

COMPREHENSIVE ANNUAL FINANCIAL REPORT

*The South Florida Water Management District
is a Component Unit of the State of Florida*

Fiscal Year Ended
September 30, 2016



Lake Marion Creek

Lake Marion Creek is located in Polk County and consists of more than 8,000 acres. Most of the area is hardwood swamp and aids to protect water and other natural resources. Lake Marion Creek flows from Lake Marion to Lake Hatchineha. The District acquired several parcels through the Save Our Rivers program. This floodplain swamp also acts a buffer for developed areas and the river.

COMPREHENSIVE ANNUAL FINANCIAL REPORT



SOUTH FLORIDA WATER MANAGEMENT DISTRICT A Component Unit of the State of Florida

Fiscal Year Ended September 30, 2016

Prepared by
Finance Bureau, Administrative Services Division
John Wright, Bureau Chief



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INTRODUCTORY SECTION

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2016**

TABLE OF CONTENTS

INTRODUCTORY SECTION

LETTER OF TRANSMITTAL.....	I-1
ORGANIZATION CHART AND LIST OF PRINCIPAL OFFICIALS.....	I-9
GFOA CERTIFICATE OF ACHIEVEMENT	I-10
MAP OF THE GEOGRAPHIC BOUNDARIES OF THE DISTRICT	I-11

FINANCIAL SECTION

REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS	II-1
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A) (UNAUDITED)	II-3

BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE FINANCIAL STATEMENTS

Statement of Net Position	III-1
Statement of Activities.....	III-2

FUND FINANCIAL STATEMENTS

Governmental Funds Financial Statements

Balance Sheet	III-3
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position.....	III-6
Statement of Revenues, Expenditures and Changes in Fund Balances.....	III-7
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	III-10

Proprietary Funds Financial Statements

Statement of Position	III-11
Statement of Revenues, Expenses, and Changes in Fund Net Position	III-12
Statement of Cash Flows	III-13

NOTES TO THE BASIC FINANCIAL STATEMENTS.....	III-15
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**SOUTH FLORIDA WATER MANAGEMENT DISTRICT
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2016**

TABLE OF CONTENTS

FINANCIAL SECTION (Continued)

REQUIRED SUPPLEMENTARY INFORMATION OTHER THAN MD&A (UNAUDITED)

BUDGET TO ACTUAL COMPARISON – MAJOR FUNDS (General and Special Revenue)

General Fund	IV-1
Okeechobee Basin SR.....	IV-3
Everglades Restoration Trust SR.....	IV-5
Lake Belt Mitigation Trust SR.....	IV-7
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE	
OF THE NET PENSION LIABILITY - FRS.....	IV-8
SCHEDULE OF THE DISTRICT'S CONTRIBUTIONS - FRS	
	IV-9
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE	
OF THE NET PENSION LIABILITY - HIS.....	IV-10
SCHEDULE OF THE DISTRICT'S CONTRIBUTIONS - HIS.....	
	IV-11
SCHEDULE OF EMPLOYER CONTRIBUTIONS - OPEB.....	
	IV-12
SCHEDULE OF FUNDING PROGRESS - OPEB.....	
	IV-12
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION.....	
	IV-13

OTHER SUPPLEMENTARY INFORMATION

Nonmajor Governmental Funds

Descriptions of the Nonmajor Governmental Funds.....	V-1
Combining Balance Sheet.....	V-5
Combining Statement of Revenues, Expenditures and Changes in Fund Balances...	V-14
Budget to Actual Comparison - Other Major and Nonmajor Governmental Funds	
Special Revenue Funds	
Big Cypress Basin	V-23
Save Our Rivers	V-25
State Appropriations	V-26
Invasive Aquatic Plant Control.....	V-27
Upland Invasive Plant Control	V-28
Wetland Mitigation	V-29
Indian River Lagoon Restoration	V-30
Federal Land Management	V-31
External Grants	V-32
Everglades License Plate	V-33
Lake Okeechobee	V-34
Save Our Everglades	V-35
Land Acquisition Trust	V-36
Federal Emergency Management Agency	V-37
Florida Bay	V-38

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2016**

TABLE OF CONTENTS

FINANCIAL SECTION (Continued)

OTHER SUPPLEMENTARY INFORMATION (Continued)

Budget to Actual Comparison - Other Major and Nonmajor Governmental Funds (Continued)

Capital Projects Funds

District.....	V-39
Okeechobee Basin	V-41
Big Cypress Basin	V-42
Save Our Rivers	V-43
State Appropriations	V-44
Everglades Trust Fund	V-45
Federal Emergency Management Agency	V-46
Florida Bay	V-47
Wetland Mitigation	V-48
Comprehensive Everglades Restoration Plan (CERP)	V-49
Federal Land Acquisition	V-50
Save Our Everglades	V-51
Comprehensive Everglades Restoration Plan – Other Creditable Fund	V-52
COPS – Everglades Forever Act.....	V-53
COPS – Comprehensive Everglades Restoration Plan.....	V-54
Lake Belt Mitigation	V-55
Lake Okeechobee	V-56
Land Acquisition Trust Fund	V-57

Permanent Fund

Wetland Mitigation	V-58
--------------------------	------

Internal Service Funds

Descriptions of the Internal Service Funds.....	V-59
Combining Statement of Net Position	V-60
Combining Statement of Revenues, Expenses and Changes in Fund Net Position	V-61
Combining Statement of Cash Flows.....	V-62

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2016**

TABLE OF CONTENTS

STATISTICAL SECTION (UNAUDITED)

Net Position by Category	VI-2
Changes in Net Position.....	VI-3
Fund Balances, Governmental Funds.....	VI-5
Changes in Fund Balances, Governmental Funds	VI-6
Revenues by Source.....	VI-8
Property Tax Revenue by County	VI-9
Direct Property Tax Rates	VI-11
Property Tax Collections	VI-12
Taxable Property Values and Just Values of Taxable Property by County.....	VI-13
Taxable Value of Property.....	VI-14
Assessed Value Per Capita	VI-15
Principal Property Tax Payers.....	VI-16
Ratios of Outstanding Debt by Type	VI-17
Pledged-Revenue Bond Coverage.....	VI-18
Demographic and Economic Statistics.....	VI-19
District Population by County.....	VI-20
Employment Data.....	VI-21
Ten Largest Employers within District Boundaries.....	VI-22
Authorized Positions per 100,000 Population	VI-23
District Employees by Resource Area and Major Program.....	VI-24
District Employees by Major Program.....	VI-25
Permit Applications Received	VI-26
Water Moved by District Pump Stations.....	VI-27
Exotic Plant Control.....	VI-28
Prescribed Burns.....	VI-29
Stormwater Treatment	VI-30
Capital Assets by Major Program.....	VI-31

DISCLOSURE SECTION (UNAUDITED)

SEC RULE 15c2-12 DISCLOSURES

District Agreement and Effective Dates.....	VII-1
Annual Financial Information.....	VII-2
Security for the Certificates of Participation	VII-2
Purpose of the Series 2015 Certificates.....	VII-2
Lease Payments	VII-2
Annual Debt Service Requirements.....	VII-3
Audited Annual Financial Statements	VII-3
Required Notices.....	VII-4

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2016**

TABLE OF CONTENTS

SINGLE AUDIT

MANAGEMENT LETTER

ATTESTATION REPORT



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SOUTH FLORIDA WATER MANAGEMENT DISTRICT

TO: Governing Board Members and Peter Antonacci, Executive Director

SUBJECT: Comprehensive Annual Financial Report – Fiscal Year 2016

Florida Statutes require an external audit of the financial statements be performed by a firm of independent certified public accountants to express an opinion that the basic financial statements of the South Florida Water Management District (District) are fairly presented in conformance with accounting principles generally accepted in the United States (GAAP). Pursuant to this requirement, the comprehensive annual financial report for the District is hereby issued for the fiscal year ended September 30, 2016.

Responsibility for the integrity, objectivity, accuracy, completeness and fairness of presentation of these basic financial statements rests with management. The basic financial statements were prepared in conformity with generally accepted accounting principles for governmental entities. Management believes the information to be accurate in all material respects and fairly presents the District's financial position and operating results. The report includes disclosures required to provide an understanding of the District's financial affairs.

Management is responsible for maintaining an internal control structure designed to ensure that District assets are protected from loss, theft, or misuse. The concept of reasonable assurance recognizes that the cost of a control should not exceed the expected benefits, and the evaluation of costs and benefits requires management's estimates. The Governing Board and management have a plan of organization and policies in place to safeguard assets, validate the reliability of accounting data, promote operational efficiency, and encourage adherence to prescribed managerial policies and procedures. District management believes these existing internal accounting controls adequately safeguard assets and provide reasonable, but not absolute, assurance of proper recording and reporting of District finances.

Independent auditors have audited the basic financial statements in accordance with generally accepted auditing standards and included a review of internal accounting controls to the extent necessary to express an opinion on the fairness of these basic financial statements. The independent auditors concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the South Florida Water Management District's basic financial statements for the fiscal year ended September 30, 2016 are fairly presented, in all material respects, in accordance with GAAP. The independent auditors' report is presented as the first component of the financial section (Section II) of this report.

The independent audit of the District's basic financial statements was part of a broader federal and state mandated "Single Audit" designed to meet the special needs of federal and state grantor agencies. The standards governing Single Audit engagements require the independent auditors to report not only on the fair presentation of the basic financial statements, but also on the District's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of major federal awards and major state financial assistance. These reports are available in the District's separately issued Single Audit Report.

SOUTH FLORIDA WATER MANAGEMENT DISTRICT

Generally accepted accounting principles require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The District's MD&A can be found immediately following the report of the independent auditors.

DISTRICT BACKGROUND

South Florida's subtropical extremes of hurricane, flood, and drought combined with efforts to populate this "new frontier" led the U.S. Congress to adopt legislation creating the Central and Southern Florida Flood Control Project in 1948.

The project's primary goal was to serve the needs of the region's growing agricultural and urban populations and to protect and manage water resources. The United States Army Corps of Engineers would, over the following decades, design and build a vast network of levees, canals, water control structures, and other improved waterways designed to help manage the often unpredictable weather extremes of the region.

In 1949 the Florida Legislature created the Central and Southern Florida Flood Control District (FCD) to act as the local sponsor for the project, operating and maintaining the water control network with funding from property taxes levied within the District boundaries. Throughout its history, this regional water resource agency evolved and grew primarily in response to population growth and development and their impact on water resources.

The Florida Water Resources Act of 1972 launched the most significant change in the state's approach to natural resource management. This legislation divided the state into five regional water management districts and greatly expanded the responsibilities of the existing FCD. This included a greater emphasis on water quality and environmental protection initiatives.

The FCD was renamed the South Florida Water Management District (the "District") in 1976, and new boundaries were drawn to encompass the region's primary watersheds. Since 1949, the District has grown into a multi-faceted agency responsible for most water resource related issues – from providing flood protection and water supply protection to people living in cities and on farms to restoring and managing natural ecosystems.

The District's Governing Board is composed of nine members appointed from specific geographic areas within District boundaries. The members are appointed by the Governor and are confirmed by the Florida Senate. Appointments are made on a staggered basis and members serve without salary for a term of four years. The Board elects its own officers, including a chairman and vice-chairman.

GEOGRAPHIC BOUNDARIES OF THE DISTRICT

Water management district boundaries are based on natural, hydrological basins rather than political or county limits to allow for effective and efficient planning and management. The boundaries of the District encompass all or part of 16 south Florida counties, covering a total area of 17,930 square miles. Approximately 8.3 million people live within the District's boundaries. A map showing the geographic boundaries of the District can be found on page I-11.

GENERAL OPERATIONS

The District's water management system includes roughly 4,098 miles of maintained canals and levees along with 692 water control structures and weirs and 618 smaller project culverts operated by the District. The District has approximately 71 pumping stations which can move hundreds of millions of gallons of water in and out of storage areas, providing both water supply and flood protection. The man-made water management system undergoes continuous enlargement and refinement with new construction, acquisitions, and upgrades to the existing network. This enhances the system's ability to provide flood control and water supply protection as well as preserve water quality and environmental values.

District employees are located at facilities across the 16 county jurisdiction to offer the public more direct and responsive access to permitting and other agency functions. These locations include eight Field Stations located in St. Cloud, Okeechobee, Clewiston, West Palm Beach, Fort Lauderdale, Miami, Homestead, and Naples. District headquarters are in West Palm Beach with Service Centers located in Fort Myers, Naples, Orlando and Okeechobee.

The Big Cypress Basin Branch Office and Field Station are headquartered in Naples. Operations and policies for the Basin are directed by a six-member Basin Board and are carried out by Basin staff, under the direction of the Basin Administrator.

REGULATORY POWERS

The District has a number of regulatory programs designed to protect the region's water resources. Under the State's 1993 environmental streamlining initiative, land alteration activities or works affecting water resources are regulated under one type of permit – the Environmental Resource Permit. The water management districts and the Florida Department of Environmental Protection have developed uniform wetland delineation, mitigation banking, and environmental resource permitting criteria. The District is also responsible for regulating consumptive uses of water. Types of activities regulated by the District include:

- projects with impacts on wetlands or other surface waters (dredge and fill),
- use of District lands, canals, streams or aquifers,
- drainage system construction or operation, and
- well construction.

OTHER DISTRICT PROGRAMS

The District's responsibilities reach far beyond regulatory programs and operations. The District acquires, manages, and restores lands for the conservation and preservation of water resources as well as for the ancillary benefit of public recreation.

Water resource education targeted at schools and at the general public is an important District focus. Partnerships and coordination with other levels of government and other agencies help support water resource development projects, development of alternative water supplies, water conservation, reuse, and stormwater management goals.

SOUTH FLORIDA WATER MANAGEMENT DISTRICT

Research, data collection, and analysis help ensure District projects and programs are effective and efficient. Emergency operations and management are a cornerstone of District operations, especially during the hurricane season, or the seven-month dry season when serious water shortages can occur. The District is also a leader in melaleuca, aquatic weed, and other exotic pest plant control.

REGIONAL ECONOMIC CONDITION AND OUTLOOK

Conditions in the local economy affect the District's ability to generate revenues. This is because the District's primary revenue is from ad valorem taxes, which are property taxes based on assessed values of property in the region. Population growth and the associated construction of housing and commercial structures along with unemployment and interest rates are the primary factors that contribute to changes in property prices, which result in adjustments to assessed values.

Population growth within the District's geographic boundaries has remained fairly consistent during the recent fiscal year, with a 1.7 percent increase, compared to the prior year's increase of 1.6 percent. The District's population is expected to steadily increase by 7.6 percent from 2015 through 2020, with the largest numerical increases through 2020 occurring in Lee, Miami-Dade, and Palm Beach Counties and the highest percentage growth rates occurring in Lee, Osceola, and St. Lucie Counties, according to data published by the Florida Office of Economic and Demographic Research.

Florida, along with the nation, continues to manage the slow economic conditions. The October 2016 unemployment rate for Florida was 4.9 percent compared to 5.4 percent (adjusted) from a year ago; and 4.8 percent for the entire United States compared to 5.0 (adjusted) percent from a year ago. This decrease in state and national unemployment rates suggests stabilization in the economic downturn of recent years, and the reduced unemployment rate, coupled with other economic indicators such as a moderate resurgence in the housing market and leveling off of foreclosure rates should translate into property values remaining steady in 2016 and even experiencing a slight increase over values of recent past.

The District's adopted ad valorem millage rates decreased for fiscal year 2016, to a District-wide rate of .1459 for fiscal year 2015 compared to .1577 mills for the prior fiscal year. This decrease in millage rate is a reflection of Governing Board policy to levy rolled-back millage rate which represents no tax increase. In 2011 Senate Bill (SB) 2142 set a maximum amount of revenue that can be raised each fiscal year by the five water management districts. Senate Bill 1986 subsequently superseded SB 2142, authorizing the Florida Legislature to set the maximum millage rate for each water management district, and providing legislative review and oversight for district budgets. In addition, the District's ad valorem revenue growth is limited by the Property Tax Reduction and Reform bill passed by the Florida Legislature in June 2007, which required a reduction in taxes by all local governments and special taxing districts from three to nine percent, depending on their past per capita tax increases. This legislation also limited future year revenues by setting more stringent Governing Board voting requirements to increase agency millage rates. The District's 2016 budget reflected a 0.4 percent increase in ad valorem property taxes levied, which equates to an increase of \$1.0 million from the prior fiscal year.

MAJOR INITIATIVES

EVERGLADES RESTORATION

Florida's Everglades are the largest subtropical wetlands in the United States and are a unique resource. The Everglades "River of Grass" contains a diversity of plants and wildlife not found anywhere else in the United States. For more than a century, human activities have altered the ecosystem to provide for the development of a growing population, agriculture, and protection against deadly hurricanes and droughts.

Today, the Everglades face critical challenges as a result of more than 100 years of human progress. Phosphorus-enriched agricultural and stormwater runoff has threatened the ecosystem's delicate balance. Other threats include changes in the quantity, distribution, and timing of freshwater; an infestation of non-native plants and animals; mercury accumulation in the tissue of some Everglades fish, birds, and other animals; and a reduction in the size of the Everglades marshes.

The **Everglades Forever Act** (EFA), passed by the Florida Legislature in 1994, directed the District to acquire land, design, permit, and construct a series of Stormwater Treatment Areas (STAs) to reduce phosphorus levels from stormwater runoff and other sources before it enters the Everglades Protection Area. The District implemented the Everglades Construction Project and the Everglades Restoration Program in order to meet the requirements of the Everglades Forever Act. In 2003, the Everglades Forever Act was amended, requiring the implementation of the Long-Term Plan for Achieving Water Quality Goals in the Everglades Protection Area (Long-Term Plan).

The **Everglades Construction Project** (ECP) was the first major step in Everglades restoration pursuant to the 1994 Everglades Forever Act. The STAs, which consist of six large constructed wetlands, totaling over 52,000 acres of effective treatment area, are the cornerstone of the ECP. Other ECP components include hydropattern improvements and diversion of stormwater flows from Lake Okeechobee. Operations and maintenance of the STAs and other features of the ECP have commenced upon completion of each individual project. The latest data indicates that over the past seventeen years, phosphorus control programs consisting of Stormwater Treatment Areas and best farming/management practices together have prevented over 5,126 metric tons of phosphorus from entering the Everglades.

The Long-Term Plan, which builds upon and expands the ECP, contains activities to achieve Everglades water quality goals and to permit the State of Florida and the District to fulfill their obligations under both the Everglades Forever Act and the Federal Everglades Settlement Agreement. The success of the Long-term Plan is predicated upon using an adaptive implementation approach, whereby the best available information is used to develop and implement incremental improvement measures as their need and utility is confirmed.

The **Comprehensive Everglades Restoration Plan** (CERP) is a 30-year plan which provides the framework for the restoration, protection, and preservation of the naturally occurring water resources of the central and southern Florida region which originate in the Everglades. As the plan's major local sponsor, the South Florida Water Management District has partnered with the United States Army Corps of Engineers to implement CERP, the goal of which is to increase water storage and improve the timing, quality, and distribution of water deliveries to the Everglades ecosystem. Principal features of the plan are the creation of new reservoirs and wetlands-based water treatment areas.

SOUTH FLORIDA WATER MANAGEMENT DISTRICT

The United States Congress approved CERP in 2000, under the Water Resources Development Act, authorizing ten initial full-scale projects along with six pilot projects. Implementation is currently estimated to cost \$13.5 billion (at 2009 price levels, including subsequently authorized CERP revisions), according to the 2010 Report to Congress, half of which will be paid by the federal government. The estimated costs for CERP have increased to \$17.6 billion, based on price level (inflation) adjustments to 2014 dollars.

During 2005, the District launched an expedited initiative to be financed by Certificates of Participation to revitalize the ecosystem by increasing the pace on eight restoration projects included in the CERP and Everglades plans. Through fiscal year 2016, proceeds from the certificates, including interest earnings, totaling \$610.7 million have been utilized to reimburse project construction costs.

LAKE OKEECHOBEE

The Lake Okeechobee Project is a multi-year, multi-component project which is designed to improve Lake Okeechobee and its estuaries by reducing excess nutrient loading, managing water levels, and reducing or eliminating exotic plant species. In 2000, the Florida State Legislature passed the Lake Okeechobee Protection Bill, which required the District, in partnership with the Florida Department of Agriculture and Consumer Services and the Florida Department of Environmental Protection, to restore the lake and its watershed. In 2007, the project was further extended under the Northern Everglades and Estuaries Protection legislation. This legislation, which expanded the existing Lake Okeechobee Protection Bill to include the Caloosahatchee and St. Lucie Rivers and estuaries, addressed both water quality and water storage needs. Total expenditures for the Lake Okeechobee Project for fiscal year 2016 totaled \$19.1 million.

FINANCIAL POLICIES

LONG RANGE FINANCIAL PLANNING AND FINANCIAL POLICIES

In accordance with Senate Bill 1986 and budgetary guidance from the Florida Department of Environmental Protection and our Governing Board, the District has thoroughly evaluated its fiscal commitments in order to fulfill Executive and Legislative direction. The District has reduced taxes and directed its fiscal resources towards its core mission of flood control, water supply, water quality and natural systems. The District has established a five-year spend-down plan to dedicate accumulated reserves and cash balances toward further improvements in water storage and water quality in the northern and southern Everglades, Lake Okeechobee and the St. Lucie and Caloosahatchee watersheds, while ensuring sufficient reserves remain available to address hurricane or unanticipated flood control infrastructure emergencies. In addition, a long-range strategic plan is prepared which provides the District and the public it serves with a guide for successfully meeting the District's priorities for the next five years. The plan is used during the development of the annual operating budget and to achieve the long term goals of the District.

PRINCIPLES OF SOUND FINANCIAL MANAGEMENT

Management acknowledges its responsibility for sound administration of the District's financial resources. This responsibility begins with *Principles of Sound Financial Management*. These are sixteen guiding principles established by the Governing Board that reflect core business beliefs of

SOUTH FLORIDA WATER MANAGEMENT DISTRICT

the District. One of the principles states that the District will maintain accountability and prudently use financial resources. As an integral part of the goal of fiscal accountability, management currently provides useful, timely, and accurate financial information for reporting, analysis, and decision making. The objective of this report is to clearly communicate the agency's operating results and financial position.

BUDGET ADOPTION AND CONTROLS

The Truth-in-Millage (TRIM) Act enacted by state legislation requires disclosures of information regarding tax millage and budget adoption. Each year, following the required disclosures and two statutorily required public hearings, the Governing Board sets millage rates and adopts a budget.

The District's level of budgetary control, defined as the lowest level at which management may not reallocate resources without approval of the Governing Board, is at the program level within a fund and resource area. The Board also approves budget transfers among departments and capital projects during the year. Chapter 373.536, Florida Statutes, provides additional guidance and criteria regarding the District's budget development, adoption and approval process. Encumbrance accounting is used to reserve budgeted appropriations of commitments for unperformed contracts for goods and services.

DEBT ADMINISTRATION

In February 2016, the District advance refunded \$442,025,000 of the par value of its Series 2006 Certificates of Participation (COPs). This in-substance defeasance was financed through the issuance of the Series 2015 Refunding COPs with a par value of \$385,425,000 together with a net premium of \$70,872,796.80. The refunding did not include \$12,750,000 of the Series 2006 debt, which matured on October 1, 2016. The Series 2006 COPs were issued to provide funds for the construction of projects in furtherance of Everglades restoration. At September 30, 2016, the District's COPS were rated Aa3, AA and AA- by Moody's, S&P and Fitch Ratings, respectively. The total liability for the revenue bonds including both Series 2006 and Series 2015 at September 30, 2016 is \$398.2 million. The District is obligated for payments on the COPS through fiscal year 2037.

Legislation passed by the Florida Legislature in 2009 limits the District's annual debt service for revenue bonds to an amount not to exceed 20.0 percent of annual ad valorem tax revenues of the District, unless otherwise approved by the Joint Legislative Budget Commission. Bonds issued and outstanding before January 1, 2009, are exempt from this statute and are not included in the calculation of this limitation.

CERTIFICATE OF ACHIEVEMENT FOR EXCELLENCE IN FINANCIAL REPORTING

The Government Finance Officers Association of the United States and Canada (GFOA) awarded their Certificate of Achievement for Excellence in Financial Reporting to the South Florida Water Management District for its comprehensive annual financial report for the fiscal year ended September 30, 2015. This was the twenty-sixth consecutive year 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, satisfying both generally accepted accounting principles and applicable legal requirements.


SOUTH FLORIDA WATER MANAGEMENT DISTRICT


A Certificate of Achievement is valid for a period of one year only. Management believes that the 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.

ACKNOWLEDGMENTS

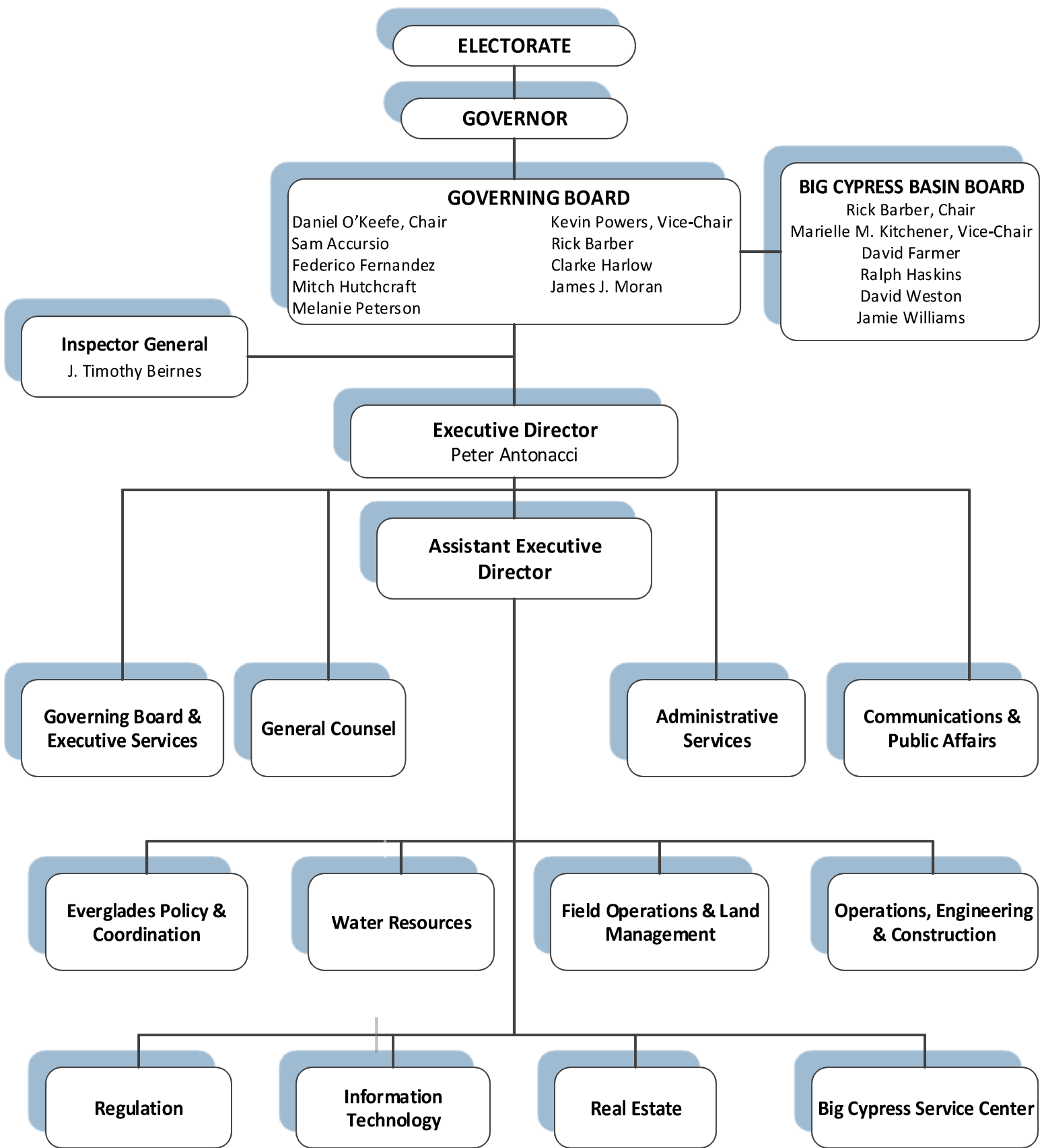
Management extends its sincere appreciation to the many District employees who provide their dedicated efforts to complete the research and analysis necessary for the preparation of this report. Special thanks go to the employees of the Finance Bureau for their diligence in the production of this report.

Respectfully submitted,


Dorothy Bradshaw
Director of Administrative Services
April 28, 2017


John Wright, Chief
Finance Bureau, Administrative Services

SFWMD ORGANIZATION CHART AND LIST OF PRINCIPAL OFFICERS





Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**South Florida
Water Management District**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

September 30, 2015

Executive Director/CEO

South Florida Water Management District Geographic Boundaries



The South Florida Water Management District (SFWMD) encompasses all or part* of 16 counties:

- | | | | |
|------------|------------|-------------|------------|
| Broward | Glades | Martin | Osceola* |
| Charlotte* | Hendry | Monroe | Palm Beach |
| Collier | Highlands* | Okeechobee* | Polk* |
| Miami-Dade | Lee | Orange* | St. Lucie |



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FINANCIAL SECTION

Independent Auditor's Report

To the Governing Board
South Florida Water Management District
West Palm Beach, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the South Florida Water Management District (the District), a component unit of the State of Florida, 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 accounting principles generally accepted in the United States of America; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the District, as of September 30, 2016, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters*Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, schedules of the proportionate share of net pension liability for FRS and HIS, schedules of contributions for FRS and HIS, schedule of funding progress for other post-employment benefits, and schedule of employer contributions for other post-employment benefits, and the budgetary comparison schedules – General Fund, the Okeechobee Basin Special Revenue Fund, the Everglades Restoration Special Revenue Fund and the Lake Belt Mitigation Special Revenue Fund be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, the budgetary comparison schedules, the statistical and disclosure sections, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and the budgetary comparison schedules are the responsibility of management and were derived from and relates directly to the underlying accounting and other records used to prepare the basis 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 combining and individual nonmajor fund financial statements and the budgetary comparison schedules are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

The introductory section and the statistical and disclosure 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 it.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued, under separate cover, our report dated April 27, 2017, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

RSM US LLP

West Palm Beach, Florida
April 27, 2017

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2016**

Management's discussion and analysis of the South Florida Water Management District's financial performance provides an overview of the District's financial activities for the fiscal year ended September 30, 2016. Please read it in conjunction with the transmittal letter beginning on page I-1 and the District's basic financial statements, which begin on page III-1.

FINANCIAL HIGHLIGHTS

- District assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources at fiscal year-end 2016 by approximately \$4.95 billion.
- Net position increased approximately \$174.1 million, or approximately 3.6 percent during the year, remaining relatively stable at \$4.95 billion at September 30, 2016.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$3.2 million, or about 3.3 percent of total General Fund expenditures.
- The District's total capital assets increased by \$166.5 million during the current fiscal year. This increase is the net of \$170.2 million in additions resulting primarily from construction of various projects, and \$3.7 million in retirements resulting primarily from the sale of District land.

OVERVIEW OF THE BASIC 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 includes 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. There are two basic government-wide financial statements: the statement of net position and the statement of activities. Both basic government-wide financial statements are presented using the economic resources measurement focus and the accrual basis of accounting.

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

The statement of activities presents information showing how the government'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 the 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 can be found on pages III-1 to III-2 of this report.

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2016**

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. The District maintains governmental funds and proprietary funds.

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 a government'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 maintains 38 individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for the General Fund, Okeechobee Basin Special Revenue Fund, Everglades Restoration Trust Special Revenue Fund, Lake Belt Mitigation Special Revenue Fund, Okeechobee Basin Capital Projects Fund, Everglades Trust Capital Projects Fund, Save Our Everglades Capital Projects Fund, and Land Acquisition Trust Capital Projects Fund, all of which are considered to be major funds. Data from the other 30 governmental funds are combined into a single, aggregated presentation. The basic governmental fund financial statements can be found on pages III-3 to III-10 of this report.

Individual fund data for each of the 30 non-major governmental funds is provided in the form of combining statements on pages V-5 to V-22 of this report.

Proprietary funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements, which are in a manner similar to a private-sector business. Similar to the government-wide financial statements, proprietary fund financial statements focus on both short-term and long-term financial information. Proprietary fund financial statements consist of a statement of net position, a statement of revenues, expenses, and changes in fund net position and a statement of cash flows. These statements are prepared using the economic resources measurement focus and the accrual basis of accounting. Proprietary funds can be categorized as enterprise funds or internal service funds. Enterprise funds account for goods and services provided to those outside the District, generally on a user-charge basis. Internal service funds report activities that provide supplies and services for the District's other programs and activities.

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2016**

Currently, the District maintains no enterprise funds. However, the District maintains two individual internal service funds. Information is presented combined in the statement of net position, the statement of revenues, expenses, and changes in fund net position and the statement of cash flows for the Self-Insurance Fund and the Health Benefits Fund. Because these services predominantly benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements. The basic proprietary fund financial statements can be found on pages III-11 to III-13 of this report.

Individual fund data for each of the two proprietary funds is provided in the form of combining statements on pages V-60 to V-62 of this report.

The District adopts an annual appropriated budget for all of its funds. Budgetary comparison schedules have been provided that include the original and final appropriated budgets as well as the final actual results of operations for the General Fund, Okeechobee Basin Special Revenue Fund, Everglades Restoration Trust Special Revenue Fund and Lake Belt Mitigation Special Revenue Fund to demonstrate compliance with these budgets. The budgetary comparison schedules for these four funds are being reported as required supplementary information other than management's discussion and analysis and are presented immediately after the notes on pages IV-1 to IV-7. Budgetary comparison schedules for the other governmental funds are presented on pages V-23 to V-58 of this report.

Notes to the basic 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 basic financial statements can be found on pages III-15 to III-56 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

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, net position is \$4.95 billion at the close of the most recent fiscal year, an increase of \$174.1 million from the prior fiscal year. By far, the largest portion of the District's net position (92.0 percent) reflects its investment in capital assets (e.g., land, buildings, equipment) less any related outstanding debt used to acquire those assets. The District uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. All of the remaining net position plus an additional \$26.6 million are subject to external restrictions on how they may be used. As such, the District is reporting a negative unrestricted net position of \$26.6 million at the end of fiscal year 2016, which was primarily caused by the recording of a net pension liability related to the Florida Retirement System as part of the adoption of GASB Statement Nos. 68 and 71.

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2016**

The balance of current and other assets at the end of fiscal year 2016 decreased from the prior year balance, reflecting a net decrease of \$15.2 million. A number of variances contributed to the decrease, the most significant of which are decreases in cash and investments and other assets of \$8.5 million and \$7.1 million, respectively. The decrease in cash and investments is primarily a result of expenditures incurred for the acquisition and construction of capital assets. The decrease in other assets is due to the excess of expenditures over advanced funding for the Lake Belt Mitigation projects. Total liability obligations saw an increase of \$5.8 million primarily due to the implementation of GASB Statement No. 68, "Accounting and Financial Reporting for Pensions, an amendment of GASB Statement No. 27" and GASB Statement No. 71, "Pension Transition for Contributions Made Subsequent to the Measurement Date-an amendment of GASB Statement No. 68", effective for fiscal year 2015. The implementation of GASB Statements Nos. 68 and 71 resulted in the District recording a net pension liability of \$96.2 million as of September 30, 2016 related to its pension plans. This increase was offset by the combination of pay-down of outstanding debt and the COPs advance refunding (\$21.3 million, net of unamortized premiums/discounts). Together, the changes in current assets and total liabilities between fiscal years represents the significant portion of the change in restricted and unrestricted net position, which shows a net decrease of \$6.5 million. The increase of \$180.6 million in net investment in capital assets is primarily a result of capital assets, net of depreciation increasing by \$166.5 million from fiscal year 2015 to fiscal year 2016, and the outstanding debt associated with capital assets being reduced by \$21.3 million during the same period. Additional information relative to capital asset and long term debt activity during fiscal year 2016 can be found on pages II-15 to II-18 of this report.

Key elements of the total net position increase are presented below.

**District's Net Position
As of September 30**

	<u>2016</u>	<u>2015</u>
Current and Other Assets	\$ 576,522,147	\$ 591,749,707
Capital Assets, Net	5,020,247,806	4,853,700,108
Deferred Outflows of Resources	<u>59,338,415</u>	<u>29,149,945</u>
Total Assets	<u>5,656,108,368</u>	<u>5,474,599,760</u>
Current and Other Liabilities	57,214,695	62,781,406
Long-term Liabilities Outstanding	610,550,446	599,149,254
Deferred Inflows of Resources	<u>33,652,206</u>	<u>32,106,636</u>
Total Liabilities & Deferred	<u>701,417,347</u>	<u>694,037,296</u>
Net Position:		
Net Investment in Capital Assets	4,557,661,780	4,377,051,438
Restricted	423,646,678	420,142,620
Unrestricted	<u>(26,617,437)</u>	<u>(16,631,594)</u>
Total Net Position	<u>\$ 4,954,691,021</u>	<u>\$ 4,780,562,464</u>

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2016**

**District's Changes in Net Position
Fiscal Years Ended September 30**

	2016	2015
Revenues		
Program Revenues		
Charges for Services	\$ 30,714,951	\$ 36,785,015
Operating Grants and Contributions	30,567,086	36,637,096
Capital Grants and Contributions	150,725,670	105,323,512
General Revenues		
Property Taxes	280,496,778	280,137,735
Investment Earnings	5,628,628	8,079,756
Other	4,624,231	2,265,383
Total Revenues	502,757,344	469,228,497
Expenses		
Water Resources Planning and Monitoring	44,269,794	42,492,660
Acquisition, Restoration and Public Works	49,223,305	44,163,617
Operations & Maintenance of Lands/Works	167,388,368	157,207,323
Regulation	21,350,565	21,731,388
Outreach	2,183,103	2,257,374
District Management and Administration	37,047,896	35,858,186
Interest on Long-Term Debt	7,165,756	22,536,959
Total Expenses	328,628,787	326,247,507
Increase (Decrease) in Net Position	174,128,557	142,980,990
Net Position at Beginning of Year	4,780,562,464	4,637,581,474
Net Position at End of Year	\$ 4,954,691,021	\$ 4,780,562,464

During fiscal year 2016 the District reorganized its program structure to align with the State's program structure. This new structure categorizes the District's activities into six programs, which is a change from the prior year's seven programs. Fiscal year 2015 data has been restated to allow comparison.

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2016**

Property taxes continue as the District's primary source of revenue. For fiscal year 2016, revenue from property taxes totaled \$280.5 million of which \$11.2 million represents Agricultural Privilege Taxes. This reflects a slight increase of \$0.4 million, or 0.1 percent, from fiscal year 2015.

The Agricultural Privilege Tax is one of the dedicated funding sources identified in the Everglades Forever Act (EFA) and is used to fund Everglades Construction Project and Long Term Plan expenditures. Agricultural Privilege Tax revenues are based on tax roll information received from Palm Beach and Hendry counties' property appraisers. The Agricultural Privilege Tax continues to be a steady source of revenue for the Everglades Trust Fund and it is calculated based on the assessed tax-per-acre on the number of agricultural acres reflected on the tax rolls. Acres can be taken off the tax rolls due to construction and change in land status to non-agricultural use tax classification. As such, the amount collected can vary from year to year based on the acres in production in the Everglades Agricultural Area and C-139 basin. The Governing Board certifies the tax rolls at the District's Annual Tentative Budget Adoption Public Hearing held each September. During fiscal year 2016 tax revenues derived from the Agricultural Privilege Tax remained consistent with the prior fiscal year's level of \$11.1 million.

Charges for services totaled \$30.7 million for fiscal year 2016, a decrease of \$6.1 million from the prior fiscal year. This decrease is primarily due to decreased Lake Belt Mitigation Water Treatment Plant Upgrade Fees, which is due to a change in the legislature which now requires the proceeds of the water treatment plant upgrade fee to be transferred to a trust fund established by Miami-Dade County instead of the to the District for the Lake Belt Mitigation Trust Fund. In addition, during fiscal year 2015 the District received \$3.2 million towards Wetlands Mitigation Projects in the Loxahatchee Bank. There were not corresponding revenues received in fiscal year 2016.

Operating grants and contributions totaled \$30.6 million for fiscal year 2016, a decrease of approximately \$6.1 million from the prior fiscal year. This decrease is attributable to a \$3.7 million decrease in funds from the Florida Department of Protection for the Dispersed Water Management Program. In addition, the District recognized \$1.8 million in fiscal year 2015 from FEMA for storm reimbursements. No similar revenue was recognized in fiscal year 2016.

Capital grants and contributions totaled \$150.7 million for fiscal year 2016, an increase of \$45.4 million from fiscal year 2015. The majority of this increase is due to a \$61.4 million increase in donated assets, with the largest amounts related to C-44, Aquifer Storage Recovery (ASR) programs, and the S-65D Structure Group. This increase was offset by \$16.6 million received by the Florida Forever Trust Fund for land acquisitions for the Indian River Lagoon – South Project in fiscal year 2015 with no comparable revenue recognized in the current fiscal year.

Investment earnings during fiscal year 2016 decreased by \$2.5 million to \$5.6 million from the previous fiscal year 2015 level of \$8.1 million. This decrease is due to market gains totaling \$2.6 million recognized in the fourth quarter of fiscal year 2015 due to the fall in bond yields, with no such gain recognized during the current year.

Other Revenue consists primarily of miscellaneous revenue not otherwise designated. The total of \$4.6 million for fiscal year 2016 represents an increase of \$2.4 million from the prior year. This increase is mainly attributable to the sale of surplus District assets.

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2016**

Program Expenses totaled \$328.6 million for fiscal year 2016, an increase of approximately \$2.4 million from fiscal year 2015. The District's three largest programs: Water Resources Planning and Monitoring; Acquisition, Restoration and Public Works; and Operations and Maintenance of Lands and Works accounted for approximately \$260.9 million or 79.4 percent of the \$328.6 million in total expenses for fiscal year 2016. This is an increase of \$2.4 million from the prior fiscal year. The other program expenses totaled \$67.7 for fiscal year 2016 and reflected a decrease of approximately \$14.6 million over the previous year. The three largest District programs and the most significant reasons for variances from prior fiscal year 2015 program expenses are discussed below.

Water Resources Planning and Monitoring expenses increased \$1.8 million, or 4.2 percent, from \$42.5 million in fiscal year 2015 to \$44.3 million in fiscal year 2016. The most significant variances contributing to the net increase resulted from a \$2.3 million increase in pension expense. This increase was offset by decreases in salary and fringes and professional services.

This program includes all water management planning, including water supply planning, development of minimum flows and levels, and other water resources planning; research, data collection, analysis, and monitoring; and technical assistance (including local and regional plan and program review). Program accomplishments include administering \$1.7 million in local partnerships for improvements to stormwater systems and environmental restoration projects; conducting field monitoring, laboratory analyses, and comprehensive reporting to support regulatory-driven mandates and agreements; and improving efficiency of Big Cypress Basin Water Quality through elimination of duplicate monitoring stations and spatial distribution of monitoring stations within primary stormwater systems.

Operations and Maintenance of Lands and Works Program expenses incurred during fiscal year 2016 were \$167.4 million, an increase of \$10.2 million from the \$157.2 million expensed in fiscal year 2015. This variance is mainly due to a \$10.7 million increase in Lake Belt Mitigation projects as approved by the Lake Belt Mitigation Committee.

This program is primarily responsible for the operation and maintenance and flood control within 16 counties of South Florida. The District's operations and maintenance consists of activities to effectively and efficiently manage the primary canals and associated structures in South Florida. Operation maintenance program activities included the C&SF Project, as well as the Big Cypress Basin, as authorized by Chapter 373 F.S and the USACE. Currently, region-wide water management is accomplished by the District's multi-purpose system, which currently includes 692 water control structures and weirs; 618 smaller project culverts; management of 71 pump stations, which send water south and through waterways eastward and westward to both coasts; and oversight of approximately 4,098 miles of canals and levees. The strategic priority goal of the Program is to refurbish, replace, improve, and manage the regional water management system by implementing flood control system refurbishment projects as part of the 50-year plan; incorporating new works into water management system operations; operating the water management system to meet flood control and water supply needs; optimizing infrastructure maintenance by adhering to, or exceeding, industry standards and best practices; and coordinating with the U.S. Army Corps of Engineers on levee inspections and improvements.

Projects completed or significantly under way included ongoing construction on the S-5A Refurbishment; Hillsboro Canal Bank Stabilization; S-131/S-135 Trash Rakes, G-94 Series Refurbishment, Miller Weir #3 Replacement and G-151 and S-150 Replacement; and construction required for the submittal of the 100-year certification to FEMA for the East Coast Protective Levee in Palm Beach County. Other ongoing projects included BCB Field Station Relocation and North Shore

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2016**

Path automation, command, and control. The program is also responsible for completion of work associated with annual programs such as the Work Control Structure Inspection Program, Gate Overhaul Program and Culvert Replacements, ongoing exotic plant control, mowing, vehicle inspection, and pumping operations and maintenance programs.

Acquisition, Restoration and Public Works expenses for fiscal year 2016 were \$41.8 million when compared to the \$44.2 million expensed in the prior year resulted in an overall decrease of \$2.4 million. This variance is mainly a result of a \$1.5 million decrease in repairs and maintenance coupled with a \$1.4 million decrease in salaries and fringe. These decreased were offset by \$1.1 million in debt issuance related costs.

This program includes the development and construction of all restoration capital projects, including water resource development projects / water supply development assistance, water control projects, and support and administration facilities construction; cooperative projects; land acquisition (including Save Our Rivers, Preservation 2000, and Florida Forever); and the restoration of land and water bodies.

Program accomplishments include collaborating with the Florida Department of Environmental Protection (FDEP) on the development of the Governor's 20-Year Funding Plan for Everglades Restoration, completing construction of the A-1 Flow Equalization Basin, which entered operations testing and monitoring ahead of the consent order deadline, and initiating a program to provide financial assistance to local partners to promote local projects that complement the District's ongoing regional restoration, flood control, water quality and water supply efforts.

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with budget-related legal requirements. 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 financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

General Fund

The General Fund is the chief operating fund of the District. It accounts for all financial resources, except those accounted for in another fund. This fund accounts for District-wide expenditures and is supported primarily by ad valorem property taxes, permit fees and investment earnings.

At fiscal year-end, the fund balance of the General Fund was \$63.1 million, of which \$46.4 million was either assigned or unassigned and \$16.7 million was committed to various District projects. As a measure of the General Fund's liquidity, it may be useful to compare both assigned and unassigned fund balance and total fund balance to total fund expenditures. Assigned/unassigned fund balance represents 47.4 percent of the General Fund expenditures totaling \$97.8 million, while total fund balance represents 64.4 percent of that same amount. Revenues exceeded expenditures by \$21.1 million and the General Fund had net operational transfers to other funds amounting to \$21.7 million resulting in a slight decrease in fund balance of \$0.6 million.

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2016**

Total revenues in the General Fund decreased slightly by approximately \$0.1 million from the prior year. Investment earnings decreased between the fiscal years by approximately \$0.4 million, primarily due to a significant net market gain on investments that occurred in the prior fiscal year. Revenue from Leases increased by approximately \$0.3 million largely due to the District leasing vacant office space to another governmental agency.

Total expenditures decreased approximately \$1.2 million, or 1.2 percent, in fiscal year 2016 to \$97.8 million. The most significant variances contributing to the net decrease resulted from a \$2.8 million reduction in contractual services expenditures, a \$0.8 million reduction in salaries and a \$0.2 million reduction of operating expenditures. These reductions were offset by a \$2.7 million increase in fringe benefits fueled primarily by higher medical insurance costs.

Operating transfers from the fund netted to a total of \$21.6 million for fiscal year 2016. Of significance, transfers-out in the amount of \$24.2 million went to the District Capital Projects Fund, representing the General Fund's annual contribution to fund planned capital projects and debt service on the Certificates of Participation. Operating transfers into the General Fund totaled \$2.6 million, from the Comprehensive Everglades Restoration Plan-Other Creditable Fund to fund related non-capital expenditures.

Okeechobee Basin Special Revenue Fund

The Okeechobee Basin Special Revenue Fund is restricted to accounting for revenues and expenditures within all or part of a 15-county area designated as the Okeechobee Basin. Revenue is provided by ad valorem property taxes, intergovernmental funding, permit fees, investment earnings, and other sources.

The total fund balance of the Okeechobee Basin Special Revenue Fund at September 30, 2016 was \$97.4 million, a decrease of \$18.8 million from fiscal year 2015. Of the \$97.4 million in total fund balance, \$93.2 is restricted due to the Governing Board obligating these funds for future fiscal years (FY2018-FY2020) and the remaining \$4.2 million in non-spendable inventory reserve.

Revenues in excess of expenditures of \$30.8 million were offset by a \$49.6 million decrease related to net transfers out of the Fund. Total revenues recorded in the Okeechobee Basin Special Revenue Fund of \$117.8 million represent a decrease of \$7.8 million from the prior year total of \$125.6 million. The decrease is largely attributable to approximately \$3.3 million in fiscal year 2015 for other revenues comprising of \$3.0 million received from FEMA recorded as Refund of Prior Year Expenditures for funding the District paid in 2014 due to de-obligated costs related to Hurricane Charley and an overall increase in miscellaneous income of \$0.3 million largely attributed to the District receiving a refund for life insurance (prior years: 2009 through 2013) from Insurance Provider. Additional decreases from fiscal year 2015 include a reduction of \$3.2 million in intergovernmental revenues from federal sources and a decrease of \$0.5 million in investment earnings due to higher rate of return and gain on investments during fiscal year 2015.

Total expenditures decreased by \$0.8 million, or 0.9 percent in fiscal year 2016 to \$86.9 million. This decrease was primarily due to a reduction in various contract services costs of \$5.4 million, which were offset by an increase in operating expenditures and personnel costs totaling \$4.6 million.

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2016**

In fiscal year 2016, operating transfers-out were recorded within the fund totaling \$49.6 million. The fund that received the transfer was the Okeechobee Basin Capital Projects Fund for the purpose of supporting scheduled capital improvement projects.

Everglades Restoration Trust Special Revenue Fund

The Everglades Restoration Trust Special Revenue Fund accounts for fiscal activity related to the operations and maintenance of the Stormwater Treatment Areas (STAs) as required by the Everglades Forever Act. Funding is provided through a .0506 mill tax levy; non-ad valorem assessments to property owners in the Everglades Agricultural Area (EAA); State and Federal Contributions; and interest earnings.

At September 30, 2016, total fund balance amounted to \$16.6 million, of which the entire amount is restricted. The fund balance is restricted due to the Governing Board obligating these funds for future fiscal years (FY2018-FY2020) Budget Stabilization of \$1.6 million; Okeechobee Basin operations of \$5.8 million; and future projects consisting of approximately \$5.0 million for Restoration Strategies projects; future unnamed projects of \$2.3 million; and \$1.8 million for future operations and maintenance of new works projects. Ad valorem and agricultural privilege tax revenues of \$35.6 million and \$11.2 million, respectively, were recognized in fiscal year 2016, which is comparable to prior year revenues of \$35.6 million and \$11.1 million.

Revenues of the Everglades Restoration Trust Special Revenue Fund decreased slightly from 2015 by approximately 0.1% from \$48.3 million to \$48.2 million in fiscal year 2016. Transfers-out to other funds totaled \$17.1 million, all of which went to the Everglades Restoration Trust Capital Projects Fund to reflect support for related capital expenditures.

Lake Belt Mitigation Special Revenue Fund

The Lake Belt Mitigation Special Revenue Fund accounts for revenues received pursuant to Chapter 373.41492, Florida Statutes, which requires mitigation from the impacts of rock mining in the Lake Belt area of Miami-Dade County, and related expenditures incurred towards the restoration and management of environmentally sensitive lands.

At September 30, 2016, total fund balance was \$69.7 million, of which the entire amount is restricted. The restriction is due to the Governing Board obligating these funds for future fiscal year (FY2018-FY2020) acquisition, restoration and/or management of environmentally sensitive lands and for Lake Belt Wetland creation, restoration and management. Fund balance increased \$8.9 million, the net of the \$1.6 million that revenues exceeded expenditures during the year and net transfers-in of \$7.3 million.

Total revenues recorded in the Lake Belt Mitigation Special Revenue Fund of \$13.4 million represent a decrease of \$4.7 million. This decrease is primarily attributable to a \$4.6 million decrease of various Lake Belt Mitigation Permit fees that were received in the prior fiscal year that are not comparable to fiscal year 2016.

During fiscal year 2016, expenditures increased by \$10.7 million to \$11.8 million. The vast majority of the increase related to the increase in construction of the Lake Belt Mitigation projects as approved by the Lake Belt Mitigation Committee.

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2016**

Operating transfers to the fund netted to a total of \$7.3 million for fiscal year 2016. Of significance, transfers into the Lake Belt Mitigation Special Revenue Fund in the amount of \$7.7 million came from the Wetlands Mitigation Special Revenue Fund as approved by the Lake Belt Mitigation Committee to transfer previously approved funding for the 8.5 Square Mile project back to the Lake Belt Mitigation Special Revenue Fund after certain project permits were not obtained.

Okeechobee Basin Capital Projects Fund

The Okeechobee Basin Capital Projects Fund is restricted to accounting for capital expenditures incurred towards projects benefitting all or part of a 15-county area designated as the Okeechobee Basin. Revenue is provided through operating transfers from the Okeechobee Basin Special Revenue Fund.

The total fund balance of the Okeechobee Basin Capital Projects Fund at September 30, 2016 was \$48.1 million, an increase of \$25.7 million from fiscal year 2015. The entire fund balance is restricted with \$47.7 million earmarked for future projects and \$0.4 million for the acquisition, restoration or management of environmentally sensitive lands.

In fiscal year 2016, operating transfers-in were recorded within the fund totaling \$49.6 million, all of which came from the Okeechobee Basin Special Revenue Fund for the purpose of supporting scheduled capital improvement projects.

Everglades Restoration Trust Capital Projects Fund

The Everglades Trust Capital Projects Fund was established to account for and report financial resources that are restricted, committed or assigned to construct Stormwater Treatment Areas (STAs) which cleanse stormwater runoff from the Everglades Agricultural Area (EAA) through naturally occurring biological and physical processes. Additional objectives include hydroperiod restoration and water supply. Revenue for this fund is provided mainly through operating transfers from the Everglades Restoration Trust Special Revenue Fund.

During fiscal year 2016, the fund balance of the Everglades Trust Capital Projects Fund decreased \$4.3 million to \$86.7 million at fiscal year-end.

Total revenues in the fund decreased by \$0.6 million to \$1.0 million. This decrease relates primarily to investment earnings, which saw a \$0.6 million decrease between fiscal years primarily due to a significant net market gain on investments in fiscal year 2015.

Total expenditures increased by approximately \$1.6 million in fiscal year 2016 to \$22.9 million. This increase was primarily due to higher construction costs during fiscal year 2016.

For fiscal year 2016, transfers-in from other funds totaled \$17.1 million, all of which emanated from the Everglades Restoration Trust Special Revenue Fund to reflect support for related capital outlay incurred towards projects pursuant to the Everglades Forever Act for restoration of the Everglades.

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2016**

Save Our Everglades Capital Projects Fund

The Save Our Everglades Capital Projects Fund accounts for revenues and capital expenditures for the Comprehensive Everglades Restoration Plan (CERP) and the Northern Everglades Estuary Protection Program (NEEPP) which are funded from the State's Save Our Everglades Trust Fund.

During fiscal year 2016, the fund balance of the Save Our Everglades Capital Projects Fund increased \$24.3 million to (\$3.4) million from the previous fiscal year of (\$27.7) million. This deficit is expected to be funded by pending and future reimbursements from Florida Department of Environmental Protection.

Revenues in the fund increased \$33.6 million from the prior fiscal year to \$76.2 million. This increase is primarily due to the timing of receiving reimbursements in fiscal year 2016 for services performed and invoiced in the prior fiscal year from Florida Department of Environmental Protection.

During fiscal year 2016, operating transfers into the fund amounted to \$0.1 million while no operating transfers-out were recorded in the Save Our Everglades Capital Projects Fund.

Land Acquisition Trust Capital Projects Fund

The Land Acquisition Trust Capital Projects Fund is a new fund established in fiscal year 2016 that accounts for revenues and capital expenditures for Kissimmee River Restoration and Restoration Strategies projects including CERP/Northern Everglades projects. Funding is received from the Trust Fund of the same name.

The total fund balance of the Land Acquisition Trust Capital Projects Fund at September 30, 2016 was (\$13.5) million. This deficit is due to capital outlay expenditures exceeding intergovernmental revenue, namely reimbursements from Florida Department of Environmental Protection which are pending for \$17.5 million as of fiscal year end.

GENERAL FUND BUDGETARY HIGHLIGHTS

Final budgeted revenues and expenditures in the final General Fund budget were \$117.4 million and \$142.4 million, respectively. Budgeted revenues remained the same from the original adopted budget for fiscal year 2016, while budgeted expenditures increased (approximately \$0.9 million) from the original budget. Actual revenues were \$1.5 million (1.3 percent) more than the budget.

At the end of fiscal year 2016, the General Fund budget for Administrative Services and Executive Offices reflected a remaining available balance of \$6.8 million. This was primarily due to outstanding encumbrances in the District Management and Administration Program, the Acquisition, Restoration and Public Works Program and the Operations and Maintenance of Lands and Works Program totaling approximately \$6.1 million. The majority of the outstanding encumbrances in District Management and Administration related to the Information Technology, General Services and Office of Counsel organization units. The available budget in the Acquisition, Restoration and Public Works Program is related to the unused budget related to the indirect cost rate and the available budget in the Operations and Maintenance of Lands and Works Program is related outstanding encumbrances for equipment rentals and Information Technology services.

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2016**

At the end of fiscal year 2016, the General Fund budget for Everglades Policy and Coordination reflected a remaining available balance \$4.1 million, of which \$3.4 million is in the Acquisition, Restoration and Public Works Program. This amount is related to outstanding encumbrances related to intergovernmental agreements for the Lake Okeechobee North Shore and Kissimmee River Restoration Projects.

The final amended General Fund budget included \$25.1 million in reserves comprised of managerial reserves of \$9.4 million and \$15.7 million in contingency reserves. The District does not expend funds directly out of managerial or contingency reserve accounts. The use of this funding requires Governing Board budget transfer approval, authorizing the movement of budget authority out of managerial and/or contingency reserves to a District program within a resource area's operating or capital budget.

CAPITAL ASSETS AND DEBT ADMINISTRATION

CAPITAL ASSETS

As of September 30, 2016, the District's investment in capital assets was \$5.0 billion, up \$166.5 million from the end of fiscal year 2015. This investment in capital assets includes land, easements, canals and levees, buildings, intangibles, equipment, improvements, water control structures, and construction in progress.

Capital Assets (net of depreciation)

	<u>2016</u>	<u>2015</u>
Land	\$ 2,584,696,415	\$ 2,575,585,166
Easements	81,487,026	72,741,276
Canals and Levees	735,720,818	702,354,410
Buildings	94,248,123	83,744,955
Intangibles	6,189,440	10,640,487
Equipment	35,442,018	36,355,432
Improvements	20,481,306	13,799,118
Water Control Structures	808,089,312	811,472,668
Construction in Progress	653,893,348	547,006,596
Total	<u>\$ 5,020,247,806</u>	<u>\$ 4,853,700,108</u>

Major capital asset activity during the current fiscal year included the following:

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2016**

Construction in Progress Highlights

The District's investment in construction in progress increased \$106.9 million during fiscal year 2016. This change is primarily due to the net effect of the following:

- \$124.7 million expended on continuing projects as follows:
 - \$35.3 million expended on C-44 Reservoir/STA
 - \$20.4 million expended on Restoration Strategies STA 1W Expansion #1
 - \$8.7 million expended on C-43 West Storage
 - \$7.3 million expended on Lakeside Ranch STA
 - \$52.7 million expended on other projects
- \$17.8 million related to completed projects which were transferred out of construction in progress, the most significant of which are:
 - \$9.8 million for C-44 Discharge System
 - \$3.0 million for S-6 Communication Tower
 - \$2.7 million for IT Shelter Replacement
 - \$1.9 million for STA 1W Cell 1A Northern Levee
 - \$0.4 million for other projects

Land Highlights

The District's investment in land increased \$9.1 million during fiscal year 2016. This change is primarily due to the net effect of the following:

- \$12.4 million expended on new land acquisitions:
 - \$5.5 million recorded for Indian Trace Community Development District donated lands
 - \$2.8 million expended on lands acquired within the Lake Cypress Component of the KCOL Project in Osceola County
 - \$4.1 million expended on other lands
- \$3.3 million related to retirements of unused lands and other adjustments

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2016**

Canals and Levees Highlights

The District's investment in equipment increased \$33.4 million during fiscal year 2016. This change is primarily due to the net effect of the following:

- o \$24.6 million recorded for the transfer of the completed Comprehensive Everglades Restoration Plan, Indian River Lagoon – South, C-44 RSTA, Contract 1
- o \$8.8 million expended on other canals and levees

Additional information on the District's capital assets can be found in Note 9 on page III-36 of this report.

LONG-TERM DEBT ADMINISTRATION

At the end of fiscal year 2016, the District had \$464.2 million in total outstanding long-term debt, representing a decrease of \$9.3 million from the prior year. The balance is comprised of Certificates of Participation (COPS).

Long-term Debt Outstanding

	2016	2015
Special Obligation Land Acquisition Bonds	\$ -	\$ 6,705,000
Certificates of Participation	464,255,306	466,940,000
Total	\$ 464,255,306	\$ 473,645,000

The Special Obligation Land Acquisition Refunding Bonds Series 2002 (\$2.5 million) and Series 2003 (\$4.2 million) finance the acquisition of environmentally sensitive lands. Documentary stamp tax revenues provided through the State of Florida's Water Management Lands Trust Fund secure the repayment of this debt. These bonds were paid in full in 2016.

In November 2006, the District issued \$546.1 million in Certificates of Participation (COPs) to provide for the lease-purchase financing of the acquisition, construction, and equipping of certain expedited Everglades Restoration projects. During fiscal year 2016, the District advanced refunded \$442.0 million of the par value of the outstanding balance of its COPS Series 2006, leaving an outstanding balance on the COPs Series 2006 of \$12.7 million at the end of fiscal year 2016. The outstanding balance of the new Certificates of Participation, Series 2015, totaled \$451.5 million at September 30, 2016.

At September 30, 2016, the District's COPS were rated Aa3, AA and AA- by Moody's, S&P and Fitch Ratings, respectively. A bond rating indicates the investment quality of the bonds, which is based on an assessment of the economic and financial condition of the agency, and is reflective of the overall managerial expertise of the agency. The District strives to maintain superior bond rating for its obligations in order to realize more favorable borrowing costs.

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2016**

Debt Management Policy

Since the 1990's, the District made a commitment to the citizens of South Florida to operate in accordance with sixteen guiding principles designed to achieve and maintain the highest standards of fiscal accountability. The Governing Board of the District adopted a *Debt Management Policy* in May 1993, which was updated in April 2005 and revised again in October 2008. The policy and related guidelines enables the District to identify and address potential concerns and alternatives early in the capital planning and debt issuance process.

The policy directs the District to:

- Exhibit purposeful restraint in incurring debt.
- Follow a policy of full disclosure in all financial reports and official statements issued for indebtedness.
- Refrain from issuing short-term debt that requires repeated annual appropriation.
- Limit long-term debt to no more than the estimated life of the capital assets financed and refrain from issuing debt to finance current operations or normal maintenance.
- Project debt requirements on a five-year basis to facilitate better short-term decisions in light of other priorities that may arise, and examine the longer-range implications and effects of debt issuance.

Included in the District's adopted *Debt Management Policy* are benchmarks which are self- imposed boundaries and not statutorily established levels of acceptance dedicated to prudent debt management. The District's debt burden shall not exceed the benchmark levels, as described below, and no additional debt shall be authorized if the projected debt burden would exceed these levels:

- The net debt per capita shall not exceed \$350.
- Debt service shall not exceed 30 percent of revenues legally available to the District to pay debt service including, but not limited to, the available ad-valorem revenues, related interest income thereon and permit fee revenue.
- The debt-to-assessed value shall not exceed 0.30 percent of the assessed value of property within the District.

Florida Statute requires that total annual debt service for debt issued after January 1, 2009 cannot exceed 20 percent of the annual ad valorem tax revenues, unless approved by the Joint Legislative Budget Commission.

Additional information about the District's long-term debt can be found in Note 10 on pages III-37 through III-38 of this report.

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2016**

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

Economic Outlook

Ad valorem property taxes continue to be the District's largest single, ongoing source of revenue. Approximately 37 percent of the District's fiscal year 2017 budget is projected to be funded through ad valorem tax revenues. Taxable property values within the District increased by 8.5 percent from \$741 billion in 2015 to \$804.3 billion in 2016. Ad valorem taxes projected for fiscal year 2017 are \$269.6 million, an estimated \$2.7 million more than the prior year. This increase in ad valorem revenue is a result of increased new construction values offsetting the reduction in prior year taxable values.

The District's fiscal year 2017 budget is based on a rolled-back millage rate calculated pursuant to Section 200.065, F.S. Method of Fixing Millage to maintain baseline ad valorem revenue. Rolled-back millage rates do not provide a continuation level of baseline Ad Valorem revenue due to reduced prior year final taxable values. The adopted rates will generate \$264.8 million in baseline revenues, plus \$4.8 million of new construction, for total ad valorem revenue of \$269.6 million.

The remaining revenue budget includes anticipated funding from state and federal sources, as well as from fees and investment earnings. State revenues, which are the District's second major source of funding, are projected at \$253.2 million, primarily from the Save Our Everglades Trust Fund and Land Acquisition Trust Fund in support of initiatives related to Everglades' restoration.

The District recognizes the importance of how available revenues can change in response to economic factors. There are many economic factors to consider and monitor relating to the District and changes in these economic factors directly impact the District's financial health and future revenue outlook. The following discussion will focus on economic factors affecting the District's ad valorem revenue budget and were considered in preparing the budget for the 2016 fiscal year.

Property Values

Property values have a significant and direct impact on ad valorem taxes. An increase in property values will often indicate a healthy economy. Counties experiencing population and economic growth are likely to experience long-term increases in property values due to increased demand for homes. Since property values are the primary revenue source of the District, the District monitors the market values and continues to perform rolled-back rate calculations in accordance with the Truth In Millage (TRIM) process in an effort to achieve a stabilized revenue source.

The housing market has deteriorated significantly since its peak at the end of 2006 and Florida has been one of the hardest hit states along with Arizona, California, and Nevada. This downturn, which began in 2007, can be attributed to soaring home prices and over-supply from home builders and investors. These conditions resulted from the easing of underwriting standards and the consumers increased appetite for risk, making it less difficult for prospective homebuyers to qualify for a mortgage. In order to afford a home, homebuyers became increasingly dependent on exotic mortgage products intended to reduce down payments and monthly payments. After reaching the lowest levels in late 2010 / early 2011, property values have seen a gradual increase in the past six years, with indications of stabilization to moderate gains through 2017, as further depicted by trend data presented under the Home Prices section.

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT
MANAGEMENT’S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2016**

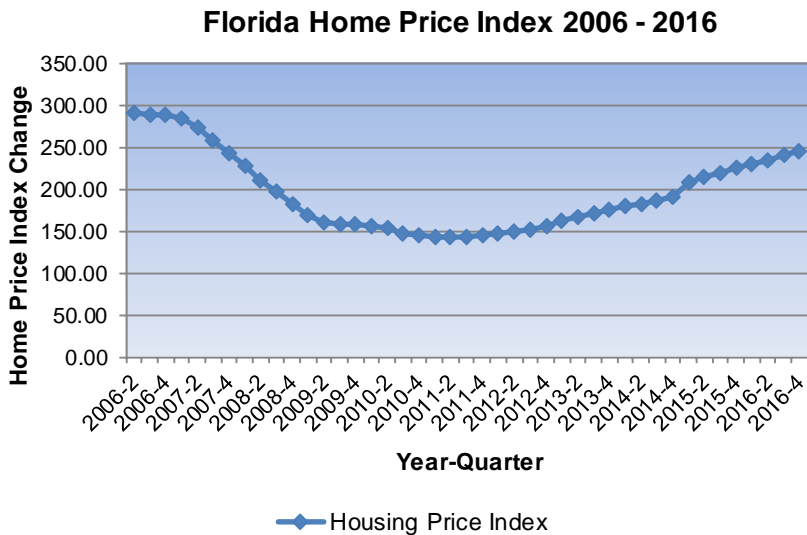
Foreclosures

According to RealtyTrac®, the leading online marketplace for foreclosure properties, foreclosure filings, which include default notices, scheduled auctions, and bank repossessions, were reported on 810,125 properties in the United States as of the report date, compared to the prior year of 890,329 properties. Their report shows a nationwide foreclosure rate of one in every 1,609 U.S. housing units, compared to one in every 1,308 twelve months prior. Florida, reflected a foreclosure rate of one in every 1,182 units, compared to one in every 727 units reported last year. Of the five top counties in Florida, in terms of foreclosure rates, only a portion of Highlands is within the District’s boundaries.

In summary, while foreclosure rates decreased nationwide and Florida’s foreclosure rates decreased as well over the past year, Florida continues to lead the nation in foreclosures. Out of the 16 counties residing within the District’s tax base, 12 of them have foreclosure rates higher than the national average rate and 7 of them have foreclosure rates higher than the statewide rate. Therefore, high foreclosure rates will have a continuing impact on economics of the region and accordingly, tax revenues available to the District.

Home Prices

The Federal Housing Finance Agency’s House Price Index indicates that home prices have increased slightly since bottoming out in 2011 when real estate values saw declines in the fifty percent range compared to peaks in 2007. Home prices and property values in central and south Florida have seen a continual and steady resurgence over the past few years, for an annual appreciation of 10.7 percent between Q3 2015 and Q3 2016. While home prices continue to be below the peaks of late 2006, recent trends indicate a continual upward movement in value. The Federal Housing Finance Agency Home Price Index, graphically depicted below, measures the average change in value of residential real estate in central and southern Florida given a constant level of quality.



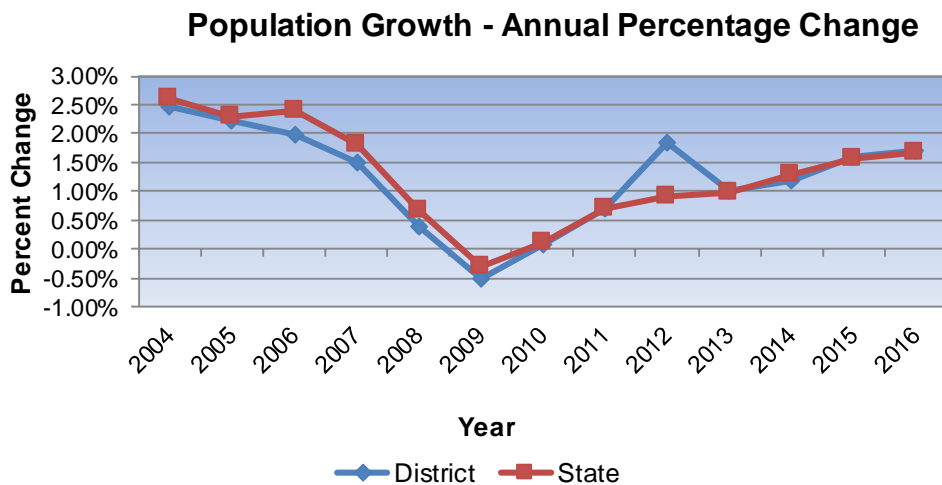
Source: fhfa.gov

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2016**

Population Growth

Another economic factor driving ad valorem taxes is population growth and the impact it has on property values. Population growth impacts property values because as the population increases, demand for homes increases, which results in higher property values. This relationship between the real estate market and change in population will affect District revenues because ad valorem taxes are collected from property owners based on property values set by the respective county property appraiser. It is important to monitor population trends to effectively develop future budgets capable of being supported by the tax base. In addition, as the population increases, the use of water resources increases, which amplifies the need to protect and restore natural resources and manage and regulate the usage and storage of the region's water supply.

In 2016, the District's population increased by 1.71 percent, compared to the prior year's increase of 1.59 percent. Over the past ten years (2007 to 2016) the population growth across the District averaged .96 percent. The rate of population growth within the District's boundary is consistent with the state-wide trend as shown below with exception of 2012:



Source: State of Florida, Office of Economic & Demographic Research

General Fund – Assigned and Unassigned Fund Balance

At the end of fiscal year 2016, the total assigned and unassigned fund balance in the General Fund was \$46.4 million. This represents a decrease of \$9.5 million or approximately 17 percent from the comparable fund balance reported in fiscal year 2015. The District has appropriated \$43.1 million of the \$46.4 million for spending in the fiscal year 2017 budget.

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2016**

NEXT YEAR'S BUDGETS AND RATES

The District's fiscal year 2017 adopted millage rates are lower than fiscal year 2016 rates. In fiscal year 2017, all property owners within the District's boundaries will be assessed a District-at-Large millage rate of .1359 mills, reduced from the prior year's rate of .1459 mills. In addition, property owners within the Okeechobee Basin will be assessed both the Okeechobee Basin tax rate of .1477 mills and the Everglades Construction Project tax rate of .0471 mills, both of which are reduced from the fiscal year 2016 rates of .1586 mills and .0506 mills, respectively, for a combined tax assessment of .3307 mills. Property owners within the Big Cypress Basin will be assessed the Big Cypress Basin millage rate of .1336 mills, which represents a reduction from the fiscal year 2016 rate of .1429 mills, and the District-at-Large tax rate of .1359 mills, for a combined tax assessment of .2695 mills. State law limits the combined District-at-Large and basin tax millage for each of the two basins at 0.8 mills (80 cents per \$1,000 of taxable value). The state constitutional limit is slightly higher at 1 mill (\$1.00 per \$1,000 of taxable value). Consequently, the District's approved budget for fiscal year 2017 totals \$726.6 million, a decrease of approximately \$26.9 million from the fiscal year 2016 amended budget of \$753.5 million.

Requests for Information

The District's basic financial statements are designed to present users (citizens, taxpayers, customers, investors and creditors) with a general overview of the District's finances and to demonstrate the District's accountability. If you have questions about the report or need additional financial information, contact the District's Finance Bureau Chief, Administrative Services Division at P.O. Box 24680, West Palm Beach, Florida 33416-4680.

FINANCIAL SECTION

BASIC FINANCIAL STATEMENTS

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

	<u>Total Governmental Activities</u>
ASSETS	
Cash and Investments	\$ 371,195,278
Accounts Receivable	1,240,902
Due from Other Governments	39,227,506
Inventory	4,434,747
Other Assets	9,295,704
Restricted Assets:	
Temporarily Restricted	
Cash and Investments	135,470,821
Permanently Restricted	
Cash and Investments	15,657,189
Capital Assets	
Land and Easements	2,666,183,441
Construction In Progress	653,893,348
Canals and Levees	735,720,818
Other Capital Assets, Net of Depreciation	964,450,199
Total Assets	<u>5,596,769,953</u>
DEFERRED OUTFLOWS OF RESOURCES	
Pensions	42,704,729
Deferred Loss on Debt Refunding	1,669,280
Total Deferred Outflows of Resources	<u>44,374,009</u>
LIABILITIES	
Accounts Payable	56,593,172
Due to Other Governments	621,523
Due Within One Year	
Certificates of Participation Payable	12,750,000
Compensated Absences	9,112,000
Self Insurance Claims Payable	3,055,663
Due in More Than One Year	
Certificates of Participation Payable, Net	451,505,306
Compensated Absences	3,934,600
OPEB Obligation	31,763,542
Self Insurance Claims Payable	2,188,337
Net Pension Liability	96,240,998
Total Liabilities	<u>667,765,141</u>
DEFERRED INFLOWS OF RESOURCES	
Pensions	18,687,800
Total Deferred Inflows of Resources	<u>18,687,800</u>
NET POSITION	
Net Investment in Capital Assets	4,560,442,644
Restricted for:	
Debt Service	22,547,650
Wetlands Mitigation	
Expendable	19,225,590
Nonexpendable	15,657,189
Environmental Programs	312,683,321
Capital Construction	53,532,928
Unrestricted (Deficit)	(29,398,301)
Total Net Position	<u>\$ 4,954,691,021</u>

See Accompanying Notes to the Financial Statements

**South Florida Water Management District
Statement of Activities
For the Year Ended September 30, 2016**

Functions/Programs	Expenses	Program Revenues		Net Revenue (Expense) and Change in Net Position	
		Charges for Services	Operating Grants and Contributions		Capital Grants and Contributions
Water Resources Planning and Monitoring	\$ 44,269,794	\$ -	\$ 1,209,914	\$ 215,543	(\$ 42,844,337)
Acquisition, Restoration and Public Works	41,794,713	-	10,631,820	104,312,004	73,149,111
Operations and Maintenance of Lands/Works	167,388,368	18,550,039	18,686,808	46,198,123	(83,953,398)
Regulation	21,350,565	3,583,024	4,860	-	(17,762,681)
Outreach	2,183,103	-	-	-	(2,183,103)
District Management and Administration	37,047,896	8,581,888	33,684	-	(28,432,324)
Interest on Long Term Debt	14,594,348	-	-	-	(14,594,348)
Total	\$ 328,628,787	\$ 30,714,951	\$ 30,567,086	\$ 150,725,670	(\$ 116,621,080)

General Revenues:

Taxes:

Property Taxes, Levied for General Purposes	233,728,031
Property Taxes, Levied for Everglades Restoration	46,768,747
Investment Earnings	5,628,628
Miscellaneous	4,624,231

Total General Revenues 290,749,637

Change in Net Position 174,128,557

Net Position at Beginning of Year 4,780,562,464

Net Position at End of Year \$ 4,954,691,021

See Accompanying Notes to the Financial Statements

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

	General	Okeechobee Basin Special Revenue	Everglades Restoration Trust Special Revenue	Lake Belt Mitigation Special Revenue
ASSETS				
Cash and Investments	\$ 69,937,854	\$ 75,062,338	\$ 17,106,417	\$ 61,314,777
Cash Held by Trustee	-	-	-	-
Accounts Receivable	157,372	300,105	40,396	68,406
Due from Other Governments	1,360,732	2,781,664	321,448	-
Due from Other Funds	-	21,704,194	-	-
Inventory	-	4,165,003	-	-
Other Assets	61,802	-	-	8,318,527
Total Assets	\$ 71,517,760	\$ 104,013,304	\$ 17,468,261	\$ 69,701,710
 LIABILITIES, DEFERRED INFLOWS OF RESOURCES & FUND BALANCES				
LIABILITIES				
Accounts Payable	\$ 7,709,988	\$ 4,716,024	\$ 874,936	\$ 36,825
Due to Other Governments	190,076	54,358	-	-
Due to Other Funds	59,502	48,664	13,342	118
 DEFERRED INFLOWS OF RESOURCES				
Unavailable Revenue	499,595	1,779,482	-	-
Total Liabilities & Deferred Inflows of Resources	8,459,161	6,598,528	888,278	36,943
 FUND BALANCES				
Nonspendable	-	4,165,003	-	-
Restricted	-	93,249,773	16,579,983	69,664,767
Committed	16,700,045	-	-	-
Assigned	43,130,042	-	-	-
Unassigned	3,228,512	-	-	-
Total Fund Balances	63,058,599	97,414,776	16,579,983	69,664,767
Total Liabilities, Deferred Inflows of Resources & Fund Balances	\$ 71,517,760	\$ 104,013,304	\$ 17,468,261	\$ 69,701,710

See Accompanying Notes to the Financial Statements

Continued

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

	Okeechobee Basin Capital Projects	Everglades Trust Capital Projects	Save Our Everglades Capital Projects	Land Acquisition Trust Capital Projects Fund
ASSETS				
Cash and Investments	\$ 50,164,489	\$ 74,358,833	\$ 713,264	\$ -
Cash Held by Trustee	2,266,705	12,469,527	-	-
Accounts Receivable	32,972	78,553	1,171	-
Due from Other Governments	4,193,615	-	10,871,078	17,514,956
Due from Other Funds	-	195,350	-	-
Inventory	-	-	-	-
Other Assets	375	-	-	-
Total Assets	\$ 56,658,156	\$ 87,102,263	\$ 11,585,513	\$ 17,514,956
 LIABILITIES, DEFERRED INFLOWS OF RESOURCES & FUND BALANCES				
LIABILITIES				
Accounts Payable	\$ 5,103,366	\$ 415,986	\$ 11,247,955	\$ 5,985,301
Due to Other Governments	-	-	-	-
Due to Other Funds	-	-	3,714,208	16,406,839
 DEFERRED INFLOWS OF RESOURCES				
Unavailable Revenue	3,417,353	-	-	8,612,176
Total Liabilities & Deferred Inflows of Resources	8,520,719	415,986	14,962,163	31,004,316
 FUND BALANCES				
Nonspendable	-	-	-	-
Restricted	48,137,437	86,686,277	-	-
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	(3,376,650)	(13,489,360)
Total Fund Balances (Deficits)	48,137,437	86,686,277	(3,376,650)	(13,489,360)
Total Liabilities, Deferred Inflows of Resources & Fund Balances	\$ 56,658,156	\$ 87,102,263	\$ 11,585,513	\$ 17,514,956

See Accompanying Notes to the Financial Statements

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

	Other Governmental Funds	Total Governmental Funds
ASSETS		
Cash and Investments	\$ 125,654,363	\$ 474,312,335
Cash Held by Trustee	12,858,987	27,595,219
Accounts Receivable	530,449	1,209,424
Due from Other Governments	2,184,013	39,227,506
Due from Other Funds	310,437	22,209,981
Inventory	269,744	4,434,747
Other Assets	-	8,380,704
Total Assets	\$ 141,807,993	\$ 577,369,916
 LIABILITIES, DEFERRED INFLOWS OF RESOURCES & FUND BALANCES		
LIABILITIES		
Accounts Payable	\$ 9,846,329	\$ 45,936,710
Due to Other Governments	377,089	621,523
Due to Other Funds	2,091,624	22,334,297
 DEFERRED INFLOWS OF RESOURCES		
Unavailable Revenue	662,058	14,970,664
Total Liabilities & Deferred Inflows of Resources	12,977,100	83,863,194
 FUND BALANCES		
Nonspendable	16,145,110	20,310,113
Restricted	93,563,074	407,881,311
Committed	6,551,624	23,251,669
Assigned	14,348,013	57,478,055
Unassigned	(1,776,928)	(15,414,426)
Total Fund Balances (Deficits)	128,830,893	493,506,722
Total Liabilities, Deferred Inflows of Resources & Fund Balances	\$ 141,807,993	\$ 577,369,916

See Accompanying Notes to the Financial Statements

SOUTH FLORIDA WATER MANAGEMENT DISTRICT
Reconciliation of the Governmental Funds Balance Sheet
to the Statement of Net Position
September 30, 2016

Fund balances - total governmental funds		\$ 493,506,722
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in government activities are not financial resources and therefore are not reported in the governmental funds.		
Governmental capital assets	5,451,602,109	
Less accumulated depreciation	<u>(431,376,207)</u>	5,020,225,902
Long term liabilities not due and payable with current available resources are not reported in the governmental funds.		
Certificates of Participation Series 2006	(12,750,000)	
Certificates of Participation Series 2015	(385,425,000)	
Certificates of Participation Series 2015 - premium	(66,080,306)	
Compensated absences	(13,046,600)	
Other post employment benefits (OPEB)	(31,763,542)	
Net pension liability	<u>(96,240,998)</u>	(605,306,446)
Bond and Certificates of Participation interest due October 1, 2016 are not reported as a liability of the governmental funds.		
Accrued interest payable - Certificates of Participation Series 2006	(315,774)	
Accrued interest payable - Certificates of Participation Series 2015	<u>(9,481,874)</u>	(9,797,649)
Assets not available to provide current resources are offset with deferred inflows of resources in the fund statements. The reduction of the liability and recognition of revenue increases net assets in the Statement of Net Position.		
		14,970,664
Deferred outflows (inflows) of resources are not reported in the governmental funds.		
Net effect of pensions	24,016,929	
Certificates of Participation Series 2015 - deferred loss on refunding	<u>1,669,280</u>	25,686,209
Internal Service Funds are used by management to charge the costs of certain activities, such as worker's compensation, general and automobile liability, and health benefits to individual funds. The assets and liabilities of the Internal Service Funds are included in governmental activities in the statement of net position.		
		<u>15,405,619</u>
Net position of governmental activities		<u>\$ 4,954,691,021</u>

See Accompanying Notes to the Financial Statements

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

	General	Okeechobee Basin Special Revenue	Everglades Restoration Trust Special Revenue	Lake Belt Mitigation Special Revenue
REVENUES				
Ad Valorem Property Taxes	\$ 112,509,577	\$ 111,538,467	\$ 35,589,714	\$ -
Agricultural Privilege Taxes	-	-	11,179,033	-
Intergovernmental	608,315	3,680,013	1,000,000	-
Investment Earnings	1,377,907	1,431,214	408,683	579,911
Licenses, Permits and Fees	3,591,024	135,065	-	12,849,535
Sale of District Property	28,644	207,935	8,102	-
Leases	414,531	585,071	-	-
Other	382,009	198,704	5,514	-
Total Revenues	<u>118,912,007</u>	<u>117,776,469</u>	<u>48,191,046</u>	<u>13,429,446</u>
EXPENDITURES				
Current Operating				
Water Resources Planning and Monitoring	23,194,941	2,289,558	5,229,116	-
Acquisition, Restoration and Public Works	11,005,271	5,190,413	3,980,858	-
Operations and Maintenance of Lands/Works	20,293,306	76,585,061	19,963,980	11,809,907
Regulation	18,292,912	555,448	1,377,726	-
Outreach	2,161,334	16,491	-	-
District Management and Administration	22,901,274	2,301,800	-	-
Capital Outlay	-	-	-	-
Debt Service				
Bond Principal Retirement	-	-	-	-
Bond Interest	-	-	-	-
COPS Bond Principal Retirement	-	-	-	-
COPS Bond Interest	-	-	-	-
Total Expenditures	<u>97,849,038</u>	<u>86,938,771</u>	<u>30,551,680</u>	<u>11,809,907</u>
Revenues in Excess of (Less than) Expenditures	<u>21,062,969</u>	<u>30,837,698</u>	<u>17,639,366</u>	<u>1,619,539</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	2,588,063	-	-	7,671,269
Transfers Out	(24,236,536)	(49,599,431)	(17,078,287)	(352,185)
Issuance of Refunded Debt	-	-	-	-
Payments to Refunding Escrow Agent	-	-	-	-
Premiums on Refunded Bonds Issued	-	-	-	-
Total Other Financing Sources (Uses)	<u>(21,648,473)</u>	<u>(49,599,431)</u>	<u>(17,078,287)</u>	<u>7,319,084</u>
Net Change in Fund Balances	(585,504)	(18,761,733)	561,079	8,938,623
Fund Balances at Beginning of Year	63,644,103	116,176,509	16,018,904	60,726,144
Fund Balances at End of Year	<u>\$ 63,058,599</u>	<u>\$ 97,414,776</u>	<u>\$ 16,579,983</u>	<u>\$ 69,664,767</u>

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

	Okeechobee Basin Capital Projects	Everglades Trust Capital Projects	Save Our Everglades Capital Projects	Land Acquisition Trust Capital Projects
REVENUES				
Ad Valorem Property Taxes	\$ -	\$ -	\$ -	\$ -
Agricultural Privilege Taxes	-	-	-	-
Intergovernmental	785,839	-	76,179,742	22,666,256
Investment Earnings	126,915	594,770	9,682	-
Licenses, Permits and Fees	-	-	-	-
Sale of District Property	2,092,891	343,962	-	-
Leases	-	-	-	-
Other	30,099	14,466	-	411
Total Revenues	<u>3,035,744</u>	<u>953,198</u>	<u>76,189,424</u>	<u>22,666,667</u>
EXPENDITURES				
Current Operating				
Water Resources Planning and Monitoring	-	-	-	-
Acquisition, Restoration and Public Works	-	598,638	-	-
Operations and Maintenance of Lands/Works	848	-	-	-
Regulation	-	-	-	-
Outreach	-	-	-	-
District Management and Administration	-	-	-	-
Capital Outlay	26,949,677	3,635,262	51,968,563	36,156,027
Debt Service				
Bond Principal Retirement	-	-	-	-
Bond Interest	-	-	-	-
COPS Bond Principal Retirement	-	6,727,610	-	-
COPS Bond Interest	-	11,946,142	-	-
Total Expenditures	<u>26,950,525</u>	<u>22,907,652</u>	<u>51,968,563</u>	<u>36,156,027</u>
Revenues in Excess of (Less than) Expenditures	<u>(23,914,781)</u>	<u>(21,954,454)</u>	<u>24,220,861</u>	<u>(13,489,360)</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	49,599,431	17,078,287	119,351	-
Transfers Out	-	-	-	-
Issuance of Refunded Debt	-	213,151,588	-	-
Payments to Refunding Escrow Agent	-	(251,747,732)	-	-
Premiums on Refunded Bonds Issued	-	39,194,783	-	-
Total Other Financing Sources (Uses)	<u>49,599,431</u>	<u>17,676,926</u>	<u>119,351</u>	<u>-</u>
Net Change in Fund Balances	25,684,650	(4,277,528)	24,340,212	(13,489,360)
Fund Balances (Deficit) at Beginning	22,452,787	90,963,805	(27,716,862)	-
Fund Balances (Deficit) End of Year	<u>\$ 48,137,437</u>	<u>\$ 86,686,277</u>	<u>(\$ 3,376,650)</u>	<u>(\$ 13,489,360)</u>

See Accompanying Notes to the Financial Statements

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

	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
REVENUES		
Ad Valorem Property Taxes	\$ 9,679,987	\$ 269,317,745
Agricultural Privilege Taxes	-	11,179,033
Intergovernmental	32,533,336	137,453,501
Investment Earnings	945,424	5,474,506
Licenses, Permits and Fees	157,365	16,732,989
Sale of District Property	271,357	2,952,891
Leases	4,400,471	5,400,073
Other	973,072	1,604,275
Total Revenues	<u>48,961,012</u>	<u>450,115,013</u>
EXPENDITURES		
Current Operating		
Water Resources Planning and Monitoring	5,041,602	35,755,217
Acquisition, Restoration and Public Works	10,558,451	31,333,631
Operations and Maintenance of Lands/Works	18,518,376	147,171,478
Regulation	119,365	20,345,451
Outreach	5,000	2,182,825
District Management and Administration	196,291	25,399,365
Capital Outlay	19,729,122	138,438,651
Debt Service		
Bond Principal Retirement	6,705,000	6,705,000
Bond Interest	160,538	160,538
COPS Bond Principal Retirement	5,437,390	12,165,000
COPS Bond Interest	9,655,113	21,601,255
Total Expenditures	<u>76,126,248</u>	<u>441,258,411</u>
Revenues in Excess of (Less than) Expenditures	<u>(27,165,236)</u>	<u>8,856,602</u>
OTHER FINANCING SOURCES (USES)		
Transfers In	40,242,661	117,299,062
Transfers Out	(26,032,623)	(117,299,062)
Issuance of Refunded Debt	172,273,412	385,425,000
Payments to Refunding Escrow Agent	(203,467,595)	(455,215,327)
Premiums on Refunded Bonds Issued	31,678,014	70,872,797
Total Other Financing Sources (Uses)	<u>14,693,869</u>	<u>1,082,470</u>
Net Change in Fund Balances	(12,471,367)	9,939,072
Fund Balances at Beginning of Year	<u>141,302,260</u>	<u>483,567,650</u>
Fund Balances (Deficit) End of Year	<u>\$ 128,830,893</u>	<u>\$ 493,506,722</u>

See Accompanying Notes to the Financial Statements

SOUTH FLORIDA WATER MANAGEMENT DISTRICT
Reconciliation of the Statement of Revenues, Expenditures
and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
For the Year Ended September 30, 2016

Net change in fund balances - total governmental funds	\$	9,939,072
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlay as expenditures. However, in the statement of activities, the cost of those assets are depreciated over their estimated useful lives.		
Capital outlay	138,438,651	
Current year depreciation expense	<u>(36,119,701)</u>	102,318,950
The net effect of various transactions involving capital assets (i.e. adjustments, disposals, transfers, donations) is a decrease to net position.		
		64,233,859
Repayment or refunding of long term debt is a use of financial resources in governmental funds, but reduces long term liabilities in the statement of net position.		
Bonds principal payment	6,705,000	
COPs loan principal payment	12,165,000	
Refunding of long-term debt	<u>455,215,327</u>	474,085,327
Some expenses reported in the statement of activities do not require current financial resources and therefore are not reported as expenditures in the governmental funds.		
Change in long term compensated absences	693,700	
Change in OPEB payable	(2,689,133)	
Change in bond interest payable	160,538	
Change in COPs interest payable - Series 2006	11,330,497	
Change in COPs interest payable - Series 2015	(9,481,875)	
Amortization of deferred loss - Certificates Series 2015	(137,071)	
Amortization of discount on debt - Certificates Series 2006	(100)	
Amortization of discount on debt - Certificates Series 2015	(11,685)	
Amortization of premium on debt - Certificates Series 2006	502,965	
Amortization of premium on debt - Certificates Series 2015	4,804,176	
Change in pension liability and related deferred balances	<u>(3,547,892)</u>	1,624,120
The issuance of long term debt provides current financial resources to governmental funds. Issuing debt increases long term liabilities in the statement of net position. Governmental funds report premiums, discounts and similar items when debt is first issued, but these amounts are deferred and amortized in the statement of activities.		
Refunding bonds issued	(385,425,000)	
Premium on refunding bonds	<u>(70,872,797)</u>	(456,297,797)
Revenues that are earned but not received within the District's availability period are recognized in the Statement of Activities when earned and subsequently in the governmental funds when they become available.		
Net effect of pension and retirement contribution		(24,119,480)
Internal service funds are used by management to charge the costs of certain activities to the individual funds. The change in net assets of the internal service funds is reported with governmental activities.		
		<u>2,344,506</u>
Change in net position of governmental activities	\$	<u><u>174,128,557</u></u>

See Accompanying Notes to the Financial Statements

**South Florida Water Management District
Statement of Net Position
Proprietary Funds
September 30, 2016**

	Governmental Activities
	Internal Service Funds
ASSETS	
Current Assets	
Cash and Investments	\$ 20,415,734
Accounts Receivable	31,478
Due from Other Funds	124,544
Other Assets	915,000
Total Current Assets	21,486,756
Noncurrent Assets	
Furniture, Fixtures and Equipment	27,459
Vehicles	36,224
Accumulated Depreciation	(41,779)
Total Noncurrent Assets	21,904
Total Assets	21,508,660
LIABILITIES	
Current Liabilities	
Accounts Payable	\$ 858,813
Due to Other Funds	228
Claims Payable	3,055,663
Total Current Liabilities	3,914,704
Noncurrent Liabilities	
Claims Payable	2,188,337
Total Noncurrent Liabilities	2,188,337
Total Liabilities	6,103,041
NET POSITION	
Net Investment in Capital Assets	21,904
Unrestricted	15,383,715
Total Net Position	\$ 15,405,619

See Accompanying Notes to the Financial Statements

South Florida Water Management District
Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Funds
For the Year Ended September 30, 2016

	Governmental Activities
	Internal Service Funds
OPERATING REVENUES	
Charges for Services	\$ 35,242,691
Other Operating Revenue	67,258
Total Operating Revenues	35,309,949
OPERATING EXPENSES	
Salaries	400,989
Benefits	168,591
Claims	28,121,674
Purchased Services	140,488
Administrative Fees	2,046,569
Other	2,235,948
Depreciation	5,111
Total Operating Expenses	33,119,370
OPERATING INCOME	2,190,579
NONOPERATING REVENUES	
Investment Earnings	154,122
Loss on Disposal of Capital Assets	(195)
Total Nonoperating Revenues	153,927
Change in Net Position	2,344,506
Net Position at Beginning of Year	13,061,113
Net Position at End of Year	\$ 15,405,619

See Accompanying Notes to the Financial Statements

**South Florida Water Management District
Statement of Cash Flows
Proprietary Funds
For the Year Ended September 30, 2016**

	Governmental Activities
	Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES:	
Cash Receipts from Customers	\$ 35,252,879
Cash Payments to Suppliers	(4,037,290)
Cash Payments for Salaries, Benefits	(569,580)
Claims Paid	(27,960,893)
Other Receipts	(57,286)
Net cash provided by (used in) operating activities	2,627,830
CASH FLOWS FROM CAPITAL ACTIVITIES:	
Disposal of Capital Assets	(195)
Net cash provided by capital financing activities	(195)
CASH FLOWS FROM INVESTING ACTIVITIES:	
Interest Earnings	154,122
Net cash provided by investing activities	154,122
Net Increase (Decrease) in Cash and Cash Equivalents	2,781,757
Cash and Cash Equivalents, Beginning of Year	17,633,977
Cash and Cash Equivalents, End of Year	\$ 20,415,734
RECONCILIATION OF OPERATING INCOME TO NET CASH USED IN OPERATING ACTIVITIES:	
Operating Income	\$ 2,190,579
Adjustments to reconcile operating income to net cash used in operating activities:	
Depreciation	5,111
CHANGES IN ASSETS AND LIABILITIES:	
Decrease (Increase) in Accounts Receivable	10,188
Decrease (Increase) in Due from Other Funds	(124,544)
Decrease (Increase) in Prepays	-
Increase (Decrease) in Accounts Payable	385,487
Increase (Decrease) in Due to Other Funds	228
Increase (Decrease) in Estimated Unpaid Claims	160,781
Net Cash Provided by (Used in) Operating Activities	\$ 2,627,830



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**SOUTH FLORIDA WATER MANAGEMENT DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2016**

(1) DESCRIPTION OF THE SOUTH FLORIDA WATER MANAGEMENT DISTRICT	III-16
(2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES	III-16
(a) Reporting Entity	III-16
(b) Government-wide and Fund Financial Statements.....	III-17
(c) Measurement Focus and Basis of Accounting	III-17
(d) Major Governmental Funds and Other Fund Types	III-18
(e) Budgetary Information	III-19
(f) Cash and Investments	III-19
(g) Prepaid Items	III-20
(h) Inventory.....	III-20
(i) Capital Assets.....	III-20
(j) Long Term Obligations	III-21
(k) Compensated Absences.....	III-22
(l) Deferred Inflows/Outflows of Resources	III-22
(m) Wetland Mitigation	III-23
(n) Fund Balances / Net Position	III-23
(o) Use of Estimates	III-24
(p) Impact of Recently Issued Accounting Pronouncements	III-25
(q) Retirement Plans	III-28
(3) CASH AND INVESTMENTS.....	III-28
(4) ACCOUNTS RECEIVABLE	III-32
(5) INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS.....	III-33
(6) OPERATING LEASE RENTAL REVENUES.....	III-34
(7) PROPERTY TAXES.....	III-34
(8) INTERGOVERNMENTAL TRANSACTIONS	III-35
(9) CAPITAL ASSETS ACTIVITY	III-36
(10) LONG-TERM LIABILITIES	III-37
(11) FUND BALANCE REPORTING.....	III-39
(12) DEFICIT FUND BALANCES.....	III-41
(13) OPERATING LEASES	III-41
(14) RETIREMENT PLANS	III-41
(15) OTHER POST-EMPLOYMENT BENEFITS (OPEB).....	III-50
(16) INSURANCE ACTIVITIES	III-52
(17) CONDEMNATION PROCEEDINGS.....	III-54
(18) MAJOR CONSTRUCTION COMMITMENTS.....	III-54
(19) OTHER COMMITMENTS AND CONTINGENCIES	III-56

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2016**

(1) DESCRIPTION OF THE SOUTH FLORIDA WATER MANAGEMENT DISTRICT

The South Florida Water Management District (the "District") is a public corporation organized under Florida Statutes, Chapter 373, and is controlled by a Governing Board consisting of nine (9) members appointed by the Governor to staggered four-year terms.

The District covers all or parts of sixteen counties in Central and Southern Florida. The primary objectives of the District are to promote the protection and restoration of natural systems, facilitate the development and proper utilization of surface and ground water within District boundaries, and prevent damage from floods, soil erosion and excessive drainage. To accomplish these objectives, the District is empowered to manage and regulate the usage and storage of water within District boundaries and to acquire properties and construct facilities as necessary. The District works in concert with the State of Florida (the "State") and agencies of the federal government to accomplish the previously described water management objectives.

(2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying financial statements conform to accounting principles generally accepted in the United States of America (GAAP) for governmental units as prescribed by the Governmental Accounting Standards Board (GASB) and other recognized authoritative sources. The more significant accounting policies are summarized in the following paragraphs.

(a) Reporting Entity

The District follows the standards promulgated by GASB Codification No. 2100, "Defining the Financial Reporting Entity" to determine the inclusion of an organization as part of its reporting entity. The Statement defines the criteria for inclusion as 1) the economic resources received or held by the separate organization are primarily for the direct benefit of the primary government, 2) the primary government is entitled to, or has the ability to access a majority of the economic resources received or held by the separate organization and 3) the economic resources received or held by the separate organization on behalf of the specific primary government are significant to that primary government. Based on these criteria, the District has determined that the South Florida Water Management District Leasing Corporation (the "Corporation") is a blended component unit. The Corporation is legally separate from the District, its sole purpose is to provide financing for certain District projects, the Board of the Corporation consists of the nine Board members of the District and there is a financial benefit or burden relationship between the District and the Corporation. In addition, the Corporations outstanding debt is expected to be repaid by the District. Therefore, the financial activities of the Corporation have been blended (reported as if it were part of the District) with the activities of the District. The Corporation does not publish individual component unit financial statements. The District is not a participant in any joint venture.

The District is a component unit of the State of Florida since the Governor appoints the nine member Governing Board and the District has a financial benefit/burden relationship with the State. The State provides funding for District programs through the sale of State debt, the sharing of documentary stamp revenues, and the approval of various annual grants and entitlements. The government-wide financial statements, i.e., the statement of net position and the statement of activities, report information on all of the activities of the District. For the most part, the effect of interfund activity has been removed from these statements.

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2016**

(2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(b) Government-wide and Fund Financial Statements

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include: 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported as general revenues.

Separate financial statements are provided for governmental and proprietary funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

(c) Measurement Focus and Basis of Accounting

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. 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. The District considers revenues from property taxes, intergovernmental sources and interest to be available if they are collected within sixty (60) days of the end of the current fiscal period.

Revenues susceptible to accrual are property taxes, interest on investments, intergovernmental revenues, and leases. Property taxes are recorded as revenues in the fiscal year in which they are levied for, provided they are collected in the current period or within sixty (60) days thereafter. Interest on invested funds is recognized when earned and available. Intergovernmental revenues that are reimbursements for specific purposes or projects are recognized when all eligibility requirements are met and it is available. All other revenues are recognized when cash is received.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenses related to compensated absences, claims and judgments, pension obligations, and other post-employment benefits (OPEB) are recorded only when payment is due.

The District often acquires land for environmental restoration and related purposes sometimes involving condemnation action in a court of law. Upon action of the Court's Stipulated Order of Taking, the District recognizes an expenditure for the amount deposited with the Court.

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed.

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2016**

(2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(c) Measurement Focus and Basis of Accounting (continued)

The following are definitions of the governmental fund types, excluding the general fund:

Special revenue funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes other than debt service or capital projects. The restricted or committed proceeds are expected to comprise a substantial portion of the inflows reported in the fund.

Capital projects funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditures for capital outlays, including the acquisition or construction of capital facilities, land, infrastructure, and other capital assets.

In addition to governmental funds, the District uses a proprietary fund type to report its internal service fund activity. Proprietary funds are reported using the economic resources measurement focus and the accrual basis of accounting. With the accrual method of accounting, revenues are recorded when earned and expenses are recorded at the time the liabilities are incurred. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating expenses include salaries, benefits, claims payments, purchased services and depreciation. All items not meeting this definition are reported as nonoperating revenues and expenses.

(d) Major Governmental Funds and Other Fund Types

The District reports the following major governmental funds:

The General Fund is the District's primary operating fund, and accounts for all financial resources of the District, except those accounted for in another fund.

The Okeechobee Basin Special Revenue Fund is used to record revenues from within all or part of a 15-county area designated as the Okeechobee Basin. Funding is provided by a .1586 mill property tax levy, intergovernmental revenues and permitting fees, which must be used for expenditures within the Okeechobee Basin.

The Everglades Restoration Trust Special Revenue Fund is used to account for expenditures related to the operations and maintenance of the Stormwater Treatment Areas (STAs) as required by the Everglades Forever Act. Funding is provided through a .0506 mill tax levy, non-ad valorem assessments to property owners in the Everglades Agricultural Area (EAA), State and Federal contributions, and interest earnings.

The Lake Belt Mitigation Special Revenue Fund accounts for revenues received pursuant to Chapter 373.41492, Florida Statutes, which requires mitigation from impacts resulting from rock mining in the Lake Belt area of Miami-Dade County, and related expenditures incurred towards the restoration and management of environmentally sensitive lands.

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2016**

(2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(d) Major Governmental Funds and Other Fund Types (continued)

The Okeechobee Basin Capital Projects Fund is used to record capital expenditures incurred towards projects benefiting all or part of a 15-county area designated as the Okeechobee Basin. Funding is provided from operating transfers from the Okeechobee Basin Special Revenue Fund, and interest earnings.

The Everglades Trust Capital Projects Fund is used to record capital expenditures to construct stormwater treatment areas to cleanse stormwater runoff from the EAA through naturally occurring biological and physical processes. Additional objectives include hydroperiod restoration and water supply. Funding is provided from operating transfers from the Everglades Restoration Trust Special Revenue Fund, and interest earnings.

The Save Our Everglades Capital Projects Fund accounts for revenues and capital expenditures for the Comprehensive Everglades Restoration Plan (CERP) and the Northern Everglades Estuary Protection Program (NEEPP) which are funded from the State's Save Our Everglades Trust Fund.

The Land Acquisition Trust Fund (LATF) Capital Projects Fund accounts for revenues and capital expenditures for Kissimmee River Restoration and Restoration Strategies projects, including CERP/Northern Everglades projects. Funding is received from the Trust Fund of the same name.

The District reports the following type of proprietary funds:

Internal service funds are used to account for the financing of goods and services provided by one department to another on a cost reimbursement basis. The District reports two internal service funds, one used to account for workers' compensation, general liability, automobile, and other insurance activities and one to account for self-funded health and medical benefits provided to the employees of the District and retirees who choose to remain within the plan.

(e) Budgetary Information

The District has elected to report budgetary comparisons as required supplementary information (RSI). Please refer to the accompanying notes to the RSI for the District's budgetary information on page IV-13.

(f) Cash and Investments

Cash includes currency on hand and demand deposits. Cash equivalents for purposes of the statement of cash flows consist of pooled cash and short-term investments with original maturities of three months or less from the date of acquisition. The District utilizes pooled cash accounting whereby excess monies are aggregated for investment purposes. Earnings from such investments are allocated to the respective funds based on applicable cash participation by each fund. Negative cash balances in individual funds are reported as interfund payables with offsetting receivables recorded in loaning fund(s). In accordance with GASB Codification Section 150,

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2016**

(2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(f) Cash and Investments (continued)

the District reports investments at their fair market value, with unrealized gains and losses credited to or charged against investment earnings. The District categorizes its investments according to the fair value hierarchy established by GASB Statement No. 72. The hierarchy is based on observable and unobservable inputs used in establishing the fair value of a financial asset or liability.

The District's investment portfolio is valued based on a blend of third-party market pricing services such as BONDEDGE, FISERV, YIELDBOOK and BLOOMBERG.

Non-participating investments, such as non-negotiable certificates of deposit with redemption values that do not consider market rates, are reported at amortized costs. The District has investments in two investment pools, Florida Prime (previously known as the Local Government Surplus Funds Trust Fund - Pool A), and the Florida Local Government Investment Trust (Trust Fund). Florida Prime is managed by the State Board of Administration. The Florida Local Government Investment Trust is a member-owned, member-governed investment fund. Under the guidelines of GASB Codification Section 150, Florida Prime is a "2a-7 like" pool. Accordingly, investments in Florida Prime are reported at amortized cost. The Trust Fund is accounted for as net asset value (NAV) pools. As such, its investments have been valued based on their respective fair value factor as of the financial statement date.

During the year, the District did not directly invest any resources in derivatives. Investments made through State-administered trust funds may include derivatives. These investments are made on a pooled basis and the individual risk to the District is unknown.

(g) Prepaid Items

Prepaid items consist of certain costs which have been paid prior to the end of the fiscal year, but represent items which are applicable to future accounting periods. These amounts do not constitute available spendable resources even though they are a component of current assets. The cost is recorded as an expenditure at the time individual items are consumed.

(h) Inventory

Inventory is stated at moving average cost and consists of fuel, chemicals and supplies held for consumption. The cost is recorded as an expenditure at the time individual inventory items are consumed.

(i) Capital Assets

Capital assets, which include land, canals and levees, buildings, equipment, vehicles, infrastructure assets (bridges, water control structures) and intangible assets are reported in the government-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost of \$1,000 or more and an estimated useful life of one year or more. Intangible assets are defined as assets that lack physical substance, are nonfinancial in nature, and have initial useful lives which extend beyond a single reporting period. The District reports

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2016**

(2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(i) Capital Assets (continued)

two main types of intangible assets, easements, which are considered non-depreciable and internally generated software, which is depreciated over its estimated useful life. Items purchased or acquired are reported at historical cost or estimated historical cost. Donated assets are recorded at their acquisition value on the date donated. Maintenance, repairs and minor renovations are not capitalized.

Expenditures that materially increase values, change capacities or extend useful lives of assets are capitalized. Upon sale or retirement, the costs and their related accumulated depreciation are eliminated from the respective accounts.

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

<u>Asset</u>	<u>Years</u>
Intangibles	5-10
Vehicles and Equipment	5-25
Buildings	10-40
Improvements Other Than Buildings	12-25
Water Control Structures	25-50

Land, easements (intangibles), canals and levees have indefinite useful lives and as such are not considered to be depreciable capital assets.

(j) Long-term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the government-wide Statement of Net Position. Bonds payable are reported net of the applicable bond premium or discounts. Bond premiums and discounts are amortized over the life of the bonds using the straight line method, which does not result in a material difference from the effective interest method. Deferred amounts (the difference between the reacquisition price and the net carrying amount) on refunding are amortized over the shorter of the remaining life of the old debt or the life of the new debt using the straight line method, which does not result in a material difference from the effective interest method. Debt issuance costs, except for the portion which relates to prepaid insurance costs, are recognized as an expense in the period incurred. Prepaid insurance costs are reported as an asset and are recognized as expense on a straight line basis over the duration of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts are reported as other financing uses. Debt principal payments and issuance costs, whether or not withheld from actual debt proceeds, are reported as debt service expenditures.

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2016**

(2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(k) Compensated Absences

District employees are granted a specific number of vacation and sick leave hours with pay. Non-management employees are permitted to accrue a maximum of 240 hours of vacation as of the end of the payroll calendar year. Managers are permitted to accrue a maximum of 480 hours of vacation as of the end of the payroll calendar year. Annual leave in excess of maximum carryover amounts at the end of the payroll calendar year will be converted to sick leave. Upon termination of employment, employees hired prior to July 1, 2012 are paid for 25 percent of unused sick leave after vesting with at least six years of service. Employees hired after July 1, 2012 must have eight or more consecutive years of District service to receive the 25 percent payout. The maximum payout for accrued but unused sick leave is 480 hours.

The costs of vacation and sick leave benefits (compensated absences) are budgeted and expended in the respective operating funds. In the governmental funds, the cost of vacation and sick pay benefits is recognized when payments are made to employees or when the related liability matures. The government-wide statements and proprietary funds recognize a liability and expense in the period the vacation and sick pay benefits are earned. The District normally liquidates its liability for compensated absences resulting from payouts of vested accrued leave upon termination, separation, retirement, etc. from the General Fund and the Okeechobee Basin Special Revenue Fund.

(l) Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position includes a separate section for deferred outflows of resources. This separate financial statement section represents a consumption of net resources applicable to future periods and will not be recognized as an outflow of resources (expenses/expenditures) until the future period to which it applies. Currently, the District reports deferred outflows related to pensions in this section and deferred loss on refunded debt.

In addition to liabilities, the statement of net position includes a separate section for deferred inflows of resources. This separate financial statement section represents the acquisitions of net resources applicable to future periods and will not be recognized as an inflow of resources (revenue) until the future period to which it applies. Currently, the District reports deferred inflows related to pensions in the government-wide statements. The District also reports deferred inflows related to unavailable revenue in the governmental fund statements. The unavailable revenue will be recognized as inflows of resources in the period that the amounts become available.

The sources of unavailable revenue are:

<u>Description</u>	<u>Governmental Balances</u>
Intergovernmental Sources:	
Reimbursement	\$ 14,970,664
Total Unavailable Revenue	<u>\$ 14,970,664</u>

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2016**

(2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(m) Wetland Mitigation

The District manages a program for mitigating the impact of wetland destruction through a specialized regulatory permitting process. Permit applicants are required to remit a specified cash payment to the District as part of the permit conditions. The permit restricts the use of the funds received by the District to land acquisition, land restoration and long-term management of the lands in areas managed by the District that are near the lands being developed by permittees. The District accounts for the money received to assure it is used only for the approved purpose in the assigned area. Funds received for land acquisition and restoration (expendable) are placed in the Wetland Mitigation Special Revenue and Capital Projects Funds. Funds received for long-term management (nonexpendable) are placed in the Wetland Mitigation Permanent Fund.

(n) Fund Balances / Net Position

In the fund financial statements, governmental funds report fund classifications that comprise a hierarchy based primarily on the extent to which the District is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. Fund balance is reported in five components: nonspendable, restricted, committed, assigned and unassigned.

Nonspendable – Represents amounts which are (a) not in spendable form or (b) legally or contractually required to be maintained intact. “Not in spendable form” includes items that are not expected to be converted to cash, such as inventories and prepaid amounts, and items such as long-term amount of loans and notes receivable. The corpus, or principal of a permanent fund is an example of an amount that is legally or contractually required to be maintained intact.

Restricted – Represents amounts that can be spent only for specific purposes stipulated by (a) external resource providers such as creditors (by debt covenants), grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

Committed – Represents amounts that can be used only for the specific purposes determined by a formal action (resolution) of the District’s Governing Board, the District’s highest level of decision making authority. Commitments may be changed or lifted only by the Board taking the same formal action (resolution) that imposed the constraint originally.

Assigned – Represents amounts that are constrained by the District’s intent to be used for specific purposes, but are neither restricted nor committed. Assignments are made by the District’s Executive Director or his or her designee based on Board direction as delegated in Chapter 101 of the District’s policies and procedures.

Unassigned - Represents the residual classification for the general fund. This classification represents spendable fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the general fund. Unassigned fund balance may also include residual deficit equity balances of other governmental funds, after allocating amounts to nonspendable, restricted, and committed categories.

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2016**

(2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(n) Fund Balances / Net Position (continued)

When both restricted and unrestricted amounts of fund balance are available for use for expenditures incurred, it is the District's policy to use restricted amounts first and then unrestricted amounts as they are needed. Additionally, the District would first use committed fund balance, 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.

Net position represents the difference between assets & deferred outflows of resources and liabilities & deferred inflows of resources, and is reported in the three components of net investment in capital assets, restricted, and unrestricted.

Net investment in capital assets component of net position consists of capital assets (net of accumulated depreciation) and deferred outflow of resources for losses on refunding transactions; reduced by the outstanding balance of debt related to the acquisition or construction of those assets and deferred inflow of resources for gains on refunding transactions.

Net position is restricted when there are limitations imposed on use either through the enabling legislation or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The types of restrictions the District has on its net position are:

Restricted for Debt Service - Represents the portion of net position which is restricted for debt service payments or long-term borrowings.

Restricted for Wetlands Mitigation - Represents the expendable and nonexpendable portions of net position which are restricted for land acquisition, land restoration and long-term management of the wetlands.

Restricted for Environmental Programs - Represents the portion of net position which is restricted for specific environmental programs through legally enforceable requirements stipulated in legislation or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. As of September 30, 2016, the District has approximately \$312.7 million in restricted net position through enabling legislation.

Restricted for Capital Construction – Represents the portion of net position restricted for construction of capital facilities through legally enforceable legislative requirements.

Net position unrestricted represents amounts not included in other categories, which is generally available for use, but a deficit would require future funding.

(o) Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, deferred items, and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amount of revenue and expenses/expenditures during the reporting period. Actual results could differ from those estimates.

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2016**

(2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(p) Impact of Recently Issued Accounting Pronouncements

Recently Issued and Implemented Accounting Pronouncements

In February 2015, GASB issued Statement No. 72 “Fair Value Measurement and Application”. This Statement provides guidance for determining a fair value measurement for financial reporting purposes and also provides guidance for applying fair value to certain investments and disclosures related to all fair value measurements. The District implemented the provisions of this Statement during the fiscal year ended September 30, 2016. The implementation resulted in expanded disclosures of fair value in the notes to the District’s financial statements.

In June 2015, GASB issued Statement No. 73 “Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68”. This Statement establishes requirements for pensions and pension plans that are not administered through a trust meeting certain criteria. The provisions of this Statement are effective for financial statements for periods beginning after June 15, 2015, except for those provisions that address employers and governmental non-employer contributing entities for pensions that are not within the scope of GASB Statement No. 68, which are effective for fiscal years beginning after June 15, 2016. The District implemented the provisions of this Statement during the fiscal year ended September 30, 2016. The implementation had no effect on the District’s financial statements.

In December 2015, GASB issued Statement No. 79 “Certain External Investment Pools and Pool Participants”. This Statement addresses accounting and financial reporting for certain external investment pools and pool participants. Specifically, it 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. The provisions of this Statement are effective for financial statements for periods beginning after June 15, 2015, except for certain provisions which are in effect for reporting periods beginning after December 15, 2015. The District implemented the provisions of this Statement during the fiscal year ended September 30, 2016. The implementation had no effect on the District’s financial statements.

The District has not yet determined the impact of the following GASB pronouncements which have been issued, but are not yet effective and have not been implemented.

In June 2015, GASB issued Statement No. 75 “Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions”. This Statement establishes standards for recognizing and measuring liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures related to accounting and financial reporting for OPEB. The implementation of this statement will result in the recognition of a significant liability that is not yet measurable. The provisions of this Statement are effective for financial statements for periods beginning after June 15, 2017. The District is required to implement this Statement in its fiscal year beginning October 1, 2017.

In August 2015, GASB issued Statement No. 77 “Tax Abatement Disclosures”. This Statement requires state and local governments to disclose information about tax abatement agreements. It requires governments to disclose information about their own tax abatements separately from information about tax abatements that are entered into by other governments and reduce the

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2016**

(2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(p) Impact of Recently Issued Accounting Pronouncements (continued)

reporting government's tax revenues. The provisions of this Statement are effective for financial statements for periods beginning after December 15, 2015. The District is required to implement this Statement in its fiscal year beginning October 1, 2016.

In December 2015, GASB issued Statement No. 78 "Pensions Provided through Certain Multiple-Employer Defined Benefit Pension Plans". The objective of this Statement is to address a practice issue regarding the scope and applicability of Statement No. 68, Accounting and Financial Reporting for Pensions. This issue is associated with pensions provided through certain multiple-employer defined benefit pension plans and to state or local governmental employers whose employees are provided with such pensions. The provisions of this Statement are effective for financial statements for periods beginning after December 15, 2015. The District is required to implement this Statement in its fiscal year beginning October 1, 2016.

In January 2016, GASB issued Statement No. 80 "Blending Requirements for Certain Component Units—an amendment of GASB Statement No. 14". The objective of this Statement is to improve financial reporting by clarifying the financial statement presentation requirements for certain component units. This Statement amends the blending requirements established in Statement No. 14, "The Financial Reporting Entity", as amended. The provisions of this Statement are effective for financial statements for periods beginning after June 15, 2016. The District is required to implement this Statement in its fiscal year beginning October 1, 2016.

In March 2016, GASB issued Statement No. 81 "Irrevocable Split-Interest Agreements". The objective of this Statement is to improve accounting and financial reporting for irrevocable split-interest agreements by providing recognition and measurement guidance for situations in which a government is a beneficiary of the agreement. The provisions of this Statement are effective for financial statements for periods beginning after December 15, 2016. The District is required to implement this Statement in its fiscal year beginning October 1, 2017.

In March 2016, GASB issued Statement No. 82 "Pension Issues—an amendment of GASB Statements No. 67, No. 68, and No. 73". This Statement addresses issues regarding (1) the presentation of payroll-related measures in required supplementary information, (2) the selection of assumptions and the treatment of deviations from the guidance in an Actuarial Standard of Practice for financial reporting purposes, and (3) the classification of payments made by employers to satisfy employee (plan member) contribution requirements. The provisions of this Statement are effective for financial statements in which the measurement date of the pension liability is on or after June 15, 2017. The District is required to implement this Statement in its fiscal year beginning October 1, 2017.

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2016**

(2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(p) Impact of Recently Issued Accounting Pronouncements (continued)

In November 2016, GASB issued Statement No. 83, "Certain Asset Retirement Obligations". This Statement addresses accounting and financial reporting for certain asset retirement obligations (AROs). An ARO is a legally enforceable liability associated with the retirement of a tangible capital asset. Specifically, it establishes criteria for determining the timing and pattern of recognition of a liability and a corresponding deferred outflow of resources for AROs; it requires the current value of a government's AROs to be adjusted for the effects of general inflation or deflation, at least annually; it also establishes the requirement for disclosure of information about the nature of a government's AROs, the methods and assumptions used for the estimates of the liabilities, and the estimated remaining useful life of the associated tangible capital assets. The requirements of this Statement are effective for reporting periods beginning after June 15, 2018. The District is required to implement this Statement in its fiscal year beginning October 1, 2018.

In January 2017, GASB issued Statement No. 84, "Fiduciary Activities". The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. This Statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists; it specifies four fiduciary funds that should be reported, if applicable (1) pensions (and other employee benefit) trust funds, (2) investment trust funds, (3) private-purpose trust funds, and (4) custodial funds. The requirements of this Statement are effective for reporting periods beginning after December 15, 2018. The District is required to implement this Statement in its fiscal year beginning October 1, 2019.

In March 2017, GASB issued Statement No. 85 "Omnibus 2017". The objective of this Statement is to address practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics including issues related to blending component units, goodwill, fair value measurement and application, and postemployment benefits (pensions and other postemployment benefits [OPEB]). Specifically, this Statement addresses the following topics: blending a component unit in circumstances in which the primary government is a business-type activity that reports in a single column for financial statement presentation; reporting amounts previously reported as goodwill and "negative" goodwill; classifying real estate held by insurance entities; measuring certain money market investments and participating interest-earning investment contracts at amortized cost; timing of the measurement of pension or OPEB liabilities and expenditures recognized in financial statements prepared using the current financial resources measurement focus; recognizing on-behalf payments for pensions or OPEB in employer financial statements; presenting payroll-related measures in required supplementary information for purposes of reporting by OPEB plans and employers that provide OPEB; classifying employer-paid member contributions for OPEB; simplifying certain aspects of the alternative measurement method for OPEB; accounting and financial reporting for OPEB provided through certain multiple-employer defined benefit OPEB plans. The provisions of this Statement are effective for financial statements for periods beginning after June 15, 2017. The District is required to implement this Statement in its fiscal year beginning October 1, 2017.

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2016**

(2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(q) Retirement Plans

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) and Health Insurance Subsidy (HIS) deferred benefit plans additions to/deductions from both Plans fiduciary net position have been determined on the same basis as they are reported by the Plans and are recorded in the government-wide financial statements. 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.

(3) CASH AND INVESTMENTS

Statement of Policy

The purpose of the District's investment policy is to set forth the investment objectives and parameters for the management of public funds of the District. The policy is designed to ensure the prudent management of public funds, the availability of operating and capital funds when needed and investment returns competitive with comparable funds and financial market indices.

The District's policy is written in accordance with Section 218.415, Florida Statutes, which applies to funds under the control of local governments and special districts. The policy and any subsequent revisions are adopted by the District's Governing Board and apply to funds in excess of those required to meet current expenditures. In March 2012 the Governing Board approved changes to a majority of District policies to update references to positions and departments to ensure they were aligned with the District's new organization structure. No substantive changes were made to the policies during that effort.

The District's investment policy authorizes investments in: 1) the Florida Local Government Surplus Funds Trust Fund (which includes Florida Prime, Pool B and the Florida Local Government Investment Trust), 2) United States government securities unconditionally guaranteed by the full faith and credit of the United States government, 3) United States government agencies backed by the full faith and credit of the United States government, 4) United States government-sponsored agencies, 5) interest bearing time deposit or savings accounts of Florida Banks and Savings and Loan Associations approved under Chapter 280, Florida Statutes, 6) commercial paper rated Prime 1 by Moody's, A1 by Standard and Poor's or F-1 by Fitch, 7) corporate notes rated at a minimum Aa by Moody's, AA by Standard and Poor's or AA by Fitch, 8) Bankers Acceptances rated at a minimum P-1 by Moody's and A-1 by Standard and Poor's, 9) state and/or local government taxable and/or tax exempt debt, general obligation and/or revenue bonds, rated at least Aa by Moody's and AA by Standard and Poor's or AA by Fitch for long term debt or rated at least MIG-1 by Moody's and SP-1 by Standard and Poor's for short-term debt, 10) money market mutual funds rated AAAM or AAAM-G or better by Standard & Poor's, or the equivalent by another rating agency, 11) master repurchase agreements collateralized by United States government, government agencies and federal instrumentalities, 12) hedging instruments, 13) reverse repurchase agreements and 14) agency mortgage backed securities or non-agency mortgage backed securities that maintain a AAA rating by a nationally recognized statistical rating agency.

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2016**

(3) CASH AND INVESTMENTS (continued)

As of September 30, 2016, the District had placed approximately 20% of its investments in U.S. government agencies backed by the full faith and credit of the United States government, 51% in U.S. government-sponsored agencies, 11% in Florida Prime and the Local Government Investment Pool and 18% in the Florida Local Government Investment Trust.

Florida Prime is an investment pool available for investing temporarily idle cash by Florida governments and is managed by the State Board of Administration (the "SBA"). According to the SBA, Florida Prime meets the criteria to be considered as "2a-7 like", as defined by GASB Codification Section 150. Accordingly, it has been reported at the net asset value. Florida Prime maintains an AAAM rating by Standard and Poor's Ratings Services.

Florida Prime is governed by the rules of Chapter 19-7 of the Florida Administrative Code. These rules provide guidance and establish the general operating procedures for the administration of the Funds. Additionally, the Office of the Auditor General performs the operational audit of the activities and investments of the SBA.

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Investments are made based upon prevailing market conditions at the time of the transaction. While the overall intent is to hold securities to maturity, the ongoing management of the portfolio allows for actions designed to meet cash needs of the District and attempts to maximize investment yield while minimizing losses. Investments can be sold prior to maturity to improve yield, modify the target duration or improve the overall credit position of the portfolio.

The District uses a duration method to construct a portfolio of bonds to fund its future cash needs. For reporting purposes, it selects the effective duration to disclose the portfolio's exposure to changes in interest rates. Through its investment policy, the District manages its exposure to fair value losses arising from interest rate increases by limiting the effective duration of its investment portfolio, including cash balances, to less than three (3) years.

The District maintains an allocation of its investments in U.S. Agency Obligation securities which are callable by the issuer. These bonds are subject to the risk of being called prior to maturity. The District invests in Mortgage Backed Securities, including Collateralized Mortgage Obligations (CMO's) in part to maximize yield and as a protection against a rise in interest rates.

These securities are based on cash flows from payments on underlying mortgages; therefore, they are sensitive to prepayments by mortgagees, which may result from a decline in interest rates. An increase in interest rates may increase the average maturity of these investments. The District currently limits its exposure to all mortgage investments to 30% of total available funds at the time of purchase.

In 2016, the District implemented GASB Statement No. 72 "Fair Value Measurement and Application" issued in February 2015. Management categorized investments according to the fair value hierarchy established by this Statement. The hierarchy is based on valuation inputs used to measure the fair value of the asset as follows: Level 1 inputs are quoted prices in active markets

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2016**

(3) CASH AND INVESTMENTS (continued)

for identical assets; Level 2 inputs are significant other observable inputs to include quoted prices for similar assets in active and non-active markets; Level 3 inputs are significant unobservable inputs, and typically reflect management's estimates of assumptions that market participants would use in pricing the asset or liability.

As of September 30, 2016 the District had the following investments in its pooled portfolio:

Investment Type	<u>Fair Value Measurements Using</u> Significant Other Observable Inputs (Level 2)	Effective Duration (in yrs)
U.S. Agency Obligations	\$ 60,187,000	2.08
Investments in Mortgage Backed Securities	156,165,951	3.45
Total Investments by Fair Value Level	\$ 216,352,951	
Portfolio Effective Duration		3.06
Investments Measured at the Net Asset Value (NAV)		
Florida Local Government Investment Trust	53,475,255	
Total Investments Measured at Fair Value	\$ 269,828,206	
Investments Measured at Amortized Cost		
Florida Prime	34,153,244	
Total Investments	\$ 303,981,450	

Credit Risk

Credit risk is the risk that an issuer will not fulfill its obligations. For liquidity purposes, the District invests in Florida Prime, which is managed in accordance with State statutes. Florida Prime is rated AAAM by Standard & Poor's, and investment into the fund by local governments is consistent with SEC rule 2a-7.

All of the District's investments in agency securities for fiscal year 2016 were rated AA+ by Standard and Poor's, AAA by Fitch ratings, and Aaa by Moody's Investor Services. In addition, all of the District's investments in Mortgage Backed Securities were rated AAA by at least two of the three listed rating services. This applies to the direct agency obligations as well as the investment into non-agency mortgages and CMO's.

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2016**

(3) CASH AND INVESTMENTS (continued)

Credit Quality Distribution for Securities with Credit Exposure

Investment Type	Credit Rating	Fair Value
Small Business Administration - Certificates	Unrated	\$ 8,233,657
Florida Prime	AAAm	34,153,244
Fannie Mae – U.S. Agency Obligations	AAA	30,101,000
Fannie Mae – Mortgage Backed Securities	AAA	66,773,578
Freddie Mac – U.S. Agency Obligations	AAA	10,005,000
Freddie Mac – Mortgage Backed Securities	AAA	53,428,254
Federal Farm Credit Bank – U.S. Agency Obligations	AAA	10,000,000
Federal Home Loan Bank – U.S. Agency Obligations	AAA	10,081,000
Ginnie Mae - Mortgage Backed Securities	AAA	27,730,462
Florida Local Government Investment Trust	AAAf	53,475,255
		<u>\$ 303,981,450</u>

Custodial Credit Risk - Deposits

All of the District's cash deposits are held in accounts at depository institutions which are recognized as State of Florida Qualified Public Depositories in accordance with state statutes and the District's investment policy. All bank balances are covered by federal deposit insurance and the bank's participation in the Florida Security for Public Deposits Act. The balance held with these institutions at September 30, 2016 is \$190,746,619.

The District's "Cash and Investments Held by Trustee" at September 30, 2016 consists \$2,780,864 which represents the remaining balance of proceeds from the issuance of Certificates of Participation (COPs) in fiscal year 2007, which is invested in FLGIT and held in trust by a third party financial institution on behalf of the District. Other balances held by trustees include \$2,266,705 representing amounts related to joint projects with the Florida Department of Transportation and \$22,547,650 representing debt service on the COPs due October 1, 2016.

Custodial Credit Risk – Investments

The District's investment policy requires that all securities be held with a third-party custodian in a separate account which is registered as an asset of the District. The custodian acts as the safekeeper of the District's investment securities. No withdrawal of securities, in whole or in part, is made from safekeeping without written authorization of designated District staff. The investments are in the name of the District.

Concentration of Credit Risk

The District's policy authorizes investment allocation limits on security types, issuers, and maturity limitations. However, the Executive Director has the option to modify investment percentages from time-to-time based on market conditions, risk and diversification investment strategies. These actions are delegated to the District Treasurer to implement as needed.

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2016**

(3) CASH AND INVESTMENTS (continued)

Percentage Allocation by Issuer as of September 30, 2016

Issuer	Percent of Total
Small Business Administration	13.94%
Fannie Mae	31.87%
Freddie Mac	20.87%
Federal Farm Credit Bank	3.29%
Federal Home Loan Bank	3.32%
Ginnie Mae	9.12%
Florida Local Government Investment Trust	17.59%

Cash and investments as of September 30, 2016 are comprised of the following:

Cash Deposits:

Money Market Accounts	\$ 31,517,230
Demand Deposit Accounts	159,223,639
Petty Cash	5,750
Total Cash Deposits	<u>190,746,619</u>

<i>Cash and Investments Held by Trustee:</i>	<u>27,595,219</u>
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Investments:

U.S. Agency Obligations	60,187,000
Investments in Mortgage Backed Securities	156,165,951
Florida Prime	34,153,244
Florida Local Government Investment Trust	53,475,255
Total Investments	<u>303,981,450</u>
Total Cash and Investments	<u>\$ 522,323,288</u>

(4) ACCOUNTS RECEIVABLE

Accounts receivable at September 30, 2016 consist of the following:

	General Fund	Okeechobee Basin SR Fund	Everglades Restoration Trust SR Fund	Lake Belt Mitigation SR Fund	Okeechobee Basin CP Fund	Everglades Restoration Trust CP Fund	Save Our Everglades Trust (SOETF) CP Fund	Non Major / Internal Service Funds	Total
Leases	\$ 7,407	\$ 148,497	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 433,493	\$ 589,397
Interest	140,403	149,289	39,626	68,406	2,972	78,553	1,171	118,235	598,655
Other	9,562	2,319	770	-	30,000	-	-	10,199	52,850
	<u>\$ 157,372</u>	<u>\$ 300,105</u>	<u>\$ 40,396</u>	<u>\$ 68,406</u>	<u>\$ 32,972</u>	<u>\$ 78,553</u>	<u>\$ 1,171</u>	<u>\$ 561,927</u>	<u>\$ 1,240,902</u>

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2016**

(5) INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

Interfund receivables and payables as of September 30, 2016 are as follows:

	Interfund Receivable	Interfund Payable
General Fund	\$ -	\$ 59,502
Okeechobee Basin SR Fund	21,704,194	48,664
Everglades Restoration Trust SR Fund	-	13,342
Lake Belt Mitigation SR Fund	-	118
Everglades Restoration Trust CP Fund	195,350	-
Save Our Everglades Trust (SOETF) CP Fund	-	3,714,208
Land Acquisition Trust Fund (LATF) CP Fund	-	16,406,839
Other Governmental Funds	310,437	2,091,624
Internal Service Funds	124,544	228
	\$ 22,334,525	\$ 22,334,525

Interfund balances at year end represent temporary loans to cover negative cash balances and amounts due to internal service funds for amounts owed at year end.

Interfund transfers during the year are as follows:

	<i>To:</i>						
<i>From:</i>	General Fund	Okeechobee Basin CP Fund	Everglades Restoration Trust CP Fund	Lake Belt Mitigation SR Fund	Save Our Everglades Trust (SOETF) CP Fund	Other Governmental Funds	Totals
General Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$24,236,536	\$ 24,236,536
Okee. Basin SR Fund	-	49,599,431	-	-	-	-	49,599,431
Everglades Trust SR Fund	-	-	17,078,287	-	-	-	17,078,287
Lake Belt Mitigation SR Fund	-	-	-	-	-	352,185	352,185
Other Governmental Funds	2,588,063	-	-	7,671,269	119,351	15,653,940	26,032,623
	\$ 2,588,063	\$49,599,431	\$17,078,287	\$ 7,671,269	\$ 119,351	\$40,242,661	\$117,299,062

Transfers into the Lake Belt Mitigation Special Revenue Fund from the Wetlands Mitigation Special Revenue Fund reflect a recommendation from the Lake Belt Mitigation Committee to transfer previously approved funding for the 8.5 Square Mile project back to the Lake Belt Mitigation Special Revenue Fund after certain project permits were not obtained. Transfers into the Wetlands Mitigation Special Revenue and Permanent Funds reflect funding for Pennsuco Restoration and Long Term Plan. Transfers into the Okeechobee Basin Capital Projects Fund from the Okeechobee Basin Special Revenue Fund reflect funding support related to capital outlay expenditures recorded in that fund. Similarly, transfers into the Everglades Trust Capital Projects Fund from the Everglades Trust Special Revenue Fund reflect support for capital outlay expenditures incurred in the capital fund. The remaining transfers represent funding for District-wide capital projects and funding between special revenue funds and their related capital projects fund as required.

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2016**

(6) OPERATING LEASE RENTAL REVENUES

Property on Operating Leases and Property Held for Lease

The District purchases land for environmental restoration projects. Often there are agricultural activities occurring on parts of the land at the time of purchase. If the land is not needed for a project immediately, the District allows these activities to continue as it results in lower land maintenance costs. In addition, rent is charged for the use of the land for farming until such time it is needed for project purposes. The District investment in land on which operating leases exist is \$443.4 million as of September 30, 2016.

Revenues under Operating Leases

The following is a schedule by year of minimum future revenues on noncancelable operating leases, including contingent revenues which may be received under certain leases of land on the basis of use in excess of stipulated minimums. For fiscal year 2016, contingent revenues were \$-0-.

Year Ending September 30:

2017	\$ 3,290,391
2018	2,660,061
2019	1,879,206
2020	1,171,198
2021	1,171,792
2022 - 2026	<u>848,633</u>
Total minimum future revenues	<u>\$ 11,021,281</u>

(7) PROPERTY TAXES

The District is permitted by Florida Statutes to levy taxes up to .800 mills per \$1,000 of assessed valuation. The rate levied for a majority of the District for fiscal year 2016 was .3551 mills. Property taxes are levied each November 1 on the assessed value listed as of the prior January 1 for real and personal property located within the District. The assessed value at January 1, 2015, upon which the fiscal year 2016 levy was based, was approximately \$804.3 billion.

A four percent discount is allowed if the taxes are paid in November, with the discount declining by one percentage point each month thereafter. Taxes become delinquent April 1 of each year. Delinquent property tax certificates are sold to the public beginning June 1, at which time a lien attaches to the property. By fiscal year end, virtually all property taxes are collected either directly or through tax certificate sales. Property tax revenues are recorded by the District based on the amount of receipts reported by the county tax collectors. Property taxes receivable from the county tax collectors at September 30, 2016, is \$207,833 and is included in tax revenues. Property appraiser and tax collector fee credits totaled \$1,533,129 at September 30, 2016.

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2016**

(8) INTERGOVERNMENTAL TRANSACTIONS

Amounts due from other governments at September 30, 2016 and intergovernmental revenues for 2016 consist of the following:

	Due From Other Governments	Intergovernmental Revenues
U.S. Army Corps of Engineers	\$ 6,379,986	\$ 2,930,196
U.S. Department of the Interior	272,103	389,783
U.S. Department of Agriculture & Consumer Affairs	198,075	63,570
Federal Emergency Management Agency	376,858	-
Florida Department of Environmental Protection	29,636,424	119,554,748
Florida Department of Environmental Resource Mgmt.	13,701	14,163
Florida Department of Motor Vehicles	-	309,886
Florida Department of Transportation	1,132	7,069,662
Florida Fish and Wildlife Conservation Commission	583,540	6,449,967
Broward County	-	536,157
Collier County	5,615	-
Southwest Florida Water Management District	5,016	8,860
St. Johns River Water Management District	14,094	126,509
Ad Valorem Taxes	207,833	- *
Property Appraiser/Tax Collector Fee Credits	1,533,129	- *
Total	\$ 39,227,506	\$ 137,453,501

* On the Statement of Revenues, Expenditures and Changes in Fund Balances, Ad Valorem Taxes are reported as Ad Valorem Property Taxes and the Property Appraiser/Tax Collector Fee Credits are netted against the original expenditure in the respective program.

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2016**

(9) CAPITAL ASSETS ACTIVITY

	Balance at October 1, 2015	Additions	Retirements	Adjustments/ Reclassifications	Balance at September 30, 2016
<i>Capital Assets Not Being Depreciated:</i>					
Land	\$2,575,585,166	\$ 12,438,200	\$ (3,326,951)	\$ -	\$2,584,696,415
Easements (Intangibles)	72,741,276	8,745,750	-	-	81,487,026
Construction in Process	547,006,596	124,736,466	(4,200)	(17,845,514)	653,893,348
Canals and Levees	702,354,410	28,747,995	-	4,618,413	735,720,818
	<u>3,897,687,448</u>	<u>174,668,411</u>	<u>(3,331,151)</u>	<u>(13,227,101)</u>	<u>4,055,797,607</u>
<i>Capital Assets Being Depreciated:</i>					
Buildings	126,075,204	7,530,007	(82,590)	7,051,913	140,574,534
Intangibles	48,949,219	307	-	44,513	48,994,039
Equipment	134,586,116	3,994,391	(5,993,124)	2,215,309	134,802,692
Improvements	30,021,146	7,970,967	-	-	37,992,113
Water Control Structures	1,017,482,231	12,233,306	(126,096)	3,915,366	1,033,504,807
	<u>1,357,113,916</u>	<u>31,728,978</u>	<u>(6,201,810)</u>	<u>13,227,101</u>	<u>1,395,868,185</u>
<i>Less Accumulated Depreciation:</i>					
Buildings	(42,330,246)	(4,046,635)	50,470	-	(46,326,411)
Intangibles	(38,308,732)	(4,495,867)	-	-	(42,804,599)
Equipment	(98,230,686)	(6,826,929)	5,696,941	-	(99,360,674)
Improvements	(16,222,029)	(1,288,778)	-	-	(17,510,807)
Water Control Structures	(206,009,563)	(19,466,603)	60,671	-	(225,415,495)
	<u>(401,101,256)</u>	<u>(36,124,812)</u>	<u>5,808,082</u>	<u>-</u>	<u>(431,417,986)</u>
<i>Capital Assets Being Depreciated, Net</i>					
	<u>956,012,660</u>	<u>(4,395,834)</u>	<u>(393,728)</u>	<u>13,227,101</u>	<u>964,450,199</u>
Capital Assets, Net	<u>\$4,853,700,108</u>	<u>\$170,272,577</u>	<u>\$ (3,724,879)</u>	<u>\$ -</u>	<u>\$5,020,247,806</u>

Depreciation expense was charged to the following programs during the fiscal year:

Water Resources Planning & Monitoring	\$ 879,528
Acquisition, Restoration & Public Works	9,852,973
Operations & Maintenance of Lands & Works	19,372,668
Regulations	332,473
Outreach	278
District Management & Administration	5,681,781
	<u>36,119,701</u>

Depreciation of capital assets held in internal service funds are charged to the various programs based on the asset function

	<u>5,111</u>
Total Depreciation Expense	<u>\$ 36,124,812</u>

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2016**

(10) LONG-TERM LIABILITIES

The following is a summary of changes in long-term liabilities for the fiscal year ended September 30, 2016:

	Balance at October 1, 2015	Additions	Retirements And Adjustments	Balance at September 30, 2016	Amounts Due Within One Year
Land Acquisition Bonds	\$ 6,705,000	\$ -	\$ (6,705,000)	\$ -	\$ -
COPS Series 2006	466,940,000	-	(454,190,000)	12,750,000	12,750,000
COPS Series 2006 Premium / Discount	11,886,941	-	(11,886,941)	-	-
COPS Series 2015	-	385,425,000	-	385,425,000	-
COPS Series 2015 Premium / Discount	-	70,872,797	(4,792,491)	66,080,306	-
Compensated Absences	13,740,300	7,753,000	(8,446,700)	13,046,600	9,112,000
Other Post Emp Benefits	29,074,409	2,689,133	-	31,763,542	-
Pensions	65,719,485	40,971,479	(10,449,966)	96,240,998	-
Self Insurance Claims	5,083,219	28,121,674	(27,960,893)	5,244,000	3,055,663
	<u>\$ 599,149,354</u>	<u>\$ 535,833,083</u>	<u>\$ (524,431,991)</u>	<u>\$ 610,550,446</u>	<u>\$ 24,917,663</u>

Special Obligation Land Acquisition Bonds are issued by the District to provide funds for the acquisition of environmentally sensitive lands. Principal and interest on the Land Acquisition Bonds are secured by a lien on documentary stamp excise taxes collected statewide by the State of Florida and allocated to the State's five water management districts through the Water Management Lands Trust Fund (WMLTF). The District paid off the Special Obligation Land Acquisition Bonds on October 1, 2015.

In fiscal year 2007, the District issued Certificates of Participation (COPs), Series 2006, in order to provide funds for the construction of accelerated projects in furtherance of restoration of the Everglades. In February 2016, the District advanced refunded \$442,025,000 of the par value of the Series 2006 Certificates of Participations (COPs). This in-substance defeasance was financed through the issuance of the Series 2015 Refunding COPs with a par value of \$385,425,000 together with a net premium of \$70,872,797. In addition, the District contributed \$6.9 million of funds on hand toward the advance refunding. These funds have been placed into escrow with U.S. Bank National Association from which \$1.1 million was paid for the costs of issuance. Remaining debt service for the defeased Series 2006 COPs is \$724.4 million while remaining debt service for the Series 2015 COPs is \$625.5 million for a total savings over the remaining life of the debt of \$98.9 million. The economic gain on the refunding is a net present value savings of \$72.2 million.

COPs are statutorily-authorized tax-exempt certificates evidencing undivided proportionate interests of the owners thereof in basic lease payments to be made by the Governing Board of the District, pursuant to a master lease purchase agreement by and between the District and the South Florida Water Management District Leasing Corporation (the "Corporation"), a not-for-profit entity. As stated in Note (2)(a) the Corporation is a blended component unit and as such this transaction is not recorded in the District's financial report. The COPs are secured by and payable from the Trust Estate established for the Series 2015 Certificates (the "Trust Estate") pursuant to the Trust Agreement. The Trust Estate consists of all estate, right, title and interest of the Trustee in and to the Basic Lease Payments under the Series 2015 Lease, and all amounts held in the funds and accounts under the Trust Agreement in accordance with the provisions of the Master Lease and the Trust Agreement, including investment earnings thereon, and any and all monies received by the Trustee pursuant to the Series 2015 Lease and the Trust Agreement.

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2016**

(10) LONG-TERM LIABILITIES (continued)

which are not required to be remitted to the Governing Board or the Corporation pursuant to the Master Lease or the Trust Agreement. Lease payments are funded from ad valorem revenues. Total COPs issued for this series amounted to \$385,425,000, having interest rates ranging from 3% to 5%. The District accounts for debt service transactions relative to COPs in the Everglades Trust Fund and the Comprehensive Everglades Restoration Plan Fund.

Summary of the status of the District's COPs Series 2006 as of September 30, 2016 is shown below:

Issue	Original Amount	Fiscal Year Maturity	Interest Rates	Interest	Remaining Balance
COPs Series 2006	\$ 546,120,000	2015-2016	3.50-5.00%	\$ 315,775	\$ 12,750,000

The remaining balance of \$12,750,000 was paid on October 1, 2016.

Fiscal year requirements to amortize the COPs Series 2015 as of September 30, 2016 are as follows:

	Principal	Interest	Total
2017	\$ -	\$ 18,963,750	\$ 18,963,750
2018	11,740,000	18,670,250	30,410,250
2019	12,325,000	18,068,625	30,393,625
2020	12,935,000	17,437,125	30,372,125
2021	13,580,000	16,774,250	30,354,250
2022-2026	78,760,000	72,709,750	151,469,750
2027-2031	100,420,000	50,418,750	150,838,750
2032-2036	126,500,000	23,548,500	150,048,500
2037	29,165,000	729,125	29,894,125
	<u>\$ 385,425,000</u>	<u>\$ 237,320,125</u>	<u>\$ 622,745,125</u>

The liability for compensated absences is generally liquidated by the General Fund and the Okeechobee Basin SR Fund and the liability for other post-employment benefits and pensions is generally liquidated from the General Fund.

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2016**

(11) FUND BALANCE REPORTING

The following is the governmental fund balances in detail as of September 30, 2016 (in thousands):

	General Fund	Okeechobee Basin SR Fund	Everglades Trust SR Fund	Lake Belt Mitigation SR Fund	Okeechobee Basin CP Fund
Nonspendable:					
Inventory	\$ -	\$ 4,165	\$ -	\$ -	\$ -
Permanent fund principal	-	-	-	-	-
Restricted for:					
NEEPP and EFA Source control projects	-	40	40	-	-
Budget Stabilization	-	2,178	1,611	-	-
Okeechobee Basin operations	-	80,815	5,755	-	-
Water protection, ecosystem management, and restoration projects	-	-	-	-	-
Everglades conservation and natural resource protection	-	-	-	-	-
Big Cypress Basin operations	-	-	-	-	-
Debt service	-	-	-	-	-
Indian River Lagoon Estuarine projects (IRL Tag)	-	-	-	-	-
Indian River Lagoon/St. Lucie Restoration	-	-	-	-	-
Everglades restoration	-	445	-	-	-
Lake Okeechobee restoration	-	-	-	-	-
Big Cypress Basin capital projects	-	-	-	-	-
Acquisition, restoration or mgmt of environmentally sensitive lands	-	1,251	-	42,548	428
Florida Bay restoration	-	-	-	-	-
Lake Belt Wetland creation, restoration and management	-	-	-	27,116	-
Construction and ops. of facilities for Everglades restoration/protection	-	-	-	-	-
Restoration strategies projects	-	-	5,000	-	-
Land management activities	-	-	-	-	-
Aquatic plant control	-	-	-	-	-
Future operations and maintenance new works projects	-	3,944	1,836	-	-
Future projects	-	4,578	2,338	-	47,709
Committed for:					
Budget Stabilization	1,801	-	-	-	-
Future O&M New Works Total	4,706	-	-	-	-
IRL National Estuary Program Projects	1,500	-	-	-	-
L-31 East Flow Way	1,482	-	-	-	-
NEEPP & EFA Source Controls	80	-	-	-	-
Future Projects	7,131	-	-	-	-
Assigned to:					
District operations	43,130	-	-	-	-
Other capital projects	-	-	-	-	-
Everglades restoration	-	-	-	-	-
Wetland creation, restoration and management	-	-	-	-	-
Unassigned:					
	3,229	-	-	-	-
	<u>\$ 63,059</u>	<u>\$ 97,415</u>	<u>\$ 16,580</u>	<u>\$ 69,665</u>	<u>\$ 48,137</u>

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2016**

(11) FUND BALANCE REPORTING (continued)

	Everglades Trust CP Fund	Save Our Everglades CP Fund	Land Acquisition Trust CP Fund	Other Governmental Funds	Total Governmental Funds
Nonspendable:					
Inventory	\$ -	\$ -	\$ -	\$ 270	\$ 4,435
Permanent fund principal	-	-	-	15,875	15,875
Restricted for:					
NEEPP and EFA Source control projects	-	-	-	-	80
Budget Stabilization	-	-	-	-	3,789
Okeechobee Basin operations	-	-	-	-	86,570
Water protection, ecosystem management, and restoration projects	-	-	-	3,907	3,907
Everglades conservation and natural resource protection	-	-	-	55	55
Big Cypress Basin operations	-	-	-	14,676	14,676
Debt service	12,470	-	-	10,078	22,548
Indian River Lagoon Estuarine projects (IRL Tag)	-	-	-	5	5
Indian River Lagoon/St. Lucie Restoration	-	-	-	396	396
Everglades restoration	-	-	-	6,637	7,082
Lake Okeechobee restoration	-	-	-	1,334	1,334
Big Cypress Basin capital projects	-	-	-	1,175	1,175
Acquisition, restoration or mgmt of environmentally sensitive lands	-	-	-	16,869	61,096
Florida Bay restoration	-	-	-	14,167	14,167
Lake Belt Wetland creation, restoration and management	-	-	-	19,007	46,124
Construction and ops. of facilities for Everglades restoration/protection	-	-	-	1,292	1,292
Restoration strategies projects	50,184	-	-	-	55,184
Land management activities	-	-	-	3,933	3,933
Aquatic plant control	-	-	-	32	32
Future operations and maintenance new works projects	1,365	-	-	-	7,144
Future projects	22,668	-	-	-	77,293
Committed for:					
Budget Stabilization	-	-	-	-	1,801
Future O&M New Works Total	-	-	-	-	4,706
IRL National Estuary Program Projects	-	-	-	-	1,500
L-31 East Flow Way	-	-	-	-	1,482
NEEPP & EFA Source Controls	-	-	-	-	80
Future Projects	-	-	-	6,552	13,682
Assigned to:					
District operations	-	-	-	-	43,130
Other capital projects	-	-	-	12,776	12,776
Everglades restoration	-	-	-	1,572	1,572
Wetland creation, restoration and management	-	-	-	-	-
Unassigned:					
	-	(3,377)	(13,489)	(1,777)	(15,414)
	<u>\$ 86,686</u>	<u>\$ (3,377)</u>	<u>\$ (13,489)</u>	<u>\$ 128,831</u>	<u>\$ 493,506</u>

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2016**

(12) DEFICIT FUND BALANCES

At September 30, 2016, the following fund has a deficit fund balance:

Everglades Trust Capital Projects Fund	\$ 3,376,650
Land Acquisition Trust Capital Projects Fund	13,489,360
Upland Invasive Plant Control Special Revenue Fund	239,636
External Grants Fund	397,843
Federal Emergency Management Agency	3,519
State Appropriations Capital Projects Fund	462,184
Lake Belt Mitigation Capital Projects Fund	671,893
Lake Okeechobee Capital Projects Fund	1,853

The deficits in the Save Our Everglades Capital Projects Fund, the Land Acquisition Trust Capital Projects Fund and the External Grant Fund will be funded by pending reimbursements from Florida Department of Environmental Protection. The deficit in the Upland Invasive Plant Control Special Revenue Fund will be funded by pending reimbursements from Florida Fish and Wildlife Conservation. The deficit in the Federal Emergency Management Agency Special Revenue Fund will be funded by an operating transfer from the Okeechobee Basin Special Revenue Fund. The deficits in the other Capital Projects Funds will be funded by operating transfers from their respective Special Revenue Funds.

(13) OPERATING LEASES

The District is committed under various operating leases for building, office space, vehicles, office equipment and data processing equipment. The majority of the operating leases contain renewal options that the District may exercise. In most cases, the District expects that in the normal course of business the leases will be renewed or replaced with other leases. Lease expenditures for the year ended September 30, 2016 amounted to approximately \$1 million. Future minimum lease payments for these leases are as follows:

Year Ending September 30:

2017	\$ 799,337
2018	810,140
2019	648,693
2020	602,254
2021	110,499
	<hr/>
	\$ 2,970,923

(14) RETIREMENT PLAN

The District provides retirement benefits to its employees through the Florida Retirement System (FRS and HIS), Deferred Retirement Option Program (DROP), as well as state approved Other Post Employment Benefits (OPEB) in the form of subsidized health insurance premiums.

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2016**

(14) RETIREMENT PLAN (continued)

Florida Retirement System

The District participates in the Florida Retirement System (FRS). The FRS was created in Chapter 121, Florida Statutes, to provide a defined benefit pension plan for participating public employees. The FRS was amended in 1998 to add the Deferred Retirement Option Program under the defined benefit plan and amended in 2000 to provide a defined contribution plan alternative to the defined benefit plan for FRS members effective July 1, 2002. This integrated defined contribution pension plan is the FRS Investment Plan. Chapter 112, Florida Statutes, established the Retiree Health Insurance Subsidy (HIS) Program, a cost-sharing multiple-employer defined benefit pension plan, to assist retired members of any state-administered retirement system in paying the costs of health insurance.

Essentially all regular employees of the District are eligible to enroll as members of the State-administered FRS. Provisions relating to the FRS are established by Chapters 121 and 122, Florida Statutes; Chapter 112, Part IV, Florida Statutes; Chapter 238, Florida Statutes; and FRS Rules, Chapter 60S, Florida Administrative Code; wherein eligibility, contributions, and benefits are defined and described in detail. Such provisions may be amended at any time by further action from the Florida Legislature. The FRS is a single retirement system administered by the Florida Department of Management Services, Division of Retirement, and consists of the two cost-sharing, multiple-employer defined benefit plans and other nonintegrated programs. A comprehensive annual financial report of the FRS, which includes its financial statements, required supplementary information, actuarial report, and other relevant information, is available from the Florida Department of Management Services' Web site (www.dms.myflorida.com).

FRS Pension Plan

Plan Description. The FRS Pension Plan (Plan) is a cost-sharing multiple-employer defined benefit pension plan, with a Deferred Retirement Option Program (DROP) for eligible employees. The general classes of membership are as follows:

Regular Class – Members of the FRS who do not qualify for membership in the other classes.

Elected County Officers Class – Members who hold specified elective offices in local government.

Senior Management Service Class (SMSC) – Members in senior management level positions.

Special Risk Class – Members who are employed as law enforcement officers and meet the criteria to qualify for this class.

Employees enrolled in the Plan prior to July 1, 2011, vest at six years of creditable service and employees enrolled in the Plan on or after July 1, 2011, vest at eight years of creditable service. All vested members, enrolled prior to July 1, 2011, are eligible for normal retirement benefits at age 62 or at any age after 30 years of service (except for members classified as special risk who are eligible for normal retirement benefits at age 55 or at any age after 25 years of service). All members enrolled in the Plan on or after July 1, 2011, once vested, are eligible for normal retirement benefits at age 65 or any time after 33 years of creditable service (except for members classified as special risk who are eligible for normal retirement benefits at age 60 or at any age after 30 years of service). Members of the Plan may include up to 4 years of credit for military service toward creditable service.

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2016**

(14) RETIREMENT PLAN (continued)

The Plan also includes an early retirement provision; however, there is a benefit reduction for each year a member retires before his or her normal retirement date. The Plan provides retirement, disability, death benefits, and annual cost-of-living adjustments to eligible participants.

DROP, subject to provisions of Section 121.091, Florida Statutes, permits employees eligible for normal retirement under the Plan to defer receipt of monthly benefit payments while continuing employment with an FRS employer. An employee may participate in DROP for a period not to exceed 60 months after electing to participate, except that certain instructional personnel may participate for up to 96 months. During the period of DROP participation, deferred monthly benefits are held in the FRS Trust Fund and accrue interest. The net pension liability does not include amounts for DROP participants, as these members are considered retired and are not accruing additional pension benefits.

Benefits Provided. Benefits under the Plan are computed on the basis of age and/or years of service, average final compensation, and service credit. Credit for each year of service is expressed as a percentage of the average final compensation. For members initially enrolled before July 1, 2011, the average final compensation is the average of the five highest fiscal years' earnings; for members initially enrolled on or after July 1, 2011, the average final compensation is the average of the eight highest fiscal years' earnings. The total percentage value of the benefit received is determined by calculating the total value of all service, which is based on the retirement class to which the member belonged when the service credit was earned. Members are eligible for in-line-of-duty or regular disability and survivors' benefits. The following chart shows the percentage value for each year of service credit earned:

<u>Class, Initial Enrollment, and Retirement Age/Years of Service % Value</u>	
Regular Class members initially enrolled before July 1, 2011	
Retirement up to age 62 or up to 30 years of service	1.60
Retirement at age 63 or with 31 years of service	1.63
Retirement at age 64 or with 32 years of service	1.65
Retirement at age 65 or with 33 or more years of service	1.68
Regular Class members initially enrolled on or after July 1, 2011	
Retirement up to age 65 or up to 33 years of service	1.60
Retirement at age 66 or with 34 years of service	1.63
Retirement at age 67 or with 35 years of service	1.65
Retirement at age 68 or with 36 or more years of service	1.68
Elected County Officers	3.00
Senior Management Service Class	2.00
Special Risk Regular	
Service from December 1, 1970 through September 30, 1974	2.00
Service on and after October 1, 1974	3.00

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2016**

(14) RETIREMENT PLAN (continued)

As provided in Section 121.101, Florida Statutes, if the member is initially enrolled in the FRS before July 1, 2011, and all service credit was accrued before July 1, 2011, the annual cost-of-living adjustment is 3 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 3 percent determined by dividing the sum of the pre-July 2011 service credit by the total service credit at retirement multiplied by 3 percent. Plan members initially enrolled on or after July 1, 2011, will not have a cost-of-living adjustment after retirement.

Contributions. The Florida Legislature establishes contribution rates for participating employers and employees. Contribution rates during fiscal year 2015 - 2016 are as follows:

Class	Percent of Gross Salary	
	Employee	Employer (1)
FRS, Regular	3.00	7.26
FRS, Elected County Officers	3.00	42.27
FRS, Senior Management Service	3.00	21.43
FRS, Special Risk Regular	3.00	22.04
FRS, Special Risk Administrative	3.00	32.95
DROP - Applicable to		
Members from All of the Above Classes	0.00	12.88
FRS, Reemployed Retiree	(2)	(2)

Notes:

(1) Employer rates include 1.66 percent for the postemployment health insurance subsidy. Also, employer rates, other than for DROP participants, include 0.04 percent for administrative costs of the Investment Plan.

(2) Contribution rates are dependent upon retirement class in which reemployed.

The District's contributions for FRS totaled \$5.7 million and employee contributions totaled \$2.58 million 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 \$58.6 million for its proportionate share of the FRS 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 District's 2016 fiscal year contributions relative to the 2016 fiscal year contributions of all participating members. At June 30, 2016, the District's proportionate share was .23 percent, which was a decrease of .02 percent from its proportionate share measured as of June 30, 2015.

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2016**

(14) RETIREMENT PLAN (continued)

For the fiscal year ended September 30, 2016, the District recognized pension expense of \$10.8 million related to the Plan. 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	\$ 4,485,715	\$ 545,466
Change of assumptions	3,544,216	-
Net difference between projected and actual earning on FRS pension plan investments	26,951,257	11,807,754
Changes in proportion and differences between District FRS contributions and proportionate share of contributions	-	3,699,907
District FRS contributions subsequent to the measurement date	1,433,803	-
	<u>\$ 36,414,991</u>	<u>\$ 16,053,127</u>

The deferred outflows of resources related to pensions, totaling \$1.43 million, 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 pensions will be recognized in pension expense as follows:

Year Ending September 30:

2017	\$ 2,436,829
2018	2,436,829
2019	8,340,706
2020	5,530,884
2021	232,307
Thereafter	(49,494)

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 percent
Salary Increases	3.25 percent, average, including inflation
Investment rate of return	7.60 percent, net of pension plan investment expense, including inflation

Mortality rates were based on the Generational RP-2000 with Projection Scale BB, with adjustments for mortality improvements based on Scale AA.

The actuarial assumptions that determined total pension liability as of June 30, 2016 were based on the results of an actuarial experience study for the period July 1, 2008 through June 30, 2013.

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2016**

(14) RETIREMENT PLAN (continued)

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:

Asset Class	Target Allocation (1)	Annual Arithmetic Return	Compound Annual (Geometric) Return	Standard Deviation
Cash	1.00%	3.00%	3.00%	1.70%
Fixed income	18.00%	4.70%	4.60%	4.60%
Global equity	53.00%	8.10%	6.80%	17.20%
Real estate (property)	10.00%	6.40%	5.80%	12.00%
Private equity	6.00%	11.50%	7.80%	30.00%
Strategic investments	<u>12.00%</u>	6.10%	5.60%	11.10%
Total	<u>100.00%</u>			
Assumed inflation - Mean		2.60%		1.90%

(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. The 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 presents 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 1-percentage-point lower (6.60 percent) or 1-percentage-point higher (8.60 percent) than the current rate:

	1.00% Decrease (6.60%)	Current Discount Rate (7.60%)	1.00% Increase (8.60%)
District's proportionate share of the net pension liability	\$ 107,858,907	\$ 58,584,976	\$ 17,570,936

In the comprehensive annual financial report issued by FRS for the plan year ended June 30, 2016, management of the plan included a disclosure about the investment rate of return assumption as set by the 2016 FRS Actuarial Assumption Conference and the exception taken (unreasonable assumption) by the Plan Actuary in its Actuarial Valuation report of the Plan as of and for the year ended June 30, 2016. Management of the District considered this information,

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2016**

(14) RETIREMENT PLAN (continued)

other information as well as the audited financial statements of the FRS Pension Plan and Employer Allocation Reports issued by the Auditor General of the State of Florida as of and for the year ended June 30, 2016, which both contained unmodified opinions and has concluded that the information provided by the Plan for reporting by the cost-sharing employers was reasonable.

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

The Retiree Health Insurance Subsidy Program (HIS)

Plan Description. The Retiree Health Insurance Subsidy Program (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 the State-administered retirement systems in paying their health insurance costs and is administered by the Division of Retirement within 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, pursuant to Section 112.363, Florida Statutes. To be eligible to receive a HIS Plan benefit, 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 contribution rate was 1.66 percent of payroll pursuant to section 112.363, Florida Statutes. The District contributed 100 percent of its statutorily required contributions for the current and preceding three years. The HIS Plan contributions are deposited in a separate trust fund from which payments are authorized. The HIS Plan benefits are not guaranteed and are subject to annual legislative appropriation. In the event the legislative appropriation or available funds fail to provide full subsidy benefits to all participants, benefits may be reduced or canceled. The District's contributions for the HIS plan totaled \$1.66 million for fiscal year 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 net pension liability of \$37.7 million 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 District's 2015-2016 fiscal year contributions relative to the total 2015-2016 fiscal year contributions of all participating members. At September 30, 2016, the District's proportionate share was .32 percent, which was a decrease of .01 percent from its proportionate share measured as of June 30, 2015.

For the fiscal year ended September 30, 2016, the District recognized pension expense of \$1.6 million related to the HIS Plan. In addition, the District reported deferred outflows of resources

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2016**

(14) RETIREMENT PLAN (continued)

and deferred inflows of resources related to pensions from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual experience	\$ -	\$ 85,767
Change of assumptions	5,909,187	-
Net difference between projected and actual earnings on HIS pension plan investments	19,040	-
Changes in proportion and differences between District HIS contributions and proportionate share of HIS contributions	-	2,548,906
District HIS contributions subsequent to measurement date	361,511	-
	<u>\$ 6,289,738</u>	<u>\$ 2,634,673</u>

The deferred outflows of resources related to pensions, totaling \$361,511, 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 pensions will be recognized in pension expense as follows:

Year Ending September 30:

2017	\$ 526,009
2018	526,009
2019	522,384
2020	520,644
2021	554,234
Thereafter	644,274

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 percent
Salary Increases	3.25 percent, average, including inflation
Investment rate of return	2.85 percent, Municipal Bond Rate

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

The actuarial assumptions that determined total pension liability as of June 30, 2016 were based on the results of an actuarial experience study for the period July 1, 2008 through June 30, 2013.

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

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2016**

(14) RETIREMENT PLAN (continued)

projected depletion date. Because the HIS benefit is essentially funded on a pay-as-you-go basis, the depletion date is considered to be immediate, and the single equivalent discount rate is equal

to the municipal bond rate selected by the HIS Plan sponsor. The Bond Buyer General Obligation 20-Bond Municipal Bond Index was adopted as the applicable municipal bond index.

Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate. The following presents 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 1-percentage-point lower (1.85 percent) or 1-percentage-point higher (3.85 percent) than the current rate:

	1.00% Decrease (1.85%)	Current Discount Rate (2.85%)	1.00% Increase (3.85%)
District's proportionate share of the net pension liability	\$ 43,200,013	\$ 37,656,022	\$ 33,054,813

Pension Plan Fiduciary Net Position. Detailed information about 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.

FRS – Defined Contribution Pension Plan

The District contributes to the FRS Investment Plan (Investment Plan), a defined contribution pension plan, for its eligible employees electing to participate in the Investment Plan. The Investment Plan is administered by the State Board of Administration (SBA), and 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 the 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, Elected County Officers, etc.), as the FRS defined benefit plan. Contributions are directed to individual member accounts, and the individual members allocate contributions and account balances among various approved investment choices. Allocations to the investment member's accounts during the 2015-16 fiscal year were as follows:

Membership Class	Percentage of Gross Compensation
FRS, Regular	6.30
FRS, Elected County Officers	11.34
FRS, Senior Management Service	7.67

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2016**

(14) RETIREMENT PLAN (continued)

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 FRS Pension Plan is transferred to the Investment Plan, the member must have the years of service required for FRS Pension Plan vesting (including the service credit represented by the transferred funds) to be vested for these funds and the earnings on the funds. Nonvested 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. Costs of administering the Investment Plan, including the FRS Financial Guidance Program, are funded through an employer contribution of 0.04 percent of payroll and by forfeited benefits of Investment Plan members. 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 FRS Pension Plan when approved for disability retirement to receive guaranteed lifetime monthly benefits under the FRS 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 \$1.47 million for the fiscal year ended September 30, 2016.

(15) OTHER POST EMPLOYMENT BENEFITS (OPEB)

Plan Description

District retirees and their eligible dependents may continue participation in the District health insurance program as required by Florida Statutes, Section 112.0801. Because the cost to the retirees cannot be greater than that to active employees for the same coverage, an implicit subsidy is being provided to retirees.

In January 2007, the District Governing Board approved a direct subsidy program to aid retirees in retaining quality healthcare coverage. The subsidy is a discount of the total premium contribution equal to 2% for each year of creditable service under the Florida Retirement System to a maximum of 30 years of creditable service or 60%. Effective July 2, 2012, the direct subsidy program was closed to new participants. Eligibility requirements include a minimum six years of consecutive District service immediately preceding retirement and be age 62 or older, or have a minimum of 25 years of FRS service, regardless of age. In order to maintain eligibility for the 2.0% retiree subsidy program, current employees were required to declare their intent to retire by July 2, 2012, and must have separated from District employment by December 12, 2012.

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2016**

(15) OTHER POST EMPLOYMENT BENEFITS (OPEB) (continued)

The plan, a single employer defined benefit plan, is administered by the District. No formal trust is currently in place and benefits are provided through the annual budget appropriation. The provisions of the direct subsidy were established and may be amended by resolution of the District Governing Board. There is no separately issued financial report for the plan.

As of the July 2015 valuation date, the plan covered 1,403 active participants and 448 retirees.

Funding Policy

The District contributes 2% for each year of creditable service up to a maximum of 30 years or 60% of the total premium for retirees currently in the program. All other costs are paid by the retirees. The plan is financed on a pay-as-you-go basis.

Annual OPEB Costs and Net OPEB Obligation

For the fiscal year ended September 30, 2016, the District's annual OPEB cost of \$5,513,291 was equal to the annual required contribution (ARC) for the fiscal year, one year's interest on the net OPEB obligation, and an adjustment equal to the discounted present value of the balance of the net OPEB obligation at the beginning of the year. The District's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan and the net OPEB obligation for fiscal years 2016, 2015, and 2014 are as follows:

	2016	2015	2014
Normal Cost (Service cost for one year)	\$ 1,816,693	\$ 1,968,628	\$ 1,857,787
Amortization of Unfunded Actuarial Accrued Liability	3,862,162	3,066,411	2,948,472
Interest on Normal Cost and Amortization	55,956	49,612	47,359
Annual Required Contribution (ARC)	5,734,811	5,084,651	4,853,618
Interest on NOO	1,162,976	1,052,918	961,575
Adjustment to ARC	(1,384,496)	(1,144,477)	(1,045,190)
Annual OPEB Cost (Expense)	5,513,291	4,993,092	4,770,003
Employer Contributions Made	(2,824,158)	(2,241,643)	(2,486,411)
Increase (decrease) in NOO	2,689,133	2,751,449	2,283,592
Net OPEB Obligation (NOO) at beginning of year	29,074,409	26,322,960	24,039,368
Estimated NOO at end of year	<u>\$ 31,763,542</u>	<u>\$ 29,074,409</u>	<u>\$ 26,322,960</u>
Percentage of annual OPEB Cost Contributed	51.22%	44.89%	52.13%

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2016**

(15) OTHER POST EMPLOYMENT BENEFITS (OPEB) (continued)

Funded Status and Funding Progress

The funded status of the plan as of September 30, 2016 was as follows:

Actuarial Accrued Liability (AAL)	\$ 79,530,399
Actuarial Value of Plan Assets	-
Unfunded Actuarial Accrued Liability (UAAL)	79,530,399
Funded Ratio (Actuarial Value of Plan Assets/AAL)	-
Covered Payroll (Active Plan Members)	100,883,333
UAAL as a Percentage of Covered Payroll	78.83%

Actuarial valuations of an OPEB 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 continued revision as actual results are compared to past expectations and new estimates are made about the future. Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the pattern of sharing of benefit costs between employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the July 1, 2015 actuarial valuation, the individual entry age actuarial cost method was used. The actuarial assumptions included a 4.0% investment rate of return, a 2.5% rate of general price inflation, and an annual healthcare cost trend rate of 7.0% in 2016, followed by 6.5% and 6.25% trend rates the next two years, respectively, followed by a trending down to an ultimate rate of 4.71% per year after 25 years, or 2044. The actuarial value of assets was not determined as the District has not advanced funded its obligation. The Plan's unfunded actuarial accrued liability is being amortized as a level percent of payroll over a 21-year period with a closed amortization method. The assumed rate of payroll growth is 4.0% per year.

The required schedule of funding progress, as shown in the Notes to the Required Supplementary Information (see page IV-12), presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations.

(16) INSURANCE ACTIVITIES

The District is exposed to the various risks of loss related to torts, theft of, damage to and destruction of assets, errors and omissions, injuries to employees, and natural disasters. In 1976 the District established a self-insurance program for its workers' compensation exposure and in 1986 the District established a self-insurance program for automobile and general liability claims.

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2016**

(16) INSURANCE ACTIVITIES (continued)

These self-insured claims are administered by a third party and are accounted for in the Self Insurance Fund (an internal service fund).

The District is totally self-insured for workers' compensation claims and the District's financial exposure for automobile and general liability is limited to \$200,000 per person and \$300,000 per occurrence pursuant to Section 768.28, Florida Statutes. Expenditures relating to insurance are charged to other funds based on a cost allocation study performed by Management. These expenditures include actuarial estimates utilizing the Casualty Actuarial Society Statement of Principles Regarding Property and Casualty Loss and Loss Adjustment Expense. The actuarial calculations are utilized to determine the amount needed for losses incurred but not reported (IBNR) at year end. The District transfers its risk for personal and commercial property, as well as aviation, through the purchase of an insurance policy. The coverage is written on a 100% replacement/stated value basis, with varying retentions.

The District has a self-insurance program for health benefits, including medical, dental and vision coverage, for its employees and retirees who choose to remain within the plan. The claims are administered by a third party and accounted for in the Health Benefits Fund (an internal service fund). The participating funds make payments to the Health Benefits Fund by means of premiums charged and employee payroll deductions. The payments are based on management's estimates, using historical trends, of the amounts needed to pay prior and current year claims. The expenditures include an actuarial estimate to determine the amount needed for losses incurred but not reported at year end. The District maintains excess insurance coverage for health care costs.

The claims liabilities are based on actuarial valuations performed by independent actuaries as of September 30, 2016, and are presented on a net undiscounted basis. The liability includes claims incurred but not reported. The estimated liabilities by risk category at September 30, 2016 are as follows:

	Balance 9/30/2016	Amounts Due Within One Year
Workers' Compensation	\$ 3,085,000	\$ 896,663
General and Automobile	38,000	38,000
Health Insurance	2,121,000	2,121,000
	<u>\$ 5,244,000</u>	<u>\$ 3,055,663</u>

Changes in the claims liability amount 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	\$ 5,517,918	\$ 24,962,644	\$ (25,397,343)	\$ 5,083,219
2016	\$ 5,083,219	\$ 28,121,674	\$ (27,960,893)	\$ 5,244,000

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2016**

(16) INSURANCE ACTIVITIES (continued)

To minimize the financial impact of potential unforeseen catastrophes, District policy allows a fund balance reserve for the self-insurance of workers' compensation, general and automobile liability claims, of up to \$10 million in excess of the most recent actuarially-estimated liability determination.

There were no significant changes in insurance coverage from the prior year and the amount of settlements did not exceed the insurance coverage for each of the past three years.

17) CONDEMNATION PROCEEDINGS

The District is party to numerous lengthy condemnation proceedings (as plaintiff) and inverse condemnation proceedings (as defendant or co-defendant) regarding the taking of private lands throughout the District for public use. The court may rule there was no taking of land by the District resulting in no commitment to the District. Where a taking is ruled, the court determines the value of the land claimed by the owner and payment is made to the owner upon transfer of title to the District.

At September 30, 2016, the court had yet to rule on a number of proceedings for which the land value and title transfer date is undetermined. The District is unable to estimate the potential financial exposure relative to these rulings, if any.

When the court rules there is a taking, the District will budget and appropriate funds to pay for the purchase of the land.

(18) MAJOR CONSTRUCTION COMMITMENTS

The **Everglades Construction Project (ECP)**, the first major step in the Everglades restoration pursuant to the Everglades Forever Act (EFA) was passed by the Florida Legislature in 1994. The 1994 EFA directed the District to acquire land, design, permit, and construct a series of Stormwater Treatment Areas (STAs) to reduce phosphorus levels from stormwater runoff and other sources before it enters the Everglades Protection Area (EPA). In total, the ECP was composed of 12 interrelated construction projects located between Lake Okeechobee and the EPA. The STAs, which consist of six large constructed wetlands with a combined area of over 52,000 acres, are the cornerstone of the ECP.

The ECP is one of the largest public works projects in the nation for environmental restoration. The total cost associated with implementing the ECP is shared among the District, state and federal governments, and the agricultural community. Major funding sources for the EFA include a one-tenth mill ad valorem property tax levy (0.0506 mill for FY2016), agricultural privilege taxes, state funds, federal funds, Alligator Alley toll revenues, and other environmental mitigation funds. The 1994 ECP capital projects were completed in fiscal year 2007 for a total cost of \$514.8 million (local share). When combined with the federal share of \$198.9 million, the total capital cost associated with the 1994 ECP is \$713.7 million.

In 2003 the Florida Legislature amended the 1994 EFA to include the 2003 Long-Term Plan for Achieving Water Quality Goals for Everglades Protection Area Tributary Basins (Long-Term Plan)

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2016**

(18) MAJOR CONSTRUCTION COMMITMENTS (continued)

as the strategy for achieving the long-term water quality goals for the Everglades Protection Area. The amended EFA also expanded the use of the District's one-tenth mill ad valorem property tax levy, agricultural privilege taxes and other funding sources for implementing the initial phase of the Long-Term Plan, including Everglades Stormwater Treatment Area enhancements, research and optimization, and operation and maintenance of the ECP. Also in 2003, the State of Florida's Environmental Regulation Commission adopted a water quality standard for phosphorus within the EPA that includes a numeric criterion of 10 parts per billion (ppb) for total phosphorus.

In 2004, the Long-Term Plan was revised to include the addition of approximately 18,000 acres of STAs on Compartments B and C in the Everglades Agricultural Area (EAA). There were subsequent revisions occurring in 2005, 2006 and 2007. These revisions also addressed modifications to the STA enhancement projects, changes to the source controls component of the plan, changes to the plan's Process Development and Engineering component, and the addition of new projects to the Long-Term Plan. The revised Long-Term Plan's initial 13-year phase is projected to cost approximately \$1.2 billion.

In 2013, the Florida legislature modified the EFA and redefined the Long-Term Plan to also include the Restoration Strategies Regional Water Quality Plan, as defined in Section 373.4592(2)(j), F.S.

In fiscal year 2016, a total of \$54.4 million was expended for work associated with the Everglades Forever Act. Of this amount, \$8 million was expended for Restoration Strategies – Regional Projects Conceptual Planning and Design, \$0.5 million for construction on Restoration Strategies project in EAA and \$23.8 million for STA Operations and Maintenance. Debt Service payments related to Certificates of Participation issued in 2006 (FY2007) to fund construction totaled \$18.7 million. The remaining \$3.4 million was spent on other EFA-related components such as program support, monitoring, assessment, research, and evaluation in the EPA. The District's estimated remaining commitment for the ECP and Long-Term Plan is \$117.4 million.

The **Comprehensive Everglades Restoration Plan** is a conceptual plan that proposes major modifications to the Central and Southern Florida Project in order to reverse decades of ecosystem decline. Specifically, the plan describes nearly 50 major projects and 68 project components to be constructed at an original cost estimate of \$10.9 billion, in 2004 dollars. Major components of CERP focus on restoring the quantity, quality, timing, and distribution of water for the natural system, and include aquifer storage and recovery, in-ground reservoirs, rainfall-driven operations, removing barriers to sheetflow, seepage management, stormwater treatment areas, surface water storage reservoirs, and water reuse and conservation. The estimated costs for CERP have increased to \$16.4 billion, based on price level (inflation) adjustments to 2014 dollars; and revisions made to scope based on finalized designs for projects such as the Indian River Lagoon – South, Picayune Strand Restoration, Fran Reich Preserve - Site 1 Impoundment, and C-111 Spreader Canal Western projects.

CERP is an equal partnership between the State of Florida and the federal government. The State of Florida and the South Florida Water Management District have invested approximately \$2 billion toward this effort. Through September 30, 2016, 252,533 acres or 66 percent of the estimated lands needed to implement CERP have been acquired.

In fiscal year 2016, a total of \$97.3 million dollars were expended for the implementation of CERP projects, of which payments of Debt Service related to Certificates of Participation issued by the

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2016**

(18) MAJOR CONSTRUCTION COMMITMENTS (continued)

SFWMD and bonds issued by FDEP totaled \$39.3 million dollars. The District's estimated remaining commitment for the CERP is \$722.8 million.

(19) OTHER COMMITMENTS AND CONTINGENCIES

The District also participates in several other federal and state assistance programs that are subject to financial and program compliance audits. Such audits could lead to reimbursements to the grantor agency for disallowed expenditures. However, management believes any additional such disallowances, if any, will be immaterial.

FINANCIAL SECTION

REQUIRED SUPPLEMENTARY INFORMATION
OTHER THAN MD&A
(UNAUDITED)

**South Florida Water Management District
General Fund**

**Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual - (Unaudited)
For the Year Ended September 30, 2016**

	Original Budget	Final Budget	Actual	Variance with Final Budget- Positive (Negative)
REVENUES				
Ad Valorem Property Taxes	\$ 111,476,310	\$ 111,476,310	\$ 112,509,577	\$ 1,033,267
Intergovernmental	1,074,684	1,074,684	608,315	(466,369)
Investment Earnings	1,172,000	1,172,000	1,377,907	205,907
Licenses, Permits and Fees	2,742,999	2,742,999	3,591,024	848,025
Sale of District Property	75,000	75,000	28,644	(46,356)
Leases	396,725	396,725	414,531	17,806
Other	434,700	434,700	382,009	(52,691)
Total Revenues	<u>117,372,418</u>	<u>117,372,418</u>	<u>118,912,007</u>	<u>1,539,589</u>
EXPENDITURES				
Current				
Administrative Services and Executive Offices				
Water Resources Planning and Monitoring	4,028,862	3,827,935	3,505,186	322,749
Acquisition, Restoration and Public Works	7,246,232	5,610,711	4,167,208	1,443,503
Operations and Maintenance of Lands and Works	13,167,187	12,580,486	10,961,137	1,619,349
Regulation	3,825,821	3,614,942	3,382,243	232,699
Outreach	2,362,914	2,175,883	2,063,552	112,331
District Management and Administration	25,006,308	25,152,748	22,131,921	3,020,827
Total Administrative Services and Executive Offices	<u>55,637,324</u>	<u>52,962,705</u>	<u>46,211,247</u>	<u>6,751,458</u>
Everglades Policy and Coordination				
Water Resources Planning and Monitoring	345,303	943,869	295,785	648,084
Acquisition, Restoration and Public Works	6,541,090	5,723,340	2,314,003	3,409,337
Operations and Maintenance of Lands and Works	-	10,864	3,771	7,093
Regulation	-	12,271	11,424	847
Outreach	88,398	89,989	86,720	3,269
District Management and Administration	59,238	105,110	102,887	2,223
Total Everglades Policy and Coordination	<u>7,034,029</u>	<u>6,885,443</u>	<u>2,814,590</u>	<u>4,070,853</u>
Field Operations and Land Management				
Water Resources Planning and Monitoring	481,535	411,590	313,933	97,657
Acquisition, Restoration and Public Works	1,043,961	648,431	615,485	32,946
Operations and Maintenance of Lands and Works	7,437,495	7,443,980	5,526,661	1,917,319
Regulation	699,864	699,211	544,303	154,908
District Management and Administration	1,079,138	1,011,621	625,898	385,723
Total Field Operations and Land Management	<u>10,741,993</u>	<u>10,214,833</u>	<u>7,626,280</u>	<u>2,588,553</u>

**South Florida Water Management District
General Fund**

**Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual - (Unaudited)
For the Year Ended September 30, 2016**

	Original Budget	Final Budget	Actual	Variance with Final Budget- Positive (Negative)
Operations, Maintenance and Construction				
Water Resources Planning and Monitoring	5,139,036	5,044,632	4,551,553	493,079
Acquisition, Restoration and Public Works	3,435,680	3,441,332	1,810,574	1,630,758
Operations and Maintenance of Lands and Works	3,852,283	4,054,395	3,785,010	269,385
Regulation	138,327	133,327	129,563	3,764
District Management and Administration	-	41,371	40,568	803
Total Operations, Maintenance, and Construction	12,565,326	12,715,057	10,317,268	2,397,789
Regulation				
Water Resources Planning and Monitoring	125,462	122,013	54,347	67,666
Acquisition, Restoration and Public Works	31,381	46,916	9,231	37,685
Operations and Maintenance of Lands and Works	18,045	18,045	16,624	1,421
Regulation	15,385,832	14,991,033	14,059,305	931,728
Outreach	33,789	12,771	7,401	5,370
Total Regulation	15,594,509	15,190,778	14,146,908	1,043,870
Water Resources				
Water Resources Planning and Monitoring	18,903,826	16,071,537	14,474,135	1,597,402
Acquisition, Restoration and Public Works	4,979,125	2,997,404	2,088,771	908,633
Operations and Maintenance of Lands and Works	-	150	104	46
Regulation	239,224	235,024	166,074	68,950
Outreach	3,661	3,661	3,661	-
Total Water Resources	24,125,836	19,307,776	16,732,745	2,575,031
Contingency				
Managerial Reserve	-	9,358,293	-	9,358,293
Managerial Reserve-Contingency	15,742,735	15,742,735	-	15,742,735
Total Contingency	15,742,735	25,101,028	-	25,101,028
Total Expenditures	141,441,752	142,377,620	97,849,038	44,528,582
Revenues in Excess of (Less than) Expenditures	(24,069,334)	(25,005,200)	21,062,969	46,068,171
OTHER FINANCING SOURCES (USES)				
Transfers In	-	5,176,126	2,588,063	(2,588,063)
Transfers Out	(22,584,340)	(24,236,536)	(24,236,536)	-
Total Other Financing Sources (Uses)	(22,584,340)	(19,060,410)	(21,648,473)	(2,588,063)
Net Change in Fund Balance	(46,653,674)	(44,065,612)	(585,504)	46,480,108
Fund Balance at Beginning of Year	63,644,103	63,644,103	63,644,103	-
Fund Balance at End of Year	<u>\$ 16,990,429</u>	<u>\$ 19,578,491</u>	<u>\$ 63,058,599</u>	<u>\$ 46,480,108</u>

**South Florida Water Management District
Okeechobee Basin Special Revenue Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual - (Unaudited)
For the Year Ended September 30, 2016**

	Original Budget	Final Budget	Actual	Variance with Final Budget- Positive (Negative)
REVENUES				
Ad Valorem Property Taxes	\$ 110,594,660	\$ 110,594,660	\$ 111,538,467	\$ 943,807
Intergovernmental	3,252,745	3,252,745	3,680,013	427,268
Investment Earnings	1,294,000	1,294,000	1,431,214	137,214
Licenses, Permits and Fees	60,000	60,000	135,065	75,065
Sale of District Property	175,000	175,000	207,935	32,935
Leases	910,588	910,588	585,071	(325,517)
Other	25,000	25,000	198,704	173,704
Total Revenues	<u>116,311,993</u>	<u>116,311,993</u>	<u>117,776,469</u>	<u>1,464,476</u>
EXPENDITURES				
Current				
Administrative Services and Executive Offices				
Acquisition, Restoration and Public Works	1,761,766	454,375	212,986	241,389
Operations and Maintenance of Lands and Works	2,908,909	2,721,685	2,344,377	377,308
Outreach	30,566	30,566	16,491	14,075
District Management and Administration	3,059,272	3,113,872	2,297,614	816,258
Total Administrative Services and Executive Offices	<u>7,760,513</u>	<u>6,320,498</u>	<u>4,871,468</u>	<u>1,449,030</u>
Everglades Policy and Coordination				
Water Resources Planning and Monitoring	38,490	38,254	33,580	4,674
Acquisition, Restoration and Public Works	6,179,080	3,512,140	1,197,510	2,314,630
Operations and Maintenance of Lands and Works	235,297	295,918	194,656	101,262
Total Everglades Policy and Coordination	<u>6,452,867</u>	<u>3,846,312</u>	<u>1,425,746</u>	<u>2,420,566</u>
Field Operations and Land Management				
Water Resources Planning and Monitoring	35,684	33,434	11,688	21,746
Acquisition, Restoration and Public Works	138,211	227,630	195,957	31,673
Operations and Maintenance of Lands and Works	57,924,452	57,131,857	49,489,139	7,642,718
District Management and Administration	-	4,615	4,186	429
Total Field Operations and Land Management	<u>58,098,347</u>	<u>57,397,536</u>	<u>49,700,970</u>	<u>7,696,566</u>
Operations, Maintenance and Construction				
Water Resources Planning and Monitoring	1,460,779	1,468,978	1,392,895	76,083
Acquisition, Restoration and Public Works	1,740,476	1,421,510	1,184,457	237,053
Operations and Maintenance of Lands and Works	21,906,238	30,308,542	24,550,639	5,757,903
Total Operations, Maintenance, and Construction	<u>25,107,493</u>	<u>33,199,030</u>	<u>27,126,873</u>	<u>6,072,157</u>
Regulation				
Acquisition, Restoration and Public Works	-	18,720	10,802	7,918
Operations and Maintenance of Lands and Works	5,000	5,793	3,197	2,597
Regulation	752,722	414,209	389,701	24,508
Total Regulation	<u>757,722</u>	<u>438,722</u>	<u>403,700</u>	<u>35,023</u>

**South Florida Water Management District
Okeechobee Basin Special Revenue Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual - (Unaudited)
For the Year Ended September 30, 2016**

	Original Budget	Final Budget	Actual	Variance with Final Budget- Positive (Negative)
Water Resources				
Water Resources Planning and Monitoring	900,281	927,082	851,395	75,687
Acquisition, Restoration and Public Works	10,659,978	3,334,712	2,388,699	946,013
Operations and Maintenance of Lands and Works	19,856	3,404	3,054	350
Regulation	244,764	169,311	166,866	2,445
Total Water Resources	<u>11,824,879</u>	<u>4,434,509</u>	<u>3,410,014</u>	<u>1,024,495</u>
Contingency				
Managerial Reserve	-	14,565,012	-	14,565,012
Managerial Reserve-Contingency	40,512,602	40,512,602	-	40,512,602
Total Contingency	<u>40,512,602</u>	<u>55,077,614</u>	<u>-</u>	<u>55,077,614</u>
Total Expenditures	<u>150,514,423</u>	<u>160,714,221</u>	<u>86,938,771</u>	<u>73,775,451</u>
Revenues in Excess of (Less than) Expenditures	<u>(34,202,430)</u>	<u>(44,402,228)</u>	<u>30,837,698</u>	<u>75,239,926</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	-	15,204,810	-	(15,204,810)
Transfers Out	(57,201,836)	(57,201,836)	(49,599,431)	7,602,405
Total Other Financing Sources (Uses)	<u>(57,201,836)</u>	<u>(41,997,026)</u>	<u>(49,599,431)</u>	<u>(7,602,405)</u>
Net Change in Fund Balance	(91,404,266)	(86,399,254)	(18,761,733)	67,637,521
Fund Balance at Beginning of Year	116,176,509	116,176,509	116,176,509	-
Fund Balance at End of Year	<u>\$ 24,772,243</u>	<u>\$ 29,777,255</u>	<u>\$ 97,414,776</u>	<u>\$ 67,637,521</u>

**South Florida Water Management District
Everglades Restoration Trust Special Revenue Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual - (Unaudited)
For the Year Ended September 30, 2016**

	Original Budget	Final Budget	Actual	Variance with Final Budget- Positive (Negative)
REVENUES				
Ad Valorem Property Taxes	\$ 35,284,296	\$ 35,284,296	\$ 35,589,714	\$ 305,418
Agricultural Privilege Taxes	10,950,000	10,950,000	11,179,033	229,033
Intergovernmental	1,000,000	1,000,000	1,000,000	-
Investment Earnings	334,000	334,000	408,683	74,683
Sale of District Property	-	-	8,102	8,102
Other	-	-	5,514	5,514
Total Revenues	47,568,296	47,568,296	48,191,046	622,750
EXPENDITURES				
Current				
Administrative Services and Executive Offices				
Water Resources Planning and Monitoring	1,687,784	1,699,894	1,256,733	443,161
Acquisition, Restoration and Public Works	182,509	191,753	74,197	117,556
Operations and Maintenance of Lands and Works	51,186	28,743	26,731	2,012
Regulation	36,286	30,816	23,151	7,665
Total Administrative Services and Executive Offices	1,957,765	1,951,206	1,380,812	570,394
Everglades Policy and Coordination				
Water Resources Planning and Monitoring	36,056	201,072	198,236	2,836
Acquisition, Restoration and Public Works	3,735,876	461,408	403,167	58,241
Operations and Maintenance of Lands and Works	903,174	849,777	64,763	785,014
Total Everglades Policy and Coordination	4,675,106	1,512,257	666,166	846,091
Field Operations and Land Management				
Water Resources Planning and Monitoring	604,661	533,333	381,100	152,233
Acquisition, Restoration and Public Works	-	62,356	57,765	4,591
Operations and Maintenance of Lands and Works	16,663,637	16,364,404	14,906,903	1,457,501
Total Field Operations and Land Management	17,268,298	16,960,093	15,345,768	1,614,325
Operations, Maintenance and Construction				
Water Resources Planning and Monitoring	978,154	1,001,429	926,935	74,494
Acquisition, Restoration and Public Works	2,156,441	1,599,620	1,264,091	335,529
Operations and Maintenance of Lands and Works	4,530,182	4,933,943	3,625,168	1,308,775
Regulation	278,427	311,243	258,786	52,457
Total Operations, Maintenance, and Construction	7,943,204	7,846,235	6,074,980	1,771,255
Regulation				
Acquisition, Restoration and Public Works	57,220	85,292	31,925	53,367
Regulation	1,389,075	1,131,003	922,558	208,445
Total Regulation	1,446,295	1,216,295	954,483	261,812

**South Florida Water Management District
Everglades Restoration Trust Special Revenue Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual - (Unaudited)
For the Year Ended September 30, 2016**

	Original Budget	Final Budget	Actual	Variance with Final Budget- Positive (Negative)
Water Resources				
Water Resources Planning and Monitoring	2,344,765	2,671,984	2,466,113	205,871
Acquisition, Restoration and Public Works	3,572,869	3,272,187	2,149,713	1,122,474
Operations and Maintenance of Lands and Works	1,485,066	1,403,372	1,340,414	62,958
Regulation	222,487	225,487	173,231	52,256
Total Water Resources	<u>7,625,187</u>	<u>7,573,030</u>	<u>6,129,471</u>	<u>1,443,559</u>
Contingency				
Managerial Reserve	-	335,000	-	335,000
Managerial Reserve-Contingency	3,000,000	3,000,000	-	3,000,000
Total Contingency	<u>3,000,000</u>	<u>3,335,000</u>	<u>-</u>	<u>3,335,000</u>
Total Expenditures	<u>43,915,855</u>	<u>40,394,116</u>	<u>30,551,680</u>	<u>9,842,436</u>
Revenues in Excess of (Less than) Expenditures	<u>3,652,442</u>	<u>7,174,180</u>	<u>17,639,366</u>	<u>10,465,186</u>
OTHER FINANCING SOURCES (USES)				
Transfers Out	(13,556,547)	(17,078,287)	(17,078,287)	-
Total Other Financing Sources (Uses)	<u>(13,556,547)</u>	<u>(17,078,287)</u>	<u>(17,078,287)</u>	<u>-</u>
Net Change in Fund Balance	(9,904,106)	(9,904,107)	561,079	10,465,186
Fund Balance at Beginning of Year	16,018,904	16,018,904	16,018,904	-
Fund Balance at End of Year	<u>\$ 6,114,798</u>	<u>\$ 6,114,797</u>	<u>\$ 16,579,983</u>	<u>\$ 10,465,186</u>

**South Florida Water Management District
Lake Belt Mitigation Special Revenue
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual - (Unaudited)
For the Year Ended September 30, 2016**

	Original Budget	Final Budget	Actual	Variance with Final Budget- Positive (Negative)
REVENUES				
Investment Earnings	\$ -	\$ -	\$ 579,911	\$ 579,911
Licenses, Permits and Fees	346,603	346,603	12,849,535	12,502,932
Total Revenues	346,603	346,603	13,429,446	13,082,843
EXPENDITURES				
Current				
Administrative Services and Executive Offices				
Operations and Maintenance of Lands and Works	32,487	38,189	14,893	23,296
Total Administrative Services and Executive Offices	32,487	38,189	14,893	23,296
Everglades Policy and Coordination				
Operations and Maintenance of Lands and Works	36,635	59,035	50,763	8,272
Total Everglades Policy and Coordination	36,635	59,035	50,763	8,272
Field Operations and Land Management				
Operations and Maintenance of Lands and Works	29,748,824	30,268,355	11,493,567	18,774,788
Total Field Operations and Land Management	29,748,824	30,268,355	11,493,567	18,774,788
Operations, Maintenance and Construction				
Operations and Maintenance of Lands and Works	1,714,293	1,166,660	250,684	915,976
Total Operations, Maintenance, and Construction	1,714,293	1,166,660	250,684	915,976
Total Expenditures	31,532,239	31,532,239	11,809,907	19,722,332
Revenues in Excess of (Less than) Expenditures	(31,185,636)	(31,185,636)	1,619,539	32,805,175
OTHER FINANCING SOURCES (USES)				
Transfers In	17,349,570	17,349,570	7,671,269	(9,678,301)
Transfers Out	(352,185)	(352,185)	(352,185)	-
Total Other Financing Sources (Uses)	16,997,385	16,997,385	7,319,084	(9,678,301)
Net Change in Fund Balance	(14,188,251)	(14,188,251)	8,938,623	23,126,874
Fund Balance at Beginning of Year	60,726,144	60,726,144	60,726,144	-
Fund Balance at End of Year	\$ 46,537,893	\$ 46,537,893	\$ 69,664,767	\$ 23,126,874

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE
OF THE NET PENSION LIABILITY –
FLORIDA RETIREMENT SYSTEM PENSION PLAN
SEPTEMBER 30, 2016**

	2016	2015	2014
District's proportion of the FRS net pension liability	0.2320%	0.2500%	0.2630%
District's proportionate share of the FRS net pension liability	\$ 58,584,976	\$ 32,288,072	\$ 16,048,859
District's covered-employee payroll	\$ 99,371,218	\$ 100,948,387	\$ 104,429,837
District's proportionate share of the FRS net pension liability as a percentage of its covered-employee payroll	58.96%	31.98%	15.37%
FRS Plan fiduciary net position as a percentage of the total pension liability	84.88%	92.00%	96.09%

Note: The amounts presented for each fiscal year were determined as of June 30th. The schedule is presented to illustrate the requirements of GASB Statement No. 68. Currently, only data for fiscal year ending June 30, 2016, 2015 and 2014 are available.

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE DISTRICT'S CONTRIBUTIONS –
FLORIDA RETIREMENT SYSTEM PENSION PLAN
SEPTEMBER 30, 2016**

	2016	2015	2014
Contractually required FRS contribution	\$ 5,658,153	\$ 6,094,687	\$ 5,761,531
FRS contributions in relation to the contractually required contribution	(5,658,153)	(6,094,687)	(5,761,531)
FRS contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered-employee payroll	\$ 98,786,721	\$ 103,723,669	\$ 103,356,785
FRS contributions as a percentage of covered-employee payroll	5.73%	5.88%	5.57%

Note: The amounts presented for each fiscal year were determined as of September 30th. The schedule is presented to illustrate the requirements of GASB Statement No. 68. Currently, only data for fiscal year ending September 30, 2016, 2015 and 2014 are available.

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE
OF THE NET PENSION LIABILITY –
HEALTH INSURANCE SUBSIDY PENSION PLAN
SEPTEMBER 30, 2016**

	2016	2015	2014
District's proportion of the HIS net pension liability	0.3231%	0.3278%	0.3471%
District's proportionate share of the HIS net pension liability	\$ 37,656,022	\$ 33,431,413	\$ 32,453,571
District's covered-employee payroll	\$ 99,371,218	\$ 100,948,387	\$ 104,429,837
District's proportionate share of the HIS net pension liability as a percentage of its covered-employee payroll	37.89%	33.12%	31.08%
HIS Plan fiduciary net position as a percentage of the total pension liability	0.97%	0.50%	0.99%

Note: The amounts presented for each fiscal year were determined as of June 30th. The schedule is presented to illustrate the requirements of GASB Statement No. 68. Currently, only data for fiscal year ending June 30, 2016, 2015 and 2014 are available.

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE DISTRICT'S CONTRIBUTIONS –
HEALTH INSURANCE SUBSIDY PENSION PLAN
SEPTEMBER 30, 2016**

	2016	2015	2014
Contractually required HIS contribution	\$ 1,656,096	\$ 1,253,092	\$ 1,189,007
HIS contributions in relation to the contractually required contribution	(1,656,096)	(1,253,092)	(1,189,007)
HIS contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered-employee payroll	98,786,721	103,723,669	103,356,785
HIS contributions as a percentage of covered-employee payroll	1.68%	1.21%	1.15%

Note: The amounts presented for each fiscal year were determined as of September 30th. The schedule is presented to illustrate the requirements of GASB Statement No. 68. Currently, only data for fiscal year ending September 30, 2016, 2015 and 2014 are available.

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT
SCHEDULE OF EMPLOYER CONTRIBUTIONS
OTHE POST-EMPLOYMENT BENEFIT PLANS
SEPTEMBER 30, 2016**

Schedule of Employer Contributions

Year Ended September 30,	Employer Contributions	Annual Required Contribution (ARC)	Percentage Contributed
2011	\$ 3,705,335	\$ 7,834,678	47.29%
2012	\$ 2,344,703	\$ 4,813,042	48.72%
2013	\$ 1,847,965	\$ 4,756,056	38.85%
2014	\$ 2,486,411	\$ 4,853,618	51.23%
2015	\$ 2,241,643	\$ 5,084,651	44.09%
2016	\$ 2,824,158	\$ 5,734,811	49.25%

Schedule of Funding Progress

Actuarial Valuation Date	(1) Actuarial Value of Plan Assets	(2) Actuarial Accrued Liability (AAL)	(3) Unfunded Actuarial Accrued Liability (UAAL)	(4) Funded Ratio (Actuarial Value of Plan Assets/AAL)	(5) Covered Payroll (Active Plan Members)	(6) UAAL as a Percentage of Covered Payroll
			(2) - (1)	(1) / (2)		(3) / (5)
7/1/2011	-	\$ 62,913,036	\$ 62,913,036	0%	\$108,728,010	57.86%
7/1/2013	-	\$ 66,497,952	\$ 66,497,952	0%	\$103,092,344	64.50%
7/1/2015	-	\$ 79,530,399	\$ 79,530,399	0%	\$100,883,333	78.83%

As required by GASB Statement No. 45 an actuarial valuation is required at least biennially.

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
SEPTEMBER 30, 2016**

BUDGETARY INFORMATION

- Budgets are legally adopted for all funds and are adopted on a basis consistent with generally accepted accounting principles. The adopted budget represents a fiscal-year financial plan that details Governing Board approved revenues and expenditures. The District's level of budgetary control, defined as the lowest level at which management may not reallocate resources without approval of the Governing Board, is at the program level within a fund and resource area. There are six Programs: Water Resources Planning and Monitoring; Acquisition, Restoration and Public Works; Operations and Maintenance of Lands and Works; Regulations; Outreach; and District Management and Administration. The District is organized by six main resource areas: Administrative Services and Executive Offices; Everglades Policy and Coordination; Field Operations and Land Management; Operations, Maintenance, and Construction; Regulation; and Water Resources.
- The accompanying budgetary data represent the original and the final amended budgets as approved by the Governing Board. During fiscal year 2016, the Governing Board approved three budget amendments which effected governmental funds. The first budget amendment recognized \$800,000 of unanticipated state revenues from the Florida Fish and Wildlife Conservation Commission. This amendment impacted governmental funds other than the four presented herein. The second budget amendment recognized \$469,460 of unanticipated state revenues from the 2016 Legislative Session for CERP planning, design, engineering and construction. This amendment impacted governmental funds other than the four presented herein. The third budget amendment recognized fund balance of \$2,600,000 in order to execute activities associated with Executive Order Number 16-155 and 16-156 (Emergency Management – Lake Okeechobee Discharge). This amendment impacted the Okeechobee Basin Special Revenue Fund budgeted expenditures. As part of the adoption of the original District budget, a Governing Board-authorized resolution provides for the transfer of funds from and to the General Fund and/or Special Revenue Funds to and from the corresponding Capital Projects Fund to cover additional expenditures which are recorded to the corresponding fund types. These transfers are processed throughout the fiscal year, and while there is no impact to the overall District budget total, individual Funds will realize increases or decreases in budget in comparison to the amount originally adopted.
- As a result of the aforementioned inter-fund transfers processed during fiscal year 2016, General Fund and the Okeechobee Basin Special Revenue Fund realized increases in budgeted expenditures of \$935,868 and \$10,199,798, respectively. While the Everglades Restoration Trust Special Revenue Fund realized decreases in budgeted expenditures of \$3,521,739 and the Lake Belt Mitigation Special Revenue Fund realized no change. None of the reported funds had expenditures for the fiscal year in excess of the final budgetary appropriation.

OTHER POST-EMPLOYMENT BENEFITS (OPEB)

- The employer contributions reported on the Schedule of Employer Contributions (see page IV-12) represents the current amount paid by the District for the current year cost of the benefits, which were entirely paid to or on behalf of retirees. Accordingly, no assets have been placed in trust to advance fund the employer's obligation.

FINANCIAL SECTION

OTHER SUPPLEMENTARY INFORMATION

SOUTH FLORIDA WATER MANAGEMENT DISTRICT

Nonmajor Governmental Funds

Special Revenue Funds

Special Revenue Funds are maintained to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specific purposes.

Big Cypress Basin Fund

Accounts for the normal operating expenditures of the Big Cypress Basin, an area covering all or part of two counties in Southwest Florida. Funding is provided by a .1429 mill tax levy and interest earnings.

Save Our Rivers Fund

Accounts for revenues provided by: 1) a portion of documentary stamp tax revenues appropriated and allocated in the District's name and deposited in the Florida Water Management Lands Trust Fund administered by the State of Florida, 2) regulatory fines, and 3) interest earnings used to fund expenditures incurred towards the management and restoration of environmentally sensitive water resource lands within the District. This fund also accounts for the principal and interest payments on special obligation land acquisition bonds.

State Appropriations Fund

Accounts for revenue collected and operating expenditures for various projects utilizing state sources. Among the funding sources are the Ecosystem Management and Restoration Trust Fund, the Water Protection and Sustainability Trust Fund, and various state agencies.

Invasive Aquatic Plant Control Fund

Accounts for revenues provided by the Florida Department of Environmental Protection towards expenditures incurred for aquatic plant control throughout the District, including the Kissimmee River and Upper Chain of Lakes.

Upland Invasive Plant Control Fund

Accounts for revenues provided by the Florida Department of Environmental Protection which fund expenditures incurred in order to control the spread of melaleuca trees in environmentally sensitive areas.

Wetland Mitigation Fund

Accounts for revenues provided by private and other governmental contributions as part of the required permit to fund expenditures incurred to create new wetlands or improve alternative existing wetlands due to the destruction of designated wetlands. Revenues are also provided by interest earnings on unspent fund balances.

Indian River Lagoon Restoration Fund

Accounts for revenues provided by sales of Indian River Lagoon license plates, used in funding expenditures incurred for the purpose of enhancing the environmental and scenic value of surface waters in the Indian River Lagoon.

Federal Land Management Fund

Accounts for grant revenues received from the federal government in support of expenditures relating to the management and maintenance of environmentally sensitive lands.

SOUTH FLORIDA WATER MANAGEMENT DISTRICT

Nonmajor Governmental Funds

Special Revenue Funds (continued)

External Grants Fund

Accounts for revenues and expenditures related to grants that are received and used primarily for monitoring, restoration, and maintenance efforts. This separate fund facilitates the detailed tracking of expenditures and/or cost share contributions.

Everglades License Plate Fund

Accounts for proceeds derived from Everglades license plate sales, which are used to fund expenditures incurred towards the conservation and protection of the natural resources and abatement of water pollution in the Everglades.

Lake Okeechobee Fund

Accounts for revenues provided by the State of Florida through the Department of Environmental Protection towards restoration projects associated with Lake Okeechobee.

Save Our Everglades Fund

Accounts for revenues and operating expenditures for the Comprehensive Everglades Restoration Plan (CERP) and the Northern Everglades Estuary Protection Program (NEEPP) which are funded from the State's Save Our Everglades Trust Fund.

Land Acquisition Trust Fund

Accounts for revenues and operating expenditures received from the Trust Fund of the same name. Funding is used for debt service, land management, and dispersed water manage projects.

Federal Emergency Management Agency Fund

Accounts for revenues provided by the Department of Homeland Security to fund operating costs associated with noncapital project expenditures.

Florida Bay Fund

Accounts for operating expenditures associated with restoring a more natural quantity, distribution, and timing of water flows to Florida Bay.

SOUTH FLORIDA WATER MANAGEMENT DISTRICT

Nonmajor Governmental Funds

Capital Projects Funds

Capital Projects Funds are maintained to account for financial resources to be used for the purchase of real property and the acquisition or construction of major capital facilities.

District Fund

Accounts for capital expenditures on projects associated with District-wide functions. Revenue is provided through operating transfers from the General Fund.

Big Cypress Basin Fund

Accounts for capital expenditures incurred towards projects benefiting the Big Cypress Basin. Revenue is provided through operating transfers from the Big Cypress Basin Special Revenue Fund.

Save Our Rivers Fund

Accounts for revenues received from annual allocations through the State's Florida Forever Trust Fund, and related expenditures incurred for the purchase of environmentally sensitive lands.

State Appropriations Fund

Accounts for capital expenditures incurred towards various projects utilizing state sources. Revenue is provided through operating transfers from the State Appropriations Special Revenue Fund.

Federal Emergency Management Agency Fund

Accounts for revenues provided by the Department of Homeland Security to fund related capital project expenditures.

Florida Bay Fund

Accounts for capital expenditures associated with restoring a more natural quantity, distribution, and timing of water flows to Florida Bay.

Wetland Mitigation Fund

Accounts for revenues provided by private and other governmental contributions as part of the required permit to fund capital expenditures incurred to create new wetlands or improve alternative existing wetlands due to the destruction of designated wetlands. Revenues are also provided by interest earnings on unspent fund balances.

Comprehensive Everglades Restoration Plan (CERP) Fund

Accounts for capital expenditures associated with projects included in the Central and Southern Florida (C&SF) Restudy and which form the basis of the CERP. These projects are designed to increase the availability of water supplies for consumptive use or cost share with the federal government on regional projects intended to mitigate consequences that are an outgrowth of the original C&SF Flood Control Project. Funding is provided by transfers from the General Fund and Okeechobee Basin Special Revenue Fund.

Federal Land Acquisition Fund

Accounts for grant revenues received from the federal government in support of expenditures relating to the purchase of environmentally sensitive lands.

SOUTH FLORIDA WATER MANAGEMENT DISTRICT

Nonmajor Governmental Funds

Capital Projects Funds (continued)

Comprehensive Everglades Restoration Plan (CERP) – Other Creditable Funds Fund

Accounts for revenues received from and expenditures funded through various sources for the Comprehensive Everglades Restoration Plan, excluding revenues and expenditures from federal sources, district ad-valorem property tax sources, and the state's Save Our Everglades Trust Fund.

COPS Everglades Forever Fund

Accounts for capital expenditures to support the construction of projects in the Everglades/Long Term Plan Implementation program with resources from issuance of Certificates of Participation.

COPS – Comprehensive Everglades Restoration Plan (CERP) Fund

Accounts for revenues from Certificates of Participation issued to support the accelerated construction of projects in the Comprehensive Everglades Restoration Plan.

Lake Belt Mitigation Fund

Accounts for revenues received pursuant to Chapter 373.41492, Florida Statutes, which requires mitigation from impacts resulting from rock mining in the Lake Belt area of Miami-Dade County, and related capital expenditures incurred towards the acquisition, restoration and management of environmentally sensitive lands.

Lake Okeechobee Fund

Accounts for revenues provided by the State of Florida through the Department of Environmental Protection towards capital restoration projects associated with Lake Okeechobee.

Permanent Fund

The Permanent Fund is used to report resources that are legally restricted to the extent that only earnings, not principal, may be used for purposes that support the District's programs.

Wetland Mitigation Fund

Accounts for the long-term maintenance portion of fees collected from private businesses and other governmental agencies as a condition for issuing wetlands mitigation permits. Interest earned on these fees is used to pay for the costs associated with long-term maintenance of lands purchased pursuant to the District's wetlands mitigation program.

**South Florida Water Management District
Combining Balance Sheet
Nonmajor Governmental Funds
September 30, 2016**

	Special Revenue Funds			
	Big Cypress Basin	Save Our Rivers	State Appropriations	Invasive Aquatic Plant Control
ASSETS				
Cash and Investments	\$ 10,997,534	\$ 1,269,807	\$ 4,265,007	\$ -
Cash Held by Trustee	-	-	-	-
Accounts Receivable	11,750	170,590	-	-
Due from Other Governments	86,589	106,032	-	219,744
Due from Other Funds	-	308,584	1,853	-
Inventory	269,744	-	-	-
Total Assets	\$ 11,365,617	\$ 1,855,013	\$ 4,266,860	\$ 219,744
LIABILITIES, DEFERRED INFLOWS OF RESOURCES & FUND BALANCES				
LIABILITIES				
Accounts Payable	\$ 540,976	\$ 224,983	\$ 348,736	\$ 8,277
Due to Other Governments	207,089	-	-	-
Due to Other Funds	2,162	-	-	179,347
DEFERRED INFLOWS OF RESOURCES				
Unavailable Revenue	-	106,032	-	-
Total Liabilities & Deferred Inflows of Resources	750,227	331,015	348,736	187,624
FUND BALANCES				
Nonspendable	269,744	-	-	-
Restricted	10,345,646	1,523,998	3,918,124	32,120
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
Total Fund Balances	10,615,390	1,523,998	3,918,124	32,120
Total Liabilities, Deferred Inflows of Resources & Fund Balances	\$ 11,365,617	\$ 1,855,013	\$ 4,266,860	\$ 219,744

Continued

**South Florida Water Management District
Combining Balance Sheet
Nonmajor Governmental Funds
September 30, 2016**

Special Revenue Funds (Continued)

	Upland Invasive Plant Control	Wetland Mitigation	Indian River Lagoon Restoration	Federal Land Management
ASSETS				
Cash and Investments	\$ -	\$ 12,428,505	\$ 389,416	\$ 5,927,891
Cash Held by Trustee	-	-	-	-
Accounts Receivable	-	16,075	435	50,925
Due from Other Governments	363,796	3,434	-	-
Due from Other Funds	-	-	-	-
Inventory	-	-	-	-
Total Assets	<u>\$ 363,796</u>	<u>\$ 12,448,014</u>	<u>\$ 389,851</u>	<u>\$ 5,978,816</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES & FUND BALANCES				
LIABILITIES				
Accounts Payable	\$ 127,675	\$ 201,800	\$ -	\$ 158,960
Due to Other Governments	-	-	-	-
Due to Other Funds	111,961	118	-	-
DEFERRED INFLOWS OF RESOURCES				
Unavailable Revenue	363,796	3,434	-	-
Total Liabilities & Deferred Inflows of Resources	<u>603,432</u>	<u>205,352</u>	<u>-</u>	<u>158,960</u>
FUND BALANCES				
Nonspendable	-	-	-	-
Restricted	-	12,242,662	389,851	5,819,856
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	(239,636)	-	-	-
Total Fund Balances	<u>(239,636)</u>	<u>12,242,662</u>	<u>389,851</u>	<u>5,819,856</u>
Total Liabilities, Deferred Inflows of Resources & Fund Balances	<u>\$ 363,796</u>	<u>\$ 12,448,014</u>	<u>\$ 389,851</u>	<u>\$ 5,978,816</u>

**South Florida Water Management District
Combining Balance Sheet
Nonmajor Governmental Funds
September 30, 2016**

Special Revenue Funds (Continued)

	External Grants	Everglades License Plate	Lake Okeechobee	Save Our Everglades
ASSETS				
Cash and Investments	\$ -	\$ 730,737	\$ 1,349,790	\$ 1,648,933
Cash Held by Trustee	-	-	-	-
Accounts Receivable	-	798	-	213,235
Due from Other Governments	1,115,681	-	-	208,300
Due from Other Funds	-	-	-	-
Inventory	-	-	-	-
Total Assets	<u>\$ 1,115,681</u>	<u>\$ 731,535</u>	<u>\$ 1,349,790</u>	<u>\$ 2,070,468</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES & FUND BALANCES				
LIABILITIES				
Accounts Payable	\$ 255,492	\$ -	\$ -	\$ 1,428,045
Due to Other Governments	-	170,000	-	-
Due to Other Funds	1,124,018	-	-	-
DEFERRED INFLOWS OF RESOURCES				
Unavailable Revenue	134,014	-	-	-
Total Liabilities & Deferred Inflows of Resources	<u>1,513,524</u>	<u>170,000</u>	<u>-</u>	<u>1,428,045</u>
FUND BALANCES				
Nonspendable	-	-	-	-
Restricted	-	561,535	1,349,790	642,423
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	(397,843)	-	-	-
Total Fund Balances	<u>(397,843)</u>	<u>561,535</u>	<u>1,349,790</u>	<u>642,423</u>
Total Liabilities, Deferred Inflows of Resources & Fund Balances	<u>\$ 1,115,681</u>	<u>\$ 731,535</u>	<u>\$ 1,349,790</u>	<u>\$ 2,070,468</u>

Continued

**South Florida Water Management District
Combining Balance Sheet
Nonmajor Governmental Funds
September 30, 2016**

Special Revenue Funds (Concluded)

	Land Acquisition Trust	Federal Emergency Management Agency	Florida Bay	Total
ASSETS				
Cash and Investments	\$ 5,738,177	\$ -	\$ 12,634,244	\$ 57,380,041
Cash Held by Trustee	-	-	-	-
Accounts Receivable	-	-	1,254	465,062
Due from Other Governments	25,655	-	-	2,129,231
Due from Other Funds	-	-	-	310,437
Inventory	-	-	-	269,744
Total Assets	<u>\$ 5,763,832</u>	<u>\$ -</u>	<u>\$ 12,635,498</u>	<u>\$ 60,554,515</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES & FUND BALANCES				
LIABILITIES				
Accounts Payable	\$ 479,727	\$ -	\$ 107,927	\$ 3,882,598
Due to Other Governments	-	-	-	377,089
Due to Other Funds	-	3,519	410	1,421,535
DEFERRED INFLOWS OF RESOURCES				
Unavailable Revenue	-	-	-	607,276
Total Liabilities & Deferred Inflows of Resources	<u>479,727</u>	<u>3,519</u>	<u>108,337</u>	<u>6,288,498</u>
FUND BALANCES				
Nonspendable	-	-	-	269,744
Restricted	5,284,105	-	12,527,161	54,637,271
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	(3,519)	-	(640,998)
Total Fund Balances	<u>5,284,105</u>	<u>(3,519)</u>	<u>12,527,161</u>	<u>54,266,017</u>
Total Liabilities, Deferred Inflows of Resources & Fund Balances	<u>\$ 5,763,832</u>	<u>\$ -</u>	<u>\$ 12,635,498</u>	<u>\$ 60,554,515</u>

**South Florida Water Management District
Combining Balance Sheet
Nonmajor Governmental Funds
September 30, 2016**

Capital Projects Funds

	District	Big Cypress Basin	Save Our Rivers
ASSETS			
Cash and Investments	\$ 19,546,159	\$ 5,685,150	\$ 9,614,230
Cash Held by Trustee	10,078,123	-	-
Accounts Receivable	8,733	4,555	10,671
Due from Other Governments	-	-	-
Due from Other Funds	-	-	-
Inventory	-	-	-
Total Assets	<u>\$ 29,633,015</u>	<u>\$ 5,689,705</u>	<u>\$ 9,624,901</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES & FUND BALANCES			
LIABILITIES			
Accounts Payable	\$ 2,210,935	\$ 184,215	\$ 100,631
Due to Other Governments	-	-	-
Due to Other Funds	-	-	-
DEFERRED INFLOWS OF RESOURCES			
Unavailable Revenue	-	-	-
Total Liabilities & Deferred Inflows of Resources	<u>2,210,935</u>	<u>184,215</u>	<u>100,631</u>
FUND BALANCES			
Nonspendable	-	-	-
Restricted	10,078,526	5,505,490	9,524,270
Committed	6,551,624	-	-
Assigned	10,791,930	-	-
Unassigned	-	-	-
Total Fund Balances	<u>27,422,080</u>	<u>5,505,490</u>	<u>9,524,270</u>
Total Liabilities, Deferred Inflows of Resources & Fund Balances	<u>\$ 29,633,015</u>	<u>\$ 5,689,705</u>	<u>\$ 9,624,901</u>

**South Florida Water Management District
Combining Balance Sheet
Nonmajor Governmental Funds
September 30, 2016**

Capital Projects Funds (Continued)

	State Appropriations	Federal Emergency Management Agency	Florida Bay	Wetland Mitigation
ASSETS				
Cash and Investments	\$ -	\$ 19	\$ 1,812,558	\$ 7,706,068
Cash Held by Trustee	-	-	-	-
Accounts Receivable	-	-	14,968	6,175
Due from Other Governments	54,782	-	-	-
Due from Other Funds	-	-	-	-
Inventory	-	-	-	-
Total Assets	<u>\$ 54,782</u>	<u>\$ 19</u>	<u>\$ 1,827,526</u>	<u>\$ 7,712,243</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES & FUND BALANCES				
LIABILITIES				
Accounts Payable	\$ 297,882	\$ -	\$ -	\$ 1,340,125
Due to Other Governments	-	-	-	-
Due to Other Funds	164,302	-	-	-
DEFERRED INFLOWS OF RESOURCES				
Unavailable Revenue	54,782	-	-	-
Total Liabilities & Deferred Inflows of Resources	<u>516,966</u>	<u>-</u>	<u>-</u>	<u>1,340,125</u>
FUND BALANCES				
Nonspendable	-	-	-	-
Restricted	-	19	1,827,526	6,372,118
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	(462,184)	-	-	-
Total Fund Balances	<u>(462,184)</u>	<u>19</u>	<u>1,827,526</u>	<u>6,372,118</u>
Total Liabilities, Deferred Inflows of Resources & Fund Balances	<u>\$ 54,782</u>	<u>\$ 19</u>	<u>\$ 1,827,526</u>	<u>\$ 7,712,243</u>

Continued

**South Florida Water Management District
Combining Balance Sheet
Nonmajor Governmental Funds
September 30, 2016**

Capital Projects Funds (Continued)

	Comprehensive Everglades Restoration Plan (CERP)	Federal Land Acquisition	Comprehensive Everglades Restoration Plan Other Creditable	COPS Everglades Forever
ASSETS				
Cash and Investments	\$ 2,133,069	\$ 3,932,715	\$ 1,596,514	\$ -
Cash Held by Trustee	-	-	-	2,698,538
Accounts Receivable	-	-	-	-
Due from Other Governments	-	-	-	-
Due from Other Funds	-	-	-	-
Inventory	-	-	-	-
Total Assets	<u>\$ 2,133,069</u>	<u>\$ 3,932,715</u>	<u>\$ 1,596,514</u>	<u>\$ 2,698,538</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES & FUND BALANCES				
LIABILITIES				
Accounts Payable	\$ 148,756	\$ -	\$ 24,411	\$ 1,293,467
Due to Other Governments	-	-	-	-
Due to Other Funds	-	-	-	195,350
DEFERRED INFLOWS OF RESOURCES				
Unavailable Revenue	-	-	-	-
Total Liabilities & Deferred Inflows of Resources	<u>148,756</u>	<u>-</u>	<u>24,411</u>	<u>1,488,817</u>
FUND BALANCES				
Nonspendable	-	-	-	-
Restricted	333	3,932,715	-	1,209,721
Committed	-	-	-	-
Assigned	1,983,980	-	1,572,103	-
Unassigned	-	-	-	-
Total Fund Balances	<u>1,984,313</u>	<u>3,932,715</u>	<u>1,572,103</u>	<u>1,209,721</u>
Total Liabilities, Deferred Inflows of Resources & Fund Balances	<u>\$ 2,133,069</u>	<u>\$ 3,932,715</u>	<u>\$ 1,596,514</u>	<u>\$ 2,698,538</u>

Continued

**South Florida Water Management District
Combining Balance Sheet
Nonmajor Governmental Funds
September 30, 2016**

Capital Projects Funds (Concluded)

	COPS Comprehensive Everglades Restoration	Lake Belt Mitigation	Lake Okeechobee	Total
ASSETS				
Cash and Investments	\$ 127	\$ -	\$ -	\$ 52,026,609
Cash Held by Trustee	82,326	-	-	12,858,987
Accounts Receivable	-	-	-	45,102
Due from Other Governments	-	-	-	54,782
Due from Other Funds	-	-	-	-
Inventory	-	-	-	-
Total Assets	<u>\$ 82,453</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 64,985,480</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES & FUND BALANCES				
LIABILITIES				
Accounts Payable	\$ -	\$ 363,309	\$ -	\$ 5,963,731
Due to Other Governments	-	-	-	-
Due to Other Funds	-	308,584	1,853	670,089
DEFERRED INFLOWS OF RESOURCES				
Unavailable Revenue	-	-	-	54,782
Total Liabilities & Deferred Inflows of Resources	<u>-</u>	<u>671,893</u>	<u>1,853</u>	<u>6,688,602</u>
FUND BALANCES				
Nonspendable	-	-	-	-
Restricted	82,453	-	-	38,533,171
Committed	-	-	-	6,551,624
Assigned	-	-	-	14,348,013
Unassigned	-	(671,893)	(1,853)	(1,135,930)
Total Fund Balances	<u>82,453</u>	<u>(671,893)</u>	<u>(1,853)</u>	<u>58,296,878</u>
Total Liabilities, Deferred Inflows of Resources & Fund Balances	<u>\$ 82,453</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 64,985,480</u>

Continued

**South Florida Water Management District
Combining Balance Sheet
Nonmajor Governmental Funds
September 30, 2016**

	<u>Permanent Fund</u>	
	<u>Wetland Mitigation</u>	<u>Total Nonmajor Governmental</u>
ASSETS		
Cash and Investments	\$ 16,247,713	\$ 125,654,363
Cash Held by Trustee	-	12,858,987
Accounts Receivable	20,285	530,449
Due from Other Governments	-	2,184,013
Due from Other Funds	-	310,437
Inventory	-	269,744
Total Assets	<u>\$ 16,267,998</u>	<u>\$ 141,807,993</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES & FUND BALANCES		
LIABILITIES		
Accounts Payable	\$ -	\$ 9,846,329
Due to Other Governments	-	377,089
Due to Other Funds	-	2,091,624
DEFERRED INFLOWS OF RESOURCES		
Unavailable Revenue	-	662,058
Total Liabilities & Deferred Inflows of Resources	<u>-</u>	<u>12,977,100</u>
FUND BALANCES		
Nonspendable	15,875,366	16,145,110
Restricted	392,632	93,563,074
Committed	-	6,551,624
Assigned	-	14,348,013
Unassigned	-	(1,776,928)
Total Fund Balances	<u>16,267,998</u>	<u>128,830,893</u>
Total Liabilities, Deferred Inflows of Resources & Fund Balances	<u>\$ 16,267,998</u>	<u>\$ 141,807,993</u>

South Florida Water Management District
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
September 30, 2016

	Special Revenue Funds			
	Big Cypress Basin	Save Our Rivers	State Appropriations	Invasive Aquatic Plant Control
REVENUES				
Ad Valorem Property Taxes	\$ 9,679,987	\$ -	\$ -	\$ -
Intergovernmental	-	3,265,989	-	1,908,683
Investment Earnings	115,992	365	(1,456)	-
Licenses, Permits and Fees	7,400	-	-	-
Sale of District Property	21,430	5,999	-	-
Leases	66,418	2,002,161	-	-
Other	773	-	-	214
Total Revenues	9,892,000	5,274,514	(1,456)	1,908,897
EXPENDITURES				
Current Operating				
Water Resources Planning and Monitoring	3,537,951	-	161,632	-
Acquisition, Restoration and Public Works	69,603	-	3,925,161	-
Operations and Maintenance of Lands and Work:	4,174,064	1,597,202	-	1,908,897
Regulation	23,624	-	-	-
Outreach	5,000	-	-	-
District Management and Administration	196,291	-	-	-
Capital Outlay	-	-	-	-
Debt Service				
Bond Principal Retirement	-	-	-	-
Bond Interest	-	-	-	-
COPS Bond Principal Retirement	-	-	-	-
COPS Bond Interest	-	-	-	-
Total Expenditures	8,006,533	1,597,202	4,086,793	1,908,897
Revenues in Excess of (Less than) Expenditures	1,885,467	3,677,312	(4,088,249)	-
OTHER FINANCING SOURCES (USES)				
Transfers In	251,851	-	-	-
Transfers Out	(1,964,773)	(72,354)	(205,820)	-
Debt Issue	-	-	-	-
Payments to Escrow Agent	-	-	-	-
Premiums on Bonds Issued	-	-	-	-
Total Other Financing Sources (Uses)	(1,712,922)	(72,354)	(205,820)	-
Net Change in Fund Balances	172,545	3,604,958	(4,294,069)	-
Fund Balances (Deficits) at Beginning of Year	10,442,845	(2,080,960)	8,212,193	32,120
Fund Balances (Deficits) at End of Year	\$ 10,615,390	\$ 1,523,998	\$ 3,918,124	\$ 32,120

Continued

South Florida Water Management District
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
September 30, 2016

	Special Revenue Funds			
	Upland Invasive Plant Control	Wetland Mitigation	Indian River Lagoon Restoration	Federal Land Management
REVENUES				
Ad Valorem Property Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	4,541,283	-	87,799	-
Investment Earnings	-	122,242	3,725	22,387
Licenses, Permits and Fees	-	142,965	-	-
Sale of District Property	-	-	-	-
Leases	-	-	-	1,691,435
Other	3,076	1,144	-	-
Total Revenues	4,544,359	266,351	91,524	1,713,822
EXPENDITURES				
Current Operating				
Water Resources Planning and Monitoring	-	-	77,442	-
Acquisition, Restoration and Public Works	-	60,075	-	-
Operations and Maintenance of Lands and Work:	4,491,613	1,006,051	-	454,742
Regulation	-	95,741	-	-
Outreach	-	-	-	-
District Management and Administration	-	-	-	-
Capital Outlay	-	-	-	-
Debt Service				
Bond Principal Retirement	-	-	-	-
Bond Interest	-	-	-	-
COPS Bond Principal Retirement	-	-	-	-
COPS Bond Interest	-	-	-	-
Total Expenditures	4,491,613	1,161,867	77,442	454,742
Revenues in Excess of (Less than) Expenditures	52,746	(895,516)	14,082	1,259,080
OTHER FINANCING SOURCES (USES)				
Transfers In	-	16,075	-	-
Transfers Out	-	(7,727,043)	-	-
Debt Issue	-	-	-	-
Payments to Escrow Agent	-	-	-	-
Premiums on Bonds Issued	-	-	-	-
Total Other Financing Sources (Uses)	-	(7,710,968)	-	-
Net Change in Fund Balances	52,746	(8,606,484)	14,082	1,259,080
Fund Balances (Deficits) at Beginning of Year	(292,382)	20,849,146	375,769	4,560,776
Fund Balances (Deficits) at End of Year	(\$ 239,636)	\$ 12,242,662	\$ 389,851	\$ 5,819,856

South Florida Water Management District
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
September 30, 2016

Special Revenue Funds (Continued)

	External Grants	Everglades License Plate	Lake Okeechobee	Save Our Everglades
REVENUES				
Ad Valorem Property Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	3,294,684	222,086	-	3,800,156
Investment Earnings	-	7,453	(3,930)	9,444
Licenses, Permits and Fees	-	-	-	-
Sale of District Property	-	-	-	-
Leases	-	-	-	640,457
Other	-	-	-	-
Total Revenues	3,294,684	229,539	(3,930)	4,450,057
EXPENDITURES				
Current Operating				
Water Resources Planning and Monitoring	52,900	369,998	-	-
Acquisition, Restoration and Public Works	2,513,741	-	768,725	2,071,004
Operations and Maintenance of Lands and Work:	-	-	-	1,319,982
Regulation	-	-	-	-
Outreach	-	-	-	-
District Management and Administration	-	-	-	-
Capital Outlay	-	-	-	-
Debt Service				
Bond Principal Retirement	-	-	-	-
Bond Interest	-	-	-	-
COPS Bond Principal Retirement	-	-	-	-
COPS Bond Interest	-	-	-	-
Total Expenditures	2,566,641	369,998	768,725	3,390,986
Revenues in Excess of (Less than) Expenditures	728,043	(140,459)	(772,655)	1,059,071
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	-	-
Transfers Out	-	-	-	(119,351)
Debt Issue	-	-	-	-
Payments to Escrow Agent	-	-	-	-
Premiums on Bonds Issued	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	(119,351)
Net Change in Fund Balances	728,043	(140,459)	(772,655)	939,720
Fund Balances (Deficits) at Beginning of Year	(1,125,886)	701,994	2,122,445	(297,297)
Fund Balances (Deficits) at End of Year	(\$ 397,843)	\$ 561,535	\$ 1,349,790	\$ 642,423

Continued

South Florida Water Management District
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
September 30, 2016

Special Revenue Funds (Concluded)

	Land Acquisition Trust Fund	Federal Emergency Management Agency	Florida Bay	Total
REVENUES				
Ad Valorem Property Taxes	\$ -	\$ -	\$ -	\$ 9,679,987
Intergovernmental	9,003,702	-	1,064,000	27,188,382
Investment Earnings	-	-	4,832	281,054
Licenses, Permits and Fees	-	-	-	150,365
Sale of District Property	-	-	-	27,429
Leases	-	-	-	4,400,471
Other	3,324	-	-	8,531
Total Revenues	9,007,026	-	1,068,832	41,736,219
EXPENDITURES				
Current Operating				
Water Resources Planning and Monitoring	-	7,769	833,910	5,041,602
Acquisition, Restoration and Public Works	157,096	-	509,214	10,074,619
Operations and Maintenance of Lands and Work: Regulation	3,565,825	-	-	18,518,376
Outreach	-	-	-	119,365
District Management and Administration	-	-	-	5,000
Capital Outlay	-	-	-	196,291
Debt Service				
Bond Principal Retirement	6,705,000	-	-	6,705,000
Bond Interest	160,538	-	-	160,538
COPS Bond Principal Retirement	-	-	-	-
COPS Bond Interest	-	-	-	-
Total Expenditures	10,588,459	7,769	1,343,124	40,820,791
Revenues in Excess of (Less than) Expenditures	(1,581,433)	(7,769)	(274,292)	915,428
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	11,958,057	12,225,983
Transfers Out	-	-	-	(10,089,341)
Debt Issue	-	-	-	-
Payments to Escrow Agent	-	-	-	-
Premiums on Bonds Issued	-	-	-	-
Total Other Financing Sources (Uses)	-	-	11,958,057	2,136,642
Net Change in Fund Balances	(1,581,433)	(7,769)	11,683,765	3,052,070
Fund Balances (Deficits) at Beginning of Year	6,865,538	4,250	843,396	51,213,947
Fund Balances (Deficits) at End of Year	<u>\$ 5,284,105</u>	<u>(\$ 3,519)</u>	<u>\$ 12,527,161</u>	<u>\$ 54,266,017</u>

South Florida Water Management District
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
September 30, 2016

Capital Projects Funds

	District	Big Cypress Basin	Save Our Rivers
REVENUES			
Ad Valorem Property Taxes	\$ -	\$ -	\$ -
Intergovernmental	-	-	344,954
Investment Earnings	165,597	40,943	95,999
Licenses, Permits and Fees	-	-	-
Sale of District Property	694	110,000	120,230
Leases	-	-	-
Other	435,562	202	-
Total Revenues	601,853	151,145	561,183
EXPENDITURES			
Current Operating			
Water Resources Planning and Monitoring	-	-	-
Acquisition, Restoration and Public Works	483,832	-	-
Operations and Maintenance of Lands and Work:	-	-	-
Regulation	-	-	-
Outreach	-	-	-
District Management and Administration	-	-	-
Capital Outlay	8,881,761	3,848,780	1,134,871
Debt Service			
Bond Principal Retirement	-	-	-
Bond Interest	-	-	-
COPS Bond Principal Retirement	5,437,390	-	-
COPS Bond Interest	9,655,113	-	-
Total Expenditures	24,458,096	3,848,780	1,134,871
Revenues in Excess of (Less than) Expenditures	(23,856,243)	(3,697,635)	(573,688)
OTHER FINANCING SOURCES (USES)			
Transfers In	25,285,495	1,964,773	72,354
Transfers Out	-	(251,851)	-
Debt Issue	172,273,412	-	-
Payments to Escrow Agent	(203,467,595)	-	-
Premiums on Bonds Issued	31,678,014	-	-
Total Other Financing Sources (Uses)	25,769,326	1,712,922	72,354
Net Change in Fund Balances	1,913,083	(1,984,713)	(501,334)
Fund Balances (Deficits) at Beginning of Year	25,508,997	7,490,203	10,025,604
Fund Balances (Deficits) at End of Year	\$ 27,422,080	\$ 5,505,490	\$ 9,524,270

South Florida Water Management District
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
September 30, 2016

Capital Projects Funds (Continued)

	State Appropriations	Federal Emergency Management Agency	Florida Bay	Wetland Mitigation
REVENUES				
Ad Valorem Property Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	5,000,000	-
Investment Earnings	-	-	99,273	51,080
Licenses, Permits and Fees	-	-	-	-
Sale of District Property	-	-	-	-
Leases	-	-	-	-
Other	-	-	-	-
Total Revenues	-	-	5,099,273	51,080
EXPENDITURES				
Current Operating				
Water Resources Planning and Monitoring	-	-	-	-
Acquisition, Restoration and Public Works	-	-	-	-
Operations and Maintenance of Lands and Work:	-	-	-	-
Regulation	-	-	-	-
Outreach	-	-	-	-
District Management and Administration	-	-	-	-
Capital Outlay	716,101	-	9,860	2,960,331
Debt Service				
Bond Principal Retirement	-	-	-	-
Bond Interest	-	-	-	-
COPS Bond Principal Retirement	-	-	-	-
COPS Bond Interest	-	-	-	-
Total Expenditures	716,101	-	9,860	2,960,331
Revenues in Excess of (Less than) Expenditures	(716,101)	-	5,089,413	(2,909,251)
OTHER FINANCING SOURCES (USES)				
Transfers In	205,820	-	-	100,000
Transfers Out	-	-	(11,958,057)	(7,000)
Debt Issue	-	-	-	-
Payments to Escrow Agent	-	-	-	-
Premiums on Bonds Issued	-	-	-	-
Total Other Financing Sources (Uses)	205,820	-	(11,958,057)	93,000
Net Change in Fund Balances	(510,281)	-	(6,868,644)	(2,816,251)
Fund Balances (Deficits) at Beginning of Year	48,097	19	8,696,170	9,188,369
Fund Balances (Deficits) at End of Year	(\$ 462,184)	\$ 19	\$ 1,827,526	\$ 6,372,118

Continued

South Florida Water Management District
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
September 30, 2016

Capital Projects Funds (Continued)

	COPS Comprehensive Restoration Plan (CERP)	Federal Land Acquisition	Comprehensive Everglades Restoration Plan Other Creditable	COPS Everglades Forever
REVENUES				
Ad Valorem Property Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-
Investment Earnings	-	-	-	38,248
Licenses, Permits and Fees	-	-	-	-
Sale of District Property	560	-	-	12,432
Leases	-	-	-	-
Other	-	-	-	528,777
	<hr/>	<hr/>	<hr/>	<hr/>
Total Revenues	560	-	-	579,457
EXPENDITURES				
Current Operating				
Water Resources Planning and Monitoring	-	-	-	-
Acquisition, Restoration and Public Works	-	-	-	-
Operations and Maintenance of Lands and Work:	-	-	-	-
Regulation	-	-	-	-
Outreach	-	-	-	-
District Management and Administration	-	-	-	-
Capital Outlay	60,794	-	89,789	542,082
Debt Service				
Bond Principal Retirement	-	-	-	-
Bond Interest	-	-	-	-
COPS Bond Principal Retirement	-	-	-	-
COPS Bond Interest	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total Expenditures	60,794	-	89,789	542,082
Revenues in Excess of (Less than) Expenditures	(60,234)	-	(89,789)	37,375
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	1,806	-
Transfers Out	(1,050,765)	-	(2,588,063)	-
Debt Issue	-	-	-	-
Payments to Escrow Agent	-	-	-	-
Premiums on Bonds Issued	-	-	-	-
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Total Other Financing Sources (Uses)	(1,050,765)	-	(2,586,257)	-
Net Change in Fund Balances	(1,110,999)	-	(2,676,046)	37,375
Fund Balances (Deficits) at Beginning of Year	3,095,312	3,932,715	4,248,149	1,172,346
Fund Balances (Deficits) at End of Year	<u>\$ 1,984,313</u>	<u>\$ 3,932,715</u>	<u>\$ 1,572,103</u>	<u>\$ 1,209,721</u>

Continued

South Florida Water Management District
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
September 30, 2016

Capital Projects Funds (Concluded)

	COPS Comprehensive Everglades Restoration	Lake Belt Mitigation	Lake Okeechobee	Total
REVENUES				
Ad Valorem Property Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	5,344,954
Investment Earnings	-	5,593	-	496,733
Licenses, Permits and Fees	-	-	-	-
Sale of District Property	12	-	-	243,928
Leases	-	-	-	-
Other	-	-	-	964,541
	<u>12</u>	<u>5,593</u>	<u>-</u>	<u>7,050,156</u>
EXPENDITURES				
Current Operating				
Water Resources Planning and Monitoring	-	-	-	-
Acquisition, Restoration and Public Works	-	-	-	483,832
Operations and Maintenance of Lands and Work:	-	-	-	-
Regulation	-	-	-	-
Outreach	-	-	-	-
District Management and Administration	-	-	-	-
Capital Outlay	-	1,484,753	-	19,729,122
Debt Service				
Bond Principal Retirement	-	-	-	-
Bond Interest	-	-	-	-
COPS Bond Principal Retirement	-	-	-	5,437,390
COPS Bond Interest	-	-	-	9,655,113
	<u>-</u>	<u>1,484,753</u>	<u>-</u>	<u>35,305,457</u>
Total Expenditures	-	1,484,753	-	35,305,457
Revenues in Excess of (Less than) Expenditures	<u>12</u>	<u>(1,479,160)</u>	<u>-</u>	<u>(28,255,301)</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	-	335,890	-	27,966,138
Transfers Out	-	-	-	(15,855,736)
Debt Issue	-	-	-	172,273,412
Payments to Escrow Agent	-	-	-	(203,467,595)
Premiums on Bonds Issued	-	-	-	31,678,014
	<u>-</u>	<u>335,890</u>	<u>-</u>	<u>12,594,233</u>
Total Other Financing Sources (Uses)	-	335,890	-	12,594,233
Net Change in Fund Balances	12	(1,143,270)	-	(15,661,068)
Fund Balances (Deficits) at Beginning of Year	<u>82,441</u>	<u>471,377</u>	<u>(1,853)</u>	<u>73,957,946</u>
Fund Balances (Deficits) at End of Year	<u>\$ 82,453</u>	<u>(\$ 671,893)</u>	<u>(\$ 1,853)</u>	<u>\$ 58,296,878</u>

Continued

South Florida Water Management District
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
September 30, 2016

	<u>Permanent Fund</u>	
	<u>Wetland Mitigation</u>	<u>Total Nonmajor Governmental Funds</u>
REVENUES		
Ad Valorem Property Taxes	\$ -	\$ 9,679,987
Intergovernmental	-	32,533,336
Investment Earnings	167,637	945,424
Licenses, Permits and Fees	7,000	157,365
Sale of District Property	-	271,357
Leases	-	4,400,471
Other	-	973,072
	<u>174,637</u>	<u>48,961,012</u>
EXPENDITURES		
Current Operating		
Water Resources Planning and Monitoring	-	5,041,602
Acquisition, Restoration and Public Works	-	10,558,451
Operations and Maintenance of Lands and Work:	-	18,518,376
Regulation	-	119,365
Outreach	-	5,000
District Management and Administration	-	196,291
Capital Outlay	-	19,729,122
Debt Service		
Bond Principal Retirement	-	6,705,000
Bond Interest	-	160,538
COPS Bond Principal Retirement	-	5,437,390
COPS Bond Interest	-	9,655,113
	<u>-</u>	<u>76,126,248</u>
Total Expenditures	-	76,126,248
Revenues in Excess of (Less than) Expenditures	<u>174,637</u>	<u>(27,165,236)</u>
OTHER FINANCING SOURCES (USES)		
Transfers In	50,540	40,242,661
Transfers Out	(87,546)	(26,032,623)
Debt Issue	-	172,273,412
Payments to Escrow Agent	-	(203,467,595)
Premiums on Bonds Issued	-	31,678,014
	<u>(37,006)</u>	<u>14,693,869</u>
Total Other Financing Sources (Uses)	(37,006)	14,693,869
Net Change in Fund Balances	137,631	(12,471,367)
Fund Balances (Deficits) at Beginning of Year	<u>16,130,367</u>	<u>141,302,260</u>
Fund Balances (Deficits) at End of Year	<u>\$ 16,267,998</u>	<u>\$ 128,830,893</u>

Special Revenue Fund
Big Cypress Basin
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
For the Year Ended September 30, 2016

	Final Budget	Actual	Variance with Final Budget-Positive (Negative)
REVENUES			
Ad Valorem Property Taxes	\$ 9,587,563	\$ 9,679,987	\$ 92,424
Investment Earnings	150,000	115,992	(34,008)
Licenses, Permits and Fees	8,000	7,400	(600)
Sale of District Property	-	21,430	21,430
Leases	66,281	66,418	137
Other	1,500	773	(727)
Total Revenues	<u>9,813,344</u>	<u>9,892,000</u>	<u>78,656</u>
EXPENDITURES			
Administrative Services and Executive Offices			
Water Resources Planning and Monitoring	4,282,119	3,316,059	966,060
Acquisition, Restoration and Public Works	1,148,808	68,750	1,080,058
Operations and Maintenance of Lands and Works	135,987	121,984	14,003
Regulation	23,752	23,624	128
Outreach	5,000	5,000	-
District Management and Administration	309,285	196,291	112,994
Total Administrative Services and Executive Offices	<u>5,904,951</u>	<u>3,731,708</u>	<u>2,173,243</u>
Everglades Policy and Coordination			
Operations and Maintenance of Lands and Works	225	-	225
Total Everglades Policy and Coordination	<u>225</u>	<u>-</u>	<u>225</u>
Field Operations and Land Management			
Acquisition, Restoration and Public Works	408	408	-
Operations and Maintenance of Lands and Works	2,925,338	2,164,512	760,826
Total Field Operations and Land Management	<u>2,925,746</u>	<u>2,164,920</u>	<u>760,826</u>
Operations, Maintenance and Construction			
Water Resources Planning and Monitoring	165,333	155,055	10,278
Acquisition, Restoration and Public Works	445	445	-
Operations and Maintenance of Lands and Works	2,374,729	1,887,568	487,161
Total Operations, Maintenance, and Construction	<u>2,540,507</u>	<u>2,043,068</u>	<u>497,439</u>
Water Resources			
Water Resources Planning and Monitoring	66,860	66,837	23
Total Water Resources	<u>66,860</u>	<u>66,837</u>	<u>23</u>
Contingency			
Managerial Reserve	110,229	-	110,229
Managerial Reserve-Contingency	760,401	-	760,401
Total Contingency	<u>870,630</u>	<u>-</u>	<u>870,630</u>
Total Expenditures	<u>12,308,919</u>	<u>8,006,533</u>	<u>4,302,386</u>
Revenues in Excess of (Less than) Expenditures	<u>(2,495,575)</u>	<u>1,885,467</u>	<u>4,381,042</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	503,702	251,851	(251,851)
Transfers Out	(1,964,773)	(1,964,773)	-
Total Other Financing Sources (Uses)	<u>(1,461,071)</u>	<u>(1,712,922)</u>	<u>(251,851)</u>

Special Revenue Fund

Big Cypress Basin

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual

For the Year Ended September 30, 2016

	Final Budget	Actual	Variance with Final Budget-Positive (Negative)
Net Change in Fund Balance	(3,956,646)	172,545	4,129,191
Fund Balance at Beginning of Year	10,442,845	10,442,845	-
Fund Balance at End of Year	\$ 6,486,199	\$ 10,615,390	\$ 4,129,191

Special Revenue Fund
Save Our Rivers
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
For the Year Ended September 30, 2016

	Final Budget	Actual	Variance with Final Budget-Positive (Negative)
REVENUES			
Intergovernmental	\$ 113,427	\$ 3,265,989	\$ 3,152,562
Investment Earnings	-	365	365
Sale of District Property	-	5,999	5,999
Leases	749,464	2,002,161	1,252,697
Total Revenues	862,891	5,274,514	4,411,623
EXPENDITURES			
Administrative Services and Executive Offices			
Operations and Maintenance of Lands and Works	130,443	99,740	30,703
Total Administrative Services and Executive Offices	130,443	99,740	30,703
Field Operations and Land Management			
Operations and Maintenance of Lands and Works	713,785	531,641	182,144
Total Field Operations and Land Management	713,785	531,641	182,144
Operations, Maintenance and Construction			
Operations and Maintenance of Lands and Works	965,821	965,821	-
Total Operations, Maintenance, and Construction	965,821	965,821	-
Contingency			
Managerial Reserve	-	-	-
Total Contingency	-	-	-
Total Expenditures	1,810,049	1,597,202	212,847
Revenues in Excess of (Less than) Expenditures	(947,158)	3,677,312	4,624,470
OTHER FINANCING SOURCES (USES)			
Transfers Out	(72,354)	(72,354)	-
Total Other Financing Sources (Uses)	(72,354)	(72,354)	-
Net Change in Fund Balance	(1,019,512)	3,604,958	4,624,470
Fund Balance at Beginning of Year	(2,080,960)	(2,080,960)	-
Fund Balance at End of Year	(\$ 3,100,472)	\$ 1,523,998	\$ 4,624,470

**Special Revenue Fund
State Appropriations
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
For the Year Ended September 30, 2016**

	Final Budget	Actual	Variance with Final Budget-Positive (Negative)
REVENUES			
Investment Earnings	\$ -	(\$ 1,456)	(\$ 1,456)
Total Revenues	-	(1,456)	(1,456)
EXPENDITURES			
Administrative Services and Executive Offices			
Water Resources Planning and Monitoring	-	(728)	728
Total Administrative Services and Executive Offices	-	(728)	728
Everglades Policy and Coordination			
Water Resources Planning and Monitoring	393,613	162,360	231,253
Acquisition, Restoration and Public Works	7,601,847	3,925,161	3,676,686
Total Everglades Policy and Coordination	7,995,460	4,087,521	3,907,939
Total Expenditures	7,995,460	4,086,793	3,908,667
Revenues in Excess of (Less than) Expenditures	(7,995,460)	(4,088,249)	3,907,211
OTHER FINANCING SOURCES (USES)			
Transfers Out	(205,820)	(205,820)	-
Total Other Financing Sources (Uses)	(205,820)	(205,820)	-
Net Change in Fund Balance	(8,201,280)	(4,294,069)	3,907,211
Fund Balance at Beginning of Year	8,212,193	8,212,193	-
Fund Balance at End of Year	\$ 10,913	\$ 3,918,124	\$ 3,907,211

Special Revenue Fund
Invasive Aquatic Plant Control
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
For the Year Ended September 30, 2016

	Final Budget	Actual	Variance with Final Budget-Positive (Negative)
REVENUES			
Intergovernmental	\$ 5,002,192	\$ 1,908,683	(\$ 3,093,509)
Other	-	214	214
Total Revenues	<u>5,002,192</u>	<u>1,908,897</u>	<u>(3,093,295)</u>
EXPENDITURES			
Field Operations and Land Management			
Operations and Maintenance of Lands and Works	5,220,329	1,908,897	3,311,432
Total Field Operations and Land Management	<u>5,220,329</u>	<u>1,908,897</u>	<u>3,311,432</u>
Total Expenditures	<u>5,220,329</u>	<u>1,908,897</u>	<u>3,311,432</u>
Revenues in Excess of (Less than) Expenditures	(218,137)	-	218,137
Net Change in Fund Balance	<u>(218,137)</u>	<u>-</u>	<u>218,137</u>
Fund Balance at Beginning of Year	32,120	32,120	-
Fund Balance at End of Year	<u><u>(\$ 186,017)</u></u>	<u><u>\$ 32,120</u></u>	<u><u>\$ 218,137</u></u>

Special Revenue Fund
Upland Invasive Plant Control
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
For the Year Ended September 30, 2016

	Final Budget	Actual	Variance with Final Budget-Positive (Negative)
REVENUES			
Intergovernmental	\$ 4,525,000	\$ 4,541,283	\$ 16,283
Other	-	3,076	3,076
Total Revenues	<u>4,525,000</u>	<u>4,544,359</u>	<u>19,359</u>
EXPENDITURES			
Field Operations and Land Management			
Operations and Maintenance of Lands and Works	4,525,994	4,491,613	34,381
Total Field Operations and Land Management	<u>4,525,994</u>	<u>4,491,613</u>	<u>34,381</u>
Total Expenditures	<u>4,525,994</u>	<u>4,491,613</u>	<u>34,381</u>
Revenues in Excess of (Less than) Expenditures	(994)	52,746	53,740
Net Change in Fund Balance	(994)	52,746	53,740
Fund Balance at Beginning of Year	(292,382)	(292,382)	-
Fund Balance at End of Year	<u>(\$ 293,376)</u>	<u>(\$ 239,636)</u>	<u>\$ 53,740</u>

**Special Revenue Fund
Wetland Mitigation
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
For the Year Ended September 30, 2016**

	Final Budget	Actual	Variance with Final Budget-Positive (Negative)
REVENUES			
Investment Earnings	\$ -	\$ 122,242	\$ 122,242
Licenses, Permits and Fees	-	142,965	142,965
Other	-	1,144	1,144
Total Revenues	-	266,351	266,351
EXPENDITURES			
Administrative Services and Executive Offices			
Operations and Maintenance of Lands and Works	7,000	7,000	-
Total Administrative Services and Executive Offices	7,000	7,000	-
Field Operations and Land Management			
Acquisition, Restoration and Public Works	187,800	59,502	128,298
Operations and Maintenance of Lands and Works	1,146,260	999,051	147,209
Total Field Operations and Land Management	1,334,060	1,058,553	275,507
Operations, Maintenance and Construction			
Acquisition, Restoration and Public Works	-	573	(573)
Total Operations, Maintenance, and Construction	-	573	(573)
Contingency			
Managerial Reserve	604,497	-	604,497
Total Contingency	604,497	-	604,497
Regulation			
Regulation	97,965	95,741	2,224
Total Regulation	97,965	95,741	2,224
Total Expenditures	2,043,522	1,161,867	881,655
Revenues in Excess of (Less than) Expenditures	(2,043,522)	(895,516)	1,148,006
OTHER FINANCING SOURCES (USES)			
Transfers In	32,150	16,075	(16,075)
Transfers Out	(8,730,559)	(7,727,043)	1,003,516
Total Other Financing Sources (Uses)	(8,698,409)	(7,710,968)	987,441
Net Change in Fund Balance	(10,741,931)	(8,606,484)	2,135,447
Fund Balance at Beginning of Year	20,849,146	20,849,146	-
Fund Balance at End of Year	\$ 10,107,215	\$ 12,242,662	\$ 2,135,447

Special Revenue Fund
Indian River Lagoon Restoration
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
For the Year Ended September 30, 2016

	Final Budget	Actual	Variance with Final Budget-Positive (Negative)
REVENUES			
Intergovernmental	\$ -	\$ 87,799	\$ 87,799
Investment Earnings	-	3,725	3,725
Total Revenues	-	91,524	91,524
EXPENDITURES			
Everglades Policy and Coordination			
Water Resources Planning and Monitoring	370,701	77,442	293,259
Total Everglades Policy and Coordination	370,701	77,442	293,259
Total Expenditures	370,701	77,442	293,259
Revenues in Excess of (Less than) Expenditures	(370,701)	14,082	384,783
Net Change in Fund Balance	(370,701)	14,082	384,783
Fund Balance at Beginning of Year	375,769	375,769	-
Fund Balance at End of Year	\$ 5,068	\$ 389,851	\$ 384,783

**Special Revenue Fund
Federal Land Management
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
For the Year Ended September 30, 2016**

	Final Budget	Actual	Variance with Final Budget-Positive (Negative)
REVENUES			
Investment Earnings	\$ -	\$ 22,387	\$ 22,387
Leases	114,331	1,691,435	1,577,104
Total Revenues	<u>114,331</u>	<u>1,713,822</u>	<u>1,599,491</u>
EXPENDITURES			
Field Operations and Land Management			
Operations and Maintenance of Lands and Works	567,883	454,742	113,141
Total Field Operations and Land Management	<u>567,883</u>	<u>454,742</u>	<u>113,141</u>
Contingency			
Managerial Reserve	66,032	-	66,032
Total Contingency	<u>66,032</u>	<u>-</u>	<u>66,032</u>
Total Expenditures	<u>633,915</u>	<u>454,742</u>	<u>179,173</u>
Revenues in Excess of (Less than) Expenditures	(519,584)	1,259,080	1,778,664
Net Change in Fund Balance	<u>(519,584)</u>	<u>1,259,080</u>	<u>1,778,664</u>
Fund Balance at Beginning of Year	4,560,776	4,560,776	-
Fund Balance at End of Year	<u>\$ 4,041,192</u>	<u>\$ 5,819,856</u>	<u>\$ 1,778,664</u>

**Special Revenue Fund
External Grants
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
For the Year Ended September 30, 2016**

	Final Budget	Actual	Variance with Final Budget-Positive (Negative)
REVENUES			
Intergovernmental	\$ 5,033,050	\$ 3,294,684	(\$ 1,738,366)
Total Revenues	<u>5,033,050</u>	<u>3,294,684</u>	<u>(1,738,366)</u>
EXPENDITURES			
Administrative Services and Executive Offices			
Acquisition, Restoration and Public Works	319,284	203,539	115,745
Total Administrative Services and Executive Offices	<u>319,284</u>	<u>203,539</u>	<u>115,745</u>
Everglades Policy and Coordination			
Acquisition, Restoration and Public Works	5,231,359	2,057,423	3,173,936
Total Everglades Policy and Coordination	<u>5,231,359</u>	<u>2,057,423</u>	<u>3,173,936</u>
Operations, Maintenance and Construction			
Acquisition, Restoration and Public Works	40,322	40,322	-
Total Operations, Maintenance, and Construction	<u>40,322</u>	<u>40,322</u>	<u>-</u>
Water Resources			
Water Resources Planning and Monitoring	52,900	52,900	-
Acquisition, Restoration and Public Works	420,600	212,457	208,143
Total Water Resources	<u>473,500</u>	<u>265,357</u>	<u>208,143</u>
Total Expenditures	<u>6,064,465</u>	<u>2,566,641</u>	<u>3,497,824</u>
Revenues in Excess of (Less than) Expenditures	<u>(1,031,415)</u>	<u>728,043</u>	<u>1,759,458</u>
Net Change in Fund Balance	<u>(1,031,415)</u>	<u>728,043</u>	<u>1,759,458</u>
Fund Balance at Beginning of Year	(1,125,886)	(1,125,886)	-
Fund Balance at End of Year	<u><u>(\$ 2,157,301)</u></u>	<u><u>(\$ 397,843)</u></u>	<u><u>\$ 1,759,458</u></u>

**Special Revenue Fund
Everglades License Plate
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
For the Year Ended September 30, 2016**

	Final Budget	Actual	Variance with Final Budget-Positive (Negative)
REVENUES			
Intergovernmental	\$ 200,000	\$ 222,086	\$ 22,086
Investment Earnings	-	7,453	7,453
Total Revenues	<u>200,000</u>	<u>229,539</u>	<u>29,539</u>
EXPENDITURES			
Water Resources			
Water Resources Planning and Monitoring	394,998	369,998	25,000
Total Water Resources	<u>394,998</u>	<u>369,998</u>	<u>25,000</u>
Total Expenditures	<u>394,998</u>	<u>369,998</u>	<u>25,000</u>
Revenues in Excess of (Less than) Expenditures	(194,998)	(140,459)	54,539
Net Change in Fund Balance	<u>(194,998)</u>	<u>(140,459)</u>	<u>54,539</u>
Fund Balance at Beginning of Year	701,994	701,994	-
Fund Balance at End of Year	<u>\$ 506,996</u>	<u>\$ 561,535</u>	<u>\$ 54,539</u>

**Special Revenue Fund
Lake Okeechobee
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
For the Year Ended September 30, 2016**

	Final Budget	Actual	Variance with Final Budget-Positive (Negative)
REVENUES			
Investment Earnings	-	(3,930)	(3,930)
Total Revenues	-	(3,930)	(3,930)
EXPENDITURES			
Administrative Services and Executive Offices			
Acquisition, Restoration and Public Works	-	(1,965)	1,965
Total Administrative Services and Executive Offices	-	(1,965)	1,965
Everglades Policy and Coordination			
Acquisition, Restoration and Public Works	2,076,314	757,180	1,319,134
Total Everglades Policy and Coordination	2,076,314	757,180	1,319,134
Field Operations and Land Management			
Acquisition, Restoration and Public Works	28,608	13,510	15,098
Total Field Operations and Land Management	28,608	13,510	15,098
Total Expenditures	2,104,922	768,725	1,336,197
Revenues in Excess of (Less than) Expenditures	(2,104,922)	(772,655)	1,332,267
Net Change in Fund Balance	(2,104,922)	(772,655)	1,332,267
Fund Balance at Beginning of Year	2,122,445	2,122,445	-
Fund Balance at End of Year	\$ 17,523	\$ 1,349,790	\$ 1,332,267

Special Revenue Fund
Save Our Everglades
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
For the Year Ended September 30, 2016

	Final Budget	Actual	Variance with Final Budget-Positive (Negative)
REVENUES			
Intergovernmental	\$ 3,326,657	\$ 3,800,156	\$ 473,499
Investment Earnings	-	9,444	9,444
Leases	443,020	640,457	197,437
Total Revenues	3,769,677	4,450,057	680,380
EXPENDITURES			
Administrative Services and Executive Offices			
Acquisition, Restoration and Public Works	135,058	109,858	25,200
Operations and Maintenance of Lands and Works	673,112	598,712	74,400
Total Administrative Services and Executive Offices	808,170	708,570	99,600
Everglades Policy and Coordination			
Acquisition, Restoration and Public Works	5,139,718	129,389	5,010,329
Total Everglades Policy and Coordination	5,139,718	129,389	5,010,329
Field Operations and Land Management			
Acquisition, Restoration and Public Works	542,120	472,872	69,248
Operations and Maintenance of Lands and Works	772,532	721,270	51,262
Total Field Operations and Land Management	1,314,652	1,194,142	120,510
Operations, Maintenance and Construction			
Acquisition, Restoration and Public Works	2,831,658	1,358,885	1,472,773
Total Operations, Maintenance, and Construction	2,831,658	1,358,885	1,472,773
Contingency			
Managerial Reserve	333	-	333
Total Contingency	333	-	333
Total Expenditures	10,094,531	3,390,986	6,703,545
Revenues in Excess of (Less than) Expenditures	(6,324,854)	1,059,071	7,383,925
OTHER FINANCING SOURCES (USES)			
Transfers Out	(119,351)	(119,351)	-
Total Other Financing Sources (Uses)	(119,351)	(119,351)	-
Net Change in Fund Balance	(6,444,205)	939,720	7,383,925
Fund Balance at Beginning of Year	(297,297)	(297,297)	-
Fund Balance at End of Year	(\$ 6,741,502)	\$ 642,423	\$ 7,383,925

**Special Revenue Fund
Land Acquisition Trust
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
For the Year Ended September 30, 2016**

	Final Budget	Actual	Variance with Final Budget-Positive (Negative)
REVENUES			
Intergovernmental	\$ 15,674,141	\$ 9,003,702	(\$ 6,670,440)
Other	-	3,324	3,324
Total Revenues	<u>15,674,141</u>	<u>9,007,026</u>	<u>(6,667,116)</u>
EXPENDITURES			
Administrative Services and Executive Offices			
Acquisition, Restoration and Public Works	216,200	130,768	85,432
Operations and Maintenance of Lands and Works	130,052	130,052	-
Total Administrative Services and Executive Offices	<u>346,252</u>	<u>260,820</u>	<u>85,432</u>
Everglades Policy and Coordination			
Acquisition, Restoration and Public Works	5,000,000	-	5,000,000
Total Everglades Policy and Coordination	<u>5,000,000</u>	<u>-</u>	<u>5,000,000</u>
Field Operations and Land Management			
Operations and Maintenance of Lands and Works	3,400,628	3,400,378	250
Total Field Operations and Land Management	<u>3,400,628</u>	<u>3,400,378</u>	<u>250</u>
Operations, Maintenance and Construction			
Acquisition, Restoration and Public Works	26,328	26,328	-
Operations and Maintenance of Lands and Works	35,395	35,395	-
Total Operations, Maintenance, and Construction	<u>61,723</u>	<u>61,723</u>	<u>-</u>
Debt Service			
Bond Principal Retirement	6,705,000	6,705,000	-
Bond Interest	160,538	160,538	-
Total Debt Service	<u>6,865,538</u>	<u>6,865,538</u>	<u>-</u>
Total Expenditures	<u>15,674,141</u>	<u>10,588,459</u>	<u>5,085,682</u>
Revenues in Excess of (Less than) Expenditures	-	(1,581,434)	(1,581,434)
Net Change in Fund Balance	-	(1,581,434)	(1,581,434)
Fund Balance at Beginning of Year	6,865,538	6,865,538	-
Fund Balance at End of Year	<u>\$ 6,865,538</u>	<u>\$ 5,284,104</u>	<u>(\$ 1,581,434)</u>

**South Florida Water Management District
 Special Revenue Fund
 Federal Emergency Management Agency
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual
 For the Year Ended September 30, 2016**

	Final Budget	Actual	Variance with Final Budget-Positive (Negative)
REVENUES			
Intergovernmental	\$ 300,000	\$ -	(\$ 300,000)
Total Revenues	<u>300,000</u>	<u>-</u>	<u>(300,000)</u>
EXPENDITURES			
Everglades Policy and Coordination			
Water Resources Planning and Monitoring	250	250	-
Total Everglades Policy and Coordination	<u>250</u>	<u>250</u>	<u>-</u>
Operations, Maintenance and Construction			
Water Resources Planning and Monitoring	300,000	7,519	292,481
Total Operations, Maintenance, and Construction	<u>300,000</u>	<u>7,519</u>	<u>292,481</u>
Total Expenditures	<u>300,250</u>	<u>7,769</u>	<u>292,481</u>
Revenues in Excess of (Less than) Expenditures	(250)	(7,769)	(7,519)
Net Change in Fund Balance	(250)	(7,769)	(7,519)
Fund Balance at Beginning of Year	4,250	4,250	-
Fund Balance at End of Year	<u>\$ 4,000</u>	<u>(\$ 3,519)</u>	<u>(\$ 7,519)</u>

Special Revenue Fund

Florida Bay

Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual

For the Year Ended September 30, 2016

	Final Budget	Actual	Variance with Final Budget-Positive (Negative)
REVENUES			
Intergovernmental	\$ 1,064,000	\$ 1,064,000	\$ -
Investment Earnings	-	4,832	4,832
Total Revenues	1,064,000	1,068,832	4,832
EXPENDITURES			
Administrative Services and Executive Offices			
Water Resources Planning and Monitoring	30,300	8,617	21,683
Acquisition, Restoration and Public Works	10,840	-	10,840
Total Administrative Services and Executive Offices	41,140	8,617	32,523
Everglades Policy and Coordination			
Acquisition, Restoration and Public Works	11,754,308	105,874	11,648,434
Total Everglades Policy and Coordination	11,754,308	105,874	11,648,434
Water Resources			
Water Resources Planning and Monitoring	1,294,639	825,293	469,346
Acquisition, Restoration and Public Works	661,102	403,340	257,762
Total Water Resources	1,955,741	1,228,633	727,108
Total Expenditures	13,751,189	1,343,124	12,408,065
Revenues in Excess of (Less than) Expenditures	(12,687,189)	(274,292)	12,412,897
OTHER FINANCING SOURCES (USES)			
Transfers In	23,916,113	11,958,057	(11,958,056)
Total Other Financing Sources (Uses)	23,916,113	11,958,057	(11,958,056)
Net Change in Fund Balance	11,228,924	11,683,765	454,841
Fund Balance at Beginning of Year	843,396	843,396	-
Fund Balance at End of Year	\$ 12,072,320	\$ 12,527,161	\$ 454,841

Capital Projects Fund

District

Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual

For the Year Ended September 30, 2016

	Final Budget	Actual	Variance with Final Budget-Positive (Negative)
REVENUES			
Intergovernmental	\$ 50,200	\$ -	(\$ 50,200)
Investment Earnings	-	165,597	165,597
Sale of District Property	-	694	694
Other	-	435,562	435,562
Total Revenues	<u>50,200</u>	<u>601,853</u>	<u>551,653</u>
EXPENDITURES			
Administrative Services and Executive Offices			
Water Resources Planning and Monitoring	15,600	15,600	-
Acquisition, Restoration and Public Works	1,060,884	558,393	502,491
Operations and Maintenance of Lands and Works	493,615	490,581	3,034
Regulation	12,870	12,870	-
District Management and Administration	1,465,292	1,303,317	161,975
Total Administrative Services and Executive Offices	<u>3,048,261</u>	<u>2,380,761</u>	<u>667,500</u>
Everglades Policy and Coordination			
Acquisition, Restoration and Public Works	56,898	52,598	4,300
Total Everglades Policy and Coordination	<u>56,898</u>	<u>52,598</u>	<u>4,300</u>
Field Operations and Land Management			
Acquisition, Restoration and Public Works	186,375	13,390	172,985
Operations and Maintenance of Lands and Works	176,443	32,595	143,848
Regulation	50,000	-	50,000
District Management and Administration	59,563	54	59,509
Total Field Operations and Land Management	<u>472,381</u>	<u>46,039</u>	<u>426,342</u>
Operations, Maintenance and Construction			
Water Resources Planning and Monitoring	8,371	6,559	1,812
Acquisition, Restoration and Public Works	18,152,388	5,905,123	12,247,265
Operations and Maintenance of Lands and Works	1,285,328	865,827	419,501
Total Operations, Maintenance, and Construction	<u>19,446,087</u>	<u>6,777,509</u>	<u>12,668,578</u>
Water Resources			
Water Resources Planning and Monitoring	106,790	104,067	2,723
Acquisition, Restoration and Public Works	4,619	4,619	-
Total Water Resources	<u>111,409</u>	<u>108,686</u>	<u>2,723</u>
Debt Service			
COPS Bond Principal Retirement	5,437,755	5,437,390	365
COPS Bond Interest	9,797,335	9,655,113	142,222
Total Debt Service	<u>15,235,090</u>	<u>15,092,503</u>	<u>142,587</u>
Contingency			
Managerial Reserve	12,131,823	-	12,131,823
Total Contingency	<u>12,131,823</u>	<u>-</u>	<u>12,131,823</u>
Total Expenditures	<u>50,501,949</u>	<u>24,458,096</u>	<u>26,043,853</u>
Revenues in Excess of (Less than) Expenditures	<u>(50,451,749)</u>	<u>(23,856,243)</u>	<u>26,595,506</u>

Capital Projects Fund

District

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual

For the Year Ended September 30, 2016

	Final Budget	Actual	Variance with Final Budget-Positive (Negative)
OTHER FINANCING SOURCES (USES)			
Debt Issue	203,951,426	172,273,412	(31,678,014)
Payments to Escrow Agent	(203,951,426)	(203,467,595)	483,831
Premiums on Bonds Issued	-	31,678,014	31,678,014
Transfers In	50,570,990	25,285,495	(25,285,495)
Total Other Financing Sources (Uses)	<u>50,570,990</u>	<u>25,769,326</u>	<u>(24,801,664)</u>
Net Change in Fund Balance	119,241	1,913,083	1,793,842
Fund Balance at Beginning of Year	25,508,997	25,508,997	-
Fund Balance at End of Year	<u>\$ 25,628,238</u>	<u>\$ 27,422,080</u>	<u>\$ 1,793,842</u>

Capital Projects Fund
Okeechobee Basin
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
For the Year Ended September 30, 2016

	Final Budget	Actual	Variance with Final Budget-Positive (Negative)
REVENUES			
Intergovernmental	\$ 44,000	\$ 785,839	\$ 741,839
Investment Earnings	-	126,915	126,915
Sale of District Property	-	2,092,891	2,092,891
Other	-	30,099	30,099
Total Revenues	44,000	3,035,744	2,991,744
EXPENDITURES			
Administrative Services and Executive Offices			
Acquisition, Restoration and Public Works	7,088,715	-	7,088,715
Operations and Maintenance of Lands and Works	105,053	98,292	6,761
Total Administrative Services and Executive Offices	7,193,768	98,292	7,095,476
Everglades Policy and Coordination			
Acquisition, Restoration and Public Works	2,314,948	1,076,470	1,238,478
Total Everglades Policy and Coordination	2,314,948	1,076,470	1,238,478
Field Operations and Land Management			
Operations and Maintenance of Lands and Works	1,822,949	1,381,888	441,061
Total Field Operations and Land Management	1,822,949	1,381,888	441,061
Operations, Maintenance and Construction			
Water Resources Planning and Monitoring	19,708	-	19,708
Acquisition, Restoration and Public Works	23,866,114	1,195,030	22,671,084
Operations and Maintenance of Lands and Works	32,493,716	23,173,701	9,320,015
Total Operations, Maintenance, and Construction	56,379,538	24,368,731	32,010,807
Water Resources			
Water Resources Planning and Monitoring	3,175	3,175	-
Acquisition, Restoration and Public Works	21,969	21,969	-
Total Water Resources	25,144	25,144	-
Contingency			
Managerial Reserve	3,204,333	-	3,204,333
Total Contingency	3,204,333	-	3,204,333
Total Expenditures	70,940,680	26,950,525	43,990,155
Revenues in Excess of (Less than) Expenditures	(70,896,680)	(23,914,781)	46,981,899
OTHER FINANCING SOURCES (USES)			
Transfers In	114,403,672	49,599,431	(49,599,431)
Transfers Out	(7,602,405)	-	(7,602,405)
Total Other Financing Sources (Uses)	106,801,267	49,599,431	(57,201,836)
Net Change in Fund Balance	35,904,587	25,684,650	(10,219,937)
Fund Balance at Beginning of Year	22,452,787	22,452,787	-
Fund Balance at End of Year	\$ 58,357,374	\$ 48,137,437	(\$ 10,219,937)

**Capital Projects Fund
Big Cypress Basin
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
For the Year Ended September 30, 2016**

	Final Budget	Actual	Variance with Final Budget-Positive (Negative)
REVENUES			
Investment Earnings	\$ -	\$ 40,943	\$ 40,943
Sale of District Property	-	110,000	110,000
Other	-	202	202
Total Revenues	-	151,145	151,145
EXPENDITURES			
Field Operations and Land Management			
Operations and Maintenance of Lands and Works	281,256	84,750	196,506
Total Field Operations and Land Management	281,256	84,750	196,506
Operations, Maintenance and Construction			
Operations and Maintenance of Lands and Works	4,245,382	3,764,030	481,352
Total Operations, Maintenance, and Construction	4,245,382	3,764,030	481,352
Total Expenditures	4,526,638	3,848,780	677,858
Revenues in Excess of (Less than) Expenditures	(4,526,638)	(3,697,635)	829,003
OTHER FINANCING SOURCES (USES)			
Transfers In	3,929,546	1,964,773	(1,964,773)
Transfers Out	(251,851)	(251,851)	-
Total Other Financing Sources (Uses)	3,677,695	1,712,922	(1,964,773)
Net Change in Fund Balance	(848,943)	(1,984,713)	(1,135,770)
Fund Balance at Beginning of Year	7,490,203	7,490,203	-
Fund Balance at End of Year	\$ 6,641,260	\$ 5,505,490	(\$ 1,135,770)

Capital Projects Fund

Save Our Rivers

Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual

For the Year Ended September 30, 2016

	Final Budget	Actual	Variance with Final Budget-Positive (Negative)
REVENUES			
Intergovernmental	\$ 2,830,125	\$ 344,954	(\$ 2,485,171)
Investment Earnings	-	95,999	95,999
Sale of District Property	-	120,230	120,230
Total Revenues	<u>2,830,125</u>	<u>561,183</u>	<u>(2,268,942)</u>
EXPENDITURES			
Administrative Services and Executive Offices			
Acquisition, Restoration and Public Works	6,008,940	55,285	5,953,655
Operations and Maintenance of Lands and Works	57,000	56,161	839
Total Administrative Services and Executive Offices	<u>6,065,940</u>	<u>111,446</u>	<u>5,954,494</u>
Field Operations and Land Management			
Operations and Maintenance of Lands and Works	17,104	17,104	-
Total Field Operations and Land Management	<u>17,104</u>	<u>17,104</u>	<u>-</u>
Operations, Maintenance and Construction			
Acquisition, Restoration and Public Works	1,805,164	1,006,321	798,843
Total Operations, Maintenance, and Construction	<u>1,805,164</u>	<u>1,006,321</u>	<u>798,843</u>
Contingency			
Managerial Reserve	2,670,558	-	2,670,558
Total Contingency	<u>2,670,558</u>	<u>-</u>	<u>2,670,558</u>
Total Expenditures	<u>10,558,766</u>	<u>1,134,871</u>	<u>9,423,895</u>
Revenues in Excess of (Less than) Expenditures	<u>(7,728,641)</u>	<u>(573,688)</u>	<u>7,154,953</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	144,707	72,354	(72,353)
Total Other Financing Sources (Uses)	<u>144,707</u>	<u>72,354</u>	<u>(72,353)</u>
Net Change in Fund Balance	<u>(7,583,934)</u>	<u>(501,334)</u>	<u>7,082,600</u>
Fund Balance at Beginning of Year	10,025,604	10,025,604	-
Fund Balance at End of Year	<u>\$ 2,441,670</u>	<u>\$ 9,524,270</u>	<u>\$ 7,082,600</u>

**Capital Projects Fund
State Appropriations
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
For the Year Ended September 30, 2016**

	Final Budget	Actual	Variance with Final Budget-Positive (Negative)
REVENUES			
Intergovernmental	\$ 2,000,000	\$ -	(\$ 2,000,000)
Total Revenues	<u>2,000,000</u>	<u>-</u>	<u>(2,000,000)</u>
EXPENDITURES			
Everglades Policy and Coordination			
Acquisition, Restoration and Public Works	253,917	202,727	51,190
Total Everglades Policy and Coordination	<u>253,917</u>	<u>202,727</u>	<u>51,190</u>
Operations, Maintenance and Construction			
Acquisition, Restoration and Public Works	2,000,000	513,374	1,486,626
Total Operations, Maintenance, and Construction	<u>2,000,000</u>	<u>513,374</u>	<u>1,486,626</u>
Total Expenditures	<u>2,253,917</u>	<u>716,101</u>	<u>1,537,816</u>
Revenues in Excess of (Less than) Expenditures	<u>(253,917)</u>	<u>(716,101)</u>	<u>(462,184)</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	411,640	205,820	(205,820)
Total Other Financing Sources (Uses)	<u>411,640</u>	<u>205,820</u>	<u>(205,820)</u>
Net Change in Fund Balance	157,723	(510,281)	(668,004)
Fund Balance at Beginning of Year	48,097	48,097	-
Fund Balance at End of Year	<u>\$ 205,820</u>	<u>(\$ 462,184)</u>	<u>(\$ 668,004)</u>

**Capital Projects Fund
Everglades Trust
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
For the Year Ended September 30, 2016**

	Final Budget	Actual	Variance with Final Budget-Positive (Negative)
REVENUES			
Investment Earnings	700,000	594,770	(105,230)
Sale of District Property	-	343,962	343,962
Other	-	14,467	14,467
Total Revenues	700,000	953,199	253,199
EXPENDITURES			
Administrative Services and Executive Offices			
Water Resources Planning and Monitoring	-	(325)	325
Acquisition, Restoration and Public Works	640,088	633,871	6,217
Operations and Maintenance of Lands and Works	-	(576)	576
Total Administrative Services and Executive Offices	640,088	632,970	7,118
Field Operations and Land Management			
Operations and Maintenance of Lands and Works	188,987	140,497	48,490
Total Field Operations and Land Management	188,987	140,497	48,490
Operations, Maintenance and Construction			
Water Resources Planning and Monitoring	2,499	2,494	5
Acquisition, Restoration and Public Works	24,740,646	3,359,434	21,381,212
Operations and Maintenance of Lands and Works	79,762	45,762	34,000
Total Operations, Maintenance, and Construction	24,822,907	3,407,690	21,415,217
Water Resources			
Water Resources Planning and Monitoring	11,198	7,916	3,282
Operations and Maintenance of Lands and Works	95,600	44,828	50,772
Total Water Resources	106,798	52,744	54,054
Debt Service			
COPS Bond Principal Retirement	6,727,245	6,727,610	(365)
COPS Bond Interest	12,120,568	11,946,142	174,426
Total Debt Service	18,847,813	18,673,752	174,061
Total Expenditures	44,606,593	22,907,653	21,698,940
Revenues in Excess of (Less than) Expenditures	(43,906,593)	(21,954,454)	21,952,139
OTHER FINANCING SOURCES (USES)			
Debt Issue	252,346,371	213,151,588	(39,194,783)
Payments to Escrow Agent	(252,346,371)	(251,747,732)	598,639
Premiums on Bonds Issued	-	39,194,783	39,194,783
Transfers In	34,156,573	17,078,287	(17,078,286)
Total Other Financing Sources (Uses)	34,156,573	17,676,926	(16,479,647)
Net Change in Fund Balance	(9,750,020)	(4,277,528)	5,472,492
Fund Balance at Beginning of Year	90,963,805	90,963,805	-
Fund Balance at End of Year	\$ 81,213,785	\$ 86,686,277	\$ 5,472,492

South Florida Water Management District
Capital Projects Fund
Federal Emergency Management Agency
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
For the Year Ended September 30, 2016

	Final Budget	Actual	Variance with Final Budget-Positive (Negative)
EXPENDITURES			
Fund Balance at Beginning of Year	\$ 19	\$ 19	\$ -
Fund Balance at End of Year	\$ 19	\$ 19	\$ -

Capital Projects Fund

Florida Bay

Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual

For the Year Ended September 30, 2016

	Final Budget	Actual	Variance with Final Budget-Positive (Negative)
REVENUES			
Intergovernmental	\$ 5,000,000	\$ 5,000,000	\$ -
Investment Earnings	-	99,273	99,273
Total Revenues	<u>5,000,000</u>	<u>5,099,273</u>	<u>99,273</u>
EXPENDITURES			
Administrative Services and Executive Offices			
Acquisition, Restoration and Public Works	1,000,000	-	1,000,000
Total Administrative Services and Executive Offices	<u>1,000,000</u>	<u>-</u>	<u>1,000,000</u>
Everglades Policy and Coordination			
Acquisition, Restoration and Public Works	15,000	-	15,000
Total Everglades Policy and Coordination	<u>15,000</u>	<u>-</u>	<u>15,000</u>
Operations, Maintenance and Construction			
Acquisition, Restoration and Public Works	1	-	1
Total Operations, Maintenance, and Construction	<u>1</u>	<u>-</u>	<u>1</u>
Water Resources			
Water Resources Planning and Monitoring	26,486	9,860	16,626
Total Water Resources	<u>26,486</u>	<u>9,860</u>	<u>16,626</u>
Contingency			
Managerial Reserve	198,007	-	198,007
Total Contingency	<u>198,007</u>	<u>-</u>	<u>198,007</u>
Total Expenditures	<u>1,239,494</u>	<u>9,860</u>	<u>1,229,634</u>
Revenues in Excess of (Less than) Expenditures	<u>3,760,506</u>	<u>5,089,413</u>	<u>1,328,907</u>
OTHER FINANCING SOURCES (USES)			
Transfers Out	(11,958,057)	(11,958,057)	-
Total Other Financing Sources (Uses)	<u>(11,958,057)</u>	<u>(11,958,057)</u>	<u>-</u>
Net Change in Fund Balance	<u>(8,197,551)</u>	<u>(6,868,644)</u>	<u>1,328,907</u>
Fund Balance at Beginning of Year	8,696,170	8,696,170	-
Fund Balance at End of Year	<u>\$ 498,619</u>	<u>\$ 1,827,526</u>	<u>\$ 1,328,907</u>

Capital Projects Fund
Wetland Mitigation
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
For the Year Ended September 30, 2016

	Final Budget	Actual	Variance with Final Budget-Positive (Negative)
REVENUES			
Investment Earnings	\$ -	\$ 51,080	\$ 51,080
Total Revenues	-	51,080	51,080
EXPENDITURES			
Operations, Maintenance and Construction			
Acquisition, Restoration and Public Works	4,150,000	2,960,331	1,189,669
Total Operations, Maintenance, and Construction	4,150,000	2,960,331	1,189,669
Contingency			
Managerial Reserve	93,000	-	93,000
Total Contingency	93,000	-	93,000
Total Expenditures	4,243,000	2,960,331	1,282,669
Revenues in Excess of (Less than) Expenditures	(4,243,000)	(2,909,251)	1,333,749
OTHER FINANCING SOURCES (USES)			
Transfers In	200,000	100,000	(100,000)
Transfers Out	(7,000)	(7,000)	-
Total Other Financing Sources (Uses)	193,000	93,000	(100,000)
Net Change in Fund Balance	(4,050,000)	(2,816,251)	1,233,749
Fund Balance at Beginning of Year	9,188,369	9,188,369	-
Fund Balance at End of Year	\$ 5,138,369	\$ 6,372,118	\$ 1,233,749

**Capital Projects Fund
Comprehensive Everglades Restoration Plan (CERP)
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
For the Year Ended September 30, 2016**

	Final Budget	Actual	Variance with Final Budget-Positive (Negative)
REVENUES			
Sale of District Property	\$ -	\$ 560	\$ 560
Total Revenues	<u>-</u>	<u>560</u>	<u>560</u>
EXPENDITURES			
Administrative Services and Executive Offices			
Acquisition, Restoration and Public Works	2,580	(584)	3,164
Total Administrative Services and Executive Offices	<u>2,580</u>	<u>(584)</u>	<u>3,164</u>
Everglades Policy and Coordination			
Acquisition, Restoration and Public Works	-	310	(310)
Total Everglades Policy and Coordination	<u>-</u>	<u>310</u>	<u>(310)</u>
Operations, Maintenance and Construction			
Acquisition, Restoration and Public Works	2,041,634	61,068	1,980,566
Total Operations, Maintenance, and Construction	<u>2,041,634</u>	<u>61,068</u>	<u>1,980,566</u>
Total Expenditures	<u>2,044,214</u>	<u>60,794</u>	<u>1,983,420</u>
Revenues in Excess of (Less than) Expenditures	<u>(2,044,214)</u>	<u>(60,234)</u>	<u>1,983,980</u>
OTHER FINANCING SOURCES (USES)			
Transfers Out	(1,050,765)	(1,050,765)	-
Total Other Financing Sources (Uses)	<u>(1,050,765)</u>	<u>(1,050,765)</u>	<u>-</u>
Net Change in Fund Balance	<u>(3,094,979)</u>	<u>(1,110,999)</u>	<u>1,983,980</u>
Fund Balance at Beginning of Year	3,095,312	3,095,312	-
Fund Balance at End of Year	<u>\$ 333</u>	<u>\$ 1,984,313</u>	<u>\$ 1,983,980</u>

Capital Projects Fund

Federal Land Acquisition

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual

For the Year Ended September 30, 2016

	Final Budget	Actual	Variance with Final Budget-Positive (Negative)
EXPENDITURES			
Fund Balance at Beginning of Year	\$ 3,932,715	\$ 3,932,715	\$ -
Fund Balance at End of Year	\$ 3,932,715	\$ 3,932,715	\$ -

**Capital Projects Fund
Save Our Everglades
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
For the Year Ended September 30, 2016**

	Final Budget	Actual	Variance with Final Budget-Positive (Negative)
REVENUES			
Intergovernmental	\$ 38,584,380	\$ 76,179,742	\$ 37,595,362
Investment Earnings	-	9,682	9,682
Total Revenues	<u>38,584,380</u>	<u>76,189,424</u>	<u>37,605,044</u>
EXPENDITURES			
Administrative Services and Executive Offices			
Acquisition, Restoration and Public Works	9,339,034	2,961,826	6,377,208
Total Administrative Services and Executive Offices	<u>9,339,034</u>	<u>2,961,826</u>	<u>6,377,208</u>
Field Operations and Land Management			
Acquisition, Restoration and Public Works	36,928	36,928	-
Total Field Operations and Land Management	<u>36,928</u>	<u>36,928</u>	<u>-</u>
Operations, Maintenance and Construction			
Acquisition, Restoration and Public Works	61,698,154	48,969,809	12,728,345
Total Operations, Maintenance, and Construction	<u>61,698,154</u>	<u>48,969,809</u>	<u>12,728,345</u>
Contingency			
Managerial Reserve	4,219,967	-	4,219,967
Total Contingency	<u>4,219,967</u>	<u>-</u>	<u>4,219,967</u>
Total Expenditures	<u>75,294,083</u>	<u>51,968,563</u>	<u>23,325,520</u>
Revenues in Excess of (Less than) Expenditures	<u>(36,709,703)</u>	<u>24,220,861</u>	<u>60,930,564</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	238,702	119,351	(119,351)
Total Other Financing Sources (Uses)	<u>238,702</u>	<u>119,351</u>	<u>(119,351)</u>
Net Change in Fund Balance	<u>(36,471,001)</u>	<u>24,340,212</u>	<u>60,811,213</u>
Fund Balance at Beginning of Year	<u>(27,716,862)</u>	<u>(27,716,862)</u>	<u>-</u>
Fund Balance at End of Year	<u>(\$ 64,187,863)</u>	<u>(\$ 3,376,650)</u>	<u>\$ 60,811,213</u>

Capital Projects Fund

Comprehensive Everglades Restoration Plan - Other Creditable
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual

For the Year Ended September 30, 2016

	Final Budget	Actual	Variance with Final Budget-Positive (Negative)
EXPENDITURES			
Everglades Policy and Coordination			
Acquisition, Restoration and Public Works	\$ 2,212	\$ -	\$ 2,212
Total Everglades Policy and Coordination	2,212	-	2,212
Operations, Maintenance and Construction			
Acquisition, Restoration and Public Works	1,659,679	89,789	1,569,890
Total Operations, Maintenance, and Construction	1,659,679	89,789	1,569,890
Total Expenditures	1,661,891	89,789	1,572,102
Revenues in Excess of (Less than) Expenditures	(1,661,891)	(89,789)	1,572,102
OTHER FINANCING SOURCES (USES)			
Transfers In	3,612	1,806	(1,806)
Transfers Out	(2,588,063)	(2,588,063)	-
Total Other Financing Sources (Uses)	(2,584,451)	(2,586,257)	(1,806)
Net Change in Fund Balance	(4,246,342)	(2,676,046)	1,570,296
Fund Balance at Beginning of Year	4,248,149	4,248,149	-
Fund Balance at End of Year	\$ 1,807	\$ 1,572,103	\$ 1,570,296

South Florida Water Management District

Capital Projects Fund

COPS - Everglades Forever Act (EFA)

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual

For the Year Ended September 30, 2016

	Final Budget	Actual	Variance with Final Budget-Positive (Negative)
REVENUES			
Investment Earnings	\$ -	\$ 38,248	\$ 38,248
Sale of District Property	-	12,432	12,432
Other	-	528,777	528,777
Total Revenues	<u>-</u>	<u>579,457</u>	<u>579,457</u>
EXPENDITURES			
Operations, Maintenance and Construction			
Acquisition, Restoration and Public Works	821,658	542,082	279,576
Total Operations, Maintenance, and Construction	<u>821,658</u>	<u>542,082</u>	<u>279,576</u>
Total Expenditures	<u>821,658</u>	<u>542,082</u>	<u>279,576</u>
Revenues in Excess of (Less than) Expenditures	<u>(821,658)</u>	<u>37,375</u>	<u>859,033</u>
Net Change in Fund Balance	<u>(821,658)</u>	<u>37,375</u>	<u>859,033</u>
Fund Balance at Beginning of Year	1,172,346	1,172,346	-
Fund Balance at End of Year	<u>\$ 350,688</u>	<u>\$ 1,209,721</u>	<u>\$ 859,033</u>

Capital Projects Fund

COPS - Comprehensive Everglades Restoration Plan (CERP)
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual
 For the Year Ended September 30, 2016

	Final Budget	Actual	Variance with Final Budget-Positive (Negative)
REVENUES			
Sale of District Property	\$ -	\$ 12	\$ 12
Total Revenues	<u>-</u>	<u>12</u>	<u>12</u>
EXPENDITURES			
Administrative Services and Executive Offices			
Acquisition, Restoration and Public Works	-	(5)	5
Total Administrative Services and Executive Offices	<u>-</u>	<u>(5)</u>	<u>5</u>
Operations, Maintenance and Construction			
Acquisition, Restoration and Public Works	-	5	(5)
Total Operations, Maintenance, and Construction	<u>-</u>	<u>5</u>	<u>(5)</u>
Revenues in Excess of (Less than) Expenditures	<u>-</u>	<u>12</u>	<u>12</u>
Net Change in Fund Balance	-	12	12
Fund Balance at Beginning of Year	82,441	82,441	-
Fund Balance at End of Year	<u>\$ 82,441</u>	<u>\$ 82,453</u>	<u>\$ 12</u>

**Capital Projects Fund
Lake Belt Mitigation
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
For the Year Ended September 30, 2016**

	Final Budget	Actual	Variance with Final Budget-Positive (Negative)
REVENUES			
Investment Earnings	\$ -	\$ 5,593	\$ 5,593
Licenses, Permits and Fees	9,500,000	-	(9,500,000)
Total Revenues	<u>9,500,000</u>	<u>5,593</u>	<u>(9,494,407)</u>
EXPENDITURES			
Administrative Services and Executive Offices			
Operations and Maintenance of Lands and Works	7,113,490	477,600	6,635,890
Total Administrative Services and Executive Offices	<u>7,113,490</u>	<u>477,600</u>	<u>6,635,890</u>
Field Operations and Land Management			
Operations and Maintenance of Lands and Works	96,582	96,582	-
Total Field Operations and Land Management	<u>96,582</u>	<u>96,582</u>	<u>-</u>
Operations, Maintenance and Construction			
Operations and Maintenance of Lands and Works	2,865,765	910,571	1,955,194
Total Operations, Maintenance, and Construction	<u>2,865,765</u>	<u>910,571</u>	<u>1,955,194</u>
Total Expenditures	<u>10,075,837</u>	<u>1,484,753</u>	<u>8,591,084</u>
Revenues in Excess of (Less than) Expenditures	<u>(575,837)</u>	<u>(1,479,160)</u>	<u>(903,323)</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	671,780	335,890	(335,890)
Total Other Financing Sources (Uses)	<u>671,780</u>	<u>335,890</u>	<u>(335,890)</u>
Net Change in Fund Balance	95,943	(1,143,270)	(1,239,213)
Fund Balance at Beginning of Year	471,377	471,377	-
Fund Balance at End of Year	<u>\$ 567,320</u>	<u>(\$ 671,893)</u>	<u>(\$ 1,239,213)</u>

Capital Projects Fund

Lake Okeechobee

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual

For the Year Ended September 30, 2016

	Final Budget	Actual	Variance with Final Budget-Positive (Negative)
EXPENDITURES			
Fund Balance at Beginning of Year	(\$ 1,853)	(\$ 1,853)	\$ -
Fund Balance at End of Year	(\$ 1,853)	(\$ 1,853)	\$ -

**Capital Projects Fund
Land Acquisition Trust
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
For the Year Ended September 30, 2016**

	Final Budget	Actual	Variance with Final Budget-Positive (Negative)
REVENUES			
Intergovernmental	101,878,140	22,666,256	(79,211,884)
Other	-	411	411
Total Revenues	<u>101,878,140</u>	<u>22,666,667</u>	<u>(79,211,473)</u>
EXPENDITURES			
Administrative Services and Executive Offices			
Acquisition, Restoration and Public Works	19,783,800	2,761,000	17,022,800
Operations and Maintenance of Lands and Works	234,530	234,530	-
Total Administrative Services and Executive Offices	<u>20,018,330</u>	<u>2,995,530</u>	<u>17,022,800</u>
Field Operations and Land Management			
Operations and Maintenance of Lands and Works	49,395	49,395	-
Total Field Operations and Land Management	<u>49,395</u>	<u>49,395</u>	<u>-</u>
Operations, Maintenance and Construction			
Acquisition, Restoration and Public Works	81,810,415	33,111,102	48,699,313
Total Operations, Maintenance, and Construction	<u>81,810,415</u>	<u>33,111,102</u>	<u>48,699,313</u>
Total Expenditures	<u>101,878,140</u>	<u>36,156,027</u>	<u>65,722,113</u>
Revenues in Excess of (Less than) Expenditures	-	(13,489,360)	(13,489,360)
Net Change in Fund Balance	-	(13,489,360)	(13,489,360)
Fund Balance at Beginning of Year	-	-	-
Fund Balance at End of Year	<u>\$ -</u>	<u>(\$ 13,489,360)</u>	<u>(\$ 13,489,360)</u>

**Permanent Fund
Wetland Mitigation
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
For the Year Ended September 30, 2016**

	Final Budget	Actual	Variance with Final Budget-Positive (Negative)
REVENUES			
Investment Earnings	\$ -	\$ 167,637	\$ 167,637
Licenses, Permits and Fees	-	7,000	7,000
Total Revenues	-	174,637	174,637
EXPENDITURES			
Field Operations and Land Management			
Operations and Maintenance of Lands and Works	50,540	-	50,540
Total Field Operations and Land Management	50,540	-	50,540
Total Expenditures	50,540	-	50,540
Revenues in Excess of (Less than) Expenditures	(50,540)	174,637	225,177
OTHER FINANCING SOURCES (USES)			
Transfers In	57,760	50,540	(7,220)
Transfers Out	(175,092)	(87,546)	87,546
Total Other Financing Sources (Uses)	(117,332)	(37,006)	80,326
Net Change in Fund Balance	(167,872)	137,631	305,503
Fund Balance at Beginning of Year	16,130,367	16,130,367	-
Fund Balance at End of Year	\$ 15,962,495	\$ 16,267,998	\$ 305,503

SOUTH FLORIDA WATER MANAGEMENT DISTRICT

Internal Service Funds

Internal Service Funds are used to account for District activities that provide services to other funds and organizational units on a cost reimbursement basis.

Self Insurance Fund

Accounts for the operations related to providing workers' compensation, general liability, and automobile insurance coverage to all District resource areas. Revenue is provided through interfund charges based on a cost allocation study.

Health Benefits Fund

Accounts for the operations related to providing health and medical insurance coverage to District employees and retirees who choose to remain in the plan. Revenue is provided through interfund charges and employee and retiree contributions.

**South Florida Water Management District
Combining Statement of Net Position
Internal Service Funds
September 30, 2016**

	<u>Self Insurance Fund</u>	<u>Health Benefits Fund</u>	<u>Total</u>
ASSETS			
Current Assets			
Cash and Investments	\$ 9,136,720	\$ 11,279,014	\$ 20,415,734
Accounts Receivable	41,167	(9,689)	31,478
Due from Other Funds	-	124,544	124,544
Other Assets	140,000	775,000	915,000
Total Current Assets	<u>9,317,887</u>	<u>12,168,869</u>	<u>21,486,756</u>
Noncurrent Assets			
Furniture, Fixtures and Equipment	27,459	-	27,459
Vehicles	36,224	-	36,224
Accumulated Depreciation	(41,779)	-	(41,779)
Total Noncurrent Assets	<u>21,904</u>	<u>-</u>	<u>21,904</u>
Total Assets	<u>9,339,791</u>	<u>12,168,869</u>	<u>21,508,660</u>
LIABILITIES			
Current Liabilities			
Accounts Payable	\$ 4,773	\$ 854,040	\$ 858,813
Due to Other Funds	228	-	228
Claims Payable	934,663	2,121,000	3,055,663
Total Current Liabilities	<u>939,664</u>	<u>2,975,040</u>	<u>3,914,704</u>
Noncurrent Liabilities			
Claims Payable	2,188,337	-	2,188,337
Total Noncurrent Liabilities	<u>2,188,337</u>	<u>-</u>	<u>2,188,337</u>
Total Liabilities	<u>3,128,001</u>	<u>2,975,040</u>	<u>6,103,041</u>
NET POSITION			
Net Position			
Net Investment in Capital Assets	21,904	-	21,904
Unrestricted	6,189,886	9,193,829	15,383,715
Total Net Position	<u>\$ 6,211,790</u>	<u>\$ 9,193,829</u>	<u>\$ 15,405,619</u>

South Florida Water Management District
Combining Statement of Revenues, Expenses, and Changes in Fund Net Position
Internal Service Funds
For the Year Ended September 30, 2016

	Self Insurance Fund	Health Benefits Fund	Total
OPERATING REVENUES			
Charges for Services	\$ 1,987,495	\$ 33,255,196	\$ 35,242,691
Other Operating Revenue	62,398	4,860	67,258
Total Operating Revenues	<u>2,049,893</u>	<u>33,260,056</u>	<u>35,309,949</u>
OPERATING EXPENSES			
Salaries	280,867	120,122	400,989
Benefits	107,727	60,864	168,591
Claims	469,246	27,652,428	28,121,674
Purchased Services	102,332	38,156	140,488
Administrative Fees	-	2,046,569	2,046,569
Other	819,856	1,416,092	2,235,948
Depreciation	5,111	-	5,111
Total Operating Expenses	<u>1,785,139</u>	<u>31,334,231</u>	<u>33,119,370</u>
OPERATING INCOME	264,754	1,925,825	2,190,579
NONOPERATING REVENUES			
Investment Earnings	76,554	77,568	154,122
Loss on Disposal of Capital Assets	(195)	-	(195)
Total Nonoperating Revenues	<u>76,359</u>	<u>77,568</u>	<u>153,927</u>
Change in Net Position	341,113	2,003,393	2,344,506
Net Position at Beginning of Year	<u>5,870,677</u>	<u>7,190,436</u>	<u>13,061,113</u>
Net Position at End of Year	<u>\$ 6,211,790</u>	<u>\$ 9,193,829</u>	<u>\$ 15,405,619</u>

**South Florida Water Management District
Statement of Cash Flows
Proprietary Funds
For the Year Ended September 30, 2016**

	Self Insurance	Health Benefits	Governmental Activies
	Fund	Fund	Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITES:			
Cash Receipts from Customers	\$ 1,987,321	\$ 33,265,558	\$ 35,252,879
Cash Payments to Suppliers	(918,485)	(3,118,805)	(4,037,290)
Cash Payments for Salaries, Benefits	(388,594)	(180,986)	(569,580)
Claims Paid	(942,246)	(27,018,647)	(27,960,893)
Other Receipts	62,398	(119,684)	(57,286)
Net cash provided by (used in) operating activities	(199,606)	2,827,436	2,627,830
CASH FLOWS FROM CAPITAL ACTIVITIES:			
Disposal of Capital Assets	(195)	-	(195)
Net cash provided by capital financing activities	(195)	-	(195)
CASH FLOWS FROM INVESTING ACTIVITIES:			
Interest Earnings	76,554	77,568	154,122
Net cash provided by investing activities	76,554	77,568	154,122
Net Increase (Decrease) in Cash and Cash Equivalents	(123,247)	2,905,004	2,781,757
Cash and Cash Equivalents, Beginning of Year	9,259,967	8,374,010	17,633,977
Cash and Cash Equivalents, End of Year	<u>\$ 9,136,720</u>	<u>\$ 11,279,014</u>	<u>\$ 20,415,734</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH USED IN OPERATING ACTIVITIES:			
Operating Income	\$ 264,754	\$ 1,925,825	\$ 2,190,579
Adjustments to reconcile operating income to net cash used in operating activities:			
Depreciation	5,111	-	5,111
CHANGES IN ASSETS AND LIABILITIES:			
Decrease (Increase) in Accounts Receivable	(174)	10,362	10,188
Decrease (Increase) in Due from Other Funds	-	(124,544)	(124,544)
Decrease (Increase) in Prepays	-	-	-
Increase (Decrease) in Accounts Payable	3,475	382,012	385,487
Increase (Decrease) in Due to Other Funds	228	-	228
Increase (Decrease) in Estimated Unpaid Claims	(473,000)	633,781	160,781
Net Cash Provided by (Used in) Operating Activities	<u>\$ (199,606)</u>	<u>\$ 2,827,436</u>	<u>\$ 2,627,830</u>

STATISTICAL SECTION

Statistical Section

This part of the South Florida Water Management District's Comprehensive Annual Financial Report presents detailed information as context for understanding what the information in the financial statements, note disclosure, and required supplementary information says about the District's overall financial health.

FINANCIAL TRENDS.....VI-2

These schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time.

REVENUE CAPACITYVI-8

These schedules contain information to help the reader assess the factors affecting the District's ability to generate its property taxes.

DEBT CAPACITYVI-17

These schedules present information to help the reader assess the affordability of the District's current levels of outstanding debts and the District's ability to issue additional debt in the future.

DEMOGRAPHIC AND ECONOMIC INFORMATIONVI-19

These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place and to help make comparisons over time and with other governments.

OPERATING INFORMATIONVI-23

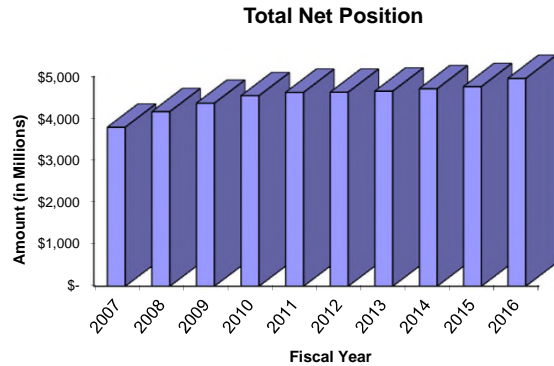
These schedules contain information about the District's operations and resources to help the reader understand how the District's financial information relates to the services the District's provides and the activities it performs.

Sources: *Unless otherwise noted, the information in these schedules is derived from the Comprehensive Annual Financial Reports for the relevant year.*

Schedule 1
South Florida Water Management District
Net Position by Category
 Last Ten Fiscal Years
 (Accrual Basis of Accounting)

	Fiscal Year									
	2007	2008 ¹	2009	2010	2011	2012	2013	2014	2015	2016
Net investment in capital assets	\$ 3,398,712,773	\$ 3,679,678,118	\$ 3,788,956,243	\$ 3,889,860,428	\$ 4,157,311,051	\$ 4,172,534,665	\$ 4,213,896,550	\$ 4,278,898,454	\$ 4,377,051,337	\$ 4,560,442,644
Restricted for:										
Debt Service	26,937,291	28,235,089	28,523,676	28,802,266	30,327,489	29,482,154	29,834,800	30,249,638	30,676,809	22,547,650
Wetlands Mitigation										
Expendable	11,552,393	13,790,936	16,476,384	23,272,435	23,290,831	22,168,650	21,723,599	22,584,805	23,862,645	19,225,590
Nonexpendable	7,538,957	7,687,077	10,262,096	12,707,636	13,988,620	14,016,126	14,037,630	14,967,099	15,650,189	15,657,189
Environmental Programs	49,828,254	57,195,146	51,814,854	233,501,723	267,486,175	278,835,411	287,183,215	290,169,479	331,566,384	312,683,321
Capital Construction	-	-	-	-	63,511,269	27,848,557	27,416,896	27,081,874	29,429,975	53,532,928
Totals for Restricted	95,856,895	106,908,248	107,077,010	298,284,060	398,604,384	372,350,898	380,196,140	385,052,895	431,186,002	423,646,678
Unrestricted	301,251,768	379,896,285	471,387,884	355,459,774	68,008,071	83,455,740	58,479,678	45,580,540	(45,540,145)	(29,398,301)
Total Net Position	<u>\$ 3,795,821,436</u>	<u>\$ 4,166,482,651</u>	<u>\$ 4,367,421,137</u>	<u>\$ 4,543,604,262</u>	<u>\$ 4,623,923,506</u>	<u>\$ 4,628,341,303</u>	<u>\$ 4,652,572,368</u>	<u>\$ 4,709,531,889</u>	<u>\$ 4,762,697,194</u>	<u>\$ 4,954,691,021</u>

¹ Ending net position restated by \$41,053,467.



Schedule 2
South Florida Water Management District
Changes in Net Position
Last Ten Fiscal Years
(Accrual Basis of Accounting)

	Fiscal Year									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Functions/Programs										
Expenses										
Water Resources Planning and Monitoring	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 44,269,794
Acquisition, Restoration and Public Works	-	-	-	-	-	-	-	-	-	41,794,713
Operations and Maintenance of Lands and Works	-	-	-	-	-	-	-	-	-	167,388,368
Regulation	-	-	-	-	-	-	-	-	-	21,350,565
Outreach	-	-	-	-	-	-	-	-	-	2,183,103
District Management and Administration	-	-	-	-	-	-	-	-	-	37,047,896
Interest on Long-Term Debt	25,466,262	27,496,071	26,880,613	26,264,799	25,608,163	24,896,558	26,521,567	23,272,985	22,536,959	14,594,348
Total Expenses	512,229,520	546,767,528	495,981,457	463,169,684	424,474,183	385,464,993	414,636,017	329,763,255	330,002,090	328,628,787
Program Revenues										
Operating Grants & Contributions										
Water Resources Planning and Monitoring	-	-	-	-	-	-	-	-	-	1,209,914
Acquisition, Restoration and Public Works	-	-	-	-	-	-	-	-	-	10,631,820
Operations and Maintenance of Lands and Works	-	-	-	-	-	-	-	-	-	18,686,808
Regulation	-	-	-	-	-	-	-	-	-	4,860
District Management and Administration	-	-	-	-	-	-	-	-	-	33,684
Total Operating Grants & Contributions	106,834,171	87,562,691	38,787,196	24,383,669	31,324,796	16,579,862	24,198,843	41,020,689	36,187,096	30,567,086
Capital Grants & Contributions:										
Water Resources Planning and Monitoring	-	-	-	-	-	-	-	-	-	215,543
Acquisition, Restoration and Public Works	-	-	-	-	-	-	-	-	-	104,312,004
Operations and Maintenance of Lands and Works	-	-	-	-	-	-	-	-	-	46,198,123
Total Capital Grants & Contributions	285,443,922	248,199,285	61,030,024	104,693,960	23,358,095	55,323,556	53,064,079	65,112,460	87,908,242	150,725,670
Charges for Services										
Operations and Maintenance of Lands and Works	-	-	-	-	-	-	-	-	-	18,550,039
Regulation	-	-	-	-	-	-	-	-	-	3,583,024
District Management and Administration	-	-	-	-	-	-	-	-	-	8,581,888
Total Charges for Services	12,761,049	11,167,494	9,442,388	21,035,669	22,637,635	23,657,278	34,146,056	37,677,609	36,785,015	30,714,951
Total Program Revenues	405,039,142	346,929,470	109,259,608	150,113,298	77,320,526	95,560,696	111,408,978	143,810,758	160,880,353	212,007,707
Net (Expense)/Revenue	(107,190,378)	(199,838,058)	(386,721,849)	(313,056,386)	(347,153,657)	(289,904,297)	(303,227,039)	(185,952,497)	(169,121,737)	(116,621,080)

Schedule 2
South Florida Water Management District
Changes in Net Position
Last Ten Fiscal Years
(Accrual Basis of Accounting)

	Fiscal Year									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
General Revenues										
Taxes:										
Property Taxes, Levied for General Purposes	476,628,776	475,621,991	451,384,521	394,194,577	347,234,986	236,860,170	232,838,276	233,527,102	233,437,089	233,728,031
Property Taxes, Levied for Everglades Construction	84,882,009	84,388,098	81,045,067	72,185,795	64,381,190	47,798,117	47,242,100	47,140,188	46,700,646	46,768,747
Investment Earnings	47,506,506	37,834,818	28,483,350	14,467,902	13,693,847	8,611,844	385,038	6,058,186	8,079,756	5,628,628
Other	20,105,295	13,707,833	26,747,397	8,391,237	2,162,878	1,051,963	1,092,105	2,087,127	6,019,966	4,624,231
Gain on Sale of Capital Assets	-	-	-	-	-	-	-	-	-	-
Total General Revenues	<u>629,122,586</u>	<u>611,552,740</u>	<u>587,660,335</u>	<u>489,239,511</u>	<u>427,472,901</u>	<u>294,322,094</u>	<u>281,557,519</u>	<u>288,812,603</u>	<u>294,237,457</u>	<u>290,749,637</u>
Total Revenue	<u>1,034,161,728</u>	<u>958,482,210</u>	<u>696,919,943</u>	<u>639,352,809</u>	<u>504,793,427</u>	<u>389,882,790</u>	<u>392,966,497</u>	<u>432,623,361</u>	<u>455,117,810</u>	<u>502,757,344</u>
Change in Net Position	<u>\$ 521,932,208</u>	<u>\$ 411,714,682</u>	<u>\$ 200,938,486</u>	<u>\$ 176,183,125</u>	<u>\$ 80,319,244</u>	<u>\$ 4,417,797</u>	<u>\$ (21,669,520)</u>	<u>\$ 102,860,106</u>	<u>\$ 125,115,720</u>	<u>\$ 174,128,557</u>

Notes: In fiscal year 2016 the District changed its level of control. Due to this change only totals will be presented for all years prior to fiscal year 2016.

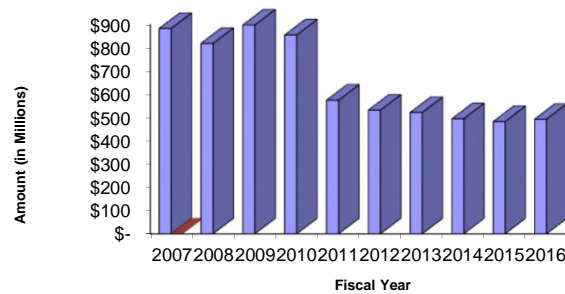
At the beginning of fiscal year 2012, the District reorganized its resource area and major program structure.

The increase in charges for services in the Mission Support program in fiscal year 2010 relates to services charged by the Self Insurance Fund and Health Insurance Fund, internal service funds.

Schedule 3
South Florida Water Management District
Fund Balances, Governmental Funds
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)

	Fiscal Year									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
General Fund										
Reserved	\$ 9,776,476	\$ 9,296,735	\$ 7,631,800	\$ 11,120,668	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	54,269,757	84,982,169	81,084,241	76,659,888	-	-	-	-	-	-
Nonspendable	-	-	-	-	-	201,145	201,145	-	-	-
Restricted	-	-	-	-	1,190,857	-	-	-	-	-
Committed	-	-	-	-	13,571,806	20,532,474	27,514,703	14,919,347	7,703,792	16,700,045
Assigned	-	-	-	-	50,267,731	48,616,088	32,914,652	42,477,518	46,652,734	43,130,042
Unassigned	-	-	-	-	22,761,839	12,774,338	2,485,387	6,022,833	9,287,577	3,228,512
Total General Fund	64,046,233	94,278,904	88,716,041	87,780,556	87,792,233	82,124,045	63,115,887	63,419,698	63,644,103	63,058,599
All Other Governmental Funds										
Reserved	202,169,397	95,628,437	100,455,114	128,352,468	-	-	-	-	-	-
Unreserved, reported in:										
Special Revenue Funds	120,286,117	126,025,864	137,081,191	116,393,784	-	-	-	-	-	-
Capital Project Funds	497,274,716	504,835,607	572,503,303	523,243,561	-	-	-	-	-	-
Permanent Fund	124,439	(902,266)	(37,783)	-	-	-	-	-	-	-
Nonspendable	-	-	-	-	19,858,805	20,196,060	20,088,942	20,685,277	20,930,044	20,310,113
Restricted	-	-	-	-	418,023,868	386,520,197	397,978,668	412,681,591	392,477,836	407,885,311
Committed	-	-	-	-	31,991,986	12,223,594	57,610	-	10,642,924	6,551,624
Assigned	-	-	-	-	32,464,433	34,453,856	41,804,359	22,923,057	27,339,886	14,348,013
Unassigned	-	-	-	-	(13,880,130)	(2,213,847)	(73,179)	(23,947,554)	(31,467,143)	(18,642,938)
Total All Other Governmental Funds	819,854,669	725,587,642	810,001,825	767,989,813	488,458,962	451,179,860	459,856,400	432,342,371	419,923,547	430,452,123
Grand Total	\$ 883,900,902	\$ 819,866,546	\$ 898,717,866	\$ 855,770,369	\$ 576,251,195	\$ 533,303,905	\$ 522,972,287	\$ 495,762,069	\$ 483,567,650	\$ 493,510,722

Note: The District implemented GASB #54 "Fund Balance Reporting and Governmental Fund Type Definitions" in fiscal year 2011. The increase in fund balance in fiscal year 2007 is a result of the issuance of Certificates of Participation (COPS), Series 2006, in the amount of \$546,120,000, the proceeds of which will be used to provide funds for the construction of high priority projects. Details regarding the District's outstanding debt can be found in Note 10 of the financial statements.



Schedule 4
South Florida Water Management District
Changes in Fund Balances, Governmental Funds
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)

	Fiscal Year									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
REVENUES										
Ad Valorem Property Taxes	\$ 549,849,748	\$ 548,747,480	\$ 520,754,080	\$ 454,702,214	\$ 400,551,714	\$ 273,150,566	\$ 268,486,810	\$ 269,227,569	\$ 269,056,878	\$ 269,317,745
Agricultural Privilege Taxes	11,661,037	11,262,609	11,675,508	11,678,158	11,064,462	11,507,721	11,593,566	11,439,721	11,080,857	11,179,033
Intergovernmental	204,806,608	286,478,999	97,309,268	92,069,137	67,888,578	44,507,437	37,455,441	85,611,812	103,360,352	137,453,501
Investment Earnings	47,506,507	37,834,818	28,483,350	14,404,749	13,108,606	8,294,234	353,207	5,890,856	7,852,547	5,474,506
Licenses, Permits and Fees	8,113,937	5,507,593	6,538,332	10,989,204	8,166,854	12,419,372	23,167,967	25,641,882	24,544,820	16,732,989
Self-Insurance Premiums	2,536,441	3,109,956	2,548,463	-	-	-	-	-	-	-
Sale of District Property	669,441	1,521,780	342,759	603,025	1,868,263	507,382	450,251	274,146	4,442,084	2,952,891
Indirect Costs Recovered	5,814,975	8,460,722	6,885,448	5,445,432	5,420,591	-	-	-	-	-
Leases	4,647,111	5,659,901	2,904,055	2,443,466	3,915,752	4,324,913	4,026,744	4,628,753	4,372,061	5,400,073
Other	11,714,828	1,502,932	11,173,458	2,934,236	895,996	959,735	922,227	1,995,553	5,113,114	1,604,275
Total Revenues	847,320,633	910,086,790	688,614,721	595,269,621	512,880,816	355,671,360	346,456,213	404,710,292	429,822,713	450,115,013
EXPENDITURES										
Current Operating	554,831,347	549,741,552	422,077,480	399,429,299	382,014,723	282,692,406	273,201,406	261,781,219	249,029,375	
Water Resources Planning and Monitoring										35,755,217
Acquisition, Restoration and Public Works										31,333,631
Operations and Maintenance of Lands and Works										147,171,478
Regulation										20,345,451
Outreach										2,182,825
District Management and Administration										25,399,365
Capital Outlay	274,226,563	379,030,673	143,169,182	183,126,292	370,729,580	66,970,460	48,449,472	128,064,854	150,931,310	138,438,651
Debt Service										
Bond Principal Retirement	4,660,000	4,785,000	4,975,000	5,190,000	5,415,000	5,655,000	5,865,000	6,120,000	6,400,000	6,705,000
Bond Interest and Other Fiscal Charges	2,303,401	2,143,086	1,940,171	1,722,396	1,489,721	1,265,749	1,035,786	768,598	474,200	160,538
1 Bank Loan Principal Payments	86,847,342	3,247,469	1,832,482	1,832,482	2,975,339	1,142,857	-	-	-	-
Bank Loan Interest	580,847	390,991	279,620	206,172	180,724	19,867	-	-	-	-
Bond Issuance Costs	-	-	-	-	-	-	-	-	-	-
Defeasance Costs	-	-	-	-	-	-	-	-	-	-
Capital Lease Principal Payments	968,060	502,187	193,161	200,330	-	-	-	-	-	-
Capital Lease Interest	53,983	25,894	12,712	5,543	-	-	-	-	-	-
COPS Principal Retirement	-	7,675,000	9,015,000	9,370,000	9,705,000	10,135,000	10,610,000	11,060,000	11,610,000	12,165,000
COPS Interest	10,091,807	26,579,294	26,268,593	25,923,546	25,539,177	25,088,037	24,626,167	24,125,840	23,572,247	21,601,255
Total Expenditures	934,563,350	974,121,146	609,763,401	627,006,060	798,049,264	392,969,376	363,787,831	431,920,511	442,017,132	441,258,411
Revenues in Excess of (Less Than) Expenditures	(87,242,717)	(64,034,356)	78,851,320	(31,736,439)	(285,168,448)	(37,298,016)	(17,331,618)	(27,210,219)	(12,194,419)	8,856,602

Schedule 4

**South Florida Water Management District
Changes in Fund Balances, Governmental Funds**

Last Ten Fiscal Years

(Modified Accrual Basis of Accounting)

	Fiscal Year									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
OTHER FINANCING SOURCES (USES)										
Transfers In	261,893,797	214,646,804	454,498,325	163,744,472	143,735,575	72,862,774	110,969,774	144,193,867	114,499,205	117,299,062
Transfers Out	(261,893,797)	(214,646,804)	(454,498,325)	(174,955,529)	(143,735,575)	(72,862,774)	(103,969,774)	(144,193,867)	(114,499,205)	(117,299,062)
Land Acquisition Refunding Bonds Issues	-	-	-	-	-	-	-	-	-	-
Proceeds of Bond Issuance	-	-	-	-	-	-	-	-	-	385,425,000
Premium on Bonds Issued	26,081,797	-	-	-	-	-	-	-	-	70,872,797
Discount on Bonds Issued	(81,060)	-	-	-	-	-	-	-	-	-
Payment to Bond Escrow Agent	-	-	-	-	-	-	-	-	-	(455,215,327)
Proceeds of Bank Loan	-	-	-	-	-	-	-	-	-	-
Proceeds of Capital Leases	-	-	-	-	-	-	-	-	-	-
Proceeds of Certificate of Participation (COPS)	546,120,000	-	-	-	-	-	-	-	-	-
Total Other Financing Sources (Uses)	<u>572,120,737</u>	<u>-</u>	<u>-</u>	<u>(11,211,057)</u>	<u>-</u>	<u>-</u>	<u>7,000,000</u>	<u>-</u>	<u>-</u>	<u>1,082,470</u>
Net Change in Fund Balance	<u>\$ 484,878,020</u>	<u>\$ (64,034,356)</u>	<u>\$ 78,851,320</u>	<u>\$ (42,947,496)</u>	<u>\$ (285,168,448)</u>	<u>\$ (37,298,016)</u>	<u>\$ (10,331,618)</u>	<u>\$ (27,210,219)</u>	<u>\$ (12,194,419)</u>	<u>\$ 9,939,072</u>
Debt Service as a percentage of noncapital expenditures ¹	26.02%	8.42%	8.51%	9.57%	11.11%	13.28%	13.36%	13.85%	14.45%	14.00%

Notes: In fiscal year 2016 the District changed its level of control. Due to this change only totals will be presented for all years prior to fiscal year 2016.

Beginning in fiscal year 2012 the District changed its method of recording indirect cost recovered and these amounts are netted against the original associated costs.

Beginning in fiscal year 2010 the District established an internal service fund to account for worker's compensation, auto and general liability insurance. As such, premium revenues are now reported in the Self-Insurance Fund.

The increase in the debt service ratio in fiscal year 2007 is due to the issuance of Certificates of Participation (COPS), Series 2006, in the amount of \$546,120,000. Details regarding the District's outstanding debt can be found in Note 10 of the financial statements.

¹ For purposes of calculating debt service as a percentage of noncapital expenditures, noncapital expenditures excludes expenditures that are classified as capital outlay on the government-wide financial statements, which may be different than those shown above. The noncapital expenditure amount used in the calculation is determined by subtracting the capital outlay amount shown on the Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities (see page III-11) from the total expenditure amount shown above.

Schedule 5
South Florida Water Management District
Revenues by Source
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)

	Fiscal Year									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Property Taxes	\$ 549,849,748	\$ 548,747,480	\$ 520,754,080	\$ 454,702,214	\$ 400,551,714	\$ 273,150,566	\$ 268,486,810	\$ 269,227,569	\$ 269,056,878	\$ 269,317,745
Agricultural Privilege Taxes	11,661,037	11,262,609	11,675,508	11,678,158	11,064,462	11,507,721	11,593,566	11,439,721	11,080,857	11,179,033
Intergovernmental	204,806,608	286,478,999	97,309,268	92,069,137	67,888,578	44,507,437	37,455,441	85,611,812	103,360,352	137,453,501
Investment Earnings	47,506,507	37,834,818	28,483,350	14,404,749	13,108,606	8,294,234	353,207	5,890,856	7,852,547	5,474,506
Licenses, Permits & Fees	8,113,937	5,507,593	6,538,332	10,989,204	8,166,854	12,419,372	23,167,967	25,641,882	24,544,820	16,732,989
Leases	4,647,111	5,659,901	2,904,055	2,443,466	3,915,752	4,324,913	4,026,744	4,628,753	4,372,061	5,400,073
Other	20,735,685	14,595,390	20,950,128	8,982,693	8,184,850	1,467,117	1,372,478	2,269,699	9,555,198	4,557,166
Total	\$ 847,320,633	\$ 910,086,790	\$ 688,614,721	\$ 595,269,621	\$ 512,880,816	\$ 355,671,360	\$ 346,456,213	\$ 404,710,292	\$ 429,822,713	\$ 450,115,013

Schedule 6
South Florida Water Management District
Property Tax Revenue by County
 Last Ten Fiscal Years
 (in Thousands)

Fiscal Year	Broward	Charlotte *	Collier	Miami-Dade	Glades	Hendry	Highlands *	Lee
2007	105,682 18.82%	117 0.02%	39,245 6.99%	139,563 24.85%	513 0.09%	3,232 0.58%	672 0.12%	60,215 10.72%
2008	106,200 18.96%	222 0.04%	38,430 6.86%	145,653 26.01%	449 0.08%	3,103 0.55%	555 0.10%	58,010 10.36%
2009	101,545 19.07%	96 0.02%	36,569 6.87%	143,415 26.94%	410 0.08%	2,900 0.54%	536 0.10%	50,973 9.57%
2010	88,823 19.05%	83 0.02%	32,370 6.94%	129,243 27.71%	384 0.08%	2,746 0.59%	470 0.10%	39,242 8.41%
2011	77,688 18.87%	72 0.02%	28,407 6.90%	113,386 27.55%	356 0.09%	2,593 0.63%	427 0.10%	33,482 8.13%
2012	52,960 18.61%	48 0.02%	19,370 6.80%	77,466 27.21%	251 0.09%	2,177 0.76%	276 0.10%	22,653 7.96%
2013	52,800 18.85%	46 0.02%	19,197 6.85%	75,463 26.94%	239 0.09%	2,175 0.78%	302 0.11%	22,142 7.91%
2014	52,312 18.64%	42 0.01%	19,217 6.85%	77,324 27.55%	217 0.08%	2,154 0.77%	276 0.10%	21,755 7.75%
2015	51,717 18.47%	38 0.01%	19,276 6.88%	77,758 27.76%	207 0.07%	1,820 0.65%	259 0.09%	21,819 7.79%
2016	51,961 18.53%	33 0.01%	19,564 6.97%	77,786 27.74%	199 0.07%	1,772 0.63%	228 0.08%	21,524 7.67%

* Amounts represent property taxes only for the portion of the county that is within the District's boundaries.

Schedule 6
South Florida Water Management District
Property Tax Revenue by County
 Last Ten Fiscal Years
 (in Thousands)

Fiscal Year	Martin	Monroe	Okeechobee *	Orange *	Osceola *	Palm Beach	Polk *	St. Lucie	Total
2007	13,846 2.47%	17,907 3.19%	1,481 0.26%	28,104 5.01%	14,495 2.58%	118,700 21.14%	1,322 0.24%	16,416 2.92%	561,510 100.00%
2008	13,724 2.45%	17,254 3.08%	1,399 0.25%	29,268 5.23%	15,810 2.82%	112,805 20.15%	1,568 0.28%	15,560 2.78%	560,010 100.00%
2009	12,370 2.32%	15,932 2.99%	1,218 0.23%	29,852 5.61%	15,614 2.93%	106,580 20.02%	1,446 0.27%	12,974 2.44%	532,430 100.00%
2010	11,279 2.42%	13,614 2.92%	1,140 0.24%	26,985 5.79%	13,017 2.79%	95,642 20.51%	1,104 0.23%	10,238 2.20%	466,380 100.00%
2011	10,582 2.57%	11,915 2.89%	891 0.22%	24,122 5.86%	10,901 2.65%	86,691 21.06%	818 0.20%	9,285 2.26%	411,616 100.00%
2012	7,196 2.53%	7,928 2.79%	599 0.21%	16,950 5.95%	7,093 2.49%	62,997 22.13%	524 0.18%	6,170 2.17%	284,658 100.00%
2013	7,130 2.55%	7,871 2.81%	610 0.22%	16,681 5.96%	6,863 2.45%	62,021 22.13%	515 0.18%	6,025 2.15%	280,080 100.00%
2014	6,790 2.42%	7,649 2.73%	582 0.21%	16,676 5.94%	7,325 2.61%	61,656 21.95%	522 0.19%	6,170 2.20%	280,667 100.00%
2015	6,584 2.35%	7,447 2.66%	549 0.20%	16,876 6.02%	6,811 2.43%	62,556 22.33%	538 0.19%	5,883 2.10%	280,138 100.00%
2016	6,403 2.28%	7,256 2.59%	528 0.19%	17,456 6.22%	6,686 2.38%	62,912 22.44%	539 0.19%	5,650 2.01%	280,497 100.00%

* Amounts represent property taxes only for the portion of the county that is within the District's boundaries.

Schedule 7

South Florida Water Management District

Direct Property Tax Rates

Last Ten Fiscal Years

(Rate per \$1,000 of assessed value)

Year	Okeechobee Basin			Big Cypress Basin		
	District	Basin	Total	District	Basin	Total
2007	0.2840	0.4130	0.6970	0.2840	0.2425	0.5265
2008	0.2549	0.3691	0.6240	0.2549	0.2265	0.4814
2009	0.2549	0.3691	0.6240	0.2549	0.2265	0.4814
2010	0.2549	0.3691	0.6240	0.2549	0.2265	0.4814
2011	0.2549	0.3691	0.6240	0.2549	0.2265	0.4814
2012	0.1785	0.2578	0.4363	0.1785	0.1633	0.3418
2013	0.1757	0.2532	0.4289	0.1757	0.1633	0.3390
2014	0.1685	0.2425	0.4110	0.1685	0.1593	0.3278
2015	0.1577	0.2265	0.3842	0.1577	0.1520	0.3097
2016	0.1459	0.2092	0.3551	0.1459	0.1429	0.2888

Notes: Since South Florida Water Management District is a regional governmental unit, it is not reasonable to present overlapping property tax rates.

The reduction of property tax rates in fiscal year 2008 is a result of the passage of House Bill 1-B, which required a reduction in taxes by all local governments and special taxing districts.

The reduction of property tax rates in fiscal year 2012 is a result of the passage of Senate Bill 2142, which limited the total ad valorem taxes that could be levied by the District.

State law limits the combined District-at-Large and basin tax millage for each of the two basins at 0.8 mills (\$0.80 per \$1,000 of taxable value). The state constitutional limit is slightly higher at 1 mill (\$1.00 per \$1,000 of taxable value).

Source: South Florida Water Management District Budget Bureau.

Schedule 8
South Florida Water Management District
Property Tax Collections
Last Ten Fiscal Years

Fiscal Year Ended Sept. 30	District Wide Tax Rate	Okee Basin Tax Rate	Big Cypress Basin Tax Rate	Total Tax Levy	Collections within the Fiscal Year of the Levy	Percentage of Levy	Collection of Prior Year Taxes ¹	Total Collections to Date	Percentage of Levy ²
2007	0.2840	0.4130	0.2425	553,009,838	553,009,740	100.0%	3,623,093	558,459,133	101.0%
2008	0.2549	0.3691	0.2265	549,484,359	539,248,357	98.1%	5,829,932	545,078,289	99.2%
2009	0.2549	0.3691	0.2265	525,229,365	514,311,078	97.9%	5,256,004	519,567,082	98.9%
2010	0.2549	0.3691	0.2265	459,945,322	442,168,909	96.1%	11,526,724	453,695,633	98.6%
2011	0.2549	0.3691	0.2265	399,025,958	384,381,001	96.3%	18,915,088	403,296,089	101.1%
2012	0.1785	0.2578	0.1633	270,685,220	268,398,410	99.2%	6,535,361	274,933,771	101.6%
2013	0.1757	0.2532	0.1633	268,114,920	261,778,333	97.6%	4,988,476	266,766,809	99.5%
2014	0.1685	0.2425	0.1593	267,142,178	265,299,466	99.3%	4,019,743	269,319,209	100.8%
2015	0.1577	0.2265	0.1520	265,935,610	267,424,328	100.6%	1,233,280	268,657,608	101.0%
2016	0.1459	0.2092	0.1429	266,942,829	268,841,236	100.7%	1,808,186	270,649,422	101.4%

NOTE: During fiscal year 2009 tax collections were received at a slower rate than typical, which caused an increase of prior year's cash collections in fiscal year 2010.

¹ Reflects taxes collected during the year that were levied in prior years. Not all tax collectors provide information sufficient to distinguish prior year tax collections by year that the tax was levied.

² Includes taxes collected for the current year levy plus collections of taxes that were levied in prior years. As such collections could be greater than 100% of the taxes levied during the year.

Schedule 9
South Florida Water Management District
Taxable Property Values and Just Values of Taxable Property by County
Current Fiscal Year

<u>County</u>	<u>Just Value ¹</u>	<u>Taxable Value ²</u>	<u>Taxable Value as a percentage of Just Value</u>
Broward	\$ 243,226,709,406	\$ 151,156,484,485	62.15%
Charlotte *	21,313,421,706	101,176,972	0.47%
Collier	102,076,734,108	70,254,250,240	68.82%
Glades	3,365,724,786	567,310,440	16.86%
Hendry	5,456,649,173	1,830,738,114	33.55%
Highlands *	7,282,624,473	682,278,016	9.37%
Lee	97,244,566,906	63,022,502,024	64.81%
Martin	28,194,670,255	18,685,679,645	66.27%
Miami-Dade	380,069,657,591	232,479,604,778	61.17%
Monroe	33,272,022,332	21,601,665,601	64.92%
Okeechobee *	3,175,305,191	1,487,841,113	46.86%
Orange *	159,423,547,152	51,740,017,973	32.45%
Osceola *	32,664,736,406	19,531,261,942	59.79%
Palm Beach	237,451,187,496	153,028,244,853	64.45%
Polk *	43,953,784,029	1,569,417,626	3.57%
St. Lucie	28,651,769,245	16,534,849,450	57.71%
	<u>\$ 1,426,823,110,255</u>	<u>\$ 804,273,323,272</u>	<u>56.37%</u>

* County is only partially within the District's boundaries.

¹ Source: Florida Department of Revenue, Florida Property Valuations and Tax Data Book.
Partial county just value is calculated based on the percentage of taxable value that is within the District's boundaries compared to the taxable value of the whole county.
Just value is a legal synonym for "full cash value" or "fair market value".

² Source: South Florida Water Management District Budget Department, FY 2016 Budget.
Taxable value is defined as assessed value which has been adjusted for any exemptions provided by the State Constitution.

Schedule 10
South Florida Water Management District
Taxable Value of Property
Last Ten Fiscal Years

Fiscal Year	Real Property ¹	Personal Property ²	Centrally Assessed Property ³	Total	District Tax Rate ⁴	Okeechobee Basin Tax Rate ⁴	Total Direct Tax Rate ⁵
2007	803,519,922,519	41,423,176,998	284,238,697	845,227,338,214	2.84	4.13	6.97
2008	892,858,395,941	42,892,968,298	300,886,190	936,052,250,429	2.55	3.69	6.24
2009	853,857,161,850	40,515,829,852	369,348,354	894,742,340,056	2.55	3.69	6.24
2010	742,675,388,669	40,715,092,253	399,210,940	783,789,691,862	2.55	3.69	6.24
2011	645,555,800,822	41,283,680,011	312,424,992	687,151,905,825	2.55	3.69	6.24
2012	625,090,457,818	40,201,298,218	323,038,790	665,614,794,826	1.79	2.58	4.37
2013	628,500,005,272	41,359,190,647	347,320,003	670,206,515,922	1.76	2.53	4.29
2014	650,125,288,770	44,379,393,336	374,049,428	694,878,731,534	1.69	2.43	4.12
2015	694,842,337,568	45,776,571,365	404,691,347	741,023,600,280	1.58	2.27	3.85
2016	755,447,186,369	48,376,528,292	449,608,611	804,273,323,272	1.46	2.09	3.55

Note: Since the District applies its tax rates to the taxable value of property, the taxable value has been shown in this schedule. Taxable value is defined as assessed value which has been adjusted for any exemptions provided by the State Constitution. Valuations are as of January 1 on the calendar year preceding the applicable District fiscal year.

¹ Real property refers to land, land improvements, and any buildings or structures located on the land.

² Personal property includes property that can be moved from one location to another.

³ Centrally assessed property generally refers to properties that are assessed as a whole unit. A railroad is an example of centrally assessed property.

⁴ Tax rates are per \$1,000 of assessed value.

⁵ Tax rates are per \$1,000 of assessed value. Total direct tax rate represents the rate in 15 of the District's 16 counties. Collier County is the District's only county which is not geographically located in the Okeechobee Basin.

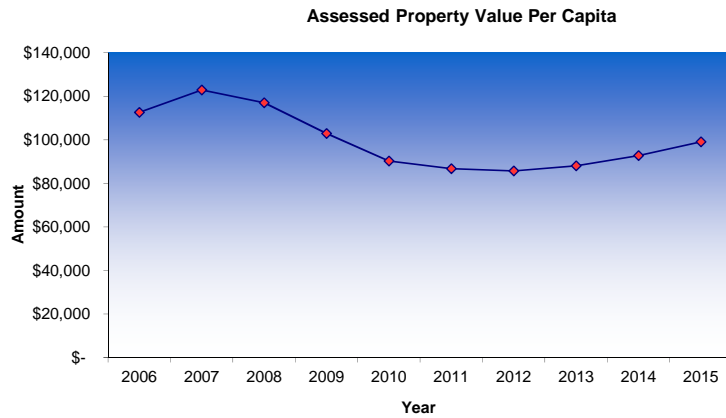
Source: South Florida Water Management District Budget Bureau, Form DR-420s.

Schedule 11
South Florida Water Management District
Assessed Value Per Capita
 Last Ten Calendar Years

	Calendar Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Assessed Property Value ¹ (in Billions)	\$ 845.2	\$ 936.1	\$ 894.7	\$ 783.8	\$ 687.2	\$ 665.6	\$ 670.2	\$ 694.9	\$ 741.0	\$ 804.3
District Population ²	7,504,525	7,617,705	7,648,679	7,609,852	7,615,667	7,669,381	7,811,608	7,891,851	7,986,730	8,114,014
Assessed Property Value Per Capita	\$ 112,625	\$ 122,885	\$ 116,974	\$ 102,998	\$ 90,235	\$ 86,787	\$ 85,795	\$ 88,053	\$ 92,779	\$ 99,125

¹ Assessed value is as of January 1st for real, personal and centrally assessed property located within the boundaries of the District.

² Population data is from The Office of Economic & Demographic Research and has been adjusted for counties with boundaries only partially within the District.



Schedule 12
South Florida Water Management District
Principal Property Tax Payers
Current Year and Nine Years Prior

Taxpayer	2016			2007		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Florida Power & Light Company	\$ 18,139,123,878	1	2.26%	\$ 6,150,724,696	2	0.73%
Walt Disney Company	9,194,506,734	2	1.14%	7,014,884,683	1	0.83%
Duke Energy	2,114,692,554	3	0.26%	-		0.00%
Universal Studios	2,029,260,781	4	0.25%	1,471,723,371	3	0.17%
Marriott Resorts/ Ritz Carlton	1,808,823,382	5	0.22%	1,202,049,533	5	0.14%
Westgate Resorts	1,500,612,927	6	0.19%	1,035,352,969	6	0.12%
Hilton Resorts/ Waldorf Astoria	1,300,998,041	7	0.16%	-		0.00%
BellSouth Telecommunications Inc	1,164,495,155	8	0.14%	1,367,343,551	4	0.16%
Orange Lake Contry Club	855,051,604	9	0.11%	-		-
Wyndham Resorts	841,961,157	10	0.10%	-		-
Vistana	-		-	660,231,641	7	0.08%
Florida Power Corporation ¹	-		-	597,082,299	8	0.07%
R H Resorts/Rosen Hotels	-		-	508,074,878	9	0.06%
Progress Energy ¹	-		-	443,733,861	10	0.05%
Totals	<u>\$ 38,949,526,213</u>		<u>4.83%</u>	<u>\$ 20,451,201,482</u>		<u>2.41%</u>

Notes: Amounts represent assessed value as of January 1 of the year presented. The amounts shown reflect county totals even though some counties may only partially be within the District's boundaries.

¹ Florida Power Corporation and Progress Energy now operates as Duke Energy.

Source: Data was obtained from the Tax Collector or Property Appraiser for the sixteen counties that are included in South Florida Water Management District's geographical boundaries.

Schedule 13
South Florida Water Management District
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

Fiscal Year Ended Sept. 30	Governmental Activities					Total Outstanding Debt	Percentage of Personal Income ³	Per Capita ⁴	Percentage of Assessed Value ⁵
	Land Acquisition Bonds - WMLTF ²	Land Purchases Payable	Capital Leases	Bank Loans	Certificates of Participation				
2007	51,110,000	40,219,445	895,678	11,031,537	546,120,000	649,376,660	0.2265%	85.25	0.0768%
2008	46,325,000	40,910,434	393,491	7,783,160	538,445,000	633,857,085	0.2154%	82.87	0.0677%
2009	41,350,000	-	200,330	5,950,678	529,430,000	576,931,008	0.1952%	75.81	0.0645%
2010	36,160,000	-	-	4,118,196	520,060,000	560,338,196	0.1898%	73.58	0.0715%
2011	30,745,000	-	-	1,142,847	510,355,000	542,242,847	0.1748%	70.70	0.0789%
2012	25,090,000	-	-	-	500,220,000	525,310,000	0.1570%	67.25	0.0789%
2013	19,225,000	-	-	-	489,610,000	508,835,000	0.1510%	64.48	0.0759%
2014	13,105,000	-	-	-	478,550,000	491,655,000	0.1410%	61.56	0.0708%
2015	6,705,000	-	-	-	478,826,841	485,531,841	0.1347%	59.84	0.0655%
2016	-	-	-	-	398,175,000	398,175,000	0.1037%	48.25	0.0495%

Note: Details regarding the District's outstanding debt can be found in the notes to the financial statements.

¹ WMLTF stands for Water Management Lands Trust Fund.

² Refer to Schedule 15 for personal income information.

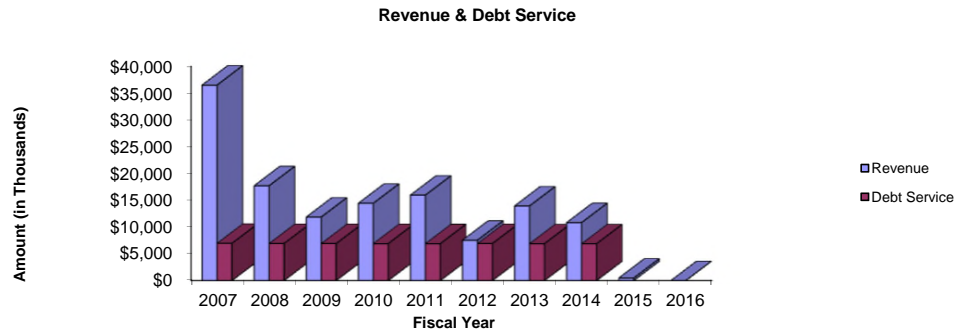
³ Refer to Schedule 15 for population information.

⁴ Refer to Schedule 10 for assessed value information.

Schedule 14
South Florida Water Management District
Pledged-Revenue Bond Coverage
 Last Ten Fiscal Years

Fiscal Year	Revenue				Debt Service			Coverage Ratio
	Documentary Stamp Taxes	Civil Penalties	Allocated Interest Income	Total Revenue	Principal	Interest	Total Debt Service	
2007	34,619,597	810,573	1,042,873	36,473,043	4,660,000	2,303,401	6,963,401	5.24
2008	15,193,803	1,037,381	1,507,927	17,739,111	4,785,000	2,143,086	6,928,086	2.56
2009	10,909,497	450,011	522,616	11,882,124	4,975,000	1,940,171	6,915,171	1.72
2010	13,972,497	46,147	437,404	14,456,048	5,190,000	1,722,396	6,912,396	2.09
2011	15,760,042	12,956	208,320	15,981,318	5,415,000	1,489,721	6,904,721	2.31
2012	7,354,939	20,000	183,055	7,557,994	5,655,000	1,265,749	6,920,749	1.09
2013	13,775,608	18,081	168,925	13,962,614	5,865,000	1,035,786	6,900,786	2.02
2014	10,652,283	24,835	175,378	10,852,496	6,120,000	768,598	6,888,598	1.58
2015	226,449	86,500	167,716	480,665	6,400,000	474,200	6,874,200	0.07
2016	-	-	-	-	6,705,000	160,538	6,865,538	-

Source: Florida Department of Environmental Protection, Water Management Lands Trust Fund, Bureau of Finance and Accounting Contracts Disbursements Section and District accounting records.



Schedule 15
South Florida Water Management District
Demographic and Economic Statistics
 Last Ten Calendar Years

Calendar Year	Population ¹	Personal Income (in thousands) ²	Per Capita Personal Income	School Enrollment K - 12³	Unemployment Rate ⁴
2007	7,617,705	286,718,796	37,638	1,082,297	4.4%
2008	7,648,679	294,230,623	38,468	1,071,876	6.1%
2009	7,609,852	295,589,133	38,843	1,073,728	10.6%
2010	7,615,667	295,290,827	38,774	1,084,184	11.7%
2011	7,669,381	310,253,970	40,454	1,096,048	10.5%
2012	7,811,608	334,574,240	42,830	1,109,444	8.7%
2013	7,891,851	336,889,341	42,688	1,122,567	7.4%
2014	7,986,730	348,572,876	43,644	1,136,965	6.3%
2015	8,114,014	360,499,091	44,429	1,149,334	5.4%
2016	8,253,146	384,032,621	46,532	1,160,065	4.9%

Note: Data has been adjusted for counties with boundaries only partially within the District.

¹ Population data is from The Office of Economic & Demographic Research. See Schedule 16 for details on population.

² Source: Regional Economic Information System, Bureau of Economic Analysis, US Department of Commerce.
 Final data for calendar year 2016 is currently unavailable. The figure shown for calendar year 2016 estimates 4th quarter results as an average of the first three quarters. Fiscal year 2015 data has been updated using final figures.

³ Student enrollment data is obtained from the Florida Department of Education. Enrollment figures are based on the fall enrollment number for the calendar year specified.

⁴ Source: Bureau of Labor Statistics - <http://www.bls.gov/lau/home>.

Schedule 16
South Florida Water Management District
District Population by County
Last Ten Calendar Years

	Calendar Year									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Broward	1,765,707	1,758,494	1,744,922	1,742,891	1,748,066	1,771,099	1,784,715	1,803,903	1,827,367	1,854,513
Charlotte *	823	6,300	6,287	6,302	6,079	6,208	6,220	6,250	6,351	6,477
Collier	333,858	332,854	333,032	333,554	321,520	329,849	333,663	336,783	343,802	350,202
Miami-Dade	2,462,292	2,477,289	2,472,344	2,476,289	2,496,435	2,551,290	2,582,375	2,613,692	2,653,934	2,700,794
Glades	11,055	11,323	11,311	11,330	12,884	12,671	12,658	12,852	12,853	13,047
Hendry	39,651	41,216	41,320	41,026	39,140	38,132	37,808	37,895	38,096	38,370
Highlands *	10,169	8,718	8,675	8,677	8,594	8,609	8,621	8,684	8,765	8,833
Lee	615,741	623,725	615,124	616,626	618,754	638,029	643,367	653,485	665,845	680,539
Martin	143,737	143,868	143,856	143,848	146,318	147,203	148,077	148,585	150,062	150,870
Monroe	78,987	76,081	77,925	78,150	73,090	72,897	73,560	74,044	74,206	76,047
Okeechobee *	38,249	39,203	38,909	38,918	39,196	39,009	38,967	39,031	39,251	39,990
Orange *	276,401	269,825	268,349	268,860	277,321	284,578	291,121	297,175	303,080	309,854
Osceola *	265,325	270,972	270,060	270,541	265,998	278,057	285,477	292,597	305,244	319,633
Palm Beach	1,295,033	1,294,654	1,287,344	1,286,778	1,320,134	1,335,415	1,345,652	1,360,238	1,378,417	1,391,741
Polk *	8,716	17,572	17,530	17,514	18,063	18,207	18,419	18,695	18,992	19,410
St. Lucie	271,961	276,585	272,864	274,363	277,789	280,355	281,151	282,821	287,749	292,826
Total	7,617,705	7,648,679	7,609,852	7,615,667	7,669,381	7,811,608	7,891,851	7,986,730	8,114,014	8,253,146

* County is only partially within the District's boundaries. Population is prorated based on estimated population within the geographic boundaries of the District.

Source: The Office of Economic & Demographic Research - Florida Demographic Database (2004 - 2010).
Source: University of Florida, Bureau of Economic and Business Research (2011-2016).

Schedule 17
South Florida Water Management District
Employment Data
 Last Ten Calendar Years

Calendar Year	Total Labor Force	Employed	Unemployed	Unemployment Rate (%)
2007	3,855,439	3,685,668	169,771	4.4
2008	3,844,561	3,610,123	234,438	6.1
2009	3,844,536	3,438,418	406,118	10.6
2010	3,876,208	3,423,749	452,459	11.7
2011	3,857,912	3,454,296	403,616	10.5
2012	3,973,042	3,629,273	343,769	8.7
2013	4,017,108	3,720,853	296,255	7.4
2014	4,090,424	3,833,179	257,245	6.3
2015 ¹	4,103,764	3,882,339	221,425	5.4
2016 ²	4,176,704	3,971,657	205,047	4.9

Note: Data has been adjusted for counties with boundaries only partially within the District.

¹ Figures have been updated to reflect revised inputs and reestimation.

² Final data for the calendar year 2016 is currently not available. The 2016 figures are based on the yearly average, final data from January through November and preliminary data for December 2016.

Source: Bureau of Labor Statistics - <http://www.bls.gov/lau/home>.

Schedule 18
South Florida Water Management District
Ten Largest Employers within District Boundaries
 Prior Calendar Year and Nine Years Prior

2015			
Employers	Rank	Number of Employees	% of Total Employment
Walt Disney World Co.	1	74,000	1.9%
Broward County School Board	2	31,880	0.8%
Miami-Dade County Public Schools	3	31,000	0.8%
Miami-Dade County	4	24,692	0.6%
Orange County Public Schools	5	22,347	0.6%
Palm Beach County School Board	6	22,000	0.6%
U.S. Federal Government	7	19,300	0.5%
Florida State Government	8	19,200	0.5%
Universal Orlando Resort	9	19,000	0.5%
Florida Hospital/Adventist Health System	10	18,668	0.5%
Total		<u>282,087</u>	<u>7.3%</u>
Total Employment in District Boundaries		<u>3,863,088</u>	

2006			
Employers	Rank	Number of Employees	% of Total Employment
Walt Disney World Co.	1	56,800	1.5%
Miami-Dade County Public Schools	2	50,000	1.4%
Broward County School Board	3	36,853	1.0%
Miami-Dade County	4	32,000	0.9%
Orange County Public Schools	5	24,862	0.7%
Palm Beach County School Board	6	21,616	0.6%
U.S. Federal Government	7	20,400	0.6%
Florida State Government	8	17,000	0.5%
Universal Orlando Resort	9	13,000	0.4%
Broward County Government	10	12,705	0.3%
Total		<u>285,236</u>	<u>7.9%</u>
Total Employment in District Boundaries		<u>3,686,457</u>	

Notes: Schedule excludes any county partially within the District boundaries that contributes less than 1% of total property tax revenue. Employers located in partial counties are scheduled at full employee count.

Source: Individual County Comprehensive Annual Financial Reports, where available. Employment detail for 2015 is shown on Schedule 17.

Schedule 19
South Florida Water Management District
Authorized Positions per 100,000 Population
 Last Ten Calendar Years

	Calendar Year									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Number of Authorized Positions ¹	1,784	1,808	1,828	1,842	1,933	1,651	1,620	1,588	1,528	1,530
Population ²	7,617,705	7,648,679	7,609,852	7,615,667	7,669,381	7,811,608	7,891,851	7,986,730	8,114,014	8,253,146
Authorized Positions per 100,000 Population	23	24	24	24	25	21	21	20	19	19

¹ Number of authorized positions is a measurement utilized for budgeting purposes that includes both filled positions and planned positions. Each authorized position is equal to one full-time employee.

² Population data is from The Office of Economic & Demographic Research and has been adjusted for counties with boundaries only partially within the District. Details regarding population figures can be found on Schedule 16.

Schedule 20
South Florida Water Management District
District Employees by Resource Area and Major Program
Current Fiscal Year

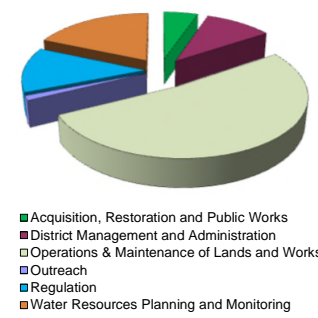
<u>Resource Area / Major Program</u>	<u>Number of Employees per Program¹</u>	<u>Percentage of Employees per Resource Area</u>	<u>Percentage of Employees District-wide</u>
Administrative Services and Executive Offices			
Acquisition, Restoration and Public Works	8	2.82%	0.59%
District Management and Administration	141	49.65%	10.38%
Operations & Maintenance of Lands and Works	78	27.46%	5.74%
Outreach	16	5.63%	1.18%
Regulation	18	6.34%	1.33%
Water Resources Planning and Monitoring	23	8.10%	1.69%
Administrative Services and Executive Offices Total	<u>284</u>	<u>100.00%</u>	<u>20.91%</u>
Office of Everglades Policy & Coordination			
Acquisition, Restoration and Public Works	23	67.65%	1.70%
Operations & Maintenance of Lands and Works	4	11.76%	0.29%
Outreach	1	2.94%	0.07%
Water Resources Planning and Monitoring	6	17.65%	0.44%
Office of Everglades Policy & Coordination Total	<u>34</u>	<u>100.00%</u>	<u>2.50%</u>
Operations, Maintenance & Construction			
Acquisition, Restoration and Public Works	16	2.33%	1.18%
Operations & Maintenance of Lands and Works	615	89.39%	45.29%
Regulation	3	0.44%	0.22%
Water Resources Planning and Monitoring	54	7.84%	3.97%
Operations, Maintenance & Construction Total	<u>688</u>	<u>100.00%</u>	<u>50.66%</u>
Regulations			
Regulation	147	100.00%	10.83%
Regulation Total	<u>147</u>	<u>100.00%</u>	<u>10.83%</u>
Water Resources			
Acquisition, Restoration and Public Works	25	12.20%	1.84%
Operations & Maintenance of Lands and Works	10	4.88%	0.74%
Regulation	2	0.98%	0.15%
Water Resources Planning and Monitoring	168	81.94%	12.37%
Water Resources Total	<u>205</u>	<u>100.00%</u>	<u>15.10%</u>
District Total	<u>1,358</u>		<u>100.00%</u>

¹ Number of employees includes all filled positions (including shared positions) at the end of the fiscal year.

Schedule 21
South Florida Water Management District
District Employees by Major Program
 Last Ten Fiscal Years

Major Program	Fiscal Year									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Acquisition, Restoration and Public Works	171	138	138	155	106	68	86	77	74	72
District Management and Administration	427	440	368	376	277	242	175	159	149	141
Operations & Maintenance of Lands and Works	611	650	656	653	651	768	786	739	707	707
Outreach	0	0	55	57	31	27	23	20	17	17
Regulation	179	214	209	223	199	207	209	197	182	170
Water Resources Planning and Monitoring	354	354	368	340	303	255	265	265	264	251
District Total	1,742	1,796	1,794	1,804	1,567	1,567	1,544	1,457	1,393	1,358

District Employees by Major Program
 Current Fiscal Year



Note: During fiscal year 2016 the District reorganized its resource area and major program structure. The prior year's data has been adjusted to present the data in the current fiscal year's structure.

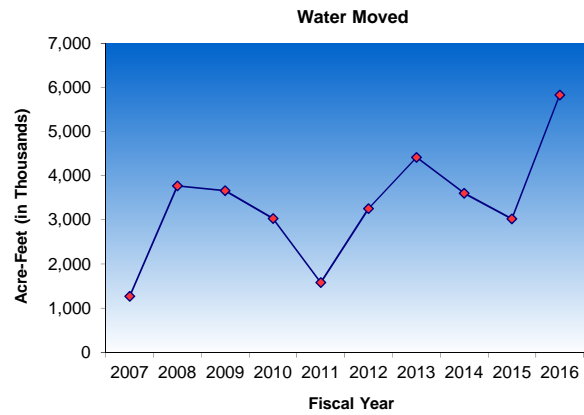
Schedule 23
South Florida Water Management District
Water Moved by District Pump Stations
 Last Ten Fiscal Years

	Fiscal Year									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Acre-Feet (Thousands)	1,272	3,768	3,660	3,032	1,584	3,254	4,419	3,604	3,023	5,830

Note: The decrease in fiscal years 2007 and 2011 is due to severe drought conditions experienced in South and Central Florida during those years.

The increase in fiscal year 2016 is due to the rainfall and it is much wetter than normal years.

Source: Operations, Engineering & Construction Division of South Florida Water Management District.



Schedule 22

**South Florida Water Management District
Permit Applications Received
Last Ten Fiscal Years**

Permit Category	Fiscal Year									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Environmental Resource	2,229	1,673	1,423	1,917	1,656	2,232	2,094	2,114	2,392	2,376
Consumptive Use	3,806	3,037	2,638	2,818	2,144	1,970	1,737	1,964	2,020	2,117
SWIM & Everglades Works Of The District	<u>51</u>	<u>12</u>	<u>4</u>	<u>5</u>	<u>26</u>	<u>33</u>	<u>6</u>	<u>14</u>	<u>16</u>	<u>38</u>
Total Applications Received	<u>6,086</u>	<u>4,722</u>	<u>4,065</u>	<u>4,740</u>	<u>3,826</u>	<u>4,235</u>	<u>3,837</u>	<u>4,092</u>	<u>4,428</u>	<u>4,531</u>

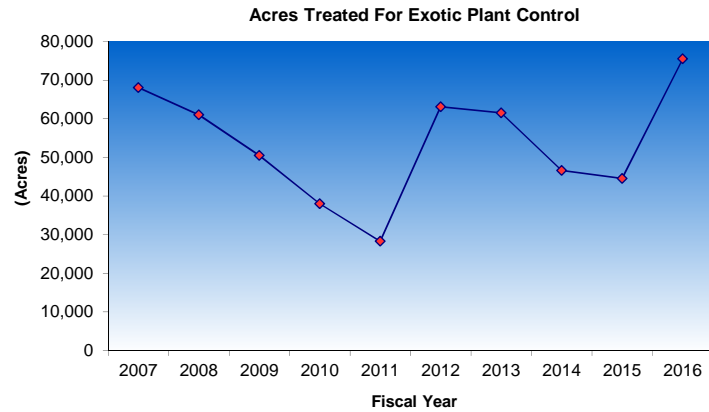
Note: During fiscal year 2010 the District began to include minor permit application activities as workload indicators. This change in process also changed how permit applications are counted by the District. The permit application data shown has been adjusted retroactively to reflect this change.

Source: Regulation Division of South Florida Water Management District.

Schedule 24
South Florida Water Management District
Exotic Plant Control
 Last Ten Fiscal Years

	Fiscal Year									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Acres treated	68,053	61,070	50,538	38,015	28,284	63,111	61,489	46,580	44,525	75,500

Source: Land Stewardship Section of South Florida Water Management District.

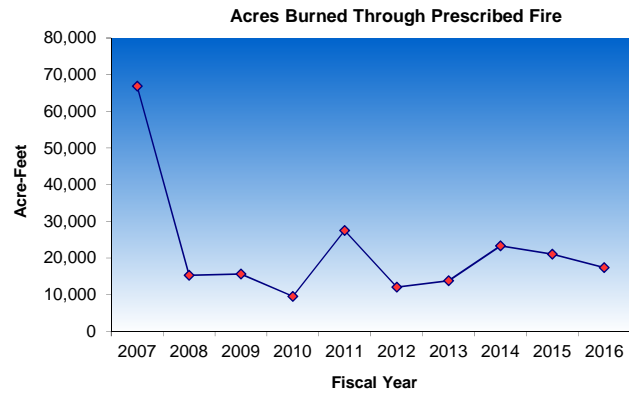


Schedule 25
South Florida Water Management District
Prescribed Burns
 Last Ten Fiscal Years

	Fiscal Year									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Acres burned	66,825 *	15,283	15,609	9,523	27,479	12,010	13,794	23,262	21,038	17,363

* During fiscal year 2007, over 55,000 acres were burned in Lake Okeechobee as a suppression tool to combat wildfires.

Source: Land Stewardship Section of South Florida Water Management District.



Schedule 26
South Florida Water Management District
Stormwater Treatment
 Last Ten Water Years

	Water Year									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Metric tons of phosphorus removed	200	100	400	300	300	260	210	312	278	266

Notes: The District is directed by the Everglades Forever Act to reduce phosphorus levels from storm runoff and other sources before it enters the Everglades Protection Area. These reductions, which began in 1994, are achieved through Stormwater Treatment Areas (STA) and Best Management Practices.

A water year is the period from May 1 through April 30.

Source: South Florida Water Management District Environment Report.

Schedule 27
 South Florida Water Management District
 Capital Assets by Major Program
 Current Fiscal Year

Major Program	Land	Intangibles- Not Depreciated	Construction In Process	Canals & Levees	Buildings	Intangibles- Depreciated	Equipment	Improvements	Water Control Structures	Total
Water Resources Planning & Monitoring	\$ 37,226,981	\$ -	\$ -	\$ -	\$ 11,086,439	\$ 31,235	\$ 1,779,738	\$ 7,211	\$ 2,578,878	\$ 52,710,482
Acquisition, Restoration & Public Works	1,530,494,981	44,999,867	577,037,507	179,568,714	16,337,968	2,250,754	8,450,899	13,761,550	357,225,567	2,730,127,807
Operations & Maintenance of Lands/ Works	1,016,972,930	36,487,159	76,855,841	556,152,104	43,568,695	3,148,803	19,967,291	6,711,702	448,284,867	2,208,149,392
Regulation	-	-	-	-	-	415,560	233,464	-	-	649,024
Outreach	-	-	-	-	-	-	1,934	-	-	1,934
District Management and Administration	1,523	-	-	-	23,255,021	343,088	5,008,692	843	-	28,609,167
District Total	\$ 2,584,696,415	\$ 81,487,026	\$ 653,893,348	\$ 735,720,818	\$ 94,248,123	\$ 6,189,440	\$ 35,442,018	\$ 20,481,306	\$ 808,089,312	\$ 5,020,247,806

Note: At the beginning of fiscal year 2016 the District's programs were restructured. All restructuring has been adjusted for in the schedule.

Source: Capital asset records of South Florida Water Management District.



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DISCLOSURE SECTION

S.E.C. RULE 15c2-12 DISCLOSURES

SOUTH FLORIDA WATER MANAGEMENT DISTRICT

CONTINUING ANNUAL AND EVENT DISCLOSURES

The following disclosures comply with amendments of the Securities and Exchange Commission (SEC) Rule 15c2-12 (b)(5)(i)(A) to (D). Effective in 1995, the amendments required municipal bond underwriters to gain reasonable assurance from bond issuers that they will provide annual information and notices of material events for disclosure to the secondary bond market. To enter the bond market, the District and other issuers of state and local government securities are indirectly affected by these amendments. We are using this section of the District's Comprehensive Annual Financial Report to comply with our continuing disclosure agreement.

DISTRICT AGREEMENT AND EFFECTIVE DATES

In respective Bond Resolutions, the District agreed to provide continuing disclosure of annual information and notices of material events upon issuing its

- Certificates of Participation, Series 2015.

SUMMARY OF CONTINUING BOND DISCLOSURE REQUIREMENTS				
Recipient	Annual Financial Information	Audited Annual Financial Statements	Notice of Material Events	Notice of Failure to Provide Annual Financial Information
	SEC Rule 15c2-12 (b)(5)(i)(A)	SEC Rule 15c2-12 (b)(5)(i)(B)	SEC Rule 15c2-12 (b)(5)(i)(C)	SEC Rule 15c2-12 (b)(5)(i)(D)
	Effective FYE (1) After Jan. 1, 1996	Effective FYE (1) After Jan. 1, 1996	Effective July 3, 1995	Effective April 1 After FYE (1)
Each NRMSIR (2) or the MSRB (3)			X	X
Each NRMSIR (2)	X	X		
Paying Agent (4)	X	X	X	X
Underwriters (4)	X	X	X	X
(1) For the District, the date first effective was for Fiscal Year Ended (FYE) September 30, 1996. (2) Nationally Recognized Municipal Securities Information Repository. (3) Municipal Securities Rulemaking Board. (4) Required under Governing Board Resolution 95-28, Section 24, in connection with the issuance of the Special Obligation Land Acquisition Refunding Bonds, Series 1995.				

SOUTH FLORIDA WATER MANAGEMENT DISTRICT

ANNUAL FINANCIAL INFORMATION

SEC Rule 15c2-12(b)(5)(i)(A) requires annual financial information and operating data that are generally consistent with the presentation included in the Official Statements for each bond issue. The following paragraphs summarize the "Security for the Bonds" and the "Security for the Certificates" appearing in the Official Statements. Subsequent paragraphs, tables, and exhibits contain the required financial information and operating data to include:

- pledged revenues,
- funding and allocation of monies and deposits of the Trust Fund, and
- lease payments.

SECURITY FOR THE CERTIFICATES OF PARTICIPATION

The Series 2015 Certificates evidence undivided proportionate interests in the principal portion and interest portion of Basic Lease Payments made by the Governing Board to the Corporation under the Series 2006 Lease, on a pro rata basis with the Unrefunded Series 2006 Certificates. The Series 2015 Certificates are secured by and payable from the Trust Estate established for the Series 2015 Certificates (the "Trust Estate") pursuant to the Trust Agreement. The Trust Estate consists of all estate, right, title and interest of the Trustee in and to the Basic Lease Payments under the Series 2006 Lease allocable to the Series 2015 Certificates, and all amounts held in the funds and accounts under the Trust Agreement in accordance with the provisions of the Master Lease and the Trust Agreement, including investment earnings thereon, and any and all monies allocable to the Series 2015 Certificates received by the Trustee pursuant to the Series 2006 Lease and the Trust Agreement which are not required to be remitted to the Governing Board or the Corporation pursuant to the Master Lease or the Trust Agreement.

Purpose of the Series 2015 Certificates

The Series 2015 Certificates are being issued for the principal purposes of providing funds, together with other legally available funds, sufficient to (i) refund that portion of the District's outstanding Series 2006 Certificates maturing on October 1 in the years 2017 through 2026, inclusive, 2031 and 2036 (collectively, the "Refunded Certificates") and thereby refinancing the lease-purchase of a portion of the Series 2006 Facilities, as more particularly described herein and (ii) paying certain costs of issuance of the Series 2015 Certificates. The Series 2006 Certificates maturing on October 1, 2016 will not be refunded with proceeds of the Series 2015 Certificates.

Lease Payments

All Lease Payments and all other amounts required to be paid by the Governing Board under the Series 2006 Lease and all other Leases are payable solely from legally available funds budgeted and appropriated by the Governing Board for such purpose. Revenues available to the Governing Board for operational purposes and capital projects such as the Series 2006 Facilities include, but are not necessarily limited to, ad valorem taxes, operating grants and contributions from various sources, including the State of Florida, and capital grants and contributions from various sources, including the State and Federal Government.

SOUTH FLORIDA WATER MANAGEMENT DISTRICT

The Master Trust Agreement, as supplemented by the Series 2015 Supplemental Trust Agreement, established a Series 2015 Lease Payment Account for deposit of Basic Lease Payments appropriated and paid under the Series 2006 Lease. Separate Lease Payment Accounts are established for each new group of Facilities to be financed by a Series of Certificates issued under the Trust Agreement. Lease Payments due under the schedules to the Master Lease are subject to annual appropriation by the Governing Board on an all-or-none basis and are payable on a parity basis solely from legally available funds appropriated by the Governing Board for such purposes. Such additional Facilities may be financed through the sale of additional Series of Certificates under the Trust Agreement.

ANNUAL DEBT SERVICE REQUIREMENTS

Debt service requirements on the Series 2006 and Series 2015 Certificates are as follows:

ANNUAL DEBT SERVICE (Principal and Interest) REQUIREMENTS (in Millions)
--

Fiscal Years	Series 2006	Series 2015
2017	\$ 130.66	\$ 18.96
2018		30.41
2019		30.39
2020		30.37
2021		30.35
2022-2026		151.47
2027-2031		150.84
2032-2036		150.05
2037		29.89 ¹
Totals	<u>\$ 130.66</u>	<u>\$ 622.73</u>

AUDITED ANNUAL FINANCIAL STATEMENTS

Section II of this Comprehensive Annual Financial Report contains the District's Basic Financial Statements and related Report of Independent Certified Public Accountants. These statements are consistent with the Basic Financial Statements contained in the Official Statements in compliance with SEC Rule 15c2-12(b)(5)(i)(A) and (B).

¹ Scheduled payoff – October 1, 2037.

SOUTH FLORIDA WATER MANAGEMENT DISTRICT

REQUIRED NOTICES

The following table lists each material event and required notice defined in SEC Rule 15c2-12(b)(5)(i)(C) and (D). The table confirms that no notice to the NRMSIR or the MSRB and the SID was required for any of the material events related to each of the indicated Land Acquisition Bond Series currently outstanding. This confirms compliance with SEC Rule 15c2-12(b)(5)(i)(C) and (D) from July 3, 1995 to the date of this report.

NOTICE OF MATERIAL EVENTS OR FAILURE TO PROVIDE REQUIRED ANNUAL FINANCIAL INFORMATION		CERTIFICATES
RULE SEC.	DESCRIPTION	SERIES 2015
(C)(1)	Principal and interest payment delinquencies.	None
(C)(2)	Non-payment related defaults.	None
(C)(3)	Unscheduled draws on debt service reserves reflecting financial difficulties.	None
(C)(4)	Unscheduled draws on credit enhancements reflecting financial difficulties.	None
(C)(5)	Substitution of credit or liquidity providers, or their failure to perform.	None
(C)(6)	Adverse tax opinions or events affecting the tax-exempt status of the security.	None
(C)(7)	Modifications to rights of security holders.	None
(C)(8)	Bond calls.	None
(C)(9)	Defeasances.	(a)
(C)(10)	Release, substitution, or sale of property securing repayment of the securities.	None
(C)(11)	Ratings changes.	None
(C)(12)	Bankruptcy, insolvency, receivership, or similar events.	None
(C)(13)	Merger, consolidation, or acquisition involving the sale of all or substantially all assets, other than in the ordinary course of business.	None
(C)(14)	Appointment of a successor or additional trustee, or the change of name of a trustee.	None
(D)	Failure to provide annual financial information or operating data in a timely manner.	None

SOUTH FLORIDA WATER MANAGEMENT DISTRICT

- (a) In February 2016, the District advance refunded \$442,025,000 of the par value of its Series 2006 Certificates of Participation (COPs). This in-substance defeasance was financed through the issuance of the Series 2015 Refunding COPs with a par value of \$385,425,000 together with a net premium of \$70,872,796.80. In addition, the District contributed \$6,900,000 of funds on hand toward the advance refunding. These funds have been placed into escrow with U.S. Bank National Association from which \$1.1 million was paid for the costs of issuance. Remaining debt service for the defeased Series 2006 COPs is \$724.4 million while remaining debt service for the Series 2015 Refunding COPs is \$625.5 million for a total savings over the remaining life of the debt of \$98.9 million. The economic gain on the refunding is a net present value savings of \$72.2 million through fiscal year 2037.



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SINGLE AUDIT

South Florida Water Management District, a Component Unit of the State of Florida

Single Audit Reports in Accordance With the Uniform Guidance
and Chapter 10.550, Rules of the Auditor General of the
State of Florida
Year Ended September 30, 2016

Contents

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>	1-2
Report on compliance for each major federal program and state project; report on internal control over compliance; and report on the schedule of expenditures of federal awards and state financial assistance required by the Uniform Guidance and Chapter 10.550, <i>Rules of the Auditor General, State of Florida</i>	3-5
<hr/>	
Schedule of expenditures of federal awards and state financial assistance	6-8
Notes to schedule of expenditures of federal awards and state financial assistance	9
Schedule of findings and questioned costs	10-12
Summary schedule of prior audit findings	13



RSM US LLP

**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***

Independent Auditor's Report

The Governing Board
South Florida Water Management District
West Palm Beach Florida

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, each major fund, and the aggregate remaining fund information of the South 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 April 27, 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 opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

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

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

RSM US LLP

West Palm Beach, Florida
April 27, 2017



RSM US LLP

**Report on Compliance for Each Major Federal Program and State Project;
Report on Internal Control Over Compliance; and Report on the Schedule of Expenditures
of Federal Awards and State Financial Assistance Required by the Uniform Guidance
and Chapter 10.550, Rules of the Auditor General, State of Florida**

Independent Auditor's Report

The Governing Board
South Florida Water Management District
West Palm Beach, Florida

Report on Compliance for Each Major Federal Program and State Project

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

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for the District's major federal program and state project 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 the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and Chapter 10.550, *Rules of the Auditor General of the State of Florida*. Those standards and the Uniform Guidance and Chapter 10.550 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program and 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 federal program and state project. However, our audit does not provide a legal determination of the District's compliance.

Opinion on Each Major Federal Program and 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 its major federal program and major state project 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 federal program and 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 federal program and state project and to test and report on internal control over compliance in accordance with the Uniform Guidance and Chapter 10.550, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

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

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 the Uniform Guidance and Chapter 10.550. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards and State Financial Assistance Required by the Uniform Guidance and Chapter 10.550

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of 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. We issued our report thereon dated April 27, 2017, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards and state financial assistance is presented for purposes of additional analysis as required by the Uniform Guidance and Chapter 10.550, *Rules of the Auditor General of the State of Florida* and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information, except Note 4 marked "unaudited" of which we express no opinion, has been subjected to the auditing procedures applied in the audit of the 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. The information marked "unaudited" has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it. In our opinion, except for the portion marked "unaudited", the schedule of expenditure of federal awards and state financial assistance is fairly stated in all material respects in relation to the basic financial statements as a whole.

RSM US LLP

West Palm Beach, Florida
April 27, 2017

South Florida Water Management District

**Schedule of Expenditures of Federal Awards and State Financial Assistance
Year Ended September 30, 2016**

<u>Federal Grantor/State Agency</u>	<u>CFDA No.</u>	<u>Grant/Contract Number</u>	<u>Expenditures</u>	<u>Pass-Through Amount to Subrecipient</u>
I. Cash Federal Awards				
Federal grants:				
U.S. Department of Interior:				
East Coast Buffer/Water Preserve Areas Land Acquisitions	15*	FB-1	\$ 63,064	N/A
Everglades Watershed Restoration-Program Income	15*	LWCF-1	391,678	N/A
National Park Service Conservation, Protection, Outreach and Education	15*	P15AC00435	23,647	N/A
National Park Service Conservation, Protection, Outreach and Education	15.954	P15AC00665	366,136	N/A
Talisman-Program Income	15*	FB-4	1,353,964	N/A
Total U.S. Department of Interior			<u>2,198,489</u>	
U.S. Department of Agriculture:				
NRCS Wetlands Reserve Program:				
Allapattah Ranch Wetlands Reserve Program	10.072	66-4209-12-809	698	N/A
Williamson Ranch & Turnpike Dairy Wetlands Reserve Program	10.072	66-4209-12-806	134,014	N/A
Total U.S. Department of Agriculture			<u>134,712</u>	
U.S. Department of Transportation – Federal Highway Administration:				
Pass-through Florida Department of Transportation:				
Highway Planning and Construction	20.205	BDH 68	4,860	N/A
Total U.S. Department of Transportation			<u>4,860</u>	
U.S. Environmental Protection Agency				
Pass-through Florida Department of Environmental Protection:				
C-43 Water Quality Treatment	66.460	C9-99451514-0	387,301	N/A
Water Farming	66.460	99451508-0 99451510-0	462,549	N/A
Total U.S. Environmental Protection Agency			<u>849,850</u>	
Federal Emergency Management Agency:				
Pass-through Florida Division of Emergency Management				
	97.047	FEMA-15DM-K1-10-60-16-452	7,519	N/A
Total Federal Emergency Management Agency			<u>7,519</u>	
Total cash federal awards			<u>\$ 3,195,430</u>	<u>\$ -</u>

* CFDA number not available

(Continued)

South Florida Water Management District

Schedule of Expenditures of Federal Awards and State Financial Assistance (Continued)
Year Ended September 30, 2016

Federal Grantor/State Agency	CSFA No.	Grant/Contract Number	Expenditures	Pass-Through Amount to Subrecipient
State financial assistance:				
Florida Department of Environmental Protection:				
Water Management District – Land Acquisition and Construction:				
SOETF FY12 NEEP/CERP	37.022	SOETF12 NEEP/CERP	\$ 2,747,696	N/A
SOETF FY13 NEEP/CERP	37.022	SOETF13 NEEP/CERP	1,375,816	N/A
SOETF FY14 NEEPP/CERP/Restoration Strategies	37.022	SOETF14 NEEPP/CERP/RS	9,277,473	N/A
SOETF FY15 CERP/Restoration Strategies	37.022	SOETF15 CERP/RS	40,418,107	N/A
LATF FY16 CERP/Restoration Strategies	37.022	LATF 16 CERP/RS	33,137,430	N/A
LATF FY16 Kissimmee River Restoration	37.022	LATF 16 CERP/RS	2,891,769	N/A
SOETF FY16 CERP/Restoration Strategies	37.022	FFTF	180,484	N/A
Land Management Funds	37.022	N/A	3,850,000	N/A
Florida Forever Trust Fund	37.022	FFTF	344,954	N/A
Dispersed Water Management	37.022	SA1622B DWM	4,127,888	N/A
C-43 West Basin Storage Reservoir	37.022	S0913 C-43 WEST BASIN	513,374	N/A
WMLTF	37.022	WMLTF	1,387,277	N/A
			<u>100,252,268</u>	
Water Management District Operations:				
CERP Water Quality Studies	37.037	SA FY2012-2013	1,227,636	N/A
			<u>1,227,636</u>	
Surface Water Restoration and Wastewater Projects:				
Various Surface Water Rest. & Waste Water Projects-Lake O	37.039	SFW51	757,180	N/A
Various Surface Water Rest. & Waste Water Projects-CBIR	37.039	SFW71	102,287	41,193
Various Surface Water Rest. & Waste Water Projects-CBIR	37.039	SFW81	15,248	15,248
Various Surface Water Rest. & Waste Water Projects-CBIR	37.039	SFW91	44,826	N/A
Various Surface Water Rest. & Waste Water Projects	37.039	S0707	31,000	N/A
Various Surface Water Rest. & Waste Water Projects	37.039	S0784	21,900	N/A
Lake Okeechobee Fast Track-Nubbin Slough	37.039	N/A	13,510	N/A
			<u>985,951</u>	<u>56,441</u>
Total Florida Department of Environmental Protection			<u>102,465,855</u>	<u>56,441</u>

(Continued)

South Florida Water Management District

**Schedule of Expenditures of Federal Awards and State Financial Assistance (Continued)
Year Ended September 30, 2016**

Federal Grantor/State Agency	CSFA No.	Grant/Contract Number	Expenditures	Pass-Through Amount to Subrecipient
Florida Department of Motor Vehicles:				
Indian River Lagoon License Plate Revenue	76.010	IRL License Plate	\$ 77,442	N/A
Everglades River of Grass License Plate Project	76.013	Everglades License	369,998	N/A
Total Florida Department of Motor Vehicles			<u>447,440</u>	
Florida Department of Transportation:				
Everglades Restoration Program:				
DOT Alligator Alley Toll Fees	55.025	C-7425	1,943,634	N/A
Total Florida Department of Transportation			<u>1,943,634</u>	
Total state financial assistance			<u>104,856,929</u>	<u>56,441</u>
Total expenditures of federal awards and state financial assistance			<u>\$ 108,052,359</u>	<u>\$ 56,441</u>

See notes to schedule of expenditures of federal awards and state financial assistance.

N/A is not applicable

South Florida Water Management District

Notes to Schedule of Expenditures of Federal Awards and State Financial Assistance Year Ended September 30, 2016

Note 1. Basis of Presentation

The accompanying schedule of expenditures of federal awards and state financial assistance (the Schedule) includes the activity of all federal awards and state projects of the South Florida Water Management District (the District) for the year ended September 30, 2016. All federal awards and state financial assistance received directly from federal and state agencies, as well as federal and state awards passed through other government agencies are included in the accompanying Schedule. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position, changes in net position or cash flows of the District. The District's reporting entity is described in Note 1 to the financial statements.

Note 2. Summary of Significant Accounting Policies

Expenditures reported on the Schedule are presented using the modified accrual basis of accounting for grants which are accounted for in the governmental fund types. The information in the Schedule of Expenditures of Federal Awards and State Financial Assistance is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) 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.

Note 3. Subrecipients

Certain program funds are passed through the District to subrecipient organizations. Subrecipients are noted on the Schedule as "pass-through amount to subrecipient."

Note 4. Non-Cash Federal Financial Assistance (Unaudited)

In accordance with various cost sharing projects the District has entered into with the U.S. Army Corps of Engineers (ACOE), a portion of the project is funded and performed by the ACOE and is considered to be noncash federal financial assistance to the District. However, since the amount is provided by the ACOE and cannot be verified by the District, it has not been subjected to audit as part of the District's federal awards under the Uniform Guidance and the Federal Single Audit Act. The amount of non-cash federal financial assistance received by the District, as reported by the ACOE was \$62,916 for fiscal year ended September 30, 2016.

Note 5. Indirect Cost Recovery

The District did not recover its indirect costs using the 10% de minimis indirect cost rate provided under Section 200.414 of the Uniform Guidance.

South Florida Water Management District

**Schedule of Findings and Questioned Costs
Year Ended September 30, 2016**

Section I – Summary of Auditor’s Results

Financial Statements

Type of auditor’s report issued:

Unmodified

Internal control over financial reporting:

Material weakness(es) identified?	_____ Yes	_____ X	_____ No
Significant deficiency(ies) identified that are not considered to be material weakness(es)?	_____ Yes	_____ X	_____ None reported
Noncompliance material to financial statements noted?	_____ Yes	_____ X	_____ No

Federal Awards

Internal control over major federal program:

Material weakness(es) identified?	_____ Yes	_____ X	_____ No
Significant deficiency(ies) identified that are not considered to be material weakness(es)?	_____ Yes	_____ X	_____ None reported

Type of auditor’s report issued on compliance for
major federal programs:

Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	_____ Yes	_____ X	_____ No
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Identification of major federal programs:

Federal CFDA No.

Name of Major Federal Program

64.460

U.S. Environmental Protection Agency:
CERP Water Quality Treatment

Dollar threshold used to distinguish between type
A and type B programs:

_____ \$750,000

Auditee qualified as low-risk auditee?	_____ X	_____ Yes	_____ No
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(Continued)

South Florida Water Management District

Schedule of Findings and Questioned Costs (Continued)
Year Ended September 30, 2016

State Financial Assistance

Internal control over major state financial assistance projects:

Material weakness(es) identified? Yes X No

Significant deficiency(ies) identified that are not considered to be material weakness(es)? Yes X None reported

Type of auditor's report issued on compliance for major state financial assistance projects:

Unmodified

Any audit findings disclosed that are required to be reported in accordance with Chapter 10.550, *Rules of the Auditor General*? Yes X No

Identification of major state financial assistance projects:

State CSFA No.

Name of State Projects

37.022

Florida Department of Environmental Protection:
 Water Management District – Land Acquisition and Construction

Dollar threshold used to distinguish between type A and type B projects:

\$3,145,708

(Continued)

South Florida Water Management District

Schedule of Findings and Questioned Costs (Continued)
Year Ended September 30, 2016

Section II – Financial Statement Findings

None reported.

Section III – Federal Awards and State Financial Assistance Findings and Questioned Costs

None reported.

South Florida Water Management District

**Summary Schedule of Prior Audit Findings
Year Ended September 30, 2016**

None reported.



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MANAGEMENT LETTER

South Florida Water Management District

Management Letter in Accordance With the Rules of the
Auditor General of the State of Florida
September 30, 2016

Contents

Management letter in accordance with the <i>Rules of the Auditor General</i> of the State of Florida	14-16
Index of current year findings	17
Appendix A—Current year’s recommendations to improve financial management, accounting procedures and internal controls	18 - 19
Appendix B – Status of prior year’s findings and recommendations	20



RSM US LLP

Management Letter in Accordance With the Rules of the Auditor General of the State of Florida

To the Governing Board
South Florida Water Management District

Report on the Financial Statements

We have audited the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the South Florida Water Management District (the District), a component unit of the State of Florida, as of and for the year ended September 30, 2016, and have issued our report thereon dated April 27, 2017.

Auditor's Responsibility

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

Other Reports and Schedule

We have issued our Independent Auditor's 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*; Independent Auditor's Report on Compliance For Each Major Federal Program and State Project and Report on Internal Control Over Compliance in Accordance With the Uniform Guidance and Chapter 10.550, *Rules of the Florida Auditor General*; the Schedule of Findings and Questioned Costs and our Independent Accountant's Report on an examination conducted in accordance with *AICPA Standards for Attestation Engagements*, Section 601, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports and schedule, which are dated April 27, 2017, should be considered in conjunction with this management letter.

Prior Audit Findings

Section 10.554(1)(i)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. The status of prior audit findings and recommendations are included in Appendix B to this report under the heading "Status of Prior Year Findings and Recommendations."

Official Title and Legal Authority

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

Financial Condition

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

Pursuant to Sections 10.554(1)(i)5.c. and 10.556(8), Rules of the Auditor General, we applied financial condition assessment procedures. 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

Section 10.554(1)(i)5.b and 10.556(7), Rules of the Auditor General, requires that we report the results of our determination as to whether the annual financial report for the District for the fiscal year ended September 30, 2016, 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 two reports were in agreement.

Monthly Financial Statements

Section 10.554(1)(i)6.a and 10.556(9), Rules of the Auditor General, requires that we report the results of our determination as to whether or not the District provided monthly financial statements to its governing board and made such monthly statements available for public access on its 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 website.

Transparency

Section 10.554(1)(i)6.b. and 10.556(9), Rules of the Auditor General, requires that we report the results of our determination as to whether the District provided a link on its website to the Florida Department of Financial Service's website to view the District's annual financial report submitted to the Department. In connection with our audit, we determined that the District provided a link on its website to the Florida Department of Financial Service's website.

Section 10.554(1)(i)6.c. and 10.556(9), Rules of the Auditor General, requires that we report the results of our determination as to whether the District posted its tentative and final budgets on its website. In connection with our audit, we determined that the District posted its tentative and final budgets on its website.

Other Matters

Section 10.554(1)(i)2., Rules of the Auditor General, requires that we address in the management letter any recommendations to improve financial management. The recommendations to improve the District's financial management have been addressed in "Current Year's Recommendations to Improve Financial Management, Accounting Procedures and Internal Controls" in Appendix A to this report. The District's responses to the recommendations to improve the District's financial management have been addressed in "Current Year's Recommendations to Improve Financial Management, Accounting Procedures and Internal Controls" in Appendix A to this report. We did not audit the District's response, and accordingly, we express no opinion on it.

Section 10.554(1)(i)3., Rules of the Auditor General, requires that we address 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.

Purpose of This Letter

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

RSM US LLP

West Palm Beach, Florida
April 27, 2017

South Florida Water Management District

Index of Current Year Findings

No.	Current Year's Observations and Recommendations
2016-01	User Access Reviews
2016-02	Accounting and Financial Reporting

South Florida Water Management District

Appendix A—Current Year’s Recommendations to Improve Financial Management, Accounting Procedures and Internal Controls

2016-01 User Access Reviews

Criteria: Access rights to the organization’s relevant financial reporting applications or data are reviewed at least annually by management to determine appropriateness of user access rights.

Condition: Access rights to certain applications (SAP and network users) are not reviewed at least on an annual basis.

Cause: Due to lack of resources access rights to certain applications (SAP and network users) were not reviewed at least on an annual basis.

Effect: Risks include unauthorized use, disclosure of proprietary information, modification, damage, or loss of data.

Recommendation: We recommend that management implement a process over user access rights and perform a review of all SAP and network user access at least annually in order to prevent unauthorized use of system access. Moreover, management should formally document the review performed over user access rights, including the documentation of when the access review was performed, who performed the review, and document any access changes that are required.

Views of Responsible Officials and Planned Corrective Actions: The District currently has a process in place to formally review and document requests for additional system access. In addition to that process, the District has created and recently implemented a new process whereby all job title and position changes are reviewed at a minimum annually to ensure that user access is appropriate given the employee’s new role and responsibilities.

(Continued)

South Florida Water Management District

Appendix A—Current Year’s Recommendations to Improve Financial Management, Accounting Procedures and Internal Controls (Continued)

2016-02 Accounting and Financial Reporting

Criteria: Internal control policies and procedures in place should provide reasonable assurance that all accounting transactions have been properly recorded. As part of this system, the monthly review and analysis of account balances and transactions should be strictly complied with to ensure that everything is being processed accurately and timely. The Finance Department should have appropriate staffing to properly record, reconcile and report all financial transactions of the District in a timely manner.

Condition: The demands on the Finance Department’s time are numerous and conflicting. While many government agencies are looking for ways in which the finance function can play an increased role in strategic decisions, new regulations and increased complexity are adding to the basic duties that demand attention from the Finance Department.

In the current year, we experienced delays in obtaining a draft of the comprehensive annual financial report. We also experienced delays in obtaining explanations and supporting documentation for questions raised during the audit process. We noted that the delays appeared to be due to increased workloads and a backlog of work that needed to be completed within the Finance department. The drafted annual financial report was not ready for review until almost six months after fiscal year end.

Cause: Staff level reductions and/or increased responsibilities of the Finance Department’s personnel.

Effect: Financial reports and transactions are not recorded and reconciled in a timely manner. There is an increased risk of fraud due to errors or intentional misappropriation of assets not being detected or not being found in a timely manner to allow them to be properly corrected.

Recommendation: We recommend that the District evaluate the recent changes that have occurred which have affected the finance department and assess whether changes can be made to streamline responsibilities and activities of key finance staff or that consideration be given to other alternatives to help find a way to reduce the work backlog and result in more timely accounting and financial reporting.

Views of Responsible Officials and Planned Corrective Actions: The District concurs with this finding and will review the needs of the department as compared to other District-wide staffing needs.

South Florida Water Management District

Appendix B—Status of Prior Year Findings and Recommendations

No.	Prior Year's Observation:	Observation is Still Relevant	Comment No Longer Relevant
2015-01	User Access Reviews	See current year's comment at 2016-01	



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ATTESTATION REPORT



RSM US LLP

Independent Auditor's Report

The Governing Board
South Florida Water Management District
West Palm Beach, Florida

We have examined the South Florida Water Management District's (the District) compliance with *Section 218.415, Florida Statutes, Local Government Investment Policies* during the year ended 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 Accountants and, accordingly, included examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the District's compliance with specified requirements.

In our opinion, the District complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2016.

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

RSM US LLP

West Palm Beach, Florida
April 27, 2017

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