



# COMPREHENSIVE ANNUAL FINANCIAL REPORT

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



Fiscal Year Ended  
September 30, 2018

**Large White Ibis nesting colony in the Everglades**



*White Ibises occur in many types of wetlands including swamps, mangroves, flooded pastures, freshwater marshes, and shallow ponds. They nest in colonies in trees and shrubs near fresh, brackish, or salt water. During the nesting season, they forage more frequently in freshwater wetlands because nestlings cannot safely consume large amounts of salt. During nonbreeding season, they use coastal wetlands more frequently. Everglades is an expansive area of land in south Florida, which consists of 1.5 million acres of wetland. The Everglades National Park is home to more than 360 different species of birds. The warm, shallow, and grassy waters of the Everglades provide the necessary habitat for the White Ibis. Everglades protects the most significant breeding ground for tropical wading birds in North America.*

# COMPREHENSIVE ANNUAL FINANCIAL REPORT



## **SOUTH FLORIDA WATER MANAGEMENT DISTRICT**

A Component Unit of the State of Florida

**Fiscal Year Ended September 30, 2018**

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



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**SOUTH FLORIDA WATER MANAGEMENT DISTRICT  
 COMPREHENSIVE ANNUAL FINANCIAL REPORT  
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018**

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# **INTRODUCTORY SECTION**





## SOUTH FLORIDA WATER MANAGEMENT DISTRICT

**TO: Governing Board Members and Drew Bartlett, Executive Director**

**SUBJECT: Comprehensive Annual Financial Report – Fiscal Year 2018**

Florida Statutes require an external audit of the financial statements be performed by a firm of independent certified public accountants to express an opinion that the basic financial statements of the South Florida Water Management District (District) are fairly presented in conformance with accounting principles generally accepted in the United States (GAAP). Pursuant to this requirement, the comprehensive annual financial report for the District is hereby issued as of and for the fiscal year ended September 30, 2018.

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

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

Independent auditors have audited the basic financial statements in accordance with generally accepted auditing standards and included a review of internal accounting controls to the extent necessary to express an opinion on the fairness of these basic financial statements. The independent auditors concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the South Florida Water Management District's basic financial statements as of and for the fiscal year ended September 30, 2018 are fairly presented, in all material respects, in accordance with GAAP. The independent auditors' report is presented as the first component of the financial section (Section II) of this report.

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

## **SOUTH FLORIDA WATER MANAGEMENT DISTRICT**

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

### **DISTRICT BACKGROUND**

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

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

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

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

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

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

### **GEOGRAPHIC BOUNDARIES OF THE DISTRICT**

Water management district boundaries are based on natural, hydrological basins rather than political or county limits to allow for effective and efficient planning and management. The boundaries of the District encompass all or part of 16 south Florida counties, covering a total area of 18,000 square miles. Approximately 8.5 million people live within the District's boundaries. A map showing the geographic boundaries of the District can be found on page I-11.

### **GENERAL OPERATIONS**

The District's water management system includes roughly 4,098 miles of maintained canals and levees along with more than 692 water control structures and weirs and 618 smaller project culverts operated by the District. The District has approximately 70 pumping stations which can move hundreds of millions of gallons of water in and out of storage areas, providing both water supply and flood protection. The man-made water management system undergoes continuous enlargement and refinement with new construction, acquisitions, and upgrades to the existing network. This enhances the system's ability to provide flood control and water supply protection as well as preserve water quality and environmental values.

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

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

### **REGULATORY POWERS**

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

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

### **OTHER DISTRICT PROGRAMS**

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

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

## **SOUTH FLORIDA WATER MANAGEMENT DISTRICT**

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

### **REGIONAL ECONOMIC CONDITION AND OUTLOOK**

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

Population growth within the District's geographic boundaries has remained fairly consistent during the recent fiscal year, with a 1.6 percent increase, compared to the prior year's increase of 1.7 percent. The District's population is expected to steadily increase by 8 percent from 2018 through 2023, with the largest numerical increases through 2023 occurring in Miami-Dade, Broward, and Palm Beach Counties and the highest percentage growth rates occurring in Osceola, Orange, and Lee Counties, according to data published by the Florida Office of Economic and Demographic Research.

The October 2018 unemployment rate for Florida was 3.3 percent compared to 4.0 percent (adjusted) from a year ago; and 3.5 percent for the entire United States compared to 3.9 (adjusted) percent from a year ago. This decrease in state and national unemployment rates suggests stabilization in the economic downturn of recent years, and the reduced unemployment rate, coupled with other economic indicators such as a moderate resurgence in the housing market and leveling off of foreclosure rates should translate into property values remaining steady in 2018 and even experiencing a slight increase over values of recent past.

The District's adopted ad valorem millage rates decreased for fiscal year 2018, to a District-wide rate of .1275 for fiscal year 2018 compared to .1359 mills for the prior fiscal year. This decrease in millage rate is a reflection of Governing Board policy to levy rolled-back millage rate which represents no tax increase. In 2011 Senate Bill (SB) 2142 set a maximum amount of revenue that can be raised each fiscal year by the five water management districts. Senate Bill 1986 subsequently superseded SB 2142, authorizing the Florida Legislature to set the maximum millage rate for each water management district, and providing legislative review and oversight for district budgets. In addition, the District's ad valorem revenue growth is limited by the Property Tax Reduction and Reform bill passed by the Florida Legislature in June 2007, which required a reduction in taxes by all local governments and special taxing districts from three to nine percent, depending on their past per capita tax increases. This legislation also limited future year revenues by setting more stringent Governing Board voting requirements to increase agency millage rates. The District's 2018 budget reflected a 1.64 percent increase in ad valorem property taxes levied, which equates to an increase of \$4.4 million from the prior fiscal year.

## MAJOR INITIATIVES

### EVERGLADES RESTORATION

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

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

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

The **Everglades Construction Project** (ECP) was the first major step in Everglades restoration pursuant to the 1994 Everglades Forever Act. The STAs, which consist of six large constructed wetlands, totaling over 57,000 acres of effective treatment area, are the cornerstone of the ECP. Other ECP components include hydropattern improvements and diversion of stormwater flows from Lake Okeechobee. Operations and maintenance of the STAs and other features of the ECP have commenced upon completion of each individual project. The latest data indicates that over the past twenty-five-years, phosphorus control programs consisting of Stormwater Treatment Areas and best farming/management practices together have prevented over 6,165 metric tons of phosphorus from entering the Everglades.

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

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

## **SOUTH FLORIDA WATER MANAGEMENT DISTRICT**

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The United States Congress approved CERP in 2000, under the Water Resources Development Act, authorizing ten initial full-scale projects along with six pilot projects. The plan describes nearly 50 major projects and 68 project components to be constructed at an original cost estimate of \$10.9 billion in 2004 dollars. The estimated costs for CERP have increased to \$16.4 billion, based on price level (inflation) adjustments to 2014 dollars as well as any revisions made to scope based on finalized designs for several major projects. Half of the CERP implementation cost is expected to be paid by the federal government.

During 2005, the District launched an expedited initiative to be financed by Certificates of Participation to revitalize the ecosystem by increasing the pace on eight restoration projects included in the CERP and Everglades plans. Through fiscal year 2018, proceeds from the certificates, including interest earnings, totaling \$613.5 million have been utilized to reimburse project construction costs.

### **LAKE OKEECHOBEE**

The Lake Okeechobee Project is a multi-year, multi-component project which is designed to improve Lake Okeechobee and its estuaries by reducing excess nutrient loading, managing water levels, and reducing or eliminating exotic plant species. In 2000, the Florida State Legislature passed the Lake Okeechobee Protection Bill, which required the District, in partnership with the Florida Department of Agriculture and Consumer Services and the Florida Department of Environmental Protection, to restore the lake and its watershed. In 2007, the project was further extended under the Northern Everglades and Estuaries Protection legislation. This legislation, which expanded the existing Lake Okeechobee Protection Bill to include the Caloosahatchee and St. Lucie Rivers and estuaries, addressed both water quality and water storage needs. Total expenditures for the Lake Okeechobee Project for fiscal year 2018 totaled \$27.6 million.

## **FINANCIAL POLICIES**

### **LONG RANGE FINANCIAL PLANNING AND FINANCIAL POLICIES**

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

### **PRINCIPLES OF SOUND FINANCIAL MANAGEMENT**

Management acknowledges its responsibility for sound administration of the District's financial resources. This responsibility begins with *Principles of Sound Financial Management*. These are



## **SOUTH FLORIDA WATER MANAGEMENT DISTRICT**

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

### **BUDGET ADOPTION AND CONTROLS**

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

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

### **DEBT ADMINISTRATION**

The District's debt is comprised of the unpaid balance of revenue bonds referred to as Certificates of Participation (COPS), Series 2015. The certificates were issued to provide funds for the construction of projects in furtherance of Everglades restoration. Acquisition bonds were issued to finance the purchase of environmentally sensitive lands and are secured by a share of statewide documentary stamp tax collections. At September 30, 2018, the District's COPS were rated Aa3, AA and AA- by Moody's, S&P and Fitch Ratings, respectively. The total liability for the revenue bonds at September 30, 2018 is \$373.7 million. The District is obligated for payments on the COPS through fiscal year 2037.

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

### **CERTIFICATE OF ACHIEVEMENT FOR EXCELLENCE IN FINANCIAL REPORTING**

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the South Florida Water Management District for its Comprehensive Annual Financial Report for the fiscal year ended September 30, 2017. This was the 28th consecutive year that the District has received this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report, satisfying both generally accepted accounting principles and applicable legal requirements.

## SOUTH FLORIDA WATER MANAGEMENT DISTRICT

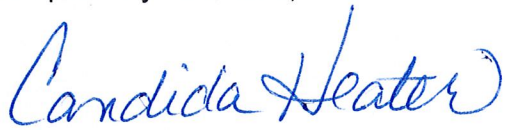
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A Certificate of Achievement is valid for a period of one year only. Management believes that the current Comprehensive Annual Financial Report will continue to meet the Certificate of Achievement Program's requirements and we will submit it to the GFOA to determine its eligibility for another certificate.

### ACKNOWLEDGMENTS

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

Respectfully submitted,

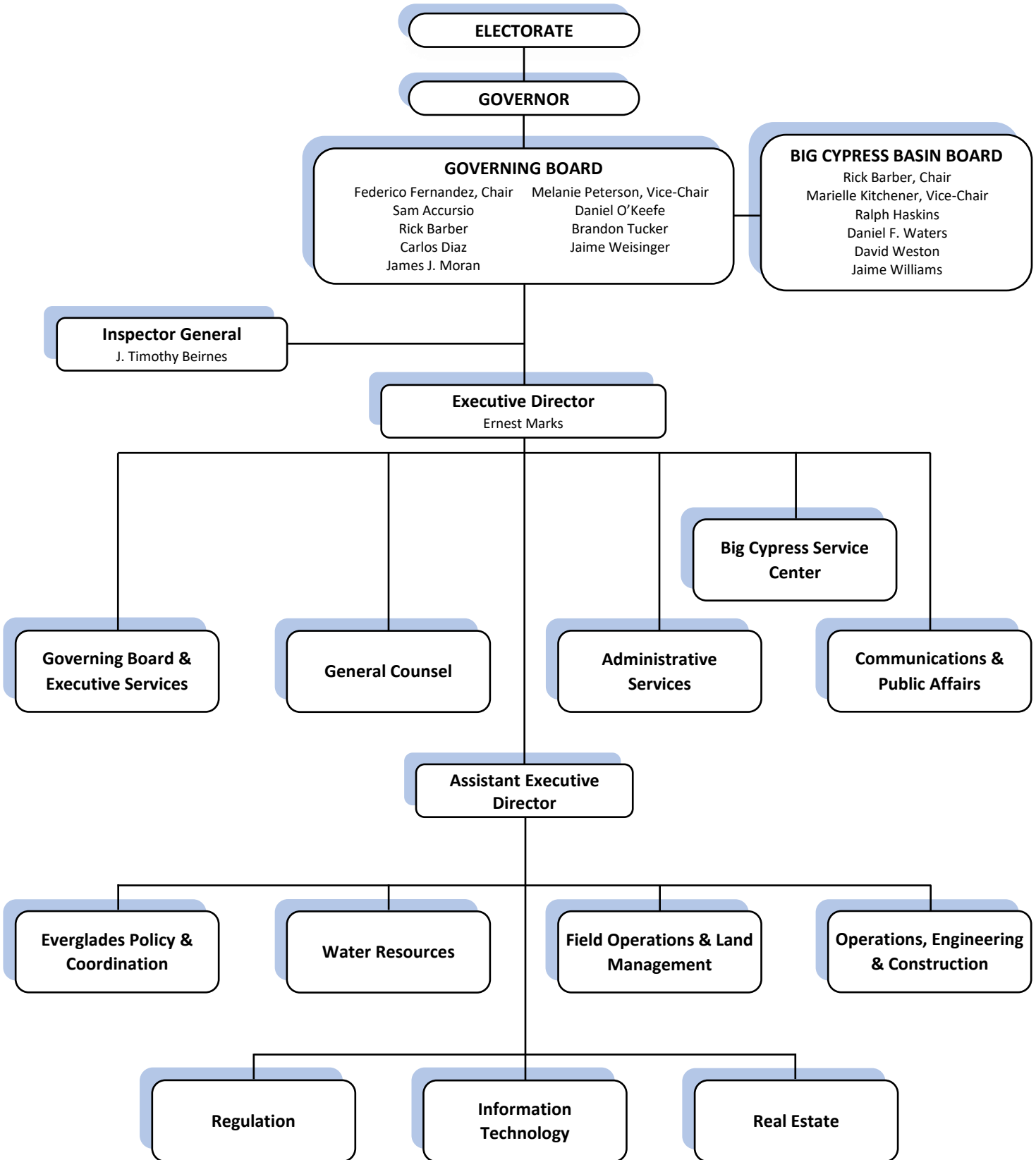


Candida Heater  
Acting Division Director, Administrative Services  
April 30, 2019



John Wright, Chief  
Finance Bureau, Administrative Services

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT  
ORGANIZATION CHART AND LIST OF PRINCIPAL OFFICERS**





Government Finance Officers Association

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

Presented to

**South Florida  
Water Management District**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**September 30, 2017**

*Christopher P. Morrill*

Executive Director/CEO

## South Florida Water Management District Geographic Boundaries



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

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



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# **FINANCIAL SECTION**







RSM US LLP

## Independent Auditor's Report

To the Governing Board  
South Florida Water Management District

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the South Florida Water Management District (the District), a component unit of the State of Florida, as of and for the year ended September 30, 2018, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

### Management's Responsibility for the Financial Statements

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

### Auditor's Responsibility

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

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

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

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## **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the District, as of September 30, 2018, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Emphasis of Matter**

As discussed in Note 1 to the financial statements, the District adopted the recognition and disclosure requirements of Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, effective October 1, 2017. The net position of the governmental activities of the District as of October 1, 2017, has been restated. Our opinion was not modified with respect to this matter.

## **Other Matters**

### *Required Supplementary Information*

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

### *Other Information*

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

The combining and individual nonmajor fund financial statements and the budgetary comparison schedules are the responsibility of management and were derived from and relates directly to the underlying accounting and other records used to prepare the basis financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and the budgetary comparison schedules are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

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

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued, under separate cover, our report dated April 30, 2019, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

*RSM US LLP*

West Palm Beach, Florida  
April 30, 2019

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
SEPTEMBER 30, 2018**

Management's discussion and analysis of the South Florida Water Management District's financial performance provides an overview of the District's financial activities for the fiscal year ended September 30, 2018. Please read it in conjunction with the transmittal letter beginning on page I-1 and the District's basic financial statements, which begin on page III-1.

**FINANCIAL HIGHLIGHTS**

- The District implemented Governmental Accounting Standards Board Statement No. 75, *Accounting and Financial Reporting for Post-Employment Benefits Other Than Pensions*. See Note (2)(p) for more information.
- Net position increased approximately \$261.2 million, or approximately 5.0 percent during the year, remaining relatively stable at \$5.5 billion at September 30, 2018.
- District assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources at fiscal year-end 2018 by approximately \$5.5 billion.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$4.0 million, or about 3.9 percent of total General Fund expenditures.
- The District's total capital assets increased by \$249.2 million during the current fiscal year. This increase is the net of \$251.6 million in additions resulting primarily from construction of various projects, and \$2.4 million in retirements resulting primarily from the sale of District land.

**OVERVIEW OF THE BASIC FINANCIAL STATEMENTS**

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

**Government-wide financial statements**

The government-wide financial statements are designed to provide readers with a broad overview of the District's finances in a manner similar to a private-sector business. There are two basic government-wide financial statements: the statement of net position and the statement of activities. Both basic government-wide financial statements are presented using the economic resources measurement focus and the accrual basis of accounting.

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

The statement of activities presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows.

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT  
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Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned, but unused vacation leave). The government-wide financial statements can be found on pages III-1 to III-2 of this report.

**Fund financial statements**

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

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

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

The District maintains 39 individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for the General Fund, Okeechobee Basin Special Revenue Fund, Everglades Restoration Trust Special Revenue Fund, Lake Belt Mitigation Special Revenue Fund, Okeechobee Basin Capital Projects Fund, Everglades Restoration Trust Capital Projects Fund, Save Our Everglades Capital Projects Fund, and Land Acquisition Trust Capital Projects Fund all of which are considered to be major funds. Data from the other 31 governmental funds are combined into a single, aggregated presentation. The basic governmental fund financial statements can be found on pages III-3 to III-10 of this report.

Individual fund data for each of the 31 non-major governmental funds is provided in the form of combining statements on pages V-5 to V-22 of this report.

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

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

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

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

**Notes to the basic financial statements**

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the basic financial statements can be found on pages III-16 to III-60 of this report.

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the District, net position is \$5.5 billion at the close of the most recent fiscal year, an increase of \$261.2 million from the prior fiscal year. By far, the largest portion of the District's net position (93.5 percent) reflects its investment in capital assets (e.g., land, buildings, equipment) less any related outstanding debt used to acquire those assets. The District uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. The restricted net position consists of \$424.9 million that is subject to external restrictions on how-the monies can be used. As such, the District is reporting a negative unrestricted net position of \$66.4 million at the end of fiscal year 2018, which was primarily caused by the recording of a net pension liability and liability for post-employment benefits other than pensions. Both of which are long term obligation that will be funded over time.

The balance of current and other assets at the end of fiscal year 2018 increased from the prior year balance, reflecting a net increase of \$15.0 million. A number of variances contributed to the increase, the most significant of which are increases in temporarily restricted cash and investment, accounts receivable and inventory of \$41.9 million, \$0.5 million, and \$0.8 million respectively, netted against \$24.4 million decrease in cash and investments. The decrease in cash and investments is primarily a result of expenditures incurred for the acquisition and construction of

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capital assets. Total liability obligations saw an increase of \$7.1 primarily due to the increase in current and other liabilities of \$16.9 million and offset by decrease in long-term liability of \$9.8 million. This decrease is mainly due to \$11.7 million of pay-down of an outstanding debt Series 2015 COPS and a decrease in the unamortized balance of premiums of \$6.9 million, respectively. In addition, the District experienced a decrease in deferred outflows of resources (\$0.4 million) and an increase in deferred inflows of resources (\$4.8 million) due to pension related items as well as other post-employment benefits, which will be funded over an extended period of time. Together, the changes in total assets, deferred outflows of resources, total liabilities, and deferred inflows of resources between fiscal years represents the significant portion of the change in restricted and unrestricted net position, which shows a net decrease of \$15.8 million. The increase of \$267.6 million in net investment in capital assets is primarily a result of capital assets, net of depreciation increasing by \$249.2 million from fiscal year 2017 to fiscal year 2018. Additional information relative to capital asset and long-term debt activity during fiscal year 2018 can be found on pages II-15 to II-18 of this report.

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

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

	<u>2018*</u>	<u>2017</u>
Current and Other Assets	\$ 581,516,323	\$ 566,534,795
Capital Assets, Net	<u>5,569,659,678</u>	<u>5,320,496,864</u>
<b>Total Assets</b>	<u>6,151,176,001</u>	<u>5,887,031,659</u>
<b>Deferred Outflows of Resources</b>	<u>33,855,931</u>	<u>34,212,590</u>
Current and Other Liabilities	80,534,988	63,664,704
Long-term Liabilities Outstanding	<u>580,595,942</u>	<u>590,384,188</u>
<b>Total Liabilities</b>	<u>661,130,930</u>	<u>654,048,892</u>
<b>Deferred Inflows of Resources</b>	<u>19,884,016</u>	<u>15,047,288</u>
Net Position:		
Net Investment in Capital Assets	5,145,541,580	4,877,884,765
Restricted	424,901,893	412,116,772
Unrestricted (Deficit)	<u>(66,426,487)</u>	<u>(37,853,468)</u>
<b>Total Net Position</b>	<u>\$ 5,504,016,986</u>	<u>\$ 5,252,148,069</u>

\* Beginning Net Position was restated due to implementation of GASB No. 75. See Note (2)(p).

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT  
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**District's Changes in Net Position  
Fiscal Years Ended September 30**

	2018	2017
Revenues		
Program Revenues		
Charges for Services	\$ 26,321,191	\$ 24,161,965
Operating Grants and Contributions	37,404,172	28,533,261
Capital Grants and Contributions	236,496,736	275,155,751
General Revenues		
Property Taxes	288,338,447	283,694,280
Investment Earnings (Loss)	(741,400)	3,996,201
Other	9,363,187	5,529,309
Total Revenues	597,182,333	621,070,767
Expenses		
Water Resources Planning and Monitoring	43,896,489	40,887,636
Acquisition, Restoration and Public Works	49,902,299	47,360,644
Operations & Maintenance of Lands/Works	171,891,603	160,629,721
Regulation	27,227,444	27,825,040
Outreach	1,972,036	1,998,917
District Management and Administration	29,436,363	33,171,938
Interest on Long-Term Debt	11,622,749	11,739,823
Total Expenses	335,948,983	323,613,719
Increase (Decrease) in Net Position	261,233,350	297,457,048
Net Position at Beginning of Year, as Restated*	5,242,783,636	4,954,691,021
Net Position at End of Year	\$ 5,504,016,986	\$ 5,252,148,069

\* Beginning Net Position was restated due to implementation of GASB No. 75. See Note (2)(p)

**Property Taxes** continue as the District's primary source of revenue. For fiscal year 2018, revenue from property taxes totaled \$288.3 million of which \$11.1 million represents Agricultural Privilege Taxes. Total property taxes experienced a slight increase of \$4.6 million, or 1.6 percent, from fiscal year 2017.

The Agricultural Privilege Tax is one of the dedicated funding sources identified in the Everglades Forever Act (EFA) and is used to fund Everglades Construction Project and Long-Term Plan expenditures. Agricultural Privilege Tax revenues are based on tax roll information received from Palm Beach and Hendry counties' property appraisers. The Agricultural Privilege Tax continues to be a steady source of revenue for the Everglades Trust Fund and it is calculated based on the



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assessed tax-per-acre on the number of agricultural acres reflected on the tax rolls. Acres can be taken off the tax rolls due to construction and change in land status to non-agricultural use tax classification. As such, the amount collected can vary from year to year based on the acres in production in the Everglades Agricultural Area and C-139 basin. The Governing Board certifies the tax rolls at the District's Annual Tentative Budget Adoption Public Hearing held each September. During fiscal year 2018 tax revenues derived from the Agricultural Privilege Tax remained consistent with the prior fiscal year's level of \$10.9 million.

**Charges for Services** totaled \$26.3 million for fiscal year 2018, an increase of \$2.2 million from the prior fiscal year. This variance is primarily due to \$3.7 million wetland mitigation revenue recognized from the Florida Power & Light Company (USACE Permit No. SAJ-1991-01186 and SAJ -1992-00783) offset by decreases in mitigation fees received from lime rock and sand mining in the Miami-Dade County Lake Belt Area.

**Operating Grants and Contributions** totaled \$37.4 million for fiscal year 2018, an increase of approximately \$8.9 million from the prior fiscal year. The majority of this variance relates to \$8.2 million in revenue recognized in fiscal year 2018 from the Florida Department of Environmental protection for implementation of Everglades Agricultural Area Reservoir project pursuant to Section 373.4598, Florida Statutes. No similar revenue was recognized in fiscal year 2017.

**Capital Grants and Contributions** totaled \$236.5 million for fiscal year 2018, a decrease of \$38.7 million from fiscal year 2017. The majority of this decrease is due to realignment of appropriation from the Florida Department of Environmental Protection that caused decrease in funding from the Land Acquisition Trust Fund and Save Our Everglades Trust Fund.

**Investment Earnings** during fiscal year 2018 decreased by \$4.7 million to a loss of \$0.7 million from the previous fiscal year 2017 level of \$4.0 million. During fiscal year the District recognized approximately \$11.9 million of interest income, which was offset by market losses totaling \$12.7 million recognized in the fourth quarter of fiscal year 2018 due to the fall in bond yields.

**Other Revenue** consists primarily of miscellaneous revenue not otherwise designated. The total of \$9.4 million for fiscal year 2018 represents an increase of \$3.8 million from the prior year. This increase is mainly attributable to the sale of surplus District assets.

**Program Expenses** totaled \$335.9 million for fiscal year 2018, an increase of approximately \$12.3 million from fiscal year 2017. The District's three largest programs: Water Resources Planning and Monitoring; Acquisition, Restoration and Public Works; and Operations and Maintenance of Lands and Works accounted for approximately \$265.7 million or 79.1 percent of the \$335.9 million in total expenses for fiscal year 2018. This is an increase of \$16.8 million from the prior fiscal year. The other program expenses totaled \$70.3 for fiscal year 2018 and reflected a decrease of approximately \$4.5 million from the previous year. The three largest District programs and the most significant reasons for variances from prior fiscal year 2017 program expenses are discussed below.

**Water Resources Planning and Monitoring** expenses increased by \$3.0 million, or 7.4 percent, from \$40.9 million in fiscal year 2017 to \$43.9 million in fiscal year 2018. The most significant variances contributing to the net increase resulted from increases in salary, related healthcare costs, and various interagency expenses.

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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). This program has executed numerous Cooperative Funding Program agreements with local partners to provide funding for stormwater, alternative water supply and water conservation projects that are consistent with the agency's core mission. Other accomplishments include field monitoring, laboratory analyses, and reports to support various regulatory-driven mandates/agreements as well as publishing an annual South Florida Environmental Report.

**Acquisition, Restoration and Public Works** expenses for fiscal year 2018 were \$49.9 million when compared to the \$47.4 million expensed in the prior year resulted in an overall increase of \$2.5 million. The most significant variances contributing to the net increase resulted from increases in salary, related healthcare costs, and various interagency expenses.

This program includes the development and construction of all restoration capital projects, including water resource development projects / water supply development assistance, water control projects, and support and administration facilities construction; cooperative projects; land acquisition; and the restoration of land and water bodies.

**Operations and Maintenance of Lands and Works Program** expenses incurred during fiscal year 2018 were \$171.9 million, an increase of \$11.3 million from the \$160.6 million expensed in fiscal year 2017. This variance is primarily due to significant first quarter spending on debris removal services as a result of Hurricane Irma.

This program is primarily responsible for the operation and maintenance and flood control within 16 counties of South Florida. The District's operations and maintenance consists of activities to effectively and efficiently manage the primary canals and associated structures in South Florida. Operation maintenance program activities included the C&SF Project, as well as the Big Cypress Basin, as authorized by Chapter 373 F.S and the U.S. Army Corps of Engineers (USACE). Currently, region-wide water management is accomplished by the District's multi-purpose system, which currently includes 692 water control structures and weirs; 618 smaller project culverts; management of 71 pump stations, which send water south and through waterways eastward and westward to both coasts; and oversight of approximately 4,098 miles of canals and levees. The strategic priority goal of the Program is to refurbish, replace, improve, and manage the regional water management system by implementing flood control system refurbishment projects as part of the 50-year plan; incorporating new works into water management system operations; operating the water management system to meet flood control and water supply needs; optimizing infrastructure maintenance by adhering to, or exceeding, industry standards and best practices; and coordinating with the USACE on levee inspections and improvements. This program is also responsible for major gate overhauls, replacement of project culverts, side-bank stabilization, and the treatment and maintenance of over 5,000 acres of terrestrial vegetation, floating and emerged vegetation, and submerged vegetation.

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT  
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**FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS**

As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with budget-related legal requirements. The focus of the District's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the District's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

**General Fund**

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

At fiscal year-end, the fund balance of the General Fund was \$62.7 million, of which \$42.2 million was either assigned or unassigned and \$20.5 million was committed to various District projects. As a measure of the General Fund's liquidity, it may be useful to compare both assigned and unassigned fund balance and total fund balance to total fund expenditures. Assigned/unassigned fund balance represents 41.3 percent of the General Fund expenditures totaling \$102.2 million, while total fund balance represents 61.4 percent of that same amount. Revenues exceeded expenditures by \$19.7 million and the General Fund had net transfers to other funds amounting to \$19.4 million resulting in a slight increase in fund balance of \$0.3 million.

Total revenues in the General Fund increased by approximately \$2.0 million from the prior year. This increase is primarily attributable to slight increases in property tax revenue of \$1.9 and intergovernmental revenues of \$0.7 million offset by a decrease of \$0.8 million in investment earnings.

Total expenditures increased approximately \$8.0 million, or 8.5 percent, in fiscal year 2018 to \$102.2 million. The most significant variances contributing to the net increase resulted from a \$6.2 million increase in Operations and Maintenance of Lands and Work due to debris removal from Hurricane Irma and an increase of in various contractual services, including maintenance and repairs and computer software licenses.

Transfers from the fund totaled \$19.4 million for fiscal year 2018. This amount represents transfers-out to the District Capital Projects Fund, representing the General Fund's annual contribution to fund planned capital projects and debt service on the Certificates of Participation.

**Okeechobee Basin Special Revenue Fund**

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

The total fund balance of the Okeechobee Basin Special Revenue Fund at September 30, 2018 was \$84.2 million, decrease of \$5.7 million from fiscal year 2017. Of the \$84.2 million in total fund balance, \$78.9 is restricted due to the Governing Board obligating these funds for future fiscal years (FY2019-FY2021) and the remaining \$5.3 million in non-spendable inventory reserve.

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Revenues in excess of expenditures of \$25.6 million were offset by a \$31.3 million decrease related to net transfers out of the Fund. Total revenues recorded in the Okeechobee Basin Special Revenue Fund of \$118.5 million represent a minimal increase of \$1.3 million from the prior year total of \$117.2 million.

Total expenditures increased by \$4.6 million, or 5.2 percent in fiscal year 2018 to \$92.9 million. This increase was primarily due to an increase in costs associated with debris removal from Hurricane Irma, various contract services costs, comprised of maintenance and repairs, and professional services.

In fiscal year 2018, transfers-out were recorded within the fund totaling \$31.3 million. The fund that received the transfer was the Okeechobee Basin Capital Projects Fund for the purpose of supporting scheduled capital improvement projects.

**Everglades Restoration Trust Special Revenue Fund**

The Everglades Restoration Trust Special Revenue Fund accounts for fiscal activity related to the operations and maintenance of the Stormwater Treatment Areas (STAs) as required by the Everglades Forever Act. Funding is provided through a .0441 mill tax levy; non-ad valorem assessments to property owners in the Everglades Agricultural Area (EAA); State and Federal Contributions; and interest earnings.

At September 30, 2018, total fund balance amounted to \$37.5 million, of which the entire amount is restricted. The fund balance is restricted due to the Governing Board obligating these funds for future fiscal years including \$14.7 million for Everglades conservation and natural resource protection; future projects consisting of approximately \$17.6 million for Restoration Strategies projects; future unnamed projects of \$2.1 million; and \$3.1 million for future operations and maintenance of new works projects. Ad valorem and agricultural privilege tax revenues of \$36.5 million and \$11.1 million, respectively, were recognized in fiscal year 2018, which is comparable to prior year revenues of \$36.0 million and \$10.9 million.

Total revenues of the Everglades Restoration Trust Special Revenue Fund increased from 2017 by approximately 18.0% from \$48.3 million to \$57.0 million in fiscal year 2018. This increase is primarily due to the release of funds from the Florida Department of Environmental Protection for purposes of the implementation of Everglades Agricultural Area reservoir project-related activities. Transfers-out to other funds totaled \$11.7 million, all of which went to the Everglades Restoration Trust Capital Projects Fund to reflect support for related capital expenditures.

**Lake Belt Mitigation Special Revenue Fund**

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

At September 30, 2018, total fund balance was \$62.8 million, of which the entire amount is restricted. The restriction is due to the Governing Board obligating these funds for future fiscal year (FY2019-FY2021) acquisition, restoration and/or management of environmentally sensitive lands and for Lake Belt Wetland creation, restoration and management. Fund balance decreased \$3.2 million, comprised of expenditures exceeding revenue of \$0.4 million and transfers-out of \$2.8 million.

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Total revenues recorded in the Lake Belt Mitigation Special Revenue Fund of \$3.4 million represent a decrease of \$4.3 million. This decrease is primarily attributable to a decrease in investment earnings of \$0.6 million and a significant decrease in mitigation fees (\$0.15/ton in 2017 to \$0.05/ton in 2018) received from lime rock and sand mining activities in the Miami-Dade County Lake Belt Area.

During fiscal year 2018, expenditures increased by \$1.3 million to \$3.8 million primarily due to significant monitoring related to L-31N Phase II and Dade-Broward Levee Construction Phase II.

Transfers-out of the fund totaled \$2.8 million for fiscal year 2018. The fund that received the transfer was the Lake Belt Mitigation Capital Projects Fund to reflect support for related capital expenditures.

**Okeechobee Basin Capital Projects Fund**

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

The total fund balance of the Okeechobee Basin Capital Projects Fund at September 30, 2018 was \$36.4 million, a decrease of \$6.7 million from fiscal year 2017. The entire fund balance is restricted with \$33.5 million earmarked for future projects and \$2.9 million for the acquisition, restoration or management of environmentally sensitive lands.

In fiscal year 2018, transfers-in to the fund totaled \$31.3 million, all of which came from the Okeechobee Basin Special Revenue Fund for the purpose of supporting scheduled capital improvement projects.

**Everglades Restoration Trust Capital Projects Fund**

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

During fiscal year 2018, the fund balance of the Everglades Trust Capital Projects Fund increased \$5.6 million to \$85.0 million at fiscal year-end.

Total revenues in the fund increased by \$25.2 million to \$25.7 million. This increase relates to the release of funds from the Florida Department of Environmental Protection for purposes of the implementation of Everglades Agricultural Area reservoir project-related activities.

Total expenditures increased by approximately \$10.7 million in fiscal year 2018 to \$31.8 million. This increase is primarily attributable to land acquisition and higher construction costs.

For fiscal year 2018, transfers-in from other funds totaled \$11.7 million, all of which originated from the Everglades Restoration Trust Special Revenue Fund to reflect support for related capital outlay incurred towards projects pursuant to the Everglades Forever Act for Restoration of the Everglades.

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
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**Save Our Everglades Capital Projects Fund**

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

During fiscal year 2018, the fund balance of the Save Our Everglades Capital Projects Fund decreased \$8.3 million to \$13.8 million deficit from the previous fiscal year deficit of 5.4 million. This deficit is expected to be funded by pending and future reimbursements from Florida Department of Environmental Protection.

Revenues in the fund decreased \$4.1 million from the prior fiscal year to \$45.1 million. This decrease is primarily due to a shift of projects being funded through the Florida Department of Environmental Protection from the Save our Everglades Trust Fund to the Land Acquisition Trust Fund.

Total expenditures increased by approximately \$2.3 million in fiscal year 2018 to \$53.4 million. This increase is primarily attributable to higher design and engineering construction costs.

**Land Acquisition Trust Capital Projects Fund**

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

The total fund deficit of the Land Acquisition Trust Capital Projects Fund at September 30, 2018 was \$9.2 million. This deficit is due to capital outlay expenditures exceeding intergovernmental revenue, namely reimbursements from Florida Department of Environmental Protection which are pending for \$15.4 million as of fiscal year end.

Revenues and expenditures in the fund decreased \$33.4 million and \$21.1 million, respectively, from the prior fiscal year. These decreases are primarily due to a realignment of appropriation from the Florida Department of Environmental Protection.

**GENERAL FUND BUDGETARY HIGHLIGHTS**

Final budgeted revenues and expenditures in the final General Fund budget were \$122.2 million and \$138.3 million, respectively. Budgeted revenues remained the same from the original adopted budget for fiscal year 2018, while budgeted expenditures decreased approximately \$4.4 million from the original budget. Actual revenues were \$0.3 million (0.2 percent) less than the budget.

At the end of fiscal year 2018, the General Fund budget for Administrative Services and Executive Offices reflected a remaining available balance of \$2.4 million. This was primarily due to outstanding encumbrances in the District Management and Administration Program, the Acquisition, Restoration and Public Works Program and the Water Resources Planning and Monitoring totaling approximately \$2.1 million. The majority of the outstanding encumbrances in District Management and Administration related to the Information Technology and General

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
SEPTEMBER 30, 2018**

Services. The available budget in the Acquisition, Restoration and Public Works Program is related to the unused budget related to the indirect cost rate and the available budget in the Water Resources Planning and Monitoring is related to outstanding encumbrances related to various projects.

At the end of fiscal year 2018, the General Fund budget for Water Resources reflected a remaining available balance of \$4.0 million, of which \$1.8 million is within the Water Resources Planning and Monitoring Program and \$2.1 million is in the Acquisition, Restoration and Public Works Program. This amount is related to outstanding encumbrances related to intergovernmental agreements for several construction projects.

The final amended General Fund budget included \$17.0 million in reserves comprised of managerial reserves of \$1.3 million and \$15.7 million in contingency reserves. The District does not expend funds directly out of managerial or contingency reserve accounts. The use of this funding requires Governing Board budget transfer approval, authorizing the movement of budget authority out of managerial and/or contingency reserves to a District program within a resource area's operating or capital budget.

**CAPITAL ASSETS AND DEBT ADMINISTRATION**

**CAPITAL ASSETS**

As of September 30, 2018, the District's investment in capital assets was \$5.6 billion, up \$249.2 million from the end of fiscal year 2017. This investment in capital assets includes land, easements, canals and levees, buildings, intangibles, equipment, improvements, water control structures, and construction in progress.

**Capital Assets (net of depreciation)**

	<u>2018</u>	<u>2017</u>
Land	\$ 2,625,097,965	\$ 2,601,031,043
Easements	81,487,731	81,487,730
Canals and Levees	809,365,802	795,299,325
Buildings	96,482,354	100,718,969
Intangibles	3,457,944	4,889,788
Equipment	42,037,432	39,415,056
Improvements	18,278,947	19,867,423
Water Control Structures	1,258,559,520	1,166,536,536
Construction in Progress	<u>634,991,983</u>	<u>511,250,994</u>
Total	<u>\$ 5,569,759,678</u>	<u>\$ 5,320,496,864</u>

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
SEPTEMBER 30, 2018**

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

**Construction in Progress Highlights**

The District's investment in construction in progress increased \$123.7 million during fiscal year 2018. This change is primarily due to the net effect of the following:

- \$160.1 million expended on continuing projects as follows:
  - \$29.3 million expended on C-43 West Storage Reservoir
  - \$25.6 million expended on C-44 Reservoir/STA Project P0600
  - \$19.3 million expended on Restoration Strategies- STA1W Expansion #1
  - \$12.0 million expended on S-5A Refurbishment
  - \$73.9 million expended on other projects
- \$36.1 million related to completed projects which were transferred out of construction in progress, the most significant of which are:
  - \$8.6 million for Ten Mile Creek
  - \$6.2 million for Southern Crew
  - \$5.7 million for G-341 7 Conveyance Improvement
  - \$4.2 million for Faka Union Pump Station
  - \$11.4 million for other projects
- \$0.3 million related to retirements.

**Land Highlights**

The District's investment in land increased \$24.1 million during fiscal year 2018. This change is primarily due to the net effect of the following:

- \$27.2 million expended on new land acquisitions:
  - \$16.1 million recorded for Lake Hicpochee Hydrologic Enhancement Project in Glades County
  - \$5.0 million expended on lands acquired for the Everglades Agricultural Area Storage Reservoir project in Palm Beach County
  - \$6.1 million expended on other lands
- \$3.1 million related to retirements of unused lands and other adjustments



**SOUTH FLORIDA WATER MANAGEMENT DISTRICT  
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**Water Control Structures Highlights**

The District's investment in water control structures increased \$92.0 million during fiscal year 2018. The most significant change is primarily due to an \$80.2 million donation related to the Faka Union Pump Station S-487.

Additional information on the District's capital assets can be found in Note 9 on page III-37 of this report.

**LONG-TERM DEBT ADMINISTRATION**

At the end of fiscal year 2018, the District had \$425 million in total outstanding long-term debt, representing a decrease of \$18.7 million from the prior year. The balance is comprised of Certificates of Participation (COPS).

**Long-term Debt Outstanding**

	2018	2017
Certificates of Participation	\$ 425,395,442	\$ 444,068,682
Total	\$ 425,395,442	\$ 444,068,682

In November 2006, the District issued \$546.1 million in Certificates of Participation (COPs) to provide for the lease-purchase financing of the acquisition, construction, and equipping of certain expedited Everglades Restoration projects. During fiscal year 2016, the District advanced refunded \$442.0 million of the par value of the outstanding balance of its COPS Series 2006. The outstanding balance of the new Certificates of Participation, Series 2015, totaled \$425 million at September 30, 2018.

At September 30, 2018, the District's COPS were rated Aa3, AA and AA- by Moody's, S&P and Fitch Ratings, respectively. A bond rating indicates the investment quality of the bonds, which is based on an assessment of the economic and financial condition of the agency, and is reflective of the overall managerial expertise of the agency. The District strives to maintain superior bond rating for its obligations in order to realize more favorable borrowing costs.

**Debt Management Policy**

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

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
SEPTEMBER 30, 2018**

The policy directs the District to:

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

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

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

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

Additional information about the District's long-term debt can be found in Note 10 on pages III-38 through III-39 of this report.

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
SEPTEMBER 30, 2018**

**ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES**

**Economic Outlook**

Ad valorem property taxes continue to be the District's largest single, ongoing source of revenue. Approximately 34 percent of the District's fiscal year 2019 budget is projected to be funded through ad valorem tax revenues. Taxable property values within the District increased by 8.4 percent from \$872.2 billion in 2017 to \$945.2 billion in 2018. Ad valorem taxes projected for fiscal year 2019 are \$277.3 million, an estimated \$3.3 million more than the prior year. This increase in ad valorem revenue is a result of increased new construction values offsetting the reduction in prior year taxable values.

The District's fiscal year 2019 budget is based on a rolled-back millage rate calculated pursuant to Section 200.065, F.S. Method of Fixing Millage to maintain baseline ad valorem revenue. Rolled-back millage rates do not provide a continuation level of baseline Ad Valorem revenue due to reduced prior year final taxable values. The adopted rates will generate \$272.2 million in baseline revenues, plus \$5.1 million of new construction, for total ad valorem revenue of \$277.3 million.

The remaining revenue budget includes anticipated funding from state and federal sources, as well as from fees and investment earnings. State revenues, which are the District's second major source of funding, are projected at \$337.0 million, primarily from the Save Our Everglades Trust Fund and Land Acquisition Trust Fund in support of initiatives related to Everglades' restoration.

The District recognizes the importance of how available revenues can change in response to economic factors. There are many economic factors to consider and monitor relating to the District and changes in these economic factors directly impact the District's financial health and future revenue outlook. The following discussion will focus on economic factors affecting the District's ad valorem revenue budget and were considered in preparing the budget for the 2019 fiscal year.

**Property Values**

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

In the third quarter of 2018, Florida's housing sector continued to reflect rising property values. Median sales price of single-family homes, townhouses/condos, and manufactured homes increased by 6.3 percent, 6.1 percent and 13.7 percent year-over-year, respectively. Number of closed sales of the same properties illustrated a similar trend over the same time span. As a result, gross taxable value of the property located within District's 16 counties has increased 8.4 percent since last fiscal year. As the state and regional economy continues to improve, the District's total taxable values are projected to reach \$1 billion by FY 2019 through appreciation of home values.

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT  
MANAGEMENT’S DISCUSSION AND ANALYSIS  
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**Foreclosures**

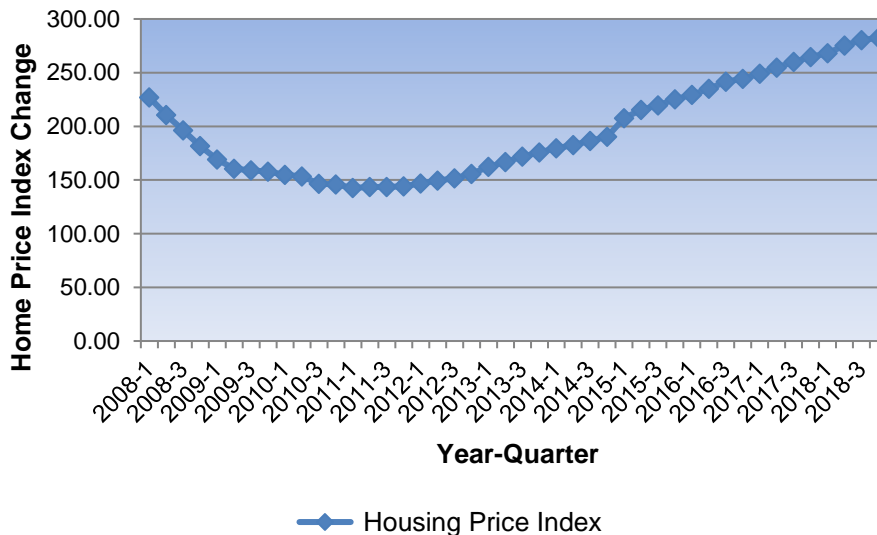
According to RealtyTrac®, the leading online marketplace for foreclosure properties, foreclosure filings, which include default notices, scheduled auctions, and bank repossessions, were reported on 432,691 properties in the United States as of the report date, compared to the prior year of 572,202 properties. Their report shows a nationwide foreclosure rate of one in every 2,348 U.S. housing units, compared to one in every 1,907 twelve months prior. Florida, reflected a foreclosure rate of one in every 1,462 units, compared to one in every 1,887 units reported last year. Of the five top counties in Florida, in terms of foreclosure rates, three counties are within the District’s boundaries, being Hendry, Osceola, and Polk.

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

**Home Prices**

The Federal Housing Finance Agency’s House Price Index indicates that home prices have increased since bottoming out in 2011 when real estate values saw declines in the fifty percent range compared to peaks in 2007. Home prices and property values in central and south Florida have seen a continual and steady resurgence over the past few years, for an annual appreciation of 7.7 percent between Q3 2017 and Q3 2018. Continued upward movement in home prices is due to steady state’s population increase, strong jobs outlook, historically low interest rates (though rising), and solid economic growth. The Federal Housing Finance Agency Home Price Index, graphically depicted below, measures the average change in value of residential real estate in central and southern Florida given a constant level of quality.

**Florida Home Price Index 2008 - 2018**



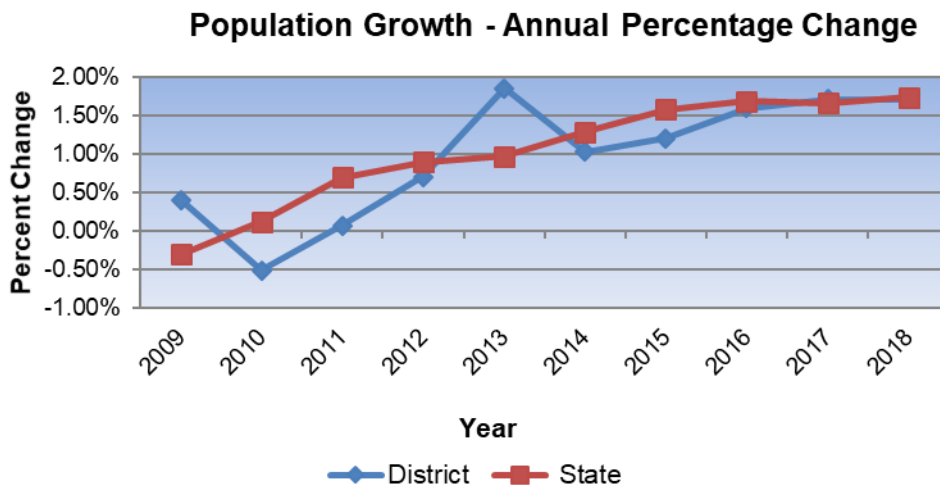
Source: fhfa.gov

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT  
MANAGEMENT’S DISCUSSION AND ANALYSIS  
SEPTEMBER 30, 2018**

**Population Growth**

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

In 2018, the District’s population increased by 1.60 percent, compared to the prior year’s increase of 1.71 percent. Over the past ten years (2009 to 2018) the population growth across the District averaged 1.10 percent. The rate of population growth within the District’s boundary is consistent with the state-wide trend as shown below with exception of 2012:



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

**General Fund – Assigned and Unassigned Fund Balance**

At the end of fiscal year 2018, the total assigned and unassigned fund balance in the General Fund was \$42.2 million. This represents an increase of \$1.7 million or approximately 4.1 percent from the comparable fund balance reported in fiscal year 2017. The District has appropriated \$38.2 million of the \$42.2 million for spending in the fiscal year 2019 budget. Of the \$38.2 million, \$23 million is appropriated to support projects and activities in fiscal year 2018.

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
SEPTEMBER 30, 2018**

**NEXT YEAR'S BUDGETS AND RATES**

The District's fiscal year 2019 adopted millage rates are lower than fiscal year 2018 rates. In fiscal year 2019, all property owners within the District's boundaries will be assessed a District-at-Large millage rate of .1209 mills, reduced from the prior year's rate of .1275 mills. In addition, property owners within the Okeechobee Basin will be assessed both the Okeechobee Basin tax rate of .1310 mills and the Everglades Construction Project tax rate of .0417 mills, both of which are reduced from the fiscal year 2018 rates of .1384 mills and .0441, mills, respectively, for a combined tax assessment of .2936 mills. Property owners within the Big Cypress Basin will be assessed the Big Cypress Basin millage rate of .1231 mills, which represents a reduction from the fiscal year 2018 rate of .1270 mills, and the District-at-Large tax rate of .1209 mills, for a combined tax assessment of .2440 mills. State law limits the combined District-at-Large and basin tax millage for each of the two basins at 0.8 mills (80 cents per \$1,000 of taxable value). The state constitutional limit is slightly higher at 1 mill (\$1.00 per \$1,000 of taxable value). Consequently, the District's approved budget for fiscal year 2019 totals \$813.9 million, an increase of approximately \$53.2 million from the fiscal year 2018 amended budget of \$760.7 million.

**Requests for Information**

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

# **FINANCIAL SECTION**

## **BASIC FINANCIAL STATEMENTS**





**South Florida Water Management District  
Statement of Net Position  
September 30, 2018**

	<u>Total Governmental Activities</u>
<b>ASSETS</b>	
Cash and Investments	\$ 339,423,670
Accounts Receivable	1,899,229
Due from Other Governments	44,836,000
Inventory	5,559,652
Other Assets	5,214,514
Restricted Assets:	
Temporarily Restricted	
Cash and Investments	169,108,076
Permanently Restricted	
Cash and Investments	15,475,182
Capital Assets	
Land and Easements	2,706,585,696
Construction In Progress	634,991,983
Canals and Levees	809,365,802
Other Capital Assets, Net of Depreciation	1,418,716,197
Total Assets	<u>6,151,176,001</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
OPEB	1,235,608
Pensions	31,342,980
Deferred Loss on Debt Refunding	1,277,343
Total Deferred Outflows of Resources	<u>33,855,931</u>
<b>LIABILITIES</b>	
Accounts Payable	72,030,972
Due to Other Governments	2,013,099
Unearned Revenue	6,490,917
Due Within One Year	
Certificates of Participation Payable	12,325,000
Compensated Absences	8,330,000
Self Insurance Claims Payable	2,379,786
Due in More Than One Year	
Certificates of Participation Payable, includes Unamortized Premiums/Discounts	413,070,442
Compensated Absences	5,356,000
OPEB Obligation	43,848,716
Self Insurance Claims Payable	2,445,214
Net Pension Liability	92,840,784
Total Liabilities	<u>661,130,930</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
OPEB	2,580,250
Pensions	17,303,766
Total Deferred Inflows of Resources	<u>19,884,016</u>
<b>NET POSITION</b>	
Net Investment in Capital Assets	5,145,541,580
Restricted for:	
Debt Service	21,513,373
Wetlands Mitigation	
Expendable	22,235,516
Nonexpendable	14,652,572
Environmental Programs	327,555,376
Capital Construction	38,945,056
Unrestricted (Deficit)	(66,426,487)
Total Net Position	<u>\$ 5,504,016,986</u>

See Accompanying Notes to the Financial Statements

**South Florida Water Management District  
Statement of Activities  
For the Year Ended September 30, 2018**

Functions/Programs	Expenses	Program Revenues			Net Revenue (Expense) and Change in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Total Governmental Activities
Water Resources Planning and Monitoring	\$ 43,896,489	\$ -	\$ 2,520,556	\$ 18,713,539	(\$ 22,662,394)
Acquisition, Restoration and Public Works	49,902,299	-	22,809,004	193,792,758	166,699,463
Operations and Maintenance of Lands and Wc	171,891,603	16,868,238	11,994,573	23,990,439	(119,038,353)
Regulation	27,227,444	3,523,934	8,132	-	(23,695,378)
Outreach	1,972,036	-	-	-	(1,972,036)
District Management and Administration	29,436,363	5,929,019	71,907	-	(23,435,437)
Interest on Long-Term Debt	11,622,749	-	-	-	(11,622,749)
<b>Total</b>	<b>\$ 335,948,983</b>	<b>\$ 26,321,191</b>	<b>\$ 37,404,172</b>	<b>\$ 236,496,736</b>	<b>(\$ 35,726,884)</b>

General Revenues:

Taxes:

Property Taxes, Levied for General Purposes	240,768,976
Property Taxes, Levied for Everglades Restoration	47,569,471
Investment Earnings (Loss)	(741,400)
Miscellaneous	9,363,187

Total General Revenues

296,960,234

Change in Net Position

261,233,350

Net Position at Beginning of Year, as Restated \*

5,242,783,636

Net Position at End of Year

\$ 5,504,016,986

\* Beginning Net Position was restated due to implementation of GASB No. 75. See Note (2)(p).

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

	General	Okeechobee Basin Special Revenue	Everglades Restoration Trust Special Revenue	Lake Belt Mitigation Special Revenue
<b>ASSETS</b>				
Cash and Investments	\$ 69,870,528	\$ 70,411,450	\$ 38,318,052	\$ 58,473,702
Cash Held by Trustee	-	-	-	-
Accounts Receivable	450,799	393,504	181,820	205,444
Due from Other Governments	2,042,189	2,354,242	302,486	-
Due from Other Funds	-	11,850,644	-	-
Inventory	-	5,304,020	-	-
Other Assets	62,670	-	-	4,236,469
Total Assets	\$ 72,426,186	\$ 90,313,860	\$ 38,802,358	\$ 62,915,615
 <b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES &amp; FUND BALANCES</b>				
<b>LIABILITIES</b>				
Accounts Payable	\$ 8,594,249	\$ 3,976,368	\$ 1,245,781	\$ 95,767
Due to Other Governments	582,400	832,600	-	-
Due to Other Funds	127,302	101,370	26,649	292
Unearned Revenue	-	-	-	-
 <b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable Revenue	389,840	1,217,748	-	-
Total Liabilities & Deferred Inflows of Resources	9,693,791	6,128,086	1,272,430	96,059
 <b>FUND BALANCES</b>				
Nonspendable	-	5,304,020	-	-
Restricted	-	78,881,754	37,529,928	62,819,556
Committed	20,521,793	-	-	-
Assigned	38,195,625	-	-	-
Unassigned (Deficits)	4,014,977	-	-	-
Total Fund Balances (Deficits)	62,732,395	84,185,774	37,529,928	62,819,556
Total Liabilities, Deferred Inflows of Resources & Fund Balances	\$ 72,426,186	\$ 90,313,860	\$ 38,802,358	\$ 62,915,615

See Accompanying Notes to the Financial Statements

Continued

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

	Okeechobee Basin Capital Projects	Everglades Trust Capital Projects	Save Our Everglades Capital Projects	Land Acquisition Trust Capital Projects Fund
<b>ASSETS</b>				
Cash and Investments	\$ 43,777,719	\$ 74,699,469	\$ -	\$ -
Cash Held by Trustee	2,224,128	11,902,671	-	-
Accounts Receivable	57,220	228,733	-	-
Due from Other Governments	8,968,283	-	11,894,135	15,412,164
Due from Other Funds	-	-	-	-
Inventory	-	-	-	-
Other Assets	375	-	-	-
	<b>\$ 55,027,725</b>	<b>\$ 86,830,873</b>	<b>\$ 11,894,135</b>	<b>\$ 15,412,164</b>
Total Assets				
 <b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES &amp; FUND BALANCES</b>				
<b>LIABILITIES</b>				
Accounts Payable	\$ 9,616,167	\$ 1,784,941	\$ 15,776,441	\$ 12,815,805
Due to Other Governments	-	-	-	-
Due to Other Funds	-	-	3,450,814	7,804,406
Unearned Revenue	-	-	-	-
 <b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable Revenue	8,968,283	-	6,453,332	4,040,146
Total Liabilities & Deferred Inflows of Resources	<b>18,584,450</b>	<b>1,784,941</b>	<b>25,680,587</b>	<b>24,660,357</b>
 <b>FUND BALANCES</b>				
Nonspendable	-	-	-	-
Restricted	36,443,275	85,045,932	2,209,941	-
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned (Deficits)	-	-	(15,996,393)	(9,248,193)
Total Fund Balances (Deficits)	<b>36,443,275</b>	<b>85,045,932</b>	<b>(13,786,452)</b>	<b>(9,248,193)</b>
	<b>\$ 55,027,725</b>	<b>\$ 86,830,873</b>	<b>\$ 11,894,135</b>	<b>\$ 15,412,164</b>
Total Liabilities, Deferred Inflows of Resources & Fund Balances				

See Accompanying Notes to the Financial Statements

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

	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>ASSETS</b>		
Cash and Investments	\$ 127,849,288	\$ 483,400,208
Cash Held by Trustee	9,619,979	23,746,778
Accounts Receivable	308,106	1,825,626
Due from Other Governments	3,862,501	44,836,000
Due from Other Funds	-	11,850,644
Inventory	255,632	5,559,652
Other Assets	-	4,299,514
<b>Total Assets</b>	<u><u>\$ 141,895,506</u></u>	<u><u>\$ 575,518,422</u></u>
 <b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES &amp; FUND BALANCES</b>		
<b>LIABILITIES</b>		
Accounts Payable	\$ 8,110,975	\$ 62,016,494
Due to Other Governments	598,099	2,013,099
Due to Other Funds	598,851	12,109,684
Unearned Revenue	284,340	284,340
 <b>DEFERRED INFLOWS OF RESOURCES</b>		
Unavailable Revenue	1,865,865	22,935,214
<b>Total Liabilities &amp; Deferred Inflows of Resources</b>	<u><u>11,458,130</u></u>	<u><u>99,358,831</u></u>
 <b>FUND BALANCES</b>		
Nonspendable	15,338,184	20,642,204
Restricted	106,888,959	409,819,345
Committed	374,112	20,895,905
Assigned	8,791,773	46,987,398
Unassigned (Deficits)	(955,652)	(22,185,261)
<b>Total Fund Balances (Deficits)</b>	<u><u>130,437,376</u></u>	<u><u>476,159,591</u></u>
 <b>Total Liabilities, Deferred Inflows of Resources &amp; Fund Balances</b>	<u><u>\$ 141,895,506</u></u>	<u><u>\$ 575,518,422</u></u>

See Accompanying Notes to the Financial Statements

**South Florida Water Management District  
Reconciliation of the Governmental Funds Balance Sheet  
to the Statement of Net Position  
September 30, 2018**

Fund balances - total governmental funds		\$ 476,159,591
<p>Amounts reported for governmental activities in the statement of net position are different because:</p>		
<p>Capital assets used in government activities are not financial resources and therefore are not reported in the governmental funds.</p>		
Governmental capital assets	\$ 6,071,347,270	
Less accumulated depreciation	<u>(501,702,737)</u>	5,569,644,533
<p>Long term liabilities not due and payable with current available resources are not reported in the governmental funds.</p>		
Certificates of Participation Series 2015	(373,685,000)	
Certificates of Participation Series 2015 - premium	(51,710,442)	
Compensated absences	(13,686,000)	
Other post employment benefits (OPEB)	(43,848,716)	
Pensions	<u>(92,840,784)</u>	(575,770,942)
<p>Bond and Certificates of Participation interest due October 1, 2018 are not reported as a liability of the governmental funds.</p>		
Accrued interest payable - Certificates of Participation Series 2015	<u>(9,188,373)</u>	(9,188,373)
<p>Assets not available to provide current resources are offset with deferred inflows of resources in the fund statements. The reduction of the deferred inflow and recognition of revenue increases net assets in the Statement of Net Position.</p>		
		16,728,637
<p>Deferred outflows (inflows) of resources are not reported in the governmental funds.</p>		
Net effect of OPEB	(1,344,642)	
Net effect of pensions	14,039,214	
Certificates of Participation Series 2015 - deferred loss on refunding	<u>1,277,343</u>	13,971,915
<p>Internal Service Funds are used by management to charge the costs of certain activities, such as worker's compensation, general and automobile liability, and health benefits to individual funds. The assets and liabilities of the Internal Service Funds are included in governmental activities in the statement of net position.</p>		
		<u>12,471,625</u>
Net position of governmental activities		<u><u>\$ 5,504,016,986</u></u>

See Accompanying Notes to the Financial Statements

**South Florida Water Management District**  
**Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Governmental Funds**  
**For the Year Ended September 30, 2018**

	General	Okeechobee Basin Special Revenue	Everglades Restoration Trust Special Revenue	Lake Belt Mitigation Special Revenue
<b>REVENUES</b>				
Ad Valorem Property Taxes	\$ 115,886,421	\$ 114,634,810	\$ 36,508,544	\$ -
Agricultural Privilege Taxes	-	-	11,060,928	-
Intergovernmental	1,757,230	3,093,882	9,499,553	-
Investment Earnings (Loss)	(267,347)	(224,455)	(111,400)	(61,846)
Licenses, Permits and Fees	3,538,934	113,065	-	3,443,922
Sale of District Property	187,475	335,926	2,339	-
Leases	451,938	340,432	1,100	-
Other	352,674	169,046	12,033	-
Total Revenues	121,907,325	118,462,706	56,973,097	3,382,076
<b>EXPENDITURES</b>				
Current Operating				
Water Resources Planning and Monitoring	23,115,908	3,382,877	5,024,823	-
Acquisition, Restoration and Public Works	13,844,550	7,548,952	4,280,952	-
Operations and Maintenance of Lands and Works	26,658,402	79,377,523	20,206,615	3,764,466
Regulation	15,659,711	190,266	1,471,679	-
Outreach	1,971,386	-	-	-
District Management and Administration	20,913,038	2,411,714	-	-
Capital Outlay	5,750	-	-	-
Debt Service				
COPS Bond Principal Retirement	-	-	-	-
COPS Bond Interest	-	-	-	-
Total Expenditures	102,168,745	92,911,332	30,984,069	3,764,466
Revenues in Excess of (Less than) Expenditures	19,738,580	25,551,374	25,989,028	(382,390)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	-	-	-	-
Transfers Out	(19,398,936)	(31,262,242)	(11,654,368)	(2,763,973)
Total Other Financing Sources (Uses)	(19,398,936)	(31,262,242)	(11,654,368)	(2,763,973)
Net Change in Fund Balances	339,644	(5,710,868)	14,334,660	(3,146,363)
Fund Balances (Deficits) at Beginning of Year	62,392,751	89,896,642	23,195,268	65,965,919
Fund Balances (Deficits) at End of Year	\$ 62,732,395	\$ 84,185,774	\$ 37,529,928	\$ 62,819,556

**South Florida Water Management District**  
**Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Governmental Funds**  
**For the Year Ended September 30, 2018**

	Okeechobee Basin Capital Projects	Everglades Trust Capital Projects	Save Our Everglades Capital Projects	Land Acquisition Trust Capital Projects
<b>REVENUES</b>				
Ad Valorem Property Taxes	\$ -	\$ -	\$ -	\$ -
Agricultural Privilege Taxes	-	-	-	-
Intergovernmental	-	25,800,000	44,758,546	57,323,538
Investment Earnings (Loss)	(52,623)	(110,229)	(2,398)	-
Licenses, Permits and Fees	-	-	-	-
Sale of District Property	2,488,183	1,435	265,335	-
Leases	-	-	-	-
Other	1,054	-	60,616	-
Total Revenues	<u>2,436,614</u>	<u>25,691,206</u>	<u>45,082,099</u>	<u>57,323,538</u>
<b>EXPENDITURES</b>				
Current Operating				
Water Resources Planning and Monitoring	-	-	-	-
Acquisition, Restoration and Public Works	-	-	-	-
Operations and Maintenance of Lands and Works	-	-	-	-
Regulation	-	-	-	-
Outreach	-	-	-	-
District Management and Administration	-	-	-	-
Capital Outlay	40,388,972	15,165,454	53,427,143	61,320,478
Debt Service				
COPS Bond Principal Retirement	-	6,492,572	-	-
COPS Bond Interest	-	10,114,670	-	-
Total Expenditures	<u>40,388,972</u>	<u>31,772,696</u>	<u>53,427,143</u>	<u>61,320,478</u>
Revenues in Excess of (Less than) Expenditures	<u>(37,952,358)</u>	<u>(6,081,490)</u>	<u>(8,345,044)</u>	<u>(3,996,940)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	31,262,242	11,654,368	-	-
Transfers Out	-	-	-	-
Total Other Financing Sources (Uses)	<u>31,262,242</u>	<u>11,654,368</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	(6,690,116)	5,572,878	(8,345,044)	(3,996,940)
Fund Balances (Deficits) at Beginning of Year	43,133,391	79,473,054	(5,441,408)	(5,251,253)
Fund Balances (Deficits) at End of Year	<u>\$ 36,443,275</u>	<u>\$ 85,045,932</u>	<u>(\$ 13,786,452)</u>	<u>(\$ 9,248,193)</u>

See Accompanying Notes to the Financial Statements



**South Florida Water Management District**  
**Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Governmental Funds**  
**For the Year Ended September 30, 2018**

	Other Governmental Funds	Total Governmental Funds
<b>REVENUES</b>		
Ad Valorem Property Taxes	\$ 10,247,744	\$ 277,277,519
Agricultural Privilege Taxes	-	11,060,928
Intergovernmental	27,963,680	170,196,429
Investment Earnings (Loss)	98,186	(732,112)
Licenses, Permits and Fees	5,809,559	12,905,480
Sale of District Property	5,154,465	8,435,158
Leases	6,693,221	7,486,691
Other	258,469	853,892
Total Revenues	56,225,324	487,483,985
<b>EXPENDITURES</b>		
Current Operating		
Water Resources Planning and Monitoring	3,739,779	35,263,387
Acquisition, Restoration and Public Works	14,753,173	40,427,627
Operations and Maintenance of Lands and Works	18,383,374	148,390,380
Regulation	-	17,321,656
Outreach	-	1,971,386
District Management and Administration	288,866	23,613,618
Capital Outlay	30,600,594	200,908,391
Debt Service		
COPS Bond Principal Retirement	5,247,428	11,740,000
COPS Bond Interest	8,555,580	18,670,250
Total Expenditures	81,568,794	498,306,695
Revenues in Excess of (Less than) Expenditures	(25,343,470)	(10,822,710)
<b>OTHER FINANCING SOURCES (USES)</b>		
Transfers In	25,006,476	67,923,086
Transfers Out	(2,843,567)	(67,923,086)
Total Other Financing Sources (Uses)	22,162,909	-
Net Change in Fund Balances	(3,180,561)	(10,822,710)
Fund Balances (Deficits) at Beginning of Year	133,617,937	486,982,301
Fund Balances (Deficits) at End of Year	\$ 130,437,376	\$ 476,159,591

See Accompanying Notes to the Financial Statements

**South Florida Water Management District  
Reconciliation of the Statement of Revenues, Expenditures  
and Changes in Fund Balances of Governmental Funds  
to the Statement of Activities  
For the Year Ended September 30, 2018**

Net change in fund balances - total governmental funds \$ (10,822,710)

Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlay as expenditures. However, in the statement of activities, the cost of those assets are depreciated over their estimated useful lives.

Capital outlay	\$ 200,908,391	
Current year depreciation expense	<u>(42,436,026)</u>	158,472,365

The net effect of various transactions involving capital assets (i.e. adjustments, disposals, transfers, donations) is an increase to net position. 90,692,960

Repayment long term debt is a use of financial resources in governmental funds, but reduces long term liabilities in the statement of net position.

COPs loan principal payment 11,740,000

Some expenses reported in the statement of activities do not require current financial resources and therefore are not reported as expenditures in the governmental funds.

Change in long term compensated absences	(920,200)	
Change in OPEB payable and related deferred balances	(876,687)	
Change in COPs interest payable - Series 2015	293,500	
Amortization of deferred loss - Certificates Series 2015	(179,239)	
Amortization of discount on debt - Certificates Series 2015	(18,132)	
Amortization of premium on debt - Certificates Series 2015	6,951,372	
Change in pension liability and related deferred balances	<u>(2,979,822)</u>	2,270,792

Revenues that are earned but not received within the District's availability period are recognized in the Statement of Activities when earned and subsequently in the governmental funds when they become available. 10,642,496

Internal service funds are used by management to charge the costs of certain activities to the individual funds. The change in net assets of the internal service funds is reported with governmental activities. (1,762,553)

Change in net position of governmental activities \$ 261,233,350

**See Accompanying Notes to the Financial Statements**

**South Florida Water Management District  
Statement of Net Position  
Proprietary Funds  
September 30, 2018**

	Governmental Activities
	Internal Service Funds
<b>ASSETS</b>	
Current Assets	
Cash and Investments	\$ 16,859,942
Accounts Receivable	73,603
Due from Other Funds	259,385
Other Assets	915,000
Total Current Assets	18,107,930
Noncurrent Assets	
Furniture, Fixtures and Equipment	27,459
Vehicles	36,224
Accumulated Depreciation	(48,538)
Total Noncurrent Assets	15,145
Total Assets	18,123,075
<b>LIABILITIES</b>	
Current Liabilities	
Accounts Payable	\$ 826,105
Due to Other Funds	345
Claims Payable	2,379,786
Total Current Liabilities	3,206,236
Noncurrent Liabilities	
Claims Payable	2,445,214
Total Noncurrent Liabilities	2,445,214
Total Liabilities	5,651,450
<b>NET POSITION</b>	
Net Investment in Capital Assets	15,145
Unrestricted	12,456,480
Total Net Position	\$ 12,471,625

See Accompanying Notes to the Financial Statements

**South Florida Water Management District**  
**Statement of Revenues, Expenses, and Changes in Fund Net Position**  
**Proprietary Funds**  
**For the Year Ended September 30, 2018**

	Governmental Activities
	Internal Service Funds
<b>OPERATING REVENUES</b>	
Charges for Services and Premium	\$ 28,509,085
Other Operating Revenue	74,139
Total Operating Revenues	28,583,224
<b>OPERATING EXPENSES</b>	
Salaries	279,001
Benefits	119,281
Claims	26,983,396
Purchased Services	147,751
Administrative Fees	1,905,584
Other	898,962
Depreciation	2,514
Total Operating Expenses	30,336,489
<b>OPERATING LOSS</b>	(1,753,265)
<b>NONOPERATING REVENUES</b>	
Investment Earnings (Loss)	(9,288)
Total Nonoperating Revenues	(9,288)
Change in Net Position	(1,762,553)
Net Position at Beginning of Year	14,234,178
Net Position at End of Year	\$ 12,471,625

See Accompanying Notes to the Financial Statements

**South Florida Water Management District  
Statement of Cash Flows  
Proprietary Funds  
For the Year Ended September 30, 2018**

	Governmental Activities
	Internal Service Funds
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>	
Cash Receipts from Participants and Other Funds	\$ 28,504,533
Cash Payments to Suppliers	(2,883,560)
Cash Payments for Salaries, Benefits	(398,282)
Claims Paid	(27,225,396)
Other Receipts (Payments)	11,968
Net Cash Used in Operating Activities	(1,990,737)
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>	
Investment Earnings	(9,288)
Net Cash Provided by Investing Activities	(9,288)
Net Increase (Decrease) in Cash and Cash Equivalents	(2,000,025)
Cash and Cash Equivalents, Beginning of Year	18,859,967
Cash and Cash Equivalents, End of Year	\$ 16,859,942
<b>RECONCILIATION OF OPERATING LOSS TO NET CASH USED IN OPERATING ACTIVITIES:</b>	
Operating Loss	\$ (1,753,265)
Adjustments to Reconcile Operating Loss to Net Cash Used In Operating Activities	
Depreciation	2,514
<b>CHANGES IN ASSETS AND LIABILITIES:</b>	
Decrease (Increase) in Accounts Receivable	(4,552)
Decrease (Increase) in Due from Other Funds	(62,171)
Increase (Decrease) in Accounts Payable	68,663
Increase (Decrease) in Due to Other Funds	74
Increase (Decrease) in Estimated Unpaid Claims	(242,000)
Net Cash Used in Operating Activities	\$ (1,990,737)

See Accompanying Notes to the Financial Statements



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**SOUTH FLORIDA WATER MANAGEMENT DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2018**

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**SOUTH FLORIDA WATER MANAGEMENT DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2018**

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*(1) DESCRIPTION OF THE SOUTH FLORIDA WATER MANAGEMENT DISTRICT*

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

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

*(2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES*

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

*(a) Reporting Entity*

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

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



**SOUTH FLORIDA WATER MANAGEMENT DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2018**

---

*(2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)*

*(b) Government-wide and Fund Financial Statements*

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

Separate financial statements are provided for governmental and proprietary funds. Major individual governmental funds are reported as separate columns in the fund financial statements. The effects of interfund activity have been eliminated from the government-wide financial statements except for interfund services provided and used.

*(c) Measurement Focus and Basis of Accounting*

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. The District considers revenues from property taxes, intergovernmental sources, leases and interest to be available if they are collected within sixty (60) days of the end of the current fiscal period.

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

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

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

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2018**

---

*(2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)*

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

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

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

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

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

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

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

The District reports the following major governmental funds:

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

The Okeechobee Basin Special Revenue Fund is used to record revenues from within all or part of a 15-county area designated as the Okeechobee Basin. Funding is provided by a .1384 mill property tax levy, intergovernmental revenues and permitting fees, which must be used for expenditures within the Okeechobee Basin.

The Everglades Restoration Trust Special Revenue Fund is used to account for expenditures related to the operations and maintenance of the Stormwater Treatment Areas (STA) as required by the Everglades Forever Act. Funding is provided through a .0441 mill property tax levy, non-ad valorem assessments to property owners in the EAA, State and Federal contributions, and interest earnings.

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

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2018**

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*(2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)*

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

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

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

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

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

The District reports the following type of proprietary funds:

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

*(e) Budgetary Information*

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

*(f) Cash and Investments*

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

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT  
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*(2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)*

*(f) Cash and Investments (continued)*

District reports investments at their fair market value, with unrealized gains and losses credited to or charged against investment earnings. The District categorizes its investments according to the fair value hierarchy established by GASB Statement No. 72. The hierarchy is based on observable and unobservable inputs used in establishing the fair value of a financial asset or liability. The District pools all cash and investments unless required to be maintained separately. Each fund's portion of the pooled cash and investments is included in the line item cash and investments.

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

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

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

*(g) Accounts Receivable*

Accounts receivable balances are shown at their net realizable value. For 2018 there is no allowance for uncollectable amounts.

*(h) Prepaid Items and Inventory*

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

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

*(i) Capital Assets*

Capital assets, which include land, canals and levees, buildings, equipment, vehicles, infrastructure assets (bridges, water control structures) and intangible assets are reported in the government-wide financial statements. Capital assets are defined by the District as assets with

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
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*(2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)*

*(i) Capital Assets (continued)*

an initial, individual cost of \$1,000 or more and an estimated useful life of one year or more. Intangible assets are defined as assets that lack physical substance, are nonfinancial in nature, and have initial useful lives which extend beyond a single reporting period. The District reports two main types of intangible assets, easements, which are considered non-depreciable and internally generated software, which is depreciated over its estimated useful life. Items purchased or acquired are reported at historical cost or estimated historical cost. Donated assets are recorded at their acquisition value on the date donated. Maintenance, repairs and minor renovations are not capitalized.

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

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

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

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

*(j) Long-term Obligations*

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

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

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
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*(2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)*

*(k) Compensated Absences*

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

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

*(l) Deferred Outflows/Inflows of Resources*

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

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

The sources of unavailable revenue are:

<u>Description</u>	<u>Governmental Balances</u>
Intergovernmental Sources:	
Reimbursement	\$ 22,935,214
Total Unavailable Revenue	<u>\$ 22,935,214</u>

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
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*(2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)*

*(m) Wetland Mitigation*

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

*(n) Fund Balances / Net Position*

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

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

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

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

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

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

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
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*(2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)*

*(n) Fund Balances / Net Position (continued)*

When both restricted and unrestricted amounts of fund balance are available for use for expenditures incurred, it is the District's policy to use restricted amounts first and then unrestricted amounts as they are needed. Additionally, the District would first use committed fund balance, followed by assigned fund balance and then unassigned fund balance when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

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

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

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

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

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

Restricted for Environmental Programs - Represents the portion of net position which is restricted for specific environmental programs through legally enforceable requirements stipulated in legislation or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. As of September 30, 2018, the District has approximately \$327.6 million in restricted net position through enabling legislation.

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

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

*(o) Use of Estimates*

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



**SOUTH FLORIDA WATER MANAGEMENT DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
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*(2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)*

*(p) Impact of Recently Issued Accounting Pronouncements*

**Recently Issued and Implemented Accounting Pronouncements**

In June 2015, GASB issued Statement No. 75 “Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions”. This Statement establishes standards for recognizing and measuring liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures related to accounting and financial reporting for other postemployment benefits (OPEB). The District implemented the provisions of this Statement during the fiscal year ended September 30, 2018. The implementation had a material effect on the District’s financial statements. See below and Note (15) – OTHER POST- EMPLOYMENT BENEFITS (OPEB) for more details.

**Restatement - Change in Accounting Principle**

The implementation of GASB Statement No. 75 described above required the District to restate Net Position in the government-wide statements to report the District’s total OPEB liability, deferred inflows/outflows and related OPEB amounts for the single employer OPEB plan without a trust. Accordingly, Beginning Net Position has been restated as follows:

Net position as previously reported at September 30, 2017	\$	5,252,148,069
Total OPEB liability (measurement date as of September 30, 2017)		(46,759,927)
Previously recorded net OPEB obligation		34,973,613
Deferred outflows related to total OPEB liability		2,443,256
Restatement for the adoption of GASB No. 75 by the District		(9,343,058)
Restatement for FRS adoption of GASB No. 75		(21,375)
Net position as restated, October 1, 2017	\$	5,242,783,636

The implementation of GASB Statement No. 75 resulted in the District recording beginning deferred outflows of resources of \$2,443,256 and the beginning total OPEB liability of \$46,759,927 as of the measurement date (September 30, 2017).

In March 2016, GASB issued Statement No. 81 “Irrevocable Split-Interest Agreements”. The objective of this Statement is to improve accounting and financial reporting for irrevocable split-interest agreements by providing recognition and measurement guidance for situations in which a government is a beneficiary of the agreement. The provisions of this Statement are effective for financial statements for periods beginning after December 15, 2016. The District implemented the provisions of this Statement during the fiscal year ended September 30, 2018. The implementation had no effect on the District’s financial statements.

In March 2016, GASB issued Statement No. 82 “Pension Issues - an amendment of GASB Statements No. 67, No. 68, and No. 73”. This Statement addresses issues regarding (1) the presentation of payroll-related measures in required supplementary information, (2) the selection of assumptions and the treatment of deviations from the guidance in an Actuarial Standard of Practice for financial reporting purposes, and (3) the classification of payments made by employers to satisfy employee (plan member) contribution requirements. The provisions of this Statement are effective for financial statements in which the measurement date of the pension

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
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*(2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)*

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

liability is on or after June 15, 2017. The District implemented the provisions of this Statement during the fiscal year ended September 30, 2018. The implementation did not have a material effect on the District's financial statements.

In March 2017, GASB issued Statement No. 85 "Omnibus 2017". The objective of this Statement is to address practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics including issues related to blending component units, goodwill, fair value measurement and application, and postemployment benefits (pensions and other postemployment benefits [OPEB]). Specifically, this Statement addresses the following topics: blending a component unit in circumstances in which the primary government is a business-type activity that reports in a single column for financial statement presentation; reporting amounts previously reported as goodwill and "negative" goodwill; classifying real estate held by insurance entities; measuring certain money market investments and participating interest-earning investment contracts at amortized cost; timing of the measurement of pension or OPEB liabilities and expenditures recognized in financial statements prepared using the current financial resources measurement focus; recognizing on behalf payments for pensions or OPEB in employer financial statements; presenting payroll related measures in required supplementary information for purposes of reporting by OPEB plans and employers that provide OPEB; classifying employer-paid member contributions for OPEB; simplifying certain aspects of the alternative measurement method for OPEB; accounting and financial reporting for OPEB provided through certain multiple-employer defined benefit OPEB plans. The provisions of this Statement are effective for financial statements for periods beginning after June 15, 2017. The District implemented the provisions of this Statement during the fiscal year ended September 30, 2018. The implementation did not have a material effect on the District's financial statements.

In May 2017, GASB issued Statement No. 86 "Certain Debt Extinguishment Issues". The primary objective of this Statement is to improve consistency in accounting and financial reporting for in-substance defeasance of debt by providing guidance for transactions in which cash and other monetary assets acquired with only existing resources—resources other than the proceeds of refunding debt—are placed in an irrevocable trust for the sole purpose of extinguishing debt. This Statement also improves accounting and financial reporting for prepaid insurance on debt that is extinguished and notes to financial statements for debt that is defeased in substance. The provisions of this Statement are effective for financial statements for periods beginning after June 15, 2017. The District implemented the provisions of this Statement during the fiscal year ended September 30, 2018. The implementation had no effect on the District's financial statements.

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

In November 2016, GASB issued Statement No. 83, "Certain Asset Retirement Obligations". This Statement addresses accounting and financial reporting for certain asset retirement obligations (AROs). An ARO is a legally enforceable liability associated with the retirement of a tangible capital asset. Specifically, it establishes criteria for determining the timing and pattern of recognition of a liability and a corresponding deferred outflow of resources for AROs; it requires the current value of a government's AROs to be adjusted for the effects of general inflation or

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
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*(2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)*

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

deflation, at least annually; it also establishes the requirement for disclosure of information about the nature of a government's AROs, the methods and assumptions used for the estimates of the liabilities, and the estimated remaining useful life of the associated tangible capital assets. The requirements of this Statement are effective for reporting periods beginning after June 15, 2018. The District is required to implement this Statement in its fiscal year beginning October 1, 2018.

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

In June 2017, GASB issued Statement No. 87 "Leases". The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The provisions of this Statement are effective for financial statements for periods beginning after December 15, 2019. The District is required to implement this Statement in its fiscal year beginning October 1, 2020.

In April 2018, GASB issued Statement No. 88 "Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placement". The objective of this Statement is to improve the information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements. It also clarifies which liabilities governments should include when disclosing information related to debt. This Statement defines debt for purposes of disclosure in notes to financial statements. This Statement requires that additional essential information related to debt be disclosed separately from other debt in notes to financial statements, including unused lines of credit; assets pledged as collateral for the debt; and terms specified in debt agreements related to significant events of default with finance-related consequences, significant termination events with finance-related consequences, and significant subjective acceleration clauses. The provisions of this Statement are effective for financial statements for periods beginning after June 15, 2018. The District is required to implement this Statement in its fiscal year beginning October 1, 2018.

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
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*(2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)*

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

In June 2018, GASB issued Statement No. 89 “Accounting for Interest Cost Incurred before the End of a Construction Period”. The objectives of this Statement are to (1) enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period for both governmental activities and business-type activities, and to (2) simplify accounting for interest cost incurred before the end of a construction period. This Statement establishes accounting requirements for interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in a business-type activity or enterprise fund. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019. The District is required to implement this Statement in its fiscal year beginning October 1, 2020.

In August 2018, GASB issued Statement No. 90 “Majority Equity Interests—an amendment of GASB Statements No. 14 and No. 61”. The objectives of this Statement are to improve the consistency and comparability of reporting a government’s majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. It defines a majority equity interest and specifies that a majority equity interest in a legally separate organization should be reported as an investment if a government’s holding of the equity interest meets the definition of an investment. For all other holdings of a majority equity interest in a legally separate organization, a government should report the legally separate organization as a component unit and should report an asset related to the majority equity interest using the equity method. The requirements of this Statement are effective for reporting periods beginning after December 15, 2018. The District is required to implement this Statement in its fiscal year beginning October 1, 2019.

*(q) Retirement Plans and OPEB*

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

Other post-employment benefits (OPEB) pursuant to Section 112.0801, Florida Statutes, the District is mandated to permit participation in the health insurance program by retirees and their eligible dependents at a cost to the retirees that is no greater than the cost at which coverage is available for active employees. The rates provide for an implicit subsidy for retirees because, on an actuarial basis, their current and future claims are expected to result in higher costs to the Plan on average than those of active employees. The District is financing the post-employment benefits on a pay-as-you-go basis. As determined by an actuarial valuation, the District records a total OPEB liability in its government-wide financial statements related to the implicit subsidy. See Note (15) for further information.

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
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**(3) CASH AND INVESTMENTS**

**Statement of Policy**

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

The District's policy is written in accordance with Section 218.415, Florida Statutes, which applies to funds under the control of local governments and special districts. The policy and any subsequent revisions are adopted by the District's Governing Board and apply to funds in excess of those required to meet current expenditures. An amendment approved May 11, 2017, amended Div. 1 in its entirety, in effect repealing and reenacting said division to read as herein set out.

The District's investment policy authorizes investments in: 1) U.S. Treasury & Government Guaranteed obligations backed or guaranteed by the full faith and credit of the U.S. Government, 2) Federal Agency/GSE debt obligations, participations or other instruments issued or fully guaranteed by any U.S. Federal agency, instrumentality or government-sponsored enterprise (GSE), 3) Corporate Notes rated at a minimum A-1/P-1, A-/A3, or equivalent, 4) Municipal issued or guaranteed state and/or local government obligations including both taxable and tax-exempt rated at least SP-1/MIG 1, A-/A3, or equivalent, 5) Agency Mortgage-Backed Securities (MBS) issued or fully guaranteed by a U.S. Federal agency or government sponsored-enterprise, 6) Asset-Backed Securities (ABS) rated at a minimum A-1+/P-1, AAA/Aaa, or equivalent, 7) Non-Negotiable Certificate of Deposit and Savings Accounts interest bearing time certificates of deposit, or savings accounts in banks organized under the laws of this state or in national banks organized under the laws of the United States and doing business in this state, provided that any such deposits are secured by the Florida Security for Public Deposits Act, Chapter 280, Florida Statutes, 8) Commercial Paper rated at a minimum A-1/P-1, or equivalent, 9) Bankers' Acceptances rated at a minimum A-1/P-1, or equivalent, 10) Repurchase Agreements that are fully guaranteed by the United States or any agency of the United States, or U.S. Agency-backed mortgage related securities, 11) Money Market Funds rated at a minimum AAAm/Aaa-mf, or equivalent, 12) Local Government Investment Pools state, local government or privately-sponsored investment pools that are authorized pursuant to state law rated at a minimum AAAm/AAAf, S1, or equivalent, 13) The Florida Local Government Surplus Funds Trust Funds (Florida Prime) rated at a minimum AAAm/Aaa-mf, or equivalent.

As of September 30, 2018, the District had placed approximately 49% of its investments in U.S. government agencies backed by the full faith and credit of the United States government, 33% in U.S. government-sponsored agencies, 7% in Florida Prime and the Local Government Investment Pool and 11% in the Florida Local Government Investment Trust.

Florida Prime is an investment pool available for investing temporarily idle cash by Florida governments and is managed by the State Board of Administration (the "SBA"). According to the SBA, Florida Prime meets the criteria to be considered as "2a-7 like", as defined by GASB Codification Section I50. Accordingly, it has been reported at the net asset value. Florida Prime maintains an AAAm rating by Standard and Poor's Ratings Services.

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SEPTEMBER 30, 2018**

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*(3) CASH AND INVESTMENTS (continued)*

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

**Interest Rate Risk**

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

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

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

These securities are based on cash flows from payments on underlying mortgages; therefore, they are sensitive to prepayments by mortgagees, which may result from a decline in interest rates. An increase in interest rates may increase the average maturity of these investments. The

District currently limits its exposure to all mortgage investments to 30% of total available funds at the time of purchase.

**Fair Value**

In accordance with the GASB Statement No. 72 "Fair Value Measurement and Application" management categorizes investments according to the fair value hierarchy established by this Statement. The hierarchy is based on valuation inputs used to measure the fair value of the asset as follows: Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs to include quoted prices for similar assets in active and non-active markets; Level 3 inputs are significant unobservable inputs, and typically reflect management's estimates of assumptions that market participants would use in pricing the asset or liability.

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
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**(3) CASH AND INVESTMENTS (continued)**

As of September 30, 2018, the District had the following investments in its pooled portfolio:

Investment Type	Amount	Fair Value Measurements Using	
		Significant Other Observable Inputs (Level 2)	Effective Duration (in yrs)
U.S. Agency Obligations	\$ 238,559,142	\$ 238,559,142	3.03
Investments in Mortgage Backed Securities	159,026,148	159,026,148	5.55
Total Investments by Fair Value Level	397,585,290	\$ 397,585,290	
Portfolio Effective Duration			<b>4.03</b>
<u>Investments Measured at the Net Asset Value (NAV)</u>			
Florida Local Government Investment Trust	54,141,639		
<u>Investments Measured at Amortized Cost</u>			
Florida Prime	35,186,238		
Total Investments	\$ 486,913,167		

**Credit Risk**

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

All of the District's investments in agency securities for fiscal year 2018 were rated AA+ by Standard and Poor's, AAA by Fitch ratings, and Aaa by Moody's Investor Services. In addition, all of the District's investments in Mortgage Backed Securities were rated AAA by at least two of the three listed rating services. This applies to the direct agency obligations as well as the investment into non-agency mortgages and CMO's.

**Credit Quality Distribution for Securities with Credit Exposure**

Investment Type	Credit Rating	Fair Value
Fannie Mae – Mortgage Backed Securities	AAA	\$ 81,861,847
Fannie Mae – U.S. Agency Obligations	AAA	19,548,233
Florida Local Government Investment Trust	AAAF	54,141,639
Florida Prime	AAAM	35,186,238
Freddie Mac – Mortgage Backed Securities	AAA	30,055,275
Freddie Mac – U.S. Agency Obligations	AAA	67,859,667
Federal Farm Credit Bank – U.S. Agency Obligations	AAA	77,780,442
Federal Home Loan Bank – U.S. Agency Obligations	AAA	73,370,800
Ginnie Mae – Mortgage Backed Securities	AAA	41,475,557
Small Business Administration – Certificates	Unrated	5,633,469
		<u>\$ 486,913,167</u>

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT  
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*(3) CASH AND INVESTMENTS (continued)*

**Custodial Credit Risk - Deposits**

All of the District's cash deposits are held in accounts at depository institutions which are recognized as State of Florida Qualified Public Depositories in accordance with state statutes and the District's investment policy. All bank balances are covered by federal deposit insurance and the bank's participation in the Florida Security for Public Deposits Act. The balance held with these institutions at September 30, 2018 is \$13,346,983.

The District's "Cash and Investments Held by Trustee" at September 30, 2018 includes \$2,224,128 representing amounts related to joint projects with the Florida Department of Transportation and \$21,522,650 representing debt service on the COPs due October 1, 2018.

**Custodial Credit Risk – Investments**

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

**Concentration of Credit Risk**

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

**Percentage Allocation by Issuer as of September 30, 2018**

<u>Issuer</u>	<u>Percent of Total</u>
Fannie Mae	20.83%
Florida Local Government Investment Trust	11.12%
Florida Prime	7.23%
Freddie Mac	20.11%
Federal Farm Credit Bank	15.97%
Federal Home Loan Bank	15.07%
Ginnie Mae	8.52%
Small Business Administration	1.16%

Cash and investments as of September 30, 2018 are comprised of the following:



**SOUTH FLORIDA WATER MANAGEMENT DISTRICT  
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SEPTEMBER 30, 2018**

**(3) CASH AND INVESTMENTS (continued)**

*Cash Deposits:*

Demand Deposit Accounts	\$ 11,339,902
Money Market Accounts	1,987,281
Petty Cash	19,800
Total Cash Deposits	<u>13,346,983</u>

*Cash and Investments Held by Trustee:* 23,746,778

*Investments:*

Florida Local Government Investment Trust	54,141,639
Florida Prime	35,186,238
Investments in Mortgage Backed Securities	159,026,148
U.S. Agency Obligations	238,559,142
Total Investments	<u>486,913,167</u>
Total Cash and Investments	<u>\$ 524,006,928</u>

As Presented on Statement of Net Position

Cash and Investments	\$ 339,423,670
Temporarily Restricted Cash and Investments	169,108,076
Permanently Restricted Cash and Investments	15,475,182
Total Cash and Investments	<u>\$ 524,006,928</u>

**(4) ACCOUNTS RECEIVABLE**

Accounts receivable at September 30, 2018 consist of the following:

	General Fund	Okeechobee Basin SR Fund	Everglades Restoration Trust SR Fund	Lake Belt Mitigation SR Fund	Okeechobee Basin CP Fund	Everglades Restoration Trust CP Fund	Non Major / Internal Service Funds	Total
Leases	\$ 7,095	\$ 11,059	\$ -	\$ -	\$ -	\$ -	\$ 2,766	\$ 20,920
Interest	411,894	343,188	181,050	205,444	57,220	228,733	369,410	1,796,939
Other	31,810	39,257	770	-	-	-	9,533	81,370
	<u>\$ 450,799</u>	<u>\$ 393,504</u>	<u>\$ 181,820</u>	<u>\$ 205,444</u>	<u>\$ 57,220</u>	<u>\$ 228,733</u>	<u>\$ 381,709</u>	<u>\$ 1,899,229</u>

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
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*(5) INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS*

Interfund receivables and payables as of September 30, 2018 are as follows:

	Interfund Receivable	Interfund Payable
General Fund	\$ -	\$ 127,302
Okeechobee Basin SR Fund	11,850,644	101,370
Everglades Rest. Trust SR Fund	-	26,649
Lake Belt Mitigation SR Fund	-	292
Save Our Everglades Trust (SOETF) CP Fund	-	3,450,814
Land Acquisition Trust Fund (LATF) CP Fund	-	7,804,406
Other Governmental Funds	-	598,851
Internal Service Funds	259,385	345
	\$ 12,110,029	\$ 12,110,029

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

Interfund transfers during the year are as follows:

	<i>To:</i>			
<i>From:</i>	Okeechobee Basin CP Fund	Everglades Restoration Trust CP Fund	Other Governmental Funds	Totals
General Fund	\$ -	\$ -	\$ 19,398,936	\$ 19,398,936
Everglades Rest. Trust SR Fund	-	11,654,368	-	11,654,368
Okee. Basin SR Fund	31,262,242	-	-	31,262,242
Lake Belt Mitigation SR Fund	-	-	2,763,973	2,763,973
Other Governmental Funds	-	-	2,843,567	2,843,567
	\$31,262,242	\$11,654,368	\$25,006,476	\$ 67,923,086

Transfers into the Okeechobee Basin Capital Projects Fund from the Okeechobee Basin Special Revenue Fund reflect funding support related to capital outlay expenditures recorded in that fund. Similarly, transfers into the Everglades Trust Capital Projects Fund from the Everglades Trust Special Revenue Fund reflect support for capital outlay expenditures incurred in the capital fund. The remaining transfers represent funding for District-wide capital projects and funding between special revenue funds and their related capital projects fund as required.

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
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**(6) OPERATING LEASE RENTAL REVENUES**

**Property on Operating Leases and Property Held for Lease**

The District purchases land for environmental restoration projects. Often there are agricultural activities occurring on parts of the land at the time of purchase. If the land is not needed for a project immediately, the District allows these activities to continue as it results in lower land maintenance costs. In addition, rent is charged for the use of the land for farming until such time it is needed for project purposes. The District investment in land on which operating leases exist is \$577.1 million as of September 30, 2018.

**Revenues under Operating Leases**

The following is a schedule by year of minimum future revenues on noncancelable operating leases, including contingent revenues which may be received under certain leases of land on the basis of use in excess of stipulated minimums. For fiscal year 2018, contingent revenues were \$-0-.

Year Ending September 30:

2019	\$ 5,881,523
2020	4,059,223
2021	3,948,700
2022	3,947,150
2023	3,451,629
Thereafter	<u>3,225,578</u>
Total minimum future revenues	<u>\$ 24,513,803</u>

**(7) PROPERTY TAXES**

The District is permitted by Florida Statutes to levy taxes up to .800 mills per \$1,000 of assessed valuation. The rate levied for a majority of the District for fiscal year 2018 was .3100 mills. Property taxes are levied each November 1 on the assessed value listed as of the prior January 1 for real and personal property located within the District. The assessed value at January 1, 2017, upon which the fiscal year 2018 levy was based, was approximately \$945.2 billion.

A four percent discount is allowed if the taxes are paid in November, with the discount declining by one percentage point each month thereafter. Taxes become delinquent April 1 of each year. Delinquent property tax certificates are sold to the public beginning June 1, at which time a lien attaches to the property. By fiscal year end, virtually all property taxes are collected either directly or through tax certificate sales. Property tax revenues are recorded by the District based on the amount of receipts reported by the county tax collectors. Property taxes receivable from the county tax collectors at September 30, 2018, is \$700,577 and is included in tax revenues. Property appraiser and tax collector fees credits totaled \$1,435,170 at September 30, 2018.

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2018**

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**(8) INTERGOVERNMENTAL TRANSACTIONS**

Amounts due from other governments at September 30, 2018 and intergovernmental revenues for 2018 consist of the following:

	<u>Due From Other Governments</u>	<u>Intergovernmental Revenues</u>
U.S. Army Corps of Engineers	\$ 11,505,560	\$ 4,209,509
U.S. Customs & Border Protection	(3,848)	-
U.S. Department of the Interior	1,045,416	1,520,624
U.S. Department of Agriculture & Consumer Affairs	-	127,842
Federal Emergency Management Agency	300,000	709,253
Florida Department of Agriculture	-	19,800
Florida Department of Environmental Protection	29,701,149	154,319,990
Florida Department of Environmental Resource Mgmt.	15,000	12,361
Florida Department of Motor Vehicles	-	309,702
Florida Department of Transportation	2,465	5,248,516
Florida Fish and Wildlife Conservation Commission	123,140	3,713,360
Collier County	5,899	-
Southwest Florida Water Management District	5,472	5,472
Ad Valorem Taxes	700,577	- *
Property Appraiser/Tax Collector Fee Credits	1,435,170	- *
Total	<u>\$ 44,836,000</u>	<u>\$ 170,196,429</u>

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

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
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**(9) CAPITAL ASSETS ACTIVITY**

	Balance at October 1, 2017	Additions	Retirements	Adjustments/ Reclassifications	Balance at September 30, 2018
<i>Capital Assets Not Being Depreciated:</i>					
Land	\$2,601,031,043	\$ 27,180,256	\$ (1,661,199)	\$ (1,452,135)	\$2,625,097,965
Easements (Intangibles)	81,487,730	-	-	1	81,487,731
Construction in Process	511,250,994	160,134,407	(335,159)	(36,058,259)	634,991,983
Canals and Levees	795,299,325	7,428,668	-	6,637,809	809,365,802
	<u>3,989,069,092</u>	<u>194,743,331</u>	<u>(1,996,358)</u>	<u>(30,872,584)</u>	<u>4,150,943,481</u>
<i>Capital Assets Being Depreciated:</i>					
Buildings	151,461,604	342,877	(82,423)	306,196	152,028,254
Intangibles	49,381,830	-	-	-	49,381,830
Equipment	138,680,211	9,235,115	(3,166,699)	69,303	144,817,930
Improvements	38,907,122	-	-	-	38,907,122
Water Control Structures	1,415,380,732	89,649,059	(44,541)	30,347,086	1,535,332,336
	<u>1,793,811,499</u>	<u>99,227,051</u>	<u>(3,293,663)</u>	<u>30,722,585</u>	<u>1,920,467,472</u>
<i>Less Accumulated Depreciation:</i>					
Buildings	(50,742,635)	(4,854,455)	51,190	-	(55,545,900)
Intangibles	(44,492,042)	(1,431,844)	-	-	(45,923,886)
Equipment	(99,265,155)	(6,599,997)	2,984,654	-	(102,880,498)
Improvements	(19,039,699)	(1,588,476)	-	-	(20,628,175)
Water Control Structures	(248,844,196)	(27,963,768)	35,148	-	(276,772,816)
	<u>(462,383,727)</u>	<u>(42,438,540)</u>	<u>3,070,992</u>	<u>-</u>	<u>(501,751,275)</u>
<i>Capital Assets Being Depreciated, Net</i>					
	<u>1,331,427,772</u>	<u>56,788,511</u>	<u>(222,671)</u>	<u>30,722,585</u>	<u>1,418,716,197</u>
Capital Assets, Net	<u>\$5,320,496,864</u>	<u>\$251,531,842</u>	<u>\$ (2,219,029)</u>	<u>\$ (149,999)</u>	<u>\$5,569,659,678</u>

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

Water Resources Planning & Monitoring	\$ 724,191
Acquisition, Restoration & Public Works	18,447,056
Operations & Maintenance of Lands & Works	20,502,405
Regulations	195,080
Outreach	650
District Management & Administration	2,566,644
	<u>42,436,026</u>

Depreciation of capital assets held in internal service funds are charged to the various programs based on the asset function	<u>2,514</u>
Total Depreciation Expense	<u>\$ 42,438,540</u>

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2018**

**(10) LONG-TERM LIABILITIES**

The following is a summary of changes in long-term liabilities for the fiscal year ended September 30, 2018:

	Balance at October 1, 2017	Additions	Retirements And Adjustments	Balance at September 30, 2018	Amounts Due Within One Year
COPS Series 2015	\$ 385,425,000	\$ -	\$ (11,740,000)	\$ 373,685,000	\$ 12,325,000
COPS Series 2015 Premium / Discount	58,643,682	-	(6,933,240)	51,710,442	6,435,056
Compensated Absences	12,765,800	7,676,000	(6,755,800)	13,686,000	8,330,000
Other Post-employment Benefits	46,759,927 *	-	(2,911,211)	43,848,716	-
Self Insurance Claims	5,067,000	26,983,394	(27,225,394)	4,825,000	2,379,786
Pensions	93,530,468	-	(689,684)	92,840,784	-
	<u>\$ 602,191,877</u>	<u>\$ 34,659,394</u>	<u>\$ (55,565,645)</u>	<u>\$ 487,755,158</u>	<u>\$ 29,469,842</u>

\* Other Post-employment Benefits and Pensions have been restated for implementation of a new accounting principle as discussed in Note (2)(p).

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

COPs are statutorily-authorized tax-exempt certificates evidencing undivided proportionate interests of the owners thereof in basic lease payments to be made by the Governing Board of the District, pursuant to a master lease purchase agreement by and between the District and the South Florida Water Management District Leasing Corporation (the "Corporation"), a not-for-profit entity. As stated in Note (2)(a) the Corporation is a blended component unit and as such this transaction is not recorded in the District's financial report. The COPs are secured by and payable from the Trust Estate established for the Series 2015 Certificates (the "Trust Estate") pursuant to the Trust Agreement. The Trust Estate consists of all estate, right, title and interest of the Trustee in and to the Basic Lease Payments under the Series 2015 Lease, and all amounts held in the funds and accounts under the Trust Agreement in accordance with the provisions of the Master Lease and the Trust Agreement, including investment earnings thereon, and any and all monies received by the Trustee pursuant to the Series 2015 Lease and the Trust Agreement which are not required to be remitted to the Governing Board or the Corporation pursuant to the Master Lease or the Trust Agreement. Lease payments are funded from ad valorem revenues. Total COPs issued for this series amounted to \$385,425,000, having interest rates ranging from 3% to 5%. The District accounts for debt service transactions relative to COPs in the Everglades Trust Fund and the Comprehensive Everglades Restoration Plan Fund.

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2018**

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*(10) LONG-TERM LIABILITIES (continued)*

Fiscal year requirements to amortize the COPs Series 2015 as of September 30, 2018 are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	\$ 12,325,000	\$ 18,068,625	\$ 30,393,625
2020	12,935,000	17,437,125	30,372,125
2021	13,580,000	16,774,250	30,354,250
2022	14,270,000	16,078,000	30,348,000
2023	14,965,000	15,347,125	30,312,125
2024-2028	86,790,000	64,437,500	151,227,500
2029-2033	110,195,000	40,351,375	150,546,375
2034-2037	<u>108,625,000</u>	<u>11,192,125</u>	<u>119,817,125</u>
	<u>\$ 373,685,000</u>	<u>\$ 199,686,125</u>	<u>\$ 573,371,125</u>

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

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT  
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**(11) FUND BALANCE REPORTING**

The following is the governmental fund balances in detail as of September 30, 2018 (in thousands):

	General Fund	Okeechobee Basin SR Fund	Everglades Trust SR Fund	Lake Belt Mitigation SR Fund	Okeechobee Basin CP Fund
<b><u>Nonspendable:</u></b>					
Inventory	\$ -	\$ 5,304	\$ -	\$ -	\$ -
Permanent fund principal	-	-	-	-	-
<b><u>Restricted for:</u></b>					
NEEPP and EFA source control projects	-	30	-	-	-
Okeechobee Basin operations	-	74,936	-	-	-
Water protection, ecosystem management, and restoration projects	-	-	-	-	-
Big Cypress Basin operations	-	-	-	-	-
Debt service	-	-	-	-	-
Indian River Lagoon / St. Lucie Restoration	-	-	-	-	-
Everglades conservation and natural resource protection	-	10	14,721	-	-
Lake Okeechobee restoration	-	-	-	-	-
Big Cypress Basin capital projects	-	-	-	-	-
Acquisition, restoration or management of environmentally sensitive lands	-	-	-	20,674	-
Florida Bay restoration	-	-	-	-	-
Lake Belt / Wetland creation, restoration and management	-	-	-	42,146	-
Alligator Alley	-	-	-	-	-
Restoration strategies projects	-	-	17,570	-	-
Land management activities	-	-	-	-	-
Aquatic plant control	-	-	-	-	-
Operations and maintenance new works projects	-	-	3,115	-	-
Land acquisitions (surplus land sales)	-	-	-	-	2,908
Other future projects	-	3,905	2,124	-	33,535
<b><u>Committed for:</u></b>					
Future expenditures	2,523	-	-	-	-
Capital and IT projects	9,824	-	-	-	-
Future land acquisitions (surplus land sales)	-	-	-	-	-
Operations and maintenance new works projects	7,535	-	-	-	-
IRL National Estuary Program projects	500	-	-	-	-
NEEPP & EFA source controls	70	-	-	-	-
Everglades restoration	70	-	-	-	-
<b><u>Assigned to:</u></b>					
District operations	38,196	-	-	-	-
Other capital projects	-	-	-	-	-
Everglades restoration	-	-	-	-	-
<b><u>Unassigned:</u></b>					
	4,015	-	-	-	-
<b>Total All Funds</b>	<b>\$ 62,732</b>	<b>\$ 84,186</b>	<b>\$ 37,530</b>	<b>\$ 62,820</b>	<b>\$ 36,443</b>



**SOUTH FLORIDA WATER MANAGEMENT DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2018**

**(11) FUND BALANCE REPORTING (continued)**

	Everglades Trust CP Fund	Save Our Everglades CP Fund	Land Acquisition Trust CP Fund	Other Governmental Funds	Total Governmental Funds
<b><u>Nonspendable:</u></b>					
Inventory	\$ -	\$ -	\$ -	\$ 256	\$ 5,560
Permanent fund principal	-	-	-	15,083	15,083
<b><u>Restricted for:</u></b>					
NEEPP and EFA source control projects	-	-	-	-	30
Okeechobee Basin operations	-	-	-	-	74,936
Water protection, ecosystem management, and restoration projects	-	-	-	2,259	2,259
Big Cypress Basin operations	-	-	-	9,545	9,545
Debt service	11,898	-	-	9,616	21,513
Indian River Lagoon / St. Lucie Restoration	-	-	-	285	285
Everglades conservation and natural resource protection	-	-	-	6,636	21,367
Lake Okeechobee restoration	-	-	-	-	-
Big Cypress Basin capital projects	-	-	-	1,838	1,838
Acquisition, restoration or management of environmentally sensitive lands	-	-	-	14,132	34,805
Florida Bay restoration	-	-	-	11,093	11,093
Lake Belt / Wetland creation, restoration and management	-	-	-	27,937	70,082
Alligator Alley	-	-	-	3,697	3,697
Restoration strategies projects	24,812	-	-	-	42,382
Land management activities	-	-	-	12,457	12,457
Aquatic plant control	-	-	-	32	32
Operations and maintenance new works projects	-	-	-	-	3,115
Land acquisitions (surplus land sales)	-	2,210	-	3,465	8,583
Other future projects	48,337	-	-	3,898	91,799
<b><u>Committed for:</u></b>					
Future expenditures	-	-	-	369	2,892
Capital and IT projects	-	-	-	-	9,824
Future land acquisitions (surplus land sales)	-	-	-	5	5
Operations and maintenance new works projects	-	-	-	-	7,535
IRL National Estuary Program projects	-	-	-	-	500
NEEPP & EFA source controls	-	-	-	-	70
Everglades restoration	-	-	-	-	70
<b><u>Assigned to:</u></b>					
District operations	-	-	-	-	38,196
Other capital projects	-	-	-	6,716	6,716
Everglades restoration	-	-	-	2,075	2,075
<b><u>Unassigned:</u></b>					
	-	(15,996)	(9,248)	(956)	(22,185)
<b>Total All Funds</b>	<b>\$ 85,046</b>	<b>(13,786)</b>	<b>(9,248)</b>	<b>130,437</b>	<b>476,160</b>

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*(12) DEFICIT FUND BALANCES*

At September 30, 2018, the following funds have a deficit fund balance:

External Grants Fund	\$ 624,290
Federal Emergency Management Agency	296,000
Land Acquisition Trust Capital Projects Fund	9,248,193
Save Our Everglades Capital Projects Fund	13,786,452
Upland Invasive Plant Control Special Revenue Fund	31,011

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

*(13) OPERATING LEASES*

The District is committed under various operating leases for building, office space, vehicles, office equipment and data processing equipment. The majority of the operating leases contain renewal options that the District may exercise. Lease expenditures for the year ended September 30, 2018 amounted to approximately \$795,945. Future minimum lease payments for these leases are as follows:

Year Ending September 30:

2019	\$ 666,938
2020	559,054
2021	552,054
2022	558,664
2023	<u>540,919</u>
	<u>\$ 2,877,629</u>

*(14) RETIREMENT PLANS*

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

**Florida Retirement System**

The District participates in the Florida Retirement System (FRS). The FRS was created in Chapter 121, Florida Statutes, to provide a defined benefit pension plan for participating public employees. The FRS was amended in 1998 to add the Deferred Retirement Option Program under the defined benefit plan and amended in 2000 to provide a defined contribution plan alternative to the defined benefit plan for FRS members effective July 1, 2002. This integrated defined contribution pension plan is the FRS Investment Plan. Chapter 112, Florida Statutes, established the Retiree Health

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*(14) RETIREMENT PLANS (continued)*

Insurance Subsidy (HIS) Program, a cost-sharing multiple-employer defined benefit pension plan, to assist retired members of any state-administered retirement system in paying the costs of health insurance.

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

**FRS Pension Plan**

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

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

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

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

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

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

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

DROP, subject to provisions of Section 121.091, Florida Statutes, permits employees eligible for normal retirement under the Plan to defer receipt of monthly benefit payments while continuing employment with an FRS employer. An employee may participate in DROP for a period not to

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*(14) RETIREMENT PLANS (continued)*

exceed 60 months after electing to participate, except that certain instructional personnel may participate for up to 96 months. During the period of DROP participation, deferred monthly benefits are held in the FRS Trust Fund and accrue interest. The net pension liability does not include amounts for DROP participants, as these members are considered retired and are not accruing additional pension benefits.

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

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

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

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT  
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*(14) RETIREMENT PLANS (continued)*

Contributions. The Florida Legislature establishes contribution rates for participating employers and employees. Contribution rates during fiscal year 2017 - 2018 are as follows:

Class	Percent of Gross Salary	
	Employee	Employer (1)
FRS, Regular	3.00	7.92
FRS, Elected County Officers	3.00	45.50
FRS, Senior Management Service	3.00	22.71
FRS, Special Risk Regular	3.00	23.27
FRS, Special Risk Administrative	3.00	34.63
DROP - Applicable to		
Members from All of the Above Classes	0.00	13.26
FRS, Reemployed Retiree	(2)	(2)

Notes:

(1) Employer rates include 1.66 percent for the post-employment health insurance subsidy. Also, employer rates, other than for DROP participants, include 0.06 percent for administrative costs of the Investment Plan.

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

The District's contributions for FRS totaled \$5.9 million and employee contributions totaled \$2.34 million for the fiscal year ended September 30, 2018.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions. At September 30, 2018, the District reported a liability of \$92.8 million for its proportionate share of the FRS and HIS Plan's net pension liability which consists of \$62.28 million for FRS and \$30.56 for HIS. This includes the effect of the restatement of the net pension liability resulting from FRS's implementation of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. This decreased the District's beginning net position by \$21,375 (see Note (2)(p)). The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2018. The District's proportionate share of the net pension liability was based on the District's 2018 fiscal year contributions relative to the 2018 fiscal year contributions of all participating members. At June 30, 2018, the District's proportionate share was .207 percent, which was a decrease of .004 percent from its proportionate share measured as of June 30, 2017.

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT  
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*(14) RETIREMENT PLANS (continued)*

For the fiscal year ended September 30, 2018, the District recognized pension expense of \$9.3 million related to the Plan. In addition, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 5,275,766	\$ 191,486
Change of assumptions	20,348,976	-
Net difference between projected and actual earning on FRS pension plan investments	-	4,811,629
Changes in proportion and differences between District FRS contributions and proportionate share of contributions	-	5,013,603
District FRS contributions subsequent to the measurement date	<u>1,466,504</u>	<u>-</u>
	<u>\$ 27,091,246</u>	<u>\$ 10,016,718</u>

The deferred outflows of resources related to pensions, totaling \$1.47 million, resulting from District contributions to the Plan subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the fiscal year ended September 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending September 30:

2019	\$ 6,592,559
2020	4,092,706
2021	(357,441)
2022	2,847,187
2023	2,114,468
Thereafter	318,545

Actuarial Assumptions. The total pension liability in the July 1, 2017 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.60 percent
Salary Increases	3.25 percent, average, including inflation
Investment rate of return	7.00 percent, net of pension plan investment expense, including inflation

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

The actuarial assumptions that determined total pension liability as of June 30, 2018 were based on the results of an actuarial experience study for the period July 1, 2008 through June 30, 2013.

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT  
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*(14) RETIREMENT PLANS (continued)*

The long-term expected rate of return on pension plan investments was not based on historical returns, but instead is based on a forward-looking capital market economic model. The allocation policy's description of each asset class was used to map the target allocation to the asset classes shown below. Each asset class assumption is based on a consistent set of underlying assumptions, and includes an adjustment for the inflation assumption. The target allocation and

best estimates of arithmetic and geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation (1)	Annual Arithmetic Return	Compound Annual (Geometric) Return	Standard Deviation
Cash	1.0%	2.9%	2.9%	1.8%
Fixed income	18.0%	4.4%	4.3%	4.0%
Global equity	54.0%	7.6%	6.3%	17.0%
Real estate (property)	11.0%	6.6%	6.0%	11.3%
Private equity	10.0%	10.7%	7.8%	26.5%
Strategic investments	6.0%	6.0%	5.7%	8.6%
Total	<u>100.00%</u>			
Assumed inflation - Mean			2.60%	1.90%

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

Discount Rate. The discount rate used to measure the total pension liability was 7.00%. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that contributions will be made at the statutorily required rates. The Pension Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the total pension liability is equal to the long-term expected rate of return. The FRS Actuarial Assumption Conference is responsible for setting the assumptions used in the valuations of the defined benefit pension plans pursuant to Section 216.136(10), Florida Statutes. The 7.00% rate of return assumption used in the June 30, 2018 calculations was determined by the Plan's consulting actuary to be reasonable and appropriate per Actuarial Standard of Practice No. 27 (ASOP 27) for accounting purposes which differs from the rate used for funding purposes which is used to establish the contribution rates for the Plan.

Sensitivity of the District's Proportionate Share of the Net Position Liability to Changes in the Discount Rate. The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 7.00 percent, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00 percent) or 1-percentage-point higher (8.00 percent) than the current rate:

	1.00% Decrease (6.00%)	Current Discount Rate (7.00%)	1.00% Increase (8.00%)
District's proportionate share of the net pension liability	\$ 113,657,475	\$ 62,276,637	\$ 19,601,814

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*(14) RETIREMENT PLANS (continued)*

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

**The Retiree Health Insurance Subsidy Program (HIS)**

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

Benefits Provided. For the fiscal year ended June 30, 2018, eligible retirees and beneficiaries received a monthly HIS payment of \$5 for each year of creditable service completed at the time of retirement, with a minimum HIS payment of \$30 and a maximum HIS payment of \$150 per month, pursuant to Section 112.363, Florida Statutes. To be eligible to receive a HIS Plan benefit, a retiree under a State-administered retirement system must provide proof of health insurance coverage, which may include Medicare.

Contributions. The HIS Plan is funded by required contributions from FRS participating employers as set by the Florida Legislature. Employer contributions are a percentage of gross compensation for all active FRS members. For the fiscal year ended June 30, 2018, the contribution rate was 1.66 percent of payroll pursuant to section 112.363, Florida Statutes. The District contributed 100 percent of its statutorily required contributions for the current and preceding three years. The HIS Plan contributions are deposited in a separate trust fund from which payments are authorized. The HIS Plan benefits are not guaranteed and are subject to annual legislative appropriation. In the event the legislative appropriation or available funds fail to provide full subsidy benefits to all participants, benefits may be reduced or canceled. The District's contributions for the HIS plan totaled \$1.59 million for fiscal year 2018.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions. At September 30, 2018, the District reported a net pension liability of \$30.6 million for its proportionate share of the HIS Plan's net pension liability. The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2018. The District's proportionate share of the net pension liability was based on the District's 2018 fiscal year contributions relative to the total 2018 fiscal year contributions of all participating members. At June 30, 2018, the District's proportionate share was .292 percent, which was a decrease of .003 percent from its proportionate share measured as of June 30, 2017.

For the fiscal year ended September 30, 2018, the District recognized pension expense of \$1.3 million related to the HIS Plan. In addition, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:



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(14) RETIREMENT PLANS (continued)

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual experience	\$ 467,924	\$ 51,927
Change of assumptions	3,399,111	3,231,497
Net difference between projected and actual earnings on HIS pension plan investments	18,449	-
Changes in proportion and differences between District HIS contributions and proportionate share of HIS contributions	-	4,003,624
District HIS contributions subsequent to measurement date	366,250	-
	<u>\$ 4,251,734</u>	<u>\$ 7,287,048</u>

The deferred outflows of resources related to pensions, totaling \$366,250, resulting from District contributions to the HIS Plan subsequent to the measurement date will be recognized as a reduction of the net pension liability in the fiscal year ended September 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending September 30:

2019	\$ (570,443)
2020	(571,999)
2021	(523,497)
2022	(514,515)
2023	(892,217)
Thereafter	(328,893)

Actuarial Assumptions. The total pension liability in the July 1, 2017, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.60 percent
Salary Increases	3.25 percent, average, including inflation
Investment rate of return	3.87 percent, Municipal Bond Rate

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

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

Discount Rate. The discount rate used to measure the total pension liability was 3.87 percent. In general, the discount rate for calculating the total pension liability is equal to the single rate equivalent to discounting at the long-term expected rate of return for benefit payments prior to the projected depletion date. Because the HIS benefit is essentially funded on a pay-as-you-go basis, the depletion date is considered to be immediate, and the single equivalent discount rate is equal

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*(14) RETIREMENT PLANS (continued)*

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

Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate. The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 3.87 percent, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.87 percent) or 1-percentage-point higher (4.87 percent) than the current rate:

	1.00% Decrease (2.87%)	Current Discount Rate (3.87%)	1.00% Increase (4.87%)
District's proportionate share of the net pension liability	\$ 34,810,773	\$ 30,564,156	\$ 27,024,339

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

**FRS – Defined Contribution Pension Plan**

The District contributes to the FRS Investment Plan (Investment Plan), a defined contribution pension plan, for its eligible employees electing to participate in the Investment Plan. The Investment Plan is administered by the State Board of Administration (SBA), and is reported in the SBA's annual financial statements and in the State of Florida Comprehensive Annual Financial Report. Service retirement benefits are based upon the value of the member's account upon retirement.

As provided in Section 121.4501, Florida Statutes, eligible FRS members may elect to participate in the Investment Plan in lieu of the FRS defined-benefit plan. District employees participating in the DROP are not eligible to participate in the Investment Plan. Employer and employee contributions, including amounts contributed to individual member's accounts, are defined by law, but the ultimate benefit depends in part on the performance of investment funds. Benefit terms, including contribution requirements, for the Investment Plan are established and may be amended by the Florida Legislature. The Investment Plan is funded with the same employer and employee contribution rates that are based on salary and membership class (Regular Class, Elected County Officers, etc.), as the FRS defined benefit plan. Contributions are directed to individual member accounts, and the individual members allocate contributions and account balances among various approved investment choices. Allocations to the investment member's accounts during the 2017-18 fiscal year were as follows:

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

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*(14) RETIREMENT PLANS (continued)*

For all membership classes, employees are immediately vested in their own contributions and are vested after one year of service for employer contributions and investment earnings. If an accumulated benefit obligation for service credit originally earned under the FRS Pension Plan is transferred to the Investment Plan, the member must have the years of service required for FRS Pension Plan vesting (including the service credit represented by the transferred funds) to be vested for these funds and the earnings on the funds. Nonvested employer contributions are placed in a suspense account for up to five years. If the employee returns to FRS-covered employment within the five-year period, the employee will regain control over their account. If the employee does not return within the five-year period, the employee will forfeit the accumulated account balance. Costs of administering the Investment Plan, including the FRS Financial Guidance Program, are funded through an employer contribution of 0.06 percent of payroll and by forfeited benefits of Investment Plan members. For the fiscal year ended September 30, 2018, the information for the amount of forfeitures was unavailable from the SBA; however, management believes that these amounts, if any, would be immaterial to the District.

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

The District's Investment Plan pension contributions totaled \$1.59 million for the fiscal year ended September 30, 2018.

Aggregate Financial Pension Disclosure. Below are the aggregate pension liabilities, deferred outflows or resources related to pensions, deferred inflows of resources related to pensions and pension expense for the period associated with net pension liabilities:

	Proportionate Share of Pension Liabilities	Pension Expense	Pension Deferred Outflows of Resources	Pension Deferred Inflows of Resources
FRS Pension Plan	\$ 62,276,637	\$ 9,283,327	\$ 27,091,246	\$ 10,016,718
HIS Plan	30,564,147	1,283,264	4,251,734	7,287,048
<b>Total</b>	<b>\$ 92,840,784</b>	<b>\$ 10,566,591</b>	<b>\$ 31,342,980</b>	<b>\$ 17,303,766</b>

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*(15) OTHER POST-EMPLOYMENT BENEFITS (OPEB)*

For purposes of measuring the total OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the total position of the plan (OPEB Plan) and additions to/deductions from the OPEB Plan's total position have been determined on the same basis. For this purpose, benefit payments are recognized when currently due and payable in accordance with the benefit terms.

Generally accepted accounting principles require that the reported results must pertain to liability and asset information within certain defined timeframes. For this report, the following timeframes are used:

Valuation Date	September 30, 2017
Measurement Date	September 30, 2017
Employer's Fiscal Year Ending Date (Reporting Date)	September 30, 2018

**Plan Description**

Plan Administration. District retirees and their eligible dependents may continue participation in the District health insurance program as required by Florida Statutes, Section 112.0801. Because the cost to the retirees cannot be greater than that to active employees for the same coverage, an implicit subsidy has historically been provided to retirees at the discretion of the District Governing Board.

In January 2007, the District Governing Board approved a direct subsidy program to aid retirees in retaining quality healthcare coverage. The subsidy was a discount of the total premium contribution equal to 2% for each year of creditable service under the Florida Retirement System to a maximum of 30 years of creditable service or 60%. Effective July 2, 2012, the direct subsidy program was closed to new participants. Eligibility requirements include a minimum six years of consecutive District service immediately preceding retirement and be age 62 or older, or have a minimum of 25 years of FRS service, regardless of age. In order to maintain eligibility for the 2% retiree subsidy program, current employees were required to declare their intent to retire by July 2, 2012, and must have separated from District employment by December 12, 2012. During the fiscal year ended September 30, 2018, the District Governing Board adjusted the direct subsidy to 1%. As of January 1, 2018 benefit plan year (calendar year), the District Governing Board eliminated the direct subsidy entirely.

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

Plan Membership. Membership in the OPEB Plan consisted of the following at September 30, 2017, the date of the latest actuarial valuation:

Inactive plan members or beneficiaries currently receiving benefits	445
Active plan members	<u>1,359</u>
Total plan members	<u><u>1,804</u></u>

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

Benefits Provided. Eligible retirees may choose among the same Medical Plan options available for active employees of the Employer. Dependents of retirees may be covered at the retirees' option the same as dependents of active employees. Prescription Drug coverage is automatically extended to retirees and their dependents who continue coverage under any one of the Medical Plan options. Covered retirees and their dependents are subject to all the same Medical and Prescription benefits and rules for coverage as are active employees. Retirees and their dependents who are Medicare-eligible must enroll for Parts A and B under Medicare in order to remain covered under the program. All Medical coverage is secondary to Medicare for retirees and dependents. Retirees and their dependents are eligible to participate in Employer-sponsored Vision and Dental Plans. Retirees can select any option (medical without dental or vision and vice-versa).

The surviving spouse of a retiree is eligible to continue coverage under the group plan subject to premium payments applicable to an individual retiree (not a spouse). No benefit (other than COBRA) is offered to surviving beneficiary of the active employee unless such employee's death was in the line of duty.

Retirees may continue their participation in group dental and vision coverage subject to a premium payment, fully paid by retirees. The rates above are based on entire blended experience with no significant variation in the underlying actuarial costs by age; therefore, Dental and Vision coverage are not considered as other post-employment benefits for the purposes of GASB Statement No. 75 - *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*.

Retiring employees have an option of continuing participation in the Employer sponsored group life policy. The cost of insurance to the retiree for \$25,000 of life insurance coverage is \$4.75 per month. Coverage reduces to \$12,500 once the retiree reaches age 80 and costs \$2.38 per month.

Former employees, retirees and dependents may be eligible for an extended benefit under COBRA, regardless of the terms of the employer's other post-employment benefits. COBRA benefits are not considered as other post-employment benefits for the purposes of GASB Statement No. 75 - *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*.

Contributions. In order to begin and maintain retiree Medical/Prescription coverage, premium contributions are required from the retiree. For dependent coverage, the retiree is required to pay a premium as well. If any required amounts are not paid timely, the coverage for the retiree and/or the dependent(s) will cease. The amount of the contributions required for retiree and dependent coverage may change from time to time.

The charts below summarize the current total monthly contribution amounts required from retirees and their spouses to maintain Medical/Prescription coverage. A retiree's FRS Health Insurance Subsidy (HIS) payment provided by the State may be directed toward the payment of these amounts. Coverage for children of retirees is available (until their limiting age). However, for measuring the long-term costs, the relatively few children covered by retirees coupled with the short duration of their coverage remaining results in costs that are not material in the long term.

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2018**

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

Consequently, only spouses are included in the charts below:

	Monthly Premiums as of January 1, 2017			
	Single		Retiree + Spouse	
	Non-Medicare	Medicare	Non-Medicare	Medicare
HMO	\$ 627	\$ 313	\$ 1,466	\$ 1,152
OAP	\$ 715	\$ 358	\$ 1,773	\$ 1,416

	Monthly Premiums as of January 1, 2018			
	Single		Retiree + Spouse	
	Non-Medicare	Medicare	Non-Medicare	Medicare
HMO	\$ 807	\$ 403	\$ 1,788	\$ 1,384
OAP	\$ 833	\$ 417	\$ 2,112	\$ 1,695

**Total OPEB Liability**

Actuarial Assumptions and Methods. The District's total OPEB liability was determined by an actuarial valuation date of September 30, 2017 based on the following methods and assumptions:

Actuarial cost method	Entry Age Normal
Inflation	2.50%
Discount rate	3.50%
Salary increases	Salary increase rates used for Regular Class and Senior Management Class members in the July 1, 2016 actuarial valuation of the Florida Retirement System; 3.7% - 7.8%, including inflation.
Retirement age	Retirement rates used for Regular Class and Senior Management Class members in the July 1, 2016 actuarial valuation of the Florida Retirement System. They are based on the results of a statewide experience study covering the period 2008 through 2013.
Mortality	Mortality tables used for Regular Class and Senior Management Class members in the July 1, 2016 actuarial valuation of the Florida Retirement System. They are based on the results of a statewide experience study covering the period 2008 through 2013.
Healthcare cost trend rates	Based on the Getzen Model, with a trend starting at 7.0% on 1/1/2018 (0% for premiums), followed by 6.75% on 1/1/2019, and gradually decreasing to an ultimate trend rate of 4.24% plus 0.61% increase for excise tax.
Aging factors	Based on the 2013 SOA Study "Health Care Costs - From Birth to Death".
Expenses	Administrative expenses are included in the per capita health costs.

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2018**

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

The following changes in actuarial assumptions have been made since the prior measurement date:

- Changes in assumptions and other inputs include the change in the discount rate from 3.10% as of the beginning of the measurement period to 3.50% as of September 30, 2017. This change is reflected in the Schedule of Changes in Total Other Post-Employment Benefit Plans Liability and Related Ratios.

Mortality tables are used to measure the probabilities of participants dying before and after retirement. Mortality rates employed in this valuation are taken from the RP-2000 Combined Healthy Participant Mortality Table for active members and the RP-2000 Mortality Table for Annuitants for nondisabled inactive members, with mortality improvement projected to all future years from the year 2000 using Projection Scale BB. Rates applicable are a blend of 50% White Collar and 50% Blue Collar (male) and 100% White Collar (female). Mortality rates for impaired (from disability) lives are based on the RP-2000 Disabled Retiree tables and Healthy White Collar tables for males and females. Rates applicable have been adjusted to be 100% Disabled Retiree with setback four years (male) and set forward two years (female). These are the same rates currently in use for Regular Class and Senior Management Services members of the Florida Retirement System.

There have been no significant changes (other than premium rate increases) in any health benefits or life insurance benefits since September 30, 2017 and through September 30, 2018.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the 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.

Discount Rate. For plans that do not have formal assets, the discount rate should equal the tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date. For the purpose of this valuation, the municipal bond rate is 3.50% (based on the daily rate of Fidelity's "20-Year Municipal GO AA Index" closest to but not later than the measurement date). The following table presents the plan's total OPEB liability, calculated using a discount rate of 3.50%, as well as what the plan's total OPEB liability would be if it were calculated using a discount rate that is one percent lower or one percent higher:

	1% Decrease (2.50%)	Current Discount Rate (3.50%)	1% Increase (4.50%)
2018 Total OPEB Liability	\$ 51,810,197	\$ 43,848,716	\$ 37,480,320

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2018**

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

The following presents the plan's total OPEB liability, calculated using the assumed trend rates as well as what the plan's total OPEB liability would be if it were calculated using a trend rate that is one percent lower or one percent higher:

	Healthcare Cost		
	1% Decrease	Trend Rate	1% Increase
2018 Total OPEB Liability	\$ 37,977,966	\$ 43,848,716	\$ 51,349,446

Changes in the OPEB Liability. The changes in the total OPEB liability for the Plan are as follows:

	Total OPEB Liability
Total OPEB liability (GASB No. 75) at beginning of year (Measurement date as of September 30, 2017)	\$ 46,759,927
Changes for the year:	
Service cost	1,058,734
Interest on total OPEB liability	1,444,508
Effect of changes in assumptions	(2,971,197)
Benefit payments	(2,443,256)
Net changes	(2,911,211)
Total OPEB liability at end of year	\$ 43,848,716

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB. Gains and losses related to changes in total OPEB liability are recognized in OPEB expense systematically over time. Amounts are first recognized in OPEB expense for the year the gain or loss occurs. The remaining amounts are categorized as deferred outflows and deferred inflows of resources related to OPEB and are to be recognized in future OPEB expense. For the fiscal year ended September 30, 2018, the District recognized OPEB expense as follows:

Service Cost	\$ 1,058,734
Interest on the total OPEB liability	1,444,508
Recognition of changes in assumptions	(390,947)
Total	\$ 2,112,295

As of fiscal year ended September 30, 2018, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Contributions made after the measurement date	\$ 1,235,608	\$ -
Changes in assumptions	-	2,580,250
Total	\$ 1,235,608	\$ 2,580,250



**SOUTH FLORIDA WATER MANAGEMENT DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2018**

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

\$1,235,608 reported as deferred outflows of resources related to OPEB resulting from the District's contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ended September 30, 2019.

Other amounts currently reported as deferred outflows of resources and deferred inflows of resources related to other post-employment benefits will be recognized in OPEB expense as follows:

Year Ended September 30,	
2019	\$ (390,947)
2020	(390,947)
2021	(390,947)
2022	(390,947)
2023	(390,947)
Thereafter	<u>(625,515)</u>
Total	<u><u>\$(2,580,250)</u></u>

*(16) INSURANCE ACTIVITIES*

The District is exposed to the various risks of loss related to torts, theft of, damage to and destruction of assets, errors and omissions, injuries to employees, and natural disasters. In 1976 the District established a self-insurance program for its workers' compensation exposure and in 1986 the District established a self-insurance program for automobile and general liability claims. These self-insured claims are administered by a third party and are accounted for in the Self Insurance Fund (an internal service fund).

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

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

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
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*(16) INSURANCE ACTIVITIES (continued)*

Individual Stop Loss Coverage Limit:       \$400,000  
Aggregate Stop Loss Coverage Limit:       \$400,000

The claims liabilities are based on actuarial valuations performed by independent actuaries as of September 30, 2018, and are presented on a net undiscounted basis. The liability includes claims incurred but not reported. The estimated liabilities by risk category at September 30, 2018 are as follows:

	Balance 9/30/2018	Amounts Due Within One Year
Workers' Compensation	\$ 3,174,000	\$ 728,786
General and Automobile	103,000	103,000
Health Insurance	1,548,000	1,548,000
	\$ 4,825,000	\$ 2,379,786

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

Fiscal Year	Beginning Liability	and Changes in Estimates	Claim Payments	Ending Liability
2017	\$ 5,244,000	\$ 25,761,389	\$ (25,938,389)	\$ 5,067,000
2018	\$ 5,067,000	\$ 26,983,394	\$ (27,225,394)	\$ 4,825,000

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

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

*(17) CONDEMNATION PROCEEDINGS*

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

At September 30, 2018, the court had yet to rule on a number of proceedings for which the land value and title transfer date is undetermined. The District is unable to estimate the potential financial exposure relative to these rulings, if any.

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2018**

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(17) CONDEMNATION PROCEEDINGS (continued)

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

(18) MAJOR CONSTRUCTION COMMITMENTS

The Five-Year Capital Improvements Plan (CIP) is updated annually and included in the South Florida Environmental Report (SFER) which is available at [www.sfwmd.gov/sfer](http://www.sfwmd.gov/sfer). The major construction commitments of the District for Fiscal Year 2018-2019 through Fiscal Year 2022-2023 (October 1, 2018 through September 30, 2023) currently totals \$2.3 billion. The commitments are grouped and estimated into the following categories:

\$ 1.9 billion	Restoration
\$ 0.1 billion	Stormwater/Water Supply
<u>\$ 0.3 billion</u>	Operations and Maintenance Refurbishment Program
<u>\$ 2.3 billion</u>	Total Estimated Future Major Construction Commitments

The key restoration major construction commitments are highlighted below.

**District Everglades Program**

The 1994 Everglades Forever Act (EFA) directed the District to acquire land, design, permit, and construct a series of Stormwater Treatment Areas (STAs) to reduce phosphorus levels from stormwater runoff and other sources before it enters the Everglades Protection Area (EPA). The Everglades Construction Project (ECP) was the first major step in the Everglades restoration and compliance with requirements of the EFA.

In 2003, the Florida Legislature amended the 1994 EFA to include the 2003 Long-Term Plan for Achieving Water Quality Goals for Everglades Protection Area Tributary Basins (Long-Term Plan) as the strategy for achieving the long-term water quality goals for the Everglades Protection Area. The Long-Term Plan (revised in 2004, 2005, 2006, and 2007) is a comprehensive set of water quality improvement measures including enhancements to the existing STAs, expanded best management practices, research and optimization, and operation and maintenance of the ECP, changes to the source controls component of the plan, changes to the plan's Process Development and Engineering component, as well as new projects and integration with the Comprehensive Everglades Restoration Plan (CERP) projects.

At present, STAs south of Lake Okeechobee have an effective treatment area of 57,000 acres. North and east of Lake Okeechobee, STAs are also used to remove phosphorus from water flowing into the lake, St. Lucie Estuary and Indian River Lagoon.

In 2013, the Florida legislature modified the EFA and redefined the Long-Term Plan to also include the Restoration Strategies Regional Water Quality Plan, as defined in Section 373.4592(2)(j), F.S. Under these strategies, the District is implementing a technical plan to complete several projects that will create more than 6,500 acres of new stormwater treatment areas (STAs) and 116,000 acre-feet of additional water storage through construction of flow equalization basins (FEBs). The strategies also include additional source controls – where pollution is reduced at the source – in

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2018**

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*(18) MAJOR CONSTRUCTION COMMITMENTS (continued)*

areas of the eastern EAA where phosphorus levels in stormwater runoff have been historically higher. In addition, a robust science plan will ensure continued research and monitoring to improve and optimize the performance of water quality treatment technologies.

In fiscal year 2018, a total of \$63.4 million was expended for work associated with the Everglades Forever Act. Of this amount, \$25.2 million was expended for Restoration Strategies – Regional Projects Conceptual Planning and Design, \$0.3 million for construction on Restoration Strategies project in EAA and \$24.5 million for STA Operations and Maintenance. Debt service payments related to Certificates of Participation issued in 2016 (FY2016) (an advanced refunding of debt

Series 2006 issued in FY2007) to fund construction totaled \$10.1 million. The remaining \$3.3 million was spent on other EFA-related components such as program support, monitoring, assessment, research, and evaluation in the EPA. The District's Five-Year Capital Improvements Plan estimated cost for implementation of the Long-Term Plan is \$386.4 million.

**Comprehensive Everglades Restoration Plan (CERP)**

The CERP is a conceptual plan that proposes major modifications to the Central and Southern Florida Project in order to reverse decades of ecosystem decline. Specifically, the plan describes nearly 50 major projects and 68 project components to be constructed. Major components of CERP focus on restoring the quantity, quality, timing, and distribution of water for the natural system, and include aquifer storage and recovery, in-ground reservoirs, rainfall-driven operations, removing barriers to sheet flow, seepage management, stormwater treatment areas, surface water storage reservoirs, and water reuse and conservation.

CERP is an equal partnership between the State of Florida and the federal government. The State of Florida and the South Florida Water Management District have invested approximately \$2.4 billion toward this effort. Through September 30, 2018, 251,439 acres or 65 percent of the estimated lands needed to implement CERP have been acquired.

In fiscal year 2018, a total of \$127.1 million dollars was expended for the implementation of CERP projects, of which payments of debt service related to Certificates of Participation issued by the SFWMD and bonds issued by FDEP totaled \$36.2 million dollars. The District's Five-Year Capital Improvements Plan (FY2019 through FY2023) estimated cost for the implementation of the CERP is \$1.1 billion.

*(19) OTHER COMMITMENTS AND CONTINGENCIES*

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

# **FINANCIAL SECTION**

REQUIRED SUPPLEMENTARY INFORMATION  
OTHER THAN MD&A  
(UNAUDITED)



**South Florida Water Management District  
General Fund**

**Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual - (Unaudited)  
For the Year Ended September 30, 2018**

	Original Budget	Final Budget	Actual	Variance with Final Budget- Positive (Negative)
<b>REVENUES</b>				
Ad Valorem Property Taxes	\$ 114,487,742	\$ 114,487,742	\$ 115,886,421	\$ 1,398,679
Intergovernmental	1,577,575	1,577,575	1,757,230	179,655
Investment Earnings (Loss)	1,895,000	1,895,000	(267,347)	(2,162,347)
Licenses, Permits and Fees	3,243,000	3,243,000	3,538,934	295,934
Sale of District Property	75,000	75,000	187,475	112,475
Leases	457,177	457,177	451,938	(5,239)
Other	434,700	434,700	352,674	(82,026)
Total Revenues	<u>122,170,194</u>	<u>122,170,194</u>	<u>121,907,325</u>	<u>(262,869)</u>
<b>EXPENDITURES</b>				
<b>Current</b>				
<b>Administrative Services and Executive Offices</b>				
Water Resources Planning and Monitoring	785,855	724,330	552,105	172,225
Acquisition, Restoration and Public Works	3,492,240	3,430,813	3,083,354	347,459
Operations and Maintenance of Lands and Works	348,543	279,156	189,109	90,047
Regulation	620,586	571,036	413,411	157,625
Outreach	1,848,064	1,927,812	1,878,303	49,509
District Management and Administration	14,913,317	14,680,557	13,105,471	1,575,086
Total Administrative Services and Executive Offices	<u>22,008,605</u>	<u>21,613,704</u>	<u>19,221,753</u>	<u>2,391,951</u>
<b>Everglades Policy and Coordination</b>				
Water Resources Planning and Monitoring	2,618,939	1,036,637	975,315	61,322
Acquisition, Restoration and Public Works	6,528,173	5,486,109	2,281,710	3,204,399
Operations and Maintenance of Lands and Works	-	132,862	1,944	130,918
Regulation	2,700	2,700	1,310	1,390
Outreach	91,379	92,794	93,083	(289)
District Management and Administration	91,198	91,198	74,448	16,750
Total Everglades Policy and Coordination	<u>9,332,389</u>	<u>6,842,300</u>	<u>3,427,810</u>	<u>3,414,490</u>
<b>Field Operations and Land Management</b>				
Water Resources Planning and Monitoring	566,795	559,295	262,404	296,891
Acquisition, Restoration and Public Works	394,369	374,900	319,556	55,344
Operations and Maintenance of Lands and Works	9,504,770	13,686,949	11,217,331	2,469,618
Regulation	584,055	591,555	440,466	151,089
District Management and Administration	858,592	723,929	602,611	121,318
Total Field Operations and Land Management	<u>11,908,581</u>	<u>15,936,628</u>	<u>12,842,368</u>	<u>3,094,260</u>
<b>Operations, Maintenance and Construction</b>				
Water Resources Planning and Monitoring	5,456,561	5,053,746	4,851,124	202,622
Acquisition, Restoration and Public Works	3,830,925	4,828,187	2,358,308	2,469,879
Operations and Maintenance of Lands and Works	2,929,991	4,450,781	4,195,043	255,738
Regulation	111,739	93,039	76,331	16,708
District Management and Administration	17,604	614	-	614
Total Operations, Maintenance and Construction	<u>12,346,820</u>	<u>14,426,367</u>	<u>11,480,806</u>	<u>2,945,561</u>

**South Florida Water Management District  
General Fund**

**Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual - (Unaudited)  
For the Year Ended September 30, 2018**

	Original Budget	Final Budget	Actual	Variance with Final Budget- Positive (Negative)
<b>Regulation</b>				
Water Resources Planning and Monitoring	62,873	67,963	17,298	50,665
Acquisition, Restoration and Public Works	69,632	77,000	55,575	21,425
Operations and Maintenance of Lands and Works	18,045	16,645	16,283	362
Regulation	13,825,916	12,696,881	11,718,689	978,192
District Management and Administration	-	140,000	8,211	131,789
<b>Total Regulation</b>	<b>13,976,466</b>	<b>12,998,489</b>	<b>11,816,056</b>	<b>1,182,433</b>
<b>Water Resources</b>				
Water Resources Planning and Monitoring	17,532,769	15,566,058	13,728,680	1,837,378
Acquisition, Restoration and Public Works	9,881,190	5,855,606	3,798,368	2,057,238
Operations and Maintenance of Lands and Works	-	7,900	7,119	781
Regulation	273,162	267,162	200,531	66,631
<b>Total Water Resources</b>	<b>27,687,121</b>	<b>21,696,726</b>	<b>17,734,698</b>	<b>3,962,028</b>
<b>Real Estate</b>				
Acquisition, Restoration and Public Works	245,293	259,536	147,400	112,136
Operations and Maintenance of Lands and Works	627,070	680,628	628,847	51,781
<b>Total Real Estate</b>	<b>872,363</b>	<b>940,164</b>	<b>776,247</b>	<b>163,917</b>
<b>Information Technology</b>				
Water Resources Planning and Monitoring	3,223,646	2,831,546	2,728,982	102,564
Acquisition, Restoration and Public Works	1,677,799	1,891,934	1,800,279	91,655
Operations and Maintenance of Lands and Works	12,154,223	10,950,149	10,402,726	547,423
Regulation	3,030,778	2,867,778	2,808,973	58,805
District Management and Administration	8,694,109	8,297,445	7,128,047	1,169,398
<b>Total Information Technology</b>	<b>28,780,555</b>	<b>26,838,852</b>	<b>24,869,007</b>	<b>1,969,845</b>
<b>Contingency</b>				
Managerial Reserve	-	1,256,105	-	1,256,105
Managerial Reserve-Contingency	15,742,735	15,742,735	-	15,742,735
<b>Total Contingency</b>	<b>15,742,735</b>	<b>16,998,840</b>	<b>-</b>	<b>16,998,840</b>
<b>Total Expenditures</b>	<b>142,655,635</b>	<b>138,292,070</b>	<b>102,168,745</b>	<b>36,123,325</b>
Revenues in Excess of (Less than) Expenditures	(20,485,441)	(16,121,876)	19,738,580	35,860,456
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	4,400,000	4,400,000	-	(4,400,000)
Transfers Out	(15,022,396)	(19,398,936)	(19,398,936)	-
<b>Total Other Financing Sources (Uses)</b>	<b>(10,622,396)</b>	<b>(14,998,936)</b>	<b>(19,398,936)</b>	<b>(4,400,000)</b>
Net Change in Fund Balance	(31,107,837)	(31,120,812)	339,644	31,460,456
Fund Balance at Beginning of Year	62,392,751	62,392,751	62,392,751	-
Fund Balance at End of Year	<b>\$ 31,284,914</b>	<b>\$ 31,271,939</b>	<b>\$ 62,732,395</b>	<b>\$ 31,460,456</b>



**South Florida Water Management District  
Okeechobee Basin Special Revenue Fund  
Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual - (Unaudited)  
For the Year Ended September 30, 2018**

	Original Budget	Final Budget	Actual	Variance with Final Budget- Positive (Negative)
<b>REVENUES</b>				
Ad Valorem Property Taxes	\$ 113,270,368	\$ 113,270,368	\$ 114,634,810	\$ 1,364,442
Intergovernmental	3,933,687	3,933,687	3,093,882	(839,805)
Investment Earnings (Loss)	1,566,000	1,566,000	(224,455)	(1,790,455)
Licenses, Permits and Fees	60,000	60,000	113,065	53,065
Sale of District Property	175,000	175,000	335,926	160,926
Leases	110,138	110,138	340,432	230,294
Other	25,000	25,000	169,046	144,046
Total Revenues	<u>119,140,193</u>	<u>119,140,193</u>	<u>118,462,706</u>	<u>(677,487)</u>
<b>EXPENDITURES</b>				
<b>Current</b>				
<b>Administrative Services and Executive Offices</b>				
Acquisition, Restoration and Public Works	233,854	108,854	25,481	83,373
Operations and Maintenance of Lands and Works	1,047,316	1,000,316	998,198	2,118
Outreach	2,200	2,200	-	2,200
District Management and Administration	3,078,983	3,078,983	2,409,509	669,474
Total Administrative Services and Executive Offices	<u>4,362,353</u>	<u>4,190,353</u>	<u>3,433,188</u>	<u>757,165</u>
<b>Everglades Policy and Coordination</b>				
Water Resources Planning and Monitoring	7,002,500	4,032,967	1,477,219	2,555,748
Acquisition, Restoration and Public Works	5,886,756	8,864,554	1,095,958	7,768,596
Operations and Maintenance of Lands and Works	287,440	263,479	199,922	63,557
Total Everglades Policy and Coordination	<u>13,176,696</u>	<u>13,161,000</u>	<u>2,773,099</u>	<u>10,387,901</u>
<b>Field Operations and Land Management</b>				
Water Resources Planning and Monitoring	43,213	33,213	1,060	32,153
Acquisition, Restoration and Public Works	22,372	662,807	595,614	67,193
Operations and Maintenance of Lands and Works	59,651,542	58,868,170	56,016,719	2,851,451
Total Field Operations and Land Management	<u>59,717,127</u>	<u>59,564,190</u>	<u>56,613,393</u>	<u>2,950,797</u>
<b>Operations, Maintenance and Construction</b>				
Water Resources Planning and Monitoring	1,221,718	1,256,810	1,168,297	88,513
Acquisition, Restoration and Public Works	1,140,628	1,646,365	1,354,281	292,084
Operations and Maintenance of Lands and Works	22,809,151	21,806,331	20,492,377	1,313,954
Total Operations, Maintenance and Construction	<u>25,171,497</u>	<u>24,709,506</u>	<u>23,014,955</u>	<u>1,694,551</u>
<b>Regulation</b>				
Acquisition, Restoration and Public Works	-	1,500	3,997	(2,497)
Operations and Maintenance of Lands and Works	5,000	5,000	4,983	17
Regulation	60,867	50,867	47,348	3,519
Total Regulation	<u>65,867</u>	<u>57,367</u>	<u>56,328</u>	<u>1,039</u>

**South Florida Water Management District  
Okeechobee Basin Special Revenue Fund  
Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual - (Unaudited)  
For the Year Ended September 30, 2018**

	Original Budget	Final Budget	Actual	Variance with Final Budget- Positive (Negative)
<b>Water Resources</b>				
Water Resources Planning and Monitoring	822,131	823,974	736,301	87,673
Acquisition, Restoration and Public Works	6,854,829	6,455,154	4,443,328	2,011,826
Regulation	122,534	154,989	142,918	12,071
<b>Total Water Resources</b>	<b>7,799,494</b>	<b>7,434,117</b>	<b>5,322,547</b>	<b>2,111,570</b>
<b>Real Estate</b>				
Acquisition, Restoration and Public Works	162,447	76,747	30,292	46,455
Operations and Maintenance of Lands and Works	1,700,459	1,920,912	1,532,600	388,312
District Management and Administration	-	9,000	2,205	6,795
<b>Total Real Estate</b>	<b>1,862,906</b>	<b>2,006,659</b>	<b>1,565,097</b>	<b>441,562</b>
<b>Information Technology</b>				
Operations and Maintenance of Lands and Works	150,000	134,210	132,725	1,485
District Management and Administration	5,000	5,000	-	5,000
<b>Total Information Technology</b>	<b>155,000</b>	<b>139,210</b>	<b>132,725</b>	<b>6,485</b>
<b>Contingency</b>				
Managerial Reserve	-	228,634	-	228,634
Managerial Reserve-Contingency	40,512,602	40,512,602	-	40,512,602
<b>Total Contingency</b>	<b>40,512,602</b>	<b>40,741,236</b>	<b>-</b>	<b>40,741,236</b>
<b>Total Expenditures</b>	<b>152,823,542</b>	<b>152,003,638</b>	<b>92,911,332</b>	<b>59,092,306</b>
Revenues in Excess of (Less than) Expenditures	(33,683,349)	(32,863,445)	25,551,374	58,414,819
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	3,080,000	3,080,000	-	(3,080,000)
Transfers Out	(29,085,257)	(31,262,242)	(31,262,242)	-
<b>Total Other Financing Sources (Uses)</b>	<b>(26,005,257)</b>	<b>(28,182,242)</b>	<b>(31,262,242)</b>	<b>(3,080,000)</b>
Net Change in Fund Balance	(59,688,606)	(61,045,687)	(5,710,868)	55,334,819
Fund Balance at Beginning of Year	89,896,642	89,896,642	89,896,642	-
Fund Balance at End of Year	<b>\$ 30,208,036</b>	<b>\$ 28,850,955</b>	<b>\$ 84,185,774</b>	<b>\$ 55,334,819</b>

**South Florida Water Management District  
Everglades Restoration Trust Special Revenue Fund  
Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual - (Unaudited)  
For the Year Ended September 30, 2018**

	Original Budget	Final Budget	Actual	Variance with Final Budget- Positive (Negative)
<b>REVENUES</b>				
Ad Valorem Property Taxes	\$ 36,092,668	\$ 36,092,668	\$ 36,508,544	\$ 415,876
Agricultural Privilege Taxes	11,056,325	11,056,325	11,060,928	4,603
Intergovernmental	5,000,000	5,000,000	9,499,553	4,499,553
Investment Earnings (Loss)	439,000	439,000	(111,400)	(550,400)
Sale of District Property	-	-	2,339	2,339
Leases	-	-	1,100	1,100
Other	-	-	12,033	12,033
Total Revenues	<u>52,587,993</u>	<u>52,587,993</u>	<u>56,973,097</u>	<u>4,385,104</u>
<b>EXPENDITURES</b>				
<b>Current</b>				
<b>Administrative Services and Executive Offices</b>				
Water Resources Planning and Monitoring	1,508,449	1,694,955	1,474,835	220,120
Acquisition, Restoration and Public Works	62,506	-	-	-
Operations and Maintenance of Lands and Works	-	200,000	25,844	174,156
Total Administrative Services and Executive Offices	<u>1,570,955</u>	<u>1,894,955</u>	<u>1,500,679</u>	<u>394,276</u>
<b>Everglades Policy and Coordination</b>				
Water Resources Planning and Monitoring	12,181	23,181	22,856	325
Acquisition, Restoration and Public Works	4,271,983	3,519,829	1,947,457	1,572,372
Operations and Maintenance of Lands and Works	343,473	54,351	49,390	4,961
Regulation	2,480	2,480	10,276	(7,796)
Total Everglades Policy and Coordination	<u>4,630,117</u>	<u>3,599,841</u>	<u>2,029,979</u>	<u>1,569,862</u>
<b>Field Operations and Land Management</b>				
Water Resources Planning and Monitoring	598,378	569,392	407,501	161,891
Acquisition, Restoration and Public Works	-	5,085,301	107,531	4,977,770
Operations and Maintenance of Lands and Works	17,995,348	16,616,231	15,082,818	1,533,413
Total Field Operations and Land Management	<u>18,593,726</u>	<u>22,270,924</u>	<u>15,597,850</u>	<u>6,673,074</u>
<b>Operations, Maintenance and Construction</b>				
Water Resources Planning and Monitoring	814,901	686,402	586,476	99,926
Acquisition, Restoration and Public Works	755,060	1,186,780	826,958	359,822
Operations and Maintenance of Lands and Works	4,967,950	5,591,944	3,619,414	1,972,530
Regulation	243,220	272,043	246,611	25,432
Total Operations, Maintenance and Construction	<u>6,781,131</u>	<u>7,737,169</u>	<u>5,279,459</u>	<u>2,457,710</u>
<b>Regulation</b>				
Regulation	1,423,880	1,114,558	1,077,990	36,568
Total Regulation	<u>1,423,880</u>	<u>1,114,558</u>	<u>1,077,990</u>	<u>36,568</u>

**South Florida Water Management District  
Everglades Restoration Trust Special Revenue Fund  
Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual - (Unaudited)  
For the Year Ended September 30, 2018**

	Original Budget	Final Budget	Actual	Variance with Final Budget- Positive (Negative)
<b>Water Resources</b>				
Water Resources Planning and Monitoring	2,418,806	2,676,613	2,439,355	237,258
Acquisition, Restoration and Public Works	2,669,080	2,724,161	1,358,894	1,365,267
Operations and Maintenance of Lands and Works	1,637,507	1,435,131	1,406,691	28,440
Regulation	154,423	148,311	124,091	24,220
<b>Total Water Resources</b>	<b>6,879,816</b>	<b>6,984,216</b>	<b>5,329,031</b>	<b>1,655,185</b>
<b>Real Estate</b>				
Acquisition, Restoration and Public Works	-	85,460	37,695	47,765
Operations and Maintenance of Lands and Works	51,563	23,563	22,458	1,105
<b>Total Real Estate</b>	<b>51,563</b>	<b>109,023</b>	<b>60,153</b>	<b>48,870</b>
<b>Information Technology</b>				
Water Resources Planning and Monitoring	150,698	121,094	93,800	27,294
Acquisition, Restoration and Public Works	-	7,600	2,417	5,183
Regulation	-	19,300	12,711	6,589
<b>Total Information Technology</b>	<b>150,698</b>	<b>147,994</b>	<b>108,928</b>	<b>39,066</b>
<b>Contingency</b>				
Managerial Reserve	-	2,812	-	2,812
Managerial Reserve-Contingency	3,000,000	3,000,000	-	3,000,000
<b>Total Contingency</b>	<b>3,000,000</b>	<b>3,002,812</b>	<b>-</b>	<b>3,002,812</b>
<b>Total Expenditures</b>	<b>43,081,886</b>	<b>46,861,492</b>	<b>30,984,069</b>	<b>15,877,423</b>
Revenues in Excess of (Less than) Expenditures	9,506,107	5,726,501	25,989,028	20,262,527
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	1,320,000	1,320,000	-	(1,320,000)
Transfers Out	(13,963,830)	(17,745,245)	(11,654,368)	6,090,877
<b>Total Other Financing Sources (Uses)</b>	<b>(12,643,830)</b>	<b>(16,425,245)</b>	<b>(11,654,368)</b>	<b>4,770,877</b>
Net Change in Fund Balance	(3,137,723)	(10,698,744)	14,334,660	25,033,404
Fund Balance at Beginning of Year	23,195,268	23,195,268	23,195,268	-
Fund Balance at End of Year	<b>\$ 20,057,545</b>	<b>\$ 12,496,524</b>	<b>\$ 37,529,928</b>	<b>\$ 25,033,404</b>

**South Florida Water Management District  
Lake Belt Mitigation Special Revenue Fund  
Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual - (Unaudited)  
For the Year Ended September 30, 2018**

	Original Budget	Final Budget	Actual	Variance with Final Budget- Positive (Negative)
<b>REVENUES</b>				
Investment Earnings (Loss)	\$ 800,000	\$ 800,000	(\$ 61,846)	(\$ 861,846)
Licenses, Permits and Fees	-	-	3,443,922	3,443,922
Total Revenues	<u>800,000</u>	<u>800,000</u>	<u>3,382,076</u>	<u>2,582,076</u>
<b>EXPENDITURES</b>				
<b>Current</b>				
Everglades Policy and Coordination				
Operations and Maintenance of Lands and Works	60,842	71,344	63,536	7,808
Total Everglades Policy and Coordination	<u>60,842</u>	<u>71,344</u>	<u>63,536</u>	<u>7,808</u>
Field Operations and Land Management				
Operations and Maintenance of Lands and Works	10,252,907	11,591,085	3,433,051	8,158,034
Total Field Operations and Land Management	<u>10,252,907</u>	<u>11,591,085</u>	<u>3,433,051</u>	<u>8,158,034</u>
Operations, Maintenance and Construction				
Operations and Maintenance of Lands and Works	1,709,795	671,847	267,879	403,968
Total Operations, Maintenance and Construction	<u>1,709,795</u>	<u>671,847</u>	<u>267,879</u>	<u>403,968</u>
Real Estate				
Operations and Maintenance of Lands and Works	44,241	21,592	-	21,592
Total Real Estate	<u>44,241</u>	<u>21,592</u>	<u>-</u>	<u>21,592</u>
Total Expenditures	<u>12,067,785</u>	<u>12,355,868</u>	<u>3,764,466</u>	<u>8,591,402</u>
Revenues in Excess of (Less than) Expenditures	<u>(11,267,785)</u>	<u>(11,555,868)</u>	<u>(382,390)</u>	<u>11,173,478</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers Out	(2,475,890)	(2,763,973)	(2,763,973)	-
Total Other Financing Sources (Uses)	<u>(2,475,890)</u>	<u>(2,763,973)</u>	<u>(2,763,973)</u>	<u>-</u>
Net Change in Fund Balance	(13,743,675)	(14,319,841)	(3,146,363)	11,173,478
Fund Balance at Beginning of Year	65,965,919	65,965,919	65,965,919	-
Fund Balance at End of Year	<u>\$ 52,222,244</u>	<u>\$ 51,646,078</u>	<u>\$ 62,819,556</u>	<u>\$ 11,173,478</u>

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE  
OF THE NET PENSION LIABILITY  
FLORIDA RETIREMENT SYSTEM PENSION PLAN  
SEPTEMBER 30, 2018**

**LAST TEN FISCAL YEARS (UNAUDITED)**

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
District's proportion of the FRS net pension liability	0.2068%	0.2105%	0.2320%	0.2500%	0.2630%
District's proportionate share of the FRS net pension liability	\$ 62,276,637	\$ 62,295,154 <sup>1</sup>	\$ 58,584,976	\$ 32,288,072	\$ 16,048,859
District's covered payroll	\$ 95,750,903	\$ 95,563,473	\$ 99,371,218	\$100,948,387	\$104,429,837
District's proportionate share of the FRS net pension liability as a percentage of its covered payroll	65.04%	65.19%	58.96%	31.98%	15.37%
FRS Plan fiduciary net position as a percentage of the total pension liability	84.26%	83.89%	84.88%	92.00%	96.09%

<sup>1</sup> Reflects restatement of beginning net position due to implementation of GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other than Pensions.

Note: The amounts presented for each fiscal year were determined as of June 30<sup>th</sup>. The schedule is presented to illustrate the requirements of GASB Statement No. 68. Currently, only data for fiscal year ending June 30, 2018, 2017, 2016, 2015 and 2014 are available.

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF THE DISTRICT'S CONTRIBUTIONS  
FLORIDA RETIREMENT SYSTEM PENSION PLAN  
SEPTEMBER 30, 2018**

**LAST TEN FISCAL YEARS (UNAUDITED)**

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required FRS contribution	\$ 5,892,442	\$ 5,480,651	\$ 5,658,153	\$ 6,094,687	\$ 5,761,531
FRS contributions in relation to the contractually required contribution	(5,892,442)	(5,480,651)	(5,658,153)	(6,094,687)	(5,761,531)
FRS contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 95,693,050	\$ 95,988,337	\$ 98,786,721	\$103,723,669	\$103,356,785
FRS contributions as a percentage of covered payroll	6.16%	5.71%	5.73%	5.88%	5.57%

Note: The amounts presented for each fiscal year were determined as of September 30th. The schedule is presented to illustrate the requirements of GASB Statement No. 68. Currently, only data for fiscal year ending September 30, 2018, 2017, 2016, 2015 and 2014 are available.

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE  
OF THE NET PENSION LIABILITY  
HEALTH INSURANCE SUBSIDY PENSION PLAN  
SEPTEMBER 30, 2018**

**LAST TEN FISCAL YEARS (UNAUDITED)**

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
District's proportion of the HIS net pension liability	0.2888%	0.2921%	0.3231%	0.3278%	0.3471%
District's proportionate share of the HIS net pension liability	\$ 30,564,147	\$ 31,235,313	\$ 37,656,022	\$ 33,431,413	\$ 32,453,571
District's covered-employee payroll	\$ 95,750,903	\$ 95,563,473	\$ 99,371,218	\$100,948,387	\$104,429,837
District's proportionate share of the HIS net pension liability as a percentage of its covered-employee payroll	31.92%	32.69%	37.89%	33.12%	31.08%
HIS Plan fiduciary net position as a percentage of the total pension liability	2.15%	1.64%	0.97%	0.50%	0.99%

Note: The amounts presented for each fiscal year were determined as of June 30th. The schedule is presented to illustrate the requirements of GASB Statement No. 68. Currently, only data for fiscal year ending June 30, 2018, 2017, 2016, 2015 and 2014 are available.



**SOUTH FLORIDA WATER MANAGEMENT DISTRICT  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF THE DISTRICT'S CONTRIBUTIONS  
HEALTH INSURANCE SUBSIDY PENSION PLAN  
SEPTEMBER 30, 2018**

**LAST TEN FISCAL YEARS (UNAUDITED)**

	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
Contractually required HIS contribution	\$ 1,566,028	\$ 1,546,008	\$ 1,656,096	\$ 1,253,092	\$ 1,189,007
HIS contributions in relation to the contractually required contribution	(1,566,028)	(1,546,008)	(1,656,096)	(1,253,092)	(1,189,007)
HIS contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered-employee payroll	95,693,050	95,988,337	98,786,721	103,723,669	103,356,785
HIS contributions as a percentage of covered-employee payroll	1.64%	1.61%	1.68%	1.21%	1.15%

Note: The amounts presented for each fiscal year were determined as of September 30th. The schedule is presented to illustrate the requirements of GASB Statement No. 68. Currently, only data for fiscal year ending September 30, 2018, 2017, 2016, 2015 and 2014 are available.

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT  
 REQUIRED SUPPLEMENTARY INFORMATION  
 SCHEDULE OF CHANGES IN THE TOTAL OTHER POST-EMPLOYMENT BENEFIT  
 (OPEB) PLAN LIABILITY AND RELATED RATIOS  
 SEPTEMBER 30, 2018**

**LAST TEN FISCAL YEARS (UNAUDITED)**

	<b>2018</b>
Service cost	\$ 1,058,734
Interest on the total OPEB liability	1,444,508
Changes of assumptions and other inputs	(2,971,197)
Benefit payments	(2,443,256)
Net change in total OPEB liability	(2,911,211)
Total OPEB liability - beginning	46,759,927
Total OPEB liability - ending	\$ 43,848,716
District's covered payroll	\$ 89,572,472
Total OPEB liability as a percentage of covered payroll	48.95%

Note: The amounts presented for each fiscal year were determined as of September 30th. The schedule is presented to illustrate the requirements of GASB Statement No. 75. Currently, only data for fiscal year ending September 30, 2018 is available.

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT  
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION  
SEPTEMBER 30, 2018**

**BUDGETARY INFORMATION**

- Annual budgets are legally adopted for all funds and are adopted on a basis consistent with generally accepted accounting principles. The adopted budget represents a fiscal-year financial plan that details Governing Board approved revenues and expenditures. The District's level of budgetary control, defined as the lowest level at which management may not reallocate resources without approval of the Governing Board, is at the program level within a fund and division. There are six programs: Water Resources Planning and Monitoring; Land Acquisition, Restoration and Public Works; Operations and Maintenance of Lands and Works; Regulations; Outreach; and District Management and Administration. The District is organized by eight main divisions: Administrative Services and Executive Offices; Everglades Policy and Coordination; Field Operations and Land Management; Operations, Maintenance, and Construction; Regulation; Water Resources, Real Estate and Information Technology.
- The accompanying budgetary data represent the original and the final amended budgets as approved by the Governing Board. During fiscal year 2018, the Governing Board approved three budget amendments which effected governmental funds. The first budget amendment recognized \$50,000,000 of unanticipated state revenues to execute an agreement with the Florida Department of Economic Opportunity. This amendment was subsequently withdrawn as part of the third budget amendment of the fiscal year. This amendment impacted governmental funds other than the four presented herein. The second budget amendment recognized \$375,000 of restricted fund balance to execute activities associated with land acquisitions for the Shingle Creek project from willing sellers. This amendment impacted governmental funds other than the four presented herein. The third budget amendment recognized up to \$2,000,000 of Intergovernmental Revenue from the US Fish and Wildlife Service for invasive plant management services within the Arthur R. Marshall Loxahatchee National Wildlife Refuge. In addition, the third budget amendment withdrew the first budget amendment of \$50,000,000 due to the termination of the contract. This amendment impacted governmental funds other than the four presented herein. As part of the adoption of the original District budget, a Governing Board-authorized resolution provides for the transfer of funds from and to the General Fund and/or Special Revenue Funds to and from the corresponding Capital Projects Fund to cover additional expenditures which are recorded to the corresponding fund types. These transfers are processed throughout the fiscal year, and while there is no impact to the overall District budget total, individual Funds will realize increases or decreases in budget in comparison to the amount originally adopted.
- As a result of the aforementioned inter-fund transfers processed during fiscal year 2018, General Fund realized decreases in budgeted expenditures of \$4,376,540, the Okeechobee Basin Special Revenue Fund realized decreases in budgeted expenditures of \$806,680, the Everglades Restoration Trust Special Revenue Fund realized increases in budgeted expenditures of \$3,779,604 and the Lake Belt Mitigation Special Revenue Fund realized increases in budgeted expenditures of \$288,083. None of the reported funds had expenditures for the fiscal year in excess of the final budgetary appropriation.

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT  
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION  
SEPTEMBER 30, 2018**

**OTHER POST-EMPLOYMENT BENEFIT (OPEB) PLAN**

- No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB No. 75 to pay related benefits.
- Trends in the amounts reported could be significantly affected by assumptions and methods made relative to various occurrences, such as rates of expected investment earnings by the fund, rates of mortality among active and retired employees, rates of termination from employment, and retirement rates.
- The District Actuary uses the term Covered-employee payroll in the 2017 District Actuary report. Covered-employee payroll is an estimate based on data submitted for the September 30, 2017 valuation. GASB Statement No. 75 defined covered-employee payroll as the payroll of employees that are provided with OPEB through the OPEB plan, including employees terminating during the measurement period (fiscal year ending September 30, 2017). GASB Statement No. 85 amends the term Covered-employee payroll to Covered Payroll. It states single-employer defined benefit OPEB plans (single-employer OPEB plans) and cost-sharing multiple-employer defined benefit OPEB plans (cost sharing OPEB plans), the measure of payroll that is required by paragraph 36 of Statement 74 to be presented in schedules of required supplementary information (and used in ratios that are presented in required supplementary information) should be covered payroll. Covered payroll is the payroll on which contributions to the OPEB plan are based. The District uses measure of pay on which contributions to the OPEB plan are based and the correct terminology is Covered payroll as amended and discussed in GASB Statement No. 85 which the District has revised and implemented in its actuary schedules as necessary.
- Total OBEB liability at the beginning of the initial period of implementation was developed by rolling back the liability from the measurement date as permitted by Q&A 4.499 of the Implementation Guide No. 2017-3. Consequently, there was no difference between expected and actual experience.
- For the District's benefit plan calendar year 2018 which is effective January 1, 2018, the District ceased making subsidy contributions for their Retirees' health insurance premiums.
- There have been no significant changes (other than premium rate increases) in any health benefits or life insurance benefits since September 30, 2017 and through September 30, 2018.

# **FINANCIAL SECTION**

OTHER SUPPLEMENTARY INFORMATION



# **SOUTH FLORIDA WATER MANAGEMENT DISTRICT**

## **Nonmajor Governmental Funds**

### **Special Revenue Funds**

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

#### **Big Cypress Basin Fund**

Accounts for the normal operating expenditures of the Big Cypress Basin, an area covering all or part of two counties in Southwest Florida. Funding is provided by a .1270 mill tax levy and interest earnings.

#### **Save Our Rivers Fund**

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

#### **State Appropriations Fund**

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

#### **Invasive Aquatic Plant Control Fund**

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

#### **Upland Invasive Plant Control Fund**

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

#### **Wetland Mitigation Fund**

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

#### **Indian River Lagoon Restoration Fund**

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

#### **Federal Land Management Fund**

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

# **SOUTH FLORIDA WATER MANAGEMENT DISTRICT**

## **Nonmajor Governmental Funds**

### **Special Revenue Funds (continued)**

#### **External Grants Fund**

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

#### **Everglades License Plate Fund**

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

#### **Lake Okeechobee Fund**

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

#### **Save Our Everglades Fund**

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

#### **Land Acquisition Trust Fund**

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

#### **Federal Emergency Management Agency Fund**

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

#### **Florida Bay Fund**

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



# **SOUTH FLORIDA WATER MANAGEMENT DISTRICT**

## **Nonmajor Governmental Funds**

### **Capital Projects Funds**

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

#### **District Fund**

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

#### **Big Cypress Basin Fund**

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

#### **Save Our Rivers Fund**

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

#### **External Grants Fund**

Accounts for revenues and expenditures related to grants that are received and used primarily for monitoring, restoration, and maintenance efforts. Revenue is provided through operating transfers from the External Grants Special Revenue Fund.

#### **State Appropriations Fund**

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

#### **Federal Emergency Management Agency Fund**

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

#### **Florida Bay Fund**

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

#### **Wetland Mitigation Fund**

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

#### **Comprehensive Everglades Restoration Plan (CERP) Fund**

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

# **SOUTH FLORIDA WATER MANAGEMENT DISTRICT**

## **Nonmajor Governmental Funds**

### **Capital Projects Funds (continued)**

#### **Federal Land Acquisition Fund**

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

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

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

#### **COPS Everglades Forever Fund**

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

#### **COPS – Comprehensive Everglades Restoration Plan (CERP) Fund**

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

#### **Lake Belt Mitigation Fund**

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

#### **Lake Okeechobee Fund**

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

### **Permanent Fund**

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

#### **Wetland Mitigation Fund**

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

**South Florida Water Management District  
Combining Balance Sheet  
Nonmajor Governmental Funds  
September 30, 2018**

	Special Revenue Funds			
	Big Cypress Basin	Save Our Rivers	State Appropriations	Invasive Aquatic Plant Control
<b>ASSETS</b>				
Cash and Investments	\$ 9,660,944	\$ 5,864,106	\$ 2,259,138	\$ -
Cash Held by Trustee	-	-	-	-
Accounts Receivable	26,935	6,657	-	-
Due from Other Governments	11,273	11,152	-	76,359
Inventory	210,440	-	-	-
Total Assets	\$ 9,909,592	\$ 5,881,915	\$ 2,259,138	\$ 76,359
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES &amp; FUND BALANCES</b>				
<b>LIABILITIES</b>				
Accounts Payable	\$ 215,968	\$ 421,907	\$ -	\$ 41,482
Due to Other Governments	598,099	-	-	-
Due to Other Funds	3,427	-	-	2,757
Unearned Revenue	-	-	-	-
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable Revenue	-	15,000	-	-
Total Liabilities & Deferred Inflows of Resources	817,494	436,907	-	44,239
<b>FUND BALANCES</b>				
Nonspendable	210,440	-	-	-
Restricted	8,881,658	5,445,008	2,259,138	32,120
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned (Deficits)	-	-	-	-
Total Fund Balances (Deficits)	9,092,098	5,445,008	2,259,138	32,120
Total Liabilities, Deferred Inflows of Resources & Fund Balances	\$ 9,909,592	\$ 5,881,915	\$ 2,259,138	\$ 76,359

Continued

**South Florida Water Management District  
Combining Balance Sheet  
Nonmajor Governmental Funds  
September 30, 2018**

Special Revenue Funds (Continued)

	Upland Invasive Plant Control	Wetland Mitigation	Indian River Lagoon Restoration	Federal Land Management
<b>ASSETS</b>				
Cash and Investments	\$ -	\$ 16,355,608	\$ 283,755	\$ 9,156,502
Cash Held by Trustee	-	-	-	-
Accounts Receivable	-	64,939	953	-
Due from Other Governments	46,781	5,472	-	1
Inventory	-	-	-	-
Total Assets	<u>\$ 46,781</u>	<u>\$ 16,426,019</u>	<u>\$ 284,708</u>	<u>\$ 9,156,503</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES &amp; FUND BALANCES</b>				
<b>LIABILITIES</b>				
Accounts Payable	\$ 31,842	\$ 24,611	\$ -	\$ 179,964
Due to Other Governments	-	-	-	-
Due to Other Funds	45,950	-	-	-
Unearned Revenue	-	-	-	284,340
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable Revenue	-	5,472	-	-
Total Liabilities & Deferred Inflows of Resources	<u>77,792</u>	<u>30,083</u>	<u>-</u>	<u>464,304</u>
<b>FUND BALANCES</b>				
Nonspendable	-	-	-	-
Restricted	-	16,395,936	284,708	8,692,199
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned (Deficits)	(31,011)	-	-	-
Total Fund Balances (Deficits)	<u>(31,011)</u>	<u>16,395,936</u>	<u>284,708</u>	<u>8,692,199</u>
Total Liabilities, Deferred Inflows of Resources & Fund Balances	<u>\$ 46,781</u>	<u>\$ 16,426,019</u>	<u>\$ 284,708</u>	<u>\$ 9,156,503</u>

**South Florida Water Management District  
Combining Balance Sheet  
Nonmajor Governmental Funds  
September 30, 2018**

Special Revenue Funds (Continued)

	External Grants	Everglades License Plate	Lake Okeechobee	Save Our Everglades
<b>ASSETS</b>				
Cash and Investments	\$ 206,282	\$ 691,334	\$ 31,280	\$ 2,621,776
Cash Held by Trustee	-	-	-	-
Accounts Receivable	-	2,300	-	3,941
Due from Other Governments	1,088,247	-	-	419,127
Inventory	-	-	-	-
Total Assets	<u>\$ 1,294,529</u>	<u>\$ 693,634</u>	<u>\$ 31,280</u>	<u>\$ 3,044,844</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES &amp; FUND BALANCES</b>				
<b>LIABILITIES</b>				
Accounts Payable	\$ 862,572	\$ 91,083	\$ -	\$ 357,762
Due to Other Governments	-	-	-	-
Due to Other Funds	-	-	-	-
Unearned Revenue	-	-	-	-
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable Revenue	1,056,247	-	-	210,775
Total Liabilities & Deferred Inflows of Resources	<u>1,918,819</u>	<u>91,083</u>	<u>-</u>	<u>568,537</u>
<b>FUND BALANCES</b>				
Nonspendable	-	-	-	-
Restricted	-	602,551	35,631	2,476,307
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned (Deficits)	(624,290)	-	(4,351)	-
Total Fund Balances (Deficits)	<u>(624,290)</u>	<u>602,551</u>	<u>31,280</u>	<u>2,476,307</u>
Total Liabilities, Deferred Inflows of Resources & Fund Balances	<u>\$ 1,294,529</u>	<u>\$ 693,634</u>	<u>\$ 31,280</u>	<u>\$ 3,044,844</u>

Continued

**South Florida Water Management District  
Combining Balance Sheet  
Nonmajor Governmental Funds  
September 30, 2018**

Special Revenue Funds (Concluded)

	Land Acquisition Trust	Federal Emergency Management Agency	Florida Bay	Total
<b>ASSETS</b>				
Cash and Investments	\$ 5,053,697	\$ -	\$ 7,486,246	\$ 59,670,668
Cash Held by Trustee	-	-	-	-
Accounts Receivable	5,000	-	25,879	136,604
Due from Other Governments	1,653,372	300,000	-	3,611,784
Inventory	45,192	-	-	255,632
Total Assets	<u>\$ 6,757,261</u>	<u>\$ 300,000</u>	<u>\$ 7,512,125</u>	<u>\$ 63,674,688</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES &amp; FUND BALANCES</b>				
<b>LIABILITIES</b>				
Accounts Payable	\$ 569,224	\$ -	\$ 102,468	\$ 2,898,883
Due to Other Governments	-	-	-	598,099
Due to Other Funds	-	296,000	-	348,134
Unearned Revenue	-	-	-	284,340
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable Revenue	278,371	300,000	-	1,865,865
Total Liabilities & Deferred Inflows of Resources	<u>847,595</u>	<u>596,000</u>	<u>102,468</u>	<u>5,995,321</u>
<b>FUND BALANCES</b>				
Nonspendable	45,192	-	-	255,632
Restricted	5,864,474	-	7,409,657	58,379,387
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned (Deficits)	-	(296,000)	-	(955,652)
Total Fund Balances (Deficits)	<u>5,909,666</u>	<u>(296,000)</u>	<u>7,409,657</u>	<u>57,679,367</u>
Total Liabilities, Deferred Inflows of Resources & Fund Balances	<u>\$ 6,757,261</u>	<u>\$ 300,000</u>	<u>\$ 7,512,125</u>	<u>\$ 63,674,688</u>

**South Florida Water Management District  
Combining Balance Sheet  
Nonmajor Governmental Funds  
September 30, 2018**

	Capital Projects Funds			
	District	Big Cypress Basin	Save Our Rivers	External Grants
<b>ASSETS</b>				
Cash and Investments	\$ 8,103,600	\$ 3,489,298	\$ 14,158,464	\$ 4,314
Cash Held by Trustee	9,619,979	-	-	-
Accounts Receivable	5,396	8,972	38,470	14
Due from Other Governments	-	-	-	-
Inventory	-	-	-	-
Total Assets	\$ 17,728,975	\$ 3,498,270	\$ 14,196,934	\$ 4,328
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES &amp; FUND BALANCES</b>				
<b>LIABILITIES</b>				
Accounts Payable	\$ 2,960,520	\$ 996,489	\$ -	\$ -
Due to Other Governments	-	-	-	-
Due to Other Funds	-	-	-	-
Unearned Revenue	-	-	-	-
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable Revenue	-	-	-	-
Total Liabilities & Deferred Inflows of Resources	2,960,520	996,489	-	-
<b>FUND BALANCES</b>				
Nonspendable	-	-	-	-
Restricted	9,615,833	2,501,781	14,196,934	4,328
Committed	374,112	-	-	-
Assigned	4,778,510	-	-	-
Unassigned (Deficits)	-	-	-	-
Total Fund Balances (Deficits)	14,768,455	2,501,781	14,196,934	4,328
Total Liabilities, Deferred Inflows of Resources & Fund Balances	\$ 17,728,975	\$ 3,498,270	\$ 14,196,934	\$ 4,328

Continued

**South Florida Water Management District  
Combining Balance Sheet  
Nonmajor Governmental Funds  
September 30, 2018**

Capital Projects Funds (Continued)

	State Appropriations	Federal Emergency Management Agency	Florida Bay	Wetland Mitigation
<b>ASSETS</b>				
Cash and Investments	\$ -	\$ 27	\$ 7,255,748	\$ 4,992,305
Cash Held by Trustee	-	-	-	-
Accounts Receivable	-	-	24,429	24,664
Due from Other Governments	250,717	-	-	-
Inventory	-	-	-	-
Total Assets	\$ 250,717	\$ 27	\$ 7,280,177	\$ 5,016,969
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES &amp; FUND BALANCES</b>				
<b>LIABILITIES</b>				
Accounts Payable	\$ -	\$ -	\$ 512,543	\$ -
Due to Other Governments	-	-	-	-
Due to Other Funds	250,717	-	-	-
Unearned Revenue	-	-	-	-
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable Revenue	-	-	-	-
Total Liabilities & Deferred Inflows of Resources	250,717	-	512,543	-
<b>FUND BALANCES</b>				
Nonspendable	-	-	-	-
Restricted	-	27	6,767,634	5,016,969
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned (Deficits)	-	-	-	-
Total Fund Balances (Deficits)	-	27	6,767,634	5,016,969
Total Liabilities, Deferred Inflows of Resources & Fund Balances	\$ 250,717	\$ 27	\$ 7,280,177	\$ 5,016,969

Continued



**South Florida Water Management District  
Combining Balance Sheet  
Nonmajor Governmental Funds  
September 30, 2018**

Capital Projects Funds (Continued)

	Comprehensive Everglades Restoration Plan (CERP)	Federal Land Acquisition	Comprehensive Everglades Restoration Plan Other Creditable	COPS Everglades Forever
<b>ASSETS</b>				
Cash and Investments	\$ 2,122,543	\$ 3,744,742	\$ 2,099,719	\$ 671,140
Cash Held by Trustee	-	-	-	-
Accounts Receivable	-	-	-	-
Due from Other Governments	-	-	-	-
Inventory	-	-	-	-
Total Assets	<u>\$ 2,122,543</u>	<u>\$ 3,744,742</u>	<u>\$ 2,099,719</u>	<u>\$ 671,140</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES &amp; FUND BALANCES</b>				
<b>LIABILITIES</b>				
Accounts Payable	\$ 148,757	\$ -	\$ 24,411	\$ 569,372
Due to Other Governments	-	-	-	-
Due to Other Funds	-	-	-	-
Unearned Revenue	-	-	-	-
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable Revenue	-	-	-	-
Total Liabilities & Deferred Inflows of Resources	<u>148,757</u>	<u>-</u>	<u>24,411</u>	<u>569,372</u>
<b>FUND BALANCES</b>				
Nonspendable	-	-	-	-
Restricted	35,831	3,744,742	-	101,768
Committed	-	-	-	-
Assigned	1,937,955	-	2,075,308	-
Unassigned (Deficits)	-	-	-	-
Total Fund Balances (Deficits)	<u>1,973,786</u>	<u>3,744,742</u>	<u>2,075,308</u>	<u>101,768</u>
Total Liabilities, Deferred Inflows of Resources & Fund Balances	<u>\$ 2,122,543</u>	<u>\$ 3,744,742</u>	<u>\$ 2,099,719</u>	<u>\$ 671,140</u>

Continued

**South Florida Water Management District  
Combining Balance Sheet  
Nonmajor Governmental Funds  
September 30, 2018**

Capital Projects Funds (Concluded)

	COPS Comprehensive Everglades Restoration	Lake Belt Mitigation	Lake Okeechobee	Total
<b>ASSETS</b>				
Cash and Investments	\$ -	\$ 6,119,826	\$ -	\$ 52,761,726
Cash Held by Trustee	-	-	-	9,619,979
Accounts Receivable	-	11,267	-	113,212
Due from Other Governments	-	-	-	250,717
Inventory	-	-	-	-
Total Assets	<u>\$ -</u>	<u>\$ 6,131,093</u>	<u>\$ -</u>	<u>\$ 62,745,634</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES &amp; FUND BALANCES</b>				
<b>LIABILITIES</b>				
Accounts Payable	\$ -	\$ -	\$ -	\$ 5,212,092
Due to Other Governments	-	-	-	-
Due to Other Funds	-	-	-	250,717
Unearned Revenue	-	-	-	-
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable Revenue	-	-	-	-
Total Liabilities & Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,462,809</u>
<b>FUND BALANCES</b>				
Nonspendable	-	-	-	-
Restricted	-	6,131,093	-	48,116,940
Committed	-	-	-	374,112
Assigned	-	-	-	8,791,773
Unassigned (Deficits)	-	-	-	-
Total Fund Balances (Deficits)	<u>-</u>	<u>6,131,093</u>	<u>-</u>	<u>57,282,825</u>
Total Liabilities, Deferred Inflows of Resources & Fund Balances	<u>\$ -</u>	<u>\$ 6,131,093</u>	<u>\$ -</u>	<u>\$ 62,745,634</u>

Continued

**South Florida Water Management District  
Combining Balance Sheet  
Nonmajor Governmental Funds  
September 30, 2018**

	Permanent Fund	
	Wetland Mitigation	Total Nonmajor Governmental
<b>ASSETS</b>		
Cash and Investments	\$ 15,416,894	\$ 127,849,288
Cash Held by Trustee	-	9,619,979
Accounts Receivable	58,290	308,106
Due from Other Governments	-	3,862,501
Inventory	-	255,632
Total Assets	\$ 15,475,184	\$ 141,895,506
 <b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES &amp; FUND BALANCES</b>		
<b>LIABILITIES</b>		
Accounts Payable	\$ -	\$ 8,110,975
Due to Other Governments	-	598,099
Due to Other Funds	-	598,851
Unearned Revenue	-	284,340
 <b>DEFERRED INFLOWS OF RESOURCES</b>		
Unavailable Revenue	-	1,865,865
Total Liabilities & Deferred Inflows of Resources	-	11,458,130
 <b>FUND BALANCES</b>		
Nonspendable	15,082,552	15,338,184
Restricted	392,632	106,888,959
Committed	-	374,112
Assigned	-	8,791,773
Unassigned (Deficits)	-	(955,652)
Total Fund Balances (Deficits)	15,475,184	130,437,376
Total Liabilities, Deferred Inflows of Resources & Fund Balances	\$ 15,475,184	\$ 141,895,506

**South Florida Water Management District**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Nonmajor Governmental Funds**  
**September 30, 2018**

	Special Revenue Funds			
	Big Cypress Basin	Save Our Rivers	State Appropriations	Invasive Aquatic Plant Control
<b>REVENUES</b>				
Ad Valorem Property Taxes	\$ 10,247,744	\$ -	\$ -	\$ -
Intergovernmental	-	32,161	-	392,916
Investment Earnings (Loss)	(23,961)	(3,317)	(301)	-
Licenses, Permits and Fees	10,425	-	-	-
Sale of District Property	8,954	10,894	345	-
Leases	69,780	3,677,083	-	-
Other	14,143	1,272	-	-
<b>Total Revenues</b>	<b>10,327,085</b>	<b>3,718,093</b>	<b>44</b>	<b>392,916</b>
<b>EXPENDITURES</b>				
Current Operating				
Water Resources Planning and Monitoring	2,266,189	-	135,949	-
Acquisition, Restoration and Public Works	504,440	-	117,992	-
Operations and Maintenance of Lands and Works	6,692,628	2,443,639	-	392,916
District Management and Administration	288,866	-	-	-
Capital Outlay	-	-	-	-
Debt Service				
COPS Bond Principal Retirement	-	-	-	-
COPS Bond Interest	-	-	-	-
<b>Total Expenditures</b>	<b>9,752,123</b>	<b>2,443,639</b>	<b>253,941</b>	<b>392,916</b>
Revenues in Excess of (Less than) Expenditures	574,962	1,274,454	(253,897)	-
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	-	-	-	-
Transfers Out	(1,187,615)	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>(1,187,615)</b>	<b>-</b>	<b>-</b>	<b>-</b>
Net Change in Fund Balances	(612,653)	1,274,454	(253,897)	-
Fund Balances (Deficits) at Beginning of Year	9,704,751	4,170,554	2,513,035	32,120
Fund Balances (Deficits) at End of Year	<b>\$ 9,092,098</b>	<b>\$ 5,445,008</b>	<b>\$ 2,259,138</b>	<b>\$ 32,120</b>

Continued

**South Florida Water Management District**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Nonmajor Governmental Funds**  
**September 30, 2018**

	Special Revenue Funds			
	Upland Invasive Plant Control	Wetland Mitigation	Indian River Lagoon Restoration	Federal Land Management
<b>REVENUES</b>				
Ad Valorem Property Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	3,224,890	4,097	83,740	-
Investment Earnings (Loss)	-	(22,141)	(339)	195,974
Licenses, Permits and Fees	-	5,796,974	-	-
Sale of District Property	-	-	-	-
Leases	-	-	-	1,731,582
Other	-	56	-	-
<b>Total Revenues</b>	<b>3,224,890</b>	<b>5,778,986</b>	<b>83,401</b>	<b>1,927,556</b>
<b>EXPENDITURES</b>				
Current Operating				
Water Resources Planning and Monitoring	-	-	167,101	-
Acquisition, Restoration and Public Works	-	-	-	(103)
Operations and Maintenance of Lands and Works	2,958,876	1,235,333	-	311,598
District Management and Administration	-	-	-	-
Capital Outlay	-	-	-	-
Debt Service				
COPS Bond Principal Retirement	-	-	-	-
COPS Bond Interest	-	-	-	-
<b>Total Expenditures</b>	<b>2,958,876</b>	<b>1,235,333</b>	<b>167,101</b>	<b>311,495</b>
Revenues in Excess of (Less than) Expenditures	266,014	4,543,653	(83,700)	1,616,061
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	-	4,500	-	-
Transfers Out	-	(200,000)	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>(195,500)</b>	<b>-</b>	<b>-</b>
Net Change in Fund Balances	266,014	4,348,153	(83,700)	1,616,061
Fund Balances (Deficits) at Beginning of Year	(297,025)	12,047,783	368,408	7,076,138
Fund Balances (Deficits) at End of Year	(\$ 31,011)	\$ 16,395,936	\$ 284,708	\$ 8,692,199

**South Florida Water Management District**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Nonmajor Governmental Funds**  
**September 30, 2018**

Special Revenue Funds (Continued)

	External Grants	Everglades License Plate	Lake Okeechobee	Save Our Everglades
<b>REVENUES</b>				
Ad Valorem Property Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	1,890,014	225,962	-	2,173,608
Investment Earnings (Loss)	2,836	(986)	(4,352)	42,819
Licenses, Permits and Fees	-	-	-	-
Sale of District Property	-	-	-	-
Leases	-	-	-	942,414
Other	-	-	-	-
<b>Total Revenues</b>	<b>1,892,850</b>	<b>224,976</b>	<b>(4,352)</b>	<b>3,158,841</b>
<b>EXPENDITURES</b>				
Current Operating				
Water Resources Planning and Monitoring	-	299,166	-	-
Acquisition, Restoration and Public Works	1,115,058	-	-	1,425,277
Operations and Maintenance of Lands and Works	1,374,177	-	-	624,207
District Management and Administration	-	-	-	-
Capital Outlay	-	-	-	-
Debt Service				
COPS Bond Principal Retirement	-	-	-	-
COPS Bond Interest	-	-	-	-
<b>Total Expenditures</b>	<b>2,489,235</b>	<b>299,166</b>	<b>-</b>	<b>2,049,484</b>
Revenues in Excess of (Less than) Expenditures	(596,385)	(74,190)	(4,352)	1,109,357
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	-	-	-	-
Transfers Out	-	-	(1,306,886)	-
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>(1,306,886)</b>	<b>-</b>
Net Change in Fund Balances	(596,385)	(74,190)	(1,311,238)	1,109,357
Fund Balances (Deficits) at Beginning of Year	(27,905)	676,741	1,342,518	1,366,950
Fund Balances (Deficits) at End of Year	(\$ 624,290)	\$ 602,551	\$ 31,280	\$ 2,476,307

Continued

**South Florida Water Management District**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Nonmajor Governmental Funds**  
**September 30, 2018**

Special Revenue Funds ( Concluded)

	Land Acquisition Trust Fund	Federal Emergency Management Agency	Florida Bay	Total
<b>REVENUES</b>				
Ad Valorem Property Taxes	\$ -	\$ -	\$ -	\$ 10,247,744
Intergovernmental	13,755,904	-	1,119,405	22,902,697
Investment Earnings (Loss)	717	-	(8,634)	178,315
Licenses, Permits and Fees	-	-	-	5,807,399
Sale of District Property	-	-	-	20,193
Leases	272,362	-	-	6,693,221
Other	45	-	46	15,562
<b>Total Revenues</b>	<b>14,029,028</b>	<b>-</b>	<b>1,110,817</b>	<b>45,865,131</b>
<b>EXPENDITURES</b>				
Current Operating				
Water Resources Planning and Monitoring	-	92,689	778,685	3,739,779
Acquisition, Restoration and Public Works	10,971,873	-	618,636	14,753,173
Operations and Maintenance of Lands and Works	2,350,000	-	-	18,383,374
District Management and Administration	-	-	-	288,866
Capital Outlay	-	-	-	-
Debt Service				
COPS Bond Principal Retirement	-	-	-	-
COPS Bond Interest	-	-	-	-
<b>Total Expenditures</b>	<b>13,321,873</b>	<b>92,689</b>	<b>1,397,321</b>	<b>37,165,192</b>
Revenues in Excess of (Less than) Expenditures	707,155	(92,689)	(286,504)	8,699,939
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	-	-	-	4,500
Transfers Out	-	-	(149,054)	(2,843,555)
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>(149,054)</b>	<b>(2,839,055)</b>
Net Change in Fund Balances	707,155	(92,689)	(435,558)	5,860,884
Fund Balances (Deficits) at Beginning of Year	5,202,511	(203,311)	7,845,215	51,818,483
Fund Balances (Deficits) at End of Year	<u>\$ 5,909,666</u>	<u>(\$ 296,000)</u>	<u>\$ 7,409,657</u>	<u>\$ 57,679,367</u>

**South Florida Water Management District**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Nonmajor Governmental Funds**  
**September 30, 2018**

	Capital Projects Funds			
	District	Big Cypress Basin	Save Our Rivers	External Grants
<b>REVENUES</b>				
Ad Valorem Property Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-
Investment Earnings (Loss)	(26,770)	(7,440)	(9,880)	(14)
Licenses, Permits and Fees	-	-	-	-
Sale of District Property	9,766	-	5,124,430	-
Leases	-	-	-	-
Other	187,650	-	-	-
<b>Total Revenues</b>	<b>170,646</b>	<b>(7,440)</b>	<b>5,114,550</b>	<b>(14)</b>
<b>EXPENDITURES</b>				
Current Operating				
Water Resources Planning and Monitoring	-	-	-	-
Acquisition, Restoration and Public Works	-	-	-	-
Operations and Maintenance of Lands and Works	-	-	-	-
District Management and Administration	-	-	-	-
Capital Outlay	19,687,322	5,372,677	33,040	-
Debt Service				
COPS Bond Principal Retirement	5,247,428	-	-	-
COPS Bond Interest	8,237,463	-	-	-
<b>Total Expenditures</b>	<b>33,172,213</b>	<b>5,372,677</b>	<b>33,040</b>	<b>-</b>
Revenues in Excess of (Less than) Expenditures	(33,001,567)	(5,380,117)	5,081,510	(14)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	18,515,912	1,187,615	-	-
Transfers Out	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>18,515,912</b>	<b>1,187,615</b>	<b>-</b>	<b>-</b>
<b>Net Change in Fund Balances</b>	<b>(14,485,655)</b>	<b>(4,192,502)</b>	<b>5,081,510</b>	<b>(14)</b>
Fund Balances (Deficits) at Beginning of Year	29,254,110	6,694,283	9,115,424	4,342
<b>Fund Balances (Deficits) at End of Year</b>	<b>\$ 14,768,455</b>	<b>\$ 2,501,781</b>	<b>\$ 14,196,934</b>	<b>\$ 4,328</b>

Continued



**South Florida Water Management District**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Nonmajor Governmental Funds**  
**September 30, 2018**

Capital Projects Funds (Continued)

	State Appropriations	Federal Emergency Management Agency	Florida Bay	Wetland Mitigation
<b>REVENUES</b>				
Ad Valorem Property Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	1,943,952	-	3,117,031	-
Investment Earnings (Loss)	-	-	(7,523)	(5,384)
Licenses, Permits and Fees	-	-	-	-
Sale of District Property	-	-	35	-
Leases	-	-	-	-
Other	-	-	-	-
<b>Total Revenues</b>	<b>1,943,952</b>	<b>-</b>	<b>3,109,543</b>	<b>(5,384)</b>
<b>EXPENDITURES</b>				
Current Operating				
Water Resources Planning and Monitoring	-	-	-	-
Acquisition, Restoration and Public Works	-	-	-	-
Operations and Maintenance of Lands and Works	-	-	-	-
District Management and Administration	-	-	-	-
Capital Outlay	376,771	-	2,807,237	349,395
Debt Service				
COPS Bond Principal Retirement	-	-	-	-
COPS Bond Interest	-	-	-	-
<b>Total Expenditures</b>	<b>376,771</b>	<b>-</b>	<b>2,807,237</b>	<b>349,395</b>
Revenues in Excess of (Less than) Expenditures	1,567,181	-	302,306	(354,779)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	-	-	149,054	195,500
Transfers Out	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>149,054</b>	<b>195,500</b>
Net Change in Fund Balances	1,567,181	-	451,360	(159,279)
Fund Balances (Deficits) at Beginning of Year	(1,567,181)	27	6,316,274	5,176,248
Fund Balances (Deficits) at End of Year	<b>\$ -</b>	<b>\$ 27</b>	<b>\$ 6,767,634</b>	<b>\$ 5,016,969</b>

**South Florida Water Management District**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Nonmajor Governmental Funds**  
**September 30, 2018**

Capital Projects Funds (Continued)

	COPS Comprehensive Restoration Plan (CERP)	Federal Land Acquisition	Comprehensive Everglades Restoration Plan Other Creditable	COPS Everglades Forever
<b>REVENUES</b>				
Ad Valorem Property Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-
Investment Earnings (Loss)	-	-	-	-
Licenses, Permits and Fees	-	-	-	-
Sale of District Property	41	-	-	-
Leases	-	-	-	-
Other	-	-	-	55,257
<b>Total Revenues</b>	<b>41</b>	<b>-</b>	<b>-</b>	<b>55,257</b>
<b>EXPENDITURES</b>				
Current Operating				
Water Resources Planning and Monitoring	-	-	-	-
Acquisition, Restoration and Public Works	-	-	-	-
Operations and Maintenance of Lands and Works	-	-	-	-
District Management and Administration	-	-	-	-
Capital Outlay	35,884	-	324,935	-
Debt Service				
COPS Bond Principal Retirement	-	-	-	-
COPS Bond Interest	-	-	-	318,117
<b>Total Expenditures</b>	<b>35,884</b>	<b>-</b>	<b>324,935</b>	<b>318,117</b>
Revenues in Excess of (Less than) Expenditures	(35,843)	-	(324,935)	(262,860)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	-	-	883,024	12
Transfers Out	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>883,024</b>	<b>12</b>
<b>Net Change in Fund Balances</b>	<b>(35,843)</b>	<b>-</b>	<b>558,089</b>	<b>(262,848)</b>
Fund Balances (Deficits) at Beginning of Year	2,009,629	3,744,742	1,517,219	364,616
<b>Fund Balances (Deficits) at End of Year</b>	<b>\$ 1,973,786</b>	<b>\$ 3,744,742</b>	<b>\$ 2,075,308</b>	<b>\$ 101,768</b>

Continued

**South Florida Water Management District**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Nonmajor Governmental Funds**  
**September 30, 2018**

Capital Projects Funds (Concluded)

	COPS Comprehensive Everglades Restoration	Lake Belt Mitigation	Lake Okeechobee	Total
<b>REVENUES</b>				
Ad Valorem Property Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	5,060,983
Investment Earnings (Loss)	-	(4,085)	-	(61,096)
Licenses, Permits and Fees	-	-	-	-
Sale of District Property	-	-	-	5,134,272
Leases	-	-	-	-
Other	-	-	-	242,907
<b>Total Revenues</b>	<b>-</b>	<b>(4,085)</b>	<b>-</b>	<b>10,377,066</b>
<b>EXPENDITURES</b>				
Current Operating				
Water Resources Planning and Monitoring	-	-	-	-
Acquisition, Restoration and Public Works	-	-	-	-
Operations and Maintenance of Lands and Works	-	-	-	-
District Management and Administration	-	-	-	-
Capital Outlay	-	308,300	1,305,033	30,600,594
Debt Service				
COPS Bond Principal Retirement	-	-	-	5,247,428
COPS Bond Interest	-	-	-	8,555,580
<b>Total Expenditures</b>	<b>-</b>	<b>308,300</b>	<b>1,305,033</b>	<b>44,403,602</b>
Revenues in Excess of (Less than) Expenditures	-	(312,385)	(1,305,033)	(34,026,536)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	-	2,763,973	1,306,886	25,001,976
Transfers Out	(12)	-	-	(12)
<b>Total Other Financing Sources (Uses)</b>	<b>(12)</b>	<b>2,763,973</b>	<b>1,306,886</b>	<b>25,001,964</b>
Net Change in Fund Balances	(12)	2,451,588	1,853	(9,024,572)
Fund Balances (Deficits) at Beginning of Year	12	3,679,505	(1,853)	66,307,397
Fund Balances (Deficits) at End of Year	\$ -	\$ 6,131,093	\$ -	\$ 57,282,825

Continued

**South Florida Water Management District**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Nonmajor Governmental Funds**  
**September 30, 2018**

	<u>Permanent Fund</u>	
	Wetland Mitigation	Total Nonmajor Governmental Funds
REVENUES		
Ad Valorem Property Taxes	\$ -	\$ 10,247,744
Intergovernmental	-	27,963,680
Investment Earnings (Loss)	(19,033)	98,186
Licenses, Permits and Fees	2,160	5,809,559
Sale of District Property	-	5,154,465
Leases	-	6,693,221
Other	-	258,469
	<hr/>	<hr/>
Total Revenues	(16,873)	56,225,324
EXPENDITURES		
Current Operating		
Water Resources Planning and Monitoring	-	3,739,779
Acquisition, Restoration and Public Works	-	14,753,173
Operations and Maintenance of Lands and Works	-	18,383,374
District Management and Administration	-	288,866
Capital Outlay	-	30,600,594
Debt Service		
COPS Bond Principal Retirement	-	5,247,428
COPS Bond Interest	-	8,555,580
	<hr/>	<hr/>
Total Expenditures	-	81,568,794
	<hr/>	<hr/>
Revenues in Excess of (Less than) Expenditures	(16,873)	(25,343,470)
OTHER FINANCING SOURCES (USES)		
Transfers In	-	25,006,476
Transfers Out	-	(2,843,567)
	<hr/>	<hr/>
Total Other Financing Sources (Uses)	-	22,162,909
	<hr/>	<hr/>
Net Change in Fund Balances	(16,873)	(3,180,561)
Fund Balances (Deficits) at Beginning of Year	15,492,057	133,617,937
	<hr/>	<hr/>
Fund Balances (Deficits) at End of Year	<u>\$ 15,475,184</u>	<u>\$ 130,437,376</u>

**Special Revenue Fund**  
**Big Cypress Basin**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance**  
**Budget and Actual**  
**For the Year Ended September 30, 2018**

	Final Budget	Actual	Variance with Final Budget-Positive (Negative)
<b>REVENUES</b>			
Ad Valorem Property Taxes	\$ 10,151,759	\$ 10,247,744	\$ 95,985
Investment Earnings (Loss)	150,000	(23,961)	(173,961)
Licenses, Permits and Fees	8,000	10,425	2,425
Sale of District Property	-	8,954	8,954
Leases	69,636	69,780	144
Other	1,500	14,143	12,643
Total Revenues	<u>10,380,895</u>	<u>10,327,085</u>	<u>(53,810)</u>
<b>EXPENDITURES</b>			
Administrative Services and Executive Offices			
Water Resources Planning and Monitoring	3,767,154	2,241,027	1,526,127
Acquisition, Restoration and Public Works	504,405	504,405	-
Operations and Maintenance of Lands and Works	179,843	110,915	68,928
District Management and Administration	325,283	284,166	41,117
Total Administrative Services and Executive Offices	<u>4,776,685</u>	<u>3,140,513</u>	<u>1,636,172</u>
Field Operations and Land Management			
Acquisition, Restoration and Public Works	2,000	35	1,965
Operations and Maintenance of Lands and Works	5,381,326	4,986,046	395,280
District Management and Administration	4,700	4,700	-
Total Field Operations and Land Management	<u>5,388,026</u>	<u>4,990,781</u>	<u>397,245</u>
Operations, Maintenance and Construction			
Water Resources Planning and Monitoring	68,491	20,340	48,151
Operations and Maintenance of Lands and Works	2,590,822	1,595,667	995,155
Total Operations, Maintenance, and Construction	<u>2,659,313</u>	<u>1,616,007</u>	<u>1,043,306</u>
Regulation			
Regulation	25	-	25
Total Regulation	<u>25</u>	<u>-</u>	<u>25</u>
Water Resources			
Water Resources Planning and Monitoring	4,860	4,822	38
Total Water Resources	<u>4,860</u>	<u>4,822</u>	<u>38</u>
Contingency			
Managerial Reserve	10,762	-	10,762
Managerial Reserve-Contingency	1,702,147	-	1,702,147
Total Contingency	<u>1,712,909</u>	<u>-</u>	<u>1,712,909</u>
Total Expenditures	<u>14,541,818</u>	<u>9,752,123</u>	<u>4,789,695</u>
Revenues in Excess of (Less than) Expenditures	<u>(4,160,923)</u>	<u>574,962</u>	<u>4,735,885</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers Out	(2,780,142)	(1,187,615)	1,592,527
Total Other Financing Sources (Uses)	<u>(2,780,142)</u>	<u>(1,187,615)</u>	<u>1,592,527</u>
Net Change in Fund Balance	<u>(6,941,065)</u>	<u>(612,653)</u>	<u>6,328,412</u>
Fund Balance (Deficit) at Beginning of Year	9,704,751	9,704,751	-
Fund Balance (Deficit) at End of Year	<u>2,763,686</u>	<u>9,092,098</u>	<u>6,328,412</u>

**Special Revenue Fund**  
**Save Our Rivers**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance**  
**Budget and Actual**  
**For the Year Ended September 30, 2018**

	Final Budget	Actual	Variance with Final Budget-Positive (Negative)
<b>REVENUES</b>			
Intergovernmental	\$ 15,000	\$ 32,161	\$ 17,161
Investment Earnings (Loss)	-	(3,317)	(3,317)
Sale of District Property	-	10,894	10,894
Leases	2,673,556	3,677,083	1,003,527
Other	-	1,272	1,272
Total Revenues	<u>2,688,556</u>	<u>3,718,093</u>	<u>1,029,537</u>
<b>EXPENDITURES</b>			
Field Operations and Land Management			
Operations and Maintenance of Lands and Works	2,083,312	1,816,912	266,400
Total Field Operations and Land Management	<u>2,083,312</u>	<u>1,816,912</u>	<u>266,400</u>
Operations, Maintenance and Construction			
Operations and Maintenance of Lands and Works	500,000	-	500,000
Total Operations, Maintenance, and Construction	<u>500,000</u>	<u>-</u>	<u>500,000</u>
Real Estate			
Operations and Maintenance of Lands and Works	637,550	626,727	10,823
Total Real Estate	<u>637,550</u>	<u>626,727</u>	<u>10,823</u>
Total Expenditures	<u>3,220,862</u>	<u>2,443,639</u>	<u>777,223</u>
Revenues in Excess of (Less than) Expenditures	<u>(532,306)</u>	<u>1,274,454</u>	<u>1,806,760</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers Out	(11,174)	-	11,174
Total Other Financing Sources (Uses)	<u>(11,174)</u>	<u>-</u>	<u>11,174</u>
Net Change in Fund Balance	<u>(543,480)</u>	<u>1,274,454</u>	<u>1,817,934</u>
Fund Balance (Deficit) at Beginning of Year	4,170,554	4,170,554	-
Fund Balance (Deficit) at End of Year	<u>3,627,074</u>	<u>5,445,008</u>	<u>1,817,934</u>

**Special Revenue Fund**  
**State Appropriations**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance**  
**Budget and Actual**  
**For the Year Ended September 30, 2018**

	Final Budget	Actual	Variance with Final Budget-Positive (Negative)
<b>REVENUES</b>			
Intergovernmental	\$ 2,000,000	\$ -	(\$ 2,000,000)
Investment Earnings (Loss)	-	(301)	(301)
Sale of District Property	-	345	345
<b>Total Revenues</b>	<b>2,000,000</b>	<b>44</b>	<b>(1,999,956)</b>
<b>EXPENDITURES</b>			
Administrative Services and Executive Offices			
Water Resources Planning and Monitoring	40,893	-	40,893
<b>Total Administrative Services and Executive Offices</b>	<b>40,893</b>	<b>-</b>	<b>40,893</b>
Everglades Policy and Coordination			
Water Resources Planning and Monitoring	146,134	135,949	10,185
Acquisition, Restoration and Public Works	2,334,259	117,992	2,216,267
<b>Total Everglades Policy and Coordination</b>	<b>2,480,393</b>	<b>253,941</b>	<b>2,226,452</b>
Operations, Maintenance and Construction			
Operations and Maintenance of Lands and Works	2,350,000	-	2,350,000
<b>Total Operations, Maintenance, and Construction</b>	<b>2,350,000</b>	<b>-</b>	<b>2,350,000</b>
Contingency			
Managerial Reserve	2,000,000	-	2,000,000
<b>Total Contingency</b>	<b>2,000,000</b>	<b>-</b>	<b>2,000,000</b>
<b>Total Expenditures</b>	<b>6,871,286</b>	<b>253,941</b>	<b>6,617,345</b>
Revenues in Excess of (Less than) Expenditures	(4,871,286)	(253,897)	4,617,389
Net Change in Fund Balance	(4,871,286)	(253,897)	4,617,389
Fund Balance (Deficit) at Beginning of Year	2,513,035	2,513,035	-
Fund Balance (Deficit) at End of Year	(2,358,251)	2,259,138	4,617,389

**Special Revenue Fund**  
**Invasive Aquatic Plant Control**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance**  
**Budget and Actual**  
**For the Year Ended September 30, 2018**

	Final Budget	Actual	Variance with Final Budget-Positive (Negative)
REVENUES			
Intergovernmental	\$ 2,010,036	\$ 392,916	(\$ 1,617,120)
Total Revenues	<u>2,010,036</u>	<u>392,916</u>	<u>(1,617,120)</u>
EXPENDITURES			
Field Operations and Land Management			
Operations and Maintenance of Lands and Works	2,344,081	392,916	1,951,165
Total Field Operations and Land Management	<u>2,344,081</u>	<u>392,916</u>	<u>1,951,165</u>
Total Expenditures	<u>2,344,081</u>	<u>392,916</u>	<u>1,951,165</u>
Revenues in Excess of (Less than) Expenditures	<u>(334,045)</u>	-	334,045
Net Change in Fund Balance	<u>(334,045)</u>	-	334,045
Fund Balance (Deficit) at Beginning of Year	32,120	32,120	-
Fund Balance (Deficit) at End of Year	<u>(301,925)</u>	<u>32,120</u>	<u>334,045</u>



**Special Revenue Fund**  
**Upland Invasive Plant Control**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance**  
**Budget and Actual**  
**For the Year Ended September 30, 2018**

	Final Budget	Actual	Variance with Final Budget-Positive (Negative)
REVENUES			
Intergovernmental	\$ 5,000,000	\$ 3,224,890	(\$ 1,775,110)
Total Revenues	<u>5,000,000</u>	<u>3,224,890</u>	<u>(1,775,110)</u>
EXPENDITURES			
Field Operations and Land Management			
Operations and Maintenance of Lands and Works	5,360,267	2,958,876	2,401,391
Total Field Operations and Land Management	<u>5,360,267</u>	<u>2,958,876</u>	<u>2,401,391</u>
Total Expenditures	<u>5,360,267</u>	<u>2,958,876</u>	<u>2,401,391</u>
Revenues in Excess of (Less than) Expenditures	<u>(360,267)</u>	<u>266,014</u>	<u>626,281</u>
Net Change in Fund Balance	<u>(360,267)</u>	<u>266,014</u>	<u>626,281</u>
Fund Balance (Deficit) at Beginning of Year	<u>(297,025)</u>	<u>(297,025)</u>	<u>-</u>
Fund Balance (Deficit) at End of Year	<u>(657,292)</u>	<u>(31,011)</u>	<u>626,281</u>

**Special Revenue Fund  
Wetland Mitigation  
Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual  
For the Year Ended September 30, 2018**

	Final Budget	Actual	Variance with Final Budget-Positive (Negative)
<b>REVENUES</b>			
Intergovernmental	\$ -	\$ 4,097	\$ 4,097
Investment Earnings (Loss)	150,000	(22,141)	(172,141)
Licenses, Permits and Fees	-	5,796,974	5,796,974
Other	-	56	56
Total Revenues	<u>150,000</u>	<u>5,778,986</u>	<u>5,628,986</u>
<b>EXPENDITURES</b>			
Field Operations and Land Management			
Operations and Maintenance of Lands and Works	1,383,950	1,230,833	153,117
Total Field Operations and Land Management	<u>1,383,950</u>	<u>1,230,833</u>	<u>153,117</u>
Real Estate			
Operations and Maintenance of Lands and Works	9,500	4,500	5,000
Total Real Estate	<u>9,500</u>	<u>4,500</u>	<u>5,000</u>
Contingency			
Managerial Reserve	520,040	-	520,040
Total Contingency	<u>520,040</u>	<u>-</u>	<u>520,040</u>
Total Expenditures	<u>1,913,490</u>	<u>1,235,333</u>	<u>678,157</u>
Revenues in Excess of (Less than) Expenditures	<u>(1,763,490)</u>	<u>4,543,653</u>	<u>6,307,143</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers In	9,000	4,500	(4,500)
Transfers Out	(200,000)	(200,000)	-
Total Other Financing Sources (Uses)	<u>(191,000)</u>	<u>(195,500)</u>	<u>(4,500)</u>
Net Change in Fund Balance	<u>(1,954,490)</u>	<u>4,348,153</u>	<u>6,302,643</u>
Fund Balance (Deficit) at Beginning of Year	<u>12,047,783</u>	<u>12,047,783</u>	<u>-</u>
Fund Balance (Deficit) at End of Year	<u>10,093,293</u>	<u>16,395,936</u>	<u>6,302,643</u>

**Special Revenue Fund**  
**Indian River Lagoon Restoration**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance**  
**Budget and Actual**  
**For the Year Ended September 30, 2018**

	Final Budget	Actual	Variance with Final Budget-Positive (Negative)
<b>REVENUES</b>			
Intergovernmental	\$ -	\$ 83,740	\$ 83,740
Investment Earnings (Loss)	-	(339)	(339)
<b>Total Revenues</b>	<b>-</b>	<b>83,401</b>	<b>83,401</b>
<b>EXPENDITURES</b>			
Administrative Services and Executive Offices			
Water Resources Planning and Monitoring	158,689	-	158,689
<b>Total Administrative Services and Executive Offices</b>	<b>158,689</b>	<b>-</b>	<b>158,689</b>
Everglades Policy and Coordination			
Water Resources Planning and Monitoring	200,835	167,101	33,734
<b>Total Everglades Policy and Coordination</b>	<b>200,835</b>	<b>167,101</b>	<b>33,734</b>
<b>Total Expenditures</b>	<b>359,524</b>	<b>167,101</b>	<b>192,423</b>
Revenues in Excess of (Less than) Expenditures	(359,524)	(83,700)	275,824
Net Change in Fund Balance	(359,524)	(83,700)	275,824
Fund Balance (Deficit) at Beginning of Year	368,408	368,408	-
Fund Balance (Deficit) at End of Year	8,884	284,708	275,824

**Special Revenue Fund  
Federal Land Management  
Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual  
For the Year Ended September 30, 2018**

	Final Budget	Actual	Variance with Final Budget-Positive (Negative)
<b>REVENUES</b>			
Investment Earnings (Loss)	\$ -	\$ 195,974	\$ 195,974
Leases	294,780	1,731,582	1,436,802
<b>Total Revenues</b>	<b>294,780</b>	<b>1,927,556</b>	<b>1,632,776</b>
<b>EXPENDITURES</b>			
Field Operations and Land Management			
Acquisition, Restoration and Public Works	-	(103)	103
Operations and Maintenance of Lands and Works	355,861	311,598	44,263
<b>Total Field Operations and Land Management</b>	<b>355,861</b>	<b>311,495</b>	<b>44,366</b>
Real Estate			
Operations and Maintenance of Lands and Works	400	-	400
<b>Total Real Estate</b>	<b>400</b>	<b>-</b>	<b>400</b>
Contingency			
Managerial Reserve	316,974	-	316,974
<b>Total Contingency</b>	<b>316,974</b>	<b>-</b>	<b>316,974</b>
<b>Total Expenditures</b>	<b>673,235</b>	<b>311,495</b>	<b>361,740</b>
Revenues in Excess of (Less than) Expenditures	(378,455)	1,616,061	1,994,516
Net Change in Fund Balance	(378,455)	1,616,061	1,994,516
Fund Balance (Deficit) at Beginning of Year	7,076,138	7,076,138	-
Fund Balance (Deficit) at End of Year	6,697,683	8,692,199	1,994,516

**Special Revenue Fund**  
**External Grants**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance**  
**Budget and Actual**  
**For the Year Ended September 30, 2018**

	Final Budget	Actual	Variance with Final Budget-Positive (Negative)
<b>REVENUES</b>			
Intergovernmental	\$ 3,895,403	\$ 1,890,014	(\$ 2,005,389)
Investment Earnings (Loss)	-	2,836	2,836
<b>Total Revenues</b>	<b>3,895,403</b>	<b>1,892,850</b>	<b>(2,002,553)</b>
<b>EXPENDITURES</b>			
Everglades Policy and Coordination			
Acquisition, Restoration and Public Works	2,162,224	725,228	1,436,996
<b>Total Everglades Policy and Coordination</b>	<b>2,162,224</b>	<b>725,228</b>	<b>1,436,996</b>
Field Operations and Land Management			
Acquisition, Restoration and Public Works	163,741	163,741	-
Operations and Maintenance of Lands and Works	2,000,000	1,374,177	625,823
<b>Total Field Operations and Land Management</b>	<b>2,163,741</b>	<b>1,537,918</b>	<b>625,823</b>
Water Resources			
Acquisition, Restoration and Public Works	240,862	210,862	30,000
<b>Total Water Resources</b>	<b>240,862</b>	<b>210,862</b>	<b>30,000</b>
Real Estate			
Acquisition, Restoration and Public Works	23,185	15,227	7,958
<b>Total Real Estate</b>	<b>23,185</b>	<b>15,227</b>	<b>7,958</b>
Information Technology			
Acquisition, Restoration and Public Works	239,138	-	239,138
<b>Total Information Technology</b>	<b>239,138</b>	<b>-</b>	<b>239,138</b>
<b>Total Expenditures</b>	<b>4,829,150</b>	<b>2,489,235</b>	<b>2,339,915</b>
Revenues in Excess of (Less than) Expenditures	(933,747)	(596,385)	337,362
Net Change in Fund Balance	(933,747)	(596,385)	337,362
Fund Balance (Deficit) at Beginning of Year	(27,905)	(27,905)	-
Fund Balance (Deficit) at End of Year	(961,652)	(624,290)	337,362

**Special Revenue Fund  
Everglades License Plate  
Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual  
For the Year Ended September 30, 2018**

	Final Budget	Actual	Variance with Final Budget-Positive (Negative)
<b>REVENUES</b>			
Intergovernmental	\$ 200,000	\$ 225,962	\$ 25,962
Investment Earnings (Loss)	-	(986)	(986)
Total Revenues	<u>200,000</u>	<u>224,976</u>	<u>24,976</u>
<b>EXPENDITURES</b>			
Water Resources			
Water Resources Planning and Monitoring	300,000	299,166	834
Total Water Resources	<u>300,000</u>	<u>299,166</u>	<u>834</u>
Total Expenditures	<u>300,000</u>	<u>299,166</u>	<u>834</u>
Revenues in Excess of (Less than) Expenditures	<u>(100,000)</u>	<u>(74,190)</u>	<u>25,810</u>
Net Change in Fund Balance	<u>(100,000)</u>	<u>(74,190)</u>	<u>25,810</u>
Fund Balance (Deficit) at Beginning of Year	676,741	676,741	-
Fund Balance (Deficit) at End of Year	<u>576,741</u>	<u>602,551</u>	<u>25,810</u>

**Special Revenue Fund  
Lake Okeechobee  
Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual  
For the Year Ended September 30, 2018**

	Final Budget	Actual	Variance with Final Budget-Positive (Negative)
REVENUES			
Investment Earnings (Loss)	\$ -	(\$ 4,352)	(\$ 4,352)
Total Revenues	-	(4,352)	(4,352)
EXPENDITURES			
Revenues in Excess of (Less than) Expenditures	-	(4,352)	(4,352)
OTHER FINANCING SOURCES (USES)			
Transfers Out	(1,306,887)	(1,306,886)	1
Total Other Financing Sources (Uses)	(1,306,887)	(1,306,886)	1
Net Change in Fund Balance	(1,306,887)	(1,311,238)	(4,351)
Fund Balance (Deficit) at Beginning of Year	1,342,518	1,342,518	-
Fund Balance (Deficit) at End of Year	35,631	31,280	(4,351)

**Special Revenue Fund**  
**Save Our Everglades**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance**  
**Budget and Actual**  
**For the Year Ended September 30, 2018**

	Final Budget	Actual	Variance with Final Budget-Positive (Negative)
<b>REVENUES</b>			
Intergovernmental	\$ 7,234,344	\$ 2,173,608	(\$ 5,060,736)
Investment Earnings (Loss)	-	42,819	42,819
Leases	616,886	942,414	325,528
<b>Total Revenues</b>	<b>7,851,230</b>	<b>3,158,841</b>	<b>(4,692,389)</b>
<b>EXPENDITURES</b>			
Everglades Policy and Coordination			
Water Resources Planning and Monitoring	99,500	-	99,500
Acquisition, Restoration and Public Works	8,989,235	1,264,041	7,725,194
<b>Total Everglades Policy and Coordination</b>	<b>9,088,735</b>	<b>1,264,041</b>	<b>7,824,694</b>
Field Operations and Land Management			
Operations and Maintenance of Lands and Works	528,189	520,380	7,809
<b>Total Field Operations and Land Management</b>	<b>528,189</b>	<b>520,380</b>	<b>7,809</b>
Operations, Maintenance and Construction			
Acquisition, Restoration and Public Works	8,075,145	161,236	7,913,909
<b>Total Operations, Maintenance, and Construction</b>	<b>8,075,145</b>	<b>161,236</b>	<b>7,913,909</b>
Real Estate			
Acquisition, Restoration and Public Works	25,200	-	25,200
Operations and Maintenance of Lands and Works	160,143	103,827	56,316
<b>Total Real Estate</b>	<b>185,343</b>	<b>103,827</b>	<b>81,516</b>
Contingency			
Managerial Reserve	230,301	-	230,301
<b>Total Contingency</b>	<b>230,301</b>	<b>-</b>	<b>230,301</b>
<b>Total Expenditures</b>	<b>18,107,713</b>	<b>2,049,484</b>	<b>16,058,229</b>
Revenues in Excess of (Less than) Expenditures	(10,256,483)	1,109,357	11,365,840
Net Change in Fund Balance	(10,256,483)	1,109,357	11,365,840
Fund Balance (Deficit) at Beginning of Year	1,366,950	1,366,950	-
Fund Balance (Deficit) at End of Year	(8,889,533)	2,476,307	11,365,840



**Special Revenue Fund**  
**Land Acquisition Trust**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance**  
**Budget and Actual**  
**For the Year Ended September 30, 2018**

	Final Budget	Actual	Variance with Final Budget-Positive (Negative)
<b>REVENUES</b>			
Intergovernmental	\$ 51,003,194	\$ 13,755,904	(\$ 37,247,290)
Investment Earnings (Loss)	-	717	717
Leases	-	272,362	272,362
Other	-	45	45
<b>Total Revenues</b>	<b>51,003,194</b>	<b>14,029,028</b>	<b>(36,974,166)</b>
<b>EXPENDITURES</b>			
Everglades Policy and Coordination			
Acquisition, Restoration and Public Works	28,637,538	10,664,894	17,972,644
<b>Total Everglades Policy and Coordination</b>	<b>28,637,538</b>	<b>10,664,894</b>	<b>17,972,644</b>
Field Operations and Land Management			
Acquisition, Restoration and Public Works	1,583,152	172,838	1,410,314
Operations and Maintenance of Lands and Works	2,350,000	2,350,000	-
<b>Total Field Operations and Land Management</b>	<b>3,933,152</b>	<b>2,522,838</b>	<b>1,410,314</b>
Real Estate			
Acquisition, Restoration and Public Works	426,611	134,141	292,470
<b>Total Real Estate</b>	<b>426,611</b>	<b>134,141</b>	<b>292,470</b>
Contingency			
Managerial Reserve	38,314,208	-	38,314,208
<b>Total Contingency</b>	<b>38,314,208</b>	<b>-</b>	<b>38,314,208</b>
<b>Total Expenditures</b>	<b>71,311,509</b>	<b>13,321,873</b>	<b>57,989,636</b>
Revenues in Excess of (Less than) Expenditures	(20,308,315)	707,155	21,015,470
Net Change in Fund Balance	(20,308,315)	707,155	21,015,470
Fund Balance (Deficit) at Beginning of Year	5,202,511	5,202,511	-
Fund Balance (Deficit) at End of Year	(15,105,804)	5,909,666	21,015,470

**South Florida Water Management District  
Special Revenue Fund  
Federal Emergency Management Agency  
Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual  
For the Year Ended September 30, 2018**

	Final Budget	Actual	Variance with Final Budget-Positive (Negative)
EXPENDITURES			
Operations, Maintenance and Construction			
Water Resources Planning and Monitoring	\$ 92,690	\$ 92,689	\$ 1
Total Operations, Maintenance, and Construction	92,690	92,689	1
Total Expenditures	92,690	92,689	1
Revenues in Excess of (Less than) Expenditures	(92,690)	(92,689)	1
Net Change in Fund Balance	(92,690)	(92,689)	1
Fund Balance (Deficit) at Beginning of Year	(203,311)	(203,311)	-
Fund Balance (Deficit) at End of Year	(296,001)	(296,000)	1

## Special Revenue Fund

## Florida Bay

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

For the Year Ended September 30, 2018

	Final Budget	Actual	Variance with Final Budget-Positive (Negative)
REVENUES			
Intergovernmental	\$ 1,000,000	\$ 1,119,405	\$ 119,405
Investment Earnings (Loss)	115,000	(8,634)	(123,634)
Other	-	46	46
Total Revenues	<u>1,115,000</u>	<u>1,110,817</u>	<u>(4,183)</u>
EXPENDITURES			
Administrative Services and Executive Offices			
Water Resources Planning and Monitoring	8,112	8,112	-
Total Administrative Services and Executive Offices	<u>8,112</u>	<u>8,112</u>	<u>-</u>
Everglades Policy and Coordination			
Acquisition, Restoration and Public Works	6,320,511	185,503	6,135,008
Total Everglades Policy and Coordination	<u>6,320,511</u>	<u>185,503</u>	<u>6,135,008</u>
Water Resources			
Water Resources Planning and Monitoring	1,230,291	770,573	459,718
Acquisition, Restoration and Public Works	1,004,755	433,133	571,622
Total Water Resources	<u>2,235,046</u>	<u>1,203,706</u>	<u>1,031,340</u>
Total Expenditures	<u>8,563,669</u>	<u>1,397,321</u>	<u>7,166,348</u>
Revenues in Excess of (Less than) Expenditures	<u>(7,448,669)</u>	<u>(286,504)</u>	<u>7,162,165</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	781,338	-	(781,338)
Transfers Out	(539,723)	(149,054)	390,669
Total Other Financing Sources (Uses)	<u>241,615</u>	<u>(149,054)</u>	<u>(390,669)</u>
Net Change in Fund Balance	<u>(7,207,054)</u>	<u>(435,558)</u>	<u>6,771,496</u>
Fund Balance (Deficit) at Beginning of Year	7,845,215	7,845,215	-
Fund Balance (Deficit) at End of Year	<u>638,161</u>	<u>7,409,657</u>	<u>6,771,496</u>

## Capital Projects Fund

## District

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

For the Year Ended September 30, 2018

	Final Budget	Actual	Variance with Final Budget-Positive (Negative)
REVENUES			
Investment Earnings (Loss)	\$ -	(\$ 26,770)	(\$ 26,770)
Sale of District Property	-	9,766	9,766
Other	-	187,650	187,650
Total Revenues	-	170,646	170,646
EXPENDITURES			
Administrative Services and Executive Offices			
Acquisition, Restoration and Public Works	798	798	-
Total Administrative Services and Executive Offices	798	798	-
Everglades Policy and Coordination			
Acquisition, Restoration and Public Works	51,871	31,871	20,000
Total Everglades Policy and Coordination	51,871	31,871	20,000
Field Operations and Land Management			
Acquisition, Restoration and Public Works	500	-	500
Operations and Maintenance of Lands and Works	926,279	869,616	56,663
Regulation	47,275	47,275	-
District Management and Administration	27,500	-	27,500
Total Field Operations and Land Management	1,001,554	916,891	84,663
Operations, Maintenance and Construction			
Water Resources Planning and Monitoring	24,058	-	24,058
Acquisition, Restoration and Public Works	19,664,252	8,529,378	11,134,874
Operations and Maintenance of Lands and Works	7,271,107	6,116,767	1,154,340
Total Operations, Maintenance, and Construction	26,959,417	14,646,145	12,313,272
Regulation			
Regulation	50,370	50,370	-
District Management and Administration	123,459	113,690	9,769
Total Regulation	173,829	164,060	9,769
Water Resources			
Water Resources Planning and Monitoring	1,691,887	1,025,650	666,237
Acquisition, Restoration and Public Works	14,451	14,451	-
Total Water Resources	1,706,338	1,040,101	666,237
Information Technology			
Acquisition, Restoration and Public Works	14,040	14,040	-
Operations and Maintenance of Lands and Works	546,742	484,980	61,762
District Management and Administration	2,729,736	2,388,436	341,300
Total Information Technology	3,290,518	2,887,456	403,062
Debt Service			
COPS Bond Principal Retirement	5,139,849	5,247,428	(107,579)
COPS Bond Interest	8,345,042	8,237,463	107,579
Total Debt Service	13,484,891	13,484,891	-
Contingency			
Managerial Reserve	601,497	-	601,497
Total Contingency	601,497	-	601,497
Total Expenditures	47,270,713	33,172,213	14,098,500

Capital Projects Fund

District

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual

For the Year Ended September 30, 2018

	Final Budget	Actual	Variance with Final Budget-Positive (Negative)
Revenues in Excess of (Less than) Expenditures	(47,270,713)	(33,001,567)	14,269,146
OTHER FINANCING SOURCES (USES)			
Transfers In	37,031,824	18,515,912	(18,515,912)
Total Other Financing Sources (Uses)	37,031,824	18,515,912	(18,515,912)
Net Change in Fund Balance	(10,238,889)	(14,485,655)	(4,246,766)
Fund Balance (Deficit) at Beginning of Year	29,254,110	29,254,110	-
Fund Balance (Deficit) at End of Year	19,015,221	14,768,455	(4,246,766)

**Capital Projects Fund  
Okeechobee Basin  
Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual  
For the Year Ended September 30, 2018**

	Final Budget	Actual	Variance with Final Budget-Positive (Negative)
<b>REVENUES</b>			
Investment Earnings (Loss)	\$ -	(\$ 52,623)	(\$ 52,623)
Sale of District Property	-	2,488,183	2,488,183
Other	-	1,054	1,054
<b>Total Revenues</b>	<b>-</b>	<b>2,436,614</b>	<b>2,436,614</b>
<b>EXPENDITURES</b>			
Everglades Policy and Coordination			
Acquisition, Restoration and Public Works	14,882	12,597	2,285
<b>Total Everglades Policy and Coordination</b>	<b>14,882</b>	<b>12,597</b>	<b>2,285</b>
Field Operations and Land Management			
Operations and Maintenance of Lands and Works	3,233,851	2,716,069	517,782
<b>Total Field Operations and Land Management</b>	<b>3,233,851</b>	<b>2,716,069</b>	<b>517,782</b>
Operations, Maintenance and Construction			
Water Resources Planning and Monitoring	58,532	16,344	42,188
Acquisition, Restoration and Public Works	22,349,643	7,071,007	15,278,636
Operations and Maintenance of Lands and Works	32,871,550	30,428,397	2,443,153
<b>Total Operations, Maintenance, and Construction</b>	<b>55,279,725</b>	<b>37,515,748</b>	<b>17,763,977</b>
Water Resources			
Water Resources Planning and Monitoring	28,500	-	28,500
Acquisition, Restoration and Public Works	7,900	-	7,900
<b>Total Water Resources</b>	<b>36,400</b>	<b>-</b>	<b>36,400</b>
Real Estate			
Acquisition, Restoration and Public Works	7,089,140	425	7,088,715
Operations and Maintenance of Lands and Works	170,783	105,382	65,401
<b>Total Real Estate</b>	<b>7,259,923</b>	<b>105,807</b>	<b>7,154,116</b>
Information Technology			
Operations and Maintenance of Lands and Works	38,751	38,751	-
<b>Total Information Technology</b>	<b>38,751</b>	<b>38,751</b>	<b>-</b>
Contingency			
Managerial Reserve	776,262	-	776,262
<b>Total Contingency</b>	<b>776,262</b>	<b>-</b>	<b>776,262</b>
<b>Total Expenditures</b>	<b>66,639,794</b>	<b>40,388,972</b>	<b>26,250,822</b>
Revenues in Excess of (Less than) Expenditures	(66,639,794)	(37,952,358)	28,687,436
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers In	62,524,485	31,262,242	(31,262,243)
<b>Total Other Financing Sources (Uses)</b>	<b>62,524,485</b>	<b>31,262,242</b>	<b>(31,262,243)</b>
Net Change in Fund Balance	(4,115,309)	(6,690,116)	(2,574,807)
Fund Balance (Deficit) at Beginning of Year	43,133,391	43,133,391	-
Fund Balance (Deficit) at End of Year	39,018,082	36,443,275	(2,574,807)

**Capital Projects Fund  
Big Cypress Basin  
Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual  
For the Year Ended September 30, 2018**

	Final Budget	Actual	Variance with Final Budget-Positive (Negative)
<b>REVENUES</b>			
Investment Earnings (Loss)	\$ 50,000	(\$ 7,440)	(\$ 57,440)
<b>Total Revenues</b>	<b>50,000</b>	<b>(7,440)</b>	<b>(57,440)</b>
<b>EXPENDITURES</b>			
Field Operations and Land Management			
Operations and Maintenance of Lands and Works	426,988	425,435	1,553
<b>Total Field Operations and Land Management</b>	<b>426,988</b>	<b>425,435</b>	<b>1,553</b>
Operations, Maintenance and Construction			
Operations and Maintenance of Lands and Works	6,163,580	4,947,242	1,216,338
<b>Total Operations, Maintenance, and Construction</b>	<b>6,163,580</b>	<b>4,947,242</b>	<b>1,216,338</b>
<b>Total Expenditures</b>	<b>6,590,568</b>	<b>5,372,677</b>	<b>1,217,891</b>
Revenues in Excess of (Less than) Expenditures	(6,540,568)	(5,380,117)	1,160,451
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers In	5,560,284	1,187,615	(4,372,669)
<b>Total Other Financing Sources (Uses)</b>	<b>5,560,284</b>	<b>1,187,615</b>	<b>(4,372,669)</b>
Net Change in Fund Balance	(980,284)	(4,192,502)	(3,212,218)
Fund Balance (Deficit) at Beginning of Year	6,694,283	6,694,283	-
Fund Balance (Deficit) at End of Year	5,713,999	2,501,781	(3,212,218)

Capital Projects Fund

Save Our Rivers

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

For the Year Ended September 30, 2018

	Final Budget	Actual	Variance with Final Budget-Positive (Negative)
REVENUES			
Intergovernmental	\$ 2,670,328	\$ -	(\$ 2,670,328)
Investment Earnings (Loss)	-	(9,880)	(9,880)
Sale of District Property	-	5,124,430	5,124,430
Total Revenues	<u>2,670,328</u>	<u>5,114,550</u>	<u>2,444,222</u>
EXPENDITURES			
Field Operations and Land Management			
Operations and Maintenance of Lands and Works	17,874	17,874	-
Total Field Operations and Land Management	<u>17,874</u>	<u>17,874</u>	<u>-</u>
Real Estate			
Acquisition, Restoration and Public Works	5,969,183	15,166	5,954,017
Total Real Estate	<u>5,969,183</u>	<u>15,166</u>	<u>5,954,017</u>
Contingency			
Managerial Reserve	2,655,162	-	2,655,162
Total Contingency	<u>2,655,162</u>	<u>-</u>	<u>2,655,162</u>
Total Expenditures	<u>8,642,219</u>	<u>33,040</u>	<u>8,609,179</u>
Revenues in Excess of (Less than) Expenditures	<u>(5,971,891)</u>	<u>5,081,510</u>	<u>11,053,401</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	22,347	-	(22,347)
Total Other Financing Sources (Uses)	<u>22,347</u>	<u>-</u>	<u>(22,347)</u>
Net Change in Fund Balance	<u>(5,949,544)</u>	<u>5,081,510</u>	<u>11,031,054</u>
Fund Balance (Deficit) at Beginning of Year	<u>9,115,424</u>	<u>9,115,424</u>	<u>-</u>
Fund Balance (Deficit) at End of Year	<u>3,165,880</u>	<u>14,196,934</u>	<u>11,031,054</u>



**Capital Projects Fund**  
**State Appropriations**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance**  
**Budget and Actual**  
**For the Year Ended September 30, 2018**

	Final Budget	Actual	Variance with Final Budget-Positive (Negative)
<b>REVENUES</b>			
Intergovernmental	\$ -	\$ 1,943,952	\$ 1,943,952
Total Revenues	-	1,943,952	1,943,952
<b>EXPENDITURES</b>			
Operations, Maintenance and Construction			
Acquisition, Restoration and Public Works	376,781	376,771	10
Total Operations, Maintenance, and Construction	376,781	376,771	10
Total Expenditures	376,781	376,771	10
Revenues in Excess of (Less than) Expenditures	(376,781)	1,567,181	1,943,962
Net Change in Fund Balance	(376,781)	1,567,181	1,943,962
Fund Balance (Deficit) at Beginning of Year	(1,567,181)	(1,567,181)	-
Fund Balance (Deficit) at End of Year	(1,943,962)	-	1,943,962

## Capital Projects Fund

## Everglades Trust

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

For the Year Ended September 30, 2018

	Final Budget	Actual	Variance with Final Budget-Positive (Negative)
REVENUES			
Intergovernmental	\$ 30,000,000	\$ 25,800,000	(\$ 4,200,000)
Investment Earnings (Loss)	700,000	(110,229)	(810,229)
Sale of District Property	-	1,435	1,435
Other	-	-	-
Total Revenues	<u>30,700,000</u>	<u>25,691,206</u>	<u>(5,008,794)</u>
EXPENDITURES			
Field Operations and Land Management			
Operations and Maintenance of Lands and Works	118,512	74,288	44,224
Total Field Operations and Land Management	<u>118,512</u>	<u>74,288</u>	<u>44,224</u>
Operations, Maintenance and Construction			
Water Resources Planning and Monitoring	46,061	46,061	-
Acquisition, Restoration and Public Works	26,567,895	7,849,293	18,718,602
Operations and Maintenance of Lands and Works	2,112,797	1,971,526	141,271
Total Operations, Maintenance, and Construction	<u>28,726,753</u>	<u>9,866,880</u>	<u>18,859,873</u>
Water Resources			
Water Resources Planning and Monitoring	13,888	13,872	16
Operations and Maintenance of Lands and Works	116,917	79,757	37,160
Total Water Resources	<u>130,805</u>	<u>93,629</u>	<u>37,176</u>
Real Estate			
Acquisition, Restoration and Public Works	13,424,944	5,130,657	8,294,287
Total Real Estate	<u>13,424,944</u>	<u>5,130,657</u>	<u>8,294,287</u>
Debt Service			
COPS Bond Principal Retirement	6,282,034	6,492,572	(210,538)
COPS Bond Interest	10,325,208	10,114,670	210,538
Total Debt Service	<u>16,607,242</u>	<u>16,607,242</u>	<u>-</u>
Contingency			
Managerial Reserve	24,329,357	-	24,329,357
Total Contingency	<u>24,329,357</u>	<u>-</u>	<u>24,329,357</u>
Total Expenditures	<u>83,337,613</u>	<u>31,772,696</u>	<u>51,564,917</u>
Revenues in Excess of (Less than) Expenditures	<u>(52,637,613)</u>	<u>(6,081,490)</u>	<u>46,556,123</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	35,490,490	11,654,368	(23,836,122)
Total Other Financing Sources (Uses)	<u>35,490,490</u>	<u>11,654,368</u>	<u>(23,836,122)</u>
Net Change in Fund Balance	<u>(17,147,123)</u>	<u>5,572,878</u>	<u>22,720,001</u>
Fund Balance (Deficit) at Beginning of Year	79,473,054	79,473,054	-
Fund Balance (Deficit) at End of Year	<u>62,325,931</u>	<u>85,045,932</u>	<u>22,720,001</u>

**South Florida Water Management District**  
**Capital Projects Fund**  
**Federal Emergency Management Agency**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance**  
**Budget and Actual**  
**For the Year Ended September 30, 2018**

	Final Budget	Actual	Variance with Final Budget-Positive (Negative)
EXPENDITURES			
Fund Balance (Deficit) at Beginning of Year	\$ 27	\$ 27	\$ -
Fund Balance (Deficit) at End of Year	27	27	-

Capital Projects Fund

Florida Bay

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

For the Year Ended September 30, 2018

	Final Budget	Actual	Variance with Final Budget-Positive (Negative)
<b>REVENUES</b>			
Intergovernmental	\$ 3,117,031	\$ 3,117,031	\$ -
Investment Earnings (Loss)	10,000	(7,523)	(17,523)
Sale of District Property	-	35	35
<b>Total Revenues</b>	<b>3,127,031</b>	<b>3,109,543</b>	<b>(17,488)</b>
<b>EXPENDITURES</b>			
Everglades Policy and Coordination			
Acquisition, Restoration and Public Works	430,660	416,539	14,121
<b>Total Everglades Policy and Coordination</b>	<b>430,660</b>	<b>416,539</b>	<b>14,121</b>
Operations, Maintenance and Construction			
Acquisition, Restoration and Public Works	4,149,651	2,363,147	1,786,504
<b>Total Operations, Maintenance, and Construction</b>	<b>4,149,651</b>	<b>2,363,147</b>	<b>1,786,504</b>
Water Resources			
Water Resources Planning and Monitoring	43,356	27,551	15,805
<b>Total Water Resources</b>	<b>43,356</b>	<b>27,551</b>	<b>15,805</b>
Real Estate			
Acquisition, Restoration and Public Works	1,000,000	-	1,000,000
<b>Total Real Estate</b>	<b>1,000,000</b>	<b>-</b>	<b>1,000,000</b>
Contingency			
Managerial Reserve	2,988,704	-	2,988,704
<b>Total Contingency</b>	<b>2,988,704</b>	<b>-</b>	<b>2,988,704</b>
<b>Total Expenditures</b>	<b>8,612,371</b>	<b>2,807,237</b>	<b>5,805,134</b>
Revenues in Excess of (Less than) Expenditures	(5,485,340)	302,306	5,787,646
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers In	1,079,446	149,054	(930,392)
Transfers Out	(390,669)	-	390,669
<b>Total Other Financing Sources (Uses)</b>	<b>688,777</b>	<b>149,054</b>	<b>(539,723)</b>
Net Change in Fund Balance	(4,796,563)	451,360	5,247,923
Fund Balance (Deficit) at Beginning of Year	6,316,274	6,316,274	-
Fund Balance (Deficit) at End of Year	1,519,711	6,767,634	5,247,923

**Capital Projects Fund  
Wetland Mitigation  
Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual  
For the Year Ended September 30, 2018**

	Final Budget	Actual	Variance with Final Budget-Positive (Negative)
REVENUES			
Investment Earnings (Loss)	\$ 75,000	(\$ 5,384)	(\$ 80,384)
Total Revenues	75,000	(5,384)	(80,384)
EXPENDITURES			
Real Estate			
Operations and Maintenance of Lands and Works	721,751	349,395	372,356
Total Real Estate	721,751	349,395	372,356
Total Expenditures	721,751	349,395	372,356
Revenues in Excess of (Less than) Expenditures	(646,751)	(354,779)	291,972
OTHER FINANCING SOURCES (USES)			
Transfers In	391,000	195,500	(195,500)
Total Other Financing Sources (Uses)	391,000	195,500	(195,500)
Net Change in Fund Balance	(255,751)	(159,279)	96,472
Fund Balance (Deficit) at Beginning of Year	5,176,248	5,176,248	-
Fund Balance (Deficit) at End of Year	4,920,497	5,016,969	96,472

**Capital Projects Fund  
Comprehensive Everglades Restoration Plan (CERP)  
Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual  
For the Year Ended September 30, 2018**

	Final Budget	Actual	Variance with Final Budget-Positive (Negative)
<b>REVENUES</b>			
Sale of District Property	\$ -	\$ 41	\$ 41
Other	-	-	-
Total Revenues	<u>-</u>	<u>41</u>	<u>41</u>
<b>EXPENDITURES</b>			
Operations, Maintenance and Construction			
Acquisition, Restoration and Public Works	1,973,798	35,884	1,937,914
Total Operations, Maintenance, and Construction	<u>1,973,798</u>	<u>35,884</u>	<u>1,937,914</u>
Total Expenditures	<u>1,973,798</u>	<u>35,884</u>	<u>1,937,914</u>
Revenues in Excess of (Less than) Expenditures	<u>(1,973,798)</u>	<u>(35,843)</u>	<u>1,937,955</u>
Net Change in Fund Balance	<u>(1,973,798)</u>	<u>(35,843)</u>	<u>1,937,955</u>
Fund Balance (Deficit) at Beginning of Year	2,009,629	2,009,629	-
Fund Balance (Deficit) at End of Year	<u>35,831</u>	<u>1,973,786</u>	<u>1,937,955</u>

Capital Projects Fund

Federal Land Acquisition

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

For the Year Ended September 30, 2018

	Final Budget	Actual	Variance with Final Budget-Positive (Negative)
EXPENDITURES			
Fund Balance (Deficit) at Beginning of Year	\$ 3,744,742	\$ 3,744,742	\$ -
Fund Balance (Deficit) at End of Year	3,744,742	3,744,742	-

**Capital Projects Fund  
Save Our Everglades  
Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual  
For the Year Ended September 30, 2018**

	Final Budget	Actual	Variance with Final Budget-Positive (Negative)
<b>REVENUES</b>			
Intergovernmental	\$ 150,437,377	\$ 44,758,546	(\$ 105,678,831)
Investment Earnings (Loss)	-	(2,398)	(2,398)
Sale of District Property	-	265,335	265,335
Other	-	60,616	60,616
<b>Total Revenues</b>	<b>150,437,377</b>	<b>45,082,099</b>	<b>(105,355,278)</b>
<b>EXPENDITURES</b>			
Everglades Policy and Coordination			
Acquisition, Restoration and Public Works	17,395	-	17,395
<b>Total Everglades Policy and Coordination</b>	<b>17,395</b>	<b>-</b>	<b>17,395</b>
Operations, Maintenance and Construction			
Acquisition, Restoration and Public Works	152,836,116	52,770,720	100,065,396
<b>Total Operations, Maintenance, and Construction</b>	<b>152,836,116</b>	<b>52,770,720</b>	<b>100,065,396</b>
Real Estate			
Acquisition, Restoration and Public Works	5,046,707	656,423	4,390,284
<b>Total Real Estate</b>	<b>5,046,707</b>	<b>656,423</b>	<b>4,390,284</b>
Contingency			
Managerial Reserve	40,000,000	-	40,000,000
<b>Total Contingency</b>	<b>40,000,000</b>	<b>-</b>	<b>40,000,000</b>
<b>Total Expenditures</b>	<b>197,900,218</b>	<b>53,427,143</b>	<b>144,473,075</b>
Revenues in Excess of (Less than) Expenditures	(47,462,841)	(8,345,044)	39,117,797
Net Change in Fund Balance	(47,462,841)	(8,345,044)	39,117,797
Fund Balance (Deficit) at Beginning of Year	(5,441,408)	(5,441,408)	-
Fund Balance (Deficit) at End of Year	(52,904,249)	(13,786,452)	39,117,797



Capital Projects Fund

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

For the Year Ended September 30, 2018

	Final Budget	Actual	Variance with Final Budget-Positive (Negative)
EXPENDITURES			
Everglades Policy and Coordination			
Acquisition, Restoration and Public Works	\$ 398,024	\$ 315,035	\$ 82,989
Total Everglades Policy and Coordination	398,024	315,035	82,989
Operations, Maintenance and Construction			
Acquisition, Restoration and Public Works	1,517,218	9,900	1,507,318
Total Operations, Maintenance, and Construction	1,517,218	9,900	1,507,318
Contingency			
Managerial Reserve	485,000	-	485,000
Total Contingency	485,000	-	485,000
Total Expenditures	2,400,242	324,935	2,075,307
Revenues in Excess of (Less than) Expenditures	(2,400,242)	(324,935)	2,075,307
OTHER FINANCING SOURCES (USES)			
Transfers In	1,766,047	883,024	(883,023)
Total Other Financing Sources (Uses)	1,766,047	883,024	(883,023)
Net Change in Fund Balance	(634,195)	558,089	1,192,284
Fund Balance (Deficit) at Beginning of Year	1,517,219	1,517,219	-
Fund Balance (Deficit) at End of Year	883,024	2,075,308	1,192,284

Capital Projects Fund

COPS - Everglades Forever Act (EFA)

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

For the Year Ended September 30, 2018

	Final Budget	Actual	Variance with Final Budget-Positive (Negative)
REVENUES			
Other	\$ -	\$ 55,257	\$ 55,257
Total Revenues	-	55,257	55,257
EXPENDITURES			
Debt Service			
COPS Bond Principal Retirement	318,117	-	318,117
COPS Bond Interest	-	318,117	(318,117)
Total Debt Service	318,117	318,117	-
Total Expenditures	318,117	318,117	-
Revenues in Excess of (Less than) Expenditures	(318,117)	(262,860)	55,257
OTHER FINANCING SOURCES (USES)			
Transfers In	24	12	(12)
Total Other Financing Sources (Uses)	24	12	(12)
Net Change in Fund Balance	(318,093)	(262,848)	55,245
Fund Balance (Deficit) at Beginning of Year	364,616	364,616	-
Fund Balance (Deficit) at End of Year	46,523	101,768	55,245

Capital Projects Fund

COPS - Comprehensive Everglades Restoration Plan (CERP)  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual  
 For the Year Ended September 30, 2018

	Final Budget	Actual	Variance with Final Budget-Positive (Negative)
EXPENDITURES			
OTHER FINANCING SOURCES (USES)			
Transfers Out	(\$ 12)	(\$ 12)	\$ -
Total Other Financing Sources (Uses)	(12)	(12)	-
Net Change in Fund Balance	(12)	(12)	-
Fund Balance (Deficit) at Beginning of Year	12	12	-
Fund Balance (Deficit) at End of Year	-	-	-

**Capital Projects Fund  
Lake Belt Mitigation  
Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual  
For the Year Ended September 30, 2018**

	Final Budget	Actual	Variance with Final Budget-Positive (Negative)
<b>REVENUES</b>			
Investment Earnings (Loss)	\$ -	(\$ 4,085)	(\$ 4,085)
<b>Total Revenues</b>	<b>-</b>	<b>(4,085)</b>	<b>(4,085)</b>
<b>EXPENDITURES</b>			
Field Operations and Land Management			
Operations and Maintenance of Lands and Works	201,258	201,258	-
<b>Total Field Operations and Land Management</b>	<b>201,258</b>	<b>201,258</b>	<b>-</b>
Operations, Maintenance and Construction			
Operations and Maintenance of Lands and Works	1,553,204	107,042	1,446,162
<b>Total Operations, Maintenance, and Construction</b>	<b>1,553,204</b>	<b>107,042</b>	<b>1,446,162</b>
Real Estate			
Operations and Maintenance of Lands and Works	7,799,390	-	7,799,390
<b>Total Real Estate</b>	<b>7,799,390</b>	<b>-</b>	<b>7,799,390</b>
Contingency			
Managerial Reserve	430	-	430
<b>Total Contingency</b>	<b>430</b>	<b>-</b>	<b>430</b>
<b>Total Expenditures</b>	<b>9,554,282</b>	<b>308,300</b>	<b>9,245,982</b>
Revenues in Excess of (Less than) Expenditures	(9,554,282)	(312,385)	9,241,897
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers In	5,527,946	2,763,973	(2,763,973)
<b>Total Other Financing Sources (Uses)</b>	<b>5,527,946</b>	<b>2,763,973</b>	<b>(2,763,973)</b>
Net Change in Fund Balance	(4,026,336)	2,451,588	6,477,924
Fund Balance (Deficit) at Beginning of Year	3,679,505	3,679,505	-
Fund Balance (Deficit) at End of Year	(346,831)	6,131,093	6,477,924

Capital Projects Fund

Lake Okeechobee

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

For the Year Ended September 30, 2018

	Final Budget	Actual	Variance with Final Budget-Positive (Negative)
EXPENDITURES			
Everglades Policy and Coordination			
Acquisition, Restoration and Public Works	\$ 1,853	\$ -	\$ 1,853
Total Everglades Policy and Coordination	1,853	-	1,853
Operations, Maintenance and Construction			
Acquisition, Restoration and Public Works	1,305,033	1,305,033	-
Total Operations, Maintenance, and Construction	1,305,033	1,305,033	-
Total Expenditures	1,306,886	1,305,033	1,853
Revenues in Excess of (Less than) Expenditures	(1,306,886)	(1,305,033)	1,853
OTHER FINANCING SOURCES (USES)			
Transfers In	2,613,774	1,306,886	(1,306,888)
Total Other Financing Sources (Uses)	2,613,774	1,306,886	(1,306,888)
Net Change in Fund Balance	1,306,888	1,853	(1,305,035)
Fund Balance (Deficit) at Beginning of Year	(1,853)	(1,853)	-
Fund Balance (Deficit) at End of Year	1,305,035	-	(1,305,035)

Capital Projects Fund

External Grants

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual

For the Year Ended September 30, 2018

	Final Budget	Actual	Variance with Final Budget-Positive (Negative)
REVENUES			
Investment Earnings (Loss)	\$ -	(\$ 14)	(\$ 14)
Total Revenues	-	(14)	(14)
EXPENDITURES			
Revenues in Excess of (Less than) Expenditures	-	(14)	(14)
Net Change in Fund Balance	-	(14)	(14)
Fund Balance (Deficit) at Beginning of Year	4,342	4,342	-
Fund Balance (Deficit) at End of Year	4,342	4,328	(14)

**Capital Projects Fund  
Land Acquisition Trust  
Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual  
For the Year Ended September 30, 2018**

	Final Budget	Actual	Variance with Final Budget-Positive (Negative)
<b>REVENUES</b>			
Intergovernmental	\$ 49,340,661	\$ 57,323,538	\$ 7,982,877
Total Revenues	49,340,661	57,323,538	7,982,877
<b>EXPENDITURES</b>			
Field Operations and Land Management			
Acquisition, Restoration and Public Works	2,792,417	1,409,670	1,382,747
Total Field Operations and Land Management	2,792,417	1,409,670	1,382,747
Operations, Maintenance and Construction			
Acquisition, Restoration and Public Works	60,077,372	39,243,799	20,833,573
Total Operations, Maintenance, and Construction	60,077,372	39,243,799	20,833,573
Real Estate			
Acquisition, Restoration and Public Works	36,932,045	20,667,009	16,265,036
Total Real Estate	36,932,045	20,667,009	16,265,036
Total Expenditures	99,801,834	61,320,478	38,481,356
Revenues in Excess of (Less than) Expenditures	(50,461,173)	(3,996,940)	46,464,233
Net Change in Fund Balance	(50,461,173)	(3,996,940)	46,464,233
Fund Balance (Deficit) at Beginning of Year	(5,251,253)	(5,251,253)	-
Fund Balance (Deficit) at End of Year	(55,712,426)	(9,248,193)	46,464,233

**Permanent Fund  
Wetland Mitigation  
Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual  
For the Year Ended September 30, 2018**

	Final Budget	Actual	Variance with Final Budget-Positive (Negative)
<b>REVENUES</b>			
Investment Earnings (Loss)	\$ -	(\$ 19,033)	(\$ 19,033)
Licenses, Permits and Fees	-	2,160	2,160
<b>Total Revenues</b>	<b>-</b>	<b>(16,873)</b>	<b>(16,873)</b>
<b>EXPENDITURES</b>			
Contingency			
Managerial Reserve	50,540	-	50,540
<b>Total Contingency</b>	<b>50,540</b>	<b>-</b>	<b>50,540</b>
<b>Total Expenditures</b>	<b>50,540</b>	<b>-</b>	<b>50,540</b>
Revenues in Excess of (Less than) Expenditures	(50,540)	(16,873)	33,667
Net Change in Fund Balance	(50,540)	(16,873)	33,667
Fund Balance (Deficit) at Beginning of Year	15,492,057	15,492,057	-
Fund Balance (Deficit) at End of Year	15,441,517	15,475,184	33,667



# SOUTH FLORIDA WATER MANAGEMENT DISTRICT

## Internal Service Funds

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

### **Self Insurance Fund**

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

### **Health Benefits Fund**

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

**South Florida Water Management District  
Combining Statement of Net Position  
Internal Service Funds  
September 30, 2018**

	<u>Self Insurance Fund</u>	<u>Health Benefits Fund</u>	<u>Total</u>
<b>ASSETS</b>			
Current Assets			
Cash and Investments	\$ 7,368,788	\$ 9,491,154	\$ 16,859,942
Accounts Receivable	51,347	22,256	73,603
Due from Other Funds	-	259,385	259,385
Other Assets	140,000	775,000	915,000
Total Current Assets	<u>7,560,135</u>	<u>10,547,795</u>	<u>18,107,930</u>
Noncurrent Assets			
Furniture, Fixtures and Equipment	27,459	-	27,459
Vehicles	36,224	-	36,224
Accumulated Depreciation	(48,538)	-	(48,538)
Total Noncurrent Assets	<u>15,145</u>	<u>-</u>	<u>15,145</u>
Total Assets	<u>7,575,280</u>	<u>10,547,795</u>	<u>18,123,075</u>
<b>LIABILITIES</b>			
Current Liabilities			
Accounts Payable	\$ 5,505	\$ 820,600	\$ 826,105
Due to Other Funds	345	-	345
Claims Payable	831,786	1,548,000	2,379,786
Total Current Liabilities	<u>837,636</u>	<u>2,368,600</u>	<u>3,206,236</u>
Noncurrent Liabilities			
Claims Payable	2,445,214	-	2,445,214
Total Noncurrent Liabilities	<u>2,445,214</u>	<u>-</u>	<u>2,445,214</u>
Total Liabilities	<u>3,282,850</u>	<u>2,368,600</u>	<u>5,651,450</u>
<b>NET POSITION</b>			
Net Position			
Net Investment in Capital Assets	15,145	-	15,145
Unrestricted	4,277,285	8,179,195	12,456,480
Total Net Position	<u>\$ 4,292,430</u>	<u>\$ 8,179,195</u>	<u>\$ 12,471,625</u>

**South Florida Water Management District**  
**Combining Statement of Revenues, Expenses, and Changes in Fund Net Position**  
**Internal Service Funds**  
**For the Year Ended September 30, 2018**

	Self Insurance Fund	Health Benefits Fund	Total
	<u>                    </u>	<u>                    </u>	<u>                    </u>
<b>OPERATING REVENUES</b>			
Charges for Services and Premium	\$ 2,005,474	\$ 26,503,611	\$ 28,509,085
Other Operating Revenue	74,139	-	74,139
Total Operating Revenues	<u>2,079,613</u>	<u>26,503,611</u>	<u>28,583,224</u>
<b>OPERATING EXPENSES</b>			
Salaries	165,174	113,827	279,001
Benefits	67,746	51,535	119,281
Claims	898,545	26,084,851	26,983,396
Purchased Services	147,751	-	147,751
Administrative Fees	-	1,905,584	1,905,584
Other	781,593	117,369	898,962
Depreciation	2,514	-	2,514
Total Operating Expenses	<u>2,063,323</u>	<u>28,273,166</u>	<u>30,336,489</u>
OPERATING INCOME (LOSS)	16,290	(1,769,555)	(1,753,265)
<b>NONOPERATING REVENUES</b>			
Investment Earnings (Loss)	(1,970)	(7,318)	(9,288)
Total Nonoperating Revenues	<u>(1,970)</u>	<u>(7,318)</u>	<u>(9,288)</u>
Change in Net Position	14,320	(1,776,873)	(1,762,553)
Net Position at Beginning of Year	<u>4,278,110</u>	<u>9,956,068</u>	<u>14,234,178</u>
Net Position at End of Year	<u>\$ 4,292,430</u>	<u>\$ 8,179,195</u>	<u>\$ 12,471,625</u>

**South Florida Water Management District  
Combining Statement of Cash Flows  
Internal Service Funds  
For the Year Ended September 30, 2018**

	Self Insurance Fund	Health Benefits Fund	Total
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>			
Cash Receipts from Participants and Other Funds	\$ 2,009,787	\$ 26,494,746	\$ 28,504,533
Cash Payments to Suppliers	(925,194)	(1,958,366)	(2,883,560)
Cash Payments for Salaries, Benefits	(232,920)	(165,362)	(398,282)
Claims Paid	(796,545)	(26,428,851)	(27,225,396)
Other Receipts (Payments)	74,139	(62,171)	11,968
Net Cash Provided by (Used in) Operating Activities	129,267	(2,120,004)	(1,990,737)
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>			
Investment Earnings	(1,970)	(7,318)	(9,288)
Net Cash Provided by Investing Activities	(1,970)	(7,318)	(9,288)
Net Increase (Decrease) in Cash and Cash Equivalents	127,297	(2,127,322)	(2,000,025)
Cash and Cash Equivalents, Beginning of Year	7,241,491	11,618,476	18,859,967
Cash and Cash Equivalents, End of Year	\$ 7,368,788	\$ 9,491,154	\$ 16,859,942
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES:</b>			
Operating Income (Loss)	\$ 16,290	(\$ 1,769,555)	(\$ 1,753,265)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used In) Operating Activities			
Depreciation	2,514	-	2,514
<b>CHANGES IN ASSETS AND LIABILITIES:</b>			
Decrease (Increase) in Accounts Receivable	4,313	(8,865)	(4,552)
Decrease (Increase) in Due from Other Funds	-	(62,171)	(62,171)
Increase (Decrease) in Accounts Payable	4,076	64,587	68,663
Increase (Decrease) in Due to Other Funds	74	-	74
Increase (Decrease) in Estimated Unpaid Claims	102,000	(344,000)	(242,000)
Net Cash Provided by (Used in) Operating Activities	\$ 129,267	\$ (2,120,004)	\$ (1,990,737)

# **STATISTICAL SECTION**



## Statistical Section

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

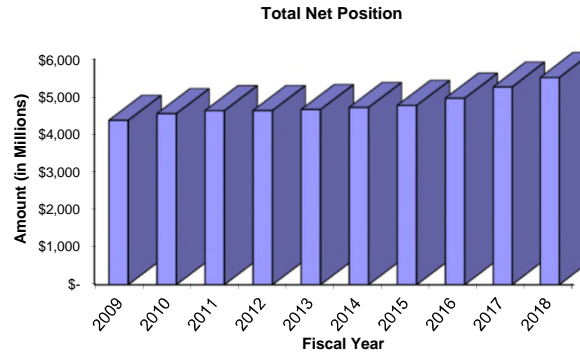
FINANCIAL TRENDS.....	VI-2
<i>These schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time.</i>	
REVENUE CAPACITY .....	VI-8
<i>These schedules contain information to help the reader assess the factors affecting the District's ability to generate its property taxes.</i>	
DEBT CAPACITY .....	VI-17
<i>These schedules present information to help the reader assess the affordability of the District's current levels of outstanding debts and the District's ability to issue additional debt in the future.</i>	
DEMOGRAPHIC AND ECONOMIC INFORMATION .....	VI-19
<i>These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place and to help make comparisons over time and with other governments.</i>	
OPERATING INFORMATION .....	VI-23
<i>These schedules contain information about the District's operations and resources to help the reader understand how the District's financial information relates to the services the District's provides and the activities it performs.</i>	

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

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

	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018 <sup>1</sup>
Net investment in capital assets	\$ 3,788,956,243	\$ 3,889,860,428	\$ 4,157,311,051	\$ 4,172,534,665	\$ 4,213,896,550	\$ 4,278,898,454	\$ 4,377,051,337	\$ 4,560,442,644	\$ 4,877,884,765	\$ 5,145,541,580
Restricted for:										
Debt Service	28,523,676	28,802,266	30,327,489	29,482,154	29,834,800	30,249,638	30,676,809	22,547,650	21,221,875	21,513,373
Wetlands Mitigation										
Expendable	16,476,384	23,272,435	23,290,831	22,168,650	21,723,599	22,584,805	23,862,645	19,225,590	18,065,677	22,235,516
Nonexpendable	10,262,096	12,707,636	13,988,620	14,016,126	14,037,630	14,967,099	15,650,189	15,657,189	14,650,412	14,652,572
Environmental Programs	51,814,854	233,501,723	267,486,175	278,835,411	287,183,215	290,169,479	331,566,384	312,683,321	308,351,134	327,555,376
Capital Construction	-	-	63,511,269	27,848,557	27,416,896	27,081,874	29,429,975	53,532,928	49,827,674	38,945,056
Totals for Restricted	107,077,010	298,284,060	398,604,384	372,350,898	380,196,140	385,052,895	431,186,002	423,646,678	412,116,772	424,901,893
Unrestricted	471,387,884	355,459,774	68,008,071	83,455,740	58,479,678	45,580,540	(45,540,145)	(29,398,301)	(37,853,468)	(66,426,487)
Total Net Position	<u>\$ 4,367,421,137</u>	<u>\$ 4,543,604,262</u>	<u>\$ 4,623,923,506</u>	<u>\$ 4,628,341,303</u>	<u>\$ 4,652,572,368</u>	<u>\$ 4,709,531,889</u>	<u>\$ 4,762,697,194</u>	<u>\$ 4,954,691,021</u>	<u>\$ 5,252,148,069</u>	<u>\$ 5,504,016,986</u>

<sup>1</sup> Beginning net position was restated for change in accounting principles as discussed in Note (2)(p) to the financial statements.





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

	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<b>Functions/Programs</b>										
<b>Expenses</b>										
Water Resources Planning and Monitoring	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 44,269,794	\$ 40,887,636	\$ 43,896,489
Acquisition, Restoration and Public Works	-	-	-	-	-	-	-	41,794,713	47,360,644	49,902,299
Operations and Maintenance of Lands and Works	-	-	-	-	-	-	-	167,388,368	160,629,721	171,891,603
Regulation	-	-	-	-	-	-	-	21,350,565	27,825,040	27,227,444
Outreach	-	-	-	-	-	-	-	2,183,103	1,998,917	1,972,036
District Management and Administration	-	-	-	-	-	-	-	37,047,896	33,171,938	29,436,363
Land Stewardship	-	-	-	17,230,408	11,221,915	13,762,682	20,981,317	-	-	-
Mission Support	105,245,086	114,123,630	121,213,117	59,451,321	46,556,301	45,166,915	42,800,144	-	-	-
Modeling and Scientific Support	-	-	-	10,229,236	10,775,376	11,572,865	10,841,821	-	-	-
Operations and Maintenance	133,417,655	122,360,621	134,014,814	130,821,218	135,936,264	114,290,603	113,623,935	-	-	-
Regulation	-	-	-	20,960,963	22,769,011	19,194,734	18,286,488	-	-	-
Restoration	179,584,139	170,045,556	115,552,532	106,379,179	146,728,178	85,037,648	86,042,884	-	-	-
Water Supply	50,853,964	30,375,078	28,085,557	15,496,110	14,127,405	17,464,823	14,888,542	-	-	-
Interest on Long-Term Debt	26,880,613	26,264,799	25,608,163	24,896,558	26,521,567	23,272,985	22,536,959	14,594,348	11,739,823	11,622,749
<b>Total Expenses</b>	<b>495,981,457</b>	<b>463,169,684</b>	<b>424,474,183</b>	<b>385,464,993</b>	<b>414,636,017</b>	<b>329,763,255</b>	<b>330,002,090</b>	<b>328,628,787</b>	<b>323,613,719</b>	<b>335,948,983</b>
<b>Program Revenues</b>										
<b>Operating Grants &amp; Contributions</b>										
Water Resources Planning and Monitoring	-	-	-	-	-	-	-	1,209,914	1,892,712	2,520,556
Acquisition, Restoration and Public Works	-	-	-	-	-	-	-	10,631,820	14,919,056	22,809,004
Operations and Maintenance of Lands and Works	-	-	-	-	-	-	-	18,686,808	11,689,820	11,994,573
Regulation	-	-	-	-	-	-	-	4,860	2,390	8,132
District Management and Administration	-	-	-	-	-	-	-	33,684	29,283	71,907
<b>Total Operating Grants &amp; Contributions</b>	<b>38,787,196</b>	<b>24,383,669</b>	<b>31,324,796</b>	<b>16,579,862</b>	<b>24,198,843</b>	<b>41,020,689</b>	<b>36,187,096</b>	<b>30,567,086</b>	<b>28,533,261</b>	<b>37,404,172</b>
<b>Capital Grants &amp; Contributions:</b>										
Water Resources Planning and Monitoring	-	-	-	-	-	-	-	215,543	76,108,330	18,713,539
Acquisition, Restoration and Public Works	-	-	-	-	-	-	-	104,312,004	94,675,532	193,792,758
Operations and Maintenance of Lands and Works	-	-	-	-	-	-	-	46,198,123	104,371,889	23,990,439
<b>Total Capital Grants &amp; Contributions</b>	<b>61,030,024</b>	<b>104,693,960</b>	<b>23,358,095</b>	<b>55,323,556</b>	<b>53,064,079</b>	<b>65,112,460</b>	<b>87,908,242</b>	<b>150,725,670</b>	<b>275,155,751</b>	<b>236,496,736</b>
<b>Charges for Services</b>										
Acquisition, Restoration and Public Works	-	-	-	-	-	-	-	-	4,924,613	-
Operations and Maintenance of Lands and Works	-	-	-	-	-	-	-	18,550,039	9,386,938	16,868,238
Regulation	-	-	-	-	-	-	-	3,583,024	3,379,441	3,523,934
District Management and Administration	-	-	-	-	-	-	-	8,581,888	6,470,973	5,929,019
<b>Total Charges for Services</b>	<b>9,442,388</b>	<b>21,035,669</b>	<b>22,637,635</b>	<b>23,657,278</b>	<b>34,146,056</b>	<b>37,677,609</b>	<b>36,785,015</b>	<b>30,714,951</b>	<b>24,161,965</b>	<b>26,321,191</b>
<b>Total Program Revenues</b>	<b>109,259,608</b>	<b>150,113,298</b>	<b>77,320,526</b>	<b>95,560,696</b>	<b>111,408,978</b>	<b>143,810,758</b>	<b>160,880,353</b>	<b>212,007,707</b>	<b>327,850,977</b>	<b>300,222,099</b>
<b>Net (Expense)/Revenue</b>	<b>(386,721,849)</b>	<b>(313,056,386)</b>	<b>(347,153,657)</b>	<b>(289,904,297)</b>	<b>(303,227,039)</b>	<b>(185,952,497)</b>	<b>(169,121,737)</b>	<b>(116,621,080)</b>	<b>4,237,258</b>	<b>(35,726,884)</b>

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

	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<b>General Revenues</b>										
Taxes:										
Property Taxes, Levied for General Purposes	451,384,521	394,194,577	347,234,986	236,860,170	232,838,276	233,527,102	233,437,089	233,728,031	236,802,155	240,768,976
Property Taxes, Levied for Everglades Constructio	81,045,067	72,185,795	64,381,190	47,798,117	47,242,100	47,140,188	46,700,646	46,768,747	46,892,125	47,569,471
Investment Earnings	28,483,350	14,467,902	13,693,847	8,611,844	385,038	6,058,186	8,079,756	5,628,628	3,996,201	(741,400)
Other	26,747,397	8,391,237	2,162,878	1,051,963	1,092,105	2,087,127	6,019,966	4,624,231	5,529,309	9,363,187
Total General Revenues	<u>587,660,335</u>	<u>489,239,511</u>	<u>427,472,901</u>	<u>294,322,094</u>	<u>281,557,519</u>	<u>288,812,603</u>	<u>294,237,457</u>	<u>290,749,637</u>	<u>293,219,790</u>	<u>296,960,234</u>
Total Revenue	<u>696,919,943</u>	<u>639,352,809</u>	<u>504,793,427</u>	<u>389,882,790</u>	<u>392,966,497</u>	<u>432,623,361</u>	<u>455,117,810</u>	<u>502,757,344</u>	<u>621,070,767</u>	<u>597,182,333</u>
<b>Change in Net Position</b>	<u>\$ 200,938,486</u>	<u>\$ 176,183,125</u>	<u>\$ 80,319,244</u>	<u>\$ 4,417,797</u>	<u>\$ (21,669,520)</u>	<u>\$ 102,860,106</u>	<u>\$ 125,115,720</u>	<u>\$ 174,128,557</u>	<u>\$ 297,457,048</u>	<u>\$ 261,233,350</u>

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

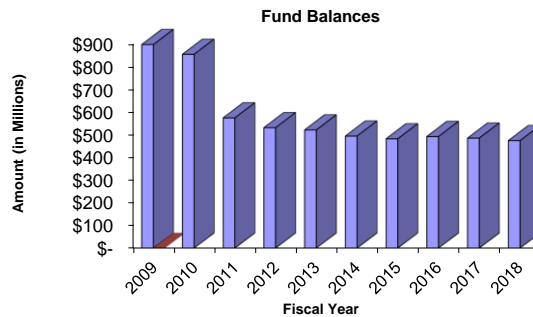
At the beginning of fiscal year 2012, the District reorganized its resource area and major program structure.

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

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

	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<b>General Fund</b>										
Reserved	\$ 7,631,800	\$ 11,120,668	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	81,084,241	76,659,888	-	-	-	-	-	-	-	-
Nonspendable	-	-	-	201,145	201,145	-	-	-	-	-
Restricted	-	-	1,190,857	-	-	-	-	-	-	-
Committed	-	-	13,571,806	20,532,474	27,514,703	14,919,347	7,703,792	16,700,045	21,854,988	20,521,793
Assigned	-	-	50,267,731	48,616,088	32,914,652	42,477,518	46,652,734	43,130,042	33,304,441	38,195,625
Unassigned (Deficits)	-	-	22,761,839	12,774,338	2,485,387	6,022,833	9,287,577	3,228,512	7,233,322	4,014,977
<b>Total General Fund</b>	<b>88,716,041</b>	<b>87,780,556</b>	<b>87,792,233</b>	<b>82,124,045</b>	<b>63,115,887</b>	<b>63,419,698</b>	<b>63,644,103</b>	<b>63,058,599</b>	<b>62,392,751</b>	<b>62,732,395</b>
<b>All Other Governmental Funds</b>										
Reserved	100,455,114	128,352,468	-	-	-	-	-	-	-	-
Unreserved, reported in:										
Special Revenue Funds	137,081,191	116,393,784	-	-	-	-	-	-	-	-
Capital Project Funds	572,503,303	523,243,561	-	-	-	-	-	-	-	-
Permanent Fund	(37,783)	-	-	-	-	-	-	-	-	-
Nonspendable	-	-	19,858,805	20,196,060	20,088,942	20,685,277	20,930,044	20,310,113	19,894,555	20,642,204
Restricted	-	-	418,023,868	386,520,197	397,978,668	412,681,591	392,477,836	407,885,311	397,017,351	409,819,345
Committed	-	-	31,991,986	12,223,594	57,610	-	10,642,924	6,551,624	416,947	374,112
Assigned	-	-	32,464,433	34,453,856	41,804,359	22,923,057	27,339,886	14,348,013	22,874,593	8,791,773
Unassigned (Deficits)	-	-	(13,880,130)	(2,213,847)	(73,179)	(23,947,554)	(31,467,143)	(18,642,938)	(15,613,896)	(26,200,238)
<b>Total All Other Governmental Funds</b>	<b>810,001,825</b>	<b>767,989,813</b>	<b>488,458,962</b>	<b>451,179,860</b>	<b>459,856,400</b>	<b>432,342,371</b>	<b>419,923,547</b>	<b>430,452,123</b>	<b>424,589,550</b>	<b>413,427,196</b>
<b>Grand Total</b>	<b>\$ 898,717,866</b>	<b>\$ 855,770,369</b>	<b>\$ 576,251,195</b>	<b>\$ 533,303,905</b>	<b>\$ 522,972,287</b>	<b>\$ 495,762,069</b>	<b>\$ 483,567,650</b>	<b>\$ 493,510,722</b>	<b>\$ 486,982,301</b>	<b>\$ 476,159,591</b>

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



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

	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<b>REVENUES</b>										
Ad Valorem Property Taxes	\$ 520,754,080	\$ 454,702,214	\$ 400,551,714	\$ 273,150,566	\$ 268,486,810	\$ 269,227,569	\$ 269,056,878	\$ 269,317,745	\$ 272,817,499	\$ 277,277,519
Agricultural Privilege Taxes	11,675,508	11,678,158	11,064,462	11,507,721	11,593,566	11,439,721	11,080,857	11,179,033	10,876,781	11,060,928
Intergovernmental	97,309,268	92,069,137	67,888,578	44,507,437	37,455,441	85,611,812	103,360,352	137,453,501	176,785,459	170,196,429
Investment Earnings (Loss)	28,483,350	14,404,749	13,108,606	8,294,234	353,207	5,890,856	7,852,547	5,474,506	3,806,053	(732,112)
Licenses, Permits and Fees	6,538,332	10,989,204	8,166,854	12,419,372	23,167,967	25,641,882	24,544,820	16,732,989	11,340,169	12,905,480
Self-Insurance Premiums	2,548,463	-	-	-	-	-	-	-	-	-
Sale of District Property	342,759	603,025	1,868,263	507,382	450,251	274,146	4,442,084	2,952,891	4,527,912	8,435,158
Indirect Costs Recovered	6,885,448	5,445,432	5,420,591	-	-	-	-	-	-	-
Leases	2,904,055	2,443,466	3,915,752	4,324,913	4,026,744	4,628,753	4,372,061	5,400,073	6,350,822	7,486,691
Other	11,173,458	2,934,236	895,996	959,735	922,227	1,995,553	5,113,114	1,604,275	925,513	853,892
<b>Total Revenues</b>	<b>688,614,721</b>	<b>595,269,621</b>	<b>512,880,816</b>	<b>355,671,360</b>	<b>346,456,213</b>	<b>404,710,292</b>	<b>429,822,713</b>	<b>450,115,013</b>	<b>487,430,208</b>	<b>487,483,985</b>
<b>EXPENDITURES</b>										
Current Operating	422,077,480	399,429,299	382,014,723	282,692,406	273,201,406	261,781,219	249,029,375			
Water Resources Planning and Monitoring								35,755,217	32,856,294	35,263,387
Acquisition, Restoration and Public Works								31,333,631	38,103,707	40,427,627
Operations and Maintenance of Lands and Works								147,171,478	138,443,051	148,390,380
Regulation								20,345,451	17,784,700	17,321,656
Outreach								2,182,825	1,998,507	1,971,386
District Management and Administration								25,399,365	23,313,152	23,613,618
Capital Outlay	143,169,182	183,126,292	370,729,580	66,970,460	48,449,472	128,064,854	150,931,310	138,438,651	209,425,693	200,908,391
Debt Service										
Bond Principal Retirement	4,975,000	5,190,000	5,415,000	5,655,000	5,865,000	6,120,000	6,400,000	6,705,000	-	-
Bond Interest and Other Fiscal Charges	1,940,171	1,722,396	1,489,721	1,265,749	1,035,786	768,598	474,200	160,538	-	-
1 Bank Loan Principal Payments	1,832,482	1,832,482	2,975,339	1,142,857	-	-	-	-	-	-
Bank Loan Interest	279,620	206,172	180,724	19,867	-	-	-	-	-	-
Capital Lease Principal Payments	193,161	200,330	-	-	-	-	-	-	-	-
Capital Lease Interest	12,712	5,543	-	-	-	-	-	-	-	-
COPS Principal Retirement	9,015,000	9,370,000	9,705,000	10,135,000	10,610,000	11,060,000	11,610,000	12,165,000	12,750,000	11,740,000
COPS Interest	26,268,593	25,923,546	25,539,177	25,088,037	24,626,167	24,125,840	23,572,247	21,601,255	19,279,525	18,670,250
<b>Total Expenditures</b>	<b>609,763,401</b>	<b>627,006,060</b>	<b>798,049,264</b>	<b>392,969,376</b>	<b>363,787,831</b>	<b>431,920,511</b>	<b>442,017,132</b>	<b>441,258,411</b>	<b>493,954,629</b>	<b>498,306,695</b>
Revenues in Excess of (Less Than) Expenditures	78,851,320	(31,736,439)	(285,168,448)	(37,298,016)	(17,331,618)	(27,210,219)	(12,194,419)	8,856,602	(6,524,421)	(10,822,710)

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

	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<b>OTHER FINANCING SOURCES (USES)</b>										
Transfers In	454,498,325	163,744,472	143,735,575	72,862,774	110,969,774	144,193,867	114,499,205	117,299,062	94,457,021	67,923,086
Transfers Out	(454,498,325)	(174,955,529)	(143,735,575)	(72,862,774)	(103,969,774)	(144,193,867)	(114,499,205)	(117,299,062)	(94,457,021)	(67,923,086)
Proceeds of Bond Issuance	-	-	-	-	-	-	-	385,425,000	-	-
Premium on Bonds Issued	-	-	-	-	-	-	-	70,872,797	-	-
Payment to Bond Escrow Agent	-	-	-	-	-	-	-	(455,215,327)	-	-
Total Other Financing Sources (Uses)	-	(11,211,057)	-	-	7,000,000	-	-	1,082,470	-	-
Net Change in Fund Balance (Deficit)	<u>\$ 78,851,320</u>	<u>\$ (42,947,496)</u>	<u>\$ (285,168,448)</u>	<u>\$ (37,298,016)</u>	<u>\$ (10,331,618)</u>	<u>\$ (27,210,219)</u>	<u>\$ (12,194,419)</u>	<u>\$ 9,939,072</u>	<u>\$ (6,524,421)</u>	<u>\$ (10,822,710)</u>
Debt Service as a percentage of noncapital expenditures <sup>1</sup>	9.54%	10.01%	10.60%	13.28%	13.36%	13.85%	14.45%	13.42%	11.26%	10.23%

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

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

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

<sup>1</sup> For purposes of calculating debt service as a percentage of noncapital expenditures, noncapital expenditures excludes expenditures that are classified as capital outlay on the government-wide financial statements, which may be different than those shown above. The noncapital expenditure amount used in the calculation is determined by subtracting the capital outlay amount shown on the Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities (see page III-10) from the total expenditure amount shown above.

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

	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Property Taxes	\$520,754,080	\$454,702,214	\$400,551,714	\$273,150,566	\$268,486,810	\$269,227,569	\$269,056,878	\$269,317,745	\$272,817,499	\$277,277,519
Agricultural Privilege Taxes	11,675,508	11,678,158	11,064,462	11,507,721	11,593,566	11,439,721	11,080,857	11,179,033	10,876,781	11,060,928
Intergovernmental	97,309,268	92,069,137	67,888,578	44,507,437	37,455,441	85,611,812	103,360,352	137,453,501	176,785,459	170,196,429
Investment Earnings (Loss)	28,483,350	14,404,749	13,108,606	8,294,234	353,207	5,890,856	7,852,547	5,474,506	3,806,053	(732,112)
Licenses, Permits & Fees	6,538,332	10,989,204	8,166,854	12,419,372	23,167,967	25,641,882	24,544,820	16,732,989	11,340,169	12,905,480
Leases	2,904,055	2,443,466	3,915,752	4,324,913	4,026,744	4,628,753	4,372,061	5,400,073	6,350,822	7,486,691
Other	20,950,128	8,982,693	8,184,850	1,467,117	1,372,478	2,269,699	9,555,198	4,557,166	5,453,425	9,289,050
<b>Total</b>	<u>\$688,614,721</u>	<u>\$595,269,621</u>	<u>\$512,880,816</u>	<u>\$355,671,360</u>	<u>\$346,456,213</u>	<u>\$404,710,292</u>	<u>\$429,822,713</u>	<u>\$450,115,013</u>	<u>\$487,430,208</u>	<u>\$487,483,985</u>

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

<b>Fiscal Year</b>	<b>Broward</b>	<b>Charlotte *</b>	<b>Collier</b>	<b>Miami-Dade</b>	<b>Glades</b>	<b>Hendry</b>	<b>Highlands *</b>	<b>Lee</b>	<b>Martin</b>
2009	<b>101,545</b> 19.07%	<b>96</b> 0.02%	<b>36,569</b> 6.87%	<b>143,415</b> 26.94%	<b>410</b> 0.08%	<b>2,900</b> 0.54%	<b>536</b> 0.10%	<b>50,973</b> 9.57%	<b>12,370</b> 2.32%
2010	<b>88,823</b> 19.05%	<b>83</b> 0.02%	<b>32,370</b> 6.94%	<b>129,243</b> 27.71%	<b>384</b> 0.08%	<b>2,746</b> 0.59%	<b>470</b> 0.10%	<b>39,242</b> 8.41%	<b>11,279</b> 2.42%
2011	<b>77,688</b> 18.87%	<b>72</b> 0.02%	<b>28,407</b> 6.90%	<b>113,386</b> 27.55%	<b>356</b> 0.09%	<b>2,593</b> 0.63%	<b>427</b> 0.10%	<b>33,482</b> 8.13%	<b>10,582</b> 2.57%
2012	<b>52,960</b> 18.61%	<b>48</b> 0.02%	<b>19,370</b> 6.80%	<b>77,466</b> 27.21%	<b>251</b> 0.09%	<b>2,177</b> 0.76%	<b>276</b> 0.10%	<b>22,653</b> 7.96%	<b>7,196</b> 2.53%
2013	<b>52,800</b> 18.72%	<b>46</b> 0.02%	<b>19,197</b> 6.81%	<b>75,463</b> 26.75%	<b>239</b> 0.08%	<b>2,175</b> 0.77%	<b>302</b> 0.11%	<b>22,142</b> 7.85%	<b>7,130</b> 2.53%
2014	<b>52,312</b> 18.51%	<b>42</b> 0.01%	<b>19,217</b> 6.80%	<b>77,324</b> 27.35%	<b>217</b> 0.08%	<b>2,154</b> 0.76%	<b>276</b> 0.10%	<b>21,755</b> 7.70%	<b>6,790</b> 2.40%
2015	<b>51,717</b> 18.34%	<b>38</b> 0.01%	<b>19,276</b> 6.83%	<b>77,758</b> 27.56%	<b>207</b> 0.07%	<b>1,820</b> 0.65%	<b>259</b> 0.09%	<b>21,819</b> 7.73%	<b>6,584</b> 2.33%
2016	<b>51,961</b> 18.40%	<b>33</b> 0.01%	<b>19,564</b> 6.92%	<b>77,786</b> 27.54%	<b>199</b> 0.07%	<b>1,772</b> 0.63%	<b>228</b> 0.08%	<b>21,524</b> 7.62%	<b>6,403</b> 2.27%
2017	<b>52,059</b> 18.22%	<b>31</b> 0.01%	<b>20,070</b> 7.02%	<b>79,976</b> 27.99%	<b>187</b> 0.07%	<b>1,749</b> 0.61%	<b>226</b> 0.08%	<b>21,715</b> 7.60%	<b>6,262</b> 2.19%
2018	<b>52,937</b> 18.36%	<b>72</b> 0.02%	<b>20,537</b> 7.12%	<b>81,864</b> 28.39%	<b>180</b> 0.06%	<b>1,730</b> 0.60%	<b>212</b> 0.07%	<b>22,162</b> 7.69%	<b>6,218</b> 2.16%

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

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

<b>Fiscal Year</b>	<b>Monroe</b>	<b>Okeechobee *</b>	<b>Orange *</b>	<b>Osceola *</b>	<b>Palm Beach</b>	<b>Polk *</b>	<b>St. Lucie</b>	<b>Total</b>
2009	<b>15,932</b> 2.99%	<b>1,218</b> 0.23%	<b>29,852</b> 5.61%	<b>15,614</b> 2.93%	<b>106,580</b> 20.02%	<b>1,446</b> 0.27%	<b>12,974</b> 2.44%	<b>532,430</b> 100.00%
2010	<b>13,614</b> 2.92%	<b>1,140</b> 0.24%	<b>26,985</b> 5.79%	<b>13,017</b> 2.79%	<b>95,642</b> 20.51%	<b>1,104</b> 0.23%	<b>10,238</b> 2.20%	<b>466,380</b> 100.00%
2011	<b>11,915</b> 2.89%	<b>891</b> 0.22%	<b>24,122</b> 5.86%	<b>10,901</b> 2.65%	<b>86,691</b> 21.06%	<b>818</b> 0.20%	<b>9,285</b> 2.26%	<b>411,616</b> 100.00%
2012	<b>7,928</b> 2.79%	<b>599</b> 0.21%	<b>16,950</b> 5.95%	<b>7,093</b> 2.49%	<b>62,997</b> 22.13%	<b>524</b> 0.18%	<b>6,170</b> 2.17%	<b>284,658</b> 100.00%
2013	<b>7,871</b> 2.79%	<b>610</b> 0.22%	<b>16,681</b> 5.91%	<b>6,863</b> 2.43%	<b>62,021</b> 21.98%	<b>515</b> 0.18%	<b>6,025</b> 2.14%	<b>282,093</b> 99.29%
2014	<b>7,649</b> 2.71%	<b>582</b> 0.21%	<b>16,676</b> 5.90%	<b>7,325</b> 2.59%	<b>61,656</b> 21.79%	<b>522</b> 0.18%	<b>6,170</b> 2.18%	<b>282,681</b> 99.27%
2015	<b>7,447</b> 2.64%	<b>549</b> 0.19%	<b>16,876</b> 5.98%	<b>6,811</b> 2.41%	<b>62,556</b> 22.17%	<b>538</b> 0.19%	<b>5,883</b> 2.09%	<b>282,153</b> 99.28%
2016	<b>7,256</b> 2.57%	<b>528</b> 0.19%	<b>17,456</b> 6.18%	<b>6,686</b> 2.37%	<b>62,912</b> 22.28%	<b>539</b> 0.19%	<b>5,650</b> 2.00%	<b>282,513</b> 99.32%
2017	<b>7,395</b> 2.59%	<b>511</b> 0.18%	<b>17,772</b> 6.22%	<b>6,712</b> 2.35%	<b>62,809</b> 21.98%	<b>549</b> 0.19%	<b>5,670</b> 1.98%	<b>285,710</b> 99.28%
2018	<b>7,519</b> 2.61%	<b>511</b> 0.18%	<b>18,396</b> 6.38%	<b>6,872</b> 2.38%	<b>62,861</b> 21.80%	<b>561</b> 0.19%	<b>5,707</b> 1.98%	<b>288,339</b> 99.99%

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



**Schedule 7**  
**South Florida Water Management District**  
**Direct Property Tax Rates**  
 Last Ten Fiscal Years  
 (Rate per \$1,000 of assessed value)

Year	Okeechobee Basin			Big Cypress Basin		
	District	Basin	Total	District	Basin	Total
2009	0.2549	0.3691	0.6240	0.2549	0.2265	0.4814
2010	0.2549	0.3691	0.6240	0.2549	0.2265	0.4814
2011	0.2549	0.3691	0.6240	0.2549	0.2265	0.4814
2012	0.1785	0.2578	0.4363	0.1785	0.1633	0.3418
2013	0.1757	0.2532	0.4289	0.1757	0.1633	0.3390
2014	0.1685	0.2425	0.4110	0.1685	0.1593	0.3278
2015	0.1577	0.2265	0.3842	0.1577	0.1520	0.3097
2016	0.1459	0.2092	0.3551	0.1459	0.1429	0.2888
2017	0.1359	0.1948	0.3307	0.1359	0.1336	0.2695
2018	0.1275	0.1825	0.3100	0.1275	0.1270	0.2545

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

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

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

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

Source: South Florida Water Management District Budget Bureau.

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

<b>Fiscal Year Ended Sept. 30</b>	<b>District Wide Tax Rate</b>	<b>Okee Basin Tax Rate</b>	<b>Big Cypress Basin Tax Rate</b>	<b>Total Tax Levy</b>	<b>Collections within the Fiscal Year of the Levy</b>	<b>Percentage of Levy</b>	<b>Collection of Prior Year Taxes <sup>1</sup></b>	<b>Total Collections to Date</b>	<b>Percentage of Levy <sup>2</sup></b>
2009	0.2549	0.3691	0.2265	525,229,365	514,311,078	97.9%	5,256,004	519,567,082	98.9%
2010	0.2549	0.3691	0.2265	459,945,322	442,168,909	96.1%	11,526,724	453,695,633	98.6%
2011	0.2549	0.3691	0.2265	399,025,958	384,381,001	96.3%	18,915,088	403,296,089	101.1%
2012	0.1785	0.2578	0.1633	270,685,220	268,398,410	99.2%	6,535,361	274,933,771	101.6%
2013	0.1757	0.2532	0.1633	268,114,920	261,778,333	97.6%	4,988,476	266,766,809	99.5%
2014	0.1685	0.2425	0.1593	267,142,178	265,299,466	99.3%	4,019,743	269,319,209	100.8%
2015	0.1577	0.2265	0.1520	265,935,610	267,424,328	100.6%	1,233,280	268,657,608	101.0%
2016	0.1459	0.2092	0.1429	266,942,829	268,841,236	100.7%	1,808,186	270,649,422	101.4%
2017	0.1359	0.1948	0.1336	269,572,605	269,887,432	100.1%	2,662,290	272,549,722	101.1%
2018	0.1275	0.1825	0.1270	274,002,537	273,783,112	99.9%	2,791,737	276,574,849	100.9%

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

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

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

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

<b>County</b>	<b>Just Value <sup>1</sup></b>	<b>Taxable Value <sup>2</sup></b>	<b>Taxable Value as a percentage of Just Value</b>
Broward	\$ 262,092,503,509	\$ 178,012,118,132	67.92%
Charlotte *	376,345,320	247,297,581	65.71%
Collier	108,865,945,366	83,700,885,512	76.88%
Glades	3,463,381,517	602,924,003	17.41%
Hendry	5,581,581,626	1,922,672,446	34.45%
Highlands *	1,093,043,642	690,578,549	63.18%
Lee	105,312,245,553	74,204,927,284	70.46%
Martin	30,217,242,381	20,852,581,692	69.01%
Miami-Dade	398,734,077,614	274,675,558,823	68.89%
Monroe	36,109,249,015	24,899,561,484	68.96%
Okeechobee *	3,599,914,219	1,658,994,229	46.08%
Orange *	90,228,440,429	62,653,175,298	69.44%
Osceola *	35,460,127,744	22,942,237,272	64.70%
Palm Beach	251,686,232,080	177,260,171,007	70.43%
Polk *	2,866,694,358	1,858,459,910	64.83%
St. Lucie	31,230,636,681	19,020,684,309	60.90%
	<u>\$ 1,366,917,661,054</u>	<u>\$ 945,202,827,531</u>	<u>69.15%</u>

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

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

<sup>2</sup> Source: South Florida Water Management District Budget Department, FY 2018 Budget.  
Taxable value is defined as assessed value which has been adjusted for any exemptions provided by the State Constitution.

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

<b>Fiscal Year</b>	<b>Real Property <sup>1</sup></b>	<b>Personal Property <sup>2</sup></b>	<b>Centrally Assessed Property <sup>3</sup></b>	<b>Total</b>	<b>District Tax Rate <sup>4</sup></b>	<b>Okeechobee Basin Tax Rate <sup>4</sup></b>	<b>Total Direct Tax Rate <sup>5</sup></b>
2009	853,857,161,850	40,515,829,852	369,348,354	894,742,340,056	2.55	3.69	6.24
2010	742,675,388,669	40,715,092,253	399,210,940	783,789,691,862	2.55	3.69	6.24
2011	645,555,800,822	41,283,680,011	312,424,992	687,151,905,825	2.55	3.69	6.24
2012	625,090,457,818	40,201,298,218	323,038,790	665,614,794,826	1.79	2.58	4.37
2013	628,500,005,272	41,359,190,647	347,320,003	670,206,515,922	1.76	2.53	4.29
2014	650,125,288,770	44,379,393,336	374,049,428	694,878,731,534	1.69	2.43	4.12
2015	694,842,337,568	45,776,571,365	404,691,347	741,023,600,280	1.58	2.27	3.85
2016	755,447,186,369	48,376,528,292	449,608,611	804,273,323,272	1.46	2.09	3.55
2017	822,087,442,869	49,621,132,055	480,651,589	872,189,226,513	1.36	1.95	3.31
2018	892,938,077,931	51,772,408,867	492,340,733	945,202,827,531	1.28	1.83	3.11

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

- <sup>1</sup> Real property refers to land, land improvements, and any buildings or structures located on the land.
- <sup>2</sup> Personal property includes property that can be moved from one location to another.
- <sup>3</sup> Centrally assessed property generally refers to properties that are assessed as a whole unit. A railroad is an example of centrally assessed property.
- <sup>4</sup> Tax rates are per \$1,000 of assessed value.
- <sup>5</sup> Tax rates are per \$1,000 of assessed value. Total direct tax rate represents the rate in 15 of the District's 16 counties. Collier County is the District's only county which is not geographically located in the Okeechobee Basin.

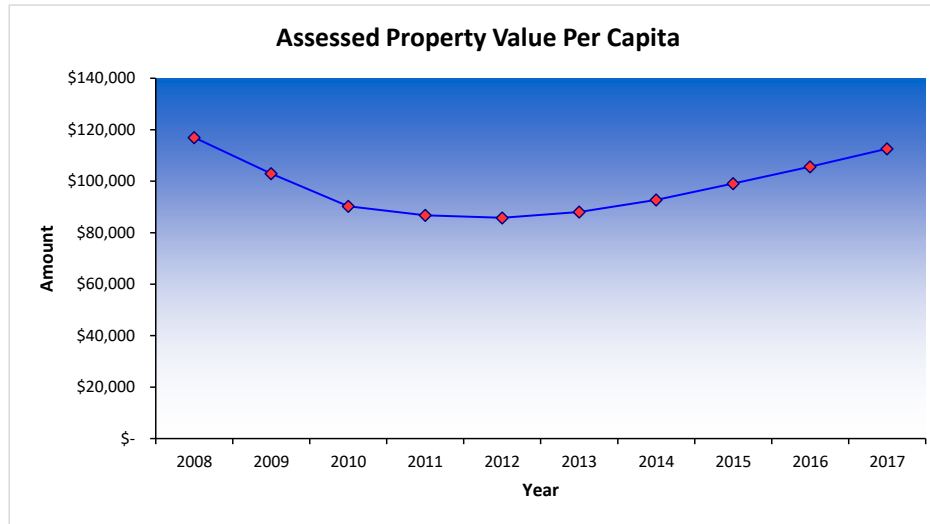
Source: South Florida Water Management District Budget Bureau, Form DR-420s.

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

	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>
Assessed Property Value <sup>1</sup> (in Billions)	\$ 894.7	\$ 783.8	\$ 687.2	\$ 665.6	\$ 670.2	\$ 694.9	\$ 741.0	\$ 804.3	\$ 872.2	\$ 945.2
District Population <sup>2</sup>	7,648,679	7,609,852	7,615,667	7,669,381	7,811,608	7,891,851	7,986,730	8,114,014	8,253,146	8,394,209
Assessed Property Value Per Capita	\$ 116,974	\$ 102,998	\$ 90,235	\$ 86,787	\$ 85,795	\$ 88,053	\$ 92,779	\$ 99,125	\$ 105,681	\$ 112,601

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

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



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

Taxpayer	2018			2009		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Florida Power & Light Company	\$ 21,602,794,965	1	2.29%	\$ 10,197,693,267	1	1.14%
Walt Disney Company	11,816,185,372	2	1.25%	6,973,735,452	2	0.78%
Universal Studios	2,700,000,000	3	0.29%	1,338,070,478	4	0.15%
Duke Energy	2,565,715,046	4	0.27%	-	-	-
Marriott Resorts/ Ritz Carlton	1,900,000,000	5	0.20%	1,021,422,617	5	0.11%
Westgate Resorts	1,697,628,441	6	0.18%	795,274,797	6	0.09%
Hilton Hotels & Resorts/Waldorf Asto	1,400,000,000	7	0.15%	-	-	-
Wyndham Resorts	993,272,915	8	0.11%	-	-	-
Tampa Electric	884,947,607	9	0.09%	-	-	-
Orange Lake Contry Club	883,000,000	10	0.09%	593,745,804	8	0.07%
BellSouth Telecommunications Inc	-	-	-	2,047,065,669	3	0.23%
Progress Energy	-	-	-	692,814,469	7	0.08%
Embarq Florida	-	-	-	589,993,491	9	0.07%
Vistana	-	-	-	567,758,142	10	0.06%
Totals	<u>\$ 46,443,544,346</u>		<u>4.92%</u>	<u>\$ 24,817,574,186</u>		<u>2.78%</u>

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

<sup>1</sup> Progress Energy now operates as Duke Energy.

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

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

Fiscal Year Ended Sept. 30	Governmental Activities					Total Outstanding Debt	Percentage of Personal Income <sup>2</sup>	Per Capita <sup>3</sup>	Percentage of Assessed Value <sup>4</sup>
	Land Acquisition Bonds - WMLTF <sup>1</sup>	Land Purchases Payable	Capital Leases	Bank Loans	Certificates of Participation				
2009	42,022,941	-	200,330	5,950,678	550,476,399	598,650,348	0.2025%	78.67	0.0669%
2010	40,760,602	-	-	4,118,196	539,399,546	584,278,344	0.1979%	76.72	0.0745%
2011	31,098,466	-	-	1,142,847	528,053,493	560,294,806	0.1806%	73.06	0.0815%
2012	25,308,815	-	-	-	516,359,621	541,668,436	0.1619%	69.34	0.0814%
2013	19,333,395	-	-	-	504,232,927	523,566,322	0.1554%	66.34	0.0781%
2014	13,138,839	-	-	-	491,760,427	504,899,266	0.1448%	63.22	0.0727%
2015	6,705,000	-	-	-	478,826,841	485,531,841	0.1347%	59.84	0.0655%
2016	-	-	-	-	464,255,306	464,255,306	0.1187%	56.25	0.0577%
2017	-	-	-	-	444,068,682	444,068,682	0.1082%	52.90	0.0509%
2018	-	-	-	-	425,395,442	425,395,442	0.0994%	49.88	0.0450%

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

<sup>1</sup> WMLTF stands for Water Management Lands Trust Fund.

<sup>2</sup> Refer to Schedule 15 for personal income information.

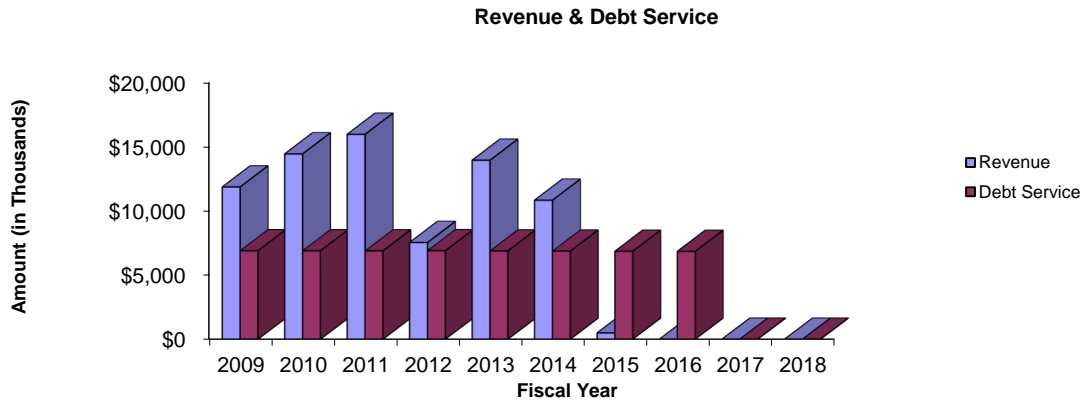
<sup>3</sup> Refer to Schedule 15 for population information.

<sup>4</sup> Refer to Schedule 10 for assessed value information.

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

Fiscal Year	Revenue				Debt Service			Coverage Ratio
	Documentary Stamp Taxes	Civil Penalties	Allocated Interest Income	Total Revenue	Principal	Interest	Total Debt Service	
2009	10,909,497	450,011	522,616	11,882,124	4,975,000	1,940,171	6,915,171	1.72
2010	13,972,497	46,147	437,404	14,456,048	5,190,000	1,722,396	6,912,396	2.09
2011	15,760,042	12,956	208,320	15,981,318	5,415,000	1,489,721	6,904,721	2.31
2012	7,354,939	20,000	183,055	7,557,994	5,655,000	1,265,749	6,920,749	1.09
2013	13,775,608	18,081	168,925	13,962,614	5,865,000	1,035,786	6,900,786	2.02
2014	10,652,283	24,835	175,378	10,852,496	6,120,000	768,598	6,888,598	1.58
2015	10,652,282	24,835	175,378	10,852,495	6,400,000	474,200	6,874,200	1.58
2015	226,449	86,500	167,716	480,665	6,400,000	474,200	6,874,200	0.07
2016	-	-	-	-	6,705,000	160,538	6,865,538	-
2017	-	-	-	-	-	-	-	-
2018	-	-	-	-	-	-	-	-

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





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

<u>Calendar Year</u>	<u>Population <sup>1</sup></u>	<u>Personal Income (in thousands) <sup>2</sup></u>	<u>Per Capita Personal Income</u>	<u>School Enrollment K - 12 <sup>3</sup></u>	<u>Unemployment Rate <sup>4</sup></u>
2009	7,609,852	295,589,133	38,843	1,073,728	10.6%
2010	7,615,667	295,290,827	38,774	1,084,184	11.7%
2011	7,669,381	310,253,970	40,454	1,096,048	10.5%
2012	7,811,608	334,574,240	42,830	1,109,444	8.7%
2013	7,891,851	336,889,341	42,688	1,122,567	7.4%
2014	7,986,730	348,572,876	43,644	1,136,965	6.3%
2015	8,114,014	360,499,091	44,429	1,149,334	5.4%
2016	8,253,146	391,140,049	47,393	1,160,065	5.0%
2017	8,394,209	410,255,871	48,874	1,163,622	4.3%
2018	8,528,227	427,783,750	50,161	1,164,804	3.7%

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

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

<sup>2</sup> Source: Regional Economic Information System, Bureau of Economic Analysis, US Department of Commerce.

Final data for calendar year 2017 is currently unavailable. The figure shown for calendar year 2017 estimates 4th quarter results as an average of the first three quarters. Fiscal year 2016 data has been updated using final figures.

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

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

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

	Calendar Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Broward	1,744,922	1,742,891	1,748,066	1,771,099	1,784,715	1,803,903	1,827,367	1,854,513	1,873,970	1,897,976
Charlotte *	6,287	6,302	6,079	6,208	6,220	6,250	6,351	6,477	6,563	6,764
Collier	333,032	333,554	321,520	329,849	333,663	336,783	343,802	350,202	357,470	367,347
Miami-Dade	2,472,344	2,476,289	2,496,435	2,551,290	2,582,375	2,613,692	2,653,934	2,700,794	2,743,095	2,779,322
Glades	11,311	11,330	12,884	12,671	12,658	12,852	12,853	13,047	13,087	13,002
Hendry	41,320	41,026	39,140	38,132	37,808	37,895	38,096	38,370	39,057	39,586
Highlands *	8,675	8,677	8,594	8,609	8,621	8,684	8,765	8,833	8,886	8,920
Lee	615,124	616,626	618,754	638,029	643,367	653,485	665,845	680,539	698,468	713,903
Martin	143,856	143,848	146,318	147,203	148,077	148,585	150,062	150,870	153,022	155,556
Monroe	77,925	78,150	73,090	72,897	73,560	74,044	74,206	76,047	76,889	73,940
Okeechobee *	38,909	38,918	39,196	39,009	38,967	39,031	39,251	39,990	40,317	40,298
Orange *	268,349	268,860	277,321	284,578	291,121	297,175	303,080	309,854	317,959	326,602
Osceola *	270,060	270,541	265,998	278,057	285,477	292,597	305,244	319,633	334,238	348,971
Palm Beach	1,287,344	1,286,778	1,320,134	1,335,415	1,345,652	1,360,238	1,378,417	1,391,741	1,414,144	1,433,417
Polk *	17,530	17,514	18,063	18,207	18,419	18,695	18,992	19,410	19,410	20,191
St. Lucie	272,864	274,363	277,789	280,355	281,151	282,821	287,749	292,826	297,634	302,432
<b>Total</b>	<u>7,609,852</u>	<u>7,615,667</u>	<u>7,669,381</u>	<u>7,811,608</u>	<u>7,891,851</u>	<u>7,986,730</u>	<u>8,114,014</u>	<u>8,253,146</u>	<u>8,394,209</u>	<u>8,528,227</u>

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

Source: The Office of Economic & Demographic Research - Florida Demographic Database (2004 - 2010).

Source: University of Florida, Bureau of Economic and Business Research (2011 - 2018).

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

<b>Calendar Year</b>	<b>Total Labor Force</b>	<b>Employed</b>	<b>Unemployed</b>	<b>Unemployment Rate (%)</b>
2009	3,844,536	3,438,418	406,118	10.6
2010	3,876,208	3,423,749	452,459	11.7
2011	3,857,912	3,454,296	403,616	10.5
2012	3,973,042	3,629,273	343,769	8.7
2013	4,017,108	3,720,853	296,255	7.4
2014	4,090,424	3,833,179	257,245	6.3
2015	4,103,764	3,882,339	221,425	5.4
2016	4,186,752	3,979,157	207,595	5.0
2017	<sup>1</sup> 4,297,157	4,112,913	184,244	4.3
2018	<sup>2</sup> 4,327,075	4,167,762	159,313	3.7

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

<sup>1</sup> Figures have been updated to reflect revised inputs and re-estimation.

<sup>2</sup> Final data for the calendar year 2018 is currently not available. The 2018 figures are based on the yearly average, final data from January through October and preliminary data for November 2018.

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

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

2017				2008			
<u>Employers</u>	<u>Rank</u>	<u>Number of Employees</u>	<u>% of Total</u>	<u>Employers</u>	<u>Rank</u>	<u>Number of Employees</u>	<u>% of Total Employment</u>
Walt Disney World Co.	1	73,000	1.8%	Walt Disney World Co.	1	62,000	1.7%
Miami-Dade County Public Schools	2	33,477	0.8%	Miami-Dade County Public Schools	2	50,000	1.4%
Broward County School Board	3	31,797	0.8%	Broward County School Board	3	38,000	1.1%
Miami-Dade County	4	25,502	0.6%	Miami-Dade County	4	32,000	0.9%
Orange County Public Schools	5	23,929	0.6%	Orange County Public Schools	5	23,373	0.6%
Universal Orlando Resort	6	23,000	0.6%	Palm Beach County School Board	6	21,718	0.6%
Florida Hospital/Adventist Health System	7	21,815	0.5%	Darden Restaurants, Inc.	7	21,372	0.6%
Palm Beach County School District	8	21,200	0.5%	Adventist Health Systems	8	16,000	0.4%
U.S. Federal Government	9	19,200	0.5%	Orlando Regional Healthcare System	9	14,300	0.4%
Orlando Health	10	19,032	0.5%	Broward County	10	13,114	0.4%
		<u>291,952</u>	<u>7.2%</u>			<u>291,877</u>	<u>8.1%</u>
Total		<u>291,952</u>	<u>7.2%</u>	Total		<u>291,877</u>	<u>8.1%</u>
Total Employment in District Boundaries		<u>4,112,913</u>		Total Employment in District Boundaries		<u>3,610,123</u>	

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

Source: Individual County Comprehensive Annual Financial Reports, where available. Employment detail for 2017 is shown on Schedule 17.

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

	Calendar Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Number of Authorized Positions <sup>1</sup>	1,828	1,842	1,933	1,651	1,620	1,588	1,528	1,530	1,475	1,475
Population <sup>2</sup>	7,609,852	7,615,667	7,669,381	7,811,608	7,891,851	7,986,730	8,114,014	8,253,146	8,394,209	8,528,227
Authorized Positions per 100,000 Population	24	24	25	21	21	20	19	19	18	17

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

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

**Schedule 20**

**South Florida Water Management District**

**District Employees by Resource Area and Major Program**

Current Fiscal Year

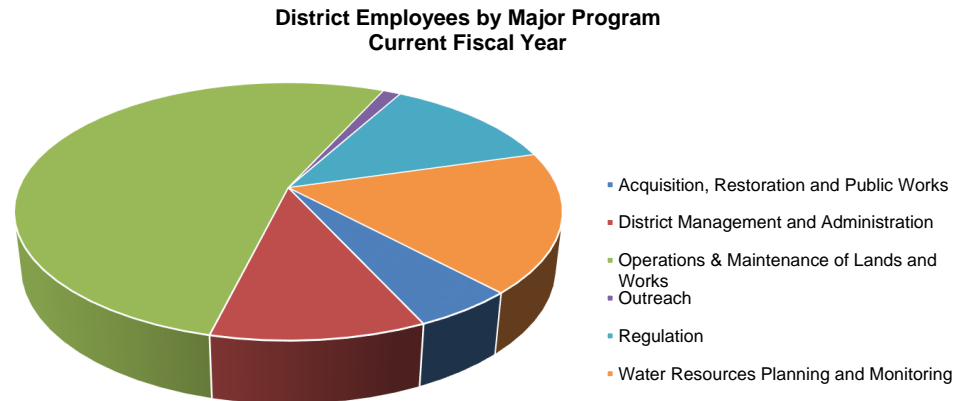
Resource Area / Major Program	Number of Employees per Program <sup>1</sup>	Percentage of Employees per Resource Area	Percentage of Employees District-wide
<b>Administrative Services and Executive Offices</b>			
Acquisition, Restoration and Public Works	8	2.73%	0.59%
District Management and Administration	145	49.49%	10.70%
Operations & Maintenance of Lands and Works	78	26.62%	5.76%
Outreach	16	5.46%	1.18%
Regulations	23	7.85%	1.70%
Water Resources Planning and Monitoring	23	7.85%	1.70%
<b>Administrative Services and Executive Offices Total</b>	<b><u>293</u></b>	<b><u>100.00%</u></b>	<b><u>21.63%</u></b>
<b>Office of Everglades Policy &amp; Coordination</b>			
Acquisition, Restoration and Public Works	23	53.48%	1.70%
Operations & Maintenance of Lands and Works	3	6.98%	0.22%
Outreach	1	2.33%	0.07%
Regulations	13	30.23%	0.96%
Water Resources Planning and Monitoring	3	6.98%	0.22%
<b>Office of Everglades Policy &amp; Coordination Total</b>	<b><u>43</u></b>	<b><u>100.00%</u></b>	<b><u>3.17%</u></b>
<b>Operations, Maintenance &amp; Construction</b>			
Acquisition, Restoration and Public Works	14	2.05%	1.03%
Operations & Maintenance of Lands and Works	619	90.76%	45.68%
Regulations	3	0.45%	0.23%
Water Resources Planning and Monitoring	46	6.74%	3.39%
<b>Operations, Maintenance &amp; Construction Total</b>	<b><u>682</u></b>	<b><u>100.00%</u></b>	<b><u>50.33%</u></b>
<b>Regulations</b>			
Regulations	128	100.00%	9.45%
<b>Regulation Total</b>	<b><u>128</u></b>	<b><u>100.00%</u></b>	<b><u>9.45%</u></b>
<b>Water Resources</b>			
Acquisition, Restoration and Public Works	24	11.48%	1.77%
Operations & Maintenance of Lands and Works	17	8.13%	1.25%
Regulations	2	0.96%	0.15%
Water Resources Planning and Monitoring	166	79.43%	12.25%
<b>Water Resources Total</b>	<b><u>209</u></b>	<b><u>100.00%</u></b>	<b><u>15.42%</u></b>
<b>District Total</b>	<b><u>1,355</u></b>		<b><u>100.00%</u></b>

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

**Schedule 21**  
**South Florida Water Management District**  
**District Employees by Major Program**  
 Last Ten Fiscal Years

Major Program	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Acquisition, Restoration and Public Works	138	155	106	68	86	77	74	72	65	69
District Management and Administration	368	376	277	242	175	159	149	141	144	145
Operations & Maintenance of Lands and Works	656	653	651	768	786	739	707	707	719	717
Outreach	55	57	31	27	23	20	17	17	17	17
Regulation	209	223	199	207	209	197	182	170	163	169
Water Resources Planning and Monitoring	368	340	303	255	265	265	264	251	251	238
<b>District Total</b>	<b>1,794</b>	<b>1,804</b>	<b>1,567</b>	<b>1,567</b>	<b>1,544</b>	<b>1,457</b>	<b>1,393</b>	<b>1,358</b>	<b>1,359</b>	<b>1,355</b>

Note: During fiscal year 2016 the District reorganized its resource area and major program structure. The prior year's data has been adjusted to present the data in the current fiscal year's structure.



**Schedule 22**  
**South Florida Water Management District**  
**Permit Applications Received**  
 Last Ten Fiscal Years

<u>Permit Category</u>	<u>Fiscal Year</u>									
	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Environmental Resource	1,423	1,917	1,656	2,232	2,094	2,114	2,392	2,376	2,605	2,538
Consumptive Use	2,638	2,818	2,144	1,970	1,737	1,964	2,020	2,117	1,863	1,908
SWIM & Everglades Works Of The District	<u>4</u>	<u>5</u>	<u>26</u>	<u>33</u>	<u>6</u>	<u>14</u>	<u>16</u>	<u>38</u>	<u>32</u>	<u>5</u>
Total Applications Received	<u>4,065</u>	<u>4,740</u>	<u>3,826</u>	<u>4,235</u>	<u>3,837</u>	<u>4,092</u>	<u>4,428</u>	<u>4,531</u>	<u>4,500</u>	<u>4,451</u>

Note: During fiscal year 2010 the District began to include minor permit application activities as workload indicators. This change in process also changed how permit applications are counted by the District. The permit application data shown has been adjusted retroactively to reflect this change.

Source: Regulation Division of South Florida Water Management District.



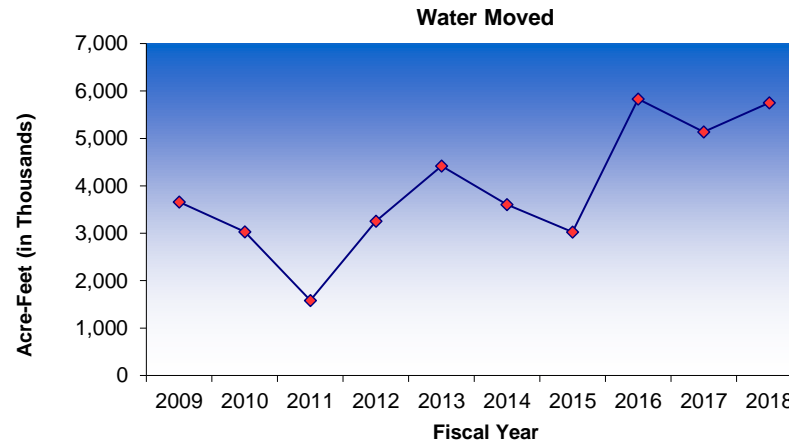
**Schedule 23**  
**South Florida Water Management District**  
**Water Moved by District Pump Stations**  
 Last Ten Fiscal Years

	<b>Fiscal Year</b>									
	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
Acre-Feet (Thousands)	3,660	3,032	1,584	3,254	4,419	3,604	3,023	5,830	5,135	5,754

Note: The decrease in fiscal years 2011 is due to severe drought conditions experienced in South and Central Florida during those years.

The increase in fiscal year 2016 is due to the rainfall and it is much wetter than normal years.

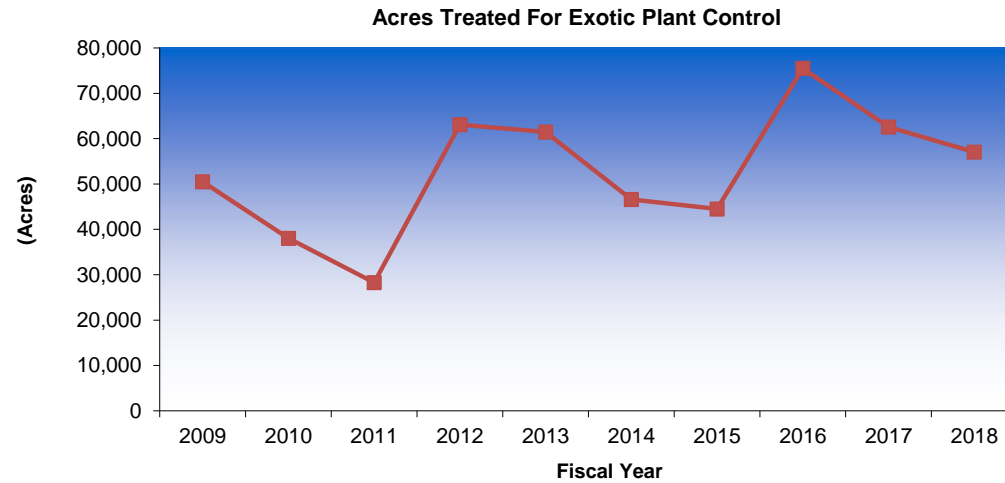
Source: Operations, Engineering & Construction Division of South Florida Water Management District.



**Schedule 24**  
**South Florida Water Management District**  
**Exotic Plant Control**  
 Last Ten Fiscal Years

	<b>Fiscal Year</b>									
	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
Acres treated	50,538	38,015	28,284	63,111	61,489	46,580	44,525	75,500	62,565	57,030

Source: Vegetation Management Section of South Florida Water Management District.

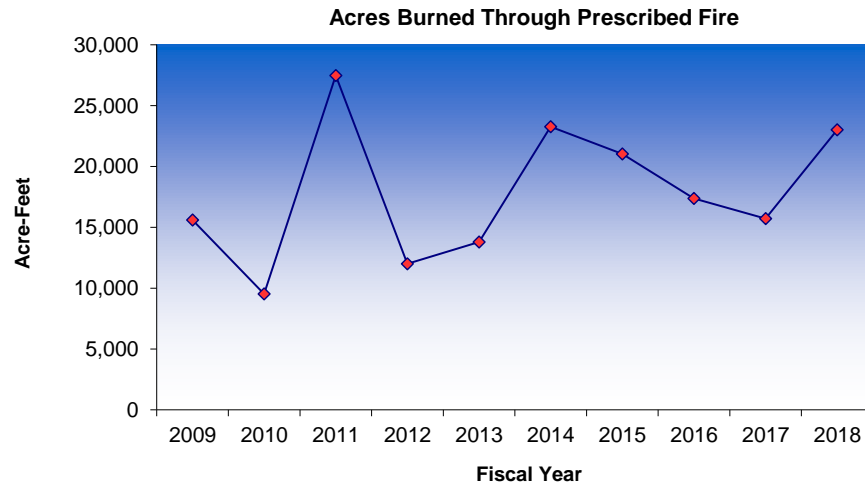


**Schedule 25**  
**South Florida Water Management District**  
**Prescribed Burns**  
 Last Ten Fiscal Years

	<b>Fiscal Year</b>									
	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
Acres burned	15,609	9,523	27,479	12,010	13,794	23,262	21,038	17,363	15,719	23,007

\* During fiscal year 2007, over 55,000 acres were burned in Lake Okeechobee as a suppression tool to combat wildfires.

Source: Land Stewardship Section of South Florida Water Management District.



**Schedule 26**  
**South Florida Water Management District**  
**Stormwater Treatment**  
 Last Ten Water Years

	<b>Fiscal Year</b>									
	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
Metric tons of phosphorus removed	400	300	300	260	210	312	278	266	261	778

Notes: The District is directed by the Everglades Forever Act to reduce phosphorus levels from storm runoff and other sources before it enters the Everglades Protection Area. These reductions, which began in 1994, are achieved through Stormwater Treatment Areas (STA) and Best Management Practices.

A water year is the period from May 1 through April 30.

The increase in fiscal year 2018 is due to Hurricane Irma and several months of above average rainfall conditions.

Source: South Florida Environmental Report (SFER)

**Schedule 27**  
**South Florida Water Management District**  
**Capital Assets by Major Program**  
Current Fiscal Year

<b>Major Program</b>	<b>Land</b>	<b>Intangibles- Not Depreciated</b>	<b>Construction In Process</b>	<b>Canals &amp; Levees</b>	<b>Buildings</b>	<b>Intangibles- Depreciated</b>	<b>Equipment</b>	<b>Improvements</b>	<b>Water Control Structures</b>	<b>Total</b>
Water Resources Planning & Monitoring	\$ 37,226,981	\$ -	\$ 884,412	\$ -	\$ 10,456,308	\$ -	\$ 1,397,847	\$ 6,358	\$ 2,523,333	\$ 52,495,239
Acquisition, Restoration & Public Works	1,567,108,087	54,523,292	535,614,994	253,213,699	14,857,740	1,979,854	11,579,757	12,098,389	788,049,558	3,239,025,370
Operations & Maintenance of Land Works	1,020,761,374	26,964,439	96,095,966	556,152,103	50,278,204	1,125,113	24,422,158	6,173,631	467,986,629	2,249,959,617
Regulation	-	-	-	-	-	126,154	240,422	-	-	366,576
Outreach	-	-	-	-	-	-	6,772	-	-	6,772
District Management and Administration	1,523	-	2,396,611	-	20,890,102	226,823	4,290,476	569	-	27,806,104
District Total	<u>\$ 2,625,097,965</u>	<u>\$ 81,487,731</u>	<u>\$ 634,991,983</u>	<u>\$ 809,365,802</u>	<u>\$ 96,482,354</u>	<u>\$ 3,457,944</u>	<u>\$ 41,937,432</u>	<u>\$ 18,278,947</u>	<u>\$ 1,258,559,520</u>	<u>\$ 5,569,659,678</u>

Note: At the beginning of fiscal year 2016 the District's programs were restructured. All restructuring has been adjusted for in the schedule.

Source: Capital asset records of South Florida Water Management District.



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# **DISCLOSURE SECTION**

S.E.C. RULE 15c2-12 DISCLOSURES





# SOUTH FLORIDA WATER MANAGEMENT DISTRICT

## CONTINUING ANNUAL AND EVENT DISCLOSURES

The following disclosures comply with amendments of the Securities and Exchange Commission (SEC) Rule 15c2-12 (b)(5)(i)(A) to (D). Effective in 1995, the amendments required municipal bond underwriters to gain reasonable assurance from bond issuers that they will provide annual information and notices of material events for disclosure to the secondary bond market. To enter the bond market, the District and other issuers of state and local government securities are indirectly affected by these amendments. We are using this section of the District's Comprehensive Annual Financial Report to comply with our continuing disclosure agreement.

### DISTRICT AGREEMENT AND EFFECTIVE DATES

In respective Bond Resolutions, the District agreed to provide continuing disclosure of annual information and notices of material events upon issuing its

- Certificates of Participation, Series 2015.

<b>SUMMARY OF CONTINUING BOND DISCLOSURE REQUIREMENTS</b>				
Recipient	Annual Financial Information	Audited Annual Financial Statements	Notice of Material Events	Notice of Failure to Provide Annual Financial Information
	SEC Rule 15c2-12 (b)(5)(i)(A)	SEC Rule 15c2-12 (b)(5)(i)(B)	SEC Rule 15c2-12 (b)(5)(i)(C)	SEC Rule 15c2-12 (b)(5)(i)(D)
	Effective FYE (1) After Jan. 1, 1996	Effective FYE (1) After Jan. 1, 1996	Effective July 3, 1995	Effective April 1 After FYE (1)
Each NRMSIR (2) or the MSRB (3)			X	X
Each NRMSIR (2)	X	X		
Paying Agent (4)	X	X	X	X
Underwriters (4)	X	X	X	X
(1) For the District, the date first effective was for Fiscal Year Ended (FYE) September 30, 1996. (2) Nationally Recognized Municipal Securities Information Repository. (3) Municipal Securities Rulemaking Board. (4) Required under Governing Board Resolution 95-28, Section 24, in connection with the issuance of the Special Obligation Land Acquisition Refunding Bonds, Series 1995.				

# **SOUTH FLORIDA WATER MANAGEMENT DISTRICT**

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## **ANNUAL FINANCIAL INFORMATION**

SEC Rule 15c2-12(b)(5)(i)(A) requires annual financial information and operating data that are generally consistent with the presentation included in the Official Statements for each bond issue. The following paragraphs summarize the "Security for the Certificates" appearing in the Official Statements. Subsequent paragraphs, tables, and exhibits contain the required financial information and operating data to include:

- lease payments.

## **SECURITY FOR THE CERTIFICATES OF PARTICIPATION**

The Series 2015 Certificates evidence undivided proportionate interests in the principal portion and interest portion of Basic Lease Payments made by the Governing Board to the Corporation under the Series 2006 Lease, on a pro rata basis with the Unrefunded Series 2006 Certificates. The Series 2015 Certificates are secured by and payable from the Trust Estate established for the Series 2015 Certificates (the "Trust Estate") pursuant to the Trust Agreement. The Trust Estate consists of all estate, right, title and interest of the Trustee in and to the Basic Lease Payments under the Series 2006 Lease allocable to the Series 2015 Certificates, and all amounts held in the funds and accounts under the Trust Agreement in accordance with the provisions of the Master Lease and the Trust Agreement, including investment earnings thereon, and any and all monies allocable to the Series 2015 Certificates received by the Trustee pursuant to the Series 2006 Lease and the Trust Agreement which are not required to be remitted to the Governing Board or the Corporation pursuant to the Master Lease or the Trust Agreement.

### **Purpose of the Series 2015 Certificates**

The Series 2015 Certificates are being issued for the principal purposes of providing funds, together with other legally available funds, sufficient to (i) refund that portion of the District's outstanding Series 2006 Certificates maturing on October 1 in the years 2017 through 2026, inclusive, 2031 and 2036 (collectively, the "Refunded Certificates") and thereby refinancing the lease-purchase of a portion of the Series 2006 Facilities, as more particularly described herein and (ii) paying certain costs of issuance of the Series 2015 Certificates. The Series 2006 Certificates maturing on October 1, 2016 will not be refunded with proceeds of the Series 2015 Certificates.

### **Lease Payments**

All Lease Payments and all other amounts required to be paid by the Governing Board under the Series 2006 Lease and all other Leases are payable solely from legally available funds budgeted and appropriated by the Governing Board for such purpose. Revenues available to the Governing Board for operational purposes and capital projects such as the Series 2006 Facilities include, but are not necessarily limited to, ad valorem taxes, operating grants and contributions from various sources, including the State of Florida, and capital grants and contributions from various sources, including the State and Federal Government.

# **SOUTH FLORIDA WATER MANAGEMENT DISTRICT**

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The Master Trust Agreement, as supplemented by the Series 2015 Supplemental Trust Agreement, established a Series 2015 Lease Payment Account for deposit of Basic Lease Payments appropriated and paid under the Series 2006 Lease. Separate Lease Payment Accounts are established for each new group of Facilities to be financed by a Series of Certificates issued under the Trust Agreement. Lease Payments due under the schedules to the Master Lease are subject to annual appropriation by the Governing Board on an all-or-none basis and are payable on a parity basis solely from legally available funds appropriated by the Governing Board for such purposes. Such additional Facilities may be financed through the sale of additional Series of Certificates under the Trust Agreement.

## **ANNUAL DEBT SERVICE REQUIREMENTS**

Debt service requirements on the Series 2015 Certificates are as follows:

### **ANNUAL DEBT SERVICE (Principal and Interest) REQUIREMENTS (in Millions)**

<b>Fiscal Years</b>	<b>Series 2015</b>
2018	30.41
2019	30.40
2020	30.37
2021	30.35
2022-2026	151.47
2027-2031	150.84
2032-2036	150.05
2037	<u>29.89</u> <sup>1</sup>
Totals	<u>\$ 603.78</u>

## **AUDITED ANNUAL FINANCIAL STATEMENTS**

Section II of this Comprehensive Annual Financial Report contains the District's Basic Financial Statements and related Report of Independent Certified Public Accountants. These statements are consistent with the Basic Financial Statements contained in the Official Statements in compliance with SEC Rule 15c2-12(b)(5)(i)(A) and (B).

<sup>1</sup> Scheduled payoff – October 1, 2037.

## SOUTH FLORIDA WATER MANAGEMENT DISTRICT

### REQUIRED NOTICES

The following table lists each material event and required notice defined in SEC Rule 15c2-12(b)(5)(i)(C) and (D). The table confirms that no notice to the NRMSIR or the MSRB and the SID was required for any of the material events related to each of the indicated Land Acquisition Bond Series currently outstanding. This confirms compliance with SEC Rule 15c2-12(b)(5)(i)(C) and (D) from July 3, 1995 to the date of this report.

<b>NOTICE OF MATERIAL EVENTS OR FAILURE TO PROVIDE REQUIRED ANNUAL FINANCIAL INFORMATION</b>		<b>CERTIFICATES</b>
<b>RULE SEC.</b>	<b>DESCRIPTION</b>	<b>SERIES 2015</b>
(C)(1)	Principal and interest payment delinquencies.	None
(C)(2)	Non-payment related defaults.	None
(C)(3)	Unscheduled draws on debt service reserves reflecting financial difficulties.	None
(C)(4)	Unscheduled draws on credit enhancements reflecting financial difficulties.	None
(C)(5)	Substitution of credit or liquidity providers, or their failure to perform.	None
(C)(6)	Adverse tax opinions or events affecting the tax-exempt status of the security.	None
(C)(7)	Modifications to rights of security holders.	None
(C)(8)	Bond calls.	None
(C)(9)	Defeasances.	(a)
(C)(10)	Release, substitution, or sale of property securing repayment of the securities.	None
(C)(11)	Ratings changes.	None
(C)(12)	Bankruptcy, insolvency, receivership, or similar events.	None
(C)(13)	Merger, consolidation, or acquisition involving the sale of all or substantially all assets, other than in the ordinary course of business.	None
(C)(14)	Appointment of a successor or additional trustee, or the change of name of a trustee.	None
(D)	Failure to provide annual financial information or operating data in a timely manner.	None

## **SOUTH FLORIDA WATER MANAGEMENT DISTRICT**

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- (a) In February 2016, the District advance refunded \$442,025,000 of the par value of its Series 2006 Certificates of Participation (COPs). This in-substance defeasance was financed through the issuance of the Series 2015 Refunding COPs with a par value of \$385,425,000 together with a net premium of \$70,872,796.80. In addition, the District contributed \$6,900,000 of funds on hand toward the advance refunding. These funds have been placed into escrow with U.S. Bank National Association from which \$746,238.28 was paid for the costs of issuance. Remaining debt service for the defeased Series 2006 COPs is \$724.4 million while remaining debt service for the Series 2015 Refunding COPs is \$625.5 million for a total savings over the remaining life of the debt of \$98.9 million. The economic gain on the refunding is a net present value savings of \$72.2 million through fiscal year 2037.

\*Source of numbers are from the Sources and Uses of Funds final document for the Series 2015 Refunding Revenue Bonds prepared by Public Financial Management (PFM).



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# **SINGLE AUDIT**





# **South Florida Water Management District, a Component Unit of the State of Florida**

Single Audit Reports in Accordance With the Uniform Guidance  
and Chapter 10.550, *Rules of the Auditor General* of the  
State of Florida  
Year Ended September 30, 2018



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RSM US LLP

**Report on Internal Control Over Financial Reporting and on Compliance  
and Other Matters Based on an Audit of Financial Statements Performed  
in Accordance With *Government Auditing Standards***

**Independent Auditor's Report**

The Governing Board  
South Florida Water Management District  
West Palm Beach, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the South Florida Water Management District (the District), as of and for the year ended September 30, 2018, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated April 30, 2019.

**Internal Control Over Financial Reporting**

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

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

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

**Compliance and Other Matters**

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

**Purpose of This Report**

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

*RSM US LLP*

West Palm Beach, Florida  
April 30, 2019

**Report on Compliance for Each Major Federal Program and State Project;  
Report on Internal Control Over Compliance; and Report on the Schedule of Expenditures  
of Federal Awards and State Financial Assistance Required by the Uniform Guidance  
and Chapter 10.550, Rules of the Auditor General, State of Florida**

**Independent Auditor's Report**

The Governing Board  
South Florida Water Management District

**Report on Compliance for Each Major Federal Program and State Project**

We have audited the South Florida Water Management District's (the District) compliance with the types of compliance requirements described in the *Office of Management and Budget (OMB) Compliance Supplement* and the requirements described in the *Florida Department of Financial Services' State Projects Compliance Supplement*, that could have a direct and material effect on each of the District's major federal programs and its major state project for the year ended September 30, 2018. The District's major federal programs and state project are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

**Management's Responsibility**

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

**Auditor's Responsibility**

Our responsibility is to express an opinion on compliance for each of the District's major federal programs and state project based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and Chapter 10.550, *Rules of the Auditor General of the State of Florida*. Those standards and the Uniform Guidance and Chapter 10.550 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program and state project occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

### **Opinion on Each Major Federal Program and State Project**

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs and major state project for the year ended September 30, 2018.

### **Report on Internal Control Over Compliance**

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

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

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

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



**Report on Schedule of Expenditures of Federal Awards and State Financial Assistance Required by the Uniform Guidance and Chapter 10.550**

We have audited the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the District as of and for the year ended September 30, 2018, and the related notes to the financial statements, which collectively comprise the District's basic financial statements. We issued our report thereon dated April 30, 2019, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements as a whole. The accompanying schedule of expenditures of federal awards and state financial assistance is presented for purposes of additional analysis as required by the Uniform Guidance and Chapter 10.550, *Rules of the Auditor General of the State of Florida* and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information, except Note 2 marked "unaudited" of which we express no opinion, has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. The information marked "unaudited" has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it. In our opinion, except for the portion marked "unaudited," the schedule of expenditure of federal awards and state financial assistance is fairly stated in all material respects in relation to the basic financial statements as a whole.

*RSM US LLP*

West Palm Beach, Florida  
April 30, 2019

## South Florida Water Management District

### Schedule of Expenditures of Federal Awards and State Financial Assistance Year Ended September 30, 2018

Federal Grantor/State Agency	CFDA No.	Grant/Contract Number	Pass-Through Entity Identifying Number	Expenditures	Pass-Through Amount to Subrecipient
<b>I. Cash Federal Awards</b>					
Federal grants:					
U.S. Department of Interior:					
East Coast Buffer/Water Preserve Areas Land Acquisitions	15*	FB-1		\$ 10,601	\$ -
Everglades Watershed Restoration-Program Income	15*	LWCF-1		300,997	-
National Park Service Conservation, Protection, Outreach and Education	15.954	P15AC00665		270,624	-
Talisman-Program Income	15*	FB-4		1,889,198	-
Fish and Wildlife Service	15.654	F18AC00105		1,374,176	-
<b>Total U.S. Department of Interior</b>				<b>3,845,596</b>	<b>-</b>
U.S. Department of Agriculture:					
NRCS Wetlands Reserve Program:					
Allapattah Ranch Wetlands Reserve Program	10.072	WRP 66-4209-12-809		488,658	-
<b>Total U.S. Department of Agriculture</b>				<b>488,658</b>	<b>-</b>
U.S. Department of Transportation – Federal Highway Administration:					
Pass-through Florida Department of Transportation:					
Highway Planning and Construction Cluster	20.205		BDH 68	2,667	-
<b>Total U.S. Department of Transportation</b>				<b>2,667</b>	<b>-</b>
U.S. Environmental Protection Agency:					
Pass-through Florida Department of Environmental Protection:					
C-43 Water Quality Treatment	66.460		C9-99451514-0	248,462	-
<b>Total U.S. Environmental Protection Agency</b>				<b>248,462</b>	<b>-</b>
Federal Emergency Management Agency:					
Pass-through Florida Division of Emergency Management - Hurricane Matthew	97.036		FEMA 17-PA-U5-13-00-12-045	709,253	-
Pass-through Florida Division of Emergency Management	97.047		FEMA-15DM-K1-10-60-16-452	92,690	-
<b>Total Federal Emergency Management Agency</b>				<b>801,943</b>	<b>-</b>
<b>Total cash federal awards</b>				<b>\$ 5,387,326</b>	<b>\$ -</b>

\*CFDA number not available.

(Continued)

## South Florida Water Management District

### Schedule of Expenditures of Federal Awards and State Financial Assistance (Continued) Year Ended September 30, 2018

Federal Grantor/State Agency	CSFA No.	Grant/Contract Number	Expenditures	Pass-Through Amount to Subrecipient
State financial assistance:				
Florida Department of Environmental Protection:				
Water Management District – Land Acquisition and Construction:				
SOETF FY12 NEEPP/CERP	37.022	SOETF12 NEEPP/CERP	\$ 138,606	\$ -
SOETF FY14 NEEPP/CERP/Restoration Strategies	37.022	SOETF14 NEEPP/CERP/RS	1,828,678	-
SOETF FY15 CERP/Restoration Strategies	37.022	SOETF15 CERP/RS	920,504	-
LATF FY16 CERP/Restoration Strategies	37.022	LATF 16 CERP/RS	5,065,531	-
LATF FY16 Kissimmee River Restoration	37.022	LATF 16 CERP/RS	111,441	-
SOETF FY16 CERP/Restoration Strategies	37.022	SOETF16 CERP/RS	39,886,816	-
SOETF FY18 CERP	37.022	SOETF18 CERP	12,077,817	-
LATF FY17 Restoration Strategies	37.022	LATF FY17 RS	6,463,282	-
LATF FY17 Land Acquisition NEEPP/CERP	37.022	LATF FY17 NEEPP/CERP	20,689,710	-
LATF FY17 NEEPP Public Private Partnership-Water Storage/Quality	37.022	LATF FY17 NEEPP	160,873	-
LATF FY18 Restoration Strategies	37.022	LATF FY18 RS	19,127,040	-
LATF FY18 NEEPP	37.022	LATF FY18 NEEPP	10,170,454	-
LATF FY18 NEEPP	37.022	LATF FY18 NEEPP	5,500,000	-
ETF FY18	37.022	ETF FY18 EAA	7,196,471	-
ETF FY19	37.022	ETF FY18 C-51 Reservoir	25,112	-
Land Management Funds	37.022	N/A	2,350,000	-
Dispersed Water Management	37.022	SA1616 DWS	564,454	-
Dispersed Water Management	37.022	SA1586 DWS	4,149,252	-
C-43 West Basin Storage Reservoir	37.022	S0913 C-43 WEST BASIN	376,771	-
			<u>136,802,812</u>	<u>-</u>
Water Management District Operations:				
CERP Water Quality Studies	37.037	SA FY2012-2013	215,227	-
			<u>215,227</u>	<u>-</u>
Surface Water Restoration and Wastewater Projects:				
Various Surface Water Rest. & Waste Water Projects-CBIR	37.039	SFW61	1,305,034	-
Various Surface Water Rest. & Waste Water Projects-CBIR	37.039	SFW81	135,949	-
			<u>1,440,983</u>	<u>-</u>
<b>Total Florida Department of Environmental Protection</b>			<u>138,459,022</u>	<u>-</u>
Florida Department of Motor Vehicles:				
Indian River Lagoon License Plate Revenue	76.010	IRL License Plate	167,101	-
Everglades River of Grass License Plate Project	76.013	Everglades License	299,166	-
<b>Total Florida Department of Motor Vehicles</b>			<u>466,267</u>	<u>-</u>
Florida Department of Transportation:				
Everglades Restoration Program:				
DOT Alligator Alley Toll Fees	55.025	C-7425	5,409,047	-
<b>Total Florida Department of Transportation</b>			<u>5,409,047</u>	<u>-</u>
<b>Total state financial assistance</b>			<u>144,334,336</u>	<u>-</u>
<b>Total expenditures of federal awards and state financial assistance</b>			<u>\$ 149,721,662</u>	<u>\$ -</u>

See notes to schedule of expenditures of federal awards and state financial assistance.

## South Florida Water Management District

### Notes to Schedule of Expenditures of Federal Awards and State Financial Assistance Year Ended September 30, 2018

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#### **Basis of Presentation**

The accompanying schedule of expenditures of federal awards and state financial assistance (the Schedule) includes the activity of all federal awards and state projects of the South Florida Water Management District (the District) for the year ended September 30, 2018. All federal awards and state financial assistance received directly from federal and state agencies, as well as federal and state awards passed through other government agencies are included in the accompanying Schedule. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and Chapter 10.550, *Rules of the Auditor General*. Because the Schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position, changes in net position or cash flows of the District. The District's reporting entity is described in Note 1 to the financial statements.

#### **Note 1. Summary of Significant Accounting Policies**

Expenditures reported in the Schedule are presented using the modified accrual basis of accounting for grants which are accounted for in the governmental fund types. Such amounts are reported following the cost principles in the Uniform Guidance and State Projects Compliance Supplement, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Therefore, some amounts presented in this schedule may differ from amounts presented in or used in the preparation of the basic financial statements.

#### **Note 2. Noncash Federal Financial Assistance (Unaudited)**

In accordance with various cost sharing projects the District has entered into with the U.S. Army Corps of Engineers (ACOE), a portion of the project is funded and performed by the ACOE and is considered to be noncash federal financial assistance to the District. However, since the amount is provided by the ACOE and cannot be verified by the District, it has not been subjected to audit as part of the District's federal awards under the Uniform Guidance and the Federal Single Audit Act. The amount of noncash federal financial assistance received by the District, as reported by the ACOE was \$3,898,688 for fiscal year ended September 30, 2018.

#### **Note 3. Indirect Cost Recovery**

The District did not recover its indirect costs using the 10% de minimis indirect cost rate provided under Section 200.414 of the Uniform Guidance.

**South Florida Water Management District**

**Schedule of Findings and Questioned Costs  
Year Ended September 30, 2018**

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**Section I – Summary of Auditor’s Results**

Financial Statements

Type of auditor’s report issued:		Unmodified
Internal control over financial reporting:		
Material weakness(es) identified?	_____ Yes	_____ X _____ No
Significant deficiency(ies) identified that are not considered to be material weakness(es)?	_____ Yes	_____ X _____ None reported
Noncompliance material to financial statements noted?	_____ Yes	_____ X _____ No

Federal Awards

Internal control over major federal program:		
Material weakness(es) identified?	_____ Yes	_____ X _____ No
Significant deficiency(ies) identified that are not considered to be material weakness(es)?	_____ Yes	_____ X _____ None reported

Type of auditor’s report issued on compliance for major federal programs:		Unmodified
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	_____ Yes	_____ X _____ No

Identification of major federal programs:

<u>Federal CFDA No.</u>	<u>Name of Major Federal Program</u>
15* 15.654	U.S. Department of the Interior: Talisman - Program Income Fish and Wildlife Service

Dollar threshold used to distinguish between type A and type B programs:		_____ \$750,000 _____
Auditee qualified as low-risk auditee?	_____ X _____ Yes	_____ _____ No

**South Florida Water Management District**

**Schedule of Findings and Questioned Costs (Continued)  
Year Ended September 30, 2018**

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State Financial Assistance

Internal control over major state financial assistance projects:

Material weakness(es) identified?	_____ Yes	_____ X _____	No
Significant deficiency(ies) identified that are not considered to be material weakness(es)?	_____ Yes	_____ X _____	None reported

Type of auditor's report issued on compliance for major state financial assistance projects:

Any audit findings disclosed that are required to be reported in accordance with Chapter 10.550, <i>Rules of the Auditor General</i> ?	_____ Yes	_____ X _____	No
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Unmodified

Identification of major state financial assistance projects:

State CSFA No.

Name of State Projects

37.022

Florida Department of Environmental Protection:  
Water Management District – Land Acquisition and Construction

Dollar threshold used to distinguish between type A and type B projects:

\_\_\_\_\_ \$4,330,030 \_\_\_\_\_

**Section II – Financial Statement Findings**

No matters to report.

**Section III – Federal Awards and State Financial Assistance Findings and Questioned Costs**

No matters to report.

**South Florida Water Management District**

**Summary Schedule of Prior Audit Findings  
Year Ended September 30, 2018**

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The prior year single audit disclosed no findings in the *Schedule of Findings and Questioned Costs* and no uncorrected or unresolved findings exist from the prior audit's *Summary of Prior Audit Findings*.



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# **MANAGEMENT LETTER**



# **South Florida Water Management District**

Management Letter in Accordance With the  
*Rules of the Auditor General* of the State of Florida  
September 30, 2018



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**Management Letter in Accordance With the  
Rules of the Auditor General of the State of Florida**

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

**Report on the Financial Statements**

We have audited the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the South Florida Water Management District (the District), a component unit of the State of Florida, as of and for the year ended September 30, 2018, and the related notes to the financial statements, and have issued our report thereon dated April 30, 2019. Our report included an emphasis of matter paragraph for the adoption of Government Accounting Standards Board (GASB) Statement No.75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, effective October 1, 2017.

**Auditor's Responsibility**

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.

**Other Reporting Requirements**

We have issued our Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*; Independent Auditor's Report on Compliance For Each Major Federal Program and State Project and Report on Internal Control Over Compliance in Accordance With the Uniform Guidance and Chapter 10.550, *Rules of the Florida Auditor General*; the Schedule of Findings and Questioned Costs and our Independent Accountant's Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, *Rules of the Auditor General*. Disclosures in those reports and schedule should be considered in conjunction with this management letter.

**Prior Audit Findings**

Section 10.554(1)(i)1., *Rules of the Auditor General*, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. The status of prior audit findings and recommendations are included in Appendix A to this report under the heading "Status of Prior Year Findings and Recommendations."

**Official Title and Legal Authority**

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

### **Financial Condition and Management**

Section 10.554(1)(i)5.a and 10.556(7), *Rules of the Auditor General*, requires us to apply appropriate procedures and communicate the results of our determination as to whether or not the District has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and identification of the specific condition(s) met. In connection with our audit, we determined that the District did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

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

Section 10.554(1)(i)2., *Rules of the Auditor General*, requires that we communicate any recommendations to improve financial management. In connection with our audit, we did not have any such recommendations.

### **Monthly Financial Statements**

Section 10.554(1)(i)6.a and 10.556(9), *Rules of the Auditor General*, require us to apply appropriate procedures and communicate the results of our determination as to whether or not the District provided monthly financial statements to its governing board and made such monthly statements available for public access on its website. In connection with our audit, we determined that the District provided monthly financial statements to its governing board and made such monthly statements available for public access on its website.

### **Transparency**

Section 10.554(1)(i)6.b. and 10.556(9), *Rules of the Auditor General*, require us to apply appropriate procedures and communicate the results of our determination as to whether the District provided a link on its website to the Florida Department of Financial Service's website to view the District's annual financial report submitted to the Department. In connection with our audit, we determined that the District provided a link on its website to the Florida Department of Financial Service's website.

Section 10.554(1)(i)6.c. and 10.556(9), *Rules of the Auditor General*, require us to apply appropriate procedures and communicate the results of our determination as to whether the District posted its tentative and final budgets on its website. In connection with our audit, we determined that the District posted its tentative and final budgets on its website.

### **Additional Matters**

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



**Purpose of This Letter**

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, Federal and other granting agencies, and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.

*RSM US LLP*

West Palm Beach, Florida  
April 30, 2019

**South Florida Water Management District**

**Appendix A—Status of Prior Year Findings and Recommendations**

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<b>No.</b>	<b>Prior Year's Observations</b>	<b>Observation is Still Relevant</b>	<b>Comment No Longer Relevant</b>
2017-01	User Access Reviews		X

# **ATTESTATION REPORT**





RSM US LLP

## Independent Auditor's Report

The Governing Board  
South Florida Water Management District  
West Palm Beach, Florida

We have examined the South Florida Water Management District's (the District) compliance with Section 218.415, *Florida Statutes, Local Government Investment Policies* during the period October 1, 2017 to September 30, 2018. Management is responsible for the District's compliance with the specified requirements. Our responsibility is to express an opinion on the District's compliance with the specified requirements based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the District complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether the District complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the District's compliance with specified requirements.

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

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

*RSM US LLP*

West Palm Beach, Florida  
April 30, 2019

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