,838 100.00%	396,613,748,011
2013	54,425,420,037 20.43%	70,485,578,787	22,180,556,410 8.32%	27,995,854,184	39,170,913,940 14.70%	49,359,975,511	7,020,393,015 2.63%	9,442,513,580	266,456,598,757 100.00%	379,031,903,419
2012	55,608,566,276 20.27%	72,683,171,813	23,369,108,379 8.52%	29,429,384,408	39,585,676,326 14.43%	49,842,203,473	6,667,848,009 2.43%	9,041,889,537	274,339,074,461 100.00%	393,866,872,878
2011	58,395,259,809 20.29%	77,107,914,679	24,919,832,620 8.66%	32,090,561,797	42,118,634,428 14.63%	53,406,022,942	6,224,354,315 2.16%	8,605,957,586	287,863,529,751 100.00%	420,145,219,163
2010	64,799,464,910 20.09%	89,120,171,479	28,735,416,677 8.91%	39,151,322,368	46,554,772,530 14.43%	59,857,675,826	6,207,022,594 1.92%	8,885,586,796	322,613,718,625 100.00%	483,519,798,809
2009 (4)	73,364,672,321 20.11%	105,800,594,551	32,149,838,024 8.81%	45,690,203,869	53,170,778,042 14.58%	70,539,563,052	5,851,825,793 1.60%	8,848,146,235	364,790,289,103 100.00%	567,759,516,242
2008	80,171,847,018 20.03%	114,317,705,946	32,728,357,906 8.18%	45,514,480,070	62,685,251,050 15.66%	83,355,313,080	5,774,715,375 1.44%	8,387,422,260	400,166,690,276 100.00%	609,061,819,029
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

76

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

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

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

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

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

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

Fiscal Year	General Fund (Districtwide)	Alafia River Basin	Hillsborough River Basin	Northwest Hillsborough Basin (2)	Coastal Rivers Basin	Pinellas-Anclote River Basin	Withlacoochee River Basin	Peace River Basin	Manasota Basin	Maximum Legal Rate (1)	
										Districtwide	Per Basin
2016	0.3488	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	1.0000	N/A
2015	0.3658	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	1.0000	N/A
2014	0.3818	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	1.0000	N/A
2013	0.3928	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	1.0000	N/A
2012 (3)	0.3928	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	1.0000	N/A
2011	0.3770	0.2163	0.2300	N/A	0.1885	0.2600	0.2308	0.1827	0.1484	0.5000	0.5000
2010	0.3866	0.2163	0.2421	N/A	0.1885	0.3200	0.2308	0.1827	0.1484	0.5000	0.5000
2009	0.3866	0.2163	0.2547	0.2421	0.1885	0.3600	0.2308	0.1827	0.1484	0.5000	0.5000
2008	0.3866	0.2163	0.2547	0.2421	0.1885	0.3701	0.2308	0.1827	0.1484	0.5000	0.5000
2007	0.4220	0.2400	0.2850	0.2680	0.2050	0.4000	0.2650	0.1950	0.1600	0.5000	0.5000

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

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

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

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

See accompanying Independent Auditors' Report.

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

County	Fiscal Year					
	2016			2007		
	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	\$ 73,914,984	1	23.80 %	\$ 78,793,904	1	21.64 %
Pinellas	63,699,624	2	20.50	75,661,255	2	20.78
Sarasota	46,615,834	3	15.00	59,015,113	3	16.21
Manatee	28,156,175	4	9.06	30,735,678	4	8.44
Polk	25,637,633	5	8.25	28,070,714	5	7.71
Pasco	21,369,675	6	6.88	25,750,555	6	7.07
Charlotte	13,094,056	7	4.21	24,129,411	7	6.63
Sumter	9,835,830	8	3.17	4,622,447	12	1.27
Citrus	8,141,277	9	2.62	11,637,462	8	3.20
Hernando	7,558,411	10	2.43	9,901,079	9	2.72
Marion	5,061,437	11	1.63	6,132,576	10	1.68
Highlands	3,825,337	12	1.23	5,037,731	11	1.38
Hardee	1,545,476	13	0.50	1,556,505	14	0.43
DeSoto	1,376,749	14	0.44	1,758,121	13	0.48
Levy	794,125	15	0.26	1,223,534	15	0.34
Lake	72,216	16	0.02	74,401	16	0.02
	<u>\$310,698,839</u>		<u>100.00 %</u>	<u>\$364,100,486</u>		<u>100.00 %</u>

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

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

See accompanying Independent Auditors' Report.

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

<u>Fiscal Year (1)</u>	<u>Governmental Activities</u>		<u>Total Debt</u>	<u>District Population</u>	<u>Per Capita</u>
	<u>Capital Leases</u>				
2016	\$ 398,003		\$ 398,003	5,084,116	\$ 0.08
2015	230,464		230,464	5,016,053	0.05
2014	-		-	4,952,597	0.00
2013	-		-	4,874,134	0.00
2012	-		-	4,821,760	0.00
2011	-		-	4,779,987	0.00
2010	871,253		871,253	4,727,824	0.18
2009	1,543,074		1,543,074	4,688,369	0.33
2008	1,308,866		1,308,866	4,663,065	0.28

- (1) Fiscal year 2008 is the first year the District incurred capital lease debt, which was paid in full as of September 30, 2011. New capital leases were entered into in fiscal year 2015.
- (2) Personal income and estimated just value data is only available for county-wide boundaries, which are not consistent with District boundaries. Therefore, personal income and estimated just value debt ratios are not provided.

Sources: Historical (2008-2015) and projected (2016) population figures were obtained and updated from Woods & Poole Economics, 2016 Florida State Profile: State and County Projections to 2050. County portional populations were developed from data obtained by GIS Associates, Inc.

See accompanying Independent Auditors' Report.

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

Calendar Year	Charlotte * County	Citrus County	DeSoto County	Hardee County	Hernando County	Highlands * County	Hillsborough County	Lake * County
2016	172,380 3.39%	143,622 2.82%	35,601 0.70%	27,902 0.55%	181,850 3.58%	91,411 1.80%	1,358,750 26.72%	1,143 0.02%
2015	170,034 3.39%	141,432 2.82%	35,292 0.70%	27,675 0.55%	178,763 3.56%	89,925 1.79%	1,336,870 26.66%	1,106 0.02%
2014	167,844 3.39%	139,377 2.81%	35,012 0.71%	27,469 0.55%	175,855 3.55%	88,507 1.79%	1,316,299 26.58%	1,066 0.02%
2013	164,323 3.37%	139,134 2.85%	34,616 0.71%	27,410 0.56%	174,205 3.57%	88,305 1.81%	1,294,145 26.56%	1,023 0.02%
2012	162,169 3.36%	139,290 2.89%	34,745 0.72%	27,414 0.57%	173,102 3.59%	88,542 1.84%	1,282,031 26.58%	990 0.02%
2011	158,994 3.33%	139,773 2.92%	34,636 0.72%	27,684 0.58%	172,853 3.62%	88,873 1.86%	1,271,720 26.61%	961 0.02%
2010	159,300 3.37%	141,283 2.99%	34,916 0.74%	27,767 0.59%	172,947 3.66%	89,268 1.89%	1,234,145 26.09%	938 0.02%
2009	159,051 3.39%	141,381 3.02%	34,592 0.74%	27,661 0.59%	171,950 3.67%	89,618 1.91%	1,214,049 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%

Permanent Population = Year-round residents only

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

Sources: Historical (2007-2015) and projected (2016) population data was obtained and updated from Woods & Poole Economics, 2016 Florida State Profile: State and County Projections to 2050. County portional populations were developed from data provided by GIS Associates, Inc.

See accompanying Independent Auditors' Report.

(continued)

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

Calendar Year	Levy * County	Manatee County	Marion * County	Pasco County	Pinellas County	Polk * County	Sarasota County	Sumter County	Total
2016	23,196 0.46%	363,929 7.16%	111,640 2.20%	501,741 9.87%	948,151 18.65%	596,015 11.72%	406,045 7.99%	120,740 2.37%	5,084,116 100.00%
2015	22,841 0.46%	357,653 7.13%	109,341 2.18%	493,289 9.83%	942,769 18.80%	590,275 11.77%	401,329 8.00%	117,459 2.34%	5,016,053 100.00%
2014	22,511 0.45%	351,746 7.10%	107,227 2.17%	485,331 9.80%	938,098 18.94%	584,943 11.81%	396,962 8.02%	114,350 2.31%	4,952,597 100.00%
2013	22,540 0.46%	342,417 7.03%	105,774 2.17%	475,695 9.76%	930,109 19.08%	575,713 11.81%	390,242 8.01%	108,483 2.23%	4,874,134 100.00%
2012	22,694 0.47%	334,071 6.93%	104,752 2.17%	470,603 9.76%	922,265 19.13%	570,219 11.83%	386,050 8.01%	102,823 2.13%	4,821,760 100.00%
2011	22,829 0.48%	327,458 6.85%	103,637 2.17%	466,552 9.76%	917,979 19.20%	565,927 11.84%	381,513 7.98%	98,598 2.06%	4,779,987 100.00%
2010	23,066 0.49%	323,510 6.84%	102,842 2.18%	465,541 9.85%	916,701 19.39%	561,361 11.87%	379,952 8.04%	94,287 1.99%	4,727,824 100.00%
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%	4,688,369 100.00%
2008	23,306 0.50%	318,766 6.84%	100,483 2.15%	461,313 9.89%	916,458 19.65%	554,747 11.90%	377,178 8.09%	86,434 1.85%	4,663,065 100.00%
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%

Permanent Population = Year-round residents only

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

Sources: Historical (2007-2015) and projected (2016) population data was obtained and updated from Woods & Poole Economics, [2016 Florida State Profile: State and County Projections to 2050](#).
County portional populations were developed from data provided by GIS Associates, Inc.

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

<u>Calendar Year (1)</u>	<u>Total County Population</u>	<u>Within District Population</u>	<u>Population Within District Increase</u>	<u>Population Within District Percent Increase</u>
2016	5,731,556	5,084,116	68,063	1.36 %
2015	5,651,280	5,016,053	63,456	1.28
2014	5,576,316	4,952,597	78,463	1.61
2013	5,486,450	4,874,134	52,374	1.09
2012	5,426,981	4,821,760	41,773	0.87
2011	5,379,095	4,779,987	52,163	1.10
2010	5,323,191	4,727,824	39,455	0.84
2009	5,280,726	4,688,369	25,305	0.54
2008	5,252,808	4,663,065	41,019	0.89
2007	5,204,110	4,622,045	0	0.00

(1) Data is for calendar years.

Sources: Historical (2007-2015) and projected (2016) population data was obtained and updated from Woods & Poole Economics, 2016 Florida State Profile: State and County Projections to 2050.

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

See accompanying Independent Auditors' Report.

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

Calendar Year	Charlotte County			Citrus County		
	Personal Income (Millions)	Per Capita Income	Unemployment Rate	Personal Income (Millions)	Per Capita Income	Unemployment Rate
2016	\$ 5,959.63	\$ 34,447	5.3 %	\$ 4,663.86	\$ 32,473	6.8 %
2015	5,784.36	33,893	6.1	4,514.05	31,917	7.8
2014	5,612.91	33,316	7.1	4,368.13	31,340	8.8
2013	5,390.43	32,680	8.4	4,293.83	30,861	10.0
2012	5,226.86	32,108	9.9	4,214.23	30,255	11.2
2011	5,209.61	32,639	11.8	4,262.77	30,498	13.0
2010	5,090.84	31,832	12.6	4,267.47	30,205	13.4
2009	5,124.76	32,104	11.3	4,196.12	29,680	11.6
2008	5,429.28	33,834	7.4	4,290.10	30,186	7.3
2007	5,568.75	34,861	4.5	4,284.85	30,395	4.6

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

Sources: Unemployment data was obtained from Bureau of Labor Statistics, U.S. Department of Labor.
Unemployment data is a fiscal year average.
Personal and Per Capita Income historical (2007-2015) and projected (2016) were obtained and updated from Woods and Poole Economics, [2016 Florida State Profile: State and County Projections to 2050](#).

See accompanying Independent Auditors' Report.

(continued)

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

Calendar Year	DeSoto County			Hardee County		
	Personal Income (Millions)	Per Capita Income	Unemployment Rate	Personal Income (Millions)	Per Capita Income	Unemployment Rate
2016	\$ 721.86	\$ 20,276	5.6 %	\$ 636.85	\$ 22,825	6.1 %
2015	701.20	19,869	6.3	619.61	22,389	7.1
2014	696.23	19,885	7.4	608.67	22,159	8.0
2013	673.95	19,469	8.7	601.10	21,930	8.6
2012	680.96	19,599	10.3	619.24	22,588	9.3
2011	730.37	21,087	10.9	619.11	22,363	10.8
2010	733.82	21,017	11.9	615.24	22,157	11.4
2009	690.23	19,953	9.5	594.59	21,496	9.9
2008	700.68	20,384	6.3	608.04	22,028	6.0
2007	714.30	20,682	4.5	599.65	21,814	4.3

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

Sources: Unemployment data was obtained from Bureau of Labor Statistics, U.S. Department of Labor.
Unemployment data is a fiscal year average.
Personal and Per Capita Income historical (2007-2015) and projected (2016) were obtained and updated from Woods and Poole Economics, [2016 Florida State Profile: State and County Projections to 2050](#).

(continued)

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

Calendar Year	Hernando County			Highlands County		
	Personal Income (Millions)	Per Capita Income	Unemployment Rate	Personal Income (Millions)	Per Capita Income	Unemployment Rate
2016	\$ 5,582.62	\$ 30,699	6.0 %	\$ 2,972.45	\$ 29,235	6.6 %
2015	5,397.36	30,193	7.1	2,863.25	28,660	7.7
2014	5,209.90	29,626	8.2	2,759.66	28,092	8.7
2013	5,054.66	29,016	9.4	2,713.28	27,709	9.8
2012	5,089.64	29,403	11.1	2,737.41	27,908	10.6
2011	5,158.13	29,841	12.9	2,792.41	28,390	12.0
2010	5,145.25	29,750	13.7	2,786.55	28,232	12.1
2009	5,047.31	29,353	12.5	2,722.13	27,509	10.2
2008	5,211.56	30,223	7.8	2,762.84	27,748	6.6
2007	5,233.80	30,807	5.3	2,790.79	28,183	4.4

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

Sources: Unemployment data was obtained from Bureau of Labor Statistics, U.S. Department of Labor.
Unemployment data is a fiscal year average.
Personal and Per Capita Income historical (2007-2015) and projected (2016) were obtained and updated from Woods and Poole Economics,
2016 Florida State Profile: State and County Projections to 2050.

(continued)

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

Calendar Year	Hillsborough County			Lake County		
	Personal Income (Millions)	Per Capita Income	Unemployment Rate	Personal Income (Millions)	Per Capita Income	Unemployment Rate
2016	\$ 53,683.97	\$ 39,510	4.4 %	\$ 11,185.70	\$ 34,059	4.8 %
2015	52,093.27	38,967	5.2	10,768.86	33,457	5.7
2014	50,553.07	38,405	6.0	10,354.54	32,800	6.6
2013	48,805.00	37,712	6.9	9,920.83	32,198	7.8
2012	49,384.25	38,520	8.3	9,706.71	31,988	9.3
2011	51,355.91	40,383	10.1	9,570.68	31,914	11.1
2010	47,951.99	38,854	10.9	9,452.36	31,729	11.8
2009	45,869.01	37,782	9.7	9,379.41	31,740	10.2
2008	46,677.72	39,003	5.7	9,832.86	33,485	5.7
2007	47,407.18	40,017	3.8	9,896.72	34,137	3.9

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

Sources: Unemployment data was obtained from Bureau of Labor Statistics, U.S. Department of Labor.
Unemployment data is a fiscal year average.
Personal and Per Capita Income historical (2007-2015) and projected (2016) were obtained and updated from Woods and Poole Economics,
2016 Florida State Profile: State and County Projections to 2050.

(continued)

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

Calendar Year	Levy County			Manatee County		
	Personal Income (Millions)	Per Capita Income	Unemployment Rate	Personal Income (Millions)	Per Capita Income	Unemployment Rate
2016	\$ 1,210.73	\$ 29,711	5.2 %	\$ 14,176.85	\$ 38,955	4.5 %
2015	1,174.99	29,256	6.0	13,666.45	38,211	5.2
2014	1,107.89	27,968	7.2	13,184.17	37,482	5.9
2013	1,080.28	27,215	8.5	12,675.26	37,017	7.1
2012	1,081.01	27,027	9.7	12,334.79	36,923	8.5
2011	1,099.16	27,297	11.3	12,757.53	38,959	10.5
2010	1,105.61	27,154	12.0	12,209.07	37,739	11.6
2009	1,068.86	26,146	10.7	11,797.58	36,786	10.9
2008	1,080.43	26,475	6.2	12,606.64	39,548	6.1
2007	1,084.75	26,981	4.0	13,503.24	42,676	3.8

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

Sources: Unemployment data was obtained from Bureau of Labor Statistics, U.S. Department of Labor.
Unemployment data is a fiscal year average.
Personal and Per Capita Income historical (2007-2015) and projected (2016) were obtained and updated from Woods and Poole Economics, 2016 Florida State Profile: State and County Projections to 2050.

(continued)

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

Calendar Year	Marion County			Pasco County		
	Personal Income (Millions)	Per Capita Income	Unemployment Rate	Personal Income (Millions)	Per Capita Income	Unemployment Rate
2016	\$ 10,805.14	\$ 30,908	5.8 %	\$ 16,124.51	\$ 32,137	5.2 %
2015	10,461.10	30,391	6.6	15,597.63	31,620	6.0
2014	10,125.24	29,853	7.6	15,103.14	31,119	6.9
2013	9,859.61	29,330	9.0	14,517.64	30,519	8.1
2012	9,989.32	29,864	10.7	14,350.68	30,494	9.5
2011	10,105.18	30,391	12.9	14,632.96	31,364	11.3
2010	9,861.53	29,746	13.6	14,333.94	30,790	12.1
2009	9,714.27	29,359	12.0	13,997.54	30,258	11.1
2008	9,984.84	30,252	6.9	14,431.32	31,283	6.8
2007	10,153.72	31,181	4.2	14,208.51	31,325	4.6

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

Sources: Unemployment data was obtained from Bureau of Labor Statistics, U.S. Department of Labor.
Unemployment data is a fiscal year average.
Personal and Per Capita Income historical (2007-2015) and projected (2016) were obtained and updated from Woods and Poole Economics,
2016 Florida State Profile: State and County Projections to 2050.

(continued)

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

Calendar Year	Pinellas County			Polk County		
	Personal Income (Millions)	Per Capita Income	Unemployment Rate	Personal Income (Millions)	Per Capita Income	Unemployment Rate
2016	\$ 41,605.91	\$ 43,881	4.3 %	\$ 20,161.79	\$ 31,029	5.6 %
2015	40,625.59	43,092	5.1	19,562.31	30,474	6.5
2014	39,486.97	42,093	6.0	18,992.79	29,927	7.4
2013	38,356.83	41,239	7.0	18,384.81	29,503	8.6
2012	38,332.85	41,564	8.4	18,367.19	29,828	10.0
2011	39,265.84	42,774	10.2	18,930.67	31,049	11.7
2010	37,899.67	41,344	10.9	18,301.48	30,333	12.1
2009	36,345.80	39,708	10.1	17,548.75	29,312	10.5
2008	38,275.83	41,765	5.7	18,298.75	30,764	6.0
2007	39,517.07	43,018	3.8	18,422.90	31,439	4.2

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

Sources: Unemployment data was obtained from Bureau of Labor Statistics, U.S. Department of Labor.
Unemployment data is a fiscal year average.
Personal and Per Capita Income historical (2007-2015) and projected (2016) were obtained and updated from Woods and Poole Economics,
2016 Florida State Profile: State and County Projections to 2050.

(continued)

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

Calendar Year	Sarasota County			Sumter County		
	Personal Income (Millions)	Per Capita Income	Unemployment Rate	Personal Income (Millions)	Per Capita Income	Unemployment Rate
2016	\$ 20,937.73	\$ 51,565	4.5 %	\$ 4,302.15	\$ 35,632	6.8 %
2015	20,295.60	50,571	5.2	4,115.73	35,040	7.7
2014	19,700.40	49,628	6.1	3,936.35	34,424	8.5
2013	19,025.55	48,753	7.4	3,679.04	33,914	9.6
2012	18,544.35	48,036	8.8	3,420.28	33,264	11.0
2011	18,222.08	47,763	10.8	3,117.46	31,618	12.5
2010	17,468.12	45,975	11.7	2,707.59	28,717	12.4
2009	17,450.16	46,255	10.6	2,511.53	27,708	8.5
2008	19,151.05	50,775	6.6	2,416.71	27,960	5.0
2007	19,912.93	53,055	4.0	2,221.44	27,057	3.3

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

Sources: Unemployment data was obtained from Bureau of Labor Statistics, U.S. Department of Labor.
Unemployment data is a fiscal year average.
Personal and Per Capita Income historical (2007-2015) and projected (2016) were obtained and updated from Woods and Poole Economics,
2016 Florida State Profile: State and County Projections to 2050.

**Southwest Florida Water Management District
Demographic Statistics
Top Ten Non-Government Employers Within a Single County
For Fiscal Years Ending September 30, 2016 and September 30, 2008
(unaudited)**

Employer	Fiscal Year							
	2016				2008			
	County	Number of Employees	Rank	Percent of Total Workforce	County	Number of Employees	Rank	Percent of Total Workforce
Publix Super Markets	Polk	10,249	1	0.36 %	Polk	9,500	2	0.39 %
Publix Super Markets	Hillsborough	6,964	2	0.25	Hillsborough	4,630	7	0.19
Tampa General Hospital	Hillsborough	6,900	3	0.24	-	-	-	-
WalMart	Polk	6,238	4	0.22	Polk	5,100	6	0.21
Baycare Health System	Hillsborough	5,664	5	0.20	-	-	-	-
Florida Hospital	Hillsborough	5,179	6	0.18	-	-	-	-
H. Lee Moffitt Cancer Center & Research Institute	Hillsborough	4,500	7	0.16	-	-	-	-
Lakeland Regional Medical Center	Polk	4,499	8	0.16	Polk	4,600	8	0.19
Busch Entertainment Corporation	Hillsborough	3,500	9	0.12	-	-	-	-
HCA West Florida Division	Hillsborough	3,500	10	0.12	-	-	-	-
St. Joseph's Hospital	-	-	-	-	Hillsborough	5,242	4	0.21
Verizon Communications	-	-	-	-	Hillsborough	14,000	1	0.57
Tampa International Airport *	-	-	-	-	Hillsborough	7,760	3	0.32
JPMorgan Chase	-	-	-	-	Hillsborough	5,237	5	0.21
MOSAIC	-	-	-	-	Polk	4,000	9	0.16
Bank of America	-	-	-	-	Hillsborough	3,754	10	0.15
Total		<u>57,193</u>		<u>2.01 %</u>		<u>63,823</u>		<u>2.60 %</u>
District 16-County Total Workforce		2,832,363				2,450,452		

* Tampa International Airport determined to be a governmental employer, therefore, is not included in 2016 statistics.
Number of employees are tallied within each individual county, not Districtwide. Employers listed represent the top ten non-government county employers within all 16 District counties.
Schedule is intended to show information for the current fiscal year and nine years ago, however, data prior to fiscal year 2008 not available. Fiscal year data is for the previous calendar year.

Sources: 2008 data from E Enterprise County Profiles, 2012 Enterprise Florida, <http://www.eflorida.com>.
2016 total workforce from Woods and Poole Economics, 2016 Florida State Profile: State and County Projections to 2050.
2016 employers obtained from individual counties.

See accompanying Independent Auditors' Report.

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

Fiscal Year	Water Resources Planning and Monitoring	Land Acquisition, Restoration and Public Works	Operation and Maintenance of Works and Lands	Regulation	Outreach	Management and Administration	Total Budgeted Personnel (FTE's)
2016	150 26.13%	55 9.58%	109 18.99%	179 31.19%	12 2.09%	69 12.02%	574 100.00%
2015	148 25.78%	56 9.76%	104 18.12%	186 32.40%	12 2.09%	68 11.85%	574 100.00%
2014	152 25.98%	60 10.26%	104 17.78%	185 31.62%	14 2.39%	70 11.97%	585 100.00%
2013	154 24.96%	48 7.78%	118 19.12%	193 31.28%	22 3.57%	82 13.29%	617 100.00%
2012	164 24.16%	44 6.48%	127 18.70%	218 32.11%	25 3.68%	101 14.87%	679 100.00%
2011	151 20.52%	46 6.25%	107 14.54%	193 26.22%	23 3.13%	216 29.34%	736 100.00%
2010	162 22.01%	51 6.93%	103 14.00%	195 26.49%	22 2.99%	203 27.58%	736 100.00%
2009	162 22.01%	51 6.93%	104 14.13%	196 26.63%	20 2.72%	203 27.58%	736 100.00%
2008	131 17.80%	64 8.69%	112 15.22%	206 27.99%	20 2.72%	203 27.58%	736 100.00%
2007	125 16.98%	67 9.10%	107 14.54%	213 28.94%	20 2.72%	204 27.72%	736 100.00%

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

Source: District records - Finance Bureau, Budget Section, August 1, 2016 Standard Format Tentative Budget Submission.

See accompanying Independent Auditors' Report.

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

Fiscal Year	Water Use		Environmental Resource		Well Construction		Total	
	Permit Applications	Permits Issued	Permit Applications	Permits Issued	Permit Applications	Permits Issued	Permit Applications	Permits Issued
2016	910 11.84%	855 11.67%	2,368 30.82%	2,102 28.68%	4,406 57.34%	4,372 59.65%	7,684 100.00%	7,329 100.00%
2015	988 14.04%	897 13.36%	2,114 30.04%	1,896 28.24%	3,935 55.92%	3,922 58.40%	7,037 100.00%	6,715 100.00%
2014	970 14.29%	927 14.26%	2,043 30.11%	1,840 28.31%	3,773 55.60%	3,732 57.43%	6,786 100.00%	6,499 100.00%
2013	1,062 15.13%	929 13.98%	1,967 28.02%	1,754 26.39%	3,991 56.85%	3,963 59.63%	7,020 100.00%	6,646 100.00%
2012	1,113 14.88%	1,111 15.09%	1,878 25.11%	1,815 24.65%	4,489 60.01%	4,438 60.26%	7,480 100.00%	7,364 100.00%
2011	1,148 15.23%	1,072 14.61%	1,760 23.35%	1,641 22.37%	4,629 61.42%	4,624 63.02%	7,537 100.00%	7,337 100.00%
2010	1,055 14.37%	973 13.56%	1,883 25.65%	1,803 25.13%	4,403 59.98%	4,400 61.31%	7,341 100.00%	7,176 100.00%
2009	1,102 12.56%	1,044 12.14%	2,454 27.97%	2,392 27.81%	5,219 59.47%	5,165 60.05%	8,775 100.00%	8,601 100.00%
2008	794 5.95%	701 5.47%	3,138 23.52%	3,046 23.77%	9,410 70.53%	9,068 70.76%	13,342 100.00%	12,815 100.00%
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%

Sources: Fiscal Years 2007-2008 data obtained from the District Regulatory Database, Performance Management Office.
Fiscal Years 2009-2016 data obtained from the District Water Management Information System, Regulatory Support.

See accompanying Independent Auditors' Report.

Southwest Florida Water Management District
Estimated Total Water Use by County
(million gallons per day)
September 30, 2016
(unaudited)

County	Agricultural	Industrial/ Commercial	Mining/ Dewatering	Public Supply (Withdrawal)	Domestic Self-Supply	Landscape/ Recreation (1)	Institutional and Other Uses (2)	Total (Withdrawal) (3)	Public Supply (Use) (4)	Total (Use) (5)
Charlotte *	6.644	0.038	0.099	7.508	0.407	1.689	0.000	16.385	16.430	25.307
Citrus	1.429	3.246	0.051	14.151	4.158	3.557	0.001	26.593	13.930	26.372
DeSoto	41.854	0.621	0.003	33.195	1.469	0.242	0.000	77.384	1.359	45.548
Hardee	33.065	0.322	3.395	1.639	0.495	0.108	0.000	39.024	1.622	39.007
Hernando	1.529	5.416	0.030	18.245	3.202	2.638	0.000	31.060	18.012	30.827
Highlands *	40.234	0.094	0.015	7.228	0.713	1.959	0.001	50.244	7.177	50.193
Hillsborough	44.009	10.435	6.176	197.506	7.109	7.925	0.000	273.160	130.961	206.615
Lake *	0.824	0.000	0.000	0.000	0.079	0.000	0.000	0.903	0.000	0.903
Levy *	5.977	0.006	0.000	0.709	0.927	0.176	0.000	7.795	0.658	7.744
Manatee	47.907	0.515	4.192	42.825	0.598	8.147	0.000	104.184	38.932	100.291
Marion *	2.750	0.006	0.020	9.341	3.742	2.751	0.000	18.610	9.231	18.500
Pasco	6.423	1.314	0.061	61.153	4.682	2.666	0.157	76.456	40.203	55.506
Pinellas	0.034	0.182	0.000	23.855	0.242	2.136	0.000	26.449	88.889	91.483
Polk *	79.272	33.783	12.719	64.941	1.919	6.331	0.000	198.965	65.380	199.404
Sarasota	4.023	0.179	0.178	20.168	1.515	6.446	0.000	32.509	32.471	44.812
Sumter	6.330	0.570	0.292	24.131	2.506	2.186	0.000	36.015	23.858	35.742
	<u>322.304</u>	<u>56.727</u>	<u>27.231</u>	<u>526.595</u>	<u>33.763</u>	<u>48.957</u>	<u>0.159</u>	<u>1,015.736</u>	<u>489.113</u>	<u>978.254</u>

Data collection is based on calendar year 2015.

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

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

(2) To conform with Consumptive use permit consistency measures according to Administrative Rule 40D-2.501, Institutional and Other use categories were added in 2014.

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

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

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

Source: District records - Table 9 - 2015 Estimated Water Use Report, November 2016, www.watmatters.org

See accompanying Independent Auditors' Report.

Southwest Florida Water Management District
Nature of Capital Assets by Program
Net of Accumulated Depreciation
September 30, 2016
(unaudited)

Capital Assets	Water Resource Planning and Monitoring	Land Acquisition, Restoration and Public Works	Operation and Maintenance of Works and Lands	Regulation	Outreach	Management and Administration	Total Capital Assets
Capital Assets not subject to depreciation:							
Land	\$ 507,189	\$ 605,050,012	\$ 1,795,854	\$ -	\$ -	\$ 750,000	\$ 608,103,055
Land Interests	418,032	106,977,963	-	2,667,731	-	-	110,063,726
Land - Acquisition in Progress	7,424	141,645	-	-	-	-	149,069
Construction in Progress	2,923,679	465,592	1,198	-	-	-	3,390,469
Capital Assets subject to depreciation:							
Buildings	3,277	10,575,460	9,222,460	-	-	133,151	19,934,348
Machinery & Equipment	1,282,210	488,401	3,050,715	434,945	22,021	1,298,701	6,576,993
Infrastructure	3,145,444	65,377,972	21,675,379	-	-	27,428	90,226,223
Software (1)	461,692	59,571	121,373	1,451,331	23,388	97,477	2,214,832
Other	-	-	12,917	-	-	-	12,917
Total Capital Assets by Program	<u>\$ 8,748,947</u>	<u>\$ 789,136,616</u>	<u>\$ 35,879,896</u>	<u>\$ 4,554,007</u>	<u>\$ 45,409</u>	<u>\$ 2,306,757</u>	<u>\$ 840,671,632</u>
Percent of Total	1.04%	93.87%	4.27%	0.54%	0.01%	0.27%	100.00%

**Land Ownership
(acres)
Fiscal Year**

Type of Ownership:	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
Land										
Acquired or Surplused	117	479	(7)	(1,872)	86	1,332	206	3,964	6,809	546
Cumulative	<u>343,919</u>	<u>343,802</u>	<u>343,323</u>	<u>343,330</u>	<u>345,202</u>	<u>345,116</u>	<u>343,784</u>	<u>343,578</u>	<u>339,614</u>	<u>332,805</u>
Land Interests										
Acquired or Surplused	86	11	(55)	991	124	1,277	8,755	320	8,631	719
Cumulative	<u>105,579</u>	<u>105,493</u>	<u>105,482</u>	<u>105,537</u>	<u>104,546</u>	<u>104,422</u>	<u>103,145</u>	<u>94,390</u>	<u>94,070</u>	<u>85,439</u>
Total Acres	<u>449,498</u>	<u>449,295</u>	<u>448,805</u>	<u>448,867</u>	<u>449,748</u>	<u>449,538</u>	<u>446,929</u>	<u>437,968</u>	<u>433,684</u>	<u>418,244</u>

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

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

Source: District records - Finance Bureau, Property Administration.

See accompanying Independent Auditors' Report.

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Single Audit Compliance



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

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained *in Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities and each major fund of the Southwest Florida Water Management District (the District), as of and for the year ended September 30, 2016, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated May 16, 2017.

Internal Control over Financial Reporting

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

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

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

Compliance and Other Matters

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



Purpose of this Report

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

KPMG LLP

May 16, 2017
Certified Public Accountants



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

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

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

Report on Compliance for Each Major State Project

We have audited Southwest Florida Water Management District's (the District) compliance with the types of compliance requirements described in the Florida Department of Financial Services' *State Projects Compliance Supplement* that could have a direct and material effect on each of the District's major state projects for the year ended September 30, 2016. The District's major state projects are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the District's major state projects based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and Chapter 10.550, *Rules of the Auditor General* (Chapter 10.550). Those standards and Chapter 10.550 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major state project occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major State Project

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major state projects for the year ended September 30, 2016.

Report on Internal Control over Compliance

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



Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

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

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

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

KPMG LLP

May 16, 2017
Certified Public Accountants

SOUTHWEST FLORIDA WATER MANAGEMENT DISTRICT
Schedule of Expenditures of Federal Awards and State Financial Assistance
Year ended September 30, 2016

Grantor/Pass through Agency	CFDA, CSFA Number	Grant ID #	Expenditures	
<u>FEDERAL AWARDS</u>				
<u>U.S. Department of Homeland Security - Federal Emergency Management Agency (FEMA)</u>				
Direct Program:				
Cooperating Technical Partners Mapping Activity Statement Citrus & Highlands Co	97.045	EMA-2006-CA-5613	\$ 7,778	
Cooperating Technical Partners Mapping Activity Statement DeSoto & Hardee Co	97.045	EMA-2005-CA-5218	80,366	
Cooperating Technical Partners Mapping Activity Statement Levy & Sumter	97.045	EMA-2004-CA-5779	16,961	
Cooperating Technical Partners Agreement (M118K)	97.045	EMA-2012-CA-5263	11,313	
Cooperating Technical Partners Agreement (M118L)	97.045	EMA-2012-CA-5263	20,230	
Total U.S. Department of Homeland Security - FEMA			136,648	
Total Expenditures of Federal Awards			\$ 136,648	
<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	various	FFTF	\$ 38,025
Land Acquisition Trust Fund	37.022	various	LATF	479,779
WMLTF - Duck Slough	37.022	N502	WMLTF	88,562
WMLTF - Surface Water Improvement and Management (SWIM)	37.022	various	WMLTF	18,859
Total Program				<u>625,225</u>
Statewide Surface Water Restoration and Wastewater Projects:				
Shell Creek	37.039	H723	SWW51 Eco	16,335
Myakka State Forest	37.039	SA31	SWW91 Eco	40,423
Neal Preserve	37.039	W616	SWW81 Eco	2,337
Pithlachacotee Anclote River	37.039	L738	2015REV11	994,877
Rock Pond Ecosystem Restoration	37.039	W395	SWW71,81,91 Eco	380,831
Upper Peace River/Lake Hancock Level Modification	37.039	H008	SWW71,81 Eco	12,855
Total Program				<u>1,447,658</u>
Springs Initiative				
Southwest Florida Springs Initiative Project	37.052	P100	S0684 / 2014REV07	296,885
Southwest Florida Springs Initiative Project Pasco County Reclaimed Water	37.052	N547	S0816 / 2015REV10	300,000
Total Program				<u>596,885</u>
Water Protection and Sustainability Program Trust Fund:				
West-Central Florida Water Restoration Action Plan (WRAP)	37.066	various	SWW91	15,419
WPSPTF Alternative Water Supply Projects	37.066	various	WPSPTF	18,840
Surface Water Improvement and Management (SWIM)	37.066	various	WPSPTF	36,020
Total Program				<u>70,279</u>
Total Department of Environmental Protection				2,740,047
<u>Department of Transportation (DOT)</u>				
Stormwater Retrofit:				
Robles Park Water Quality	55.024	W235	A-PJ34 / 2009REV06	149,210
Total Program				<u>149,210</u>
Total Department of Transportation				149,210
Total State Financial Assistance				\$ 2,889,257
Total Expenditures of Federal Awards and State Financial Assistance				\$ 3,025,905

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

SOUTHWEST FLORIDA WATER MANAGEMENT DISTRICT

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

September 30, 2016

(1) Basis of Presentation

The accompanying schedule of expenditures of federal awards and state financial assistance includes the federal and state grant activity of the Southwest Florida Water Management District, and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, Section 215.97, *Florida Statutes*, and Chapter 10.550, *Rules of the Auditor General*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in, the preparation of the basic financial statements.

(2) Administrative Cost Allowance

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

SOUTHWEST FLORIDA WATER MANAGEMENT DISTRICT
Schedule of Findings and Questioned Costs
September 30, 2016

(1) Summary of Auditors' Results

- | | |
|--|---------------|
| (a) The type of report issued on each opinion unit on whether the financial statements were prepared in accordance with U.S. generally accepted accounting principles: | Unmodified |
| (b) Internal control deficiencies over financial reporting disclosed by the audit of the financial statements: | |
| • Material weaknesses: | No |
| • Significant deficiencies: | None reported |
| (c) Noncompliance material to the financial statements: | No |
| (d) Internal control deficiencies over major state projects disclosed by the audit: | |
| • Material weaknesses: | No |
| • Significant deficiencies: | None reported |
| (e) Type of auditors' report issued on compliance for major state projects: | Unmodified |
| (f) Any audit findings that are required to be reported in accordance with Section 215.97, <i>Florida Statutes</i> : | No |
| (g) The state projects selected as major: | |

CFSA #

Florida Department of Environmental Protection: Statewide Surface Water Restoration and Wastewater Projects	37.039
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- | | |
|--|-----------|
| (h) Dollar threshold used to distinguish between Type A and Type B state projects: | \$300,000 |
|--|-----------|

(2) Findings Relating to the Financial Statements Reported in Accordance with <i>Government Auditing Standards</i>:	None
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(3) Findings and Questioned Costs Relating to State Projects:	None
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Management Letter



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

May 16, 2017

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) as of and for the year ended September 30, 2016, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated May 16, 2017.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. We have also issued our report dated May 16, 2017 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters, as well as our report on the District's compliance and internal control over compliance that could have a direct and material effect on each major state project, and the related schedule of findings and questioned costs. Disclosures in those reports, if any, should be considered in conjunction with this management letter.

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

Prior Audit Findings

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

Other Matters

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

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

Official Title and Legal Authority

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



Financial Condition Assessment

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

Management of the District has determined that the District is not in a state of financial emergency as defined in Section 218.503(1), *Florida Statutes*. In connection with our audit of the financial statements, the results of our tests did not indicate that the District has met any of the conditions described in Section 218.503(1), *Florida Statutes*.

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

Annual Financial Report

The *Rules of the Auditor General*, Section 10.554(1)(i)(5)(b), require that we determine whether the annual financial report for the District for the fiscal year ended September 30, 2016, 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, 2016. In connection with our audit, we determined that these reports were in agreement.

Monthly Financial Statements

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

Transparency

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



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

* * * * *

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

Very truly yours,

KPMG LLP

May 16, 2017
Certified Public Accountants

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Independent Accountants' Report



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

Independent Accountants' Report

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

We have examined the Southwest Florida Water Management District's (the District) compliance with Section 218.415, *Florida Statutes*, as of September 30, 2016. Management is responsible for the District's compliance with those requirements. Our responsibility is to express an opinion on the District's compliance based on our examination.

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

In our opinion, the Southwest Florida Water Management District complied, in all material respects, with the aforementioned requirements as of September 30, 2016.

KPMG LLP

May 16, 2017
Certified Public Accountants