

Comprehensive Annual Financial Report

FISCAL YEAR ENDED SEPTEMBER 30, 2013



Lancaster Tract



Pasco Wet Weather Reservoir



FLM, Inc. Pump Station and Filters



TECO Drill Site



Radial Pivot Irrigation



Eastshore Commerce Park Stormwater
Hillsborough Co.

A COMPONENT UNIT OF THE STATE OF FLORIDA

Southwest Florida
Water Management District

WATERMATTERS.ORG · 1-800-423-1476

COMPREHENSIVE ANNUAL FINANCIAL REPORT

Fiscal Year Ended September 30, 2013

Prepared by: Finance Bureau

Southwest Florida
Water Management District



WATERMATTERS.ORG · 1-800-423-1476

A Component Unit of the State of Florida

Mission Statement:

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

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

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

**Southwest Florida Water Management District
Comprehensive Annual Financial Report
Fiscal Year Ended September 30, 2013**

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Introductory Section

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

March 25, 2014

To the Citizens of the Southwest Florida Water Management District:

The Comprehensive Annual Financial Report of the Southwest Florida Water Management District (District) for the fiscal year ended September 30, 2013, is hereby submitted.

State law requires that local governmental entities publish within 9 months of the close of each fiscal year a complete set of audited financial statements. This report is published to fulfill that requirement for the fiscal year ended September 30, 2013.

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

KPMG LLP, Certified Public Accountants, has issued an unmodified opinion on the District's financial statements for the year ended September 30, 2013. The independent auditors' report is located at the front of the financial section of this report.

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

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

About the District

Approximately one quarter of the State's population (4.9 million) resides within the District. The District was established in 1961 by a special act of the Florida Legislature to serve as local sponsor of the Four River Basins, Florida Project. This was a major flood control project sponsored by the U.S. Army Corps of Engineers after Hurricane Donna caused extensive damage in west-central Florida in 1960.

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

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

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

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

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

The Reporting Entity

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

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

The District's financial statements for the fiscal year ended September 30, 2013, will be incorporated into the State of Florida's financial statements for the State's fiscal year ending June 30, 2014, as a discretely presented component unit. Discretely presented component units are reported in a separate column in the basic financial statements to emphasize that they are legally separate from the primary government, which is the State of Florida, and to differentiate their financial position, results of operations and cash flows.

Factors Affecting Financial Condition

Economic Conditions and Outlook. Florida's economic recovery has overcome several important obstacles this year and continues to gain traction towards consistent, progressive development. The current economic conditions for the State of Florida, and moreover the 16 counties within the Southwest Florida Water Management District continue to show improvement across key sectors at the core of economic stability. The economy hasn't returned to pre-recession levels; however improvement, although slow, is steady. Much of the current growth can be attributed to a rebound in the housing market.

Stronger population growth and an acceleration of in-migration are helping to revive the real estate sector, fueling both sales and new construction. As a result, the current availability of service industry and construction employment is driving an influx in population to fill the demand in those sectors. Between 2012 and 2013, the total permanent population for the District increased 1.58 percent by 76,883 residents to approximately 4.9 million. The District's population is expected to increase from the current 2013 level at an average rate of 1.6 percent per year over the next five years. It is projected that by 2040, the District's population will grow by 2.2 million to 7.1 million people.¹ Population growth is a key determinant in the State's long-term economic recovery; increased population brings to the State additional demand for goods and services.

Florida's unemployment rate has declined twice as fast as the national average from November 2012 to November 2013, from 8.0 percent to 6.4 percent respectively.² The national average for the same time period was 7.8 percent in 2012 and 7.0 percent in 2013.³ "Florida's annual job growth rate in October 2013 was the fastest since June 2006. October 2013 was the 39th consecutive month with positive annual job growth after the State lost jobs for over three years."⁴ As a result of the decrease in unemployment rates, the total per capita personal income in the District experienced an increase of 0.21 percent between 2012 and 2013 versus an increase of 0.16 percent for the State. By 2018, real per capita income in the District is projected to increase 5.35 percent over its 2012 level and remain slightly below the State projection of 5.49 percent. Counties with the highest projected increases in real per capita income through 2018 are Hardee (7.17 percent) and Pinellas (7.36 percent).

¹ Except as noted, all data are based on countywide data and are derived from Woods and Poole Economics. 2013 State Profile: State and County Projections to 2040. District population in split counties was calculated from GIS Associates' 2010 property parcel-based population estimates summarized by county and WMD boundaries (SWFWMD - Planning Department, 2011)

² Bureau of Labor Statistics: Florida State Wide Unemployment statistics. December 2013 <http://data.bls.gov/timeseries/LASST12000003>

³ Bureau of Labor Statistics: Nation Wide Labor Force Statistics from the Current Population Survey. December 2013 <http://data.bls.gov/timeseries/LNS14000000>

⁴ "Florida's October Employment Figures Released". Florida Department of Economic Opportunity. November 22, 2013. <http://www.floridajobs.org>. Accessed: December 04, 2013.

Real estate sales and prices are up; however, investors rather than traditional buyers have been viewed as the driving force behind the improvement in market conditions. Cash sales represented 44.4 percent of total single family homes sales in October 2013, an increase of 1.8 percent from the same time in October 2012. Year-over-year closed sales of existing single family homes and condominiums increased 6.5 percent and 3.1 percent, respectively, between November 2012 and November 2013.⁵ Increased sales drove up the average sale price (12.0 percent and 12.6 percent, respectively) and reduced the number of days on the market until sale (20.7 percent and 21.3 percent, respectively). Higher prices and shorter sales periods may ease the budgetary crunch affecting local governments. However, lower inventories and rising house prices have triggered a surge in home construction. Residential construction has increased significantly districtwide. Single family residential building permit issuance January through August continued to increase 3.15 percent from the same period in 2012.⁶ Total starts will be over 117,000 in 2014; just over 151,000 in 2015; and then hit 167,400 in 2016. The average annual growth rate in housing starts is projected to increase 30.3 percent during 2013-2016. In the two largest metropolitan areas served by the District housing starts are expected to more than double through the second quarter of 2016.⁷

The District saw promising improvements within the economy this year. Although the economy hasn't returned to pre-recession levels, improvement although slow is steady. Florida's unemployment rate has declined twice as fast as the national average with the District average keeping pace with the State average. Stronger population growth and an acceleration of in-migration are helping to revive the real estate sector, fueling both existing sales and new construction; as a result real estate sales and prices are up. As interest rates remain low, the opportunity cost of borrowing will allow for continued expansion, providing for additional revenue to the state and local economy. As a result, property and tax revenues should continue to increase through 2014.

Long-term financial planning. The District exercises its management of water resources through four statutorily-designated areas of responsibility: Water Supply, Flood Protection, Water Quality and Natural Systems. Long-term financial planning is conducted to connect the program planning and the budget processes. The District's financial planning efforts include the 2014-18 Strategic Plan, which provides strategic direction through the identification of priorities, the Long-Range Funding Plan (Funding Plan), Program Budget, Five-Year Technology Plan, and Five-Year Capital Improvements Plan.

The development of the District's Funding Plan is an example of long-term financial planning in the area of water supply. This plan is a pay-as-you-go funding strategy for the Regional Water Supply Plan (RWSP). The RWSP projects water demand and needed water supply sources for the period 2010-2030, and is updated on a five-year cycle with the next revision scheduled for 2015. The Funding Plan currently demonstrates that fiscal resources supplemented with project reserves adequately maintain a healthy investment in water resources. To ensure the plan keeps pace with evolving water supply and resource development initiatives and potential revenue impacts of economic fluctuations and legislative changes, the District examines it on an ongoing basis.

⁵ Florida Housing Market Data – October 2013. Florida Association of Realtors.
<http://media.floridarealtors.org/wp-content/uploads/2013/11/Oct-2013-Fla-condo-summary.pdf>
<http://media.floridarealtors.org/wp-content/uploads/2013/11/Oct-2013-Fla-single-family-data-detail.pdf>
Accessed: December 05, 2013.

⁶ Building Permits Database. State of the Cities Data Systems. Office of Policy Development and Research. U.S.

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

Awards and Acknowledgements

The Government Finance Officers Association (GFOA) of the United States and Canada awarded a Certificate of Achievement for Excellence in Financial Reporting to the District for its comprehensive annual financial report for the fiscal year ended September 30, 2012. This was the 25th consecutive year that the District has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that the District's current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

Sincere appreciation is extended to the many District employees who assisted with the preparation of this report, with special thanks to the employees of the Finance Bureau, especially the Accounting & Financial Reporting Section. Special recognition is due the Public Affairs - Communications Section staff for the design of the cover, and the Document Services Section staff for producing the report. In closing, this report would not have been possible without the support and leadership of the District Governing Board and the District's Executive staff.

Sincerely,



David T. Rathke
Chief of Staff



Melisa J. Lowe
Accounting Manager



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

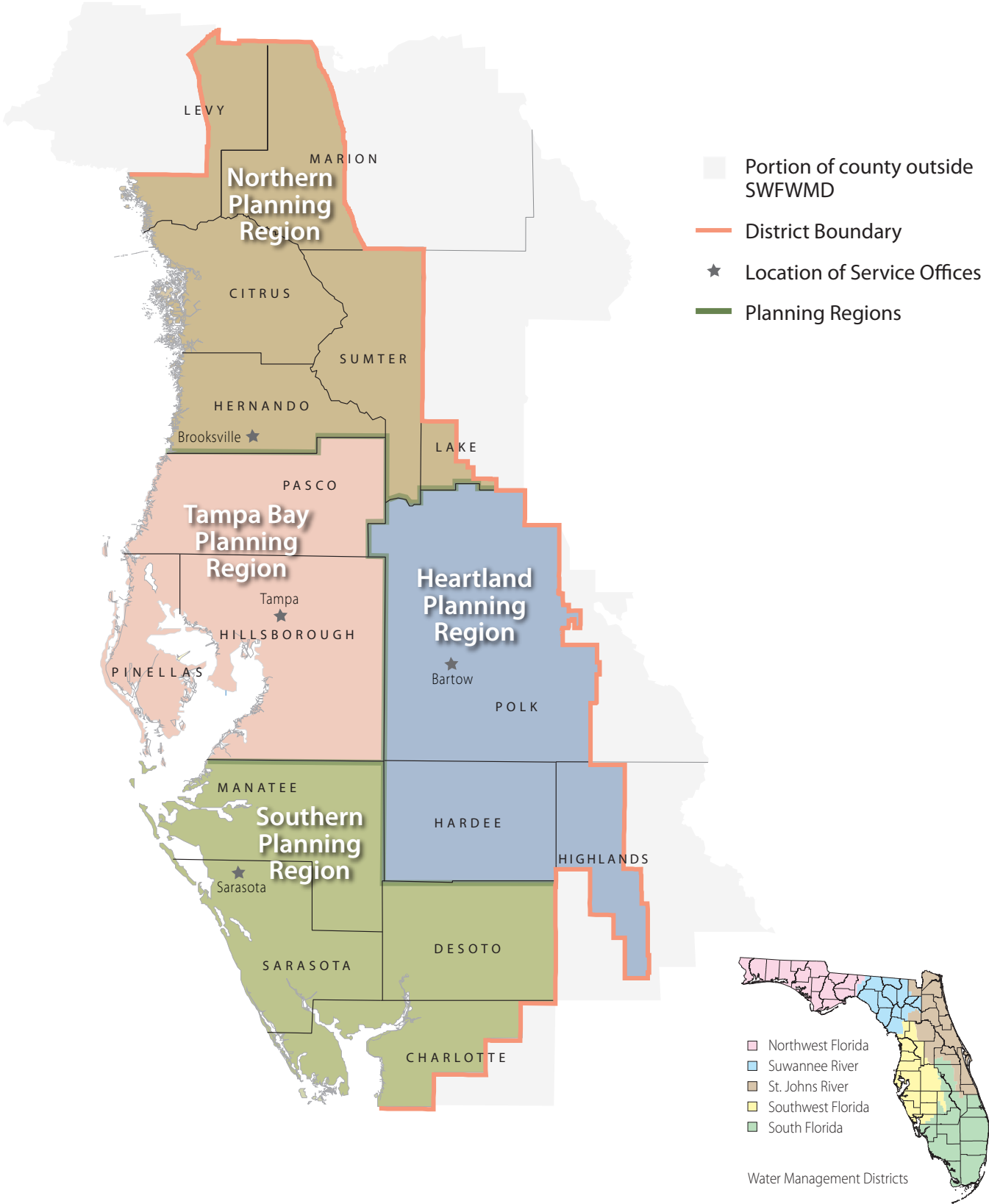
Presented to

**Southwest Florida
Water Management District**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

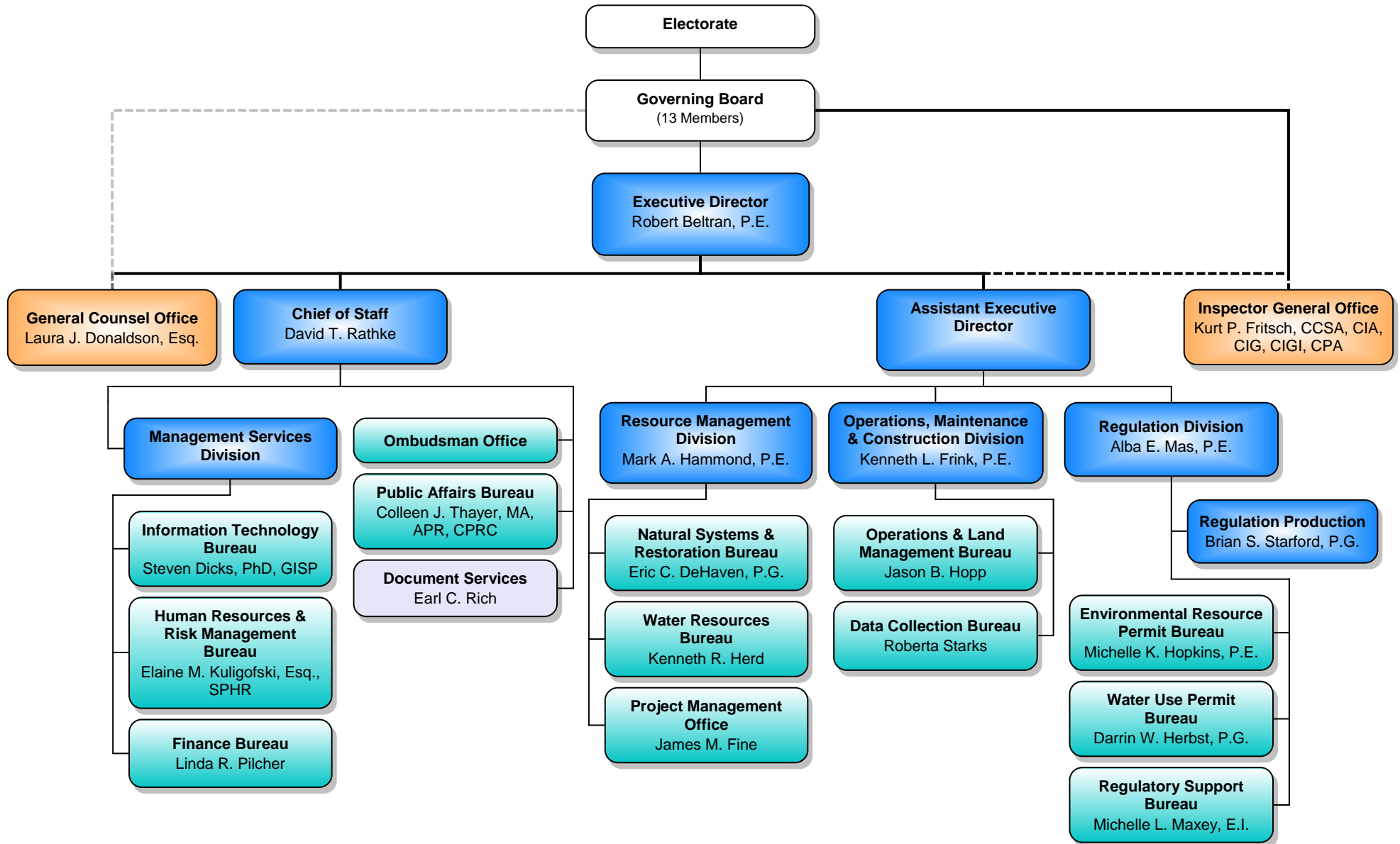
September 30, 2012

Executive Director/CEO



Organization Chart

As of October 1, 2013





Financial Section

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



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

Independent Auditors' Report

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and each major fund of the Southwest Florida Water Management District (District), a component unit of the State of Florida, as of and for the year ended September 30, 2013, and the related notes to the financial statements, which collectively comprise the Southwest Florida Water Management District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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



Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities and each major fund of the Southwest Florida Water Management District as of September 30, 2013, and the respective changes in financial position, and the budgetary comparison for the general fund and DOT Migration special revenue fund for the year then ended in accordance with U.S. generally accepted accounting principles.

Other Matters

Required Supplementary Information

U.S. generally accepted accounting principles require that the management's discussion and analysis and the schedule of funding progress on pages 5 – 13 and 42, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The introductory and statistical sections, other supplementary information and schedule of expenditures of federal awards and state financial assistance, as required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and Chapter 10.550, *Rules of the Auditor General* are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The other supplementary information and schedule of expenditures of federal awards and state financial assistance are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the other supplementary information and schedule of expenditures of federal awards and state financial assistance are fairly stated in all material respects in relation to the basic financial statements as a whole.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 12, 2014 on our consideration of the Southwest Florida Water Management District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of



internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Southwest Florida Water Management District's internal control over financial reporting and compliance.

KPMG LLP

March 14, 2014
Certified Public Accountants

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Management's Discussion and Analysis (unaudited)

The Southwest Florida Water Management District's (District) discussion and analysis is designed to offer readers of the District's financial statements a narrative overview and analysis of the financial activities of the District for the fiscal year ended September 30, 2013. Readers are encouraged to read the Management's Discussion and Analysis in conjunction with the transmittal letter beginning on page i and the District's financial statements, which begin on page 15.

Financial Highlights

- The assets of the District exceeded its liabilities at the close of the most recent fiscal year by \$1.3 billion (net position). Of this amount, \$305.5 million may be used to meet the District's ongoing obligations to citizens and creditors. It is the District's intent to use these assets to: satisfy contracts and purchase orders in the amount of \$57.5 million; fund future long- and short-term projects in the amount of \$177.4 million; maintain an economic stabilization reserve of \$23.1 million; support land management activities in the amount of \$7.5 million; pay claims associated with the District's Workers' Compensation Self-insurance Program in the amount of \$0.5 million; and carry forward \$25.7 million into the fiscal year 2013-14 budget. The additional remaining funds will be carried forward for allocation in the fiscal year 2014-15 budget.
- The District's total net position decreased by \$55.5 million. The decrease is primarily attributable to the use of restricted funds for watershed basin projects for which the ad valorem property taxes were collected prior to fiscal year 2011-12.
- As of the close of the current fiscal year, the District's governmental funds reported combined ending fund balances of \$480.7 million, a decrease of \$47.7 million in comparison with the prior year. Of this total amount, \$59,042 relates to inventory on hand and is nonspendable; \$169.6 million is restricted for the watershed basins and land acquisition; and \$311 million is available for spending at the District's discretion, with the majority committed or assigned as noted above.
- The District continues to have no bonded debt.

Overview of the Financial Statements

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

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

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

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

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

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

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

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

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

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

The District maintained one general fund, one special revenue fund and two capital projects funds, all of which were considered to be major funds during fiscal year 2012-13. Information for all funds is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances.

The District adopts an annual appropriated budget for all funds. To demonstrate compliance with the adopted budget, budgetary comparison statements have been provided for all funds in accordance with Governmental Accounting Standards Board, Statement No. 34. Although not required, budgetary comparison schedules for the District's capital projects funds have been provided on pages 43 and 44 of this report, as other supplementary information.

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

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 21 through 42 of this report.

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

Government-wide Overall Financial Analysis

For fiscal year 2012-13, the overall condition of the District remained consistent with fiscal year 2011-12.

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the District, assets exceeded liabilities by approximately \$1.3 billion at September 30, 2013.

Southwest Florida Water Management District's Net Position

	Governmental Activities	
	2013	2012
Current and Other Assets	\$ 559,146,459	\$ 599,945,882
Capital Assets	862,299,507	873,503,349
Total Assets	<u>1,421,445,966</u>	<u>1,473,449,231</u>
Current and Other Liabilities	79,132,861	70,475,474
Long-term Liabilities	5,555,586	10,702,423
Total Liabilities	<u>84,688,447</u>	<u>81,177,897</u>
Net Position:		
Net Investment in Capital Assets	862,299,507	873,503,349
Restricted for:		
Watershed Basins	168,721,598	226,419,010
Land Acquisition	282,593	265,900
Unrestricted	305,453,821	292,083,075
Total Net Position	<u>\$ 1,336,757,519</u>	<u>\$ 1,392,271,334</u>

By far the largest portion of the District's net position, at September 30, 2013, in the amount of \$862.3 million (64.5 percent) reflects its investment in capital assets (e.g., land, buildings, machinery, equipment, infrastructure, intangible assets). The District uses these capital assets to carry out its statutory responsibilities; consequently, these assets are not available for future spending.

Restricted net position in the amount of \$169 million (12.6 percent) represents resources that are subject to external restrictions on how they may be used. The majority of the resources represent the net position of the former seven watershed basins that must be spent within the geographical boundaries of each watershed basin. It is the District's intent to use these assets to satisfy contracts and purchase orders and fund future long- and short-term projects that fall within the specific geographical boundaries of the basins.

Unrestricted net position in the amount of \$305.5 million (22.9 percent) may be used to meet the District's ongoing obligations to citizens and creditors. As noted earlier, it is the District's intent to use these assets to: satisfy contracts and purchase orders; fund future long- and short-term projects; support land management activities; pay claims associated with the District's Workers' Compensation Self-insurance Program; fund an economic stabilization reserve; and carry forward funding for allocation in subsequent years budgets.

At September 30, 2013, the District reported positive balances in all categories of net position. The same held true for the prior fiscal year. For fiscal year 2012-13, the District's total net position decreased by \$55.5 million (4 percent). The reasons for this decrease are discussed in the following section for governmental activities.

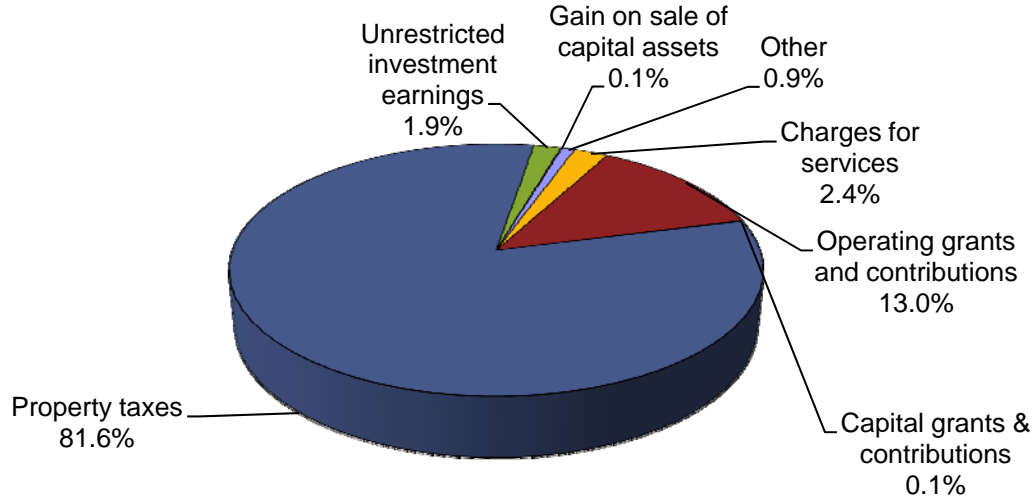
Governmental activities. Governmental activities decreased the District's net position by \$55.5 million.

Southwest Florida Water Management District's Changes in Net Position

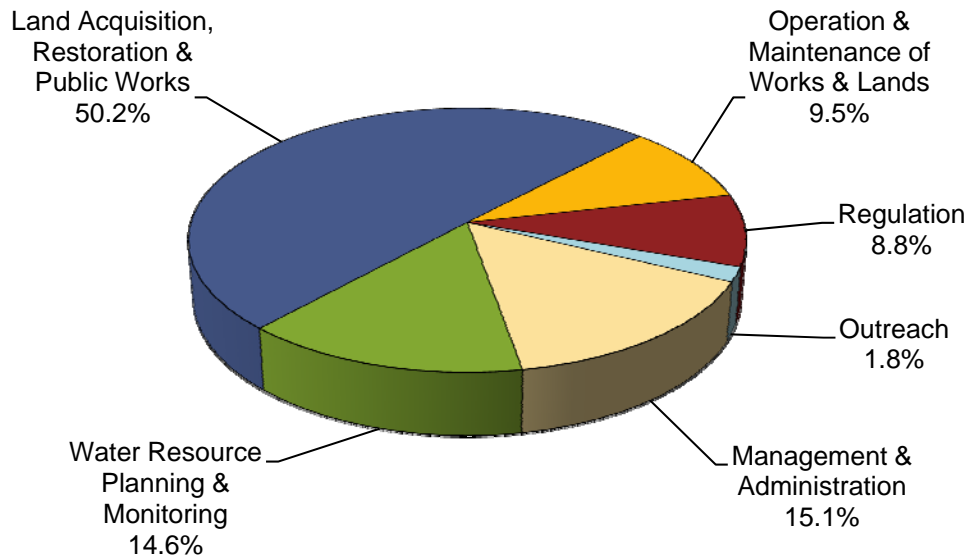
	Governmental Activities	
	2013	2012
Revenues:		
Program revenues:		
Charges for services	\$ 2,920,238	\$ 2,751,324
Operating grants and contributions	15,957,283	32,271,976
Capital grants and contributions	98,625	1,419,281
General revenues:		
Ad valorem property taxes	100,463,104	104,722,421
Unrestricted investment earnings	2,333,735	5,197,926
Gain on sale of capital assets	138,990	316,321
Other	1,129,872	1,280,767
Total Revenues	<u>123,041,847</u>	<u>147,960,016</u>
Expenses:		
Water Resource Planning and Monitoring	26,091,663	28,879,406
Land Acquisition, Restoration and Public Works	89,628,606	75,567,095
Operation and Maintenance of Works and Lands	16,942,966	16,439,958
Regulation	15,793,721	14,872,887
Outreach	3,201,426	3,885,569
Management and Administration	26,897,280	31,552,308
Total Expenses	<u>178,555,662</u>	<u>171,197,223</u>
Change in net position	(55,513,815)	(23,237,207)
Net position - beginning of year	1,392,271,334	1,415,508,541
Net position - end of year	<u>\$ 1,336,757,519</u>	<u>\$ 1,392,271,334</u>

As discussed earlier, the decrease in the overall net position is primarily attributable to the use of restricted funds for watershed basin projects for which the ad valorem property taxes were collected prior to fiscal year 2011-12. In addition, while the economic conditions over the past several years have had an impact on the District, management has taken various actions (e.g., delaying certain nonrecurring expenses, reducing expenses related to non-essential ongoing programs and reducing operating costs) to neutralize its effect on governmental activities. During fiscal year 2010-11, the Governing Board approved the merger of seven watershed basins and their functions into the District in order to streamline and improve efficiencies. As a result, the basins no longer exist as ad valorem taxing units and will no longer levy ad valorem tax. The net position of each basin were transferred to the District's General Fund and will be held as restricted net position of the District until expended for water management purposes within the geographical boundaries of the basin in which the ad valorem tax revenue was previously collected.

FY2012-13 Revenues by Source – Governmental Activities



FY2012-13 Expenses by Program – Governmental Activities



Financial Analysis of the Government's Funds

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

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

At September 30, 2013, the District's governmental funds reported combined fund balances of \$480.7 million, a decrease of \$47.7 million in comparison with fiscal year 2011-12. *Unassigned fund balance* of \$19.4 million represents 4 percent of the entire fund balance, which is available for spending at the government's discretion. The remainder of the fund balance is either *nonspendable, restricted, committed* or *assigned* to indicate that it is: 1) not in spendable form (\$59,042), 2) legally required to be maintained intact (\$169.6 million), 3) committed for particular purposes (\$78.6 million), or 4) assigned for particular purposes (\$213 million).

The general fund is the chief operating fund of the District. At the end of fiscal year 2012-13, unassigned fund balance of the general fund was \$19.4 million, while the total fund balance decreased to \$470.5 million. As a measure of the general fund's liquidity, it may be useful to compare both the unassigned fund balance and the total fund balance to total general fund expenditures. Unassigned fund balance represents 11.4 percent of the total general fund expenditures, while total fund balance represents 275.7 percent of that same amount.

The fund balance of the general fund decreased \$47.7 million during the current fiscal year. As noted above, the decrease is primarily attributable to the use of restricted funds for watershed basin projects for which the funds were collected prior to fiscal year 2011-12.

The Florida Forever, capital projects fund had an increase in fund balance of \$29,011, due to the sale of capital assets and revenue generated in accordance with the District's land program.

The fund balance of the Facilities fund decreased \$46,215 due to minor renovations using resources received from prior fiscal years.

General Fund Budgetary Highlights

Although there were budget transfers made between the six program areas, the District's General Fund budget was not amended during fiscal year 2012-13.

In total, the general fund revenue budget was \$134.2 million with actual revenues of \$122.8 million, resulting in a variance of \$11.3 million (8.4 percent). The variance is primarily due to a reduction in intergovernmental revenues offset by an increase in other revenues.

Intergovernmental revenues are recognized at the time related expenditures are incurred. For fiscal year 2012-13, the Intergovernmental Revenues budget was \$29.4 million and actual revenues were \$16.2 million, resulting in a variance of \$13.3 million (45.1 percent). The reduction is due primarily to outside funding being budgeted to fund various District projects that are currently in the planning stages and have not incurred a significant amount of expenditures.

Other revenues were budgeted at \$0.3 million and actual revenues were \$1.6 million, resulting in a variance of \$1.3 million (372.7 percent). Each year, items that fall within the "Other" revenue category are budgeted conservatively due to the uncertainty of the amounts to be collected. For example, revenues from timber sales, hog hunts, insurance recoveries, and the sale of assets can vary significantly from year to year. The majority of funds collected this year relate to the Green Swamp West Tully Plantation Timber Sale - Select Harvest project and the prorated share of revenue from Blue Cross Blue Shield.

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

The Land Acquisition, Restoration and Public Works program budget was \$274.4 million and actual expenditures were \$95.3 million. After adjusting for encumbrances, a variance of \$26.9 million (9.8 percent) remains. The variance is primarily due to a reduction in contracted services and interagency grants caused by projects that are currently in the planning stages and have not incurred a significant amount of expenditures, were cancelled, withdrawn or came in under budget. Examples of some of the larger projects that were completed under budget include: Cockroach Bay Restoration - Phases C-F - \$1.6 million; Stormwater Improvements - Flood Protection - Tampa - Drew Park Improvement Area - \$1.4 million; Clearwater Glen Oaks and Palmetto Reclaimed Water Transmission and Distribution System - \$1.2 million. Examples of some larger projects that were either cancelled or withdrawn include: Stormwater Improvement - Water Quality - Pinellas Park - Implementation of BMPs within the Sawgrass Lake Watershed - \$1.9 million; Lakes Horse, Raleigh, and Rogers Recovery Project - \$3.1 million; Hernando County Reclaimed Water Transmission and Distribution System - \$1.5 million; Restoration - Sarasota - Dona Bay Wetlands Hydrologic Restoration - \$1.1 million.

The Operations and Maintenance of Works and Lands program budget was \$20.9 million and actual expenditures were \$15.5 million. After adjusting for encumbrances, a variance of \$2.1 million (10.2 percent) remains. The variance is primarily due to a reduction of \$0.8 million in contracted services (security services, information technology support and maintenance, etc.); \$0.8 million in salary and operating expenses associated with the District's reduction in workforce; and \$0.3 million in operating capital outlay.

The District Management and Administration program budget was \$16.8 million and actual expenditures were \$11.8 million. After adjusting for encumbrances, a variance of \$3.4 million (20.4 percent) remains. The variance is primarily due to: a \$1.5 million reduction in other operating expenses associated with information technology, property tax commissions, printing and reproduction, maintenance and repair of equipment, and less travel related expenditures; and a reduction of the District's workforce resulting in savings of \$0.6 million.

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

Capital Asset and Debt Administration

Capital assets. The District's investment in capital assets at September 30, 2013, amounted to \$862.3 million (net of accumulated depreciation) a decrease from prior year of \$11.2 million (1.3 percent). This investment in capital assets includes land, land interests, buildings, machinery and equipment, infrastructure, construction in progress, software, and other capital assets. The decrease in capital assets is due primarily to adjustments made to the useful lives in the following categories: software, machinery and equipment, and buildings. The majority of the changes were for internal consistency (e.g., all software capitalized for the same number of years) and external consistencies with other water management districts and state agencies.

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

- Easements valued at approximately \$94,000, representing 17.8 acres were donated to the District by various property owners within Polk, Hillsborough and Pinellas counties.
- Following are some of the construction in progress projects that were completed during fiscal year 2012-13:
 - Wellsites: Arrendondo, Romp 133; Highlands Hammock #29; Keystone Road, Pinellas County; North Sumter-3; Warm Mineral Springs #8 and Weeki Wachee Floridan Aquifer Well Replacement
 - Intangible Software Projects: components of Water Management Information System
 - Infrastructure: Tampa Parking Lot - Pool Vehicles

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

	2013	2012
Land	\$ 608,530,272	\$ 611,065,223
Land Interests (less-than-fee)	108,232,465	106,070,551
Buildings	24,789,344	26,143,818
Machinery and Equipment	6,818,574	9,326,860
Infrastructure	69,637,989	71,814,152
Construction in Progress	27,035,769	23,276,162
Software	17,225,175	25,763,817
Other Capital Assets	29,919	42,766
Total Assets	\$ 862,299,507	\$ 873,503,349

Additional information on the District's capital assets can be found in Note I.E.4. on page 24 and Note IV.E. on page 34.

Economic Factors and Next Year's Budgets and Rate

The District's primary source of funding is ad valorem property taxes. The fiscal year 2013-14 budget of \$101.5 million of ad valorem property taxes represents 96 percent of the taxable property values as certified by the District's 16 counties, which is based on historical collections. This represents an increase of \$1 million following five years of declining ad valorem revenues.

A millage rate of 0.3818 mill, a reduction of 2.8 percent below the rate levied for fiscal year 2012-13, was adopted by the Governing Board at the final public hearing held on September 24, 2013. The rate is based on taxable property values as certified by the District's 16 counties and is below the rolled-back rate and maximum millage rate in compliance with Section 200.065, Florida Statutes. The 2012-13 tax roll, upon which taxes for fiscal year 2013-14 are based, increased by 3.89 percent from 2011-12.

The current economic conditions and the continuation of interest rates at or near historically low levels have negatively affected the District's interest earnings for fiscal year 2012-13. During the latter part of fiscal year 2012-13, the District procured the services of two investment advisory firms to manage a substantial portion of the District's portfolio. The District's investment advisors anticipate interest rates to remain at the current low levels during fiscal year 2013-14, given forecasts and current available information. The District received an overall return of 0.4 percent on its investments for fiscal year 2012-13, compared to the 0.5 percent that had been budgeted. The fiscal year 2013-14 budget for interest earnings is based on an expected return of 0.75 percent. As of the end of the first quarter of fiscal year 2013-14, interest rates in short term maturities of two years and less remain low, while interest rates in longer term maturities have risen in response to the Federal Open Market Committee's tapering of the quantitative easing program and market expectations of modest economic growth during 2014.

The District has accumulated resources over the past fiscal years to fund future short-term projects. With the significant budget cuts made during fiscal years 2011-12 and 2012-13, and an increased number of projects cancelled or completed under budget due to the economic times, it has not been necessary to utilize the short-term projects reserves for the last two years. In addition, the Governing Board has authorized any excess funds to be allocated toward future short-term projects. It is anticipated as economic growth returns, the requests for cooperative funding and other District projects will far outpace the current ad valorem revenue available to the District. These funds will be allocated through the budget development process to supplement current revenues to fund projects in future years until ad valorem revenue increases through normal growth, allowing the District to continue to operate on a pay-as-you-go basis.

Requests for Information

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

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Basic Financial Statements

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

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

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

Southwest Florida Water Management District
Statement of Net Position
September 30, 2013

ASSETS	<u>Governmental Activities</u>
Cash and Investments	\$ 331,541,542
Receivables	4,247,280
Deposits	30,000
Inventories	59,042
Other Assets	256,595
Restricted assets:	
Cash and Investments	221,234,340
Intergovernmental Receivable	1,777,660
Capital Assets not being depreciated:	
Land	608,530,272
Land Interests	108,232,465
Construction in Progress	27,035,769
Capital Assets (net of accumulated depreciation):	
Buildings	24,789,344
Machinery and Equipment	6,818,574
Infrastructure	69,637,989
Software	17,225,175
Other Capital Assets	29,919
Total Assets	<u>1,421,445,966</u>
LIABILITIES	
Accounts and Contracts Payable	54,615,118
Payroll and Related Costs	1,641,292
Contracts Payable-Retainage	3,172,613
Due To Other Governments	1,040
Unearned Revenue	18,402,244
Interest Payable	5,513
Noncurrent Liabilities:	
Due Within One Year	1,295,041
Due in More Than One Year	5,555,586
Total Liabilities	<u>84,688,447</u>
NET POSITION	
Net Investment in Capital Assets	862,299,507
Restricted for:	
Watershed Basins	168,721,598
Land Acquisition	282,593
Unrestricted	<u>305,453,821</u>
Total Net Position	<u><u>\$ 1,336,757,519</u></u>

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

**Southwest Florida Water Management District
Statement of Activities
For the Year Ended September 30, 2013**

Functions/Programs	Expenses	Program Revenues			Net (Expense)
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Revenue and Changes in Net Assets
					Total Governmental Activities
Primary government:					
Governmental activities:					
Water Resource Planning and Monitoring	\$ 26,091,663	\$ 976	\$ 1,690,173	\$ -	\$ (24,400,514)
Land Acquisition, Restoration and Public Works	89,628,606	-	11,354,225	98,625	(78,175,756)
Operation and Maintenance of Works and Lands	16,942,966	1,029,695	2,850,083	-	(13,063,188)
Regulation	15,793,721	1,856,607	62,802	-	(13,874,312)
Outreach	3,201,426	-	-	-	(3,201,426)
Management and Administration	26,897,280	32,960	-	-	(26,864,320)
Total governmental activities	<u>\$ 178,555,662</u>	<u>\$ 2,920,238</u>	<u>\$ 15,957,283</u>	<u>\$ 98,625</u>	<u>(159,579,516)</u>
General Revenues:					
Ad Valorem Property Taxes					100,463,104
Unrestricted investment earnings					2,333,735
Gain on sale of capital assets					138,990
Other					1,129,872
Total general revenues					<u>104,065,701</u>
Change in net position					(55,513,815)
Net position - beginning					<u>1,392,271,334</u>
Net position - ending					<u>\$ 1,336,757,519</u>

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

Southwest Florida Water Management District
Balance Sheet
Governmental Funds
September 30, 2013

	<u>General Fund</u>	<u>DOT Mitigation</u>	<u>Florida Forever</u>	<u>Facilities</u>	<u>Total Governmental Funds</u>
ASSETS					
Cash and Investments	\$ 530,513,523	\$ 12,029,609	\$ 5,109,923	\$ 5,122,827	\$ 552,775,882
Due From Other Governments	5,275,181	-	10,050	-	5,285,231
Interest Receivable	739,709	-	-	-	739,709
Deposits	30,000	-	-	-	30,000
Inventories	59,042	-	-	-	59,042
Other Assets	256,595	-	-	-	256,595
Total Assets	<u>536,874,050</u>	<u>12,029,609</u>	<u>5,119,973</u>	<u>5,122,827</u>	<u>559,146,459</u>
LIABILITIES					
Accounts and Contracts Payable	54,604,493	15,700	438	-	54,620,631
Payroll and Related Costs	1,638,281	3,011	-	-	1,641,292
Contracts Payable-Retainage	3,065,970	106,643	-	-	3,172,613
Due To Other Governments	1,040	-	-	-	1,040
Unearned Revenue	6,497,989	11,904,255	-	-	18,402,244
Total Liabilities	<u>65,807,773</u>	<u>12,029,609</u>	<u>438</u>	<u>-</u>	<u>77,837,820</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue-property taxes	602,311	-	-	-	602,311
Total Deferred Inflows of Resources	<u>602,311</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>602,311</u>
FUND BALANCES					
Nonspendable	59,042	-	-	-	59,042
Restricted	169,364,063	-	282,593	-	169,646,656
Committed	73,976,535	-	4,608,293	-	78,584,828
Assigned	207,660,056	-	228,649	5,122,827	213,011,532
Unassigned	19,404,270	-	-	-	19,404,270
Total Fund Balances	<u>470,463,966</u>	<u>-</u>	<u>5,119,535</u>	<u>5,122,827</u>	<u>480,706,328</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 536,874,050</u>	<u>\$ 12,029,609</u>	<u>\$ 5,119,973</u>	<u>\$ 5,122,827</u>	

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

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	862,299,507
Delinquent taxes are not available to pay for current period expenditures and, therefore, are not reported in the funds.	602,311
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.	<u>(6,850,627)</u>
Net position of governmental activities	<u>\$ 1,336,757,519</u>

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

Southwest Florida Water Management District
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended September 30, 2013

	<u>General Fund</u>	<u>DOT Mitigation</u>	<u>Florida Forever</u>	<u>Facilities</u>	<u>Total Governmental Funds</u>
REVENUES					
Ad Valorem Property Taxes	\$ 100,906,682	\$ -	\$ -	\$ -	\$ 100,906,682
Intergovernmental Revenues	16,161,797	274,885	98,625	-	16,535,307
Interest on Invested Funds	2,296,588	25,951	11,196	-	2,333,735
License and Permit Fees	1,856,608	-	-	-	1,856,608
Other	1,622,360	-	-	-	1,622,360
Total Revenues	<u>122,844,035</u>	<u>300,836</u>	<u>109,821</u>	<u>-</u>	<u>123,254,692</u>
EXPENDITURES					
Current:					
Water Resource Planning and Monitoring	26,846,452	-	-	-	26,846,452
Land Acquisition, Restoration and Public Works	95,343,546	300,836	104,725	46,215	95,795,322
Operation and Maintenance of Works and Lands	15,450,118	-	-	-	15,450,118
Regulation	17,979,240	-	-	-	17,979,240
Outreach	3,247,319	-	-	-	3,247,319
Management and Administration	11,803,103	-	-	-	11,803,103
Total Expenditures	<u>170,669,778</u>	<u>300,836</u>	<u>104,725</u>	<u>46,215</u>	<u>171,121,554</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(47,825,743)	-	5,096	(46,215)	(47,866,862)
OTHER FINANCING SOURCES (USES)					
Sale of Capital Assets	<u>124,756</u>	-	<u>23,915</u>	-	<u>148,671</u>
Total Other Financing Sources and Uses	<u>124,756</u>	-	<u>23,915</u>	-	<u>148,671</u>
Net Change In Fund Balances	(47,700,987)	-	29,011	(46,215)	(47,718,191)
Fund Balances - Beginning	<u>518,164,953</u>	-	<u>5,090,524</u>	<u>5,169,042</u>	<u>528,424,519</u>
Fund Balances - Ending	<u>\$ 470,463,966</u>	<u>\$ -</u>	<u>\$ 5,119,535</u>	<u>\$ 5,122,827</u>	<u>\$ 480,706,328</u>

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

Net change in fund balances - total governmental funds	\$ (47,718,191)
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation expense exceeds capital outlays in the current period.	(8,547,351)
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, donations and adjustments) resulted in a decrease to net position.	(2,656,491)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. Delinquent taxes recorded as of September 30, 2013, were less than the amount recorded at prior year-end, resulting in a net decrease to income.	(443,578)
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	<u>3,851,796</u>
Change in net position of governmental activities	<u>\$ (55,513,815)</u>

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

**Southwest Florida Water Management District
General Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
For the Year Ended September 30, 2013**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Ad Valorem Property Taxes	\$ 100,477,587	\$ 100,477,587	\$ 100,906,682	\$ 429,095
Intergovernmental Revenues	29,446,010	29,446,010	16,161,797	(13,284,213)
Interest on Invested Funds	2,000,000	2,000,000	2,296,588	296,588
License and Permit Fees	1,900,000	1,900,000	1,856,608	(43,392)
Other	343,200	343,200	1,622,360	1,279,160
Total Revenues	<u>134,166,797</u>	<u>134,166,797</u>	<u>122,844,035</u>	<u>(11,322,762)</u>
EXPENDITURES				
Current:				
Water Resource Planning and Monitoring	47,490,138	48,113,061	26,846,452	21,266,609
Land Acquisition, Restoration and Public Works	274,125,750	274,373,994	95,343,546	179,030,448
Operation and Maintenance of Works and Lands	20,585,449	20,886,553	15,450,118	5,436,435
Regulation	22,055,532	23,156,475	17,979,240	5,177,235
Outreach	4,814,462	4,597,555	3,247,319	1,350,236
Management and Administration	18,808,041	16,751,734	11,803,103	4,948,631
Total Expenditures	<u>387,879,372</u>	<u>387,879,372</u>	<u>170,669,778</u>	<u>217,209,594</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(253,712,575)	(253,712,575)	(47,825,743)	205,886,832
OTHER FINANCING SOURCES (USES)				
Sale of Capital Assets	-	-	124,756	124,756
Total Other Financing Sources and Uses	<u>-</u>	<u>-</u>	<u>124,756</u>	<u>124,756</u>
Net Change In Fund Balance	<u>(253,712,575)</u>	<u>(253,712,575)</u>	<u>(47,700,987)</u>	<u>206,011,588</u>
Fund Balance - Beginning	253,712,575	253,712,575	518,164,953	264,452,378
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 470,463,966</u>	<u>\$ 470,463,966</u>

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

**Southwest Florida Water Management District
 DOT Mitigation Special Revenue Fund
 Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
 For the Year Ended September 30, 2013**

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
REVENUES			
Intergovernmental Revenues	\$ 3,824,910	\$ 274,885	\$ (3,550,025)
Interest on Invested Funds	-	25,951	25,951
Total Revenues	3,824,910	300,836	(3,524,074)
EXPENDITURES			
Current:			
Land Acquisition, Restoration and Public Works	3,824,910	300,836	3,524,074
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-
Fund Balance - Beginning	-	-	-
Fund Balance - Ending	\$ -	\$ -	\$ -

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



Notes to the Financial Statements

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

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Description

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

I. Summary of significant accounting policies

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

A. Reporting entity

The District is an independent special district of the State of Florida and is governed by a 13-member board, which is appointed by the Governor of Florida and confirmed by the Senate. As required by GAAP, these financial statements include all operations for which the District is financially accountable. The District is a component unit of the State of Florida for financial reporting purposes and these financial statements will be included in the State of Florida's Comprehensive Annual Financial Report as a discretely presented component unit for the fiscal year ending June 30, 2014.

B. Government-wide and fund financial statements

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

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

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

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

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

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expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Ad valorem property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements have been met.

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

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

The District reports the following major governmental funds:

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

The *DOT Mitigation Fund* accounts for revenue sources received from the State of Florida that are restricted for mitigation activities, pursuant to Section 373.4137, Florida Statutes. The State-mandated Florida Department of Transportation (FDOT) program requires that mitigation to offset the adverse wetland impacts of transportation projects be funded by the FDOT and be carried out by the use of mitigation banks and any other mitigation options that satisfy state and federal requirements. (See Note I.E.8., page 27).

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

The *Florida Forever Fund* accounts for financial resources received from the State of Florida and local governments for the acquisition of lands necessary for water management, water supply, and conservation of water resources under the Florida Forever land acquisition program (see Note I.E.8., page 27).

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

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D. Classification of expenditures

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

1.0 Water Resource Planning and Monitoring

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

2.0 Land Acquisition, Restoration, and Public Works

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

3.0 Operation and Maintenance of Works and Lands

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

4.0 Regulation

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

5.0 Outreach (Public Education)

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

6.0 Management and Administration

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

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

1. Cash and investments

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

Investments are stated at fair value pursuant to GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*. Historically, it was the policy of the District to hold all government securities to maturity. However, during the fiscal year, the

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District's investment policy was updated and the District currently has investment advisors actively managing a portion of the portfolio. The District has limited its investments to the following investments authorized in Section 218.415, Florida Statutes: (a) Local Government Surplus Funds Trust Fund (known as Florida PRIME and Pool B); (b) Securities and Exchange Commission registered money market funds with the highest credit quality rating from a nationally recognized rating agency; (c) Savings accounts in state-certified public depositories, as defined in Section 280.02, Florida Statutes; (d) Certificates of deposit in state-certified public depositories, as defined in Section 280.02, Florida Statutes; (e) Direct obligations of the U.S. Treasury; (f) Direct obligations of federal agencies and instrumentalities and other investments as authorized by the District's Governing Board through a resolution, including, negotiable certificates of deposit, mortgage-backed securities, state and /or local government taxable and /or tax-exempt debt, registered investment companies (mutual funds and money market mutual funds), repurchase agreements, bankers' acceptances, commercial paper, corporate notes and an intergovernmental investment pool.

2. Inventories

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

3. Restricted assets

Certain proceeds, including cash restricted for the basins, advanced funds received, and intergovernmental receivables of the general fund (\$1,743,004), Alafia River Basin (\$12,634,464), Hillsborough River Basin (\$67,007,100), Coastal Rivers Basin (\$9,162,019), Pinellas-Anclote River Basin (\$77,462,141), Withlacoochee River Basin (\$8,192,360), Peace River Basin (\$12,529,160), Manasota Basin (\$22,094,904), DOT Mitigation Fund (\$11,904,255), and the Florida Forever Fund (\$282,593) are classified as restricted assets on the statement of net position because their use is limited to specific purposes as identified within their related agreements or as required by Florida Statutes.

4. Capital assets

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

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

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

5. Compensated absences

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

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

6. Deferred outflows/inflows of resources

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

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

7. Fund balances

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

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The classifications are as follows:

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

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

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

Through a Governing Board Resolution, the District established an Economic Stabilization Fund from the committed General Fund Balance in the amount of \$23.1 million, to maintain sufficient working capital for a two-month period. The amount of the reserve is established annually during the budgetary process for the next fiscal year, and will fluctuate (increase/decrease) based on the amount of funds needed to maintain sufficient working capital for a two-month period. The reserve is to provide sufficient funds for unforeseen and unexpected events, meet major emergencies and ensure the District’s continued orderly operational and financial stability. The District’s Governing Board would have to approve the use of the Economic Stabilization Fund and the District’s budget would be amended.

Assigned – includes amounts that are intended to be used by the District for specific purposes but do not meet the criteria to be classified as restricted or committed. The authority for making an assignment is not required to be the government’s highest level of decision-making authority. It can include a body (a budget or finance committee, for example) or an official to which the governing body has delegated the authority to assign amounts to be used for specific purposes. Assignment of fund balance may be (a) made for a specific purpose that is narrower than the general purposes of the District itself; and/or (b) used to reflect the appropriation of a portion of existing unassigned fund balance to eliminate a projected deficit in the subsequent year’s budget in an amount no greater than the projected excess of expected expenditures over expected revenues. In accordance with the District’s Fund Balance Policy, assigned fund balance shall reflect management’s intended use of resources as set forth in the annual budget (and any amendments thereto). Significant encumbrances are displayed in total by each major fund within the Assigned category of fund balance (see note IV.H., page 37 and note V.B., page 38).

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

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

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8. State trust funds

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

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

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

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

The Water Protection and Sustainability Trust Fund was established in 2005 pursuant to Section 403.890, Florida Statutes, and is funded by excise tax proceeds. The State's Water Protection and Sustainability Program (WPSP) provides funds for the District Governing Board's highly effective partnership programs (i.e., Water Supply and Resource Development and Cooperative Funding Initiative) for alternative water supply development assistance, the SWIM Program and other surface water restoration activities in the water management district designated priority water bodies, and the West-Central Florida Water Restoration Action Plan. Revenues received from the trust fund are accounted for in the District's general fund. The FDEP has oversight responsibility for this trust fund.

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

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Revenues received from the trust fund are accounted for in the District's general fund (indirect charges) and the DOT Mitigation Fund. The FDOT has oversight responsibilities for this trust fund.

9. Use of estimates

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

F. New accounting pronouncements

The District implemented Governmental Accounting Standards Board (GASB) Statement No. 65, *Items Previously Reported as Assets and Liabilities*. This statement establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities. The District determined only one type of deferred item, which arises only under the modified accrual basis of accounting, that qualifies for reporting in this category. Accordingly, the item, unavailable revenue, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenue from property taxes. The amount is deferred and recognized as an inflow of resources in the period that the amount becomes available.

II. Reconciliation of government-wide and fund financial statements

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

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

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

The details of the \$6,850,627 difference are as follows:

Judgment (Skyway Trap and Skeet Club, Inc., see Note IV.G., page 36)	\$ 642,465
Compensated Absences	4,769,074
Other Post Employment Benefits (see Note V.D., page 40)	983,088
Claims (Workers’ Compensation) (see Note V.A., page 37)	<u>456,000</u>
Net adjustment to decrease <i>fund balance—total governmental funds</i> to arrive at <i>net position of governmental activities</i>	<u>\$ 6,850,627</u>

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

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between *net change in fund balances—total governmental funds* and *change in net position of governmental activities* as reported in the government-wide statement of

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activities. One element of the reconciliation explains that, “governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation expense exceeded capital outlays in the current period.”

The details of this \$8,547,351 difference are as follows:

Capital outlay	\$ 13,428,388
Depreciation expense	<u>(21,975,739)</u>
 Net adjustment to decrease <i>net changes in fund balances – total governmental funds</i> to arrive at <i>change in net position of governmental activities</i>	 <u>\$ (8,547,351)</u>

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

The details of this \$2,656,491 difference are as follows:

In the statement of activities, only the gain on the sale of capital assets is reported. However, in the governmental funds, the proceeds from the sale increase financial resources. Thus, the change in net position differs from the change in fund balance by the cost of the capital assets sold.	\$2,750,314
Donations of capital assets increase net position in the statement of activities, but do not appear in the governmental funds because they are not financial resources.	<u>(93,823)</u>
 Net adjustment to decrease <i>net change in fund balances– total governmental funds</i> to arrive at <i>change in net position of governmental activities</i> .	 <u>\$2,656,491</u>

Another element of the reconciliation states that, “Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.” The details of this \$3,851,796 difference are as follows:

Judgment (Skyway Trap and Skeet Club, Inc., see Note IV.G., page 36)	\$3,501,932
Compensated absences	318,242
Other Post Employment Benefits (see Note V.D., page 40)	<u>31,622</u>
 Net adjustment to increase <i>net change in fund balances – total governmental funds</i> to arrive at <i>change in net position of governmental activities</i>	 <u>\$3,851,796</u>

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III. Stewardship, compliance and accountability

A. Budgetary information

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for all governmental funds. Annual appropriated budgets for fiscal year 2012-13 were adopted by the District Governing Board for all governmental funds. The budget may be amended by District Governing Board action for supplemental budgetary appropriations; however, a budget amendment greater than \$1 million must be reviewed and approved by the Executive Office of the Governor prior to Governing Board approval. Remaining encumbered appropriations at fiscal year-end are carried forward and re-appropriated in the following fiscal year. Unencumbered appropriations lapse at fiscal year-end.

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

IV. Detailed notes

A. Cash and investments

As of September 30, 2013, the District had the following cash and investments:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Weighted Average Maturity (Years)</u>
U.S. Agencies	\$ 200,398,248	1.41
U.S. Treasuries	132,280,118	2.02
Commercial Paper	29,963,014	0.10
State Board of Administration Florida PRIME	110,682,553 ⁽¹⁾	0.12
State Board of Administration Fund B	2,829,329 ⁽¹⁾	4.04
Negotiable Certificate of Deposit	10,000,000	0.04
Money Market Funds	67,883,783	liquid daily
Total Fair Value of Investments	<u>554,037,045</u>	
Portfolio weighted average maturity		1.05
Demand Deposit Accounts	(1,262,113) ⁽²⁾	
Petty Cash	950	
Total Demand Deposits and Petty Cash	<u>(1,261,163)</u>	
Total Cash and Investments	<u>\$ 552,775,882</u>	

⁽¹⁾ The District participates in the State Board of Administration's (SBA) Florida PRIME and Fund B. As a Florida PRIME and Fund B participant, the District invests in pools of investments whereby the District owns a share of the respective pool, not the underlying securities. GASB Statement No. 31, titled *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, applies to Florida PRIME and Fund B. GASB Statement No. 31 outlines the two options for accounting and reporting for money market investment pools as either "2a-7 like" or fluctuating net asset value (NAV). GASB Statement No. 31 describes a "2a-7 like" pool as an external investment pool that is not registered with the Securities

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and Exchange Commission (SEC) as an investment company, but nevertheless has a policy that it will, and does, operate in a manner consistent with Rule 2a-7 under the Investment Company Act of 1940 (the 1940 Act). Rule 2a-7 is the rule that permits money market funds to use amortized cost to maintain a constant NAV of \$1.00 per share, provided that such funds meet certain conditions.

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

Fund B is accounted for as a fluctuating NAV pool. The fair value factor for September 30, 2013, was 1.13262284. The account balance was multiplied by the fair value factor in order to report the fair value of the District's investment in Fund B. Currently, participants are unable to withdraw funds from Fund B. Rather as cash becomes available in Fund B from interest receipts, maturities, or sales, it is distributed to participant accounts in Florida PRIME according to each participant's pro rata share of Fund B. All such distributions from Fund B to Florida PRIME will be 100 percent available for withdrawal upon transfer.

⁽²⁾ At September 30, 2013, the carrying amount of the District's cash demand deposit account was (\$1,262,113) and the bank balance was \$3,712,353. The District actively manages its cash balance and invests excess cash on a daily basis.

Interest rate risk: In accordance with the District's investment policy, the exposure to declines in fair values is managed by limiting the weighted average maturity of its investment portfolio to five years or less. Of the District's investments in U.S. Agencies, \$145,084,350 is callable by the issuers and is subject to the risk of being called prior to maturity. For purposes of calculating the weighted average maturity (years), it is anticipated that all investments will be held until maturity.

An estimate of weighted average life (WAL) is available for Fund B. In the calculation of WAL, the time at which an expected principal amount is to be received (measured in years) is weighted by the principal amount received at that time divided by the sum of all expected principal payments. The principal amounts used in the WAL calculation are not discounted to present value as they would be in a weighted average duration calculation. The WAL (based on expected future cash flows) of Fund B at September 30, 2013, is estimated at 4.04 years. However, because Fund B consists of restructured or defaulted securities there is considerable uncertainty regarding the weighted average life.

Credit Risk: In accordance with the District's investment policy, the District minimizes credit risk, the risk of loss due to the failure of the security, by limiting investments to the authorized investments in the investment policy (see note I.E.1., page 23), pre-qualifying the financial institutions, brokers/dealers, intermediaries, and advisors with which the District will do business, and diversifying the investment portfolio to protect against losses on individual securities. All of the District's investments in the U.S. Agencies and U.S. Treasuries were rated AAA or AA+ by Standard and Poor's, and Aaa by Moody's Investor Services. The SBA Florida PRIME is rated by Standard and Poor's. The current rating is AAAM. The SBA Fund B is not rated by any nationally recognized statistical rating agency. The money market funds in which the District has invested funds were rated AAA by Standard and Poor's, and Aaa by Moody's Investor Services. The investment in commercial paper and certificate of deposit were rated A-1+ or A-1 by Standard and Poor's and P-1 by Moody's Investor Services.

Custodial Credit Risk - Deposits: At September 30, 2013, the District's deposits were entirely covered by federal depository insurance or by collateral pledged with the State Treasurer pursuant to Chapter 280, Florida Statutes. Under this chapter, in the event of default by a participating financial institution (a qualified public depository), all participating institutions are obligated to reimburse the governmental entity for the loss.

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

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Concentration of Credit Risk: The District's policy authorizes investment allocation limits on security types, maturity and issuer limitations which may be modified by the Management Services Division Director from time to time based on market conditions, risk and diversification investment strategies.

At September 30, 2013, the District had the following percentage allocation by issuer:

<u>Issuer</u>	<u>Percentage of Total Portfolio</u>
United States Treasury	23.88 %
Florida State Board of Administration	20.49
Money Market Obligations Trust	12.25
Federal Home Loan Bank	10.90
Federal Farm Credit Bank	9.93
Federal Home Loan Mortgage Corporation	8.13
Federal National Mortgage Association	7.22
Toyota Motor Credit Corporation	1.80
BMP Paribas Finance Inc	1.80
Ridgefield Funding Company LLC	1.80
Nordea Bank Finland PLC	1.80
	<u>100.00 %</u>

B. Receivables

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

<u>Fund</u>	<u>Intergovernmental</u>	<u>Interest</u>	<u>Total Receivables</u>
General	\$ 5,275,181	\$ 739,709	\$ 6,014,890
Florida Forever	10,050	-	10,050
Total	<u>\$ 5,285,231</u>	<u>\$ 739,709</u>	<u>\$ 6,024,940</u>

C. Property Taxes

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

SOUTHWEST FLORIDA WATER MANAGEMENT DISTRICT
Notes to the Financial Statements
September 30, 2013

D. Unearned Revenue

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

	<u>Unearned Revenue</u>
General	
Grant drawdowns prior to meeting all eligibility requirements	\$ 6,497,989
DOT Mitigation	
Grant drawdowns prior to meeting all eligibility requirements	<u>11,904,255</u>
Total unearned revenue for governmental funds	<u><u>\$ 18,402,244</u></u>

SOUTHWEST FLORIDA WATER MANAGEMENT DISTRICT
Notes to the Financial Statements
September 30, 2013

E. Capital Assets

Capital asset activity for the year ended September 30, 2013, was as follows:

	Balance at October 1, 2012	Increases	Decreases	Reclassifications	Balance at September 30, 2013
Capital assets, not being depreciated:					
Land	\$ 611,065,223	\$ 40,300	\$ (2,073,482)	\$ (501,769)	\$ 608,530,272
Land Interests	106,070,551	2,509,433	(298,599)	(48,920)	108,232,465
Construction in Progress	23,276,162	7,498,966	-	(3,739,359)	27,035,769
Total capital assets, not being depreciated	740,411,936	10,048,699	(2,372,081)	(4,290,048)	743,798,506
Capital assets, being depreciated:					
Buildings	38,132,328	-	(443)	-	38,131,885
Machinery and Equipment	32,020,626	1,172,127	(1,717,116)	-	31,475,637
Infrastructure	128,212,965	256,237	(595,116)	969,303	128,843,389
Software	47,562,161	2,045,148	(949,051)	3,320,745	51,979,003
Other	153,421	-	(3,617)	-	149,804
Total capital assets being depreciated	246,081,501	3,473,512	(3,265,343)	4,290,048	250,579,718
Less accumulated depreciation for:					
Buildings	11,988,510	1,354,474	(443)	-	13,342,541
Machinery and Equipment	22,693,766	3,661,870	(1,698,573)	-	24,657,063
Infrastructure	56,398,813	3,043,995	(237,408)	-	59,205,400
Software	21,798,344	13,902,664	(947,180)	-	34,753,828
Other	110,655	12,736	(3,506)	-	119,885
Total accumulated depreciation	112,990,088	21,975,739	(2,887,110)	-	132,078,717
Total capital assets, being depreciated, net	133,091,413	(18,502,227)	(378,233)	4,290,048	118,501,001
Governmental activities capital assets, net	<u>\$ 873,503,349</u>	<u>\$ (8,453,528)</u>	<u>\$ (2,750,314)</u>	<u>\$ -</u>	<u>\$ 862,299,507</u>

SOUTHWEST FLORIDA WATER MANAGEMENT DISTRICT
Notes to the Financial Statements
September 30, 2013

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

Governmental activities	
Water Resources Planning and Monitoring	\$ 483,394
Acquisition, Restoration and Public Works	2,946,466
Operation and Maintenance of Lands and Works	2,614,710
Regulation	643,423
Outreach	2,328
Management and Administration	15,285,418
Total depreciation expense - governmental activities	<u>\$ 21,975,739</u>

F. Leases

Operating Leases

The District has lease commitments under various operating leases for buildings, 2-way radio antennas, Supervisory Control and Data Acquisition (SCADA) tower leases, and copier equipment, with the longest operating lease in effect until 2017. Lease expenditures for the year ended September 30, 2013, amounted to \$461,103.

Future minimum lease payments for the non-cancelable operating leases with remaining terms of more than one year are as follows:

Fiscal Year Ending September 30,	Minimum Lease Payments
2014	\$ 418,561
2015	234,513
2016	15,261
2017	15,719
	<u>\$ 684,054</u>

SOUTHWEST FLORIDA WATER MANAGEMENT DISTRICT
Notes to the Financial Statements
September 30, 2013

G. Long-term obligations

Long-term liability activity for the year ended September 30, 2013, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Judgment	\$ 4,144,397	\$ -	\$ 3,501,932	\$ 642,465 ⁽¹⁾	\$ 642,465
Compensated Absences	5,087,316	4,930,073	5,248,315	4,769,074 ⁽²⁾	476,907
Other Post Employment Benefits	1,014,710	475,374	506,996	983,088 ⁽²⁾	-
Workers' Compensation	456,000	89,688	89,688	456,000 ⁽³⁾	175,669
Total	\$ 10,702,423	\$ 5,495,135	\$ 9,346,931	\$ 6,850,627	\$ 1,295,041

⁽¹⁾ In fiscal year 2003-04, the District settled a legal matter, which obligates each of the parties to perform certain activities. The District estimated its cost to comply with the judgment at \$19.8 million based on cost estimates obtained from a third-party engineer. The estimated obligation remaining at September 30, 2013, is \$642,465. The restricted fund balance for the former Pinellas-Anclote River Basin will be used to satisfy the obligations for the judgment.

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

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

SOUTHWEST FLORIDA WATER MANAGEMENT DISTRICT
Notes to the Financial Statements
September 30, 2013

H. Fund Balance

Fund balances for all major funds at September 30, 2013 were as follows:

	<u>General Fund</u>	<u>Florida Forever</u>	<u>Facilities Fund</u>	<u>Total All Funds</u>
Nonspendable:				
Inventory	\$ 59,042	\$ -	\$ -	\$ 59,042
Total Nonspendable	<u>59,042</u>	<u>-</u>	<u>-</u>	<u>59,042</u>
Restricted for:				
Alafia River Basin	6,043,564	-	-	6,043,564
Hillsborough River Basin	60,564,793	-	-	60,564,793
Coastal Rivers Basin	5,936,114	-	-	5,936,114
Pinellas-Anclote River Basin	67,604,026	-	-	67,604,026
Withlacoochee River Basin	5,273,853	-	-	5,273,853
Peace River Basin	8,692,725	-	-	8,692,725
Manasota Basin	15,248,988	-	-	15,248,988
Land Management	-	282,593	-	282,593
Total Restricted	<u>169,364,063</u>	<u>282,593</u>	<u>-</u>	<u>169,646,656</u>
Committed to:				
Economic Stabilization Reserve	23,100,000	-	-	23,100,000
Long-term Projects Reserve	50,000,000	-	-	50,000,000
Land Management	876,535	4,608,293	-	5,484,828
Total Committed	<u>73,976,535</u>	<u>4,608,293</u>	<u>-</u>	<u>78,584,828</u>
Assigned to:				
Short-term Projects Reserve	122,743,985	-	4,622,827	127,366,812
Encumbrances	57,466,274	-	-	57,466,274
Workers' Compensation Reserve	456,000	-	-	456,000
Land Management Activities	1,797,592	228,649	-	2,026,241
Subsequent Years Budget	25,196,205	-	500,000	25,696,205
Total Assigned	<u>207,660,056</u>	<u>228,649</u>	<u>5,122,827</u>	<u>213,011,532</u>
Unassigned:	<u>19,404,270</u>	<u>-</u>	<u>-</u>	<u>19,404,270</u>
Total Fund Balances	<u>\$ 470,463,966</u>	<u>\$ 5,119,535</u>	<u>\$ 5,122,827</u>	<u>\$ 480,706,328</u>

V. Other information

A. Risk Management

The District is exposed to various risks of loss related to: tort; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural or manmade disasters. The District purchases commercial insurance coverage for all liabilities except workers' compensation as discussed below. During the year ended September 30, 2013, there were no significant reductions in insurance coverage from the prior year. In addition, no claims settlement has exceeded the insurance coverage amounts for the past four fiscal years.

SOUTHWEST FLORIDA WATER MANAGEMENT DISTRICT
Notes to the Financial Statements
September 30, 2013

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

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

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

	Year ended <u>09/30/2013</u>	Year ended <u>09/30/2012</u>
Unpaid claims, beginning of fiscal year	\$ 456,000	\$ 692,000
Incurred claims, including IBNRs and changes in estimates	89,688	(146,624)
Claim payments	<u>(89,688)</u>	<u>(89,376)</u>
Unpaid claims, end of fiscal year	<u>\$ 456,000</u>	<u>\$ 456,000</u>

At September 30, 2013, general fund assets of \$456,000 were assigned for the purpose of funding future workers' compensation claims liabilities, with a corresponding assignment of the general fund's fund balance.

B. Commitments and contingencies

At September 30, 2013, the District had unrestricted net position of approximately \$305.5 million that may be used to meet the government's ongoing commitments to citizens and creditors. It is the District's intent to use these assets to: satisfy contracts and purchase orders in the amount of \$57.5 million; fund future long- and short-term projects in the amount of \$177.4 million; maintain an economic stabilization reserve of \$23.1 million; support land management activities in the amount of \$7.5 million; pay claims associated with the District's Workers' Compensation Self-insurance Program in the amount of \$0.5 million; and carry forward \$25.7 million into the fiscal year 2013-14 budget. The additional remaining funds will be carried forward for allocation in the fiscal year 2014-15 budget.

The District had restricted net position of \$169 million. Of this amount, \$168.7 million must be used for projects in the seven former watershed basins and \$282,593 for land acquisition.

The District has been named as a defendant in several legal actions resulting from various causes. In the opinion of management and its legal counsel, any ultimate liability to the District resulting from resolution of the suits will not have a material effect on the financial condition of the District.

The District participates in various federal and state grant programs that are subject to review and audit by the grantor agencies. Entitlement to these resources is generally conditional upon compliance with the terms and conditions of grant agreements and applicable federal and state regulations, including the expenditure of resources for allowable purposes. Any disallowance resulting from a grantor audit may become a liability of the District.

SOUTHWEST FLORIDA WATER MANAGEMENT DISTRICT
Notes to the Financial Statements
September 30, 2013

C. Employee retirement systems and pension plans

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

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

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

Until June 30, 2011, the FRS was non-contributory for employees and the District was required to contribute an actuarially determined rate. Effective July 1, 2011, regular class and senior management class District employees are required to contribute 3 percent to their retirement plans.

The contribution rates (as applied to covered payroll) by class from October 1, 2012 thru June 30, 2013, were as follows:

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

The contribution rates (as applied to covered payroll) by class from July 1, 2013 thru September 30, 2013, were as follows:

Retirement Class	Employee Contribution Rate	Employer Contribution Rate	Total Contribution Rate
Regular Class	3.00%	6.95%	9.95%
Senior Management Class	3.00%	18.31%	21.31%
Deferred Retirement Option Program (DROP)	N/A	12.84%	12.84%

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

SOUTHWEST FLORIDA WATER MANAGEMENT DISTRICT
Notes to the Financial Statements
September 30, 2013

The District's contributions to the FRS for the years ended September 2011, 2012 and 2013 were \$4,016,225, \$1,797,545 and \$1,981,058 respectively, equal to the required contributions for each year.

D. Other postemployment benefits (OPEB)

Plan Description

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

Funding Policy

The contribution requirements of plan members are established and may be amended by the District's Governing Board. The District's employer OPEB contributions consist of an implicit rate subsidy and the cost of the premium subsidy. The District, in accordance with Section 112.0801, Florida Statutes, makes the health and dental benefits available for retired employees at a premium cost of no more than applicable to active employees. However, the retirees pay 100 percent of their premium costs less the premium subsidy. To determine the healthcare plan costs, the District is required to commingle the claims experience of the retiree group with that of the active employees. The table listed below summarizes monthly retiree contributions for the period beginning January 1, 2013.

	<u>Retiree</u>	<u>Retiree + Spouse</u>
Blue Options	\$578.36	\$1,135.44
Blue Choice	634.98	1,252.86

Annual OPEB Cost and Net OPEB Obligation

The District's annual OPEB cost is calculated based on the annual required contribution (ARC) of the employer, an amount actuarially determined in accordance with the parameters of GASB

SOUTHWEST FLORIDA WATER MANAGEMENT DISTRICT
Notes to the Financial Statements
September 30, 2013

Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal costs each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years.

The following table shows the calculation of the ARC and Net OPEB Obligation for the fiscal year ended September 30, 2013:

Determination of Annual Required Contribution:	
Normal Cost at year-end	\$ 195,777
Amortization of Unfunded Actuarial Accrued Liability (UAAL)	297,690
Annual Required Contribution	<u>\$ 493,467</u>
Determination of Net OPEB Obligation:	
Annual Required Contribution	\$ 493,467
Interest on prior year Net OPEB Obligation	40,588
Adjustment to ARC	<u>(58,681)</u>
Annual OPEB Cost	475,374
Assumed Contributions made	<u>(506,996)</u>
Decrease in Net OPEB Obligation	(31,622)
Net OPEB Obligation - beginning of year	<u>1,014,710</u>
Net OPEB Obligation - end of year	<u>\$ 983,088</u>

The District's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for fiscal year 2012-13 and the two preceding years were as follows:

Fiscal Year Ended	Discount Rate	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
09/30/2013	4.0%	\$475,374	106.7%	\$ 983,088
09/30/2012	4.0	473,864	105.8	1,014,710
09/30/2011	4.0	408,329	55.7	1,041,964

Funded Status and Funding Progress

As of September 30, 2013, the most recent actuarial valuation date, the plan was not funded. The actuarial accrued liability for benefits was \$5,147,662, resulting in an unfunded actuarial accrued liability of \$5,147,662.

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

SOUTHWEST FLORIDA WATER MANAGEMENT DISTRICT
Notes to the Financial Statements
September 30, 2013

Schedule of Funding Progress – Unaudited Required Supplementary Information

Actuarial Valuation Date	Actuarial Value of Assets	Discount Rate	Actuarial Liabilities (AAL)	Unfunded Actuarial Liabilities (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
10/1/2012	0	4.0%	\$5,147,662	\$5,147,662	0.00%	\$34,074,800	15.11%
10/1/2011	0	4.0	5,260,147	5,260,147	0.00	37,421,848	14.06
10/1/2010	0	4.0	4,115,346	4,115,346	0.00	43,926,250	9.37

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

Actuarial Methods and Assumptions

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

In the September 30, 2013, actuarial valuation, the Projected Unit Credit Actuarial Cost Method was used. Significant methods and assumptions include:

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

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

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

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



Other Supplementary Information

**Southwest Florida Water Management District
Florida Forever Capital Projects Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
For the Year Ended September 30, 2013**

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
REVENUES			
Intergovernmental Revenues	\$ 2,860,913	\$ 98,625	\$ (2,762,288)
Interest on Invested Funds	-	11,196	11,196
Total Revenues	2,860,913	109,821	(2,751,092)
EXPENDITURES			
Current:			
Land Acquisition, Restoration and Public Works	2,860,913	104,725	2,756,188
Total Expenditures	2,860,913	104,725	2,756,188
Excess of Revenues Over Expenditures	-	5,096	5,096
OTHER FINANCING SOURCES			
Sale of Capital Assets	-	23,915	23,915
Total Other Financing Sources	-	23,915	23,915
Net Change In Fund Balance	-	29,011	29,011
Fund Balance - Beginning	-	5,090,524	5,090,524
Fund Balance - Ending	\$ -	\$ 5,119,535	\$ 5,119,535

See accompanying independent auditors' report.

**Southwest Florida Water Management District
Facilities Capital Projects Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
For the Year Ended September 30, 2013**

	<u>Original and Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
REVENUES			
Ad Valorem Taxes	\$ -	\$ -	\$ -
EXPENDITURES			
Current:			
Land Acquisition, Restoration and Public Works	720,170	46,215	673,955
Deficiency of Revenues			
Under Expenditures	(720,170)	(46,215)	673,955
Fund Balance - Beginning	720,170	5,169,042	4,448,872
Fund Balance - Ending	<u>\$ -</u>	<u>\$ 5,122,827</u>	<u>\$ 5,122,827</u>

See accompanying independent auditors' report.



Statistical Section

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

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

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

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

	Fiscal Year									
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Governmental activities										
Net Investment in Capital Assets	\$ 862,299,507	\$ 873,503,349	\$ 857,375,759	\$ 851,883,344	\$ 811,448,233	\$ 779,451,560 (1, 2)	\$ 689,145,591	\$ 693,083,691	\$ 652,916,266	\$ 593,149,521
Restricted for Partnership Agreement	-	-	-	-	21,250,000	63,750,000	85,000,000	85,022,824	86,964,669	85,841,584
Restricted for Watershed Basins	168,721,598	226,419,010	285,544,515	287,476,936 (3)	-	-	-	-	-	-
Restricted for Land Acquisition	282,593	265,900	-	-	-	-	-	-	-	-
Unrestricted	305,453,821	292,083,075	272,588,267	277,256,081	557,839,262	518,141,689	452,034,832	343,505,980	255,474,209	222,720,041
Total governmental activities net position	<u>\$ 1,336,757,519</u>	<u>\$ 1,392,271,334</u>	<u>\$ 1,415,508,541</u>	<u>\$ 1,416,616,361</u>	<u>\$ 1,390,537,495</u>	<u>\$ 1,361,343,249</u>	<u>\$ 1,226,180,423</u>	<u>\$ 1,121,612,495</u>	<u>\$ 995,355,144</u>	<u>\$ 901,711,146</u>

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

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

	Fiscal Year									
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Expenses										
Governmental activities:										
Water Resource Planning and Monitoring	\$ 26,091,663	\$ 28,879,406	\$ 38,393,264	\$ 40,726,648	\$ 40,493,992	\$ 38,470,066 (1)	\$ 32,807,602	\$ 30,510,960	\$ 28,225,093	\$ 21,751,944
Land Acquisition, Restoration and Public Works	89,628,606	75,567,095	85,730,762	114,411,606	150,186,371	138,016,223	97,762,937	49,035,932	70,492,840	77,426,245
Operation and Maintenance of Works and Lands	16,942,966	16,439,958	17,287,730	17,143,156	19,777,540	21,623,536	15,914,021	15,929,460	13,754,235	14,653,283
Regulation	15,793,721	14,872,887	17,068,249	18,247,275	19,363,964	19,281,444	18,493,860	16,493,948	15,927,204	14,314,706
Outreach	3,201,426	3,885,569	5,693,533	6,331,730	6,249,764	5,290,433	5,306,415	4,543,475	3,707,207	3,727,632
Management and Administration	26,897,280	31,552,308	35,990,413	33,853,860	34,326,722	33,544,462 (1)	37,981,400	32,988,524	32,435,994	27,937,157
Total governmental activities expenses	<u>178,555,662</u>	<u>171,197,223</u>	<u>200,163,951</u>	<u>230,714,275</u>	<u>270,398,353</u>	<u>256,226,164 (1)</u>	<u>208,266,235</u>	<u>149,502,299</u>	<u>164,542,573</u>	<u>159,810,967</u>
Program Revenues										
Governmental activities:										
Charges for services:										
Water Resource Planning and Monitoring	976	217,587	188,119	377,909	628,276	403,339	134,780	186,666	192,074	249,779
Land Acquisition, Restoration and Public Works	-	-	-	-	-	-	-	-	-	-
Operation and Maintenance of Works and Lands	1,029,695	842,426	842,415	964,108	775,388	1,246,038	1,312,407	1,549,729	1,661,289	1,669,597
Regulation	1,856,607	1,641,624	1,862,728	1,865,778	1,672,672	2,289,411	3,282,034	4,026,078	3,443,788	3,303,915
Outreach	-	-	-	-	-	-	-	-	-	-
Management and Administration	32,960	49,687	783,826	913,966	966,484	1,085,229	1,051,604	994,953	988,226	1,035,609
Operating grants and contributions	15,957,283	32,271,976	23,181,021	22,570,976	46,665,491	55,273,724	34,828,465	29,109,494	22,945,387	25,535,832
Capital grants and contributions	98,625	1,419,281	3,009,100	30,604,190	11,827,554	62,873,713	2,691,252	25,585,607	39,018,186	37,012,993
Total governmental activities program revenues	<u>18,976,146</u>	<u>36,442,581</u>	<u>29,867,209</u>	<u>57,296,927</u>	<u>62,535,865</u>	<u>123,171,454</u>	<u>43,300,542</u>	<u>61,452,527</u>	<u>68,248,950</u>	<u>68,807,725</u>
Net (expense) revenue	<u>(159,579,516)</u>	<u>(134,754,642)</u>	<u>(170,296,742)</u>	<u>(173,417,348)</u>	<u>(207,862,488)</u>	<u>(133,054,710) (1)</u>	<u>(164,965,693)</u>	<u>(88,049,772)</u>	<u>(96,293,623)</u>	<u>(91,003,242)</u>
General Revenues and Other Changes in Net Position										
Governmental activities:										
Ad Valorem Property Taxes	100,463,104	104,722,421	161,850,765	189,205,683	216,708,977	238,923,620	237,448,913	189,355,313	161,163,202	143,869,238
Unrestricted investment earnings	2,333,735	5,197,926	6,515,579	8,199,031	13,220,367	17,906,722	28,204,657	19,640,423	9,467,843	4,565,891
Gain on sale of capital assets	138,990	316,321	-	-	-	-	-	4,223,961	-	348,906
Other	1,129,872	1,280,767	822,578	2,091,500	7,127,390	3,252,835	3,880,051	1,087,426	19,306,576	974,486
Total governmental activities general revenues	<u>104,065,701</u>	<u>111,517,435</u>	<u>169,188,922</u>	<u>199,496,214</u>	<u>237,056,734</u>	<u>260,083,177</u>	<u>269,533,621</u>	<u>214,307,123</u>	<u>189,937,621</u>	<u>149,758,521</u>
Change in Net Position	<u>\$ (55,513,815)</u>	<u>\$ (23,237,207)</u>	<u>\$ (1,107,820)</u>	<u>\$ 26,078,866</u>	<u>\$ 29,194,246</u>	<u>\$ 127,028,467 (1)</u>	<u>\$ 104,567,928</u>	<u>\$ 126,257,351</u>	<u>\$ 93,643,998</u>	<u>\$ 58,755,279</u>

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

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

	Fiscal Year									
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
General Fund:										
Nonspendable	\$ 59,042	\$ 40,128	\$ 40,754	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted	169,364,063	230,161,294	300,042,655	-	-	-	-	-	-	-
Committed	73,976,535	69,429,780	50,000,000	-	-	-	-	-	-	-
Assigned	207,660,056	182,313,883	184,375,566	-	-	-	-	-	-	-
Unassigned	19,404,270	36,219,868	40,647,870	-	-	-	-	-	-	-
Reserved	-	-	-	(1) 78,663,591	78,300,061	64,741,708	74,058,319	48,149,032	46,492,578	39,422,012
Unreserved	-	-	-	(1) 202,265,130	198,765,787	200,060,299	159,589,642	123,095,002	79,249,802	63,927,282
Total General Fund	<u>470,463,966</u>	<u>518,164,953</u>	<u>575,106,845</u>	<u>280,928,721</u>	<u>277,065,848</u>	<u>264,802,007</u>	<u>233,647,961</u>	<u>171,244,034</u>	<u>125,742,380</u>	<u>103,349,294</u>
All Other Governmental Funds										
Restricted	282,593	265,900	-	-	-	-	-	-	-	-
Committed	4,608,293	4,601,071	-	-	-	-	-	-	-	-
Assigned										
Capital projects funds	5,351,476	5,392,595	4,464,113	-	-	-	-	-	-	-
Reserved	-	-	-	(1) 219,967,926	278,430,186	288,253,902	283,263,772	252,049,380	232,410,135	239,197,020
Unreserved:										
Special revenue funds	-	-	-	(1) 89,360,956	51,036,573	63,517,629	47,956,689	32,878,423	12,768,377	17,043,939
Capital projects funds	-	-	-	(1) 161,264	(1,201,216)	(6,676,326)	(1,786,657)	(2,237,151)	(3,800,112)	(26,643,785)
Total All Other Governmental Funds	<u>10,242,362</u>	<u>10,259,566</u>	<u>4,464,113</u>	<u>309,490,146</u>	<u>328,265,543</u>	<u>345,095,205</u>	<u>329,433,804</u>	<u>282,690,652</u>	<u>241,378,400</u>	<u>229,597,174</u>
Total Fund Balances	<u><u>\$480,706,328</u></u>	<u><u>\$528,424,519</u></u>	<u><u>\$579,570,958</u></u>	<u><u>\$590,418,867</u></u>	<u><u>\$605,331,391</u></u>	<u><u>\$609,897,212</u></u>	<u><u>\$563,081,765</u></u>	<u><u>\$453,934,686</u></u>	<u><u>\$367,120,780</u></u>	<u><u>\$332,946,468</u></u>

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

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

	Fiscal Year									
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
REVENUES										
Ad Valorem Property Taxes	\$ 100,906,682	\$ 104,686,640	\$ 161,721,818	\$ 189,111,242	\$ 216,624,815	\$ 238,836,876	\$ 237,543,172	\$ 189,378,158	\$ 161,263,640	\$ 143,801,912
Intergovernmental Revenues	16,535,307	34,418,211	26,781,435	53,735,973	59,251,973	118,983,767	38,069,942	55,536,683	62,903,153	63,138,573
Interest on Invested Funds	2,333,735	5,197,926	6,515,579	8,199,031	13,220,367	17,906,722	28,204,657	19,640,423	9,467,843	4,565,891
License and Permit Fees	1,856,608	1,641,623	1,862,728	1,865,778	1,672,672	2,289,611	3,282,034	4,026,078	3,443,788	3,303,915
Other	1,622,360	1,571,454	2,652,672	2,193,925	2,207,137	2,666,641	3,276,451	3,542,367	3,371,782	3,349,578
Total Revenues	123,254,692	147,515,854	199,534,232	255,105,949	292,976,964	380,683,617	310,376,256	272,123,709	240,450,206	218,159,869
EXPENDITURES										
Current:										
Water Resource Planning and Monitoring	26,846,452	30,651,290	38,412,310	40,688,508	40,466,587	37,882,697	32,620,502	30,274,277	28,010,481	21,788,639
Land Acquisition, Restoration and Public Works	95,795,322	110,969,655	92,769,162	145,008,737	170,942,985	213,073,582	91,471,056	88,631,174	112,707,054	104,049,607
Operation and Maintenance of Works and Lands	15,450,118	15,363,015	15,558,263	19,841,405	19,678,843	19,600,288	16,310,879	16,710,796	14,693,684	15,572,454
Regulation	17,979,240	16,781,607	17,425,804	18,801,634	19,268,672	19,080,448	18,311,066	16,280,759	15,892,959	14,250,561
Outreach	3,247,319	3,909,820	5,732,562	6,327,680	6,236,445	5,267,523	5,286,577	4,514,870	3,676,618	3,718,886
Management and Administration	11,803,103	26,044,043	39,571,878	38,633,509	43,137,402	40,909,119	37,229,097	33,187,587	31,295,098	28,428,608
Debt Service / Capital Leases (2)										
Principal	-	-	871,253	671,821	697,536	686,831	-	-	-	-
Interest	-	-	40,909	45,179	19,464	-	-	-	-	-
Other	-	-	-	-	-	250	-	-	-	-
Total Expenditures	171,121,554	203,719,430	210,382,141	270,018,473	300,447,934	336,500,738	201,229,177	189,599,463	206,275,894	187,808,755
Excess of Revenues										
Over (under) Expenditures	(47,866,862)	(56,203,576)	(10,847,909)	(14,912,524)	(7,470,970)	44,182,879	109,147,079	82,524,246	34,174,312	30,351,114
OTHER FINANCING SOURCES (USES)										
Transfers In	-	-	300,042,655	913,423	40,908,961	3,773,441	17,275,932	14,211,995	17,269,052	17,496,250
Transfers Out	-	-	(300,042,655)	(913,423)	(40,908,961)	(3,773,441)	(17,275,932)	(14,211,995)	(17,269,052)	(17,496,250)
Sale of Capital Assets	148,671	5,057,137	-	-	1,957,405	636,871	-	4,289,660	-	-
Capital Lease Proceeds	-	-	-	-	947,744	1,995,697	-	-	-	-
Total Other Financing Sources and Uses	148,671	5,057,137	-	-	2,905,149	2,632,568	-	4,289,660	-	-
Net Change In Fund Balances	(47,718,191)	(51,146,439)	(10,847,909)	(14,912,524)	(4,565,821)	46,815,447	109,147,079	86,813,906	34,174,312	30,351,114
Fund Balances - Beginning	528,424,519	579,570,958	590,418,867	605,331,391	609,897,212	563,081,765	453,934,686	367,120,780	332,946,468	302,595,354
Fund Balances - Ending	\$ 480,706,328	\$ 528,424,519	\$ 579,570,958	\$ 590,418,867	\$ 605,331,391	\$ 609,897,212	\$ 563,081,765	\$ 453,934,686	\$ 367,120,780	\$ 332,946,468
Debt service as a percentage of noncapital expenditures (2)	0.00%	0.00%	0.47%	0.33%	0.27%	0.28%				

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

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

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

Fiscal Year	Water Resource Planning and Monitoring	Land Acquisition, Restoration and Public Works	Operation and Maintenance of Works and Lands	Regulation	Outreach (Public Education)	Management and Administration	Total Expenditures
2013	\$ 26,846,452 15.69%	\$ 95,795,322 55.97%	\$ 15,450,118 9.03%	\$ 17,979,240 10.51%	\$ 3,247,319 1.90%	\$ 11,803,103 6.90%	\$ 171,121,554 100.00%
2012	30,651,290 15.05%	110,969,655 54.47%	15,363,015 7.54%	16,781,607 8.24%	3,909,820 1.92%	26,044,043 12.78%	203,719,430 100.00%
2011	38,412,310 18.26%	92,769,162 44.10%	15,558,263 7.40%	17,425,804 8.28%	5,732,562 2.72%	40,484,040 19.24%	210,382,141 100.00%
2010	40,688,508 15.07%	145,008,737 53.71%	19,841,405 7.35%	18,801,634 6.96%	6,327,680 2.34%	39,350,509 14.57%	270,018,473 100.00%
2009	40,466,587 13.47%	170,942,985 56.89%	19,678,843 6.55%	19,268,672 6.41%	6,236,445 2.08%	43,854,402 14.60%	300,447,934 100.00%
2008	37,882,697 11.26%	213,073,582 63.32%	19,600,288 5.82%	19,080,448 5.67%	5,267,523 1.57%	41,596,200 12.36%	336,500,738 100.00%
2007	32,620,502 16.21%	91,471,056 45.45%	16,310,879 8.11%	18,311,066 9.10%	5,286,577 2.63%	37,229,097 18.50%	201,229,177 100.00%
2006	30,274,277 15.97%	88,631,174 46.75%	16,710,796 8.81%	16,280,759 8.59%	4,514,870 2.38%	33,187,587 17.50%	189,599,463 100.00%
2005	28,010,481 13.58%	112,707,054 54.65%	14,693,684 7.12%	15,892,959 7.70%	3,676,618 1.78%	31,295,098 15.17%	206,275,894 100.00%
2004	21,788,639 11.60%	104,049,607 55.40%	15,572,454 8.29%	14,250,561 7.59%	3,718,886 1.98%	28,428,608 15.14%	187,808,755 100.00%

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

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

Fiscal Year	Ad Valorem Property Taxes	Inter-Governmental Revenues	Interest on Invested Funds	License and Permit Fees	Other Revenues	Total Revenues
2013	\$ 100,906,682 81.86%	\$ 16,535,307 13.42%	\$ 2,333,735 1.89%	\$ 1,856,608 1.51%	\$ 1,622,360 1.32%	\$ 123,254,692 100.00%
2012	104,686,640 70.97%	34,418,211 23.33%	5,197,926 3.52%	1,641,623 1.11%	1,571,454 1.07%	147,515,854 100.00%
2011	161,721,818 81.05%	26,781,435 13.42%	6,515,579 3.27%	1,862,728 0.93%	2,652,672 1.33%	199,534,232 100.00%
2010	189,111,242 74.14%	53,735,973 21.06%	8,199,031 3.21%	1,865,778 0.73%	2,193,925 0.86%	255,105,949 100.00%
2009	216,624,815 73.94%	59,251,973 20.22%	13,220,367 4.51%	1,672,672 0.57%	2,207,137 0.76%	292,976,964 100.00%
2008	238,836,876 62.74%	118,983,767 31.26%	17,906,722 4.70%	2,289,611 0.60%	2,666,641 0.70%	380,683,617 100.00%
2007	237,543,172 76.53%	38,069,942 12.26%	28,204,657 9.09%	3,282,034 1.06%	3,276,451 1.06%	310,376,256 100.00%
2006	189,378,158 69.59%	55,536,683 20.41%	19,640,423 7.22%	4,026,078 1.48%	3,542,367 1.30%	272,123,709 100.00%
2005	161,263,640 67.07%	62,903,153 26.16%	9,467,843 3.94%	3,443,788 1.43%	3,371,782 1.40%	240,450,206 100.00%
2004	143,801,912 65.92%	63,138,573 28.94%	4,565,891 2.09%	3,303,915 1.51%	3,349,578 1.54%	218,159,869 100.00%

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

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

Fiscal Year	General Fund	Alafia River Basin	Hillsborough River Basin (2)	Northwest Hillsborough Basin (2)	Coastal Rivers Basin	Pinellas-Anclote River Basin	Withlacoochee River Basin	Peace River Basin	Manasota Basin	Facilities	Total	Percent Base Year	Annual Change in Percent
2013	\$ 100,906,682	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$ -	\$ 100,906,682	70.2 %	(2.6) %
2012 (4)	103,686,640	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	1,000,000	104,686,640	72.8	(39.7)
2011	103,214,335	\$ 3,923,939	\$ 13,194,097	N/A	\$ 3,692,841	\$ 15,887,378	\$ 4,264,102	\$ 6,435,698	\$ 9,609,428	1,500,000	161,721,818	112.5	(19.0)
2010	119,228,507	4,401,132	15,649,847	N/A	4,088,182	21,635,385	4,625,138	7,444,942	10,788,109	1,250,000	189,111,242	131.5	(19.1)
2009	134,486,978	4,821,088	13,004,137	\$ 5,376,574	4,553,491	27,497,327	4,925,509	8,525,216	12,184,495	1,250,000	216,624,815	150.6	(15.5) (3)
2008	147,940,801	5,526,420	12,611,129	6,665,194	5,086,354	30,934,560	5,411,367	9,350,470	13,910,581	1,400,000	238,836,876	166.1	0.9
2007	145,973,534	5,364,139	12,463,049	6,734,757	5,024,249	31,319,837	5,148,275	9,265,908	13,849,424	2,400,000	237,543,172	165.2	33.5
2006	115,088,950	4,251,799	10,084,129	5,690,823	4,449,920	25,938,951	3,701,008	6,760,928	11,011,650	2,400,000	189,378,158	131.7	19.6
2005	98,617,333	3,577,067	8,668,890	5,004,715	3,740,550	22,519,738	2,889,460	5,774,020	9,221,867	1,250,000	161,263,640	112.1	12.1
2004	88,260,896	2,517,053	7,125,716	4,593,204	3,317,387	20,270,787	2,598,289	6,038,604	8,104,976	975,000	143,801,912	100.0	0.0

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

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

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

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

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

Fiscal Year	Charlotte County	Citrus County	DeSoto County	Hardee County	Hernando County	Highlands County	Hillsborough County	Lake County	Levy County
2013	\$ 4,439,833 4.40%	\$ 3,064,224 3.04%	\$ 535,737 0.53%	\$ 586,380 0.58%	\$ 2,856,043 2.83%	\$ 1,486,962 1.47%	\$ 23,018,798 22.80%	\$ 25,856 0.03%	\$ 305,034 0.30%
2012	4,738,013 4.53%	3,538,541 3.38%	551,236 0.53%	575,607 0.55%	2,899,571 2.77%	1,555,751 1.49%	23,977,333 22.88%	28,068 0.03%	346,074 0.33%
2011	7,192,259 4.45%	5,422,966 3.35%	813,212 0.50%	854,038 0.53%	4,489,683 2.78%	2,333,287 1.44%	37,622,850 23.26%	29,498 0.02%	586,870 0.36%
2010	8,601,056 4.55%	5,764,046 3.05%	936,532 0.50%	913,609 0.48%	5,332,460 2.82%	2,768,332 1.46%	43,663,858 23.09%	30,416 0.02%	626,488 0.33%
2009 (2)	10,131,134 4.68%	6,192,558 2.86%	965,835 0.45%	899,843 0.42%	5,848,996 2.70%	2,947,649 1.36%	50,526,245 23.32%	31,110 0.01%	717,125 0.33%
2008	12,740,821 5.33%	7,166,628 3.00%	1,018,393 0.43%	988,590 0.41%	6,370,297 2.67%	3,309,726 1.39%	53,172,802 22.26%	31,752 0.01%	751,259 0.31%
2007	14,178,471 5.97%	7,350,108 3.09%	1,039,104 0.44%	889,608 0.37%	6,102,139 2.57%	3,050,390 1.28%	52,334,811 22.03%	30,030 0.01%	799,002 0.34%
2006	9,460,493 5.00%	5,639,059 2.98%	691,213 0.36%	788,792 0.42%	4,925,311 2.60%	2,153,281 1.14%	43,054,784 22.73%	22,883 0.01%	521,149 0.28%
2005	7,625,085 4.73%	4,604,586 2.86%	648,433 0.40%	830,431 0.51%	4,046,797 2.51%	1,844,887 1.14%	37,314,510 23.14%	19,355 0.01%	419,712 0.26%
2004	6,519,997 4.54%	4,192,495 2.92%	608,992 0.42%	821,026 0.57%	3,619,738 2.52%	1,683,539 1.17%	33,715,627 23.45%	16,680 0.01%	363,008 0.25%

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

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

Source: District records - Finance Bureau.

(continued)

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

Fiscal Year	Manatee County	Marion County	Pasco County	Pinellas County	Polk County	Sarasota County	Sumter County	Total
2013	\$ 8,846,636 8.77%	\$ 1,775,453 1.76%	\$ 7,322,772 7.26%	\$ 20,671,314 20.49%	\$ 8,418,238 8.34%	\$ 14,893,474 14.76%	\$ 2,659,928 2.64%	\$ 100,906,682 100.00%
2012	9,045,647 8.64%	1,964,342 1.88%	7,728,312 7.38%	21,257,754 20.31%	8,903,633 8.51%	15,061,380 14.39%	2,515,378 2.40%	104,686,640 100.00%
2011	12,593,267 7.79%	3,372,630 2.09%	12,011,482 7.43%	36,072,441 22.30%	13,236,667 8.18%	21,436,389 13.26%	3,654,279 2.26%	161,721,818 100.00%
2010	14,809,981 7.83%	3,953,855 2.09%	14,101,687 7.46%	44,266,162 23.41%	15,583,799 8.24%	24,086,237 12.73%	3,672,724 1.94%	189,111,242 100.00%
2009 (2)	16,369,036 7.56%	4,409,534 2.04%	16,381,859 7.56%	52,853,363 24.40%	17,291,246 7.98%	27,585,247 12.73%	3,474,035 1.60%	216,624,815 100.00%
2008	17,765,391 7.44%	4,877,757 2.04%	18,381,150 7.70%	58,568,414 24.52%	17,854,305 7.48%	32,375,418 13.56%	3,464,173 1.45%	238,836,876 100.00%
2007	17,223,698 7.25%	4,050,704 1.71%	17,581,645 7.40%	60,048,322 25.29%	16,682,869 7.02%	33,148,867 13.95%	3,033,404 1.28%	237,543,172 100.00%
2006	13,924,895 7.35%	2,742,778 1.45%	13,650,954 7.21%	49,977,644 26.39%	13,431,641 7.09%	26,130,517 13.80%	2,262,764 1.19%	189,378,158 100.00%
2005	11,849,868 7.35%	2,304,740 1.43%	11,154,070 6.92%	43,617,283 27.05%	11,734,719 7.28%	21,693,705 13.45%	1,555,459 0.96%	161,263,640 100.00%
2004	10,377,230 7.22%	2,031,561 1.41%	9,497,470 6.60%	39,362,797 27.37%	10,545,318 7.33%	19,146,756 13.31%	1,299,678 0.91%	143,801,912 100.00%

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

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

Source: District records - Finance Bureau.

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

<u>Fiscal Year</u>	<u>Assessed Valuation (1)</u>	<u>Total Tax Levy</u>	<u>Current Tax Collections</u>	<u>Percent of Current Tax Collection to Tax Levy</u>	<u>Delinquent Tax Collections</u>	<u>Total Tax Collections</u>	<u>Percent of Total Tax Collection to Tax Levy</u>
2013	\$ 266,456,598,757	\$ 104,664,153	\$ 100,265,203	95.80 %	\$ 641,479	\$ 100,906,682	96.41 %
2012	274,339,074,461	107,760,388	103,383,339	95.94	1,303,301	104,686,640	97.15
2011	287,863,529,751	167,583,548	160,425,813	95.73	1,296,005	161,721,818	96.50
2010	322,613,718,625	195,782,309	187,919,296	95.98	1,191,946	189,111,242	96.59
2009	364,790,289,103	225,150,454	215,394,447	95.67	1,230,368	216,624,815 (2)	96.21
2008	400,166,690,276	247,424,227	237,744,556	96.09	1,092,320	238,836,876	96.53
2007	364,100,486,292	246,000,306	236,984,777	96.34	558,395	237,543,172	96.56
2006	288,027,816,770	195,912,657	188,729,789	96.33	648,369	189,378,158	96.66
2005	244,929,632,264	166,878,893	159,400,042	95.52	1,863,598	161,263,640	96.64
2004	218,825,726,760	148,831,513	142,874,841	96.00	927,071	143,801,912	96.62

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

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

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

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

Fiscal Year	Charlotte County		Citrus County		DeSoto County		Hardee County	
	Taxable Assessed Value (2)	Estimated Just Value (3)	Taxable Assessed Value (1)	Estimated Just Value (3)	Taxable Assessed Value (1)	Estimated Just Value (3)	Taxable Assessed Value (1)	Estimated Just Value (3)
2013	\$ 11,721,083,416 4.40%	\$ 15,202,585,564	\$ 8,977,977,542 3.37%	\$ 10,591,756,106	\$ 1,371,139,288 0.51%	\$ 2,738,089,973	\$ 1,527,328,126 0.57%	\$ 2,318,038,347
2012	12,433,871,062 4.53%	15,775,252,608	9,336,411,252 3.40%	11,073,753,128	1,424,521,662 0.52%	2,820,729,089	1,508,413,982 0.55%	2,328,351,267
2011	13,386,137,357 4.65%	16,959,927,343	9,614,305,893 3.34%	11,929,442,840	1,440,295,660 0.50%	2,917,612,542	1,548,820,619 0.54%	2,499,618,714
2010	15,605,343,917 4.84%	20,165,561,587	10,074,921,377 3.12%	13,124,823,904	1,627,233,852 0.50%	3,534,008,206	1,648,825,033 0.51%	2,799,183,882
2009 (4)	18,744,588,641 5.14%	24,134,964,729	10,949,871,541 3.00%	14,592,430,322	1,782,603,163 0.49%	3,814,458,104	1,621,242,093 0.44%	3,597,898,593
2008	23,468,464,057 5.86%	30,281,403,475	12,388,874,371 3.10%	15,861,126,819	1,859,310,230 0.46%	3,837,360,015	1,775,558,774 0.44%	3,533,587,394
2007	24,129,410,539 6.63%	32,413,213,000	11,637,462,135 3.20%	15,252,149,646	1,758,121,481 0.48%	3,670,862,797	1,556,504,727 0.43%	2,689,526,887
2006	15,988,917,489 5.55%	20,937,367,172	8,700,489,533 3.02%	10,331,779,330	1,141,425,064 0.40%	2,094,506,489	1,404,977,510 0.49%	1,999,273,020
2005	12,924,151,263 5.28%	16,425,428,634	7,061,830,905 2.89%	7,951,200,451	1,049,892,450 0.43%	1,795,202,550	1,395,590,539 0.57%	1,841,574,901
2004	10,868,251,435 4.97%	13,787,164,905	6,377,731,045 2.91%	7,074,397,845	1,006,248,987 0.46%	1,680,115,048	1,381,408,737 0.63%	1,584,505,572

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

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

(continued)

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

Fiscal Year	Hernando County		Highlands County		Hillsborough County		Lake County	
	Taxable Assessed Value (1)	Estimated Just Value (3)	Taxable Assessed Value (2)	Estimated Just Value (3)	Taxable Assessed Value (1)	Estimated Just Value (3)	Taxable Assessed Value (2)	Estimated Just Value (3)
2013	\$ 7,323,902,726 2.75%	\$ 9,936,963,891	\$ 3,860,234,259 1.45%	\$ 6,167,846,381	\$ 60,812,026,614 22.82%	\$ 77,317,991,363	\$ 67,842,756 0.04%	\$ 19,108,024,743
2012	7,721,977,752 2.81%	10,579,974,346	4,048,756,058 1.48%	6,545,545,717	62,336,980,209 22.72%	79,628,695,108	71,781,864 0.03%	20,285,676,118
2011	8,393,836,609 2.92%	11,552,641,759	4,235,779,178 1.47%	6,874,145,162	65,116,419,986 22.61%	84,058,854,773	80,021,070 0.03%	22,161,571,162
2010	9,488,123,875 2.94%	13,471,360,637	4,936,206,579 1.53%	8,239,938,540	73,415,622,752 22.76%	96,774,421,040	81,481,877 0.03%	24,975,567,952
2009 (4)	10,387,499,612 2.85%	15,814,704,391	5,389,133,838 1.48%	9,254,973,711	83,938,830,501 23.01%	116,254,203,161	84,370,714 0.02%	27,928,949,304
2008	11,357,529,621 2.84%	16,512,802,416	5,931,994,995 1.48%	9,629,781,192	88,033,093,322 22.02%	120,823,337,789	86,675,044 0.02%	27,890,683,868
2007	9,901,079,038 2.72%	14,737,835,803	5,037,731,165 1.38%	8,271,475,339	78,793,903,491 21.64%	110,793,362,933	74,401,396 0.02%	24,009,757,409
2006	7,646,691,051 2.65%	11,004,596,658	3,510,605,604 1.22%	5,710,710,588	64,750,787,840 22.47%	87,321,571,180	55,477,839 0.02%	17,331,581,237
2005	6,302,986,453 2.57%	8,743,878,355	2,933,630,183 1.20%	4,688,682,365	55,903,214,952 22.82%	72,964,455,006	46,727,001 0.02%	14,414,739,917
2004	5,600,584,555 2.56%	7,642,982,147	2,690,892,370 1.23%	4,194,944,329	50,779,806,100 23.21%	64,837,890,327	40,709,970 0.02%	12,541,891,742

- (1) Taxable Assessed Value is calculated at 100 percent of market value less exempt and immune values and are as of January 1 on the calendar year preceding the applicable District fiscal year.
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(4) The reduction in Taxable Assessed and Estimated Just Values in fiscal year 2009 was due to declining property values and the impact of the amendment to the Florida Constitution (Amendment 1) that was passed by voters on January 29, 2008.

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

(continued)

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

Fiscal Year	Levy County		Manatee County		Marion County		Pasco County	
	Taxable Assessed Value (2)	Estimated Just Value (3)	Taxable Assessed Value (1)	Estimated Just Value (3)	Taxable Assessed Value (2)	Estimated Just Value (3)	Taxable Assessed Value (1)	Estimated Just Value (3)
2013	\$ 799,492,293 0.30%	\$ 2,946,228,268	\$ 23,322,999,512 8.75%	\$ 27,271,851,487	\$ 4,758,708,259 1.79%	\$ 21,695,907,937	\$ 19,116,580,564 7.17%	\$ 26,541,368,860
2012	899,834,945 0.33%	3,524,592,792	23,820,210,422 8.68%	28,200,290,660	5,181,774,461 1.89%	24,093,602,773	20,323,341,802 7.41%	28,013,760,041
2011	978,841,451 0.34%	3,989,729,515	24,909,396,182 8.65%	29,747,730,647	5,746,672,436 2.00%	27,116,911,018	20,754,922,138 7.21%	29,126,576,684
2010	1,039,092,617 0.32%	4,417,873,490	28,739,213,410 8.91%	35,315,585,698	6,615,903,811 2.05%	31,005,053,635	23,045,072,814 7.14%	32,681,663,769
2009 (4)	1,176,574,298 0.32%	4,992,458,397	31,728,741,317 8.70%	40,532,806,394	7,681,828,761 2.11%	36,172,335,899	26,767,890,444 7.34%	39,790,825,530
2008	1,283,131,348 0.32%	4,921,099,058	34,528,464,902 8.63%	44,545,058,066	8,364,377,817 2.09%	36,918,976,765	29,729,044,446 7.43%	42,731,680,816
2007	1,223,533,954 0.34%	4,651,266,241	30,735,678,005 8.44%	39,852,622,216	6,132,576,329 1.68%	28,210,769,525	25,750,555,212 7.07%	37,956,299,419
2006	788,382,168 0.27%	2,892,868,688	24,759,022,291 8.60%	31,744,642,359	4,216,130,979 1.46%	19,412,346,247	19,804,373,845 6.88%	27,816,171,324
2005	634,607,144 0.26%	2,319,580,260	21,188,932,148 8.65%	26,527,994,186	3,412,304,183 1.39%	16,203,462,528	16,171,800,551 6.60%	22,176,529,678
2004	549,645,916 0.25%	1,828,924,432	18,574,279,816 8.49%	22,702,620,085	3,020,525,681 1.38%	14,177,653,309	13,883,582,485 6.34%	18,859,943,686

- (1) Taxable Assessed Value is calculated at 100 percent of market value less exempt and immune values and are as of January 1 on the calendar year preceding the applicable District fiscal year.
(2) Taxable Assessed Value is calculated at 100 percent of market value less exempt and immune values, represents only those portions of counties within District boundaries and are as of January 1 on the calendar year preceding the applicable District fiscal year.
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(4) The reduction in Taxable Assessed and Estimated Just Values in fiscal year 2009 was due to declining property values and the impact of the amendment to the Florida Constitution (Amendment 1) that was passed by voters on January 29, 2008.

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

(continued)

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

Fiscal Year	Pinellas County		Polk County		Sarasota County		Sumter County		Total	
	Taxable Assessed Value (1)	Estimated Just Value (3)	Taxable Assessed Value (2)	Estimated Just Value (3)	Taxable Assessed Value (1)	Estimated Just Value (3)	Taxable Assessed Value (1)	Estimated Just Value (3)	Taxable Assessed Value (2)	Estimated Just Value (3)
2013	\$ 54,425,420,037 20.43%	\$ 70,485,578,787	\$ 22,180,556,410 8.32%	\$ 27,995,854,184	\$ 39,170,913,940 14.70%	\$ 49,359,975,511	\$ 7,020,393,015 2.63%	\$ 9,442,513,580	\$ 266,456,598,757 100.00%	\$ 379,120,574,982
2012	55,608,566,276 20.27%	72,683,171,813	23,369,108,379 8.52%	29,429,384,408	39,585,676,326 14.43%	49,842,203,473	6,667,848,009 2.43%	9,041,889,537	274,339,074,461 100.00%	393,866,872,878
2011	58,395,259,809 20.29%	77,107,914,679	24,919,832,620 8.66%	32,090,561,797	42,118,634,428 14.63%	53,406,022,942	6,224,354,315 2.16%	8,605,957,586	287,863,529,751 100.00%	420,145,219,163
2010	64,799,464,910 20.09%	89,120,171,479	28,735,416,677 8.91%	39,151,322,368	46,554,772,530 14.43%	59,857,675,826	6,207,022,594 1.92%	8,885,586,796	322,613,718,625 100.00%	483,519,798,809
2009 (4)	73,364,672,321 20.11%	105,800,594,551	32,149,838,024 8.81%	45,690,203,869	53,170,778,042 14.58%	70,539,563,052	5,851,825,793 1.60%	8,848,146,235	364,790,289,103 100.00%	567,759,516,242
2008	80,171,847,018 20.03%	114,317,705,946	32,728,357,906 8.18%	45,514,480,070	62,685,251,050 15.66%	83,355,313,080	5,774,715,375 1.44%	8,387,422,260	400,166,690,276 100.00%	609,061,819,029
2007	75,661,254,861 20.78%	110,368,480,158	28,070,713,660 7.71%	37,942,552,926	59,015,112,895 16.21%	81,694,691,410	4,622,447,404 1.27%	6,755,285,291	364,100,486,292 100.00%	559,270,151,000
2006	62,891,555,541 21.84%	87,770,598,200	22,463,188,999 7.80%	27,996,939,791	46,517,976,673 16.15%	61,995,122,756	3,387,814,344 1.18%	5,142,166,017	288,027,816,770 100.00%	421,502,241,056
2005	54,946,057,068 22.43%	74,965,518,100	19,808,792,690 8.09%	23,216,260,315	38,833,229,197 15.85%	50,750,692,901	2,315,885,537 0.95%	3,487,213,628	244,929,632,264 100.00%	348,472,413,775
2004	49,736,379,395 22.73%	66,487,561,200	18,175,358,199 8.31%	21,243,060,892	34,139,701,996 15.60%	43,539,696,480	2,000,620,073 0.91%	2,944,121,089	218,825,726,760 100.00%	305,127,473,088

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

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

(3) The Estimated Just Value represents the estimated total value of taxable property within the 16-county area encompassed by the District, and is updated based on the Department of Revenue Comparative Statement of Just Values, Real Property Only as of January 1 on the calendar year preceding the applicable District fiscal year

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

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

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

Fiscal Year	General Fund (Districtwide)	Alafia River Basin	Hillsborough River Basin	Northwest Hillsborough Basin (2)	Coastal Rivers Basin	Pinellas-Anclote River Basin	Withlacoochee River Basin	Peace River Basin	Manasota Basin	Maximum Legal Rate (1)	
										Districtwide	Per Basin
2013	0.3928	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	1.0000	N/A
2012 (3)	0.3928	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	1.0000	N/A
2011	0.3770	0.2163	0.2300	N/A	0.1885	0.2600	0.2308	0.1827	0.1484	0.5000	0.5000
2010	0.3866	0.2163	0.2421	N/A	0.1885	0.3200	0.2308	0.1827	0.1484	0.5000	0.5000
2009	0.3866	0.2163	0.2547	0.2421	0.1885	0.3600	0.2308	0.1827	0.1484	0.5000	0.5000
2008	0.3866	0.2163	0.2547	0.2421	0.1885	0.3701	0.2308	0.1827	0.1484	0.5000	0.5000
2007	0.4220	0.2400	0.2850	0.2680	0.2050	0.4000	0.2650	0.1950	0.1600	0.5000	0.5000
2006	0.4220	0.2400	0.2850	0.2680	0.2350	0.4000	0.2650	0.1950	0.1600	0.5000	0.5000
2005	0.4220	0.2400	0.2850	0.2680	0.2350	0.4000	0.2650	0.1950	0.1600	0.5000	0.5000
2004	0.4220	0.2400	0.2850	0.2680	0.2350	0.4000	0.2650	0.1950	0.1600	0.5000	0.5000

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

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

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

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

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

County	Fiscal Year					
	2013			2004		
	Taxable Assessed Value (1) (Thousands)	Rank	Percent of Total Taxable Assessed Value	Taxable Assessed Value (1) (Thousands)	Rank	Percent of Total Taxable Assessed Value
Hillsborough	\$ 60,812,027	1	22.82 %	\$ 50,779,806	1	23.21 %
Pinellas	54,425,420	2	20.43	49,736,379	2	22.73
Sarasota	39,170,914	3	14.70	34,139,702	3	15.60
Manatee	23,323,000	4	8.75	18,574,280	5	8.49
Polk	22,180,556	5	8.32	18,175,358	4	8.31
Pasco	19,116,581	6	7.17	13,883,583	6	6.34
Charlotte	11,721,083	7	4.40	10,868,251	7	4.97
Citrus	8,977,978	8	3.37	6,377,731	8	2.91
Hernando	7,323,903	9	2.75	5,600,585	9	2.56
Sumter	7,020,393	10	2.63	2,000,620	12	0.91
Marion	4,758,708	11	1.79	3,020,526	10	1.38
Highlands	3,860,234	12	1.45	2,690,892	11	1.23
Hardee	1,527,328	13	0.57	1,381,409	13	0.63
DeSoto	1,371,139	14	0.51	1,006,249	14	0.46
Levy	799,492	15	0.30	549,646	15	0.25
Lake	67,843	16	0.04	40,710	16	0.02
	<u>\$266,456,599</u>		<u>100.00 %</u>	<u>\$218,825,727</u>		<u>100.00 %</u>

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

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

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

Fiscal Year (1)	Governmental Activities		District Population	Per Capita
	Capital Leases	Total Debt		
2013	\$ -	\$ -	4,929,595	0.00
2012	-	-	4,852,712	0.00
2011	-	-	4,776,765	0.00
2010	871,253	871,253	4,726,582	0.18
2009	1,543,074	1,543,074	4,688,370	0.33
2008	1,308,866	1,308,866	4,663,063	0.28

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

(2) Personal income and estimated just value data is only available for county-wide boundaries, which are not consistent with District boundaries. Therefore, personal income and estimated just value debt ratios are not provided.

Sources: Historical (2008-2011) and projected (2012-2013) population figures were obtained from Woods & Poole Economics, 2013 Florida State Profile: State and County Projections to 2040.

2004-2009 County portional populations were obtained by GIS Associates, Inc.

2010 and after County portional populations were obtained from SWFWMD Water Supply Section and BEBR Projections of Florida Population by County 2010-2040.

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

Calendar Year	Charlotte * County	Citrus County	DeSoto County	Hardee County	Hernando County	Highlands * County	Hillsborough County	Lake * County
2013	164,855 3.34%	144,483 2.93%	35,726 0.72%	28,274 0.57%	182,719 3.71%	93,719 1.90%	1,319,699 26.76%	1,053 0.02%
2012	162,357 3.35%	142,242 2.93%	35,307 0.73%	28,077 0.58%	177,899 3.67%	91,414 1.88%	1,293,639 26.66%	1,008 0.02%
2011	159,889 3.35%	140,031 2.93%	34,894 0.73%	27,887 0.58%	173,094 3.62%	89,117 1.87%	1,267,775 26.53%	965 0.02%
2010	159,496 3.37%	141,277 2.99%	34,950 0.74%	27,809 0.59%	173,022 3.66%	89,310 1.89%	1,233,373 26.09%	938 0.02%
2009	159,051 3.39%	141,381 3.02%	34,592 0.74%	27,661 0.59%	171,950 3.67%	89,618 1.91%	1,214,050 25.89%	889 0.02%
2008	159,934 3.43%	142,122 3.05%	34,374 0.74%	27,603 0.59%	172,437 3.70%	90,294 1.94%	1,196,773 25.66%	843 0.02%
2007	159,259 3.45%	140,974 3.05%	34,537 0.75%	27,489 0.59%	169,891 3.68%	89,921 1.95%	1,184,686 25.63%	795 0.02%
2006	156,671 3.44%	137,826 3.03%	34,300 0.75%	27,049 0.59%	164,398 3.61%	88,920 1.95%	1,171,826 25.72%	737 0.02%
2005	154,886 3.48%	133,791 3.00%	33,864 0.76%	26,874 0.60%	157,156 3.53%	87,061 1.95%	1,143,154 25.65%	669 0.02%
2004	156,221 3.60%	129,840 2.99%	33,895 0.78%	26,847 0.62%	149,593 3.45%	84,791 1.95%	1,108,225 25.52%	740 0.02%

Permanent Population = Year-round residents only

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

Sources: Historical (2004-2011) and projected (2012-2013) population data was updated from Woods & Poole Economics, [2013 Florida State Profile: State and County Projections to 2040](#).
2004-2009 County portional populations were obtained by GIS Associates, Inc.
2010 and after County portional populations were obtained from SWFWMD - Water Supply Section and BEBR Projections of Florida Population by County 2010-2040.

(continued)

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

Calendar Year	Levy * County	Manatee County	Marion * County	Pasco County	Pinellas County	Polk * County	Sarasota County	Sumter County	Total
2013	23,447 0.48%	341,995 6.94%	108,768 2.21%	489,991 9.94%	921,389 18.69%	577,020 11.71%	391,179 7.94%	105,278 2.14%	4,929,595 100.00%
2012	23,104 0.48%	334,536 6.89%	106,185 2.19%	478,198 9.85%	919,243 18.94%	571,327 11.77%	386,661 7.97%	101,515 2.09%	4,852,712 100.00%
2011	22,766 0.48%	327,142 6.85%	103,644 2.17%	466,457 9.77%	917,398 19.21%	565,737 11.84%	382,213 8.00%	97,756 2.05%	4,776,765 100.00%
2010	23,074 0.49%	323,453 6.84%	102,805 2.18%	465,536 9.85%	916,220 19.38%	560,956 11.87%	380,043 8.04%	94,320 2.00%	4,726,582 100.00%
2009	23,253 0.50%	320,711 6.84%	101,684 2.17%	462,607 9.87%	915,330 19.51%	557,688 11.90%	377,262 8.05%	90,643 1.93%	4,688,370 100.00%
2008	23,306 0.50%	318,766 6.84%	100,483 2.15%	461,313 9.89%	916,458 19.65%	554,746 11.90%	377,178 8.09%	86,433 1.85%	4,663,063 100.00%
2007	23,054 0.50%	316,410 6.85%	98,214 2.12%	453,579 9.81%	918,624 19.86%	547,186 11.84%	375,325 8.12%	82,101 1.78%	4,622,045 100.00%
2006	22,711 0.50%	313,771 6.89%	94,511 2.07%	439,529 9.65%	924,182 20.30%	531,343 11.66%	371,361 8.15%	76,202 1.67%	4,555,337 100.00%
2005	22,172 0.50%	306,845 6.88%	89,855 2.02%	421,844 9.46%	929,426 20.85%	512,378 11.50%	367,912 8.25%	69,261 1.55%	4,457,148 100.00%
2004	21,480 0.49%	296,183 6.82%	84,853 1.95%	401,648 9.25%	928,305 21.38%	497,479 11.46%	357,751 8.24%	64,456 1.48%	4,342,307 100.00%

Permanent Population = Year-round residents only

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

Sources: Historical (2004-2011) and projected (2012-2013) population data was updated from Woods & Poole Economics, [2013 Florida State Profile: State and County Projections to 2040](#).
2004-2009 County portional populations were obtained by GIS Associates, Inc.
2010 and after County portional populations were obtained from SWFWMD - Water Supply Section and BEBR Projections of Florida Population by County 2010-2040.

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

Calendar Year (1)	Total County Population	Within District Population	Population Within District Increase	Population Within District Percent Increase
2013	5,558,856	4,929,595	76,883	1.58 %
2012	5,467,399	4,852,712	75,947	1.59
2011	5,376,984	4,776,765	50,183	1.06
2010	5,321,813	4,726,582	38,212	0.82
2009	5,288,370	4,688,370	25,307	0.54
2008	5,265,680	4,663,063	41,018	0.89
2007	5,201,830	4,622,045	66,708	1.46
2006	4,971,083	4,555,337	98,189	2.20
2005	4,858,137	4,457,148	114,841	2.64
2004	4,734,664	4,342,307	0	0.00

(1) Data is for calendar years.

Sources: Historical (2004-2011) and projected (2012-2013) population data was updated from Woods & Poole Economics, 2013 Florida State Profile: State and County Projections to 2040.
2004-2009 County portional populations were obtained by GIS Associates, Inc.
2010 and after County portional populations were obtained from SWFWMD - Water Supply Section and BEBR Projections of Florida Population by County 2010-2040.

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

Calendar Year	Charlotte County			Citrus County		
	Personal Income (Millions)	Per Capita Income	Unemployment Rate	Personal Income (Millions)	Per Capita Income	Unemployment Rate
2013	\$ 5,160.59	\$ 31,185	7.0 %	\$ 4,116.09	\$ 28,488	7.6 %
2012	5,053.51	31,007	8.7	4,027.25	28,313	9.4
2011	5,443.05	33,509	11.1	4,274.04	29,468	11.7
2010	5,288.75	33,057	12.4	4,129.61	29,261	12.9
2009	5,155.30	32,295	11.5	4,014.40	28,394	11.7
2008	5,274.74	32,871	8.0	3,991.91	28,088	8.0
2007	5,333.71	33,390	4.9	4,039.44	28,654	4.9
2006	5,193.40	33,058	3.3	3,892.97	28,246	3.7
2005	4,894.18	31,522	3.9	3,679.13	27,499	4.2
2004	4,718.59	29,911	5.2	3,445.87	26,539	5.4

All data is based on county-wide data and income figures are presented in 2004 dollars.

Sources: Unemployment data was obtained from Bureau of Labor Statistics, U.S. Department of Labor, 2014.
Personal and Per Capita Income historical (2002-2011) and projected (2012-2013) were obtained from Woods and Poole Economics, 2013 Florida State Profile: State and County Projections to 2040.

(continued)

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

Calendar Year	DeSoto County			Hardee County		
	Personal Income (Millions)	Per Capita Income	Unemployment Rate	Personal Income (Millions)	Per Capita Income	Unemployment Rate
2013	\$ 734.04	\$ 20,546	8.3 %	\$ 626.19	\$ 22,147	9.1 %
2012	721.46	20,434	10.4	609.46	21,707	10.7
2011	767.15	21,675	10.5	661.20	23,576	10.4
2010	750.37	21,449	11.1	629.31	22,636	11.5
2009	732.48	21,175	9.8	596.33	21,559	10.3
2008	721.19	20,981	6.6	597.88	21,660	6.5
2007	728.61	21,097	4.7	591.61	21,522	4.4
2006	728.59	21,242	3.6	588.80	21,768	3.9
2005	687.56	20,304	4.5	592.42	22,045	4.7
2004	646.87	19,085	5.6	558.36	20,798	6.0

All data is based on county-wide data and income figures are presented in 2004 dollars.

Sources: Unemployment data was obtained from Bureau of Labor Statistics, U.S. Department of Labor, 2014. Personal and Per Capita Income historical (2002-2011) and projected (2012-2013) were obtained from Woods and Poole Economics, 2013 Florida State Profile: State and County Projections to 2040.

(continued)

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

Calendar Year	Hernando County			Highlands County		
	Personal Income (Millions)	Per Capita Income	Unemployment Rate	Personal Income (Millions)	Per Capita Income	Unemployment Rate
2013	\$ 4,882.40	\$ 26,721	8.2 %	\$ 2,676.79	\$ 25,758	8.3 %
2012	4,629.63	26,024	10.2	2,600.16	25,676	9.7
2011	4,963.20	27,521	13.6	2,725.42	26,685	11.4
2010	4,802.13	27,757	11.7	2,656.08	26,911	11.7
2009	4,697.64	27,320	10.5	2,582.52	26,098	10.5
2008	4,674.25	27,107	7.0	2,552.19	25,633	7.0
2007	4,693.90	27,629	4.6	2,580.99	26,065	4.6
2006	4,515.14	27,465	3.7	2,502.08	25,587	3.7
2005	4,230.46	26,919	4.6	2,359.25	24,675	4.2
2004	4,012.98	26,826	5.1	2,267.30	24,359	5.1

All data is based on county-wide data and income figures are presented in 2004 dollars.

Sources: Unemployment data was obtained from Bureau of Labor Statistics, U.S. Department of Labor, 2014. Personal and Per Capita Income historical (2002-2011) and projected (2012-2013) were obtained from Woods and Poole Economics, 2013 Florida State Profile: State and County Projections to 2040.

(continued)

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

Calendar Year	Hillsborough County			Lake County		
	Personal Income (Millions)	Per Capita Income	Unemployment Rate	Personal Income (Millions)	Per Capita Income	Unemployment Rate
2013	\$ 43,100.98	\$ 32,660	6.5 %	\$ 9,145.63	\$ 28,834	6.9 %
2012	42,342.81	32,732	8.3	8,935.85	28,911	8.6
2011	42,829.55	34,222	10.7	9,258.75	30,217	10.8
2010	41,854.27	33,922	11.8	8,957.20	30,063	12.0
2009	41,688.72	34,339	10.3	8,801.60	29,784	10.8
2008	42,021.12	35,112	6.2	8,993.99	30,628	6.3
2007	42,080.14	35,520	4.0	9,077.71	31,312	4.0
2006	41,543.17	35,452	3.2	8,692.44	30,898	3.3
2005	39,259.89	34,343	3.7	8,108.73	30,303	3.7
2004	37,270.05	33,630	4.3	7,726.23	30,344	4.4

All data is based on county-wide data and income figures are presented in 2004 dollars.

Sources: Unemployment data was obtained from Bureau of Labor Statistics, U.S. Department of Labor, 2014.
Personal and Per Capita Income historical (2002-2011) and projected (2012-2013) were obtained from Woods and Poole Economics,
2013 Florida State Profile: State and County Projections to 2040.

(continued)

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

Calendar Year	Levy County			Manatee County		
	Personal Income (Millions)	Per Capita Income	Unemployment Rate	Personal Income (Millions)	Per Capita Income	Unemployment Rate
2013	\$ 947.46	\$ 22,945	7.6 %	\$ 11,844.38	\$ 34,633	7.0 %
2012	930.49	22,851	9.2	11,591.88	34,651	8.7
2011	1,008.91	24,163	11.0	12,032.75	36,390	10.9
2010	966.26	23,721	12.2	11,701.05	36,177	12.3
2009	930.37	22,759	11.1	11,562.75	36,053	11.2
2008	936.46	22,947	6.9	11,743.62	36,841	6.8
2007	940.60	23,396	4.1	12,335.90	38,987	4.0
2006	931.55	23,615	3.5	12,223.73	38,957	3.0
2005	901.07	23,493	3.7	11,620.59	37,871	3.4
2004	845.53	22,541	4.6	10,822.33	36,539	4.1

All data is based on county-wide data and income figures are presented in 2004 dollars.

Sources: Unemployment data was obtained from Bureau of Labor Statistics, U.S. Department of Labor, 2014. Personal and Per Capita Income historical (2002-2011) and projected (2012-2013) were obtained from Woods and Poole Economics, 2013 Florida State Profile: State and County Projections to 2040.

(continued)

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

Calendar Year	Marion County			Pasco County		
	Personal Income (Millions)	Per Capita Income	Unemployment Rate	Personal Income (Millions)	Per Capita Income	Unemployment Rate
2013	\$ 9,657.14	\$ 27,937	7.6 %	\$ 13,406.48	\$ 27,361	7.5 %
2012	9,392.57	27,701	9.5	13,042.36	27,274	9.5
2011	9,769.73	28,967	12.6	13,396.12	27,988	11.9
2010	9,507.91	28,700	13.8	12,911.90	27,735	13.1
2009	9,358.66	28,284	12.4	12,632.43	27,307	11.6
2008	9,491.24	28,757	7.7	12,733.44	27,603	7.3
2007	9,626.15	29,561	4.4	12,700.12	28,000	4.8
2006	9,362.41	29,599	3.4	12,083.07	27,491	3.8
2005	8,610.59	28,366	3.7	11,285.84	26,754	4.3
2004	7,925.28	27,219	4.6	10,654.12	26,526	5.0

All data is based on county-wide data and income figures are presented in 2004 dollars.

Sources: Unemployment data was obtained from Bureau of Labor Statistics, U.S. Department of Labor, 2014.
Personal and Per Capita Income historical (2002-2011) and projected (2012-2013) were obtained from Woods and Poole Economics,
2013 Florida State Profile: State and County Projections to 2040.

(continued)

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

Calendar Year	Pinellas County			Polk County		
	Personal Income (Millions)	Per Capita Income	Unemployment Rate	Personal Income (Millions)	Per Capita Income	Unemployment Rate
2013	\$ 35,895.66	\$ 38,958	6.5 %	\$ 17,771.68	\$ 28,454	8.0 %
2012	35,560.24	38,684	8.2	17,457.87	28,297	9.7
2011	37,127.83	40,170	10.6	18,028.78	29,626	11.6
2010	36,079.52	39,357	11.7	17,525.97	29,075	12.5
2009	35,683.97	38,985	10.5	17,280.69	28,865	11.0
2008	36,910.23	40,275	6.3	17,707.80	29,771	6.6
2007	37,603.13	40,934	4.0	17,684.08	30,179	4.4
2006	37,714.93	40,809	3.3	17,201.02	30,266	3.6
2005	36,616.57	39,397	3.8	16,329.96	29,833	4.0
2004	35,443.20	38,181	4.4	15,194.35	28,794	4.9

All data is based on county-wide data and income figures are presented in 2004 dollars.

Sources: Unemployment data was obtained from Bureau of Labor Statistics, U.S. Department of Labor, 2014. Personal and Per Capita Income historical (2002-2011) and projected (2012-2013) were obtained from Woods and Poole Economics, 2013 Florida State Profile: State and County Projections to 2040.

(continued)

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

Calendar Year	Sarasota County			Sumter County		
	Personal Income (Millions)	Per Capita Income	Unemployment Rate	Personal Income (Millions)	Per Capita Income	Unemployment Rate
2013	\$ 18,436.40	\$ 47,130	6.6 %	\$ 2,344.99	\$ 22,274	5.7 %
2012	18,275.31	47,264	8.4	2,236.84	22,035	7.1
2011	19,647.65	51,160	10.8	2,382.69	24,256	8.1
2010	19,145.57	50,400	12.2	2,280.29	24,239	9.2
2009	19,021.26	50,419	11.0	2,153.14	23,754	8.9
2008	19,713.21	52,265	7.0	2,050.53	23,724	5.5
2007	19,651.89	52,360	4.3	1,898.14	23,120	3.4
2006	19,455.10	52,389	3.1	1,756.33	23,048	2.7
2005	18,169.34	49,385	3.4	1,538.02	22,206	3.3
2004	17,355.86	48,514	4.0	1,362.48	21,138	4.5

All data is based on county-wide data and income figures are presented in 2004 dollars.

Sources: Unemployment data was obtained from Bureau of Labor Statistics, U.S. Department of Labor, 2014.
Personal and Per Capita Income historical (2002-2011) and projected (2012-2013) were obtained from Woods and Poole Economics, 2013 Florida State Profile: State and County Projections to 2040.

**Southwest Florida Water Management District
Demographic Statistics
Top Ten Non-Government Employers Within a Single County
For Fiscal Years Ending September 30, 2013 and September 30, 2008
(unaudited)**

Employer	Fiscal Year							
	2013				2008			
	County	Number of Employees	Rank	Percent of Total Workforce	County	Number of Employees	Rank	Percent of Total Workforce
Verizon Communications	Hillsborough	9,957	1	0.37 %	Hillsborough	14,000	1	0.57 %
Publix Super Markets	Polk	9,800	2	0.37	Polk	9,500	2	0.39
Tampa International Airport	Hillsborough	7,500	3	0.28	Hillsborough	7,760	3	0.32
Tampa General Hospital	Hillsborough	6,515	4	0.25	-	-	-	-
Publix Super Markets	Hillsborough	5,714	5	0.22	-	-	-	-
Florida Hospital	Hillsborough	5,179	6	0.20	-	-	-	-
WalMart	Polk	5,100	7	0.19	Polk	5,100	6	0.21
Lakeland Regional Medical Center	Polk	4,500	8	0.17	Polk	4,600	8	0.19
H. Lee Moffitt Cancer Center & Research Institute	Hillsborough	4,187	9	0.16	-	-	-	-
Busch Entertainment Corporation	Hillsborough	3,737	10	0.14				
St. Joseph's Hospital	-	-	-	-	Hillsborough	5,242	4	0.21
JPMorgan Chase	-	-	-	-	Hillsborough	5,237	5	0.21
Publix Super Markets	-	-	-	-	Hillsborough	4,630	7	0.19
MOSAIC	-	-	-	-	Polk	4,000	9	0.16
Bank of America	-	-	-	-	Hillsborough	3,754	10	0.15
Total		<u>62,189</u>		<u>2.35 %</u>		<u>63,823</u>		<u>2.60 %</u>
District 16-County Total Workforce		2,655,450				2,450,452		

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

Sources: 2008 data from [E Enterprise County Profiles, 2012 Enterprise Florida, http://www.eflora.com](http://www.eflora.com).

2013 total workforce from Woods and Poole Economics, [2013 Florida State Profile: State and County Projections to 2040](#).

2013 employers from individual counties with the exception of DeSoto and Hardee which were not available.

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

Fiscal Year	Water Resources Planning and Monitoring	Land Acquisition, Restoration and Public Works	Operation and Maintenance of Works and Lands	Regulation	Outreach (Public Education)	Management and Administration	Total Budgeted Personnel (FTE's)
2013	154 24.96%	48 7.78%	118 19.12%	193 31.28%	22 3.57%	82 13.29%	617 100.00%
2012	164 24.16%	44 6.48%	127 18.70%	218 32.11%	25 3.68%	101 14.87%	679 100.00%
2011	151 20.52%	46 6.25%	107 14.54%	193 26.22%	23 3.13%	216 29.34%	736 100.00%
2010	162 22.01%	51 6.93%	103 14.00%	195 26.49%	22 2.99%	203 27.58%	736 100.00%
2009	162 22.01%	51 6.93%	104 14.13%	196 26.63%	20 2.72%	203 27.58%	736 100.00%
2008	131 17.80%	64 8.69%	112 15.22%	206 27.99%	20 2.72%	203 27.58%	736 100.00%
2007	125 16.98%	67 9.10%	107 14.54%	213 28.94%	20 2.72%	204 27.72%	736 100.00%
2006	120 16.30%	67 9.10%	109 14.81%	213 28.94%	20 2.72%	207 28.13%	736 100.00%
2005	120 16.30%	65 8.83%	107 14.54%	216 29.35%	20 2.72%	208 28.26%	736 100.00%
2004	118 16.03%	60 8.15%	112 15.22%	214 29.08%	18 2.45%	214 29.07%	736 100.00%

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

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

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

Fiscal Year	Water Use		Environmental Resource		Well Construction		Total	
	Permit Applications	Permits Issued	Permit Applications	Permits Issued	Permit Applications	Permits Issued	Permit Applications	Permits Issued
2013	1,062 15.13%	929 13.98%	1,967 28.02%	1,754 26.39%	3,991 56.85%	3,963 59.63%	7,020 100.00%	6,646 100.00%
2012	1,113 14.88%	1,111 15.09%	1,878 25.11%	1,815 24.65%	4,489 60.01%	4,438 60.26%	7,480 100.00%	7,364 100.00%
2011	1,148 15.23%	1,072 14.61%	1,760 23.35%	1,641 22.37%	4,629 61.42%	4,624 63.02%	7,537 100.00%	7,337 100.00%
2010	1,055 14.37%	973 13.56%	1,883 25.65%	1,803 25.13%	4,403 59.98%	4,400 61.31%	7,341 100.00%	7,176 100.00%
2009	1,102 12.56%	1,044 12.14%	2,454 27.97%	2,392 27.81%	5,219 59.47%	5,165 60.05%	8,775 100.00%	8,601 100.00%
2008	794 5.95%	701 5.47%	3,138 23.52%	3,046 23.77%	9,410 70.53%	9,068 70.76%	13,342 100.00%	12,815 100.00%
2007	718 4.10%	613 3.74%	3,928 22.45%	3,809 23.23%	12,854 73.45%	11,974 73.03%	17,500 100.00%	16,396 100.00%
2006	659 3.57%	605 3.42%	4,321 23.41%	3,640 20.58%	13,475 73.02%	13,443 76.00%	18,455 100.00%	17,688 100.00%
2005	641 3.68%	565 3.31%	3,953 22.65%	3,707 21.68%	12,857 73.67%	12,826 75.01%	17,451 100.00%	17,098 100.00%
2004	652 4.06%	622 4.06%	3,767 23.46%	3,100 20.17%	11,641 72.48%	11,645 (1) 75.77%	16,060 100.00%	15,367 100.00%

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

Sources: Fiscal Years 2004-2008 data obtained from the District Regulatory Database, Performance Management Office.
Fiscal Years 2009-2013 data obtained from the District Water Management Information System, Regulatory Support.

Southwest Florida Water Management District
Estimated Total Water Use by County
(million gallons per day)
September 30, 2013
(unaudited)

County	Agricultural	Industrial Commercial	Mining Dewatering	Public Supply (Withdrawal)	Domestic Self-Supply	Recreational Aesthetic	Total (Withdrawal) (1)	Public Supply (Use) (2)	Total (Use) (3)
Charlotte *	11.483	0.027	0.503	7.416	0.552	2.012	21.993	15.694	30.271
Citrus	2.187	3.346	0.082	13.807	6.126	5.365	30.913	13.574	30.680
DeSoto	73.096	0.642	0.017	32.071	1.511	0.304	107.641	6.792	82.362
Hardee	53.679	2.323	2.019	1.475	0.713	0.457	60.666	1.407	60.598
Hernando	2.643	5.319	0.099	19.222	3.190	6.565	37.038	19.210	37.026
Highlands *	49.337	0.067	0.040	7.519	1.522	2.238	60.723	7.368	60.572
Hillsborough	65.490	9.454	4.224	175.511	9.768	9.090	273.537	139.007	237.033
Lake *	1.493	0.000	0.000	0.000	0.077	0.000	1.570	0.000	1.570
Levy *	8.036	0.004	0.000	0.752	0.941	0.215	9.948	0.689	9.885
Manatee	73.754	7.652	2.099	43.693	0.000	10.976	138.174	36.729	131.210
Marion *	3.918	0.066	0.029	9.497	5.951	3.226	22.687	9.429	22.619
Pasco	12.291	1.437	0.014	60.785	11.626	4.277	90.430	42.263	71.908
Pinellas	0.198	0.111	0.000	28.477	0.000	2.596	31.382	94.554	97.459
Polk *	114.356	33.123	15.118	66.042	8.097	9.251	245.987	66.735	246.680
Sarasota	4.935	0.155	0.359	19.498	3.444	7.211	35.602	30.618	46.722
Sumter	8.341	0.429	0.583	21.640	3.921	2.355	37.269	21.465	37.094
	<u>485.237</u>	<u>64.155</u>	<u>25.186</u>	<u>507.405</u>	<u>57.439</u>	<u>66.138</u>	<u>1,205.560</u>	<u>505.534</u>	<u>1,203.689</u>

Data collection is based on calendar year 2012.

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

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

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

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

Source: District records - Table 9 - 2012 Estimated Water Use Report Draft, January 2014.

Southwest Florida Water Management District
Nature of Capital Assets by Program
Net of Accumulated Depreciation
September 30, 2013
(unaudited)

Capital Assets	Water Resource Planning and Monitoring	Land Acquisition, Restoration and Public Works	Operation and Maintenance of Works and Lands	Regulation	Outreach (Public Education)	Management and Administration	Total Capital Assets
Capital Assets not subject to depreciation:							
Land	\$ 506,075	\$ 605,302,262	\$ 1,795,854	\$ -	\$ -	\$ 926,081	\$ 608,530,272
Land Interests	15,071	105,612,357	-	2,605,037	-	-	108,232,465
Construction in Progress	1,670,445	25,258,238	5,243	-	-	101,843	27,035,769
Capital Assets subject to depreciation:							
Buildings	3,607	12,110,116	12,564,492	-	-	111,129	24,789,344
Machinery & Equipment	299,730	404,415	3,166,664	124,353	8,672	2,814,740	6,818,574
Infrastructure	2,095,155	48,614,370	18,892,642	-	-	35,822	69,637,989
Software (1)	409,310	30,079	108,832	2,768,828	14,248	13,893,878	17,225,175
Other	116	-	28,498	-	-	1,305	29,919
Total Capital Assets by Program	\$ 4,999,509	\$ 797,331,837	\$ 36,562,225	\$ 5,498,218	\$ 22,920	\$ 17,884,798	\$ 862,299,507
Percent of Total	0.58%	92.47%	4.24%	0.64%	less than .01%	2.07%	100.00%

**Land Ownership
(acres)
Fiscal Year**

Type of Ownership:	2013 (2)	2012	2011	2010	2009	2008	2007	2006	2005	2004
Land										
Acquired or Surplused	(1,872)	86	1,332	206	3,964	6,809	546	5,071	9,815	6,602
Cumulative	343,330	345,202	345,116	343,784	343,578	339,614	332,805	332,259	327,188	317,373
Land Interests										
Acquired or Surplused	991	124	1,277	8,755	320	8,631	719	-	1,817	-
Cumulative	105,537	104,546	104,422	103,145	94,390	94,070	85,439	84,720	84,720	82,903
Total Acres	448,867	449,748	449,538	446,929	437,968	433,684	418,244	416,979	411,908	400,276

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

(1) The implementation of GASB 51 in fiscal year 2009 created the need to capitalize software. Data not available for fiscal years prior to 2009.

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

Source: District records - Finance Bureau, Property Administration.

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Single Audit Compliance



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

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and each major fund of the Southwest Florida Water Management District (the District), a component unit of the State of Florida, as of and for the year ended September 30, 2013, and the related notes to the financial statements, which collectively comprise the Southwest Florida Water Management District's basic financial statements, and have issued our report thereon dated March 14, 2014.

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 combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the District's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The



results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

KPMG LLP

March 14, 2014
Certified Public Accountants



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

Independent Auditors' Report on Compliance for Each Major Program and Report on Internal Control Over Compliance Required by OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and Chapter 10.550, *Rules of the Auditor General*

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

Report on Compliance for Each Major Federal Program and State Project

We have audited the Southwest Florida Water Management District's (the District) compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* and in the Florida Department of Financial Services' *State Projects Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs and state projects for the year ended September 30, 2013. The District's major federal programs and state projects are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

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.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the District's major federal programs and state projects based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and Chapter 10.550, *Rules of the Auditor General*. Those standards, OMB Circular A-133, and Chapter 10.550 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program or state project occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion 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 Southwest Florida Water Management District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs and state projects for the year ended September 30, 2013.



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 OMB Circular A-133 and Chapter 10.550, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program or state project on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program or state project will not be prevented, or detected and corrected, on a timely basis. 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 OMB Circular A-133 and Chapter 10.550. Accordingly, this report is not suitable for any other purpose.

KPMG LLP

March 14, 2014
Certified Public Accountants

SOUTHWEST FLORIDA WATER MANAGEMENT DISTRICT
Schedule of Expenditures of Federal Awards and State Financial Assistance
Year ended September 30, 2013

<u>Federal/State Agency/Pass Through Entity</u>	CFDA, CSFA Number	Grant ID#	Expenditures
<u>FEDERAL AWARDS</u>			
<u>U.S. Environmental Protection Agency</u>			
Passed through Florida Department of Environmental Protection:			
Non Point Source Implementation Grants:			
North Dale Mabry Highway Stormwater Improvement	66.460	C9-9945-1504 & 1506	\$ 54,884
Lake Hancock Outfall Treatment System Stormwater Improvement	66.202	XP96445612-1	773,700
Total U.S. Environmental Protection Agency			828,584
<u>U.S. Department of Commerce - National Oceanic and Atmospheric Administration</u>			
Passed through National Fish and Wildlife Foundation:			
Restoration of Mac Dill Air Force Base	11.463	NFWF 8006.08.034461	250,000
Total U.S. Department of Commerce			250,000
<u>U.S. Department of Homeland Security - Federal Emergency Management Agency (FEMA)</u>			
Direct Program:			
Cooperating Technical Partners Mapping Activity Statement Citrus & Highlands Co	97.045	EMA-2006-CA-5613	187,290
Cooperating Technical Partners Mapping Activity Statement DeSoto & Hardee Co	97.045	EMA-2005-CA-5218	210,327
Cooperating Technical Partners Mapping Activity Statement Hernando Co	97.045	EMA-2004-CA-5021	72,020
Cooperating Technical Partners Mapping Activity Statement Levy & Sumter Co	97.045	EMA-2007-CA-5779	78,354
Total U.S. Department of Homeland Security - FEMA			547,991
<u>U.S. Department of Transportation</u>			
Passed through Florida Department of Transportation:			
Highway Planning and Construction Cluster:			
Efficient Transportation Decision Making	20.205	41506422809	62,802
DOT Mitigation	20.205	SWWM1,5,7,8	197,023
Total U.S. Department of Transportation			259,825
 Total Expenditures of Federal Awards			 \$ 1,886,400

(Continued)

SOUTHWEST FLORIDA WATER MANAGEMENT DISTRICT
Schedule of Expenditures of Federal Awards and State Financial Assistance
Year ended September 30, 2013
(Continued)

<u>Grantor/Pass through Agency</u>	CFDA, CSFA Number		Grant ID #	Expenditures
<u>STATE AWARDS</u>				
<u>Department of Agriculture and Consumer Services</u>				
Weather Station Best Management Practices	42.017	H529	019982	\$ 58,679
Long Creek FARMS Conservation Project	42.017	H583	020126	100,000
Total Department of Agriculture and Consumer Services				158,679
<u>Department of Environmental Protection</u>				
Florida Forever Trust Fund (FFTF) and Water Management Lands Trust Fund (WMLTF):				
Florida Forever - Preacquisition	37.022	FFTF		98,625
Florida Forever - Lake Hancock Outfall Treatment	37.022	FFTF		194,196
WMLTF- Lake Hancock	37.022	WMLTF		3,909,275
WMLTF - Land Management and Use	37.022	WMLTF		2,669,698
WMLTF - Payment in Lieu of Taxes	37.022	WMLTF		131,520
WMLTF - Surface Water Improvement and Management (SWIM) Total Program	37.022	WMLTF		<u>1,459,326</u> 8,462,640
Statewide Surface Water Restoration and Wastewater Projects:				
Coral Creek Habitat Restoration	37.039	W553	SWW71,81	10,866
Facilitating Agricultural Resource Management Systems (FARMS)	37.039	H017	SWW31,51,61,71,81,91	174,627
Myakka River Watershed Evaluation	37.039	H048	SWW71,81,91	175,359
Neal Preserve Environmental Restoration	37.039	W602/16/19	SWW81	31,765
Rock Pond Ecosystem Restoration	37.039	W395	SWW61,71,81,91	532
Red Bug Slough	37.039	W624	SWW71	85,733
Sweetwater Creek Restoration	37.039	W388	SWW71	22,014
Terra Ceia Habitat Restoration	37.039	W348	SWW51	10,539
Upper Peace River/Lake Hancock Level Modification Total Program	37.039	H008	SWW71,81	<u>1,900</u> 513,335
Water Protection and Sustainability Program Trust Fund:				
West-Central Florida Water Restoration Action Plan (WRAP)	37.066	various	SWW91	1,375,396
Surface Water Restoration Projects	37.066	various	WPSPTF	247,547
Surface Water Improvement and Management (SWIM)	37.066	various	WPSPTF	14,244
Alternative Water Supply Total Program	37.066	various	WPSPTF	<u>1,853,428</u> 3,490,615
Total Department of Environmental Protection				12,466,590
<u>Department of Transportation (DOT)</u>				
Mitigation Water Management Districts:				
DOT Mitigation	55.031	SWWM1,5,7,8		137,929
Maintenance & Monitoring Total Program	55.031	SWWM1,5,7,8		<u>88,889</u> 226,818
Stormwater Retrofit:				
River Tower Restoration	55.024	W387	A-NZ90	135
Robles Park Water Quality Total Program	55.024	W235	A-PJ34	<u>11,695</u> 11,830
Total Department of Transportation				238,648
Total State Financial Assistance				\$ 12,863,917
Total Expenditures of Federal Awards and State Financial Assistance				\$ 14,750,317

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

SOUTHWEST FLORIDA WATER MANAGEMENT DISTRICT

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

Year ended September 30, 2013

(1) Basis of Presentation

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

SOUTHWEST FLORIDA WATER MANAGEMENT DISTRICT

Schedule of Findings and Questioned Costs

Year ended September 30, 2013

(1) Summary of Auditors' Results

- | | |
|--|---------------|
| (a) The type of report issued on the basic financial statements: | Unmodified |
| (b) Significant deficiencies in internal control were disclosed by the audit of the basic financial statements: | None reported |
| Material weaknesses: | No |
| (c) Noncompliance which is material to the basic financial statements: | No |
| (d) Significant deficiencies in internal control over major federal programs and state projects: | None reported |
| Material weaknesses: | No |
| (e) The type of report issued on compliance for major federal programs and state projects: | Unmodified |
| (f) Any audit findings which are required to be reported under Section 510(a) of OMB Circular A-133 or Section 215.97, <i>Florida Statutes</i> : | No |
| (g) The major federal programs and state projects are as follows: | |

CFDA #

Federal programs:

U.S. Department of Homeland Security - Federal Emergency Management Agency - Cooperating Technical Partners Mapping Activity Statement	97.045
--	--------

U.S. Environmental Protection Agency Passed through Florida Department of Environmental Protection - Lake Hancock Outfall Treatment System Stormwater Improvement	66.202
---	--------

CSFA #

State projects:

Department of Environmental Protection - Florida Forever Trust Fund (FFTF) and Water Management Lands Trust Fund (WMLTF)	37.022
--	--------

Department of Environmental Protection - Water Protection and Sustainability Program Trust Fund	37.066
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SOUTHWEST FLORIDA WATER MANAGEMENT DISTRICT

Schedule of Findings and Questioned Costs

Year ended September 30, 2013

(h) Dollar threshold used to distinguish between Type A and Type B federal programs/state projects:

Federal programs	\$	300,000
State projects		385,917

(i) Auditee qualified as a low-risk auditee under Section 530 of OMB Circular A-133:

Yes

(2) Findings Relating to the Financial Statements Reported in Accordance with *Government Auditing Standards*:

None

(3) Findings and Questioned Costs Relating to Federal Programs:

None

(4) Findings and Questioned Costs Relating to State Projects:

None

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Management Letter



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

Management Letter

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

We have audited the financial statements of the governmental activities and each major fund of the Southwest Florida Water Management District (the District), a component unit of the State of Florida, as of and for the year ended September 30, 2013, which collectively comprise the District's basic financial statements, and have issued our report thereon dated March 14, 2014.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. We have also issued our reports dated March 14, 2014, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters, as well as our report on the District's compliance and internal control over compliance that could have a direct and material effect on each major federal program and state project, and the related schedule of findings and questioned costs. Disclosures in those reports and schedule, if any, should be considered in conjunction with this management letter.

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

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

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

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

The *Rules of the Auditor General*, Section 10.554(1)(i)(4), require that we address in the management letter 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.



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Southwest Florida Water Management District
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The *Rules of the Auditor General*, Section 10.554(1)(i)(4), further provide for disclosure in the management letter based on the auditors' professional judgment of fraud, noncompliance with provisions of laws or regulations and contracts or grant agreements, or abuse that does not warrant the attention of those charged with governance, or internal control deficiencies that are not material weaknesses or significant deficiencies. In our professional judgment there were no such items to disclose.

The *Rules of the Auditor General*, Section 10.554(1)(i)(5), also require that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in the management letter, unless disclosed in the notes to the financial statements. The disclosure of this information is included in the notes to the financial statements.

The *Rules of Auditor General*, Section 10.554(1)(i)(6)(a), require that a management letter include a statement as to whether the District is in a state of financial emergency as a consequence of conditions described in Section 218.503(1), *Florida Statutes*. Management of the District has determined that the District is not in a state of financial emergency as defined in Section 218.503(1), *Florida Statutes*. In connection with our audit, nothing came to our attention that would indicate that the District had met any of the conditions described in Section 218.503(1), *Florida Statutes*.

The *Rules of the Auditor General*, Section 10.554(1)(i)(6)(b), require that we determine whether the annual financial report for the District for the fiscal year ended September 30, 2013, to be filed with the Florida Department of Financial Services pursuant to Section 218.32(1)(a), *Florida Statutes*, is in agreement with the annual financial audit report for the fiscal year ended September 30, 2013. In connection with our audit, we determined that these reports were in agreement.

As required by the *Rules of the Auditor General*, Section 10.554(1)(i)(6)(c), we applied financial condition assessment procedures pursuant to Section 10.556(7). It is management's responsibility to monitor the District's financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information provided by same.

The *Rules of the Auditor General*, Section 10.554(1)(i)(8), require that we determine whether the District provided monthly financial statements to its governing board and made such monthly statements available for public access on its website pursuant to Sections 215.985(11) and 373.536(4)(e) *Florida Statutes*. In connection with our audit, nothing came to our attention that caused us to believe that the District was not in compliance with Sections 215.985(11) and 373.536(4)(e), *Florida Statutes*.

* * * * *

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

KPMG LLP

March 14, 2014
Certified Public Accountants